

OTHER BUSINESS

2. Answers to Some of the Commissioner Questions and Comments Regarding the Proposed Operating and Capital Budgets
3. Discussion and Commission Recommendations to the Town Council Regarding the Proposed FY 2021/22 Capital Budget
4. Discussion and Commission Recommendations to the Town Council Regarding Revenue and Expense Assumptions Utilized in the Development of the FY 2021/22 Proposed Operating Budget
5. Discussion and Commission Recommendations to the Town Council for FY 2021/22 Budget Balancing Strategies
6. Discussion and Commission Recommendations to the Town Council regarding the Proposed FY 2021/22 Capital Budget.

Assistant Town Manager Arn Andrews presented the staff report, including the additional sensitivity analyses completed on North 40 Phase I home sales, historical salary expenditures, and current open positions. The Commission discussed the analysis and staff responded to the Commissioners' questions.

Opened Public Comment.

Amy Nishide, Los Gatos Anti-Racism Coalition

- Commented she will advocate for additional mental health services during the budget discussions; requested Council consider freezing the Police Department budget other than pension and consider hiring social workers.

Closed Public Comment.

As part of the discussion, Finance Commission passed the following motions for Town Council consideration regarding the FY 2021/22 Proposed Operating and Capital Budgets.

Commission opined that the continuation of the roadside vegetation management program was essential and should be included in the workplan for FY 2021/22.

Motion by Chair Ron Dickel to add \$500k from the previously recommended additional allocations to the Capital Budget for continuation of the roadside vegetation management project. **Seconded by Commissioner Kyle Park.**
Motion passed unanimously.

The following recommendations are based on the Commission's desire to slow the growth in expenses in FY 2021/22 and reflect historic trends in expense assumptions in the Five-Year Forecast:

Motion by Commissioner Park to freeze headcount at 145 for the first six months of the fiscal year. **Seconded by Chair Ron Dickel.**

Motion passed unanimously.

Motion by Chair Ron Dickel to use a 2% inflation factor for development of base salary expenses for FY 2021/22 and the remaining forecast period, without implying a particular outcome for negotiations with bargaining units. **Seconded by Stacey Dell.**

Motion passed unanimously.

In addition, the Commission recommended the inclusion of a destination marketing allocation into the budget to expedite the return of Transient Occupancy Tax revenues.

Motion by Chair Ron Dickel to allocate \$55K to destination marketing utilizing ARPA funds. **Seconded by Loreen Huddleston.**

Motion passed 4-0-1, Rick Tinsley abstained.

Based on the Commission's recommendation at a previous meeting to divide Measure G proceeds evenly (50%/50%) between eligible Operating and Capital uses, the Commission recommended utilizing anticipated Other Post-Employment Benefit (OPEB) actuarial contributions as the budget balancing strategy for FY 2021/22 through the forecast period.

Motion by Commissioner Rick Tinsley to cancel the FY 2021/22 and future years' Other Post-Employment Benefits (OPEB) actuarial contribution(s) to the extent necessary to close any gaps, fund the CIP, cover any increased salaries, and address uncertainties. **Seconded by Chair Ron Dickel.**

Motion passed unanimously.

At the conclusion of its discussion, the Commission took the following final action.

Motion by Chair Ron Dickel to recommend to the Town Council the approval of the Proposed Operating and Capital Budgets with all individual motions and recommendations from the Finance Commission. **Seconded Kyle Park.**

Motion passed unanimously.

ADJOURNMENT:

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SUBJECT: Draft Minutes of the Finance Commission Meeting of May 10, 2021

DATE: May 13, 2021

The meeting adjourned at 7:37p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the May 10, 2021 meeting as approved by the Finance Commission.

Gitta Ungvari, Finance and Budget Manager