

**From:** [Ron Dickel](#)  
**To:** [Phil Koen](#)  
**Cc:** [Kyle Park](#); [Rob Rennie](#); [Arn Andrews](#); [REDACTED]  
**Subject:** Re: Finance Commission Special Meeting Agenda Packet  
**Date:** Thursday, December 15, 2022 8:07:56 AM

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EXTERNAL SENDER

Hi Phil

Thank you for your comments and your note.

Your comments were distributed, discussed and considered in the meeting. The redlined ACFR shows the changes to the original ACFR, which can be reviewed quickly. It is unfortunate that you could not make the meeting because of your flight.

The tight timeline is due to a new auditor and stretched staff. The ACFR was available to the public last week and is to be received by the Town Council at their final meeting of the year next week.

Have a great holiday.

Ron

On Dec 14, 2022, at 5:55 PM, Phil Koen <[REDACTED]> wrote:

Hi Ron,

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As you know, this is an extremely important document. I continue to have serious concerns regarding the completeness of MD&A and whether it provides the transparency required to fully inform residents. I would suggest the FC take more time to review and consider and not rush the approval process.

More importantly there should be adequate time given for the public to digest this document. To expect the public to review and provide written comments on a document of this size and complexity within 48 hours of becoming publicly available is simply wrong.

Since you are Chair of FC you have total control of the agenda and the timing on approval.

Thank you,

Phil Koen

Begin forwarded message:

**From:** Town of Los Gatos <listserv@civicplus.com>  
**Date:** December 14, 2022 at 5:12:25 PM PST  
**To:** Phil Koen <[REDACTED]>  
**Subject:** Finance Commission Special Meeting Agenda Packet  
**Reply-To:** clerk@losgatosca.gov

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[pwd=ZGhLR3VqQnJRdWMwSWdWcmxTTjNzQT09](https://losgatosca.gov.zoom.us/j/86010574582?pwd=ZGhLR3VqQnJRdWMwSWdWcmxTTjNzQT09)  
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**From:** [REDACTED]  
**To:** [Ron Dickel](#)  
**Cc:** [Phil Koen](#); [Kyle Park](#); [Rob Rennie](#); [REDACTED]  
**Subject:** Re: Finance Commission Special Meeting Agenda Packet  
**Date:** Thursday, December 15, 2022 9:55:05 AM

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EXTERNAL SENDER

Ron, how does the new auditor slow down our ACFR? Who's working for whom? He could not have given a much shorter report than he did Monday night. This whole process has been rushed and for what purpose? I did not hear the answers to all of Phil's questions at the meeting, but unfortunately, I am unable to review Monday's recorded meeting as it is still not posted only 8 hours prior to tonight's meeting.

I would hope that doing the ACFR right is more important than receiving a reward without meaning. Even Steve Conway agreed that it had little to no value. The acknowledgement is simply for completing the ACFR within an elastic time frame, regardless of how right or wrong it might be. It is similar to the participation trophy that my grandkids get for making it through the soccer season.

I hope that you will understand the need to do this right the first time.

On Thu, Dec 15, 2022 at 8:07 AM Ron Dickel <[REDACTED]> wrote:

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**Date:** December 14, 2022 at 5:12:25 PM PST  
**To:** Phil Koen <[REDACTED]>  
**Subject:** Finance Commission Special Meeting Agenda Packet  
**Reply-To:** [clerk@losgatosca.gov](mailto:clerk@losgatosca.gov)

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*Jak Van Nada -  
Los Gatos Community Alliance  
Facts Matter; Transparency Matters; Honesty Matters*



**From:** [Phil Koen](#)  
**To:** [Ron Dickel](#)  
**Cc:** [Kyle Park](#); [Rob Rennie](#); [Arn Andrews](#); [REDACTED]  
**Subject:** RE: Finance Commission Special Meeting Agenda Packet  
**Date:** Thursday, December 15, 2022 11:32:30 AM

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**EXTERNAL SENDER**

Ron,

Thank you for your reply. In quickly reviewing the redline, it is my conclusion that my questions have not been fully answered, there are material errors in the document and more transparency is still required. Let me give you just one example of a material error. On page 19 of the MD&A the total pension expense is reported as a "credit" of \$3,168,358. This does not agree with footnote 10 which shows a total pension "expense" (eg not a credit) of \$3,389,540. Which is it – an expense or credit? There is only a \$6,557,898 difference between the two numbers. If this the final draft, there is no excuse for such a basic error. I could go on, but I think my point has been made.

