

County of Sonoma



Strategic Planning

Workgroup Three: *Facilities and Capital Improvements*

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Section 1: Work Group Purpose and Methodology

Purpose

The County of Sonoma (hereafter referred to as the County) is in the second phase of its strategic planning project; the Analysis Phase. During the first phase (Readiness), the Board of Supervisors identified the major strategic issues the County needed to address in its strategic plan, and established four Work Groups to gather and analyze information to inform these strategic issues. Each Work Group was charged with gathering both qualitative and quantitative data to develop a deeper understanding of the strategic issues. This information will be used in the next phase (Planning), where goals, objectives and strategies will be developed to address each of these issues.

Work Group Three was given the responsibility to conduct research on the following issue:

How do we best address the increasing need for facilities/capital investments?

Methodology

The Work Group approached this question by assessing the current state of County facilities and infrastructure and by analyzing factors driving future needs for County facilities and capital improvements (e.g., transportation, public works, parks, water, County buildings). The data collection effort included compiling known information sources, as well as meetings with representatives from each County functional area (and in some cases each Department within a functional area) to gather information and identify additional sources of data. While the Analysis Phase focuses primarily on the next five to seven years, in considering facilities and infrastructure, it is sometimes helpful to look as far into the future as 15 to 20 years. Thus, where reasonable data and projections exist, this report takes a longer view.

Workgroup Members

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Susan Klassen	Transportation & Public Works
Kishore Jayaswal	Human Services
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Rob Kambak	General Services
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Alma Roger	General Services
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Section 2: Summary of Major Findings and Conclusions

Through research, analysis, and deliberation, Workgroup Three identified the following findings and conclusions as the most significant to the County of Sonoma over the strategic planning horizon of five to seven years (with consideration of an even longer horizon for major facilities and infrastructure, given the timeline for planning and completing major projects). All of these are explored further in subsequent sections of this report.

Finding 1. Criminal Justice Facilities: Expansion of adult detention facilities represents the County's single most significant, long-term capital expenditure in the near future, potentially costing hundreds of millions of dollars.

Justice facilities have accounted for the largest portion of County capital project costs for many years. Of all County General Government building construction since 1975, detention facilities have accounted for about 75%. Currently the County owns and leases over 800,000 s.f. of space for criminal justice functions, of which the vast majority is for detention facilities. This is about 41% of all County leased and owned facilities, whereas the next largest functional area utilizes 23%. While expansion of incarceration alternatives and treatment programs, combined with changes in criminal justice practices, could potentially mitigate some of the immediate need for additional capacity, adult detention facilities expansion will need to be addressed during the time horizon of this planning process. For example, the North County Detention Facility, originally designed as an "honor farm," needs improvements and the facilities are not well suited to their current use. The Sierra Youth Center facility is over 50 years old, no longer properly configured, and is inadequate for the program.

In addition to detention facilities, there is a need for expansion and improvement of facilities for criminal justice administration. Adult justice offices, constructed in 1965, have reached or exceeded operational capacity and are no longer properly configured. Possible transfer of responsibility for court facilities to the state could impact County programs and facilities, especially if court facilities are relocated (See page 5 for more information)

Finding 2. Other Departmental Facilities: Several other Departments have facility needs requiring attention over the next five years.

- Human Services Department faces capacity issues in the Paulin Building and Mendocino Avenue site (leased space), and there is an increasing demand for client services to be located in some other high-client-density areas where there are currently no County HSD facilities.
- Health Services Department facilities at the Chanate Complex have significant issues with aging or inadequate infrastructure and access. Also, with reductions in State and Federal funding for health services (see Work Group Four Report), there are concerns as to sources of revenue for facility maintenance.
- The Permit Resource Management Department is currently at capacity in its main office on Ventura Avenue, and additional space in the immediate vicinity is limited.
- Land that has been acquired by the Agricultural Preservation and Open Space District and transferred to Regional Parks for recreational purposes has caused, and may increasingly cause in the future, expansion of County parks without commensurate funding for maintenance and operation.
- Veterans Memorial Buildings are between 45 to 56 years old and in need of significant repairs.

- Office facilities for the Board of Supervisors, County Administrator, County Counsel, Information Systems, and Clerk/Recorder/Assessor do not meet County space guidelines. They are crowded and inadequate for their function.

Finding 3. County Roads and Bridges: In the five-year planning horizon, annual expenditures for road and bridge repair and maintenance will need to more than double just to mitigate further decline.

The County currently maintains over 1,400 miles of roads. Approximately 900 miles are minor residential and rural roads, of which approximately 450 miles are failed and in need of reconstruction. Most of the balance are in need of significant repair and maintenance. Road maintenance costs have risen significantly in recent years. Some funds are available for relatively minor repairs; however, there is no predictable, ongoing funding source devoted to improving the condition of these minor residential and rural roads. In addition, the County maintains more than 450 miles of major roads, which are in generally better condition than the minor roads, in part because they are eligible for federal and state funding for major repairs and improvements. Finally, of the County's 350 bridges, typically each year two bridges need to be replaced due to undermined foundations from river-caused erosion around the foundations.

The need for road maintenance is growing with general use increases caused by long-term population growth, and increased use of major roads as alternatives to congested highways. Increasing traffic congestion could create demand for expansion of these major roads. The overall pavement condition of the County road system is gradually declining (it has been reported as the worst in the Bay Area region) and will continue to decline without a major infusion of capital. The average "pavement condition index" (PCI) for the major roads is approximately 53, or "fair"; more troubling is that over one-third of these roads are rated poor or failed. The average PCI rating for minor roads is approximately 37, or "poor," with over two-thirds reported as poor or failed. Over the five-year planning horizon, annual expenditures for road repair and maintenance need to more than double just to mitigate further decline (See pages 8-9 for more information).

Finding 4. Ongoing Funding for Facilities Maintenance and Improvements: The County does not have a comprehensive long-range funding strategy that anticipates future costs, then allocates these costs over many years and funds them accordingly.

Although the County has managed to maintain its buildings in generally very good condition, there is a fundamental problem. It arises in two categories of facility costs: The first category is "Major Repair and Replacement of systems in and on buildings (MR&R) (e.g., roof replacement, HVAC equipment, etc.). In this category, the County budgets what it can afford from year to year. However, approximately 60 percent of County buildings are now over 30 years old, with major components nearing the end of their useful lives, and several facilities discussed in this report need significant repairs and replacements (e.g., the Santa Rosa Veterans Building and the Chanate Complex).

