

A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL REGULAR MEETING
DATE: March 02, 2006
DAY: Thursday
TIME: 2:00 PM
PLACE: Damascus Chamber, 19920 SE Hwy 212

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATIONS

3. CONSENT AGENDA

3.1 Consideration of Minutes for the February 23, 2006 Metro Council Regular Meeting.

4. RESOLUTIONS

4.1 **Resolution No. 06-3672**, For the Purpose of Submitting to the Voters of the Metro Area a General Obligation Bond Indebtedness in the Amount of \$220 Million to Fund Natural Area Acquisition and Water Quality Protection. McLain

5. CONTRACT REVIEW BOARD

5.1 **Resolution No. 06-3673**, For the Purpose of Authorizing the Auditor to Release a Request for Proposals and Execute a Contract for Independent Audit Services for Financial Activity during Fiscal Years through June 30, 2008. Hosticka

6. CHIEF OPERATING OFFICER COMMUNICATION

7. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for March 2, 2006 Metro Council meeting

Held at Damascus City Hall

Clackamas, Multnomah and Washington counties, and Vancouver, Wash. Channel 11 -- Community Access Network www.yourtv.org -- (503) 629-8534 No live broadcast	Portland Channel 30 (CityNet 30) -- Portland Community Media www.pcmtv.org -- (503) 288-1515 8:30 p.m. Sunday, March 5 2 p.m. Monday, March 6
Gresham Channel 30 -- MCTV www.mctv.org -- (503) 491-7636 2 p.m. Monday, March 6	Washington County Channel 30 -- TVC-TV www.tvctv.org -- (503) 629-8534 11 p.m. Saturday, March 4 11 p.m. Sunday, March 5 6 a.m. Tuesday, March 7 4 p.m. Wednesday, March 8
Oregon City, Gladstone Channel 28 -- Willamette Falls Television www.wftvaccess.com -- (503) 650-0275 Call or visit website for program times.	West Linn Channel 30 -- Willamette Falls Television www.wftvaccess.com -- (503) 650-0275 Call or visit website for program times.

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.

Agenda items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington, (503) 797-1542. Public hearings are held on all ordinances second read and on resolutions upon request of the public. Documents for the record must be submitted to the Clerk of the Council to be considered included in the decision record. Documents can be submitted by e-mail, fax or mail or in person to the Clerk of the Council. For additional information about testifying before the Metro Council please go to the Metro website www.metro-region.org and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

MINUTES OF THE METRO COUNCIL MEETING

Thursday, February 23, 2006
Hillsboro Civic Center Chamber

Councilors Present: Carl Hosticka (Deputy Council President), Susan McLain, Robert Liberty, Rex Burkholder, Rod Park, Brian Newman

Councilors Absent: David Bragdon (excused)

Council President Bragdon convened the Regular Council Meeting at 5:01 p.m.

1. INTRODUCTIONS

Deputy Council President Hosticka introduced Mayor Rob Drake, City of Beaverton.

2. CITIZEN COMMUNICATIONS

There were none.

3. CONSENT AGENDA

3.1 Consideration of minutes of the February 9, 2006 Regular Council Meetings.

3.2 **Resolution No. 06-3660**, For the Purpose of Confirming the Appointments of Malek Hall and Virginia Bruce to the Metro Committee for Citizen Involvement (MCCI).

Motion:	Councilor Newman moved to adopt the meeting minutes of the February 9, 2006 Regular Metro Council and Resolution No. 06-3660.
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Vote:	Councilors Burkholder, McLain, Liberty, Park, Newman, and Deputy Council President Hosticka voted in support of the motion. The vote was 6 aye, the motion passed.
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3.3 **Resolution No. 06-3671**, Authorizing the Refinancing of an Oregon Bond Bank Loan and the Issuance of Full Faith and Credit Refunding Obligations.

Motion:	Councilor McLain moved to adopt Resolution No. 06-3671
Seconded:	Councilor Newman seconded the motion

Michael Jordan provided a summary of the resolution. Councilor McLain explained why she asked this to be taken off the consent agenda.

Vote:	Councilors Park, Burkholder, Newman, McLain, Liberty, and Deputy Council President Hosticka voted in support of the motion. The vote was 6 aye, the motion passed.
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4. ORDINANCES – SECOND READING

4.1 Ordinance No. 06-1110A, For the Purpose of Amending Title 11 (Planning For New Urban Areas) of the Urban Growth Management Functional Plan to Facilitate the Siting of Certain Public Uses in New Urban Areas.

Motion:	Councilor McLain moved to adopt Ordinance No. 06-1110A.
Seconded:	Councilor Newman seconded the motion.

Councilor McLain introduced the ordinance and asked Dick Benner, Senior Metro Attorney, to provide additional information on the ordinance. Mr. Benner provided a detailed explanation of the ordinance and explained this was for the purpose of siting a school facility.

Councilor Burkholder expressed his concern about Washington County’s perspective. Mr. Benner responded to his questions. Councilor McLain provided further information on the code change. Mr. Benner said both Metro Technical Advisory Committee (MTAC) and Metro Policy Advisory Committee (MPAC) reviewed the ordinance and recommended adoption.

Deputy Council President Hosticka opened a public hearing on Ordinance No. 06-1110A

Commissioner John Leeper 155 N. First Avenue Hillsboro OR 97124 said he strongly encouraged the Council to approve the ordinance, there was a strong need for school sites. The Washington County staff had worked with Metro staff and the Beaverton School District to come up with this change.

Brent Curtis, Washington County Planning Manager, 155 N. First Avenue Hillsboro OR 97124 said they appreciated the help they had received from the Chief Operating Officer and Councilor McLain. They thought these amendments would be beneficial to the Bethany area. He felt this ordinance would also be helpful to other new areas that were being planned. Washington County was also planning to support the change.

Councilor Burkholder talked about local jurisdiction concerns beyond school sitings. He wanted to make sure that Washington County felt that this would not create problems in the future. He expressed his fears about the possible outcomes and repercussions. Mr. Curtis said they were in agreement to protect the land while you did planning. He felt they enjoyed good working relationships with all of the other jurisdictions in Washington County and that there was a willingness to talk about the impact of the ordinance. They needed the Beaverton School District to participate in the planning. They had done a degree of due diligence. They still had to do a concept plan and detailed community plan. This was about creation of lots. Their intent was to protect the site while they did planning.

Councilor Park said this would allow public facilities to buy property before planning was done. This didn’t preclude the School District building somewhere else. Mr. Curtis said that was a fair characterization. They were implementing land that had already been brought into the boundary. This did not have to do with Exclusive Farm Use (EFU) land. He spoke to concept planning. Commissioner Leeper said this would be for school sites within North Bethany. Mr. Curtis said this was the natural evolution of a well-intended policy.

Bud Moore, Beaverton School District, 16650 SW Merlo Rd Beaverton OR 97006 thanked Council for their consideration. The district had high growth impacts. They had a comprehensive plan for a school site. The district was also aware of their need to provide education to families.

He spoke to the identification of school sites and the need to accommodate students. They had seen increasing growth in the Bethany area. The district encouraged Council to pass the ordinance.

Jan Youngquist Facilities Planning Manager 16650 SW Merlo Rd Beaverton OR 97006 for the Beaverton School District said she had spoken with the Council four years ago about the need. She said this provided an opportunity for public facilities.

Deputy Council President Hosticka closed the public hearing.

Councilor Liberty asked Mr. Benner about land within the boundary and EFU land. Mr. Benner responded to his question.

Councilor McLain urged an aye vote. Councilor Burkholder cautioned that we needed to monitor what happened because the ordinance could be interrupted in a much broader way.

Vote:

Councilors Park, Burkholder, McLain, Newman, Liberty and Deputy Council President Hosticka voted in support of the motion. The vote was 6 aye, the motion passed.

5. RESOLUTIONS

5.1 Resolution No. 06-3658, For the Purpose of Adopting the Recommendations of the Highway 217 Corridor Transportation Plan.

Motion:	Councilor Hosticka moved to adopt Resolution No. 06-3658
Seconded:	Councilor Burkholder seconded the motion

Councilor Hosticka said what this resolution had to do with the adoption the Hwy 217 study recommendations. He noted the review that had occurred prior to coming to Council.

Deputy Council President Hosticka opened a public hearing on Resolution No. 06-3658.

Mayor Drake, City of Beaverton, 4755 SW Griffith Drive PO Box 4755 Beaverton OR 97076 said he was here on behalf of the Hwy 217 Policy Advisory Committee (PAC) chair. He provided a history of the committee and the process of the study. He provided a brief background on Hwy 217. He noted that Hwy 217 was the only north south facility in Washington County. It served both Beaverton and Washington Square regional centers as well as town centers in the area. He said that the Westside Economic Alliance was in support of the recommendations. Vehicle and transit travel had grown tremendously. There was a need for additional capacity on this roadway. Hwy 217 had been identified as a roadway, which needed improvement. He spoke to the composition of the Policy Advisory Committee. He provided a summary of the recommendations from the Committee and some specifics on the toll lane issue.

