# TOWN OF LOS GATOS
# COUNCIL MEETING AGENDA
# FEBRUARY 17, 2026
# 110 EAST MAIN STREET AND TELECONFERENCE
# TOWN COUNCIL CHAMBERS
# 7:00 PM

*Rob Moore, Mayor*
*Maria Ristow, Vice Mayor*
*Mary Badame, Council Member*
*Matthew Hudes, Council Member*
*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 Zoom Webinar (log-in information provided below). You may watch the Council meeting without providing public comment on Comcast cable channel 15 or at www.LosGatosCA.gov/TownYouTube. Members of the public may provide public comments for agenda items in-person or virtually by following the instructions listed at the end of the agenda.

To watch and participate via Zoom, please go to:
https://losgatosca-gov.zoom.us/j/86730363468?pwd=pfKQoh92JnbwOYwFvZqIdSSWpjxYoK.1
Enter Passcode: 577971

**CALL MEETING TO ORDER**

**ROLL CALL**

**PLEDGE OF ALLEGIANCE**

**PRESENTATIONS**

i. Small Business Recognition
ii. Resident Recognition

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

1. **Approve the Minutes of the February 3, 2026, Boards and Commissions Interviews.**
RECOMMENDATION: Approve the Minutes of the February 3, 2026, Boards and Commissions Interviews.

2. **Approve the Minutes of the February 3, 2026, Town Council Meeting.**
RECOMMENDATION: Approve the Minutes of the February 3, 2026, Town Council Meeting.

3. **Approve the Minutes of February 10, 2026, Special Town Council Meeting.**
RECOMMENDATION: Approve the Minutes of February 10, 2026, Special Town Council Meeting.

4. **Receive the Monthly Financial and Investment Report for December 2025.**
RECOMMENDATION: Receive the Monthly Financial and Investment Reports for December 2025.

5. **Authorize the Town Manager to Execute an Agreement for Services with Schaaf & Wheeler for the Drainage Assessment of Loma Street in an Amount Not to Exceed $147,060.**
RECOMMENDATION: Authorize the Town Manager to execute an agreement for services with Schaaf & Wheeler in an amount not to exceed $147,060 for the assessment of drainage on Loma Street (CIP No. 816-0421, 4618311).

6. **Authorize the Town Manager to Execute an Amendment to an Agreement for Downtown Garbage and Recycling Services with Universal Site Services to Amend the Scope of Services and Increase the Total Agreement Amount by $2,056.76.**
RECOMMENDATION: Authorize the Town Manager to execute the First Amendment to the Agreement for Services with Universal Site Services to amend the scope of services and increase the total agreement base amount by $2,056.76 for a total base amount of $217,026.66.

7. **Adopt an Ordinance of the Town Council Amending the Town's Special Events Regulations in Chapter 14 to Establish an Entertainment Zone, Pursuant to State Law, Allowing Outdoor Consumption of Alcoholic Beverages During Permitted Events**
**Ordinance Title: An Ordinance of the Town Council of The Town of Los Gatos Amending Article X, "Special Events," of Chapter 14, "Licenses and Miscellaneous Business Regulations," of the Town Of Los Gatos Town Code to Establish an Entertainment Zone Pursuant to SB 969**
RECOMMENDATION: Adopt an Ordinance of the Town Council amending the Town's Special Events Regulations in Chapter 14 to establish an Entertainment Zone, pursuant to State Law, allowing outdoor consumption of alcoholic beverages during permitted events.

8. **Authorize the Town Manager to Execute a Second Amendment to the Agreement for Services with Pacific Water Art, Inc. to Increase the Agreement Amount for Additional Maintenance and Repair Costs.**
RECOMMENDATION: Authorize the Town Manager to execute a second amendment to the agreement for services for Water Fountain Maintenance and Repair with Pacific Water Art, Inc., to increase the agreement amount by $25,397 for a total not to exceed amount of $102,853.

9. **Approve the 2026 Work Plan Recommended by the Town's Parks and Sustainability Commission**
RECOMMENDATION: Approve the 2026 work plan recommended by the Town's Parks and Sustainability Commission.

10. **Approve the 2026 Town Council Policy Committee Work Plan**
RECOMMENDATION: Approve the 2026 work plan recommended by the Town Council Policy Committee work plan.

**VERBAL COMMUNICATIONS** *(Members of the public are welcome to address the Town Council on any matter that is not listed on the agenda and is within the subject matter jurisdiction of the Town Council. The law generally prohibits the Town Council from discussing or taking action on such items. However, the Council may instruct staff accordingly. Town resources may not be used to facilitate audio or visual presentations. To ensure all agenda items are heard, this portion of the agenda is limited to 30 minutes. In the event additional speakers were not heard during the initial Verbal Communications portion of the agenda, an additional Verbal Communications will be opened prior to adjournment. Each speaker is limited to no more than three (3) minutes or such time as authorized by the Mayor.)*

**PUBLIC HEARINGS** *(Presentations during the Public Hearings portion of the agenda by appellants and applicants, including any expert or consultant assisting with the presentation, shall be limited to a total of no more than five (5) minutes for all speakers. Appellants and applicants shall be provided no more than three (3) minutes to rebut at the end of the public hearing. Visual presentations that require the use of staff resources shall be limited to appellants and applicants. Members of the public testifying at public hearings shall be limited to no more than three (3) minutes, or such time as authorized by the Mayor.)*

11. **Consider a Recommendation by the Planning Commission to Approve a Request to Modify Planned Development Ordinance 2281 to Allow for Two Lot Line Adjustments Between Three Properties and a Zone Change of a Portion of Land from HR-2½:PD to HR-1 on Properties Zoned HR-2½:PD and HR-1. Located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court. APNs 527-12-003, 527-12-004, and 527-15-002. The Request for Modification of a Planned Development Ordinance is Not Considered a Project Pursuant to the California Environmental Quality Act (CEQA). The Request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a Ministerial Approval in Accordance with Public Resources Code Section 21080(b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The Request for a Zone Change is Categorically Exempt Pursuant to CEQA Guidelines Section 15061(b)(3): Common Sense Exemption. Property Owners: 16300 Greenridge Terrace and 240 La Terra Court: Greenridge Terrace Development, LLC; and 16084 Greenridge Terrace: Richard Luu. Applicant: Hanna Brunetti. Project Planner: Sean Mullin.**
Ordinance Titles**: An Ordinance of the Town Council of the Town of Los Gatos repealing and replacing Planned Development Ordinance 2281 establishing development standards and allowable uses for lots within the Planned Development Overlay zone for property located at 16100 Greenridge Terrace (APN: 527-12-002).**
**An Ordinance of the Town Council of the Town of Los Gatos amending the Zoning Code effecting a zone change from HR-2½:PD (Hillside Residential, two and one-half to 10 acres for each dwelling unit, Planned Development) to HR-1 (Hillside Residential, one to five acres for each dwelling unit) for a portion of property located at 16084 Greenridge Terrace.**
RECOMMENDATION: Accept the Planning Commission's recommendation and introduce an Ordinance repealing and replacing Planned Development Ordinance 2281 to allow for two Lot Line Adjustments between three properties and a zone change on a portion of land

from HR-2½:PD to HR-1; introduce an Ordinance effecting a zone change from HR-2½:PD to HR-1 for a portion of land; and adopt a Resolution approving two Lot Line Adjustments between three properties located at 16300 and 16084 Greenridge Terrace and 240 La Terra Court.

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

12. **Adopt Amendments to Council Policy 5-02 Flag Policy to Establish a Commemorative Flag Framework**
RECOMMENDATION: Adopt amendments to Council Policy 5-02 Flag Policy to establish a formal framework permitting the display of commemorative flags as an exercise of government speech, when initiated by a Councilmember and approved by resolution of the Town Council.

13. **Adopt a Resolution Authorizing the Display of the Progress Pride Flag at Town Hall During the Month of June 2026**
RECOMMENDATION: Adopt a Resolution authorizing the display of the Progress Pride Flag at Town Hall during the month of June 2026, consistent with the Town's amended Flag Policy permitting commemorative flags when initiated and approved by the Town Council by resolution and constituting government speech.

14. **Receive the FY 205-26 Mid-Year Budget Report, including the FY 2025-26 Year End Projections**
RECOMMENDATION: Staff recommends that the Town Council take the following actions regarding the Mid-Year Budget Performance Report - July 1 - December 31, 2025:
    a. Receive the FY 2025-26 Mid-Year Budget Report, including the FY 2025-26 Year End Projections;
    b. Authorize budget adjustments of $3,581,888 in estimated revenues and $1,350,141 in increases expenses as recommended in the Mid-Year Budget Report; and
    c. Receive the Town Five Year Financial Projection from FY 2026-27 to FY 2030-31.

**COUNCIL MATTERS (***Members of the public who wish to speak on matters listed under Council Matters may do so under Verbal Communications.)*

**MANAGER MATTERS**

**ATTORNEY MATTERS AND CLOSED SESSION REPORT**

**ADJOURNMENT** *(Council policy is to adjourn no later than midnight unless a majority of Council votes for an extension of time.)*

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

35.104 and related provisions.

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

**HOW TO PARTICIPATE**

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

**Zoom Webinar (Online)**: To participate from a PC, Mac, iPad, iPhone or Android device. Please use this URL to join: https://losgatosca-gov.zoom.us/j/86730363468?pwd=pfKQoh92JnbwOYwFvZqIdSSWpjxYoK.1 Passcode: **577971**. You can also type in **867 3036 3468** in the "Join a Meeting" page on the Zoom website at www.zoom.us and use passcode **577971**. When the Mayor announces the item for which you wish to speak, click the "raise hand" feature in Zoom.

**Telephone**: To participate by phone please dial 1 (408) 961-3927 or 1 (855) 758-1310 for US Toll-free and use Meeting ID: **867 3036 3468**. When the Mayor announces the item for which you wish to speak, press *9 on your telephone keypad to raise your hand.

**In-Person**: Please complete a "speaker's card" located on the back of the chamber benches and submit it to the Town Clerk before the meeting or when the Mayor announces the item for which you wish to speak.

**NOTES:** Comments will be limited to three (3) minutes or less at the Mayor's discretion. If you are unable to participate in real-time, you may email to Clerk@losgatosca.gov the subject line "Public Comment Item #__ " (insert the item number relevant to your comment).

Deadlines to submit written comments are:

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

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 02/17/2026
ITEM NO: 1

**DRAFT**
**Minutes of the Town Council Special Meeting – Commissioner Interviews**
**February 3, 2026**
**6:15 P.M.**

The Town Council of the Town of Los Gatos conducted this special meeting in person and utilizing teleconferencing means.

## MEETING CALLED TO ORDER AT 6:17 P.M.

## ROLL CALL

Present: Mayor Rob Moore, Vice Mayor Maria Ristow, Council Member Mary Badame, Council Member Rob Rennie, Council Member Matthew Hudes.
Absent: None.

## VERBAL COMMUNICATIONS

No one spoke

Wendy Wood, Town Clerk, explained the interview process.

## OTHER BUSINESS

1. Interview Applicants and Make Appointments to Town Boards, Committees, and Commissions.

Mayor Moore welcomed applicants and explained the interview process.

The Town Council interviewed the following applicants:

- **COMMUNITY HEALTH AND SENIOR SERVICES COMMISSION (CHSSC)**
  - Stewart Brewster
  - Lura Halbert

Ballots were distributed to each Council Member, and the Town Clerk explained that a candidate must receive a majority vote of three or more to be appointed. The Council Members completed their ballots and provided them to the Town Clerk. Town Clerk Wood read the votes and appointments as follows:

- **COMMUNITY HEALTH AND SENIOR SERVICES COMMISSION (CHSSC)**
  - Stewart Brewster received four votes (Moore, Badame, Hudes and Rennie)
  - Lura Halbert received one vote (Ristow)

Stewart Brewster was appointed to the Community Health and Senior Services Commission by a majority vote.

**ADJOURNMENT**
The meeting adjourned at 6:47 p.m.

Respectfully Submitted:

_____
Keara Johnson, Deputy Town Clerk

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 02/17/2026
ITEM NO: 2

**DRAFT**
**Minutes of the Town Council Meeting**
**Tuesday, February 3, 2026**

The Town Council of the Town of Los Gatos conducted a regular meeting in person and via teleconference.

## MEETING CALLED TO ORDER AT 7:01 P.M.

## ROLL CALL

Present: Mayor Rob Moore, Vice Mayor Maria Ristow, Council Member Mary Badame, Council Member Rob Rennie, Council Member Matthew Hudes.
Absent: None.

## PLEDGE OF ALLEGIANCE

Daniel Choi, Aditya Desai, Arjun Desai, and Yuvaan Pawar from Stratford School lead the Pledge of Allegiance. The audience was invited to participate.

Mayor Moore stated that Item 14 on the agenda is being removed and will be rescheduled to a future meeting.

## CONSENT ITEMS (TO BE ACTED UPON BY A SINGLE MOTION)

Vilca Rodríguez, Human Resources Manager, provided an oral summary of the recommended action for items 10 and 11, in accordance with Government Code 54953(c)(3).

1. Approve the Minutes of the January 13, 2026, Special Town Council Meeting.
2. Approve the Minutes of the January 20, 2026, Town Council Closed Session Meeting.
3. Approve the Minutes of the January 20, 2026, Town Council Meeting.
4. Approve the Closed Session Meeting Minutes of January 21, 2026.
5. Approve the Special Meeting Minutes of January 21, 2026.
6. Adopt an Ordinance of the Town Council of the Town of Los Gatos Effecting a Zone Change from C-2:LHP (Central Business District with a Landmark and Historic Preservation Overlay) to R-1D:LHP (Single-Family Residential Downtown with a Landmark and Historic Preservation Overlay), for Property Located at 4 Tait Avenue. APN: 510-44-054. Categorically Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15061 (b)(3). Zone Change Application Z-25-002. Property Owner/Applicant: Town of Los Gatos. Project Planner: Sean Mullin. **ORDINANCE 2381**
7. Accept the Vasona Oaks Storm Drainage Repair Project (Phase 1), Authorize the Town

Manager to Execute a Notice of Completion and Direct Staff to Record the Notice of Completion.

8. Authorize the Town Manager to Execute an Amendment to the Agreement with MBS Business Systems (MBS) to Remove the Table Specifying Annual Printer Replacement Costs While Maintaining the Total Not-to-Exceed Amount of $260,540
9. Adopt a Resolution Authorizing Banking Signature Authority for Designated Town Personnel. **RESOLUTION 2026-006**
10. Adopt a Resolution to Approve a Fourth Amendment to the Employment Agreement Between the Town of Los Gatos and the Town Attorney and Authorize the Mayor to Execute the Amendment; Modify the Management Salary Schedule to Reflect the New Salary of $310,000; and Authorize a Budget Adjustment in the Amount of $24,195 from Available General Fund Unassigned Balance. **RESOLUTION 2026-007**
11. Adopt a Resolution to Approve the First Amendment to the Employment Agreement Between the Town of Los Gatos and the Town Manager and Authorize the Mayor to Execute the Amendment; Modify the Management Salary Schedule to Reflect a New Salary of $366,000; and Authorize a Budget Adjustment in the Amount of $19,766 funded from Available General Fund Unassigned Fund Balance. **RESOLUTION 2026-008**
12. Approve the 2026 Work Plans Recommended by the Town's Library Board, Arts and Culture Commission, Complete Streets and Transportation Commission, and Finance Commission.

Council Member Hudes pulled Item number one.

Mayor Moore opened public comment.

Member of the Public
- Commented on concerns with item three.

Mayor Moore closed public comment.

**MOTION:** **Motion** by **Vice Mayor Ristow** to approve items two through twelve. **Seconded** by **Council Member Rennie.**

**VOTE:** **Motion passed unanimously.**

## VERBAL COMMUNICATIONS

Jim Ratcliff
- Commented on a conditional use permit modification for the West Valley Museum Association.

Kim Ratcliff
- Commented on conditional use permit modification for the West Valley Museum Association.

Mitchelle
- Commented on conditional use permit modification for the West Valley Museum Association.

Carol Manchester
- Commented on concerns regarding Immigration and Customs Enforcement (ICE).

Susan Ann Lorig
- Commented on concerns regarding Immigration and Customs Enforcement (ICE).

Jeffrey Suzuki
- Commented on concerns regarding Immigration and Customs Enforcement (ICE).

Nigel Chandler
- Commented on concerns regarding Immigration and Customs Enforcement (ICE).

Jason James
- Commented on concerns regarding Immigration and Customs Enforcement (ICE).

Debbie Lowe
- Commented on concerns regarding Immigration and Customs Enforcement (ICE).

Carmen Lowe
- Commented on concerns regarding Immigration and Customs Enforcement (ICE).

Tim Crane
- Commented on concerns regarding Immigration and Customs Enforcement (ICE).

Carrin Yamamoto
- Commented on concerns regarding a possible water leak on Los Gatos Boulevard.

Joe Enz, Friends of the Los Gatos Creek
- Commented on addressing an unsecured gate.

Member of the Public
- Commented on various concerns.

Gordon Yamate
- Commented on concerns regarding Immigration and Customs Enforcement (ICE).

Amy
- Commented on concerns regarding Immigration and Customs Enforcement (ICE).

Tina Phan
- Shared personal experiences as an immigrant.

Ali Miano
- Commented on a recent Texas court decision and the judge's comments.

Autumn
- Commented on a family member's experience and recent government actions.

## PUBLIC HEARING

13. Conduct a Public Hearing to Consider Objections to the Proposed Abatement of Hazardous Vegetation (Weeds) for Properties Listed on the 2026 Weed Abatement Program Commencement Report and Order Abatement.

Nicole Burnham, Parks and Public Works Director, presented the staff report**.**

Council members asked questions.

Mayor Moore opened public comment.

Doug Ferrante
- Commented in objection to being included on the property abatement list and requested that his property be removed.

Mayor Moore closed public comment.

Council discussed the item.

**MOTION:** **Motion** by **Council Member Rennie** to remove item twenty-two, which is 14990 Terreno De Flores, and continue with all the rest of the properties on the list [2026 Weed Abatement Program Commencement Report]. **Seconded** by **Council Member Hudes.**

**VOTE:** **Motion passed unanimously.**

14. Receive the Preliminary Baseline Forecast Model and Assumptions from NHA Advisors and Provide Feedback

This item was removed and will be rescheduled for another meeting.

## OTHER BUSINESS

15. Introduce an Ordinance of the Town Council Amending the Town's Special Events Regulations in Chapter 14 to Establish an Entertainment Zone, Pursuant to State Law,

Allowing Outdoor Consumption of Alcoholic Beverages During Permitted Events.

Monica Renn, Economic Vitality Manager, presented the staff report.

Council asked questions.

Mayor Moore opened public comment.

Member of the Public
- Commented on attracting tourism during the upcoming sporting events.

Mayor Moore closed public comment.

Council discussed the item.

**MOTION:** **Motion** by **Council Member Badame** to introduce an ordinance of the Town of Los Gatos amending article X, "Special Events," of Chapter 14, "Licenses and Miscellaneous Business Regulations," of the Town of Los Gatos Town Code to establish an Entertainment Zone pursuant to SB 969 with the addition of Section 14.100.035 Subsection 14 which reads "an entertainment zone event is a discretionary permit and may be denied at the discretion of the Town Manager, or designee; and confirming the eligible area is as specified and depicted in the draft ordinance modifications in Section 14.100.070 Subsection h, which specifies C-2 Central Business District Commercial Zone inclusive of public parking lots, alleyways, and parks located within the Central Business District (C-2); and the portion of C-1, Neighborhood Commercial Zoning located directly adjacent to the south-west of the C-2 Zone along E. Main Street, between Pageant Way and Alpine Avenue as shown on the map below with in the ordinance [the map will be updated to depict all properties in the entertainment zone as listed in the ordinance]. **AMENDMENT:** include a recommendation to identify an eco-friendly cup that would be used. **Seconded** by **Vice Mayor Ristow.**

**VOTE:** **Motion passed unanimously.**

Mayor Moore called a recess at 8:59 p.m.
Mayor Moore reconvened the meeting at 9:09 p.m.

16. Approve a Council Policy Regarding Adoption of Certain Town Assets

Nicole Burnham, Parks and Public Works Director, presented the staff report**.**

Council asked questions.

Mayor Moore opened public comment.

No one spoke.

Mayor Moore closed public comment.

Council discussed the item.

**MOTION:** **Motion** by **Council Member Hudes** to approve a Council Policy entitled Adoption of Assets on Town-Owned Property, with the amendment under page three, section starting with sentiment on the plaque to change shall to may, and after the four bullet point messages, to add a paragraph that reads "If a custom message is desired, such message shall be reviewed in accordance to administrative policies intended to restrict objectively obscene, explicit, or threatening messaging." **Seconded** by **Vice Mayor Ristow.**

**VOTE:** **Motion passed unanimously.**

**CONSENT ITEMS**

1. Approve the Minutes of the January 13, 2026, Special Town Council Meeting.

Council Member Hudes raised some concerns about the level of detail in the minutes.

Council asked questions.

Mayor Moore opened public comment.

Member of the Public
- Commented on concerns related to this item.

Mayor Moore closed public comment.

Council discussed the item.

**MOTION:** **Motion** by **Council Member Hudes** to continue this item to allow the Town Clerk to review the minutes for consistency with our policy and consistency with the record of the meeting, and to bring this back at the next Council meeting. **Seconded** by **Council Member Badame.**

**SUBSTITUTE MOTION: Motion** by **Council Member Rennie** to approve the minutes. **Seconded** by **Vice Mayor Ristow.**

**VOTE:** **Motion passed 3-2. Council Members Hudes and Badame voted no.**

**COUNCIL/TOWN MANAGER REPORTS**

**Council Matters**

- Council Member Rennie stated he met with the developers of 647 N. Santa Cruz, attended the swearing-in of our new county assessor, and the Silicon Valley Clean Energy Risk Oversight Committee meeting.
- Council Member Hudes stated he attended the Silicon Valley Regional Interoperability Authority (SVRIA) board of directors meeting: participated in the Community Health and Senior Services Commission meeting; attended the Cities Association City Selection Committee meeting, and was appointed to the Board of SVRIA; participated in a program at Tarana Wireless; and attended the Finance Commission Meeting.
- Vice Mayor Ristow stated she met with county representatives regarding nutrition food funding; attended the Cities Association Legislative Action Committee meeting; met with Live Oak board member regarding Nutrition programs; participated in a project meeting to discuss partners in local governess effort; met with the Executive Director of Safe Routes to School; attended the 2026 Cal Cities Legislator Spotlight for Peninsula division residents, the Finance Commission meeting; and met with residents to discuss Fock cameras.
- Council Member Badame stated she participated in the Council Policy committee meeting, and the Silicon Valley Animal Control Authority board meeting, and was appointed Chair.
- Mayor Moore stated he met with students at Hillbrook School, toured Pacific Clinics campus; met with representatives from Cal Trans and the California Transportation Commission; spoke with the Union Middle School Eighth grade leadership class; attended the Joint Venture Leadership lunch, the City's Peninsula Division Legislator Spotlight, Wedemeyer boys and girls football games, spoke with members of Democracy Tent; met with the Los Gatos Saratoga Joint Union School District board president and superintendent, Director General of the Taipei Economic and Cultural Office, spoke with the Christy Sereno Realtors; and was appointed to the Association of Bay Area Governments Executive Committee.

**Town Manager Report**

Chris Constantin, Town Manager

- Provided information regarding the reported water issue on Los Gatos Boulevard, the unsecured fence along the creek, and commented on Super Bowl preparations, including drone restrictions.

**Closed Session Reports**

Cassie Bronson, Consultant Attorney

- Stated the Town Council met in closed session on January 20 pursuant to Government Code Section 54957.6 to conference with its labor negotiators regarding negotiations with the Police Officers Association, and there was no reportable action from that conference. On January 21, the town council met in closed session pursuant to Government Code, 54957, to discuss performance evaluations for the Town Manager and the Town Attorney and the amendments to those employment contracts were on the council agenda.

**ADJOURNMENT**

The meeting adjourned at 10:24 p.m.

Respectfully Submitted:

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Keara Johnson, Deputy Town Clerk

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 02/17/2026
ITEM NO: 3

**DRAFT**
**Minutes of the Town Council Special Meeting**
**Tuesday, February 10, 2026**

The Town Council of the Town of Los Gatos conducted a special meeting in person and via teleconference.

**MEETING CALLED TO ORDER AT 5:31 P.M.**

**ROLL CALL**
Present: Mayor Rob Moore, Vice Mayor Maria Ristow, Council Member Matthew Hudes, Council Member Rob Rennie, and Council Member Mary Badame.

**VERBAL COMMUNICATION**
No one spoke.

**OTHER BUSINESS**
1. Discussion of the Town's Strategic Priorities and Budget Process.

Chris Constantin, Town Manager, gave a presentation on the topic.

Mayor Moore opened public comment.

Tom Picraux
- Commented on the Senior Services Roadmap implementation milestones.

Mayor Moore closed public comment.

Council discussed the Strategic Priorities and proposed modifications to the language.

**MOTION:** **Motion** by **Vice Mayor Ristow** to approve the changes to Strategic Priority number eleven under Additional Priorities to reflect new language that says: "Continue to engage the community service providers to meet the individualized and complex needs of unhoused residents, while pursuing a more coordinated regional approach." **Seconded** by **Council Member Hudes**.

**VOTE:** **Motion passed unanimously.**

After further discussion, the Town Manager provided the following suggested modified language for priority number five: "Implement transportation demand management, traffic calming and other innovative efforts to mitigate traffic congestion and improve safety for all users, including bicycle and pedestrian improvements."

**MOTION:** **Motion** by **Council Member Badame** to accept the Town Manager's recommendation on additional Strategic Priority number five. **Seconded** by **Vice Mayor Ristow**.

**VOTE:** **Motion passed unanimously.**

Mayor Moore called a recess at 7:50 p.m.
Mayor Moore reconvened the meeting at 8:00 p.m.

2. Training on Rosenberg's Rules of Order.

Chris Constantin, Town Manager, gave a presentation on the topic.

Mayor Moore opened public comment.

Karin Yamamoto
- Asked about debate time limits and guidelines for speaker conduct.

Mayor Moore closed public comment.

Council asked questions and received the training.

## ADJOURNMENT

The meeting adjourned at approximately 8:29 p.m.

Respectfully Submitted:

_____
Wendy Wood, Town Clerk

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 2/17/2026
ITEM NO: 4

DATE: February 11, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: Receive the Monthly Financial and Investment Report for December 2025

RECOMMENDATION: Receive the Monthly Financial and Investment Reports for December 2025.

FISCAL IMPACT:

There is no fiscal impact from the receipt of this report.

STRATEGIC PRIORITY:

This item aligns with the strategic priority to ensure prudent financial management.

BACKGROUND:

California Government Code Section 41004 requires that the Town Treasurer submit to the Town Clerk and the legislative body a written report and accounting of all receipts, disbursements, and fund balances. The Administrative Services Director assumes the Town Treasurer role. Attachment 1 contains the December 2025 monthly Financial and Investment Report, which fulfills this requirement.

The December 2025 Monthly Financial and Investment Report was received by the Finance Commission at its February 9, 2026, regular meeting.

PREPARED BY: Eric Lemon
Finance and Accounting Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

DISCUSSION:

The December 2025 Monthly Financial and Investment Report includes a Fund Balance Schedule, representing estimated funding available for all funds at the beginning of the fiscal year and at the end of the respective month.

As operations fluctuate month to month, there are differences between balances in one month and balances in another. Such differences may be significant due to the type of activity in those months and the timing of any estimates used in the presentation, based on the information available. This is demonstrated by the attached December 31, 2025, fund balance report. In the case that the differences are extraordinary and unanticipated, we will ensure we present more information to explain the differences.

The difference between the December 31 and November 30 estimated fund balance is due to normal day-to-day fluctuations in revenues and expenditures.

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, Ending Fund Balance = Cash + Assets - Liabilities, which represents the actual amount of funds available.

| **Reconciling Cash to Fund Balance - December 31, 2025** | | |
|---|---|---|
| Total Cash | $ | 72,645,597 |
| Plus: Assets | $ | 13,558,398 |
| Less: Liabilities | $ | (21,968,314) |
| **Estimated Fund Balance** | **$** | **64,235,681** |

As of December 31, 2025, the Town's financial position (Cash Plus Other Assets $86.21M, Liabilities $21.97M, and Fund Equity $64.24M) remains strong, and the Town has sufficient funds to meet the cash demands for the next six months.

As of December 31, 2025, the Town's weighted portfolio yield for investments under management was 4.24%, which was 21 basis points above the Local Agency Investment Fund (LAIF) yield of 4.03% for the same reporting period. Currently, the LAIF portfolio's weighted average maturity (WAM) is 244 days versus the Town's longer WAM of 643 days. The Town's assets under management reflect the Town's selection of the 1-3 year benchmark investment strategy through the Town's investment advisor to lock in higher yields at the top of the interest rate cycle. The longer maturities are 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 4.24% at the close of December was 3 basis points lower when compared to the prior month's return of 4.27% reported as of November 30, 2025.

Since December 2024, LAIF yields decreased from 443 basis points (4.43%) to 403 basis points (4.03%) through the end of December 2025. The State LAIF pool typically lags the market when current market yields are either increasing or decreasing.

The Federal Open Market Committee implemented three rate cuts in 2025. The first, on September 17, reduced the federal funds target range by 25 basis points to 4.00%–4.25% amid slower economic growth in the first half of the year and emerging signs of labor-market softening. A second 25-basis-point cut on October 29 brought the range down to 3.75%–4.00% as labor-market weakness and broader economic uncertainty persisted. At its December 10 meeting, the Committee approved a final 25-basis-point reduction to 3.50%–3.75%, reflecting ongoing concerns about the economic outlook. These adjustments align with the FOMC's objective to promote maximum employment and achieve a year-over-year inflation target of 2%.

In the US, the unemployment rate rose to 4.6%, the highest since October 2021. However, jobless claims decreased over the month. Initial claims fell from 237,000 to 199,000 during December and continuing claims fell to 1.866m. Residual seasonality may have had a measure of impact.

The Town's investments are in compliance with the Town's Investment Policy dated March 18, 2025, and are also in compliance with the requirements of Section 53600 et 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.

CONCLUSION:

Receive the Monthly Financial and Investment Report for December 2025.

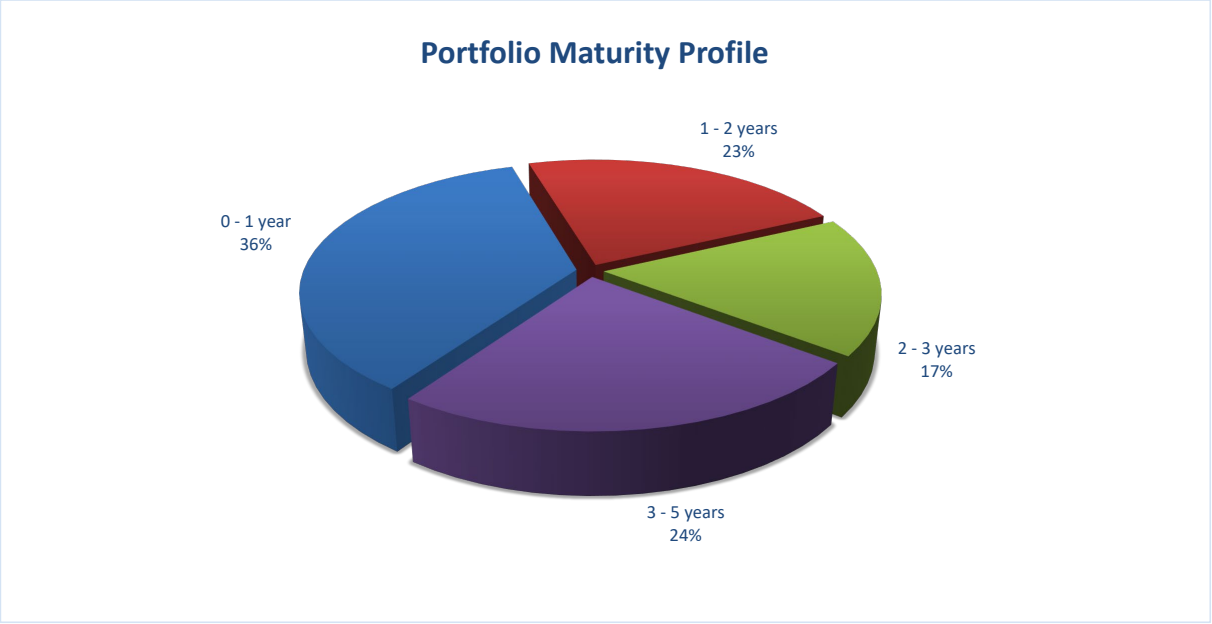
Attachments:
1. Financial and Investment Report (December 2025)

# Town of Los Gatos
## Summary Investment Information
## December 31, 2025

| | |
|---|---|
| **Weighted Average YTM Portfolio Yield on Investments under Management** | **4.24%** |
| **Weighted Average Maturity (days)** | **643** |

| | This Month | Last Month | One year ago |
|---|---|---|---|
| **Portfolio Allocation & Treasurer's Cash Balances** | $72,645,597 | $69,422,880 | $66,720,922 |
| Managed Investments | $52,793,844 | | |
| Local Agency Investment Fund | $9,497,276 | | |
| Reconciled Demand Deposit Balances | $10,354,476 | | |
| Portfolio Allocation & Treasurer's Cash Balances | $72,645,597 | | |

| **Benchmarks/ References:** | | | |
|---|---|---|---|
| Town's Average Yield | 4.24% | 4.27% | 4.44% |
| LAIF Yield for month | 4.03% | 4.10% | 4.43% |
| 3 mo. Treasury | 3.63% | 3.80% | 4.31% |
| 6 mo. Treasury | 3.60% | 3.76% | 4.27% |
| 2 yr. Treasury | 3.47% | 3.49% | 4.24% |
| 5 yr. Treasury | 3.73% | 3.60% | 4.38% |
| 10 Yr. Treasury | 4.17% | 4.01% | 4.57% |

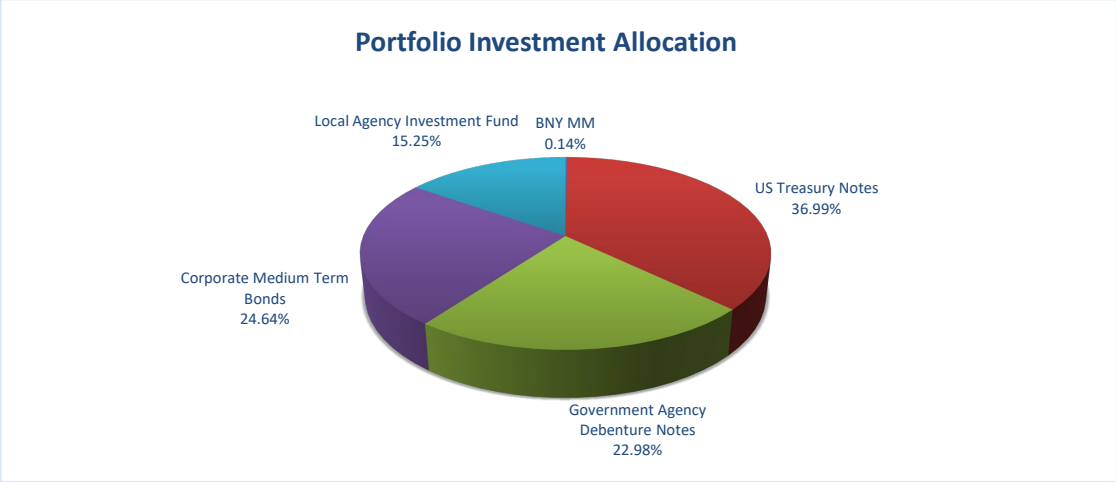


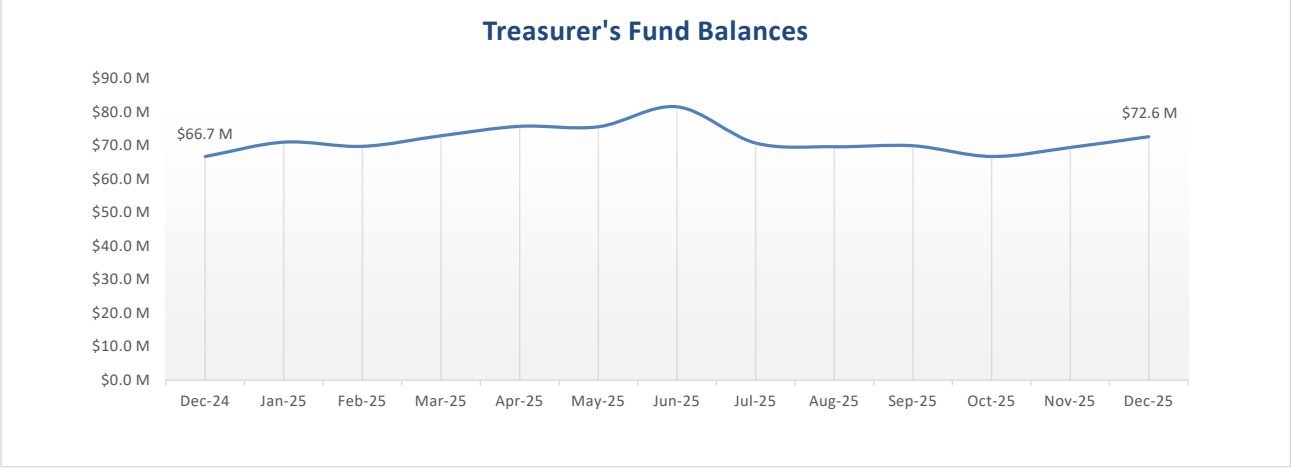

**Compliance:** The Town's investments are in compliance with the Town's investment policy dated March 18, 2025, and also in compliance with the requirements of Section 53600 at seq. of the California State Code. Based on the information available, the Town has sufficient funds to meet the cash demands for the next six months.

**Town of Los Gatos**
**Portfolio Allocation & Treasurer's Cash Balances**
**December 31, 2025**

| | Month | YTD |
|---|---|---|
| Cash & Investment Balances - Beginning of Month/Period | $ 69,422,879.89 | $ 81,558,113.19 |
| Receipts | 7,235,971.88 | 40,802,746.65 |
| Disbursements | (4,013,255.09) | (49,715,263.16) |
| Cash & Investment Balances - End of Month/Period | $72,645,596.68 | $72,645,596.68 |

| Portfolio Allocation | Amount | % of Portfolio | Max. % or $ Allowed per State Law or Policy |
|---|---|---|---|
| BNY MM | $88,866.54 | 0.14% | 20% of Town Portfolio |
| US Treasury Notes | $23,040,182.23 | 36.99% | No Max. on US Treasuries |
| Government Agency Debenture Notes | $14,316,775.31 | 22.98% | No Max. on Non-Mortgage Backed |
| Corporate Medium Term Bonds | $15,348,020.30 | 24.64% | 30% of Town Portfolio |
| Local Agency Investment Fund | $9,497,275.92 | 15.25% | $75 M per State Law |
| Subtotal - Investments | 62,291,120.30 | 100.00% | |
| Reconciled Demand Deposit Balances | 10,354,476.38 | | |
| Total Portfolio Allocation & Treasurer's Cash Balances | $72,645,596.68 | | |



# Town of Los Gatos
## Non-Treasury Restricted Fund Balances
## December 31, 2025

| | Beginning Balance | December 2025 Deposits Realized Gain/Adj. | December 2025 Interest/ Earnings | December 2025 Withdrawals | Ending Balance | |
|---|---|---|---|---|---|---|
| Non-Treasury Funds: | | | | | | |
| Cert. of Participation 2002 Ser A Reserve Fund | $ 694,887.73 | $ - | $ 1,964.76 | $ - | $ 696,852.49 | **Note 1** |
| Cert. of Participation 2010 Ser Lease Payment Fund | 2,641.87 | - | 8.34 | - | 2,650.21 | **Note 2** |
| Cert. of Participation 2002 Ser A Lease Payment Fund | 14,427.09 | - | 40.78 | - | 14,467.87 | **Note 1** |
| Cert. of Participation 2010 Ser Reserve Fund | 1,299,272.02 | - | 4,082.35 | - | 1,303,354.37 | **Note 2** |
| Total Restricted Funds: | $ 2,011,228.71 | $ - | $ 6,096.23 | $ - | $ 2,017,324.94 | |
| CEPPT IRS Section 115 Trust | 3,237,625.32 | - | (3,471.98) | - | $ 3,234,153.34 | **Note 3** |
| Grand Total COP's and CEPPT Trust | $ 5,248,854.03 | $ - | $ 2,624.25 | $ - | $ 5,251,478.28 | |

*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 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 post employment benefits.

**Town of Los Gatos**
**Statement of Interest Earned**
**December 31, 2025**

| | | |
|---|---|---|
| July 2025 | $ | 238,713.97 |
| August 2025 | $ | 238,367.28 |
| September 2025 | $ | 259,685.13 |
| October 2025 | $ | 228,769.00 |
| November 2025 | $ | 220,968.79 |
| December 2025 | $ | 234,197.60 |
| January 2026 | $ | - |
| February 2026 | $ | - |
| March 2026 | $ | - |
| April 2026 | $ | - |
| May 2026 | $ | - |
| June 2026 | $ | - |
| | $ | 1,420,701.77 |

**Town of Los Gatos**
**Investment Schedule**
**December 31, 2025**

| Institution | CUSIP # | Security | Coupon | Deposit Date | Par Value | Original Cost | Original Issue (Discount) Premium | 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 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Apple | 037833DB3 | Corporate Bond | 2.90% | 12/20/2022 | 1,300,000.00 | 1,228,591.00 | (71,409.00) | 1,284,244.00 | 55,653.00 | | 6/21/2027 | 4.19% | $ 102,837.22 | $ 135,426.07 | $ 26,997.18 | 537 |
| Home Depot | 437076BM3 | Corporate Bond | 3.00% | 8/4/2022 | 1,000,000.00 | 991,960.00 | (8,040.00) | 998,130.00 | 6,170.00 | | 1/1/2026 | 3.04% | $ 94,750.00 | $ 94,051.74 | $ 16,310.57 | 1 |
| FFCB | 3133EN5V8 | Gov. Agency Debenture | 4.13% | 1/17/2023 | 236,000.00 | 239,174.20 | 3,174.20 | 237,290.92 | (1,883.28) | | 1/11/2027 | 3.76% | $ 24,175.25 | $ 21,918.24 | $ 4,506.10 | 376 |
| US Treasury | 91282CBT7 | US Treasury Note | 0.75% | 9/30/2022 | 800,000.00 | 712,565.18 | (87,434.82) | 794,736.00 | 82,170.82 | | 3/31/2026 | 4.14% | $ 18,000.00 | $ 85,193.12 | $ 15,613.08 | 90 |
| JP Morgan Chase | 46625HRS1 | Corporate Bond | 3.20% | 9/23/2022 | 500,000.00 | 474,660.00 | (25,340.00) | 498,510.00 | 23,850.00 | | 3/15/2026 | 4.70% | $ 51,644.44 | $ 64,505.94 | $ 11,739.95 | 74 |
| FHLB | 3130AQF65 | Gov. Agency Debenture | 1.25% | 11/30/2022 | 1,300,000.00 | 1,160,559.40 | (139,440.60) | 1,271,959.00 | 111,399.60 | | 12/21/2026 | 4.15% | $ 49,697.92 | $ 130,709.25 | $ 25,504.24 | 355 |
| FHLB | 3130APJH9 | Gov. Agency Debenture | 1.00% | 1/17/2023 | 1,000,000.00 | 907,010.00 | (92,990.00) | 989,670.00 | 82,660.00 | | 10/28/2026 | 4.17% | $ 28,354.17 | $ 84,829.28 | $ 17,439.76 | 301 |
| FFCB | 3133EN5N6 | Gov. Agency Debenture | 4.00% | 2/8/2023 | 1,700,000.00 | 1,706,732.00 | 6,732.00 | 1,716,456.00 | 9,724.00 | | 1/6/2028 | 3.91% | $ 163,955.56 | $ 159,363.33 | $ 33,588.61 | 736 |
| American Honda | 02665WED9 | Corporate Bond | 4.70% | 5/11/2023 | 600,000.00 | 608,856.00 | 8,856.00 | 608,304.00 | (552.00) | | 1/12/2028 | 4.34% | $ 61,178.33 | $ 56,288.41 | $ 13,261.29 | 742 |
| US Treasury | 91282CEF4 | US Treasury Note | 2.50% | 6/9/2023 | 1,500,000.00 | 1,416,626.12 | (83,373.88) | 1,481,490.00 | 64,863.88 | | 3/31/2027 | 4.09% | $ 86,577.87 | $ 122,333.72 | $ 29,932.72 | 455 |
| Colgate-Palmolive | 194162AR4 | Corporate Bond | 4.60% | 7/14/2023 | 500,000.00 | 504,655.00 | 4,655.00 | 507,840.00 | 3,185.00 | | 2/1/2028 | 4.37% | $ 49,002.79 | $ 43,173.83 | $ 11,079.48 | 762 |
| FFCB | 3133EPQC2 | Gov. Agency Debenture | 4.63% | 7/17/2023 | 500,000.00 | 501,957.50 | 1,957.50 | 502,405.00 | 447.50 | | 7/17/2026 | 4.48% | $ 46,250.00 | $ 43,961.07 | $ 11,328.90 | 198 |
| FFCB | 3133EPBM6 | Gov. Agency Debenture | 4.13% | 7/14/2023 | 600,000.00 | 596,220.00 | (3,780.00) | 605,964.00 | 9,744.00 | | 8/23/2027 | 4.29% | $ 52,181.25 | $ 50,424.13 | $ 12,940.08 | 600 |
| PNC Bank | 69353RFJ2 | Corporate Bond | 3.25% | 7/25/2023 | 1,000,000.00 | 921,490.00 | (78,510.00) | 989,380.00 | 67,890.00 | | 12/23/2027 | 5.23% | $ 64,729.17 | $ 97,247.67 | $ 25,345.00 | 722 |
| US Treasury | 91282CFU0 | US Treasury Note | 4.13% | 7/31/2023 | 1,300,000.00 | 1,290,660.60 | (9,339.40) | 1,314,573.00 | 23,912.40 | | 10/31/2027 | 4.31% | $ 120,656.25 | $ 107,052.11 | $ 28,139.41 | 669 |
| Toyota Motor Credit | 89236TKL8 | Corporate Bond | 5.45% | 8/25/2023 | 1,600,000.00 | 1,617,168.00 | 17,168.00 | 1,647,920.00 | 30,752.00 | | 11/10/2027 | 5.16% | $ 192,566.67 | $ 153,725.55 | $ 41,904.45 | 679 |
| US Treasury | 912810FE3 | US Treasury Note | 5.50% | 10/3/2023 | 1,200,000.00 | 1,238,207.14 | 38,207.14 | 1,259,580.00 | 21,372.86 | | 8/15/2028 | 4.76% | $ 123,211.96 | $ 101,335.84 | $ 29,317.29 | 958 |
| Pepsico Inc | 713448DF2 | Corporate Bond | 2.85% | 10/16/2023 | 1,000,000.00 | 947,570.00 | (52,430.00) | 998,470.00 | 50,900.00 | | 2/24/2026 | 5.24% | $ 52,883.33 | $ 86,538.35 | $ 25,558.68 | 55 |
| FFCB | 3133EPUW3 | Gov. Agency Debenture | 4.75% | 10/13/2023 | 1,000,000.00 | 994,338.00 | (5,662.00) | 1,007,370.00 | 13,032.00 | | 9/1/2026 | 4.96% | $ 89,458.33 | $ 84,828.57 | $ 24,933.64 | 244 |
| US Treasury | 91282CEW7 | US Treasury Note | 3.25% | 10/16/2023 | 1,000,000.00 | 950,039.06 | (49,960.94) | 996,640.00 | 46,600.94 | | 6/30/2027 | 4.73% | $ 71,711.96 | $ 78,477.53 | $ 23,177.95 | 546 |
| US Treasury | 91282CEN7 | US Treasury Note | 2.75% | 10/31/2023 | 1,300,000.00 | 1,214,336.39 | (85,663.61) | 1,287,455.00 | 73,118.61 | | 4/30/2027 | 4.82% | $ 71,500.00 | $ 100,336.49 | $ 30,364.99 | 485 |
| US Treasury | 91282CCH2 | US Treasury Note | 1.25% | 12/21/2023 | 900,000.00 | 798,647.55 | (101,352.45) | 852,012.00 | 53,364.45 | | 6/30/2028 | 3.99% | $ 22,805.71 | $ 51,319.84 | $ 16,953.05 | 912 |
| FNMA | 3135G0Q22 | Gov. Agency Debenture | 1.88% | 12/21/2023 | 900,000.00 | 845,676.00 | (54,324.00) | 888,966.00 | 43,290.00 | | 9/24/2026 | 4.22% | $ 29,671.88 | $ 55,770.03 | $ 18,423.14 | 267 |
| US Treasury | 91282CFB2 | US Treasury Note | 2.75% | 1/2/2024 | 1,000,000.00 | 960,354.91 | (39,645.09) | 988,790.00 | 28,435.09 | | 7/31/2027 | 3.95% | $ 43,417.12 | $ 57,605.73 | $ 19,448.54 | 577 |
| US Treasury | 91282CHE4 | US Treasury Note | 3.63% | 1/17/2024 | 1,800,000.00 | 1,775,185.72 | (24,814.28) | 1,805,130.00 | 29,944.28 | | 5/31/2028 | 3.97% | $ 121,942.63 | $ 102,986.91 | $ 35,753.94 | 882 |
| JP Morgan Chase | 46647PDG8 | Corporate Bond | 4.85% | 2/1/2024 | 1,400,000.00 | 1,396,528.00 | (3,472.00) | 1,418,172.00 | 21,644.00 | | 7/25/2027 | 4.93% | $ 100,739.10 | $ 97,231.80 | $ 34,739.13 | 571 |
| US Bancorp | 91159HJF8 | Corporate Bond | 4.55% | 2/5/2024 | 1,000,000.00 | 989,200.00 | (10,800.00) | 1,008,430.00 | 19,230.00 | | 7/22/2027 | 4.89% | $ 66,577.67 | $ 68,041.60 | $ 24,500.30 | 568 |
| Treasury | 91282CHB0 | US Treasury Note | 3.63% | 2/23/2024 | 1,175,000.00 | 1,151,962.92 | (23,037.08) | 1,175,317.25 | 23,354.33 | | 5/15/2026 | 4.56% | $ 73,485.92 | $ 71,517.53 | $ 26,692.14 | 135 |
| FHLB | 3130AXB31 | Gov. Agency Debenture | 4.88% | 2/27/2024 | 1,000,000.00 | 1,003,060.00 | 3,060.00 | 1,002,490.00 | (570.00) | | 3/13/2026 | 4.72% | $ 76,104.17 | $ 63,303.13 | $ 23,819.58 | 72 |
| FFCB | 3133EP5U5 | Gov. Agency Debenture | 4.13% | 3/28/2024 | 1,700,000.00 | 1,687,981.00 | (12,019.00) | 1,726,588.00 | 38,607.00 | | 3/20/2029 | 4.28% | $ 103,629.17 | $ 91,219.09 | $ 36,567.13 | 1175 |
| US Treasury | 9128285M8 | US Treasury Note | 3.13% | 4/30/2024 | 1,200,000.00 | 1,123,832.14 | (76,167.86) | 1,187,016.00 | 63,183.86 | | 11/15/2028 | 4.69% | $ 57,795.34 | $ 63,313.82 | $ 27,346.81 | 1050 |
| Cisco Systems | 17275RBR2 | Corporate Bond | 4.85% | 5/15/2024 | 1,000,000.00 | 999,130.00 | (870.00) | 1,027,080.00 | 27,950.00 | | 1/26/2029 | 4.87% | $ 62,106.94 | $ 54,820.58 | $ 24,542.55 | 1122 |
| Home Depot | 437076CW0 | Corporate Bond | 4.90% | 5/17/2024 | 1,000,000.00 | 1,001,790.00 | 1,790.00 | 1,029,630.00 | 27,840.00 | | 4/15/2029 | 4.86% | $ 69,144.44 | $ 54,498.76 | $ 24,517.78 | 1201 |
| Treasury | 91282CJR3 | US Treasury Note | 3.75% | 5/31/2024 | 1,200,000.00 | 1,154,629.02 | (45,370.98) | 1,207,272.00 | 52,642.98 | | 12/31/2028 | 4.68% | $ 71,208.79 | $ 59,398.06 | $ 27,668.97 | 1096 |
| American Honda | 02665WEY3 | Corporate Bond | 4.95% | 6/27/2024 | 1,000,000.00 | 995,640.00 | (4,360.00) | 1,000,180.00 | 4,540.00 | | 1/9/2026 | 5.25% | $ 51,287.50 | $ 52,766.88 | $ 26,383.44 | 9 |
| FHLB | 3130B1BT3 | Gov. Agency Debenture | 4.88% | 7/2/2024 | 1,150,000.00 | 1,150,966.00 | 966.00 | 1,156,911.50 | 5,945.50 | | 6/12/2026 | 4.82% | $ 75,372.92 | $ 55,261.42 | $ 28,011.30 | 163 |
| Citibank | 17325FBK3 | Corporate Bond | 4.84% | 8/15/2024 | 1,250,000.00 | 1,263,062.50 | 13,062.50 | 1,280,162.50 | 17,100.00 | | 7/6/2029 | 4.60% | $ 58,963.12 | $ 50,520.38 | $ 29,140.28 | 1283 |
| FNMA | 3135G05Y5 | Gov. Agency Debenture | 0.75% | 9/10/2024 | 1,100,000.00 | 1,010,724.00 | (89,276.00) | 1,048,795.00 | 38,071.00 | | 10/8/2027 | 3.56% | $ 8,891.67 | $ 29,915.45 | $ 18,786.49 | 646 |
| US Treasury | 91282CFL0 | US Treasury Note | 3.88% | 12/3/2024 | 1,100,000.00 | 1,088,144.31 | (11,855.69) | 1,110,142.00 | 21,997.69 | | 9/30/2029 | 4.12% | $ 35,130.49 | $ 25,813.46 | $ 22,725.72 | 1369 |
| FHLB | 3130ATUT2 | Gov. Agency Debenture | 4.50% | 2/12/2025 | 505,000.00 | 508,253.21 | 3,253.21 | 521,023.65 | 12,770.44 | | 12/14/2029 | 4.35% | $ 19,063.75 | $ 8,337.70 | $ 11,116.94 | 1444 |
| FFCB | 3133ER5X5 | Gov. Agency Debenture | 3.88% | 3/12/2025 | 1,000,000.00 | 998,480.00 | (1,520.00) | 1,006,100.00 | 7,620.00 | | 3/7/2028 | 3.93% | $ 18,836.81 | $ 11,831.34 | $ 19,790.60 | 797 |
| Treasury | 91282CJF9 | US Treasury Note | 4.88% | 3/31/2025 | 1,100,000.00 | 1,130,167.75 | 30,167.75 | 1,139,358.00 | 9,190.25 | | 10/31/2028 | 4.04% | $ 31,256.56 | $ 11,273.90 | $ 22,795.57 | 1035 |
| State Street Corp | 857477CD3 | Corporate Bond | 5.27% | 4/30/2025 | 800,000.00 | 811,184.00 | 11,184.00 | 805,112.00 | (6,072.00) | | 8/3/2026 | 4.04% | $ 10,895.47 | $ 5,565.50 | $ 16,787.73 | 215 |
| Freddie Mac | 3134HAW33 | Gov. Agency Debenture | 4.75% | 4/30/2025 | 1,000,000.00 | 1,005,644.00 | 5,644.00 | 1,003,940.00 | (1,704.00) | | 12/18/2029 | 4.23% | $ 30,743.07 | $ 7,735.00 | $ 23,331.80 | 1448 |
| US Treasury | 91282CNG2 | US Treasury Note | 4.00% | 6/30/2025 | 660,000.00 | 665,184.24 | 5,184.24 | 668,949.60 | 3,765.36 | | 5/31/2030 | 3.82% | $ 11,036.08 | $ - | $ 12,777.37 | 1612 |
| US Treasury | 91282CMG3 | US Treasury Note | 4.25% | 8/4/2025 | 825,000.00 | 842,308.43 | 17,308.43 | 843,917.25 | 1,608.82 | 381.11 | 1/31/2030 | 3.74% | $ (381.11) | $ - | $ 12,741.61 | 1492 |
| US Treasury | 91282CMA6 | US Treasury Note | 4.13% | 8/25/2025 | 1,200,000.00 | 1,218,847.77 | 18,847.77 | 1,221,516.00 | 2,668.23 | | 11/30/2029 | 3.72% | $ 13,118.86 | $ - | $ 15,810.44 | 1430 |
| US Treasury | 91282CHR5 | US Treasury Note | 4.00% | 9/23/2025 | 950,000.00 | 967,036.38 | 17,036.38 | 962,882.00 | (4,154.38) | 5,576.08 | 7/31/2030 | 3.59% | $ (5,576.08) | $ - | $ 9,355.04 | 1673 |
| US Treasury | 91282CGQ8 | US Treasury Note | 4.00% | 10/3/2025 | 1,000,000.00 | 1,013,362.72 | 13,362.72 | 1,013,480.00 | 117.28 | 3,646.41 | 2/28/2030 | 3.67% | $ (3,646.41) | $ - | $ 9,014.28 | 1520 |
| State Street Corp | 857477DB6 | Corporate Bond | 4.83% | 11/10/2025 | 580,000.00 | 596,535.80 | 16,535.80 | 597,655.20 | 1,119.40 | 1,246.09 | 4/24/2030 | 4.13% | $ (1,246.09) | $ - | $ 3,398.88 | 1575 |
| US Treasury | 91282CKA8 | US Treasury Note | 4.13% | 12/17/2025 | 1,150,000.00 | 1,157,775.34 | 7,775.34 | 1,157,590.00 | (185.34) | 15,984.38 | 2/15/2027 | 3.52% | $ (15,984.38) | $ - | $ 1,563.39 | 411 |
| US Treasury | 91282CHW4 | US Treasury Note | 4.13% | 12/17/2025 | 1,150,000.00 | 1,170,308.54 | 20,308.54 | 1,171,252.00 | 943.46 | 14,152.62 | 8/31/2030 | 3.71% | $ (14,152.62) | $ - | $ 1,654.03 | 1704 |
| Subtotal | | | | | $ 53,731,000.00 | $ 52,704,977.84 | $ (1,026,022.16) | $ 54,024,246.87 | $ 1,319,269.03 | $ 40,986.69 | | | $ 2,837,560.96 | $ 3,051,768.15 | $ 1,085,141.35 | |
| BNY MM | | Money Market | | | | 88,866.54 | | 88,866.54 | 0.00 | | | 0.00% | | | | 1 |
| LAIF | | State Investment Pool | | | | 9,497,275.92 | | 9,517,994.07 | 20,718.15 | | | 4.03% | | | 265,460.05 | 1 |
| | | | | | | **62,291,120.30** | | **$63,631,107.48** | **$1,339,987.18** | **$40,986.69** | | | $ 2,837,560.96 | $ 3,051,768.15 | $ 1,350,601.40 | |
| Matured Assets | | | | | | | | | | | | | | | | |
| US Treasury | 91282CAB7 | US Treasury Note | 0.25% | 11/15/2023 | 675,000.00 | 623,900.39 | (51,099.61) | | | | 7/31/2025 | 4.92% | $ 2,884.34 | $ 51,302.62 | $ 2,681.92 | |
| FHLB | 3135G05X7 | Gov. Agency Debenture | 0.38% | 6/10/2022 | 1,200,000.00 | 1,102,952.40 | (97,047.60) | | | | 8/25/2025 | 3.04% | $ 14,437.50 | $ 106,169.42 | $ 5,327.50 | |
| FFCB | 3133ENP95 | Gov. Agency Debenture | 4.25% | 9/30/2022 | 900,000.00 | 900,939.60 | 939.60 | | | | 9/30/2025 | 4.14% | $ 114,750.00 | $ 104,352.97 | $ 9,562.22 | |
| Freddie Mac | 3137EAEX3 | Gov. Agency Debenture | 0.38% | 5/1/2023 | 750,000.00 | 689,032.50 | (60,967.50) | | | | 9/23/2025 | 3.97% | $ 6,734.37 | $ 61,146.74 | $ 6,570.76 | |
| FannieMae | 3135G06G3 | Gov. Agency Debenture | 0.50% | 7/14/2023 | 500,000.00 | 455,157.00 | (44,843.00) | | | | 11/7/2025 | 4.63% | $ 5,784.72 | $ 42,871.33 | $ 7,773.04 | |
| US Treasury | 91282CGA3 | US Treasury Note | 4.00% | 6/20/2023 | 2,100,000.00 | 2,080,558.59 | (19,441.41) | | | | 12/15/2025 | 4.40% | $ 208,852.46 | $ 186,379.78 | $ 42,256.15 | |
| Total Investments "Matured" | | | | | | | | | | | | | | | $ 74,171.60 | |
| Total Interest FY 24_25 Matured and Current | | | | | | | | | | | | | | | $ 1,424,773.00 | |

**Maturity Profile**

| | Amount | Percent |
|---|---|---|
| 0-1 year | $ 22,235,251.46 | 36% |
| 1-2 years | $14,067,397.62 | 23% |
| 2-3 years | $10,806,253.30 | 17% |
| 3-5 years | $ 15,182,217.92 | 24% |
| | $62,291,120.30 | 100% |

**Town of Los Gatos**
**Investment Transaction Detail**
**December 31, 2025**

| Date | Cusip/Id | Description | Transaction Type | Trade Date | Settlement Date | Par | Coupon | Maturity Date | Price | Principal | Interest | Transaction Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 12/1/2025 | 91282CNG2 | USA TREASURY 4% 31MAY2030 | BOND INTEREST | 11/30/2025 | 11/30/2025 | 660,000.00 | 4.000% | 5/31/2030 | - | - | 13,200.00 | 13,200.00 |
| 12/1/2025 | 91282CHE4 | USA TREASURY 3.625% 31MAY2028 | BOND INTEREST | 11/30/2025 | 11/30/2025 | 1,800,000.00 | 3.625% | 5/31/2028 | - | - | 32,625.00 | 32,625.00 |
| 12/1/2025 | 91282CMA6 | USA TREASURY 4.125% 30NOV2029 | BOND INTEREST | 11/30/2025 | 11/30/2025 | 1,200,000.00 | 4.125% | 11/30/2029 | - | - | 24,750.00 | 24,750.00 |
| 12/2/2025 | Cash-USD | Cash-USD | SHORT TERM INVESTMENT FUND INCOME | 12/2/2025 | 12/2/2025 | 484.69 | 0.000% | | 100.00 | - | - | 484.69 |
| 12/12/2025 | 3130B1BT3 | FEDERAL HOME LOAN BANK 4.875% 12JUN2026 | BOND INTEREST | 12/12/2025 | 12/12/2025 | 1,150,000.00 | 4.875% | 6/12/2026 | - | - | 28,031.25 | 28,031.25 |
| 12/15/2025 | 3130ATUT2 | FEDERAL HOME LOAN BANK 4.5% 14DEC2029 | BOND INTEREST | 12/14/2025 | 12/14/2025 | 505,000.00 | 4.500% | 12/14/2029 | - | - | 11,362.50 | 11,362.50 |
| 12/15/2025 | 91282CGA3 | USA TREASURY 4% 15DEC2025 | REDEMPTION | 12/15/2025 | 12/15/2025 | 2,100,000.00 | 0.000% | 12/15/2025 | 100.00 | 2,100,000.00 | - | 2,100,000.00 |
| 12/15/2025 | 46625HRS1 | JPMORGAN CHASE & CO 3.2% 15JUN2026 (CALLABLE 15MAR26) | BOND INTEREST | 12/15/2025 | 12/15/2025 | 500,000.00 | 3.200% | 6/15/2026 | - | - | 8,000.00 | 8,000.00 |
| 12/15/2025 | 91282CGA3 | USA TREASURY 4% 15DEC2025 | BOND INTEREST | 12/15/2025 | 12/15/2025 | 2,100,000.00 | 0.000% | 12/15/2025 | - | - | 42,000.00 | 42,000.00 |
| 12/17/2025 | 91282CHW4 | USA TREASURY 4.125% 31AUG2030 | PURCHASE | 12/16/2025 | 12/17/2025 | 1,150,000.00 | 4.125% | 8/31/2030 | 101.77 | 1,170,308.54 | 14,152.62 | 1,184,461.16 |
| 12/17/2025 | 91282CKA8 | USA TREASURY 4.125% 15FEB2027 | PURCHASE | 12/16/2025 | 12/17/2025 | 1,150,000.00 | 4.125% | 2/15/2027 | 100.68 | 1,157,775.34 | 15,984.38 | 1,173,759.72 |
| 12/18/2025 | 3134HAW33 | FREDDIE MAC 4.75% 18DEC2029 (CALLABLE 18JUN26) | BOND INTEREST | 12/18/2025 | 12/18/2025 | 1,000,000.00 | 4.750% | 12/18/2029 | - | - | 23,750.00 | 23,750.00 |
| 12/22/2025 | 3130AQF65 | FEDERAL HOME LOAN BANK 1.25% 21DEC2026 | BOND INTEREST | 12/21/2025 | 12/21/2025 | 1,300,000.00 | 1.250% | 12/21/2026 | - | - | 8,125.00 | 8,125.00 |
| 12/31/2025 | 91282CEW7 | USA TREASURY 3.25% 30JUN2027 | BOND INTEREST | 12/31/2025 | 12/31/2025 | 1,000,000.00 | 3.250% | 6/30/2027 | - | - | 16,250.00 | 16,250.00 |
| 12/31/2025 | 91282CJR3 | USA TREASURY 3.75% 31DEC2028 | BOND INTEREST | 12/31/2025 | 12/31/2025 | 1,200,000.00 | 3.750% | 12/31/2028 | - | - | 22,500.00 | 22,500.00 |
| 12/31/2025 | 91282CCH2 | USA TREASURY 1.25% 30JUN2028 | BOND INTEREST | 12/31/2025 | 12/31/2025 | 900,000.00 | 1.250% | 6/30/2028 | - | - | 5,625.00 | 5,625.00 |

# TOWN OF LOS GATOS, CA

## Insight ESG ratings as of December 31, 2025

| CUSIP | Security description | Maturity date | Par/Shares | Total market value ($) | S&P rating | Moody's rating | Insight ESG rating | Environment | Social | Governance |
|---|---|---|---|---|---|---|---|---|---|---|
| 02665WEY3 | AMERICAN HONDA FINANCE 4.95% 09JAN2026 | 1/9/2026 | 1,000,000 | 1,023,830 | A- | A3 | 3 | 3 | 3 | 3 |
| 02665WED9 | AMERICAN HONDA FINANCE 4.7% 12JAN2028 | 1/12/2028 | 600,000 | 621,540 | A- | A3 | 3 | 3 | 3 | 3 |
| 037833DB3 | APPLE INC 2.9% 12SEP2027 (CALLABLE 12JUN27) | 9/12/2027 | 1,300,000 | 1,295,658 | AA+ | Aaa | 5 | 2 | 5 | 5 |
| 17275RBR2 | CISCO SYSTEMS INC 4.85% 26FEB2029 (CALLABLE 26JAN29) | 2/26/2029 | 1,000,000 | 1,043,923 | AA- | A1 | 2 | 1 | 3 | 3 |
| 17325FBK3 | CITIBANK NA 4.838% 06AUG2029 (CALLABLE 06JUL29) | 8/6/2029 | 1,250,000 | 1,304,517 | A+ | Aa3 | 3 | 1 | 2 | 4 |
| 194162AR4 | COLGATE-PALMOLIVE CO 4.6% 01MAR2028 (CALLABLE 01FEB28) | 3/1/2028 | 500,000 | 515,507 | A+ | Aa3 | 3 | 3 | 3 | 2 |
| 437076CW0 | HOME DEPOT INC 4.9% 15APR2029 (CALLABLE 15MAR29) | 4/15/2029 | 1,000,000 | 1,039,970 | A | A2 | 3 | 3 | 3 | 3 |
| 437076BM3 | HOME DEPOT INC 3% 01APR2026 (CALLABLE 30JAN26) | 4/1/2026 | 1,000,000 | 1,005,632 | A | A2 | 3 | 3 | 3 | 3 |
| 46625HRS1 | JPMORGAN CHASE & CO 3.2% 15JUN2026 (CALLABLE 15MAR26) | 6/15/2026 | 500,000 | 499,223 | A | A1 | 3 | 2 | 3 | 4 |
| 46647PDG8 | JPMORGAN CHASE & CO 4.851% 25JUL2028 (CALLABLE 25JUL27) | 7/25/2028 | 1,400,000 | 1,447,598 | A | A1 | 3 | 2 | 3 | 4 |
| 713448DF2 | PEPSICO INC 2.85% 24FEB2026 (CALLABLE 30JAN26) | 2/24/2026 | 1,000,000 | 1,008,529 | A+ | A1 | 3 | 2 | 2 | 4 |
| 69353RFJ2 | PNC BANK NA 3.25% 22JAN2028 (CALLABLE 23DEC27) | 1/22/2028 | 1,000,000 | 1,003,739 | A | A2 | 3 | 3 | 4 | 2 |
| 857477CD3 | STATE STREET CORP 5.272% 03AUG2026 (CALLABLE 03JUL26) | 8/3/2026 | 800,000 | 822,447 | A | Aa3 | 2 | 1 | 2 | 2 |
| 857477DB6 | STATE STREET CORP 4.834% 24APR2030 (CALLABLE 24MAR30) | 4/24/2030 | 580,000 | 602,872 | A | Aa3 | 2 | 1 | 2 | 2 |
| 89236TKL8 | TOYOTA MOTOR CREDIT CORP 5.45% 10NOV2027 | 11/10/2027 | 1,600,000 | 1,660,280 | A+ | A1 | 3 | 1 | 2 | 4 |
| 91159HJF8 | US BANCORP 4.548% 22JUL2028 (CALLABLE 22JUL27) | 7/22/2028 | 1,000,000 | 1,028,514 | A | A3 | 3 | 3 | 3 | 3 |
| **Total Corporate / weighted average** | | | **15,530,000** | **15,923,778** | | | **3** | **2** | **3** | **3** |

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

# Fund Schedule



| Fund Number | Fund Description | Prior Year Carryforward 7/1/2025* | Increase/ (Decrease) July-November | December 2025 | | | | Estimated Fund Balance 12/31/2025* |
|---|---|---|---|---|---|---|---|---|
| | | | | Current Revenue | Current Expenditure | Transfer In | Transfer Out | |
| | **GENERAL FUND** | | | | | | | |
| | **Non-Spendable:** | | | | | | | |
| | Loans Receivable | 159,000 | - | - | - | - | - | 159,000 |
| | **Restricted Fund Balances:** | | | | | | | |
| | Pension | 3,090,731 | - | - | - | - | - | 3,090,731 |
| | Land Held for Resale | - | - | - | - | - | - | - |
| | **Committed Fund Balances:** | | | | | | | |
| | Budget Stabilization | 7,870,639 | - | - | - | - | - | 7,870,639 |
| | Catastrophic | 7,870,639 | - | - | - | - | - | 7,870,639 |
| | Pension/OPEB | 1,300,000 | - | - | - | - | - | 1,300,000 |
| | Measure G District Sales Tax | - | - | - | - | - | - | - |
| | **Assigned Fund Balances:** | | | | | | | |
| | Open Space | 410,000 | - | - | - | - | - | 410,000 |
| | Sustainability | 140,553 | - | - | - | - | - | 140,553 |
| | Capital/Special Projects | 1,983,271 | - | - | - | - | - | 1,983,271 |
| | Carryover Encumbrances | 6,367 | - | - | - | - | - | 6,367 |
| | Compensated Absences | 1,519,243 | - | - | - | - | - | 1,519,243 |
| | ERAF Risk Reserve | - | - | - | - | - | - | - |
| | Market Fluctuations | 1,201,824 | - | - | - | - | - | 1,201,824 |
| | Council Priorities - Economic Recovery | - | - | - | - | - | - | - |
| | **Unassigned Fund Balances:** | | | | | | | |
| 111 | Other Unassigned Fund Balance Reserve (Pre YE distribution) | 10,211,049 | (4,720,943) | 5,110,854 | (4,821,185) | - | - | 5,779,775 |
| | **General Fund Total** | 35,763,316 | (4,720,943) | 5,110,854 | (4,821,185) | - | - | 31,332,042 |

* Interfund transfers and Council Priorities/Economic Recovery funding allocation to be performed as part of the fiscal year end closing entries.

# Fund Schedule

| Fund Number | Fund Description | Prior Year Carryforward 7/1/2025* | Increase/ (Decrease) July-November | December 2025 | | | | Estimated Fund Balance 12/31/2025* |
|---|---|---|---|---|---|---|---|---|
| | | | | Current Revenue | Current Expenditure | Transfer In | Transfer Out | |
| | **SPECIAL REVENUE** | | | | | | | |
| 211/212 | CDBG | 166,653 | - | - | - | - | - | 166,653 |
| 222 | Urban Runoff (NPDES) | 664,168 | (4,780) | 13,641 | (10,933) | - | - | 662,096 |
| 231-236 | Landscape & Lighting Districts | 193,606 | (10,517) | - | (2,071) | - | - | 181,018 |
| 251 | Los Gatos Theatre | 381,120 | 51,926 | 15,070 | (5,323) | - | - | 442,793 |
| 261-264,269 | Library Trusts | 559,745 | 47,850 | - | (397) | - | - | 607,198 |
| | **Special Revenue Total** | 1,965,292 | 84,479 | 28,711 | (18,724) | - | - | 2,059,758 |
| | **CAPITAL PROJECTS** | | | | | | | |
| 411 | GFAR - General Fund Appropriated Reserve | 16,974,946 | 929,426 | 82,377 | (19,774) | - | - | 17,966,975 |
| 412 | Community Center Development | 819,604 | - | - | - | - | - | 819,604 |
| 421 | Grant Funded Projects | (1,577,430) | 848,927 | 25,935 | (16,024) | - | - | (718,592) |
| 461-463 | Storm Basin Projects | 2,825,234 | 85,561 | 46,741 | (105,320) | - | - | 2,852,216 |
| 471 | Traffic Mitigation Projects | 676,482 | - | - | - | - | - | 676,482 |
| 472 | Utility Undergrounding Projects | 3,763,913 | 8,848 | - | - | - | - | 3,772,761 |
| 481 | Gas Tax Projects | 2,130,548 | (358,921) | 146,742 | - | - | - | 1,918,369 |
| | **Capital Projects Total** | 25,613,297 | 1,513,841 | 301,795 | (141,118) | - | - | 27,287,815 |
| | **INTERNAL SERVICE FUNDS** | | | | | | | |
| 611 | Town General Liability | 208,746 | (1,538,849) | 840,773 | (28,943) | - | - | (518,273) |
| 612 | Workers Compensation | 1,259,972 | (641,907) | 865,744 | (120,354) | - | - | 1,363,455 |
| 621 | Information Technology | 2,585,103 | (423,677) | 205,651 | (13,832) | - | - | 2,353,245 |
| 631 | Vehicle & Equipment Replacement | 3,890,428 | 128,053 | 291,886 | - | - | - | 4,310,367 |
| 633 | Facility Maintenance | 820,099 | (146,176) | 296,079 | (142,044) | - | - | 827,958 |
| | **Internal Service Funds Total** | 8,764,348 | (2,622,556) | 2,500,133 | (305,173) | - | - | 8,336,752 |
| | **Trust/Agency** | | | | | | | |
| 942 | RDA Successor Agency | (3,037,146) | (1,743,392) | - | (148) | - | - | (4,780,686) |
| | **Trust/Agency Fund Total** | (3,037,146) | (1,743,392) | - | (148) | - | - | (4,780,686) |
| | **Total Town** | **69,069,107** | **(7,488,571)** | **7,941,493** | **(5,286,348)** | **-** | **-** | **64,235,681** |

* Interfund transfers and Council Priorities/Economic Recovery 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 $536,589.49

111-23521 BMP Housing deposit account balance $3,723,190.79

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 02/17/2026
ITEM NO: 5

DATE: February 17, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Authorize the Town Manager to Execute an Agreement for Services with Schaaf & Wheeler for the Drainage Assessment of Loma Street in an Amount Not to Exceed $147,060**

RECOMMENDATION: Authorize the Town Manager to execute an agreement for services with Schaaf & Wheeler in an amount not to exceed $147,060 for the assessment of drainage on Loma Street (CIP No. 816-0421, 4618311)

FISCAL IMPACT:

Funding for this agreement in an amount not to exceed $147,060 is available within the approved Capital Improvement Program budget for the Loma Drainage Study (CIP No. 816-0421, 4618311). No additional appropriation is required at this time. Completion of the study may inform future capital improvement projects, which would be subject to separate Council consideration and funding authorization.

STRATEGIC PRIORITY:

The assessment of the drainage system does not directly address a Strategic Priority; however, it does support the core goal of "Quality Public Infrastructure."

BACKGROUND:

Historically, the Loma Street neighborhood has experienced localized street flooding during rain events. The existing drainage system has very few inlets, and the discharge at Ross Creek is susceptible to clogging. Loma Street was a part of the County of Santa Clara, which was

PREPARED BY: Saurabh Nijhawan
Senior Civil Engineer

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

annexed by the Town of Los Gatos. The area does not have curb and gutter, and drainage infrastructure is limited.

DISCUSSION:

The purpose of the Loma Drainage Study is to evaluate the existing storm drainage system, propose alternatives for reducing flooding, and recommend improvements. The RFP requests services that include data collection, coordination with Valley Water, community engagement, field survey, hydrologic and hydraulic assessment of existing conditions, development of three schematic designs (including one green infrastructure alternative), and a final report with recommendations.

The Department of Parks and Public Works issued a Request for Proposal on October 31, 2025, with a submittal deadline for December 5, 2025. The town received three proposals from Alfred Martinez Engineering, Schaaf & Wheeler, and Wilsey Ham Brady Engineers.
Proposals were evaluated in two phases. Phase 1 evaluation was for Pass/Fail of the responsiveness and responsibleness of the proposal. Phase 2 evaluation was weighted scoring with multiple dimensions, including but not limited to firm & team qualification, scope, and price.

Schaaf & Wheeler was identified as the top-ranked proposer based on qualifications, proposed approach, and fee. Their in-house staff and subconsultants specialize in water resource engineering, with significant experience in planning and engineering storm water systems. Schaaf & Wheeler's proposal demonstrated the strongest overall qualifications, technical approach, and understanding of local drainage conditions, and offered a competitive fee relative to the scope of work.

The proposed scope includes survey data collection, CCTV, hydrologic and hydraulic modeling, coordination with Valley Water, development of three alternative concepts (including green infrastructure), and preparation of draft and final study report. The proposal also includes community engagement (neighborhood meetings and council meetings) and regular project management. The study will culminate in a final report identifying recommended drainage improvement concepts, estimated costs, and implementation considerations, but does not authorize construction.

CONCLUSION:

The proposed agreement will allow the Town to begin the Loma Drainage Study. The study will provide an understanding of the drainage issues on Loma and develop an implementable drainage improvement plan. Upon completion of the study, staff will return to the Council with findings and recommendations for the next steps.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Agreement for Services with Exhibit A – Schaaf & Wheeler

# AGREEMENT FOR SERVICES



**Loma Drainage Study**

**PREAMBLE**

THIS AGREEMENT is by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Schaaf & Wheeler ("Contractor"), a Corporation whose address is 4699 Old Ironsides Drive, Suite 350, Santa Clara, CA 95054-1860. This Agreement is made with reference to the following facts.

## I. RECITALS

A. Town desires to engage Consultant to provide analysis and assessment of existing area of street flooding, evaluate alternative solutions and develop one recommended solution to a conceptual design level.

B. Consultant represents and affirms that it is willing to perform the desired work pursuant to this Agreement.

C. Consultant warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Consultant acknowledges Town has relied upon these warranties to retain the Consultant.

## II. AGREEMENT

A. Scope of Services. Consultant shall provide services as described in the Scope of Services, which is hereby incorporated by reference and attached as Exhibit A.

B. Term. The term of this Agreement shall be from Upon Execution to Friday, December 31, 2027.

C. Compliance with Laws. The Consultant shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Consultant represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for the Consultant to practice its profession. Consultant shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.

D. Sole Responsibility. Consultant shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

E. Information/Report Handling. All documents furnished to Consultant by the Town and all reports and supportive data prepared by the Consultant under this Agreement are the Town's property and shall be delivered to the Town upon the completion of services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Consultant in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Consultant shall not make any of these documents or information available to any individual or organization not employed by the Consultant or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Consultant pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Consultant in connection with other projects shall be solely at Town's risk, unless the Consultant expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Consultant which is and has been confirmed in writing by Consultant to be a trade secret of Consultant.

F. Compensation: Compensation for Consultant's professional services **shall not exceed $147,060.00** at the rates set forth in Exhibit A which is attached and incorporated by reference. Payment shall be based upon the approval of each task.

G. Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.
Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:
Invoices: Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655
Los Gatos, CA 95031-0655
Email (preferred): AP@losgatosca.gov

H. Availability of Records. Consultant shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Consultant shall make these records available to authorized personnel of the Town at the Consultant offices during business hours upon written request of the Town.

I. Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Consultant. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

J. Independent Contractor. It is understood that the Consultant, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Consultant may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Consultant agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Consultant shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Consultant or is based on allegations of Consultant's negligent performance or wrongdoing.

K. Conflict of Interest. Consultant understands that its professional responsibilities are solely to the Town. The Consultant has and shall not obtain any holding or interest within the Town of Los Gatos. Consultant has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives, nor shall it enter into any such holdings or agreements. In addition, Consultant warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Consultant shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person Consultant discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement, Consultant shall

promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.

L. Non-Discrimination. Consultant warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Consultant nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

## III. INSURANCE AND INDEMNIFICATION

A. Minimum Scope of Insurance:

1. Consultant agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars ($2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.

2. Consultant agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

3. Consultant shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Service Provider agrees that all certificates and endorsements are to be received and approved by the Town before work commences.

4. Consultant agrees to have and maintain, for the duration of the contract, professional liability insurance in amounts not less than $1,000,000 which is sufficient to insure Consultant for professional errors or omissions in the performance of the particular scope of work under this agreement.

B. General Liability:

1. The Town, its elected and appointed officials, employees, and agents are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of Consultant, premises owned or used by the Consultant.

2. The Consultant's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees, and agents. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or agents shall be excess of the Consultant's insurance and shall not contribute with it.

3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or agents.

4. Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

C. All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice

by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

D. Workers' Compensation. In addition to these policies, Consultant shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Consultant shall ensure that all subcontractors employed by Consultant provide the required Workers' Compensation insurance for their respective employees. As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than one million dollars ($1,000,000) per accident for bodily injury or disease.

E. Indemnification. The Consultant shall indemnify the Town its elected and appointed officials, employees and agents from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by any act or omissions of the Consultant, or any of the Consultant's officers, employees, or agents or any subconsultant. Consultant shall defend the Town against any such claims.

## IV. GENERAL TERMS

A. Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

B. Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

C. Termination of Agreement. The Town and the Consultant shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Consultant shall deliver to the Town all plans, files, documents, reports, performed to date by the Service Provider. In the event of such termination, Town shall pay Consultant an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

D. Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Consultant.

E. Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street, Los Gatos, CA 95030

Schaaf & Wheeler
4699 Old Ironsides Drive, Suite 350, Santa Clara, CA 95054-1860

or personally delivered to Consultant to such address or such other address as Consultant designates to Town.

F. Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

G. Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Consultant. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

Attachments:

A - Exhibit A - Schaaf & Wheeler - Scope of Services

IN WITNESS WHEREOF, the Town and Consultant have executed this Agreement.

TOWN OF LOS GATOS:

**SIGNATURE**

Chris Constantin

**FULL NAME**

Town Manager

**TITLE**

**DATE SIGNED**

CONSULTANT: Schaaf & Wheeler, Consulting Civil Engineers

**SIGNATURE**

Daniel J. Schaaf, PE

**ENTER CONSULTANT SIGNATORY'S NAME**

Vice President

**ENTER CONSULTANT SIGNATORY'S TITLE**

**DATE SIGNED**

Approved as to form:

**SIGNATURE**

Gabrielle Whelan

**FULL NAME**

Town Attorney

**TITLE**

**DATE SIGNED**

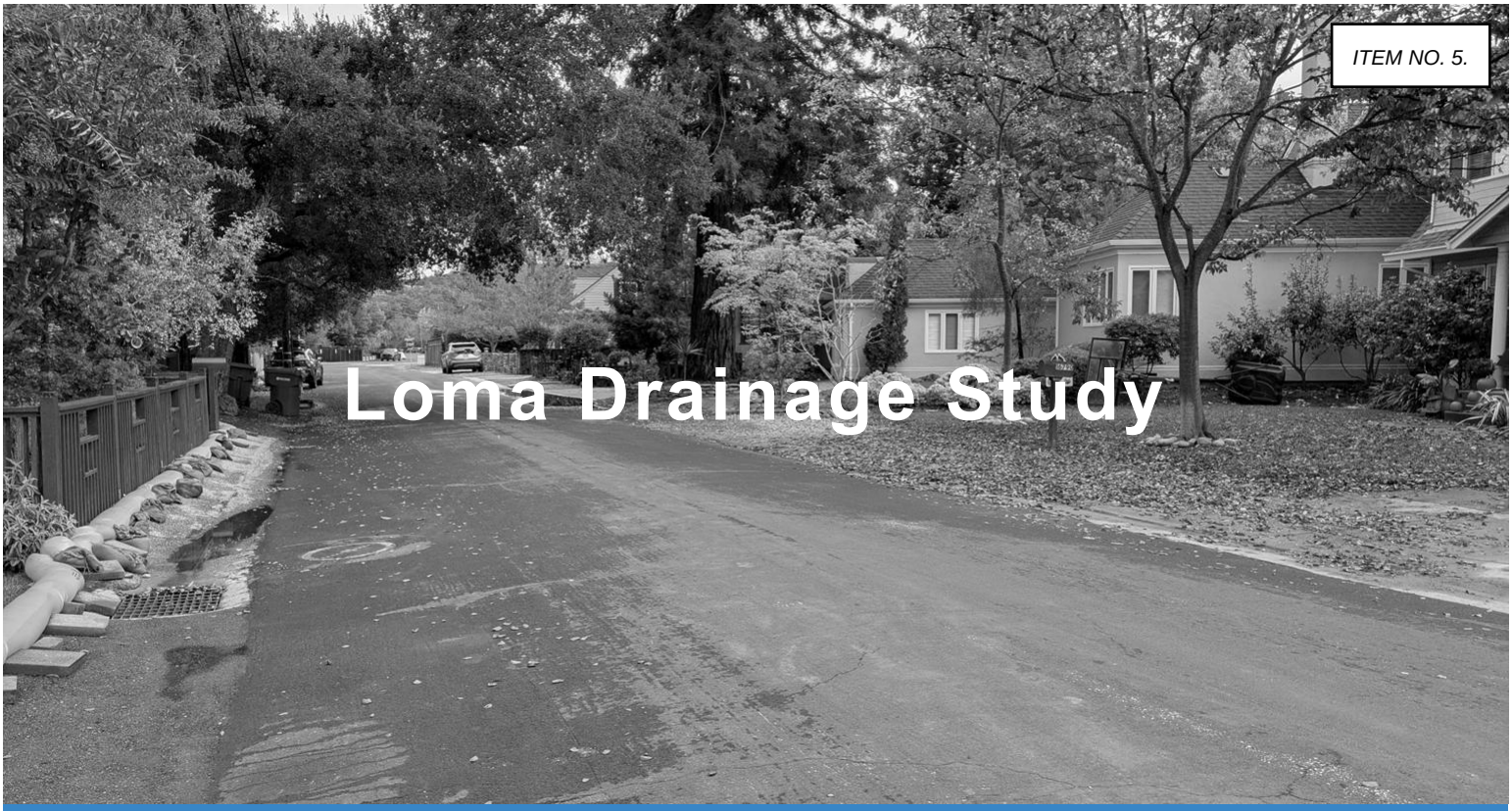
The execution date is the date on which the last party has signed.

# Exhibits List

A - Exhibit A - Schaaf & Wheeler - Scope of Services

## Exhibit A

# Exhibit A - Schaaf & Wheeler - Scope of Services



# Loma Drainage Study

**Proposal**

December 5, 2025

PREPARED FOR:

Town of Los Gatos
41 Miles Avenue,
Los Gatos CA 95030

SCHAAF & WHEELER
CONSULTING CIVIL ENGINEERS

4699 Old Ironsides Drive, Suite 350, Santa Clara, CA 95054
info@swsv.com

SCHAAF & WHEELER
CONSULTING CIVIL ENGINEERS

# 1. Cover Letter

December 5, 2025

Town of Los Gatos
41 Miles Avenue
Los Gatos CA 95030

**Subject: Proposal for Loma Drainage Study**

Dear Mr. Nijhawan:

Schaaf & Wheeler is pleased to submit the enclosed proposal to complete the Loma Drainage Study for the Town of Los Gatos. Our team is positioned to analyze the existing drainage system condition and possible deficiencies and develop up to three alternative concepts to reduce the occurrence of street flooding. One of these alternatives will include green infrastructure if feasible.

We have completed numerous storm drain master plans that developed drainage improvement concepts to address condition-related issues and to increase hydraulic conveyance and decrease flooding. Recent work for the County of Sonoma and City of Pismo Beach included further developing concepts into projects for construction. Schaaf & Wheeler is familiar with challenges of rural drainage infrastructure where typical curb and gutter flow does not exist in all streets, like our work in Mill Valley, which involved winding, narrow streets and surface runoff traveling through private property. Our team will aim to preserve rural nature as much as possible while providing adequate drainage infrastructure to contain the 10% storm event.

Our team is highly skilled in hydrologic and hydraulic modeling, from large infrastructure areas, like the City of San Mateo, to small, more rural environments, like the Town of Moraga and the City of Mill Valley. Our engineers work on all aspects of drainage, from modeling to detailed design, and are familiar with developing constructable concepts.

Robin J. Lee, PE will be the project manager. She brings more than 20 years of experience providing stormwater engineering services throughout Northern California. I will serve as the principal-in-charge and provide peer review and quality assurance, offering more than 25 years of experience in water resources engineering. While work will be primarily performed from our Santa Clara office, we are able to draw resources from all six Northern California-based offices when needed.

We have reviewed the Town's contract agreement and take no exceptions. The enclosed proposal outlines our firm experience and project work plan. If you need additional information or have any questions, please contact Robin at (415) 271-3117 or rlee@swsv.com.

Sincerely,
Schaaf & Wheeler

**Daniel J. Schaaf, PE**
**Vice President**

# 2. Table of Contents

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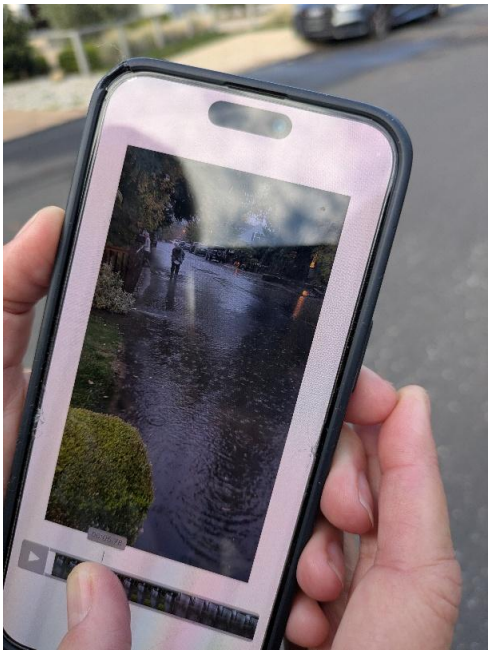
# 3. Scope of Services

We have put together a scope and fee to match what has been requested in the RFP. If selected, we would like the opportunity to sit down with Town staff to align our scope with the priorities and budget that the Town has identified.

## Task 1: Data Collection

Schaaf & Wheeler will begin the project by collecting relevant data from the Town (GIS, complaints, photographs, etc.), and the County (LIDAR). We have already obtained the Ross Creek model from Valley Water. Schaaf & Wheeler will spend one day in the field to verify infrastructure, drainage pathways, and connection to Ross Creek. Ideally, this site visit will occur under a rain event to better assist with identification of the drainage pathways and to confirm overland runoff along Robie Lane and connection to the pipe that enters at the north end of Ferris Avenue. In addition, it appears as though surface flows going north along the west edge of Englewood Avenue also flows into Loma Street.



During dry weather, our subconsultant, Presidio Systems, Inc., will CCTV inspect the pipe along Loma Street from Ferris Avenue to Ross Creek to ensure that there are no structural defects or blockages. All observations will be documented using photographs, videos, and field notes, which will be compiled in an appendix to the final report. The project team will obtain topographic data from the County LIDAR for the drainage area. Then, more detailed survey information will be collected by our subconsultant, Cinquini & Passarino (as outlined under Task 2).

Schaaf & Wheeler will collect readily available soil information and has already obtained the one-dimensional HEC-RAS model of Ross Creek from Valley Water. The model was built based on as-built drawings and has not been calibrated. The first cross section in the model is downstream of Topping Way. We have included additional effort into our scope to update this model based on current conditions and to validate the model to ensure that our downstream boundary condition is appropriate for determining the drainage system capacity.

As part of the data collection phase, the team will meet with representatives from Valley Water to discuss the existing studies of Ross Creek, understand any operational or maintenance considerations that may affect this project, and identify any planned future improvements that could influence long-term solutions. It also appears that the culvert

may have been removed downstream of Topping Way to daylight the creek in 2023. While there is a small portion of culvert downstream of Topping Way, it turned into open channel about 75 feet downstream. In historical images, this culvert extended past the bend. This change might have changed the way Loma Street drains and is not reflected in the Valley Water model.

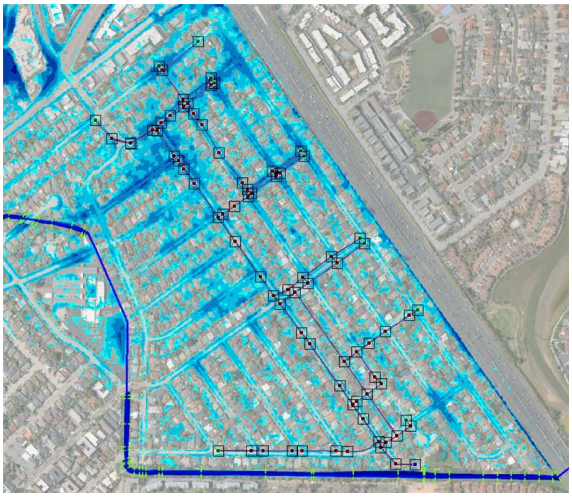
## Task 2: Field Survey

We recommend that the Town have Loma Street USA marked and then coordinate survey to follow and collect utility markings so that they are in a basemap. The survey will focus on Loma Street between Ferris Avenue and Englewood Avenue, and Topping Way between Englewood Avenue and Ross Creek. The team will also obtain the invert elevation at the storm drain outfall to Ross Creek, with access provided by Town staff. Since the creek is a culvert pipe, obtaining the invert could be difficult and will need to be discussed with Town staff and Valley Water.

Cinquini & Passarino will collect gutter flowline elevations and driveway elevations in areas known to flood, along with top-of-frame elevations for existing drainage structures. Invert elevations will be collected via measurements from the top down to the invert of the pipes. As part of the survey effort, Cinquini & Passarino will map the right-of-way limits and roadway ownership along Loma Street, from Ferris Avenue to Englewood Avenue, and along Topping Way, from Englewood Avenue to Ross Creek. This information will support the feasibility evaluation of alternatives and identify any constraints related to property boundaries or jurisdiction.

## Task 3: Hydrologic and Hydraulic Assessment

The hydrologic and hydraulic assessment will begin with a determination of the runoff to Loma Street during a 10-year (10% chance) storm event. Schaaf & Wheeler will use the Santa Clara County Drainage Manual and NOAA precipitation depths for a 24-hour storm event. This analysis will use topographic, soils, land use, and drainage boundary information collected during Task 1. HEC-HMS will be used to develop runoff hydrographs.



Following the hydrologic analysis, the project team will develop a hydraulic model of the existing storm drain system. Schaaf & Wheeler has licenses for advanced pipe modeling software, such as DHI MIKE+ and Innovyze ICM. Depending on Town preference, the hydraulic model may be constructed in one of these models that requires licenses. Alternatively, since the area is small and many of the flows are conveyed on the surface, HEC-RAS might be the most applicable model for this small drainage area and does not require a license. While HEC-RAS is typically used for open channel modeling, HEC-RAS 6.7 now offers modeling of pipe and inlets.

Runoff hydrographs from HEC-HMS can be applied to the surface, traced to the inlets, and then conveyed in the pipes. Alternatively, the model can be set up as a rain on grid, where the hydrologic flows are developed over the surface. The model will contain a stage hydrograph boundary condition at Ross Creek. The existing system's performance will be evaluated to identify deficiencies, such as surcharging pipes, inadequate conveyance, or localized flooding due to "bird baths" in the topography.

Schaaf & Wheeler will develop and evaluate up to three improvement alternatives to address hydraulic deficiencies. Each alternative will be modeled for the 10-year storm and assessed based on its hydraulic performance, constructability, environmental impact, and implementation cost. One alternative will incorporate green infrastructure features, such as bioretention or distributed surface storage, if the soils, pipe depths, and available right-of-way allow for green infrastructure.

Concept-level sketches will accompany each alternative. If Ross Creek flood elevations are shown to influence system performance, the alternatives analysis will account for tailwater conditions and will integrate any future Ross Creek improvements or operational considerations provided by Valley Water.

Short-term, low-cost corrective actions such as flap gates to prevent surcharging from Ross Creek, sand bags to direct gutter flow (appear to already be in place), or clearing infrastructure of debris such as image to the left will also be considered and recommended to help the Town reduce flooding risk prior to implementation of the long-term preferred solution.

## Task 4: Schematic Design

The alternatives developed in Task 3 will be presented to Town staff, Council, and community for input and evaluation. Schaaf & Wheeler will work with Town staff to identify the preferred long-term solution and prepare a schematic design for the selected alternative. The schematic design will illustrate the recommended improvements in plan and profile and will identify any required property acquisitions or easements. The team will prepare an outline of the scope of services necessary for full project design and permitting, including expected regulatory coordination efforts. An engineer's opinion of probable construction cost will be prepared for both the design phase and construction itself, assuming a construction year of 2028 and accounting for escalation.

## Task 5: Reporting

A draft report documenting the analysis, findings, and alternatives will be prepared and submitted to Town staff for review. Following one round of consolidated comments, the report will be revised and reissued as a public draft. Schaaf & Wheeler will support the Town during a 30-day public comment period. After receiving a consolidated set of comments, the team will prepare a final version of the report to address comments and feedback received. The final report will be delivered in PDF format.

## Task 6: Community Engagement

Schaaf & Wheeler will conduct two neighborhood meetings during the course of the project. We recommend that the first meeting occur near project initiation and will provide an opportunity to share the project goals, gather community input, and understand localized concerns. The second meeting will be held to present three alternative solutions to increase hydraulic capacity and reduce flooding. This meeting will also be used to collect feedback on the three alternatives. The draft report will be presented at a Town Council meeting to present the results of the study and answer questions. It is recommended that the neighborhood is invited to the Council meeting instead of another community-specific meeting.

## Task 7: Project Management and Communications

Throughout the duration of the project, Schaaf & Wheeler will conduct monthly project meetings with Town staff to provide updates, review progress, and receive direction. The team will prepare meeting agendas and document each meeting with written minutes. Ongoing project management efforts will include monthly invoices with a brief summary of the work to date and any issues. The kickoff meeting and up to three key milestone meetings will be held in-person in addition to the meetings discussed in Task 6. Additional meetings, including monthly check-in meetings, will be held virtually.

# 4. Hourly Rates

Charges for personnel engaged in professional and/or technical work are based on the actual hours directly chargeable to the project.

Current rates by classification are listed below:

| Classification | Rate/Hr |
|---|---|
| Principal Project Manager | $315 |
| Senior Project Manager | $290 |
| Senior Engineer | $265 |
| Associate Engineer | $235 |
| Assistant Engineer | $215 |
| Junior Engineer | $200 |
| Designer | $185 |
| GIS Analyst | $185 |
| Technician | $170 |
| Engineering Trainee | $145 |

## Litigation Charges

Court or deposition time as an expert witness is charged at $500 per hour.

## Materials and Services

Subcontractors, special equipment, outside reproduction, data processing, computer services, etc., will be charged at 1.10 times cost.

Effective 1/1/26

## 5. Relevant Experience

Schaaf & Wheeler has been working on hydraulic and hydrologic models, including some of the state's original FEMA models, throughout our 40-year history. We have applied stochastic and watershed hydrology methods throughout California and analyzed various types of watersheds. Schaaf & Wheeler developed the hydrology and hydrologic models for Alameda County Flood Control Zone 7 and updated the models for this 630 square mile watershed with over 85 miles of flood control channels.

Schaaf & Wheeler has completed hydrologic modeling of hundreds of watersheds using numerous methodologies including: NRCS (SCS), Rational Method, Green-Ampt, Horton, and Soil Moisture Accounting (continuous simulation). Our staff is well versed in 2D modeling, GIS, LiDAR topography, NEXRAD radar rainfall data, and continuous simulation modeling. We have modeled thousands of miles of open channel using 1D and 2D modeling software including: HEC-2, HEC-RAS, MIKE-21, MIKE+, ICM, FLO-2D, and SWMM. We are very familiar with using FEMA effective models. Our team is also aware of and experienced in developing materials to explain technical project elements to local communities impacted by our work. Schaaf & Wheeler led the task force in Mill Valley, which entailed explaining complex 2D models to the public.

Schaaf & Wheeler has also completed hundreds of FEMA floodplain analyses. These studies range from simple LOMRs to complete Flood Insurance Studies (FIS). Schaaf & Wheeler provides levee evaluation and certification services for Bayfront and riverine systems. Our engineers are well-versed in the FEMA floodplain mapping process. We have analyzed floodplains in nearly every county of California for federal and local governments and private landowners.

We assist our clients in navigating the complex mapping process and provide engineering services to remove hazards through flood protection and land use planning. We have performed several regulatory floodway and no-rise analyses for floodplain management and certification.

Schaaf & Wheeler has completed numerous projects similar in size and scope to the Town's proposed study. Examples of those projects are included in the following section, including reference information.

**Client and Contact:**
Nate Stong, PE
Formally at:
City of Pismo Beach
Current Contact Info:
(805) 772-6569
nstong@morrobayca.gov

**Contract Value:**
$75,000

**Duration:**
May 2024 – Oct 2024

**Project Team:**
PM: Daniel J. Schaaf, PE
Staff: Jesse Giuliano, PE

**Storm Drain Master Plan**
Schaaf & Wheeler was contracted by the City of Pismo Beach to provide a consolidated master plan addressing drainage and flooding issues. This effort included:

- Reviewing data provided by the City to determine which system components need a condition assessment;
- Reviewing regional best practices and recommending cost-effective mitigation strategies to address local drainage issues such as steep slope channel erosion, nuisance groundwater under City streets, and storm drain trash interception; and
- Developing concepts of improvement projects to address existing insufficient infrastructure.

Schaaf & Wheeler drafted the master plan update for staff review. This document supplements a study completed in 2005 and clearly defines the project goals, data utilized, engineering methods applied, study findings, improvement project descriptions, cost estimates, and rankings. The master plan includes solutions for the Downtown, Pismo Heights, and Shell Beach neighborhoods.

**Client and Contact:**
Tiffany Coe
Sonoma County Transportation and Public Works
2300 County Center Drive, Suite B100
Santa Rosa, CA 95403
(707) 565-4187
Tiffany.Coe@sonoma-county.gov

**Contract Value:**
$70,463

**Duration:**
2022

**Project Team:**
PM: Daniel J. Schaaf, PE
Staff: Robin J. Lee, PE; Justin R. Maynard, PE; Benjamin L. Shick, PE

**Hydraulic and Hydrologic Studies for Villa Grande and Geyserville**

Sonoma County Transportation and Public Works contracted Schaaf & Wheeler to complete the hydraulic and hydrologic studies and preliminary improvement plans for Villa Grande and Geyserville in 2022.

As part of these grant-funded mini master plan projects, we identified and mapped existing drainage infrastructure and drainage issues. The NASSCO system was used to scale the existing condition of developed (pipes, inlets) drainage infrastructure.

Schaaf & Wheeler coordinated with the County to determine the appropriate modeling approach and software platform and modeled the 10-, 25-, 50-and 100-year events for both project sites.

We also interacted with and presented findings to the communities. This included notifying them of the studies and emphasizing the importance of community involvement. The study findings were presented to each community.

**Client and Contact:**
Andrew Poster
Engineering Manager
Public Works
City of Mill Valley
26 Corte Madera Avenue
Mill Valley, CA 94941
(415) 384-4848
aposter@citymillvalley.org

**Contract Value:**
$374,460

**Duration:**
2017 – 2019

**Project Team:**
PM: Daniel J. Schaaf, PE
Staff: Robin J. Lee, PE

**Flood Control and Storm Drain Master Plan**
Schaaf & Wheeler completed a comprehensive plan for the City of Mill Valley that deals with flood control provided by the creek network and pipe system that is comprehensive and implementable with streamlined analyses and prioritized improvements.

**Modeling:** The Schaaf & Wheeler developed an integrated hydraulic model of the City's storm drainage pipe network which includes overland (2D) flow systems for both the 10-year and 100-year events.

**Climate Change:** Potential impacts of climate change on future tide levels are evaluated to develop higher boundary conditions for the pipe and creek drainage networks.

**Capital Improvements Plan:** We developed CIP projects that address system deficiencies identified with the models along with other projects not addressed through modeling. Our plan included project prioritization based on costs and benefits, flooding potential, and advisory committee feedback.

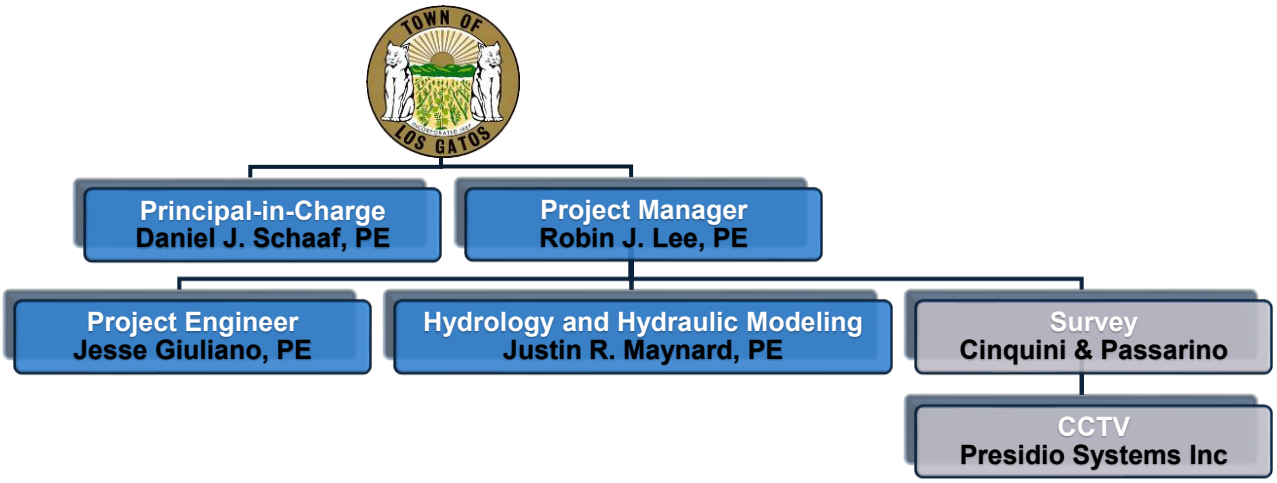
**Public Engagement:** Schaaf & Wheeler served as the technical lead on a public advisory committee to convey information and receive public feedback on what types of improvements are acceptable to the public.

