

# Deferred Facilities Maintenance and Fleet Replacement Planning

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# The majority of the CIP in FY22 will be capital maintenance:

From the CAFR, capital asset depreciation has been provided over the estimated useful lives using the straight-line method as follows:

- **Governmental:**
  - Infrastructure 20 to 50 years
  - **Buildings and structures 20 to 50 years**
  - Fleet / Equipment and other assets 2 to 20 years
- **Enterprise Funds:**
  - Gas production, distribution, equipment 17 to 34 years
  - Water pumping, treatment, distribution, equipment 20 to 50 years
  - Sewage gathering and treatment equipment 20 to 50 years
  - Cemeteries 2 to 20 years
  - Buildings and structures 20 to 60 years
  - **Equipment (Fleet) and other assets 2 to 20 years**

# Capital Improvement Program Plan

- Capital spending planning is a moving 1 – 5 – 20 - year timeline.
- General Fund / Governmental Activities (transportation infrastructure, facilities including courts, fleet, floodwall and levees, canals)
- Enterprise Funds / Business-type Activities (parking, cemeteries, water, wastewater, stormwater, natural gas)
- From the CAFR for FY2020
  - Total Capital Assets for Governmental Activities were \$1.243 billion
  - Total Capital Assets for Business-Type Activities were \$1.376 billion

# Current Plans and Data to Develop the CIP

Finance	Budget	Planning	Rating Agency	Other
<a href="#">FY2020 Comprehensive Annual Financial Report</a>	<a href="#">Capital Improvement Plan (CIP) 2021 – 2025</a>	<a href="#">City of Richmond Strategic Action Plans 2021</a>	<a href="#">Rating Agency Reports – Revenue Moodys</a>	<a href="#">CIP webpage per City Code Sections 2-1351 and 1352</a>
<a href="#">Popular Annual Financial Report</a>	<a href="#">20-Year CIP Plan &amp; Inventory starting on page 227 in the Capital Improvement Plan (CIP) 2020 - 2024</a>	<a href="#">Master planning Richmond 300</a>	<a href="#">Rating Agency Reports – Revenue Fitch</a>	<a href="#">City Auditor Audit Reports and Recommendations:</a> <ul style="list-style-type: none"> <li>• <a href="#">Capital Improvement Projects 2020</a></li> <li>• <a href="#">Citywide Vehicle Utilization 2020</a></li> <li>• <a href="#">Parking and Shared Mobility 2019</a></li> <li>• <a href="#">Capital Improvement Plan 2019</a></li> <li>• <a href="#">Fire Apparatus &amp; Equipment 2019</a></li> <li>• <a href="#">Citywide Facilities 2018</a></li> <li>• <a href="#">Construction Work in Progress 2017</a></li> <li>• <a href="#">Stormwater Division 2015</a></li> </ul>
<a href="#">Monthly Financial Report</a>	<a href="#">FY 2020 4<sup>th</sup> Quarter CIP Report</a>	<a href="#">Bicycle master plan</a>	<a href="#">Rating Agency Reports – General Obligation - Fitch</a>	
	<a href="#">FY 2020 4<sup>th</sup> Quarter CIP Report – Completed Projects</a>	<a href="#">RVA Clean Water plan</a>	<a href="#">Rating Agency Reports – General Obligation - Moodys</a>	
	<a href="#">FY 2021 1<sup>st</sup> Quarter CIP Report</a>	<a href="#">James River Park System master plan</a>	<a href="#">Rating Agency Reports – General Obligation – Standard &amp; Poor</a>	
	<a href="#">FY 2021 1<sup>st</sup> Quarter CIP Report – Completed Projects</a>	<a href="#">Richmond Public Library strategic plan</a>		
		<a href="#">Richmond Public Schools</a>		
		<a href="#">Vision Zero</a>		<a href="#">Examples of departmental project webpages - DPW</a>
		<a href="#">Richmond Strategic Multimodal Transportation Plan</a>		<a href="#">Examples of departmental project webpages - DPU</a>
		<a href="#">Pulse Corridor Plan</a>		