Councilor Liberty said he was concerned about this project and its cost. He asked Mayor Drake, if he had 500 million dollars to spend would he spend it on this project? Mayor Drake said he would consider this as a critical project. He felt there was need for major road improvements. Councilor Liberty shared his concerns about what the study did not do. He felt the money would deliver 3.5 minutes of savings. He said, we didn't have enough money to pay for all of the road projects. A project of this scale had to be compelling. Mayor Drake recognized that it was a lot of money. He also recognized that everyone had a different view of the quality of life. He listened intently about

disruption of industry. He noted facts that the Westside Economic Alliance had provided on this facility and impacts on industry. Councilor Liberty asked Mayor Drake if there was a cheaper solution and if the Mayor felt this was the best project for the money. Mayor Drake said there was no other identified solution for this area. He wished there were other alternatives.

Councilor Newman talked about impacts on regional and town centers. He asked Mayor Drake if improvements to Hwy 217 would hurt or help the regional center. Mayor Drake felt it would help. He noted Max lines, which were already full. With two regional centers close together and a possible third center developing, it made it even more important to have the Hwy 217 improvements.

Richard Brandman, Deputy Planning Director, elaborated on the recommendations of the committee (a copy of which is included in Exhibit A). Councilor Liberty asked about arterials that were studied. Mr. Brandman responded to his question. Bridget Wiegart, Planning Department, provided details on the transit option recommendations included in Exhibit B. She noted the change that the Joint Policy Advisory Committee on Transportation (JPACT) had concerning the PAC recommendations. Councilor Liberty asked about net increases in congestion if Option A or B were considered. Ms. Wiegart responded to his question. Councilor Liberty asked about construction congestion. Mr. Brandman responded to his question.

Commissioner Dick Schouten, 155 N First Hillsboro OR 97124 said he felt Mayor Drake covered the main points. He felt this highway project needed to be included in the State Transportation Plan (STP) funding. The best information they had was this project was worth going forward on. It was a lot of money but this area was one of the most important economic units in the State. He recommended going forward with the recommendations.

Steven Clark talked about the need for improvement of Hwy 217 and the future growth, which was higher than predicted. This was also about the opportunity to study toll roads, changing public attitudes, trust, confidence, and an opportunity to revise the Regional Transportation Plan (RTP). He spoke to the beginnings of a regional economic strategy. He asked that we trust in each other to do the right thing. Councilor Liberty asked a clarifying question. Mr. Clark said we needed to advance the full evaluation of opportunities. He suggested talking about the RTP and the corridor studies that were underway. They were asking for complete evaluation.

Frank Angelo, Hwy 217 PAC, 6205 SW Main Suite 201 Portland OR 97205 thanked Councilors Hosticka and Bragdon as well as Metro staff. The Westside Economic Alliance supported the recommendations before Council. Hwy 217 was a critical link on the west side of the region. He spoke to economic benefits to the region. He noted the need for access. The study was comprehensive. He also talked about current neighborhood impacts. There was a sense of urgency and project development took a long time.

John Kave, Tektronix, 8236 SW 54th Portland OR 97219 said he was a member of Hwy 217 PAC. He thanked Metro for the opportunity to be part of the committee. He reaffirmed the recommendations of the Committee.

Jim Howell, Association of Oregon Rail and Transit Advocates, noted that there was no known opposition to the project. He disagreed with that statement. He felt that it was time that the RTP be brought into the 21st century. He talked about public transportation projects in Washington County that hadn't been looked at by Metro. Councilor Burkholder asked Mr. Howell what piece of the project he was opposed to. Mr. Howell said he did not support the five lanes of arterials. Councilor Burkholder said there were bicycle and transit recommendations in the study.

Councilor Hosticka said all of the studies assumed that commuter rail would be built. Mr. Howell responded that he felt commuter rail should be accessible full time. He also suggested other light rail, commuter rail, and bus lines projects.

Mary Ann Schwab, 605 SE 38th Portland OR 97214 said there was a regional need on the other side of the river. She felt strongly about the lack of known opposition. She noted those individuals who had provided testimony to PAC. She felt we could not afford this project in today's economy. She suggested bicycle pedestrian options weren't in the picture. She urged looking at public transportation as an alternative.

Terry Parker, PO Box 13503 Portland OR 97213 provided a summary of his written testimony (a copy of which is included in the record).

Pavel Goberman, PO Box 1664 Beaverton OR 97025 said he was concerned about the constitution. He said as a U.S. House of Representative candidate he would improve highways. It needed to be taking care right now. He was against funding this project.

Jonathan Schlueter, Executive Director of the Westside Economic Alliance, 10220 SW Nimbus Tigard OR 97223 provided his support for the resolution. He also noted an email he had provided to Council from Jack Reardon (a copy of which is included in the meeting record). He said Washington County was growing very fast. He talked about a reverse commute in Washington County. He said the Cost of Congestion study indicated the need to fix the transportation needs. He noted what we stood to lose if we didn't fix the transportation problem. The cost was apparent if we didn't improve our transportation system. Councilor Liberty asked about effects of congestion. Mr. Schlueter said this was their major artery on the west side. Councilor Liberty suggested putting the money where it did the most good. Mr. Schlueter said they had done no improvements in this area for 30 years. It was time to find the resources. Councilor Hosticka noted that increasing congestion also imposed costs.

Deputy Council President Hosticka closed the public hearing.

Councilor Burkholder said they needed to look at new ways of how we move around. He wanted to accept the report and recommendations but also recognizing that we were beginning to update the RTP. This was one of many projects being proposed with limited funds. He spoke to long-term challenges including the price of oil. He encouraged citizen involvement in the RTP update.

Councilor Liberty asked staff about jobs and housing growth and if it was a part of the Hwy 217 corridor study. Mr. Brandman said that was not part of the study. Councilor McLain talked about the past 15 years of RTP review and noted that this was part of an integrated plan.

Councilor Newman thanked Metro staff for their efforts. He was in support of this project. He also supported good transit projects. He supported balanced highway and transportation projects. Hwy 217 was never built to handle the capacity it was now handling.

Councilor McLain said she would support the acceptance of this report. This was not by itself complete. The RTP was the broader picture. What they were voting on tonight was only a piece of the entire RTP. We have to continue with all pieces of work and integrate these into the RTP. She felt they had reviewed all of the pieces of the study. She urged support.

Councilor Park said Hwy 217 was part of the regional network and included moving freight. He understood Councilor Liberty's concerns. We needed to keep moving ahead. He would be voting in favor of the resolution.

Councilor Liberty said the review of the project had yielded many issues. He felt they needed to have a good set of criteria to evaluate projects. He said they had to make some choices because of limited funding. Finally, he asked, what role does the Council play? It was Council's decision. He felt Council needed to be more involved in identifying the criteria. He provided a memo concerning the project problem statements, evaluation criteria and alternatives (a copy of which is included in the meeting record). He then spoke to the Hwy 217 project. He was not categorically opposed to widening Hwy 217. He wasn't sure congestion would be solved. He felt spending a half billion dollars to save 3.5 minutes didn't pencil out. He was glad tolling was being studied but it only paid for 42% of the project. For those reasons he could not support the resolution.

Councilor Park said staff was here to prepare options for the Council. He said Council did approve the criteria.

Councilor McLain said this was a perfect example that public policy work goes on for years. This Council or former Councils had considered many issues that had been raised at this meeting. She said they had a commitment to looking at the entire system.

Deputy Council President Hosticka said serving on this committee had been an eye opener for him, unless we change how we fund projects. We have to start doing things differently. He appreciated Councilor Liberty's points.

Vote:

Councilors Park, Burkholder, Newman, McLain, and Deputy Council President Hosticka voted in support of the motion. The vote was 5 aye/1 nay, the motion passed with Councilor Liberty voting no.

5.2 **Resolution No. 06-3672**, For the Purpose of Submitting to the Voters of the Metro Area a General Obligation Bond Indebtedness in the amount of \$220 million to fund Natural Area Acquisition and Water Quality Protection.

Motion:	Councilor McLain moved to adopt Resolution No. 06-3672.
Seconded:	Councilor Newman seconded the motion

Councilor McLain introduced that the resolution. She noted a slide show for the public on this issue. They had already had 25 to 30 outreach meetings already. She noted the three major elements (details of this elements are included in Exhibit A). She noted that this was a willing seller program. She talked about partnerships with the public and private sector. She spoke to the 1995 Bond Measure and its successes. She said the public support and the volunteerism was extraordinary. She provided details on some of the properties that Metro had purchased from the previous bond measure. She spoke to the investment for future generations.

Jim Desmond, Regional Parks and Greenspaces Director, provided a power point presentation (a copy of which is included in the meeting record) on some of the facts on what the measure contains. He spoke to need for natural area protection. He talked about disappearing habitat and the threats to water quality. He reiterated the elements of the proposed bond measure, which was to preserve habitat. The proposal would continue the success of the 1995 bond measure.

Deputy Council President Hosticka opened a public hearing on Resolution No. 06-3672.

D Laine Young PO Box 966, Beaverton OR 97075 said she was excited about the opportunity to have some local share and the grant program. She talked about a missed opportunity. She said there was 55 acres, which had been designed as open space but never made it on the list to become a park. Now 76% of this area was built out and would not be available for a park. She said the area could have been restored as a natural area. They looked forward to having local share opportunities. She talked about Wapato Lake. She wanted to see money concentrated in areas that were being developed.

