

10. 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 ()



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.



Capital Projects

2025-26

Proposed Budget

- **Elissa Benson** |
Assistant CEO
- **Ryan Friedrich** |
Sr. Administrative Analyst



Presentation Overview



Capital Projects Overview



Capital Projects Review
Committee



2025-26 Requested Budget



2025-30 Capital Improvement
Plan



CIP Project Portfolio Overviews



Emerging Issues &
Recommended Actions

Our Mission

Capital Projects aim to preserve and enhance the County's public infrastructure by planning and delivering capital projects that are resilient, cost-effective, sustainable, and responsive to community needs, ensuring safe, functional, and accessible facilities for residents, employees, and future generations.



County
Facilities



Parks and Open
Spaces

Capital Projects Review Committee

- Established in 2021; Cross-departmental team of department leaders and key support staff from CEO, General Services, CDI, ACTTC, and Parks
- The CPRC reviews, advises, and oversees capital projects, real property leases & acquisitions
- Ensures consistency and efficiency in capital planning and project delivery
- Makes recommendations on project validity, priority, and funding

Capital Projects Review Committee

Project Scoring Factor

Points Possible

Equity Forward

5

County Financial Impact

5

Protects Health and Safety

4

Community Services

3

Environment & Strategic Planning

3

Total

20

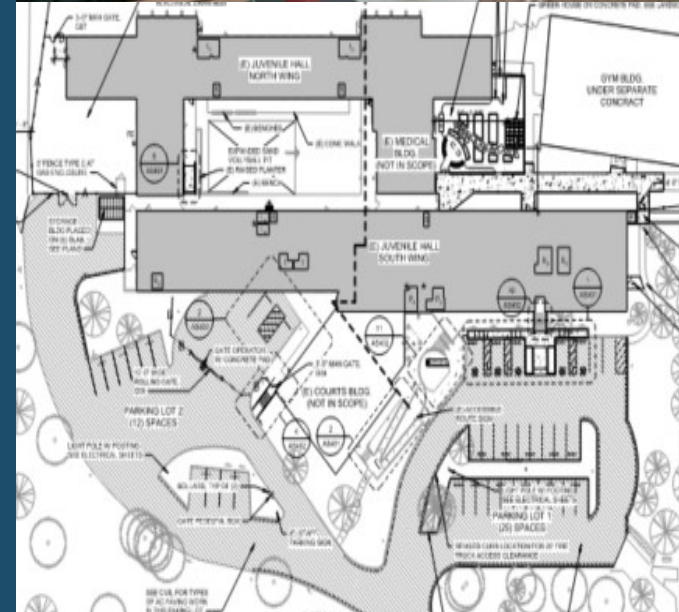
Project Proposals
from Departments

CPRC Evaluates

Incorporated into
Proposed Budget &
CIP

Capital Project Achievements

- Hidden Beach Restroom – Complete
- Expanded Dental Room at Rountree Facility – Complete
- Generator at Main Jail – Complete
- Sheriff DNA Lab – Completed and Award Winning
- Live Oak Library Annex – Complete
- Awarded Construction Contract for Juvenile Hall Renovation and Gym
- Design Complete for Felton Library Solar Energy System
- Project Labor Agreement Pilot



Capital Project Budgeting



Current spending authority from previous budget cycles to design, construct and manage capital projects

Actual project expenses realized throughout the current fiscal year

Proposed Budget amounts approved annually support new projects or augment active projects

Unspent Budget appropriations are rolled forward plus Proposed Budget amounts to create the Adopted Budget

Capital Projects

Summary of Proposed Budget

2025-26 Proposed	Facilities	Parks	Total
Revenues	\$1,386	\$1,335	\$2,721
Expenses	\$2,474	\$5,114	\$7,588
General Fund Contribution	\$1,000	\$0	\$1,000
Use of Fund Balance	\$88	\$3,779	\$3,867

