



**TOWN OF LOS GATOS
FINANCE COMMISSION
MINUTES**

**Minutes of the Finance Commission Regular Meeting
May 12, 2025**

The Finance Commission of the Town of Los Gatos conducted a regular meeting in person and via teleconference.

THE MEETING WAS CALLED TO ORDER AT 5:33 P.M.

ROLL CALL

Present: Chair Linda Reiners, Vice Chair Ashby Monk, Commissioner Adam Fischer, Commissioner Phil Koen, Commissioner Joe Rodgers, Mayor Matthew Hudes, and Vice Mayor Rob Moore

Town Staff Present: Town Manager, Chris Constantin; Finance Director, Gitta Ungvari; Town Clerk, Wendy Wood; and Finance and Accounting Manager, Eric Lemon.

CONSENT ITEMS

1. Approve the Minutes of the April 14, 2025, Finance Commission Regular Meeting
2. Approve the Minutes of the April 28, 2025, Finance Commission Special Meeting
3. Approve the Minutes of the May 5, 2025, Finance Commission Special Meeting
4. Receive the Monthly Financial and Investment Report for March 2025.

There was no public comment.

MOTION: Motion by Commissioner Koen to approve the consent items. **Seconded by Vice Chair Monk.**

VOTE: Motion passed unanimously.

VERBAL COMMUNICATIONS

There was no public comment.

OTHER BUSINESS

5. Provide Recommendations to the Town Council Regarding the Proposed FY 2025-26 Operating and Capital Budgets, Including Budget Balancing Approaches

The Chair opened the item for discussion.

The Commission discussed the item, asked questions, and provided feedback.

Staff addressed the Commissioners' questions.

The Commission took a recess at 7:15 p.m.

The Commission reconvened at 7:21 p.m.

There was no public comment.

Town Manager Constantin summarized the Commission's recommendations as follows:

- Avoid drawing on reserves unless absolutely necessary;
- Balance the budget to zero or as close to zero as feasible;
- Implement a targeted hiring freeze until a comprehensive five-year financial forecast is completed;
- Engage an external financial consultant to assist in identifying opportunities to increase revenues and reduce expenditures;
- Explore ways to reduce Workers' Compensation and Liability insurance costs, implement safety wellness programs to reduce workplace injuries, and develop a comprehensive labor model to define service level targets and staffing needs;
- Evaluate options to increase sales tax revenue, including contributions from unrepresented sectors such as auto dealerships;
- Review planning and building fees to ensure all adjustments are considered;
- Review Business License Tax being mindful that some of those are capped at a \$3,000 amount in terms of invested income;
- Determine whether we can recoup up to an additional \$700,000 in interest income.;
- Reassessing interest income protection to determine the feasibility of recovering up to an additional \$700,000;
- Evaluate the Town's fleet of over 80 vehicles and construction equipment for potential liquidation and cost savings and consider leasing these vehicles for reduced ongoing maintenance costs;
- Evaluate the tiered budget reductions options to determine how much could be used to achieve the goal of not using unassigned fund balances; and
- Approve the use of 100% of the Measure G funds for operational expenses instead of the 50/50 split between operations and capital.

MOTION: **Motion by Chair Reiners** to approve the set of Finance Commission recommendations to Town Council (as summarized by the Town Manager).
 Seconded by Commissioner Fischer

VOTE: **Motion passed unanimously.**

After further discussion, Town Manager Constantin summarized the Finance Commission recommendation for the five-year forecast as follows:

The Financing Commission recommends that the Town Council not accept the current five-year forecast and wait until a consultant can come back with a more refined forecast for recommendation.

MOTION: **Motion by Commissioner Koen** to approve the summary as read by the Town Manager. **Seconded by Vice Chair Monk**

VOTE: **Motion passed unanimously.**

After additional discussion, Town Manager Constantin summarized the Finance Commission recommendations regarding the Capital Improvement Program as follows:

- Basing the Capital program on what is expected to be spent each year versus what is authorized to expend;
- For project 9901 Street Repair and Resurfacing, the Town should tie street repair and resurfacing to a target Pavement Condition Index and the Town Council shall have a conversation about what that target should be; and
- For the Highway 17 bridge design project (818-0803), the Town Council should consider stopping continued progress on that project and schedule further conversation and determine how to best prioritize capital projects and funding in the future.

MOTION: **Motion by Commissioner Koen** to approve recommendations (summarized by the Town Manager). **Seconded by Commissioner Rodgers.**

VOTE: **Motion passed unanimously.**

ADJOURNMENT:

The meeting adjourned at 8:35 p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the May 12, 2025, regular meeting as approved by the Finance Commission.

/s/ Eric Lemon, Finance and Accounting Manager