

Capital Improvement Program

PROGRAM PURPOSE

The Fiscal Year (FY) 2016/17-2020/21 Capital Improvement Program (CIP) is a comprehensive five-year capital improvement plan designed to identify projects to develop and maintain the Town's infrastructure, which is consistent with the Town Council Core Goals of maintaining the condition and availability of public facilities and transportation systems. Guidance for developing priorities for capital improvement projects is also derived from key plans, including the General Plan and the Council's Strategic Priorities. Input from Town boards and commissions also contributed to the development of the CIP.

In September 2015, the Town Council reaffirmed its Core Goals and established the 2015-17 Strategic Priorities. The Town Council identified several new Strategic Priorities that guide the capital budget priorities in the future, including Almond Grove Street Rehabilitation Project funding, significant work in the area of downtown parking, traffic and parking around the schools, and other capital initiatives. Progress in terms of percent complete for the FY 2014-16 and the FY 2015-17 key Strategic Priorities is summarized below and on page A-11.

Strategic Priorities FY 2014-2016 (Percent Complete)

- Phase I of Almond Grove Streets Project (75%)
- Planned Development Policies & Procedures (75%)
- Facilitate Privately-led Effort to Address Downtown Parking (25%)
- Diversity of Businesses in the Downtown (60%)
- Funding Mechanisms to Provide Ongoing Street Maintenance Funding (50%)
- Complete Streets Policy Implementation Plan/Bicycle Pedestrian Master Plan (10%)

Strategic Priorities FY 2015-2017 (Percent Complete)

- Almond Grove Street Project Funding (95%)
- Transportation and Parking Around Schools (35%)
- Downtown Parking (10%)

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

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

☞ CAPITAL IMPROVEMENT PROGRAM ☞

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

The Utility Undergrounding Fund is another funding source utilized in the Streets Program. This fund accrues construction tax revenue of 18 cents charged for each square foot of building addition or alteration within the town. This revenue is used for projects relocating overhead utility lines underground in the effort to improve power reliability, reduce utility maintenance costs, and remove unsightly poles and lines. Utility Underground projects may also be funded by Pacific Gas and Electric Company's (PG&E) Rule 20A funds.

Projects which will eliminate a heavy concentration of overhead electric lines in areas used extensively by the general public are nominated by the Town to PG&E. Approved projects are then funded through the Town's allocation of Rule 20A funds, which are tariffs accumulated by PG&E as a percentage of electric bills. The Town's allocation typically is in the range of \$60,000-\$100,000 annually.

- ***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, New Library Facility, New Museum Los Gatos, Tait Avenue and Forbes Mill Museums, and partial service to the Adult and Youth Recreation Center, which are Town-owned building leased to Los Gatos-Saratoga Community Education and Recreation. There is no designated funding for this program, and any allocations generally come from General Fund prior year savings or grant funds applied to qualified improvements, such as Community Development Block Grant funds for Americans with Disabilities Act (ADA) improvements.
- ***The Parks Program*** includes projects for parks, park buildings, urban forestry, and urban 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 state park bond funds. Park projects may, on occasion, include community volunteer services for minor construction and clean-up projects.

PROGRAM PROCESS

A CIP project includes 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 attempts to identify all capital maintenance, facilities, and improvements needed within the next five years, with cost estimates based on current year dollars. Estimates for carry-forward projects are updated as necessary to a recent engineer's estimate based on current design specifications. Equipment, operating, and maintenance costs incurred as an outcome of CIP projects are identified and included in the Operating Budget.

Under direction from the Town Manager's Office, the Parks and Public Works Department led the preparation of project proposals for consideration in the current Capital Improvement Program (reflected in detail in a separate document). In coordination with other Town departments, capital improvement

☞ CAPITAL IMPROVEMENT PROGRAM ☜

projects and funding sources were reviewed and prioritized to ensure the Town's priorities were addressed and in conjunction with the preparation of the Operating Budget. The proposed CIP Budget is then presented to the Planning Commission for review to ensure that the projects are consistent with the Town's General Plan, and to the Town Council for final approval.

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

SUMMARY OF CIP REVENUES AND EXPENDITURES

	2012/13	2013/14	2014/15	2015/16	2015/16	2016/17
	Actuals	Actuals	Actuals	Adopted	Estimated	Adopted
REVENUES						
<i>Other Taxes</i>	\$ 53,845	\$ 116,020	\$ 135,959	\$ 30,000	\$ 30,000	\$ 30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	1,521,264	1,603,068	1,739,636	817,623	1,631,224	1,365,843
<i>Town Services</i>	-	13,800	-	-	-	-
<i>Licenses & Permits</i>	635,077	956,780	1,230,069	621,000	618,500	545,500
<i>Interest</i>	20,668	135,996	(4,375)	41,120	51,120	52,380
<i>Other Revenues</i>	2,709,125	646,998	668,952	968,000	782,572	1,062,869
TOTAL REVENUES	4,939,979	3,472,662	3,770,241	2,477,743	3,113,416	3,056,592
Transfers In						
<i>Operating Transfers</i>	2,218,785	3,058,013	8,411,057	670,000	756,746	9,929,973
Total Transfers In	2,218,785	3,058,013	8,411,057	670,000	756,746	9,929,973
Total Revenues & Transfers In	\$ 7,158,764	\$ 6,530,675	\$ 12,181,298	\$ 3,147,743	\$ 3,870,162	\$ 12,986,565
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	10,662	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	6,165,811	3,706,400	3,639,640	5,474,126	12,282,993	14,782,752
TOTAL EXPENDITURES	6,165,811	3,706,400	3,639,640	5,474,126	12,293,655	14,782,752
Transfers Out						
<i>Operating Transfers</i>	1,523,029	213,382	219,933	315,808	807,673	315,808
Total Transfers Out	1,523,029	213,382	219,933	315,808	807,673	315,808
Total Expenditures & Transfers Out	\$ 7,688,840	\$ 3,919,782	\$ 3,859,573	\$ 5,789,934	\$ 13,101,328	\$ 15,098,560

∞ CAPITAL IMPROVEMENT PROGRAM ∞

The following schedule summarizes the Capital Improvement projects completed or withdrawn in FY 2015/16:

**COMPLETED OR WITHDRAWN CIP PROJECTS
FY 2015/16**

	Est Exp Prior To FY 2015/16	Expenditures During FY 2015/16	Total Budgeted
<i>GFAR Projects</i>			
Cartograph System Updates	\$ 40,003	\$ 5,763	\$ 45,766
PPW Building Improvement	-	16,302	16,302
Town Digital Aerial Photo/Topographic Map	-	32,187	32,187
Youth Recreation Center - Cable & Control System Repa	-	25,000	25,000
Civic Center Imp (Noise)	-	25,000	25,000
<i>Traffic Mitigation Projects</i>			
Town Digital Aerial Photo/Topographic Map		25,142	25,142
<i>Grants and Awards Projects</i>			
Cartograph System Updates	18,000		18,000
<i>Storm Drain Projects</i>			
Frank Avenue Storm Drain	-	94,270	94,270
<i>Underground Utility Projects</i>			
<i>Gas Tax Projects</i>			
	-	-	-
<i>Total of Completed and Withdrawn Projects</i>	\$ 58,003	\$ 223,664	\$ 281,667

☞ CAPITAL IMPROVEMENT PROGRAM ☜

The following schedule summarizes the Capital Improvement projects continuing into FY 2016/17. Continuing projects are defined further in following fund sections.