The second category is construction projects such as remodeling, expansion and new facilities, known as Capital Improvements (CI). These projects are typically supported by non-General Fund sources, such as grants and special funds, or long-term debt. By law, the County has significant unused debt capacity that could be used for improvements. The County has used approximately two percent of its available general obligation-type borrowing capacity, leaving \$1.02 billion available for this purpose. However, there is seldom a source of funding to pay ongoing debt service, which typically would need to be taken from the General Fund, thereby reducing the amount available for County programs and other critical uses. Thus, major construction projects also need to be part of a comprehensive, long-term funding strategy. The County does have an excellent five-year rolling Capital Project Plan (CPP), which identifies most MR&R and CI needs. But the total funding

identified in the recently-updated 2006-2011 CPP falls short of the identified and quantified projects by \$78 million, and that figure does not include the hundreds of millions represented by a new jail facility or an even greater amount for thorough upgrading of County roads (See Appendices C and E for more information).

Finding 5. Water and Wastewater: While increasing volume demands and aging infrastructure may not disrupt service in the next five to seven years, they could become increasingly critical over the subsequent five to seven years, depending on growth in the agricultural, residential and commercial sectors.

Demands on the County's water and wastewater system are increasing with growth and urbanization, creating potential problems in some areas of the County resulting from volume demands or aging infrastructure. For example, in a few County Sanitation Districts and Water Agency Sanitation Zones, aging sewer systems and aging or underperforming wastewater treatment facilities are in need of major repair, improvement, and/or replacement. Increasing regulatory requirements and environmental considerations also affect the ability of water and wastewater systems to meet long-term capacity demands. Without new or improved systems, hundreds of property owners could be faced with losing the use of their homes if their septic systems continue to fail, particularly in light of the proposed changes to the State septic system standards. (See pages 9-10 for more information.)

Finding 6. Solid Waste: The County lacks agreements for maintenance of closed landfills and for solid waste out-haul and disposal.

Within the five-year planning horizon, the County will need to negotiate fair-share funding agreements to share liability with the cities for closure of the Central Landfill and 30 years of post-closure maintenance of eight closed landfills. Additionally, the County has traditionally provided regional disposal services to the cities (with the recent exception of Petaluma) without any agreements in place, which secure participation. Within the five-year planning horizon, the County must negotiate agreements with the cities to be able to secure long-term out-haul and disposal contracts.

Finding 7. County Properties and Facilities: The County owns several major assets in strategic locations that could potentially be used to accommodate its future facility needs or to generate revenue, i.e., large parcels, centrally located or convenient to population centers for which the County has control of development.

(See "Opportunities" on pages 12-13 for more information.)

Section 3: Discussion of Findings and Conclusions

The Current Condition of County Owned and Leased Buildings

The following paragraphs consider the County's General Government facilities, organized according to the major County functional areas. Most of the services located in these facilities are provided to the entire County population, not just residents living in the unincorporated areas.

1. Criminal Justice

Justice facilities have accounted for the largest portion of County capital project costs for several years. Of all County General Government building construction since 1975, detention facilities account for about 75 percent. Currently the County owns and leases over 800,000 square feet (s.f.) of space for criminal justice functions, of which the vast majority is for detention facilities. This is about 41 % of all County leased and owned facilities, whereas the next largest functional area utilizes 23 percent. In the Capital Project Plan for 2006-2011, justice-related projects constitute over \$213 million, or 81% of the \$265 million projected total cost for all General Government facility projects.

Adult and Juvenile Justice Offices: Adult justice offices include the District Attorney, Public Defender, Probation, Courts, and Law Library, which are co-located with the criminal court in the Hall of Justice that was constructed in 1965. These offices have reached or exceeded operational capacity and are no longer properly configured. Juvenile justice offices are located in the new Juvenile Justice Center (JJC) at Los Guilicos, which is in excellent condition with room for growth.

Adult and Juvenile Detention Facilities: Adult detention facilities are at their operating capacity; without any significant reduction in demand trends, they must soon be expanded (especially special housing for maximum-security and facilities for inmates with mental health and substance abuse problems). The North County Detention Facility (NCDF) is a collection of buildings constructed between 1959 and 1989, and was originally designed as an "honor farm." The NCDF needs improvements, and the facilities are not well suited to their current use. The Juvenile Hall is a new, excellent facility, but population demands appear to be rising faster than anticipated. The Sierra Youth Center facility is over 50 years old, no longer properly configured, and is inadequate for the program. The Probation Camp is a good facility serving male youth but could use additional capacity, and there is no equivalent female facility.

Law Enforcement: The Sheriff's administration building is new and in excellent condition. Additionally, the Sheriff operates out of 21 locations at which at least one full-time deputy is assigned for each location, including the new Sonoma Valley Substation that is under construction. These locations vary in age and condition but generally are adequate for law enforcement needs.

Additional Factors and Considerations: Relocation of the Criminal Courts away from the County Center would have major impacts on County criminal justice functions (e.g., necessitating transportation of inmates and criminal justice staff, which could increase costs, create security issues, and make coordination more difficult). Expanding alternatives to incarceration may mitigate the need for detention facility expansion. The factors that drive the need for additional detention facilities, such as the nature and complexity of criminal cases, also impact the need for other criminal justice facilities.

2. Health and Human Services

Human Services: The Human Services Department (HSD) operates in nine locations with over 210,000 s.f. of office space, of which approximately 125,000 s.f. are leased. The main County-owned facilities are the Paulin Building at the County Administration Center and the new Valley of the Moon Children's Home (VMCH). The Paulin Building is currently at its capacity for staff and does not adequately meet the needs of client processing for various programs. The Medi-Cal program in the leased Mendocino Avenue Building is also at capacity. While HSD facilities are located within one of the County's high-client-density areas, there is an increasing demand for client services in some other high-client-density areas where there are currently no County HSD facilities.

Health Services: The Department of Health Services (DHS) operates in 29 facilities with over 200,000 s.f. of space (90,000 s.f. leased and 110,000 s.f. County-owned), and many are currently operating near capacity. Overall, DHS facilities are adequate to meet current program needs, with the exception of County-owned facilities located at the Chanate Complex, which has significant issues with aging or inadequate infrastructure and access. Realignment funding, the primary funding source for County health programs, is not keeping pace with rising costs to deliver programs. This, along with increasing demand for services, will present challenges to adequately fund facilities upkeep and costs of facilities remodeling or expansion.

Department of Child Support Services: The Department of Child Support Services (DCSS) operates primarily out of a single 42,000 s.f. leased office building. DCSS also has a small staff that is co-located with the HSD at the Paulin Building. The main office space is in excellent condition and currently has room for department growth.

Additional Factors and Considerations: The County has frequently elected to lease HSD and DHS (collectively HHS) facilities because of the ability to receive reimbursement from the State.¹ In addition, the funding for HHS programs, and thus their need for space, can be volatile. Also, changing demographics and community needs are driving reconsideration of where HHS facilities should be located to best serve the public (e.g., the growing aging population for whom mobility is often an issue, isolated populations, and those who lack access to transportation).

3. Development Services

Permit and Resource Management: The Permit and Resource Management Department (PRMD) is currently at capacity in its main office and additional space in the immediate vicinity is limited. If staffing growth continues, some of the functions in the centrally located "one-stop shop" may need to be located elsewhere.

