

# Capital Improvement Program

## PROGRAM PURPOSE

The Fiscal Year (FY) 2019/20-2023/24 Capital Improvement Program (CIP) is a comprehensive five-year capital improvement plan designed to identify projects which develop and maintain the Town's infrastructure. The CIP is developed consistent with the Town Council Core Goals of maintaining the condition and availability of public facilities and transportation systems. Guidance for developing priorities for capital improvement projects is also derived from key plans, including the General Plan and the Council's Strategic Priorities. Input from Town Boards and Commissions also contributed to the development of the CIP.

In January 2019, the Town Council established the 2019-21 Strategic Priorities. The Core Goals and Strategic Priorities guide the preparation of both the Capital and Operating Budgets. In terms of capital projects, the Town Council affirmed its interest improving the condition of the Town's streets, enhancing community vitality, and recognizing its commitment to traffic/transportation, public safety, quality of life, and prosperity. All proposed capital projects are described or listed in this document.

The Town's capital projects are categorized into three program areas as described below:

***The Streets Program*** was established to develop a functional street system that is consistent with the General Plan. Objectives include providing safe and efficient traffic flow through intersections while minimizing unnecessary traffic movement and noise through residential neighborhoods and providing proper street lighting for traffic safety at intersections and public streets. The primary source of financing for this program comes from General Fund savings and Gas Tax Fund revenues. Street projects may also receive funding from federal, state, and local grants.

Within the Streets Program, Storm Drain Fund monies are used for the construction of drainage facilities that occur in conjunction with other street improvements. Storm Drain funding is derived from a Town charge of 75 cents per square foot of impervious surface created by development. Depending on the level of development activity, these fees produce around \$100,000 annually.

The Utility Undergrounding Fund is another funding source utilized in the Streets Program. This fund accrues construction tax revenue of 18 cents charged for each

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square foot of building addition or alteration within the Town. This revenue is used for projects to relocate overhead utility lines underground in an effort to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines. Utility Underground projects may also be funded by Pacific Gas and Electric Company's (PG&E) Rule 20A funds. Projects which will eliminate a heavy concentration of overhead electric lines in areas used extensively by the general public are nominated by the Town to PG&E. Approved projects are then funded through the Town's allocation of Rule 20A funds, which are tariffs accumulated by PG&E as a percentage of electric bills. The Town's allocation typically is in the range of \$60,000 to \$100,000 annually.

As part of a voter-approved measure from 2010, the Santa Clara Valley Transportation Agency (VTA) assesses a \$10 per vehicle registration surcharge to repair and rehabilitate streets. This funding source is expected to generate approximately \$180,000 annually for Los Gatos, which will be used for street rehabilitation Town-wide.

In 2016, Santa Clara County voters approved Measure B a transportation focused sales tax measure. After several years of legal challenges, the funding from Measure B has begun to flow. The most important element of this measure is ongoing road maintenance funding to the Town of \$580,633. Additional funds may be distributed to local projects on a competitive basis.

Another revenue source used in the Street program are impact fees. The construction impact fee is assessed on construction projects based on the square foot size of the project at a rate of \$1.14 per square foot. These fees are intended to recover the damage caused to Town streets by construction traffic. Construction Impact fees generate approximately \$110,000 annually. In addition, the Refuse Vehicle Road Impact Fee is estimated to generate \$610,000 for FY 2019/20.

***The Public Facilities Program*** includes projects for purchasing, constructing, or making capital repairs to public buildings, structures, and equipment. Town buildings include the Civic Center, Library Facility, Police Operation Building, Tait Avenue, and Forbes Mill. The program also provides partial service to the Adult and Youth Recreation Center, which are Town-owned buildings leased to Los Gatos-Saratoga Community Education and Recreation. There is no designated funding for this program, and any allocations generally come from General Fund prior year savings or grant funds applied to qualified improvements.

***The Parks Program*** includes projects for parks, trails, park buildings, urban forestry, and beautification. This capital plan also does not have a designated revenue source, and funding is currently dependent on budgeted allocations from General Fund savings,

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grants, and other sources. Park projects may on occasion include community volunteer services for minor construction and clean-up projects.

### **PROGRAM PROCESS**

A CIP project includes design, construction, acquisition, rehabilitation, or non-routine maintenance that generally costs \$25,000 or more with a minimum useful life of 5 years at a fixed location. The CIP identifies priority capital maintenance, facilities, and improvements needed within the next five years, with cost estimates based on current year dollars. Estimates for carry-forward projects are updated as necessary to a recent engineer's estimate based on current design specifications. Equipment, operating, and maintenance costs incurred as an outcome of CIP projects are identified and included in the Operating Budget.

Under direction from the Town Manager's Office, the Parks and Public Works Department led the preparation of project proposals for consideration in the current Capital Improvement Program (reflected in detail in a separate document). In coordination with other Town Departments, capital improvement projects and funding sources were reviewed and prioritized to ensure the Town's priorities were addressed and in conjunction with the preparation of the Operating Budget. The proposed CIP Budget is then presented to the Planning Commission for review to ensure that the projects are consistent with the Town's General Plan and to the Town Council for final approval.

This Operating and Capital Summary Budget document limits the Town's CIP financial information to the first year of the plan as it relates to the Town's Operating Budget. The full five-year project outlook is available in the separate Capital Improvement Program Budget document.

## CAPITAL IMPROVEMENT PROGRAM

### SUMMARY OF CIP REVENUES AND EXPENDITURES

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
<b>REVENUES</b>						
<i>Other Taxes</i>	\$ 12,147	\$ 23,165	\$ 31,838	\$ 30,000	\$ 30,000	\$ 30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	1,035,991	798,015	1,306,153	2,657,703	1,540,596	3,122,607
<i>Town Services</i>	-	7,500	-	-	20,880	46,500
<i>Licenses &amp; Permits</i>	504,658	658,660	1,381,591	842,934	506,567	822,053
<i>Interest</i>	209,684	66,951	93,199	44,130	24,130	35,740
<i>Other Revenues</i>	718,613	741,160	181,505	339,119	947,129	1,411,279
<b>TOTAL REVENUES</b>	<b>2,481,093</b>	<b>2,295,451</b>	<b>2,994,286</b>	<b>3,913,886</b>	<b>3,069,302</b>	<b>5,468,179</b>
Transfers In						
<i>Operating Transfers</i>	504,006	7,593,867	2,638,224	2,635,220	2,685,220	7,994,884
Total Transfers In	<b>504,006</b>	<b>7,593,867</b>	<b>2,638,224</b>	<b>2,635,220</b>	<b>2,685,220</b>	<b>7,994,884</b>
Total Revenues & Transfers In	<b>\$ 2,985,099</b>	<b>\$ 9,889,318</b>	<b>\$ 5,632,510</b>	<b>\$ 6,549,106</b>	<b>\$ 5,754,522</b>	<b>\$ 13,463,063</b>
<b>EXPENDITURES</b>						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	6,091	3,654	892	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	2,293,246	6,863,376	10,041,533	8,598,140	8,209,275	13,164,778
<b>TOTAL EXPENDITURES</b>	<b>2,299,337</b>	<b>6,867,030</b>	<b>10,042,425</b>	<b>8,598,140</b>	<b>8,209,275</b>	<b>13,164,778</b>
Transfers Out						
<i>Operating Transfers</i>	698,579	308,905	631,616	533,616	533,616	533,616
Total Transfers Out	<b>698,579</b>	<b>308,905</b>	<b>631,616</b>	<b>533,616</b>	<b>533,616</b>	<b>533,616</b>
Total Expenditures & Transfers Out	<b>\$ 2,997,916</b>	<b>\$ 7,175,935</b>	<b>\$ 10,674,041</b>	<b>\$ 9,131,756</b>	<b>\$ 8,742,891</b>	<b>\$ 13,698,394</b>

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The following schedule summarizes the Capital Improvement projects completed or withdrawn in FY 2018/19:

**COMPLETED OR WITHDRAWN CIP PROJECTS  
FY 2018/19**

	<b>Est Exp Prior To FY 2018/19</b>	<b>Expenditures During FY 2018/19</b>	<b>Total Budgeted</b>
<b><i>GFAR Projects</i></b>			
Belgatos Park Restroom Improvements	\$ -	\$ 23,538	\$ 23,538
Park Rehabilitation - Bachman Park	15,470	152,922	168,392
Library Teen Door Installation	-	21,048	21,048
Civic Center Fountain Modification	12,168	8,503	20,671
Police & PPW Interoperability Radio Project	546,314	49,366	595,680
Fuel System Enhancements	40,739	-	40,739
HVAC - Chiller Repair	31,480	-	31,480 *
Mechanic Bay Heater	-	-	- *
Civic Center Building Energy Efficiency Measures	-	-	- *
Youth Recreation Center HVAC Replacement	-	-	- *
Exterior Lighting Replacement - Civic Center	7,766	1,310	9,076 *
Crosswalk Improvements at Santa Cruz/Blossom Hill	2,144	12,782	14,926
Monument Control Network Update	-	-	-
Stonybrook & Kennedy Sidewalk Improvements	68,882	66,411	135,293
LED Streetlights	343,324	-	343,324
Crosswalk Lighting Upgrade	7,565	44,005	51,569
<b><i>Traffic Mitigation Projects</i></b>			
Crosswalk Improvements at Santa Cruz/Blossom Hill	\$ 35,869	\$ 14,131	\$ 50,000
Monument Control Network Update	-	-	-
Crosswalk Lighting Upgrade	20,808	29,192	50,000
Blossom Hill/Cherry Blossom Intersection Improve	-	-	-
Hwy 9/University Intersection	66,963	-	66,963
<b><i>Grants and Awards Projects</i></b>			
Park Rehabilitation - Bachman Park	\$ 7,825	\$ 213,815	\$ 221,640
Hwy 9/University Intersection	902,827	-	902,827
<b><i>Storm Drain Projects</i></b>			
Jones Road Storm Drain Improvements	\$ 18,700	\$ -	\$ 18,700
<b><i>Underground Utility Projects</i></b>			
	\$ -	\$ -	\$ -
<b><i>Gas Tax Projects</i></b>			
	\$ -	\$ -	\$ -
<b><i>Total of Completed and Withdrawn Projects</i></b>	<b>\$ 2,128,844</b>	<b>\$ 637,022</b>	<b>\$ 2,765,866</b>

\* Moved to Energy Efficient Upgrade project

## CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the Capital Improvement projects continuing into FY 2019/20 continuing projects are defined further in following fund sections.

CARRYFORWARD CIP PROJECTS FY 2019/20					
	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
<b>GFAR Carryforward Projects</b>					
Open Space Trail Upgrades	\$ -	\$ -	\$ 152,000	\$ -	\$ 152,000
Parks Playground Fibar Project	42,500	-	36,540	-	79,040
Charter Oaks Trail Repair Project	-	109	14,891	350,000	365,000
Forbes Mill Footbridge Improvements	17,119	2,227	71,502	-	90,848
Town Plaza Turf Repairs	-	-	28,000	-	28,000
Creek Trail & Parks Path & Parking Lot Seal & Striping	-	-	225,000	-	225,000
Outdoor Fitness Equipment	-	-	60,000	-	60,000
Trailhead Connector	-	-	44,440	-	44,440
Audio/Video System Upgrade	15,608	-	42,552	-	58,160
Information System Upgrade	2,590	7,794	172,785	-	183,169
Town-wide Document Imaging Project	78,752	-	16,990	-	95,741
Building Replacement at Corporation Yard	16,692	149,000	108	975,000	1,140,800
Library Carpet Replacement	-	-	56,500	-	56,500
Engineering Document Archiving	8,284	40,000	11,716	-	60,000
Neighborhood Emergency Preparedness (CERT)	-	5,910	44,090	-	50,000
Facilities Assessment	-	-	80,000	-	80,000
Town Beautification	-	8,114	6,886	10,000	25,000
Silicon Valley Regional Interoperability Project (SVRIP) Service	393,139	1,888	63,601	-	458,628
Energy Efficiency Upgrade - Town-wide	-	1,000,000	697,039	-	1,697,039
IT Disaster Recovery Improvements	-	-	200,000	-	200,000
EOC Communications Upgrade	-	20,411	29,589	-	50,000
Police Headquarters Roof Repair	-	-	50,000	-	50,000
Street Repair & Resurfacing	2,826,708	750,760	1,731,529	3,027,716	8,336,713
Annual Street Restriping	61,106	-	119,772	25,000	205,878
Almond Grove Street Rehabilitation	8,491,003	3,069,386	2,501,701	-	14,062,090
Traffic Calming Projects	57,866	38,787	9,499	10,000	116,152
Curb, Gutter & Sidewalk Maintenance	1,090,848	172,040	337,113	900,000	2,500,001
Retaining Wall Repairs	777,984	56,216	337,124	100,000	1,271,324
Quito Road - Bridge Replacement	64,594	-	235,087	-	299,681
Guardrail Replacement Projects	130,583	-	93,043	-	223,625
224 W. Main Street Property Acquisition (Parking Lot 6)	3,813	-	1,231,100	-	1,234,913
Downtown Parking Lots Seal Coat & Restriping	24,915	-	75,085	-	100,000
Sidewalk Improvements Shannon/LGB/Cherry Bl	104	-	129,896	-	130,000
Downtown Parking Study	-	-	200,000	-	200,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Pilot School Busing Program	-	350,216	63,964	-	414,180
One-Way Downtown Street Pilot	-	13,000	225,686	-	238,686
Bicycle & Pedestrian Improvements	61,450	22,728	515,822	300,000	900,000
Cut-Through Traffic/Wood Road Roundabout	206,324	57,380	86,296	-	350,000
Stormwater Master Plan	-	-	200,000	-	200,000
Stormwater System - Pollution Prevention Compliance	-	1,422	298,578	-	300,000
Public Art Gateway	-	-	25,000	-	25,000
<b>Total GFAR Carryforward Projects</b>	<b>\$ 14,371,979</b>	<b>\$ 5,767,388</b>	<b>\$ 10,580,524</b>	<b>\$ 5,697,716</b>	<b>\$ 36,417,608</b>

## CAPITAL IMPROVEMENT PROGRAM

### CARRYFORWARD CIP PROJECTS FY 2019/20

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
<b>Traffic Mitigation Carryforward Projects</b>					
Los Gatos Blvd/Shannon Improvements	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
Hwy 17 Bicycle & Pedestrian Bridge-Prelim Design	-	-	147,005	-	147,005
Traffic Signal Modernization	4,200	120,800	230,738	332,524	688,262
Bicycle & Pedestrian Improvements	40,972	31,628	2,400	-	75,000
Cut-Through Traffic/Wood Road Roundabout	175,417	36,356	228,136	-	439,908
<b>Total Traffic Mitigation Carryforward Projects</b>	<b>\$ 220,589</b>	<b>\$ 188,784</b>	<b>\$ 628,279</b>	<b>\$ 332,524</b>	<b>\$ 1,370,175</b>
<b>Grants and Awards Carryforward Projects</b>					
Charter Oaks Trail Repair Project	\$ -	\$ 72,833	\$ 75,218	\$ -	\$ 148,051
Trailhead Connector	-	-	343,000	-	343,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	-	67,000	67,000
Guardrail Replacement Projects	-	-	-	980,100	980,100
Sidewalk Improvements Shannon/LGB/Cherry Bl	-	-	-	-	-
Hwy 17 Bicycle & Pedestrian Bridge-Prelim Design	-	-	52,995	-	52,995
Traffic Signal Modernization	10,799	40,033	1,775,568	-	1,826,400
Bicycle & Pedestrian Improvements	-	-	281,500	-	281,500
<b>Total Grants and Awards Carryforward Projects</b>	<b>\$ 10,799</b>	<b>\$ 112,866</b>	<b>\$ 2,528,281</b>	<b>\$ 1,047,100</b>	<b>\$ 1,591,146</b>
<b>Storm Drain Carryforward Projects</b>					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
Bicknell Road Storm Drain Improvements	120,742	-	50,758	-	171,500
Annual Storm Drain Improvement Prj	-	-	150,000	150,000	300,000
<b>Total Storm Drain Carryforward Projects</b>	<b>\$ 137,922</b>	<b>\$ -</b>	<b>\$ 200,758</b>	<b>\$ 150,000</b>	<b>\$ 488,680</b>
<b>Underground Utility Projects</b>					
Utility Undergrounding Improvements	\$ -	\$ -	\$ 2,330,000	\$ -	\$ 2,330,000
Sidewalk Improvements Shannon/LGB/Cherry Bl	-	-	-	-	-
<b>Total Underground Utility Carryforward Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,330,000</b>	<b>\$ -</b>	<b>\$ 2,330,000</b>
<b>Gas Tax Carryforward Projects</b>					
Street Repair & Resurfacing	\$ 4,729,430	\$ 1,503,215	\$ -	\$ 1,210,054	\$ 7,442,699
<b>Total Gas Tax Carryforward Projects</b>	<b>\$ 4,729,430</b>	<b>\$ 1,503,215</b>	<b>\$ -</b>	<b>\$ 1,210,054</b>	<b>\$ 7,442,699</b>
<b>Total of Carryforward Projects</b>	<b>\$ 19,470,720</b>	<b>\$ 7,572,253</b>	<b>\$ 16,267,842</b>	<b>\$ 8,437,394</b>	<b>\$ 49,640,308</b>

## CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the new Capital Improvement projects and total of new funding for FY 2019/20. New projects are defined further in following fund sections.

