

# MULTNOMAH COUNTY OREGON

May 24, 2011

**Due back to the Budget Office on Friday May 27<sup>th</sup> by 5pm**



## FY 2012 Budget Worksession –

*Department of County Assets, Capital Briefing and Library*

Issues/Discussions/Findings	Responsible Dept./Division
<b>Department of County Assets</b>	
<p>Follow Up- for program 78026 IT Planning, Projects and Portfolio Management (PPPM) please explain the increase in FTE and the increase in funding.</p> <p><b>Response:</b> There were no overall increases in FTE in Information Technology. In this program offer there was a net change (increase) of four FTE due to organizational changes moving project managers into the PPPM group from the Applications Services group and the move of one HR FTE from DCM to IT. The additional funding represents project-related funding for projects that require dedicated resources, e.g. the data center project requires a dedicated project manager for the entire, multi-year project to ensure proper oversight and to minimize risk to the county. IT budgeted the project-related funding in this program offer to pay for these dedicated project managers.</p>	<b>IT</b>
<p>Follow Up- for program 78029 IT Telecommunication Services please provide a description of the budget changes from FY 2011 to FY 2012 and a description of the new telecomm platform. Please provide in detail how we fund the videoconferencing and how we do or do not recover costs from outside agencies/partners.</p> <p><b>Response:</b></p> <ol style="list-style-type: none"><li>1) The Telecom budget changes from FY 2011 to FY 2012 are due to moving variable costs for moves/adds/changes, mobile phone charges, long distance, and pagers from the IT Budget to departmental budgets for better cost control and direct departmental management oversight. Should departments over budget for these variable costs, the dollars will stay in the departmental budget or flow back to the General Fund rather than becoming BWC in the IT Fund as has happened in the past.</li><li>2) The new telecom system will replace our current legacy system that is no longer supported. The vendor filed bankruptcy over two years ago. It will take advantage of the latest technologies, Voice over Internet Protocol (VoIP), to greatly reduce the number of phone systems we operate and maintain and to integrate our voice and data networks to reduce costs. Requirements are currently in process.</li><li>3) Videoconferencing is funded through IT rates for internal customers based on the number of video conferencing each customer utilizes and the related connectivity costs for circuits. External customers are charged for use of video conferencing. Charges are billed monthly for equipment use and the circuit (connectivity) charges.</li></ol>	<b>IT</b>

<p>Follow Up- Please provide a comprehensive list of all the IT projects, status, funding source and budget (see attached spreadsheet for template).</p> <p><b>Response:</b></p> <p>For clarification purposes:</p> <p><i>ITAB</i> refers to the IT Advisory Board, a Countywide governing body that reviews, approves, and oversees all IT projects. IT projects are budgeted in three program offers: 78024A, 78024B, and 78025. Exhibit 1 (attached) presents the detail of IT projects in three categories:</p> <ol style="list-style-type: none"> <li>1) ITAB Projects in Process (78024A)—Projects in process that will carry forward into FY 2012</li> <li>2) ITAB Projects Approved (78024A)—Projects approved and started in FY 2011 that will carry forward into FY 2012</li> <li>3) ITAB New Projects (78024B)—Projects funded in the Chair's FY 2012 Executive Budget</li> </ol> <p>In addition, two multi-year projects the--Data Center &amp; Disaster Recovery Project and the Network Convergence (phone system replacement) Project--were approved for bond funding and are identified in program offer 78025, IT Strategic Modernization Projects.</p> <p>Exhibit 1 provides the requested list of projects, status, funding source and budget.</p>	<p><b>IT</b></p>
<p><b>Capital Briefing</b></p>	
<p>Follow Up- How do we calculate our per square foot cost for county owned buildings (i.e. market rate vs. our costs/debt/improvements). For debt service, which buildings charge their tenants for the building debt and which building debt is spread to all facilities customers?</p> <p><b>Response:</b> Please see Exhibit 2: FY 2012 Capital Briefing Follow-up</p>	<p><b>Facilities</b></p>
<p><b>Budget Note – Commissioner Shiprack</b> Explore ways that Multnomah County can look at future resources for capital bridge needs to make them safe for users (specific language TBD).</p>	<p><b>Budget Note</b></p>
<p><b>Budget Note – Commissioner Shiprack</b> Capital planning process and needs (specific language TBD)</p>	<p><b>Budget Note</b></p>
<p><b>AMENDMENTS – Commissioner McKeel</b></p> <ul style="list-style-type: none"> <li>• 25135 Commercial Sexual Exploitation of Children – Victims System of Care \$258,420 to fund the County beds portion of the program.</li> <li>• East County SUN \$130,000 to fund 1 Sun School in the Gresham Barlow District and 2 Sun Schools in the Reynolds District.</li> <li>• 60050 In-Jail Human Trafficking Sgt. 1.00 FTE \$160,683</li> <li>• 60083 Child Abuse Detective – CAT 1.00 FTE \$118,000</li> </ul>	<p><b>AMENDMENTS</b></p>

