

State of Alaska FY2002 Governor's Operating Budget

Department of Military and Veterans Affairs
Army Guard Facilities Maintenance
Component

Component: Army Guard Facilities Maintenance

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Component Mission

To provide, maintain and operate safe, secure, high quality facilities, training areas and ranges for the Alaska Army National Guard on a cost effective basis which meet or exceed unit mission requirements, environmental compliance standards and energy efficiencies.

(Revised from Legislature's version.)

Component Services Provided

The Facilities Management Division provides building support for the Alaska Army National Guard to perform their mission. The support entails maintenance, repair, and operational services in a cost-effective manner. We provide major and minor construction services that meet or exceed unit mission requirements and plan for future Real Property needs. We continue to implement energy conservation measures and environmental compliance laws that enable the Alaska Army National Guard to meet the federal mission and Department of Defense goals.

Component Goals and Strategies

The ultimate goal of the Facilities Management Division is to provide, maintain and operate safe and secure training areas and ranges for the Alaska Army National Guard. To achieve the above, the following goals are provided:

1. Systematically provide preventative maintenance and maintain, repair or install building related components while working toward decreasing the Deferred Maintenance, Renewal and Replacement log.
2. Process and supervise facility design and construction projects to achieve energy conservation measures.
3. Ensure the completion and upgrade of facilities to support mission requirements established by the Alaska Army National Guard.
4. Provide full compliance with all federal, state and local environmental laws.

The strategies to accomplish the above goals: The Contracting Branch utilizes local contractors to provide the services for construction projects and monitor the energy conservation measures taken. The Operations and Maintenance Branch works toward providing a safe working environment for communities throughout the State of Alaska in performing preventative maintenance and decreasing the deferred maintenance, renewal and replacement log. The Major Construction Branch provides employment for people by utilizing contractors and state agencies for construction projects of \$1 million or more. During all construction and maintenance and repair, the Environmental Branch ensures through research and monitoring that the facilities and grounds are environmentally sound for employees, employers and local communities. The Administrative Branch provides the budget, computer and administrative support needed for the division to meet the overall goals.

Key Component Issues for FY2001 – 2002

The key issue facing this component is lack of resources to achieve what is required to maintain our facilities.

The Deferred Maintenance, Replacement and Renewal list continues to grow for the Guard facilities. With the completion of various on-going construction projects, upgrades and new Federal Scout Armories, the deferred maintenance backlog of Army Guard Facilities is currently \$19 million. With the continual lack of funds being placed in this area, the backlog will grow.

Further complicating the issue, is the length of time it takes to obtain federal approval for replacement of facilities. Because of the shrinking national military budget for new facilities, it is difficult to replace facilities before they become extremely expensive to maintain.

An additional concern is the rising fuel cost. This remains an important issue for heating fuel that is located in the various bush areas as well as the natural gas and electrical charges. Most areas are heated utilizing diesel fuel.

Major Component Accomplishments for FY2000

The Major Construction component has began construction of the Anchorage Combined Support and Maintenance Shop (CSMS) with completion date scheduled for FY2002.

The Division sought out special program funds to reduce energy consumption and received such from the National Guard Bureau to assist with projects for various AKARNG sites throughout Alaska. The winterization and energy reduction tasks have projected continual savings.

The Contracting branch is in the completion phase of five new Federal Scout Armories throughout the Alaskan communities.

Our Preventative Maintenance project continues to move forward, but due to lack of resources the Deferred Maintenance, Replacement and Renewal log will grow.

Environmentally speaking there were no fines, no civil action and no criminal prosecutions regarding the facilities under the Facilities Management Division.

Statutory and Regulatory Authority

AK Statute 26	NGR 420-10	State of Alaska Admin Manual
10 USC, Ch 133	AK Statute 36-30	31 USC Sec 6301-6308
USC Sec 106/107	AR 130-400 Sec V	AAC Title 2 Chapter 12
SOA Contract Award	NGR 5-1/63-101	

Key Performance Measures for FY2002

Measure: Percentage reduction in accrued deferred maintenance projects
(Developed jointly with Legislature in FY2000.)

Current Status:

The deferred maintenance backlog is \$19 million as of July 2000. With available resources, it is unlikely DMVA will achieve a 5% reduction in the backlog.

Benchmark:

Warranty and manufacturers guide to replacement and renewal of building components.

Background and Strategies:

Based upon our 1999 Facility Statistical report the average age of the Alaska Army Guard buildings is 28.7 years. The oldest buildings are Training Sites. There are 63 Training Site buildings with the average age of 33.7 years.

