



Citizens Advisory Board – Facilities

Final Report

July 8, 2016

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Citizen's Facilities & Finance Advisory Commission

Introduction and Overview

Deliverables:

The citizens' commission will make recommendations to the BOCC regarding financing options for our facilities and technology needs, including *but not limited to* reducing, revising, or eliminating programs; requesting authority from voters to approve property tax levy lid adjustments; issuing bonds, either voter-approved or not; pursuing specific economic development strategies to grow the tax-base; adjusting the amount shifted from the county road property tax to the general fund property tax, or utilizing any other revenue sources as authorized by state law.

Program:

The commission will meet initially every two weeks to study the recommendations of the 2015 Meng Facilities Assessment Report, the county's long-range technology assessment, and the financial capabilities of the county. Assisting the commission will be county staff from our Facilities, Information Technology, and Financial Management Offices, plus other staff as requested.

Meeting location:

The commission meetings will have the option of meeting in the County's General Meeting Room (3rd Floor of the County Administration Building) or other location mutually agreeable by commission members. If the commission desires to hold public hearings, the Commissioners' Hearing Room, with TV capabilities will also be available.

Members:

Commission members include:

- Chair: Frank McShane, Longview (telecommunications) 414-5990 Frank@cni.net
- ✓ Sherry Bean, Longview (employment agency, elected diking official) 577-8434 sbean@eostaffing.com
- ✓ Diane Cooper, W. Longview (public health care) 636-3892 dcooper@cfamhc.org
- ✓ Joel Hanson, Kelso (broadcasting) 636-0110 joel@KLOG.com
- ✓ Tim Haynes (major industry management) 636-6812 tim.haynes2@weyerhaeuser.com
- ✓ Grover Laseke, Woodland (retired law enforcement) 360-772-0371 glaseke@yahoo.com
- ✓ Eric Pucci, Silver Lake (home construction) 636-7370 ericpucci@remax.net
- ✓ Teresa Purcell, Longview (political consultant) 577-0161 teresa@purcellpublicaffairs.com
- ✓ Neil Zick, Silver Lake (banking) 414-4101 nzick@twincitybank.com
- ✓ Tim Wines, Kelso (consulting engineer) 431-9988 tim@plsengineering.com
- ✓ Eric Yakovich (economic development) 673-2325 eric.yakovich@gmail.com

County Staff Members include:

- ✓ Claire Hauge (County Finance) 577-3065 haugec@co.cowlitz.wa.us
- ✓ Dan Bean (County Facilities Maintenance) 577-3174 beand@co.cowlitz.wa.us
- ✓ David Wallis (County IT / GIS Departments) 577-3024 wallisd@co.cowlitz.wa.us
- ✓ Dwight Herron (County Project Coordinator) 577-3174 herrond@co.cowlitz.wa.us

Team Process:

The Board generally followed the process outlined below, using consensus as the guideline for recommendations. We also utilized the traditional Brainstorming approach of Open-Narrow-Close to get to the final list of recommendations.

- Finalize Deliverables and Format with County Commissioners
- Develop Prioritization Criteria
- Absorb support materials by location
- Conduct Site Visits by Sub-Teams (as necessary)
- Brainstorm recommendations
- Consolidate / Rationalize Recommendations
- Develop Funding Mechanism Criteria
- Develop Final Report
- Present Report / Recommendations to the BOCC

Team Facility Priority / Weighting:

The Board went through an exercise to determine in which existing facilities each member would invest a "\$100". The chart below shows the collective results (**NOTE: the "\$0" investment in the Morgue refers to the existing building. Replacing the Morgue became a high priority for the Advisory Board**):

