

## INTERNAL SERVICE FUNDS

### 631 - FACILITIES FUND

**The mission of the Facilities Fund is to provide for the management of City-owned capital assets in order to coordinate decisions regarding buildings, grounds, utilities, and equipment for the safe and efficient use by residents, employees, and visitors.**

The Facilities Division of the Department of Public Service (DPS) is responsible for coordinating capital improvements, maintaining facility equipment, and assuring custodial and operational services for City-owned buildings and grounds.

The Facilities Fund manages over \$53 million of land, land improvements, buildings, furniture, machinery, and equipment. Capital facilities include 46 developed and undeveloped parcels. The Facilities Fund provides a means for collectively managing capital acquisitions, organizing maintenance activities, purchasing custodial supplies and services, and providing for competitive utility purchases. This centralization helps to measure and recover the costs for services that are provided to the various user departments. Funded by user fees, internal city user departments pay an annual Facilities service charge to recover the cost of operations.

#### Goals:

- Focus on utilities as a potential source of cost savings.
- Provide a safe environment for visitors and employees at all City-owned facilities.
- Insure the investment residents have made in City-owned facilities by maintaining a Facilities Condition Index (FCI) of 0.05 or better.
- Reduce energy consumption at City Hall by 25% during the next two years.
- Plan and implement facility maintenance and repair programs through the proper utilization of the Asset Management system.
- Become more environmentally friendly.

#### Objectives:

- Utilize the Energy Management systems at City Hall and the Sheriff's Substation to monitor and modify building temperatures and lighting schedules for more efficient energy consumption.
- Provide monthly utility usage schedules to individual departments so that users have a clear understanding of their utility usage and the costs associated.
- Selectively utilize Rochester Hills building inspectors to train and supplement the facilities staff to reduce reliance upon outside contractor services where possible.
- Ensure that temperature standards are consistent with industry norms.
- Compile and monitor operational performance measurements for Facilities staff.
- Evaluate various environmentally friendly custodial products for use at City facilities.
- Continue the planning, design, and construction for improvements based on the following projects listed in the CIP:
  - FA-02C / Fire Station #1 - HVAC Improvements \$146,250
  - FA-03E / Cemetery Chapel \$200,000
    - \* Not included as part of the 2009-2014 CIP
    - \* Project was anticipated to be complete in FY 2008
  - FA-07 / Photocopier Replacement \$53,500
    - \* \$91,940 adopted as part of 2009-2014 CIP

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- PK-18 / ADA Compliance Review Study \$10,000
- 1150 Livernois: Window Replacement \$1,500
- Borden Park: Roller Hockey Board Replacements \$7,000
- Borden Park: Maintenance Building Floors \$6,000
- Borden Park: Upgrade Circuit Box \$2,000
- Elevating Work Platform [Facilities] \$5,000
- Museum: Storm Windows (Red House) \$2,000
- Museum: UV Window Protection \$10,000
- Spencer Park: Concession Awning \$2,500
- Spencer Park: Concession Security System \$5,000
- The following project is **not included** in the Adopted FY 2009 Budget:
- PK-04D / Spencer Park: Splash Pad Preliminary Engineering

