



**TOWN OF LOS GATOS  
FINANCE COMMISSION  
MINUTES**

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**Minutes of the Finance Commission Regular Meeting  
March 13, 2023**

The Finance Commission of the Town of Los Gatos conducted a regular meeting in person and utilizing teleconferencing means on Tuesday, March 13, 2023, at 5:00 p.m.

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

**ROLL CALL**

Present: Chair Rick Tinsley, Vice Chair Phil Koen, Commissioner Stacey Dell, Commissioner Andrew Howard, Commissioner Linda Reiners, Mayor Maria Ristow, and Council Member Rob Rennie.

Absent: None

Town Staff Present: Town Manager Laurel Prevetti, Finance Director Gitta Ungvari, and Town Clerk Wendy Wood.

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

1. Approve Draft Minutes of the February 23, 2023, Finance Commission Meeting.  
(Item pulled from consent)
2. Receive California Employer's Retiree Benefits Trust (CERBT) Strategy 1 Market Value Summary Report for the Period Ending December 31, 2022.
3. Receive California Employer's Pension Prefunding Trust (CEPPT) Strategy Market Value Summary Report for the Period Ending December 31, 2022.
4. Receive the Monthly Financial and Investment Report (January 2023). (item pulled from consent)
5. Receive Information on the Town-wide Justice, Equity, Diversity, and Inclusion Plan.

**Vice Chair Koen pulled consent items 1 and 4.**

**MOTION:** Motion by **Commissioner Reiners** to approve the consent items with the exception of items one and four. **Seconded by Commissioner Dell.**

**VOTE:** Motion passed 5-0.

**VERBAL COMMUNICATIONS**

There were no verbal communications.

**ATTACHMENT 1**

## OTHER BUSINESS

6. Discuss and Approve the Finance Commission Special Meeting Dates and Times for 2023.

Finance Director Gitta Ungvari introduced the item.

Opened Public Comment.

None.

Closed Public Comment.

The Commission discussed the item and had a general consensus to approve the proposed dates.

7. Receive the Preliminary Fiscal Year 2023/24 – 2027/28 Five-Year Capital Improvement Program Information and Provide Recommendations to the Town Council.

Public Works Director Nicolle Burnham introduced the item.

Opened Public Comment.

Rob Stump

- Commented on roadside fuel reduction and the weed abatement program; and suggested pursuing a public safety parcel tax for wildfire preparation and prevention, enhanced communication system, evacuation road width, Eucalyptus trees removal program, and water supply reinforcement.

Catherine Somers

- Commented on a long-term plan for the Los Gatos Boulevard, Downtown Streetscape Revitalization/Economic Recovery Efforts, and the holiday lights.

Closed Public Comment.

**MOTION:** Motion by Chair Tinsley that the Finance Commission recommends a report substantially in the format of Attachment four of the staff report with similar schedules for ongoing projects to be published more frequently than annually and include the project start dates and original budgets. **Seconded by Commissioner Howard.**

**VOTE:** Motion passed 5-0.

**MOTION:** Motion by Chair Tinsley that the Finance Commission recommends that the Town Council set hard spending limits on the projects that assume grant money. **Seconded by Commissioner Reiners.**

**VOTE:** Motion passed 5-0.

**MOTION:** Motion by Chair Tinsley that the Finance Commission recommends the Town Council approve the staff suggestion to add the three ongoing annual projects. **Seconded by Vice Chair Koen.**

**VOTE:** Motion passed 5-0.

**MOTION:** Motion by Vice Chair Koen that the Finance Commission recommends that the described projects be fully funded, and the description could be limited to a phase. **Seconded by Chair Tinsley.**

**VOTE:** Motion passed 5-0.

Commissioner Howard left the meeting at 7:00 p.m.

**MOTION:** Motion by Chair Tinsley that the Finance Commission recommends Council asks staff to project a realistic capital investment amount in the budget process going forward, specifically money from the General Fund. **Seconded by Vice Chair Koen.**

**VOTE:** Motion passed 4-0-1. (Commissioner Howard was absent)

8. Recommend that the Town Council Receive the Independent Accountants' Report on Agreed-Upon Procedures on Measure G Revenues and Expenditures for the Period of July 1, 2021, to June 30, 2022.

Finance Director Gitta Ungvari introduced the item.