Information Technology - Project Information

Exhibit 1

FY 2012 - Follow-up to BCC

Project Name	Dept.	Status	FY 2012 Approved Budget						Notes		
			FF&C Bond		IT Fund BWC		IT GF/CT <sup>1</sup>			Project Total	
ITAB Projects In Process (Offer 78024A)											
Client Case Management	DCHS	In Process	\$	-	\$	773,849	\$	-	\$	773,849	Finalizing contract with vendor. Mental Health Case Management and Billing System that will create electronic case files and greatly enhance billing capabilities. System will replace 38 legacy systems and greatly improve direct service delivery and employee productivity.
Content & Document Management	DA	In Process	\$	-	\$	114,000	\$	-	\$	114,000	System implemented, final closeout work in process.
DSS-J Technology Upgrade	LPSCC	In Process	\$	-	\$	516,000	\$	-	\$	516,000	Project Manager and contract technical resource hired and working. Technical design in process. Project has a 2 year payback and will reduce operational costs of DSS-J by ~ \$300 K annually.
Employee Self Service Evaluation	DCM	In Process	\$	-	\$	150,000	\$	-	\$	150,000	Vendor selected and contracting in process for the evaluation only. Project will evaluate options for automating the employee benefit selection process, eliminating the high volume of paper enrollment packets currently distributed, as well as, eliminating a significant number of manual processes performed by the Benefits Department.
Corrections Electronic Medical Records	MCHD	In Process	\$	-	\$	536,500	\$	-	\$	536,500	Vendor contracting in process; Scheduled start date late July. Project will integrate the electronic medical records (EMR) for Corrections Health with the Primary Care EMR system providing enhanced access to patient records, increased processing productivity, and risk reduction for providing inmate care.
Facilities Mobile Assets	DCA	In Process	\$	-	\$	47,100	\$	-	\$	47,100	Phase 1 complete; Phase II workflow addition in review as part of DCA reorganization. Phase II was on hold waiting for the workflow capabilities to be implemented in the Procurement for Public Sector project which is scheduled to complete at late summer/early fall, 2011.
Planview Upgrade	DCA	In Process	\$	-	\$	100,000	\$	-	\$	100,000	Upgrade in process including interface to SAP eliminating duplicate entry of time and providing electronic timesheet capability for IT employees.
Mobile Platform Pilot	DCA	Planning			\$	100,000			\$	100,000	Technical infrastructure for mobile applications.
Subtotal			\$	-	\$	2,337,449	\$	-	\$	2,337,449	

Project Name	Dept.	Status	FY 2012 Approved Budget						Notes		
			FF&C Bond		IT Fund BWC		IT GF/CT <sup>1</sup>			Project Total	
ITAB Approved Projects (Offer 78024A)											
Countywide Budget System	DCM	Approved/In Process	\$	-	\$	515,000	\$	1,000,000	\$	1,515,000	Includes \$1 M from Budget Office Program Offer, 72030. Requirements complete and RFP near completion. Project will provide a county-wide budget system to support the Budget Office and departments in the creation and monitoring of budgets.
Document Mgmt. System Pilot	DCJ	Approved	\$	-	\$	345,000	\$	-	\$	345,000	
Logistics System (w/GIS)	MCL	Approved	\$	-	\$	450,000	\$	-	\$	450,000	
System will provide mapping and logistics capabilities to all MCL to identify the delivery of services by location across programs in order to streamline the delivery of books and services in nearby locations. This will reduce costs and duplicate travel to nearby locations freeing up resources to provide additional direct service. The estimated payback is two years with a reduction in costs of \$180 K annually											
Subtotal					\$	1,310,000	\$	1,000,000	\$	2,310,000	
ITAB New Projects (Offer 78024B)											
SAP Enhancements	DCA	Pending Approval	\$	-	\$	-	\$	400,000	\$	400,000	Transfer from Program Offer 78024B. Project will include enhancement to SAP product based on recent evaluation of high priority opportunities. Recommendations will be prioritized by ITAB (department representatives) to determine where the most benefit will occur county-wide.
Employee Self Service Capabilities	DCM	Pending Approval	\$	-	\$	-	\$	600,000	\$	600,000	
Asset Real Estate Portfolio Mgmt.	DCA	Pending Approval	\$	-	\$	-	\$	500,000	\$	500,000	
Transfer from Program Offer 78024B. System to be implemented in coordination with the FPM strategic plan to ensure the ability to manage the real estate portfolio moving forward and provide on-going analysis capabilities as conditions change including the ability to determine when outside expertise is needed to inform strategic decision making.											
Subtotal			\$	-	\$	-	\$	1,500,000	\$	1,500,000	

