



TOWN OF LOS GATOS
FINANCE COMMISSION SPECIAL MEETING AGENDA
MAY 6, 2024
110 EAST MAIN STREET
TOWN COUNCIL CHAMBERS
5:00 PM

Phil Koen, Chair
Linda Reiners, Vice Chair
Andrew Howard, Commissioner
Ashby Monk, Commissioner
Joe Rodgers, Commissioner
Matthew Hudes, Vice Mayor
Rob Rennie, Council Member

IMPORTANT NOTICE

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

This meeting will be teleconferenced pursuant to Government Code Section 54953(b)(3). Council Member Rob Rennie will be participating from a teleconference location at Via dell'Opio Nel Corso, 3, 53045 Montepulciano, Italy. The teleconference locations shall be accessible to the public and the agenda will be posted at the teleconference location 24 hours before the meeting.

HOW TO PARTICIPATE

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

Zoom Webinar (Online): Join from a PC, Mac, iPad, iPhone or Android device. Please click this URL to join: <https://losgatosca-gov.zoom.us/j/88475219239?pwd=f1F2KTKjFxpngsJm0xQ-7ZWDqpdamQ.vZc3CpP9SLvevl32>

Passcode: 926720 You can also type in 84900234481 in the "Join a Meeting" page on the Zoom website at and use passcode 926720.

- When the Mayor announces the item for which you wish to speak, click the "raise hand" feature in Zoom. If you are participating by phone on the Zoom app, press *9 on your telephone keypad to raise your hand.

Telephone: Please dial (877) 3361839 for US Toll-free or (636) 651-0008 for US Toll. (Conference code: 686100)

- If you are participating by calling in, press #2 on your telephone keypad to raise your hand.

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

NOTES: (1) Comments will be limited to three (3) minutes or less at the Chair's discretion.

(2) If you are unable to participate in real-time, you may email to Clerk@losgatosca.gov the subject line "Public Comment Item #__" (insert the item number relevant to your comment). All comments received will become part of the record.

(3) Deadlines to submit written comments are:

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

(4) Persons wishing to make an audio/visual presentation must submit the presentation electronically to Clerk@losgatosca.gov no later than 3:00 p.m. on the day of the Commission meeting.

CALL MEETING TO ORDER

ROLL CALL

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

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

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

1. Continue to Review and Discuss the Proposed Fiscal Year (FY) 2024/25 Operating and Capital Improvement Program (CIP) Budgets. Provide Comments and Recommendations Regarding the Proposed Budgets Taken as a Whole.

ADJOURNMENT

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



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 05/06/2024

ITEM NO: 1

Item 1.

DATE: May 1, 2024
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Continue to Review and Discuss the Proposed Fiscal Year (FY) 2024/25 Operating and Capital Improvement Program (CIP) Budgets. Provide Comments and Recommendations Regarding the Proposed Budgets Taken as a Whole.

RECOMMENDATION:

Discuss, comment, and make recommendations to the Town Council regarding the Proposed FY 2024-25 Proposed Operating and Capital Budgets.

BACKGROUND:

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

(a) The Finance Commission shall:

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

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

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Manager and Town Attorney

PAGE 2 OF 3

SUBJECT: Proposed FY 2024/25 Operating and Capital Budgets

DATE: May 1, 2024

BACKGROUND (continued):

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

On April 22, 2024, the Proposed FY 2024/25 Operating and Capital Budgets were posted to the Town's website and the links (listed below) were provided to the Finance Commission. For Commissioners who were interested in hard copies, the documents were provided. Per Measure A, the Finance Commission received the Proposed Budgets 21 business days before May 21, 2024, which is the first meeting at which the Proposed Budgets will be considered by the Town Council.

Proposed Operating Budget:

<https://www.losgatosca.gov/2957/Proposed-FY-2024-25-Operating-Budget>

CIP Budget:

<https://www.losgatosca.gov/2956/Proposed-FY-2024-25-Capital-Budget>

DISCUSSION:

At the Finance Commission special meeting on April 29, 2024, the Finance Commission had begun its discussion of the Operating Budget, expecting to focus on the Capital Budget at the May 6 meeting. The Finance Commission requested additional details on operating expenditures and other revenues. The detailed information can be found in Attachment 1.

