

Accumulative Capital Outlay Fund

RECOMMENDED BUDGET • FY 2018 - 19

MISSION

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

DEPARTMENT BUDGET SUMMARY

	16-17 Actuals	17-18 Budget	18-19 Dept Requested	18-19 CAO Recommend	Change from Budget to Recommend	% Change
Taxes	\$ 1,358,145	\$ 1,467,500	\$ 1,588,454	\$ 1,588,454	\$ 120,954	8%
Fines, Forfeitures	\$ 482	\$ -	\$ 198	\$ 198	\$ 198	n/a
Use of Money	\$ 12,002	\$ 13,500	\$ 12,500	\$ 12,500	\$ (1,000)	-7%
State	\$ 1,652,375	\$ 4,000	\$ 7,535,605	\$ 14,053	\$ 10,053	251%
Federal Intergovernmental	\$ 38,281	\$ -	\$ -	\$ -	\$ -	n/a
Other Governmental	\$ 5,080	\$ 5,000	\$ 5,621	\$ 5,621	\$ 621	12%
Misc.	\$ 25,250	\$ -	\$ -	\$ 39,134,000	\$ 39,134,000	n/a
Other Financing Sources	\$ 8,433,840	\$ 22,233,751	\$ 64,885,790	\$ 23,367,372	\$ 1,133,621	5%
Use of Fund Balance	\$ -	\$ 4,915,246	\$ 771,393	\$ 771,393	\$ (4,143,853)	-84%
Total Revenue	\$ 11,525,455	\$ 28,638,997	\$ 74,799,561	\$ 64,893,591	\$ 36,254,594	127%
Services & Supplies	\$ 30,338	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0%
Other Charges	\$ 70,464	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0%
Fixed Assets	\$ 10,448,938	\$ 26,989,330	\$ 64,934,360	\$ 62,437,096	\$ 35,447,766	131%
Operating Transfers	\$ 1,375,563	\$ 1,598,667	\$ 1,511,667	\$ 2,405,495	\$ 806,828	50%
Total Appropriations	\$ 11,925,303	\$ 28,638,997	\$ 66,497,027	\$ 64,893,591	\$ 36,254,594	127%
Change in Fund Balance	\$ 399,848	\$ -	\$ (8,302,534)	\$ -	\$ -	n/a

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 \$10,000 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.

Accumulative Capital Outlay Fund

RECOMMENDED BUDGET • FY 2018 - 19

Continuing Projects

Countywide Special Projects

Funding from the annual Accumulated Capital Outlay funds (1% of all property tax revenues directly deposited to the ACO fund) is set aside annually for capital projects that have not been specifically identified. For FY 2018-19, a total of \$565,000 is set aside for emergency projects, security upgrades, HVAC repairs, painting, parking lots and ADA compliance needs that may come up throughout the year.

Additionally, \$100,000 is budgeted for facilities planning related to annual funds set aside for environmental assessments, ADA assessments, real estate negotiations, or other miscellaneous costs associated with future facility planning.

Solar Projects

The County continues to pursue solar opportunities. Currently a feasibility analysis is in process and expected to be completed within the next few months. The Recommended Budget includes \$250,000 for next steps that will be determined after the feasibility analysis is complete.

Parks Projects

\$677,967 in funding has been budgeted in the ACO fund for various park projects. The Parks budget includes \$395,000 in carry forward General Fund for the Parks and Trails Master Plan Update and the acquisition of park land at Old Depot Court. The budget includes \$160,000 in use of Henningson Lotus Park (HLP) fund balance to complete various projects at the park. \$48,842 is included in ACO fund for the Department of Transportation to fund a portion of the El Dorado Trail Los Trampas to Halcom project. The Budget also includes \$68,573 in FEMA funding for the washout on the rail corridor.

Public Safety Facility

The County was approved for a \$57,140,000 loan from the United State Department of Agriculture (USDA). In addition to this loan, the County will be required to spend \$11,000,712 in County match funding prior to being able to draw down the USDA loan funds. By the end of FY 2017-18, the County estimates spending all but \$2,483,000 of the required \$11 million match. The \$2.4 million will remain set aside to cover interest payments over the next eighteen months while construction is being completed. The Recommended Budget includes \$39,134,000 in USDA loan funds to cover the majority of construction in FY 2018-19.

Placerville Jail Expansion

The ACO work plan includes \$7.5 million for the Placerville Jail Expansion. The County is working towards project establishment and anticipates issuing and awarding a RFP for design/build services and beginning construction in FY 2018-19.

