

# Buildings & General Services

## Fee for Space

# Presentation

- History of the program
- Purpose of the revolving fund
- Rental Rate structure & maintenance
- What you get for your rent

## History of the program

- Created from Section 269 of No. 152 Acts of 2000 after nearly 10 years of study & Discussion
- Placed in operation for Fiscal Year 2002 (7/01)
- Rates and Square footages for all departments were developed and published
- Funding was transferred to all departments through the authority of the Secretary of Administration to cover expense of FFS
- Departments have been “held harmless” for occupancy of space they resided in since the program kick off (July 01) and thru the FY05 budgeting process
- Those departments with the ability to draw down additional federal funds by going to a direct charge system have been allowed to do so

# Purpose of the revolving fund

Section 160a of Title 29 V.S.A. defines the purpose of the fund:

**(a) The purpose of this fund is to provide for:**

- (1) operating expenses for buildings, support facilities and grounds;
- (2) maintenance expenditures on buildings, support facilities and grounds;
- (3) major maintenance and renovation projects for buildings and support facilities;
- (4) relocation expenses for state agencies;
- (5) purchases of options for real estate acquisitions;
- (6) payments to build or acquire buildings or support facilities as approved by the legislature;
- (7) debt service payments on general obligation bonds authorized to build or acquire buildings and support facilities.

**(b) The fund shall consist of:**

- (1) Moneys which are appropriated to the fund or which are paid to it under authorization of the emergency board.
- (2) The proceeds of rental income received by the department of buildings and general services from the leasing of buildings and property under its supervision.
- (3) Fees paid by departments and agencies including the legislative and judicial branches, which shall be fixed by the commissioner of buildings and general services subject to the approval of the secretary of administration, based upon the cost of operations, debt service and depreciation.
- (4) Revenue derived from the sale of properties.
- (5) Moneys recovered from tenants for discretionary expenditures for services beyond the normal standards of facilities services.
- (6) Moneys recovered as a result of litigation relating to facilities operations, construction or renovations.

# Rental Rate Structure

- Rates were initially developed based on actual budget from FY2000 and applying known upward pressures to that spend level
- Rates for 2002 were created using the same known upward pressures with an additional 3.5% (aggregate target for the budget yr)
- Rates in 2003 & 2004 were based on prior year actual expenses
- Rates vary by geography (town) and there are 32 different cost centers
- The expense for common space is shared by building tenants
- Space that receives less than full service is billed only for services provided (Corrections, Liquor Control, Libraries)
- Long term (>2yr) vacant space is charged to BGS
- No differentiation is made for storage or office space, it is all billed at the rate for that geography
- BGS partners with tenants to collaboratively reduce expenses (rates)
- Rates can go down based on the service level and use (Middlesex, Hyde Park, Colchester, Derby, Rockingham, Chit Correctional facility, have all experienced reduction in FY05)

# What you get for your rent

- Custodial
  - Bathrooms
  - Carpets vacuumed & cleaned
  - Non-desktop dusting
  - Non-carpet floor cleaning & maintenance
  - Recycling
  
- Maintenance
  - Air handling equip
  - Elevators
  - Heat
  - Grounds
  - Snow removal
  - Roof maintenance
  - Exterior & interior painting
  - Carpet replacement
  - Pest control
  
- Utilities
  - Heating fuel
  - Electricity
  - Propane
  - Wood (where applicable)
  
- Security
  - Badges for all employees
  - Card readers
  - Security Patrol

## What you get for your rent *cont'd*

- Curatorial Services
  - Preservation
  - Restoration
  
- Engineering Services
  - Permitting
  - Space design & utilization
  - HVAC design
  - Site evaluation and development
  - Regulatory compliance
  - New construction
  
- Environmental Compliance
  - Indoor Air Quality research and analysis
  - ANR permitting
  - Statewide efforts to reduce Green House gas emissions consistent with Executive order