
From: Phil Koen [Redacted]
Sent: Thursday, February 15, 2024 7:59 AM
To: Janette Judd <jjudd@losgatosca.gov>
Cc: Linda Reiners [Redacted]; Laurel Prevetti <LPrevetti@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>
Subject: Re: Meeting with Asst. Town Manager, Finance Director, F.C. Chair and Vice Chair

[EXTERNAL SENDER]

Janette,

I have a 10am meeting but would cancel that meeting to meet at 10 am with everyone. Please let me know as soon as possible.

The reason for the urgency is if my analysis is correct, which I believe it is, then an addendum will need to be sent to the TC correcting the Mid Year Report and providing more disclosure.

For sake of clarity, the analysis is using the Town's estimates for the full year which taken as a whole, may be too conservative. Therefore while my analysis shows a decline in the Ending GF Balance, the actual surplus of revenues over expenditures will most likely be much greater. So the projected decline is only a forecast and probably does not reflect the most likely outcome. That's good news.

However the analysis does show almost the entire use of the Economic Recovery Reserve which is not disclosed in the write up and I am sure will be a surprise to the TC. That's the bad news.

Please let me know if we will be able to meet at 10am to discuss the Mid-Year review and ERAF.

Phil Koen

On Feb 15, 2024, at 6:53 AM, Janette Judd <jjudd@losgatosca.gov> wrote:

Caution: External (jjudd@losgatosca.gov)

Spam Content

Good morning,

Unfortunately neither the Finance Director nor Assistant Manager are available this Friday afternoon. There is potential they could meet at 10:00am, however, I will need to confirm with them as I do see other commitments scheduled.

Also I would need to check with the Town Manager on her preference on attending other dates / times offered, but she is not available on Friday.

I will circle back to you both once I hear from staff.

Thank you,

Janette

From: Phil Koen [Redacted]

Sent: Wednesday, February 14, 2024 5:18 PM

To: Janette Judd <jjudd@losgatosca.gov>; Linda Reiners [Redacted]

Cc: Laurel Prevetti <LPrevetti@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>

Subject: RE: Meeting with Asst. Town Manager, Finance Director, F.C. Chair and Vice Chair

[EXTERNAL SENDER]

Hello Janette,

Thank you for your email. I have spoken to Linda, and we would prefer to meet this Friday at 2pm.

In addition to the ERAF topic, we would like to discuss the attached documents which address the Staff's Mid-Year review work product. Since the FC was unable to address this at Monday's meeting because of time constraints, and the Mid-Year review is on the TC agenda for this coming Tuesday, there is urgency to this meeting.

We are concerned with Staff's conclusion the FY 24 projections reflect an anticipated \$1.7m surplus. While the Staff report does not forecast an ending GF balance, we take this to mean the Staff is forecasting the ending GF balance to **increase by \$1.7m**. Please note the Staff report

has a typo in that it indicates the opening GF balance was \$2,631,515 as June 30, 2023, when in fact the correct balance is \$29,528,304.

Based on our analysis, and using the Staff's projections, the ending GF balance for FY 24 will **decrease by \$283,218** to \$29,245,086.

Furthermore, the Staff's work product indicates the reserve for Economic Recovery will be reduced by \$1,545,281 leaving an ending balance of only \$11,333. We are unsure if the TC fully understands the impact of the "planned use of reserves" as noted in the Staff report.

In addition to having the Asst Town Manager and Finance Director attending, we respectively request the Town Manager to attend this meeting. We think the meeting would be worthy of her time.

Please let me know if we can meet at 2pm of Friday.

Thank you,

Phil Koen

FC Chair



TOWN OF LOS GATOS MID-YEAR BUDGET REPORT JULY 1 - DECEMBER 31, 2023

February 6, 2024

FINANCIAL OVERVIEW AND EXECUTIVE SUMMARY: STATUS OF FY 2023/24 ADOPTED BUDGET

The purpose of the Mid-Year Report is to provide the Town Council with a status of the Adopted Fiscal Year (FY) 2023/24 Operating Budget after the first six months and to make any adjustments to ensure the continuity of municipal services and operations for the remainder of the fiscal year. The Report is one of several periodic updates to the Town Council on the status of the current year's revenues and expenditures and the projected financial condition of all Town funds compared with the Adopted Operating Budget. The updates typically focus on the Town's General Fund.

