

Capital Improvement Program

PROGRAM PURPOSE

The Fiscal Year (FY) 2021/22-2025/26 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, Bicycle and Pedestrian Master Plan, and the Council's Strategic Priorities. Input from Town Boards and Commissions also contributed to the development of the CIP.

In January 2021, the Town Council established the 2021-23 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 strategic priorities include: begin to implement the Comprehensive Parking Study, continue mobility improvements for all transportation modes, manage the vegetation on Town lands to protect against wildfire, and advance other needed improvements. All these efforts support improving and enhancing traffic/transportation, public safety, and quality of life within the context of prudent fiscal management.

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

The Streets Program serves to develop and maintain 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; fostering safe, connected, and accessible pedestrian and bicycle travel; and providing proper street lighting on 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,

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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 square foot of building addition or alteration within the Town. This revenue is used for projects to relocate overhead utility lines underground 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. This latter program will sunset as the Town completes the project currently underway.

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, with a projected 2021/22 allocation of \$758,434. 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 \$746,676 for FY 2021/22.

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, Police Operation Building, and the Parks and Public Works Service Center. The program also provides partial service to the Adult and Youth Recreation Centers, which are Town-owned buildings leased to Los Gatos-Saratoga 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.

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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, 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 lead 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 and with the preparation of the Operating Budget, capital improvement projects and funding sources were reviewed and selected to meet the Town's priorities. The proposed CIP Budget is then presented to the Planning Commission during a public hearing for review and recommendation to ensure that the projects are consistent with the Town's General Plan. At the end of the process, the Town Council conducts a public hearing, considers the Planning Commission's recommendation, and has final approval authority.

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

CAPITAL IMPROVEMENT PLAN

SUMMARY OF CIP REVENUES AND EXPENDITURES

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
REVENUES						
Other Taxes	\$ 31,838	\$ 28,390	\$ 34,437	\$ 30,000	\$ 40,000	\$ 30,000
Carryforward	-	-	-	-	-	-
Intergovernmental	1,306,153	1,641,512	3,161,010	12,996,866	1,574,191	3,091,663
Town Services	-	52,094	223,317	731,329	284,623	-
Licenses & Permits	1,381,591	844,064	1,153,364	969,004	849,790	998,176
Interest	93,199	127,251	158,756	35,540	35,540	35,801
Other Revenues	181,505	784,084	325,609	3,557,237	2,471,998	30,000
TOTAL REVENUES	2,994,286	3,477,395	5,056,493	18,319,976	5,256,142	4,185,640
Transfers In						
Operating Transfers	2,638,224	2,685,220	8,325,591	3,436,479	3,401,479	2,801,047
Total Transfers In	2,638,224	2,685,220	8,325,591	3,436,479	3,401,479	2,801,047
Total Revenues & Transfers In	\$ 5,632,510	\$ 6,162,615	\$ 13,382,084	\$ 21,756,455	\$ 8,657,621	\$ 6,986,687
EXPENDITURES						
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	892	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	10,041,533	8,987,510	7,907,340	35,164,207	8,556,898	6,885,737
TOTAL EXPENDITURES	10,042,425	8,987,510	7,907,340	35,164,207	8,556,898	6,885,737
Transfers Out						
Operating Transfers	631,616	533,616	569,952	533,616	526,275	533,616
Total Transfers Out	631,616	533,616	569,952	533,616	526,275	533,616
Total Expenditures & Transfers Out	\$ 10,674,041	\$ 9,521,126	\$ 8,477,292	\$ 35,697,823	\$ 9,083,173	\$ 7,419,353

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The following schedule summarizes the Capital Improvement projects completed, not proceeding, or withdrawn in FY 2020/21:

COMPLETED OR WITHDRAWN CIP PROJECTS FY 2020/21

		Est Exp Prior To FY 2020/21	Expenditures		Total Budgeted
			During FY 2020/21		
<i>GFAR Projects</i>					
Pilot School Busing Program	<i>Completed</i>	\$ 344,941	\$ -	\$ 344,941	
Public Arts Gateway	<i>Completed</i>	14,500	10,500	25,000	
Stormwater Master Plan	<i>Completed</i>	126,769	93,216	219,985	
Downtown Parking Study	<i>Completed</i>	110,408	881	111,289	
Fence Replacement - Shire Court	<i>Completed</i>	11,207	15,299	26,506	
Creek Trail & Parks Path & Parking Lot Seal & Striping	<i>Completed</i>	18,885	165,720	184,606	
Forbes Mill Footbridge Improvements	<i>Completed</i>	27,397	2,522	29,919	
Facilities Assessment	<i>Completed</i>	24,142	69,680	93,822	
Cert Equipment	<i>Completed</i>	48,341	1,587	49,928	
Plaza Level Railings - Code Upgrade	<i>Completed</i>	-	33,060	33,060	
Police Headquarters Roof Repair	<i>Completed</i>	7,448	40,304	47,752	
Library Carpet Replacement	<i>Completed</i>	-	48,597	48,597	
Computer-Aided Dispatch and Records Management System	<i>Completed</i>	146,242	371,232	517,474	
Silicon Valley Regional Interoperability Project (SVRIP) Service	<i>Completed</i>	395,661	35,112	430,774	
<i>Total of Completed and Withdrawn Projects</i>		\$ 1,275,940	\$ 887,712	\$ 2,163,653	

CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the Capital Improvement projects continuing into FY 2021/22 continuing projects are defined further in following fund sections.