**Environmental Impact:** Schaaf & Wheeler worked with environmental firm to determine the types of permits and mitigation required for the proposed capital improvement projects.

# 6. Proposed Team

## 6.1 Proposed Project Team

Schaaf & Wheeler has assembled a dedicated team of in-house engineers and subconsultants to complete the proposed project for the Town, as outlined in our organization chart. A brief summary of individual qualifications and responsibilities is included below, with full resumes included in the Appendix.




### *6.1.1 Schaaf & Wheeler Key Personnel*

**Robin J. Lee, PE: Project Manager**

Robin is a senior project manager at Schaaf & Wheeler with more than 20 years of experience in stormwater management, flood control, hydrology, green infrastructure, and water quality. She has worked on numerous successful storm drainage and flood control projects, including Santa Clara, Foster City, Millbrae, Burlingame, San Francisco International Airport, South San Francisco, San Bruno, Moraga, Mill Valley, Ross, Marin City, and Corte Madera. Robin is particularly adept at FEMA regulations and processing Letters of Map Change. *As project manager, Robin will delegate project tasks to the team while maintaining the schedule and budget. She will also be involved in technical aspects of the project, where appropriate. Robin will meet regularly with the Town as needed for project updates and to resolve any issues that arise during project development.*

**Daniel J. Schaaf, PE: Principal-in-Charge**

Dan is vice president and an owner at Schaaf & Wheeler. He has more than 25 years of experience in water-related projects and has completed multiple FEMA flood insurance studies and SDMPs. He has exhaustive experience in flood control and drainage, hydrology and hydraulics, and physical and numerical modeling. He recently completed SDMPs for the Cities of Seaside, San Leandro, and the County of Santa Cruz. *As principal-in-charge, Dan will provide technical supervision, peer review, and project oversight. He will also be responsible for contract negotiation and overall technical management for the duration of the project. Dan will work with Robin to maintain the project schedule and budget and assume ultimate responsibility for the quality of all work. He will work with Town staff to make sure contractual issues are resolved.*

**Jesse Giuliano, PE: Project Engineer**
Jesse is a senior engineer at Schaaf & Wheeler with 24 years of consulting experience in a broad array of infrastructure projects for public and private clients from Maine to California. His drainage-related work has included stormwater system planning, hydrologic and hydraulic modeling, floodplain permitting, and the design of green infrastructure, trash capture devices, stormwater management facilities, and urban pipelines. He recently completed the Storm Drain Master Plan for the City of Pismo Beach. *Jesse will serve as the project engineer to develop constructable concepts for mitigating flooding. Jesse will work closely with Robin and Justin.*

**Justin R. Maynard, PE: Hydrology and Hydraulic Modeling**
Justin is a senior engineer at Schaaf & Wheeler with 11 years of experience conducting storm drainage system modeling, wave runup analyses, climate change impact analysis, cost estimating, and design of capital improvements. He has conducted hydrologic and hydraulic modeling with HEC-RAS and HMS, MIKE+, and ICM. He has completed topographic surveying, restoration monitoring, and field investigations for stream, floodplain, and habitat restoration projects. He also has local experience supporting infrastructure projects to ensure NPDES, state, and local stormwater regulatory compliance, including fish passage culvert and bridge replacements. He has recently worked on SDMPs for the City of San Mateo, San Leandro, and Marin City as well as the County of Santa Cruz. *Justin will oversee all hydrologic and hydraulic modeling to ensure consistency and cost-effective tools are used to obtain hydraulic deficiencies and determine how to model the pump stations, which the system relies upon to drain.*

### *6.1.2 About Our Subconsultants*

**Survey**
Cinquini & Passarino, Inc. (C&P) was established in 1954 and is headquartered in Sonoma County. They have a history of stability and reliability throughout the Bay Area and Northern California providing federal, state, local agency, special districts, consulting engineers and private clients with reliable surveying services ranging from topographic surveys, right-of-way surveys, railroad surveys, boundary surveys, remote sensing surveys, hydrographic surveys, GIS services and construction surveys. Their focus is providing high quality professional land surveying and hydrographic services and operate from offices in Santa Rosa, Healdsburg, Napa and Oakland.

**CCTV**
Presidio Systems, Inc. (PSI) is a small, woman-owned business that has served the Bay Area for 18 years. They have 32 employees, the majority of which are based in Livermore, CA. PSI has collaborated with Schaaf & Wheeler on numerous similar projects in the recent past, including for the Town of Corte Madera, Marin City, Town of Ross, and San Mateo County.

# Appendix: Resumes

## Senior Project Manager
# Robin J. Lee, PE

**Robin J. Lee, PE, CFM** has 20 years of experience in water resource engineering from planning all the way through detailed design. Robin has worked on single-event modeling related to flooding issues to holistic design event modeling related to master planning. Robin assists both private and public clients navigate FEMA maps, applications, and modeling efforts to better understand flood threats. She is well-versed in stormwater regulations, from NPDES to local regulations. She has worked primarily on stormwater treatment, trash capture, and green infrastructure requirements by writing feasibility studies and designing trash capture systems. Robin also provides Third Party Reviews for Stormwater Management Plans for development projects throughout the Bay Area to assist City staff to ensure that the development meets the requirements of the San Francisco Bay Municipal Regional Permit.

### Education

MS, Civil and Environmental Engineering, UC Berkeley

BS, Civil and Environmental Engineering, UC Los Angeles

### Licenses

Registered Civil Engineer
California C70040
Washington C43587
CFM, US-23-12881

### Affiliations

American Society of Civil Engineers

World Water Corps Volunteer, Bolivia

### Software

HEC-HMS, EPANET, HEC-RAS, SWMM, InfoSWMM, GIS, ArcPro, HY-8, BAHM

## Selected Project Experience

### *Hydrology and Hydraulics*

Comprehensive Stormwater Plan
*Marin City*

Storm Drain Master Plan
*Town of Corte Madera*

Storm Drain Master Plan
*Town of Ross*

Zone 5 Storm Drain Master Plan and Financial Study
*Santa Cruz County*

Citywide Flood Control and Storm Drainage Master Plan
*City of Mill Valley*

Santa Clara Storm Drain Master Plan
*City of Santa Clara*

Hydrologic & Hydraulic Model for Zone 7 Watershed
*Zone 7 Water Agency*

Moraga Storm Drain Master Plan
*Town of Moraga*

Storm Drain Maintenance and Rehabilitation Plan
*City of Ukiah*

Great Oaks iStar Development HMP and LID Sizing
*Ruth and Going, Inc*

Communications Hill Development Detention and Stormwater Treatment Analyses
*HMH Engineers*

### *Floodplain Management/Sea Level Rise*

Zone D Flood Memo
*Various School Districts*

Zone A Flood Studies and FEMA Applications
*Various Clients*

Singleton Road Bridge Impact Analysis
*Valley Water*

Site Development, Flood Plain Study, and FEMA Applications
*Various Clients*

West Little Llagas Creek LOMR
*Morgan Hill*

South Flea Market Floodplain Analysis and LOMR
*City of San Jose*

Summerhill Homes Adrian Court Flood Analysis and FEMA Applications
*Burlingame*

Foster City Levee Improvements
*City of Foster City*

SFO Shoreline Protection Study
*Moffet & Nichol*

San Bruno/Colma Creek Resiliency Study
*Coastal Conservancy and SFO*

Foster City Lagoon Re-Evaluation of Base Flood Elevation
*City of Foster City*

San Mateo Creek Capacity Evaluation
*City of San Mateo*

### *Water Quality/Environmental*

Physical Stream Channel Assessment
*County of Puyallup*

Mount Vernon NPDES Phase II Stormwater Program Development and Implementation
*City of Mount Vernon*

Lake Whatcom Tributary Monitoring
*Whatcom County*

Greater Los Angeles County Integrated Regional Water Management Plan
*Los Angeles County*

### *Development Review and Management*

Third Party C3 SWMP Reviews and Inspections
*Various Clients*

On-call Development Review and Construction Review
*Foster City*

Foster City Water, Sewer, and Storm Drain Standard Detail Updates
*City of Foster City*

### *Wastewater Systems*

Five-Year Capital Improvement Plan
*City of Mill Valley*

CCTV and Design Services for Sewer Improvements
*City of Mill Valley*

### *Trash Capture*

Caltrans Large-Scale Trash Capture Feasibility
*City of Sunnyvale*

Large Full Trash Capture Device Feasibility Project
*Marin County Flood Control and Water Conservation District*

Large-Scale Trash Capture Feasibility for Caltrans Funding
*County of San Mateo*

Trash Capture Feasibility Study and Design
*Mendocino County*

100% Trash Capture Plan
*City of San Bruno*

100% Trash Capture Plan
*City of South San Francisco*

NPDES Trash Capture Feasibility Study
*City of San Bruno*

NPDES Trash Capture Feasibility Study
*City of South San Francisco*

Small Trash Capture Device Installation, Design, and Management
*City of South San Francisco*

Small Trash Capture Device Installation, Design, and Management
*City of San Bruno*

*Green Infrastructure*

Hillcrest Park Regional Green Infrastructure and Trash Capture
*City of Concord*

Green Infrastructure Plan
*City of South San Francisco*

Green Infrastructure Plan
*City of San Bruno*

Low-Impact Development Design and Drainage Report for Sebastopol Multi-Lot Development
*Atlas Civil Design*

## Vice President
# Daniel J. Schaaf, PE

**Daniel J. Schaaf, PE** has over 25 years of project experience encompassing the areas of flood control and drainage, surface water hydrology, and physical and numerical modeling. Dan has managed several large hydrology/hydraulics, flood control, and drainage projects.

He is skilled in open-channel hydraulics, coastal and estuary processes, 1D and 2D modeling, urban hydrology, floodplain mapping, and storm drain master planning. He is currently working on implementing modeling projects that integrate pipe and surface flows using sophisticated 2D modeling software. He has performed several FEMA Flood Insurance Studies and Letters of Map Revisions for clients throughout California, Utah, and Arizona.

### Education
BSCE, San Jose State University

MSCE (Water Resource Engineering), San Jose State University

### Licenses
Registered Civil Engineer: California C57617, Arizona 82401, Utah 14191892-2202

### Affiliations
American Society of Civil Engineers

Floodplain Management Association

### Software
GeoHEC-HMS, GeoHEC-RAS, Flo-2D, MIKE+, MIKE 11, MIKE 21, MIKE-URBAN, EPA SWMM, InfoSWMM, XP-SWMM, InfoWorks ICM, QUAL2E, RMA-2, RMA-10, EPA-Net, ArcPro, Spatial Analyst, 3D Analyst, AutoCAD, BAHM

## Selected Project Experience

*Planning and Design*

Storm Drain Master Plan Update
*City of San Mateo*

Storm Drain Master Plan
*City of San Leandro*

Storm Drain Master Plan
*Marin City*

Storm Drain Master Plan
*Santa Cruz County Zone 5*

Storm Drain Master Plan
*City of Seaside*

Storm Drain Master Plan
*City of Livermore*

Storm Drain Master Plan
*City of Carmel*

Storm Drain Master Plan
*City of Larkspur*

Storm Drain Master Plan
*City of Cupertino*

Citywide Flood Control and Storm Drainage Master Plan
*City of Mill Valley*

Los Gamos Drainage Study
*City of San Rafael*

Hermosa Beach Storm Drain Master Plan
*City of Hermosa Beach*

Marin City Drainage Gaging
*Marin County Flood Control and Water Conservation District*

O'Connor Pump Station Improvement Feasibility Study
*City of East Palo Alto*

Stormwater Master Plan
*City of Mountain View*

Alameda Point Storm Drain Review
*Alameda Point Partners, LLC*

Half Moon Bay Stormwater Master Plan & Kehoe Ditch Hydraulic Analysis
*City of Half Moon Bay*

Cove Stormwater Pump Station Evaluation
*County of Marin*

Stormwater Master Plan
*City of Palo Alto*

Storm Drain Master Plan
*City of Orinda*

Storm Drain Master Plan
*Town of Moraga*

Storm Water Conveyance Program
*Town of Woodside*

Storm Drain Master Plan
*City of Palo Alto*

Industrial Road Neighborhood Drainage Study
*City of San Carlos*

Stormwater Facility Prioritized Repair / Replacement Program
*Town of Woodside*

Storm Drain Master Plan
*City of East Palo Alto*

North Bayshore Storm Drain Master Plan
*City of Mountain View*

North San Jose Drainage Master Plan
*City of San Jose*

Stormwater Master Plan
*City of Los Altos*

Stormwater Master Plan
*County of Santa Cruz*

El Charro Specific Plan Channel Design
*City of Livermore*

Northside Pump Station Design
*City of Alameda, Public Works Department*

Storm Drain Master Plan
*City of Paso Robles*

Program Management for Storm Drain CIP
*City of Belmont Public Works*

## *Hydrology and Hydraulics*

Diridon Station Flood Design
*Peninsula Joint Powers Board*

Napa County Bridge Replacement Scour Analyses
*County of Napa*

BART to Silicon Valley II 500-year Design
*Valley Transportation Authority*

King City Golf Course January 2023 Flood Mitigation
*City of King City*

January 2024 Storm Damage Repairs
*City of Livermore*

East Fork San Luis Obispo Creek Hydrology and Hydraulics Study
*County of San Luis Obispo*

Bear Gulch Reservoir PMF Study
*California Water Service Company*

Dam Failure Studies
*Alameda County Water District*

Laurel Dam Failure Inundation Study
*City of San Mateo*

City of Fremont Old Canyon Road Bridge Scour Analyses
*City of Fremont*

Saratoga Creek Bike Path Hydraulics
*Mark Thomas & Associates*

Old Carmel River Dam Removal LOMR
*Granite Construction*

Woodside Water Tank Failure Analysis
*California Water Service Company*

Cove Pump Station Hydraulic Study (Tiburon)
*Marin County Public Works*

Hydrologic & Hydraulic Model for Zone 7 Watershed
*Zone 7 Water Agency*

Greenwood Road Culvert Replacement Hydrologic Study
*County of Napa*

Oakville Cross Road Bridge Replacement No-Rise Study
*County of Napa*

Groundwater Replenishment - Urban Runoff Capture at Lake El Estero
*City of Monterey*

Pajaro River Breaching Alternatives
*County of Santa Cruz*

El Charro Specific Plan Hydrology Study
*City of Livermore*

Napa Sonoma Salt Marsh Restoration
*US Army Corps of Engineers*

Highway 46/101 Drainage Study
*City of Paso Robles*

## *Floodplain Management*

El Charro LOMR
*City of Livermore*

Colma Creek LOMR
*City of South San Francisco*

Monterey County Flood Insurance Study Peer Review
*City of Gonzales and City of Soledad*

Laguna Water Treatment Interior Flood Study
*City of Santa Rosa*

Laguna Water Treatment Flood Protection Study
*City of Santa Rosa*

2017 Storm Damage Repairs Project
*City of Livermore*

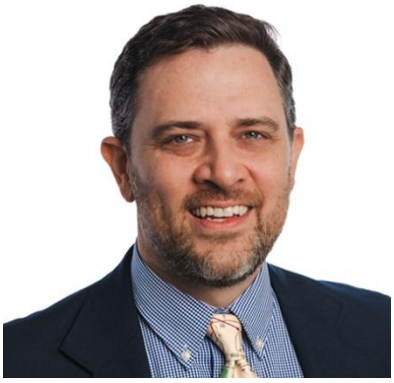
Napa River LOMR (Oakville)
*Napa County Public Works*

Emergency Flood Control Strategy
*City of Livermore*

Livermore Airport Flood Protection Planning
*City of Livermore*

Silicon Valley BART Extension Floodplain Study
*Valley Transit Authority*

## Senior Engineer
# Jesse Giuliano, PE



**Jesse Giuliano, PE** has 24 years of consulting experience in a broad array of infrastructure projects for public and private clients from Maine to California. Projects that he has worked on have ranged from sea level (storm sewer outfall to a tidal river) to nearly two miles above sea level (resort development in the San Juan Mountains of southwestern Colorado), from little (sidewalk underdrains) to big (a 500-acre solar farm in the state of New Mexico), and from routine (numerous residential, commercial, and institutional developments) to unusual (Asian Elephant Exhibit at the Santa Barbara Zoo). His drainage-related work has included stormwater system planning, hydrologic and hydraulic modeling, floodplain permitting, and the design of green infrastructure, trash capture devices, stormwater management facilities, and urban pipelines.

### Education
BSCE University of Massachusetts, Dartmouth

### Licenses
California PE 67881
Colorado PE 41007
NCEES Model Law Engineer 30504

### Affiliations
American Society of Civil Engineers

### Software
Autodesk Civil 3D, StormCAD, HydroCAD, HEC-RAS 1D & 2D, HEC-HMS, MIKE+

## Selected Project Experience

### *Stormwater System Planning*

Storm Drain Master Plan
*City of Pismo Beach, CA*

Fast Tracks at PuebloPlex
*MxV Rail Services*

High Line Canal Underpasses
*Arapahoe County, CO*

Streetside Stormwater Planter Design Standards
*City & County of Denver, CO*

Infrastructure Report & Capital Improvements Plan
*Town of Silverton, CO*

Cascade Village Infrastructure Report
*Purgatory Resort*

### *Hydrologic and Hydraulic Modeling*

8th Over South Platte River Bridge Replacement
*City & County of Denver, CO*

Ellsworth Ave Storm Improvement Project
*City & County of Denver, CO*

Marion Street System
*City & County of Denver, CO*

33rd Street Outfall
*City & County of Denver, CO*

I-15 Express Lanes
*Riverside County Transportation Commission, CA*

Columbus Land Port of Entry Floodwater Diversion System
*New Mexico Department of Transportation*

Garden of the Gods Detention Facility & Jurisdictional Dam
*City of Colorado Springs, CO*

Wilson Gulch Roadway
*City of Durango, CO*

Ramah Navajo Road 113 Improvements
*Ramah, NM*

Macho Springs Solar
*First Solar, Inc*

Shiprock Road Improvements
*Navajo Division of Transportation*

Igancio Creek Bridge
*United States Forest Service*

William Clarke Drive Improvements – Westbrook, ME
*Maine Department of Transportation*

U.S. Route 1 Reconstruction – Lincolnville, ME
*Maine Department of Transportation*

### *Floodplain Permitting*

Speer Blvd Bridge Rehabilitation
*City & County of Denver, CO*

8th Over South Platte River Bridge Replacement
*City & County of Denver, CO*

### *Trash Capture*

Phase 1 Storm Drain Trash Capture Devices
*Fort Bragg, CA*

Marin County Large Full Trash Capture Project 2024
*County of Marin, CA*

### *Green Infrastructure & Stormwater Management*

City of Belmont C.3 Compliance & Bioretention Area Concept
*Pavement Engineering, Inc.*

Newhall Yard Maintenance Facility
*Valley Transportation Authority*

Parker Rd/Quincy Ave/Smoky Hill Rd Intersection Improvements
*City of Aurora, CO*

Streetside Stormwater Planter Design Standards
*City & County of Denver, CO*

Ellsworth Ave Storm Improvement Project
*City & County of Denver, CO*

Heron Pond/Heller/Carpio-Sanguinette Park
*City & County of Denver, CO*

Marion Street System
*City & County of Denver, CO*

Garden of the Gods Detention Facility & Jurisdictional Dam
*City of Colorado Springs, CO*

Railroad Yard Industrial Stormwater Management Plan
*Durango & Silverton Narrow Gauge Railroad*

Holiday Inn – Durango, CO
*Quest Development & Construction*, Inc.

### *Urban Pipeline*

High Line Canal/Yale Underpass
*City & County of Denver, CO*

Iliff Ave Corridor
*Arapahoe County, CO*

Ellsworth Ave Storm Improvement Project
*City & County of Denver, CO*

Marion Street System
*City & County of Denver, CO*

33rd Street Outfall
*City & County of Denver, CO*

## Senior Engineer
# Justin R. Maynard, PE

**Justin Maynard, PE** has more than 10 years of experience in flood protection, storm drain modeling, HEC-HMS and HEC-RAS model development, FEMA letter of map change analysis, and pump station design.

### Education

BS, Civil and Environmental Engineering, UCLA

MS, Environmental Fluid Mechanics and Hydrology, Stanford University

### Licenses

Registered Civil Engineer:
California 85653
Washington 56080
Oregon 93798

### Affiliations

American Society of Civil Engineers

## Selected Project Experience

*Hydrology and Hydraulics*

Santa Ana River Floodplain Development Modeling
*Corona, CA*

San Felipe Lake-Soap Lake Area 2D Floodplain Analysis
*San Benito County, CA*

Cowan Pump Station, Mills Creek, and El Portal Creek System 1-D/2D Stormwater Model
*Burlingame, CA*

OneShoreline Shoreline Protection Project
*City of Millbrae and Burlingame*

Slinkard Creek Fish Passage Barrier
*Mono County, CA*

Gaviota Creek Restoration Calibrated Hydrology, 2D Modeling, and Bank Stability Analysis
*CalTrans, Gaviota, CA*

Arroyo Seco Fish Passage, Screening, and Diversion Model
*Monterey County, CA*

Big & Little Creek Calibrated Hydrology and 2D Hydraulic Modeling
*USFS – Knappa, OR*

Halo Ranch Mitigation Bank Tidal Restoration Modeling & Design
*RES, Petaluma, CA*

Romero Canyon Water Diversion Modeling & Design
*Montecito, CA*

Bean Hollow Reservoir System Continuous Hydrology Modeling and Water Supply Analysis
*San Mateo County, CA*

Arroyo Grande 2D Floodplain Modeling
*San Luis Obispo County, CA*

Burlingame Creek Survey and Hydraulic Modeling
*Gresham, OR*

Coweeman River 2D Floodplain and Restoration Design Modeling
*Cowlitz County, WA*

Walla Walla High School New Pedestrian Bridge Scour Analysis
*Walla Walla, WA*

Asbury Creek Crossing Replacement
*ODOT, Arch Cape, OR*

Lexington Elementary School Downstream Analysis of McCorkle Creek, Dam, and Pump Station
*Kelso School District*

South Umpqua River No-Rise Analysis For Kerr Construction Project
*Roseburg, OR*

Baker Creek Hydrology Analysis
*Friends of Baker Creek, McMinnville, OR*

Finnegan Creek Bridge Hydrology and Scour Analysis
*Oregon Transportation Professionals, Sherman County, OR*

West 10th Street Fish Passage Crossing Analysis and Design
*Private Client*

Downstream HEC-RAS 2D Analysis and Pump Station Design for a new Vet Clinic in St Helens, OR
*Private Client*

Deer Island/Novato Creek 2D Tidal/Flood Modeling
*Marin County*

Anderson Dam Interim Stochastic Reliability Analysis
*Santa Clara Valley Water District*

Dublin Crossing Flood Study and CLOMR
*Ruggeri-Jensen-Azar/City of Dublin*

Moffett Gateway Development Flood Study
*City of Mountain View*

Christopher Ranch Flood Study
*Gilroy, CA*

Enterprise Storm Basin Letter of Map Revision
*Gilroy, CA*

Foster City Levee Deficiency and Wave Runup Analyses
*City of Foster City*

Coyote Point Levee Overtopping Analysis and 2D Floodplain Mapping
*City of San Mateo*

Anderson Dam Seismic Retrofit Dewatering Plan
*Santa Clara Valley Water District*

*Dam Failure Inundation Studies, Butte/Plumas* County
*South Feather Water and Power Company*

Upper Llagas Creek Flood Protection Project
*RMC Water & Environment/Santa Clara Valley Water District*

Hydrologic Model Development
*Zone 7 Water Agency*

*Stormwater Systems and Analysis*

Zone 5 Storm Drain Master Plan Update
*Santa Cruz County*

Ravenswood Business Development Stormwater Improvement Analysis
*East Palo Alto, CA*

Communication Hill Phase 3-4 Stormwater Pond Redesign
*San Jose, CA*

Burlingame Lagoon Drainage Area Modeling and Capital Improvements
*City of Burlingame*

Villa Grande Stormwater System Modeling and Planning
*Sonoma County*

Cemex Eliot Plant Drainage Modeling & Design
*City of Pleasanton*

VA Southern Oregon Rehabilitation Center and Clinics MS4 Master Plan/Wetpond Design
*VA, White City, OR*

SR 432/SR 411 Intersection Improvements Stormwater Design
*City of Longview*

SR 502/SR 503 Intersection Improvements Stormwater Design
*City of Battleground*

Lexington Elementary School Storm System and Pump Station Design
*Kelso School District*

West Main Street Realignment Storm System Analysis
*City of Kelso, WA*

Lincoln City Highway 101 Sidewalk Improvements
*City of Lincoln City, OR*

Multnomah County Vance Property Stormwater Master Planning
*Gresham, OR*

130th Street Subdivision Preliminary Pump/VFD Sizing
*Vancouver, WA*

Storm Drain Master Plan
*City of Cupertino*

Matadero Creek Pump Station and Storm Drain Improvements and Trash Capture Design
*City of Palo Alto*

Mountain View Trash Boom Feasibility Study/Design
*City of Mountain View*

Livermore Trash Capture Feasibility Study and Capital Improvement Plan

*City of Livermore*

San Mateo Residential Flood Modeling

*City of San Mateo*

Coyote Point/Poplar Ave Pump Station Capacity Analysis and Floodplain Modeling
*City of San Mateo*

City of Soledad Storm Drain Master Plan
*City of Soledad*

City of South San Francisco Forensic Flooding Analysis
*City of South San Francisco*

City of Santa Clara Storm Drain Master Plan
*City of Santa Clara*

NPDES C.3 Reviews
*Various Clients*

Base Flood Elevation Delineation, Foster City Central Lagoon
*City of Foster City*

CINQUINI & PASSARINO INC.
*PERFECTING GEOSPATIAL*

**Anthony G. Cinquini, P.E., P.L.S.**
**1360 N. Dutton Ave., Ste. 150, Santa Rosa, CA 95401**
**(707) 542-6268 Fax (707) 542-2106**

**EXPERIENCE**
27 Years

**ROLE**
Principal-in-Charge

**EDUCATION**
Bachelor of Science, 1998, Civil Engineering
California State University, Chico

**LICENSES & CERTIFICATIONS**
*Professional Engineer*, Civil, California, P.E. C62341

*Professional Land Surveyor*, California, P.L.S. 8614

*FAA Remote Pilot for Small Unmanned Aircraft Systems*
Cert No. 3906702

**PROFESSIONAL MEMBERSHIPS**
American Society of Civil Engineers,
*San Francisco Section Past-President*

American Council of Engineering Companies California (ACEC-CA), North Coast Chapter-
- *Membership Chair*
- *ACEC-CA Chair, Professional Surveyor's Committee*

California Land Surveyors Association Sonoma County Chapter President

**PROFESSIONAL PROFILE**
Mr. Cinquini, Principal at Cinquini & Passarino, Inc., is a licensed Professional Engineer and Professional Land Surveyor in the State of California. Possessing extensive expertise in topographic surveys, right-of-way and boundary surveys, legal descriptions and plats for right-of-way and easement acquisition, project design and management, construction surveys, and advanced remote sensing technologies such as terrestrial laser scanning and aerial surveys, Mr. Cinquini is highly qualified to oversee all surveying aspects for infrastructure improvements, redevelopment, and development projects for municipalities.

**PROFESSIONAL EXPERIENCE**
**Joseph Hoog Park Survey, Novato, CA.** Mr. Cinquini served as the Principal-in-Charge and Project Manager responsible for preparing a topographic survey of specific areas of the park. This survey was intended to assist the City in designing drainage and accessible improvements for a parking lot, pathway, and children's playground area.

**RBSD Wastewater Pond Surveys, Tiburon, CA.** Mr. Cinquini performed topographic surveys, boundary retracement, and preparation of legal descriptions and plats to assist the Town with transfers of real property at the wastewater pond site. Mr. Cinquini was the Principal-in-charge and Surveyor of Record for this project.

**San Marin Drive Property, Novato, CA.** Mr. Cinquini managed the boundary survey and UAS aerial planning level topographic survey for the future development the City of Novato's parcel into workforce housing. Work included boundary retracement, preparation of a record of survey, remote pilot duties and aerial imagery processing.

**Eastview Road Rehabilitation, Tiburon, CA.** As Principal-in-charge and Project Manager, Mr. Cinquini performed field mission planning, survey field reductions, and quality control reviews of the mapping and right-of-way resolution field edits for approximately 600 feet of Eastview Road. Work include detailed mapping of the utility markings set by Town's utility locator as well as the non-uniform narrow roadway.

**Sonoma~Marin Area Rail Transit District (SMART) Various Projects Sonoma & Marin Counties, CA.** Mr. Cinquini has performed field surveys including laser scanning the Puerto Suello Hill tunnel, boundary surveys and quality control reviews for several topographic mapping and right of way mapping along the corridor.

**MMWD Marin East Bay Emergency Intertie Project. Marin County, CA.** Mr. Cinquini was the Principal in Charge and Project Manager responsible for the planning and execution of the surveys for the design of a pipeline connecting Marin Municipal Water District to the East Bay Municipal Water District via the Richmond/San Rafael bridge. Work included establishing site control, aerials survey, and supplemental topographic surveys and right-of-way for approximately 21,000 linear feet in Marin County and terrestrial topographic mapping for approximately 7,600 linear feet in Contra Costa County.

## Key Staff Qualification

| Name + Details | Relevant Project Experience |
|---|---|
| MIKE SCHRATZ<br>Project Role: Operations Manager<br>Related Years of Experience: 22<br>Location: Livermore, CA | Operations Manager for Lotus Water – City of South San Francisco CCTV Storm Drain Project<br>Operations Manager for Schaaf & Wheeler - San Mateo County Sewer Rehabilitation Project<br>Operations Manager for Schaaf & Wheeler - City of San Mateo Basin C Sewer Rehabilitation Project<br>Operations Manager Fryer & Laureta - City Of San Mateo Basin D Sanitary Sewer and Cleaning Project |
| ALEX NEGRETE<br>**Project Role:** Project Manager/CCTV Technician<br>**Related Years of Experience:** 18<br>**Location:** Livermore, CA | Project Manager for Lotus Water – City of South San Francisco CCTV Storm Drain Project<br>Project Manager for Schaaf & Wheeler - San Mateo County Sewer Rehabilitation Project<br>Project Manager for Schaaf & Wheeler - City of San Mateo Basin C Sewer Rehabilitation Project<br>Project Manager for Fryer & Laureta - City Of San Mateo Basin D Sanitary Sewer and Cleaning Project |
| MARIO GUTIERREZ JR<br>**Project Role:** Lead CCTV & Manhole Inspection Technician<br>**Related Years of Experience:** 10<br>**Location:** Livermore, CA | Lead CCTV Technician for Schaaf & Wheeler – San Mateo County Sewer Rehabilitation Project<br>Lead CCTV Technician for Schaaf & Wheeler - City of San Mateo Basin C Sewer Rehabilitation Project<br>CCTV & Manhole Technician for Harris & Associates – City of San Mateo Basin B Sanitary Sewer and Cleaning Project<br>Lead CCTV & Manhole Technician for Fryer & Laureta - City Of San Mateo Basin D Sanitary Sewer and Cleaning Project |
| ANTONIO JAIME<br>**Project Role:** Lead CCTV & Manhole Inspection Technician<br>**Related Years of Experience:** 6<br>**Location:** Livermore, CA | Lead CCTV & Manhole Technician for Lotus Water – City of South San Francisco CCTV Storm Drain Project<br>CCTV Technician for Schaaf & Wheeler - San Mateo County Sewer Rehabilitation Project<br>Lead CCTV & Manhole Technician for Harris & Associates – City of San Mateo Basin B Sanitary Sewer and Cleaning Project<br>CCTV & Manhole Technician for Fryer & Laureta- City Of San Mateo Basin D Sanitary Sewer and Cleaning Project |
| Mario Gutierrez Sr.<br>**Project Role:** Lead Vactor Operator<br>**Related Years of Experience:** 28<br>**Location:** Livermore, CA | Lead Vactor Operator for Lotus Water – City of South San Francisco CCTV Storm Drain Project<br>Lead Vactor Operator for Schaaf & Wheeler - San Mateo County Sewer Rehabilitation Project<br>Lead Vactor Operator for Schaaf & Wheeler - City of San Mateo Basin C Sewer Rehabilitation Project<br>Lead Vactor Operator for Fryer & Laureta- City Of San Mateo Basin D Sanitary Sewer and Cleaning Project |

# Price Sheet

SCHAAF & WHEELER
CONSULTING CIVIL ENGINEERS

**Town of Los Gatos**
**Loma Drainage Study**

**Fee Proposal**
December 5, 2025

| | | Principal Project Manager | Senior Project Manager | Senior Engineer | Assistant Engineer | Schaaf & Wheeler Total | Cinquini & Passarino | Presidio Systems Inc | 10% Markup | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Hourly Rates** | **$315** | **$290** | **$265** | **$215** | | | | | |
| **Task 1** | **Data Collection** | **2** | **18** | **0** | **32** | **$12,730** | **$0** | **$3,500** | **$350** | **$16,580** |
| | Desktop Data Collection | 2 | 6 | | 24 | $7,530 | | | | $7,530 |
| | Field Data Collection | | 8 | | 8 | $4,040 | | | | $4,040 |
| | CCTV | | 4 | | | $1,160 | | $3,500 | $350 | $5,010 |
| **Task 2** | **Field Survey** | **0** | **6** | **0** | **12** | **$4,320** | **$10,000** | **$0** | **$1,000** | **$15,320** |
| | Prepare USA Exhibit | | 2 | | 4 | $1,440 | | | | $1,440 |
| | Field Topographical Survey | | 4 | | 8 | $2,880 | $10,000 | | $1,000 | $13,880 |
| **Task 3** | **Hydrologic and Hydraulic Assessment** | **6** | **12** | **40** | **160** | **$50,370** | **$0** | **$0** | **$0** | **$50,370** |
| | Hydrologic Modeling | 2 | 4 | 8 | 40 | $12,510 | | | | $12,510 |
| | Hydraulic Modeling | 2 | 4 | 16 | 80 | $23,230 | | | | $23,230 |
| | Update Valley Water Ross Creek Model | 2 | 4 | 16 | 40 | $14,630 | | | | $14,630 |
| **Task 4** | **Schematic Design** | **6** | **10** | **12** | **40** | **$16,570** | **$0** | **$0** | **$0** | **$16,570** |
| | Develop Three Alternative Concepts | 4 | 8 | 8 | 24 | $10,860 | | | | $10,860 |
| | Outline of Scope of Services, Permits, Cost Summary | 2 | 2 | 4 | 16 | $5,710 | | | | $5,710 |
| **Task 5** | **Report** | **4** | **6** | **12** | **60** | **$19,080** | **$0** | **$0** | **$0** | **$19,080** |
| | Draft Report | 2 | 4 | 8 | 40 | $12,510 | | | | $12,510 |
| | Final Report | 2 | 2 | 4 | 20 | $6,570 | | | | $6,570 |
| **Task 6** | **Community Engagement** | **0** | **0** | **0** | **0** | **$14,570** | **$0** | **$0** | **$0** | **$29,140** |
| Two (2) Neighborhood Meetings | | 4 | 16 | | 24 | $11,060 | | | | $11,060 |
| One (1) Council Meeting | | 2 | 4 | | 8 | $3,510 | | | | $3,510 |
| **Task 7** | **Project Management/Communications** | **0** | **0** | **0** | **0** | **$8,700** | **$0** | **$0** | **$0** | **$17,400** |
| Monthly Meetings | | | 12 | | | $3,480 | | | | $3,480 |
| Monthly Invoices | | | 12 | | | $3,480 | | | | $3,480 |
| Three (3) In Person Meetings | | | 6 | | | $1,740 | | | | $1,740 |
| | **Total** | **18** | **52** | **64** | **304** | **$117,640** | **$10,000** | **$3,500** | **$1,350** | **$147,060** |

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 02/17/2026
ITEM NO: 6

DATE: February 17, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Authorize the Town Manager to Execute an Amendment to an Agreement for Downtown Garbage and Recycling Services with Universal Site Services to Amend the Scope of Services and Increase the Total Agreement Amount by $2,056.76**

RECOMMENDATION: Authorize the Town Manager to execute the First Amendment to the Agreement for Services with Universal Site Services to amend the scope of services and increase the total agreement base amount by $2,056.76 for a total base amount of $217,026.66.

FISCAL IMPACT:

Approval of the First Amendment will increase the total agreement base amount for downtown garbage and recycling services with Universal Site Services from $214,969.90 to $217,026.66, an increase of $2,056.76 over the remaining term of the agreement.

The increase is attributable to (1) the addition of six (6) garbage receptacles in the Northside Lot with once-per-week Saturday service, (2) the application of the 2026 Consumer Price Index (CPI) adjustment effective January 1, 2026, as provided for in the original agreement, and (3) unforeseen services for day porter services associated with Town events.

There are sufficient funds in the Town's Adopted 2025-2026 Operating Budget for Parks and Public Works Environmental Services (1115302-63367) to support the contract increase.

PREPARED BY: Shirley Ng
Environmental Program Specialist

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

STRATEGIC PRIORITY:

The actions in this report support the Core Goal of Quality Public Infrastructure to ensure downtown garbage collection and recycling are maintained to meet the service needs of the Town.

BACKGROUND:

The Town of Los Gatos has utilized contract services to provide enhanced downtown garbage collection and recycling on the weekends since August 2015, with the original agreement for this service ending in 2022.

In 2022, a Request for Proposals (RFP) was issued to select a vendor to continue service of the Town's downtown receptacles. This service supplements the collection three days per week by West Valley Collection and Recycling.

On August 2, 2022, the Town Council authorized a four-year Agreement for Universal Site Services valued at $214,969.90 prior to future CPI adjustments. The Agreement included a base amount plus costs for special as-needed services and unforeseen services.

Implementation of the current service model of contracted recycling, pizza box receptacles, and enhanced trash hauling on weekends in the downtown, combined with an increase in recycling receptacles, has significantly decreased the incidents of overflowing trash cans with a corresponding decrease to the amount of waste going to the landfill. Staff continue to increase the number of recycling receptacles to meet the needs of the downtown, with the ultimate goal of completing one-to-one receptacle pairings. Currently, the service includes 61 trash receptacles paired with 50 recycling receptacles.

In addition to collection, Universal Site Services provides cleaning services of the receptacles. The receptacle design leads to soiled surfaces, which have historically been a nuisance downtown.

DISCUSSION:

As the original agreement comes to its end, the total contract amount will be exceeded due to CPI increases and the addition of services. On February 1, 2025, staff added six (6) additional garbage receptacles in the Northside Lot for an additional once-a-week service. This service increased the cost of the Town's monthly services. Beginning January 1, 2026, services are amended to include unforeseen day porter cleaning and collection services associated with Town events at a rate of $55 per hour per service up to $600. The additional services combined with the CPI increases over the life of the agreement have resulted in the total agreement amount valued at $217,026.66, an increase of $2,056.76 over the original agreement amount.

Staff intend to either rebid this supplemental trash collection service in spring 2026 or ask the Town's franchise trash hauler to provide this service in the future.

CONCLUSION:

Authorize the Town Manager to execute an amendment to the agreement for services with Universal Site Services in scope and total agreement valued at $217,026.66.

ENVIRONMENTAL ASSESSMENT:

This is not a project as defined under CEQA.

Attachments:
1. First Amendment to Agreement for Services with Exhibit A
2. Original Agreement for Services

# AMENDMENT

This FIRST AMENDMENT TO AGREEMENT amends that certain agreement titled Agreement for Services dated September 1, 2022, made by and between the Town of Los Gatos, ("Town,") and Universal Site Services, Inc. (“Contractor”), a Corporation and whose address is 760 E Capitol Ave, Milpitas, CA 95035.

**RECITALS**

A. Town and Contractor entered into an Agreement for Services on September 1, 2022 (“Agreement”).

B. The parties desire to amend the Agreement to add to the scope of services and increase the not-to-exceed amount.

**AMENDMENT**

A. Section 2.1 Scope of Services is amended to add:
Beginning February 1, 2025 services are amended to include an additional six (6) garbage receptacles in the Northside Lot for additional once-a-week service on Saturdays. Monthly services will increase costs at a rate of $55 per receptacle as referenced in Exhibit A.

Beginning January 1, 2026, services are amended to include additional day porter cleaning and collection services at a rate $55 per hour per service up to $600 total.

B. Section 2.6 Compensation is amended to read:
Compensation: shall be as follows per 2026 Consumer Price Index (CPI) increase.
FY 2022/23: $43,607.30
FY 2023/24: $55,020.84
FY 2024/25: $57,771.76
FY 2025/26: $60,626.76
For a total agreement amount not to exceed $217,026.66. Compensation for year one (FY 2022/23) shall not exceed $45,961.90. Compensation for future years shall include the projected base amount and be adjusted upward annually for the remaining term of this agreement by the change, if any, in the San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index for All Urban Consumers, all items (CPI). The adjustment shall be based upon the CPI published on December 31 of the preceding year. If the CPI indicates a downward adjustment, compensation will remain at the base amount. Payment shall be based upon Town approval of each task.

C. Section 4.7 Notices is amended to read:
Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street

Los Gatos, CA 95030

Universal Site Services
760 E. Capitol Avenue
Milpitas, CA 95035

D. All other terms and conditions of the Agreement remain in full force and effect.

| TOWN OF LOS GATOS | Universal Site Services |
|---|---|
| **SIGNATURE** | **SIGNATURE** |
| Chris Constantin | Chris Dickie |
| **FULL NAME** | **CONTRACTOR SIGNATORY'S FULL NAME** |
| Town Manager | Director |
| **TITLE** | **CONTRACTOR SIGNATORY'S TITLE** |
| **DATE SIGNED** | **DATE SIGNED** |

Approved as to form:

| |
|---|
| **SIGNATURE** |
| Gabrielle Whelan |
| **FULL NAME** |
| Town Attorney |
| **TITLE** |
| **DATE SIGNED** |

The execution date is the date on which the last party has signed.

Attachments:

A - Proposal

## Exhibit A

# Proposal

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| | DESCRIPTION, WITH UNIT PRICE IN WORDS. (PRICE IS INCLUSIVE OF ALL APPLICABLE TAXES AND FEES) | UNIT PRICE | ESTIMATED IIOURS | EXTENDED PRICE |
|---|---|---|---|---|
| 1 | Basic Collection and Cleaning Services Current inventory 2022 - 2023 | Monthly | **$4,323.23** | n/a |
| 2 | Additional Cost per new garbage receptacle | Monthly | **$55.00** | n/a |
| | Additional Cost per new recycling receptacle | Monthly | **$55.00** | n/a |
| | Additional Cost per new pizza box receptacle | Monthly | **$55.00** | |
| 3 | Reduction in Cost for removal of garbage receptacle (per can) | Monthly | **$55.00** | n/a |
| 4 | Reduction in Cost for removal of recycling receptacle (per can) | Monthly | **$55.00** | n/a |
| 5 | Reduction in Cost for removal of pizza box receptacle (per bin) | Monthly | **$55.00** | |
| 6 | Additional Collection and Cleaning Service day (one time)--Recycling Only | Daily | **$185.10** | n/a |
| 7 | | | | |
| 8 | Additional Collection and Cleaning Service day (ongoing)—Recycling Only | Monthly | **$802.10** | n/a |
| 9 | Additional Collection and Cleaning Service day (one time)—Garbage, Recycling, & Pizza Box Receptacles | Daily | **$364.38** | n/a |
| 10 | | | | |
| 11 | Additional Collection and Cleaning Service day (ongoing)—Garbage, Recycling, & Pizza Box receptacles | Monthly | **$1,578.96** | n/a |
| 12 | Emergency Collection and Cleaning Service | Hourly | **$68.50** | $ |
| | Scheduled Day porter cleaning and collection services | Hourly | **$55.00** | $ |

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| Monthly Collection | Event Pickups | Unforeseen | Yearly | |
|---|---|---|---|---|
| $4,323.23 | $728.76 | $2,000.00 | $45,961.06 | CPI Included |
| $4,323.23 | $1,457.52 | $3,000.00 | $56,336.28 | Plus CPI, TBD |
| $4,323.23 | $1,457.52 | $3,000.00 | $56,336.28 | Plus CPI, TBD |
| $4,323.23 | $1,457.52 | $3,000.00 | $56,336.28 | Plus CPI, TBD |
| Total Agreement Base Amount | | | $214,969.90 | Plus CPI, TBD |

| Current | Cans | Monthly | Event Pickups | Unforeseen | Yearly | |
|---|---|---|---|---|---|---|
| $4,323.23 | $0.00 | $4,323.23 | $728.76 | $2,000.00 | $45,961.06 | CPI Included |
| $4,323.23 | $0.00 | $4,323.23 | $1,457.52 | $3,000.00 | $56,336.28 | Plus CPI, TBD |
| $4,323.23 | $0.00 | $4,323.23 | $1,457.52 | $3,000.00 | $56,336.28 | Plus CPI, TBD |
| $4,323.23 | $0.00 | $4,323.23 | $1,457.52 | $3,000.00 | $56,336.28 | Plus CPI, TBD |
| Total Agreement Base Amount | | | | | $214,969.90 | Plus CPI, TBD |

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| FY 2022 - 2023 (September-June) | |
|---|---|
| Collection & Cleaning Services (current inventory) | $43,232.30 |
| Anticipated Additional Recycling | $0.00 |
| Anticipated Additional Trash | $0.00 |
| One-time Additional Collection post-events (2 events/year) | $728.76 |
| Unforseen expenses | $2,000.00 |
| | **$45,961.06** CPI Included |

| FY 2023 - 2024 | |
|---|---|
| Collection & Cleaning Services (current inventory) | $51,878.76 |
| Anticipated Additional Recycling | $0.00 |
| Anticipated Additional Trash | $0.00 |
| One-time Additional Collection post-events (4 events/year) | $1,457.52 |
| Unforseen expenses | $3,000.00 |
| | **$56,336.28** Plus CPI, TBD |

| FY 2024 - 2025 | |
|---|---|
| Collection & Cleaning Services (current inventory) | $51,878.76 |
| Anticipated Additional Recycling | $0.00 |
| Anticipated Additional Trash | $0.00 |
| One-time Additional Collection post-events(4 events/year) | $1,457.52 |
| Unforseen expenses | $3,000.00 |
| | **$56,336.28** Plus CPI, TBD |

| FY 2025 - 2026 | |
|---|---|
| Collection & Cleaning Services (current inventory) | $51,878.76 |
| Anticipated Additional Recycling | $0.00 |
| Anticipated Additional Trash | $0.00 |
| One-time Additional Collection post-events | $1,457.52 |
| Unforseen expenses | $3,000.00 |
| | **$56,336.28** Plus CPI, TBD |

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# AGREEMENT FOR SERVICES

THIS AGREEMENT is dated for identification this 1st of September 2022, and is made by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Universal Site Services ("Service Provider"), whose address is 760 E. Capitol Avenue, Milpitas, CA 95035. This Agreement is made with reference to the following facts.

## I. RECITALS

1.1 Town sought quotations for the services described in this Agreement through a Request for Proposals (RFP) and Town desires to engage Service Provider as the sole responder for the services described in this Agreement and the Service Provider and was found to be a responsible supplier for these services.

1.2 Service Provider represents and affirms that it is willing to perform the desired work pursuant to this Agreement.

1.3 Town desires to engage Service Provider to provide garbage, pizza box, and recycling receptacle collection and cleaning services.

1.4 Service Provider warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Service Provider acknowledges Town has relied upon these warranties to retain Service Provider.

## II. AGREEMENT

2.1 Scope of Services. Service Provider shall provide services as described in that certain Proposal sent to the Town on May 27, 2022, which is hereby incorporated by reference and attached as Exhibit A.

2.2 Term and Time of Performance. The effective date of this Agreement shall begin September 1, 2022, and will continue through June 30, 2026, subject to appropriation of funds, notwithstanding any other provision in this agreement.

2.3 Compliance with Laws. The Service Provider shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Service Provider represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Service Provider to practice its profession. Service Provider shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.

2.4 Sole Responsibility. Service Provider shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

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2.5 Information/Report Handling. All documents furnished to Service Provider by the Town and all reports and supportive data prepared by the Service Provider under this Agreement are the Town's property and shall be delivered to the Town upon the completion of services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Service Provider in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Service Provider shall not make any of these documents or information available to any individual or organization not employed by the Service Provider or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Service Provider pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Service Provider in connection with other projects shall be solely at Town's risk, unless Service Provider expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Service Provider which is and has been confirmed in writing by Service Provider to be a trade secret of Service Provider.

2.6 Compensation: shall be as follows per the bid pricing sheet as described in Exhibit A.

| **FY 2022 – 2023 (9/1/22 – 6/30/23)** | |
|---|---|
| Collection & Cleaning Services (current inventory) *CPI Included* | $43,232.30 |
| One-time Additional Collection post-events (2 events/year) | $728.76 |
| Unforeseen expenses | $2,000.00 |
| **TOTAL** | **$45,961.06** |

| **Annual Base Amount (CPI Not Included)** | |
|---|---|
| Collection & Cleaning Services (current inventory) | $51,878.76 |
| One-time Additional Collection post-events (4 events/year) | $1,457.52 |
| Unforeseen expenses | $3,000.00 |
| **TOTAL** | **$56,336.28** |

FY 2022/23: $45,961.06
FY 2023/24: $56,336.28 + CPI
FY 2024/25: $56,336.28 + CPI
FY 2025/26: $56,336.28 + CPI
For a total agreement base amount not to exceed $214,969.90.

Compensation for year one (FY 2022/23) shall not exceed $45,961.06. Compensation for future years shall include the projected base amount and be adjusted upward annually for the remaining term of this agreement by the change, if any, in the San Francisco-Oakland-San Jose Metropolitan Area Consumer Price Index for All Urban Consumers, all items

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(CPI). The adjustment shall be based upon the CPI published on December 31 of the preceding year. If the CPI indicates a downward adjustment, compensation will remain at the base amount. Payment shall be based upon Town approval of each task.

2.7 Failure to Perform:

It is mutually agreed by SERVICE PROVIDER and TOWN that in the event that performance of the work by SERVICE PROVIDER under this Agreement is not completed as scheduled, TOWN will suffer damages and will incur other costs and expenses of a nature and amount which is difficult or impractical to determine. The Parties agree that by way of ascertaining and fixing the amount of damages, costs and expenses, and not by way of penalty, SERVICE PROVIDER shall pay to TOWN the sum of one hundred dollars ($100.00) per location per scheduled service in liquidated damages for every missed service in addition to reducing the monthly payment by the cost of that service. In the event that the liquidated damages are not paid, SERVICE PROVIDER agrees that TOWN may deduct the amount of unpaid damages from any money due or that may become due to SERVICE PROVIDER under this Agreement.

2.8 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:
Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655
Los Gatos, CA 95031-0655

2.9 Availability of Records. Service Provider shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Service Provider shall make these records available to authorized personnel of the Town at the Service Provider offices during business hours upon written request of the Town.

2.10 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Service Provider. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

2.11 Independent Contractor. It is understood that the Service Provider, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she

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shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Service Provider may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Service Provider agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Service Provider shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Service Provider or is based on allegations of Service Provider's negligent performance or wrongdoing.

2.12 Conflict of Interest. Service Provider understands that its professional responsibilities are solely to the Town. The Service Provider has and shall not obtain any holding or interest within the Town of Los Gatos. Service Provider has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Service Provider warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Service Provider shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person Service Provider discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement Service Provider shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.

2.13 Equal Employment Opportunity. Service Provider warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Service Provider nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

## III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

i. Service Provider agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: one million dollars ($1,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.

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ii. Service Provider agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

iii. Service Provider shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Service Provider agrees that all certificates and endorsements are to be received and approved by the Town before work commences.

General Liability:

i. The Town, its officers, officials, employees and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Service Provider; products and completed operations of Service Provider, premises owned or used by the Service Provider.

ii. The Service Provider's insurance coverage shall be primary insurance as respects the Town, its officers, officials, employees and volunteers. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Service Provider's insurance and shall not contribute with it.

iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.

iv. The Service Provider's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

3.3 Workers' Compensation. In addition to these policies, Service Provider shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Service Provider shall ensure that all subcontractors employed by Service Provider provide the required Workers' Compensation insurance for their respective employees.

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3.4 Indemnification. The Service Provider shall save, keep, hold harmless and indemnify and defend the Town its officers, agent, employees and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Service Provider, or any of the Service Provider's officers, employees, or agents or any subcontractor.

## IV. GENERAL TERMS

4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

4.3 Termination of Agreement. The Town and the Service Provider shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Service Provider shall deliver to the Town all plans, files, documents, reports, performed to date by the Service Provider. In the event of such termination, Town shall pay Service Provider an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

4.4 Prevailing Wages. This project is subject to the requirements of Section 1720 et seq. of the California Labor Code requiring the payment of prevailing wages, the training of apprentices and compliance with other applicable requirements. Contractors and all subcontractors who perform work on the project are required to comply with these requirements. Prevailing wages apply to all projects over $1,000 which are defined as a “public work” by the State of California. This includes: construction, demolition, repair, alteration, maintenance and the installation of photovoltaic systems under a Power Purchase Agreement when certain conditions are met under Labor Code Section 1720.6. This include service and warranty work on public buildings and structures.

4.4.1 The applicable California prevailing wage rate can be found at www.dir.ca.gov and are on file with the Town of Los Gatos Parks and Public Works Department, which shall be available to any interested party upon request. The contractor is also required to have a copy of the applicable wage determination posted and/or available at each jobsite.

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4.4.2 Specifically, contractors are reminded of the need for compliance with Labor Code Section 1774-1775 (the payment of prevailing wages and documentation of such), Section 1776 (the keeping and submission of accurate certified payrolls) and 1777.5 in the employment of apprentices on public works projects. Further, overtime, weekend and holiday pay, and shift pay must be paid pursuant to applicable Labor Code section.

4.4.3 The public entity for which work is being performed or the California Department of Industrial Relations may impose penalties upon contractors and subcontractors for failure to comply with prevailing wage requirements. These penalties are up to $200 per day per worker for each wage violations identified; $100 per day per worker for failure to provide the required paperwork and documentation requested within a 10-day window; and $25 per day per worker for any overtime violation.

4.4.4 As a condition to receiving progress payments, final payment and payment of retention on any and all projects on which the payment of prevailing wages is required, the contractor agrees to present to the TOWN, along with its request for payment, all applicable and necessary certified payrolls (for itself and all applicable subcontractors) for the time period covering such payment request. The term "certified payroll" shall include all required documentation to comply with the mandates set forth in Labor Code Section 1720 et seq, as well as any additional documentation requested by the Agency or its designee including, but not limited to: certified payroll, fringe benefit statements and backup documentation such as monthly benefit statements, employee timecards, copies of wage statements and cancelled checks, proof of training contributions (CAC2 if applicable), and apprenticeship forms such as DAS-140 and DAS-142.

4.4.5 In addition to submitting the certified payrolls and related documentation to the TOWN, the contractor and all subcontractors shall be required to submit certified payroll and related documents electronically to the California Department of Industrial Relations. Failure to submit payrolls to the DIR when mandated by the project parameters shall also result in the withholding of progress, retention and final payment.

4.4.6 No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

4.4.7 No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractors MUST be a registered "public works contractor" with the DIR AT THE TIME OF BID. Where the prime contract is less than $15,000 for maintenance work or less than $25,000 for construction alternation, demolition or repair work, registration is not required.

4.4.8 Should any contractor or subcontractors not be a registered public works contractor and perform work on the project, Contractor agrees to fully

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indemnify the TOWN for any fines assessed by the California Department of Industrial Relations against the TOWN for such violation, including all staff costs and attorney's fee relating to such fine.

4.4.9 The TOWN shall withhold any portion of a payment; including the entire payment amount, until certified payroll forms and related documentation are properly submitted, reviewed and found to be in full compliance. In the event that certified payroll forms do not comply with the requirements of Labor Code Section 1720 et seq., the TOWN may continue to hold sufficient funds to cover estimated wages and penalties under the contract.

4.5 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Service Provider.

4.6 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.

4.7 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

Universal Site Services
460 E. Capitol Avenue
Milpitas, CA 95035

or personally delivered to Service Provider to such address or such other address as Service Provider designates in writing to Town.

4.8 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

4.9 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Service Provider. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

DocuSign Envelope ID: FEB6D0D8-E2C6-4421-A435-97EAE769C080



IN WITNESS WHEREOF, the Town and Service Provider have executed this Agreement.

Town of Los Gatos by:

DocuSigned by:
Laurel Prevetti
853FEEA2EB39470...
Laurel Prevetti, Town Manager

Universal Site Services, by:

DocuSigned by:
70341B928EA1468...
Chris Dickie

Recommended by:

DocuSigned by:
Nicolle Burnham
0E97831349644C3...
Nicolle Burnham
Director of Parks and Public Works

Director
Title

Approved as to Form:

DocuSigned by:
Gabrielle Whelan
EFD6738A5534428...
Gabrielle Whelan, Town Attorney

Attest:

DocuSigned by:
Wendy Wood
BF6EBCBE2C214F8...
Wendy Wood, CMC, Town Clerk

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 02/17/2026
ITEM NO: 7

DATE: February 17, 2026

TO: Mayor and Town Council

FROM: Gabrielle Whelan, Town Attorney

SUBJECT: **Adopt an Ordinance of the Town Council Amending the Town's Special Events Regulations in Chapter 14 to Establish an Entertainment Zone, Pursuant to State Law, Allowing Outdoor Consumption of Alcoholic Beverages During Permitted Events**
**Ordinance Title: An Ordinance of the Town Council of The Town of Los Gatos Amending Article X, "Special Events," of Chapter 14, "Licenses and Miscellaneous Business Regulations," of the Town Of Los Gatos Town Code to Establish an Entertainment Zone Pursuant to SB 969**

RECOMMENDATION: Adopt an Ordinance of the Town Council amending the Town's Special Events Regulations in Chapter 14 to establish an Entertainment Zone, pursuant to State Law, allowing outdoor consumption of alcoholic beverages during permitted events.

FISCAL IMPACT:

Adopting an Entertainment Zone Ordinance does not create a direct fiscal impact to the Town. However, it will increase the workload on Town staff to review and process the Special Event Permits. Per the State of California Department of Alcoholic Beverage Control (ABC), the Town may not charge a fee for businesses to activate the Entertainment Zone without other event components. However, should the applicant wish to include additional elements to the activation event that would otherwise require a Special Events Permit with associated fees, noted in the Town's Fee Schedule, the applicant will be required to pay the associated Town fees.

PREPARED BY: Monica Renn
Economic Vitality Manager

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

STRATEGIC PRIORITY:

This item does not directly address a Strategic Priority; however, it aligns with the Core Goal of Community Character by fostering Economic Vitality and supporting local businesses.

DISCUSSION:

At the regular meeting of February 3, 2026, the Town Council held a public hearing to consider the introduction of an ordinance amending the Town's Special Events Regulations in Chapter 14 to establish an Entertainment Zone, pursuant to State Law, and allowing outdoor consumption of alcoholic beverages during permitted events.

At the February 3 meeting, the Town Council unanimously approved the introduction of the Ordinance with one change. The Council voted to add a subsection (14) to Section 14.100.035(a) to read: "An entertainment zone event is a discretionary permit and may be denied at the discretion of the Town Manager or designee." The Town Council also asked staff to revise the map to depict all locations in the entertainment zone as listed in the ordinance.

This ordinance (Attachment 1), incorporating the previously stated revisions, is returning to the Town Council for final adoption. The Ordinance will take effect thirty days from its adoption.

COORDINATION:

This report and ordinance were drafted in coordination with Economic Vitality Staff, the Town Attorney's and Town Manager's Office, the Community Development Department, and the Los Gatos-Monte Sereno Police Department.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Draft Entertainment Zone Ordinance

# DRAFT ORDINANCE

## AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AMENDING ARTICLE X, "SPECIAL EVENTS," OF CHAPTER 14, "LICENSES AND MISCELLANEOUS BUSINESS REGULATIONS," OF THE TOWN OF LOS GATOS TOWN CODE TO ESTABLISH AN ENTERTAINMENT ZONE PURSUANT TO SB 969

**WHEREAS,** Senate Bill 969 amended California Business and Professions Code Sections 23039.5, 23357, 23358, 23396, 25690, and added Sections 25691 and 26692 to allow individual jurisdictions to adopt ordinances allowing for the establishment of entertainment zones;

**WHEREAS**, the Town wishes to establish an entertainment zone in which specified alcoholic beverages can be consumed on public streets, sidewalks, or public rights of way;

**WHEREAS**, any entertainment zone ordinance must be approved by the State of California Department of Alcohol and Beverage Control; and

**WHEREAS**, the Town proposes to use its Special Event Permit Process for entertainment zones; and

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AS FOLLOWS:**

**SECTION I.** Section 14.100.015, "Definitions," of Article X, "Special Events," of Chapter 14, "Licenses and Miscellaneous Business Regulations," of the Town of Los Gatos Town Code is amended to read as follows:

**Sec. 14.100.015. - Definitions.**

(a) *ABC.* The State of California, Department of Alcohol Beverage Control.

*(b) Advance promotional activity*. Posting, display, or distribution of signs, banners, leaflets, mailing and publications promoting a future special event.

(c) *Applicant*. A person or organization who seeks a permit to conduct a special event governed by this article.

(d) *Block party*. An outdoor neighborhood gathering coordinated by the residents of that neighborhood that includes the closure of a public right of way within an area zoned for residential use. Block parties may not include the closure of arterial streets and may not be for commercial, for-profit, or advertising purposes.

(e) *Conditions of approval or letter of conditional approval*. Requirements with completion timelines concerning the time, place, scope of the event, required permits from other

government agencies, vendor provisions, payment of applicable fees and deposits, and other provisions, including but not limited, to conditions to protect the safety of persons and property, provide for adequate traffic control, and regulate the sale and service of food and/or alcohol. Such criteria shall be set forth by the Town Manager to the permittee in writing outlining specifics that must be met prior to the final approval for and issuance of the special event permit.

(f) *Entertainment Zone.* A zone as defined in Section 23039.5 of the California Business and Professions Code, in which specified alcoholic beverages may be consumed at the locations set forth in Section 14.100.070.

(g) *Entertainment Zone Event*. An event that occurs within the boundaries of an Entertainment Zone in compliance with ABC regulations, the requirements set forth in this Chapter, and any associated Town Policy governing the activation of an Entertainment Zone.

(h)*Free speech event*. An event, at which the expression of free speech rights is the principal purpose. "Free speech rights" means expressive activity protected by the First Amendment of the United States Constitution or Article 1, Section 2 of the California Constitution.

(i) *Permittee*. Any applicant to whom a special events permit is issued.

(j) *Special event*. Any event, which is scheduled to take place on or contiguous to a Town street, sidewalk, alley or other right-of-way or on Town property including its parks and the grounds of its buildings, which in the judgment of the Town Manager is likely either:

(1) To obstruct, delay or interfere with the normal flow of pedestrian or vehicular traffic; or

(2) To attract participants or spectators who are not likely to comply with traffic laws or controls; or

(3) To generate a crowd of sufficient size likely to obstruct, delay or interfere with the normal flow of pedestrian or vehicular traffic, or to restrict access to parks, recreation areas or other public areas; or

(4) To require police regulation, monitoring, or control to maintain public safety.

Examples of special events may include, but are not limited to: athletic events such as runs, walkathons, bicycle races, etc., parades, street fairs, festivals, carnivals, car rallies, farmers markets, sidewalk sales, outdoor music concerts, gatherings of merchants, craftsmen, artists or other sellers of goods for the primary purpose of display and sale to the public of arts, crafts or goods, and Entertainment Zone activations.

(k) *Special event permit*. Written approval issued by the Town Manager for the permittee to conduct the special event as described and conditioned within the conditions of approval. The special event permit is issued after all conditions of approval have been addressed to the satisfaction of the Town Manager.

(l) *Town Manager*. The Town Manager or the Town Manager's designee.

(m) *Vendors*. Entities that are hired or contracted by the permittee to carry out a service associated with the proposed event.

**Section II.** Section 14.100.035, "Denial," of Article X, "Special Events," of Chapter 14, "Licenses and Miscellaneous Business Regulations," of the Town of Los Gatos Town Code is amended to read as follows:

(a) *Grounds for denial*. Applications for special events permits may be denied for any of the following reasons:

(1) Information contained in the application or supplemental information requested from the applicant is found to be materially false or misleading.

(2) The application was incomplete or supplemental information or documents were not provided in a timely manner.

(3) A permit for another special event at a time and place that would conflict with the proposed event, or cause undue traffic congestion, or create excessive demands for police or other Town services has already been approved.

(4) The time, route, or size of the event is likely to substantially interrupt the safe and orderly movement of traffic contiguous to the event site or route, or to disrupt the use of a street at a time when it is usually subject to significant traffic congestion.

(5) The concentration of persons, animals and vehicles at the site or assembly and disbanding area is reasonably likely to prevent proper police, fire or ambulance services to areas contiguous to the event.

(6) The size of the event is likely to unreasonably compromise normal police protection to the rest of the Town.

(7) The location of the event is likely to substantially interfere with construction or maintenance work previously scheduled to take place upon or along Town streets, or to interfere with a previously granted encroachment permit.

(8) The special event is likely to occur at a time when a school is in session, at a route or location adjacent to a school, and the noise created by the activities of the event would substantially disrupt the educational activities of the school.

(9) The special event will occur on a route or location adjacent to a hospital or extended care facility and the noise created by the event would substantially disrupt the operation of the hospital or extended care facility or disturb the patients within.

(10) The special event has a prior history of creating conditions that jeopardize the peace and safety of the citizenry.

(11) The applicant has previously violated special event permit conditions.

(12) The applicant refuses to indicate in writing that the applicant will comply with all terms and conditions if the permit.

(13) The scope, intensity, location, type, or size of event deviates from the description provided on the special event application. A new application may be submitted to reflect the deviation so long as the requirements of this Article will be met.

(14) An entertainment zone event is a discretionary permit and may be denied at the discretion of the Town Manager, or designee.

(b) *Limitation on denial of free speech event permits*. In determining whether or not a free speech event permit should be denied, the Town Manager shall resolve all doubts in favor of approval or conditional approval. If the grounds for denial are specified in (a)(3) through (9) of this section, the Town Manager may alter the date, time, place, duration, route, or location of the of free speech event and conditionally approve the application instead of denying it. The conditions imposed shall modify the proposed event only to the extent necessary to avoid the grounds for denial.

**Section III.** Section 14.100.070, "Entertainment Zone," is added to Article X, "Special Events," of Chapter 14, "Licenses and Miscellaneous Business Regulations," to read as follows:

(a) *Establishment and Regulation.* The purpose of this Section is to implement California Code of Business and Professions Code Sections 25690 through 25692 with the establishment and regulation of an Entertainment Zone within a designated area, to allow the purchase of open container alcoholic beverages from local bars, restaurants, wineries, breweries and on-sale licensees for consumption outside in common spaces such as plazas, public streets, sidewalks or public rights-of-way during certain hours,

subject to a special event permit issued pursuant to this Article.

(b) *Entertainment Zone Requirements.* All commercial entities and organizations sponsoring the Entertainment Zone Event, or selling alcoholic beverages at an Entertainment Zone Event shall comply with all applicable state and local laws and regulations, including:

(1) All applicable ABC license and permitting requirements;

(2) Sections 23357, 23358, 23396 of the California Business and Professions Code, as may be amended from time to time regulating licensed beer manufacturers, licensed winegrowers, and on-sale licensees, respectively;

(3) All other laws governing the sale and consumption of alcoholic beverages, except that laws restricting "off-sale" of alcoholic beverages shall apply; and

(4) All permit requirements for special events issued pursuant to this Article.

(c) Open alcoholic beverages may only be consumed within an Entertainment Zone during an Entertainment Zone Event, subject to any other restrictions imposed by state or local law.

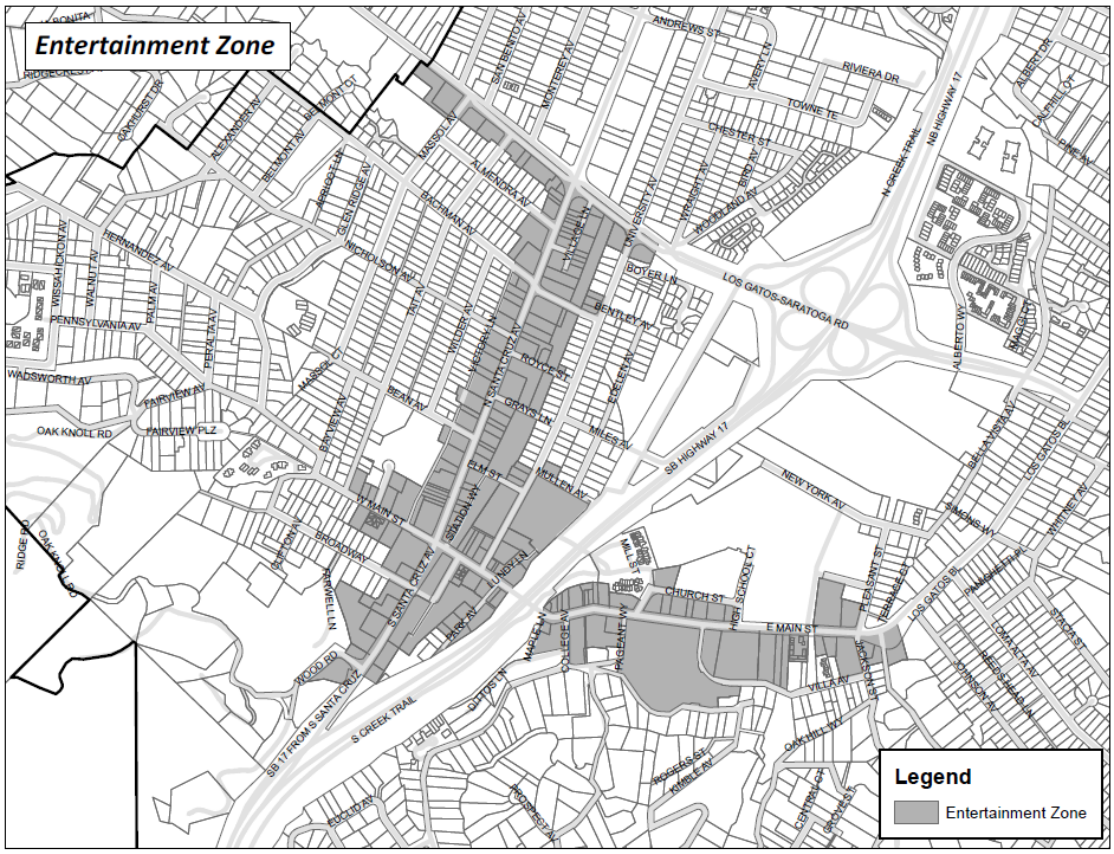
(d) All open alcoholic beverages consumed during an Entertainment Zone Event may only be purchased from a premises located within the Entertainment Zone that is authorized under California Business and Professions Code Section 23357, 23358, or 23396, as may be amended, to permit the consumers to leave the premises with open containers of alcoholic beverages for consumption off the premises, or an organization that is authorized by an ABC license or permit to make such sales within the Entertainment Zone.

(e) Open containers leaving the licensed premises during an approved Entertainment Zone Event may only be in plastic cups or similar non-metal, non-glass containers, as specified in the special event permit.

(f) All participating patrons purchasing beverages to be consumed within the approved Entertainment Zone Event must be easily identifiable as over twenty-one years of age and display a wristband or similar as specified within the special event permit.

(g) Entertainment Zone Hours. Outdoor consumption of alcoholic beverages may only occur during an Entertainment Zone Event between the hours of 8:00 a.m. and 10:00 p.m., subject to any additional limitations imposed by any ABC permit or license and by the special events permit issued pursuant to this Article, including but not limited to more restrictive days and hours during which outdoor consumption of alcoholic beverages is authorized.

(h) Entertainment Zone Locations. C-2 Central Business District Commercial Zone inclusive of public parking lots, alleyways, and parks located within the Central Business District (C-2); and the portion of C-1, Neighborhood Commercial Zoning located directly adjacent to the south-west of the C-2 Zone along E. Main Street, between Pageant Way and Alpine Avenue as shown on the map below.




(i) Entertainment Zone Implementation. Within 60 days of the establishment or modification of an Entertainment Zone, the Town Manager or their designee will,

following consultation with the Police Department, provide the following information to ABC, pursuant to Section 25690 of the California Business and Professions Code:

(1) A copy of the ordinance establishing or modifying the Entertainment Zone;
(2) Information as may be necessary to identify the boundaries of the Entertainment Zone;
(3) The days and hours of operation of the Entertainment Zone;
(4) The types of alcoholic beverages permitted within the Entertainment Zone; and
(5) The approved plastic or similar non-glass and non-metal containers in which alcoholic beverages may be authorized.

(j) The Town Manager is authorized to promulgate rules and regulations to implement this Article, and the special events guidelines and policies, copies of which shall be provided to ABC, that shall include the following requirements:
    (1) Establish a process or procedure to readily identify individuals purchasing or consuming alcoholic beverages within the Entertainment Zone as being 21 years of age or older;
    (2) Any person or organization seeking a special events permit pursuant to this Article shall comply with the insurance requirements applicable to that permit, and all rules and regulations authorized by this Article, Special Events; and
    (3) Any additional requirements for approved beverage containers, additional restrictions on hours of operation for the Entertainment Zone Event, and other time, place and manner restrictions.
(k) Any holder of an ABC license or permit that wishes to allow customers to leave the premises with open containers of alcoholic beverages for consumption off the premises during an Entertainment Zone Event shall provide the Town with a copy of the notice provided to ABC under Section 23357, 23358, or 23396 of the California Business and Professions Code, as applicable, at the same time such notice is provided to ABC.
(l) Biennial review. The Town Manager, or the Town Manager's designee, shall review the operation of any established Entertainment Zone every two years following its adoption to ensure that the Entertainment Zone is being maintained in a manner that protects the health and safety of the general public. This review shall be conducted in consultation with the Los Gatos–Monte Sereno Police Department or other local law enforcement agency with jurisdiction, and any reports produced during the review shall be made available to the California Department of Alcoholic Beverage Control upon request.

**SECTION IV.** CEQA.

Adopting this Ordinance is not a project subject to CEQA because it can be seen with certainty that it will not impact the environment (CEQA Guidelines Section 15378).

**SECTION V.** Publication.

The Town Council hereby directs the City Clerk to cause this Ordinance or a summary thereof to be published or posted in accordance with Section 36933 of the Government Code of the State of California.

**SECTION VI.** Effective Date.

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance takes effect 30 days from the date of its passage. This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the 3rd day of February 2026, and adopted by the Town Council of the Town of Los Gatos at its regular meeting on the ____ day of _____ 20 , by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

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

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 02/17/2026
ITEM NO: 8

DATE: February 17, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Authorize the Town Manager to Execute a Second Amendment to the Agreement for Services with Pacific Water Art, Inc. to Increase the Agreement Amount for Additional Maintenance and Repair Costs**

RECOMMENDATION: Authorize the Town Manager to execute a second amendment to the agreement for services for Water Fountain Maintenance and Repair with Pacific Water Art, Inc., to increase the agreement amount by $25,397 for a total not to exceed amount of $102,853

FISCAL IMPACT:

The Second Amendment to the Agreement for Services with Pacific Water Art increases the not-to-exceed contract amount by $25,397, for a revised total contract amount not to exceed $102,853. Sufficient funding is available within the existing Unanticipated Repairs CIP Project budget (CIP No. 811-9904; 4118151) for the increased contract amount associated with this action. No additional appropriations are required as a result of this action.

STRATEGIC PRIORITY:

This project supports the Strategic Priority of Quality Public Infrastructure.

BACKGROUND:

The Town entered into an Agreement for Services with Pacific Water Art, Inc. on July 1, 2024, for maintenance services for the Town's two water fountains, one located at Town Hall and the other located at Plaza Park. Pacific Water Art originally built the fountain at Plaza Park and has since been the only contractor to perform routine service or maintenance on it. Since being

PREPARED BY: Tyler Thomas
Superintendent

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Administrative Services Director, and Parks and Public Works Director

installed in the early 2000's, the Plaza fountain has had routine maintenance and a few minor repairs. Pacific Water Art is the most knowledgeable local contractor that can not only make the repairs needed but also continue to provide a high level of maintenance.

The original maintenance agreement was for $49,656 and signed by the Town Manager on June 10, 2024, since the total contract amount was under $100,000. The first amendment to the agreement was executed on July 1, 2025, increasing the contract value to $77,456. This amendment was for the repair of the ultraviolet (UV) disinfection system at the Plaza Fountain.

DISCUSSION:

In November 2025, after the UV system repairs were made, the fountain could only be manually operated. After troubleshooting the unit, it was discovered that the main control board had failed and needed to be replaced. Staff asked Pacific Water Art to inspect all other components of the fountain. During this investigation, it was discovered that the chemical dosing system was also in need of repair. Most components are original to the installation of the fountain and have outlasted their useful life cycle. The proposed second amendment an increase to the agreement to cover additional repair costs needed to restore the fountain for the upcoming season.

These repairs are critical to the safe operation of the fountain as the chemical system and the UV system help treat the water and keep it clean while in use.

CONCLUSION:

Staff recommends authorizing the Town Manager to execute the Second Amendment to the Agreement for Services with Pacific Water Art, Inc., to increase the agreement amount to cover additional costs for water fountain maintenance and repair.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Second Amendment to the Agreement for Services with Pacific Water Art
2. First Amendment to the Agreement and Original Agreement for Services with Pacific Water Art

# AMENDMENT

This SECOND AMENDMENT to Agreement for Services amends that certain Agreement for Services dated June 24, 2024, made by and between the Town of Los Gatos, ("Town,") and the Pacific Water Art Inc. ("Service Provider") identified as an S Corporation and whose address is 330 Mathew Street Santa Clara, CA 95050.

**RECITALS**

A. Town and Consultant entered into the Agreement for Services on June 4, 2024, (“Agreement”).

B. First Amendment to this Agreement on June 6, 2025.

C. The parties desire to amend the Agreement in order to include repairs to the main control board and chemical system into the scope of services, and increase the compensation.

**AMENDMENT**

A. Section 2.1 Scope of Services - is amended to add the following: Service Provider shall provide services described in that certain Proposal dated November 11, 2025, which hereby incorporated by reference and attached as Exhibit A.

B. Section 2.6 Compensation - is amended to add the following: Compensation for Service Provider's professional services shall be increased by $25,397.00 for a total agreement amount not to exceed $102,853. Payment shall be based upon Town approval of each task based on Exhibit A.

C. All other terms and conditions of the Agreement remain in full force and effect.

TOWN OF LOS GATOS

**SIGNATURE**

Chris Constantin

**FULL NAME**

Town Manager

**TITLE**

**DATE SIGNED**

Pacific Water Arts, Inc.

**SIGNATURE**

Billy Le

**CONTRACTOR SIGNATORY'S FULL NAME**

President

**CONTRACTOR SIGNATORY'S TITLE**

**DATE SIGNED**

Approved as to form:

**SIGNATURE**

Nicolle Burnham

**FULL NAME**

**DATE SIGNED**

Director of Parks and Public Works

**TITLE**

**SIGNATURE**

Gabrielle Whelan

**FULL NAME**

Town Attorney

**TITLE**

**DATE SIGNED**

**SIGNATURE**

Wendy Wood, CMC

**FULL NAME**

**DATE SIGNED**

Town Clerk

**TITLE**

The execution date is the date on which the last party has signed.



Attachments:

A - PWA Quote 11.11.2025

PWA
Pacific Water Art, Inc.
Lic. #623675
330 Mathew Street
Santa Clara, CA 95050
Tel: 650.968.2733
Fax: 650.968.1633
www.pacificwaterart.com

# PROPOSAL

| To: | Account #: M1291 Town of Los Gatos | Date: 11/11/2025 |
|---|---|---|
| Town of Los Gatos<br>Parks & Public Works<br>Attn: Tyler Thomas<br>41 Miles Ave<br>Los Gatos, CA 95030 | Job Name/Location:<br>UV Board Control Replacement Proposal<br>Town of Los Gatos Plaza Fountain | |
| | Contact Person: tthomas@losgatosca.gov | Contact Number: O: 408-399-5775 |

We hereby submit specifications and estimates for:

Pacific Water Art, Inc. proposes to replace the control board for the UV system that controls the UV system and the fountain pumps. The Trojan technician reported the board was also malfunction after they calibrated and inspected the UV system. We can't run the fountain without replacing the board. Please find the cost below:

Materials & Labor:

1. Dosimeter Control Board.....$10,857.00
2. Truck/Fuel/Tools.....$150.00
3. Labor for 2-man crew.....$2,400.00
4. Total Cost for Labor and Materials.....$13,407.00

NOTES: 1) Lead Time is 2 to 3 weeks - Warranty 1 year
2) Any additional work found during repair will be reported for attention action and pricing
3) Union Labor

| | |
|---|---|
| **We Propose** hereby to furnish material and labor – complete in accordance with the above specifications, for the sum of:<br>Thirteen Thousand Four Hundred Seven and No/100..... Dollars | $13,407.00 |

Payment to be made as follows:
Due upon completion, as invoiced. Net 30 days.

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Worker's Compensation insurance.

| | |
|---|---|
| Authorized Signature | Berto Aguirre |
| Title | Berto Aguirre<br>Maintenance Manager |

*Note: This proposal may be withdrawn by us if not accepted within **30** days.*

## Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature: _____

Date of Acceptance:
_____

Title: _____

PWA
Pacific Water Art, Inc.
Lic. #623675
330 Mathew Street
Santa Clara, CA 95050
Tel: 650.968.2733
Fax: 650.968.1633
www.pacificwaterart.com

# PROPOSAL

| To: | Account #: M1291<br>Town of Los Gatos | Date:<br>11/11/25 |
|---|---|---|
| Town of Los Gatos<br>Parks & Public Works<br>Attn: Tyler Thomas<br>41 Miles Ave<br>Los Gatos, CA 95030 | Job Name/Location:<br>Fountain Repair & Safety Upgrade Proposal<br>Town of Los Gatos Plaza Fountain | |
| | Contact Person:<br>tthomas@losgatosca.gov | Contact Number:<br>O: 408-399-5775 |

We hereby submit specifications and estimates for:

Pacific Water Art, Inc. proposes to replace the current chemical feeder inside the vault. The current automated system is obsolete and it's becoming a bit difficult to find replacement parts to keep it operating properly. We recommend that we upgrade to an easy tablet feeder system. This will help benefit the safety and longevity of the chlorine levels in the water. I recommend that we upgrade system before we restarted the fountain next year. Our cost for the work is as follow:

Materials & Labor:

1. New Digital Rola-Chem Controller.....$2,280.00
2. New Solenoid Valve.....$1,260.00
3. 1 New Chemical Feeder Tanks..... .....$1,000.00
4. Extra Set of Probes.....$680.00
5. Misc. Materials.....$750.00
6. Truck/Fuel/Tools.....$500.00
7. Labor for 2-man crew.....$5,520.00
8. Total Cost for Labor and Materials.....$11,990.00

NOTES: 1) Lead Time is 2 weeks - Warranty 1 year
2) Any additional work found during repair will be reported for attention action and pricing
3) Union Labor

| **We Propose** hereby to furnish material and labor – complete in accordance with the above specifications, for the sum of:<br>Eleven Thousand Nine Hundred Ninety and No/100..... Dollars | $11,990.00 |
|---|---|

Payment to be made as follows:
Due upon completion, as invoiced. Net 30 days.

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Worker's Compensation insurance.

| Authorized Signature | Berto Aguirre |
|---|---|
| Title | Berto Aguirre<br>Maintenance Manager |

*Note: This proposal may be withdrawn by us if not accepted within **30** days.*

## Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature: _____

Date of Acceptance: _____

Title: _____

Docusign Envelope ID: E62B3D1D-74BD-4FC6-9E9B-89D11FD3DE66



# FIRST AMENDMENT TO AGREEMENT

## PREAMBLE

This First Amendment to Agreement for Services is dated for identification on this 6th day of June 2025 and amends that certain Agreement for Services dated June 24, 2024, made by and between the Town of Los Gatos, ("Town,") and the Pacific Water Arts Inc. (“Service Provider”) identified as an S Corporation and whose address is 330 Mathew Street Santa Clara, CA 95050.

## I. RECITALS

A. Town and Consultant entered into Agreement for Services on June 4, 2024, (“Agreement”), a copy of which is attached hereto and incorporated by reference as Exhibit A to this Amendment.

B. Town desires to amend the Agreement to add to the scope of services and to extend the term of the Agreement.

## II. AMENDMENT

1. Section 2.1 Scope of Services is amended to add the following:

   Service Provider shall provide services as described in that certain Proposal dated June 2, 2025, which is hereby incorporated by reference and attached as Exhibit B.

2. Section 2.6 Compensation is amended to add the following:

   Compensation for Service Provider's professional services shall be increased by $27,800 for a total agreement amount not exceed $77,456. Payment shall be based upon Town approval of each task based on Exhibit B.

3. All other terms and conditions of the Agreement remain in full force and effect.

Docusign Envelope ID: E62B3D1D-74BD-4FC6-9E9B-89D11FD3DE66



IN WITNESS WHEREOF, the Town and Service Provider have executed this Amendment.

Town of Los Gatos by:

Signed by:
Chris Constantin 7/1/2025
3EF03F232F1B428...
Chris Constantin, Town Manager

Pacific Water Arts Inc. by:

DocuSigned by:
Berto Aguirre 6/26/2025
61F5D264AD824FA...
Berto Aguirre , Maintenance Manager

Recommended by:

Signed by:
Nicolle Burnham 6/26/2025
0E9703134904 4C3...
Nicolle Burnham,
Director of Parks and Public Works

Approved as to Form:

Signed by:
Barbara Choi for Gabrielle Whelan 7/1/2025
4D749A214F7F427...
Gabrielle Whelan, Town Attorney
Barbara Choi signing on behalf of Gabrielle Whelan

Attest:

DocuSigned by:
Jenna De Long 7/1/2025
5BFB22E6A33B409...
Wendy Wood, CMC, Town Clerk
Jenna De Long signing on behalf of Wendy Wood

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# AGREEMENT FOR SERVICES

## PREAMBLE

THIS AGREEMENT is dated for identification on this 4th day of June 2024 by and between TOWN OF LOS GATOS, a California municipal corporation, ("Town") and Pacific Water Art, Inc. ("Service Provider"), identified as an S Corporation and whose address is 330 Mathew Street, Santa Clara, CA 95050. This Agreement is made with reference to the following facts.

## I. RECITALS

1.1 For the services described in this Agreement, and Service Provider was selected as a single source Service Provider.

1.2 Service Provider represents and affirms that it is willing to perform the desired work pursuant to this Agreement.

1.3 Town desires to engage Service Provider to provide water fountain maintenance.

1.4 Service Provider warrants it possesses the distinct professional skills, qualifications, experience, and resources necessary to timely perform the services described in this Agreement. Service Provider acknowledges Town has relied upon these warranties to retain Service Provider.

## II. AGREEMENT

2.1 Scope of Services. Service Provider shall provide services as described in that certain Proposal sent to the Town on May 6, 2024, which is hereby incorporated by reference and attached as Exhibit A.

2.2 Term and Time of Performance. The effective date of this Agreement shall begin July 1, 2024 through June 30, 2026, subject to appropriation of funds, notwithstanding any other provision in this agreement.

2.3 Compliance with Laws. The Service Provider shall comply with all applicable laws, codes, ordinances, and regulations of governing federal, state and local laws. Service Provider represents and warrants to Town that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Service Provider to practice its profession. Service Provider shall maintain a Town of Los Gatos business license pursuant to Chapter 14 of the Code of the Town of Los Gatos.

2.4 Sole Responsibility. Service Provider shall be responsible for employing or engaging all persons necessary to perform the services under this Agreement.

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2.5 Information/Report Handling. All documents furnished to Service Provider by the Town and all reports and supportive data prepared by the Service Provider under this Agreement are the Town's property and shall be delivered to the Town upon the completion of services or at the Town's written request. All reports, information, data, and exhibits prepared or assembled by Service Provider in connection with the performance of its services pursuant to this Agreement are confidential until released by the Town to the public, and the Service Provider shall not make any of these documents or information available to any individual or organization not employed by the Service Provider or the Town without the written consent of the Town before such release. The Town acknowledges that the reports to be prepared by the Service Provider pursuant to this Agreement are for the purpose of evaluating a defined project, and Town's use of the information contained in the reports prepared by the Service Provider in connection with other projects shall be solely at Town's risk, unless Service Provider expressly consents to such use in writing. Town further agrees that it will not appropriate any methodology or technique of Service Provider which is and has been confirmed in writing by Service Provider to be a trade secret of Service Provider.

2.6 Compensation:

FY2024/25:
Plaza Park = $1,451 x 12 = $17,412
Civic Center = $324 x 12 = $3,888
Total FY2024/25 = $21,300 + $3,000 unforeseen = **$24,300**

FY2025/26:
Plaza Park = $1,523 x 12 = $18,276
Civic Center = $340 x 12 = $4,080
Total FY2025/26 = $22,356 + $3,000 unforeseen = **$25,356**

Compensation for services in the amount **not to exceed $49,656**, inclusive of all costs.

2.7 Billing. Billing shall be monthly by invoice within thirty (30) days of the rendering of the service and shall be accompanied by a detailed explanation of the work performed by whom at what rate and on what date. Also, plans, specifications, documents or other pertinent materials shall be submitted for Town review, even if only in partial or draft form.

Payment shall be net thirty (30) days. All invoices and statements to the Town shall be addressed as follows:

Invoices:
Town of Los Gatos
Attn: Accounts Payable
P.O. Box 655
Los Gatos, CA 95031-0655
Email (preferred): AP@losgatosca.gov

Docusign Envelope ID: E62B3D1D-74BD-4FC6-9E9B-89D11FD3DE66



2.8 Availability of Records. Service Provider shall maintain the records supporting this billing for not less than three years following completion of the work under this Agreement. Service Provider shall make these records available to authorized personnel of the Town at the Service Provider offices during business hours upon written request of the Town.

2.9 Assignability and Subcontracting. The services to be performed under this Agreement are unique and personal to the Service Provider. No portion of these services shall be assigned or subcontracted without the written consent of the Town.

2.10 Independent Contractor. It is understood that the Service Provider, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and not an agent or employee of the Town. As an independent contractor he/she shall not obtain any rights to retirement benefits or other benefits which accrue to Town employee(s). With prior written consent, the Service Provider may perform some obligations under this Agreement by subcontracting, but may not delegate ultimate responsibility for performance or assign or transfer interests under this Agreement. Service Provider agrees to testify in any litigation brought regarding the subject of the work to be performed under this Agreement. Service Provider shall be compensated for its costs and expenses in preparing for, traveling to, and testifying in such matters at its then current hourly rates of compensation, unless such litigation is brought by Service Provider or is based on allegations of Service Provider's negligent performance or wrongdoing.

2.11 Conflict of Interest. Service Provider understands that its professional responsibilities are solely to the Town. The Service Provider has and shall not obtain any holding or interest within the Town of Los Gatos. Service Provider has no business holdings or agreements with any individual member of the Staff or management of the Town or its representatives nor shall it enter into any such holdings or agreements. In addition, Service Provider warrants that it does not presently and shall not acquire any direct or indirect interest adverse to those of the Town in the subject of this Agreement, and it shall immediately disassociate itself from such an interest, should it discover it has done so and shall, at the Town's sole discretion, divest itself of such interest. Service Provider shall not knowingly and shall take reasonable steps to ensure that it does not employ a person having such an interest in this performance of this Agreement. If after employment of a person Service Provider discovers it has employed a person with a direct or indirect interest that would conflict with its performance of this Agreement Service Provider shall promptly notify Town of this employment relationship, and shall, at the Town's sole discretion, sever any such employment relationship.

2.12 Equal Employment Opportunity. Service Provider warrants that it is an equal opportunity employer and shall comply with applicable regulations governing equal employment opportunity. Neither Service Provider nor its subcontractors do and neither shall discriminate against persons employed or seeking employment with them on the basis of age, sex, color, race, marital status, sexual orientation, ancestry, physical or mental

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disability, national origin, religion, or medical condition, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment & Housing Act.

## III. INSURANCE AND INDEMNIFICATION

3.1 Minimum Scope of Insurance:

i. Service Provider agrees to have and maintain, for the duration of the contract, General Liability insurance policies insuring him/her and his/her firm to an amount not less than: two million dollars ($2,000,000) combined single limit per occurrence for bodily injury, personal injury and property damage.

ii. Service Provider agrees to have and maintain for the duration of the contract, an Automobile Liability insurance policy ensuring him/her and his/her staff to an amount not less than one million dollars ($1,000,000) combined single limit per accident for bodily injury and property damage.

iii. Service Provider shall provide to the Town all certificates of insurance, with original endorsements effecting coverage. Service Provider agrees that all certificates and endorsements are to be received and approved by the Town before work commences.

General Liability:

i. The Town, its elected and appointed officials, employees, and agents are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Service Provider; products and completed operations of Service Provider, premises owned or used by the Service Provider.

ii. The Service Provider's insurance coverage shall be primary insurance as respects the Town, its elected and appointed officials, employees and agents. Any insurance or self-insurances maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Service Provider's insurance and shall not contribute with it.

iii. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.

iv. The Service Provider's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Docusign Envelope ID: E62B3D1D-74BD-4FC6-9E9B-89D11FD3DE66



3.2 All Coverages. Each insurance policy required in this item shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town. Current certification of such insurance shall be kept on file at all times during the term of this agreement with the Town Clerk.

3.3 Workers' Compensation. In addition to these policies, Service Provider shall have and maintain Workers' Compensation insurance as required by California law and shall provide evidence of such policy to the Town before beginning services under this Agreement. Further, Service Provider shall ensure that all subcontractors employed by Service Provider provide the required Workers' Compensation insurance for their respective employees. As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than one million dollars ($1,000,000) per accident for bodily injury or disease.

3.4 Indemnification. The Service Provider shall save, keep, hold harmless and indemnify and defend the Town its elected and appointed officials, agents, employees and volunteers from all damages, liabilities, penalties, costs, or expenses in law or equity that may at any time arise or be set up because of damages to property or personal injury received by reason of, or in the course of performing work which may be occasioned by a willful or negligent act or omissions of the Service Provider, or any of the Service Provider's officers, employees, or agents or any subcontractor.

## IV. GENERAL TERMS

4.1 Waiver. No failure on the part of either party to exercise any right or remedy hereunder shall operate as a waiver of any other right or remedy that party may have hereunder, nor does waiver of a breach or default under this Agreement constitute a continuing waiver of a subsequent breach of the same or any other provision of this Agreement.

4.2 Governing Law. This Agreement, regardless of where executed, shall be governed by and construed to the laws of the State of California. Venue for any action regarding this Agreement shall be in the Superior Court of the County of Santa Clara.

4.3 Termination of Agreement. The Town and the Service Provider shall have the right to terminate this agreement with or without cause by giving not less than fifteen days (15) written notice of termination. In the event of termination, the Service Provider shall deliver to the Town all plans, files, documents, reports, performed to date by the Service Provider. In the event of such termination, Town shall pay Service Provider an amount that bears the same ratio to the maximum contract price as the work delivered to the Town bears to completed services contemplated under this Agreement, unless such termination is made for cause, in which event, compensation, if any, shall be adjusted in light of the particular facts and circumstances involved in such termination.

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4.4 Prevailing Wages. This project is subject to the requirements of Section 1720 et seq. of the California Labor Code requiring the payment of prevailing wages, the training of apprentices and compliance with other applicable requirements. Contractors and all subcontractors who perform work on the project are required to comply with these requirements. Prevailing wages apply to all projects over $1,000 which are defined as a "public work" by the State of California. This includes: construction, demolition, repair, alteration, maintenance and the installation of photovoltaic systems under a Power Purchase Agreement when certain conditions are met under Labor Code Section 1720.6. This include service and warranty work on public buildings and structures.

4.4.1 The applicable California prevailing wage rate can be found at www.dir.ca.gov and are on file with the Town of Los Gatos Parks and Public Works Department, which shall be available to any interested party upon request. The contractor is also required to have a copy of the applicable wage determination posted and/or available at each jobsite.

4.4.2 Specifically, contractors are reminded of the need for compliance with Labor Code Section 1774-1775 (the payment of prevailing wages and documentation of such), Section 1776 (the keeping and submission of accurate certified payrolls) and 1777.5 in the employment of apprentices on public works projects. Further, overtime, weekend and holiday pay, and shift pay must be paid pursuant to applicable Labor Code section.

4.4.3 The public entity for which work is being performed or the California Department of Industrial Relations may impose penalties upon contractors and subcontractors for failure to comply with prevailing wage requirements. These penalties are up to $200 per day per worker for each wage violations identified; $100 per day per worker for failure to provide the required paperwork and documentation requested within a 10-day window; and $25 per day per worker for any overtime violation.

4.4.4 As a condition to receiving progress payments, final payment and payment of retention on any and all projects on which the payment of prevailing wages is required, the contractor agrees to present to the TOWN, along with its request for payment, all applicable and necessary certified payrolls (for itself and all applicable subcontractors) for the time period covering such payment request. The term "certified payroll" shall include all required documentation to comply with the mandates set forth in Labor Code Section 1720 et seq, as well as any additional documentation requested by the Agency or its designee including, but not limited to: certified payroll, fringe benefit statements and backup documentation such as monthly benefit statements, employee timecards, copies of wage statements and cancelled checks, proof of training contributions (CAC2 if applicable), and apprenticeship forms such as DAS-140 and DAS-142.

4.4.5 In addition to submitting the certified payrolls and related documentation to the TOWN, the contractor and all subcontractors shall be required to submit certified payroll and related documents electronically to the California Department of Industrial Relations. Failure to submit payrolls to the DIR when

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mandated by the project parameters shall also result in the withholding of progress, retention and final payment.

4.4.6 No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].

4.4.7 No contractor or subcontractor may be awarded a contract for public work on a public works project, unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. Contractors MUST be a registered "public works contractor" with the DIR AT THE TIME OF BID. Where the prime contract is less than $15,000 for maintenance work or less than $25,000 for construction alternation, demolition or repair work, registration is not required.

4.4.8 Should any contractor or subcontractors not be a registered public works contractor and perform work on the project, Contractor agrees to fully indemnify the TOWN for any fines assessed by the California Department of Industrial Relations against the TOWN for such violation, including all staff costs and attorney's fee relating to such fine.

4.4.9 The TOWN shall withhold any portion of a payment; including the entire payment amount, until certified payroll forms and related documentation are properly submitted, reviewed and found to be in full compliance. In the event that certified payroll forms do not comply with the requirements of Labor Code Section 1720 et seq., the TOWN may continue to hold sufficient funds to cover estimated wages and penalties under the contract.

4.5 Amendment. No modification, waiver, mutual termination, or amendment of this Agreement is effective unless made in writing and signed by the Town and the Service Provider.

4.6 Disputes. In any dispute over any aspect of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, including costs of appeal.

4.7 Notices. Any notice required to be given shall be deemed to be duly and properly given if mailed postage prepaid, and addressed to:

Town of Los Gatos
Attn: Town Clerk
110 E. Main Street
Los Gatos, CA 95030

Pacific Water Art, Inc.
330 Mathew Street
Santa Clara, CA 95050

or personally delivered to Service Provider to such address or such other address as Service Provider designates in writing to Town.

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4.8 Order of Precedence. In the event of any conflict, contradiction, or ambiguity between the terms and conditions of this Agreement in respect of the Products or Services and any attachments to this Agreement, then the terms and conditions of this Agreement shall prevail over attachments or other writings.

4.9 Entire Agreement. This Agreement, including all Exhibits, constitutes the complete and exclusive statement of the Agreement between the Town and Service Provider. No terms, conditions, understandings or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.

Docusign Envelope ID: E62B3D1D-74BD-4FC6-9E9B-89D11FD3DE66



IN WITNESS WHEREOF, the Town and Service Provider have executed this Agreement.

Town of Los Gatos by:

DocuSigned by:
Laurel Prevetti 6/10/2024
853FEEA2EB39470...
Laurel Prevetti, Town Manager

Pacific Water Art, Inc. by:

DocuSigned by:
Dirk Rohloff 6/4/2024
B7AC4893AA684D5...
Dirk Rohliff, President

Recommended by:

DocuSigned by:
Nicolle Burnham 6/4/2024
0E978313490440C3...
Nicolle Burnham
Director of Parks and Public Works

Approved as to Form:

DocuSigned by:
Gabrielle Whelan 6/7/2024
EFD6738A5534428...
Gabrielle Whelan, Town Attorney

Attest:

DocuSigned by:
Wendy Wood 6/10/2024
BF0EBCBE2C214F8...
Wendy Wood, CMC, Town Clerk

Docusign Envelope ID: E62B3D1D-74BD-4FC6-9E9B-89D11FD3DE66

Pacific Water Art Inc.
Lic. #623675
330 Mathew Street
Santa Clara, CA
Tel: 650.968.2733
Fax: 650.968.1633
www.pacificwaterart.com

# PROPOSAL



| To: | Account #: M1291<br>Los Gatos Town Plaza Ftn | Date:<br>5/6/24 Rev |
|---|---|---|
| Town of Los Gatos<br>Parks & Public Works<br>Attn: Jim Harbin<br>41 Miles Avenue<br>Los Gatos, CA 95030 | Job Name/Location:<br>2024-2026 (2-Year) Maintenance Proposal<br>**Los Gatos Town Plaza Fountain**<br>Santa Cruz & Main Street<br>Los Gatos, CA | |
| | Contact Person:<br>Jharbin@losgatosca.gov | Contact Number:<br>(408) 399-5775 |

We hereby submit specifications and estimates for:

Maintenance services THREE times per week for the above-referenced site per the following:

1) Each visit test water chemistry and record.
2) Each visit verify that the reservoir water level is correct.
3) Inspect equipment, verify that the equipment is operating properly. Report any abnormalities to Owner for action. Inspect pump motors. Verify that pressure and vacuum gauges are within limits.
4) Inspect water treatment system. Monitor levels of chemicals in the chemical tanks. Refill tanks as needed. Chemical cost to be billed to TOFLG. Each visit verify pH is within limits and adjust as required.
5) Each visit clean the pump strainer baskets to remove the accumulated debris.
6) Wash and clean cartridge filters.
7) Inspect sump pumps to ensure they are without obstructions, clean as needed.
8) As needed, clean vault hatch gutter to remove accumulated debris.
9) Clean sensor probes every 6 months to ensure they operate properly. Verify and test.
10) Grease motors every 6 months.
11) Quarterly take amperage readings on all motors.
12) Provide monthly reports, pH weekly readings included as requested.
13) This agreement may be cancelled by either party upon a 30 day written notice of cancellation.
14) Any extra repairs authorized by the Owner will be charged at the following repair rates unless otherwise quoted:

| | |
|---|---|
| Journeyman Plumber | - $160.00/hr. port to port |
| Journeyman Electrician | - $180.00/hr. port to port |
| Foreman | - $150.00/hr. port to port |
| Journeyman Laborer | - $140.00/hr. port to port |
| General Laborer | - $120.00/hr. port to port |

**Town of Los Gatos 5/3/24**

| | 6/21-6/22 | 6/24-6/25 | 6/25-6/26 |
|---|---|---|---|
| ***Town Plaza (3x/week)*** | $1,253 | $1,451 | $1,523 |

We are licensed by the State of California in Aquatics. Our State Qualified Applicator's License Number is #31059.

Docusign Envelope ID: E62B3D1D-74BD-4FC6-9E9B-89D11FD3DE66



| | |
|---|---|
| **We Propose** hereby to furnish material and labor – complete in accordance with the above specifications, for the sum of: | **See Above** |

Payment to be made as follows:
Payment terms are 30 days upon receipt of invoice. This proposal is governed by the terms and conditions of the Facilities Purchase agreement between the Town of Los Gatos and Pacific Water Art, Inc.

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Worker's Compensation insurance.

| | |
|---|---|
| Authorized Signature | Billy Le |
| Title | Billy Le – VP of Operations |

*Note: This proposal may be withdrawn by us if not accepted within **90** days.*

## Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature: _____

Date of Acceptance:
_____

Title: _____

Docusign Envelope ID: E62B3D1D-74BD-4FC6-9E9B-89D11FD3DE66

**Pacific Water Art Inc.**

Lic. #623675
330 Mathew Street
Santa Clara, CA
Tel: 650.968.2733
Fax: 650.968.1633

www.pacificwaterart.com

# PROPOSAL



| To: | Account #: M1291<br>Los Gatos Town Plaza Ftn | Date:<br>5/6/24 Rev |
|---|---|---|
| Town of Los Gatos<br>Parks & Public Works<br>Attn: Jim Harbin<br>41 Miles Avenue<br>Los Gatos, CA 95030 | Job Name/Location:<br>2024-2026 (2-Year) Maintenance Proposal<br>**Civic Center Fountain**<br>Los Gatos, CA | |
| | Contact Person:<br>Jharbin@losgatosca.gov | Contact Number:<br>(408) 399-5775 |

We hereby submit specifications and estimates for:

Maintenance services ONCE per week for the above-referenced site per the following:

1) Remove trash and debris from the fountain.
2) Test the water for proper chemical content and add the necessary algaecides.
3) Check pump operation once per month. Report any abnormalities to management for action.
4) This agreement may be cancelled by either party upon a 30-day written notice of cancellation.
5) Any extra repairs authorized by the Owner will be charged at the following repair rates unless otherwise quoted:

Journeyman Plumber - $160.00/hr. port to port
Journeyman Electrician - $180.00/hr. port to port
Foreman - $150.00/hr. port to port
Journeyman Laborer - $140.00/hr. port to port
General Laborer - $120.00/hr. port to port

**Town of Los Gatos 5/3/24**

| | 6/21-6/22 | 6/24-6/25 | 6/25-6/26 | |
|---|---|---|---|---|
| ***Civic Center (1x/week)*** | $280 | $324 | $340 | |

We are licensed by the State of California in Aquatics. Our State Qualified Applicator's License Number is #31059.

| **We Propose** hereby to furnish material and labor – complete in accordance with the above specifications, for the sum of: | **See Above** |
|---|---|

Payment to be made as follows:
Payment terms are 30 days upon receipt of invoice. This proposal is governed by the terms and conditions of the Facilities Purchase agreement between the Town of Los Gatos and Pacific Water Art, Inc.

