FINANCIAL COMMISSION MEETING AGENDA

April 20, 2026 - 6:00 PM
Community Center- 97 Hillview Ave, Los Altos, CA 94022

PARTICIPATION: Members of the public may participate by being present at the Los Altos Community Center Sequoia Room located at 97 Hillview Avenue Los Altos, CA 94022 during the meeting. Public comment is accepted in person at the physical meeting location, or via email to financialcommissionmeeting@losaltosca.gov.

REMOTE MEETING OBSERVATION: Members of the public may view the meeting via the link below but will not be permitted to provide public comment via Zoom. Public comment will be taken in- person, and members of the public may provide written public comment by following the instructions below.

Telephone: 1-669-444-9171 | Zoom Webinar ID: 826 8112 7946 | Passcode: 679765

https://losaltosca-gov.zoom.us/j/82681127946?pwd=snrychbOmdYRPAZKUPOjWEyZqenpXn.1

SUBMIT WRITTEN COMMENTS: Verbal comments can be made in-person at the public hearing or submitted in writing prior to the meeting. Written comments can be mailed or delivered in person to the City Clerk's Office or emailed to financialcommissionmeeting@losaltosca.gov.

Correspondence must be received by 2:00 PM on the day of the meeting to ensure distribution prior to the meeting. Comments provided after 2:00 PM will be distributed the following day and included with public comment in the packet.

AGENDA

ESTABLISH QUORUM

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

Members of the audience may bring to the Commission's attention any item that is not on the agenda. Please complete a "Request to Speak" form and submit it to the Staff Liaison. Speakers are generally given two or three minutes, at the discretion of the Chair. Please be advised that, by law, the Commission is unable to discuss or take action on issues presented during the Public Comment Period. According to State Law (also known as "the Brown Act") items must first be noticed on the agenda before any discussion or action.

ITEMS FOR CONSIDERATION/ACTION

1. **Draft Fiscal Year 2026/27 Operating Budget**
   Review the draft Fiscal Year 2026/27 Operating Budget.

2. **Draft Commission Minutes**

Approve the draft minutes of the February 2, 2026 Financial Commission meeting

3. **Pension Liability and PERS Reserve**
Receive and review an informational report related to the City's pension obligations and plan to manage expected future increases in pension costs

4. **Communication Strategy Ad Hoc Committee Report**
Receive a report from the Communication Strategy Ad Hoc Committee

COMMISSIONERS' REPORTS

POTENTIAL FUTURE AGENDA ITEMS

ADJOURNMENT

SPECIAL NOTICES TO THE PUBLIC
In compliance with the Americans with Disabilities Act, the City of Los Altos will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Clerk at least 48 hours prior to the meeting at (650) 947-2720.

Agendas, Staff Reports and some associated documents for Financial Commission items may be viewed on the Internet at http://www.losaltosca.gov/meetings.

If you wish to provide written materials, please provide the Commission Staff Liaison with 10 copies of any document that you would like to submit to the Commissioners in order for it to become part of the public record.

For other questions regarding the meeting proceedings, please contact the City Clerk at (650) 947-2720.

Financial Commission Staff Report

Meeting Date: April 20, 2026
Prepared By: Jessie Kim

Subject: Draft Fiscal Year 2026/27 Operating Budget

RECOMMENDATION

Review the draft Fiscal Year 2026/27 Operating Budget.

BACKGROUND

This report presents the Draft Fiscal Year 2026/27 Operating Budget for Financial Commission review and feedback prior to City Council consideration.

DISCUSSION

The proposed Fiscal Year 2026/27 Operating Budget was developed using a zero-based approach, with a focus on maintaining service levels while remaining fiscally responsible. The City continues to be in a strong financial position, with revenues projected to exceed expenditures and policy reserve levels maintained, including the 20% General Fund operating reserve.

For FY 2026/27, General Fund revenues are projected at approximately $71.0 million, reflecting steady growth compared to the current year. Property tax continues to be the City's largest and most stable revenue source at approximately $40.8 million. Other key revenues include Utility Users Tax at approximately $3.7 million, Sales Tax at approximately $3.5 million, and other taxes at approximately $5.0 million.

On the expenditure side, General Fund spending is budgeted at approximately $61.7 million. The increase over prior years is primarily driven by higher personnel costs as the City continues to staff positions needed to support operations, along with increases in public safety costs, particularly fire services. Additional increases include higher costs for contracts, maintenance, and ongoing service needs. Public Safety remains the largest portion of the General Fund budget.

As in prior years, the budget includes planned transfers out of the General Fund to support capital projects and internal service funds, including infrastructure, equipment replacement, and long-term liabilities. Before transfers, the General Fund is projected to generate an operating surplus of approximately $9.3 million. After planned transfers to support capital and other one-time needs, the City will use a portion of the available fund balance. Even with this planned use, the City is expected to maintain healthy reserves of approximately $14 million, consistent with policy targets and supporting ongoing financial stability.

