FY 2013 Capital Budget

Presentation to the Board of County Commissioners

Multnomah County
May 16, 2012

Located at: **www.multco.us/budget**

FY 2013 Capital Presentation

- Today's Agenda
  - Overview of County Financial Policies for capital projects
  - Review of capital debt policies and management
  - Transportation Capital Program budget review
  - Department of County Assets Facilities Capital and IT project budget reviews
  - Questions and follow-up

County Financial Policies

Our County Financial Policies address:

- Transportation Financing
- Capital asset management
- Short and long-term debt financing

County Financial Policies

Transportation Financial Policies:

- Direct the development of a Five-Year Capital Improvement Plan (updated annually)
- Describe funding mechanisms – Gas Tax and the Vehicle Registration Fee
- State Board policy to support efforts to secure state and regional funding

County Financial Policies

Facilities Capital Asset Management Policies:

- Direct the development of a Five-Year Capital Improvement Plan (updated annually)
- Define buildings as Tier I, Tier II, or Tier III, based on condition
- Outline funding sources and priorities (capital fees charged on owned space)
- Provide guidelines for asset acquisition, disposition, and the use of sale proceeds

County Financial Policies

Short and long-term debt policies:

- Describe financing mechanisms available
- “Pay-go” versus “Pay-use”
- Restrictions on debt issuance (County policy is more restrictive than state statutes)
- State explicitly that debt will ***not*** be issued to support operations

County Debt Overview

Types of Capital Debt:

- Short Term
  - Internal Loan
  - Tax Revenue Anticipation Notes (TRANs)
- Long Term
  - Full Faith & Credit
  - General Obligation Bonds (GO Bonds)
- Revenue Bonds
- Capital Lease Purchase Agreements

County Debt Overview

Summary of Capital Bond Memo:

- FY 2013 Projects supported with debt proceeds
  - Sellwood Bridge Fund – Bridge replacement
- Legal and internally-imposed debt limits
- Remaining debt capacity under existing policy

County Debt Overview

General Obligation Bonds:

- Voter approval required
- Supported by property taxes, not subject to Measure 5 limits
- No new GO debt issued by Multnomah County since 1997
- Existing debt was refinanced in 2010 with savings estimated at $5.2 million
- Current obligations will be retired in FY 2017

County Debt Overview

Revenue Bonds:

- Finance projects that are supported by dedicated resources
- No current revenue bonds
  - Revenue bonds for Oregon Food Bank and Port City were retired in 2011
- County's share of Sellwood Bridge Project could be financed with revenue bonds

County Debt Overview

Pension Obligation Bonds:

- Sold in 1999 to "buy down" or pre-fund the County's unfunded PERS liability - $185 million
- Debt service escalates, but rates charged to departments are held constant over the life of the bonds
- County PERS rates would have been much higher than they are had we not issued bonds.
- Reserve provides rate stability and cushions against future PERS increases

County Debt Overview

Full Faith & Credit Obligations (FFCOs):

- Subject to 5% County Financial Policy limitation
- Approximately $67 million outstanding debt
  - Most recent sale was in December, 2010, for the East County Courthouse - $15 million
- All existing FFCO debt will be retired by 2020

County Debt Overview

Debt Description	Dated	Maturity Date	Avg Annual Interest	Amount Issued	Principal Outstanding 6/30/2012	Principal Outstanding 6/30/2013	2012-13 Interest	2012-13 Principal
General Obligation Bonds:								
Series 2010 - GO Refunding Bonds	03/31/10	10/01/16	1.70%	$ 45,175	$ 31,795	$ 24,935	$ 1,303	$ 6,860
PERS Pension Revenue Bonds:								
Limited Tax Pension Obligation Revenue Bonds	12/01/99	06/01/30	7.67%	$ 184,548	$ 131,513	$ 127,034	$ 12,563	$ 4,479
Full Faith and Credit Obligations:								
Series 2003 - Full Faith and Credit	06/01/03	07/01/13	2.83%	9,615	2,160	1,100	52	1,060
Series 2004 - Full Faith and Credit	10/01/04	08/01/19	3.71%	54,235	42,555	36,545	1,897	6,010
Series 2010A - Full Faith and Credit	03/31/10	06/01/17	2.96%	9,800	7,125	5,750	214	1,375
Series 2010B - Full Faith and Credit	12/14/10	06/01/30	2.74%	15,000	15,000	15,000	713	-
Total Full Faith and Credit				**$ 88,650**	**$ 66,840**	**$ 58,395**	**$ 2,876**	**$ 8,445**
Leases and Contracts:								
Sellwood Lofts - Capital Lease	01/01/02	01/01/32	2.50%	$ 1,093	$ 991	$ 974	$ 101	$ 17
Sheriff's Office Warehouse - Capital Lease	07/01/10	06/30/17	4.00%	814	605	493	22	112
Total Leases and Contracts				**$ 1,907**	**$ 1,596**	**$ 1,467**	**$ 123**	**$ 129**
Loans								
Oregon Transportation Infrastructure Bank	09/01/08	09/01/25	3.98%	$ 4,600	$ 3,170	$ 2,883	$ 126	$ 287
Taxable Non-Revolving Credit Facility and Bond - Sellwood Bridge	12/14/11	12/14/12	0.96%	15,000	15,000	15,000	144	15,000
				$ 19,600	**$ 18,170**	**$ 17,883**	**$ 270**	**$ 15,287**

