



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST (short form)

Board Clerk Use Only

Meeting Date: 10/29/13
Agenda Item #: B.1
Est. Start Time: 10:00 am
Date Submitted: 10/17/13

Agenda Title: **Board Briefing on Facilities Audit: Deferred Maintance**

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title.

Requested Meeting Date: October 29, 2013 **Amount of Time Needed:** 30 minutes
Department: Non Departmental **Division:** Auditors Office
Contact(s): Judy Rosenberger
Phone: 83320 **Ext.** **I/O Address:** 503/601
Presenter(s): Judith DeVillier & Steve March - Auditors Office; Sherry Swackhamer, DCA; & Michael Bowers, FPM

General Information

1. What action are you requesting from the Board?

Board Briefing on Facilities Audit of Deferred Maintenance

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

Facilities and Property Management (FPM) manages over 3 million square feet of owned and leased space used by the public and over 4,570 employees. FPM's Operations and Maintenance staff provide day-to-day maintenance for the County owned buildings. For 2014, the County reported deferred maintenance of \$21 million and seismic liability of \$205 million. The reported deferred maintenance decreased by \$26 million from the \$47 million reported in 2005. Some of this decrease was due to projects targeted to reduce the backlog, and some due to the County's efforts to dispose of older buildings with large amounts of deferred maintenance backlog. The County has followed the 2004 Disposition Plan with overall disposition of 35% of the building inventory from that report. We did not have sufficient information to assess how much of the deferred maintenance backlog was due to building dispositions and how much due to capital spending for that purpose. We

recommend the County continue its efforts to dispose of buildings with high amounts of deferred maintenance. Our recommendations also include reporting changes that will provide the Board with better information for making capital spending decisions and for a better understanding of the total operating costs for buildings. Improvements are needed that will identify maintenance and repair projects from other capital projects, and will identify other capital spending needs for planning and building disposition. Improvements are also needed in determining the amount of deferred maintenance backlog and in monitoring and reporting work done to reduce the backlog. We recommend the County revise the policy so that both “capital needs” and “cost” are clearly defined and measurable, and so that the County can accurately evaluate whether it’s in compliance with the policy. We also recommend the County consider accounting for capital projects that are not maintenance and repairs in a different capital project fund.

3. Explain the fiscal impact (current year and ongoing).

No fiscal impact.

4. Explain any legal and/or policy issues involved.

N/A - none

5. Explain any citizen and/or other government participation that has or will take place.

N/A - none

Required Signature

**Elected Official or
Department/
Agency Director:**



Date: Oct 17, 2013