The City's enterprise funds remain generally stable, with some pressure in the coming year. The Sewer Fund continues to support operations but is projected to run a modest operating deficit in FY 2026/27 due to increased maintenance and capital activity. The Solid Waste Fund is also projected to operate at a deficit as service costs exceed revenues, reducing its ending fund balance. Both funds will continue to be monitored, with future adjustments as needed to maintain long-term sustainability.

ATTACHMENTS

1. Draft FY2026-27 General Fund and Enterprise Funds Summary

GENERAL FUND SUMMARY

GENERAL FUND	FY2023/24 Actual	FY2024/25 Actual	FY2025/26 Budget	FY2025/26 Projection	FY2026/27 Budget	% Change over FY26 Projection	% Change over FY26 Budget
REVENUES							
Taxes	$ 45,692,947	$ 46,669,216	$ 50,741,767	$ 49,567,165	$ 52,927,427	7%	4%
Fees	9,884,055	11,028,518	11,573,254	14,058,932	15,009,450	7%	30%
Interest	2,455,767	444,000	2,070,000	809,735	1,899,719	135%	-8%
Misc. Revenue	1,422,260	1,292,900	1,142,696	631,018	1,185,960	88%	4%
One Time Revenue	-	-	-	-	-		
Total General Fund Revenue	**59,455,029**	**59,434,634**	**65,527,717**	**65,066,851**	**71,022,557**	**9%**	**8%**

PROGRAM EXPENDITURES	FY2023/24 Actual	FY2024/25 Actual	FY2025/26 Budget	FY2025/26 Projection	FY2026/27 Budget	% Change over FY26 Projection	% Change over FY26 Budget
Legislative	$ 584,065	$ 831,179	$ 1,018,533	$ 980,847	$ 1,091,901	11%	7%
City Manager's Office	5,109,970	4,730,211	4,132,738	4,402,520	4,709,565	7%	14%
Finance	2,392,063	1,943,698	2,565,376	1,751,627	2,504,286	43%	-2%
Human Resources	1,827,293	1,764,441	2,066,391	1,660,591	2,079,875	25%	1%
Development Services	4,737,432	5,511,495	6,885,847	5,399,866	6,526,294	21%	-5%
Public Works	2,367,066	2,160,758	2,677,976	2,569,933	3,711,624	44%	39%
Public Safety	22,006,310	24,326,347	27,016,213	29,604,304	29,098,371	-2%	8%
Recreation	8,635,454	9,793,975	10,435,278	10,208,906	11,980,538	17%	15%
Total General Fund Expenditure	**47,659,654**	**51,062,105**	**56,798,353**	**56,578,593**	**61,702,454**	**9%**	**9%**
Transfers In / (Out)	(1,578,000)	(20,565,209)	(15,252,719)	(10,576,049)	(16,111,897)		
Revenues over Expenditures Surplus / (Deficit) Before Transfers	**11,795,375**	**8,372,529**	**8,729,364**	**8,488,258**	**9,320,102**	**10%**	**7%**
Revenues over Expenditures Surplus / (Deficit) After Transfers	**10,217,375**	**(12,192,680)**	**(6,523,355)**	**(2,087,791)**	**(6,791,794)**		

GENERAL FUND REVENUE SUMMARY

REVENUES	FY2023/24 Actual	FY2024/25 Actual	FY2025/26 Budget	FY2025/26 Projection	FY2026/27 Budget	% Change over FY26 Projection	% Change over FY26 Budget
Property Tax	$ 34,410,697	$ 35,928,295	$ 38,243,942	$ 38,243,942	$ 40,786,830	6.6%	6.6%
Sales Tax	3,442,623	3,571,000	3,592,738	3,629,661	3,496,887	-3.7%	-2.7%
Utility Users Tax	3,517,437	3,579,921	4,128,018	3,582,650	3,654,303	2.0%	-11.5%
Other Taxes	4,322,189	3,590,000	4,777,069	4,110,913	4,989,408	21.4%	4.4%
Franchise Fees	2,608,195	2,913,078	2,842,464	2,069,376	2,771,650	33.9%	-2.5%
Recreation Fees	1,598,589	1,661,140	1,647,790	1,702,223	1,734,100	1.9%	5.2%
Community Development Fees	5,677,271	6,454,300	7,083,000	10,287,333	10,503,700	2.1%	48.3%
Intergovernmental	23,238	110,000	-	-	-	0.0%	0.0%
Grants and Donations	806,765	10,000	10,000	4,750	10,000	110.5%	0.0%
Interest Income	2,455,767	444,000	2,070,000	809,735	1,899,719	134.6%	-8.2%
Miscellaneous Revenue	592,257	1,172,900	1,132,696	626,268	1,175,960	88%	4%
Total General Fund Revenue	**59,455,029**	**59,434,634**	**65,527,717**	**65,066,851**	**71,022,557**	**9%**	**8%**
One-Time Revenue	-	-	-	-	-		
Transfer In	-	-	-	5,000,000	-		
Total General Fund Revenue/Transfers In	**$ 59,455,029**	**$ 59,434,634**	**$ 65,527,717**	**$ 70,066,851**	**$ 71,022,557**	**1%**	**8%**

