



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 05/20/2025

ITEM NO: 17

DESK ITEM

DATE: May 20, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: Conduct a Public Hearing on the Town of Los Gatos Proposed Operating and Capital Budget for Fiscal Year 2025-26 and on the Proposed Capital Improvement Program for FY 2025-26 – FY 2029-30

REMARKS:

Attachment 9 contains Public Comment received before 11:00 a.m., Tuesday, May 20, 2025, and Attachment 10 is the staff presentation.

Attachments previously distributed with the Staff Report:

1. Finance Commission Identified Areas for Review in the Five-Year Forecast
2. Forecast History including the Updated Forecast
3. Budget Study Session – Deficit Reduction Staff Report
4. Budget Study Session – Capital Improvement Program Staff Report
5. Town of Los Gatos Donation Policy
6. Town of Los Gatos Donation Opportunities: FY 2025-26
7. Public Comment Received Before 11 a.m. on May 16, 2025

Attachment distributed with Addendum:

8. Public Comment Received Before 11 a.m. on May 19, 2025

Attachment distributed with this Desk Item:

9. Public Comment Received Before 11 a.m. on May 20, 2025
10. Presentation

PREPARED BY: Gitta Ungvari
Finance Director

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

*REQUIRED MINIMUM
NAME AND CITY

From

Name

David Bruni

Address

[REDACTED]

City

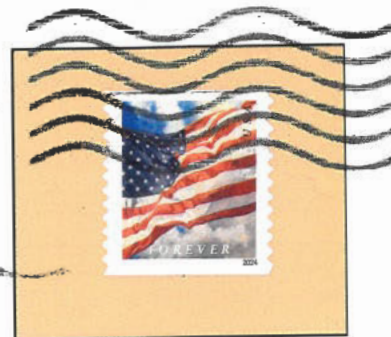
Los Gatos

State

CA

SAN JOSE CA 950

16 MAY 2025 PM 4 L



Clerk, Town of Los Gatos

Town Hall

110 East Main Street

Los Gatos, CA 95030

Attn: Town Council members:

Mayor Matthew Hudes

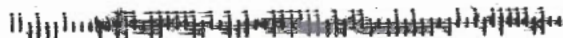
Vice Mayor Rob Moore

Mary Badame

Rob Rennie

Maria Ristow

95030-699999



Council members,

I support the following for the Los Gatos Monte Sereno Police Department.

As you consider the fiscal 25-26 year budget, I request you ensure that the budget preserves these items:

- 1. Prioritize maintaining budgeted LGMSPD staffing levels and fiscal support for forecasted vacancies in preparation of local or regional events and continuity in level of policing services. LGMSPD staffing to be prioritized at or above budgeted levels in preparation for foreseen vacancies by timely recruitment and retention of public safety professionals who embody the Town's values, character, and culture.**
- 2. Preserve a budget that sustains LGMSPD's community-police partnerships. Continue the LGMSPD's progress made in community policing - including programs and initiatives like supporting robust volunteer programs (CERT, DART, Explorers, and Volunteers in Policing), the Community Police Academy, customized Neighborhood Watch meetings, and the Therapy Canine program - which are essential to maintaining public trust, preventing crime, and reinforcing safety, connection, and transparency.**
- 3. Invest in LGMSPD's ability to advance technologies and maintain collateral teams and competencies. Support the integration of progressive technologies and trained collateral teams to enhance investigative capacity and supplement staffing - ensuring LGMSPD remains nimble, proactive, and equipped to serve a community that values innovation and safety.**
- 4. Align fiscal commitment to act on the findings of the organizational assessment conducted by Meliora Public Safety Consulting to modernize the LGMSPD's operations. This includes optimizing staffing models, consolidation efforts, and improving service delivery systems. Implementing these recommendations will ensure the department continues to meet the evolving needs of the community and public safety.**

