



CITY OF YORBA LINDA

P.O. BOX 87014

CALIFORNIA 92885-8714

June 10, 2009

The Honorable Yorba Linda City Council
4845 Casa Loma Avenue
Yorba Linda, California 92886

Dear Honorable Mayor and Members of the City Council:

It is my pleasure to present you with the Proposed Seven-Year Capital Improvement Program (CIP) representing fiscal years 2009/10 through 2015/16. This document sets forth all of the proposed capital projects for the forthcoming seven-year period and identifies the funding sources which we expect to utilize for the financing thereof. Additionally, this information is being provided to allow the Council sufficient time to review the information prior to the scheduled budget study session on June 10th and the public hearing on June 16th.

The upcoming fiscal year 2009/10 marks the beginning of a new, two-year budget cycle. As a matter of keeping the CIP consistent with the budget cycle, staff has included spreadsheets listing all current and proposed capital projects. The first two-years of the CIP (2009/10 – 2010/11) represent projects that are a priority or are financially prudent for land acquisition, design or construction. This two-year period represents "Tier 1." The last five years (2011/12 – 2015/16) of the CIP consists of projects that are on the horizon, but are not considered imminently feasible. This five-year period represents "Tier 2." Tier 2 projects may also be deemed necessary, but they do not have a verifiable source of funding and therefore are listed as "Unfunded". This is done to identify and prioritize all capital projects whether funding is available or not. From the Council's perspective, the purpose of the CIP is to prioritize which among the many desired capital projects will be authorized for Tier 1.

A long-term strategic planning process is necessary in order to ensure that the City's tax dollars are maximized. As our experience with this program grows, we continue to appreciate the value of having a process for prioritizing the City's infrastructure needs, analyzing sources of funding, and planning to meet the identified needs over an extended period of time as funding becomes available.

The CIP process will provide several opportunities for the Council and the public to become acquainted with the CIP and to present views relative to the City's proposed capital programming.

**The Honorable Yorba Linda City Council
Seven-Year Capital Improvement Program
Page 2**

A City Council Study Session is scheduled for June 10th to evaluate the overall capital program and to review the specific project requests. Ultimately, the public hearing scheduled on June 16th is for the Council to consider adoption of the 2009/10 – 2015/16 Capital Improvement Program.

Should you have any questions or comments regarding the CIP, please feel free to discuss them with me.

Respectfully submitted,

William R. Kelly
Interim City Manager