



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/02/2020

ITEM NO: 7

DATE: May 28, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Operating and Capital Budgets

- a. Adopt a resolution approving the Town of Los Gatos Fiscal Year (FY) 2020/21 Operating Budget and FY 2020/21 – 2024/25 Capital Improvement Program (CIP), new appropriations, other approved adjustments, minor corrections, and carry-forward appropriations
- b. Adopt a resolution approving commitment of fund balances under GASB 54.
- c. Confirm the General Fund Reserve Policy, Long term Debt Policy, Investment Policy, and IRS Section 115 Pension Trust and OPEB Trust Investment Policy.

RECOMMENDATION:

Operating and Capital Budgets

- a. Adopt a resolution approving the Town of Los Gatos Fiscal Year (FY) 2020/21 Operating Budget and FY 2020/21 – 2024/25 Capital Improvement Program (CIP), new appropriations, other approved adjustments, minor corrections, and carry-forward appropriations.
- b. Adopt a resolution approving commitment of fund balances under GASB 54.
- c. Confirm the General Fund Reserve Policy, Long term Debt Policy, Investment Policy, and IRS Section 115 Pension Trust and OPEB Trust Investment Policy.

BACKGROUND:

On May 19, 2020, the Town Council conducted public hearings to discuss the proposed FY 2020/21 Operating and Capital Summary Budget and Proposed FY 2020/21 – 2024/25 Capital Improvement Program. The Town Council considered public testimony, discussed both

PREPARED BY: Stephen Conway
Finance Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

BACKGROUND (continued):

documents, and directed staff to bring back the documents for final approval incorporating the staff proposed recommendations.

The Town Council held a special meeting on May 26, 2020 regarding how to help foster the economic vitality of the Town during recovery from the COVID-19 pandemic. Town Council directed staff to repurpose the Downtown Streetscape Revitalization Project for COVID-19 Economic Recovery efforts. As a result, the project is being renamed the COVID-19 Economic Recovery/Downtown Revitalization Project.

The repurposed project consists primarily of the installation of barriers to allow for street parking to be converted to outdoor dining, shopping, or other business use along N. Santa Cruz Avenue and Main Street in the C-2 Zone; signage for designated curbside pickup; and wayfinding signage for longer duration parking. This project will be implemented in collaboration with the Chamber of Commerce, businesses, and the community. The Council direction will be memorialized in the final publication of the budget document.

In addition, the proposed Budget addresses the Council identified Strategic Priorities and considers other areas of importance to the Los Gatos community, the Council, and the Town organization. The proposed Budget also acknowledges the current economic realities associated with the global COVID-19 pandemic and continues to position the organization for what will likely be the nation's first recession since 2008. This Budget also provides for limited strategic new investments toward important wildfire vegetation management, critical improvements to evacuation-related roadways, and other necessary infrastructure improvements, as the pandemic is not the only threat to our community's health and safety.

DISCUSSION:

The draft resolution (Attachment 1) incorporates the budget direction provided by the Council at the May 19, 2020 budget hearing. Attachment 2 contains the resolution to formally move General Fund balances based on the Town Council General Fund Reserve Policy and additional Council direction consistent with General Accounting Standards Board (GASB) 54. Attachment 3 contains the existing General Fund Reserve Policy, Long term Debt Policy, Investment Policy, and IRS Section 115 Pension Trust and OPEB Trust Investment Policy as listed in the Proposed Operating and Summary Budget from pages A-35 to A-58. Staff does not recommend any changes to the listed policies at this time.

COORDINATION:

The preparation of the budget documents involved the participation of all Town Departments.

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SUBJECT: Operating and Capital Budgets

DATE: May 27, 2020

FISCAL IMPACT:

The fiscal impact is presented in summary form in the Financial Summaries chapter of the Proposed Operating and Capital Budget for FY 2020/21.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Resolution of the Town Council Approving FY 2020/21 Operating Budget and FY 2020/21 – 2024/25 Capital Improvement Program (with Exhibit A)
2. Resolution of the Town Council of the Town of Los Gatos Approving Commitments of Fund Balance under GASB 54
3. Financial Policies