FY 2012 - Follow-up to BCC

Project Name	Dept.	Status	FY 2012 Approved Budget				Project Total	Notes
			FF&C Bond	IT Fund BWC	IT GF/CT <sup>1</sup>			
Modernization Projects (Offer 78025)								
Data Center & Disaster Recovery	DCA		\$ 2,100,000	\$ 2,291,303	\$ -	\$ 4,391,303	Data center is under construction in the basement of the ECC facility. Final design complete and final construction bids complete. Responses to RFP for the co-location vendor (for disaster recovery capabilities) are currently being evaluated. The telecommunication room at Central Library currently being upgraded as a core network node.	
Network Convergence	DCA		\$ 2,100,000	\$ 500,000	\$ -	\$ 2,600,000	Finalizing contract with consults to build county-wide requirements for the new system and the final technology recommendation. The new data network architecture design is complete and the upgrade to the Central Library server room is underway for one of two core network hubs. The hardware for the Library core hub has been ordered. An RFP for additional network service providers will be published in June, 2011.	
Subtotal			\$ 4,200,000	\$ 2,791,303	\$ -	\$ 6,991,303		
Total from IT BWC, Chair's Budget, & Bond Funds			\$ 4,200,000	\$ 6,438,752	\$ 2,500,000	\$ 13,138,752		

1/ CT = cash transfer. If funding is from an outside source (i.e. department funds) that result in a cash transfer to the IT fund please identify the source in the notes column.

**Capital Briefing Follow-up****DCA Facilities***Submitted May 27, 2011*

For the past decade, FPM has used a cost recovery rate model that allocates costs equitably to each class of building space the County operates. Generally speaking, higher-traffic buildings (such as libraries and courts) and specialized types of buildings (such as clinics) cost more to operate and maintain. County buildings are sorted by major space type--general use, detention courts, clinics, etc.—and each building's cost per sq ft is then averaged based on space type:

<b>Building Type</b>	<b>Rate Sq Ft</b>
Clinic	8.50
Detention & Courts	5.85
General Use	6.10
Library	7.70
Shop	4.25
Warehouse	4.25

The single most important reason to load debt into the facility rates for tenants of buildings carrying debt is to take advantage of collecting total operating costs, including debt load, from grants or other non-general fund resources.

When we purchase, maintain or rehab a building to meet our customers' programmatic needs, it is appropriate that the program benefiting from the building improvements also bear the real (loaded) cost of occupying that space. There are some exceptions, notably:

- Yeon Building—the debt was unusually high for the few tenants occupying the space; what we have done this year is pay off the debt on the building with OTO resources to make it more affordable for the tenants.
- Wapato Jail—mothballed facility costs are covered by the General Fund because there is no tenant to charge, and the building is not in operation.
- Courts—the county is mandated by the state to cover the cost of courts. Debt service cost for the East County Courthouse is covered by the General Fund, and the operating costs of the ECC once it is completed and occupied by courts will also be covered by the General Fund.

Building debt is recovered via facilities rates from the tenants occupying those buildings. Buildings currently carrying debt are listed below (East County Courthouse will be added to this list as it becomes occupied):

<b>Bldg#</b>	<b>Name</b>	<b>Owned/ Leased</b>	<b>Tier</b>	<b>Total Sq Ft</b>
322	Walnut Park Complex	Owned	2	74,030
420	Southeast Health Center	Owned	1	23,333
430	Mid-County Health Center	Owned	1	21,320
437	Multnomah County East	Owned	1	82,395
503	Multnomah Building	Owned	1	201,105
274	Robert W Blanchard Education Service Center	Leased	2	37,973
625	Sellwood Lofts	Leased	1	4,277