



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 11

DESK ITEM

DATE: June 2, 2022

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) 2022/23 Operating Budget and FY 2022/23 – 2026/27 Capital Improvement Program (CIP), New Appropriations, Additional Council Actions on May 17, 2022 and Revisions Related to Salary and Benefit Costs as Presented in the Labor Agreements Agenda Reports on June 7, 2022; American Rescue Plan Act Budget Adjustment, Minor Corrections, and Carry-Forward Appropriations
- b. Adopt a Resolution Approving Commitment of Fund Balances under GASB 54.
- c. Approve FY 2021/22 Budget Adjustments:
 - 1) Major Revenue Adjustments to Match Year-End Estimated Revenues as Directed by the Town Council on May 17, 2022; and as Determined from Updated Information
 - i. Property Tax revenue Increase in the Amount of \$582,609,
 - ii. Sales Tax Revenue Increase in the Amount of \$428,828 (\$361,806 in regular Sales Tax and \$67,022 in Measure G Sales Tax)
 - iii. Business License Tax Revenue Increase in the Amount of \$175,000,
 - iv. Transient Occupancy Tax Increases in the Amount of \$75,000, and
 - v. Recognize \$36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
 - 2) Expenditure Increases to Reflect Past Actions:
 - i. In the Amount of \$300,000 to expense the \$300,000 available General Fund Pension/OPEB Reserve to the CEPPT Trust.
 - ii. In the Amount of \$36,308 General Fund Salary Reimbursement for Capital Improvement Staff Work.
 - 3) Approve American Rescue Plan Act Budget Adjustments.

PREPARED BY: Stephen Conway
Finance Director

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

REMARKS

Attachment 5 contains public comment received between 11:00 a.m., Monday, June 6, and 11:01 a.m., Tuesday June 7, 2022.

In regard to Attachment 5, Council can either act tonight on this item, or refer the item back to the Finance Commission with a date certain of June 21, 2022 for final consideration by Council.

As referenced in the staff report, the draft resolution (Attachment 1) incorporates the budget direction provided by the Council at the May 17, 2022 budget hearing predicated in part on recommendations from the Finance Commission. With the completion of negotiations with all bargaining units, staff incorporated expenditure adjustments associated with labor agreements, and per our obligation to present a balanced budget to Council, included recommended corresponding revenue adjustments.

Attachments Previously Received with the Staff Report:

1. Resolution of the Town Council Approving FY 2022/23 Operating Budget and FY 2022/23 – 2026/27 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. ARPA Worksheet

Attachment Previously Received with the Addendum:

4. Public comment received between 11:00 a.m., Thursday, June 2, and 11:01 a.m., Monday, June 6, 2022

Attachment Received with this Desk Item:

5. Public comment received between 11:00 a.m., Monday, June 6, and 11:01 a.m., Tuesday, June 7, 2022.