GENERAL FUND EXPENDITURE SUMMARY

PROGRAM EXPENDITURES	FY2023/24 Actual	FY2024/25 Actual	FY2025/26 Budget	FY2025/26 Projection	FY2026/27 Budget	% Change over FY26 Projection	% Change over FY26 Budget
LEGISLATIVE							
11110-City Council	$ 584,065	$ 831,179	$ 1,018,533	$ 980,847	$ 1,091,901	11%	7%
Total City Council	**584,065**	**831,179**	**1,018,533**	**980,847**	**1,091,901**	**11%**	**7%**
CITY MANAGER'S OFFICE							
12100-City Manager	975,308	1,087,610	920,084	1,448,674	1,027,261	-29%	12%
13100-City Attorney	1,369,103	1,210,165	817,000	978,439	800,000	-18%	-2%
14100-City Clerk	530,646	585,069	700,038	500,515	597,109	19%	-15%
12400-Public Information	320,545	217,760	109,330	132,281	516,186	290%	372%
12500-Emergency Preparedness	55,624	41,307	10,000	-	70,500	100%	605%
12300-Economic Development	416,710	241,588	249,415	211,107	256,411	21%	3%
12200-Information Technology	1,442,033	1,346,711	1,326,872	1,131,503	1,442,097	27%	9%
Total City Manager's Office	**5,109,970**	**4,730,211**	**4,132,738**	**4,402,520**	**4,709,565**	**7%**	**14%**
25100-Finance	2,023,378	1,701,366	1,875,616	1,329,027	2,024,920	52%	8%
26100-Non Department	368,685	242,333	689,760	422,600	479,366	13%	-31%
Total Finance	**2,392,063**	**1,943,698**	**2,565,376**	**1,751,627**	**2,504,286**	**43%**	**-2%**
21100-Human Resources	**1,827,293**	**1,764,441**	**2,066,391**	**1,660,591**	**2,079,875**	**25%**	**1%**
DEVELOPMENT SERVICES							
31100-Planning	2,685,792	2,545,766	2,891,600	2,138,447	2,763,465	29%	-4%
32200-Inspections	1,672,910	2,759,135	3,078,886	3,005,316	3,199,230	6%	4%
34100-Sustainability	138,795	34,858	517,896	2,440	303,350	12332%	-41%
35100-Business License	89,251	23,440	110,906	57,245	118,128	106%	7%
36100-Code Enforcement	150,683	148,297	286,560	196,417	142,122	-28%	-50%
Total Development Services	**4,737,432**	**5,511,495**	**6,885,847**	**5,399,866**	**6,526,294**	**21%**	**-5%**
PUBLIC WORKS							
41100-Engineering	1,212,366	1,219,413	1,206,547	1,209,149	1,618,920	34%	34%
41200-Traffic Control	828,887	591,305	859,699	962,469	1,682,276	75%	96%
44200-Urban Runoff	325,813	229,602	330,285	296,590	410,427	38%	24%
38100-Land Use Engineering	-	120,438	281,445	101,724	-	-100%	-100%
Total Public Works	**2,367,066**	**2,160,758**	**2,677,976**	**2,569,933**	**3,711,624**	**44%**	**39%**
PUBLIC SAFETY							
61100-Administration	2,007,285	3,050,603	3,032,569	4,382,414	3,877,954	-12%	28%
62100-Support Services	2,459,448	2,854,810	3,648,776	3,923,927	4,248,415	8%	16%
62200-Investigation Services	1,524,816	1,803,310	1,326,267	1,167,198	1,884,319	61%	42%
63200-Traffic Operations	1,643,910	1,767,767	1,138,318	1,017,404	1,190,973	17%	5%
63300-Patrol Services	5,744,867	6,604,883	8,146,234	9,016,921	7,768,224	-14%	-5%
63400-Crossing Guard	-	-	-	372,390	357,696	-4%	100%
66100-Fire Services	8,625,984	8,244,974	9,724,050	9,724,050	9,770,790	0%	0%
Total Public Safety	**22,006,310**	**24,326,347**	**27,016,213**	**29,604,304**	**29,098,371**	**-2%**	**8%**
PARKS & RECREATION							
71100-REC Administration	1,381,190	1,288,965	1,460,724	1,133,843	1,770,273	56%	21%
72xxx-Facilities	400,937	491,548	367,540	492,730	456,870	-7%	24%

