



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 12/02/2025

ITEM NO: 17

DATE: December 2, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Adopt a Resolution for the California Public Employees' Retirement System Retirement Plan to Waive the 180-day Retiree Rehire Wait Period for Gitta Ungvari**

RECOMMENDATION: Adopt a Resolution for the California Public Employees' Retirement System Retirement Plan to waive the 180-day retiree rehire wait period and to appoint Gitta Ungvari as the interim Finance Director in the Finance Department.

FISCAL IMPACT:

It is anticipated that hiring Gitta Ungvari as the Interim Finance Director will not result in any additional costs for the Town. As a retiree, she is not eligible for benefits associated with permanent employment aside from the Town's Medicare contribution, and she will likely be working fewer than 40 hours per week.

The position is funded through the Finance Department, and the cost of staff time is already accounted for in the Finance Department Fiscal Year 2025/26 budget. While there may be a brief overlap between the new Administrative Services Director and Ms. Ungvari in her role as Interim Finance Director, the savings from not paying benefits are expected to result in a net-neutral or net-savings impact. The Town does not have an anticipated start date for the new Administrative Services Director.

STRATEGIC PRIORITY:

This action relates to the strategic priority to ensure prudent financial management, as continuity of services in the Finance Department is critical given the timing of the appointment

PREPARED BY: Cheryl Parkman
Human Resources Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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in relation to the Fiscal Year 2026-27 Operating and Capital Improvement Plan budget proposals and deliberations.

BACKGROUND:

The Town has an existing agreement with the California Public Employees' Retirement System (CalPERS) to provide its retirement program to employees. The CalPERS retirement program is governed by the Public Employees' Retirement Law (PERL). PERL contains the rules and regulations that a contracting agency must adhere to related to the hire of a CalPERS retiree, referred to as a retired annuitant. PERL requires that a non-safety retired annuitant may not work for a CalPERS contracting agency unless the retired annuitant has been retired for at least 180 days (Gov. Code section 7522.56). In lieu of the 180-day wait period, an agency's governing body may approve a resolution to waive the 180 days. PERL also requires that if a retired annuitant will be rehired into a vacant position while a recruitment for a permanent replacement is taking place, the governing body must approve a resolution appointing the retired annuitant as an interim employee [Gov. Code section 21221(h)].

DISCUSSION:

Gitta Ungvari has been employed as the Town of Los Gatos Finance Director since June 2022. Recently, Ms. Ungvari provided her notice of intent to retire from the Town with her last day of work to occur on December 30, 2025, resulting in a CalPERS retirement effective date of December 31, 2025.

The Town has entered into an agreement with the executive recruitment firm of Tristar Government Solutions for recruitment marketing and outreach. The recruitment opened on November 10, 2025. The typical span of the recruitment timeline to hire for an executive position is three to four months. The Finance Director provides critical oversight and contributions to financial processes, audits, and required financial documents such as the Annual Comprehensive Financial Report and the annual Operating and Capital Improvement Plan budgets. To allow for this continued oversight as well as the transfer of important institutional knowledge to the new Finance Director, staff is requesting to rehire Ms. Ungvari as an Interim Finance Director until the permanent replacement is hired.

Before Ms. Ungvari can be hired as a retired annuitant, the Town Council must adopt a CalPERS resolution to allow staff to request that the reemployment begin earlier than the 180-day wait period and to appoint Ms. Ungvari as an Interim Finance Director. A retired annuitant may be appointed in an interim position provided that there is an open recruitment to fill the vacancy, and the same individual may only be appointed to the vacant position one time. The rate of pay may not be less than or more than the current approved salary range for the vacant position. Also, a retired annuitant may not work more than 960 hours in a CalPERS fiscal year. The CalPERS fiscal year begins July 1 and ends on June 30. The tentative first day of employment as

PAGE 3 OF 3

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a retired annuitant for Ms. Ungvari is January 1, 2025, subject to CalPERS approval of the executed resolutions.

CONCLUSION:

Staff recommends that the CalPERS resolution to waive the 180-day wait period be adopted by the Town Council to allow the appointment of Gitta Ungvari to the Interim Finance Director position while the recruitment for a permanent replacement takes place.

COORDINATION:

This report was coordinated with the Town Attorney's Office and the Finance Department.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. CalPERS Resolution for 180-Day Wait Period Exception and Appointing Gitta Ungvari as Interim Finance Director
2. Offer Letter to Gitta Ungvari
3. Recruitment Brochure for Administrative Services Director