



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 12/02/2025

ITEM NO: 14

DATE: November 13, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to Execute a Fifth Amendment in substantially the form presented with Hinderliter de Llamas & Associates dba HdL Companies for Sales or Transaction and Use Tax Management and Audit Services; Adopt a Resolution as Required by the California Department of Tax and Fee Administration (CDTFA), Authorizing Certain Town Representatives and a Town Contractor Access to Sales or Transactions, and Use Tax Records Pursuant to Revenue and Taxation Code Section 7056; and Rescind Resolution 2025-051.**

RECOMMENDATION: Authorize the Town Manager to execute a Fifth Amendment in substantially the form presented with Hinderliter de Llamas & Associates dba HdL Companies for Sales or Transaction and Use Tax Management and Audit Services; adopt a Resolution as required by the California Department of Tax and Fee Administration (CDTFA), authorizing certain Town representatives and a Town contractor access to Sales or Transactions and Use Tax Records pursuant to Revenue and Taxation Code Section 7056; and rescind Resolution 2025-051.

FISCAL IMPACT:

There is no fiscal impact associated with adopting this resolution.

STRATEGIC PRIORITY:

This item is not associated with a strategic priority.

DISCUSSION:

The Town of Los Gatos previously entered into an agreement with Hinderliter de Llamas &

PREPARED BY: Gitta Ungvari
Finance Director

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

Associates, dba HdL Companies, to provide sales tax consulting and audit services. The California Department of Tax and Fee Administration (CDTFA) requires a resolution that reflects the most current service provider name. Although the Town Council adopted a resolution on October 20, 2025, to update the Consultant's name, staff later discovered that the CDTFA had updated its required resolution format. Additionally, the original HdL agreement scope did not include the correct terminology to ensure that audit services cover both sales or transactions and use tax records. In addition, CDTFA has requested that the parties reiterate the insurance requirements that are contained in the original Agreement and also add a requirement for workers compensation and employer's liability insurance in this amendment. The updated scope includes an entire section describing Services - Transaction Tax Services (Sections 3 and 4) and Fees – Transaction Tax Services (Sections 8 and 9) transactions.

To address these issues, the agreement has been amended to incorporate the appropriate language (Attachment 1), and a new resolution (Attachment 7) has been prepared using the CDTFA's most recent format. Staff recommends rescinding Resolution 2025-051 (Attachment 8) to ensure compliance with CDTFA formatting and language requirements.

COORDINATION:

This memorandum has been prepared in coordination with the Clerk and the Town Attorney's Office.

ENVIRONMENTAL ASSESSMENT:

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

ATTACHMENTS:

1. Fifth Amendment with Hinderliter de Llamas & Associates dba HdL Companies
2. Fourth Amendment with Hinderliter de Llamas & Associates dba HdL Companies
3. Third Amendment with Hinderliter de Llamas & Associates dba HdL Companies
4. Second Amendment with Hinderliter de Llamas & Associates dba HdL Companies
5. First Amendment with Hinderliter de Llamas & Associates dba HdL Companies
6. Original Agreement with Hinderliter de Llamas & Associates dba HdL Companies
7. Draft Resolution authorizing examination of Sales or Transactions and Use Tax Records (new format required)
8. Resolution 2025-051 authorizing examination of Sales or Transaction and Use Tax Records (old format)