

Capital Improvement Program

PROGRAM PURPOSE

In February 2014, the Town Council reaffirmed its Core Values and established the 2014-16 Strategic Goals. The Town Council identified several new strategic goals that will affect the capital budget priorities in the future, including significant work in the area of complete streets and other capital initiatives. One of the affirmed Core Values is to maintain the condition and availability of public facilities and transportation systems. Input from Town boards and commissions also contributed to the development of this CIP.

The Five-Year Capital Improvement Program (CIP) reflects the Council's priorities for use of these funds, as well as other projects using other funding sources. The first year of the five year plan, FY 2015/16, includes funding for the Town Council Strategic Goals, including basic infrastructure needs, such as the first construction phase of Almond Grove street rehabilitation projects, Winchester Boulevard/Lark Avenue intersection improvements, additional crosswalk and intersection safety projects, retaining walls, sidewalk curb and gutter projects, new public facilities, street repair and reconstruction, and park projects.

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

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

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

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

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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 Service 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 carryover projects are updated as necessary to a recent engineer's estimate based on current design specifications. Equipment, operating, and maintenance costs incurred as an outcome of CIP projects are identified and included in the Operating Budget.

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

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

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SUMMARY OF CIP REVENUES AND EXPENDITURES

	<u>2011/12</u> <u>Actuals</u>	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Adopted</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Adopted</u>
REVENUES						
<i>Other Taxes</i>	\$ 44,387	\$ 53,845	\$ 116,020	\$ 30,000	\$ 30,000	\$ 30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	856,576	1,521,264	1,603,068	951,000	1,169,364	817,623
<i>Town Services</i>	44,450	-	13,800	-	-	-
<i>Licenses & Permits</i>	625,211	635,077	956,780	277,000	754,527	621,000
<i>Interest</i>	40,257	20,668	135,996	41,120	41,120	41,120
<i>Other Revenues</i>	1,399,943	2,709,125	646,998	899,299	526,787	753,000
TOTAL REVENUES	3,010,824	4,939,979	3,472,662	2,198,419	2,521,798	2,262,743
Transfers In						
<i>Operating Transfers</i>	1,923,428	2,218,785	3,058,013	7,081,491	8,381,192	670,000
Total Transfers In	<u>1,923,428</u>	<u>2,218,785</u>	<u>3,058,013</u>	<u>7,081,491</u>	<u>8,381,192</u>	<u>670,000</u>
Total Revenues & Transfers In	<u>\$ 4,934,252</u>	<u>\$ 7,158,764</u>	<u>\$ 6,530,675</u>	<u>\$ 9,279,910</u>	<u>\$ 10,902,990</u>	<u>\$ 2,932,743</u>
EXPENDITURES						
<i>Salaries and Benefits</i>	\$ 241,129	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	3,806	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	10,684,557	6,165,811	3,706,400	7,903,749	3,663,043	5,259,126
TOTAL EXPENDITURES	10,929,492	6,165,811	3,706,400	7,903,749	3,663,043	5,259,126
Transfers Out						
<i>Operating Transfers</i>	319,779	1,523,029	213,382	218,000	218,000	315,808
Total Transfers Out	<u>319,779</u>	<u>1,523,029</u>	<u>213,382</u>	<u>218,000</u>	<u>218,000</u>	<u>315,808</u>
Total Expenditures & Transfers Out	<u>\$11,249,271</u>	<u>\$ 7,688,840</u>	<u>\$ 3,919,782</u>	<u>\$ 8,121,749</u>	<u>\$ 3,881,043</u>	<u>\$ 5,574,934</u>

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The following schedule summarizes the Capital Improvement projects completed or withdrawn in FY 2014/15:

**COMPLETED OR WITHDRAWN CIP PROJECTS
FY 2014/15**

	Est Exp Prior To FY 2014/15	Expenditures During FY 2014/15	Total Budgeted
<i>GFAR Projects</i>			
Electrical Vehicle Charging Station Infrastructure	\$ -	\$ 9,315	\$ 9,315
Complete Streets Project	-	80,000	80,000
Electronic Speed Signs	-	50,000	50,000
Town Park Lighting Project	159,744	4,000	163,744
Parks Restroom Partition Upgrades	-	55,000	55,000
Oak Meadow Park Gazebo	-	22,355	22,355
Blossom Hill Park Pathway Improvements	6,387	148,734	155,121
PPW Administration Building Improvements	9,793	40,207	50,000
CarteGraph System Upgrades	-	40,000	40,000
Civic Center Improvement (Noise Insulation)	-	25,000	25,000
Adult Recreation Center - Roof Damage Repair	-	50,000	50,000
Youth Recreation Center - Cable & Control System Repa	-	25,000	25,000
<i>Traffic Mitigation Projects</i>			
Winchester/ Knowles	37,978	13,469	51,447
<i>Grants and Awards Projects</i>			
Blossom Hill Park Pathway Improvements	19,360	148,010	167,370
CarteGraph System Upgrades	-	18,000	18,000
<i>Storm Drain Projects</i>			
<i>Underground Utility Projects</i>			
<i>Gas Tax Projects</i>			
	-	-	-
<i>Total of Completed and Withdrawn Projects</i>	\$ 233,261	\$ 729,090	\$ 962,351

∞ CAPITAL IMPROVEMENT PROGRAM ∞

The following schedule summarizes the Capital Improvement projects continuing into FY 2015/16. Continuing projects are defined further in following fund sections.

