

Department: County Assets **Program Contact:** Greg Hockert
Program Offer Type: Internal Service **Program Offer Stage:** As Proposed
Related Programs: 78204, 78206, 78213
Program Characteristics:

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, maintainable, functional, and energy efficient facilities for the operating programs. Decisions are based on these priorities: life, safety, fire, and equity. The majority of the funding for this offer comes from the fees from Capital Improvement Program fees (CIP), but also from projects funded by One-Time-Only offers, grants, and client funded projects.

Program Summary

The Capital Improvement Program (CIP) provides funding for the annual 5-year Capital Plan that focuses on the County's 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 that prioritizes fire, life, safety, maintainability, equipment life cycle, and equity. The program looks for project efficiencies that benefit the maintenance staff, building users, and extend the useful life of the building. This program's funds following strong allocation of project funds to diverse local vendors.

The 5-year CIP Plan sets clear goals to distribute project funds equitable across County Departments and buildings. The plan fosters communication with departments as well as providing a tool to facilitate collaboration with both internal and external clients and building users.

An in-progress update to 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	FY21 Actual	FY22 Budgeted	FY22 Estimate	FY23 Offer
Output	Number of new projects added to the Capital Improvement Program projects portfolio	N/A	N/A	20	6
Outcome	Percent of projects planned for completion during a fiscal year that are completed in that fiscal year.	60%	70%	70%	75%

Performance Measures Descriptions

PM #1: Number of new capital projects added to the Capital Improvement Program (CIP) 5-year plan portfolio to be implemented and managed by FPM project managers in the fiscal year. Note a decline in projects reflects a concerted effort to combine multiple requested projects that can be managed as one project within a building.

PM #2: Percent of active projects scheduled to be completed during a fiscal year that are actually completed in that fiscal year.

Legal / Contractual Obligation

There are a number of projects carrying over into FY 2023 that have contractual obligations to vendors and/or service providers.

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2022	2022	2023	2023
Contractual Services	\$0	\$19,699,327	\$0	\$23,037,037
Capital Outlay	\$0	\$138,179	\$0	\$521,843
Total GF/non-GF	\$0	\$19,837,506	\$0	\$23,558,880
Program Total:	\$19,837,506		\$23,558,880	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues				
Other / Miscellaneous	\$0	\$8,899,767	\$0	\$12,880,166
Financing Sources	\$0	\$159,708	\$0	\$171,068
Interest	\$0	\$150,000	\$0	\$75,000
Beginning Working Capital	\$0	\$10,422,382	\$0	\$10,276,569
Service Charges	\$0	\$205,649	\$0	\$156,077
Total Revenue	\$0	\$19,837,506	\$0	\$23,558,880

Explanation of Revenues

Fund 2507 Capital Improvement Program:
BWC \$9.8 Million from Project Carryover; \$0.5 Million from Asset Replacement program offer
IG City of Portland share of Justice Center Projects \$0.1 Million
Intl Svc Reimbursement CIP Fee from County Occupants \$4.7 Million
Cash Transfer Revenue from External Clients \$0.2 Million
Other Revenue \$5.0 Million from Client Funded Projects
Interest Income \$0.1 Million

Significant Program Changes

Last Year this program was: FY 2022: 78205 Facilities Capital Improvement Program

Due to COVID19 the staff in this program were moved to hybrid teleworking instead of reporting to the office each day. Operational changes include virtual meetings and check ins, communication is primarily through email or google chat, and reporting is emailed and some followed up in person. Many projects are slowed due to difficulty in material availability, shipping delays, other agency review delays. Over 50% turnover of staff has slowed progress and pace of project completion. Restarting project that may have paused or been completely stopped should improve project turnover in the future fiscal year.

Protests have paused several projects at downtown facilities due to access and safety of personnel.