On January 24, 2023, the Town Council determined the Strategic Priorities for 2023-2025, providing guidance to Town staff and Commissions on workload prioritization. The Council affirmed its Strategic Priorities to be multi-year efforts focused on Safety, Prudent Financial Management, Traffic/Transportation, and Quality of Life. Under these broad topics, the Council added a few new items including: Hazardous Tree Management, Develop a Five-Year Structurally Balanced and Sustainable Operating Forecast, Develop a Five-Year Full Funded Capital Plan, Traffic Calming/Safety for All Users, Streamline Permit Process, Work with Town Partners to Support Needs of Unhoused Residents, and Redefine Town Commissions in Alignment with Strategic Priorities (see the following page). Town Council will review these priorities on its February 13, 2024 Special Meeting.

Staff has started budget development work for the next fiscal year, including an update of the Five-Year Financial Forecast, identification of critical Town needs, contractual obligations, unfunded mandates, potential adjustments to the Fee and Fine Schedule, and other analyses. Staff is actively engaged in the FY 2024/25 budget process with the primary focus of ensuring that the available Town resources are allocated to meet the priority service needs of the community. The Town Council is scheduled to hold a public hearing on the Proposed FY 2024/25 Budget on May 21, 2024.

The prior fiscal year closed with approximately \$4.1 million in surplus operating revenues, transfers in, and use of reserves over expenditures, transfers out, and reserve allocations. The General Fund balance was \$2,631,515 as of June 30, 2023.

Current fiscal year-end projections for FY 2023/24 reflect an anticipated \$1.7 million surplus of operating revenues and planned use of reserves over expenditures in addition to reserving 30% of ERAF and the proceeds to Pension Trust Fund, compared to the anticipated \$3.2 million deficit in the Adopted Budget.

ATTACHMENT 1

As discussed in greater detail later in this Report, the primary drivers of the projected surplus are the increased revenue projection for property tax and the restoration of the garbage franchise fee to prior year levels.

On June 6, 2023, the Town Council balanced the budget with a 4.6% vacancy factor. Staff continues to monitor each Department budget because while overall Townwide savings are predicted due to higher projected revenues, the individual Departments' current expenditure budgets may not be sufficient for the remainder of the year. Staff will recommend the necessary expenditure budget adjustments as needed.

Providing services to the community in this and future fiscal years will require a strong revenue performance of the Town's economically sensitive revenues to offset continued projected cost increases. The FY 2024/25 budget development process will endeavor to maintain essential public services while controlling operational costs in light of the five-year fiscal forecast, which predicts operating revenue shortfalls in subsequent fiscal years with certain assumptions.