73100-Tiny Tots	356,245	293,552	254,389	371,330	-	-100%	-100%
74100-Community Events	60,643	93,520	142,098	86,871	151,727	75%	7%
76100-Teen Program	68,561	71,956	98,302	58,470	102,711	76%	4%
77500-Camps-Contracts	28,548	62,883	48,000	61,287	48,000	-22%	0%
77400-Camps-Programs	151,440	238,439	344,096	231,051	349,186	51%	1%
77200-Classes-Youth	223,438	30,814	54,033	26,492	114,082	331%	111%
77300-Classes-Adults	40,926	215,479	228,001	267,129	297,633	11%	31%
78200-Sports Junior High	132,947	157,959	165,112	117,577	174,963	49%	6%
78300-Adult Sports	1,711	108	-	-	-	0%	0%
79100-Seniors Operations	262,840	292,679	317,276	283,794	383,587	35%	21%
79200-Seniors Activities	36,151	52,786	152,700	65,436	167,700	156%	10%
51100-MSC Administration	238,591	513,348	477,957	354,467	472,321	33%	-1%
53100-Street Maintenance	678,289	799,931	847,123	743,180	1,551,633	109%	83%
51200-Fleet Maintenance	280,083	380,019	516,837	326,782	376,750	15%	-27%
51400-Parks and Street Landscaping	3,104,082	3,471,104	3,789,690	4,021,621	4,120,628	2%	9%
51500-Facility Maintenance	1,188,832	1,338,886	1,171,400	1,566,846	1,442,474	-8%	23%
Total Parks & Recreation	**8,635,454**	**9,793,975**	**10,435,278**	**10,208,906**	**11,980,538**	**17%**	**15%**
Total General Fund Expenditures	**47,659,654**	**51,062,105**	**56,798,353**	**56,578,593**	**61,702,454**	**9%**	**9%**
Transfer Out	1,578,000	20,565,209	15,252,719	15,576,049	16,111,897		
Total General Fund Expenditures/Transfers Out	**$ 49,237,654**	**$ 71,627,314**	**$ 72,051,072**	**$ 72,154,642**	**$ 77,814,351**	**8%**	**8%**

ENTERPRISE FUND SUMMARY

SEWER FUND	FY2023/24 Actual	FY2024/25 Actual	FY2025/26 Budget	FY2025/26 Projection	FY2026/27 Budget
Beginning Net Position (Unrestricted)			**$ 14,701,456**	**$ 14,701,456**	**$ 16,392,478**
Interest Income	403,753	607,533	310,500	232,668	602,642
Sewer Charges	10,383,108	10,447,424	12,202,565	9,332,135	9,936,010
Sewer Connection Fees	1,085	145,214	14,000	8,895	7,000
Misc. Sewer Fees	25,825	187,377	20,000	60,259	10,000
Total Revenues	**10,813,771**	**11,387,549**	**12,547,065**	**9,633,956**	**10,555,652**
Sewer Administration	7,572,122	7,421,132	7,584,710	4,262,437	6,319,413
Sewer System Maintenance	378,203	1,768,896	2,249,544	1,898,599	2,441,566
Capital Program	224,591	531,147	2,263,583	1,781,898	2,348,684
Total Expenditures	**8,174,916**	**9,721,175**	**12,097,837**	**7,942,934**	**11,109,664**
Net Operations	**2,638,855**	**1,666,374**	**449,228**	**1,691,022**	**(554,012)**
Transfer In / (Out)	(720,000)	-	-	-	-
Ending Net Position			**$ 15,150,683**	**$ 16,392,478**	**$ 15,838,466**

SOLID WASTE FUND	FY2023/24 Actual	FY2024/25 Actual	FY2025/26 Budget	FY2025/26 Projection	FY2026/27 Budget
Beginning Net Position (Unrestricted)			**$ 2,118,928**	**$ 2,118,928**	**$ 1,029,691**
Interest Income	229,463	178,688	103,500	50,573	130,905
Administrative Charges	951,996	1,062,492	1,048,900	946,549	1,064,868
AB939 Tax	-	12,300	38,000	9,694	12,000
Grants and donations	-	-	-	-	-
Total Revenues	**1,181,459**	**1,085,000**	**1,085,000**	**1,006,816**	**1,207,773**
Solid Waste Administration	-	2,411,198	2,427,641	2,096,053	2,078,498
Total Expenditures	**-**	**2,411,198**	**2,427,641**	**2,096,053**	**2,078,498**
Net Operations	**1,181,459**	**(1,326,198)**	**(1,342,641)**	**(1,089,237)**	**(870,725)**
Transfer In / (Out)	-	-		-	-
Ending Net Position			**$ 776,287**	**$ 1,029,691**	**$ 158,966**

