

Schedule 13
Funding Request for the 2012-13 Budget Cycle

Department: Human Services
 Request Title: Buildings and Grounds Cash Fund Adjustment
 Priority Number: R-8

Dept. Approval by: Will H. O. 10-12-11
 Date

OSPB Approval by: Erin N. ... 10/17/11
 Date

- Decision Item FY 2012-13
 Base Reduction Item FY 2012-13
 Supplemental FY 2011-12
 Budget Amendment FY 2012-13

Line Item Information		FY 2011-12		FY 2012-13		FY 2013-14
		1	2	3	4	6
Fund		Appropriation FY 2011-12	Supplemental Request FY 2011-12	Base Request FY 2012-13	Funding Change Request FY 2012-13	Continuation Amount FY 2013-14
Total of All Line Items	Total	464,222	0	464,222	554,596	554,596
	FTE	6.5	0.0	6.5	0.0	0.0
	GF	0	0	0	0	0
	CF	464,222	0	464,222	554,596	554,596
	RF	0	0	0	0	0
	FF	0	0	0	0	0
	MCF	0	0	0	0	0
	MGF	0	0	0	0	0
	NGF	0	0	0	0	0
(3) Office of Operations, (B) Special Purpose, Buildings and Grounds Rental	Total	464,222	0	464,222	554,596	554,596
	FTE	6.5	0.0	6.5	0.0	0.0
	GF	0	0	0	0	0
	CF	464,222	0	464,222	554,596	554,596
	RF	0	0	0	0	0
	FF	0	0	0	0	0
	MCF	0	0	0	0	0
	MGF	0	0	0	0	0
	NGF	0	0	0	0	0

Letternote Text Revision Required? Yes: No: If yes, describe the Letternote Text Revision:

Cash or Federal Fund Name and COFRS Fund Number: Buildings and Grounds Cash Fund (Fund #530)

Reappropriated Funds Source, by Department and Line Item Name: N/A

Approval by OIT? Yes: No: Not Required:

Schedule 13s from Affected Departments: N/A

Other Information: N/A

This page is intentionally left blank.



DEPARTMENT OF HUMAN SERVICES

John W. Hickenlooper
Governor

*FY 2012-13 Funding Request
November 1, 2011*

Reggie Eicha
Executive Director

Department Priority: R-8
Request Title: Buildings and Grounds Cash Fund Adjustment

Summary of Incremental Funding Change for FY 2012-13	Total Funds	Cash Fund	FTE
Buildings and Grounds Rental	\$554,596	\$554,596	0.0

Request Summary:

This request is for additional spending authority to reflect projected revenues and related expenditures of the Building and Grounds Cash Fund. The Department leases vacant space to other state agencies and non-profit entities with programs complimentary to the mission of the Department. These lease revenues are deposited into the Building and Grounds Cash Fund and support the upkeep and maintenance of the building and grounds currently being leased. The Department is requesting \$554,596 in additional spending authority to cover projects, staff and expenses for current leases.

Over time as the Department has increased the number of buildings being leased to outside entities and changed the rates of the space being leased, as market condition allowed. The current spending authority of \$464,222 is far below the expected revenue of the fund and below the spending amount needed to properly repair and maintain the properties being leased. If additional spending authority is approved the Department will use the funding to provide the appropriate level of upkeep and maintenance on the leased buildings.

The Buildings and Grounds fund was created by HB 08-1268 (Section 26-1-133.5 (2) C.R.S.) This bill expanded the Departments authority to lease vacant building/spaces throughout the entire Department rather than being limited to the Fort

Logan campus. Leasing vacant space in Pueblo and Grand Junction in addition to the Fort Logan campus has increased the revenue flowing into the buildings and grounds fund, but also increased the need to provide maintenance and repair costs paid for by the Building and Grounds Fund. Attachment "A" has a complete list of the properties being leased by the Department and the anticipated lease revenue in FY 2012-13. The fund is specifically designed to make use of underutilized building assets of the Department and reduce the reliance of State general fund monies for building repair and maintenance of vacant buildings. With the recent consolidation and closures of program space, these assets are leased to other State entities and nonprofit organizations. The rent collected on these buildings provides maintenance and improvements to prevent them from falling into a state of disrepair.