| Mid-Year Update Summary Schedule | Most Probable FY 24 | Adopted FY 24 | Adj as Dec 23 FY 24 | Budget change YTD | Adopted vs Most Probable |
|--|------------------------|------------------|------------------------|----------------------|-----------------------------|
| Total Revenues and Transfers In | 56,577,094 | 53,216,570 | 53,649,620 | 433,050 | 3,360,524 |
| Less: | | | | | |
| >Fund Transfer In | 562,411 | 538,536 | 538,536 | 0 | 23,875 |
| >Debt Service - eliminated GAAP | 1,894,550 | 1,894,550 | 1,894,550 | 0 | 0 |
| Adjusted Revenue | 54,120,133 | 50,783,484 | 51,216,534 | 433,050 | 3,336,649 |
| Total Operating Expenditures | 53,350,762 | 51,005,698 | 52,825,517 | 1,819,819 | 2,345,064 |
| Surplus (Deficit) revenues over expenditures | 769,371 | (222,214) | (1,608,983) | (1,386,769) | 991,585 |
| Other Sources (Uses) | | | | | |
| >Transfers In | 562,411 | 538,536 | 538,536 | 0 | 23,875 |
| >Transfer Out | 1,615,000 | 1,615,000 | 1,615,000 | 0 | 0 |
| Net other sources - total | (1,052,589) | (1,076,464) | (1,076,464) | 0 | 23,875 |
| Change in Fund Balance | (283,218) | (1,298,678) | (2,685,447) | (1,386,769) | 1,015,460 |
| Reconciliation to Staff Worksheet | | | | | |
| Add decrease of reserves: | | | | | |
| >from Capital Projects Reserve | 1,615,000 | 1,615,000 | 2,108,288 | 493,288 | 0 |
| >from Council Priorities Reserve | 1,545,281 | 779,000 | 1,645,281 | 866,281 | 766,281 |
| >from Pension/OPEB Reserve | 300,000 | | 0 | 0 | 300,000 |
| Subtotal of decrease in GF Reserves | 3,460,281 | 2,394,000 | 3,753,569 | 1,359,569 | 1,066,281 |
| Less increase to reserves: | | | | | |
| >To Economic recovery Reserve | 750,000 | | 660,900 | 660,900 | 750,000 |
| >To ERAF Risk Reserve | | 660,900 | | | |
| >To Restricted Pension Trust Reserve | 690,000 | 390,000 | 390,000 | 0 | 300,000 |
| Subtotal of increase in GF Reserves | 1,440,000 | 1,050,900 | 1,050,900 | 0 | 389,100 |
| Total - agrees to Staff schedule | 1,737,063 | 44,422 | 17,222 | (27,200) | 1,692,641 |
| Fund Balance Analysis | Beginning | Additions | Deductions | Ending | Change |
| Non spendable | | | | | |
| Loan receivable | 159,000 | | | 159,000 | 0 |
| Restricted | | | | | |
| Land held for sale | 44,338 | | | 44,338 | 0 |
| Pensions | 1,400,163 | 690,000 | | 2,090,163 | 690,000 |
| Committed | | | | | |
| Budget Stabilization | 6,129,774 | | | 6,129,774 | 0 |
| Catastrophic | 6,129,775 | | | 6,129,775 | 0 |
| Pension/OPEB | 300,000 | | 300,000 | 0 | (300,000) |
| Measure G 2018 Sales Tax | 590,581 | | | 590,581 | 0 |
| Assigned | | | | | |
| Open Space | 410,000 | | | 410,000 | 0 |
| Sustainability | 140,553 | | | 140,553 | 0 |
| Capital/Special Projects | 10,359,577 | | | 10,359,577 | 0 |
| carryover encumbrances | 37,698 | | | 37,698 | 0 |
| ERAF Risk | 689,608 | 750,000 | | 1,439,608 | 750,000 |
| Economic Recovery | 1,556,614 | | 1,545,281 | 11,333 | (1,545,281) |
| Compensated Absences | 1,580,623 | | | 1,580,623 | 0 |
| Sub-Total | 29,528,304 | 1,440,000 | 1,845,281 | 29,123,023 | (405,281) |
| Add: | | | | | |
| Surplus FY 2024 | | 769,371 | | 769,371 | 769,371 |
| Fund Transfer In | | 562,411 | | 562,411 | 562,411 |
| Fund Transfer Out | | | 1,615,000 | (1,615,000) | (1,615,000) |
| Unallocated deduction from Reserves | | 405,281 | | 405,281 | 405,281 |
| >Total | | 1,737,063 | 1,615,000 | 122,063 | 122,063 |
| Total Fund Balance | 29,528,304 | 3,177,063 | 3,460,281 | 29,245,086 | (283,218) |

The table below provides the details of the Revenues and Use of Reserves and Total Expenditures and Reserve Allocations.