Transportation
FY 2013 Capital Budget

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Transportation Capital Planning Process

- Three Components:
  - Capital Plan – 20 years
  - Capital Program – 5 years
  - Capital Budget for FY 13 – 1 year

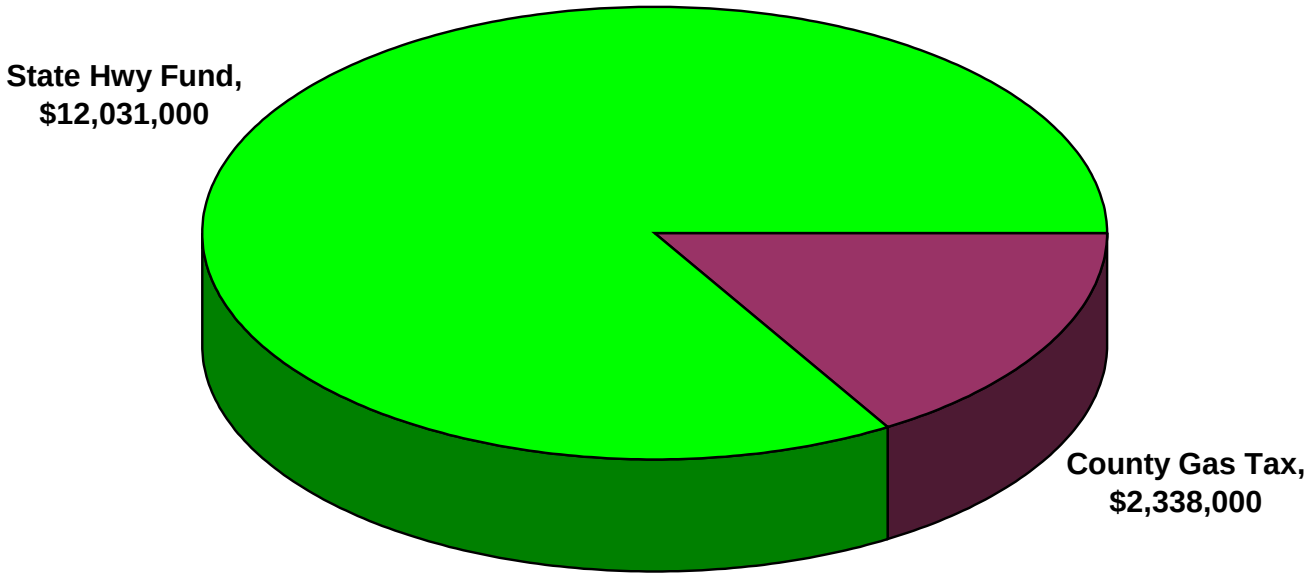
- Selection Criteria
  - Safety
  - Support Land Use Goals
  - Engineering Evaluation
  - Community Support

Transportation Funding Priorities

- Debt Obligations
  - 257 Avenue @ Orient Drive Loan
  - 223rd Ave RR Undercrossing
  - Sellwood Bridge Replacement
- System Preservation and Maintenance
- Capital
  - Sellwood Bridge Replacement

