

DATE: 6/10/21

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Request for approval of an appropriation transfer for capital project WT079 –MCTS Fleet Maintenance Roof Replacement modifying the scope of the project to include a new fire protection system, new electrical capacitor banks, and various electrical repairs. Also, utilize the Appropriation for Contingency funds to finance non bond-eligible project items and reduce bonding authority by the same amount.

FISCAL EFFECT:

- No Direct County Fiscal Impact
- Existing Staff Time Required
- Increase Operating Expenditures
(If checked, check one of two boxes below)
 - Absorbed Within Agency’s Budget
 - Not Absorbed Within Agency’s Budget
- Decrease Operating Expenditures
- Increase Operating Revenues
- Decrease Operating Revenues
- Increase Capital Expenditures
- Decrease Capital Expenditures
- Increase Capital Revenues
- Decrease Capital Revenues
- Use of contingent funds

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	3,185,000	0
	Revenue	0	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.
 - A. Damage occurred to the fire protection and electrical systems at the MCTS Hillside Fleet Maintenance facility while a roofing contractor was performing the roof replacement under capital project WT079 - REPLACE MCTS FLEET MAINTENANCE ROOF. An appropriation transfer is requested to modify the scope of capital project WT079 to include replacement of the fire protection system, repair/replace various electrical conduits and wiring, and provide a new electrical capacitor bank.
 - B. The cost of the work items being added with the modified project scope is \$521,663. There are sufficient funds in the existing WT079 capital account to cover the cost of the requested scope modification, including electrical repairs, new fire protection system and new electrical capacitor bank. However, some of the items in the revised scope of work are not eligible for bond financing. Therefore, the appropriation transfer request includes cash financing of \$521,663 from the Appropriation for Contingency, and correspondingly reduces the project bonding authority in a like amount.
 - C. There are sufficient funds in the existing WT079 capital account to cover the cost of the requested scope modification to include electrical repairs, new fire protection system and new electrical capacitor bank. These costs will be reviewed for inclusion in the claim against the roofing contractor's insurance company. Any insurance proceeds from the claim against the roofing contractor's insurance company will be reimbursed to the Appropriation for Contingency. Additionally, the accepted bid for the project was significantly lower than the construction budget amount of \$3,754,536. Therefore, the

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

bonding authority will be reduced by \$1,621,663 (\$1,100,000 reduction due to project surplus and \$521,663 for bond ineligible items).

D. None.

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Amy Keltner, Director
AE&ES Section, DAS-FM Division
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Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

² Community Business Development Partners' review is required on all professional service and public work construction contracts.