REQUIRED MINIMUM
NAME AND CITY

From

Name

Maureen Fondiller

Address

City

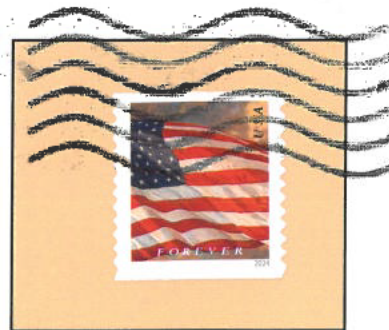
Los Gatos

State

CA

SAN JOSE CA 950

17 MAY 2025 PM 4 L



Clerk, Town of Los Gatos
Town Hall
110 East Main Street
Los Gatos, CA 95030

Attn: Town Council members:
Mayor Matthew Hudes
Vice Mayor Rob Moore
Mary Badame
Rob Rennie
Maria Ristow

95030-699999



Council members,

I support the following for the Los Gatos Monte Sereno Police Department.

As you consider the fiscal 25-26 year budget, I request you ensure that the budget preserves these items:

- 1. Prioritize maintaining budgeted LGMSPD staffing levels and fiscal support for forecasted vacancies in preparation of local or regional events and continuity in level of policing services. LGMSPD staffing to be prioritized at or above budgeted levels in preparation for foreseen vacancies by timely recruitment and retention of public safety professionals who embody the Town's values, character, and culture.**
- 2. Preserve a budget that sustains LGMSPD's community-police partnerships. Continue the LGMSPD's progress made in community policing - including programs and initiatives like supporting robust volunteer programs (CERT, DART, Explorers, and Volunteers in Policing), the Community Police Academy, customized Neighborhood Watch meetings, and the Therapy Canine program - which are essential to maintaining public trust, preventing crime, and reinforcing safety, connection, and transparency.**
- 3. Invest in LGMSPD's ability to advance technologies and maintain collateral teams and competencies. Support the integration of progressive technologies and trained collateral teams to enhance investigative capacity and supplement staffing - ensuring LGMSPD remains nimble, proactive, and equipped to serve a community that values innovation and safety.**
- 4. Align fiscal commitment to act on the findings of the organizational assessment conducted by Meliora Public Safety Consulting to modernize the LGMSPD's operations. This includes optimizing staffing models, consolidation efforts, and improving service delivery systems. Implementing these recommendations will ensure the department continues to meet the evolving needs of the community and public safety.**

*REQUIRED MINIMUM
NAME AND CITY

From

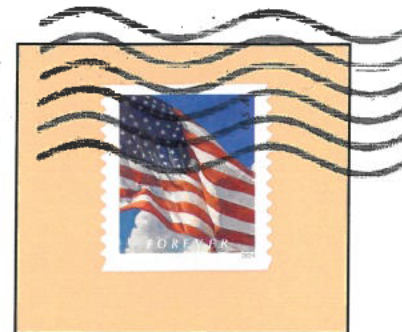
Name Matt Fondiller

Address _____

City Los Gatos State CA

SAN JOSE CA 950

17 MAY 2025 PM 4 L



**Clerk, Town of Los Gatos
Town Hall
110 East Main Street
Los Gatos, CA 95030**

Attn: Town Council members:
Mayor Matthew Hudes
Vice Mayor Rob Moore
Mary Badame
Rob Rennie
Maria Ristow

95030-699999



Council members,

I support the following for the Los Gatos Monte Sereno Police Department.

As you consider the fiscal 25-26 year budget, I request you ensure that the budget preserves these items:

- 1. Prioritize maintaining budgeted LGMSPD staffing levels and fiscal support for forecasted vacancies in preparation of local or regional events and continuity in level of policing services. LGMSPD staffing to be prioritized at or above budgeted levels in preparation for foreseen vacancies by timely recruitment and retention of public safety professionals who embody the Town's values, character, and culture.**
- 2. Preserve a budget that sustains LGMSPD's community-police partnerships. Continue the LGMSPD's progress made in community policing - including programs and initiatives like supporting robust volunteer programs (CERT, DART, Explorers, and Volunteers in Policing), the Community Police Academy, customized Neighborhood Watch meetings, and the Therapy Canine program - which are essential to maintaining public trust, preventing crime, and reinforcing safety, connection, and transparency.**
- 3. Invest in LGMSPD's ability to advance technologies and maintain collateral teams and competencies. Support the integration of progressive technologies and trained collateral teams to enhance investigative capacity and supplement staffing - ensuring LGMSPD remains nimble, proactive, and equipped to serve a community that values innovation and safety.**
- 4. Align fiscal commitment to act on the findings of the organizational assessment conducted by Meliora Public Safety Consulting to modernize the LGMSPD's operations. This includes optimizing staffing models, consolidation efforts, and improving service delivery systems. Implementing these recommendations will ensure the department continues to meet the evolving needs of the community and public safety.**