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Worker's Compensation insurance.

| Authorized Signature | Bi Nyle |
|---|---|
| Title | Billy Le – VP of Operations |

*Note: This proposal may be withdrawn by us if not accepted within **90** days.*

## Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature: _____

Date of Acceptance: _____

Title: _____

Docusign Envelope ID: E62B3D1D-74BD-4FC6-9E9B-89D11FD3DE66



# PROPOSAL

Pacific Water Art Inc.

Lic. #623675
330 Mathew Street
Santa Clara, CA 95050
Tel: 650.968.2733
Fax: 650.968.1633
www.pacificwaterart.com

| To: | Account #: M1291<br>Town of Los Gatos | Date:<br>6/2/2025 |
|---|---|---|
| Town of Los Gatos<br>Parks & Public Works<br>Attn: Tyler Thomas<br>41 Miles Ave<br>Los Gatos, CA 95030 | Job Name/Location:<br>UV System Repair Proposal<br>Town of Los Gatos Plaza Fountain | |
| | Contact Person:<br>tthomas@losgatosca.gov | Contact Number:<br>O: 408-399-5775 |

We hereby submit specifications and estimates for:

Pacific Water Art, Inc. attempted to start up the system but found a few issues with the UV system preventing the splashpad to operate. We consulted with the manufacture (Trojan UV) while we were troubleshooting the system and they recommended to replace the UV lamps, sleeves, sensor assembly, and recalibrate the system with the help of a Trojan UV certified expert onsite. This is required per SCC DEH to keep the public safe. Our proposed scope and cost as below:

Materials & Labor:

| | |
|---|---|
| Sensor Assy Set | $12,355.00 |
| 2 New Trojan Lamp Assbly | $2,645.00 |
| 2 New Quartz Sleeves | $1,050.00 |
| Misc Materials/Truck/Fuel/Tools | $300.00 |
| Trojan UV Onsite Service | $5,000.00 |
| Labor for 2-man crew | $6,450.00 |
| Total Cost for Labor and Materials | $27,800.00 |

NOTES: 1) Lead Time is 5 to 6 weeks - Warranty 1 year
2) Any additional work found during repair will be reported for attention action and pricing
3) Union Labor

| | |
|---|---|
| **We Propose** hereby to furnish material and labor – complete in accordance with the above specifications, for the sum of:<br>Twenty-Seven Thousand Eight Hundred and No/100..... Dollars | $27,800.00 |

Payment to be made as follows:
Due upon completion, as invoiced. Net 30 days.

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Worker's Compensation insurance.

| | |
|---|---|
| Authorized Signature | Berto Aguirre |
| Title | Berto Aguirre<br>Maintenance Manager |

*Note: This proposal may be withdrawn by us if not accepted within **30** days.*

Docusign Envelope ID: E62B3D1D-74BD-4FC6-9E9B-89D11FD3DE66



Pacific Water Art Inc.

# PROPOSAL

## Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature: _____

Date of Acceptance:

Title: _____



E

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 02/17/2026
ITEM NO: 9

DATE: February 17, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Approve the 2026 Work Plan Recommended by the Town's Parks and Sustainability Commission**

RECOMMENDATION: Approve the 2026 work plan recommended by the Town's Parks and Sustainability Commission.

FISCAL IMPACT:

No fiscal impact is associated with this item.

STRATEGIC PRIORITY:

This item pertains to the Core Goal of Good Governance. It does not directly address a 2025-2027 Strategic Priority.

BACKGROUND:

In order to provide Town Commissions/Committees/Boards (Commissions) clarity from the Town Council regarding their work, staff recommend the Town Council review and approve each Commission's work plan for the year. This will ensure Council support, efficient use of Commissioners' time, and sufficient staff resources for the Commission's projects in 2026.

Certain Commissions are exempt from this process due to their specific functions. The exempt Commissions have items presented to them for consideration rather than the Commissions creating their own work plans. These exempt Commissions include the Planning Commission, General Plan Committee, Historic Preservation Committee, and Personnel Board.

PREPARED BY: Nicolle Burnham
Parks and Public Works Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

DISCUSSION:

Work plans are drafted by the Commission's staff liaison, taking workload, time commitment, changes in legislation, and alignment with Council priorities into consideration.

The Parks and Sustainability Commission work plan (Attachment 1) was discussed by the Commission at its regular meeting on February 3, 2026. During the discussion, the commission recommended the addition of item 5, supporting staff on a potential work plan for third party trail management. Item 6 was also modified to reflect specific support regarding the Urban Forest Management Plan. With those changes, the Commission moved unanimously to recommend the draft work plan for Council approval without alteration or addition.

Staff feel that the items contained in this work plan are manageable for 2026. The addition of more items to these work plans would impact staff capacity and is not recommended in the 2026 calendar year.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. Parks and Sustainability Plan

**Recommended 2026 Parks and Sustainability Commission Work Plan**

1. Commission will review Field Use policies and provide recommendations for staff consideration.

2. Commission will review Adopt-A-Planter Program policies and procedures and provide recommendations for staff consideration.

3. Commission will provide ongoing input regarding management of pickleball and tennis courts at La Rinconada and Blossom Hill Parks.

4. Commission to review staff recommendations regarding policy and ordinance updates regarding the use of e-bikes in parks and on trails and provide recommendations for staff consideration.

5. Commission to provide feedback and guidance on a potential work plan with third party trail maintenance managers.

6. Commission will support staff outreach efforts and provide technical guidance in support of the Urban Forest Management Plan.

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 02/17/2026
ITEM NO: 10

DATE: February 17, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Approve the 2026 Town Council Policy Committee Work Plan**

RECOMMENDATION: Approve the 2026 work plan recommended by the Town Council Policy Committee work plan.

FISCAL IMPACT:

No fiscal impact is associated with this item.

STRATEGIC PRIORITY:

This item does not directly address a Strategic Priority; however, it aligns with the Core Goal of Good Governance.

BACKGROUND:

The Council Policy Committee was established by the Town Council to serve in an advisory capacity on matters of policy. The Committee is responsible for reviewing, discussing, and making recommendations on policy-related topics referred by the Town Council or identified by the Committee for Council consideration.

Each year, the Committee develops a work plan to guide its activities and ensure an organized approach to policy review and development. Historically, the Committee developed its work plan independently. However, due to the time and resources needed to research and prepare policy materials, the Committee's work plan is now presented to the Town Council for review and approval.

PREPARED BY: Wendy Wood
Town Clerk

Reviewed by: Town Manager and Town Attorney

DISCUSSION:

On January 27, 2026, the Town Council Policy Committee reviewed potential work plan policy items for 2026. The Committee discussed and prioritized these items based on workload impact, legal requirements, Council oversight responsibilities, and staff capacity.

The following policy topics were identified for inclusion in the 2026 Work Plan:

1. **Public Records Request Policy**
   This item was identified by staff to establish a clear policy regarding Public Records Act compliance, roles and responsibilities, request handling practices, and compliance with state law.
2. **Disruption of Audio/Video Service for Council Meetings Policy**
   This item is required in compliance with SB 707. The Committee will review a policy to address meeting procedures in the event of an interruption of teleconferencing services. This policy must be adopted by July 1, 2026.
3. **Elected Officials Travel and Expense Policy**
   The Committee will review the existing travel and expense policy and opportunities for streamlining.
4. **Artificial Intelligence (AI) Policy**
   The Committee will review principles for a policy on the Town's use of artificial intelligence, with administrative implementation guidelines to be developed separately.
5. **Practices for Minutes**
   The Committee will review the resolution related to action minutes.
6. **Purchasing Policy Review**
   The Committee will review the Town's purchasing policy to ensure alignment with state law and efficient procurement processes.
7. **Use of Town Plan Documents**
   The Committee will review Town planning documents (e.g., the General Plan, DEI Plan, and similar policy plans) and how they guide policy decisions and operations.
8. **General Discussion on How Council Policies Are Formulated**
   The Committee will discuss a framework for Council policies, including what topics are appropriately addressed through Council policy versus administrative procedures.

Forwarding the recommended Work Plan to the Town Council promotes transparency, ensures alignment with Council direction, and allows for early public engagement in the policy development process. The recommended 2026 Council Policy Committee Work Plan is included as Attachment 1.

CONCLUSION:

The proposed 2026 Town Council Policy Committee Work Plan provides a structured and transparent framework for reviewing and developing key policy items in the coming year. The

identified topics reflect legal requirements, operational considerations, and areas of Council oversight, while balancing staff capacity and workload. Approval of the Work Plan will allow the Committee to proceed in an organized manner and return to the Town Council with policy recommendations as appropriate throughout 2026. The Town Council may modify the Work Plan or approve it as presented. Council may also refer additional policy matters to the Committee as priorities evolve.

COORDINATION:

This report was coordinated with the offices of the Town Manager and Town Attorney.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:
1. 2026 Town Council Policy Committee Work Plan

**2026 Town Council Policy Committee Work Plan Items**

1. Develop a Public Records Request Policy
2. Disruption of Audio/Video Service Policy for Council Meeting
3. Elected Officials Travel and Expense Policy
4. Artificial Intelligence (AI) Policy
5. Review of the current practices for minutes and records of meetings
6. Review Purchasing Policy
7. Review the Use of Town Plan Documents
8. Discussion on How Council Policies Are Formulated

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 02/17/2026
ITEM NO: 11

DATE: February 12, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Consider a Recommendation by the Planning Commission to Approve a Request to Modify Planned Development Ordinance 2281 to Allow for Two Lot Line Adjustments Between Three Properties and a Zone Change of a Portion of Land from HR-2½:PD to HR-1 on Properties Zoned HR-2½:PD and HR-1. Located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court. APNs 527-12-003, 527-12-004, and 527-15-002. The Request for Modification of a Planned Development Ordinance is Not Considered a Project Pursuant to the California Environmental Quality Act (CEQA). The Request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a Ministerial Approval in Accordance with Public Resources Code Section 21080(b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The Request for a Zone Change is Categorically Exempt Pursuant to CEQA Guidelines Section 15061(b)(3): Common Sense Exemption. Property Owners: 16300 Greenridge Terrace and 240 La Terra Court: Greenridge Terrace Development, LLC; and 16084 Greenridge Terrace: Richard Luu. Applicant: Hanna Brunetti. Project Planner: Sean Mullin.**

**Ordinance Titles: An Ordinance of the Town Council of the Town of Los Gatos repealing and replacing Planned Development Ordinance 2281 establishing development standards and allowable uses for lots within the Planned Development Overlay zone for property located at 16100 Greenridge Terrace (APN: 527-12-002).**

**An Ordinance of the Town Council of the Town of Los Gatos amending the Zoning Code effecting a zone change from HR-2½:PD (Hillside Residential, two and one-half to 10 acres for each dwelling unit, Planned Development) to HR-1 (Hillside Residential, one to five acres for each dwelling unit) for a portion of property located at 16084 Greenridge Terrace.**

PREPARED BY: Sean Mullin, AICP
Planning Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Community Development Director

RECOMMENDATION: Accept the Planning Commission's recommendation and introduce an Ordinance repealing and replacing Planned Development Ordinance 2281 to allow for two Lot Line Adjustments between three properties and a zone change on a portion of land from HR-2½:PD to HR-1; introduce an Ordinance effecting a zone change from HR-2½:PD to HR-1 for a portion of land; and adopt a Resolution approving two Lot Line Adjustments between three properties located at 16300 and 16084 Greenridge Terrace and 240 La Terra Court.

FISCAL IMPACT:

There is no fiscal impact associated with this action. Approving the amendment to Planned Development 2281, zone change, and Lot Line Adjustment applications would not in itself result in an impact on the Town's budget.

STRATEGIC PRIORITY:

The modification to the Planned Development Overlay zone, Lot Line Adjustment, and zone change support the Town's core goal of Community Character and the strategic priority to preserve the Town's small-town charm and provide a range of housing opportunities and historic neighborhoods, while diligently maintaining and implementing the Housing Element.

BACKGROUND:

The three subject properties are located south of Blossom Hill Road (Attachment 1). Two properties are accessed from Blossom Hill Road via Greenridge Terrace: 16300 and 16084 Greenridge Terrace. The property located at 240 La Terra Court is accessed from the north side of La Terra Court. All three properties are undeveloped.

Planned Development (PD) Ordinance 2281 was adopted on April 16, 2019, and took effect on May 16, 2019 (Attachment 7, Exhibit 4). The PD Ordinance allowed for the following:

1. Subdivision of one lot into eight lots.
2. Construction of eight market rate single-family detached residences.
3. Landscaping, private streets, trails, parking, and other improvements shown and required on the Official Development Plans.
4. Dedication of trail easements to the Town of Los Gatos as shown on the Official Development Plans.
5. Uses permitted are those specified in the HR-2½ zone.

The final subdivision map was recorded on May 6, 2021. Development of single-family residences is currently underway on several of the eight properties in the La Terra subdivision. The subject properties at 16300 Greenridge Terrace and 240 La Terra Court are currently undeveloped.

The property located at 16084 Greenridge Terrace is not located in the La Terra subdivision and not subject to PD Ordinance 2281. This property is also undeveloped.

On January 14, 2026, the Planning Commission received the staff report and public comments on the proposed project and forwarded a recommendation of approval to the Town Council by unanimous vote (Attachments 7 and 8).

The Town Council serves as the final decision-making body for the planned development, zone change, and Lot Line Adjustment applications.

DISCUSSION:

A. Project Summary

The applicant provided a Project Description and Letter of Justification detailing their request to modify Planned Development Ordinance 2281 to allow for a Lot Line Adjustment and zone change on properties zoned HR-2½:PD and HR-1, located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court (Attachment 7, Exhibits 5 and 6). The proposed Lot Line Adjustment between 16084 and 16300 Greenridge Terrace would relocate the common property line to the south, adding approximately 0.28 acres to 16084 Greenridge Terrace Attachment 7, Exhibit 10). The portion of land being added to 16084 Greenridge Terrace, which is zoned HR-1, would be rezoned from HR-2½:PD to HR-1.

The proposed Lot Line Adjustment between 16300 Greenridge Terrace and 240 La Terra Court would reconfigure the existing common property line from its east-west configuration to an angled orientation that is more consistent with the contours of the hillside. This Lot Line Adjustment would add approximately 0.01 acres to 240 La Terra Court. All existing trail, scenic, and open space easements would remain.

B. Planning Commission

On January 14, 2026, the Planning Commission received the staff report and public comments on the proposed project and forwarded a recommendation of approval to the Town Council by unanimous vote (Attachments 7 and 8).

PUBLIC COMMENTS:

Project signage was installed on the site, and written notice was sent to property owners and tenants located within 500 feet of the subject properties. Project signs were updated following the Planning Commission hearing dates to show the Town Council hearing date and time. At the time of publication of this report, no public comments were received.

CONCLUSION:

The applicant requests approval to modify Planned Development Ordinance 2281 to allow for two Lot Line Adjustments between three properties and a zone change on properties zoned HR-2½:PD and HR-1, located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court (Attachment 7, Exhibits 5 and 6). The proposed Lot Line Adjustment between 16084 and 16300 Greenridge Terrace would relocate the common property line to the south, adding approximately 0.28 acres to 16084 Greenridge Terrace. The portion of land being added to 16084 Greenridge Terrace, which is zoned HR-1, would be rezoned from HR-2½:PD to HR-1.

RECOMMENDATION:

Staff recommends that the Town Council take the following actions:

1. Make the required findings that: the request to modify a Planned Development Ordinance is not considered a project pursuant to the California Environmental Quality Act (CEQA); the request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a ministerial approval in accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268; and the request for a zone change is exempt pursuant to CEQA Section 15061 (b)(3) (Attachment 2).
2. Make the required finding that the amendment to the Planned Development Overlay zone is consistent with Town Code Section 29.80.095 (Attachment 2);
3. Make the required determinations for compliance with the Subdivision Map Act's provisions regarding Lot Line Adjustments as set forth in Government Code Section 66412 (d) (Attachment 2);
4. Make the required finding that the proposed zone change is consistent with the General Plan and its Elements in that the proposed zoning is consistent with the existing General Plan Land Use designation (Attachment 2);
5. Make the finding that the project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations) (Attachment 2); and
6. Introduce an Ordinance repealing and replacing Planned Development Ordinance 2281 (Attachment 4);
7. Introduce an Ordinance to effect the Zone Change (Attachment 5); and

8. Adopt a Resolution approving Lot Line Adjustment application M-25-006 (Attachment 6).

A. Alternatives

Alternatively, the Town Council can:

1. Approve the applications with additional and/or modified conditions; or
2. Continue the matter to a date certain with specific direction; or
3. Deny the applications and make the required findings for denial.

COORDINATION:

This report was coordinated with the offices of the Town Manager and Town Attorney.

ENVIRONMENTAL ASSESSMENT:

The request to modify a planned development ordinance is not considered a project pursuant to the California Environmental Quality Act (CEQA). The request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a ministerial approval in accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The request for a zone change is exempt pursuant to CEQA Section 15061 (b)(3). A Notice of Exemption will not be filed.

ATTACHMENTS:

1. Location Map
2. Required Findings
3. Draft Conditions of Approval
4. Draft Planned Development Ordinance
5. Draft Zone Change Ordinance, with Exhibit A
6. Draft Resolution for Approval of the Lot Line Adjustment
7. January 14, 2026, Planning Commission Staff Report, with Exhibits 1 through 10
8. January 14, 2026, Planning Commission Verbatim Minutes

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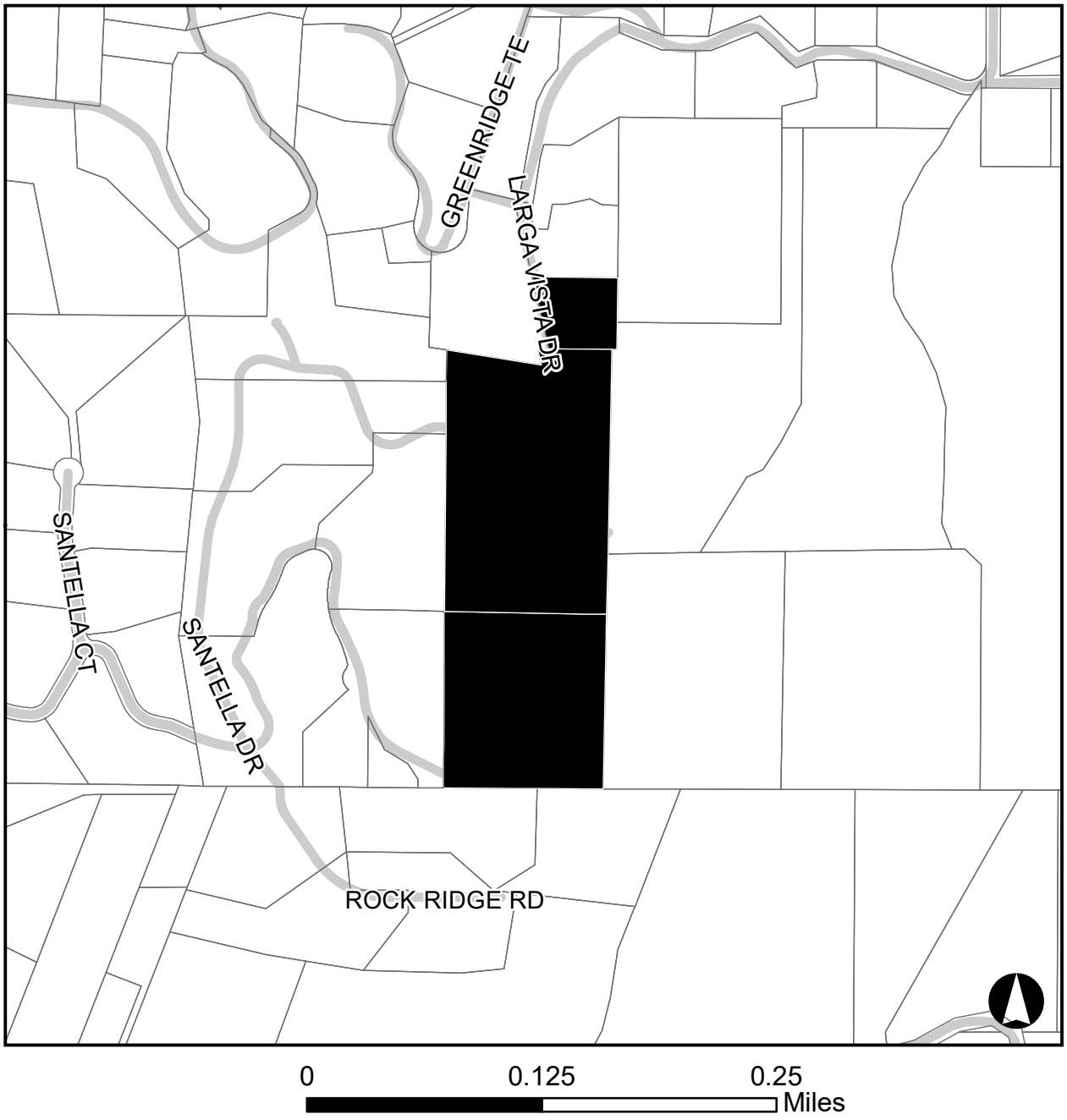
# 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court




ATTACHMENT 1

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**TOWN COUNCIL** – *February 17, 2026*
**REQUIRED FINDINGS**

**16300 and 16084 Greenridge Terrace and 240 La Terra Court**
**Planned Development Application PD-25-004**
**Lot Line Adjustment Application M-25-006**
**Zone Change Application Z-25-001.**

**Consider a Recommendation by the Planning Commission to Approve a Request to Modify Planned Development Ordinance 2281 to Allow for Two Lot Line Adjustments Between Three Properties and a Zone Change of a Portion of Land from HR-2½:PD to HR-1 on Properties Zoned HR-2½:PD and HR-1. Located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court. APNs 527-12-003, 527-12-004, and 527-15-002. The Request for Modification of a Planned Development Ordinance is Not Considered a Project Pursuant to the California Environmental Quality Act (CEQA). The Request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a Ministerial Approval in Accordance with Public Resources Code Section 21080(b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The Request for a Zone Change is Categorically Exempt Pursuant to CEQA Guidelines Section 15061(b)(3): Common Sense Exemption.**

**Property Owners: 16300 Greenridge Terrace and 240 La Terra Court - Greenridge Terrace Development, LLC; 16084 Greenridge Terrace - Richard Luu.**
**Applicant: Hanna Brunetti.**

**FINDINGS:**

**Required finding for CEQA:**

- The request to modify a planned development ordinance is not considered a project pursuant to the California Environmental Quality Act (CEQA). The request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a ministerial approval in accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The request for a zone change is exempt pursuant to CEQA Section 15061 (b)(3).

**Required Findings for Amending a Planned Development:**

- As required by Section 29.80.095 of the Town Code for granting a Planned Development Overlay Zone, the proposed amendment:

    1. The proposed PD amendment is consistent with Chapter 29, Article VIII, Division 2 of the Town Code in that it meets the purpose and intent of a Planned Development Overlay Zone;
    2. The proposed PD amendment is in conformance with the goals, policies, and applicable land use designations and standards of the Town's General Plan, including but not

limited to Goals LU-1, LU-6, and CD-14, and Policies LU-6.1, LU-6.4, LU-6.5, CD-14.1, and CD-14.2;

3. The proposed PD amendment is in conformance with all other applicable provisions of the Town Code; and
4. The proposed amendment allows for a Lot Line Adjustment with the resulting lots with meeting the zoning requirements for size and remaining consistent with intent of the existing Planned Development Ordinance.

**Required determinations for compliance with the Subdivision Map Act's provisions regarding Lot Line Adjustments as set forth in Government Code Section 66412(d):**

1. **That the Lot Line Adjustment is between four or fewer existing adjoining parcels, where the land taken from one parcel is added to an adjoining parcel, and where a greater number of parcels than originally existed is not thereby created:**

   The Lot Line Adjustment is between three adjoining parcels. The land taken from one parcel is being added to the adjoining parcel, and three parcels will remain as a result.

2. **That the parcels resulting from the Lot Line Adjustment will conform to the local general plan:**

   The Lot Line Adjustment is consistent with the existing goals and policies of the General Plan and its corresponding Elements, including but not limited to Goals LU-1, LU-6, and CD-14, and Policies LU-6.1, LU-6.4, LU-6.5, CD-14.1, and CD-14.2

3. **That the parcels resulting from the Lot Line Adjustment will conform to any applicable specific plans:**

   The parcels resulting from the Lot Line Adjustment will conform with the Hillside Specific Plan.

4. **That the parcels resulting from the Lot Line Adjustment will conform to any applicable coastal plan:**

   The Town has no applicable coastal plan to which the Lot Line Adjustment must conform.

5. **That the parcels resulting from the Lot Line Adjustment will conform to zoning and building ordinances.**

   The three parcels resulting from the Lot Line Adjustment will be in conformance with the Town's Zoning and Building Ordinances.

**Required findings that the zone change is consistent with the Town's General Plan:**

- That the proposed Zone Change is consistent with the General Plan and its Elements in that the proposed zoning is consistent with the existing General Plan Land Use designation.

**Required compliance with the Zoning Regulations:**

- The project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations).

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**TOWN COUNCIL –** *February 17, 2026*
**CONDITIONS OF APPROVAL**

**16300 and 16084 Greenridge Terrace and 240 La Terra Court**
**Planned Development Application PD-25-004**
**Lot Line Adjustment Application M-25-006**
**Zone Change Application Z-25-001.**

**Consider a Recommendation by the Planning Commission to Approve a Request to Modify Planned Development Ordinance 2281 to Allow for Two Lot Line Adjustments Between Three Properties and a Zone Change of a Portion of Land from HR-2½:PD to HR-1 on Properties Zoned HR-2½:PD and HR-1. Located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court. APNs 527-12-003, 527-12-004, and 527-15-002. The Request for Modification of a Planned Development Ordinance is Not Considered a Project Pursuant to the California Environmental Quality Act (CEQA). The Request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a Ministerial Approval in Accordance with Public Resources Code Section 21080(b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The Request for a Zone Change is Categorically Exempt Pursuant to CEQA Guidelines Section 15061(b)(3): Common Sense Exemption.**

**Property Owners: 16300 Greenridge Terrace and 240 La Terra Court - Greenridge Terrace Development, LLC; 16084 Greenridge Terrace - Richard Luu.**
**Applicant: Hanna Brunetti.**

TO THE SATISFACTION OF THE DIRECTOR OF COMMUNITY DEVELOPMENT:

*Planning Division*

1. APPROVAL: This application shall be completed in accordance with all of the conditions of approval and in substantial compliance with the approved plans. Any changes or modifications to the approved plans and/or business operation shall be approved by the Community Development Director, DRC, or the Planning Commission depending on the scope of the changes.
2. EXPIRATION: The approval will expire two years from the approval date pursuant to Section 29.20.320 of the Town Code, unless the approval has been vested.
3. OUTDOOR LIGHTING: Exterior lighting shall be kept to a minimum, and shall be down directed fixtures that will not reflect or encroach onto adjacent properties. No flood lights shall be used unless it can be demonstrated that they are needed for safety or security.
4. TREE REMOVAL PERMIT: A Tree Removal Permit shall be obtained for any trees to be removed, prior to the issuance of a building or grading permit.
5. EXISTING TREES: All existing trees shown on the plan and trees required to remain or to be planted are specific subjects of approval of this plan, and must remain on the site.
6. ARBORIST REQUIREMENTS: The developer shall implement, at their cost, all recommendations identified in the Arborist's report for the project, on file in the Community Development Department. These recommendations must be incorporated in

the building permit plans and completed prior to issuance of a building permit where applicable.

7. TREE FENCING: Protective tree fencing and other protection measures shall be placed at the drip line of existing trees prior to issuance of demolition and building permits and shall remain through all phases of construction. Include a tree protection plan with the construction plans.
8. TREE STAKING: All newly planted trees shall be double-staked using rubber tree ties.
9. FRONT YARD LANDSCAPE: Prior to issuance of a Certificate of Occupancy the front yard must be landscaped.
10. TOWN INDEMNITY: Applicants are notified that Town Code Section 1.10.115 requires that any applicant who receives a permit or entitlement ("the Project") from the Town shall defend (with counsel approved by Town), indemnify, and hold harmless the Town, its agents, officers, and employees from and against any claim, action, or proceeding (including without limitation any appeal or petition for review thereof) against the Town or its agents, officers or employees related to an approval of the Project, including without limitation any related application, permit, certification, condition, environmental determination, other approval, compliance or failure to comply with applicable laws and regulations, and/or processing methods ("Challenge"). Town may (but is not obligated to) defend such Challenge as Town, in its sole discretion, determines appropriate, all at applicant's sole cost and expense.

    Applicant shall bear any and all losses, damages, injuries, liabilities, costs and expenses (including, without limitation, staff time and in-house attorney's fees on a fully-loaded basis, attorney's fees for outside legal counsel, expert witness fees, court costs, and other litigation expenses) arising out of or related to any Challenge ("Costs"), whether incurred by Applicant, Town, or awarded to any third party, and shall pay to the Town upon demand any Costs incurred by the Town. No modification of the Project, any application, permit certification, condition, environmental determination, other approval, change in applicable laws and regulations, or change in such Challenge as Town, in its sole discretion, determines appropriate, all the applicant's sole cost and expense. No modification of the Project, any application, permit certification, condition, environmental determination, other approval, change in applicable laws and regulations, or change in processing methods shall alter the applicant's indemnity obligation.
11. COMPLIANCE MEMORANDUM: A memorandum shall be prepared and submitted with the building plans detailing how the Conditions of Approval will be addressed.

TO THE SATISFACTION OF THE DIRECTOR OF PARKS AND PUBLIC WORKS:

*Engineering Division*

12. APPROVAL: This application shall be completed in accordance with all the conditions of approval listed below and in substantial compliance with the latest reviewed and approved development plans. Any changes or modifications to the approved plans or conditions of approvals shall be approved by the Town Engineer.
13. GENERAL: The Owner, Applicant and/or Developer shall comply with all Town, County, State and Federal laws and regulations applicable to this land division. No other proposed development is included in this particular application of the Lot Line Adjustment. Issuance of a Lot Line Adjustment will acknowledge the Town's acceptance of the parcel as legally

created in accordance with the Subdivision Map Act. Any subsequent development will be required to demonstrate compliance with the Town Development Standards and Codes.

14. CERTIFICATE OF LOT LINE ADJUSTMENT: A Certificate of Lot Line Adjustment shall be recorded. Legal descriptions for each new lot configuration, a plat map (8-½ in. X 11 in.) and a legal description of the land to be exchanged shall be submitted to the Engineering Division of the Parks and Public Works Department for review and approval. The submittal shall include closure calculations, title reports for each parcel less than ninety (90) days old and the appropriate fee. The Town will prepare certificate upon approval and require its recordation prior to the issuance of any grading or building permits.
15. PRIVATE EASEMENTS: Agreements detailing rights, limitations and responsibilities of involved parties shall accompany any proposed private easement. Access driveway shall be within the recorded access easement. A new private access easement shall be recorded, and an electronic copy (PDF) of the recorded agreement shall be submitted to the Engineering Division of the Parks and Public Works Department, prior to recordation of the Lot Line Adjustment.

TO THE SATISFACTION OF THE SANTA CLARA COUNTY FIRE DEPARTMENT:

16. GENERAL: Review of this Developmental proposal is limited to acceptability of site access, water supply and may include specific additional requirements as they pertain to fire department operations, and shall not be construed as a substitute for formal plan review to determine compliance with adopted model codes. Prior to performing any work, the applicant shall make application to, and receive from, the Building Department all applicable construction permits.
17. GENERAL: No Fire Department comments on lot line adjustment, all previous plan review comments and conditions of approval remain in effect.
18. GENERAL: This review shall not be construed to be an approval of a violation of the provisions of the California Fire Code or of other laws or regulations of the jurisdiction. A permit presuming to give authority to violate or cancel the provisions of the fire code or other such laws or regulations shall not be valid. Any addition to or alteration of approved construction documents shall be approved in advance. [CFC, Ch.1, 105.3.6]

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Draft Ordinance: subject modification by Town Council based on deliberations and direction

**ORDINANCE**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS REPEALING AND REPLACING PLANNED DEVELOPMENT ORDINANCE 2281 ESTABLISHING DEVELOPMENT STANDARDS AND ALLOWABLE USES FOR LOTS WITHIN THE PLANNED DEVELOPMENT OVERLAY ZONE FOR PROPERTY LOCATED AT 16100 GREENRIDGE TERRACE (APN: 527-12-002)**

**WHEREAS,** the applicants propose to amend Planned Development Ordinance 2281 to allow for two Lot Line Adjustments between three properties and a zone change of a portion of land from HR-2½:PD to HR-1 on Properties Zoned HR-2½:PD and HR-1, located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court; and

**WHEREAS,** the performance standards of Planned Development Ordinance 2281 will remain in effect for all lots within this Planned Development Overlay Zone, with the added construction and use of improvements in Section III below; and

**WHEREAS,** the Planning Commission recommended approval of the modification to Planned Development amendment at its regularly noticed public hearing on January 14, 2026, finding that the amendment meets the purpose and intent of a Planned Development Overlay Zone, is in conformance with the Town's General Plan, is in conformance with all applicable provisions of the Town Code, and that the amendment allows for a Lot Line Adjustment with the resulting lots meeting the zoning requirements for size and remaining consistent with intent of the existing Planned Development Ordinance; and

**WHEREAS,** this matter was regularly noticed in conformance with State and Town law and came before the Town Council for public hearing on February 17, 2026; and

**WHEREAS,** the Town Council accepted the report of the Planning Commission's recommendation of approval of the Planned Development amendment; and

**WHEREAS,** the Town Council considered all facts and information related to the request to amend Planned Development Ordinance 2281 to allow for two Lot Line Adjustments between three properties and a zone change of a portion of land from HR-2½:PD to HR-1 on Properties Zoned HR-2½:PD and HR-1, located at 16300 Greenridge Terrace, 16084 Greenridge Terrace,

and 240 La Terra Court (Santa Clara County Assessor Parcel Numbers APNs 527-12-003, 527-12-004, and 527-15-002.) as shown on Exhibit A.

**WHEREAS,** the Town Council approves Planned Development application PD-25-004 to repeal and replace Planned Development Ordinance 2281 clarifying development standards, allowable uses, and performance standards for this Planned Development Overlay Zone.

**NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF LOS GATOS DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION I. Legislative Findings.**

1. With regard to CEQA, the request to modify Planned Development Ordinance 2281 is not considered a project pursuant to the California Environmental Quality Act (CEQA).

2. With regard to required compliance with the Town Code, as required by Section 29.80.095 of the Town Code for granting a Planned Development Overlay Zone, the proposed amendment:

   A. Is consistent with Chapter 29, Article VIII, Division 2 of the Town Code in that it meets the purpose and intent of a Planned Development Overlay Zone;
   B. Conforms with the goals, policies, and applicable land use designations and standards of the Town's General Plan, including but not limited to Goals LU-1, LU-6, and CD-14, and Policies LU-6.1, LU-6.4, LU-6.5, CD-14.1, and CD-14.2;
   C. Conforms with all other applicable provisions of the Town Code,; and
   D. Allows for a Lot Line Adjustment with the resulting lots with meeting the zoning requirements for size and remaining consistent with intent of the existing Planned Development Ordinance.

**SECTION II. Planned Development Overlay Zone.**

The Town Code of the Town of Los Gatos is hereby amended to change the zoning on property located at 16100 Greenridge Terrace (Santa Clara County Assessor Parcel Number 527-12-002) as shown on the map attached hereto as Exhibit A, and is part of this Ordinance, from HR-2½ (Hillside Residential, two and one-half to 10 acres for each dwelling unit) to HR-2½:PD (Hillside Residential, two and one-half to 10 acres for each dwelling unit, Planned

Development). Ordinance number 2281, passed and adopted by the Town Council of Los Gatos on April 16, 2019, is hereby repealed and replaced with this Ordinance.

**SECTION III. Uses and Improvements Authorized.**

The PD (Planned Development Overlay) zone established by this Ordinance authorizes the following construction and use of improvements:

1. Subdivision of one lot into eight lots.
2. Construction of eight market rate single-family detached residences.
3. Landscaping, private streets, trails, parking and other improvements shown and required on the Official Development Plans.
4. Dedication of trail easements to the Town of Los Gatos as shown on the Official Development Plans.
5. Uses permitted are those specified in the HR-2½ (Hillside Residential, two and half to 10 acres for each dwelling unit) zone by Sections 29.40.235 (Permitted Uses), as it exists at the time of the adoption of this Ordinance, or as they may be amended in the future.
6. As provided in Exhibit C and approved by the Town Council under Lot Line Adjustment application M-25-006, adjustment of the common lot line between Lot 1 (16300 Greenridge Terrace) and Lot 2 (240 La Terra Court); and adjustment of the common lot line between Lot 1 (16300 Greenridge Terrace) and 16084 Greenridge Terrace.

**SECTION IV. Compliance with Other Development Standards.**

All provisions of the Town Code apply, except when the Official Development Plan specifically shows otherwise.

**SECTION V. Tentative Subdivision Map and Architecture and Site Approvals Required.**

A Tentative Subdivision Map and Architecture and Site Approvals are required before construction of subdivision improvements or new residences, whether or not a permit is required for the work and before any permit for construction is issued. Construction permits shall only be in a manner complying with Section 29.80.130 (PD Ordinance) of the Town Code.

**SECTION VI. Official Development Plans.**

The attached Exhibit A (Map), and Exhibit B (Official Development Plans), are part of the

Official Development Plan. The following performance standards must be complied with before issuance of any grading, or construction permits (mitigation measures are so noted and are flagged with an asterisk):

TO THE SATISFACTION OF THE DIRECTOR OF COMMUNITY DEVELOPMENT:

*Planning Division*

1. OFFICIAL DEVELOPMENT PLANS: The Official Development Plans provided are conceptual in nature. Final building footprints and building designs shall be determined during the Architecture and Site approval process. Colors and building materials shown on the Official Development Plans are not approved and shall be reviewed during the Architecture and Site application approval process.
2. TOWN INDEMNITY: Applicants are notified that Town Code Section 1.10.115 requires that any applicant who receives a permit or entitlement from the Town shall defend, indemnify, and hold harmless the Town and its officials in any action brought by a third party to overturn, set aside, or void the permit or entitlement. This requirement is a condition of approval of all such permits and entitlements whether or not expressly set forth in the approval, and may be secured to the satisfaction of the Town Attorney.
3. SUBDIVISION REQUIRED: A Tentative Map application shall be approved for the project prior to the issuance of building permits. The Development Review Committee may be the deciding body of the Tentative Map.
4. ARCHITECTURE AND SITE APPROVAL REQUIRED: A separate Architecture and Site (A&S) application and approval is required for each of the new residences. The Architecture and Site applications shall be reviewed by the Development Review Committee. Architectural details, including fencing and a project entry sign, shall be refined as part of this process with input from the Town's Consulting Architect.
5. FINAL LANDSCAPE PLAN: A final landscape plan shall be reviewed by the Town's Consulting Landscape Architect and approved as part of the Architecture and Site process. Minimum tree size at time of planting shall be 24-inch box.
6. WATER CONSERVATION ORDINANCE REQUIREMENT: The proposed landscaping shall meet the Town of Los Gatos Water Conservation Ordinance or the State Water Efficient Landscape Ordinance, whichever is more restrictive. A review fee based on the current fee schedule adopted by the Town Council is required when working landscape and irrigation plans are submitted for review prior to the issuance of a building permit.
7. SETBACKS: The minimum setbacks are those specified by the HR-2½ zoning district or as otherwise shown on the Conceptual Development Plans.

8. FENCING: Fencing shall comply with the Town Code and Hillside Development Standards and Guidelines in place at the time of approval. Fence locations, design, and materials shall be reviewed and approved during the Architecture and Site review(s). The CC&R's for the project shall include a restriction prohibiting the home owners from replacing the fence type approved during the Architecture and Site review(s) without prior approval from the Town. The CC&R's shall prohibit fencing within the open space easement.
9. BUILDING HEIGHT: The maximum height of the new residences shall be the maximum height listed in the Hillside Development Standards and Guidelines. The maximum height of the new residences on lots 3, 4, 5, and 8 shall be limited to 18 feet due to visibility concerns.
10. BUILDING FLOOR AREA: The maximum floor area of the new residences shall be the maximum floor area listed in the Hillside Development Standards and Guidelines.
11. GRADING: Depths of cut and fill for the roadway and site improvements shall not exceed the maximums shown in the Official Development Plans (Exhibit B).
12. OUTDOOR LIGHTING: All exterior building and outdoor lighting shall be shielded and directed away from neighboring properties, to shine on the project site only. Lighting shall be the minimum needed for pedestrian safety and security. Lighting specifications shall be reviewed as part of the Architecture and Site process.
13. EXTERIOR COLORS: The exterior colors of all structures shall comply with the Hillside Development Standards and Guidelines.
14. DEED RESTRICTION: Prior to the issuance of a building permit, a deed restriction shall be recorded by the applicant with the Santa Clara County Recorder's Office that requires all exterior materials be maintained in conformance with the Town's Hillside Development Standards and Guidelines.
15. BELOW MARKET PRICE (BMP) IN-LIEU FEE: A Below Market Price (BMP) in-lieu fee shall be paid by the property owner/developer pursuant to Town Code Section 29.10.3025 and any applicable Town Resolutions. The fee amount shall be based upon the Town Council fee resolution in effect at the time a final or vesting tentative map is approved.
16. PROJECT CC&R's. CC&R's shall be provided with the Tentative Map application and shall address the following:
    a. Maintenance of private roadway
    b. Maintenance of landscaping adjacent to the private road
    c. Maintenance of storm drain system
    d. Maintenance of public open space
    e. Maintenance of public trail

f. Landscape guidelines (shall be compliant with the Hillside Development Standards and Guidelines, EIR, and safe fire protocol).

17. FINAL CC&R's: Final CC&R's shall be approved by the Town Attorney prior to the recording of the Final Map. The CC&R's shall include provisions for traffic circulation, vehicle parking enforcement procedures, and landscaping, exterior lighting and fencing restrictions. The approved CC&R's shall become conditions of this Ordinance.
18. TREE PRESERVATION: All recommendations of the Town's Consulting Arborist shall be followed. Refer to the report and addendum report prepared by Richard Gessner, dated June 30, 2017 and June 20, 2018 for additional details. The Arborist Consultant shall reevaluate the plans for the new residences during Architecture and Site review.
19. TREE REMOVAL: Tree removal shall be limited to the scope of this PD and future approvals as follows:

| | |
|---|---|
| Planned Development | No tree removal. |
| Subdivision | Tree removal limited to that required for site improvements related to installation of the roadway and shared driveway; installation of utilities; and construction of retaining walls for the roadway and shared driveway. |
| Architecture and Site | Tree removal required for construction of each single-family home and improvements. |

20. DEED RESTRICTION: Prior to the issuance of building permits for each single-family residential development, a deed restriction shall be recorded by the applicant with the Santa Clara County Recorder's Office that identifies the on-site trees that were used to provide screening in the visibility analyses conducted under each Architecture and Site application and requires replacement screening in conformance with the Town's Hillside Development Standards and Guidelines and/or the Tree Protection Ordinance if the trees die or are removed.
21. MAINTENANCE AGREEMENT: Prior to the issuance of building permits for each single-family residential development, a five-year maintenance agreement shall be submitted for the preservation of the on-site trees that were used to provide screening in the visibility analyses conducted under each Architecture and Site application.
22. TREE REMOVAL PERMIT: A Tree Removal Permit shall be obtained for trees approved for removal prior to the issuance of demolition or grading permits.
23. REPLACEMENT TREES: New trees shall be planted to mitigate the loss of trees being

removed. The number of trees shall be determined using the canopy replacement table in the Tree Protection Ordinance. New trees shall be double staked and shall be planted prior to final inspection and issuance of occupancy permits.

24. TREE FENCING: Protective tree fencing shall be placed at the drip line of existing trees and shall remain through all phases of construction. Refer to the report and addendum report prepared by Richard Gessner, dated June 30, 2017 and June 20, 2018 for requirements. Fencing shall be six-foot high cyclone attached to two-inch diameter steel posts drive 18 inches into the ground and spaced no further than 10 feet apart. Include a tree protection fencing plan with the construction plans.
25. FINAL UTILITY LOCATIONS: The applicant shall submit plans showing the final locations and screening of all exterior utilities, including but not limited to, backflow preventers, Fire Department connections, transformers, utility boxes and utility meters. Utility devices shall be screened to the satisfaction of the Director of Community Development. The plans shall be submitted for review and approval prior to issuance of building permits for new construction.
26. PLAN INCONSISTENCY: Any inconsistencies between sheets shall be limited to whichever is more restrictive.
27. GENERAL PROVISIONS: This Planned Development shall comply with provisions in Town Code Sections 29.40.015 through 29.40.070, and Article V, unless more restrictive provisions are required in other performance standards for the subject Planned Development.
28. SCENIC EASEMENTS: Scenic easements shall be dedicated on the parcel map by separate instrument across portions of lots 1, 2, 3, and 5 connecting the area to be dedicated as open space on the north portions of lots 1 and 5 to the south property lines of lots 2 and 3. Easement language shall indicate that such land shall not be encroached into with fences, structures, landscaping, or improvements of any kind, and no work shall be performed within the Scenic Easement, including clearing, other than for wildland fire fuel management or weed abatement. Any and all maintenance within the scenic easements shall be the sole responsibility of the property owner.
29. *AIR QUALITY MITIGATION MEASURE AQ-1: The project contractor for subdivision improvements and residential lot development shall implement basic dust control measures at all on-site and off-site locations where grading or excavation takes place. The project contractor shall implement additional dust control measures at all on-site and off-site locations where grading or excavation takes place within 200 feet of residential properties.

    Basic dust control measures:

a. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day;
b. All haul trucks transporting soil, sand, or other loose material off-site shall be covered;
c. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited;
d. All vehicle speeds on unpaved roads shall be limited to 15 mph;
e. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used; and
f. Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The air district's phone number shall also be visible to ensure compliance with applicable regulations.
g. All excavation, grading, and/or demolition activities shall be suspended when average wind speeds exceed 20 mph;
h. Vegetative ground cover (e.g., fast-germinating native grass seed) shall be planted in disturbed areas as soon as possible and watered appropriately until vegetation is established; and
i. Unpaved roads shall be treated with a three to six-inch compacted layer of wood chips, mulch, or gravel.

30. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-1: Focused plant surveys were conducted in spring 2018; if project development occurs more than five years after spring 2018, the surveys shall be repeated per below. To protect potentially occurring special-status plants, the presence/absence of fragrant fritillary, Hall's bush-mallow, Loma Prieta hoita, western leatherwood, and woodland woollythreads shall be determined within the development footprint and fire defensible space. A qualified biologist shall conduct focused botanical surveys for these five-target species in accordance with current California Department of Fish and Wildlife and California Native Plant Society rare plant survey protocols. Surveys shall occur during overlapping blooming periods for the target species (likely March and June). If the surveys conclude that the species are not present, no further mitigation is required. If any special-status plant species is present within the development footprint and fire defensible space, to compensate for loss or reduction of a special-status plant population, the project proponent shall retain a qualified biologist or native plant specialist to collect seed from

all plant individuals and/or salvage plants within the development footprint at the optimal time prior to initiation of ground disturbance activities. The project proponent and the Town of Los Gatos shall oversee selection of an appropriate mitigation area, preferably on the project site, or in the immediate vicinity, that would not be disturbed in the future. After selection of the mitigation area and approval by the Town, a qualified biologist shall develop a Special-Status Plant Management Plan detailing optimal methods for seed collection/plant salvage from the impact area, preparation of the mitigation area, and seed/plant installation at the mitigation area. The plan shall also include maintenance measures to manage the rare plant occurrence for long-term protection and persistence at the mitigation area. Collected seeds/plants shall be installed at the mitigation area at the optimal time. Topsoil from the on-site occurrence location shall also be salvaged (if practical) for use in the mitigation area.

The Special-Status Plant Management Plan shall require at a minimum three years of annual monitoring by a qualified biologist during the plant's peak blooming period to ensure that mitigation was successful and that long-term maintenance procedures specified in the plan are creating conditions that support survival of the transplanted population. The initial focused surveys will identify how many plant individuals occur in the development footprint; this amount or more must occur in the mitigation area during each of the three years following installation. If this success criteria is not achieved, the project proponent shall coordinate with the Town to implement remedial mitigation through revision of the Special-Status Plant Management Plan, and then collection of additional seed from a local population and repeated installation in the mitigation area, followed by another three years of annual monitoring. This process shall be extended as needed until all success criteria contained in the Special-Status Plant Management Plan are achieved.

31. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-2: Prior to the start of construction activities for the subdivision improvements and development of residential lots, a qualified biologist shall conduct pre-construction surveys of the grassland habitat on the site to identify any potential American badger burrows/dens. These surveys shall be conducted no more than 15 days prior to the start of construction. In the event that construction activities are suspended for 15 consecutive days or longer, including the time period between the subdivision improvements and development activities at each respective residential lot, these surveys shall be recompleted. If a potential American badger burrow/den is found during the surveys, coordination with the California Department of Fish and Wildlife shall be undertaken in order to develop a suitable

strategy to avoid impacts to American badger. With California Department of Fish and Wildlife approval, impacts to active American badger dens shall be avoided by establishing exclusion zones around all active badger dens, within which construction related activities shall be prohibited until denning activities are complete or the den is abandoned. A qualified biologist shall monitor each den once per week in order to track the status of the den and to determine when a den area has been cleared for construction.

32. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-3: A qualified biologist shall conduct pre-construction surveys for woodrat middens within the development footprints. These surveys shall be conducted no more than 15 days prior to the start of construction for the infrastructure improvements and development of the residential lots. In the event that construction activities are suspended for 15 consecutive days or longer, including the time period between the subdivision improvements and development activities at each respective residential lot, these surveys shall be recompleted. All woodrat middens shall be flagged for avoidance of direct construction impacts where feasible. To avoid midden/nest disturbance, if active middens/nests are found, a 50-foot buffer will be established in which project activities will not occur. This buffer should be clearly marked. For all woodrat middens/nests that cannot be avoided by project activities, live trapping should be conducted by a qualified biologist to determine if the midden/nest is in use. Trapping should occur prior to April and after mid-July to avoid impacts to woodrats rearing young or to young woodrats. If a midden/nest is found to be unoccupied (none captured after two nights of trapping), then it can be removed as described below. If woodrats are trapped, they may be kept in captivity by a qualified biologist until their middens/nests are immediately relocated. Each midden/nest should be dismantled by hand as described below, and the relocated midden/nest should be placed in suitable habitat a minimum of 50 feet from the construction area, no closer than 20 feet from existing woodrat middens/nests and other relocated woodrat middens/nests, and be reassembled under shrub or tree canopy that will receive some sunlight. The midden/nest should be rebuilt surrounding a log-based structure, an inverted wooden planter, or similar structure having at least one entrance and exit hole. Any cached food and nest material found during nest dismantling should be placed within the relocated midden/nest during rebuilding. The occupied trap should then be opened, placed tightly against the entrance to the artificial shelter, and the woodrat be allowed to enter the midden/nest on its own accord. After the individual enters, the entrance should promptly be covered with a loose plug of small sticks to encourage the individual to stay for the short-term. Where impacts

cannot be avoided, woodrat middens shall be dismantled no more than three days prior to construction activities starting at each midden location. All vegetation and duff materials shall be removed from three feet around the midden prior to dismantling so that the occupants do not attempt to rebuild. Middens are to be slowly dismantled by hand in order to allow any occupants to disperse.

33. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-4: Approximately 15 days prior to tree removal or other construction activities, the applicant shall retain a qualified biologist to conduct a habitat assessment for bats and potential roosting sites in trees to be removed, in trees within 50 feet of the development footprint, and surrounding the water tank structures situated within 50 feet of disturbance activities by the project. In the event that construction activities are suspended for 15 consecutive days or longer, including the time period between the subdivision improvements and development activities at each respective residential lot, these surveys shall be recompleted. These surveys shall include a visual inspection of potential roosting features (bats need not be present) and a search for presence of guano within the project site, construction access routes, and 50 feet around these areas. Cavities, crevices, exfoliating bark, and bark fissures that could provide suitable potential nest or roost habitat for bats shall be surveyed. Assumptions can be made on what species is present due to observed visual characteristics along with habitat use, or the bats can be identified to the species level with the use of a bat echolocation detector such as an “Anabat” unit. Potential roosting features found during the survey shall be flagged or marked. Locations off the site to which access is not available may be surveyed from within the site or from public areas. If no roosting sites or bats are found, a letter report confirming absence shall be submitted by the biologist to the Town of Los Gatos and no further mitigation is required. If bats or roosting sites are found, a letter report and supplemental documents shall be provided by the biologist to the Town of Los Gatos prior to disturbance activities or grading permit issuance and the following monitoring, exclusion, and habitat replacement measures shall be implemented:

    a. If bats are found roosting outside of the nursery season (May 1 through October 1), they shall be evicted as described under (b) below. If bats are found roosting during the nursery season, they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or by monitoring the roost after the adults leave for the night to listen for bat pups. If the roost is determined to not be a maternal roost, then the bats shall be evicted as described under (b) below. Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the

nursery season. Therefore, if a maternal roost is present, a 50-foot buffer zone (or different size if determined in consultation with the California Department of Fish and Wildlife) shall be established around the roosting site within which no construction activities including tree removal or structure disturbance shall occur until after the nursery season.

b. If a non-breeding bat hibernaculum is found in a tree or snag scheduled for removal or on any structures within 50 feet of project disturbance activities, the individuals shall be safely evicted, under the direction of a qualified bat biologist. If pre-construction surveys determine that there are bats present in any trees or structures to be removed, exclusion structures (e.g. one-way doors or similar methods) shall be installed by a qualified biologist. The exclusion structures shall not be placed until the time of year in which young are able to fly, outside of the nursery season. Information on placement of exclusion structures shall be provided to the CDFW prior to construction. If needed, other removal methods could include: carefully opening the roosting area in a tree or snag by hand to expose the cavity and opening doors/windows on structures, or creating openings in walls to allow light into the structures. Removal of any trees or snags and disturbance within 50 feet of any structures shall be conducted no earlier than the following day (i.e., at least one night shall be provided between initial roost eviction disturbance and tree removal/disturbance activities). This action will allow bats to leave during dark hours, which increases their chance of finding new roosts with a minimum of potential predation.

34. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-5: Construction activities that include any tree removal, pruning, grading, grubbing, or demolition shall be conducted outside of the bird nesting season (January 15 through September 15) to the greatest extent feasible. If this type of construction occurs during the bird nesting season, then a qualified biologist shall conduct pre-construction surveys for nesting birds to ensure that no nests would be disturbed during project activities. If project-related work is scheduled during the nesting season (February 15 to August 30 for small bird species such as passerines; January 15 to September 15 for owls; and February 15 to September 15 for other raptors), or if construction activities are suspended for at least 15 days and recommence during the nesting season, including the time period between the subdivision improvements and development activities at each respective residential lot, a qualified biologist shall conduct nesting bird surveys. Two surveys for active nests of such birds shall occur within 15 days prior to the start of construction, with the second survey conducted within 48 hours prior to the start of construction. Appropriate

minimum survey radii surrounding each work area are typically 250 feet for passerines, 500 feet for smaller raptors, and 1,000 feet for larger raptors. Surveys shall be conducted at the appropriate times of day to observe nesting activities. Locations off the site to which access is not available may be surveyed from within the site or from public areas. A report documenting survey results and plan for active bird nest avoidance (if needed) shall be completed by the qualified biologist prior to initiation of construction activities. If the qualified biologist documents active nests within the project site or in nearby surrounding areas, an appropriate buffer between each nest and active construction shall be established. The buffer shall be clearly marked and maintained until the young have fledged and are foraging independently. Prior to construction, the qualified biologist shall conduct baseline monitoring of each nest to characterize "normal" bird behavior and establish a buffer distance, which allows the birds to exhibit normal behavior. The qualified biologist shall monitor the nesting birds daily during construction activities and increase the buffer if birds show signs of unusual or distressed behavior (e.g. defensive flights and vocalizations, standing up from a brooding position, and/or flying away from the nest). If buffer establishment is not possible, the qualified biologist or construction foreman shall have the authority to cease all construction work in the area until the young have fledged and the nest is no longer active.

35. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-6: Prior to issuance of a building permit or a grading permit for infrastructure improvement and each residential lot, developers shall retain a certified arborist to develop a site-specific tree protection plan for retained trees, and supervise the implementation of all proposed tree preservation and protection measures during construction activities, including those measures specified in the 2017 project arborist report and 2018 project arborist report addendum. Also, in accordance with the Town's Tree Protection Ordinance, the project proponent shall obtain a tree removal permit for proposed tree removals on each development lot prior to tree removals, and shall install replacement trees in accordance with all mitigation, maintenance, and monitoring requirements specified in the tree removal permit(s) or otherwise required by the Town for project approvals.

36. *GEOLOGIC HAZARDS MITIGATION MEASURE GEO-1: Prior to the approval of development applications for the project site, design-level studies for the roadways and infrastructure, and each of the proposed residential lots shall be prepared and shall address site specific geotechnical issues and provide lot-specific foundation and drainage recommendations. These design-level studies shall include an evaluation of expansive soil for each lot as well as an evaluation of local and global slope stability of

each building area, concept, and access way. The design-level study for Lot 1 shall include an assessment of the potential hazards associated with alluvial infilling or debris flows along with geotechnical provisions for collecting and dispersing concentrated runoff flowing down the axis of the drainage towards the home site.

37. *GEOLOGIC HAZARDS MITIGATION MEASURE GEO-2: Prior to the approval of development applications for the individual lots, applicants shall be responsible for demonstrating to the satisfaction and approval of the Town Engineer that proposed design plans are in conformance with all current California Building Code standards and that all design measures and site preparation recommendations as suggested in the lot-specific geotechnical studies identified in mitigation measure GEO-1 have been incorporated into the project's final design.

*Building Division*

38. PERMITS REQUIRED: A separate Building Permit shall be required for each new single-family residence and each detached structure including retaining walls.

TO THE SATISFACTION OF THE DIRECTOR OF PARKS and PUBLIC WORKS:

*Engineering Division*

39. GENERAL: All public improvements shall be made according to the latest adopted Town Standard Plans, Standard Specifications and Engineering Design Standards. All work shall conform to the applicable Town ordinances. The adjacent public right-of-way shall be kept clear of all job-related mud, silt, concrete, dirt and other construction debris at the end of the day. Dirt and debris shall not be washed into storm drainage facilities. The storing of goods and materials on the sidewalk and/or the street will not be allowed unless an encroachment permit is issued by the Engineering Division of the Parks and Public Works Department. The Owner, Applicant and/or Developer's representative in charge shall be at the job site during all working hours. Failure to maintain the public right-of-way according to this condition may result in the issuance of correction notices, citations, or stop work orders and the Town performing the required maintenance at the Owner, Applicant and/or Developer's expense.

40. APPROVAL: This application shall be completed in accordance with all of the conditions of approval listed below and in substantial compliance with the latest reviewed and approved development plans. Any changes or modifications to the approved plans or conditions of approvals shall be approved by the Town Engineer.

41. ENCROACHMENT PERMIT: All work in the public right-of-way will require a Construction Encroachment Permit. All work over $5,000 will require construction security. It is the responsibility of the Owner/Applicant/Developer to obtain any necessary encroachment permits from affected agencies and private parties, including but not limited to, Pacific Gas and Electric (PG&E), AT&T, Comcast, Santa Clara Valley Water District, California Department of Transportation (Caltrans). Copies of any approvals or permits must be submitted to the Town Engineering Division of the Parks and Public Works Department prior to releasing any grading or building permits.
42. PRIVATE IMPROVEMENTS IN THE PUBLIC RIGHT-OF-WAY (INDEMNITY AGREEMENT): The property owner shall enter into an agreement with the Town for all existing and proposed private improvements within the Town's right-of-way. The Owner shall be solely responsible for maintaining the improvements in a good and safe condition at all times and shall indemnify the Town of Los Gatos. The agreement must be completed and accepted by the Director of Parks and Public Works prior to the issuance of any grading or building permits.
43. PUBLIC WORKS INSPECTIONS: The Owner, Applicant and/or Developer or their representative shall notify the Engineering Inspector at least twenty-four (24) hours before starting any work pertaining to on-site drainage facilities, grading or paving, and all work in the Town's right-of-way. Failure to do so will result in penalties and rejection of work that went on without inspection.
44. RESTORATION OF PUBLIC IMPROVEMENTS: The Owner, Applicant and/or Developer or their representative shall repair or replace all existing improvements not designated for removal that are damaged or removed because of the Owner, Applicant and/or Developer or their representative's operations. Improvements such as, but not limited to: curbs, gutters, sidewalks, driveways, signs, pavements, raised pavement markers, thermoplastic pavement markings, etc., shall be repaired and replaced to a condition equal to or better than the original condition. Any new concrete shall be free of stamps, logos, names, graffiti, etc. Any concrete identified that is displaying a stamp or equal shall be removed and replaced at the Contractor's sole expense and no additional compensation shall be allowed therefore. Existing improvement to be repaired or replaced shall be at the direction of the Engineering Construction Inspector, and shall comply with all Title 24 Disabled Access provisions. The restoration of all improvements identified by the Engineering Construction Inspector shall be completed before the issuance of a certificate of occupancy. The Owner, Applicant and/or Developer or their representative shall request a walk-through with the Engineering Construction Inspector before the start of construction to verify existing conditions.

45. SITE SUPERVISION: The General Contractor shall provide qualified supervision on the job site at all times during construction.
46. STREET/SIDEWALK CLOSURE: Any proposed blockage or partial closure of the street and/or sidewalk requires an encroachment permit. Special provisions such as limitations on works hours, protective enclosures, or other means to facilitate public access in a safe manner may be required.
47. PLAN CHECK FEES: Plan check fees associated with the Grading Permit shall be deposited with the Engineering Division of the Parks and Public Works Department prior to the commencement of plan check review.
48. INSPECTION FEES: Inspection fees shall be deposited with the Town prior to the issuance of any permits or recordation of the Final Map.
49. DESIGN CHANGES: Any proposed changes to the approved plans shall be subject to the approval of the Town prior to the commencement of any and all altered work. The Owner, Applicant and/or Developer's project engineer shall notify, in writing, the Town Engineer at least seventy-two (72) hours in advance of all the proposed changes. Any approved changes shall be incorporated into the final "as-built" plans.
50. PLANS AND STUDIES: All required plans and studies shall be prepared by a Registered Professional Engineer in the State of California, and submitted to the Town Engineer for review and approval. Additionally, any post-project traffic or parking counts, or other studies imposed by the Planning Commission or Town Council shall be funded by the Owner, Applicant and/or Developer.
51. GRADING PERMIT: A grading permit is required for all site grading and drainage work except for exemptions listed in Section 12.20.015 of The Code of the Town of Los Gatos (Grading Ordinance). After the preceding Architecture and Site Application has been approved by the respective deciding body, the grading permit application (with grading plans and associated required materials and plan check fees) shall be made to the Engineering Division of the Parks and Public Works Department located at 41 Miles Avenue. The grading plans shall include final grading, drainage, retaining wall location(s), driveway, utilities and interim erosion control. Grading plans shall list earthwork quantities and a table of existing and proposed impervious areas. Unless specifically allowed by the Director of Parks and Public Works, the grading permit will be issued concurrently with the building permit. The grading permit is for work outside the building footprint(s). Prior to Engineering signing off and closing out on the issued grading permit, the Owner/Applicant/Developer's soils engineer shall verify, with a stamped and signed letter, that the grading activities were completed per plans and per the requirements as noted in the soils report. A separate building permit, issued by the

Building Department, located at 110 E. Main Street, is needed for grading within the building footprint.

52. ILLEGAL GRADING: Per the Town's Comprehensive Fee Schedule, applications for work unlawfully completed shall be charged double the current fee. As a result, the required grading permit fees associated with an application for grading proposed will be charged accordingly.
53. GRADING ACTIVITY RESTRICTIONS: Upon receipt of a grading permit, any and all grading activities and operations shall not commence until after/occur during the rainy season, as defined by Town Code of the Town of Los Gatos, Sec. 12.10.020, (October 15-April 15), has ended.
54. COMPLIANCE WITH HILLSIDE DEVELOPMENT STANDARDS AND GUIDELINES: All grading activities and operations shall be in compliance with Section III of the Town's Hillside Development Standards and Guidelines. All development shall be in compliance with Section II of the Town's Hillside Development Standards and Guidelines.
55. CONSTRUCTION EASEMENT: Prior to the issuance of a grading permit, it shall be the sole responsibility of the Owner, Applicant and/or Developer to obtain any and all proposed or required easements and/or permissions necessary to perform the grading herein proposed. Proof of agreement/approval is required prior to the issuance of any Permit.
56. DRAINAGE STUDY: Prior to the issuance of any grading permits, a drainage study of the project including diversions, off-site areas that drain onto and/or through the project, and justification of any diversions; a drainage study evidencing that the proposed drainage patterns will not overload the existing storm drain facilities; and detailed drainage studies indicating how the project grading, in conjunction with the drainage conveyance systems (including applicable swales, channels, street flows, catch basins, storm drains, and flood water retarding) will allow building pads to be safe from inundation from rainfall runoff which may be expected from all storms up to and including the theoretical 100-year flood.
57. DRAINAGE IMPROVEMENT: Prior to the recordation of a subdivision map (except maps for financing and conveyance purposes only) or prior to the issuance of any grading/improvement permits, whichever comes first, the Owner, Applicant and/or Developer shall: a) design provisions for surface drainage; and b) design all necessary storm drain facilities extending to a satisfactory point of disposal for the proper control and disposal of storm runoff; and c) provide a recorded copy of any required easements to the Town.
58. TREE REMOVAL: Copies of all necessary tree removal permits shall be provided prior to the issuance of a grading permit/building permit.

59. SURVEYING CONTROLS: Horizontal and vertical controls shall be set and certified by a licensed surveyor or registered civil engineer qualified to practice land surveying, for the following items:
    a. Retaining wall: top of wall elevations and locations.
    b. Toe and top of cut and fill slopes.
60. RETAINING WALLS: A building permit, issued by the Building Department at 110 E. Main Street, may be required for site retaining walls. Walls are not reviewed or approved by the Engineering Division of Parks and Public Works during the grading permit plan review process.
61. GENERAL: The Owner, Applicant and/or Developer shall comply with all Town, County, State and Federal laws and regulations applicable to this land division. No other proposed development is included in this particular application of the Certificate of Compliance. Issuance of a Certificate of Compliance will acknowledge the Town's acceptance of the parcel as legally created in accordance with the Subdivision Map Act. Any subsequent development will be required to demonstrate compliance with the Town Development Standards and Codes.
62. CERTIFICATE OF COMPLIANCE: A Certificate of compliance shall be recorded. Two (2) copies of the legal description for each lot configuration, a plat map (8-½ in. X 11 in.) shall be submitted to the Engineering Division of the Parks and Public Works Department for review and approval. The submittal shall include closure calculations, title reports less than ninety (90) days old and the appropriate fee. The certificate shall be recorded prior to the issuance of any permits.
63. FINAL / PARCEL MAP: A final/parcel map shall be recorded. Two (2) copies of the final/parcel map shall be submitted to the Engineering Division of the Parks and Public Works Department for review and approval. Submittal shall include closure calculations, title reports and the appropriate fee. The map shall be recorded prior to the issuance of any grading or building permits. The Applicant/Subdivider shall provide the Engineering Division with an electronic copy (in PDF format) and two hardcopies of the signed recorded map along with a CAD drawing of the Parcel Map after it is recorded.
64. WEST VALLEY SANITATION DISTRICT: All sewer connection and treatment plant capacity fees shall be paid either immediately prior to the recordation of any subdivision or tract maps with respect to the subject property or properties or immediately prior to the issuance of a sewer connection permit, which ever event occurs first. Written confirmation of payment of these fees shall be provided prior to map recordation.
65. PRIVATE UTILITIES–STREET: Prior to the recordation of a subdivision map the Applicant/Developer/Subdivider shall place a note on the map, in a manner that meets

the approval of the Town Engineer that states: "The private streets, utilities constructed within this map shall be owned, operated and maintained by the Developer, successors or assigns."

66. DESIGN-LEVEL REPORTS: One copy of a geotechnical and geologic report shall be submitted with the application of each approved lot. The soils report shall include specific criteria and standards governing site grading, drainage, pavement design, retaining wall design, and erosion control. The reports shall be signed and "wet stamped" by the engineer or geologist, in conformance with Section 6735 of the California Business and Professions Code.
67. SOILS ENGINEER CONSTRUCTION OBSERVATION: During construction, all excavations and grading shall be inspected by the Owner, Applicant and/or Developer's soils engineer prior to placement of concrete and/or backfill so they can verify that the actual conditions are as anticipated in the design-level geotechnical report, and recommend appropriate changes in the recommendations contained in the report, if necessary. The results of the construction observation and testing shall be documented in an "as-built" letter/report prepared by the Applicant's soils engineer and submitted to the Town before final release of any occupancy permit is granted.
68. SOIL RECOMMENDATIONS: The project shall incorporate the geotechnical/geological recommendations contained in the Geologic and Geotechnical Feasibility Study by UPP Geotechnology, dated October 4, 2016, and any subsequently required report or addendum. Subsequent reports or addendum are subject to peer review by the Town's consultant and costs shall be borne by the Owner, Applicant and/or Developer.
69. UTILITIES: The Owner, Applicant and/or Developer shall install all new, relocated, or temporarily removed utility services, including telephone, electric power and all other communications lines underground, as required by Town Code Section 27.50.015(b). All new utility services shall be placed underground. Underground conduit shall be provided for cable television service. The Owner, Applicant and/or Developer is required to obtain approval of all proposed utility alignments from any and all utility service providers before a Certificate of Occupancy for any new building can be issued. The Town of Los Gatos does not approve or imply approval for final alignment or design of these facilities.
70. UTILITY SETBACKS: House foundations shall be set back from utility lines a sufficient distance to allow excavation of the utility without undermining the house foundation. The Town Engineer shall determine the appropriate setback based on the depth of the utility, input from the project soils engineer, and the type of foundation.
71. UTILITY EASEMENTS: Deed restrictions shall be placed on lots containing utility

easements. The deed restrictions shall specify that no trees, fences, structures or hardscape are allowed within the easement boundaries, and that maintenance access must be provided. The Town will prepare the deed language and the Owner, Applicant and/or Developer's surveyor shall prepare the legal description and plat. The Owner, Applicant and/or Developer shall pay any recordation costs. The documents shall be recorded before any grading or permits are issued.

72. PRIVATE EASEMENTS: Agreements detailing rights, limitations and responsibilities of involved parties shall accompany any proposed private easement. Access driveway shall be within the recorded access easement. A new private access easement shall be recorded, and a copy of the recorded agreement shall be submitted to the Engineering Division of the Parks and Public Works Department, prior to issuance of building permit or realigned access driveway shall be completed prior to the issuance of building permit.
73. QUITCLAIM OF EASEMENTS: The Owner, Applicant and/or Developer has/have indicated that 4 easement(s) will be abandoned. This abandonment shall be recorded, and a copy of the recorded quitclaim shall be submitted to the Engineering Division of the Parks and Public Works Department, prior to issuance of building permit.
74. SIDEWALK REPAIR: The Owner, Applicant and/or Developer shall repair and replace to existing Town standards any sidewalk damaged now or during construction of this project. All new and existing adjacent infrastructure must meet current ADA standards. Sidewalk repair shall match existing color, texture and design, and shall be constructed per Town Standard Details. New concrete shall be free of stamps, logos, names, graffiti, etc. Any concrete identified that is displaying a stamp or equal shall be removed and replaced at the Contractor’s sole expense and no additional compensation shall be allowed therefore. The limits of sidewalk repair will be determined by the Engineering Construction Inspector during the construction phase of the project. The improvements must be completed and accepted by the Town before a Certificate of Occupancy for any new building can be issued.
75. CURB AND GUTTER REPAIR: The Owner, Applicant and/or Developer shall repair and replace to existing Town standards any curb and gutter damaged now or during construction of this project. All new and existing adjacent infrastructure must meet Town standards. New curb and gutter shall be constructed per Town Standard Details. New concrete shall be free of stamps, logos, names, graffiti, etc. Any concrete identified that is displaying a stamp or equal shall be removed and replaced at the Contractor’s sole expense and no additional compensation shall be allowed therefore. The limits of curb and gutter repair will be determined by the Engineering Construction Inspector during the construction phase of the project. The improvements must be completed and

accepted by the Town before a Certificate of Occupancy for any new building can be issued.

76. FENCING: Any fencing proposed within two hundred (200) feet of an intersection shall comply with Town Code Section §23.10.080.
77. SIGHT TRIANGLE AND TRAFFIC VIEW AREA: Any proposed improvements, including but not limiting to trees and hedges, will need to abide by Town Code Sections 23.10.080, 26.10.065, and 29.40.030.
78. FENCES: Fences between all adjacent parcels will need to be located on the property lines/boundary lines. Any existing fences that encroach into the neighbor's property will need to be removed and replaced to the correct location of the boundary lines before a Certificate of Occupancy for any new building can be issued. Waiver of this condition will require signed and notarized letters from all affected neighbors.
79. TRAFFIC IMPACT MITIGATION FEE: Prior to the issuance of a/any building/grading permit(s), the Owner/Applicant/Developer shall pay the project's proportional share of transportation improvements needed to serve cumulative development within the Town of Los Gatos. The fee amount will be based upon the Town Council resolution in effect at the time the building permit is issued. The fee shall be paid before issuance of a/any building permit(s). The final traffic impact mitigation fee for this project shall be calculated from the final plans using the current fee schedule and rate schedule in effect at the time the building permit is issued, using a comparison between the existing and proposed uses.
80. PRECONSTRUCTION PAVEMENT SURVEY: Prior to issuance of a Grading Permit, the project applicant shall complete a pavement condition survey documenting the extent of existing pavement defects using a 35-mm, smartphone video (in Landscape orientation only) or digital video camera. The survey shall extend Santella Drive, Santella Court, Shady Lane, and Greenridge Terrace.
81. POSTCONSTRUCTION PAVEMENT SURVEY: The project applicant shall complete a pavement condition survey and pavement deflection analysis to determine whether road damage occurred as a result of project construction and whether there were changes in pavement strength. Rehabilitation improvements required to restore the pavement to pre-construction condition and strength shall be determined using State of California procedures for deflection analysis. The results shall be documented in a report and submitted to the Town for review and approval before a Certificate of Occupancy for any new building can be issued. The Applicant shall be responsible for completing any required road repairs prior to release of the faithful performance bond.
82. CONSTRUCTION VEHICLE PARKING: No construction vehicles, trucks, equipment and

worker vehicles shall be allowed to park on the portion of any public (Town) streets without written approval from the Town Engineer.

83. TRAFFIC CONTROL PLAN: A traffic control plan is required and must be submitted and approved by the Town Engineer prior to the issuance of an encroachment, grading or building permit. This plan shall include, but not be limited to, the following measures:
    a. Construction activities shall be strategically timed and coordinated to minimize traffic disruption for schools, residents, businesses, special events, and other projects in the area. The schools located on the haul route shall be contacted to help with the coordination of the trucking operation to minimize traffic disruption.
    b. Flag persons shall be placed at locations necessary to control one-way traffic flow. All flag persons shall have the capability of communicating with each other to coordinate the operation.
    c. Prior to construction, advance notification of all affected residents and emergency services shall be made regarding one-way operation, specifying dates and hours of operation.
    d. CONSTRUCTION TRAFFIC CONTROL: All construction traffic and related vehicular routes, traffic control plan, and applicable pedestrian or traffic detour plans shall be submitted for review and approval by the Town Engineer prior to the issuance of an encroachment, grading or building permit.
    e. ADVANCE NOTIFICATION: Advance notification of all affected residents and emergency services shall be made regarding parking restriction, lane closure or road closure, with specification of dates and hours of operation.
84. HAULING OF SOIL: Hauling of soil on- or off-site shall not occur during the morning or evening peak periods (between 7:00 a.m. and 9:00 a.m. and between 4:00 p.m. and 6:00 p.m.), and at other times as specified by the Director of Parks and Public Works. Prior to the issuance of an encroachment, grading or building permit, the Developer or their representative shall work with the Town Building Department and Engineering Division Inspectors to devise a traffic control plan to ensure safe and efficient traffic flow under periods when soil is hauled on or off the project site. This may include, but is not limited to provisions for the Developer to place construction notification signs noting the dates and time of construction and hauling activities, or providing additional traffic control. Coordination with other significant projects in the area may also be required. Cover all trucks hauling soil, sand and other loose debris.
85. CONSTRUCTION HOURS: All subdivision improvements and site improvements construction activities, including the delivery of construction materials, labors, heavy equipment, supplies, etc., shall be limited to the hours of 8:00 a.m. to 8:00 p.m.,

weekdays and 9:00 a.m. to 7:00 p.m. weekends and holidays. The Town may authorize, on a case-by-case basis, alternate construction hours. The Owner, Applicant and/or Developer shall provide written notice twenty-four (24) hours in advance of modified construction hours. Approval of this request is at discretion of the Town.

86. CONSTRUCTION NOISE: Between the hours of 8:00 a.m. to 8:00 p.m., weekdays and 9:00 a.m. to 7:00 p.m. weekends and holidays, construction, alteration or repair activities shall be allowed. No individual piece of equipment shall produce a noise level exceeding eighty-five (85) dBA at twenty-five (25) feet from the source. If the device is located within a structure on the property, the measurement shall be made at distances as close to twenty-five (25) feet from the device as possible. The noise level at any point outside of the property plane shall not exceed eighty-five (85) dBA.

87. CONSTRUCTION MANAGEMENT PLAN SHEET: Prior to the issuance of any encroachment, grading or building permits, the Developer's design consultant shall submit a construction management plan sheet (full-size) within the plan set that shall incorporate at a minimum the Earth Movement Plan, Traffic Control Plan, Project Schedule, site security fencing, employee parking, construction staging area, materials storage area(s), construction trailer(s), concrete washout(s) and proposed outhouse locations. Please refer to the Town's Construction Management Plan Guidelines document for additional information.

88. SHARED PRIVATE STREET: The private street accessing the Project Site shall be kept open and in a safe, drive-able condition throughout construction. If temporary closure is needed, then formal written notice shall be provided at least one week in advance of closure.

89. EMERGENCY VEHICLE ACCESS: The Emergency Vehicle Access Easement that traverses the Project Site shall be kept open and in a safe, drive-able condition throughout construction. If temporary closure is needed, then formal written notice shall be provided at least one week in advance of closure.

90. EMERGENCY VEHICLE ACCESS EASEMENT: Prior to the issuance of any permits, the Owner, Applicant and/or Developer shall coordinate with the Santa Clara County Fire Department to ensure that any proposed modifications to the Emergency Vehicle Access Easement that traverses the Project Site are curvilinear, allows for the Department's equipment to travel across said easement, and meets all Department specifications. Plans shall be submitted to the Santa Clara County Fire Department for approval prior to construction.

91. WVSD (West Valley Sanitation District): Sanitary sewer laterals are televised by West Valley Sanitation District and approved by the Town of Los Gatos before they are used.

A Sanitary Sewer Clean-out is required for each property at the property line, within one (1) foot of the property line per West Valley Sanitation District Standard Drawing 3, or at a location specified by the Town.

92. SANITARY SEWER BACKWATER VALVE: Drainage piping serving fixtures which have flood level rims less than twelve (12) inches (304.8 mm) above the elevation of the next upstream manhole and/or flushing inlet cover at the public or private sewer system serving such drainage piping shall be protected from backflow of sewage by installing an approved type backwater valve. Fixtures above such elevation shall not discharge through the backwater valve, unless first approved by the Building Official. The Town shall not incur any liability or responsibility for damage resulting from a sewer overflow where the property owner or other person has failed to install a backwater valve as defined in the Uniform Plumbing Code adopted by the Town and maintain such device in a functional operation condition. Evidence of West Sanitation District's decision on whether a backwater device is needed shall be provided prior to the issuance of a building permit.

93. STORMWATER MANAGEMENT: Construction activities including but not limited to clearing, stockpiling, grading or excavation of land, which disturbs one (1) acre or more which are part of a larger common plan of development which disturbs less than one (1) acre are required to obtain coverage under the construction general permit with the State Water Resources Control Board. The Owner, Applicant and/or Developer is required to provide proof of WDID# and keep a current copy of the storm water pollution prevention plan (SWPPP) on the construction site and shall be made available to the Town of Los Gatos Engineering Division of the Parks and Public Works Department and/or Building Department upon request.

94. BEST MANAGEMENT PRACTICES (BMPs): The Owner, Applicant and/or Developer is responsible for ensuring that all contractors are aware of all storm water quality measures and that such measures are implemented. Best Management Practices (BMPs) shall be maintained and be placed for all areas that have been graded or disturbed and for all material, equipment and/or operations that need protection. Removal of BMPs (temporary removal during construction activities) shall be replaced at the end of each working day. Failure to comply with the construction BMP will result in the issuance of correction notices, citations, or stop work orders.

95. SITE DESIGN MEASURES: All projects shall incorporate at least one of the following measures:

    a. Protect sensitive areas and minimize changes to the natural topography.
    b. Minimize impervious surface areas.

c. Direct roof downspouts to vegetated areas.
d. Use porous or pervious pavement surfaces on the driveway, at a minimum.
e. Use landscaping to treat stormwater.

96. STORMWATER DEVELOPMENT RUNOFF: All new development and redevelopment projects are subject to the stormwater development runoff requirements. Every Owner, Applicant and/or Developer or their design consultant shall submit a stormwater control plan and implement conditions of approval that reduce stormwater pollutant discharges through the construction, operation and maintenance of treatment measures and other appropriate source control and site design measures. Increases in runoff volume and flows shall be managed in accordance with the development runoff requirements.

97. BIORETENTION SYSTEM: The bioretention system shall be designed to have a surface area no smaller than what is required to accommodate a 5 inches/hour stormwater runoff surface loading rate, infiltrate runoff through bioretention soil media at a minimum of 5 inches per hour, and maximize infiltration to the native soil during the life of the project. The soil media for bioretention system shall be designed to sustain healthy, vigorous plant growth and maximize stormwater runoff retention and pollutant removal. Bioretention soil media that meets the minimum specifications set forth in Attachment L of Order No. R2-2009-0074, dated November 28, 2011, shall be used.

98. INFILTRATION TRENCHES: The following requirements apply to the proposed infiltration trenches:
    a. Prior to completion of the Final Stormwater Control Plan, a geotechnical engineer shall review the design of the infiltration trenches and retaining walls along the portion of the road within the property boundary and determine whether additional structural supports are needed to ensure stability of the road and the adjacent hillside during the wet season.
    b. The assumed infiltration rate of 1.33 in/hour shall be verified with actual site-specific soils data prior to the Final Stormwater Control Plan for the road and development on each lot, and if the infiltration rate is lower than 0.67 in/hour, a hydrologic analysis shall be conducted to ensure that the proposed trench sizes are adequate.
    c. If the lots are to be developed individually, each lot shall provide infiltration trenches consistent with the final stormwater control plan for the project, sized based on the actual amount of impervious surface to be created on the lot.
    d. The road and infiltration trenches shall be protected from sediment generated during construction of homes on the lots. The proposed source control measures shall be indicated on the project plans.

e. Maintenance of stormwater treatment and the infiltration trenches shall be the responsibility of the property owner and/or future property owners. A maintenance agreement shall be prepared establishing the property owner or owners' responsibility.

99. UNLAWFUL DISCHARGES: It is unlawful to discharge any wastewater, or cause hazardous domestic waste materials to be deposited in such a manner or location as to constitute a threatened discharge, into storm drains, gutters, creeks or the San Francisco Bay. Unlawful discharges to storm drains include, but are not limited to: discharges from toilets, sinks, industrial processes, cooling systems, boilers, fabric cleaning, equipment cleaning or vehicle cleaning.

100. LANDSCAPING: In finalizing the landscape plan for the biotreatment area(s), it is recommended that the landscape architect ensure that the characteristics of the selected plants are similar to those of the plants listed for use in bioretention areas in Appendix D of the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP) C.3 Stormwater Handbook.

101. EROSION CONTROL: Interim and final erosion control plans shall be prepared and submitted to the Engineering Division of the Parks and Public Works Department. A maximum of two (2) weeks is allowed between clearing of an area and stabilizing/building on an area if grading is allowed during the rainy season. Interim erosion control measures, to be carried out during construction and before installation of the final landscaping, shall be included. Interim erosion control method shall include, but are not limited to: silt fences, fiber rolls (with locations and details), erosion control blankets, Town standard seeding specification, filter berms, check dams, retention basins, etc. Provide erosion control measures as needed to protect downstream water quality during winter months. The Town of Los Gatos Engineering Division of the Parks and Public Works Department and the Building Department will conduct periodic NPDES inspections of the site throughout the recognized storm season to verify compliance with the Construction General Permit and Stormwater ordinances and regulations.

102. DUST CONTROL: Blowing dust shall be reduced by timing construction activities so that paving and building construction begin as soon as possible after completion of grading, and by landscaping disturbed soils as soon as possible. Further, water trucks shall be present and in use at the construction site. All portions of the site subject to blowing dust shall be watered as often as deemed necessary by the Town, or a minimum of three (3) times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas, and staging areas at construction sites in order to insure proper control of blowing dust for the duration of the project. Watering on public streets shall not occur.

Streets shall be cleaned by street sweepers or by hand as often as deemed necessary by the Town Engineer, or at least once a day. Watering associated with on-site construction activity shall take place between the hours of 8 a.m. and 5 p.m. and shall include at least one (1) late-afternoon watering to minimize the effects of blowing dust. All public streets soiled or littered due to this construction activity shall be cleaned and swept on a daily basis during the workweek to the satisfaction of the Town. Demolition or earthwork activities shall be halted when wind speeds (instantaneous gusts) exceed twenty-five (25) miles per hour (MPH). All trucks hauling soil, sand, or other loose debris shall be covered.

103. AIR QUALITY: To limit the project's construction-related dust and criteria pollutant emissions, the following the Bay Area Air Quality Management District (BAAQMD)-recommended basic construction measures shall be included in the project's grading plan, building plans, and contract specifications:

a. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day, or otherwise kept dust-free.
b. All haul trucks designated for removal of excavated soil and demolition debris from site shall be staged off-site until materials are ready for immediate loading and removal from site.
c. All haul trucks transporting soil, sand, debris, or other loose material off-site shall be covered.
d. As practicable, all haul trucks and other large construction equipment shall be staged in areas away from the adjacent residential homes.
e. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day, or as deemed appropriate by Town Engineer. The use of dry power sweeping is prohibited. An on-site track-out control device is also recommended to minimize mud and dirt-track-out onto adjacent public roads.
f. All vehicle speeds on unpaved surfaces shall be limited to 15 mph.
g. All driveways and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
h. Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.

i. All excavation, grading, and/or demolition activities shall be suspended when average wind speeds exceed 20 mph.

j. Vegetative ground cover (e.g., fast-germinating native grass seed) shall be planted in disturbed areas as soon as possible and watered appropriately until vegetation is established.

104. DETAILING OF STORMWATER MANAGEMENT FACILITIES: Prior to the issuance of any permits, all pertinent details of any and all proposed stormwater management facilities, including, but not limited to, ditches, swales, pipes, bubble-ups, dry wells, outfalls, infiltration trenches, detention basins and energy dissipaters, shall be provided on submitted plans, reviewed by the Engineering Division of the Parks and Public Works Department, and approved for implementation.

105. CONSTRUCTION ACTIVITIES: All construction shall conform to the latest requirements of the CASQA Stormwater Best Management Practices Handbooks for Construction Activities and New Development and Redevelopment, the Town's grading and erosion control ordinance, and other generally accepted engineering practices for erosion control as required by the Town Engineer when undertaking construction activities.

106. STORM WATER MANAGEMENT PLAN: A storm water management shall be included with the grading permit application for all Group 1 and Group 2 projects as defined in the amended provisions C.3 of the Municipal Regional Stormwater NPDES Permit, Order R2-2015-0049, NPDES Permit No. CAS612008. The plan shall delineate source control measures and BMPs together with the sizing calculations. The plan shall be certified by a professional pre-qualified by the Town. In the event that the storm water measures proposed on the Planning approval differ significantly from those certified on the Building/Grading Permit, the Town may require a modification of the Planning approval prior to release of the Building Permit. The Owner, Applicant and/or Developer may elect to have the Planning submittal certified to avoid this possibility.

107. STORM WATER MANAGEMENT PLAN NOTES: The following note shall be added to the storm water management plan: “The biotreatment soil mix used in all stormwater treatment landscapes shall comply with the specifications in Attachment L of the MRP. Proof of compliance shall be submitted by the Contractor to the Town of Los Gatos a minimum of thirty (30) days prior to delivery of the material to the job site using the Biotreatment Soil Mix Supplier Certification Statement.”

108. STORM WATER MANAGEMENT PLAN CERTIFICATION: Certification from the biotreatment soils provider is required and shall be given to Engineering Division Inspection staff a minimum of thirty (30) days prior to delivery of the material to the job site. Additionally deliver tags from the soil mix shall also be provided to Engineering

Division Inspection staff. Sample Certification can be found here: http://www.scvurppp-w2k.com/nd_wp.shtml?zoom_highlight=BIOTREATMENT+SOIL.

109. AGREEMENT FOR STORMWATER BEST MANAGEMENT PRACTICES INSPECTION AND MAINTENANCE OBLIGATIONS: The property owner/homeowner's association shall enter into an agreement with the Town for maintenance of the stormwater filtration devices required to be installed on this project by the Town's Stormwater Discharge Permit and all current amendments or modifications. The agreement shall specify that certain routine maintenance shall be performed by the property owner/homeowner's association and shall specify device maintenance reporting requirements. The agreement shall also specify routine inspection requirements, permits and payment of fees. The agreement shall be recorded, and a copy of the recorded agreement shall be submitted to the Engineering Division of the Parks and Public Works Department, prior to the release of any occupancy permits.
110. MAINTENANCE OF PRIVATE STREETS: It is the responsibility of the property owner(s)/homeowners association to implement a plan for street sweeping of paved private roads and cleaning of all storm drain inlets.
111. SILT AND MUD IN PUBLIC RIGHT-OF-WAY: It is the responsibility of Contractor and homeowner to make sure that all dirt tracked into the public right-of-way is cleaned up on a daily basis. Mud, silt, concrete and other construction debris SHALL NOT be washed into the Town's storm drains.
112. GOOD HOUSEKEEPING: Good housekeeping practices shall be observed at all times during the course of construction. All construction shall be diligently supervised by a person or persons authorized to do so at all times during working hours. The Owner, Applicant and/or Developer's representative in charge shall be at the job site during all working hours. Failure to maintain the public right-of-way according to this condition may result in penalties and/or the Town performing the required maintenance at the Developer's expense.
113. PERMIT ISSUANCE: Permits for each phase; reclamation, landscape, and grading, shall be issued simultaneously.
114. COVERED TRUCKS: All trucks transporting materials to and from the site shall be covered.
115. FUTURE STUDIES: Any post-project traffic or parking counts, or other studies imposed by Planning Commission or Town Council shall be funded by the Applicant.
116. UTILITY COMPANY REVIEW: Letters from the electric, telephone, cable, and trash companies indicating that the proposed improvements and easements are acceptable shall be provided prior to the recordation of the final / parcel map.

117. ABOVE GROUND UTILITIES: The Owner, Applicant and/or Developer shall submit a seventy-five (75) percent progress printing to the Town for review of above ground utilities including backflow prevention devices, fire department connections, gas and water meters, off-street valve boxes, hydrants, site lighting, electrical/communication/cable boxes, transformers, and mail boxes. Above ground utilities shall be reviewed and approved by the Community Development Department prior to issuance of any permit.
118. PRIVATE EASEMENTS: Agreements detailing rights, limitations, and responsibilities of involved parties shall accompany each private easement. The easements and associated agreements shall be recorded simultaneously with the final / parcel map. A copy of the recorded agreement(s) shall be submitted to the Engineering Division of the Parks and Public Works Department prior to the issuance of any permit.
119. PUBLIC STREET LIGHTING: Public street lighting will not be required/allowed per General Plan update and Hillside designation. On-lot lighting shall be incorporated and promoted.
120. PERCOLATION TESTING: Onsite percolation testing should be performed during the design phase to validate the fractured bedrock infiltration rates and support the infiltration trench design.
121. STORMWATER FACILITY SIZING: The treatment and hydromodification management facility sizing should be confirmed during the design phase, including rerunning the BAHM model with appropriate parameters.

TO THE SATISFACTION OF THE SANTA CLARA COUNTY FIRE DEPARTMENT:

122. FIRE APPARATUS (ENGINE) ACCESS ROAD REQUIRED: In all cases, the minimum requirements are found in the currently adopted edition of the California Fire Code Sec. 503, as amplified in the SCCFD SD&S A-1. All such roadways shall be a minimum of 20 feet in width, a minimum vertical clearance of 13’6”, maximum grade of 15%, with a minimum circulating outside radius of 42’. All such roadways shall be capable of supporting a maximum imposed load of 75,000 pounds and where a bridge or an elevated surface is part of a fire apparatus access road, the bridge shall be constructed and maintained in accordance with AASHTO HB-17.
123. WILDLAND-URBAN INTERFACE: This project is located within the designated Wildland-Urban Interface Fire Area. The building construction shall comply with the provisions of Section R327 of the California Residential Code or the California Building Code (CBC) Chapter 7A., as applicable. Note that vegetation clearance shall be in compliance with

CBC Section 701A.3.2.4 prior to project final approval. Check with the Planning Department for related landscape plan requirements.

124. FIRE HYDRANT(S) AVAILABLE: The number of fire hydrants available to a complex or subdivision shall not be less than that determined by spacing requirements listed in CFC Table C105.1 when applied to fire apparatus access roads and perimeter public streets from which fire operations could be conducted. Existing fire hydrants on public streets are allowed to be considered as available. The average spacing between fire hydrants shall not exceed that listed in Table C105. Hydrants shall be a maximum of 500 feet from each other, as measured along the curb line. Fire protection water supplies shall be subject to approval by the Santa Clara County Fire Department and shall comply with locally adopted Standards and CFC Sec. 507.
125. TURNING RADIUS (CUL-DE-SACS): The minimum outside turning radius is 36 feet. Use of cul-de-sacs is not acceptable where it is determined by the Fire Department that Ladder Truck access is required, unless greater turning radius is provided. Cul-de-sacs diameters shall be no less than 72 feet. CFC Sec. 503.
126. EMERGENCY ACCESS/DRIVEWAYS: The minimum clear width of fire department access roads shall be 20 feet. Modifications to the design or width of a fire access road, or additional access road(s) may be required when the Fire Code official determines that access to the site or a portion thereof may become compromised due to emergency operations or nearby natural or manmade hazards (floor prone areas, railway crossings, bridge failures, hazardous material-related incidents, etc.). The vertical clearance shall be in accordance with the Fire Code, 13 feet, 6 inches.
127. FIRE DEPARTMENT (ENGINE) DRIVEWAY TURNAROUND REQUIRED: Provide an approved fire department engine driveway turnaround with a minimum radius of 36 feet outside and 23 feet inside. Maximum grade in any direction shall be a maximum of 5 percent. Installations shall conform with Fire Department Standard Details and Specifications D-1. CFC Sec. 503.
128. CONSTRUCTION FIRE SAFETY: All construction sites must comply with applicable provisions of the CFC Chapter 33 and our Standard Detail and Specification SI-7. Provide appropriate notations on subsequent plan submittals, as appropriate to the project. CFC Chp. 33.

**SECTION VII. Severability.**

In the event that a court of competent jurisdiction holds any Section, subsection, paragraph, sentence, clause, or phrase in this Ordinance unconstitutional, preempted, or otherwise invalid, the invalid portion shall be severed from this Ordinance and shall not affect the validity of the remaining portions of this Ordinance. The Town hereby declares that it would have adopted each Section, subsection, paragraph, sentence, clause, or phrase in this Ordinance irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences, clauses, or phrases in this Ordinance might be declared unconstitutional, preempted, or otherwise invalid.

**SECTION VIII. Publication.**

The Town Council hereby directs the Town Clerk to cause this Ordinance or a summary thereof to be published or posted in accordance with Section 36933 of the Government Code of the State of California.

**SECTION IX. Effective Date.**

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance takes effect 30 days from the date of its passage. This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the 17th day of February 2026, and adopted by the following vote as an Ordinance of the Town of Los Gatos at a meeting of the Town Council of the Town of Los Gatos on the ___ day of _____ 2026, and becomes effective 30 days after it is adopted. In lieu of publication of the full text of the Ordinance within fifteen (15) days after its passage, a summary of the Ordinance may be published at least five (5) days prior to and fifteen (15) days after adoption by the Town Council and a certified copy shall be posted in the office of the Town Clerk, pursuant to GC 36933(c)(1).

COUNCIL MEMBERS:
AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

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

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Draft Ordinance: subject to modification by Town Council based on deliberations and direction

**DRAFT ORDINANCE**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AMENDING THE ZONING CODE EFFECTING A ZONE CHANGE FROM HR-2½:PD (HILLSIDE RESIDENTIAL, TWO AND ONE-HALF TO 10 ACRES FOR EACH DWELLING UNIT, PLANNED DEVELOPMENT) TO HR-1 (HILLSIDE RESIDENTIAL, ONE TO FIVE ACRES FOR EACH DWELLING UNIT) FOR A PORTION OF PROPERTY LOCATED AT 16084 GREENRIDGE TERRACE.**

**WHEREAS,** the applicant requests approval to change the zoning from HR-2½:PD (Hillside Residential, two and one-half to 10 acres for each dwelling unit, planned development) to HR-1 (Hillside Residential, one to five acres for each dwelling unit) for a portion of property being added to 16084 Greenridge Terrace through approval of Lot Line Adjustment application M-25-006 between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) as shown in Exhibit A; and

**WHEREAS,** the Planning Commission recommended approval of the zone change at its regularly noticed public hearing on January 14, 2026, finding that the HR-1 (Hillside Residential, one to five acres for each dwelling unit) zoning is consistent with the zoning of property at 16084 Greenridge Terrace and the neighboring properties; and

**WHEREAS,** this matter was regularly noticed in conformance with State and Town law and came before the Town Council for public hearing on February 17, 2026; and

**WHEREAS,** the Town Council accepted the report of the Planning Commission's recommendation of approval for the proposed zone change; and

**WHEREAS,** the Town Council considered all facts and information related to a request to change the zoning from HR-2½:PD (Hillside Residential, two and one-half to 10 acres for each dwelling unit, planned development) to HR-1 (Hillside Residential, one to five acres for each dwelling unit) for a portion of property being added to 16084 Greenridge Terrace through approval of Lot Line Adjustment application M-25-006 between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) as shown on Exhibit A.

**NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF LOS GATOS DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION I. Legislative Findings.**

1. With regard to CEQA, there is no possibility that this project will have a significant impact on the environment; therefore, the project is not subject to the California Environmental Quality Act, Section 15061 (b)(3), in that it can be seen with certainty that there is no possibility that the proposed zone change will have a significant effect on the environment, because the project does not include any physical development.

2. With regard to required consistency with the Town's General Plan, the zone change is consistent with the General Plan and its Elements, including but not limited to Goals LU-1, LU-6, and CD-14, and Policies LU-6.1, LU-6.4, LU-6.5, CD-14.1, and CD-14.2.

**SECTION II. Zone Change.**

The Town Code of the Town of Los Gatos is hereby amended to change the zoning from HR-2½:PD (Hillside Residential, two and one-half to 10 acres for each dwelling unit, planned development) to HR-1 (Hillside Residential, one to five acres for each dwelling unit) for a portion of property being added to 16084 Greenridge Terrace through approval of Lot Line Adjustment application M-25-006 between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) as shown on Exhibit A.

**SECTION III. Severability.**

In the event that a court of competent jurisdiction holds any Section, subsection, paragraph, sentence, clause, or phrase in this Ordinance unconstitutional, preempted, or otherwise invalid, the invalid portion shall be severed from this Ordinance and shall not affect the validity of the remaining portions of this Ordinance. The Town hereby declares that it would have adopted each Section, subsection, paragraph, sentence, clause, or phrase in this Ordinance irrespective of the fact that any one or more Sections, subsections, paragraphs,

sentences, clauses, or phrases in this Ordinance might be declared unconstitutional, preempted, or otherwise invalid.

**SECTION IV. Publication.**

The Town Council hereby directs the Town Clerk to cause this Ordinance or a summary thereof to be published or posted in accordance with Section 36933 of the Government Code of the State of California.

**SECTION V. Effective Date.**

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance takes effect 30 days from the date of its passage. This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the 17th day of February 2026, and adopted by the following vote as an Ordinance of the Town of Los Gatos at a meeting of the Town Council of the Town of Los Gatos on the ___ day of _____ 2026, and becomes effective 30 days after it is adopted. In lieu of publication of the full text of the Ordinance within fifteen (15) days after its passage, a summary of the Ordinance may be published at least five (5) days prior to and fifteen (15) days after adoption by the Town Council and a certified copy shall be posted in the office of the Town Clerk, pursuant to GC 36933(c)(1).

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

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

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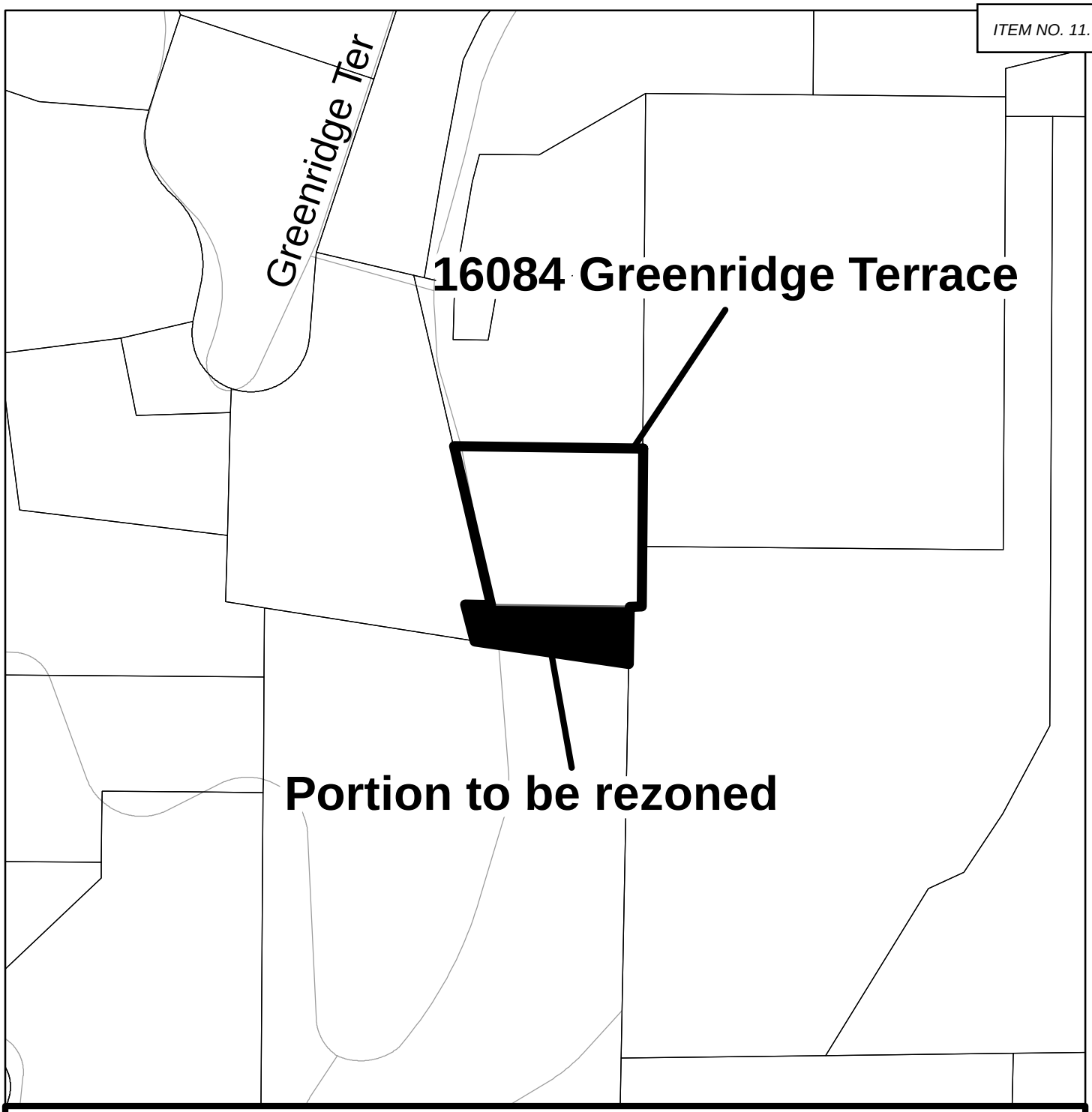


# TOWN OF LOS GATOS

**Application No.** Z-25-001 **A.P.N. #** 527-12-004

**Change of zoning map amending the Town Zoning Ordinance.**

☒ **Zone Change** **From: HR2-1/2:PD** **To: HR-1**

☐ **Prezoning**

N

**Forwarded by Planning Commission** **Date: January 14, 2026**

**Approved by Town Council** **Date:** **Ord:**

**Clerk Administrator** **Mayor**



ATTACHMENT 5
EXHIBIT A

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Draft Resolution to be modified by Town Council deliberations and direction.

**RESOLUTION 2026-**

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS APPROVING LOT LINE ADJUSTMENT APPLICATION M-25-006 TO ADJUST COMMON PROPERTY LINES BETWEEN 16300 GREENRIDGE TERRACE, 16084 GREENRIDGE TERRACE, AND 240 LA TERRA COURT.**

**WHEREAS,** the applicant requests approval of Lot Line Adjustment application M-25-006 to adjust the common lot line between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) and to adjust the common lot line between 16300 Greenridge Terrace and 240 La Terra Court (Santa Clara County Assessor Parcel Numbers 527-12-003 and 527-12-004) as shown in Exhibit A; and

**WHEREAS,** the Planning Commission recommended approval of Lot Line Adjustment application M-25-006 at its regularly noticed public hearing on January 14, 2026, making the required findings and determinations; and

**WHEREAS,** this matter was regularly noticed in conformance with State and Town law and came before the Town Council for public hearing on February 17, 2026; and

**WHEREAS,** the Town Council accepted the report of the Planning Commission's recommendation of approval for the proposed Lot Line Adjustment; and

**WHEREAS,** the Town Council considered all facts and information related to a request to adjust the common lot line between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) and to adjust the common lot line between 16300 Greenridge Terrace and 240 La Terra Court (Santa Clara County Assessor Parcel Numbers 527-12-003 and 527-12-004) as shown in Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED,** that the Town Council hereby approves Lot Line Adjustment application M-25-006 to adjust the common lot line between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) and to adjust the common lot line between 16300 Greenridge Terrace and 240 La Terra Court (Santa Clara County Assessor Parcel Numbers 527-12-003 and 527-12-004) as shown in Exhibit A.