#### Significant Revenue, Expense, Staff, & Program Notes:

- 606101 / Interfund Charges - General Fund decreased [(23%) / (\$324,910)] based on newly adopted City Council policy to eliminate future replacement charges on City Hall to the General Fund, as debt payments are currently being made; this reduction is offset somewhat by an increase in the annual Municipal Building debt payment schedule.
- 606202 / Interfund Charge - Major Roads decreased [(15%) / (\$8,650)] due to a decrease in the square footage proportion dedicated for major road activities at the DPS Facility.
- 606203 / Interfund Charge - Local Streets increased [117% / \$54,080] due to an increase in the square footage proportion dedicated for local street activities at the DPS Facility as well as additional utility expenses at the DPS Facility.
- 606206 / Interfund Charge - Fire decreased [(7%) / (\$27,030)] due to a reduced utility and operating costs, as well as a reduction in replacement charges due to some large fire capital assets becoming fully depreciated.
- 606207 / Interfund Charges - Special Police decreased [(44%) / (\$96,390)] due to the reduction of future replacement charges on the OCSO Substation, as debt payments are currently being made.
- 606244 / Interfund Charge - Drains increased [15% / \$5,150] due to an increase in the square footage proportion dedicated for drain activities at the DPS Facility as well as additional utility expenses at the DPS Facility.
- 606592 / Interfund Charges - Water & Sewer increased [35% / \$100,300] due to an increase in the square footage proportion dedicated for water & sewer activities at the DPS Facility as well as additional utility expenses at the DPS Facility.
- 606636 / Interfund Charge - MIS increased [7% / \$6,650] due to an increase in the annual Municipal Building debt payment (MIS still to pay future replacement costs).
- 606661 / Interfund Charge - Fleet increased [97% / \$59,400] due to an increase in the square footage proportion dedicated for Fleet activities at the DPS Facility as well as additional utility expenses at the DPS Facility.
- 664001 / Interest Earnings decreased [(18%) / (\$60,000)] due to an lower cash balances and lower interest rates anticipated.
- 699207 / Transfer-In - Special Police decreased [(2%) / (\$7,040)] due a reduction in the annual OCSO Substation construction debt payment.

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- 699211 / Transfer-In - Perpetual Care Fund [1,233% / \$185,000] due to the funding for the construction of the Cemetery Chapel (FA-03E) project.
- 703000 / Salaries & Wages decreased [(9%) / (\$40,370)] due to the elimination of two (2) positions (-1.0 FTE) Facilities Operations Manager & (-1.0 FTE) Facilities Clerk offset by the addition of 1.5 positions (+1.0 FTE) Crew Leader – Facilities (new position), (+0.3 FTE) Permit Clerk – DPS, (+0.1 FTE) City Engineer, and (+0.1 FTE) General Supervisor (employee shifts).
- 740000 / Operating Supplies decreased [(5%) / (\$1,690)] due to the completion of Borden Park Barricade project in FY 2008.
- 748000 / Operating Equipment decreased [(38%) / (\$14,150)] due to the completion of Voice Mail System Upgrade project in FY 2008.
- 750000 / Custodial Supplies increased [26% / \$10,020] due to additional costs associated with environmentally friendly cleaning products.
- 781000 / Materials decreased [(57%) / (\$4,000)] due to recent trends.
- 801000 / Professional Services decreased [(72%) / (\$54,190)] due to the completion of Facilities Master Plan (FA-07B) in FY 2008.
- 802000 / Interfund Charge - Administration decreased [(15%) / (\$29,890)] as the Facilities Fund is a smaller proportion of the overall FY 2009 City Budget.
- 802001 / Interfund Charge - MIS decreased [(9%) / (\$2,150)] due to the reduction of Facilities employees and related computer support systems.
- 802004 / Interfund - Fleet decreased [(20%) / (\$2,500)] due to deferred replacement of Facilities vehicles.
- 802006 / Interfund Charges - Insurance decreased [(10%) / (\$4,160)] due to recent favorable experience.
- 802371 / Interfund - Building increased [100% / \$100,000] due to the anticipated utilization of City Building Inspectors for facility inspection and plan review services.
- 807000 / Contractual Services increased [14% / \$44,170] due to the reclassification of gate, overhead door, and security system maintenance (from 929000 / Repairs & Maintenance), as well as general inflationary increases.
- 807000 / Contractual Services: Includes the demolition of 276 W. Auburn.
- 860000 / Travel & Seminars decreased [(26%) / (\$1,200)] due to a reduction in overall staff training in FY 2009.
- 920000 / Public Utilities decreased [(88%) / (\$4,500)] due to adjusting for commercial cable services only.
- 922000 / Telephone Expense decreased [(17%) / (\$15,000)] due to implemented telephone system upgrades which have resulted in decreased service charges.
- 925000 / Propane decreased [(14%) / (\$1,000)] due to recent trends.
- 927000 / Water & Sewer increased [14% / \$10,000] due to anticipated commodity cost increases for water & sewer utility as well as additional usage for irrigation of the Livernois & Crooks boulevard extensions.
- 929000 / Repairs & Maintenance increased [13% / \$22,060] due to a number of service requests from the Parks & Fire Departments for facility repair and maintenance items.
- 941000 / Uniform Rental decreased [(16%) / (\$350)] due to recent trends.
- 968001 / Depreciation Expense decreased [(9%) / (\$127,790)] due to a number of large assets becoming fully depreciated.

