

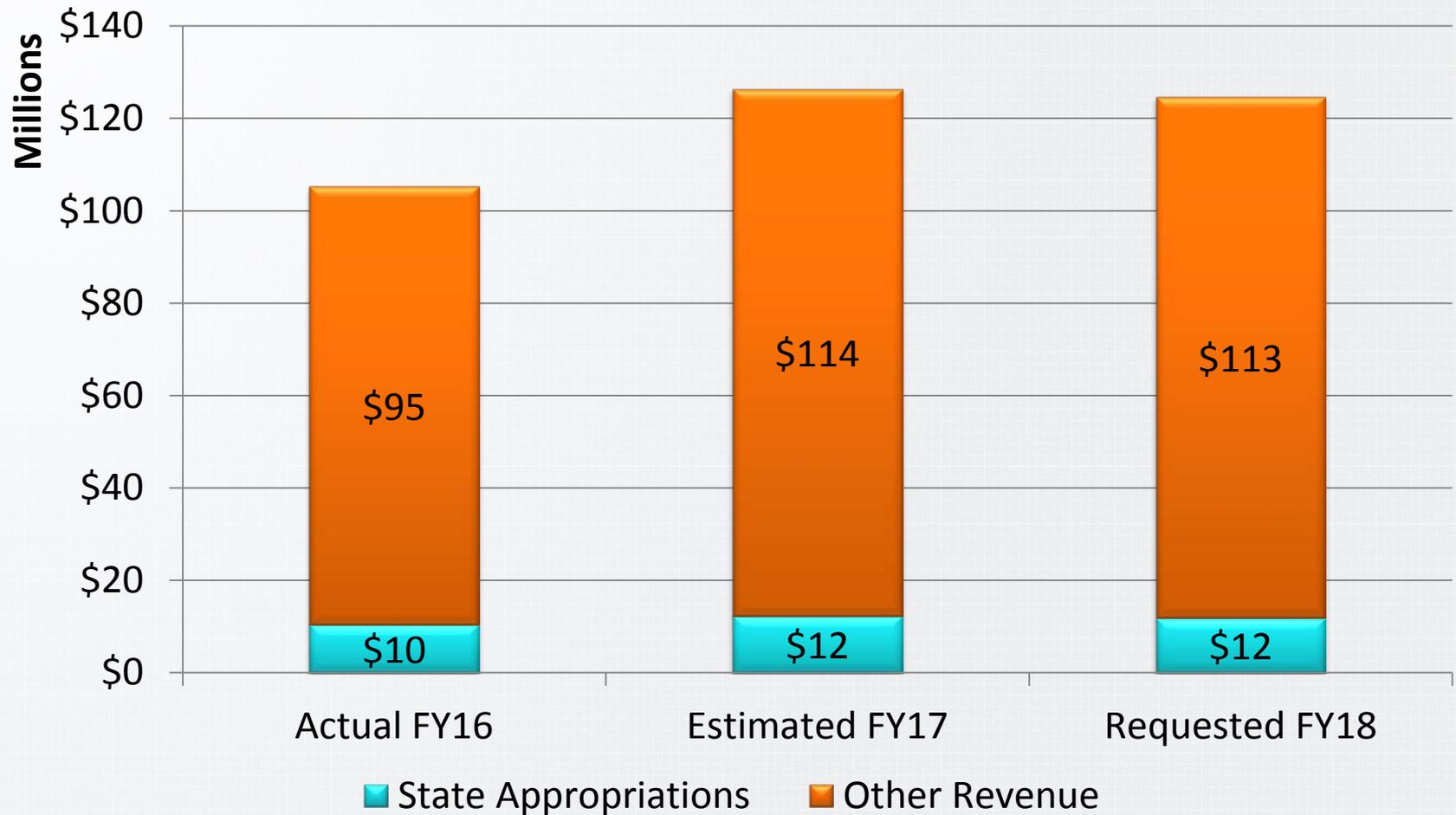


DEPARTMENT OF GENERAL SERVICES

Budget Discussion

11/08/2016

Appropriations and Revenues

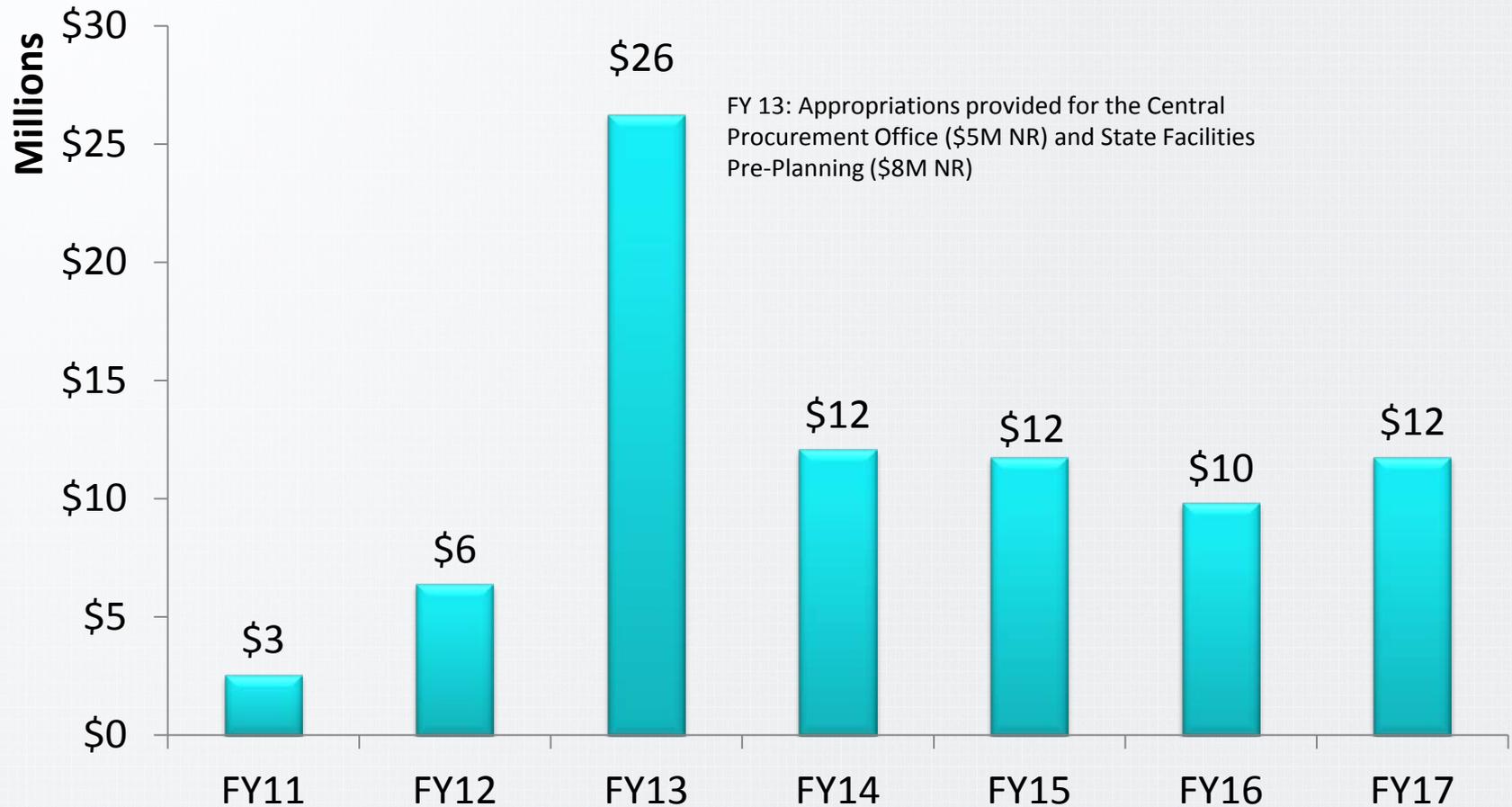


2% Savings Plan

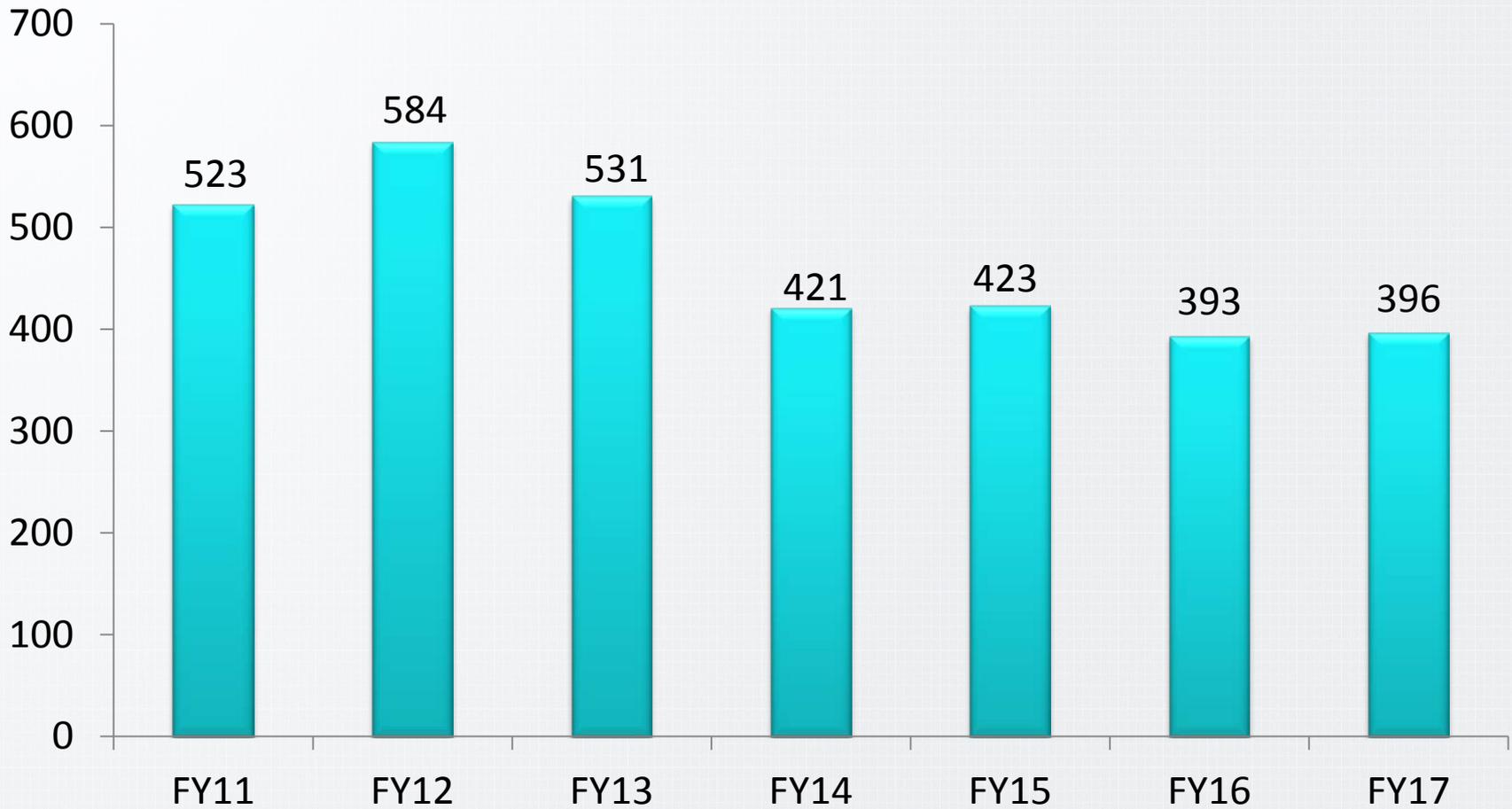
	Description	State Dollars
1.	State Facilities Pre-Planning: Reduce operational expenses	\$154,900
	Total Savings	\$154,900
	Savings Target	\$154,900

	Description	Internal Service Funds
1.	MVM: Reduce rent costs at two locations due to AWS	\$76,600
2.	Warehousing and Distribution: Reduce surplus operational expenses	43,000
3.	Printing: Reduce operational expenses due to less printing requests by user agencies	100,000
4.	Procurement Office: Reduce interdepartmental billing and increase current service revenues estimate to reflect increase in p-card rebates	447,800
5.	Postal: Reduce expenditures as a result of decreased volume of outgoing mail	907,200
	Total Savings	\$1,574,600
	Savings Target	\$1,574,600