MINUTES OF THE MEETING OF THE FINANCIAL COMMISSION OF THE CITY OF LOS ALTOS, HELD ON MONDAY, FEBRUARY 2, 2026, AT 6:00 P.M. HELD AT 97 HILLVIEW AVENUE, LOS ALTOS, CALIFORNIA 94022

ROLL CALL

PRESENT: Chair Ottoes, Commissioners Chang, Fowler, Zhang, Jain

ABSENT: None

PLEDGE OF ALLEGIANCE

Chair Ottoes led the Pledge of Allegiance.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

None

ITEMS FOR CONSIDERATION/ACTION

1. Commission minutes: Approve the minutes of the December 1, 2025 Financial Commission meeting

   Action: Upon a motion by Commissioner Jain, seconded by Commissioner Zhang, the Commission approved the minutes of the December 1, 2025 Financial Commission meeting by a 5-0-0 vote.

2. Investment Policy and Quarterly Investment Reports: Receive the Quarterly Investment Reports for quarter ended December 31, 2025; and review the City of Los Altos Investment Policy and recommend changes as needed

   John F. Grady III of PTMA presented and responded to Commission questions.

3. Election of Chair and Vice Chair: Nominate and elect members to serve as Chair and Vice Chair

   Action: Upon a nomination by Chair Ottoes, the Commission unanimously elected Deepak Jain to serve as Chair.

   Action: Upon a nomination by Chair Ottoes, the Commission unanimously elected Jesse Zheng to serve as Vice Chair.

4. Fiscal Year 2025/26 Mid-Year Budget Adjustments: Review proposed mid-year budget adjustments for Fiscal Year 2025/26

Staff presented a mid-year update. No formal action was taken.

5. Financial Systems update: Informational item on the implementation of new budget software for FY2025/26 and its impact on reporting and planning

Staff provided an update on the implementation status of the City's new financial system.

6. Commission Work Plan: Review the draft 2025/26 Commission Work Plan

The Commission reviewed the FY 2025/26 Work Plan and discussed the upcoming February 24 joint meeting with the City Council. Chair Jain requested the Work Plan be presented in a more chronological format for easier tracking. The Commission also discussed maintaining Work Plan focus areas related to financial transparency, key performance indicators (KPIs), and financial communications. These items will be agendized for further discussion.

POTENTIAL FUTURE AGENDA ITEMS

- Ad Hoc Committee Report / Communication Strategy update: Commissioner Ottoes stated that the Commission had previously discussed incorporating key performance indicators (KPIs), including benchmarking Los Altos against other cities using national financial measures. He recommended that KPIs and financial transparency remain on the Work Plan and be discussed in conjunction with financial transparency and systems updates.
  Chair Jain confirmed that the communications item should be agendized for the next meeting.

ADJOURNMENT

Chair Jain adjourned the meeting at 7:47 p.m.

Financial Commission Staff Report

Meeting Date: April 20, 2026
Prepared By: Jon Maginot

Subject: Pension Liability and PERS Reserve

RECOMMENDATION
Receive and review an informational report related to the City's pension obligations and plan to manage expected future increases in pension costs

BACKGROUND
The City participates in CalPERS for employee retirement pension plans. Each year, the City pays into PERS to provide retirement benefits for qualifying employees. Beginning in September 2024, the Financial Commission has received periodic updates regarding the City's pension obligations and how the City is working to address anticipated increases in future costs.

In Spring 2025, the Commission recommended the City work to achieve an 80% funded level across all pension plans as funds allow.

DISCUSSION
The City's annual contribution to PERS is made up of two main components: normal cost and the amortization of the City's Unfunded Accrued Liability (UAL). The normal cost is based on a percentage of the City's active payroll and depends on the plan each employee is enrolled in. The UAL is based on the amount PERS estimates the City is short in covering benefits for future retirees.

The City's contributions to PERS over the last few years include:

	FY 2021/22	FY 2022/23	FY 2023/24
Total Contribution	$11,630,145.25	$6,597,424.66	$6,897,201.28
Normal Cost	$3,384,142.25	$3,270,469.66	$3,803,681.28
UAL Payment	$3,246,003.00	$3,326,955.00	$3,093,520.00
ADP Payment	$5,000,000.00	$0	$0

In 2016, the City established a "PERS Reserve" fund as part of the General Fund and has routinely made contributions to this reserve. In 2021, the City sent $5 million from the PERS Reserve as an additional discretionary payment (ADP) to "pay down" the City's UAL. This action saved the City an estimated $1.5 million in payments to PERS over the last three fiscal years and will continue to provide additional savings in future years. The City made another $5 million ADP at the beginning of FY 2025/26. In addition, another ADP of $2 million will be made in March 2026. It is anticipated that these ADPs will result in further cost savings in future years. The City won't know the full extent of these savings until the actuarial data for FY 2026 is release (anticipated in Fall 2027).

