



July 3, 2015

The Honorable S. Chris Jones, Chairman
House Appropriations Committee
9th Floor, General Assembly Building
910 Capital Street
Richmond, Virginia 23219

RE: Fort Monroe Authority (FMA)

Dear Chairman Jones,

In accordance with the Fort Monroe Authority Act, we are enclosing with this letter copies of the Authority's FY16 governmental fund and enterprise activity budgets. These budgets were approved by the FMA Board of Trustees at its meeting on June 18, 2015. We are also enclosing a narrative explanation of budget categories that provides background information on each budget line item.

Since the transfer of 312.75 acres of property to Commonwealth ownership in June 2013 the Authority has been working to fulfill the preservation requirements established in the governing documents including the Fort Monroe Act, the Programmatic Agreement and Statewide Memorandum of Understanding while positioning the property for land sales in the approved areas and long-term ground leases in areas where fee simple sales are restricted.

The Authority continues to negotiate with the Army for two additional parcels of land at Fort Monroe with disputed title. In order to avoid a protracted legal process in federal courts, the Authority is working with the Army to negotiate an Economic Development Conveyance (EDC) that would resolve the title dispute and result in the eventual transfer of approximately 83.2 acres together with the buildings, infrastructure and utility systems to the Commonwealth. During FY15 the Governor of Virginia, acting through Secretary Harvey, has been working to negotiate the terms of an EDC transfer for the disputed properties. The Authority has reflected the property transfer to occur on January 1, 2016 as part of the FY16 budget although no firm date for transfer has been established.

The Authority continues to work with the Virginia Department of Environmental Quality and Army environmental counsel to agree on the need for and, if necessary, the process for remediating environmental issues on four environmental carve-out parcels collectively encompassing approximately 38.1 acres. These four parcels and the accompanying structures, infrastructure and utility systems are part of the reversionary property and will be deeded to the Commonwealth once the Army completes investigation and any remediation required by the CERCLA environmental laws to the satisfaction of VDEQ. In addition, three additional environmental parcels in the aforementioned disputed property area are currently under investigation. These three parcels may become additional environmental carve-out parcels that will not transfer to the Commonwealth until all investigation and any required remediation is



completed. This environmental investigation and negotiation process is expected to continue through FY16.

After a two-year process with numerous public meetings, the Fort Monroe Land Use Master Plan was adopted by the FMA Board of Trustees in October 2013 and approved by Governor McDonnell in December 2013. Since its adoption and approval the Authority has been working with the City of Hampton Planning and Zoning Administration to incorporate the Land Use Master Plan into the City's comprehensive plan. The two parties are continuing their work to develop a zoning ordinance for the Fort Monroe property to govern the future use of land parcels sold or ground leased to private parties. These two steps are critical to ensure that private property at Fort Monroe is developed in accordance with the Land Use Master Plan. While the Authority expected to complete this process during FY15, it will likely be completed during FY16.

The Authority, with the assistance of the Governor's office acting through Secretary Ward, continues to develop the legal documents to transfer three parcels of Commonwealth land totaling approximately 121.1 acres by fee simple deed(s) to the National Park Service along with the recordation of an overlay easement for approximately 92.8 additional acres for the creation of the Fort Monroe National Monument. An additional eight parcels totaling approximately 122.3 acres of federal property will be donated by the Army directly to the National Park Service to complete the boundary of the National Monument.

In brief, the governmental fund budget includes the approved appropriation from the Commonwealth's General Fund of approximately \$5.17 million (after the application of the 7% budget savings strategy) for FY16 and a carryover of funds from FY15. The carryover results from the delay in the transfer of the Dominion electric facility contract that was expected to transfer in July 2014 combined with a delay in the construction project to convert Building 80 into 10 apartment units and outstanding VDOT maintenance invoices for work completed in FY15 that will be paid in FY16. The surplus will be used to fund delayed projects in FY16. The government fund budget reflects continued support from the DOD Office of Economic Adjustment of approximately \$168 thousand from an extension of the FY14 grant and \$550 thousand from new grant requests for FY16, although the extension and the new grant have not been approved at the time of this letter. The expenses reflected in the governmental budget are related to the planning for the reuse of Fort Monroe, the operation of utility systems and common areas, the historic preservation of nearly 200 structures, and the continuation of tourism and educational activities for residents, tenants and visitors as mandated by the FMA Act. Expenses reflected in the government fund budget include personnel and benefits for the majority of the FMA staff. The governmental fund also includes deficit funding for the enterprise activity fund for FY16. More information can be found in the attached government fund budget narrative.

The governmental fund budget was adjusted to remove the majority of the capital projects that were originally proposed to be funded by appropriated general funds. Since the General Assembly approved a \$22.5 million bond allocation for capital projects at Fort Monroe to be managed by the Department of General Services, the Authority is working with DGS, the



Department of Planning and Budget and the Virginia Public Building Authority to develop a process for approval of and implementation for capital projects on the Authority's Capital Improvement Plan approved annually by the FMA Board.

The enterprise activity fund reflects the Authority's business activities at Fort Monroe. The FY16 enterprise budget is presented in 3 sub-funds. A brief description of the funds is provided below. More information can be found in the attached enterprise fund budget narrative.

- The Residential Fund reflects the revenue and income resulting from the Authority's operations to lease and manage the 176 residential housing units, a small portion of which require significant renovations to bring the units to leasable condition. The Authority has commenced the conversion of the former 9-unit inn into a 10-unit apartment building which should be completed in early FY16.
- The Authority with the assistance of its commercial leasing and management contractor maintains over 1.15 million square feet of non-residential properties. As of the end of FY15 approximately 259 thousand square feet has been leased to state and local governmental entities and private businesses. Given the large inventory of vacant historic buildings the Authority expects the commercial enterprise fund to operate in a large deficit until such time as these vacant properties can be leased or sold to private parties.
- The Utility Fund reflects billings to third-party tenants for metered and non-metered utility consumption for natural gas, water and sewer service. The Utility Fund budget also reflects the portion of utility bills paid by the Authority but not billed to residential or commercial tenants such as common area public lighting.

The Fort Monroe Authority greatly appreciates the substantial support of the House of Delegates and the Appropriations Committee through the appropriated funds and bond allocations. Without this support the Authority would not be able to fulfill its obligations set out in the FMA Act and the Programmatic Agreement.

Respectfully submitted,

John K. Hutcheson
Deputy Executive Director and Treasurer
Fort Monroe Authority

cc: G. Glenn Oder, FMA Executive Director
Robert Vaughn, HAC Staff Director

Enclosures (4)

GOVERNMENT FUND		REVISED FY16 BUDGET			
		Approved by FMA Board on 6/18/15			
		FY14 OEA Carryover Approved	FY16 OEA OEA Grant PROJECTED	FY16 COVA GOVT FUND	FY15-16 TOTAL ALL FUNDS
Personnel Services					
35	Salaries, Wages and Contract Cost	-	349,669	861,733	1,211,402
36	Salary Increase (2% prorated for 10 months plus fringe increase)			21,855	21,855
37	Fringe Benefits		142,756	358,592	501,348
	Total Personnel Services		492,425	1,242,180	1,734,605
39	Full-Time				20
40	Contractors				1
41	Part-Time/Seasonal				1
Other Supplemental Labor					
45	Communications Seasonal Intern		-	3,868	3,868
46	Other Temps & Interns		-	1,000	1,000
	Total Other Supplemental Labor	-	-	4,868	4,868
Management Services					
50	Bay Area Economics		-	24,500	24,500
51	Historic Tax Credit Advisors		-	-	-
52	John Reynolds, NPS Advisor		-	6,000	6,000
53	Senior Accountant (Contractor)		42,000	8,000	50,000
54	Supplemental Security Services Contract		-	238,626	238,626
	Total Management Services	-	42,000	277,126	319,126
Public Program Costs					
58	Casemate Museum Operating Costs				
59	Utilities		-	15,035	15,035
60	Security		-	71,521	71,521
61	PILOT (Museum has been declared exempt)		-	-	-
62	Repairs, Maint & Custodial		-	56,930	56,930
63	Publ Rel/Marketing		-	450	450
64	Gen & Admin		-	79,022	79,022
65	Special Events Costs (offset by Foundation grants)		-	-	-
	Total Public Program Costs	-	-	222,958	222,958
Utility Operating Costs					
69	Electric Utility Facility Charge		-	720,000	720,000
70	Utility Marking Fees (Miss Utility/VUPS)		-	2,500	2,500
71	PPEA Operator for Water/Sewer/Stormwater/Gas		-	1,318,032	1,318,032
	Total Utility Operating Costs	-	-	2,040,532	2,040,532
Public Information, P/R and Marketing					
75	Public Notices		-	5,000	5,000
76	Marketing Consultant		-	57,000	57,000
77	Public Relations Consultant		-	33,000	33,000
78	Marketing - Graphics and Design		-	2,500	2,500
79	Marketing - Advertising		-	30,000	30,000
80	Tradeshows		-	1,500	1,500
81	Web Site Hosting		-	12,800	12,800
82	Domain Name Registrations		-	1,000	1,000
	Total Public Information, P/R and Marketing	-	-	142,800	142,800
Architectural, Engineering and Market Research					
86	Kimley-Horn		16,126	90,874	107,000
87	Property Survey Fees		-	12,500	12,500
88	Historic Structure Report (Casemate)	168,300	-	-	168,300
89	Master Plan Project		-	25,000	25,000
90	Matrix Environmental		-	50,900	50,900
91	Architectural On-Call Service		-	35,000	35,000
92	Engineering On-Call Service		-	35,000	35,000