Commissioner Schouten had served on Greenspaces Policy Advisory Committee (GPAC). His comments were related to the Commissioners' discussion. They were still considering the proposal. They would prefer projects that were less controversial versus more controversial. They preferred projects that were closer into population centers. They would also prefer target areas that were more eminent to the threat of development. He felt positive about the Rock Creek area. There were very strong benefits for clean water. They also thought Cedar and Chicken Creek watershed areas were worth doing. They also supported trail corridors. It was important to realize that what we were doing here was an important investment. The natural resources, in our region, were part of the region's greatest assets.

Councilor Burkholder asked how Clean Water Service program would coordinate with this program. Commissioner Schouten felt there should be partnership. Clean Water Services could provide funding for immediate needs.

Councilor Liberty asked Commissioner Schouten about the board's discussion on the neighborhood grant program. Commissioner Schouten said they had not had a lot of discussion on that particular issue but would be discussing this in the future.

Councilor Park asked if the Commission had a position on Wapato Lake. Commissioner Schouten said he felt that the Commission opposed the Wapato Lake area but they would be having a larger discussion this next week about that area. He added that they were weary of target areas where there were a small number of property owners.

Edmund Duyck, said he represented Washington County Farm Bureau, 2020 SW 235th Hillsboro OR 97123, himself and Mr. VanderZanden. He urged keeping the farm in private ownership. A copy of his comments was included in the meeting record. He then spoke to Bob VanderZanden's comments. He was on a State committee to pay the farmer for habitat improvements.

Sue Marshall, Tualatin River Keepers, 12360 SW Main Tigard OR 97223 provided her comment in writing and summarized those comments. She thanked the Council for the public opportunities to learn about the bond measure. Councilor Liberty asked about Wapato Lake and the wildlife habitat. Ms. Marshall said Wapato Lake was important because of its wildlife habitat. Councilor Liberty asked what Ms. Marshall thought about paying the farmer for habitat improvement. Ms. Marshall responded to his question and suggested that Clean Water Services could provide some of those funds. Councilor Park talked about Wapato Lake being one of the important agricultural areas. Ms. Marshall said they wanted to support local agriculture.

Tom Wolf, 22875 NW Chestnut Hillsboro OR 97124 had three points. He was torn because he saw the value for protecting Wapato Lake but felt the money should be used for Rock Creek Basin. He said Wapato Lake recharged the system. The floodplain kept the temperature of the stream cool enough for fish. He felt there were willing farm sellers in the Wapato Lake. Councilor Liberty asked if the farmers in the Wapato Lake area were willing to sell. Mr. Wolf

said he had talked with some that were willing to sell because there was no market for their product. Councilor Park talked about urbanization versus environmental issues in the Wapato Lake.

John Driscoll, 14909 NW Covey Rd North Plains OR 97133 commented on the areas Metro had already acquired. He felt these areas had been great opportunities for children to learn about restoration. He felt acquisition outside the Urban Growth Boundary (UGB) provided opportunities for people to go outside the UGB.

Mary Ann Schwab, 605 SE 38th Portland OR 97124 asked about where the boundary was in relations to the proposed target areas. She would support the bond measure. She asked if she could use public funds to inventory and purchase public schools to preserve our trees and school openspaces. Dan Cooper, Metro Attorney, said no, they could not use these funds for those purposes.

Kathleen Newman, Audubon Society, 1553 NE Greenwood Drive Hillsboro OR 97124 said much of what she wanted to say had already been said. We needed to preserve what we have. The growth rates were mind-boggling. She talked about the view scape as you drive out of the city. Part of being an Oregonian was being in touch with the natural environment. She would like to see the properties along the ridges considered. She talked to the balance in the measure and that it looked about right. She supported the acquisition of Wapato Lake. She felt it could be a good ecotourism attraction. Oregonian were good stewards of their environment.

Dan Bloom, Orenco Neighborhood Organization, 815 NW 229th Hillsboro OR 97124 said he was in support of the bond measure. He felt the bond measure was good for asset based planning instead of market based planning. He wondered about the local share monies.

Councilor Liberty added his comments about the local share money.

Deputy Council President Hosticka closed the public hearing. The resolution would be heard again in Damascus at 2:00 p.m.. He asked Mr. Desmond about the map. Mr. Desmond said the map was changed at the request of the Council President to clarify some confusion in Washington County. Jim Morgan, Regional Parks and Greenspaces Department, said the other change was in the description on the back of the map. Councilor Newman asked that there be transparency when there were map changes. He asked about Scouter Mountain. Mr. Desmond said Scouter Mountain would be part of east buttes target area. He said in the referral of the measure they had identified proposed target areas. The Metro Council would consider acquisition after the bond measure passed. Councilor Liberty asked if Patton Valley was reviewed. Mr. Morgan said they had looked at Patton Valley. This was not included as a target area and explained why. Councilor Park clarified that the Wapato Lake area was never envisioned to be that large. He appreciated the staff's work. He asked if there were any other areas they should be sensitive to. Mr. Desmond said every one of the areas was drawn larger than what they would buy. They were trying to be broad rather than too precise. He also noted that the Damascus area was drawn larger as well. Deputy Council President Hosticka commented on the map and that it was label as recommended by the Blue Ribbon Committee.

6. CHIEF OPERATING OFFICER COMMUNICATION

Michael Jordon, COO, said he had nothing to day.

7. COUNCILOR COMMUNICATION

There were none.

8. ADJOURN

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 8:50 p.m.

Prepared by

Chris Billington
Clerk of the Council

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF FEBRUARY 23, 2006

Item	Topic	Doc Date	Document Description	Doc. Number
3.1	Minutes	2/9/06	Metro Council Meeting Minutes of February 9, 2006	022306c-01
4.1	“A” version	2/23/06	Ordinance No. 06-1110A , For the Purpose of Amending Title 11 (Planning For New Urban Areas) of the Urban Growth Management Functional Plan to Facilitate the Siting of Certain Public Uses in New Urban Areas.	022306C-02
5.1	Memo	2/23/06	To: Metro Council From: Robert Liberty Re: Project Problem Statement, Evaluation Criteria and Alternatives	022306c-03
5.1	Fact sheet	2005	To: Metro Council From: Jonathan Schlueter, Executive Director of the Westside Economic Alliance Re: The Cost of Congestion to the Economy of the Portland Region	022306c-04
5.1	Written Testimony	2/23/06	To: Metro Council From: Terry Parker Re: Testimony concerning Hwy 217	022306c-05
5.1	Email	2/23/06	To: Bridget Wieghart, Planning Department and Rob Drake, Mayor of Beaverton From: Ray Reardon Re: Hwy 217 proposal	022306c-06
5.2	Testimony	2/23/06	To: Metro Council From: Sue Marshall, Tualatin River Keepers Re: 2006 Metro Greenspaces Bond Measure	022306c-07
5.2	Report	June 1983	To: Metro Council From: Sue Marshall, Tualatin River Keepers Re: Streambank Erosion Control Project Upper Tualatin River	022306c-08
5.2	Testimony	2/23/06	To: Metro Council From: Edmund Duyck, Washington County Farm Bureau Re: Proposed 2006 Parks Bond Measure	022306c-09
5.2	Power Point Presentation	2/23/06	To: Metro Council From: Jim Desmond, Regional Parks and Greenspaces Director Re: 2006 Proposed Bond Measure Power Point Presentation	022306c-10

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF SUBMITTING TO THE) RESOLUTION NO. 06-3672
VOTERS OF THE METRO AREA A GENERAL)
OBLIGATION BOND INDEBTEDNESS IN THE)
AMOUNT OF \$220 MILLION TO FUND)
NATURAL AREA ACQUISITION AND WATER) Introduced by Metro Council
QUALITY PROTECTION) President David Lincoln Bragdon

WHEREAS, the Metro Council has taken a leadership role in identifying remaining natural areas in the Metro Area and planning for their protection; and

WHEREAS, in May 1995 voters in the Metro Area approved a \$135.6 million Open Spaces, Parks and Streams Bond Measure (1995 Open Spaces Bond Measure) with a stated goal of acquiring land in 14 of the 57 regional natural areas identified in the Greenspaces Master Plan and six of the 34 regional trails and greenways identified in the Greenspaces Master Plan; and

WHEREAS, the implementation of the 1995 Open Spaces Bond Measure has been successfully completed and the Metro Council has acquired, to date, over 8,100 acres (3,278 hectares) of open spaces in 14 target areas and 6 trails and greenways, and has protected 74 miles (119 kilometers) of stream and river frontage, greatly surpassing the 6,000-acre (2,428 hectares) minimum acquisition goal identified in the 1995 Open Spaces Bond Measure; and

WHEREAS, the 1995 Open Spaces Bond Measure was never intended to acquire all of the natural areas in the Metro Area identified as needing protection, and with human population growth continuing to occur, there is an urgent need to acquire additional natural areas to provide opportunities for outdoor recreation, to protect air and water quality, and to preserve fish and wildlife habitat; and

WHEREAS, the Metro Policy Advisory Committee (MPAC), composed of officials representing the Metro Area’s local governments, adopted a “Vision Statement” in 2000 to enunciate the Metro Area’s commitment to improve the ecological health of the Metro Area’s fish and wildlife habitat; and

WHEREAS, on April 25, 2001, MPAC unanimously adopted the Final Report of its Parks Subcommittee, which, among other things, noted the need for additional land acquisition for parks and open spaces beyond the scope of the 1995 Open Spaces Bond Measure; and

