

General Fund Revenues

	FY 2020/21 Actual	FY 2021/22 Actual	FY 2022/23 Adjusted Budget	FY 2022/23 Q4 Estimated*	FY 2023/24 Adopted Budget
Property Tax	\$15,826,162	\$16,899,618	\$16,969,226	\$18,187,388	\$18,556,631
VLF Backfill	4,052,672	4,229,462	4,556,000	4,555,700	4,692,680
Sales & Use Tax	6,794,218	7,177,597	7,559,556	7,507,068	7,876,233
Measure G District Tax	1,139,386	1,306,076	1,277,690	1,299,409	1,276,545
Franchise Fees	2,499,463	2,822,515	2,716,470	3,074,624	2,116,470
Transient Occupancy Tax	1,044,820	1,895,064	2,000,000	2,228,190	2,419,000
Other Taxes	1,386,943	1,481,667	2,444,000	2,353,243	2,440,766
Licenses & Permits	2,999,711	4,839,489	2,852,574	3,451,708	2,947,230
Intergovernmental	1,573,697	1,263,352	1,273,910	1,393,238	913,094
Town Services	4,835,962	5,435,769	4,837,189	5,945,819	4,394,250
Fines & Forfeitures	103,467	319,170	226,750	416,951	203,450
Interest	96,061	-1,404,527	432,947	491,480	1,035,097
Other Sources	4,125,566	7,549,617	5,805,959	3,303,141	3,806,588
Total Revenues	\$ 46,478,128	\$ 53,814,869	\$ 52,952,271	\$ 54,207,959	\$ 52,678,034
Transfers In:	1,833,218	633,352	538,536	538,536	538,536
Total Revenues & Transfers In	\$48,311,346	\$54,448,221	\$53,490,807	\$54,746,495	\$53,216,570

*Final revenues will be presented in the Annual Comprehensive Financial Report (ACFR)

Economically Sensitive Revenues

SALES TAX*	FY 2020/21 Actual	FY 2021/22 Actual	FY 2022/23 Estimated**
1Q	\$1,863,996	\$1,726,453	\$1,877,426
2Q	\$1,135,409	\$1,758,763	\$1,999,376
3Q	\$1,589,990	\$1,758,763	\$1,646,031
4Q	\$2,204,823	\$1,883,504	\$1,929,117
Total	\$6,794,218	\$7,127,483	\$7,451,950

*Amount Shows Net of Administration Fees

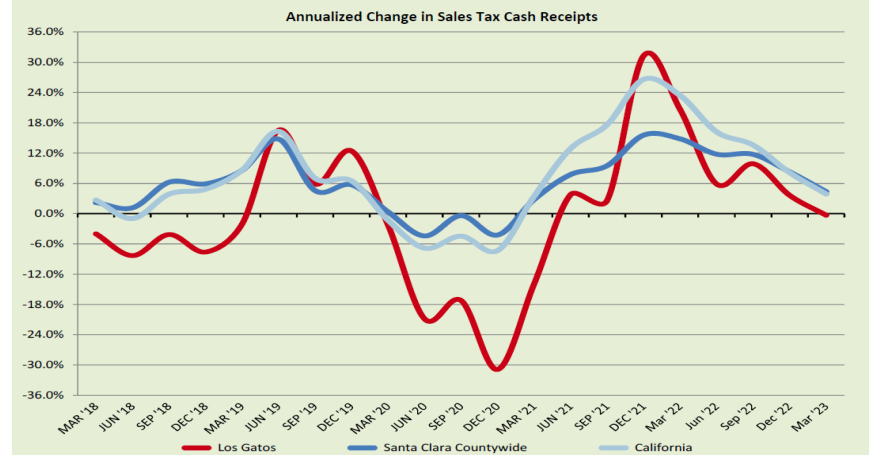
**Final revenues will be presented in the ACFR

MEASURE G TAX*	FY 2020/21 Actual	FY 2021/22 Actual	FY 2022/23 Estimated**
1Q	\$ 300,599	\$ 316,317	\$ 314,614
2Q	261,746	324,525	335,398
3Q	249,733	295,671	295,723
4Q	327,308	204,736	312,393
Total	\$ 1,139,386	\$ 1,141,249	\$ 1,258,128

