

TABLE OF CONTENTS

Contents

FY 2025-26 FORECAST- PUBLISHED 5-15-2025 (Updated 5-14-2025) 3

FY 2025-26 FORECAST ALTERNATIVE PRESENTATION- PUBLISHED 5-15-2025 (Updated 5-14-2025) 4

FY 2025-26 BUDGET/FORECAST COMPARISON AS IT PUBLISHED ON 4/22/2024 COMPARED TO AS IT PUBLISHED ON 4/21/2025 5

FY 2025-26 FORECAST- PUBLISHED 4-21-2025 (HISTORICAL DETAIL ADDED ON 4/25/2025 TO PUBLICATION)..... 8

 REVENUE BASELINE AND PROJECTION FACTORS (PROPOSED FY 2025-25 BUDGET - PUBLISHED 4/21/2025) 10

 EXPENDITURE BASELINE AND PROJECTION FACTORS (PROPOSED FY 2025-26 BUDGET - PUBLISHED 4/21/2025)..... 12

FY 2024-25 MID-YEAR REPORT AND FORECAST – PUBLISHED 2/7/2025 14

 REVENUE BASELINE AND PROJECTION FACTORS (FY 2024-25 MID-YEAR REPORT AND FORECAST – PUBLISHED 2/7/2025) 15

 EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2024-25 MID-YEAR REPORT AND FORECAST – PUBLISHED 2/7/2025) 17

FY 2024-25 FORECAST- PUBLISHED 4-22-2024 FY 2024-25 PROPOSED BUDGET 19

 REVENUE BASELINE AND PROJECTION FACTORS (FY 2024-25 PROPOSED BUDGET – PUBLISHED 4/22/2024)..... 21

 EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2024-25 PROPOSED BUDGET – PUBLISHED 4/22/2024) 23

FY 2023-24 MID-YEAR-REPORT AND FORECAST – PUBLISHED 2/10/2024 28

 REVENUE BASELINE AND PROJECTION FACTORS (FY 2023-24 MID-YEAR REPORT AND FORECAST – PUBLISHED 2/10/2024) 29

 EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2023-24 MID-YEAR REPORT AND FORECAST – PUBLISHED 2/10/2024) 31

FY 2023-24 PROPOSED BUDGET FORECAST- PUBLISHED 4/17/2023 32

 REVENUE BASELINE AND PROJECTION FACTORS (FY 2023-24 PROPOSED BUDGET - PUBLISHED 4/17/2023) 33

 EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2023-24 PROPOSED BUDGET - PUBLISHED 4/17/2023)..... 35

FY 2022-23 MID-YEAR REPORT AND FORECAST- PUBLISHED 2/10/2023..... 37

 REVENUE BASELINE AND PROJECTION FACTORS (FY 2022-23 MID-YEAR REPORT AND FORECAST – PUBLISHED 2/10/2023) 38

 EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2022-23 MID-YEAR REPORT AND FORECAST – PUBLISHED 2/10/2023) 40

