

# Capital Improvement Program — Schedule B-4

Three-Year Budget Comparison · FY 2024-25 through FY 2026-27 · Includes Carryforward

## TOTAL PROJECT FUNDING

<b>FY 2024-25 ADOPTED</b> <b>\$32,568,599</b> Baseline year
<b>FY 2025-26 ADOPTED</b> <b>\$22,687,140</b> vs FY25: -\$9,881,459 (-30.3%)
<b>FY 2026-27 PROPOSED</b> <b>\$24,682,126</b> vs FY26: +\$1,994,986 (+8.8%)
<b>CHANGE FY25 → FY26</b> <b>-\$9,881,459</b> -30.3%
<b>CHANGE FY26 → FY27</b> <b>+\$1,994,986</b> +8.8%

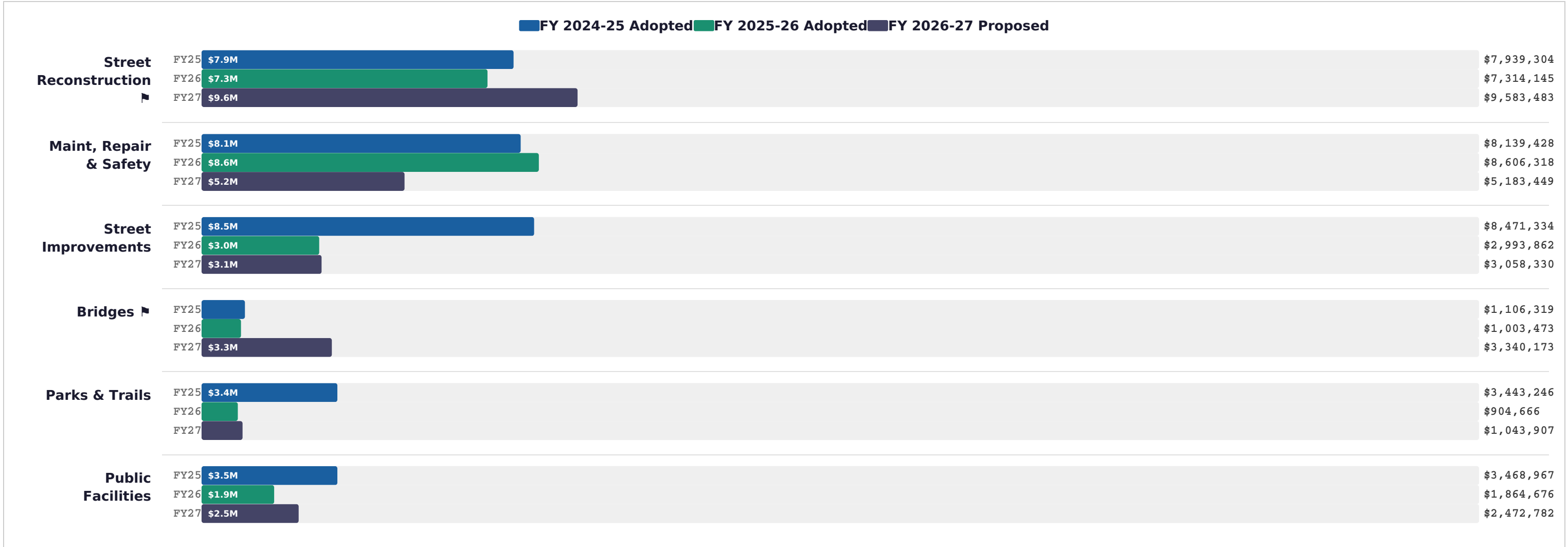
## PROGRAM DETAIL

CATEGORY	FY 2024-25 ADOPTED (\$)	SHARE	FY 2025-26 ADOPTED (\$)	SHARE	FY 2026-27 PROPOSED (\$)	SHARE	FY25→26 \$ CHG	FY25→26 % CHG	FY26→27 \$ CHG	FY26→27 % CHG
<b>STREETS PROGRAM</b>										
Street Reconstruction	7,939,304	24%	7,314,145	32%	9,583,483	39%	-625,159	-7.9%	+2,269,338	+31.0%
Maintenance, Repair & Safety	8,139,428	25%	8,606,318	38%	5,183,449	21%	+466,890	+5.7%	-3,422,869	-39.8%
Street Improvements	8,471,334	26%	2,993,862	13%	3,058,330	12%	-5,477,472	-64.7%	+64,468	+2.2%
Bridges	1,106,319	3%	1,003,473	5%	3,340,173	14%	-102,846	-9.3%	+2,336,700	+232.9%
<b>Streets Program Total</b>	<b>25,656,386</b>	<b>79%</b>	<b>19,917,798</b>	<b>88%</b>	<b>21,165,436</b>	<b>86%</b>	<b>-5,738,588</b>	<b>-22.4%</b>	<b>+1,247,638</b>	<b>+6.3%</b>
<b>PARKS &amp; TRAILS PROGRAM</b>										
Park Improvements	1,228,433	4%	401,374	2%	445,772	2%	-827,059	-67.3%	+44,398	+11.1%
Trail Improvements	2,214,813	7%	503,292	2%	598,135	2%	-1,711,521	-77.3%	+94,843	+18.8%
<b>Parks &amp; Trails Total</b>	<b>3,443,246</b>	<b>11%</b>	<b>904,666</b>	<b>4%</b>	<b>1,043,907</b>	<b>4%</b>	<b>-2,538,580</b>	<b>-73.7%</b>	<b>+139,241</b>	<b>+15.4%</b>
<b>PUBLIC FACILITIES PROGRAM</b>										
Infrastructure	2,841,081	9%	1,049,438	4%	1,698,565	7%	-1,791,643	-63.1%	+649,127	+61.9%
Equipment	627,886	2%	815,237	4%	774,217	3%	+187,351	+29.8%	-41,020	-5.0%
