

## EXPENDITURE BASELINE AND PROJECTION FACTORS

Beginning in FY 2020/21, the Town is budgeting salaries at the actual salary plus a one-step increase. 68% of the workforce is already top step or one step below to step. Currently the Town has five vacant positions and is actively recruiting of these positions. In the Five-Year Forecast, positions are forecasted at the actual rate of pay including salaries and benefits as of December 31, 2020 and rate is increasing in the actual anniversary date.

Type of Expenditure	FY 2021/22 Forecast	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast
<b>Salaries*</b>	0%	0%	0%	0%	0%
<b>Benefit - Medical**</b>	7%	7%	7%	7%	7%
<b>Operating Expenditures***</b>	3%	3%	3%	3%	3%
<b>Grants &amp; Awards</b>	0%	0%	0%	0%	0%
<b>Utilities***</b>	3%	3%	3%	3%	3%
<b>Internal Service Charges***</b>	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement	Based on operating cost and scheduled replacement
<b>Debt Service</b>	Debt Service Schedules				

\*Salary increases are based on actual step increases and approved Memoranda of Understanding with the bargaining units.

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

\*\*\* Based on historical trends.

The Town's required employer contribution rate estimates were developed using estimates provided by each plan's most recent actuarial valuation received from CalPERS. The employer contribution rates illustrated below reflect percentages of covered payroll. Beginning in FY 2021/22, the estimates of employer contributions were credited with an anticipated reduction associated with the approximate \$4.8M 2016 unfunded amortization base paid off in October 2019 and the approximate \$3.7M 2015 unfunded amortization base expected to be paid off in early FY 2020/21.

Type of Expenditure	FY 2021/22 Forecast	FY 2022/23 Forecast	FY 2023/24 Forecast	FY 2024/25 Forecast	FY 2025/26 Forecast
<b>Safety POA</b>	69.36%	69.41%	71.79%	75.01%	76.79%
<b>Safety Management POA</b>	72.36%	72.41%	74.79%	78.01%	79.79%
<b>Safety POA - PEPRA</b>	15.04%	15.06%	15.05%	14.01%	14.01%
<b>Miscellaneous TEA/Confidential/ Management</b>	33.54%	30.87%	31.67%	32.69%	30.69%
<b>Miscellaneous TEA/Confidential/ Management PEPRA</b>	33.54%	30.87%	31.67%	32.69%	30.69%

\*Safety Classic Rate reflects 3% decrease in employer's contribution rate to reflect 3% contribution as negotiated with the Town's POA during the collective bargaining process effective FY 2019/20.