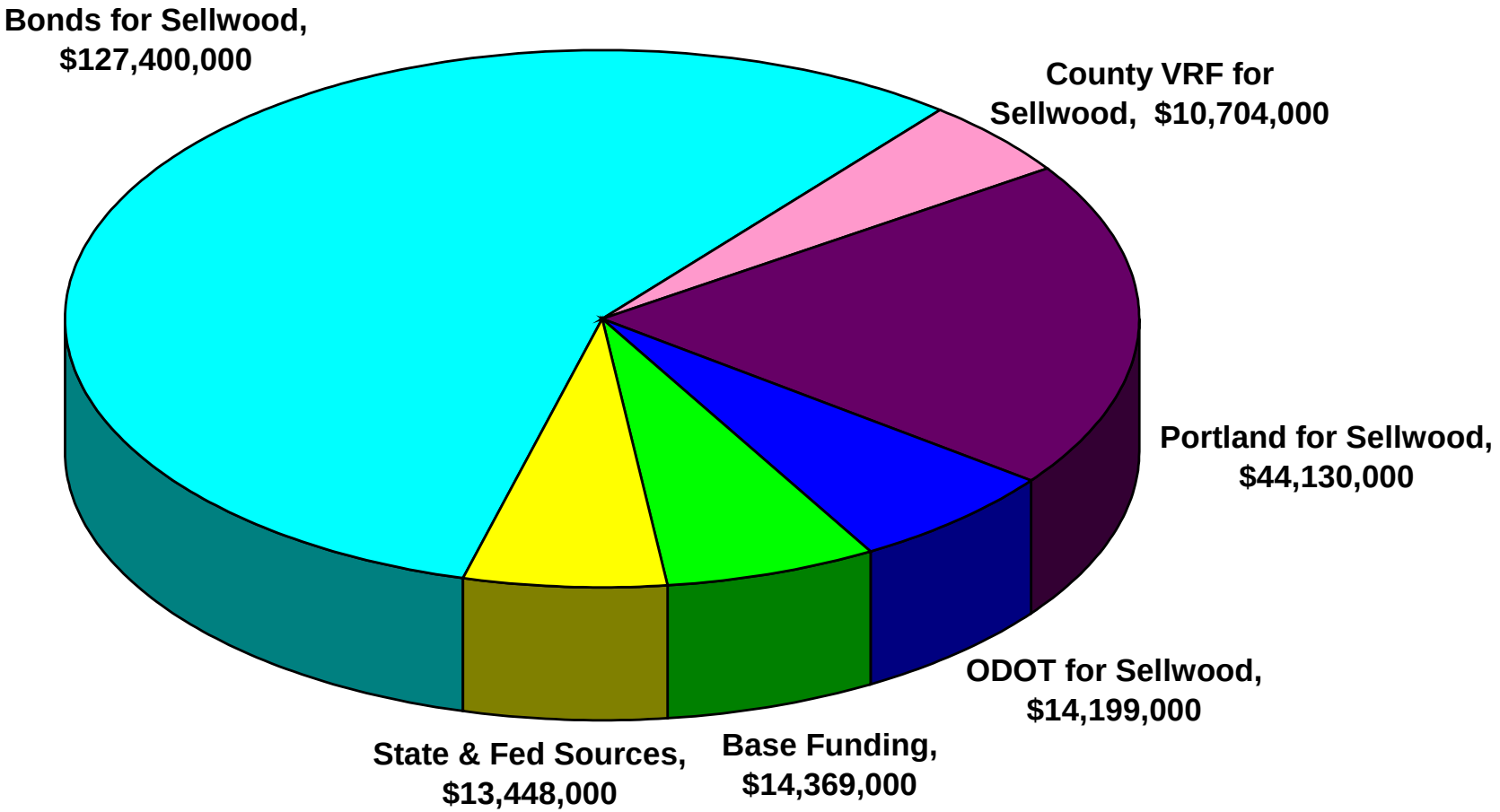
Revenue – Base Funding Sources

Total Base Funding Sources in FY 2013 is $ 14.4M



Revenue All Sources

Total Revenue in FY2013 is $225M



Road Fund - System Preservation

- Newberry Slide Repair
- Pavement Maintenance







Thompson Road Slide Repair



Palmer Mill Slide Repair

Construction FY 2013

238th Safety Improvement

- Federal Aid Hazard Elimination Program (HEP)
- Improve sight distance and lane configuration
- Anticipated Construction August 2012

Funding
$326K Federal



Construction (continued)

- SE Troutdale Rd sidewalk in-fill
- NE Halsey Street N side improvements
- Asphalt Overlays



Bicycle & Pedestrian Program FY 2013

- Annual Allocation -1 % of base funds
- N.E. 223rd Avenue – Planning
  - Old Town Fairview



  - Sandy Blvd. to 40-Mile Loop Trail



Design in FY 2013

- Arata Road (multi-modal improvements)
- Cornelius Pass Rd - Safety Improvements