**CARRYFORWARD CIP PROJECTS
FY 2016/17**

	Est Exp Prior To FY 2015/16	Expenditures During FY 2015/16	Estimated Carryforward	New Funding FY 2016/17	Total Budgeted
<i>GFAR Carryforward Projects</i>					
Open Space Trail Upgrades	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000
Parks Playground Fibar Project	26,413	16,086	32,501	-	75,000
Plaza Park Improvements	-	9,220	27,780	-	37,000
Blossom Hill Park Restroom Building Upgrades	-	-	40,000	-	40,000
Park Rehabilitation - Bachman Park	-	-	325,000	-	325,000
Los Gatos Creek Trail Improvements at Charter Oaks	-	-	-	-	-
Worcester Park	-	-	-	-	-
Blossom Hill Park Little League Backstop	-	-	50,000	60,000	110,000
HVAC Upgrades - Old Library	643,379	-	-	-	643,379
Town Beautification Projects	87,593	-	-	-	87,593
Audio/Video System Upgrade	52,440	-	58,160	-	110,600
Information System Upgrade	392,341	640	82,019	-	475,000
Tiburon CAD/RMS Upgrade	28,000	-	42,000	-	70,000
Town-wide Document Imaging Project	193,225	4,785	16,990	-	215,000
Building Replacement at Corporation Yard	-	11,557	208,443	-	220,000
Old Library Re-use Project	891,934	157,269	28,286	-	1,077,489
Former Library Roof Improvements	-	-	90,000	-	90,000
Fuel System Enhancement	-	-	75,000	-	75,000
Police Interoperability Radio Project	-	-	150,000	-	150,000
Engineering Document Archiving	-	907	39,093	20,000	60,000
Civic Center Energy Assessment	-	-	25,000	-	25,000
PPW Interoperability Radio Project	-	-	150,000	-	150,000
Silicon Valley Interoperability Project (SVRIP) Service Fee	-	129,600	23,276	152,876	305,752
Civic Center Improvements	-	-	-	-	-
Energy Efficiency Upgrade - Town-wide	-	-	-	25,000	25,000
Street Repair & Resurfacing	3,680,294	308	385,933	900,000	4,966,535
Annual Street Restriping	153,998	-	71,002	25,000	250,000
Quito Road - Bridge Replacement	32,038	64,594	235,087	-	331,719
Traffic Calming Projects	127,848	4,211	22,941	10,000	165,000
Curb, Gutter & Sidewalk Maintenance	1,425,616	223,195	351,264	250,000	2,250,075
Pavement Rehabilitation-Crack Seal	195,500	21	514,107	160,000	869,628
Retaining Wall Repairs	897,945	296,339	243,304	100,000	1,537,588
Almond Grove Street Rehabilitation	299,833	47,238	5,803,081	10,938,007	17,088,159
Hillside Road Repair & Resurfacing	138,804	20,557	88,563	-	247,924
Guardrail Replacement Projects	129,858	-	100,143	-	230,001
Electrical Panel Replacement on Pageant Way	-	-	45,000	-	45,000
Traffic Around Schools	-	-	78,794	-	78,794
224 W. Main Street Property Acquisition (Parking Lot 6)	4,000	-	1,196,000	-	1,200,000
Downtown Parking Lots Seal Coat & Restriping	-	-	100,000	-	100,000
Monument Control Network Update	-	-	20,000	-	20,000
Downtown Parking Signs Enhancements	-	-	-	-	-
Shannon/LGB/Cherry Blossom Sidewalk Improvements	-	104	129,896	-	130,000
Stonybrook & Kennedy Sidewalk Improvements	-	12,808	287,192	-	300,000
Parking Lot 4	-	-	-	-	-
Intersection Safety & Traffic Flow Improvements	28,696	10,000	11,304	-	50,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Crosswalk Lighting Upgrade	-	-	50,000	-	50,000
Crosswalk Improvements at Santa Cruz/Blossom Hill	-	-	60,000	-	60,000
Pageant Way Parking Lot Reconstruction	-	-	175,550	-	175,550
Montebello Way Island Removal	-	-	-	-	-
LED Streetlights	-	-	504,648	-	504,648
Bicycle & Pedestrian Master Plan	-	-	7,500	-	7,500
Total GFAR Carryforward Projects	\$ 9,429,757	\$ 1,009,440	\$ 12,254,856	\$ 12,640,883	\$ 35,334,936

☞ CAPITAL IMPROVEMENT PROGRAM ☛

CARRYFORWARD CIP PROJECTS
FY 2016/17

	Est Exp Prior To FY 2015/16	Expenditures During FY 2015/16	Estimated Carryforward	New Funding FY 2016/17	Total Budgeted
<i>Traffic Mitigation Carryforward Projects</i>					
Hwy 9/University Intersection	\$ 786,738	\$ -	\$ -	\$ -	\$ 786,738
Winchester Blvd. / Lark Ave. Intersection	44,884	489,377	316,194	-	850,455
Crosswalk Lighting Upgrade	-	15,371	34,629	-	50,000
Blossom Hill Rd/Cherry Ln Intersection	-	-	500,000	-	500,000
Los Gatos Blvd / Shannon Improvements	-	-	20,000	-	20,000
Crosswalk Add - Santa Cruz Ave	-	-	50,000	-	50,000
Monument Control Network Update	-	-	10,000	-	10,000
Bicycle & Pedestrian Master Plan	-	-	72,500	-	72,500
Cut-Through Traffic Mitigation	-	-	215,000	-	215,000
Intersection Safety & Traffic Flow Imp	-	31,962	8,038	-	40,000
<i>Total Traffic Mitigation Carryforward Projects</i>	\$ 831,622	\$ 536,710	\$ 1,226,361	\$ -	\$ 2,594,693
<i>Grants and Awards Carryforward Projects</i>					
Hillside Road Repair & Resurfacing	\$ -	\$ 139,000	\$ -	\$ -	\$ 139,000
Hwy 9/University Intersection	180,225	202,238	-	-	382,463
Public Access Infrastructure Improvement Projects	-	77,952	-	70,000	147,952
Bicycle & Pedestrian Master Plan	-	-	40,000	-	40,000
<i>Total Grants and Awards Carryforward Projects</i>	\$ 180,225	\$ 419,190	\$ 40,000	\$ 70,000	\$ 709,415
<i>Storm Drain Carryforward Projects</i>					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
<i>Total Storm Drain Carryforward Projects</i>	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
<i>Underground Utility Projects</i>					
PG&E Undergrounding	\$ -	\$ -	\$ 28,000	\$ 42,000	
<i>Total Underground Utility Carryforward Projects</i>	\$ -	\$ -	\$ 28,000	\$ 42,000	\$ -
<i>Gas Tax Carryforward Projects</i>					
Street Repair & Resurfacing	\$ 4,705,435	\$ 1,389,214	\$ -	\$ 550,000	\$ 6,644,649
<i>Total Gas Tax Carryforward Projects</i>	\$ 4,705,435	\$ 1,389,214	\$ -	\$ 550,000	\$ 6,644,649
<i>Total of Carryforward Projects</i>	\$ 15,164,218	\$ 3,354,554	\$ 13,549,217	\$ 13,302,883	\$ 45,300,872

