



FY 2014 Capital Budget

***Presentation to the Board of County
Commissioners***

Multnomah County

May 7, 2013

Located at: www.multco.us/budget

FY 2014 Capital Presentation

- Today's Agenda
 - Overview of County Financial Policies for capital projects
 - Review of capital debt policies and management
 - Transportation Capital Program budget review
 - Department of County Assets Facilities Capital and IT project budget reviews
 - Questions and follow-up



County Financial Policies

Our County Financial Policies Address:

- Transportation Financing
- Capital Asset Management
- Information Technology
- Short and Long-Term Debt Financing



County Financial Policies

Transportation Financing:

- Ongoing maintenance necessary for:
 - Economic growth
 - Alleviate existing transportation problems
 - Maintain livability
- Five-Year Capital Improvement Plan (updated annually)
- It is Board policy to support efforts to secure state and regional funding



County Financial Policies

Facilities Capital Asset Management Policies:

- Five-Year Capital Improvement Plan (updated annually)
- Goal is to fund capital at a level necessary to support a 50-year depreciation schedule
- Maintain an inventory of capital needs; develop an evaluation process and rating system
- Provide guidelines for asset acquisition, disposition, and the use of sale proceeds



County Financial Policies

Information Technology:

- Five-Year Asset Replacement Plan (updated annually)
- Prioritize major software projects and identify replacement of IT assets
- Plan to be reviewed by an Information Technology Advisory Board (ITAB)



County Financial Policies

Short and Long-Term Debt Financings:

- Describe financing mechanisms available
- “Pay-go” versus “Pay-use”
- Restrictions on debt issuance (County policy is more restrictive than state statutes)
- Debt will **not** be issued to support operations



County Debt Overview

Types of Capital Debt:

- Short Term
 - Internal Loan
 - Line-of-Credit/Bank Placement
 - Tax Revenue Anticipation Notes (TRANs)
- Long Term
 - Full Faith & Credit
 - General Obligation Bonds (GO Bonds)
- Revenue Bonds
- Capital Lease Purchase Agreements



County Debt Overview

Summary of Capital Bond Memo:

- FY 2014 Projects supported with debt proceeds
 - Health Department – Headquarters Building
- Legal and internally-imposed debt limits
- Remaining debt capacity under existing policy
 - Policy change in FY 2013 created additional capacity



County Debt Overview

	Dated	Maturity Date	Avg Annual Interest	Amount Issued	Principal Outstanding 6/30/2013	Principal Outstanding 6/30/2014	2013-14 Interest	2013-14 Principal
General Obligation Bonds:								
Series 2010 - GO Refunding Bonds	03/31/10	10/01/16	1.70%	\$ 45,175	\$ 24,935	\$ 17,725	\$ 951	\$ 7,210
PERS Pension Revenue Bonds:								
Limited Tax Pension Obligation Revenue Bonds	12/01/99	06/01/30	7.67%	\$ 184,548	\$ 127,034	\$ 122,562	\$ 13,565	\$ 4,472
Full Faith and Credit Obligations:								
Series 2003 - Full Faith and Credit	06/01/03	07/01/13	2.83%	9,615	1,100	-	18	1,100
Series 2004 - Full Faith and Credit	10/01/04	08/01/19	3.71%	54,235	36,545	30,580	1,597	5,965
Series 2010A - Full Faith and Credit	03/31/10	06/01/17	2.96%	9,800	5,750	4,355	173	1,395
Series 2010B - Full Faith and Credit	12/14/10	06/01/30	2.74%	15,000	15,000	15,000	713	-
Series 2012 - Full Faith and Credit	12/13/12	06/01/33	4.00%	128,000	128,000	123,955	5,427	4,045
Total Full Faith and Credit				\$ 216,650	\$ 186,395	\$ 173,890	\$ 7,928	\$ 12,505
Leases and Contracts:								
Sellwood Lofts - Capital Lease	01/01/02	01/01/32	2.50%	\$ 1,093	\$ 974	\$ 955	\$ 100	\$ 19
Sheriff's Office Warehouse - Capital Lease	07/01/10	06/30/17	4.00%	814	493	377	18	116
Total Leases and Contracts				\$ 1,907	\$ 1,467	\$ 1,333	\$ 117	\$ 135
Loans:								
Oregon Transportation Infrastructure Bank	09/01/08	09/01/25	3.98%	\$ 3,200	\$ 2,877	\$ 2,665	\$ 98	\$ 212



Debt Overview

Summary of Scheduled Principal/Interest Payments

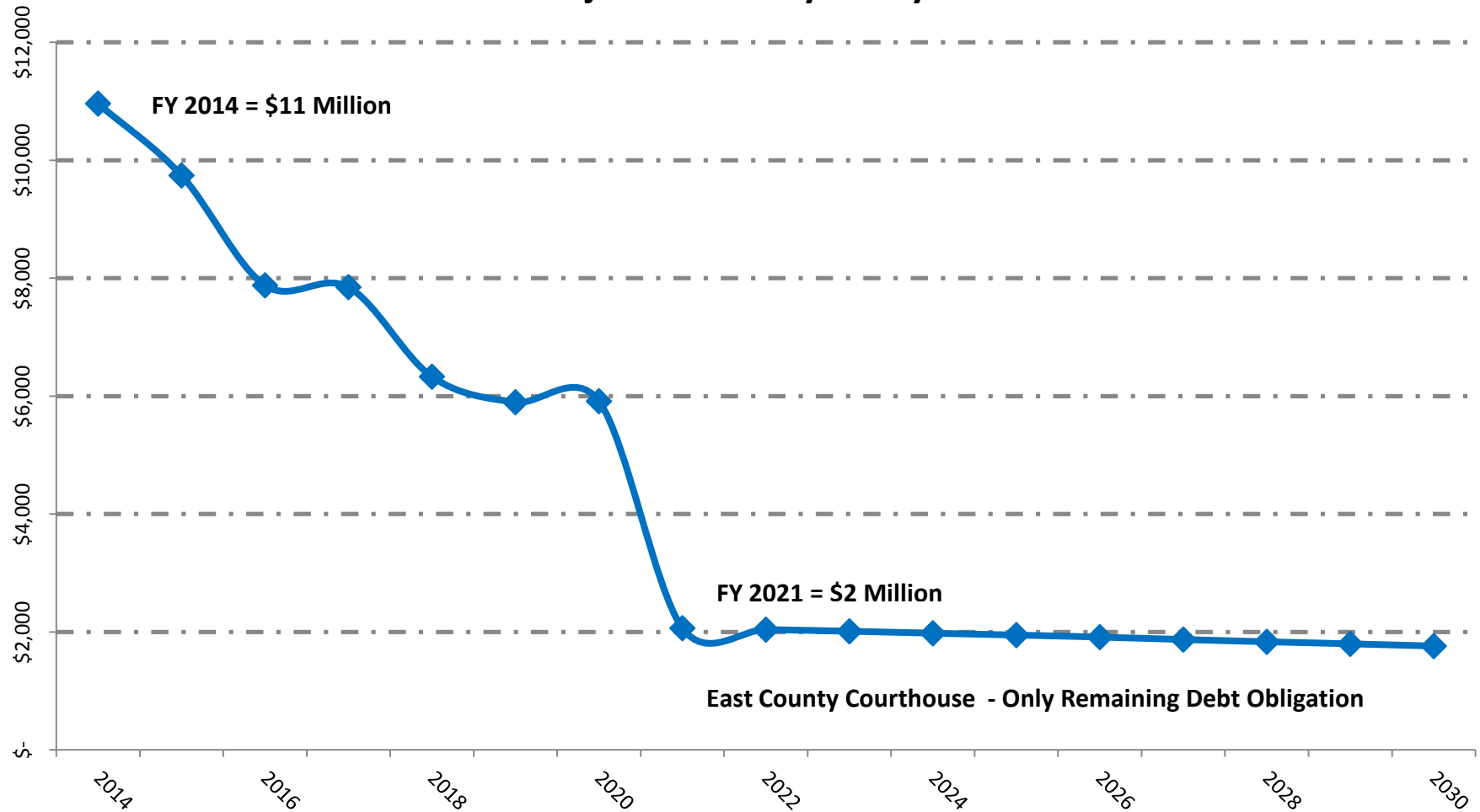
All Debt (Excluding Capital Leases) Through Retirement

FY	Principal	Interest	Total	Final Maturity of Bond Issue
2014	24,186,921	22,443,267	46,630,188	Series 2003, Full Faith & Credit
2015	22,393,962	22,677,276	45,071,238	
2016	22,889,944	20,658,182	43,548,126	
2017	33,735,000	10,950,830	44,685,830	Series 2010A, Full Faith & Credit and Series 2010, General Obligation Refunding
2018	29,300,000	9,064,707	38,364,707	
2019	32,060,000	7,156,585	39,216,585	
2020	15,669,168	24,908,783	40,577,951	Series 2004, Full Faith and Credit Refunding
2021	12,088,023	26,062,265	38,150,288	
2022	12,283,310	27,336,478	39,619,788	
2023	12,493,665	28,662,223	41,155,888	
2024	12,721,062	30,051,626	42,772,688	
2025	12,969,526	31,506,922	44,476,448	
2026	13,234,707	33,031,417	46,266,124	
2027	13,520,776	34,621,342	48,142,118	
2028	13,753,150	36,359,546	50,112,696	
2029	14,007,195	38,187,257	52,194,452	Series 1999, Pension Obligation Bonds and Series 2010B, Full Faith and Credit
2030	14,272,788	40,108,750	54,381,538	
2031	8,665,000	803,550	9,468,550	
2032	8,925,000	543,600	9,468,600	Series 2012, Full Faith and Credit
2033	9,195,000	275,850	9,470,850	
Total	\$ 338,364,197	\$ 445,410,456	\$ 783,774,653	



