



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: County Executive Office

Subject: Proposed 2025-26 Budget for Capital Projects

Meeting Date: June 3, 2025

Formal Title: Consider approval of the Proposed 2025-26 Budget for Capital Projects, including any supplemental materials, and the 2025-2030 Capital Improvement Plan, as outlined in the referenced budget documents, and as recommended by the County Executive Officer

Recommended Actions

1. Approve the Proposed 2025-26 Budget for Capital Projects, including any supplemental materials, as provided in the referenced budget documents:
 - [Proposed Budget](#)
 - Presentation
2. Approve the [2025-2030 Capital Improvement Plan](#).

Executive Summary

The Proposed 2025-26 Budget for Capital Projects supports key infrastructure investments aimed at enhancing the County's public facilities. The budget includes a total of \$7,588,195 in appropriations, with \$2,721,500 in revenues, a General Fund contribution of \$1,000,000, and Other Fund contributions totaling \$3,866,695. This budget supports five critical infrastructure projects, including HVAC and boiler replacements, emergency generator upgrades, secure parking improvements, and facility repairs at multiple sites. Additionally, the budget includes funding for active park improvements and addresses critical deferred maintenance in County facilities.

A key component of this budget is the 2025-2030 Capital Improvement Plan (CIP), which serves as the County's roadmap for prioritizing and funding capital projects over the next five years. The CIP provides a comprehensive framework to guide the County in addressing infrastructure needs, balancing long-term investments with immediate repairs, and ensuring that capital improvements align with strategic goals such as sustainability, public safety, and operational efficiency.

Discussion

The mission of Capital Projects is to preserve and enhance the County's public infrastructure by planning and delivering resilient, cost-effective, and sustainable projects that meet community needs. These projects ensure safe, functional, and accessible facilities for residents, employees, and future generations. The County's capital program includes major renovations, system upgrades, and new construction across a variety of facilities, including administrative offices, health clinics, public safety facilities, libraries, and parks.

The Capital Projects Proposed Budget outlines significant investments in both County facilities and park improvements. Key projects include HVAC and boiler replacements at the Main Jail and Rountree Facility, emergency generator upgrades, and facility repairs. Additionally, active park improvements, such as the Brommer Street Park Restroom Restoration and the Simpkins Waterslide Replacement, are funded. These projects are

aimed at addressing deferred maintenance needs and enhancing the County's built environment.

In support of long-term infrastructure planning, the 2025-2030 CIP provides a strategic framework for prioritizing County projects over the next five years. The CIP includes a mix of projects aimed at maintaining and enhancing facilities across various sectors, from public safety and health to parks and community spaces. It is designed to ensure that the County's infrastructure meets the needs of a growing and evolving population while balancing environmental sustainability with fiscal responsibility. The Capital Projects Proposed Budget is the first year of this five-year plan, marking a pivotal step in addressing the County's capital needs over the coming years.

The budget also highlights the ongoing challenges of deferred maintenance and the increasing costs of construction materials due to tariffs and market volatility. With over \$4.8 million in unfunded capital needs, it's essential to prioritize investments that will address immediate maintenance needs and help prevent costly emergency repairs in the future.

Financial Impact

The Capital Projects Proposed Budget totals \$7,588,195 in appropriations, which is funded by \$2,721,500 in revenues, a General Fund contribution of \$1,000,000, and Other Fund contributions of \$3,866,695. The budget also includes contingencies of \$300,000 to address unforeseen emergency repairs and \$310,800 for potential tariff-related cost impacts. Compared to the Fiscal Year (FY) 2024-25 Adopted Budget, this represents a continuation of capital funding for ongoing and critical infrastructure projects.

In addition to the budget, the 2025-2030 CIP provides a comprehensive five-year financial framework for the County's capital investments. The CIP includes over \$35 million in total planned expenditures for capital projects over the next five years, funding critical infrastructure improvements, repairs, and expansions. The CIP is designed to address the County's deferred maintenance backlog, enhance public safety facilities, improve energy efficiency, and support climate goals. While the Capital Projects Proposed Budget reflects the first year of this broader plan, it focuses on immediate capital needs, with projects totaling \$7.6 million for FY 2025-26.

The distinction between the CIP and the Proposed Budget lies in their scope and time frame. The Proposed Budget reflects a snapshot of funding and projects for the upcoming fiscal year; whereas, the CIP outlines a long-term strategy for capital improvements, spanning multiple years.

Strategic Initiatives

Equity Framework - County Facilities & Infrastructure, Plans, Policies & Budgets
Operational Plan - Reliable Transportation, Sustainable Environment, Operational Excellence
Climate Action - Energy, Transportation, Natural & Working Lands, Government Operations

Submitted By:

Carlos J. Palacios, County Executive Officer

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

ChatGPT - 4o, an Artificial Intelligence (AI) large language model tool, significantly contributed to the development of this agenda item, including Staff Report and Attachments, in compliance with the County of Santa Cruz AI Appropriate Use Policy.