CARRYFORWARD CIP PROJECTS

FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
<i>GFAR Carryforward Projects</i>					
Street Repair & Resurfacing	\$ 9,060,286	\$ 500,000	\$ 2,257,432	\$ 1,602,739	\$ 13,420,456
Annual Street Restriping	180,228	-	169,772	25,000	375,000
Pavement Rehab-Crack Seal	1,173,355	-	188,185	180,000	1,541,540
Traffic Calming Projects	199,201	16,664	19,135	10,000	245,000
Curb, Gutter & Sidewalk Maintenance	3,778,935	408,906	408,906	300,000	4,896,748
Retaining Wall Repairs	1,427,457	170,066	365,254	100,000	2,062,777
Quito Road - Bridge Replacement	64,594	235,087	50,000	-	349,681
Guardrail Replacement Projects	-	119	92,691	-	92,809
Downtown Parking Lots Seal Coat & Restriping	44,481	2,934	52,585	-	100,000
Shannon Road Ped & Bikeway Improvements	104	20,000	109,896	-	130,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Highway 17 Bicycle & Pedestrian Bridge-Design	-	-	946,210	-	946,210
Bicycle & Pedestrian Improvements	258,476	3,350	228,174	-	490,000
Downtown Streetscape Revitalization/Economic Recovery Efforts	48,332	613,439	1,310,622	-	1,972,394
ADA Transition Plan	-	10,000	100,000	-	110,000
Massol Intersection Improvements	64,912	344,108	98,128	-	507,148
Winchester Boulevard Complete Streets (Final Design)	114,174	85,878	79,948	463,250	743,250
E. Main St. Speed Table/Raised Crosswalk	-	-	15,000	-	15,000
VMT Mitigation Program	-	-	250,000	-	250,000
Stormwater System - Pollution Prevention Compliance	1,422	-	286,578	-	288,000
Shannon Road Repair	-	63,073	1,436,927	-	1,500,000
Roadside Fire Fuel Reduction	-	499,815	185	500,000	1,000,000
Parking Lot 4 Repair/Waterproofing	-	-	250,000	-	250,000
Local Road Safety Plan	-	-	28,000	-	28,000
Blossom Hill Road Traffic Study	-	48,410	76,590	-	125,000
Winchester Class IV Bikeway	-	139,538	549,017	-	689,555
Parking Program Implementation	-	881	197,619	-	198,500
Outdoor Fitness Equipment	-	54,000	6,000	-	60,000
Town Plaza Turf Repairs	8,116	-	28,000	-	36,116
Parks Playground Fibar Project	75,736	-	49,264	-	125,000
Open Space Trail Upgrades	-	-	152,000	-	152,000
Charter Oaks Trail Repair Project	109	-	364,891	110,000	475,000
Trailhead Connector	40,054	103,907	70,319	156,000	370,280
Vegetation Management - Town-wide	13,520	186,970	50,218	-	250,707
Town Beautification	94,240	14,930	10,456	10,000	129,625
Waterproofing Town-wide	-	-	75,000	-	75,000
ADA Restrooms and HR Offices	-	-	450,000	150,000	600,000
Building Replacement at Corporation Yard	163,250	750,738	251,812	750,000	1,915,800
Engineering Document Archiving	14,199	78,084	-	-	92,284
GFAR Funding	-	-	22,000	-	22,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	183,000	-	183,000
Audio/Video System Upgrade	68,048	-	42,552	-	110,600
Town-wide Document Imaging Project	198,011	-	16,990	-	215,000
Fire Suppression (Halon) for Server Rooms	-	92,555	51,841	-	144,396
Information System Upgrade	254,769	37,759	77,026	-	369,554
EOC Communications Upgrade	24,060	1,000	24,940	-	50,000
IT Disaster Recovery Improvements	30,924	31,631	137,445	-	200,000
Adult Recreation - Floor Repair	-	-	100,000	100,000	200,000
Total GFAR Carryforward Projects	\$ 17,400,992	\$ 4,513,843	\$ 11,790,607	\$ 4,456,989	\$ 38,162,432

CAPITAL IMPROVEMENT PROGRAM

CARRYFORWARD CIP PROJECTS

FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
<i>Traffic Mitigation Carryforward Projects</i>					
Highway 17 Bicycle & Pedestrian Bridge-Design	\$ 54	\$ 147,247	\$ -	\$ -	\$ 147,300
Bicycle & Pedestrian Improvements	41,350	-	33,650	-	75,000
Traffic Signal Modernization	98,452	133,888	870,949	-	1,103,289
Highway 17/9 Interchange and Capacity Improvements	-	600,000	-	-	600,000
Total Traffic Mitigation Carryforward Projects	\$ 139,856	\$ 881,134	\$ 904,599	\$ -	\$ 1,925,589
<i>Grants and Awards Carryforward Projects</i>					
Charter Oaks Trail Repair Project	\$ 72,833	\$ -	\$ 75,218	\$ 470,000	\$ 618,051
Trailhead Connector	205,071	137,929	-	-	343,000
ADA Upgrade for Public Restrooms - Rec Building	51,882	-	67,000	11,979	130,861
Guardrail Replacement Projects	-	717,996	239,332	-	957,328
Shannon Road Ped & Bikeway Improvements	-	-	940,100	-	940,100
Highway 17 Bicycle & Pedestrian Bridge-Design	86,995	-	2,754,534	-	2,841,529
Bicycle & Pedestrian Improvements	168,927	-	-	-	168,927
Traffic Signal Modernization	42,046	726,490	751,126	-	1,519,662
ADA Transition Plan	-	20,000	15,000	-	35,000
Local Road Safety Plan	-	-	72,000	-	72,000
Winchester Class IV Bikeway	-	-	293,900	-	293,900
Kennedy Sidewalk - LGB to Englewood	-	-	-	-	-
Total Grants and Awards Carryforward Projects	\$ 627,754	\$ 1,602,415	\$ 5,208,210	\$ 481,979	\$ 7,920,358
<i>Storm Drain Carryforward Projects</i>					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
Bicknell Road Storm Drain Improvements	156,432	4,500	60,258	25,000	246,190
Annual Storm Drain Improvements	59,700	-	420,300	150,000	630,000
Total Storm Drain Carryforward Projects	\$ 233,312	\$ 4,500	\$ 480,558	\$ 175,000	\$ 893,370
<i>Underground Utility Projects</i>					
Utility Undergrounding Improvements	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000
Shannon Road Ped & Bikeway Improvements	49,000	22,201	48,003	-	-
Total Underground Utility Carryforward Projects	\$ 49,000	\$ 22,201	\$ 348,003	\$ -	\$ 300,000
<i>Gas Tax Carryforward Projects</i>					
Street Repair & Resurfacing	\$ 9,600,051	\$ 645,976	\$ 645,976	\$ 1,295,865	\$ 12,187,867
Total Gas Tax Carryforward Projects	\$ 9,600,051	\$ 645,976	\$ 645,976	\$ 1,295,865	\$ 12,187,867
Total of Carryforward Projects	\$ 28,050,965	\$ 7,670,070	\$ 19,377,953	\$ 6,409,833	\$ 61,389,616

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The following schedule summarizes the new Capital Improvement projects and total of new funding for FY 2021/22. New projects are defined further in following fund sections.

