

**METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS
777 NORTH CAPITOL STREET, NE
WASHINGTON, D.C. 20002-4290**

**APPROVAL OF FY 2011 GENERAL RESERVE EXPENDITURE
FOR CAPITAL REPAIR/REPLACEMENT**

WHEREAS, the Metropolitan Washington Council of Governments (COG) is a co-owner along with ICMA and ICMA-RC of the building located at 777 North Capitol Street NE, Washington, DC and has occupied approximately 56,000 square feet of office and meeting room space since the building was first occupied in 1990; and

WHEREAS, after several years in which no significant repair or replacement was required, the COG Board of Directors requested that staff prepare a multi-year capital infrastructure plan as part of its 2008 approval of replacement HVAC and power supply systems in COG's facility housing its information technology servers and other critical equipment; and

WHEREAS, staff prepared a proposed FY 2011 to FY 2016 Capital Repair/Replacement Plan for review by the Budget and Finance Committee prior to incorporation in the FY 2012 Work Program and Budget, scheduled for Board of Directors action on January 12, 2011; and

WHEREAS, COG has experienced regular failure of the Board Room audiovisual system, especially the microphone and sound amplification system, which is used on an almost daily basis and must be reliable to serve the needs of COG members, guests and the media; and

WHEREAS, technical consultants have advised that the AV system cannot be repaired and must be replaced; and

WHEREAS, COG has approximately 2,000 of office space that had been rented to the National Jewish Democratic Council and is currently in the process of securing another tenant; and

WHEREAS, a review of the tenant space and COG occupied office space found that some areas lack sufficient fire and building safety notification systems; and

WHEREAS, the Executive Director and Chief Financial Officer have recommended that the General Reserve, principally funded from unspent Fiscal Year capital/contingency reserve, provides the most appropriate source for FY 2011 audiovisual and fire safety capital expenses, consistent with the Board of Director's policy approved in 2004 for reserve fund management; and

WHEREAS, the Executive Director will further recommend that the FY 2012 Work Program and Budget, scheduled for adoption by the COG Board of Directors in January 2011, include a multi-year Capital Repair/Replacement Plan, funded each fiscal year by an approximately one-third allocation of capital/contingency reserve, which will retain approximately two-thirds for COG Board of Directors approval for program use and/or retained as unobligated and that if unspent will add to COG's General Reserve.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS THAT:

1. The Board of Directors approves the reprogramming of FY 2011 General Reserve funds in an amount not to exceed \$200,000 to the FY 2011 Capital Repair/Replacement Plan account to support immediate replacement of the Board Room AV system and enhancements to the building fire and safety systems.
2. The Executive Director is authorized to solicit competitive bids and to award a contract to perform the necessary Board Room AV replacement in an amount not to exceed \$150,000. Work will be completed by December 31, 2010 and will minimize inconvenience to COG members and staff and regularly scheduled meetings of COG policy boards and committees.
3. The Executive Director is authorized to procure services and equipment necessary to enhance the building safety systems in an amount not to exceed \$50,000. Work will be coordinated with building management and will be completed by December 31, 2010.
4. The Executive Director will identify completed Capital Infrastructure Plan activities and update the forecast of funding requirements for future years beginning with the FY 2012 Work Program and Budget scheduled for Board of Directors action on January 12, 2011.
