The City of Portland is committed to providing equal access to information and hearings.

If you need special accommodation, please call 503-823-7700, the City’s TTY at 503-823-6868, or the Oregon Relay Service at 711.

To obtain a copy of this document or more information about this project, please contact:
Ryan Kinsella, Principal Financial Analyst
City Budget Office
111 SW Columbia Avenue, 5th floor
Portland, Oregon 97204
Phone: 503-823-6960| Email: Ryan.Kinsella@portlandoregon.gov
Acknowledgments

City Asset Managers Group

Eric Brainich, Portland Water Bureau
Shannon Fairchild, City Budget Office
Ryan Kinsella, City Budget Office
Penelope Luedtke, Office of Management and Finance
Jonna Papaefthimiou, Portland Bureau of Emergency Management
Shannon Reynolds, Bureau of Environmental Services
Nishant Parulekar, Bureau of Environmental Services
Greg Schundler, City Budget Office
Chris Silkie, Portland Parks & Recreation
Doug Stewart, Portland Water Bureau
Emily Tritsch, Portland Bureau of Transportation
Mark Whitaker, Portland Fire and Rescue
## Contents

1. **Executive Summary** .......................................................................................................................... 1
   - Purpose of the Report ...................................................................................................................... 1
   - Key Findings ................................................................................................................................. 2
     - Asset Value, Condition, and Funding Varies by Bureau .......................................................... 2
     - Challenges and Opportunities Continue ................................................................................ 3
2. **Asset Management Fundamentals** .................................................................................................... 4
   - Level of Service .............................................................................................................................. 5
   - Risk ............................................................................................................................................... 5
   - Cost ............................................................................................................................................... 7
3. **The City Asset Managers Group** ...................................................................................................... 8
   - Collaboration and Coordination ................................................................................................. 8
   - Supporting City Resilience .......................................................................................................... 9
4. **Budget Implications** ........................................................................................................................ 10
5. **Asset Status, Condition, and Funding** .......................................................................................... 12
   - Transportation ............................................................................................................................... 13
   - Bureau of Environmental Services ............................................................................................... 17
   - Portland Water Bureau ............................................................................................................... 21
   - Parks & Recreation ...................................................................................................................... 27
   - Civic ........................................................................................................................................... 30
   - Fire ............................................................................................................................................ 34
6. **Trends and Outlook** .......................................................................................................................... 36

**Appendixes** ......................................................................................................................................... 38

1a: Current Replacement Value by Asset Type ...................................................................................... 39
1b: Current Replacement Value Data Sheet .......................................................................................... 40
2a: Current Condition of Capital Assets, All Bureaus .......................................................................... 42
2b: Current Condition of Capital Assets, Transportation .................................................................... 43
2c: Current Condition of Capital Assets, Environmental Services ...................................................... 44
2d: Current Condition of Capital Assets, Water .................................................................................. 45
2e: Current Condition of Capital Assets, Parks & Recreation ......................................................... 46
2f: Current Condition of Capital Assets, Civic ................................................................................ 47
2g: Current Condition Data Sheet ................................................................................................. 49
3a: Annual Funding Gap, by Asset Group ...................................................................................... 50
3b: Annual Funding Gap, by Type of Gap ...................................................................................... 51
3c: Annual Non-Capacity Funding Gap, by Bureau ........................................................................ 52
3d: Capacity-Related Annual Funding Gap, by Bureau .................................................................. 53
3e: Annual Funding Gap Compared to Bureau Expenditures ......................................................... 54
3f: Annual Funding Gap in Millions per Year Data Sheet ............................................................... 55
4: Data Confidence Level Summary, All Bureaus .......................................................................... 57
5: Definitions ................................................................................................................................ 58
6: Asset Management Program Core Elements ............................................................................. 62
1. Executive Summary

Purpose of the Report

This annually published report provides information about the City of Portland’s physical assets which include parks and community facilities, water, sewer, and stormwater systems, buildings, streetlights, roads, sidewalks, emergency response equipment and technology, and other infrastructure. The report assembles key data and provides a summary of the number of assets, replacement value, condition, unmet funding needs and each bureau’s unique perspective on and approach to asset management.

In addition, the City Asset Managers Group provides a snapshot of work in three current focus areas—

1) outline strategies to fund sustainable service levels
2) maintain resilience in the face of hazards, and
3) support the City’s equity goals.

Using information contained in this report, City staff and decision-makers can make decisions about managing physical assets and delivering sustainable levels of service.

This report is produced by the City Asset Managers Group (CAMG). CAMG is made up of asset managers from the Bureau of Environmental Services, the Bureau of Transportation, the Office of Management and Finance, Portland Parks & Recreation, and the Portland Water Bureau, Portland Fire & Rescue as well as members from the City Budget Office and the Bureau of Emergency Management. The bureaus strive to follow internationally recognized asset management principles and use best practices to develop a coordinated approach to citywide asset management. This approach includes determining key metrics, identifying confidence levels for the information presented and acknowledging when information is not available.

The CAMG reports periodically to the Planning and Development Directors’ group which represents infrastructure, development permitting, financial, and planning bureaus. The group reviews findings of the annual assets report and makes recommendations to City Council in support of major policy decisions affecting assets.
Key Findings

Asset Value, Condition, and Funding Varies by Bureau

Current Replacement Value

The City of Portland manages assets worth $37.9 billion. These assets include streets, sidewalks, traffic signals, bridges; wastewater treatment and stormwater systems, sanitary and combined sewers; water supply, storage, transmission, and distribution systems; parks buildings, pools, community centers, and gardens; and spectator facilities such as those at Rose Quarter and Providence Park, facilities for police, fire and rescue, and office buildings and technology for City workers.

Condition of Assets

As assets age, their condition declines and the cost of restoring them grows. In the City of Portland, the current condition of capital assets varies by asset and bureau. Overall, 68 percent of assets are in fair or better condition and 22 percent are in poor or very poor condition.¹ A bureau’s resource mix has a significant impact on its ability to address infrastructure repair and rehabilitation at the optimal point before degradation. For example, BES and Water, rate-funded bureaus with robust asset management programs, have a high proportion of assets in very good/good condition (BES 61 percent; Water 70 percent). Conversely Transportation, with an asset base similar in replacement value to BES and Water, has a lower proportion of its assets in very good/good condition (28 percent) and higher proportion of assets in in poor/very poor condition (42 percent).

Funding Gap

We measure the insufficiency of reinvestment in our assets using an annual funding gap metric. Since the cost for repairing and maintaining assets increases as the condition of assets deteriorates, every year that we do not resolve the funding gap, the gap will continue to grow. For example, $345 million more per year is needed to maintain existing assets to meet current levels of service (2017) compared to a $288 million gap last year (2016) and $268 million funding gap the year before (2015).² If the City does not take steps to close the funding gap, we will pass on these costs to future generations. The growth of this funding gap as mentioned here accounts for existing infrastructure only, and not infrastructure required by mandate (policy/regulation expectations) or capacity additions (growth).

¹ The condition of approximately 10% of the City’s assets are unknown or “to be decided” (“TBD”). By value, Unknown/TBD condition assets are roughly 62% in BES, 32% Transportation, and 7% parks
² R/R/R funding gap numbers used (capacity and mandate left out) because of "current levels of service language"
Challenges and Opportunities Continue

There are several challenges to advancing citywide asset management. One area CAMG focused on this past year is recommending discussions to define sustainable levels of service that can balance reinvestment in assets with the service levels the City provides. The current trend of increasing service levels over time with relatively flat reinvestment in our assets will result in lower levels of service for future generations. Thus, the financial health and resilience of the City is dependent on balancing our delivery of services with long-term reinvestment in our assets.

Asset management provides a strategic road map to achieve sustainable levels of service, but it must be supported by a reinvestment strategy. In recent years, City Council and Portland voters have made strides in addressing some of the funding gaps that exist for major systems. For example, in 2014, voters approved Measure 26-159, allowing the sale of $68 million in bonds to address some of the parks, playgrounds, pools, and other recreational facilities in disrepair. In 2015, City Resolution 37107 required that 50 percent of one-time General Fund resources be set aside for major maintenance and asset replacement projects. Further, in May 2016, Portland voters passed Measure 26-173, approving a four-year motor vehicle fuel tax to fund key projects to repair and enhance the safety of Portland streets. In fall 2017, Mayor Wheeler launched Build Portland, a city-issued bond initiative to be financed by property taxes that will be realized by the General Fund as the City’s Urban Renewal Areas (URAs) expire and pay off debt over the next 20 years. The plan would start with a $50 million initial investment in FY 2018-19.

Despite this progress, work remains to be done to ensure we are making the appropriate and ongoing investments in our infrastructure. The decisions we make now will have long-term impacts on the quality of life in Portland.
2. Asset Management Fundamentals

The City owns and manages over $37.9 billion in assets across Water, Transportation, Environmental Services, Parks, and the Office of Management and Finance (OMF) Bureaus, representing generations of investment by Portlanders. These assets are the foundation of the valuable services the City provides to residents, and they are essential to Portland’s economic vitality. They include, among others:

- the roads we take to and from work,
- the sidewalks our kids take to school,
- the water that supports everyday life and our famous beer industry,
- the treatment systems that clean our sewage
- the parks where we play
- the precincts that support our police officers, and
- the fire stations that respond to our emergencies

These systems are critical in meeting residents’ expectations for City services. The health of these assets is foundational to the Portland quality of life that is valued by both long-standing residents and is attractive to new people.

Asset managers balance the triple constraint of risk, service level, and cost. Taking this balance into account, asset managers look at the whole life cycle of infrastructure, e.g. from planning, design and daily operations, to maintenance and repair; from renovations accommodating new expectations, regulations, or policies, to decommissioning and disposal at the end of the asset’s life. These assets fit together in complex and overlapping systems that depend on one another to deliver services to hundreds of thousands of people at all hours of the day. The desired level of service from these systems must be maintained collectively from scarce resources in the most cost-effective manner possible.

Bureaus have limited resources and must balance competing demands of maintenance/repair/replacement, risks, meeting regulatory requirements, and expanding the capacity of systems to fill service gaps and deliver services as Portland grows. This scarcity also affects the quality of management processes including data analysis, project prioritization, and long-term decision-making.
Figure 1. The goal of asset management is to balance levels of service, risks, and costs.

Level of Service

Service levels are defined by community expectations, bureau experts, industry trends, and elected officials. Service levels are also informed by regulations such as the federal Clean Water and American with Disabilities Acts, and state and local laws and codes. Planning efforts, such as the Portland Plan and the 2035 Comprehensive Plan also set direction for City levels of service. Together, expert assessments, stakeholder needs, regulations, and plans articulate the service expectations for the City of Portland.

Delivery of a service level is a function of both assets and staff. Depending on the asset, service levels can be as straightforward as functional community centers or as complex as maintaining 80 percent of major roads in fair or better condition to avoid increased costs. As assets decline without sufficient reinvestment and inevitably lead to a lower service level over time, it is imperative to reinvest in them.

Risk

Risk is a combination of two factors: the consequence of asset failure, and the likelihood that the asset will fail.

The consequences of asset failure can vary. For example, a large water pipe that serves a hospital is considered more critical than a smaller pipe that serves a neighborhood. Critical pipes require more inspection, maintenance, and intervention than pipes with lower consequences of failure. Pipes with lower consequences of failure may be allowed to serve without intervention until the
number of leaks or a break warrants replacement—a process called “run to failure.”

Estimates of the likelihood of asset failure are based on asset condition (for example good/fair/poor). An asset in good condition has a lot of service life left; an asset in poor condition is predicted to fail in the near future. Knowledge of asset failure often comes from personnel with deep experience and expertise. Information technology assists with the process of predicting likelihood of failure with ever-more-detailed information coming from data collection and analytics. This includes sensors, field data collection, and big data analysis of historical and industry databases.

Active risk management enables asset managers to minimize service interruptions in the near term as well as to address the potential impacts of high consequence asset failures over a longer time horizon. For example, the City is taking steps to improve the resilience of assets to withstand, recover from, and adapt to changes from natural hazards, severe weather, human-made disasters, climate change, economic shifts, population shifts, and reduced public confidence in City systems. All risks are geographic and temporal in nature - they have consequences ranging from the localized and temporary to the widespread and long-term.
All City agencies must manage the natural deterioration of assets that comes with age. Where the cost is prohibitive and the loss of service level ("impact") is acceptable, risk management of poor assets may include removing the asset from service, for example - shutting down a fountain. In other cases, where a loss of service is unacceptable – such as with a primary bridge, water mains, or wastewater treatment plant - divestment with replacement is not an option. For example, the Water Bureau must meet all drinking water regulations in order to be in compliance with its wholesale water sales agreement, which constitutes approximately a third of the City’s water revenues. Further, City agencies must comply with state and local building codes as well as the City’s plans which include overlapping and inter-related policies and goals for which compliance must be coordinated.