**CARRYFORWARD CIP PROJECTS
FY 2015/16**

	Est Exp Prior To FY 2014/15	Expenditures During FY 2014/15	Estimated Carryforward	New Funding FY 2015/16	Total Budgeted
<i>GFAR Carryforward Projects</i>					
Street Repair & Resurfacing	\$ 3,666,933	\$ 6,638	\$ 767,965	\$ 525,000	\$ 4,966,536
Annual Street Restriping	313,697	-	80,878	25,000	419,575
Traffic Calming Projects	108,848	19,000	17,152	10,000	155,000
Curb, Gutter & Sidewalk Maintenance	1,420,490	2,950	326,635	250,000	2,000,075
Pavement Rehabilitation - Crack Seal	195,500	-	329,078	160,000	684,578
Retaining Wall Repairs	566,264	350,066	421,258	100,000	1,437,588
Quito Road - Bridge Replacement	32,038	-	299,681	-	331,719
Almond Grove Street Rehabilitation	129,869	173,320	3,739,263	-	4,042,452
Hillside Road Repair & Resurfacing	136,924	-	111,000	-	247,924
Guardrail Replacement Projects	6,375	125,680	97,945	-	230,000
Electrical Panel Replacement on Pageant Way	-	-	45,000	-	45,000
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	-	-	-	50,000	50,000
Shannon/LGB/ Cherry Blossom Sidewalk Improvements	-	-	20,000	110,000	130,000
Stonybrook & Kennedy Sidewalk Improvements	-	-	40,000	260,000	300,000
Parking Lot 4	-	-	50,000	350,000	400,000
Intersection Safety & Traffic Flow Improvements	-	-	50,000	-	50,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Town Beautification Projects	87,593	-	10,160	-	97,753
Audio / Video System Upgrade	52,440	-	58,160	-	110,600
Information System Upgrade	391,831	8,784	74,385	-	475,000
Tiburon CAD / RMS Upgrade	28,000	-	42,000	-	70,000
Town-wide Document Imaging Project	193,225	-	21,775	-	215,000
Town Digital Aerial Photo/Topographic Map	-	-	88,000	-	88,000
Building Replacement at Corporation Yard	-	-	20,000	400,000	420,000
HVAC Upgrades - Old Library	179,505	604,384	38,995	-	822,884
Old Library Re-use Project	-	892,509	8,553	-	901,062
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	-	-	20,000	20,000	40,000
Civic Center Energy Assessment	-	-	25,000	-	25,000
PPW Interoperability Radio Project	-	-	150,000	-	150,000
Oak Meadow Park Upgrades	-	-	30,000	300,000	330,000
Open Space Trail Upgrades	-	-	250,000	-	250,000
Parks Playground Fibar Project	42,350	3,016	23,587	25,000	93,953
Plaza Park Improvements	-	-	37,000	-	37,000
Blossom Hill Park Restroom Building Upgrades	-	-	40,000	-	40,000
Park Rehabilitation - Bachman Park	-	-	225,000	100,000	325,000
Blossom Hill Park Upgrades to OMP Park	-	-	30,000	-	30,000
Total GFAR Carryforward Projects	\$ 7,555,883	\$ 2,186,348	\$ 9,114,469	\$ 2,850,000	\$ 21,706,700

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CARRYFORWARD CIP PROJECTS
FY 2015/16

	Est Exp Prior To FY 2014/15	Expenditures During FY 2014/15	Estimated Carryforward	New Funding FY 2015/16	Total Budgeted
<i>Traffic Mitigation Carryforward Projects</i>					
Hwy 9/University Intersection	32,345	515	242,729	-	275,588
Winchester Blvd. / Lark Ave. Intersection	30,981	6,998	834,002	-	871,981
Los Gatos Blvd / Lark Intersection	-	-	174,299	-	174,299
Blossom Hill Rd/Chery Ln Intersection	-	-	5,000	495,000	500,000
Los Gatos Blvd / Shannon Improvements	-	-	20,000	-	20,000
Town Digital Aerial Photo/Topographic Map	-	-	42,000	-	42,000
Monument Control Network Update	-	-	10,000	-	10,000
Intersection Safety & Traffic Flow Imp	-	-	40,000	-	40,000
<i>Total Traffic Mitigation Carryforward Projects</i>	<i>\$ 63,326</i>	<i>\$ 7,513</i>	<i>\$ 1,368,029</i>	<i>\$ 495,000</i>	<i>\$ 1,933,869</i>
<i>Grants and Awards Carryforward Projects</i>					
Hillside Road Repair & Resurfacing	-	-	139,000	-	139,000
Hwy 9/University Intersection	180,225	627,606	92,169	-	900,000
Public Access Infrastructure Improvement Projects	-	-	66,384	70,000	136,384
<i>Total Grants and Awards Carryforward Projects</i>	<i>\$ 180,225</i>	<i>\$ 627,606</i>	<i>\$ 297,553</i>	<i>\$ 70,000</i>	<i>\$ 1,175,384</i>
<i>Storm Drain Carryforward Projects</i>					
Hernandez Avenue Storm Drain Improvements	17,180	-	-	-	17,180
Frank Avenue Storm Drain	-	-	150,000	-	150,000
<i>Total Storm Drain Carryforward Projects</i>	<i>\$ 17,180</i>	<i>\$ -</i>	<i>\$ 150,000</i>	<i>\$ -</i>	<i>\$ 167,180</i>
<i>Underground Utility Projects</i>					
<i>Gas Tax Carryforward Projects</i>					
Street Repair & Resurfacing	4,705,435	789,214	-	600,000	6,094,649
<i>Total Gas Tax Carryforward Projects</i>	<i>\$ 4,705,435</i>	<i>\$ 789,214</i>	<i>\$ -</i>	<i>\$ 600,000</i>	<i>\$ 6,094,649</i>
<i>Total of Carryforward Projects</i>	<i>\$ 12,522,048</i>	<i>\$ 3,610,681</i>	<i>\$ 10,930,051</i>	<i>\$ 4,015,000</i>	<i>\$ 31,077,781</i>

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The following schedule summarizes the new Capital Improvement projects and total of new funding for FY 2015/16. New projects are defined further in following fund sections.