County Debt Overview

Multnomah County Debt Service (FY 2014 - FY 2030) Debt Subject to County Policy



Transportation

FY 2014 Capital Budget

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Capital Planning Process

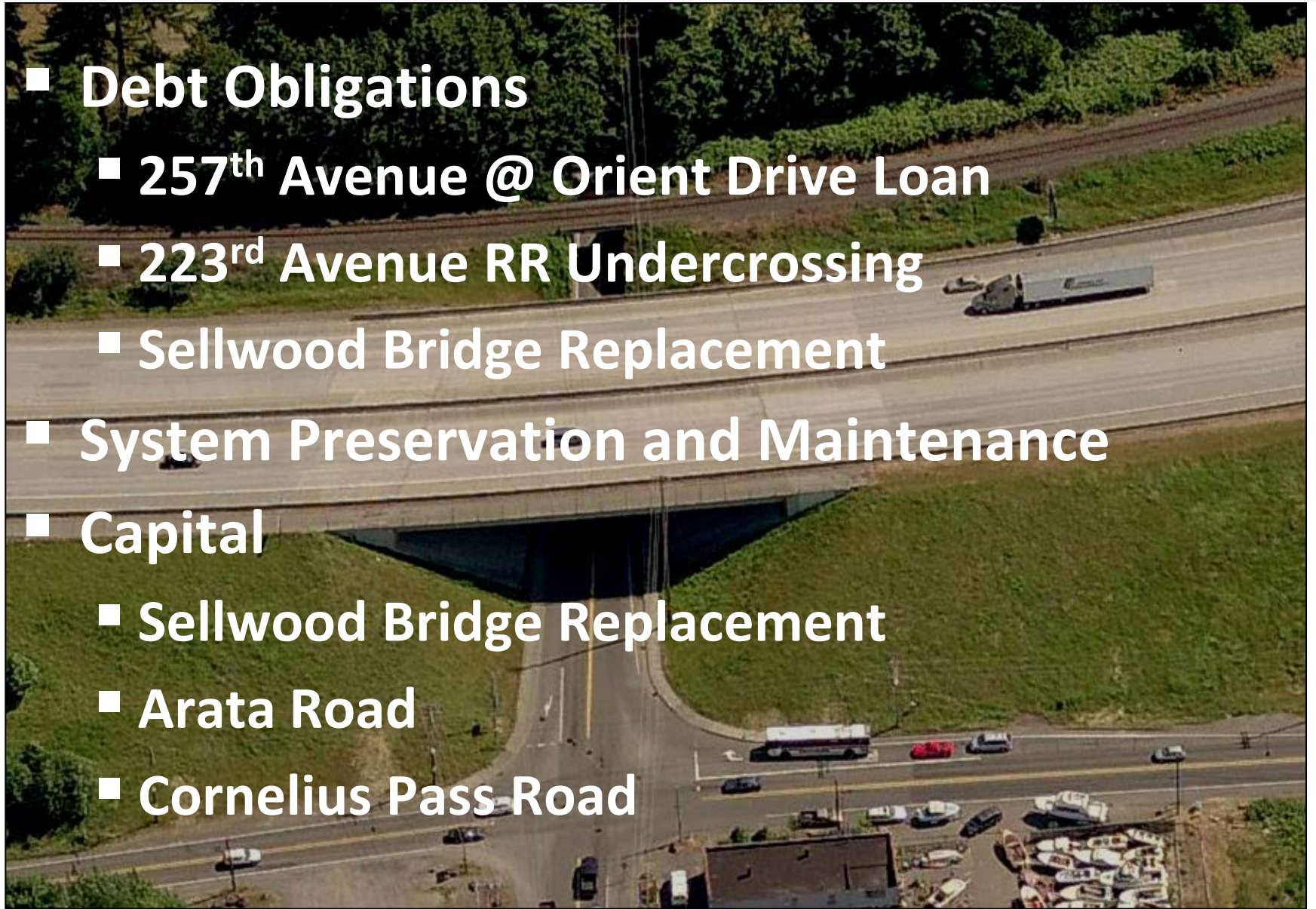
- **Three Components:**
 - **Capital Plan – 20 years**
 - **Capital Program – 5 years**
 - **Capital Budget for FY 2014 – 1 year**

- **Selection Criteria:**
 - **Safety**
 - **Support Land Use Goals**
 - **Engineering Evaluation**
 - **Community Support**
 - **Equity Lens**



Transportation Funding Priorities

- Debt Obligations
 - 257th Avenue @ Orient Drive Loan
 - 223rd Avenue RR Undercrossing
 - Sellwood Bridge Replacement
- System Preservation and Maintenance
- Capital
 - Sellwood Bridge Replacement
 - Arata Road
 - Cornelius Pass Road



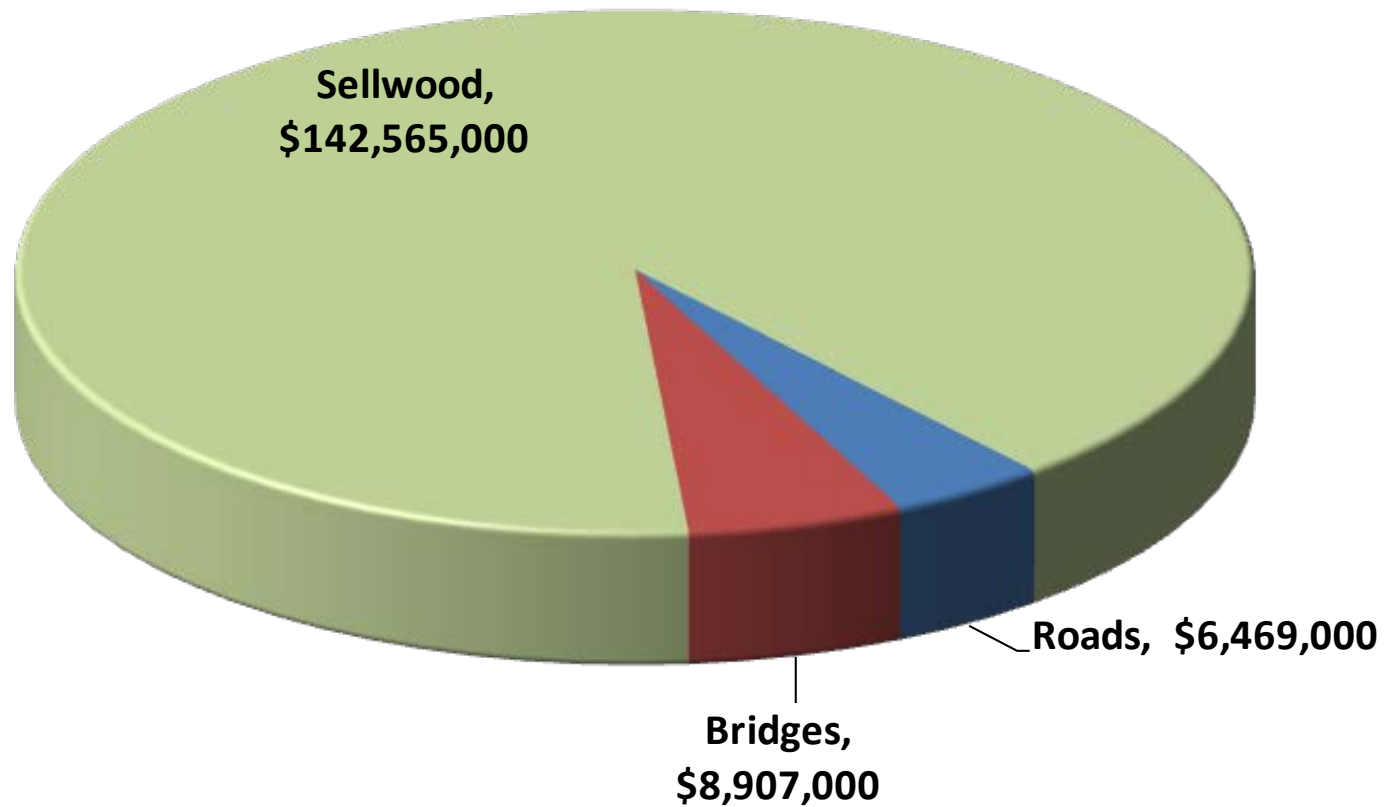
Revenue – Sources of Funds

- **State Highway Fund**
- **County Gas Tax**
- **Federal Highways**
- **ODOT**
- **City of Portland**



