

## Program #78006 - Facilities Capital Improvement Program

7/7/2014

**Department:** County Assets **Program Contact:** John Lindenthal

Program Offer Type: Internal Service Program Offer Stage: As Adopted

Related Programs: 78007

**Program Characteristics:** 

## **Executive Summary**

The Capital Improvement Program actively monitors, upgrades, and improves the County's portfolio of Tier II and III (substandard) buildings. The program preserves the County's assets by investing in improvements that maintain building values and provide accessible, functional, and energy efficient facilities.

## **Program Summary**

The Capital Improvement Program (CIP) creates an annual 5-year Capital Plan that focuses on the County's 17 primary owned Tier II and III buildings. (Two buildings are Libraries)

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 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, 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 is working on modifying the Facility Asset Management Evaluation (FAME) database into PULSE (Planned Useful Life - System Evaluation). The modified database is a better reflection of the County's business practices on capital improvements.

The Facilities Asset Strategic Plan (FASP) will also alter the projections on capital needs into the future. There is currently an identified capital need estimated at \$25,000,000 per year in fiscal years FY18-FY22. 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	FY13 Actual	FY14 Purchased	FY14 Estimate	FY15 Offer				
Output	Percent of Planned CIP Projects Completed	62.2%	85.0%	88.0%	85.0%				
Outcome	Percent of Primary Owned Buildings rated as Tier 1	66.7%	66.7%	66.7%	66.7%				

#### **Performance Measures Descriptions**

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.

# **Legal / Contractual Obligation**

Health Dept Headquarters (HDHQ) agreement with Home Forward

## **Revenue/Expense Detail**

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
Program Expenses	2014	2014	2015	2015
Contractual Services	\$0	\$4,000,000	\$0	\$0
Materials & Supplies	\$0	\$1,120,531	\$0	\$301,479
Internal Services	\$0	\$450,000	\$0	\$0
Capital Outlay	\$0	\$61,058,999	\$0	\$65,191,980
Cash Transfers	\$0	\$0	\$0	\$174,521
Total GF/non-GF	\$0	\$66,629,530	\$0	\$65,667,980
Program Total:	\$66,629,530		\$65,667,980	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues							
Other / Miscellaneous	\$0	\$30,322,511	\$0	\$31,899,480			
Financing Sources	\$0	\$15,700,755	\$0	\$20,412,500			
Interest	\$0	\$110,000	\$0	\$110,000			
Beginning Working Capital	\$0	\$20,000,000	\$0	\$28,384,600			
Service Charges	\$0	\$496,264	\$0	\$1,220,000			
Total Revenue	\$0	\$66,629,530	\$0	\$82,026,580			

## **Explanation of Revenues**

Asset Replacement Revolving Fund (2503): \$476,000 Library Capital Construction Fund (2506): \$2,358,680

Capital Improvement Fund (2507): \$33,791,900 that includes a \$1,000,000 one-time-only General Fund cash transfer

Health Department Headquarters Capital Fund (2510): \$45,400,000

## **Significant Program Changes**

Last Year this program was: 78006A Facilities Capital Improvement Fund

Capital Improvement Fund Significant Changes for FY15:

The Library District Capital Fee for capital projects is now fund 2506 and segregated from County capital funds 2507 & 2509. Health Department Headquarters project is now fund 2510 and segregated from County capital fund 2507. Downtown Courthouse project is now fund 2500 and segregated from County capital fund 2507 (see program offer 78013-15)