Staff addressed Commissioners' questions.

Opened Public Comment.

No one spoke.

Closed Public Comment.

**MOTION:** Motion by Chair Tinsley that the Finance Commission recommends the Council receives the Independent Accountants' Report. **Seconded by Commissioner Reiners.**

**VOTE: Motion passed 3-1-1. (Vice Chair Koen voted no and Commissioner Howard was absent)**

9. Receive Actuarial Presentation on CalPERS Analysis – 6/30/2021 Valuation Report by Foster & Foster Actuaries and Consultants and Recommend Amortization Bases for Future Potential Additional Discretionary Payments (ADPs).

Finance Director Gitta Ungvari introduced the item. Foster & Foster Actuaries and Consultant representative Mary Beth Redding presented the CalPERS Actuary Valuation Report prepared as of 6/30/2021.

Commissioners discussed the item and asked questions. The consultant and staff addressed Commissioners' questions.

Opened Public Comment.

No one spoke.

Closed Public Comment.

**MOTION: Motion by Vice Chair Koen** that the Finance Commission recommends the Town Council consider paying off the longest Miscellaneous Plan bases if they are looking to do an additional discretionary payment. **Seconded by Chair Tinsley.**

**VOTE: Motion passed 4-0-1. (Commissioner Howard was absent)**

Items Pulled from Consent:

1. Approve Draft Minutes of the February 23, 2023, Finance Commission Meeting.

Vice Chair Koen asked if the minutes could reflect any additional information requests, so the Commission could track follow up. Staff stated they would follow up with the Clerk.

Opened Public Comment.

No one spoke.

Closed Public Comment.

**MOTION: Motion by Commissioner Reinert** to approve the approve draft minutes of the February 23, 2023, Finance Commission Meeting. **Seconded by Vice Chair Koen.**

**VOTE: Motion passed 4-0-1. (Commissioner Howard was absent)**

4. Receive the Monthly Financial and Investment Report (January 2023).

Vice Chair Koen asked about demand deposits and investments. Staff addressed Commissioners' questions.

Opened Public Comment.

No one spoke.

Closed Public Comment.

**MOTION: Motion by Commissioner Reiners to receive the monthly Financial and Investment Report (January 2023). Seconded by Chair Tinsley.**

**VOTE: Motion passed 4-0 1. (Commissioner Howard was absent)**

**ADJOURNMENT:**

The meeting adjourned at 8:29 p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the April 17, 2023 meeting as approved by the Finance Commission.

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/s/ Wendy Wood, Town Clerk



**TOWN OF LOS GATOS  
FINANCE COMMISSION**

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**Minutes of the Finance Commission Regular Meeting  
May 8, 2023**

The Finance Commission of the Town of Los Gatos conducted a regular meeting in person and utilizing teleconferencing means on Tuesday, May 8, 2023, at 5:00 p.m.

**THE MEETING WAS CALLED TO ORDER AT 5:00 P.M.**

**ROLL CALL**

Present: Chair Rick Tinsley, Vice Chair Phil Koen (participated remotely), Commissioner Stacey Dell, Commissioner Andrew Howard, Mayor Maria Ristow, and Council Member Rob Rennie.  
Absent: Commissioner Linda Reiners.

Town Staff Present: Town Manager Laurel Prevetti, Finance Director Gitta Ungvari, Public Works Director Nicholle Burnham, and Town Clerk Wendy Wood.

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

1. Approve the Draft Minutes of the May 1, 2023, Finance Commission Special Meeting.
2. Receive the Monthly Financial and Investment Report (March 2023).
3. Receive FY 2021/22 Federal Single Audit Report.

**MOTION:** Motion by Commissioner Howard to approve the consent items. **Seconded by Commissioner Dell.**

**VOTE:** Motion passed 4-0 (Commissioner Reiners was absent).

**VERBAL COMMUNICATIONS**

Susan Burnett

Requested the Commission identify the page number of the document under discussion.

**OTHER BUSINESS**

4. Conclude Recommendations to the Town Council Regarding the Proposed Fiscal Year (FY) 2023/24 Proposed Operating and Capital Budgets

Finance Director Gitta Ungvari introduced the item.

Commissioners discussed the item and asked questions.  
Staff addressed Commissioners' questions.