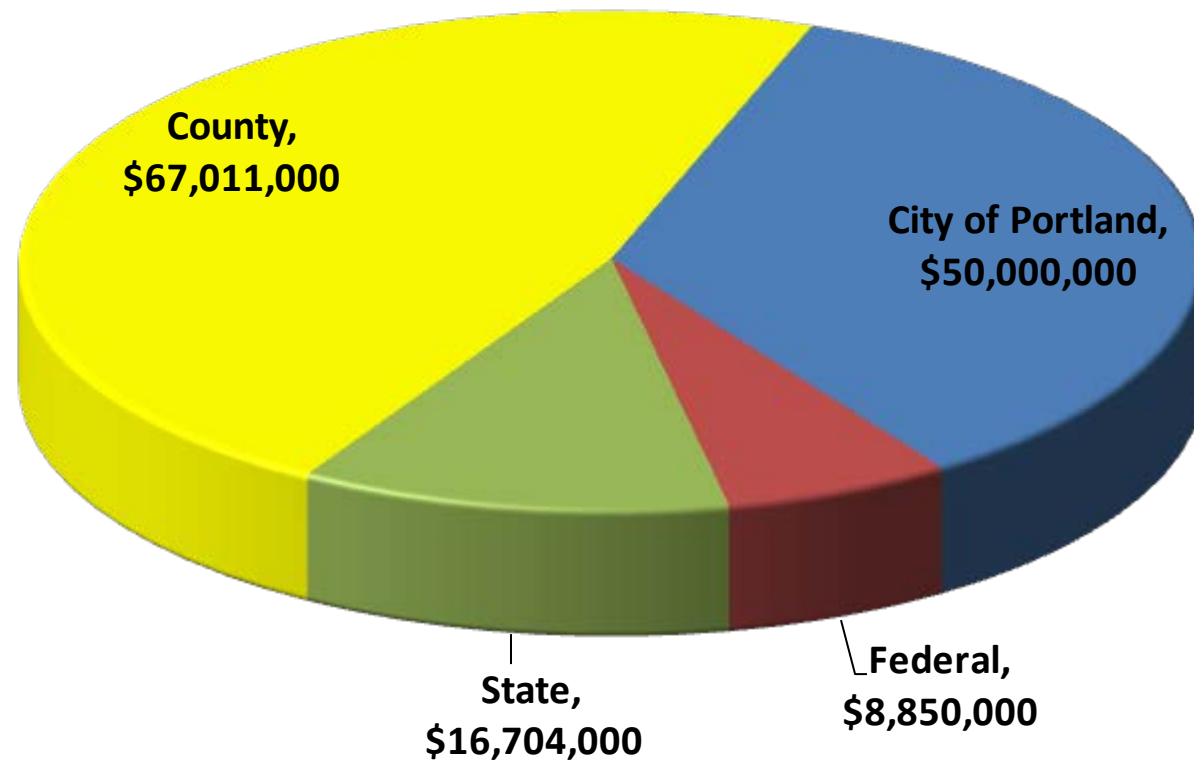
Capital Expense by Fund

Total Capital Expense in FY 2014 is \$158M



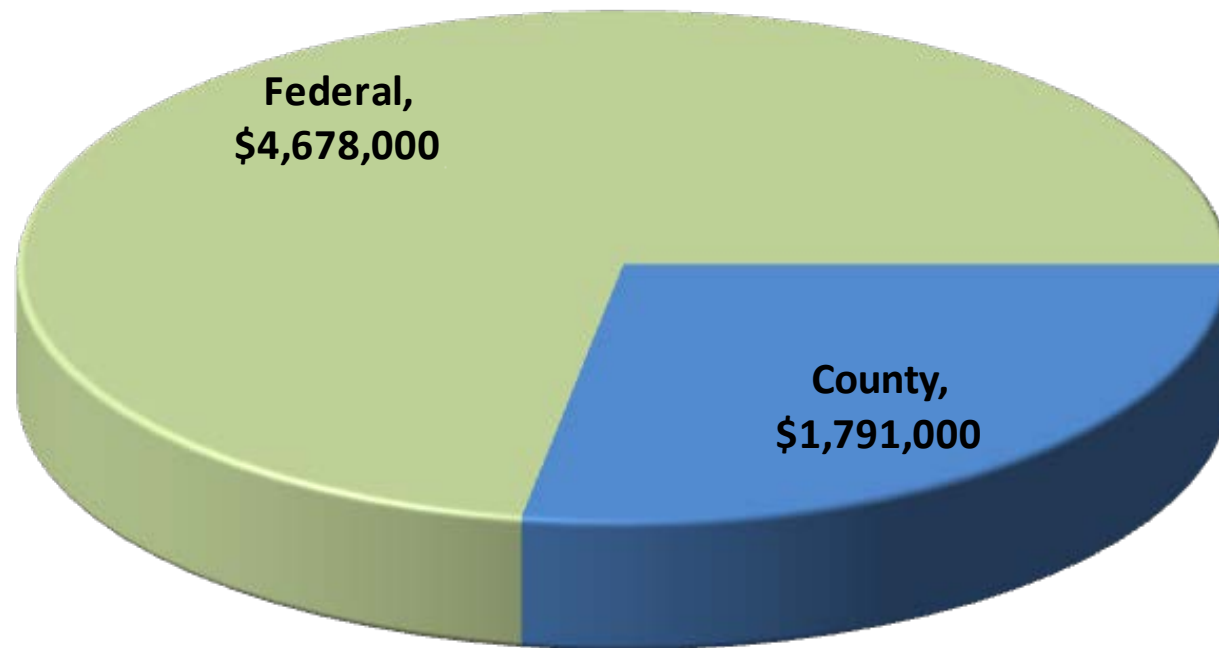
Sellwood Revenue Sources

Total Sellwood Revenue in FY 2014 is \$143M



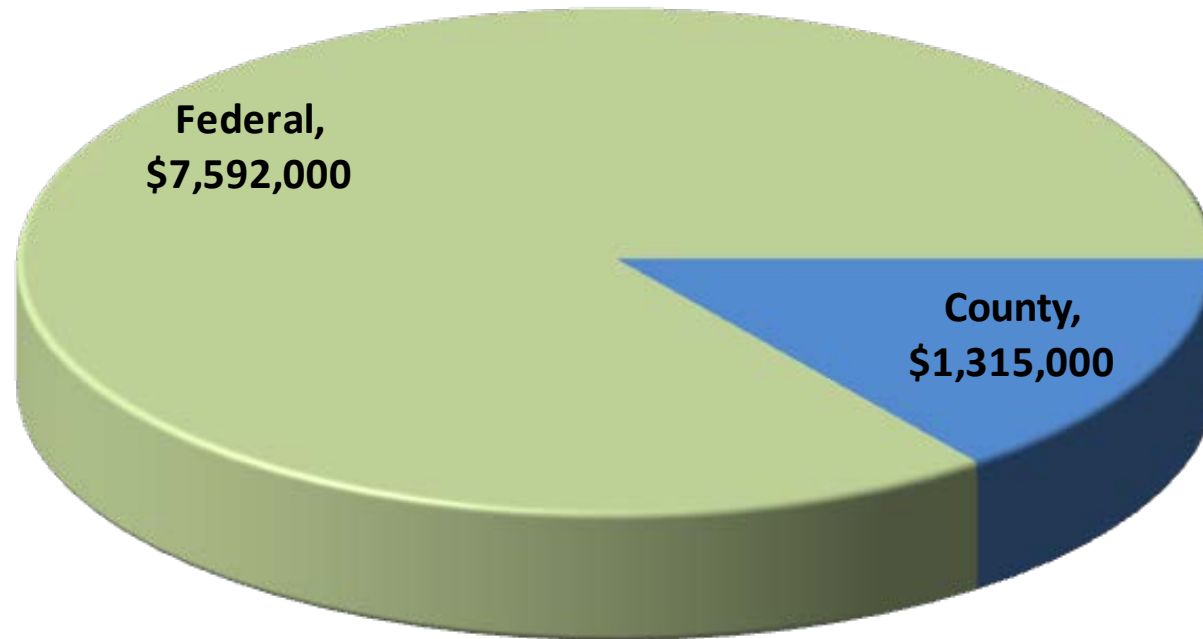
Road Services Revenue Sources

Total Road Services Revenue in FY 2014 is \$6,469,000



Bridge Services Revenue Sources

Total Bridge Services Revenue in FY 2014 is \$8,907,000



Road Fund - System Preservation

- Newberry Slide Repair
- Pavement Maintenance

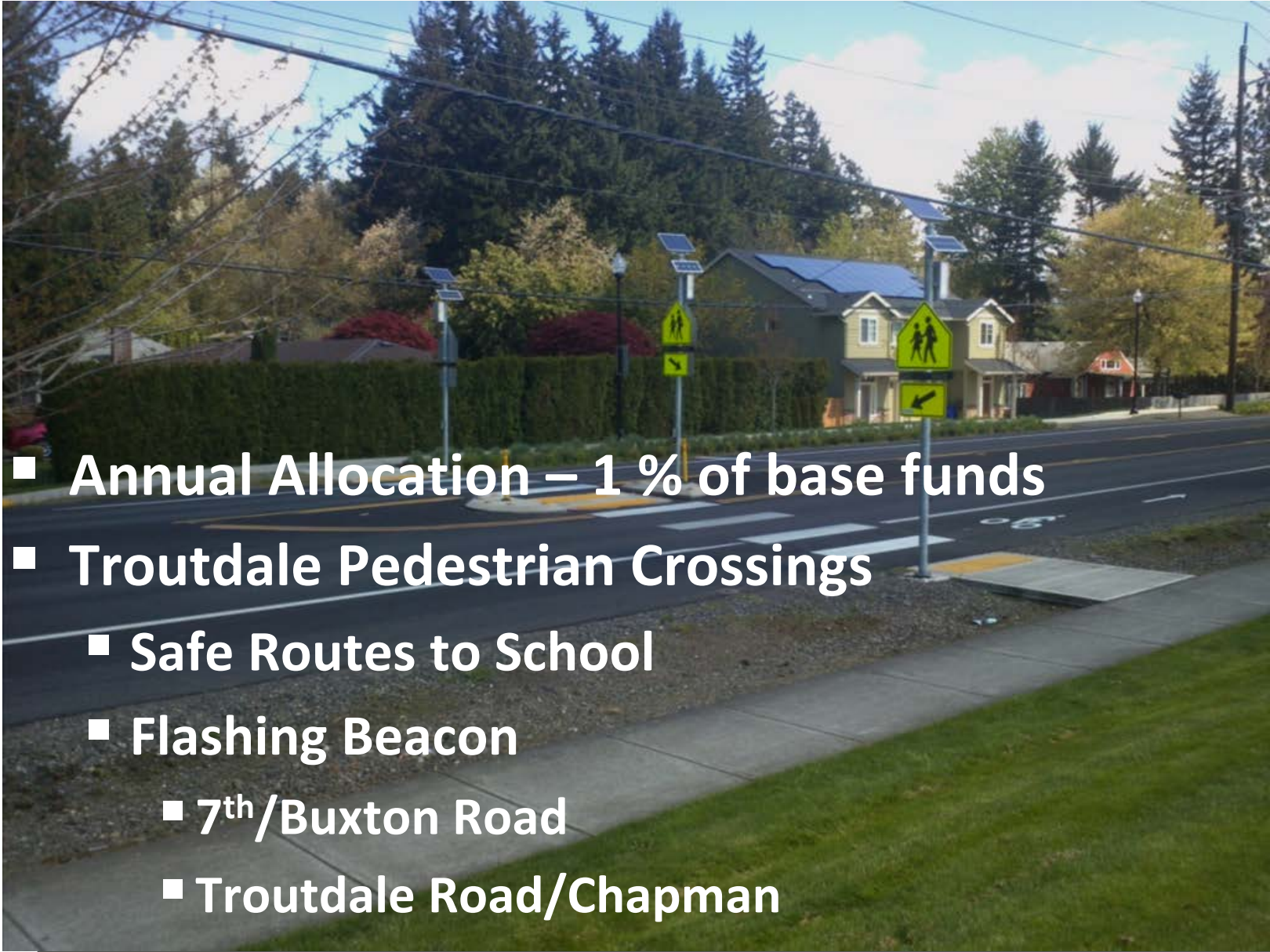


Construction FY 2014

- SE Troutdale Road sidewalk in-fill
- NE Halsey Street improvements – Wood Village
- Asphalt Overlays



