

Accumulative Capital Outlay Fund

RECOMMENDED BUDGET • FY 2021-22

MISSION

This program directs funding for the project development and construction of facilities that support County functions. In addition, the program performs major maintenance projects on existing County buildings, parks, and paved trails. The Capital Projects Work Plan is produced by the Facilities Division of the Chief Administrative Office, and the program is staffed by the Facilities unit. All expenses for the facility Capital Work Plan are captured in the Accumulative Capital Outlay (ACO) fund.

DEPARTMENT BUDGET SUMMARY

Description	Prior Year Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Taxes	1,602,552	1,656,917	1,714,909	57,992
Fines & Penalties	377	210	217	7
Rev Use Money/Prop	(274,756)	13,453	13,924	471
IG Rev - State	13,390	14,764	15,281	517
Other Gov Agency	5,918	5,906	6,113	207
Miscellaneous Rev	293,000	0	0	0
Other Fin Sources	21,840,051	28,300,297	25,434,977	(2,865,320)
Fund Balance	0	4,057,923	3,500,000	(557,923)
Total Revenue	23,480,532	34,049,470	30,685,421	(3,364,049)
Salaries & Benefits	420,789	529,761	562,834	33,073
Services & Supplies	369	0	0	0
Other Charges	589,448	1,074,500	0	(1,074,500)
Fixed Assets	20,670,898	31,822,569	29,597,699	(2,224,870)
Other Fin Uses	1,017,087	622,640	524,888	(97,752)
Total Appropriations	22,698,591	34,049,470	30,685,421	(3,364,049)
FUND 1800 ACO FUND TOTAL	(781,941)	0	0	0

CAPITAL WORK PLAN SUMMARY

The ACO fund is the County budget unit used to accumulate capital project funding and to plan and track major maintenance and capital improvements to County-owned facilities. This budget unit does not include roads (please see Department of Transportation) or standard maintenance projects (please see Facilities – Maintenance). Projects identified in the Work Plan are typically greater than \$25,000 and must be an improvement that adds value and life to the facility. Funds are budgeted to be transferred to the ACO fund and appropriated from that fund throughout the year based on the approved Work Plan. However, funds that are budgeted to be transferred from the General Fund or special revenue funds and which are not spent during the year are not transferred to the ACO fund. Any unspent General Fund contribution is identified each year as that portion of the General Fund Carryover Fund Balance which is designated for capital projects.

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Continuing Projects

Countywide Special Projects/Facilities Planning/Solar

Funding from the annual Accumulative Capital Outlay Fund is set aside annually for capital projects that have not been specifically identified. For FY 2021-22, a total of \$200,000 is set aside for emergency projects, security upgrades, HVAC repairs, painting, and ADA compliance needs that may come up throughout the year.

Additionally, \$250,000 is budgeted for facilities planning costs, such as environmental assessments, ADA assessments, real estate negotiations, or other miscellaneous costs associated with future facility planning. The budget also includes \$25,000 for miscellaneous solar needs.

Parks Projects

\$261,000 in funding has been budgeted for various projects at Forebay Park, Bradford Park, Pioneer Park, Henningsen Lotus Park, and the SPTC trail.

Asset Management System

The budget includes \$275,000 for a new asset management system. The Department has identified a system and is working with Information Technologies and the vendor to move toward the purchase and implementation of the system in FY 2021-22.

Placerville Jail Expansion

The County has also received a \$25 million SB 844 grant from the Board of State and Community Corrections for the expansion/improvement of the Placerville Jail facility. The FY 2021-22 ACO Work Plan includes \$18.6 million for the Placerville Jail Expansion.

Juvenile Hall

In FY 2016-17, the Board set aside \$1.2 million as the County contribution and grant match for the replacement of the West Slope Juvenile Hall facility. Approximately \$600,000 is anticipated to be spent by the end of FY 2020-21. Facilities continues to work with the State and the U.S. Federal Department of Justice on funding possibilities for the new Juvenile Hall. While the County did receive a \$9.6 million dollar grant to build the new facility, project costs are estimated at closer to \$16.6 million. The budget includes the remaining \$600,000 of the initial General Fund allocation in FY 2021-22 for use on preparing bridging documents if Board direction is received to continue to move forward with the project.

Parking lot expansion—Building A

Work continues on the expansion of the existing parking lot at Building A. The budget includes approximately \$565,000 in funding from the Air Quality Management District.

HHSA South Lake Tahoe Campus Project

The FY 2021-22 Recommended Budget includes \$161,528 for project planning related to Health and Human Services and the South Lake Tahoe El Dorado Center.

