

INTERNAL SERVICE FUNDS

631 - FACILITIES FUND



The mission of the Facilities Fund is to provide for the management of City-owned facilities 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 maintaining facility equipment, assuring efficient custodial and operational services, and coordinating capital improvements for City-owned buildings and grounds.

The Facilities Fund manages over \$53 million of land, land improvements, buildings, furniture, machinery, and equipment. Locations 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 a quarterly Facilities service charge to recover the cost of operations.

Goals:

- 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 effective facility maintenance and repair programs through the proper utilization of the Asset Management system.
- Become more environmentally friendly.

Objectives:

- Focus on utilities as a potential source of cost savings.
- 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.

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- Continue the planning, design, and construction for improvements based on the following projects listed in the CIP:
 - FA-01G City Hall LED Light Upgrade
 - \$36,000 Construction [100% Grant Funding]
 - FA-02E Communications Center Telephone System Upgrade
 - \$40,000 Construction [50% Facilities Share]
 - FA-07 Photocopier Replacement Schedule
 - \$30,000 Purchase of three (3)
 - IS-11 Citywide Radio Changeover [Base Station]
 - \$5,000 Purchase (part of IS-11 project)
 - No CIP City Hall Auditorium Digital Recorder
 - \$7,000 Purchase [Request by Clerks Department]

Significant Revenue, Expense, Staff, & Program Notes:

- 501480 / Federal Grants: Stimulus Funds was added [\$36,000] due to an anticipated grant revenue source for the City Hall LED Light Upgrade project (FA-01G).
- 664001 / Interest Earnings decreased [(46%) or (\$130,000)] due to an anticipated reduction in interest rates and fund balance levels.
- Personnel Services decreased [(17%) or (\$110,590)] due to the elimination of one (1) position and staffing reallocations.
 - – 1.00 FTE Custodian I
 - – 0.05 FTE City Engineer
 - – 0.10 FTE General Superintendent
 - – 0.05 FTE Director DPS
- 740000 / Operating Supplies increased [18% or \$6,000] due to additional HVAC Filters and Ice Melt expenses.
- 748000 / Operating Equipment decreased [(39%) or (\$9,000)] due to budget reduction efforts.
- 801000 / Professional Services decreased [(48%) or (\$10,000)] due to the anticipated completion of an ADA Compliance Review Analysis in FY 2009.
- 802000 / Interfund Charges: Administration decreased [(2.4%) or (\$4,100)] as the Facilities Fund is a smaller proportion of the overall 2010 City Budget.
- 802001 / Interfund Charges: MIS decreased [(23%) or (\$5,210)] due to a reduction of supported applications and maintenance.
- 802003 / Interfund Charges: DPS Work increased by [51% or \$1,700] due to recent trends.
- 802005 / Interfund Charges: Facilities decreased [(3.1%) or (\$4,380)] due to operational reductions in the Facilities Division resulting in lower square footage charges.
- 802371 / Interfund Charges: Building Department decreased by [(50%) or (\$50,000)] due to fewer projects requiring Building Inspector review.
- 807000 / Contractual Service increased [12% or \$43,640] due to additional funding requested for contractual snow removal based on recent trends and increases in contractual janitorial services due to staff reductions and to enable existing City Custodians to devote more time towards preventative maintenance-type activities.
- 922000 / Telephone Expense decreased [(6.7%) or (\$5,000)] due to system updates and recent trends.

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- 923000 / Electric Utility decreased [(10%) or (\$50,000)] due to citywide energy reduction efforts.
- 925000 / Propane & Fuel Oil increased [17% or \$1,000] due to anticipated higher per unit costs for propane.
- 926000 / Gas Utility decreased [(12%) or (\$25,000)] due to citywide energy reduction efforts.
- 927000 / Water & Sewer increased [25% or \$20,000] due to the irrigation costs associated with additional boulevard areas.
- 929000 / Repairs & Maintenance increased [37% or \$71,090] due to additional repair work required to keep aging city infrastructure in serviceable condition.
- 968001 / Depreciation Expense decreased [(1.7%) or (\$21,090)] due to certain capital assets becoming fully depreciated.