*Amount Shows Net of Administration Fees

**Final revenues will be presented in the ACFR

2023 Q1 Sales Tax Update



TOT	FY 2020/21 Actual	FY 2021/22 Actual	FY 2022/23 Estimated**
1Q	\$ 316,515	\$ 513,536	\$ 664,278
2Q	203,807	428,880	513,587
3Q	176,030	320,077	468,297
4Q	348,466	632,571	582,027
Total	\$ 1,044,818	\$ 1,895,064	\$ 2,228,189

**Final revenues will be presented in the ACFR

Department General Fund Expenditures

Expenditures	FY 2020/21 Actual	FY 2021/22 Actual	FY 2022/23 Adjusted Budget	FY 2022/23 Q4 Estimated*	FY 2023/24 Adopted Budget
Police Department	16,570,836	16,541,189	19,253,136	18,484,303	19,685,258
Parks & Public Works	8,179,757	8,605,455	10,074,618	8,970,942	10,028,853
Non-Departmental	8,432,090	7,274,722	4,024,930	3,420,191	5,552,023
Community Development	5,009,798	6,315,505	6,417,341	5,367,579	5,390,624
Admin Services	4,730,360	5,441,605	5,376,990	5,304,751	6,061,730
Library Services	2,828,873	2,752,401	3,247,731	3,094,060	3,175,170
Town Council	192,280	189,569	217,238	186,061	184,395
Town Attorney	537,296	629,935	811,426	679,871	771,611
Total Revenues & Transfers In	\$46,481,290	\$47,750,381	\$49,423,410	\$45,507,758	\$50,849,664

****Final expenditures will be presented in the ACFR**

General Fund Salary and Benefits

Expenditures (millions)	FY 2020/21 Actual	FY 2021/22 Actual	FY 2022/23 Adjusted Budget	FY 2022/23 Q4 Estimated*	FY 2023/24 Adopted Budget
Salary	\$ 20.2	\$ 19.8	\$ 23.0	\$ 21.8	\$ 23.2
CalPERS Benefits	6.4	6.4	7.7	7.1	8.2
All Other Benefits	3.7	3.7	4.6	3.8	4.7
OPEB Pay as You Go	1.3	1.4	1.6	1.5	1.6
Total Revenues & Transfers In	\$31.6	\$31.3	\$36.9	\$34.2	\$37.7

Expenditures (millions)	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Actual	FY 2019/20 Actual
Salary	\$ 14.5	\$ 14.8	\$ 16.0	\$ 17.9	\$ 19.3
CalPERS Benefits	3.6	3.9	4.3	5.3	6.1
All Other Benefits	3.2	3.2	3.3	3.6	3.6
OPEB Pay as You Go	0.9	1.0	1.1	1.2	1.2
Total Revenues & Transfers In	\$22.2	\$22.9	\$24.7	\$28.0	\$30.2

