

# Capital Improvement Program

## PROGRAM PURPOSE

The Fiscal Year (FY) 2022/23-2026/27 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 2022, the Town Council established the 2022-24 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: implementation of the recommendations in 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 and the Bicycle and Pedestrian Master 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.

## CAPITAL IMPROVEMENT PROGRAM

Storm Drain funding is derived from a Town charge of one dollar 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 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. The Town would no longer rely on Pacific Gas and Electric Company's (PG&E) Rule 20A Program for utility underground projects since the California Public Utility Commission ruled in 2021 that ratepayers would no longer fund the Rule 20A after December 31, 2022.

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 2022/23 allocation of \$683,680. 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 Activities Mitigation Fee is assessed based on the square footage area of new building or additions constructed at a rate of \$1.26 per square foot for both residential and non-residential development projects. These fees are intended to recover the damage caused to Town streets by construction traffic. Construction Activities Mitigation fees generate approximately \$110,000 annually. In addition, the Refuse Vehicle Road Impact Fee is estimated to generate \$871,800 for FY 2022/23.

***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, the Parks and Public Works Service Center, and the Los Gatos Theatre. 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.

## **CAPITAL IMPROVEMENT PROGRAM**

*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 Town Commissions 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

### SUMMARY OF CIP REVENUES AND EXPENDITURES

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
<b>REVENUES</b>						
<i>Other Taxes</i>	\$ 28,390	\$ 34,437	\$ 67,146	\$ 30,000	\$ 34,562	\$ 30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	1,641,512	3,161,010	1,818,493	11,292,489	3,153,295	7,789,892
<i>Town Services</i>	52,094	223,317	34,417	571,661	306,210	-
<i>Licenses &amp; Permits</i>	844,064	1,153,364	1,340,530	998,176	764,465	1,074,300
<i>Interest</i>	127,251	158,756	122,704	35,801	35,801	36,405
<i>Other Revenues</i>	784,084	325,609	2,239,342	2,552,001	1,198,207	3,016,000
<b>TOTAL REVENUES</b>	<b>3,477,395</b>	<b>5,056,493</b>	<b>5,622,632</b>	<b>15,480,128</b>	<b>5,492,540</b>	<b>11,946,597</b>
Transfers In						
<i>Operating Transfers</i>	2,685,220	8,325,591	3,401,479	2,836,047	3,421,424	3,706,978
Total Transfers In	<b>2,685,220</b>	<b>8,325,591</b>	<b>3,401,479</b>	<b>2,836,047</b>	<b>3,421,424</b>	<b>3,706,978</b>
Total Revenues & Transfers In	<b>\$ 6,162,615</b>	<b>\$ 13,382,084</b>	<b>\$ 9,024,111</b>	<b>\$ 18,316,175</b>	<b>\$ 8,913,964</b>	<b>\$ 15,653,575</b>
<b>EXPENDITURES</b>						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ 31,085	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	496	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Grants</i>	-	-	-	1,498,776	-	-
<i>Capital Projects - New</i>	8,987,510	7,907,340	5,833,757	31,861,697	11,847,615	15,447,671
<b>TOTAL EXPENDITURES</b>	<b>8,987,510</b>	<b>7,907,340</b>	<b>5,865,338</b>	<b>33,360,473</b>	<b>11,847,615</b>	<b>15,447,671</b>
Transfers Out						
<i>Operating Transfers</i>	533,616	569,952	533,616	533,616	533,616	533,616
Total Transfers Out	<b>533,616</b>	<b>569,952</b>	<b>533,616</b>	<b>533,616</b>	<b>533,616</b>	<b>533,616</b>
Total Expenditures & Transfers Out	<b>\$ 9,521,126</b>	<b>\$ 8,477,292</b>	<b>\$ 6,398,954</b>	<b>\$ 33,894,089</b>	<b>\$ 12,381,231</b>	<b>\$ 15,981,287</b>

## CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the Capital Improvement projects completed, not proceeding, or withdrawn in FY 2021/22:

### COMPLETED OR WITHDRAWN CIP PROJECTS FY 2021/22

		Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Total Budgeted
<b><i>GFAR Projects</i></b>				
Outdoor Fitness Equipment	<i>Completed</i>	\$ 43,938	\$ -	\$ 43,938
Audio/Video System Upgrade	<i>Completed</i>	68,048	-	68,048
Guardrail Replacement Projects	<i>Completed</i>	139,959	-	139,959
Massol Intersection Improvements	<i>Completed</i>	425,703	10,728	436,430
<b><i>Grants and Awards Projects</i></b>				
Guardrail Replacement Projects	<i>Completed</i>	\$ 221,799	\$ 558,045	\$ 779,844
<b><i>Storm Drain Projects</i></b>				
Bicknell Road Storm Drain Improvements	<i>Completed</i>	\$ 157,043	\$ 25,848	\$ 182,891
<b><i>Total of Completed and Withdrawn Projects</i></b>		<b>\$ 1,056,489</b>	<b>\$ 594,621</b>	<b>\$ 1,651,110</b>

## CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the Capital Improvement projects continuing into FY 2022/23 continuing projects are defined further in following fund sections.