ATTACHMENTS

1. Attachment 1 - Pension Liability Presentation

CalPERS Unfunded Liability

March 16, 2026

CalPERS Background

Normal Cost

UAL

- 6 different plans – Now 2 plans

Number of factors affect annual UAL payments

- Discount rate
- How well market does

UAL payments will grow to exceed our ability to pay without a change in our funding strategy

City actions

- 2016 – City established PERS Reserve
- 2021 - $5 million ADP
- 2025 - $5 million ADP
- Set target funding rate of 80% funded
    - Establish 115 Trust
- 2026 - $2 million ADP

FY 2023 UAL and Funding Levels

	Misc Tier 1	Misc Tier 2	Misc PEPRA	Safety Tier 1	Safety Tier 2	Safety PEPRA	Totals
Accrued Liability	$87,554,992	$4,341,190	$6,360,984	$71,546,837	$7,004,574	$1,451,585	$178,260,162
Market Value of Assets	$60,435,736	$3,849,778	$5,638,390	$48,950,111	$6,307,458	$1,257,807	$126,439,280
Unfunded Liability	$27,119,256	$491,412	$722,594	$22,596,726	$697,116	$193,778	$51,820,882
Funding Ratio	69.00%	88.70%	88.60%	68.40%	90.00%	86.70%	70.92%