FY 2025-26 Proposed Budget

Town Council
May 20, 2025
Item 17

Agenda and Recommendations

- Discuss the **Five-Year Forecast** and **Results of Finance Commission** and Staff Review – **Approve Use of Measure G proceeds**;
- Provide Direction on the Proposed Operating Budget and Accepting a **Recommended Further Reduction of \$0.8 million in expenditures** for 2025-26;
- Provide Direction on the Proposed Capital Budget to **establish a Tiered CIP program**, and **accept Tier 1 projects** for 2025-26;
- Approve 2025-26 **List of Potential Donations** Consistent with Town Donation Policy

Budget Process

- **February 11, 2025 – Strategic Priorities** reframed and included prioritizing **emergency preparedness, prudent financial management** and preserving unique **small-town charm**.
 - Staff and Council discussed projected financial conditions and challenges
- **April 21, 2025 – Proposed Operating and Capital Budget Released**
- **April 22, 2025 – Council Study Session with Direction to Finance Commission**
 - **Review Five-Year Projection**
- **April 28, May 5, and May 12, 2025 – Finance Commission discussion and Recommendation to Council**

Approach to 2025-26 Budget – Structural

- **Expenditure and Deficit Reductions** – reducing the annual spend for the Town.
- **Revenue Increases** – identifying and implementing measures increases available revenue to support Town activities.
- **Gaining efficiencies** – optimizing or rethinking service delivery.
- **Innovation and Economic Development** – looking to opportunities to enhance drivers of primary revenue or provision of services.

Balanced Approach to 2025-26

- **Balancing Reserve Fund Use with Prioritizing Core Service and People**
 - Leaning on reserves to **avoid unnecessary reductions in order to continue financial assessment** (Risk based and Service focused approach)
- **Capital Improvement Planning**
 - Tiered structure focuses on **staff capacity and improving prioritization**
- **Additional Controls** on Expenditures – internal by management
 - **Position Control** – Robust evaluation process balancing operations, financial condition, priorities, and service levels (April 2025)
 - Avoid hiring freeze, but requiring departments to provide written impact justifications
 - **Expenditure Control** – Vehicle replacement, department budget control, etc. (2025-26)