The Department is requesting additional spending authority to better align the available cash fund revenues and expenditures of the Buildings and Grounds Cash Fund. By increasing the spending authority the Department will be able to better maintain and provide support to the building and grounds being leased to non-CDHS entities.

Anticipated Outcomes:

The desired outcome is to continue to maintain State assets without using General Fund.

Assumptions for Calculations:

The Department has provided the total anticipated revenues and costs for the Building and Grounds Cash Fund for FY 2012-13 in attachment A. For FY 2012-13 the Department is projecting need for spending of \$1,018,818 in both personal services and operating costs to provide the upkeep and maintenance of the leased buildings. The current spending authority of the Buildings and Grounds Fund is \$464,222, resulting in a difference of \$554,596 and the amount of this request.

It should be noted that the total requested spending authority of \$1,018,818 is greater than the anticipated revenues for FY 2012-13. The Buildings and Grounds Cash Fund has a fund balance which will allow the spending to exceed fund revenues for a number of years. At the end of FY 2009-10 this fund balance of \$692,020 and was expected to grow in FY 2010-11. *(FY 2010-11 data is not available of August 8, 2011.)*

Consequences if not Funded:

Several consequences exist if the spending authority is not provided. Current lease obligations will be unfulfilled, non-maintenance leads to further deterioration of buildings and cash revenues will continue to increase without benefiting state assets.

Current Statutory Authority or Needed Statutory Change:

The Department has the authority to rent surplus facilities on campuses of various DHS institutions as defined in 26-1-133.5 (C.R.S.). The funds collected as lease/rent payments are deposited into the building and grounds cash fund for the purpose of operating, repairing, remodeling or demolishing the facilities being leased to non-DHS entities. No statutory change is needed as a result of this request.

Attachment A

	Projected
Estimated Rental Revenue	FY 12-13
KC - ARTS	\$64,632
KE - Community Services	\$6,000
Bldg. # 1 - ARTS	\$36,960
Bldg. # 2 - ARTS	\$36,180
Bldg. # 3	\$43,956
Bldg. # 5 - ARTS	\$36,180
Bldg. # 6 - ARTS	\$36,180
Bldg. # 7 - ARTS	\$36,180
Bldg. # 8 - ARTS	\$36,180
Bldg. # 9 - ARTS	\$36,180
Bldg. # 11 - ARTS	\$36,180
Bldg. # 13 - ARTS	\$36,180
Bldg. # 14 - ARTS	\$36,180
Bldg. # 16 - ARTS	\$36,180
Bldg. # 17 - ARTS	\$36,180
Bldg. # 18 - Senior Housing	\$21,648
G - 3 - Sheridan Health Services	\$79,236
Father Judy	\$12,096
Friend of Ft Logan	\$3,900
Mental Health West - GJRC	\$92,400
Pueblo Sheriff -	\$98,616
Garages - Ft. Logan	\$12,960
Total Est. Revenue	\$870,384
Estimated Fund Exepnses	
Personal Services	
LTC I	\$64,500
Custodian I	\$27,864
Custodian I 50%	\$13,704
Strct Trades II	\$40,920
Custodian I 40%	\$12,550
Struct Trades II	\$69,192
Pipe Mech II (2.34 current	\$100,667
PS Sub Total	\$329,396
PERA/Benefits	\$28,493
PS Total	\$357,889

Attachment A

Operating	
Materials \$1.08 per footX 253,744 sq.ft.	\$147,990
Utilites \$1.75 x 128,744 sq ft	\$62,787
Contract Services	\$18,924
Indirect Costs FY 11 \$140,000 / 12 months	\$98,016
Special Projects \$114,000 Sheridan Health T.I.	\$114,000
Special Projects \$11,000 bld 5 design fire suppressio	\$11,000
Spcial Project Deferred Maint / T.I. Allowance	\$126,000
Depreciation	\$82,212
Contingency	\$0
Total Est. Operating	\$660,929
Total Estimated Personal Services & Operating	\$1,018,818
Current Spending Authority	\$464,222
Spending Authority Shortfall	\$ (554,596)

