



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

MEETING DATE: 8/8/2022

ITEM NO: 1

**Minutes of the Finance Commission Regular Meeting
June 13, 2022**

The Finance Commission of the Town of Los Gatos conducted a special meeting utilizing teleconference and electronic means consistent with Government Code Section 54953, as Amended by Assembly Bill 361, in response to the state of emergency relating to COVID-19 and enabling teleconferencing accommodations by suspending or waiving specified provisions in the Ralph M. Brown Act (Government Code § 54950 et seq.) and Town of Los Gatos Resolution 2021-044 on Monday, June 13, 2022, at 5:00 p.m.

MEETING CALLED TO ORDER AT 5:01 P.M.

ROLL CALL

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

Absent: Commissioner Loreen Huddleston and Commissioner Rick Tinsley

Staff Present: Town Manager Laurel Prevetti, Town Attorney Robert Schultz, Assistant Town Manager Arn Andrews, Finance Director Stephen Conway, and Finance and Budget Manager Gitta Ungvari.

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

1. Approve Minutes of the May 9, 2022 Finance Commission Meeting.

MOTION: Motion by Vice Chair Park to approve the consent items. **Seconded by Commissioner Dell.**

VOTE: Motion passed 3-0. Commissioners Huddleston and Tinsley absent.

VERBAL COMMUNICATIONS

None.

OTHER BUSINESS

2. Receive Budget Update and Report Out on Council Budget Actions, and Provide any Additional Recommendations to the Town Council

Arn Andrews, Assistant Town Manager, presented the staff report.

Staff responded to Commissioners' questions.

Opened Public Comment.

-Phil Koen commented that the Finance Commission and the Town should acknowledge the true structural deficit, acknowledge the actual ARPA funding available, and improve clarity on these issues.

Closed Public Comment

Opened Public Comment.

-Catherine Somers commented that if the unused ARPA funds deposited back into unallocated reserve, the Council has the authority to assign it for any other uses.

Closed Public Comment

MOTION: **Motion by Chair Dickel** to recommend to Council to accept the staff's budget balancing approach to pay for the labor agreements, including use of Measure G funds and OPEB (utilizing the OPEB 115 Trust to fund budgeted retiree Pay Go healthcare expenses) as presented in the June 7, 2022 staff report to Council.
Seconded by Vice Chair Park.

VOTE: **Motion passed 3-0. Commissioners Huddleston and Tinsley absent.**

3. Receive the Town of Los Gatos Business License Analysis and Ordinance Review and Recommend the Town Council Pursue a Ballot Measure to Modernize and Create a More Equitable Tax Structure Arn Andrews, Assistant Town Manager, presented the staff report.

Arn Andrews, Assistant Town Manager, presented the staff report. Staff and HDL Consultant addressed Commissioners' questions.

Opened Public Comment.

-Catherine Somers commented that the Chamber will work with the Town to make sure that the proposed business license modernization will be equitable, ensures business retention, and encourages new business to relocate to Los Gatos.

Closed Public Comment

MOTION: **Motion by Vice Chair Park** to recommend to Council to move forward to continue to do research and public outreach on business license tax modernization. **Seconded by Chair Dickel.**

VOTE: **Motion passed 3-0. Commissioners Huddleston and Tinsley absent.**

4. Receive FY 2020/21 Federal Single Audit Corrective Action Plan

Arn Andrews, Assistant Town Manager, presented the staff report. Staff addressed Commissioners' questions.

Opened Public Comment.

None.

Closed Public Comment

5. Discussion and Potential Action on Commission Schedule

Arn Andrews, Assistant Town Manager, presented the staff report.

Staff responded to Commissioners' questions.

Opened Public Comment.

None.

Closed Public Comment

MOTION: **Motion by Chair Dickel** recommended to cancel the July 11, 2022 regular Council meeting. The Finance Commission will set up a special meeting depending on the Council decision regarding the business license tax modernization ballot language. **Seconded by Commissioner Dell**

VOTE: **Motion passed 3-0. Motion passed 3-0. Commissioners Huddleston and Tinsley absent.**

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SUBJECT: Minutes of the Finance Commission Regular Meeting of June 13, 2022

DATE: June 17, 2022

ADJOURNMENT:

The meeting adjourned at 7:15 p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the June 13, 2022 meeting as approved by the Finance Commission.

/s/Gitta Ungvari, Finance and Budget Manager