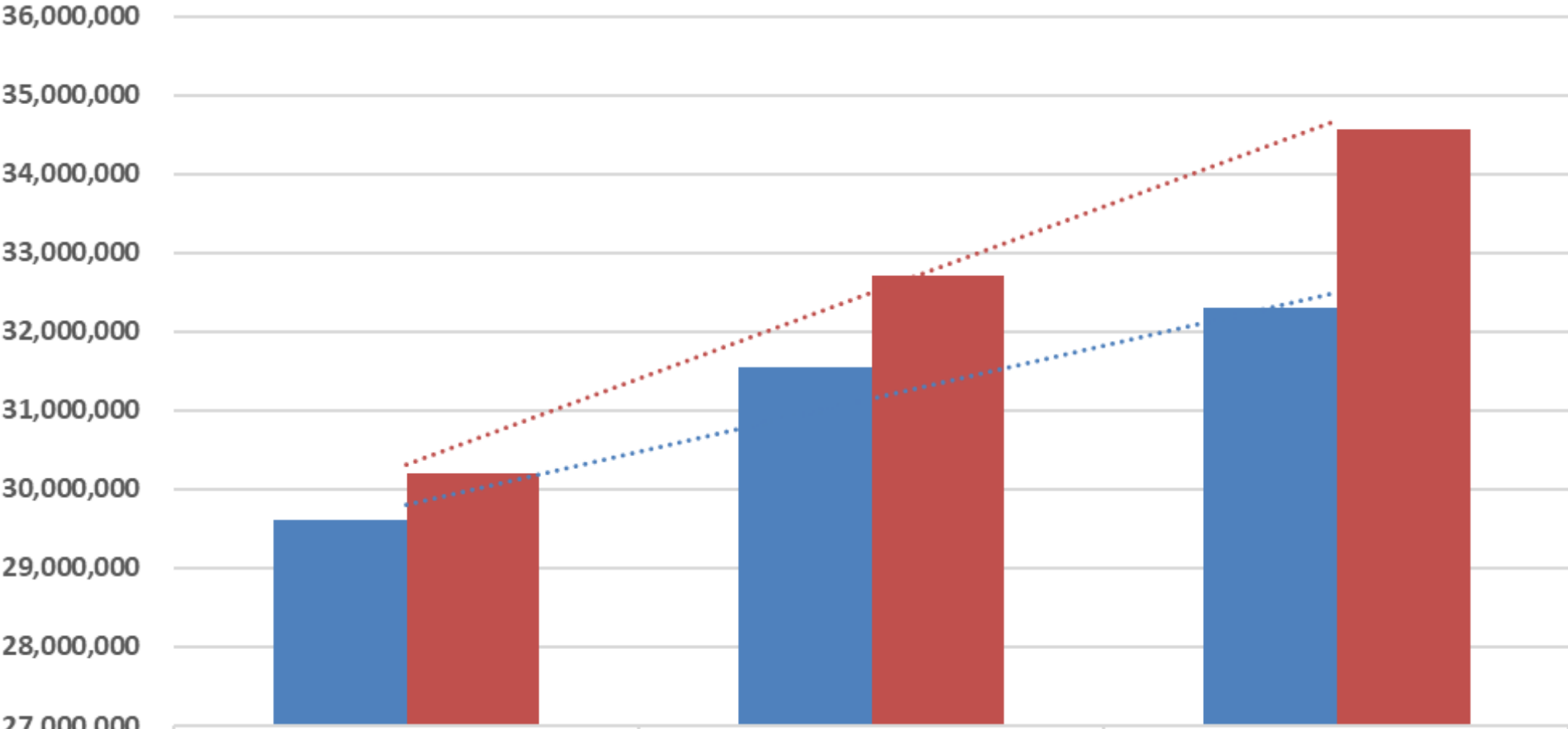
Discussion of Five-Year Projections

- **Government Finance Officers Association** recommends conducting multi-year financial projections as part of long-term financial planning.
- Forecast should be **integrated into the budget process**
- Build **transparent, assumption-driven** model
- **Link to Capital and Policy** Planning
- **Communicate and Mobilize** based on results

Original Five-Year Financial Projection

- Staff prepares Five-Year Projection (**conservative**)
- Forecast period: FY 2025-26 through FY 2030-31
- **Projected structural deficit of \$3.7 million** in FY 2025-26
- Revenue not keeping pace with rising expenditures
- Deficit driven by general cost escalation, including salaries, pension obligations, and cost of supplies
- Includes 4.6% Vacancy Savings Factor and Measure G Use

Combined Property Tax and Sales Tax Growth Compared to Salaries and Benefits



■ Property Tax & VLF & Sales Tax	Actuals 2021-22 29,612,753	Actuals 2022-23 31,549,565	Actuals 2023-24 32,298,900
■ Salaries and Benefits	\$30,192,747	\$32,719,665	\$34,570,393

Original Five-Year Projection (April 22, 2025)

Revenue Category	2023-24 Actual	2024-25 Estimated	2025-26 Proposed	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Total Operating Revenue (OR) and Transfer In	\$58.5	\$58.3	\$58.1	\$58.8	\$60.4	\$62.0	\$62.4	\$64.5
OR with Transfers and use of reserves	\$61.9	\$60.8	\$58.1	\$58.8	\$60.4	\$62.0	\$62.4	\$64.5
Total Expenditures	\$53.6	\$57.4	\$61.4	\$63.4	\$65.7	\$68.1	\$68.3	\$69.7
Exp with Transfers and reserve allocations	\$57.7	\$60.8	\$61.8	\$63.8	\$66.1	\$68.5	\$68.7	\$70.1
Net Revenue	\$4.2	\$0.0	(\$3.7)	(\$5.0)	(\$5.7)	(\$6.5)	(\$6.3)	(\$5.6)