Road Projects Beyond FY 2013

- Sandy Blvd (design & construction)
- Arata Road (construction)
- Cornelius Pass Rd. (construction)
- Beaver Creek Culverts Fish Passage (design & construction)



Willamette River Bridges



Bridge Construction Projects in FY 2013

- Sellwood Bridge Replacement



- Hawthorne Ramp Relocation (TBD)

System Preservation – FY 2013

- Morrison Center Locks (lift span)
- Sauvie Island Traveler (moveable under-deck maintenance system)

Bridge Projects Beyond FY 2013

- Burnside Needs Assessment
- Willamette River Bridges Capital Plan Update
- Broadway Paint Spans 2,3, and 7 above Deck
  - Design FY 13
  - Construction FY 15-16
- Broadway Rall Wheels Replacement
  - Design FY 14-15
  - Construction FY 15-16

Seismic

- Seismic Update Plan (FY 2013)
- Other seismic upgrades have not been funded due to higher priorities assigned to operational and preservation needs. Substantial capital investment is required.

Summary of Transportation Capital

- State highway funds, county gas tax and vehicle registration funds current debt, some preservation of system and limited capital projects
- New projects resulting from outside competitive funds
- Continue to look for other sources of base funding

Summary of Transportation Capital

Questions?

DCA FY 2013 Capital Presentation



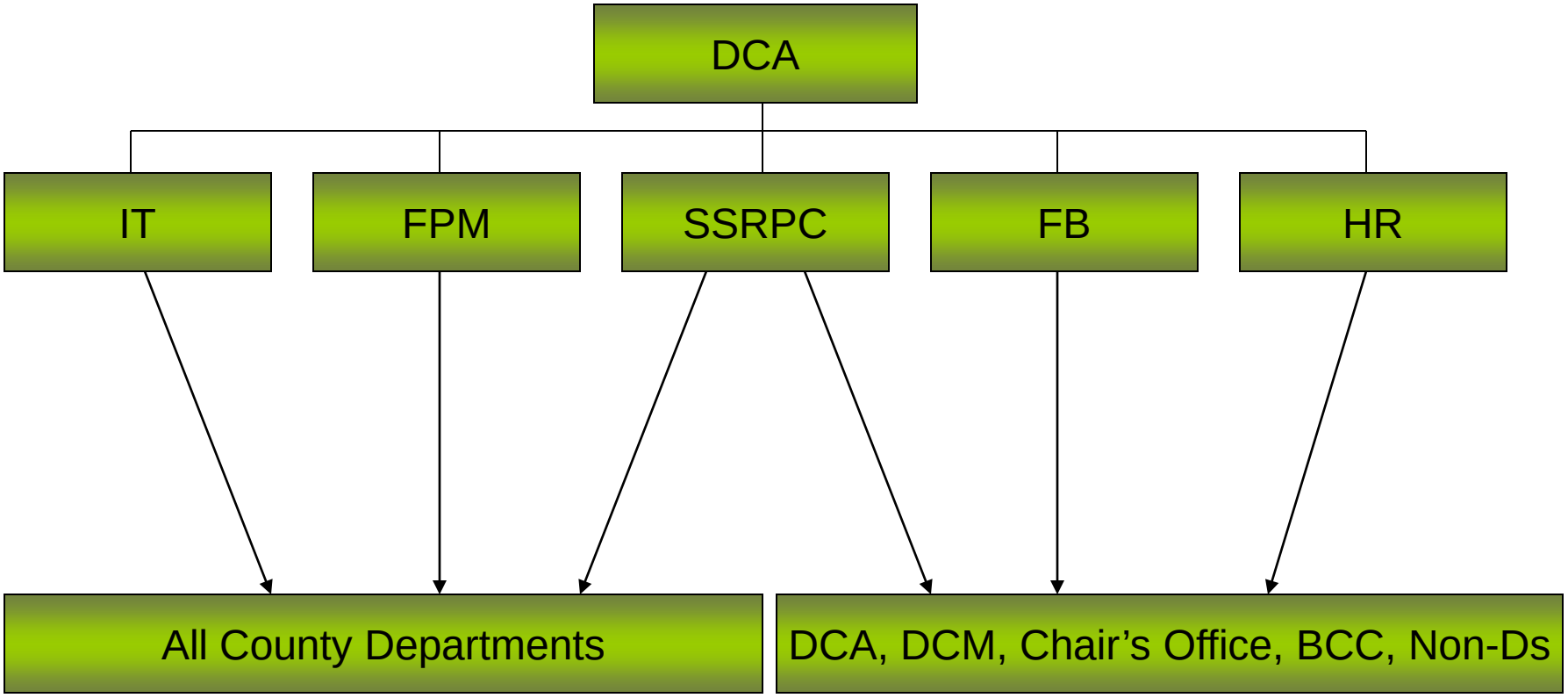






Department of County Assets

Structure



Department of County Assets

Mission (draft):

- We plan, build, acquire, and maintain core assets – technology, facilities, vehicles, and records – that allow Multnomah County to achieve its mission for the community. We pioneer new models of service promoting efficiency and stewardship.

