

PROPERTY MANAGEMENT REVOLVING FUND – 29 V.S.A. § 160 (e)

(e) The Commissioner of Buildings and General Services shall supervise the receipt and expenditure of monies comprising the Property Management Revolving Fund, subject to the provisions in this section. He or she shall maintain accurate and complete records of all such receipts and expenditures and shall make an annual report on the condition of the Fund to the House Committee on Corrections and Institutions and the Senate Committee on Institutions. All balances remaining at the end of a fiscal year shall be carried over to the following year.

Fund Overview – Property Management

The Property Management program began FY2021 with a negative fund balance of \$21,681,655 M. As shown below, the negative fund balance has decreased by \$1,898,736 in FY2021.

The calendar year 2017 was the last year for the principal and interest payments for the “Property Management Treasurer Buildings.” Therefore, the Asa Bloomer building in Rutland and 108 Cherry Street in Burlington are now paid off. Going forward, the current negative fund balance of \$11,498,411 created by these buildings will be slowly eliminated, reducing the property management deficit. The remaining \$9,685,646 does not currently have a funding source to pay down the deficit. The Administration requested \$10,000,000 in the proposed FY22 Budget Adjustment Act to pay down the portion of this deficit. At the time of this legislative report, we are awaiting approval of the funding request from the Legislature.

The decrease in FY2021 is mostly attributed to increased revenue associated with COVID-19 related back charge expenses. The expectation is that this will not continue in FY2022 and beyond, but that the negative fund balance will continue to decrease due to the “Property Management Treasurer Buildings” haven been completely paid off, while still collecting the revenue from the tenants of those buildings to pay off that portion of the deficit by year 2048.

The FY2021 total cost of leases was \$17,569,320.

The Fund Balance at the end of FY2021 was **(\$21,681,655M)** based on the following revenues and expenses.

Revenues	\$24,932,944
Cost of Goods Sold	(\$19,319,947)
Operating Expenses	<u>(\$3,714,262)</u>
Net Income	\$1,898,735
Fund Balance 6/30/2020	(\$23,580,391)
Fund Balance 6/30/2021	(\$21,681,656)