

FY10 Capital Budget Presentation



April 30, 2009

FY10 Capital Presentation

AGENDA

1. **Finance and Debt** – Mark Campbell & Mindy Harris (30 minutes)
2. **Facilities Mgmt** – Bob Thomas & John Lindenthal (40 minutes)
3. **DCS (CIP, Road and Bridges)** – Jane McFarland, Kim Peoples & Ian Cannon (40 minutes)

Finance and Debt

Capital Asset Management Policies

1. Directs Development of 5 Year Capital Improvement Plan – Updated Annually
2. Defines Buildings as Tier I, Tier II, Tier III
3. Outlines Funding Sources
4. Provides Guidelines for Asset Disposition
5. Describes Role of Facilities Management Advisory Committee

Finance and Debt

Transportation Financing

1. Directs Development of 5 Year Capital Improvement Plan – Updated Annually
2. Describes Funding Mechanism – Gas Tax
3. States Policy of Board to Support Efforts to Secure State and Regional Funding

Finance and Debt

Short Term and Long Term Debt Policy

1. Describes Types of Debt the County May Issue
2. Describes Conditions Under Which Debt is Considered Appropriate
3. County Policy on Issuing Debt More Restrictive Than State Statute Allows
4. Debt NOT Issued to Support Operations

Finance and Debt

Summary and Status of Existing Debt

1. Capital Bond Memo – Attached
2. General Obligation Bonds
3. Revenue Bonds
4. Full Faith & Credit Obligations
5. Existing General Fund Supported Debt Well Within Limits Outlined in Policy
6. Additional Capacity – Uses in FY 2010

Finance and Debt

FY 2010 Proposed Full Faith & Credit

1. Three Areas – DART, Facilities, IT
2. Emphasis on Prevention and Efficient Use of Technology
3. Plan for the Long Term
4. Reduce Future Operating Costs
5. Take Advantage of Historically Low Short Term Rates

Finance and Debt

DART System Upgrade

1. Total Project - \$6.5 Million, Debt Proceeds - \$5 Million
2. Necessary to Replace Obsolete Assessment and Taxation System
3. Operational Efficiencies and Additional Revenue to Tax Districts
4. Operational Savings Can Support Debt Payments

Deferred Maintenance/Energy Projects

Proposed Facilities Deferred Maintenance Projects for Full Faith and Credit Financing

Specific deferred maintenance projects chosen for this list are not currently funded within the five year capital program due to lack of revenue, but have high priority. Projects are related to high priority life safety, building envelope and building system criteria. Cost is large enough for each project that they normally would not fare well in annual capital program allocation of resources. Delay in execution of these projects will increase future maintenance costs and result in more costly repair projects. Countywide projects will serve as a pool of resources for deferred maintenance that has grown over the past decade.

	Project Totals
<u>Specific Building Projects:</u>	
Courthouse Elevators #3 and #4 Upgrades	\$700,000
Justice Center Plumbing Replacements/Upgrades	\$1,000,000
Justice Center Exterior Coating/Sealing	\$300,000
Mead Building HVAC	\$300,000
Walnut Park HVAC System Replacement	\$400,000
<u>Countywide Projects:</u>	
Fire/Life/Safety System Repairs and Upgrades	\$2,300,000
Sewer System Replacements	\$500,000
Interior Finishes (Carpet and Paint)	\$500,000
Total deferred maintenance projects	\$6,000,000

Proposed Energy/Green Projects for Full Faith and Credit Financing

These projects will reduce ongoing Facilities operational costs through reducing energy consumption or through reduction of stormwater fees paid by the County. These projects below can be proposed as economic stimulus projects for both direct funding and for the Build America Bonds Program. County match for direct funded projects could be provided by County bond funds borrowed. Build America Bonds funds could be used to buy down the interest rate paid by the County in securing our loan for these funds. If direct funding comes for specific projects, then bond proceeds could be used to fund additional projects.

