



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 20

MEETING DATE: January 19, 2021

SUBJECT: Tenant Improvement Budget

SUBMITTED FOR: ___ Consent X Deliberation and Action ___ Receive and File

RECOMMENDATION

Staff recommends the Board provide the CEO up to \$600,000 in reimbursable expenditure authority for office improvements, per SCERS' lease renewal, and authorize the CEO to expend that allowance regardless of individual vendor amount and fiscal year for costs designated as "tenant improvement project."

PURPOSE

This item supports the Strategic Management Plan by maintaining transparent communications to stakeholders and demonstrating fiscal responsibility and stewardship.

DISCUSSION

In November 2019, SCERS extended its lease agreement with new building owner KBS that was due to expire April 30, 2021. As a stipulation of the agreement, SCERS secured \$35.00 per rentable square foot (\$597,275) for tenant improvements as well as \$0.15 per rentable square foot (\$2,559.75) for space planning. SCERS must complete all tenant improvement work and submit evidence of the amounts paid for such improvements for a single lump-sum reimbursement from the property owner by April 30, 2022. The tenant improvement allowance will be used to provide fresh carpet and paint, technology upgrades, new furniture and modernized space designs, and the creation of additional collaborative work spaces within the SCERS office.

The CEO Delegated Authority Policy for Expenses allows the CEO to authorize payments up to \$50,000 for goods and services per vendor in a fiscal year. SCERS staff requests the Board authorize the CEO to spend up to the full tenant improvement allowance regardless of individual vendor amounts and fiscal year for expenses designated as "tenant improvement project." This authorization will allow the CEO the ability to make payments to vendors and timely decisions regarding the services, equipment, and improvements included in, but not limited to, the estimated project budget as listed below:

Project	Estimate	Description
Carpet and paint	\$175,000	Carpet for 17,000 square feet and new paint
Board room A/V upgrades	\$170,000	Complete refresh of Board room audio/visual equipment
Collaborative work space	\$90,000	Convert two storage/file rooms to interior conference rooms; includes electrical, walls, and new finishes
Security doors	\$75,000	Install security doors at elevator bank
Security cameras	\$50,000	Upgrade security cameras in the SCERS office
Misc furniture and signage	\$20,000	Chairs, furniture, signage throughout SCERS' office
Reception area	\$10,000	Extend reception glass to counter, provide privacy kiosks for members
Professional services	\$10,000	Planning and design services
TOTAL	\$600,000	

The Board-approved SCERS budget for 2020-21 includes \$400,000 of the tenant improvement allowance, with the expectation that the remaining \$200,000 will be expended in fiscal year 2021-22. While some expenses will not be incurred until 2021-22, additional expenses in 2020-21 above the budgeted amount of \$400,000 can be absorbed within SCERS operational budget.

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