

# **State of Alaska FY2002 Governor's Operating Budget**

Department of Transportation/Public Facilities  
Statewide Facility Maintenance and Operations  
Budget Request Unit

## **Statewide Facility Maintenance and Operations Budget Request Unit**

**Contact: Boyd J. Brownfield, Deputy Commissioner**

**Tel:** (907) 465-3900 **Fax:** (907) 586-8365 **E-mail:** Boyd\_Brownfield@dot.state.ak.us

### **BRU Mission**

The mission of the Statewide Facility Maintenance and Operations BRU is to:

- Improve the quality of life for Alaskans by cost effectively providing environmental sound and reliable public facilities.
- Provide the traveling public and Alaskan communities with sound and effective leasing and property management practices at the state's airports and harbors.
- Maintain and operate the State's traffic control devices in the Anchorage and Eagle River area.

### **BRU Services Provided**

- The Facilities components furnish basic services and utilities, such as electricity, water, sewer, waste disposal, janitorial, heating, grounds maintenance, and snow removal for state-owned facilities.
- The Facilities components also provide preventative and routine maintenance, repairs, remodeling, and major maintenance for state-owned facilities.
- The Leasing and Property Management components administer leases at rural airports in the Northern and Central Regions of Alaska. This involves processing applications for new leases, building permits, assignments, security assignments, subleases, supplements and closures. Revenue produced by leasing rural airport lands helps offset maintenance costs at those airports.
- The Traffic Signal Management component provides maintenance and operations of all state traffic control devices in the Anchorage and Eagle River areas.

### **BRU Goals and Strategies**

To efficiently maintain and operate over 600 state-owned buildings in Alaska, and safeguard the State's investment in public buildings.

- Provide adequate maintenance to prevent premature deterioration and costly repairs.
- Reduce operating costs by replacing obsolete components and systems, as operating and capital funding will allow.

To provide a clean, safe, and healthy physical working environment for State employees and for the general public to use while conducting business with the State.

- Comply with building codes, fire and life safety codes, ADA accessibility standards and OSHA requirements.

To generate and optimize revenues from rural airports.

- Implement adopted regulations to bring lease rates closer to fair market rent.
- Promptly process lease applications and building permits.
- Advertise availability of new properties at rural airports.
- Institute landing fees for large aircraft and tie-down program for light aircraft

Promote the transfer of ownership of harbors to individual communities by working with local communities to find terms and conditions acceptable to both parties.

### **Key BRU Issues for FY2001 – 2002**

- Reduced operating budgets mean a larger proportion of available funding is devoted to utilities and other fixed building operating expenses, with fewer resources available for vital preventive and routine maintenance, resulting in accelerated deterioration and increasing deferred maintenance backlog.
- Capital funding for major repairs, renewal and replacement of obsolete systems in facilities is grossly inadequate to meet current needs and reduce the accumulated maintenance backlog.

- Continuation of the Public Building Fund program wherein individual agencies pay rent to the Department of Administration for office space. The pilot project included six buildings in Juneau, one in Anchorage and one in Fairbanks. Additional non-general funds accessed through this process will go towards meeting deferred maintenance needs.
- Transfer of responsibility for maintenance and operation of 13 building located in Juneau to Department of Administration, Division of General Services, including the 6 buildings newly funded by the Public Building Fund.
- Lease rate increases indicated by 1996 and 1999 market studies cannot be implemented until revised Title 17 regulations are adopted and implemented. However, some rate reduction changes have taken place. The delay in revised Title 17 regulations has limited lease revenues.
- Initiated structural evaluations of high-risk buildings looking for potential catastrophic failure following the collapse of the Cascade shop. Structural evaluations have not been conducted on state facilities for many years. Emergency funds were used to hire an independent structural engineer to review the first 3 buildings.
- The agreement for DOT&PF to maintain Harborview Development Center expired June 30, 2000. The department has used capital funds to shut down and mothball an unused portion of the building. Operating funds are being used to cover utility costs, however there are insufficient funds to cover the yearly expense. There has been no agreement reached as to who will have responsibility to maintain the building after operating funds run out. The Department's FY2002 budget request contains program receipt authority should the City of Valdez step forward to pay the facility's operating costs.

### **Major BRU Accomplishments for FY2000**

- Administered 238 contracts and work orders with private sector for construction and maintenance projects.
- Completed projects to bring facilities into compliance with ADA standards such as handicap ramps, public restroom renovations, and door hardware replacement.
- Continued removal and retrofitting of underground storage tanks that provided fuel for state vehicles and fuel for backup power generators.
- Began construction of the Cascade equipment storage building that collapsed due to heavy snows.
- Assumed overall maintenance responsibility for all weigh stations.
- Completed structural and electrical repair projects at harbors in Craig, Hydaburg, Metlakatla, Seldovia and Port Lions.
- Began conversion of the traffic signals in Anchorage and Eagle River from standard bulbs to Light Emitting Diodes (LED). This conversion will reduce the utility operating cost for the traffic signals by about 90%.

### **Key Performance Measures for FY2002**

**Measure: The percentage of facility mechanical systems that pass safety inspections each year.**

*(Developed jointly with Legislature in FY2001.)*

#### **Current Status:**

100% of mechanical systems have passed safety inspections during the past year. Generally all pass inspection the first time without any repairs. All deficiencies found during an inspection are immediately corrected by the Department. The following equipment or systems require safety inspection: Security and surveillance equipment; fire alarm panels; sprinklers; boilers; compressor tanks; elevators; cranes and lifts, boilers, back flow preventers and air conditioner systems. These inspections are performed either by in-house staff, contractors, or the Department of Labor.

