

**DRAFT RESOLUTION 2024-**

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS  
APPROVING THE FISCAL YEAR (FY) 2024/25 OPERATING BUDGET AND FY 2025/26–  
2028/29 CAPITAL BUDGET; NEW APPROPRIATIONS; OTHER ADJUSTMENTS;  
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 2024/25 on April 21, 2024; and

**WHEREAS**, the Town Manager submitted to the Town Council and Finance Commission a Proposed Five-Year Capital Improvement Program for FY 2024/25 – 2028/29 on April 21, 2024; and

**WHEREAS**, the Town Council conducted a noticed public hearing on the Proposed Operating Budget and Capital Improvement Program on May 21, 2024; and

**WHEREAS**, per Measure A, the Town Council has considered and reviewed the Finance Commission’s written recommendations to the Town Council on the said proposed Budget and Capital Improvement Program during the public hearing on May 21, 2024; 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 17, 2022; and

**WHEREAS**, the Town Council has continued the use of Measure G proceeds in the remainder of the forecast (FY 2024/25- FY 2028/29) to be 50% for operating expenditures and 50% for capital purposes; and

**WHEREAS**, the Town Council previously allocated residual Measure G proceeds for capital should be programmed to the Shannon Road Repair Project; and

**ATTACHMENT 1**

**WHEREAS**, the future year Measure G proceeds for capital should be programmed to the State Route 17 Corridor Project; and

**WHEREAS**, the Town Council has determined that 30% of the ERAF proceeds should be reserved in an ERAF Risk Reserve until the lawsuit between the State and School Districts regarding the ERAF calculation distribution is concluded; and

**WHEREAS**, the Town Council has determined that \$1,000,000 of the ERAF Risk Reserve should be transferred to Pension/OPEB General Fund Reserve; and

**WHEREAS**, the estimated FY 2023/24 expenditures and pass through revenues and expenditures increased by \$33,000 for additional money for the Chamber of Commerce Agreement; and

**WHEREAS**, the estimated FY 2024/25 General Fund expenditures and revenues increased by \$100,000 for additional money for additional one-time Community Grants; and

**WHEREAS**, the estimated FY 2024/25 General Fund expenditures and revenues increased by \$25,000 for additional money for additional one-time rental assistance community grants; and

**WHEREAS**, the estimated FY 2024/25 General Fund expenditures and revenues increased by \$25,000 for additional money for additional one-time nutrition support community grants; and

**WHEREAS**, the estimated FY 2024/25 General Fund expenditures and revenues increased by \$100,000 for additional money for one-time contribution to New Museum of Los Gatos (NUMU) History Project; and

**WHEREAS**, the Town Council has determined that once the American Rescue Plan Act (ARPA) Revenues were fully recognized as loss revenue, they became part of the General Fund and available for Council direction for any lawful government service. Staff is tracking the \$7.2 million total revenue received against Council directed use through pass through revenues and expenditures, and

**WHEREAS**, the Town Council has determined that the remainder of the \$7.2 million proceeds should be tracked in an Council Priorities – Economic Recovery Reserve; and

**WHEREAS**, on June 4, 2024, Town Council considered and reviewed the proposed Budget and Capital Improvement Program and made 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 2024/25 fiscal year as depicted in Exhibit A entitled “Total Town Revenues and Expenditures by Fund” including the first year (FY 2024/25) of the Town’s Capital Improvement Program budget as contained in the Town’s FY 2024/25 – 2028/29 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, 2024.

