



CITY OF PORTLAND
OFFICE OF MANAGEMENT AND FINANCE

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TO: Fred Miller, Chief Administrative Officer

FROM: Kirk Hall
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SUBJECT: GO Bond Independent Citizen Committee Quarterly Report
For the Period ending December 31, 2014

DATE: March 26, 2015

With this memo, the Independent Citizen Committee (ICC) is pleased to convey its quarterly report to Fred Miller, the Chief Administrative Officer for the City of Portland. This report provides information through the quarter ending December 31, 2014.

The ICC has been holding quarterly meetings since its inception in Feb. 2011. In each meeting, City staff update the citizen members about ICC activities from the preceding fiscal quarter. Aaron Beck, OMF Business Operations Division, provides status updates for the GO Bond fund, debt sales and expenditure projections. Then staff and/or Project Oversight Committee (POC) members from each of the four GO Bond-funded projects (Fire Station 21, Fire Apparatus, Emergency Coordination Center, and PSSRP Radio project) provide updates on the progress of the respective projects. The POC for the Emergency Coordination Center made its last update during the May 2014 meeting, since the project was complete at that point. The POC for Station 21 made its last update during the February 2015 meeting, since the project was complete at that point.

The ICC members have reviewed the quarterly reports submitted by the POCs to the ICC and we concur with their findings, which are summarized below.

1. Executive Summary

a) Public Safety GO Bond Fund – Program budget and actual expenses

The fund is in sound financial condition. The program's financial needs are being met through GO Bond proceeds received from debt sales in May 2011 and March 2014. Each project is progressing according to its budget with no serious exceptions. While there are some delays in the progress of the different projects, this does not negatively impact the status of the overall fund.

The third and final debt sale is projected to close in early June 2015. As a result of savings on projects, the City will issue fewer bonds than the maximum amount authorized by the voters. Additionally, interest earnings from the prior bonds will be applied to project funding, further decreasing the amount of the final bond issue.

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The chart below summarizes overall program savings, interest earnings, and the resulting amount of funds to be provided by the third and final bond sale.

Third GO bond sale with suggested enhancements and add backs:

<u>Proceeds from sale three in May 2015</u>	
Fire Apparatus	\$6,597,216
ECC	\$0
Public Safety Emergency Radio System	\$12,779,609
Admin, Fire PM, and Bond Issuance	\$455,824
Total required to complete projects	\$19,832,649
<i>Less unused Fire Station 21 project bond sale proceeds</i>	<i>(\$171,393)</i>
<i>Less interest earnings on bond proceeds</i>	<i>(\$622,193)</i>
Net amount for bond sale 3	\$19,039,063
Combined proceeds from bond sales 1 and 2	\$51,550,044
Total bond proceeds authority to be used	\$70,589,107
2010 bond proceeds authority available	\$72,400,000
Overall program savings	
Unused 2010 bond proceeds authority	\$1,810,893
Cash and other resources	
PSSRP cash for 800 MHz radio system	\$5,393,036
GO bond proceeds (1998)	\$918,328
ECC project resources	\$216,972
Total	\$8,339,228
Overall program savings are due to	
Project savings	\$7,717,034
Interest earnings	\$622,193
Total	\$8,339,227

The savings in PSSRP cash for the 800 MHz radio system will be used to seed programs for future major maintenance projects for the system and/or end-user equipment replacement. The savings from the 1998 GO bond proceeds will be used by Fire and Rescue for facility projects that meet the requirements of the 1998 voter authorization. The ECC project savings accrued to the Water and Facilities Services funds.

b) Project Oversight Committees

Each of the four projects is overseen by a citizen POC. Each POC reviewed and approved the quarterly reports sent to the ICC.

c) Projects

As of June 30, 2014, the Emergency Coordination Center project is complete. As of February 12, 2015, the Station 21 project is complete. The other two projects are on schedule and within scope. Except as specifically discussed below, the projects are progressing within budget.

2. Major Accomplishments

a) Apparatus

The purchasing procedures are complete for the quint apparatus. One fireboat is currently being painted while the second boat is undergoing sea trials. The fireboat contract was extended until May 30, 2015 to allow ample time for full project completion. The three tiller trucks are now ordered. Specifications for the rehab trucks are complete. Specifications for the fire engines are nearly complete.

b) Station 21

There were no accident/injuries reported on-site during the duration of the project. Credit should be given to Skanska's demonstrated safety program. To-date, at 100% complete, an estimated \$1,000,000+ can be returned to the program. This does not include the estimated \$80,000 in construction savings. Final accounting reports are pending. The artwork installation/catwalk screen "The Rippling Wall" was successfully constructed and installed in a collaborative effort between the project team and the artist David Franklin. The wood carving in the meeting room was part of the art installation. Also, similar fins to the screen were provided to PF&R to install on the dock gate to continue the theme.

c) Emergency Radio

The project is running smoothly, and the site work is just beginning on the 14 radio sites that will receive new equipment. Several items on the infrastructure are in progress:

- Microwave upgrades and changes in equipment to several sites.
- Tower and Antenna work, including the removal of obsolete equipment.
- Electrical power and air conditioning upgrades to several sites.
- Upgrade of buildings at two radio sites.

All Police portable equipment was distributed, work continues on the mobile distribution, and work has begun on Fire Bureau preparation and distribution of the Fire Portables.