FY 2022-23 PROPOSED BUDGET FORECAST- PUBLISHED 4/18/2022 43

 REVENUE BASELINE AND PROJECTION FACTORS (PROPOSED FY 2022-23 BUDGET – PUBLISHED 4/17/2022)..... 44

 EXPENDITURE BASELINE AND PROJECTION FACTORS (PROPOSED FY 2022-23 BUDGET – PUBLISHED 4/17/2022) 46

FY 2021-22 MID-YEAR REPORT AND FORECAST- PUBLISHED 2/11/2022..... 48

 REVENUE BASELINE AND PROJECTION FACTORS (FY 2021-22 MID-YEAR AND FORECAST - PUBLISHED 2/11/2022) 49

EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2021-22 MID YEAR AND FORECAST - PUBLISHED 2/11/2022)	51
.....	
FY 2021-22 PROPOSED BUDGET - PUBLISHED 4/19/2021	53
REVENUE BASELINE AND PROJECTION FACTORS (FY 2021-22 PROPOSED BUDGET - PUBLISHED 4/19/2021)	54
EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2021-22 PROPOSED BUDGET - PUBLISHED 4/19/2021)	56
FY 2020-21 MID-YEAR REPORT AND FORECAST - PUBLISHED 2/12/2021	58
REVENUE BASELINE AND PROJECTION FACTORS (FY 2020-21 MID-YEAR AND FORECAST - PUBLISHED 2/12/2021)	59
EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2020-21 MID-YEAR AND FORECAST - PUBLISHED 2/12/2021)	61
.....	
FY 2020-21 PROPOSED BUDGET - PUBLISHED 4/19/2021	63
REVENUE BASELINE AND PROJECTION FACTORS (FY 2020-21 PROPOSED BUDGET - PUBLISHED 4/19/2021)	64
EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2020-21 PROPOSED BUDGET - PUBLISHED 4/19/2021)	66

FY 2025-26 FORECAST- PUBLISHED 5-15-2025 (Updated 5-14-2025)

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	\$ 21.4	\$ 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	2.4	2.5	2.6	2.7	2.7	2.8
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	5.3	5.4
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	\$ 59.6	\$ 59.8	\$ 61.6	\$ 63.1	\$ 63.4	\$ 65.5
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 Priorities - Economic	-	1.5	-	-	-	-	-	-	-	-
Use of Unassigned Fund Balance	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES, TRANSFERS, AND USE OF RESERVES*	\$ 61.1	\$ 61.9	\$ 61.5	\$ 60.8	\$ 59.6	\$ 59.8	\$ 61.6	\$ 63.1	\$ 63.4	\$ 65.5
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	9.7	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	10.2	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	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	2.1	2.1
TOTAL OPERATING EXPENDITURES	\$ 51.8	\$ 52.9	\$ 58.2	\$ 56.7	\$ 60.6	\$ 62.8	\$ 65.1	\$ 67.5	\$ 67.7	\$ 69.1
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	\$ 61.0	\$ 63.2	\$ 65.5	\$ 67.9	\$ 68.1	\$ 69.5
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	\$ 61.4	\$ 63.6	\$ 65.9	\$ 68.3	\$ 68.5	\$ 69.9
NET REVENUES, TRANSFERS IN, USE OF RESERVES LESS EXPENDITURES, TRANSFERS IN, AND RESERVE ALLOCATIONS	\$ 4.9	\$ 4.2	\$ 0.5	\$ -	(1.8)	(3.8)	(4.3)	(5.2)	(5.1)	(4.4)

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

FY 2025-26 FORECAST ALTERNATIVE PRESENTATION- PUBLISHED 5-15-2025 (Updated 5-14-2025)