Bicycle & Pedestrian Program FY 2014

- 
- Annual Allocation – 1 % of base funds
 - Troutdale Pedestrian Crossings
 - Safe Routes to School
 - Flashing Beacon
 - 7th/Buxton Road
 - Troutdale Road/Chapman



Design in FY 2014

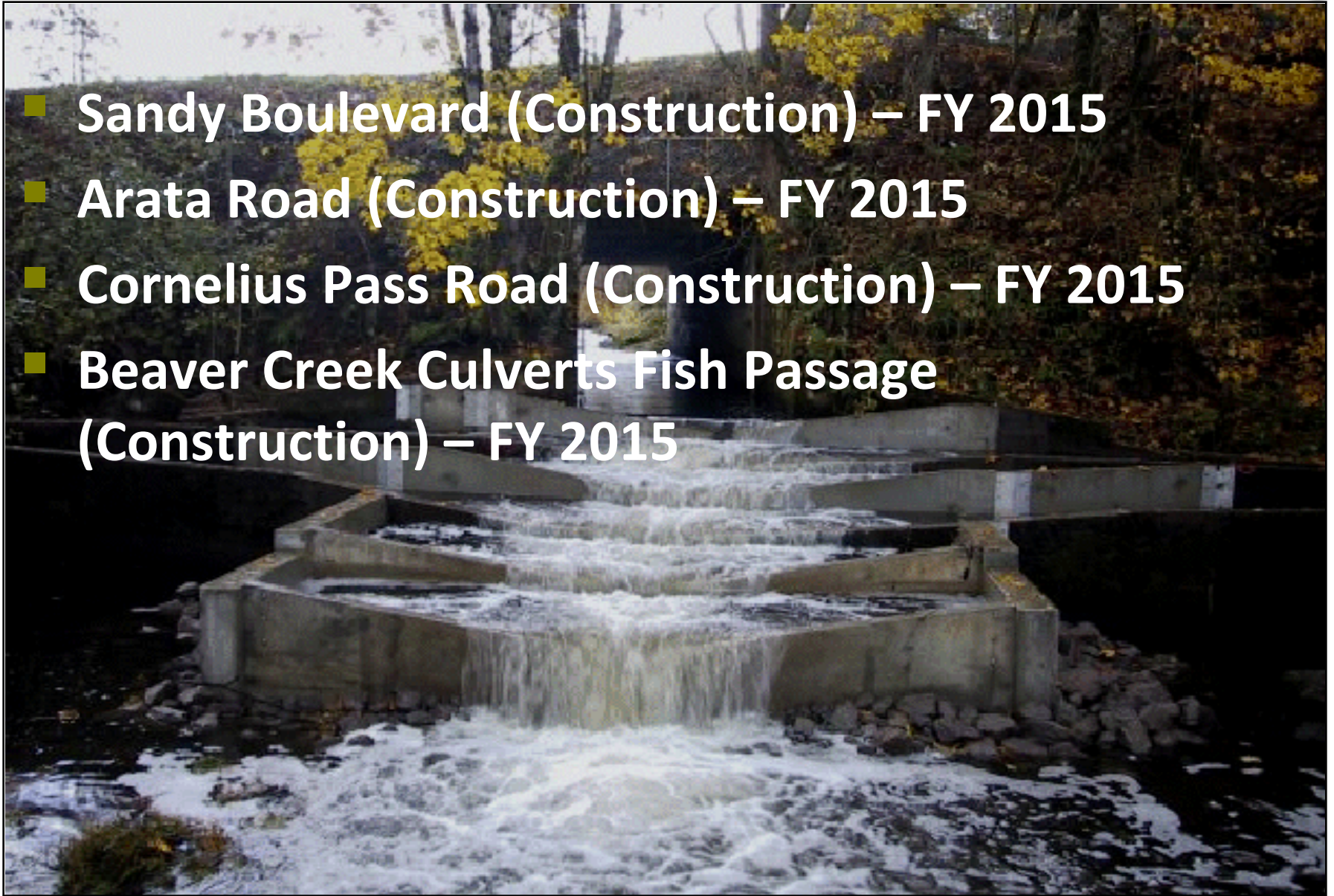


- Arata Road – Multi-Modal Improvements
- Cornelius Pass Road – Safety Improvements
- Wood Village Boulevard – Extension
- Beaver Creek Culvert @ Stark Street
- Sandy Blvd – 230th - 239th Avenues



Road Projects Beyond FY 2014

- Sandy Boulevard (Construction) – FY 2015
- Arata Road (Construction) – FY 2015
- Cornelius Pass Road (Construction) – FY 2015
- Beaver Creek Culverts Fish Passage (Construction) – FY 2015