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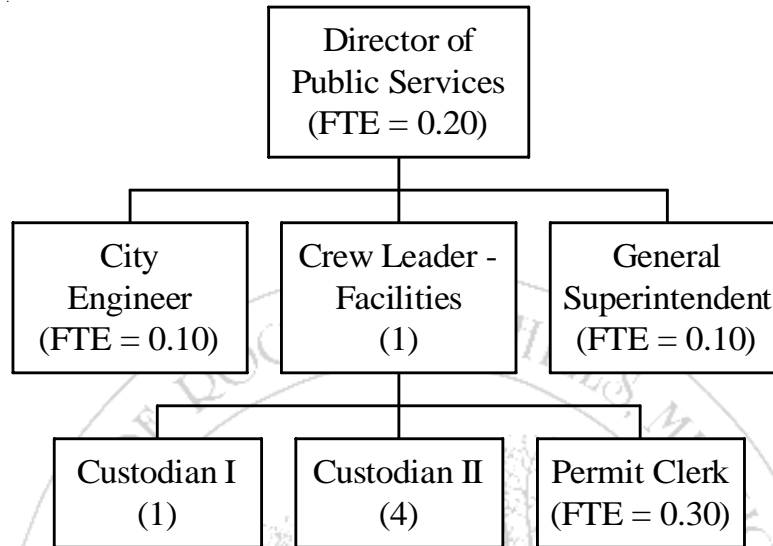
## 631 - FACILITIES FUND

2009 Budget Summary Report					
631 Facilities Fund Revenues	2007 Amended Budget	2007 Audited Actual	2008 Amended Budget	2008 June YTD Actual	2009 Adopted Budget
Retained Earnings to Balance	\$ 484,790	\$ -	\$ 1,080,200	\$ -	\$ 1,414,590
Charges for Service	2,564,040	2,564,040	2,732,780	1,366,390	2,502,000
Investment Earnings	415,000	429,119	340,000	163,331	280,000
Other Revenue	12,000	12,159	-	2,527	-
Transfer - In	1,072,320	1,072,320	1,003,740	458,334	1,053,850
<b>TOTAL</b>	<b>\$ 4,548,150</b>	<b>\$ 4,077,638</b>	<b>\$ 5,156,720</b>	<b>\$ 1,990,582</b>	<b>\$ 5,250,440</b>
<i>Per Capita</i>	66.08	59.25	74.93	n/a	76.29
631 Facilities Fund Expenses	2007 Amended Budget	2007 Audited Actual	2008 Amended Budget	2008 June YTD Actual	2009 Adopted Budget
Personnel Services	\$ 622,270	\$ 595,323	\$ 682,080	\$ 382,569	\$ 635,110
Supplies	142,500	127,174	123,990	59,390	112,670
Other Services	1,615,440	1,543,028	1,866,490	759,498	1,928,400
Depreciation	1,577,750	1,572,044	1,388,890	606,922	1,261,100
Capital Outlay	443,350	-	301,730	152,073	440,750
Debt Service	146,840	144,537	140,340	69,894	132,750
Transfer - Out	-	-	653,200	482,000	739,660
<b>TOTAL</b>	<b>\$ 4,548,150</b>	<b>\$ 3,982,106</b>	<b>\$ 5,156,720</b>	<b>\$ 2,512,346</b>	<b>\$ 5,250,440</b>
<i>Per Capita</i>	66.08	57.86	74.93	n/a	76.29