| GENERAL FUND | | | | | | | | |
|--|-----------------------|-----------------------|----------------------------------|--|----------------------|--|---|------------------------------------|
| SUMMARY OF REVENUES, TRANSFERS IN, USE OF RESERVES AND EXPENDITURES, TRANSFERS OUT AND RESERVE ALLOCATIONS | | | | | | | | |
| | FY 2022/23 Actuals | FY 2022/23 Q2 | 2Q % of FY 2022/23 Actuals | 2Q % of FY 2022/23 Adjusted Budget as of 12/31/2023 | FY 2023/24 Q2 | FY 2023/24 Adjusted Budget as of 12/31/2023 | FY 2023/24 Adjusted Budget as of 2/28/2024 | FY 2023/24 Year End Estimate |
| Revenues | | | | | | | | |
| Property Tax | \$ 18,187,388 | \$ 6,155,317 | 33.8% | 34.7% | \$ 6,446,859 | \$ 18,556,631 | 18,997,898 | \$ 18,999,898 |
| VLF Backfill P Property Tax | 4,555,700 | - | 0.0% | 0.0% | - | 4,692,680 | 4,906,000 | 4,906,000 |
| Sales & Use Tax | 7,507,068 | 2,398,925 | 32.0% | 28.6% | 2,250,056 | 7,676,233 | 6,960,850 | 6,960,850 |
| Measure G Sales & Use Tax | 1,299,408 | 426,496 | 32.8% | 32.5% | 411,004 | 1,378,545 | 1,238,743 | 1,238,843 |
| Franchise Fees | 3,094,628 | 1,044,055 | 34.0% | 31.0% | 1,079,717 | 2,116,470 | 3,308,708 | 3,308,708 |
| Transient Occupancy Tax | 2,238,190 | 857,715 | 38.5% | 33.9% | 819,683 | 2,419,000 | 2,262,528 | 2,262,488 |
| Business License Tax | 2,361,862 | 97,974 | 4.1% | 14.4% | 352,611 | 2,440,766 | 2,429,419 | 2,429,419 |
| Licenses & Permits | 3,258,498 | 1,614,760 | 49.4% | 59.0% | 1,726,270 | 2,529,230 | 3,362,655 | 3,339,593 |
| Intergovernmental | 1,553,397 | 638,329 | 31.8% | 60.0% | 733,280 | 1,274,466 | 1,100,945 | 1,356,699 |
| Town Services | 4,646,675 | 3,259,202 | 70.0% | 76.6% | 3,373,872 | 4,416,250 | 4,615,797 | 5,166,743 |
| Fines & Forfeitures | 416,951 | 151,615 | 36.4% | 111.2% | 236,280 | 358,450 | 358,450 | 367,700 |
| Interest | 602,592 | 145,008 | 24.2% | 22.8% | 235,922 | 1,053,097 | 1,567,130 | 1,567,130 |
| GASB 31 to Market | 3,197 | 1,577,168 | 49332.7% | - | 1,573,971 | - | - | - |
| Use of Property | 38,126 | - | 0.0% | 0.0% | - | - | - | - |
| Miscellaneous Other | 859,578 | 551,238 | 64.2% | 40.8% | 826,265 | 2,026,716 | 2,124,694 | 2,306,791 |
| Park Construction Tax | 6,454 | - | 0.0% | 108.7% | 7,680 | 7,000 | 7,000 | 8,280 |
| Debt Service - Entry Eliminated for ACR | 1,893,713 | 1,893,713 | 100.0% | 0.0% | - | 1,894,530 | 1,894,530 | 1,894,530 |
| ARPA Income Replacement - Entry Eliminated for ACR | 471,664 | - | 0.0% | - | - | - | - | - |
| Pension Trust Income - Entry Eliminated for ACR | 690,000 | - | 0.0% | - | - | - | - | - |
| Measure G for Operations - Entry Eliminated for ACR | 629,065 | - | 0.0% | - | - | - | - | - |
| Domestic Use of Assets | 2,362 | - | 0.0% | - | - | - | - | - |
| Fund Transfer In | 4,153,408 | 102,000 | 2.5% | 21.3% | 114,699 | 538,536 | 562,411 | 562,411 |
| Total Revenues & Transfers In | \$ 58,449,721 | \$ 20,808,506 | 36% | 38% | \$ 20,185,979 | \$ 53,649,620 | \$ 58,598,713 | \$ 56,577,094 |
| Use of Other Funding Sources | | | | | | | | |
| Use of Reserves - Capital/Serial Projects | \$ 2,350,000 | \$ - | 0.0% | 0.0% | \$ - | \$ 2,108,280 | \$ 2,108,280 | \$ 1,615,000 |