Sonoma County Water Agency Offices: The Sonoma County Water Agency's (SWCA) administration facilities (57,000 s.f. in the Airport Business Center) are adequate to meet current and future needs. SCWA's Operation and Maintenance Center is located approximately seven miles from the administration facility. Program staff indicates that a nearby location may enhance efficiency and coordination of operations.

The Charles M. Schulz-Sonoma County Airport: To accommodate full regional air service up to the level allowed in the County General Plan, the Airport would need the following improvements: The runway would need to be extended to meet the needs of aircraft now used by most commercial short-haul carriers, the terminal would require reconfiguration or replacement, and additional parking would need to be provided. Airport traffic would also require improvement to major access roads.

¹ In most cases, HHS programs may directly claim up to 90 percent of rental costs for State reimbursement, but only two percent of County-owned building space costs per year (plus interest and some other costs).

4. Parks and Open Space

Parks: The acreage in Regional Parks has consistently increased over the years. Since the year 2000, over 2,800 acres have been added, which constitutes over 40 percent of the County's parkland inventory. Most of these additional acres were added as a result of acquisitions by the Sonoma County Agricultural Preservation and Open Space District (APOSD). Because APOSD is restricted in its ability to use sales tax revenues for opening its property for public access, most APOSD fee acquisitions are coordinated with local partners (e.g., County Regional Parks, cities and the State Parks Department) with the operational funding responsibility falling principally on the local partners. Lands that have been acquired by APOSD and transferred to Regional Parks for recreational purposes have caused, and may increasingly cause in the future, expansion of County parks without commensurate funding for maintenance and operation.

Some park buildings and infrastructure have significant deferred maintenance. Veterans Memorial Buildings are between 45 to 56 years old and in need of significant repairs (in excess of \$13 million, \$9 million of which is the Santa Rosa building).

Open Space: The Sonoma County Agricultural and Open Space District is a special district that utilizes a ¼ cent sales tax to purchase conservation easements to protect agricultural lands and preserve open space. To date, APOSD has protected 65,000 acres of agricultural and open space land. These sales tax funds are generally limited to acquisition costs; therefore, increasing public pressure for open space land to be used for recreational purposes could potentially impact state, County, and local parks departments that would have operational responsibility for these lands. The sales tax sunsets in 2011, but a tax reauthorization initiative may be placed on the ballot in November, 2006.

Fairgrounds: The Fairgrounds site is laid out well for the Sonoma County Fair but not for other events, nor for multiple simultaneous events. Aesthetics is an issue, and there is a need for more all-weather parking.

5. Administrative and Fiscal Facilities

The County's administrative office facilities are adequate for the next five years in some areas, but at or exceeding capacity in other areas. In particular, the office facilities for the Board of Supervisors, County Administrator, County Counsel, Information Systems, and Clerk/Recorder/Assessor do not meet County space guidelines, are crowded, and are inadequate for their function. Also, some administrative/fiscal departments have staff disbursed across multiple locations, and have indicated that their closely inter-related functions could benefit from having staff located together (including Human Resources, County Counsel, General Services, Information Systems, and Clerk/Recorder/Assessor).

Radio Sites: The County leases or otherwise controls 12 high-elevation radio communication sites scattered throughout the County, which are operated and maintained by the Information Systems Department (ISD). These radio sites are paramount to the County's ability to respond effectively during public safety incidents, and are also used by other local government agencies including all of the County's local fire districts. Each site is generally improved with a vault, a tower and an emergency power supply. Within each vault are various pieces of transmission equipment and on each tower are numerous antennae. The sites are linked together with a microwave network. While the equipment, antennas and network are in good condition, the vaults, towers and emergency power supplies are, in many cases, aging, inadequate, and have significant need of replacement (e.g., leaking vaults).

The Current Condition of Major County Infrastructure Systems

The following paragraphs consider the current state of the County's major infrastructure systems: roads and bridges, water, wastewater, and solid waste. Some of the factors that could impact the demand upon these systems, such as population growth and demographic changes, are examined in greater detail in the Work Group Two report.

1. Roads and Bridges

Roads: The County maintains approximately 1,400 miles of roads. The majority (900 miles) are minor residential roads and minor rural roads of which approximately 450 miles are in need of reconstruction, and most of the balance are in need of significant repair and maintenance. Road maintenance costs have risen significantly in recent years. Some funds are available for such activities as pothole patching, ditch cleaning, and vegetation removal; however, there is no predictable, ongoing funding source devoted to improving the condition of these minor roads. The County's more than 450 miles of arterials and collector roads² are in generally better condition than the minor roads, and are eligible for federal funding. However, there is an increasing need for both expansion and maintenance as these roads are experiencing increased use, caused by factors such as long-term population growth and increased use as alternatives to congested highways.

The County maintains a database that surveys the pavement condition of the County road system. Roads are surveyed and assigned a pavement condition index (PCI) between 0 and 100. PCIs are grouped as follows:

Condition	Failed	Poor	Fair	Good	Very Good	Excellent	Total
PCI	0-25	26-40	41-55	56-70	71-85	86-100	
Arterials and Collectors	91	78	100	114	76	19	478
Minor Rural and Residential/Local	466	144	125	88	69	21	913
Total Miles	557	222	225	202	145	40	1391

The average PCI for the County Road system as reported to the Bay Area Metropolitan Transportation Commission (MTC) is currently 44, and it has been gradually declining. With current spending, the average PCI is expected to be 38 by 2010. The average PCI for the major roads is approximately 53. The average for the minor roads is approximately 37. For the County to retain the average PCI at the 2004 level, in a five-year period it is estimated that an over \$90,000,000 million investment in road repair is necessary. This is approximately double the current fiscal-year spending level, which is higher than normal due to a higher than average federal allocation. For the County to increase the average PCI to 66, (the regional average PCI), it is estimated that an investment of over \$500 million dollars in road repair would be necessary in the same five-year period.

² Arterials are defined as generally high usage roads, either through urban or rural areas, which connect major population areas either within the County or between Counties (e.g., Hwy 12, Hwy 128, Arnold Drive, Stony Point Road, Old Redwood Highway). Collectors are within-County roads that connect smaller population centers (e.g., Graton Road, Occidental Road, Calistoga Road). Local roads are generally low usage roads whose primary function is to access property such as residential subdivision streets and rural residences.

Bridges: Of the County's 350 bridges, typically each year two bridges need to be replaced due to undermined foundations from river-caused erosion around the foundations. About 20 timber structures are over 50 years old and could be subject to failure in storm events (several are on dead-end residential roads, which will render residences inaccessible). Ten bridges are in need of seismic retrofit, but there is not a sufficient source of local funds to match the federal bridge seismic and replacement program funds. The County has been denied allocation of funds from the State Seismic Match Program since June 2003, when this bonded source of funds was fully expended. Timber structures needing replacement are on narrow rural roads that do not meet federal standards and thus are not eligible for federal funds for repair and replacement.