**Cost**

As assets age, their condition declines and the cost of restoring them to good or better condition grows. Typically, this decline in condition is not linear; many assets degrade slowly at first, reach an inflection point, and then degrade much more rapidly. The goal of asset management is to lower life-cycle costs by restoring assets before or shortly after that inflection point.

The most common example of this is the pavement life cycle. The cost to maintain a busy street in Portland in good condition is far less than repairing or repaving a road in very poor condition. In practice, this means that Transportation work crews focus on maintenance work to prevent a road from falling into poor condition. However, the challenge of limited resources makes reinvestment in road maintenance difficult despite its cost effectiveness.

---

**Figure 3**: Repairing a street that is in good or fair condition is less expensive than repairing a street in poor condition. Road surface treatments, such as crack sealing, extend the useful life of a street asset in good or fair condition. The cost of repairing a road that has fallen into poor or very poor condition is significantly more than the cost to maintain a street that is in fair or good condition.
3. The City Asset Managers Group

Collaboration and Coordination

Asset management requires expertise in multiple disciplines—including engineering, economics, finance, and data science. Asset managers collaborate with bureau leaders, strategic planners, operations staff, and customers. Applying asset-management principles and practices can—

- support the efficient delivery of services with assets that are cost-effective, well-maintained, accessible, energy-efficient, and safe;
- improve the ability to make sound business and planning decisions;
- promote the effective use of resources; and
- improve support and accountability.

For more than a decade, the City Asset Managers Group (CAMG) has met regularly to share best practices; policy; and approaches to plan, manage and maintain city assets. This cross-functional group includes representatives from Transportation, Environmental Services, Water, Parks & Recreation, Planning and Sustainability, Emergency Management, and Fire and Rescue as well as City Budget Office and Office of Management and Finance. The group shares tools and practices for condition assessment, asset valuation, maintenance and replacement prioritization, reinvestment forecasting, and funding strategies. The exchanges provide for learning across disciplines and bureaus, supporting the development of asset management programs, and delivering a citywide approach to asset management.

In recent years, with the onset of new infrastructure investment sources, CAMG is assisting bureaus in the challenging process of refining business-case, data-driven, Triple Bottom Line (TBL) approaches that harmonize costs and benefits (BCA –Benefit Cost Analysis) in dollar terms- both between bureaus and across diverse asset types. The “triple” in “triple bottom line” refers to values across three axes: economic, social, and environmental. As many benefits and costs do not have market-driven economic values, but are rather considered “public values”, a TBL-BCA can also be referred to as a PVA (Public Value Analysis).

Such an approach seeks to quantify system-wide values (e.g. “equity” or “sustainability” or “public return on investment”) at the resolution of individual investment decisions. The approach can also help create a framework for asset base-wide investment prioritization at high resolution. Bureaus are all in different development stages of this approach, and while a PVA holds its promise and benefits, it also creates resource demands in regards to high resolution data collection (both about assets and the public’s values), modeling, and management systems, as well resource demands for analyzing investment proposals (and entire asset systems) with a reliable, defensible, and dynamic PVA.
Maintaining city-wide consensus and parity amid these evolving systems is an essential function of the CAMG—which itself proposes further resource demands on asset managers.

The CAMG reports periodically to the Planning and Development Directors’ group. This group represents infrastructure, development permitting, financial, and planning bureaus. Findings of the annual assets reports are reviewed, and the Directors’ group makes recommendations to City Council during the budget process and in support of major policy decisions affecting built assets. The City-wide Asset Management Group makes these findings publicly available on an annual basis through this report.

**Supporting City Resilience**

Resilience is the ability to prevent, withstand, or recover from catastrophic change and includes both built and natural assets. Individual bureaus have taken steps to build greater resilience into systems and facilities. Each bureau has a Continuity of Operations Plan. The Portland Bureau of Emergency Management’s (PBEM) Mitigation Action Plan identifies the threats from natural hazards and maps out actions the City can take to protect essential systems, reduce risk and minimize damage. The Water Bureau, Bureau of Environmental Services, and Bureau of Transportation are taking steps to address the possibility of a major earthquake and the effects of climate change. Parks and the City Facilities Division has begun preparing for major code changes for buildings constructed of unreinforced masonry. In 2017, members of CAMG participated in the Resilient Infrastructure Planning Exercise (RIPE) in an effort to better understand the risks posed by major natural disasters to the City of Portland’s major infrastructure and to identify near and long-term steps to build resilience of those systems.

**Supporting the City’s Equity Goals**

CAMG member bureaus support the City’s equity goals through changes to programs, practices, and assets that will result in greater accessibility for diverse communities in Portland. All City bureaus have begun implementing Equity Plans—road maps to improving equity and access for low-income communities, communities of color, and Portlanders living with a disability. Bureau efforts include improving access to information and materials for Portlanders, making infrastructure changes to improve physical access to facilities, and using equity-based criteria to prioritize projects.

Figure 4: All CAMG member bureaus are implementing Racial Equity Plans.
4. Budget Implications

The goal of asset management is to define a sustainable level of service and use best practices to support service delivery at that level. Asset Management provides information that supports investment decision-making to reduce risks, maintain or increase service levels for the public, and manage assets at the lowest life-cycle cost, with the goal of making the best use of resources.

When these investment decisions involve dedicated resources, the decision-making is largely internal to the bureau with direction from the Commissioner-in-Charge, with input from stakeholders, oversight for some bureaus from the Portland Utility Board and the Oregon Citizens’ Utility Board, as well as the approval of Council through adopted budgets, ordinances, and resolutions.

Ideally, investment decisions are made to consistently intervene and invest in assets at or before the inflection point, when making repairs, rehabilitating, or replacing the asset requires more resources. However, as presented in this report, funding gaps exist that make optimizing asset reinvestment (or early intervention) difficult.

Where funding gaps exist, solutions and opportunities are typically pursued through the citywide budget or an alternative process. Examples include ballot initiatives, Council actions, rate increases requested by utility bureaus, requests of discretionary funding from the General Fund, interagency charge increases for internal service bureaus, or construction bonds. Some of these funding mechanisms are ongoing, such as changes to rates or internal charges. Funding sources such as bonds or ballot initiatives provide a limited-duration influx of funds to address one event or issue, but do not represent a sustainable answer to perpetually underfunded programs. During the budget process, bureaus present specific funding options and investment opportunities as part of their requested budgets. The City Budget Office makes recommendations to Council, and, if adopted, those new resources and projects are budgeted.

When new General Fund resources become available in the forecast, historically, there has been tension between adding new services or enhancing existing ones. Each year, as part of the budget process, the findings of this report are brought to Council as part of the first budget work session with the goal of highlighting that, in order to provide service to the public sustainably, reinvestment in the assets is just as critical as ideas for new programs.

Ultimately, a sustainable level of service requires sustained reinvestment to match the decline in asset condition. To defer these costs past the inflection point described above is to increase life-cycle costs, potentially minimizing the resources available to future generations to fund reinvestment and operation of the assets.
New policies, even if well meaning, or more stringent regulations may change the balance among levels of service, risk, and investment. Adopting higher levels of expectation for service—without adjusting funding to meet the service level—may also affect this balance. When funding falls short, asset managers and bureau leaders must make choices: not to meet the new level of service, meet the level of service in one area but reduce service in another, defer maintenance or disinvest in another asset, or cut programs and personnel. However, when a level of service is expected of assets, without commensurate investment in maintenance and repair, the deferred costs are inevitably passed on to future users of the asset. Long-term deferred maintenance pushes the burden of repair or replacement to future generations, who will have to pay not only for their own services, but for our failure to pay the full cost of the services we enjoy today. In many cases, the deference of responsibility and accumulation of risks may leave catastrophic, unmitigatable, and unaffordable legacy liabilities.

Sustainable levels of service, in contrast, ensure that we are paying the full cost of the services that we are using today, and create reasonable expectations around the delivery of services.
5. Asset Status, Condition, and Funding

This section includes profiles on each bureau’s mission, approach to asset management, summary estimates on the current asset value, condition, and funding gap, approach to funding and strategies, status of replacement forecasting, and priorities for improving asset management. Bureaus profiled include Transportation, Environmental Services, Water, Parks, Civic Infrastructure and Portland Fire & Rescue.

Figure 5: Examples of Diverse Assets maintained by the City of Portland’s Bureaus
Transportation

Profile

The Portland Bureau of Transportation (PBOT) manages transportation assets with a replacement value of over $12.5 billion. The assets that make up the transportation environment—including Portland’s 4,850 lane miles of pavement, over 9 million square yards of sidewalks, 152 bridges, 943 signalized intersections, and 56,032 street lights—account for 94 percent ($11.8 billion) of the total replacement value. Assets that support safety and the operation of the transportation environment—including traffic-calming devices, guardrails, traffic signal computer controllers, signs, parking meters, parking garages, pavement markings, bikeways, retaining walls, the Harbor Wall, stairways, the streetcar, and aerial tram—have a replacement value of $787 million. Through data-driven management of our assets, we maintain an effective and safe transportation system that provides people and businesses access and mobility: we keep Portland moving.

Asset Management Approach

PBOT has a “preservation first” strategy for management of its assets, which is realized through strategically timed interventions that extend asset useful life at the least financial cost. The Bureau prolongs asset performance through regular preventative maintenance and preservation investments that help to keep assets in good condition from deteriorating into poor or very poor condition. PBOT’s goal in this work is to deliver excellent outcomes through data-driven decision-making and well-defined objectives.

Asset Management Highlights / Achievements

Pavement: In May 2016, voters approved a ten-cent tax on motor vehicle fuels in order to improve pavement condition and deliver traffic safety projects. This program, known as Fixing Our Streets, represents the City’s first dedicated funding stream for asset maintenance and safety investments. Collection of the tax began on January 1, 2017 and is expected to raise an estimated $64 million over four years. A Heavy Vehicle Use Tax, also passed in May 2016, is expected to add approximately $10 million over the same period. More than 20 Fixing Our Streets projects have already been completed and more than 100 more are planned as part of the second year of implementation.

Signals and Street Lighting: In 2013, PBOT began installing light-emitting diodes (LEDs) in street lights citywide. As of this year, all the City’s more than 55,000 street lights use LEDs. In previous years, 80 percent of the City’s street lights were maintained by Portland General Electric. However, street light maintenance is also now entirely performed by PBOT resulting in a cost savings to the City of more than $600,000 per year.
**Current Asset Value and Condition**

The Bureau of Transportation manages assets valued at over $12.5 billion. The majority of PBOT's paved assets (56 percent) are in poor or very poor condition (broken out by arterial/collector and local streets in Appendix 2b). The condition of sidewalks is evenly split between those in good and very good condition, and those in poor or very poor condition (35 percent each). Bridge assets are primarily in fair condition (68 percent). Signal hardware and street lights are primarily in good to very good condition at 48 percent and 78 percent, respectively. Value and condition data for additional asset classes are included in Appendix 2a and 2b.

**Annual Funding Gap**

PBOT’s funding gap, or unmet need, is the amount of additional resources needed to improve assets to a target condition, as identified by the Bureau; in general, the Bureau’s goal for asset condition is Fair or better. The *asset repair, rehabilitation, and replacement (R/R/R)* gap to reach this goal is $249.7 million per year over 10 years. To address the Bureau’s *mandate gap*, which is the funding required to bring assets up to meet federal standards such as the Americans with Disabilities Act (ADA) requirements around sidewalk corners, the Bureau requires an additional $21.1 million per year over 10 years.

Finally, the Bureau’s commitment to Vision Zero, Equity, and creating a complete system (i.e. connected transportation network) requires consideration not just of the current condition of existing infrastructure, but also the desired condition. The funding required for PBOT to ensure the transportation system is complete and safe, what is known as the *capacity gap*, is $69.1 million per year over 10 years.