| Use of Reserves - Council Priorities - Economic Recovery | 2,065,302 | - | - | - | - | 1,645,281 | 1,545,281 | 1,545,281 |
| Use of Reserves - Pension/OPEB | 300,000 | - | - | - | - | - | - | 300,000 |
| Total Other Funding Sources | \$ 4,715,302 | \$ - | 0% | 0% | \$ - | \$ 3,753,561 | \$ 3,653,561 | \$ 3,460,281 |
| Total Revenues and Use of Reserves | \$ 63,165,023 | \$ 20,808,506 | 33% | 38% | \$ 20,185,979 | \$ 57,403,181 | \$ 62,252,274 | \$ 60,037,375 |
| Expenditures | | | | | | | | |
| Town Council | \$ 186,337 | \$ 92,674 | 49.7% | 51.2% | 94,408 | \$ 184,385 | 184,385 | \$ 198,212 |
| Attorney | 689,143 | 332,143 | 47.9% | 41.2% | 336,063 | 777,508 | 937,508 | 904,041 |
| Administrative Services | 5,302,777 | 2,435,224 | 45.9% | 48.5% | 3,257,872 | 6,508,065 | 6,429,565 | 6,091,006 |
| Non-Departmental | 2,641,017 | 3,394,657 | 122.3% | 42.7% | 2,799,192 | 6,462,508 | 6,781,410 | 6,498,660 |
| Community Development | 5,065,410 | 2,394,537 | 47.3% | 47.1% | 2,959,684 | 5,430,634 | 5,371,042 | 5,410,008 |
| Police | 18,446,040 | 8,957,541 | 48.6% | 43.8% | 9,732,666 | 19,983,414 | 20,313,557 | 20,313,916 |
| Parks & Public Works | 8,988,082 | 4,215,979 | 46.9% | 44.9% | 4,574,800 | 10,177,731 | 10,144,315 | 10,519,175 |
| Library | 3,096,485 | 1,442,417 | 46.6% | 52.3% | 1,671,000 | 3,194,842 | 3,218,042 | 3,263,710 |
| Capital Outlay | 300,000 | - | - | - | - | - | - | - |
| Principal | 156,094 | - | - | - | - | 156,094 | 156,094 | 156,094 |
| Total Departmental Expenditures | \$ 41,890,825 | \$ 23,101,212 | 51% | 47% | \$ 24,885,685 | \$ 52,825,517 | \$ 53,644,868 | \$ 53,354,767 |
| Debt Service - Entry Eliminated for ACR | 1,893,713 | - | 0.0% | 0.0% | - | 1,894,530 | 1,894,530 | 1,894,530 |
| ARPA Income Replacement - Entry Eliminated for ACR | 471,664 | - | - | - | - | - | - | - |
| Transfer to Pension Trust Fund - Entry Eliminated for ACR | 690,000 | - | - | - | - | - | - | - |
| Measure G Transfer - Entry Eliminated for ACR | 629,065 | - | - | - | - | - | - | - |
| Transfer Out | 7,242,972 | - | 0.0% | 0.0% | - | 1,615,000 | 1,615,000 | 1,615,000 |
| Total Additional Non-Departmental Expenditures | \$ 24,977,312 | \$ - | 0% | 0% | \$ - | \$ 3,509,530 | \$ 3,509,530 | \$ 3,509,530 |
| Total Expenditures and Transfers Out | \$ 66,868,137 | \$ 23,101,212 | 41% | 47% | \$ 24,885,685 | \$ 56,335,047 | \$ 57,154,398 | \$ 56,864,312 |
| Allocates to Budget Stabilization/Contingency Reserve | \$ 276,417 | - | - | - | - | - | - | - |
| Allocates to Compensated Absences | 61,476 | - | - | - | - | - | - | - |
| Allocates to Encumbrances | 4,559 | - | - | - | - | - | - | - |
| Allocates to Economic Recovery | 1,536,614 | - | - | - | - | - | - | - |
| Allocates to GRAF Risk Reserve | 689,608 | - | - | - | - | 680,900 | 750,000 | 750,000 |
| Allocates to Restricted Pension Trust | 690,000 | - | - | - | - | 390,000 | 690,000 | 690,000 |
| Net Total Revenues, Transfers, and Use of Reserves Less | \$ 4,066,886 | \$ (2,292,706) | \$ (4,699,706) | \$ 17,222 | \$ 647,864 | \$ 1,722 | \$ 1,722 | \$ 1,722 |
| Total Expenditure and Reserve Allocation | \$ 4,066,886 | \$ (2,292,706) | \$ (4,699,706) | \$ 17,222 | \$ 647,864 | \$ 1,722 | \$ 1,722 | \$ 1,722 |