The Commission also inquired about Factors that are driving up Police Department costs. As noted in the Expenditure Assumptions contained on page A-24, pension costs rose steeply for FY 2024/25 to almost 95% for sworn personnel in the Police Officers Association (POA) and almost 98% for Police Management. The newer sworn employees under the PEPR Plan is approximately 16%. To date, approximately half of the sworn staff are in PEPR. Other cost drivers include increases in salary based on the recently approved POA Memorandum of Understanding and increased cost of general and workers' compensation liabilities.

Development activity is reflected in General Fund Community Development and Parks and Public Works Pass-Through program activities and supplemented with Contractor and Consultant Services as detailed on page 3 of Attachment 1.

Communications from Finance Commissioners received before 11:00 a.m. on May 2 are contained in Attachment 2. In addition, staff continued a list of corrections and clarification to the Proposed Budgets based on staff further review and Commission comments as listed in Attachment 3.

PAGE 3 OF 3

SUBJECT: Proposed FY 2024/25 Operating and Capital Budgets

DATE: May 1, 2024

DISCUSSION (continued):

At the Finance Commission special meeting on May 6, 2024, the Finance Commission will continue its discussion and the identification of its comments and recommendations to the Town Council. The primary focus of the discussion will be the five-year capital plan. The Commission is scheduled to complete its recommendations on the Budget at its regular meeting on May 13, 2024. The Commission's final comments and recommendations to be transmitted to the Town Council for its May 21, 2024 public hearing on the Budgets.

CONCLUSION:

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

Attachments:

1. Additional Detailed Information
2. Commissioners Communication received before 11:00 a.m. on May 2, 2024
3. Corrections and clarifications to the Proposed FY 2024/25 Operating and Capital Budgets

Please see detailed information related to Other Sources as presented pages C-8 through C-13 in the Proposed FY 2024/25 Operating and Capital Summary Budget.

	GENERAL FUND				
	2020/21	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	Proposed
Other Sources					
Miscellaneous Other Sources	\$ 382,759	\$ 340,710	\$ 414,371	\$ 289,510	\$ 448,821
Pass Through Revenues - Measure G Tracking	549,328	629,148	629,065	622,187	611,083
Pass Through Revenues - ARPA Loss Revenue Tracking	79,177	3,970,277	4,086,536	458,000	-
Sale of Property	1,201,369	2,151	2,162	1,000	1,000
Insurance Reimbursement	4,439	17,481	25,009	213,446	-
BMP Loan Repayment	-	-	300,000	-	-
Pension Trust	-	690,000	690,000	690,000	390,000
Total Other Sources	\$ 2,217,072	\$ 5,649,767	\$ 6,147,143	\$ 2,274,143	\$ 1,450,904

	SPECIAL REVENUE FUNDS				
	2020/21	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	Proposed
Other Sources					
Miscellaneous Other Sources	\$ 106,547	\$ 101,572	\$ 196,324	\$ 262,360	\$ 128,460
Pass Through Revenues - Measure G Tracking	-	32,853	-	-	-
Pass Through Revenues - ARPA Loss Revenue Tracking	-	-	-	-	-
Sale of Property	-	-	-	-	-
Insurance Reimbursement	-	-	-	-	-
BMP Loan Repayment	-	-	-	-	-
Pension Trust	-	-	-	-	-
Total Other Sources	\$ 106,547	\$ 134,425	\$ 196,324	\$ 262,360	\$ 128,460

	INTERNAL SERVICE FUNDS				
	2020/21	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	Proposed
REVENUES					
Other Sources	\$ 270,671	\$ 802,491	\$ 125,049	\$ 76,789	\$ 443,587
Pass Through Revenues - Measure G Tracking	-	-	-	-	-
Pass Through Revenues - ARPA Loss Revenue Track	478	249,407	243,325	221,000	-
Sale of Property	55,684	45,210	25,978	20,000	-
Insurance Reimbursement	327,768	258,474	216,694	199,810	-
BMP Loan Repayment	-	-	-	-	-
Pension Trust	-	-	-	-	-
Total Other Sources	\$ 654,601	\$ 1,355,582	\$ 611,046	\$ 517,599	\$ 443,587