**Funding Approach and Strategies**

Discretionary revenue to operate and maintain the transportation system has been limited at the same time as the inventory of assets grows to meet the expanding needs of the system. Evaluation of asset condition, level of service targets, and unmet need indicates that PBOT does not have adequate revenue to maintain existing infrastructure. Generating new revenue to address unmet needs has been a priority that helped lead to the passage of the Fixing Our Streets and Heavy Vehicle Use taxes, described above. Other new funding sources approved this year will support the Bureau in meeting its asset management goals. These include:

**Oregon House Bill 2017.** The Oregon Legislature passed a transportation investment funding package in 2017 to provide funding for infrastructure improvements including road preservation and rehabilitation, as well as safety improvements projects.

**Build Portland.** In March 2018, the Portland City Council passed this transformative funding package that will make available $600M over 20 years to
target asset improvement investments across the City. These investments are intended to address the City’s asset R/R/R gap of more than $345 million/year.

With new resources added to the budget this fiscal year and next, PBOT expects to make progress in reducing the Bureau’s unmet need, particularly in underserved areas, on critical facilities, and for assets providing return on investment through early intervention.

Additional opportunities for addressing the Bureau’s asset needs are summarized below:

- **Clarify PBOT’s discretionary funding**

  Resources available to manage PBOT’s $12.6 billion asset portfolio is limited by restrictions on available funding, particularly on revenue, fees, and grants that are either not applicable or appropriate for asset reinvestment, such as transportation system development charges (TSDC). Local funding sources typically have dedicated restrictions for their expenditures, such as project purpose, scale, timing, or location. External sources tend to focus on programmatic goals (e.g., climate change or safety), target specific types of investments (e.g., streetcar) or specific geographies. Identifying and ensuring dedicated resource for asset investment and maintenance continues to be a challenge considering the many demands on PBOT’s budget.

- **Identify new sources of revenue**

  Portland will continue to grow, which will increase demands on an already encumbered transportation system. Absent new revenue sources, PBOT will need to prioritize potential trade-offs considering factors like level of service and risk. A safe, reliable, and accessible transportation system is a priority and expectation for many Portlanders; delivering on these service levels will continue to be a challenge amid the city’s growth and development. Consequently, PBOT needs to identify revenue sources that can keep pace: accommodate system expansion and its associated infrastructure maintenance needs, and ensure the system is safe for all users. Opportunities to address portions of PBOT’s current funding gap and potential future needs are identified below; both City and external sources are included.

- **Leverage savings from other programs**

  As programs across the Bureau realize savings from efficiencies, such as the introduction of LED street lighting, PBOT should be able to direct these resources to other asset classes or programs requiring additional funds.

- **Regional investment strategies**

  The Portland metro region is a considerable driver of the state economy and like the City, also faces significant capital and maintenance needs. A regional approach to funding transportation infrastructure needs would ensure that
Portland builds a coalition and provides a united voice on these issues. Some regional agencies are discussing a potential transportation bond measure. Efforts like these may become increasingly necessary as state and federal resources diminish.

- *Increase inter-bureau coordination*

Transportation improvements require the upgrade or installation of additional infrastructure, such as stormwater systems, concurrently with capital and maintenance projects. Stormwater improvements are among the costliest additions to transportation projects. At times, BES will provide funding for PBOT to do needed stormwater upgrades concurrent to a transportation project. When this funding is not available, project costs can increase significantly and make a project infeasible. This year, PBOT introduced a “strategic opportunities fund” to pay for the installation of ADA-compliant curb ramps so that BES can provide full street improvements without taking on an additional cost burden.

Improving the partnership between PBOT and BES, and better defining how and when funding will be committed on projects, will help each bureau reap the benefits of delivering on project goals efficiently, effectively, and at reduced cost.

**Replacement Forecasting**

PBOT’s asset replacement costs are based on the available estimates by type; actual replacement costs vary by location. PBOT’s total asset replacement cost of $12.6 billion does not include the right-of-way. Specific replacement values are details are included in Appendix 1a.
Bureau of Environmental Services

The Bureau of Environmental Services (BES) Environmental Services protects public health, water quality and the environment by providing sewage and stormwater collection and treatment services to accommodate Portland’s current and future needs. BES protects the quality of surface and ground waters and conducts activities that plan and promote healthy ecosystems in our watersheds.

Asset Management Approach

BES has a long history of utilizing asset management strategies to plan, prioritize and implement asset maintenance, repair and rehabilitation – for the sanitary and combined collections system. BES Systems Plans incorporate asset management principles to prioritize projects to address the highest risks. The bureau’s performance measures include levels of service (LOS).

In 2016, BES developed an Infrastructure Reinvestment Strategy to guide future asset management work. One of the goals of the strategy is to move more asset classes to the “green zone” of Proactive and Reliability–Focused maintenance and rehabilitation. The more of our assets that are managed proactively, the more accurately we can predict the financial resources required to maintain assets in functional condition in the future. Moving more assets to the green zone requires an investment in improved asset condition assessment, tracking, planning, maintenance, and repair. Below is a summary table showing how each of the major asset classes is currently managed for maintenance and reliability.

Table 1. 2016 Status of BES Asset Management Approaches for Maintenance and Rehabilitation for Major Asset Classes

<table>
<thead>
<tr>
<th>Primarily Proactive &amp; Reliability-Focused</th>
<th>Mixed Reactive / Proactive &amp; Reliability-Focused</th>
<th>Primarily Reactive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sanitary and combined sewer collection system</td>
<td>Treatment plants and outfalls</td>
<td>Pump stations and force mains</td>
</tr>
<tr>
<td>Green Streets stormwater systems, sump systems</td>
<td>Stormwater collection, conveyance and natural areas</td>
<td>Service lateral collection system</td>
</tr>
</tbody>
</table>
Current Asset Value and Condition

The overall replacement value of BES assets is estimated at $13.3 billion in 2017. This includes the following replacement values for major asset classes:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Value (in billions)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined sewers</td>
<td>$4.1</td>
<td>890 miles combined sewer that carry both stormwater and sanitary waste, 667 miles of sewer laterals (owned in the right of way)</td>
</tr>
<tr>
<td>Combined sewer tunnels</td>
<td>$1.1</td>
<td>13 miles of large-diameter combined sewer tunnels</td>
</tr>
<tr>
<td>Sanitary sewers</td>
<td>$3.4</td>
<td>1,000 miles separated sanitary sewers</td>
</tr>
<tr>
<td>Wastewater treatment systems</td>
<td>$2.4</td>
<td>2 wastewater treatment plants with over 8,820 major assets, 99 pump stations (including 82 owned by BES, 17 maintained by BES) with over 6,134 assets</td>
</tr>
<tr>
<td>Stormwater system – grey assets</td>
<td>$2.1</td>
<td>2,064 green street planters, 118 treatment ponds, 140 swales, 9 wetlands, 127 ecoroofs, 183 parcels of natural areas, and 3,874 ditches</td>
</tr>
<tr>
<td>Stormwater system – green assets</td>
<td>$0.2</td>
<td>368 miles of storm pipes, 75 miles of culverts, 327 trash racks, 8,624 sumps, 6,839 sedimentation manholes, and 150 manufactured stormwater treatment devices</td>
</tr>
</tbody>
</table>

The 2017 overall replacement value estimate represents a +3.8% difference (+$0.7 billion) from the 2016 estimate. Multiple factors contributed to the increase in the system value estimate, with the primary factor being that the system value is estimated based on replacement costs. BES refined the estimation methodology to improve accuracy of the system cost.

The condition of BES assets and knowledge of condition status varies considerably by asset type. BES has one of the most robust asset management approaches in place for regularly assessing condition of the sanitary and combined sewers and the stormwater green street facilities.

Stormwater system and wastewater treatment systems assessments are ongoing to address the existing data gaps. Asset rehabilitation is a CIP (Capital Improvement Program) focus – as poor and very poor assets are repaired; additional assets are identified in those categories.

Annual Funding Gap

BES’ current revenue requirements largely revolve around the need to repair and maintain the collection and wastewater treatment systems, address upcoming and deferred maintenance needs, address deficiencies in the stormwater system, continue to improve watershed health, and meet applicable regulatory requirements.
The funding gap is based on the following:

- **R/R/R**: The difference between the replacement value of assets in very poor condition and the amount of funding in the financial plan for rehabilitation of those assets.
- The extent of stormwater system and wastewater treatment systems needs are still being studied. The estimated gap makes assumptions about rehabilitation and capacity needs for the entire system.
- **Capacity/Combined Projects**: Projects recommended in the Systems Plan with positive benefit/cost ratios that are not included in the financial plan.
- The stormwater system valuation does not include natural systems, such as the streams upon which our stormwater system relies.

**Funding Approach and Strategies**

BES is an enterprise bureau funded through sewer and stormwater charges, System Development Charges (SDCs), wholesale contract revenues from other jurisdictions, and reimbursements for services provided to other bureaus.

Since the completion of the CSO program in 2012, the bureau has begun to shift its capital program toward smaller, more rehabilitation focused projects. To catch up maintenance and replacement projects to improve system reliability, the bureau plans to double its capital throughput in the next five years. BES began a multiphase, multiyear effort to better understand and improve how the bureau delivers CIP (Capital Improvement Program) work. BES completed phase 1 of the Capital Improvement Program Process Review and Enhancement Project (CIP PREP) in August 2017 and had the following initial recommendations:

1) Implement task-focused suggestions that would not be affected by restructuring;
2) Reorganize to create concept-to-closeout project management and technical teams;
3) Restructure to create an integrated planning and prioritization process.

The move to integrated planning and project management approach to capital project delivery will require significant reorganization. BES expects to have a transition plan in place this summer (2018), but significant improvements in delivery are not expected to be realized for several years.

**Replacement Forecasting**

BES is anticipating increasing infrastructure replacement and repair needs and has committed to providing funds in the CIP (Capital Improvement Program) for repair of structurally deficient portions of the sewer collection system, to address capacity issues, and to repair or replace failing wastewater treatment and pumping assets. The long-term financial forecast anticipates significant capital
maintenance and asset rehabilitation expenditures, and projected rates address these needs.

**Asset Management Improvement Priorities**

BES’s asset management priorities include:

1. Improving condition assessment for asset classes lacking adequate data and implementing the Infrastructure Reinvestment Strategy through the expanded CIP.
2. Developing a Resiliency Master Plan (RMP) to identify actions to reduce BES systems’ vulnerability to risks from earthquakes and climate change.
3. Implementing the bureau’s 10-year strategic plan\(^3\) and identifying levels of service and performance measures to track and measure bureau performance.

\(^3\) Bureau of Environmental Services 10-Year Strategic Plan (2018-2027): https://www.portlandoregon.gov/bes/article/675925
Portland Water Bureau

Profile

The Portland Water Bureau (bureau) delivers clean, safe, and reliable drinking water to almost one million people in the region, or one-quarter of the people in Oregon. About 65 percent of the water delivered serves retail customers in the city; the remaining 35 percent is provided on a wholesale contract basis to 19 cities, special districts, and private water company customers surrounding Portland.

The Water Bureau’s major assets include two water sources, 39 pump stations, 60 standpipes, tanks, and reservoirs, nearly 2,300 miles of pipe, more than 14,000 hydrants, 130 drinking fountains, and more than 180,000 customer service pipes, as well as facilities, vehicles, and equipment.

Asset Management Approach

The Water Bureau’s Asset Management Program continues to develop industry best practices. In a 2015 nationwide review of utilities, sponsored by the American Water Works Association, the Water Bureau scored in the top 10 percent in managing risk, developing strategies through asset management plans, evaluating benefits and costs in business cases, and using service levels to measure progress.

A focus of the bureau’s risk management program is addressing the bureau’s high-risk assets. Asset managers have led several projects to identify and assess assets with high consequences of failure, including more than 32 miles of pipe. Asset managers also collaborate with field staff to improve data-collection processes and the quality of the data, which are used for failure modes analyses and forecasting asset life. The bureau maintains a risk register that includes more than 900 assets. In 2017, a total of 119 assets were labeled as high or extreme risks. Of those, 65 have been addressed, 27 have been assessed and another 27 risks require assessment.

In 2017, the Water Bureau finalized a major study to assess the seismic performance of the water system in a magnitude 9.0 Cascadia Subduction earthquake and provided recommendations for projects to achieve the recovery goals of the Oregon Resilience Plan. A plan providing a prioritized implementation schedule to complete all recommended seismic mitigation work is currently being developed.