Change In Appropriations

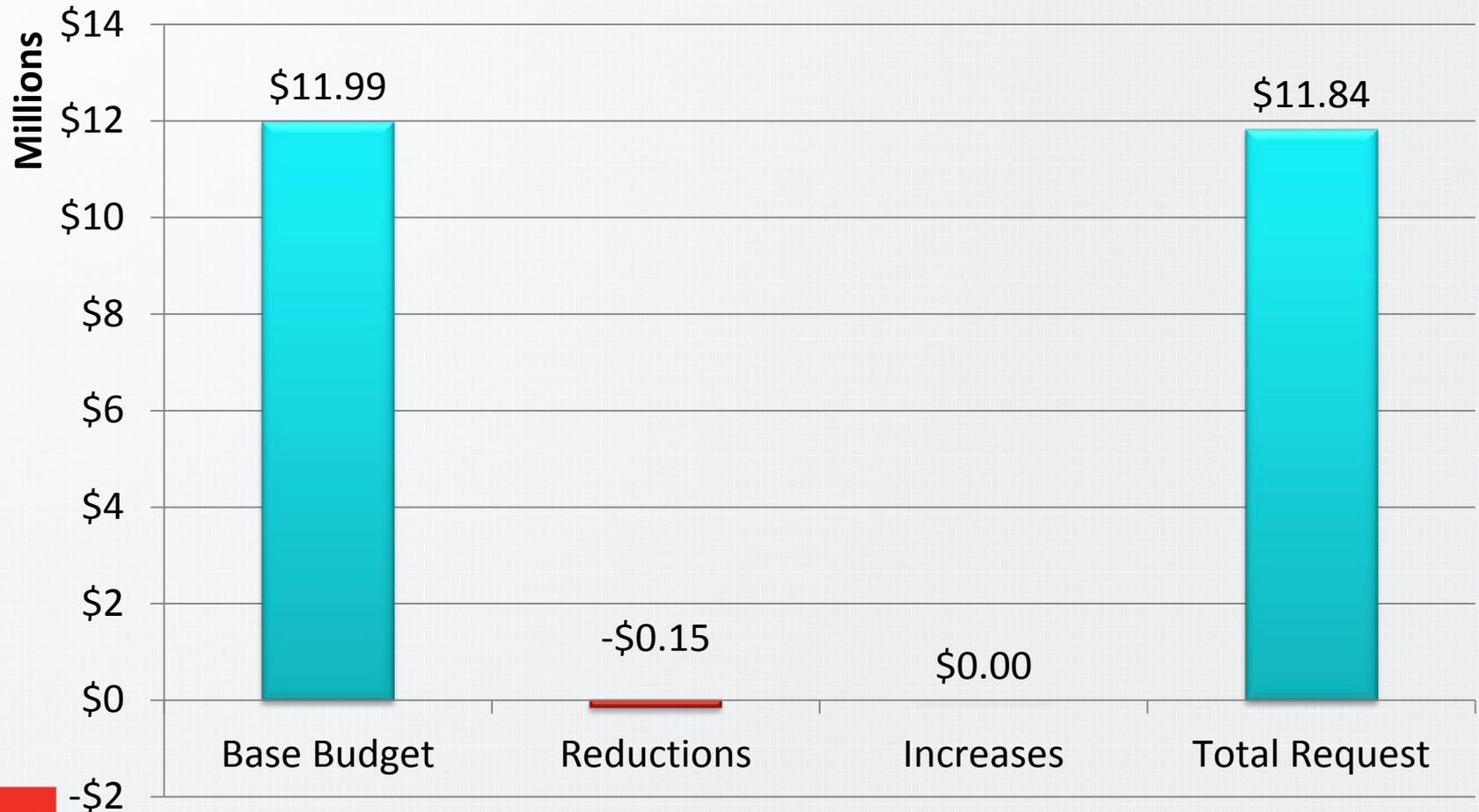


Change In Positions



Request Summary

State Appropriations



FY18 Real Estate Strategy



Mission Statement

Create and maintain a real estate portfolio that efficiently provides for the program requirements of State agencies, while minimizing the total cost of the portfolio



Guiding Principles

1. Program requirements and government initiatives drive real estate
2. Employ financial metrics in decision-making
3. Reduce the size of the real estate portfolio



Strategies

1. Manage real estate efficiently
2. Implement real estate industry best practices
3. Improve building maintenance funding
4. Develop strategic real estate plans