WHEREAS, on December 9, 2004, the Metro Council adopted Resolution No. 04-3506A, “For the Purpose of Revising Metro’s Preliminary Goal 5 Allow, Limit, or Prohibit Decision; and Directing the Chief Operating Officer to Develop a Fish and Wildlife Habitat Protection and Restoration Program That Relies on a Balanced Regulatory and Incentive-Based Approach,” in which the Metro Council resolved to develop and take before the voters by November 2006 an open spaces acquisition bond measure that included authorization to acquire regionally significant fish and wildlife habitat from willing sellers; and

WHEREAS, on May 12, 2005, the Metro Council adopted Resolution No. 05-3574A “Establishing a Regional Habitat Protection, Restoration and Greenspaces Initiative Called Nature In Neighborhoods” (“Nature In Neighborhoods Initiative”); enacting a regional conservation policy that promotes a consistent and effective level of region-wide habitat protection using a variety of means, including acquisition of critical fish and wildlife habitat from willing sellers and restoration of key wetland, streamside and upland sites; and

WHEREAS, the Nature In Neighborhoods Initiative specifically called for the Metro Council to place a bond measure before the voters in November 2006 that would create a funding source to acquire critical fish and wildlife habitat from willing sellers in the urban area; and

WHEREAS, on September 29, 2005, the Metro Council adopted Resolution No. 05-3612, “For the Purpose of Stating An Intent to Submit to the Voters the Question of the Establishment of a Funding Measure to Support Natural Area and Water Quality Protection and Establishing a Blue Ribbon Committee; and Setting Forth the Official Intent of the Metro Council to Reimburse Certain Expenditures Out of the Proceeds of Obligations to be Issued in Connection with the Regional Parks and Greenspaces Program,” stating the Metro Council’s intent to submit to the voters of the Metro Area a general obligation funding measure to protect habitat, river and stream frontages and natural areas, through land acquisition, restoration, and enhancement, and establishing a Blue Ribbon Committee to make specific recommendations to the Metro Council regarding aspects of the bond measure program, said bond measure to be included on either the primary or general election ballot no later than November 2006; and

WHEREAS, the Blue Ribbon Committee returned its report to the Metro Council on December 8, 2005, recommending that the Metro Council undertake \$220 million in bond indebtedness to protect habitat, river and stream frontages and natural areas through acquisition, restoration, and enhancement; provide \$44 million to cities, counties and local park providers for acquisition, restoration, and enhancement of habitat, river and stream frontages and natural areas; and create a \$11 million Nature in Neighborhoods Capital Grants Program Fund; and

WHEREAS, the Metro Council is authorized under the laws of the State of Oregon and the Metro Charter to issue bonds and other obligations for the purpose of providing long-term financing for natural area protection; now therefore

BE IT RESOLVED by the Metro Council that:

1. The Metro Council hereby submits to the qualified voters of the Metro Area the question of contracting a General Obligation Bond indebtedness of \$220 million for the purposes of preserving natural areas and stream frontages, maintaining and improving water quality, and protection of fish and wildlife habitat, through acquisition, protection, restoration, and enhancement of natural areas and stream frontage, including \$44 million to be distributed to cities, counties and local park providers for said purpose, and a \$11 million Local Opportunity Grant Fund to be provided to local organizations and public entities for land acquisition and projects that protect and enhance natural resources in the urban environment, as further set forth in the attached Exhibit A – 2006 Natural Areas Bond Measure (the “Bond Measure”); Exhibit B – Local Share Guidelines-2006 Bond Measure (the “Local Share Guidelines”); and Exhibit C – Nature in Neighborhoods Capital Grants Program Detail (the “Nature in Neighborhoods Capital Grants Fund Detail”);
2. No Bond Measure funds shall be used to condemn or threaten to condemn land or interests in land, and all acquisitions of land or interests in land with Bond Measure funds shall be on a “willing seller” basis;
4. The Metro Council hereby certifies the Ballot Title attached as Exhibit D for placement of the Bond Measure on the ballot for the November 7, 2006 General Election;

5. The Metro Council authorizes and directs the Metro Chief Operating Officer to submit this Resolution and the Ballot Title to the County Elections Officers, the Secretary of State, and the Tax Supervising and Conservation Commission in a timely manner as required by law; and
6. The Metro Council authorizes and directs the Metro Chief Operating Officer to submit this Bond Measure, the Ballot Title, and the Explanatory Statement attached as Exhibit E to the County Elections Officers for inclusion into the affected counties' voters' pamphlets for the November 7, 2006 General Election.

ADOPTED by the Metro Council this _____ day of _____, 2006.

David Lincoln Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

**Resolution No. 06-3672
Exhibit A**

2006 NATURAL AREAS BOND MEASURE

Purpose and Intent

The Metro Council's proposed 2006 Natural Areas Bond Measure is designed to build on the successful conservation efforts of the past by renewing the region's ability to protect critical headwaters, rivers, streams, and forests through continued land acquisition. Protection of these natural areas throughout the greater Portland metropolitan region will help safeguard critical groundwater and drinking water resources, water quality, and important fish and wildlife habitat for the future. The proposed 2006 Natural Areas Bond Measure conserves the region's most valuable natural resources such as clean air and water while helping to manage growth and maintain the region's heralded quality of life for future generations.

In 1995, the voters of the Portland metropolitan region created a model program for protecting the area's most significant natural areas, fish and wildlife habitat and lands near rivers and streams. By approving a \$135.6 million Open Spaces, Parks and Streams Bond Measure, voters directed Metro to protect these places for future generations and embarked on a significant new partnership among landowners, neighbors, businesses and governments to achieve the program's goals. Today these protected areas total more than 8,100 acres and include approximately 74 miles of stream and river frontage that benefit fish and wildlife and offer important natural buffers from development to protect water quality.

Metro's 1995 Open Spaces, Parks and Streams Bond Measure was the result of nearly a decade of intensive regional planning, public involvement and debate. The basis for the land acquisition program is founded in the 1992 Metropolitan Greenspaces Master Plan, which was adopted by the Metro Council along with all 24 local cities and three counties within Metro's jurisdiction. At that time it was noted that many significant natural areas, wildlife habitat and water quality protection needs would not be met with the limited amount of bond funds available in the 1995 measure. Additional efforts would be required in the future to fulfill the vision of an interconnected system of parks, natural areas, trails and greenways described in the 1992 Metropolitan Greenspaces Master Plan. Current growth projections make this effort all the more critical today than it was a decade ago. The proposed 2006 bond measure will allow the region to continue that effort toward protecting water quality and fish and wildlife habitat for generations to come.

Metro's 2006 Natural Areas Bond Measure

The proposed bond measure consists of three basic elements:

- Regional natural area and greenway acquisitions in the amount of \$165 million dollars
- Local acquisition and natural area improvements in the amount of \$44 million dollars
- Grants for neighborhood habitat protection projects in the amount of \$11 million dollars

Regional Natural Area and Greenway Acquisitions

More than 40 scientists and natural resource experts from around the region helped Metro staff identify the proposed target areas for regional natural area and greenway acquisition. The criteria for selecting these areas are based on ecological principles established by decades of collaborative natural resource protection work in the region and rooted in the 1992 Metropolitan Greenspaces Master Plan, Regional Greenspaces System Concept Map (adopted 2002), the Regional Trails Plan Map (adopted 2002) and the

Nature in Neighborhood Map (Fish & Wildlife Habitat Protection Program, Resource Classification Map).

Regional Target Area Selection Criteria

- Water Quality: Contributes to the protection of watersheds and water quality
- Habitat Value: Supports a diversity of plant and animal life
- Rarity: Reflects the relative rarity of an ecosystem or possesses unique natural features
- Parcel Size: Sustains fundamental biological features
- Restoration Potential: Provides opportunities for restoration action
- Connectivity: Links stream and wildlife corridors, existing parks, natural areas and trail systems
- Scenic Resources: Protects views to and from the visual resources representative of the region's natural and cultural landscapes
- Public Access: Provides opportunities for nature-based recreation activities near where people live.

Target area boundaries are conceptual only and are much larger in scale than the Metro Council would be able to purchase completely. Using a process similar to that conducted after the passage of the 1995 bond measure, called refinement, Metro will work with citizens, scientists and similar experts, neighbors, and others from around the region to gather additional information about each individual target area and begin zeroing in on particular parcels that would be valuable to acquire. The Metro Council will set forth guidelines allowing staff to begin acquiring properties from “willing sellers” based on these publicly refined target area plans. Metro shall not exercise its powers of eminent domain in the implementation of this bond measure.

Regional Target Areas

Despite the successful implementation of Metro's 1995 Open Spaces, Parks and Streams Bond Measure, many critical lands still remain in need of protection to preserve our region's water quality, fish and wildlife habitat, facilitate healthy biological functions and promote effective land management. The 2006 Natural Area Bond Measure is designed to conserve a regional system that maximizes connectivity. It establishes new priority target areas for protection by incorporating some of the target areas established in the 1995 bond measure and adding new areas that have been identified as priorities during the past decade.

Damascus and East Buttes. The remaining undeveloped wooded slopes of extinct lava domes in our eastern metropolitan region provide opportunities to protect water quality and large areas for wildlife habitat and wildlife corridors from the outer reaches of the Cascades to the inner Portland urban area. Panoramic vistas east and south from the butte tops provide stunning views of valleys, farmland and the Cascades. The forested buttes frame the valleys, create a unique geography for local residents and provide welcome visual relief from surrounding land uses. Expansion of the urban growth boundary in and around Damascus presents a sense of urgency to preserve these features.