My other concern is I believe there has been insufficient inspection of the ACFR by the FC given the very short timeline and more work is required. I don't understand the "rush" to approve. As far as I know, there are no statutory filing deadlines for the ACFR. The only "deadline" is for consideration of the GFOA Certificate of Excellence there is a general requirement that the ACFR be approved within 6 months of the fiscal year end. I personally am aware of local jurisdictions that have not met that deadline and still receive the GFOA award because the document is complete, accurate and fully transparent. That is what defines excellence and not an arbitrary deadline for submitting the ACFR to the GFOA.

If there is some other reason for rushing this that I am not aware of, please let me know.

Lastly, as you know there will be a new FC starting the new year. I would prefer to see the new FC take on the task of approving the FY 22 ACFR. I think given the time left for this year and the work still required, delaying this until January 2023 makes a ton of sense. I will be on the FC at that point in time and I believe I can make a valuable contribution to improving the document and look forward to doing so.

Thank you,

Phil

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**From:** Ron Dickel <[REDACTED]>  
**Sent:** Thursday, December 15, 2022 8:08 AM  
**To:** Phil Koen <[REDACTED]>  
**Cc:** Kyle Park <[REDACTED]>; Rob Rennie <[REDACTED]>; Arn Andrews <aandrews@losgatosca.gov>; Jak Vannada <[REDACTED]>  
**Subject:** Re: Finance Commission Special Meeting Agenda Packet

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**From:** Ron Dickel <[REDACTED]>

**Sent:** Friday, December 16, 2022 8:21 AM

**To:** Arn Andrews <aandrews@losgatosca.gov>; Rob Rennie <[REDACTED]>; Maria Ristow <MRistow@losgatosca.gov>

**Subject:** Fwd: An example of full transparency

EXTERNAL SENDER

Fyi.

Begin forwarded message:

**From:** Phil Koen <[REDACTED]>

**Date:** December 16, 2022 at 8:16:02 AM PST

**To:** Ron Dickel <[REDACTED]>, Kyle Park <[REDACTED]>

**Cc:** jak vannada <[REDACTED]>, Rick Van Hoesen <[REDACTED]>

**Subject:** An example of full transparency

Ron and Kyle,

To help give you and the Staff an example of how other jurisdictions are providing better insight into the financial results, I have attached a couple of pages from the City of Saratoga's recently approved FY 22 ACFR.

As you know the pension expense as computed under GASB rules resulted in a significant credit which artificially reduced the Town's total expenditures for FY 22 and masked the underlying normalized expenditure trends. Breaking out the impact of this credit so the reader fully understands the impact and discussing in more detail the normalized operational changes in

expenditure by government activity is standard practice. This wasn't done.

Perhaps this might give you a better understanding of what I am asking the Staff to do. There are additional issues beyond the pension expense that also need to be addressed. This can only be done in a second working session with the auditor where the FC can have a full throated discussion. What is the downside of doing this?

If it were me, I would wait until the new year when we have a new FC and schedule such a working meeting. It would be educational for the FC and the public. Again, there is no compelling reason that I am aware of to rush the review process.

The current draft is unacceptable because of material errors, lack of meaningful analysis and lack of full transparency. I realize that this is my opinion, but it is a fully informed one having been a public company CFO and CEO, Chairman of a number of public and private company Audit Committees and public and private company Board member. The Town should set and meet high standards for reporting. We can do much better. I hope you agree.

If you have any questions, feel free to call me. You have my number.

Phil