



Legislation Text

File #: 2020-0991, **Version:** 1

To: Sonoma County Board of Supervisors

Department or Agency Name(s): General Services and County Administrator's Office

Staff Name and Phone Number: Caroline Judy: 565-8058, Katherine DiPasqua: 565-3779

Vote Requirement: 4/5th

Supervisorial District(s): All

Title:

Deferred Maintenance Fund Priorities for FY 2020-21

Recommended Action:

- A) Accept a report on the current status of deferred maintenance projects and fund balance.
- B) Adopt a resolution approving budget adjustment to the FY 20/21 Budget in the amount of \$1,322,272 using Deferred Maintenance funds to complete the recommended high priority projects in FY 20/21.
(4/5th Vote Required)

Executive Summary:

The Board adopted a Deferred Maintenance Policy as part of the FY 17/18 Budget hearings whereby a percentage of the property tax increment growth, above what is needed for baseline General Fund services, is held in a fund dedicated to deferred maintenance projects for County owned buildings and properties. The County's real estate portfolio is diverse, with over 2 million square feet of owned and leased facilities and over 170 structures. The Deferred Maintenance fund was established to cover the needs of these County-owned properties at the County Government Center, Los Guilicos, North County Detention facility, and other locations. At times, the Deferred Maintenance Fund has also been used to offset deferred maintenance project costs at Bodega Bay facilities. This occurs in situations where the Enterprise Funds need additional funds to complete a project.

Staff have evaluated and ranked each high priority project based on a set of criteria, and are recommending the use of \$1,322,272 of Deferred Maintenance Funds for FY 20/21 to address the most critical needs and continue to fund County Government Center redevelopment planning activities.

Discussion:

Background

Property assets are geographically distributed throughout the County. The costs of operating the property portfolio have grown as facilities have aged, and deferred maintenance obligations have increased over time primarily due to resource shortfalls. Recognizing these challenges, the Board adopted a Deferred Maintenance Policy during the FY 17/18 Budget hearings. Following Board adoption of the policy, the County Administrator's Office (CAO) established a process for General Services and Regional Parks to request use of the Deferred Maintenance funds. Both the General Services Department (GSD) and Regional Parks manage County-owned property assets for which deferred maintenance obligations are increasing. The Five Year

Capital Improvement Plan adopted by the Board in May 2020 identified over \$729 million in deferred maintenance on County facilities and infrastructure.

While today's report identifies proposed projects, the annual funding is not sufficient to significantly reduce the outstanding maintenance needs. Replacement of the aging County Campus buildings and establishing annual ongoing maintenance contributions at industry standard benchmarks throughout the property portfolio is the preferred means of effectively reducing the deferred maintenance liability.

Deferred Maintenance Projects Approved in FY 19/20

Since the establishment of the Deferred Maintenance Fund, a number of critical deferred maintenance projects have been completed. A list of the projects approved in FY 19/20, and their current status, is described below.

Projects Completed	
Critical Facilities Uninterruptible Power Supply Replacement	\$75,000
Central Mechanical Plant High Efficiency Boiler Replacement	\$179,754
North County Detention Facility Water Softener Replacement	\$15,164
Bodega Bay Cannery Building Demolition (2 Piers) - Preliminary Design	\$55,983
North County Detention Facility Building 101 Shower Floor Replacement	\$67,059
Human Services Building Automatic Transfer Switch Replacement	\$25,232
Juvenile Justice Center Switchgear Service	\$45,000
General Services Support for County Government Center Phase I & II	\$209,880
Projects in Progress	
CAO Support for County Government Center	\$50,000
County Counsel Support For County Government Center	\$60,000
Main Adult Detention Facility Boiler Replacements - Kitchen	\$135,000
County Center Transformer Repair	\$50,000
North County Detention Facility Kitchen Equipment Renewal	\$1,222,000
Cloverdale Veterans Building Roof Replacement	\$350,000
Administration Building Underground Plumbing Replacement	\$516,000
County Center Technical Advisor Phase II	\$184,971
Main Adult Detention Facility Records Area HVAC	\$165,000
Total Projects Approved in FY 19/20	\$3,406,043

Deferred Maintenance Policy and Revenues Earned To-Date

The Board of Supervisors approved the Facilities Investment Deferred Maintenance Policy during the FY 2017-18 Budget Hearings. For a period of 5 years, forty percent (40%) of all new property tax growth, which is above the growth needed to keep up with inflation for existing levels of General Fund services, will be used towards addressing deferred maintenance of County-owned facilities. A proposed extension of the Facilities Investment Deferred Maintenance Policy will be brought forward for Board of Supervisors consideration during FY 22/23 Budget Hearings.

