



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/17/2021

ITEM NO: 12

DESK ITEM

DATE: August 17, 2021
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Review the Fiscal Year 2021/22 – 2025/26 Capital Improvement Program Budget and Determine Any Additional Investments Based on Additional Funding Allocated for Capital Purposes

REMARKS:

Attachment 4 contains public comments received after the Addendum was distributed.

Attachment 5 updates Attachment 2, correcting a number of issues with the original attachment.

After the distribution of the staff report, staff received the following questions from Council Members. The questions are in italics and the staff responses follow each of the questions below.

Community Garden project: Could partial funding allow this project to advance?

A small allocation early for the community garden would help to move it along since there is work for a year or more on coordination with PG&E, Valley Water, San Jose Water, etc. An amount in the range of \$15k to \$50k could pay for a water meter, a PG&E and Valley Water access agreement, and initial site design. The Council may want to consider if the Town can extend itself to another project and if the expectation is that the project sponsors fundraise, or the Town plans on funding the project, or if some other solution for future funding may exist. Clear direction would be helpful to the project sponsor and staff

PREPARED BY: Matt Morley
Parks and Public Works Director

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

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Roadside Open Space Vegetation Management: What are the risks associated with moving forward with Town funded work and spending the FEMA grant match versus waiting for the FEMA grant approval?

Staff targeted the budgeted funds as a match and told FEMA the funds were available. There is some risk if the Town spends the local funds that we will need to have funds available or withdraw the grant request. If the Town moves forward with the work, then additional funds will need to be set aside as a match in the future. This is a difficult choice to make with risk associated in both directions. One option is to proceed with the work and reserve enough CIP dollars as unallocated to cover the match when we need to come up with it. There is still some risk there, but it does provide an option.

Could the Local Roadway Safety Plan replace the Traffic Calming project to relieve pressure on staff time and costs from the latter?

The traffic calming program was put in place to allow for a resident led effort to address neighborhood concerns in a time when staff could support the efforts. Because the issues are neighborhood generated without a wide impact, they would not be identified in our LRSP. And the LRSP will be a snapshot in time, captured now and living for 5 to 7 years, while the traffic calming projects roll in continuously. The LRSP will, on its own identify areas of need to add to the list of unfunded needs.

Why do we have projects with only design funding? Doesn't this risk the design investment if we can't get construction dollars?

Grants are often set up to fund design costs or design and construction costs. In the case of the latter, projects that have design complete almost always score higher and receive the construction funding. As a result, it is most common for projects to move through design with local funding or grants that target design. To rely on grants that would provide combined funding would likely mean no projects would be funded. Projects should definitely be evaluated prior to design to identify future sources of construction funding. There are, however, situations where a project may sit on a shelf for some time prior to receiving construction funding.

Attachments Previously Received with Staff Report:

1. Fiscal Year 2021/22 CIP Unfunded Project List.
2. Graphical Presentation Fiscal Year 2021/22 Capital Improvement Program.

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Attachment Previously Received with an Addendum:

3. Public Comment received between 11:01 a.m., Thursday, August 12, 2021, and 11:00 a.m. Monday, August 16, 2021.

Attachment Received with this Desk Item:

4. Public Comment received after the Addendum was distributed.
5. Revised Graphical Presentation Fiscal Year 2021/22 Capital Improvement Program