# Priorities in FY 21 continuing into FY 22 from Mayor Stoney's budget letter March 2020

- Priority areas for capital investment: vibrant, inclusive and mobile communities, economic empowerment, public safety, health and wellness and education.
- **Address years of deferred maintenance and disinvestment.**
- **City facility maintenance and improvement including security**
- Culture and Recreation
- Economic and Community Development
- Richmond Public Schools
- Public Safety
- Transportation
- **Fleet; fire and police equipment, trash collector compactor fleet**

# Key Critical Fleet Replacement Example: 2019-09 Richmond Fire Department Fire Apparatus and Equipment Audit City Auditor's Office March 1, 2019

- **The City does not have defined capital funding sources to address the aging fleet.**
- Also, the replacement decision for purchasing a new fleet apparatus lies within the Department of Public Works (Fleet Services).
- The City is facing an aging RFD fleet, and in five years 46% of their apparatuses will be 25 years old. Depending on age, mileage, engine hours, preventive maintenance and other factors, some apparatuses may need replacement before 25 years.
- As each piece of equipment can cost 500K or more, this will require significant capital funding in five years, costing approximately \$10 million.
- **Recommendation 4. We recommend that RFD work with Fleet Services to identify the aging fleet and to identify actions which need to occur in the Capital Improvement Program to replace apparatuses as they approach the retirement age.**

# Current facilities deferred maintenance summary data for the FY22 CIP preparation

Committed Funding: Source ADOPTED  
CAPITAL IMPROVEMENT PLAN FOR FISCAL  
YEARS 2020-2024

Category City Facilities

FY19-23	\$ 10,616,044
FY24-29	\$ 9,890,722
FY30-34	\$ 11,000,000
FY35-38	\$ 11,926,101
Total Funded	\$43,432,867 (A)

Number of facilities in this summary:	73
Total square footage under management:	2,478,796
Building replacement value (construction cost only):	\$977,400,000.00
Direct and indirect cost as a % of construction cost:	46%

Based on current data (February 2020) the following summarizes deferred maintenance cost:

Timeframe	Timeframe corresponds to:	Construction Cost	Total (with direct and indirect cost)
Immediate	FY 19 - 23	\$ 192,242,000.00	\$ 280,673,320.00
5 Years	FY 24 - 29	\$ 9,928,000.00	\$ 14,494,880.00
10 Years	FY 30 - 34	\$ 20,822,000.00	\$ 30,400,120.00
15 Years	FY 35 - 38	\$ 37,790,000.00	\$ 55,173,400.00
Total (B):			\$ 380,741,720.00

Difference funded versus current need (A – B) = \$(337,308,853.00)

# City Facilities Space Needs Studies

- Ongoing efforts to define, plan, and ultimately right-size the global municipal campus of the future (both central and remote)
- Two Space Needs studies in initial, information-gathering stages
  - City-wide Space Needs Study (Moseley Architects)
  - Justice Center Campus Space Needs Study (AECOM)\*
- Studies expected to identify recommendations for optimal City footprint
- Development of Master Facilities Plan for short and long-term implementation

*\*Separate Space Needs Study focused on Justice Center Campus due to accelerated timeline requirements*



# Internal planning tool presentation

- Still beta version
- Data is from facilities, sustainability, parking management, fleet and the component unit Richmond Ambulance Authority
- This data does not currently include the following assets:
  - Richmond Coliseum
  - DPU assets for the water, wastewater, electric, natural gas and stormwater utilities
  - Haxall and lower Kanawaha Canals
  - Northside and Southside Floodwalls, Levees, associated buildings
  - Cemetery facilities
  - Parks and Recreation non-building assets
- Does not include the component units of:
  - School Board
  - Richmond Economic Development Authority
  - Richmond Behavioral Health Authority
  - Richmond Redevelopment and Housing Authority

# Discussion and Questions