GOVERNMENT FUND		REVISED FY16 BUDGET			
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		FY14 OEA Carryover Approved	FY16 OEA OEA Grant PROJECTED	FY16 COVA GOVT FUND	FY15-16 TOTAL ALL FUNDS
93	Environmental Management Consultant			35,000	35,000
	Total Arch & Eng and Market Research	168,300	16,126	284,274	468,700
	General and Administrative				
97	Postal & Express Services		-	1,000	1,000
98	Printing Services		-	20,000	20,000
99	Local Exchange Services		-	12,600	12,600
100	Wireless Services		-	8,600	8,600
101	Skilled Services		-	2,500	2,500
102	Organization Memberships		-	5,000	5,000
103	Publication Subscriptions		-	1,000	1,000
104	Employee Workshops and Conferences		-	31,500	31,500
105	Employee Education and Development		-	10,000	10,000
106	Audit Fees		-	22,500	22,500
107	BRAC Attorney Fees		-	65,000	65,000
108	Other Attorney Fees		-	175,000	175,000
109	Payroll Fees		-	7,000	7,000
110	Reference Checks for HR		-	100	100
111	Bank Service Fees		-	1,200	1,200
112	Line of Credit Charges		-	1,000	1,000
113	Custodial Services		-	7,800	7,800
114	Grounds Maintenance		-	6,000	6,000
115	Building Maintenance and Repair		-	2,000	2,000
116	Equipment Maintenance and Repair		-	10,000	10,000
117	Moving and Relocation Services		-	5,000	5,000
118	Meeting Cost/Supplies		-	7,500	7,500
119	Computer IT maintenance and cabling		-	51,500	51,500
120	Data Backup Services		-	1,200	1,200
121	Travel, Subsistence and Lodging		-	9,900	9,900
122	Auto Gas and Maintenance		-	1,000	1,000
123	Office Supplies		-	23,713	23,713
124	Research Materials		-	1,000	1,000
125	BCOM Cooperative Service Cost		-	20,000	20,000
126	Archeologist Service Cost		-	15,000	15,000
127	VDEQ Cooperative Service Cost		-	5,000	5,000
128	PILOT Fee to Hampton		-	4,000	4,000
129	Refuse Service Charges		-	2,500	2,500
130	Utilities		-	20,000	20,000
131	Equipment Rentals		-	7,500	7,500
132	Building Rentals		-	5,000	5,000
133	Property Insurance		-	2,000	2,000
134	Workers Comp Insurance		-	2,200	2,200
135	D&O Insurance / Bonding		-	8,250	8,250
136	Auto Insurance		-	120	120
	Total General & Administrative	-	-	582,183	582,183
	Furniture, Fixtures and Equipment				
140	Desktop Computer Systems		-	14,600	14,600
141	Mobile Computers		-	1,500	1,500
142	Computer Hardware/server		-	9,500	9,500
143	Copper/Fiber Network Equipment		-	5,000	5,000
144	Computer Software		-	9,000	9,000
145	Utility Billing Software		-	15,000	15,000
146	Office Furniture and Appurtenances		-	10,000	10,000
147	Casemate - Water Diverter Shields		-	8,000	8,000
148	Casemate - Collections Management Software		-	4,000	4,000

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		FY14 OEA Carryover Approved	FY16 OEA Grant PROJECTED	FY16 COVA GOVT FUND	FY15-16 TOTAL ALL FUNDS
149	Casemate - Door Replacement Phased Project		-	8,000	8,000
150	Casemate - Electrical System Study and Upgrade		-	10,000	10,000
151	Casemate - FF&E			19,500	19,500
152	Casemate - HVAC Replacements		-	10,000	10,000
	Total FF&E	-	-	124,100	124,100
155	TOTAL COSTS	168,300	550,551	4,921,021	5,639,872
Property and Improvements					
159	VDOT - Sign and Pavement Marking		-	55,000	55,000
160	- ADA ramps/sidewalks/curb replace		-	230,000	230,000
161	- Bridge Inspections		-	17,100	17,100
162	Engineering (Kimley-Horn)		-	30,000	30,000
163	Street Sweeping (Veolia)		-	27,000	27,000
		-	-	359,100	359,100
213	Tenant Improvements (to Enterprise Fund Budget)				
214	Tenant Improvement for FMA Office Building		-	50,000	50,000
		-	-	50,000	50,000
217	Total Property and Improvements	-	-	409,100	409,100
CASH REQUIRED					
220	Personnel Services	-	492,425	1,242,180	1,734,605
221	Other Supplemental Labor	-	-	4,868	4,868
222	Management Services	-	42,000	277,126	319,126
223	Public Program Costs (Casemate)	-	-	222,958	222,958
224	Utility Operating Costs	-	-	2,040,532	2,040,532
225	Public Information, PR & Marketing	-	-	142,800	142,800
226	Architectural & Engineering	168,300	16,126	284,274	468,700
227	General & Administrative	-	-	582,183	582,183
228	Furniture & Equipment	-	-	124,100	124,100
229	Property & Improvements	-	-	409,100	409,100
230	TOTAL COSTS	168,300	550,551	5,330,121	6,048,972
CASH AVAILABLE					
Revenues					
234	Funds Carryover from prior FY		-	1,935,283	1,935,283
235	Carryover to next FY		-	-	-
236	Casemate Fees for Tours and Admissions		-	5,000	5,000
237	Funding (to)/from Enterprise Fund		-	(2,148,840)	(2,148,840)
238	Total Revenues	-	-	(208,557)	(208,557)
Appropriations and Grants					
241	OEA Reimbursement Grant	168,300	550,551	-	718,851
242	Fort Monroe Foundation		-	-	-
243	VDOT Urban Maintenance Grant		-	365,000	365,000
244	National Park Service		-	-	-
245	State Appropriation, General Fund		-	5,173,678	5,173,678
246	USACE Backflow Preventer Grant (75% Share)		-	-	-
247	Total Appropriations and Grants	168,300	550,551	5,538,678	6,257,529
249	TOTAL REVENUE & GRANTS	168,300	550,551	5,330,121	6,048,972
251	Change in Net Position	0	0	0	0

Fort Monroe Authority Government Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

Personnel Services	
35	Salaries, Wages and Contract Cost: There are no new hires in the FY16 budget.
36	Salary Increase: The amounts included in the FY16 budget reflect the proposed salary increase included in the FY16 state budget approved by the General Assembly. Provided that the state revenue targets are achieved, the Authority will implement the salary increase in accordance with the state guidelines. This line item includes any increase in fringe benefit cost as a result of the salary increase.
37	Fringe Benefits: FMA employees are eligible for all benefits available to state employees. The amounts for FY16 include costs projections based on information received from the Department of Human Resource Management and Department of Planning and Budget.
39-41	Employee Counts: The projected staffing for the Government Fund for FY16 is the same as FY15 with 20 full-time positions, 1 contract employee position and 1 part-time positions.
Other Supplemental Labor	
45	Communications Summer Intern: The FMA hires a local university student to assist the communications and special events departments with a number of projects during the months of June to August including weddings at the Gazebo, picnic shelter rentals, Thursday night Music by the Bay concert series and the Fourth at the Fort concert/fireworks.
46	Other Temps & Interns: The FMA occasionally employs short-term labor to assist with special projects such as year-end tax workpaper preparation and filing.
Management Services	
50	Bay Area Economics (BAE): BAE is the FMA's economic modeling consultant. BAE is working in conjunction with the FMA, OAG and BRAC attorney, to refine and revise FMA's EDC application, business plan and financial model. This is a continuing contract and includes revisions to draft EDC Application and revisions to comprehensive financial model and business plans based on the outcome of the Master Plan project and in response to the DoD review of the EDC Application. This contract has been extended due to the delay in the transfer of the two disputed land parcels from the Army.
51	Historic Tax Credit Advisors: Until such time as the zoning ordinance is adopted by the City of Hampton Planning Commission and City Council the Authority does not expect any real estate activity for the redevelopment of historic properties. The Authority does expect to contract with an advisor in future budget years as redevelopment progresses.
52	John Reynolds, NPS Advisor: John Reynolds assisted with the preparation of written material leading to a legislative proposal for National Park Service establishment through Congressional actions. The FMA believes it may benefit from Reynolds' advice during the negotiating of the deed and overlay easement on the Inner Fort area as well as the process of transferring ownership of Commonwealth property to the NPS.
53	Senior Accountant: The Authority utilizes a part-time contractor to provide senior level accounting advice and oversight. The accountant works less than 30 hours per week and is hired through an outside accounting services firm.
54	Supplemental Security Services Contract: After completing a RFP for security patrol services, the Authority entered into a Memorandum of Agreement to use armed HPD extra-duty