5/20/2025 Agenda - Attachment 2, Page 8 or
pg. 585 of Agenda Package

Clouser Look at Five-Year Forecast

- April 22, 2025 – Town Council Budget Study Session
 - Direction to **review the Five-year forecast.**
- The Finance Commission and Staff worked collaboratively to **tighten assumptions and to integrate more up to date information** which changed the financial projection.
- Note of Caution: projections are estimates. **Budget conservatism is still necessary.**

Changes Incorporated

Based on Finance Commission Recommendations

- Increased Property Tax revenue by \$200,000
- Increased Interest Income revenue by \$180,000
- Increased Planning Permit revenue by \$15,000
- Increased Business License revenue by \$50,000

- Reduced anticipated CalPERS benefits expenditures by \$255,000

Changes Incorporated

Based on New Information Available for Staff

- Increased Licenses and Permit revenue by \$668,000 due to increases in encroachment fees assessed by the solid waste joint powers authority.
- Increased Sales Tax Revenue by \$163,000 based on updated sales tax estimates for the most recent quarter from the Town's Sales Tax consultant.
- Increased License and Permit revenue by \$360,000 based on the updated Town's Fee Schedule approved by Council on May 6, 2025.

Updated Five-Year Financial Projection

- Based on the Finance Commission Recommendation and the new information available for staff
- **Projected deficit reduced to \$1.8 million** in FY 2025-26

Updated Five-Year Projection (May 20, 2025)

Revenue Category	2023-24 Actual	2024-25 Estimated	2025-26 Proposed	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast	2029-30 Forecast	2030-31 Forecast
Total Operating Revenue (OR) and Transfer In	\$58.5	\$58.3	\$59.6	\$59.8	\$61.6	\$63.1	\$63.4	\$65.5
OR with Transfers and use of reserves	\$61.9	\$60.8	\$59.6	\$59.8	\$61.6	\$63.1	\$63.4	\$65.5
Total Expenditures	\$53.6	\$57.4	\$61.0	\$63.2	\$65.5	\$67.9	\$68.1	\$69.5
Exp with Transfers and reserve allocations	\$57.7	\$60.8	\$61.4	\$63.6	\$65.9	\$68.3	\$68.5	\$69.9
Net Revenue	\$4.2	\$0.0	(\$1.8)	(\$3.8)	(\$4.3)	(\$5.2)	(\$5.1)	(\$4.4)

Use and Impact of Deficit on General Fund Balance

- The General Fund balance is used to ensure liquidity, stability, and policy compliance. Two uses include:
- **Maintain Liquidity & Smooth Cash Flow** – The unassigned (unrestricted) balance **provides working capital** to bridge timing gaps between irregular revenue receipts and steady operating outflows—**avoiding short-term borrowing** just to meet payroll or pay vendors.
- **Mitigate Risks & Handle Emergencies** – Reserves **protect against revenue shortfalls** (economic downturns, state aid cuts) and **unanticipated expenditures** (natural disasters, infrastructure failures), **so core services can continue uninterrupted**.

General Fund					
Estimated Fund Balance Activity FY 2025-26 (Updated 5/14/2025)					
Use of / Addition to GF Reserves:	Estimated July 1, 2025 Balance	Revenues & Transfers In	Expenditures and Transfers Out	Fund Balance Sources (Uses)	Estimated June 30, 2026 Balance
Unreserved Fund Balances					
Undesignated Reserves					
Available to be Appropriated	\$ -	\$ 59,715,946	\$ 61,093,047	\$ 1,377,101	\$ -
Nonspendable					
Rehab Loan (Non - Spendable)	159,000				159,000
Restricted Fund Balances					
Pension Trust	2,878,659	-	-	390,000	3,268,659
Committed to:					
Budget Stabilization Reserve	7,959,645	-	-	-	7,959,645
Catastrophic Reserves	7,959,645	-	-	-	7,959,645
Pension/OPEB Reserve	1,000,000	-	-	-	1,000,000
Assigned to:					
Open Space Reserve	410,000	-	-	-	410,000
Sustainability	140,553	-	-	-	140,553
Capital/Special Projects	1,328,437	-	-	-	1,328,437
Authorized Carryforwards	85,861	-	-	-	85,861
Compensated Absences*	1,555,478	-	-	-	1,555,478
Market Fluctuations	1,712,246	-	-	-	1,712,246
Unassigned Fund Balance	4,000,000	-	-	(1,767,101)	2,232,899
Total Use of and Addition To Rese	\$ 29,189,524	\$ 59,715,946	\$ 61,093,047	\$ -	\$ 27,812,423
				Minus	\$ 15,919,290
					\$ 11,893,133