Vision (draft):

- We redefine when, where, and how local government operates. We lead innovative and sustainable practices in service delivery.

Guiding Principles (draft tagline):

- Creative synergies. Innovative technologies. Sustainable practices. Inclusive workplace.

Facilities Capital: Mission

- Extend the life of County Buildings
- Optimize the performance of building systems
- Create, maintain, and improve accessible, functional, sustainable, and energy-efficient facilities that meet County program needs.

Facilities Capital: Focus

- Reduce long term facilities cost to the County
- Prioritize projects to prolong life of assets and upgrade building infrastructure and equipment
- Improve functionality and usefulness for programs
- Optimize flexibility of space
- Achieve a sustainable balance between facility maintenance and capital funding

Facilities Capital: Definitions

- Tier I Asset Preservation (AP)
  - Retain Good building for long term use
    - Provide scheduled maintenance from Asset Preservation Fund 2509
- Tier II Capital Improvement Program (CIP)
  - Retain and Improve fair buildings needing capital improvement
    - Schedule improvements to bring up to Tier 1 status from Capital Improvement Fund 2507
- Tier III Capital Improvement Program (CIP)
  - Maintain Functionality
    - Minimal Capital investment pending decision of retention or disposition



Facilities Capital: FY 2013 Budget

- FY13 AP and CIP fees are $3.20 per owned square foot
- FY13 Tier 1 AP revenue is $3.7 million
- FY13 Tier II & III CIP revenue is $3.5 million

Facilities Capital: Project Prioritization

Prioritization ~ Project Rating Order

- Fire, Life, Safety
- Building Envelope including Roof
- Compliance
- Major Systems
- Outside Funding
- Non-critical Systems
- Operational Savings
- Combined Project
- Workplace Environment



Asset Preservation Projects: FY 13-17

Bldg #	Bldg Name	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	5-Year Plan
311	Juvenile Justice	$ 146,083	$ 840,000	$ -	$ -	$ 310,000	$ 1,296,083
314	Inverness Jail	$ 2,617,442	$ -	$ -	$ 750,000	$ 250,000	$ 3,617,442
320	Inverness Jail Laundry	$ 382,725	$ -	$ -	$ -	$ -	$ 382,725
325	North Portland Health	$ 66,675	$ -	$ -	$ -	$ -	$ 66,675
414	Elections	$ 33,544	$ -	$ -	$ -	$ -	$ 33,544
420	Southeast Health	$ 49,039	$ -	$ 60,000	$ -	$ -	$ 109,039
430	Mid-County Health	$ -	$ 75,000	$ -	$ 100,000	$ -	$ 175,000
437	MCE	$ 210,000	$ -	$ -	$ -	$ -	$ 210,000
448	GCC Service Bldg	$ -	$ -	$ 60,000	$ -	$ -	$ 60,000
455	Yeon Annex	$ 102,998	$ -	$ -	$ -	$ -	$ 102,998
503	TMB	$ 1,691,088	$ 850,000	$ -	$ -	$ -	$ 2,541,088
504	TMB Garage	$ 150,000	$ -	$ -	$ -	$ -	$ 150,000
601	Central Library	$ 437,547	$ -	$ -	$ -	$ 350,000	$ 787,547
607	Gresham Library	$ 284,502	$ 72,000	$ -	$ 80,000	$ -	$ 436,502
611	Midland Library	$ 325,000	$ -	$ 80,000	$ -	$ -	$ 405,000
618	Woodstock Library	$ -	$ 55,000	$ -	$ -	$ -	$ 55,000
622	Hollywood Library	$ -	$ 120,000	$ -	$ -	$ -	$ 120,000
623	Hillsdale Library	$ -	$ -	$ 60,000	$ -	$ -	$ 60,000
Split	Women's Transition Campus	$ 140,015	$ -	$ -	$ -	$ -	$ 140,015
ALP	All Properties	$ 1,103,500	$ 2,202,054	$ 4,318,755	$ 4,013,455	$ 4,378,156	$ 15,769,605
	Grand Total	**$ 7,740,158**	**$ 4,214,054**	**$ 4,578,755**	**$ 4,943,455**	**$ 5,288,156**	**$ 26,518,263**