∞ CAPITAL IMPROVEMENT PROGRAM ∞

The following schedule summarizes the new Capital Improvement projects and total of new funding for FY 2016/17. New projects are defined further in following fund sections.

NEW CIP PROJECTS						
FY 2016/17						
	Est Exp	Expenditures		New		
	Prior To	During	Estimated	Funding	Total	
	FY 2015/16	FY 2015/16	Carryforward	FY 2016/17	Budgeted	
<i>GFAR Projects</i>						
Tennis Courts Repairs - Various Town Parks	\$ -	\$ -	\$ -	\$ 140,000	\$ 140,000	
Exterior Lighting Replacement - Civic Center	-	-	-	25,000	25,000	
Civic Center Fountain Modification	-	-	-	33,135	33,135	
Intelligent Parking Infrastructure	-	-	-	427,000	427,000	
Green Bike Lanes	-	-	-	75,958	75,958	
Forbes Mill Bridge Project	-	-	10,160	25,907	36,067	
<i>Traffic Mitigation Projects</i>						
Traffic Signal Modernization	\$ -	\$ -	\$ -	\$ 177,869	\$ 177,869	
<i>Grants and Awards Projects</i>						
Traffic Signal Modernization	\$ -	\$ -	\$ -	\$ 75,000	\$ 75,000	
Intelligent Parking Infrastructure	-	-	-	500,000	500,000	
<i>Storm Drain Projects</i>						
	\$ -	\$ -	\$ -	\$ -	\$ -	
<i>Underground Utilities Projects</i>						
	\$ -	\$ -	\$ -	\$ -	\$ -	
<i>Gas Tax Projects</i>						
	\$ -	\$ -	\$ -	\$ -	\$ -	
<i>Total of New CIP Projects</i>	\$ -	\$ -	\$ 10,160	\$ 1,479,869	\$ 1,490,029	
TOTAL OF CARRYFORWARD AND NEW CIP PROJECTS	\$ 15,164,218	\$ 3,354,554	\$ 13,559,377	\$ 14,782,752	\$ 46,790,900	



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 revenue stream for capital improvements. Because of the availability of General Fund "one-time" funding sources identified and allocated at the January 2013 Council study session on capital priorities, a General Fund transfer to the GFAR fund was recommended in the amount of \$2.7 million for FY 2013/14 and an additional "one-time" source allocation of \$6.6 million was scheduled for FY 2014/15. During FY 2015/16 a significant amount of funding was set aside from reserve and from year-end savings to provide funding for the Almond Grove Street Rehabilitation project. After these allocations, sufficient balances are anticipated for the remaining years of the plan to allocate approximately \$400,000 from the General Fund Reserve for Capital and Special Projects from FY 2016/17 through FY 2020/21.

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

Pursuant to Article III of Chapter 15 of the Town Code, the Town collects construction impact fees in support of road construction and maintenance projects throughout the town. Article IX of Chapter 15 authorized the establishment of three special fund accounts known as Construction Impact #1, Construction Impact #2, and Construction Impact #3. Beginning in FY 1998/99, these fees were deposited directly into GFAR for use in the Street Resurfacing Program. Total construction impact fees of \$80,000 are budgeted for FY 2016/17 consistent with prior year revenues and projected building trends.

CAPITAL IMPROVEMENT PROGRAM
General Fund Appropriated Reserve

STATEMENT OF SOURCE AND USE OF FUNDS

	2012/13 Actuals	2013/14 Actuals	2014/15 Actuals	2015/16 Adopted	2015/16 Estimated	2016/17 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated for Parking</i>	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210	\$ 1,460,210
<i>Undesignated</i>	5,751,776	5,152,915	6,842,116	14,071,395	14,071,395	5,603,965
Total Beginning Fund Balance	7,211,986	6,613,125	8,302,326	15,531,605	15,531,605	7,064,175
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	166,593	174,723	183,262	160,000	514,128	160,000
<i>Town Services</i>	-	13,800	-	-	-	-
<i>Licenses & Permits</i>	405,434	762,584	962,375	526,000	526,000	453,000
<i>Interest</i>	-	-	92	-	-	-
<i>Other Revenues</i>	1,556,645	193,187	566,705	148,000	210,720	875,000
Total Revenues	2,128,672	1,144,294	1,712,434	834,000	1,250,848	1,488,000
Transfers In						
<i>Transfer from General Fund</i>	2,043,695	2,869,697	7,271,491	400,000	478,794	9,859,973
<i>Transfer from CBDG</i>	-	-	-	-	-	-
<i>Transfers from Building Maint</i>	5,820	168,956	924,648	200,000	200,000	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
<i>Transfer from SA Housing</i>	-	-	38,213	-	-	-
Total Transfers In	2,049,515	3,038,653	8,234,352	600,000	678,794	9,859,973
Total Revenues & Transfers In	4,178,187	4,182,947	9,946,786	1,434,000	1,929,642	11,347,973
TOTAL SOURCE OF FUNDS	\$ 11,390,173	\$ 10,796,072	\$ 18,249,112	\$ 16,965,605	\$ 17,461,247	\$ 18,412,148
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	10,662	-
<i>Charges for Services</i>	-	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	3,392,791	2,388,043	2,609,078	3,966,126	9,694,737	13,367,883
Total Expenditures	3,392,791	2,388,043	2,609,078	3,966,126	9,705,399	13,367,883
Transfers Out						
<i>Transfers to General Fund</i>	107,194	105,703	108,429	199,808	691,673	199,808
<i>Transfer to SA Trust</i>	1,277,063	-	-	-	-	-
Total Transfers Out	1,384,257	105,703	108,429	199,808	691,673	199,808
Total Expenditures & Transfers Out	4,777,048	2,493,746	2,717,507	4,165,934	10,397,072	13,567,691
Ending Fund Balance						
<i>Designated for Parking</i>	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210	1,460,210
<i>Undesignated</i>	5,152,915	6,842,116	14,071,395	11,339,461	5,603,965	3,384,247
Total Ending Fund Balance	6,613,125	8,302,326	15,531,605	12,799,671	7,064,175	4,844,457
TOTAL USE OF FUNDS	\$ 11,390,173	\$ 10,796,072	\$ 18,249,112	\$ 16,965,605	\$ 17,461,247	\$ 18,412,148