A	B	C	D	E	F	G	H	I	J	K
FY 2025-26 5-Year Forecast (in Thousands) Updated 5-14-2025	FY 2021-22 Actual	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Estimated	FY 2025-26 Budgeted	FY 2026-27 Forecasted	FY 2027-28 Forecasted	FY 2028-29 Forecasted	FY 2029-30 Forecasted	FY 2030-31 Forecasted
1 Revenues										
2 Property Taxes										
3 >Property Tax	\$ 14,528	\$ 15,888	\$ 16,787	\$ 17,376	\$ 18,211	\$ 18,961	\$ 19,831	\$ 20,744	\$ 21,700	\$ 22,703
4 >ERAF	2,372	2,299	2,534	2,617	3,220	3,220	3,220	3,220	3,220	3,220
5 >VLF Backfill Property Tax	4,229	4,556	4,906	5,109	5,377	5,688	5,946	6,237	6,542	6,863
6 Total Property Tax	\$ 21,129	\$ 22,743	\$ 24,227	\$ 25,102	\$ 26,608	\$ 27,869	\$ 28,997	\$ 30,201	\$ 31,462	\$ 32,786
7										
8 Sales Tax										
9 >Sales Tax *	\$ 7,178	\$ 7,507	\$ 6,795	\$ 6,419	\$ 6,639	\$ 6,767	\$ 6,913	\$ 7,050	\$ 7,170	\$ 7,275
10 >Measure G Sales Tax*	1,306	1,299	1,277	1,243	1,299	1,337	1,375	1,414	1,450	1,484
11 Total Sales Tax	\$ 8,484	\$ 8,806	\$ 8,072	\$ 7,662	\$ 7,938	\$ 8,104	\$ 8,288	\$ 8,464	\$ 8,620	\$ 8,759
12										
13 Transient Occupancy Tax	\$ 1,895	\$ 2,228	\$ 2,368	\$ 2,332	\$ 2,402	\$ 2,402	\$ 2,402	\$ 2,402	\$ 2,402	\$ 2,402
14										
15 Other Taxes	\$ 15	\$ 7	\$ 5	\$ 7	\$ 7	\$ 7	\$ 7	\$ 8	\$ 8	\$ 8
16										
17 Licenses and Permits										
18 >Planning & Building Permit Fees	\$ 2,078	\$ 2,171	\$ 2,211	\$ 2,936	\$ 2,255	\$ 2,323	\$ 2,392	\$ 2,464	\$ 2,538	\$ 2,614
19 >Business Licenses	1,482	2,362	1,519	2,839	2,434	2,507	2,582	2,660	2,739	2,822
20 >Waste Hauler Encroachment Permit **	0	0	766	2,298	2,966	2,966	2,966	2,966	2,966	2,966
21 >Engineering Permits	702	464	199	330	577	494	509	524	540	556
22 >Waste Hauler Admin and Tree Trimming Fees	444	291	508	142	142	146	150	155	160	164
23 >Other	390	342	310	389	383	394	406	418	430	443
24 Total Licenses and Permits	\$ 5,096	\$ 5,630	\$ 5,513	\$ 8,934	\$ 8,757	\$ 8,830	\$ 9,005	\$ 9,187	\$ 9,373	\$ 9,565
25										
26 Intergovernmental										
27 >State	\$ 1,257	\$ 1,522	\$ 1,073	\$ 1,069	\$ 772	\$ 833	\$ 866	\$ 877	\$ 887	\$ 895
28 >Federal	6	17	21	20	13	8	8	8	8	8
29 >County	0	0	63	114	54	0	0	0	0	0
30 >Other	0	14	0	0	0	0	0	0	0	0
31 Total Intergovernmental	\$ 1,263	\$ 1,553	\$ 1,157	\$ 1,203	\$ 839	\$ 841	\$ 874	\$ 885	\$ 895	\$ 903
32										
33 Charges for Services										
34 >Special Morrie Sereno Police Agreement	\$ 967	\$ 1,011	\$ 1,071	\$ 1,136	\$ 1,425	\$ 1,468	\$ 1,512	\$ 1,557	\$ 1,604	\$ 1,652
35 >Other PD Services	213	312	364	193	238	192	193	193	196	196
36 >Planning Fees	928	785	838	778	779	750	773	796	820	845
37 >Engineering Fees	1,207	977	1,166	793	1,018	1,035	1,063	1,092	1,122	1,152
38 >Parks	7	39	62	82	92	70	72	74	76	78
39 >General Plan	644	398	692	60	200	206	212	219	225	232
40 >Below Market Housing Program - Pass Through	170	167	285	204	155	159	165	171	177	183
41 >Community Development - Pass Through	580	467	575	573	573	533	533	533	533	533
42 >Parks and Public Works - Pass Through	457	322	455	870	785	183	183	183	183	183
43 >Other	288	169	405	293	302	235	235	237	237	239
44 Total Charges for Services	\$ 5,461	\$ 4,647	\$ 5,913	\$ 4,982	\$ 5,567	\$ 4,831	\$ 4,941	\$ 5,055	\$ 5,172	\$ 5,292
45										
46 Fines and Forfeitures	\$ 319	\$ 417	\$ 481	\$ 385	\$ 315	\$ 315	\$ 311	\$ 311	\$ 320	\$ 330
47										
48 Franchise Fees										