Finding for the California Environmental Quality Act (CEQA):

1. The request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a ministerial approval in accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268

Finding for Consistency with the Town's General Plan:

1. That the lot line adjustment is consistent with the existing goals and policies of the General Plan and its corresponding Elements, including but not limited to Goals LU-1, LU-6, and CD-14, and Policies LU-6.1, LU-6.4, LU-6.5, CD-14.1, and CD-14.2.

Determinations for compliance with the Subdivision Map Act's provisions regarding lot line adjustments as set forth in Government Code Section 66412 (d):

1. **That the lot line adjustment is between four or fewer existing adjoining parcels, where the land taken from one parcel is added to an adjoining parcel, and where a greater number of parcels than originally existed is not thereby created:**

   The lot line adjustment is between three adjoining parcels. The land taken from one parcel is being added to the adjoining parcel, and three parcels will remain as a result.

2. **That the parcels resulting from the lot line adjustment will conform to the local general plan:**

   The lot line adjustment is consistent with the existing goals and policies of the General Plan and its corresponding Elements, including but not limited to Goals LU-1, LU-6, and CD-14, and Policies LU-6.1, LU-6.4, LU-6.5, CD-14.1, and CD-14.2

3. **That the parcels resulting from the lot line adjustment will conform to any applicable specific plans:**

   The parcels resulting from the lot line adjustment will conform with the Hillside Specific Plan.

4. **That the parcels resulting from the lot line adjustment will conform to any applicable coastal plan:**

   The Town has no applicable coastal plan to which the lot line adjustment must conform.

**5. That the parcels resulting from the lot line adjustment will conform to zoning and building ordinances.**

The three parcels resulting from the lot line adjustment will be in conformance with the Town's Zoning and Building Ordinances.

**PASSED AND ADOPTED** at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 17th day of February, 2026, 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: _____

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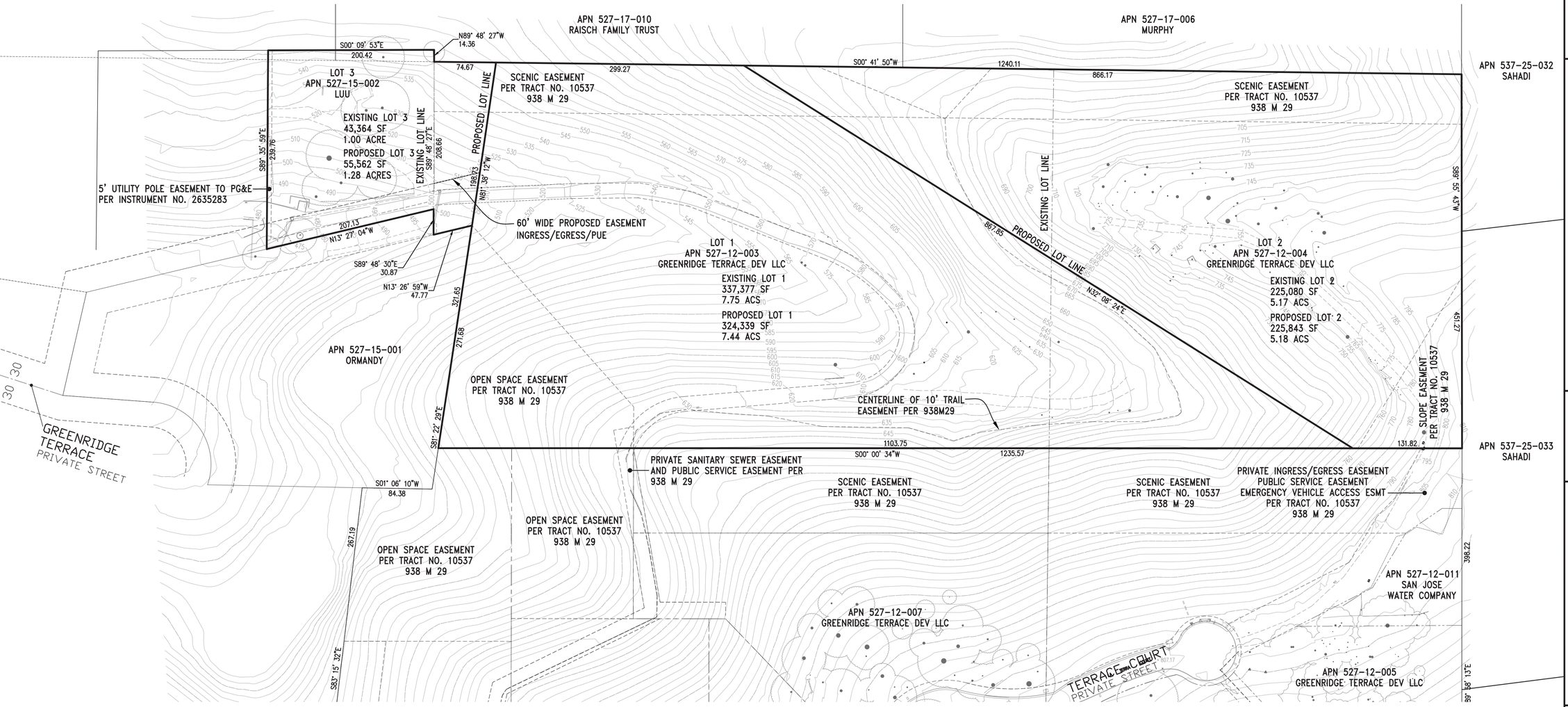
CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE OWNER AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR THE ENGINEER.




| | EX GROSS SQ FT | NEW GROSS SQ FT | EX NET SQ FT | NEW NET SQ FT | EX AVERAGE SLOPE | NEW AVERAGE SLOPE | EX FLOOR AREA | NEW FLOOR AREA | ALLOWABLE FLOOR AREA |
|---|---|---|---|---|---|---|---|---|---|
| LOT 1 | 337,377 | 324,339 | 337,377 | 324,339 | 42.8% | 45.2% | 0 | 0 | 6,000 |
| LOT 2 | 225,080 | 225,843 | 225,080 | 225,843 | 47.4% | 45.4% | 0 | 0 | 6,000 |
| LOT 3 | 43,364 | 55,562 | 43,364 | 55,562 | 41.3% | 39.4% | 0 | 0 | 6,000 |

GRAPHIC SCALE

60 0 30 60 120 240

( IN FEET )
1 inch = 60 ft.

DATE: APRIL 2025
SCALE: 1"=60'
DESIGN: XX
DRAWN: XX
CHECK: XX
ENGR: XX
PROJECT NO.: 25014

# LOT LINE ADJUSTMENT
## LOT 1 - 16300 GREENRIDGE TERRACE
## LOT 2 - 240 LA TERRA COURT
## LOT 3 - 16084 GREENRIDGE TERRACE

TOWN OF LOS GATOS
PARKS AND PUBLIC WORKS DEPARTMENT

DATE
BY
REVISIONS

SHEET 1 OF 1



REV.: SEPT. 2016

ATTACHMENT 6 EXHIBIT A

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**TOWN OF LOS GATOS**
**PLANNING COMMISSION**
**REPORT**

MEETING DATE: 01/14/2026

ITEM NO: 4

DATE: January 9, 2026

TO: Planning Commission

FROM: Joel Paulson, Community Development Director

SUBJECT: Consider a Request for Approval to Modify Planned Development Ordinance 2281 to Allow for Lot Line Adjustments and Zone Change on Properties Zoned HR-2½:PD and HR-1. **Located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court**. APNs 527-12-003, 527-12-004, and 527-15-002. Planned Development Application PD-25-004, Lot Line Adjustment Application M-25-006, and Zone Change Application Z-25-001. The Request for Modification of a Planned Development Ordinance is not Considered a Project Pursuant to the California Environmental Quality Act (CEQA). The Request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a Ministerial Approval in Accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The Request for a Zone Change is Exempt Pursuant to CEQA Section 15061 (b)(3). Property Owners: 16300 Greenridge Terrace and 240 La Terra Court - Greenridge Terrace Development, LLC; 16084 Greenridge Terrace - Richard Luu. Applicant: Hanna Brunetti. Project Planner: Sean Mullin.

RECOMMENDATION:

Forward a recommendation of approval to the Town Council on a request to modify Planned Development Ordinance 2281 to allow for a lot line adjustment and zone change on properties zoned HR-2½:PD and HR-1, located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court.

PREPARED BY: Sean Mullin, AICP
Planning Manager

Reviewed by: Community Development Director and Town Attorney

PROJECT DATA:

| **Project Data** | | | |
|---|---|---|---|
| | **General Plan Designation** | **Zoning Designation** | **Parcel Size** |
| **16300 Greenridge Terrace** | Hillside Residential | HR-2½:PD<br>Hillside Residential (2½ to 10 acres/unit) with a Planned Development Overlay | 7.75 acres<br>(377,377 sf) |
| **16084 Greenridge Terrace** | Hillside Residential | HR-1<br>Hillside Residential<br>(1 to 5 acres/unit) | 1.00 acres<br>(43,364 sf) |
| **240 La Terra Ct** | Hillside Residential | HR-2½:PD<br>Hillside Residential (2½ to 10 acres/unit) with a Planned Development Overlay | 5.17 acres<br>(225,080 sf) |
| **Applicable Plans and Standards** | General Plan, Residential Design Guidelines, Hillside Development Standards and Guidelines | | |

Surrounding Area:

| | **Existing Land Use** | **General Plan** | **Zoning** |
|---|---|---|---|
| North | Single-family residential | Hillside Residential | HR-1 |
| South | Undeveloped | Hillside Residential | HR-2½:PD |
| East | Single-family residential | Agriculture | RC |
| West | Undeveloped | Hillside Residential | HR-1 and HR-2½:PD |

CEQA:

The request to modify a planned development ordinance is not considered a project pursuant to the California Environmental Quality Act (CEQA). The request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a ministerial approval in accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The request for a zone change is exempt pursuant to CEQA Section 15061 (b)(3).

FINDINGS:

- The request to modify a planned development ordinance is not considered a project pursuant to the California Environmental Quality Act (CEQA). The request for a lot line adjustment is Statutorily Exempt from CEQA as a ministerial approval in accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The request for a zone change is exempt pursuant to CEQA Section 15061 (b)(3).
- As required by Section 29.80.095 of the Town Code for granting approval of an amendment to a Planned Development Overlay Zone.
- Required determinations for compliance with the Subdivision Map Act's provisions regarding lot line adjustments as set forth in Government Code Section 66412(d).
- The proposed zone change is consistent with the General Plan and its Elements in that the proposed zoning is consistent with the existing General Plan Land Use designation.
- The project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations).

ACTION:

Forward a recommendation regarding Planned Development application PD-25-004, Lot Line Adjustment application M-25-006, and Zone Change application Z-25-001 to the Town Council.

BACKGROUND:

The three subject properties are located south of Blossom Hill Road (Exhibit 1). Two properties are accessed from Blossom Hill Road via Greenridge Terrace: 16300 and 16084 Greenridge Terrace. The property located at 240 La Terra Court is accessed from the north side of La Terra Court. All three properties are undeveloped.

Planned Development (PD) Ordinance 2281 was adopted on April 16, 2019, and took effect on May 16, 2019 (Exhibit 4). The PD Ordinance allowed for the following:

1. Subdivision of one lot into eight lots.
2. Construction of eight market rate single-family detached residences.
3. Landscaping, private streets, trails, parking, and other improvements shown and required on the Official Development Plans.
4. Dedication of trail easements to the Town of Los Gatos as shown on the Official Development Plans.
5. Uses permitted are those specified in the HR-2½ zone.

The final subdivision map was recorded on May 6, 2021. Development of single-family residences is currently underway on several of the eight properties in the La Terra subdivision. The subject properties at 16300 Greenridge Terrace and 240 La Terra Court are currently

undeveloped.

The property located at 16084 Greenridge Terrace is not located in the La Terra subdivision and not subject to PD Ordinance 2281. This property is also undeveloped.

PROJECT DESCRIPTION:

A. Location and Surrounding Neighborhood

The subject properties are located south of Blossom Hill Road (Exhibit 1). Two properties are accessed from Blossom Hill Road via Greenridge Terrace: 16300 and 16084 Greenridge Terrace. The property located at 240 La Terra Court is accessed from the north side of La Terra Court. All three properties are undeveloped and are surrounded by single-family residential uses and undeveloped properties.

B. Project Summary

The applicant provided a Project Description and Letter of Justification detailing their request to modify Planned Development Ordinance 2281 to allow for a lot line adjustment and zone change on properties zoned HR-2½:PD and HR-1, located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court (Exhibits 5 and 6). The proposed lot line adjustment between 16084 and 16300 Greenridge Terrace would relocate the common property line to the south, adding approximately 0.28 acres to 16084 Greenridge Terrace. The portion of land being added to 16084 Greenridge Terrace, which is zoned HR-1, would be rezoned from HR-2½:PD to HR-1.

The proposed lot line adjustment between 16300 Greenridge Terrace and 240 La Terra Court would reconfigure the existing common property line from its east-west configuration to an angled orientation that is more consistent with the contours of the hillside. This lot line adjustment would add approximately 0.01 acres to 240 La Terra Court. All existing trail, scenic, and open space easements would remain.

C. Zoning Compliance

The minimum lot size required in the HR zones is 40,000 square feet. The proposed lot line adjustments would result in properties that continue to meet this requirement. No development is proposed with this project. A summary of the existing and proposed sizes of each property is provided in the following table.

| Summary of Property Sizes | | | |
|---|---|---|---|
| | **16300 Greenridge Ter** | **16084 Greenridge Ter** | **240 La Terra Ct** |
| **Zoning** | HR-2½:PD | HR-1 | HR-2½:PD |
| **Minimum Required Lot Size** | 0.92 acres<br>40,000 sf | 0.92 acres<br>40,000 sf | 0.92 acres<br>40,000 sf |
| **Existing Lot Size** | 7.75 acres<br>337,377 sf | 1.00 acre<br>43,364 sf | 5.17 acres<br>225,080 sf |
| **Proposed Lot Size** | 7.44 acres<br>324,339 sf | 1.28 acres<br>55,562 sf | 5.18 acres<br>225,843 sf |
| **Lot Size Change** | -0.31 acre<br>-13,038 sf | +0.28 acre<br>+12,198 sf | +0.01 acre<br>+763 sf |

DISCUSSION:

A. Planned Development

The applicant is requesting approval to modify PD Ordinance 2281 to allow for the lot line adjustment between the three properties. Two changes to the PD are needed to accomplish this request. First, language would be added to Section III allowing for the lot line adjustment between the three properties. Second, a new map of the properties with adjusted lot lines would be added as Exhibit C to the PD Ordinance. All other aspects of the existing PD Ordinance would remain unchanged. Exhibit 7 includes a draft modified PD Ordinance.

The proposed amendment to PD Ordinance 2281 is consistent with the required findings include in Town Code Section 29.80.095.

B. Lot Line Adjustment

Two lot line adjustments are proposed with this project. The first would relocate the common property line between 16084 and 16300 Greenridge Terrace to the south, adding approximately 0.28 acres to 16084 Greenridge Terrace. The second would reconfigure the common lot line between 16300 Greenridge Terrace and 240 La Terra Court from its existing its east-west configuration to an angled orientation that is more consistent with the contours of the hillside. This lot line adjustment would add approximately 0.01 acres to 240 La Terra Court. All existing trail, scenic, and open space easements would remain.

Government Code Section 66412 (d) describes a ministerial approval process, providing objective approval criteria that simply require the Town to make certain factual determinations for approval of a lot line adjustment. The following determinations prescribed by Government Code Section 66412 (d) can all be made for the proposed lot line adjustment:

1. That the lot line adjustment is between four or fewer existing adjoining parcels, where the land taken from one parcel is added to an adjoining parcel, and where a greater number of parcels than originally existed is not thereby created;
2. That the parcels resulting from the lot line adjustment will conform to the local general plan;
3. That the parcels resulting from the lot line adjustment will conform to any applicable specific plans;
4. That the parcels resulting from the lot line adjustment will conform to any applicable coastal plan; and
5. That the parcels resulting from the lot line adjustment will conform to zoning and building ordinances.

C. Zone Change

The properties at 16300 Greenridge Terrace and 16084 Greenridge Terrace are zoned HR-2½:PD and HR-1 respectively. The proposed lot line adjustment between these two properties would transfer a 0.28-acre portion of land from 16300 Greenridge Terrace to 16084 Greenridge Terrace. A zone change is required for the transferred portion of land to be consistent with the HR-1 zoning of 16084 Greenridge Terrace.

D. General Plan Goals/Policies/Strategies

Applicable General Plan goals and policies that can be used to evaluate the proposed project include, but are not limited to:

**Land Use Goals**

- LU-1 To preserve, promote, and protect the existing small-town character and quality of life within Los Gatos.
- LU-6 To preserve and enhance the existing character and sense of place in residential neighborhoods.

**Land Use Policies**

- LU-6.1 Protect existing residential areas from the impacts of nonresidential development.
- LU-6.4 Prohibit uses that may lead to the deterioration of residential neighborhoods, or adversely impact the public safety or the residential character of a residential neighborhood.
- LU-6.5 The type, density, and intensity of new land use shall be consistent with that of the immediate neighborhood.

**Community Design Goals**

- CD-14 To preserve the natural beauty and ecological integrity of the Santa Cruz Mountains and surrounding hillsides by regulating new homes.

**Community Design Policies**

- CD-14.1 Minimize development and preserve and enhance the rural atmosphere and natural plant and wildlife habitats in the hillsides.
- CD-14.2 Limit hillside development to that which can be safely accommodated by the Town's rural, two-lane roads.

E. CEQA Determination

The request to modify a planned development ordinance is not considered a project pursuant to the California Environmental Quality Act (CEQA). The request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a ministerial approval in accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The request for a zone change is exempt pursuant to CEQA Section 15061 (b)(3).

PUBLIC COMMENTS:

A project identification sign was installed on site consistent with Town policy and written notice was sent to property owners and occupants within 500 feet of the property. At the time of this report's preparation, the Town has not received any public comment.

CONCLUSION:

A. Summary

The applicant is requesting approval to modify Planned Development Ordinance 2281 to allow for a lot line adjustment and zone change on properties zoned HR-2½:PD and HR-1, located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court. The proposed lot line adjustment between 16084 and 16300 Greenridge Terrace would relocate the common property line to the south, adding approximately 0.28 acres to 16084 Greenridge Terrace. The portion of land being added to 16084 Greenridge Terrace would be rezoned from HR-2½:PD to HR-1 to be consistent with the existing zoning of 16084 Greenridge Terrace.

The proposed lot line adjustment between 16300 Greenridge Terrace and 240 La Terra Court would reconfigure the existing common property line from its east-west configuration to an angled orientation that is more consistent with the contours of the hillside. This lot

line adjustment would add approximately 0.01 acres to 240 La Terra Court. All existing trail, scenic, and open space easements would remain.

B. Recommendation

If the Planning Commission finds merit with the proposed project, staff recommends the Commission take the following actions to forward the PD, Lot Line Adjustment, and Zone Change applications to the Town Council with a recommendation for approval of the proposed project, by recommending that the Town Council:

1. Make the required findings that the request to modify a planned development ordinance is not considered a project pursuant to the California Environmental Quality Act (CEQA). The request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a ministerial approval in accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The request for a zone change is exempt pursuant to CEQA Section 15061 (b)(3) (Exhibit 2).
2. Make the required finding that the amendment to the Planned Development Overlay Zone is consistent Town Code Section 29.80.095 (Exhibit 2);
3. Make the required determinations for compliance with the Subdivision Map Act's provisions regarding lot line adjustments as set forth in Government Code Section 66412 (d) (Exhibit 2);
4. Make the required finding that the proposed zone change is consistent with the General Plan and its Elements in that the proposed zoning is consistent with the proposed General Plan Land Use designation (Exhibit 2);
5. Make the finding that the project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations) (Exhibit 2); and
6. Forward a recommendation of approval of Planned Development application PD-25-004, Lot Line Adjustment application M-25-006, and Zone Change application Z-25-001 to the Town Council.

C. Alternatives

Alternatively, the Planning Commission can:

1. Continue the matter to a date certain with specific direction;
2. Provide a recommendation for approval with modifications to the Town Council; or
3. Provide a recommendation for denial to the Town Council providing findings for denial.

EXHIBITS:

1. Location Map
2. Required Findings
3. Recommended Conditions of Approval
4. Planned Development Ordinance 2281
5. Project Description
6. Letter of Justification
7. Draft Planned Development Ordinance
8. Draft Zone Change Ordinance, with Exhibit A
9. Draft Resolution for Approval of the Lot Line Adjustment
10. Lot Line Adjustment Plans

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# 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court

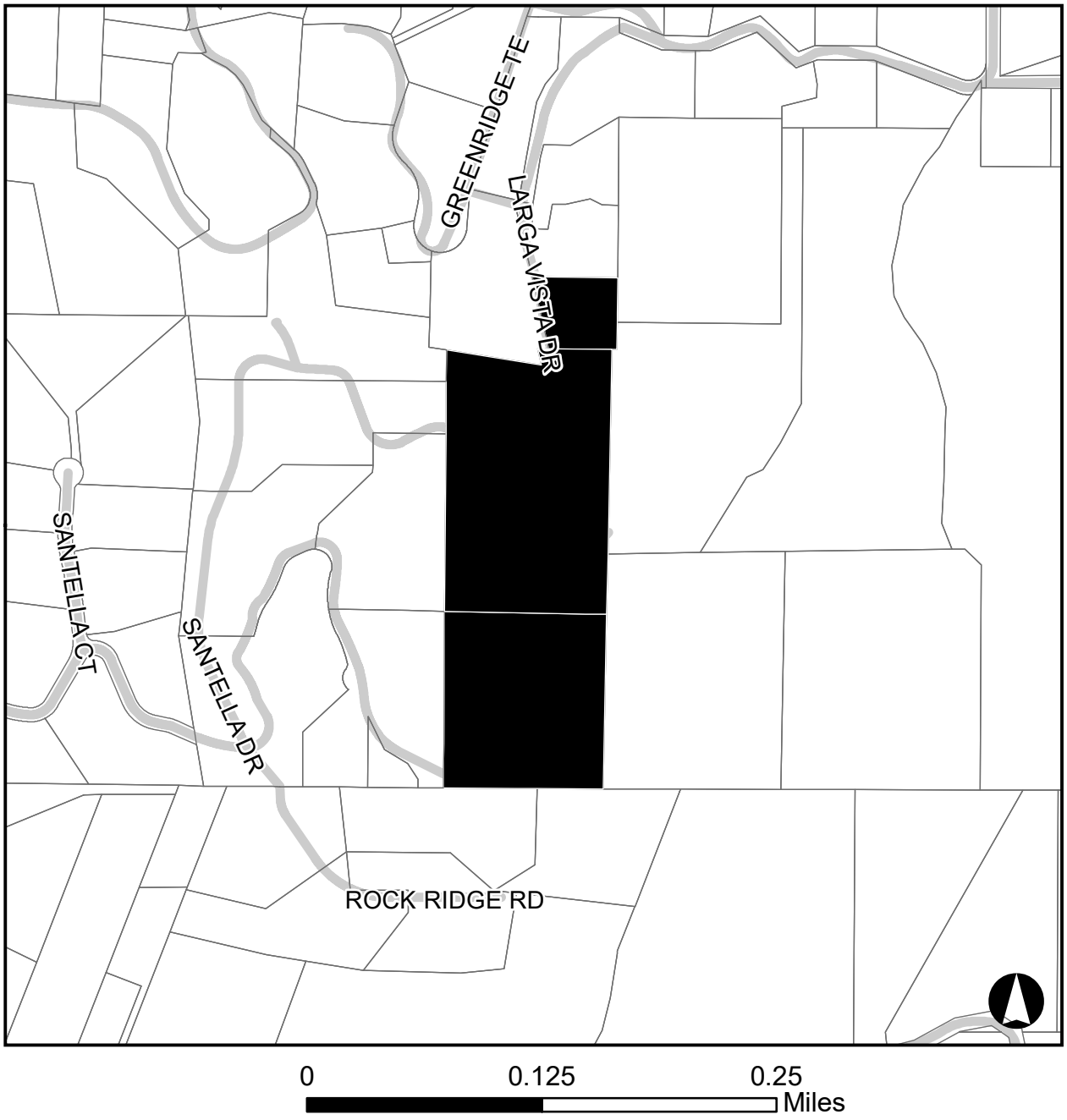


EXHIBIT 1

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**PLANNING COMMISSION** – *January 14, 2026*
**REQUIRED FINDINGS**

**16300 and 16084 Greenridge Terrace and 240 La Terra Court**
**Planned Development Application PD-25-004**
**Lot Line Adjustment Application M-25-006**
**Zone Change Application Z-25-001.**

**Consider a Request for Approval to Modify Planned Development Ordinance 2281 to Allow for Lot Line Adjustments and Zone Change on Properties Zoned HR-2½:PD and HR-1. APNs 527-12-003, 527-12-004, and 527-15-002. The Request for Modification of a Planned Development Ordinance is not Considered a Project Pursuant to the California Environmental Quality Act (CEQA). The Request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a Ministerial Approval in Accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The Request for a Zone Change is Exempt Pursuant to CEQA Section 15061 (b)(3).**

**Property Owners: 16300 Greenridge Terrace and 240 La Terra Court - Greenridge Terrace Development, LLC; 16084 Greenridge Terrace - Richard Luu.**
**Applicant: Hanna Brunetti.**

**FINDINGS:**

**Required finding for CEQA:**

- The request to modify a planned development ordinance is not considered a project pursuant to the California Environmental Quality Act (CEQA). The request for a lot line adjustment is Statutorily Exempt from CEQA as a ministerial approval in accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The request for a zone change is exempt pursuant to CEQA Section 15061 (b)(3).

**Required Findings for Amending a Planned Development:**

- As required by Section 29.80.095 of the Town Code for granting a Planned Development Overlay Zone, the proposed amendment:

    1. The proposed PD amendment is consistent with Chapter 29, Article VIII, Division 2 of the Town Code in that it meets the purpose and intent of a Planned Development Overlay Zone;
    2. The proposed PD amendment is in conformance with the goals, policies, and applicable land use designations and standards of the Town's General Plan, including but not limited to Goals LU-1, LU-6, and CD-14, and Policies LU-6.1, LU-6.4, LU-6.5, CD-14.1, and CD-14.2;
    3. The proposed PD amendment is in conformance with all other applicable provisions of the Town Code; and

4. The proposed amendment allows for a lot line adjustment with the resulting lots with meeting the zoning requirements for size and remaining consistent with intent of the existing Planned Development Ordinance.

**Required determinations for compliance with the Subdivision Map Act's provisions regarding lot line adjustments as set forth in Government Code Section 66412(d):**

1. **That the lot line adjustment is between four or fewer existing adjoining parcels, where the land taken from one parcel is added to an adjoining parcel, and where a greater number of parcels than originally existed is not thereby created:**

   The lot line adjustment is between three adjoining parcels. The land taken from one parcel is being added to the adjoining parcel, and three parcels will remain as a result.

2. **That the parcels resulting from the lot line adjustment will conform to the local general plan:**

   The lot line adjustment is consistent with the existing goals and policies of the General Plan and its corresponding Elements, including but not limited to Goals LU-1, LU-6, and CD-14, and Policies LU-6.1, LU-6.4, LU-6.5, CD-14.1, and CD-14.2

3. **That the parcels resulting from the lot line adjustment will conform to any applicable specific plans:**

   The parcels resulting from the lot line adjustment will conform with the Hillside Specific Plan.

4. **That the parcels resulting from the lot line adjustment will conform to any applicable coastal plan:**

   The Town has no applicable coastal plan to which the lot line adjustment must conform.

5. **That the parcels resulting from the lot line adjustment will conform to zoning and building ordinances.**

   The three parcels resulting from the lot line adjustment will be in conformance with the Town's Zoning and Building Ordinances.

**Required findings that the zone change is consistent with the Town's General Plan:**

- That the proposed Zone Change is consistent with the General Plan and its Elements in that the proposed zoning is consistent with the proposed General Plan Land Use designation.

**Required compliance with the Zoning Regulations:**

- The project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations).

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**PLANNING COMMISSION –** *January 14, 2026*
**CONDITIONS OF APPROVAL**

**16300 and 16084 Greenridge Terrace and 240 La Terra Court**
**Planned Development Application PD-25-004**
**Lot Line Adjustment Application M-25-006**
**Zone Change Application Z-25-001.**

**Consider a Request for Approval to Modify Planned Development Ordinance 2281 to Allow for Lot Line Adjustments and Zone Change on Properties Zoned HR-2½:PD and HR-1. APNs 527-12-003, 527-12-004, and 527-15-002. The Request for Modification of a Planned Development Ordinance is not Considered a Project Pursuant to the California Environmental Quality Act (CEQA). The Request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a Ministerial Approval in Accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The Request for a Zone Change is Exempt Pursuant to CEQA Section 15061 (b)(3).**

**Property Owners: 16300 Greenridge Terrace and 240 La Terra Court - Greenridge Terrace Development, LLC; 16084 Greenridge Terrace - Richard Luu.**
**Applicant: Hanna Brunetti.**

TO THE SATISFACTION OF THE DIRECTOR OF COMMUNITY DEVELOPMENT:

*Planning Division*

1. APPROVAL: This application shall be completed in accordance with all of the conditions of approval and in substantial compliance with the approved plans. Any changes or modifications to the approved plans and/or business operation shall be approved by the Community Development Director, DRC, or the Planning Commission depending on the scope of the changes.
2. EXPIRATION: The approval will expire two years from the approval date pursuant to Section 29.20.320 of the Town Code, unless the approval has been vested.
3. OUTDOOR LIGHTING: Exterior lighting shall be kept to a minimum, and shall be down directed fixtures that will not reflect or encroach onto adjacent properties. No flood lights shall be used unless it can be demonstrated that they are needed for safety or security.
4. TREE REMOVAL PERMIT: A Tree Removal Permit shall be obtained for any trees to be removed, prior to the issuance of a building or grading permit.
5. EXISTING TREES: All existing trees shown on the plan and trees required to remain or to be planted are specific subjects of approval of this plan, and must remain on the site.
6. ARBORIST REQUIREMENTS: The developer shall implement, at their cost, all recommendations identified in the Arborist's report for the project, on file in the Community Development Department. These recommendations must be incorporated in the building permit plans and completed prior to issuance of a building permit where applicable.


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7. TREE FENCING: Protective tree fencing and other protection measures shall be placed at the drip line of existing trees prior to issuance of demolition and building permits and shall remain through all phases of construction. Include a tree protection plan with the construction plans.
8. TREE STAKING: All newly planted trees shall be double-staked using rubber tree ties.
9. FRONT YARD LANDSCAPE: Prior to issuance of a Certificate of Occupancy the front yard must be landscaped.
10. TOWN INDEMNITY: Applicants are notified that Town Code Section 1.10.115 requires that any applicant who receives a permit or entitlement ("the Project") from the Town shall defend (with counsel approved by Town), indemnify, and hold harmless the Town, its agents, officers, and employees from and against any claim, action, or proceeding (including without limitation any appeal or petition for review thereof) against the Town or its agents, officers or employees related to an approval of the Project, including without limitation any related application, permit, certification, condition, environmental determination, other approval, compliance or failure to comply with applicable laws and regulations, and/or processing methods ("Challenge"). Town may (but is not obligated to) defend such Challenge as Town, in its sole discretion, determines appropriate, all at applicant's sole cost and expense.

    Applicant shall bear any and all losses, damages, injuries, liabilities, costs and expenses (including, without limitation, staff time and in-house attorney's fees on a fully-loaded basis, attorney's fees for outside legal counsel, expert witness fees, court costs, and other litigation expenses) arising out of or related to any Challenge ("Costs"), whether incurred by Applicant, Town, or awarded to any third party, and shall pay to the Town upon demand any Costs incurred by the Town. No modification of the Project, any application, permit certification, condition, environmental determination, other approval, change in applicable laws and regulations, or change in such Challenge as Town, in its sole discretion, determines appropriate, all the applicant's sole cost and expense. No modification of the Project, any application, permit certification, condition, environmental determination, other approval, change in applicable laws and regulations, or change in processing methods shall alter the applicant's indemnity obligation.
11. COMPLIANCE MEMORANDUM: A memorandum shall be prepared and submitted with the building plans detailing how the Conditions of Approval will be addressed.

TO THE SATISFACTION OF THE DIRECTOR OF PARKS AND PUBLIC WORKS:

*Engineering Division*

12. APPROVAL: This application shall be completed in accordance with all the conditions of approval listed below and in substantial compliance with the latest reviewed and approved development plans. Any changes or modifications to the approved plans or conditions of approvals shall be approved by the Town Engineer.
13. GENERAL: The Owner, Applicant and/or Developer shall comply with all Town, County, State and Federal laws and regulations applicable to this land division. No other proposed development is included in this particular application of the Lot Line Adjustment. Issuance of a Lot Line Adjustment will acknowledge the Town's acceptance of the parcel as legally created in accordance with the Subdivision Map Act. Any subsequent development will be required to demonstrate compliance with the Town Development Standards and Codes.

14. CERTIFICATE OF LOT LINE ADJUSTMENT: A Certificate of Lot Line Adjustment shall be recorded. Legal descriptions for each new lot configuration, a plat map (8-½ in. X 11 in.) and a legal description of the land to be exchanged shall be submitted to the Engineering Division of the Parks and Public Works Department for review and approval. The submittal shall include closure calculations, title reports for each parcel less than ninety (90) days old and the appropriate fee. The Town will prepare certificate upon approval and require its recordation prior to the issuance of any grading or building permits.
15. PRIVATE EASEMENTS: Agreements detailing rights, limitations and responsibilities of involved parties shall accompany any proposed private easement. Access driveway shall be within the recorded access easement. A new private access easement shall be recorded, and an electronic copy (PDF) of the recorded agreement shall be submitted to the Engineering Division of the Parks and Public Works Department, prior to recordation of the Lot Line Adjustment.

TO THE SATISFACTION OF THE SANTA CLARA COUNTY FIRE DEPARTMENT:

16. GENERAL: Review of this Developmental proposal is limited to acceptability of site access, water supply and may include specific additional requirements as they pertain to fire department operations, and shall not be construed as a substitute for formal plan review to determine compliance with adopted model codes. Prior to performing any work, the applicant shall make application to, and receive from, the Building Department all applicable construction permits.
17. GENERAL: No Fire Department comments on lot line adjustment, all previous plan review comments and conditions of approval remain in effect.
18. GENERAL: This review shall not be construed to be an approval of a violation of the provisions of the California Fire Code or of other laws or regulations of the jurisdiction. A permit presuming to give authority to violate or cancel the provisions of the fire code or other such laws or regulations shall not be valid. Any addition to or alteration of approved construction documents shall be approved in advance. [CFC, Ch.1, 105.3.6]

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# ORDINANCE 2281

## ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AMENDING THE TOWN CODE EFFECTING A ZONE CHANGE FROM HR-2½ TO HR-2½:PD FOR PROPERTY LOCATED AT 16100 GREENRIDGE TERRACE (APN: 527-12-002)

**THE TOWN COUNCIL OF THE TOWN OF LOS GATOS DOES ORDAIN AS FOLLOWS:**

### SECTION I

The Town Code of the Town of Los Gatos is hereby amended to change the zoning on property located at 16100 Greenridge Terrace (Santa Clara County Assessor Parcel Number 527-12-002) as shown on the map attached hereto as Exhibit A, and is part of this Ordinance, from HR-2½ (Hillside Residential, two and half to 10 acres for each dwelling unit) to HR-2½:PD (Hillside Residential, two and half to 10 acres for each dwelling unit, Planned Development).

### SECTION II

With respect to compliance with the California Environmental Quality Act ("CEQA"), the Town Council finds as follows:

A. An Environmental Impact Report (EIR) was completed for the proposed development and no significant unmitigated impacts are associated with the application. The Findings of Fact are made and the Final Environmental Impact Report (EIR) and Mitigation Monitoring and Reporting Program are adopted.

### SECTION III

The PD (Planned Development Overlay) zone established by this Ordinance authorizes the following construction and use of improvements:

1. Subdivision of one lot into eight lots.
2. Construction of eight market rate single-family detached residences.
3. Landscaping, private streets, trails, parking and other improvements shown and required on the Official Development Plans.
4. Dedication of trail easements to the Town of Los Gatos as shown on the Official Development Plans.
5. Uses permitted are those specified in the HR-2½ (Hillside Residential, two and half to 10 acres for each dwelling unit) zone by Sections 29.40.235 (Permitted Uses), as it exists at the time of the adoption of this Ordinance, or as they may be amended in the future.

**SECTION IV**

COMPLIANCE WITH OTHER DEVELOPMENT STANDARDS:

All provisions of the Town Code apply, except when the Official Development Plan specifically shows otherwise.

**SECTION V**

A Tentative Subdivision Map and Architecture and Site Approvals are required before construction of subdivision improvements or new residences, whether or not a permit is required for the work and before any permit for construction is issued. Construction permits shall only be in a manner complying with Section 29.80.130 (PD Ordinance) of the Town Code.

**SECTION VI**

The attached Exhibit A (Map), and Exhibit B (Official Development Plans), are part of the Official Development Plan. The following performance standards must be complied with before issuance of any grading, or construction permits (mitigation measures are so noted and are flagged with an asterisk):

TO THE SATISFACTION OF THE DIRECTOR OF COMMUNITY DEVELOPMENT:

*Planning Division*

1. OFFICIAL DEVELOPMENT PLANS. The Official Development Plans provided are conceptual in nature. Final building footprints and building designs shall be determined during the Architecture and Site approval process. Colors and building materials shown on the Official Development Plans are not approved and shall be reviewed during the Architecture and Site application approval process.
2. TOWN INDEMNITY. Applicants are notified that Town Code Section 1.10.115 requires that any applicant who receives a permit or entitlement from the Town shall defend, indemnify, and hold harmless the Town and its officials in any action brought by a third party to overturn, set aside, or void the permit or entitlement. This requirement is a condition of approval of all such permits and entitlements, whether or not expressly set forth in the approval, and may be secured to the satisfaction of the Town Attorney.
3. SUBDIVISION REQUIRED. A Tentative Map application shall be approved for the project prior to the issuance of building permits. The Development Review Committee may be the deciding body of the Tentative Map.
4. ARCHITECTURE AND SITE APPROVAL REQUIRED. A separate Architecture and Site (A&S) application and approval is required for each of the new residences. The Architecture

and Site applications shall be reviewed by the Development Review Committee. Architectural details, including fencing and a project entry sign, shall be refined as part of this process with input from the Town's Consulting Architect.

5. FINAL LANDSCAPE PLAN. A final landscape plan shall be reviewed by the Town's Consulting Landscape Architect and approved as part of the Architecture and Site process. Minimum tree size at time of planting shall be 24-inch box.
6. WATER CONSERVATION ORDINANCE REQUIREMENT. The proposed landscaping shall meet the Town of Los Gatos Water Conservation Ordinance or the State Water Efficient Landscape Ordinance, whichever is more restrictive. A review fee based on the current fee schedule adopted by the Town Council is required when working landscape and irrigation plans are submitted for review prior to the issuance of a building permit.
7. SETBACKS. The minimum setbacks are those specified by the HR-2½ zoning district or as otherwise shown on the Conceptual Development Plans.
8. FENCING. Fencing shall comply with the Town Code and Hillside Development Standards and Guidelines in place at the time of approval. Fence locations, design, and materials shall be reviewed and approved during the Architecture and Site review(s). The CC&R's for the project shall include a restriction prohibiting the home owners from replacing the fence type approved during the Architecture and Site review(s) without prior approval from the Town. The CC&R's shall prohibit fencing within the open space easement.
9. BUILDING HEIGHT. The maximum height of the new residences shall be the maximum height listed in the Hillside Development Standards and Guidelines. The maximum height of the new residences on lots 3, 4, 5, and 8 shall be limited to 18 feet due to visibility concerns.
10. BUILDING FLOOR AREA. The maximum floor area of the new residences shall be the maximum floor area listed in the Hillside Development Standards and Guidelines.
11. GRADING: Depths of cut and fill for the roadway and site improvements shall not exceed the maximums shown in the Official Development Plans (Exhibit B).
12. OUTDOOR LIGHTING. All exterior building and outdoor lighting shall be shielded and directed away from neighboring properties, to shine on the project site only. Lighting shall be the minimum needed for pedestrian safety and security. Lighting specifications shall be reviewed as part of the Architecture and Site process.
13. EXTERIOR COLORS: The exterior colors of all structures shall comply with the Hillside Development Standards and Guidelines.
14. DEED RESTRICTION: Prior to the issuance of a building permit, a deed restriction shall be recorded by the applicant with the Santa Clara County Recorder's Office that requires all

exterior materials be maintained in conformance with the Town's Hillside Development Standards and Guidelines.

15. BELOW MARKET PRICE (BMP) IN-LIEU FEE. A Below Market Price (BMP) in-lieu fee shall be paid by the property owner/developer pursuant to Town Code Section 29.10.3025 and any applicable Town Resolutions. The fee amount shall be based upon the Town Council fee resolution in effect at the time a final or vesting tentative map is approved.
16. PROJECT CC&R's. CC&R's shall be provided with the Tentative Map application and shall address the following:
    a. Maintenance of private roadway
    b. Maintenance of landscaping adjacent to the private road
    c. Maintenance of storm drain system
    d. Maintenance of public open space
    e. Maintenance of public trail
    f. Landscape guidelines (shall be compliant with the Hillside Development Standards and Guidelines, EIR, and safe fire protocol).
17. FINAL CC&R's. Final CC&R's shall be approved by the Town Attorney prior to the recording of the Final Map. The CC&R's shall include provisions for traffic circulation, vehicle parking enforcement procedures, and landscaping, exterior lighting and fencing restrictions. The approved CC&R's shall become conditions of this Ordinance.
18. TREE PRESERVATION: All recommendations of the Town's Consulting Arborist shall be followed. Refer to the report and addendum report prepared by Richard Gessner, dated June 30, 2017 and June 20, 2018 for additional details. The Arborist Consultant shall reevaluate the plans for the new residences during Architecture and Site review.
19. TREE REMOVAL. Tree removal shall be limited to the scope of this PD and future approvals as follows:

| | |
|---|---|
| Planned Development | No tree removal. |
| Subdivision | Tree removal limited to that required for site improvements related to installation of the roadway and shared driveway; installation of utilities; and construction of retaining walls for the roadway and shared driveway. |
| Architecture and Site | Tree removal required for construction of each single-family home and improvements. |

20. DEED RESTRICTION: Prior to the issuance of building permits for each single-family residential development, a deed restriction shall be recorded by the applicant with the Santa Clara County Recorder's Office that identifies the on-site trees that were used to provide screening in the visibility analyses conducted under each Architecture and Site application and requires replacement screening in conformance with the Town's Hillside Development Standards and Guidelines and/or the Tree Protection Ordinance if the trees die or are removed.
21. MAINTENANCE AGREEMENT. Prior to the issuance of building permits for each single-family residential development, a five-year maintenance agreement shall be submitted for the preservation of the on-site trees that were used to provide screening in the visibility analyses conducted under each Architecture and Site application.
22. TREE REMOVAL PERMIT. A Tree Removal Permit shall be obtained for trees approved for removal prior to the issuance of demolition or grading permits.
23. REPLACEMENT TREES. New trees shall be planted to mitigate the loss of trees being removed. The number of trees shall be determined using the canopy replacement table in the Tree Protection Ordinance. New trees shall be double staked and shall be planted prior to final inspection and issuance of occupancy permits.
24. TREE FENCING. Protective tree fencing shall be placed at the drip line of existing trees and shall remain through all phases of construction. Refer to the report and addendum report prepared by Richard Gessner, dated June 30, 2017 and June 20, 2018 for requirements. Fencing shall be six-foot high cyclone attached to two-inch diameter steel posts drive 18 inches into the ground and spaced no further than 10 feet apart. Include a tree protection fencing plan with the construction plans.
25. FINAL UTILITY LOCATIONS. The applicant shall submit plans showing the final locations and screening of all exterior utilities, including but not limited to, backflow preventers, Fire Department connections, transformers, utility boxes and utility meters. Utility devices shall be screened to the satisfaction of the Director of Community Development. The plans shall be submitted for review and approval prior to issuance of building permits for new construction.
26. PLAN INCONSISTENCY. Any inconsistencies between sheets shall be limited to whichever is more restrictive.
27. GENERAL PROVISIONS. This Planned Development shall comply with provisions in Town Code Sections 29.40.015 through 29.40.070, and Article V, unless more restrictive provisions are required in other performance standards for the subject Planned Development.
28. SCENIC EASEMENTS: Scenic easements shall be dedicated on the parcel map by separate

instrument across portions of lots 1, 2, 3, and 5 connecting the area to be dedicated as open space on the north portions of lots 1 and 5 to the south property lines of lots 2 and 3. Easement language shall indicate that such land shall not be encroached into with fences, structures, landscaping, or improvements of any kind, and no work shall be performed within the Scenic Easement, including clearing, other than for wildland fire fuel management or weed abatement. Any and all maintenance within the scenic easements shall be the sole responsibility of the property owner.

29. *AIR QUALITY MITIGATION MEASURE AQ-1: The project contractor for subdivision improvements and residential lot development shall implement basic dust control measures at all on-site and off-site locations where grading or excavation takes place. The project contractor shall implement additional dust control measures at all on-site and off-site locations where grading or excavation takes place within 200 feet of residential properties.

Basic dust control measures:

a. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day;
b. All haul trucks transporting soil, sand, or other loose material off-site shall be covered;
c. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited;
d. All vehicle speeds on unpaved roads shall be limited to 15 mph;
e. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used; and
f. Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The air district's phone number shall also be visible to ensure compliance with applicable regulations.
g. All excavation, grading, and/or demolition activities shall be suspended when average wind speeds exceed 20 mph;
h. Vegetative ground cover (e.g., fast-germinating native grass seed) shall be planted in disturbed areas as soon as possible and watered appropriately until vegetation is established; and
i. Unpaved roads shall be treated with a three to six-inch compacted layer of wood chips, mulch, or gravel.

30. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-1: Focused plant surveys were conducted in spring 2018; if project development occurs more than five years after spring 2018, the surveys shall be repeated per below. To protect potentially occurring special-status plants, the presence/absence of fragrant fritillary, Hall's bush-mallow, Loma Prieta hoita, western leatherwood, and woodland woollythreads shall be determined within the development footprint and fire defensible space. A qualified biologist shall conduct focused botanical surveys for these five-target species in accordance with current California Department of Fish and Wildlife and California Native Plant Society rare plant survey protocols. Surveys shall occur during overlapping blooming periods for the target species (likely March and June). If the surveys conclude that the species are not present, no further mitigation is required. If any special-status plant species is present within the development footprint and fire defensible space, to compensate for loss or reduction of a special-status plant population, the project proponent shall retain a qualified biologist or native plant specialist to collect seed from all plant individuals and/or salvage plants within the development footprint at the optimal time prior to initiation of ground disturbance activities. The project proponent and the Town of Los Gatos shall oversee selection of an appropriate mitigation area, preferably on the project site, or in the immediate vicinity, that would not be disturbed in the future. After selection of the mitigation area and approval by the Town, a qualified biologist shall develop a Special-Status Plant Management Plan detailing optimal methods for seed collection/plant salvage from the impact area, preparation of the mitigation area, and seed/plant installation at the mitigation area. The plan shall also include maintenance measures to manage the rare plant occurrence for long-term protection and persistence at the mitigation area. Collected seeds/plants shall be installed at the mitigation area at the optimal time. Topsoil from the on-site occurrence location shall also be salvaged (if practical) for use in the mitigation area.

The Special-Status Plant Management Plan shall require at a minimum three years of annual monitoring by a qualified biologist during the plant's peak blooming period to ensure that mitigation was successful and that long-term maintenance procedures specified in the plan are creating conditions that support survival of the transplanted population. The initial focused surveys will identify how many plant individuals occur in the development footprint; this amount or more must occur in the mitigation area during each of the three years following installation. If this success criteria is not achieved, the project proponent shall coordinate with the Town to implement remedial mitigation through revision of the Special-Status Plant Management Plan, and then

collection of additional seed from a local population and repeated installation in the mitigation area, followed by another three years of annual monitoring. This process shall be extended as needed until all success criteria contained in the Special-Status Plant Management Plan are achieved.

31. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-2: Prior to the start of construction activities for the subdivision improvements and development of residential lots, a qualified biologist shall conduct pre-construction surveys of the grassland habitat on the site to identify any potential American badger burrows/dens. These surveys shall be conducted no more than 15 days prior to the start of construction. In the event that construction activities are suspended for 15 consecutive days or longer, including the time period between the subdivision improvements and development activities at each respective residential lot, these surveys shall be recompleted. If a potential American badger burrow/den is found during the surveys, coordination with the California Department of Fish and Wildlife shall be undertaken in order to develop a suitable strategy to avoid impacts to American badger. With California Department of Fish and Wildlife approval, impacts to active American badger dens shall be avoided by establishing exclusion zones around all active badger dens, within which construction related activities shall be prohibited until denning activities are complete or the den is abandoned. A qualified biologist shall monitor each den once per week in order to track the status of the den and to determine when a den area has been cleared for construction.

32. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-3: A qualified biologist shall conduct pre-construction surveys for woodrat middens within the development footprints. These surveys shall be conducted no more than 15 days prior to the start of construction for the infrastructure improvements and development of the residential lots. In the event that construction activities are suspended for 15 consecutive days or longer, including the time period between the subdivision improvements and development activities at each respective residential lot, these surveys shall be recompleted. All woodrat middens shall be flagged for avoidance of direct construction impacts where feasible. To avoid midden/nest disturbance, if active middens/nests are found, a 50-foot buffer will be established in which project activities will not occur. This buffer should be clearly marked. For all woodrat middens/nests that cannot be avoided by project activities, live trapping should be conducted by a qualified biologist to determine if the midden/nest is in use. Trapping should occur prior to April and after mid-July to avoid impacts to woodrats rearing young or to young woodrats. If a midden/nest is found to be unoccupied (none captured after two nights of trapping),

then it can be removed as described below. If woodrats are trapped, they may be kept in captivity by a qualified biologist until their middens/nests are immediately relocated. Each midden/nest should be dismantled by hand as described below, and the relocated midden/nest should be placed in suitable habitat a minimum of 50 feet from the construction area, no closer than 20 feet from existing woodrat middens/nests and other relocated woodrat middens/nests, and be reassembled under shrub or tree canopy that will receive some sunlight. The midden/nest should be rebuilt surrounding a log-based structure, an inverted wooden planter, or similar structure having at least one entrance and exit hole. Any cached food and nest material found during nest dismantling should be placed within the relocated midden/nest during rebuilding. The occupied trap should then be opened, placed tightly against the entrance to the artificial shelter, and the woodrat be allowed to enter the midden/nest on its own accord. After the individual enters, the entrance should promptly be covered with a loose plug of small sticks to encourage the individual to stay for the short-term. Where impacts cannot be avoided, woodrat middens shall be dismantled no more than three days prior to construction activities starting at each midden location. All vegetation and duff materials shall be removed from three feet around the midden prior to dismantling so that the occupants do not attempt to rebuild. Middens are to be slowly dismantled by hand in order to allow any occupants to disperse.

33. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-4: Approximately 15 days prior to tree removal or other construction activities, the applicant shall retain a qualified biologist to conduct a habitat assessment for bats and potential roosting sites in trees to be removed, in trees within 50 feet of the development footprint, and surrounding the water tank structures situated within 50 feet of disturbance activities by the project. In the event that construction activities are suspended for 15 consecutive days or longer, including the time period between the subdivision improvements and development activities at each respective residential lot, these surveys shall be recompleted. These surveys shall include a visual inspection of potential roosting features (bats need not be present) and a search for presence of guano within the project site, construction access routes, and 50 feet around these areas. Cavities, crevices, exfoliating bark, and bark fissures that could provide suitable potential nest or roost habitat for bats shall be surveyed. Assumptions can be made on what species is present due to observed visual characteristics along with habitat use, or the bats can be identified to the species level with the use of a bat echolocation detector such as an "Anabat" unit. Potential roosting features found during the survey shall be flagged or marked. Locations off the site to which access is not available may be surveyed from within the site or from public areas.

If no roosting sites or bats are found, a letter report confirming absence shall be submitted by the biologist to the Town of Los Gatos and no further mitigation is required. If bats or roosting sites are found, a letter report and supplemental documents shall be provided by the biologist to the Town of Los Gatos prior to disturbance activities or grading permit issuance and the following monitoring, exclusion, and habitat replacement measures shall be implemented:

a. If bats are found roosting outside of the nursery season (May 1 through October 1), they shall be evicted as described under (b) below. If bats are found roosting during the nursery season, they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or by monitoring the roost after the adults leave for the night to listen for bat pups. If the roost is determined to not be a maternal roost, then the bats shall be evicted as described under (b) below. Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the nursery season. Therefore, if a maternal roost is present, a 50-foot buffer zone (or different size if determined in consultation with the California Department of Fish and Wildlife) shall be established around the roosting site within which no construction activities including tree removal or structure disturbance shall occur until after the nursery season.

b. If a non-breeding bat hibernaculum is found in a tree or snag scheduled for removal or on any structures within 50 feet of project disturbance activities, the individuals shall be safely evicted, under the direction of a qualified bat biologist. If pre-construction surveys determine that there are bats present in any trees or structures to be removed, exclusion structures (e.g. one-way doors or similar methods) shall be installed by a qualified biologist. The exclusion structures shall not be placed until the time of year in which young are able to fly, outside of the nursery season. Information on placement of exclusion structures shall be provided to the CDFW prior to construction. If needed, other removal methods could include: carefully opening the roosting area in a tree or snag by hand to expose the cavity and opening doors/windows on structures, or creating openings in walls to allow light into the structures. Removal of any trees or snags and disturbance within 50 feet of any structures shall be conducted no earlier than the following day (i.e., at least one night shall be provided between initial roost eviction disturbance and tree removal/disturbance activities). This action will allow bats to leave during dark hours, which increases their chance of finding new roosts with a minimum of potential predation.

34. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-5: Construction activities that include any tree removal, pruning, grading, grubbing, or demolition shall be conducted outside of the bird nesting season (January 15 through September 15) to the greatest extent feasible. If this type of construction occurs during the bird nesting season, then a qualified biologist shall conduct pre-construction surveys for nesting birds to ensure that no nests would be disturbed during project activities. If project-related work is scheduled during the nesting season (February 15 to August 30 for small bird species such as passerines; January 15 to September 15 for owls; and February 15 to September 15 for other raptors), or if construction activities are suspended for at least 15 days and recommence during the nesting season, including the time period between the subdivision improvements and development activities at each respective residential lot, a qualified biologist shall conduct nesting bird surveys. Two surveys for active nests of such birds shall occur within 15 days prior to the start of construction, with the second survey conducted within 48 hours prior to the start of construction. Appropriate minimum survey radii surrounding each work area are typically 250 feet for passerines, 500 feet for smaller raptors, and 1,000 feet for larger raptors. Surveys shall be conducted at the appropriate times of day to observe nesting activities. Locations off the site to which access is not available may be surveyed from within the site or from public areas. A report documenting survey results and plan for active bird nest avoidance (if needed) shall be completed by the qualified biologist prior to initiation of construction activities. If the qualified biologist documents active nests within the project site or in nearby surrounding areas, an appropriate buffer between each nest and active construction shall be established. The buffer shall be clearly marked and maintained until the young have fledged and are foraging independently. Prior to construction, the qualified biologist shall conduct baseline monitoring of each nest to characterize "normal" bird behavior and establish a buffer distance, which allows the birds to exhibit normal behavior. The qualified biologist shall monitor the nesting birds daily during construction activities and increase the buffer if birds show signs of unusual or distressed behavior (e.g. defensive flights and vocalizations, standing up from a brooding position, and/or flying away from the nest). If buffer establishment is not possible, the qualified biologist or construction foreman shall have the authority to cease all construction work in the area until the young have fledged and the nest is no longer active.

35. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-6: Prior to issuance of a building permit or a grading permit for infrastructure improvement and each residential lot, developers shall retain a certified arborist to develop a site-specific tree protection plan

for retained trees, and supervise the implementation of all proposed tree preservation and protection measures during construction activities, including those measures specified in the 2017 project arborist report and 2018 project arborist report addendum. Also, in accordance with the Town's Tree Protection Ordinance, the project proponent shall obtain a tree removal permit for proposed tree removals on each development lot prior to tree removals and shall install replacement trees in accordance with all mitigation, maintenance, and monitoring requirements specified in the tree removal permit(s) or otherwise required by the Town for project approvals.

36. *GEOLOGIC HAZARDS MITIGATION MEASURE GEO-1: Prior to the approval of development applications for the project site, design-level studies for the roadways and infrastructure, and each of the proposed residential lots shall be prepared and shall address site specific geotechnical issues and provide lot-specific foundation and drainage recommendations. These design-level studies shall include an evaluation of expansive soil for each lot as well as an evaluation of local and global slope stability of each building area, concept, and access way. The design-level study for Lot 1 shall include an assessment of the potential hazards associated with alluvial infilling or debris flows along with geotechnical provisions for collecting and dispersing concentrated runoff flowing down the axis of the drainage towards the home site.

37. *GEOLOGIC HAZARDS MITIGATION MEASURE GEO-2: Prior to the approval of development applications for the individual lots, applicants shall be responsible for demonstrating to the satisfaction and approval of the Town Engineer that proposed design plans are in conformance with all current California Building Code standards and that all design measures and site preparation recommendations as suggested in the lot-specific geotechnical studies identified in mitigation measure GEO-1 have been incorporated into the project's final design.

*Building Division*

38. PERMITS REQUIRED: A separate Building Permit shall be required for each new single-family residence and each detached structure including retaining walls.

TO THE SATISFACTION OF THE DIRECTOR OF PARKS and PUBLIC WORKS:

*Engineering Division*

39. GENERAL: All public improvements shall be made according to the latest adopted Town Standard Plans, Standard Specifications and Engineering Design Standards. All work shall conform to the applicable Town ordinances. The adjacent public right-of-way shall

be kept clear of all job-related mud, silt, concrete, dirt and other construction debris at the end of the day. Dirt and debris shall not be washed into storm drainage facilities. The storing of goods and materials on the sidewalk and/or the street will not be allowed unless an encroachment permit is issued by the Engineering Division of the Parks and Public Works Department. The Owner, Applicant and/or Developer's representative in charge shall be at the job site during all working hours. Failure to maintain the public right-of-way according to this condition may result in the issuance of correction notices, citations, or stop work orders and the Town performing the required maintenance at the Owner, Applicant and/or Developer's expense.

40. APPROVAL: This application shall be completed in accordance with all of the conditions of approval listed below and in substantial compliance with the latest reviewed and approved development plans. Any changes or modifications to the approved plans or conditions of approvals shall be approved by the Town Engineer.

41. ENCROACHMENT PERMIT: All work in the public right-of-way will require a Construction Encroachment Permit. All work over $5,000 will require construction security. It is the responsibility of the Owner/Applicant/Developer to obtain any necessary encroachment permits from affected agencies and private parties, including but not limited to, Pacific Gas and Electric (PG&E), AT&T, Comcast, Santa Clara Valley Water District, California Department of Transportation (Caltrans). Copies of any approvals or permits must be submitted to the Town Engineering Division of the Parks and Public Works Department prior to releasing any grading or building permits.

42. PRIVATE IMPROVEMENTS IN THE PUBLIC RIGHT-OF-WAY (INDEMNITY AGREEMENT): The property owner shall enter into an agreement with the Town for all existing and proposed private improvements within the Town's right-of-way. The Owner shall be solely responsible for maintaining the improvements in a good and safe condition at all times and shall indemnify the Town of Los Gatos. The agreement must be completed and accepted by the Director of Parks and Public Works prior to the issuance of any grading or building permits.

43. PUBLIC WORKS INSPECTIONS: The Owner, Applicant and/or Developer or their representative shall notify the Engineering Inspector at least twenty-four (24) hours before starting any work pertaining to on-site drainage facilities, grading or paving, and all work in the Town's right-of-way. Failure to do so will result in penalties and rejection of work that went on without inspection.

44. RESTORATION OF PUBLIC IMPROVEMENTS: The Owner, Applicant and/or Developer or their representative shall repair or replace all existing improvements not designated for removal that are damaged or removed because of the Owner, Applicant and/or

Developer or their representative's operations. Improvements such as, but not limited to: curbs, gutters, sidewalks, driveways, signs, pavements, raised pavement markers, thermoplastic pavement markings, etc., shall be repaired and replaced to a condition equal to or better than the original condition. Any new concrete shall be free of stamps, logos, names, graffiti, etc. Any concrete identified that is displaying a stamp or equal shall be removed and replaced at the Contractor's sole expense and no additional compensation shall be allowed therefore. Existing improvement to be repaired or replaced shall be at the direction of the Engineering Construction Inspector, and shall comply with all Title 24 Disabled Access provisions. The restoration of all improvements identified by the Engineering Construction Inspector shall be completed before the issuance of a certificate of occupancy. The Owner, Applicant and/or Developer or their representative shall request a walk-through with the Engineering Construction Inspector before the start of construction to verify existing conditions.

45. SITE SUPERVISION: The General Contractor shall provide qualified supervision on the job site at all times during construction.
46. STREET/SIDEWALK CLOSURE: Any proposed blockage or partial closure of the street and/or sidewalk requires an encroachment permit. Special provisions such as limitations on works hours, protective enclosures, or other means to facilitate public access in a safe manner may be required.
47. PLAN CHECK FEES: Plan check fees associated with the Grading Permit shall be deposited with the Engineering Division of the Parks and Public Works Department prior to the commencement of plan check review.
48. INSPECTION FEES: Inspection fees shall be deposited with the Town prior to the issuance of any permits or recordation of the Final Map.
49. DESIGN CHANGES: Any proposed changes to the approved plans shall be subject to the approval of the Town prior to the commencement of any and all altered work. The Owner, Applicant and/or Developer's project engineer shall notify, in writing, the Town Engineer at least seventy-two (72) hours in advance of all the proposed changes. Any approved changes shall be incorporated into the final "as-built" plans.
50. PLANS AND STUDIES: All required plans and studies shall be prepared by a Registered Professional Engineer in the State of California and submitted to the Town Engineer for review and approval. Additionally, any post-project traffic or parking counts, or other studies imposed by the Planning Commission or Town Council shall be funded by the Owner, Applicant and/or Developer.
51. GRADING PERMIT: A grading permit is required for all site grading and drainage work except for exemptions listed in Section 12.20.015 of The Code of the Town of Los Gatos

(Grading Ordinance). After the preceding Architecture and Site Application has been approved by the respective deciding body, the grading permit application (with grading plans and associated required materials and plan check fees) shall be made to the Engineering Division of the Parks and Public Works Department located at 41 Miles Avenue. The grading plans shall include final grading, drainage, retaining wall location(s), driveway, utilities and interim erosion control. Grading plans shall list earthwork quantities and a table of existing and proposed impervious areas. Unless specifically allowed by the Director of Parks and Public Works, the grading permit will be issued concurrently with the building permit. The grading permit is for work outside the building footprint(s). Prior to Engineering signing off and closing out on the issued grading permit, the Owner/Applicant/Developer's soils engineer shall verify, with a stamped and signed letter, that the grading activities were completed per plans and per the requirements as noted in the soils report. A separate building permit, issued by the Building Department, located at 110 E. Main Street, is needed for grading within the building footprint.

52. ILLEGAL GRADING: Per the Town's Comprehensive Fee Schedule, applications for work unlawfully completed shall be charged double the current fee. As a result, the required grading permit fees associated with an application for grading proposed will be charged accordingly.

53. GRADING ACTIVITY RESTRICTIONS: Upon receipt of a grading permit, any and all grading activities and operations shall not commence until after/occur during the rainy season, as defined by Town Code of the Town of Los Gatos, Sec. 12.10.020, (October 15-April 15), has ended.

54. COMPLIANCE WITH HILLSIDE DEVELOPMENT STANDARDS AND GUIDELINES: All grading activities and operations shall be in compliance with Section III of the Town's Hillside Development Standards and Guidelines. All development shall be in compliance with Section II of the Town's Hillside Development Standards and Guidelines.

55. CONSTRUCTION EASEMENT: Prior to the issuance of a grading permit, it shall be the sole responsibility of the Owner, Applicant and/or Developer to obtain any and all proposed or required easements and/or permissions necessary to perform the grading herein proposed. Proof of agreement/approval is required prior to the issuance of any Permit.

56. DRAINAGE STUDY: Prior to the issuance of any grading permits, a drainage study of the project including diversions, off-site areas that drain onto and/or through the project, and justification of any diversions; a drainage study evidencing that the proposed drainage patterns will not overload the existing storm drain facilities; and detailed drainage studies indicating how the project grading, in conjunction with the drainage

conveyance systems (including applicable swales, channels, street flows, catch basins, storm drains, and flood water retarding) will allow building pads to be safe from inundation from rainfall runoff which may be expected from all storms up to and including the theoretical 100-year flood.

57. DRAINAGE IMPROVEMENT: Prior to the recordation of a subdivision map (except maps for financing and conveyance purposes only) or prior to the issuance of any grading/improvement permits, whichever comes first, the Owner, Applicant and/or Developer shall: a) design provisions for surface drainage; and b) design all necessary storm drain facilities extending to a satisfactory point of disposal for the proper control and disposal of storm runoff; and c) provide a recorded copy of any required easements to the Town.

58. TREE REMOVAL: Copies of all necessary tree removal permits shall be provided prior to the issuance of a grading permit/building permit.

59. SURVEYING CONTROLS: Horizontal and vertical controls shall be set and certified by a licensed surveyor or registered civil engineer qualified to practice land surveying, for the following items:
    a. Retaining wall: top of wall elevations and locations.
    b. Toe and top of cut and fill slopes.

60. RETAINING WALLS: A building permit, issued by the Building Department at 110 E. Main Street, may be required for site retaining walls. Walls are not reviewed or approved by the Engineering Division of Parks and Public Works during the grading permit plan review process.

61. GENERAL: The Owner, Applicant and/or Developer shall comply with all Town, County, State and Federal laws and regulations applicable to this land division. No other proposed development is included in this particular application of the Certificate of Compliance. Issuance of a Certificate of Compliance will acknowledge the Town's acceptance of the parcel as legally created in accordance with the Subdivision Map Act. Any subsequent development will be required to demonstrate compliance with the Town Development Standards and Codes.

62. CERTIFICATE OF COMPLIANCE: A Certificate of compliance shall be recorded. Two (2) copies of the legal description for each lot configuration, a plat map (8-½ in. X 11 in.) shall be submitted to the Engineering Division of the Parks and Public Works Department for review and approval. The submittal shall include closure calculations, title reports less than ninety (90) days old and the appropriate fee. The certificate shall be recorded prior to the issuance of any permits.

63. FINAL / PARCEL MAP: A final/parcel map shall be recorded. Two (2) copies of the final/parcel map shall be submitted to the Engineering Division of the Parks and Public Works Department for review and approval. Submittal shall include closure calculations, title reports and the appropriate fee. The map shall be recorded prior to the issuance of any grading or building permits. The Applicant/Subdivider shall provide the Engineering Division with an electronic copy (in PDF format) and two hardcopies of the signed recorded map along with a CAD drawing of the Parcel Map after it is recorded.
64. WEST VALLEY SANITATION DISTRICT: All sewer connection and treatment plant capacity fees shall be paid either immediately prior to the recordation of any subdivision or tract maps with respect to the subject property or properties or immediately prior to the issuance of a sewer connection permit, which ever event occurs first. Written confirmation of payment of these fees shall be provided prior to map recordation.
65. PRIVATE UTILITIES–STREET: Prior to the recordation of a subdivision map the Applicant/Developer/Subdivider shall place a note on the map, in a manner that meets the approval of the Town Engineer that states: "The private streets, utilities constructed within this map shall be owned, operated and maintained by the Developer, successors or assigns."
66. DESIGN-LEVEL REPORTS: One copy of a geotechnical and geologic report shall be submitted with the application of each approved lot. The soils report shall include specific criteria and standards governing site grading, drainage, pavement design, retaining wall design, and erosion control. The reports shall be signed and "wet stamped" by the engineer or geologist, in conformance with Section 6735 of the California Business and Professions Code.
67. SOILS ENGINEER CONSTRUCTION OBSERVATION: During construction, all excavations and grading shall be inspected by the Owner, Applicant and/or Developer's soils engineer prior to placement of concrete and/or backfill so they can verify that the actual conditions are as anticipated in the design-level geotechnical report, and recommend appropriate changes in the recommendations contained in the report, if necessary. The results of the construction observation and testing shall be documented in an "as-built" letter/report prepared by the Applicant's soils engineer and submitted to the Town before final release of any occupancy permit is granted.
68. SOIL RECOMMENDATIONS: The project shall incorporate the geotechnical/geological recommendations contained in the Geologic and Geotechnical Feasibility Study by UPP Geotechnology, dated October 4, 2016, and any subsequently required report or addendum. Subsequent reports or addendum are subject to peer review by the Town's

consultant and costs shall be borne by the Owner, Applicant and/or Developer.

69. UTILITIES: The Owner, Applicant and/or Developer shall install all new, relocated, or temporarily removed utility services, including telephone, electric power and all other communications lines underground, as required by Town Code Section 27.50.015(b). All new utility services shall be placed underground. Underground conduit shall be provided for cable television service. The Owner, Applicant and/or Developer is required to obtain approval of all proposed utility alignments from any and all utility service providers before a Certificate of Occupancy for any new building can be issued. The Town of Los Gatos does not approve or imply approval for final alignment or design of these facilities.

70. UTILITY SETBACKS: House foundations shall be set back from utility lines a sufficient distance to allow excavation of the utility without undermining the house foundation. The Town Engineer shall determine the appropriate setback based on the depth of the utility, input from the project soils engineer, and the type of foundation.

71. UTILITY EASEMENTS: Deed restrictions shall be placed on lots containing utility easements. The deed restrictions shall specify that no trees, fences, structures or hardscape are allowed within the easement boundaries, and that maintenance access must be provided. The Town will prepare the deed language and the Owner, Applicant and/or Developer's surveyor shall prepare the legal description and plat. The Owner, Applicant and/or Developer shall pay any recordation costs. The documents shall be recorded before any grading or permits are issued.

72. PRIVATE EASEMENTS: Agreements detailing rights, limitations and responsibilities of involved parties shall accompany any proposed private easement. Access driveway shall be within the recorded access easement. A new private access easement shall be recorded, and a copy of the recorded agreement shall be submitted to the Engineering Division of the Parks and Public Works Department, prior to issuance of building permit or realigned access driveway shall be completed prior to the issuance of building permit.

73. QUITCLAIM OF EASEMENTS: The Owner, Applicant and/or Developer has/have indicated that 4 easement(s) will be abandoned. This abandonment shall be recorded, and a copy of the recorded quitclaim shall be submitted to the Engineering Division of the Parks and Public Works Department, prior to issuance of building permit.

74. SIDEWALK REPAIR: The Owner, Applicant and/or Developer shall repair and replace to existing Town standards any sidewalk damaged now or during construction of this project. All new and existing adjacent infrastructure must meet current ADA standards. Sidewalk repair shall match existing color, texture and design, and shall be constructed per Town Standard Details. New concrete shall be free of stamps, logos, names, graffiti,

etc. Any concrete identified that is displaying a stamp or equal shall be removed and replaced at the Contractor's sole expense and no additional compensation shall be allowed therefore. The limits of sidewalk repair will be determined by the Engineering Construction Inspector during the construction phase of the project. The improvements must be completed and accepted by the Town before a Certificate of Occupancy for any new building can be issued.

75. CURB AND GUTTER REPAIR: The Owner, Applicant and/or Developer shall repair and replace to existing Town standards any curb and gutter damaged now or during construction of this project. All new and existing adjacent infrastructure must meet Town standards. New curb and gutter shall be constructed per Town Standard Details. New concrete shall be free of stamps, logos, names, graffiti, etc. Any concrete identified that is displaying a stamp or equal shall be removed and replaced at the Contractor's sole expense and no additional compensation shall be allowed therefore. The limits of curb and gutter repair will be determined by the Engineering Construction Inspector during the construction phase of the project. The improvements must be completed and accepted by the Town before a Certificate of Occupancy for any new building can be issued.

76. FENCING: Any fencing proposed within two hundred (200) feet of an intersection shall comply with Town Code Section §23.10.080.

77. SIGHT TRIANGLE AND TRAFFIC VIEW AREA: Any proposed improvements, including but not limiting to trees and hedges, will need to abide by Town Code Sections 23.10.080, 26.10.065, and 29.40.030.

78. FENCES: Fences between all adjacent parcels will need to be located on the property lines/boundary lines. Any existing fences that encroach into the neighbor's property will need to be removed and replaced to the correct location of the boundary lines before a Certificate of Occupancy for any new building can be issued. Waiver of this condition will require signed and notarized letters from all affected neighbors.

79. TRAFFIC IMPACT MITIGATION FEE: Prior to the issuance of a/any building/grading permit(s), the Owner/Applicant/Developer shall pay the project's proportional share of transportation improvements needed to serve cumulative development within the Town of Los Gatos. The fee amount will be based upon the Town Council resolution in effect at the time the building permit is issued. The fee shall be paid before issuance of a/any building permit(s). The final traffic impact mitigation fee for this project shall be calculated from the final plans using the current fee schedule and rate schedule in effect at the time the building permit is issued, using a comparison between the existing and proposed uses.

80. PRECONSTRUCTION PAVEMENT SURVEY: Prior to issuance of a Grading Permit, the project applicant shall complete a pavement condition survey documenting the extent of existing pavement defects using a 35-mm, smartphone video (in Landscape orientation only) or digital video camera. The survey shall extend Santella Drive, Santella Court, Shady Lane, and Greenridge Terrace.

81. POSTCONSTRUCTION PAVEMENT SURVEY: The project applicant shall complete a pavement condition survey and pavement deflection analysis to determine whether road damage occurred as a result of project construction and whether there were changes in pavement strength. Rehabilitation improvements required to restore the pavement to pre-construction condition and strength shall be determined using State of California procedures for deflection analysis. The results shall be documented in a report and submitted to the Town for review and approval before a Certificate of Occupancy for any new building can be issued. The Applicant shall be responsible for completing any required road repairs prior to release of the faithful performance bond.

82. CONSTRUCTION VEHICLE PARKING: No construction vehicles, trucks, equipment and worker vehicles shall be allowed to park on the portion of any public (Town) streets without written approval from the Town Engineer.

83. TRAFFIC CONTROL PLAN: A traffic control plan is required and must be submitted and approved by the Town Engineer prior to the issuance of an encroachment, grading or building permit. This plan shall include, but not be limited to, the following measures:

    a. Construction activities shall be strategically timed and coordinated to minimize traffic disruption for schools, residents, businesses, special events, and other projects in the area. The schools located on the haul route shall be contacted to help with the coordination of the trucking operation to minimize traffic disruption.

    b. Flag persons shall be placed at locations necessary to control one-way traffic flow. All flag persons shall have the capability of communicating with each other to coordinate the operation.

    c. Prior to construction, advance notification of all affected residents and emergency services shall be made regarding one-way operation, specifying dates and hours of operation.

    d. CONSTRUCTION TRAFFIC CONTROL: All construction traffic and related vehicular routes, traffic control plan, and applicable pedestrian or traffic detour plans shall be submitted for review and approval by the Town Engineer prior to the issuance of an encroachment, grading or building permit.

e. ADVANCE NOTIFICATION: Advance notification of all affected residents and emergency services shall be made regarding parking restriction, lane closure or road closure, with specification of dates and hours of operation.

84. HAULING OF SOIL: Hauling of soil on- or off-site shall not occur during the morning or evening peak periods (between 7:00 a.m. and 9:00 a.m. and between 4:00 p.m. and 6:00 p.m.), and at other times as specified by the Director of Parks and Public Works. Prior to the issuance of an encroachment, grading or building permit, the Developer or their representative shall work with the Town Building Department and Engineering Division Inspectors to devise a traffic control plan to ensure safe and efficient traffic flow under periods when soil is hauled on or off the project site. This may include, but is not limited to provisions for the Developer to place construction notification signs noting the dates and time of construction and hauling activities, or providing additional traffic control. Coordination with other significant projects in the area may also be required. Cover all trucks hauling soil, sand and other loose debris.

85. CONSTRUCTION HOURS: All subdivision improvements and site improvements construction activities, including the delivery of construction materials, labors, heavy equipment, supplies, etc., shall be limited to the hours of 8:00 a.m. to 8:00 p.m., weekdays and 9:00 a.m. to 7:00 p.m. weekends and holidays. The Town may authorize, on a case-by-case basis, alternate construction hours. The Owner, Applicant and/or Developer shall provide written notice twenty-four (24) hours in advance of modified construction hours. Approval of this request is at discretion of the Town.

86. CONSTRUCTION NOISE: Between the hours of 8:00 a.m. to 8:00 p.m., weekdays and 9:00 a.m. to 7:00 p.m. weekends and holidays, construction, alteration or repair activities shall be allowed. No individual piece of equipment shall produce a noise level exceeding eighty-five (85) dBA at twenty-five (25) feet from the source. If the device is located within a structure on the property, the measurement shall be made at distances as close to twenty-five (25) feet from the device as possible. The noise level at any point outside of the property plane shall not exceed eighty-five (85) dBA.

87. CONSTRUCTION MANAGEMENT PLAN SHEET: Prior to the issuance of any encroachment, grading or building permits, the Developer's design consultant shall submit a construction management plan sheet (full-size) within the plan set that shall incorporate at a minimum the Earth Movement Plan, Traffic Control Plan, Project Schedule, site security fencing, employee parking, construction staging area, materials storage area(s), construction trailer(s), concrete washout(s) and proposed outhouse locations. Please refer to the Town's Construction Management Plan Guidelines document for additional information.

88. SHARED PRIVATE STREET: The private street accessing the Project Site shall be kept open and in a safe, drive-able condition throughout construction. If temporary closure is needed, then formal written notice shall be provided at least one week in advance of closure.

89. EMERGENCY VEHICLE ACCESS: The Emergency Vehicle Access Easement that traverses the Project Site shall be kept open and in a safe, drive-able condition throughout construction. If temporary closure is needed, then formal written notice shall be provided at least one week in advance of closure.

90. EMERGENCY VEHICLE ACCESS EASEMENT: Prior to the issuance of any permits, the Owner, Applicant and/or Developer shall coordinate with the Santa Clara County Fire Department to ensure that any proposed modifications to the Emergency Vehicle Access Easement that traverses the Project Site are curvilinear, allows for the Department's equipment to travel across said easement, and meets all Department specifications. Plans shall be submitted to the Santa Clara County Fire Department for approval prior to construction.

91. WVSD (West Valley Sanitation District): Sanitary sewer laterals are televised by West Valley Sanitation District and approved by the Town of Los Gatos before they are used. A Sanitary Sewer Clean-out is required for each property at the property line, within one (1) foot of the property line per West Valley Sanitation District Standard Drawing 3, or at a location specified by the Town.

92. SANITARY SEWER BACKWATER VALVE: Drainage piping serving fixtures which have flood level rims less than twelve (12) inches (304.8 mm) above the elevation of the next upstream manhole and/or flushing inlet cover at the public or private sewer system serving such drainage piping shall be protected from backflow of sewage by installing an approved type backwater valve. Fixtures above such elevation shall not discharge through the backwater valve, unless first approved by the Building Official. The Town shall not incur any liability or responsibility for damage resulting from a sewer overflow where the property owner or other person has failed to install a backwater valve as defined in the Uniform Plumbing Code adopted by the Town and maintain such device in a functional operation condition. Evidence of West Sanitation District's decision on whether a backwater device is needed shall be provided prior to the issuance of a building permit.

93. STORMWATER MANAGEMENT: Construction activities including but not limited to clearing, stockpiling, grading or excavation of land, which disturbs one (1) acre or more which are part of a larger common plan of development which disturbs less than one (1) acre are required to obtain coverage under the construction general permit with the

State Water Resources Control Board. The Owner, Applicant and/or Developer is required to provide proof of WDID# and keep a current copy of the storm water pollution prevention plan (SWPPP) on the construction site and shall be made available to the Town of Los Gatos Engineering Division of the Parks and Public Works Department and/or Building Department upon request.

94. BEST MANAGEMENT PRACTICES (BMPs): The Owner, Applicant and/or Developer is responsible for ensuring that all contractors are aware of all storm water quality measures and that such measures are implemented. Best Management Practices (BMPs) shall be maintained and be placed for all areas that have been graded or disturbed and for all material, equipment and/or operations that need protection. Removal of BMPs (temporary removal during construction activities) shall be replaced at the end of each working day. Failure to comply with the construction BMP will result in the issuance of correction notices, citations, or stop work orders.

95. SITE DESIGN MEASURES: All projects shall incorporate at least one of the following measures:

a. Protect sensitive areas and minimize changes to the natural topography.
b. Minimize impervious surface areas.
c. Direct roof downspouts to vegetated areas.
d. Use porous or pervious pavement surfaces on the driveway, at a minimum.
e. Use landscaping to treat stormwater.

96. STORMWATER DEVELOPMENT RUNOFF: All new development and redevelopment projects are subject to the stormwater development runoff requirements. Every Owner, Applicant and/or Developer or their design consultant shall submit a stormwater control plan and implement conditions of approval that reduce stormwater pollutant discharges through the construction, operation and maintenance of treatment measures and other appropriate source control and site design measures. Increases in runoff volume and flows shall be managed in accordance with the development runoff requirements.

97. BIORETENTION SYSTEM: The bioretention system shall be designed to have a surface area no smaller than what is required to accommodate a 5 inches/hour stormwater runoff surface loading rate, infiltrate runoff through bioretention soil media at a minimum of 5 inches per hour, and maximize infiltration to the native soil during the life of the project. The soil media for bioretention system shall be designed to sustain healthy, vigorous plant growth and maximize stormwater runoff retention and pollutant removal. Bioretention soil media that meets the minimum specifications set forth in Attachment L of Order No. R2-2009-0074, dated November 28, 2011, shall be used.

98. INFILTRATION TRENCHES: The following requirements apply to the proposed infiltration trenches:

a. Prior to completion of the Final Stormwater Control Plan, a geotechnical engineer shall review the design of the infiltration trenches and retaining walls along the portion of the road within the property boundary and determine whether additional structural supports are needed to ensure stability of the road and the adjacent hillside during the wet season.

b. The assumed infiltration rate of 1.33 in/hour shall be verified with actual site-specific soils data prior to the Final Stormwater Control Plan for the road and development on each lot, and if the infiltration rate is lower than 0.67 in/hour, a hydrologic analysis shall be conducted to ensure that the proposed trench sizes are adequate.

c. If the lots are to be developed individually, each lot shall provide infiltration trenches consistent with the final stormwater control plan for the project, sized based on the actual amount of impervious surface to be created on the lot.

d. The road and infiltration trenches shall be protected from sediment generated during construction of homes on the lots. The proposed source control measures shall be indicated on the project plans.

e. Maintenance of stormwater treatment and the infiltration trenches shall be the responsibility of the property owner and/or future property owners. A maintenance agreement shall be prepared establishing the property owner or owners' responsibility.

99. UNLAWFUL DISCHARGES: It is unlawful to discharge any wastewater, or cause hazardous domestic waste materials to be deposited in such a manner or location as to constitute a threatened discharge, into storm drains, gutters, creeks or the San Francisco Bay. Unlawful discharges to storm drains include, but are not limited to: discharges from toilets, sinks, industrial processes, cooling systems, boilers, fabric cleaning, equipment cleaning or vehicle cleaning.

100. LANDSCAPING: In finalizing the landscape plan for the biotreatment area(s), it is recommended that the landscape architect ensure that the characteristics of the selected plants are similar to those of the plants listed for use in bioretention areas in Appendix D of the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP) C.3 Stormwater Handbook.

101. EROSION CONTROL: Interim and final erosion control plans shall be prepared and submitted to the Engineering Division of the Parks and Public Works Department. A maximum of two (2) weeks is allowed between clearing of an area and

stabilizing/building on an area if grading is allowed during the rainy season. Interim erosion control measures, to be carried out during construction and before installation of the final landscaping, shall be included. Interim erosion control method shall include, but are not limited to: silt fences, fiber rolls (with locations and details), erosion control blankets, Town standard seeding specification, filter berms, check dams, retention basins, etc. Provide erosion control measures as needed to protect downstream water quality during winter months. The Town of Los Gatos Engineering Division of the Parks and Public Works Department and the Building Department will conduct periodic NPDES inspections of the site throughout the recognized storm season to verify compliance with the Construction General Permit and Stormwater ordinances and regulations.

102. DUST CONTROL: Blowing dust shall be reduced by timing construction activities so that paving and building construction begin as soon as possible after completion of grading, and by landscaping disturbed soils as soon as possible. Further, water trucks shall be present and in use at the construction site. All portions of the site subject to blowing dust shall be watered as often as deemed necessary by the Town, or a minimum of three (3) times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas, and staging areas at construction sites in order to insure proper control of blowing dust for the duration of the project. Watering on public streets shall not occur. Streets shall be cleaned by street sweepers or by hand as often as deemed necessary by the Town Engineer, or at least once a day. Watering associated with on-site construction activity shall take place between the hours of 8 a.m. and 5 p.m. and shall include at least one (1) late-afternoon watering to minimize the effects of blowing dust. All public streets soiled or littered due to this construction activity shall be cleaned and swept on a daily basis during the workweek to the satisfaction of the Town. Demolition or earthwork activities shall be halted when wind speeds (instantaneous gusts) exceed twenty-five (25) miles per hour (MPH). All trucks hauling soil, sand, or other loose debris shall be covered.

103. AIR QUALITY: To limit the project's construction-related dust and criteria pollutant emissions, the following the Bay Area Air Quality Management District (BAAQMD)-recommended basic construction measures shall be included in the project's grading plan, building plans, and contract specifications:

a. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day, or otherwise kept dust-free.

b. All haul trucks designated for removal of excavated soil and demolition debris from site shall be staged off-site until materials are ready for immediate loading and removal from site.

c. All haul trucks transporting soil, sand, debris, or other loose material off-site shall be covered.

d. As practicable, all haul trucks and other large construction equipment shall be staged in areas away from the adjacent residential homes.

e. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day, or as deemed appropriate by Town Engineer. The use of dry power sweeping is prohibited. An on-site track-out control device is also recommended to minimize mud and dirt-track-out onto adjacent public roads.

f. All vehicle speeds on unpaved surfaces shall be limited to 15 mph.

g. All driveways and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.

h. Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.

i. All excavation, grading, and/or demolition activities shall be suspended when average wind speeds exceed 20 mph.

j. Vegetative ground cover (e.g., fast-germinating native grass seed) shall be planted in disturbed areas as soon as possible and watered appropriately until vegetation is established.

104. DETAILING OF STORMWATER MANAGEMENT FACILITIES: Prior to the issuance of any permits, all pertinent details of any and all proposed stormwater management facilities, including, but not limited to, ditches, swales, pipes, bubble-ups, dry wells, outfalls, infiltration trenches, detention basins and energy dissipaters, shall be provided on submitted plans, reviewed by the Engineering Division of the Parks and Public Works Department, and approved for implementation.

105. CONSTRUCTION ACTIVITIES: All construction shall conform to the latest requirements of the CASQA Stormwater Best Management Practices Handbooks for Construction Activities and New Development and Redevelopment, the Town's grading and erosion control ordinance, and other generally accepted engineering practices for erosion control as required by the Town Engineer when undertaking construction activities.

106. STORM WATER MANAGEMENT PLAN: A storm water management shall be included with the grading permit application for all Group 1 and Group 2 projects as defined in the amended provisions C.3 of the Municipal Regional Stormwater NPDES Permit, Order R2-2015-0049, NPDES Permit No. CAS612008. The plan shall delineate source control measures and BMPs together with the sizing calculations. The plan shall be certified by a professional pre-qualified by the Town. In the event that the storm water measures proposed on the Planning approval differ significantly from those certified on the Building/Grading Permit, the Town may require a modification of the Planning approval prior to release of the Building Permit. The Owner, Applicant and/or Developer may elect to have the Planning submittal certified to avoid this possibility.

107. STORM WATER MANAGEMENT PLAN NOTES: The following note shall be added to the storm water management plan: "The biotreatment soil mix used in all stormwater treatment landscapes shall comply with the specifications in Attachment L of the MRP. Proof of compliance shall be submitted by the Contractor to the Town of Los Gatos a minimum of thirty (30) days prior to delivery of the material to the job site using the Biotreatment Soil Mix Supplier Certification Statement."

108. STORM WATER MANAGEMENT PLAN CERTIFICATION: Certification from the biotreatment soils provider is required and shall be given to Engineering Division Inspection staff a minimum of thirty (30) days prior to delivery of the material to the job site. Additionally deliver tags from the soil mix shall also be provided to Engineering Division Inspection staff. Sample Certification can be found here: http://www.scvurppp-w2k.com/nd_wp.shtml?zoom_highlight=BIOTREATMENT+SOIL.

109. AGREEMENT FOR STORMWATER BEST MANAGEMENT PRACTICES INSPECTION AND MAINTENANCE OBLIGATIONS: The property owner/homeowner's association shall enter into an agreement with the Town for maintenance of the stormwater filtration devices required to be installed on this project by the Town's Stormwater Discharge Permit and all current amendments or modifications. The agreement shall specify that certain routine maintenance shall be performed by the property owner/homeowner's association and shall specify device maintenance reporting requirements. The agreement shall also specify routine inspection requirements, permits and payment of fees. The agreement shall be recorded, and a copy of the recorded agreement shall be submitted to the Engineering Division of the Parks and Public Works Department, prior to the release of any occupancy permits.

110. MAINTENANCE OF PRIVATE STREETS: It is the responsibility of the property owner(s)/homeowners association to implement a plan for street sweeping of paved private roads and cleaning of all storm drain inlets.

111. SILT AND MUD IN PUBLIC RIGHT-OF-WAY: It is the responsibility of Contractor and homeowner to make sure that all dirt tracked into the public right-of-way is cleaned up on a daily basis. Mud, silt, concrete and other construction debris SHALL NOT be washed into the Town's storm drains.
112. GOOD HOUSEKEEPING: Good housekeeping practices shall be observed at all times during the course of construction. All construction shall be diligently supervised by a person or persons authorized to do so at all times during working hours. The Owner, Applicant and/or Developer's representative in charge shall be at the job site during all working hours. Failure to maintain the public right-of-way according to this condition may result in penalties and/or the Town performing the required maintenance at the Developer's expense.
113. PERMIT ISSUANCE: Permits for each phase; reclamation, landscape, and grading, shall be issued simultaneously.
114. COVERED TRUCKS: All trucks transporting materials to and from the site shall be covered.
115. FUTURE STUDIES: Any post-project traffic or parking counts, or other studies imposed by Planning Commission or Town Council shall be funded by the Applicant.
116. UTILITY COMPANY REVIEW: Letters from the electric, telephone, cable, and trash companies indicating that the proposed improvements and easements are acceptable shall be provided prior to the recordation of the final / parcel map.
117. ABOVE GROUND UTILITIES: The Owner, Applicant and/or Developer shall submit a seventy-five (75) percent progress printing to the Town for review of above ground utilities including backflow prevention devices, fire department connections, gas and water meters, off-street valve boxes, hydrants, site lighting, electrical/communication/cable boxes, transformers, and mail boxes. Above ground utilities shall be reviewed and approved by the Community Development Department prior to issuance of any permit.
118. PRIVATE EASEMENTS: Agreements detailing rights, limitations, and responsibilities of involved parties shall accompany each private easement. The easements and associated agreements shall be recorded simultaneously with the final / parcel map. A copy of the recorded agreement(s) shall be submitted to the Engineering Division of the Parks and Public Works Department prior to the issuance of any permit.
119. PUBLIC STREET LIGHTING: Public street lighting will not be required/allowed per General Plan update and Hillside designation. On-lot lighting shall be incorporated and promoted.

120. PERCOLATION TESTING: Onsite percolation testing should be performed during the design phase to validate the fractured bedrock infiltration rates and support the infiltration trench design.
121. STORMWATER FACILITY SIZING: The treatment and hydromodification management facility sizing should be confirmed during the design phase, including rerunning the BAHM model with appropriate parameters.

TO THE SATISFACTION OF THE SANTA CLARA COUNTY FIRE DEPARTMENT:

122. FIRE APPARATUS (ENGINE) ACCESS ROAD REQUIRED: In all cases, the minimum requirements are found in the currently adopted edition of the California Fire Code Sec. 503, as amplified in the SCCFD SD&S A-1. All such roadways shall be a minimum of 20 feet in width, a minimum vertical clearance of 13'6", maximum grade of 15%, with a minimum circulating outside radius of 42'. All such roadways shall be capable of supporting a maximum imposed load of 75,000 pounds and where a bridge or an elevated surface is part of a fire apparatus access road, the bridge shall be constructed and maintained in accordance with AASHTO HB-17.
123. WILDLAND-URBAN INTERFACE: This project is located within the designated Wildland-Urban Interface Fire Area. The building construction shall comply with the provisions of Section R327 of the California Residential Code or the California Building Code (CBC) Chapter 7A., as applicable. Note that vegetation clearance shall be in compliance with CBC Section 701A.3.2.4 prior to project final approval. Check with the Planning Department for related landscape plan requirements.
124. FIRE HYDRANT(S) AVAILABLE: The number of fire hydrants available to a complex or subdivision shall not be less than that determined by spacing requirements listed in CFC Table C105.1 when applied to fire apparatus access roads and perimeter public streets from which fire operations could be conducted. Existing fire hydrants on public streets are allowed to be considered as available. The average spacing between fire hydrants shall not exceed that listed in Table C105. Hydrants shall be a maximum of 500 feet from each other, as measured along the curb line. Fire protection water supplies shall be subject to approval by the Santa Clara County Fire Department and shall comply with locally adopted Standards and CFC Sec. 507.
125. TURNING RADIUS (CUL-DE-SACS): The minimum outside turning radius is 36 feet. Use of cul-de-sacs is not acceptable where it is determined by the Fire Department that Ladder Truck access is required, unless greater turning radius is provided. Cul-de-sacs diameters shall be no less than 72 feet. CFC Sec. 503.

126. EMERGENCY ACCESS/DRIVEWAYS: The minimum clear width of fire department access roads shall be 20 feet. Modifications to the design or width of a fire access road, or additional access road(s) may be required when the Fire Code official determines that access to the site or a portion thereof may become compromised due to emergency operations or nearby natural or manmade hazards (floor prone areas, railway crossings, bridge failures, hazardous material-related incidents, etc.). The vertical clearance shall be in accordance with the Fire Code, 13 feet, 6 inches.

127. FIRE DEPARTMENT (ENGINE) DRIVEWAY TURNAROUND REQUIRED: Provide an approved fire department engine driveway turnaround with a minimum radius of 36 feet outside and 23 feet inside. Maximum grade in any direction shall be a maximum of 5 percent. Installations shall conform with Fire Department Standard Details and Specifications D-1. CFC Sec. 503.

128. CONSTRUCTION FIRE SAFETY: All construction sites must comply with applicable provisions of the CFC Chapter 33 and our Standard Detail and Specification SI-7. Provide appropriate notations on subsequent plan submittals, as appropriate to the project. CFC Chp. 33.

**SECTION VII**

This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the 2nd day of April 2019 and adopted by the following vote as an Ordinance of the Town of Los Gatos at a meeting of the Town Council of the Town of Los Gatos on the 16th day of April 2019 and becomes effective 30 days after it is adopted. In lieu of publication of the full text of the Ordinance within fifteen (15) days after its passage, a summary of the Ordinance may be published at least five (5) days prior to and fifteen (15) days after adoption by the Town Council and a certified copy shall be posted in the office of the Town Clerk, pursuant to GC 36933(c)(1).

COUNCIL MEMBERS:

AYES: Marcia Jensen, Rob Rennie, Marico Sayoc, Barbara Spector, Mayor Steven Leonardis

NAYS: None

ABSENT: None.

ABSTAIN: None.

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: 6/28/19

ATTEST:

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

DATE: 7/1/2019

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HANNA-BRUNETTI
EST. 1910
CIVIL ENGINEERS • LAND SURVEYORS
CONSTRUCTION MANAGERS

Community Development Department
Town of Los Gatos
110 E Main St
Los Gatos, CA 95030

Re: Project Description for a Lot Line Adjustment between 240 La Terra Ct and 16300 Greenridge Terrace and 16084 Greenridge Terrace

The proposed LLA is between three lots, including 240 La Terra Ct, 16084 Greenridge Terrace, and 16300 Greenridge Terrace. There are two proposed adjustments. First, the LLA proposes an even land swap of the common lot line between 240 La Terra Ct and 16300 Greenridge terrace. Second, the LLA proposes  to adjust the common lot line between 16084 Greenridge Terrace and 16300 Greenridge Terrace so that the westerly 0.28 acres of 16300 Greenridge is swapped with 16084 Greenridge .

EXHIBIT 5

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HANNA-BRUNETTI
EST. 1910
CIVIL ENGINEERS • LAND SURVEYORS
CONSTRUCTION MANAGERS

Community Development Department
Town of Los Gatos
110 E Main St
Los Gatos, CA 95030

Re: Justification Letter for a Lot Line Adjustment between 240 La Terra Ct and 16300 Greenridge Terrace and 16084 Greenridge Terrace

The proposed LLA will adjust the lot lines between 240 La Terra Ct, 16048 Greenridge Terrace, and 16300 Greenridge Terrace. The LLA map proposes an even land swap of the common property line between 240 La Terra and 16300 Greenridge. The proposed LLA adjustment also proposes to adjust the common property line between 16084 Greenridge Terrace and 16300 Greenridge Terrace so that the 0.28 acres of 16300 Greenridge is swapped with 16084 Greenridge.

The original lot configuration was based on having straight property lines with as few neighbors as possible. As the project developed with open space easements, trail easement, and the town implementing the hillside fence ordinance the original alignment of the lot lines between the two lots was no longer needed.

Taking a fresh look at the development of the lots, the existing topography, and the easements, a realignment of the common property lines was needed. The proposed lot line will accomplish the following:

- Align the property line more closely with the trail easement – so the trail does not cut through the middle of 16300 Greenridge Terrace backyard.
- Align the property line with the topography of the land. This will give more usable space and privacy to each lot.
- The realigned lot line will align the backyards of each lot more closely to each building site.
- Extend the westerly line of lot 16300 Greenridge Terrace so that the westerly 0.28 acres is swapped with 16084 Greenridge Terrace

EXHIBIT 6

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Draft Ordinance: subject modification by Town Council based on deliberations and direction

**ORDINANCE**

# AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS REPEALING AND REPLACING PLANNED DEVELOPMENT ORDINANCE 2281 ESTABLISHING DEVELOPMENT STANDARDS AND ALLOWABLE USES FOR LOTS WITHIN THE PLANNED DEVELOPMENT OVERLAY ZONE FOR PROPERTY LOCATED AT 16100 GREENRIDGE TERRACE (APN: 527-12-002)

THE TOWN COUNCIL OF THE TOWN OF LOS GATOS DOES ORDAIN AS FOLLOWS:

SECTION I

The Town Code of the Town of Los Gatos is hereby amended to change the zoning on property located at 16100 Greenridge Terrace (Santa Clara County Assessor Parcel Number 527-12-002) as shown on the map attached hereto as Exhibit A, and is part of this Ordinance, from HR-2½ (Hillside Residential, two and one-half to 10 acres for each dwelling unit) to HR-2½:PD (Hillside Residential, two and one-half to 10 acres for each dwelling unit, Planned Development). Ordinance number 2281, passed and adopted by the Town Council of Los Gatos on April 16, 2019, is hereby repealed and replaced with this Ordinance.

SECTION II

With respect to compliance with the California Environmental Quality Act ("CEQA"), the Town Council finds as follows:

A. An Environmental Impact Report (EIR) was completed for the proposed development and no significant unmitigated impacts are associated with the application. The Findings of Fact are made and the Final Environmental Impact Report (EIR) and Mitigation Monitoring and Reporting Program are adopted.

SECTION III

The PD (Planned Development Overlay) zone established by this Ordinance authorizes the following construction and use of improvements:

1. Subdivision of one lot into eight lots.
2. Construction of eight market rate single-family detached residences.
3. Landscaping, private streets, trails, parking and other improvements shown and required on the Official Development Plans.
4. Dedication of trail easements to the Town of Los Gatos as shown on the Official Development Plans.

5. Uses permitted are those specified in the HR-2½ (Hillside Residential, two and half to 10 acres for each dwelling unit) zone by Sections 29.40.235 (Permitted Uses), as it exists at the time of the adoption of this Ordinance, or as they may be amended in the future.

6. As provided in Exhibit C and approved by the Town Council under Lot Line Adjustment application M-25-006, adjustment of the common lot line between Lot 1 (16300 Greenridge Terrace) and Lot 2 (240 La Terra Court); and adjustment of the common lot line between Lot 1 (16300 Greenridge Terrace) and 16084 Greenridge Terrace.

SECTION IV

COMPLIANCE WITH OTHER DEVELOPMENT STANDARDS:

All provisions of the Town Code apply, except when the Official Development Plan specifically shows otherwise.

SECTION V

A Tentative Subdivision Map and Architecture and Site Approvals are required before construction of subdivision improvements or new residences, whether or not a permit is required for the work and before any permit for construction is issued. Construction permits shall only be in a manner complying with Section 29.80.130 (PD Ordinance) of the Town Code.

SECTION VI

The attached Exhibit A (Map), and Exhibit B (Official Development Plans), are part of the Official Development Plan. The following performance standards must be complied with before issuance of any grading, or construction permits (mitigation measures are so noted and are flagged with an asterisk):

TO THE SATISFACTION OF THE DIRECTOR OF COMMUNITY DEVELOPMENT:

*Planning Division*

1. OFFICIAL DEVELOPMENT PLANS: The Official Development Plans provided are conceptual in nature. Final building footprints and building designs shall be determined during the Architecture and Site approval process. Colors and building materials shown on the Official Development Plans are not approved and shall be reviewed during the Architecture and Site application approval process.
2. TOWN INDEMNITY: Applicants are notified that Town Code Section 1.10.115 requires that any applicant who receives a permit or entitlement from the Town shall defend, indemnify, and hold harmless the Town and its officials in any action brought by a third

party to overturn, set aside, or void the permit or entitlement. This requirement is a condition of approval of all such permits and entitlements whether or not expressly set forth in the approval, and may be secured to the satisfaction of the Town Attorney.

3. SUBDIVISION REQUIRED: A Tentative Map application shall be approved for the project prior to the issuance of building permits. The Development Review Committee may be the deciding body of the Tentative Map.
4. ARCHITECTURE AND SITE APPROVAL REQUIRED: A separate Architecture and Site (A&S) application and approval is required for each of the new residences. The Architecture and Site applications shall be reviewed by the Development Review Committee. Architectural details, including fencing and a project entry sign, shall be refined as part of this process with input from the Town's Consulting Architect.
5. FINAL LANDSCAPE PLAN: A final landscape plan shall be reviewed by the Town's Consulting Landscape Architect and approved as part of the Architecture and Site process. Minimum tree size at time of planting shall be 24-inch box.
6. WATER CONSERVATION ORDINANCE REQUIREMENT: The proposed landscaping shall meet the Town of Los Gatos Water Conservation Ordinance or the State Water Efficient Landscape Ordinance, whichever is more restrictive. A review fee based on the current fee schedule adopted by the Town Council is required when working landscape and irrigation plans are submitted for review prior to the issuance of a building permit.
7. SETBACKS: The minimum setbacks are those specified by the HR-2½ zoning district or as otherwise shown on the Conceptual Development Plans.
8. FENCING: Fencing shall comply with the Town Code and Hillside Development Standards and Guidelines in place at the time of approval. Fence locations, design, and materials shall be reviewed and approved during the Architecture and Site review(s). The CC&R's for the project shall include a restriction prohibiting the home owners from replacing the fence type approved during the Architecture and Site review(s) without prior approval from the Town. The CC&R's shall prohibit fencing within the open space easement.
9. BUILDING HEIGHT: The maximum height of the new residences shall be the maximum height listed in the Hillside Development Standards and Guidelines. The maximum height of the new residences on lots 3, 4, 5, and 8 shall be limited to 18 feet due to visibility concerns.
10. BUILDING FLOOR AREA: The maximum floor area of the new residences shall be the maximum floor area listed in the Hillside Development Standards and Guidelines.
11. GRADING: Depths of cut and fill for the roadway and site improvements shall not exceed the maximums shown in the Official Development Plans (Exhibit B).

12. OUTDOOR LIGHTING: All exterior building and outdoor lighting shall be shielded and directed away from neighboring properties, to shine on the project site only. Lighting shall be the minimum needed for pedestrian safety and security. Lighting specifications shall be reviewed as part of the Architecture and Site process.
13. EXTERIOR COLORS: The exterior colors of all structures shall comply with the Hillside Development Standards and Guidelines.
14. DEED RESTRICTION: Prior to the issuance of a building permit, a deed restriction shall be recorded by the applicant with the Santa Clara County Recorder's Office that requires all exterior materials be maintained in conformance with the Town's Hillside Development Standards and Guidelines.
15. BELOW MARKET PRICE (BMP) IN-LIEU FEE: A Below Market Price (BMP) in-lieu fee shall be paid by the property owner/developer pursuant to Town Code Section 29.10.3025 and any applicable Town Resolutions. The fee amount shall be based upon the Town Council fee resolution in effect at the time a final or vesting tentative map is approved.
16. PROJECT CC&R's. CC&R's shall be provided with the Tentative Map application and shall address the following:
    a. Maintenance of private roadway
    b. Maintenance of landscaping adjacent to the private road
    c. Maintenance of storm drain system
    d. Maintenance of public open space
    e. Maintenance of public trail
    f. Landscape guidelines (shall be compliant with the Hillside Development Standards and Guidelines, EIR, and safe fire protocol).
17. FINAL CC&R's: Final CC&R's shall be approved by the Town Attorney prior to the recording of the Final Map. The CC&R's shall include provisions for traffic circulation, vehicle parking enforcement procedures, and landscaping, exterior lighting and fencing restrictions. The approved CC&R's shall become conditions of this Ordinance.
18. TREE PRESERVATION: All recommendations of the Town's Consulting Arborist shall be followed. Refer to the report and addendum report prepared by Richard Gessner, dated June 30, 2017 and June 20, 2018 for additional details. The Arborist Consultant shall reevaluate the plans for the new residences during Architecture and Site review.

