



**TOWN OF LOS GATOS
FINANCE COMMISSION: SPECIAL MEETING
AGENDA
MAY 04, 2026
110 EAST MAIN STREET
TOWN COUNCIL CHAMBERS
5:30 PM**

*Ashby Monk, Chair
Adam Fischer, Vice Chair
Phil Koen, Commissioner
Linda Reiners, Commissioner
Joseph Rodgers, Commissioner
Maria Ristow, Vice Mayor
Matthew Hudes, Council Member*

IMPORTANT NOTICE

This is a hybrid meeting and will be held in-person at the Town Council Chambers at 110 E. Main Street and virtually through Zoom Webinar (log-in information provided below). Members of the public may provide public comments for agenda items in-person or virtually by following the instructions listed below or at the end of the agenda.

To watch and participate via Zoom, please go to:

<https://losgatосca-gov.zoom.us/j/84834011781?pwd=rHVGVpbWjNaaM6U6ZB5AbaZUF1ToV9.1>

Enter passcode: 998589

CALL MEETING TO ORDER

ROLL CALL

VERBAL COMMUNICATIONS *(Members of the public are welcome to address the Commission only on matters listed on the agenda. Town resources may not be used to facilitate audio or visual presentations. Each speaker is limited to three minutes or such time as authorized by the Chair.)*

OTHER BUSINESS *(Each speaker is limited to no more than three (3) minutes or such time as authorized by the Chair.)*

1. Continue to Review and Discuss the Preliminary Proposed FY 2026-27 Operating and Capital Budget, and Provide Preliminary Comments and Recommendations Regarding the Proposed Budget

ADJOURNMENT

ADA NOTICE - In compliance with the Americans with Disabilities Act, if you require special assistance to participate in this meeting, please contact the Clerk's Office at (408) 354-6834. Please notify the Clerk's Office at least two (2) business days prior to the meeting so that reasonable arrangements can be made to ensure accessibility in compliance with 28 CFR §35.102-35.104 and related provisions.

NOTICE REGARDING SUPPLEMENTAL MATERIALS - Materials related to an item on this agenda submitted to the Commission after initial distribution of the agenda packets are available for public inspection in the Clerk's Office at Town Hall, 110 E. Main Street, Los Gatos and on the Town's website at www.losgatosca.gov. Town Commission agendas and related materials can be viewed online at <https://losgatos-ca.municodemeetings.com/>.

HOW TO PARTICIPATE

The public is welcome to provide oral comments in real-time during the meeting in three ways:

Zoom Webinar (Online): Join from a PC, Mac, iPad, iPhone or Android device. Please click this URL to join: [https://losgatosca-](https://losgatosca.gov.zoom.us/j/84834011781?pwd=rHVGVpBwjNaaM6U6ZB5AbaZUF1ToV9.1)

[gov.zoom.us/j/84834011781?pwd=rHVGVpBwjNaaM6U6ZB5AbaZUF1ToV9.1](https://losgatosca.gov.zoom.us/j/84834011781?pwd=rHVGVpBwjNaaM6U6ZB5AbaZUF1ToV9.1)

Passcode: **998589** You can also type in **848 3401 1781** in the "Join a Meeting" page on the Zoom website at zoom.com and use passcode **998589**.

When the Chair announces the item for which you wish to speak, click the "raise hand" feature in Zoom. If you are participating by phone on the Zoom app, press *9 on your telephone keypad to raise your hand.

Telephone: Please dial 1 (855) 758-1310 for US Toll-free or 1 (408) 961-3927 for US Toll. (Meeting ID: 848 3401 1781)

If you are participating by calling in, press *9 on your telephone keypad to raise your hand.

In-Person: Please complete a "speaker's card" located on the back of the chamber benches and return it to the Town Clerk before the meeting or when the Chair announces the item for which you wish to speak.

NOTES: Comments will be limited to three (3) minutes or less at the Chair's discretion.

If you are unable to participate in real-time, you may email to Clerk@losgatosca.gov the subject line "Public Comment Item #__" (insert the item number relevant to your comment). All comments received will become part of the record.

Deadlines to submit written comments are:

-3:00 p.m. the business day before the Commission meeting for inclusion in an addendum.