Amounts in Thousands

Capital Projects

Summary of Proposed Budget

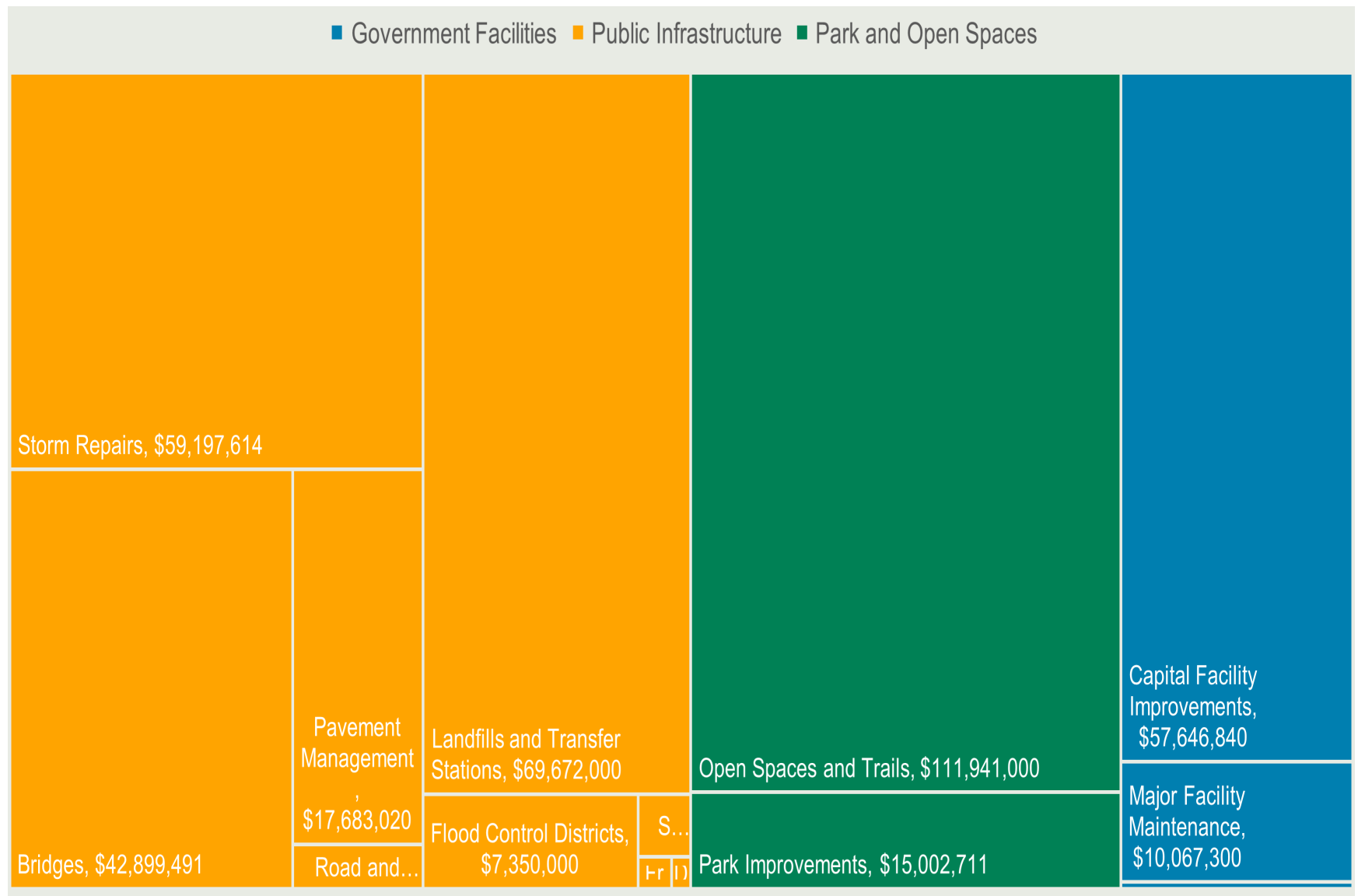
Portfolio	Projects	Recommended Amount
Government Facilities	Rountree Facility HVAC	\$625,000
	Main Jail Administrative Unit HVAC	\$405,000
	County Govt. Center Emergency Generators	\$450,000
	Rountree Water Heating	\$175,000
	Mosquito Vec. Crl Building Windows & Parking Lot	\$116,500
	Emergent Repairs	\$300,000
	Federal Tariffs	\$310,800
Parks and Open Spaces	Brommer Street Park Restroom Upgrades	\$260,260
	Simpkins Waterslide	\$412,214