NEW CIP PROJECTS

FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures			New		Total Budgeted
		During FY 2020/21	Estimated Carryforward	Funding FY 2021/22			
<i>GFAR Projects</i>							
Oak Meadow Bandstand Area Improvements	\$ -	\$ -	\$ -	90,000	\$ 90,000		
Battery Power Supply - Library	-	-	-	30,000		30,000	
<i>Grants and Awards Projects</i>							
Oak Meadow Bandstand Area Improvements	\$ -	\$ -	\$ -	\$ 355,904		355,904	
Total of New CIP Projects	\$ -	\$ -	\$ -	\$ 475,904	\$ 475,904		
TOTAL OF CARRYFORWARD AND NEW CIP PROJECTS	\$ 28,050,965	\$ 7,670,070	\$ 19,377,953	\$ 6,885,737	\$ 61,865,520		

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, \$6.7 million transfer in FY 2019/20, \$3.4 million transfer in FY 2020/21, and \$2.8 million transfer in FY2021/22. After these allocations, sufficient balances are anticipated for the remaining years of the plan to accommodate allocating approximately \$800,000 from the General Fund Reserve

• CAPITAL IMPROVEMENT PROGRAM & General Fund Appropriated Reserve

for Capital and Special Projects from FY 2022/23 through FY 2025/26. 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 IX of Chapter 15 of the Town Code, the Town collects construction impact fees in support of road construction and maintenance projects throughout the Town. 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 2021/22 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. This amount will vary from year to year, dependent on actual revenue. The projection for Fiscal Year 2021/22 is \$758,434. 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

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated for Parking	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210
Undesignatged	16,793,552	10,714,868	7,058,790	12,400,880	12,400,880	12,787,921
Total Beginning Fund Balance	<u>18,253,762</u>	<u>12,175,078</u>	<u>8,519,000</u>	<u>13,861,090</u>	<u>13,861,090</u>	<u>14,248,131</u>
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	192,319	188,475	1,516,438	1,331,160	201,732	853,186
Town Services	-	52,094	221,859	731,329	284,623	-
Licenses & Permits	577,820	675,116	1,026,893	729,553	582,043	905,676
Interest	7,438	3,984	3,205	-	-	-
Other Revenues	61,998	709,458	232,983	1,908,750	1,735,451	20,000
Total Revenues	<u>839,575</u>	<u>1,629,127</u>	<u>3,001,378</u>	<u>4,700,792</u>	<u>2,803,849</u>	<u>1,778,862</u>
Transfers In						
Transfer from General Fund	2,638,224	2,335,220	6,982,591	3,401,479	3,401,479	2,801,047
Transfer from Grant	-	-	-	-	-	-
Transfes from Bulding Maint	-	50,000	788,000	-	-	-
Transfer from MIS Fund	-	300,000	-	-	-	-
Transfer from Equip Replacement	-	-	525,000	-	-	-
Transfer from Storm Basin Funds	-	-	30,000	-	-	-
Total Transfers In	<u>2,638,224</u>	<u>2,685,220</u>	<u>8,325,591</u>	<u>3,401,479</u>	<u>3,401,479</u>	<u>2,801,047</u>
Total Revenues & Transfers In	<u>3,477,799</u>	<u>4,314,347</u>	<u>11,326,969</u>	<u>8,102,271</u>	<u>6,205,328</u>	<u>4,579,909</u>
TOTAL SOURCE OF FUNDS	<u>\$ 21,731,561</u>	<u>\$ 16,489,425</u>	<u>\$ 19,845,969</u>	<u>\$ 21,963,361</u>	<u>\$ 20,066,418</u>	<u>\$ 18,828,040</u>
USES OF FUNDS						
Expenditures						
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	892	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	9,039,975	7,552,809	5,567,263	17,781,730	5,400,671	4,576,989
Total Expenditures	<u>9,040,867</u>	<u>7,552,809</u>	<u>5,567,263</u>	<u>17,781,730</u>	<u>5,400,671</u>	<u>4,576,989</u>
Transfers Out						
Transfers to General Fund	417,616	417,616	417,616	417,616	417,616	417,616
Transfer to SA Trust	-	-	-	-	-	-
Total Transfers Out	<u>515,616</u>	<u>417,616</u>	<u>417,616</u>	<u>417,616</u>	<u>417,616</u>	<u>417,616</u>
Total Expenditures & Transfers Out	<u>9,556,483</u>	<u>7,970,425</u>	<u>5,984,879</u>	<u>18,199,346</u>	<u>5,818,287</u>	<u>4,994,605</u>
Ending Fund Balance						
Designated for Parking	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210
Undesignated	10,714,868	7,058,790	12,400,880	2,303,805	12,787,921	12,373,225
Total Ending Fund Balance	<u>12,175,078</u>	<u>8,519,000</u>	<u>13,861,090</u>	<u>3,764,015</u>	<u>14,248,131</u>	<u>13,833,435</u>
TOTAL USE OF FUNDS	<u>\$ 21,731,561</u>	<u>\$ 16,489,425</u>	<u>\$ 19,845,969</u>	<u>\$ 21,963,361</u>	<u>\$ 20,066,418</u>	<u>\$ 18,828,040</u>

CAPITAL IMPROVEMENT PROGRAM General Fund Appropriated Reserve

The following GFAR schedules identify projects completed, withdrawn, or not proceeding in FY 2020/21, projects carried forward into FY 2021/22, and new FY 2021/22 projects, as part of the FY 2021/22-2025/26 Capital Improvement Program:

GENERAL FUND APPROPRIATED RESERVES (GFAR) CIP PROJECTS						
FY 2021/22						
	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted	
Completed or Withdrawn Projects						
Pilot School Busing Program	\$ 344,941	\$ -	\$ -	\$ -	\$ 344,941	
Public Arts Gateway	14,500	10,500	-	-	25,000	
Stormwater Master Plan	126,769	93,216	-	-	219,985	
Downtown Parking Study	110,408	881	-	-	111,289	
Fence Replacement - Shire Court	11,207	15,299	-	-	26,506	
Creek Trail & Parks Path & Parking Lot Seal & Striping	18,885	165,720	-	-	184,606	
Forbes Mill Footbridge Improvements	27,397	2,522	-	-	29,919	
Facilities Assessment	24,142	69,680	-	-	93,822	
Cert Equipment	48,341	1,587	-	-	49,928	
Plaza Level Railings - Code Upgrade	-	33,060	-	-	33,060	
Police Headquarters Roof Repair	7,448	40,304	-	-	47,752	
Library Carpet Replacement	-	48,597	-	-	48,597	
Computer-Aided Dispatch and Records Management System	146,242	371,232	-	-	517,474	
Silicon Valley Regional Interoperability Project (SVRIP) Service	395,661	35,112	-	-	430,774	
Total of Completed Projects	\$ 1,275,940	\$ 887,712	\$ -	\$ -	\$ 2,163,653	
Carryforward Projects						
Street Repair & Resurfacing	\$ 9,060,286	\$ 500,000	\$ 2,257,432	\$ 1,602,739	\$ 13,420,456	
Annual Street Restriping	180,228	-	169,772	25,000	375,000	
Pavement Rehab-Crack Seal	1,173,355	-	188,185	180,000	1,541,540	
Traffic Calming Projects	199,201	16,664	19,135	10,000	245,000	
Curb, Gutter & Sidewalk Maintenance	3,778,935	408,906	408,906	300,000	4,896,748	
Retaining Wall Repairs	1,427,457	170,066	365,254	100,000	2,062,777	
Quito Road - Bridge Replacement	64,594	235,087	50,000	-	349,681	
Guardrail Replacement Projects	-	119	92,691	-	92,809	
Downtown Parking Lots Seal Coat & Restriping	44,481	2,934	52,585	-	100,000	
Shannon Road Ped & Bikeway Improvements	104	20,000	109,896	-	130,000	
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000	
Highway 17 Bicycle & Pedestrian Bridge-Design	-	-	946,210	-	946,210	
Bicycle & Pedestrian Improvements	258,476	3,350	228,174	-	490,000	
Downtown Streetscape Revitalization/Economic Recovery Efforts	48,332	613,439	1,310,622	-	1,972,394	
ADA Transition Plan	-	10,000	100,000	-	110,000	
Massol Intersection Improvements	64,912	344,108	98,128	-	507,148	
Winchester Boulevard Complete Streets (Final Design)	114,174	85,878	79,948	463,250	743,250	
E. Main St. Speed Table/Raised Crosswalk	-	-	15,000	-	15,000	
VMT Mitigation Program	-	-	250,000	-	250,000	
Stormwater System - Pollution Prevention Compliance	1,422	-	286,578	-	288,000	
Shannon Road Repair	-	63,073	1,436,927	-	1,500,000	
Roadside Fire Fuel Reduction	-	499,815	185	500,000	1,000,000	
Parking Lot 4 Repair/Waterproofing	-	-	250,000	-	250,000	
Local Road Safety Plan	-	-	28,000	-	28,000	
Blossom Hill Road Traffic Study	-	48,410	76,590	-	125,000	
Winchester Class IV Bikeway	-	139,538	549,017	-	688,555	
Parking Program Implementation	-	881	197,619	-	198,500	
Outdoor Fitness Equipment	-	54,000	6,000	-	60,000	
Town Plaza Turf Repairs	8,116	-	28,000	-	36,116	
Parks Playground Fibar Project	75,736	-	49,264	-	125,000	
Open Space Trail Upgrades	-	-	152,000	-	152,000	
Charter Oaks Trail Repair Project	109	-	364,891	110,000	475,000	
Trailhead Connector	40,054	103,907	70,319	156,000	370,280	
Vegetation Management - Town-wide	13,520	186,970	50,218	-	250,707	
Town Beautification	94,240	14,930	10,456	10,000	129,625	
Waterproofing Town-wide	-	-	75,000	-	75,000	
ADA Restrooms and HR Offices	-	-	450,000	150,000	600,000	
Building Replacement at Corporation Yard	163,250	750,738	251,812	750,000	1,915,800	
Engineering Document Archiving	14,199	78,084	-	-	92,284	
GFAR Funding	-	-	22,000	-	22,000	
ADA Upgrade for Public Restrooms - Rec Building	-	-	183,000	-	183,000	
Audio/Video System Upgrade	68,048	-	42,552	-	110,600	
Town-wide Document Imaging Project	198,011	-	16,990	-	215,000	
Fire Suppression (Halon) for Server Rooms	-	92,555	51,841	-	144,396	
Information System Upgrade	254,769	37,759	77,026	-	369,554	
EOC Communications Upgrade	24,060	1,000	24,940	-	50,000	
IT Disaster Recovery Improvements	30,924	31,631	137,445	-	200,000	
Adult Recreation - Floor Repair	-	-	100,000	100,000	200,000	
Total of Carryforward Projects	\$ 17,400,992	\$ 4,513,843	\$ 11,790,607	\$ 4,456,989	\$ 38,162,432	

CAPITAL IMPROVEMENT PROGRAM General Fund Appropriated Reserve

<i>New Projects</i>	\$	-	\$	-	\$	-	\$	90,000	\$	90,000
Oak Meadow Bandstand Area Improvements	\$	-	\$	-	\$	-	\$	90,000	\$	90,000
Battery Power Supply - Library		-		-		-		30,000		30,000
<i>Total of New Projects</i>	<i>\$</i>	<i>-</i>	<i>\$</i>	<i>-</i>	<i>\$</i>	<i>-</i>	<i>\$</i>	120,000	<i>\$</i>	120,000
<i>GFAR Funding Project Totals</i>	<i>\$ 18,676,932</i>		<i>\$ 5,401,555</i>		<i>\$ 11,790,607</i>		<i>\$ 4,576,989</i>		<i>\$ 40,446,084</i>	

FY 2021/22 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 2021/22.

- **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 treatments, and pavement overlays, with supplemental ongoing maintenance activities performed by the Town’s Parks and Public Works Department staff. Approximately 83% of the proposed FY 2021/22-2025/26 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 2021. 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 2021/22 budget.

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 allocation for this ongoing project is between \$200,000 and \$300,000 annually. At this level of funding, the program can address ADA compliance

CAPITAL IMPROVEMENT PROGRAM General Fund Appropriated Reserve

issues required as part of the pavement maintenance program, leaving very little funding remaining to address other needs, such as tripping hazards.