Fort Monroe Authority Government Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

	officers (EDO) to patrol the property The EDOs patrol the property in 4-hour shifts around the clock.
Public Program Costs	
58	Casemate Museum Operating Costs: Under the Programmatic Agreement, the Casemate Museum must remain open and available to the public. Until such time as the museum can become self-sustaining, it will be funded by the FMA government fund.
59	Utilities: There are no functioning individual meters for utilities at Fort Monroe. The FMA took control of the utility accounts in FY14 and continues to bill on the same square footage basis used by the Army until the utility meters can be installed in the Museum at which point the FMA will bill the Museum for actual consumption.
60	Security: The Museum has a contract with a local security firm to provide a security guard during the hours that the Museum is open to the public.
61	PILOT Fee: During FY13 the City of Hampton granted an exemption from the PILOT fee for the Museum property.
62	Repairs, Maintenance and Custodial includes the cost of non-capital repairs and maintenance at the Museum including the cost of the weekly cleaning service.
63	Public Relations and Marketing includes the cost for advertising special events at the Museum. The majority of advertising is done on social media sites.
64	General and Administration includes the cost for general and administrative expenses including training, professional memberships, printing, and conservation supplies.
65	Special Events Costs: No costs have been reflected for special events. The FMA is expecting the Fort Monroe Foundation to provide direct grants to pay for special event costs.
Utility Operating Costs	
69	Electric Utility Facility Charge: The electric service at Fort Monroe is currently operated under a privatized agreement between the Army and Dominion Virginia Power (DVP). The Army and DVP are currently negotiating for the termination of this privatized agreement. DVP believes the Army owes a termination fee under the contract. The Army disputes this claim. Upon transfer, DVP has proposed that the FMA operate under a facility contract similar to a state university. DVP's rate agreement with the Commonwealth for state entities allows DVP to charge facility customers a return on invested capital as part of the rate base. The rate for excess facility construction costs paid for by the state entity is .54% per month. The rate for excess facility construction costs paid for by DVP is 1.46%. Based on the \$10+ million invested capital amount provided by DVP, the monthly facility charge is estimated at \$60,000-\$150,000 per month or approximately \$720,000-\$1,800,000 per year. The budgets for FY16 reflect the electric contract transfer in July of 2015 at the \$60,000 per month facility charge. If the DVP/Army discussions result in a less favorable outcome, the FMA may have a large budget issue that would require a request for supplemental appropriation.
70	Utility Marking Fees: The Authority's public works contractor, Veolia, will coordinate the utility marking but the FMA is responsible for the cost of the marking for water, sewer, natural gas, and telecommunication lines as part of the Miss Utility dig permit process.

Fort Monroe Authority Government Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

71	PPEA Operator for Water/Sewer/Stormwater: The public works contractor began operations in April 2012 based on the expected transfer date of reversionary property from the Army. The annual cost of the contract is approximately \$1.3 million dollars with an annual CPI-based increase.
Public Information, P/R and Marketing	
75	Public Notices includes the cost of posting public notices for Board and committee meetings, recruitment activities and RFP's. This item also includes advertising in the local newspaper and on specialized web sites to attract qualified candidates.
76	Marketing Consultant: The FMA works with a marketing consultant to develop branding and special event advertising materials for Fort Monroe.
77	Public Relations Consultant: FMA engages the services for a public relations firm to provide public relations planning, coordination and implementation at the local, regional and national levels.
78	Marketing – Graphics and Design includes the cost of graphic design for brochures, videos, event advertising media and small-space ads in appropriate media outlets.
79	Marketing – Advertising includes the cost of producing and distributing brochures, videos, event advertising as well as interaction on open houses, commercial trade events, residential home events and small-space ads in appropriate media outlets.
80	Tradeshows: The FMA attends local tradeshows to market the Fort Monroe Reuse Plan and to attract potential visitors, tenants and residents. These costs include registration, travel, advertising and supplies for attending tradeshows to showcase Fort Monroe properties and events.
81	Web Site Hosting: The FMA uses an outside web service to host its public website. This line item includes the cost of monthly services for Website hosting and periodic maintenance of website content.
82	Domain Name Registrations: FMA has registered a list of domain names for its current and future use. This line item reflects the annual fees for maintaining the registration of those web domain names.
Architectural, Engineering and Market Research	
86	Kimley-Horn: Kimley-Horn continues to serve as the FMA's civil engineering consultant, providing advisory services with regard to the utility infrastructure and the provisions of municipal and private utility services including the municipal services meetings, private utility coordination meetings and support documents, EDC support and document preparation, Board meeting and briefing packet presentations and documents as well as participation in real estate meetings, planning and development technical and design support.
87	Property Survey Fees: The future ownership of certain parcels by the NPS and the need for compiled plats as exhibits for deed and easements will require the FMA to periodically engage the services of a professional property survey firm.
88	Historic Structure Report: This study will be focused on the condition of the Casemate Museum and adjacent spaces. The report will document the condition of the physical and mechanical systems of the casemate. This information will be used to plan proactive

Fort Monroe Authority Government Fund
 Explanations for FY16 Budget Line Items
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	<p>maintenance and rehabilitation of the structure. The project is 90% funded by OEA as a carry-over of the FY14 OEA grant.</p>
89	<p>Master Plan Project: The Master Plan Project was full was approved by the FMA Board of Trustees in October 2013 and approved by Governor McDonnell in December 2013. The FMA is currently working with the City of Hampton to incorporate the Master Plan into the City’s comprehensive plan and zoning ordinances. Once completed, the Master Plan contractor will complete the final documents. It is expected that the FMA will continue to engage the services of the Master Plan contractor to assist in the evaluation of proposals for re-development to ensure the proposals are consistent with the Master Plan.</p>
90	<p>Matrix Environmental: Matrix Environmental, the FMA’s environmental engineering consultant, continues to provide review and recommendations for environmental remediation during the BRAC property transfer and disposition process to ensure FMA’s interest are represented with respect to actions and decisions that are under consideration by the U.S. Army and the VDEQ related to U.S. Army’s Installation Restoration Program (IRP), Military Munitions Response Program (MMRP) and the federal Comprehensive Response, Compensation, and Liability Act (CERCLA) required actions as well as providing consulting and advisory services on environmental issues with the potential to affect the redevelopment planning and property transfer initiatives. The FMA expects that environmental cleanup activities will continue through FY16.</p>
91-92	<p>Architectural/Engineering On-Call Services: In working with contractors on the repairs of residential and commercial properties the Authority realized that it would benefit from having one or more architectural and engineering firms under contract that could prepare sketches or diagrams detailing the appropriate treatment for a repair. The Authority expects to issue a Request for Qualifications for architecture and engineering firms in early FY16 to select the list of on-call firms.</p>
93	<p>Environmental Management Consultant: The Authority holds a Municipal Separate Storm Sewer System (MS-4) permit managed by the Department of Environmental Quality. The Authority must meet certain thresholds for the reduction of nutrients in the stormwater discharged into the Chesapeake Bay. The Authority will require the assistance of an environmental consultant to advise on the design and implementation of the required nutrient reduction program.</p>
General and Administrative	
97	<p>Postal & Express Services includes the cost for express delivery services and postage for documents sent to Board members, vendors, employees, OEA, the State of VA and others as required by the operations of the FMA. Cost is based on actual expenditures during previous years adjusted for expected changes in rates or levels of activity.</p>
98	<p>Printing Services includes the cost of printing documents for distribution as needed. This line item also includes the printing costs for flyers and communication material related to management and leasing of residential and commercial properties as well as public information and safety pamphlets for residents, visitors and employees of tenants. These documents must be updated as changes to operational hours of public areas and safety</p>

