

IBA Review of General Fund Facilities Condition Assessment and Proposed Service Level Standards

City Council, Item 330

March 14, 2017



Independent Budget Analyst



IBA Review of Facilities Condition Assessment and Proposed Service Level Standards

Overview

- Purpose of facilities condition assessments
- Key facilities condition assessment results for leased General Fund facilities
- Significance of proposed service level standards
- Balboa Park General Fund facilities
- Next steps
- Council considerations

Purpose of Facilities Condition Assessments

Key Step in Asset Management

- Identify needs to reach desired service level
- Provide key data on assets from which informed decisions can be made on investment strategies
- First step in identifying true facilities needs
- Consistent with Council Policy

Purpose of Facilities Condition Assessments

Major Components of FCAs

- Estimates maintenance and capital backlogs
- Includes limited accessibility and solar installation assessments
- Projects future capital renewal
- Data used to develop Facilities Condition Index

$$\frac{\text{Maintenance + Capital Backlog}}{\text{Plant Replacement Value}}$$

- Plant replacement value assumptions unclear

Key FCA Results for Leased General Fund Facilities

Leased General Fund Facilities in Overall Poor Condition

- Overall FCI score of 35 Poor
- Leased facilities managed by Real Estate Assets Department (60) received a FCI score of 51 Poor. Park and Recreation leased facilities (73) received FCI score of 19 Good
- Balboa Park leased facilities (61) received FCI score of 17 Good
- Almost 40% of total backlog attributed to four City Concourse facilities
- 88 of the 94 facilities that received accessibility assessment were determined to have related deficiencies

Significance of Setting Proposed Service Level Standards

Setting Service Levels is a Policy Decision that Drives Costs

- The lower the FCI goal, the more expensive it will be to achieve
- Making slight changes to the FCI goal can significantly affect funding needed to achieve service level
- Reinvestment amounts will be incorporated into CIP Outlook



Balboa Park General Fund Facilities

Balboa Park Facilities in Overall Good Condition

Asset Function	Number of Buildings Assessed	Actual FCI Score
Public Leased	61	17 Good
Public City-Occupied	39	26 Fair
City-Occupied Office, Work Yard, and Operations	18	32 Poor
Total Balboa Park Facilities	118	19 Good

Balboa Park General Fund Facilities

FCA Results and The Soul of San Diego Report are not Comparable

- Different goals
- Different scope
- Different sources used to identify needs

Next Steps

FCA Data Will be Used to Develop a Facilities Asset Management Plan (AMP)

- AMP to identify total project and funding needs for facility reinvestment on Citywide basis
 - Incorporates existing and future facility needs
- AMP intended to be reflective of strategic planning documents
- AMP will inform CIP Budget
- Incorporate FCA data into Infrastructure Asset Management San Diego Project

Next Steps

Council Will be Providing Feedback on AMP Framework

- Framework necessary to guide the development of the facilities AMP
- Framework will address the factors to be considered in the AMP to identify optimal investment strategies

Council Considerations

Considerations in Anticipation of Framework

- Prioritization
 - Use of FCI scores
 - Use of reliability levels
 - Alignment with City's goals and department mission
 - Affordability
- Future review of Council policy for CIP prioritization
- Frequency of conducting FCAs
- Clarification on plant replacement value
- Plan for future capital renewal