NEW CIP PROJECTS					
FY 2015/16					
	Est Exp	Expenditures		New	Total
	Prior To	During	Carryforward	Funding	Budgeted
	FY 2014/15	FY 2014/15		FY 2015/16	
<i>GFAR Projects</i>					
Crosswalk Lighting Upgrade	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
Crosswalk Improvements at Santa Cruz/Blossom Hill	-	-	-	60,000	60,000
Pegeant Way Parking Lot Reconstruction	-	-	-	175,550	175,550
Montebello Way Island Removal	-	-	-	19,550	19,550
LED Streetlights	-	-	-	400,000	400,000
Los Gatos Creek Trail Improvements at Charter Oaks	-	-	-	30,000	30,000
Worcester Park	-	-	-	28,150	28,150
Blossom Hill Park Little League Backstop	-	-	-	50,000	50,000
Silicon Valley Interoperability Project (SVRIP) Service Fee	-	-	-	152,876	152,876
Civic Center Improvements	-	-	-	150,000	150,000
<i>Traffic Mitigation Projects</i>					
Crosswalk Add - Santa Cruz Ave	\$ -	\$ -	\$ -	50,000	50,000
Crosswalk Lighting Upgrade	-	-	-	50,000	50,000
<i>Grants and Awards Projects</i>					
<i>Storm Drain Projects</i>					
<i>Underground Utilities Projects</i>					
PG&E Undergrounding	\$ -	\$ -	\$ -	28,000	28,000
<i>Gas Tax Projects</i>					
				-	-
<i>Total of New CIP Projects</i>	\$ -	\$ -	\$ -	\$ 1,244,126	\$ 1,244,126
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<i>Total of Carryforward and New CIP Projects</i>	\$ 12,522,048	\$ 3,610,681	\$ 10,930,051	\$ 5,259,126	\$ 32,321,907



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. After these allocations, sufficient balances are anticipated for the remaining three years of the plan to allocate approximately \$400,000 from the General Fund Reserve for Capital and Special Projects for FY 2015/16 through FY 2019/20.

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 \$288,000 are budgeted for FY 2015/16 consistent with prior year revenues and projected building trends.

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
General Fund Appropriated Reserve

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2011/12</u> <u>Actuals</u>	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Adopted</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Adopted</u>
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>	11,841,355	5,751,776	5,152,915	6,842,116	6,842,116	13,494,893
Total Beginning Fund Balance	<u>13,301,565</u>	<u>7,211,986</u>	<u>6,613,125</u>	<u>8,302,326</u>	<u>8,302,326</u>	<u>14,955,103</u>
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	166,593	174,723	160,000	183,262	160,000
<i>Town Services</i>	44,450	-	13,800	-	-	-
<i>Licenses & Permits</i>	385,311	405,434	762,584	182,000	625,181	526,000
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	221,286	1,556,645	193,187	608,000	477,805	148,000
Total Revenues	<u>651,047</u>	<u>2,128,672</u>	<u>1,144,294</u>	<u>950,000</u>	<u>1,286,248</u>	<u>834,000</u>
Transfers In						
<i>Transfer from General Fund</i>	1,849,882	2,043,695	2,869,697	6,991,491	7,322,491	400,000
<i>Transfer from CBDG</i>	-	-	-	-	-	-
<i>Transfers from Bulding Maint</i>	73,546	5,820	168,956	20,000	843,783	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	<u>1,923,428</u>	<u>2,049,515</u>	<u>3,038,653</u>	<u>7,011,491</u>	<u>8,204,487</u>	<u>600,000</u>
Total Revenues & Transfers In	<u>2,574,475</u>	<u>4,178,187</u>	<u>4,182,947</u>	<u>7,961,491</u>	<u>9,490,735</u>	<u>1,434,000</u>
TOTAL SOURCE OF FUNDS	<u>\$ 15,876,040</u>	<u>\$ 11,390,173</u>	<u>\$ 10,796,072</u>	<u>\$ 16,263,817</u>	<u>\$ 17,793,061</u>	<u>\$ 16,389,103</u>
USES OF FUNDS						
Expenditures						
<i>Salaries and Benefits</i>	\$ 241,129	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Operating Expenditures</i>	-	-	-	-	-	-
<i>Charges for Services</i>	3,806	-	-	-	-	-
<i>Interest Expense</i>	-	-	-	-	-	-
<i>Capital Projects - Carryfwd</i>	-	-	-	-	-	-
<i>Capital Projects - New</i>	8,311,515	3,392,791	2,388,043	6,852,450	2,735,958	3,966,126
Total Expenditures	<u>8,556,450</u>	<u>3,392,791</u>	<u>2,388,043</u>	<u>6,852,450</u>	<u>2,735,958</u>	<u>3,966,126</u>
Transfers Out						
<i>Transfers to General Fund</i>	107,604	107,194	105,703	102,000	102,000	199,808
<i>Transfers to Equip Repalcement</i>	-	-	-	-	-	-
<i>Transfer to SA Trust</i>	-	1,277,063	-	-	-	-
Total Transfers Out	<u>107,604</u>	<u>1,384,257</u>	<u>105,703</u>	<u>102,000</u>	<u>102,000</u>	<u>199,808</u>
Total Expenditures & Transfers Out	<u>8,664,054</u>	<u>4,777,048</u>	<u>2,493,746</u>	<u>6,954,450</u>	<u>2,837,958</u>	<u>4,165,934</u>
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>	5,751,776	5,152,915	6,842,116	7,849,157	13,494,893	10,762,959
Total Ending Fund Balance	<u>7,211,986</u>	<u>6,613,125</u>	<u>8,302,326</u>	<u>9,309,367</u>	<u>14,955,103</u>	<u>12,223,169</u>
TOTAL USE OF FUNDS	<u>\$ 15,876,040</u>	<u>\$ 11,390,173</u>	<u>\$ 10,796,072</u>	<u>\$ 16,263,817</u>	<u>\$ 17,793,061</u>	<u>\$ 16,389,103</u>

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
General Fund Appropriated Reserve