*FY 2022/23 and FY 2023/24 Net Operating Revenues are negative because some revenues budgeted for the entire fiscal year are received in the third or fourth quarters and fund expended in the first or second quarters.

** This schedule includes fund balance uses. Total Revenues and Transfers In (\$58,449,721) minus Total Operating Expenditures (\$55,814,205) equals \$2,635,516.

**TOTAL TOWN
REVENUES AND EXPENDITURES**

GENERAL FUND

| | 2019/20 Actuals | 2020/21 Actuals | 2021/22 Actuals | 2022/23 Estimated | 2023/24 Adopted |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| REVENUES | | | | | |
| Property Tax | \$ 14,454,513 | \$ 15,826,162 | \$ 16,899,618 | \$ 17,928,118 | \$ 18,556,631 |
| VLF Backfill | 3,875,914 | 4,052,672 | 4,229,462 | 4,556,000 | 4,692,680 |
| Sales & Use Tax | 6,535,034 | 6,794,218 | 7,177,597 | 7,681,444 | 7,878,061 |
| Measure G - District Sales Tax | 996,391 | 1,139,386 | 1,306,076 | 1,277,690 | 1,274,717 |
| Franchise Fees | 2,495,792 | 2,499,463 | 2,822,515 | 2,716,470 | 2,116,470 |
| Transient Occupancy Tax | 1,869,685 | 1,044,820 | 1,895,064 | 2,348,547 | 2,419,000 |
| Other Taxes | 1,357,080 | 1,386,943 | 1,481,667 | 2,346,847 | 2,440,766 |
| Licenses & Permits | 2,696,457 | 2,999,711 | 4,839,489 | 2,863,374 | 2,947,230 |
| Intergovernmental | 1,104,075 | 1,573,697 | 1,263,352 | 1,260,731 | 913,094 |
| Town Services | 4,447,213 | 4,835,962 | 5,435,769 | 5,083,801 | 4,394,250 |
| Internal Svc Reimbursement | - | - | - | - | - |
| Fines & Forfeitures | 271,117 | 103,467 | 319,170 | 232,129 | 203,450 |
| Interest | 2,266,134 | 96,061 | (1,404,526) | 670,021 | 1,035,097 |
| Other Sources | 1,381,187 | 2,217,072 | 5,649,767 | 5,887,554 | 1,912,038 |
| Debt Service Reimbursement | 1,905,024 | 1,908,494 | 1,899,850 | 1,893,713 | 1,894,550 |
| Transfers In | 599,669 | 1,833,218 | 633,352 | 538,536 | 538,536 |
| TOTAL REVENUES | \$ 46,255,285 | \$ 48,311,346 | \$ 54,448,222 | \$ 57,284,975 | \$ 53,216,570 |
| EXPENDITURES | | | | | |
| Salaries | \$ 18,546,018 | \$ 19,330,626 | \$ 18,847,234 | \$ 20,882,547 | \$ 20,969,978 |
| Overtime | 708,955 | 882,421 | 1,134,177 | 1,568,744 | 578,856 |
| Benefits-Pension | 6,059,646 | 6,374,119 | 6,531,958 | 6,846,834 | 8,237,154 |
| Benefits-All Other | 3,618,950 | 3,710,338 | 3,679,378 | 3,931,663 | 4,716,655 |
| Retiree - Medical | 1,203,101 | 1,286,285 | 1,391,296 | 1,571,930 | 1,609,200 |
| Operating Expenditures | 12,193,929 | 12,990,318 | 12,860,383 | 13,966,816 | 10,598,891 |
| Grants & Awards | 274,249 | 298,303 | 606,449 | 592,600 | 774,000 |
| Fixed Assets | 138,384 | 2,365 | - | - | - |
| Interest | - | 52,011 | 156,034 | 156,034 | 156,034 |
| Internal Service Charges | 2,188,211 | 2,314,305 | 2,607,506 | 2,636,316 | 3,364,929 |
| Capital Projects | - | - | - | - | - |
| Capital Acquisitions | - | - | - | - | - |
| Debt Service | 1,905,024 | 1,908,494 | 1,899,850 | 1,893,713 | 1,894,550 |
| Transfers Out | 8,053,847 | 4,582,641 | 1,751,787 | 2,987,359 | 1,615,000 |
| TOTAL EXPENDITURES | \$ 54,890,314 | \$ 53,732,226 | \$ 51,466,052 | \$ 57,034,556 | \$ 54,515,247 |
| Net Increase (Decrease) | (8,635,029) | (5,420,880) | 2,982,170 | 250,419 | (1,298,677) |
| Beginning Fund Balance | 37,970,526 | 29,335,497 | 23,914,617 | 26,896,787 | 27,147,206 |
| Ending Fund Balance | \$ 29,335,497 | \$ 23,914,617 | \$ 26,896,787 | \$ 27,147,206 | \$ 25,848,529 |