Scheduled Renewal items are those that will assist the building in meeting the current requirements, whether for enlarged personnel or update to current standards or compliance with new codes. Examples would be, more electrical outlets for current computer needs, energy upgrades, enlarge a building for expansion, code compliance i.e., ADA & fuel tank upgrades, GFI circuit breakers; and even insulation for a building.

Scheduled Replacement deals with the life expectancy of a part or building. Included are the following: roofs - life expectancy 20 years, boiler - life 25 years, carpets - life 7 years. Many of these items also involve preventative maintenance to reach that specific life expectancy.

With regards to buildings, NGR regulations inform us that if a project exceeds 50% of the buildings replacement value, NGB will not fund it.

The Guard's strategies for meeting our goal include the following:

Performing Preventative Maintenance in accordance with manufacturers' recommendations. By doing this, DMVA is able to extend the life expectancy of various buildings, components and machinery. Preventative Maintenance also decreases the possibility of costly emergency repairs or replacements.

Review the Project Inspection and Evaluation Report (PIER) and address the most damaging projects on the maintenance, renewal or replacement list. With the Alaska terrain and weather, the most costly of the maintenance projects are usually foundations, roofs and insulation. With the age of the buildings, more of these items need attention each year.

At the time it becomes more expensive to replace or renew facility components, the facility is removed from the PIER and placed on the major construction list for replacement of the total facility.

Measure: Track the completion of time and material costs for work performed and analyze operational expenses from previous years.

(Developed jointly with Legislature in FY1999.)

Benchmark:

Previous year expenditures utilizing State Accounting program (AKSAS) and Computerized Maintenance Program (MAXIMO).

Background and Strategies:

By providing preventative maintenance, the cost of deferred maintenance is reduced. Fewer emergencies and a reduction in lost time and wages occur.

Measure: Complete construction projects on time and within budget

(Not yet addressed by Legislature.)

Benchmark:

Actual cost of completed project and compared to budgeted cost.

Background and Strategies:

Complete and thorough negotiation of changes and provision of correct interpretation of plans and specifications to avoid duplication of cost and additional fees.

Measure: Reduce Environmental notices of violation with no major fines and no criminal prosecutions.

(Not yet addressed by Legislature.)

Benchmark:

No violations, no fines and no criminal prosecutions

Background and Strategies:

Continual research and site inspections provide the background to determine if we are in compliance thus preventing future fines and violation notices. By providing training, being aware of potential problems and taking corrective actions, the issues may be addressed.

Measure: The number of days lost due to facility-related accidents

(Added by Legislature in FY2000 version.)

Current Status:

This measure will need clarification as we are not sure what to measure here. This could cover a variety of issues that we could report on, Workers' Compensation cases, Guardsmen, or just the maintenance crew, etc.

Measure: The expenditures and estimated cost savings related to energy efficiency measures

(Added by Legislature in FY2000 version.)

Background and Strategies:

As defined in the Cooperative Agreement, FMD is required to expend 2.5% of federal funding towards energy related projects. This amount plus special funding that FMD persuaded the National Guard to finance for energy saving projects came to approximately \$423,400 for FFY00. Regarding State Armories, Logistical Facilities, Training Sites and Federal Scout Armories, we are seeing a 10% increase in overall utility cost. The rising fuel, electrical and natural gas cost easily defines the 10% increase. Some rural areas have increased cost up to 30%. The overall rising cost have been offset by the energy program the exact savings have not been calculated.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• Reduce deferred maintenance backlog by 5%			X		
• Cost per square foot verses standard for similar new construction and current compliance with DOD energy reduction goals.			X		
• Track the completion of time and material costs for work performed and analyze operational expenses from previous years.			X		
• Complete construction projects on time and within budget			X		
• Reduce Environmental notices of violation with no major fines and no criminal prosecutions.			X		
• The number of days lost due to facility-related accidents.					X
• The expenditures and estimated cost savings related to energy efficiency measures			X		