-11:00 a.m. on the day of the Commission meeting for inclusion in a desk item.



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 05/04/2026

ITEM NO: 1

Item 1.

DATE: May 4, 2026
TO: Finance Commission
FROM: Chris Contantin, Town Manager
SUBJECT: Continue to Review and Discuss the Preliminary Proposed FY 2026-27 Operating and Capital Budget, and Provide Preliminary Comments and Recommendations Regarding the Proposed Budget

RECOMMENDATION:

1. Continue to discuss, comment, and begin to make recommendations to the Town Council regarding the Proposed FY 2026-27 Operating and Capital Summary Budget.
2. Provide written comments and recommendations on the FY 2026-27 Operating and Capital Budget to the Town Council in accordance with Town Code section 2.30.295(6).
3. Provide review and written recommendations on the proposed use of Measure G funds.

BACKGROUND:

With the passage of Measure A, the Finance Commission has been tasked with several mandated duties as described in the provisions of the adopted Ordinance. Section 2.50.225. – Duties state that:

(a) The Finance Commission shall:

(2) Review the Town Manager's annual proposed budget prepared in accordance with section 2.30.295(6) of the Town Code and provide written comments and recommendations to the Town Council.

(A) The Finance Commission's comments and recommendations shall include a recommendation about whether the Town Council should approve or disapprove the proposed budget. The Finance Commission may make a recommendation of approval of the budget conditional upon the Town Council's acceptance of one or more of the Finance Commission's recommendations.

PREPARED BY: Kristina Alfaro
Administrative Services Director

Reviewed by: Town Manager and Town Attorney

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SUBJECT: Proposed FY 2026-27 Operating and Capital Budget

DATE: May 4, 2026

- (B) The Town Manager must provide a proposed budget to the Finance Commission at least twenty (20) business days before the first meeting at which the proposed budget is considered by the Town Council.

DISCUSSION:

On April 20, 2026, the Proposed FY 2026-27 Operating and Capital Budgets were posted to the Town's website, and the links (listed below) were provided to the Finance Commission. Per Measure A, the Finance Commission received the Proposed Budgets 21 business days before May 19, 2026, the first meeting at which the Town Council will consider the Proposed Budgets.

Proposed Operating Budget:

<https://www.losgatosca.gov/3067/Proposed-FY-2026-27-Operating-Budget>

CIP Budget:

<https://www.losgatosca.gov/3068/Proposed-FY-2026-27-Capital-Budget>

Pursuant to Municipal Code Section 2.50.225(6), the Finance Commission shall review proposed expenditures and advise the Town Council whether such expenditures meet the Town Council's objective for the Measure G tax. In the FY 2026-27, all Measure G proceeds are allocated to support public safety operations. This approach supports the following Measure G objectives: (a) maintaining and enhancing neighborhood police patrols and local crime prevention programs, and (d) maintaining the Town's long-term financial stability. Staff requests the Finance Commission's review and recommendation regarding the proposed allocation of Measure G funds.

At its special meeting on April 27, 2026, the Finance Commission received a comprehensive review of the operating and capital budget, and the Commission identified two areas requiring additional information and one recommendation for the Commission's consideration. The Commission requested additional information on historic overtime costs and how changes to the fixed asset policy have impacted Town finances. A recommendation was made to consider adding resources for capital project management.

Overtime analysis includes FY 2021-22 data through the FY 2026-27 April 17th paycheck. Historically, by fiscal year overtime costs have averaged \$1.3 million. With most of the costs, approximately 96% or \$1.2 million, in the police department. Within the police department, vacancy overtime has averaged approximately \$0.6 million over the past three full fiscal years, representing on average 50% of total overtime. The overtime analysis is included in Attachment 1.

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SUBJECT: Proposed FY 2026-27 Operating and Capital Budget

DATE: May 4, 2026

The fixed asset process was updated prior to June 30, 2010, and is included in the Annual Comprehensive Report (ACFR) and not the budget. Staff do not have data to provide that would show any financial impacts.

The Commission will conclude its discussion on the FY 2026-27 Operating and Capital Budget at its regular meeting on May 11, 2026.