∞ CAPITAL IMPROVEMENT PROGRAM ∞
General Fund Appropriated Reserve

The following GFAR schedules identify projects completed in FY 2015/16, projects carried forward into FY 2016/17, and new FY 2016/17 projects, as part of the FY 2016/17-20/21 Capital Improvement Program:

GENERAL FUND APPROPRIATED RESERVES (GFAR)

FY 2016/17

	Est Exp Prior To FY 2015/16	Expenditures During FY 2015/16	Estimated Carryforward	New Funding FY 2016/17	Total Budgeted
<i>Completed Projects</i>					
Blossom Hill Park Upgrades to OMP Park	\$ -	\$ -	\$ -	\$ -	\$ -
Oak Meadow Park Upgrades	-	-	-	-	-
Cartegraph System Updates	40,003	5,763	-	-	45,766
PPW Building Improvement	-	16,302	-	-	16,302
Town Digital Aerial Photo/Topographic Map	-	32,187	-	-	32,187
Youth Recreation Center - Cable & Control System Repair	-	25,000	-	-	25,000
Civic Center Imp (Noise)	-	25,000	-	-	25,000
<i>Total of Completed Projects</i>	\$ 40,003	\$ 104,252	\$ -	\$ -	\$ 144,255

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
General Fund Appropriated Reserve

GENERAL FUND APPROPRIATED RESERVES (GFAR)
FY 2016/17

	Est Exp Prior To FY 2015/16	Expenditures During FY 2015/16	Estimated Carryforward	New Funding FY 2016/17	Total Budgeted
<i>Carryforward Projects</i>					
Open Space Trail Upgrades	\$ -	\$ -	\$ 250,000	\$ -	\$ 250,000
Parks Playground Fibar Project	26,413	16,086	32,501	-	75,000
Plaza Park Improvements	-	9,220	27,780	-	37,000
Blossom Hill Park Restroom Building Upgrades	-	-	40,000	-	40,000
Park Rehabilitation - Bachman Park	-	-	325,000	-	325,000
Los Gatos Creek Trail Improvements at Charter Oaks	-	-	-	-	-
Worcester Park	-	-	-	-	-
Blossom Hill Park Little League Backstop	-	-	50,000	60,000	110,000
HVAC Upgrades - Old Library	643,379	-	-	-	643,379
Town Beautification Projects	87,593	-	-	-	87,593
Audio/Video System Upgrade	52,440	-	58,160	-	110,600
Information System Upgrade	392,341	640	82,019	-	475,000
Tiburon CAD/RMS Upgrade	28,000	-	42,000	-	70,000
Town-wide Document Imaging Project	193,225	4,785	16,990	-	215,000
Building Replacement at Corporation Yard	-	11,557	208,443	-	220,000
Old Library Re-use Project	891,934	157,269	28,286	-	1,077,489
Former Library Roof Improvements	-	-	90,000	-	90,000
Fuel System Enhancement	-	-	75,000	-	75,000
Police Interoperability Radio Project	-	-	150,000	-	150,000
Engineering Document Archiving	-	907	39,093	20,000	60,000
Civic Center Energy Assessment	-	-	25,000	-	25,000
PPW Interoperability Radio Project	-	-	150,000	-	150,000
Silicon Valley Interoperability Project (SVRIP) Service Fee	-	129,600	23,276	152,876	305,752
Civic Center Improvements	-	-	-	-	-
Energy Efficiency Upgrade - Town-wide	-	-	-	25,000	25,000
Street Repair & Resurfacing	3,680,294	308	385,933	900,000	4,966,535
Annual Street Restriping	153,998	-	71,002	25,000	250,000
Quito Road - Bridge Replacement	32,038	64,594	235,087	-	331,719
Traffic Calming Projects	127,848	4,211	22,941	10,000	165,000
Curb, Gutter & Sidewalk Maintenance	1,425,616	223,195	351,264	250,000	2,250,075
Pavement Rehabilitation-Crack Seal	195,500	21	514,107	160,000	869,628
Retaining Wall Repairs	897,945	296,339	243,304	100,000	1,537,588
Almond Grove Street Rehabilitation	299,833	47,238	5,803,081	10,938,007	17,088,159
Hillside Road Repair & Resurfacing	138,804	20,557	88,563	-	247,924
Guardrail Replacement Projects	129,858	-	100,143	-	230,001
Electrical Panel Replacement on Pageant Way	-	-	45,000	-	45,000
Traffic Around Schools	-	-	78,794	-	78,794
224 W. Main Street Property Acquisition (Parking Lot 6)	4,000	-	1,196,000	-	1,200,000
Downtown Parking Lots Seal Coat & Restriping	-	-	100,000	-	100,000
Monument Control Network Update	-	-	20,000	-	20,000
Downtown Parking Signs Enhancements	-	-	-	-	-
Shannon/LGB/Cherry Blossom Sidewalk Improvements	-	104	129,896	-	130,000
Stonybrook & Kennedy Sidewalk Improvements	-	12,808	287,192	-	300,000
Parking Lot 4	-	-	-	-	-
Intersection Safety & Traffic Flow Improvements	28,696	10,000	11,304	-	50,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Crosswalk Lighting Upgrade	-	-	50,000	-	50,000
Crosswalk Improvements at Santa Cruz/Blossom Hill	-	-	60,000	-	60,000
Pageant Way Parking Lot Reconstruction	-	-	175,550	-	175,550
Montebello Way Island Removal	-	-	-	-	-
LED Streetlights	-	-	504,648	-	504,648
Bicycle & Pedestrian Master Plan	-	-	7,500	-	7,500
Total of Carryforward Projects	\$ 9,429,757	\$ 1,009,440	\$ 12,254,856	\$ 12,640,883	\$ 35,334,936