The following GFAR schedules identify projects completed in FY 2014/15, projects carried forward into FY 2015/16, and new FY 2015/16 projects, as part of the FY 2015-20 Capital Improvement Program:

GENERAL FUND APPROPRIATED RESERVES (GFAR)
FY 2015/16

	Est Exp Prior To FY 2014/15	Expenditures During FY 2014/15	Estimated Carryforward	New Funding FY 2015/16	Total Budgeted
Completed Projects					
Town Park Lighting Project	\$ 159,744	\$ 4,000	\$ -	\$ -	\$ 163,744
Parks Restroom Partition Upgrades	-	55,000	-	-	55,000
Oak Meadow Park Gazebo	-	22,355	-	-	22,355
Blossom Hill Park Pathway Improvements	6,387	148,734	-	-	155,121
Civic Center Improvement (Noise Insulation)	-	25,000	-	-	25,000
PPW Administration Building Improvements	9,793	40,207	-	-	50,000
CarteGraph System Upgrades	-	40,000	-	-	40,000
Adult Recreation Center - Roof Damage Repair	-	50,000	-	-	50,000
Youth Recreation Center - Cable & Control System Repair	-	25,000	-	-	25,000
Electrical Vehicle Charging Station Infrastructure	-	9,315	-	-	9,315
Complete Streets Project	-	80,000	-	-	80,000
Electronic Speed Signs	-	50,000	-	-	50,000
Total of Completed Projects	\$ 175,923	\$ 549,611	\$ -	\$ -	\$ 725,534
Carryforward Projects					
Street Repair & Resurfacing	\$ 3,666,933	\$ 6,638	\$ 767,965	\$ 525,000	\$ 4,966,536
Annual Street Restriping	313,697	-	80,878	25,000	419,575
Traffic Calming Projects	108,848	19,000	17,152	10,000	155,000
Curb, Gutter & Sidewalk Maintenance	1,420,490	2,950	326,635	250,000	2,000,075
Pavement Rehabilitation - Crack Seal	195,500	-	329,078	160,000	684,578
Retaining Wall Repairs	566,264	350,066	421,258	100,000	1,437,588
Quito Road - Bridge Replacement	32,038	-	299,681	-	331,719
Almond Grove Street Rehabilitation	129,869	173,320	3,739,263	-	4,042,452
Hillside Road Repair & Resurfacing	136,924	-	111,000	-	247,924
Guardrail Replacement Projects	6,375	125,680	97,945	-	230,000
Electrical Panel Replacement on Pageant Way	-	-	45,000	-	45,000
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	-	-	-	50,000	50,000
Shannon/LGB/ Cherry Blossom Sidewalk Improvements	-	-	20,000	110,000	130,000
Stonybrook & Kennedy Sidewalk Improvements	-	-	40,000	260,000	300,000
Parking Lot 4	-	-	50,000	350,000	400,000
Intersection Safety & Traffic Flow Improvements	-	-	50,000	-	50,000
Sidewalk Improvements - Multiple Locations	-	-	60,000	-	60,000
Town Beautification Projects	87,593	-	10,160	-	97,753
Audio / Video System Upgrade	52,440	-	58,160	-	110,600
Information System Upgrade	391,831	8,784	74,385	-	475,000
Tiburon CAD / RMS Upgrade	28,000	-	42,000	-	70,000
Town-wide Document Imaging Project	193,225	-	21,775	-	215,000
Town Digital Aerial Photo/Topographic Map	-	-	88,000	-	88,000
Building Replacement at Corporation Yard	-	0	20,000	400,000	420,000
HVAC Upgrades - Old Library	179,505	604,384	38,995	-	822,884
Old Library Re-use Project	-	892,509	8,553	-	901,062
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	-	-	20,000	20,000	40,000
Civic Center Energy Assessment	-	-	25,000	-	25,000
PPW Interoperability Radio Project	-	-	150,000	-	150,000
Oak Meadow Park Upgrades	-	-	30,000	300,000	330,000
Open Space Trail Upgrades	-	-	250,000	-	250,000
Parks Playground Fibar Project	42,350	3,016	23,587	25,000	93,953
Plaza Park Improvements	-	-	37,000	-	37,000
Blossom Hill Park Restroom Building Upgrades	-	-	40,000	-	40,000
Park Rehabilitation - Bachman Park	-	-	225,000	100,000	325,000
Blossom Hill Park Upgrades to OMP Park	-	-	30,000	-	30,000
Total of Carryforward Projects	\$ 7,555,883	\$ 2,186,348	\$ 9,114,469	\$2,850,000	\$ 21,706,700

∞ CAPITAL IMPROVEMENT PROGRAM ∞
General Fund Appropriated Reserve

GENERAL FUND APPROPRIATED RESERVES (GFAR)
FY 2015/16

	Est Exp Prior To FY 2014/15	Expenditures During FY 2014/15	Estimated Carryforward	New Funding FY 2015/16	Total Budgeted
<i>New Projects</i>					
Crosswalk Lighting Upgrade	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
Crosswalk Improvements at Santa Cruz/Blossom Hill	-	-	-	60,000	60,000
Pegeant Way Parking Lot Reconstruction	-	-	-	175,550	175,550
Montebello Way Island Removal	-	-	-	19,550	19,550
LED Streetlights	-	-	-	400,000	400,000
Los Gatos Creek Trail Improvements at Charter Oaks	-	-	-	30,000	30,000
Worcester Park	-	-	-	28,150	28,150
Blossom Hill Park Little League Backstop	-	-	-	50,000	50,000
Silicon Valley Interoperability Project (SVRIP) Service Fee	-	-	-	152,876	152,876
Civic Center Improvements	-	-	-	150,000	150,000
Energy Efficiency Upgrades - Town-wide	-	-	-	-	-
Total of New Projects	\$ -	\$ -	\$ -	\$1,116,126	\$ 1,116,126
GFAR Funding Project Totals	\$ 7,731,806	\$ 2,735,959	\$ 9,114,469	\$3,966,126	\$ 23,548,360

FY 2015/16 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 2015/16

- 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 79% of the proposed FY 2015-20 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 2014 PCI for Town streets is 71. The PCI for arterials and collectors streets is 80 and 70 respectively. While the \$1.1 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.