### CARRYFORWARD CIP PROJECTS

#### FY 2022/23

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
<b>GFAR Carryforward Projects</b>					
Street Repair & Resurfacing	\$ 10,722,975	\$ 1,842,791	\$ 2,471,318	\$ 1,845,480	\$ 16,882,564
Annual Street Restriping	180,228	-	194,772	25,000	400,000
Traffic Calming Projects	202,315	13,549	229,135	10,000	455,000
Curb, Gutter & Sidewalk Maintenance	3,915,992	399,206	581,550	300,000	5,196,748
Retaining Wall Repairs	1,596,618	264	465,895	50,000	2,112,777
Shannon Road Repair	97,891	409,582	992,527	-	1,500,000
Parking Lot 4 Repair/Waterproofing	20,430	74,720	54,850	-	150,000
Shannon Road Repair	499,815	575,185	-	-	1,075,000
E. Main St. Speed Table/Raised Crosswalk	-	-	15,000	-	15,000
Local Road Safety Plan	-	8,000	20,000	-	28,000
VMT Mitigation Program	-	-	250,000	-	250,000
Measure B Education & Encouragement	11,700	48,300	-	-	60,000
Shannon Road Ped & Bikeway Improvements	104	126,521	53,375	50,000	230,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Traffic Signal Modernization	-	-	-	-	-
Bicycle & Pedestrian Improvements	258,476	-	231,524	-	490,000
Downtown Streetscape Revitalization	715,441	145,344	1,952,854	-	2,813,640
State Route 17 Corridor Congestion Relief Project	-	-	-	867,000	867,000
Winchester Boulevard Complete Streets (Final Design)	124,401	75,651	543,198	-	743,250
Blossom Hill Road Traffic Safety	42,678	5,733	276,590	-	325,000
Winchester Class IV Bikeway	92,686	595,868	-	-	688,553
Kennedy Sidewalk - LGB to Englewood	-	-	-	59,460	59,460
Parking Program Implementation	-	157,563	440,937	-	598,500
Stormwater System - Pollution Prevention Compliance	1,422	-	286,578	-	288,000
Downtown Parking Lots Seal Coat & Restriping	44,481	43,346	12,173	-	100,000
Roadside Fire Fuel Reduction	-	-	250,000	-	250,000
Quito Road - Bridge Replacement	64,594	235,087	50,000	-	349,681
Hwy 17 Bicycle & Pedestrian Bridge-Design	-	767,100	179,110	522,314	1,468,524
Oak Meadow Bandstand Area Improvements	-	-	90,000	-	90,000
Town Plaza Turf Repairs	8,116	-	28,000	-	36,116
Charter Oaks Trail Repair Project	109	-	474,891	-	475,000
Open Space Trail Upgrades	-	-	152,000	-	152,000
Los Gatos Creek Trail to Highway 9 Trailhead Connector Project	91,038	174,284	104,958	928,687	1,298,967
Forbes Mill Footbridge Improvements	27,942	2,522	27,478	-	57,942
Vegetation Management - Town-wide	211,069	17,777	21,861	-	250,707
Lynne Ave Pedestrian Path Design	-	-	75,000	-	75,000
Parks Playground Fibar Project	75,736	19,000	30,264	25,000	150,000
Pinehurst Community Garden	-	15,000	20,000	-	35,000
Town Beautification	110,109	9,462	10,055	10,000	139,625
Public Art Gateway Project	25,000	25,000	7,000	-	57,000
Waterproofing Town-wide	53,204	-	21,796	-	75,000
ADA Restrooms and HR Offices	-	65,000	535,000	-	600,000
Civic Center Security Improvements	-	-	110,000	-	110,000
Adult Recreation Center- Floor Repair	-	-	200,000	-	200,000
Adult Recreation Center HVAC	-	-	160,000	150,000	310,000
Building Replacement at Corporation Yard	1,057,783	222,637	1,371,361	-	2,651,781
Engineering Document Archiving	47,576	43,876	-	-	91,452
Sound Mitigation in Library Lobby	-	-	22,000	-	22,000
Battery Power Supply - Library	-	-	30,000	-	30,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	183,000	-	183,000
Town-wide Document Imaging Project	198,011	-	16,990	-	215,000
Fire Suppression (Halon) for Server Rooms	70,378	47,727	26,291	-	144,396
Enterprise Resource Planning Upgrade	254,769	37,759	77,026	1,200,000	1,569,554
EOC Communications Upgrade	24,272	1,420	24,308	-	50,000
IT Disaster Recovery Improvements	78,980	40,000	81,020	-	200,000
<b>Total GFAR Carryforward Projects</b>	<b>\$ 20,926,338</b>	<b>\$ 6,245,273</b>	<b>\$ 13,511,686</b>	<b>\$ 6,042,941</b>	<b>\$ 46,726,238</b>

## CAPITAL IMPROVEMENT PROGRAM

### CARRYFORWARD CIP PROJECTS

FY 2022/23

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
<b>Traffic Mitigation Carryforward Projects</b>					
Hwy 17 Bicycle & Pedestrian Bridge-Design	\$ 147,249	\$ -	\$ -	\$ -	\$ 147,249
Traffic Signal Modernization	305,693	541,315	256,282	-	1,103,289
Bicycle & Pedestrian Improvements	41,350	-	33,650	-	75,000
Highway 17/9 Interchange and Capacity Improvements	-	-	600,000	-	600,000
<b>Total Traffic Mitigation Carryforward Projects</b>	<b>\$ 494,292</b>	<b>\$ 541,315</b>	<b>\$ 889,932</b>	<b>\$ -</b>	<b>\$ 1,925,538</b>
<b>Grants and Awards Carryforward Projects</b>					
Street Repair & Resurfacing	\$ -	\$ 230,000	\$ -	\$ -	\$ 230,000
Curb, Gutter & Sidewalk Maintenance	-	-	62,884	-	62,884
ADA Transition Plan	35,000	-	-	-	35,000
E. Main St. Speed Table/Raised Crosswalk	-	-	-	-	-
Local Road Safety Plan	27,558	44,442	-	-	72,000
Measure B Education & Encouragement	-	129	98,215	28,301	126,645
Shannon Road Class 1 Multi-use Path	-	-	1,114,350	-	1,114,350
Traffic Signal Modernization	337,597	735,439	446,626	-	1,519,662
Bicycle & Pedestrian Improvements	281,527	-	-	-	281,527
Winchester Boulevard Complete Streets (Final Design)	-	-	-	-	-
Winchester Class IV Bikeway	-	293,900	-	-	293,900
Kennedy Sidewalk - LGB to Englewood	-	-	-	138,740	138,740
Hwy 17 Bicycle & Pedestrian Bridge-Design	95,419	2,224,476	521,634	-	2,841,529
Battery Power Supply - Library	-	-	513,000	-	513,000
ADA Upgrade Public Restrooms - Adult Recreation Bldg.	51,882	35,000	43,979	-	130,861
Oak Meadow Bandstand Area Improvements	-	-	196,730	-	196,730
Charter Oaks Trail Repair Project	72,833	-	-	-	72,833
Trailhead Connector	338,024	4,976	-	4,800,000	5,143,000
<b>Total Grants and Awards Carryforward Projects</b>	<b>\$ 1,239,839</b>	<b>\$ 3,568,363</b>	<b>\$ 2,997,418</b>	<b>\$ 4,967,041</b>	<b>\$ 12,772,661</b>
<b>Storm Drain Carryforward Projects</b>					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
Annual Storm Drain Improvements	59,700	13,400	556,900	-	630,000
<b>Total Storm Drain Carryforward Projects</b>	<b>\$ 76,880</b>	<b>\$ 13,400</b>	<b>\$ 556,900</b>	<b>\$ -</b>	<b>\$ 647,180</b>
<b>Underground Utility Projects</b>					
Shannon Road Class 1 Multi-use Path	\$ 71,201	\$ -	\$ 48,003	\$ -	\$ 119,204
Utility Undergrounding Improvements	2,425	427	299,573	-	-
<b>Total Underground Utility Carryforward Projects</b>	<b>\$ 73,626</b>	<b>\$ 427</b>	<b>\$ 347,576</b>	<b>\$ -</b>	<b>\$ 119,204</b>
<b>Gas Tax Carryforward Projects</b>					
Street Repair & Resurfacing	\$ 9,643,291	\$ 868,215	\$ 1,676,425	\$ 1,497,689	\$ 13,685,620
<b>Total Gas Tax Carryforward Projects</b>	<b>\$ 9,643,291</b>	<b>\$ 868,215</b>	<b>\$ 1,676,425</b>	<b>\$ 1,497,689</b>	<b>\$ 13,685,620</b>
<b>Total of Carryforward Projects</b>	<b>\$ 32,454,266</b>	<b>\$ 11,236,993</b>	<b>\$ 19,979,937</b>	<b>\$ 12,507,671</b>	<b>\$ 75,876,442</b>