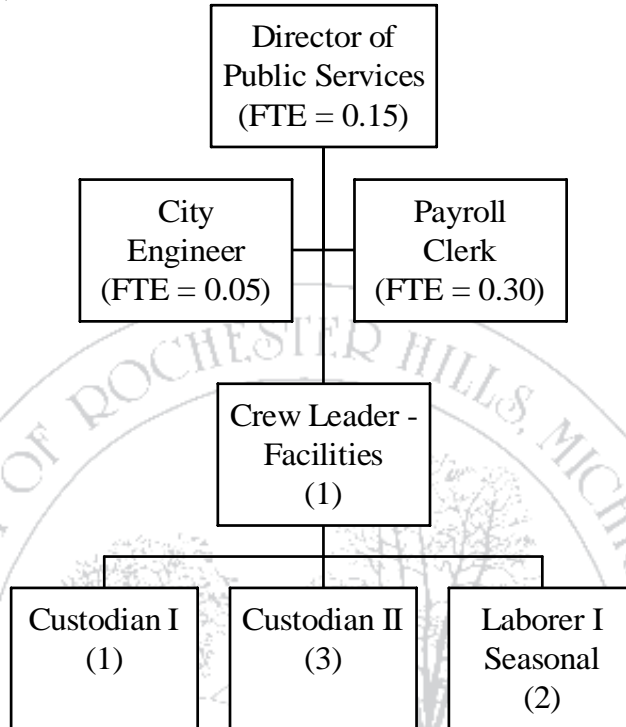
2010 Budget Summary Report						
631 Facilities Fund Revenues	2008 Amended Budget	2008 Audited Actual	2009 Amended Budget	2009 June YTD Actual	2010 Adopted Budget	2011 Projected Budget
Retained Earnings to Balance	\$ 1,435,340	\$ -	\$ 1,508,340	\$ -	\$ 1,338,440	\$ 1,239,380
State / Federal Grants	-	-	-	-	36,000	-
Charges for Service	2,387,610	2,387,610	2,502,000	1,251,000	2,413,740	2,413,740
Investment Earnings	280,000	309,327	280,000	56,623	150,000	140,000
Other Revenue	-	3,587	-	14,360	-	-
Transfer - In	922,070	922,070	1,053,850	414,150	814,480	794,160
TOTAL	\$ 5,025,020	\$ 3,622,594	\$ 5,344,190	\$ 1,736,133	\$ 4,752,660	\$ 4,587,280
<i>Per Capita</i>	\$ 73.01	\$ 52.63	\$ 77.65	n/a	\$ 69.05	\$ 66.65
631 Facilities Fund Expenses	2008 Amended Budget	2008 Audited Actual	2009 Amended Budget	2009 June YTD Actual	2010 Adopted Budget	2011 Projected Budget
Personnel Services	\$ 682,080	\$ 646,607	\$ 635,110	\$ 261,438	\$ 524,520	\$ 537,120
Supplies	115,970	111,435	112,670	41,587	110,350	117,650
Other Services	1,683,970	1,565,278	1,928,400	722,359	1,911,890	1,957,240
Depreciation	1,440,000	1,425,479	1,261,100	431,992	1,240,010	1,152,800
Capital Outlay	309,460	-	534,500	60,809	118,000	-
Debt Service	140,340	137,533	132,750	66,097	124,600	116,280
Transfer - Out	653,200	653,200	739,660	576,000	723,290	706,190
TOTAL	\$ 5,025,020	\$ 4,539,530	\$ 5,344,190	\$ 2,160,282	\$ 4,752,660	\$ 4,587,280
<i>Per Capita</i>	\$ 73.01	\$ 65.96	\$ 77.65	n/a	\$ 69.05	\$ 66.65