CAPITAL PROJECT FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Estimated	2024/25 Proposed
Other Sources					
Miscellaneous Other Sources	2,239,342	1,308,057	2,567,888	237,591	106,001
Pass Through Revenues - Measure G Tracking	-	1,769,057	629,064	622,187	644,083
Pass Through Revenues - ARPA Loss Revenue Tracking	-	555,083	4,830,572	866,281	11,333
Sale of Property	-	-	-	-	-
Insurance Reimbursement	-	-	-	-	-
BMP Loan Repayment	-	-	-	-	-
Pension Trust	-	-	-	-	-
Total Other Sources	2,239,342	3,632,197	8,027,524	1,726,059	761,417

SUCCESSOR AGENCY TO THE LOS GATOS RDA

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Estimated	2024/25 Proposed
Other Sources					
Miscellaneous Other Sources	\$ 11,664	\$ 11,665	\$ 11,664	\$ 11,664	\$ 11,664
Pass Through Revenues - Measure G Tracking	-	-	-	-	-
Pass Through Revenues - ARPA Loss Revenue Tracking	-	-	-	-	-
Sale of Property	-	-	-	-	-
Insurance Reimbursement	-	-	-	-	-
BMP Loan Repayment	-	-	-	-	-
Pension Trust	-	-	-	-	-
Total Other Sources	\$ 11,664	\$ 11,665	\$ 11,664	\$ 11,664	\$ 11,664

TOTAL ALL FUNDS

	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Estimated	2024/25 Proposed
Other Sources					
Miscellaneous Other Sources	\$ 3,010,983	\$ 2,564,495	\$ 3,315,299	\$ 877,917	\$ 1,138,532
Pass Through Revenues - Measure G Tracking	549,328	2,398,205	1,258,129	1,244,374	1,255,166
Pass Through Revenues - ARPA Loss Revenue Tracking	79,655	4,807,620	9,160,433	1,545,281	11,333
Sale of Property	1,257,053	47,361	28,140	21,000	1,000
Insurance Reimbursement	332,207	275,955	241,703	413,256	-
BMP Loan Repayment	-	-	300,000	-	-
Pension Trust	-	690,000	690,000	690,000	390,000
Total Other Sources	\$ 5,229,226	\$ 10,783,636	\$ 14,993,701	\$ 4,791,828	\$ 2,796,031

Please see detailed information related to Operating Expenditures as presented pages C-8 through C-13 in the Proposed FY 2024/25 Operating and Capital Summary Budget.

GENERAL FUND					
	2020/21	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	Proposed
Operating Expenditures					
Materials and Supplies	\$ 1,192,578	\$ 1,163,672	\$ 1,272,422	\$ 1,606,300	\$ 1,630,460
Utilities	572,195	560,096	636,764	696,451	707,783
Fees Charges and Services	1,824,126	1,455,122	1,563,200	1,823,483	1,802,021
Consultant and Contractor Services	2,058,781	2,777,711	2,433,382	3,380,205	3,058,767
Training and Recruitment	123,765	193,381	241,160	388,667	426,700
Insurance Expenditures	-	-	-	-	-
CalPERS/Pension Discretionary	5,631,307	690,000	690,000	690,000	390,000
Pass Through Expenditures	48,424	(8,566)	28,201	53,708	41,161
Pass Through Expenditures - Measure G Tracking	549,328	2,398,205	1,258,129	1,244,373	1,288,166
Pass Through Expenditures - ARPA Loss Revenue Tracking	-	1,393,659	4,078,560	1,545,281	-
Pass Through Expenditures - Planning	507,833	579,965	466,899	574,500	572,500
Pass Through Expenditures - Engineering	481,981	457,138	321,525	415,000	565,000
BMP - One Time	-	1,200,000	-	-	-
Total Operating Expenditures	\$ 12,990,318	\$ 12,860,383	\$ 12,990,242	\$ 12,417,968	\$ 10,482,558

SPECIAL REVENUE FUNDS					
	2020/21	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	Proposed
Operating Expenditures					
Materials and Supplies	\$ 11,468	\$ 57,515	\$ 92,138	\$ 54,900	\$ 55,100
Utilities	18,309	18,666	58,382	94,093	99,376
Fees Charges and Services	34,366	37,885	57,802	72,183	78,459
Consultant and Contractor Services	36,248	31,474	30,937	77,972	66,085
Training and Recruitment	-	-	-	-	-
Insurance Expenditures	-	-	-	-	-
CalPERS/Pension Discretionary	-	-	-	-	-
Pass Through Expenditures	-	-	-	-	-
Pass Through Expenditures - Measure G Tracking	-	-	-	-	-
Pass Through Expenditures - ARPA Loss Revenue Tracking	200,911	3,413,961	3,614,872	-	-
Pass Through Expenditures - Planning	-	-	-	-	-
Pass Through Expenditures - Engineering	-	-	-	-	-
BMP - One Time	-	-	-	-	-
Total Operating Expenditures	\$ 301,302	\$ 3,559,501	\$ 3,854,131	\$ 299,148	\$ 299,020

