



TOWN OF LOS GATOS
FINANCE COMMISSION REPORT

MEETING DATE: 03/11/2024

ITEM NO: 10

DATE: March 8, 2024
TO: Finance Commission
FROM: Laurel Prevetti, Town Manager
SUBJECT: Review and Provide Feedback on the Reasonableness and Completeness of the Town's Five-Year Capital Plan Taken as a Whole

RECOMMENDATION:

Review and provide feedback on the Five-Year Capital Improvement Plan for Fiscal Years 2023/24 through 2027/28.

BACKGROUND:

The Town of Los Gatos Capital Improvement Plan (CIP) supports the safe and efficient operation and management of Town-owned infrastructure and assets. Town-owned assets include 17 park and open space areas that total 223 acres, nine miles of trail, 113 miles of roadways (236 lane miles), 576,000 linear feet of sidewalks, 31 traffic signals, 2,100 street lights, 12 public buildings totaling approximately 139,000 square feet, 23 surface parking lots (including lots in parks), and one underground parking structure. These major assets are supported by ancillary assets like restroom buildings (five total), storm drainage systems, retaining walls, guardrails, street trees, and traffic signs.

DISCUSSION:

Existing Capital Program

Each year, staff evaluates projects for inclusion in the five-year Capital Improvement Plan and makes recommendations to add or delete projects and/or increase funding for certain projects. Capital Projects are allocated by Programs and Project Types as noted in Table 1. The funding status of projects in the current CIP, funding sources and spending through January 24, 2024 is presented in Attachment 1.

PREPARED BY: Nicolle Burnham
Parks and Public Works Director

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

DISCUSSION (continued):

At present there are 63 funded projects in the capital program, 11 of which are ongoing and funded annually or bi-annually. The ongoing projects are presented in Table 2. The remaining 52 are one-time projects with a discrete starting and ending point. The status of the one-time projects is presented in Attachment 2.

Table 1. List of CIP Programs and Project Types

Program Name	Project Type
Streets	Street Reconstruction and Resurfacing Street Repairs, Maintenance and Safety Street Improvements Bridges
Parks and Trails	Parks Trails
Public Facilities	Town Infrastructure Equipment

Table 2. Ongoing and Annually Funded Capital Projects (2023/24 – 2027/28 CIP)

Project Name	Project No.	Funding Program	Project Purpose ¹
Street Repair & Resurfacing	811-9901 / 811-9903	Streets	1,2,3,5
Unanticipated Repairs - Annual	811-9904	Streets	1,4
Roadside Fire Fuel Reduction	812-0130	Streets	1,5
Measure B Education & Encouragement	812-0134	Streets	1,2,3
Curb, Gutter, Sidewalk Maintenance	813-9921	Streets	1,3,4
Retaining Wall + Guardrails Repairs	815-9930	Streets	1,2,3,5
Annual Storm Drain Improvement Project	816-0420	Streets	1,3,4,5
Town Beautification	821-2002	Public Facilities	3,5
Annual ADA Compliance Work	821-2013	Public Facilities	1,3,4,5
Parks Playground Fibar Project (Bi-Annual)	831-4605	Parks and Trails	1,3,4
Vegetation Management Town-wide	832-4508	Parks and Trails	1,5

Notes: 1. Project Purposes are: (1) Safety, (2) Traffic/Transportation, (3) Quality of Life, (4) Regulatory or Legal Mandate, (5) Effective Management of Existing Assets and (6) Improvement

DISCUSSION (continued):

Per Attachment 2, certain one-time projects are noted as being on hold. This is attributed to a vacancy in the lead Engineering position on the Capital Projects delivery team, and the need to address specific issues on other projects in the current fiscal year. The Shannon Road (Diduca Way to Santa Rosa) lane closure in August 2023 and subsequent temporary repair in December 2023 is an example of the unforeseen issues that required attention of the Engineering Team.

Staff expects to close the following projects before the end of the 2023/24 fiscal year:

- Traffic Signal Modernization (Project No. 813-0227)
- Storm Related Repairs (Project No. 813-0243)
- Downtown Parking Lots Seal Coat & Restriping (Project No. 817-0705)
- Downtown Restroom Feasibility Study (Project No. 821-2011)
- Adult Recreation Center - HVAC Unit Replacement (Project No. 821-2207)
- HVAC Improvements – POB (Project No. 821-2403)
- ADA Upgrade Public Restrooms - Adult Recreation Center (Project No. 821-2601)
- Americans with Disabilities Act (ADA) Transition Plan (Project No. 812-0129)
- Local Road Safety Plan (Project No. 812-0132)
- Winchester Boulevard Complete Streets Final Design (Project No. 813-0238)

Project Delivery

As demonstrated by the project list, PPW is responsible for delivering highly complex projects as well as implementing annual maintenance activities. There are a number of delivery methods for projects and PPW strategizes ways to deliver projects most efficiently within the legal requirements of the California Public Contracts Code and the Town's Purchasing Policy.

For example, storm drainage and roadway projects might utilize a traditional design-bid-build approach. For other projects (e.g., Oak Meadow Plane Recoating and Restriping for Parking Lots), PPW staff obtain three bids, award to the lowest bidder, and oversee the work of the contractor. If a project is related to Facilities, the Facilities staff may be the project manager. Similarly, the Traffic Engineering Team may be responsible for the delivery of traffic-related projects, among other duties. There are also different levels of support from staff throughout PPW.

CIP Preparation

In preparing the CIP, consideration is given to the amount of funding available and/or anticipated from a variety of various funding sources – Measure G, Construction Impact Fees, Gas Tax, Utility Undergrounding Fee, Refuse Vehicle Impact Fees, Measure B, Traffic Mitigation

DISCUSSION (continued):

Fees, Storm Drainage Fees, Grant Funds and, when allocated by Town Council, the General Fund Special/Capital Projects Reserve. The availability of funding from these sources varies from year to year. Many of these sources have specific dedicated uses and so must be applied to specific project types (e.g., roadway resurfacing or storm drainage improvements).

On February 6, 2024, Town Council received a report on the status of the CIP and suggested projects for future consideration. In recommending projects for consideration, staff evaluates the need for the project and the risk associated with delay.

Staff is using Council's input from February 6, 2024 in the preparation of the Proposed Fiscal Year 2024/25 – 2028/29 Capital Improvement Program Budget. The Budget will be submitted to the Finance Commission review on April 22, 2024 consistent with the ordinance establishing the Finance Commission. The Commission will discuss both the Proposed Operating and Capital Budgets and make its recommendations to the Town Council. The Town Council holds its public hearing on the Proposed Budget documents on May 21, 2024 and considers their final adoption in June.

Future Needs

In addition to advancing the Council's priorities with respect to the Town's capital program, the Department of Parks and Public Works (PPW) maintains a working list of potential future capital needs (see Attachment 3). Projects are added to this list as Council, the Town Manager, the public, or staff identify a need. This list is a living document that is regularly reviewed and updated.

Staff is currently developing a forecast of projects for Town-owned buildings. The forecast is based on a combination of facility condition assessments and evaluation of Town facilities that was conducted by a Certified Access Specialist to evaluate compliance with the Americans with Disabilities Act. When this forecast is complete staff will have a detailed CIP needs list specific to facilities.

CONCLUSION:

Staff looks forward to the Finance Commission's discussion.

Attachments:

1. Current Funding of CIP FY 2023/24 to 2027/28
2. Status of Currently Funded One-Time Projects
3. Future Capital Needs Not Currently in the CIP