NEW CIP PROJECTS FY 2019/20					
	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
<b><i>GFAR Projects</i></b>					
Vegetation Management - Town-wide	\$ -	\$ -	\$ -	200,000	\$ 200,000
Fence Replacement - Shire Court	-	-	-	60,000	60,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	-	183,000	183,000
Fire Suppression (Halon) for Server Rooms	-	-	-	200,000	200,000
Plaza Level Railings - Code Upgrade	-	-	-	30,000	30,000
Waterproofing Town-wide	-	-	-	75,000	75,000
ADA Upgrade Staff Restroom - Civic Center	-	-	-	300,000	300,000
Sound Mitigation in Library Lobby	-	-	-	22,000	22,000
Computer-Aided Dispatch and Records Management System	-	-	-	525,000	525,000
Downtown Revitalization	-	-	-	1,972,384	1,972,384
Massol Intersection Improvements	-	-	-	450,000	450,000
ADA Transition Plan	-	-	-	110,000	110,000
<b><i>Traffic Mitigation Projects</i></b>					
Highway 17/9 Interchange and Capacity Improvements	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000
<b><i>Grants and Awards Projects</i></b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b><i>Storm Drain Projects</i></b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b><i>Underground Utilities Projects</i></b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b><i>Gas Tax Projects</i></b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b><i>Total of New CIP Projects</i></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,727,384</b>	<b>\$ 4,727,384</b>
<b>TOTAL OF CARRYFORWARD AND NEW CIP PROJECTS</b>	<b>\$ 19,470,720</b>	<b>\$ 7,572,253</b>	<b>\$ 16,267,842</b>	<b>\$ 13,164,778</b>	<b>\$ 54,367,692</b>

# Capital Improvement Program

## GENERAL FUND APPROPRIATED RESERVE FUND 411

### FUND PURPOSE

The General Fund Appropriated Reserve (GFAR) accounts for funds designated for use in the Town's ongoing program for the development of facilities and general infrastructure improvements. This includes basic needs such as street and parking lot repair and resurfacing; repair or replacement of curbs, gutters, and retaining walls; and maintenance of other Town facilities. GFAR also provides for community improvements, such as Town beautification projects and traffic calming, and for foundational aspects of Town government such as technology projects and master planning work.

Revenues which support GFAR projects are derived from General Fund operational savings, from state revenues designated for transportation purposes, from intergovernmental cost sharing agreements on joint projects, and from construction impact fees. Designated revenues are accounted for in other CIP funds, and may be used in conjunction with GFAR funds in the development of capital projects.

### BUDGET OVERVIEW

A significant source of funding to the Town's capital plan is General Fund operational savings. As in past years, the Town continues to be challenged by the lack of a reliable dedicated revenue stream for capital improvements. Because of the availability of General Fund "one-time" funding sources in recent years, the Council approved "one-time" General Fund transfers to the GFAR fund in the amount of \$2.7 million for FY 2013/14, \$6.6 million for FY 2014/15, \$6.9 million for the Almond Grove Street Rehabilitation project in FY 2016/17, \$2.8 million funding in FY 2017/18, \$2.4 million transfer in FY 2018/19, and \$6.7 million transfer in FY 2019/20. After these allocations, sufficient balances are anticipated for the remaining years of the plan to accommodate allocating approximately \$550,000 from the General Fund Reserve

**∞ CAPITAL IMPROVEMENT PROGRAM ∞**  
**General Fund Appropriated Reserve**

for Capital and Special Projects from FY 2019/20 through FY 2023/24. Establishing a reliable, dedicated source of funding for basic capital improvements beyond the use of accumulated reserves remains a long-term need and important goal for the Town.

Other sources are primarily one-time funds from the state or federal government or from special revenue funds that have often fluctuated in tandem with the economy and the state budget.

Pursuant to Article III of Chapter 15 of the Town Code, the Town collects construction impact fees in support of road construction and maintenance projects throughout the Town. Article IX of Chapter 15 authorized the establishment of three special fund accounts known as Construction Impact #1, Construction Impact #2, and Construction Impact #3. Beginning in FY 1998/99, these fees were deposited directly into GFAR for use in the Street Resurfacing Program. Total construction impact fees of \$110,000 are budgeted for FY 2019/20 consistent with prior year revenues and projected building trends.

As part of a voter-approved measure from 2010, the Santa Clara Valley Transportation Agency (VTA) assesses a \$10 per vehicle registration surcharge to repair and rehabilitate streets. This funding source is expected to generate approximately \$180,000 annually for Los Gatos, which is used for street rehabilitation Town-wide.

In 2016, Santa Clara County voters approved Measure B a transportation focused sales tax measure. After several years of legal challenges, the funding from Measure B has begun to flow. The most important element of this measure is ongoing road maintenance funding to the Town of \$580,633. Additional funds may be distributed to local projects on a competitive basis.

**CAPITAL IMPROVEMENT PROGRAM**  
**General Fund Appropriated Reserve**

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated for Parking</i>	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210
<i>Undesignated</i>	14,053,310	13,310,490	16,775,448	10,714,850	10,714,850	8,142,186
Total Beginning Fund Balance	15,513,520	14,770,700	18,235,658	12,175,060	12,175,060	9,602,396
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	185,049	189,947	210,405	790,663	188,475	760,663
<i>Town Services</i>	-	7,500	-	-	20,880	46,500
<i>Licenses &amp; Permits</i>	504,658	523,192	577,820	603,429	392,627	729,553
<i>Interest</i>	6,892	-	7,438	-	-	-
<i>Other Revenues</i>	121,864	599,369	61,998	151,250	705,023	468,755
Total Revenues	<b>818,463</b>	<b>1,320,008</b>	<b>857,661</b>	<b>1,545,342</b>	<b>1,307,005</b>	<b>2,005,471</b>
Transfers In						
<i>Transfer from General Fund</i>	400,000	7,298,187	2,638,224	2,335,220	2,335,220	6,681,884
<i>Transfer from Grant</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	64,366	-	-	-	50,000	788,000
<i>Transfer from MIS Fund</i>	-	-	-	300,000	300,000	-
<i>Transfer from Equip Replacement</i>	-	295,680	-	-	-	525,000
<i>Transfer from SA Housing</i>	-	-	-	-	-	-
Total Transfers In	<b>464,366</b>	<b>7,593,867</b>	<b>2,638,224</b>	<b>2,635,220</b>	<b>2,685,220</b>	<b>7,994,884</b>
Total Revenues & Transfers In	<b>1,282,829</b>	<b>8,913,875</b>	<b>3,495,885</b>	<b>4,180,562</b>	<b>3,992,225</b>	<b>10,000,355</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 16,796,349</b>	<b>\$ 23,684,575</b>	<b>\$ 21,731,543</b>	<b>\$ 16,355,622</b>	<b>\$ 16,167,285</b>	<b>\$ 19,602,751</b>
<b>USES OF FUNDS</b>						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	6,091	3,654	892	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	1,478,766	5,245,455	9,039,975	3,736,686	6,147,273	9,825,100
Total Expenditures	<b>1,484,857</b>	<b>5,249,109</b>	<b>9,040,867</b>	<b>3,736,686</b>	<b>6,147,273</b>	<b>9,825,100</b>
Transfers Out						
<i>Transfers to General Fund</i>	540,792	199,808	417,616	417,616	417,616	417,616
<i>Transfer to SA Trust</i>	-	-	-	-	-	-
Total Transfers Out	<b>540,792</b>	<b>199,808</b>	<b>515,616</b>	<b>417,616</b>	<b>417,616</b>	<b>417,616</b>
Total Expenditures & Transfers Out	<b>2,025,649</b>	<b>5,448,917</b>	<b>9,556,483</b>	<b>4,154,302</b>	<b>6,564,889</b>	<b>10,242,716</b>
Ending Fund Balance						
<i>Designated for Parking</i>	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210
<i>Undesignated</i>	13,310,490	16,775,448	10,714,850	10,741,110	8,142,186	7,899,825
Total Ending Fund Balance	14,770,700	18,235,658	12,175,060	12,201,320	9,602,396	9,360,035
<b>TOTAL USE OF FUNDS</b>	<b>\$ 16,796,349</b>	<b>\$ 23,684,575</b>	<b>\$ 21,731,543</b>	<b>\$ 16,355,622</b>	<b>\$ 16,167,285</b>	<b>\$ 19,602,751</b>

**CAPITAL IMPROVEMENT PROGRAM**  
**General Fund Appropriated Reserve**

The following GFAR schedules identify projects completed in FY 2018/19, projects carried forward into FY 2019/20, and new FY 2019/20 projects, as part of the FY 2019/20-2023/24 Capital Improvement Program:

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
<b>Completed Projects</b>					
Belgatos Park Restroom Improvements	\$ -	\$ 23,538	\$ -	\$ -	\$ 23,538
Park Rehabilitation - Bachman Park	15,470	152,922	-	-	168,392
Library Teen Door Installation	-	21,048	-	-	21,048
Civic Center Fountain Modification	12,168	8,503	-	-	20,671
Police & PPW Interoperability Radio Project	546,314	49,366	-	-	595,680
Fuel System Enhancements	40,739	-	-	-	40,739
HVAC - Chiller Repair	31,480	-	-	-	31,480
Mechanic Bay Heater	-	-	-	-	-
Civic Center Building Energy Efficiency Measures	-	-	-	-	-
Youth Recreation Center HVAC Replacement	-	-	-	-	-
Exterior Lighting Replacement - Civic Center	7,766	1,310	-	-	9,076
Crosswalk Improvements at Santa Cruz/Blossom Hill	2,144	12,782	-	-	14,926
Monument Control Network Update	-	-	-	-	-
Stonybrook & Kennedy Sidewalk Improvements	68,882	66,411	-	-	135,293
LED Streetlights	343,324	-	-	-	343,324
Crosswalk Lighting Upgrade	7,565	44,005	-	-	51,569
<b>Total of Completed Projects</b>	<b>\$ 1,075,851</b>	<b>\$ 379,885</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,455,736</b>
<b>Carryforward Projects</b>					
Open Space Trail Upgrades	\$ -	\$ -	\$ 152,000	\$ -	\$ 152,000
Parks Playground Fibar Project	42,500	-	36,540	-	79,040
Charter Oaks Trail Repair Project	-	109	14,891	350,000	365,000
Forbes Mill Footbridge Improvements	17,119	2,227	71,502	-	90,848
Town Plaza Turf Repairs	-	-	28,000	-	28,000
Creek Trail & Parks Path & Parking Lot Seal & Striping	-	-	225,000	-	225,000
Outdoor Fitness Equipment	-	-	60,000	-	60,000
Trailhead Connector	-	-	44,440	-	44,440
Audio/Video System Upgrade	15,608	-	42,552	-	58,160
Information System Upgrade	2,590	7,794	172,785	-	183,169
Town-wide Document Imaging Project	78,752	-	16,990	-	95,741
Building Replacement at Corporation Yard	16,692	149,000	108	975,000	1,140,800
Library Carpet Replacement	-	-	56,500	-	56,500
Engineering Document Archiving	8,284	40,000	11,716	-	60,000
Neighborhood Emergency Preparedness (CERT)	-	5,910	44,090	-	50,000
Facilities Assessment	-	-	80,000	-	80,000
Town Beautification	-	8,114	6,886	10,000	25,000
Silicon Valley Regional Interoperability Project (SVRIP) Servi	393,139	1,888	63,601	-	458,628
Energy Efficiency Upgrade - Town-wide	-	1,000,000	697,039	-	1,697,039
IT Disaster Recovery Improvements	-	-	200,000	-	200,000
EOC Communications Upgrade	-	20,411	29,589	-	50,000
Police Headquarters Roof Repair	-	-	50,000	-	50,000
Street Repair & Resurfacing	2,826,708	750,760	1,731,529	3,027,716	8,336,713
Annual Street Restriping	61,106	-	119,772	25,000	205,878
Almond Grove Street Rehabilitation	8,491,003	3,069,386	2,501,701	-	14,062,090
Traffic Calming Projects	57,866	38,787	9,499	10,000	116,152
Curb, Gutter & Sidewalk Maintenance	1,090,848	172,040	337,113	900,000	2,500,001
Retaining Wall Repairs	777,984	56,216	337,124	100,000	1,271,324
Quito Road - Bridge Replacement	64,594	-	235,087	-	299,681
Guardrail Replacement Projects	130,583	-	93,043	-	223,625
224 W. Main Street Property Acquisition (Parking Lot 6)	3,813	-	1,231,100	-	1,234,913
Downtown Parking Lots Seal Coat & Restriping	24,915	-	75,085	-	100,000
Sidewalk Improvements Shannon/LGB/Cherry Bl	104	-	129,896	-	130,000
Downtown Parking Study	-	-	200,000	-	200,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Pilot School Busing Program	-	350,216	63,964	-	414,180
One-Way Downtown Street Pilot	-	13,000	225,686	-	238,686
Bicycle & Pedestrian Improvements	61,450	22,728	515,822	300,000	900,000
Cut-Through Traffic/Wood Road Roundabout	206,324	57,380	86,296	-	350,000
Stormwater Master Plan	-	-	200,000	-	200,000
Stormwater System - Pollution Prevention Compliance	-	1,422	298,578	-	300,000
Public Art Gateway	-	-	25,000	-	25,000
<b>Total of Carryforward Projects</b>	<b>\$ 14,371,979</b>	<b>\$ 5,767,388</b>	<b>\$ 10,580,524</b>	<b>\$ 5,697,716</b>	<b>\$ 36,417,608</b>

**CAPITAL IMPROVEMENT PROGRAM**  
**General Fund Appropriated Reserve**

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
<b>New Projects</b>					
Vegetation Management - Town-wide	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
Fence Replacement - Shire Court	-	-	-	60,000	60,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	-	183,000	183,000
Fire Suppression (Halon) for Server Rooms	-	-	-	200,000	200,000
Plaza Level Railings - Code Upgrade	-	-	-	30,000	30,000
Waterproofing Town-wide	-	-	-	75,000	75,000
ADA Upgrade Staff Restroom - Civic Center	-	-	-	300,000	300,000
Sound Mitigation in Library Lobby	-	-	-	22,000	22,000
Computer-Aided Dispatch and Records Management System	-	-	-	525,000	525,000
Downtown Revitalization	-	-	-	1,972,384	1,972,384
Massol Intersection Improvements	-	-	-	450,000	450,000
ADA Transition Plan	-	-	-	110,000	110,000
<b>Total of New Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,127,384</b>	<b>\$ 4,127,384</b>
<b>GFAR Funding Project Totals</b>	<b>\$ 15,447,831</b>	<b>\$ 6,147,273</b>	<b>\$ 10,580,524</b>	<b>\$ 9,825,100</b>	<b>\$ 42,000,728</b>

**FY 2019/20 KEY PROJECTS**

The following Capital Improvement Program projects funded with GFAR funding and/or donations which flow through the GFAR are expected to be key projects in FY 2019/20.

- Street Repair and Resurfacing** – The Town’s Street Resurfacing Program of preventive and deferred maintenance includes both carryforward funds and new appropriations. The work to be performed consists of a balanced program of surface seals, street reconstructions, and pavement overlays, with supplemental ongoing maintenance activities performed by the Town’s Parks and Public Works Department staff. Approximately 81% of the proposed FY 2019/20-2023/24 CIP funding is allocated to street reconstruction, street improvements, and maintenance projects. This emphasis reflects the Town Council’s priority to address street maintenance needs. The goal is for Town streets to achieve an average Pavement Condition Index (PCI) of above 70 (100 being the highest rating possible). The Town’s cumulative investment in its streets resulted in raising the PCI from a low of 64 in 2001 to the level of 74 in 2008. Since that time, given the small amount of asphalt overlay work performed, the Town’s PCI dropped from 74 to 69 as recently as 2010. To mitigate this decline, the Town focused its resources on arterials and collector streets, and used a chip and slurry approach to enhance the PCI rating. This approach was the most economical and prudent treatment to resurface several residential neighborhoods. The current PCI for Town streets is 69, with a rating of 70 expected in 2020. Additional funding for this program has allowed for this increase in PCI. Ongoing sustained funding is necessary to avoid future drops in the PCI.

*Operating Budget Impacts:* Project design and oversight by the Engineering staff has been incorporated into the Engineering Program Services FY 2019/20 budget.

**☞ CAPITAL IMPROVEMENT PROGRAM ☞**  
**General Fund Appropriated Reserve**

- **Almond Grove Street Rehabilitation Project** – The streets in the Almond Grove area deteriorated over the years and due to funding and maintenance constraints, no repairs or resurfacing activities had been performed. In FY 2015/16, the Town Council funded the improvement of all ten streets. Phase 1 of this project included Bachman Avenue and Broadway Avenue. Construction started in Summer 2016 and was substantially complete in the fall of 2016 with minor project close out work continuing into the spring of 2017. The Almond Grove Phase 2 project addressed the eight additional streets, with project bidding completed in April 2017 and construction beginning in the summer of 2017. The Council awarded the bid in April 2017 allowing for approximately \$2.9M in savings within the project. The project construction finished in early summer of 2019, with project closeout continuing into the fall.

*Operating Budget Impacts:* Engineering staff time for oversight of this project is addressed in the FY 2019/20 Operating Budget with additional temporary staff resources for project delivery included in the project costs.