INTERNAL SERVICE FUNDS

	2020/21	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	Proposed
Operating Expenditures					
Materials and Supplies	\$ 261,625	\$ 317,058	\$ 266,854	\$ 194,548	\$ 371,879
Utilities	520,978	567,244	651,499	688,084	688,084
Fees Charges and Services	98,782	85,525	352,856	166,205	168,931
Consultant and Contractor Services	1,047,281	1,051,833	494,970	1,118,429	1,352,185
Training and Recruitment	125	2,495	1,600	4,000	6,000
Insurance Expenditures	1,874,662	2,063,840	2,859,923	3,009,719	3,281,331
CalPERS/Pension Discretionary	-	-	-	-	-
Pass Through Expenditures	-	133,807	146,566	-	-
Pass Through Expenditures - Measure G Tracking	-	-	-	-	-
Pass Through Expenditures - ARPA Loss Revenue Tr	-	-	-	-	-
Pass Through Expenditures - Planning	-	-	-	-	-
Pass Through Expenditures - Engineering	-	-	-	-	-
BMP - One Time	-	-	-	-	-
Total Operating Expenditures	\$ 3,803,453	\$ 4,221,802	\$ 4,774,268	\$ 5,180,985	\$ 5,868,410

CAPITAL PROJECT FUNDS

	2020/21	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	Proposed
Operating Expenditures					
Materials and Supplies	\$ 496	\$ -	\$ -	\$ -	\$ -
Utilities	-	-	-	-	-
Fees Charges and Services	-	-	-	-	-
Consultant and Contractor Services	-	-	-	-	-
Training and Recruitment	-	-	-	-	-
Insurance Expenditures	-	-	-	-	-
CalPERS/Pension Discretionary	-	-	-	-	-
Pass Through Expenditures	-	-	-	-	-
Pass Through Expenditures - Measure G Tracking	-	-	-	-	-
Pass Through Expenditures - ARPA Loss Revenue Tracking	-	-	1,467,000	-	-
Pass Through Expenditures - Planning	-	-	-	-	-
Pass Through Expenditures - Engineering	-	-	-	-	-
BMP - One Time	-	-	-	-	-
Total Operating Expenditures	\$ 496	\$ -	\$ 1,467,000	\$ -	\$ -

SUCCESSOR AGENCY TO THE LOS GATOS RDA

	2020/21	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	Proposed
Operating Expenditures					
Materials and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	-	-	-	-	-
Fees Charges and Services	105,413	105,213	124,413	10,020	10,020
Consultant and Contractor Services	1,375	-	-	-	-
Training and Recruitment	-	-	-	-	-
Insurance Expenditures	-	-	-	-	-
CalPERS/Pension Discretionary	-	-	-	-	-
Pass Through Expenditures	-	-	-	-	-
Pass Through Expenditures - Measure G Tracking	-	-	-	-	-
Pass Through Expenditures - ARPA Loss Revenue Tracking	-	-	-	-	-
Pass Through Expenditures - Planning	-	-	-	-	-
Pass Through Expenditures - Engineering	-	-	-	-	-
BMP - One Time	-	-	-	-	-
Total Operating Expenditures	\$ 106,788	\$ 105,213	\$ 124,413	\$ 10,020	\$ 10,020