* Year End Fund Balance represents General Fund 111 (Long Term Compensated Absences were accounted in Fund 961 prior to FY2018/19, Pension Trust Fund 731 was incorporated in FY2018/19).

50,783,484
 51,005,697
 (222,213)
 538,536
 1,615,000
 C- (1,298,677)

Transfer in
 Transfer out
 change

FUND BALANCE ACTIVITY SUMMARY FISCAL YEAR 2023/24

deficit (222,213)
+ 538,536
= 316,323

| | 7/1/23 Estimated Fund Balance | Fiscal Year 2023/24 Proposed Budget | | | | | 4/30/24 Estimated Fund Balance |
|---|-------------------------------------|-------------------------------------|---------------|---|------------------|--------------------|--------------------------------------|
| | | Plus Carryforward | Revenue In | Less Expenditures & Carryforwards | Transfers Out | Use of Reserves | |
| GENERAL FUND | | | | | | | |
| Unreserved Fund Balances | | | | | | | |
| Undesignated Reserves | | | | | | | |
| Available to be Appropriated | \$ | \$ 52,678,034 | \$ 538,536 | \$ 52,900,247 | \$ 1,615,000 | \$ 1,343,100 | \$ 64,423 |
| Restricted Fund Balances | | | | | | | |
| Pension Trust | 1,380,000 | | | | | 390,000 | 1,770,000 |
| Conservation: | | | | | | | |
| Budget Stabilization Reserve | 6,129,774 | | | | | | 6,129,774 |
| Catastrophic Reserves | 6,129,774 | | | | | | 6,129,774 |
| Pension/OPEB Reserve | 300,000 | | | | | | 300,000 |
| Measure G District Sales Tax - Operating | 590,581 | | | | | | 590,581 |
| Assigned to: | | | | | | | |
| Open Space Reserve | 410,000 | | | | | | 410,000 |
| Sustainability | 140,553 | | | | | | 140,553 |
| Capital/Special Projects | 8,020,346 | | | | | | 6,805,386 |
| Unexpended Appropriations | 1,519,147 | | | | | | 1,519,147 |
| ERAF Mkt | 689,608 | | | | | 660,900 | 1,350,508 |
| Public Works (Multiple Use) | 159,000 | | | | | | 159,000 |
| General Fund Reserves - Economic Recovery | 1,645,281 | | | | | 1,779,800 | 866,281 |
| Total General Fund Reserves | \$ 27,147,209 | \$ 52,678,034 | \$ 538,536 | \$ 52,900,247 | \$ 1,615,000 | \$ 1,779,800 | \$ 25,948,532 |

