

# Accumulative Capital Outlay Fund

## RECOMMENDED BUDGET • FY 2022-23

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### 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	FY 2020-21 Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Taxes	1,679,619	1,714,909	1,783,505	68,596
Fines & Penalties	771	217	226	9
Rev Use Money/Prop	(14,045)	13,924	12,000	(1,924)
IG Rev - State	113,657	15,281	15,892	611
Other Gov Agency	6,209	6,113	6,500	387
Miscellaneous Rev	266,611	0	0	0
Other Fin Sources	4,939,521	27,487,601	25,772,191	(1,715,410)
Fund Balance	0	3,605,981	4,643,000	1,037,019
<b>Total Revenue</b>	<b>6,992,343</b>	<b>32,844,026</b>	<b>32,233,314</b>	<b>(610,712)</b>
Salaries & Benefits	380,011	562,834	561,755	(1,079)
Other Charges	1,084,947	0	0	0
Fixed Assets	5,256,603	31,756,304	31,206,144	(550,160)
Other Fin Uses	722,725	524,888	465,415	(59,473)
<b>Total Appropriations</b>	<b>7,444,286</b>	<b>32,844,026</b>	<b>32,233,314</b>	<b>(610,712)</b>
<b>FUND 1800 ACO FUND TOTAL</b>	<b>451,943</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 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.

#### Continuing Projects

##### *Countywide Special Projects/Facilities Planning*

Funding from the annual Accumulative Capital Outlay Fund is set aside annually for capital projects that have not been specifically identified. For FY 2022-23, a total of \$150,000 is set aside for emergency

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projects, security upgrades, HVAC repairs, painting, and Americans with Disabilities Act (ADA) compliance needs that may come up throughout the year.

Additionally, \$650,000 is budgeted for facilities planning costs, such as environmental assessments, ADA assessments, real estate negotiations or other miscellaneous costs associated with future facility planning. \$500,000 of planning costs are for the potential move of Spring Street programs, Elections, and the Court in the old Juvenile Hall facility.

### *Parks Projects*

\$366,000 in funding has been budgeted for various projects at Forebay Park, Bradford Park, Pioneer Park, Henningsen Lotus Park, Joe's Skate Park, and the Sacramento-Placerville Transportation Corridor (SPTC) trail.

### *Asset Management System*

The budget includes \$250,000 for a new asset management system; this is a carryforward project from FY 2021-22. 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.

### *Placerville Jail Expansion*

The County 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 2022-23 ACO work plan includes \$18.5 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. 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 grant to build the new facility, project costs are estimated at closer to \$18 million. The budget includes \$800,000, with \$250,000 of that from the Juvenile Hall General Fund Designation, in FY 2022-23 for use on preparing bridging documents if Board direction is received to continue moving forward with the project.

### *HHS South Lake Tahoe Campus Project*

The FY 2022-23 Recommended Budget includes \$50,000 for project planning related to Health and Human Services and the South Lake Tahoe El Dorado Center.

### *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. The Board, with Legistar item 21-0889, authorized the use of an additional \$1.1 million of the Capital Projects Designated Reserve due to increasing costs. Engineering and design services have begun with a target date of spring 2023 to begin construction. The division anticipates spending approximately \$115,000 in FY 2021-22, which leaves a budget of \$3.3 million in FY 2022-23.

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### *Deferred Maintenance*

The FY 2022-23 Work Plan includes approximately \$6.04 million to fund deferred maintenance projects in the coming year. The majority of these projects are related to heating, ventilation and air conditioning (HVAC) replacements, jail control panel replacements, jail toilet and shower replacements, generators, and roof repairs.

### Recommended New Projects

The only new projects recommended in FY 2022-23 are improvements for the South Lake Tahoe Juvenile Hall Facility, South Lake Tahoe Jail, and Placerville Jail. The majority of improvements are safety upgrades.

### Sources of Funds

The General Fund contribution is currently recommended at \$6,147,553, which includes \$674,284 of General Fund Balance carryforward, \$3,332,542 of Capital Reserve carryforward fund balance, \$250,000 of the Juvenile Hall designation and \$1,890,727 of new General Fund contribution. The following funding sources are also included: \$18,196,959 from SB 844 for the Jail Expansion, \$4,643,000 of ACO fund balance and \$1,818,123 of new ACO revenue made up primarily of \$975,000 from the Sheriff for various projects, \$167,529 from the Probation Department, \$100,000 from Health and Human Services Tobacco Settlement funds, \$180,000 from the Criminal Justice Construction Special Revenue Fund, property tax growth, and \$5,150 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 \$36 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 \$35 million in identified deferred maintenance projects to be completed.

