



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

MEETING DATE: 5/10/2021

ITEM NO: 1

**DRAFT
Minutes of the Finance Commission Meeting
May 3, 2021**

The Finance Commission of the Town of Los Gatos conducted a special meeting via teleconference via COVID-10 Shelter in Place Guidelines on Monday, May 3, 2021, at 5:00 p.m.

MEETING CALLED TO ORDER AT 5:00 P.M.

ROLL CALL

Present: Chair Ron Dickel, Vice Chair Kyle Park, Commissioner Stacey Dell, Commissioner Loreen Huddleston, Commissioner Rick Tinsley, Vice Mayor Rob Rennie, and Council Member Matthew Hudes. (All participating remotely.)

Absent: None

Staff Present: Town Manager Laurel Prevetti, Town Attorney Rob Schultz, Assistant Town Manager Arn Andrews, Finance Director Stephen Conway, Human Resources Director Lisa Velasco. Parks and Public Works Director Matt Morley, Finance and Budget Manager Gitta Ungvari.

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

1. Approve Minutes of the April 26, 2021 Finance Commission Meeting

MOTION: **Motion by Rick Tinsley** to approve the minutes with the following amendment
Motion by Commissioner Rick Tinsley to recommend to Council the allocation of the accumulated Measure G funds through June 30, 2020 in the Measure G Reserve (\$1.2 million) to the General Fund Appropriated Reserve (GFAR) for capital budgeting purposes as determined by the Town Council's priorities.
Seconded by Commissioner Loreen Huddleston.

VOTE: **Motion passed unanimously.**

VERBAL COMMUNICATIONS

Catherine Somers

- Commented that the Commission should take a look at the May 4, 2021 Council agenda item related to the discussion of additional funding requests from ARPA for destination marketing and special events. In addition, the Chamber will provide three documents to the Commission, including the Chamber's direct respond to the staff report, explanation the relationship of the Chamber, the Visitors Bureau and the Town, and the Chamber's position that ARPA funds should not be used to close any Town budget gap.

OTHER BUSINESS

2. Discussion and Recommendation to the Town Council for Programming Measure G Funds per Measures G and A for FY 2020/21, FY 2021/22, and the Five-Year Forecast Fiscal Years 2022/23 through 2026/27.

Assistant Town Manager Arn Andrew presented the staff report. Commissioners asked questions of staff and discussed salary and benefit costs, expenditure reduction opportunities, Measure G eligible spending, and options for closing budget gaps.

Opened Public Comment.

None

Closed Public Comment.

MOTION: Motion by Chair Ron Dickel to allocate FY 2020/21 Measure G proceeds for police services in the General Fund budget. Seconded by Vice Chair Kyle Park.

The Commission discussed the motion.

VOTE: Motion failed unanimously.

MOTION: Motion by Chair Ron Dickel to allocate 50% Measure G proceeds for capital purposes in FY 2020/21 and all periods after. Seconded by Commissioner Stacey Dell.

VOTE: Motion passed 3 to 2. Vice Chair Kyle Park and Commissioner Rick Tinsley voted no.

Other Business Item #2 – continued

MOTION: Motion by **Commissioner Rick Tinsley** to cancel the FY 2020/21 Other Post-Employment Benefits (OPEB) actuarial contribution to the extent necessary to close the FY 2020/21 budget gap. **Seconded by Chair Ron Dickel.**

VOTE: Motion passed unanimously.

3. Commissioner Questions and Comments Regarding the Proposed Operating and Capital Budgets.

Assistant Town Manager Arn Andrew presented the staff report, including the additional sensitivity analyses completed for property tax revenues, North 40 Phase I sales, and salary expenses. The Commission discussed the sensitivity analysis, suggested more refined revenue assumptions, and inquired about workers compensation costs.

Opened Public Comment.

None.

Closed Public Comment.

The Commission requested analysis of the currently open positions, particularly how long they have been open and potential cost savings of not filling them. The Chair asked Commissioners to send any additional questions to Arn Andrews.

4. Discussion and Commission Recommendations to the Town Council regarding the Proposed FY 2021/22 Operating and Capital Budgets.

Commission members agreed to continue the discussion of FY 2021/22 Proposed Budgets and the Commission's recommendations to the Town Council at its May 10, 2021 meeting.

ADJOURNMENT:

The meeting adjourned at 7:22 p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the May 3, 2021 meeting as approved by the Finance Commission.

Gitta Ungvari, Finance and Budget Manager