

MAJOR REVENUE CATEGORIES

Property Tax: Property tax budget projections are based on valuations projected by the Santa Clara County Assessor's Office, including transfer tax and other items. Town staff meets with the County quarterly to obtain the latest assessed valuation and assessment roll data used to forecast property tax revenues. Property Tax estimates are updated quarterly by the County.

Vehicle License Fee (VLF) Backfill Property Tax: VLF Backfill Property tax budget projections are based on valuations projected by the Santa Clara County Assessor's Office. VLF Backfill Property Tax estimates are updated quarterly by the County.

Sales Tax: Sales tax budget projections are based on sales tax and economic projections provided by the Town's consultant, MuniServices, who provides actual sales tax data and annual sales tax estimates for five years. The actuals and estimates include proceeds from the Los Gatos District Sales Tax and internet sales due to the 2018 Wayfair Court decision.

Franchise Fee: Franchise fee budget projections are based on current trends. Franchise fees are collected by the Town for the privilege of operating a utility service within Los Gatos. Franchise fees are currently received from Comcast for cable television, PG&E for gas and electric services, West Valley Collection and Recycling for solid waste collection services, and AT&T and Comcast for video services.

Transient Occupancy Tax: Transient Occupancy Tax budget projection is based on current trends. The TOT rate has changed from 10% to 12% as a result of voter approval in the November 2016 election.

Business License Tax: Business license tax budget projection is based on current trends. Business license FY 2020/21 baseline will be adjusted based on prior year actuals.

License & Permits: License and permits budget projection is based on current trends. License and permits consist mainly of building permit fees which are collected by the Town to offset administrative costs associated with overseeing the proper permitting aspects of development.

Town Services: Town services budget projection is based on current trends of activity in the Community Development Department. Town services consist primarily of planning, building, inspection, and engineering fees assessed on local building and development activity. Development fees and charges are based on a cost recovery basis.

Fine & Forfeitures: Based on actual revenue. Fines and Forfeitures are revenues received upon municipal infraction such as parking violation, library fines and other fines related to Town Code violation.

Interest: Based on monthly average of invested balance and the Town's weighted portfolio yield.

Other Sources: Based on actual revenue. This revenue reflects lease reimbursement revenue received from the Successor Agency to the Los Gatos Redevelopment Agency for 2002 and 2010 Certificates of participation debt service payment for the bond issues and other miscellaneous revenues.