This project was presented to Council as part of the Capital Improvement Program. Portion of the actual funding for this project is being held pending resolution of funding needs for the Almond Grove Street Reconstruction project. Should the funds necessary to complete this project be re-allocated to the Almond Grove Street Reconstruction project, this project will be re-prioritized for completion in future budget years.

∞ CAPITAL IMPROVEMENT PROGRAM ∞
General Fund Appropriated Reserve

Operating Budget Impacts: Project design and oversight by the Engineering staff has been incorporated into the Engineering Program Services FY 2015/16 budget workplan.

- ***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 2015/16 and every year thereafter.

Operating Budget Impacts: Project oversight by the Engineering staff has been incorporated into the Engineering Program Services FY 2015/16 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 2015/16 Parks and Public Works departmental budget.

- ***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 Summer of 2015 and Summer of 2016. Additional funding will have to be identified for future phases of the Almond Grove Street Rehabilitation Project.

Operating Budget Impacts: Engineering staff time for oversight of this project is addressed in the FY 2015/16 Operating 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

∞ CAPITAL IMPROVEMENT PROGRAM ∞

General Fund Appropriated Reserve

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 \$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.

- ***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 section of the 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 signal 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.

Operating Budget Impacts: Engineering staff time for oversight of this project is addressed in the FY 2015/16 Operating Budget.

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:

- Highway 9/University
- 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 2015/16 KEY PROJECTS

The following key projects are budgeted in FY 2015/16:

- ***Highway 9/University Intersection*** – The lack of an updated traffic signal system and dedicated left turn lanes has impacted vehicle traffic flow, causing vehicle and pedestrian safety and capacity issues. To address these issues, a new traffic signal system, including dedicated left turn lanes, will be installed. The sidewalks located at this intersection will also be improved to comply with current codes. The project intersection is located in the Caltrans right-of-way and due to state budget challenges, funding has been limited for the past several years. However, the Town has secured a grant through the Highway Safety Implementation Program (HSIP). The project will be funded through this grant and revenue from development projects in the immediate area. Staff has been working together with the contractor and granting agency to complete the construction and meet grant requirements. Staff will prepare a report to Council during the Fu 2015/16 to close out and accept this project.
- ***Winchester Boulevard/Lark Avenue Improvements*** - This project will add a northbound receiving lane on Winchester Boulevard from Lark Avenue to Wimbledon Drive. In addition, the traffic lanes on westbound Lark Avenue will be reconfigured to provide a double right turn into 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 section of the 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.

• ∞ CAPITAL IMPROVEMENT PROGRAM ∞
Traffic Mitigation Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	2011/12 Actuals	2012/13 Actuals	2013/14 Actuals	2014/15 Adopted	2014/15 Estimated	2015/16 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Deferred Revenue</i>	\$ 4,065,044	\$ 4,065,044	\$ 4,065,044	\$ 4,065,045	\$ 4,065,044	\$ 4,065,044
<i>Undesignated</i>	79,232	126,032	126,032	178,226	178,226	178,226
Total Beginning Fund Balance	4,144,276	4,191,076	4,191,076	4,243,271	4,243,270	4,243,270
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	52,194	-	-	-
<i>Other Revenues</i>	1,178,657	1,152,480	453,811	291,299	30,982	605,000
Total Revenues	1,178,657	1,152,480	506,005	291,299	30,982	605,000
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	1,178,657	1,152,480	506,005	291,299	30,982	605,000
TOTAL SOURCE OF FUNDS	\$ 5,322,933	\$ 5,343,556	\$ 4,697,081	\$ 4,534,570	\$ 4,274,252	\$ 4,848,270
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>	1,118,658	1,119,708	452,132	281,299	20,982	595,000
Total Expenditures	1,118,658	1,119,708	452,132	281,299	20,982	595,000
Transfers Out						
<i>Transfers to General Fund</i>	13,199	32,772	1,679	10,000	10,000	10,000
<i>Transfers to Equip Replacemnt</i>	-	-	-	-	-	-
Total Transfers Out	13,199	32,772	1,679	10,000	10,000	10,000
Total Expenditures & Transfers Out	1,131,857	1,152,480	453,811	291,299	30,982	605,000
Ending Fund Balance						
<i>Deferred Revenue</i>	4,065,044	4,065,044	4,065,044	4,065,045	4,065,044	4,065,044
<i>Undesignated</i>	126,032	126,032	178,226	178,226	178,226	178,226
Total Ending Fund Balance	4,191,076	4,191,076	4,243,270	4,243,271	4,243,270	4,243,270
TOTAL USE OF FUNDS	\$ 5,322,933	\$ 5,343,556	\$ 4,697,081	\$ 4,534,570	\$ 4,274,252	\$ 4,848,270

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Traffic Mitigation Fund

TRAFFIC MITIGATION CIP PROJECTS
FY 2015/16

	Est Exp Prior To FY 2014/15	Expenditures During FY 2014/15	Estimated Carryforward	New Funding FY 2015/16	Total Budgeted
<i>Completed Projects</i>					
Winchester/ Knowles	\$ 37,978	\$ 13,469	\$ -	\$ -	\$ 51,447
Total of Completed Projects	\$ 37,978	\$ 13,469	\$ -	\$ -	\$ 51,447
<i>Carryforward Projects</i>					
Hwy 9/University Intersection	\$ 32,345	\$ 515	\$ 242,729	\$ -	\$ 275,588
Winchester Blvd. / Lark Ave. Intersection	30,981	6,998	834,002	-	871,981
Los Gatos Blvd / Lark Intersection	-	-	174,299	-	174,299
Blossom Hill Rd/Cherry Ln Intersection	-	-	5,000	495,000	500,000
Los Gatos Blvd / Shannon Improvements	-	-	20,000	-	20,000
Town Digital Aerial Photo/Topographic Map	-	-	42,000	-	42,000
Monument Control Network Update	-	-	10,000	-	10,000
Intersection Safety & Traffic Flow Imp	-	-	40,000	-	40,000
Total of Carryforward Projects	\$ 63,326	\$ 7,513	\$ 1,368,029	\$ 495,000	\$ 1,933,869
<i>New Projects</i>					
Crosswalk Add - Santa Cruz Ave	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
Crosswalk Lighting Upgrade	-	-	-	50,000	50,000
Total of New Projects	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Traffic Mitigation Funding Project Totals	\$ 101,304	\$ 20,982	\$ 1,368,029	\$ 595,000	\$ 2,085,316

