

07-07-17P04:17 RCVB

July 13, 2017

>>>>>>>>>San Diego Metropolitan Transit System<<<<<<<<<<<
1255 Imperial Avenue, 10th Floor
San Diego, CA 92101
Executive Committee Room

1. ROLL CALL

- ## 2. APPROVAL OF MINUTES - May 4, 2017

Approve

3. James R. Mills Building - Amendment of Capital Improvement Budget for Fiscal Year 2017/2018

Approve

Action would: (a) Approve the Proposed Amended FY 18 Capital Improvement Budget (Attachment A); (b) Authorize the Executive Officer to make a onetime transfer of \$300,000 from the operating account to the capital reserve account; and (c) Authorize the Executive Officer to approve the additional expenditure of \$300,000 from the capital reserve account in accordance therewith.

- #### 4. Expenditure Authority Policy

Approve

Action would approve the proposed SDRBA Board Policy No. 1.

- ## 5. PUBLIC COMMENTS

Limited to five speakers with three minutes per speaker. If you have a report to present, please give your copies to the Clerk.

6. NEXT MEETING DATE: August 10, 2017 (if needed)

- ## 7. ADJOURNMENT

SAN DIEGO REGIONAL BUILDING AUTHORITY (SDRBA)
JOINT POWERS AGENCY
OF THE COUNTY OF SAN DIEGO AND
THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)

MINUTES

May 4, 2017

1. Roll Call

Chairman Roberts called the meeting to order at 8:38 a.m. Authority members present included Mr. Cox, Mr. Mathis and Chairman Roberts.

2. Approval of Minutes

Mr. Cox moved for approval of the minutes of the May 5, 2016 San Diego Regional Building Authority (SDRBA) meeting. Mr. Mathis seconded the motion, and the vote was 3 to 0 in favor.

3. James R. Mills Building – Adoption of Operating Budget for Fiscal Year 2017/2018

Marko Medved, Director of the County of San Diego Department of General Services and Executive Officer for SDRBA, discussed the projected fiscal year (FY) 2017/2018 operating budget for the James R. Mills Building. He stated that the budget is projected at \$2.54 million, which is a 7% increase over last year. Mr. Medved noted that MTS's cost share is \$476,000 and the County's cost share is approximately \$2.07 million. He reviewed the major projects for this year including mechanical upgrades; exterior building aesthetics; lobby upgrades; finalize design for future bathroom upgrades; elevator upgrades; LED lighting upgrades and other aesthetic upgrades in the parking structure.

Chairman Roberts inquired if the current building washing taking place was done annually. Mr. Medved replied that this type of washing is done approximately every decade. The building exterior insulation system is first washed and then re-sealed with a new sealing coat.

Action Taken

Mr. Cox moved to: (1) Approve the proposed FY 2017/2018 Operating Budget and authorize the Executive Officer to approve the expenditures in accordance therewith; and (2)(a) Approve the proposed FY 17/18 Capital Improvement Budget; (b) Authorize the Executive Officer to approve the expenditure of \$1,628,550 from the Capital Reserve Account; and (c) Allow the San Diego Regional Building Authority Executive Officer a onetime transfer of \$200,000 from the Operating Account to the Capital Reserve Account. Mr. Mathis seconded the motion, and the vote was 3 to 0 in favor.

4. Public Comments

There were no public comments.

5. Next Meeting Date

The next SDRBA meeting is scheduled for June 1, 2017 (if needed) in the Executive Committee Room at MTS.

6. Adjournment

The meeting adjourned at 8:42 a.m.

A handwritten signature in black ink, appearing to read "G. Stobbe", written over a horizontal line.

Chairman

Attachment: Roll Call Sheet

SAN DIEGO REGIONAL BUILDING AUTHORITY (SDRBA)
JOINT POWERS AGENCY OF THE COUNTY OF SAN DIEGO &
THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)

ROLL CALL

MEETING OF (DATE) May 4, 2017

CALL TO ORDER (TIME) 8:38 a.m.

RECESS _____

RECONVENE _____

ADJOURN 8:42 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
COX	<input checked="" type="checkbox"/>	8:38 a.m.	8:42 a.m.
MATHIS	<input checked="" type="checkbox"/>	8:38 a.m.	8:42 a.m.
ROBERTS	<input checked="" type="checkbox"/>	8:38 a.m.	8:42 a.m.