	Project Totals	Notes
Countywide Lighting Replacements and Upgrades (Tier 1 and 2)	\$2,000,000	10-12 year payback estimate
Direct Digital Control Upgrades for HVAC systems	\$1,000,000	10-12 year payback estimate
Inverness Jail Laundry - Co-generation Project	\$1,000,000	10-12 year payback estimate
Bio-swales - control/reduce stormwater runoff from parking lots	\$2,000,000	10-12 year payback estimate
Total for energy/green projects	\$6,000,000	

Total for deferred maintenance and energy/green projects \$12,000,000

Finance and Debt

IT Projects

1. Converge County's Voice and Data Networks using Voice over IP (VoIP) Technology, ~\$2 M
2. Upgrade Telecom and Call Center Technology, ~\$2-3 M
3. Upgrade and relocate the County's data center and add disaster recovery capabilities, ~\$3 M
4. Invest in eGovernment Technology and Infrastructure, ~\$2-3 M
5. Expand Wireless Technology capabilities, \$2 M
6. Evaluate Cloud Computing, \$500 K - \$1 M

Finance and Debt

Timing/Process for Debt Issuance

1. Board Reviews and Determines Projects to Fund w/ Bond Proceeds
2. Anticipate 7 to 8 Year Amortization
3. Sell Bonds in September/October – Proceeds Available for Use in FY 2010
4. First Debt Payment Due – June, 2010
5. Assume Internal Savings Supports Debt Payments

Facilities Management

Facilities Management

Mission Statement

- *Facilities Capital programs extend the life of County buildings, optimize the performance of building systems, and create accessible, functional, and energy efficient facilities that meet County program needs.*

Capital Focus

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

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

FY2010 to FY2014 Tier I 5 Year Asset Preservation List

B#	Bldg Name	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	5-Year Total
311	Juvenile Justice	\$ 376,236	\$ 500,000	\$ -	\$ 200,000	\$ 1,800,000	\$ 2,876,236
314	Inverness Jail	\$ -	\$ 250,000	\$ -	\$ 1,500,000	\$ -	\$ 1,750,000
414	Elections	\$ 97,912	\$ -	\$ 200,000	\$ -	\$ -	\$ 297,912
420	Southeast Health	\$ 291,562	\$ -	\$ -	\$ -	\$ -	\$ 141,562
430	Mid-County Health	\$ 200,000	\$ 60,000	\$ 35,000	\$ -	\$ -	\$ 295,000
437	MCE	\$ 50,287	\$ -	\$ -	\$ -	\$ -	\$ 50,287
439	GCC MDT Bldg	\$ 180,000	\$ 61,000	\$ -	\$ -	\$ -	\$ 241,000
448	GCC Service Bldg	\$ 72,838	\$ -	\$ -	\$ -	\$ -	\$ 72,838
455	Yeon Annex	\$ 12,000	\$ -	\$ -	\$ -	\$ -	\$ 12,000
503	TMB	\$ 757,391	\$ 50,000	\$ -	\$ -	\$ -	\$ 807,391
601	Central Library	\$ 404,977	\$ 60,000	\$ -	\$ -	\$ -	\$ 464,977
607	Gresham Library	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000
611	Midland Library	\$ -	\$ 50,000	\$ 300,000	\$ -	\$ 18,000	\$ 368,000
612	North Portland Library	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 15,000
ALP	Mini Funds	\$ 925,478	\$ 1,238,290	\$ 1,836,166	\$ 1,708,022	\$ 1,867,713	\$ 7,575,669
	Total Fund 2509 AP	\$ 3,383,681	\$ 2,269,290	\$ 2,471,166	\$ 3,408,022	\$ 3,685,713	\$ 15,067,872