## CAPITAL IMPROVEMENT PROGRAM

The following schedule summarizes the new Capital Improvement projects and total of new funding for FY 2022/23. New projects are defined further in following fund sections.

### NEW CIP PROJECTS

#### FY 2022/23

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
<i>GFAR Projects</i>					
Belgatos Park Booster Pump Replacement	\$ -	\$ -	\$ -	40,000	\$ 40,000
<b><i>Total of New CIP Projects</i></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ 40,000</b>
<b><i>TOTAL OF CARRYFORWARD AND NEW CIP PROJECTS</i></b>	<b>\$ 32,454,266</b>	<b>\$ 11,236,993</b>	<b>\$ 19,979,937</b>	<b>\$ 12,547,671</b>	<b>\$ 75,916,442</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, \$6.7 million transfer in FY 2019/20, \$3.4 million transfer in FY 2020/21, and \$2.8 million transfer in FY2021/22. For FY 2022/23, a total transfer of \$6.6 million is adopted including \$3 million from the General Fund, 0.7 million from the Information Technology Fund, and \$2.9M ARPA General Fund replacement Revenue.

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

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 for Capital and Special Projects from FY 2022/23 through FY 2026/27. 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 Activities Mitigation 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 2022/23 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 2022/23 is \$683,680. 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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 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	\$ -
<i>Undesignated</i>	10,714,868	7,058,790	12,400,880	13,973,643	13,973,643	14,273,613
Total Beginning Fund Balance	12,175,078	8,519,000	13,861,090	15,433,853	15,433,853	14,273,613
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>ARPA Revenue Replacement</i>	-	-	-	-	-	2,900,000
<i>Intergovernmental</i>	188,475	1,516,438	201,732	2,004,346	570,497	750,497
<i>Town Services</i>	52,094	221,859	34,417	571,661	306,210	-
<i>Licenses &amp; Permits</i>	675,116	1,026,893	1,219,102	905,676	584,356	981,800
<i>Interest</i>	3,984	3,205	2,654	-	-	-
<i>Other Revenues</i>	709,458	232,983	1,874,907	1,110,755	646,892	116,000
Total Revenues	<b>1,629,127</b>	<b>3,001,378</b>	<b>3,332,812</b>	<b>4,592,438</b>	<b>2,107,955</b>	<b>4,748,297</b>
Transfers In						
<i>Transfer from General Fund</i>	2,335,220	6,982,591	3,401,479	2,801,047	3,421,424	3,006,978
<i>Transfer from Grant</i>	-	-	-	-	-	-
<i>Transfers from Building Maint</i>	50,000	788,000	-	-	-	-
<i>Transfer from MIS Fund</i>	300,000	-	-	-	-	700,000
<i>Transfer from Equip Replacement</i>	-	525,000	-	-	-	-
<i>Transfer from Storm Basin Funds</i>	-	30,000	-	-	-	-
Total Transfers In	<b>2,685,220</b>	<b>8,325,591</b>	<b>3,401,479</b>	<b>2,801,047</b>	<b>3,421,424</b>	<b>3,706,978</b>
Total Revenues & Transfers In	<b>4,314,347</b>	<b>11,326,969</b>	<b>6,734,291</b>	<b>7,393,485</b>	<b>5,529,379</b>	<b>8,455,275</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 16,489,425</b>	<b>\$ 19,845,969</b>	<b>\$ 20,595,381</b>	<b>\$ 22,827,338</b>	<b>\$ 20,963,232</b>	<b>\$ 22,728,888</b>
<b>USES OF FUNDS</b>						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ 31,085	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Grants</i>	-	-	-	1,498,776	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	7,552,809	5,567,263	4,712,827	19,009,125	6,272,003	8,982,941
Total Expenditures	<b>7,552,809</b>	<b>5,567,263</b>	<b>4,743,912</b>	<b>20,507,901</b>	<b>6,272,003</b>	<b>8,982,941</b>
Transfers Out						
<i>Transfers to General Fund</i>	417,616	417,616	417,616	417,616	417,616	417,616
<i>Transfer to SA Trust</i>	-	-	-	-	-	-
Total Transfers Out	<b>417,616</b>	<b>417,616</b>	<b>417,616</b>	<b>417,616</b>	<b>417,616</b>	<b>417,616</b>
Total Expenditures & Transfers Out	<b>7,970,425</b>	<b>5,984,879</b>	<b>5,161,528</b>	<b>20,925,517</b>	<b>6,689,619</b>	<b>9,400,557</b>
Ending Fund Balance						
<i>Designated for Parking</i>	1,460,210	1,460,210	1,460,210	1,460,210	-	-
<i>Undesignated</i>	7,058,790	12,400,880	13,973,643	441,611	14,273,613	13,328,331
Total Ending Fund Balance	8,519,000	13,861,090	15,433,853	1,901,821	14,273,613	13,328,331
<b>TOTAL USE OF FUNDS</b>	<b>\$ 16,489,425</b>	<b>\$ 19,845,969</b>	<b>\$ 20,595,381</b>	<b>\$ 22,827,338</b>	<b>\$ 20,963,232</b>	<b>\$ 22,728,888</b>