OTHER ATTENDEES:

NAME	REPRESENTING
Rachell Witt	County Counsel / SDRBA GC
Marko Medved	County General Services
Hugh Rowles	County General Services
Antonio Castaneda	Colliers International
Adrian Granda	County of San Diego
Paul Jablonski	MTS
Karen Landers	MTS
Samantha Leslie	MTS
Jan Gardetto	MTS

SIGNED BY THE CLERK OF THE BOARD: Jan Gardetto

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: MTS Karen Landers

SAN DIEGO REGIONAL BUILDING AUTHORITY (SDRBA)
JOINT POWERS AGENCY OF THE COUNTY OF SAN DIEGO &
THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

July 13, 2017

SUBJECT:

JAMES R. MILLS BUILDING - AMENDMENT OF CAPITAL IMPROVEMENT BUDGET
FOR FISCAL YEAR 2017/2018

INTRODUCTION:

After adoption of the Fiscal Year 2017/2018 (FY 18) budget for the Mills Building, two additional capital projects were identified as high priority projects for FY 2018. Today's proposed action would add the two projects to the FY 18 Capital Improvement Budget and authorize staff to move forward.

RECOMMENDATION:

That the SDRBA Board of Directors:

- (a) Approve the Proposed Amended FY 18 Capital Improvement Budget (Attachment A);
- (b) Authorize the Executive Officer to make a onetime transfer of \$300,000 from the operating account to the capital reserve account; and
- (c) Authorize the Executive Officer to approve the additional expenditure of \$300,000 from the capital reserve account in accordance therewith.

DISCUSSION

The two proposed additional capital improvement projects for FY 18 include:

Parking System Equipment Replacement. Replacement of Mills Building parking structure entry, exit and pay station equipment. The existing system equipment is outdated and can no longer be effectively serviced or upgraded. The system is also out of PCI compliance. The proposed project would replace all of the entry, exit and pay station equipment to meet current needs and standards. Estimated budget is \$110,000 to \$160,000. Source of Funds: transfer from Mills Building operating account (excess parking revenue); and

Parking Garage Camera Upgrades and Expanded Capacity. Installation of 41 cameras throughout the parking structure and a recording device/monitoring station at the Mills Building lobby security desk. Currently, the parking garage includes only limited camera coverage. This project would add cameras through all floors of the parking garage,

filling many of the gaps. This would allow security personnel to remotely monitor activity in the parking garage, which would supplement the existing foot patrols. Although all cameras cannot be contemporaneously monitored, security personnel can use the cameras to view and monitor suspicious activity that is reported by employees and patrons until an appropriate security, law enforcement or medical response can arrive. Estimated budget is \$100,000 to \$140,000. Source of Funds: transfer from Mills Building operating account (excess parking revenue).

The proposed additional capital improvements for FY 18 would be budgeted at \$300,000 and would be in addition to the capital improvements approved in the previous Board action on May 4, 2017.

FY 18 began with approximately \$1,413,324 available in the operating account and \$280,290 available in the capital reserve account. With today's proposed action, no additional annual cost share contributions from MTS and County is required. Instead, sufficient funds are available to be transferred from the operating account to the capital reserve account. After the funds transfer, the Mills Building accounts will still contain at least 3 months of operating funds, and a minimum base of \$200,000 in the capital reserve account.

Attachment A: Proposed Amended FY 18 Capital Improvement Budget.