19. TREE REMOVAL: Tree removal shall be limited to the scope of this PD and future approvals as follows:

| | |
|---|---|
| Planned Development | No tree removal. |
| Subdivision | Tree removal limited to that required for site improvements related to installation of the roadway and shared driveway; installation of utilities; and construction of retaining walls for the roadway and shared driveway. |
| Architecture and Site | Tree removal required for construction of each single-family home and improvements. |

20. DEED RESTRICTION: Prior to the issuance of building permits for each single-family residential development, a deed restriction shall be recorded by the applicant with the Santa Clara County Recorder's Office that identifies the on-site trees that were used to provide screening in the visibility analyses conducted under each Architecture and Site application and requires replacement screening in conformance with the Town's Hillside Development Standards and Guidelines and/or the Tree Protection Ordinance if the trees die or are removed.
21. MAINTENANCE AGREEMENT: Prior to the issuance of building permits for each single-family residential development, a five-year maintenance agreement shall be submitted for the preservation of the on-site trees that were used to provide screening in the visibility analyses conducted under each Architecture and Site application.
22. TREE REMOVAL PERMIT: A Tree Removal Permit shall be obtained for trees approved for removal prior to the issuance of demolition or grading permits.
23. REPLACEMENT TREES: New trees shall be planted to mitigate the loss of trees being removed. The number of trees shall be determined using the canopy replacement table in the Tree Protection Ordinance. New trees shall be double staked and shall be planted prior to final inspection and issuance of occupancy permits.
24. TREE FENCING: Protective tree fencing shall be placed at the drip line of existing trees and shall remain through all phases of construction. Refer to the report and addendum report prepared by Richard Gessner, dated June 30, 2017 and June 20, 2018 for requirements. Fencing shall be six-foot high cyclone attached to two-inch diameter steel posts drive 18 inches into the ground and spaced no further than 10 feet apart. Include a tree protection fencing plan with the construction plans.
25. FINAL UTILITY LOCATIONS: The applicant shall submit plans showing the final locations

and screening of all exterior utilities, including but not limited to, backflow preventers, Fire Department connections, transformers, utility boxes and utility meters. Utility devices shall be screened to the satisfaction of the Director of Community Development. The plans shall be submitted for review and approval prior to issuance of building permits for new construction.

26. PLAN INCONSISTENCY: Any inconsistencies between sheets shall be limited to whichever is more restrictive.
27. GENERAL PROVISIONS: This Planned Development shall comply with provisions in Town Code Sections 29.40.015 through 29.40.070, and Article V, unless more restrictive provisions are required in other performance standards for the subject Planned Development.
28. SCENIC EASEMENTS: Scenic easements shall be dedicated on the parcel map by separate instrument across portions of lots 1, 2, 3, and 5 connecting the area to be dedicated as open space on the north portions of lots 1 and 5 to the south property lines of lots 2 and 3. Easement language shall indicate that such land shall not be encroached into with fences, structures, landscaping, or improvements of any kind, and no work shall be performed within the Scenic Easement, including clearing, other than for wildland fire fuel management or weed abatement. Any and all maintenance within the scenic easements shall be the sole responsibility of the property owner.
29. *AIR QUALITY MITIGATION MEASURE AQ-1: The project contractor for subdivision improvements and residential lot development shall implement basic dust control measures at all on-site and off-site locations where grading or excavation takes place. The project contractor shall implement additional dust control measures at all on-site and off-site locations where grading or excavation takes place within 200 feet of residential properties.

    Basic dust control measures:

    a. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day;
    b. All haul trucks transporting soil, sand, or other loose material off-site shall be covered;
    c. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited;
    d. All vehicle speeds on unpaved roads shall be limited to 15 mph;
    e. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding

or soil binders are used; and

f. Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The air district's phone number shall also be visible to ensure compliance with applicable regulations.
g. All excavation, grading, and/or demolition activities shall be suspended when average wind speeds exceed 20 mph;
h. Vegetative ground cover (e.g., fast-germinating native grass seed) shall be planted in disturbed areas as soon as possible and watered appropriately until vegetation is established; and
i. Unpaved roads shall be treated with a three to six-inch compacted layer of wood chips, mulch, or gravel.

30. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-1: Focused plant surveys were conducted in spring 2018; if project development occurs more than five years after spring 2018, the surveys shall be repeated per below. To protect potentially occurring special-status plants, the presence/absence of fragrant fritillary, Hall's bush-mallow, Loma Prieta hoita, western leatherwood, and woodland woollythreads shall be determined within the development footprint and fire defensible space. A qualified biologist shall conduct focused botanical surveys for these five-target species in accordance with current California Department of Fish and Wildlife and California Native Plant Society rare plant survey protocols. Surveys shall occur during overlapping blooming periods for the target species (likely March and June). If the surveys conclude that the species are not present, no further mitigation is required. If any special-status plant species is present within the development footprint and fire defensible space, to compensate for loss or reduction of a special-status plant population, the project proponent shall retain a qualified biologist or native plant specialist to collect seed from all plant individuals and/or salvage plants within the development footprint at the optimal time prior to initiation of ground disturbance activities. The project proponent and the Town of Los Gatos shall oversee selection of an appropriate mitigation area, preferably on the project site, or in the immediate vicinity, that would not be disturbed in the future. After selection of the mitigation area and approval by the Town, a qualified biologist shall develop a Special-Status Plant Management Plan detailing optimal methods for seed collection/plant salvage from the impact area, preparation of the mitigation area, and seed/plant installation at the mitigation area. The plan shall also include maintenance measures to manage the rare plant occurrence for long-term protection and persistence at the mitigation area. Collected seeds/plants shall be

installed at the mitigation area at the optimal time. Topsoil from the on-site occurrence location shall also be salvaged (if practical) for use in the mitigation area.

The Special-Status Plant Management Plan shall require at a minimum three years of annual monitoring by a qualified biologist during the plant's peak blooming period to ensure that mitigation was successful and that long-term maintenance procedures specified in the plan are creating conditions that support survival of the transplanted population. The initial focused surveys will identify how many plant individuals occur in the development footprint; this amount or more must occur in the mitigation area during each of the three years following installation. If this success criteria is not achieved, the project proponent shall coordinate with the Town to implement remedial mitigation through revision of the Special-Status Plant Management Plan, and then collection of additional seed from a local population and repeated installation in the mitigation area, followed by another three years of annual monitoring. This process shall be extended as needed until all success criteria contained in the Special-Status Plant Management Plan are achieved.

31. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-2: Prior to the start of construction activities for the subdivision improvements and development of residential lots, a qualified biologist shall conduct pre-construction surveys of the grassland habitat on the site to identify any potential American badger burrows/dens. These surveys shall be conducted no more than 15 days prior to the start of construction. In the event that construction activities are suspended for 15 consecutive days or longer, including the time period between the subdivision improvements and development activities at each respective residential lot, these surveys shall be recompleted. If a potential American badger burrow/den is found during the surveys, coordination with the California Department of Fish and Wildlife shall be undertaken in order to develop a suitable strategy to avoid impacts to American badger. With California Department of Fish and Wildlife approval, impacts to active American badger dens shall be avoided by establishing exclusion zones around all active badger dens, within which construction related activities shall be prohibited until denning activities are complete or the den is abandoned. A qualified biologist shall monitor each den once per week in order to track the status of the den and to determine when a den area has been cleared for construction.

32. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-3: A qualified biologist shall conduct pre-construction surveys for woodrat middens within the development footprints. These surveys shall be conducted no more than 15 days prior to the start of

construction for the infrastructure improvements and development of the residential lots. In the event that construction activities are suspended for 15 consecutive days or longer, including the time period between the subdivision improvements and development activities at each respective residential lot, these surveys shall be recompleted. All woodrat middens shall be flagged for avoidance of direct construction impacts where feasible. To avoid midden/nest disturbance, if active middens/nests are found, a 50-foot buffer will be established in which project activities will not occur. This buffer should be clearly marked. For all woodrat middens/nests that cannot be avoided by project activities, live trapping should be conducted by a qualified biologist to determine if the midden/nest is in use. Trapping should occur prior to April and after mid-July to avoid impacts to woodrats rearing young or to young woodrats. If a midden/nest is found to be unoccupied (none captured after two nights of trapping), then it can be removed as described below. If woodrats are trapped, they may be kept in captivity by a qualified biologist until their middens/nests are immediately relocated. Each midden/nest should be dismantled by hand as described below, and the relocated midden/nest should be placed in suitable habitat a minimum of 50 feet from the construction area, no closer than 20 feet from existing woodrat middens/nests and other relocated woodrat middens/nests, and be reassembled under shrub or tree canopy that will receive some sunlight. The midden/nest should be rebuilt surrounding a log-based structure, an inverted wooden planter, or similar structure having at least one entrance and exit hole. Any cached food and nest material found during nest dismantling should be placed within the relocated midden/nest during rebuilding. The occupied trap should then be opened, placed tightly against the entrance to the artificial shelter, and the woodrat be allowed to enter the midden/nest on its own accord. After the individual enters, the entrance should promptly be covered with a loose plug of small sticks to encourage the individual to stay for the short-term. Where impacts cannot be avoided, woodrat middens shall be dismantled no more than three days prior to construction activities starting at each midden location. All vegetation and duff materials shall be removed from three feet around the midden prior to dismantling so that the occupants do not attempt to rebuild. Middens are to be slowly dismantled by hand in order to allow any occupants to disperse.

33. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-4: Approximately 15 days prior to tree removal or other construction activities, the applicant shall retain a qualified biologist to conduct a habitat assessment for bats and potential roosting sites in trees to be removed, in trees within 50 feet of the development footprint, and surrounding the water tank structures situated within 50 feet of disturbance activities by the project. In

the event that construction activities are suspended for 15 consecutive days or longer, including the time period between the subdivision improvements and development activities at each respective residential lot, these surveys shall be recompleted. These surveys shall include a visual inspection of potential roosting features (bats need not be present) and a search for presence of guano within the project site, construction access routes, and 50 feet around these areas. Cavities, crevices, exfoliating bark, and bark fissures that could provide suitable potential nest or roost habitat for bats shall be surveyed. Assumptions can be made on what species is present due to observed visual characteristics along with habitat use, or the bats can be identified to the species level with the use of a bat echolocation detector such as an "Anabat" unit. Potential roosting features found during the survey shall be flagged or marked. Locations off the site to which access is not available may be surveyed from within the site or from public areas. If no roosting sites or bats are found, a letter report confirming absence shall be submitted by the biologist to the Town of Los Gatos and no further mitigation is required. If bats or roosting sites are found, a letter report and supplemental documents shall be provided by the biologist to the Town of Los Gatos prior to disturbance activities or grading permit issuance and the following monitoring, exclusion, and habitat replacement measures shall be implemented:

a. If bats are found roosting outside of the nursery season (May 1 through October 1), they shall be evicted as described under (b) below. If bats are found roosting during the nursery season, they shall be monitored to determine if the roost site is a maternal roost. This could occur by either visual inspection of the roost bat pups, if possible, or by monitoring the roost after the adults leave for the night to listen for bat pups. If the roost is determined to not be a maternal roost, then the bats shall be evicted as described under (b) below. Because bat pups cannot leave the roost until they are mature enough, eviction of a maternal roost cannot occur during the nursery season. Therefore, if a maternal roost is present, a 50-foot buffer zone (or different size if determined in consultation with the California Department of Fish and Wildlife) shall be established around the roosting site within which no construction activities including tree removal or structure disturbance shall occur until after the nursery season.
b. If a non-breeding bat hibernaculum is found in a tree or snag scheduled for removal or on any structures within 50 feet of project disturbance activities, the individuals shall be safely evicted, under the direction of a qualified bat biologist. If pre-construction surveys determine that there are bats present in any trees or structures to be removed, exclusion structures (e.g. one-way doors or similar methods) shall be

installed by a qualified biologist. The exclusion structures shall not be placed until the time of year in which young are able to fly, outside of the nursery season. Information on placement of exclusion structures shall be provided to the CDFW prior to construction. If needed, other removal methods could include: carefully opening the roosting area in a tree or snag by hand to expose the cavity and opening doors/windows on structures, or creating openings in walls to allow light into the structures. Removal of any trees or snags and disturbance within 50 feet of any structures shall be conducted no earlier than the following day (i.e., at least one night shall be provided between initial roost eviction disturbance and tree removal/disturbance activities). This action will allow bats to leave during dark hours, which increases their chance of finding new roosts with a minimum of potential predation.

34. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-5: Construction activities that include any tree removal, pruning, grading, grubbing, or demolition shall be conducted outside of the bird nesting season (January 15 through September 15) to the greatest extent feasible. If this type of construction occurs during the bird nesting season, then a qualified biologist shall conduct pre-construction surveys for nesting birds to ensure that no nests would be disturbed during project activities. If project-related work is scheduled during the nesting season (February 15 to August 30 for small bird species such as passerines; January 15 to September 15 for owls; and February 15 to September 15 for other raptors), or if construction activities are suspended for at least 15 days and recommence during the nesting season, including the time period between the subdivision improvements and development activities at each respective residential lot, a qualified biologist shall conduct nesting bird surveys. Two surveys for active nests of such birds shall occur within 15 days prior to the start of construction, with the second survey conducted within 48 hours prior to the start of construction. Appropriate minimum survey radii surrounding each work area are typically 250 feet for passerines, 500 feet for smaller raptors, and 1,000 feet for larger raptors. Surveys shall be conducted at the appropriate times of day to observe nesting activities. Locations off the site to which access is not available may be surveyed from within the site or from public areas. A report documenting survey results and plan for active bird nest avoidance (if needed) shall be completed by the qualified biologist prior to initiation of construction activities. If the qualified biologist documents active nests within the project site or in nearby surrounding areas, an appropriate buffer between each nest and active construction shall be established. The buffer shall be clearly marked and maintained until the young have fledged and are foraging independently. Prior to

construction, the qualified biologist shall conduct baseline monitoring of each nest to characterize “normal” bird behavior and establish a buffer distance, which allows the birds to exhibit normal behavior. The qualified biologist shall monitor the nesting birds daily during construction activities and increase the buffer if birds show signs of unusual or distressed behavior (e.g. defensive flights and vocalizations, standing up from a brooding position, and/or flying away from the nest). If buffer establishment is not possible, the qualified biologist or construction foreman shall have the authority to cease all construction work in the area until the young have fledged and the nest is no longer active.

35. *BIOLOGICAL RESOURCES MITIGATION MEASURE BIO-6: Prior to issuance of a building permit or a grading permit for infrastructure improvement and each residential lot, developers shall retain a certified arborist to develop a site-specific tree protection plan for retained trees, and supervise the implementation of all proposed tree preservation and protection measures during construction activities, including those measures specified in the 2017 project arborist report and 2018 project arborist report addendum. Also, in accordance with the Town’s Tree Protection Ordinance, the project proponent shall obtain a tree removal permit for proposed tree removals on each development lot prior to tree removals, and shall install replacement trees in accordance with all mitigation, maintenance, and monitoring requirements specified in the tree removal permit(s) or otherwise required by the Town for project approvals.

36. *GEOLOGIC HAZARDS MITIGATION MEASURE GEO-1: Prior to the approval of development applications for the project site, design-level studies for the roadways and infrastructure, and each of the proposed residential lots shall be prepared and shall address site specific geotechnical issues and provide lot-specific foundation and drainage recommendations. These design-level studies shall include an evaluation of expansive soil for each lot as well as an evaluation of local and global slope stability of each building area, concept, and access way. The design-level study for Lot 1 shall include an assessment of the potential hazards associated with alluvial infilling or debris flows along with geotechnical provisions for collecting and dispersing concentrated runoff flowing down the axis of the drainage towards the home site.

37. *GEOLOGIC HAZARDS MITIGATION MEASURE GEO-2: Prior to the approval of development applications for the individual lots, applicants shall be responsible for demonstrating to the satisfaction and approval of the Town Engineer that proposed design plans are in conformance with all current California Building Code standards and that all design measures and site preparation recommendations as suggested in the lot-

specific geotechnical studies identified in mitigation measure GEO-1 have been incorporated into the project's final design.

*Building Division*

38. PERMITS REQUIRED: A separate Building Permit shall be required for each new single-family residence and each detached structure including retaining walls.

TO THE SATISFACTION OF THE DIRECTOR OF PARKS and PUBLIC WORKS:

*Engineering Division*

39. GENERAL: All public improvements shall be made according to the latest adopted Town Standard Plans, Standard Specifications and Engineering Design Standards. All work shall conform to the applicable Town ordinances. The adjacent public right-of-way shall be kept clear of all job-related mud, silt, concrete, dirt and other construction debris at the end of the day. Dirt and debris shall not be washed into storm drainage facilities. The storing of goods and materials on the sidewalk and/or the street will not be allowed unless an encroachment permit is issued by the Engineering Division of the Parks and Public Works Department. The Owner, Applicant and/or Developer's representative in charge shall be at the job site during all working hours. Failure to maintain the public right-of-way according to this condition may result in the issuance of correction notices, citations, or stop work orders and the Town performing the required maintenance at the Owner, Applicant and/or Developer's expense.
40. APPROVAL: This application shall be completed in accordance with all of the conditions of approval listed below and in substantial compliance with the latest reviewed and approved development plans. Any changes or modifications to the approved plans or conditions of approvals shall be approved by the Town Engineer.
41. ENCROACHMENT PERMIT: All work in the public right-of-way will require a Construction Encroachment Permit. All work over $5,000 will require construction security. It is the responsibility of the Owner/Applicant/Developer to obtain any necessary encroachment permits from affected agencies and private parties, including but not limited to, Pacific Gas and Electric (PG&E), AT&T, Comcast, Santa Clara Valley Water District, California Department of Transportation (Caltrans). Copies of any approvals or permits must be submitted to the Town Engineering Division of the Parks and Public Works Department prior to releasing any grading or building permits.
42. PRIVATE IMPROVEMENTS IN THE PUBLIC RIGHT-OF-WAY (INDEMNITY AGREEMENT):

The property owner shall enter into an agreement with the Town for all existing and proposed private improvements within the Town's right-of-way. The Owner shall be solely responsible for maintaining the improvements in a good and safe condition at all times and shall indemnify the Town of Los Gatos. The agreement must be completed and accepted by the Director of Parks and Public Works prior to the issuance of any grading or building permits.

43. PUBLIC WORKS INSPECTIONS: The Owner, Applicant and/or Developer or their representative shall notify the Engineering Inspector at least twenty-four (24) hours before starting any work pertaining to on-site drainage facilities, grading or paving, and all work in the Town's right-of-way. Failure to do so will result in penalties and rejection of work that went on without inspection.
44. RESTORATION OF PUBLIC IMPROVEMENTS: The Owner, Applicant and/or Developer or their representative shall repair or replace all existing improvements not designated for removal that are damaged or removed because of the Owner, Applicant and/or Developer or their representative's operations. Improvements such as, but not limited to: curbs, gutters, sidewalks, driveways, signs, pavements, raised pavement markers, thermoplastic pavement markings, etc., shall be repaired and replaced to a condition equal to or better than the original condition. Any new concrete shall be free of stamps, logos, names, graffiti, etc. Any concrete identified that is displaying a stamp or equal shall be removed and replaced at the Contractor's sole expense and no additional compensation shall be allowed therefore. Existing improvement to be repaired or replaced shall be at the direction of the Engineering Construction Inspector, and shall comply with all Title 24 Disabled Access provisions. The restoration of all improvements identified by the Engineering Construction Inspector shall be completed before the issuance of a certificate of occupancy. The Owner, Applicant and/or Developer or their representative shall request a walk-through with the Engineering Construction Inspector before the start of construction to verify existing conditions.
45. SITE SUPERVISION: The General Contractor shall provide qualified supervision on the job site at all times during construction.
46. STREET/SIDEWALK CLOSURE: Any proposed blockage or partial closure of the street and/or sidewalk requires an encroachment permit. Special provisions such as limitations on works hours, protective enclosures, or other means to facilitate public access in a safe manner may be required.
47. PLAN CHECK FEES: Plan check fees associated with the Grading Permit shall be deposited with the Engineering Division of the Parks and Public Works Department prior to the commencement of plan check review.

48. INSPECTION FEES: Inspection fees shall be deposited with the Town prior to the issuance of any permits or recordation of the Final Map.
49. DESIGN CHANGES: Any proposed changes to the approved plans shall be subject to the approval of the Town prior to the commencement of any and all altered work. The Owner, Applicant and/or Developer's project engineer shall notify, in writing, the Town Engineer at least seventy-two (72) hours in advance of all the proposed changes. Any approved changes shall be incorporated into the final "as-built" plans.
50. PLANS AND STUDIES: All required plans and studies shall be prepared by a Registered Professional Engineer in the State of California, and submitted to the Town Engineer for review and approval. Additionally, any post-project traffic or parking counts, or other studies imposed by the Planning Commission or Town Council shall be funded by the Owner, Applicant and/or Developer.
51. GRADING PERMIT: A grading permit is required for all site grading and drainage work except for exemptions listed in Section 12.20.015 of The Code of the Town of Los Gatos (Grading Ordinance). After the preceding Architecture and Site Application has been approved by the respective deciding body, the grading permit application (with grading plans and associated required materials and plan check fees) shall be made to the Engineering Division of the Parks and Public Works Department located at 41 Miles Avenue. The grading plans shall include final grading, drainage, retaining wall location(s), driveway, utilities and interim erosion control. Grading plans shall list earthwork quantities and a table of existing and proposed impervious areas. Unless specifically allowed by the Director of Parks and Public Works, the grading permit will be issued concurrently with the building permit. The grading permit is for work outside the building footprint(s). Prior to Engineering signing off and closing out on the issued grading permit, the Owner/Applicant/Developer's soils engineer shall verify, with a stamped and signed letter, that the grading activities were completed per plans and per the requirements as noted in the soils report. A separate building permit, issued by the Building Department, located at 110 E. Main Street, is needed for grading within the building footprint.
52. ILLEGAL GRADING: Per the Town's Comprehensive Fee Schedule, applications for work unlawfully completed shall be charged double the current fee. As a result, the required grading permit fees associated with an application for grading proposed will be charged accordingly.
53. GRADING ACTIVITY RESTRICTIONS: Upon receipt of a grading permit, any and all grading activities and operations shall not commence until after/occur during the rainy season, as defined by Town Code of the Town of Los Gatos, Sec. 12.10.020, (October 15-April

15), has ended.

54. COMPLIANCE WITH HILLSIDE DEVELOPMENT STANDARDS AND GUIDELINES: All grading activities and operations shall be in compliance with Section III of the Town's Hillside Development Standards and Guidelines. All development shall be in compliance with Section II of the Town's Hillside Development Standards and Guidelines.
55. CONSTRUCTION EASEMENT: Prior to the issuance of a grading permit, it shall be the sole responsibility of the Owner, Applicant and/or Developer to obtain any and all proposed or required easements and/or permissions necessary to perform the grading herein proposed. Proof of agreement/approval is required prior to the issuance of any Permit.
56. DRAINAGE STUDY: Prior to the issuance of any grading permits, a drainage study of the project including diversions, off-site areas that drain onto and/or through the project, and justification of any diversions; a drainage study evidencing that the proposed drainage patterns will not overload the existing storm drain facilities; and detailed drainage studies indicating how the project grading, in conjunction with the drainage conveyance systems (including applicable swales, channels, street flows, catch basins, storm drains, and flood water retarding) will allow building pads to be safe from inundation from rainfall runoff which may be expected from all storms up to and including the theoretical 100-year flood.
57. DRAINAGE IMPROVEMENT: Prior to the recordation of a subdivision map (except maps for financing and conveyance purposes only) or prior to the issuance of any grading/improvement permits, whichever comes first, the Owner, Applicant and/or Developer shall: a) design provisions for surface drainage; and b) design all necessary storm drain facilities extending to a satisfactory point of disposal for the proper control and disposal of storm runoff; and c) provide a recorded copy of any required easements to the Town.
58. TREE REMOVAL: Copies of all necessary tree removal permits shall be provided prior to the issuance of a grading permit/building permit.
59. SURVEYING CONTROLS: Horizontal and vertical controls shall be set and certified by a licensed surveyor or registered civil engineer qualified to practice land surveying, for the following items:
    a. Retaining wall: top of wall elevations and locations.
    b. Toe and top of cut and fill slopes.
60. RETAINING WALLS: A building permit, issued by the Building Department at 110 E. Main Street, may be required for site retaining walls. Walls are not reviewed or approved by the Engineering Division of Parks and Public Works during the grading permit plan review process.

61. GENERAL: The Owner, Applicant and/or Developer shall comply with all Town, County, State and Federal laws and regulations applicable to this land division. No other proposed development is included in this particular application of the Certificate of Compliance. Issuance of a Certificate of Compliance will acknowledge the Town's acceptance of the parcel as legally created in accordance with the Subdivision Map Act. Any subsequent development will be required to demonstrate compliance with the Town Development Standards and Codes.
62. CERTIFICATE OF COMPLIANCE: A Certificate of compliance shall be recorded. Two (2) copies of the legal description for each lot configuration, a plat map (8-½ in. X 11 in.) shall be submitted to the Engineering Division of the Parks and Public Works Department for review and approval. The submittal shall include closure calculations, title reports less than ninety (90) days old and the appropriate fee. The certificate shall be recorded prior to the issuance of any permits.
63. FINAL / PARCEL MAP: A final/parcel map shall be recorded. Two (2) copies of the final/parcel map shall be submitted to the Engineering Division of the Parks and Public Works Department for review and approval. Submittal shall include closure calculations, title reports and the appropriate fee. The map shall be recorded prior to the issuance of any grading or building permits. The Applicant/Subdivider shall provide the Engineering Division with an electronic copy (in PDF format) and two hardcopies of the signed recorded map along with a CAD drawing of the Parcel Map after it is recorded.
64. WEST VALLEY SANITATION DISTRICT: All sewer connection and treatment plant capacity fees shall be paid either immediately prior to the recordation of any subdivision or tract maps with respect to the subject property or properties or immediately prior to the issuance of a sewer connection permit, which ever event occurs first. Written confirmation of payment of these fees shall be provided prior to map recordation.
65. PRIVATE UTILITIES–STREET: Prior to the recordation of a subdivision map the Applicant/Developer/Subdivider shall place a note on the map, in a manner that meets the approval of the Town Engineer that states: "The private streets, utilities constructed within this map shall be owned, operated and maintained by the Developer, successors or assigns."
66. DESIGN-LEVEL REPORTS: One copy of a geotechnical and geologic report shall be submitted with the application of each approved lot. The soils report shall include specific criteria and standards governing site grading, drainage, pavement design, retaining wall design, and erosion control. The reports shall be signed and "wet stamped" by the engineer or geologist, in conformance with Section 6735 of the California Business and Professions Code.

67. SOILS ENGINEER CONSTRUCTION OBSERVATION: During construction, all excavations and grading shall be inspected by the Owner, Applicant and/or Developer's soils engineer prior to placement of concrete and/or backfill so they can verify that the actual conditions are as anticipated in the design-level geotechnical report, and recommend appropriate changes in the recommendations contained in the report, if necessary. The results of the construction observation and testing shall be documented in an "as-built" letter/report prepared by the Applicant's soils engineer and submitted to the Town before final release of any occupancy permit is granted.
68. SOIL RECOMMENDATIONS: The project shall incorporate the geotechnical/geological recommendations contained in the Geologic and Geotechnical Feasibility Study by UPP Geotechnology, dated October 4, 2016, and any subsequently required report or addendum. Subsequent reports or addendum are subject to peer review by the Town's consultant and costs shall be borne by the Owner, Applicant and/or Developer.
69. UTILITIES: The Owner, Applicant and/or Developer shall install all new, relocated, or temporarily removed utility services, including telephone, electric power and all other communications lines underground, as required by Town Code Section 27.50.015(b). All new utility services shall be placed underground. Underground conduit shall be provided for cable television service. The Owner, Applicant and/or Developer is required to obtain approval of all proposed utility alignments from any and all utility service providers before a Certificate of Occupancy for any new building can be issued. The Town of Los Gatos does not approve or imply approval for final alignment or design of these facilities.
70. UTILITY SETBACKS: House foundations shall be set back from utility lines a sufficient distance to allow excavation of the utility without undermining the house foundation. The Town Engineer shall determine the appropriate setback based on the depth of the utility, input from the project soils engineer, and the type of foundation.
71. UTILITY EASEMENTS: Deed restrictions shall be placed on lots containing utility easements. The deed restrictions shall specify that no trees, fences, structures or hardscape are allowed within the easement boundaries, and that maintenance access must be provided. The Town will prepare the deed language and the Owner, Applicant and/or Developer's surveyor shall prepare the legal description and plat. The Owner, Applicant and/or Developer shall pay any recordation costs. The documents shall be recorded before any grading or permits are issued.
72. PRIVATE EASEMENTS: Agreements detailing rights, limitations and responsibilities of involved parties shall accompany any proposed private easement. Access driveway shall be within the recorded access easement. A new private access easement shall be

recorded, and a copy of the recorded agreement shall be submitted to the Engineering Division of the Parks and Public Works Department, prior to issuance of building permit or realigned access driveway shall be completed prior to the issuance of building permit.

73. QUITCLAIM OF EASEMENTS: The Owner, Applicant and/or Developer has/have indicated that 4 easement(s) will be abandoned. This abandonment shall be recorded, and a copy of the recorded quitclaim shall be submitted to the Engineering Division of the Parks and Public Works Department, prior to issuance of building permit.
74. SIDEWALK REPAIR: The Owner, Applicant and/or Developer shall repair and replace to existing Town standards any sidewalk damaged now or during construction of this project. All new and existing adjacent infrastructure must meet current ADA standards. Sidewalk repair shall match existing color, texture and design, and shall be constructed per Town Standard Details. New concrete shall be free of stamps, logos, names, graffiti, etc. Any concrete identified that is displaying a stamp or equal shall be removed and replaced at the Contractor's sole expense and no additional compensation shall be allowed therefore. The limits of sidewalk repair will be determined by the Engineering Construction Inspector during the construction phase of the project. The improvements must be completed and accepted by the Town before a Certificate of Occupancy for any new building can be issued.
75. CURB AND GUTTER REPAIR: The Owner, Applicant and/or Developer shall repair and replace to existing Town standards any curb and gutter damaged now or during construction of this project. All new and existing adjacent infrastructure must meet Town standards. New curb and gutter shall be constructed per Town Standard Details. New concrete shall be free of stamps, logos, names, graffiti, etc. Any concrete identified that is displaying a stamp or equal shall be removed and replaced at the Contractor's sole expense and no additional compensation shall be allowed therefore. The limits of curb and gutter repair will be determined by the Engineering Construction Inspector during the construction phase of the project. The improvements must be completed and accepted by the Town before a Certificate of Occupancy for any new building can be issued.
76. FENCING: Any fencing proposed within two hundred (200) feet of an intersection shall comply with Town Code Section §23.10.080.
77. SIGHT TRIANGLE AND TRAFFIC VIEW AREA: Any proposed improvements, including but not limiting to trees and hedges, will need to abide by Town Code Sections 23.10.080, 26.10.065, and 29.40.030.
78. FENCES: Fences between all adjacent parcels will need to be located on the property lines/boundary lines. Any existing fences that encroach into the neighbor's property will

need to be removed and replaced to the correct location of the boundary lines before a Certificate of Occupancy for any new building can be issued. Waiver of this condition will require signed and notarized letters from all affected neighbors.

79. TRAFFIC IMPACT MITIGATION FEE: Prior to the issuance of a/any building/grading permit(s), the Owner/Applicant/Developer shall pay the project's proportional share of transportation improvements needed to serve cumulative development within the Town of Los Gatos. The fee amount will be based upon the Town Council resolution in effect at the time the building permit is issued. The fee shall be paid before issuance of a/any building permit(s). The final traffic impact mitigation fee for this project shall be calculated from the final plans using the current fee schedule and rate schedule in effect at the time the building permit is issued, using a comparison between the existing and proposed uses.

80. PRECONSTRUCTION PAVEMENT SURVEY: Prior to issuance of a Grading Permit, the project applicant shall complete a pavement condition survey documenting the extent of existing pavement defects using a 35-mm, smartphone video (in Landscape orientation only) or digital video camera. The survey shall extend Santella Drive, Santella Court, Shady Lane, and Greenridge Terrace.

81. POSTCONSTRUCTION PAVEMENT SURVEY: The project applicant shall complete a pavement condition survey and pavement deflection analysis to determine whether road damage occurred as a result of project construction and whether there were changes in pavement strength. Rehabilitation improvements required to restore the pavement to pre-construction condition and strength shall be determined using State of California procedures for deflection analysis. The results shall be documented in a report and submitted to the Town for review and approval before a Certificate of Occupancy for any new building can be issued. The Applicant shall be responsible for completing any required road repairs prior to release of the faithful performance bond.

82. CONSTRUCTION VEHICLE PARKING: No construction vehicles, trucks, equipment and worker vehicles shall be allowed to park on the portion of any public (Town) streets without written approval from the Town Engineer.

83. TRAFFIC CONTROL PLAN: A traffic control plan is required and must be submitted and approved by the Town Engineer prior to the issuance of an encroachment, grading or building permit. This plan shall include, but not be limited to, the following measures:

    a. Construction activities shall be strategically timed and coordinated to minimize traffic disruption for schools, residents, businesses, special events, and other projects in the area. The schools located on the haul route shall be contacted to help with the coordination of the trucking operation to minimize traffic disruption.

b. Flag persons shall be placed at locations necessary to control one-way traffic flow. All flag persons shall have the capability of communicating with each other to coordinate the operation.
c. Prior to construction, advance notification of all affected residents and emergency services shall be made regarding one-way operation, specifying dates and hours of operation.
d. CONSTRUCTION TRAFFIC CONTROL: All construction traffic and related vehicular routes, traffic control plan, and applicable pedestrian or traffic detour plans shall be submitted for review and approval by the Town Engineer prior to the issuance of an encroachment, grading or building permit.
e. ADVANCE NOTIFICATION: Advance notification of all affected residents and emergency services shall be made regarding parking restriction, lane closure or road closure, with specification of dates and hours of operation.

84. HAULING OF SOIL: Hauling of soil on- or off-site shall not occur during the morning or evening peak periods (between 7:00 a.m. and 9:00 a.m. and between 4:00 p.m. and 6:00 p.m.), and at other times as specified by the Director of Parks and Public Works. Prior to the issuance of an encroachment, grading or building permit, the Developer or their representative shall work with the Town Building Department and Engineering Division Inspectors to devise a traffic control plan to ensure safe and efficient traffic flow under periods when soil is hauled on or off the project site. This may include, but is not limited to provisions for the Developer to place construction notification signs noting the dates and time of construction and hauling activities, or providing additional traffic control. Coordination with other significant projects in the area may also be required. Cover all trucks hauling soil, sand and other loose debris.

85. CONSTRUCTION HOURS: All subdivision improvements and site improvements construction activities, including the delivery of construction materials, labors, heavy equipment, supplies, etc., shall be limited to the hours of 8:00 a.m. to 8:00 p.m., weekdays and 9:00 a.m. to 7:00 p.m. weekends and holidays. The Town may authorize, on a case-by-case basis, alternate construction hours. The Owner, Applicant and/or Developer shall provide written notice twenty-four (24) hours in advance of modified construction hours. Approval of this request is at discretion of the Town.

86. CONSTRUCTION NOISE: Between the hours of 8:00 a.m. to 8:00 p.m., weekdays and 9:00 a.m. to 7:00 p.m. weekends and holidays, construction, alteration or repair activities shall be allowed. No individual piece of equipment shall produce a noise level exceeding eighty-five (85) dBA at twenty-five (25) feet from the source. If the device is located within a structure on the property, the measurement shall be made at distances

as close to twenty-five (25) feet from the device as possible. The noise level at any point outside of the property plane shall not exceed eighty-five (85) dBA.

87. CONSTRUCTION MANAGEMENT PLAN SHEET: Prior to the issuance of any encroachment, grading or building permits, the Developer's design consultant shall submit a construction management plan sheet (full-size) within the plan set that shall incorporate at a minimum the Earth Movement Plan, Traffic Control Plan, Project Schedule, site security fencing, employee parking, construction staging area, materials storage area(s), construction trailer(s), concrete washout(s) and proposed outhouse locations. Please refer to the Town's Construction Management Plan Guidelines document for additional information.

88. SHARED PRIVATE STREET: The private street accessing the Project Site shall be kept open and in a safe, drive-able condition throughout construction. If temporary closure is needed, then formal written notice shall be provided at least one week in advance of closure.

89. EMERGENCY VEHICLE ACCESS: The Emergency Vehicle Access Easement that traverses the Project Site shall be kept open and in a safe, drive-able condition throughout construction. If temporary closure is needed, then formal written notice shall be provided at least one week in advance of closure.

90. EMERGENCY VEHICLE ACCESS EASEMENT: Prior to the issuance of any permits, the Owner, Applicant and/or Developer shall coordinate with the Santa Clara County Fire Department to ensure that any proposed modifications to the Emergency Vehicle Access Easement that traverses the Project Site are curvilinear, allows for the Department's equipment to travel across said easement, and meets all Department specifications. Plans shall be submitted to the Santa Clara County Fire Department for approval prior to construction.

91. WVSD (West Valley Sanitation District): Sanitary sewer laterals are televised by West Valley Sanitation District and approved by the Town of Los Gatos before they are used. A Sanitary Sewer Clean-out is required for each property at the property line, within one (1) foot of the property line per West Valley Sanitation District Standard Drawing 3, or at a location specified by the Town.

92. SANITARY SEWER BACKWATER VALVE: Drainage piping serving fixtures which have flood level rims less than twelve (12) inches (304.8 mm) above the elevation of the next upstream manhole and/or flushing inlet cover at the public or private sewer system serving such drainage piping shall be protected from backflow of sewage by installing an approved type backwater valve. Fixtures above such elevation shall not discharge through the backwater valve, unless first approved by the Building Official. The Town

shall not incur any liability or responsibility for damage resulting from a sewer overflow where the property owner or other person has failed to install a backwater valve as defined in the Uniform Plumbing Code adopted by the Town and maintain such device in a functional operation condition. Evidence of West Sanitation District's decision on whether a backwater device is needed shall be provided prior to the issuance of a building permit.

93. STORMWATER MANAGEMENT: Construction activities including but not limited to clearing, stockpiling, grading or excavation of land, which disturbs one (1) acre or more which are part of a larger common plan of development which disturbs less than one (1) acre are required to obtain coverage under the construction general permit with the State Water Resources Control Board. The Owner, Applicant and/or Developer is required to provide proof of WDID# and keep a current copy of the storm water pollution prevention plan (SWPPP) on the construction site and shall be made available to the Town of Los Gatos Engineering Division of the Parks and Public Works Department and/or Building Department upon request.

94. BEST MANAGEMENT PRACTICES (BMPs): The Owner, Applicant and/or Developer is responsible for ensuring that all contractors are aware of all storm water quality measures and that such measures are implemented. Best Management Practices (BMPs) shall be maintained and be placed for all areas that have been graded or disturbed and for all material, equipment and/or operations that need protection. Removal of BMPs (temporary removal during construction activities) shall be replaced at the end of each working day. Failure to comply with the construction BMP will result in the issuance of correction notices, citations, or stop work orders.

95. SITE DESIGN MEASURES: All projects shall incorporate at least one of the following measures:
    a. Protect sensitive areas and minimize changes to the natural topography.
    b. Minimize impervious surface areas.
    c. Direct roof downspouts to vegetated areas.
    d. Use porous or pervious pavement surfaces on the driveway, at a minimum.
    e. Use landscaping to treat stormwater.

96. STORMWATER DEVELOPMENT RUNOFF: All new development and redevelopment projects are subject to the stormwater development runoff requirements. Every Owner, Applicant and/or Developer or their design consultant shall submit a stormwater control plan and implement conditions of approval that reduce stormwater pollutant discharges through the construction, operation and maintenance of treatment measures and other appropriate source control and site design measures. Increases in runoff volume and

flows shall be managed in accordance with the development runoff requirements.

97. BIORETENTION SYSTEM: The bioretention system shall be designed to have a surface area no smaller than what is required to accommodate a 5 inches/hour stormwater runoff surface loading rate, infiltrate runoff through bioretention soil media at a minimum of 5 inches per hour, and maximize infiltration to the native soil during the life of the project. The soil media for bioretention system shall be designed to sustain healthy, vigorous plant growth and maximize stormwater runoff retention and pollutant removal. Bioretention soil media that meets the minimum specifications set forth in Attachment L of Order No. R2-2009-0074, dated November 28, 2011, shall be used.

98. INFILTRATION TRENCHES: The following requirements apply to the proposed infiltration trenches:

    a. Prior to completion of the Final Stormwater Control Plan, a geotechnical engineer shall review the design of the infiltration trenches and retaining walls along the portion of the road within the property boundary and determine whether additional structural supports are needed to ensure stability of the road and the adjacent hillside during the wet season.
    b. The assumed infiltration rate of 1.33 in/hour shall be verified with actual site-specific soils data prior to the Final Stormwater Control Plan for the road and development on each lot, and if the infiltration rate is lower than 0.67 in/hour, a hydrologic analysis shall be conducted to ensure that the proposed trench sizes are adequate.
    c. If the lots are to be developed individually, each lot shall provide infiltration trenches consistent with the final stormwater control plan for the project, sized based on the actual amount of impervious surface to be created on the lot.
    d. The road and infiltration trenches shall be protected from sediment generated during construction of homes on the lots. The proposed source control measures shall be indicated on the project plans.
    e. Maintenance of stormwater treatment and the infiltration trenches shall be the responsibility of the property owner and/or future property owners. A maintenance agreement shall be prepared establishing the property owner or owners' responsibility.

99. UNLAWFUL DISCHARGES: It is unlawful to discharge any wastewater, or cause hazardous domestic waste materials to be deposited in such a manner or location as to constitute a threatened discharge, into storm drains, gutters, creeks or the San Francisco Bay. Unlawful discharges to storm drains include, but are not limited to: discharges from toilets, sinks, industrial processes, cooling systems, boilers, fabric cleaning, equipment cleaning or vehicle cleaning.

100. LANDSCAPING: In finalizing the landscape plan for the biotreatment area(s), it is recommended that the landscape architect ensure that the characteristics of the selected plants are similar to those of the plants listed for use in bioretention areas in Appendix D of the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP) C.3 Stormwater Handbook.

101. EROSION CONTROL: Interim and final erosion control plans shall be prepared and submitted to the Engineering Division of the Parks and Public Works Department. A maximum of two (2) weeks is allowed between clearing of an area and stabilizing/building on an area if grading is allowed during the rainy season. Interim erosion control measures, to be carried out during construction and before installation of the final landscaping, shall be included. Interim erosion control method shall include, but are not limited to: silt fences, fiber rolls (with locations and details), erosion control blankets, Town standard seeding specification, filter berms, check dams, retention basins, etc. Provide erosion control measures as needed to protect downstream water quality during winter months. The Town of Los Gatos Engineering Division of the Parks and Public Works Department and the Building Department will conduct periodic NPDES inspections of the site throughout the recognized storm season to verify compliance with the Construction General Permit and Stormwater ordinances and regulations.

102. DUST CONTROL: Blowing dust shall be reduced by timing construction activities so that paving and building construction begin as soon as possible after completion of grading, and by landscaping disturbed soils as soon as possible. Further, water trucks shall be present and in use at the construction site. All portions of the site subject to blowing dust shall be watered as often as deemed necessary by the Town, or a minimum of three (3) times daily, or apply (non-toxic) soil stabilizers on all unpaved access roads, parking areas, and staging areas at construction sites in order to insure proper control of blowing dust for the duration of the project. Watering on public streets shall not occur. Streets shall be cleaned by street sweepers or by hand as often as deemed necessary by the Town Engineer, or at least once a day. Watering associated with on-site construction activity shall take place between the hours of 8 a.m. and 5 p.m. and shall include at least one (1) late-afternoon watering to minimize the effects of blowing dust. All public streets soiled or littered due to this construction activity shall be cleaned and swept on a daily basis during the workweek to the satisfaction of the Town. Demolition or earthwork activities shall be halted when wind speeds (instantaneous gusts) exceed twenty-five (25) miles per hour (MPH). All trucks hauling soil, sand, or other loose debris shall be covered.

103. AIR QUALITY: To limit the project's construction-related dust and criteria pollutant

emissions, the following the Bay Area Air Quality Management District (BAAQMD)-recommended basic construction measures shall be included in the project's grading plan, building plans, and contract specifications:

a. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day, or otherwise kept dust-free.
b. All haul trucks designated for removal of excavated soil and demolition debris from site shall be staged off-site until materials are ready for immediate loading and removal from site.
c. All haul trucks transporting soil, sand, debris, or other loose material off-site shall be covered.
d. As practicable, all haul trucks and other large construction equipment shall be staged in areas away from the adjacent residential homes.
e. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day, or as deemed appropriate by Town Engineer. The use of dry power sweeping is prohibited. An on-site track-out control device is also recommended to minimize mud and dirt-track-out onto adjacent public roads.
f. All vehicle speeds on unpaved surfaces shall be limited to 15 mph.
g. All driveways and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
h. Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.
i. All excavation, grading, and/or demolition activities shall be suspended when average wind speeds exceed 20 mph.
j. Vegetative ground cover (e.g., fast-germinating native grass seed) shall be planted in disturbed areas as soon as possible and watered appropriately until vegetation is established.

104. DETAILING OF STORMWATER MANAGEMENT FACILITIES: Prior to the issuance of any permits, all pertinent details of any and all proposed stormwater management facilities, including, but not limited to, ditches, swales, pipes, bubble-ups, dry wells, outfalls, infiltration trenches, detention basins and energy dissipaters, shall be provided on submitted plans, reviewed by the Engineering Division of the Parks and Public Works

Department, and approved for implementation.

105. CONSTRUCTION ACTIVITIES: All construction shall conform to the latest requirements of the CASQA Stormwater Best Management Practices Handbooks for Construction Activities and New Development and Redevelopment, the Town's grading and erosion control ordinance, and other generally accepted engineering practices for erosion control as required by the Town Engineer when undertaking construction activities.

106. STORM WATER MANAGEMENT PLAN: A storm water management shall be included with the grading permit application for all Group 1 and Group 2 projects as defined in the amended provisions C.3 of the Municipal Regional Stormwater NPDES Permit, Order R2-2015-0049, NPDES Permit No. CAS612008. The plan shall delineate source control measures and BMPs together with the sizing calculations. The plan shall be certified by a professional pre-qualified by the Town. In the event that the storm water measures proposed on the Planning approval differ significantly from those certified on the Building/Grading Permit, the Town may require a modification of the Planning approval prior to release of the Building Permit. The Owner, Applicant and/or Developer may elect to have the Planning submittal certified to avoid this possibility.

107. STORM WATER MANAGEMENT PLAN NOTES: The following note shall be added to the storm water management plan: “The biotreatment soil mix used in all stormwater treatment landscapes shall comply with the specifications in Attachment L of the MRP. Proof of compliance shall be submitted by the Contractor to the Town of Los Gatos a minimum of thirty (30) days prior to delivery of the material to the job site using the Biotreatment Soil Mix Supplier Certification Statement.”

108. STORM WATER MANAGEMENT PLAN CERTIFICATION: Certification from the biotreatment soils provider is required and shall be given to Engineering Division Inspection staff a minimum of thirty (30) days prior to delivery of the material to the job site. Additionally deliver tags from the soil mix shall also be provided to Engineering Division Inspection staff. Sample Certification can be found here: http://www.scvurppp-w2k.com/nd_wp.shtml?zoom_highlight=BIOTREATMENT+SOIL.

109. AGREEMENT FOR STORMWATER BEST MANAGEMENT PRACTICES INSPECTION AND MAINTENANCE OBLIGATIONS: The property owner/homeowner’s association shall enter into an agreement with the Town for maintenance of the stormwater filtration devices required to be installed on this project by the Town’s Stormwater Discharge Permit and all current amendments or modifications. The agreement shall specify that certain routine maintenance shall be performed by the property owner/homeowner’s association and shall specify device maintenance reporting requirements. The agreement shall also specify routine inspection requirements, permits and payment of

fees. The agreement shall be recorded, and a copy of the recorded agreement shall be submitted to the Engineering Division of the Parks and Public Works Department, prior to the release of any occupancy permits.

110. MAINTENANCE OF PRIVATE STREETS: It is the responsibility of the property owner(s)/homeowners association to implement a plan for street sweeping of paved private roads and cleaning of all storm drain inlets.
111. SILT AND MUD IN PUBLIC RIGHT-OF-WAY: It is the responsibility of Contractor and homeowner to make sure that all dirt tracked into the public right-of-way is cleaned up on a daily basis. Mud, silt, concrete and other construction debris SHALL NOT be washed into the Town's storm drains.
112. GOOD HOUSEKEEPING: Good housekeeping practices shall be observed at all times during the course of construction. All construction shall be diligently supervised by a person or persons authorized to do so at all times during working hours. The Owner, Applicant and/or Developer's representative in charge shall be at the job site during all working hours. Failure to maintain the public right-of-way according to this condition may result in penalties and/or the Town performing the required maintenance at the Developer's expense.
113. PERMIT ISSUANCE: Permits for each phase; reclamation, landscape, and grading, shall be issued simultaneously.
114. COVERED TRUCKS: All trucks transporting materials to and from the site shall be covered.
115. FUTURE STUDIES: Any post-project traffic or parking counts, or other studies imposed by Planning Commission or Town Council shall be funded by the Applicant.
116. UTILITY COMPANY REVIEW: Letters from the electric, telephone, cable, and trash companies indicating that the proposed improvements and easements are acceptable shall be provided prior to the recordation of the final / parcel map.
117. ABOVE GROUND UTILITIES: The Owner, Applicant and/or Developer shall submit a seventy-five (75) percent progress printing to the Town for review of above ground utilities including backflow prevention devices, fire department connections, gas and water meters, off-street valve boxes, hydrants, site lighting, electrical/communication/cable boxes, transformers, and mail boxes. Above ground utilities shall be reviewed and approved by the Community Development Department prior to issuance of any permit.
118. PRIVATE EASEMENTS: Agreements detailing rights, limitations, and responsibilities of involved parties shall accompany each private easement. The easements and associated agreements shall be recorded simultaneously with the final / parcel map. A copy of the

recorded agreement(s) shall be submitted to the Engineering Division of the Parks and Public Works Department prior to the issuance of any permit.

119. PUBLIC STREET LIGHTING: Public street lighting will not be required/allowed per General Plan update and Hillside designation. On-lot lighting shall be incorporated and promoted.
120. PERCOLATION TESTING: Onsite percolation testing should be performed during the design phase to validate the fractured bedrock infiltration rates and support the infiltration trench design.
121. STORMWATER FACILITY SIZING: The treatment and hydromodification management facility sizing should be confirmed during the design phase, including rerunning the BAHM model with appropriate parameters.

TO THE SATISFACTION OF THE SANTA CLARA COUNTY FIRE DEPARTMENT:

122. FIRE APPARATUS (ENGINE) ACCESS ROAD REQUIRED: In all cases, the minimum requirements are found in the currently adopted edition of the California Fire Code Sec. 503, as amplified in the SCCFD SD&S A-1. All such roadways shall be a minimum of 20 feet in width, a minimum vertical clearance of 13’6”, maximum grade of 15%, with a minimum circulating outside radius of 42’. All such roadways shall be capable of supporting a maximum imposed load of 75,000 pounds and where a bridge or an elevated surface is part of a fire apparatus access road, the bridge shall be constructed and maintained in accordance with AASHTO HB-17.
123. WILDLAND-URBAN INTERFACE: This project is located within the designated Wildland-Urban Interface Fire Area. The building construction shall comply with the provisions of Section R327 of the California Residential Code or the California Building Code (CBC) Chapter 7A., as applicable. Note that vegetation clearance shall be in compliance with CBC Section 701A.3.2.4 prior to project final approval. Check with the Planning Department for related landscape plan requirements.
124. FIRE HYDRANT(S) AVAILABLE: The number of fire hydrants available to a complex or subdivision shall not be less than that determined by spacing requirements listed in CFC Table C105.1 when applied to fire apparatus access roads and perimeter public streets from which fire operations could be conducted. Existing fire hydrants on public streets are allowed to be considered as available. The average spacing between fire hydrants shall not exceed that listed in Table C105. Hydrants shall be a maximum of 500 feet from each other, as measured along the curb line. Fire protection water supplies shall be subject to approval by the Santa Clara County Fire Department and shall comply with

locally adopted Standards and CFC Sec. 507.

125. TURNING RADIUS (CUL-DE-SACS): The minimum outside turning radius is 36 feet. Use of cul-de-sacs is not acceptable where it is determined by the Fire Department that Ladder Truck access is required, unless greater turning radius is provided. Cul-de-sacs diameters shall be no less than 72 feet. CFC Sec. 503.

126. EMERGENCY ACCESS/DRIVEWAYS: The minimum clear width of fire department access roads shall be 20 feet. Modifications to the design or width of a fire access road, or additional access road(s) may be required when the Fire Code official determines that access to the site or a portion thereof may become compromised due to emergency operations or nearby natural or manmade hazards (floor prone areas, railway crossings, bridge failures, hazardous material-related incidents, etc.). The vertical clearance shall be in accordance with the Fire Code, 13 feet, 6 inches.

127. FIRE DEPARTMENT (ENGINE) DRIVEWAY TURNAROUND REQUIRED: Provide an approved fire department engine driveway turnaround with a minimum radius of 36 feet outside and 23 feet inside. Maximum grade in any direction shall be a maximum of 5 percent. Installations shall conform with Fire Department Standard Details and Specifications D-1. CFC Sec. 503.

128. CONSTRUCTION FIRE SAFETY: All construction sites must comply with applicable provisions of the CFC Chapter 33 and our Standard Detail and Specification SI-7. Provide appropriate notations on subsequent plan submittals, as appropriate to the project. CFC Chp. 33.

SECTION VII

This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the ___ day of _____ 2026, and adopted by the following vote as an Ordinance of the Town of Los Gatos at a meeting of the Town Council of the Town of Los Gatos on the ___ day of _____ 2026, and becomes effective 30 days after it is adopted. In lieu of publication of the full text of the Ordinance within fifteen (15) days after its passage, a summary of the Ordinance may be published at least five (5) days prior to and fifteen (15) days after adoption by the Town Council and a certified copy shall be posted in the office of the Town Clerk, pursuant to GC 36933(c)(1).

COUNCIL MEMBERS:
AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

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

DATE: _____

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Draft Ordinance: subject to modification by Town Council based on deliberations and direction

**DRAFT ORDINANCE**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AMENDING THE ZONING CODE EFFECTING A ZONE CHANGE FROM HR-2½:PD (HILLSIDE RESIDENTIAL, TWO AND ONE-HALF TO 10 ACRES FOR EACH DWELLING UNIT, PLANNED DEVELOPMENT) TO HR-1 (HILLSIDE RESIDENTIAL, ONE TO FIVE ACRES FOR EACH DWELLING UNIT) FOR A PORTION OF PROPERTY LOCATED AT 16084 GREENRIDGE TERRACE.**

**WHEREAS,** the applicant requests approval to change the zoning from HR-2½:PD (Hillside Residential, two and one-half to 10 acres for each dwelling unit, planned development) to HR-1 (Hillside Residential, one to five acres for each dwelling unit) for a portion of property being added to 16084 Greenridge Terrace through approval of Lot Line Adjustment application M-25-006 between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) as shown in Exhibit A; and

**WHEREAS,** the Planning Commission recommended approval of the zone change at its regularly noticed public hearing on January 14, 2026, finding that the HR-1 (Hillside Residential, one to five acres for each dwelling unit) zoning is consistent with the zoning of property at 16084 Greenridge Terrace and the neighboring properties; and

**WHEREAS,** this matter was regularly noticed in conformance with State and Town law and came before the Town Council for public hearing on _____, 2026; and

**WHEREAS,** the Town Council accepted the report of the Planning Commission's recommendation of approval for the proposed zone change; and

**WHEREAS,** the Town Council considered all facts and information related to a request to change the zoning from HR-2½:PD (Hillside Residential, two and one-half to 10 acres for each dwelling unit, planned development) to HR-1 (Hillside Residential, one to five acres for each dwelling unit) for a portion of property being added to 16084 Greenridge Terrace through approval of Lot Line Adjustment application M-25-006 between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) as shown on Exhibit A.

**NOW, THEREFORE, THE TOWN COUNCIL OF THE TOWN OF LOS GATOS DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION I. Legislative Findings.**

A. With regard to CEQA, there is no possibility that this project will have a significant impact on the environment; therefore, the project is not subject to the California Environmental Quality Act, Section 15061 (b)(3), in that it can be seen with certainty that there is no possibility that the proposed zone change will have a significant effect on the environment, because the project does not include any physical development.

B. With regard to required consistency with the Town's General Plan, the zone change is consistent with the General Plan and its Elements, including but not limited to Goals LU-1, LU-6, and CD-14, and Policies LU-6.1, LU-6.4, LU-6.5, CD-14.1, and CD-14.2.

**SECTION II. Zone Change.**

The Town Code of the Town of Los Gatos is hereby amended to change the zoning from HR-2½:PD (Hillside Residential, two and one-half to 10 acres for each dwelling unit, planned development) to HR-1 (Hillside Residential, one to five acres for each dwelling unit) for a portion of property being added to 16084 Greenridge Terrace through approval of Lot Line Adjustment application M-25-006 between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) as shown on Exhibit A.

**SECTION III. Severability.**

In the event that a court of competent jurisdiction holds any Section, subsection, paragraph, sentence, clause, or phrase in this Ordinance unconstitutional, preempted, or otherwise invalid, the invalid portion shall be severed from this Ordinance and shall not affect the validity of the remaining portions of this Ordinance. The Town hereby declares that it would have adopted each Section, subsection, paragraph, sentence, clause, or phrase in this Ordinance irrespective of the fact that any one or more Sections, subsections, paragraphs,

sentences, clauses, or phrases in this Ordinance might be declared unconstitutional, preempted, or otherwise invalid.

**SECTION IV. Publication.**

In accordance with Section 36937 of the Government Code of the State of California, this Ordinance takes effect 30 days from the date of its passage. The Town Council hereby directs the Town Clerk to cause this Ordinance or a summary thereof to be published or posted in accordance with Section 36933 of the Government Code of the State of California.

**SECTION V. Effective Date.**

This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the ___ day of _____ 2026, and adopted by the Town Council of the Town of Los Gatos on the ____ day of _____ 2026, 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: _____

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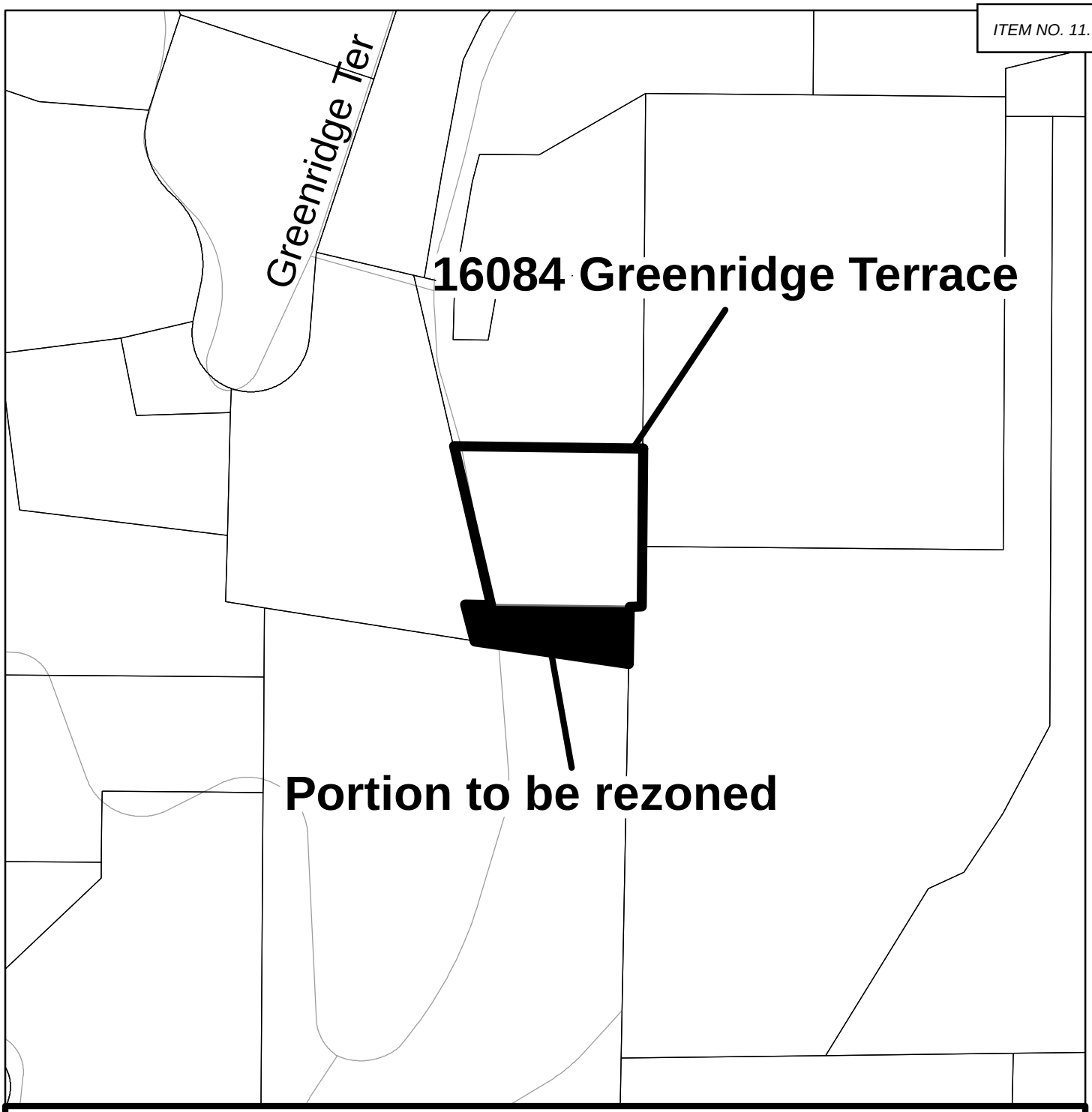


# TOWN OF LOS GATOS

**Application No.** Z-25-001 **A.P.N. #** 527-12-004

**Change of zoning map amending the Town Zoning Ordinance.**

☒ **Zone Change** **From: HR2-1/2:PD** **To: HR-1**

☐ **Prezoning**

N

**Forwarded by Planning Commission** **Date:**

**Approved by Town Council** **Date:** **Ord:**

**Clerk Administrator** **Mayor**



EXHIBIT A

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Draft Resolution to be modified by Town Council deliberations and direction.

**RESOLUTION 2026-**

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS APPROVING LOT LINE ADJUSTMENT APPLICATION M-25-006 TO ADJUST COMMON PROPERTY LINES BETWEEN 16300 GREENRIDGE TERRACE, 16084 GREENRIDGE TERRACE, AND 240 LA TERRA COURT.**

**WHEREAS,** the applicant requests approval of Lot Line Adjustment application M-25-006 to adjust the common lot line between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) and to adjust the common lot line between 16300 Greenridge Terrace and 240 La Terra Court (Santa Clara County Assessor Parcel Numbers 527-12-003 and 527-12-004) as shown in Exhibit A; and

**WHEREAS,** the Planning Commission recommended approval of Lot Line Adjustment application M-25-006 at its regularly noticed public hearing on January 14, 2026, making the required findings and determinations; and

**WHEREAS,** this matter was regularly noticed in conformance with State and Town law and came before the Town Council for public hearing on _____, 2026; and

**WHEREAS,** the Town Council accepted the report of the Planning Commission's recommendation of approval for the proposed Lot Line Adjustment; and

**WHEREAS,** the Town Council considered all facts and information related to a request to adjust the common lot line between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) and to adjust the common lot line between 16300 Greenridge Terrace and 240 La Terra Court (Santa Clara County Assessor Parcel Numbers 527-12-003 and 527-12-004) as shown in Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED,** that the Town Council hereby approves Lot Line Adjustment application M-25-006 to adjust the common lot line between 16084 and 16300 Greenridge Terrace (Santa Clara County Assessor Parcel Numbers 527-15-002 and 527-12-003) and to adjust the common lot line between 16300 Greenridge Terrace and 240 La Terra Court (Santa Clara County Assessor Parcel Numbers 527-12-003 and 527-12-004) as shown in Exhibit A.

Finding for the California Environmental Quality Act (CEQA):

1. The request for a Lot Line Adjustment is Statutorily Exempt from CEQA as a ministerial approval in accordance with Public Resources Code Section 21080 (b)(1) (CEQA Statute) and CEQA Guidelines Section 15268

Finding for Consistency with the Town's General Plan:

1. That the lot line adjustment is consistent with the existing goals and policies of the General Plan and its corresponding Elements, including but not limited to Goals LU-1, LU-6, and CD-14, and Policies LU-6.1, LU-6.4, LU-6.5, CD-14.1, and CD-14.2.

Determinations for compliance with the Subdivision Map Act's provisions regarding lot line adjustments as set forth in Government Code Section 66412 (d):

1. **That the lot line adjustment is between four or fewer existing adjoining parcels, where the land taken from one parcel is added to an adjoining parcel, and where a greater number of parcels than originally existed is not thereby created:**

   The lot line adjustment is between three adjoining parcels. The land taken from one parcel is being added to the adjoining parcel, and three parcels will remain as a result.

2. **That the parcels resulting from the lot line adjustment will conform to the local general plan:**

   The lot line adjustment is consistent with the existing goals and policies of the General Plan and its corresponding Elements, including but not limited to Goals LU-1, LU-6, and CD-14, and Policies LU-6.1, LU-6.4, LU-6.5, CD-14.1, and CD-14.2

3. **That the parcels resulting from the lot line adjustment will conform to any applicable specific plans:**

   The parcels resulting from the lot line adjustment will conform with the Hillside Specific Plan.

4. **That the parcels resulting from the lot line adjustment will conform to any applicable coastal plan:**

   The Town has no applicable coastal plan to which the lot line adjustment must conform.

**5. That the parcels resulting from the lot line adjustment will conform to zoning and building ordinances.**

The three parcels resulting from the lot line adjustment will be in conformance with the Town's Zoning and Building Ordinances.

**PASSED AND ADOPTED** at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the ___ day of _____, 2026, 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: _____

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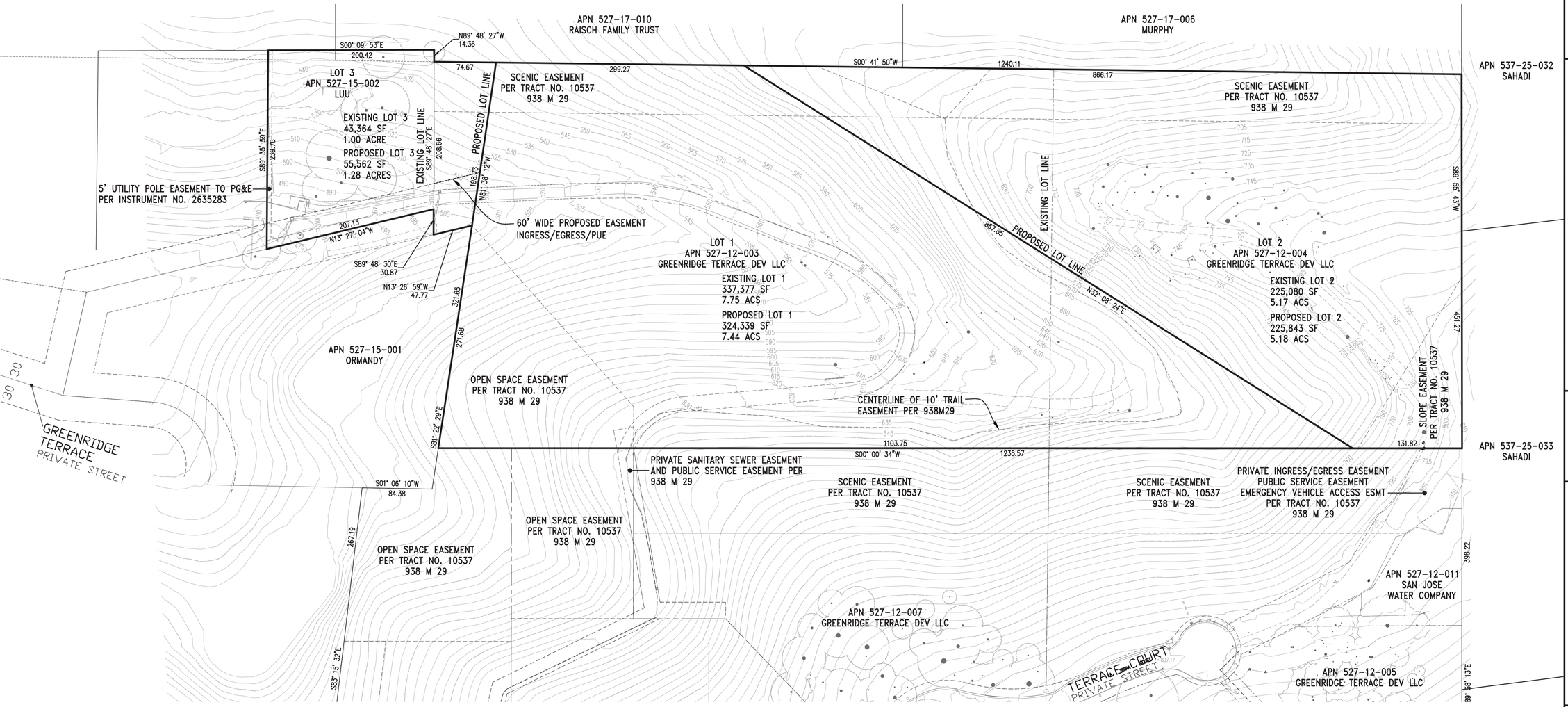
CONTRACTOR AGREES THAT HE SHALL ASSUME SOLE AND COMPLETE RESPONSIBILITY FOR JOB SITE CONDITIONS DURING THE COURSE OF CONSTRUCTION OF THIS PROJECT, INCLUDING SAFETY OF ALL PERSONS AND PROPERTY; THAT THIS REQUIREMENT SHALL APPLY CONTINUOUSLY AND NOT BE LIMITED TO NORMAL WORKING HOURS; AND THAT THE CONTRACTOR SHALL DEFEND, INDEMNIFY AND HOLD THE OWNER AND THE ENGINEER HARMLESS FROM ANY AND ALL LIABILITY, REAL OR ALLEGED, IN CONNECTION WITH THE PERFORMANCE OF WORK ON THIS PROJECT, EXCEPTING FOR LIABILITY ARISING FROM THE SOLE NEGLIGENCE OF THE OWNER OR THE ENGINEER.




| | EX GROSS SQ FT | NEW GROSS SQ FT | EX NET SQ FT | NEW NET SQ FT | EX AVERAGE SLOPE | NEW AVERAGE SLOPE | EX FLOOR AREA | NEW FLOOR AREA | ALLOWABLE FLOOR AREA |
|---|---|---|---|---|---|---|---|---|---|
| LOT 1 | 337,377 | 324,339 | 337,377 | 324,339 | 42.8% | 45.2% | 0 | 0 | 6,000 |
| LOT 2 | 225,080 | 225,843 | 225,080 | 225,843 | 47.4% | 45.4% | 0 | 0 | 6,000 |
| LOT 3 | 43,364 | 55,562 | 43,364 | 55,562 | 41.3% | 39.4% | 0 | 0 | 6,000 |

GRAPHIC SCALE

60 0 30 60 120 240

( IN FEET )
1 inch = 60 ft.

DATE: APRIL 2025
SCALE: 1"=60'
DESIGN: XX
DRAWN: XX
CHECK: XX
ENGR: XX
PROJECT NO.: 25014

# LOT LINE ADJUSTMENT
## LOT 1 - 16300 GREENRIDGE TERRACE
## LOT 2 - 240 LA TERRA COURT
## LOT 3 - 16084 GREENRIDGE TERRACE

PARKS AND PUBLIC WORKS DEPARTMENT
TOWN OF LOS GATOS

DATE
BY
REVISIONS

SHEET 1 OF 1



REV.: SEPT. 2016

EXHIBIT 10

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A P P E A R A N C E S:

| | |
|---|---|
| Los Gatos Planning Commissioners: | Emily Thomas, Chair<br>Kendra Burch, Vice Chair<br>Jeffrey Barnett<br>Susan Burnett<br>Adam Mayer<br>Joseph Sordi<br>Rob Stump |
| Community Development Director: | Joel Paulson |
| Town Attorney: | Gabrielle Whelan |
| Transcribed by: | Vicki L. Blandin<br>(619) 541-3405 |

P R O C E E D I N G S:

CHAIR THOMAS: We will now be moving on to Item 4, which is to consider a request for approval to modify Planned Development Ordinance 2281 to allow for a Lot Line Adjustment and Zone Change on property zoned HR-2½:PD and HR-1. Located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court. APNs 527-12-003, 527-12-004, and 527-15-002. Planned Development Application PD-25-004, Lot Line Adjustment Application M-25-006, and Zone Change Application Z-25-001.

The request for a modification of a Planned Development Ordinance is not considered a project pursuant to the California Environmental Quality Act. The request for a Lot Line Adjustment is exempt from CEQA as a Ministerial approval in accordance with Public Resources Code Section 21080(b)(1) (CEQA Statute) and CEQA Guidelines Section 15268. The request for a Zone Change is also exempt pursuant to California Environmental Quality Act Section 15061(b)(3).

Property owners are 16300 Greenridge Terrace and 240 La Terra Court – Greenridge Development, LLC; 16084 Greenridge Terrace – Richard Luu. The Applicant is Hanna Brunetti.

Before we get the Staff Report, can I get a show of hands from Commissioners who visited the property, although it is an interesting visit, because there's not a… We understand; we all get it.

COMMISSIONER BARNETT: To the extent that it was (inaudible).

CHAIR THOMAS: Yes, that it was visitable, exactly, thank you. Then, are there any disclosures, more importantly for this one?

Mr. Mullin, will you be presenting the Staff Report for us? Thank you.

SEAN MULLIN: Thank you, again. Before you tonight are consideration of two Lot Line Adjustments, an amendment to the Greenridge Terrace Planned Development Ordinance, and a rezone. The three subject properties are located south of Blossom Hill Road. Two are located in the La Terra subdivision, which was created through that PD Ordinance, and one is just outside and adjacent to the subdivision. All three properties are currently undeveloped.

The Applicant proposes two Lot Line Adjustments between the three properties, because the property configurations within the PD area would change and modification of the applicable PD Ordinance is required.

Additionally, a portion of one property affected by the Lot Line Adjustment in the PD would be transferred to the neighboring property outside the PD area, and that necessitates a Zone Change from HR-2½:PD to HR-1 to match the receiving property.

All proposed lots would meet the zoning requirements for HR properties and all aspects of the PD would remain unchanged, except for what is proposed here to allow for the Lot Line Adjustment.

Staff recommends that the Planning Commission forward a recommendation of approval to the Town Council, who will render the final decision on the project. This concludes my presentation and Staff is available to answer any questions.

CHAIR THOMAS: Questions for Staff? Vice Chair Burch.

VICE CHAIR BURCH: Just to clarify, Mr. Mullin, we don't normally see Lot Line Adjustments. Are we seeing this specifically because of the modification to the PD?

SEAN MULLIN: Yes, typically Lot Line Adjustments are forwarded to the DRC since they're a ministerial action, but our Town Code requires that they go to a public hearing. Because there's a PD Ordinance and a Zone Change here, in a vacuum the Planning Commission has the authority

to grant approval of the Zone Change. Both of them would need to go all the way to the Town Council.

VICE CHAIR BURCH: Thank you.

CHAIR THOMAS: Any other questions for Staff? We will now open the public portion of the public hearing on Item 4 and give the Applicant an opportunity to address the Commission for up to five minutes. Who will be speaking for the Applicant team tonight? Please state your name for the record, and you can adjust the microphone, and however you want to split your time, you have five minutes.

AMANDA MUSY-VERDEL: Good evening, Amanda Musy-Verdel with Hanna-Brunetti. We're doing a Lot Line Adjustment to a project that was approved it feels like yesterday, but I think it was six years ago. I think Vice Chair Burch was the only member on the Planning Commission at the time. At the time we got this approved we were like, thank God, it finally got approved, and now that we're going through developing the lots, we realized that maybe what we decided ten years ago wasn't the best way of developing the property within the eight-lot subdivision.

What we were doing is just aligning it so that the house and yard and the trail that got added in towards the end develops better for our property, and while we were doing the Lot Line Adjustment, there is a little dog leg

that our property has that just makes more sense to give it to Mr. Luu so that we could all develop our properties in a more Town-friendly manner.

If there are any questions, I'd be happy to answer.

CHAIR THOMAS: Commissioner Sordi.

COMMISSIONER SORDI: More for curiosity than anything, but do you have anything that shows the preferred layout and building footprint itself, bringing it up?

AMANDA MUSY-VERDEL: We don't have building footprints, but we have like the location of…

SEAN MULLIN: We're having technical difficulty with the screen share.

AMANDA MUSY-VERDEL: I really want your overhead projector back.

VICE CHAIR BURCH: I have lobbied for that.

AMANDA MUSY-VERDEL: Yes, if this can make the record. But that's kind of the intent of the development, and so what's there in the yellow is a trail easement, and you can see the topography of the lots and how the general house and yard locations line up better.

COMMISSIONER SORDI: Okay. So, it's on existing Lot 3, the one-acre lot that we're trying to (inaudible)?

AMANDA MUSY-VERDEL: That would be Mr. Luu's lot. That would gain extra property. Lots 1 and 2 within the subdivision is an even swap.

COMMISSIONER SORDI: Is it just one house that you're trying to improve the placement to jibe with the contours, or is it all?

AMANDA MUSY-VERDEL: Actually, the houses would remain in the same location, it's just making the yard…

COMMISSIONER SORDI: Oh, it's more for yard and more for… Okay.

AMANDA MUSY-VERDEL: Yes, and more privacy and more in line with the topography of the lots.

COMMISSIONER SORDI: Okay. Yes, I'm really familiar with this area, because I actually go roaring through on my gravel bike. I don't know if I'm going to be allowed to do it when you're done building.

AMANDA MUSY-VERDEL: There's a trail easement of you.

COMMISSIONER SORDI: And I did do that just the other day. That's all I had, thanks.

CHAIR THOMAS: Commissioner Barnett.

COMMISSIONER BARNETT: This is also perhaps theoretical, but I understand the easement is going to be preserved as part of this development.

AMANDA MUSY-VERDEL: Yes.

COMMISSIONER BARNETT: Can you describe what it is? Is it an equestrian trail, or a pedestrian trail? Is it defined in some way.

SEAN MULLIN: There are actually a number of easements affecting the subdivision. There are some scenic easements and there are some open space easements. Those two types of easements function basically as conservation easements where development can't happen. There is also a trail easement, and I can't remember the exact language of the trail easement, but I believe it's multi-purpose or multi-use trail, so it's not specific to hiking, cycling, or equestrian. That's my recollection.

COMMISSIONER BARNETT: I see. Thank you.

CHAIR THOMAS: Any other questions? Commissioner Sordi.

COMMISSIONER SORDI: Sorry, that raises another question, just more out of curiosity. Would the trail easement, once the development is complete, allow someone to connect from La Terra all the way through Greenridge? In other words, you would go from Shady Lane and you could go all the way to Blossom Hill Road and back again?

AMANDA MUSY-VERDEL: There is one trail easement that will connect you into Francis Oaks Way, and one trail

easement that will take you around to the future trail that's on the other side of (inaudible).

COMMISSIONER SORDI: Okay, thank you.

CHAIR THOMAS: Any other questions? Thank you very much. I don't think we have any other questions. Are there any member of the public that wish to speak on Item 4? Any hands raised on Zoom?

DIRECTOR PAULSON: No hands.

CHAIR THOMAS: Okay, if you need to come up to do a closing argument. Okay, are there any additional questions we have for the Applicant team before we close the public hearing? We will now close the public portion of the public hearing on Item 4, and I invite Commissioners to ask questions of Staff and make a motion. I can start off.

Yesterday when we met with Staff to get clarification, it's like a small Lot Line Adjustment. Normally we would never see this, but because it's Planned Development and the Zone Change with reassigning some land with the lot, it just ended up being something that came in front of us, but there are no major changes to the PD, and it is good to note, no changes even to where the plans are for structures to be. It's just really more based on the topography and for yard usage and everything, so I feel

very confident with approving this. If anyone has any other things or would like to make a motion. Commissioner Stump.

COMMISSIONER STUMP: Just had a question about how the motion would be structured. There are a significant number of findings. I assume that all of these findings have to be made by the Commission.

SEAN MULLIN: That's correct, and I would defer to Ms. Whelan on whether you need to state those findings verbatim in your motion, or by reference.

DIRECTOR PAULSON: I'll start. You don't need to reference them individually, you can say, "As stated in the Staff Report," unless Mr. Whelan has a more proper way to say that.

ATTORNEY WHELAN: I agree.

COMMISSIONER STUMP: Well then, if I can, I'd like to put forward a motion.

CHAIR THOMAS: Go for it.

COMMISSIONER STUMP: I move to forward a recommendation of approval to the Town Council on a request to modify Planned Development Ordinance 2281 that allows a Lot Line Adjustment and Zone Change on property zoned HR-2½:PD and HR-1. Located at 16300 Greenridge Terrace, 16084 Greenridge Terrace, and 240 La Terra Court.

This motion includes recommending that the Town Council make their required findings and approvals as outlined in our document. I can make the required finding for CEQA, required findings for amending a Planned Development, and required determinations for compliance with the Subdivision Maps Act provisions regarding Lot Line Adjustments as set forth in Government Code 66412D.

I can make the required finding that the Zone Change is consistent with the Town's General Plan and that there is required compliance with the zoning regulations.

CHAIR THOMAS: Is there a second? Vice Chair Burch.

VICE CHAIR BURCH: I'll second the motion.

CHAIR THOMAS: Any discussion? I'll call the question. All those in favor, please raise your hand. The motion passes unanimously. This was a recommendation, so no appeal rights.

DIRECTOR PAULSON: That's correct.

CHAIR THOMAS: Great. Thank you.

(END)

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**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 2/17/2026
ITEM NO: 12

DATE: February 17, 2025

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Adopt Amendments to Council Policy 5-02 Flag Policy to Establish a Commemorative Flag Framework**

RECOMMENDATION: Adopt amendments to Council Policy 5-02 Flag Policy to establish a formal framework permitting the display of commemorative flags as an exercise of government speech, when initiated by a Councilmember and approved by resolution of the Town Council.

FISCAL IMPACT:

There is no direct fiscal impact associated with adoption of the proposed policy amendments. The policy establishes a procedural framework only. Any future commemorative flag approved by resolution would involve minimal costs associated with procurement and installation, which would be addressed at the time of Council action.

STRATEGIC PRIORITY:

Adoption of the proposed amendments supports the Town's 2025–2027 Strategic Priority to ensure that residents and visitors feel a sense of belonging in Los Gatos by establishing a transparent and structured process for potential commemorative flag displays.

BACKGROUND:

Council Policy 5-02 currently governs the official Town seal, the Town flag, and procedures for lowering and raising flags on Town property. The policy adheres to the United States Flag Code and California law and provides administrative direction for flag status. However, the existing policy does not address commemorative or ceremonial flags and does not provide a process for Council consideration of such displays.

PREPARED BY: Chris Constantin
Town Manager

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

On December 16, 2025, the Town Council considered whether to modify the Flag Policy to address commemorative flags. At that meeting, the Council directed staff to return with proposed amendments establishing a commemorative flag framework. The Council also requested research regarding how other Santa Clara County jurisdictions approach commemorative flag displays.

Staff subsequently reviewed policies from multiple jurisdictions within the County. The majority of cities that allow commemorative flags do so under a government speech framework, require formal Council authorization by resolution, limit the duration and location of display, and expressly state that municipal flagpoles are not public forums.

The proposed amendments to Policy 5-02 are consistent with those approaches and are designed to clarify the Town's authority, preserve Council discretion, and minimize legal risk.

DISCUSSION:

**Purpose of the Amendment**

The proposed amendment updates Policy 5-02 to address commemorative flags while preserving the Town's compliance with federal and state law governing flag protocol. The amendment establishes that Town flagpoles are reserved for official governmental expression and are not intended to serve as a forum for private speech.

When a municipality selects and displays flags on its own property, such displays may constitute government speech provided the municipality maintains control over the message conveyed. The proposed amendment explicitly affirms that any commemorative flag display constitutes government speech and does not create a public forum.

**Framework for Commemorative Flags**

The amendment establishes clear parameters under which a commemorative flag may be displayed:

- A display must be initiated by a Councilmember.
- Approval must occur by formal resolution of the Town Council at a duly noticed public meeting.
- The resolution must expressly determine that the display constitutes government speech and relates to a legitimate governmental interest consistent with the Town's strategic priorities.
- The display may occur only at a single designated flagpole within the Town Hall complex.

- The duration of any display is limited to a defined period stated in the resolution and may not exceed thirty-one consecutive days.
- Each commemorative display requires separate Council action.

The policy further affirms that approval of one commemorative flag does not obligate the Town to approve the same or any other flag in the future and that no individual or organization has the right to compel display of a flag.

In addition to the substantive amendments establishing the commemorative flag framework, minor formatting changes were made to improve clarity and organization. Specifically, the section describing the Town seal was moved to become a subsection under the Town flag, and the procedures section was relocated under the "Lowering and Raising the Flag" section and the sentence "The Town flag may be gifted or traded upon approval from the Town Manager" was moved from the procedures section to the Town flag section, where it was deemed more appropriate. These changes are purely organizational and do not alter policy content, procedures, or authority.

**Administrative Clarity and Legal Considerations**

By adopting clear procedural standards, the amended policy strengthens the Town's ability to maintain control over its messaging and reduces the risk that the flagpoles could be construed as a public forum. The amendment reinforces Council discretion and ensures that any future commemorative flag display occurs through transparent public action.

The amendment does not authorize any specific commemorative flag. Any such display would require a separate resolution from the Town Council. Such a resolution is being considered tonight in the next agenda item.

COORDINATION:

The proposed amendments have been reviewed by the Town Attorney.

ENVIRONMENTAL ASSESSMENT:

Adoption of the proposed policy amendment constitutes an administrative action and does not involve construction or physical changes to the environment. Under CEQA Guidelines section 15378(b), adoption of internal governmental policy is not a project. Alternatively, the action is exempt under CEQA Guidelines section 15061(b)(3), as it can be seen with certainty that no environmental impact will result.

CONCLUSION:

Policy 5-02 currently governs the Town seal, Town flag, and flag protocol but does not address commemorative flags. The proposed amendments establish a clear, legally structured framework allowing the Town Council to consider commemorative flag displays as an exercise of government speech, subject to defined limitations on initiation, approval, location, and duration.

Adoption of the amended Policy 5-02 will provide transparency, preserve Council discretion, and ensure that any future commemorative flag display is consistent with federal law, state law, and the Town's strategic priorities.

ATTACHMENTS:
1. Current Flag Policy 5-02
2. Amended Flag Policy 5-02

TOWN OF LOS GATOS CALIFORNIA

# COUNCIL POLICY MANUAL

*Small Town Service* *Community Stewardship* *Future Focus*

| | |
|---|---|
| **TITLE: Flag Policy** | **POLICY NUMBER: 5-02** |
| **EFFECTIVE DATE: 10/19/16** | **PAGES: 3** |
| **ENABLING ACTIONS:** | **REVISED DATES: 9/4/18** |
| **APPROVED:** | |

## PURPOSE

This Policy provides guidelines for the official appearance and colors of the Town flag and Town seal as well as guidelines for gifting or trading the Town flag. This Policy also provides direction for when to lower flags to half-staff and to raise flags flown on Town properties.

## SCOPE

The Policy applies to all Town flags and Town seals as well as Town staff, volunteers, and residents managing flags flown on Town properties.

## POLICY

### TOWN SEAL

The official Town seal shall be in a circular format with a golden outer ring. At the top of the outer ring, bold-face, upper-case, black letters shall read 'TOWN OF' while similarly written letters at the bottom read 'LOS GATOS'. At the bottom and inside the outer ring, smaller, upper-case, regular-face, black letters read 'INCORPORATED 1887' against a white background. The central image features a golden sun radiating narrow golden rays against a white sky peaking out from behind dark and light green mountains. The foreground displays nine rows of dark and light green grape vines on light brown earth. Flanking each side of the central image are two large white cats outlined in black. The cats are modeled after those which guard the entrance to "The Cats" estate just south of Town, sculpted from cement by Robert Trent Paine in 1922.

There is also a black and white version of the color Town seal, which is acceptable for use.

**TOWN FLAG**

The official appearance of the Town flag shall feature the color Town seal, centered, on a white background. Directly below the seal shall read, in bold-faced, upper-case, dark green letters 'THE GEM OF THE FOOTHILLS'.

**LOWERING AND RAISING THE FLAG**

The Town of Los Gatos will adhere to the United States Flag Code, along with the California Governor's and the Town of Los Gatos Mayor's discretion on flag status for all flags on Town property.

For background, Title 4, Section 7 of the United States Code describes the United States Flag Code and the President's authority. This Code specifies that only the President can order federal flags to half-staff. The Code also indicates that state governors have the authority to issue flag status proclamations. The Town will follow this Code and the Mayor's discretion when managing the Town's flag procedures.

## PROCEDURES

The Town flag may be gifted or traded upon approval from the Town Manager.

The procedures for lowering and raising flags on Town property are as follows.

1. The Town Council will establish the Flag Policy. The Town Manager and his or her designee will provide direction for flag status, and act as the final authority for the application of the policy according to federal and state declarations.

2. The Town Manager's Office is responsible for the day-to-day operation of administering direction for flag status.

APPROVED AS TO FORM:

Robert Schultz, Town Attorney

TOWN OF LOS GATOS CALIFORNIA

# COUNCIL POLICY MANUAL

*Small Town Service* *Community Stewardship* *Future Focus*

| | |
|---|---|
| **TITLE: Flag Policy** | **POLICY NUMBER: 5-02** |
| **EFFECTIVE DATE: 10/19/16** | **PAGES: 3** |
| **ENABLING ACTIONS:** | **REVISED DATES: 9/4/18** |
| **APPROVED:** | |

## PURPOSE

This Policy establishes guidelines for the appearance and use of the Town flag and seal, the raising and lowering of flags on Town property, and the gifting or trading of the Town flag. It clarifies that flags displayed on Town property constitute official government speech and that Town-owned flagpoles are reserved for expressions of the Town's adopted priorities, not for private expression. Commemorative flags may be approved by Council action only when the display advances a legitimate governmental interest consistent with the Town's adopted strategic priorities and policies.

## SCOPE

The Policy applies to all Town flags and Town seals as well as Town staff, volunteers, and residents managing flags flown on Town properties.

## POLICY

### TOWN FLAG

The official appearance of the Town flag shall feature the color Town seal, centered, on a white background. Directly below the seal shall read, in bold-faced, upper-case, dark green letters 'THE GEM OF THE FOOTHILLS'.

1. **Town Seal**

   The official Town seal shall be in a circular format with a golden outer ring. At the top of the outer ring, bold-face, upper-case, black letters shall read 'TOWN OF' while similarly written letters at the bottom read 'LOS GATOS'. At the bottom and inside the outer ring, smaller,

upper-case, regular-face, black letters read 'INCORPORATED 1887' against a white background. The central image features a golden sun radiating narrow golden rays against a white sky peaking out from behind dark and light green mountains. The foreground displays nine rows of dark and light green grape vines on light brown earth. Flanking each side of the central image are two large white cats outlined in black. The cats are modeled after those which guard the entrance to "The Cats" estate just south of Town, sculpted from cement by Robert Trent Paine in 1922.

There is also a black and white version of the color Town seal, which is acceptable for use.

**LOWERING AND RAISING THE FLAG**

The Town of Los Gatos will adhere to the United States Flag Code, along with the California Governor's and the Town of Los Gatos Mayor's discretion on flag status for all flags on Town property.

For background, Title 4, Section 7 of the United States Code describes the United States Flag Code and the President's authority. This Code specifies that only the President can order federal flags to half-staff. The Code also indicates that state governors have the authority to issue flag status proclamations. The Town will follow this Code and the Mayor's discretion when managing the Town's flag procedures.

**1. Procedures**

The Town flag may be gifted or traded upon approval from the Town Manager.

The procedures for lowering and raising flags on Town property are as follows.

a. The Town Council will establish the Flag Policy. The Town Manager and his or her designee will provide direction for flag status, and act as the final authority for the application of the policy according to federal and state declarations.

b. The Town Manager's Office is responsible for the day-to-day operation of administering direction for flag status.

**GOVERNMENT SPEECH AND USE OF TOWN FLAGPOLES**

Flagpoles located on Town-owned property are reserved exclusively for official governmental expression and are not intended to serve as a forum for private or public expression. Any flag displayed pursuant to this Policy represents the official sentiments of the Town and constitutes government speech. Nothing in this Policy shall be interpreted to create a public forum or limited public forum for private expression, nor shall it be construed to grant any individual or organization the right to require the Town to display a flag. The Town retains full control and discretion over the selection, approval, and display of any flag flown on Town property.

**1. Authorization**

A commemorative flag may be displayed only when all of the following conditions are met:

a. The display is initiated by a member of the Town Council.
b. The display is approved by resolution of the Town Council at a duly noticed public meeting.
c. The approving resolution expressly determines that the display constitutes government speech and relates to a legitimate governmental interest consistent with the Town's adopted strategic priorities and policies.

The Town Council retains sole discretion to approve or deny any proposed commemorative flag display.

**2. Location**

Commemorative flags may be displayed only at a single designated flagpole within the Town Hall complex. No other Town facility, building, park, street, or location shall be used for commemorative flag display.

**3. Duration**

The duration of any commemorative flag display shall be limited to a defined period stated in the approving resolution and shall not exceed thirty-one (31) consecutive days. Each commemorative flag display requires separate Council action and approval by resolution. Approval of a commemorative flag for one occasion does not obligate the Town to approve the same or any other flag in the future.

**4. Precedence**

At all times, the United States Flag and the California State Flag shall maintain precedence consistent with federal and state law. Any commemorative flag shall be displayed in a position subordinate to those flags.

| **TITLE:** Flag Policy | **PAGE:** 4 of 4 | **POLICY NUMBER**: 5-02 |
|---|---|---|

APPROVED AS TO FORM:

Gabrielle Whelan, Town Attorney

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 2/17/2026
ITEM NO: 13

DATE: February 17, 2025

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Adopt a Resolution Authorizing the Display of the Progress Pride Flag at Town Hall During the Month of June 2026**

RECOMMENDATION: Adopt a Resolution authorizing the display of the Progress Pride Flag at Town Hall during the month of June 2026, consistent with the Town's amended Flag Policy permitting commemorative flags when initiated and approved by the Town Council by resolution and constituting government speech.

FISCAL IMPACT:

The fiscal impact is limited to the purchase of one Progress Pride Flag and routine installation. The estimated cost for the purchase should be under $200, depending on size and material, and installation will be performed by existing staff. Funding will be absorbed within the adopted Fiscal Year 2025-26 operating budget. No additional appropriation is required.

STRATEGIC PRIORITY:

This action aligns with the Town Council Strategic Priority for 2025-2027 to ensure all residents and visitors feel a sense of belonging in Los Gatos.

BACKGROUND:

On December 16, 2025, the Town Council considered an agenda item regarding potential modification of the Town's Flag Policy to address commemorative flags. At the meeting, a motion was made to direct staff to return with a commemorative flag policy allowing the display of a commemorative flag and to bring forward a Progress Pride flag resolution. Additionally, an amended request was made for staff to research policies from other Santa Clara County cities. The motion passed by a vote of 4 in favor and 1 opposed.

PREPARED BY: Chris Constantin
Town Manager

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

**Results of Santa Clara County Policy Review**

Staff reviewed flag display policies from 10 Santa Clara County jurisdictions for which policy documents were obtained. Of the jurisdictions reviewed:

- **Five jurisdictions** have formalized Pride flag displays through Council resolution or an annual commemorative flag calendar, including Milpitas, Morgan Hill, Mountain View, San José, and Sunnyvale. In each case, display of the Pride or Progress Pride flag is authorized by formal Council action and is limited in duration and location.
- **Three jurisdictions** allow commemorative or ceremonial flags by Council resolution under a government speech framework, but do not establish automatic or standing Pride flag displays in their base policies. These cities included Gilroy, Los Altos, and Los Altos Hills. In these cities, any Pride flag display would require separate Council approval.
- **One jurisdiction**, Santa Clara, limits flag displays to governmental and narrowly defined ceremonial flags approved by resolution and does not establish an automatic Pride flag display in its base policy.
- **One jurisdiction**, Campbell, does not provide for commemorative flag displays on flagpoles but recognizes Pride Month through its Water Tower lighting policy rather than by raising a Pride flag.

The policies reviewed consistently affirm that municipal flagpoles are not public forums and that any commemorative flag display constitutes government speech. Where Pride flags are displayed, they are authorized by formal Council action, are limited in duration, and are displayed at designated civic locations, most commonly City Hall.

A separate item on the February 17, 2026, agenda amends the Town's Flag Policy to allow commemorative flags when initiated by a Councilmember and approved by resolution as government speech. Adoption of that policy amendment in the previous item establishes a consistent framework for Council consideration of specific commemorative flags as an element of government speech.

This item represents the culmination of the December 16, 2025, direction and presents the requested Progress Pride flag resolution for Council consideration.

DISCUSSION:

**Government Speech Framework**

Under the established First Amendment doctrine, including the United States Supreme Court decision in Shurtleff v. City of Boston, 596 U.S. 243 (2022), when a municipality selects and

displays flags on its own flagpoles, the display constitutes government speech rather than private expression, provided the municipality maintains control over the message conveyed.

The amended Flag Policy affirms that Town flagpoles are not public forums and are reserved for official governmental expression. This resolution expressly finds that the display of the Progress Pride Flag constitutes government speech and does not create a forum for private expression.

In executing the direction of the Council, **Attachment 1** provides direction and authorization to display the Progress Pride Flag. The Progress Pride Flag incorporates additional colors to the Pride Flag in a chevron pattern to emphasize inclusion of marginalized communities, including people of color and transgender individuals.

Through this resolution, the Town Council would determine that displaying the Progress Pride Flag during the month of June 2026 expresses the Town's commitment to inclusion, equity, and belonging and aligns with one of the Town's strategic priorities.

**Display of the Commemorative Flag**

If approved, the display will be at Town Hall, 110 E. Main Street, during the month of June 2026. The Progress Pride Flag will be displayed in a subordinate position consistent with the United States Flag Code and Town policy. Staff will obtain a compliant Progress Pride Flag, install and display the flag for the month of June 2026.

COORDINATION:

Not Applicable.

ENVIRONMENTAL ASSESSMENT:

This action constitutes an administrative activity and does not involve construction or physical changes to the environment. Under CEQA Guidelines section 15378(b), adoption of internal governmental policy and authorization of flag display is not a project. Alternatively, the action is exempt under CEQA Guidelines section 15061(b)(3), as it can be seen with certainty that no environmental impact will result.

CONCLUSION:

On December 16, 2025, the Town Council directed staff to return with a commemorative flag policy and a Pride flag resolution. The amended Flag Policy presented under a separate agenda item establishes a framework allowing commemorative flags when initiated and approved by the Council through formal resolution.

Adoption of the attached resolution would authorize display of the Progress Pride Flag at Town Hall during the month of June 2026, as an exercise of government speech consistent with the amended policy and the Town's Strategic Priorities.

ATTACHMENT:
1. Resolution Authorizing Display of the Progress Pride Flag

**RESOLUTION 2026 -xxxx**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS AUTHORIZING THE DISPLAY OF THE PROGRESS PRIDE FLAG AS GOVERNMENT SPEECH**

**WHEREAS,** the Town of Los Gatos displays the United States flag, the California State flag, and the Town flag on flagpoles located at Town facilities; and

**WHEREAS,** on December 16, 2025, the Town Council acted to direct staff to return with a Flag policy authorizing the erecting of commemorative flags and to return with a resolution authorizing raising the Progress Pride Flag for the month of June 2026; and

**WHEREAS,** the Town Council has determined that its flagpoles are not intended to serve as a forum for free expression by the public, but rather as a means for the Town to express its own official sentiments (Government Speech); and

**WHEREAS,** the first Pride flag was created by American artist and gay rights activist Gilbert Baker in 1978 to be a symbol for the LGBTQ+ community; and

**WHEREAS,** the Progress Pride Flag, designed by Daniel Quasar in 2018, adds a chevron of black, brown, light blue, pink, and white stripes to the standard six-color Rainbow Flag to represent marginalized people of color, trans individuals, and those living with HIV/AIDS; and

**WHEREAS,** the Town Council finds that the display of the Progress Pride Flag constitutes government speech in that the history and symbolism of the flag constitute a message of inclusion, equity, and diversity that the Town of Los Gatos desires to convey on behalf of its residents; and

**WHEREAS,** the display of this flag is consistent with the Town's 2025-2027 strategic priority to "Ensure all residents and visitors feel a sense of belonging in Los Gatos, maintaining and enhancing the Town as a welcoming, family-oriented, safe, and inclusive community," and does not convey any message promoting religion, political candidates, or commercial transactions.

**NOW, THEREFORE, BE IT RESOLVED** by the Town Council of the Town of Los Gatos as follows:

1. **Authorization:** The Town Manager is hereby authorized and directed to display the Progress Pride Flag on the official flagpole at Town Hall located at 110 E. Main Street, Los Gatos, CA during the month of June 2026.
2. **Government Speech Finding:** The Town Council expressly finds that this display is an exercise of the Town's government speech, meets the Town's governing interest in furthering its Strategic Priorities, and is not intended to create a public forum for private expression.

3. **Precedence:** The Progress Pride Flag shall be displayed in a position subordinate to the United States Flag and the California State Flag, in accordance with the United States Flag Code and Town policy.

**PASSED AND ADOPTED** at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the ____ day of _____ 2026, by the following vote:

COUNCIL MEMBERS:
AYES:
NAYS:
ABSENT:
ABSTAIN:

SIGNED:

_____
MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

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

DRAFT

**TOWN OF LOS GATOS**
**COUNCIL AGENDA REPORT**

MEETING DATE: 02/17/2026
ITEM NO: 14

DATE: February 11, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Receive the FY 205-26 Mid-Year Budget Report, including the FY 2025-26 Year End Projections**

RECOMMENDATION: Staff recommends that the Town Council take the following actions regarding the Mid-Year Budget Performance Report - July 1 - December 31, 2025:

a. Receive the FY 2025-26 Mid-Year Budget Report, including the FY 2025-26 Year End Projections;
b. Authorize budget adjustments of $3,581,888 in estimated revenues and $1,350,141 in increases expenses as recommended in the Mid-Year Budget Report; and
c. Receive the Town Five Year Financial Projection from FY 2026-27 to FY 2030-31.

FISCAL IMPACT:

As of the mid-year point of the fiscal year staff is recommending budget adjustments to ensure the revenues are reflective of the most current forecasts and expenses end the year within budget authority. Estimated revenues are recommended to increase by $3,581,888 and expenses are recommended to increase by $1,350,141.

STRATEGIC PRIORITY:

This initiative supports the Town's strategic priority of ensuring prudent financial management to result in structurally balanced five-year forecasts and fully funded five-year Capital Improvement Plans, managing liabilities such as pension costs and leveraging the Town's assets, efficiencies, partnerships, and revenue streams.

PREPARED BY: Kristina Alfaro
Administrative Services Director

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

SUBJECT: Receive the FY 205-26 Mid-Year Budget Report, including the FY 2025-26 Year End Projections
DATE: February 17, 2026

BACKGROUND:

The purposes of the Mid-Year Report (Attachment 1) are to provide the Town Council with the status of the adopted Fiscal Year (FY) 2025-26 Operating Budget after the first six months and to make adjustments to ensure the continuity of municipal services and operations for the remainder of the fiscal year. The Report is one of several periodic updates to the Town Council on the status of the current year's revenues and expenditures and the projected financial condition of all Town funds compared with the Adopted Operating Budget. The updates primarily focus on the Town's General Fund. An update to the Town's five-year financial projections from FY 2026-27 to FY 2030-31 (Attachment 2) gives context for the FY 2026-27 budget development process and recommended budget approach.

*Finance Commission Review*

On February 9, 2026, the Finance Commission received the Mid-Year and Forecast Reports. The Commission discussed both items, and the staff answered the commissioners' questions. The Commission recommended that the Town Council receive the mid-year report, the five-year forecast, and its assumptions. The Commission asked if the Vehicle Replacement Internal Service Fund expenditure reduction of $1.8M in deferred purchases should also result in expenditure reductions in the General or other funds that are charged for these expenses. Staff was able to confirm in the meeting that user departments are not charged the full budget amount as shown in the final budget document. Only about half of the vehicle/equipment fund expenses are charged out with existing fund balance/net position, making up the difference. Upon further research, staff does not believe an expenditure adjustment is needed. This is due to how the vehicle fund is budgeted. Vehicles and equipment needing replacement are placed on a replacement schedule for out year expenses. Staff then apply charges to user departments by spreading the cost of replacement over several years. This results in a smoothing expense for departments over the useful life of the vehicle/equipment, with some years resulting in excess collections from the department versus actual costs spent. Excess collections result in additional fund balance/net position that is used in the out years to assist with smoothing costs.

The Commission noted a typo on page two of Attachment 1, which showed recommended expenditures at $3,575,371 instead of $3,581,888 that has been corrected.

The Commission asked what revenues made up the "Miscellaneous Other" category that is shown on the table in page 4 of Attachment 1. This category includes various minor miscellaneous revenue, but major revenues include Measure G proceeds, Pension Trust Fund contributions, and the sale of property.

Lastly, staff identified and has made a correction to the table on page 4 of Attachment 1 that had an incorrect adopted budget revenue total due to a double count of the "Debt Service – Entry Eliminated" line of $1,901,850. This revenue had also been included in the Miscellaneous

Other category; that line has now been reduced to $1,893,651 and includes the corrected table as Attachment 5. Total General Fund revenues now match the adopted budget.

DISCUSSION:

The FY 2025-26 Mid-Year Budget Report focuses on the General Fund and provides analyses of key revenues and expenditures, including historical data by Town Department/Service Area. It contains descriptions of recommended revenue and expenditure budget adjustments and financial summaries of other funds.

For FY 2025–26, the budget was balanced by incorporating a 4.6% vacancy factor, an additional $255,000 in pension benefit savings, potential revenue enhancements, tiered departmental reductions, and the use of $0.9 million in reserve funds. Current year-end projections indicate an anticipated surplus of $4.3 million when combining estimated operating revenues over expenditures. Of this amount, $3.0 million represents estimated proceeds from a one-time property sale.

In addition, departments are requesting $3,581,888 General Fund revenue budget adjustments and $1,350,141 expenditure budget adjustments. As discussed in greater detail later in this Report, the primary drivers of the projected surplus are increased revenue projections for property tax, sales tax, interest, business license tax, and permit revenues offset by increases in retiree health care expenditures, legal services, and various contractually obligated services.

Refer to Attachment 1 for additional details.

Five-Year Forecast:

The forecast provides summaries and analyses of the Town's major revenues, including property tax, sales tax, business license tax, and transient occupancy tax (TOT). The Town highly depends on these four economically sensitive revenues, comprising about 65% of the General Fund forecasted revenues.

Updated growth assumptions are provided for each revenue source and the resulting projected revenues for the new forecast period. The revenue assumptions provided are informed by the County Tax Assessor, the Town's sales tax consultant, and direct communication with the Town's hospitality industry.

Forecasts of future operating expenditures consider two key factors: cost escalation and new operating expenditures. New operating expenditures refer to costs created by new or enhanced service programs approved during the annual budget process. Cost escalation refers to largely unavoidable increases in the cost of doing business. It includes inflation, multi-year contract costs, health care costs, and unfunded State mandates. Cost escalation also includes other unavoidable cost increases to a government organization, such as a rise in wages consistent with collective bargaining agreements and annual pension payments mandated by CalPERS.