Capital Improvement Projects FY 13-17

Bldg #	Bldg Name	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	5-Year Plan
101	Court House	$ 849,777	$ 200,000	$ 200,000	$ 550,000	$ 1,600,000	$ 3,399,777
119	Justice Center	$ 1,275,097	$ 750,000	$ 1,130,000	$ 480,000	$ 60,000	$ 3,695,097
160	McCoy	$ 5,000,000	$ -	$ 200,000	$ -	$ -	$ 5,200,000
161	Mead	$ 759,955	$ 145,000	$ 50,000	$ 225,000	$ 750,000	$ 1,929,955
308	Willamette River Patrol	$ 175,000	$ -	$ -	$ -	$ -	$ 175,000
311	Juvenile Justice	$ 1,367,250	$ -	$ -	$ -	$ -	$ 1,367,250
313	Hansen	$ 31,134	$ -	$ -	$ 300,000	$ -	$ 331,134
314	Inverness Jail	$ 362,297	$ -	$ -	$ -	$ -	$ 362,297
317	Library Administration	$ 39,224	$ -	$ -	$ 125,000	$ -	$ 164,224
322	Walnut Park	$ 918,677	$ -	$ -	$ -	$ -	$ 918,677
324	Animal Services	$ 330,000	$ 150,000	$ -	$ -	$ -	$ 480,000
425	Yeon Shops	$ 3,299,674	$ 150,000	$ 625,000	$ 200,000	$ -	$ 4,274,674
427	Skyline Road Shop	$ -	$ -	$ 56,000	$ -	$ -	$ 56,000
432	Springdale Road Shop	$ -	$ -	$ 56,000	$ -	$ -	$ 56,000
446	Bridge Shops	$ 429,607	$ -	$ -	$ -	$ -	$ 429,607
481	Central Office	$ -	$ 300,000	$ 178,000	$ 200,000	$ -	$ 678,000
488	East County Courts	$ 1,465,787	$ -	$ -	$ -	$ -	$ 1,465,787
601	Central Library	$ 101,257	$ -	$ -	$ -	$ -	$ 101,257
617	Title Wave	$ 383,020	$ -	$ -	$ -	$ -	$ 383,020
ALP	All Properties	$ 4,049,764	$ 2,136,346	$ 2,000,000	$ 2,482,097	$ 2,400,000	$ 13,068,207
EF	Edgefield Farm	$ 31,141	$ -	$ -	$ -	$ -	$ 31,141
DTCH	Downtown Courthouse PDC	$ 9,213,950	$ -	$ -	$ -	$ -	$ 9,213,950
	Grand Total	**$ 30,082,610**	**$ 3,831,346**	**$ 4,495,000**	**$ 4,562,097**	**$ 4,810,000**	**$ 47,781,053**

Seismic Assessment

Resolution 03-094

- Directs Facilities & Transportation Divisions to continue to assess earthquake risk to County facilities and to develop plans for risk mitigation
- Directs the two divisions to address earthquake mitigation in their five-year CIPs and as part of budget process
- Include in the capital budget presentation a detailed statement of all potential earthquake damage and mitigation that is NOT included in the Capital Improvement Plan

Seismic Estimates for County-owned buildings

Bldg #	Name	2012	Bldg #	Name	2012
101	Multnomah County Court House	$ 57,000,000	448	Gateway Services Building	$ 400,000
119	Justice Center	$ 40,400,000	452	Wapato	$ 110,000
160	Gladys McCoy Building	$ 13,000,000	455	John B Yeon Annex	$ 150,000
161	Mead Building	$ 10,000,000	465	Wikman Building	$ 120,000
311	Juvenile Justice Complex	$ 4,200,000	481	Central Office	$ 1,100,000
314	Inverness Jail	$ 2,200,000	488	East County Courthouse	$ 0
317	Library Administration	$ 3,500,000	503	Multnomah Building	$ 26,000,000
320	Inverness Jail Laundry	$ 80,000	504	Multnomah Building Garage	$ 8,500,000
321	Inverness Jail Storage	$ 100,000	601	Central Library	$ 10,100,000
322	Walnut Park	$ 2,400,000	603	Belmont Library	$ 130,000
324	Animal Services	$ 230,000	605	Capital Hill Library	$ 300,000
325	North Portland Health Clinic	$ 170,000	606	Gregory Heights Library	$ 260,000
407	Gresham Probation	$ 300,000	607	Gresham Library	$ 230,000
414	Elections Building	$ 500,000	609	Holgate Library	$ 340,000
420	Southeast Health Clinic	$ 1,100,000	611	Midland Library	$ 410,000
425	John B Yeon Facility	$ 15,000,000	612	North Portland Library	$ 1,400,000
427	Skyline Road Shop	$ 200,000	614	Rockwood Library	$ 160,000
430	Mid-County Health Center	$ 460,000	615	St. Johns Library	$ 300,000
432	Springdale Road Shop	$ 170,000	617	Title Wave Book Store	$ 1,000,000
437	Multnomah County East	$ 0	618	Woodstock Library	$ 70,000
439	Gateway MDT Building	$ 1,500,000	623	Hillsdale Library	$ 240,000
446	Bridge Shops	$ 1,000,000		**Total**	**$ 204,830,000**