Measure M: Sonoma County voters approved Measure M in November 2004, which is a ¼ cent sales tax projected to generate approximately \$23.5 million per year for 20 years to fund a range of transportation and transit improvements. Funds were to be allocated as follows: 40% to Highway 101 projects, 20% to Local Road Maintenance, 20% to specific safety and congestion-relief projects listed in the measure at a 50% match, 19% for Bus, Rail, Bicycle and Pedestrian facilities, and 1% for Administration. The 20% funds for local road maintenance are allocated to the various jurisdictions by a formula based on population and road miles.

In 2004, this calculation gave the County 46.9% of the Local Road Maintenance funds, which was estimated to be \$2.2 million per year. These dollars are the only Measure M funds that the County has the flexibility to use to:

- Match federal overlay funds and seismic retrofit projects, and
- Fund bridge replacements on minor roads and general maintenance activities.

As the County gives a higher priority to maintaining the arterial and collector system, this new funding source will have little impact on improving the condition of the minor road system. As salary and benefit costs for existing road maintenance staff are increasing by almost \$1 million annually, Measure M's impact on the minor road system will be limited to helping maintain the current level of pothole patching, ditching and vegetation removal.

2. Water Supply and Transmission System

Water Supply: The Sonoma County Water Agency (SCWA), a Special District, provides approximately 65,000 acre-feet of water annually and serves approximately two-thirds of the residents of Sonoma County. It is the primary provider of potable water to eight water contractors, including the Cities of Santa Rosa, Petaluma, Sonoma, Rohnert Park, and Cotati, the Town of Windsor, and the Valley of the Moon and North Marin Water Districts. Several challenges will affect SCWA's ability to provide water supply to its water contractors beyond approximately 2012 due to limited water rights. Trends in water delivery indicate a need to acquire additional water supply for customers; however, changes in environmental regulations and the increased likelihood of litigation may hinder SCWA's ability to acquire sufficient additional water rights to meet future demand.

Water Transmission System: Summertime demands on SCWA's transmission system may exceed its reliable capacity, depending in part upon the effectiveness of measures to limit water use. Many of the water transmission system aqueducts are approximately 50 years old, and aqueducts to Sonoma and Petaluma have no redundancy (putting service delivery at risk in the event of a facility failure). Trends in water delivery indicate a need to construct additional water transmission system facilities in order to meet future demand and for reliability purposes. Also, changes in regulatory requirements could result in the need for additional, large-scale water transmission system facilities (e.g., a treatment plant). At the same time, changes in environmental regulation and the increased likelihood of litigation may hinder SCWA's ability to construct needed water transmission system facilities in a timely manner.

3. Wastewater

SCWA owns and operates four Sanitation Zones, which include Airport-Larkfield-Wikiup, Geyserville, Penngrove, and Sea Ranch. SCWA is also responsible for the overall management and operation of four County Sanitation Districts, each of which is a separate Special District, including Occidental, Russian River, Sonoma Valley, and South Park.

Aging sewer systems and aging/underperforming wastewater treatment facilities in a few County Sanitation Districts and SCWA Sanitation Zones are in need of major repair, improvement, and/or replacement. The most critical needs include replacement of the sewer and treatment systems in Occidental, replacement and/or rehabilitation of the sewer system and expansion of the recycled water system in the Sonoma Valley, expansion of the irrigation system for the Russian River County Sanitation District, expansion of reclamation (storage and irrigation) system at the Sea Ranch, and improvements in treatment capacity and expansion of reclamation (storage and irrigation) system in the Airport area.

Trends in sanitation services indicate a need to continue to expand collection, treatment, and disposal/recycling facilities in order to meet future demand for services. Continually changing and new water quality regulations could significantly impact collection, treatment, and disposal/recycling facility needs in the future. Changing environmental regulations, third-party litigation, and rate-increase protests may also result in delays in providing required facilities due to a shift in or lack of financial resources. Proposed new regulations could drive more residents, particularly in the unincorporated area, away from individual septic systems. These residents are likely to demand County services or assistance in creating local solutions.

Also, a number of Russian River communities are in need of new or improved wastewater systems, such as Monte Rio, Occidental and Camp Meeker. While some of these communities are not currently served by the County, there is County involvement in addressing these issues and there could ultimately be additional demand for County services. Without such new or improved systems, hundreds of property owners could be faced with losing the use of their homes if their septic systems continue to fail, particularly in light of the proposed changes to the State septic system standards.

4. Solid Waste

The County faces two strategic issues related to the regional solid waste system. The first issue is a \$150 million long-term liability (30 years+) associated with closure of the Central Landfill and maintenance of all closed landfill sites in the County. Within the five-year planning horizon, the County must secure ongoing funding from all cities for these activities. This funding must be reflective of the each city's percentage of waste generated and disposed of in the County regional landfills.

The County has been providing regional disposal services to the Cities (with the exception of Petaluma, which pulled out of the regional approach in May, 2004) without any agreements in place, which secure participation. While the County owned and operated the Central Disposal Site, this situation was acceptable. When converting to an out-haul disposal system, the County must enter into long-term contracts with haulers and landfills. For such contracts, the amount of waste to be transported and disposed must be known and relied upon. Therefore, the second issue is that within the five-year planning horizon, the County must put into place long-term out-haul disposal contracts. As part of this effort, the County must secure agreements with the cities for participation in the long-term out-haul disposal system so that contract transport and disposal quantities are known.

Section 4: Strengths, Weaknesses, Opportunities, and Challenges

The following were identified by the Work Group as the County's most significant strengths and weaknesses, as well as the greatest challenges and opportunities it faces over the planning horizon.

Strengths

- The County has centralized facility management and project management (Architect, Real Estate, General Services), which supports consistency County-wide, e.g. priority setting, economies of scale, etc.
- The County owns a significant amount of land in strategic locations throughout the County, i.e., large parcels that are centrally located or convenient to population centers, for which the County has control of development. These include: the County Administration Center, Los Guilicos, the Chanate Complex, and the Charles M. Schultz-Sonoma County Airport. Several of these properties have available land that could either be used to meet future program needs or possibly for capital generation (see "Opportunities" below).
- The Sonoma County Airport location is proximate to central and north County and the size of the property gives the County flexibility to accommodate increased airline activity, up to the General Plan allowance.
- The County has an extensive database of its facilities, a comprehensive Capital Project Plan, and an updated General Plan.
- The County can generally secure construction and permanent financing more inexpensively than private industry.
- A collaborative partnership between the County, City of Santa Rosa and a community non-profit organization that manages an array of centrally-located shelters, has resulted in significantly improved capacity of temporary housing for the homeless population in the Santa Rosa area.
- The County has used approximately two percent of its available general obligation-type borrowing capacity, leaving \$1.02 billion available for this purpose. (This refers to the "legal debt limit" on voter-approved, general obligation-type debt specified in the California Constitution). Certain long-term lease obligations (e.g. certificates of participation) and obligations imposed by law (e.g. pension obligation bonds, requirements to provide facilities such as a courthouse or jail) are exempt from the constitutional requirement. Capacity limitations for these exempt obligations are more qualitative, and based on the County's credit rating and ability to service the debt. The County of Sonoma has been conservative in this area, placing a high priority on maintaining an excellent credit rating, and could utilize long-term lease obligations as a financing tool in the future. However, if debt were incurred, payment would need to be made on an ongoing basis, and a funding source would need to be identified for this purpose.