Facility	Weighting	Notes
Hall of Justice	280	This facility should be utilized to its maximum, including building out the 3 rd floor
Administration Building / Annex	172	These buildings will become increasingly expensive to maintain and upgrade – potential targets for repurposing / sale
County Jail	88	Reasonably modern and well-maintained – will need focused upkeep
Juvenile Center	72	Reasonably modern and well-maintained – will need focused upkeep
Conference Center	62	The only facility that generates revenue. Needs expansion and upgrades to surrounding Expo Center in order to thrive
9 th Avenue Building	40	Possible target for sale following full absorption of functions into the HOJ – keep investment to a minimum
Maintenance Shop	26	Solid – will need focused upkeep
Public Works	21	Solid – will need focused upkeep
Courthouse Square	10	Possible target for sale following full absorption of functions into the HOJ – keep investment to a minimum
Hoffstadt Bluffs	5	Continue with sale process – keep investment to a minimum
Morgue	0	No investment in current facility – needs to be replaced by: <ul style="list-style-type: none"> 1. Leasing a privately built or owned facility <u>OR</u> 2. Construction of a new facility

Current Replacement Value / Observed Deficiencies / Predicted Renewals by Facility

(Per Meng Report)

The Board used this information to establish a baseline of what costs the County would face over the next 20 years if they kept all the facilities, corrected all of the Observed Deficiencies and performed all of the Predicted Renewals. We did take Hoffstadt Bluffs out of the list early on as it was clear the County's intent is to sell that facility.

Facility	CRV	O-D	P-R
HOJ	\$43,486,920	\$17,516,344	\$35,646,182
Admin / Annex	\$44,849,250	\$2,730,740	\$24,009,060
Jail	\$24,896,582	\$966,173	\$4,820,109
Juvenile	\$21,132,077	\$2,960,673	\$4,926,567
Conf. Ctr.	\$9,923,613	\$177,237	\$3,122,008
9th Ave	\$4,565,640	\$574,605	\$1,540,288
Public Works	\$3,995,552	\$183,978	\$1,907,306
Crthse Sq	\$1,985,971	\$326,552	\$1,130,751
Maint. Shop	\$1,658,000	\$85,149	\$621,432
Morgue	\$653,724	\$215,538	\$355,346
Totals	\$157,147,329	\$25,736,989	\$77,894,049

CRV = Current Replacement Value

O-D = Observed Deficiencies

P-R = Predicted Renewals

Committee Recommendations with Notes:

Operating Principles:

- Maximize use of existing special function facilities, consolidate / eliminate general purpose facilities.
- Make proactive maintenance a County Policy, with required spending built into the budget. This should be coordinated with the County's Facility Maintenance staff and based on a percentage of the facility value.
- More centralized management and coordination will provide more consistent planning and execution against such budgeted items.
- Staffing and space requirements should be based on data-driven analysis to avoid the squeaky-wheel syndrome in such decisions.
- Grant-writing should be pursued as one of the least costly investments the County can make. A good one will pay for themselves many times over.

Timeframe	Facility / Topic	20 Year Baseline (Meng Report)	Recommended Changes	Alternatives	Support Activities / Decision Points
1 st Year	Maintenance Policy				Require Ongoing Funding for Maintenance: <ul style="list-style-type: none"> • Policy requirement • Built into Operating Budget • Based on % of Asset Value
1 st Year	Morgue	\$571,000	Private Build / LT Lease Estimated 20 Yr. Lease: \$3,000,000 (\$150,000 / yr)	Build New Facility: \$2,323,080	
1 st Year	Grant Writing				Invest in a grant writer <ul style="list-style-type: none"> • Must be focused on grants, not a spare employee diverted to other tasks
Year 1-2	County Governance				Consider adopting a County Executive Model for improved operational planning and execution. (See Role Description in next Section)