2025 – 2030 Capital Improvement Plan

- 5-year roadmap for programmed capital investments
- New online publication
- Identifies \$396.4 Million in active capital project needs
- Catalogs 45 distinct funding sources



2025 – 2030 Capital Improvement Plan



Public Infrastructure



- 91 projects across roads, bridges, stormwater, landfill, and sanitation across the County
- Over \$59 million targeted for storm-damaged roads
- Project types include:
 - Key bridge replacements
 - Culvert replacements
 - Slope stabilization and drainage upgrades
- Continued pavement rehabilitation including Measure D resurfacing program
- Major improvements at Buena Vista Landfill, Ben Lomond Transfer Station, and flood control/sanitation districts
- Emphasis on repair and resilience for future climate and weather challenges

Government Facilities

- Approximately \$68 million planned investments across 25 projects
- Major projects:
 - Juvenile Hall renovation
 - Behavioral Health Bridge Housing
- Upgrades at Main Jail, Rountree, and County Government Center
- Focus areas: safety, code compliance, energy efficiency, modernization

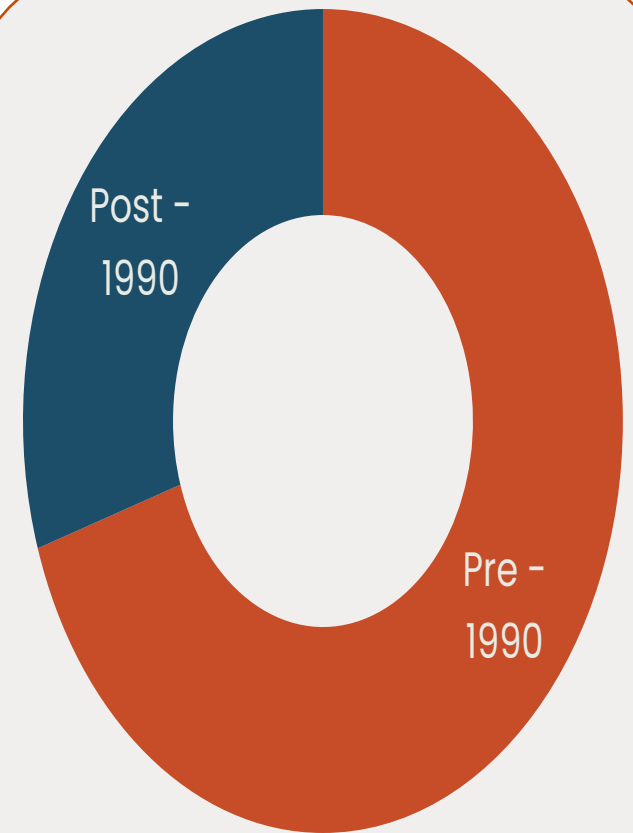


Parks and Open Spaces

- Over \$126 million in active and future park investments
- Major emphasis on Rail Trail Segments 10 and 11 over multiple years
- Key projects:
 - Restroom upgrades at Brommer Park and Hidden Beach
 - Accessibility improvements at Greyhound Rock and Aptos Village Park
 - Simpkins Waterslide Replacement and Floral Park playground upgrades
- Continued support for prior projects like Farm Park Phase II and Heart of Soquel improvements
- Funding sources include grants, impact fees, and local funds
- Commitment to equitable access to quality parks and preserved open spaces

Emerging Issues

- Deferred maintenance Backlog
- Energy and Facilities Climate Impact
- Tariffs and Market Volatility



70% of County Facilities were constructed before 1990

Capital Projects

Approve the Proposed Budget for Capital Projects, including the 2025-2030 Capital Improvement Plan and any Supplemental Materials, which includes

- Revenues of \$2,721,500
- Expenses of \$7,588,195
- General Fund Contribution of \$1,000,000
- Other Funds Contribution of \$3,866,695

