



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

MEETING DATE: 3/8/2021

ITEM NO: 1

**Minutes of the Finance Commission Meeting
February 8, 2021**

The Finance Commission of the Town of Los Gatos conducted a meeting via teleconference via COVID-10 Shelter in Place Guidelines on Monday, February 8, 2021, at 5:00 p.m.

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

ROLL CALL

Present: Commissioners Ron Dickel, Loreen Huddleston, Kyle Park, 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, and Finance and Budget Manager Gitta Ungvari.

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

None.

VERBAL COMMUNICATIONS

None.

OTHER BUSINESS

1. Appoint Finance Commission Chair and Vice Chair.

MOTION: Motion by Commissioner Rick Tinsley to nominate Ron Dickel as a Chair for the Finance Commission. **Seconded by Commissioner Kyle Park.**

VOTE: Motion passed unanimously.

MOTION: Motion by Commissioner Ron Dickel to nominate Kyle Park as a Vice Chair for the Finance Commission. **Seconded by Commissioner Rick Tinsley.**

VOTE: Motion passed unanimously.

2. Adopt Resolution of the Finance Commission Establishing a Time and Place for Regular Meetings.

MOTION: Motion by Chair Ron Dickel to establish a regular Finance Commission meeting every second Monday of the month at 5 p.m. Meetings can be cancelled, or special meetings can be scheduled as needed. **Seconded by Commissioner Loreen Huddleston.**

VOTE: Motion passed unanimously.

3. Provide Advice to the Town Council Regarding Mid-Year Budget Options and Five-Year Forecast Scenarios

Arn Andrews presented the staff report. Commission members discussed the item and staff addressed Commission member questions.

The Finance Commission had a detailed discussion of each of the options to mitigate the FY 2020/21 anticipated budget shortfall. All Commissioners agreed that: (1) the Catastrophic and Budget Stabilization Reserves should not be considered at this time and should remain intact in the event the pandemic impacts become even greater in severity; and (2) both of the OPEB options were reasonable; however, the removal of assets from the OPEB IRS 115 Trust would be contrary to the long-standing practice of trying to prefund benefit obligations. After discussion, the Finance Commission recommended that the budget balancing options of Winchester property proceeds, OPEB Prefunding, and the utilization of OPEB IRS 115 Trust for Pay Go healthcare expenses be programmed in that order.

The Finance Commission also reviewed the base case revenue growth assumptions and the other elements of the initial Five-Year Forecast. There was considerable discussion about the amount of uncertainty that still exists due to the vagaries of continued COVID spread, variant mutations, vaccination supply, and public health mitigation responses. Two voting Commissioners felt the base case growth assumptions reflected reasonable conservatism. The two other voting Commissioners thought that while the base assumptions are potentially reasonable, they would continue to err on the side of additional conservatism.

Opened Public Comment.

None

Closed Public Comment.

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SUBJECT: Minutes of the Finance Commission Meeting of February 8, 2021

DATE: February 23, 2021

ADJOURNMENT:

The meeting adjourned at 7:10 p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the February 8, 2021 meeting as approved by the Finance Commission.

/s/ Gitta Ungvari, Finance and Budget Manager