Outlook

COLA projections

From Adam Fischer <[redacted]>
Date Mon 10/12/2026 10:09 AM
To Kristina Alfaro <KAlfaro@losgatosca.gov>
Cc Chris Constantin <CConstantin@losgatosca.gov>

[EXTERNAL SENDER]

One more question came up as I was reviewing the agenda packet:

Looking at Tables 14 and 15 on pages 207 and 208, the adjusted structural deficit improves by approximately $2.8 million annually by 2036.

The report references both COLA reductions and Internal Service Fund savings. Can staff provide a breakdown of how much of that improvement is attributable to each?

Specifically, what personnel cost growth rates are assumed, and have those assumptions been incorporated into existing labor agreements or are they dependent on future negotiations?

Thank you,

Adam

Sent from my iPhone

> On Oct 11, 2026, at 7:34 PM, Adam Fischer <[redacted]> wrote:
>
> Hi Kristina-
>
> I want to reconcile two statements in the Monthly Financial Report. The overall expenditure analysis indicates that expenditures and encumbrances are trending below prior years (pg 77). However, the Internal Service Funds commentary (pg 78) says they're trending above historical levels, citing insurance costs, expenditure timing and encumbrances.
>
> I understand these are different fund groupings, but when I look at the historical numbers for ISF specifically, actual expenditures and encumbrances have declined slightly year over year.
>
> It appears the increase from 39.7% to 51.12% utilization is primarily a result of the revised budget declining from $8.9M to $6.62M.
>
> Can staff confirm that interpretation and explain why the narrative emphasizes expenditure trends rather than the reduction in the budget?

Thank you,

Adam