Willamette River Bridges



Bridge Construction Projects in FY 2013

- **Sellwood Bridge Replacement**
 - Traffic 2015
 - Complete Summer 2016

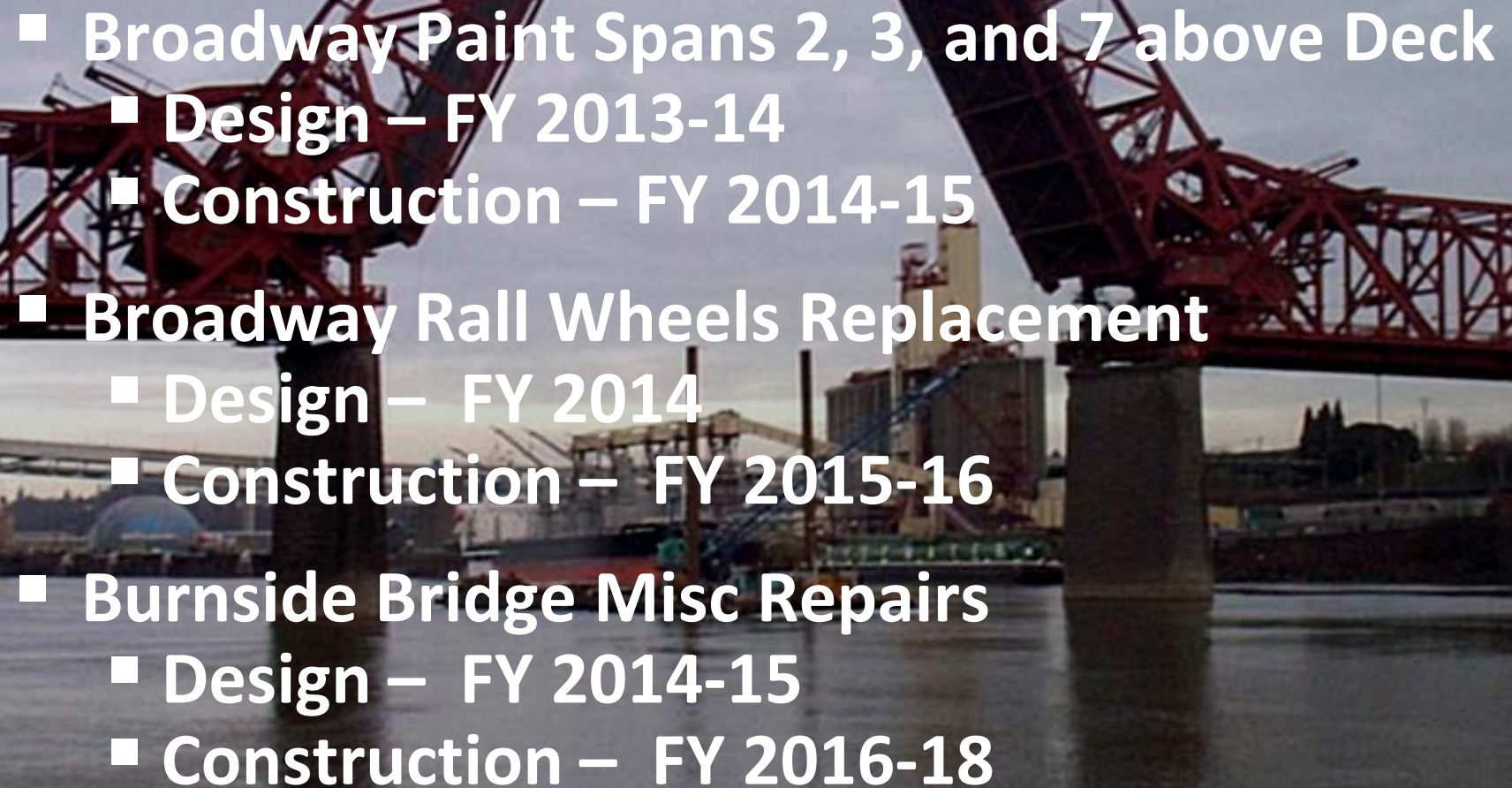


System Preservation – FY 2014

- **Willamette River Bridges Capital Plan Update**
- **Morrison Center Locks – (Lift Span)**
- **Sauvie Island Traveler – (Moveable Under-Deck Maintenance System)**



Bridge Projects FY 2014 - 18

- 
- **Broadway Paint Spans 2, 3, and 7 above Deck**
 - Design – FY 2013-14
 - Construction – FY 2014-15
 - **Broadway Rail Wheels Replacement**
 - Design – FY 2014
 - Construction – FY 2015-16
 - **Burnside Bridge Misc Repairs**
 - Design – FY 2014-15
 - Construction – FY 2016-18



Seismic

- **Seismic Update Plan (Part of WRB Capital Update)**
- **Seismic Need:**

Phase / Component	Hawthorne	Morrison	Burnside	Broadway
Phase 1 - Main Spans	\$7.5	\$11.9	Complete	\$5.8
Phase 1 – Approaches	\$2.7	\$4.8	Complete	\$0.9
Phase 2 - Main Spans	\$33.3	\$28.5	\$58.8	\$35.6
Phase 2 - Approaches	\$8.2	\$11.9	\$6.9	\$2.7
Totals	\$51.7	\$57.1	\$65.7	\$45.0

All dollar values are current year in millions



Seismic

- **Work Completed:**
 - Phase 1 on Burnside
 - Sauvie Island – (Designed to Current Standards)
- **Work in Progress:**
 - Sellwood – (Designed to Current Standards)
- **Other seismic upgrades have not been funded due to higher priorities assigned to operational and preservation needs. Substantial capital investment is required.**

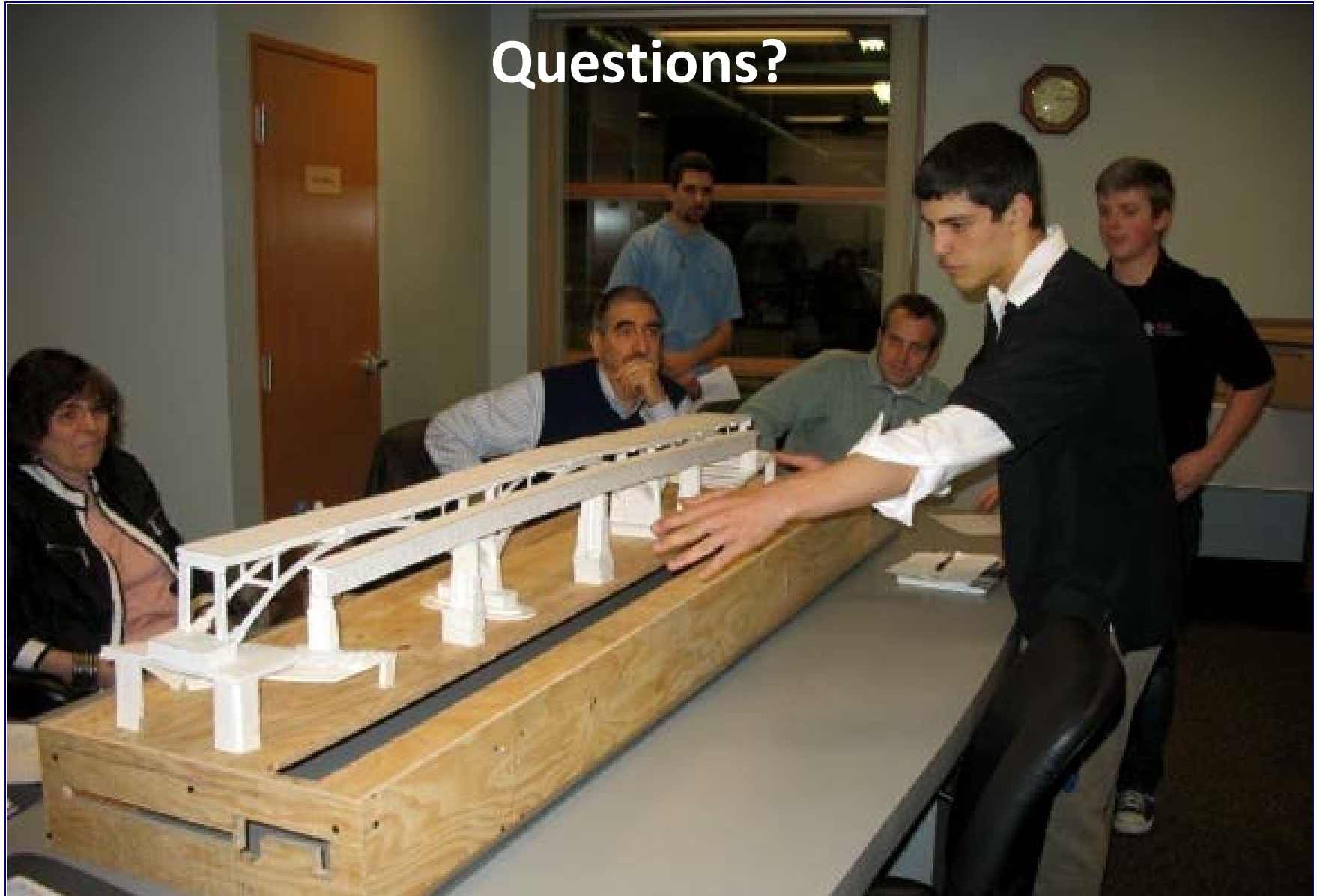


Summary of Transportation Capital

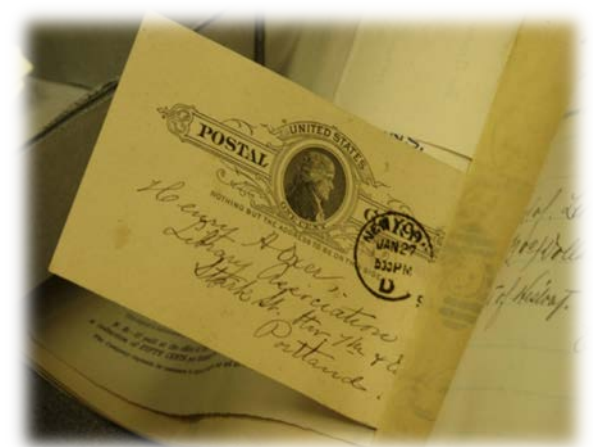
- State highway funds, county gas tax and vehicle registration fees fund current debt, preservation of system and limited capital projects
- Leveraging Capital for outside grants
- Rely on continued support from BCC, other partners, stakeholders
- Continue to look for other sources of base funding, economies of scale, industry trends



