



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Sheriff's Office
Department No.: 032
For Agenda Of: 7-8-14
Placement: Departmental
Estimated Tme: 30 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Sheriff's Office: Sheriff Bill Brown x4290
Contact Info: Lieutenant Kelly Hamilton x4251

SUBJECT: **Accept Conditional Award of \$38,976,000 from the Board of State and Community Corrections under Senate Bill 1022 and Related Actions.**

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors takes the following actions:

- a. Receive a presentation from the Sheriff on the proposed Sheriff's Treatment and Re-entry (S.T.A.R.) complex, including the preliminary staffing and operations plan;
- b. Accept the conditional award of \$38,976,000 pursuant to SB 1022 from the State of California Board of State and Community Corrections (BSCC) under Senate Bill (SB) 1022 Adult Local Criminal Justice Facilities Construction Financing Program for the Sheriff's Treatment and Re-entry (S.T.A.R.) complex;
- c. Authorize and direct the Sheriff and General Services to proceed with the steps necessary to move the (S.T.A.R.) complex forward; and
- d. After considering the Final Subsequent Environmental Impact Report (EIR) that the Board of Supervisors certified on March 11, 2008, and the Addendum to that EIR that the Board of Supervisors received and considered on December 6, 2011 and October 8, 2013, determine pursuant to 14 CCR § 15162(a) that no subsequent EIR or Negative Declaration is required for this project because of the following: 1) No substantial changes are proposed in the project which require major revisions of the 2008 Final Subsequent EIR; 2) No substantial changes have occurred with respect to the circumstances under which the project is undertaken which require major revisions of the 2008 Final Subsequent EIR; and 3) No new

information of substantial importance concerning the project's significant effects or mitigation measures, which was not known and could not have been known with the exercise of reasonable diligence at the time that the Final Subsequent EIR was certified in 2008, has been received.

Summary Text:

On October 8, 2013, the Board of Supervisors approved the Sheriff's Office to move forward with submitting an application pursuant to Senate Bill 1022 Adult Local Criminal Justice Facilities Construction Financing Program (file #13-00760). For counties awarded financing, SB1022 will pay up to 90% of eligible expense for the design and construction, including expansion or renovation of adult local criminal justice facilities, to maximum of \$40 million for a medium sized county. The BSCC classifies Santa Barbara as a medium sized county.

On March 13, 2014, the BSCC recommended the County of Santa Barbara receive a conditional award of \$38,976,000. It is the Sheriff's Office intention to use this money to construct an additional 228 beds, known as the S.T.A.R. complex, within close proximity to the ongoing AB 900 project in the North County. The facilities, co-located within the same complex, will share infrastructure and combine resources, thus maximizing the SB1022 and County funding.

Background:

In October of 2013, the Board adopted a resolution authorizing the Sheriff to submit an application under SB1022 for beds and program space for funding the expansion of the Northern Branch Jail project, requesting an award of \$38,976,000. As required by the application preference criteria, a budget revision for \$3,900,100 established the "SB1022 Committed Fund Balance", which in conjunction with the \$785,000 land value, constituted the required 10% County match.

The proposed S.T.A.R Complex will add 228 beds to the previously approved 376-bed detention facility at the Northern Branch Jail. The expansion includes (2) 64-bed pods designated for treatment and programming and (2) 50-bed units to be used as transitional housing. The expansion will also include office space for the Sheriff's Alternative Sentencing Bureau, adding approximately 52,208 square feet to the Northern Branch Jail complex.

As part of the application, the Sheriff sought four (4) preference criteria including commitment of adequate County contribution funds, initial real estate due diligence, compliance with CEQA, and authorization of project documents. On March 18, 2014, the County was notified that the BSCC had granted a conditional award of up to \$38,976,000, and had been granted all 4 preference points ranking it third among medium sized counties. Despite subsequent appeals, the County retained its standing as fully awarded for the requested amount.