TOTAL ALL FUNDS

	2020/21	2021/22	2022/23	2023/24	2024/25
	Actuals	Actuals	Actuals	Estimated	Proposed
Operating Expenditures					
Materials and Supplies	\$ 1,466,167	\$ 1,538,245	\$ 1,631,414	\$ 1,855,748	\$ 2,057,439
Utilities	1,111,482	1,146,006	1,346,645	1,478,628	1,495,243
Fees Charges and Services	2,062,687	1,683,745	2,098,271	2,071,891	2,059,431
Consultant and Contractor Services	3,143,685	3,861,018	2,959,289	4,576,606	4,477,037
Training and Recruitment	123,890	195,876	242,760	392,667	432,700
Insurance Expenditures	1,874,662	2,063,840	2,859,923	3,009,719	3,281,331
CalPERS/Pension Discretionary	5,631,307	690,000	690,000	690,000	390,000
Pass Through Expenditures	48,424	125,241	174,767	53,708	41,161
Pass Through Expenditures - Measure G Tracking	549,328	2,398,205	1,258,129	1,244,373	1,288,166
Pass Through Expenditures - ARPA Loss Revenue Tr	200,911	4,807,620	9,160,432	1,545,281	-
Pass Through Expenditures - Planning	507,833	579,965	466,899	574,500	572,500
Pass Through Expenditures - Engineering	481,981	457,138	321,525	415,000	565,000
BMP - One Time	-	1,200,000	-	-	-
Total Operating Expenditures	\$ 17,202,357	\$ 20,746,899	\$ 23,210,054	\$ 17,908,121	\$ 16,660,008

From: [Phil Koen](#)
To: [Gitta Unqvari](#); [Laurel Prevetti](#)
Cc: [Linda Reiners](#); [Ashby Monk](#); [Andrew Howard](#); [Joseph Rodgers](#); [Rob Rennie](#); [Matthew Hudes](#); [Mary Badame](#); [Gabrielle Whelan](#)
Subject: General Fund Budget - according to GAAP
Date: Wednesday, May 1, 2024 2:20:35 PM
Attachments: [Pages from FY-202223-ACFR\(14\).pdf](#)

[EXTERNAL SENDER]

Hello Gitta,

For the FC to be able to evaluate the reasonableness of the FY 25 budget and make a recommendation to the TC in compliance with the Commission’s mandate, the FC must be able to understand the budget.

We previously requested Staff several months ago to prepare a schedule of revenues, expenditures, and changes in fund balance for the FY 25 GF Budget using the same format as presented in the ACFR. I have attached the relevant schedule from the 2023 ACFR again for your review.

Unfortunately, the budget book does not include such schedule making it impossible for the FC to reasonably understand the FY 25 budget in comparison to historical performance. Since historical performance is an excellent predictor of future performance, understanding the “bridge” from prior years to the FY 25 budget is critical to the FC ability to make a recommendation on the budget

taken as a whole. This can only be done if the historical results and the budget are prepared on a consistent basis.

Furthermore, at Monday's meeting, we learned that "tracking revenues and tracking" expenditures are included in schedule C-8 for FY 24. The inclusion of such "revenues and expenditures" does not conform to GAAP and would not appear in the budget vs actual expenditure analysis as presented in the ACFR.

I again respectfully request Staff to prepare a schedule which would reflect actual results for FY 21, 22 and FY 23 as reported in the ACFR (the numbers must agree to the audited numbers), a forecast for the most likely outcome for FY 24 on the same basis, and a FY 25 general fund budget also prepared on a consistent basis. I would specifically point out there is work to be done to conform FY 21, FY 22, and FY 23 "other sources of revenue" as reported in the ACFR to the other sources of revenue reported on schedule C-8. Additionally, the FY 25 budget for other sources of revenue must be consistent with historical numbers and must conform to GAAP.

Lastly, I would request that you use the same format as the ACFR report, specifically grouping all transfers in an out, as well as gains from sale of assets in a separate section

so the reader can understand how general fund revenues compare to general fund expenditures. All debt payments should also be eliminated, as required by the ACFR.

If the FC does not have access this to this basic information, I don't see how it will be possible for the Commission to arrive at a recommendation. The sooner the FC can receive this information, the better.

Please let me know if you have any questions.

Thank you,

Phil Koen

If the FC does not have

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

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

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

From: Phil Koen [REDACTED]
Sent: Thursday, May 2, 2024 7:56 AM
To: Nicolle Burnham <NBurnham@losgatosca.gov>; Gitta Ungvari <GUngvari@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>
Cc: Linda Reiners [REDACTED]; Andrew Howard [REDACTED]; Ashby Monk [REDACTED]; Joseph Rodgers [REDACTED]; Rob Rennie <RRennie@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>
Subject: GFAR Fund Project Summary

[EXTERNAL SENDER]

Nicole,

I have attached a spreadsheet I created which tracks over time a few major projects that are currently active. The source document for the data is the GRAR Fund Project Summary (B-12) for each fiscal year going back to FY 2021.