The bureau is currently conducting a condition assessment of our major water supply conduits that bring water from the Bull Run watershed into the service area. Condition assessment of assets at high consequence crossings (freeways,
bridges, river crossings) continues to be implemented including a program to test critical valves for both high consequence areas and on the seismic backbone.

Bureau engineering staff have completed 23 asset management plans (AMPs), covering the entire water system. AMPs provide detailed assessments of asset condition and risk as well as recommended strategies for maintenance, repair, and asset replacement. Eight of the older AMPs are being updated over the next two years. Updating the AMPs will ensure that the inventory, condition and risks are current as well as ensuring asset strategies remain appropriate and are being implemented. Strategies from the AMPs are evaluated and selected by a cross-functional committee of staff and managers for consideration for further study and implementation. Key capital projects that have been implemented from AMP strategies have reduced risk of asset failures and minimized life-cycle costs.

Since 2014, asset management and engineering planning have developed business-case evaluations (BCE). The process includes analyses of total life-cycle costs, considerations of the triple bottom line, and monetizing benefits to derive dollar valuations for both benefits and costs. Staff have been trained on developing BCEs for capital projects and maintenance practices and the implementation has become widespread and common practice within the bureau.

In 2016, the Water Bureau surveyed customers on its Key Service Levels as well as conducted an extensive environmental scan of the service levels of 16 water and wastewater utilities around the globe cataloging more than 500 measures in 19 areas.

The Reliability Centered Maintenance (RCM) program improved data collection starting in 2010 allowing the bureau to better answer questions such as how assets fail, and which maintenance strategies are most effective in minimizing reactive maintenance (emergency failures). In 2018, the bureau is commencing work on developing predictive/preventive maintenance strategies including an RCM strategy, and completing an asset register for all maintenance-managed items.

Future funding needs assessment is focusing on the forecasting of infrastructure maintenance and replacement needs for the water system. Long range forecasting for asset replacement and rehabilitation forecasting has been done for over six asset classes and is being expanded to include nearly all the 23 asset types included in the AMPs. The bureau is currently preparing to contract for a software program that will implement asset life-cycle maintenance, rehabilitation and replacement cost projections across the entire asset portfolio. This program will require implementation and development over a several year period to reach full implementation status. The use of the program will allow managers to have improved asset strategies and plan the impact of present-day and future investment decisions to achieve financially sustainable business results.
Current Asset Value and Condition

The Water Bureau manages assets valued at $8.9 billion, with mostly moderate levels of confidence in the condition assessments. The 2017 overall replacement value estimate represents a slight increase of almost 5.5 percent ($0.47 billion) from the 2016 estimate. The net increase in replacement value is primarily due to the inflation rate increase in the Construction Cost Index from the Engineering News-Record.

Potable water pipes are difficult and costly to inspect directly because the majority are buried underground, operated full of water and under pressure, and require sanitary inspection equipment. The Water Bureau assesses the distribution system pipes condition by checking for leaks on a seven-year recurring cycle (covering approximately 15 percent annually) and performs more in-depth inspections on critical assets when economically justified. For pipes that don’t have a strong business case to inspect, condition is estimated using parameters such as pipe age and material, leak or break history of the actual pipe or similar pipes, and environmental conditions. Condition assessment for other assets—such as tanks, pump stations, and electronic equipment—are conducted as part of scheduled maintenance.

70 percent of water system assets are in good to very good condition; almost 7 percent (6.8 percent) are in poor or very poor condition. The highest concentration of poor assets is in the Terminal Storage program where the bureau is actively investing to strengthen the Washington Park Reservoir, a key asset.

Annual Funding Gap

The Water Bureau’s annual funding gap is $13.47 million, with the greatest gap occurring in the distribution system (estimated at $8.3 million). The funding gap is based on projects that have been identified through long-term studies, asset management plans, regulatory compliance planning, or other planning efforts. The identified projects include multiple projects to harden essential elements of the water system in the event of an earthquake or other catastrophic event; projects to accommodate improvements to roads, sewers, and other systems by local agencies; and other projects to address risk or improve water service for customers. The decrease in funding gap for 2017 was due to replacing high risk pipes, transmission mains, and conduits crossing the Sandy River.

Funding Approach and Strategies

Water Bureau projects are funded from a combination of net proceeds from revenue bond sales, water sales revenue, interagency and other construction fund revenues such as system development charges and interest earnings. Capital program planning at the Water Bureau is a collaborative effort among CIP (Capital Improvement Program) Planning, Asset Management, and Engineering Management teams. The asset management process also helps guide budget decisions on an effective mix of maintenance, repair, and replacement for water system components.
The primary drivers of the bureau’s capital work have been ensuring the reliable functioning of the drinking water system, replacing assets that are at or near the end of their useful lives, and achieving compliance with federal and state drinking water regulations. The current focus is strengthening the system to withstand a catastrophic event, such as an earthquake, inspecting and strengthening critical pipes and associated systems, and continuing to meet all drinking water regulations.

Replacement Forecasting

The Water Bureau has replacement and rehabilitation forecasts in some of the completed AMPs. These forecasts are being updated in the AMP revisions and the Bureau is currently looking for a software solution that will systemize the replacement funding forecast for all the AMPs. Once the new future funding needs software is implemented, the more advanced forecasting model will combine long-range forecasts for the major asset classes as identified in the AMPs.

The long-range replacement forecasts for pipes was recently revised with better statistical analyses and indicate a substantial projected increase in failures over the next 20 to 40 years. The bureau is developing a pipe replacement strategy, that will include projected physical pipe failure and seismic hardening strategies, in order to better plan organizational strategies to manage this increased potential failure rate in the future. The pipe replacement strategy is due to be completed in late 2018.

Asset Management Improvement Priorities

A two-year Asset Management Tactical Plan, approved by bureau leadership, guides the work of PWB’s asset management program. Current improvement priorities include:

- **Completing Updates to Older AMPs**

Some AMPs are more than five years old and need updating. These updates will capture recent work and review and refine management strategies. Updated AMPs will include metrics that will measure progress on the AMP strategy implementation. A Master Asset Management Plan, that provides an integrated framework across all assets, will be developed. The Master Asset Management Plan will document the relationship between the organizational objectives and the asset management objectives.

- **Forecasting Replacement Needs and Funding Requirements**

The Water Bureau is developing replacement forecasts for the major assets in the distribution, supply, support, terminal storage, transmission, and hydroelectric programs.
• **Improving Management of High-Risk Assets**

In addition to recording and assessing more than 900 asset risks, the bureau has implemented improvements in gathering, recording, and analyzing risk data. Asset managers work with field staff that assess pipe condition to improve the quality and reliability of the data and have estimated pipe age using data for more than 300 miles of pipe where no previous information was available.

Systematic inspection of critical pipes and related appurtenances, such as valves, have been standardized and opportunistic data collection from main breaks has yielded important failure data. The methods developed for large pipe inspection will be used in a multi-year contract to inspect the system’s largest pipes—the conduits from the Bull Run Watershed.

• **Incorporating Analyses of Organizational Risk**

The bureau’s Asset Management Steering Committee recently determined that addressing organizational risk is a high priority for the bureau to tackle. A process to integrate organizational risks into the Bureau’s Strategic Business plan is underway.

• **Supporting Seismic Resilience Projects**

The bureau conducted a customer survey in 2016 to investigate attitudes and opinions about the bureau’s service levels. The survey included two questions related to seismic resilience. The majority of customers (81 percent) reported being somewhat, moderately, or very concerned about a major earthquake affecting the City. A larger percentage (88.5 percent) said it was moderately or very important to invest customer dollars in water-system improvements to prepare for a major earthquake. The bureau will be using the feedback from this and other questions as it reviews and improves its service-level goals.

• **Implementing Life-Cycle Planning**

The bureau has developed a mobile interface for the its computerized maintenance and management system (CMMS) for work orders. Development of a time and resources module for the mobile work system is nearly complete. When field staff are able to record costs, asset managers will be able to use accounting data to make more reliable estimates for asset life cycle costs.

• **Improving Maintenance, Repair, and Replacement Strategies**

In addition to implementing the mobile CMMS system, the bureau has implemented standardized processes for developing facility drawings, gathering field failure data, performing leak tests, and analyzing the mix of proactive and reactive maintenance actions.
• **Improving Performance Measurement and Management**

The bureau completed a 2016 survey of bureau customers on its Key Service Levels. The results of the survey will be used, along with an audit of service levels from best-practice leaders and a review of bureau service levels and performance measurement, to improve performance measurement and management.

Specific accomplishments and the details of asset management progress are documented in an annual report, published each spring.

• **Asset Strategy Implementation**

The Bureau is reexamining the implementation process of maintenance, rehabilitation and replacement strategies developed in the Asset Management Plans. Assign strategies to “owners” who will be responsible for implementing and reporting on asset strategies. Create metrics to measure progress of the AMP strategy implementation. Develop a register to track asset strategies and outcomes. Review and then prioritize strategies and eliminate unnecessary or outdated strategies.

• **Improving Management of High-Risk Assets**

The Bureau is refining the consequence of failure table to align better with customer and bureau valuations while standardizing tiers across categories using impact cost estimates. The Bureau will update entries in the risk register once the consequence of failure table is revised.
Portland Parks & Recreation

Profile

Portland Parks & Recreation (PP&R) helps Portlanders play — providing the safe places, facilities, and programs that promote physical, mental, and social activity. We get people, especially kids, outside, active and connected to the community. As we do this, there will be an increase in the wellness of our residents and the livability of our city.

PP&R is the steward of a diverse portfolio of parks, natural areas, urban forest and recreation facilities used extensively by the city’s residents and visitors. The total parkland managed by the bureau is 11,712 acres and represents about 14 percent of the geographic area within the City of Portland. Additionally, PP&R staff care for 238,000 street trees. The bureau operates 13 swimming pools, 11 community centers, three music/dance centers, five golf courses and one motor raceway, and owns a steam locomotive.

Asset Management Approach

PP&R's Asset Management Program includes a program of portfolio condition assessment, major maintenance prioritization, work order optimization and administration, CIP (Capital Improvement Program) administration, and other program areas. Bureau-wide implementation of AM principles includes using business cases, divestment of surplus assets, formalized design review for maintainability, natural asset management, and level-of-service planning.

Highlights from recent asset management efforts include: removing a hazardous Unreinforced Masonry Building from the asset portfolio following a newly adopted Assets at Risk process, completion of system-wide tennis and basketball courts assessment and awarding an Energy Savings Performance Contract covering 48 sites.

Current Asset Value and Condition

Current replacement value is estimated at $1.5 billion. An estimated 29 percent of assets are in Good or Very Good Condition.

Annual Funding Gap

PP&R's Major Maintenance Funding Gap is estimated at $51.4 million per year for the next ten years. An estimated $345 million is also needed to close level-of-service gaps citywide.
Funding Approach and Strategies

Bureau funding sources include City of Portland taxes, bonds, System Development Fees, Build Portland, user fees, and donor funds for services totaling almost $150 million:

Figure 6. Funding sources for Portland Parks include General Fund contributions, service fees, enterprise funds, System Development Charges, and bonds.

aPIR is Portland International Raceway

Replacement Forecasting

Estimates place over one-third of PP&R assets as aged beyond a normally expected service-life, with half of that portion well beyond service life. Based on industry-standard lifecycle models, an additional one-fifth of the portfolio is near the tipping-point in optimal investment: excessive risk and even more increased O&M costs can be avoided with targeted investments in the next five years. The Asset Management program seeks to specify and prioritize these high-return investments.

Asset Management Improvement Priorities

PP&R intends to expand and evolve the Asset Condition Assessment program in the coming year by completing more building systems in detail, completing hard-surface outdoor play courts (tennis, basketball, etc.), and formalizing the processes by which condition assessment results translate to funded capital projects.
Second, in an attempt to accelerate a small portion of major maintenance investment, PP&R will pilot and then expand an Energy Savings Performance Contract. This specialized project type re-purposes wasted energy cash-flows to modernization, such as investment in energy consuming equipment and systems, thus reducing O&M, reducing deferred maintenance, and supporting Climate Action Plan goals.