- **Curb, Gutter, and Sidewalk** – This project funds the annual repair and replacement of deficient curbs, gutters, and sidewalks throughout the Town. Locations for repair and replacement work are identified throughout the year by Parks and Public Works Department staff and are prioritized in coordination with the annual Street Resurfacing Program, as applicable. This program is essential for maintaining American with Disabilities Act (ADA) compliance and to address uneven sidewalk surfaces. The funding for this project increased for FY 2019/20, yet remains well below the program needs. The allocation for this ongoing project is be \$900,000 for FY 2019/20 and \$300,000 every year thereafter.

*Operating Budget Impacts:* Project oversight by the Engineering staff has been incorporated into the engineering Program Services FY 2019/20 budget on an ongoing basis.

**Annual Street Restriping** – This project is an annual program to restripe the highest priority streets with thermo-plastic striping to keep streets in safe condition for use by the public. Thermo-plastic striping is thicker, more durable, and has higher visibility than roadway paint, and, in turn, improves roadway safety. Restriping work is typically done in conjunction with street paving projects and these funds may be used to support a paving project or to meet the needs outside a paving project. The ongoing annual GFAR appropriation is planned at \$25,000 for this project.

*Operating Budget Impacts:* Street maintenance staff time for project oversight has been incorporated into the FY 2019/20 Parks and Public Works departmental budget.

**Quito Bridge Replacement** – This project funds the replacement of two functionally obsolete bridges that span San Tomas Aquino Creek along Quito Road. The project is a joint effort between the Town, the City of Saratoga, and the Santa Clara Valley Water District, with the City of Saratoga serving as the lead agency for the project. Eighty percent of the funding for

**∞ CAPITAL IMPROVEMENT PROGRAM ∞**  
**General Fund Appropriated Reserve**

the project is provided through the Federal Highway Bridge Replacement and Rehabilitation (HBRR) program, with the remaining 20% shared equally between the three participating local agencies. After further evaluation of the bridges, it was determined that Quito Road would require reconstruction at each end of the bridge, which in turn requires additional right-of-way acquisitions and environmental reviews under both the State of California (Caltrans) and federal regulations. These changes have made it necessary to redesign this project significantly increasing the estimated costs. The City of Saratoga has applied for additional funding from Caltrans due to the redesign. As a result of the additional project costs, the local match from the City of Saratoga, the Town of Los Gatos, and the SCVWD has increased from \$155,000 to \$300,000 for each agency. Based on the April 2019 schedule from the City of Saratoga, the construction of these bridges is anticipated to be completed by 2021.

*Operating Budget Impacts:* Engineering staff time for coordination of this project with the City of Saratoga has been incorporated into the Operating Budget. Completion of this project will mitigate the potential cost of lawsuits from bridge failure and pre-empt the cost of replacing the bridge in an emergency situation.



# Capital Improvement Program

## TRAFFIC MITIGATION FUND FUND 471

### FUND PURPOSE

Pursuant to Article VII of Chapter 15 of the Town Code, the Town collects traffic impact mitigation fees to finance transportation and traffic improvements throughout the Town. Article IV of Chapter 15 authorizes the establishment of a fund into which all such fees and interest on those fees is deposited. The first traffic mitigation fees were collected on October 24, 1991. Money collected from such fees is to be used solely for construction of identified traffic and transportation projects to mitigate the traffic impacts of new development, and are not used for routine repairs and maintenance.

### BUDGET OVERVIEW

Funds collected as traffic mitigation fees are recorded as deferred revenue until the time of use for appropriated projects. The administration fees collected as a percentage of this revenue are realized at the time of receipt to recognize the Town's ongoing administrative functions in providing program oversight. Appropriations of traffic mitigation funds are controlled through Town Council action, after evaluating the benefits gained by proposed projects for their positive impacts on traffic.

For several years, the Town has allowed fund balances to accrue to accumulate funding for future traffic mitigation projects. Several projects, planned for upcoming years, are now in the preliminary planning stage. This planning includes the redesign and construction of the following roadways and intersections to correct the heavily travelled and congested roadway junctions in order to improve safety features and accommodate proper vehicular movement:

- Los Gatos Blvd/Shannon Rd
- Townwide Traffic Signal Upgrades
- Highway 17 Bicycle and Pedestrian Bridge Preliminary Design

∞ CAPITAL IMPROVEMENT PROGRAM ∞  
Traffic Mitigation Fund

**FY 2019/20 KEY PROJECTS**

The following key projects are budgeted in FY 2019/20:

- ***Los Gatos Boulevard/Shannon Rd Intersection*** - This project will create a new pedestrian signalized crossing and restripe Shannon Road to provide longer turn lanes and improve the overall safety for pedestrians and bicyclists. A substantial part of this project is expected to be completed by a recently approved development at this intersection. Additional elements of the project along Shannon Road will emphasize Bicycle and Pedestrian improvements in alignment with the Town's Bicycle and Pedestrian Master Plan.
- ***Traffic Signal Modernization*** – This project will modernize the Town's traffic signal controllers to allow for greater control by staff, ensure that the current system meets current safety standards, and increase the traffic flow. The Town was awarded several grants through the VTA and the NTS for \$1,200,000 of the project budget to complement the Town's investment of traffic Impact Mitigation Funds.
- ***Bicycle and Pedestrian Improvements*** – This project will enhance bicycle and pedestrian safety and mobility Town-wide in the form of multiple projects. Early projects include work along Blossom Hill Road. Future projects will include improvements to Shannon Road and Kennedy Road. These funds will often be utilized as matching funds for grant funding.
- ***Highway 17 Bicycle and Pedestrian Bridge Preliminary Design*** – Acknowledging the challenge for bicycles and pedestrians to cross Highway 17, this project will begin work on identifying alignment options for a new crossing. Early design work will position the project to be competitive for grant funds for the project construction.

*Operating Budget Impacts:* Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget with temporary staffing funded through the specific project allocated budget.

**CAPITAL IMPROVEMENT PROGRAM**  
**Traffic Mitigation Fund**

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Deferred Revenue</i>	\$ 2,273,514	\$ 2,273,514	\$ 2,742,762	\$ 2,954,774	\$ 2,954,774	\$ 2,977,322
<i>Undesignated</i>	184,941	169,918	191,253	223,198	223,198	223,198
Total Beginning Fund Balance	2,458,455	2,443,432	2,934,015	3,177,972	3,177,972	3,200,520
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	-	-	-	147,005	-	-
<i>Interest</i>	-	21,335	31,945	20,000	-	-
<i>Other Revenues</i>	572,672	141,791	119,507	187,869	242,106	942,524
Total Revenues	572,672	163,126	151,452	354,874	242,106	942,524
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CBDG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	572,672	163,126	151,452	354,874	242,106	942,524
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 3,031,127</b>	<b>\$ 2,606,558</b>	<b>\$ 3,085,467</b>	<b>\$ 3,532,846</b>	<b>\$ 3,420,078</b>	<b>\$ 4,143,044</b>
<b>USES OF FUNDS</b>						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	575,548	138,694	109,507	324,874	232,106	932,524
Total Expenditures	575,548	138,694	109,507	324,874	232,106	932,524
Transfers Out						
<i>Transfers to General Fund</i>	12,147	3,097	10,000	10,000	10,000	10,000
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	12,147	3,097	10,000	10,000	10,000	10,000
Total Expenditures & Transfers Out	587,695	141,791	119,507	334,874	242,106	942,524
Ending Fund Balance						
<i>Deferred Revenue</i>	2,273,514	2,742,762	2,954,774	2,977,322	2,977,322	2,977,322
<i>Undesignated</i>	169,918	191,253	223,198	243,198	223,198	223,198
Total Ending Fund Balance	2,443,432	2,934,015	3,177,972	3,220,520	3,200,520	3,200,520
<b>TOTAL USE OF FUNDS</b>	<b>\$ 3,031,127</b>	<b>\$ 3,075,806</b>	<b>\$ 3,297,479</b>	<b>\$ 3,555,394</b>	<b>\$ 3,442,626</b>	<b>\$ 4,143,044</b>

**⌘ CAPITAL IMPROVEMENT PROGRAM ⌘**  
**Traffic Mitigation Fund**

**TRAFFIC MITIGATION CIP PROJECTS**  
**FY 2019/20**

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
<b>Completed Projects</b>					
Crosswalk Improvements at Santa Cruz/Blossom Hill Monument Control Network Update	\$ 35,869	\$ 14,131	\$ -	\$ -	\$ 50,000
Crosswalk Lighting Upgrade	20,808	29,192	-	-	50,000
Blossom Hill/Cherry Blossom Intersection Improve Hwy 9/University Intersection	-	-	-	-	-
	66,963	-	-	-	66,963
<b>Total of Completed Projects</b>	<b>\$ 123,640</b>	<b>\$ 43,322</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 166,963</b>
<b>Carryforward Projects</b>					
Los Gatos Blvd/Shannon Improvements	\$ -	\$ -	\$ 20,000	\$ -	\$ 20,000
Hwy 17 Bicycle & Pedestrian Bridge-Prelim Design	-	-	147,005	-	147,005
Traffic Signal Modernization	4,200	120,800	230,738	332,524	688,262
Bicycle & Pedestrian Improvements	40,972	31,628	2,400	-	75,000
Cut-Through Traffic/Wood Road Roundabout	175,417	36,356	228,136	-	439,908
<b>Total of Carryforward Projects</b>	<b>\$ 220,589</b>	<b>\$ 188,784</b>	<b>\$ 628,279</b>	<b>\$ 332,524</b>	<b>\$ 1,370,175</b>
<b>New Projects</b>					
Highway 17/9 Interchange and Capacity Improvements	\$ -	\$ -	\$ -	\$ 600,000	\$ 600,000
<b>Total of New Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 600,000</b>	<b>\$ 600,000</b>
<b>Traffic Mitigation Funding Project Totals</b>	<b>\$ 344,229</b>	<b>\$ 232,106</b>	<b>\$ 628,279</b>	<b>\$ 932,524</b>	<b>\$ 2,137,138</b>

