

<b>Department:</b>	County Assets	<b>Program Contact:</b>	Kate Vance
<b>Program Offer Type:</b>	Internal Service	<b>Program Offer Stage:</b>	As Proposed
<b>Related Programs:</b>	78204, 78206, 78213		
<b>Program Characteristics:</b>			

**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, functional, and energy efficient facilities for the operating programs that use them. 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, 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 18 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 and equity. 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.

Implementation of 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	FY20 Actual	FY21 Budgeted	FY21 Estimate	FY22 Offer
Output	Percent of projects planned for completion during a fiscal year that are completed in that fiscal year.	41%	75%	77%	70%
Outcome	Percent of Primary Owned Buildings rated as Tier 2 & 3.	37%	33%	37%	37%

**Performance Measures Descriptions**

PM #1: Percent of projects planned for completion during a fiscal year that are completed in that fiscal year. FY 2021 was a challenging year with Covid 19, a backlog of work and staff turn-over. The FY 2021 plan looks more realistically at the number of projects that can be completed this fiscal year, and the FY 2022 year plan is based upon the assumption of increased staff load to catch up on backlogged projects. PM #2: Percent of Primary Owned Buildings rated as Tier 2 & 3. Targeting decreased percentage over time.

## Legal / Contractual Obligation

There are a number of projects carrying over into FY 2022 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	2021	2021	2022	2022
Contractual Services	\$0	\$20,718,292	\$0	\$20,210,318
Internal Services	\$0	\$106,270	\$0	\$0
Capital Outlay	\$0	\$130,686	\$0	\$138,179
<b>Total GF/non-GF</b>	<b>\$0</b>	<b>\$20,955,248</b>	<b>\$0</b>	<b>\$20,348,497</b>
<b>Program Total:</b>	<b>\$20,955,248</b>		<b>\$20,348,497</b>	
<b>Program FTE</b>	0.00	0.00	0.00	0.00

Program Revenues				
Other / Miscellaneous	\$0	\$8,174,778	\$0	\$8,899,767
Financing Sources	\$0	\$1,167,824	\$0	\$159,708
Interest	\$0	\$434,608	\$0	\$150,000
Beginning Working Capital	\$0	\$10,696,383	\$0	\$10,933,373
Service Charges	\$0	\$481,655	\$0	\$205,649
<b>Total Revenue</b>	<b>\$0</b>	<b>\$20,955,248</b>	<b>\$0</b>	<b>\$20,348,497</b>

## Explanation of Revenues

Fund 2507 Capital Improvement Program:  
BWC \$10.8 Million from Project Carryover; \$0.1 Million from Asset Replacement program offer  
IG City of Portland share of Justice Center Projects \$0.2 Million  
Intl Svc Reimbursement CIP Fee from County Occupants \$3.9 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 2021: 78205 Facilities Capital Improvement Program

Due to Covid19 the staff in this program were moved to primarily teleworking instead of reporting to the office. Operational changes include virtual meetings and check ins, communication is primarily through email or google chat, and reporting is emailed and followed up virtually. Few projects have been cancelled or completely stopped due to Covid19. However many projects are slowed due to difficulty in material availability, shipping delays, other agency review delays.

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