Weaknesses

- Although the County has managed to maintain its buildings in generally very good condition, there is a fundamental problem. It arises in two categories of facility costs: The first category is Major Repair and Replacement (MMR) of systems in and on buildings (i.e., roof replacement, HVAC equipment, etc.). In this category, the County budgets what it can afford from year to year. However, approximately 60 percent of County buildings are now over 30 years old, with major components nearing the end of their useful lives, and several facilities discussed in this report need significant repairs and replacements (e.g., the Santa Rosa Veterans Building and the Chanate Complex). The County does not have

a comprehensive long-range funding strategy that anticipates future costs, then allocates these costs over many years and funds them accordingly. The second category is construction projects such as remodeling, expansion and new facilities, known as Capital Improvements (CI). These projects are typically supported by non-General Fund sources, such as grants and special funds, or long-term debt. By law, the County has significant unused debt capacity that could be used for improvements. However, there is seldom a source of funding to pay ongoing debt service, which typically would need to be taken from the General Fund, reducing the amount available for County programs and other critical uses. Thus, major construction projects also need to be part of a comprehensive, long-term funding strategy. The County does have an excellent five-year rolling Capital Project Plan (CPP), which identifies most MR&R and CI needs. But the total funding identified in the recently-updated 2006-2011 CPP falls short of the identified and quantified projects by \$78 million, and that figure does not include the hundreds of millions represented by a new jail facility or an even greater amount for thorough upgrading of County roads.

- The County's road network, particularly smaller and more rural roads and bridges, is deteriorating. Costs of road construction and maintenance have risen significantly in recent years, and funds are not increasing for repair. Thus, there is potential for continued deterioration over time.
- There is little funding to implement a comprehensive risk management program for facility issues, such as compliance with the Americans with Disabilities Act, for County buildings and sidewalks, hazard mitigation for roads (e.g., signalization or tree removal, etc.).

Opportunities

- The County owns several major assets that could potentially be used to accommodate its future facility needs or to generate revenue. These include:
 - Chanate Complex (after Sutter moves to its new hospital facility).
 - County Administration Center vacant land, and underutilized facilities (for example, there are many one-story buildings on valuable land, and valuable space dedicated to uses such as fleet space that may not need to be centrally located at the Administration Center).
 - At Los Guilicos, there are two large parcels fronting Highway 12 that might be developable for County or commercial purposes.
 - Probation Camp land is an owned asset that may be salable – may be worth considering co-location of the Sierra Youth Camp and Probation Camp. (Note: the Probation Camp helps reduce the population in the Juvenile Hall, which could create additional capacity.)
 - County-owned developable land around the Airport.
 - The Central County landfill property and adjacent buffer properties (approx. 500 acres, of which the landfill occupies approximately 170 acres).
 - Veterans Memorial Building properties are well located throughout the County. Ideas suggested include integrating the Veterans Buildings, fairgrounds, etc. in to an overall event strategy, and possibly utilizing some space in the Veterans buildings for co-location of County departments such as HHS who may need facilities in which to provide decentralized program services.
- The County may have the potential over time to augment funding from other sources, such as public-private partnerships and through the use of other creative revenue sources (e.g., potential future State bond initiatives).

- A one-time opportunity to purchase Agricultural Commissioner/UCCE building (currently lease 21,517 s.f. of the 45,375 s.f. building; option begins December 2007, ends June 2008).
- Potential for consolidation and facility-sharing with cities and other jurisdictions.
- Possible potential for consolidation of West County wastewater services.
- Opportunity to utilize County capacity to provide animal regulation to other jurisdictions (like we do for Santa Rosa and Windsor).
- Refuse out-haul may provide an opportunity to stimulate resumption of freight rail service in Sonoma County which could help relieve congestion due to movement of goods.
- A number of program options may sometimes help to minimize, defer, or eliminate the need for costly facilities expansion. Examples of this include offering an array of programs that remove offenders from traditional jail programs, as well as contracting with community-based providers to offer certain treatment and residential programs within the HHS arena. Long-term success of these programs relies on effective systems of interaction between County departments, other local governments and the Superior Court. Other examples include potential application of technology to reduce the need for facilities (e.g., telecommuting, teleconferencing and web-based services.) In addition, there may be opportunities for facility sharing and co-location among County programs and with other jurisdictions that would achieve economies of scale or other efficiencies.

Challenges

- Nationally and locally, the cost of facility construction, operation and maintenance has risen dramatically in recent years and continues to increase. These cost increases impact many areas of County facilities and infrastructure (e.g., construction, updating, and maintaining government buildings; building and maintaining roads; and expanding and maintaining water and wastewater systems). For a discussion of cost factors, see the section titled “Costs of Construction, Ownership, and Management” in Appendix B.
- Expansion of adult detention facilities represents the County’s single-most significant, long-term capital expenditure in the near future, potentially costing hundreds of millions of dollars.
- Increasing public pressure for APOSD lands to be opened up for public access and recreational purposes could potentially impact State Parks Department, County Regional Parks, and/or City parks departments which are the entities likely to agree to take over operational responsibility for these lands so that the public can access them.
- Veterans Memorial Buildings between from 45 to 56 years old and in need of significant repairs (in excess of \$14.6 million, \$10.6 million of which is the Santa Rosa building).
- Possible transfer of responsibility for Court facilities to the state could impact County programs and facilities, especially if criminal court facilities were relocated.
- Airport needs infusion of capital for terminal and runway upgrades to attract additional commercial air service.
- County needs secured participation agreements from cities to maintain the regional disposal system.
- Operating County facilities requires a significant amount of energy use, which increases as new facilities are added (e.g., a new adult detention facility). There is a need to balance

the need for additional facility capacity with the high cost of energy, the need to meet County greenhouse gas emission goals, and other energy-related constraints.

- Demands on the water and wastewater systems in the County is increasing with growth and urbanization, creating future challenges in providing services in some areas due to increasing volumetric demand or aging infrastructure.

Appendix A: Description of County Facilities and Vacant Land

Work Group Three compiled the following information regarding the current state of the County's facilities and infrastructure and, based on interviews with Departments, review of documents, and the group's expertise and experience, highlighted those facility needs that have the greatest potential strategic significance. This information is presented in three parts:

- An overview of what facilities the County owns (buildings and land) and leases.
- Commentary on the condition of General Government buildings.
- Commentary on County infrastructure (roads, water, wastewater, solid waste facilities).

