



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 03/21/2021

ITEM NO: 13

DATE: March 14, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive Preliminary Fiscal Year 2023/24 – 2027/28 Five-Year Capital Improvement Program Information and Provide Direction on Project Priorities

RECOMMENDATION:

Receive Preliminary Fiscal Year 2023/24 – 2027/28 Five-Year Capital Improvement Program (CIP) Information and provide direction on project priorities.

BACKGROUND:

On March 13, 2023, staff presented a review of the Five-Year CIP to the Finance Commission in preparation for development of the 2023/24 budget. In the meeting, staff sought feedback from the Finance Commission on funding strategies and opportunities and for recommendations to Council on these.

DISCUSSION:

The report presented to the Finance Commission (Attachment 1) contains detail regarding some of the Town's CIP needs and projected funding from available sources. As demonstrated in the report, the capital program needs exceed the available funding capacity of the program. Staff has recommended project priorities and is seeking direction from Council on these priorities.

PREPARED BY: Nicolle Burnham
Director, Parks and Public Works

Reviewed by: Town Manager, Town Attorney, and Finance Director

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DISCUSSION (continued):

At its March 13, 2022 meeting, the Finance Commission provided the following five recommendations for Town Council to consider:

1. Staff should provide more frequent updates on capital projects (similar to what is in Attachment 4 to the report to the Finance Commission) and include the year of project, start date, original budget, original planned completion date, and changes in scope.
2. Council should set a maximum expenditure limit for large projects.
3. Council should support the request for the three additional ongoing annual projects in the staff report.
4. All projects should be fully funded for their current phase over the Five-Year Plan.
5. Council should direct staff to develop more realistic estimates for the amount of the General Fund to be transferred to the capital program over the Five-Year Program based on available and anticipated funds rather than a flat \$800,000 and future surpluses.

CONCLUSION:

The input from Town Council will aid staff in developing the CIP Budget for Fiscal Years 2023/24 – 2027/28.

COORDINATION:

This report has been coordinated with the Town Attorney, Finance Director, and Town Manager.

FISCAL IMPACT:

There is no fiscal impact from the discussion of this staff report.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under the California Environmental Quality Act, and no further action is required. Individual capital projects will have their own environmental clearances.

Attachments:

1. Finance Commission Report and Attachments (from 3/13/23 Finance Commission Meeting).
2. Public Comments