Fort Monroe Authority Government Fund
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	guidelines must be conveyed to all visitors during and after the transition. Large-size documents and high-volume printing are sent to local printing service for cost-savings.
99	Local Exchange Services: Cox Communications provides telephone and internet service to FMA offices.
100	Wireless Services: Verizon Wireless provides cellular phones and service to key staff members. The FMA provides for these services to ensure that key staff members are available when traveling out of the office and after hours.
101	Skilled Services reflects the cost for specialized services such as photography used for real estate brochures and websites.
102	Organization Memberships: The FMA maintains membership in various organizations such as the Association of Defense Communities (ADC), Virginia Municipal League, National Association for Interpreters, National Housing & Rehabilitation Association (NH&RA), American Planning Association, Virginia Association of Museums, National Trust for Historic Preservation, Preservation League, Urban Land Institute (ULI) and the Society for Human Resource Management (SHRM). These national, regional and local organizations all benefit the staff or operation of the FMA. Some benefits include free public notices & new-hire advertisements as well as conferences and tradeshow for information sharing, idea exchange and marketing of Fort Monroe properties.
103	Publication Subscriptions: The FMA receives daily copies of the local newspaper, the Daily Press. The FMA also subscribes to the Egnyte file sharing & large-file backup system which provides for the distribution and sharing of files and attachments too large for email distribution.
104	Employee Workshops and Conferences include registration fees for conferences & workshops such as ADC, ULI and NH&RA conferences and local ULI and SHRM seminars.
105	Employee Education and Development: The FMA provides tuition reimbursement for employees pursuing relevant undergraduate and graduate degrees pursuant to the Employee Handbook. The FMA supports continuing employee development and expects to fund these costs in the future.
106	Audit Fees: The costs for the FMA's annual external audit pursuant to Auditor for Public Accounts requirement in the Fort Monroe Authority Act. These costs include the single audit required by OEA grant funding and special reports required by Virginia Department of Accounts Component Unit Directive reporting.
107	BRAC Attorney Fees: Due to the partial transfer of property in FY13 and the delay in negotiations for the disputed property, Garrity Knisely attorney David Knisely continues to provide legal services to support the implementation of the Base Closure and Realignment ("BRAC") process for Fort Monroe. His services include participation in the EDC negotiations, preparation of EDC application, and participation in numerous meetings, conference calls and document reviews. Knisely coordinates with the Attorney General's Office regarding environmental covenant options regarding reversionary property. Knisely provided coordination with EDC and environmental cleanup requirements, and assistance with the preparation of the quitclaim deed and related covenants for reversionary and federal surplus

Fort Monroe Authority Government Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

	property. Knisely will coordinate with the OAG regarding the review and preparation of environmental deed covenants for reversionary property, assist in the structuring of the EDC and assist the Authority in the negotiation of the final content of the Finding of Suitability to Transfer in support of conveyances of federal surplus and reversionary property. The EDC negotiations are ongoing.
108	Other Attorney Fees: The FMA requires support from the Office of the Attorney General and other attorneys with subject matter expertise. Other outside counsel, approved by OAG, is contracted for specific legal expertise. The FMA expects to require counsel for specific legal issues such as zoning, appraisals and utility agreements.
109	Payroll Fees: FMA payroll is processed by an outside vendor who charges for processing semi-monthly payroll, preparing quarterly and annual tax reports as well as preparing W-2's. The service cost for the monthly processing of flexible-saving accounts is also included in this line item.
110	Reference Checks for HR: As part of hiring process, FMA contracts with an outside agency to perform new-employee background checks.
111	Bank Service Fees include monthly account charges for the Authority's bank accounts including charges for the receipt and processing of credit card and wire transactions and transfers of funds between various payroll, flex saving and operating accounts.
112	Line of Credit Charges: The FMA has established a line-of-credit (LOC) for emergency cash flow coverage.
113	Custodial Services includes the cost for custodial services for cleaning of the FMA office.
114	Grounds Maintenance includes the cost for grounds-keeping for the FMA office.
115	Building Maintenance and Repair includes the cost for non-capital building maintenance and small repairs for FMA office space.
116	Equipment Maintenance and Repair includes the cost for repair and maintenance for FMA office equipment.
117	Moving and Relocation Services includes the purchase of moving supplies; moving service to dismantle, move and reassemble furniture and file cabinets; dismantle, move and reassemble server, computers and phone system; relocate rented copier; dismantle, move and reassemble large format plotter as necessary.
118	Meeting Cost/Supplies is for meeting supplies such as folders and inserts, labels and bottled water.
119	Computer IT maintenance and cabling: The FMA contracts for IT maintenance and cabling services with Vicom. The contractor ensures system integration, data integrity and provides network services to integrate the phone system, email system and wireless communication devices including cell phones, laptops and iPads. The cost includes server and phone support contracts.
120	Data Backup Services: The FMA uses a Barracuda backup appliance to back up server data. The data is copied to a secure off-site location for additional redundancy.
121	Travel, Subsistence and Lodging includes travel costs including personal vehicle mileage, rental vehicles, lodging and subsistence for overnight trips.

Fort Monroe Authority Government Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

122	Auto Gas and Maintenance: The FMA owns a passenger van for property tours and transportation. This line items includes gasoline, repair and maintenance costs.
123	Office Supplies includes the costs of office supplies including paper, pens, staples, files folders, hanging folders, post-it notes, ink cartridges, tape, steno pads and other office supplies for FMA staff.
124	Research Materials: The FMA occasionally obtains reference books, article reprints, maps and other reference materials for FMA library or departmental use.
125	BCOM Cooperative Service Cost: FMA will rely on the Department of General Services Bureau of Capital Outlay Management to enforce the Virginia Uniform Statewide Building Code to assure compliance with life safety and code requirements in design and construction. FMA will reimburse BCOM for building inspections and plan reviews.
126	Archeologist Service Cost: As part of its requirements under the Programmatic Agreement and Land Use Control Implementation Programs the FMA must engage the services of a qualified archeologist when performing ground disturbing activities such as utility repairs in archeologically sensitive area or when uncovering artifacts during any activities.
127	VDEQ Cooperative Service Cost: FMA will rely on the Department of Environmental Quality for technical review and advice related to environmental operations or management of remediation activities at Fort Monroe.
128	PILOT Fee to Hampton: This line item includes the cost of the PILOT fee for the FMA office building and other community facilities. This line and the associated line in the Enterprise Fund are subject to an annual cap for FY16.
129	Refuse Service Charges includes the cost for trash and recycle collection for the FMA office building.
130	Utilities includes the cost of utilities for FMA office space calculated by the FMA Utility Fund on a per square foot basis for Electric, Water, Sewage and Gas.
131	Equipment Rentals: The FMA leases a Sharp multi-function copier/printer/scanner. The costs include the annual maintenance agreement and estimated copy charges.
132	Building Rentals includes the cost to rent a suitable space for public meetings, cost of AV equipment and an individual to operate it plus cost to rent tables, chairs and podiums.
133	Property Insurance includes the cost of insurance on FMA office building and equipment.
134	Workers Comp Insurance includes the cost of Workers' Compensation Insurance for FMA employees.
135	D&O Insurance includes the cost of liability insurance for FMA directors and officers.
136	Auto Insurance includes the cost for vehicle insurance for the FMA van.
Furniture and Equipment	
140	Desktop Computer Systems includes the replacement cost for outdated desktop computer systems and new computers for additional employees. FMA attempts to replace desktop systems every 4 years to ensure that employees have reliable equipment and current software versions.
141	Mobile Computers includes the replacement costs for outdated laptop computers and tablets.