At this time, the SB1022 project management team is taking preliminary steps to comply with the conditional award milestones, as well as soliciting requests for qualifications (RFQ's) from interested consultants under consideration for the roles of Architect Engineer, Project Expert, and Construction Management firm for the STAR design and construction. The requested actions will allow General Services to complete tasks required to comply with the timeline and execute the preliminary planning stages in conjunction with the Sheriff. It is envisioned that, as with the AB900 Phase II project, General Services will take the leading role of Project Manager for SB1022 and oversee all phases. General Services and the Sheriff expect to return to the Board in the fall with consultant recommendations upon conclusion of the selection process and subsequent to project establishment by the State, along with completion of the programming phase, will provide a report on the anticipated total project costs and projected cash flow for further consideration.

Fiscal and Facilities Impacts:

Budgeted: No

Fiscal Analysis:

Planning, Design & Construction

On October 8, 2013, a preliminary analysis of project costs was presented to the Board as follows:
(rounded to \$00's)

	State Costs	County Costs	Total Costs	Required Match
State funds from SB 1022	\$ 38,976,000	\$ -	\$ 38,976,000	\$ 3,897,600
County Cash Match	-	2,210,000	2,210,000	\$ 221,000
County In-Kind Match	-	2,156,100	2,156,100	\$ 215,600
County In-Kind Overmatch	-	92,900	92,900	\$ 9,300
Sub-total Eligible Costs	\$ 38,976,000	\$ 4,459,000	\$ 43,435,000	\$ 4,343,500
County Ineligible Costs	-	226,100	226,100	22,600
Total Proposed Project Cost	\$ 38,976,000	\$ 4,685,100	\$ 43,661,100	\$ 4,366,100

Total County Costs	\$ 4,685,100
Land cost, paid	(785,000)
Total funds to be set aside	\$ 3,900,100

The County is required by the RFP, and Government Code section 15820.926(a), to provide a minimum of 10% of the total cost of the application in match funds or \$4,366,100. Matching funds are provided in cash or eligible in-kind expenses, to qualify for the SB1022 financing program. For this project the County's total match of estimated costs is made up of Cash Match, In-Kind Match, In-Kind Overmatch and Ineligible Costs totaling \$4,685,100, or 10.8% of the Application cost of \$43,435,000. Examples of in-kind match expenses include an allocation of the cost of the land that the facility will reside on, internal management fees and transition costs to prepare to open the facility. Examples of ineligible costs include travel expenses for consultants and county staff and printing and mailing costs for the bid process. Since the land for the project was already purchased, the proportional value of the land (\$785,000) will reduce the County's total match required to be set aside to \$3,900,100. In addition, some costs that must be incurred for the project are not eligible for in-kind match status and are shown as Ineligible Costs. Examples of these costs include travel costs for consultants and County staff, printing and advertising costs for bid process, and archiving costs. The projected total of such costs are \$226,100.

Operating Costs

In the October 2013 presentation, staff projected that the cost to run the SB1022 facility would be \$4,799,200 in FY2018-19. This model assumed a total of 20 Custody Deputies (15 transferred from the Main Jail and Medium Security Facility and 5 new hires) plus Services & Supplies and General Services maintenance services. Accounting for the savings from transferring existing staff and inmate costs from the Main Jail to the STAR complex, the net increase in cost for the new facility was estimated at \$1,411,400.

Staff have re-evaluated and updated the staffing requirements for the STAR complex. Lessons learned from the AB900 Phase II staffing study including supervision, shift relief factors and costs

from the FY2014-15 salary model were incorporated into the updated SB1022 model. It is now anticipated that the STAR complex will require 30 sworn staff comprising of 4 Custody Sergeants and 26 Custody Deputies. In addition, as part of a system wide review of Custody facilities staffing, it was determined that an additional 6 Custody Deputies can be shifted from the Main Jail to the STAR facility based on utilizing standard shift relief factors system wide. This results in a total of 21 Custody Deputies being reassigned from the Main Jail to the STAR complex (the original 15 plus an additional 6), the hiring of 5 new Custody Deputies, and the promotion of 4 Custody Sergeants.

