



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

MEETING DATE: 4/26/2021

ITEM NO: 1

**Minutes of the Finance Commission Meeting
April 19, 2021**

The Finance Commission of the Town of Los Gatos conducted a special meeting via teleconference via COVID-10 Shelter in Place Guidelines on Monday, April 19, 2021, at 5:00 p.m.

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

ROLL CALL

Present: Chair Ron Dickel, Vice Chair Kyle Park, Commissioner Stacey Dell, Commissioner Loreen Huddleston, Commissioner 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, Parks and Public Works Director Matt Morley, and Finance and Budget Manager Gitta Ungvari.

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

1. Approve Minutes of the March 8, 2021 Finance Commission Meeting
2. Approve Minutes of the March 9, 2021 Finance Commission Meeting
3. Receive Monthly Performance and Quarterly Account Summary Reports for the Town of Los Gatos IRS Section 115 Pension Trust for the Period Ending December 31, 2020
4. Receive Market Value Summary Quarterly Report and Performance Report for the California Employers' Retiree Benefit Trust (CERBT) for the Period Ending December 31, 2020
5. Receive March 30, 2021, Pension/OPEB Oversight Committee report on Additional Discretionary Payments (ADPs) to CalPERS
6. Receive April 6, 2021 Council Report on the American Rescue Plan Act (ARPA)

Opened Public Comment.

Phil Koen

- Commented that the Finance Commission should weigh in on the possible use of ARPA funds to replace lost revenue compared to FY 2018/19 actual proceeds and address critical infrastructure. He also suggested that the Town reduce expenditures to address budget shortfalls before utilizing the ARPA funds.

Closed Public Comment.

MOTION: Motion by Commissioner Rick Tinsley to approve consent items. Seconded by Commissioner Loreen Huddleston.

VOTE: Motion passed unanimously.

VERBAL COMMUNICATIONS

None

Closed Verbal Communication.

OTHER BUSINESS

7. Receive Bartel submittal on Investment Return Assumption
8. Receive Bartel responses to public comment

Assistant Town Manager Arn Andrews presented the report on these two items. After Commission discussion, Commission members supported the Town's intention to go out for Request for Proposal for Actuarial Services. Commission members also requested benchmarking data regarding pension and OPEB liabilities and practices.

Opened Public Comment.

Phil Koen

- Commented that the Town salaries and benefits have skyrocketed, and asked for an analysis of how much it actually costs to run the Town.

Closed Public Comment.

MOTION: Motion by Commissioner Rick Tinsley to receive item 7 and 8. Seconded by Commissioner Kyle Park.

VOTE: Motion passed unanimously.

9. Receive and Begin Discussion of the Town Manager's FY 2021/22 Proposed Operating and Capital Budgets

Arn Andrews introduced the Proposed FY 2021/22 Budgets, explaining highlights and balancing strategies. Commissioners asked questions regarding budget development, forecast assumptions, and processes. The Commission also discussed the potential uses of the ARPA funds.

Opened Public Comment.

Phil Koen

- Commented that 75% of the Town's expenditures consist of salaries and benefits and without assuming salary increases in the forecast, the five-year forecast underestimates the future cost.

Closed Public Comment.

Commission members agreed to hold two more special meetings on April 26th and on May 3rd and finalize the budget recommendation at the May 10th regular meeting. Commission will agendaize both the Operating and Capital Budgets on April 26th with the primary focus on the Capital Budget.

ADJOURNMENT:

The meeting adjourned at 7:01 p.m.

This is to certify that the foregoing is a true and correct copy of the minutes of the April 19, 2021 meeting as approved by the Finance Commission.

/s/Gitta Ungvari, Finance and Budget Manager