Fort Monroe Authority Government Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

142	Computer Hardware: As part of complying with various GASB requirements the FMA relocated its central network and accounting servers to the central telecommunications building in FY14. In FY15 the FMA upgraded its server to replace an older network software version that is no longer supported by Microsoft. The cost reflected for FY16 includes the service maintenance contract on the new network equipment.
143	Copper/Fiber Network Equipment: In FY14 the FMA reactivated the existing fiber network by installing fiber switches removed by the Army in 4 key buildings and 3 FMA office locations (headquarters, Casemate Museum and leasing office). As new demand is created for access to the fiber network (security cameras, remote building access, etc.) the FMA will need to purchase additional fiber switches to extend access to the central network resources.
144	Computer Software includes the cost of software for new computers including Windows 7, Office Professional, Adobe Professional and annual renewal of virus protection and other specialty user software such as GIS and project management software.
145	Utility Billing Software: Now that the utility infrastructure has transferred to the Commonwealth, the FMA is responsible for billing non-regulated utility charges to residents and tenants. Once individual meters are installed the FMA will acquire a specialized software package designed to bill natural gas, water, sewer and stormwater fees.
146	Office Furniture and Accessories: The FMA relocated its main office to Building 83 during FY15. The FMA expects to reuse furniture and fixtures from its existing office or abandoned in other buildings. The FMA may need to purchase small specialty items to supplement the existing furniture.
147	Casemate Museum – Water Diverters includes the fabrication and installation costs for diverter shields to collect water dripping from vaulted arches in Casemate 20, the location of the Casemate Museum.
148	Casemate Museum – Collections Management Software: In FY14 the FMA acquired its own collections management software. Due to new donations that are being made to the Museum the Collections Management Software will be upgraded in FY16. The software requires an annual maintenance contract which is reflected in this account.
149	Casemate Museum – Door Replacement: The Museum has 21 doors to the individual casemates. The majority of the doors are in need of replacement. The FMA will start a replacement program in FY16 with the entrance, exit and emergency exit doors. The remaining doors will be replaced at approximately 4 per year.
150	Casemate Museum – Electrical System Study and Upgrade: The FMA desires to investigate the electrical system in the Museum to determine the condition of the electrical system in FY16. It is expected that any recommended upgrades will be completed in FY17 or later.
151	Casemate Museum – FF&E: As the Authority continues to manage the Museum it will need to upgrade some of the Plexiglas panels on exhibit cases, acquire reproduction textiles for exhibits, purchase a point-of-sale station for collecting tour fees and other miscellaneous equipment such as cameras and light meters.

Fort Monroe Authority Government Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

152	Casemate Museum – HVAC Replacements: The Casemate Museum is conditioned by HVAC units placed on top of the Fortress ramparts. There are several units that will need to be replaced in the near future. In FY16 the FMA will commence a multi-year program to replace the worst of the HVAC units.
Property and Improvements	
159-163	VDOT Urban Maintenance Funds: The FMA receives pass-thru VDOT funds from the City of Hampton. The funds will be used for a variety of VDOT eligible projects including traffic signs, street marking, ADA ramps, sidewalk repairs, bridge repairs and other eligible repairs.
172-217	Capital Projects: The Department of General Services currently manages the \$6.5 million in Maintenance Reserve Funds (MRF) appropriated in FY12, FY13 and FY14. These costs are managed and paid by DGS and are never reflected on the FMA accounting records. The approved FY15/16 biennial budget includes \$22.5 million in bond proceeds from the Virginia Public Building Authority (VPBA) for capital projects at Fort Monroe to be managed by DGS as the agent for the FMA. It is expected that these funds will be accounted for on the Commonwealth’s accounting system so the cost of capital projects using MRG and VBPA are not reflected in this budget.
213	Tenant Improvements: Tenant improvements on revenue-producing buildings have been moved to the Enterprise Funds.
214	Tenant Improvements to FMA Office Building: The Authority previously used Old Quarters 1 for their office. Old Quarters 1 will be donated to the National Park Service. The FMA has moved its office to the former Post Office, Building 83. During the renovation certain existing conditions were discovered that caused the project cost to exceed the original budget by approximately \$50,000.
Revenue Categories	
234	Funds Carryover from prior FY: The surplus resulted from the delay in the transfer of the electric facility contract, the delay in commencement of the renovation to Building 80 into 10 apartment units and VDOT-maintenance invoices for work completed in FY15 that will be paid in FY16.
235	Carryover to next FY: The FMA expects the projects that were delayed from FY15 to be completed in FY16 so there is no projected carryover of funds from FY16.
236	Casemate Fees for Tours and Admissions: Beginning in FY14 the FMA started charging tour groups for guided tours of the Casemate Museum. The Casemate Museum also receives some grant reimbursement funding from the Fort Monroe Foundation.
237	Funding (to)/from Enterprise Fund: Any surplus of funds from business type activities are returned to the government fund as a revenue item. However, any shortage in net cashflow in the enterprise fund must be funded from government funds. Since receiving the 312.75 acres in June 2013 and the associated utility systems the Authority has revised its Enterprise Fund income and expenses to reflect the funding shortfall. While rental revenue is expected to increase, the large inventory of vacant historic buildings that must be heated, cooled and repaired is expected to result in an enterprise fund deficit until such time as the FMA can

Fort Monroe Authority Government Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

	begin to transfer property to third-parties through fee simple sales or long-term ground leases.
Appropriations and Grants	
241	OEA Reimbursement Grant: The OEA grant provides for reimbursement of certain eligible expenses related to the planning for the reuse of former military properties. The FY14 grant has been extended to allow the FMA time to complete the Historic Structure Report and the Property Condition Assessment Phase 2. For FY16 the OEA support for salaries, fringe and administrative costs will be capped at \$550,551. The OEA grant requires a 10% non-federal match which is funded from state appropriations.
242	Fort Monroe Foundation: The FMA expects the Fort Monroe Foundation to pay for expenses directly in lieu of providing grants to the FMA for public programs. Instead of reflecting Foundation support equal to the special event costs (line 64) the FMA has requested that the Foundation pay the expenses directly.
243	VDOT Urban Maintenance Grant: The FMA entered into a Memorandum of Agreement with the City of Hampton to allow the City to pass through the VDOT Urban Maintenance Funds for the VDOT eligible roads at Fort Monroe. In exchange the FMA will be responsible for the maintenance of roads at Fort Monroe.
244	National Park Service: As part of the property donation to the NPS, which is expected to occur in FY16, the FMA expects that a Cooperative Management Agreement will be developed to reimburse the FMA for providing services such as grounds and utility maintenance on NPS-owned property. Since no agreement is currently in place, no funds are programmed to be received in this version of the budget.
245	State Appropriation, General Fund: For FY16 the General Assembly approved the FMA request for operational support of \$5,489,033. As part of Governor McAuliffe's budget saving strategy the Authority committed to reduce expenses by \$315,355 resulting in a net appropriation for FY16 of \$5,173,678.

		FY16 BUDGET			
ENTERPRISE FUND		Approved by FMA Board on 6/18/15			
		Budget	Budget	Budget	Budget
		Residential	Commercial	Utility Fund	TOTAL
Personnel Services					
12	Salaries, Wages Cost	213,253	-	-	213,253
13	Salary Increase (FY16 - 2% prorated for 10 months plus fringe)	3,835	-	-	3,835
14	Fringe Benefits	76,697	-	-	76,697
15	Total Payroll and Fringe	293,785	-	-	293,785
	Full -Time				3
	Contractors				-
	Part-Time				2
Administrative					
24	Labor-Administration (Includes Office Temps)	-	51,312	-	51,312
25	Advertising	2,000	-	-	2,000
26	Miscellaneous- Bldg 73 Ofc UTILITIES	2,398	-	-	2,398
27	Bank Fees & Finance Charges	-	-	-	-
28	Training	7,500	-	-	7,500
29	Prof. Svcs-Court\Collection (+BAD DEBT EXP)	350	-	-	350
30	Leasing Commission (Non CAM)	-	104,884	-	104,884
31	Leasing Expense	-	840	-	840
32	Office Supplies	7,680	1,320	-	9,000
33	FF&E Exp-Computers\Software (+Onesite Fees)	11,905	2,000	-	13,905
34	FF&E Exp-Copier\Fax	2,899	-	-	2,899
35	Pagers\Cell Phones	5,060	4,020	-	9,080
36	Postage\Courier	258	300	-	558
37	On Line Fees	-	-	-	-
38	Telephone-Mgmt Office	4,709	3,960	-	8,669
39	Telephone - Life Safety	-	20,100	-	20,100
40	Meals\Lodging\Travel	-	8,580	-	8,580
41	Conference/Training Fees	-	-	-	-
42	Uniforms	200	2,050	-	2,250
43	Total Administrative	44,959	199,366	-	244,325
Management Fees					
46	Management Fee	-	165,000	-	165,000
47	Total Management Fees	-	165,000	-	165,000
Insurance					
50	Vehicle Insurance	250	-	-	250
51	Property Insurance	68,796	113,987	-	182,783
52	Total Insurance	69,046	113,987	-	183,033
Cleaning					
55	Cleaning - Office Building 73 (Admin)	1,482	1,980	-	3,462
56	Cleaning Contract	22,057	71,423	-	93,480
57	Cleaning Supplies	543	-	-	543
58	Total Cleaning	24,082	73,403	-	97,485
Service Contracts					
61	HVAC Contract	-	221,705	-	221,705
62	Extermination Contract	9,600	4,470	-	14,070
63	Emergency Generator Contract	-	4,600	-	4,600
64	Equipment Service Contract/Lease	-	5,245	-	5,245
65	Fire/Life Safety	15,549	34,451	-	50,000