Strategic Planning & Projects

- Health Department on the U2 Block – programming, schematic design, and design development
- Facilities Asset Strategic Plan - completion, approval, and implementation
- East County Courthouse – close out
- PULSE – **P**lanned **U**seful **L**ife **S**ystem **E**valuation – database completion
- Downtown Courthouse – ongoing assessment
- Building Automation Service – optimization, evaluation, sustainability recommendation, and implementation

Facilities: FY 2013 Dispositions

- Kelly Building – Close Out $ 1.6 M
- Morrison Bridgehead $10.4 M
- Wikman Building $ 0.5 M

Facilities: on the horizon

- North Edgefield opportunities
- Hansen Building alternative
- Animal Services expansion
- DCHS Headquarters: Educational – Urban Renewal District
- Vance Properties strategy
- McCoy disposition

Facilities Summary

- Facilities capital maintenance & repair: large projects completed recently (roofs, etc.) provide time and funding for implementing FASP recommendations, evaluating PULSE data for cost curve going forward.
- FASP implementation: getting County programs into the right space.
- “The right space” includes new projects in the near future (Health Department, etc.)
- New projects on the horizon provide the County with “two-fers” and “three-fers:” reduced seismic liability, lower carbon footprint, better work environments, reduced operating costs.

FY 2013 Capital Presentation

Department of County Assets
Information Technology

Information Technology

IT Revenue Sources

- Full Faith and Credit Obligations*
- One Time Only Funding*
- Internal Service Rates*
- External Sources

