



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 10/06/2026

ITEM NO: a.

DATE: October 6, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Discussion of Potential Amendments to Council Policy 2-04 and Board, Committee, and Commission Policy 2-19 Regarding Disclosure of Personal, Professional, and Business Relationships in Pending Matters**

RECOMMENDATION: Discuss whether Council Policy 2-04 and Board, Committee, and Commission Policy 2-19 should be considered for future amendment to address disclosure on the record, before a decision, of personal, professional, and business relationships with persons having an interest in the matter. No policy amendments are before the Council for action at this meeting.

FISCAL IMPACT:

No direct fiscal impact is associated with this initial Council discussion. If a Council majority later directs preparation of policy amendments, staff and Town Attorney review would be performed within existing resources unless the scope of work requires otherwise.

STRATEGIC PRIORITY:

Not applicable. This item is a Council requested governance policy discussion.

BACKGROUND:

At the September 15, 2026 regular Town Council meeting, Councilmember Mary Badame requested under Council Matters that the Council agendaize consideration of an amendment to Council Policy 2-04, with a conforming change to Council Policy 2-19, requiring disclosure on the record before the decision of personal, professional, and business relationships with those who have an interest in the matter. Councilmember Matthew Hudes supported the request. The procedure for placing an item on a future Council agenda is governed by Council Policy 2-01, Town Agenda Format and Rules. Council Policy 2-01, Town Agenda Format and Rules,

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Town Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

provides that during Council Matters any Council Member may request that an item be placed on a future agenda for Council discussion. If a second Council Member supports the request, the item is scheduled on the next agenda under Council Matters for discussion purposes only. Policy 2-01 also provides that three or more Council Members may provide direction requesting action at any time and, when an item requires significant staff effort as determined by the Town Manager, three or more Council Members must vote in favor of placing the item on a future agenda for action.

The September 15 request, having received support from a second Council Member, was placed on the agenda for initial Council discussion pursuant to Policy 2-01. Although consideration of a potential amendment was requested, no amendment to Council Policy 2-04 or Policy 2-19 is being proposed for consideration or action at this time.

For additional reference, Policy 2-11 related to Commission Requirements and Guidelines: Residency, Attendance, and Quorum, and Appointments includes conflict of interest language for commissions. The language specifies

“Under the Political Reform Act, a Commissioner has a disqualifying conflict of interest in a governmental decision if it is foreseeable that the decision will have a financial impact on his or her personal finances or other financial interests. In such cases, there is a risk of biased decision making that could sacrifice the public’s interest in favor of the official’s private financial interests. To avoid actual bias or the appearance of possible improprieties, the public official is prohibited from participating in the decision. While all Commissioners must at a minimum comply with the Political Reform Act regulations, they should also avoid the appearance of a conflict of interest.

Some Board and Commission members serve on non-profit boards or are employed by non-profit organizations. Board and Commission members may not participate in decisions, which includes making recommendations to the Town Council, in which they have a potential conflict of interest, which can be a financial or a personal interest. In the event of a potential conflict of interest, the Board or Commission member must recuse themselves and provide a brief statement explaining the reason for recusal. Even if it is determined that there is no potential conflict of interest, the Board or Commission member must state that their affiliation with the non-profit organization before participating in the decision.”

While this policy was not requested during the Council Matter, the language is relevant to the request made by the two Council members.

DISCUSSION:

Requested Policy Change

The requested discussion concerns whether the Council wishes to further consider a policy requiring Council Members to disclose on the record, before a decision, personal, professional, and business relationships with those who have an interest in the matter. If the Council directs preparation of amendments, the concept would also be considered for a conforming change to Policy 2-19 applicable to Town boards, committees, and commissions.

Existing Policy Framework

Policy 2-04 states that the Council Code of Conduct is intended to promote public trust and a culture of respect and ethical behavior and identifies transparency and accountability as elements of effective governance. It also contains a specific land use provision requiring Council Members to disclose ex parte communications and information obtained outside the public record that may influence a decision, with disclosure before Council deliberations.

Policy 2-19 establishes roles, responsibilities, and conduct standards for Town boards, committees, and commissions. It states that Commissioners should maintain public trust and be aware of and avoid potential conflicts of interest. For land use applications, Policy 2-19 requires information obtained outside the public record that may influence a Commissioner's decision to be placed into the record at the public hearing.

The requested concept would extend beyond these existing land use related disclosure provisions. At this stage, however, the purpose is to allow Council discussion of the concept and whether there is majority support to advance it for later formal consideration.

Next Step Under Council Policy 2-01

If three or more Council Members support advancing the concept, the Council may provide direction consistent with Policy 2-01 for staff to return on a future agenda with proposed amendments and supporting legal and implementation analysis. If a majority does not provide such direction, no further work is required. If additional information is needed before determining whether to proceed, Policy 2-01 allows the Council to continue the discussion so staff may obtain the requested information, with approval by a majority of the Council.

CONCLUSION:

This item is the initial Council Matters discussion resulting from the September 15 request and concurrence. No policy amendment is presented for action. Any direction to develop amendments for future Council consideration would require support from at least three Council Members consistent with Policy 2-01.

ALTERNATIVES:

1. Conclude the discussion without further direction.

2. Continue the discussion to a future meeting if additional information is needed, consistent with Council Policy 2-01.
3. If three or more Council Members support moving the concept forward, they may provide direction for staff to return with a future agenda item containing proposed amendments for Council consideration and possible action.

COORDINATION:

This report was prepared by the Town Manager's Office in coordination with the Town Attorney's Office.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Council Policy 2-04, Town Council Roles and Responsibilities, Including Code of Conduct
2. Council Policy 2-19, Board, Committee, and Commission Roles and Responsibilities, Including Code of Conduct
3. Council Policy 2-11, Commission Requirements and Guidelines: Residency, Attendance, Quorum, and Appointments