		FY16 BUDGET			
ENTERPRISE FUND		Approved by FMA Board on 6/18/15			
		Budget	Budget	Budget	Budget
		Residential	Commercial	Utility Fund	TOTAL
66	Landscaping Contract BRICKMAN	21,846	328,154	-	350,000
67	Landscaping-Plants/Flowers/Mulch BRICKMAN	8,120	11,880	-	20,000
68	Trash Removal/Recycling Contract	-	5,820	-	5,820
69	Alarm Services Contract	-	3,600	-	3,600
70	Elevator R&M Contract	10,200	3,240	-	13,440
71	Water Treatment Contract	-	24,553	-	24,553
72	Total Service Contracts	65,315	647,718	-	713,033
Repairs & Maintenance PROP & MAINT DIV					
75	Labor-R & M (includes Maint Temps)	191,745	220,424	-	412,169
76	Labor-Building Manager	-	92,622	-	92,622
77	Building Interior CARPENTRY	10,000	15,000	-	25,000
78	Consulting - Arch/Engr	-	-	-	-
79	Lead-Based Dust Remediation	150,000	-	-	150,000
80	Door & Glass Repair\Replacement	400	4,000	-	4,400
81	Electrical R & M CONTRACT	8,200	4,800	-	13,000
82	Light Bulbs	-	7,800	-	7,800
83	Generator Repairs CONTRACT	1,400	4,000	-	5,400
84	Equipment R & M	-	1,200	-	1,200
85	Maintenance Equipment Rental	25,900	25,000	-	50,900
86	Landscaping R & M	-	7,730	-	7,730
87	Locks and Keys	8,631	1,100	-	9,731
88	Painting - Interior	90,437	30,000	-	120,437
89	Flooring R & M-Interior	48,314	-	-	48,314
90	Painting R & M-Exterior	51,500	51,500	-	103,000
91	Irrigation R & M	-	1,650	-	1,650
92	Contracts - Other	15,905	-	-	15,905
93	Plumbing	13,331	2,400	-	15,731
94	Fire\Security Equipment R & M	-	26,400	-	26,400
95	Signage	-	2,520	-	2,520
96	Small Tools	2,864	2,520	-	5,384
97	FF&E Exp-Appliances	5,059	-	-	5,059
98	FF&E Exp - trash/recycle bins, generators etc	20,831	-	-	20,831
99	Supplies R & M (other)	8,836	4,800	-	13,636
100	Supplies-Electrical	17,435	-	-	17,435
101	Supplies-Landscaping	12	-	-	12
102	Supplies-HVAC	9,624	6,000	-	15,624
103	Supplies-Painting	396	300	-	696
104	Supplies-Plumbing	9,176	1,000	-	10,176
105	Vehicle-Fuel (truck-carts-maint trvl)	2,472	1,200	-	3,672
106	Vehicle R & M	412	1,200	-	1,612
107	Tenant Improvements (non-capital)	-	276,680	-	276,680
108	Building Repairs	-	24,000	-	24,000
109	Snow Removal	-	2,000	-	2,000
110	Roof R & M Contract + Supplies	44,000	20,400	-	64,400
111	Gutter Cleaning/Repair	44,000	25,000	-	69,000
112	Tree Maintenance	-	40,000	-	40,000
113	Fascia/Soffitt Repairs	25,000	25,000	-	50,000
114	Parking Lot Repairs & Striping	-	40,000	-	40,000
115	Total Repairs & Maintenance	805,882	968,246	-	1,774,128
Taxes and Licenses					

		FY16 BUDGET			
ENTERPRISE FUND		Approved by FMA Board on 6/18/15			
		Budget	Budget	Budget	Budget
		Residential	Commercial	Utility Fund	TOTAL
118	Real Estate Taxes - PILOT	342,115	638,189	-	980,304
119	Total Taxes and Licenses	342,115	638,189	-	980,304
Utilities					
122	Electricity	231,782	616,589	-	848,371
123	Electricity (Non CAM)	-	-	-	-
124	Trash Removal\Recycling Contract CITYHPT	7,067	-	-	7,067
125	Water & Sewer	130,151	30,576	450,000	610,727
126	Fuel & Oil	-	1,900	-	1,900
127	Natural Gas	74,393	37,740	350,000	462,133
128	Total Utilities	443,394	686,805	800,000	1,930,199
Non-Capitalized Non-recurring Costs					
131	Repairs to B27A & Relocation of Leasing Office	19,500	19,500	-	39,000
132	Measurement of Residential Units	30,000	-	-	30,000
133	Repairs to Post Theater for Re-Use	50,000	-	-	50,000
134	Computer Equipment for Leasing/Maintenance Office	1,500	-	-	1,500
135	Total Non-Capitalized Non-recurring Costs	101,000	19,500	-	120,500
TOTAL COSTS		2,189,579	3,512,214	800,000	6,501,793
BALANCE SHEET BUDGET (uses Cash)					
140	Convert Building 80 to residential	-	575,000	-	575,000
141	Total Balance Sheet Budget	-	575,000	-	575,000
SUMMARY - Enterprise Fund					
Category Totals					
146	Personnel	293,785	-	-	293,785
147	Administrative	44,959	199,366	-	244,325
148	Management Fees	-	165,000	-	165,000
149	Insurance	69,046	113,987	-	183,033
150	Cleaning	24,082	73,403	-	97,485
151	Service Contracts	65,315	647,718	-	713,033
152	Repairs and Maintenance	805,882	968,246	-	1,774,128
153	Taxes and Licenses	342,115	638,189	-	980,304
154	Utilities	443,394	686,805	800,000	1,930,199
155	Non-Capitalized Non-recurring Costs	101,000	19,500	-	120,500
156	Balance Sheet Items (require cash)	-	575,000	-	575,000
157	TOTAL COSTS	2,189,579	4,087,214	800,000	7,076,793
Revenues					
161	Residential Leases - Homes	3,500,000	-	-	3,500,000
162	Rent Concessions	(150,000)	(102,811)	-	(252,811)
163	Residential - Garages	6,400	-	-	6,400
164	Commercial - Office/Warehouse	-	885,354	-	885,354
165	CAM Recoveries	-	42,065	-	42,065
166	Utility Reimbursement	-	193,608	-	193,608
167	Revenue - Utility Fund	-	-	525,000	525,000
168	Other Income	20,000	8,337	-	28,337
169	TOTAL REVENUES	3,376,400	1,026,553	525,000	4,927,953
171	Funding (to)/from Government Fund	1,186,821	(3,060,661)	(275,000)	(2,148,840)

Fort Monroe Authority Enterprise Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

Personnel Services	
12	Salaries, Wages and Contract Cost: There is no change in staffing levels for FY16.
13	Salary Increase: The amounts included in the FY16 budget reflect the proposed salary increase included in the FY16 state budget approved by the General Assembly. Provided that the state revenue targets are achieved, the Authority will implement the salary increase in accordance with the state guidelines. This line item includes any increase in fringe benefit cost as a result of the salary increase.
14	Fringe Benefits: FMA employees are eligible for all benefits available to state employees. Fringe benefits are included for FMA employee positions only. The fringe benefits amounts reflected for FY16 are based on the guidance provided by DHRM and are based on the current benefit levels for health care and other benefits.
Administrative	
24	Labor-Administration: The Authority's contract with its commercial leasing and management company (OPCRES) requires the Authority to reimburse the contractor for salary and benefits for contractor employees dedicated to the Authority's portfolio. This line item contains the salary and benefit reimbursement for the assistant commercial property manager.
25	Advertising includes the cost of advertising rental properties, typically residential properties. The FMA/OPCRES attempt to utilize free or low cost services whenever possible.
26	Building 73 Office Utilities includes the cost of utilities for the Authority's leasing office in building 73. Since there are no individual meters, the FMA Utility Fund bills utilities on a per square footage basis and this line reflects the estimated cost for utility billing.
27	Bank Fees & Finance Charges: No charges are expected.
28	Training include the cost of keeping FMA employees trained on property issues including tenant/landlord laws, equipment repair and lead-based paint remediation and maintenance.
29	Professional Services – Courts/Collections includes the cost of filing any landlord actions such as delinquent rent collections or evictions.
30	Leasing Commissions (non-CAM): The OPCRES contract includes a consulting fee for the contractor advising the Authority on non-lease related matters. The FMA/OPCRES contract includes the payment of leasing commissions to OPCRES. It is expected that these commissions will be capitalized with the lease.
31	Leasing Expense: This line item reflects the cost of lease production including copying and distribution of copies for signature.
32	Office Supplies includes the cost of office supplies including paper, toner and ink cartridges, and includes more durable items such as calculators, clipboards and notebooks used in the rental office.
33	Furniture, Fixtures and Equipment Expense – Computers/Software: The cost of computers and software below the level to be capitalized. The FMA also pays maintenance and support fees for its property management software (OneSite).
34	Furniture, Fixtures and Equipment Expense – Copier/Fax: The FMA has elected to lease its copier to ensure that it can replace and upgrade its equipment every 3 years.