Finally, PP&R has requested resources to complete system-wide seismic risk analyses of the highest-priority sites and take steps at reducing seismic event risk, both as a service provider in emergencies and as an owner of assets with a high degree of occupancy by the general public. PP&R’s capacity to identify, prioritize, and mitigate seismic risks in our substantial, dispersed, public building portfolio is completely dependent on approved funding for these activities.
Civic
Profile

The Civic Assets asset management program includes three asset groups: Facilities, Vehicles, and Technology. The Facilities group includes facilities managed by the Office of Management and Finance (Police facilities, office buildings, other buildings, Union Station, and spectator facilities) and facilities other organizations manage (Portland Fire & Rescue [PF&R] facilities and Portland Center for the Performing Arts). The Vehicles group includes City vehicles that the Office of Management and Finance (OMF) owns and manages through its Bureau of Internal Business Services Fleet Services Division and PF&R apparatus. The Technology group includes the technology assets that OMF owns and manages through its Bureau of Technology Services (BTS) and the Enterprise Business System owned and managed by Enterprise Business Solution division.

OMF takes the lead for the Civic Assets group and coordinates with Fire and Rescue on the report.

Asset Management Approach

Asset management serves as the basis for documenting the physical and financial status of these assets, coordinating asset data, developing accurate asset inventories and producing up-to-date reports and maintenance plans. Accurate asset data allows OMF and other organizations to make informed decisions about assets. The annual and one-time funding gaps are the main indicators of financial status of these assets.

OMF uses asset management information to prepare its capital planning and budgets; develop consistent maintenance, operations, and replacement programs; fulfill City and other reporting requirements; and support financial forecasting. Applying asset management principles and practices helps to prioritize projects and allocate scarce resources.

A key component of the OMF asset management program for Facilities is the preparation of five-year maintenance plans. These plans are developed with input from internal and external customers, as well as staff who maintain the infrastructure, and are influenced by City Council’s established goals, objectives, and policies. A final step is balancing needs with resources. OMF works closely with its customers to understand their businesses and how their facilities support and serve their work objectives.

Historically, OMF’s Spectator Venues Program relied on the contracted venue operators to develop, maintain, and implement asset management efforts. Program staff has begun to work more closely with the operators to enhance these efforts within the constraints of the operating agreements.
A key component of the OMF Asset Management program for Technology Services is the preparation of five-year maintenance and replacement plans. These plans are produced by BTS staff responsible for AM and are reviewed and refined by a management review group. Priority is given to items that support public safety, improve reliability and availability of critical data systems and improve efficiency and reduce costs through the consolidation of infrastructure.

Current Asset Value and Condition

The current replacement value of Civic assets is $1.7 billion. Conditions of Technology assets are in fair to good condition. Facilities assets are in poor to good condition. Vehicles assets are in fair to very good condition.

Annual Funding Gap

The annual funding gap for Facilities services is $7.0 million. OMF is requested a budget note in the FY 2017-18 that called for OMF work with CBO to phase in rental rate increases for Facilities Services-owned buildings over a five-year period to a level that annually funds major maintenance at 3 percent of replacement value. This increases overall funding from approximately $5.8 million per year to $12.2 million per year at the end of five years.

The Spectator Venues Program does not currently project a funding gap in the Spectator Venues and Visitor Activities Fund for repair and replacement needs at the portfolio properties (which do not include the performing arts assets). Funds for a needed major renovation at the Veterans Memorial Coliseum (currently estimated at $80–$100 million) are not included in the projections.

The annual funding gap for BTS is $10.0 million for bureau-owned equipment.

The annual funding gap for PF&R facilities is roughly $3.1 million. PF&R does not have a major maintenance reserve funding mechanism for future major repair and maintenance costs.

Vehicle replacement for Fleet Services and Fire & Rescue apparatus is fully funded. For certain other Civic assets, the annual gap is not meaningful because the condition of the facility is such that major renovations are needed to first get the facility in adequate condition so that it could then be on a program of regular investment. Facilities in this category are Union Station and Veterans Memorial Coliseum.

Funding Approach and Strategies

Civic asset management projects are funded from a variety of sources:

- Vehicle replacement rates charged to bureaus through CityFleet interagency service agreements fund vehicle replacement projects.
- BTS rates and reserves fund a number of projects. Reserves are used because interagency agreement rates do not provide sufficient resources to fund all projects.
- A major maintenance component in Facilities Services building rental rates fund a number of major maintenance projects.
- The various agreements, through which the City owned spectator and performing arts venues are operated by non-City entities, include a variety of funding mechanisms and requirements for both the City and the operator regarding repairs and capital replacement.
- A combination of the Bureau of Internal Business Services-Facilities Services major maintenance money, General Fund cash, interagency revenues, and debt will be used to fund the Portland Building Reconstruction project.
- Cash funding from City funds a BTS project to relocate the City’s data center.
- Net revenues in the Spectator Venues Fund provide funding for VMC and Providence Park projects.
- General Obligation Bonds fund a PF&R apparatus replacement program approved in 2010. General Fund discretionary appropriation provides additional funding of apparatus replacement.
- Resources for large one-time needs can include debt financing, General Fund discretionary appropriation, and one-time charges to customers.

Civic assets reside in different City funds and are funded from a variety of sources, therefore there is no ability to have funds from one program fund projects in another program. Capital planning and project prioritization are at the program level.

Asset management serves as the basis for documenting the physical and financial status of these assets, coordinating asset data, developing accurate asset inventories and producing up-to-date reports and maintenance plans. Accurate asset management data allow OMF and other organizations to make informed decisions about assets. The annual and one-time funding gaps are the main indicators of financial status of these assets.

OMF uses asset management information to prepare its capital planning and budgets; develop consistent maintenance, operations, and replacement programs; fulfill City and other reporting requirements and support financial forecasting. Applying asset management principles and practices helps to prioritize projects and allocate scarce resources.

Over the last several years, the City has invested in the replacement of large Civic assets. These investments include the replacement of the IBIS financial system with the SAP enterprise business solution, the replacement of the Police property warehouse, and the replacement of the Auditor’s archives center. Additionally, a combination of General Fund resources approved by the Council and General Obligation bonds approved by voters in November 2010 fully funds the Public Safety Systems Revitalization Project that replaced Computer Aided Dispatch, the Portland Police Data System, and the 800 MHz radio system.
Asset Management Improvement Priorities

The priority of Facilities Services is to implement an asset management team to identify building issues, prioritize issues according to risk, develop cost-benefit analyses of project alternatives, and scope and complete projects. The team will develop measurable objectives for each type of asset and the strategies required to meet those objectives. Those strategies will inform life-cycle (e.g., 30-year) plans for each major asset. The asset management team will develop and refine the asset listing and hierarchy, develop an inspection and preventive maintenance and component replacement regimen to turn the lifecycle plans and strategies into actions, and develop communication strategies for communicating with tenants and constituents.

PF&R is committed to identifying feasible replacement plans for its Training, Logistics, and Prevention facilities, including a funding source. PF&R’s new Strategic Plan will include a focus on facility planning so that the bureau will improve its tracking of asset condition and repairs, and also major maintenance plans for each station.
Fire

Profile

Portland Fire & Rescue (PF&R) manages five categories of assets to support the bureau's mission of protecting life, property, and the environment: Facilities, apparatus, personal protective equipment, firefighting equipment, and technology.

- **Facilities**: PF&R operates and maintains 31 fire stations, a training center, a logistics facility for apparatus and facility maintenance, and administrative offices for management and fire inspectors.
- **Apparatus**: PF&R operates and maintains about 80 apparatus including engines, trucks, fire and rescue boats, brush units, water tenders, and other specialized vehicles.
- **Personnel Protective Equipment**: Firefighters wear personal protective equipment to maintain safety while entering hazardous conditions. Examples of personal protective equipment include self-contained breathing apparatus, turnouts, helmets, boots, and gloves.
- **Firefighting Equipment**: the tools carried on engines and trucks to support firefighting, medical responses, and technical responses such as car crashes or trench rescue. The largest assets in this category are rescue tool sets, thermal imaging cameras, and defibrillators.
- **Technology**: PF&R is responsible for hardware and software systems that support operations such as the Fire Information System and internal software that records all response data.

Asset Management Approach

PF&R's Logistics section manages most PF&R assets, focusing on regular scheduled maintenance as well as reacting to asset failures and breakdowns. PF&R maintains a work order system for scheduling and tracking regular maintenance on most asset classes.

Historically, PF&R has relied on the expertise and judgment of the managers responsible for each asset class in determining the timing and level of investment in repair, rehabilitation, and replacement. Program staff has begun working with asset managers to develop more formal plans for condition assessment, planning and budgeting for replacement, and developing maintenance and capital improvement plans.

Current Asset Value and Condition

The current replacement value of PF&R assets is $160 million. Most asset conditions range from excellent to fair depending upon the age of the asset and where that asset is in its current replacement cycle. PF&R has identified some assets in fair and poor condition that require replacement such as SCBAs, code
enforcement software, and the Logistics, Training, and Code Enforcement facilities. Described in the funding section of this report, PF&R has identified or is developing funding strategies for replacing these assets.

Annual Funding Gap

The breakdown of the funding gap by asset category is as follows:

- **Apparatus**: Due to the 2010 general obligation bond and the bureau’s established reserve for this asset type, PF&R does not currently project a funding gap for its apparatus category of assets.
- **Personnel protective equipment**: The annual funding gap for personal protective equipment is about $215,000.
- **Facilities**: PF&R estimates an annual funding gap of $3.1 million for facilities, however, the gap does not include the replacement needs of PF&R’s Code Enforcement, Logistics, and Training Center (currently estimated at $95 million).
- **Technology**: PF&R does not have a confident estimate of the funding gap for technology.

Funding Approach and Strategies

PF&R relies on a combination of general obligation bonds, ongoing General Fund discretionary resources, and one-time General Fund appropriations to fund asset repair and replacement. Currently, PF&R’s is pursuing a general obligation bond to fund the replacement of PF&R’s Code Enforcement, Logistics, and Training facilities.

In PF&R’s ongoing budget, there is approximately $350,000 for major maintenance and replacement projects for these facilities. However, without identifying additional major maintenance funding, Fire does not have sufficient funding for scheduled building system maintenance, such as roof replacements, overhead door refurbishment, and parking lot and driveway repaving. Without these upgrades, the City will struggle to maintain current and future service levels.

PF&R has a similar issue in the funding of personal protective equipment, where the annual operating budget of $400,000 is insufficient for the ongoing replacement needs. PF&R relied on one-time General Fund and the General Fund Capital Set Aside for the $3 million replacement of SCBAs in the FY 2018-19 budget. Like the apparatus reserve, PF&R is looking for the authority to create a reserve fund for fire facilities and personal protective equipment so that funds are set aside each year for these needs.

Asset Management Improvement Priorities

PF&R is committed to identifying feasible replacement plans for its Training, Logistics, and Prevention facilities, including a funding source. PF&R’s new Strategic Plan includes a focus on capital planning and tracking condition and repairs and major maintenance plans for each station ([https://www.portlandoregon.gov/fire/68607](https://www.portlandoregon.gov/fire/68607)).
6. Trends and Outlook

For over a decade, CAMG has been sharing best practices and issuing this report annually on the status and condition of assets. This effort has helped to educate City Council and the public by transparently providing information on the city’s assets and by characterizing the successes, opportunities for improvement, and challenges the City faces. In recent years, CAMG has worked with City Council to proactively address the concerns raised in the report.

In the FY 2014-15 Adopted Budget, a budget note was passed directing the CAMG to work with the City Budget Office to develop options for funding and allocating resources to address recurring major maintenance and replacement needs of infrastructure assets.

The resulting report, Closing the Major Maintenance and Asset Replacement Funding Gap was delivered to Council the fall of 2014. Many of these recommendations have since been implemented. Recent progress in addressing this funding gap includes the following:

- Parks Replacement Bond ($68 million, passed in 2014)
- Fixing Our Streets Gas Tax & Heavy Vehicle Use Tax (estimated $74 million over four years, passed in 2016)
- Cash and debt financing for the reconstruction of the Portland Building ($195 million)
- Funding of a General Fund Capital Set-Aside with 50 percent of all one-time resources ($48.4 million since FY 2017-18, including the $16.0 million anticipated in the FY 2018-19 budget process).
- Restoration of collections for electronic equipment replacement ($1.2 million annually)
- Increases in utility rates for significant infrastructure repair, rehabilitation, and replacement
- Increasing targeted capital project construction in BES by ~30 percent (Requested CIP in FY 2017-18)
- Phased in increased rent charges to bureaus in order to increase major maintenance collections to 3 percent of replacement value (Requested in the FY 2017-18 budget)

These efforts notwithstanding, considerable resource commitments are still required to maintain sustainable level of City services the public has come to expect and to sustain these services for generations to come.