Could you explain for these projects why the total budget changes over time? I am unable to prove the total budget for a number of these projects. For example, the Shannon Road Repair total budget is \$5,376,064 yet there is only \$4,128,128 approved over time. When and how did the difference of \$1,247,936 get approved? Why is this happening and how does it impact the accuracy of B-12?

Can you also confirm the remaining funds available to spend can be computed by taking the total budget column and subtracting the expended column.

Thank you,

Phil Koen

GFAR Fund Project Summary		Expended	Carryforward	New Capital Current Year
0803	Hwy 17 Bicycle and Pedestrian Bridge			
	FY 2021	0	0	0
	FY 2022	0	946,210	0
	FY 2023	767,100	179,110	522,314
	FY 2024	107,943	665,926	0
	FY 2025	861,810	606,714	0
008	Shannon Road Repair			
	FY 2021	0	0	1,500,000
	FY 2022	63,073	1,436,927	0
	FY 2023	507,473	992,527	0
	FY 2024	361,121	2,557,449	1,814,064
	FY 2025	701,897	4,174,167	500,000
0235	Downtown Streetscape			
	FY 2021	0	1,972,384	0
	FY 2022	661,772	1,310,622	0
	FY 2023	860,786	1,952,854	0
	FY 2024	1,270,524	787,928	0
	FY 2025	2,289,007	552,633	0
6101	Enterprise Resource Planning Upgrade			
	FY 2021	292,528	77,026	0
	FY 2022	292,529	77,026	0
	FY 2023	292,528	77,026	1,200,000
	FY 2024	254,769	725,076	0
	FY 2025	1,025,736	576,817	0

New Capital Year 2	New Capital Year 3	New Capital Year 4	New Capital Year 5	Total Budgeted
946,210	0	0	0	946,210
0	0	0	0	946,210
0	0	0	0	1,468,524
0	0	0	0	773,869
0	0	0	0	1,468,524
0	0	0	0	1,500,000
0	0	0	0	1,500,000
0	0	0	0	1,075,000
0	0	0	0	4,732,634
0	0	0	0	5,376,064
0	0	0	0	1,972,384
0	0	0	0	1,972,394
0	0	0	0	2,813,640
0	0	0	0	2,058,452
0	0	0	0	2,841,640
0	0	0	0	369,554
0	0	0	0	369,554
0	0	0	0	1,589,554
0	0	0	0	979,845
0	0	0	0	1,602,553

From: Phil Koen [REDACTED]
Sent: Thursday, May 2, 2024 8:06 AM
To: Nicolle Burnham <NBurnham@losgatosca.gov>; Gitta Ungvari <GUngvari@losgatosca.gov>; Laurel Prevetti <LPrevetti@losgatosca.gov>
Cc: Linda Reiners [REDACTED]; Ashby Monk [REDACTED]; Andrew Howard [REDACTED]; Joseph Rodgers [REDACTED]; Rob Rennie <RRennie@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>
Subject: GFAR statement of source and use of funds - B-10

[EXTERNAL SENDER]

Hello Nicole,

Could you explain why the beginning FY 24 GFAR fund balance shown on schedule B-10 of \$21,139,281 does not agree with the GFAR fund balance of \$21,750,025 as reported in the FY 23 ACFR? Shouldn't these numbers agree? If they should agree, there is an additional \$610,744 of funds available.

Thank you,

Phil Koen

Updates to the Proposed FY 2024/25 Budget Documents

Item 1.

Based on additional staff review, the following updates are recommended to include in the final FY 2024/25 Operating and Capital Budget and FY 2024/25-FY 2028/29 Capital Improvement Plan (CIP) documents:

Proposed Operating & Capital Summary Budget FY 2024/25

Page A-24 – Remove “POA” under Safety Management from the table.

Page C-4 – Chart Horizontal Axis should be titled FY 2015/16 through FY 2024/25.

