

39. Question: What is the budgeted total capital outlay (as defined by GAAP) planned for FY 24? The transmittal letter and schedule B-4 shows \$37,771,823 as the FY 24 Capital Plan. However, that does not reflect what is planned to be spent as capital outlays in FY 24. On schedule C-33 in the Operating Plan capital expenditures are shown as \$10,125,131. But that looks like the total of new funding being requested for all projects and not a budget for FY 24 capital outlay. Where can I find for FY 24 the planned capital outlay (eg cash disbursement) for each capital project? Is there a robust capital project tracking and reporting mechanism in place which can show actual cash vs the budget and provide percentage of completion status in place?

Answer: The Proposed Capital Improvement Budget provides detailed information about the projects, including new funding and the estimated carryforward items. The Transmittal Letter (pages A-1 – A-11) and the Financial Summaries (pages B-1 – B-23) provide multiple schedules listing the projects by category and funding sources. Each project has a detailed description with an estimated timeline. The schedule on page C-33 presents the new projects but not the carryforward items.

40. Question: On schedule B-5 Project 9901 is shows an estimated carryforward of \$4,748,250 for FY 24 and a total Budgeted of \$45,569,868. On schedule C-5 the carryforward is shown as \$4,928,250 and total Budgeted as \$48,266,496 – which is almost \$3m more. Which is correct? Please also provide additional information regarding the Footnote comment on C-5 regarding “making it challenging to clearly define the annual spending”? Why is it challenging?

Answer: The Street Repair and Resurfacing Project (9901) and the Pavement Rehab-Crack Seal Project (9903) are presented as a combined project on page C-5. This project is managed as a whole. A separate project is set up for tracking purposes, since the Valley Transportation Agency requires the Town to post interest to the Pavement Rehab-Crack Seal 2010 Measure B proceeds. Combining the two projects yields a total project cost of \$48,266,496. The overall actual spending by Fiscal Year is tracked in the Town’s internal financial system. Generally, capital project expenditures occur in multiple fiscal years and setting up separate project numbers for FY 2023/24, FY 2024/25, and FY 2025/26 will enable the Department to better track the annual program. Once the FY 2023/24 project is completed, the project will be closed and the leftover balance will be available for the FY 2024/25 identified street list.

41. Question: Since FY 20 the total annual budget for Project 9901 has increased from \$5,969,299 to \$8,352,226. Why has this happened? Has the scope of work expanded by 40% or has the cost materially increased? Can the Town spend wisely \$8,352,226 in a year? Are the projects clearly outlined for the \$8,352,226 programmed? Frankly this doesn’t look right.

Answer: The ongoing annual new funding to the Street Repair and Resurfacing Program (9901 and 9903) is approximately \$3.4 million (mostly from revenue sources that are restricted to streets). The carryforward amount is estimated at the time of the preparation of the Proposed Budget document, and the actual carryforward number will be determined at the close of the fiscal year.

42. Question: Why don’t the detail project descriptions for each project include necessary information to help the TC under the entirety of the current state of the capital project? For instance, the project summary could include the following – date project was first approved, first approved budget, first completion date estimate, current completion status based on engineering estimates, total spent to date on project and estimate to spend to complete. A good example of where this information would be

useful would be for project 813-0227 Traffic Signal Modernization. That project was first opened in FY 17 for a total project cost of \$1,685,790 and a target completion date of Spring 2017. Target completion date is now Summer of 2023 with a target cost of \$2,622,973. The project detail provides no explanation as to why the project is 6 years late and \$1 million more in estimated cost. This would be helpful to understand.

Answer: As it was introduced at the April 17, 2023 Finance Commission meeting, staff prepared an updated schedule going forward for new projects addressing the Finance Commission and Council budget direction. Please refer to an example on page D-29.