A standard measurement metric used within the facilities industry for determining the required budget to properly maintain public facilities is two to four percent of their replacement value. Our current replacement value for County facilities is estimated at \$480 million. With this metric applied at two percent of the replacement value, the County would be appropriating approximately \$9.6 million, invested annually into our assets. The FY 2022-23 Recommended Budget includes approximately \$6 million towards projects in the ACO Fund identified as deferred maintenance, and approximately \$3.8 million in the maintenance division budget (labor and projects less than \$25,000), for a total of \$9.8 million included

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in the Recommended Budget toward what are identified as deferred maintenance projects on the County's public facilities.

In addition to the ongoing maintenance for facilities, the FY 2022-23 Recommended Budget fully funds the \$6 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. These funds have been discussed as possible funding sources for funding required to complete the El Dorado Center / Health and Human Services Agency 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. The County has also installed generators at the majority of all County buildings to ensure continuity of operations in the event of power shutoffs.

### CAPITAL PROJECTS WORKPLAN

CAO FY 2022-23 Facilities Capital Budget		
PROPOSED WORKPLAN as of May 5, 2022		
Project Title	Requested Amount for FY 2022-23	Funding Source
Countywide Special Projects	150,000	ACO Fund
Facilities Planning	150,000	ACO Fund
New Facility Asset Management System	250,000	ACO Fund
Placerville Jail Expansion	18,196,959	SB844 Grant
- Staff time not billable to grant	100,000	ACO Fund
- Match requirement	180,284	General Fund
Juvenile Hall Replacement planning/design	800,000	\$550k General Fund, \$250k JH Designation
El Dorado Center - SLT	50,000	ACO Fund
Shakori Garage	3,332,542	General Fund - Capital Reserve
Deferred Maintenance (see below)	6,040,000	\$5,500,273 ACO Fund, \$180,000 CJ Funding, \$100,000 Tobacco Settlement, \$259,727 GF
Parks and Trails (see detail below)	366,000	\$100,000 General Fund, \$260,850 ACO Fund, \$5,150 Quimby Funds
AQMD Charging Stations	0	AQMD funds
AQMD Fairground Pathway Construction	0	AQMD funds
Sheriff Various Projects	975,000	Sheriff
Facilities Planning Spring Street/Courts/PHF/Elections	500,000	General Fund
Placerville Jail Safety Upgrades	600,000	General Fund
SLT Jail Safety Upgrades	375,000	General Fund
SLT JTC outdoor heating	167,529	Probation
<b>Total ACO Workplan</b>	<b>32,233,314</b>	

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Totals by Funding Source	
ACO	6,461,123
Criminal Justice SRF	180,000
General Fund	2,565,011
Capital Reserve	3,332,542
Juvenile Hall Designation Reserve	250,000
Quimby Funds	5,150
HHSa Tobacco Settlement Funds	100,000
Sheriff	975,000
Probation	167,529
SB 844 Funds	18,196,959
<b>Total</b>	<b>32,233,314</b>

Parks / Trails Workplan	Budget	Funding Source
Forebay Park Playground	40,000	General Fund
Forebay Park ADA	43,000	ACO Fund
Bradford Park Playgroud Cover	35,000	General Fund
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
Joe's Skatepark Lighting	30,000	ACO Fund
HLP New Septic System for new bathroom	100,000	ACO Fund
<b>Parks / Trails Total</b>	<b>366,000</b>	

Deferred Maintenance Subtotals by Building:	
Building A	375,000
Building B	175,000
Building C	250,000
Ag	150,000
Placerville Jail (\$219K Criminal Justice)	1,250,000
Main Library	200,000
Cameron Park Library	95,000
El Dorado Hills Library	-
El Dorado Hills Sr. Center	525,000
Spring Street (\$100K Tobacco Settlement)	300,000
Veteran's Building	150,000
Placerville Animal Shelter	50,000
SLT Johnson Center	100,000
SLT JTC	25,000
SLT Jail	1,535,000
SLT Library	505,000
DOT Shakori (General Fund)	30,000
SLT Animal Shelter	50,000
SLT HHSa Sandy Way	275,000
<b>Deferred Maintenance Total</b>	<b>6,040,000</b>

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This Budget is recommended at \$32,233,314. The Recommended Budget reflects a decrease of \$610,712 when compared to the FY 2021-22 Adopted Budget. The budget fluctuates annually based on the funding and resources available and projects completed, for example the FY 2021-22 Budget included the purchase of generators at County facilities.

#### General Fund – Designation for Capital projects

The FY 2022-23 Budget includes a recommended \$6,000,000 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 \$6,000,000 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 the Chief Administrative Officer, to address unmet capital replacement and maintenance projects.*

The \$6,000,000 Designation for Capital Projects is not reflected in the FY 2022-23 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.