49 >Garbage franchise fee	\$ 1,881	\$ 2,051	\$ 1,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50 >Other franchise fees	942	1,023	1,054	1,013	1,044	1,075	1,107	1,141	1,175	1,210
51 Total Franchise Fees	\$ 2,823	\$ 3,074	\$ 2,547	\$ 1,013	\$ 1,044	\$ 1,075	\$ 1,107	\$ 1,141	\$ 1,175	\$ 1,210
52										
53 Below Market Housing Program - Loan	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
54										
55 Investment Income	\$ (1,405)	\$ 606	\$ 2,699	\$ 1,427	\$ 1,568	\$ 1,077	\$ 1,008	\$ 765	\$ 653	\$ 1,014
56										
57 Use of Property	\$ 32	\$ 38	\$ 35	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46	\$ 46
58										
59 Other	\$ 311	\$ 860	\$ 516	\$ 525	\$ 233	\$ 141	\$ 143	\$ 146	\$ 148	\$ 151
60										
61 Revenues without COPs	46,623	50,609	53,533	53,618	55,324	55,538	57,129	58,611	60,274	62,466
62										
63 CDP Lease (Eliminated in ACFR)	\$ 1,900	\$ 1,894	\$ 1,895	\$ 1,902	\$ 1,902	\$ 1,908	\$ 1,916	\$ 1,923	\$ 668	\$ 668
64										
65 Total Revenues	\$ 48,523	\$ 52,503	\$ 55,428	\$ 55,520	\$ 57,226	\$ 57,446	\$ 59,045	\$ 60,534	\$ 60,942	\$ 63,134
66										
67										
68										
69 Operating Expenditures										
70 Salaries and Wages	\$ 19,981	\$ 21,799	\$ 22,864	\$ 24,147	\$ 26,091	\$ 27,459	\$ 28,123	\$ 28,737	\$ 29,174	\$ 29,918
71 Retirement Benefits	6,532	7,091	7,431	8,272	9,652	10,431	11,116	11,994	12,135	12,439
72 Other Employee Benefits	3,679	3,830	4,275	4,879	6,270	6,288	6,668	6,972	7,399	6,972
73 4.6% Vacancy Factor					(1,944)	(2,044)	(2,124)	(2,206)	(2,252)	(2,281)
74 Total Wages and Benefits	\$ 30,192	\$ 32,720	\$ 34,570	\$ 37,298	\$ 40,069	\$ 42,134	\$ 43,783	\$ 45,497	\$ 46,456	\$ 47,048
75										
76 Operating Expenditures	\$ 12,985	\$ 11,715	\$ 14,012	\$ 16,705	\$ 17,360	\$ 17,254	\$ 17,810	\$ 18,507	\$ 18,985	\$ 19,704
77										
78 Capital Outlay	\$ -	\$ 300	\$ 708	\$ 886	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79										
80 Debt Service										
81 >Principal	\$ 156	\$ 156	\$ 225	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156	\$ 156
82 >Interest and Fees	0	0	4	0	0	0	0	0	0	0
83										
84 Expenditures without COPs	\$ 43,333	\$ 44,891	\$ 49,519	\$ 55,045	\$ 57,585	\$ 59,544	\$ 61,749	\$ 64,160	\$ 65,597	\$ 66,908
85										
86 CDP Lease Transfer (Eliminated in ACFR)	1,900	1,894	1,895	1,902	1,902	1,908	1,916	1,923	668	668
87										
88 Total Expenditures	\$ 45,233	\$ 46,785	\$ 51,414	\$ 56,947	\$ 59,487	\$ 61,452	\$ 63,665	\$ 66,083	\$ 66,265	\$ 67,576
89										
90 Excess (Deficiency) of Revenues	3,291	5,719	4,014	(1,428)	(2,261)	(4,006)	(4,620)	(5,549)	(5,323)	(4,442)
91										
92 Other Financing Sources (Uses)										
93 >Subscriptions	\$ -	\$ -	\$ 707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94 >Sale of capital assets	2	2	0	822	1	1	1	1	1	1
95 >Transfers in	4,047	4,153	2,333	1,849	2,169	2,251	2,287	2,322	2,356	2,382
96 >Transfers (out)	(4,358)	(7,243)	(5,520)	(3,118)	(1,607)	(1,680)	(1,725)	(1,760)	(1,794)	(1,820)
97 Total Other Financing Sources (Uses)	(309)	(3,088)	(2,480)	(447)	563	563	563	563	563	563
98										
99 Net Change in Fund Balances	2,982	2,631	1,534	(1,875)	(1,698)	(3,443)	(4,057)	(4,986)	(4,760)	(3,879)
100										
101 Beginning Fund Balance	23,915	26,897	29,528	31,062	29,188	27,490	24,047	19,990	15,004	10,244
102										
103 Ending Fund Balance	\$ 26,897	\$ 29,528	\$ 31,062	\$ 29,188	\$ 27,490	\$ 24,047	\$ 19,990	\$ 15,004	\$ 10,244	\$ 6,365