Operating Budget Impacts: Project oversight by the Engineering staff has been incorporated into the engineering Program Services FY 2021/22 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 2021/22 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 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 2021 schedule from the City of Saratoga, the construction of these bridges is anticipated to be completed by 2023.

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.

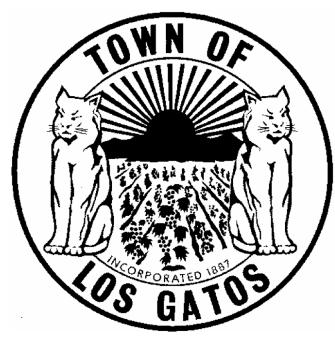
• CAPITAL IMPROVEMENT PROGRAM & General Fund Appropriated Reserve

The CIP includes several facilities maintenance projects to address deferred maintenance needs. This includes new flooring in the Adult Recreation Center and continued work to replace a portable building at the Parks and Public Works Service Center that has reached the end of its serviceable life.

The Town continues to advance efforts in multi-modal transportation projects with the addition of the Winchester Complete Streets project, which will enhance the functionality of Winchester Boulevard from Blossom Hill Road to the northern Town limits. Other projects include the addition of speed tables on Main Street in front of Los Gatos High School and design of a safety project derived from a safety study for Blossom Hill Road between Hillbrook Drive and Camelia Terrace.

Efforts to make the Town more resilient in the face of wildfire threats has led to the addition of a Roadside Fire Fuel Reduction project. Through this project, vegetation along roadways in the hillsides will be reduced to lessen the ability for fires to spread and to allow for safe evacuation routes for residents should they be needed.

Building on the completion of the Parking Study from last fiscal year, the CIP includes funding to implement an employee parking permit program and to design a wayfinding program for the downtown as the first recommendations resulting from the study.



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 VII of Chapter 15 also 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 improving traffic conditions for vehicles, bicycles, and pedestrians.

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 to improve safety features and accommodate proper vehicular movement:

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

CAPITAL IMPROVEMENT PROGRAM & Traffic Mitigation Fund

FY 2021/22 KEY PROJECTS

The following key projects are budgeted in FY 2021/22:

- **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 \$1,800,000 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. Mitigation funds will often be utilized as matching funds for grant funding.
- **Highway 17 Bicycle and Pedestrian Bridge 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 2021/22 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

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Deferred Revenue</i>	\$ 2,298,987	\$ 2,277,362	\$ 2,246,440	\$ 2,287,554	\$ 2,287,554	\$ 1,551,007
<i>Undesignatged</i>	228,541	260,486	304,647	348,660	348,660	348,660
Total Beginning Fund Balance	<u>2,527,528</u>	<u>2,537,848</u>	<u>2,551,087</u>	<u>2,636,214</u>	<u>2,636,214</u>	<u>1,899,667</u>
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	146,951	147,247	-
<i>Interest</i>	31,945	44,161	44,013	-	-	-
<i>Other Revenues</i>	119,507	74,626	92,626	1,648,487	736,547	10,000
Total Revenues	<u>151,452</u>	<u>118,787</u>	<u>136,639</u>	<u>1,795,438</u>	<u>883,794</u>	<u>10,000</u>
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CBDG</i>	-	-	-	-	-	-
<i>Transfes from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues & Transfers In	<u>151,452</u>	<u>118,787</u>	<u>136,639</u>	<u>1,795,438</u>	<u>883,794</u>	<u>10,000</u>
TOTAL SOURCE OF FUNDS	<u>\$ 2,678,980</u>	<u>\$ 2,656,635</u>	<u>\$ 2,687,726</u>	<u>\$ 4,431,652</u>	<u>\$ 3,520,008</u>	<u>\$ 1,909,667</u>
USES OF FUNDS						
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>	109,507	64,626	76,290	1,785,438	881,135	-
Total Expenditures	<u>109,507</u>	<u>64,626</u>	<u>76,290</u>	<u>1,785,438</u>	<u>881,135</u>	<u>-</u>
Transfers Out						
<i>Transfers to General Fund</i>	10,000	10,000	16,336	10,000	2,659	10,000
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	<u>10,000</u>	<u>10,000</u>	<u>16,336</u>	<u>10,000</u>	<u>2,659</u>	<u>10,000</u>
Total Expenditures & Transfers Out	<u>119,507</u>	<u>74,626</u>	<u>92,626</u>	<u>1,785,438</u>	<u>883,794</u>	<u>10,000</u>
Ending Fund Balance						
<i>Deferred Revenue</i>	2,277,362	2,246,440	2,287,554	639,067	1,551,007	1,551,007
<i>Undesignated</i>	260,486	304,647	348,660	348,660	348,660	348,660
Total Ending Fund Balance	<u>2,537,848</u>	<u>2,551,087</u>	<u>2,636,214</u>	<u>987,727</u>	<u>1,899,667</u>	<u>1,899,667</u>
TOTAL USE OF FUNDS	<u>\$ 2,657,355</u>	<u>\$ 2,625,713</u>	<u>\$ 2,728,840</u>	<u>\$ 2,783,165</u>	<u>\$ 2,783,461</u>	<u>\$ 1,909,667</u>

CAPITAL IMPROVEMENT PROGRAM
Traffic Mitigation Fund

TRAFFIC MITIGATION CIP PROJECTS
FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
<i>Carryforward Projects</i>					
Highway 17 Bicycle & Pedestrian Bridge-Design	\$ 54	\$ 147,247	\$ -	\$ -	\$ 147,300
Bicycle & Pedestrian Improvements	41,350	-	33,650	-	75,000
Traffic Signal Modernization	98,452	133,888	870,949	-	1,103,289
Highway 17/9 Interchange and Capacity Improvements	-	600,000	-	-	600,000
Total of Carryforward Projects	\$ 139,856	\$ 881,134	\$ 904,599	\$ -	\$ 1,925,589
<i>New Projects</i>					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total of New Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Traffic Mitigation Funding Project Totals	\$ 139,856	\$ 881,134	\$ 904,599	\$ -	\$ 1,925,589

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 2021/22, there are twelve 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

