



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 12/08/2025

ITEM NO: 7

DATE: December 2, 2025
TO: Finance Commission
FROM: Chris Constantin, Town Manager
SUBJECT: Review and Discussion of the Finance Commission 2025 Workplan and Consider Direction on the 2026 Workplan

RECOMMENDATION:

Review and discuss the current update on the Finance Commission 2025 Workplan and discuss direction in establishing the 2026 Workplan.

DISCUSSION:

According to Measure A passed by voters in 2020, the Finance Commission has mandatory actions and financial review/advise requirements performed during each fiscal year (**Attachment 1**).

The Town Council requires each commission to establish a workplan, and the workplan defines the desired activities for the commission. On January 13, 2025, the Finance Commission considered and approved the 2025 Finance Commission workplan (**Attachment 2**). The workplan focused on prior priorities set by the Finance Commission and on the requisite Measure A requirements. The Finance Commission also specified the following current and multiyear items on the 2025 Workplan, including the following:

- **Current Year**
 - **General Fund Reserve Policy** – The policy was reviewed and discussed by the Finance Commission at the March 10, 2025, September 8, 2025, and October 13, 2025, meetings, and a recommendation was made to the Town Council on November 11, 2025;
 - **Joint Educational Session with Town Council** – On May 19, 2025, the Finance Commission and Town Council held a joint educational session to hear from the Government Finance Officers Association on the topic of government budgeting;

PREPARED BY: Gitta Ungvari
Finance Director

Reviewed by: Town Attorney and Town Manager

- **Other Post Employment Benefit (OPEB) Review** – On August 5, 2025, the Town’s fiduciary, Shuster Advisory Group, presented to a joint meeting of the Finance Commission and Town Council regarding investments. As part of their presentation, they reviewed the Town’s OPEB investment strategy and identified opportunities to garner a higher rate of return. Staff are evaluating the appropriate course of action to recommend to the Town Council.
- **Fiscal Impact Analysis Scope** – During the January 13, 2025, Finance Commission meeting, the Finance Commission requested a discussion of the fiscal impact analysis scope before releasing a Request for Proposal. On April 14, 2025, the Commission reviewed the scope of the fiscal impact analysis and financial condition, the five-year forecast, and made a recommendation on the draft Request for Proposal on August 11, 2025. The Town Council awarded the contract to NHA Advisors on October 21, 2025.
- **Multiyear Projects**
 - **Council Priority Scorecard** – The project included starting the development of top level metrics for consideration, which can be supported by existing systems. Department heads met on October 23, 2025, and discussed performance measures that are currently being reported in the budget. No further work has been performed due to other operational priorities.
 - **Five-Year Capital Improvement Program** – The project was to establish the scope for a multiyear Capital Improvement Program. For the 2025-26 CIP Budget, the Town moved to a three-tiered structure, which identified projects as
 - **Tier 1** – Funded and scheduled,
 - **Tier 2** – Not funded, but on the five-year planned schedule, and
 - **Tier 3** – Not funded and not scheduled.No further update is available currently.

In getting an early start on the 2026 Workplan, the Finance Commission can review the status of the 2025 Workplan items and discuss changes for 2026. This item affords Commissioners an opportunity to discuss other areas of potential interest in the coming year, given staff capacity. Attachment 2 contains the current workplan, and Attachment 3 contains the Draft 2026 workplan populated by regulatory items as a starting point for the discussion.

Attachments:

1. Measure A
2. 2025 Commission Workplan
3. 2026 Draft Workplan in a Meeting View