# **Capital Improvement Program**

## **GRANTS AND AWARDS PROJECT FUND FUND 421**

### **FUND PURPOSE**

The Grants and Awards Project Fund is typically composed of projects funded by the federal Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program, the Department of Transportation Seismic Safety Retrofit Program, Transportation Development Act (TDA) Article 3 Funds, Proposition 12 Funding (Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act), and One Bay Area (OBAG) grants. Additional grants and awards may also be a funding source utilized in this fund. The expenditures in this fund are restricted to identified projects solely funded by grants.

### **BUDGET OVERVIEW**

For FY 2019/20, there are seven grant funded carryforward and one new project. Grant and Award CIP projects receive funding from a variety of sources.

**CAPITAL IMPROVEMENT PROGRAM**  
**Grants and Awards Project Fund**

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(369,987)	(354,803)	(355,110)	(127,056)	(127,056)	(245,834)
Total Beginning Fund Balance	(369,987)	(354,803)	(355,110)	(127,056)	(127,056)	(245,834)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	156,987	3,093	243,448	544,046	207,903	1,047,100
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	156,987	3,093	243,448	544,046	207,903	1,047,100
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	39,640	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	39,640	-	-	-	-	-
Total Revenues & Transfers In	196,627	3,093	243,448	544,046	207,903	1,047,100
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ (173,360)</b>	<b>\$ (351,710)</b>	<b>\$ (111,662)</b>	<b>\$ 416,990</b>	<b>\$ 80,847</b>	<b>\$ 801,266</b>
<b>USES OF FUNDS</b>						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	141,803	3,400	15,394	950,446	326,681	1,047,100
Total Expenditures	141,803	3,400	15,394	950,446	326,681	1,047,100
Transfers Out						
<i>Transfers to General Fund</i>	39,640	-	-	-	-	-
<i>Transfers to Grant Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replacemnt</i>	-	-	-	-	-	-
Total Transfers Out	39,640	-	-	-	-	-
Total Expenditures & Transfers Out	181,443	3,400	15,394	950,446	326,681	1,047,100
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(354,803)	(355,110)	(127,056)	(533,456)	(245,834)	(245,834)
Total Ending Fund Balance	(354,803)	(355,110)	(127,056)	(533,456)	(245,834)	(245,834)
<b>TOTAL USE OF FUNDS</b>	<b>\$ (173,360)</b>	<b>\$ (351,710)</b>	<b>\$ (111,662)</b>	<b>\$ 416,990</b>	<b>\$ 80,847</b>	<b>\$ 801,266</b>

**GRANTS AND AWARDS PROJECT FUND**

The following schedule summarizes completed, carryforward, and new Grants and Awards Project Fund CIP Projects:

GRANTS & AWARDS CIP PROJECTS FY 2019/20					
	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
<b>Completed Projects</b>					
Park Rehabilitation - Bachman Park	\$ 7,825	\$ 213,815	\$ -	\$ -	\$ 221,640
Hwy 9/University Intersection	902,827	-	-	-	902,827
<b>Total of Completed Projects</b>	<b>\$ 910,652</b>	<b>\$ 213,815</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,124,467</b>
<b>Carryforward Projects</b>					
Charter Oaks Trail Repair Project	\$ -	\$ 72,833	\$ 75,218	\$ -	\$ 148,051
Trailhead Connector	-	-	343,000	-	343,000
Guardrail Replacement Projects	-	-	-	980,100	980,100
Sidewalk Improvements Shannon/LGB/Cherry Bl	-	-	-	-	-
Hwy 17 Bicycle & Pedestrian Bridge-Prelim Design	-	-	52,995	-	52,995
Traffic Signal Modernization	10,799	40,033	1,775,568	-	1,826,400
Bicycle & Pedestrian Improvements	-	-	281,500	-	281,500
<b>Total of Carryforward Projects</b>	<b>\$ 10,799</b>	<b>\$ 112,866</b>	<b>\$ 2,528,281</b>	<b>\$ 980,100</b>	<b>\$ 3,632,046</b>
<b>New Projects</b>					
ADA Upgrade for Public Restrooms - Rec Building	\$ -	\$ -	\$ -	\$ 67,000	\$ 67,000
<b>Total of New Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,000</b>	<b>\$ 67,000</b>
<b>Grant and Awards Project Totals:</b>	<b>\$ 921,451</b>	<b>\$ 326,681</b>	<b>\$ 2,528,281</b>	<b>\$ 1,047,100</b>	<b>\$ 4,823,513</b>

**FY 2019/20 KEY PROJECTS**

The following Capital Improvement Plan projects are funded with grant funding and are expected to be Key Projects in FY 2019/20:

- **Traffic Signal Modernization** –This project will modernize the Town’s traffic signal controllers to allow for greater control by staff, ensure that the current system meets current safety standards, and increase the traffic flow. The Town was awarded a grant through the VTA for \$500,000 of the project budget. Full completion of this project relies on increases Traffic Impact Fees related to development projects

*Operating Budget Impacts:* Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget.

**∞ CAPITAL IMPROVEMENT PROGRAM ∞**  
**Grants and Awards Project Fund**

- **Guardrail Replacement Project** – This project will bring guardrails throughout the Town up to current safety standards by replacing outdated guardrails.

*Operating Budget Impacts:* Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

- **Trailhead Connector Project** –This project will fund the design of a trailhead connection for Los Gatos Creek Trail to Highway 9. The project will become a ‘shovel ready’ project which allows the Town to be in a better position to obtain grant funding to fund project construction. The project is an identified priority within Measure B and the Town’s adopted Bicycle and Pedestrian Master Plan.

*Operating Budget Impacts:* Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

- **Pilot School Busing Program** – This project explores congestion relief through piloting school bus service. The pilot school bus service provides morning and afternoon routes to and from school, with neighborhood-based stops.

*Operating Budget Impacts:* Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

- **Highway 17 Bicycle & Pedestrian Bridge** – This project will fund the conceptual engineering for a potential bicycle and pedestrian bridge. Crossing Highway 17 in the project vicinity is a barrier for bicyclists and pedestrians. This is a suggested path included in the Safe Routes to School Phase 1 Study.

*Operating Budget Impacts:* Engineering staff time for project management is addressed in the FY 2019/20 Operating Budget.

# Capital Improvement Program

## STORM DRAIN FUNDS FUNDS 461, 462, 463

### FUND PURPOSE

The Town's three Storm Drain Funds are designated for support of the storm drain systems that carry surface runoff water off the Town's streets and route it into curbside catch basins. From there, runoff enters an underground pipe system that ultimately flows to San Francisco Bay. These Storm Drain Funds construct and maintain the Town's facilities, which collect and transport the surface runoff water.

Storm Drain revenues are a designated portion of the fees collected from private development building permit fees. Town Code Section 24.60.010 *et seq.* requires fees to be paid in conjunction with development in specified local drainage areas. Fees collected are placed in one of these three funds, known as Storm Drain Basin #1 (Fund 461), which encompasses the eastern portion of Los Gatos Town limits; Storm Drain Basin #2 (Fund 462), which encompasses a central corridor through the Town; and Storm Drain Basin #3 (Fund 463), which encompasses the Town's west side. The use of these funds is restricted to the construction of drainage facilities located in the designated areas.

### BUDGET OVERVIEW

The use of these fees is controlled through Town Council action, and the benefit of each project is evaluated for impacts on a designated local drainage area. Expenditures from storm drain fees are limited to new construction only, not repair or maintenance work

### FY 2019/20 KEY PROJECTS

Bicknell Road and Annual Storm Drain Improvements are scheduled for 2019, and Hernandez Avenue Storm Drain Improvements is scheduled for FY 2023/24.