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(380,253)	(134,113)	(255,639)	(343,708)	(343,708)	(1,805,771)
Total Beginning Fund Balance	<u>(380,253)</u>	<u>(134,113)</u>	<u>(255,639)</u>	<u>(343,708)</u>	<u>(343,708)</u>	<u>(1,805,771)</u>
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	261,534	257,968	394,876	6,623,041	140,352	837,883
<i>Town Services</i>	-	-	1,458	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>261,534</u>	<u>257,968</u>	<u>396,334</u>	<u>6,623,041</u>	<u>140,352</u>	<u>837,883</u>
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from Workers Comp</i>	-	-	-	35,000	-	-
<i>Transfers from Building Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
Total Revenues & Transfers In	<u>261,534</u>	<u>257,968</u>	<u>396,334</u>	<u>6,658,041</u>	<u>140,352</u>	<u>837,883</u>
TOTAL SOURCE OF FUNDS	<u>\$ (118,719)</u>	<u>\$ 123,855</u>	<u>\$ 140,695</u>	<u>\$ 6,314,333</u>	<u>\$ (203,356)</u>	<u>\$ (967,888)</u>
USES OF FUNDS						
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>	15,394	379,494	484,403	6,983,825	1,602,415	837,883
Total Expenditures	<u>15,394</u>	<u>379,494</u>	<u>484,403</u>	<u>6,983,825</u>	<u>1,602,415</u>	<u>837,883</u>
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Grant Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replacement</i>	-	-	-	-	-	-
Total Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures & Transfers Out	<u>15,394</u>	<u>379,494</u>	<u>484,403</u>	<u>6,983,825</u>	<u>1,602,415</u>	<u>837,883</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(134,113)	(255,639)	(343,708)	(669,492)	(1,805,771)	(1,805,771)
Total Ending Fund Balance	<u>(134,113)</u>	<u>(255,639)</u>	<u>(343,708)</u>	<u>(669,492)</u>	<u>(1,805,771)</u>	<u>(1,805,771)</u>
TOTAL USE OF FUNDS	<u>\$ (118,719)</u>	<u>\$ 123,855</u>	<u>\$ 140,695</u>	<u>\$ 6,314,333</u>	<u>\$ (203,356)</u>	<u>\$ (967,888)</u>

CAPITAL IMPROVEMENT PROGRAM & Grants and Awards Project Fund

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

GRANTS & AWARDS CIP PROJECTS FY 2021/22						
	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted	
<i>Carryforward Projects</i>						
Charter Oaks Trail Repair Project	\$ 72,833	\$ -	\$ 75,218	\$ 470,000	\$ 618,051	
Trailhead Connector	205,071	137,929	-	-	343,000	
ADA Upgrade for Public Restrooms - Rec Building	51,882	-	67,000	11,979	130,861	
Guardrail Replacement Projects	-	717,996	239,332	-	957,328	
Shannon Road Ped & Bikeway Improvements	-	-	940,100	-	940,100	
Highway 17 Bicycle & Pedestrian Bridge-Design	86,995	-	2,754,534	-	2,841,529	
Bicycle & Pedestrian Improvements	168,927	-	-	-	168,927	
Traffic Signal Modernization	42,046	726,490	751,126	-	1,519,662	
ADA Transition Plan	-	20,000	15,000	-	35,000	
Winchester Boulevard Complete Streets (Final Design)	-	-	-	-	-	
E. Main St. Speed Table/Raised Crosswalk	-	-	-	-	-	
Local Road Safety Plan	-	-	72,000	-	72,000	
Winchester Class IV Bikeway	-	-	293,900	-	293,900	
Kennedy Sidewalk - LGB to Englewood	-	-	-	-	-	
Total of Carryforward Projects	\$ 627,754	\$ 1,602,415	\$ 5,208,210	\$ 481,979	\$ 7,920,358	
<i>New Projects</i>						
Oak Meadow Bandstand Area Improvements	\$ -	\$ -	\$ -	\$ 355,904	\$ 355,904	
Total of New Projects	\$ -	\$ -	\$ -	\$ 355,904	\$ 355,904	
Grant and Awards Project Totals:	\$ 627,754	\$ 1,602,415	\$ 5,208,210	\$ 837,883	\$ 8,276,262	

FY 2021/22 KEY PROJECTS

The following Capital Improvement Plan projects are funded with grant funding and are expected to be Key Projects in FY 2021/22:

- **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 totaling \$1.8M for this project. 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 2021/22 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 2021/22 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 2021/22 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 2021/22 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 improving a designated local drainage area. Expenditures from storm drain fees are limited to new construction only, not repair or maintenance work

FY 2021/22 KEY PROJECTS

Bicknell Road and Annual Storm Drain Improvements are scheduled for FY 2021/22, and Hernandez Avenue Storm Drain Improvements is scheduled for FY 2024/25.

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Fund - 461

Staff will complete a Storm Drain Capital Project Master Plan in FY 2021/22 which will identify needed Town-wide improvements and their associated costs.

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	795,382	809,379	932,418	1,034,523	1,034,523	1,083,993
Total Beginning Fund Balance	795,382	809,379	932,418	1,034,523	1,034,523	1,083,993
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	12,885	121,427	95,259	45,000	45,000	45,000
<i>Interest</i>	1,112	1,612	16,846	4,470	4,470	4,670
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	13,997	123,039	112,105	49,470	49,470	49,670
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	13,997	123,039	112,105	49,470	49,470	49,670
TOTAL SOURCE OF FUNDS	\$ 809,379	\$ 932,418	\$ 1,044,523	\$ 1,083,993	\$ 1,083,993	\$ 1,133,663
USES OF FUNDS						
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>	-	-	-	150,000	-	50,000
Total Expenditures	-	-	-	150,000	-	50,000
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to GFAR</i>	-	-	10,000	-	-	-
Total Transfers Out	-	-	10,000	-	-	-
Total Expenditures & Transfers Out	-	-	10,000	150,000	-	50,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	809,379	932,418	1,034,523	933,993	1,083,993	1,083,663
Total Ending Fund Balance	809,379	932,418	1,034,523	933,993	1,083,993	1,083,663
TOTAL USE OF FUNDS	\$ 809,379	\$ 932,418	\$ 1,044,523	\$ 1,083,993	\$ 1,083,993	\$ 1,133,663