Performance Indicators							
Program/ Service % of Total Labor Hours	Actual 2006	Actual 2007	Actual 2008	June 2009	Projected 2009	Projected 2010	Projected 2011
<i>Administrative Services</i>	14.2%	14.8%	9.3%	24.1%	25.0%	20.0%	20.0%
<i>Custodial Services</i>	26.7%	22.6%	23.6%	25.9%	25.0%	25.0%	25.0%
<i>Operational Support Services / Utilities</i>	38.5%	45.0%	45.9%	19.8%	20.0%	25.0%	25.0%
<i>Preventitive Maintenance</i>	19.9%	16.3%	20.8%	8.4%	10.0%	15.0%	20.0%
<i>Reactive Maintenance</i>	n/a	n/a	n/a	17.1%	15.0%	10.0%	5.0%
<i>Meeting Setup</i>	n/a	n/a	n/a	4.7%	5.0%	5.0%	5.0%
<i>Major Repairs & Renovations</i>	0.7%	1.3%	0.4%	0.0%	0.0%	0.0%	0.0%

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Department Organizational Chart



Cost Center Position Detail - 2010 Base Salary

<u>F.T.E</u>	<u>Class / Title</u>	<u>Minimum</u>	<u>Maximum</u>
0.15	Director of Public Services	\$ -	\$ 100,327
0.05	City Engineer	73,632	95,276
1.00	Crew Leader - Facilities	48,310	56,836
3.00	Custodian II	42,442	49,937
0.30	Payroll Clerk - DPS	39,618	46,607
<u>1.00</u>	Custodian I	39,618	46,607
5.50			
		<u>Hourly</u>	
<u>F.T.E</u>	<u>Part-Time Temporary Positions</u>	<u>Minimum</u>	<u>Maximum</u>
<u>0.69</u>	Laborer I - Seasonal	\$ 8.00	\$ 11.00
0.69			

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Statement of Revenues / Expenses and Changes in Net Assets						
Grand Total Facilities Fund Revenues	2008 Audited Actual	2009 Amended Budget	2010 Adopted Budget	2009-10 % Change	2011 Projected Budget	2010-11 % Change
State / Federal Grants	\$ -	\$ -	\$ 36,000	100.0%	\$ -	-100.0%
Charges for Service	2,387,610	2,502,000	2,413,740	-3.5%	2,413,740	0.0%
Investment Earnings	309,327	280,000	150,000	-46.4%	140,000	-6.7%
Other Revenue	3,587	-	-	-	-	-
Transfer - In	922,070	1,053,850	814,480	-22.7%	794,160	-2.5%
TOTAL REVENUES	\$ 3,622,594	\$ 3,835,850	\$ 3,414,220	-11.0%	\$ 3,347,900	-1.9%
Facilities Fund Expenses						
Personnel Services	\$ 646,607	\$ 635,110	\$ 524,520	-17.4%	\$ 537,120	2.4%
Supplies	111,435	112,670	110,350	-2.1%	117,650	6.6%
Other Services	1,565,278	1,928,400	1,911,890	-0.9%	1,957,240	2.4%
Depreciation	1,425,479	1,261,100	1,240,010	-1.7%	1,152,800	-7.0%
Capital Outlay	-	534,500	118,000	-77.9%	-	-100.0%
Debt Service	137,533	132,750	124,600	-6.1%	116,280	-6.7%
Transfer-Out	653,200	739,660	723,290	-2.2%	706,190	-2.4%
TOTAL EXPENSES	\$ 4,539,530	\$ 5,344,190	\$ 4,752,660	-11.1%	\$ 4,587,280	-3.5%
Excess Revenue Over / (Under)						
Expenses	\$ (916,936)	\$ (1,508,340)	\$ (1,338,440)	-11.3%	\$ (1,239,380)	-7.4%
Net Assets - Beginning	45,829,707	44,912,771	43,404,431	-3.4%	42,065,991	-3.1%
Net Assets - Ending	\$44,912,771	\$43,404,431	\$42,065,991	-3.1%	\$40,826,611	-2.9%