<b>Public Facilities Total</b>	<b>3,468,967</b>	<b>11%</b>	<b>1,864,676</b>	<b>8%</b>	<b>2,472,782</b>	<b>10%</b>	<b>-1,604,291</b>	<b>-46.2%</b>	<b>+608,106</b>	<b>+32.6%</b>
<b>TOTAL PROJECT FUNDING</b>	<b>32,568,599</b>	<b>100%</b>	<b>22,687,140</b>	<b>100%</b>	<b>24,682,126</b>	<b>100%</b>	<b>-9,881,459</b>	<b>-30.3%</b>	<b>+1,994,986</b>	<b>+8.8%</b>

Items flagged for program management review — see pages 3 and 4 · Source: Adopted CIP FY 2024-25, FY 2025-26 & Proposed CIP FY 2026-27 (Schedule B-4) · All figures include carryforward

## Budget Comparison by Program Category

Bar width proportional to \$32.6M baseline · Exact dollar totals shown right of each bar



Items flagged for program management review — see pages 3 and 4

**REQUIRES FURTHER INSPECTION**

## Annual Street Repair & Resurfacing — Project 8101

Growing carryforward balance signals chronic underspending

<p><b>FY23-24 CARRYFORWARD</b>  <b>\$4,044,465</b>                  \$3.7M spent of ~\$7.6M available · 49% utilization</p>
<p><b>FY24-25 CARRYFORWARD</b>  <b>\$3,629,307</b>                  \$3.8M spent of ~\$7.1M available · 53% utilization</p>
<p><b>FY25-26 CARRYFORWARD</b>  <b>\$6,357,803</b>                  \$978K spent of ~\$6.5M available · 15% utilization</p>
<p><b>FY26-27 ANNUAL BUDGET</b>  <b>\$2,865,680</b>                  Declining from \$3.5M in FY25 while carryforward grows</p>

**SPENDING UTILIZATION BY YEAR**

YEAR	ANNUAL BUDGET	ACTUAL SPEND	CARRYFORWARD	UTILIZATION
<b>FY 2023-24</b>	\$3,534,839	\$3,723,736	\$4,044,465	49%
<b>FY 2024-25</b>	\$3,504,839	\$3,758,469	\$3,629,307	53%
<b>FY 2025-26</b>	<b>\$2,865,680</b>	<b>\$977,914</b>	<b>\$6,357,803</b>	<b>15%</b>

Available budget = prior carryforward + annual appropriation

**ANALYSIS**

The Annual Street Repair & Resurfacing program is the Town's largest CIP line item. In FY 2025-26, actual spending collapsed to **\$977,914** against \$6.5M available — a utilization rate of **15%**. This is a sharp departure from the prior two years at 49–53%.