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Fund - 462

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undesignated	1,018,786	1,752,775	1,800,549	1,853,118	1,853,118	1,936,608
Total Beginning Fund Balance	1,018,786	1,752,775	1,800,549	1,853,118	1,853,118	1,936,608
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	750,277	44,657	31,188	45,000	75,000	45,000
Interest	2,412	3,117	31,381	8,490	8,490	8,930
Other Revenues	-	-	-	-	-	-
Total Revenues	752,689	47,774	62,569	53,490	83,490	53,930
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfers from Building Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	752,689	47,774	62,569	53,490	83,490	53,930
TOTAL SOURCE OF FUNDS	\$ 1,771,475	\$ 1,800,549	\$ 1,863,118	\$ 1,906,608	\$ 1,936,608	\$ 1,990,538
USES OF FUNDS						
Expenditures						
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	18,700	-	-	150,000	-	50,000
Total Expenditures	18,700	-	-	150,000	-	50,000
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to GFAR	-	-	10,000	-	-	-
Total Transfers Out	-	-	10,000	-	-	-
Total Expenditures & Transfers Out	18,700	-	10,000	150,000	-	50,000
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	1,752,775	1,800,549	1,853,118	1,756,608	1,936,608	1,940,538
Total Ending Fund Balance	1,752,775	1,800,549	1,853,118	1,756,608	1,936,608	1,940,538
TOTAL USE OF FUNDS	\$ 1,771,475	\$ 1,800,549	\$ 1,863,118	\$ 1,906,608	\$ 1,936,608	\$ 1,990,538

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Fund - 463

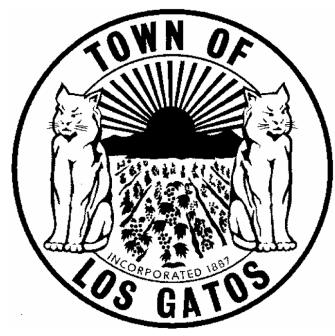
STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undesignated	(8,725)	(76,153)	(104,406)	(106,361)	(127,361)	(132,481)
Total Beginning Fund Balance	(8,725)	(76,153)	(104,406)	(106,361)	(127,361)	(132,481)
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Town Services	-	-	-	-	-	-
Licenses & Permits	40,609	2,864	24	2,500	500	2,500
Interest	(45)	(1,417)	(1,979)	(1,120)	(1,120)	(1,560)
Other Revenues	-	-	-	-	-	-
Total Revenues	40,564	1,447	(1,955)	1,380	(620)	940
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfers from Building Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	-	-	-	-	-	-
Total Revenues & Transfers In	40,564	1,447	(1,955)	1,380	(620)	940
TOTAL SOURCE OF FUNDS	\$ 31,839	\$ (74,706)	\$ (106,361)	\$ (104,981)	\$ (127,981)	\$ (131,541)
USES OF FUNDS						
Expenditures						
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	107,992	29,700	11,000	185,058	4,500	75,000
Total Expenditures	107,992	29,700	11,000	185,058	4,500	75,000
Transfers Out						
Transfers to General Fund	-	-	-	-	-	-
Transfers to GFAR	-	-	10,000	-	-	-
Total Transfers Out	-	-	10,000	-	-	-
Total Expenditures & Transfers Out	107,992	29,700	21,000	185,058	4,500	75,000
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	(76,153)	(104,406)	(127,361)	(290,039)	(132,481)	(206,541)
Total Ending Fund Balance	(76,153)	(104,406)	(127,361)	(290,039)	(132,481)	(206,541)
TOTAL USE OF FUNDS	\$ 31,839	\$ (74,706)	\$ (106,361)	\$ (104,981)	\$ (127,981)	\$ (131,541)

CAPITAL IMPROVEMENT PROGRAM
Storm Drain Funds

STORM DRAIN CIP PROJECTS
FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
<i>Carryforward Projects</i>					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
Bicknell Road Storm Drain Improvements	156,432	4,500	60,258	25,000	246,190
Annual Storm Drain Improvements	59,700	-	420,300	150,000	630,000
<i>Total of Carryforward Projects</i>	\$ 233,312	\$ 4,500	\$ 480,558	\$ 175,000	\$ 893,370
<i>New Projects</i>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Storm Drain Project Totals:</i>	\$ 233,312	\$ 4,500	\$ 480,558	\$ 175,000	\$ 893,370



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. This program will be phased out, with the current Town project likely the last to receive funding from this source.

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 \$3.2 million at FY 2020/21 year-end. In addition, the Town is currently utilizing \$4.6 million in Rule 20A funds allocated from a percentage of electric bills for a project on Los Gatos Boulevard. PG&E retains and tracks those funds.

CAPITAL IMPROVEMENT PROGRAM & Utility Underground Fund

The Town's allocation of Rule 20A credits grown to approximately \$4.6M. PG&E completed the design a Rule 20A utility undergrounding project on Los Gatos Boulevard between Lark Avenue and Chico Drive. An encroachment permit was issued for the project, and PG&E started construction in January 2021. The underground project is anticipated to take a year to complete. Staff is overseeing the work and coordination closely with PG&E on activities that would have impacts to traffic and neighboring communities

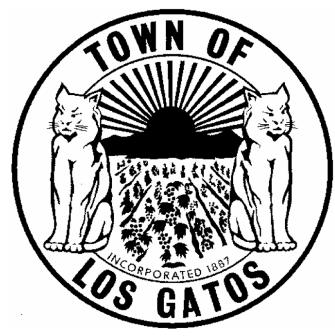
STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,929,116	2,997,984	3,079,685	3,118,174	3,118,174	3,158,463
Total Beginning Fund Balance	<u>2,929,116</u>	<u>2,997,984</u>	<u>3,079,685</u>	<u>3,118,174</u>	<u>3,118,174</u>	<u>3,158,463</u>
Revenues						
<i>Other Taxes</i>	31,838	28,390	34,437	30,000	40,000	30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	3,810,558	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	37,030	53,311	53,052	22,490	22,490	22,490
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>68,868</u>	<u>81,701</u>	<u>87,489</u>	<u>3,863,048</u>	<u>62,490</u>	<u>52,490</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues & Transfers In	<u>68,868</u>	<u>81,701</u>	<u>87,489</u>	<u>3,863,048</u>	<u>62,490</u>	<u>52,490</u>
TOTAL SOURCE OF FUNDS	<u>\$ 2,997,984</u>	<u>\$ 3,079,685</u>	<u>\$ 3,167,174</u>	<u>\$ 6,981,222</u>	<u>\$ 3,180,664</u>	<u>\$ 3,210,953</u>
USES OF FUNDS						
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>	-	-	49,000	6,836,204	22,201	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>49,000</u>	<u>6,836,204</u>	<u>22,201</u>	<u>-</u>
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replacement</i>	-	-	-	-	-	-
Total Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures & Transfers Out	<u>-</u>	<u>-</u>	<u>49,000</u>	<u>6,836,204</u>	<u>22,201</u>	<u>-</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	2,997,984	3,079,685	3,118,174	145,018	3,158,463	3,210,953
Total Ending Fund Balance	<u>2,997,984</u>	<u>3,079,685</u>	<u>3,118,174</u>	<u>145,018</u>	<u>3,158,463</u>	<u>3,210,953</u>
TOTAL USE OF FUNDS	<u>\$ 2,997,984</u>	<u>\$ 3,079,685</u>	<u>\$ 3,167,174</u>	<u>\$ 6,981,222</u>	<u>\$ 3,180,664</u>	<u>\$ 3,210,953</u>