James R. Mills Budget 2017-2018

Capital Improvements

© Denotes completed project

Project	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019
9190 BUILDING SHELL					
EIFS: EXT BLDG, CLOCK TOWER, MECH PLANT SEALING		\$712,250		\$111,050	
AUTO PARK 6TH FL DECK RE-SURFACING			\$120,000	\$90,000	
EXTERIOR BUILDING PAINT	\$45,010			\$17,000	
ROOF REPLACEMENT/REPAIR ©	\$29,000				
AUTO PARK STRIPING & ASPHALT REPAIRS				\$50,000	
AUTO PARK SIGNAGE PROGRAM				\$165,000	
AUTO PARK PAINTING				\$365,000	
TOTAL 9190	\$74,010	\$712,250	\$120,000	\$798,050	\$0
9190 TENANT IMPROVEMENT					
COMMON AREA INTERIOR DOOR REPLACEMENT 1st FLOOR			\$13,500		
MANAGEMENT OFFICE FURNITURE UPGRADE			\$27,000		
LOBBY UPGRADE: SECURITY CONSOLE, FLOORING, PAINT & DOORS INSTALL				\$245,000	
ELEVATOR INTERIOR UPGRADE & DOOR FAÇADE FL 1-10				\$75,000	
RESTROOM UPGRADE: ADA COMPLIANCE & INTERIOR FINISHES				\$135,000	\$635,000
	\$0	\$0	\$0		\$0
TOTAL 9190	\$0	\$0	\$40,500	\$455,000	\$635,000
9190 EQUIPMENT					
PLUMBING:PIPE REPLACEMENTS & CLEAN OUT INST ©	\$30,618				
ENERGY MGMT SYSTEM CONTROL UPGRADES©	\$76,500	\$165,000			
BUILDING ECONOMIZERS / BLDG MAKE UP AIR RETROFIT					\$212,000
COOLING TOWER REPLACEMENT			\$175,000		
200 TON CHILLER REPLACEMENT			\$135,000		
CHILLER CONTROL BOARD RETROFIT ©	\$44,250				
CLOCK TWR INTERIOR & EXTERIOR LIGHTING RETROFIT ©	\$30,000				
AUTO PARK SECURITY CAMERA INSTALL ©	\$12,000				
EXTERIOR BUILDING TILE RESEAL				\$23,000	
6th FL VAV ZONE REVISION ©		\$17,000			
2 CHILLER VFD INSTALL ©		\$18,500			
FLS FIRE PANEL POINTS REVISION©		\$13,000			
LOBBY ADA SLIDING DOOR INSTALL©		\$14,500	\$17,000		
BUILDING & AUTO PARK, LED LIGHTING RETROFIT & LIGHTING CONTROL PANELS		\$107,500	\$307,000	\$89,000	
BIRD CONTROL SPIKE INSTALL ON EXT BUILDING	\$11,000				
SECURITY CAMERA UPGRADES				\$20,000	
ELEVATOR CONVEYOR ALIGNMENT					\$84,000
REPLACE AHU VALVES FL 2-9				\$25,000	
X RAY & METAL DETECTOR (For redundancy)				\$42,000	
SOUTH LOBBY DOOR INSTALL				\$16,500	
250 TON CHILLER #2 REPLACEMENT				\$135,000	
AUTO PARK ADDITIONAL SECURITY CAMERAS				\$140,000	
AUTO PARK PAY STATION UPGRADE				\$160,000	
TOTAL 9190	\$204,368	\$335,500	\$634,000	\$650,500	\$296,000
LANDSCAPE IMPROVEMENT					
LANDSCAPE FENCING				\$25,000	
TOTAL 1713	\$0	\$0	\$0	\$25,000	\$0
TOTAL BUILDING CAPITAL	\$278,378	\$1,047,750	\$794,500	\$1,928,550	\$931,000
RESERVE ACCOUNT RECONCILIATION AND ESTIMATE	2016/2017	2017/2018			
*Reflects balance as of 2/28/17. 2017/2018 reflects anticipated balance.	\$1,681,076	\$610,290			
TRANSFER FROM OPERATING ACCOUNT (+)		\$200,000			
ADDITIONAL TRANSFER FROM OPERATING ACCOUNT (+)		\$300,000			
INTEREST (+)					
CONTRIBUTION (+)	\$474,974	\$1,098,550			
CAPITAL EXPENSES (remaining from previous FY)(-)	\$768,260				
CAPITAL EXPENSES (remaining from current FY)(-)	\$777,500	\$1,928,550			
NET REMAINING RESERVES	\$610,290	\$280,290			

* Account balance forecast amounts represent best estimate based on anticipated budgeted amounts for capital expenses.