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

The following GFAR schedules identify projects completed, withdrawn, or not proceeding in FY 2022/23, projects carried forward into FY 2022/23, and new FY 2022/23 projects, as part of the FY 2022/23-2026/27 Capital Improvement Program:

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
<b>Completed or Withdrawn Projects</b>					
Outdoor Fitness Equipment	\$ 43,938	\$ -	\$ -	\$ -	\$ 43,938
Audio/Video System Upgrade	68,048	-	-	-	68,048
Guardrail Replacement Projects	139,959	-	-	-	139,959
Massol Intersection Improvements	425,703	10,728	-	-	436,430
<b>Total of Completed Projects</b>	<b>\$ 677,647</b>	<b>\$ 10,728</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 688,375</b>
<b>Carryforward Projects</b>					
Street Repair & Resurfacing	\$ 10,722,975	\$ 1,842,791	\$ 2,471,318	\$ 1,845,480	\$ 16,882,564
Annual Street Restriping	180,228	-	194,772	25,000	400,000
Traffic Calming Projects	202,315	13,549	229,135	10,000	455,000
Curb, Gutter & Sidewalk Maintenance	3,915,992	399,206	581,550	300,000	5,196,748
Retaining Wall Repairs	1,596,618	264	465,895	50,000	2,112,777
Shannon Road Repair	97,891	409,582	992,527	-	1,500,000
Parking Lot 4 Repair/Waterproofing	20,430	74,720	54,850	-	150,000
Shannon Road Repair	499,815	575,185	-	-	1,075,000
E. Main St. Speed Table/Raised Crosswalk	-	-	15,000	-	15,000
Local Road Safety Plan	-	8,000	20,000	-	28,000
VMT Mitigation Program	-	-	250,000	-	250,000
Measure B Education & Encouragement	11,700	48,300	-	-	60,000
Shannon Road Ped & Bikeway Improvements	104	126,521	53,375	50,000	230,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Traffic Signal Modernization	-	-	-	-	-
Bicycle & Pedestrian Improvements	258,476	-	231,524	-	490,000
Downtown Streetscape Revitalization	715,441	145,344	1,952,854	-	2,813,640
State Route 17 Corridor Congestion Relief Project	-	-	-	867,000	867,000
Winchester Boulevard Complete Streets (Final Design)	124,401	75,651	543,198	-	743,250
Blossom Hill Road Traffic Safety	42,678	5,733	276,590	-	325,000
Winchester Class IV Bikeway	92,686	595,868	-	-	688,553
Kennedy Sidewalk - LGB to Englewood	-	-	-	59,460	59,460
Parking Program Implementation	-	157,563	440,937	-	598,500
Stormwater System - Pollution Prevention Compliance	1,422	-	286,578	-	288,000
Downtown Parking Lots Seal Coat & Restriping	44,481	43,346	12,173	-	100,000
Roadside Fire Fuel Reduction	-	-	250,000	-	250,000
Quito Road - Bridge Replacement	64,594	235,087	50,000	-	349,681
Oak Meadow Bandstand Area Improvements	-	-	90,000	-	90,000
Town Plaza Turf Repairs	8,116	-	28,000	-	36,116
Charter Oaks Trail Repair Project	109	-	474,891	-	475,000
Open Space Trail Upgrades	-	-	152,000	-	152,000
Los Gatos Creek Trail to Highway 9 Trailhead Connector Project	91,038	174,284	104,958	928,687	1,298,967
Forbes Mill Footbridge Improvements	27,942	2,522	27,478	-	57,942
Vegetation Management - Town-wide	211,069	17,777	21,861	-	250,707
Lynne Ave Pedestrian Path Design	-	-	75,000	-	75,000
Parks Playground Fibar Project	75,736	19,000	30,264	25,000	150,000
Pinehurst Community Garden	-	15,000	20,000	-	35,000
Town Beautification	110,109	9,462	10,055	10,000	139,625
Public Art Gateway Project	25,000	25,000	7,000	-	57,000
Waterproofing Town-wide	53,204	-	21,796	-	75,000
ADA Restrooms and HR Offices	-	65,000	535,000	-	600,000
Civic Center Security Improvements	-	-	110,000	-	110,000
Adult Recreation Center- Floor Repair	-	-	200,000	-	200,000
Adult Recreation Center HVAC	-	-	160,000	150,000	310,000
Building Replacement at Corporation Yard	1,057,783	222,637	1,371,361	-	2,651,781
Engineering Document Archiving	47,576	43,876	-	-	91,452
Sound Mitigation in Library Lobby	-	-	22,000	-	22,000
Battery Power Supply - Library	-	-	30,000	-	30,000
ADA Upgrade for Public Restrooms - Rec Building	-	-	183,000	-	183,000
Town-wide Document Imaging Project	198,011	-	16,990	-	215,000
Fire Suppression (Halon) for Server Rooms	70,378	47,727	26,291	-	144,396
Enterprise Resource Planning Upgrade	254,769	37,759	77,026	1,200,000	1,569,554
EOC Communications Upgrade	24,272	1,420	24,308	-	50,000
IT Disaster Recovery Improvements	78,980	40,000	81,020	-	200,000
<b>Total of Carryforward Projects</b>	<b>\$ 20,926,338</b>	<b>\$ 6,245,273</b>	<b>\$ 13,511,686</b>	<b>\$ 6,042,941</b>	<b>\$ 46,726,238</b>

**CAPITAL IMPROVEMENT PROGRAM  
General Fund Appropriated Reserve**

<i>New Projects</i>										
Belgatos Park Booster Pump Replacement	\$	-	\$	-	\$	40,000	\$	40,000		
<b>Total of New Projects</b>	\$	-	\$	-	\$	<b>40,000</b>	\$	<b>40,000</b>		
<i>GFAR Funding Project Totals</i>										
	\$	21,603,985	\$	6,256,001	\$	13,511,686	\$	6,082,941	\$	47,454,613

**FY 2022/23 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 2022/23.

- 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. The majority of the proposed FY 2022/23 - 2026/27 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) range of 70-79, which is considered in “Good Category” (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 3-year moving average PCI dropped from 74 to 69 as recently as 2019. 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 73, with a rating of 75 expected in 2027. 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 2022/23 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 ADA assessment and evaluation of Town infrastructure in the public right-of-way was completed in 2022, which identified additional long-term budgetary needs for repairs and upgrades.