Deep Creek and Tributaries. The intact, steeply wooded slopes of Deep Creek canyon in eastern Damascus hold some of the largest contiguous wildlife habitat remaining in the region. The creek's sweeping alignment serves as the principal corridor connecting the Clackamas River to habitat areas within the more urbanized portions of the county. The corridor includes the Cazadero Trail that will link Gresham, Barton and public lands in the area. It will also complete the Springwater Corridor from downtown Portland to Barton.

Clackamas River Bluffs and Greenway. Clackamas River Bluffs represent the last remaining opportunity to protect a large regional park site within this rapidly developing portion of Clackamas

County. Uncommon habitat types in this area, resulting from wet and dry conditions in close proximity, create a rich diversity of plant and animal habitats (e.g., oak, madrone, and fir mixed into side canyons of cedar). The site also abuts the Clackamas River North Bank Greenway from Barton Park to Clackamette Park and provides an important link to the lower river and the developing communities of Damascus and Happy Valley.

Clear Creek. Supporting the most abundant salmon populations in the lower Clackamas River, Clear Creek remains a premier large creek in the metropolitan region. Completing key acquisitions in and surrounding Clear Creek public lands will protect the public investment made to date in establishing a significant regional natural area.

Abernethy and Newell Creeks. With successful protection of portions of Newell Creek, continued acquisition of undeveloped lands along its lower portion and along Abernethy Creek will expand fish and wildlife habitat critical to the area in and around Oregon City, especially threatened habitat for native steelhead and cutthroat populations.

Stafford Basin and Wilson Creek. Connecting existing public lands in the Lake Oswego/West Linn/Tualatin area from Wilson Creek to and along the Tualatin River will enhance water quality protection and secure diverse natural areas for local residents.

Tryon Creek Linkages. Acquisition of key land parcels will build on the successful efforts to protect Tryon Creek State Natural Area and riparian areas of Tryon Creek's major tributaries.

Willamette Narrows and Canemah Bluff. Descending the Willamette River, this greenway forms the corridor gateway to Willamette Falls, Oregon City, and urbanizing areas of the lower Willamette River. Flowing through islands and past steep bluffs, this portion of the river retains a sense of wildness like no other reach of the lower river. The narrows provide high quality wildlife and important fish habitat.

Tonquin Geologic Area. Bearing visible marks left by the ancient floods that shaped our region, the area from Wilsonville to Sherwood and Tualatin is unique. Rocky outcrops frame former lake bottoms and provide wildlife habitat of considerable complexity and richness. A trail alignment that includes important features in the area and connects the rapidly developing portions of the region will ensure protection of our natural history.

Lower Tualatin Headwaters. Watersheds in the southwest Chehalem Mountains retain significant wildlife habitat value and include Chicken, Cedar, Baker, Heaton and McFee creeks. Protection of riparian lands within these headwaters will safeguard water quality in the lower Tualatin River basin.

Tualatin River Greenway. Providing additional access points along the river and increasing floodplain protection through acquisition and restoration will allow people to use the river and see improvements in wildlife habitat and water quality.

Cooper Mountain. Acquiring remaining oak communities and streamside forests will build on the investment already made in protecting Oregon white oak and rare prairie habitat at Cooper Mountain near Beaverton.

Chehalem Ridgetop to Refuge. The northern end of the Chehalem Mountains provides opportunities for the protection of large, undeveloped tracts of forestland to protect water quality and wildlife connections from this mountain range to area river bottomlands.

Wapato Lake and Gales Creek. This ancient lakebed historically supported large numbers of waterfowl, including tundra swans. This flood-prone bottomland of the Tualatin River is being considered as a future wildlife refuge that will connect to existing public lands to the north located near Forest Grove and Hillsboro and attract tourists to Washington County. The area has the highest potential for protecting wildlife habitat and water quality in this part of the region, and also offers significant restoration opportunities.

Dairy and McKay Creeks Confluence. The creeks converge at the interface of farmland and the urban growth boundary, forming broad wetlands accessible to a rapidly urbanizing area. Protecting the riparian areas and associated wetlands in the confluence area will contribute significantly to improved water quality in these major tributaries of the Tualatin River.

Killin Wetland. One of the largest peat soil wetlands remaining in the Willamette Valley, this wetland supports a rare assemblage of plants and animals. Although much of the wetland is currently in public ownership, acquisition of the remaining portions of the wetland and main tributaries is essential to the long-term protection of this highly valuable fish and wildlife habitat.

Rock Creek Headwaters and Greenway. A major tributary of the Tualatin River, upper Rock Creek and its tributaries are under intense development pressure as urban growth expands throughout the watershed. Watershed managers have identified protection of the upper watershed as a high priority for meeting water quality protection goals in the lower. Opportunities to improve and protect habitat also exist through the protection of key tributaries and their associated wetlands. In addition, the protection of key undeveloped sites in the lower reaches of Rock Creek, particularly in Hillsboro, will buffer growth, protect water quality and provide nature in neighborhoods for local residents.

Forest Park Connections. Connecting Forest Park to Rock Creek and the Westside Powerline Trail will keep important wildlife corridors in tact and provide trail connections between the region's largest urban park and Washington County. Acquiring key properties will capitalize on recent successful acquisitions of land adjacent to and beyond Forest Park, connecting the park with the larger Pacific Greenway.

Columbia Slough. The Columbia Slough is one of very few areas in North and Northeast Portland with the potential for restoring fish and wildlife habitat. Acquisition along the slough will improve water quality in its critical reaches, provide trail connections to existing recreation and wildlife corridors and help complete an important section of the 40-Mile Loop Trail.

Johnson Creek and Watershed. Johnson Creek remains the most densely urbanized creek in our region. Opportunities remain to acquire tracts within the remaining floodplain, upland habitat areas adjacent to the main stem, and along both Butler and Kelly creeks to protect water quality and connect public holdings with the Damascus Buttes.

Sandy River Gorge

Acquisitions along this wild and scenic waterway and its tributaries will provide important fish and wildlife habitat and water-quality benefits.

Regional Greenways

Tonquin Trail. This 12-mile corridor will connect the cities of Wilsonville, Tualatin, Sherwood and the new town center of Villebois to regionally significant natural areas (e.g., Graham Oaks Natural Area, Tualatin River National Wildlife Refuge, Kolk Ponds, the Cedar Creek Greenway in Sherwood and the Willamette River Greenway). The corridor will also provide an important recreation and commuter connector from Wilsonville north to Tualatin.

Willamette River Greenway. Acquisition and connections between existing public holdings along the greenway from Wilsonville to the Multnomah Channel would protect fish and wildlife habitat, water quality, scenic resources and improve public access to the river.

Fanno Creek Linkages. Additions to this existing west side greenway would extend the corridor from the Tualatin River into a highly urbanized, 'walker challenged' area of the city, and further protect water quality in one of our critical regional rivers.

Westside Powerline Trail. This 24-mile north/south alignment stretches from the Tualatin River in Tigard north through Beaverton, unincorporated Washington County and Multnomah Counties through Forest Park to the Willamette River. The corridor, located within one mile of over 120,000 residents, and near numerous parks, schools, regional centers and the MAX line, could become a primary westside recreation and commuter spine.

Springwater Corridor. Funding will complete the 1-mile corridor between the existing Springwater on the Willamette Trail and the Three Bridges project at Southeast 19th Avenue in Portland. This will provide the final connection of the Springwater Corridor between downtown Portland east through Milwaukie and Gresham to Boring.

Cazadero Trail. This forested 4-mile corridor located between Boring and Barton Park runs along the north fork of Deep Creek and follows an historic rail line used to ship timber from Cascade forests to the Portland riverfront. Enhancement of the corridor for trail use would connect campgrounds, future inter-urban trails, and Portland (via the Springwater Corridor) to Mt. Hood and the Pacific Crest Trail.

Gresham-Fairview Trail. This multi-use trail is a major north-south connection through the Gresham area. It connects from the Springwater Corridor at Linneman Junction and crosses the eastside MAX light-rail line at Ruby Junction. Continuing north to Blue Lake Regional Park, the trail ends at the Columbia River and connects to the existing Lewis and Clark Discovery Greenway Trail (part of the 40-Mile Loop) along Marine Drive. Acquisition of the remaining corridor is needed to complete the trail and secure an important eastern spine of the regional trail system.

These target areas will be the first priority for acquisitions from the bond proceeds. Other critical natural areas and greenways identified in the 1992 Metropolitan Greenspaces Master Plan, Regional Greenspaces System Concept Map (adopted 2002), the Regional Trails Plan Map (adopted 2002), and the Nature in Neighborhood Map (Fish & Wildlife Habitat Protection Program, Resource Classification Map) may be acquired if proposed regional target areas become degraded, cost prohibitive or otherwise infeasible as determined by the Metro Council after a public hearing. Additionally, the Metro Council may add new target areas if existing target area goals have been achieved, as determined by the Metro Council after a public hearing. New target areas will be selected to retain a regional balance of sites acquired, with substitute target areas selected from the same watershed as the area being replaced, whenever feasible.

The Metro Council intends to use a variety of methods to acquire and protect the natural areas identified in this bond measure. These methods include outright purchase of title to the land, purchase through a nonprofit land preservation organization, purchase of easements or development rights, etc. Donations, bequests and grants will be sought to enable the program to protect and preserve additional natural area lands. Agreements for Metro to acquire any interest in land shall be negotiated with willing sellers. Metro shall not exercise its powers of eminent domain in the implementation of this bond measure.