Attachment A

Assumptions for Operating Costs:

Materials \$1.08 per foot X 137,028 square feet: Historically through the benchmark studies conducted by the Division of Facilities Management the materials cost should be \$1.08. This cost was then applied to all the rentable square footage that is vacant to total \$147,990.

Materials include items listed below.

Kitchen equipment repairs, thermostats, timers, relays, burners gas valves, strainers, freon, steam valves, for dishwashers, fryers stoves, mixers, overs reach in units, fans blowers hood systems.

Landscaping: fertilizer, snow melt, irrigation pipe, heads timers, small hand equipment, saws, blades, pesticides, fuel mowers, snow plow repair parts, bedding materials, pot hole patching.

Locksmith: Keys, locks door handles, door repairs, and electronic lock replacement.

Heat Plant: Boiler and generator repair, parts and maintenance items such as valves, fluids, belts, mechanical maintenance repairs.

Plumbing: Plumbing fixtures such as sinks, tubs, toilets, piping, pumps, drains, water lines, sewer lines fire suppression systems. All of these take great abuse give the clients we serve.

Electrical: Lighting, security systems, fire alarms (Fort Logan alone has over 3000 fire alarm devises), motors switchgear, transformers, panels, switches, distributions systems,

Paint: Paint, rollers, sprayers, drywall repair, FRP sheeting,

Electronics: Energy management systems, cameras, VCR's digital recording devises, electronic locks, panic alarms

General Maint: Windows, glazing, flooring, fencing, sidewalks, signage, wall repairs, roofing

HAVC: Air conditions, heating systems, fans, blowers, control systems,

Janitorial: Paper products, toilet papers, hand towels, floor finishes, wax strip and seal, carpet care, sanitation, infection control, chemicals,

Utilities \$1.75 x 35,878 square feet: This cost is an estimated amount for the square footage served through central heat plants or electrical distribution systems, and is not sub-metered.

Typically the utilities are placed in the lease as a tenant responsibility. However, without sub-metering this is not possible.

Contract Services: This cost for contract services such as trash removal and pest control related to leased square footage.

Indirect Cost: This value was based on the 2011 actual then expanded based on additional vacant square feet.

Special Projects \$114,000 Sheridan Health Services: This is the amount of tenant improvements agreed to in the lease. The University of Colorado agreed to provide an upfront payment of \$73,489, while the remaining \$40,511 was incorporated in the to the monthly lease payment amortized over the term of the lease. This allows for improvement to the space such as painting, handicap restrooms, parking areas, ADA accessibility improvements and secure entry doors.

Special Projects \$11,000 Building 5 design of fire suppression system: The leases for the ART's buildings recognize the desires to improve the life safety condition, "The parties agree that certain life safety improvements are required for the building comprising the premises. DHS shall prepare plans, specifications and budget for the life safety improvements (the" Life Safety Improvements"), a copy of which shall be provided to the lessee for review." The \$11,000 is the cost to hire an engineer to design the fire suppression system, provide bid documents, conduct construction monitoring and commission the new fire suppression system.

Special projects deferred maintenance / T.I. allowance: The roof of the KC building need needs to be replaced. Using the revenue from the rent the Department will be able to install a new roof. The roof is expected to cost \$64,000. The fire life safety program is continuing in the ART's buildings with at least three more fire suppression systems to be installed at an approximate cost of \$62,000 per building (three buildings remain). Additionally buildings that were not in the ART's inventory will require the same types of improvements (2 more buildings).

Depreciation: This is the estimated cost for depreciation in FY 2012-13 based on the anticipated FY 2012-13 depreciation schedule.