

Town of Los Gatos Finance Commission Questions



CIP DISCRETIONARY FUNDING

- **The majority of discretionary CIP capital first goes through the Capital and Special Reserve and then subsequently to GFAR**
- **In certain cases, we do use Internal Service Funds to pay for capital projects. Facilities Maintenance Fund paid for the majority of the NUMU building upgrade. IT pays some of the technology updates. Previous property sales (Vasona) paid for the university Sports Park etc.**

- **The Capital/Special Project Reserve is a placeholder where funds get placed upon the closing of the fiscal year according to the GF reserve policy**
- **Funds in this reserve can be allocated by Council to any purposes**
- **The CIP transfers listed on A-13 of the Operating Budget titled “General Fund Reserves” are all from Capital and Special Projects Reserve to GFAR**

**CAPITAL AND SPECIAL
PROJECT RESERVE
TRANSFERS**

- **Between FY 2005/06 and FY 2020/21 \$3.3 million was transferred annually on average**
- **This amount includes \$6.5 million from Vasona land sale, \$1.0 million from closing the stores and vehicle maintenance internal service funds and \$1.5 million transfer from the equipment replacement fund**
- **Excluding those items, the average annual transfer is \$2.7 million**

ARPA ALLOCATIONS

	FY 2020/21	FY 2021/22
Estimated ARPA Funds	\$2,844,315	\$2,844,315
Replace Lost Revenue	\$1,362,910	\$1,562,536
Economic Development		
• Parklets	\$250,000	\$550,000
• CUP Fee waiver	\$50,000	
• ADA Fee waiver		\$25,000
Nonprofit Assistance		
• Rent Waiver		\$341,452
• Direct Grants	\$60,000	
Total Allocations	\$1,722,910	\$2,478,988
Total ARPA Funds Unallocated	\$1,121,405	\$365,327

SALARY COSTING

Wages/Benefits Categories	Cost Determination
Regular Salary/Hourly Rate	Based on Salary Schedules
Based on Hourly Rate	
Specialty Rates	2.5% to 17.5%
PERS Retirement	15.74% to 65.94%
Medicare	1.45%
Social Security (Temps)	6.2%
Holiday Pay (Safety Only)	4.0%
Internal Service Funds (Workers' Comp, ABAG, IT)	2.9% to 15.1%
Annual Cost	
Medical Benefit	\$4,932 to \$26,412
Life Insurance, STD, LTD	\$1,092
Cell Phone Allowance	\$1,440

SAMPLE COSTING

Classification	Assistant Planner	
Range		
Step	5	
Bargaining Unit	Town Employee Assn (TEA)	
Rates Used		
Hourly Rate		\$47.14
Annual Salary	Adj Hrly Rate x 2080	\$98,051.20
PERS Retirement	33.540%	\$32,886.37
Medicare	1.45%	\$1,421.74
Cash in Lieu (\$400) (\$420 AFSCME)	\$0.00	\$0.00
Medical	\$2,065.00	\$24,780.00
Dental	\$125.00	\$1,500.00
Vision	\$11.00	\$132.00
Life Insurance	\$10.00	\$120.00
STD - monthly rate	\$49.00	\$588.00
LTD - monthly rate	\$32.00	\$384.00
Workers Comp	2.430%	\$2,382.64
ABAG	0.315%	\$308.86
IT Staff/Service	0.150%	\$147.08
Total		\$162,701.90

SAMPLE COSTING

Classification	Parks & Maintenance Worker	
Range		
Step	5	
Bargaining Unit	AFSCME	
Rates Used		
Hourly Rate		\$36.35
Annual Salary	Hrly Rate x 2080	\$75,608.00
Cell Phone Allowance	\$120	\$1,440.00
PERS Retirement	33.540%	\$25,358.92
Medicare	1.45%	\$20.88
Cash in Lieu (\$400) (\$420 AFSCM)	\$0	\$0.00
Medical	\$2,065	\$24,780.00
Dental	\$125	\$1,500.00
Vision	\$11	\$132.00
Life Insurance	\$10	\$120.00
STD - monthly rate	\$49	\$588.00
LTD - monthly rate	\$32	\$384.00
Workers Comp	8.013%	\$0.96
ABAG	5.545%	\$0.67
IT Staff/Service	0.150%	\$0.02
Total		\$129,933.45