Natural area and greenway lands acquired by the Metro Council will be land banked with the property interest owned by Metro. The Metro may operate and maintain these lands or enter into cooperative

arrangements with other public agencies or appropriate community organizations to manage them. All lands acquired with bond funds will be managed in a manner consistent with the purposes of the bond measures and the principles set forth in the 1992 Metropolitan Greenspaces Master Plan. Initially, most of these lands will be held with limited maintenance and enhancement beyond initial site stabilization and possible habitat restoration. Once the 2006 Natural Areas Bond Measure is approved by voters, Metro will commit existing excise taxes to this basic level of maintenance, with Metro having sufficient resources currently to manage the newly acquired properties in this manner for a period of approximately ten (10) years. No bond funds can legally be used for any operating expenses. Limited improvements can be made with bond funds to lands in target areas to provide public access, use and enjoyment of these sites in the future.

Other allowable expenditures for this program include administrative expenses, bond issuance costs and reimbursable bond preparation expenses related to the design, planning and feasibility of the acquisition program. Administrative expenses include, but are not limited to, assistance from professional realtors, real estate appraisals, surveys, title reports, environmental evaluations and general program administration expenses. Bonds mature in not more than 20 years.

Local ~~Share Program Acquisition and Improvements~~

Up to \$44 million of the total bond measure funds would be provided directly to local cities, counties and park districts on a per capita basis for:

- Acquiring natural areas or park lands
- Restoring fish and wildlife habitat
- Enhancing public access to natural areas
- Designing and constructing local or regional trails
- Providing enhanced environmental education opportunities.

The local share program allows flexibility for each community to meet its own needs, and offers citizens improved access to nature in neighborhoods all across the region.

List of local share projects to be included here:

Local share projects may be substituted if targeted land acquisition or proposed improvements become degraded, cost prohibitive or otherwise infeasible. Additionally, local cities, counties and park districts may add projects to their list if approved projects are less expensive than anticipated or become funded through other sources. Local cities, counties or park providers must notify the Metro Council in writing in advance of proposed substitutions and demonstrate how the substitute project meets local share project guidelines. Changes to local share projects must be approved by that city, county or park district's governing body at a public meeting, in accord with that body's adopted public meeting procedures.

Projects funded by the 2006 Natural Areas Bond Measure must be maintained for their intended natural area, wildlife habitat, water quality, trail, or recreation purpose. Agreements for park providers, cities and counties to acquire any interest in land shall be negotiated with willing sellers. Local governments shall not exercise their powers of eminent domain in the implementation of this bond measure. For more details see Exhibit B attached (Local Share Guidelines) establishes guidelines for the Metro Council to further refine requirements for the Local Share Program.

Nature in Neighborhoods Capital Grants Program

The purpose of the Nature in Neighborhoods Capital Grants is to complement the regional and local share portions of the 2006 bond measure by providing opportunities for the community to actively protect fish and wildlife habitat and water quality near where people live and work. The program will provide funds to purchase lands or easements that increase the presence of natural features and their ecological functions in neighborhoods throughout the region. The program will also provide funding for projects that recover or create additional plant and animal habitats to help ensure that every community enjoys clean water and embraces nature as a fundamental element of its character and livability.

This new grant program comprises up to \$11 million of the total bond measure funds and will engage schools, community groups, non profit organizations, park providers and others in neighborhood projects that benefit nature as part of the Metro Councils larger Nature in Neighborhood initiative. The grant funds are also designed to allow the region to respond to unforeseen opportunities that may arise over the next 8-10 years.

Because of the restrictions of the bond measure, grant funding is allowed only for capital projects ~~such as land acquisition~~ and is not allowed for operating expenses. Grant funds must be spent to either acquire property (or easements) for public ownership or fund capital improvements to publicly owned property.

The program will:

- Safeguard water quality in our local rivers and streams
- Protect and enhance fish and wildlife habitat
- Promote partnerships that protect and enhance nature in neighborhoods
- Increase the presence of ecological systems and plant and animal communities in nature-deficient and other disadvantaged neighborhoods within the region.

Examples of projects that could be funded include:

- Land acquisition
- Daylighting of creeks or streams to improve fish and wildlife habitat
- Neighborhood parks that provide new wildlife habitats (e.g., rain, bird or butterfly gardens)
- Non-motorized trails, including water trails, that also enhance fish and wildlife habitat and provide connectivity for native species
- Interpretive trailhead displays or other environmental education signs.

Grant funds must be expended within the Metro area Urban Growth Boundary (UGB) and/or the Metro jurisdictional boundary.

Acquisition of natural areas, wildlife and trail corridors and undeveloped parcels which have been identified as regional priorities in the 1992 Metropolitan Greenspaces Master Plan, Regional Greenspaces System Concept Map (adopted 2002), the Regional Trails Plan Map (adopted 2002) and the Nature in Neighborhood Map (Fish & Wildlife Habitat Protection Program, Resource Classification Map) or have been determined to be locally significant, is allowed with these funds. Local acquisition projects can include natural areas, wildlife habitat and trail corridors, nature-related pocket parks or other opportunities for increasing, connecting, restoring or recreating healthy functioning ecological systems. Agreements to acquire any interest in land shall be negotiated with willing sellers. Due to bond restrictions, the federal government may not own property purchased with these bond funds. Grant projects funded by the bond measure must be maintained for their intended natural area, wildlife habitat, water quality, trail, or recreation purpose. For more information about the grant fund criteria and requirements as defined by the Metro Council see Exhibit C (Nature in Neighborhoods Capital Grants Program Detail).

An independent citizen advisory committee shall review progress in the acquisition of regional target areas, local share project implementation and grant administration. An annual financial audit of the expenditure of the bond proceeds shall be conducted by a public accounting firm and the results published in the local newspaper of record.

**Resolution No. 06-3672
Exhibit B**

**Local Share Guidelines
2006 Bond Measure**

In order to be eligible for Local Share Funds, projects or associated costs must meet ~~the following~~ criteria established by the Metro Council that are consistent with these guidelines:

1. Eligible agency is a city or park provider as of November 6, 2006.
2. Funds must be expended only on natural area ~~Greenspaces~~-related activities or acquisition of land for parks, including:

Acquisition

- Fee Simple (or easement) purchase of Greenspaces natural areas, wildlife and/or trail corridors identified in the Metropolitan Greenspaces Master Plan, Regional Greenspaces System Concept Map (adopted 2002), the Regional Trails Plan Map (adopted 2002), the Nature in Neighborhood Map (Fish & Wildlife Habitat Protection Program, Resource Classification Map), and/or locally determined significant natural areas, neighborhood and pocket parks, wildlife ~~Greenspaces~~-habitat and/or trail corridors.
- Out-of-pocket costs associated with property acquisition.

Capital Improvement Projects

- Restoration or enhancement of fish and wildlife habitat.
 - Improvements to existing parks to enhance the integrity of habitat and increase natural plantings.
 - Improvements to existing natural area amenities to provide universal access to the public (meets Americans with Disabilities ~~Act (ADA)~~-requirements).
 - Public use facilities such as trailheads, rest rooms, picnic tables and shelters, children's play areas, viewing blinds, water systems, camp sites and barbeque pits, fishing piers, associated accessories such as information signs, fences, security lighting, and circulation facilities (i.e., entry, egress and circulation roads, parking areas).
 - Environmental education structures or accessories (e.g., nature centers and/or interpretive displays).
 - Trail design, engineering, construction and landscaping.
3. The city or park provider will enter into an Intergovernmental Agreement (IGA) to be approved by the Metro Council and the governing board of the city or park provider. The IGA shall require signage at the project site in an appropriate location(s) to acknowledge Metro, the park provider, and other project partners for project funding; funds from the bond measure shall not be used to replace

local funds on the project; and funds from the bond measure should leverage other sources of revenue when possible.

4. A list of local share projects approved by the governing board of each jurisdiction ~~shall be delivered to Metro no later than March 1, 2006 to be eligible for local share funding~~ is set forth in the Bond Measure. The Metro Council may establish a formal process providing for the substitution of new projects where appropriate as long as the proposed new project is consistent with the Bond Measure.
5. Greenspace sites subject to local share funding will be maintained for their intended natural area, trail or recreation activities. Any decision by a park provider to convey title or grant real property rights to property that said park provider purchased with bond proceeds shall be made by vote of its duly elected or appointed governing body at a public meeting, in accord with said governing body's adopted public meeting procedures. Any proceeds from the sale of the property or from the rights to the property shall be used for the purpose set out in the appropriate local share Intergovernmental Agreement (IGA).
6. Local share funds should be used to the greatest extent possible to fund new projects and not pay agency overhead or indirect costs. In no event shall the staff, overhead and indirect costs on local share projects exceed 10% of the cost of the projects.

Resolution No. 06-3672
Exhibit C

Nature in Neighborhoods Capital Grants Program Detail

The following criteria are intended to provide guidance to the grant selection committee as appointed by the Metro Council (see below). These criteria may be further refined by Metro Council action.

