

#### Program #78205 - Facilities Capital Improvement Program

2/20/2019

Department:County AssetsProgram Contact:Alene DavisProgram Offer Type:Internal ServiceProgram Offer Stage:As Requested

**Related Programs:** 78204-19, 78206-19, 78213-19

Program Characteristics: In Target

#### **Executive Summary**

The Capital Improvement Program actively monitors, upgrades, and improves the County's portfolio of Tier II and III 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) provides funding for the annual 5-year Capital Plan that focuses on the County's 18 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 is 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 fees, 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.

Implementation of the Facilities Asset Strategic Plan (FASP) will also impact future capital needs. 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	FY18 Actual	FY19 Purchased	FY19 Estimate	FY20 Offer			
Output	Percent of projects planned for completion during a fiscal year that are completed in that fiscal year.	56%	80%	80%	80%			
Outcome	Percent of Primary Owned Buildings rated as Tier 2 & 3.	42%	42%	47%	46%			

# **Performance Measures Descriptions**

PM #1: Percent of projects planned for completion during a fiscal year that are completed in that fiscal year. FY18 was a challenging year with a backlog of work and staff turn-over. The FY19 plan looks more realistically at the number of projects that can be completed this fiscal year, and the FY20 year plan is based upon the assumption of increased staff load to catch up on backlogged projects.

PM #2: Percent of Primary Owned Buildings rated as Tier 2 & 3. Targeting decreased percentage over time.

# **Legal / Contractual Obligation**

There are a number of projects carrying over into FY 2020 that have contractual obligations to vendors and/or service providers.

### **Revenue/Expense Detail**

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds	
Program Expenses	2019	2019	2020	2020	
Contractual Services	\$0	\$9,179,789	\$0	\$18,489,921	
Materials & Supplies	\$0	\$3,849,145	\$0	\$0	
Capital Outlay	\$0	\$120,139	\$0	\$127,671	
Total GF/non-GF	\$0	\$13,149,073	\$0	\$18,617,592	
Program Total:	\$13,14	\$13,149,073		\$18,617,592	
Program FTE	0.00	0.00	0.00	0.00	

Program Revenues								
Other / Miscellaneous	\$0	\$4,074,456	\$0	\$4,105,733				
Financing Sources	\$0	\$286,364	\$0	\$311,188				
Interest	\$0	\$39,037	\$0	\$1,200				
Beginning Working Capital	\$0	\$7,500,797	\$0	\$13,970,471				
Service Charges	\$0	\$1,239,038	\$0	\$229,000				
Total Revenue	\$0	\$13,139,692	\$0	\$18,617,592				

#### **Explanation of Revenues**

Fund 2507 Capital Improvement Program:

- 50000 BWC \$12 million from Routine Project Carryover
- 50000 BWC \$1.85 million from sales proceeds of Central Office
- 50236 IG City of Portland share of Justice Center Projects \$229,000
- 50310 Intl Svc Reimbursement CIP Fee from County Occupants \$4.1 million
- 50320 Cash Transfer revenue from External Clients \$147,142, from Fund 3505 per repayment agreement \$158,046

Fund 2503 Asset Replacement Revolving Fund:

- BWC \$120,471 from carryover
- Loan repayment from Sandy Drainage Improvement Project \$6,000

### Significant Program Changes

Last Year this program was: FY 2019: 78205-19 Facilities Capital Improvement Program

This offer increases BWC due to more projects having beginning working capital carryover.