

Program #78205 - Facilities Capital Improvement Program

4/15/2016

Department: County Assets **Program Contact:** John Lindenthal

Program Offer Type: Internal Service Program Offer Stage: As Proposed

Related Programs: 78204-17, 78206-17, 78213-17

Program Characteristics:

Executive Summary

The Capital Improvement Program actively monitors, upgrades, and improves the County's portfolio of Tier II and III (substandard) buildings. The program preserves the County's assets by investing in improvements that maintain building values and provide accessible, functional, and energy efficient facilities for the operating programs that use them.

Program Summary

The Capital Improvement Program (CIP) creates an annual 5-year Capital Plan that focuses on the County's 14 primary owned Tier II and III buildings.

A Tier II building is one that is a desirable part of the County's long-term portfolio but has significant deferred maintenance needs which must be addressed. A Tier III building is one that is not economical or impractical to bring to County standards and is therefore designated for disposition. Capital expenditures are avoided or minimized in Tier III facilities pending disposition of the building, if possible. The plan works in conjunction with the Facilities Strategic Plan which provides a basis for a sound investment strategy that addresses building needs and includes projects ranging from equipment upgrades to construction of new facilities over a 10 year horizon.

The program allows Capital, bond/levy, grants, and other funding components to be distributed based on priorities established with the aid of a detailed needs assessment and a decision-scoring matrix. The program looks for project efficiencies that benefit the building users and extend the useful life of the building.

The 5-year CIP Plan sets clear goals and fosters communication with departments as well as providing a tool to facilitate collaboration with both internal and external clients and building users. The program uses a PULSE (Planned Useful Life - System Evaluation) database to track building system life cycles.

The Facilities Asset Strategic Plan (FASP) will also alter the projections on capital needs into the future. There is currently an identified capital need estimated at \$25,000,000 per year in fiscal years FY18-FY22. Efforts are underway County-wide to work on our building portfolio's recapitalization needs, which the current 8% annual CIP revenue increases are not adequate to address.

Performance Measures								
Measure Type	Primary Measure	FY15 Actual	FY16 Purchased	FY16 Estimate	FY17 Offer			
Output	Percent of Planned CIP Projects Completed	90.3%	85.0%	80.0%	85.0%			
Outcome	Percent of Primary Owned Buildings rated as Tier 1	66.7%	56.3%	56.3%	56.3%			

Performance Measures Descriptions

PM #1: Capital Improvement Program (CIP) program offer metric is set at 85%. This allows flexibility for changes due to County needs. Note: Overall the Capital program was without 3 project managers for several months each during FY2015 which impacted delivery capacity.

PM #2: Percent of Primary Owned Buildings rated as Tier 1. There were no changes in the last year.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2016	2016	2017	2017
Personnel	\$0	\$0	\$0	\$15,065
Contractual Services	\$0	\$5,771,000	\$0	\$6,007,853
Materials & Supplies	\$0	\$1,285,351	\$0	\$3,660,000
Capital Outlay	\$0	\$11,553,658	\$0	\$2,512,933
Total GF/non-GF	\$0	\$18,610,009	\$0	\$12,195,851
Program Total:	\$18,610,009		\$12,195,851	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues								
Other / Miscellaneous	\$0	\$3,214,778	\$0	\$3,505,847				
Financing Sources	\$0	\$671,731	\$0	\$550,088				
Interest	\$0	\$25,000	\$0	\$35,000				
Beginning Working Capital	\$0	\$13,161,000	\$0	\$7,514,475				
Service Charges	\$0	\$1,537,500	\$0	\$590,441				
Total Revenue	\$0	\$18,610,009	\$0	\$12,195,851				

Explanation of Revenues

Fund 2507 Capital Improvement Program:

- 50000 BWC \$7,139,289 from Routine Project Carryover
- 50236 IG City of Portland share of Justice Center Projects \$590,441
- 50270 Interest on fund 2507 \$35,000
- 50310 Intl Svc Reimbursement CIP Fee from County Occupants \$3,505,847
- 50320 Cash Transfer revenue from Fund 3505 FPM & Vacant space \$550,088

Fund 2503 Equipment Acquisition:

• 50000 BWC Carryover \$375,186

Significant Program Changes

Last Year this program was: FY 2016: 78007-16 Facilities Capital Improvement Program

FY 2016 Beginning Working Capital was overstated by \$6.4 million, which is corrected in the FY 2017 budget.