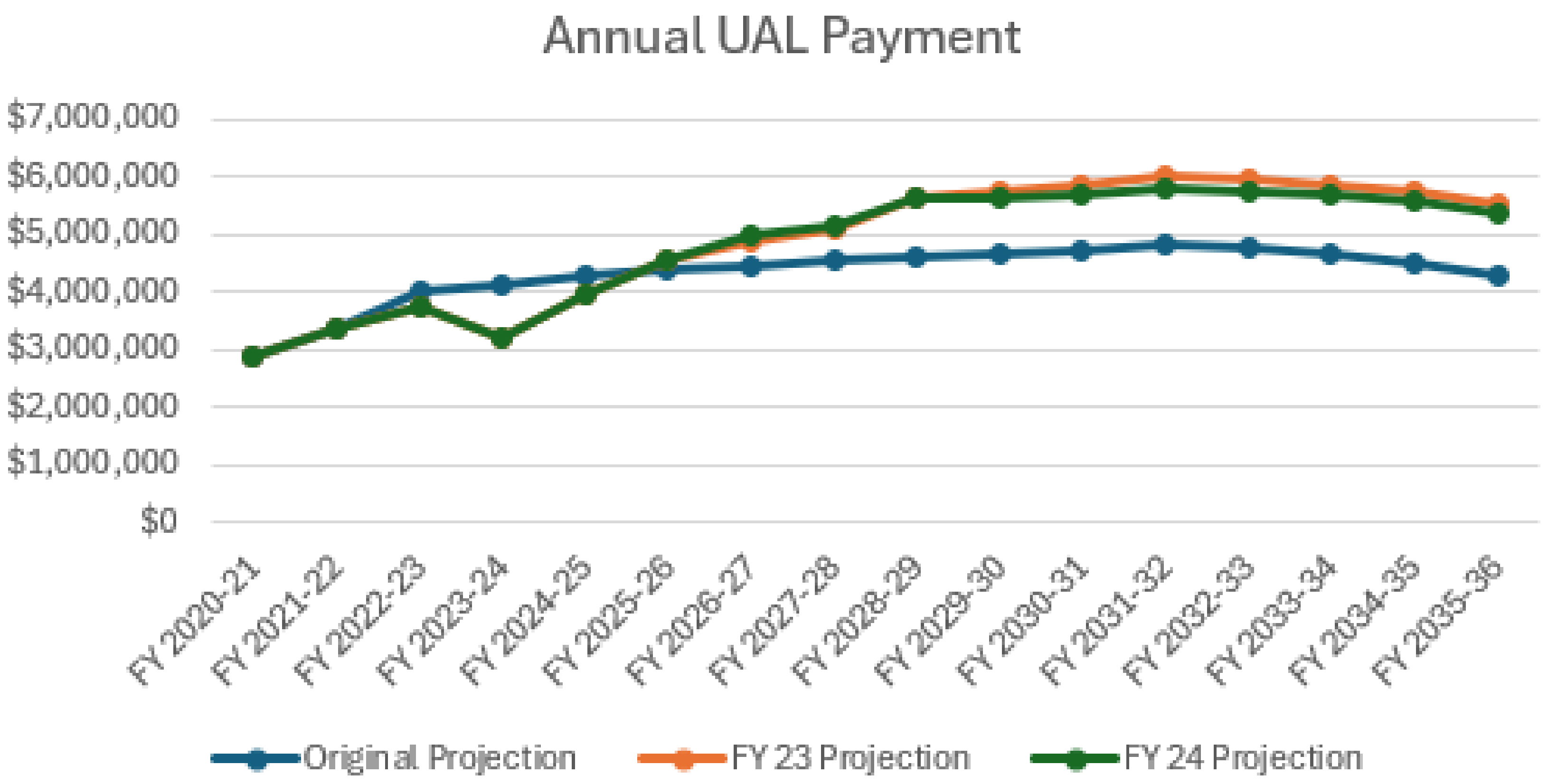
FY 2023 UAL and Funding Levels

	Misc All Tiers	Safety All Tiers	Totals
Accrued Liability	$98,257,166	$80,002,996	$178,260,162
Market Value of Assets	$69,923,904	$56,515,376	$126,439,280
Unfunded Liability	$28,333,262	$23,487,620	$51,820,882
Funding Ratio	71.20%	70.60%	70.92%

FY 2024 UAL and Funding Levels

	Misc All Tiers	Safety All Tiers	Totals
Accrued Liability	$103,279,336	$82,899,046	$186,178,382
Market Value of Assets	$75,439,600	$59,896,977	$135,336,577
Unfunded Liability	$27,839,736	$23,002,069	$50,841,805
Funding Ratio	73.00%	72.30%	72.69%

UAL Payment Post-ADP



Financial Commission Staff Report

Meeting Date: April 20, 2026
Prepared By: Jon Maginot

Subject: Communication Strategy Ad Hoc Committee Report

RECOMMENDATION
Receive a report from the Communication Strategy Ad Hoc Committee

BACKGROUND
The Communication Strategy Ad Hoc Committee was established to discuss and propose methods for the City to communicate the City's financial position and to highlight its efforts in fiscal planning.

DISCUSSION
Members of the ad hoc committee will present information regarding the topic at the April 20, 2026 Financial Commission meeting.

ATTACHMENTS
1. Attachment 1 - Ad Hoc Committee Presentation (1) (1)

City of Los Altos

Community Communication Strategy

Sharing Our Financial Success with Los Altos Residents

March 16, 2026

Finance Commission Presentation

Why Communicate Our Financial Success?

Build Trust

Transparent communication demonstrates responsible stewardship of taxpayer dollars

Inform Residents

Help our community understand where their tax dollars go and the results we achieve

Counter Misconceptions

Proactively share successes before negative narratives take hold

Los Altos has a compelling, verified story to tell.

Building Financial Resilience: Reserves

FY 2023-24
Audited

$27.8M

Unassigned Balance

57.7% of expenditures

FY 2024-25
Adopted

$11.08M

Emergency & Operating Reserve

20% policy maintained

FY 2025-26
Adopted

$17.2M

Unassigned Balance

50% operating reserves

Note: Reserve definitions vary by fiscal year. FY 23-24 shows ACFR unassigned fund balance. FY 24-25 shows Emergency & Operating Reserve per policy. FY 25-26 shows projected unassigned balance.

Sources: FY 2023-24 ACFR; FY 2024-25 & FY 2025-26 Adopted Budgets

Recognition for Excellence

GFOA Distinguished Budget Presentation Award

Government Finance Officers Association recognition for meeting the highest principles of governmental budgeting

FYB 2023

CSMFO Excellence in Operating Budget Award

California Society of Municipal Finance Officers recognition for budget excellence

First-Time Winner

Additional Achievements

- Zero-based budgeting methodology — First full year FY 2023-24
- FY 2024-25 includes $20.1M CIMMP appropriation within 5-year (FY 2025-29) capital plan
- PERS Reserve funded at $5.5M ($5M transfer + $500K FY 24-25 budget)

Recommended Communication Channels

📰 Print & Traditional

- Los Altos Town Crier op-ed
- Press releases to regional media
- Popular Annual Financial Report (PAFR)

📱 Digital & Social

- Nextdoor (highest engagement)
- City Manager's social media
- City website & email newsletter

🎤 Community Events

- Town Hall presentations
- Village Association meetings
- Chamber of Commerce
- Service clubs (Rotary, Lions)

Five Key Messages

1	**Financially Sound**	FY 2023-24 ended with $9.3M General Fund surplus (audited). FY 2025-26 projects $8.3M.
2	**Stronger Reserves**	FY 2023-24 unassigned balance: $27.8M (57.7%). FY 2025-26: $17.2M (50% operating).
3	**Infrastructure Investment**	FY 2024-25 appropriates $20.1M for CIMMP within the 5-year (FY 2025-29) plan.
4	**National Recognition**	GFOA Distinguished Budget Award (FYB 2023); CSMFO Excellence Award (first-time winner).
5	**Pension Responsibility**	PERS Reserve funded at $5.5M ($5M transfer + $500K in FY 2024-25 budget).