∞ CAPITAL IMPROVEMENT PROGRAM ∞
General Fund Appropriated Reserve

GENERAL FUND APPROPRIATED RESERVES (GFAR)
FY 2016/17

	Est Exp Prior To FY 2015/16	Expenditures During FY 2015/16	Estimated Carryforward	New Funding FY 2016/17	Total Budgeted
<i>New Projects</i>					
Tennis Courts Repairs - Various Town Parks	\$ -	\$ -	\$ -	\$ 140,000	\$ 140,000
Exterior Lighting Replacement - Civic Center	-	-	-	25,000	25,000
Civic Center Fountain Modification	-	-	-	33,135	33,135
Intelligent Parking Infrastructure	-	-	-	427,000	427,000
Forbes Mill Bridge Project	-	-	10,160	25,907	36,067
Green Bike Lanes	-	-	-	75,958	75,958
Total of New Projects	\$ -	\$ -	\$ 10,160	\$ 727,000	\$ 737,160
GFAR Funding Project Totals	\$ 9,469,760	\$ 1,113,692	\$ 12,265,016	\$ 13,367,883	\$ 36,216,351

FY 2016/17 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 2016/17

- **Street Repair and Resurfacing** – The Town’s Street Resurfacing Program of preventive and deferred maintenance includes both carryforward funds and new appropriations. The work to be performed consists of a balanced program of surface seals, street reconstructions, and pavement overlays, with supplemental ongoing maintenance activities performed by the Town’s Parks and Public Works Department staff. Approximately 73% of the proposed FY 2016/17-20/21 CIP funding is allocated to street reconstruction and maintenance projects. This emphasis reflects the Town Council’s priority to address street maintenance needs. The goal is for Town streets to be at 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 2002 to the level of 75 in 2006. 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 PCI rating. This approach was the most economical and prudent treatment to resurface several residential neighborhoods. The current PCI for Town streets is 67. While the \$0.9 million currently available is insufficient for this level of maintenance, the planned investment will slow the rate at which the average PCI will drop over time. The Town will continue to seek other funding sources for street repair and resurfacing from state and federal grants.

Operating Budget Impacts: Project design and oversight by the Engineering staff has been incorporated into the Engineering Program Services FY 2016/17 budget workplan.

- **Almond Grove Street Rehabilitation Project** – The streets in the Almond Grove District have deteriorated over the years and, due to funding and maintenance constraints, no repairs or resurfacing activities have been performed. The project to rehabilitate the street infrastructure in this area will not only provide safe and functional streets and sidewalks for the community, but reduce the opportunity for trip and fall accidents. Due to the scale and magnitude of this project, work will be phased over several years to minimize construction impacts to the community and to reflect project funding as determined by the Town Council. In order to minimize impacts of the projects, construction for Phase I will be completed during Fall of 2016. The construction of the Almond Grove Streets is a high

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

priority. The concrete pavement of all ten streets is estimated to cost 16.7 million. Based on Council's interest to bid the remaining eight streets in FY 2016/17, funding for the entire balance is budgeted.

Operating Budget Impacts: Engineering staff time for oversight of this project is addressed in the FY 2016/17 Operating 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. The allocation for this ongoing project will be \$250,000 for FY 2016/17 and every year thereafter.

Operating Budget Impacts: Project oversight by the Engineering staff has been incorporated into the engineering Program Services FY 2016/17 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; however, this annual program is to provide funding for restriping outside of a paving project. Under this project, locations that are not scheduled for street repaving will be prioritized for restriping. 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 2016/17 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 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 \$330,000 for each agency. Based on the April 2012 schedule from the City of Saratoga, the construction of these bridges is anticipated to be completed by 2018.

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

Capital Improvement Program

TRAFFIC MITIGATION FUND FUND 471

FUND PURPOSE

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

BUDGET OVERVIEW

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

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

- Winchester Boulevard/Lark Avenue
- Los Gatos Boulevard/Lark Avenue
- Blossom Hill Rd/Cherry Blossom Ln
- Los Gatos Blvd/Shannon Rd

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Traffic Mitigation Fund

FY 2016/17 KEY PROJECTS

The following key projects are budgeted in FY 2016/17:

- ***Winchester Boulevard/Lark Avenue Improvements*** - This project will add a northbound receiving lane on Winchester Boulevard from Lark Avenue to Wimbleton Drive. In addition, the traffic lanes on westbound Lark Avenue will be reconfigured to provide a double right turn onto Winchester Boulevard, and modifications to the traffic signal system at the intersection of Winchester Boulevard and Lark Avenue.
- ***Los Gatos Boulevard/Lark Ave Intersection*** - This project is designed to improve traffic flow at Lark Avenue and Los Gatos Boulevard by installing upgraded traffic devices and restriping the roadway. This project will enhance existing signalized traffic devices, not the physical street or roadway.
- ***Blossom Hill Road/Cherry Blossom Lane Intersection Improvements*** – This project is located at the intersection of Blossom Hill Road and Cherry Blossom Lane. In 2011, the Town conducted safety improvements on Blossom Hill Road from Cherry Blossom Lane to Camino del Cerro. The improvements of the first phase included reconfiguration of the crosswalks at Blossom Hill Road and Cherry Blossom Lane, widening a section of Blossom Hill Road, construction of sidewalk on a section of Blossom Hill Road, and construction of a lighted crosswalk across Blossom Hill Road. The final phase of this project will replace the existing traffic signals system at the intersection and reconfigure this intersection to improve its operations for vehicles, pedestrians and bicyclists. Construction is scheduled to take place in Spring 2016.
- ***Los Gatos Boulevard/Shannon Rd Intersection*** - This project will create a new pedestrian signalized crossing and restripe Shannon Road to provide longer turn lanes and improve the overall safety for pedestrians and bicyclists.
- ***Cut-Through traffic Mitigation*** – This project will provide infrastructure changes to help mitigate cut-through traffic through the use of various measures, some of which have been previously used. In the summer of 2015, staff implemented various measures such as the deployment of portable message signs, messages on Caltrans changeable message signs, signal modification, and street closures to reduce cut-through traffic. Based on the data collected throughout the summer of 2016, staff will recommend additional modifications and synchronization at various intersections, roadway markings and additional signage, as well as costs associated with the potential closure of the Highway 17 on-ramp.
- ***Bicycle and Pedestrian Master Plan*** – The Town of Los Gatos does not currently have an adopted Bicycle and Pedestrian Master Plan (BPMP). Development of a BPMP is identified as an Action Item in the Los Gatos General Plan (transportation Element Action TRA 11.1) and is a top strategic goal for the recently established Bicycle and Pedestrian Advisory Commission (BPAC). Beyond providing a roadmap for enhancing bicycle and pedestrian mobility throughout the Town, adoption of a BPMP is anticipated to allow the Town to compete more successfully for a range of regional and State grant funds for bicycle and pedestrian related improvement projects.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2016/17 Operating Budget.