Selection Criteria

Projects that best address all the following criteria will be recommended for funding:

- “Re-nature” neighborhoods by increasing and/or recovering the presence and function of ecological features and processes in them to protect water quality and animal and plant habitat.
- “Re-green” urban neighborhoods by increasing the presence of water, trees and other vegetation to improve their appearance, enrich peoples’ experience of nature and help strengthen a physical connection to the region’s ecology.
- Demonstrate multiple benefits for people and natural systems. For example, projects that use ecological features to improve ecological functions in the urban environment and provide access to nature and reinforce neighborhood/local community identity and improve neighborhood appearance.
- Demonstrate cost-efficient ecological design solutions that improve natural infiltration, biofiltration and natural drainage patterns, land form and soil structure, shade and wind protection through increases in tree canopy cover, etc.
- Increase the region’s fish and wildlife inventory through techniques that restore diverse riparian vegetation structure and stream character, and increase fish passages and/or wildlife crossings.
- Restore and/or improve habitats of concern such as eligible lands identified under the above-mentioned land acquisition criteria and/or headwaters and confluences of the region’s important urban stream and river corridors.
- Improve natural amenities to provide universal access to the public (meets Americans with Disabilities requirements).

Bonus Selection Criteria

Bonus points in the grant evaluation criteria will be given to projects that, in order of priority:

- Are located in low-income neighborhoods.
- Are identified in existing watershed, park comprehensive or master plans, or advance Metro’s 2040 Growth Concept.
- Add to the existing system of natural areas by increasing networks, corridors and other linkages between them.
- Demonstrate an innovative project for which there is no other source of funding.
- Are adjacent to public land or rights-of-way providing public access to the project site. Contribute to storm water management for an area larger than the individual site
- Use sustainable construction techniques and materials.
- Leverage public dollars beyond the 2:1 match requirement.

Applicant Eligibility

In order to be eligible for grant funds, applicants must meet the following criteria:

- The eligible applicant is a non-profit, 501©3, education district or higher education organization, city, county, special district or park provider at the time of application to Metro. The property owner must be a partner on the grant application and the application must include a letter of support from the owner.
- The applicant must demonstrate leveraging of the public's investment through at least a 2:1 match. Match may be cash, in-kind donations of goods or services, staff time, or volunteer hours from sources other than Metro. Eligible match expenses cannot be made prior to award of the Metro grant and execution of grant contract unless specifically provided for in the grant contract. The Metro Council has the right to waive the match requirement.
- The project must demonstrate the existence of public and private partners who can and will leverage human and financial resources.
- The applicant must verify their ability to carry out the project and maintain the site over the long term.

Project Selection Process

Grants will be solicited and awarded once yearly for a total of up to ten years. The Metro Council will seek to develop a program that limits the expenditure of funds to no more than 15% of the total program amount in any given year. Grant recipients will have three (3) years to expend the funds awarded by Metro.

A grant review committee composed of no fewer than seven members, staffed by Metro, will review all applications based on Metro-approved eligibility criteria. Committee members may rotate on an annual basis, or serve terms of several years. Metro staff will screen applications, pre-evaluate them based on ranking criteria and present them to the grant review committee for final evaluation and selection. The Metro Council will make all final grant awards.

The grant review committee may include:

- Metro Councilors (one or three positions)
- Water quality specialists (two positions)
- Metro natural resource staff (one position)
- Non-Metro fish and wildlife experts (one position)
- Other representatives such as community or neighborhood, non-profit, parks, design, development, business representatives (up to three positions).

No more than 10% of grant funds shall be used for staff time directly related to a project. Overhead and/or indirect costs are not reimbursable.

**Exhibit D
Ballot Title**

[Placeholder]

Exhibit E
Bond Measure, Ballot Title and Explanatory Statement

[Placeholder]

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 06-3672, FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF THE METRO AREA A GENERAL OBLIGATION BOND INDEBTEDNESS IN THE AMOUNT OF \$220 MILLION TO FUND NATURAL AREA ACQUISITION AND WATER QUALITY PROTECTION

Date: February 21, 2006

Prepared by: Heather Nelson Kent

BACKGROUND

Current Status and Challenge

The Portland metropolitan region will add one million people to the area over the next 25 years, according to recent projections. Much of this new population will live in the city of Portland itself, settle in suburban communities along the city's borders or move into new urban centers developing throughout the region. The shape of these communities will have great staying power and is being created by the decisions being made today and will continue to be made over the next several years. In anticipation of this population growth and the emergence of new communities, it is essential to ensure that our burgeoning region continues to conserve the important landscapes and experience of nature that Oregonians treasure.

The proposed 2006 Natural Areas Bond Measure is designed to build on the successes of the past by renewing the region's ability to protect natural areas throughout the greater Portland metropolitan region that will help safeguard critical groundwater and drinking water resources, water quality and important fish and wildlife habitat for the future. The proposed 2006 Natural Areas Bond Measure conserves the region's most valuable natural resources such as clean air and water while helping to manage growth and maintain the region's heralded quality of life for future generations.

Acquisition through a willing-seller program has been demonstrated to be the strongest tool for protection of the region's critical natural areas without the use of a regulatory program. However, the cost of land continues to rise. In the past decade, residential land values inside the region's urban growth boundary have risen about 100 percent. Prices are likely to continue to increase as we anticipate the addition of another one million new residents to the Portland metropolitan area during the next 25 years. Given the growth that is expected in our region and the rapid and continuing rise in land costs, an investment in these remaining natural areas will pay significant dividends over the long term for the citizens of the region.

The passage of this bond measure is a critical component of the Metro Council's Nature in Neighborhoods initiative. Nature in Neighborhoods is committed to protecting the region's water quality and critical habitat areas through a variety of tools, including the acquisition and restoration of natural areas with funding provided by this measure, but also through education, encouraging better development practices and other coordinated approaches between the public and private sector.

1995 Open Spaces, Parks and Streams Bond Measure

In 1995, the voters of the metropolitan region created a model program for protecting the area's most significant natural areas, fish and wildlife habitat and lands near rivers and streams. By approving Metro's \$135.6 million Open Spaces, Parks and Streams Bond Measure, voters directed Metro to protect these places for future generations and embarked on a significant new partnership with landowners, neighbors, businesses and governments to achieve the program's goals. The land that was protected today totals

more than 8,100 acres and includes nearly 74 miles of stream and river frontage which offer important natural buffers from development while allowing greater public access to local waterways.

The bond measure also gave \$25 million directly to local park providers for investment in county and city park improvements and natural area land acquisition. More than 100 local park projects in neighborhoods across the region were funded by the bond measure. Today these projects provide residents more biking, hiking, wildlife watching and other opportunities to experience nature close to home.

Promises Made, Promises Kept

The Metro Council and program staff stretched the 1995 bond measure dollars. As of June 2005, more than \$10 million has been leveraged from state and local partners to buy land. Seven private landowners donated their property to the open spaces program and four more provided partial donations -- for a total of nearly 200 acres. In some cases, landowners donated conservation easements or agreed to a "bargain" sale of their property. Additionally, more than \$2 million has been obtained in grants and donations for habitat restoration and enhancements of these natural areas, which has allowed the planting of more than 1 million trees and shrubs. Volunteers have donated more than 50,000 hours in activities on these new sites assisting with everything from wildlife tracking and monitoring to collecting native seeds and eradicating noxious weeds.

Total acreage protected far surpassed what was anticipated when the bond measure was put to voters in 1995. It was estimated that 6,000 acres would be protected and 13.35 percent of the bond proceeds would be spend on overhead and administrative costs. In fact, 8,120 acres have been acquired (as of March 2006) and administrative costs have averaged only 9.6 percent.

The approach taken by the Metro region, where voters directed Metro to acquire land on a willing seller basis in designated target areas, has been successful. The result is the efficient implementation of one of the most ambitious habitat protection efforts ever undertaken by a major metropolitan area in the United States. It has greatly complemented Metro's larger growth management strategies (such as the 2040 Growth Concept Plan) aimed at accommodating future growth in a manner that will best protect the region's natural character and quality of life.

Public Process

Metro's 1995 Open Spaces, Parks and Streams Bond Measure was the result of nearly a decade of intensive regional planning, public involvement and debate. The basis for the land acquisition program is founded in the 1992 Metropolitan Greenspaces Master Plan, which was adopted by the Metro Council along with all 24 local cities and three counties within Metro's jurisdiction. At that time it was noted that many significant natural areas, wildlife habitat and water quality protection needs would not be met with the limited amount of bond funds available in the 1995 measure. Additional efforts would be required in the future to fulfill the vision of an interconnected system of parks, natural areas, trails and greenways described in the 1992 Metropolitan Greenspaces Master Plan.

Due to the success of the 1995 Open Spaces, Parks and Streams Bond Measure implementation, Metro and local partners now have a solid foundation of experience and a track record on which to build another natural area land acquisition program. When asked, citizens repeatedly stress that protecting wildlife habitat and water quality are among their highest priorities. By submitting this measure to the voters, the Metro Council is being responsive to these public priorities.

In 2000-2001, the Metro Policy Advisory Committee (MPAC), a task force composed of elected officials from throughout the region, emphasized the need to protect and improve the ecological health of fish and

wildlife habitat in the region and urged the Metro Council to extend its land acquisition efforts beyond the scope of the successful 1995 Open Spaces, Parks and Streams Bond Measure.