The expenditure assumptions are contained in Attachment 2, pages 17-19. With changes made to assumptions since December 2025, listed on page 10.

The base case Five-Year Forecast (FY2026-27 – 2029-30) (page 2 Attachment 2) identifies reduced deficits for all future years, driven primarily by increased revenues because of updated sales tax projections. Revenue projections, even with the increased sales tax projections, continue to not keep pace with rising costs. Future discussions of revenue capacity to match expenditures and service levels will need to occur to address increasing pressure on Town finances.

Refer to Attachment 2 for additional details.

COORDINATION:

This report has been prepared in coordination with the Town Manager's Office and the Town Attorney's Office.

CONCLUSION AND NEXT STEPS:

Staff is continuing to monitor all revenues and expenditures during the preparation of the Proposed Operating and Capital Budgets for FY 2026-27. Should any additional budget adjustments be necessary to balance operating revenue and expenditures prior to the FY 2025-26 close, Council would be asked to consider appropriate actions.

The preparation of the FY 2026-27 Operating and Capital Budgets is taking into account the Town's current economic reality and long-term fiscal picture, as well as maintaining the Town's high level of municipal services. Key budget principles include:

- Develop and recommend a balanced budget that maintains service levels.
- Address projected deficits,
- Continue to make progress on Strategic Priorities identified by the Town Council; and
- Identify opportunities to maintain or enhance service delivery through new revenue sources and technology.

The Draft FY 2026-27 Operating and Capital Budgets will be available on April 20, 2026, with the Council's budget hearing tentatively scheduled for May 19, 2026.

Staff recommends that the Town Council approve the proposed revenue and expenditure budget adjustments, as described in Attachment 1.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

SUBJECT: Receive the FY 205-26 Mid-Year Budget Report, including the FY 2025-26 Year End Projections
DATE: February 17, 2026

Attachments:
1. Town Council FY 2025-26 Mid-Year Budget Report
2. Draft Updated FY 2026-27 Forecast with Forecast History Updated 2-6-2026
3. Revenue Forecast Assumptions
4. Expenditure Forecast Assumptions
5. Correction to General Fund Summary of Revenue and Expenditure Table

# TOWN OF LOS GATOS
# MID-YEAR BUDGET REPORT
# JULY 1 - DECEMBER 31, 2025

**February 11, 2026**

## FINANCIAL OVERVIEW AND EXECUTIVE SUMMARY: STATUS OF FY 2025-26 ADOPTED BUDGET

The purposes of the Mid-Year Report are to provide the Town Council with a status of the Adopted Fiscal Year (FY) 2025-26 Operating Budget after the first six months and to make any adjustments to ensure the continuity of municipal services and operations for the remainder of the fiscal year. The Report is one of several periodic updates to the Town Council on the status of the current year's revenues and expenditures and the projected financial condition of all Town funds compared with the Adopted Operating Budget. The updates typically focus on the Town's General Fund.

In February 2025, the Town Council determined the Strategic Priorities for 2025-2027, providing guidance to Town staff and Commissions on workload prioritization. This included prioritizing emergency preparedness, particularly regarding wildfire risks, ensuring prudent financial management, and preserving the community's unique small-town charm. Even with the budgetary challenges of the last several years, many of Council's primary goals and priorities have been programmed in the FY 2025-26 Operating and Capital Budgets. Town Council will review its strategic priorities at its February 10, 2026, Special Meeting.

Staff has started budget development work for the next fiscal year, including updating the Five-Year Financial Forecast, identifying critical Town needs, contractual obligations, unfunded mandates, potential adjustments to the Fee and Fine Schedule, and other analyses. Staff is actively engaged in the FY 2025-26 budget process with the primary focus of ensuring that the available Town resources are allocated to meet the priority service needs of the community. The Town Council is tentatively scheduled to hold a public hearing on the Proposed FY 2026-27 Budget on May 19, 2026.

During FY 2024-25, the General Fund had an excess of revenues over expenditures of $5.7 million, excluding transfers. Transfers out exceeded transfers in by $1.2 million. The principal purpose of the Town's interfund transfers was contributions toward capital projects ($1.1 million) and general liability ($0.06 million). Fund Balance in the General Fund increased by $4.7 million to $35.8 million at the close of the prior fiscal year. This increase includes $1.2 million unrealized gains from mark-to-market adjustment and a $0.7 million increase to the Town's restricted Pension Trust. The $1.2 million unrealized gain is an increase in the value of the asset that has not been sold and is not available for spending. In addition, the Council previously allocated $1.0 million for Emergency Management. Out of the $1.0 million, $31,400 were utilized in FY 2024-25; the rest will be spent in FY 2025-26 and future fiscal years.

For FY 2025–26, the budget was balanced by incorporating a 4.6% vacancy factor, an additional $255,000 in pension benefit savings, potential revenue enhancements, tiered departmental reductions, and the use of $0.9 million in reserve funds. Current year-end projections indicate an anticipated surplus of $4.3 million when combining estimated operating revenues over expenditures. Of this amount, $3.0 million represents estimated proceeds from a one-time property sale.

In addition, departments are requesting $3,581,888 General Fund revenue budget adjustments and $1,350,141 expenditure budget adjustments. As discussed in greater detail later in this Report, the primary drivers of the projected surplus are increased revenue projections for property tax, sales tax, interest, business license tax, and permit revenues offset by increases in retiree health care expenditures, legal services, and various contractually obligated services.

As mentioned earlier, the Town Council balanced the budget with a 4.6% vacancy factor. Staff continue to monitor each Department's budget because while overall Townwide General Fund savings are predicted due to vacancies, the individual Departments' current personnel expenditure budgets may not be sufficient for the remainder of the year. Staff will recommend the necessary expenditure budget adjustments as needed.

Providing services to the community in this and future fiscal years will require strong revenue performance of the Town's economically sensitive revenues to offset continued projected cost increases. The FY 2026-27 budget development process will endeavor to maintain essential public services while controlling operational costs and considering the five-year fiscal forecast, which predicts operating revenue shortfalls in subsequent fiscal years with certain assumptions.

## CONTENT OVERVIEW

The remainder of this Report focuses on the General Fund and provides analyses of key revenues and expenditures, including historical data by Town Department/Service Area. The next section describes recommended revenue and expenditure budget adjustments. The Report also includes financial summaries of other funds, as well as a table of General Fund Operating Revenues Versus Operating Expenditures through the second quarter of FY 2025-26, including comparison information from the prior year.

## GENERAL FUND FINANCIAL SUMMARIES AND ESTIMATES

The following table is the *Schedule of General Fund Operating Revenues Versus Operating Expenditures* for the second quarter of FY 2025-26, which includes comparison information from the prior year.

The FY 2025-26 Adopted Budget represents the original adopted budget.

The FY 2025-26 Adjusted Budget as of 12/31/2025column includes the adopted budget and items that the Council approved during the first two quarters of the fiscal year, such as additional funding for salaries and benefits, janitorial services, road closures related to special events, and miscellaneous carryover grants from the prior fiscal year.

The FY 2025-26 Estimated column contains projections of final balances for the current fiscal year based upon staff analysis, the early trends observed through the second quarter in sales tax and property tax projections, and the proposed mid-year adjustments as listed in this report. The FY 2025-26 Estimated figures also include an analysis of potential salary and other expenditure savings; however, budget adjustments are only recommended as identified in this Report.

Staff continues to fine-tune the detailed analysis of the FY 2025-26 year-end estimated revenue and expenditure numbers, and an update will be provided with the presentation of the Proposed Fiscal Year 2026-27 Operating Budget.

The table on the next page provides details of General Fund Revenues, Reserve Use, total Expenditures, and Reserve Allocations.

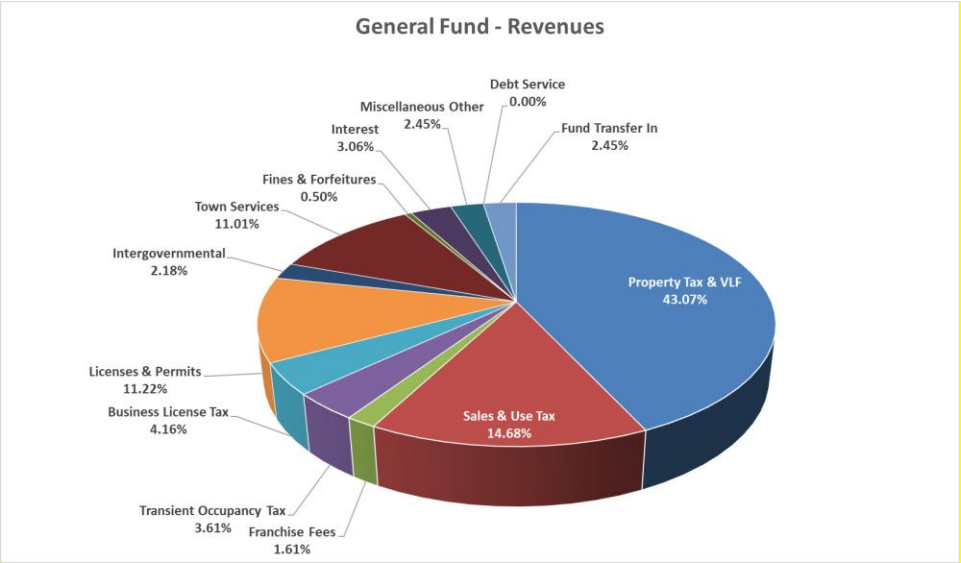
## GENERAL FUND
## SUMMARY OF REVENUES AND EXPENDITURES

| | FY 2024-25 Actuals | FY 2024-25 Q2 | 2Q % of FY 2024-25 Actuals | 2Q % of FY 2025-26 Adjusted Budget as of 12/31/2025 | FY 2025-26 Q2 | FY 2025-26 Adopted Budget | FY 2025-26 Adjusted Budget as of 12/31/2025 | Proposed Mid-Year Adjustments | FY 2025-26 Year End Estimates *Including Proposed Mid-Year Adjustments* |
|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | |
| Property Tax | $ 20,157,765 | $ 6,687,445 | *33.2%* | *32.5%* | $ 6,981,476 | $ 21,450,971 | $ 21,450,971 | $ 68,164 | $ 21,519,135 |
| VLF Backfill Property Tax | 5,109,100 | - | *0.0%* | *0.0%* | - | 5,377,328 | 5,377,328 | 28,672 | 5,406,000 |
| Sales & Use Tax | 6,992,336 | 2,082,120 | *29.8%* | *32.2%* | 2,138,351 | 6,639,081 | 6,639,081 | 1,207,436 | 7,840,000 |
| Measure G Sales & Use Tax | 1,338,642 | 428,741 | *32.0%* | *33.5%* | 435,464 | 1,298,825 | 1,298,825 | 30,175 | 1,329,000 |
| Franchise Fees | 1,057,484 | 113,842 | *10.8%* | *9.8%* | 101,773 | 1,043,730 | 1,043,730 | (34,892) | 1,008,838 |
| Transient Occupancy Tax | 2,417,630 | 941,711 | *39.0%* | *31.0%* | 749,774 | 2,422,390 | 2,422,390 | (166,585) | 2,255,805 |
| Business License Tax | 2,975,721 | 153,569 | *5.2%* | *16.0%* | 399,756 | 2,493,992 | 2,493,992 | 107,508 | 2,601,500 |
| Licenses & Permits | 6,681,607 | 2,983,426 | *44.7%* | *60.1%* | 3,800,214 | 6,322,712 | 6,322,712 | 689,959 | 7,014,459 |
| Intergovernmental | 1,357,593 | 796,630 | *58.7%* | *72.3%* | 778,450 | 838,936 | 1,076,042 | (38,691) | 1,307,778 |
| Town Services | 5,749,945 | 3,732,385 | *64.9%* | *88.4%* | 5,285,486 | 5,736,735 | 5,980,545 | 967,821 | 6,957,561 |
| Fines & Forfeitures | 420,127 | 187,733 | *44.7%* | *73.4%* | 231,288 | 315,200 | 315,200 | (3,000) | 312,775 |
| Interest | 1,949,418 | 374,836 | *19.2%* | *39.2%* | 615,033 | 1,567,774 | 1,567,774 | 345,487 | 1,913,261 |
| GASB 31 to Market | 1,201,824 | - | *0.0%* | | - | - | - | - | - |
| Use of Property | 76,161 | - | *0.0%* | | - | - | - | - | - |
| Miscellaneous Other | 190,104 | 533,750 | *280.8%* | *14.1%* | 270,499 | 3,795,501 | 1,920,471 | 379,834 | 1,533,255 |
| Other Taxes - Park Construc | 5,004 | - | | | - | - | | | |
| Sale of Property | - | - | | | | | 3,000,000 | - | 3,000,000 |
| **Total Revenues** | **$ 57,680,461** | **$ 19,016,188** | | | **$ 21,787,564** | **$ 59,303,175** | **$ 60,909,061** | **$ 3,581,888** | **$ 63,999,367** |
| Debt Service - *Entry Elimina* | 1,902,300 | - | *0.0%* | *0.0%* | - | 1,901,850 | 1,901,850 | - | 1,901,850 |
| Planning Pass Through Services - *Entry Eliminated for ACFR* | 79,400 | - | | | - | - | - | - | - |
| Pension Trust Income - *Entry Eliminated for ACFR* | 690,000 | - | | | - | - | - | - | - |
| Measure G for Operations - *Entry Eliminated for ACFR* | 652,396 | - | | | - | - | - | - | - |
| **Other Financial Sources** | | | | | | | | | |
| Fund Transfer In | $ 812,411 | $ - | *0.0%* | *0.0%* | $ - | $ 562,411 | $ 562,411 | $ - | $ 562,411 |
| **Total Revenues & Transfers** | **$ 61,816,968** | **$ 19,016,188** | ***31%*** | ***34%*** | **$ 21,787,564** | **$ 61,767,436** | **$ 63,373,322** | **$ 3,581,888** | **$ 66,463,628** |
| **Expenditures** | | | | | | | | | |
| Town Council | $ 222,954 | $ 104,644 | *46.9%* | *49.7%* | $ 110,352 | $ 222,115 | $ 222,115 | $ - | $ 233,667 |
| Attorney | 1,076,252 | 398,986 | *37.1%* | *50.3%* | 594,515 | 830,884 | 1,180,884 | 100,000 | 1,293,243 |
| Administrative Services | 6,428,009 | 3,161,963 | *49.2%* | *40.5%* | 3,367,328 | 7,338,116 | 8,308,150 | 153,305 | 7,245,642 |
| Non- Departmental | 3,157,197 | 1,641,596 | *52.0%* | *24.1%* | 1,391,498 | 5,345,295 | 5,775,829 | 300,191 | 5,977,662 |
| Community Development | 5,637,743 | 2,646,092 | *46.9%* | *50.1%* | 3,020,911 | 6,021,135 | 6,027,635 | 502,500 | 6,368,565 |
| Police | 20,827,880 | 10,269,947 | *49.3%* | *46.2%* | 10,992,545 | 23,504,430 | 23,768,356 | 93,370 | 23,095,918 |
| Parks & Public Works | 10,717,232 | 4,920,014 | *45.9%* | *43.5%* | 5,068,319 | 11,404,963 | 11,653,693 | 200,775 | 11,649,244 |
| Library | 3,568,498 | 1,722,056 | *48.3%* | *47.8%* | 1,747,675 | 3,655,823 | 3,655,823 | - | 3,652,651 |
| Capital Outlay | 65,000 | - | | | - | - | - | - | - |
| Principal | 206,380 | - | | | - | 156,034 | - | - | 156,034 |
| Interest and Fees | 41,403 | - | | | - | - | - | - | - |
| **Total Department Expenditu** | **$ 51,948,548** | **$ 24,865,298** | **48%** | **43%** | **$ 26,293,143** | **$ 58,478,795** | **$ 60,592,485** | **$ 1,350,141** | **$ 59,672,626** |
| Debt Service - *Entry Eliminated for ACFR* | $ 1,902,300 | $ - | *0.0%* | *0.0%* | $ - | $ 1,901,850 | $ 1,901,850 | $ - | $ 1,901,850 |
| Transfer to Pension Trust Fund - *Entry Eliminated for ACFR* | 690,000 | - | | | - | - | - | - | - |
| Measure G Transfer - Entry Eliminated for ACFR | 652,396 | - | | | - | - | - | - | - |
| **Other Financing Uses** | | | | | | | | | |
| Transfers Out | $ 1,843,080 | $ - | *0.0%* | | $ - | $ - | $ - | $ - | $ - |
| **Total Additional Non-Depar** | **$ 5,087,776** | **$ -** | **0%** | **0%** | **$ -** | **$ 1,901,850** | **$ 1,901,850** | **$ -** | **$ 1,901,850** |
| **Total Operating Expenditure** | **$ 57,036,324** | **$ 24,865,298** | **44%** | **42%** | **$ 26,293,143** | **$ 60,380,645** | **$ 62,494,335** | **$ 1,350,141** | **$ 61,574,476** |
| **Revenues Over Expenditures** | **$ 5,731,913** | **$ (5,849,110)** | | | **$ (4,505,579)** | **$ 824,380** | **$ 316,576** | **$ 2,231,747** | **$ 4,326,741** |

*-25 and FY 2025-26 2Q Net Operating Revenues are negative because some revenues budgeted for the entire fiscal year are received in the third or fourth quarters expended in the first or second quarters.*

## GENERAL FUND - KEY REVENUE ANALYSIS FY 2025-26

The following information provides a recap of the General Fund budgeted significant revenue sources, including estimated year end collection as of the second quarter ending December 31, 2025. Staff is monitoring developments in each major revenue source closely for potential adjustments to budgeted revenues as recommended in this Report.



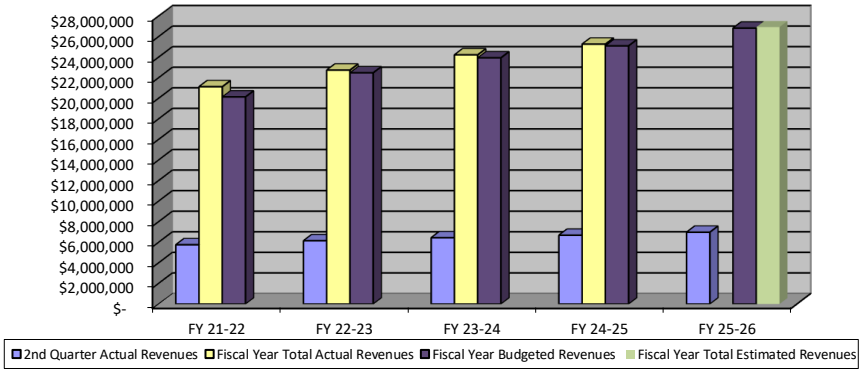
## Property Tax and Motor Vehicle in Lieu Fee (VLF)

Property tax and VLF are the single largest revenue sources for the Town and comprise approximately 42.09% of total Town General Fund estimated revenues for FY 2025-26. Property tax is levied by the Santa Clara County Assessor's Office at 1% of a property's assessed value, of which the Town receives approximately 9.3 cents per dollar paid on property located within the municipal limits of Los Gatos. In compliance with Proposition 13, the assessed value of real property is based on the 1975/76 assessment roll value, adjusted by a 2% inflation factor annually thereafter. However, when property changes hands or new construction occurs, it is reassessed at its current market value.

The County of Santa Clara provides property tax collection updates and projections throughout the year. The current County estimate shows a $96,836 increase in estimated collections over the Adopted Budget.

Property tax distributions are largely received in the third and fourth quarters. Second-quarter receipts are trending similarly to those received during the second quarter of the previous fiscal year and are at 27% of budgeted totals. Based on current County projections, staff recommends a $96,836 increase in estimated General Property Tax and Motor Vehicle in Lieu Fee collections.

**Property Tax and VLF - Quarterly and Annual Revenues**
**5-Year History**




| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| 2nd Quarter Actual Revenues | $ 5,761,081 | $ 6,155,317 | $ 6,446,869 | $ 6,687,445 | $ 6,981,476 |
| Fiscal Year Total Actual Revenues | $ 21,129,080 | $ 22,743,088 | $ 24,227,166 | $ 25,266,865 | |
| Fiscal Year Total Estimated Revenues | | | | | $ 26,925,135 |
| Fiscal Year Budgeted Revenues | $ 20,138,320 | $ 22,484,118 | $ 23,938,717 | $ 25,102,070 | $ 26,828,299 |
| 2nd Quarter Percent of Total | 27% | 27% | 27% | 27% | 26% |
| **Recommended Budget Revision** | | | | | **$ 96,836** |

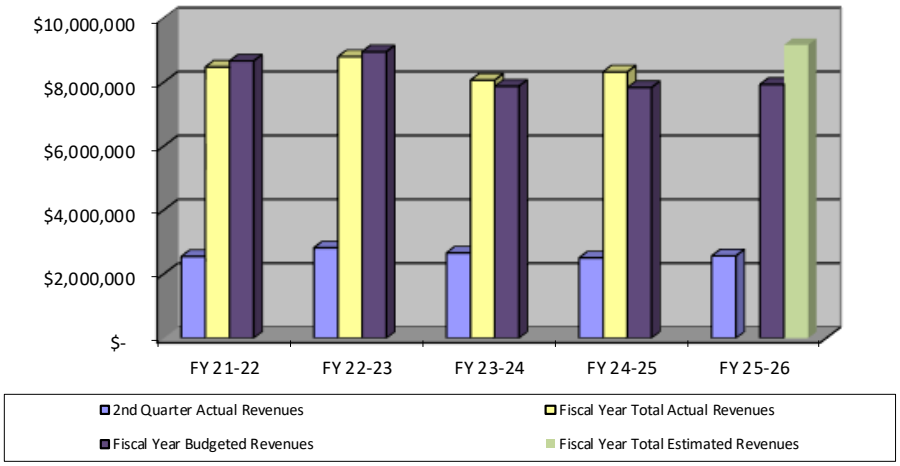
## Sales Tax

Sales tax is the second largest revenue source for the Town's General Fund, accounting for 14.3% of budgeted General Fund projected revenues for FY 2025-26. The Town currently receives 1.125 cents for every 9.125 cents of sales tax paid per dollar on retail sales and taxable services transacted within Los Gatos, including the Town of Los Gatos residents' approved ballot Measure G in 2018 enacting a one-eighth cent (0.125%) district sales tax for 20 years.

Sales tax estimates are based on actual sales tax data and annual sales tax estimates for five years provided by the Town's sales tax consultant, HdL. In addition to brick-and-mortar sales tax generation, the HdL estimates include several online sales tax projections. Regular sales tax collected through online transactions are distributed through the Santa Clara County pool for which the Town receives a pro rata share of the sales tax generated in Santa Clara County for that particular quarter. The Town directly receives the one-eighth district tax portion of the sales tax generated by the residents of Los Gatos. Current total sales tax estimates are estimated at $7,846.517 (a $1,207,436 increase from the Adopted Budget) in proceeds from regular sales tax and $1,329,000 (a $30,175 increase) in proceeds from the Measure G one-eighth cent district tax. Actual receipts net of administrative fees collected by the State will be confirmed at the close of the fiscal year.

While FY 2025-26 second quarter receipts are trending in line with those in the same period last fiscal year, staff recommends a $1,237,611 budget increase to reflect the HdL's current estimates that are driven by new businesses and updated forecast based on most recent collection for 2025 quarter 3 collection which are collections from Jul through September.

**Sales Tax & Measure G Tax - Quarterly and Annual Revenues**
**5-Year History**




| | | | | | |
|---|---|---|---|---|---|
| 2nd Quarter Actual Revenues | $ 2,556,341 | $ 2,825,421 | $ 2,665,060 | $ 2,510,861 | $ 2,573,815 |
| Fiscal Year Total Actual Revenues | $ 8,483,673 | $ 8,806,477 | $ 8,071,735 | $ 8,330,978 | |
| Fiscal Year Total Estimated Revenues | | | | | $ 9,175,517 |
| Fiscal Year Budgeted Revenues | $ 8,671,606 | $ 8,959,134 | $ 7,881,069 | $ 7,841,645 | $ 7,937,906 |
| 2nd Quarter Percent of Total | 30% | 32% | 33% | 32% | 32% |
| **Recommended Budget Revision** | | | | | **$ 1,237,611** |
| | | $ 322,804 | $ (734,742) | $ 259,243 | $ 844,539 |
| | | 3.81% | -8.34% | 3.21% | 10.14% |

## Franchise Fees

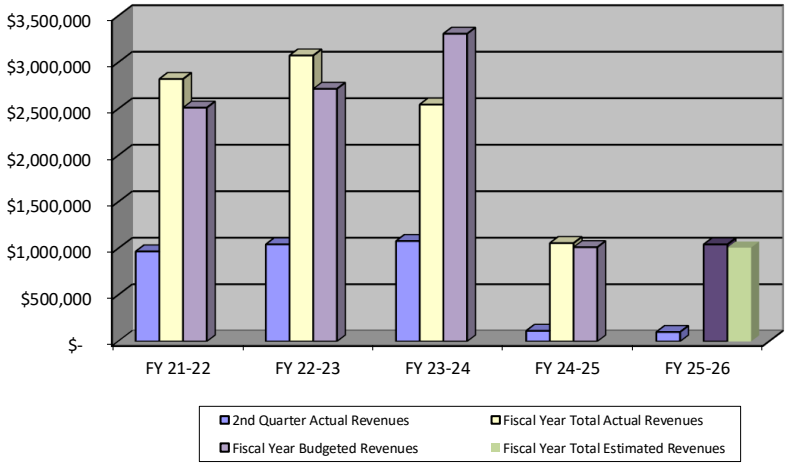
Franchise fees are collected by the Town for the privilege of operating a utility service within Los Gatos, and as a fee in lieu of a business license tax. Franchise fees are currently received from Comcast for cable television, PG&E for gas and electric services, and AT&T and Comcast for video services. Franchise fees represent 1.6% of projected General Fund revenues in FY 2025-26.

Historically, franchise payments are not remitted equally throughout the fiscal year; therefore, second quarter receipts are not necessarily predictive of future receipts. Total franchise fee revenues are trending lower than those of the second quarter in FY 2025-26.

The Town serves on the Board of the West Valley Solid Waste Management Authority (WVSWMA), a Joint Powers Authority that oversees solid waste contracts. Following a recent Franchise Fee Valuation Study, the new agreement reclassified the Franchise Fee Payment as an Encroachment Permit because collection vehicles use Town streets. Starting with FY 2024–25, revenue previously recorded under Franchise Fees is now reported under Licenses and Permits. While collections are expected to remain consistent with prior years, this change affects how revenues are categorized.

Comcast franchise fees are trending below budget due to the growing shift from traditional broadcasting to streaming services, while PG&E franchise fees are trending above budget. To reflect the combined impact of these trends, staff recommends a $34,892 budget decrease in the Franchise Fee category.

**Franchise Fees - Quarterly and Annual Revenues**
**5-Year History**




| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| 2nd Quarter Actual Revenues | $ 968,181 | $ 1,044,055 | $ 1,079,717 | $ 113,842 | $ 101,773 |
| Fiscal Year Total Actual Revenues | $ 2,822,515 | $ 3,074,624 | $ 2,547,011 | $ 1,057,484 | |
| Fiscal Year Total Estimated Revenues | | | | | $ 1,008,838 |
| Fiscal Year Budgeted Revenues | $ 2,514,020 | $ 2,716,470 | $ 3,308,703 | $ 1,013,330 | $ 1,043,730 |
| 2nd Quarter Revenue Percent of Total | 34% | 34% | 42% | 11% | 10% |

| | |
|---|---|
| **Recommended Budget Revision** | **$ (34,892)** |

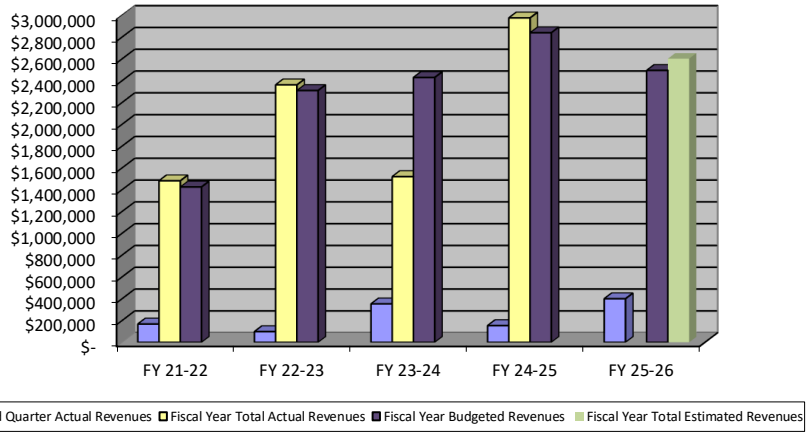
Business License Tax

The Town requires all businesses located within Los Gatos and/or those that operate within Los Gatos to obtain a business license. The amount of business license tax paid by each business is based on its business activity. In November 2022, Los Gatos voters approved Measure J, which modernized the Town's business license tax program. This was the first update to the program since 1991, strengthening funding for core Town services that benefit Town businesses. Measure J included a 30% increase on flat rate fees, a 40% increase in retailing gross receipts, and a 120% increase in e-commerce, manufacturing, and wholesaling gross receipts. Fees for activities such as wholesale sales and manufacturing are charged on a sliding scale based on gross receipts, as is retail, with retail being capped at $1,365. These gross receipt activities account for approximately 25% of annual business licenses, while the remaining 75% are flat fee businesses. Annual renewal payments are due on January 2 of each year. Payments for new flat-fee-based businesses are prorated by quarter.

The Town is partnering with HdL Companies (HdL) to provide dedicated business license support to Los Gatos businesses. The Town's business license application and renewal process is now streamlined by offering online business license applications and renewals. FY 2025-26 collection is forecasted at $2.6 million based on current business license activities.

Staff anticipate collecting the majority of the business license revenue during the third quarter. Business license tax revenue projections provided by HdL are trending higher than the adopted budget due to current business license activities. Staff is recommending a $107,508 increase to this revenue source.

**Business License Tax - Quarterly and Annual Revenues**
**5-Year History**

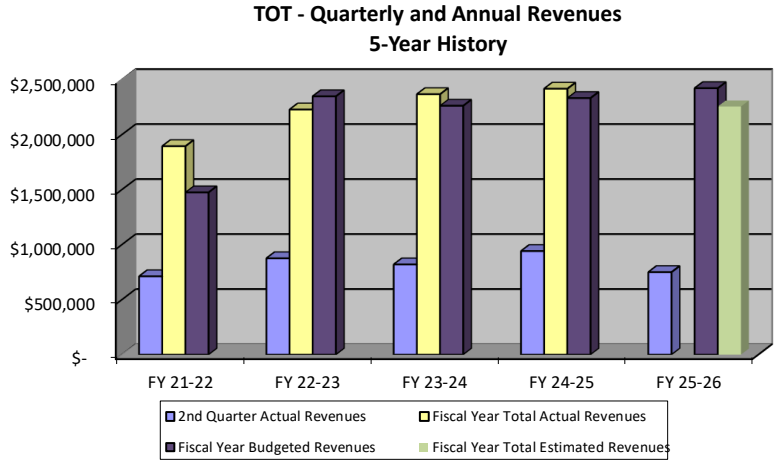



| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| 2nd Quarter Actual Revenues | $ 167,942 | $ 97,974 | $ 352,611 | $ 153,569 | $ 399,756 |
| Fiscal Year Total Actual Revenues | $ 1,481,667 | $ 2,361,862 | $ 1,519,960 | $ 2,975,721 | |
| Fiscal Year Total Estimated Revenues | | | | | $ 2,601,500 |
| Fiscal Year Budgeted Revenues | $ 1,425,000 | $ 2,310,110 | $ 2,429,419 | $ 2,839,958 | $ 2,493,992 |
| 2nd Quarter Revenue Percent of Total | 11% | 4% | 23% | 5% | 15% |
| **Recommended Budget Revision** | | | | | **$ 107,508** |

Transient Occupancy Tax

TOT is an important revenue source for the Town and comprises approximately 3.5% of the total Town's estimated revenues in the amount of $2.3 million for FY 2025-26. The Town levies a 12% transient occupancy tax (TOT) on all hotel and motel rooms within the municipal limits of Los Gatos. The 12% rate has been in effect since January 1, 2017, after the voters approved a ballot measure to increase the TOT from 10% to 12% during the November 8, 2016, election.

During the pandemic, TOT experienced the most significant percentage decline relative to historically adopted budgets. Due to a significant rebound in leisure "staycation" travel and modest improvements in business travel, TOT collections are trending lower than the prior year due to one of the hotel closures. Staff recommends a $166,585 revenue budget decrease in this category.



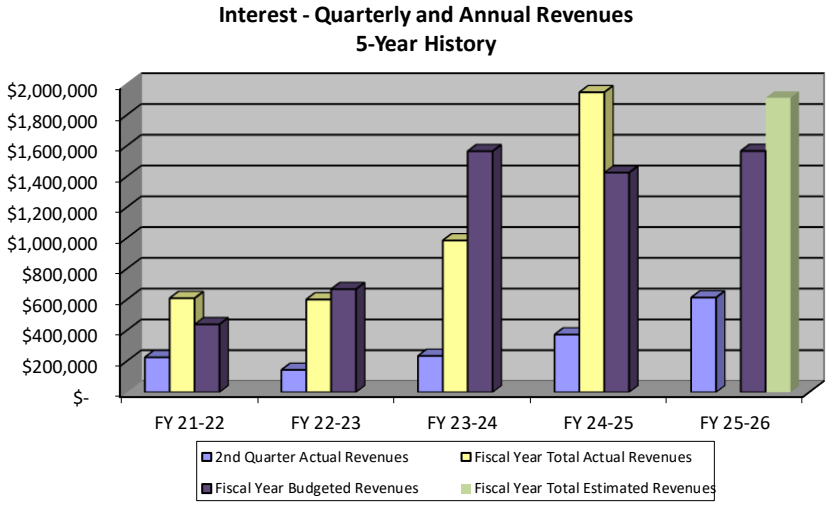

| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| 2nd Quarter Actual Revenues | $ 711,861 | $ 875,715 | $ 819,683 | $ 941,711 | $ 749,774 |
| Fiscal Year Total Actual Revenues | $ 1,895,064 | $ 2,228,190 | $ 2,367,653 | $ 2,417,630 | |
| Fiscal Year Total Estimated Revenues | | | | | $ 2,255,805 |
| Fiscal Year Budgeted Revenues | $ 1,475,000 | $ 2,348,547 | $ 2,262,528 | $ 2,332,419 | $ 2,422,390 |
| 2nd Quarter Revenue Percent of Total | 38% | 39% | 35% | 40% | 31% |
| **Recommended Budget Revision** | | | | | **$ (166,585)** |

## Interest Income

The Town earns interest income by investing monies not immediately required for daily operations in a number of fixed income and money market instruments. These investments are made within the parameters stated in the Town Council's Investment Policy and State regulation. The Town's investment goal is to protect the safety of its funds, maintain liquidity, and achieve a competitive rate of return. Interest income revenue is primarily dependent on two factors: the cash balance in the Town's investment portfolio and the yield on those funds.

As of December 31, 2025, the Town's weighted portfolio yield for investments under management was 4.24%, which was 21 basis point above the Local Agency Investment Fund (LAIF) yield of 4.03% for the same reporting period. Currently, the LAIF portfolio's weighted average maturity (WAM) is 244 days versus the Town's longer WAM of 643 days. The longer 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 4.24% at the close of December was 3 basis points lower when compared to the prior month's return of 4.27% reported as of November 30, 2025.

Interest is trending higher than prior year actuals. Staff is recommending $345,487 revenue budget increase in the General Fund interest collection.




| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| 2nd Quarter Actual Revenues | $ 227,164 | $ 145,003 | $ 235,922 | $ 374,836 | $ 615,033 |
| Fiscal Year Total Actual Revenues | $ 610,975 | $ 602,592 | $ 986,489 | $ 1,949,418 | |
| Fiscal Year Total Estimated Revenues | | | | | $ 1,913,261 |
| Fiscal Year Budgeted Revenues | $ 441,233 | $ 670,021 | $ 1,566,384 | $ 1,427,333 | $ 1,567,774 |
| 2nd Quarter Revenue Percent of Total | 37% | 24% | 24% | 19% | 39% |
| **Recommended Budget Revision** | | | | | **$ 345,487** |

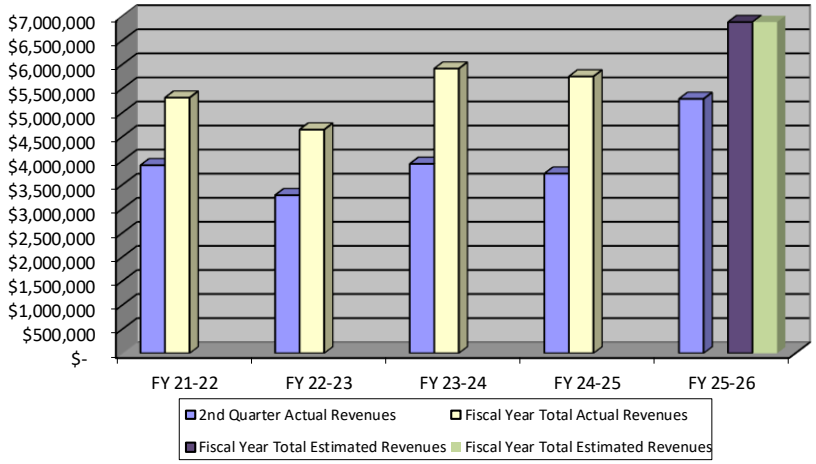
** GASB 31 Market Adjustment and GASB 87 Lease Interest are not Included*

## Charges for Services

Town Service revenues consist primarily of planning, building, inspections, and engineering fees assessed on local building and development activity. Development fees and charges are assessed based on cost recovery formulas, which reflect the approximate costs of providing these regulatory services. This category includes charges for the Monte Sereno police services, the School Resource Officer and crossing guard services.

Second quarter Town Service revenues, particularly Charges for Services, are trending higher compared to the same period in the previous fiscal year. Development fees are typically collected in advance for projects but recognized as revenue in the fiscal year when the work is performed. Fiscal year estimated revenues include all line items within this category. To reflect increased planning and engineering activities, staff recommends a budget increase of $967,821 in selected items, as detailed in the Budget Adjustment section of this report. Of this amount, $615,500 relates to development pass-through activities, which will have corresponding expenditure budget adjustments, resulting in a net-neutral impact to the General Fund balance.

**Charges for Services - Quarterly and Annual Revenues**
**5-Year History**




| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| 2nd Quarter Actual Revenues | $ 3,906,577 | $ 3,284,766 | $ 3,934,979 | $ 3,732,385 | $ 5,285,486 |
| Fiscal Year Total Actual Revenues | $ 5,310,271 | $ 4,646,705 | $ 5,913,520 | $ 5,749,945 | |
| Fiscal Year Total Estimated Revenues | | | | | $ 6,880,420 |
| Fiscal Year Budgeted Revenues | $ 4,249,239 | $ 5,540,465 | $ 4,715,797 | $ 5,168,933 | $ 5,980,545 |
| 2nd Quarter Revenue Percent of Total | 74% | 71% | 67% | 72% | 77% |

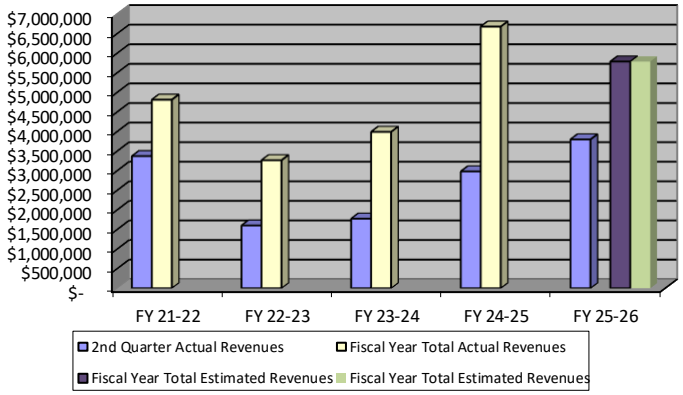
| | |
|---|---|
| **Recommended Budget Revision** | **$ 967,821** |

## Licenses and Permits

Licenses and Permits consist mainly of planning, engineering, and building permit fees which are collected by the Town to offset administrative costs associated with evaluating development proposals to ensure compliance with codes and policies.

Second quarter License and Permit revenue is trending 54% of budgeted revenue. Fiscal Year estimated revenues includes all revenue line items in this category. Staff recommends a $689,959 increase in selected items in this category as explained in the next section of this Report.

**Licenses & Permits - Quarterly and Annual Revenues**
**5-Year History**




| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| 2nd Quarter Actual Revenues | $ 3,373,287 | $ 1,602,633 | $ 1,777,085 | $ 2,983,426 | $ 3,800,214 |
| Fiscal Year Total Actual Revenues | $ 4,814,650 | $ 3,268,498 | $ 3,993,247 | $ 6,681,607 | |
| Fiscal Year Total Estimated Revenues | | | | | $ 5,789,497 |
| Fiscal Year Budgeted Revenues | $ 3,052,907 | $ 2,830,574 | $ 3,255,155 | $ 6,247,213 | $ 7,014,459 |
| 2nd Quarter Revenue Percent of Total | 70% | 49% | 45% | 48% | 54% |

| | |
|---|---|
| **Recommended Budget Revision** | **$ 689,959** |

## GENERAL FUND – EXPENDITURE ANALYSIS

For FY 2025–26, General Fund operating expenditures (excluding debt payments) are programmed at $58.3 million. The delivery of Town services is highly dependent on personnel, which accounts for 68.6% of the budgeted General Fund operating expenditures for the fiscal year. Throughout the year, the Town Council has approved several budget adjustments, which are tracked against the Adopted Budget to form the Adjusted Budget. General Fund expenditure totals are trending in line with the Adjusted Budget, with total operational expenditures at the end of the second quarter at approximately 46% of the Adjusted Budget. With six months of data now available, staff anticipate that some departmental expenditure budgets may not be sufficient for the remainder of the year. If necessary, staff will recommend additional expenditure budget adjustments, which may require future Council action.

Salaries and Benefits

As with most municipalities, services are provided directly by employees to the Town's residents, businesses, and visitors. As a service delivery enterprise, the cost of salaries and benefits is a significant portion of the budget. As the table below illustrates, at mid-year, actual salaries are trending at 46% of budgeted salaries; overtime is trending at 84% of the Adjusted Budget; and pension benefits and other benefits are trending at 43% and 42% of the Adjusted Budget, respectively.

| General Fund Salaries & Benefits | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | FY 2024-25 Actuals | FY 2024-25 2Q | 2Q % of FY 2024-25 Actuals | 2Q % of FY 2025-26 Adjusted Budget | FY 2025-26 2Q | FY2025-26 Estimated | FY 2025-26 Adjusted Budget | FY 2025-26 Adopted Budget |
| Salaries | $ 22,368,951 | $ 10,910,118 | 49% | 48% | $ 11,100,505 | $ 23,405,209 | $ 23,182,932 | $ 23,182,932 |
| Overtime | $ 1,333,709 | $ 747,234 | 56% | 84% | $ 595,047 | $ 1,384,604 | $ 704,376 | $ 657,310 |
| Pension Benefits | $ 8,262,903 | $ 4,051,720 | 49% | 43% | $ 4,299,360 | $ 8,790,965 | $ 9,907,119 | $ 9,907,119 |
| Other Benefits | $ 4,948,141 | $ 2,413,604 | 49% | 42% | $ 2,620,451 | $ 5,349,271 | $ 6,265,770 | $ 6,265,770 |
| **Total Salary & Benefit** | **$ 36,913,704** | **$ 18,122,676** | **49%** | **46%** | **$ 18,615,363** | **$ 38,930,049** | **$ 40,060,197** | **$ 40,013,131** |

The FY 2025-26 budget was balanced including 4.6% vacancy factor and $255,000 pension benefit savings, while Council directed that staff continue to hire for all vacant positions. The 4.6% salary and benefit savings represents approximately $2.2 million projected savings. Current year end general Fund salaries and benefits expenditure estimates include about $1.1 million salary savings compared to the adjusted budget that already inlcudes the projected savings. Fully staffed Departments are trending over budget due to the 4.6% vacancy factor that was built in. Staff will continue to monitor the Salaries and Benefits and request adjustment as needed to ensure that all programs remain within its allocated budget before Fiscal Year end.

*Vacancy Factor Evaluation*

*FY 2023-24*

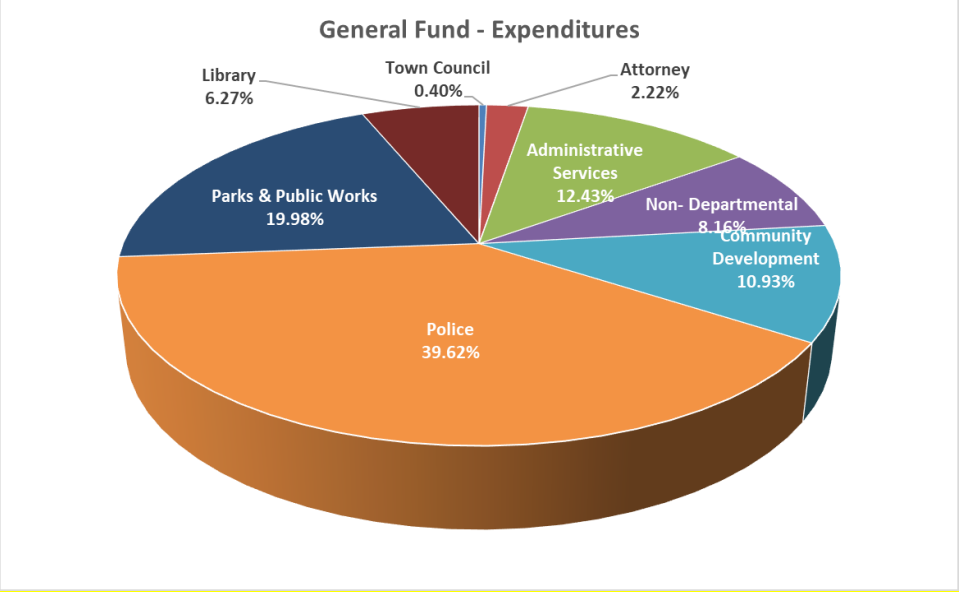
FY 2023-24 presented the first year when the budget was balanced with the 4.6% vacancy factor. For FY 2023-24 the final General Fund salaries and benefits budgets of $35,611,692, include a negative $1,670,530 original salary savings and a positive $714,666 budget restoration for Departments that were fully staffed. In addition, the General Fund had $1,041,299 salaries and benefits savings. While individual Departments had various savings, the Townwide General Fund salaries and benefits savings would translate to 5.5% increase if all positions are budgeted without vacancy savings factors.

*FY 2024-25*

During Fiscal Year 2024–25, the Town's revised General Fund salaries and benefits budget totaled $38,441,072, including a negative adjustment of $1,798,984 to reflect anticipated vacancy savings based on a 4.6% vacancy saving rate. Actual expenditures for salaries and benefits amounted to $36,913,705. However, several departments remained fully staffed throughout the fiscal year and did not realize vacancy-related savings. In response, the Town Council authorized budget adjustments for these departments, allowing for a partial restoration of the previously reduced budget—up to the full amount of the anticipated vacancy savings.These budget adjustments totaled $300,304, increasing the final adjusted budget to $38,741,376. With this adjustment, the final budget savings increased to $1,827,671, representing the difference between the adjusted budget and actual expenditures.
Note: If the original 4.6% vacancy savings factor had not been applied, the "full" budget would amount to ($38,441,078 + $1,798,984), the Town would have realized total savings of $3,305,656 equating to an 8.96% vacancy savings rate.

The FY 2024-25 budget included a significant hire ahead budget for the Police Department. Those hire ahead funding were not included in the FY 2025-26 adopted budget, so staff recommends to keep the 4.6% vacancy factor at this time.

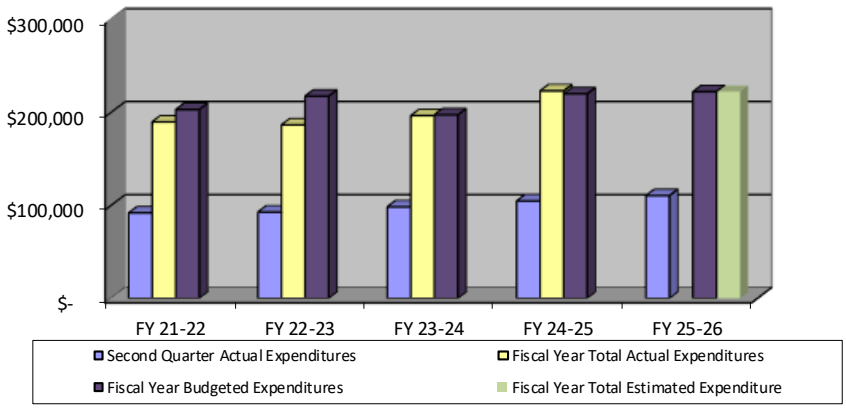
The pie chart below represents the Departmental proportion of the Town's General Fund estimated operating expenditures. The subsequent pages review program expenditures and any anticipated savings are provided for each program. Also provided are historical program costs, year over year (YOY) percentage changes in actual expenditures, and five-year average changes per the Finance Commission's suggestion. YOY percentage changes are, in many cases, impacted by the timing of one-time expenditures that occur during the fiscal year. Historical analysis has been provided in selected cases to provide explanations for some of the fluctuations between fiscal years. The FY 2025-26 estimated figures also include analysis on potential salary and other expenditure savings; however, budget adjustments are only recommended as identified in this Report.



## Town Council

The Town Council is the elected legislative body that represents the residents and provides policy direction for the delivery of services and capital improvements for the Town of Los Gatos. Town Council expenditures are trending higher than the same quarter in the prior year. Total estimated expenditures are also trending higher than budget because this Department is fully staffed. Staff will monitor this program and request a budget adjustment, if necessary, before Fiscal Year end.

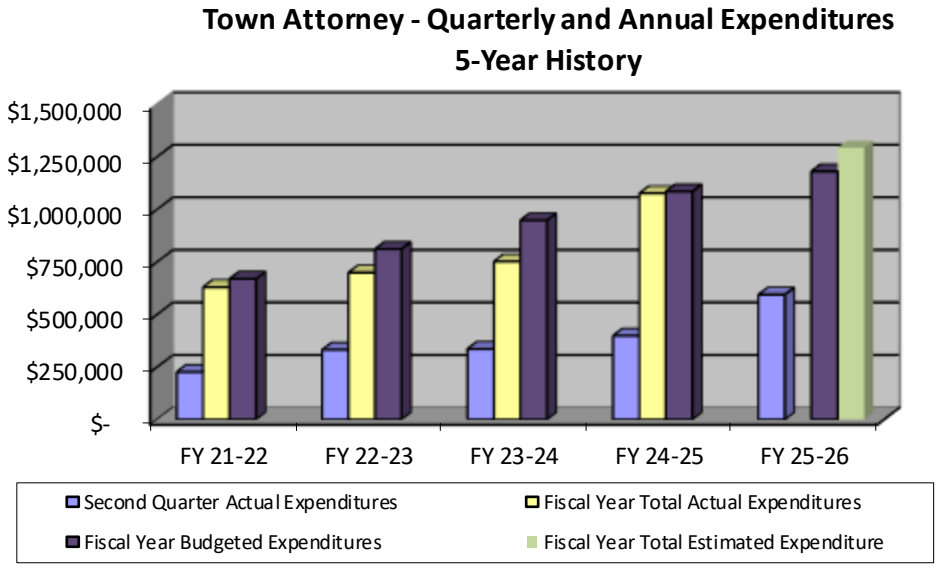
**Town Council - Quarterly and Annual Expenditures**
**5-Year History**




| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| Second Quarter Actual Expenditures | $ 91,800 | $ 92,674 | $ 98,255 | $ 104,644 | $ 110,352 |
| Fiscal Year Total Actual Expenditures | $ 189,569 | $ 186,337 | $ 196,368 | $ 222,954 | |
| Fiscal Year Total Estimated Expenditure | | | | | $ 222,115 |
| Fiscal Year Budgeted Expenditures | $ 202,891 | $ 217,238 | $ 197,261 | $ 219,814 | $ 222,115 |
| Second Quarter Percentage of Total | 48% | 50% | 50% | 48% | 50% |
| **Recommended Budget Revision** | | | | | **$ -** |
| YOY Percentage Changes | -7.93% | -1.70% | 5.38% | 13.54% | -0.38% |
| 5-year Average Percentage Change | | | | | 1.78% |

Town Attorney

The Town Attorney is the legal advisor to the Town Council, Successor Agency to the former Redevelopment Agency, and Town staff. In this capacity, the office of the Town Attorney provides a wide range of legal services to ensure that Town actions and activities are legally sound. Town Attorney program expenditures are trending at 50% at the second quarter. Staff recommends a $100,000 expenditure budget increase to provide additional legal support anticipated for the Department.

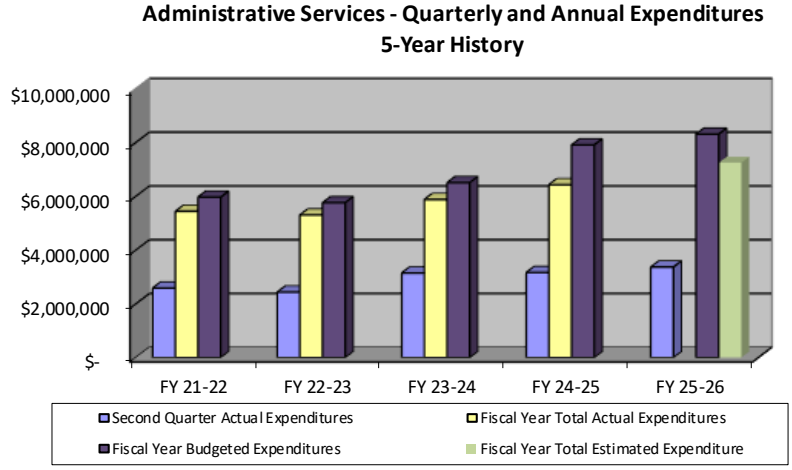



| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| Second Quarter Actual Expenditures | $ 226,377 | $ 332,183 | $ 336,063 | $ 398,986 | $ 594,515 |
| Fiscal Year Total Actual Expenditures | $ 629,935 | $ 699,143 | $ 751,614 | $1,076,252 | |
| Fiscal Year Total Estimated Expenditure | | | | | $1,293,243 |
| Fiscal Year Budgeted Expenditures | $ 669,733 | $ 811,426 | $ 947,963 | $1,085,157 | $1,180,884 |
| Second Quarter Percentage of Total | 36% | 48% | 45% | 37% | 50% |
| **Recommended Budget Revision** | | | | | **$ 100,000** |
| YOY Percentage Changes | 11.98% | 10.99% | 7.51% | 43.19% | 20.16% |
| 5-year Average Percentage Change | | | | | 18.77% |

## Administrative Services

The Town Manager provides overall management, administration, and direction for the entire Town organization, reporting to the full Town Council. Administrative Services incorporates five key programs: Town Manager's Office, Emergency Management Program, Economic and Community Vitality Program, Clerk Department, Finance Department, Human Resources Department, and Information Technology.

Administrative Services program expenditures are trending at 41% of the adopted budget at mid-year, and staff estimates approximately $1 million in expenditure savings within this program. Most of these savings are attributable to the emergency management spending plan, for which $1,000,000 was previously allocated but, based on current-year expenditures, is expected to yield $900,000 in savings. The projected savings are earmarked for potential grant match and will be spent in the appropriate fiscal year. Additional savings are expected in staff salaries and benefits, travel and training, and office supplies. Staff requests a $58,933 expenditure budget adjustment to account for Finance Department transition costs, increased business license processing fees, and decreases in special event-related road closure costs. This adjustment also reflects reductions in grant expenditures, as a multi-year grant previously expected to extend into FY 2025–26 concluded in the prior fiscal year.

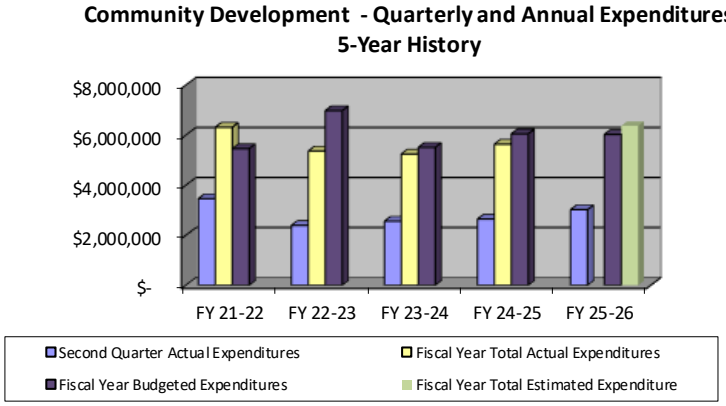



| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| Second Quarter Actual Expenditures | $ 2,583,281 | $ 2,435,224 | $ 3,144,181 | $ 3,161,963 | $ 3,367,328 |
| Fiscal Year Total Actual Expenditures | $ 5,441,605 | $ 5,302,277 | $ 5,877,879 | $ 6,428,009 | |
| Fiscal Year Total Estimated Expenditure | | | | | $ 7,245,452 |
| Fiscal Year Budgeted Expenditures | $ 5,965,801 | $ 5,759,393 | $ 6,506,131 | $ 7,906,038 | $ 8,308,150 |
| Second Quarter Percentage of Total | 47% | 46% | 53% | 40% | 41% |
| **Recommended Budget Revision** | | | | | **$ 58,993** |
| YOY Percentage Changes | 27.75% | -2.56% | 10.86% | 9.36% | 12.72% |
| 5-year Average Percentage Change | | | | | 11.62% |

Community Development Services

The Community Development Department works with elected and appointed officials, other Departments, and the community to guide the physical growth, development, and preservation of the Town.

Community Development program expenditures are trending higher than the same quarter in the prior year due to increased development activities in the Building and Pass-Through programs. The Pass-Through program collects developer deposits for various review services, which are provided through consultants and paid from the applicant's account. At the close of a project, any remaining fees are refunded to the applicant, making these transactions net neutral for the General Fund balance. Staff recommends a $615,500 increase in the development pass-through budget for activities anticipated during the fiscal year. In addition, staff recommends an expenditure budget increase of $7,500 to cover additional special noticing requirements, a $75,000 budget decrease for contract planner services to reflect the reduced need for external support in a fully staffed department, and a $45,000 budget decrease for contract building inspection services to align with current inspection activity. A further $45,000 reduction in the budget for contract building inspection services is recommended to align with current inspection activity. Additional details on all the requested items are provided in the Budget Adjustments section of this report. Staff will continue to monitor this program and request further adjustments, if necessary, before the end of the fiscal year.



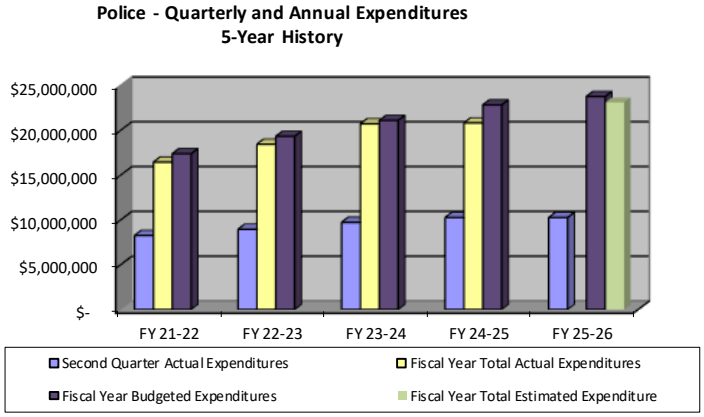

| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| Second Quarter Actual Expenditures | $ 3,460,301 | $ 2,394,537 | $ 2,559,684 | $ 2,646,092 | $ 3,020,911 |
| Fiscal Year Total Actual Expenditures | $ 6,313,505 | $ 5,365,410 | $ 5,246,729 | $ 5,637,743 | |
| Fiscal Year Total Estimated Expenditure | | | | | $ 6,368,565 |
| Fiscal Year Budgeted Expenditures | $ 5,461,716 | $ 6,978,617 | $ 5,509,853 | $ 6,050,448 | $ 6,027,635 |
| Second Quarter Percentage of Total | 55% | 45% | 49% | 44% | 50% |
| **Recommended Budget Revision** | | | | | **$ 577,500** |
| YOY Percentage Changes | 27.50% | -15.02% | -2.21% | 7.45% | 12.96% |
| 5-year Average Percentage Change | | | | | 6.14% |

Community Development Department expenditures vary year to year based on the development activity and pass-through services.

## Police Services

The Los Gatos-Monte Sereno Police Department provides Police services to the Town of Los Gatos and contractually to the City of Monte Sereno. The Department is committed to ensuring public safety with integrity, compassion, and professionalism, by providing exceptional law enforcement services, building community partnerships, and engaging the community in problem solving.

Staff continues to monitor Police Services program revenues and expenditures. The Police Department has dedicated additional resources to ongoing recruitment efforts for open positions. Whenever feasible, vacancies are temporarily filled with trainees, per diem staff, and temporary employees until permanent hires are made, which has contributed to increased costs. Staff recommends an expenditure budget increase of $75,000 for consultation services on police operations, a $15,000 increase for additional drug testing costs, and a $3,370 grant revenue adjustment to align actual grant spending with receipts across fiscal years. Despite these adjustments, total estimated expenditures are trending lower than budget due to partial vacancies throughout the Department. Staff will continue to monitor this program and may request additional budget adjustments, if necessary, before the end of the fiscal year.



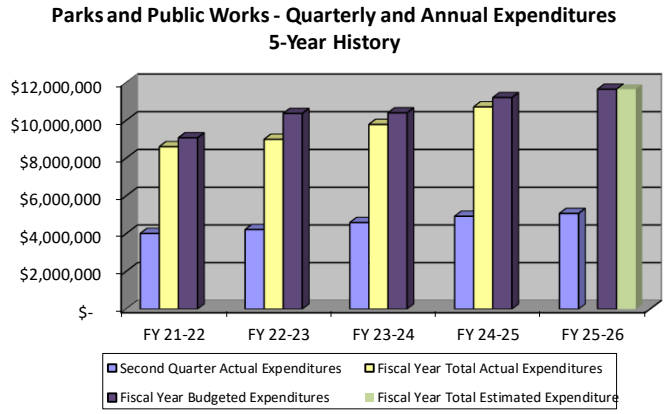

| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| Second Quarter Actual Expenditures | $ 8,266,432 | $ 8,957,541 | $ 9,732,572 | $ 10,269,947 | $ 10,268,293 |
| Fiscal Year Total Actual Expenditures | $ 16,451,189 | $ 18,446,040 | $ 20,718,871 | $ 20,827,880 | |
| Fiscal Year Total Estimated Expenditure | | | | | $ 23,095,918 |
| Fiscal Year Budgeted Expenditures | $ 17,390,969 | $ 19,331,331 | $ 21,107,570 | $ 22,832,439 | $ 23,768,536 |
| Second Quarter Percentage of Total | 50% | 49% | 47% | 45% | 43% |
| **Recommended Budget Revision** | | | | | **$ 93,370** |
| YOY Percentage Changes | 9.13% | 12.13% | 12.32% | 0.53% | 10.89% |
| 5-year Average Percentage Change | | | | | 9.00% |

*GASB 96 Subscription-Based Information Technology Arrangement Adjustments, Capital Outlay not included

## Parks and Public Works Services

The Parks and Public Works Department constructs and maintains the Town's public parks, facilities, roadways, right-of-way, and other infrastructure. Six organizational units work in coordination to achieve the Department's overarching goal of ensuring the Town's facilities are safe, functional, and attractive.

Parks and Public Works Services program expenditures are currently trending at 43% of the adopted budget. Staff recommends an expenditure budget increase of $200,755, primarily due to additional contractual obligations related to waste management, traffic signalization, tree pruning, and various miscellaneous and safety repair services. Staff will continue to monitor this program and may request further budget adjustments, if necessary, before the end of the fiscal year.

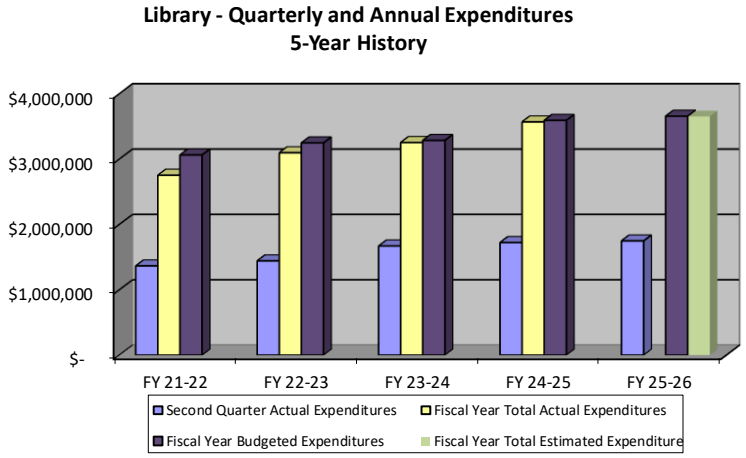



| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| Second Quarter Actual Expenditures | $ 4,010,181 | $ 4,215,979 | $ 4,589,535 | $ 4,920,014 | $ 5,068,319 |
| Fiscal Year Total Actual Expenditures | $ 8,605,455 | $ 8,998,082 | $ 9,789,656 | $ 10,717,232 | |
| Fiscal Year Total Estimated Expenditure | | | | | $ 11,649,244 |
| Fiscal Year Budgeted Expenditures | $ 9,080,662 | $ 10,368,194 | $ 10,401,796 | $ 11,210,621 | $ 11,653,693 |
| Second Quarter Percentage of Total | 47% | 47% | 47% | 44% | 43% |
| **Recommended Budget Revision** | | | | | **$ 200,755** |
| YOY Percentage Changes | 7.39% | 4.56% | 8.80% | 9.48% | 8.70% |
| 5-year Average Percentage Change | | | | | 7.78% |

## Library Services

The Los Gatos Library fosters curiosity and community connection and strives to be at the heart of an engaged and vibrant community.

Library services program expenditures are trending similarly to prior-year same-quarter expenditures. Total estimated expenditures are also trending slightly below budget. Staff will monitor this program and request an additional budget adjustment, if necessary, before the fiscal year end.




| | FY 21-22 | FY 22-23 | FY 23-24 | FY 24-25 | FY 25-26 |
|---|---|---|---|---|---|
| Second Quarter Actual Expenditures | $ 1,365,415 | $ 1,442,417 | $ 1,669,629 | $ 1,722,056 | $ 1,747,675 |
| Fiscal Year Total Actual Expenditures | $ 2,752,401 | $ 3,096,485 | $ 3,253,389 | $ 3,568,498 | |
| Fiscal Year Total Estimated Expenditure | | | | | $ 3,652,651 |
| Fiscal Year Budgeted Expenditures | $ 3,062,708 | $ 3,247,731 | $ 3,285,841 | $ 3,591,990 | $ 3,655,823 |
| Second Quarter Percentage of Total | 50% | 47% | 51% | 48% | 48% |
| **Recommended Budget Revision** | | | | | $ - |
| YOY Percentage Changes | 9.40% | 12.50% | 5.07% | 9.69% | 2.36% |
| 5-year Average Percentage Change | | | | | 7.80% |

## FY 2025-26 RECOMMENDED BUDGET ADJUSTMENTS

Budget adjustments are recommended for the following revenues and expenditures at the second quarter as described below:

**SUMMARY OF BUDGET ADJUSTMENTS BY FUND AND DEPARTMENT**

| General Fund | Expenditures | Revenues |
|---|---|---|
| Town Attorney | $ 100,000 | $ - |
| Administrative Services | $ 153,305 | $ 472,995 |
| Community Development | $ 502,500 | $ 1,527,500 |
| Police | $ 93,370 | $ 36,892 |
| Parks and Public Works | $ 200,775 | $ 143,472 |
| Library | $ - | $ 6,495 |
| Townwide/Non-Departmental | $ 300,191 | $ 1,394,534 |
| **TOTAL GENERAL FUND** | **$ 1,350,141** | **$ 3,581,888** |
| | | |
| **All Other Funds** | **Expenditures** | **Revenues** |
| Special Revenue | $ 1,328 | $ 4,000 |
| Capital Project | $ 559,564 | |
| Internal Service | $ (1,816,453) | $ (100,000) |
| **TOTAL ALL OTHER FUNDS** | **$ (1,255,561)** | **$ (96,000)** |
| | | |
| **TOTAL ALL FUNDS** | **$ 94,580** | **$ 3,485,888** |

Detailed Budget Adjustments

**FY 2025-26 MID-YEAR BUDGET ADJUSTMENT REQUESTS - GENERAL FUND**

| Program | Account | | | |
|---|---|---|---|---|
| 1201 | 411** | Property Tax | $ 68,164 | *Based on Santa Clara County Property Tax Estimates February 2026* |
| 1201 | 41141 | Motor Vehicle In Lieu Fee (VLF) | 28,672 | *Based on Santa Clara County Property Tax Estimates February 2026* |
| 1201 | 41211 | Sales & Use Tax | 1,207,436 | *Based on HdL Sales Tax Estimate January 2026* |
| 1221 | 41214 | Measure G - District Sales Tax | 30,175 | *Based on HdL Sales Tax Estimate January 2026* |
| 1201 | 41311 | Transient Occupancy Tax | (166,585) | *Based on Past Receipts and Current Trend* |
| 1201 | 41611 | Cable Franchise Fee | (95,772) | *Based on Past Receipts and Current Trend* |
| 1201 | 42542 | PG&E Franchise Fee | 60,880 | *Based on Past Receipts and Current Trend* |
| 1201 | 42212 | Credit Card Convenience Fee | 9,410 | *Based on Past Receipts and Current Trend* |
| 2101 | 43513 | SCC Unhoused Services Grant | (54,696) | *Funds Received and Spent in Prior Fiscal Year* |
| 2106 | 44316 | Leadership Los Gatos | 6,850 | *Based on Current Enrollment* |
| 1232 | 45964 | Pension Trust Contribution | 300,000 | *Funds Anticipated from Available Reserves* |
| 2301 | 4*** | Interest | 345,487 | *Funds partially Received* |
| 2301 | 41411 | Business License Tax | 107,508 | *Funds Anticipated* |
| 2301 | 42321 | Business License Processing Fee | 20,000 | *Funds Anticipated* |
| 3201 | 42413 | Planning Permits | 235,000 | *Funds Anticipated* |
| 3201 | 44214 | Other Planning Service Fees | 20,000 | *Funds Anticipated* |

## FY 2025-26 MID-YEAR BUDGET ADJUSTMENT REQUESTS - GENERAL FUND

| Program | Account | | | |
|---|---|---|---|---|
| 3202 | 44414 | Plan Check Planning | 35,000 | *Funds Anticipated* |
| 3301 | 42411 | Building Permit Fees | 220,000 | *Funds Anticipated* |
| 3301 | 42412 | Title 24 Fee | 40,000 | *Funds Anticipated* |
| 3301 | 44415 | Address Processing Fee | 40,000 | *Funds Anticipated* |
| 3301 | 44421 | Plan Check Building | 350,000 | *Funds Anticipated* |
| 3301 | 44422 | Building Inspections | (45,000) | *Funds are not Received, Matching Expenditures* |
| 3301 | 44625 | NPDES inspections | 20,000 | *Funds Anticipated* |
| 3401 | 45111 | Code Compliance - Admin Citation | (3,000) | *Funds are not Received* |
| 3999 | 48411 | Environmental Impact - Pass Through Services | 400,000 | *Funds Anticipated* |
| 3999 | 48412 | Architect Review- Pass Through Services | 30,000 | *Funds Anticipated* |
| 3999 | 48413 | Arborist Review - Pass Through Services | 80,000 | *Funds Anticipated* |
| 3999 | 48415 | Transcription - Pass Through Services | 2,000 | *Funds Anticipated* |
| 3999 | 48418 | Water Efficiency Review - Pass Through Services | 50,000 | *Funds Anticipated* |
| 3999 | 48426 | Building Standard - Pass Through Services | 3,500 | *Funds Anticipated* |
| 3999 | 48428 | Video Rendering - Pass Through Services | 30,000 | *Funds Anticipated* |
| 3999 | 48434 | SMIP @ 95% | 20,000 | *Funds Anticipated* |
| 4202 | 43336 | Prop 172 - Public Safety Sales Tax | (7,715) | *Based on HdL January 2026 Sales Tax Estimates* |
| 4301 | 44213 | Special Event Reimbursement | 11,062 | *Funds Received* |
| 4301 | 48218 | Measure G - District Sales Tax | 30,175 | *Funds Anticipated, Matching Tracking Expenditures* |
| 4816 | 45813 | BSCC Wellness Grant | 3,370 | *Funds Anticipated, Matching Expenditure* |
| 5101 | 43101 | Federal Emergency Management Grant - 2023 Storms | 919 | *Funds Received* |
| 5202 | 44214 | Other Service Fees | (33,760) | *Funds are not Received* |
| 5202 | 44621 | Engineering Services | 67,000 | *Funds Anticipated* |
| 5202 | 44623 | Engineering Review Surcharge | (134,731) | *Funds are not Received* |
| 5202 | 44624 | Grading Inspection | (37,000) | *Funds are not Received* |
| 5202 | 44626 | NPDES inspections | 32,900 | *Funds Anticipated* |
| 5301 | 41512 | Construction Tax - Capital Parks | 10,781 | *Funds Received* |
| 5301 | 42515 | Tree Removal Permit | 180,000 | *Funds Anticipated* |
| 5301 | 43101 | Federal Emergency Management Grant - 2023 Storms | 4,100 | *Funds Received* |
| 5301 | 43531 | PLAN JPA Safety and Risk Management | 12,206 | *Funds Received* |
| 5301 | 45421 | Benches | (500) | *Funds are not Received, Matching Expenditures* |
| 5302 | 42522 | HHW Solid Waste Fee | 14,959 | *Funds are Anticipates, Matching Tracking Expenditures* |
| 5405 | 45922 | Insurance Claim Reimbursement | 26,598 | *Funds are Received* |
| 7204 | 45930 | Public Library Fund Grant | 6,495 | *Grant Reimbursement Received* |
| | | ***TOTAL GENERAL FUND REVENUES*** | ***$ 3,581,888*** | |

## FY 2025-26 MID-YEAR BUDGET ADJUSTMENT REQUESTS - GENERAL FUND

| Program | Account | *General Fund Expenditures* | | | |
|---|---|---|---|---|---|
| 1201 | 62113 | Town Share of Retiree Medical | $ | 48,606 | *Funds are Partially Expended* |
| 1201 | 62119 | Additional Payment to IRS Pension Trust | | 300,000 | *From Available Reserve* |
| 1201 | 62227 | Credit Card Merchant Fee | | 9,410 | *Funds are Expended, Matching Revenue* |
| 1201 | 67102 | Los Gatos Chamber Contract is Budgeted in Economic Vitality Program | | (88,000) | *Funds are not Expended* |
| 2101 | 67229 | SCC Unhouse Services Grant | | (54,307) | *Funds Received and Spent in Prior Fiscal Year* |
| 2106 | 62434 | Leadership Los Gatos | | 4,300 | *Funds are Partially Expended, Based on Current Enrollment* |
| 2106 | 62435 | Road Closures | | (11,000) | *Funds are not Expended* |
| 1221 | 68218 | Measure G Sales Tax - Pass Thru | | 30,175 | *Funds are Partially Expended, Matching Revenue* |
| 1301 | 63215 | Legal Services | | 100,000 | *Funds are not Expended* |
| 2301 | 5**** | Salaries and Benefits | | 194,312 | *Funds are Partially Expended* |
| 2301 | 62335 | Business License Processing Fee | | 20,000 | *Funds are Partially Expended, Matching Revenue* |
| 3201 | 61114 | Postage | | 2,500 | *Funds are Partially Expended* |
| 3201 | 62318 | Contract Employee Services | | (75,000) | *Funds are not Expended* |
| 3201 | 62310 | Transcript Services | | (2,500) | *Funds are not Expended* |
| 3201 | 62311 | Special Noticing | | 5,000 | *Funds are Partially Expended* |
| 3301 | 63381 | Building Inspections | | (45,000) | *Funds are not Expended* |
| 3301 | 64111 | Employee Training | | 2,000 | *Funds are Partially Expended* |
| 3999 | 68411 | Environmental Impact - Pass Through Services | | 400,000 | *Funds are Partially Expended* |
| 3999 | 68412 | Architect Review- Pass Through Services | | 30,000 | *Funds are Partially Expended* |
| 3999 | 68413 | Arborist Review - Pass Through Services | | 80,000 | *Funds are Partially Expended* |
| 3999 | 68415 | Transcription - Pass Through Services | | 2,000 | *Funds are Partially Expended* |
| 3999 | 68419 | Water Efficiency Review - Pass Through Services | | 50,000 | *Funds are Partially Expended* |
| 3999 | 68424 | SMIP @ 95% - Pass Through Services | | 20,000 | *Funds are Partially Expended* |
| 3999 | 68426 | Building Standard @ 90% - Pass Through Services | | 3,500 | *Funds are Partially Expended* |
| 3999 | 68428 | Video Rendering - Pass Through Services | | 30,000 | *Funds are Partially Expended* |
| 4101 | 64212 | Org Development - Police Services Study | | 75,000 | *Funds are not Expended* |
| 4303 | 63322 | Drug Testing Services | | 15,000 | *Funds are Partially Expended* |
| 4816 | 68513 | BSCC Wellness Grant | | 3,370 | *Funds are Expended, Matching Revenue* |
| 5301 | 61234 | Playground Safety Parts and Equipment | | 12,206 | *Funds are Expended, Matching Revenue* |
| 5301 | 62378 | Miscellaneous Services and Repairs | | 82,110 | *Funds are not Expended* |
| 5301 | 63332 | Software Annual Support | | 1,000 | *Funds are Partially Expended* |

## FY 2025-26 MID-YEAR BUDGET ADJUSTMENT REQUESTS - GENERAL FUND

| Program | Account | *General Fund Expenditures* | | |
|---|---|---|---|---|
| 5301 | 68622 | Benches | (500) | *Funds are not Received, Matching Tracking Expenditures* |
| 5302 | 63121 | SCC- Household Waste Fee | 14,959 | *Funds are Partially Expended, Matching Revenue* |
| 5401 | 62354 | Tree Pruning Services | 51,000 | *Funds are not Expended* |
| 5401 | 63364 | Traffic Signalization | 40,000 | *Funds are not Expended* |
| | | ***TOTAL GENERAL FUND EXPENDITURES*** | ***$ 1,350,141*** | |

## FY 2025-26 MID-YEAR BUDGET ADJUSTMENT REQUESTS - OTHER FUNDS

| Fund Program | Account | *Other Fund Revenues* | | |
|---|---|---|---|---|
| **261** | | | | |
| 7301 | | ***Library Trust*** | | |
| | 45411 | Donation | $ 4,000 | *Additional Donation Received* |
| | | | **$ 4,000** | |
| **633** | | | | |
| 5423 | | ***Facilities Maintenance*** | | |
| | 45313 | Los Gatos Saratoga Recreation District | $ (100,000) | *Funds are not Received - Rent Abatement* |
| | | | **$ (100,000)** | |
| | | ***TOTAL OTHER FUNDS REVENUES*** | ***$ (96,000)*** | |

## FY 2025-26 MID-YEAR BUDGET ADJUSTMENT REQUESTS - OTHER FUNDS

| Fund Program | Account | *Other Fund Expenditures* | | |
|---|---|---|---|---|
| **411** | | ***GFAR*** | | |
| 4118104 | 82405 | Use of Excess VRF Reserves including Interest | $ 70,462 | *Funds are not Expended* |
| 4118414 | 82405 | Sport Court Resurfacing | 50,000 | *Funds are not Expended* |
| 4118741 | 82405 | Auto Gate Replacements | 1,602 | *Funds are not Expended* |
| | | | **$ 122,064** | |
| **412** | | ***GFAR - Interim Community Center*** | | |
| 4128736 | 82405 | Interim Community Center | 437,500 | |
| | | | **$ 437,500** | |
| **631** | | | | |
| 5404 | | ***Equipment Replacement*** | | |
| | 8**** | Equipment Replacement | $ (1,846,453) | *Funds are not Expended* |
| | | | **$ (1,846,453)** | |
| **633** | | ***Facilities Maintenance*** | | |

| | | | | | |
|---|---|---|---|---|---|
| 5404 | 62371 | Staffroom Supplies | | 5,000 | *Funds are not Expended* |
| 5404 | 62631 | Telephone | | 25,000 | *Funds are Partially Expended* |
| | | | **$** | **30,000** | |
| | | ***Library Trust Fund*** | | | |
| 7301 | 62420 | Additional Donation Received | | | *Funds are not Expended* |
| 7301 | 62424 | Additional Donation Received | | | *Funds are not Expended* |
| **231** | | | | | |
| 5501 | | ***Blackwell L&L District*** | | | |
| | 62613 | Utilities - Water | $ | 690 | *Funds are Partially Expended* |
| | | | **$** | **690** | |
| **232** | | | | | |
| 5502 | | ***Kennedy Meadows L&L District*** | | | |
| | 62613 | Utilities - Water | $ | 638 | *Funds are Partially Expended* |
| | | | **$** | **638** | |
| | | ***TOTAL OTHER FUNDS EXPENDITURES*** | ***$*** | ***(1,255,561)*** | |

## SUMMARY OF RECOMMENDED BUDGET ADJUSTMENTS

- General Property Tax and Motor Vehicle in Lieu Fee: Staff recommends a increase in projected revenues of approximately $68,164 in General Property Tax and an increase of $28,672 Motor Vehicle in Lieu fee which are in line with the estimates and forecasts provided to the Town from Santa Clara County.

- Sales and Use Tax: Staff recommends a $1,200,919 revenue budget increase to reflect current sales tax trends and new businesses based on HdL' current projections.

- Measure G – District Sales Tax: Staff recommends a $30,175 revenue budget increase to reflect the current trends of the one-eight cent sales tax based on HdL' projections and the matching $30,175 pass through revenue and expenditure budget adjustments to track the Measure G allocation.

- Transient Occupancy Tax (TOT): Staff recommends a decrease in projected revenues by $166,585 in TOT fee based on current collection trend.

- Cable Franchise Fee: Staff recommends a decrease in projected revenues of $95,722 in cable franchise fee based on current collection trend.

- PG&E Franchise Fee: Staff recommends an increase in projected revenues by $60,880 in PG&E franchise fee based on current collection trend.

- Credit Card Convenience Fee: Staff recommends a $9,410 revenue and expenditure budget increase based on the current convenience fees collected by the Town, with matching expenditures for third-party credit card processing services.

- Unhoused Service Grant: Staff recommends a decrease in projected revenues and expenditures in the amount of $54,696, as a multi-year grant previously expected to extend into FY 2025–26 concluded in the prior fiscal year.

- Leadership Los Gatos: Staff recommends a $6,850 revenue budget increase and a $4,300 expenditure budget increase for the Leadership Los Gatos Program to reflect current participation levels and additional associated program expenses.

- IRS Pension Trust: Staff recommends a revenue and expenditure budget increase of $300,000 to make an additional payment to the IRS Pension Trust from the available Pension/OPEB Reserve.

- Interest: Staff recommends a $345,487 revenue budget increase based on anticipated interest collection during this fiscal year.

- Business License Tax: Staff recommends a $107,508 revenue budget increase based on current trend and HdL's, the Town business license consultant's projection.

- Planning Permits, Plan Check and Other Planning Services Fees: Staff recommends a $390,000 revenue budget increase to reflect increased planning application activities based on current and anticipated receipts.

- Building Permits and Related Activities: Staff recommends a $625,000 revenue budget increase based on the current and anticipated receipts collections.

- Development Application – Pass Through Services: Staff recommends $615,000 revenue expenditure budget increase based on the current development activity.

- Prop 172 – Public Safety Sales Tax: Staff recommends a $7,715 revenue budget decrease to reflect the current trends of the tax based on Hdl's current projections.

- Special Event Reimbursement: Staff recommends a $11,062 revenue budget increase based on the current receipts collected for Police Services at special events.

- Police Operating Grant: Staff recommend $3,370 revenue and expenditure budget increases based on the use of deferred grant receipts.

- FEMA Reimbursement: Staff recommends a $5,019 revenue budget increase to recognize current year reimbursement proceeds for the 2023 storm.

- Engineering Permits and Related Activities Staff recommends a $105,591 revenue budget decrease to reflect decreased engineering application activities based on current and anticipated receipts.

- Park Construction Tax: Staff recommends a $10,781 revenue budget increase based on the current receipts collected.

- Tree Removal Permit: Staff recommends a $180,000 revenue budget increase based on the current receipts collected.

- Plan JPA – Safety Risk Management: Staff recommends a $12,206 revenue and expenditure budget increase to reflect the current PlanJPA grant receipt and associated spending for playground safety upgrades.

- HHW Solid Waste Fee: Staff recommends a $14,959 revenue and expenditure budget adjustment to reflect the current costs paid to Santa Clara County. These fees are reimbursed through the Solid Waste Joint Powers Authority (JPA).

- Benches: Staff recommends a $500 revenue and expenditure budget decrease due to the decision not to launch the Memorial Bench Program before the end of this fiscal year.

- Insurance Claim Reimbursement: Staff recommends a $16,818 revenue budget increase to recognize the reimbursement received for property damage.

- Library Operating Grants: Staff recommends a $6,495 revenue budget increase to recognize reimbursement collected in the current year for prior-year grant expenditures.

- Retire Medical: Staff recommends a $48,606 expenditure budget increase based on current estimates.

- Los Gatos Chamber of Commerce Contract: Staff recommends an $88,000 expenditure budget decrease because management of the contract has been transferred to the newly established Economic Community Vitality Program. The expenditures were erroneously included in both the legacy program and the new program, resulting in duplication.

- Legal Services Support: Staff recommends a $100,000 expenditure budget increase to provide additional legal support for the Town Attorney.

- Salaries and Benefits: Staff recommends a $194,312 expenditure budget increase related to the Director transition in the Finance Department. A portion of this increased cost will be offset by a reversal in the Town's Compensated Absences Reserve.

- Special Noticing and Postage: Staff recommends a $7,500 expenditure budget increase for a increased cost related the change in the special noticing requirement.

- Transcription Services: Staff recommends a $2,500 expenditure budget decrease for transcription services based on the current trend.

- Contract Employee Services: Staff recommends a $75,000 expenditure budget decrease for contract planning employee services, since the full budgeted amount will not be utilized in the current fiscal year.

- Building Inspection Services: Staff recommends a $45,000 expenditure budget decrease for contract building inspection services, since the full budgeted amount will not be utilized in the current fiscal year.

- Building Program Training: Staff recommends a $2,000 expenditure budget increase for staff training.

- Police Service Study: Staff recommends a $75,000 expenditure budget increase to consult with Meliora on Police operations and services.

- Drug Testing Services: Staff recommends a $15,000 expenditure budget increase due to rising costs in Drug Testing Services. The expenditures associated with the Police Department's Blood Draw Service, and its frequency, have increased during FY 2025–26. In response to these overages, the Police Department has reallocated funds from other areas within its budget on two separate occasions.

- Miscellaneous Services and Repairs: Staff recommends an increase in projected expenditures for miscellaneous park services and repairs of $82,110 to address playground inspection outcomes ($30,000), Blossom Hill Park lighting improvements ($20,000), and Town Plaza holiday tree and park lighting improvements ($32,110).

- Software Annual Support: Staff recommends an increase in projected expenditures for Park Services reservation software of $1,000 to implement a reservation system for tennis and pickleball reservations.

- Tree Pruning Services: Staff recommends an increase in projected expenditures of $51,000 for emergency tree services.

- Traffic Signalization: Staff recommends a $40,000 expenditure budget increase for increased cost for traffic signalization.

Other Fund Revenues and Expenditures

- Library Trust Fund: Staff recommends a $4,000 revenue budget increase to recognize an increase in donations.

- Facilities Maintenance Fund - Revenue: Staff recommends a decrease in projected revenues of $100,000 for the Facilities Maintenance Program based on the current agreement terms with the Los Gatos Saratoga Recreation Center.

- GFAR Project Costs: Staff recommends a $70,642 expenditure budget increase to use available excess Vehicle Registration Fund reserves and a $1,602 expenditure budget increase to the Auto Gate Replacement Project.

- Sport Park Court Resurfacing: Staff recommends an increase in projected expenditure of $50,000 for sound mitigation at La Rinconada Park based on the service quotes from vendors. Upon

further assessment of court conditions, additional sound netting is recommended than was originally proposed. The additional funds will support this additional material cost and associated installation. Project bidding is scheduled for February 6, 2026, with work planned for April 2026.

- Interim Community Center: Staff recommends moving the Adult Recreation Center Interim Community Center Project from Tier 2 to Tier 1 status and an associated increased expenditure projection of $437,500 for various improvements, including mold abatement, replacement of select windows, and roof replacement. This work will address aging building infrastructure.

- Equipment Replacement: Staff recommends a $1,846,453 expenditure budget decrease for the Equipment Replacement Fund. In May 2025, one of the Council's directions to staff was to review the equipment replacement list. Staff have begun this analysis and identified items that can be deferred from replacement in the current fiscal year. As a result, the staff recommends reducing the current equipment replacement budget. During the development of the FY 2026–27 budget, staff will continue to reevaluate all items on the list and either remove them from the replacement schedule or move them to their planned replacement year.

- Facilities Maintenance: Staff recommends a $30,000 expenditure budget increase for increased telephone services ($25,000) and increased cost of staffroom supplies ($5,000).

- Blackwell L&L District: Staff recommends a $690 expenditure budget increase for increased water utility costs.

- Kennedy Medows L&L District: Staff recommends a $638 expenditure budget increase for increased water utility costs.

## FINANCIAL SUMMARIES OF OTHER FUNDS

The group of financial summaries on the following pages present data by governmental, proprietary, and fiduciary fund types. For each, the fund information starts with a beginning fund balance, adds current year revenues, and subtracts current year expenditures, resulting in an ending fund balance. Adopted budget amounts are provided as a basis for comparison of actuals to date.

Special Revenue Funds (Governmental Fund Type)

Special Revenue Funds are used to account for revenues that are legally restricted or designated for specific purposes. The Town's Special Revenue Funds include the Community Development Block Grant Fund, Housing Conservation Program Fund, Urban Runoff Source Fund (Non-Point Source), several Landscaping and Lighting District (LLD) Funds, the Theatre Fund, and Library Trust Funds. Staff recommends increasing the revenue budget by $4,000 to reflect additional donations to the Library Trust Fund. Additionally, an increase of $1,328 in the expenditure budget is recommended to cover higher water utility costs for the Kennedy Meadows and Blackwell Landscaping and Lighting Districts.

**Special Revenue Funds**
**Budget to Actuals Comparisons**

| | CDBG Grants | Non-Point Source | LLD's | THEATRE | LIBRARY TRUSTS |
|---|---|---|---|---|---|
| **Beginning Fund Balance** | **$ 166,653** | **$ 664,168** | **$ 193,606** | **$ 381,122** | **$ 559,744** |
| Budgeted Revenues | - | 163,690 | 39,230 | 121,100 | 79,400 |
| **Total Actual Revenues - 2nd Qtr** | **$ -** | **$ 68,204** | **$ -** | **$ 90,420** | **$ 70,230** |
| Budgeted Expenditures | - | 221,318 | 40,400 | 55,814 | 82,000 |
| **Total Actual Expenditures - 2nd Qtr** | **-** | **70,277** | **12,588** | **28,747** | **22,778** |
| **2nd Quarter Ending Fund Balance** | **$ 166,653** | **$ 662,095** | **$ 181,018** | **$ 442,795** | **$ 607,196** |

Capital Projects Funds (Governmental Fund Type)

Capital Projects Funds account for resources used for the acquisition and construction of capital facilities by the Town. These funds include the General Fund Appropriated Reserve (GFAR) Fund, Community Center Fund, Traffic Mitigation Fund, Grant-Funded CIP Projects Fund, Utility Underground Fund, Gas Tax Fund, and three Storm Drain Funds. Staff recommends reopening the Tier 2 Interim Community Center Project with a budget of $437,500, increasing the Sport Court Resurfacing Project budget by $50,000, and making expenditure budget adjustments of $70,462 to utilize excess Vehicle Registration Fee reserves for additional street work. Additionally, staff recommends a $1,602 expenditure adjustment for the Auto Gate Replacement Project. The Grant-Funded CIP Fund currently reflects a deficit balance because grant-funded projects require the Town to expend its own dollars first and then submit documentation to the State of California or other granting agencies for reimbursement. These reimbursements ultimately result in the fund breaking even with a zero balance.

**Capital Project Funds**
**Budget to Actuals Comparisons**

| | GFAR* Fund | Community Center Development | Traffic * Mitigation | Grant Funds* CIP | Storm Drains | Utility Undergd | Gas Tax |
|---|---|---|---|---|---|---|---|
| **Beginning Fund Balance** | **$ 16,974,945** | **$ 819,604** | **$ 676,481** | **$ (1,577,430)** | **$ 2,825,234** | **$ 3,763,913** | **$ 2,130,548** |
| Budgeted Revenues | 4,367,396 | - | - | 10,053,709 | 153,242 | 45,870 | 1,822,989 |
| **Total Actual Revenues - 2nd Qtr** | **2,507,708** | **-** | **-** | **1,401,539** | **162,657** | **8,848** | **718,471** |
| Budgeted Expenditures | 16,844,699 | - | 10,000 | 6,198,983 | 1,880,615 | - | 3,463,170 |
| **Total Actual Expenditures - 2nd Qtr** | **1,515,679** | **-** | **-** | **542,700** | **135,675** | **-** | **930,650** |
| **2nd Quarter Ending Fund Balance** | **$ 17,966,974** | **$ 819,604** | **$ 676,481** | **$ (718,591)** | **$ 2,852,216** | **$ 3,772,761** | **$ 1,918,369** |

** GFAR, Community Center Development, Traffic Mitigation, and Grant Funds balances are combined in the FY 2025 ACFR. The combined balance of $16,893,600 is presented as an Appropriated Reserve.*

Internal Service Funds (Proprietary Fund Type)

Internal Service Funds are used to finance and account for specialized activities and services provided by designated Town departments to other Town departments on a cost-reimbursement basis. These funds include the Equipment Replacement Fund, Workers' Compensation Fund, Liability Self-Insurance Fund, Information Technology Fund, and Facilities Maintenance Fund.

The Self-Insurance Fund currently reflects a deficit balance because insurance premiums are paid at the beginning of the fiscal year, while departmental reimbursements are recorded on a bi-monthly basis. Additionally, higher premium rates and increased claim activity required the Town to raise its Liability Internal Service charges in the FY 2025–26 budget. Staff continues to monitor insurance costs and are implementing a change to the Town's liability insurance policy effective July 1, 2026, which is expected to generate potential savings. Furthermore, staff recommends reducing the revenue budget for the Facility Maintenance Program by $100,000 to account for the rent abatement provided to the Recreation Center, and increasing the expenditure budgets for telephone line services needed for resiliency by $25,000 and for staff room supplies by $5,000. In May 2025, one of the Council's directions to staff was to review the equipment replacement list. Staff have begun this analysis and identified items that can be deferred from replacement in the current fiscal year. As a result, the staff recommends reducing the current equipment replacement budget by $1,846,453. During the development of the FY 2026–27 budget, staff will continue to reevaluate all items on the list and either remove them from the replacement schedule or move them to their planned replacement year.

**Internal Service Funds**
**Budget to Actuals Comparisons**

| | Equipment Replacemt | Workers Compensation | Self Insurance | Information Technology | Facility Maint. |
|---|---|---|---|---|---|
| **Beginning Fund Balance** | **$ 3,890,429** | **$ 1,259,972** | **$ 208,747** | **$ 2,585,104** | **$ 820,099** |
| Budgeted Revenues | 1,187,544 | 1,901,696 | 1,825,348 | 954,554 | 1,519,570 |
| **Total Actual Revenues - 2nd Qtr** | **583,772** | **999,555** | **840,773** | **395,714** | **690,616** |
| Budgeted Expenditures | 2,280,123 | 1,846,050 | 1,758,736 | 1,593,457 | 1,419,567 |
| **Total Actual Expenditures - 2nd Qtr** | **163,833** | **896,072** | **1,567,792** | **627,572** | **682,757** |
| **2nd Quarter Ending Fund Balance** | **$ 4,310,368** | **$ 1,363,455** | **$ (518,272)** | **$ 2,353,246** | **$ 827,958** |
| | 7% | 49% | 89% | 39% | 48% |

Trust and Agency Funds (Fiduciary Fund Type)

AB1x26 is the "Dissolution Bill" that eliminated the Town's Redevelopment Agency effective February 1, 2012. AB 1484 is the "clean-up" bill that revised and attempted to clarify AB1x26. In accordance with the law, the Successor Agency continues to wind down the affairs and operations of the former Redevelopment Agency by implementing programs and activities in accordance with the State-approved Recognized Obligation payment Schedule (ROPS). The Successor Agency monies are now accounted for in a Private Purpose Trust fund and no longer part of the Town's Financial Statements. The fund balance reported is the actual fund balance that incorporates the full accrual of long-term debt related to the outstanding bonds payable to the 2002 and 2010 Certificates of Participation. The approved ROPS schedule includes full funding for this debt obligation.

**Trust & Agency Fund**
**Budget to Actuals Comparisons**

| | | SA Trust |
|---|---|---|
| **Beginning Fund Balance** | **$** | **(3,037,145)** |
| Budgeted Revenues | | 3,923,926 |
| **Total Actual Revenues - 2nd Qtr** | | **-** |
| Budgeted Expenditures | | 3,817,112 |
| **Total Actual Expenditures - 2nd Qtr** | | **1,743,541** |
| **2nd Quarter Ending Fund Balance** | **$** | **(4,780,686)** |

Conclusion

Overall, the Town is well positioned to end the fiscal year in a positive. The recommended adjustments included in the Mid-Year Financial Report to increase estimated revenues across all funds by $3.6M and to decrease budgeted appropriations by $.09M.

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# FY 2026-27 DRAFT FORECAST UPDATED ON 2-6-2026

**General Fund 5-Year Forecast**
**Updated 2-5-2026**
**(in $ million)**

| Revenue Category | FY 2021-22 Actuals | FY 2022-23 Actuals | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2024-25 Actuals | FY 2025-26 Adjusted Budget | FY 2025-26 Estimates | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Property Tax | $ 16.9 | $ 18.2 | $ 19.3 | $ 20.0 | $ 20.2 | $ 21.5 | $ 21.5 | $ 22.2 | $ 23.1 | $ 24.1 | $ 25.0 | $ 26.1 |
| VLF Backfill Property Tax | 4.2 | 4.6 | 4.9 | 5.1 | 5.1 | 5.4 | 5.4 | 5.7 | 6.0 | 6.3 | 6.6 | 6.9 |
| Sales & Use Tax | 7.2 | 7.5 | 6.8 | 6.5 | 7.0 | 6.6 | 7.9 | 8.4 | 8.6 | 8.9 | 9.2 | 9.4 |
| Measure G District Sales Tax | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.5 |
| Franchise Fees | 2.8 | 3.1 | 2.5 | 1.0 | 1.1 | 1.0 | 1.0 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Transient Occupancy Tax | 1.9 | 2.2 | 2.4 | 2.3 | 2.4 | 2.4 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.4 |
| Business License Tax | 1.5 | 2.4 | 1.5 | 2.8 | 3.0 | 2.5 | 2.6 | 2.7 | 2.8 | 2.8 | 2.9 | 3.0 |
| Licenses & Permits | 4.8 | 3.3 | 4.0 | 6.2 | 6.7 | 6.3 | 7.0 | 6.1 | 6.2 | 6.3 | 6.4 | 6.5 |
| Intergovernmental | 1.3 | 1.6 | 1.2 | 1.2 | 1.3 | 1.1 | 1.3 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Town Services | 5.3 | 4.6 | 5.9 | 5.2 | 5.7 | 6.0 | 7.0 | 5.3 | 5.5 | 5.6 | 5.8 | 6.0 |
| Fines & Forfeitures | 0.3 | 0.4 | 0.5 | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 | 0.1 | 0.1 | 0.1 | 0.1 |
| Interest | (1.4) | 0.6 | 2.7 | 1.4 | 3.1 | 1.6 | 1.9 | 1.4 | 1.5 | 1.5 | 1.6 | 1.7 |
| Other Sources | 7.7 | 8.1 | 4.9 | 4.2 | 3.6 | 6.8 | 6.3 | 3.8 | 3.9 | 4.0 | 2.8 | 2.7 |
| Fund Transfers In | 0.6 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| **TOTAL OPERATING REVENUES &** | $ 54.4 | $ 58.4 | $ 58.5 | $ 58.1 | $ 61.5 | $ 63.4 | $ 66.4 | $ 62.0 | $ 63.9 | $ 65.9 | $ 66.7 | $ 68.9 |
| Use of Capital/Special Projects | 0.6 | $ 2.4 | $ 1.6 | $ 3.7 | $ 1.1 | $ - | | $ - | $ - | $ - | $ - | $ - |
| Use of Measure G Sales Tax - | | - | - | 0.6 | | - | | - | - | - | - | - |
| Use of Pension/OPEB Reserve | 0.3 | 0.3 | 0.3 | - | 0.3 | - | | - | - | - | - | - |
| Use of Council Priorites - Economic | - | - | 1.5 | - | - | - | | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*** | $ 57.6 | $ 61.1 | $ 61.9 | $ 62.4 | $ 62.9 | $ 63.4 | $ 66.4 | $ 62.0 | $ 63.9 | $ 65.9 | $ 66.7 | $ 68.9 |

| Expenditure Category | FY 2021-22 Actuals | FY 2022-23 Actuals | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2024-25 Actuals | FY 2025-26 Adjusted Budget | FY 2025-26 Estimates | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Salary | $ 18.9 | $ 20.5 | $ 21.5 | $ 25.2 | $ 22.4 | $ 25.4 | $ 23.4 | $ 26.8 | $ 27.6 | $ 28.2 | $ 28.8 | $ 29.4 |
| Overtime | 1.1 | 1.3 | 1.3 | 0.6 | 1.3 | 0.7 | 1.4 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| CalPERS Benefits | 6.5 | 7.1 | 7.4 | 8.8 | 8.3 | 9.9 | 8.8 | 10.3 | 11.0 | 11.8 | 12.0 | 12.3 |
| All Other Benefits | 3.7 | 3.8 | 4.3 | 5.6 | 4.9 | 6.3 | 5.3 | 5.9 | 6.2 | 6.4 | 6.6 | 6.9 |
| 4.6% Salary and Benefits Savings | - | - | - | (1.5) | - | (2.2) | - | (2.0) | (2.1) | (2.2) | (2.2) | (2.3) |
| OPEB Pay as You Go | 1.4 | 1.5 | 1.6 | 2.0 | 1.9 | 2.1 | 2.2 | 2.2 | 2.2 | 2.3 | 2.3 | 2.4 |
| Operating Expenditures | 10.4 | 11.7 | 9.8 | 10.6 | 8.1 | 11.6 | 11.7 | 11.6 | 10.8 | 11.1 | 11.4 | 11.8 |
| Grants & Awards | 1.8 | 0.6 | 0.7 | 0.7 | 0.7 | 0.5 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Utilities | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 | 0.7 | 0.7 | 0.9 | 0.9 | 0.9 | 0.9 | 1.0 |
| Internal Service Charges | 2.6 | 2.6 | 3.2 | 4.4 | 4.2 | 4.9 | 4.7 | 5.6 | 6.0 | 6.2 | 6.5 | 6.7 |
| Debt Service | 2.1 | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 0.8 | 0.8 |
| **TOTAL OPERATING EXPENDITURES** | $ 49.0 | $ 51.8 | $ 52.9 | $ 59.2 | $ 54.6 | $ 61.9 | 60.6 | $ 64.3 | $ 65.6 | $ 67.8 | $ 68.2 | $ 70.1 |
| Pension | 0.7 | 0.7 | 0.7 | 0.4 | 0.7 | 0.4 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | $ 49.8 | $ 52.5 | $ 53.5 | $ 59.6 | $ 55.3 | $ 62.3 | $ 61.3 | $ 64.7 | $ 66.0 | $ 68.2 | $ 68.6 | $ 70.5 |
| Capital Transfers Out to GFAR | 1.2 | $ 2.4 | $ 1.6 | $ 1.1 | $ 1.1 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Transfer to General Liability | | - | 0.4 | - | 0.1 | - | - | - | - | - | - | - |
| GASB 65 | | | 0.6 | - | - | - | - | - | - | - | - | - |
| Fixed Assets/ Equipment | | | 0.1 | 0.4 | - | - | 0.2 | - | - | - | - | - |
| 1/2 of Measure G Proceeds to Capital | 0.6 | 0.6 | 0.7 | 0.6 | 0.6 | - | - | - | - | - | - | - |
| Allocate to ERAF Risk Reserve | - | 0.7 | 0.7 | - | - | - | - | - | - | - | - | - |
| Allocate to GASB 31 Reserve | | | | | 1.2 | - | - | | | | | |
| Allocate to Pension Trust | - | 0.7 | 0.7 | 0.7 | 0.7 | 0.4 | 0.6 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL EXPENDITURES & RESERVE** | $ 52.1 | $ 56.2 | $ 57.6 | $ 62.1 | $ 59.0 | $ 62.7 | 62.1 | $ 65.1 | $ 66.4 | $ 68.6 | $ 69.0 | $ 70.9 |
| **NET REVENUES , TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS** | **$ 5.5** | **$ 4.9** | **$ 4.3** | **$ 0.3** | **$ 3.9** | **$ 0.7** | **$ 4.3** | **$ (3.1)** | **$ (2.5)** | **$ (2.7)** | **$ (2.3)** | **$ (2.0)** |

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

# FY 2026-27 UPDATED DRAFT FORECAST COMPARISON AS IT PUBLISHED THE FY 2025-26 ADOPTED BUDGET COMPARED TO AS IT WAS PREPARED ON 2-6-2026

| | A | B | C | D |
|---|---|---|---|---|
| | Revenue Category | FY 2026-27 Forecast Updated 2-6-2026 | FY 2026-27 Forecast Published with the Adopted Budget | VARIANCE |
| 1 | Property Tax | $ 22.2 | $ 22.2 | $ - |
| 2 | VLF Backfill Property Tax | 5.7 | 5.7 | - |
| 3 | Sales & Use Tax | 8.4 | 6.8 | 1.6 |
| 4 | Measure G District Sales Tax | 1.3 | 1.3 | (0.0) |
| 5 | Franchise Fees | 1.1 | 1.1 | - |
| 6 | Transient Occupancy Tax | 2.3 | 2.4 | (0.1) |
| 7 | Business License Tax | 2.7 | 2.6 | 0.1 |
| 8 | Licenses & Permits | 6.1 | 6.3 | (0.2) |
| 9 | Intergovernmental | 0.8 | 0.8 | - |
| 10 | Town Services | 5.3 | 5.0 | 0.3 |
| 11 | Fines & Forfeitures | 0.3 | 0.3 | - |
| 12 | Interest | 1.4 | 1.1 | 0.3 |
| 13 | Other Sources | 3.8 | 3.7 | 0.1 |
| 14 | Fund Transfers In | 0.6 | 0.6 | - |
| 15 | **TOTAL OPERATING REVENUES &** | $ 62.0 | $ 59.9 | **$ 2.1** |
| | Use of Capital/Special Projects | $ - | $ - | |
| | Use of Measure G Sales Tax - | - | - | |
| | Use of Pension/OPEB Reserve | - | - | |
| | Use of Council Priorites - Economic | - | - | |
| | Use of Unassigned Fund Balance | - | - | |
| 16 | **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*** | $ 62.0 | $ 59.9 | |
| | Expenditure Category | FY 2026-27 Forecast Updated 2-6-2026 | FY 2026-27 Forecast Published with the Adopted Budget | Variance |
| 17 | Salaries | $ 26.8 | $ 26.8 | $ (0.0) |
| 18 | Overtime | 0.7 | 0.7 | (0.0) |
| 19 | CalPERS Benefits | 10.3 | 10.4 | (0.1) |
| 20 | All Other Benefits | 5.9 | 6.3 | (0.4) |
| 21 | 4.6% Salaries and Benefits Savings | (2.0) | (2.0) | (0.0) |
| 22 | OPEB Pay as You Go | 2.2 | 2.2 | (0.0) |
| 23 | Operating Expenditures | 11.6 | 9.9 | 1.7 |
| 24 | Grants & Awards | 0.3 | 0.3 | (0.0) |
| 25 | Utilities | 0.9 | 0.7 | 0.2 |
| 26 | Internal Service Charges | 5.6 | 5.3 | 0.4 |
| 27 | Debt Service | 2.1 | 2.1 | (0.0) |
| 28 | **TOTAL OPERATING EXPENDITURES** | $ 64.3 | $ 62.7 | **$ 1.6** |
| 30 | Pension | 0.4 | 0.4 | |
| 31 | **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | $ 64.7 | $ 63.1 | |
| 32 | Allocate to Pension Trust | 0.4 | 0.4 | |
| | **TOTAL EXPENDITURES & RESERVE** | $ 65.1 | $ 63.5 | |
| | **NET REVENUES , TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS** | $ (3.1) | $ (3.6) | |

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

Below is the list of variances/or no changes in the Revenue and Expenditure estimates (2-6-2026).

