

Priority: Accountability **Lead Agency:** County Management
Program Offer Type: Existing Operating **Program Contact:** Doug Butler
Related Programs: 72042, 72043, 72044, 72048, 72049, 72055

Program Characteristics:

Executive Summary

The Asset Preservation (AP) Program is designed to create a self-sustaining fund which provides for the continuing reinvestment and capital work required to keep the County's Tier I* buildings safe, reliable, functional and efficient.

Program Description

The program creates accessible, functional, and energy efficient facilities that provide County services with space that meets their individual needs. The program focuses on the County's 30 primary owned Tier I* buildings and provides the funding to complete capital projects within these buildings.

* A Tier I building is one which is designated for long-term retention and which meets current County standards.

AP funding supports replacement or repairs to essential building elements such as roofs, plumbing, electrical, heating ventilation air-conditioning (HVAC), American with Disabilities Act (ADA) modifications, seismic upgrades, and interior finishes that keep buildings functioning and optimizing their potential.

Program Justification

The program prolongs building life and provides the County with assets that are worth their market value. It creates more usable buildings through upgrades in equipment, systems, and meeting of programs ever changing needs. The program continues to look at the long term County benefits by examining program needs, building needs, flexibility, cost efficiencies, building operations and maintenance.

AP rates are still well below what is necessary to sustain the fund but are being raised on an incremental basis to achieve self-sustaining funding. As outlined in the Board-approved Facilities Strategic Plan, rates must be increased by 8% per year in order to create the needed reserves to address the projected needs of our Tier I buildings in the future.

The AP Program creates an annual 5-year Capital Plan that focuses on the County's 30 owned Tier I buildings. It works in conjunction with the long-term Facilities Strategic Plan. The Capital Plan is based on a comprehensive database which identifies all projected replacement needs in Tier I buildings and then prioritizes and schedules needed work in the future. This allows Asset Preservation funds, bond/levy proceeds, grants, etc. to be invested based on priority.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY05-06)	Current Year Purchased (FY06-07)	Current Year Estimate (FY06-07)	Next Year Offer (FY07-08)
Output	Completed Projects	96.6%	100.0%	93.3%	100.0%
Outcome	Portion of Primary Owned Buildings which are rated as Tier I	57.7%	63.8%	57.7%	60.0%
Outcome	Project Management Costs (\$/hr)	80	96	96	96

Performance Measure - Description

The metric (output) for completed projects are those adopted stand-alone projects that are scheduled (planned) to be completed in current fiscal year. Only multi-year projects which are scheduled for completion in the subject year are included in the metric.

The project completion rate for the current year will be slightly lower than projected due to delays caused by difficulties in obtaining acceptable bids and in responding to unforeseeable building conditions.

The percent of Tier I buildings will be lower than originally forecast due to delays in projected building disposals.

The comparable City of Portland project management costs are \$100/hr in FY '08.

Legal/Contractual Obligation

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2007	2007	2008	2008
Internal Services	\$0	\$25,000	\$0	\$25,000
Capital Outlay	\$0	\$3,292,704	\$0	\$3,910,110
Unappropriated & Contingency	\$0	\$750,000	\$0	\$0
Subtotal: Direct Exps:	\$0	\$4,067,704	\$0	\$3,935,110
Administration	\$0	\$0	\$0	\$0
Program Support	\$0	\$518,120	\$0	\$575,456
Subtotal: Other Exps:	\$0	\$518,120	\$0	\$575,456
Total GF/non-GF:	\$0	\$4,585,824	\$0	\$4,510,566
Program Total:	\$4,585,824		\$4,510,566	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Other / Miscellaneous	\$0	\$4,067,704	\$0	\$3,935,110
Program Revenue for Admin	\$0	\$518,120	\$0	\$575,456
Total Revenue:	\$0	\$4,585,824	\$0	\$4,510,566

Explanation of Revenues

Beginning working capital from project carryover is \$1.4 million. Additionally, the Lincoln Building lease transaction of \$1.4 million is accounted for and reversed throughout the life of the lease. The Asset preservation (AP) charge of \$2.35 per sq ft on Tier I buildings yields \$2.0 million (assumes no Wapato Jail AP fees).

The Wapato AP fee has not been collected since the facility was completed in 2004. The AP Fund balance is being negatively impacted and has severely affected future program needs by \$960,000 through fiscal year 2007.

Interest income is estimated at \$150,000.

Significant Program Changes

✔ Significantly Changed

Last year this program was:

Program Offer #72051 - Facilities Capital - Asset Preservation

This years Program Offer includes a rate increase of 8% as proposed in the Board-approved Facilities Strategic Plan. Without the projected rate increases, the Asset Preservation will not be able to keep up with future building needs.