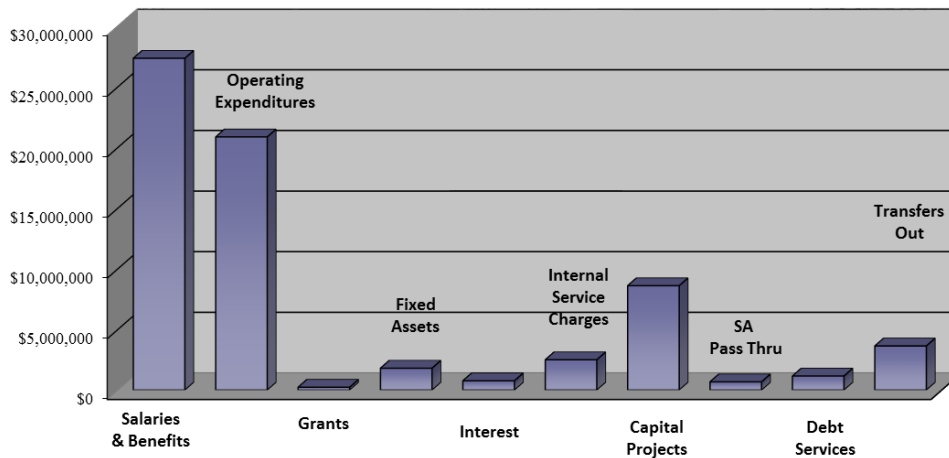


TOTAL TOWN EXPENDITURES

BY CATEGORY

FY 2018/19 Budgeted Expenditures



Expenditures	2014/15 Actuals	2015/16 Actuals	2016/17 Actuals	2017/18 Adopted	2017/18 Estimated	2018/19 Proposed	% of Total
Salaries and Benefits	\$ 21,972,399	\$ 22,766,441	\$ 25,344,865	\$ 27,005,920	\$ 24,700,282	\$ 27,347,094	40.5%
Operating Expenditures	14,618,759	15,342,699	16,085,203	15,993,014	16,574,844	20,864,268	30.9%
Grants	197,074	194,155	209,381	209,800	201,520	227,000	0.3%
Fixed Assets	355,799	958,991	402,807	877,161	962,469	1,798,038	2.7%
Interest	938,055	897,398	802,166	809,740	809,739	759,073	1.1%
Internal Service Charges	3,330,792	3,546,185	3,558,503	3,988,278	3,915,437	2,490,028	3.7%
Capital Projects	3,639,640	2,293,247	6,863,375	4,015,509	5,344,584	8,598,140	12.7%
Successor Agency Pass Thru	1,196,966	786,362	673,323	670,694	804,040	673,696	1.0%
Debt Services	990,000	1,025,000	1,065,000	1,105,000	1,105,000	1,150,000	1.7%
Total Expenditures	\$ 47,239,484	\$ 47,810,478	\$ 55,004,623	\$ 54,675,116	\$ 54,417,915	\$ 63,907,337	
Transfers Out	9,353,932	3,070,585	7,907,692	3,627,063	3,725,063	3,630,056	5.4%
Total Uses of Funds	\$ 56,593,416	\$ 50,881,063	\$ 62,912,315	\$ 58,302,179	\$ 58,142,978	\$ 67,537,393	100%

Total Budgeted Expenditures (exclusive of Transfers Out) include budgeted Capital Improvements, which can vary significantly from year to year. Net of Capital Projects and the IRS Trust payment of \$3.2 million, total expenditures reflect a 3.0 % increase for FY 2018/19 compared to the prior year adopted budget. Expenditures of note include:

Salaries and Benefits – The FY 2018/19 budget reflects an increase in salaries and benefits attributed to increased CalPERS and medical benefits rates. **Salary increases are not reflected in the proposed budget as labor negotiations with the Town's unions are pending.** Staffing modifications include eliminating certain vacant positions and reclassifying them to better align with service delivery within the existing budget, including the 0.25 FTE Library Specialist position in the Library Program. The 1.0 FTE IT Analyst position and the 0.125 FTE increase for the Deputy Town Attorney are permanent additions to the budget. Staff also proposes one-time temporary hours within Police Department and Community Development Department.

Fixed Assets – Budgeted fixed asset costs stem primarily from scheduled vehicle and equipment replacements. The variance in expenditures from year to year does not impact current year charges to the Departments, only the actual cash out to replace the asset.

Internal Service Charges – These expenditures represent the service program costs charged back to the operational programs for Liability Insurance, Office Equipment, Information Technology, Vehicle Maintenance, and Building Maintenance services. The FY 2018/19 budget reflects a decrease in the Internal Service Charges since all personnel that were previously funded in Internal Service Fund Programs are programmed starting in FY 2018/19 in the General Fund, increasing total General Fund salaries and benefits expenditures while decreasing the Internal Service Fund charges by the same amount.

Debt Service – Debt service charges reflect the Redevelopment Agency's two outstanding Certificates of Participation (2002 and 2010) through a leasing expenditure and reimbursement revenue which nets to zero for the Town, while Successor Agency (SA) to the Los Gatos Redevelopment Agency funds provide the actual debt payment for the bond issues. The SA reimburses the General Fund for the debt service payment. The 1992 COP for Parking Lot #4 was paid in full in early FY 2012/13.