**Revenues:**

**Row 1 and Row 2 Column A – Property Tax and VLF Property Tax Backfill - Projected Variance – No Projected Variance**

*No change based on SCCAO February 2026 and HdL Coren and Cane January 2026 Property Tax Update.*

**Row 3 and Row 4**

**Column A – Sales Tax and Measure G District Sales Tax - Projected Variance $1.6 million increase**

*In January 2026 HdL, the Town's Sales Tax consultant, provided an updated Sales Tax revenue projection indicating an increase of approximately $1.6 million. This revised estimate reflects stronger-than-anticipated local economic activity.*

**Row 5 - Column A – Franchise Fees – No Projected Variance**

*No Projected Change.*

**Row 6 - Column A – Transient Occupancy Tax (TOT) – Projected Variance ($0.1) million decrease**

*Current TOT trend estimates based on the number of hotels in Town.*

**Row 7 - Column A – Business License Tax – Projected Variance $0.1 million increase**

*Based on the most recent estimates, the FY 2026-27 Business License Tax is anticipated to increase by $0.1 million.*

**Row 8 - Column A – Licenses and Permits – Projected Variance ($0.2) million decrease**

*Based on the most recent estimates, the FY 2026-27 License and Permits is anticipated to decrease by $0.2 million.*

**Row 9 - Column A – Intergovernmental - No Projected Variance**

**Row 10 - Column A – Town Services - Projected Variance - $0.3 million increase**

*Based on Development activities, pass-through revenues are expected to increase by $0.3 million. The corresponding pass-through expenditures are expected to grow by the same amount.*

**Row 11 - Column A – Fines and Forfeitures - No Projected Variance**

**Row 12 - Column A – Interest - $0.3 million increase**

*Based on updated interest rate estimates as of January 2026, staff have conducted a comprehensive evaluation of the current interest rate environment in relation to the Town's existing investment portfolio. The interest rate assumptions have been updated accordingly to reflect current market conditions. As the market environment continues to evolve, projected interest rates will fluctuate. Staff are actively monitoring the investment rate environment and will continue to update interest rate assumptions on a periodic basis*

**Row 13 - Column A – Other Sources - $0.1 million increase**

*Based on FY 2024-25 Actuals revenue collections, such as credit card merchant fees, and updated Measure G sales Tax tracking Revenue.*

**Row 14 - Column A – Fund Transfers In - No Projected Variance**

**Expenditures:**

**Row 17 - Column A – Salaries - No Projected Variance**

**Row 18 - Column A – Overtime - No Projected Variance**

**Row 19 - Column A – CalPERS Benefits - Projected Variance ($0.1) million decreases**

**Row 20 - Column A – All Other Benefits - Projected Variance ($0.4) million decreases**

**Row 21 - Column A – 4.6 % Salaries and Benefit Savings - No Projected Variance**

*Based on the 12/31/2025 Actual Salary Steps, Pension Benefits, and Medical Insurance selection, the projected Salaries and Benefits are $0.5 million less. Staff will update pension rates and actual salaries and benefits with the Proposed FY 2026-27 Budget.*

**Row 22 - Column A – OPEB Pay as You Go - No Projected Variance**

*No Projected Change.*

**Row 23 - Column A – Operating Expenditure - Projected Variance $1.7 million increase**

*Operating expenditures for FY 2026-27 are projected to increase by approximately $1.7 million. This increase is primarily driven by town-wide growth in contractually obligated expenditures, a shift to a subscription-based model for various public safety equipment, and an increase in the Town's share of retiree medical reimbursements. In addition, $0.9 million of funding originally allocated to Emergency Management in FY 2024-25 is expected to be used in FY 2026-27.*

**Row 24 - Column A – Grants and Awards - No Projected Variance**

*No Projected Change.*

**Row 25 - Column A – Utilities - Projected Variance $0.2 million increase**

*Operating expenditure expected to increase by $0.2 million based on FY 2024-25 actual utilities expenditures.*

**Row 26 - Column A – Internal Service Charges - $0.4 million increase**

*Expenditure expected to increase by $0.4 million based on FY 2024-25 actual expenditures.*

**Row 27 - Column A – Debt Services - No Projected Variance**

# FY 2026-27 DRAFT FORECAST UPDATED ON 12-29-2025

**General Fund 5-Year Forecast**
**Updated 12-29-2025**
**(in $ million)**

| Revenue Category | FY 2021-22 Actuals | FY 2022-23 Actuals | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2024-25 Actuals | FY 2025-26 Adjusted Budget | FY 2025-26 Estimates | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Property Tax | $ 16.9 | $ 18.2 | $ 19.3 | $ 20.0 | $ 20.2 | $ 21.5 | $ 21.4 | $ 21.4 | $ 22.3 | $ 23.2 | $ 24.1 | $ 25.1 |
| VLF Backfill Property Tax | 4.2 | 4.6 | 4.9 | 5.1 | 5.1 | 5.4 | 5.4 | 5.6 | 5.9 | 6.2 | 6.5 | 6.8 |
| Sales & Use Tax | 7.2 | 7.5 | 6.8 | 6.5 | 7.0 | 6.6 | 6.9 | 7.1 | 7.3 | 7.4 | 7.5 | 7.6 |
| Measure G District Sales Tax | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.5 |
| Franchise Fees | 2.8 | 3.1 | 2.5 | 1.0 | 1.1 | 1.0 | 1.0 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Transient Occupancy Tax | 1.9 | 2.2 | 2.4 | 2.3 | 2.4 | 2.4 | 2.4 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Business License Tax | 1.5 | 2.4 | 1.5 | 2.8 | 3.0 | 2.5 | 2.8 | 2.7 | 2.8 | 2.9 | 3.0 | 3.1 |
| Licenses & Permits | 4.8 | 3.3 | 4.0 | 6.2 | 6.7 | 6.3 | 6.3 | 6.1 | 6.2 | 6.3 | 6.4 | 6.5 |
| Intergovernmental | 1.3 | 1.6 | 1.2 | 1.2 | 1.3 | 0.8 | 0.8 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 |
| Town Services | 5.3 | 4.6 | 5.9 | 5.2 | 5.7 | 5.7 | 5.7 | 5.3 | 5.4 | 5.5 | 5.6 | 5.8 |
| Fines & Forfeitures | 0.3 | 0.4 | 0.5 | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Interest | (1.4) | 0.6 | 2.7 | 1.4 | 3.1 | 1.6 | 1.6 | 1.2 | 1.1 | 1.1 | 1.1 | 1.2 |
| Other Sources | 7.7 | 8.1 | 4.9 | 4.2 | 3.6 | 3.8 | 3.9 | 3.7 | 3.9 | 3.9 | 2.7 | 2.7 |
| Fund Transfers In | 0.6 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| **TOTAL OPERATING REVENUES &** | $ 54.4 | $ 58.4 | $ 58.5 | $ 58.1 | $ 61.5 | $ 59.8 | $ 60.4 | $ 59.2 | $ 61.0 | $ 62.9 | $ 63.3 | $ 65.3 |
| Use of Capital/Special Projects Reserve | 0.6 | $ 2.4 | $ 1.6 | $ 3.7 | $ 1.1 | $ - | | $ - | $ - | $ - | $ - | $ - |
| Use of Measure G Sales Tax - Operating | | - | - | 0.6 | | - | | - | - | - | - | - |
| Use of Pension/OPEB Reserve | 0.3 | 0.3 | 0.3 | - | 0.3 | - | | - | - | - | - | - |
| Recovery | - | - | 1.5 | - | - | - | | - | - | - | - | - |
| Use of Unassigned Fund Balance | | | | | | - | | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*** | $ 57.6 | $ 61.1 | $ 61.9 | $ 62.4 | $ 62.9 | $ 59.8 | $ 60.4 | $ 59.2 | $ 61.0 | $ 62.9 | $ 63.3 | $ 65.3 |

| Expenditure Category | FY 2021-22 Actuals | FY 2022-23 Actuals | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2024-25 Actuals | FY 2025-26 Adjusted Budget | FY 2025-26 Estimates | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Salary | $ 18.9 | $ 20.5 | $ 21.5 | $ 25.2 | $ 22.4 | $ 25.4 | $ 25.4 | $ 26.8 | $ 27.6 | $ 28.2 | $ 28.8 | $ 29.4 |
| Overtime | 1.1 | 1.3 | 1.3 | 0.6 | 1.3 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| CalPERS Benefits | 6.5 | 7.1 | 7.4 | 8.8 | 8.3 | 9.7 | 9.7 | 10.3 | 11.0 | 11.8 | 12.0 | 12.3 |
| All Other Benefits | 3.7 | 3.8 | 4.3 | 5.6 | 4.9 | 6.3 | 6.3 | 5.9 | 6.2 | 6.4 | 6.6 | 6.9 |
| 4.6% Salary and Benefits Savings | - | - | - | (1.5) | - | (1.9) | (1.9) | (2.0) | (2.1) | (2.2) | (2.2) | (2.3) |
| OPEB Pay as You Go | 1.4 | 1.5 | 1.6 | 2.0 | 1.9 | 2.1 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 |
| Operating Expenditures | 10.4 | 11.7 | 9.8 | 10.6 | 8.2 | 9.9 | 9.9 | 10.2 | 10.3 | 10.6 | 10.8 | 11.2 |
| Grants & Awards | 1.8 | 0.6 | 0.7 | 0.7 | 0.7 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Utilities | 0.6 | 0.6 | 0.7 | 0.7 | 0.8 | 0.7 | 0.7 | 0.9 | 0.9 | 0.9 | 0.9 | 1.0 |
| Internal Service Charges | 2.6 | 2.6 | 3.2 | 4.4 | 4.2 | 4.9 | 4.9 | 5.3 | 5.6 | 5.8 | 6.1 | 6.3 |
| Debt Service | 2.1 | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 0.8 | 0.8 |
| **TOTAL OPERATING EXPENDITURES** | $ 49.0 | $ 51.8 | $ 52.9 | $ 59.2 | $ 54.7 | $ 60.1 | $ 60.1 | 62.5 | $ 64.8 | $ 67.0 | $ 67.5 | $ 69.3 |
| Pension | 0.7 | 0.7 | 0.7 | 0.4 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | $ 49.8 | $ 52.5 | $ 53.5 | $ 59.6 | $ 55.4 | $ 60.5 | $ 60.5 | $ 62.9 | $ 65.2 | $ 67.4 | $ 67.9 | $ 69.7 |
| Capital Transfers Out to GFAR | 1.2 | $ 2.4 | $ 1.6 | $ 1.1 | $ 1.1 | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Transfer to General Liability | | - | 0.4 | - | 0.1 | - | - | - | - | - | - | - |
| GASB 65 | | | 0.6 | - | - | - | - | - | - | - | - | - |
| Fixed Assets/ Equipment | | | 0.1 | 0.4 | - | - | - | - | - | - | - | - |
| 1/2 of Measure G Proceeds to Capital | 0.6 | 0.6 | 0.7 | 0.6 | 0.6 | - | - | - | - | - | - | - |
| Allocate to ERAF Risk Reserve | - | 0.7 | 0.7 | - | - | - | - | - | - | - | - | - |
| Allocate to GASB 31 Reserve | | | | | 1.2 | - | - | | | | | |
| Allocate to Pension Trust | - | 0.7 | 0.7 | 0.7 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL EXPENDITURES & RESERVE** | $ 52.1 | $ 56.2 | $ 57.6 | $ 62.1 | $ 59.1 | $ 60.9 | $ 60.9 | 63.3 | $ 65.6 | $ 67.8 | $ 68.3 | $ 70.1 |
| **NET REVENUES , TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS** | $ 5.5 | $ 4.9 | $ 4.3 | $ 0.3 | $ 3.8 | $ (1.1) | $ (0.5) | (4.1) | $ (4.6) | $ (4.9) | $ (5.0) | $ (4.8) |

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

# FY 2026-27 UPDATED DRAFT FORECAST COMPARISON AS IT PUBLISHED THE FY 2025-26 ADOPTED BUDGET COMPARED TO AS IT WAS PREPARED ON 12-29-2025

| | A | B | C | D |
|---|---|---|---|---|
| | **Revenue Category** | **FY 2026-27 Forecast Updated 12-29-2025** | **FY 2026-27 Forecast Published with the Adopted Budget** | **VARIANCE** |
| 1 | Property Tax | $ 21.4 | $ 22.2 | $ (0.8) |
| 2 | VLF Backfill Property Tax | 5.6 | 5.7 | (0.1) |
| 3 | Sales & Use Tax | 7.1 | 6.8 | 0.3 |
| 4 | Measure G District Sales Tax | 1.3 | 1.3 | (0.0) |
| 5 | Franchise Fees | 1.1 | 1.1 | - |
| 6 | Transient Occupancy Tax | 2.0 | 2.4 | (0.4) |
| 7 | Business License Tax | 2.7 | 2.6 | 0.1 |
| 8 | Licenses & Permits | 6.1 | 6.3 | (0.2) |
| 9 | Intergovernmental | 0.8 | 0.8 | - |
| 10 | Town Services | 5.3 | 5.0 | 0.3 |
| 11 | Fines & Forfeitures | 0.3 | 0.3 | - |
| 12 | Interest | 1.2 | 1.1 | 0.1 |
| 13 | Other Sources | 3.7 | 3.7 | 0.0 |
| 14 | Fund Transfers In | 0.6 | 0.6 | - |
| 15 | **TOTAL OPERATING REVENUES &** | $ 59.2 | $ 59.9 | **$ (0.7)** |
| | Use of Capital/Special Projects Reserve | $ - | $ - | |
| | Use of Measure G Sales Tax - Operating | - | - | |
| | Use of Pension/OPEB Reserve | - | - | |
| | Recovery | - | - | |
| | Use of Unassigned Fund Balance | - | - | |
| 16 | **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*** | $ 59.2 | $ 59.9 | |
| | **Expenditure Category** | **FY 2026-27 Forecast Updated 12-29-2025** | **FY 2026-27 Forecast Published with the Adopted Budget** | **Variance** |
| 17 | Salaries | $ 26.8 | $ 26.8 | $ (0.0) |
| 18 | Overtime | 0.7 | 0.7 | (0.0) |
| 19 | CalPERS Benefits | 10.3 | 10.4 | (0.1) |
| 20 | All Other Benefits | 5.9 | 6.3 | (0.4) |
| 21 | 4.6% Salaries and Benefits Savings | (2.0) | (2.0) | (0.0) |
| 22 | OPEB Pay as You Go | 2.2 | 2.2 | 0.0 |
| 23 | Operating Expenditures | 10.2 | 9.9 | 0.3 |
| 24 | Grants & Awards | 0.3 | 0.3 | (0.0) |
| 25 | Utilities | 0.9 | 0.7 | 0.2 |
| 26 | Internal Service Charges | 5.3 | 5.3 | 0.0 |
| 27 | Debt Service | 2.1 | 2.1 | (0.0) |
| 28 | **TOTAL OPERATING EXPENDITURES** | $ 62.5 | $ 62.7 | **$ (0.2)** |
| 30 | Pension | 0.4 | 0.4 | |
| 31 | **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | $ 62.9 | $ 63.1 | |
| 32 | Allocate to Pension Trust | 0.4 | 0.4 | |
| | **TOTAL EXPENDITURES & RESERVE** | $ 63.3 | $ 63.5 | |
| | **NET REVENUES , TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS** | $ (4.1) | $ (3.6) | |

Below is the list of variances/or no changes in the Revenue and Expenditure estimates (12-29-2025).

**Revenues:**

**Row 1 and Row 2 Column A – Property Tax and VLF Property Tax Backfill - Projected Variance - ($0.9) million decrease**

*Based on SCCAO November 12, 2025 and HdL Coren and Cane 12-19-2025 Preliminary Property Tax Update the 2026-27 Property Tax estimates are projected lower. This is a preliminary estimate, staff will further discuss and fine tune the property tax estimates with HdL Coren and Cane before the mid-year analysis.* **Row 3 and Row 4**

**Column A – Sales Tax and Measure G District Sales Tax - Projected Variance $0.3 million increase**

*As of October 10, 2025, Muniservices, the Town's Sales Tax consultant, provided an updated Sales Tax revenue projection indicating an increase of approximately $300,000. This revised estimate reflects stronger-than-anticipated local economic activity.*

*The Town is in the process of signing a Sales Tax Forecasting agreement with HdL. HdL will provide an updated look for the Sales Tax forecast.*

**Row 5 - Column A – Franchise Fees – No Projected Variance**

*No Projected Change.*

**Row 6 - Column A – Transient Occupancy Tax (TOT) – Projected Variance ($0.4) million decrease**

*The Finance Department has received the closing notification from one of the hotels. Staff is recommending decreasing the TOT base by $0.4 million.*

**Row 7 - Column A – Business License Tax – Projected Variance $0.1 million increase**

*Based on the most recent estimates, the FY 2026-27 Business License Tax is anticipated to increase by $0.1 million.*

**Row 8 - Column A – Licenses and Permits – Projected Variance ($0.2) million decrease**

*Based on the most recent estimates, the FY 2026-27 License and Permits is anticipated to decrease by $0.2 million.*

**Row 9 - Column A – Intergovernmental - No Projected Variance**

**Row 10 - Column A – Town Services - Projected Variance - $0.3 million increase**

*Based on Development activities, it is anticipated that the pass-through revenues will increase by $0.3 million. The corresponding pass-through expenditures are expected to grow by the same amount.*

**Row 11 - Column A – Fines and Forfeitures - No Projected Variance**

**Row 12 - Column A – Interest - $0.1 million increase**

*Based on updated interest rate estimates as of October 21, 2025, staff have conducted a comprehens evaluation of the current interest rate environment in relation to the Town's existing investment portfolio. The interest rate assumptions have been updated accordingly to reflect current market conditions. As the market environment continues to evolve, projected interest rates will fluctuate. Staff are actively monitoring the investment rate environment and will continue to update interest rate assumptions on a periodic basis*

**Row 13 - Column A – Other Sources - No Projected Variance**

**Row 14 - Column A – Fund Transfers In - No Projected Variance**

**Expenditures:**

**Row 17 - Column A – Salaries - No Projected Variance**

**Row 18 - Column A – Overtime - No Projected Variance**

**Row 19 - Column A – CalPERS Benefits - Projected Variance ($0.1) million decreases**

**Row 20 - Column A – All Other Benefits - Projected Variance ($0.4) million decreases**

**Row 21 - Column A – 4.6 % Salaries and Benefit Savings - No Projected Variance**

*Based on the 10/7/2025 Actual Salary Steps, Pension Benefits, and Medical Insurance selection, the projected Salaries and Benefits are $0.5 million less.*

**Row 22 - Column A – OPEB Pay as You Go - No Projected Variance**

*No Projected Change.*

**Row 23 - Column A – Operating Expenditure - Projected Variance $0.3 million increase**

*Operating expenditure expected to increase by $0.3 million based on estimated pass-through activities.*

**Row 24 - Column A – Grants and Awards - No Projected Variance**

*No Projected Change.*

**Row 25 - Column A – Utilities - Projected Variance $0.2 million increase**

*Operating expenditure expected to increase by $0.2 million based on FY 2024-25 actual utilities expenditures.*

**Row 26 - Column A – Internal Service Charges - No Projected Variance**

**Row 27 - Column A – Debt Services - No Projected Variance**

# FY 2026-27 DRAFT FORECAST UPDATED ON 10-21-2025

**General Fund 5-Year Forecast**
**Updated 10-17-2025**
**(in $ million)**

| Revenue Category | 2021/22 Actuals | FY 2022/23 Actuals | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2025-26 Adjusted Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|---|---|---|---|
| Property Tax | $ 16.9 | $ 18.2 | $ 19.3 | $ 20.0 | $ 21.5 | $ 22.2 | $ 23.1 | $ 24.0 | $ 24.9 | $ 25.9 |
| VLF Backfill Property Tax | 4.2 | 4.6 | 4.9 | 5.1 | 5.4 | 5.7 | 5.9 | 6.2 | 6.5 | 6.9 |
| Sales & Use Tax | 7.2 | 7.5 | 6.8 | 6.5 | 6.6 | 7.1 | 7.3 | 7.4 | 7.5 | 7.6 |
| Measure G District Sales Tax | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.5 |
| Franchise Fees | 2.8 | 3.1 | 2.5 | 1.0 | 1.0 | 1.1 | 1.1 | 1.2 | 1.2 | 1.2 |
| Transient Occupancy Tax | 1.9 | 2.2 | 2.4 | 2.3 | 2.4 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Business License Tax | 1.5 | 2.4 | 1.5 | 2.8 | 2.5 | 2.7 | 2.8 | 2.9 | 3.0 | 3.1 |
| Licenses & Permits | 4.8 | 3.3 | 4.0 | 6.2 | 6.3 | 6.1 | 6.2 | 6.3 | 6.4 | 6.5 |
| Intergovernmental | 1.3 | 1.6 | 1.2 | 1.2 | 0.8 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 |
| Town Services | 5.3 | 4.6 | 5.9 | 5.2 | 5.7 | 5.3 | 5.4 | 5.5 | 5.6 | 5.8 |
| Fines & Forfeitures | 0.3 | 0.4 | 0.5 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Interest | (1.4) | 0.6 | 2.6 | 1.4 | 1.6 | 1.2 | 1.1 | 1.1 | 1.1 | 1.2 |
| Other Sources | 7.7 | 8.1 | 5.0 | 4.2 | 3.8 | 3.7 | 3.9 | 3.9 | 2.7 | 2.7 |
| Fund Transfers In | 0.6 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| **TOTAL OPERATING REVENUES &** | $ 54.4 | $ 58.4 | $ 58.5 | $ 58.1 | $ 59.8 | $ 60.1 | $ 61.8 | $ 63.7 | $ 64.1 | $ 66.2 |
| Use of Capital/Special Projects | 0.6 | $ 2.4 | $ 1.6 | $ 3.7 | $ - | $ - | $ - | $ - | $ - | $ - |
| Use of Measure G Sales Tax - | | - | - | 0.6 | - | - | - | - | - | - |
| Use of Pension/OPEB Reserve | 0.3 | 0.3 | 0.3 | - | - | - | - | - | - | - |
| Use of Council Priorites - Economic | - | - | 1.5 | - | - | - | - | - | - | - |
| Use of Unassigned Fund Balance | | | | | - | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*** | $ 57.6 | $ 61.1 | $ 61.9 | $ 62.4 | $ 59.8 | $ 60.1 | $ 61.8 | $ 63.7 | $ 64.1 | $ 66.2 |

| Expenditure Category | 2021/22 Actuals | FY 2022/23 Actuals | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2025-26 Adjusted Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|---|---|---|---|
| Salary | $ 18.9 | $ 20.5 | $ 21.5 | $ 25.2 | $ 25.4 | $ 26.8 | $ 27.6 | $ 28.2 | $ 28.8 | $ 29.4 |
| Overtime | 1.1 | 1.3 | 1.3 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| CalPERS Benefits | 6.5 | 7.1 | 7.4 | 8.8 | 9.7 | 10.3 | 11.0 | 11.8 | 12.0 | 12.3 |
| All Other Benefits | 3.7 | 3.8 | 4.3 | 5.6 | 6.3 | 5.9 | 6.2 | 6.4 | 6.6 | 6.9 |
| 4.6% Salary and Benefits Savings | - | - | - | (1.5) | (1.9) | (2.0) | (2.1) | (2.2) | (2.2) | (2.3) |
| OPEB Pay as You Go | 1.4 | 1.5 | 1.6 | 2.0 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 |
| Operating Expenditures | 10.4 | 11.7 | 9.8 | 10.6 | 9.9 | 10.2 | 10.3 | 10.6 | 10.8 | 11.2 |
| Grants & Awards | 1.8 | 0.6 | 0.7 | 0.7 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Utilities | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.9 | 0.9 | 0.9 | 0.9 | 1.0 |
| Internal Service Charges | 2.6 | 2.6 | 3.2 | 4.4 | 4.9 | 5.3 | 5.6 | 5.8 | 6.1 | 6.3 |
| Debt Service | 2.1 | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 0.8 | 0.8 |
| **TOTAL OPERATING EXPENDITURES** | $ 49.0 | $ 51.8 | $ 52.9 | $ 59.2 | $ 60.1 | 62.5 | $ 64.8 | $ 67.0 | $ 67.5 | $ 69.3 |
| Pension | 0.7 | 0.7 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | $ 49.8 | $ 52.5 | $ 53.5 | $ 59.6 | $ 60.5 | $ 62.9 | $ 65.2 | $ 67.4 | $ 67.9 | $ 69.7 |
| Capital Transfers Out to GFAR | 1.2 | $ 2.4 | $ 1.6 | $ 1.1 | $ - | $ - | $ - | $ - | $ - | $ - |
| Transfer to General Liability | | - | 0.4 | - | - | - | - | - | - | - |
| GASB 65 | | | 0.6 | - | - | - | - | - | - | - |
| Fixed Assets/ Equipment | | | 0.1 | 0.4 | - | - | - | - | - | - |
| 1/2 of Measure G Proceeds to Capital | 0.6 | 0.6 | 0.7 | 0.6 | - | - | - | - | - | - |
| Allocate to ERAF Risk Reserve | - | 0.7 | 0.7 | - | - | - | - | - | - | - |
| Allocate to GASB 31 Reserve | | | | | - | | | | | |
| Allocate to Pension Trust | - | 0.7 | 0.7 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL EXPENDITURES & RESERVE** | $ 52.1 | $ 56.2 | $ 57.6 | $ 62.1 | $ 60.9 | 63.3 | $ 65.6 | $ 67.8 | $ 68.3 | $ 70.1 |
| **NET REVENUES , TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS** | $ 5.5 | $ 4.9 | $ 4.3 | $ 0.3 | $ (1.1) | (3.2) | $ (3.8) | $ (4.1) | $ (4.2) | $ (3.9) |

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

# FY 2026-27 UPDATED DRAFT FORECAST COMPARISON AS IT PUBLISHED WITH THE FY 2[illegible] ADOPTED BUDGET COMPARED TO AS IT WAS PREPARED ON 10-21-2025

| | A | B | C | D |
|---|---|---|---|---|
| | Revenue Category | FY 2026-27 Forecast Updated 10-21-2025 | FY 2026-27 Forecast Published with the Adopted Budget | VARIANCE |
| 1 | Property Tax | $ 22.2 | $ 22.2 | $ - |
| 2 | VLF Backfill Property Tax | 5.7 | 5.7 | - |
| 3 | Sales & Use Tax | 7.1 | 6.8 | 0.3 |
| 4 | Measure G District Sales Tax | 1.3 | 1.3 | - |
| 5 | Franchise Fees | 1.1 | 1.1 | - |
| 6 | Transient Occupancy Tax | 2.0 | 2.4 | (0.4) |
| 7 | Business License Tax | 2.7 | 2.6 | 0.1 |
| 8 | Licenses & Permits | 6.1 | 6.3 | (0.2) |
| 9 | Intergovernmental | 0.8 | 0.8 | - |
| 10 | Town Services | 5.3 | 5.0 | 0.3 |
| 11 | Fines & Forfeitures | 0.3 | 0.3 | - |
| 12 | Interest | 1.2 | 1.1 | 0.1 |
| 13 | Other Sources | 3.7 | 3.7 | - |
| 14 | Fund Transfers In | 0.6 | 0.6 | - |
| | **TOTAL OPERATING REVENUES &** | $ 60.1 | $ 59.9 | **$ 0.2** |
| 15 | Use of Capital/Special Projects | $ - | $ - | |
| 16 | Use of Unassigned Fund Balance | - | - | |
| | **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*** | $ 60.1 | $ 59.9 | |
| | | | | |
| | Expenditure Category | FY 2026-27 Forecast Updated 10-21-2025 | FY 2026-27 Forecast Published with the Adopted Budget | Variance |
| 17 | Salaries | $ 26.8 | $ 26.8 | $ (0.1) |
| 18 | Overtime | 0.7 | 0.7 | - |
| 19 | CalPERS Benefits | 10.3 | 10.4 | (0.2) |
| 20 | All Other Benefits | 5.9 | 6.3 | (0.4) |
| 21 | 4.6% Salaries and Benefits Savings | (2.0) | (2.0) | - |
| 22 | OPEB Pay as You Go | 2.2 | 2.2 | - |
| 23 | Operating Expenditures | 10.2 | 9.9 | 0.2 |
| 24 | Grants & Awards | 0.3 | 0.3 | - |
| 25 | Utilities | 0.9 | 0.7 | 0.2 |
| 26 | Internal Service Charges | 5.3 | 5.3 | - |
| 27 | Debt Service | 2.1 | 2.1 | - |
| 28 | **TOTAL OPERATING EXPENDITURES** | $ 62.5 | $ 62.7 | **$ (0.2)** |
| 30 | Pension | 0.4 | 0.4 | |
| 31 | **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | $ 62.9 | $ 63.1 | |
| 32 | Capital Transfers Out to GFAR | $ - | $ - | |
| 33 | Allocate to GASB 31 Mark to Market | - | - | |
| 34 | Allocate to Pension Trust | 0.4 | 0.4 | |
| | **TOTAL EXPENDITURES & RESERVE** | $ 63.3 | $ 63.5 | |
| | **NET REVENUES , TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS** | $ (3.2) | $ (3.6) | |

Below is the list of variances/or no changes in the Revenue and Expenditure estimates.

**Revenues:**

**Row 1 and Row 2 Column A – Property Tax and VLF Property Tax Backfill - No Projected Variance**

*As of the September 12, 2025 estimate from the Santa Clara County Assessor's Office (SCCAO), projected revenues are $27,739 lower than the FY 2025–26 Adopted Budget. This is a small variance; the Finance staff does not recommend any adjustment to the FY 2026–27 Property Tax forecast at this time.*

*The next update from the SCCAO is scheduled for November 12, 2025, and the HdL Coren & Cone Property Tax Update is expected in January 2026.*

**Row 3 and Row 4 Column A – Sales Tax and Measure G District Sales Tax - Projected Variance $0.3 million increase**

*As of October 10, 2025, Muniservices, the Town's Sales Tax consultant, provided an updated Sales Tax revenue projection indicating an increase of approximately $300,000. This revised estimate reflects stronger-than-anticipated local economic activity.*

*The Town is in the process of signing a Sales Tax Forecasting agreement with HdL. HdL will provide an updated look for the Sales Tax forecast.*

**Row 5 - Column A – Franchise Fees – No Projected Variance**

*No Projected Change.*

**Row 6 - Column A – Transient Occupancy Tax (TOT) – Projected Variance ($0.4) million decrease**

*The Finance Department has received the closing notification from one of the hotels. Staff is recommending decreasing the TOT base by $0.4 million.*

**Row 7 - Column A – Business License Tax – Projected Variance $0.1 million increase**

*Based on the most recent estimates, the FY 2026-27 Business License Tax is anticipated to increase by $0.1 million.*

**Row 8 - Column A – Licenses and Permits – Projected Variance ($0.2) million decrease**

*Based on the most recent estimates, the FY 2026-27 License and Permits is anticipated to decrease by $0.2 million.*

**Row 9 - Column A – Intergovernmental - No Projected Variance**

**Row 10 - Column A – Town Services - Projected Variance - $0.3 million increase**

*Based on Development activities, it is anticipated that the pass-through revenues will increase by $0.3 million. The corresponding pass-through expenditures are expected to grow by the same amount.*

**Row 11 - Column A – Fines and Forfeitures - No Projected Variance**

**Row 12 - Column A – Interest - $0.1 million increase**

*Based on updated interest rate estimates as of October 21, 2025, staff have conducted a comprehensive evaluation of the current interest rate environment in relation to the Town's existing investment portfolio. The interest rate assumptions have been updated accordingly to reflect current market conditions. As the market environment continues to evolve, projected interest rates will fluctuate. Staff are actively monitoring the investment rate environment and will continue to update interest rate assumptions on a periodic basis*

**Row 13 - Column A – Other Sources - No Projected Variance**

**Row 14 - Column A – Fund Transfers In - No Projected Variance**

**Expenditures:**

**Row 17 - Column A – Salaries - No Projected Variance**

**Row 18 - Column A – Overtime - No Projected Variance**

**Row 19 - Column A – CalPERS Benefits - Projected Variance ($0.1) million decreases**

**Row 20 - Column A – All Other Benefits - Projected Variance ($0.4) million decreases**

**Row 21 - Column A – 4.6 % Salaries and Benefit Savings - No Projected Variance**

*Based on the 10/7/2025 Actual Salary Steps, Pension Benefits, and Medical Insurance selection, the projected Salaries and Benefits are $0.5 million less.*

**Row 22 - Column A – OPEB Pay as You Go - No Projected Variance**

*No Projected Change.*

**Row 23 - Column A – Operating Expenditure - Projected Variance $0.3 million increase**

*Operating expenditure expected to increase by $0.3 million based on estimated pass-through activities.*

**Row 24 - Column A – Grants and Awards - No Projected Variance**

*No Projected Change.*

**Row 25 - Column A – Utilities - Projected Variance $0.2 million increase**

*Operating expenditure expected to increase by $0.2 million based on FY 2024-25 actual utilities expenditures.*

**Row 26 - Column A – Internal Service Charges - No Projected Variance**

**Row 27 - Column A – Debt Services - No Projected Variance**

## REVENUE BASELINE AND PROJECTION FACTORS (ADOPTED FY 2025-26 BUDGET)

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

| Type of Revenue Base Line Estimate | FY 2025-26 Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|
| FY 2024-25 Year-End Estimates | | | | | | |

| Type of Revenue Base Line Estimates | FY 2025-26 Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|
| **Transient Occupancy Tax** Current baseline set by FY 2024-25 Year-End Estimates | 3% Plus $20,000 from anticipated audit | 3% | 0% | 0% | 0% | 0% |
| **Business License Tax** Current baseline set by FY 2024-25 Year-End Estimates | 2% Plus $110,000 from anticipated audit | 2% | 2% | 2% | 2% | 2% |
| **License & Permits** Current baseline set by FY 2024-25 Year-End Estimates | 3% | 3% | 3% | 3% | 3% | 3% |
| **Town Services** Current baseline set by FY 2024-25 Year-End Estimates | 3% | 3% | 0% | 3% | 3% | 3% |
| **Fine & Forfeitures** Current baseline set by FY 2024-25 Year-End Estimates | 1% | Varies | Varies | Varies | Varies | Varies |

| Type of Revenue Base Line Estimates | FY 2025-26 Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|
| **Interest** Varies, based on Portfolio | Weighted Portfolio Yield 3.64% | Weighted Portfolio Yield 3.56% | Weighted Portfolio Yield 3.45% | Weighted Portfolio Yield 3.36% | Weighted Portfolio Yield 3.30% | Weighted Portfolio Yield 3.30% |
| **Other Sources** Current baseline set by FY 2024-25 Year-End Estimates | Varies | Varies | Varies | Varies | Varies | Varies |

## EXPENDITURE BASELINE AND PROJECTION FACTORS (PROPOSED FY 2025-26 BUDGET - PUBLISHED 4/21/2025)

Beginning in FY 2020-21, the Town is budgeting salaries at the actual salary plus a one-step increase. 68% of the workforce is already at top step or one step below top step. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of March 1, 2025 and rate is increasing in the actual anniversary date. The FY 2025-26 Budget and the FY 2026-27 – FY 30-31 Forecast includes 4.6% vacancy savings.

| Type of Expenditure | FY 2025-26 Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|
| **Salaries (TEA, Conf, Temp)*** | 3% | 3% | 2% | 2% | 2% | 2% |
| **Salaries (POA)*** | 5% | 4% | 2% | 2% | 2% | 2% |
| **Salaries (AFSCME)*** | 4% | 4% | 2% | 2% | 2% | 2% |
| **Salaries (Management)*** | 3% | 3% | 2% | 2% | 2% | 2% |
| **Benefit - Medical**** | 7% | 7% | 7% | 7% | 7% | 7% |
| **Vacancy Savings** | 4.6% | 4.6% | 4.6% | 4.6% | 4.6% | 4.6% |
| **Operating Expenditures***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Grants & Awards** | 0% | 0% | 0% | 0% | 0% | 0% |
| **Utilities***** | Varies | 3% | 3% | 3% | 3% | 3% |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Internal Service Charges*** ** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| **Debt Service** | Debt Service Schedules | | | | | |

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units*

***Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA).*

****Based on historical trends.*

The Town's required employer contribution rate estimates were developed using data provided by each plan's most recent CalPERS actuarial valuation. The employer contribution rates reflect percentages of covered payroll. Forecasted rates for FY 2055-26 and subsequent years are based on the most recent CalPERS actuarial valuation Reports as adjusted by the impact related to the FY 2022-23 CalPERS 5.8% investment return and forecasted payroll.

| Type of Expenditure | FY 2025-26 Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|
| **Safety POA** | 109.09% | 109.92% | 112.95% | 121.16% | 121.75% | 124.52% |
| **Safety Management POA** | 112.09% | 112.92% | 115.95% | 124.16% | 124.75% | 127.52% |
| **Safety POA - PEPRA** | 15.84% | 14.96% | 20.99% | 2.1.74% | 22.04% | 25.76% |
| **Miscellaneous TEA/Confidential/ Management** | 30.02% | 30.52% | 30.82% | 31.78% | 31.92% | 32.21% |
| **Miscellaneous TEA/Confidential/ Management PEPRA** Separate PEPRA rate for Miscellaneous has not been | 30.02% | 30.52% | 30.82% | 31.78% | 31.92% | 32.21% |

| | | | | | | |
|---|---|---|---|---|---|---|
| established yet by CalPERS. | | | | | | |

**Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019-20.*

# FY 2026-27 FORECAST IN THE FY 2025-26 ADOPTED BUDGET

**General Fund 5-Year Forecast**
**Updated 5-14-2025**
**(in $ million)**

| Revenue Category | FY 2022/23 Actuals | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2024-25 Estimates | FY 2025-26 Proposed Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|---|---|---|---|
| Property Tax | $ 18.2 | $ 19.3 | $ 20.2 | $ 20.0 | $ 21.5 | $ 22.2 | $ 23.1 | $ 24.0 | $ 24.9 | $ 25.9 |
| VLF Backfill Property Tax | 4.6 | 4.9 | 5.0 | 5.1 | 5.4 | 5.7 | 5.9 | 6.2 | 6.5 | 6.9 |
| Sales & Use Tax | 7.5 | 6.8 | 6.6 | 6.4 | 6.7 | 6.8 | 7.0 | 7.1 | 7.2 | 7.3 |
| Measure G District Sales Tax | 1.3 | 1.3 | 1.3 | 1.3 | 1.2 | 1.3 | 1.3 | 1.4 | 1.4 | 1.5 |
| Franchise Fees | 3.1 | 2.5 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 |
| Transient Occupancy Tax | 2.2 | 2.4 | 2.3 | 2.3 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 |
| Business License Tax | 2.4 | 1.5 | 2.4 | 2.8 | 2.5 | 2.6 | 2.6 | 2.7 | 2.8 | 2.9 |
| Licenses & Permits | 3.3 | 4.0 | 5.8 | 6.1 | 6.3 | 6.3 | 6.4 | 6.5 | 6.6 | 6.7 |
| Intergovernmental | 1.6 | 1.2 | 1.1 | 1.2 | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 |
| Town Services | 4.6 | 5.9 | 4.7 | 5.0 | 5.7 | 5.0 | 5.1 | 5.2 | 5.4 | 5.5 |
| Fines & Forfeitures | 0.4 | 0.5 | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Interest | 0.6 | 2.6 | 1.8 | 1.4 | 1.6 | 1.1 | 1.0 | 0.8 | 0.7 | 1.0 |
| Other Sources | 8.1 | 5.0 | 4.1 | 4.7 | 3.8 | 3.7 | 3.9 | 3.9 | 2.7 | 2.6 |
| Fund Transfers In | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| **TOTAL OPERATING REVENUES &** | $ 58.4 | $ 58.5 | $ 57.2 | $ 58.3 | $ 59.8 | $ 59.9 | $ 61.6 | $ 63.1 | $ 63.6 | $ 65.7 |
| Use of Capital/Special Projects | $ 2.4 | $ 1.6 | $ 3.7 | $ 2.1 | $ - | $ - | $ - | $ - | $ - | $ - |
| Use of Measure G Sales Tax - | - | - | 0.6 | 0.1 | - | - | - | - | - | - |
| Use of Pension/OPEB Reserve | 0.3 | 0.3 | - | 0.3 | - | - | - | - | - | - |
| Use of Council Priorites - Economic | - | 1.5 | - | - | - | - | - | - | - | - |
| Use of Unassigned Fund Balance | | | | | - | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*** | $ 61.1 | $ 61.9 | $ 61.5 | $ 60.8 | $ 59.8 | $ 59.9 | $ 61.6 | $ 63.1 | $ 63.6 | $ 65.7 |

| Expenditure Category | FY 2022/23 Actuals | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2024-25 Estimates | FY 2025-26 Proposed Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|---|---|---|---|
| Salary | $ 20.4 | $ 21.5 | $ 25.2 | $ 22.6 | $ 25.4 | $ 26.8 | $ 27.4 | $ 28.0 | $ 28.5 | $ 29.2 |
| Overtime | 1.4 | 1.3 | 0.6 | 1.5 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| CalPERS Benefits | 7.1 | 7.4 | 8.8 | 8.3 | 9.7 | 10.4 | 11.1 | 12.0 | 12.1 | 12.4 |
| All Other Benefits | 3.8 | 4.3 | 5.6 | 4.9 | 6.3 | 6.3 | 6.7 | 7.0 | 7.4 | 7.0 |
| 4.6% Salary and Benefits Savings | - | - | (1.8) | - | (1.9) | (2.0) | (2.1) | (2.2) | (2.2) | (2.3) |
| OPEB Pay as You Go | 1.5 | 1.6 | 1.7 | 2.0 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 |
| Operating Expenditures | 11.7 | 9.8 | 10.2 | 9.8 | 9.7 | 9.9 | 10.1 | 10.4 | 10.6 | 11.0 |
| Grants & Awards | 0.6 | 0.7 | 0.7 | 0.7 | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 |
| Utilities | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 |
| Internal Service Charges | 2.6 | 3.2 | 4.4 | 4.1 | 4.8 | 5.2 | 5.5 | 5.8 | 6.0 | 6.3 |
| Debt Service | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 0.8 | 0.8 |
| **TOTAL OPERATING EXPENDITURES** | $ 51.8 | $ 52.9 | $ 58.2 | $ 56.7 | 59.9 | $ 62.7 | $ 64.9 | $ 67.3 | $ 67.6 | $ 68.9 |
| Pension | 0.7 | 0.7 | 0.4 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | $ 52.5 | $ 53.6 | $ 58.6 | $ 57.4 | $ 60.3 | $ 63.1 | $ 65.3 | $ 67.7 | $ 68.0 | $ 69.3 |
| Capital Transfers Out to GFAR | $ 2.4 | $ 1.6 | $ 1.1 | $ 1.1 | $ - | $ - | $ - | $ - | $ - | $ - |
| Transfer to General Liability | - | 0.4 | - | 0.1 | - | - | - | - | - | - |
| GASB 65 | | 0.6 | - | - | - | - | - | - | - | - |
| Fixed Assets/ Equipment | | 0.1 | 0.5 | 0.9 | - | - | - | - | - | - |
| 1/2 of Measure G Proceeds to Capital | 0.6 | 0.7 | 0.6 | 0.6 | - | - | - | - | - | - |
| Allocate to ERAF Risk Reserve | 0.7 | 0.7 | - | - | - | - | - | - | - | - |
| Allocate to Pension Trust | 0.7 | 0.7 | 0.7 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL EXPENDITURES & RESERVE** | $ 56.2 | $ 57.7 | $ 61.0 | $ 60.8 | 60.7 | $ 63.5 | $ 65.7 | $ 68.1 | $ 68.4 | $ 69.7 |
| **NET REVENUES , TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS** | $ 4.9 | $ 4.2 | $ 0.5 | $ - | (0.9) | $ (3.6) | $ (4.1) | $ (5.0) | $ (4.8) | $ (4.0) |

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

## FY 2025-26 BUDGET/FORECAST COMPARISON AS IT PUBLISHED ON 4/22/2024 COMPA… AS IT PUBLISHED ON 4/21/2025

This rest of this document includes forecasts for FY 2025-26, starting with the FY 2020-21 Proposed Budget forecast when FY 2025-26 was first forecasted. The forecast is updated periodically as the base, economy, and other factors evolve. The table on page X shows the variance between the FY 2025-26 Forecast (published on 4/22/2024) and the FY 2025-26 Proposed Budget (published on 4/21/2025). The assumptions for the FY 2025-26 Forecast (published on 4/22/2024) and the FY 2025-26 Proposed (published on 4/21/2025) can be located on pages B and Y of this document, as well as in the Adopted FY 2024-25 and Proposed FY 2025-26 budgets.

Below is the list of significant variances in Revenue and Expenditure estimates:

Row 8 – Column E - Licenses and Permits: $2.4 million variance.

*The $2.4 million Waste hauler Encroachment fee was categorized under Town Services in the **Column C Forecast**. Staff recategorized the estimated proceeds under Licenses and Permits in the **Column D Forecast**.*

**Row 10 – Column E – Town Services: ($1.1) million variance.**

Considering the recategorization above, the Town Services increased by $1.3 million. The increase includes $647,000 development-related pass-through activities, $255,000 increase for the Monte Sereno Police Services Contract, $318,000 increased engineering services revenue, $46,000 increases for School Resource Officer support from the School Districts.

**Row 13 – Column E – Other Sources: $0.7 million variance.**

*Since all Measure G Revenue is programmed to provide for public safety services, the pass-through tracking revenue is characterized as other revenue. In the Column C Forecast, only half of the Measure G revenue ($0.6 million) was characterized as **Other sources**, and the entire proceeds are characterized as Other sources in the **Column D Forecast**.*

**Row 18 – Column E – Salaries: $1.6 million variance.**

***Column C Forecast** assumes 2% salary increases for TEA, AFSCME, Confidential, Management, and Temporary employees. The actual increase, as estimated in **Column D Forecast** for TEA, ASCME, Confidential, Management, and Temporary employees, was 5% in FY 2024-25, 3% in FY 2025-26, and 4% in FY 2024-25 and FY 2025-26 for AFSCME. In addition, there were equity adjustments for certain job classes that were not included in **the Column C Forecast**.*

**Row 20 – Column E – CalPERS Benefits: $0.8 million variance.**

*CalPERS rates are based on actual payroll, so increased salaries will cause increased CalPERS contributions. In addition, while the Miscellaneous Group rates remained relatively flat, growing from 29.6% (**Column C Forecast)** to 30.02% (**Column D Forecast**), the Classic Safety Group required contribution changed from 98.74% (**Column C Forecast**) to 109.09% (**Column D Forecast**), and the Classic Safety Management Group estimated contribution changed 101.74% (**Column C Forecast**) to 112.09% (**Column D Forecast**)*

**Row 24 – Column E – Operating Expenditures: $2.03 million variance.**

*Operating expenditures experience inflationary factors as well. The prior year assumed a 3% increases; however, certain services and product prices increased by more than 3%. The variance is added up from many different items:*

- *This item shows half of the Measure G Expenditure under Row 31 – Column C in the **Column C Forecast**, while it is included in the Operating Expenditures in **Column D Forecast**. Measure G Fund is a subfund in General Fund, and all proceeds are expended in a given year and part of the operating expenditures.*
- *The following increases listed as an example in this category that contribute to the difference between the two forecast: $647,000 development related pass through activities, $215,000 in legal services, $190,000 special studies, $150,000 temporary employee services, 127,000 in engineering services; $70,000 miscellaneous services and repairs,$54,000 in street closures,$53,000 street sweeping services,$50,000 in tree trimming services, $37,000 townwide meetings and events, 30,000 in auto parts, $27,000 software licenses,*

| | A | B | C | D | E |
|---|---|---|---|---|---|
| | Account | Revenue Category | FY 2025-26 Forecast Published 4/22/2024 | FY 2025-26 Proposed Budget Published 4/21/2025 | Variance |
| 1 | 4100 | Property Tax | $ 21.3 | $ 21.2 | $ (0.10) |
| 2 | 4110 | VLF Backfill Property Tax | 5.3 | 5.4 | 0.10 |
| 3 | 4200 | Sales & Use Tax | 6.7 | 6.6 | (0.16) |
| 4 | 4200 | Measure G District Sales Tax | 1.3 | 1.2 | (0.04) |
| 5 | 4250 | Franchise Fees | 1.1 | 1.0 | (0.10) |
| 6 | 4251 | Transient Occupancy Tax | 2.4 | 2.4 | - |
| 7 | 4400 | Business License Tax | 2.5 | 2.4 | (0.10) |
| 8 | 4400 | Licenses & Permits | 3.0 | 5.4 | 2.40 |
| 9 | 4500 | Intergovernmental | 0.9 | 0.8 | (0.10) |
| 10 | 4600 | Town Services | 6.7 | 5.6 | (1.10) |
| 11 | 4700 | Fines & Forfeitures | 0.3 | 0.3 | - |
| 12 | 4800 | Interest | 1.4 | 1.4 | - |
| 13 | 4850 | Other Sources | 3.1 | 3.8 | 0.70 |
| 14 | 4900 | Fund Transfers In | 0.6 | 0.6 | - |
| 15 | **TOTAL OPERATING REVENUES & TRANSFERS** | | $ 56.6 | $ 58.1 | $ 1.50 |
| 16 | | Use of Capital/Special Projects Reserve | $ 1.1 | $ - | |
| | | Use of Measure G Sales Tax - Operating | - | - | |
| | | Use of Pension/OPEB Reserve | - | - | |
| | | Use of OPEB Trust | - | - | |
| | | Use of Property Surplus Reserve | - | - | |
| | | Use of Measure G Reserve | - | - | |
| | | ARPA Replacement Revenue | - | - | |
| | | Use of Council Priorites - Economic Recovery | - | - | |
| 17 | **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*** | | $ 57.7 | $ 58.1 | |
| | | | | | |
| | Account | Expenditure Category | FY 2025/26 Forecast | FY 2025-26 Proposed Budget | Variance |
| 18 | 5110 | Salary | $ 23.8 | $ 25.4 | $ 1.63 |
| 19 | | Overtime | 0.7 | 0.7 | 0.01 |
| 20 | 5120 | CalPERS Benefits | 9.1 | 9.9 | 0.81 |
| 21 | 5200 | All Other Benefits | 6.1 | 6.3 | 0.13 |
| 22 | | 4.6% Salary and Benefits Savings | (1.8) | (1.9) | (0.12) |
| 23 | 6211 | OPEB Pay as You Go | 1.9 | 2.1 | 0.24 |
| 24 | 6000 | Operating Expenditures | 8.3 | 10.3 | 2.03 |
| 25 | 7200 | Grants & Awards | 0.2 | 0.4 | 0.19 |
| 26 | 7400 | Utilities | 0.7 | 0.7 | (0.01) |
| 27 | 8060 | Internal Service Charges | 5.2 | 5.0 | (0.19) |
| 28 | 8900 | Debt Service | 2.1 | 2.1 | - |
| | **TOTAL OPERATING EXPENDITURES** | | $ 56.2 | $ 61.0 | $ 4.72 |
| | | GASB 45 Retiree Medical Actuarial | - | - | |
| 29 | | Additional Discretionary Payment - Pension | 0.4 | 0.4 | |
| | **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | | $ 56.6 | $ 61.4 | |
| 30 | | Capital Transfers Out to GFAR | $ 1.1 | $ - | |
| 31 | | 1/2 of Measure G Proceeds to Capital | 0.6 | - | |
| | **AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS** | | | | |
| 32 | | Allocate to ERAF Risk Reserve | 0.8 | - | |
| 33 | | Allocate to Pension Trust | 0.4 | 0.4 | |
| | | | | | |
| 34 | **TOTAL EXPENDITURES & RESERVE ALLOCATIONS*** | | $ 59.5 | 61.8 | |
| | | | | | |
| 35 | **NET REVENUES , TRANSFERS IN, USE OF RESERVES LESS** | | $ (1.8) | (3.7) | |

# FY 2025-26 FORECAST- PUBLISHED 4-21-2025 (HISTORICAL DETAIL ADDED ON 4/25/20 PUBLICATION)

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

| Revenue Category | FY 2022/23 Actuals | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2024-25 Estimates | FY 2025-26 Proposed Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|---|---|---|---|
| Property Tax | $ 18.2 | $ 19.3 | $ 20.2 | $ 20.0 | $ 21.2 | $ 22.2 | $ 23.1 | $ 24.0 | $ 24.9 | $ 25.9 |
| VLF Backfill Property Tax | 4.6 | 4.9 | 5.0 | 5.1 | 5.4 | 5.7 | 5.9 | 6.2 | 6.5 | 6.9 |
| Sales & Use Tax | 7.5 | 6.8 | 6.6 | 6.4 | 6.6 | 6.6 | 6.8 | 7.0 | 7.0 | 7.1 |
| Measure G District Sales Tax | 1.3 | 1.3 | 1.3 | 1.3 | 1.2 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 |
| Franchise Fees | 3.1 | 2.5 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 |
| Transient Occupancy Tax | 2.2 | 2.4 | 2.3 | 2.3 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 |
| Business License Tax | 2.4 | 1.5 | 2.4 | 2.8 | 2.4 | 2.5 | 2.5 | 2.6 | 2.7 | 2.8 |
| Licenses & Permits | 3.3 | 4.0 | 5.8 | 6.1 | 5.4 | 5.5 | 5.6 | 5.7 | 5.8 | 5.9 |
| Intergovernmental | 1.6 | 1.2 | 1.1 | 1.2 | 0.8 | 1.0 | 1.1 | 1.1 | 1.1 | 1.1 |
| Town Services | 4.6 | 5.9 | 4.7 | 5.0 | 5.6 | 4.8 | 4.9 | 5.1 | 5.2 | 5.3 |
| Fines & Forfeitures | 0.4 | 0.5 | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Interest | 0.6 | 2.6 | 1.8 | 1.4 | 1.4 | 1.1 | 1.0 | 0.7 | 0.6 | 1.0 |
| Other Sources | 8.1 | 5.0 | 4.1 | 4.7 | 3.8 | 3.7 | 3.8 | 3.9 | 2.7 | 2.6 |
| Fund Transfers In | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| **TOTAL OPERATING REVENUES &** | $ 58.4 | $ 58.5 | $ 57.2 | $ 58.3 | $ 58.1 | $ 58.8 | $ 60.4 | $ 62.0 | $ 62.4 | $ 64.5 |
| Use of Capital/Special Projects | $ 2.4 | $ 1.6 | $ 3.7 | $ 2.1 | $ - | $ - | $ - | $ - | $ - | $ - |
| Use of Measure G Sales Tax - | - | - | 0.6 | 0.1 | - | - | - | - | - | - |
| Use of Pension/OPEB Reserve | 0.3 | 0.3 | - | 0.3 | - | - | - | - | - | - |
| Use of Council Priorites - Economic | - | 1.5 | - | - | - | - | - | - | - | - |
| Use of Unassigned Fund Balance | | | | | - | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*** | $ 61.1 | $ 61.9 | $ 61.5 | $ 60.8 | $ 58.1 | $ 58.8 | $ 60.4 | $ 62.0 | $ 62.4 | $ 64.5 |

| Expenditure Category | FY 2022/23 Actuals | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2024-25 Estimates | FY 2025-26 Proposed Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|---|---|---|---|
| Salary | $ 20.4 | $ 21.5 | $ 25.2 | $ 22.6 | $ 25.4 | $ 26.8 | $ 27.4 | $ 28.0 | $ 28.5 | $ 29.2 |
| Overtime | 1.4 | 1.3 | 0.6 | 1.5 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| CalPERS Benefits | 7.1 | 7.4 | 8.8 | 8.3 | 9.9 | 10.7 | 11.4 | 12.2 | 12.4 | 12.7 |
| All Other Benefits | 3.8 | 4.3 | 5.6 | 4.9 | 6.3 | 6.3 | 6.7 | 7.0 | 7.4 | 7.0 |
| 4.6% Salary and Benefits Savings | - | - | (1.8) | - | (1.9) | (2.0) | (2.1) | (2.2) | (2.3) | (2.3) |
| OPEB Pay as You Go | 1.5 | 1.6 | 1.7 | 2.0 | 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 |
| Operating Expenditures | 11.7 | 9.8 | 10.2 | 9.8 | 10.3 | 9.9 | 10.0 | 10.4 | 10.5 | 10.9 |
| Grants & Awards | 0.6 | 0.7 | 0.7 | 0.7 | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 | 0.4 |
| Utilities | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 |
| Internal Service Charges | 2.6 | 3.2 | 4.4 | 4.1 | 5.0 | 5.3 | 5.7 | 5.9 | 6.1 | 6.4 |
| Debt Service | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 0.8 | 0.8 |
| **TOTAL OPERATING EXPENDITURES** | $ 51.8 | $ 52.9 | $ 58.2 | $ 56.7 | 61.0 | $ 63.0 | $ 65.3 | $ 67.7 | $ 67.9 | $ 69.3 |
| Pension | 0.7 | 0.7 | 0.4 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | $ 52.5 | $ 53.6 | $ 58.6 | $ 57.4 | $ 61.4 | $ 63.4 | $ 65.7 | $ 68.1 | $ 68.3 | $ 69.7 |
| Capital Transfers Out to GFAR | $ 2.4 | $ 1.6 | $ 1.1 | $ 1.1 | $ - | $ - | $ - | $ - | $ - | $ - |
| Transfer to General Liability | - | 0.4 | - | 0.1 | - | - | - | - | - | - |
| GASB 65 | | 0.6 | - | - | - | - | - | - | - | - |
| Fixed Assets/ Equipment | | 0.1 | 0.5 | 0.9 | - | - | - | - | - | - |
| 1/2 of Measure G Proceeds to Capital | 0.6 | 0.7 | 0.6 | 0.6 | - | - | - | - | - | - |
| Allocate to ERAF Risk Reserve | 0.7 | 0.7 | - | - | - | - | - | - | - | - |
| Allocate to Pension Trust | 0.7 | 0.7 | 0.7 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL EXPENDITURES & RESERVE** | $ 56.2 | $ 57.7 | $ 61.0 | $ 60.8 | 61.8 | $ 63.8 | $ 66.1 | $ 68.5 | $ 68.7 | $ 70.1 |
| **NET REVENUES, TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS** | $ 4.9 | $ 4.2 | $ 0.5 | $ - | (3.7) | $ (5.0) | $ (5.7) | $ (6.5) | $ (6.3) | $ (5.6) |

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

## Town of Los Gatos General Fund Historical Year-End Results (in $ million)

| Account | Revenue Category | FY 2015/16 Actuals | FY 2016/17 Actuals | FY 2017/18 Actuals | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2021/22 Actuals |
|---|---|---|---|---|---|---|---|---|
| 4100 | Property Tax | $ 10.8 | $ 11.5 | $ 12.5 | $ 13.6 | $ 14.5 | $ 15.8 | $ 16.9 |
| 4110 | VLF Backfill Property Tax | 3.0 | 3.2 | 3.4 | 3.7 | 3.9 | 4.1 | 4.2 |
| 4200 | Sales & Use Tax | 7.5 | 9.2 | 7.6 | 8.0 | 6.5 | 6.8 | 7.2 |
| 4200 | Measure G District Sales Tax | - | - | - | 0.2 | 1.0 | 1.1 | 1.3 |
| 4250 | Franchise Fees | 2.3 | 2.4 | 2.5 | 2.5 | 2.5 | 2.5 | 2.8 |
| 4251 | Transient Occupancy Tax | 1.9 | 2.3 | 2.6 | 2.7 | 1.9 | 1.0 | 1.9 |
| 4400 | Business License Tax | 1.5 | 1.7 | 1.7 | 1.5 | 1.4 | 1.4 | 1.5 |
| 4400 | Licenses & Permits | 3.5 | 3.0 | 3.0 | 3.1 | 2.7 | 3.1 | 4.8 |
| 4500 | Intergovernmental | 1.0 | 0.9 | 1.0 | 0.9 | 1.0 | 1.6 | 1.3 |
| 4600 | Town Services | 4.0 | 3.3 | 4.4 | 4.4 | 4.4 | 4.6 | 5.3 |
| 4700 | Fines & Forfeitures | 0.9 | 0.9 | 0.7 | 0.5 | 0.3 | 0.1 | 0.3 |
| 4800 | Interest | 0.6 | 0.2 | 0.2 | 1.4 | 2.2 | 0.1 | (1.4) |
| 4850 | Other Sources | 2.3 | 4.3 | 3.2 | 4.6 | 2.7 | 3.7 | 7.0 |
| 4900 | Fund Transfers In | 2.4 | 0.3 | 0.8 | 1.6 | 0.6 | 0.7 | 0.6 |
| **TOTAL OPERATING REVENUES & TRANSFERS*** | | $ 41.7 | $ 43.2 | $ 43.6 | $ 48.7 | $ 45.6 | $ 46.6 | $ 53.7 |
| | Capital | - | 1.4 | 3.2 | 2.8 | 8.0 | 3.4 | 0.6 |
| | Use of Pension/OPEB Reserve | - | - | - | - | - | 4.5 | 0.3 |
| | Use of Property Surplus Reserve | - | - | - | - | - | - | 1.2 |
| | Use of Almond Grove Reserve | - | 5.9 | - | - | - | - | - |
| | Use of Measure G Reserve | - | - | - | - | - | - | 1.1 |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES** | | $ 41.7 | $ 50.5 | $ 46.8 | $ 51.5 | $ 53.6 | $ 54.5 | $ 56.9 |

| Account | Expenditure Category | FY 2015/16 Actuals | FY 2016/17 Actuals | FY 2017/18 Actuals | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | 2021/22 Actuals |
|---|---|---|---|---|---|---|---|---|
| 5110 | Salary | 14.5 | 14.8 | 16.0 | 17.9 | 19.3 | 20.2 | 20.0 |
| 5120 | CalPERS Benefits | 3.6 | 3.9 | 4.3 | 5.3 | 6.1 | 6.4 | 6.5 |
| 5200 | All Other Benefits | 3.2 | 3.2 | 3.3 | 3.6 | 3.6 | 3.7 | 3.7 |
| 6211 | OPEB Pay as You Go | 0.9 | 1.0 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 |
| 6000 | Operating Expenditures | 4.7 | 4.8 | 5.0 | 5.6 | 5.1 | 5.7 | 10.4 |
| 7200 | Grants & Awards | 0.7 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 1.8 |
| 7400 | Utilities | 0.4 | 0.6 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 |
| 8060 | Internal Service Charges | 3.5 | 3.6 | 3.9 | 2.5 | 2.2 | 2.3 | 2.6 |
| 8900 | Debt Service | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 2.0 | 2.1 |
| **TOTAL OPERATING EXPENDITURES** | | $ 33.6 | $ 34.0 | $ 36.2 | $ 38.8 | $ 40.2 | $ 42.4 | $ 49.0 |
| | GASB 45 Retiree Medical Actuarial | 1.5 | 2.6 | 1.6 | 1.1 | 1.1 | 0.6 | 0.1 |
| | Additional Discretionary Payment - Pension | - | - | - | - | - | 5.6 | 0.7 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | | $ 35.1 | $ 36.6 | $ 37.8 | $ 39.9 | $ 41.3 | $ 48.6 | $ 49.8 |
| | Capital Transfers Out to GFAR | 0.5 | 7.3 | 2.6 | 2.3 | 7.0 | 3.4 | 1.2 |
| | Operating Tranfer Out | 0.1 | - | 0.6 | 0.5 | 1.1 | - | - |
| | 1/2 of Measure G Proceeds to Capital | - | - | - | - | - | - | 0.7 |
| | Fixed Assets/ Equipment | 0.4 | - | - | - | 0.1 | - | - |
| | Fund | - | - | 1.2 | 3.6 | 0.4 | - | - |
| **AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS** | | $ 5.6 | $ 6.6 | $ 4.6 | $ 5.2 | $ 3.7 | $ 2.5 | $ 5.9 |
| | Allocate to Almond Grove Reserve | 2.5 | - | - | - | - | - | - |
| | Stabilization/Catastrophic | - | - | - | - | - | 0.1 | 1.1 |
| | Allocate to Compensated Absences | - | - | - | - | - | 0.1 | (0.2) |
| | Allocate to Market Fluctuations Reserve | 0.3 | 0.3 | - | - | 1.2 | - | (0.4) |
| | Allocate to CalPERS/Pension Reserve | - | 1.8 | - | - | - | 0.3 | 0.3 |
| | Allocate to Measure G Reserve | - | - | - | - | 1.2 | - | - |
| | Allocate to VM & Stores Surplus Reserve | - | - | - | 1.0 | - | - | - |
| | Allocate to Authorized Carryforwards | 0.1 | - | - | - | - | - | 0.03 |
| | Sales Tax Prior - Year Adjusments | - | 0.4 | - | - | - | - | - |
| | Allocate to Property Surplus Reserve | - | - | - | 1.9 | - | 1.2 | - |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS** | | $ 39.0 | $ 46.4 | $ 42.2 | $ 49.2 | $ 52.2 | $ 53.7 | $ 52.2 |
| **NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE** | | $ 2.7 | $ 4.1 | $ 4.6 | $ 2.3 | $ 1.4 | $ 0.8 | $ 4.7 |

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

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

| Type of Revenue Base Line Estimates | FY 2025-26 Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|
| **Transient Occupancy Tax** Current baseline set by FY 2024-25 Year-End Estimates | 3% | 3% | 0% | 0% | 0% | 0% |
| **Business License Tax** Current baseline set by FY 2024-25 Year-End Estimates | 2% | 2% | 2% | 2% | 2% | 2% |
| **License & Permits** Current baseline set by FY 2024-25 Year-End Estimates | 3% | 3% | 3% | 3% | 3% | 3% |
| **Town Services** Current baseline set by FY 2024-25 Year-End Estimates | 3% | 3% | 0% | 3% | 3% | 3% |
| **Fine & Forfeitures** Current baseline set by FY 2024-25 Year-End Estimates | 1% | Varies | Varies | Varies | Varies | Varies |
| **Interest** Varies, based on Portfolio | Weighted Portfolio Yield 3.64% | Weighted Portfolio Yield 3.56% | Weighted Portfolio Yield 3.45% | Weighted Portfolio Yield 3.36% | Weighted Portfolio Yield 3.30% | Weighted Portfolio Yield 3.30% |
| **Other Sources** Current baseline set by FY 2024-25 Year-End Estimates | Varies | Varies | Varies | Varies | Varies | Varies |

## EXPENDITURE BASELINE AND PROJECTION FACTORS (PROPOSED FY 2025-26 BUDGET - PUBLISHED 4

Beginning in FY 2020-21, the Town is budgeting salaries at the actual salary plus a one-step increase. 68% of the workforce is already at top step or one step below top step. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of March 1, 2025 and rate is increasing in the actual anniversary date. The FY 2025-26 Budget and the FY 2026-27 – FY 30-31 Forecast includes 4.6% vacancy savings.

| Type of Expenditure | FY 2025-26 Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|
| **Salaries (TEA, Conf, Temp)*** | 3% | 3% | 2% | 2% | 2% | 2% |
| **Salaries (POA)*** | 5% | 4% | 2% | 2% | 2% | 2% |
| **Salaries (AFSCME)*** | 4% | 4% | 2% | 2% | 2% | 2% |
| **Salaries (Management)*** | 3% | 3% | 2% | 2% | 2% | 2% |
| **Benefit - Medical**** | 7% | 7% | 7% | 7% | 7% | 7% |
| **Vacancy Savings** | 4.6% | 4.6% | 4.6% | 4.6% | 4.6% | 4.6% |
| **Operating Expenditures***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Grants & Awards** | 0% | 0% | 0% | 0% | 0% | 0% |
| **Utilities***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Internal Service Charges***** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| **Debt Service** | Debt Service Schedules | | | | | |

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units*

***Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA).*

****Based on historical trends.*

The Town's required employer contribution rate estimates were developed using data provided by each plan's CalPERS actuarial valuation. The employer contribution rates reflect percentages of covered payroll. Forecasted rates for FY 2055-26 and subsequent years are based on the most recent CalPERS actuarial valuation Reports as adjusted by the impact related to the FY 2022-23 CalPERS 5.8% investment return and forecasted payroll.

| Type of Expenditure | FY 2025-26 Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|
| **Safety POA** | 109.09% | 109.92% | 112.95% | 121.16% | 121.75% | 124.52% |
| **Safety Management POA** | 112.09% | 112.92% | 115.95% | 124.16% | 124.75% | 127.52% |
| **Safety POA - PEPRA** | 15.84% | 14.96% | 20.99% | 21.74% | 22.04% | 25.76% |
| **Miscellaneous TEA/Confidential/ Management** | 30.02% | 30.52% | 30.82% | 31.78% | 31.92% | 32.21% |
| **Miscellaneous TEA/Confidential/ Management PEPRA** Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS. | 30.62% | 29.65% | 31.01% | 32.28% | 33.81% | 34.49% |

**Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019-20.*

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

| Revenue Category | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2024-25 Estimates | FY 2025-26 Forecast | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast |
|---|---|---|---|---|---|---|---|---|
| Property Tax | $ 19.3 | $ 20.2 | $ 20.0 | $ 20.6 | $ 21.3 | $ 22.0 | $ 22.8 | $ 23.6 |
| VLF Backfill Property Tax | 4.9 | 5.0 | 5.1 | 5.3 | 5.5 | 5.8 | 6.0 | 6.2 |
| Sales & Use Tax | 6.8 | 6.6 | 6.4 | 6.6 | 6.6 | 6.8 | 7.0 | 7.0 |
| Measure G District Sales Tax | 1.3 | 1.3 | 1.3 | 1.2 | 1.3 | 1.3 | 1.3 | 1.4 |
| Franchise Fees | 2.5 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 | 1.2 |
| Transient Occupancy Tax | 2.4 | 2.3 | 2.3 | 2.4 | 2.5 | 2.5 | 2.6 | 2.7 |
| Business License Tax | 1.5 | 2.4 | 2.8 | 2.5 | 2.6 | 2.6 | 2.7 | 2.8 |
| Licenses & Permits | 3.3 | 3.5 | 3.5 | 3.1 | 3.2 | 3.2 | 3.3 | 3.4 |
| Intergovernmental | 1.2 | 1.1 | 1.1 | 0.8 | 0.9 | 0.9 | 0.9 | 0.9 |
| Town Services | 6.6 | 7.0 | 7.3 | 6.6 | 6.7 | 6.8 | 6.9 | 7.0 |
| Fines & Forfeitures | 0.5 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Interest | 2.6 | 1.8 | 1.4 | 1.0 | 1.0 | 1.0 | 0.7 | 0.7 |
| Other Sources | 5.0 | 4.1 | 4.6 | 3.1 | 3.1 | 3.2 | 3.2 | 2.0 |
| Fund Transfers In | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| **TOTAL OPERATING REVENUES & TRANSFERS** | $ 58.5 | $ 57.2 | $ 57.7 | $ 55.1 | $ 56.7 | $ 58.1 | $ 59.4 | $ 59.8 |
| Use of Capital/Special Projects Reserve | $ 1.6 | $ 2.7 | $ 2.7 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 |
| Use of Measure G Sales Tax - Operating | - | 0.6 | 0.6 | - | - | - | - | - |
| Use of Pension/OPEB Reserve | 0.3 | - | 0.3 | - | - | - | - | - |
| Use of Council Priorites - Economic Recovery | 1.5 | - | - | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*** | $ 61.9 | $ 60.5 | $ 61.3 | $ 56.2 | $ 57.8 | $ 59.2 | $ 60.5 | $ 60.9 |

| Expenditure Category | FY 2023-24 Actuals | FY 2024-25 Adjusted Budget | FY 2024-25 Estimates | FY 2025-26 Forecast | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast |
|---|---|---|---|---|---|---|---|---|
| Salary | $ 21.5 | $ 25.2 | $ 22.6 | $ 26.0 | $ 27.2 | $ 27.7 | $ 28.3 | $ 28.9 |
| Overtime | 1.3 | 0.6 | 1.5 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 |
| CalPERS Benefits | 7.4 | 8.8 | 8.3 | 9.5 | 10.7 | 10.9 | 11.9 | 12.1 |
| All Other Benefits | 4.3 | 5.6 | 4.9 | 6.0 | 6.3 | 6.5 | 6.6 | 6.8 |
| 4.6% Salary and Benefits Savings | - | (1.8) | - | (1.9) | (2.1) | (2.1) | (2.2) | (2.2) |
| OPEB Pay as You Go | 1.6 | 1.7 | 2.0 | 2.3 | 2.4 | 2.5 | 2.6 | 2.7 |
| Operating Expenditures | 9.8 | 9.2 | 8.8 | 8.2 | 8.5 | 8.6 | 9.0 | 9.1 |
| Grants & Awards | 0.7 | 0.7 | 0.7 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Utilities | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 |
| Internal Service Charges | 3.2 | 4.4 | 4.1 | 4.7 | 4.9 | 5.1 | 5.3 | 5.5 |
| Debt Service | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 0.8 |
| **TOTAL OPERATING EXPENDITURES** | $ 52.9 | $ 57.2 | $ 55.7 | $ 58.5 | $ 61.7 | $ 62.9 | $ 65.3 | $ 65.5 |
| Additional Discretionary Payment - Pension | 0.7 | 0.4 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | $ 53.6 | $ 57.6 | $ 56.4 | $ 58.9 | $ 62.1 | $ 63.3 | $ 65.7 | $ 65.9 |
| Capital Transfers Out to GFAR | $ 1.6 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 |
| Transfer to General Liability | 0.4 | - | - | - | - | - | - | - |
| GASB 65 | 0.6 | - | - | - | - | - | - | - |
| Fixed Assets/ Equipment | 0.1 | 0.5 | 0.9 | - | - | - | - | - |
| 1/2 of Measure G Proceeds to Capital | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 |
| Allocate to ERAF Risk Reserve | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Allocate to Pension Trust | 0.7 | 0.4 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS*** | $ 57.7 | $ 60.5 | $ 60.5 | $ 61.8 | $ 65.0 | $ 66.2 | $ 68.7 | $ 68.9 |
| **NET REVENUES , TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS** | $ 4.2 | $ - | $ 0.8 | $ (5.6) | $ (7.2) | $ (7.0) | $ (8.2) | $ (8.0) |

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

REVENUE BASELINE AND PROJECTION FACTORS (FY 2024-25 MID-YEAR REPORT AND FORECAST – PU
2/7/2025)

| Type of Revenues | FY 2024-25 Estimates Baseline | FY 2025-26 Forecast | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast |
|---|---|---|---|---|---|---|
| **Property Tax/VLF Backfill** | Current baseline set by SCC Assessor Office February 2025 report | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% |
| **Motor Vehicle License in Lieu (VLF)** | Current baseline set by SCC Assessor Office February 2025 report | 4.1% | 4.1% | 4.1% | 4.1% | 4.1% |
| **ERAF** | Current baseline set 100% of SCC Assessor Office February 2024 Update Reserving 30% to ERAF Risk Reserve | $1.83 million | $1.83 million | $1.83 million | $1.83 million | $1.83 million |
| **Sales Tax** | MuniServices January 2025 Most Likely Estimates | MuniServices January 2025 Most Likely Estimates | MuniServices January 2025 Most Likely Estimates | MuniServices January 2025 Most Likely Estimates | MuniServices January 2025 Most Likely Estimates | MuniServices January 2025 Most Likely Estimates |
| **Sales Tax - Measure G** | MuniServices January 2025 Most Likely Estimates | MuniServices January 2025 Most Likely Estimates | MuniServices January 2025 Most Likely Estimates | MuniServices January 2025 Most Likely Estimates | MuniServices January 2025 Most Likely Estimates | MuniServices January 2025 Most Likely Estimates |
| **Franchise Fee** | Current baseline set by FY2024-25 Estimates | 3% | 3% | 3% | 3% | 3% |
| **Transient Occupancy Tax** | Current baseline set by FY 2024-25 Estimates | 2% | 2% | 2% | 2% | 2% |
| **Business License Tax** | Current baseline set by FY 2024-25 Estimates | 3% | 3% | 3% | 3% | 3% |
| **License & Permits** | Current baseline set by FY 2024-25 Estimates | 3% | 3% | 3% | 3% | 3% |

| Type of Revenues | FY 2024-25 Estimates Baseline | FY 2025-26 Forecast | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast |
|---|---|---|---|---|---|---|
| **Town Services** | Current baseline set by FY 2024-25 Estimates | 3% | 3% | 3% | 3% | 3% |
| **Fine & Forfeitures** | Current baseline set by FY 2024-25 Estimates | Varies | Varies | Varies | Varies | Varies |
| **Yield to Maturity Assumptions** | Current baseline set by FY 2024-25 Actuals | 3.51% | 3.45% | 3.37% | 3.31% | 3.28% |
| **Other Sources** | Current baseline set by FY 2024-25 Estimates | Varies | Varies | Varies | Varies | Varies |

## EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2024-25 MID-YEAR REPORT AND FORECAST PUBLISHED 2/7/2025)

Beginning in FY 2020-21, the Town started budgeting salaries at the actual salary plus a one-step increase. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of December 31, 2024. Beginning FY 2023-24 the total salaries and benefits budget includes 4.6% vacancy factor.

| Type of Expenditures | FY 2024-25 Budget | FY 2025-26 Forecast | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast |
|---|---|---|---|---|---|---|
| Salaries*(TEA) | 5% | 3% | 3% | 2% | 2% | 2% |
| Salaries *(POA) | 6.5% | 5% | 4% | 2% | 2% | 2% |
| Salaries*(AFSCME) | 4% | 4% | 4% | 2% | 2% | 2% |
| Salaries * (Management, Confidential, Temp) | 5% | 3% | 3% | 2% | 2% | 2% |
| Benefit - Medical** | 4% | 4% | 4% | 4% | 4% | 4% |
| Operating Expenditures*** | 3% | 3% | 3% | 3% | 3% | 3% |
| Grants & Awards | 0% | 0% | 0% | 0% | 0% | 0% |
| Utilities*** | Varies | 3% | 3% | 3% | 3% | 3% |
| Workers Comp Charges | Based on projected payroll | 3% | 3% | 3% | 3% | 3% |
| General Liability Charges | Based on projected payroll | 3% | 3% | 3% | 3% | 3% |
| Other Internal Service Charges*** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| Debt Service | Debt Service Schedules | | | | | |

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units from FY 2024-25 through FY 2026-27. Beyond FY 2027-28 the assumption is 2% per year cost of living adjustment.*

***Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA)*

****Based on historical trends.*

The Town's required employer contribution rate estimates were developed using data provided by each plan's CalPERS actuarial valuation. The employer contribution rates reflect percentages of covered payroll. Rates shown for FY 2024-25 are actual rates as prescribed by CalPERS. Forecasted rates for FY 2025-26 and subsequent years are based on the most recent CalPERS actuarial valuation Reports as adjusted by the impact related to the FY 2022-23 CalPERS 6.1% investment return and forecasted payroll.

Beginning in FY 2021-22, the estimates of employer contributions were credited with an anticipated reductions associated with the approximate $4.8 million additional discretionary payment (ADP) toward the 2016 unfunded amortization base paid off in October 2019 and the total of approximately $5.8 million in ADPs toward unfunded 2013 and 2015 amortization bases that were paid off in FY 2020-21.

| Type of Expenditures | FY 2024-25 Budget | FY 2025-26 Forecast | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast |
|---|---|---|---|---|---|---|
| **Safety POA** | 94.98% | 98.72% | 102.27% | 106.14% | 115.00% | 117.32% |
| **Safety Management POA** | 97.98% | 101.72% | 105.27% | 109.14% | 118.00% | 120.32% |
| **Safety POA - PEPRA** | 15.56% | 15.56% | 15.68% | 15.69% | 16.32% | 16.61% |
| **Miscellaneous TEA/AFSCME/Confidential/ Management** | 30.62% | 29.65% | 31.01% | 32.28% | 33.81% | 34.49% |
| **Miscellaneous TEA/AFSCME/Confidential/ Management PEPRA** Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS. | 30.62% | 29.65% | 31.01% | 32.28% | 33.81% | 34.49% |

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

| Revenue Category | FY 2022/23 Actuals | FY 2023/24 Adjusted Budget | FY 2023/24 Estimates | FY 2024/25 Budget | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast | FY 2028/29 Forecast | FY 2029/30 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| Property Tax | $ 18.2 | $ 19.0 | $ 19.0 | $ 20.2 | $ 21.3 | $ 22.5 | $ 23.7 | $ 25.0 | $ 26.5 |
| VLF Backfill Property Tax | 4.6 | 4.9 | 4.9 | 5.0 | 5.3 | 5.6 | 5.9 | 6.3 | 6.7 |
| Sales & Use Tax | 7.5 | 7.0 | 6.7 | 6.6 | 6.7 | 6.9 | 6.9 | 7.0 | 7.1 |
| Measure G District Sales Tax | 1.3 | 1.2 | 1.2 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 |
| Franchise Fees | 3.1 | 3.3 | 3.3 | 1.0 | 1.1 | 1.1 | 1.1 | 1.2 | 1.2 |
| Transient Occupancy Tax | 2.2 | 2.3 | 2.3 | 2.3 | 2.4 | 2.4 | 2.4 | 2.4 | 2.4 |
| Business License Tax | 2.4 | 2.4 | 2.4 | 2.4 | 2.5 | 2.6 | 2.6 | 2.7 | 2.8 |
| Licenses & Permits | 3.3 | 3.3 | 3.3 | 3.0 | 3.0 | 3.1 | 3.2 | 3.3 | 3.4 |
| Intergovernmental | 1.6 | 1.3 | 1.3 | 1.4 | 0.9 | 1.0 | 0.9 | 0.9 | 1.0 |
| Town Services | 4.6 | 4.6 | 5.0 | 7.0 | 6.7 | 6.8 | 7.0 | 7.2 | 7.4 |
| Fines & Forfeitures | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Interest | 0.6 | 1.6 | 1.6 | 1.8 | 1.4 | 1.3 | 1.2 | 1.1 | 1.1 |
| Other Sources | 8.1 | 4.0 | 4.1 | 3.5 | 3.1 | 3.2 | 3.3 | 3.2 | 2.0 |
| Fund Transfers In | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| **TOTAL OPERATING REVENUES & TRANSFERS** | $ 58.4 | $ 55.9 | $ 56.1 | $ 56.4 | $ 56.6 | $ 58.7 | $ 60.5 | $ 62.6 | $ 63.9 |
| Use of Capital/Special Projects Reserve | $ 2.4 | $ 1.6 | $ 2.0 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 |
| Use of Measure G Sales Tax - Operating | - | - | - | 0.6 | - | - | - | - | - |
| Use of Pension/OPEB Reserve | 0.3 | 0.3 | 0.3 | - | - | - | - | - | - |
| Use of Council Priorites - Economic Recovery | - | 1.5 | 1.5 | - | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*** | $ 61.1 | $ 59.3 | $ 59.9 | $ 58.1 | $ 57.7 | $ 59.8 | $ 61.6 | $ 63.7 | $ 65.0 |

| Expenditure Category | FY 2022/23 Actuals | FY 2023/24 Adjusted Budget | FY 2023/24 Estimates | FY 2024/25 Budget | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast | FY 2028/29 Forecast | FY 2029/30 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| Salary | $ 20.4 | $ 21.3 | $ 21.9 | $ 23.6 | $ 23.8 | $ 24.5 | $ 25.1 | $ 25.7 | $ 26.2 |
| Overtime | 1.4 | 0.6 | 1.3 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| CalPERS Benefits | 7.1 | 8.2 | 7.2 | 8.8 | 9.1 | 9.7 | 10.4 | 11.2 | 11.8 |
| All Other Benefits | 3.8 | 4.7 | 4.4 | 5.6 | 6.1 | 6.3 | 6.5 | 6.7 | 6.8 |
| 4.6% Salary and Benefits Savings | - | - | - | (1.8) | (1.8) | (1.9) | (2.0) | (2.0) | (2.1) |
| OPEB Pay as You Go | 1.5 | 1.6 | 1.6 | 1.7 | 1.9 | 2.0 | 2.0 | 2.0 | 2.0 |
| Operating Expenditures | 11.7 | 11.0 | 10.6 | 8.8 | 8.3 | 8.6 | 8.7 | 9.0 | 9.2 |
| Grants & Awards | 0.6 | 1.0 | 0.7 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 |
| Utilities | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 |
| Internal Service Charges | 2.6 | 3.4 | 3.4 | 4.4 | 5.2 | 5.4 | 5.6 | 5.8 | 6.1 |
| Debt Service | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 0.8 |
| **TOTAL OPERATING EXPENDITURES** | $ 51.8 | $ 54.5 | $ 53.9 | $ 54.8 | $ 56.2 | $ 58.4 | $ 60.1 | $ 62.2 | $ 62.7 |
| Additional Discretionary Payment - Pension | 0.7 | 0.7 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | $ 52.5 | $ 55.2 | $ 54.6 | $ 55.2 | $ 56.6 | $ 58.8 | $ 60.5 | $ 62.6 | $ 63.1 |
| Capital Transfers Out to GFAR | $ 2.4 | $ 1.6 | $ 1.6 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 | $ 1.1 |
| Transfer to General Liability | - | - | 0.4 | - | - | - | - | - | - |
| 1/2 of Measure G Proceeds to Capital | 0.6 | 0.6 | 0.7 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 |
| Allocate to ERAF Risk Reserve | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Allocate to Pension Trust | 0.7 | 0.7 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS*** | $ 56.2 | $ 58.8 | $ 58.7 | $ 58.1 | $ 59.5 | $ 61.8 | $ 63.5 | $ 65.6 | $ 66.1 |
| **NET REVENUES , TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS** | $ 4.9 | $ 0.5 | $ 1.1 | $ - | $ (1.8) | $ (2.0) | $ (1.9) | $ (1.9) | $ (1.1) |

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

## Town of Los Gatos General Fund Historical Year-End Results (in $ million)

| Account | Revenue Category | FY 2015/16 Actuals | FY 2016/17 Actuals | FY 2017/18 Actuals | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | FY 2021/22 Actuals |
|---|---|---|---|---|---|---|---|---|
| 4100 | Property Tax | $ 10.8 | $ 11.5 | $ 12.5 | $ 13.6 | $ 14.5 | $ 15.8 | $ 16.9 |
| 4110 | VLF Backfill Property Tax | 3.0 | 3.2 | 3.4 | 3.7 | 3.9 | 4.1 | 4.2 |
| 4200 | Sales & Use Tax | 7.5 | 9.2 | 7.6 | 8.0 | 6.5 | 6.8 | 7.2 |
| 4200 | Measure G District Sales Tax | - | - | - | 0.2 | 1.0 | 1.1 | 1.3 |
| 4250 | Franchise Fees | 2.3 | 2.4 | 2.5 | 2.5 | 2.5 | 2.5 | 2.8 |
| 4251 | Transient Occupancy Tax | 1.9 | 2.3 | 2.6 | 2.7 | 1.9 | 1.0 | 1.9 |
| 4400 | Business License Tax | 1.5 | 1.7 | 1.7 | 1.5 | 1.4 | 1.4 | 1.5 |
| 4400 | Licenses & Permits | 3.5 | 3.0 | 3.0 | 3.1 | 2.7 | 3.1 | 4.8 |
| 4500 | Intergovernmental | 1.0 | 0.9 | 1.0 | 0.9 | 1.0 | 1.6 | 1.3 |
| 4600 | Town Services | 4.0 | 3.3 | 4.4 | 4.4 | 4.4 | 4.6 | 5.3 |
| 4700 | Fines & Forfeitures | 0.9 | 0.9 | 0.7 | 0.5 | 0.3 | 0.1 | 0.3 |
| 4800 | Interest | 0.6 | 0.2 | 0.2 | 1.4 | 2.2 | 0.1 | (1.4) |
| 4850 | Other Sources | 2.3 | 4.3 | 3.2 | 4.6 | 2.7 | 3.7 | 7.0 |
| 4900 | Fund Transfers In | 2.4 | 0.3 | 0.8 | 1.6 | 0.6 | 0.7 | 0.6 |
| **TOTAL OPERATING REVENUES & TRANSFERS*** | | $ 41.7 | $ 43.2 | $ 43.6 | $ 48.7 | $ 45.6 | $ 46.6 | $ 53.7 |
| | Capital | - | 1.4 | 3.2 | 2.8 | 8.0 | 3.4 | 0.6 |
| | Use of Pension/OPEB Reserve | - | - | - | - | - | 4.5 | 0.3 |
| | Use of Property Surplus Reserve | - | - | - | - | - | - | 1.2 |
| | Use of Almond Grove Reserve | - | 5.9 | - | - | - | - | - |
| | Use of Measure G Reserve | - | - | - | - | - | - | 1.1 |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES** | | $ 41.7 | $ 50.5 | $ 46.8 | $ 51.5 | $ 53.6 | $ 54.5 | $ 56.9 |

| Account | Expenditure Category | FY 2015/16 Actuals | FY 2016/17 Actuals | FY 2017/18 Actuals | FY 2018/19 Actuals | FY 2019/20 Actuals | FY 2020/21 Actuals | 2021/22 Actuals |
|---|---|---|---|---|---|---|---|---|
| 5110 | Salary | 14.5 | 14.8 | 16.0 | 17.9 | 19.3 | 20.2 | 20.0 |
| 5120 | CalPERS Benefits | 3.6 | 3.9 | 4.3 | 5.3 | 6.1 | 6.4 | 6.5 |
| 5200 | All Other Benefits | 3.2 | 3.2 | 3.3 | 3.6 | 3.6 | 3.7 | 3.7 |
| 6211 | OPEB Pay as You Go | 0.9 | 1.0 | 1.1 | 1.2 | 1.2 | 1.3 | 1.4 |
| 6000 | Operating Expenditures | 4.7 | 4.8 | 5.0 | 5.6 | 5.1 | 5.7 | 10.4 |
| 7200 | Grants & Awards | 0.7 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 1.8 |
| 7400 | Utilities | 0.4 | 0.6 | 0.5 | 0.5 | 0.5 | 0.6 | 0.6 |
| 8060 | Internal Service Charges | 3.5 | 3.6 | 3.9 | 2.5 | 2.2 | 2.3 | 2.6 |
| 8900 | Debt Service | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 2.0 | 2.1 |
| **TOTAL OPERATING EXPENDITURES** | | $ 33.6 | $ 34.0 | $ 36.2 | $ 38.8 | $ 40.2 | $ 42.4 | $ 49.0 |
| | GASB 45 Retiree Medical Actuarial | 1.5 | 2.6 | 1.6 | 1.1 | 1.1 | 0.6 | 0.1 |
| | Additional Discretionary Payment - Pension | - | - | - | - | - | 5.6 | 0.7 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | | $ 35.1 | $ 36.6 | $ 37.8 | $ 39.9 | $ 41.3 | $ 48.6 | $ 49.8 |
| | Capital Transfers Out to GFAR | 0.5 | 7.3 | 2.6 | 2.3 | 7.0 | 3.4 | 1.2 |
| | Operating Tranfer Out | 0.1 | - | 0.6 | 0.5 | 1.1 | - | - |
| | 1/2 of Measure G Proceeds to Capital | - | - | - | - | - | - | 0.7 |
| | Fixed Assets/ Equipment | 0.4 | - | - | - | 0.1 | - | - |
| | Fund | - | - | 1.2 | 3.6 | 0.4 | - | - |
| **AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS** | | $ 5.6 | $ 6.6 | $ 4.6 | $ 5.2 | $ 3.7 | $ 2.5 | $ 5.9 |
| | Allocate to Almond Grove Reserve | 2.5 | - | - | - | - | - | - |
| | Stabilization/Catastrophic | - | - | - | - | - | 0.1 | 1.1 |
| | Allocate to Compensated Absences | - | - | - | - | - | 0.1 | (0.2) |
| | Allocate to Market Fluctuations Reserve | 0.3 | 0.3 | - | - | 1.2 | - | (0.4) |
| | Allocate to CalPERS/Pension Reserve | - | 1.8 | - | - | - | 0.3 | 0.3 |
| | Allocate to Measure G Reserve | - | - | - | - | 1.2 | - | - |
| | Allocate to VM & Stores Surplus Reserve | - | - | - | 1.0 | - | - | - |
| | Allocate to Authorized Carryforwards | 0.1 | - | - | - | - | - | 0.03 |
| | Sales Tax Prior - Year Adjusments | - | 0.4 | - | - | - | - | - |
| | Allocate to Property Surplus Reserve | - | - | - | 1.9 | - | 1.2 | - |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS** | | $ 39.0 | $ 46.4 | $ 42.2 | $ 49.2 | $ 52.2 | $ 53.7 | $ 52.2 |
| **NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE** | | $ 2.7 | $ 4.1 | $ 4.6 | $ 2.3 | $ 1.4 | $ 0.8 | $ 4.7 |

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

| Type of Revenue Base Line Estimate | FY2024/25 Budget | FY 2025/26 Forecast | FY 2026/27 Forecast | FY2027/28 Forecast | FY2028/29 Forecast | FY 2029/30 Forecast |
|---|---|---|---|---|---|---|
| **Property Tax** SCC Assessor Office February 2024 Report | 6.6% | 6.6% | 6.6% | 6.6% | 6.6% | 6.6% |
| **VLF Backfill** SCC Assessor Office February 2024 Report | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% | 6.1% |
| **Other Property Tax** SCC Assessor Office February 2024 Report | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| **ERAF** SCC Assessor Office March 2024 Notification | $2,534,820 Including 30% to Reserve | $2,617,000 Including 30% to Reserve | $2,617,000 Including 30% to Reserve | $2,617,000 Including 30% to Reserve | $2,617,000 Including 30% to Reserve | $2,617,000 Including 30% to Reserve |
| **Sales Tax** | MuniServices March 2024 Most Likely Estimates | MuniServices March 2024 Most Likely Estimates | MuniServices March 2024 Most Likely Estimates | MuniServices March 2024 Most Likely Estimates | MuniServices March 2024 Most Likely Estimates | MuniServices March 2024 Most Likely Estimates |
| **Sales Tax – Measure G** | MuniServices March 2024 Most Likely Estimates | MuniServices March 2024 Most Likely Estimates | MuniServices March 2024 Most Likely Estimates | MuniServices March 2024 Most Likely Estimates | MuniServices March 2024 Most Likely Estimates | MuniServices March 2024 Most Likely Estimates |
| **Franchise Fee** | Current baseline set by FY 2023/24 Year End Estimates | 3% | 3% | 3% | 3% | 3% |
| **Encroachment Permit Fee from Waste Hauler Provider** | Current baseline set by FY 2023/24 Year End Estimates | 3% | 3% | 3% | 3% | 3% |

| Type of Revenue Base Line Estimates | FY2024/25 Budget | FY 2025/26 Forecast | FY 2026/27 Forecast | FY2027/28 Forecast | FY2028/29 Forecast | FY 2029/30 Forecast |
|---|---|---|---|---|---|---|
| **Transient Occupancy Tax** Current baseline set by FY 2023/24 Year End Estimates | 3% | 3% | 0% | 0% | 0% | 0% |
| **Business License Tax** Current baseline set by FY 2023/24 Year End Estimates | 2% | 2% | 2% | 2% | 2% | 2% |
| **License & Permits** Current baseline set by FY 2023/24 Year End Estimates | 3% | 3% | 3% | 3% | 3% | 3% |
| **Town Services** Current baseline set by FY 2023/24 Year End Estimates | 3% | 3% | 0% | 3% | 3% | 3% |
| **Fine & Forfeitures** Current baseline set by FY 2023/24 Year End Estimates | 1% | Varies | Varies | Varies | Varies | Varies |
| **Interest** Varies, based on Portfolio | Weighted Portfolio Yield 3.77% | Weighted Portfolio Yield 3.59% | Weighted Portfolio Yield 3.37% | Weighted Portfolio Yield 3.05% | Weighted Portfolio Yield 3.03% | Weighted Portfolio Yield 3.01% |
| **Other Sources** Current baseline set by FY 2023/24 Year End Estimates | Varies | Varies | Varies | Varies | Varies | Varies |

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Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 71% of the workforce is already at top step or one step below top step. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of April 1, 2024 and rate is increasing in the actual anniversary date. The FY 2024/25 Budget and the FY 2025/26 – FY 29/30 Forecast includes 4.6% salary savings.

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| Type of Expenditure | FY2024/25 Budget | FY 2025/26 Forecast | FY 2026/27 Forecast | FY2027/28 Forecast | FY2028/29 Forecast | FY 2029/30 Forecast |
|---|---|---|---|---|---|---|
| Salaries (TEA, Conf, Temp)* | 0% | 2% | 2% | 2% | 2% | 2% |
| Salaries (POA)* | 6.5% | 5% | 4% | 2% | 2% | 2% |
| Salaries (AFSCME)* | 0% | 2% | 2% | 2% | 2% | 2% |
| Salaries (Management)* | 0% | 2% | 2% | 2% | 2% | 2% |
| Benefit -- Medical** | 7% | 7% | 7% | 7% | 7% | 7% |
| Salary Savings | 4.6% | 4.6% | 4.6% | 4.6% | 4.6% | 4.6% |
| Operating Expenditures*** | Varies | 3% | 3% | 3% | 3% | 3% |
| Grants & Awards | 0% | 0% | 0% | 0% | 0% | 0% |
| Utilities*** | Varies | 3% | 3% | 3% | 3% | 3% |
| Internal Service Charges*** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| Debt Service | Debt Service Schedules | | | | | |

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**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units 6.5% is effective from 4/1/2024.¶*

***Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA).¶*

****Based on historical trends.¶*

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The·Town's·required·employer·contribution·rate·estimates·were·developed·using·data·provided·by·each·plan's·most·recent·CalPERS·actuarial·valuation.··The·employer·contribution·rates·reflect·percentages·of·covered·payroll.··Forecasted·rates·for·FY·2024/25·and·subsequent·years·are·based·on·the·most·recent·CalPERS·actuarial·valuation·Reports·as·adjusted·by·the·impact·related·to·the·FY·2022/23·CalPERS·6.1%·investment·return·and·forecasted·payroll.¶

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Beginning·in·FY·2021/22,·the·estimates·of·employer·contributions·were·credited·with·an·anticipated·reductions·associated·with·the·approximate·$4.8·million·additional·discretionary·payment·(ADP)·toward·the·2016·unfunded·amortization·base·paid·off·in·October·2019·and·the·total·of·approximately·$5.8·million·in·ADPs·toward·unfunded·2013·and·2015·amortization·bases·that·were·paid·off·in·FY·2020/21.·¶

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| Type·of·Expenditure¤ | FY2024/25 Budget¤ | FY·2025/26 Forecast¤ | FY·2026/27 Forecast¤ | FY2027/28 Forecast¤ | FY2028/29 Forecast¤ | FY·2029/30 Forecast¤ |
|---|---|---|---|---|---|---|
| **Safety· POA¤** | 94.98%¤ | 98.72%¤ | 102.27%¤ | 106.14%¤ | 115.00%¤ | 117.32%¤ |
| **Safety· Management¶ POA¤** | 97.98%¤ | 101.72%¤ | 105.27%¤ | 109.14%¤ | 118.00%¤ | 122.32%¤ |
| **Safety· POA·-·PEPRA¤** | 15.56%¤ | 15.56%¤ | 15.68%¤ | 15.69%¤ | 16.32%¤ | 16.61%¤ |
| **Miscellaneous TEA/Confidential/· Management¤** | 30.62%¤ | 29.65%¤ | 31.01%¤ | 32.28%¤ | 33.81%¤ | 34.49%¤ |
| **Miscellaneous TEA/Confidential/· Management PEPRA¶** Separate·PEPRA· rate·for· Miscellaneous·has· not·been· established·yet·by· CalPERS.¤ | 30.62%¤ | 29.65%¤ | 31.01%¤ | 32.28%¤ | 33.81%¤ | 34.49%¤ |

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**Safety· Classic· Rate· reflects· 3%· decrease· in· employer's· contribution· rate· to· reflect· 3%· contribution· as· negotiated·with·the·Town's·POA·during·the·collective·bargaining·process·effective·FY·2019/20.¶*

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**SUMMARY OF CHANGES FY 2024-25**
**FROM PROPOSED TO ADOPTED**

Per Measure A, the Finance Commission received the Proposed FY 2023/24 Operating a[illegible] Budgets 21 business days before May 16, 2023, which was the first meeting at which the Proposed Budgets were considered by the Town Council. The Finance Commission held three public meetings at which Commissioners discussed the Proposed Budgets and provided recommendations to the Town Council per Measures A and G. On May 16, 2023, the Town Council conducted a public hearing to discuss the proposed FY 2023/24 Operating and Capital Summary Budget and Proposed FY 2023/24 – 2027/28 Capital Improvement Program. The Town Council considered public testimony, discussed both documents, considered the Finance Commission recommendations, and directed staff to bring back the documents for final approval incorporating the Council recommendations.

The Town Council adopted a balanced budget on June 6, 2023. The Adopted Budget includes a 4.6% vacancy factor, while Council directed that staff continue to hire for all vacant positions. The 4.6% salary savings represents approximately $1.7 million projected saving that eliminates a need for Other Post Employment Benefits (OPEB) Trust withdrawal. The Adopted Budget fully recognizes the Educational Revenue Augmentation Fund (ERAF) proceeds for FY 2023/24. The Council programmed 70% of the estimated revenue and reserved 30% as the “at risk” amount until the lawsuit between the State and the School Districts is resolved.