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 2015/16, there are three 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

	2011/12 Actuals	2012/13 Actuals	2013/14 Actuals	2014/15 Adopted	2014/15 Estimated	2015/16 Adopted
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	35,827	(671,281)	(641,976)	(288,730)	(288,730)	(112,025)
Total Beginning Fund Balance	35,827	(671,281)	(641,976)	(288,730)	(288,730)	(112,025)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	(14,895)	621,502	487,821	-	98,889	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	-	-	-	-	-	-
<i>Other Revenues</i>	-	-	-	-	18,000	-
Total Revenues	(14,895)	621,502	487,821	-	116,889	-
Transfers In						
<i>Transfer from General Fund</i>	-	-	-	-	-	-
<i>Transfer from CDBG</i>	-	169,270	19,360	70,000	176,705	70,000
<i>Transfer from Bulding Maint</i>	-	-	-	-	-	-
<i>Transfer from MIS Fund</i>	-	-	-	-	-	-
<i>Transfer from Equip Replacement</i>	-	-	-	-	-	-
Total Transfers In	-	169,270	19,360	70,000	176,705	70,000
Total Revenues & Transfers In	(14,895)	790,772	507,181	70,000	293,594	70,000
TOTAL SOURCE OF FUNDS	\$ 20,932	\$ 119,491	\$ (134,795)	\$ (218,730)	\$ 4,864	\$ (42,025)
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>	599,237	761,467	153,935	70,000	116,889	70,000
Total Expenditures	599,237	761,467	153,935	70,000	116,889	70,000
Transfers Out						
<i>Transfers to General Fund</i>	92,976	-	-	-	-	-
<i>Transfers to Grant Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replcement</i>	-	-	-	-	-	-
Total Transfers Out	92,976	-	-	-	-	-
Total Expenditures & Transfers Out	692,213	761,467	153,935	70,000	116,889	70,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(671,281)	(641,976)	(288,730)	(288,730)	(112,025)	(112,025)
Total Ending Fund Balance	(671,281)	(641,976)	(288,730)	(288,730)	(112,025)	(112,025)
TOTAL USE OF FUNDS	\$ 20,932	\$ 119,491	\$ (134,795)	\$ (218,730)	\$ 4,864	\$ (42,025)

∞ 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 2015/16

	Est Exp Prior To FY 2014/15	Expenditures During FY 2014/15	Estimated Carryforward	New Funding FY 2015/16	Total Budgeted
Completed Projects					
Cartograph System Upgrade	\$ -	\$ 18,000	\$ -	\$ -	\$ 18,000
Blossom Hill Park Pathway Improvements	19,360	148,010	-	-	167,370
Total of Completed Projects	\$ 19,360	\$ 166,010	\$ -	\$ -	\$ 185,370
Carryforward Projects					
Hillside Road Repair & Resurfacing	\$ -	\$ -	\$ 139,000	\$ -	\$ 139,000
Hwy 9/University Intersection	180,225	627,606	92,169	-	900,000
Public Access Infrastructure Improvement Projects	-	-	66,384	70,000	136,384
Total of Carryforward Projects	\$ 180,225	\$ 627,606	\$ 297,553	\$ 70,000	\$ 1,175,384
New Projects					
	\$ -	\$ -	\$ -	\$ -	\$ -
Total of New Projects	\$ -	\$ -	\$ -	\$ -	\$ -
Grant and Awards Project Totals:	\$ 199,585	\$ 793,616	\$ 297,553	\$ 70,000	\$ 1,360,754

FY 2015/16 KEY PROJECTS

The following Capital Improvement Plan projects are funded with grant funding and are expected to be Key Projects in FY 2015/16:

- **Hillside Road Repair & Resurfacing Project** – This project will perform repairs and resurfacing to several sections of Kennedy Road in the hillside area.

Operating Budget Impacts: Engineering staff time for project construction management and instruction is addressed in the FY 2015/16 Operating Budget.

- **Highway 9/University Intersection Projects** – The lack of an updated traffic signal system and dedicated left turn lanes has impacted vehicle traffic flow, causing vehicle and pedestrian safety and capacity issues. To address these issues, a new traffic signal system, including dedicated left turn lanes, will be installed. The sidewalks located at this intersection will also be improved to comply with current codes. The project intersection is located in the Caltrans right-of-way and due to state budget challenges, funding has been limited for the past several years. However, the Town has secured a grant through the Highway Safety Implementation Program (HSIP). The project will be funded through this grant and revenue from development projects in the immediate area. Staff has been working together with the contractor and granting agency to complete the construction and meet grant requirements. Staff will prepare a report to Council during the Fu 2015/16 to close out and accept this project

Operating Budget Impacts: Staff time for construction inspection and management of this project is addressed in the FY 2015/16 Operating Budget