SAMPLE COSTING

Classification	Police Officer - Classic	
Range		
Step	Step 4	
Bargaining Unit	Police Officers' Association (POA)	
Rates Used		
Hourly Rate		\$59.59
Specialty Rates	Hrly Rate * 10%	\$5.96
Adjusted Hourly Rate	Hrly Rate + Specialty	\$65.55
Annual Salary	Adj Hrly Rate x 2080	\$136,341.92
Holiday Pay	4.00%	\$5,453.68
Uniform Allowance	\$57.50 *24	\$1,380.00
PERS Retirement	62.940%	\$85,813.60
Medicare	1.45%	\$1,976.96
Cash in Lieu (\$400) (\$420 AFSCME)	\$0.00	\$0.00
Medical	\$2,065.00	\$24,780.00
Dental	\$125.00	\$1,500.00
Vision	\$11.00	\$132.00
Life Insurance	\$10.00	\$120.00
STD - monthly rate	\$49.00	\$588.00
LTD - monthly rate	\$32.00	\$384.00
Workers Comp	9.952%	\$13,568.75
ABAG	5.205%	\$7,096.60
IT Staff/Service	0.150%	\$204.51
Total		\$279,340.02

SAMPLE COSTING

Classification	Police Officer - PEPRA	
Range		
Step	Step 4	
Bargaining Unit	Police Officers' Association (POA)	
Rates Used		
Hourly Rate		\$59.59
Specialty Rates	Hrly Rate * 10%	\$5.96
Adjusted Hourly Rate	Hrly Rate + Specialty	\$65.55
Annual Salary	Adj Hrly Rate x 2080	\$136,341.92
Holiday Pay	4.00%	\$5,453.68
Uniform Allowance	\$57.50 *24	\$1,380.00
PERS Retirement	15.740%	\$21,460.22
Medicare	1.45%	\$1,976.96
Cash in Lieu (\$400) (\$420 AFSCME)	\$0.00	\$0.00
Medical	\$2,065.00	\$24,780.00
Dental	\$125.00	\$1,500.00
Vision	\$11.00	\$132.00
Life Insurance	\$10.00	\$120.00
STD - monthly rate	\$49.00	\$588.00
LTD - monthly rate	\$32.00	\$384.00
Workers Comp	9.952%	\$13,568.75
ABAG	5.205%	\$7,096.60
IT Staff/Service	0.150%	\$204.51
Total		\$214,986.63

<https://www.losgatosca.gov/418/Salaries>

Salary Schedules

- [AFSCME Classifications](#)
- [Confidential Classifications](#)
- [Management Classifications](#)
- [POA Classifications](#)
- [TEA Classifications](#)
- [Hourly/Temporary Classifications](#)

<https://www.losgatosca.gov/1530/Health-Benefits>

Health Benefits

Benefit Summaries

[Benefits by Employee Group](#)

[2021 Employee Benefits Guide](#)

SALARY & BENEFITS

- **CalPERS medical is governed by PEMHCA regulations vs. ERISA**
- **PEMHCA requires that retirees who are eligible for Medicare either through their own contributions or those of a spouse, enroll in Medicare and transition to a CalPERS Medicare Supplement Plan at age 65**

- If a retiree does not respond to CalPERS regarding their eligibility for Medicare, CalPERS drops the retiree and/or spouse from the plan
- The Town's retiree contribution benefit program does not require that retirees enroll in a subsequent employer's plan, if available

- **Retirees always have the option to enroll in a subsequent employer's medical plan (or a spouse's medical plan), cancel CalPERS retiree medical coverage, and re-join the CalPERS plan at a future date.**

MARKET FLUCTUATION RESERVE

- The General Fund Reserve for Market Fluctuations reflects the gain (or loss) in the market value of the Town's investment portfolio on the last day of the FY (June 30, 20XX).
- In accordance with GASB 31 the Town must annually recognize that gain or loss as an increase/decrease to the Town's interest income for the year.
- Because this is a revenue accrual entry only, there is no corresponding actual interest received on this recorded market value gain unless we were to sell all the applicable investments at year end date.
- Staff reserves this portion of the increase to total General fund balance as the Town did not actually have cash receipts for the market value gain which would be available for expenditure unless we were to sell the portfolio and take all the gains in market value at June 30th.
- The Town typically holds its investments in the portfolio to maturity taking advantage of the higher interest rates/yields over a longer period.