The following table represent the changes from the proposed budget to the adopted budget.

| | 2023/24 Proposed Budget | Estimated Budget Revision | 2023/24 Recommended Budget | |
|---|---|---|---|---|
| ***REVENUES*** | | | | |
| General Fund | $54,130,896 | $ (914,326) (1) | $ 53,216,570 | |
| Special Revenue Funds | 542,380 | - | $ 542,380 | |
| Internal Service Funds | 4,947,389 | - | $ 4,947,389 | |
| Capital Project Funds (does not include carryforwards) | 8,547,920 | - | $ 8,547,920 | |
| Successor Agency Funds | 3,811,664 | - | $ 3,811,664 | |
| **TOTAL REVENUES** | **$71,980,249** | **$ (914,326)** | **$ 71,065,923** | |
| ***OTHER FUNDING SOURCES*** | | | | |
| Designated One-Time Use of General Fund Reserves | 2,361,000 | $ 33,000 | 2,394,000 | (2) |
| **TOTAL TOWN REVENUES & OTHER FUNDING SOURCES** | **$74,341,249** | **$ (881,326)** | **$ 73,459,923** | |
| **TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION** | | | | |
| General Fund | $56,101,896 | $ (1,586,649) (3) | $ 54,515,247 | |
| Special Revenue Funds | 469,381 | (9,794) (4) | 459,587 | |
| Internal Service Funds | 6,132,798 | - | 6,132,798 | |
| Capital Project Funds (does not include carryforwards) | 10,658,747 | - (5) | 10,658,747 | |
| Successor Agency Funds | 3,801,021 | (87) (6) | 3,800,934 | |
| **TOTAL TOWN EXPENDITURE & OTHER FUNDING USES** | **$77,163,843** | **$ (1,596,530)** | **$ 75,567,313** | |
| GENERAL FUND SOURCE(USE) OF FUND BALANCES | $ 390,000 | $ 660,900 | $ 1,095,323 | |
| OTHER FUNDS SOURCE(USE) OF FUND BALANCES | (3,212,594) | | (3,202,713) | (7) |
| **TOTAL SOURCE(USE) OF FUND BALANCES** | $ (2,822,594) | $ 715,204 | $ (2,107,390) | |

*(1) Additional General Fund Revenues*
*$1,608,226 Decreases OPEB Trust Reimbursement for Retiree Medical*
*$660,900 Increases Additional ERAF Proceeds to Reserve At Risk*
*$33,000 - Increase ARPA Replacement Pass Through Revenue - Tracking*

*(2) Designated One-Time Use of the General Fund Reserves during FY 2023/24*
*$1,615,000 - Transfer to Capital Projects (GFAR)*
*$779,000 - ARPA Revenue Replacement Tracking*

*(3) General Fund Expenditures*
*$1,663,649 - Decrease - 4.6% Salary Saving Factor*
*$11,000- Increase Project Based Boards and Commissions Support*
*$33,000 - Increase Chamber Agreement*
*$33,000 - Increase ARPA Replacement Pass Through Expenditure - Tracking*

*(4) Special Revenue Fund Expenditures*
*$9,794 - Decrease - 4.6% Salary Saving Factor*

*(5) Capital Project Funds Expenditures*
*No Change in Total Expenditures, $35,000 transferred from the Lynn Avenue Pedestrian Path Design Project (411-832-4510) to Emergency Preparedness Project (411-821-2012)*

*(6) Successor Agency Funds Expenditures*
*$87 - Decrease - 4.6% Salary Saving Factor*

*(7) Other Funds Source (Use) represents planned one-time uses of Internal Service Funds, Special Revenue Funds, Trust Funds, and Capital Project Funds primary for infrastructure and equipment investment.*

*Numbers may differ between exhibits due to rounding.*

While the Adopted Budget document reflects all of the approved changes, the Town Manager Transmittal Letter dated April 17, 2023 represents the proposed FY 2023/24 Operating and Capital Budgets as it was submitted on April 17, 2023. The five-year forecast on the following page has been updated to reflect the adjustments to revenues and expenditures in the FY 2023/24 Adopted Budget.

| Account | Revenue Category | FY 2022/23 Adjusted Budget | FY 2022/23 Estimates | FY 2023/24 Adopted Budget | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 4100 | Property Tax | $ 17.0 | $ 17.2 | $ 17.9 | $ 17.8 | $ 18.5 | $ 18.9 | $ 19.5 | $ 20.1 |
| 4110 | VLF Backfill Property Tax | 4.6 | 4.6 | 4.7 | 4.8 | 5.0 | 5.1 | 5.3 | 5.4 |
| 4200 | Sales & Use Tax | 7.5 | 7.7 | 7.9 | 8.1 | 8.5 | 8.7 | 9.0 | 9.3 |
| 4200 | Measure G District Sales Tax | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 |
| 4250 | Franchise Fees | 2.7 | 2.7 | 2.1 | 1.9 | 1.9 | 1.9 | 2.0 | 2.0 |
| 4251 | Transient Occupancy Tax | 2.0 | 2.3 | 2.4 | 2.5 | 2.6 | 2.6 | 2.6 | 2.7 |
| 4400 | Business License Tax | 2.4 | 2.3 | 2.4 | 2.5 | 2.5 | 2.6 | 2.6 | 2.7 |
| 4400 | Licenses & Permits | 2.9 | 2.9 | 2.9 | 2.9 | 3.0 | 3.1 | 3.2 | 3.3 |
| 4500 | Intergovernmental | 1.3 | 1.3 | 0.9 | 0.9 | 0.9 | 1.0 | 1.0 | 1.0 |
| 4600 | Town Services | 4.8 | 5.1 | 4.4 | 4.2 | 4.2 | 4.3 | 4.4 | 4.6 |
| 4700 | Fines & Forfeitures | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 4800 | Interest | 0.4 | 0.7 | 1.0 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |
| 4850 | Other Sources | 3.5 | 7.1 | 3.6 | 2.8 | 2.8 | 3.0 | 2.9 | 2.9 |
| 4900 | Fund Transfers In | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| **TOTAL OPERATING REVENUES & TRANSFERS*** | | $ 51.1 | $ 55.9 | $ 52.2 | $ 51.3 | $ 52.8 | $ 54.2 | $ 55.5 | $ 57.0 |
| | Capital | 2.4 | 2.4 | 1.6 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| | Use of Pension/OPEB Reserve | 0.3 | 0.3 | - | - | - | - | - | - |
| | Use of OPEB Trust | | | - | - | - | - | - | - |
| | ARPA Replacement Revenue | 1.6 | - | - | - | - | - | - | - |
| | Vitalities | - | 6.1 | 0.7 | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES** | | $ 55.4 | $ 64.7 | $ 54.5 | $ 52.1 | $ 53.6 | $ 55.0 | $ 56.3 | $ 57.8 |

| Account | Expenditure Category | FY 2022/23 Adjusted Budget | FY 2022/23 Estimates | FY 2023/24 Adopted Budget | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 5110 | Salary | 23.0 | 22.5 | 23.2 | 23.8 | 24.4 | 25.0 | 25.5 | 26.0 |
| 5120 | CalPERS Benefits | 7.7 | 6.8 | 8.2 | 8.6 | 8.9 | 9.6 | 10.2 | 11.1 |
| 5200 | All Other Benefits | 4.6 | 3.9 | 4.7 | 4.8 | 4.9 | 5.0 | 5.1 | 5.2 |
| | 4.6% Salary and Benefits Savings | - | - | (1.7) | (1.7) | (1.8) | (1.8) | (1.9) | (1.9) |
| 6211 | OPEB Pay as You Go | 1.6 | 1.6 | 1.6 | 1.8 | 1.9 | 2.0 | 2.0 | 2.0 |
| 6000 | Operating Expenditures | 8.0 | 11.7 | 9.0 | 8.8 | 8.9 | 9.2 | 9.3 | 9.7 |
| 7200 | Grants & Awards | 0.5 | 1.2 | 0.8 | 0.6 | 0.6 | 0.3 | 0.3 | 0.3 |
| 7400 | Utilities | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 |
| 8060 | Internal Service Charges | 2.7 | 2.6 | 3.4 | 3.6 | 3.7 | 3.9 | 4.1 | 4.2 |
| 8900 | Debt Service | 2.0 | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 |
| **TOTAL OPERATING EXPENDITURES** | | $ 50.8 | $ 53.0 | $ 51.9 | $ 52.9 | $ 54.2 | $ 55.9 | $ 57.4 | $ 59.4 |
| | GASB 45 Retiree Medical Actuarial | - | - | - | - | - | - | - | - |
| | Additional Discretionary Payment - Pension | 0.7 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | | $ 51.5 | $ 53.7 | $ 52.3 | $ 53.3 | $ 54.6 | $ 56.3 | $ 57.8 | $ 59.8 |
| | Capital Transfers Out to GFAR | 2.4 | 2.4 | 1.6 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| | 1/2 of Measure G Proceeds to Capital | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| | Fund | 0.4 | 0.7 | - | - | - | - | - | - |
| **AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS** | | | | | | | | | |
| | Recovery | - | 5.7 | - | - | - | - | - | - |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS** | | $ 54.9 | $ 63.1 | $ 54.5 | $ 55.1 | $ 56.4 | $ 58.1 | $ 59.6 | $ 61.6 |
| **NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE** | | $ 0.5 | $ 1.6 | $ - | $ (3.0) | $ (2.8) | $ (3.1) | $ (3.3) | $ (3.8) |

* Due to rounding of individual categories FY 2022/23 Estimated Total Expenditures and Reserve Allocations includes $0.1 million.
General Fund (111) Forecast does not include Pension Trust activities.

The following table illustrates the previous projected deficits relative to the updated Forecast.

| Original 5 Year Forecast | 2024/25 Forecast ($M) | 2025/26 Forecast ($M) | 2026/27 Forecast ($M) | 2027/28 Forecast ($M) | 2028/29 Forecast ($M) |
|---|---|---|---|---|---|
| Proposed Surplus/Deficit | ($3.1) | ($2.8) | ($3.2) | ($3.5) | ($4.0) |
| Adopted Surplus/Deficit | ($3.0) | ($2.8) | ($3.1) | ($3.3) | ($3.8) |

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

| Revenue Category | FY 2022/23 Actuals | FY 2023/24 Adjusted Budget | FY 2023/24 Estimates | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|---|---|
| Property Tax | $ 18.2 | $ 18.6 | $ 19.0 | $ 18.6 | $ 19.5 | $ 20.4 | $ 21.3 | $ 22.3 |
| VLF Backfill Property Tax | 4.6 | 4.7 | 4.9 | 4.9 | 5.2 | 5.4 | 5.7 | 6.0 |
| Sales & Use Tax | 7.5 | 7.9 | 7.0 | 7.0 | 7.2 | 7.2 | 7.3 | 7.5 |
| Measure G District Sales Tax | 1.3 | 1.3 | 1.2 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 |
| Franchise Fees | 3.1 | 2.1 | 3.3 | 3.4 | 3.5 | 3.6 | 3.7 | 3.8 |
| Transient Occupancy Tax | 2.2 | 2.4 | 2.3 | 2.3 | 2.4 | 2.5 | 2.5 | 2.6 |
| Business License Tax | 2.4 | 2.4 | 2.4 | 2.5 | 2.6 | 2.7 | 2.7 | 2.8 |
| Licenses & Permits | 3.3 | 2.9 | 3.3 | 2.9 | 3.0 | 3.1 | 3.2 | 3.3 |
| Intergovernmental | 1.6 | 1.2 | 1.4 | 0.9 | 0.9 | 1.0 | 0.9 | 0.9 |
| Town Services | 4.6 | 4.4 | 5.1 | 4.2 | 4.3 | 4.4 | 4.5 | 4.6 |
| Fines & Forfeitures | 0.4 | 0.2 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Interest | 0.6 | 1.0 | 1.6 | 1.7 | 1.6 | 1.5 | 1.4 | 1.3 |
| Other Sources | 8.1 | 3.9 | 4.1 | 3.1 | 3.1 | 3.2 | 3.3 | 3.2 |
| Fund Transfers In | 0.5 | 0.5 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| **TOTAL OPERATING REVENUES & TRANSFERS*** | $ 58.4 | $ 53.5 | $ 56.6 | $ 53.7 | $ 55.5 | $ 57.3 | $ 58.8 | $ 60.6 |
| Use of Capital/Special Projects Reserve | 2.4 | 2.1 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Use of Pension/OPEB Reserve | 0.3 | - | 0.3 | - | - | - | - | - |
| Use of Council Priorites - Economic Recovery | - | 1.6 | 1.5 | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES** | $ 61.1 | $ 57.2 | $ 59.2 | $ 54.5 | $ 56.3 | $ 58.1 | $ 59.6 | $ 61.4 |

| Expenditure Category | FY 2022/23 Actuals | FY 2023/24 Adjusted Budget | FY 2023/24 Estimates | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|---|---|
| Salary | $ 20.4 | 21.3 | 21.5 | 23.2 | 23.7 | 24.2 | 24.8 | 25.3 |
| Overtime | 1.4 | 0.6 | 1.2 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| CalPERS Benefits | 7.1 | 8.2 | 7.3 | 9.0 | 9.1 | 9.7 | 10.3 | 11.2 |
| All Other Benefits | 3.8 | 4.7 | 4.2 | 5.6 | 5.8 | 6.0 | 6.2 | 6.4 |
| 4.6% Salary and Benefits Savings | - | - | - | (1.8) | (1.8) | (1.9) | (1.9) | (2.0) |
| OPEB Pay as You Go | 1.5 | 1.6 | 1.6 | 1.8 | 1.9 | 2.0 | 2.0 | 2.0 |
| Operating Expenditures | 11.7 | 10.0 | 10.9 | 8.7 | 8.8 | 9.2 | 9.4 | 9.7 |
| Grants & Awards | 0.6 | 0.9 | 0.9 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 |
| Utilities | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 | 0.8 |
| Internal Service Charges | 2.6 | 3.4 | 3.3 | 4.0 | 4.2 | 4.4 | 4.6 | 4.8 |
| Debt Service | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 |
| **TOTAL OPERATING EXPENDITURES** | $ 51.8 | $ 53.4 | $ 53.8 | $ 54.2 | $ 55.5 | $ 57.5 | $ 59.1 | $ 61.2 |
| Additional Discretionary Payment - Pension | 0.7 | 0.4 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY** | $ 52.5 | $ 53.8 | $ 54.5 | $ 54.6 | $ 55.9 | $ 57.9 | $ 59.5 | $ 61.6 |
| Capital Transfers Out to GFAR | 2.4 | 1.6 | 1.6 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| Allocate ERAF Risk Reserve | 0.7 | 0.7 | 0.8 | - | - | - | - | - |
| Allocate to Pension Trust | 0.7 | 0.4 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS** | $ 56.2 | $ 57.2 | $ 57.5 | $ 56.8 | $ 58.1 | $ 60.1 | $ 61.7 | $ 63.8 |
| **NET REVENUES , TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS** | $ 4.9 | $ - | $ 1.7 | $ (2.3) | $ (1.8) | $ (2.0) | $ (2.1) | $ (2.4) |

* Due to rounding of individual categories FY 2022/23 Actual total revenues, and FY 2023/24 Estimated total expenditures includes $0.1 million.

REVENUE BASELINE AND PROJECTION FACTORS (FY 2023-24 MID-YEAR REPORT AND FORECAST – PU
2/10/2024)

| Type of Revenue | FY 2023/24 Estimates Baseline | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|
| **Property Tax/VLF Backfill** | Current baseline set by SCC Assessor Office February 2024 report | 5.1% | 5.1% | 5.1% | 5.1% | 5.1% |
| **Motor Vehicle License in Lieu (VLF)** | Current baseline set by SCC Assessor Office February 2024 report | 5.1% | 5.1% | 5.1% | 5.1% | 5.1% |
| **ERAF** | Current baseline set 100% of SCC Assessor Office November 2023 report Reserving 30% to ERAF Risk Reserve | $1.25 million | $1.25 million | $1.25 million | $1.25 million | $1.25 million |
| **Sales Tax** | MuniServices January 2024 Most Likely Estimates | MuniServices January 2024 Most Likely Estimates | MuniServices January 2024 Most Likely Estimates | MuniServices January 2024 Most Likely Estimates | MuniServices January 2024 Most Likely Estimates | MuniServices January 2024 Most Likely Estimates |
| **Sales Tax -- Measure G** | MuniServices January 2024 Most Likely Estimates | MuniServices January 2024 Most Likely Estimates | MuniServices January 2024 Most Likely Estimates | MuniServices January 2024 Most Likely Estimates | MuniServices January 2024 Most Likely Estimates | MuniServices January 2024 Most Likely Estimates |
| **Franchise Fee** | Current baseline set by FY 2023/24 Estimates | 3% | 3% | 3% | 3% | 3% |
| **Transient Occupancy Tax** | Current baseline set by FY 2023/24 Estimates | 3% | 3% | 3% | 3% | 3% |
| **Business License Tax** | Current baseline set by FY 2023/24 Estimates | 2% | 2% | 2% | 2% | 2% |
| **License & Permits** | Current baseline set by FY 2023/24 Estimates | 3% | 3% | 3% | 3% | 3% |

| Type of Revenue | FY 2023/24 Estimates Baseline | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|
| **Town Services** | Current baseline set by FY 2023/24 Estimates | 3% | 3% | 3% | 3% | 3% |
| **Fine & Forfeitures** | Current baseline set by FY 2023/24 Estimates | Varies | Varies | Varies | Varies | Varies |
| **Interest** | Current baseline set by FY 2023/24 Actuals | 4% | 4% | 3% | 3% | 3% |
| **Other Sources** | Current baseline set by FY 2023/24 Estimates | Varies | Varies | Varies | Varies | Varies |

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Beginning·in·FY·2020/21,·the·Town·started·budgeting·salaries·at·the·actual·salary·plus·a·one-step·increase.··In·the·Five-Year·Forecast,·positions·are·forecasted·at·the·actual·rate·of·pay·including·salaries·and·benefits·as·of·December·31,·2023.·Beginning·FY·2023/24·the·total·budget·includes·4.6%·vacancy·factor.¶

| Type·of·Expenditure¤ | FY·2023/24 Budget¤ | FY·2024/25 Forecast¤ | FY·2025/26 Forecast¤ | FY·2026/27 Forecast¤ | FY·2027/28 Forecast¤ | FY·2024/25 Forecast¤ |
|---|---|---|---|---|---|---|
| Salaries*(TEA,·Conf,·Temp)¤ | 3%¤ | 2%¤ | 2%¤ | 2%¤ | 2%¤ | 2%¤ |
| Salaries·*(POA)¤ | 3%¤ | 2%¤ | 2%¤ | 2%¤ | 2%¤ | 2%¤ |
| Salaries*(AFSCME)¶ ¤ | 3%¤ | 2%¤ | 2%¤ | 2%¤ | 2%¤ | 2%¤ |
| Salaries·*·(Management)¤ | 3%¤ | 2%¤ | 2%¤ | 2%¤ | 2%¤ | 2%¤ |
| Benefit·-·Medical**¤ | 7%¤ | 7%¤ | 7%¤ | 7%¤ | 7%¤ | 7%¤ |
| Operating·Expenditures***¤ | 3%¤ | 3%¤ | 3%¤ | 3%¤ | 3%¤ | 3%¤ |
| Grants·&·Awards¤ | 0%¤ | 0%¤ | 0%¤ | 0%¤ | 0%¤ | 0%¤ |
| Utilities***¤ | Varies¤ | 3%¤ | 3%¤ | 3%¤ | 3%¤ | 3%¤ |
| Workers·Comp·Charges¤ | Based·on·projected·payroll¤ | Additional·$0.5·M·to·the·base¤ | 3%¤ | 3%¤ | 3%¤ | 3%¤ |
| General·Liability·Charges¤ | Based·on·projected·payroll¤ | Additional·$0.45·M·to·the·base¤ | 3%¤ | 3%¤ | 3%¤ | 3%¤ |
| Other·Internal·Service·Charges***¤ | Based·on·operating·cost·and·scheduled·replacement¤ | Based·on·operating·cost·and·scheduled·replacement¤ | Based·on·operating·cost·and·scheduled·replacement¤ | Based·on·operating·cost·and·scheduled·replacement¤ | Based·on·operating·cost·and·scheduled·replacement¤ | Based·on·operating·cost·and·scheduled·replacement¤ |
| Debt·Service¤ | Debt·Service·Schedules¤ | | | | | |

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**Salary·increases·are·based·on·actual·step·increases·and·approved·Memoranda·of·Understanding·with·the·bargaining·units·plus·the·Council's·assumption·of·2%·per·year·cost·of·living·adjustment.¶*

***·Benefit·increase·estimates·are·provided·by·CalPERS/Public·Employees'·Medical·and¶ Hospital·Care·Act·(PEMHCA)¶*

****·Based·on·historical·trends.¶*

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The·Town's·required·employer·contribution·rate·estimates·were·developed·using·data·provided·by·each·plan's·most·recent·CalPERS·actuarial·valuation.··The·employer·contribution·rates·reflect·percentages·of·covered·payroll.··Rates·shown·for·FY·2023/24·are·actual·rates·as·prescribed·by·CalPERS.··Forecasted·rates·for·FY·2024/25·and·subsequent·years·are·based·on·the·most·recent·CalPERS·actuarial·valuation·Reports·as·adjusted·by·the·impact·related·to·the·FY·2022/23·CalPERS·6.1%·investment·return·and·forecasted·payroll.¶

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Beginning·in·FY·2021/22,·the·estimates·of·employer·contributions·were·credited·with·an·anticipated·reductions·associated·with·the·approximate·$4.8·million·additional·discretionary·payment·(ADP)·toward·the·2016·unfunded·amortization·base·paid·off·in·October·2019·and·the·total·of·approximately·$5.8·million·in·ADPs·toward·unfunded·2013·and·2015·amortization·bases·that·were·paid·off·in·FY·2020/21.·¶

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| Type·of·Expenditure¤ | FY·2023/24 Forecast¤ | FY·2024/25 Forecast¤ | FY·2025/26 Forecast¤ | FY·2026/27 Forecast¤ | FY·2027/28 Forecast¤ | FY2028/29 Forecast¤ |
|---|---|---|---|---|---|---|
| **Safety POA¤** | 81.31%¤ | 96%¤ | 98.7%¤ | 102.3%¤ | 106.1%¤ | 116.0%¤ |
| **Safety·Management¶ POA¤** | 84.31%¤ | 99%¤ | 101.7%¤ | 105.3%¤ | 109.1%¤ | 118%¤ |
| **Safety POA··PEPRA¤** | 14.5%¤ | 15.6%¤ | 15.6%¤ | 15.7%¤ | 16.0%¤ | 16.0%¤ |
| **Miscellaneous TEA/AFSCME/Confidential/·Management¤** | 29.97%¤ | 30.6%¤ | 296%¤ | 31.0%¤ | 32.3%¤ | 33.8%¤ |
| **Miscellaneous TEA/AFSCME/Confidential/·Management PEPRA¶** Separate·PEPRA·rate·for·Miscellaneous·has·not·been·established·yet·by·CalPERS.¤ | 29.97%¤ | 30.6%¤ | 296%¤ | 31.0%¤ | 32.3%¤ | 33.8%¤ |

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# FY 2023-24 PROPOSED BUDGET FORECAST- PUBLISHED 4/17/2023

## Town of Los Gatos General Fund 5-Year Forecast
## (in $ million)

| Account | Revenue Category | FY 2022/23 Adjusted Budget | FY 2022/23 Estimates | FY 2023/24 Proposed Budget | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 4100 | Property Tax | $ 17.0 | $ 17.2 | $ 17.9 | $ 17.8 | $ 18.5 | $ 18.9 | $ 19.5 | $ 20.1 |
| 4110 | VLF Backfill Property Tax | 4.6 | 4.6 | 4.7 | 4.8 | 5.0 | 5.1 | 5.3 | 5.4 |
| 4200 | Sales & Use Tax | 7.5 | 7.7 | 7.9 | 8.1 | 8.5 | 8.7 | 9.0 | 9.3 |
| 4200 | Measure G District Sales Tax | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 |
| 4250 | Franchise Fees | 2.7 | 2.7 | 2.1 | 1.9 | 1.9 | 1.9 | 2.0 | 2.0 |
| 4251 | Transient Occupancy Tax | 2.0 | 2.3 | 2.4 | 2.5 | 2.6 | 2.6 | 2.6 | 2.7 |
| 4400 | Business License Tax | 2.4 | 2.3 | 2.4 | 2.5 | 2.5 | 2.6 | 2.6 | 2.7 |
| 4400 | Licenses & Permits | 2.9 | 2.9 | 2.9 | 2.9 | 3.0 | 3.1 | 3.2 | 3.3 |
| 4500 | Intergovernmental | 1.3 | 1.3 | 0.9 | 0.9 | 0.9 | 1.0 | 1.0 | 1.0 |
| 4600 | Town Services | 4.8 | 5.1 | 4.4 | 4.2 | 4.2 | 4.3 | 4.4 | 4.6 |
| 4700 | Fines & Forfeitures | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 4800 | Interest | 0.4 | 0.7 | 1.0 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |
| 4850 | Other Sources | 3.5 | 7.1 | 3.6 | 2.8 | 2.8 | 3.0 | 2.9 | 2.9 |
| 4900 | Fund Transfers In | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| **TOTAL OPERATING REVENUES & TRANSFERS*** | | $ 51.1 | $ 55.9 | $ 52.2 | $ 51.3 | $ 52.8 | $ 54.2 | $ 55.5 | $ 57.0 |
| | Capital | 2.4 | 2.4 | 1.6 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| | Use of Pension/OPEB Reserve | 0.3 | 0.3 | - | - | - | - | - | - |
| | Use of OPEB Trust | | | 1.6 | - | - | - | - | - |
| | ARPA Replacement Revenue | 1.6 | - | - | - | - | - | - | - |
| | Vitalities | - | 6.1 | 0.7 | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES** | | $ 55.4 | $ 64.7 | $ 56.1 | $ 52.1 | $ 53.6 | $ 55.0 | $ 56.3 | $ 57.8 |

| Account | Expenditure Category | FY 2022/23 Adjusted Budget | FY 2022/23 Estimates | FY 2023/24 Proposed Budget | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 5110 | Salary | 23.0 | 22.5 | 23.2 | 23.8 | 24.4 | 25.0 | 25.5 | 26.0 |
| 5120 | CalPERS Benefits | 7.7 | 6.8 | 8.2 | 8.6 | 8.9 | 9.6 | 10.2 | 11.1 |
| 5200 | All Other Benefits | 4.6 | 3.9 | 4.7 | 4.8 | 4.9 | 5.0 | 5.1 | 5.2 |
| | 4% Salary and Benefits Savings | - | - | - | (1.5) | (1.5) | (1.6) | (1.6) | (1.7) |
| 6211 | OPEB Pay as You Go | 1.6 | 1.6 | 1.6 | 1.8 | 1.9 | 2.0 | 2.0 | 2.0 |
| 6000 | Operating Expenditures | 8.0 | 11.7 | 8.9 | 8.7 | 8.9 | 9.2 | 9.3 | 9.7 |
| 7200 | Grants & Awards | 0.5 | 1.2 | 0.7 | 0.6 | 0.3 | 0.2 | 0.2 | 0.3 |
| 7400 | Utilities | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 |
| 8060 | Internal Service Charges | 2.7 | 2.6 | 3.4 | 3.6 | 3.7 | 3.9 | 4.1 | 4.2 |
| 8900 | Debt Service | 2.0 | 2.0 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 |
| **TOTAL OPERATING EXPENDITURES** | | $ 50.8 | $ 53.0 | $ 53.5 | $ 53.0 | $ 54.2 | $ 56.0 | $ 57.6 | $ 59.6 |
| | GASB 45 Retiree Medical Actuarial | - | - | - | - | - | - | - | - |
| | Additional Discretionary Payment - Pension | 0.7 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | | $ 51.5 | $ 53.7 | $ 53.9 | $ 53.4 | $ 54.6 | $ 56.4 | $ 58.0 | $ 60.0 |
| | Capital Transfers Out to GFAR | 2.4 | 2.4 | 1.6 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |
| | 1/2 of Measure G Proceeds to Capital | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| | Fund | 0.4 | 0.7 | - | - | - | - | - | - |
| **AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS** | | | | | | | | | |
| | Recovery | - | 5.7 | - | - | - | - | - | - |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS** | | $ 54.9 | $ 63.1 | $ 56.1 | $ 55.2 | $ 56.4 | $ 58.2 | $ 59.8 | $ 61.8 |
| **NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE** | | $ 0.5 | $ 1.6 | $ - | $ (3.1) | $ (2.8) | $ (3.2) | $ (3.5) | $ (4.0) |

* Due to rounding of individual categories FY 2022/23 Estimated Total Expenditures and Reserve Allocations includes $0.1 million.
General Fund (111) Forecast does not include Pension Trust activities.

| Type of Revenue Base Line Estimate | FY2023/24 Budget | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|
| **Property Tax/VLF Backfill** SCC Assessor Office January 2023 report. | 3% | 3% | 3% | 3% | 3% | 3% |
| **North 40 Property Sales Additional** | $187K | $327K Cumulative | $467K Cumulative | 3% | 3% | 3% |
| **ERAF** SCC Assessor Office March 2023 report | SCCAO Recommends 70% of FY 2022/23 Anticipated Proceeds | 50% of FY 2023/24 Anticipated Proceeds $770K | 50% of FY 2023/24 Anticipated Proceeds $770K | 50% of FY 2023/24 Anticipated Proceeds $770K | 50% of FY 2023/24 Anticipated Proceeds $770K | 50% of FY 2023/24 Anticipated Proceeds $770K |
| **Sales Tax** | MuniServices March 2023 Most Likely Estimates | MuniServices March 2023 Most Likely Estimates | MuniServices March 2023 Most Likely Estimates | MuniServices March 2023 Most Likely Estimates | MuniServices March2023 Most Likely Estimates | MuniServices March 2023 Most Likely Estimates |
| **Sales Tax - Measure G** | MuniServices March 2023 Most Likely Estimates | MuniServices March 2023 Most Likely Estimates | MuniServices March 2023 Most Likely Estimates | MuniServices March 2023 Most Likely Estimates | MuniServices March 2023 Most Likely Estimates | MuniServices March 2023 Most Likely Estimates |
| **Franchise Fee** (Not Including Garbage Franchise Fees) | Current baseline set by FY 2022/23 Year End Estimates | 3% | 3% | 3% | 3% | 3% |
| **Garbage Franchise Fee** | Partial proceeds from July 2023 – Feb 2024 $1.2M | 50% of FY 2022/23 anticipated proceeds $940K | 50% of FY 2022/23 anticipated proceeds $940K | 50% of FY 2022/23 anticipated proceeds $940K | 50% of FY 2022/23 anticipated proceeds $940K | 50% of FY 2022/23 anticipated proceeds $940K |

| Type of Revenue Base Line Estimates | FY 2023/24 Budget | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|
| **Transient Occupancy Tax** Current baseline set by FY 2022/23 Year End Estimates | 3% | 3% | 3% | 3% | 1% | 1% |
| **Business License Tax** Current baseline set by FY 2022/23 Year End Estimates | 2% | 2% | 2% | 2% | 2% | 2% |
| **License & Permits** Current baseline set by FY 2022/23 Year End Estimates | 4.4% | 3% | 3% | 3% | 3% | 3% |
| **Town Services** Current baseline set by FY 2022/23 Year End Estimates | 3% | 3% | 0% | 3% | 3% | 3% |
| **Fine & Forfeitures** Current baseline set by FY 2022/23 Year End Estimates | 1% | Varies | Varies | Varies | Varies | Varies |
| **Interest** | Varies based on portfolio | 1% | 1% | 1% | 1% | 1% |
| **Other Sources** Current baseline set by FY 2022/23 Year End Estimates | Varies | Varies | Varies | Varies | Varies | Varies |

Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 70% of the workforce is already at top step or one step below top step. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of March 1, 2022 and rate is increasing in the actual anniversary date. The FY 2024/25 – FY 2028/29 Forecast includes 4% salary savings. All positions are fully budgeted in FY 2023/24 Proposed Budget.

| Type of Expenditure | FY2023/24 Budget | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|
| **Salaries*** | 3% | 2% | 2% | 2% | 2% | 2% |
| **Benefit - Medical**** | 7% | 7% | 7% | 7% | 7% | 7% |
| **Salary Savings** | 0% | 4% | 4% | 4% | 4% | 4% |
| **Operating Expenditures***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Grants & Awards** | 0% | 0% | 0% | 0% | 0% | 0% |
| **Utilities***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Internal Service Charges***** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| **Debt Service** | Debt Service Schedules | | | | | |

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units.*

***Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA).*

****Based on historical trends.*

The Town's required employer contribution rate estimates were developed using data provided by each plan's most recent CalPERS actuarial valuation. The employer contribution rates reflect percentages of covered payroll. Rates shown for FY 2023/24 are actual rates as prescribed by CalPERS. Forecasted rates for FY 2024/25 and subsequent years are based on the most recent CalPERS actuarial valuation Reports as adjusted by the impact related to the FY 2021/22 CalPERS negative 7.5% investment return and forecasted payroll.

Beginning in FY 2021/22, the estimates of employer contributions were credited with an antic reductions associated with the approximate $4.8 million additional discretionary payment (ADP) toward the 2016 unfunded amortization base paid off in October 2019 and the total of approximately $5.8 million in ADPs toward unfunded 2013 and 2015 amortization bases that were paid off in FY 2020/21. Estimates were also informed by recent rate estimates developed by the Town's actuary using the most recent actuarial valuation updated with current year projections of covered payrolls by plan type.

| Type of Expenditure | FY2023/24 Budget | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY2027/28 Forecast | FY 2028/29 Forecast |
|---|---|---|---|---|---|---|
| **Safety POA** | 81.30% | 87.00% | 90.90% | 90.80% | 99.30% | 108.40% |
| **Safety Management POA** | 84.30% | 90.00% | 93.90% | 93.80% | 102.30% | 111.40% |
| **Safety POA - PEPRA** | 14.50% | 14.70% | 15.00% | 15.40% | 15.90% | 16.40% |
| **Miscellaneous TEA/Confidential/ Management** | 29.97% | 29.20% | 28.30% | 29.80% | 31.00% | 32.50% |
| **Miscellaneous TEA/Confidential/ Management PEPRA** Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS. | 29.97% | 29.20% | 28.30% | 29.80% | 31.00% | 32.50% |

**Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019/20.*

**Town of Los Gatos General Fund 5-Year Forecast - Base Case**
**(in $ million)**

| Account | Revenue Category | 2021/22 Actuals | 2022/23 Adjusted Budget | 2022/23 Estimates | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast | 2026/27 Forecast | 2027/28 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 4100 | Property Tax | $ 16.9 | $ 16.6 | $ 17.0 | $ 16.3 | $ 16.8 | $ 17.3 | $ 17.8 | $ 18.4 |
| 4110 | VLF Backfill Property Tax | 4.2 | 4.4 | 4.6 | 4.5 | 4.6 | 4.8 | 4.9 | 5.1 |
| 4200 | Sales & Use Tax | 7.2 | 7.9 | 7.5 | 7.7 | 8.0 | 8.2 | 8.4 | 8.7 |
| 4200 | Measure G District Sales Tax | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 |
| 4250 | Franchise Fees | 2.8 | 2.5 | 2.7 | 2.7 | 2.8 | 2.9 | 3.0 | 3.1 |
| 4251 | Transient Occupancy Tax | 1.9 | 1.6 | 2.0 | 2.1 | 2.2 | 2.2 | 2.3 | 2.4 |
| 4400 | Business License Tax | 1.5 | 1.4 | 2.4 | 2.5 | 2.5 | 2.6 | 2.6 | 2.7 |
| 4400 | Licenses & Permits | 4.8 | 2.8 | 2.9 | 2.9 | 3.0 | 3.1 | 3.2 | 3.3 |
| 4500 | Intergovernmental | 1.3 | 1.1 | 1.3 | 1.0 | 1.0 | 1.0 | 1.2 | 1.1 |
| 4600 | Town Services | 5.3 | 4.4 | 5.1 | 3.8 | 3.8 | 3.9 | 4.0 | 4.1 |
| 4700 | Fines & Forfeitures | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 |
| 4800 | Interest | (1.4) | 0.4 | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| 4850 | Other Sources | 7.0 | 3.2 | 2.5 | 2.2 | 2.2 | 2.2 | 2.3 | 2.2 |
| 4900 | Fund Transfers In | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| **TOTAL OPERATING REVENUES & TRANSFERS*** | | $ 53.7 | $ 48.3 | $ 50.5 | $ 48.1 | $ 49.3 | $ 50.6 | $ 52.3 | $ 53.7 |
| | Capital | 0.6 | 2.4 | 2.4 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| | Use of Pension/OPEB Reserve | 0.3 | 0.3 | 0.3 | - | - | - | - | - |
| | Use of Property Surplus Reserve | 1.2 | 1.2 | - | - | - | - | - | - |
| | Use of Measure G Reserve | 1.1 | 0.7 | - | - | - | - | - | - |
| | ARPA Replacement Revenue | - | 1.6 | - | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES** | | $ 56.9 | $ 54.5 | $ 53.2 | $ 48.9 | $ 50.1 | $ 51.4 | $ 53.1 | $ 54.5 |

| Account | Expenditure Category | 2021/22 Actuals | 2022/23 Adjusted Budget | 2022/23 Estimates | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast | 2026/27 Forecast | 2027/28 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 5110 | Salary | 20.0 | 23.3 | 22.0 | 23.1 | 23.6 | 24.1 | 24.6 | 25.2 |
| 5120 | CalPERS Benefits | 6.5 | 7.7 | 7.1 | 8.1 | 8.4 | 8.5 | 9.0 | 9.4 |
| 5200 | All Other Benefits | 3.7 | 4.6 | 3.9 | 4.4 | 4.5 | 4.6 | 4.7 | 4.8 |
| 6211 | OPEB Pay as You Go | 1.4 | 1.5 | 1.6 | 1.5 | 1.6 | 1.7 | 1.8 | 1.9 |
| 6000 | Operating Expenditures | 10.4 | 7.1 | 7.8 | 6.9 | 7.2 | 7.3 | 7.6 | 7.7 |
| 7200 | Grants & Awards | 1.8 | 0.2 | 0.6 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 |
| 7400 | Utilities | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 |
| 8060 | Internal Service Charges | 2.6 | 2.7 | 2.4 | 2.9 | 3.1 | 3.3 | 3.7 | 3.8 |
| 8900 | Debt Service | 2.1 | 1.9 | 2.0 | 2.1 | 2.1 | 2.1 | 1.9 | 2.1 |
| **TOTAL OPERATING EXPENDITURES** | | $ 49.0 | $ 49.5 | $ 48.1 | $ 49.8 | $ 51.3 | $ 52.5 | $ 54.3 | $ 55.8 |
| | GASB 45 Retiree Medical Actuarial | 0.1 | - | - | - | - | - | - | - |
| | Additional Discretionary Payment - Pension | 0.7 | 0.4 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | | $ 49.8 | $ 49.9 | $ 48.8 | $ 50.2 | $ 51.7 | $ 52.9 | $ 54.7 | $ 56.2 |
| | Capital Transfers Out to GFAR | 1.2 | 2.3 | 2.4 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| | 1/2 of Measure G Proceeds to Capital | 0.6 | 0.7 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 |
| | Fund | - | 0.4 | 0.7 | - | - | - | - | - |
| **AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS** | | | | | | | | | |
| | Stabilization/Catastrophic | 1.1 | | - | - | - | - | - | - |
| | Allocate to Compensated Absences | (0.2) | - | - | - | - | - | - | - |
| | Allocate to Market Fluctuation | (0.4) | - | - | - | - | - | - | - |
| | Allocate to CalPERS/Pension | 0.3 | - | - | - | - | - | - | - |
| | Allocate from CalPERS/Pension | (0.3) | - | - | - | - | - | - | - |
| | Allocate to Authorized Carryforwards | 0.03 | - | - | - | - | - | - | - |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS** | | $ 52.1 | $ 53.3 | $ 52.5 | $ 51.6 | $ 53.2 | $ 54.4 | $ 56.2 | $ 57.7 |
| **NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE** | | $ 4.7 | $ 1.2 | $ 0.7 | $ (2.7) | $ (3.1) | $ (3.0) | $ (3.1) | $ (3.2) |

* Due to rounding of individual categories FY 2022/23 Estimated Total Expenditures and Reserve Allocations includes $0.1 million.
General Fund (111) Forecast does not include Pension Trusts activities.

REVENUE BASELINE AND PROJECTION FACTORS (FY 2022-23 MID-YEAR REPORT AND FORECAST – PUBLISHED 2/10/2023)

| Type of Revenue | FY 2022/23 Estimates Baseline | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast |
|---|---|---|---|---|---|---|
| **Property Tax/VLF Backfill** | Current baseline set by SCC Assessor Office November 2022 report | 3% | 3% | 3% | 3% | 3% |
| **ERAF** | Current baseline set 70% of SCC Assessor Office November 2022 report | $400K | $400K | $400K | $400K | $400K |
| **Sales Tax** | MuniServices January 2023 Most Likely Estimates | MuniServices January 2023 Most Likely Estimates | MuniServices January 2023 Most Likely Estimates | MuniServices January 2023 Most Likely Estimates | MuniServices January 2023 Most Likely Estimates | MuniServices January 2023 Most Likely Estimates |
| **Sales Tax - Measure G** | MuniServices January 2023 Most Likely Estimates | MuniServices January 2023 Most Likely Estimates | MuniServices January 2023 Most Likely Estimates | MuniServices January 2023 Most Likely Estimates | MuniServices January 2023 Most Likely Estimates | MuniServices January 2023 Most Likely Estimates |
| **Franchise Fee** | Current baseline set by FY 2022/23 Estimates | 3% | 3% | 3% | 3% | 3% |
| **Transient Occupancy Tax** | Current baseline set by FY 2022/23 Estimates | 5% | 3% | 3% | 3% | 3% |
| **Business License Tax** | Current baseline set by FY 2022/23 Estimates | 2% | 2% | 2% | 2% | 2% |
| **License & Permits** | Current baseline set by FY 2022/23 Estimates | 3% | 3% | 3% | 3% | 3% |
| **Town Services** | Current baseline set by FY 2022/23 Estimates | 3% | 3% | 3% | 3% | 3% |

| Type of Revenue | FY 2022/23 Estimates Baseline | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast |
|---|---|---|---|---|---|---|
| **Fine & Forfeitures** | Current baseline set by FY 2022/23 Estimates | Varies | Varies | Varies | Varies | Varies |
| **Interest** | Current baseline set by FY 2021/22 Actuals | 1% | 1% | 1% | 1% | 1% |
| **Other Sources** | Current baseline set by FY 2022/23 Estimates | Varies | Varies | Varies | Varies | Varies |

EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2022-23 MID-YEAR REPORT AND FORECAST – PUBLISHED 2/10/2023)

Beginning in FY 2020/21, the Town started budgeting salaries at the actual salary plus a one-step increase. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of January 20, 2023, and rate is increasing in the actual anniversary date.

| Type of Expenditure | FY 2022/23 Budget | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast |
|---|---|---|---|---|---|---|
| **Salaries*(TEA, Conf, Temp)** | 3-8% | 3% | 2% | 2% | 2% | 2% |
| **Salaries *(POA)** | 7.25% | 3% | 2% | 2% | 2% | 2% |
| **Salaries*(AFSCME)** | 7.5% | 3% | 2% | 2% | 2% | 2% |
| **Salaries * (Management)** | 3% | 3% | 2% | 2% | 2% | 2% |
| **Benefit - Medical**** | 7% | 7% | 7% | 7% | 7% | 7% |
| **Operating Expenditures***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Grants & Awards** | 0% | 0% | 0% | 0% | 0% | 0% |
| **Utilities***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Internal Service Charges***** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| **Debt Service** | Debt Service Schedules | | | | | |

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units plus the Council's assumption of 2% per year cost of living adjustment.*
*** Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA)*
**** Based on historical trends.*

The Town's required employer contribution rate estimates were developed using data provided by each plan's most recent CalPERS actuarial valuation. The employer contribution rates reflect percentages of covered payroll. Rates shown for FY 2023/24 are actual rates as prescribed by CalPERS. Forecasted rates for FY 2023/24 and subsequent years are based on the most recent CalPERS actuarial valuation Reports as adjusted by the impact related to the FY 2021/22 CalPERS negative 7.5% investment return and forecasted payroll.

Beginning in FY 2021/22, the estimates of employer contributions were credited with an anticipated reductions associated with the approximate $4.8 million additional discretionary payment (ADP) toward the 2016 unfunded amortization base paid off in October 2019 and the total of approximately $5.8 million in ADPs toward unfunded 2013 and 2015 amortization bases that were paid off in FY 2020/21.

| Type of Expenditure | FY 2022/23 Budget | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast |
|---|---|---|---|---|---|---|
| **Safety POA** | 69.44% | 81.31% | 86.65% | 90.15% | 93.71% | 96.09% |
| **Safety Management POA** | 72.44% | 84.31% | 89.65% | 93.15% | 96.71% | 99.09% |
| **Safety POA - PEPRA** | 14.62% | 14.5% | 14.5% | 14.5% | 14.5% | 14.5% |
| **Miscellaneous TEA/AFSCME/Confidential/ Management** | 29.92% | 29.97% | 28.67% | 27.53% | 28.58% | 29.06% |
| **Miscellaneous TEA/AFSCME/Confidential/ Management PEPRA**<br>Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS. | 29.92% | 29.97% | 28.67% | 27.53% | 28.58% | 29.06% |

# FY 2022-23 PROPOSED BUDGET FORECAST- PUBLISHED 4/18/2022

| Account | Revenue Category | 2021/22 Adjusted Budget | 2021/22 Estimates | 2022/23 Proposed Budget | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast | 2026/27 Forecast | 2027/28 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 4100 | Property Tax | $ 15.4 | $ 15.7 | $ 16.6 | $ 15.7 | $ 16.1 | $ 16.6 | $ 17.1 | $ 17.6 |
| 4110 | VLF Backfill Property Tax | 4.2 | 4.2 | 4.4 | 4.5 | 4.6 | 4.8 | 4.9 | 5.1 |
| 4200 | Sales & Use Tax | 7.0 | 7.5 | 7.9 | 8.2 | 8.5 | 8.8 | 9.1 | 9.3 |
| 4200 | Measure G District Sales Tax | 1.2 | 1.2 | 1.3 | 1.4 | 1.4 | 1.5 | 1.5 | 1.5 |
| 4250 | Franchise Fees | 2.5 | 2.4 | 2.5 | 2.6 | 2.6 | 2.7 | 2.8 | 2.9 |
| 4251 | Transient Occupancy Tax | 1.4 | 1.4 | 1.6 | 1.7 | 1.8 | 1.9 | 1.9 | 2.0 |
| 4400 | Business License Tax | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| 4400 | Licenses & Permits | 3.1 | 3.1 | 2.8 | 2.8 | 2.9 | 3.0 | 3.1 | 3.2 |
| 4500 | Intergovernmental | 4.0 | 1.1 | 1.1 | 1.0 | 1.0 | 1.0 | 1.2 | 1.1 |
| 4600 | Town Services | 4.2 | 4.3 | 4.2 | 4.0 | 4.1 | 4.1 | 4.2 | 4.3 |
| 4700 | Fines & Forfeitures | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 4800 | Interest | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| 4850 | Other Sources | 2.6 | 2.4 | 2.2 | 2.2 | 2.2 | 2.2 | 2.3 | 2.2 |
| 4900 | Fund Transfers In | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| **TOTAL OPERATING REVENUES & TRANSFERS*** | | $ 48.1 | $ 45.8 | $ 47.0 | $ 46.4 | $ 47.5 | $ 48.9 | $ 50.4 | $ 51.5 |
| | Capital | 0.6 | 0.6 | 2.4 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| | Use of Pension/OPEB Reserve | - | 0.3 | - | - | - | - | - | - |
| | Use of Property Surplus Reserve | 1.2 | 1.2 | - | - | - | - | - | - |
| | Use of Measure G Reserve | 1.1 | 1.1 | - | - | - | - | - | - |
| | ARPA Replacement Revenue | - | - | 1.0 | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES** | | $ 51.0 | $ 49.0 | $ 50.4 | $ 47.2 | $ 48.3 | $ 49.7 | $ 51.2 | $ 52.3 |

| Account | Expenditure Category | 2021/22 Adjusted Budget | 2021/22 Estimates | 2022/23 Proposed Budget | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast | 2026/27 Forecast | 2027/28 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 5110 | Salary | 20.9 | 19.2 | 21.5 | 21.6 | 22.2 | 22.5 | 23.0 | 23.5 |
| 5120 | CalPERS Benefits | 7.3 | 6.2 | 7.3 | 7.5 | 7.8 | 7.7 | 8.0 | 8.1 |
| 5200 | All Other Benefits | 4.2 | 3.4 | 4.4 | 4.6 | 4.7 | 4.8 | 5.0 | 5.1 |
| 6211 | OPEB Pay as You Go | 1.5 | 1.5 | 1.5 | 1.5 | 1.6 | 1.7 | 1.8 | 1.9 |
| 6000 | Operating Expenditures | 6.4 | 7.0 | 6.9 | 6.8 | 7.1 | 7.1 | 7.4 | 7.5 |
| 7200 | Grants & Awards | 1.0 | 0.8 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 |
| 7400 | Utilities | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 |
| 8060 | Internal Service Charges | 2.7 | 2.6 | 2.7 | 2.9 | 3.1 | 3.4 | 3.7 | 3.8 |
| 8900 | Debt Service | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| **TOTAL OPERATING EXPENDITURES** | | $ 46.6 | $ 43.3 | $ 47.0 | $ 47.5 | $ 49.3 | $ 50.1 | $ 51.7 | $ 52.9 |
| | GASB 45 Retiree Medical Actuarial | 0.1 | 0.1 | - | - | - | - | - | - |
| | Additional Discretionary Payment - Pension | 0.4 | 0.7 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | | $ 47.1 | $ 44.1 | $ 47.4 | $ 47.9 | $ 49.7 | $ 50.5 | $ 52.1 | $ 53.3 |
| | Capital Transfers Out to GFAR | 2.8 | 2.8 | 2.3 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| | Proceeds | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 | 0.8 | 0.8 |
| **AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS** | | | | | | | | | |
| | Stabilization/Catastrophic | - | 0.5 | - | - | - | - | - | - |
| | Allocate to Compensated Absences | - | - | - | - | - | - | - | - |
| | Allocate to Market Fluctuation | - | - | - | - | - | - | - | - |
| | Allocate to CalPERS/Pension | - | 0.3 | - | - | - | - | - | - |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS** | | $ 50.5 | $ 48.3 | $ 50.4 | $ 49.4 | $ 51.2 | $ 52.0 | $ 53.7 | $ 54.9 |
| **NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE** | | $ 0.5 | $ 0.6 | $ - | $ (2.2) | $ (2.9) | $ (2.3) | $ (2.5) | $ (2.6) |

* Due to rounding of individual categories FY 2021/22 Total Expenditures and Reserve Allocations includes $0.1 million.
General Fund (111) Forecast does not include Pension Trusts activities.

| Type of Revenue Base Line Estimate | FY 2022/23 Budget | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast |
|---|---|---|---|---|---|---|
| **Property Tax/VLF Backfill** SCC Assessor Office January 2022 report. | 3% | 3% | 3% | 3% | 3% | 3% |
| **North 40 Property Sales** Starting in FY 2021/22 | North 40 Sales | 3% | 3% | 3% | 3% | 3% |
| **ERAF** SCC Assessor Office March 2022 report | SCCA recommend 70% of FY 2021/22 anticipated proceeds | $400K | $400K | $400K | $400K | $400K |
| **Sales Tax** | MuniServices 3/16/2022 Most Likely Estimates | MuniServices 3/16/2022 Most Likely Estimates | MuniServices 3/16/2022 Most Likely Estimates | MuniServices 3/16/2022 Most Likely Estimates | MuniServices 3/16/2022 Most Likely Estimates | MuniServices 3/16/2022 Most Likely Estimates |
| **Sales Tax - Measure G** | MuniServices 3/16/2022 Most Likely Estimates | MuniServices 3/16/2022 Most Likely Estimates | MuniServices 3/16/2022 Most Likely Estimates | MuniServices 3/16/2022 Most Likely Estimates | MuniServices 3/16/2022 Most Likely Estimates | MuniServices 3/16/2022 Most Likely Estimates |
| **Franchise Fee** Current baseline set by FY 2021/22 Year End Estimates | Current baseline set by FY 2021/22 Year End Estimates | 3% | 3% | 3% | 3% | 3% |
| **Transient Occupancy Tax** Current baseline set by FY 2021/22 Year End Estimates | Current baseline set by FY 2021/22 Year End Estimates | 5% | 5% | 3% | 3% | 3% |

| Type of Revenue Base Line Estimates | FY 2022/23 Budget | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast |
|---|---|---|---|---|---|---|
| **Business License Tax** Current baseline set by FY 2021/22 Year End Estimates | 3% | 3% | 3% | 0% | 0% | 0% |
| **License & Permits** Current baseline set by FY 2021/22 Year End Estimates | 3% | 3% | 3% | 3% | 3% | 3% |
| **Town Services** Current baseline set by FY 2021/22 Year End Estimates | 3% | 3% | 0% | 3% | 3% | 3% |
| **Fine & Forfeitures** Current baseline set by FY 2021/22 Year End Estimates | 3% | Varies | Varies | Varies | Varies | Varies |
| **Interest** Current baseline set by FY 2021/22 Year End Estimates | Varies based on portfolio | Varies based on portfolio | Varies based on portfolio | Varies based on portfolio | Varies based on portfolio | Varies based on portfolio |
| **Other Sources** Current baseline set by FY 2021/22 Year End Estimates | Varies | Varies | Varies | Varies | Varies | Varies |

Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 68% of the workforce is already at top step or one step below top step. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of April 1, 2022 and rate is increasing in the actual anniversary date.

| Type of Expenditure | FY 2022/23 Budget | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast |
|---|---|---|---|---|---|---|
| **Salaries*** | 2% | 2% | 2% | 2% | 2% | 2% |
| **Benefit - Medical**** | 7% | 7% | 7% | 7% | 7% | 7% |
| **Operating Expenditures***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Grants & Awards** | 0% | 0% | 0% | 0% | 0% | 0% |
| **Utilities***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Internal Service Charges***** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| **Debt Service** | Debt Service Schedules | | | | | |

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units.*

***Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA).*

****Based on historical trends.*

The Town's required employer contribution rate estimates were developed using data provided by each plan's most recent CalPERS actuarial valuation. The employer contribution rates reflect percentages of covered payroll. Rates shown for FY 2022/23 are actual rates as prescribed by CalPERS. Forecasted rates for FY 2023/24 and subsequent years are based on the most recent CalPERS actuarial valuation reports and staff assumptions regarding staff's current estimate of returns for FY 2021/22 which are presently expected to below the 6.8% discount rate.

Beginning in FY 2021/22, the estimates of employer contributions were credited with an anticipated reductions associated with the approximate $4.8 million additional discretionary payment (ADP) toward the 2016 unfunded amortization base paid off in October 2019 and the total of approximately $5.8 million in ADPs toward unfunded 2013 and 2015 amortization bases that were paid off in FY 2020/21. Employer contribution rate projections also include small percentage increases reflecting the anticipation of CalPERS gradually lowering its discount rate over the Five-Year Forecast period in accordance with the CalPERS adopted risk mitigation strategy, and the lowering of the discount rate to the present rate of 6.8% as of 6/30/2022. Estimates were also informed by recent rate estimates developed by the Town's actuary using the most recent actuarial valuation updated with current year projections of covered payrolls by plan type.

| Type of Expenditure | FY 2022/23 Budget | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast | FY 2027/28 Forecast |
|---|---|---|---|---|---|---|
| **Safety POA** | 69.44% | 72.01% | 74.61% | 75.68% | 76.69% | 76.66% |
| **Safety Management POA** | 72.44% | 75.01% | 77.61% | 78.68% | 79.69% | 79.66% |
| **Safety POA - PEPRA** | 14.62% | 14.65% | 13.78% | 13.75% | 13.76% | 13.76% |
| **Miscellaneous TEA/Confidential/ Management** | 29.92% | 30.04% | 30.64% | 28.45% | 28.73% | 28.42% |
| **Miscellaneous TEA/Confidential/ Management PEPRA**<br>Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS. | 29.92% | 30.04% | 30.64% | 28.45% | 28.73% | 28.42% |

**Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019/20.*

## Town of Los Gatos General Fund 5-Year Forecast
## (in $ million)

| Account | Revenue Category | 2020/21 Actuals | 2021/22 Adjusted Budget | 2021/22 Estimates | 2022/23 Forecast | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast | 2026/27 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 4100 | Property Tax | $ 15.8 | $ 15.9 | $ 15.4 | $ 15.5 | $ 15.7 | $ 16.1 | $ 16.6 | $ 17.1 |
| 4110 | VLF Backfill Property Tax | 4.1 | 4.2 | 4.2 | 4.4 | 4.5 | 4.6 | 4.8 | 4.9 |
| 4200 | Sales & Use Tax | 6.8 | 7.2 | 7.0 | 7.5 | 7.7 | 7.9 | 8.1 | 8.2 |
| 4200 | Measure G District Sales Tax | 1.1 | 1.0 | 1.2 | 1.2 | 1.2 | 1.3 | 1.3 | 1.4 |
| 4250 | Franchise Fees | 2.5 | 2.6 | 2.5 | 2.6 | 2.7 | 2.7 | 2.8 | 2.9 |
| 4251 | Transient Occupancy Tax | 1.0 | 0.9 | 1.4 | 1.4 | 1.5 | 1.5 | 1.6 | 1.6 |
| 4400 | Business License Tax | 1.4 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 |
| 4400 | Licenses & Permits | 3.1 | 2.7 | 3.2 | 2.8 | 2.9 | 3.0 | 3.0 | 3.1 |
| 4500 | Intergovernmental | 1.6 | 4.4 | 1.6 | 1.0 | 1.0 | 1.0 | 1.0 | 1.1 |
| 4600 | Town Services | 4.6 | 3.6 | 3.9 | 3.4 | 3.5 | 3.6 | 3.7 | 3.7 |
| 4700 | Fines & Forfeitures | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 4800 | Interest | 0.1 | 0.4 | 0.4 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 4850 | Other Sources | 3.7 | 2.3 | 2.5 | 2.2 | 2.2 | 2.2 | 2.2 | 2.3 |
| 4900 | Fund Transfers In | 0.7 | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| **TOTAL OPERATING REVENUES & TRANSFERS*** | | $ 46.6 | $ 47.3 | $ 45.4 | $ 44.2 | $ 45.2 | $ 46.2 | $ 47.4 | $ 48.6 |
| | Capital | 3.4 | 0.6 | 0.6 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| | Use of Pension/OPEB Reserve | 4.5 | - | - | - | - | - | - | - |
| | Other | | - | 0.3 | | | | | |
| | Use of Property Surplus Reserve | - | 1.2 | 1.2 | - | - | - | - | - |
| | Use of Measure G Reserve | - | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 |
| | ARPA Replacement Revenue | - | - | 1.4 | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES** | | $ 54.5 | $ 49.7 | $ 49.2 | $ 45.6 | $ 46.6 | $ 47.6 | $ 48.9 | $ 50.1 |

| Account | Expenditure Category | 2020/21 Actuals | 2020/21 Budget | 2021/22 Estimates | 2022/23 Forecast | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast | 2026/27 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 5110 | Salary | 20.2 | 20.8 | 20.6 | 20.6 | 21.2 | 21.8 | 22.3 | 22.8 |
| 5120 | CalPERS Benefits | 6.4 | 7.3 | 6.6 | 6.9 | 7.3 | 7.7 | 7.6 | 7.9 |
| 5200 | All Other Benefits | 3.7 | 4.2 | 3.8 | 4.0 | 4.1 | 4.2 | 4.3 | 4.4 |
| 6211 | OPEB Pay as You Go | 1.3 | 1.3 | 1.5 | 1.5 | 1.6 | 1.8 | 1.9 | 1.9 |
| 6000 | Operating Expenditures | 5.7 | 6.2 | 6.6 | 6.3 | 6.3 | 6.5 | 6.5 | 6.8 |
| 7200 | Grants & Awards | 0.3 | 1.0 | 1.1 | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 |
| 7400 | Utilities | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 |
| 8060 | Internal Service Charges | 2.3 | 2.7 | 2.6 | 2.9 | 3.1 | 3.2 | 3.5 | 3.6 |
| 8900 | Debt Service | 2.0 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| **TOTAL OPERATING EXPENDITURES** | | $ 42.4 | $ 46.1 | $ 45.3 | $ 45.0 | $ 46.5 | $ 48.0 | $ 48.9 | $ 50.3 |
| | GASB 45 Retiree Medical Actuarial | 0.6 | 0.1 | 0.1 | 0.4 | 0.3 | 0.2 | 0.2 | 0.2 |
| | Additional Discretionary Payment - Pension | 5.6 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | | $ 48.6 | $ 46.6 | $ 45.8 | $ 45.8 | $ 47.2 | $ 48.6 | $ 49.5 | $ 50.9 |
| | Capital Transfers Out to GFAR | 3.4 | 2.8 | 2.8 | 1.4 | 1.4 | 1.4 | 1.5 | 1.5 |
| **AMOUNTS AVAILABLE FOR RESERVE ALLOCATIONS** | | | | | | | | | |
| | Stabilization/Catastrophic | 0.1 | - | - | - | - | - | - | - |
| | Allocate to Compensated Absences | 0.1 | - | | | | | | |
| | Allocate to Property Surplus Reserve | 1.2 | - | - | - | - | - | - | - |
| | Allocate to CalPERS/Pension | 0.3 | - | | | | | | |
| | Allocate to Measure G - Capital | - | 0.5 | 0.6 | - | - | - | - | - |
| | Allocate to ARPA Reserve | - | - | - | - | - | - | - | - |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS** | | $ 53.7 | $ 49.9 | $ 49.2 | $ 47.2 | $ 48.6 | $ 50.0 | $ 51.0 | $ 52.4 |
| **NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE** | | $ 0.8 | $ (0.2) | $ - | $ (1.6) | $ (2.0) | $ (2.4) | $ (2.1) | $ (2.3) |

* Due to rounding of individual categories FY 2021/22 Total Expenditures and Reserve Allocations includes $0.1 million.
General Fund (111) Forecast does not include Pension Trusts activities. ($37,810 in interest proceeds inFY 2020/21)

REVENUE BASELINE AND PROJECTION FACTORS (FY 2021-22 MID-YEAR AND FORECAST - PUBLISHED 2/11/2022)

| Type of Revenue | Base Line Estimate | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast |
|---|---|---|---|---|---|---|
| **Property Tax/VLF Backfill** | Current baseline set by SCC Assessor Office 2/4 2022 report | 3% | 3% | 3% | 3% | 3% |
| **North 40 Property Sales** | Starting in 2021/22 | North 40 Phase 1 Sales | 3% | 3% | 3% | 3% |
| **ERAF** | Current baseline set 70% of SCC Assessor Office 2/4 2022 report | $400K | $400K | $400K | $400K | $400K |
| **Sales Tax** | MuniServices 1/11/2022 Most Likely Estimates | MuniServices 1/11/2022 Most Likely Estimates | MuniServices 1/11/2022 Most Likely Estimates | MuniServices 1/11/2022 Most Likely Estimates | MuniServices 1/11/2022 Most Likely Estimates | MuniServices 1/11/2022 Most Likely Estimates |
| **Sales Tax - Measure G** | MuniServices 1/11/2022 Most Likely Estimates | MuniServices 1/11/2022 Most Likely Estimates | MuniServices 1/11/2022 Most Likely Estimates | MuniServices 1/11/2022 Most Likely Estimates | MuniServices 1/11/2022 Most Likely Estimates | MuniServices 1/11/2022 Most Likely Estimates |
| **Franchise Fee** | Current baseline set by FY 2021/22 Estimates | 3% | 3% | 3% | 3% | 3% |
| **Transient Occupancy Tax** | Current baseline set by FY 2021/22 actual estimated proceeds | 3% | 3% | 3% | 3% | 3% |
| **Business License Tax** | Current baseline set by FY 2021/22 Estimates | 5% | 5% | 0% | 0% | 0% |
| **License & Permits** | Current baseline set by FY 2021/22 Estimates | 3% | 3% | 3% | 3% | 3% |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Town Services** | Current baseline set by FY 2021/22 Estimates | 3% | 3% | 3% | 3% | 3% |
| **Fine & Forfeitures** | Current baseline set by FY 2021/22 Estimates | Varies | Varies | Varies | Varies | Varies |
| **Interest** | Based on Portfolio Analysis and Current and Expected Yields during the forecast period | $217K | $222K | $227K | $232K | $237K |
| **Other Sources** | Current baseline set by FY 2021/22 Estimates | Varies | Varies | Varies | Varies | Varies |

## EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2021-22 MID YEAR AND FORECAST - PUBLIS 2/11/2022)

Beginning in FY 2020/21, the Town started budgeting salaries at the actual salary plus a one-step increase. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of February 1, 2022, and rate is increasing in the actual anniversary date.

| Type of Expenditure | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast |
|---|---|---|---|---|---|
| **Salaries*** | 2% | 2% | 2% | 2% | 2% |
| **Benefit - Medical**** | 3% | 3% | 3% | 3% | 3% |
| **Operating Expenditures***** | 3% | 3% | 3% | 3% | 3% |
| **Grants & Awards** | 0% | 0% | 0% | 0% | 0% |
| **Utilities***** | 3% | 3% | 3% | 3% | 3% |
| **Internal Service Charges***** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| **Debt Service** | Debt Service Schedules | | | | |

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units plus the Council's assumption of 2% per year cost of living adjustment.*
*** Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA)*
**** Based on historical trends.*

The Town's required employer contribution rate estimates were developed using estimates provided by each plan's most recent actuarial valuation received from CalPERS. The employer contribution rates illustrated below reflect percentages of covered payroll. Beginning in FY 2021/22, the estimates of employer contributions were credited with an anticipated reduction associated with the approximate $5.6M 2015 unfunded amortization base were paid off in early FY 2020/21.

| Type of Expenditure | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast |
|---|---|---|---|---|---|
| **Safety POA** | 69.44% | 72.01% | 74.61% | 75.68% | 76.66% |
| **Safety Management POA** | 72.44% | 75.01% | 77.61% | 78.68% | 79.66% |
| **Safety POA - PEPRA** | 14.62% | 14.65% | 13.78% | 13.75% | 13.76% |
| **Miscellaneous TEA/Confidential/ Management** | 29.43% | 30.04% | 30.64% | 28.45% | 28.73% |
| ***Miscellaneous TEA/Confidential/ Management PEPRA*** | *29.43%* | *30.04%* | *30.64%* | *28.45%* | *28.73%* |

**Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019/20.*

# FY 2021-22 PROPOSED BUDGET - PUBLISHED 4/19/2021

| Account | Revenue Category | 2020/21 Adjusted Budget | 2020/21 Estimates | 2021/22 Proposed Budget | 2022/23 Forecast | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast | 2026/27 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 4100 | Property Tax | $ 13.9 | $ 14.7 | $ 15.7 | $ 15.8 | $ 16.3 | $ 16.8 | $ 17.3 | $ 17.8 |
| 4110 | VLF Backfill Property Tax | 4.1 | 4.1 | 4.2 | 4.3 | 4.4 | 4.5 | 4.7 | 4.8 |
| 4200 | Sales & Use Tax | 6.7 | 6.2 | 7.2 | 7.4 | 7.7 | 7.8 | 8.0 | 8.2 |
| 4200 | Measure G District Sales Tax | 1.0 | 0.9 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 |
| 4250 | Franchise Fees | 2.5 | 2.5 | 2.6 | 2.7 | 2.8 | 2.8 | 2.9 | 3.0 |
| 4251 | Transient Occupancy Tax | 0.7 | 0.7 | 0.9 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 |
| 4400 | Business License Tax | 1.1 | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 |
| 4400 | Licenses & Permits | 3.0 | 3.0 | 2.7 | 2.8 | 2.9 | 3.0 | 3.0 | 3.1 |
| 4500 | Intergovernmental | 1.5 | 4.3 | 3.9 | 0.9 | 0.9 | 0.9 | 0.9 | 0.9 |
| 4600 | Town Services | 3.9 | 3.7 | 3.6 | 3.4 | 3.5 | 3.6 | 3.7 | 3.8 |
| 4700 | Fines & Forfeitures | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| 4800 | Interest | 0.6 | 0.6 | 0.4 | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 |
| 4850 | Other Sources | 3.4 | 3.5 | 2.4 | 2.3 | 2.3 | 2.2 | 2.2 | 2.2 |
| 4900 | Fund Transfers In | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| **TOTAL OPERATING REVENUES & TRANSFERS*** | | $ 43.1 | $ 46.2 | $ 46.7 | $ 44.1 | $ 45.4 | $ 46.4 | $ 47.6 | $ 48.8 |
| | Capital | 3.4 | 3.4 | 0.6 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| | Use of Pension/OPEB Reserve | 4.5 | 4.5 | - | - | - | - | - | - |
| | Other | 0.9 | 0.9 | - | - | - | - | - | - |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES** | | $ 51.9 | $ 55.0 | $ 47.3 | $ 44.9 | $ 46.2 | $ 47.2 | $ 48.4 | $ 49.6 |
| | | | | | | | | 0 | - |

| Account | Expenditure Category | 2020/21 Adjusted Budget | 2020/21 Estimates | 2021/22 Proposed Budget | 2022/23 Forecast | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast | 2026/27 Forecast |
|---|---|---|---|---|---|---|---|---|---|
| 5110 | Salary | 20.3 | 20.6 | 20.2 | 20.0 | 20.1 | 20.2 | 20.4 | 20.4 |
| 5120 | CalPERS Benefits | 7.3 | 6.4 | 7.3 | 7.5 | 7.9 | 8.2 | 8.0 | 8.2 |
| 5200 | All Other Benefits | 4.1 | 3.8 | 4.2 | 3.9 | 4.0 | 4.1 | 4.2 | 4.2 |
| 6211 | OPEB Pay as You Go | 1.3 | 1.3 | 1.3 | 1.4 | 1.5 | 1.7 | 1.8 | 1.9 |
| 6000 | Operating Expenditures | 6.6 | 6.1 | 6.1 | 6.1 | 6.1 | 6.4 | 6.4 | 6.7 |
| 7200 | Grants & Awards | 0.2 | 0.6 | 0.5 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| 7400 | Utilities | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 |
| 8060 | Internal Service Charges | 2.4 | 2.4 | 2.7 | 2.9 | 3.1 | 3.3 | 3.4 | 3.4 |
| 8900 | Debt Service | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| **TOTAL OPERATING EXPENDITURES** | | $ 44.6 | $ 43.7 | $ 44.9 | $ 44.6 | $ 45.5 | $ 46.6 | $ 46.9 | $ 47.7 |
| | GASB 45 Retiree Medical Actuarial | 0.6 | 0.6 | 0.5 | 0.4 | 0.3 | 0.2 | 0.2 | 0.2 |
| | Additional Discretionary Payment - Pension | 4.9 | 4.9 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | | $ 50.1 | $ 49.2 | $ 45.8 | $ 45.4 | $ 46.2 | $ 47.2 | $ 47.5 | $ 48.3 |
| | Capital Transfers Out to GFAR | 3.4 | 3.4 | 0.6 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| | Allocate to Property Surplus Reserve | 1.2 | 1.2 | - | - | - | - | - | - |
| | Allocate to ARPA Reserve | - | 1.2 | 0.9 | - | - | - | - | - |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS** | | $ 54.7 | $ 55.0 | $ 47.3 | $ 46.2 | $ 47.0 | $ 48.0 | $ 48.3 | $ 49.1 |
| **NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS FOR FINAL ALLOCATION AFTER YEAR END CLOSE** | | $ (2.8) | $ - | $ - | $ (1.3) | $ (0.8) | $ (0.8) | $ 0.1 | $ 0.5 |

* Due to rounding of individual categories FY 2021/22 Total Expenditures and Reserve Allocations includes $0.1 million.
General Fund (111) Forecast does not include Pension Trusts activities.

| Type of Revenue | Base Line Estimate | FY 2021/22 Budget | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast |
|---|---|---|---|---|---|---|
| **Property Tax/VLF Backfill** | Current baseline set by SCC Assessor Office January 2020 report. | 3% | 3% | 3% | 3% | 3% |
| **North 40 Property Sales** | Starting in FY 2021/22 | North 40 Phase 1 Sales | 3% | 3% | 3% | 3% |
| **ERAF** | Current baseline set by SCC Assessor Office March 2021 report | SCCA recommend 50% of FY 2020/21 anticipated proceeds | $400K | $400K | $400K | $400K |
| **Sales Tax** | MuniServices 3/19/2021 | MuniServices 3/19/2021 Optimistic Estimates | MuniServices 3/19/2021 Most Likely Estimates | MuniServices 3/19/2021 Most Likely Estimates | MuniServices 3/19/2021 Most Likely Estimates | MuniServices 3/19/2021 Most Likely Estimates |
| **Sales Tax - Measure G** | MuniServices 3/19/2021 | MuniServices 3/19/2021 Most Likely Estimates | MuniServices 3/19/2021 Most Likely Estimates | MuniServices 3/19/2021 Most Likely Estimates | MuniServices 3/19/2021 Most Likely Estimates | MuniServices 3/19/2021 Most Likely Estimates |
| **Franchise Fee** | Current baseline set by FY 2020/21 Year End Estimates | 3% | 3% | 3% | 3% | 3% |
| **Transient Occupancy Tax** | Current baseline set by FY 2020/21 Year End Estimates | 20% | 10% | 10% | 5% | 5% |

| Type of Revenue | Base Line Estimate | FY 2021/22 Budget | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast |
|---|---|---|---|---|---|---|
| **Business License Tax** | Current baseline set by FY 2020/21 Year End Estimates | 5% | 5% | 0% | 0% | 0% |
| **License & Permits** | Current baseline set by FY 2020/21 Year End Estimates | 3% | 3% | 3% | 3% | 3% |
| **Town Services** | Current baseline set by FY 2020/21 Year End Estimates | 3% | 0% | 3% | 3% | 3% |
| **Fine & Forfeitures** | Current baseline set by FY 2020/21 Year End Estimates | Varies | Varies | Varies | Varies | Varies |
| **Interest** | Current baseline set by FY 2020/21 Year End Estimates | 0% | 0% | 0.% | 0% | 0% |
| **Other Sources** | Current baseline set by FY 2020/21 Year End Estimates | Varies | Varies | Varies | Varies | Varies |

Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 68% of the workforce is already top step or one step below top step. As of mid-April 2021, the Town has nine vacant positions and is actively recruiting eight of these positions. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of April 1, 2021 and rate is increasing in the actual anniversary date.

| Type of Expenditure | FY 2021/22 Budget | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast |
|---|---|---|---|---|---|---|
| **Salaries*** | 0% | 0% | 0% | 0% | 0% | 0% |
| **Benefit - Medical**** | 7% | 7% | 7% | 7% | 7% | 7% |
| **Operating Expenditures***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Grants & Awards** | 0% | 0% | 0% | 0% | 0% | 0% |
| **Utilities***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Internal Service Charges***** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| **Debt Service** | Debt Service Schedules | | | | | |

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units.*

*** Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA)*

**** Based on historical trends.*

The Town's required employer contribution rate estimates were developed using estimates provided by each pension plan's most recent actuarial valuation received from CalPERS. The employer contribution rates illustrated below reflect percentages of covered payroll. Rates shown for FY 2021/22 are actual rates as prescribed by CalPERS. Forecasted rates for FY 2022/23 and subsequent years are based on the most recent CalPERS actuarial valuation reports and staff assumptions regarding staff's current estimate of returns for FY 2020/21 which are presently expected to exceed the 7% discount rate.

Beginning in FY 2021/22, the estimates of employer contributions were credited with an anticipated reductions associated with the approximate $4.8M 2016 unfunded amortization base paid off in October 2019 and the total of approximately $5.8 million (2013 partial and 2015) unfunded amortization bases that were paid off in FY 2020/21. Employer contribution rate projections also include small percentage increases reflecting the anticipation of CalPERS gradually lowering its discount rate over the five-year forecast period in accordance with the CalPERS adopted risk mitigation strategy, lowering its discount rate from the present rate of 7.0% to 6.6% as of the 6/30/27 actuarial valuation. Estimates were also informed by recent rate estimates developed by the Town's actuary using the most recent actuarial valuation updated with current year projections of covered payrolls by plan type.

| Type of Expenditure | FY 2021/22 Budget | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast | FY 2026/27 Forecast |
|---|---|---|---|---|---|---|
| **Safety POA** | 62.94% | 74.89% | 78.61% | 82.33% | 84.63% | 86.78% |
| **Safety Management POA** | 65.94% | 77.89% | 81.61% | 85.33% | 87.63% | 89.78% |
| **Safety POA - PEPRA** | 15.74% | 15.07% | 15.07% | 14.03% | 14.05% | 14.06% |
| **Miscellaneous TEA/Confidential/ Management** | 33.54% | 31.37% | 32.29% | 33.31% | 31.25% | 31.94% |
| **Miscellaneous TEA/Confidential/ Management PEPRA** Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS. | 33.54% | 31.37% | 32.29% | 33.31% | 31.25% | 31.94% |

*Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019/20.

## Town of Los Gatos General Fund 5-Year Forecast
## (in $ million)

| Account | Revenue Category | 2020/21 Budget | 2020/21 Estimates | 2021/22 Forecast | 2022/23 Forecast | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast |
|---|---|---|---|---|---|---|---|---|
| 4100 | Property Tax | $ 14.7 | $ 13.9 | $ 14.1 | $ 15.2 | $ 15.6 | $ 16.2 | $ 16.6 |
| 4110 | VLF Backfill Property Tax | 4.0 | 4.1 | 4.2 | 4.3 | 4.4 | 4.5 | 4.7 |
| 4200 | Sales & Use Tax | 7.0 | 6.7 | 7.3 | 7.5 | 7.7 | 7.8 | 7.9 |
| 4200 | Measure G District Sales Tax | 1.0 | 1.0 | 1.0 | 1.0 | 1.1 | 1.1 | 1.1 |
| 4250 | Franchise Fees | 2.5 | 2.5 | 2.6 | 2.7 | 2.8 | 2.8 | 2.8 |
| 4251 | Transient Occupancy Tax | 2.3 | 0.7 | 1.0 | 1.1 | 1.2 | 1.2 | 1.3 |
| 4400 | Business License Tax | 1.3 | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| 4400 | Licenses & Permits | 3.1 | 3.0 | 2.9 | 2.9 | 3.0 | 3.1 | 3.1 |
| 4500 | Intergovernmental | 1.0 | 1.3 | 0.7 | 0.8 | 0.8 | 0.8 | 0.9 |
| 4600 | Town Services | 4.0 | 3.8 | 3.5 | 3.5 | 3.5 | 3.5 | 3.6 |
| 4700 | Fines & Forfeitures | 0.4 | 0.1 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| 4800 | Interest | 0.6 | 0.6 | 0.5 | 0.3 | 0.2 | 0.2 | 0.3 |
| 4850 | Other Sources | 2.3 | 3.5 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 |
| 4900 | Fund Transfers In | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| **TOTAL OPERATING REVENUES & TRANSFERS*** | | $ 44.8 | $ 42.9 | $ 42.1 | $ 43.6 | $ 44.5 | $ 45.5 | $ 46.6 |
| | Use of Capital/Special Project Reserve - Capital | 3.4 | 3.4 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| | Use of Pension/OPEB Reserve | 4.2 | 4.5 | 0 | 0 | 0 | 0 | 0 |
| | Use of Capital/Special Project Reserve - Other | 0.9 | 0.9 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES** | | $ 53.3 | $ 51.7 | $ 42.7 | $ 44.2 | $ 45.1 | $ 46.1 | $ 47.2 |

| Account | Expenditure Category | 2020/21 Budget | 2020/21 Estimates | 2021/22 Forecast | 2022/23 Forecast | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast |
|---|---|---|---|---|---|---|---|---|
| 5110 | Salary | 20.2 | 20.3 | 19.7 | 19.7 | 19.9 | 20.1 | 20.2 |
| 5120 | CalPERS Benefits | 7.3 | 6.4 | 7.5 | 7.5 | 7.2 | 7.5 | 7.6 |
| 5200 | All Other Benefits | 4.1 | 3.7 | 3.9 | 3.9 | 4.0 | 4.1 | 4.2 |
| 6211 | OPEB Pay as You Go | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.5 | 1.8 |
| 6000 | Operating Expenditures | 6.7 | 6.1 | 5.4 | 5.4 | 5.6 | 5.7 | 5.8 |
| 7200 | Grants & Awards | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 |
| 7400 | Utilities | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| 8060 | Internal Service Charges | 2.4 | 2.4 | 2.6 | 2.6 | 2.8 | 3.0 | 3.2 |
| 8900 | Debt Service | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| **TOTAL OPERATING EXPENDITURES** | | $ 44.7 | $ 42.8 | $ 43.1 | $ 43.1 | $ 43.7 | $ 44.6 | $ 45.7 |
| | GASB 45 Retiree Medical Actuarial | 0.6 | 0.6 | 0.6 | 0.5 | 0.4 | 0.3 | 0.2 |
| | Additional Discretionary Payment - Pension | 4.6 | 4.9 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | | $ 49.9 | $ 48.3 | $ 44.1 | $ 44.0 | $ 44.5 | $ 45.3 | $ 46.3 |
| | Capital Transfers Out to GFAR | 3.4 | 3.4 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| | Transfer to Internal Service Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Pension/OPEB Transfer to Pension Trust Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Allocate to Compensated Absences | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Allocate to Vehicle Maintenance and Stores Surplus | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Allocate to Property Surplus Reserve | 0 | 1.2 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS** | | $ 53.3 | $ 52.9 | $ 44.7 | $ 44.6 | $ 45.1 | $ 45.9 | $ 46.9 |
| **NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS** | | $ - | $ (1.2) | $ (2.0) | $ (0.4) | $ - | $ 0.2 | $ 0.3 |

* Due to rounding of individual categories FY 2020/21 Total Expenditures and Reserve Allocations omits $0.1 million.

REVENUE BASELINE AND PROJECTION FACTORS (FY 2020-21 MID-YEAR AND FORECAST - PUBLISHED 2/12/2021)

| Type of Revenue | Base Line Estimate | FY 2021/22 Forecast | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast |
|---|---|---|---|---|---|---|
| **Property Tax/VLF Backfill** | Current baseline set by SCC Assessor Office 2/14 2020 report | 2.5% | 2.5% | 3% | 3% | 3% |
| **North 40 Property Sales** | Starting in 2021/22 | North 40 Phase 1 Sales | North 40 Phase 1 Sales | 3% | 3% | 3% |
| **ERAF** | Current baseline set 50% of SCC Assessor Office February 6 2021 report | $400K | $400K | $400K | $400K | $400K |
| **Sales Tax** | MuniServices 1/29/2021 Conservative Estimates | MuniServices 1/29/2021 Conservative Estimates | MuniServices 1/29/2021 Conservative Estimates | MuniServices 1/29/2021 Conservative Estimates | MuniServices 1/29/2021 Conservative Estimates | MuniServices 1/29/2021 Conservative Estimates |
| **Sales Tax -- Measure G** | MuniServices Date Conservative Estimates | MuniServices 1/29/2021 Conservative Estimates | MuniServices 1/29/2021 Conservative Estimates | MuniServices 1/29/2021 Conservative Estimates | MuniServices 1/29/2021 Conservative Estimates | MuniServices 1/29/2021 Conservative Estimates |
| **Franchise Fee** | Current baseline set by FY 2020/21 Estimates | 3% | 3% | 3% | 3% | 3% |
| **Transient Occupancy Tax** | Current baseline set by FY 2020/21 actual estimated proceeds 69% decrease from adopted budget | 30% | 20% | 5% | 5% | 5% |
| **Business License Tax** | Current baseline set by FY 2020/21 Activities | 5% | 5% | 0% | 0% | 0% |

| Type of Revenue | Base Line Estimate | FY 2021/22 Forecast | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast |
|---|---|---|---|---|---|---|
| **License & Permits** | Current baseline set by FY 2020/21 Estimates | 0% | 3% | 3% | 3% | 3% |
| **Town Services** | Current baseline set by FY 2020/21 Estimates | 0% | 3% | 3% | 3% | 3% |
| **Fine & Forfeitures** | Current baseline set by FY 2020/21 Estimates | Varies | Varies | Varies | Varies | Varies |
| **Interest** | Based on Portfolio Analysis and Current and Expected Yields during the forecast period | $400K | $300K | $250K | $250K | $250K |
| **Other Sources** | Current baseline set by FY 2020/21 Estimates | Varies | Varies | Varies | Varies | Varies |
| | | | | | | |

Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 68% of the workforce is already top step or one step below to step. Currently the Town has five vacant positions and is actively recruiting of these positions. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of December 31, 2020 and rate is increasing in the actual anniversary date.

| Type of Expenditure | FY 2021/22 Forecast | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast |
|---|---|---|---|---|---|
| Salaries* | 0% | 0% | 0% | 0% | 0% |
| Benefit -- Medical** | 7% | 7% | 7% | 7% | 7% |
| Operating Expenditures*** | 3% | 3% | 3% | 3% | 3% |
| Grants & Awards | 0% | 0% | 0% | 0% | 0% |
| Utilities*** | 3% | 3% | 3% | 3% | 3% |
| Internal Service Charges*** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| Debt Service | Debt Service Schedules | | | | |

*Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units.

**Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA)

***Based on historical trends.

The·Town's·required·employer·contribution·rate·estimates·were·developed·using·estimates·provided·by·each·plan's·most·recent·actuarial·valuation·received·from·CalPERS.··The·employer·contribution·rates·illustrated·below·reflect·percentages·of·covered·payroll.····Beginning·in·FY·2021/22,·the·estimates·of·employer·contributions·were·credited·with·an·anticipated·reduction·associated·with·the·approximate·$4.8M·2016·unfunded·amortization·base·paid·off·in·October·2019·and·the·approximate·$3.7M·2015·unfunded·amortization·base·expected·to·be·paid·off·in·early·FY·2020/21.··¶

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| Type·of·Expenditure¤ | FY·2021/22 Forecast¤ | FY·2022/23 Forecast¤ | FY·2023/24 Forecast¤ | FY·2024/25 Forecast¤ | FY·2025/26 Forecast¤ |
|---|---|---|---|---|---|
| Safety·POA¤ | 69.36%¤ | 69.41%¤ | 71.79%¤ | 75.01%¤ | 76.79%¤ |
| Safety·Management¶ POA¤ | 72.36%¤ | 72.41%¤ | 74.79%¤ | 78.01%¤ | 79.79%¤ |
| Safety·POA·-·PEPRA¤ | 15.04%¤ | 15.06%¤ | 15.05%¤ | 14.01%¤ | 14.01%¤ |
| Miscellaneous TEA/Confidential/·Management¤ | 33.54%¤ | 30.87%¤ | 31.67%¤ | 32.69%¤ | 30.69%¤ |
| Miscellaneous TEA/Confidential/·Management PEPRA¤ | 33.54%¤ | 30.87%¤ | 31.67%¤ | 32.69%¤ | 30.69%¤ |

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*Safety·Classic·Rate·reflects·3%·decrease·in·employer's·contribution·rate·to·reflect·3%·contribution·as·negotiated·with·the·Town's·POA·during·the·collective·bargaining·process·effective·FY·2019/20.¶

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## Town of Los Gatos General Fund 5-Year Forecast
## (in $ million)

| Account | Revenue Category | 2020/21 Budget | 2021/22 Forecast | 2022/23 Forecast | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast |
|---|---|---|---|---|---|---|---|
| 4100 | Property Tax | $ 14.7 | $ 15.1 | $ 15.8 | $ 16.2 | $ 16.7 | $ 16.5 |
| 4110 | VLF Backfill Property Tax | 4.0 | 4.0 | 4.1 | 4.2 | 4.3 | 4.3 |
| 4200 | Sales & Use Tax | 8.0 | 8.1 | 8.2 | 8.4 | 8.5 | 8.6 |
| 4250 | Franchise Fees | 2.5 | 2.6 | 2.7 | 2.8 | 2.9 | 2.9 |
| 4251 | Transient Occupancy Tax | 2.3 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| 4400 | Business License Tax | 1.3 | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 |
| 4400 | Licenses & Permits | 3.1 | 2.9 | 3.0 | 3.0 | 3.1 | 3.1 |
| 4500 | Intergovernmental | 1.0 | 0.7 | 0.8 | 0.8 | 0.9 | 0.9 |
| 4600 | Business License Tax | 4.0 | 4.1 | 4.2 | 4.2 | 4.2 | 4.3 |
| 4700 | Fines & Forfeitures | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 |
| 4800 | Interest | 0.6 | 0.8 | 0.2 | 0.7 | 0.2 | 0.2 |
| 4850 | Other Sources | 2.3 | 2.2 | 2.2 | 2.2 | 2.2 | 2.2 |
| 4900 | Fund Transfers In | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| **TOTAL OPERATING REVENUES & TRANSFERS*** | | $ 44.8 | $ 44.9 | $ 45.6 | $ 47.1 | $ 47.6 | $ 47.6 |
| | Use of Capital/Special Project Reserve - Capital | 3.4 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| | Use of Pension/OPEB Reserve | 4.2 | 0 | 0 | 0 | 0 | 0 |
| | Use of Capital/Special Project Reserve - Other | 0.8 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES** | | $ 53.2 | $ 45.5 | $ 46.2 | $ 47.7 | $ 48.2 | $ 48.2 |

| Account | Expenditure Category | 2020/21 Budget | 2021/22 Forecast | 2022/23 Forecast | 2023/24 Forecast | 2024/25 Forecast | 2025/26 Forecast |
|---|---|---|---|---|---|---|---|
| 5110 | Salary | 20.2 | 19.9 | 19.9 | 20.0 | 20.1 | 20.1 |
| 5120 | CalPERS Benefits | 7.3 | 7.3 | 8.2 | 8.7 | 9.0 | 9.0 |
| 5200 | All Other Benefits | 4.1 | 4.1 | 4.2 | 4.3 | 4.4 | 4.5 |
| 6211 | OPEB Pay as You Go | 1.3 | 1.4 | 1.4 | 1.5 | 1.7 | 1.8 |
| 6000 | Operating Expenditures | 6.6 | 5.8 | 6.1 | 6.2 | 6.5 | 6.5 |
| 7200 | Grants & Awards | 0.2 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| 7400 | Utilities | 0.6 | 0.6 | 0.6 | 0.7 | 0.7 | 0.7 |
| 8060 | Internal Service Charges | 2.4 | 2.7 | 2.8 | 3.0 | 3.2 | 3.4 |
| 8900 | Debt Service | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 | 1.9 |
| **TOTAL OPERATING EXPENDITURES** | | $ 44.6 | $ 44.0 | $ 45.4 | $ 46.5 | $ 47.7 | $ 48.1 |
| | GASB 45 Retiree Medical Actuarial | 0.6 | 0.5 | 0.4 | 0.3 | 0.2 | 0.2 |
| | Additional Discretionary Payment - Pension | 4.6 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| **TOTAL OPERATING & DISCRETIONARY EXPENDITURES** | | $ 49.8 | $ 44.9 | $ 46.2 | $ 47.2 | $ 48.3 | $ 48.7 |
| | Capital Transfers Out to GFAR | 3.4 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| | Transfer to Internal Service Funds | 0 | 0 | 0 | 0 | 0 | 0 |
| | Pension/OPEB Transfer to Pension Trust Fund | 0 | 0 | 0 | 0 | 0 | 0 |
| | Allocate to Compensated Absences | 0 | 0 | 0 | 0 | 0 | 0 |
| | Surplus | 0 | 0 | 0 | 0 | 0 | 0 |
| | Allocate to Property Surplus Reserve | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL EXPENDITURES & RESERVE ALLOCATIONS** | | $ 53.2 | $ 45.5 | $ 46.8 | $ 47.8 | $ 48.9 | $ 49.3 |
| **NET REVENUES RESERVE TRANSFERS LESS EXPENDITURES & RESERVE ALLOCATIONS** | | $ - | $ - | $ (0.6) | $ (0.1) | $ (0.7) | $ (1.1) |

* Due to rounding of individual categories FY 2020/21 Total Expenditures and Reserve Allocations omits $0.1 million.

REVENUE BASELINE AND PROJECTION FACTORS (FY 2020-21 PROPOSED BUDGET - PUBLISHED 4/19/

| Type of Revenue | Base Line Estimate | FY 2020/21 Forecast | FY 2021/22 Forecast | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast |
|---|---|---|---|---|---|---|
| **Property Tax/VLF Backfill** | Current baseline set by SCC Assessor Office May 2020 report. | 2% | 0% | 3% | 3% | 3% |
| **Annexation Additional** | $1,000,000 starting FY 2020/21 | 0% | 0% | 3% | 3% | 3% |
| **North 40 Property Sales** | Starting in 2021/22 | N/A | North 40 Phase 1 Sales | North 40 Phase 1 Sales | 3% | 3% |
| **ERAF** | Current baseline set by SCC Assessor Office May 2020 report 40% decline | SCCA recommend 50% of FY 2019/20 anticipated proceeds | $400K | $400K | $400K | $400K |
| **Sales Tax** | MuniServices 5/1/2020 COVID-19 Estimates | MuniServices 5/1/2020 COVID-19 Estimates | MuniServices 5/1/2020 COVID-19 Estimates | MuniServices 5/1/2020 COVID-19 Estimates | MuniServices 5/1/2020 COVID-19 Estimates | MuniServices 5/1/2020 COVID-19 Estimates |
| **Sales Tax - Measure G** | MuniServices 5/1/2020 COVID-19 Estimates | MuniServices 5/1/2020 COVID-19 Estimates | MuniServices 5/1/2020 COVID-19 Estimates | MuniServices 5/1/2020 COVID-19 Estimates | MuniServices 5/1/2020 COVID-19 Estimates | MuniServices 5/1/2020 COVID-19 Estimates |
| **Franchise Fee** | Current baseline set by FY 2019/20 Adopted Budget. | 3% | 3% | 3% | 3% | 3% |
| **Transient Occupancy Tax** | Current baseline set by FY 2018/19 actual proceeds | -15% | -5% | 0% | 0% | 0% |

| Type of Revenue | Base Line Estimate | FY 2020/21 Forecast | FY 2021/22 Forecast | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast |
|---|---|---|---|---|---|---|
| **Business License Tax** | Current baseline set by FY 2019/20 Activity | 0% | 0% | 3% | 3% | 3% |
| **License & Permits** | Current baseline set by FY 2019/20 Adopted Budget. | -8.7% | 0% | 3% | 3% | 3% |
| **Town Services** | Current baseline set by FY 2019/20 Adopted Budget. | -7.3% | 0% | 3% | 3% | 3% |
| **Fine & Forfeitures** | Current baseline set by FY 2019/20 Adopted Budget. | Varies | Varies | Varies | Varies | Varies |
| **Interest** | Current baseline set by FY 2019/20 Adopted Budget. | 1% | 1% | 2% | 2% | 2% |
| **Other Sources** | Current baseline set by FY 2019/20 Adopted Budget. | Varies | Varies | Varies | Varies | Varies |

Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 68% of the workforce is already top step or one step below to step. Currently the Town has nine vacant positions and is actively recruiting eight of these positions. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of April 1, 2020 and rate is increasing in the actual anniversary date.

| Type of Expenditure | FY 2020/21 Forecast | FY 2021/22 Forecast | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast |
|---|---|---|---|---|---|---|
| **Salaries*** | 1% increase & 2% Non-PERSable Cash Bonus | 0% | 0% | 0% | 0% | 0% |
| **Benefit - Medical**** | 7% | 7% | 7% | 7% | 7% | 7% |
| **Operating Expenditures***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Grants & Awards** | 0% | 0% | 0% | 0% | 0% | 0% |
| **Utilities***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Internal Service Charges***** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| **Debt Service** | Debt Service Schedules | | | | | |

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units.*

*** Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA)*

**** Based on historical trends.*

The Town's required employer contribution rate estimates were developed using estimates provided by each plan's most recent actuarial valuation received from CalPERS. The employer contribution rates illustrated below reflect percentages of covered payroll. All plans reflect estimates of increased contributions beginning in FY 2022/23 related to the current estimate of zero return on investments for FY 2019/20. Beginning in FY 2021/22, the estimates of employer contributions were credited with an anticipated reduction associated with the approximate $4.8M 2016 unfunded amortization base paid off in October 2019 and the approximate $3.7M 2015 unfunded amortization base expected to be paid off in early FY 2020/21.

| Type of Expenditure | FY 2020/21 Budget | FY 2021/22 Forecast | FY 2022/23 Forecast | FY 2023/24 Forecast | FY 2024/25 Forecast | FY 2025/26 Forecast |
|---|---|---|---|---|---|---|
| **Safety POA** | 58.98% | 67.67% | 72.14% | 75.91% | 79.46% | 81.56% |
| **Safety Management POA** | 61.98% | 66.67% | 75.14% | 78.91% | 82.46% | 84.56% |
| **Safety POA - PEPRA** | 15.95% | 15.99% | 16.58% | 17.14% | 15.29% | 15.71% |
| **Miscellaneous TEA/Confidential/ Management** | 34.23% | 31.59% | 33.66% | 35.46% | 37.12% | 35.50% |
| **Miscellaneous TEA/Confidential/ Management PEPRA** | 37.43%<br>Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS. | 36.30% | 36.30% | 36.30% | 42.43% | 40.82% |

*Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019/20.

# Revenue Baselines and Projection Factors

| Type of Revenues | FY 2025-26 Estimates Baseline | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|
| **Property Tax/VLF Backfill** | Current baseline set by SCC Assessor Office February 2026 report | 4.34% | 5.09% | 5.08% | 5.07% | 5.06% |
| **Motor Vehicle License in Lieu (VLF)** | Current baseline set by SCC Assessor Office, February 2026 report | 4.78% | 5.14% | 5.13% | 5.11% | 5.10% |
| **ERAF** | Current baseline set 100% of SCC Assessor Office February 2026Update | $3.2 million | $3.2 million | $3.2 million | $3.2 million | $3.2 million |
| **Sales Tax** | HdL January 2026 Estimates | HdL January 2026 Estimates | HdL January 2026 Estimates | HdL January 2026 Estimates | HdL January 2026 Estimates | HdL January 2026 Estimates |
| **Sales Tax - Measure G** | HdL January 2026 Estimates | HdL January 2026 Estimates | HdL January 2026 Estimates | HdL January 2026 Estimates | HdL January 2026 Estimates | HdL January 2026 Estimates |
| **Franchise Fee** | Current baseline set by FY 2024-25 Actuals | 3% | 3% | 3% | 3% | 3% |
| **Transient Occupancy Tax** | Current baseline set by FY 2024-25 Actuals | 1% | 1% | 1% | 1% | 1% |
| **Business License Tax** | Current baseline set by FY 2025-26 Estimates | 3% | 3% | 3% | 3% | 3% |
| **License & Permits** | Current baseline set by FY 2025-26 Estimates Adjusting to One-Time Items | 3% | 3% | 3% | 3% | 3% |

## Revenue Baselines and Projection Factors

| | | | | | | |
|---|---|---|---|---|---|---|
| **Town Services** | Current baseline set by FY 2025-26 Estimates Adjusting to One-Time Items | 3% | 3% | 3% | 3% | 3% |
| **Fine & Forfeitures** | Current baseline set by FY 2025-26 Estimates | Varies | Varies | Varies | Varies | Varies |
| **Yield to Maturity Assumptions** | Average Portfolio Yield 4.26% | Average Portfolio Yield 4.14% | Average Portfolio Yield 4.06% | Average Portfolio Yield 3.97% | Average Portfolio Yield 3.96% | Average Portfolio Yield 4.03% |
| **Other Sources** | Current baseline set by FY 2025-26 Estimates | Varies | Varies | Varies | Varies | Varies |

## EXPENDITURE BASELINE AND PROJECTION FACTORS

Beginning in FY 2020-21, the Town started budgeting salaries at the actual salary plus a one-step increase. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of December 31, 2025. Beginning FY 2023-24 the total salaries and benefits budget includes 4.6% vacancy factor.

| Type of Expenditures | FY 2025-26 Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|
| **Salaries*(TEA)** | 3% | 3% | 3% | 2% | 2% | 2% |
| **Salaries *(POA)** | 5% | 4% | 4% | 2% | 2% | 2% |
| **Salaries*(AFSCME)** | 4% | 4% | 4% | 2% | 2% | 2% |
| **Salaries * (Management, Confidential, Temp)** | 3% | 3% | 3% | 2% | 2% | 2% |
| **Benefit - Medical**** | 4% | 4% | 4% | 4% | 4% | 4% |
| **Operating Expenditures***** | 3% | 3% | 3% | 3% | 3% | 3% |
| **Grants & Awards** | 0% | 0% | 0% | 0% | 0% | 0% |
| **Utilities***** | Varies | 3% | 3% | 3% | 3% | 3% |
| **Workers Comp Charges** | Based on projected payroll | 3% | 3% | 3% | 3% | 3% |
| **General Liability Charges** | Based on projected payroll | 3% | 3% | 3% | 3% | 3% |
| **Other Internal Service Charges***** | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement | Based on operating cost and scheduled replacement |
| **Debt Service** | Debt Service Schedules | | | | | |

**Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units from FY 2024-25 through FY 2026-27. Beyond FY 2027-28 the assumption is 2% per year cost of living adjustment.*
*** Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA)*
**** Based on historical trends.*

The Town's required employer contribution rate estimates were developed using data provided by each plan's most recent CalPERS actuarial valuation. The employer contribution rates reflect percentages of covered payroll. Forecasted rates for FY 2025-26 and subsequent years are based on the most recent CalPERS actuarial valuation Reports as adjusted by the impact related to the FY 2022-23 CalPERS 5.8% investment return and forecasted payroll. In addition, staff will update the rates based on the February forecasted payroll for the FY 2026-27 Proposed Budget.

| Type of Expenditure | FY 2025-26 Budget | FY 2026-27 Forecast | FY 2027-28 Forecast | FY 2028-29 Forecast | FY 2029-30 Forecast | FY 2030-31 Forecast |
|---|---|---|---|---|---|---|
| **Safety POA** | 109.09% | 109.92% | 112.95% | 121.16% | 121.75% | 124.52% |
| **Safety Management POA** | 112.09% | 112.92% | 115.95% | 124.16% | 124.75% | 127.52% |
| **Safety POA - PEPRA** | 15.84% | 14.96% | 20.99% | 21.74% | 22.04% | 25.76% |
| **Miscellaneous TEA/Confidential/ Management** | 30.02% | 30.52% | 30.82% | 31.78% | 31.92% | 32.21% |
| **Miscellaneous TEA/Confidential/ Management PEPRA**<br>Separate PEPRA rate for Miscellaneous has not been established yet by CalPERS. | 30.02% | 30.52% | 30.82% | 31.78% | 31.92% | 32.21% |

**Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019-20.*

**GENERAL FUND**

**SUMMARY OF REVENUES AND EXPENDITURES**

| | FY 2024-25 Actuals | FY 2024-25 Q2 | 2Q % of FY 2024-25 Actuals | 2Q % of FY 2025-26 Adjusted Budget as of 12/31/2025 | FY 2025-26 Q2 | FY 2025-26 Adopted Budget | FY 2025-26 Adjusted Budget as of 12/31/2025 | Proposed Mid-Year Adjustment | FY 2025-26 Year End Estimates *Including Proposed Mid-Year Adjustments* |
|---|---|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | | | |
| Property Tax | $ 20,157,765 | $ 6,687,445 | *33.2%* | *32.5%* | $ 6,981,476 | $ 21,450,971 | $ 21,450,971 | $ 68,164 | $ 21,519,135 |
| VLF Backfill Property Tax | 5,109,100 | - | *0.0%* | *0.0%* | - | 5,377,328 | 5,377,328 | 28,672 | 5,406,000 |
| Sales & Use Tax | 6,992,336 | 2,082,120 | *29.8%* | *32.2%* | 2,138,351 | 6,639,081 | 6,639,081 | 1,207,436 | 7,840,000 |
| Measure G Sales & Use Tax | 1,338,642 | 428,741 | *32.0%* | *33.5%* | 435,464 | 1,298,825 | 1,298,825 | 30,175 | 1,329,000 |
| Franchise Fees | 1,057,484 | 113,842 | *10.8%* | *9.8%* | 101,773 | 1,043,730 | 1,043,730 | (34,892) | 1,008,838 |
| Transient Occupancy Tax | 2,417,630 | 941,711 | *39.0%* | *31.0%* | 749,774 | 2,422,390 | 2,422,390 | (166,585) | 2,255,805 |
| Business License Tax | 2,975,721 | 153,569 | *5.2%* | *16.0%* | 399,756 | 2,493,992 | 2,493,992 | 107,508 | 2,601,500 |
| Licenses & Permits | 6,681,607 | 2,983,426 | *44.7%* | *60.1%* | 3,800,214 | 6,322,712 | 6,322,712 | 689,959 | 7,014,459 |
| Intergovernmental | 1,357,593 | 796,630 | *58.7%* | *72.3%* | 778,450 | 838,936 | 1,076,042 | (38,691) | 1,307,778 |
| Town Services | 5,749,945 | 3,732,385 | *64.9%* | *88.4%* | 5,285,486 | 5,736,735 | 5,980,545 | 967,821 | 6,957,561 |
| Fines & Forfeitures | 420,127 | 187,733 | *44.7%* | *73.4%* | 231,288 | 315,200 | 315,200 | (3,000) | 312,775 |
| Interest | 1,949,418 | 374,836 | *19.2%* | *39.2%* | 615,033 | 1,567,774 | 1,567,774 | 345,487 | 1,913,261 |
| GASB 31 to Market | 1,201,824 | - | *0.0%* | | - | - | - | - | - |
| Use of Property | 76,161 | - | *0.0%* | | - | - | - | - | - |
| Miscellaneous Other | 190,104 | 533,750 | *280.8%* | *14.1%* | 270,499 | 1,893,651 | 1,920,471 | 379,834 | 1,533,255 |
| Other Taxes - Park Construc | 5,004 | - | | | - | - | | | |
| Sale of Property | - | - | | | | | 3,000,000 | - | 3,000,000 |
| **Total Revenues** | **$ 57,680,461** | **$ 19,016,188** | | | **$ 21,787,564** | **$ 57,401,325** | **$ 60,909,061** | **$ 3,581,888** | **$ 63,999,367** |
| Debt Service - *Entry Elimina* | 1,902,300 | - | *0.0%* | *0.0%* | - | 1,901,850 | 1,901,850 | - | 1,901,850 |
| Planning Pass Through Services - *Entry Eliminated for ACFR* | 79,400 | - | | | - | - | - | - | - |
| Pension Trust Income - *Entry Eliminated for ACFR* | 690,000 | - | | | - | - | - | - | - |
| Measure G for Operations - *Entry Eliminated for ACFR* | 652,396 | - | | | - | - | - | - | - |
| **Other Financial Sources** | | | | | | | | | |
| Fund Transfer In | $ 812,411 | $ - | *0.0%* | *0.0%* | $ - | $ 562,411 | $ 562,411 | $ - | $ 562,411 |
| **Total Revenues & Transfers I** | **$ 61,816,968** | **$ 19,016,188** | ***31%*** | ***34%*** | **$ 21,787,564** | **$ 59,865,586** | **$ 63,373,322** | **$ 3,581,888** | **$ 66,463,628** |
| **Expenditures** | | | | | | | | | |
| Town Council | $ 222,954 | $ 104,644 | *46.9%* | *49.7%* | $ 110,352 | $ 222,115 | $ 222,115 | $ - | $ 233,667 |
| Attorney | 1,076,252 | 398,986 | *37.1%* | *50.3%* | 594,515 | 830,884 | 1,180,884 | 100,000 | 1,293,243 |
| Administrative Services | 6,428,009 | 3,161,963 | *49.2%* | *40.5%* | 3,367,328 | 7,338,116 | 8,308,150 | 153,305 | 7,245,642 |
| Non- Departmental | 3,157,197 | 1,641,596 | *52.0%* | *24.1%* | 1,391,498 | 5,345,295 | 5,775,829 | 300,191 | 5,977,662 |
| Community Development | 5,637,743 | 2,646,092 | *46.9%* | *50.1%* | 3,020,911 | 6,021,135 | 6,027,635 | 502,500 | 6,368,565 |
| Police | 20,827,880 | 10,269,947 | *49.3%* | *46.2%* | 10,992,545 | 23,504,430 | 23,768,356 | 93,370 | 23,095,918 |
| Parks & Public Works | 10,717,232 | 4,920,014 | *45.9%* | *43.5%* | 5,068,319 | 11,404,963 | 11,653,693 | 200,775 | 11,649,244 |
| Library | 3,568,498 | 1,722,056 | *48.3%* | *47.8%* | 1,747,675 | 3,655,823 | 3,655,823 | - | 3,652,651 |
| Capital Outlay | 65,000 | - | | | - | - | - | - | - |
| Principal | 206,380 | - | | | - | 156,034 | - | - | 156,034 |
| Interest and Fees | 41,403 | - | | | - | - | - | - | - |
| **Total Department Expenditu** | **$ 51,948,548** | **$ 24,865,298** | **48%** | **43%** | **$ 26,293,143** | **$ 58,478,795** | **$ 60,592,485** | **$ 1,350,141** | **$ 59,672,626** |
| Debt Service - *Entry Eliminated for ACFR* | $ 1,902,300 | $ - | *0.0%* | *0.0%* | $ - | $ 1,901,850 | $ 1,901,850 | $ - | $ 1,901,850 |
| Transfer to Pension Trust Fund - *Entry Eliminated for ACFR* | 690,000 | - | | | - | - | - | - | - |
| Measure G Transfer - Entry Eliminated for ACFR | 652,396 | - | | | - | - | - | - | - |
| **Other Financing Uses** | | | | | | | | | |
| Transfers Out | $ 1,843,080 | $ - | *0.0%* | | $ - | $ - | $ - | $ - | $ - |
| **Total Additional Non-Depar** | **$ 5,087,776** | **$ -** | **0%** | **0%** | **$ -** | **$ 1,901,850** | **$ 1,901,850** | **$ -** | **$ 1,901,850** |
| **Total Operating Expenditure** | **$ 57,036,324** | **$ 24,865,298** | **44%** | **42%** | **$ 26,293,143** | **$ 60,380,645** | **$ 62,494,335** | **$ 1,350,141** | **$ 61,574,476** |
| **Revenues Over Expenditures** | **$ 5,731,913** | **$ (5,849,110)** | | | **$ (4,505,579)** | **$ (1,077,470)** | **$ 316,576** | **$ 2,231,747** | **$ 4,326,741** |

**FY 2024-25 and FY 2025-26 2Q Net Operating Revenues are negative because some revenues budgeted for the entire fiscal year are received in the third or fourth quarters and fund expended in the first or second quarters.*



ATTACHMENT 5