



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 10/20/2026

ITEM NO: 7

DATE: October 8, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager or Designee to Enter into a Three-Year Agreement with ClearGov for Budget and Planning Suite and Personnel Budgeting Software in an Amount Not to Exceed \$175,366**

RECOMMENDATION: Authorize the Town Manager or designee to execute a three year agreement with ClearGov for Budget and Planning Suite and Personnel Budgeting Software in an amount not to exceed \$175,366; and approve a FY 2026-27 budget adjustment of \$75,090, including the necessary transfer from the General Fund and corresponding expenditure appropriation in the Information Technology Internal Service Fund, funded by General Fund unassigned fund balance. Expenditures in subsequent fiscal years shall be subject to annual appropriations.

FISCAL IMPACT:

The proposed action will authorize a contract in the amount of \$175,366 for the budgeting and planning suite and personnel budgeting software for October 2026 through 2029. A budget adjustment for the costs related to the first year of the contract of \$75,090 is recommended for the first year of these services, including implementation costs, in the Information Technology budget from General Fund unassigned fund balance. If approved, the second and third year costs will be included in the IT Internal Service Fund budget for those subsequent years and charged out to the Finance Department.

STRATEGIC PRIORITY:

PREPARED BY: Kristina Alfaro
Administrative Services Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Information Technology Director

SUBJECT: Authorize the Town Manager or designee to enter into a Three-Year Agreement with ClearGov for the Budget Planning Suite and Personnel Budgeting Software not to exceed \$175,366

DATE: October 20, 2026

Efficient, and accurate budget and salary reports supports the Council's Strategic Priority of Fiscal Stability by ensuring the most effective use of staff resources and ensuring accuracy in financial reporting.

BACKGROUND:

Finance Commission at their September 14, 2026 meeting recommended that staff proceed with the recommended purchase of the ClearGov Budget and Planning Suite and consider the addition of the ACFR or Financial Reporting module after the successful implementation of the budget software. They requested that staff return after implementation to share any efficiencies gained by the implementation. The personnel budgeting component was not included in the Finance Commission review. The decision to include that component was made after the item was presented to the Commission and is discussed later in this report.

The Town of Los Gatos Finance Department creates and collates robust and informative operating and capital improvement program (CIP) budgets that include annual adoption of the Town's revenues and expenditures for all its funds and the capital improvement program for the upcoming year's budget. The Town's budget document is over 400 pages of informational, narrative, and budgetary material, coming from the Town's Enterprise Resource Planning (ERP) software, Tyler Munis. Additionally, salary projections and personnel budgeting were completed in Tyler Munis for the FY 2026-27 budget.

After the new ERP Software implementation was complete, Finance staff began to research the ability to automate the budget document and CIP.

In addition, as part of past Finance Commission meetings, staff were asked to research the possibility of bringing the production of the Annual Comprehensive Financial Report (ACFR) in house. Staff had originally explored the use of the Town's new ERP add-on ACFR Builder product. However, after a review of the product, it was determined that this product would not meet the Town's needs. As part of the review of ClearGov's suite of products staff were informed they also had an ACFR (Financial Report) product. Staff then included this product in their review.

The Town's current ERP system as purchased does not include the modules necessary to produce a budget/CIP book or ACFR.

DISCUSSION:

Currently, the annual budget is entered into Excel and then into the Town's ERP software, then downloaded back and organized with Excel and Word and then organized again into one Adobe PDF document, with page numbers and table of contents placed manually. ClearGov software

SUBJECT: Authorize the Town Manager or designee to enter into a Three-Year Agreement with ClearGov for the Budget Planning Suite and Personnel Budgeting Software not to exceed \$175,366

DATE: October 20, 2026

would modernize the budget preparation process by preparing the budget with the software and transferring the information directly from Tyler to the Town's website into one document without all of the additional steps. The CIP could also be compiled and completed with the software.

In preparation for the FY 2027-28 budgetary process, the Finance Department reviewed ClearGov's and two other vendors' entire suite of solutions with a focus on the budget and CIP document solutions. ClearGov, in tandem with the Town's new ERP system, Tyler, could produce, condense, consolidate, and share the Town's budgetary and CIP financial information seamlessly on the Town's website and create a forward-thinking budget. The Town's Finance budget webpage would provide a menu for easy access to all information related to the budget. The webpage would also contain an "AI-assistant" to aid the public in accessing all the Town's budgetary and capital improvement program information. ClearGov software would also track those capital improvement projects. By transforming information directly from Tyler to the budget book on the webpage, room for error would drop significantly. This information would keep up to date with budgetary changes as it's adaptive with the ERP system. Of the other two systems reviewed, one no longer offers the budget document software as a stand-alone purchase, the Town would need to purchase its' entire enterprise resource planning system. The other only offered budget document software and not the full integrative suite offered by Cleargov.