Year 1-2	Staffing & Space Requirements Analysis				Conduct a comprehensive independent Staffing Review looking out 20 years – Headcount & Space Requirements.
Year 1-3	HOJ	\$35,646,181	Roof / Convert 3 rd Floor / HVAC / Absorb other facilities and function to fullest extent. Roof: \$2,500,000 3 rd Fl. Demo: \$3,118,500 3 rd Fl. Construct: TBD HVAC aspects included in Roof Project	Roof / Build out Floors 1-3 / HVAC, etc. / Absorb other facilities and function to fullest extent. Roof: \$2,500,000 3 rd Fl. Demo: \$3,118,500 3 rd Fl. Construct: TBD 1-2 Fl. Construct: \$18,270,000	Determine full use and logical absorption of existing functions into HOJ 3 rd Floor. CAUTION: Do not just spread out existing functions into more space – new space must be fully utilized to absorb functions outside of HOJ and allow facility consolidation.
Sub-Total:		\$36,217,181	\$41,266,262	Incremental: \$18,270,000	
Year 2-5	Admin / Annex	\$24,009,060	After full absorption into HOJ, utilize Staffing Review to determine remaining Admin space requirements. Identify candidates for repurposing Admin / Annex Buildings. ONLY THEN - Negotiate new facility with Three Rivers Mall or other developers. Est. 20 Yr. Lease: \$10,000,000 - \$15,000,000 (\$500K – 750K / yr)		
Sub-Total:		\$60,226,241	\$53,307,212		
	Jail	\$4,820,108	Pursue Meng / Staff List		
	Juvenile	\$4,926,567	Pursue Meng / Staff List		
	Conference Center	\$3,122,008	Pursue Meng / Staff List	Expand Break-Out Room Capacity – look to PFD to provide bond	Follow-through on Hotel and Expo Center upgrades
	9 th Avenue	\$1,780,576	Pursue Meng / Staff List		Possible option to eliminate
	Maintenance	\$621,432	Pursue Meng / Staff List		
	Public Works	\$1,630,581	Pursue Meng / Staff List		
	Courthouse Square	\$1,130,752	Close & Sell		
Total		\$78,258,265	\$70,945,182	Total Incremental: \$18,270,000	

County Executive Role:

The Board strongly recommends that the County consider adopting a “County Executive” form of governance as a way of providing consistent direction to County resources in executing the planned budget. Here is an initial outline of that role:

Purpose:

- Provide focus and consistency to budgeting, planning and execution processes, particularly across functions
- Improve utilization of resources – people, space, dollars

Reports to:

- County Commissioners

Scope:

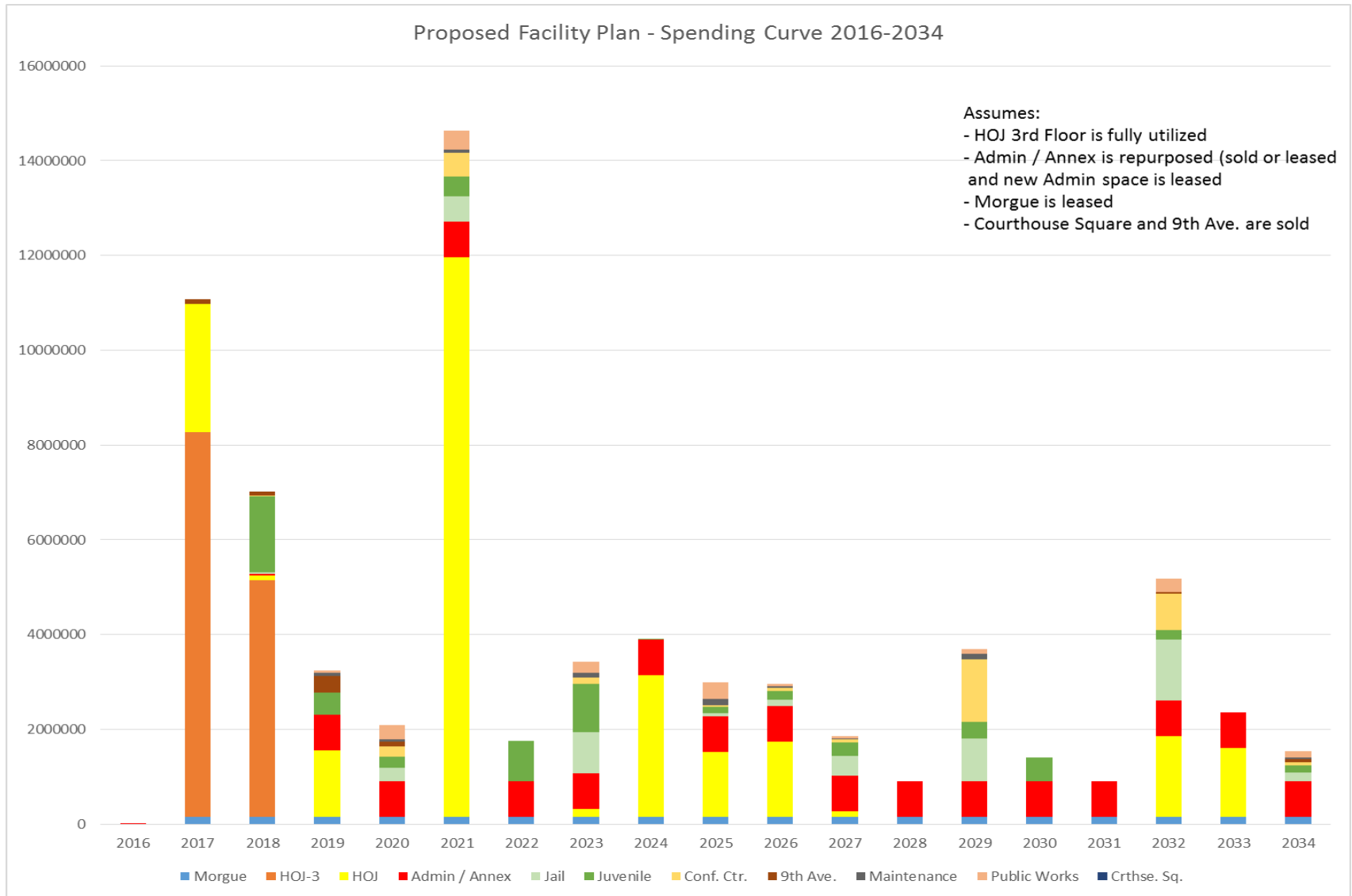
- Collaborates with other elected officials in budgeting and planning processes.
- Provides oversight to day-to-day execution of departments and functions vs. Plans and Budgets.
- Responsible for Continuous Improvement Program across County Administration.
- Directly supervises departments outside of elected officials’ scope (Judges, Assessor, etc.)