Fort Monroe Authority Enterprise Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

35	Pagers/Cell Phones includes the cost of cell phones and cell phone service for the FMA leasing and maintenance staff.
36	Postage/Courier includes the cost of postage for mailing invoices and notices.
37	On-Line Fees includes the cost of any internet connectivity service and any other internet-based services such as credit bureaus.
38	Telephone – Management Office includes the cost of telephone service for the leasing and maintenance offices.
39	Telephone – Life Safety includes the cost of telephone lines for fire alarm monitoring.
40	Meals/Lodging/Travel includes the cost of mileage reimbursements when employees use their personal vehicles for business purposes.
41	Conference/Training Fees includes the cost of registrations for conference attendance.
42	Uniforms: The FMA/OPCRES provides uniforms for its maintenance employees so they present a uniform image and are identifiable to the tenants.
Management Fees	
45	Management Fees: The FMA/OPCRES contract includes a provision for the payment of a management fee to cover the cost of OPCRES non-reimbursable expense, typically the area manager and accounting functions. The fee is based on receipts from commercial rent receipts. The contract contains a cap of \$150,000 in management fee which was reached with the transfer of the 312.75-acre parcel and 85 commercial properties on June 4, 2013.
Insurance	
50	Vehicle Insurance includes the cost of insurance for the Authority’s maintenance vehicles.
51	Property Insurance includes the cost of insuring all Commonwealth property at Fort Monroe and the federal properties currently under lease from the Army. The properties are insured through the state’s Department of Risk Management (DRM). The DRM establishes the premium rates that the FMA pays. These premiums are allocated to the properties on a per square footage basis.
Cleaning	
55	Cleaning – Office Building: The cost for cleaning service for the FMA/OPCRES leasing office.
56	Cleaning Contract: Some of the commercial contracts require OPCRES to provide nightly cleaning services during the business week. OPCRES contracts with a cleaning company to provide these services. The cost of that contract is recorded in this line item. These expenses are expected to increase as the FMA leases buildings to third-party tenants on a gross lease basis.
57	Cleaning Supplies includes the cost of purchasing any cleaning supplies to be used in cleaning the properties.
Service Contracts	
61	HVAC Contract: OPCRES has engaged a qualified HVAC company to service the large commercial HVAC systems. These systems will be inspected on a regular basis as a part of the contract.
62	Extermination Contract includes the cost of a managed pest control program as well as individual rodent trapping for squirrels and raccoons.

Fort Monroe Authority Enterprise Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

63	Emergency Generator Contract: A small number of the commercial properties are equipped with emergency generators. These generators must be inspected and operated on a regular basis to ensure they remain in good operating condition. OPCRES contracts with a company to perform the regular inspection and testing program.
64	Equipment Service Contract/Lease includes the cost of service contracts on the copier/fax.
65	Fire/Life Safety: Most of the commercial buildings have sprinkler systems installed. These systems must be inspected and tested on a regular basis. OPCRES contracts with third-party company to perform these services.
66	Landscaping – Contract: OPCRES contracts with a grounds maintenance company to cut the grass in the open areas and around commercial buildings and apartment buildings.
67	Landscaping – Plants/Flowers/Mulch: The grounds maintenance contractor also provides bi-annual services such as mulching and planting in visible public areas such as the entry gate and Cannon Park.
68	Trash Removal/Recycling Contract: OPCRES contracts for trash collection for commercial properties through a bulk waste management company.
69	Alarm Services Contract: Fire alarm systems are monitored by a third-party monitoring company.
70	Elevator Contract: A small number of the commercial buildings have elevators. These elevators must be inspected on a regular basis. Preventive maintenance and repair services will also be a part of this contract with a third-party elevator service company.
71	Water Treatment Contract: OPCRES contracts with company to inspect the cooling towers and to provide water treatment chemicals for the cooling towers to prevent scale and rust.
Repairs and Maintenance	
75	Labor – Maintenance includes the cost of the on-site commercial and residential maintenance personnel that are contracted through third-party companies.
76	Labor – Building Manager: This line item includes the cost of the OPCRES employee that serves as the commercial property manager and who also supervises the commercial maintenance team. The FMA/OPCRES contract provides for the FMA to reimburse OPCRES for the cost of this employee.
77	Building Interior includes the cost of general repairs made to interior features on the building not reflected in the other maintenance categories below.
78	Consulting – Architectural/Engineer includes the cost of consultation from a licensed architect or engineer.
79	Lead-Based Dust Remediation: The environmental inspection report indicated the presence of lead-based dust in residential units. The FMA has developed an inspection and testing protocol for homes occupied by children under 6 and women of child-bearing age. This project includes the contract cost of cleaning and the consulting industrial hygienist.
80	Door & Glass Repair/Replacement includes cost of repairing interior and exterior doors including screen doors. This line item also includes the cost of replacing broken window and door glass.

Fort Monroe Authority Enterprise Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

81	Electrical Repair & Maintenance includes the cost of electrical repairs that require contracting with a licensed electrician.
82	Light Bulbs includes the cost of replacing light bulbs in common areas and commercial buildings.
83	Generator Repairs includes the cost of any repairs to building generators that are outside of the generator service contracts. This may include the fuel tanks that supply fuel to the emergency generators.
84	Equipment R&M includes the cost of maintenance contracts and repair supplies for non-HVAC building equipment.
85	Maintenance Equipment Rental includes the cost for equipment rentals such as hydraulic lifts necessary for the maintenance of the property.
86	Landscaping R&M includes the cost for repairs and maintenance on landscaping systems brick walkways and stone pavers.
87	Locks and Keys includes the cost of repairing and/or replacing door locks and keys.
88	Painting includes the cost of contracted painting jobs. Typically the residential and commercial units will require some painting prior to occupancy. The cost of commercial painting may be recorded as a tenant improvement if it is part of a larger project.
89	Flooring R&M – Interior includes the cost of sanding and coating residential hardwood floors prior to re-leasing a residential unit as well as repairs to linoleum and tile floors.
90	Painting R&M – Exterior: In FY15 the FMA commenced an exterior painting program to replace deteriorating paint coatings on residential and commercial buildings. The loss of protective paint has resulted in damage to wooden structures. The FMA started painting the worst buildings first and will gradually work through the entire inventory. The project is expected to be continuous due to the number of buildings and the limited amount of funding.
91	Irrigation R&M: A small number of commercial buildings and public areas have irrigation systems. OPCRES has engaged a third-party company to provide irrigation repair services on an as-needed basis for items that cannot be repaired by the maintenance team.
92	Contracts – Other includes the cost of miscellaneous contracts not reflected elsewhere.
93	Plumbing includes the cost of engaging third-party plumbing contractors to fix problems that cannot be repaired by the maintenance team or Veolia.
94	Fire/Security Equipment R&M includes the cost of repairing any of the fire alarm systems in the buildings that is outside of the maintenance contract.
95	Signage includes the cost of installing signage at commercial properties.
96	Small Tools includes the cost of small tools that are below the level to be recorded as capital assets such as hammers, wrenches, screwdrivers, chainsaws and drain snakes.
97	FF&E – Appliances includes the cost of replacing appliances in residential units.
98	FF&E – Other includes the cost for trash and recycling bins for new residential leases and portable generators.
99	Supplies – R&M includes the cost of general maintenance supplies such as nails, screws, bolts, nuts, etc.