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

The current allocation for the ongoing Curb, Gutter, and Sidewalk maintenance project is between \$200,000 and \$300,000 annually, which funds mostly ADA compliant curb ramp upgrades needed for the pavement maintenance program. Additional annual funding would be required to address all ADA deficiencies identified in the public right-of-way.

*Operating Budget Impacts:* Project oversight by the Engineering staff has been incorporated into the engineering Program Services FY 2022/23 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 2022/23 Parks and Public Works departmental budget.

- **Blossom Hill Road Traffic Safety** – This project is for the design and construction of traffic safety improvements on Blossom Hill Road between Camellia Terrace and Cherrystone Drive that would include modifications to the Blossom Hill Road and Cherry Blossom Lane intersection and improvements to bike lanes, pedestrian accessibility and safety, and storm drainage. Preliminary design would be funded with local funds, and staff would actively seek external grant sources for final design and construction funding.

*Operating Budget Impacts:* Project design and oversight by the Engineering staff has been incorporated into the Engineering Program Services FY 2022/23 budget.

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

- **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 start in 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.

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, such as 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 Shannon Road Pedestrian and Bikeway Improvements, Blossom Hill Road Traffic Safety, and Kennedy Road Sidewalk and Bike Lanes from Los Gatos Boulevard to Englewood Avenue.

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, the CIP includes funding to implement an employee parking permit program, and wayfinding signage, and other parking programs for the downtown as a 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. The following several projects, planned for upcoming years, are now in the design and construction stages to correct the heavily travelled and congested roadway junctions to improve safety features and accommodate proper vehicular movement:

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

**CAPITAL IMPROVEMENT PROGRAM  
Traffic Mitigation Fund**

**FY 2022/23 KEY PROJECTS**

The following key projects are budgeted in FY 2022/23:

- **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 continue work on identifying alignment options for a new crossing and ongoing coordination with CalTrans.

*Operating Budget Impacts:* Engineering staff time for project management is addressed in the FY 2022/23 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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Deferred Revenue</i>	\$ 2,298,987	\$ 2,277,362	\$ 2,246,440	\$ 2,287,554	\$ 2,287,554	\$ 1,736,239
<i>Undesignated</i>	260,486	304,647	348,660	381,317	381,317	381,317
Total Beginning Fund Balance	2,559,473	2,582,009	2,595,100	2,668,871	2,668,871	2,117,556
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	-	-	-	-	-	-
<i>Interest</i>	44,161	44,013	32,658	-	-	-
<i>Other Revenues</i>	74,626	92,626	364,435	1,441,246	551,315	-
Total Revenues	118,787	136,639	397,093	1,441,246	551,315	-
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	118,787	136,639	397,093	1,441,246	551,315	-
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 2,678,260</b>	<b>\$ 2,718,648</b>	<b>\$ 2,992,193</b>	<b>\$ 4,110,117</b>	<b>\$ 3,220,186</b>	<b>\$ 2,117,556</b>
<b>USES OF FUNDS</b>						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	496	-	-	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	64,626	76,290	353,940	1,431,246	541,315	-
Total Expenditures	64,626	76,290	354,436	1,431,246	541,315	-
Transfers Out						
<i>Transfers to General Fund</i>	10,000	16,336	10,000	10,000	10,000	10,000
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
	-	-	-	-	-	-
Total Transfers Out	10,000	16,336	10,000	10,000	10,000	10,000
Total Expenditures & Transfers Out	74,626	92,626	364,436	1,441,246	551,315	10,000
Ending Fund Balance						
<i>Deferred Revenue</i>	2,277,362	2,246,440	2,287,554	846,308	1,736,239	1,736,239
<i>Undesignated</i>	304,647	348,660	381,317	381,317	381,317	371,317
Total Ending Fund Balance	2,582,009	2,595,100	2,668,871	1,227,625	2,117,556	2,107,556
<b>TOTAL USE OF FUNDS</b>	<b>\$ 2,656,635</b>	<b>\$ 2,687,726</b>	<b>\$ 3,033,307</b>	<b>\$ 2,668,871</b>	<b>\$ 2,668,871</b>	<b>\$ 2,117,556</b>

**CAPITAL IMPROVEMENT PROGRAM  
Traffic Mitigation Fund**

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
<b><i>Carryforward Projects</i></b>					
Hwy 17 Bicycle & Pedestrian Bridge-Design	\$ 147,249	\$ -	\$ -	\$ -	\$ 147,249
Traffic Signal Modernization	305,693	541,315	256,282	-	1,103,289
Bicycle & Pedestrian Improvements	41,350	-	33,650	-	75,000
Highway 17/9 Interchange and Capacity Improvements	-	-	600,000	-	600,000
					-
<b><i>Total of Carryforward Projects</i></b>	<b>\$ 494,292</b>	<b>\$ 541,315</b>	<b>\$ 889,932</b>	<b>\$ -</b>	<b>\$ 1,925,538</b>
<b><i>New Projects</i></b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b><i>Total of New Projects</i></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><i>Traffic Mitigation Funding Project Totals</i></b>	<b>\$ 494,292</b>	<b>\$ 541,315</b>	<b>\$ 889,932</b>	<b>\$ -</b>	<b>\$ 1,925,538</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, Parks and Water Bond Act of 2018 (Proposition 68), Santa Clara County 2016 Measure B, Transportation Fund for Clean Air (TFCA) Regional Fund, Vehicle Emissions Reduction Based at Schools (VERBS), Transportation Development Act (TDA) Article 3 Funds, , 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**