**PASSED AND ADOPTED** at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 4<sup>th</sup> day of June, 2024 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

	2024/25 Proposed Budget	Estimated Budget Revision	2024/25 Recommended Budget
<b>REVENUES</b>			
General Fund	\$56,428,459	\$ 250,000 (1)	\$ 56,678,459
Special Revenue Funds	337,280	-	\$ 337,280
Internal Service Funds	6,846,909	-	\$ 6,846,909
Capital Project Funds (does not include carryforwards)	6,627,998	-	\$ 6,627,998
Successor Agency Funds	3,828,264	-	\$ 3,828,264
<b>TOTAL REVENUES</b>	<b>\$74,068,910</b>	<b>\$ 250,000</b>	<b>\$ 74,318,910</b>
<b>OTHER FUNDING SOURCES</b>			
Designated One-Time Use of General Fund Reserves	1,689,384	\$ 33,000	1,722,384 (2)
<b>TOTAL TOWN REVENUES &amp; OTHER FUNDING SOURCES</b>	<b>\$75,758,294</b>	<b>\$ 283,000</b>	<b>\$ 76,041,294</b>
<b>TOTAL TOWN EXPENDITURES, TRANSFERS OUT &amp; CARRYFORWARD APPROPRIATION</b>			
General Fund	\$56,942,743	\$ 283,000	\$ 57,225,743
Special Revenue Funds	546,971		546,971
Internal Service Funds	7,566,991	-	7,566,991
Capital Project Funds (does not include carryforwards)	7,629,123	- (3)	7,629,123
Successor Agency Funds	3,816,107		3,816,107
<b>TOTAL TOWN EXPENDITURE &amp; OTHER FUNDING USES</b>	<b>\$76,501,935</b>	<b>\$ 283,000</b>	<b>\$ 76,784,935</b>
<b>OTHER FUNDING USES</b>			
Designated One-Time Use of General Fund Reserves	1,175,100		1,175,100 (4)
<b>TOTAL TOWN EXPENDITURES &amp; OTHER FUNDING SOURCES</b>	<b>\$77,677,035</b>	<b>\$ 283,000</b>	<b>\$ 77,960,035</b>
GENERAL FUND SOURCE(USE) OF FUND BALANCES	\$ -	\$ -	\$ -
OTHER FUNDS SOURCE(USE) OF FUND BALANCES	(1,918,741)		(1,918,741) (5)
<b>TOTAL SOURCE(USE) OF FUND BALANCES</b>	<b>\$ (743,641)</b>	<b>\$ -</b>	<b>\$ (743,641)</b>

(1) Additional General Fund Revenues

\$250,000 - Increase - From Downtown Streetscape Revitalization Project

(2) Designated One-Time Use of the General Fund Reserves during FY 2023/24

\$1,110,000 - Transfer to Capital Projects (GFAR)

\$568,051 - One-Time Reserve Use for One-Time Expenditures

\$11,333 - ARPA Revenue Replacement Tracking

\$33,000 - One-Time Reserve Use for Chamber Agreement

(3) General Fund Expenditures

\$100,000 - Increase - Community Grant Program from Downtown Streetscape Revitalization Project

\$25,000 - Increase - Nutrition Grants Program from Downtown Streetscape Revitalization Project

\$25,000 - Increase - Rental Assistance Grants Program from Downtown Streetscape Revitalization Project

\$100,000 - Increase - NUMU History Project from Downtown Streetscape Revitalization Project

\$33,000 - Increase Chamber Agreement

(4) Other Funding Uses

\$390,000 - To Restricted 115 Pension Trust

\$785,000 - To ERAF Risk Reserve

(4) Capital Project Funds Expenditures

No Change in Total Expenditures

Transfer from Downtown Streetscape Revitalization Project (411-813-0235)

\$100,000 - To Community Grants Program (General Fund)

\$25,000 - To Nutrition Grants Program (General Fund)

\$25,000 - To Rental Assistance Grants Program (General Fund)

\$100,000 - To NUMU History Project (General Fund)

\$100,000 - To Sport Court Resurfacing (411-831-4611)

\$50,000 - To Civic Center and NUMU Signage (411-813-0242)

\$50,000 - To Montebello Ballards (remains in 411-813-0235)

Transfer from Sport Club Resurfacing Project (411-831-4611)

\$50,000 to Pinehurst Community Garden Project (411-831-4610)

\$50,000 to Lynn Ave Pedestrian Path Design Project (411-832-4510)

(5) 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.

**EXHIBIT A**