

Expenditure Baselines and Projection Factors

The Town budgets vacant and non-sworn positions at the top step of the range of the position. Sworn and management positions are budgeted at one step higher than the current step in anticipation of potential merit increases in the upcoming fiscal year. For the Five-Year Forecast, positions are budgeted at the actual rate of pay employees including benefits as of January 1, 2020.

Type of Expenditure	FY 2019/20	FY 2020/21 Forecast	FY 2021/22 Forecast	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast
Salaries*	3%	3%	0%	0%	0%	0%
Benefit - Medical**	Current baseline set by FY 2019/20 Adopted Budget	7%	7%	7%	7%	7%
Operating Expenditures***	Current baseline set by FY 2019/20 Adopted Budget	3%	3%	3%	3%	3%
Grants & Awards	Current baseline set by FY 2019/20 Adopted Budget	0%	0%	0%	0%	0%
Utilities***	Current baseline set by FY 2019/20 Adopted Budget	3%	3%	3%	3%	3%
Internal Service Charges***	Current baseline set by FY 2019/20 Adopted Budget	3%	3%	3%	3%	3%
Debt Service	Current baseline set by FY 2019/20 Adopted Budget	Debt Service Schedules				

* *Salary increases are based on actual step increases and bargaining units' negotiation.*

** *Benefit increase estimates are provided by CalPERS/Public Employees' Medical and Hospital Care Act (PEMHCA)*

*** *Based on historical trends.*

The Town's required contribution estimates toward retirement and unfunded liabilities are provided by CalPERS as a percentage of current payroll. The actual percentages used in the forecast are summarized in the table on the next page. CalPERS employer contributions are shown as percentage of payroll.

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Type of Expenditure	FY 2019/20	FY 2020/21 Forecast	FY 2021/22 Forecast	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast
Safety POA	52.22%	58.97%	63.67%	67.32%	69.09%	70.82%
Safety Management POA	55.22%	61.97%	66.97%	70.32%	72.09%	73.82%
Safety POA - PEPRAs	15.02%	15.94%	15.99%	15.93%	13.9%	13.9%
Miscellaneous TEA/Confidential/Management	33.18%	34.23%	36.30%	37.86%	38.52%	39.15%
Miscellaneous TEA/Confidential/Management PEPRAs	33.18% Separate PEPRAs rate for Miscellaneous has not been established yet by CalPERS.	37.43%	40.14%	42.42%	43.74%	44.74%