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Shakori Garage

The Board directed that \$2.5 million be set aside out of the Capital Reserve in FY 2020-21 for the replacement of the Shakori garage for the Department of Transportation. Engineering and design services have begun with a target date of Spring 2022 to begin construction. The division anticipates spending approximately \$150,000 in FY 2020-21, which leaves a budget of \$2.35 million in FY 2021-22. Cost estimates for this project are increasing rapidly due to an unprecedented cost increase in building materials.

Deferred Maintenance

The FY 2021-22 Work Plan includes approximately \$6.5 million to fund deferred maintenance projects in the coming year. The majority of these projects are related to HVAC replacements, jail control panel replacements, jail toilet and shower replacements, generators, and roof repairs.

Recommended New Projects

The only new project recommended in FY 2021-22 is the improvements for new space for the Alternate Public Defender. Space has been identified next to the Placerville Jail facility and space planning for building improvements has begun.

Sources of Funds

The General Fund contribution is currently recommended at \$2,841,485, which includes \$1,389,004 of General Fund Fund Balance carryforward and \$1,452,481 of new General Fund contribution. The following funding sources are also included: \$18,300,000 from SB 844 for the Jail Expansion, \$5,250,444 of ad valorem property tax revenue received by the ACO Fund, \$2,350,000 from the Capital Projects Reserve, \$725,000 from the Sheriff for various projects, \$642,609 from Air Quality Management District funds, \$250,000 from Health and Human Services Tobacco Settlement funds, \$219,000 from the Criminal Justice Construction Special Revenue Fund, \$50,000 from the Alternate Public Defender, \$40,000 from Animal Services, and \$16,883 from Quimby funds.

Pending Issues and Policy Considerations

Prior to FY 2016-17, the County had not maintained a consistent practice for setting aside adequate reserves to ensure sufficient funding is available to meet long-term facility needs. In 2013 the County contracted with VANIR for a facilities assessment report that assessed 20 County buildings. The report indicated that, while maintenance and repairs had been taking place annually, the rate of accumulating deferred maintenance had exceeded the investment being made.

Of the facilities that were included, the two assessments identified approximately \$55 million in deferred maintenance projects that would need to be completed over a period of years, with increased investment in these years in order to correct the deferred maintenance backlog. In 2016, the County completed an assessment of 20 additional buildings and identified an additional \$7.6 million in deferred maintenance needs. When these costs are adjusted for construction inflation, the total deferred maintenance identified is approximately \$85 million based upon assessments performed in 2013 and 2016. Since 2013, the County has completed approximately \$33 million in deferred maintenance projects and identified \$14 million that will not need to be completed due to new construction (including the Public Safety Facility, South Lake Tahoe El Dorado Center, District Attorney buildings on Main Street, South Lake Tahoe DOT Shakori Shop, and Placerville Juvenile Hall), leaving a balance of approximately \$38 million in identified deferred maintenance projects to be completed.

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A standard measurement metric used within the facilities industry for determining the required budget to properly maintain public facilities is 2 to 4 percent of their replacement value. Our current replacement value for County facilities is estimated at \$520 million. With this metric applied at 2 percent of the replacement value, the County would be appropriating approximately \$10.4 million, invested annually into our assets. The FY 2021-22 Recommended Budget includes approximately \$6.5 million towards projects in the ACO Fund identified as deferred maintenance, and approximately \$4 million in the maintenance division budget (labor and projects less than \$25,000), for a total of \$10.5 million included in the Recommended Budget toward what are identified as deferred maintenance projects on the County's public facilities.

The Chief Administrative Office requested that the division defer an additional General Fund request of \$500,000 for deferred maintenance related to the Main Library in Placerville that included replacement of the lower level lights, t-bar, and carpet.

In addition to the ongoing maintenance for facilities, the FY 2021-22 Recommended Budget fully funds the \$5 million annual contribution to the Capital Projects Reserve with General Fund dollars. These funds have been set aside annually for large capital projects and for future building replacement needs. Some of this funding is recommended to be used in FY 2021-22 to fund the replacement of the Shakori garage for the Department of Transportation. These funds have also been discussed as possible funding sources for funding required to complete the El Dorado Center / HHSA campus project in South Lake Tahoe, and for the possible replacement of the Spring Street facility, which houses several County Health and Human Services programs including the Psychiatric Health Facility.

The County has made a concerted effort to appropriate funding to make progress on deferred maintenance needs, and has made significant progress over the past several years with the new Animal Shelter, renovations and roof replacements of Buildings A and B; full carpet replacement, bathroom fixture replacements, boiler and chiller replacement, and new interior paint in Building C; replacement of the boilers and chillers, a new roof, and lock and food slot replacements at the Placerville jail; major work on the mechanical systems at the South Lake Tahoe Jail; major roof repair at the South Lake Tahoe Johnson Center; and work on the mechanical systems at both the Cameron Park and South Lake Tahoe libraries. It is anticipated that as County facilities that were identified in the Vanir report as deficient and in need of replacement are addressed, and as the Capital Projects Reserve is built to a balance sufficient to provide for those significant building renovation or replacement projects, additional General Fund funding would be available for annual ongoing and deferred maintenance efforts.

