



City of Blaine Anoka County, Minnesota

Blaine City Hall
10801 Town Sq Dr NE
Blaine MN 55449

Legislation Text

File #: WS 21-135, Version: 3

Workshop Item *Joe Huss, Finance Director/Asst. City Manager*

Title

Proposed 2022 Facilities Management Fund Budget

Background

The Facilities Management internal service fund was established in 2019 in an effort to stabilize the City's general tax levy and to provide a mechanism for ensuring that long-term funding of facilities improvements is in place. Internal service funds are used to account for the financing of goods and services provided by one department or activity on behalf of other City departments or activities. Costs are then distributed to those departments or activities on a cost reimbursement basis. The facilities managed under this fund include City Hall and attached garages, Public Works and the cold storage facilities, the Police training facility, Mary Ann Young Center, and old fire station #5.

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: 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 2022, maintenance and replacement charges combined will increase by \$42,000 (4%), from \$1,016,100 to \$1,058,100.

Expenditures

Operating expenditures include the wages and benefits of a 3-person custodial staff charged with day-to-day building maintenance. A 3% general wage increase and a \$50/month increase in benefits is included. Other expenditures include utility fees for City Hall, Public Works, and the Mary Ann Young Senior Center, cleaning supplies, general supplies, small tools, and replacement of office equipment and furnishings (e.g. carpeting and chairs).

The City maintains a contract with an outside vendor for facility management and capital planning services. Early in 2021, the City solicited requests for proposals and began a new contract with Gaughan Companies effective October 1, 2021. As a result, the City will realize savings of approximately \$1,400 per month (\$16,800 annually). The new contract is set for three years and does not decrease the level of service or hours dedicated to these facilities compared to the previous contract.

Existing contracts for cleaning services through MSI and Marsden are expected to remain in place through 2022. The rates for cleaning are increasing for the MSI contract due to the increased cleaning areas for the completed 3rd floor workspace. Staff will solicit RFPs in 2022 to ensure the City is receiving the best value.

2022 capital requests

City Hall:

- A/C units for server rooms: (\$45,135)
- Water distribution/recirculation pumps: (\$30,000)
- Brick replacement - PD parking area: (\$55,000)
- Tuck pointing of brick areas: (\$25,000)
- Door access readers: (\$72,600)

Public Works:

- Parking lot lights: (\$35,000)
- Electrical power stations (3): (\$30,000)

Other Facilities:

- Brick replacement - Cold Storage Building: (\$18,000)
- Security cameras - Cold Storage Building: (\$30,000)

The current projected fund balance for 2022 is 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 for covering ongoing operating expenditures.

Staff continues to update and refine the City's five-year Capital Improvement plan, which includes the facilities maintenance plan. With the new facilities management company onboarding in 2021, a full facility audit will be performed with an expected completion in late 2021. The City is expecting this study to provide crucial information to aid in capital planning, projecting, and prioritizing of requests.

Staff Recommendation

Staff is requesting Council's review and input on the 2022 Facilities Budget.

Attachment List

2022 Facilities Budget - Executive Summary