• ∞ CAPITAL IMPROVEMENT PROGRAM ∞
Traffic Mitigation Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2012/13 Actuals	2013/14 Actuals	2014/15 Actuals	2015/16 Adopted	2015/16 Estimated	2016/17 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Deferred Revenue</i>	\$ 3,065,594	\$ 2,273,514	\$ 2,742,762	\$ 2,954,774	\$ 2,954,774	\$ 2,977,322
<i>Undesignated</i>	126,032	126,032	178,226	184,941	184,941	204,941
Total Beginning Fund Balance	3,191,626	2,399,546	2,920,988	3,139,715	3,139,715	3,182,263
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	52,194	6,715	-	20,000	20,000
<i>Other Revenues</i>	1,152,480	453,811	83,897	820,000	571,852	187,869
Total Revenues	1,152,480	506,005	90,612	820,000	591,852	207,869
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	1,152,480	506,005	90,612	820,000	591,852	207,869
TOTAL SOURCE OF FUNDS	\$ 4,344,106	\$ 2,905,551	\$ 3,011,600	\$ 3,959,715	\$ 3,731,567	\$ 3,390,132
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>	1,119,708	452,132	78,393	810,000	561,852	177,869
Total Expenditures	1,119,708	452,132	78,393	810,000	561,852	177,869
Transfers Out						
<i>Transfers to General Fund</i>	32,772	1,679	5,504	10,000	10,000	10,000
<i>Transfers to Equip Replacment</i>	-	-	-	-	-	-
Total Transfers Out	32,772	1,679	5,504	10,000	10,000	10,000
Total Expenditures & Transfers Out	1,152,480	453,811	83,897	820,000	571,852	187,869
Ending Fund Balance						
<i>Deferred Revenue</i>	2,273,514	2,742,762	2,954,774	2,977,322	2,977,322	2,977,322
<i>Undesignated</i>	126,032	178,226	184,941	184,941	204,941	224,941
Total Ending Fund Balance	2,399,546	2,920,988	3,139,715	3,162,263	3,182,263	3,202,263
TOTAL USE OF FUNDS	\$ 3,552,026	\$ 3,374,799	\$ 3,223,612	\$ 3,982,263	\$ 3,754,115	\$ 3,390,132

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Traffic Mitigation Fund

TRAFFIC MITIGATION CIP PROJECTS
FY 2016/17

	Est Exp Prior To FY 2015/16	Expenditures During FY 2015/16	Estimated Carryforward	New Funding FY 2016/17	Total Budgeted
<i>Completed Projects</i>					
Town Digital Aerial Photo/Topographic Map	\$ -	\$ 25,142	\$ -	\$ -	\$ 25,142
Total of Completed Projects	\$ -	\$ 25,142	\$ -	\$ -	\$ 25,142
<i>Carryforward Projects</i>					
Hwy 9/University Intersection	786,738	-	-	-	\$ 786,738
Winchester Blvd. / Lark Ave. Intersection	44,884	489,377	316,194	-	850,455
Blossom Hill Rd/Cherry Ln Intersection	-	-	500,000	-	500,000
Los Gatos Blvd / Shannon Improvements	-	-	20,000	-	20,000
Monument Control Network Update	-	-	10,000	-	10,000
Intersection Safety & Traffic Flow Imp	-	31,962	8,038	-	40,000
Crosswalk Add - Santa Cruz Ave	-	-	50,000	-	50,000
Crosswalk Lighting Upgrade	-	15,371	34,629	-	50,000
Bicycle & Pedestrian Master Plan	-	-	72,500	-	72,500
Cut-Through Traffic Mitigation	-	-	215,000	-	215,000
Total of Carryforward Projects	\$ 831,622	\$ 536,710	\$ 1,226,361	\$ -	\$ 2,594,693
<i>New Projects</i>					
Traffic Signal Modernization	\$ -	\$ -	\$ -	\$ 177,869	\$ 177,869
Total of New Projects	\$ -	\$ -	\$ -	\$ 177,869	\$ 177,869
Traffic Mitigation Funding Project Totals	\$ 831,622	\$ 561,852	\$ 1,226,361	\$ 177,869	\$ 2,797,703

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 Safe Route to School 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 2016/17, there are four grant funded carryforward projects. 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

	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Actuals</u>	<u>2015/16</u> <u>Adopted</u>	<u>2015/16</u> <u>Estimated</u>	<u>2016/17</u> <u>Adopted</u>
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(671,281)	(641,976)	(288,730)	(369,987)	(369,987)	(318,412)
Total Beginning Fund Balance	(671,281)	(641,976)	(288,730)	(369,987)	(369,987)	(318,412)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	621,502	487,821	675,857	-	432,813	575,000
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	18,350	-	-	-
Total Revenues	621,502	487,821	694,207	-	432,813	575,000
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	169,270	19,360	176,705	70,000	77,952	70,000
<i>Transfers from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	169,270	19,360	176,705	70,000	77,952	70,000
Total Revenues & Transfers In	790,772	507,181	870,912	70,000	510,765	645,000
TOTAL SOURCE OF FUNDS	\$ 119,491	\$ (134,795)	\$ 582,182	\$ (299,987)	\$ 140,778	\$ 326,588
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>	761,467	153,935	952,169	70,000	459,190	645,000
Total Expenditures	761,467	153,935	952,169	70,000	459,190	645,000
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Grant Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	761,467	153,935	952,169	70,000	459,190	645,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(641,976)	(288,730)	(369,987)	(369,987)	(318,412)	(318,412)
Total Ending Fund Balance	(641,976)	(288,730)	(369,987)	(369,987)	(318,412)	(318,412)
TOTAL USE OF FUNDS	\$ 119,491	\$ (134,795)	\$ 582,182	\$ (299,987)	\$ 140,778	\$ 326,588

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Grants and Awards Project Fund

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

GRANTS & AWARDS CIP PROJECTS

FY 2016/17

	Est Exp Prior To FY 2015/16	Expenditures During FY 2015/16	Estimated Carryforward	New Funding FY 2016/17	Total Budgeted
Completed Projects					
Total of Completed Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Carryforward Projects					
Hillside Road Repair & Resurfacing	\$ -	\$ 139,000	\$ -	\$ -	\$ 139,000
Hwy 9/University Intersection	180,225	202,238	-	-	382,463
Public Access Infrastructure Improvement Projects	-	77,952	-	70,000	147,952
Bicycle & Pedestrian Master Plan	-	-	40,000	-	40,000
Total of Carryforward Projects	\$ 180,225	\$ 419,190	\$ 40,000	\$ 70,000	\$ 709,415
New Projects					
Traffic Signal Modernization	-	-	-	75,000	75,000
Intelligent Parking Infrastructure	-	-	-	500,000	500,000
Total of New Projects	\$ -	\$ -	\$ -	\$575,000.00	\$ 575,000.00
Grant and Awards Project Totals:	\$ 180,225	\$ 419,190	\$ 40,000	\$ 645,000	\$ 1,284,415

FY 2016/17 KEY PROJECTS

The following Capital Improvement Plan projects are funded with grant funding and are expected to be Key Projects in FY 2016/17:

- **Bicycle and Pedestrian Master Plan** – The Town of Los Gatos does not currently have an adopted Bicycle and Pedestrian Master Plan (BPMP). Development of a BPMP is identified as an Action Item in the Los Gatos General Plan (transportation Element Action TRA 11.1) and is a top strategic goal for the recently established Bicycle and Pedestrian Advisory Commission (BPAC). Beyond providing a roadmap for enhancing bicycle and pedestrian mobility throughout the Town, adoption of a BPMP is anticipated to allow Town compete more successfully for a range of regional and State grant funds for bicycle and pedestrian related improvement projects.