The City and Federal Engineering consultants traveled to Motorola Headquarters in Schaumburg, Illinois in September to observe and sign off on the Staging Acceptance Test. Each step is signed off, and a document is signed at the end of the testing period. Once this step is complete, all equipment is then re-packaged and shipped to the City's receiving site. All site equipment was received and inventoried. Progress was made on the Gresham Butte (Walters Hill) site. A re-submission of the application has occurred and we are awaiting Gresham planning department's assessment of the completeness of the application.

d) Emergency Coordination Center

Complete.

3. Critical Issues and Risks

a) Apparatus

Deficiencies pertaining to the fire boat specifications were tentatively resolved. The contract for delivery of these boats was extended to through May 30, 2015. A definitive delivery date is not yet confirmed by the manufacturer, but as work progresses the timeline will become clearer. Performance and paint issues related to the fireboats were collaboratively addressed with the manufacturer and PF&R. The manufacturer has responded positively to correct any issues and concerns with the project. Decisions pertaining to the purchase of trucks, quints, combination rehab units and fire engines were made as above. This process is on-going as it pertains to the specifications of the additional types of apparatus.

b) Station 21

Although the project is on track for LEED Gold, targeting 63 overall credits, the final portion of the submittal has not been reviewed by LEED. After Skanska hired after hours security, there were no further vandalism problems. The tabs on the Ripples catwalk screen were improperly welded. The responsible subcontractor removed the screen and repaired the problem at their expense.

c) Emergency Radio

The timing is important to BOEC regarding installation of consoles, to BOEC's restrictions on scheduling any activities that impact Operations personnel schedules between mid-April and mid-September. We will be working with Motorola on a detailed implementation plan that will mitigate impacts to BOEC operations.

There is potential for impact on the project schedule and cost if the selected solution requires tower and cabling space at tower sites that are currently loaded to or near capacity. Since the City does not own all the

tower sites and towers that are used by the radio system, potentially some sites could be unavailable to the new system. The City is still evaluating and doing some maintenance work on radio sites. We are configuring a Scope of Work to allow evaluation of two towers in question.

Tower construction and site work at Walters Hill: Walters Hill was purchased by the City of Portland in 2011. It was known that the building on the site needed to be replaced and the telephone pole currently supporting the antennae at the site was inadequate for any future use. The City through a separate project managed by BTS has submitted land use permit applications to the City of Gresham. The initial application was deemed incomplete and BTS is working to provide other requested information by Gresham Planning and Development.

a) Emergency Coordination Center

Complete.

4. Upcoming Milestones

a) Apparatus

Finalize the ordering of approved apparatus and continue work of evaluating type and configuration of apparatus needs, specifically for the water tender and brush vehicles.

b) Station 21

The project close-out process is underway. The as-built drawings will be delivered to PF&R. Skanska is gathering applicable warranties in a binder for delivery to PF&R. Final commissioning will not occur until November 2015 to ensure that systems remain functioning as designed. The final accounting from Skanska will determine the amount of project savings returned to Owner. This will be captured as Change Order #10 as a credit to the project. The open house occurred on March 6, 2015. The dedication plaque is being fabricated. The remaining portion of the LEED submittal has yet to be delivered.

c) Emergency Radio

All engineering tasks are on schedule. We are currently revising / updating the schedule to adjust for equipment installation at each of the sites. During the 4th quarter of 2014, the equipment at sites and at BOEC Dispatch will continue to be installed. Projected first wave of installation and completion is March/April 2015. Rollout of mobile and portable radio units will continue.

d) Emergency Coordination Center

Complete.

4. Projected Completion Dates

Apparatus – Orders completed by September, 2015. Project completion to be determined, based on manufacturer timeline.

Emergency Radio – June 30, 2016

Dashboard

This table tracks and summarizes the progress of all four projects and POCs.

Key:



Green: On target, good



Yellow: Caution, objectives threatened



Red: Serious issues, corrective action needed



Up: Positive changes, outweigh negatives



Equal: No net change



Down: Negative changes, outweigh

	Prior Rating	Direction	Current Rating	Comments
Apparatus				<ul style="list-style-type: none"> Satisfactory progress continues on construction of the two fireboats. PF&R purchased one of the two leased quint apparatus and a second, custom designed quint was ordered. The lease on the second quint will continue until the new quint is delivered. Construction of the three tillered aerial trucks is underway. Specifications for the rehab/air/light units are complete. Pre-construction conference will occur in 1st quarter of 2015. The ordinance to proceed with the use of the H-GACbuy contract (a national cooperative contracting consortium) for the purchase of new fire engines will be presented to Council early 2015 to begin the ordering process. The specifications are in the final stage of review and approval. The ordinance process will take approximately six to eight weeks to complete.
Station 21				<ul style="list-style-type: none"> The project remains on schedule with construction at 100% complete. Substantial completion, which results in a certificate of occupancy, occurred November 21, 2014. All of the artwork components were installed.
Emergency Radio				<ul style="list-style-type: none"> Several items on the infrastructure are in progress: <ul style="list-style-type: none"> Microwave upgrades and changes in equipment to several sites. Tower and Antenna work, including the removal of obsolete equipment. Electrical power and air conditioning upgrades to several sites. Upgrade of buildings at two radio sites. All Police portable equipment was distributed, work continues on the mobile distribution, and work has begun on Fire Bureau preparation and distribution of the Fire Portables. The City and Federal Engineering consultants traveled to Motorola Headquarters in Schaumburg, Illinois in September to observe and sign off on the Staging Acceptance Test. Each step is signed off, and a document is signed at the end of the testing period.
Emergency Coordination Center				<ul style="list-style-type: none"> Complete