Fort Monroe Authority Enterprise Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

100	Supplies – Electrical includes the cost of supplies used for electrical repair items such as switches, outlets and light fixtures.
101	Supplies – Landscaping includes the cost of supplies used for landscaping such as irrigation heads.
102	Supplies – HVAC includes the cost of supplies for HVAC repairs such as Freon, filters and replacement thermostats.
103	Supplies – Painting includes the cost of supplies for painting repairs such as paint, brushes, rollers, trays, tarps, etc.
104	Supplies – Plumbing includes the cost of supplies for plumbing repairs such as flapper valves, stem washers, p-traps, water supply hoses, etc.
105	Vehicle – Fuel includes the cost of purchasing fuel for the maintenance vehicles and golf carts.
106	Vehicle – R&M includes the cost of any repairs or maintenance on the maintenance vehicles and golf carts such as tires and oil changes.
107	Tenant Improvements: The Authority expects to lease 20,000 square feet of commercial space per year. Based on previous leases, the Authority budgets \$13.84 per square foot for tenant improvements. Since the majority of this cost is painting and carpet it falls below the level for capitalized asset treatment.
108	Building Repairs includes the cost of general repairs to the building envelope not reflected in other R&M accounts.
109	Snow Removal includes the cost of purchasing snow removal supplies such as Ice Melt.
110	Roof R&M: The preliminary results of the roof condition assessment project indicate a large number of buildings in need of roof repairs. The major roof repairs are reflected as capital projects. The cost of non-capital repairs will be reflected in this account.
111	Gutter Cleaning/Repair: The FMA has been repairing a significant amount of damaged soffit and fascia boards. Investigation has revealed downspouts and gutters clogged with leaves and pine needles. The FMA is implementing a gutter cleaning program to keep the gutters and downspouts open in order to reduce the damage to soffit and fascia boards caused by overflowing gutters.
112	Tree Maintenance: The Fort Monroe property has a large inventory of trees including the 500-year old Algernoune Oak. Since the property transferred to the Commonwealth in June 2013 the FMA has realized the need to provide funding for an ongoing tree maintenance program. This account will include lightening protection, root fertilization, tree pruning and dead tree removal.
113	Fascia/Soffit Repairs: In combination with the gutter cleaning and painting programs mentioned above this account reflects the cost to repair the damaged soffit and fascia boards discovered during the gutter cleaning or exterior painting program.

Fort Monroe Authority Enterprise Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

114	<p>Parking Lot Repairs & Striping: The need for parking lot maintenance is defined and recommended in the roadway section of the Fort Monroe Infrastructure Condition Assessment Report prepared by Kimley-Horn and Associates dated June 2010. The Authority will begin a program for parking lot repair and/or restriping to improve the look of parking lots to support the leasing of commercial properties.</p>
Taxes and Licenses	
118	<p>PILOT Fee to City of Hampton reflects the cost of the PILOT paid to the City of Hampton for any properties available for lease to residential or commercial tenants not exempted by use. These fees are billed semi-annually by the City of Hampton and are based on the assessed value of property at Fort Monroe as if the property were privately-owned property within the boundary of Hampton. The FMA has the right to contest the assessments of property value just like any other private landowner in the City of Hampton. The FY16 budget reflects the cap on PILOT payments reflected in the state biennial budget.</p>
Utilities	
122	<p>Electricity includes the cost of electrical usage. Since no individual meters exist, these charges are billed on a square footage basis. The Authority is beginning to take responsibility for the utility master meter accounts. The Army has turned over utility bill amounts for the prior year. The bills revealed that the Authority had not budgeted amounts sufficient to cover the actual bills. The amounts in FY16 are based on this new information. Some of these charges are recoverable from residential tenants as part of the monthly rent and from commercial tenants as part of the CAM recovery.</p>
123	<p>Electricity (Non-CAM) includes the cost of electrical service that is not recoverable from commercial tenants such as public street lighting.</p>
124	<p>Trash Removal/Recycling Contract includes the cost of trash removal contracts for commercial and residential properties.</p>
125	<p>Water and Sewer includes the consumption charges for water and sanitary sewer. Since the FMA took over the utility accounts the monthly bills revealed that the FMA had not budgeted amounts sufficient to cover the actual bills. The amount for FY16 has been adjusted based on this new information.</p>
126	<p>Fuel and Oil includes the cost of purchasing diesel fuel and oil to be used for emergency generators and fuel-oil fired boilers/heaters.</p>
127	<p>Natural Gas includes the cost of natural gas consumption based on the master meter readings. As with the other utilities the bills revealed that the FMA had not budgeted amounts sufficient to cover the actual bills. The amount for FY16 has been adjusted based on this new information.</p>
Furniture, Fixtures and Equipment (non-Capital)	
131	<p>Repairs to B27A & Relocation of Leasing Office: The Authority has made the determination that the location of the existing leasing office is more valuable as a commercial tenant space due to visibility and adjacent parking. The Authority is doing a small renovation project in Building 27A and will relocate the leasing office to that building once complete in FY16.</p>

Fort Monroe Authority Enterprise Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

132	<p>Measurement to Residential Units: Since leasing the residential buildings from the Army prior to the property transfer the Authority has struggled to determine the correct square footage for the residential units. Despite receiving hundreds of plans from the Army the Authority is lacking current floor plans for many of the residential units. This makes marketing of the properties for lease (and eventually for sale) difficult due to the lack of accurate square footage data and floor plans. The Authority has hired a contractor to professionally measure all of the residential units and to prepare accurate scale floor plans for each of the residential units.</p>
133	<p>Repairs to Post Theater for Re-Use: The Authority has started to rent the Post Theater to outside groups. There are some repairs that need to be made to the Theater which should result in the ability to increase the rental price.</p>
134	<p>Computer Equipment for Leasing Office: The leasing office got new computers when the Authority took over leasing of the residential properties. These computers will begin to reach the end of their functional life starting in FY15 and will be systematically replaced.</p>
Capital	
140	<p>Convert Building 80 to Residential: Building 80 is a 9-unit historic inn. The FMA issued a RFP for an operator for the Inn. No qualified proposals were received. Since the FMA has a waiting list for one-bedroom units the FMA Board authorized the FMA staff to develop plans to convert the building into apartment units. Based on preliminary estimates the cost to complete the renovations is approximately \$600,000. The work commenced late in FY15. The project, once completed, will add eight 1-bedroom, 1-bath units and two 2-bedroom, 2-bath units to the available inventory.</p>
Revenue Categories	
161-162	<p>Residential Leases – Homes: The Authority has leased over 95% of the available residential units by the end of FY15. As part of the lease-up the Authority had to offer significant rent incentives to entice new residents to Fort Monroe. With the supplemental appropriation provided to repair the “down” units, the Authority expected to increase residential revenue through additional leases and a phase-out of most of the in rental incentives.</p>
163	<p>Residential Leases – Garages: The Authority leases surplus garage units to residents or private citizens.</p>
164	<p>Commercial – Office/Warehouse: The Authority has been working on several new commercial tenants during FY15 and is working with several new prospects. Based on a new market study completed as part of the Master Plan project the Authority can reasonably expect to lease 20,000 square feet of office space at \$12 per square foot on an annual basis. The projections are reflected in the current budgets.</p>
165	<p>CAM Recoveries: Some of the commercial leases include provisions for the FMA to recover certain common area maintenance (CAM) charges such as the water/sewer contract charges, security and grounds maintenance. These are billed to tenants based on a ratio of rentable square footage as a percentage of the entire portfolio.</p>

Fort Monroe Authority Enterprise Fund
 Explanations for FY16 Budget Line Items
 As approved by the Board of Trustees on June 18, 2015

166	Utility Reimbursement: Some of the commercial leases include provisions for expense recoveries for increases over the base year rate. This protects the FMA if non-controllable expenses such as PILOT or utility rates increase significantly. Any amounts over an established base year rate per square foot are recoverable from tenants.
167	Revenue – Utility Fund: The FMA now bills third-party tenants for natural gas, water and sewer usage. These tenants include the Chamberlin, St. Mary’s Catholic Church and the Army Caretaker. Following GASB and GAAP guidance the FMA has established the FMA utility fund to track revenue and expenses related to the operation of these utilities.
168	Other Income: This line item includes miscellaneous income such as late fees, NSF charges and forfeited security deposits.
Interfund Activity	
171	Funding (to)/from Government Fund: Any surplus of funds from business type activities are returned to the government fund as a revenue item. However, any shortage in net cashflow in the enterprise fund must be funded from government funds. Based on the property condition assessments and a number of expense adjustments including gutter/fascia and parking lots repairs, the lead-based dust cleaning and maintenance program and the significant change in utility expenses the Authority projects large shortage of operating revenue for the enterprise fund that will require funding from the Government Fund.