



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 10/12/2026

ITEM NO: 5

DATE: October 12, 2026
TO: Finance Commission
FROM: Kristina Alfaro, Administrative Services Director
SUBJECT: Receive and Forward to the Town Council the Monthly Expenditure and Revenue Reports for the Month of August 2026

REMARKS:

Attachment 11 includes Commissioner communication received before 11:00 a.m. on Monday, October 12, 2026.

Staff responded to Commissioner communication as follows:

The report does its best to summarize variances at the fund level, when reviewing actuals expenditure trends across all ISF, I noted various expenditure and encumbrance fluctuations across funds and years that are not visible in the historical report thus an emphasis was not placed only on the lower budget. Although at a high level the lower budget would appear to be the major driver, looking more closely at a bit more detailed information (by fund and not just fund type) we tried to provide a more detailed response that was indicative of what we were seeing. In the future, we can provide the by fund not just fund type in the historical reports.

Fund	Fund Name	FY 2023-24				FY 2024-25				FY 2025-26				FY 2026-27			
		REV BUD	ACT	ENC	PCT USED	REV BUD	ACT	ENC	PCT USED	REV BUD	ACT	ENC	PCT USED	REV BUD	ACT	ENC	PCT USED
611	ABAG TOWN LIABILITY FUND	\$1.2	\$1.0	\$0.0	85.9%	\$1.5	\$1.3	\$0.0	85.8%	\$1.8	\$1.5	\$0.0	83.5%	\$1.4	\$1.3	\$0.0	89.1%
612	WORKERS COMPENSATION FUND	\$1.8	\$0.5	\$0.0	29.5%	\$1.8	\$1.0	\$0.1	56.5%	\$1.8	\$0.6	\$0.1	34.4%	\$1.8	\$0.6	\$0.0	38.0%
621	INFO TECH	\$1.0	\$0.4	\$0.2	61.7%	\$1.1	\$0.4	\$0.3	58.5%	\$1.6	\$0.4	\$0.2	35.3%	\$1.3	\$0.6	\$0.2	64.0%
631	EQUIPMENT REPLACEMENT FUND	\$1.0	\$0.0	\$0.1	10.8%	\$2.1	\$0.1	\$0.5	24.2%	\$2.3	\$0.0	\$0.2	7.6%	\$0.4	\$0.0	\$0.0	0.0%
633	FACILITIES MAINTENANCE FUND	\$1.3	\$0.1	\$0.4	40.2%	\$1.4	\$0.1	\$0.3	24.4%	\$1.4	\$0.2	\$0.5	48.9%	\$1.8	\$0.2	\$0.4	34.5%
Grand Total		\$6.3	\$2.0	\$0.8	44.3%	\$8.0	\$2.8	\$1.1	48.2%	\$8.9	\$2.6	\$1.0	39.7%	\$6.6	\$2.7	\$0.7	51.1%

PREPARED BY: Kristina Alfaro
Administrative Services Director

Reviewed by: Town Manager

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DATE: October 12, 2026

Attachments Received with the Staff Report:

1. Expenditure Report by Fund for August 2026
2. Expenditure Report by Fund and Expense Category for August 2026
3. Expenditure Report by Fund and Department for August 2026
4. Expenditure Report by Fund, Department and Expenditure Category for August 2026
5. Revenue Report by Fund for August 2026
6. Revenue Report by Fund and Revenue Category for August 2026
7. Revenue Report by Fund and Department for August 2026
8. Revenue Report by Fund, Department and Revenue Category for August 2026
9. August 2026 Monthly Financial Report
10. Historical August Reports

Attachment included with this Desk Item:

11. Commissioner Communication

Monthly Financial Report

From Adam Fischer <[REDACTED]>
Date Sun 10/11/2026 7:35 PM
To Kristina Alfaro <KAlfaro@losgatosca.gov>
Cc Chris Constantin <CConstantin@losgatosca.gov>

[EXTERNAL SENDER]

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