



Board Agenda Item 39

DATE: December 4, 2018

TO: Board of Supervisors

SUBMITTED BY: Dawan Utecht, Director of Behavioral Health
Steven E. White, Director of Public Works and Planning

SUBJECT: Budget Transfer and Resolutions for the Health and Wellness Center Building Renovations

RECOMMENDED ACTION(S):

- 1. Approve and authorize the Clerk to the Board to execute Budget Transfer No. 3 to transfer appropriations within the DBH - Capital Facilities Organization 8859, Buildings and Improvements account 8150 from Program No. 91384 to Program No. 91383 to fund the completion of the Heating Ventilation and Air Conditioning system replacement at the Health and Wellness Center building located at 1925 S. Dakota Avenue, Fresno, CA 93702. (\$1,576,000).**
- 2. Adopt Budget Resolution increasing the FY 2018-19 appropriations in the Capital Facilities Org 1055 in the amount of \$1,250,000 (4/5 vote).**
- 3. Adopt Budget Resolution increasing the FY 2018-19 appropriations and estimated revenues in the Behavioral Health Org 5630 in the amount of \$1,250,000 (4/5 vote).**
- 4. Adopt Budget Resolution increasing the FY 2018-19 appropriations and estimated revenues in the DBH-Capital Projects Org 8859 in the amount of \$1,250,000 (4/5 vote).**

Approval of the first recommended action will allow for the transfer of existing appropriations within the DBH - Capital Projects Org 8859, Buildings and Improvements account 8150 from Program No. 91384 to Program No. 91383 to fund the completion of the Heating Ventilation and Air Conditioning (HVAC) system replacement project at the County-owned Health and Wellness Center (HAWC) building (formerly known as the Sierra building) located at 1925 S. Dakota Avenue in Fresno.

The recommended budget resolutions will increase appropriations and estimated revenues in FY 2018-19 in the Behavioral Health Org 5630 and DBH-Capital Projects Org 8859, as well as increase FY 2018-19 appropriations in the Capital Facilities Org 1055, each in the amount of \$1,250,000, to fund the completion of the HAWC HVAC system replacement and reroofing projects, with no increase in Net County Cost.

ALTERNATIVE ACTION(S):

There is no viable alternative. If the Board does not approve the recommended actions, the Department of Behavioral Health (DBH) will not have sufficient funds to complete the repairs and replacement of the HVAC system, nor the reroofing and parking lot resurfacing projects for the HAWC building located at the 1925 S. Dakota, which have rendered the building unsafe for occupancy. Additionally, the planned relocation of DBH staff and select contracted mental health programs into the building will be further delayed.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The revised total estimated cost for completion of the HAWC renovations (\$6,250,000) will be fully funded with Mental Health Services Act (MHSA) Capital Facilities funds. The recommended budget transfer will move existing appropriations in FY 2018-19 within the DBH - Capital Projects Org 8859 from Program No. 91384 Sierra Parking Lot to Program No. 91383 Sierra Bldg. HVAC 2017. The recommended resolutions will increase appropriations in FY 2018-19 in the Capital Facilities Org 1055 using fund balance from the Special Revenue Fund; increase appropriations and estimated revenues in FY 2018-19 in the CAP FAC MHSA Sierra Building Org 56304731 in the amount of \$1,250,000 by an operating transfer in from Org 1055; and increase appropriations and estimated revenues in FY 2018-19 in the DBH - Capital Projects Org 8859 by an operating transfer in from Org 56304731 for the HAWC building renovation projects. See Attachment A for a breakdown of the original allocations per project and the revised estimates.

DISCUSSION:

On June 7, 2016, the Board approved the acquisition of the two-story building located at 1925 E. Dakota Avenue in the city of Fresno, previously known as the Sierra Community Health Center, from Community Regional Medical Centers. The purchase price of the 80,000 square foot building was \$3,500,000 million, which included the 228-stall parking lot located on the west side of the property.

An original amount of \$5,000,000 was earmarked in MHSA Capital Facilities funds for the purchase and remodel of the building. Based on further evaluation and needs assessment, it was determined that the building requires additional capital improvements to meet ADA standards as well as address client and staff needs. The additional improvements include replacement of the roof and HVAC units and repaving of the parking lot. The total cost of the additional projects is estimated at \$6,250,000. The original amounts allocated were \$2,500,000 for the parking lot project and \$1,250,000 each for the HVAC and reroofing replacement projects. The revised estimates decreases for the parking lot improvements by \$1,576,000 and increases for the HVAC and reroofing projects by \$2,345,560 and \$480,440 respectively.

The parking lot project encompasses the regrading, paving and striping of the existing parking lot, addressing drainage and ADA deficiencies, which was completed on July 26, 2018 and further accepted by the County on August 28, 2018. The low bid of \$790,303.69 was \$309,085.31 or 28.81%, lower than the Public Works and Planning engineer's estimate of \$1,099,389. Additionally, the final contract cost came in lower than the bid amount resulting in a total project cost, consisting of contract and other project related costs, of \$924,000. The roof project encompasses asbestos abatement, removal and replacement of the current roof. The HVAC project consists of removal of obsolete, abandoned HVAC units, exhaust fans, vents and drains, and installation of new HVAC equipment, vents and exhaust fans, and duct repairs.

The building is anticipated to house DBH administrative divisions and select children's and adult mental health programs. Client services will be located on the ground floor of the building whereas administrative operations will occupy the second floor. The first mental health program to reside at the site was the Crisis Intervention Team, consisting of DBH and City of Fresno Police Department personnel, which was temporarily relocated off-site following the building being deemed unsafe for occupancy pending the completion of the needed renovations.

Approval of recommended actions will permit funds to be transferred from the parking lot project allocation to the HVAC project allocation and increase appropriations in the HVAC and reroofing project allocations, thus allowing the Department to move forward in performing these needed improvements that will facilitate the relocation the identified staff and programs to the site.

REFERENCE MATERIAL:

BAI 31 - June 7, 2016

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A

On File with the Clerk -Transfer Org 8859

On File with the Clerk -Resolution Org1055

On File with the Clerk -Resolution Org 5630

On File with the Clerk -Resolution Org 8859

CAO ANALYST:

Ron Alexander