



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager's Office



Date: October 13, 2015
Board Meeting Date: October 20, 2015
Special Notice / Hearing: None
Vote Required: 4/5ths

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Maple Street Correctional Center Warm Shell Project

RECOMMENDATION:

Adopt resolutions authorizing:

- 1) An Appropriation Transfer Request (ATR) recognizing an operating transfer of \$25,611,000 to Other Construction Project Funding (8450B) and making corresponding appropriations to Fixed Assets (\$25,600,000) and Services and Supplies (\$11,000) to facilitate the transfer of project funding to U.S. Bank National Association ("trustee") for the purpose of funding the Maple Street Correctional Center Warm Shell Project; and
- 2) The County Manager or his designee(s) to enter into a custodial agreement with U.S. Bank National Association for the purpose of receiving, holding, and disbursing funds, as directed by the County, for the Maple Street Correctional Center Warm Shell Project.

BACKGROUND:

On April 28, 2015 your Board approved an ATR for the build-out of the warm shell at the Maple Street Correctional Center, adding 256 inmate beds at a projected cost of \$25.6 million, using Accumulated Capital Outlay Fund reserves derived from the 2014 sale of Circle Star Plaza. A subsequent ATR approved by your Board on June 16, 2015 changed the funding source to Non-Departmental Excess ERAF reserves.

DISCUSSION:

For efficiency reasons, staff recommends that the California Financial Services (CFS) cost tracking and reporting system, which is being used for the Maple Street Correctional Center lease revenue bonds, also be used for the Warm Shell Project. The CFS system provides an extra layer of administrative oversight and ensures that the entirety of the Maple Street Correctional Center Project, including the Warm Shell

Project, will be accounted for in one system. To utilize the CFS system it is necessary to have the funds pass through a third party trustee for the purpose of receiving, holding, and disbursing funds for construction, as directed by the County. As such, a custody agreement with U.S. Bank National Association is needed, and the County Manager requests authority to enter into such an agreement.

To facilitate the transfer of General Fund reserves to U.S. Bank for the Warm Shell Project, a new budget unit and construction fund will be needed. As a result, Budget Unit 8450B and Fund 00405 – Other Construction Project Funding – have been created.

County Counsel has reviewed the resolution as to form.

Approval of this resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that County resources are maximized and appropriated in accordance with State Legislation, including the County Budget Act.

FISCAL IMPACT:

The projected cost of the warm shell build-out is \$25,611,000. Approval of this action results in no additional fiscal impact as the appropriation of \$25,611,000 resides in the FY 2015-16 Adopted Budget. This change is made for accounting and expenditure tracking purposes only.