Multnomah County
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Program # 72072 - Facilities Capital Asset Preservation (AP) — Version 7/07/2009 s

Priority: Accountability
Lead Agency: County Management
Program Offer Type: Internal Service
Program Contact: John Lindenthal
Related Programs: 72068, 72070, 72071, 72075
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 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 (FY07-08)	Current Year Purchased (FY08-09)	Current Year Estimate (FY08-09)	Next Year Offer (FY09-10)
Output	Output Completed Projects	63.0%	85.0%	61.1%	85.0%
Outcome	Portion of Primary Owned Buildings which are rated as Tier I	57.7%	58.8%	58.8%	58.8%
Outcome	Project Management Costs ($/hr)	96	92	92	95

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. In FY08, six Election Bldg. projects that were combined into one project for execution missed the non-election window, i.e. no work during election. This accounts for 22% of the missed project completion target in FY08. In FY09 to date, Project Manager's project workload includes an additional 37% of unplanned/emergency projects. This unplanned and unscheduled work affects planned projects completion. Also, staff turnover affected the start of several projects this year.

The Primary Owned Tier 1 building percentage change is due to the Martha Washington building. It is still projected to be disposed of by the end of the FY09 (June 30, 2009).

Comparable project management costs at the City of Portland are $103/hr in FY'09 (this year).

Legal/Contractual Obligation

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2009	2009	2010	2010
Internal Services	$0	$25,000	$0	$0
Capital Outlay	$0	$6,587,240	$0	$4,655,806
Subtotal: Direct Exps:	**$0**	**$6,612,240**	**$0**	**$4,655,806**
Administration	$0	$0	$0	$0
Program Support	$0	$0	$0	$0
Subtotal: Other Exps:	**$0**	**$0**	**$0**	**$0**
Total GF/non-GF:	**$0**	**$6,612,240**	**$0**	**$4,655,806**
Program Total:	**$6,612,240**		**$4,655,806**	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Other / Miscellaneous	$0	$6,612,240	$0	$4,655,806
Program Revenue for Admin	$0	$0	$0	$0
Total Revenue:	**$0**	**$6,612,240**	**$0**	**$4,655,806**

Explanation of Revenues

Beginning working capital is $2,366,586
Interest earnings are estimated at $50,000
Cash Transfer is $2,216,820 includes $23,343 for 2nd year of Lincoln Bldg loan amortization repayment; program offer 72067
No Asset Preservation from Wapato
Cash transfer amt is $2.35 psf. .20 cent var from fund 3505 collection $2.55 is for deferred maint loan partial payment

Significant Program Changes

Last year this program was:
Last year this program was: #72051, Facilities Capital Asset Preservation (AP)
The proposed 8% increase in last years program offer(s) (#72057) was not funded for FY09. Note: the 8% increase was requested in a separate program offer. 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.