



**TOWN OF LOS GATOS  
FINANCE COMMISSION  
AGENDA REPORT**

MEETING DATE: 7/12/2021

ITEM NO: 1

---

**DRAFT  
Minutes of the Finance Commission Meeting  
June 14, 2021**

The Finance Commission of the Town of Los Gatos conducted a regular meeting via teleconference via COVID-19 Shelter in Place Guidelines on Monday, June 14, 2021, at 5:00 p.m.

**MEETING CALLED TO ORDER AT 5:00 P.M.**

**ROLL CALL**

Present: Chair Ron Dickel, Vice Chair Kyle Park (joined at 5:10 p.m.), Commissioner Stacey Dell, Commissioner Loreen Huddleston, Commissioner Rick Tinsley, Vice Mayor Rob Rennie, and Council Member Matthew Hudes. (All participating remotely.)

Absent: None

Staff Present: Town Manager Laurel Prevetti, Town Attorney Rob Schultz, Assistant Town Manager Arn Andrews, Finance Director Stephen Conway, Police Chief Peter Decena, Finance and Budget Manager Gitta Ungvari.

**CONSENT ITEMS (TO BE ACTED UPON BY A SINGLE MOTION)**

1. Approve Minutes of the May 10, 2021 Finance Commission Regular Meeting.
2. Receive the Third Quarter (January – March 2021) Investment Report.

**MOTION:** Motion by Commissioner Tinsley to approve the consent items. **Seconded by Commissioner Huddleston.**

**VOTE:** Motion passed 4/0. Commissioner Park was not yet present.

**VERBAL COMMUNICATIONS**

None.

**OTHER BUSINESS**

3. Discuss Proposed Sub-Committee on Financial Practices and Processes.

Commissioner Huddleston shared her ideas for a subcommittee.

Opened Public Comment.

None.

PAGE 2 OF 4

SUBJECT: Draft Minutes of the Finance Commission Meeting of June 14, 2021

DATE: June 15, 2021

Other Business Item #3 - continued

Closed Public Comment.

Commissioners discussed the proposed subcommittee and its scope of work.

**MOTION:** Motion by **Commissioner Huddleston** to form a Finance Practices and Processes Subcommittee to be chaired by Commissioner Huddleston and include Commissioner Dell and Council Member Hudes. **Seconded by Commissioner Dickel.**

**VOTE:** Motion passed unanimously.

4. Report Out on Council Budget Actions.

Arn Andrews, Assistant Town Manager, summarized the budget actions taken by the Town Council as compared to the recommendations of the Finance Commission. Council Member representatives shared that the Finance Commissioners' work helped the full Council in its deliberations.

Commissioners commented that the topic of the hiring freeze, while not adopted by Council, was constructive discussion. Commissioners also acknowledged the importance of community input through future community workshop and surveys.

5. Receive Preliminary "General Revenue" Calculation of the American Rescue Plan Act (ARPA) to Determine Revenue Loss.

Arn Andrews, Assistant Town Manager, summarized the report. Finance Director and staff answered the Commissioners' questions regarding the ARPA calculation. Staff explained that the Treasury Rule is not final and additional calculations will be made as additional Treasury guidance is provided. Staff also shared that the timing of the payment from the State is unknown at this time and that staff will periodically report back to both the Finance Commission and to the Town Council as new information is available.

Opened Public Comment.

None.

Closed Public Comment.

6. Receive and Discuss 2015 Analysis of Police Services Report.

Arn Andrews, Assistant Town Manager, introduced the 2015 Analysis of Police Services Report. Chair Dickel commented that he decided to agendaize this item since the Department service delivery cost is a significant portion of the General Fund operating budget and it is important to understand the cost structure of the Police Department.

Commissioners discussed the report, critiquing the analysis. Commissioners discussed that the preparation of an objective analysis of the cost of the Police Services, including a formal proposal from Santa Clara County, would be beneficial to the conversation. The Town Manager explained that the Town Council would need to direct such a study, and if it did, she recommended hiring an external independent consultant for this work. The Police Chief gave an update on the status of the current open positions.

Opened Public Comment.

None.

Closed Public Comment.

7. Receive and Discuss the FY 2021/22 Auditor's Engagement Letters.

Arn Andrews, Assistant Town Manager, introduced the audit engagement letter and the Town's independent auditor. Mr. Ahmed Badawi and staff answered the Commissioners' questions regarding the typical elements of the contract, the type of auditor services provided, and the recent engagement. The Commission expressed interest in participating in the Town's next auditor selection process.

Opened Public Comment.

None.

Closed Public Comment.

8. Discuss and Identify Key Performance Indicators.

The Commission commented that it would like the staff to check in quarterly on key performance indicators during the fiscal year. Commissioners requested indicators/information related to major revenues and personnel metrics (such as number of average employees on the payroll, current filled positions, retirements and voluntary termination, number of employees out on Workers Compensation, and any extraordinary items). The Commission also requested staff to develop additional performance indicators in the longer term such as the processing time to issue a permit, etc. This discussion will continue at the July meeting.

Opened Public Comment.

None.

Closed Public Comment.

9. Discuss Topics for Future Commission Agendas

Commissioners identified the following topics: any additional information related to the ARPA funding, additional potential revenue sources, review of the Auditor Request for Proposal, and any other suggested items raised by the Commissioners or the subcommittee.

**ADJOURNMENT:**

The meeting adjourned at 7:28 p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the June 14, 2021 meeting as approved by the Finance Commission.

---

Gitta Ungvari, Finance and Budget Manager