Overview: Facilities the County Owns and Leases

The County owns or leases over 2.2 million square feet (s.f.) of space for General Government³ functions. Of this, approximately 1.6 million s.f. are owned and occupied, 200,000 s.f. are owned and vacant, and 400,000 s.f. are leased.

Existing Occupied County Space									
Functional Area	Owned			Leased			Total		
	area (sf)	%	loc*	area (sf)	%	loc*	area (sf)	%	loc*
Admin & Fiscal Services	219,809	13.4%	19	24,967	6.6%	4	244,776	12.1%	23
Criminal Justice	794,440	48.3%	31	38,931	10.3%	8	833,371	41.2%	39
Health & Human Services	194,180	11.8%	23	262,271	69.4%	23	456,451	22.6%	46
Development Services	72,191	4.4%	4	23,700	6.3%	6	95,891	4.7%	10
Parks & Open Space	141,022	8.6%	9	6,775	1.8%	1	147,797	7.3%	10
Leased to Sutter Medical	180,253	11.0%	6	-	0.0%	0	180,253	8.9%	6
Other Services	42,795	2.6%	7	21,517	5.7%	1	64,312	3.2%	8
Subtotal	1,644,690	100.0%		378,161	100.0%		2,022,851	100.0%	

*Some buildings are shared by more than one functional group; number of locations is not equal to number of buildings.

Vacant Buildings: The County owns nearly 200,000 s.f. of space that is currently vacant, including the old jail, juvenile hall, and buildings at Los Guilicos. The vast majority of these buildings are slated for demolition or would need significantly seismic and/or ADA retrofitting before they could be occupied. Only about 16,000 s.f. of vacant space in three locations at the County Center is available for use.

Vacant Land: The County owns the following vacant land: at the County Administration Center, about 17 gross undeveloped acres, of which the largest tract is about 9 acres; at Los Guilicos, about 35 gross undeveloped acres, of which the largest tract is about 30 acres; at the Chanate Complex, about four gross undeveloped acres.

³ "General government functions" are County agencies and functions that are primarily the responsibility of the General Fund and whose facility assets are managed by the General Services Department (except radio communication facilities, which are managed by the Information Systems Department). They do not include enterprise fund or special revenue agencies, which encompass Water Agency facilities, roads, the airport, the County fairgrounds, etc.

Appendix B: Factors Affecting Future Facility Decisions

The following pages present information gathered by Work Group Three in response to three areas identified in its charter: Operational and service delivery changes; costs of construction, ownership, and management; and purchase vs. lease considerations.

Operational and Service Delivery Changes

Technology: Evolution of technology changes how programs operate and how facilities are configured, outfitted, and used. The following technology trends could have an impact on County facilities in the future (some have already begun to have an impact):

- Videoconferencing, telemedicine, and telemetry may improve the ability of program staff to work across decentralized locations, and at the same time may allow certain kinds of expertise (e.g., medical care specialists) to reach out from a single centralized facility. These technologies will also enable remote facility monitoring and control, facilitate inter-departmental and inter-jurisdictional collaboration with minimal changes in existing facilities, and have other potential facilities-related benefits.
- Advancements in technology to support telecommuting may reduce the need for office space or change the nature of office space configuration and use.
- Online access to County information and services may continue to reduce walk-in clients for some departments, potentially reducing the need for front-office space and parking.
- Electronic Document Imaging will increase the information available electronically (accelerating the online access factor above). This will also decrease the amount of paperwork and thus potentially reduce the need for storage facilities. However, it may also require new equipment or technological support.

Facility Location: Several programs, particularly in the areas of Health and Human Services, have reported to this Work Group that they are looking at programmatic issues that affect the number and location of their facilities. Several expressed a desire to locate *administrative* functions together to increase efficiency and communication, but to decentralize *program* functions into the community to enhance public access and community engagement. The desire to have multiple program sites is also fueled by demographics, in particular, the rapidly-increasing number of elderly people in the County, many of whom may have increasing mobility issues at the same time that their need for County services increases.

In addition, some programs are considering expanding current arrangements or exploring new options for co-location or co-operation of facilities. These may involve programs within one department, multiple departments, or multiple jurisdictions (e.g., the County in collaboration with cities or special districts).

Alternative Programming Opportunities: Through effective use of alternative programming, it is sometimes possible to minimize, defer, or eliminate the need for costly facilities expansion. Examples of this include offering an array of programs that remove offenders from traditional jail programs, as well as contracting with community-based providers to offer certain treatment and residential programs within the health and human services arena. Long-term success of these programs relies on effective systems of interaction between County departments, other local governments and the Superior Court. Other examples include potential application of technology to reduce the need for facilities (e.g., telecommuting, teleconferencing and telemedicine to reduce the need for multiple locations for service provision, etc.).

Costs of Construction, Ownership, and Management

A number of trends can have a major impact on the cost of facilities. These include:

Land Values: Over the next 15 years, land values are projected to continue escalating, in part because the supply is constrained by zoning and environmental issues.

Construction Industry Factors: A number of factors increase construction costs, and there has been an acceleration in the rate of increase in the past few years. These factors include rapidly rising costs for energy, oil, and construction materials driven in large part by international market demand for materials such as steel and concrete. Also, construction labor costs consistently trend upward.

Insurance and Risk: Rising insurance rates increase the cost of facility design, construction and operation. Government tends to have less tolerance for risk than many private developers, which can increase project administration, consultant costs and time-related construction costs.

National and International Monetary Factors: Rising interest rates drive up the cost of financing, which can be a significant factor in construction (See "Purchase vs. Lease Considerations" below). Also, fluctuations in the strength of the U.S. dollar in the international market affect the cost of certain materials, equipment, and supplies that are affected by international competition.

Regulatory: Building codes and regulatory requirements, including environmental regulations, generally become more stringent over time and tend to drive up construction and operations costs.

Sustainability: New "green buildings" and "sustainable design" concepts (i.e., increased energy efficiency, reduced greenhouse gasses, etc.) reduce environmental impact and generate life cycle cost savings, but tend to increase initial project costs. Meeting County goals for greenhouse gas emissions will require substantial capital investments.

Construction & Operations Technology: Utilizing up-to-date technology can increase the initial cost of building and remodeling facilities, but "sustainable" buildings can reduce long-term operating costs, and wireless technology can reduce installation costs.

Purchase vs. Lease Considerations

Whether to purchase or lease is a major consideration when the County requires additional facilities. The following are some of the factors to consider in making these decisions over the next 15 years.

Cost and Availability of Land: Currently, Petaluma, the Airport area, and Rohnert Park have significant vacancies, land availability, and motivated developers. As mentioned above, land availability and cost will become increasing issues over the next 15 years.

County and Private Sector Roles: The County can generally secure construction and permanent financing more inexpensively, and the private sector can complete construction more inexpensively. It may make sense in some cases for the County to own the land and enter into ground leases, and for the private sector to build and own the improvements and lease them back to the County with reversion at the end of the lease term.