FY2010 to FY2014 Tiers II & III

5 Year Capital Project List

B#	Bldg Name	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	5-Year Total
101	Court House	\$ 948,280	\$ 110,000	\$ 100,000	\$ 100,000	\$ 750,000	\$ 2,008,280
119	Justice Center	\$ 2,280,367	\$ 100,000	\$ 700,000	\$ 600,000	\$ 300,000	\$ 3,980,367
160	McCoy	\$ 1,850,000	\$ -	\$ -	\$ -	\$ 500,000	\$ 2,350,000
161	Mead	\$ 957,472	\$ -	\$ 100,000	\$ -	\$ 300,000	\$ 1,357,472
167	Lincoln	\$ 10,599	\$ -	\$ -	\$ -	\$ -	\$ 10,599
313	Hansen	\$ 504,000	\$ -	\$ -	\$ -	\$ -	\$ 504,000
314	Inverness Jail	\$ 855,499	\$ 1,150,000	\$ -	\$ -	\$ -	\$ 2,005,499
317	Library Administration	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ -	\$ 50,000
320	Inverness Jail Laundry	\$ 149,264	\$ -	\$ -	\$ -	\$ -	\$ 149,264
322	Walnut Park	\$ 212,651	\$ 150,000	\$ 100,000	\$ -	\$ -	\$ 462,651
324	Animal Services	\$ 321,000	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ 721,000
327	Kelly Building	\$ 2,445,000	\$ -	\$ -	\$ -	\$ -	\$ 2,445,000
425	Yeon Shops	\$ 106,807	\$ 500,000	\$ 650,000	\$ 1,200,000	\$ -	\$ 2,456,807
427	Skyline Road Shop	\$ 47,952	\$ -	\$ -	\$ -	\$ -	\$ 47,952
446	Bridge Shops	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000
465	Wikman Building	\$ 3,000	\$ -	\$ -	\$ -	\$ -	\$ 3,000
481	Central Office	\$ 18,000	\$ 100,000	\$ 400,000	\$ -	\$ -	\$ 518,000
601	Central Library	\$ 177,924	\$ -	\$ -	\$ -	\$ -	\$ 177,924
617	Title Wave	\$ 144,118	\$ -	\$ -	\$ -	\$ -	\$ 144,118
ALP	Mini Funds	\$ 1,218,394	\$ 1,275,850	\$ 1,392,397	\$ 1,398,947	\$ 1,451,670	\$ 6,737,259
ALP	Deferred Maint/Energy	\$ 12,000,000	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000
188	New DT Court House	\$ 15,719,534	\$ -	\$ -	\$ -	\$ -	\$ 15,719,534
488	ECJC	\$ 4,880,820	\$ -	\$ -	\$ -	\$ -	\$ 4,880,820
	2507 Total	\$ 44,875,681	\$ 3,385,850	\$ 3,442,397	\$ 3,523,947	\$ 3,801,670	\$ 59,029,546

Deferred Maintenance

- FY10 total \$ 29,300,000
- AP and CIP fees have remained \$2.35 per owned square foot since FY2008
- Prioritization ~ Project Rating Order
 - Fire, Life, Safety
 - Roof
 - Building Exterior
 - Plumbing
 - HVAC
 - Electrical

Seismic Assessment

Resolution 03-094 (June 19, 2003) directs:

- Required to address annual assessment of earthquake risk for County owned and occupied structures
- Transportation and Facilities & Property Management to address earthquake mitigation 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

Summary of Seismic Evaluations of County Owned Buildings

Bldg #	Bldg Name	Rounded up to nearest 100 thousand	Bldg #	Bldg Name	Rounded up to nearest 100 thousand
101	County Court House	\$ 57,000,000	446	Bridge Shops	\$ 1,000,000
119	Justice Center	\$ 40,400,000	448	Gateway Services Building	\$ 400,000
160	Gladys McCoy Building	\$ 13,000,000	452	Wapato Facility	\$ 110,000
161	Mead Building	\$ 10,000,000	455	John B Yeon Annex	\$ 150,000
311	Juvenile Justice Complex	\$ 4,200,000	465	Wikman Building	\$ 120,000
314	Inverness Jail	\$ 2,200,000	481	Central Office	\$ 1,100,000
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
327	Penumbra Kelly Building	\$ 4,500,000	607	Gresham Library	\$ 230,000
407	Gresham Probation	\$ 300,000	609	Holgate Library	\$ 340,000
414	Elections Building	\$ 500,000	611	Midland Library	\$ 410,000
420	Southeast Health Clinic	\$ 1,100,000	612	North Portland Library	\$ 1,400,000
425	John B Yeon Facility	\$ 15,000,000	614	Rockwood Library	\$ 160,000
427	Skyline Road Shop	\$ 200,000	615	St. Johns Library	\$ 300,000
430	Mid-County Health Center	\$ 460,000	617	Title Wave Book Store	\$ 1,000,000
432	Springdale Road Shop	\$ 170,000	618	Woodstock Library	\$ 70,000
439	Gateway MDT Building	\$ 1,500,000	623	Hillsdale Library	\$ 240,000
	Sub Total	157,010,000		Sub Total	\$ 52,320,000
				Grand Total	209,330,000

Unfunded Seismic Needs

- No seismic damage or mitigation projects are scheduled in FY10
- Current report total \$ 209,330,000
- Seismic issues are Tier wide
- Difficult to address in occupied buildings due to invasive nature of upgrade work
- Incorporate upgrades into construction projects when viable

FY10 Budget

- Total FY10 Tier I AP revenue is \$2.2 million dollars
- Total FY10 Tier II & III CIP revenue is \$3.8 million dollars
- Revenue constraints cause severe competition among prioritized projects
- Non routine projects
 - New Downtown Courthouse
 - \$9 million dollars in dedicated funds (PDC)
 - East County Justice Center ~ Courts
 - Approx \$4.8 million dollars in carryover from net sale proceeds