CAPITAL IMPROVEMENT PROGRAM
Utility Underground Fund

UTILITY UNDERGROUND CIP PROJECTS
FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures		Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
<i>Carryforward Projects</i>						
Utility Undergrounding Improvements	\$ -	\$ -	\$ 300,000	\$ -	\$ 300,000	
Shannon Road Ped & Bikeway Improvements	49,000	22,201	48,003	-	-	119,204
<i>Total of Carryforward Projects</i>	\$ 49,000	\$ 22,201	\$ 348,003	\$ -	\$ 419,204	
<i>New Projects</i>						
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of Utility Underground Projects</i>	# \$ 49,000	\$ 22,201	\$ 348,003	\$ -	\$ 419,204	



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 work 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 landslides 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

CAPITAL IMPROVEMENT PROGRAM & Gas Tax Fund

The estimated Gas Tax revenue totals approximately \$1.2 million for FY 2020/21 reflecting the recently enacted Road Recovery and Repair Act of 2017 (SB1). The ongoing Street Repair and Resurfacing project was carried forward from FY 2019/20, as is typical. There are no new Gas Tax funded projects scheduled for FY 2021/22.

BUDGET OVERVIEW

STATEMENT OF SOURCE AND USE OF FUNDS

	2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	2020/21 Adopted	2020/21 Estimated	2021/22 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
Designated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undesignated	693,506	703,148	853,819	290,369	290,369	771,710
Total Beginning Fund Balance	<u>693,506</u>	<u>703,148</u>	<u>853,819</u>	<u>290,369</u>	<u>290,369</u>	<u>771,710</u>
Revenues						
Other Taxes	-	-	-	-	-	-
Carryforward	-	-	-	-	-	-
Intergovernmental	852,300	1,195,069	1,249,696	1,232,107	1,232,107	1,400,594
Town Services	-	-	-	-	-	-
Licenses & Permits	-	-	-	-	-	-
Interest	13,307	22,483	12,238	1,210	1,210	1,271
Other Revenues	-	-	-	-	-	-
Total Revenues	<u>865,607</u>	<u>1,217,552</u>	<u>1,261,934</u>	<u>1,233,317</u>	<u>1,233,317</u>	<u>1,401,865</u>
Transfers In						
Transfer from General Fund	-	-	-	-	-	-
Transfer from CDBG	-	-	-	-	-	-
Transfers from Building Maint	-	-	-	-	-	-
Transfer from MIS Fund	-	-	-	-	-	-
Transfer from Equip Replacement	-	-	-	-	-	-
Total Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues & Transfers In	<u>865,607</u>	<u>1,217,552</u>	<u>1,261,934</u>	<u>1,233,317</u>	<u>1,233,317</u>	<u>1,401,865</u>
TOTAL SOURCE OF FUNDS	<u>\$ 1,559,113</u>	<u>\$ 1,920,700</u>	<u>\$ 2,115,753</u>	<u>\$ 1,523,686</u>	<u>\$ 1,523,686</u>	<u>\$ 2,173,575</u>
USES OF FUNDS						
Expenditures						
Salaries and Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenditures	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-
Capital Projects - Carryfwd	-	-	-	-	-	-
Capital Projects - New	749,965	960,881	1,719,384	1,291,952	645,976	1,295,865
Total Expenditures	<u>749,965</u>	<u>960,881</u>	<u>1,719,384</u>	<u>1,291,952</u>	<u>645,976</u>	<u>1,295,865</u>
Transfers Out						
Transfers to General Fund	106,000	106,000	106,000	106,000	106,000	106,000
Transfers to Equip Replacement	-	-	-	-	-	-
Total Transfers Out	<u>106,000</u>	<u>106,000</u>	<u>106,000</u>	<u>106,000</u>	<u>106,000</u>	<u>106,000</u>
Total Expenditures & Transfers Out	<u>855,965</u>	<u>1,066,881</u>	<u>1,825,384</u>	<u>1,397,952</u>	<u>751,976</u>	<u>1,401,865</u>
Ending Fund Balance						
Designated	-	-	-	-	-	-
Undesignated	703,148	853,819	290,369	125,734	771,710	771,710
Total Ending Fund Balance	<u>703,148</u>	<u>853,819</u>	<u>290,369</u>	<u>125,734</u>	<u>771,710</u>	<u>771,710</u>
TOTAL USE OF FUNDS	<u>\$ 1,559,113</u>	<u>\$ 1,920,700</u>	<u>\$ 2,115,753</u>	<u>\$ 1,523,686</u>	<u>\$ 1,523,686</u>	<u>\$ 2,173,575</u>

**CAPITAL IMPROVEMENT PROGRAM &
Gas Tax Fund**

GAS TAX CIP PROJECTS

FY 2021/22

	Est Exp Prior To FY 2020/21	Expenditures During FY 2020/21	Estimated Carryforward	New Funding FY 2021/22	Total Budgeted
<i>Carryforward Projects</i>					
Street Repair & Resurfacing	\$ 9,600,051	\$ 645,976	\$ 645,976	\$ 1,295,865	\$ 12,187,867
<i>Total of Carryforward Projects</i>	\$ 9,600,051	\$ 645,976	\$ 645,976	\$ 1,295,865	\$ 12,187,867
<i>New Projects</i>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of Gas Tax Projects</i>	\$ 9,600,051	\$ 645,976	\$ 645,976	\$ 1,295,865	\$ 12,187,867

FY 2021/22 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.