* FY 2013 Funding Sources

Information Technology

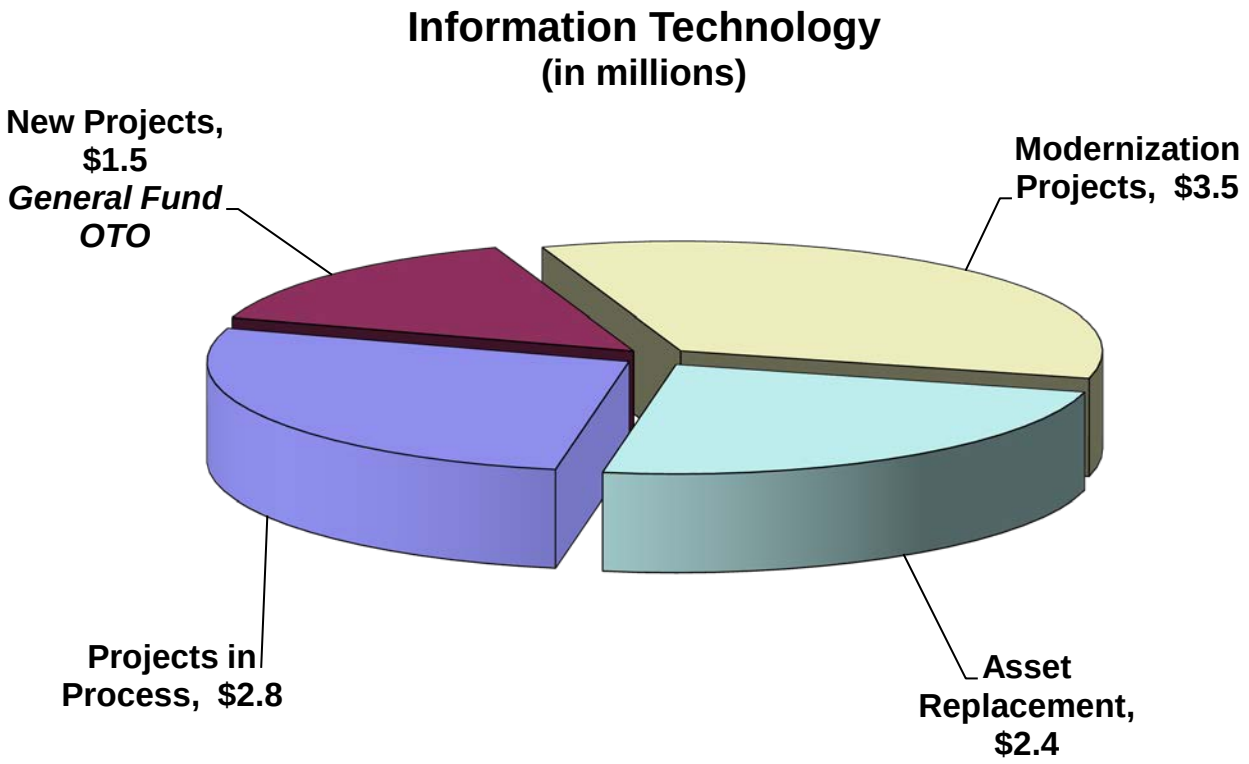
IT Program Offers

- IT Innovation and Investment Funding (78023)*
  $6,404,370
- Bond Funded Modernization Projects (78024)
  $1,424,943
- Asset Replacement (78031)
  $2,415,329

*Also referred to as "ITAB Projects"

Information Technology

Proposed Capital Budget



Total IT BWC: $8.7M

Total above: $10.2M

Information Technology

ITAB and Modernization Projects (Completed by 6/30/12)

- DCHS MHASD Client Case Management & Billing
- LPSCC DSS-J Technology Upgrade
- Data Center and Disaster Recovery

Information Technology

ITAB and Modernization Projects in Process, $6.3 million

- County-Wide Budget System, $1.1 million
- Network Convergence, $2.6 million
- Data Center & Co-location *(closeout) $1 million*
- MCHD Corrections Health EMR, $389,000
- DCJ Content Management Pilot, $540,000
- County-Wide Employee Self Service Benefits Evaluation, $120,000
- MCL Logistics Service Coordination, $100,000
- *Close-out of FY 2012 projects, $440,000*

Project spending estimates will be revised in May and project budgets will be amended, if necessary.

Information Technology

IT Modernization Projects

- Data Center and Disaster Recovery
- Network Convergence







Information Technology

ITAB New Projects, $1.5 million*

- DCA Asset/Real Estate Portfolio Management, $500,000
- County-Wide Self Service Benefits Capabilities, $600,000
- SAP Enhancements and New Library District Set Up, $400,000

***Included in FY 2012 General Fund Contingency**

Information Technology

ITAB Projects on the Horizon:

- MCHD/DCHS Health Care Transformation/Data Exchange*
  - Mental Health Booking Alerts
- LPSCC Public Safety Data Exchange*
- DCA Asset Management
- DCJ Pre-screening for Juvenile Crime Prevention

***Potential to leverage one data exchange platform**

Information Technology

Asset Replacement: $2.4 million

- Hardware Upgrades
  - Desktop replacements: PCs, laptops, printers, and monitors: $1.2 million
  - Wide-area network, telecom equipment, and data center servers: $668,500
- Software Upgrades
  - Desktop software licensing: $560,500

Information Technology

Asset Recycling

- IT recycles used desktop equipment with a local certified electronics recycler, at no cost to us.
- All systems with data on them are erased with tools exceeding Department of Defense requirements.
- Some servers are eligible for Energy Trust of Oregon's Virtualization Incentive.
- In FY 2012, 37 systems have been sent to Energy Trust of Oregon for an incentive payment of $12,950.

Information Technology

The Year Ahead

- Major Project Activities
  - County-wide Budget System
  - Network Convergence
  - Health Care Transformation
- Resource Allocation
  - Recruit Capital Planning Position
- Process Definitions
  - Identify Stable Funding Mechanism
  - Develop Formal Board Review Process



FY 2013 Capital Presentation

IT Questions?

FY 2013 Capital Summary

An exciting time for County infrastructure:

- Sellwood Bridge
- East County Courthouse
- Implementing County values around economic development and sustainability

Projects on the horizon will leverage our assets *and* our partnerships with other jurisdictions

- Space planning and IT mobility projects
- Fleet maintenance and operations

FY 2013 Capital Presentation

Questions?