#### **Benchmark:**

Safety is of the highest priority and the state requires that all mechanical systems pass safety inspections.

#### **Background and Strategies:**

These systems are under the jurisdiction of the Department of Labor and Workforce Development, Division of Labor Standards and Safety, Mechanical Inspection. Currently, some boilers are serviced with in-house personnel, although the recent trend has been towards contracting for this work, due to the specialized skills needed. Elevator servicing and repairs has always been contracted, since the skilled craftsmen are not available through Local #71 and large private firms have the in-depth support needed for that service.

The Department has never had boilers or elevators "red-tagged" or taken out of service after an inspection; however, it is common for the inspector to note deficiencies, which we address by the abatement date.

**Measure: Whether the Department maintains or reduces the net value of facilities deferred maintenance projects annually with legislative appropriation support**  
*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

The only funds the Department receives from the Legislature are State Deferred Maintenance funds. For FY01, a total of \$800,000 was appropriated for all the state-owned facilities the Department is responsible for maintaining. Those funds will be used for repairing the following:

- boiler and air conditioning system at the Aviation Ave. building in Anchorage,
- the electrical systems at the Peger Road building in Fairbanks and the Tudor Road building in Anchorage,
- the roof at the SE Region building, and
- the driveway at the Alaska State Museum.

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**Background and Strategies:**

State Deferred Maintenance funds are very important in maintaining state buildings. The accumulated deferred maintenance backlog has increased 14% in the past two years. The current estimated Deferred Maintenance short fall is \$45 million. Lack of capital funding and fewer available operating resources for vital preventive and routine maintenance has resulted in accelerated deterioration of public facilities. Renewal and replacement of obsolescent systems in facilities is grossly inadequate to meet current needs and reduce the accumulated deferred maintenance backlog. Additional funding is necessary to meet current needs and to reduce the deferred maintenance backlog.

**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>
<ul style="list-style-type: none"> <li>• The percentage of facility mechanical systems that pass safety inspections each year.</li> <li>• Whether the Department maintains or reduces the net value of facilities deferred maintenance projects annually with legislative appropriation support</li> </ul>		X	X		

**Statewide Facility Maintenance and Operations**

**BRU Financial Summary by Component**

*All dollars in thousands*

	FY2000 Actuals				FY2001 Authorized				FY2002 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b>												
Traffic Signal Management	1,183.0	0.0	0.0	1,183.0	1,183.0	0.0	0.0	1,183.0	1,183.0	0.0	0.0	1,183.0
Central Region Facilities	2,805.2	0.0	750.0	3,555.2	2,835.9	0.0	771.6	3,607.5	2,828.7	0.0	706.6	3,535.3
Northern Region Facilities	6,184.5	1.2	1,332.5	7,518.2	5,535.0	2.0	2,222.7	7,759.7	5,591.7	2.0	1,978.2	7,571.9
Southeast Region Facilities	3,613.9	0.0	305.6	3,919.5	1,726.1	0.0	2,195.5	3,921.6	744.0	0.0	119.0	863.0
Central Leasing & Property Mgt	517.0	0.0	65.0	582.0	528.6	0.0	70.3	598.9	524.4	0.0	70.9	595.3
North. Leasing & Property Mgt	545.3	0.0	45.1	590.4	559.9	0.0	57.0	616.9	557.5	0.0	57.2	614.7
<b>Totals</b>	<b>14,848.9</b>	<b>1.2</b>	<b>2,498.2</b>	<b>17,348.3</b>	<b>12,368.5</b>	<b>2.0</b>	<b>5,317.1</b>	<b>17,687.6</b>	<b>11,429.3</b>	<b>2.0</b>	<b>2,931.9</b>	<b>14,363.2</b>

**Statewide Facility Maintenance and Operations**

**Proposed Changes in Levels of Service for FY2002**

- The Facilities components furnish basic services and utilities, such as electricity, water, sewer, waste disposal, janitorial, heating, grounds maintenance, and snow removal for state-owned facilities.
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**Statewide Facility Maintenance and Operations**

**Summary of BRU Budget Changes by Component**

**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>
<b>FY2001 Authorized</b>	<b>12,368.5</b>	<b>2.0</b>	<b>5,317.1</b>	<b>17,687.6</b>
<b>Adjustments which will continue current level of service:</b>				
-Central Region Facilities	-7.2	0.0	-65.0	-72.2
-Northern Region Facilities	56.7	0.0	-244.5	-187.8
-Southeast Region Facilities	-982.1	0.0	-563.9	-1,546.0
-Central Leasing & Property Mgt	-4.2	0.0	0.6	-3.6
-North. Leasing & Property Mgt	-2.4	0.0	0.2	-2.2
<b>Proposed budget decreases:</b>				
-Southeast Region Facilities	0.0	0.0	-1,515.3	-1,515.3
<b>Proposed budget increases:</b>				
-Southeast Region Facilities	0.0	0.0	2.7	2.7
<b>FY2002 Governor</b>	<b>11,429.3</b>	<b>2.0</b>	<b>2,931.9</b>	<b>14,363.2</b>