An additional recommendation made in the 2014 report was to develop ongoing General Fund current appropriation levels target options. According to the report: “Beyond operations and maintenance requirements and before major renewal or replacement, there are known and predictable recurring major maintenance requirements for many assets. Rather than having these known and predictable requirements compete with other major capital needs in order to keep facilities
open and operating, consider funding these through increased Current Appropriation Levels. Council should direct infrastructure bureaus to identify and quantify these requirements.”
Appendices

1. Current Replacement Values of City Assets
   a. Current Replacement Value by Asset Type
   b. Current Replacement Value Data Sheet

2. Current Condition of Capital Assets
   a. Current Condition of Capital Assets, All Bureaus
   b. Current Condition of Capital Assets, Transportation
   c. Current Condition of Capital Assets, Environmental Services
   d. Current Condition of Capital Assets, Water
   e. Current Condition of Capital Assets, Parks & Recreation
   f. Current Condition of Capital Assets, Civic
   g. Current Condition Data Sheet

3. Annual Funding Gap
   a. Annual Funding Gap, by Asset Group
   b. Annual Funding Gap, by Type of Gap
   c. Annual Non-Capacity Funding Gap, by Bureau
   d. Capacity-Related Annual Funding Gap, by Bureau
   e. Annual Funding Gap Compared to Bureau Expenditures
   f. Annual Funding Gap in Millions per Year Data Sheet

4. Data Confidence Level Summary

5. Definitions

6. Asset Management Program Core Elements
# Appendix 1a: Current Replacement Value by Asset Type

## Appendix 1b: Current Replacement Value Data Sheet

<table>
<thead>
<tr>
<th>Capital Asset Class</th>
<th>Description</th>
<th>Value (in millions)</th>
<th>Confidence level</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transportation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arterial &amp; Collector Streets</td>
<td>1,868 lane miles</td>
<td>$4,260.5</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Local Streets</td>
<td>2,982 lane miles</td>
<td>$3,637.1</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Sidewalks</td>
<td>9,101,456 sq. yds</td>
<td>$1,289.3</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Curbs</td>
<td>3,155 miles</td>
<td>$634.7</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Corners</td>
<td>38,231 corners</td>
<td>$267.6</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Bridges</td>
<td>152 bridges</td>
<td>$827.1</td>
<td>4 - High</td>
<td></td>
</tr>
<tr>
<td>Traffic Signals (Hardware Only)</td>
<td>943 traffic signals</td>
<td>$660.1</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Street Lights</td>
<td>56,032 street lights</td>
<td>$202.7</td>
<td>2 - Low</td>
<td></td>
</tr>
<tr>
<td>Support Facilities</td>
<td>various buildings</td>
<td>$17.4</td>
<td>2 to 3 - Low to  Moderate</td>
<td></td>
</tr>
<tr>
<td>Other Transportation Assets</td>
<td></td>
<td>$786.5</td>
<td>2 to 4 - Low to High</td>
<td></td>
</tr>
<tr>
<td><strong>Total Transportation</strong></td>
<td></td>
<td>$12,583.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Environmental Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combined Sewers</td>
<td>890 mi. of pipe &amp; access structures</td>
<td>$4,056.0</td>
<td>4 - High</td>
<td>Storm lateral values unknown, not included; Ecosystem benefits not included in replacement value. Deep pipe reconstruction methodology was refined and impacted some costs. Tunnel value dropped because of this refinement.</td>
</tr>
<tr>
<td>Combined Sewer Tunnels</td>
<td>13 mi. of combined sewer tunnels</td>
<td>$1,141.0</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Sanitary Sewers</td>
<td>1,000 mi. of pipe &amp; access structures</td>
<td>$3,408.0</td>
<td>4 - High</td>
<td></td>
</tr>
<tr>
<td>Wastewater Treatment Systems</td>
<td>2 treatment plants; 99 pump stations</td>
<td>$2,383.0</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Stormwater System, Grey Assets</td>
<td>422 mi. of pipe; manholes, drywells, trash racks, etc.</td>
<td>$2,149.0</td>
<td>2 - Low</td>
<td></td>
</tr>
<tr>
<td>Stormwater System, Green Assets</td>
<td>2,401 WQ assets—wetlands, ponds, green streets, swales, etc.</td>
<td>$190</td>
<td>2 - Low</td>
<td></td>
</tr>
<tr>
<td><strong>Total Environmental Services</strong></td>
<td></td>
<td>$13,327</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply</td>
<td>158 miles of roads, 1,609 culverts, 12 bridges, 1 195-ft high concrete dam, 1 145-ft high earth dam, 27 active production wells, 1 groundwater pump station (including treatment facility and storage tank), and 11 miles of groundwater collection mains</td>
<td>$1,140.5</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>60 miles of large diameter conduits, with various supports, 9 conduit trestles and 4 conduit bridges, 9 river crossings, 90 miles of large diameter transmission mains</td>
<td>$1,417.8</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Terminal Storage</td>
<td>Five terminal storage reservoirs with a capacity of 134.6 MG (as of January 2018), interconnecting piping, post-storage treatment facilities, and microhydro facility</td>
<td>$435.8</td>
<td>4 - High</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>2100 miles of distribution pipes, 186,000 service lines, 48,900 valves, 178,000 meters, 14,400 hydrants, 257 active pressure regulating station, 36 pump stations, 50 active storage tanks (including Groundwater storage) with a total of 60.7 MG</td>
<td>$5,704.1</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>Buildings, SCADA, vehicles, construction equipment, lab equipment, computers, and infrastructure components in inventory</td>
<td>$192.0</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td><strong>Total Water</strong></td>
<td></td>
<td>$8,890</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Asset Class</td>
<td>Description</td>
<td>Value (in millions)</td>
<td>Confidence level</td>
<td>Notes</td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>---------------------</td>
<td>------------------</td>
<td>------------------------------</td>
</tr>
<tr>
<td>Parks &amp; Recreation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amenities</td>
<td>decorative elements &amp; furnishings</td>
<td>105.3</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Buildings &amp; Pools</td>
<td>community and arts centers, pools, restrooms, maintenance facilities</td>
<td>485.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation Features</td>
<td>sports fields, courts, playgrounds, water play areas, community gardens, skate parks, etc.</td>
<td>281.3</td>
<td></td>
<td>added Luuwit View Park</td>
</tr>
<tr>
<td>Built Infrastructure</td>
<td>roads, major trails, utilities</td>
<td>120.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Infrastructure</td>
<td>urban forest, turf, shrub beds, botanic gardens</td>
<td>458.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Parks &amp; Recreation</strong></td>
<td></td>
<td><strong>$1,451.2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facilities (Buildings, Structures)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Facilities</td>
<td>Four precincts, Justice Center, property warehouse, equestrian division, and vehicle storage lot</td>
<td>$124.6</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Office Buildings</td>
<td>Portland Building, 1900 Building, City Hall</td>
<td>$214.4</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Other Buildings</td>
<td>Archives and Records Center, Kerby Garage, and Portland Communications Center</td>
<td>$86.4</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>PDC Facilities</td>
<td>Train station and related buildings and Centennial Mills</td>
<td>$50.0</td>
<td>2 - Low</td>
<td></td>
</tr>
<tr>
<td>Spectator Facilities</td>
<td>Memorial Coliseum, Rose Quarter parking garages, and Providence Park</td>
<td>$556.6</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Portland’s Centers for the Arts</td>
<td>Portland’s Centers for the Arts</td>
<td>$130.0</td>
<td>2 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Fueling Stations</td>
<td>Fueling stations for use by City vehicles in various locations around city.</td>
<td>$13.3</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Fire Facilities</td>
<td>31 stations, administration building and support facility</td>
<td>$121.0</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Vehicles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Vehicles</td>
<td>All City vehicles except Fire apparatus</td>
<td>$143.4</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Fire Apparatus</td>
<td>Engines, trucks, other major apparatus</td>
<td>$39.0</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communications--BTS</td>
<td>Data networks, WIFI network, 800 MHz radio system</td>
<td>$75.9</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Production Services--BTS</td>
<td>Storage area network, core servers, and email system, and support center</td>
<td>$5.2</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Strategic Technology--BTS</td>
<td>Large corporate applications owned and managed by BTS such as GIS</td>
<td>$5.0</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Electronic Equipment &amp; Software--Other Bureaus</td>
<td>Video systems, electronic equipment, Office Suite software, bureaus’ PC’s and laptops</td>
<td>$10.1</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td>Strategic Technology--Other Bureaus</td>
<td>Large corporate applications such as TRACS, CAD, RegJIN, CIS and EBS</td>
<td>$93.7</td>
<td>3 - Moderate</td>
<td></td>
</tr>
<tr>
<td><strong>Total Civic</strong></td>
<td></td>
<td><strong>$1,668.6</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital Assets</strong></td>
<td></td>
<td><strong>$37,919.9</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 2a: Current Condition of Capital Assets, All Bureaus

Very good
Good
Fair
Poor
Very poor
TBD

Transportation
Environmental Services
Water
Parks and Recreation
Civic
Appendix 2b: Current Condition of Capital Assets, Transportation

[Bar chart and pie chart showing the current condition and cost of various capital assets.]
Appendix 2c: Current Condition of Capital Assets, Environmental Services

![Graph showing current condition of capital assets.

The graphs display the percentage of assets in each condition category (Very Good, Good, Fair, Poor, Very Poor, TBD) for various types of assets including combined sewers, combined sewer tunnels, sanitary sewers, wastewater treatment systems, stormwater system - grey assets, and stormwater system - green assets. The condition percentages range from 0% to 100%.
Appendix 2d: Current Condition of Capital Assets, Water

![Bar chart showing the current condition of capital assets for water supply, transmission, terminal storage, distribution, and facilities (buildings and support facilities). The chart includes categories for Very Good, Good, Fair, Poor, Very Poor, and TBD.]
Appendix 2e: Current Condition of Capital Assets, Parks & Recreation

[Bar charts and pie charts showing the condition of capital assets, including amenities, buildings and pools, recreation features, built infrastructure, and green infrastructure. The charts indicate conditions ranging from Very Good to Poor.]
Appendix 2f: Current Condition of Capital Assets, Civic

[Bar chart showing the current condition of different types of assets with categories Very Good, Good, Fair, Poor, and Very Poor.]

- Police facilities
- Office buildings
- Other buildings
- PDC facilities
- Spectator facilities
- Fueling stations
- Fire facilities
- City vehicles
- Fire apparatus
- Production services-BTS
- Communications services-BTS
- Strategic technology-BTS
- Strategic technology-other
- Electronic equipment and software
- Strategic technology-other bureaus

[Column chart showing the percentage of assets in each condition category.]
## Appendix 2g: Current Condition Datasheet