Court House

In prior fiscal years, \$3,000,000 was appropriated from the General Fund for the Ray Lawyer Drive expansion in preparation for the new court house. Funding budgeted in FY 2017-18 was not used and is being carried over into the FY 2018-19 Recommended Budget.

Accumulative Capital Outlay Fund

RECOMMENDED BUDGET • FY 2018 - 19

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. The Division is estimating spending approximately \$80,000 of budgeted funding towards the planning and design of this project as of the end of FY 2017-18, with the remaining \$1.1 million being carried over into the FY 2018-19 Recommended Budget.

FENIX/Megabyte/TRAKiT

In March 2013, the Board approved a total project budget of \$5.6 million for the FENIX project. The year-end estimate of funds remaining for the project is \$1,000,000. The Recommended Budget includes carry-over of the remaining General Fund funding of \$1,000,000 for the project. This estimate will be adjusted with the adoption of the Budget in September, after the close of FY 2017-18 financial records.

The Budget also includes approximately \$120,000 and \$242,000 to complete the Megabyte Property Tax System and TRAKiT permit system implementations, respectively.

Deferred Maintenance

The FY 2018-19 Work Plan includes approximately \$7 million to fund deferred maintenance projects in the coming year. The Facilities Division requested approximately \$8.3 million in total funding, with a new General Fund contribution of \$3.8 million. Due to budget constraints, the General Fund contribution was reduced based on Board direction at the April 20, 2018 Board meeting. Additional funding was also identified from special revenue funds to help offset the requested amount. The General Fund contribution is currently recommended at approximately \$1.8 million. An additional \$1.6 million is included from anticipated General Fund carryover from FY 2017-18. The following funding sources are also included: \$1.4 million from Tobacco Settlement (HHS), \$1.3 million from dedicated ACO funds (property tax), \$726,000 from Road Fund operating transfers, and \$175,000 from the Criminal Justice Construction Special Revenue Fund.

Recommended New Projects

Health and Human Services Agency South Lake Tahoe Campus Project

The amount requested for FY 2018-19 for the new HHS SLT Campus Project is \$2,500,000. These funds will be utilized to refurbish the newly acquired building on Sandy Way and begin renovations on the El Dorado Center. Public Health has \$5 million set aside in a reserve fund for this project.

AQMD building

\$1.1 million in non-General Fund funding from the Air Quality Management District (AQMD) is recommended to be used for the new building and various charging stations throughout the County.

Accumulative Capital Outlay Fund

RECOMMENDED BUDGET • FY 2018 - 19

CAPITAL PROJECTS WORKPLAN

Project Title	FY 2018-19 Recommended	Funding Source(s)
Countywide Special Projects	300,000	ACO Fund
Countywide Security	50,000	ACO Fund
Countywide HVAC	25,000	ACO Fund
Countywide Exterior Paint	25,000	ACO Fund
Countywide Mold, Lead & Asbestos Abatement	15,000	ACO Fund
Countywide Parking Lot Improvements & Repairs	50,000	ACO Fund
Countywide ADA Evaluation / Compliance	100,000	ACO Fund
Facilities Planning	100,000	ACO Fund
Solar Projects	250,000	ACO Fund
Placerville Jail Expansion	7,521,552	SB844 Grant
Public Safety Facility	39,134,000	USDA advance funds
Courthouse - Ray Lawyer Drive Extension	3,000,000	General Fund
Juvenile Hall Replacement planning/design	1,121,704	General Fund \$1,121,704
HHSa SLT Campus Project	2,500,000	HHSa funding
Deferred Maintenance (see detail below)	7,059,330	\$1,416,700 Tobacco Settlement, \$726,528 DOT Road Fund, \$175,000 Criminal Justice SRF, \$454,730 ACO Fund Balance, \$316,663 ACO Designated FB, \$561,998 ACO Fund, \$3,407,711 General Fund
FENIX	1,000,000	General Fund
Parks and Trails (see detail below)	677,967	ACO \$48,842, GF \$395,000, \$160K HLP Trust, \$68,573 FEMA, \$5552 Quimby
AQMD New Building	1,000,000	AQMD funds
AQMD Charging Stations	100,000	AQMD funds
Various Jail projects	407,200	Sheriff - Various
TRAKit	242,252	EM - Garbage franchise fees 424100
Property Tax System	119,600	GF \$50,000, Assessor SRF \$69,600
Airport projects	94,986	ACO Fund
Total ACO Workplan	\$ 64,893,591	