Opened Public Comment.

Ron Meyer

- Commented on capital projects and requested that Gantt charts be part of the reporting associated with Capital Improvement Projects.

Rick Kananen

- Commented on providing additional funding for the Chamber of Commerce to help produce more tax revenue by increasing sales tax and Transit Occupancy Tax.

Ellen Manzo, Veterans Memorial, and Support Foundation

- Commented on the services the Foundation provides and requested a grant for \$269,000 to pay off an outstanding construction loan for the Veterans Memorial.

Closed Public Comment.

**MOTION:** Motion by Vice Chair Koen to make a recommendation to the Town Council to adjust the ERAF revenue estimate for FY 24 to \$2.2 million from the budgeted amount of \$1.5. **Seconded** by Commissioner Howard.

**VOTE:** Motion passed 4-0 (Commissioner Reiners was absent).

**MOTION:** Motion by Vice Chair Koen to make a recommendation to the Town Council to adjust the schedules C-9, C-10, C-14, and C-26 to expand the salary benefits line to include salary, overtime, CalPERS Benefits, all other benefits, and OPEB pay as you go benefits. **Seconded** by Chair Tinsley.

**VOTE:** Motion passed 4-0 (Commissioner Reiners was absent).

**MOTION:** Motion by Vice Chair Koen to make a recommendation to the Town Council to direct staff to revise the schedules on pages B-5 and B-6 to add a column showing the best estimate of funds to be spent within fiscal year 2024 by project. **Seconded** by Commissioner Dell.

**VOTE:** Motion passed 4-0 (Commissioner Reiners was absent).

**ADJOURNMENT:**

The meeting adjourned at 7:05 p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the May 8, 2023, meeting as approved by the Finance Commission.

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/s/ Wendy Wood, Town Clerk



**TOTAL TOWN**  
**REVENUES AND EXPENDITURES**

**GENERAL FUND**

	GENERAL FUND				
	2018/19	2019/20	2020/21	2021/22	2022/23
	Actuals	Actuals	Actuals	Estimated	Adopted
<b>REVENUES</b>					
Property Tax	\$ 13,636,099	\$ 14,454,513	\$ 15,826,162	\$ 15,908,858	\$ 16,551,544
VLF Backfill	3,685,247	3,875,914	4,052,672	4,229,462	4,356,350
Sales & Use Tax	7,930,021	6,535,034	6,794,218	7,497,873	7,934,189
Measure G - District Sales Tax	228,131	996,391	1,139,386	1,173,733	1,240,755
Franchise Fees	2,475,916	2,495,792	2,499,463	2,435,800	2,493,870
Transient Occupancy Tax	2,692,043	1,869,685	1,044,820	1,475,000	1,642,460
Other Taxes	1,526,894	1,357,080	1,386,943	1,425,000	1,387,500
Licenses & Permits	3,059,894	2,696,457	2,999,711	3,065,997	2,757,029
Intergovernmental	945,191	1,104,075	1,573,697	1,130,125	1,051,814
Town Services	4,648,904	4,447,213	4,835,962	4,295,407	4,235,261
Internal Svc Reimbursement	-	-	-	-	-
Fines & Forfeitures	510,266	271,117	103,467	218,120	201,750
Interest	1,682,347	2,266,134	96,061	441,233	432,947
Other Sources	6,093,211	1,381,187	2,217,072	1,140,853	3,287,749
Debt Service Reimbursement	1,909,073	1,905,024	1,908,494	1,899,850	1,893,713
Transfers In	1,578,911	599,669	1,833,218	633,352	538,536
<b>TOTAL REVENUES</b>	<b>\$ 52,602,148</b>	<b>\$ 46,255,285</b>	<b>\$ 48,311,346</b>	<b>\$ 46,970,663</b>	<b>\$ 50,005,467</b>
<b>EXPENDITURES</b>					
Salaries & Benefits	\$ 26,803,225	\$ 28,933,568	\$ 30,297,504	\$ 30,160,568	\$ 35,472,825
Operating Expenditures	11,955,327	13,397,031	14,276,602	9,849,151	9,318,742
Grants & Awards	248,533	274,249	298,303	800,000	241,000
Fixed Assets	38,307	138,384	2,365	-	-
Interest	-	-	52,011	-	-
Internal Service Charges	2,527,470	2,188,211	2,314,305	2,619,672	2,711,652
Capital Projects	-	-	-	-	-
Capital Acquisitions	-	-	-	-	-
Debt Service	1,909,073	1,905,024	1,908,494	1,899,850	1,893,713
Transfers Out	2,785,220	8,053,847	4,582,641	3,423,211	3,006,978
<b>TOTAL EXPENDITURES</b>	<b>\$ 46,267,155</b>	<b>\$ 54,890,314</b>	<b>\$ 53,732,225</b>	<b>\$ 48,752,452</b>	<b>\$ 52,644,910</b>
<b>Net Increase (Decrease)</b>	<b>6,334,993</b>	<b>(8,635,029)</b>	<b>(5,420,879)</b>	<b>(1,781,789)</b>	<b>(2,639,443)</b>
<b>Beginning Fund Balance</b>	<b>31,635,533</b>	<b>37,970,526</b>	<b>29,335,497</b>	<b>23,914,618</b>	<b>22,132,829</b>
<b>Ending Fund Balance</b>	<b>\$ 37,970,526</b>	<b>\$ 29,335,497</b>	<b>\$ 23,914,618</b>	<b>\$ 22,132,829</b>	<b>\$ 19,493,386</b>