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

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(134,113)	(255,639)	(343,708)	(699,247)	(699,247)	(3,689,294)
Total Beginning Fund Balance	(134,113)	(255,639)	(343,708)	(699,247)	(699,247)	(3,689,294)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	257,968	394,876	342,973	7,887,549	1,136,360	5,437,041
<i>Town Services</i>	-	1,458	-	-	-	-
<i>Licenses &amp; Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<b>257,968</b>	<b>396,334</b>	<b>342,973</b>	<b>7,887,549</b>	<b>1,136,360</b>	<b>5,437,041</b>
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from Workers Comp</i>	-	-	-	35,000	-	-
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	-	-	<b>35,000</b>	-	-
Total Revenues & Transfers In	<b>257,968</b>	<b>396,334</b>	<b>342,973</b>	<b>7,922,549</b>	<b>1,136,360</b>	<b>5,437,041</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 123,855</b>	<b>\$ 140,695</b>	<b>\$ (735)</b>	<b>\$ 7,223,302</b>	<b>\$ 437,113</b>	<b>\$ 1,747,747</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>	379,494	484,403	698,512	7,869,300	4,126,407	4,967,041
Total Expenditures	<b>379,494</b>	<b>484,403</b>	<b>698,512</b>	<b>7,869,300</b>	<b>4,126,407</b>	<b>4,967,041</b>
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Grant Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	<b>379,494</b>	<b>484,403</b>	<b>698,512</b>	<b>7,869,300</b>	<b>4,126,407</b>	<b>4,967,041</b>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(255,639)	(343,708)	(699,247)	(645,998)	(3,689,294)	(3,219,294)
Total Ending Fund Balance	(255,639)	(343,708)	(699,247)	(645,998)	(3,689,294)	(3,219,294)
<b>TOTAL USE OF FUNDS</b>	<b>\$ 123,855</b>	<b>\$ 140,695</b>	<b>\$ (735)</b>	<b>\$ 7,223,302</b>	<b>\$ 437,113</b>	<b>\$ 1,747,747</b>

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

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

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
<b>Completed Projects</b>					
Guardrail Replacement Projects	\$ 221,799	\$ 558,045	\$ -	\$ -	\$ 779,844
<b>Total of Completed Projects</b>	<b>\$ 221,799</b>	<b>\$ 558,045</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 779,844</b>
<b>Carryforward Projects</b>					
Street Repair & Resurfacing	\$ -	\$ 230,000	\$ -	\$ -	\$ 230,000
Curb, Gutter & Sidewalk Maintenance	-	-	62,884	-	62,884
ADA Transition Plan	35,000	-	-	-	35,000
E. Main St. Speed Table/Raised Crosswalk	-	-	-	-	-
Local Road Safety Plan	27,558	44,442	-	-	72,000
Measure B Education & Encouragement	-	129	98,215	28,301	126,645
Shannon Road Class 1 Multi-use Path	-	-	1,114,350	-	1,114,350
Traffic Signal Modernization	337,597	735,439	446,626	-	1,519,662
Bicycle & Pedestrian Improvements	281,527	-	-	-	281,527
Winchester Boulevard Complete Streets (Final Design)	-	-	-	-	-
Winchester Class IV Bikeway	-	293,900	-	-	293,900
Kennedy Sidewalk - LGB to Englewood	-	-	-	138,740	138,740
Hwy 17 Bicycle & Pedestrian Bridge-Design	95,419	2,224,476	521,634	-	2,841,529
Battery Power Supply - Library	-	-	513,000	-	513,000
ADA Upgrade Public Restrooms - Adult Recreation Bldg.	51,882	35,000	43,979	-	130,861
Oak Meadow Bandstand Area Improvements	-	-	196,730	-	196,730
Charter Oaks Trail Repair Project	72,833	-	-	-	72,833
Trailhead Connector	338,024	4,976	-	4,800,000	5,143,000
<b>Total of Carryforward Projects</b>	<b>\$ 1,239,839</b>	<b>\$3,568,363</b>	<b>\$ 2,997,418</b>	<b>\$ 4,967,041</b>	<b>\$12,772,661</b>
<b>New Projects</b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total of New Projects</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grant and Awards Project Totals:</b>	<b>\$ 1,461,638</b>	<b>\$4,126,408</b>	<b>\$ 2,997,418</b>	<b>\$ 4,967,041</b>	<b>\$13,552,506</b>

**FY 2022/23 KEY PROJECTS**

The following Capital Improvement Plan projects are funded with grant funding and are expected to be Key Projects in FY 2022/23:

- **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 2022/23 Operating Budget.

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

- **Trailhead Connector Project** – This project will fund the design and construction of a trailhead connection for Los Gatos Creek Trail to Highway 9. The project is ‘shovel ready’ 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 2022/23 Operating Budget with additional temporary staffing required to deliver the project included in the project budget.

- **Highway 17 Bicycle and Pedestrian Bridge Design** – Acknowledging the challenge for bicycles and pedestrians to cross Highway 17, this project will continue work on identifying alignment options for a new crossing and ongoing coordination with CalTrans. This is the suggested path included in the Safe Routes to School Phase 1 Study and the feasibility study for the project.

*Operating Budget Impacts:* Engineering staff time for project management is addressed in the FY 2022/23 Operating Budget.

- **Shannon Road Pedestrian and Bikeway Improvements** – This project will fund the sidewalk and bikeway improvements on Shannon Road between Los Gatos Boulevard and Cherry Blossom Lane. The grant funds will supplement the construction cost of the project. Local funds are used to fund the design phase.

*Operating Budget Impacts:* Engineering staff time for project management is addressed in the FY 2022/23 Operating Budget.

- **Kennedy Road Sidewalks and Bike Lanes** – LGB to Englewood – This project will fund the design and construction of sidewalks and bike lanes on Kennedy Road between Los Gatos Boulevard and Englewood Avenue. Measure B funds will supplement the costs for design and construction.