Capital Improvement Program

STORM DRAIN FUNDS FUNDS 461, 462, 463

FUND PURPOSE

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

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

BUDGET OVERVIEW

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

FY 2015/16 KEY PROJECTS

Frank Avenue Storm Drain project is scheduled for FY 2015/16. 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>2011/12</u> <u>Actuals</u>	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Adopted</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Adopted</u>
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	284,346	440,984	305,893	450,765	450,765	556,679
Total Beginning Fund Balance	<u>284,346</u>	<u>440,984</u>	<u>305,893</u>	<u>450,765</u>	<u>450,765</u>	<u>556,679</u>
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	153,007	104,679	136,114	45,000	102,794	45,000
<i>Interest</i>	4,071	2,075	8,758	3,120	3,120	3,120
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>157,078</u>	<u>106,754</u>	<u>144,872</u>	<u>48,120</u>	<u>105,914</u>	<u>48,120</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>157,078</u>	<u>106,754</u>	<u>144,872</u>	<u>48,120</u>	<u>105,914</u>	<u>48,120</u>
TOTAL SOURCE OF FUNDS	<u>\$ 441,424</u>	<u>\$ 547,738</u>	<u>\$ 450,765</u>	<u>\$ 498,885</u>	<u>\$ 556,679</u>	<u>\$ 604,799</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>	440	241,845	-	-	-	-
Total Expenditures	<u>440</u>	<u>241,845</u>	<u>-</u>	<u>-</u>	<u>-</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>440</u>	<u>241,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	440,984	305,893	450,765	498,885	556,679	604,799
Total Ending Fund Balance	<u>440,984</u>	<u>305,893</u>	<u>450,765</u>	<u>498,885</u>	<u>556,679</u>	<u>604,799</u>
TOTAL USE OF FUNDS	<u>\$ 441,424</u>	<u>\$ 547,738</u>	<u>\$ 450,765</u>	<u>\$ 498,885</u>	<u>\$ 556,679</u>	<u>\$ 604,799</u>

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Storm Drain Fund - 462

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2011/12</u> <u>Actuals</u>	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Adopted</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Adopted</u>
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	657,314	749,936	860,324	935,033	935,033	967,499
Total Beginning Fund Balance	657,314	749,936	860,324	935,033	935,033	967,499
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	85,210	105,636	56,542	45,000	24,466	45,000
<i>Interest</i>	7,412	4,752	18,167	8,000	8,000	8,000
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	92,622	110,388	74,709	53,000	32,466	53,000
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	92,622	110,388	74,709	53,000	32,466	53,000
TOTAL SOURCE OF FUNDS	\$ 749,936	\$ 860,324	\$ 935,033	\$ 988,033	\$ 967,499	\$ 1,020,499
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 Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	-	-	-	-	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	749,936	860,324	935,033	988,033	967,499	1,020,499
Total Ending Fund Balance	749,936	860,324	935,033	988,033	967,499	1,020,499
TOTAL USE OF FUNDS	\$ 749,936	\$ 860,324	\$ 935,033	\$ 988,033	\$ 967,499	\$ 1,020,499

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Storm Drain Fund - 463

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2011/12</u> <u>Actuals</u>	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Adopted</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Adopted</u>
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	(75,204)	(74,288)	(55,377)	(54,904)	(54,904)	(53,818)
Total Beginning Fund Balance	(75,204)	(74,288)	(55,377)	(54,904)	(54,904)	(53,818)
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	1,683	19,328	1,540	5,000	2,086	5,000
<i>Interest</i>	(767)	(417)	(1,067)	(1,000)	(1,000)	(1,000)
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	916	18,911	473	4,000	1,086	4,000
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	916	18,911	473	4,000	1,086	4,000
TOTAL SOURCE OF FUNDS	\$ (74,288)	\$ (55,377)	\$ (54,904)	\$ (50,904)	\$ (53,818)	\$ (49,818)
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 Repalcement</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	-	-	-	-	-	-
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	(74,288)	(55,377)	(54,904)	(50,904)	(53,818)	(49,818)
Total Ending Fund Balance	(74,288)	(55,377)	(54,904)	(50,904)	(53,818)	(49,818)
TOTAL USE OF FUNDS	\$ (74,288)	\$ (55,377)	\$ (54,904)	\$ (50,904)	\$ (53,818)	\$ (49,818)

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Storm Drain Funds

STORMDRAIN CIP PROJECTS
FY 2015/16

	Est Exp Prior To FY 2014/15	Expenditures During FY 2014/15	Estimated Carryforward	New Funding FY 2015/16	Total Budgeted
<i>Carryforward Projects</i>					
Hernandez Avenue Storm Drain Improvements	\$ 17,180	\$ -	\$ -	\$ -	\$ 17,180
Frank Avenue Storm Drain	-	-	150,000	-	150,000
<i>Total of Carryforward Projects</i>	\$ 17,180	\$ -	\$ 150,000	\$ -	\$ 167,180
<i>New Projects</i>					
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Storm Drain Project Totals:</i>	\$ 17,180	\$ -	\$ 150,000	\$ -	\$ 167,180



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 enlargement. 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 \$2.7 million at FY 2014/15 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 these monies. 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 2019/20.

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Utility Underground Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2011/12</u> <u>Actuals</u>	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Adopted</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Adopted</u>
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	2,385,666	2,450,322	2,519,548	2,687,790	2,687,790	2,747,790
Total Beginning Fund Balance	2,385,666	2,450,322	2,519,548	2,687,790	2,687,790	2,747,790
Revenues						
<i>Other Taxes</i>	44,387	53,845	116,020	30,000	30,000	30,000
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	-	-	-	-	-	-
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	24,976	15,381	52,222	30,000	30,000	30,000
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	69,363	69,226	168,242	60,000	60,000	60,000
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	69,363	69,226	168,242	60,000	60,000	60,000
TOTAL SOURCE OF FUNDS	\$ 2,455,029	\$ 2,519,548	\$ 2,687,790	\$ 2,747,790	\$ 2,747,790	\$ 2,807,790
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>	4,707	-	-	-	-	28,000
Total Expenditures	4,707	-	-	-	-	28,000
Transfers Out						
<i>Transfers to General Fund</i>	-	-	-	-	-	-
<i>Transfers to Equip Replacment</i>	-	-	-	-	-	-
Total Transfers Out	-	-	-	-	-	-
Total Expenditures & Transfers Out	4,707	-	-	-	-	28,000
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	2,450,322	2,519,548	2,687,790	2,747,790	2,747,790	2,779,790
Total Ending Fund Balance	2,450,322	2,519,548	2,687,790	2,747,790	2,747,790	2,779,790
TOTAL USE OF FUNDS	\$ 2,455,029	\$ 2,519,548	\$ 2,687,790	\$ 2,747,790	\$ 2,747,790	\$ 2,807,790

