

# 2021 Facilities Maintenance Fund

## Executive Summary

In 2019, as part of the city's efforts to stabilize its General levy and provide a mechanism for ensuring long-term funding of facilities improvements is in place, the City Council authorized the creation of an internal service fund to account for Facilities Management. Internal service funds are used to account for the financing of goods and services provided by one department or activity to other departments or activities of the government on a cost reimbursement basis.

The facilities managed under this fund include City Hall and attached garages, Public Works and the PW cold storage facility, the Police training facility and the Mary Ann Young Center. As activity in this fund was previously accounted for in the General Fund, Council authorized a transfer from the General Fund to the Facilities Fund to provide the new fund with a start-up balance of \$250,000. This funding provided a contingency reserve for emergency or unforeseen repairs that might be needed before the fund has had sufficient time to build reserves.

### **Revenue**

The primary funding source for the internal service fund comes from charges assessed to each of the departments in the city's general and utilities funds. The charges are split between two different categories: maintenance and replacement. The maintenance chargeback is used for operational expenses and any repairs to the facilities maintained in this fund, while the replacement charge assists in funding capital replacement items. For 2021, maintenance and replacement charges will increase a combined \$29,600 (3%), from \$986,500 to \$1,016,100.

### **Expenditures**

Operationally, the Facilities Maintenance fund accounts for wages and benefits of staff related to building maintenance. Consistent with other City staff, a 3% increase in wages and a \$50/month increase in benefits has been incorporated into the 2021 Facilities Budget. Other expenditures include utility fees for City Hall, Public Works, and the Mary Ann Young Senior Center, and cleaning, and pest control services.

Additionally, the fund accounts for the contract the City has with McGough Facility Management, LLC. McGough acts as the City's facility manager and assists the City in the management of maintenance and repairs at City Hall, Public Works, and the MAYC. McGough's fees for management services are expected to remain flat for 2021, while

reimbursable costs for repairs and maintenance of equipment is expected to decrease by about \$30,000 in 2021. McGough has held the facilities management contract for the last several years and staff is recommending a Request for Proposals (RFP)

### **2021 Capital Requests**

For capital, there are a number of mechanical system components that are scheduled for replacement at City Hall. These include:

- Exterior caulking \$42,250
- VAV Controllers \$35,010
- Exhaust Fan Replacements \$13,440

Staff are reviewing the condition of the above items to determine if replacement is necessary and advisable in 2021.

Additionally, there are items that are under review for consideration in 2021 for City Hall:

- Carpet replacement \$20,600
- Chair Replacement \$7,500
- Garage flooring repairs \$6,000
- Exterior security cameras \$20,000
- Clock tower repair \$15,000
- Atrium & Exterior Painting \$18,040

For Public Works facilities, there are three requests under consideration:

- Additional parking lot lights \$35,000
- Security cameras (Cold storage building) \$25,000
- Brick replacement (Cold storage building) \$20,000

The current projected fund balance for 2021 would be adequate for funding all operating and capital expenditures without additional unrestricted reserve transfers.

## Five-Year Outlook

The five-year outlook for the facilities maintenance fund is stable if additional funding can be identified for larger, high dollar amount improvement projects related to the Facilities Maintenance fund (e.g. Roof replacement for PW Facility in 2022).

Staff continues to update and refine the City's five-year Capital Improvement Plan, which includes the facilities maintenance plan. The CIP actually extends projections out for 10 years and ensures that the City has adequate funding to consistently replace and implement new capital and improvements to the City's public buildings.

The Facilities Maintenance fund currently encompasses a small portion of the overall capital projects related to buildings. It is expected that this fund would increase the number and types of projects it funds if the fund balance and reserves increase.