### Performance Indicators

	Actual 2005	Actual 2006	Actual 2007	June 2008	Projected 2008	Projected 2009
<b>Program / Service % of Total Labor Hours</b>						
<i>Administrative Services</i>	13.3%	14.2%	14.8%	12.3%	13.3%	2.6%
<i>Custodial Services</i>	34.1%	26.7%	22.6%	21.4%	34.2%	41.4%
<i>Operational Support Services / Utilities</i>	41.5%	38.5%	45.0%	48.0%	38.3%	40.0%
<i>Building &amp; Equipment Maintenance</i>	10.9%	19.9%	16.3%	15.6%	13.8%	15.6%
<i>Major Repairs &amp; Renovations</i>	0.2%	0.7%	1.3%	2.7%	0.4%	0.4%

**Department Organizational Chart**



**Cost Center Position Detail - 2009 Base Salary**

<u>F.T.E.</u>	<u>Class / Title</u>	<u>Minimum</u>	<u>Maximum</u>
0.20	Director of Public Services	\$	100,327
0.10	City Engineer	73,632	95,276
0.10	General Superintendent	74,472	93,090
1.00	Crew Leader - Facilities	48,793	57,406
4.00	Custodian II	42,867	50,436
0.30	Permit Clerk - DPS	36,084	42,447
<u>1.00</u>	Custodian I	40,013	47,072
<b>6.70</b>			
<u>F.T.E.</u>	<u>Part-Time Temporary Positions</u>	<u>Minimum</u>	<u>Hourly</u> <u>Maximum</u>
<u>0.69</u>	Laborer I - Seasonal	\$	8.00 \$ 11.00
<b>0.69</b>			

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<b>Statement of Revenues / Expenses and Changes in Net Assets</b>				
<b>Grand Total Facilities Fund Revenues</b>	<b>2007 Audited Actual</b>	<b>2008 Amended Budget</b>	<b>2009 Adopted Budget</b>	<b>% Change</b>
Charges for Service	\$ 2,564,040	\$ 2,732,780	\$ 2,502,000	<b>-8.4%</b>
Investment Earnings	429,119	340,000	280,000	<b>-17.6%</b>
Other Revenue	12,159	-	-	-
Transfer - In	1,072,320	1,003,740	1,053,850	<b>5.0%</b>
<b>TOTAL REVENUES</b>	<b>\$ 4,077,638</b>	<b>\$ 4,076,520</b>	<b>\$ 3,835,850</b>	<b>-5.9%</b>
<b>Facilities Fund Expenses</b>				
Personnel Services	\$ 595,323	\$ 682,080	\$ 635,110	<b>-6.9%</b>
Supplies	127,174	123,990	112,670	<b>-9.1%</b>
Other Services	1,543,028	1,866,490	1,928,400	<b>3.3%</b>
Depreciation	1,572,044	1,388,890	1,261,100	<b>-9.2%</b>
Capital Outlay	-	301,730	440,750	<b>46.1%</b>
Debt Service	144,537	140,340	132,750	<b>-5.4%</b>
Transfer-Out	-	653,200	739,660	<b>13.2%</b>
<b>TOTAL EXPENSES</b>	<b>\$ 3,982,106</b>	<b>\$ 5,156,720</b>	<b>\$ 5,250,440</b>	<b>1.8%</b>
Excess Revenue Over / (Under) Expenses	\$ 95,532	\$ (1,080,200)	\$ (1,414,590)	<b>31.0%</b>
Net Assets - Beginning	45,734,174	45,829,706	44,749,506	<b>-2.4%</b>
<b>Net Assets - Ending</b>	<b>\$45,829,706</b>	<b>\$44,749,506</b>	<b>\$43,334,916</b>	<b>-3.2%</b>

