



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 03/03/2020

ITEM NO: 10

DATE: February 24, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Finance Commission Initiative

- a. Accept Elections Official's Certification of the Sufficiency of the Finance Commission Initiative Petition.
- b. Adopt a Resolution Calling the Election and Direct the Inclusion of the Preliminary Estimated Cost of the Election for the Finance Commission Initiative of \$54,200 in the Town Manager's Proposed Operating Budget for Fiscal Year 2020/21; or
- c. Order Report Pursuant to California Elections Code Section 9212.

RECOMMENDATION:

Finance Commission Initiative

- a. Accept Elections Official's Certification of the Sufficiency of the Finance Commission Initiative Petition (Attachment 2).
- b. Adopt a Resolution Calling the Election (Attachment 3) and direct the inclusion of the preliminary estimated cost of the election for the Finance Commission Initiative of \$54,200 in the Town Manager's Proposed Operating Budget for Fiscal Year 2020/21; or
- c. Order Report Pursuant to California Elections Code Section 9212

BACKGROUND:

On September 13, 2019, a Notice of Intent to Circulate a Petition titled *A Citizens Initiative Measure Amending the Town Code to Establish a Town Finance Commission* was filed with the Town's Elections Official. Attachment 1 contains the full text of the proposed initiative.

On January 16, 2020, James R. Sutton, on behalf of Phil Koen, Richard Van Hoesen, and Jak Van Nada, proponents of the initiative, filed with the Elections Official the petition containing a total number of 2,824 signatures. On January 22, 2020, the petition was delivered by the Elections Official to the Santa Clara County Registrar of Voters Office (ROV) for signature verification.

PREPARED BY: Robert Schultz, Town Attorney
Shelley Neis, Town Clerk

Reviewed by: Town Manager and Finance Director

BACKGROUND (continued)

Pursuant to California Elections Code 9115(a), the ROV conducted a random sampling technique to verify the signatures. A random sampling shall include an examination of at least 500 or 3% of the signatures, whichever is greater. On February 20, 2020, the ROV notified the Town Elections Official that per Elections Code Section 9115, subdivision (b), the statistical sampling is over 110 percent.

Pursuant to California Elections Code Section 9114, if the petition is found sufficient, the Elections Official shall certify the results of the examination to the Town Council at the next regular meeting of the Council. The results of the signature verification are set forth in the certification by the Elections Official (Attachment 2). Based on these results, the Elections Official is certifying that the petition meets the 10% valid signature requirement of registered voters to place the initiative on the next regular election ballot.

DISCUSSION:

Once Council has accepted the certification of the sufficiency of the Finance Commission petition (attachment 2), Town Council must do one of the following:

1. Adopt a resolution (Attachment 3) calling an election to be consolidated with the Santa Clara County General Election occurring on November 3, 2020 and direct the Town Attorney to prepare an impartial analysis of the initiative pursuant to California Elections Code Section 9280; or
2. Adopt the ordinance without alteration at the meeting at which the certification is presented, or within 10 days after it is presented; or
3. Order the preparation of an impartial analysis report on the potential fiscal impacts of the proposed initiative pursuant to Election Code 9212 and present the report to Town Council within 30 days.

Staff is not recommending the adoption of the ordinance without alteration due to the fact that once adopted, any changes to the ordinance would require a vote of the people.

If Council orders the preparation of the 9212 report, the Town would hire an outside consultant at an estimated cost of less than \$50,000, which is within the Town Manager's procurement authority. The report must be presented to at a future Council agenda within 30 days. At that time, the Council would consider the report and actions to place the Finance Commission Initiative on the ballot.

PAGE 3 OF 3

SUBJECT: Finance Commission Ballot Initiative

DATE: February 24, 2020

CONCLUSION:

After accepting the Elections Official certification of the sufficiency of the Finance Commission Initiative (Attachment 2), Council should either (a) adopt a resolution calling the election to be held on November 3, 2020 (Attachment 3) and direct the inclusion of the election costs in the Town Manager's Proposed Operating Budget for FY 2020/21, or (b) order the report pursuant to California Elections Code 9212.

COORDINATION:

This report was coordinated with the Town Manager's office.

FISCAL IMPACT:

The costs for municipal elections are incurred by the Town. An election for an initiative measure is yet not budgeted for Fiscal Year 2020-2021. The estimated cost of including the initiative would be approximately \$54,200 for a 6-page measure, not including costs for signature verification. Depending on Council's action, the Manager's Proposed Budget should reflect the preliminary estimate of approximately \$108,400 for both initiatives. If the Council orders the preparation of the 9212 report, the costs would be paid out of the Non-Departmental portion of the current FY 2020/21 Operating Budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Proposed Initiative
2. Certification of Sufficiency
3. Resolution Calling the Election