FY 2025-26 BUDGET/FORECAST COMPARISON AS IT PUBLISHED ON 4/22/2024 COMPARED TO AS IT PUBLISHED ON 4/21/2025

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 5** 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 **page 19** and **page 8** 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:

1) Row 8 – Column E - Licenses and Permits: \$2.4 million variance.

*The \$2.4 million Waste hauler Encroachment fee was re-categorized from Town Services in **Row 10 - Column C Forecast** to Licenses and Permits located at **Row 8 – Column D Proposed Budget**.*

2) 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.

3) Row 13 – Column E – Other Sources: \$0.7 million variance.

Since all Measure G Revenue is programmed to provide public safety services, the pass-through tracking revenue is characterized as other revenue which is offset by the equivalent expenditures in Police salaries and benefits.

*In the Row 13 - 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**.*

4) 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 the **Row 18 - Column D Forecast** for TEA, ASCME, Confidential, Management, and Temporary employees, was 5% in FY 2024-25, 3% in FY 2025-26. AFSCME actual increases are 4% in FY 2024-25 and FY 2025-26. In addition, there were equity adjustments for certain job classes that were not included in **the Row 18 - Column C Forecast**.*

5) 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).

6) Row 24 – Column E – Operating Expenditures: \$2.03 million variance.

Operating expenditures experience inflationary factors as well. The prior year assumed a 3% increase; 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 the **Row 24 - 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 forecasts: \$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, and 30,000 in auto parts, and \$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 Priorities - 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 4/25/2025 TO 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 & USE OF RESERVES*	\$ 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 Priorities - 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 ALLOCATIONS	\$ 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 Transfer Out	0.1	-	0.6	0.5	1.1	-	-
	1/2 of Measure G Proceeds to Capital	-	-	-	-	-	-	0.7
	Fixed Assets/ Equipment	0.4	-	-	-	0.1	-	-
	Fund	-	-	1.2	3.6	0.4	-	-
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 Adjustments	-	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 presentation does not include Pension Trusts activities.

REVENUE BASELINE AND PROJECTION FACTORS (PROPOSED FY 2025-25 BUDGET - PUBLISHED 4/21/2025)

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			
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 4/21/2025)

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					
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%	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.*

FY 2024-25 MID-YEAR REPORT AND FORECAST – PUBLISHED 2/7/2025

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 Priorities - 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 – PUBLISHED 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				
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					
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. 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.

71

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%

FY 2024-25 FORECAST- PUBLISHED 4-22-2024 FY 2024-25 PROPOSED BUDGET

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 Priorities - 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 Transfer Out	0.1	-	0.6	0.5	1.1	-	-
	1/2 of Measure G Proceeds to Capital	-	-	-	-	-	-	0.7
	Fixed Assets/ Equipment	0.4	-	-	-	0.1	-	-
	Fund	-	-	1.2	3.6	0.4	-	-
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 Adjustments	-	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 presentation does not include Pension Trusts activities.