The balances are estimates and will be finalized upon closing the FY 2024-25 and FY 2025-26.

Impact of
Changes in
Projected
Deficit on
General
Fund
Balances

Considering Budget Balancing Options to Reduce Operational Deficit

- **Recommended Approach** – Balance use of reserves with deficit reduction options
 - Net reduction of deficit \$810,000
 - Use of reserves: \$1 million* (Staff report states \$700,000)
- Rationale
 - Avoid Over Cutting and protect core services and people
 - Provide the opportunity to conduct an external Five-Year Forecast and Financial Condition analysis
 - Provides opportunity to become more efficient and identify ways to improve financial condition while minimizing impact to core services

Expenditure Reduction Options – \$0.8 million Savings

- All Tier 1 Reductions - \$295,000
 - Some Tier 2 Reductions - \$355,000
 - Some Tier 3 Reductions - \$160,000
 - Total: **\$810,000**
-
- Staff reviewed the proposed reduction items to **minimize core service impacts.**

Tier 1 Reductions - \$295,000

In this tier, the team **focused on efficiency and realigning resources with core service delivery.**

Staff hours were intentionally preserved and only reduced where **part-time positions were either unfilled** or currently **filled by retired annuitants** providing extra help.

The reductions may mean that staff **may not have funding available to address unusual or unexpected circumstances.**

- Implement Efficiency and Realignment of Resources (approx. \$251,000)
- Reduce Unfilled Part-Time or Retired Annuitant Hours (approx. \$31,000)
- Remove Commission Budgets, reallocating \$5,000 to fund the bulk purchase of giveaway items (\$12,500)

Tier 2 Reductions - \$355,000

- Reduce **Hotel Program funding** to \$20,000 (approx. \$8,700)
- Reduce **part-time emergency coordinator** hours (approx. \$18,000)
- Reduce **outside legal** services (approx. \$110,000). *May result in 2-4 week response delays.*
- Remove **decorative tree wrap lighting** downtown (approx. \$68,000)
- Remove **doggie bags in parks** (approx. \$10,000)
- Reduce **Library offerings** including streaming media, e-resource databases and e-magazines. *Due to the timing of contracts, these reductions have already been implemented* (approx. \$50,000).
- Reduce **Library printed** quarterly programs/brochures and the number of media and book additions and replacements in the Library's collection (approx. \$34,000).
- Reduce **memberships and other** operational reductions (approx. \$56,000).

Tier 3 Reductions - \$160,000

- Reorganize the Community Police Complaints process (approx. \$60,000).
 - Management will be working with the Police Department and Town Attorney on **defining a more efficient process that attains Councils policy goals**.
- Reduce block pruning and tree management by 50% (approx. \$100,000).
 - Staff will **evaluate alternate service delivery models** and consider how an **urban forest management plan** can shore up this program.

Community Grant Program

- The proposed budget includes \$126,800, which **increases sustaining and reduces one-time grants.**
- Staff recommends defining an investment amount and allow Library staff to present a **new grant program model in Aug 2025.**
What total funding amount is desired?