Summary of Transportation Capital

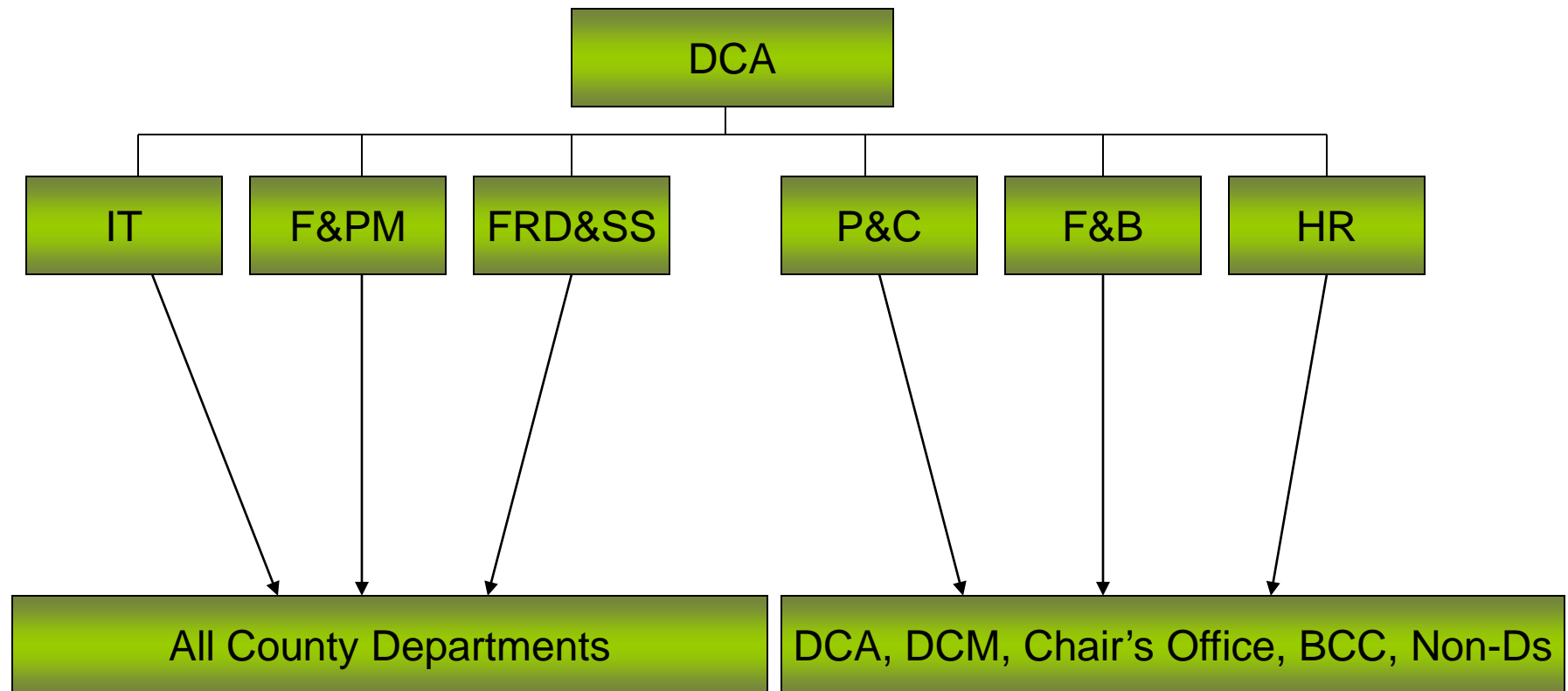


DCA FY 2014 Capital Presentation



DCA FY 2014 Capital Presentation

Org Structure



DCA FY 2014 Capital Presentation

Department of County Assets Mission, Vision, and Values

MISSION

We actively plan, acquire, implement, and preserve core assets to effectively advance Multnomah County's services to the community.

VISION

As Multnomah County's infrastructure backbone, we lead innovative, sustainable best practices, redefining when, where, and how our local government operates.

CORE VALUES

Integrity - We are honest and trustworthy in all aspects of our work. We are each personally accountable for the highest standards of behavior.

Collaboration - We have close, cooperative working relationships with our customers and each other. We see the possibilities from others' perspectives. We say "yes" to the right projects.

Leadership - We are talented employees effectively applying our expertise to address business challenges. We lead through our competence, creativity, and collaboration.

Diversity - We treat one another with dignity and respect and take pride in the significant contributions that come from diverse individuals and ideas. We pursue inclusion and social justice for everyone.

Excellence - We exceed customer expectations in affordability, quality, and delivery. We strive to be better tomorrow than we were yesterday. We celebrate our successes.

Innovation - We embrace change openly and enthusiastically. We always consider new ideas and encourage ingenuity and resourcefulness.

Responsibility - We are accountable for the resources entrusted to us. We use good judgment and sound thinking when making technical and financial decisions. We deliver results.

Sustainability - We believe in a sustainable future and the triple bottom line: equity, economy, and environment. We champion sustainable practices in all areas of our work.

TAGLINE

Creative Synergies. Innovative Technologies. Sustainable Practices. Inclusive Workplace.



FY 2014 Capital Presentation

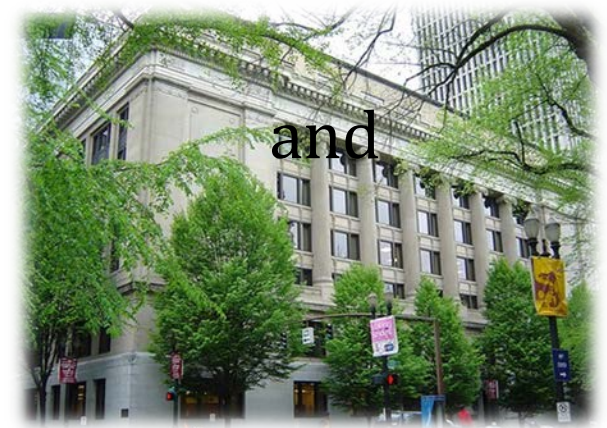
Facilities and Property Management



DCA FY 2014 Capital Budget—FPM

Strategic Mission

- Recapitalize aging inventory using lifecycle analysis tools
- Optimize site locations (partnerships – both public and private)
- Consolidate and achieve footprint reduction
- Increase space flexibility
- Improve work environment quality
- Facilitate great service to citizens and internal clients



DCA FY 2014 Capital Budget—FPM

Tactical Objectives

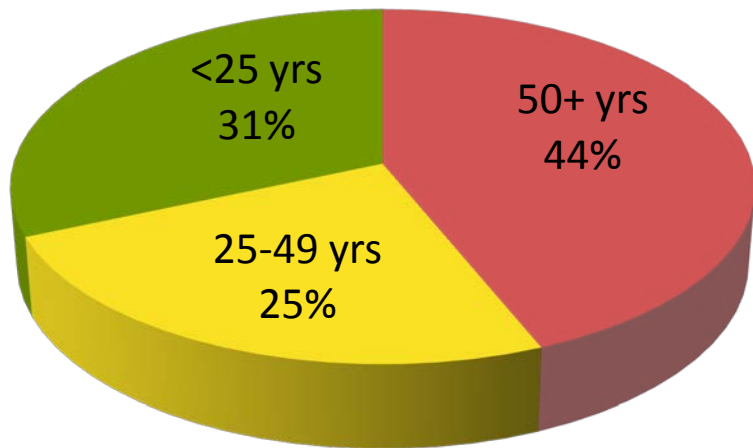
- Direct five year implementation plan
- Criteria: age, condition, safety/health, workplace
- Tier I, II, III category dependent
- Seek return on investment
 - Energy/sustainability
 - Maintenance/operations workload and costs
 - Quality of space (condition index)
 - Durability/life cycle targets



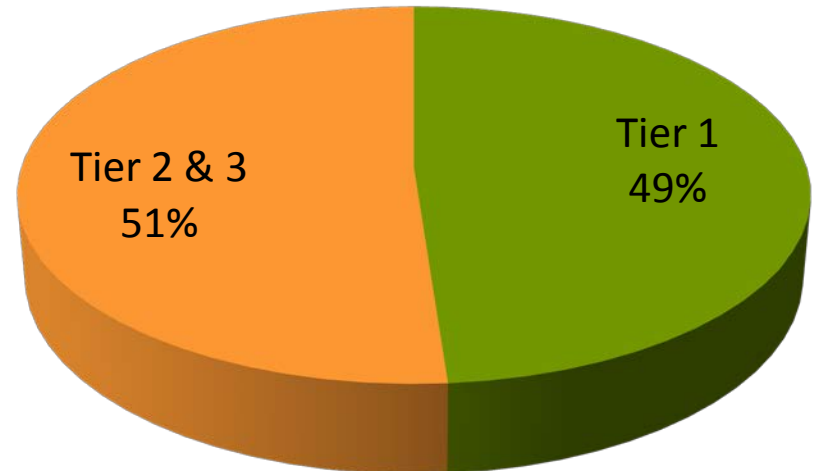
DCA FY 2014 Capital Budget—FPM

Portfolio Age and Condition

Building Age



Building Condition



DCA FY 2014 Capital Budget—FPM

- FY14 Asset Preservation (AP) and Capital Improvement (CIP) fees - \$3.45 per owned square foot
- FY14 Tier I AP revenue - \$3.1 million
- FY14 Tier II & III CIP revenue - \$3.6 million
- FY 14 Library Tier I AP revenue - \$822K
- FY14 Library Tier II CIP revenue - \$170K
- 400,000 SF of leased space not covered by AP/CIP