**⌘ CAPITAL IMPROVEMENT PROGRAM ⌘**  
**Storm Drain Fund - 461**

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	669,661	721,199	795,382	809,379	809,379	879,829
Total Beginning Fund Balance	669,661	721,199	795,382	809,379	809,379	879,829
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	-	67,807	12,885	45,000	66,440	45,000
<i>Interest</i>	46,026	6,376	1,112	4,010	4,010	4,150
<i>Other Revenues</i>	5,512	-	-	-	-	-
Total Revenues	51,538	74,183	13,997	49,010	70,450	49,150
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	51,538	74,183	13,997	49,010	70,450	49,150
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 721,199</b>	<b>\$ 795,382</b>	<b>\$ 809,379</b>	<b>\$ 858,389</b>	<b>\$ 879,829</b>	<b>\$ 928,979</b>
<b>USES OF FUNDS</b>						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	-	-	-	50,000	-	50,000
Total Expenditures	-	-	-	50,000	-	50,000
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	-	-	50,000	-	50,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	721,199	795,382	809,379	808,389	879,829	878,979
Total Ending Fund Balance	721,199	795,382	809,379	808,389	879,829	878,979
<b>TOTAL USE OF FUNDS</b>	<b>\$ 721,199</b>	<b>\$ 795,382</b>	<b>\$ 809,379</b>	<b>\$ 858,389</b>	<b>\$ 879,829</b>	<b>\$ 928,979</b>

**⌘ CAPITAL IMPROVEMENT PROGRAM ⌘**  
**Storm Drain Fund - 462**

**STATEMENT OF SOURCE AND USE OF FUNDS**

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Actuals</b>	<b>Adopted</b>	<b>Estimated</b>	<b>Adopted</b>
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	972,866	949,644	1,018,786	1,752,775	1,752,775	1,803,015
Total Beginning Fund Balance	972,866	949,644	1,018,786	1,752,775	1,752,775	1,803,015
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	-	60,830	750,277	45,000	45,000	45,000
<i>Interest</i>	65,038	8,312	2,412	5,240	5,240	8,770
<i>Other Revenues</i>	7,560	-	-	-	-	-
Total Revenues	<b>72,598</b>	<b>69,142</b>	<b>752,689</b>	<b>50,240</b>	<b>50,240</b>	<b>53,770</b>
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfes from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	<b>72,598</b>	<b>69,142</b>	<b>752,689</b>	<b>50,240</b>	<b>50,240</b>	<b>53,770</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 1,045,464</b>	<b>\$ 1,018,786</b>	<b>\$ 1,771,475</b>	<b>\$ 1,803,015</b>	<b>\$ 1,803,015</b>	<b>\$ 1,856,785</b>
<b>USES OF FUNDS</b>						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	95,820	-	18,700	50,000	-	50,000
Total Expenditures	<b>95,820</b>	<b>-</b>	<b>18,700</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	<b>95,820</b>	<b>-</b>	<b>18,700</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	949,644	1,018,786	1,752,775	1,753,015	1,803,015	1,806,785
Total Ending Fund Balance	949,644	1,018,786	1,752,775	1,753,015	1,803,015	1,806,785
<b>TOTAL USE OF FUNDS</b>	<b>\$ 1,045,464</b>	<b>\$ 1,018,786</b>	<b>\$ 1,771,475</b>	<b>\$ 1,803,015</b>	<b>\$ 1,803,015</b>	<b>\$ 1,856,785</b>

**☞ CAPITAL IMPROVEMENT PROGRAM ☜**  
**Storm Drain Fund - 463**

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(49,732)	(2,788)	(8,725)	31,839	(76,153)	(74,293)
Total Beginning Fund Balance	(49,732)	(2,788)	(8,725)	31,839	(76,153)	(74,293)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	-	6,831	40,609	2,500	2,500	2,500
<i>Interest</i>	47,275	(18)	(45)	(640)	(640)	(880)
<i>Other Revenues</i>	(331)	-	-	-	-	-
Total Revenues	<b>46,944</b>	<b>6,813</b>	<b>40,564</b>	<b>1,860</b>	<b>1,860</b>	<b>1,620</b>
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	<b>46,944</b>	<b>6,813</b>	<b>40,564</b>	<b>1,860</b>	<b>1,860</b>	<b>1,620</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ (2,788)</b>	<b>\$ 4,025</b>	<b>\$ 31,839</b>	<b>\$ 33,699</b>	<b>\$ (74,293)</b>	<b>\$ (72,673)</b>
<b>USES OF FUNDS</b>						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	-	12,750	107,992	50,000	-	50,000
Total Expenditures	-	<b>12,750</b>	<b>107,992</b>	<b>50,000</b>	-	<b>50,000</b>
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	<b>12,750</b>	<b>107,992</b>	<b>50,000</b>	-	<b>50,000</b>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(2,788)	(8,725)	(76,153)	(16,301)	(74,293)	(122,673)
Total Ending Fund Balance	(2,788)	(8,725)	(76,153)	(16,301)	(74,293)	(122,673)
<b>TOTAL USE OF FUNDS</b>	<b>\$ (2,788)</b>	<b>\$ 4,025</b>	<b>\$ 31,839</b>	<b>\$ 33,699</b>	<b>\$ (74,293)</b>	<b>\$ (72,673)</b>

**∞ CAPITAL IMPROVEMENT PROGRAM ∞**  
**Storm Drain Funds**

**STORM DRAIN CIP PROJECTS**  
**FY 2019/20**

	<u>Est Exp</u> <u>Prior To</u> <u>FY 2018/19</u>	<u>Expenditures</u> <u>During</u> <u>FY 2018/19</u>	<u>Estimated</u> <u>Carryforward</u>	<u>New</u> <u>Funding</u> <u>FY 2019/20</u>	<u>Total</u> <u>Budgeted</u>
<b>Completed Projects</b>					
Jones Road Storm Drain Improvements	\$ 18,700	\$ -	\$ -	\$ -	\$ 18,700
<b>Total of Completed Projects</b>	<b>\$ 18,700</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,700</b>
<b>Carryforward Projects</b>					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
Bicknell Road Storm Drain Improvements	120,742	-	50,758	-	171,500
Annual Storm Drain Improvement Prj	-	-	150,000	150,000	300,000
<b>Total of Carryforward Projects</b>	<b>\$ 137,922</b>	<b>\$ -</b>	<b>\$ 200,758</b>	<b>\$ 150,000</b>	<b>\$ 488,680</b>
<b>New Projects</b>					
<b>Total of New Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Storm Drain Project Totals:</b>	<b>\$ 156,622</b>	<b>\$ -</b>	<b>\$ 200,758</b>	<b>\$ 150,000</b>	<b>\$ 507,380</b>



# Capital Improvement Program

## UTILITY UNDERGROUND FUND 472

### FUND PURPOSE

This fund accounts for the resources generated and utilized for placing overhead utility lines underground in the effort to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines.

The Utility Underground Fund generates revenue through a construction fee placed on building permits. The fee is imposed on the construction of any building, portion of a building, or mobile home lot. Construction by definition includes both new construction and improvements. The underground utility fee imposed is a fixed rate per square foot, currently set at \$0.18 for each square foot of building addition or alteration. The use of the proceeds of the fee is limited to the conversion of existing overhead utility lines to underground lines.

Utility Underground-funded projects may also be funded by Pacific Gas and Electric Company's (PG&E) Rule 20A funds. Projects that eliminate a heavy concentration of overhead electric lines in areas used extensively by the general public are nominated by the Town to PG&E. Approved projects are then funded through the Town's allocation of Rule 20A funds, which are electric tariffs accumulated by PG&E as a percentage of electric bills. The Town's allocation typically is in the range of \$60,000 to \$110,000 annually.

### BUDGET OVERVIEW

The use of Utility Underground Fund fees is controlled through Town Council action, after the benefit of each project is evaluated to ensure appropriate application of the fees to eligible projects. Total cash balances currently on hand from the utility undergrounding construction tax are approximately \$2.9 million at FY 2018/19 year-end. In addition, the Town may have access to over \$3.8 million in Rule 20A funds allocated from a percentage of electric bills. PG&E retains and tracks those funds.

The Town Council approved a project to underground along Los Gatos Boulevard south of Lark Avenue, which is estimated to cost \$6.8 million. Undergrounding projects have long lead times

**⌘ CAPITAL IMPROVEMENT PROGRAM ⌘**  
**Utility Underground Fund**

and rely on PG&E for scheduling and project delivery, often taking six years or longer from project initiation through design and construction. The current undergrounding project has been in design for several years. PG&E recently redeployed staffing to address wildfire concerns, creating uncertainty in the schedule. Staff is anticipating project construction to begin in FY 2020/21.