Totals by Funding Source	
ACO	2,392,219
Criminal Justice SRF	175,000
General Fund	8,974,415
USDA Advance Funds	39,134,000
HHSa Tobacco Settlement Funds	1,416,700
AQMD	1,100,000
HHSa Public Health Fund Balance	2,500,000
DOT	726,528
SB 844 Funds	7,521,552
HLP Trust	160,000
FEMA	68,573
Quimby	5,552
EM - Garbage Franchise fees	242,252
Sheriff	407,200
Assessor SRF	69,600
Total	\$ 64,893,591

Accumulative Capital Outlay Fund

RECOMMENDED BUDGET • FY 2018 - 19

CAPITAL PROJECTS WORKPLAN (CONTINUED)

Parks / Trails Workplan	Budget	Funding Source
Parks & Trails Master Plan Update	75,000	General Fund
Park acquisition - Old Depot Road	320,000	Parks - General Fund 159130
SPTC FEMA Washout	68,573	FEMA
HLP Various projects	160,000	\$160K HLP Trust
Forebay Park Various projects/ ADA	5,552	\$5552 Quimby
El Dorado Trail Los Trampas to Halcon (DOT)	48,842	ACO Fund
Parks / Trails Total	\$ 677,967	

FY 2018-19 Deferred Maintenance Subtotals by Building:	Budget	Funding Source
Building A	200,000	General Fund
Building B	120,000	General Fund
115 Building C	500,000	General Fund
123 Juvenile Hall	-	
Ag Building	10,000	General Fund
126 Main Jail	175,000	Criminal Justice Special Revenue Fund
	2,054,484	General Fund
160 Main Library	415,000	General Fund
330 DOT Administration (Road Fund)	76,528	Road Fund
362 Cameron Park Library	50,000	General Fund
El Dorado Hills Library	-	
El Dorado Hill Sr. Center	125,000	General Fund
440 PHF	-	
440A Sr. Day Care Center	-	
441 Health Department	78,382	Tobacco Settlement
469 Community Services / Sr Nutrition	121,618	General Fund
	1,338,318	Tobacco Settlement
Veteran's Building	-	
Museum	100,000	General Fund
Placerville Animal Shelter	-	
600 South Lake Tahoe Administration	-	
610 South Lake Tahoe El Dorado Center	-	
SLT Juvenile Treatment Center	50,000	General Fund
621, 622 & 631 South Lake Tahoe Jail	945,000	General Fund
760 South Lake Tahoe Library	50,000	General Fund
DOT Shakori Garage	650,000	Road Fund
Deferred Maintenance Total	\$ 7,059,330	

Accumulative Capital Outlay Fund

RECOMMENDED BUDGET • FY 2018 - 19

RECOMMENDED BUDGET

This Budget is recommended at \$64,893,591. The Recommended Budget reflects an increase of \$36,254,594 when compared to the FY 2017-18 Adopted Budget. This increase is primarily driven by the inclusion of \$39,134,000 for the Public Safety Facility project construction.

General Fund – Designation for Capital projects

The FY 2018-19 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, un-appropriated discretionary resources will be used to increase the Designation for Capital Projects in an amount not less than \$5,000,000, each year.

This funding is not reflected in the FY 2018-19 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.

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. 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 study identified \$55 million worth of 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 \$76 million. Since 2013, the County has completed approximately \$22 million in deferred maintenance projects and identified \$11 million that will not need to be completed due to new construction (including the Sheriff Administrative building, South Lake Tahoe El Dorado Center, and District Attorney Buildings on Main Street) leaving a balance of approximately \$43 million in identified deferred maintenance projects to be completed. The FY 2018-19 Recommended Budget includes \$7 million in deferred maintenance projects, plus funding to keep pace with new repairs and maintenance needs. The Facilities Division continues to work each year to prioritize and complete projects identified in the plan with fire/life/safety projects taking precedence.

As has been reported previously, to adequately budget today's available funding for the maintenance of public facilities in the future, a standard target is to set aside 2 to 4 percent of the estimated facility replacement values on an annual basis. In FY 2013-14, the replacement value of County owned facilities was estimated at \$250 million. The minimum \$5 million that is reflected in Board policy and recommended to be set aside each year was set at approximately 2% of the estimated replacement value of the County's buildings. By building these reserves, the County will be able to continue the implementation of the Capital Improvement Plan.