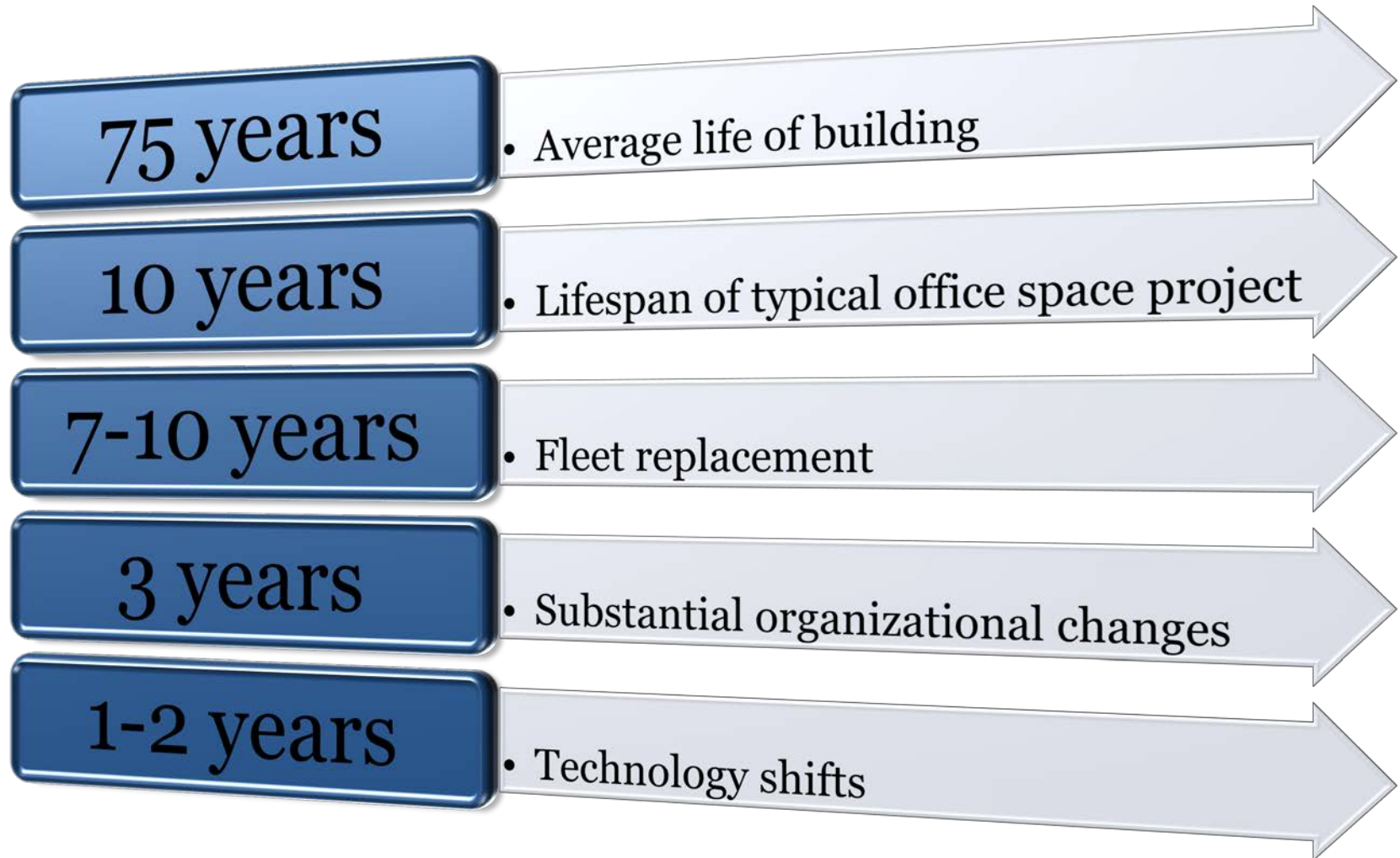
DCA FY 2014 Capital Budget—FPM

- Specific Project Requests (One Time Only)
 - Health Department Headquarters - \$5.4M
 - Relocate MCSO from Hansen - \$1.2M
 - Concept design to rebuild Hansen - \$1.0M
 - Energy/Repairs; boiler and HVAC mechanical systems: JJC Laundry and Walnut Park - \$1.1M
 - RFP Site Selection, next Recap. Opportunity ~\$162K
- Short-term strategic recapitalization interests provide long-term efficiencies



DCA FY 2014 Capital Budget—FPM

Operating Environment



DCA FY 2014 Capital Budget—FPM

Project Highlights

- Justice Center Plumbing
- Courthouse Mechanical Projects
- Fire Panel Upgrades (various buildings)
- Mead Building Interior Upgrades
- Midland Library Roof Replacement
- Walnut Park Mechanical
- Central Library Exterior
- Gresham Library Interior Upgrade
- MB East Side Exterior and Roof Replacement
- JJC & MCIJ Detention Electronics
- MB A/C and Mechanical



DCA FY 2014 Capital Budget—FPM

Seismic Assessment: Resolution 03-094

- Directs Facilities & Transportation Divisions to continue to assess earthquake risk to County facilities and to develop plans for risk mitigation
- Directs the two divisions to address earthquake mitigation in their five-year CIPs and as part of budget process
- Capital budget presentation will include a detailed statement of all potential earthquake damage and mitigation that is NOT included in the Capital Improvement Plan



DCA FY 2014 Capital Budget—FPM

Building Name	Tier	Seismic Liability
Multnomah Building	Tier 1	26,000,000
Central Library	Tier 1	10,100,000
Multnomah Building Garage	Tier 1	8,500,000
Juvenile Justice Complex	Tier 1	4,200,000
Inverness Jail	Tier 1	2,200,000
<i>All Other Tier 1 Buildings</i>		<u>9,560,000</u>
Total:		60,560,000

Building Name	Tier	Seismic Liability
Multnomah County Court House	Tier 2/3	57,000,000
Justice Center	Tier 2/3	40,400,000
John B Yeon Facility	Tier 2/3	15,000,000
Gladys McCoy Building	Tier 2/3	13,000,000
Mead Building	Tier 2/3	10,000,000
<i>All Other Tier 2/3 Buildings</i>		<u>8,870,000</u>
Total:		144,270,000

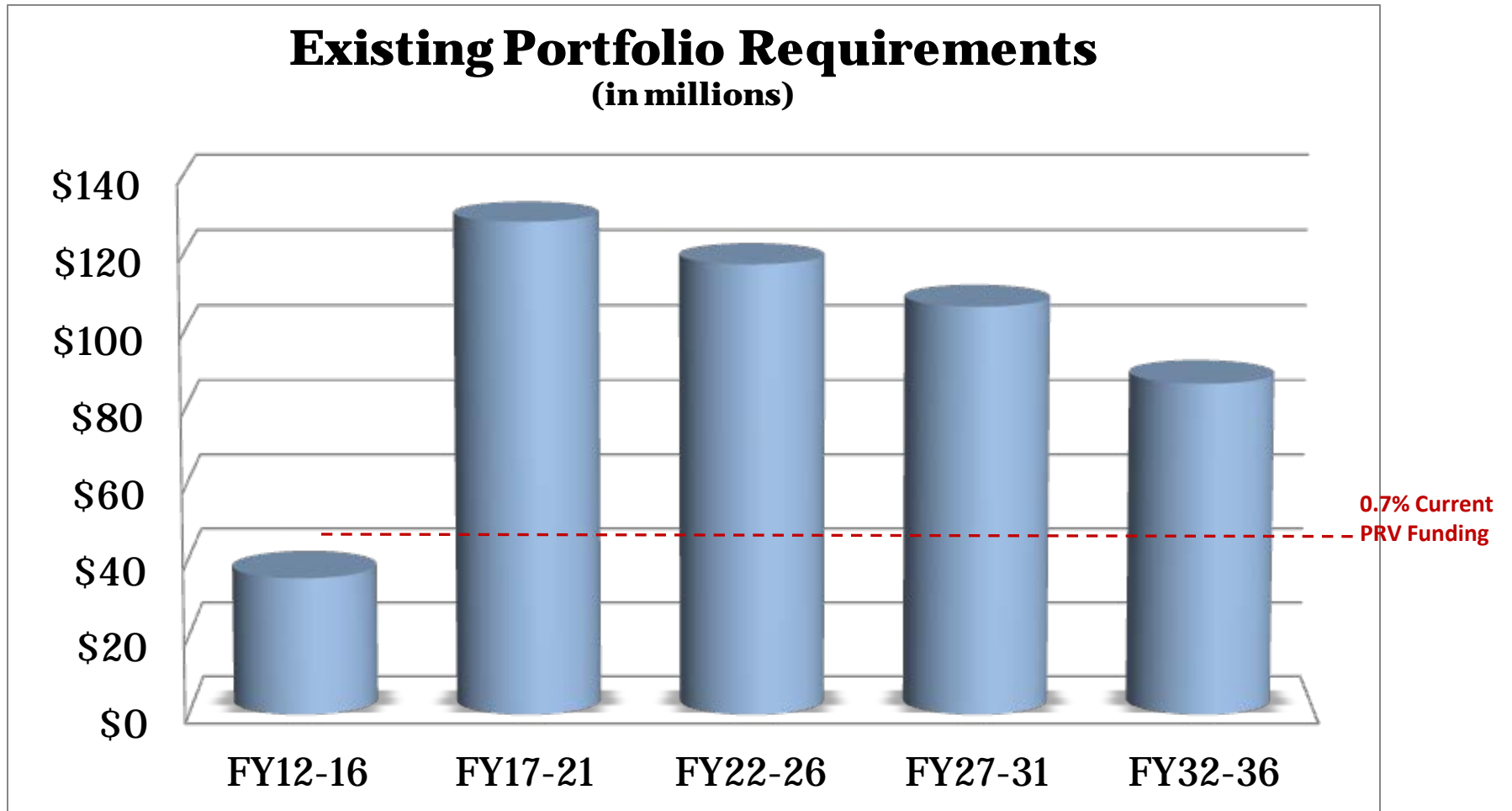
Total Estimated Seismic Liability \$204,800,000

- *FY 2013 liability = \$209,000,000. Sale of Kelley Building reduced liability by \$4.2M*
- *Downtown Courthouse, Justice Center, and Multnomah Building = 60% of the total.*



DCA FY 2014 Capital Budget—FPM

The Challenge



DCA FY 2014 Capital Budget—FPM

Strategic Projects

- Health Department Headquarters—schematic design, permitting and development/construction
- Downtown Courthouse—programming initiation, building and site requirements, business case analysis
- Morrison Bridgehead—on-going due diligence and coordination
- Hansen Redevelopment—potential uses and relocation of MCSO functions
- Review of next group of facilities for recapitalization opportunities
- Partner with City of Portland for joint space/ facilities optimization review



DCA FY 2014 Capital Budget—FPM

Summary

- Implement next steps in the Facilities Asset Strategic Plan
- Dovetail the 5 year capital investment plan into the longer term strategy
- Package similar work/projects to gain efficiencies and allocate more funds toward direct project work
- Seek partnership between departments and across agencies resulting in higher return on investment



DCA FY 2014 Capital Budget—FPM

Questions?