**Final expenditures will be presented in the ACFR

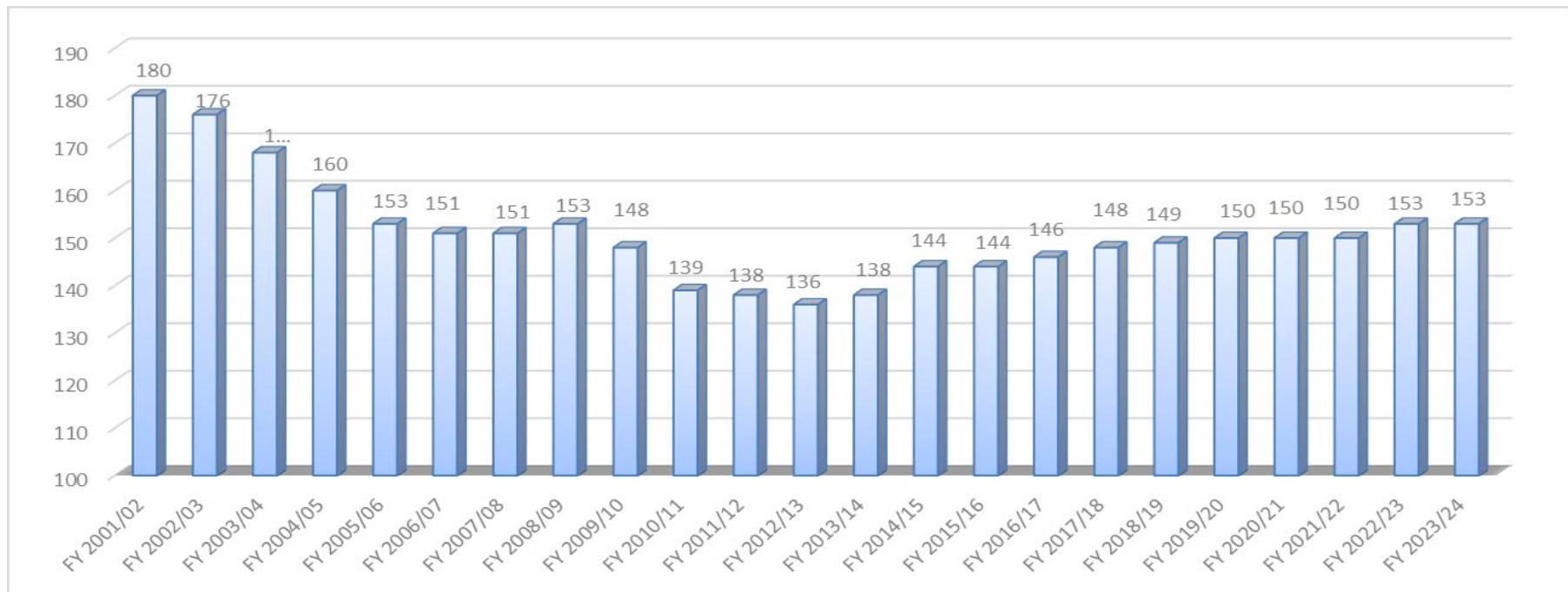
Organizational Staffing

	FY 2020/21 Funded Positions	FY 2021/22 Filled as of 6/30/22	FY 2022/23 Funded Positions	FY 2022/23 Filled as of 6/30/23	FY 2023/24 Adopted Budget
Town Attorney	2	2	2	2	2
Town Manger	5.25	4.25	5.25	5.25	5.25
Human Resources	3	3	3	3	3
Finance	7	7	7	6	7
Clerk	3	3	3	3	3
Information Technology	3	2	3	3	3
Community Development	19.75	19.75	20	19	20
Police Department	60	50	60	53	60
Parks & Public Works	34.75	31.75	36.75	35.75	35.75
Library	12.5	11.5	13.5	13.5	13.5
Total Benefited Positions	150.25	134.25	153.5	143.5	152.5
All Dept Temporary Staff Converted to Hourly	11.09		11.46		10.33
Total Positions	161.34	134.25	164.96	143.5	162.83