Accumulative Capital Outlay Fund

RECOMMENDED BUDGET • FY 2018 - 19

FINANCIAL INFORMATION BY FUND TYPE

FUND TYPE: 13 CAPITAL PROJECT FUND
DEPARTMENT: 02 CAO - CHIEF ADMINISTRATIVE OFFICE

		CURRENT YR APPROVED BUDGET	DEPARTMENT REQUEST	CAO RECOMMENDED BUDGET	DIFFERENCE CURR YR CAO RECMD
TYPE: R REVENUE					
SUBOBJ	SUBOBJ TITLE				
0100	PROP TAX: CURR SECURED	1,402,000	1,535,731	1,535,731	133,731
0110	PROP TAX: CURR UNSECURED	51,000	24,849	24,849	-26,151
0120	PROP TAX: PRIOR SECURED	0	-513	-513	-513
0130	PROP TAX: PRIOR UNSECURED	1,000	-5,654	-5,654	-6,654
0140	PROP TAX: SUPP CURRENT	2,100	19,382	19,382	17,282
0150	PROP TAX: SUPP PRIOR	8,400	11,664	11,664	3,264
0174	TAX: TIMBER YIELD	3,000	2,995	2,995	-5
CLASS: 01	REV: TAXES	1,467,500	1,588,454	1,588,454	120,954
0360	PENALTY & COST DELINQUENT TAXES	0	198	198	198
CLASS: 03	REV: FINE, FORFEITURE &	0	198	198	198
0400	REV: INTEREST	13,500	12,500	12,500	-1,000
CLASS: 04	REV: USE OF MONEY & PROPERTY	13,500	12,500	12,500	-1,000
0760	ST: CORRECTIONS	0	7,521,552	0	0
0820	ST: HOMEOWNER PROP TAX RELIEF	4,000	14,053	14,053	10,053
CLASS: 05	REV: STATE INTERGOVERNMENTAL	4,000	7,535,605	14,053	10,053
1200	REV: OTHER GOVERNMENTAL AGENCIES	5,000	5,621	5,621	621
CLASS: 12	REV: OTHER GOVERNMENTAL	5,000	5,621	5,621	621
1940	MISC: REVENUE	0	0	39,134,000	39,134,000
CLASS: 19	REV: MISCELLANEOUS	0	0	39,134,000	39,134,000
2020	OPERATING TRANSFERS IN	22,233,751	64,885,790	23,367,372	1,133,621
CLASS: 20	REV: OTHER FINANCING SOURCES	22,233,751	64,885,790	23,367,372	1,133,621
0001	FUND BALANCE	995,940	454,730	454,730	-541,210
0003	FROM DESIGNATIONS	3,919,306	316,663	316,663	-3,602,643
CLASS: 22	FUND BALANCE	4,915,246	771,393	771,393	-4,143,853
TYPE: R SUBTOTAL		28,638,997	74,799,561	64,893,591	36,254,594
TYPE: E EXPENDITURE					
SUBOBJ	SUBOBJ TITLE				
4302	CONSTRUCT & ENGINEER CONTRACTS	50,000	50,000	50,000	0
CLASS: 40	SERVICE & SUPPLIES	50,000	50,000	50,000	0
5300	INTERFND: SERVICE BETWEEN FUND	1,000	1,000	1,000	0
CLASS: 50	OTHER CHARGES	1,000	1,000	1,000	0
6000	FIXED ASSET: LAND	320,000	320,000	320,000	0
6020	FIXED ASSET: BUILDING & IMPROVEMENTS	18,599,198	64,645,907	62,117,096	43,517,898
6021	FIXED ASSET: DESIGN SERVICES	1,000,000	0	0	-1,000,000
6022	FIXED ASSET: PROJECT MANAGEMENT	2,500,000	-31,547	0	-2,500,000
6025	LEASEHOLD IMPROVEMENTS	60,000	0	0	-60,000
6028	FIXED ASSET: CONSTRUCTION RENTALS	400,000	0	0	-400,000
6029	FIXED ASSET: CONSTRUCTION MATERIALS	400,000	0	0	-400,000
6042	FIXED ASSET: COMPUTER SYSTEM	3,710,132	0	0	-3,710,132
CLASS: 60	FIXED ASSETS	26,989,330	64,934,360	62,437,096	35,447,766
7000	OPERATING TRANSFERS OUT	1,598,667	1,511,667	2,405,495	806,828
CLASS: 70	OTHER FINANCING USES	1,598,667	1,511,667	2,405,495	806,828
TYPE: E SUBTOTAL		28,638,997	66,497,027	64,893,591	36,254,594
FUND TYPE: 13	SUBTOTAL	0	-8,302,534	0	0
DEPARTMENT: 02	SUBTOTAL	10,191,768	2,258,178	10,475,136	283,368