Key Issues

- Capital Funding
 - Courthouse projects - \$3,700,000 – General Fund Contingency Request
 - Non-Sustainable Capital Funding
 - Wapato AP not collected
 - JJC & MCIJ Detention Electronics System Replacement
 - Deferred Maintenance Bond

Transportation

Capital Planning Process

- Requirements for capital planning
- Three Components:
 - Capital Plan – 20 years
 - Capital Program – 5 years
 - Capital Budget for FY10 – 1 year
- Selection Criteria
- Approval Process

Capital Improvement Plan and Program

- Develop with the communities, the City of Portland and East County cities, the Bicycle and Pedestrian Citizen Advisory Committee, and Engineering and Transportation Planning staff.
- The Plan identifies priorities for bridge, road, bicycle, pedestrian, and preservation projects that support communities and a thriving economy.
- The Program assigns available funds to the highest ranked projects, based on: Safety, Support of Land Use Goals, Engineering Evaluation, Community Support.

Capital Program Focus

- **Debt Obligations**

- 257th Avenue @ Orient Drive Loan
- Sauvie Island Bridge Loan
- 223rd RR Undercrossing

- **System Preservation and Maintenance**

- **Sellwood Bridge Replacement**

Bottom-line: County is currently unable to fund a transportation capital improvement program beyond current commitments.

ROAD FUND



FY 2010 CAPITAL PROGRAM

Continue Projects Started this Spring

- 223rd Railroad Undercrossing Improvement
- Cornelius Pass Rd. Safety improvements (FHWA Safety Audit)
 - Implementing minor improvements with County forces

Plan for Bid & Award in FY 2010

- 238th Safety Improvement (FedAid HEP)
- County Asphalt Overlay on County Rural Roads American Recovery and Reinvestment Act Funds
- Cornelius Pass Safety Improvements (ARRA Funds)
- Sidewalk Infill Projects - Halsey Ave & Stark St. (ARRA Funds)

223rd Ave Railroad Undercrossing

Widen Roadway/Replace RR Bridge

County objectives to improve:

- Safety (20ft. 8in. opening)
- Substandard design



223rd Ave Railroad Undercrossing

Widen Roadway/Replace RR Bridge

- Project Budget \$8.0 M
- Project Funding Sources
 - \$3.3 M Federal MTIP / STIP Grant
 - \$4.7 M Local Match County Road Fund
(\$4.6 Loan from ODOT Investment Bank)
- Current Status
 - Construction started: Feb 2009
 - Estimated completion: Dec 2009

238th Ave

Safety Project



Funding
\$326K Federal

- Hazard Elimination Program
- Improve sight distance and lane configuration

ARRA Funded Projects

- SE 282nd Ave asphalt overlay
 - From Johnson Creek north 1500 ft
- Cornelius Pass Road Safety Improvements
 - Improvements identified from FHWA safety Audit
- Sidewalk Improvements
 - Stark Street
 - Halsey Street

Road Fund

- **Capital Projects beyond FY2010**

Beaver Creek Culverts Fish Passage Project



Funding
\$1.0M Federal
for current phase

- Improve fish passage
- Working on additional funding

Willamette River Bridges

- **Capital Projects in FY2010**

Morrison Bridge

Bicycle/Pedestrian



Funding
\$1.7M Federal
\$0.5M County
\$2.2M Total

- Response to public demand
- Under construction
- Anticipate completion December '09

Sellwood Bridge

Rehab/Replacement



Funding
Total project
estimated at
\$321M

\$24M state and
federal secured

- Locally preferred alternative selected
- IAMP in process, FEIS to follow
- Federal Record of Decision- Spring '10

Willamette River Bridges

- **Capital Projects beyond FY2010**

Morrison Bridge Main Spans Rehabilitation



Funding
\$ 8.6M Federal
\$ 1.4M County Match
\$10.0M Total

- Safety and structural Issues
- Design in process
- Construction in late 2010

Broadway Bridge

Finish Painting

Funding
\$??M Federal
\$??M County Match
\$ 9.0M Total

- Paint Spans 2, 3 & 7 above deck
- Design in FY 2011
- Construction in late 2012 (depending on \$)



Seismic

- New Sauvie Island Bridge is only one up to current seismic standards
- Phase 1 versus Phase 2
- Burnside Bridge is Designated Lifeline Route – Phase 1 seismic complete
- Seismic upgrades have not been funded due to higher priorities assigned to basic needs

Summary of Transportation Capital

- Continuing with the highest priority projects
- Looking for other sources of funds