Since its inception in FY 17/18, the Deferred Maintenance Fund has received \$13,137,467 from the discretionary General Fund, this includes \$4,519,323 programmed in the FY 20/21 Adopted Budget. Per the Clerk Recorder Assessor's report to the Board on August 20, 2020, the FY 19/20 secured property tax roll increased by 5.87%, resulting in additional property tax growth of approximately \$1 million. Per the Deferred Maintenance Fund Policy, 40% of that growth, equaling \$387,422, was added to the Deferred Maintenance Fund during FY 20/21 Q1 consolidated budget adjustments. This brings the cumulative total dedicated discretionary General Fund to \$4,906,745 for FY 20/21.

New County Government Center Project

In 2014, General Services contracted with VFA Associates to perform a facilities conditions analysis. On May 8, 2018 General Services presented information to the Board on the condition of existing County Government Center buildings and the taxpayer costs of ongoing and deferred maintenance. It was determined at that time that it was likely more cost effective to build a new government campus than repair the existing one.

On January 5, 2021 the Board directed staff to enter into contracts with Project Finance Advisory Limited (PFAL) and Nossaman for phase three of the new County Center project and authorized funding for the Information Services Department to begin a critical digitization project that will help reduce paper file storage needs, for a total of \$2,506,359. Today's recommended action includes a request for an additional \$982,056 to cover County Counsel, General Services, Permit Sonoma, and County Administrator staff costs through completion of phase three of the County Center project, which includes the tasks of developing the Request for Qualifications, Request for Proposals, and CEQA actions, and is expected to extend through FY 22/23.

Deferred Maintenance Fund Balance Available for FY 20/21

A total of \$5,367,401 in deferred maintenance projects have been approved by the Board in FY 18/19 and FY 19/20. An additional \$1,675,531 has been authorized by the Board in FY 20/21 for expenses related to Chanate, facilities operations, Self Generation Incentive Program grant application fees, and North County Detention Facility kitchen upgrade costs, bringing the total deferred maintenance appropriations to-date to \$7,042,932.

The County Administrator is recommending the Board authorize the use of an additional \$1,322,272 in Deferred Maintenance Funds for high priority projects in the Main Adult Detention Facility and staff costs

related to the County Center project (see Attachment 1 for breakdown of staff costs). This will leave a fund balance of \$2,265,904.

Deferred Maintenance Projects Recommended for FY 20/21

Rank	Project	Estimated Cost
1	Main Adult Detention Facility Boiler Replacement	\$230,000
2	Main Adult Detention Facility Grinder Pump Alternative Water Source	\$75,000
3	County Government Center Staff Support (County Counsel, General Services, Permit Sonoma, and County Administrator)	\$1,017,272
Total Recommend ed Projects		\$1,322,272

Staff has assessed each of the most critical deferred maintenance projects using a ranking method based upon the following criteria:

- the immediacy of potential impairment to a facility,
- the likelihood of service interruption to the departments,
- the risk of system failure or cascading failure, where failure of a single component can cause failure of multiple components or systems,
- the anticipated impact on health and safety, and legally mandated code compliance,
- the impact on delivery of services to the public, and
- the impact in the County's ability to maintain continuity of operations in the event of a disaster.

For each project, a score was given- high (1 point), medium (2 points) or low impact (3 points)-as to each criterion to determine projects with the highest priority. The cumulative score determines the project ranking. General Services maintains an up-to-date list of all deferred maintenance projects, and emergent needs are evaluated on a daily basis. On an annual basis Risk Management and the County Administrator's Office review the prioritization and reach a consensus to determine which deferred maintenance projects should be recommended for funding.

Prior Board Actions:

March 12, 2019: Report on Deferred Maintenance Fund Uses and Priorities

January 29, 2019: New County Government Center Options

May 8, 2018: County Government Center Facility Planning, including Staff Report on Solutions for Addressing the Growing County Government Center Administrative Building Maintenance Cost.

June 24, 2014: Comprehensive Facilities Condition Assessment Plan Update

January 15, 2013: Comprehensive County Facilities Plan

April 7, 2009: County Administration Center Site Evaluation and Opportunities Analysis

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY21-22 Projected	FY 22-23 Projected
Budgeted Expenses			
Additional Appropriation Requested	1,322,272		
Total Expenditures	1,322,272		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance	1,322,272		
Contingencies			
Total Sources	1,322,272		

Narrative Explanation of Fiscal Impacts:

The total cost of the recommended projects for FY 20/21 is \$1,322,272 to be funded with a portion of available Deferred Maintenance fund balance. The \$1,322,272 will be used to address critical needs at the Main Adult Detention facility and provide funding for County staff supporting the new County Center project.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Attachment 1 - County Government Center Phase III Staff Costs

Attachment 2 - Budget Resolution

Related Items “On File” with the Clerk of the Board:

On File 1 - Comprehensive Report on County Center Maintenance