Page C-5 – Include the amount of the Waste Hauler Permit fee: While collections are estimated to stay at prior year levels, the revenue shifted from Franchise Fees to Licenses and Permits. **The FY 2024/25 estimates collection is \$2,366,630.**

Page C-18 and Page C- 24 Add Footnote to the Tables. ***Effective FY 2024/25 Garbage Franchise Fees are Reclassified to License and Permits. The FY 2024/25 Proposed Budget includes \$2,366,630 Waste Hauler Permit Fee.**

Page C-41 – Correct FY 2023/24 Estimated column for One-Time ARC ICC. The amount should be \$866,281 as the \$877,614 amount should exclude the \$11,333 included in the FY 2024/25 Proposed column. Additionally, the total for the FY 2023/24 Estimated column will be updated to \$1,545,281 which will now match the FY 2023/24 Estimated Spending row in the General Fund Council Priorities – Economic Recover Reserve Tracking table. Correct capitalization: (“One-time - Adult Recreation Center Interim Community Center” to “One-Time - Adult Recreation Center Interim Community Center”).

Page C-51 - Correct spelling: (“FY 2023/2” spelled “FY 223/24”).

Page C-52 - Correct spelling: (to “ensure” spelled “toensure”).

Page D-283 – Change language under program purpose to state: Administration’s core services are to provide administrative and managerial oversight for program and services, clerical and administrative assistance for day-to-day operations, personnel management, purchasing and physical plant maintenance, fiscal management and budget preparation, **coordination with the Friends of Los Gatos Library Board**, and support for the Library Board and the Arts and Culture Commission.

Proposed FY 2024/25 – 2028-29 Capital Improvement Program (CIP) Budget

Page A-4 - Correct spelling in chart (“Underground” spelled as “Undeground”).

Page A-9 - Add a footnote to projects Storm Drainage Repairs and TMO Roof Repairs to clarify that the projects are new to the CIP document but estimated to start in FY 2023/24. Therefore, related expenditures are characterized as carryforward.

***Project anticipated to start in FY 2023/24**

Page C-35 - FY 2024/25 Budget and Carryforward should total \$8,821,334. The \$8,381,333 displayed did not include 0435 Storm Drainage Mapping (\$450,001).

FY 2024/25 - 2028/29 CAPITAL IMPROVEMENT PROGRAM							
STREET IMPROVEMENT PROJECTS							
	Expended Through 2023/24	2024/25 Budget & Carryfwd*	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	Total Budgeted
<i>Carryforward Projects</i>							
9921 Curb, Gutter & Sidewalk Maintenance	\$ 5,197,835	\$ 621,147	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 7,018,982
0218 Shannon Road Ped & Bikeway Improvements	369,421	1,937,809	-	-	-	-	2,307,230
0225 Utility Undergrounding Improvements	2,852	299,573	-	-	-	-	302,425
0227 Traffic Signal Modernization	2,542,401	94,858	-	-	-	-	2,637,259
0235 Downtown Streetscape Revitalization/Economic Recovery Efforts	2,289,007	552,633	-	-	-	-	2,841,640
0237 State Route 17 Corridor Congestion Relief Project	600,000	867,000	600,000	600,000	600,000	600,000	3,867,000
0240 Winchester Class IV Bikeway	942,062	-	-	-	-	-	942,062
0241 Kennedy Sidewalk & Bike Lanes - LGB to Englewood	-	2,365,376	-	-	-	-	2,365,376
0242 Parking Program Implementation	278,629	488,826	-	-	-	-	767,455
0414 Stormwater System - Pollution Prevention Compliance	61,469	36,531	-	-	-	-	98,000
0420 Annual Storm Drain Improvements	291,181	252,219	-	-	-	-	543,400
0421 Loma Street Drainage	-	350,000	496,300	-	-	-	846,300
0422 Harwood/Belridge Drainage Study	-	100,000	-	-	-	-	100,000
0423 709 University Avenue Drainage System Replacement	-	200,000	-	-	-	-	200,000
0424 333 University Inlet Capacity Improvements	-	50,000	-	-	-	-	50,000
0705 Downtown Parking Lots Seal Coat & Restriping	84,839	65,161	-	10,000	-	10,000	170,000
0708 Parking Lot 4 Repair/Waterproofing	199,800	50,200	-	-	-	-	250,000
<i>New Projects</i>							
0244 Overlook Road Tree Replacement	-	40,000	-	-	-	-	40,000
0425 Storm Drainage Mapping	-	450,001	-	-	-	-	450,001
Total Street Improvement Projects	\$ 12,859,495	\$ 8,371,333	\$ 1,396,300	\$ 910,000	\$ 900,000	\$ 910,000	\$ 25,347,129
		\$ 8,821,334					