General Fund Undesignated Reserves reflect ongoing revenue, carryforward, transfer, expenditures, the net effect of the change in Designated Reserves, and the use of Undesignated Reserves.

- FY2023/24 Budgeted revenue (includes \$1.6 OPEB 115 Trust reimbursement) and expenditure appropriations, and transfers to and from the General Fund.
- ~~Available to be Appropriated~~ reflects ongoing appropriations that were brought forward as a funding source. The actual carryforward amount will be determined at FY2023/24 year-end, which will be offset by undesignated revenues.
- General Fund Reserve Policy requires a minimum of 25% of General Fund operating expenditures equally divided between the Budget Stabilization Reserve and Catastrophic Reserves.
- In FY2023/24, Council established a General Fund Pension/Other Post Employment Benefits (OPEB) Reserve Account. At the same time, the Council revised the General Fund Reserve Policy to provide for a maximum of \$300,000 in General Fund Year End Savings upon year-end close to be deposited in the Pension/OPEB Reserve Account and used as authorized by Town Council.
- Undesignated Fund Balance is a year-end fund balance not yet identified by the Town Council for a specific purpose. The Town General Fund Reserve Policy requires full funding of the Catastrophic and Budget Stabilization Reserves, distribution to the Pension/OPEB Reserve, and any remaining balance to the Capital/Special Projects Reserve.

| SPECIAL REVENUE FUNDS | | | | | | | | | |
|---|----|-----------|----|---------|----|---------|----|-------|--------------|
| Housing Conservation Program | \$ | 177,241 | \$ | - | \$ | - | \$ | - | 177,241 |
| Community Dev Block Grant | | (10,587) | | - | | - | | - | (10,587) |
| Libraries-Off Source Fund | | 614,787 | | 359,950 | | 271,103 | | | 705,634 |
| Blackwell Assessment District | | 13,506 | | 3,210 | | 2,984 | | 460 | 13,272 |
| Kennedy Assessment District | | 7,150 | | 10,605 | | 13,285 | | 1,510 | 2,960 |
| Good Assessment District | | 29,388 | | 4,750 | | 1,542 | | 610 | 31,996 |
| Santa Rosa Assessment District | | 22,371 | | 4,550 | | 12,227 | | 680 | 14,094 |
| Vasco Assessment District | | 28,083 | | 10,075 | | 8,072 | | 1,430 | 28,656 |
| Hill Brook Assessment District | | 10,274 | | 4,040 | | 4,454 | | 250 | 11,610 |
| San Carlos Theatre | | 32,046 | | 68,600 | | 60,000 | | | 60,486 |
| Library Trust | | 58,873 | | 70,000 | | 75,000 | | | 53,873 |
| Miss Trust Beghest | | 22,417 | | | | 21,000 | | | 1,417 |
| Betty McCord Trust | | 88,214 | | 900 | | 900 | | | 88,214 |
| Barbora J Canale Trust | | 36,217 | | 1,000 | | 3,900 | | | 34,317 |
| Total of Special Revenue Funds Reserves | \$ | 1,457,984 | \$ | 542,580 | \$ | 45,467 | \$ | 4,920 | \$ 1,548,779 |

open deficit (222,213)
+ 538,536
= 316,323
+ 779,000
= 1,095,323
+ 1,050,900
= 2,146,223

POB 390,000
ERAF 660,900
= 1,050,900

Total
Net surplus
C/P Reserve
available
new reserves
Net