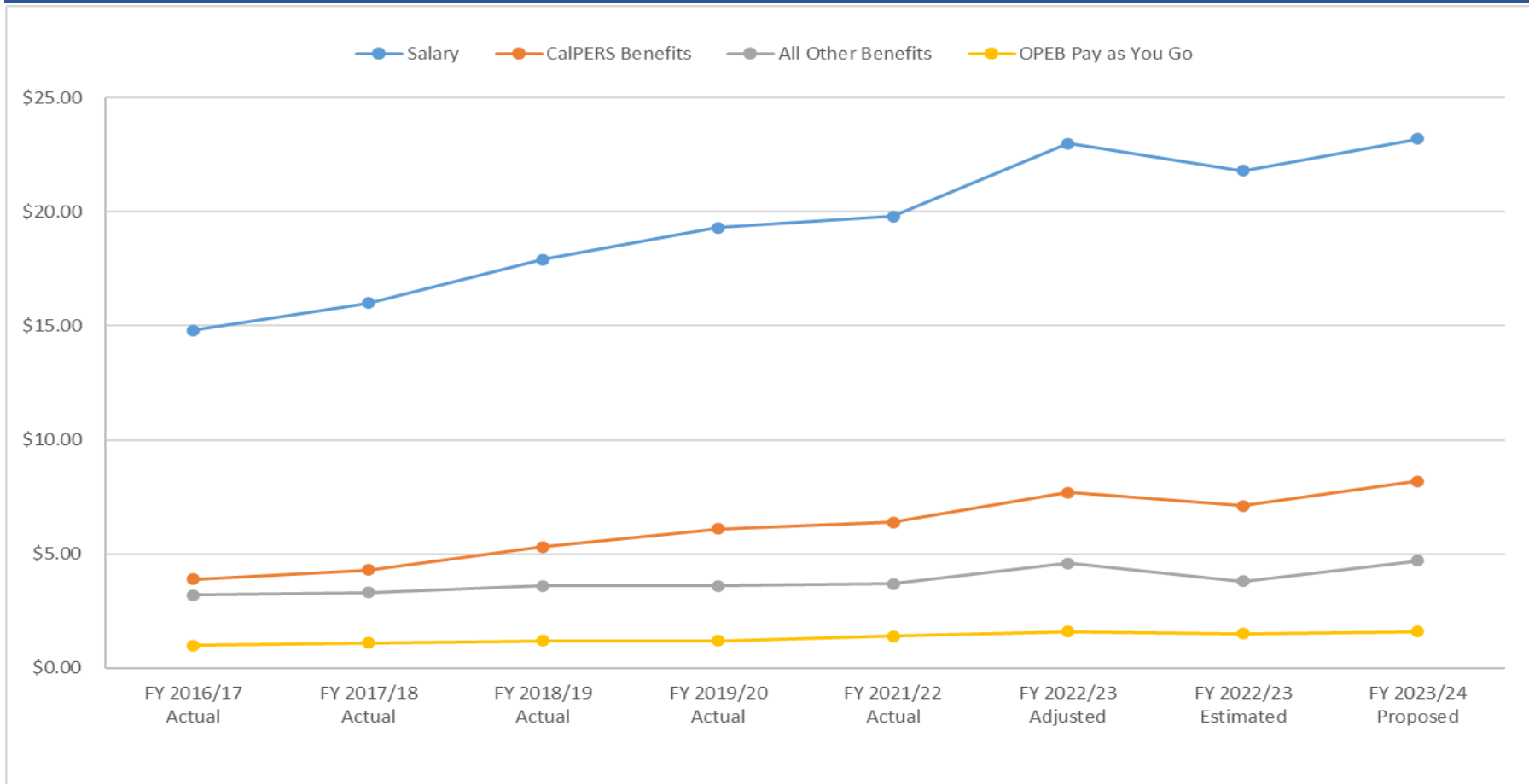
Vacancies Tracking

Department	Position		Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Town Attorney	Legal Admin Assistant	Separation	Filled with Temp	Filled - Permanent										
Clerk	Deputy Clerk	Separation	Vacant							Filled - Permanent				
Admin Services	Emergency Manager - Temp	Separation	Filled - Permanent				Vacant							
Admin Services	Finance Director	Retirement	Filled Interim			Filled - Permanent								
Admin Services	Finance Manager	Promotion	Vacant											
Admin Services	IT Technician	Separation	Vacant	Filled - Permanent										
Admin Services	Events and Mark Specialist	Separation	Vacant		Filled - Permanent									
Admin Services	Assitant Town Manager	Separation	Filled - Permanent							Vacant				Filled - Permanent
Admin Services	Accountant	Separation	Filled - Permanent									Vacant		
Admin Services	HR Analyst	Separation	Filled - Permanent									Vacant	Filled - Permanent	
Community Development	Associate Planner	Separation	Vacant			Filled - Permanent								
Community Development	Permit Technician	Retirement	Filled - Permanent		Vacant		Filled - Permanent							Vacant
Police	Police Dispatcher	Separation	Filled - Permanent			Vacant								
Police	Police Dispatcher	Separation	Vacant						Filled - Permanent					
Police	Police Dispatcher	Separation	Filled - Permanent			Vacant								
Police	Police Dispatcher	Separation	Vacant											Filled - Permanent
Police	Police Officer	Separation	Vacant				Filled - Permanent							
Police	Police Officer	Separation	Filled - Permanent	Vacant				Filled						
Police	Police Officer	Retirement	Vacant					Filled						
Police	Police Officer	Retirement	Vacant					Filled						
Police	Police Officer	Separation	Filled - Permanent			Vacant								
Police	Police Corporal	Separation								Vacant	Filled			
Police	Police Officer	Promotion	Filled - Permanent								Vacant			
Police	Police Officer	Separation	Filled - Permanent								Vacant			
Police	Police Officer	Separation									Vacant			
Police	Police Officer	Separation	Vacant											Filled
Police	Police Captain	Promotion	Vacant	Filled - Permanent										
Police	Records & Com Manager	Separation	Vacant											
Police	Police Record Specialist	Promotion	Vacant				Filled - Permanent							
Police	Police Record Specialist	Separation	Filled - Permanent				Vacant	Filled - Permanent						
Police	Senior Parking Control Officer	Retirement	Vacant		Filled - Permanent									
Parks & Public Works	Parks & Public Works Director	Separation	Filled Interim	Filled - Permanent										
Parks & Public Works	Senior Civil Engineer	Separation	Vacant					Filled - Permanent						
Parks & Public Works	Transp and Mob Manager	Separation	Filled - Permanent		Vacant			Filled - Permanent						
Parks & Public Works	Town Engineer	Separation	Filled - Permanent					Vacant					Filled	
Parks & Public Works	Assistant Engineer	Separation	Filled - Permanent							Vacant				
Parks & Public Works	Lead Maintenance Worker	Separation	Filled - Permanent								Vacant			Filled
Library	Senior Library Page	Separation	Filled with Temp	Filled - Permanent										
Library	Librarian	Separation	Vacant			Filled - Permanent								