* Reflects Minimum \$200K Capital Balance Reserves

SAN DIEGO REGIONAL BUILDING AUTHORITY (SDRBA)
JOINT POWERS AGENCY OF THE COUNTY OF SAN DIEGO &
THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)

July 13, 2017

SUBJECT:

EXPENDITURE AUTHORITY POLICY

INTRODUCTION:

The SDRBA was created through a Joint Exercise of Powers Agreement (JPA Agreement), entered into between the County of San Diego and MTS. The JPA Agreement establishes the restrictions on which the SDRBA may exercise its power. Per Section 4.04 of the JPA Agreement, the powers of the SDRBA shall be exercised in the manner imposed upon MTS in the exercise of similar powers.

MTS's enabling legislation at Cal. Public Utilities Code sections 120000 et seq. and other applicable state law establishes MTS's authority and powers. MTS's enabling legislation however is silent in the area of expenditure authority limits. The MTS Board of Directors approved the MTS Board Policy No. 41 "Signature Authority" to establish the expenditure authority limits for MTS. Likewise, to ensure there are appropriate controls for SDRBA expenditures, the SDRBA Board Policy No. 1 (Attachment A) is proposed to designate authority limits on 1) budgeted and unbudgeted expenditures; and 2) execution of contracts. In addition, this Policy would establish the delegation of authority in the absence of the Executive Officer.

RECOMMENDATION:

That the SDRBA Board approve the proposed SDRBA Board Policy No. 1 (Attachment A).

Budget Impact

None.

**SAN DIEGO REGIONAL BUILDING AUTHORITY (SDRBA)
JOINT POWERS AGENCY OF THE COUNTY OF SAN DIEGO &
THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)**

Policies and Procedures

No. 1

Board Approval: 7/13/2017

SUBJECT:

EXPENDITURE AUTHORITY

PURPOSE:

To establish a policy concerning the expenditure of funds and execution of contracts

BACKGROUND:

The SDRBA was created through a Joint Exercise of Powers Agreement (JPA Agreement), entered into between the County of San Diego and MTS. The JPA Agreement establishes the restrictions on which the SDRBA may exercise its power. Per Section 4.04 of the JPA Agreement, the powers of the SDRBA shall be exercised in the manner imposed upon MTS in the exercise of similar powers.

MTS's enabling legislation however is silent in the area of expenditure authority limits. To ensure there are appropriate controls for SDRBA expenditures, the SDRBA Board Policy No. 1 has been established to designate authority limits on 1) budgeted and unbudgeted expenditures; and 2) execution of contracts. In addition, this Policy establishes the delegating authority in the absence of the Executive Officer.

POLICY:

1.1 Budgeted Expense

The Executive Officer of the SDRBA (Executive Officer) or designee may authorize the expenditure of funds and execute contracts for projects or expenses that are within the amount approved in the annual budget.

1.2 Unbudgeted Expense

If sufficient funding is available in the operating and/or capital budgets, the Executive Officer or designee may authorize up to \$100,000 in the expenditure of funds and execute contracts for an expense that has not been included within the annual budget. SDRBA Board approval is required to authorize the expenditure of funds for an expense in an amount over \$100,000 that has not been included within the annual budget. Funding must be available prior to approval.

1.3 Change Orders

A change order is a change within the original scope of the contract. If sufficient funding is available in the operating and/or capital budgets, the Executive Officer may authorize change orders that would result in up to \$100,000 of increased



expenditures for a contract. SDRBA Board approval is required to authorize change orders that would result in over \$100,000 in increased expenditures for a contract.

1.4 County and MTS Staff Approval of All Expenditures

All contracts under Sections 1.1, 1.2. and 1.3 shall first be approved by the County and MTS designated Mills Building representatives.

1.5 Authorized Signatories for Absences

In the Executive Officer's absence, the Executive Officer may designate a representative of the County of San Diego or a representative of MTS to authorize the expenditure of funds and execution of contracts as necessary, subject to any limits set or instructions given by the Executive Officer.

1.6 Independent Management Company

The SDRBA is the owner and ground lessee of certain real property improvements located at 1255 Imperial Avenue (the Property). The SDRBA may contract with an Independent Management Company to manage, operate, maintain, repair and lease the Property for and on behalf of the SDRBA. The Executive Officer or designee may direct the Independent Management Company to manage the expenditure of funds or execution of contracts, in conformance with existing SDRBA policies and instructions.

Original Policy Adopted on 7/13/2017