The process for ensuring responses to Commissioner questions and timely recommendations to the Council is as follows:

- On or before the end of the day on Wednesday, May 6, 2026 - Finance Commissioners will send their written comments/recommendations to the Town Manager.
- May 11th Finance Commission Meeting – Commissioners will, by majority vote, make recommendations for Council’s consideration.

At the conclusion of the regular Finance Commission meeting on May 11, 2026, the Finance Commission is expected to finalize its comments and recommendations and provide them to the Town Manager through a vote, which will be transmitted to the Town Council at a public hearing on May 19, 2026.

CONCLUSION:

Staff look forward to the Commission’s questions, discussion, comments, and recommendations.

Attachments:

1. Townwide Overtime Analysis

Overtime Analysis by Hours and Cost from FY 2021-2022 through FY 2025-26 April 17, 2026, Check Date

Overtime Hours by Department

Department	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Admin Services	91	143	430	296
Admin Services Successor Agency				1
Community Development	82	26	47	1
Library			12	
Park and Public Works	953	348	503	337
Police	12,552	10,962	10,203	8,367
Town Offices				24
Grand Total	13,678	11,478	11,194	9,026

Overtime Costs by Department¹ Percentage Change by Year

Department	FY 2022-23	FY 2023-24	%	FY 2024-25	%	FY 2025-26	%
Admin Services	\$ 6,187	\$ 10,922	43%	\$ 35,158	222%	\$26,141	-26%
Admin Services Successor Agency	0					106	NA
Community Development	4,542	2,056	-121%	3,469	69%	95	-97%
Library	0			934		0	-100%
Park and Public Works	71,072	26,599	-167%	42,189	59%	28,207	-33%
Police	1,346,215	1,271,787	-6%	1,233,879	-3%	1,053,734	-15%
Town Offices	0	0	0%	0	0%	1,554	
TOTAL	\$ 1,428,015	\$ 1,311,364	-9%	\$ 1,315,628	0%	\$ 1,109,836	-16%

¹ Overtime costs shown here versus in the budget documents vary due to using data from our payroll instead of our general ledger. This is done to have access to more granular hours code data to better identify what is driving overtime costs. Cost vary due to the Town's year-end accrual process that takes the number of days in June that fall into the first pay period in July and divides them all of the day in the pay period (14) and then accrues that percentage back to the prior fiscal year and the remaining amounts stay in the current fiscal year. For payroll we used the check date to gain by fiscal year data.

Police Overtime Costs by Type as a Percent of Total Police Overtime Hours

Overtime Category	FY 2022-2023	%	FY 2023-24	%	FY 2024-25	%	FY 2025-26	%
All Other OT	\$ 118,396	8.8%	\$ 167,267	13.2%	\$ 136,842	11.1%	\$ 160,579	15.2%
AOT OT	31,513	2.3%	47,325	3.7%	51,608	4.2%	58,859	5.6%
COMP TIME CASH OUTS	60,545	4.5%	43,613	3.4%	35,820	2.9%	16,915	1.6%
LATE ACTIVITY OT	37,218	2.8%	29,675	2.3%	57,211	4.6%	39,419	3.7%
MAJOR INCIDENT CALL OT	30,497	2.3%	71,170	5.6%	1,605	0.1%	2,024	0.2%
MEETINGS OT	49,802	3.7%	63,451	5.0%	48,603	3.9%	46,717	4.4%
PARADE OT	12,046	0.9%	16,883	1.3%	14,661	1.2%	7,179	0.7%
POA VACANCY OT	760,859	56.5%	575,535	45.3%	515,409	41.8%	261,245	24.8%
TRAINING REPLACEMENT OT	25,503	1.9%	22,847	1.8%	28,267	2.3%	38,535	3.7%
REGULAR OVERTIME	51,892	3.9%	75,282	5.9%	99,503	8.1%	201,481	19.1%
TRAINING OT	120,203	8.9%	81,135	6.4%	135,650	11.0%	79,714	7.6%
VACATION REPLACEMENT OT	47,740	3.5%	77,603	6.1%	108,700	8.8%	141,067	13.4%
TOTAL	\$ 1,346,215	100%	\$ 1,271,787	100%	\$1,233,879	100%	\$1,053,734	100%