**STATEMENT OF SOURCE AND USE OF FUNDS**

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,814,352	2,893,649	2,941,264	3,010,132	3,010,132	3,054,442
Total Beginning Fund Balance	2,814,352	2,893,649	2,941,264	3,010,132	3,010,132	3,054,442
Revenues						
<i>Other Taxes</i>	12,147	23,165	31,838	30,000	30,000	30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	22,697	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	-	-	-	-	-	-
<i>Interest</i>	44,453	24,450	37,030	14,310	14,310	22,490
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	79,297	47,615	68,868	44,310	44,310	52,490
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Building Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	79,297	47,615	68,868	44,310	44,310	52,490
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 2,893,649</b>	<b>\$ 2,941,264</b>	<b>\$ 3,010,132</b>	<b>\$ 3,054,442</b>	<b>\$ 3,054,442</b>	<b>\$ 3,106,932</b>
<b>USES OF FUNDS</b>						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	-	-	-	2,218,000	-	-
Total Expenditures	-	-	-	2,218,000	-	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replacement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	-	-	2,218,000	-	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	2,893,649	2,941,264	3,010,132	836,442	3,054,442	3,106,932
Total Ending Fund Balance	2,893,649	2,941,264	3,010,132	836,442	3,054,442	3,106,932
<b>TOTAL USE OF FUNDS</b>	<b>\$ 2,893,649</b>	<b>\$ 2,941,264</b>	<b>\$ 3,010,132</b>	<b>\$ 3,054,442</b>	<b>\$ 3,054,442</b>	<b>\$ 3,106,932</b>

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**Utility Underground Fund**

**UTILITY UNDERGROUND CIP PROJECTS**  
**FY 2019/20**

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
<b>Completed Projects</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total of Completed Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Carryforward Projects</b>					
Utility Undergrounding Improvements	\$ -	\$ -	\$ 2,330,000	\$ -	\$ 2,330,000
Sidewalk Improve Shannon/LGB/Cherry Bl	-	-	-	-	-
<b>Total of Carryforward Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,330,000</b>	<b>\$ -</b>	<b>\$ 2,330,000</b>
<b>New Projects</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total of New Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total of Utility Underground Projects</b>	<b># \$ -</b>	<b>\$ -</b>	<b>\$ 2,330,000</b>	<b>\$ -</b>	<b>\$ 2,330,000</b>



# Capital Improvement Program

## GAS TAX FUND FUND 481

### FUND PURPOSE

Gas Tax Fund revenue is a State-provided funding source for the purpose of street and highway maintenance and reconstruction. Street and Highway Code Sections 2103 (originally Prop 42), 2105, 2106, 2107, and 2107.5 govern the Gas Tax Fund. Expenditures from this fund are restricted to new construction and reconstruction of Town streets. The general classification of street and road working activities consist of construction, maintenance, and overhead, as follow:

**Construction** is the building or rebuilding of streets, roads, and bridges; and the acquisition of rights of way or their component parts, to a degree that improved traffic service is provided and geometric or structural improvements are affected. The following types of work are examples of street and road construction:

- Removal of old streets and roadbeds, and detour costs connected with a construction project
- Modification of alignment, profile, and cross-section
- Addition of a frontage street or road
- Installation of original traffic signs and markers on routes
- Complete reconstruction or an addition to a culvert
- Reconstruction of an existing bridge or installation of a new bridge
- Installations or extensions of curb, gutter, sidewalks, and under drain
- Installation or expansion of street or road lighting system

**Maintenance** is the preservation and upkeep of a street or road condition and the operation of a street or road facility to provide safe, convenient, and economical highway transportation. Maintenance categories include:

**∞ CAPITAL IMPROVEMENT PROGRAM ∞**  
**Gas Tax Fund**

- Patching, repairing, surface treating, and joint filling on bituminous or concrete surfaces
- Resealing street or road shoulders and side street and road approaches
- Removing slides and restoring facilities damaged by slides
- Mowing, tree trimming, and watering within the street right-of-way
- Repairing curb, gutter, rip-rap, under drain, culverts, and drains
- Repainting of pavements, and striping and marking to the same standards
- Furnishing of power for street and road lighting and traffic control

**Overhead** includes those elements of cost necessary in the production of an article or performance of a service. Usually overhead relates to expenditures which do not become an integral part of the finished product or service. Overhead costs are only allowed under an approved cost allocation plan, or an equitable and auditable distribution of overhead to all departments. Components of overhead expenses include:

- Management
- Procurement
- Advertising
- Legal Costs
- Payroll
- General Accounting/Finance
- Facilities

**Ineligible Activities**

Although many types of work may be classified as “construction,” this does not make them automatically eligible. To be eligible the work must be for street or road purposes. The following is a list of the types of expenditures that are not eligible:

- Costs of rearranging non-highway facilities, including utility relocation, when not a legal road or street obligation
- New installation of utilities, including water mains, sanitary sewers, and other non-street facilities
- Decorative lighting
- Work outside the right-of-way that is not a specific right-of-way obligation
- Maintenance or construction on alleys that have not been formally designated as part of the jurisdiction’s street and road system
- Improvements and maintenance to “Park and Ride” designated lots

The estimated Gas Tax revenue totals approximately \$1.2 million for FY 2019/20 reflecting the recently enacted Road Recovery and Repair Act of 2017 (SB1). The ongoing Street Repair and Resurfacing project was carried forward from FY 2018/19, as is typical. There are no new Gas

**CAPITAL IMPROVEMENT PROGRAM**  
**Gas Tax Fund**

**BUDGET OVERVIEW**

Tax funded projects scheduled for FY 2019/20.

STATEMENT OF SOURCE AND USE OF FUNDS

	2015/16 Actuals	2016/17 Actuals	2017/18 Actuals	2018/19 Adopted	2018/19 Estimated	2019/20 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,075,827	1,651,112	693,506	703,148	703,148	239,361
Total Beginning Fund Balance	1,075,827	1,651,112	693,506	703,148	703,148	239,361
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	671,258	604,975	852,300	1,322,994	1,144,218	1,314,844
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	6,496	13,307	1,210	1,210	1,210
<i>Other Revenues</i>	11,336	-	-	-	-	-
Total Revenues	682,594	611,471	865,607	1,324,204	1,145,428	1,316,054
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	682,594	611,471	865,607	1,324,204	1,145,428	1,316,054
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 1,758,421</b>	<b>\$ 2,262,583</b>	<b>\$ 1,559,113</b>	<b>\$ 2,027,352</b>	<b>\$ 1,848,576</b>	<b>\$ 1,555,415</b>
<b>USES OF FUNDS</b>						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	1,309	1,463,077	749,965	1,218,134	1,503,215	1,210,054
Total Expenditures	1,309	1,463,077	749,965	1,218,134	1,503,215	1,210,054
Transfers Out						
<i>Transfers to General Fund</i>	106,000	106,000	106,000	106,000	106,000	106,000
<i>Transfers to Equip Replacment</i>	-	-	-	-	-	-
Total Transfers Out	106,000	106,000	106,000	106,000	106,000	106,000
Total Expenditures & Transfers Out	107,309	1,569,077	855,965	1,324,134	1,609,215	1,316,054
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,651,112	693,506	703,148	703,218	239,361	239,361
Total Ending Fund Balance	1,651,112	693,506	703,148	703,218	239,361	239,361
<b>TOTAL USE OF FUNDS</b>	<b>\$ 1,758,421</b>	<b>\$ 2,262,583</b>	<b>\$ 1,559,113</b>	<b>\$ 2,027,352</b>	<b>\$ 1,848,576</b>	<b>\$ 1,555,415</b>

**∞ CAPITAL IMPROVEMENT PROGRAM ∞**  
**Gas Tax Fund**

**GAS TAX CIP PROJECTS**

**FY 2019/20**

	Est Exp Prior To FY 2018/19	Expenditures During FY 2018/19	Estimated Carryforward	New Funding FY 2019/20	Total Budgeted
<b>Completed Projects</b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total of Completed Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Carryforward Projects</b>					
Street Repair & Resurfacing	\$ 4,729,430	\$ 1,503,215	\$ -	\$ 1,210,054	\$ 7,442,699
<b>Total of Carryforward Projects</b>	<b>\$ 4,729,430</b>	<b>\$ 1,503,215</b>	<b>\$ -</b>	<b>\$ 1,210,054</b>	<b>\$ 7,442,699</b>
<b>New Projects</b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total of New Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total of Gas Tax Projects</b>	<b>\$ 4,729,430</b>	<b>\$ 1,503,215</b>	<b>\$ -</b>	<b>\$ 1,210,054</b>	<b>\$ 7,442,699</b>

**FY 2019/20 KEY PROJECTS**

The Gas Tax Fund has one carryforward project with remaining funding and additional appropriations:

- **Street Repair and Resurfacing** – The Town's Street Resurfacing Program of preventive and deferred maintenance includes new appropriations, using Gas Tax monies and 2016 Measure B. The work to be performed consists of a balanced program of surface seals, street reconstructions and pavement overlays, with supplemental ongoing maintenance activities performed by the Town's Parks and Public Works department staff.

*Operating Budget Impacts* - Engineering staff time for project design and oversight is incorporated into the operating budget workplan.