REVENUE BASELINE AND PROJECTION FACTORS (FY 2024-25 PROPOSED BUDGET – PUBLISHED 4/22/2024)



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¶

EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2024-25 PROPOSED BUDGET – PUBLISHED 4/22/2024)

¶

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. ¶

¶

Type of Expenditure	FY2024/25 Budget	FY 2025/26 Forecast	FY 2026/27 Forecast	FY 2027/28 Forecast	FY 2028/29 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					
Debt Service	Debt Service Schedules					

¶

*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. ¶

¶

" 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. ¶

¶ 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	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%

¶ *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. ¶

¶
 ¶
 ¶

**SUMMARY OF CHANGES FY 2024-25
FROM PROPOSED TO ADOPTED**

Per Measure A, the Finance Commission received the Proposed FY 2023/24 Operating and Capital 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	VLFF 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)

FY 2023-24 MID-YEAR-REPORT AND FORECAST – PUBLISHED 2/10/2024

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 Priorities - 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 – PUBLISHED 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-Fees	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

EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2023-24 MID-YEAR REPORT AND FORECAST – PUBLISHED 2/10/2024)

¶ 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 \$0.5M to the base	3%	3%	3%	3%
General Liability Charges	Based on projected payroll	Additional \$0.45M to the base	3%	3%	3%	3%
Other Internal Service Charges***	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 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.

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-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%	29.6%	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%	29.6%	31.0%	32.3%	33.8%

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.									

REVENUE BASELINE AND PROJECTION FACTORS (FY 2023-24 PROPOSED BUDGET - PUBLISHED 4/17/2023)

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				
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 March 2023 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				

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					
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 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. 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 - PEPPRA	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 PEPPRA						
Separate PEPPRA 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 Fund	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	<u>MuniServices January 2023 Most Likely Estimates</u>	<u>MuniServices January 2023 Most Likely Estimates</u>	<u>MuniServices January 2023 Most Likely Estimates</u>	<u>MuniServices January 2023 Most Likely Estimates</u>	<u>MuniServices January 2023 Most Likely Estimates</u>	<u>MuniServices January 2023 Most Likely Estimates</u>
Sales Tax - Measure G	<u>MuniServices January 2023 Most Likely Estimates</u>	<u>MuniServices January 2023 Most Likely Estimates</u>	<u>MuniServices January 2023 Most Likely Estimates</u>	<u>MuniServices January 2023 Most Likely Estimates</u>	<u>MuniServices January 2023 Most Likely Estimates</u>	<u>MuniServices January 2023 Most Likely Estimates</u>
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					
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						
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.									

REVENUE BASELINE AND PROJECTION FACTORS (PROPOSED FY 2022-23 BUDGET – PUBLISHED 4/17/2022)

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				
Other Sources Current baseline set by FY 2021/22 Year End Estimates	Varies	Varies	Varies	Varies	Varies	Varies

EXPENDITURE BASELINE AND PROJECTION FACTORS (PROPOSED FY 2022-23 BUDGET – PUBLISHED 4/17/2022)

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					
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						
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.*

FY 2021-22 MID-YEAR REPORT AND FORECAST- PUBLISHED 2/11/2022

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 in FY 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 - PUBLISHED 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				
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%
<i>Miscellaneous TEA/Confidential/Management PEPRA</i>	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.

REVENUE BASELINE AND PROJECTION FACTORS (FY 2021-22 PROPOSED BUDGET - PUBLISHED 4/19/2021)

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

EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2021-22 PROPOSED BUDGET - PUBLISHED 4/19/2021)

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					
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 - PEPR	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 PEPR						
Separate PEPR 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.

FY 2020-21 MID-YEAR REPORT AND FORECAST - PUBLISHED 2/12/2021

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 Fees	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

EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2020-21 MID-YEAR AND FORECAST - PUBLISHED 2/12/2021)

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				
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.

¶
¶

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%

¶

*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 2020-21 PROPOSED BUDGET - PUBLISHED 4/19/2021

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 4/19/2021)

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

EXPENDITURE BASELINE AND PROJECTION FACTORS (FY 2020-21 PROPOSED BUDGET - PUBLISHED 4/19/2021)

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					
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% 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.