Fiscal Year	One-time competitive grants	Sustaining grants	Innovation grants* (program ended 2024)	Total
FY21-22	\$78,013	\$57,000	\$4,500	\$139,513
FY22-23	\$81,100	\$62,000	\$6,000	\$149,100
FY23-24	\$229,000	\$66,000	\$6,000	\$301,000
FY24-25	\$230,000	\$73,800	\$0	\$303,800
FY25-26 (proposed)	\$0	\$126,800	\$0	\$126,800

Revenue Options

Revenue Audits

Reduce Subsidy

New Revenue

	Short-term	Medium-term	Grand Total ^(a)
Revenue Audit	\$ 150,000		\$ 150,000
Business License Compliance Audit	\$ 60,000		\$ 60,000
Business License Delinquency Services	\$ 50,000		\$ 50,000
Hotel Transient Occupancy Tax Audit	\$ 20,000		\$ 20,000
Property Tax Recovery Services	\$ 20,000		\$ 20,000
Reduce Subsidy	\$ 581,313	\$ 225,000	\$ 806,313
Adjusted Fee – Field Use Team 1	\$ 59,973		\$ 59,973
Adjusted Fee – Field Use Team 2	\$ 13,145		\$ 13,145
Adjusted Fee – Field Use Team 3	\$ 1,890		\$ 1,890
Application fee increase	\$ 50,000		\$ 50,000
Enhanced Cost Recovery for DUI & Special Enforcement Operations		\$ 75,000	\$ 75,000
Increase Fees for Services and Facility Rentals	\$ 100,000		\$ 100,000
Increased and Added Event Fees	\$ 4,500		\$ 4,500
New fee – Library meeting room rental	\$ 12,000		\$ 12,000
Residential Alarm Registration & False Alarm Fee Implementation		\$ 150,000	\$ 150,000
Subsidized rent for Vendor 1			
Subsidized rent for Vendor 2	\$ 50,000		\$ 50,000
Updated Law Enforcement Services Contract for Monte Sereno	\$ 289,805		\$ 289,805
New Revenue	\$ 859,000	\$ 3,084,874	\$ 3,943,874
Charge for License Agreements	\$ 5,000		\$ 5,000
Charge for Parklets		\$ 100,000	\$ 100,000
Contract Adjustment – Charging Stations Vendor 1	\$ 28,000		\$ 28,000
Contract Adjustment – Charging Stations Vendor 2	\$ 22,000		\$ 22,000
Contract HR Services for other entity	\$ 14,000		\$ 14,000
Encroachment Fee from Garbage Haulers	\$ 688,000		\$ 688,000
New Fee – Downtown Paid Parking (Option 3B)		\$ 1,984,874	\$ 1,984,874
New Fee – Oak Meadow Park Parking	\$ 90,000		\$ 90,000
Reduce Current Lessee Leased Premises and Rent to Another Entity	\$ 12,000		\$ 12,000
Sales Tax or Parcel Tax		\$ 1,000,000	\$ 1,000,000
Grand Total	\$ 1,590,313	\$ 3,309,874	\$ 4,900,187

Other Measures Efficiencies and Innovation

Reducing expenses and increasing revenues are not the only options necessary to address structural imbalances within the Town. The Town needs to look to gain efficiency, leverage technology, and invest in efforts that return more through economic development and innovation.

- Internal Service Fund Reduction
 - Right-Size Vehicle Fleet
 - General Liability and Workers' Compensation Programs Review to reduce cost and liability

Questions on Operating Budget

Capital Improvement Budget

Presented by Nicolle Burnham

FY 2025-26 CIP

- Capital budget switches to Tier system focused on staff capacity and appropriating only Tier 1 projects.
- Staff recommend that the Town Council affirm the Finance Commission's recommendation and direct the use of all Measure G proceeds for operational expenditures.
- Staff recommends that the Town Council approve the direction to establish a Tiered CIP program and to accept the Tier 1 projects in the 2025-26 Capital Improvement Program.

INTENT OF FY 2025/26 – 2029/30 CIP

- Support Core Goals of **Good Governance** and **Fiscal Stability**
- Take First Steps to Ensure Prudent Financial Management and Fully Funded Five-Year Capital Improvement Plan
- Build on Prior Work to Define Deferred Capital Improvement Programs for Town Facilities and Lifecycle Assets

TIER 1 / TIER 2 / TIER 3

- Projects in Past CIP's – Tier 1 or Tier 2
- Other Known Needs – Tier 3 (Reference Section of Proposed Budget Document)
- Tier 1 – In Progress, Grant Funded, Substantial Progress Expected in FY 25-26
- Tier 2 – All Remaining Projects in Prior CIP's
- Recognizes Staffing Levels are Limited and that Carryforward Funding has Been Excessive in Recent Years

