

## CITY COUNCIL

For City Clerk's Use:

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APPROVED

☐

DENIED

Reso No. \_\_\_\_\_

File No. \_\_\_\_\_

Ord No. \_\_\_\_\_

**Agenda Item No.: 15**

**Date: December 14, 2011**

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Jerry Van Leeuwen, Director of Community Services

**SUBJECT:** Building Maintenance Fund Balance: Allocation of Funds for Improvements to City Facilities

**RECOMMENDATION:**

Authorize expenditures of \$740,000 from the Building Maintenance Fund for repairs and improvements at various City facilities.

**FISCAL ANALYSIS:**

The Building Maintenance Fund balance will be reduced by the authorized amount. Reduction in the fund will result in loss of some interest income to the fund. The available cash balance is \$1,500,000.

**CORRELATION TO THE CITY COUNCIL ACTION PLAN:**

Maintenance of City facilities relates to the Council desire to maintain and improve the image and appearance of the community.

**BACKGROUND:**

Each year the Building Division calculates charges for services and "depreciation" associated with City owned buildings. Each division is charged for the services and depreciation in the annual budget process as an internal service charge. Revenues from this process are deposited into the building maintenance fund.

The Building Maintenance Fund is used to hold the funds until specific needs are identified or as unanticipated maintenance expense occurs. Many times the unanticipated expenditures exceed the adopted budget and staff returns in the spring for an allocation from the Building Maintenance Fund to cover those expenses. To date in FY 11-12, approximately \$87,000 has been expended to address unanticipated maintenance expenses. These repairs include such things as minor roof repairs, HVAC repairs, door repairs, etc. In addition, four projects have been awarded but not yet paid. These projects are:

Building Maintenance Fund Balance:  
Allocation of Funds for Improvements to City Facilities  
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Roof on rental property at 220 N. Broadway:	\$29,100
Roof on concession stand at Mountain View Park	\$10,900
CCAE Conf Center Sound System	\$26,600
Gym Floor Renovation at EVCC	\$35,000
Roof repairs at City Hall	<u>\$46,000</u>
	\$122,600

However, many City facilities are showing wear and have had deferred maintenance that require larger expenditures of funds. Staff is recommending that the Building Maintenance Fund be used to begin to address these deferred maintenance needs as soon as possible. Specifically, the following facilities are recommended. Costs are estimates in most cases.

East Valley Community Center: \$150,000

- Carpet Replacement
- Painting and associated repairs
- Roofing Repairs
- Remodel of entrance area

CCAE: \$25,000

- Lyric Court concrete staining

FIRE STATION #2: \$30,000

- Repair/replace cabinetry
- Interior Paint
- Exterior cleaning/painting
- Repair counter tops and improve storage facilities

LIBRARY: \$250,000

- Repair/replace roof (The library is being considered for a solar photovoltaic system which would increase cost. This will be considered later.)

JIM STONE POOL: \$35,000

- Move fence
- Replace/repair heaters

TOTAL REDUCTION TO BUILDING MAINTENANCE FUND: \$700,000

**BUILDING MAINTENANCE FUND BALANCE:**

Allocation of funds for improvements to City facilities

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In subsequent years, requests for building repairs will be incorporated into the annual Capital Improvement Budget. Staff is also recommending that each project be evaluated for the most cost effective approach, including the hiring of skilled part time staff as opposed to contracting for services. This option may be most reasonable for the EVCC project and perhaps fire station #2.

Staff will also begin an analysis of funding needs for future facility repairs and review the depreciation/replacement charges. This may result in increased internal service charges for FY 12-13. This information will be included for consideration in the regular budget process.

Respectfully submitted



Jerry Van Leeuwen  
Director of Community Services



**CITY OF ESCONDIDO**  
**BUDGET ADJUSTMENT REQUEST**

Date of Request: December 7, 2011

Department: Community Services

Division: Building Maintenance

Project/Budget Manager: Jerry Van Leeuwen x4871  
Name Extension

Council Date (if applicable): December 14, 2011  
(attach copy of staff report)

<u>For Finance Use Only</u>	
Log # _____	
Fiscal Year _____	
_____ Budget Balances	
_____ General Fund Accts	
_____ Revenue	
_____ Interfund Transfers	
_____ Fund Balance	

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
EVCC Improvements	651-NEW	\$150,000	
CCAE Improvements	651-NEW	25,000	
Fire Station #2 Improvements	651-NEW	30,000	
Library Roof Replacement	651-NEW	250,000	
Jim Stone Pool Improvements	651-NEW	35,000	
Professional Services	5131-650-450	250,000	
Building Maint. Fund Balance	3050-650		\$740,000

**Explanation of Request:**

Use of Building Maintenance Available Fund Balance to fund several deferred maintenance projects as listed above and increase Building Maintenance operating budget due to unanticipated minor repairs throughout the year.

**APPROVALS**

Department Head	Date	City Manager	Date
Finance	Date	City Clerk	Date

Distribution (after approval):                      Original: Finance