All figures sourced from ACFR, adopted budgets, and official award lists.

Recommended Next Steps

1. Commission reviews and approves communication plan
2. Coordinate with City Manager's office on social media and website
3. Draft Town Crier op-ed for Chair submission
4. Finalize and distribute Financial Report Card infographic
5. Schedule presentation at next Village Association meeting and identify other key organizations to target.
6. Issue press release upon ACFR publication

Proposed Timeline

February
Commission approval

March
Town Crier op-ed
Infographic distribution

April
Village Association
Press release

Questions & Discussion

Let's share our success story with the community.

City of Los Altos Finance Commission
1 North San Antonio Road • Los Altos, CA 94022
losaltosca.gov/finance

Back Up

City of Los Altos Finance Commission
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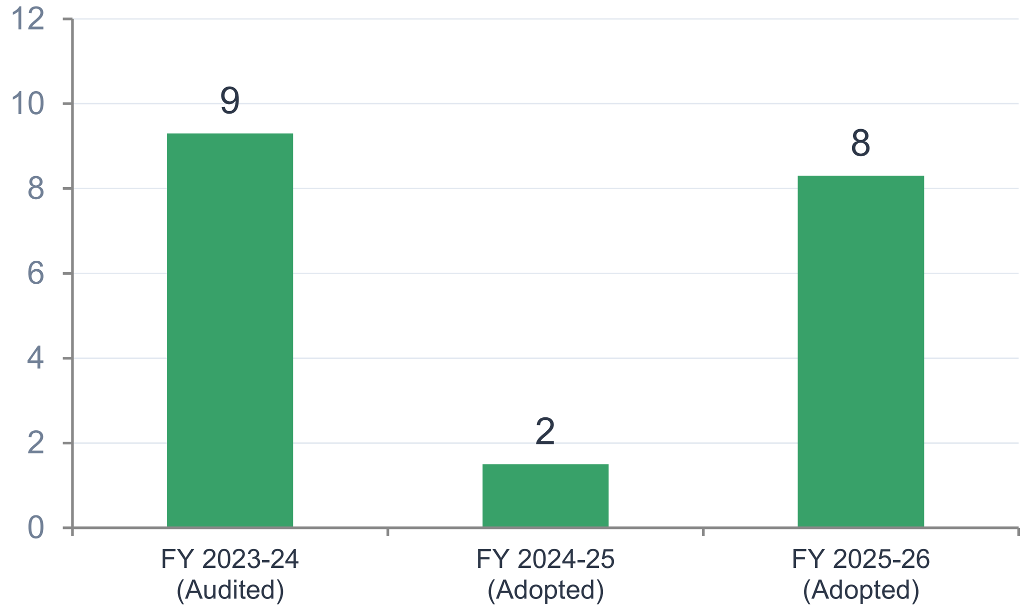
General Fund Surplus: A Strong Track Record



Key Highlights

FY 2023-24 (Audited)
$9.3M General Fund surplus
$11.5M operating surplus before transfers

FY 2024-25 (Adopted)
$1.5M projected operating surplus

FY 2025-26 (Adopted)
$8.3M projected operating surplus

Sources: FY 2023-24 ACFR; FY 2024-25 & FY 2025-26 Adopted Budget Reports

📈 **The audited FY 2023-24 surplus of $9.3M demonstrates strong fiscal management.**

FY 2023-24 Audited Results

✓ ACFR Verified

$9.3M

General Fund Surplus

GF balance: $19.3M → $28.9M

$27.8M

Unassigned Fund Balance

57.7% of General Fund expenditures

Additional FY 2023-24 Results (per ACFR):

- Operating surplus of $11.5M before transfers
- General Fund balance increased from $19.3M to $28.9M (+49.7%)
- Zero-based budgeting methodology first full year of implementation

Source: City of Los Altos FY 2023-24 Annual Comprehensive Financial Report (ACFR)

FY 2025-26 Adopted Budget

$8.3M

Projected Operating Surplus

Unanimously adopted June 10, 2025

50%

Operating Reserves

$17.2M unassigned fund balance

$65.1M

General Fund Revenue

$56.8M

Operating Expenditures

$12.5M

Sewer Fund

Source: FY 2025-26 Adopted Operating Budget, City Council June 10, 2025

Property tax provides 59% of General Fund revenue ($38.2M) — a stable foundation for city services.