TIER 1 PROJECTS - STREETS

- Street Repair & Resurfacing - Annual
- Annual Street Restriping - Annual
- Downtown Parking Lots Seal Coat & Restriping
- Unanticipated Repairs - Annual
- Curb, Gutter & Sidewalk Maintenance - Annual
- Shannon Road Repair
- Roadside Fire Fuel Reduction - Annual
- VMT Mitigation Program
- Measure B Education and Encouragement
- Shannon Road Ped & Bikeway Improvements
- Parking Program Implementation
- Highway 17 Bicycle & Pedestrian Bridge - Design
- Blossom Hill Rd - Union to Camden Improvements
- Stormwater System - Pollution Prevention Compliance
- Storm Drainage Mapping
- Annual Storm Drain Improvements
- Loma Street Drainage
- Storm Drainage System Mapping
- 709 University Avenue Drainage System Replacement
- Vasona Oaks Drainage Failure Repair

TIER 1 PROJECTS - PARKS

- Oak Meadow Bandstand Area Improvements
- Parks Playground Fibar Project - Annual
- Vegetation Management - Town-wide - Annual
- Sport Court Resurfacing



TIER 1 PROJECTS – PUBLIC FACILITIES

- ADA Compliance Work - Annual
- Public Art Gateway Project
- Emergency Preparedness
- Civic Center HR Offices
- Civic Center Plumbing and HVAC Repair
- POB Space Study
- Battery Power Supply - Library
- Fleet Service Outdoor Work Area (Design Phase)
- Auto Gate Replacements at PPW and PD
- EV Chargers at 41 Miles Avenue
- IT Disaster Recovery Improvements
- Enterprise Resource Planning Upgrade
- EOC Communications Upgrade
- IT Disaster Resiliency Project

NEW TIER 2 PROJECTS

- Traffic / Travel Demand Model
- Parks and Trails Master Plan
- Condition Assessment of Civic Center
- Village Lane Trash Enclosure



Photo Credit: Penner / Los Gatan



Howes Playlot (Staff Photo)

FINANCE COMMISSION RECOMMENDATIONS

1. Develop Time Phased Capital Program
2. Connect Annual Paving to Target Pavement Condition Index
3. Stop Work on Highway 17 Overcrossing Project



FISCAL IMPLICATIONS OF PCI

- Optimal Pavement Condition Index (PCI) Target – 84¹
- Current Town PCI Level – 82 (“Good”)
- Current \$3.7M Annual Funding Will Reduce PCI to 80 by 2029; Deferred Maintenance Would Increase from \$13.4M to \$17.4M
- Maintaining Current PCI at 82 Requires Annual Paving Budget of \$5.2M
- Cuts to Paving Budget May Impact Annual Funds Received from SB1

Staff recommends holding a study session on pavement management in the coming months

1. Metropolitan Transportation Commission (MTC) Pavement Management Plan recommends prioritizes improving the overall condition of the network to low and mid 80’s and then sustain it at that level.

Highway 17 Overcrossing

- Design is Fully Funded
- 65% Design to be Complete June 2025; Construction Documents Complete January 2026
- Approximately \$1.4M Measure B Reimbursement Received Must be Refunded to VTA if Project is Cancelled
- Remaining Construction Match Projected at \$1,342,120 for \$29M Total Cost (2024 Dollars)
- Project has Excess Budget of \$601,745 to Apply to Match or Refund VTA
- Staff Recommends Submitting Application for Federal SS4A Grant in June Using \$42,805 of Excess Budget for Consultant Fees to Prepare the Application

QUESTIONS

Actions Requested

- Approve use of 2025-26 Measure G sales tax for operations
- Provide direction on Proposed Operating Budget
 - Accept list of \$810,000 Proposed Reductions
 - Determine total funding amount for Community Grants
 - Propose any other changes
 - Utilize unassigned fund balance to close the gap
- Provide direction on the Capital Improvement Budget
 - Affirm Tiered CIP program
 - Accept Tier 1 projects recommend for 2025-26
 - Propose any changes
- Approve the 2025-26 List of Potential Donations [Attachment 6 Donations List](#)