Rent vs. Construction Costs: Currently, rents do not reflect the full cost to construct the building because owners expect capital appreciation to provide a portion of their return on investment. This is less true for new, higher-end construction (the over \$2.50/ft/month market segment).

Appendix C: Assessing and Maintaining Facilities

The County does not have a routine, formal process that comprehensively assesses the condition of all County-owned facilities and infrastructure on a regular basis. However, the following mechanisms are in place and Work Group Three believes that they are effective from a cost-benefit viewpoint.

General Government Buildings

Inventory and Planning: The County maintains a comprehensive and detailed database of General Government buildings, both owned and leased. In addition, the Capital Project Plan compiles department-by-department facility and other needs on an annual basis. Major building components are managed through a database which identifies the components by number and tracks the maintenance and cost associated with each component over time.

Assessment of Current Physical Condition: The County uses four levels of information gathering and assessment to stay informed about the physical condition of its facilities and infrastructure:

- At least annually, Facilities Operations performs routine inspections of building condition (including roofs, weatherproofing, mechanical equipment, utility systems, finishes, etc.). Problems that are identified are either assigned work orders for non-capital repairs (if under \$25,000) or are included in the Capital Project Planning process for major repairs and replacements (if over \$25,000).
- Occupants, users and customers request routine repairs and maintenance through Facilities Operations (for buildings and similar facilities), Transportation & Public Works-Roads Division (for potholes, etc.), the Sonoma County Water Agency (for leaks and similar problems) and Regional Parks (for park facilities).
- Maintenance and engineering staff observe nearby systems, components and structures when performing preventative maintenance or repairs. For example, Facilities Operations employs approximately 45 staff who are in the field daily and who report on building conditions in the normal course of their work.
- Special assessments are periodically conducted with the assistance of outside experts (e.g., structural and mechanical engineers) for complex components (central mechanical plant, structural condition, etc.). For example, an independent assessment of emergency generators is currently underway.

Based on the members' experience and information gleaned from interviews conducted during this Analysis Phase, Work Group Three believes that the County's facilities are maintained at a level comparable to other facilities owned by private sector or other government entities in the area. While it would be possible to conduct a complete, formal assessment of all County-owned buildings on a periodic basis, to do so would be costly and may not be advisable, given the processes described above that are in place. Moreover, a broader County-wide process would be of questionable use considering the current backlog of projects identified in the 2006-2011 CPP. However, it would be helpful for facility planning purposes to have a more formal process for departments to identify facility needs in advance of these changes in staffing levels and configurations.

Infrastructure. Each department, special district, or agency responsible for major infrastructure (e.g., roads, water, wastewater, and solid waste) maintain their own inventories and condition assessments. It is beyond the scope of this report to review each of these.

Appendix D: Recent Voter-Approved Funding Measures

Voter-approved bond or tax measures represent one potential funding approach to capital projects that have served other counties or local governments. The following information was obtained about ballot measures in California local governments (counties or cities) for infrastructure as represented by elections held between November 2002 and June 2006.

- 23 local tax and bond measures were approved by local voters for improvements or replacements of infrastructure such as water systems, parks, libraries, fire safety/stations, animal shelters, roads, and seismic retrofit projects.
- 42 tax and bond measures failed.

Appendix E: Approach to Funding General Government Capital Needs

Facility Project Funding

Types of Projects: There are two types of projects needed for County facilities: major repairs and replacements (sometimes referred to as “major maintenance” or “capital renewal”) that maintain facilities for their intended use; and improvement projects that remodel, expand or create new facilities to accommodate departmental growth and program changes.

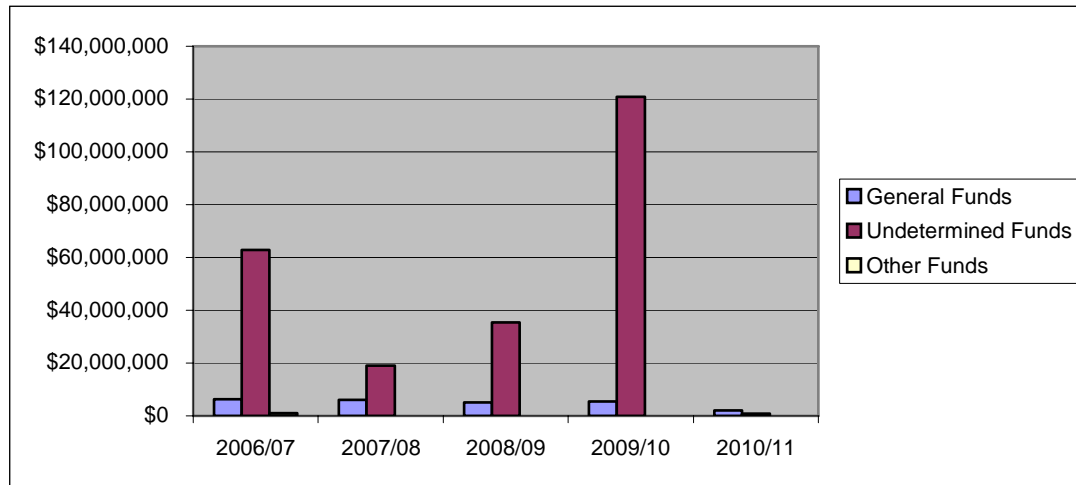
Capital Project Plan: Both types of projects are funded through the annual Capital Project Budget. However, before projects are submitted for the budget, they are first prioritized and entered into the Five-Year Capital Project Plan (CPP), which forms the basis for new projects in the Capital Project Budget. The CPP identifies possible sources of funding for the proposed projects, such as General Fund (for General Government facilities only), grants, state and federal funds and special revenues. There is usually a significant difference between the identified project needs and the identified funding, and typically several major projects have undetermined funding. The totals for the 2006/2011 CPP shown below indicate that 47% of the total proposed work over the next five years has undetermined funding. Most of the undetermined funding (\$204 million) relates to the proposed Criminal Justice Administration Building and the first phase of the Adult Detention Facility Expansion.

	General Fund	Other	Undetermined	Total
General Government	\$24,785,000	\$1,085,000	\$238,780,000	\$264,650,000
Transportation & Public Works	\$0	\$158,924,677	\$62,974,827	\$221,899,504
Regional Parks	\$0	\$8,447,414	\$16,668,000	\$25,115,414
PRMD (Monte Rio)	\$0	\$8,562,202	\$0	\$8,562,202
Water Agency	\$0	\$157,454,622	\$0	\$157,454,622
Total	\$24,785,000	\$334,473,915	\$318,422,827	\$677,681,742
	3.7%	49.4%	47.0%	100.0%

General Government Facilities

Improvement Projects: As County departments continue to grow and change, facility improvements are needed to keep up with the demand for space. Currently there are a number of County departments which are impacted by shortage of space. Several departments (District Attorney, Probation, PRMD, ISD, County Counsel and others) are crowded and have splintered operations with Work Groups located at more than one site, which, as reported during department interviews, has an impact on efficiency, service delivery and staff morale.

