POLICY FOR SCHEDULED BUILDING MAINTENANCE FUND
ADOPTED 3-27-2012

Purpose:

The purpose of this policy is to establish a key element of the financial stability of the City by creating a funding mechanism for the scheduled maintenance of existing City Buildings, Committing the funds to reserve, and by setting guidelines for the use of the reserve fund.

Funding Commitment:

The Building Maintenance Fund Reserve is not available for expenditure for any other purpose than is laid out in this policy. By resolution of the Council and adoption of this policy, the Building Maintenance Fund will be classified as "Committed Fund Balance" in the City's Financial Statements.

The City shall commit its revenue received from the rental of City properties to the Building Maintenance Fund. The City currently receives rents from the Senior Center Annex, the Utilities building and the EMS building. The 2012 funding is $138,826.00 and is to be used as the base annual figure for this fund. Future additional rent amounts or other revenue sources will be considered by the Council to be used to stabilize the balance of this fund.

Commented [JF1]: Items to discuss:
1 – Does the Committee/Council wish to leave the funding at this level? Annual rental income is closer to $150,000.
2 – Should add language related to treatment of rental income in excess of the $138,826 if the Committee/Council choose to leave the funding at its current level.
3 – Treatment of excess rental income collected subsequent to the adoption of this policy

GASB 54 Fund balance Definition:

Committed Fund Balance – amounts constrained so specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the highest-level action (Super Majority vote of the Council) to remove or change the constraint.

Objective:

This fund has been created to provide a funding source to maintain the current inventory of City owned buildings. New facilities, or remodeling projects above $5,000, are not funded through this fund and are subject to the CIP process for approval. Scheduled maintenance items associated with existing buildings are eligible expenses using this fund. Miscellaneous repair activities are covered in the operating budget and are not intended to use this fund.

The Building Maintenance Fund is for use in the following buildings:

City Hall, Fire Department, Public Safety Building, Senior Center, Depot, Library, EMS, Youth Center, Street Department Facility, Power House, Mandt Park Swimming Pond Facility, Band Shell, Park Shelters and Park Buildings (excluding Mandt Park Buildings owned by the Fair Board). Playground equipment, tennis courts, park fencing, etc. is not intended to use this fund.

Commented [JF2]: Any other locations to include? Should, at a minimum, add the McFarland State Bank building.

Items to be included in Scheduled Building Maintenance Fund for all locations:

Items generally scheduled and considered necessary to maintain the shell and integrity of existing buildings such as roofing, standard heating and cooling equipment, windows, doors, exterior painting, insulation, tuck pointing, garage doors, electric service equipment, **standard floor**

coverings, standard lighting, and standard plumbing equipment.

Some locations offer a "tenant" type relationship. These locations are responsible for certain items as outlined using sources other than this fund.

These areas include: areas rented such as CLC, Experience Works and Senior Center Annex space, Library, Depot, Food Pantry, Youth Center, Opera House, and EMS. These areas are responsible for items such as: interior build outs, floor coverings, painting, special HVAC improvements, above standard lighting, shelving, furniture, and special electrical equipment. Lease agreements may supersede this policy.

Things not intended to be funded using the Building Maintenance Fund:

- Routine maintenance and associated agreements are not funded through this fund such as elevator service agreements, fire and smoke alarm agreements, snow removal expenses, lawn care maintenance expenses, etc.
- Shelving, furniture, window coverings, etc.
- Miscellaneous day to day repairs.

Annual Review and Appropriation:

The CIP committee will review scheduled Building Maintenance Projects and Fund Balance annually, starting in the month of June, and adjust the schedule as is necessary. The CIP committee will recommend approval of projects to be funded in compliance with the Building Maintenance Fund policy annually during the budget process.

Emergency Appropriations:

The City Planning Director shall be authorized to use funds from the Building Maintenance reserve to fund emergency repairs or maintenance for those expenses that are covered in this policy and are in compliance with the City's Purchasing Policy for emergency expenses.