



FY 2019 Recommended Budget Budget Question

Board Question #: 40

BUDGET QUESTION: Please explain the increase in the Animal Shelter project budget using the most recent cost estimate. How much has been spent to date on the project?

RESPONSE: The current expenditure to date on this project is approximately \$360,000.

The original project dates back to November 2013. At that time, the Sheriff's Office, in conjunction with other stakeholders, conducted a space needs study that proposed a 9,000 sq. ft. addition at a projected cost of \$2.5 million. The cost did not include renovation to the existing facility and suggested a satellite adoption center. In November 2014, the bond referendum for public safety included \$3.8 million for a new shelter. In Spring 2015, the newly combined Utilities/Public Works department identified that the project included only funds for a building and no funding had been planned for a new site or site work costs for an expansion. After several presentations and discussions, on April 25, 2017, the Board of Supervisors voted to move forward with an 11,000 square foot expansion with an estimated additional cost of \$1.0 million, placing the total project budget at \$4.79 million. A budget adjustment was not approval at the time of the additional work authorization; therefore the additional funding for the expanded scope of work was included in the FY 2019 Budget process.

A cost estimate has been prepared based on 95% complete construction plans. That construction estimate is based upon 2019 dollars to match anticipated construction schedules. The 95% cost estimate of approximately \$6.3 million includes the renovation and the 11,000 sq. ft. expansion.

Beyond the increase related to the expanded scope of work, project cost increases are attributable to several factors:

Construction Inflation: The original cost estimate was in 2017 dollars and the 95% cost estimate is in 2019 dollars (mid-point construction).

Market Conditions: The project is being bid for construction in Summer 2018 at a point where there has been significant uptick in the construction markets. Based on information provided by Moseley Architects, the construction market has seen a 15% to 20% increase in costs in the public sector over the past 18 months.

Scope Refinement: The original project costs were based on a very general 30% design document. As plans were completed, the refinement of the scope allowed for better estimation of construction costs.