



# Monterey County

## Budget Committee

Legistar File Number: BC 22-130

Item No.

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

September 30, 2022

**Introduced:** 9/7/2022

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** Budget Committee

- a. Support the request to authorize the Auditor-Controller to amend the fiscal year (FY) 2022-23 Adopted Budget, General Fund, Fund 001, Facility Services Appropriation Unit PFP054, to increase appropriations by \$453,792, financed by an operating transfer in of \$453,792 from the Building Improvement and Replacement Fund, Fund 478-BIR, Appropriation Unit CAO047;
- b. Support the request to authorize the Auditor-Controller to amend the FY 2022-23 Adopted Budget to increase appropriations by \$453,792 in the Building Improvement and Replacement Fund, Fund 478-BIR, Appropriation Unit CAO047, where the financing source is fund balance (478-3101); and
- c. Support the request to authorize the Auditor-Controller to transfer \$453,792 for the FY 2022-23 from the Building Improvement and Replacement Fund, 478-BIR, Appropriation Unit CAO047 to the General Fund, Fund 001, Facility Services Appropriation Unit PFP054.

**RECOMMENDATION:**

It is recommended that the Budget Committee:

- a. Support the request to authorize the Auditor-Controller to amend the fiscal year (FY) 2022-23 Adopted Budget, General Fund, Fund 001, Facility Services Appropriation Unit PFP054, to increase appropriations by \$453,792, financed by an operating transfer in of \$453,792 from the Building Improvement and Replacement Fund, Fund 478-BIR, Appropriation Unit CAO047;
- b. Support the request to authorize the Auditor-Controller to amend the FY 2022-23 Adopted Budget to increase appropriations by \$453,792 in the Building Improvement and Replacement Fund, Fund 478-BIR, Appropriation Unit CAO047, where the financing source is fund balance (478-3101); and
- c. Support the request to authorize the Auditor-Controller to transfer \$453,792 for the FY 2022-23 from the Building Improvement and Replacement Fund, 478-BIR, Appropriation Unit CAO047 to the General Fund, Fund 001, Facility Services Appropriation Unit PFP054.

**SUMMARY/DISCUSSION:**

In June 2022, two (2) of the four (4) compressors and one (1) low-pressure switch in the two (2) rooftop HVAC units failed at the 911 facility located at 1322 Natividad Road. As a result, Public Works, Facilities and Parks (PWWP) installed temporary compressor units to keep the equipment in the server room from overheating. Plumbing and heating contractors provided a service report with recommendations and costs to restore the use of the two (2) HVAC units. Upon review of the contractor's assessment, staff supports the contractor's recommendation to replace the two (2) HVAC units due to the following reasons:

- The HVAC units are 19 years old with a life expectancy of 20 years.
- Replacement parts are obsolete and difficult to obtain.
- The refrigerant in the units is difficult to find in California due to being outlawed in any new HVAC units.
- There will be no alarm function for the new compressors that require a new low-pressure switch. Without an alarm, the only notification of failure may be received by the server room equipment, which will start shutting down when overheated.
- The contractor can replace the two (2) compressors and one (1) low-pressure switch for approximately \$110,000 but cannot guarantee other components in the HVAC units will not fail.

The two (2) HVAC units support the Data Center of Emergency Services (911) and the Office of Emergency Services. In addition, Information Technology, Sheriff's Office and the Water Resources Agency house equipment in the Data Center.

The estimated cost of replacing the two (2) HVAC units is \$453,792. Due to the current economic climate, the contractor will only guarantee pricing for 30 days. The cost estimate includes a 35% contingency to cover unforeseen cost escalation. The lead time to receive the equipment after ordering is 35 to 40 weeks.

On September 12, 2022, the Capital Improvement Committee (CIC) supported adding the replacement of two (2) HVAC units at the Emergency Communications (911) building (project), located at 1322 Natividad Road, Salinas, as an unfunded priority in the County's Five-Year Capital Improvement Program (5-Year CIP) for fiscal year 2022-23. The CIC also asked for ways to reduce the timeline for initiation.

After consulting with the Budget Office, and with the support of the CIC as a need due to timing, PWWP determined it financially prudent to expedite the permanent HVAC unit replacement and initiate the project using available appropriations in the General Fund, Facilities Unscheduled Repairs account, and then ask for the replenishment from the Budget Committee and Board of Supervisors thereafter from Fund 478 Building Improvement and Replacement. A memorandum with staff's recommendation was emailed to the Budget Committee on September 15, 2022. (Attachment B)

OTHER AGENCY INVOLVEMENT:

PWWP staff advised 911 and IT on the nature and condition of the HVAC units and arranged contractor review and cost estimates. The project was supported by the Capital Improvement Committee on September 12, 2022. The project will be implemented using JOC.

FINANCING:

The FY 2022-23 Adopted Budget does not include funding for this project. The replacement of the two (2) HVAC units, at the cost of \$453,792, qualifies as a Capital Project. The Building Improvement and Replacement Sub-Fund has an available balance of \$8,211,731. The cost of the project would reduce the available balance of the Sub-Fund to \$7,757,939. Through the annual cost application plan (COWCAP), the Emergency Communications Department pays into the building

*Legistar File Number: BC 22-130*

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depreciation allocation that funds the Building Improvement and Replacement Sub-Fund. The Department passes on the building depreciation allocation to its member agencies

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Attachments:

Attachment A - Budget Sheet

Attachment B Memorandum to Budget Committee