\* Year End Fund Balance represents General Fund 111 (Long Term Compensated Absences were accounted in Fund 961 prior to FY 2018/19, Pension Trust Fund 731 was incorporated in FY 2018/19).

**TOWN OF LOS GATOS, CALIFORNIA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (GAAP)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 20,907,894	\$ 22,484,118	\$ 22,743,087	\$ 258,969
Sales Taxes	9,174,944	8,959,134	8,806,477	(152,657)
Transient Occupancy Taxes	1,642,460	2,348,547	2,228,190	(120,357)
Other Taxes	7,000	7,000	6,454	(546)
Licenses & Permits	4,122,529	5,140,684	5,630,362	489,678
Intergovernmental	1,051,814	1,273,910	1,553,396	279,486
Charges for Services	4,257,261	5,540,465	4,646,705	(893,760)
Fines and Forfeitures	201,750	226,750	416,950	190,200
Franchise Fees	2,493,870	2,716,470	3,074,624	358,154
Interest	432,947	670,021	605,789	(64,232)
Use of Property	41,211	41,211	38,126	(3,085)
Other	1,203,657	863,964	859,571	(4,393)
Total Revenues	45,537,337	50,272,274	50,609,731	337,457
<b>EXPENDITURES</b>				
Current:				
General Government:				
Town Council	217,238	217,240	186,337	30,903
Town Attorney	707,555	811,427	699,143	112,284
Administrative Services	5,298,494	5,759,393	5,302,281	457,112
Non-Departmental	3,194,526	3,334,931	2,641,018	693,913
Total General Government	9,417,813	10,122,991	8,828,779	1,294,212
Public Safety	19,225,985	19,331,330	18,446,048	885,282
Parks & Public Works	9,798,967	10,368,194	8,998,088	1,370,106
Community Development	5,772,004	6,543,199	5,065,412	1,477,787
Library Services	3,139,449	3,247,730	3,096,486	151,244
Capital Outlay	-	435,416	300,000	135,416
Debt Service:				
Principal	-	156,034	156,034	-
Total Expenditures	47,354,218	50,204,894	44,890,847	5,314,047
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	(1,816,881)	67,380	5,718,884	5,651,504
<b>OTHER FINANCING SOURCES (USES)</b>				
Gain from sale of assets	600	600	2,162	1,562
Transfers In	2,183,817	3,381,544	4,153,408	771,864
Transfers Out	(3,006,978)	(5,842,011)	(7,242,939)	(1,400,928)
Total Other Financing Sources (Uses)	(822,561)	(2,459,867)	(3,087,369)	(627,502)
<b>NET CHANGES IN FUND BALANCE</b>	<u>\$ (2,639,442)</u>	<u>\$ (2,392,487)</u>	<u>2,631,515</u>	<u>\$ 5,024,002</u>
<b>BEGINNING FUND BALANCE</b>			26,896,789	
<b>ENDING FUND BALANCE</b>			<u>\$ 29,528,304</u>	

The notes to the financial statements are an integral part of this statement.