*Operating Budget Impacts:* Engineering staff time for project management is addressed in the FY 2022/23 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 2022/23 KEY PROJECTS

Annual Storm Drain Improvements is scheduled for FY 2022/23, and Hernandez Avenue Storm Drain Improvements is scheduled for FY 2024/25.

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

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	809,379	932,418	1,034,523	1,078,288	1,078,288	1,135,468
Total Beginning Fund Balance	809,379	932,418	1,034,523	1,078,288	1,078,288	1,135,468
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	121,427	95,259	30,212	45,000	52,510	45,000
<i>Interest</i>	1,612	16,846	13,553	4,670	4,670	4,680
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<b>123,039</b>	<b>112,105</b>	<b>43,765</b>	<b>49,670</b>	<b>57,180</b>	<b>49,680</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>123,039</b>	<b>112,105</b>	<b>43,765</b>	<b>49,670</b>	<b>57,180</b>	<b>49,680</b>
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 932,418</b>	<b>\$ 1,044,523</b>	<b>\$ 1,078,288</b>	<b>\$ 1,127,958</b>	<b>\$ 1,135,468</b>	<b>\$ 1,185,148</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>	-	-	-	200,000	-	-
Total Expenditures	-	-	-	<b>200,000</b>	-	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to GFAR</i>	-	10,000	-	-	-	-
Total Transfers Out	-	<b>10,000</b>	-	-	-	-
Total Expenditures & Transfers Out	-	<b>10,000</b>	-	<b>200,000</b>	-	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	932,418	1,034,523	1,078,288	927,958	1,135,468	1,185,148
Total Ending Fund Balance	932,418	1,034,523	1,078,288	927,958	1,135,468	1,185,148
<b>TOTAL USE OF FUNDS</b>	<b>\$ 932,418</b>	<b>\$ 1,044,523</b>	<b>\$ 1,078,288</b>	<b>\$ 1,127,958</b>	<b>\$ 1,135,468</b>	<b>\$ 1,185,148</b>

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

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	1,752,775	1,800,549	1,853,118	1,968,245	1,968,245	2,090,579
Total Beginning Fund Balance	1,752,775	1,800,549	1,853,118	1,968,245	1,968,245	2,090,579
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	44,657	31,188	90,442	45,000	126,804	45,000
<i>Interest</i>	3,117	31,381	24,685	8,930	8,930	9,520
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	47,774	62,569	115,127	53,930	135,734	54,520
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	47,774	62,569	115,127	53,930	135,734	54,520
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 1,800,549</b>	<b>\$ 1,863,118</b>	<b>\$ 1,968,245</b>	<b>\$ 2,022,175</b>	<b>\$ 2,103,979</b>	<b>\$ 2,145,099</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>	-	-	-	200,000	13,400	-
Total Expenditures	-	-	-	200,000	13,400	-
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	-	200,000	13,400	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	1,800,549	1,853,118	1,968,245	1,822,175	2,090,579	2,145,099
Total Ending Fund Balance	1,800,549	1,853,118	1,968,245	1,822,175	2,090,579	2,145,099
<b>TOTAL USE OF FUNDS</b>	<b>\$ 1,800,549</b>	<b>\$ 1,863,118</b>	<b>\$ 1,968,245</b>	<b>\$ 2,022,175</b>	<b>\$ 2,103,979</b>	<b>\$ 2,145,099</b>

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

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(76,153)	(104,406)	(127,361)	(128,229)	(128,840)	(155,453)
Total Beginning Fund Balance	(76,153)	(104,406)	(127,361)	(128,229)	(128,840)	(155,453)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	2,864	24	774	2,500	795	2,500
<i>Interest</i>	(1,417)	(1,979)	(1,642)	(1,560)	(1,560)	(1,620)
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	1,447	(1,955)	(868)	940	(765)	880
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	1,447	(1,955)	(868)	940	(765)	880
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ (74,706)</b>	<b>\$ (106,361)</b>	<b>\$ (128,229)</b>	<b>\$ (127,289)</b>	<b>\$ (129,605)</b>	<b>\$ (154,573)</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>	29,700	11,000	611	259,447	25,848	-
Total Expenditures	29,700	11,000	611	259,447	25,848	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to GFAR</i>	-	10,000	-	-	-	-
Total Transfers Out	-	10,000	-	-	-	-
Total Expenditures & Transfers Out	29,700	21,000	611	259,447	25,848	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(104,406)	(127,361)	(128,840)	(386,736)	(155,453)	(154,573)
Total Ending Fund Balance	(104,406)	(127,361)	(128,840)	(386,736)	(155,453)	(154,573)
<b>TOTAL USE OF FUNDS</b>	<b>\$ (74,706)</b>	<b>\$ (106,361)</b>	<b>\$ (128,229)</b>	<b>\$ (127,289)</b>	<b>\$ (129,605)</b>	<b>\$ (154,573)</b>

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

	<u>Est Exp Prior To FY 2021/22</u>	<u>Expenditures During FY 2021/22</u>	<u>Estimated Carryforward</u>	<u>New Funding FY 2022/23</u>	<u>Total Budgeted</u>
<b>Completed Projects</b>					
Bicknell Road Storm Drain Improvements	\$ 157,043	\$ 25,848	\$ -	\$ -	\$ 182,891
<b>Total of Completed Projects</b>	<b>\$ 157,043</b>	<b>\$ 25,848</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 182,891</b>
<b>Carryforward Projects</b>					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
Annual Storm Drain Improvements	59,700	13,400	556,900	-	630,000
<b>Total of Carryforward Projects</b>	<b>\$ 76,880</b>	<b>\$ 13,400</b>	<b>\$ 556,900</b>	<b>\$ -</b>	<b>\$ 647,180</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>\$ 233,923</b>	<b>\$ 39,248</b>	<b>\$ 556,900</b>	<b>\$ -</b>	<b>\$ 830,071</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 Improvements (along Los Gatos Boulevard from Lark Avenue to Chirco Drive) funded the Pacific Gas and Electric Company's (PG&E) Rule 20A credits accumulated from electrical rates collected for the Town will be completed in summer 2022. This corridor with a heavy concentration of overhead electric lines in areas used extensively by the general public was nominated by the Town to PG&E. 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 \$3.3 million at FY 2021/22 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 and other overhead utility companies will complete the Rule 20A utility undergrounding project on Los Gatos Boulevard between Lark Avenue and Chirco Drive in winter 2023.

