

Facilities Management Department - FY 2017/18 Budget Request

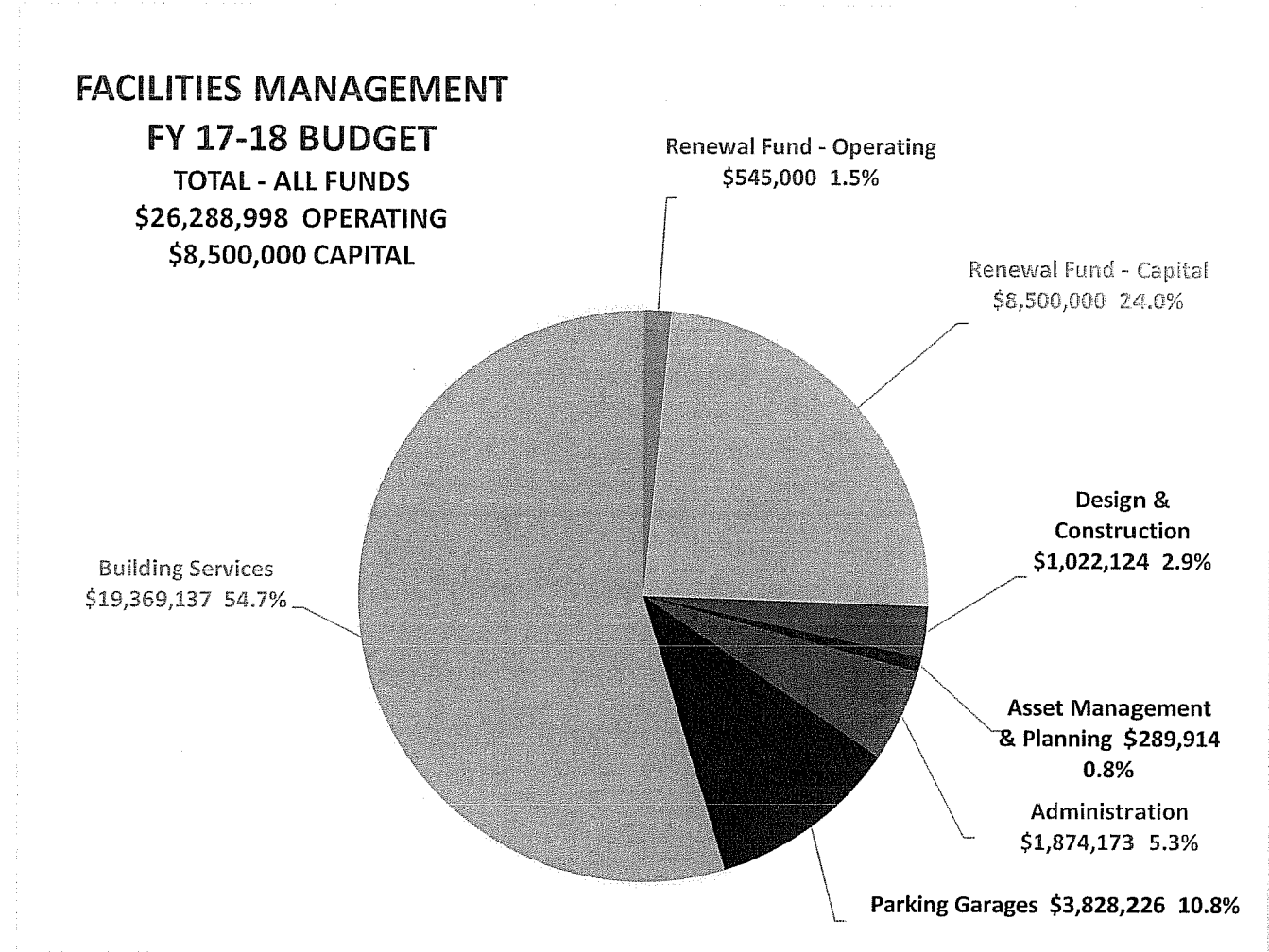
Overview:

Manage over 5 million square feet of facility space to provide a safe, clean, and functional working environment for Pima County employees and citizens visiting the facilities. Manage professionals in maintenance, refrigeration, plumbing, painting, electrical service, and electronics. Obtain and manage contracts for landscape service, janitorial service, pest control, termite eradication, and elevator maintenance and repair. Oversee the design, construction, and lease negotiation for all County facilities. Plan, design, prepare, and process bids. Operate and manage Pima County's 12 revenue generating parking facilities in order to offer safe and secure parking for employees and the public. Develop and design plans for construction oversight and project acceptance.

Requested operating department expenditures, revenues and operating transfers and FTE's:

	FY 16/17 ADOPTED	FY17/18 REQUEST	AMOUNT OF CHANGE	PERCENT CHANGE
GENERAL FUND OPERATIONS				
Operating Revenues	\$ 3,734,112	\$ 895,173	\$ (2,838,939)	-76.0%
Operating Expenditures	21,375,454	22,555,348	1,179,894	5.5%
• Personnel	8,787,266	8,861,413	74,147	0.8%
• Operating	12,588,188	13,693,935	1,105,747	8.8%
Operating Transfers	1,487,235	-	(1,487,235)	-100.0%
Net Fund Impact	\$(16,154,107)	\$(21,660,175)	\$ (5,506,068)	34.1%
FTE's	166	168	2	1.2%
FACILITIES RENEWAL FUND				
Operating Revenues	\$ 2,582,567	\$ 5,896,840	\$ 3,314,273	128.3%
Operating Expenditures	895,887	545,000	(350,887)	-39.2%
• Personnel	40,000	45,000	5,000	12.5%
• Operating	855,887	500,000	(355,887)	-41.6%
Operating Transfers	(2,111,348)	(8,500,000)	(6,388,652)	302.6%
Net Fund Impact	\$ (424,668)	\$ (3,148,160)	\$ (2,723,492)	641.3%
PARKING GARAGE OPERATIONS				
Operating Revenues	\$ 2,362,998	\$ 2,402,985	\$ 39,987	1.7%
Operating Expenditures	3,201,416	3,188,650	(12,766)	-0.4%
• Personnel	450,662	451,857	1,195	0.3%
• Operating	1,953,518	1,936,258	(17,260)	-0.9%
• Depreciation	797,236	800,535	3,299	0.4%
Operating Transfers	(641,450)	(639,764)	1,686	-0.3%
Net Fund Impact	\$ (1,479,868)	\$ (1,425,429)	\$ 54,439	-3.7%
FTE's	5	5	-	0.0%
TOTAL OPERATIONS				
Operating Revenues	\$ 8,679,677	\$ 9,194,998	\$ 515,321	5.9%
Operating Expenditures	25,472,757	26,288,998	816,241	3.2%
• Personnel	9,277,928	9,358,270	80,342	0.9%
• Operating	15,397,593	16,130,193	732,600	4.8%
• Depreciation	797,236	800,535	3,299	0.4%
Operating Transfers	\$ (1,265,563)	\$ (9,139,764)	\$ (7,874,201)	622.2%
FTE's	171	173	2	1.2%

Major costs of providing programs and related services by the department:



Major departmental budget issues the department is facing:

- Funding for deferred maintenance
- Energy costs

Supplemental funding for FY 2017/18:

- No supplemental funding requests submitted

Various departmental budget issues for the department in FY 2017/18:

- Vacancies and competitiveness in trade salaries
- Increased fleet costs and credit card fees

Significant changes in the FY 2017/18 request versus the FY 2016/17 adopted budget:

General Fund – (\$5.5M) Increase in Net Fund Impact from (\$16.2M) to (\$21.7M)

1. **Expenses** will increase \$1,179,894 total up 5.5% from \$21,375,454 to \$22,555,348.
 - A. Increases for 9 additional buildings - \$1,048,194. The largest increases relate to the Adult Probation West and the Adult Probation East buildings.
 - B. Increases to Personnel costs of \$74,147 relate mostly to increases in salaries and fringe benefits from last year's pay increase.
 - C. Increase in Motor Pool costs of \$253,784 due to new motor pool rates and for acquisition of larger trucks to replace older, smaller trucks.
 - D. Increase in ISF computer hardware and software costs of \$83,073.
 - F. Net Decrease in Utility costs (excluding new buildings) is \$266,015, including:
 - 1) Electricity decrease totals \$373,714 (-7.9%)
 - 2) Solar increase totals \$233,464 (+171.7%)
 - 3) Water decrease totals \$22,207 (-4.2%)
 - 4) Natural gas decrease totals \$63,558 (-18.5%)
2. **Revenue** decrease of \$2,838,939 or 76% from \$3,734,112 to \$895,173:
 - A. Presentation change for external rents of \$2,801,273 shown in previous years as General Fund revenue with transfer out to Renewal Fund, now shown as revenues in the Renewal Fund.
3. **Operating Transfers-In** decrease \$1,487,235 to \$0 due to the presentation change of internal rents. Internal rents will remain in the renewal fund until utilized for capital repair needs.

Facilities Renewal Fund – (\$2.7M) Increase in Net Fund Impact from (\$424k) to (\$3.1M)

1. **Operating Expenses** (which are the cost of small projects that are too small for CIP) decreased \$357,880 to bring the expense level to \$545,000. Projected replacement and/or upgrade projects:
 - 33 N Stone fire pump/controller \$95,000
 - Central Plant air handler for DEQ & Paint shop \$55,000
 - Downtown plaza steps \$80,000
 - Miscellaneous elevator upgrades \$95,000
 - Medical examiner four AC units \$50,000
 - Plumbing upgrades for water efficiency – Downtown \$90,000
 - Plumbing upgrades for water efficiency -- Metro & Outlying \$80,000
 - \$45,000
2. **Net Operating Transfers-Out** will increase \$6,388,652 to \$8.5M – Due to change in presentation of internal and external rents to remain in the Facilities Renewal Fund to address deferred maintenance items. Transfers out to Capital of \$8.5M to address items, such as 110, 130 and 150 exterior facades, Juvenile Court cooling tower replacement, Banner UMCS building improvements, Legal Services chiller and pump replacement and lighting retrofit, Public Works energy management system, Superior Court restrooms, Utility tunnel expansion joint and transformer replacement, and parking lot repaving.
3. **Revenues** will increase \$3,314,273, primarily due to the change in presentation associated with the external rent revenues from the General Fund, now budgeted to post directly to the Facilities Renewal Fund in the amount of \$3,126,496.

Parking Garages – \$54k Decrease in Net Fund Impact from (\$1.480M) to (\$1.425M)

1. **Revenues and Operating Expenditures** will remain basically at last year's levels, with \$2.4M in revenues and \$3.2M in expenditures. The expenditures include \$800,000 for depreciation.
2. **Operating Transfers-Out** will decrease \$1,686 from \$641,450 to \$639,764. This is due to:
 - A. Net difference in 2010 COPS payments of -\$1,792 from \$7,266 to \$5,474
 - B. Net difference in 2014 COPS payments of +106 from \$634,184 to \$634,290