Army Guard Facilities Maintenance

Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,282.6	3,368.2	3,363.4
72000 Travel	399.8	301.0	301.0
73000 Contractual	5,215.2	5,640.3	5,915.9
74000 Supplies	724.8	839.6	839.6
75000 Equipment	18.1	200.0	200.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	9,640.5	10,349.1	10,619.9
Funding Sources:			
1002 Federal Receipts	6,105.5	6,896.7	7,098.4
1003 General Fund Match	577.0	535.3	604.0
1004 General Fund Receipts	1,744.7	1,795.2	1,811.4
1005 General Fund/Program Receipts	28.4	28.4	28.4
1007 Inter-Agency Receipts	745.0	657.4	657.5
1053 Investment Loss Trust Fund	0.0	14.5	0.0
1061 Capital Improvement Project Receipts	259.9	184.6	183.2
1108 Statutory Designated Program Receipts	180.0	237.0	237.0
Funding Totals	9,640.5	10,349.1	10,619.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	6,105.5	6,896.7	6,896.7	7,098.4	7,286.5
Interagency Receipts	51015	745.0	657.4	657.4	657.5	664.4
General Fund Program Receipts	51060	28.4	28.4	28.4	28.4	28.4
Statutory Designated Program Receipts	51063	180.0	237.0	237.0	237.0	242.5
Capital Improvement Project Receipts	51200	259.9	184.6	270.3	183.2	184.6
Investment Loss Trust Fund	51393	0.0	14.5	14.5	0.0	0.0
Restricted Total		7,318.8	8,018.6	8,104.3	8,204.5	8,406.4
Total Estimated Revenues		7,318.8	8,018.6	8,104.3	8,204.5	8,406.4

Army Guard Facilities Maintenance

Proposed Changes in Levels of Service for FY2002

With the completion of the Combined Support Maintenance Site in FY 2002, an increase in maintenance will occur. Because the new facility has more square footage as the old one, for FY2002 we will have some extra cost during the transition from the old facility to the new one as we will pay for utilities in two facilities until we can close down the old one. An increment was added into this budget for this new facility \$275.6 (\$206.7 Fed, and \$68.9 GFM).

The increase of fuel prices effects the cost of utilities. The increased cost of utilities will come from the state's share of operating expenses, thus cutting further into the Maintenance and Repair funds. By not completing Maintenance and Repair projects the deferred maintenance cost increases, which provides a negative impact on the legislative measures of SB 281.

Based upon our 1999 Facility Statistical report, the overall square footage increased to 1,399,061 due to the addition of the new Bethel Hangar, additions to the Fairbanks Armory/OMS and the completion of the Federal Scout Readiness Centers in Atmaultluak and Marshall.

With a total of 242 installations in 105 different locations and only able to drive to 7 areas, the increasing fuel prices will affect our overall cost with regard to maintenance repairs at the remaining 98 locations throughout Alaska.

Summary of Component Budget Changes

From FY2001 Authorized to FY2002 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	2,373.4	6,896.7	1,079.0	10,349.1
Adjustments which will continue current level of service:				
-Year 2 Labor Costs - Net Change from FY2001	1.5	-5.0	-1.3	-4.8
Proposed budget increases:				
-New Combined Support Maintenance Site (CSMS) Operating and Utilities Increase	68.9	206.7	0.0	275.6
FY2002 Governor	2,443.8	7,098.4	1,077.7	10,619.9

Army Guard Facilities Maintenance

Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	59	58	Annual Salaries	2,561,650
Part-time	0	1	COLA	50,155
Nonpermanent	0	1	Premium Pay	60,200
			Annual Benefits	928,621
			<i>Less 6.59% Vacancy Factor</i>	<i>(237,226)</i>
			Lump Sum Premium Pay	0
Totals	59	60	Total Personal Services	3,363,400

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	1	0	0	0	1
Accounting Tech II	3	0	0	0	3
Accounting Tech III	1	0	0	0	1
Administrative Assistant	1	0	0	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	1	0	0	0	1
Administrative Manager III	1	0	0	0	1
Building Maint Manager	1	0	0	0	1
Building Maint Supt	2	0	0	0	2
Building Management Asst	1	0	0	0	1
Building Mgmt Specialist	4	0	0	0	4
College Intern I	1	0	0	0	1
Environmental Spec II	2	0	0	0	2
Environmental Spec III	2	0	0	0	2
Environmental Spec IV	1	0	0	0	1
Facilities Manager II	1	0	0	0	1
Local Govt Spec III	1	0	0	0	1
Maint Gen Foreman	1	0	0	0	1
Maint Gen Journey	12	0	0	2	14
Maint Gen Lead	2	0	0	1	3
Maint Spec Bfc Foreman	1	0	0	0	1
Maint Spec Bfc Jrny II/Lead	5	0	0	0	5
Micro/Network Tech I	1	0	0	0	1
Micro/Network Tech II	1	0	0	0	1
Security Guard I	6	0	0	0	6
Security Guard II	1	0	0	0	1
Stock & Parts Svcs Journey I	1	0	0	0	1
Stock & Parts Svcs Lead	1	0	0	0	1
Totals	57	0	0	3	60