UTILITY UNDERGROUND CIP PROJECTS

FY 2015/16

	<u>Est Exp Prior To FY 2014/15</u>	<u>Expenditures During FY 2014/15</u>	<u>Estimated Carryforward</u>	<u>New Funding FY 2015/16</u>	<u>Total Budgeted</u>
<i>Completed Projects</i>					
<i>Total of Completed Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Carryforward Projects</i>					
<i>Total of Carryforward Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>New Projects</i>					
PG&E Undergrounding	\$ -	\$ -	\$ -	\$ 28,000	\$ 28,000
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ 28,000	\$ 28,000
<i>Total of Utility Underground Projects</i>	\$ -	\$ -	\$ -	\$ 28,000	\$ 28,000



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 equal to estimated levels for the prior year as the revenue has shown both an increase and a decrease in recent years. With the recent lowering in gasoline prices, the projection for FY 2015/16 is conservative; however, conservative judgment recommends using a lower estimate in this volatile market. The ongoing Street Repair and Resurfacing project was carried forward from FY 2014/15. There are no new Gas Tax-funded projects scheduled for FY 2015/16.

⌘ CAPITAL IMPROVEMENT PROGRAM ⌘
Gas Tax Fund

STATEMENT OF SOURCE AND USE OF FUNDS

	<u>2011/12</u> <u>Actuals</u>	<u>2012/13</u> <u>Actuals</u>	<u>2013/14</u> <u>Actuals</u>	<u>2014/15</u> <u>Adopted</u>	<u>2014/15</u> <u>Estimated</u>	<u>2015/16</u> <u>Adopted</u>
SOURCES OF FUNDS						
Beginning Fund Balance						
<i>Designated</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Undesignated</i>	73,264	193,300	169,346	297,302	297,302	290,301
Total Beginning Fund Balance	<u>73,264</u>	<u>193,300</u>	<u>169,346</u>	<u>297,302</u>	<u>297,302</u>	<u>290,301</u>
Revenues						
<i>Other Taxes</i>	-	-	-	-	-	-
<i>Carryforward</i>	-	-	-	-	-	-
<i>Intergovernmental</i>	871,471	733,169	940,524	791,000	887,213	657,623
<i>Town Services</i>	-	-	-	-	-	-
<i>Licenses & Permits</i>	-	-	-	-	-	-
<i>Interest</i>	4,565	(1,123)	5,722	1,000	1,000	1,000
<i>Other Revenues</i>	-	-	-	-	-	-
Total Revenues	<u>876,036</u>	<u>732,046</u>	<u>946,246</u>	<u>792,000</u>	<u>888,213</u>	<u>658,623</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>876,036</u>	<u>732,046</u>	<u>946,246</u>	<u>792,000</u>	<u>888,213</u>	<u>658,623</u>
TOTAL SOURCE OF FUNDS	<u>\$ 949,300</u>	<u>\$ 925,346</u>	<u>\$ 1,115,592</u>	<u>\$ 1,089,302</u>	<u>\$ 1,185,515</u>	<u>\$ 948,924</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>	650,000	650,000	712,290	700,000	789,214	600,000
Total Expenditures	<u>650,000</u>	<u>650,000</u>	<u>712,290</u>	<u>700,000</u>	<u>789,214</u>	<u>600,000</u>
Transfers Out						
<i>Transfers to General Fund</i>	106,000	106,000	106,000	106,000	106,000	106,000
<i>Transfers to Equip Replacemnt</i>	-	-	-	-	-	-
Total Transfers Out	<u>106,000</u>	<u>106,000</u>	<u>106,000</u>	<u>106,000</u>	<u>106,000</u>	<u>106,000</u>
Total Expenditures & Transfers Out	<u>756,000</u>	<u>756,000</u>	<u>818,290</u>	<u>806,000</u>	<u>895,214</u>	<u>706,000</u>
Ending Fund Balance						
<i>Designated</i>	-	-	-	-	-	-
<i>Undesignated</i>	193,300	169,346	297,302	283,302	290,301	242,924
Total Ending Fund Balance	<u>193,300</u>	<u>169,346</u>	<u>297,302</u>	<u>283,302</u>	<u>290,301</u>	<u>242,924</u>
TOTAL USE OF FUNDS	<u>\$ 949,300</u>	<u>\$ 925,346</u>	<u>\$ 1,115,592</u>	<u>\$ 1,089,302</u>	<u>\$ 1,185,515</u>	<u>\$ 948,924</u>

∞ CAPITAL IMPROVEMENT PROGRAM ∞
Gas Tax Fund

GAS TAX CIP PROJECTS

	FY 2015/16				
	Est Exp Prior To FY 2014/15	Expenditures During FY 2014/15	Estimated Carryforward	New Funding FY 2015/16	Total Budgeted
<i>Completed Projects</i>					
<i>Total of Completed Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Carryforward Projects</i>					
Street Repair & Resurfacing	\$ 4,705,435	\$ 789,214	\$ -	\$ 600,000	\$ 6,094,649
<i>Total of Carryforward Projects</i>	\$4,705,435	\$ 789,214	\$ -	\$ 600,000	\$6,094,649
<i>New Projects</i>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of New Projects</i>	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total of Gas Tax Projects</i>	\$4,705,435	\$ 789,214	\$ -	\$ 600,000	\$6,094,649

FY 2015/16 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 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 Park and Public Works department staff.

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