

DRAFT RESOLUTION 2023-

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
APPROVING THE FISCAL YEAR (FY) 2023/24 OPERATING BUDGET AND FY 2023/24–
2027/28 CAPITAL BUDGET; NEW APPROPRIATIONS; OTHER ADJUSTMENTS;
AMERICAN RESCUE PLAN ACT RECOGNITION; 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 FY2023/24 on April 17, 2023; and

WHEREAS, the Town Manager submitted to the Town Council and Finance Commission a Proposed Five-Year Capital Improvement Program for FY 2023/24 – 2027/28 on April 17, 2023; and

WHEREAS, the Town Council conducted a noticed public hearing on the Proposed Operating Budget and Capital Improvement Program on May 16, 2023; and

WHEREAS, per Measure A, the Town Council has considered and reviewed the Finance Commission written recommendations to the Town Council on the said proposed Budget and Capital Improvement Program during the public hearing on May 16, 2023; 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 2023/24- FY 2027/28) 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 Town Council has continued the use of Measure G proceeds in the remainder of the forecast (FY 2023/24- FY 2027/28) 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

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

WHEREAS, the estimated FY 2023/24 Education Realignment Augmentation Fund (ERAF) revenue increased by \$660,900 based on current estimates; 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 estimated FY 2023/24 expenditures and pass through revenues and expenditures increased by \$33,000 for additional money for the Chamber Agreement; and

WHEREAS, the estimated FY 2023/24 expenditures increased by \$11,000 for additional money for supporting project based Commissions; and

WHEREAS, the Town Council has determined that the Town salary and expenditure will decrease by \$1,618,107 by building in the 4.6 % salary saving factor; and

WHEREAS, the Town Council has determined that the Town reimbursement of \$1,608,226 from available Other Post-Employment Benefits (OPEB) 115 Trust assets for retiree pay-as-you go expenses in FY 2023/24 is not necessary if the build in 4.6 % salary saving factor materialize; and

WHEREAS, the Town Council has determined to recognize the remainder of American Rescue Plan Act (ARPA) proceeds for FY 2023/24 under loss revenue; and

WHEREAS, the Town Council has determined that once the ARPA Revenues were fully recognized as loss revenue, it becomes the part of 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 6, 2023, Town Council considered and reviewed the proposed Budget and Capital Improvement Program making 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 2023/24 fiscal year as depicted in Exhibit A entitled “Total Town Revenues and Expenditures by Fund” including the first year (FY 2023/24) of the Town’s Capital Improvement Program budget as contained in the Town’s FY 2023/24 – 2027/28 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, 2022.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 6th day of June, 2023 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

	2023/24 Proposed Budget	Estimated Budget Revision	2023/24 Recommended Budget
REVENUES			
General Fund	\$54,130,896	\$ (914,326) (1)	\$ 53,216,570
Special Revenue Funds	542,380	-	\$ 542,380
Internal Service Funds	4,947,389	-	\$ 4,947,389
Capital Project Funds (does not include carryforwards)	8,547,920	-	\$ 8,547,920
Successor Agency Funds	3,811,664	-	\$ 3,811,664
TOTAL REVENUES	\$71,980,249	\$ (914,326)	\$ 71,065,923
OTHER FUNDING SOURCES			
Designated One-Time Use of General Fund Reserves	2,361,000	\$ 33,000	2,394,000 (2)
TOTAL TOWN REVENUES & OTHER FUNDING SOURCES	\$74,341,249	\$ (881,326)	\$ 73,459,923
TOTAL TOWN EXPENDITURES, TRANSFERS OUT & CARRYFORWARD APPROPRIATION			
General Fund	\$56,101,896	\$ (1,586,649) (3)	\$ 54,515,247
Special Revenue Funds	469,381	(9,794) (4)	459,587
Internal Service Funds	6,132,798	-	6,132,798
Capital Project Funds (does not include carryforwards)	10,658,747	- (5)	10,658,747
Successor Agency Funds	3,801,021	(87) (6)	3,800,934
TOTAL TOWN EXPENDITURE & OTHER FUNDING USES	\$77,163,843	\$ (1,596,530)	\$ 75,567,313
GENERAL FUND SOURCE(USE) OF FUND BALANCES	\$ 390,000	\$ 660,900	\$ 1,095,323
OTHER FUNDS SOURCE(USE) OF FUND BALANCES	(3,212,594)		(3,202,713) (7)
TOTAL SOURCE(USE) OF FUND BALANCES	\$ (2,822,594)	\$ 715,204	\$ (2,107,390)

(1) Additional General Fund Revenues

\$1,608,226 Decreases OPEB Trust Reimbursement for Retiree Medical
\$660,900 Increases Additional ERAF Proceeds to Reserve At Risk
\$33,000 - Increase ARPA Replacement Pass Through Revenue - Tracking

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

\$1,615,000 - Transfer to Capital Projects (GFAR)
\$779,000 - ARPA Revenue Replacement Tracking

(3) General Fund Expenditures

\$1,663,649 - Decrease - 4.6% Salary Saving Factor
\$11,000 - Increase Project Based Boards and Commissions Support
\$33,000 - Increase Chamber Agreement
\$33,000 - Increase ARPA Replacement Pass Through Expenditure - Tracking

(4) Special Revenue Fund Expenditures

\$9,794 - Decrease - 4.6% Salary Saving Factor

(5) Capital Project Funds Expenditures

No Change in Total Expenditures, \$35,000 transferred from the Lynn Avenue Pedestrian Path Design Project (411-832-4510) to Emergency Preparedness Project (411-821-2012)

(6) Successor Agency Funds Expenditures

\$87 - Decrease - 4.6% Salary Saving Factor

(7) 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.

Numbers may differ between exhibits due to rounding.