The Finance Department believes that ClearGov budget book software, working with Tyler, will accomplish transparency by presenting the Town's annual budget in a more informative, adaptive, user-friendly manner on the Town's website. The Table of Contents, PDF, and Share menu structure on the left side of the screen page is a common website menu structure and is user-friendly. The budget is completely searchable, shareable, and contains a Reader's Guide for the website guest. The ClearGov budget book software allows the public to ask specific questions in the Town of Los Gatos Assistant AI-generated box and finds answers in less than two seconds or points you to a Google search if it is unable to find a particular subject.

The intent of the purchase of ClearGov Budgeting and Planning Suite software is to modernize the Town of Los Gatos's budgetary processes and presentation to the Finance Commission, Town Council, Town Departments, and the public, and to create an interactive, transparent budget book on the Town's website. The Finance Department will also utilize the ClearGov book software to present the FY 2027-28 and all upcoming years' budget books. ClearGov budget book will be helpful when the Town submits the budget for a future GFOA's Budget Distinction Award, as it includes a checklist to ensure compliance. Two examples of budget books produced with ClearGov are from the City of Campbell and the City of Manteca, and they are linked below:

SUBJECT: Authorize the Town Manager or designee to enter into a Three-Year Agreement with ClearGov for the Budget Planning Suite and Personnel Budgeting Software not to exceed \$175,366

DATE: October 20, 2026

- [City of Campbell FY 2026-27 Proposed Budget](#)
- [City of Manteca FY 2026-27 Final Proposed Budget](#)

Personnel Budgeting

ClearGov's suite of products also includes personnel budgeting. Staff had used the ERP's salary projections module in completing projections for FY 2026-27. However, the software is not intuitive or user friendly, this results in significant staff time to complete updates or run different forecasts.

After viewing real-life experiences with the software, staff is recommending the purchase of this module due to the ease of use, modeling capabilities, and time savings that will be gained by completing salary projections with ClearGov.

Financial Reporting (ACFR)

ClearGov's suite of products also includes a Financial Reporting solution for the ACFR. Although staff found the software easy to use and implement, this change to internal reporting would result in additional costs related to the software implementation and annual software costs and additional staff time that might result in a reporting delay in the first year of ACFR production.

If purchased, staff estimates the first ACFR to be produced by the ClearGov software would be the FY 2027-28 ACFR. Cost for this solution is \$21,440 for the first year, including a one-time deployment fee and \$14,000+ in annual costs when a 5% escalation is included.

The proposed new Financial Auditor contract, also on the agenda this evening, has costs related to the production of \$3,998.50 that could be reduced annually should the Town decide to proceed with ACFR product. This would result in a net increase in contract costs to produce the ACFR in house of \$17,441.50 in the first year. Subsequent years would see estimated net cost to produce the ACFR from \$10,072 to \$10,775.

Finance Commission and our current and future financial auditors all agreed it is the best practice for an agency to produce their own ACFR. You will note that pricing for the ACFR module is included but is not part of the current contract request. Instead, staff will stagger the implementations and proceed with the ACFR module only after a successful budget planning software implementation as an initial assessment of the vendor. Should staff choose to proceed with building the ACFR using the ClearGov software, staff will return for a contract and budget amendment at that time. This decision is currently estimated to occur in the early spring.

The ClearGov solution is being brought forward based on prior recommendations that staff look for a solution to bring the ACFR preparation in-house to mitigate independence concerns from the Finance Commission. This is due to the Town's external auditors preparing and reviewing

PAGE 5 OF 5

SUBJECT: Authorize the Town Manager or designee to enter into a Three-Year Agreement with ClearGov for the Budget Planning Suite and Personnel Budgeting Software not to exceed \$175,366

DATE: October 20, 2026

the ACFR. It is important to note that the Town's auditors do have mitigating controls to maintain independence. This includes having an independent third-party review of the ACFR.

CONCLUSION:

Staff recommends the purchase of the budget and planning suite and personnel budgeting.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. ClearGov Service Order - Town of Los Gatos
2. ClearGov Agreement