

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Chief Executive Office

BOARD AGENDA: 4.B.4
AGENDA DATE: February 13, 2018

SUBJECT:

Approval to Repay \$1.5 Million in Project Savings from the Community Services Facility Heating, Ventilation, and Air Conditioning Project to the Bank of the West

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0082

On motion of Supervisor Monteith , Seconded by Supervisor Olsen
and approved by the following vote,

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini

Noes: Supervisors: None


Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

- 1) Approved as recommended
- 2) Denied
- 3) Approved as amended
- 4) Other:

MOTION:

ATTEST:



ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Chief Executive Office

BOARD AGENDA:4.B.4
AGENDA DATE: February 13, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: Yes

SUBJECT:

Approval to Repay \$1.5 Million in Project Savings from the Community Services Facility Heating, Ventilation, and Air Conditioning Project to the Bank of the West

STAFF RECOMMENDATION:

1. Approve the repayment of \$1.5 million in project savings from the Community Services Facility Heating Ventilation and Air Conditioning project to the Bank of the West.
2. Direct the Auditor-Controller to transfer \$1.5 million dollars from the CEO CSF HVAC Project (Capital Projects Fund) to the HVAC Financing (Debt Service Fund) as outlined in the Budget Journal.

DISCUSSION:

On August 16, 2016, the Board of Supervisors awarded a contract to Champion Industrial Contractors Inc. (Champion) of Modesto, California to remove and replace the Community Services Facility's (CSF) aging Heating, Ventilation and Air Conditioning System (HVAC). In this agenda item the Board of Supervisors also approved \$8.9 million for the project, which included both construction and soft costs. The project was funded using \$7.75 million in financing from the Bank of the West and \$1.3 million of committed Fund Balance from the Department of Child Support Services. The project was completed successfully on time and significantly under budget in May 2017. The Project was successfully completed by Champion Industrial Contractors of Modesto and the Project team and was delivered substantially under budget.

With the exception of the Department of Child Support Services, who used \$1.3 million in committed Fund Balance for the project, the CSF Partners, which include the Community Services Agency, Women and Infant Children, Health Services Agency programs, and the Alliance Worknet are responsible to pay for the financed debt. A key component of this financing strategy for the CSF HVAC replacement project was the County could return up to \$1.5 million in unused project funds to the Bank of the West, penalty free before March 1, 2018. These funds will buy down the project debt. This is expected to result in savings to the county of approximately \$400,000 in interest over the remaining life of the loan. This is also expected to decrease the length of the loan by two years.

As the CSF HVAC project was nearing completion, a need to replace and expand the Community Services Facility emergency generator was identified. Many of the critical IT rooms serviced by both the rooftop and split system air conditioners, replaced as part of the project, are not backed up by the CSF emergency generator system. Should the facility suffer a catastrophic power loss, critical client data stored on sensitive computer equipment in these rooms could be lost.

The Board of Supervisors approved using unused project funds for the CSF generator on November 21, 2017. Bids have been received for the project and a final accounting analysis has been performed. The Chief Operations Officer has determined that there are adequate funds in the project budget to not only purchase and install the CSF emergency generator, but to return \$1.5 million dollars with accrued interest and any additional fees to Bank of the West as well.

POLICY ISSUE:

The Board of Supervisors has the authority to direct the Auditor-Controller to return unused project funds to the Bank of the West

FISCAL IMPACT:

If approved, this action will return \$1.5 million dollars to the Bank of the West with accrued interest and any additional fees. As of Fiscal Period December 2017, the Community Services Facility Heating, Ventilation and Air Conditioning Rooftop and Equipment Controls Replacement project had \$2.27 million in available funds. Of which, \$1.5 million would be used to prepay the principal on the loan from the Bank of the West on the CSF HVAC debt. Remaining funds will be used to replace the CSF emergency generator, which is estimated not to exceed \$500,000 and was addressed by the board on November 21, 2017.

The accrued interest and additional fees will be paid from the amount budgeted for the HVAC debt service and no additional appropriations are required.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Boards' priority of *Delivering Efficient Public Services and Infrastructure* by reducing the County's financed debt and capturing taxpayer savings by returning unused project funds to the Bank of the West.

STAFFING IMPACT:

This action will be successfully completed by existing staff in the Chief Executive Office and the Auditor-Controller's office

CONTACT PERSON:

Patricia Hill Thomas, Chief Operations Officer, Telephone: (209) 525-6333

ATTACHMENT(S):

1. Budget Journal

Database	FMSDBPRD.CO.STANISLAUS.CA.US.PROD	DO NOT CHANGE
Balance Type	Budget	DO NOT CHANGE
Data Access Set	County of Stanislaus	DO NOT CHANGE
Ledger	* List - Text County of Stanislaus	DO NOT CHANGE
Budget	List - Text LEGAL BUDGET	DO NOT CHANGE
Category	* List - Text Budget - Upload	DO NOT CHANGE
Source	* List - Text	
Currency	* List - Text USD	DO NOT CHANGE
Period	List - Text FEB-18	ENTER AS MMM-YY (ALL CAPS FOR MMM) EX: NOV-11
Batch Name	Text	
Journal Name	Text	
Journal Description	Text RETURN UNUSED CSF HVAC PROJECT FUN	
Journal Reference	Text	
Organization	List - Text Stanislaus Budget Org	DO NOT CHANGE
Chart Of Accounts	Accounting Flexfield	DO NOT CHANGE

Upl	Fund (4 char)	Org (7 char)	Account (5 char)	GL Project (7 char)	Location (6 char)	Misc. (6 char)	Other (5 char)	Debit incr appropriations decr est revenue	Credit decr appropriations incr est revenue	Line Description	
								* Number	* Number	Text	
		2083	0061142	50000	0000000	000000	000000	00000		175,000	SALARIES
		2083	0061142	50120	0000000	000000	000000	00000		130,000	PSC SALARIES
		2083	0061142	60860	0000000	000000	000000	00000		10,000	JANITORIAL
		2083	0061142	62400	0000000	000000	000000	00000		100,000	MISC EXPENSE
		2083	0061142	62630	0000000	000000	000000	00000		10,000	OUTSIDE PRINTING
		2083	0061142	63000	0000000	000000	000000	00000		100,000	PROFESSIONAL SVC
		2083	0061142	63640	0000000	000000	000000	00000		60,000	LEGAL
		2083	0061142	64210	0000000	000000	000000	00000		60,000	INSPECTORS
		2083	0061142	64720	0000000	000000	000000	00000		40,000	CONSULTING
		2083	0061142	80570	0000000	000000	000000	00000		815,000	CONSTR. CONTIN.
		2083	0061142	85850	0000000	000000	000000	00000	1,500,000		TRANSFER OUT
		3061	0062100	46600	0000000	000000	000000	00000		1,500,000	TRANSFER IN
Totals:									1,500,000	3,000,000	

Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

Explanation: Reclass appropriations from Salaries and Benefits (\$305k), Services and Supplies (\$380k) and fixed assets (\$815k) to Transfers Out in the CEO CSF HVAC capital project fund. Increase Transfers In revenue in the Debt Service Fund.

Requesting Department		CEO		Data Entry		Auditors Office Only	
Andy Johnson/Chris Barnes		Patricia Hill Thomas				Kashmir Gill	
Prepared by		Supervisor's Approval		Keyed by		Prepared By	
2/7/2018		2/8/2018				2/8/2018	
Date		Date		Date		Date	