



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

MEETING DATE: 5/9/2022

ITEM NO: 1

**DRAFT
Minutes of the Finance Commission Regular Meeting
May 9, 2022**

The Finance Commission of the Town of Los Gatos conducted a special meeting utilizing teleconference and electronic means consistent with Government Code Section 54953, as Amended by Assembly Bill 361, in response to the state of emergency relating to COVID-19 and enabling teleconferencing accommodations by suspending or waiving specified provisions in the Ralph M. Brown Act (Government Code § 54950 et seq.) and Town of Los Gatos Resolution 2021-044 on Monday, May 9, 2022, at 5:00 p.m.

MEETING CALLED TO ORDER AT 5:01 P.M.

ROLL CALL

Present: Chair Ron Dickel, Vice Chair Kyle Park (joined at 5:39 p.m.), Commissioner Stacey Dell, Commissioner Loreen Huddleston, Commissioner Rick Tinsley, Mayor Rob Rennie, and Council Member Matthew Hudes (all participating remotely).

Staff Present: Town Manager Laurel Prevetti, Assistant Town Manager Arn Andrews, Finance Director Stephen Conway, Interim Parks and Public Works Director Timm Borden, and Finance and Budget Manager Gitta Ungvari.

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

1. Approve Minutes of the April 25, 2022 Special Finance Commission Meeting.
2. Receive the Third Quarter Investment Report (January through March 2022) for Fiscal Year 2021/22.

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

VOTE: Motion passed 4-0. Vice Chair Park was not currently in attendance.

VERBAL COMMUNICATIONS

None.

OTHER BUSINESS

3. Receive FY 2020/21 Federal Single Audit Report.

Arn Andrews, Assistant Town Manager, presented the staff report.

Staff responded to Commissioners' questions.

Opened Public Comment.

None.

Closed Public Comment

Commissioners stressed the importance rectifying the issue and apprising Council of the finding.

4. Conclude Discussion of the Proposed Fiscal Year (FY) 2022/23 Operating and Capital Budgets, Including Commission Recommendations to the Town Council.

Arn Andrews, Assistant Town Manager, presented the staff report.

Staff addressed Commissioners' questions.

Opened Public Comment.

None.

Closed Public Comment

MOTION: **Motion** by **Chair Dickel** to recommend to Council the dissolution of the Workers Compensation and Self Insurance Internal Service Funds starting in FY 2022/23 with remaining balances being transferred to the General Fund. **Seconded** by **Commissioner Huddleston**.

VOTE: **Motion passed unanimously**

MOTION: **Motion** by **Commissioner Tinsley** to recommend to Council the allocation of \$3.77 million to the General Fund Appropriated Reserve (GFAR) for FY 2022/23. **Seconded** by **Chair Dickel**.

VOTE: **Motion passed unanimously**

Other Business Item #4 – continued

MOTION: **Motion by Chair Dickel** to recommend to Council the allocation of approximately \$3.7 million of unallocated ARPA funds to the GFAR for FY 2022/23. **Seconded** by **Vice Chair Park**.

VOTE: **Motion passed unanimously**

MOTION: **Motion by Vice Chair Park** to inform Council the Commission believes that a “Structural Financial Deficit” currently exists and for Council to acknowledge the Commission’s finding and direct the Commission to work with Town management to confirm the actual amount of the deficits that the Town is facing and come back to the Council with suggestions/ideas on how we can fix this “Structural Financial Deficit” and fund capital projects. **Seconded** by **Chair Dickel**.

VOTE: **Motion passed unanimously**

Staff will prepare the Commissioners’ recommendations for the Town Council review.

ADJOURNMENT:

The meeting adjourned at 6:40 p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the May 9, 2022 meeting as approved by the Finance Commission.

Gitta Ungvari, Finance and Budget Manager