Independent Staffing Analysis:

There is a Staffing and Space Requirements Projection Analysis contained within the Meng Report. It projects needs out 20 years. However, it doesn't align well with the County Demographics Report, also in the Meng Report, in that the Population Projections range from slightly negative up to a 23% increase at the most optimistic (most likely is ~ 11%) while the Staffing and Space Requirements provided by the County Departments in the Meng Report call for increases of 39% and 44% respectively.

The Citizens Advisory Board understands that there is not a direct correlation between Population and Staffing, however, the differences cited above are fairly extreme. In order for the County's long-term projections of staffing and space requirements to have credibility with the citizens, we recommend that the County hire a professional consultant to undertake an independent, comprehensive review of such requirements that would identify the real key drivers of staffing and space needs and provide realistic estimates.

Spending Curve / Timeline:



Funding Options and Recommendations:

The Advisory Board reviewed all available funding options with the County's Director of the Office for Financial Management. Due to the size of investment needed to bring the facilities up to par and looking ahead at the resources necessary to keep them properly maintained, only a few options became viable, as discussed below. We recommend first establishing a clear Maintenance Policy for County Facilities that requires certain levels of ongoing investment in those facilities that the County decides to continue to own, then proposing funding that will meet those requirements. All of this would be planned by the collective Commissioners, other elected Officials and the County Executive Officer, then executed under the supervision of the County Executive Officer.

- Property Tax Increase
 - The Board believes this is the best option for funding the proposed changes, upgrades and catch-up maintenance. This would function similarly to the school maintenance bonds that come up for approval every few years and would be based on the Maintenance Policy described earlier in this report.

- Sales Tax increase
 - The Board felt that this would be the least preferred option due to a sales tax' regressive nature and the general unpopularity of past attempts.

- Other
 - As mentioned in our Operating Principles, we believe that investing in a skilled Grant Writer would be a wise investment by the County. The challenge will be to keep such a resource focused on researching and pursuing grants and not becoming a spare employee for use on non-grant-related tasks / projects. This person should report to the County Executive, or one of the Commissioners in the meantime. There should be periodic reviews (i.e. semi-annually) to determine the effectiveness of the Grant writing resource and process.