<b>Facilities Maintenance - ISF</b>	<b>2020 Adopted Budget</b>	<b>2020 Projected Budget</b>	<b>2021 Proposed Budget</b>	<b>2022 Projected Budget</b>	<b>2023 Projected Budget</b>	<b>2024 Projected Budget</b>	<b>2025 Projected Budget</b>
<b>Beginning Balance</b>	<b>\$ 143,695</b>	<b>\$ 143,695</b>	<b>\$ 257,599</b>	<b>\$ 162,019</b>	<b>\$ 149,529</b>	<b>\$ 187,574</b>	<b>\$ 335,844</b>
<b><u>REVENUES</u></b>							
User Fees							
Maintenance chargebacks	906,500	906,500	933,700	961,700	990,600	1,020,300	1,050,900
Replacement chargebacks	80,000	80,000	82,400	84,900	87,400	90,000	92,700
Miscellaneous Revenue	-	1,335	1,500	1,500	1,500	1,500	1,500
Investment Earnings	1,900	1,900	1,950	2,000	2,050	2,100	2,150
Transfer In (Unrestricted Reserve in GF)	-	-	-	400,000	-	-	-
<b>Total Revenue</b>	<b>\$ 988,400</b>	<b>\$ 989,735</b>	<b>\$ 1,019,550</b>	<b>\$ 1,450,100</b>	<b>\$ 1,081,550</b>	<b>\$ 1,113,900</b>	<b>\$ 1,147,250</b>
<b><u>EXPENDITURES</u></b>							
Wages	\$ 176,830	\$ 171,075	\$ 189,900	\$ 195,600	\$ 201,500	\$ 207,500	\$ 213,700
OT	3,000	7,100	3,000	3,100	3,200	3,300	3,400
PT	-	3,980	-	-	-	-	-
Clothing Allowance	500	500	500	500	500	500	500
PERA	13,490	14,275	14,240	14,900	15,400	15,800	16,300
FICA	11,150	12,200	11,800	12,300	12,700	13,100	13,500
MEDI	2,610	2,850	2,750	2,900	3,000	3,100	3,100
Cafeteria	39,680	38,500	40,500	41,700	42,900	44,100	45,300
Workers Comp	9,410	9,630	10,000	10,300	10,600	10,900	11,200
<b>Total Personal Services</b>	<b>256,670</b>	<b>260,110</b>	<b>272,690</b>	<b>281,300</b>	<b>289,800</b>	<b>298,300</b>	<b>307,000</b>
Office supplies	100	-	100	100	100	100	100
Cleaning supplies	10,300	5,730	7,800	8,000	8,200	8,400	8,700
Clothing/uniforms	500	-	-	-	-	-	-
General supplies	19,000	13,425	19,000	19,600	20,200	20,800	21,400
Small tools, minor equipment	550	-	300	300	300	300	300
Office Equipment & Furnishings	40,000	1,050	28,100	10,000	45,700	5,000	5,000
<b>Total Supplies</b>	<b>70,450</b>	<b>20,205</b>	<b>55,300</b>	<b>38,000</b>	<b>74,500</b>	<b>34,600</b>	<b>35,500</b>
Professional services	57,500	59,532	59,200	61,000	62,800	64,700	66,600
Telephone/internet	1,800	1,050	1,900	2,000	2,100	2,200	2,300
Electric	210,000	181,000	189,000	194,700	200,500	206,500	212,700
Gas	100,000	76,500	80,000	82,400	84,900	87,400	90,000
Municipal utilities	22,000	16,625	20,000	20,600	21,200	21,800	22,500
Buildings maintenance	174,000	212,050	183,400	192,570	202,210	212,330	222,940
Machinery/Equipment Maintenance	8,700	5,815	9,000	9,300	9,600	9,900	10,200
Other contractual	14,500	5,940	14,900	15,300	15,800	16,300	16,800
<b>Total Contractual Services</b>	<b>588,500</b>	<b>558,512</b>	<b>557,400</b>	<b>577,870</b>	<b>599,110</b>	<b>621,130</b>	<b>644,040</b>
<b>Total Operating Expenditures</b>	<b>915,620</b>	<b>838,827</b>	<b>885,390</b>	<b>897,170</b>	<b>963,410</b>	<b>954,030</b>	<b>986,540</b>
<b>Operating Gain (Loss)</b>	<b>72,780</b>	<b>150,909</b>	<b>134,160</b>	<b>552,930</b>	<b>118,140</b>	<b>159,870</b>	<b>160,710</b>

<b>CAPITAL</b>							
<b>Public Works Facility</b>							
- Public Works Camera Upgrade	50,000	30,500					
- Brick Replacement - Larson Site	15,000		20,000				
- Parking lot lights			35,000				
- Security Cameras - Larson Site			25,000				
- Roof Replacement(s)*				450,000			
<b>City Hall</b>							
- Exterior Caulking	13,500		42,250		11,260	11,600	
- VAV Controllers	26,400		35,010	27,025			
- Parking Lot Replacement(s) (moved to F	50,000						
- Patch flooring repairs - Garage			6,000	13,660			
- A/C Units for Computer Room				45,135			
- Add'l Security Cameras - Exterior			20,000				
- Repair Clocktower			15,000				
- Water Dist./Recirculation. Pumps				29,600			
- Atrium & Exterior Painting			18,040		31,310		
- Exhaust Fan Replacements			13,440		12,600		
- HVAC Pumps					24,925		4,940
<b>Computers</b>	850	840					
Total Capital Expenditures	\$ 155,750	\$ 37,005	\$ 229,740	\$ 565,420	\$ 80,095	\$ 11,600	\$ 4,940
<b>Total Expenditures</b>	<b>\$ 1,071,370</b>	<b>\$ 875,832</b>	<b>\$ 1,115,130</b>	<b>\$ 1,462,590</b>	<b>\$ 1,043,505</b>	<b>\$ 965,630</b>	<b>\$ 991,480</b>
Increase (Decrease) in WC bal.	\$ (82,970)	\$ 113,904	\$ (95,580)	\$ (12,490)	\$ 38,045	\$ 148,270	\$ 155,770
<b>Ending Balance</b>	<b>\$ 60,725</b>	<b>\$ 257,599</b>	<b>\$ 162,019</b>	<b>\$ 149,529</b>	<b>\$ 187,574</b>	<b>\$ 335,844</b>	<b>\$ 491,614</b>

\*Alternative funding will be required