Operating Budget Impacts: Engineering staff time for project management is addressed in the FY 2016/17 Operating Budget.

- **Intelligent Parking Infrastructure** – The Town of Los Gatos partnered with VIMOC technologies to manage traffic and parking through the collection and use of sensory data. The Town previously installed sensors in 117 parking spaces around the Town Plaza to obtain data, which came at no cost. The funding will be used to expand and install sensors throughout the downtown area, which will provide a complete set of data and insight into the parking patterns. This project is contingent upon receipt of a VTA grant as well as private funds from the project partner, VIMOC.



Capital Improvement Program

STORM DRAIN FUNDS FUNDS 461, 462, 463

FUND PURPOSE

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

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

BUDGET OVERVIEW

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

FY 2015/16 KEY PROJECTS

Hernandez Avenue Storm Drain Improvements is scheduled for FY 2018/19.

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Storm Drain Fund - 461

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Actuals</u>	<u>2015/16</u> <u>Adopted</u>	<u>2015/16</u> <u>Estimated</u>	<u>2016/17</u> <u>Adopted</u>
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	440,984	305,893	450,765	669,661	669,661	717,781
Total Beginning Fund Balance	440,984	305,893	450,765	669,661	669,661	717,781
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	104,679	136,114	220,821	45,000	45,000	45,000
<i>Interest</i>	2,075	8,758	(1,925)	3,120	3,120	4,000
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	106,754	144,872	218,896	48,120	48,120	49,000
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	106,754	144,872	218,896	48,120	48,120	49,000
TOTAL SOURCE OF FUNDS	\$ 547,738	\$ 450,765	\$ 669,661	\$ 717,781	\$ 717,781	\$ 766,781
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>	241,845	-	-	-	-	-
Total Expenditures	241,845	-	-	-	-	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replacment</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	241,845	-	-	-	-	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	305,893	450,765	669,661	717,781	717,781	766,781
Total Ending Fund Balance	305,893	450,765	669,661	717,781	717,781	766,781
TOTAL USE OF FUNDS	\$ 547,738	\$ 450,765	\$ 669,661	\$ 717,781	\$ 717,781	\$ 766,781

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Storm Drain Fund - 462

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Actuals</u>	<u>2015/16</u> <u>Adopted</u>	<u>2015/16</u> <u>Estimated</u>	<u>2016/17</u> <u>Adopted</u>
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	749,936	860,324	935,033	972,866	972,866	931,596
Total Beginning Fund Balance	<u>749,936</u>	<u>860,324</u>	<u>935,033</u>	<u>972,866</u>	<u>972,866</u>	<u>931,596</u>
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	105,636	56,542	41,946	45,000	45,000	45,000
<i>Interest</i>	4,752	18,167	(4,113)	8,000	8,000	8,380
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>110,388</u>	<u>74,709</u>	<u>37,833</u>	<u>53,000</u>	<u>53,000</u>	<u>53,380</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues & Transfers In	<u>110,388</u>	<u>74,709</u>	<u>37,833</u>	<u>53,000</u>	<u>53,000</u>	<u>53,380</u>
TOTAL SOURCE OF FUNDS	<u>\$ 860,324</u>	<u>\$ 935,033</u>	<u>\$ 972,866</u>	<u>\$ 1,025,866</u>	<u>\$ 1,025,866</u>	<u>\$ 984,976</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>	-	-	-	-	94,270	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,270</u>	<u>-</u>
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replacment</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>-</u>	<u>-</u>	<u>94,270</u>	<u>-</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	860,324	935,033	972,866	1,025,866	931,596	984,976
Total Ending Fund Balance	<u>860,324</u>	<u>935,033</u>	<u>972,866</u>	<u>1,025,866</u>	<u>931,596</u>	<u>984,976</u>
TOTAL USE OF FUNDS	<u>\$ 860,324</u>	<u>\$ 935,033</u>	<u>\$ 972,866</u>	<u>\$ 1,025,866</u>	<u>\$ 1,025,866</u>	<u>\$ 984,976</u>

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Storm Drain Fund - 463

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Actuals</u>	<u>2015/16</u> <u>Adopted</u>	<u>2015/16</u> <u>Estimated</u>	<u>2016/17</u> <u>Adopted</u>
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(74,288)	(55,377)	(54,904)	(49,732)	(49,732)	(48,232)
Total Beginning Fund Balance	(74,288)	(55,377)	(54,904)	(49,732)	(49,732)	(48,232)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	19,328	1,540	4,927	5,000	2,500	2,500
<i>Interest</i>	(417)	(1,067)	245	(1,000)	(1,000)	(1,000)
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	18,911	473	5,172	4,000	1,500	1,500
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	18,911	473	5,172	4,000	1,500	1,500
TOTAL SOURCE OF FUNDS	\$ (55,377)	\$ (54,904)	\$ (49,732)	\$ (45,732)	\$ (48,232)	\$ (46,732)
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>	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	-	-	-	-	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(55,377)	(54,904)	(49,732)	(45,732)	(48,232)	(46,732)
Total Ending Fund Balance	(55,377)	(54,904)	(49,732)	(45,732)	(48,232)	(46,732)
TOTAL USE OF FUNDS	\$ (55,377)	\$ (54,904)	\$ (49,732)	\$ (45,732)	\$ (48,232)	\$ (46,732)

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Storm Drain Funds

STORMDRAIN CIP PROJECTS
FY 2016/17

	Est Exp Prior To FY 2015/16	Expenditures During FY 2015/16	Estimated Carryforward	New Funding FY 2016/17	Total Budgeted
<i>Completed Projects</i>					
Frank Avenue Storm Drain	-	94,270	-	-	94,270
<i>Total of Completed Projects</i>	\$ -	\$ 94,270	\$ -	\$ -	\$ 94,270
<i>Carryforward Projects</i>					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
<i>Total of Carryforward Projects</i>	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
<i>New Projects</i>					
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Storm Drain Project Totals:</i>	\$ 17,180	\$ 94,270	\$ -	\$ -	\$ 111,450



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 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 electric tariffs accumulated by PG&E as a percentage of electric bills. The Town's allocation typically is in the range of \$60,000 to \$110,000 annually.