The carryforward entering FY 2026-27 of **\$6.36M** is the highest on record for this program and now represents 66% of the Street Reconstruction category budget.

While carryforward is normal in pavement programs due to construction season constraints and bid timing, a growing unresolved balance year over year raises concern that the program lacks the delivery capacity — staff bandwidth, contractor availability, or procurement processes — to execute approved appropriations. **Deferred pavement treatment accelerates deterioration** and increases long-term costs significantly.

**QUESTIONS REQUIRING STAFF RESPONSE**

- **Spending Collapse:** What specific streets were planned for resurfacing in FY 2025-26 and what caused spending to drop to \$978K — were contracts awarded and work deferred, or were bids never issued?
- **Encumbrance Status:** Is the \$6.36M carryforward tied to specific contracted work already scheduled for FY 2026-27, or is it unencumbered and available for reallocation?
- **Pavement Condition:** Has the Town's Pavement Condition Index (PCI) been updated to reflect the impact of deferred treatments, and what is the projected cost increase from delayed maintenance?
- **Budget Adequacy:** Does the declining annual appropriation of \$2.87M realistically reflect current construction costs per lane-mile, or is the program structurally underfunded?

**REQUIRES FURTHER INSPECTION**

# Highway 17 Bicycle & Pedestrian Bridge — Project 8510

\$3.29M design balance with no funded path to construction

<p><b>SPENT TO DATE (DESIGN)</b></p> <p><b>\$3.64M</b></p> <p>Design only · No construction started</p>
<p><b>FY26-27 CARRYFORWARD</b></p> <p><b>\$3.29M</b></p> <p>Remaining design budget · Final design due Q1 2026</p>
<p><b>EST. CONSTRUCTION COST</b></p> <p><b>~\$25M</b></p> <p>Per published estimates · No construction in CIP through FY31</p>
<p><b>UNFUNDED GAP</b></p> <p><b>~\$22M+</b></p> <p>After TDA3 grant of \$2.47M secured June 2025</p>

**CONSTRUCTION FUNDING STATUS**

FUNDING SOURCE	AMOUNT	STATUS
Measure B (VTA) — Design	\$2,750,000	Secured / Spent
Town General Fund / Traffic Mitigation — Design	~\$1,000,000	Secured / Spent
TDA3 (MTC/VTA) — Construction	\$2,468,786	Approved June 2025
Safe Streets for All (Federal)	\$9,900,000	Applied June 2025 · Pending
<b>Remaining Construction Gap</b>	<b>~\$22,000,000+</b>	<b>Unfunded</b>
<b>Estimated Total Construction Cost</b>	<b>~\$25,000,000</b>	<b>—</b>

Source: Town Council Agenda Report, June 17, 2025 (Item 17)

**ANALYSIS**

The entire \$3.29M carryforward is **design only** — final engineering, Caltrans permitting, and environmental clearance. No construction funding exists in the six-year CIP through FY 2030-31.

As of June 2025, secured construction funding totals just **\$2.47M** against an estimated cost of ~\$25M. Staff's own assessment puts full construction funding **3-5 years away**, dependent on OBAG (2026) and Measure B (2029) calls.

The Finance Commission raised this concern during FY 2025-26 budget discussions. Staff acknowledged the Town is not obligated to continue with General Fund resources if grants do not materialize. The core question is whether the design carryforward is fully contracted or whether a portion can be deferred until construction funding is more certain.

**QUESTIONS REQUIRING STAFF RESPONSE**

- **Contract Encumbrance:** Is the \$3.29M carryforward fully encumbered under existing contracts with BKF Engineers, or is a portion discretionary and available for deferral?
- **Grant Status:** What is the current status of the June 2025 Safe Streets for All (SS4A) application — has a funding decision been issued by the USDOT?
- **Fallback Plan:** If SS4A is not awarded, what is the revised construction funding timeline and does the project remain viable on the current schedule?
- **Decision Point:** If construction funding remains unidentified when design completes (Q1 2026), what is staff's formal recommendation — pause the project, shelve it, or proceed with phased construction?