Organizational Staffing



Salary and Benefit Expenses



Since FY 15/16 Salary has increased 60.00%

Since FY 16/17 CalPERS and other benefits have increased 88.31%

Potential Headwinds

ERAF Update

Santa Clara County provided an update on the Excess Education Revenue Augmentation Fund (ERAF) at its September property tax meeting. The Third District Court of Appeal has affirmed the Trial Court decision in the California School Boards Association (CSBA) case, ruling that CSBA did not establish that charter schools are entitled to ERAF. In August 2023, the State Controller's Office (SCO) issued a negative audit finding to Marin County regarding inclusion of the redevelopment dissolution revenue in the Excess ERAF calculation, asserting that this violated Health & Safety Code section 34188(d). Excess ERAF counties do not agree with this finding and are currently working to find a resolution.

While the resolution of the CSBA case is favorable, the Controller-Treasurer Office of County of Santa Clara County recommends establishing reserve funds for the at-risk amounts because of the SCO Marin County's audit finding. The County previously conveyed the annual at-risk percentage of 30% and with the recent positive result in the CSBA case, the annual at-risk percentage is now at about 22% of the distribution both on an ongoing basis and going back to the distribution in Fiscal Year 2020/21. The County also informed the municipalities that the State Controller Office still has not provided its calculation methodology, and this percentage could change. The County also provided the updated projection for FY 2023/24 Excess ERAF distribution (\$2,500,000) based on the latest State-released information. The amounts provided are before any provision to account for the State Controller's audit finding or other annual adjustments in the calculation. The County will provide an updated estimated for the FY 2023/24 excess ERAF distribution and estimates for FY 2024/25 excess ERAF distribution in March 2024.

The following table illustrates the potential at-risk amount from FY 2020/21.

	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Actual Excess ERAF Distributed	\$ 2,043,321	\$ 2,371,984	\$ 2,298,692	
Estimated Excess ERAF (9/8/2023)				\$ 2,500,000
30% At Risk	\$ 612,996	\$ 711,595	\$ 689,607	\$ 750,000
22% At Risk	\$ 449,531	\$ 521,836	\$ 505,712	\$ 550,000
Town ERAF Risk Reserve - 30%			\$ 689,607	\$ 750,000

With the most recent Council action, the ERAF Risk Reserve is estimated at \$1,439,607 and the at-risk amount from FY 2020/21 is estimated at \$2,027,079.

Potential Headwinds

Netflix will shut down its DVD rental business in September

The company's original business is coming to an end.

Potential Headwinds

NOTE 16 - FRANCHISE FEES

The California Supreme Court recently issued an opinion in a case challenging the franchise fees that the city of Oakland charges to certain waste hauling companies. In *Zolly v. City of Oakland*, the court concluded that it did not have enough evidence to rule as a matter of law that the fees are exempt from the voter approval requirements that apply to taxes under Proposition 26, Article XIII C of the California Constitution.

However, there are several exceptions to the general rule that a tax must be approved by the voters. One exception (Article IIC, section 1 (e)(1)) is for “a charge imposed for a specific benefit conferred or privileged granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.” In the event the Town is unable to utilize one of the exceptions, the potential impact is a loss of approximately \$2.4 million annually.