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CAPITAL PROJECTS WORKPLAN

CAO FY 2021-22 Facilities Capital Budget PROPOSED WORKPLAN as of April 30, 2021		
Project Title	Requested Amount for FY 2020-21	Funding Source
Countywide Special Projects	150,000	ACO Fund
Countywide Security	50,000	ACO Fund
Facilities Planning	250,000	ACO Fund
Solar Projects	25,000	ACO Fund
New Facility Asset Management System	275,000	ACO Fund
New Parking Lot - Building A	564,478	AQMD funds
Placerville Jail Expansion	18,300,000	SB844 Grant
- Staff time not billable to grant	100,000	ACO Fund
- Match requirement	180,284	General Fund
Juvenile Hall Replacement planning/design	600,000	General Fund
El Dorado Center - SLT	161,528	ACO Fund
Downstairs Building A Improvements	100,000	General Fund
Shakori Garage	2,350,000	General Fund - Capital Reserve
Deferred Maintenance (see below)	6,465,000	\$4,108,066 ACO Fund, \$219,000 CJ Funding, \$250,000 Tobacco Settlement, \$40,000 Animal Services, \$1,847,934 GF
Parks and Trails (see detail below)	261,000	\$113,267 General Fund, \$130,850 ACO Fund, \$16,883 Quimby Funds
AQMD Charging Stations	49,331	AQMD funds
AQMD Fairground Pathway Construction	28,800	AQMD funds
Sheriff Various Projects	725,000	Sheriff
New space for APD	50,000	APD
Total ACO Workplan	30,685,421	

Totals by Funding Source	
ACO	5,250,444
Criminal Justice SRF	219,000
General Fund	2,841,485
Capital Reserve	2,350,000
HHSAs Tobacco Settlement Funds	100,000
AQMD	642,609
HHSAs Public Health Fund Balance	150,000
Motherlode Quimby	11,733
Pioneer Park Quimby	5,150
Sheriff	725,000
Animal Services	40,000
Alternate Public Defender	50,000
SB 844 Funds	18,300,000
Total	30,685,421

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Parks / Trails Workplan	Budget	Funding Source
Forebay Park Playground	50,000	General Fund
Forebay Park ADA	43,000	ACO Fund
Bradford Park Playgroud Cover	50,000	\$38,267 General Fund, Quimby \$11,733
SPTC Natural Trail Permits	43,000	ACO Fund
Pioneer Park Skatepark Pad	50,000	\$44,850 ACO Fund, Quimby \$5,150
HLP Shade Structure	25,000	General Fund
Parks / Trails Total	261,000	

Deferred Maintenance Subtotals by Building:	
Building A	600,000
Building B	150,000
Building C	100,000
Placerville Jail (\$219K Criminal Justice)	2,200,000
Main Library	350,000
Cameron Park Library	250,000
El Dorado Hills Library	200,000
El Dorado Hills Sr. Center	150,000
Spring Street (Tobacco Settlement)	100,000
SLT Johnson Center	50,000
SLT JTC	100,000
SLT Jail	1,600,000
SLT Library	350,000
DOT Shakori (General Fund)	75,000
SLT Animal Shelter	40,000
SLT HHSa Sandy Way	150,000
Deferred Maintenance Total	6,465,000

RECOMMENDED BUDGET

This Budget is recommended at \$30,685,421. The Recommended Budget reflects a decrease of \$3,364,049 when compared to the FY 2020-21 Adopted Budget. The budget fluctuates annually based on the funding and resources available and projects completed.

General Fund – Designation for Capital projects

The FY 2020-21 Budget includes a recommended \$5,000,000 increase to the General Fund's Designation for Capital Projects, to set one-time monies aside to fund future capital projects and deferred maintenance. This recommendation is made pursuant to Board Budget Policy no. 11, Designation for Capital Projects, which provides, in part:

Once the General Reserve and General Fund Appropriation for Contingency equal 8% of adjusted General Fund appropriations, the Board may choose to transfer any remaining unappropriated discretionary resources to the Designation for Capital Projects to be retained to assist in addressing unmet capital needs and building a replacement reserve. The goal is to set aside \$5,000,000 each year. The Designation for Capital Projects may be cancelled, in any amount, when alternate funding sources are not available, and upon a recommendation from

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the Chief Administrative Officer, to address unmet capital replacement and maintenance projects.

The \$5,000,000 Designation for Capital Projects is not reflected in the FY 2021-22 Work Plan, as it is reserved for future capital projects. These funds will be transferred to the ACO fund and appropriated through the ACO Work Plan when capital projects are identified and require General Fund funding.