FY 2014 Capital Presentation

Information Technology



DCA FY 2014 Capital Budget—IT

- **Mission**

Leverage technology to drive innovation, efficiency, and cost-savings, helping government respond effectively to community needs.

- **Vision**

Multnomah County residents and employees get the information they need. Any time, any place.



DCA FY 2014 Capital Budget—IT

IT Revenue Sources

- Full Faith and Credit Obligations
- One Time Only Funding
- Internal Service Rates
- External Sources



DCA FY 2014 Capital Budget—IT

IT Program Offers

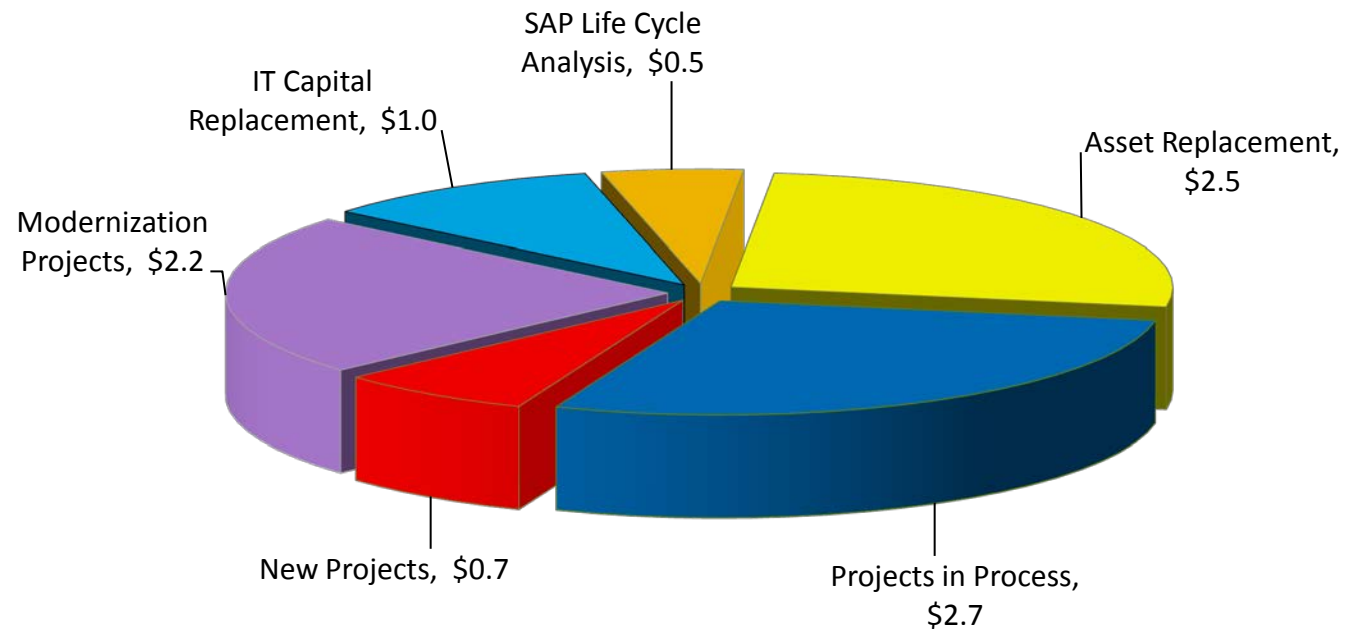
- IT Innovation and Investment Funding (78013A)--\$6.1 M
- IT Capital Replacement (78013B)--\$1.0M
- Asset Replacement (78021)--\$2.5M

*Also referred to as “ITAB Projects”



FY 2014 Capital Budget—IT

IT Proposed Capital Budget



FY 2014 Capital Budget—IT

ITAB and Other Strategic Projects (Completed by 6/30/13)

- Corrections Health Electronic Health Record (Epic)*
- Dental Electronic Dental Record (Dentrix)
- Library Website Replacement
- Sheriff's Office Isolated Environment
- DCJ Isolated Environment



*ITAB funded



FY 2014 Capital Budget—IT

ITAB Projects in Process

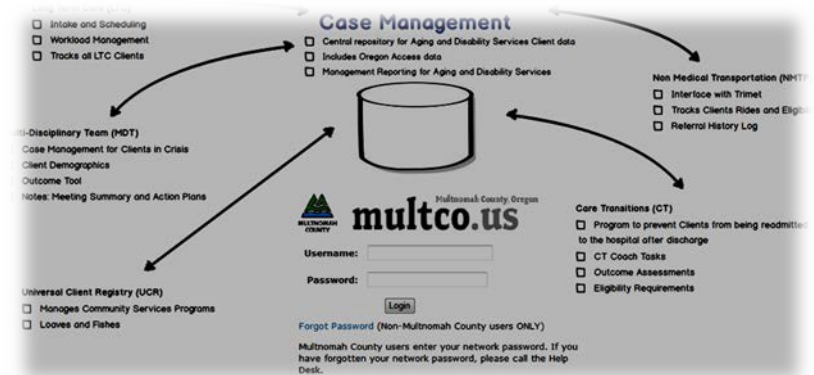
- County-Wide Budget System--\$840K
- DCJ Content Management Pilot--\$497K
- SAP Enhancements--\$890K
- FPM Asset/Real Estate Portfolio Mgt.--\$500K
- Network Convergence (VoIP)--\$2.2M



FY 2014 Capital Budget—IT

Other Strategic Projects in Process

- Mobile Device Management Pilot*
- Windows 7/Office 2007 Upgrade**
- ADS Case Management System*
- SAP Upgrade*



* Internal Service Rates

**Asset Replacement

FY 2014 Capital Budget—IT

ITAB New Projects*

- Mental Health EHR Optimization - \$175K
- Health Department Greenbook Replacement - \$120K
- Health Care Transformation - \$400K

*Project budgets are estimated



FY 2014 Capital Budget—IT

IT Capital Replacement

- Long-term Capital Planning for Technology
- On-going Funding from One-Time-Only General Funds
- Minimum Funding Request, \$1M Annually
- Roadmap Development in Process
 - SAP Life Cycle Assessment



FY 2014 Capital Budget—IT

Asset Replacement

- Hardware Upgrades \$1.9M
- Software Upgrades \$600K

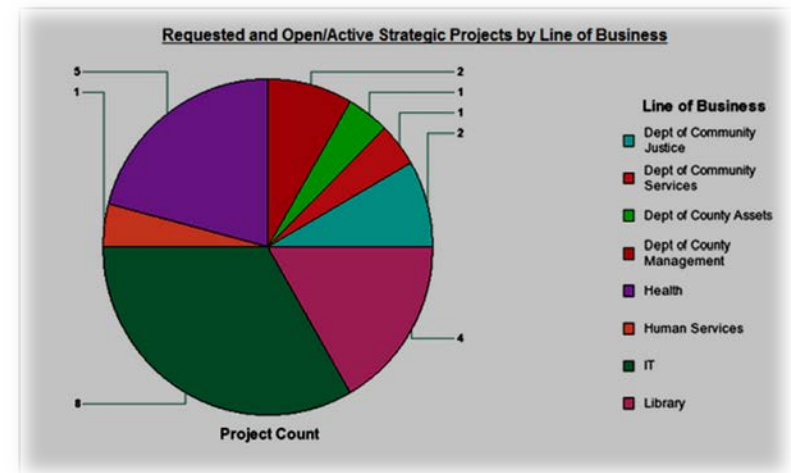


FY 2014 Capital Budget—IT

IT Project Management Highlights

- Quarterly Planning
- Strategic Project Portfolio
- Consistent Monthly Reporting
- Commons Page

- <https://commons.multco.us/it-strategic-projects>



FY 2014 Capital Budget—IT

The Year Ahead

- Major Project Activities
- Resource Allocations
- Process Enhancements



FY 2014 Capital Presentation

Questions?



FY 2014 Capital Summary

Exciting opportunities for County infrastructure

- Sellwood Bridge
- Health Department Headquarters
- Continuing to implement County values

Projects on the horizon to leverage assets *and* form strategic partnerships

- Space optimization and IT mobility projects
- Re-developing underused real estate assets