The General Government portion of the CPP is based on a maximum allocation target of \$6 million per year from the General Fund. Typically, major repairs and replacements account for the largest portion (as much as three-quarters) of the total General Fund allocation, leaving a minimal amount for improvements. By Board policy, 25% of the General Fund used for improvements must be allocated to Americans with Disabilities Act improvements, which further reduces the amount available for program-related improvements. Hence, there are a number of large improvement projects that exceed the General Fund allocation target and are listed in the CPP as projects with undetermined funding. In the 2006-2011 CPP, significant improvement projects such as the Jail Expansion, Criminal Justice Administration Building, Administration and Agriculture Building remodels and Valley of the Moon Children’s Home Phase 3 had undetermined funding. All together, General Government facility projects with undetermined funding, most of which are improvements, made up over 76% of the total five-year cost as shown in the following chart:



The CPP General Fund target has remained at \$6 million for the last four years and the General Fund Capital Project funding that is actually approved in each annual budget is usually much lower than the funding targets in the CPP. For instance, the General Fund contribution to the Capital Project Budget for FY 03/04 was \$2.7 million, for FY 04/05 and FY 05/06 \$3.8 million; and for FY 06/07 is \$3.9 million. While the General Fund contributions have remained stagnant over the past four years, construction costs have skyrocketed. The result is that not as much can be done with the funding and almost all of the General Fund contribution goes to MR&R with very little left for improvements.

Therefore, the County relies heavily on non-General Fund sources, such as grants and special funds, to pay for capital improvements. However, these special sources are usually dedicated for specific uses, such as detention housing. As a result, many of the general County administrative functions, which have no special funding sources, must continue to use crowded and, in some cases, deficient space.

Long-term financing is another way to pay for capital improvements, and the County has funded a number of projects through financing. However, debt service payments require a funding source and if the General Fund is used to pay debt service, it reduces what is available for county programs.

Major Repairs & Replacements (MR&R): Major repairs and replacements are needed to keep existing facilities operational and to offset the normal decay of buildings and their components. Mechanical, electrical and plumbing equipment, roofs, carpet, paint and finishes all wear out over time and must be replaced to continue use of the facility. Even new buildings expand the MR&R need. While the new JJC and VMCH/RCC will not add to the MR&R cost for the immediate future, they will add to the facility inventory overall and will eventually generate repair and replacement costs. The Main Adult Detention Facility (MADF), which, by comparison to other General Government buildings, is a relatively new building, is reaching an age where major repairs and replacements are necessary. Due to the size and complexity of the MADF, MR&R costs will be very high. Older buildings, such as the Veteran's Buildings and Health facilities at the Chanate Complex, have a backlog of repairs and replacements, and their age and condition routinely require expensive code upgrades as well. Adequate MR&R funding is necessary to avoid more costly emergency repairs and interruption of facility use.

Published standards (Whitestone Building Maintenance and Repair Cost Reference) for major repair and replacement funding show amounts that vary for different building types. According to these standards, the average annual MR&R budget for County General Government buildings should be a little more than 1% of their replacement cost. A rough estimate of the 2006 replacement cost for General Government buildings is \$510 million. Using the Whitestone standards, the MR&R budget should be approximately \$5.5 million per year. This level of funding would have to increase each

**County of Sonoma
Capital Project/Operating Funds Budget Ratio**

FY	Capital Projects Budget	Operating Funds Budget	Ratio
05-06	\$48,137,154.00	\$665,038,200.00	7.238%
04-05	37,586,958.00	614,488,002.00	6.117%
03-04	52,145,967.00	583,494,512.00	8.937%
02-03	81,878,495.00	578,112,753.00	14.163%
01-02	54,288,034.00	557,977,982.00	9.729%
00-01	30,172,473.00	497,209,323.00	6.068%

year to account for construction cost escalation. The total building-related MR&R funding allocated in the FY 06/11 CPP is approximately \$10.5 million for the five years, which averages to about \$2.1 million per year, well below the standard. The actual building-related MR&R funding in the proposed FY 06/07 Capital Project Budget is only \$1.7 million, or about 0.3% of the estimated replacement cost, well below the recommended level. This pattern may indicate a growing liability for major repairs and replacements.

The following table compares the actual MR&R funding for General Government buildings with their estimated replacement value. Replacement value grows each year due to construction cost escalation and increase in building inventory as noted below.

Fiscal Year	Estimated Building Replacement Value	Capital Budget for MR&R (bldgs only)	Percentage of Replacement Value
FY 02/03	\$350 million	\$2,318,000	0.7%
FY 03/04	\$390 million*	\$2,089,000	0.5%
FY 04/05	\$405 million	\$2,407,000	0.6%
FY 05/06	\$420 million	\$2,096,000	0.5%
FY 06/07	\$510 million**	\$1,722,000	0.3%

* FY 03/04 increase included the new Sheriff's Building

** FY 06/07 increase included the new VMCH and JJC

Funds allocated to capital projects were compared to funds budgeted in the County's operating budget to identify a ratio of expenditure over the last six-year budget cycles. While this information may be interesting, without a model of comparison which evaluates whether funding ratio balance is a meaningful component of best management practices, the data has limited use.

Appendix F: Open Questions

During the course of the group's deliberations, areas that may warrant further investigation were identified. Due to time and resource limitations within this phase of the strategic planning process, they were explored only minimally. The following questions frame the topics identified for possible future exploration:

1. Are there recognized best-management practices to secure sufficient long-term funding for maintenance, repair and replacement and new facilities construction?
2. Are there recognized measures by which a county may evaluate the effectiveness of its existing funding strategies in allocating sufficient funds for capital facilities maintenance, repair and replacement and new facilities construction (e.g., annual ratio of funding allocation between capital budget and operating budget, minimum financial set-asides measured as percentages of estimated facilities replacement cost, etc.)?
3. What other funding alternatives exist aside from additional or continued allocations of existing resources? Have other comparable counties made effective use of other sources such as voter-approved bond or tax measures, public-private funding partnerships, joint governmental agency funding strategies, or other means?
4. Is there a relationship between the type of capital facilities improvements made and the overall well being of the County economy? Are there future opportunities that should be explored which may respond to county facility needs and enhance the local economy (e.g., recreational amenities, the new regional public health lab, etc)?
5. Are funding practices for capital facilities relying more and more on restricted or special purpose grant sources and less on regular, ongoing funding sources which may give greater decision-making flexibility?
6. Regarding the voter-approved funding measures cited in Appendix D, what factors led to the passage or defeat of these initiatives?
7. How does Sonoma County compare with other similar-size counties in the amount it spends for facilities and capital improvements, and with all counties regarding the percentage of total county budget committed to these purposes?