



County of Monterey

Item No.

Board Report

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

Legistar File Number: BC 25-046

April 30, 2025

Introduced: 4/9/2025

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

- a. Support the request to use General Fund Contingency to provide funding for the Space Remodel & Conversion project, for the Department of Child Support Services, to allow for completion of office buildout and relocation to Schilling Place;
- b. Support authorizing and directing the Auditor-Controller to amend the Fiscal Year 2024-25 adopted budget, Fund 001, Appropriation Unit CHI001, to increase appropriations by \$190,719, financed by a decrease in appropriations of \$190,719 in Contingencies, General Fund 001, Appropriation Unit CAO020.

RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Support the request to use General Fund Contingency to provide funding for the Space Remodel & Conversion project, for the Department of Child Support Services, to allow for completion of office buildout and relocation to Schilling Place;
- b. Support authorizing and directing the Auditor-Controller to amend the Fiscal Year 2024-25 adopted budget, Fund 001, Appropriation Unit CHI001, to increase appropriations by \$190,719, financed by a decrease in appropriations of \$190,719 in Contingencies, General Fund 001, Appropriation Unit CAO020.

SUMMARY/DISCUSSION:

The Department Child Support Services (DCSS) will be downsizing its office by relocating from 752 La Guardia St to 1441 Schilling Place. This decision was made due to rising cost pressures and not given the option to renew the lease when it expires on 06/30/2025.

In November 2024 a Reimbursable Service Agreement (RSA) was received from Public Works, Facilities, and Parks (PWFP) for \$989,226 which included cost for design, staff labor, construction management, construction, construction contingency, and Moving cost. Unfortunately, the request was not approved by CA DCSS due to lack of a construction proposal.

In February 2025 we received an updated estimate summary from PWFP for \$904,453 that included a proposal of \$533,579 for interior construction work and \$57,000 for exterior work. A request was submitted and approved by the CA DCSS for \$904,453. This included a request for Special Depreciation for the construction cost of \$590,579. When special depreciation is approved it allows the department to claim the construction cost in the current year instead of depreciating the cost over 10 years, claiming 10% each year.

PWFP has provided an updated project budget of \$1,128,771. During construction an issue was identified with the fire sprinkler system. The final approved fire sprinkler system deferred design submittal identified additional electrical work and lighting required for Title 24 compliance. Thus, a supplemental proposal for additional electrical work and lighting was received increasing our construction cost from \$590,579 to \$958,522, leaving an unfunded need of \$367,943, because special depreciation requests must be approved by CA DCSS. This need is specific to the construction cost due to the CA DCSS policies regarding special depreciation; the overall allocation is sufficient for the remaining project areas of staff labor, design, moving cost, etc. Communication was sent to CA DCSS regarding this issue as this would require additional funds to complete the project. Unfortunately, we were informed that CA DCSS would not be allocating additional funds for this project.

Although CA DCSS allocation is \$904,453, CSS anticipates it will only be able to claim \$760,828 because the additional construction cost / special depreciation request was not approved. The remaining funding will come from \$37,679 in unused GFC available, \$190,719 from Contingencies, and PWFP has also identified \$139,545 savings from a completed project that could be used to assist in our funding shortfall pending Board of Supervisors approval.

OTHER AGENCY INVOLVEMENT:

This report has been reviewed by the County Administrative Office and County Counsel. PWFP has also been included in the discussions regarding this project and funding and will be taking a separate report to the Board to redirect funding toward this project.

FINANCING:

The Department of Child Support Services remodel project cost is \$1,128,771 funded by anticipated \$760,828 in reimbursement from CA DCSS, \$37,679 in GFC, and \$139,545 from savings redirected from another project pending Board approval. The Department of Child Support Services is requesting support from the Budget Committee to increase appropriations by \$190,719 to cover the increase in construction cost needed to complete the project financed by General Fund 001, Contingencies Appropriation Unit CAO020.

Prepared by: Patty Rosales, Finance Manager I, (831) 769 - 8723

Approved by: Darrell McGowan, Director of Child Support Services, (831) 755 - 3284