



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 12/15/2020

ITEM NO: 10

DESK ITEM

---

DATE: December 14, 2020  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Receive a Fiscal Year (FY) 2020/21 Revenue and Expense Update

**REMARKS:**

Attachment 1 contains public comments received after the distribution of the staff report and before 11:01 a.m. Tuesday, December 15, 2020.

The public comments contain a couple of errors which should be corrected for the record. This Desk Item does not comment on the efficacy of other aspects of the constituent analysis.

- The referenced MuniServices estimate of \$7.3 million consists of estimates for the 1% local sales and use tax (\$6.4M) and the 1/8 district tax (\$900K). The constituent did not include the district tax receipts in their analysis.
- The \$789K RDA residual property tax reduction should be omitted from the constituent analysis because, as stated in the staff report, the \$18.4M County estimate already reflects this reduction.

In addition to these specific corrections, staff would like to highlight the Comprehensive Annual Financial Report (CAFR) note 15 from Agenda Item #9. Among other things, this note identified that the Adopted FY 2020/21 Budget includes a contingency of \$1.2M from a property sale which the Council could allocate in the event of a revenue shortfall.

In addition, the \$18.4M County estimate does not include all items that are subject to property tax. There are additional property tax elements for which estimates are not provided (e.g., property transfer tax, prior year secured, retirement residence, and penalties and late fees) which total an estimated additional \$500K.

**PREPARED BY:** Arn Andrews  
Assistant Town manager

---

Reviewed by: Town Manager, Town Attorney, and Finance Director

---

PAGE 2 OF 2

SUBJECT: FY 2020/21 Revenue and Expense Update

DATE: December 14, 2020

Attachment (distributed with this Addendum):

1. Public Comments Received after the Distribution of the Staff Report and before 11:01 a.m. Tuesday, December 15, 2020.