BUDGET OVERVIEW

The use of Utility Underground Fund fees is controlled through Town Council action, after the benefit of each project is evaluated to ensure appropriate application of the fees to eligible projects. Projects have not been scheduled in recent years, which have allowed the fund to accumulate funding for future Utility Underground projects. Total cash balances currently on hand from the utility undergrounding construction tax are approximately \$2.8 million at FY 2015/16 year-end. In addition, the Town may have access to over \$3.8 million in Rule 20A funds allocated from a percentage of electric bills. PG&E retains and tracks those funds. The Town has begun a project to underground along Los Gatos Boulevard south of Lark Avenue. These projects rely on PG&E for scheduling and have long lead times. Staff expects a six-year project design timeline, but is tracking the project construction in FY 2020/21.

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Utility Underground Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Actuals</u>	<u>2015/16</u> <u>Adopted</u>	<u>2015/16</u> <u>Estimated</u>	<u>2016/17</u> <u>Adopted</u>
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,450,322	2,519,548	2,687,790	2,814,352	2,814,352	2,836,352
Total Beginning Fund Balance	<u>2,450,322</u>	<u>2,519,548</u>	<u>2,687,790</u>	<u>2,814,352</u>	<u>2,814,352</u>	<u>2,836,352</u>
Revenues						
<i>Other Taxes</i>	53,845	116,020	135,959	30,000	30,000	30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	15,381	52,222	(9,397)	30,000	20,000	20,000
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>69,226</u>	<u>168,242</u>	<u>126,562</u>	<u>60,000</u>	<u>50,000</u>	<u>50,000</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues & Transfers In	<u>69,226</u>	<u>168,242</u>	<u>126,562</u>	<u>60,000</u>	<u>50,000</u>	<u>50,000</u>
TOTAL SOURCE OF FUNDS	<u>\$ 2,519,548</u>	<u>\$ 2,687,790</u>	<u>\$ 2,814,352</u>	<u>\$ 2,874,352</u>	<u>\$ 2,864,352</u>	<u>\$ 2,886,352</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>	-	-	-	28,000	28,000	42,000
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,000</u>	<u>28,000</u>	<u>42,000</u>
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replacment</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>-</u>	<u>28,000</u>	<u>28,000</u>	<u>42,000</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	2,519,548	2,687,790	2,814,352	2,846,352	2,836,352	2,844,352
Total Ending Fund Balance	<u>2,519,548</u>	<u>2,687,790</u>	<u>2,814,352</u>	<u>2,846,352</u>	<u>2,836,352</u>	<u>2,844,352</u>
TOTAL USE OF FUNDS	<u>\$ 2,519,548</u>	<u>\$ 2,687,790</u>	<u>\$ 2,814,352</u>	<u>\$ 2,874,352</u>	<u>\$ 2,864,352</u>	<u>\$ 2,886,352</u>

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Utility Underground Fund

UTILITY UNDERGROUND CIP PROJECTS
FY 2016/17

	Est Exp Prior To FY 2015/16	Expenditures During FY 2015/16	Estimated Carryforward	New Funding FY 2016/17	Total Budgeted
<i>Completed Projects</i>					
<i>Total of Completed Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Carryforward Projects</i>					
PG&E Undergrounding	\$ -	\$ -	\$ 28,000	\$ 42,000	\$ 70,000
<i>Total of Carryforward Projects</i>	\$ -	\$ -	\$ 28,000	\$ 42,000	\$ 70,000
<i>New Projects</i>					
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of Utility Underground Projects</i>	\$ -	\$ -	\$ 28,000	\$ 42,000	\$ 70,000



Capital Improvement Program

GAS TAX FUND FUND 481

FUND PURPOSE

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

Construction is the building or rebuilding of streets, roads, and bridges; and the acquisition of rights of way or their component parts, to a degree that improved traffic service is provided and geometric or structural improvements are effected. 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
- Change 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:

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

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Gas Tax Fund

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

BUDGET OVERVIEW

Gas Tax Fund revenues are budgeted lower level than prior years as the revenue has shown decrease in recent years with the recent lowering in gasoline prices. The ongoing Street Repair and Resurfacing project was carried forward from FY 2015/16. There are no new Gas Tax funded projects scheduled for FY 2016/17.

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Gas Tax Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Actuals</u>	<u>2015/16</u> <u>Adopted</u>	<u>2015/16</u> <u>Estimated</u>	<u>2016/17</u> <u>Adopted</u>
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	193,300	169,346	297,302	1,075,827	1,075,827	265,896
Total Beginning Fund Balance	193,300	169,346	297,302	1,075,827	1,075,827	265,896
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	733,169	940,524	880,517	657,623	684,283	630,843
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	(1,123)	5,722	4,008	1,000	1,000	1,000
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	732,046	946,246	884,525	658,623	685,283	631,843
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	732,046	946,246	884,525	658,623	685,283	631,843
TOTAL SOURCE OF FUNDS	\$ 925,346	\$ 1,115,592	\$ 1,181,827	\$ 1,734,450	\$ 1,761,110	\$ 897,739
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>	650,000	712,290	-	600,000	1,389,214	550,000
Total Expenditures	650,000	712,290	-	600,000	1,389,214	550,000
Transfers Out						
<i>Transfers to General Fund</i>	106,000	106,000	106,000	106,000	106,000	106,000
<i>Transfers to Equip Replacment</i>	-	-	-	-	-	-
Total Transfers Out	106,000	106,000	106,000	106,000	106,000	106,000
Total Expenditures & Transfers Out	756,000	818,290	106,000	706,000	1,495,214	656,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	169,346	297,302	1,075,827	1,028,450	265,896	241,739
Total Ending Fund Balance	169,346	297,302	1,075,827	1,028,450	265,896	241,739
TOTAL USE OF FUNDS	\$ 925,346	\$ 1,115,592	\$ 1,181,827	\$ 1,734,450	\$ 1,761,110	\$ 897,739

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Gas Tax Fund

GAS TAX CIP PROJECTS

	FY 2016/17				
	Est Exp Prior To FY 2015/16	Expenditures During FY 2015/16	Estimated Carryforward	New Funding FY 2016/17	Total Budgeted
<i>Completed Projects</i>					
Total of Completed Projects	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Carryforward Projects</i>					
Street Repair & Resurfacing	\$ 4,705,435	\$ 1,389,214	\$ -	\$ 550,000	\$ 6,644,649
Total of Carryforward Projects	\$4,705,435	\$1,389,214	\$ -	\$ 550,000	\$6,644,649
<i>New Projects</i>					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total of New Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Total of Gas Tax Projects	\$4,705,435	\$1,389,214	\$ -	\$ 550,000	\$6,644,649

FY 2016/17 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 preventative and deferred maintenance includes new appropriations. The work to be performed consists of a balanced program of surface seals, street reconstructions and pavement overlays, with supplemental ongoing maintenance activities performed by the Town's Park and Public Works department staff.

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