<table>
<thead>
<tr>
<th>Capital Asset Class</th>
<th>Very Good</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>Very Poor</th>
<th>TBD</th>
<th>Confidence Level</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transportation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arterial &amp; Collector Streets</td>
<td>16%</td>
<td>17%</td>
<td>17%</td>
<td>33%</td>
<td>17%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Local Streets</td>
<td>4%</td>
<td>13%</td>
<td>19%</td>
<td>41%</td>
<td>23%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Sidewalks</td>
<td>10%</td>
<td>25%</td>
<td>30%</td>
<td>25%</td>
<td>10%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Curbs</td>
<td>12%</td>
<td>50%</td>
<td>16%</td>
<td>12%</td>
<td>10%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Corners</td>
<td>10%</td>
<td>18%</td>
<td>17%</td>
<td>28%</td>
<td>27%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Bridges</td>
<td>5%</td>
<td>26%</td>
<td>68%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>4-High</td>
<td></td>
</tr>
<tr>
<td>Traffic Signals (Hardware Only)</td>
<td>24%</td>
<td>24%</td>
<td>23%</td>
<td>7%</td>
<td>22%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Street Lights</td>
<td>73%</td>
<td>5%</td>
<td>11%</td>
<td>5%</td>
<td>5%</td>
<td>0%</td>
<td>2-Low</td>
<td></td>
</tr>
<tr>
<td>Support Facilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2 to 3 - Low to Moderate</td>
<td></td>
</tr>
<tr>
<td>Other Transportation Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2 to 4 - Low to High</td>
<td></td>
</tr>
<tr>
<td><strong>Environmental Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combined Sewers</td>
<td>37%</td>
<td>18%</td>
<td>21%</td>
<td>17%</td>
<td>5%</td>
<td>3%</td>
<td>4-High</td>
<td>Condition % is assigned based on length for sewers; asset quantity and value for wastewater assets; length or quantity for grey storm assets; and replacement value of facilities for green storm assets. Natural areas comprise a large proportion of green assets in TBD. The City’s 2,000+ green street facilities are regularly maintained to a functional (good) condition.</td>
</tr>
<tr>
<td>Combined Sewer Tunnels</td>
<td>92%</td>
<td>8%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>4-High</td>
<td></td>
</tr>
<tr>
<td>Sanitary Sewers</td>
<td>63%</td>
<td>21%</td>
<td>5%</td>
<td>2%</td>
<td>1%</td>
<td>8%</td>
<td>4-High</td>
<td></td>
</tr>
<tr>
<td>Wastewater Treatment Systems</td>
<td>27%</td>
<td>29%</td>
<td>12%</td>
<td>19%</td>
<td>4%</td>
<td>9%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Stormwater System, Grey Assets</td>
<td>23%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>70%</td>
<td>2-Low</td>
<td></td>
</tr>
<tr>
<td>Stormwater System, Green Assets</td>
<td>0%</td>
<td>29%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>71%</td>
<td>2-Low</td>
<td></td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply</td>
<td>13%</td>
<td>48%</td>
<td>29%</td>
<td>8%</td>
<td>2%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>5%</td>
<td>43%</td>
<td>43%</td>
<td>9%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Terminal Storage</td>
<td>59%</td>
<td>29%</td>
<td>5%</td>
<td>0%</td>
<td>7%</td>
<td>0%</td>
<td>4-High</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>25%</td>
<td>51%</td>
<td>19%</td>
<td>4%</td>
<td>1%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>53%</td>
<td>20%</td>
<td>11%</td>
<td>10%</td>
<td>6%</td>
<td>0%</td>
<td>4-High</td>
<td></td>
</tr>
</tbody>
</table>
# Appendix 2g: Current Condition Data Sheet

<table>
<thead>
<tr>
<th>Capital Asset Class</th>
<th>Very Good</th>
<th>Good</th>
<th>Fair</th>
<th>Poor</th>
<th>Very Poor</th>
<th>TBD</th>
<th>Confidence Level</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parks &amp; Recreation</strong></td>
<td>13%</td>
<td>15%</td>
<td>17%</td>
<td>21%</td>
<td>1%</td>
<td>33%</td>
<td>1 to 2- TBD to Low</td>
<td>Asset Risk Profiles 2013</td>
</tr>
<tr>
<td>Amenities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings &amp; Pools</td>
<td>0%</td>
<td>4%</td>
<td>39%</td>
<td>43%</td>
<td>15%</td>
<td>0%</td>
<td>4-High</td>
<td>High-level systemwide assessment completed in 2018</td>
</tr>
<tr>
<td>Recreation Features</td>
<td>10%</td>
<td>10%</td>
<td>20%</td>
<td>10%</td>
<td>0%</td>
<td>50%</td>
<td>1 to 4- TBD to High</td>
<td>2013 Asset Risk Profiles; Comprehensive Condition Assessment in 2016; update for Replacement Bond progress and deterioration; Outdoor Sport Court Assessment Complete in 2017</td>
</tr>
<tr>
<td>Built Infrastructure</td>
<td>0%</td>
<td>0%</td>
<td>2%</td>
<td>16%</td>
<td>5%</td>
<td>77%</td>
<td>1 to 3- TBD to Moderate</td>
<td>Updated for 2018 pathways assessment results</td>
</tr>
<tr>
<td>Green Infrastructure</td>
<td>30%</td>
<td>33%</td>
<td>26%</td>
<td>10%</td>
<td>3%</td>
<td>0%</td>
<td>2-Low</td>
<td>Based on new methodology from Natural Areas Restoration Plan (October 2010)</td>
</tr>
<tr>
<td><strong>Civic</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Facilities (Buildings, Structures)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Facilities</td>
<td>0%</td>
<td>91%</td>
<td>9%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Office Buildings</td>
<td>0%</td>
<td>42%</td>
<td>0%</td>
<td>58%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Other Buildings</td>
<td>0%</td>
<td>54%</td>
<td>36%</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>PDC Facilities</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Spectator Facilities</td>
<td>0%</td>
<td>42%</td>
<td>0%</td>
<td>58%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Portland Center for the Performing Arts</td>
<td>0%</td>
<td>66%</td>
<td>0%</td>
<td>34%</td>
<td>0%</td>
<td>0%</td>
<td>2-Low</td>
<td></td>
</tr>
<tr>
<td>Fueling Stations</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Fire Facilities</td>
<td>3%</td>
<td>85%</td>
<td>6%</td>
<td>6%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td><strong>Vehicles</strong></td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>City Vehicles</td>
<td>40%</td>
<td>29%</td>
<td>31%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>4-High</td>
<td></td>
</tr>
<tr>
<td>Fire Apparatus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td>0%</td>
<td>96%</td>
<td>4%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Communications--BTS</td>
<td>0%</td>
<td>92%</td>
<td>8%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Production Services--BTS</td>
<td>0%</td>
<td>84%</td>
<td>16%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Strategic Technology--BTS</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Electronic Equipment &amp; Software--Other Bureaus</td>
<td>0%</td>
<td>87%</td>
<td>13%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Strategic Technology--Other Bureaus</td>
<td>0%</td>
<td>87%</td>
<td>13%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>3-Moderate</td>
<td></td>
</tr>
</tbody>
</table>
Appendix 3a: Annual Funding Gap, by Asset Group

$350
street lights

$300
corners

$250
curbs
bridges

$200
Unassigned Capacity Gap

$150
local streets

$100
arterial & collector streets

$50
sanitary sewers
wastewater treatment systems
stormwater system
combined sewers

$0
Transportation
$339.9 million

Environmental
$21.0 million

Water
$13.4 million

Parks and Recreation
$110.3 million

Civic
$20.6 million
Appendix 3b: Annual Funding Gap, by Type of Gap

2017 Total Annual Funding Gap: $505.2 million in three categories:
- Repair, rehabilitation, and replacement
- Mandate
- Capacity

Transportation: $339.9 million
- $21 million
- $13.4 million
- $110.3 million
- $20.6 million
Appendix 3c: Annual Non-Capacity Funding Gap by Bureau

2017 Total Annual Funding Gap: $377.1 million in two categories:
- Repair, rehabilitation, and replacement
- Mandate
Appendix 3d: Capacity-Related Annual Funding Gap, by Bureau

2017 Total Annual Funding Gap: $128.1 million in one category:

- Capacity

![Bar chart showing annual funding gaps by bureau in 2017. The chart indicates a $69.1 million gap in Transportation, a $11 million gap in Environmental Services, a $0 million gap in Water, a $48 million gap in Parks and Recreation, and a $0 million gap in Civic.](chart.png)
Appendix 3e: Annual Funding Gap Compared to Bureau Expenditures

- Transportation: $340
- Environmental Services: $114 ($21 gap)
- Water: $109 ($13 gap)
- Parks and Recreation: $213 ($110 gap)
## Appendix 3f: Annual Funding Gap in Millions Per Year Data Sheet

<table>
<thead>
<tr>
<th>Capital Asset Class</th>
<th>Value (in millions)</th>
<th>R/R/R</th>
<th>Mandate</th>
<th>Capacity</th>
<th>Total</th>
<th>Confidence Level</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transportation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arterial &amp; Collector Streets</td>
<td>$100.0</td>
<td></td>
<td></td>
<td></td>
<td>$100.0</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Local Streets</td>
<td>$70.0</td>
<td></td>
<td></td>
<td></td>
<td>$70.0</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Sidewalks</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td>$0.0</td>
<td>N/A</td>
<td>Adjacent property owners are financially responsible for repairing sidewalks</td>
</tr>
<tr>
<td>Curbs</td>
<td>$24.1</td>
<td></td>
<td></td>
<td></td>
<td>$24.1</td>
<td>2-Low</td>
<td></td>
</tr>
<tr>
<td>Corners</td>
<td>$21.1</td>
<td></td>
<td></td>
<td></td>
<td>$21.1</td>
<td>2-Low</td>
<td>Low confidence level pending Citywide Curb Ramp inventory.</td>
</tr>
<tr>
<td>Bridges</td>
<td>$31.5</td>
<td></td>
<td></td>
<td></td>
<td>$31.5</td>
<td>4-High</td>
<td></td>
</tr>
<tr>
<td>Traffic Signals (Hardware Only)</td>
<td>$16.4</td>
<td></td>
<td></td>
<td></td>
<td>$16.4</td>
<td>2-Low</td>
<td></td>
</tr>
<tr>
<td>Street Lights</td>
<td>$4.0</td>
<td></td>
<td></td>
<td></td>
<td>$4.0</td>
<td>2-Low</td>
<td></td>
</tr>
<tr>
<td>Support Facilities</td>
<td>$0.6</td>
<td></td>
<td></td>
<td></td>
<td>$0.6</td>
<td>2-Low</td>
<td></td>
</tr>
<tr>
<td>Other Transportation Assets</td>
<td>$3.1</td>
<td></td>
<td></td>
<td></td>
<td>$3.1</td>
<td>2-Low</td>
<td></td>
</tr>
<tr>
<td>Total Transportation</td>
<td>$249.7</td>
<td>$21.1</td>
<td></td>
<td>$69.1</td>
<td>$339.9</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td><strong>Environmental Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Combined Sewers</td>
<td>$2.0</td>
<td></td>
<td>$3.0</td>
<td></td>
<td>$5.0</td>
<td>3-Moderate</td>
<td>NOTE: Data entered from Bellknap-Williamson email dated 3/9/17</td>
</tr>
<tr>
<td>Sanitary Sewers</td>
<td>$1.0</td>
<td></td>
<td></td>
<td></td>
<td>$1.0</td>
<td>3-Moderate</td>
<td>Condition assessments have identified greater funding gaps due to aging infrastructure and capacity needs. Stormwater system needs are in the midst of ongoing assessment</td>
</tr>
<tr>
<td>Stormwater System</td>
<td>$5.0</td>
<td></td>
<td>$8.0</td>
<td></td>
<td>$13.0</td>
<td>2-Low</td>
<td></td>
</tr>
<tr>
<td>Wastewater Treatment Systems</td>
<td>$2.0</td>
<td></td>
<td></td>
<td></td>
<td>$2.0</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Total Environment Services</td>
<td>$10.0</td>
<td>$0.0</td>
<td></td>
<td>$11.0</td>
<td>$21.0</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td><strong>Water</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply</td>
<td>$3.2</td>
<td></td>
<td></td>
<td></td>
<td>$3.2</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>$0.7</td>
<td></td>
<td></td>
<td></td>
<td>$0.7</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Terminal Storage</td>
<td>$1.2</td>
<td></td>
<td></td>
<td></td>
<td>$1.2</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>$8.3</td>
<td></td>
<td></td>
<td></td>
<td>$8.3</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>$0.0</td>
<td></td>
<td></td>
<td></td>
<td>$0.0</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Total Water</td>
<td>$13.4</td>
<td>$0.0</td>
<td></td>
<td>$0.0</td>
<td>$13.4</td>
<td>3-Moderate</td>
<td></td>
</tr>
<tr>
<td>Capital Asset Class</td>
<td>R/R/R</td>
<td>Mandate</td>
<td>Capacity</td>
<td>Total</td>
<td>Confidence Level</td>
<td>Notes</td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-------</td>
<td>---------</td>
<td>----------</td>
<td>--------</td>
<td>------------------</td>
<td>---------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Parks &amp; Recreation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amenities</td>
<td>$1.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$1.0</td>
<td>2-Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings &amp; Pools</td>
<td>$8.6</td>
<td>$4.2</td>
<td>$20.8</td>
<td>$33.6</td>
<td>2-Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Built Infrastructure</td>
<td>$4.5</td>
<td>$2.9</td>
<td>$11.0</td>
<td>$18.4</td>
<td>2-Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developed Park</td>
<td>$1.3</td>
<td>$0.1</td>
<td>$13.0</td>
<td>$14.4</td>
<td>2-Low</td>
<td>Added Luuwit View</td>
<td></td>
</tr>
<tr>
<td>Green Infrastructure</td>
<td>$8.1</td>
<td>$0.0</td>
<td>$0.4</td>
<td>$8.5</td>
<td>2-Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation Features</td>
<td>$27.9</td>
<td>$3.6</td>
<td>$2.9</td>
<td>$34.4</td>
<td>3-Moderate</td>
<td>updated to reflect findings of 2016 Playground Condition Assessment</td>
<td></td>
</tr>
<tr>
<td><strong>Total Parks &amp; Recreation</strong></td>
<td>$51.4</td>
<td>$10.9</td>
<td>$48.0</td>
<td>$110.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Civic</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Facilities (Buildings, Structures)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Facilities</td>
<td>$2.5</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$2.5</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Buildings</td>
<td>$2.9</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$2.9</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Buildings</td>
<td>$1.6</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$1.6</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDC Facilities</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$0.0</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spectator Facilities</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$0.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Portland Center for the Performing Arts</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$0.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fueling Stations</td>
<td>$0.4</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.4</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Facilities</td>
<td>$3.1</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$3.1</td>
<td>2-Low</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Vehicles</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Vehicles</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Apparatus</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communications--BTS</td>
<td>$4.3</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$4.3</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production Services--BTS</td>
<td>$0.6</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.6</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Technology--BTS</td>
<td>$0.5</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.5</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic Equipment &amp; Software--Other Bureaus</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.0</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Technology--Other Bureaus</td>
<td>$4.7</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$4.7</td>
<td>3-Moderate</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Civic</strong></td>
<td>$20.6</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$20.6</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 4: Data Confidence Level Summary

