

DRAFT RESOLUTION 2021-

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
APPROVING THE FISCAL YEAR (FY) 2021/22 OPERATING BUDGET AND FY 2021/22 –
2025/26 CAPITAL BUDGET, NEW APPROPRIATIONS, OTHER ADJUSTMENTS, OTHER
COUNCIL ACTIONS ON MAY 18, 2021, MINOR CORRECTIONS, AND CARRY-FORWARD
APPROPRIATIONS**

WHEREAS, Section 2.30.295(b) of the Los Gatos Town Code requires the Town Manager to annually prepare and submit a budget to the Town Council and be responsible for its administration; and

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Operating Budget for FY 2021/22 on April 19, 2021; and

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Five-Year Capital Improvement Program for FY 2021/22 – 2025/26 on April 19, 2021; and

WHEREAS, the Town Council conducted a noticed public hearing on the Proposed Operating Budget and Capital Improvement Program on May 18, 2021; and

WHEREAS, per Measure A, the Town Council has considered and reviewed the Finance Commission written recommendations to the Town Council on the said proposed Budget and Capital Improvement Program during public hearings on May 18, 2021; and

WHEREAS, per Measures G and A, the Town Council has considered and reviewed the Finance Commission written recommendations to the Town Council regarding the potential allocation of Measure G proceeds during its public hearing on May 18, 2021; and

WHEREAS, the Town Council has determined the use of the \$1.2 million accumulated Measure G Funds Reserve (through June 30, 2020) to be allocated 50% for operating expenditures in FY 2020/21 and FY 2021/22, and 50% for capital purposes; and

WHEREAS, the Town Council has determined the use of Measure G proceeds in 2020/21 to be 50% for operating expenditures in FY 2020/21 and 50% for capital purposes; and

WHEREAS, the Town Council has determined the use of Measure G proceeds in FY 2021/22 to be 50% for operating expenditures in FY 2021/22 and 50% for capital purposes; and

ATTACHMENT 1

WHEREAS, the Town Council has determined the use of Measure G proceeds in the remainder of the forecast (FY 2022/23 - FY 2026/27) to be 50% for operating expenditures and 50% for capital purposes; and

WHEREAS, the Town Council has determined that the Five-Year Forecast include a 2% base salary inflation in the FY 2021/22 budget and the remainder of the forecast period (FY 2022/23 - FY 2026/27); and

WHEREAS, the estimated FY 2021/22 property tax revenue increased by \$171,714 based on updated information received from the Santa Clara County Assessor Office in May and updated information related to the sales of North 40 Phase 1; and

WHEREAS, the Town Council has determined that a portion of the proceeds of the American Recovery Plan Act (ARPA) up to the amount of \$1,362,910 will be used for Revenue Replacement and balancing the FY 2020/21 budget; and

WHEREAS, the Town Council has determined that a portion of the proceeds of the American Recovery Plan Act (ARPA) up to the amount of \$1,912,536 (\$1,562,536 plus \$350,000) will be used for Revenue Replacement and balancing the FY 2021/22 budget; and

WHEREAS, the Town Council has determined that to further balance the budget, the Town should cancel in FY 2021/22 the actuarial determined Other Post-Employment Benefits (OPEB) payment to the extent it is necessary (the actuarial determined scheduled amount is \$508,000 for FY 2021/22 and remaining budgeted payment is \$148,693); and

WHEREAS, the Town Council has determined the use of the \$1.2 Million in the Surplus Property Reserve (Winchester property sale proceeds) be used for capital purposes; and

WHEREAS, the Town Council has determined that \$500,000 of the identified capital funding should be spent on the Roadside Fuel Reduction Project; and

WHEREAS, on June 1, 2021, Town Council considered and reviewed the proposed Budget and Capital Improvement Program making final determinations.

NOW, THEREFORE, BE IT RESOLVED: that the Town Council hereby adopts as the Operating Budget for the Town of Los Gatos for the 2021/22 fiscal year as depicted in Exhibit A entitled "Total Town Revenues and Expenditures by Fund" including the first year (FY 2021/22)

of the Town's Capital Improvement Program budget as contained in the Town's FY 2021/22 – 2025/26 Capital Improvement Program.

BE IT FURTHER RESOLVED, that the final adopted Budget documents include minor corrections and approved appropriations for unspent prior year allocations, and that they be carried forward from prior years in a Reserve for Encumbrances whereby within each fund there is an amount sufficient to cover approved outstanding encumbrances as of June 30, 2021.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 1st day of June, 2021 by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

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

DATE: _____

TOTAL TOWN REVENUES AND EXPENDITURES BY FUND

| | 2021/22 Proposed Budget | Estimated Budget Revision | 2021/22 Recommended Budget |
|--|-------------------------------|---------------------------------|----------------------------------|
| REVENUES | | | |
| General Fund | \$47,092,489 | \$ 171,714 (1) | \$ 47,264,203 |
| Special Revenue Funds | 271,003 | - | 271,003 |
| Internal Service Funds | 4,095,437 | - | 4,095,437 |
| Trust Funds | 59,100 | - | 59,100 |
| Capital Project Funds (does not include carryforwards) | 4,735,640 | 2,251,047 (2) | 6,986,687 |
| Successor Agency Funds | 3,912,200 | - | 3,912,200 |
| TOTAL REVENUES | \$60,165,869 | \$ 2,422,761 | \$ 62,588,630 |
| OTHER FUNDING SOURCES | | | |
| Designated One-Time Use of General Fund Reserves | 2,453,988 | \$ 2,601,047 | 5,055,035 (3) |
| TOTAL TOWN REVENUES & OTHER FUNDING SOURCES | \$62,619,857 | \$ 5,023,808 | \$ 67,643,665 |
| TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION | | | |
| General Fund | \$46,312,162 | \$ 2,420,717 (4) | \$ 48,732,879 |
| Special Revenue Funds | 321,243 | - | 321,243 |
| Internal Service Funds | 5,226,055 | - | 5,226,055 |
| Trust Funds | 88,955 | - | 88,955 |
| Capital Project Funds (does not include carryforwards) | 6,919,352 | 500,000 (5) | 7,419,352 |
| Successor Agency Funds | 3,811,432 | - | 3,811,432 |
| TOTAL TOWN EXPENDITURE & OTHER FUNDING USES | \$62,679,199 | \$ 2,920,717 | \$ 65,599,916 |
| GENERAL FUND SOURCE(USE) OF FUND BALANCES | \$ 3,234,315 | | \$ 3,586,359 |
| OTHER FUNDS SOURCE(USE) OF FUND BALANCES | (3,293,657) | | (1,542,610) (6) |
| TOTAL SOURCE(USE) OF FUND BALANCES | \$ (59,342) | \$ 2,103,091 | \$ 2,043,749 |

(1) \$171,714 Additional Estimated Property Tax

(2) Additional Transfer to Capital Projects (GFAR)

\$590,581 - 50% of 6/30/2020 Accumulated Measure G Proceeds

\$460,466 - 50% of Anticipated FY 2020/21 Measure G Proceeds

\$1,200,000 - Surplus Property

(3) Designated One-Time Use of the General Fund Reserves during FY 2021/22

\$2,253,988 - ARPA

\$2,801,047 - Transfer to Capital Projects (GFAR)

(4) General fund Expenditures

\$2,251,047 - Increase to Capital Transfer

\$528,976 - Increase to Salaries and Benefits - 2% Accelerator built in

\$359,307 - Decrease to OPEB Actuarial Payment

(5) \$500,000 - Additional Funding for Roadside Fire Fuel Management

(6) 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.

EXHIBIT A