With the staffing changes noted above, it is now estimated that the STAR complex will cost \$6,242,000 to operate in FY2018-19, an increase of \$1,442,800 over the previous estimate. After accounting for transfers of staff and other expenses, the net increase in cost to run the STAR complex becomes \$2,092,100, an increase of \$680,700 over the October 2013 estimate. This is due primarily to the addition of the four Custody Deputy Sergeants to the staffing model at a cost of \$731,200.

Maintenance of the new facility will require two Maintenance Workers in the General Services Department plus costs for materials and equipment. One of those positions will be transferred from the Main Jail. Therefore, for FY2018-19, the net cost totals \$163,700.

Staffing Estimate – 228-bed facility (gross)	4,362,800
Services & Supplies & Other Charges	1,879,200
sub-total	6,242,000
Less: Existing Staff transferred to facility	(3,037,600)
Less: Services & Supplies transferred/saved	(1,276,000)
Plus: General Services Staff (\$103,200) & materials (\$60,500)	163,700
Net Additional Operating Cost in FY2018-19	2,092,100

A source of funding for the majority of the operating cost from this application has been realized in the reevaluation of the AB900 Phase II Operating Cost model. When AB900 was last updated for your Board in April 2014, it was reported that the ultimate Net Operating Costs projected for FY2018-19 would be \$15,862,994. When the SB1022 costs are added to the AB900 Phase II operation, total Net Operating Costs for the two projects in FY2018-19 are estimated at \$17,995,094. When compared to the original AB900 estimate of cost presented to your board in October 2012, the result is an increase of \$609,794.

A table of the updated AB900 Phase II operating costs and projected SB1022 costs is shown below.

Preliminary

	Adjusted AB900 April 2014	SB 1022 Operating Costs	Total AB900 & SB1022 Costs
<u>Gross Operating Costs:</u>			
Personnel	15,289,535	4,362,800	19,652,335
Non-personnel	4,948,857	1,879,200	6,828,057
Gross Costs	20,238,392	6,242,000	26,480,392
Transfer costs to NBJ & STAR:			
Staffing	(3,690,303)	(3,037,600)	(6,727,903)
Services & Supplies& Medical	(1,411,963)	(1,276,000)	(2,687,963)
Total costs transferred	(5,102,266)	(4,313,600)	(9,415,866)
General Services Staff & Materials	726,868	163,700	890,568
Adjusted Total Net Operating Costs AB900 Operating Cost Estimate 10/2012	15,862,994	2,092,100	17,955,094
			17,345,300
Net Increase in Costs			609,794

The Sheriff’s Office is already exploring several possible ways to reduce this increase in costs and these will be included in the fall update.

It should be noted that all costs represented here are based on FY2014-15 budgeted expenditures for Custody Operations in the Sheriff’s Office, rolled forward to FY2018-19 levels. Certain assumptions on costs in the new facility were made including, but are not limited to:

- Salaries & Benefits are increased 3% per year
- Costs for new employees hired to staff the facilities were modified to account for the implementation of PEPR.
- All Services & Supplies are increased 3% per year except for Outside Medical Costs and Pharmaceuticals, which are increased 7% per year.
- The staffing model for SB1022 is pre schematic design for the facility.

Sheriff’s Office staff, in close cooperation with the County Executive Office, will return to the Board in the Fall of 2014 with a consolidated Transition Plan for the hiring of personnel to staff both the Northern Branch Jail and the STAR complex. In addition, a revised Funding Plan for the Northern Branch Jail Operations Fund Balance will be presented, taking into account the Transition Plan and the effects of SB1022.

Special Instructions:

Request Clerk of the Board to send a minute order to Lieutenant Kelly Hamilton at the Sheriff's Office.

Attachments:

Letter of conditional award
Presentation

Authored by:

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CFO Douglas Martin, ext. 4293