Multnomah County
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Program # 72051 - DCM - Facilities Capital Asset Preservation (AP) — Version 6/30/2008 s

Priority: Accountability
Program Offer Type: Internal Service
Related Programs:
Program Characteristics:

Lead Agency: County Management
Program Contact: John Lindenthal

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 is intended to support 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 (FY06-07)	Current Year Purchased (FY07-08)	Current Year Estimate (FY07-08)	Next Year Offer (FY08-09)
Output	Completed Projects	100.0%	100.0%	63.0%	85.0%
Outcome	Portion of Primary Owned Buildings which are rated as Tier I	56.6%	60.0%	58.8%	58.8%
Outcome	Project Management Costs ($/hr)	96	96	96	92

Performance Measure - Description

The metric (output) for completed projects are those adopted stand-alone projects that are scheduled 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 metric is set at 85%. This allows for flexibility in adjusting project schedules due to County needs and unforeseen circumstances. Six Election Bldg. projects that were combined into one project for execution. They missed the non-election window, i.e. no work during election. This accounts for 22% of the missed project completion target. There were two unplanned projects that have taken significant project manager resources which has affected the estimated FY08 project completion.
There is a change in the FY09 project management rate calculation and the Program Manager is no longer in the calculation. Comparable project management costs at the City of Portland 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	2008	2008	2009	2009
Internal Services	$0	$25,000	$0	$25,000
Capital Outlay	$0	$5,410,110	$0	$6,587,240
Subtotal: Direct Exps:	**$0**	**$5,435,110**	**$0**	**$6,612,240**
Administration	$0	$0	$0	$0
Program Support	$0	$575,456	$0	$775,106
Subtotal: Other Exps:	**$0**	**$575,456**	**$0**	**$775,106**
Total GF/non-GF:	**$0**	**$6,010,566**	**$0**	**$7,387,346**
Program Total:	**$6,010,566**		**$7,387,346**	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Other / Miscellaneous	$0	$5,435,110	$0	$6,612,240
Program Revenue for Admin	$0	$0	$0	$775,106
Total Revenue:	**$0**	**$5,435,110**	**$0**	**$7,387,346**

Explanation of Revenues

Beginning working capital from project carryover is $4.4 million.
AP fees of $2.55 per square foot of Tier I buildings.
FY09 fund 2509 cash transfer of $1,967,592 is $2.35 psf The program will increase the AP rate to the required level in FY10 (2.75/sq.ft.) to maintain the 5-year projected funding. See note below
Additional Cash Transfer of $7,372 for 1st year of Lincoln Bldg loan amortization repayment; program offer 702046
The Wapato AP fee has not been collected since the facility was completed in 2004. This negatively impacts the AP Fund balance (by $1.3 million through FY 2008) and limits our ability to complete needed AP projects in the future.

Significant Program Changes

Last year this program was: #72051, Facilities Capital Asset Preservation (AP)
This years Program Offer should include 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. Note: the 8% increase this year (.20/sq.ft) will be paid for through One-Time-Only funding program offer 72057. $560K for Facilities FY07 operating shortfall is also shown in program offer 72057.