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,997,984	3,079,685	3,118,174	3,201,312	3,201,312	3,257,937
Total Beginning Fund Balance	2,997,984	3,079,685	3,118,174	3,201,312	3,201,312	3,257,937
Revenues						
<i>Other Taxes</i>	28,390	34,437	67,146	30,000	34,562	30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	-	-	-	-	-	-
<i>Interest</i>	53,311	53,052	40,618	22,490	22,490	22,490
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	81,701	87,489	107,764	52,490	57,052	52,490
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	81,701	87,489	107,764	52,490	57,052	52,490
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 3,079,685</b>	<b>\$ 3,167,174</b>	<b>\$ 3,225,938</b>	<b>\$ 3,253,802</b>	<b>\$ 3,258,364</b>	<b>\$ 3,310,427</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>	-	49,000	24,626	348,003	427	-
Total Expenditures	-	49,000	24,626	348,003	427	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replacemnt</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	49,000	24,626	348,003	427	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	3,079,685	3,118,174	3,201,312	2,905,799	3,257,937	3,310,427
Total Ending Fund Balance	3,079,685	3,118,174	3,201,312	2,905,799	3,257,937	3,310,427
<b>TOTAL USE OF FUNDS</b>	<b>\$ 3,079,685</b>	<b>\$ 3,167,174</b>	<b>\$ 3,225,938</b>	<b>\$ 3,253,802</b>	<b>\$ 3,258,364</b>	<b>\$ 3,310,427</b>



**CAPITAL IMPROVEMENT PROGRAM  
Utility Underground Fund**

	Est Exp Prior To FY 2021/22	Expenditures During FY 2021/22	Estimated Carryforward	New Funding FY 2022/23	Total Budgeted
<b><i>Carryforward Projects</i></b>					
Shannon Road Class 1 Multi-use Path	\$ 71,201	\$ -	\$ 48,003	\$ -	\$ 119,204
Utility Undergrounding Improvements	2,425	427	299,573	-	302,425
<b><i>Total of Carryforward Projects</i></b>	<b>\$ 73,626</b>	<b>\$ 427</b>	<b>\$ 347,576</b>	<b>\$ -</b>	<b>\$ 421,629</b>
<b><i>New Projects</i></b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b><i>Total of New Projects</i></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><i>Total of Utility Underground Projects</i></b>	<b># \$ 73,626</b>	<b>\$ 427</b>	<b>\$ 347,576</b>	<b>\$ -</b>	<b>\$ 421,629</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 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 \$1.6 million for FY 2022/23 reflecting the recently enacted Road Recovery and Repair Act of 2017 (SB1). The ongoing Street Repair and Resurfacing project was carried forward from FY202/22, as is typical. There are no new Gas Tax funded projects scheduled for FY 2022/23.

**BUDGET OVERVIEW**

STATEMENT OF SOURCE AND USE OF FUNDS

	2018/19 Actuals	2019/20 Actuals	2020/21 Actuals	2021/22 Adopted	2021/22 Estimated	2022/23 Adopted
<b>SOURCES OF FUNDS</b>						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	703,148	853,819	290,369	1,425,094	1,425,094	1,898,588
Total Beginning Fund Balance	703,148	853,819	290,369	1,425,094	1,425,094	1,898,588
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	1,195,069	1,249,696	1,273,788	1,400,594	1,446,438	1,602,354
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses &amp; Permits</i>	-	-	-	-	-	-
<i>Interest</i>	22,483	12,238	10,178	1,271	1,271	1,335
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	1,217,552	1,261,934	1,283,966	1,401,865	1,447,709	1,603,689
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	1,217,552	1,261,934	1,283,966	1,401,865	1,447,709	1,603,689
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$ 1,920,700</b>	<b>\$ 2,115,753</b>	<b>\$ 1,574,335</b>	<b>\$ 2,826,959</b>	<b>\$ 2,872,803</b>	<b>\$ 3,502,277</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>	960,881	1,719,384	43,241	2,544,576	868,215	1,497,689
Total Expenditures	960,881	1,719,384	43,241	2,544,576	868,215	1,497,689
Transfers Out						
<i>Transfers to General Fund</i>	106,000	106,000	106,000	106,000	106,000	106,000
<i>Transfers to Equip Replacement</i>	-	-	-	-	-	-
Total Transfers Out	106,000	106,000	106,000	106,000	106,000	106,000
Total Expenditures & Transfers Out	1,066,881	1,825,384	149,241	2,650,576	974,215	1,603,689
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	853,819	290,369	1,425,094	176,383	1,898,588	1,898,588
Total Ending Fund Balance	853,819	290,369	1,425,094	176,383	1,898,588	1,898,588
<b>TOTAL USE OF FUNDS</b>	<b>\$ 1,920,700</b>	<b>\$ 2,115,753</b>	<b>\$ 1,574,335</b>	<b>\$ 2,826,959</b>	<b>\$ 2,872,803</b>	<b>\$ 3,502,277</b>

**CAPITAL IMPROVEMENT PROGRAM  
Gas Tax Fund**

	Est Exp Prior To <u>FY 2021/22</u>	Expenditures During <u>FY 2021/22</u>	Estimated Carryforward	New Funding <u>FY 2022/23</u>	Total Budgeted
<b><i>Carryforward Projects</i></b>					
Street Repair & Resurfacing	\$ 9,643,291	\$ 868,215	\$ 1,676,425	\$ 1,497,689	\$ 13,685,620
					-
<b><i>Total of Carryforward Projects</i></b>	<b>\$9,643,291</b>	<b>\$ 868,215</b>	<b>\$1,676,425</b>	<b>\$1,497,689</b>	<b>\$ 13,685,620</b>
<b><i>New Projects</i></b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b><i>Total of New Projects</i></b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><i>Total of Gas Tax Projects</i></b>	<b>\$9,643,291</b>	<b>\$ 868,215</b>	<b>\$1,676,425</b>	<b>\$1,497,689</b>	<b>\$ 13,685,620</b>

**FY 2022/23 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.