Data Confidence Level Summary by Asset Value
- 4-High
- 3-Moderate
- 2-Low
- 1-TBD

Replacement Value
- 90% 4-High
- 10% 3-Moderate

Funding Gap
- 50% 4-High
- 50% 3-Moderate

Condition
- 80% 4-High
- 20% 3-Moderate
Appendix 5: Definitions

The following definitions and confidence levels draw on several asset management information sources, including GHD Group Consultants (used by the Water Bureau and PBOT), trained bureau staff, and literature searches.

**Asset**  A physical component of infrastructure or a facility that has value and an expected useful life of more than one year, that would be replaced if destroyed, and is not surplus to needs.

**Asset Management**  The continuous cycle of asset inventory, condition, and performance assessment that has as its goal the cost-effective provision of a desired level of service for physical assets. Investment decisions consider planning, design, construction, maintenance, operation, rehabilitation, and replacing assets on a sustainable basis that considers social, economic, and environmental impacts.

**Backlog**  The sum of deferred activities, such as maintenance, operations, and rehabilitation, needed to achieve the lowest life-cycle cost for an asset. Backlog results from lack of money, materials, or staff to perform the needed work. (See Funding Gap.)

**Capacity**  See Funding Gap

**Capital Expansion**  Projects or facilities that create new assets, increase the capacity of existing assets beyond their original design capacity or service potential, or increase the size and service capability of a current service area, including service to newly annexed, undeveloped, or under-served areas. Generally, increases the total maintenance requirements because it is increasing the total asset base.

**Civic**  A collection of City-owned assets, including facilities (office, police, fire, parking garages, spectator facilities, Portland Center for the Performing Arts) and technology services (800 MHz radio system, telecommunications, IT operations, strategic technology). Bureau maintenance facilities are assets of the operating bureau.

**Condition Assessment**  The method used to quantify the deterioration rate and remaining useful life of an asset. Methods of condition assessment vary by asset classification and range from use of industry estimates for deterioration rates up to documented physical inspection regimens on established cycles that ensure optimum economic life of an asset.

**Condition Measure/Rating**  A means of classification using information from periodic inspections or measurements to indicate the ability of an asset to deliver a particular level of service.

**Confidence Levels**  The expression of accuracy and reliability in the areas of information (source and (in data/information) reliability), process (ad hoc or repeatable) and documentation (documented or not documented).
### Confidence Levels in Data and Information

<table>
<thead>
<tr>
<th>Confidence Level</th>
<th>Label</th>
<th>Inventory completeness</th>
<th>Condition assessment method and frequency</th>
<th>Process and documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>No confidence</td>
<td>1-TBD</td>
<td>No inventory</td>
<td>No assessment method (to be determined)</td>
<td>No process (to be determined)</td>
</tr>
<tr>
<td>Low confidence</td>
<td>2-Low</td>
<td>Partially complete</td>
<td>Estimates used to assess condition</td>
<td>Process not well documented</td>
</tr>
<tr>
<td>Moderate</td>
<td>3-Moderate</td>
<td>Complete</td>
<td>Subjective process to estimate condition estimated followed on a regular schedule</td>
<td>Some documentation in place</td>
</tr>
<tr>
<td>High confidence</td>
<td>4-High</td>
<td>Complete</td>
<td>Condition surveys conducted on a regular schedule by well-trained personnel</td>
<td>Well-documented process followed</td>
</tr>
<tr>
<td>Optimal confidence</td>
<td>5-Optimal</td>
<td>Complete</td>
<td>Condition survey on a regular schedule</td>
<td>Objective process followed; Accuracy of data verified and well documented</td>
</tr>
</tbody>
</table>

**Consequence of Failure**
The outcome of an event expressed qualitatively or quantitatively, being a loss, injury, disadvantage or gain. There may be a range of possible outcomes associated with an event. There may be economic, social and/or environmental consequences of asset failure.

**Critical Infrastructure**
Infrastructure assets that are essential for the functioning of society and the economy, including energy generation, transmission and distribution; telecommunications; water supply and wastewater; transportation systems; public health; and security and emergency response services.

**Current Replacement Value (CRV)**
The total cost to replace the entire asset to meet current accepted standards and codes. For this report, the CRV excludes land value. The CRV does not match financial book value or market value.

**Failure Mode**
The reason an asset failed to provide the function for which it was installed.

**Funding Gap**
The difference between the funding needed to address infrastructure needs of an asset at a defined condition or level of service and the funding that is currently available. The funding gap varies with the funding level and affects the level of service. The funding gap is the amount of money needed to eliminate the backlog and/or maintain the asset to achieve its useful life. Given a certain funding level, the resulting level of service can be forecast; if a certain level of service is desired, the funds needed to achieve it can be estimated. There are three types of funding gap: Repair, Rehabilitation, Replacement: Additional funding necessary to repair or
rehabilitate existing assets to bring them up to current service levels, or replace assets considered obsolete. Mandate: Additional funding necessary to improve existing assets to meet regulatory requirements, exclusive of improvements that fall under Repair, Rehabilitation, Replacement or Capacity. Capacity: Additional funding necessary to address existing inequities and deficiencies in levels of service for current customers and citizens.

**Funding Types**

Over the life of an infrastructure asset, one-time and recurring investments are needed. One-time investments include initial land acquisition and master planning (neither are included in Current Replacement Value, Condition or Annual Funding Gap) and asset design, development and enhancements (both are included in the key assets data). Recurring investments can be timed to extend the useful life of assets and deliver agreed service levels at total life-cycle costs. Examples of recurring investments are roofing (every 20-30 years), rooftop HVAC systems (every 12-15 years), road resurfacing (e

Green Infrastructure I

Infrastructure that uses natural processes, systems, or features to provide traditional infrastructure services. There are two types of green infrastructure: Natural networks of streams, rivers, and open spaces that naturally manage stormwater, provide habitat, improve air and water quality, reduce flooding risk, and provide areas for human recreation and respite; and Engineered facilities, such as green street treatments or eco-roofs, which use natural processes in an infrastructure setting.

High-risk Infrastructure

Infrastructure assets that have a high risk of failure, based on the likelihood and consequence of that failure.

Infrastructure

Consists of assets in three general networks that serve whole communities — transportation modalities (roads, rail, etc.), utilities, and parks. These are necessary municipal or public services, provided by the government or by private companies and defined as long-lived capital assets that normally are stationary in nature and can be preserved for a significant number of years. Examples are streets, bridges, drainage systems, water and sewer lines, pump stations and treatment plants, community centers and pools, and police and fire stations. Beyond transportation and utility networks, Portland includes parks, buildings, green infrastructure, communications, and information technology as necessary infrastructure investments that serve the community.

Inventory

A list of assets and their principal components.

Level of Service

A defined standard against which the quality and quantity of service can be measured. A level of service can include reliability, responsiveness, environmental acceptability, customer values and cost.

Life-Cycle Cost

The sum of all costs throughout the life of an asset, including planning, design, acquisition, construction, operation, maintenance, rehabilitation/renewal and disposal costs.

Likelihood of Failure

The probability or possibility of an event that will cause the asset to fail.

Mandate

See Funding Gap
Maintenance: Activities that keep an asset operating as designed or prevent it from deteriorating prematurely, excluding rehabilitation or renewal which may extend asset life. Maintenance can be planned or unplanned. Planned maintenance is: Preventive maintenance conducted at regular scheduled intervals based on average statistical/anticipated lifetime. Condition-based maintenance based on objective evidence of need from tests, measurements and observations. Deferred — the shortfall created by postponing prudent but nonessential repairs to save money or materials. Generally, a policy of continuing deferred maintenance results in higher costs when repairs are eventually made, or failure that occurs sooner than if normal maintenance had been performed. Unplanned maintenance is: Reactive or Emergency-corrective actions taken upon failure or obvious threat of failure, usually at a higher cost than planned or preventive maintenance.

Operations: The ongoing activities that allow the use of an asset for its intended function.

Performance Indicator: A qualitative or quantitative measure used to compare actual performance against a defined standard. Indicators are commonly used to measure cost, performance, or customer satisfaction.

Performance Monitoring: The periodic assessments of actual performance compared to specific objectives, targets, or standards.

Rehabilitation/Renewal: Maintenance performed on an asset to restore it to its original level of service or capacity and achieve its useful life, which may result in an extension of the asset’s service life.

Repair, Rehabilitation, Renewal: See Funding Gap.

Retirement/Removal: Decommissioning or removal of an asset through disposal, abandonment, demolition, or sale that may involve retiring deteriorated assets and recovering salvage value. Risk: The chance of something happening that will have an impact upon objectives. Risk is measured in terms of likelihood and consequences.

Risk Analysis: A systematic use of available information to determine how often specified events may occur and the magnitude of their consequences.

Risk Management Strategy: The systematic application of management policies, procedures and practices to the tasks of establishing the context, identifying, analyzing, evaluating, treating, monitoring and communicating risk.

Triple Bottom Line: A method to categorize the benefits and impacts an organization can expect from investing in its assets. The benefits are categorized into Social, Economic, and Environmental benefits to ensure a comprehensive evaluation in the decision-making process (measure, manage and report).

Useful Life: The period of time over which an asset is expected to deliver efficient service with normal or appropriate maintenance (defined as accepted industry standard or documented local experience).
Appendix 6: Asset Management Program Core Elements

**Goals and Strategies**

- An asset management policy has been promulgated or updated within the last five years.
- Levels-of-service targets are published and communicated to internal and external stakeholders.
- Levels of service are financially, socially, and environmentally sustainable and aligned with customer expectations.
- The asset portfolio is continually adjusted to match these sustainable levels of service.
- The asset management program is leveraged to support goals for equity, resilience, and sustainability.
- The bureau has a clearly defined tactical plan for achieving asset management goals and objectives.
- Asset management principles and practices are widely understood and documented in the organization.

**Critical Processes**

- Asset data are current, accurate, and complete.
- A condition assessment program exists in which the life cycle position of the majority of assets are updated every 5 – 10 years.
- Decisions are made based on asset condition, performance, utilization, location, and configuration.
- Investment decisions are transparently prioritized using risk ratings as well as objectively defined and evaluated metrics.
- Project validation and decision-making includes consideration of non-asset solutions.
- The vast majority of maintenance activities are proactive, planned, preventive, and predictive, and assure reliability at the least lifecycle cost and in a manner that is least disruptive to users of the assets.
- Resources are assigned to develop and carry out an asset management program at a reasonable rate of progress.

**Financial Sustainability**

- The bureau forecasts major maintenance investment requirements.
- The bureau forecasts realistic resource scenarios.
- Forecasted resources and requirements are projected to be at equilibrium within 10 years.
- Life-cycle cost is factored into acquisition, design, construction, operation, and disposal decisions.