# *City of Alexandria, Virginia*

## MEMORANDUM

DATE: APRIL 20, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 79 : CAPITAL FACILITIES MAINTENANCE (CFMP) AND BUILDING CODE COMPLIANCE CAPITAL PROJECTS

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This memorandum is in response to Councilman Macdonald's two questions: (1) Why is there a separate budget line for "Capital Facilities Maintenance" and "Building Code Compliance"? ; and (2) Why can these "two" programs expect to receive CIP money every year while there is no money in the CIP in future years for the upkeep of the City's priceless historic buildings?

**Question 1.**

The Capital Facilities Maintenance Program (CFMP) provides funding, in the amount of $600,000 per year over six years, for the planned life cycle capital maintenance and replacement of major mechanical, electrical, structural and interior elements at all City facilities. These elements include heating, ventilation and air conditioning (HVAC) systems, electrical switchgear and panels, major plumbing components, carpet, life cycle painting, roofing, exterior point up, sidewalk and parking area service and more.

The Building Code Compliance Program provides funding, in the amount of $100,000 per year, to address items required to meet unanticipated building code changes to both ongoing capital facility projects and current facility operations. These building code related changes have become more frequent in the past few years and existing capital projects or maintenance funding cannot absorb the fiscal impact. In addition, having this separate dedicated source of funding allows staff to more accurately track these code related impacts and develop longer term strategies to deal with them.

**Question 2.**

A total of $150,000 has been proposed in the first year (FY 2006) of the FY 2006 - FY 2011 CIP to address capital maintenance requirements at the City's historic buildings. Beyond that, the CIP indicates funding "To Be Determined (TBD)". This is the first CIP ever proposed by a City Manager (in recent years) that proposes dedicated, annual funding for the capital maintenance and repair of historic buildings. This is due, in part, to the significant capital funding these facilities have received over the past few years. Over the last five years, a total of over $2.7 million in capital funding has been budgeted and approved to address the capital needs of the City's historic buildings. $1.1 million has been budgeted for improvements at Gadsby's Tavern; $0.6 million has been budgeted for improvements at the Lloyd House (a large portion matched by federal grants funds); $0.2 million has been budgeted for the Lyceum; $0.6 million has been budgeted for the Apothecary as a one-time grant for capital improvements at the facility; $0.1 million ha been budgeted for improvements at the Black History Museum; $50,000 set aside by Council for Lee-Fendell House repairs, and $92,000 has been budgeted for capital improvements and repairs at the Friendship Firehouse. This significant capital investment addressed many of the capital maintenance needs at these historic facilities.

In reviewing the capital needs at the City's historic buildings, it was determined that capital improvements and repairs at some of the historic buildings would be good candidates for funding through private donations or grants. The Alexandria Capital Development Foundation has indicated an interest in raising funds for City-owned historic properties. The coming year will determine the viability of this funding alternative. From this exercise and the expenditure of the proposed capital funding, staff will be able to determine the capital requirements for these facilities and the funding required in the future years of the CIP. Further information regarding OHA capital project and maintenance needs are provided in Budget Memo #28, dated April 6, 2005.