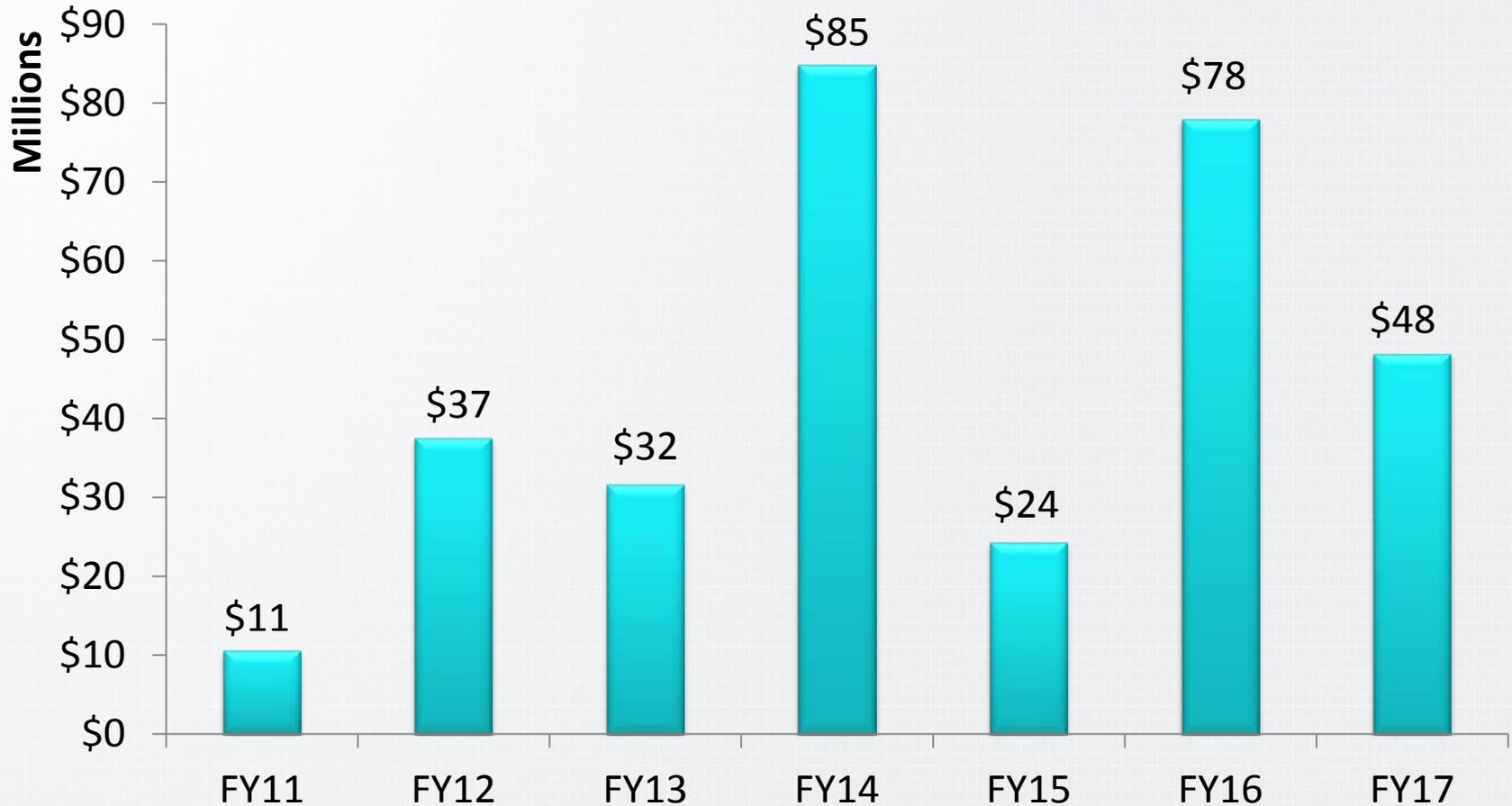
FACILITIES REVOLVING FUND

Budget Discussion

Summary of Cost Increases

	Increase	Total	State	Federal	Other
1.	A-87 Federal Funds Shortfall	\$21,521,800	\$21,521,800	\$0	\$0
2.	Davidson County FRF Rate Increase	2,496,200	2,496,200	0	0
3.	Free Rent Agreements	6,039,500	6,039,500	0	0
4.	Reduced Rent Agreements	788,300	788,300	0	0
5.	Unfunded Parking Expenses	1,841,500	1,841,500	0	0
6.	Wi-Fi Downtown Locations	1,115,900	0	0	1,115,900
7.	Security FPO New Locations	836,400	0	0	836,400
	Total Cost Increases	\$34,639,600	\$32,687,300	\$0	\$1,952,300

History of FRF Capital Maintenance Projects (All Sources)



Select Capital Projects Requested

Line	Increase	Total	State	Federal	Bonds
1.	Capital Maintenance Projects – FRF	\$34,870,000	\$34,870,000	\$0	\$0
2.	Alternative Workplace Solutions – Agency Projects	\$20,410,000	\$20,410,000	\$0	\$0
3.	Legislative Plaza/War Memorial Planning	\$6,370,000	\$6,370,000	\$0	\$0
4.	THP District 1 HQ New Facility (Knoxville)	\$8,500,000	\$8,500,000	\$0	\$0
5.	Statewide Security Upgrades	\$3,040,000	\$3,040,000	\$0	\$0

Cockrill Bend Co-located Campus

- The optimum use of this property could reduce the overall size and cost of our real estate portfolio.
- Shared campus supports program requirements for:
 - Safety and Homeland Security
 - Commerce and Insurance
 - Correction



THANK YOU