In January 2004 the Metro Council created the Greenspaces Policy Advisory Committee (GPAC) to advise Metro in establishing and protecting a regional network of natural areas linked by rivers, streams and trails throughout the Portland metropolitan region. The 15-member committee consists of representatives from local park agencies, natural resource groups, the home building community and citizen park advocates.

In December 2004, the Council adopted a resolution that resolved to take before the voters a fish and wildlife habitat protection and restoration program bond measure by November 2006. In response, the Council established the Blue Ribbon Committee in September 2005. The committee was composed of 18 business, civic and citizen representatives recruited by Council President Bragdon. As charged by the Metro Council, the Blue Ribbon Committee made recommendations to the Council on the scope, size and elements of a natural areas bond measure program.

In January 2006 the Metro Council embarked on a targeted and strategic outreach program to solicit public and local government comments about the Blue Ribbon Committee recommendations for a 2006 Natural Areas Bond Measure. The Council's outreach is made up of three primary elements that have directly engaged citizens in discussions about the proposal:

- Seven public forums have been held around the Metro region at which broad information on the bond measure proposal was shared and discussion facilitated around the core elements of the bond measure proposal. At least one member of the Metro Council or the Metro Council President participated in each forum.
- Presentations by Metro Councilors and the Metro Council President to 19 city councils and the Tualatin Hills Park and Recreation District's elected board with an overview of the bond measure and its main elements, a discussion of possible local share projects in each community and discussion with local elected officials on the contents of the bond measure.
- Three Metro Council public hearings are to be held between February 23 and March 9, at which formal public testimony will be received and the details of the bond measure proposal will be determined, culminating in a vote to refer the measure to the voters at the November 7, 2006 General Election.

Detailed information about the Council's public involvement efforts is available.

Metro's 2006 Natural Areas Bond Measure

The proposed 2006 Natural Areas Bond Measure is intended to help this region's goals for protecting clean water, fish and wildlife habitat and lands near local rivers and streams. The protection of these lands will build on the success of previous land protection efforts including the 1995 Open Spaces Parks and Streams measure and the implementation of the region's growth management strategies.

The proposed 2006 Natural Areas Bond Measure consists of three basic elements:

- Regional natural area and greenway acquisitions
- Local acquisition and natural area improvements
- Grants for neighborhood habitat protection projects

See Exhibit "A" to Resolution No. 06-3672 for the full description of the proposed bond measure.

ANALYSIS/INFORMATION

1. Known Opposition

The Metro Council has received several comments from citizens opposing any type of tax increase at this time.

2. Legal Antecedents

Metro is authorized under ORS 268.520 and the Metro Charter, Chapter III, Sections 10 and 12, to issue and sell voter-approved general obligation bonds in accord with ORS Chapters 287 and 288, to finance the implementation of Metro's authorized functions.

Metro Council Resolution No. 92-1637, "For the Purpose of Considering the Adoption of the Metropolitan Greenspaces Master Plan," adopted July 23, 1992.

Metro Council Resolution No. 94-2049B, "For the Purpose of Modifying the Submission to the Voters of a General Obligation Bond Indebtedness to Proceed with the Acquisition of Land for a Regional System of Greenspaces."

Metro Council Resolution No. 04-3506A, "For the Purpose of Revising Metro's Preliminary Goal 5 Allow, Limit, or Prohibit Decision; and Directing the Chief Operating Officer to Develop a Fish and Wildlife Habitat Protection and Restoration Program That Relies on a Balanced Regulatory and Incentive Based Approach," adopted December 9, 2004.

Metro Council Resolution No. 05-3574A, "For the Purpose of Establishing a Regional Habitat Protection, Restoration and Greenspaces Initiative Called Nature In Neighborhoods," adopted May 12, 2005.

Metro Council Resolution No. 05-3612, "For the Purpose of Stating An Intent to Submit to the Voters the Question of the Establishment of a Funding Measure to Support Natural Area Protection and Establishing a Blue Ribbon Committee; and Setting Forth the Official Intent of Metro to Reimburse Certain Expenditures Out of the Proceeds of Obligations to be Issued in Connection with the Regional Parks and Greenspaces Program," adopted September 29, 2005.

3. Anticipated Effects

The effect of this resolution will be the referral to voters of a general obligation bond measure in the November 7, 2006 General Election.

4. Budget Impacts

Budget authority was established by the Metro Council in FY 2005-06 to pay for expenses related to the development of the bond measure referral, including expenses related to public involvement meetings and the acquisition of property options. The Council President's 2006-07 Proposed Budget will include a continuation of expenditures as part of the information development and distribution for the referral and ongoing options work. If the 2006 Natural Areas Bond Measure is approved by voters, these related expenses can be reimbursed from bond proceeds.

The referral of this measure to the voters will require Metro to pay for election expenses, estimated at approximately \$150,000. This amount can change based on the number of issues on the ballot, and the number of region-wide items on the ballot. The Council President's 2006-07 Proposed Budget will include appropriation for this expense.

At the recommendation of the TSCC, budget authority for program expenses after the voters approve the measure are not anticipated to be included in the FY 06-07 adopted budget. The Council will have the legal authority to establish appropriation authority related to the successful passage of the measure, once the election has been certified. It is anticipated that, upon passage of the measure, staff will work with Council on the development of the bond measure program and the necessary budgetary appropriation to be approved by Ordinance at a later date.

RECOMMENDED ACTION

Staff recommends adoption of Resolution No. 06-3672.

BEFORE THE METRO CONTRACT REVIEW BOARD

FOR THE PURPOSE OF AUTHORIZING THE)	RESOLUTION NO. 06-3673
AUDITOR TO RELEASE A REQUEST FOR)	
PROPOSALS AND EXECUTE A CONTRACT)	Introduced by Alexis Dow, CPA
FOR INDEPENDENT AUDIT SERVICES FOR)	Metro Auditor and Councilor Hosticka
FINANCIAL ACTIVITY DURING FISCAL)	
YEARS THROUGH JUNE 30, 2008)	

WHEREAS, State ORS provision 297.465 requires an annual independent audit of Metro’s financial statements; and

WHEREAS, Contract No. 924216 with Grant Thornton LLP, independent Certified Public Accountants, previously utilized for such services, will expire on June 30, 2006; and

WHEREAS, Metro Code Section 2.04.026 requires Metro Council approval prior to issuance of a Request for Proposals (RFP) and the execution of a contract for more than one fiscal year which would have a significant impact on Metro; and

WHEREAS, Metro Code Section 2.04.054 requires competitive proposals for personal services contracts; and

WHEREAS, Metro Code Section 2.15.80 requires the Metro Auditor to appoint the external certified public accountant to conduct certified financial statement audits as specified in state and local laws; now, therefore,

BE IT RESOLVED that the Metro Council hereby authorizes the Metro Auditor to release a Request for Proposals (RFP) for Independent Audit Services in a form substantially similar to the attached Exhibit A. The Metro Council authorizes the Metro Auditor to execute a contract with the most advantageous proposer.

ADOPTED by the Metro Council this ____ day of _____, 2006.

David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

Request for Proposals

**FOR
INDEPENDENT AUDIT SERVICES
RPF-06-1174-AUD**

I. INTRODUCTION

The Metro Auditor, an elected official of Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 NE Grand Avenue, Portland, OR 97232-2736, is requesting proposals for independent audit services.

Proposals will be due no later than 4:00 p.m., [three weeks after release date] in the Metro Auditor's office.

Each proposer may schedule up to ninety (90) minutes with Metro staff to answer additional questions.

Details concerning the project and proposal are contained in this document.

II. BACKGROUND/HISTORY OF PROJECT

Metro is the nation's only directly elected regional government. Metro's primary responsibilities include regional land use and transportation planning, solid waste disposal and waste reduction programs, Oregon Zoo operations, open spaces acquisition, regional park management and operation of the region's spectator facilities. Metro accomplishes the latter through the Metropolitan Exposition-Recreation Commission (MERC). The Metro Council, composed of seven councilors who represent individual districts inside Metro's jurisdiction, governs Metro. The Metro Council conducts its business in weekly meetings. Metro's Auditor is elected region-wide. The Metro Auditor provides financial and performance audits of Metro's programs and activities. Additional background information is provided in Appendix D.

III. PROPOSED SCOPE OF WORK/SCHEDULE

Services Requested

Metro is seeking proposals from qualified firms to perform the following services and to deliver the products described:

Request for Proposals

The Metro Auditor invites qualified independent certified public accountants to submit proposals to audit Metro's annual financial statements for the fiscal years ending June 30, 2006, 2007 and 2008. Metro is seeking proposals to enable selection of the firm best qualified to provide:

- Annual audit of the financial statements for Metro as required under generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations
- Annual "Single Audit" covering Metro's federal awards in accordance with the U.S. Office of Management and Budget (OMB) Circular A-133 and related necessary reports pertaining to Metro's internal control, compliance with applicable laws, regulations, grants and contracts, and the Schedule of Expenditures of Federal Awards
- The audit firm shall review Metro's method of determining Department Assessments under General Revenue Bond covenants, as required by ordinance 91-439, section 501(c) and provide a report of that review including any recommendations for improvements.

Proposed Scope of Work

Each audit shall be made in accordance with the following standards:

- Generally Accepted Auditing Standards promulgated by the American Institute of Certified Public Accountants
- Minimum Standards for Audits of Oregon Municipal Corporations promulgated by the Secretary of State
- Standards for Audit of Governmental Organizations, Programs, Activities and Functions, published by the U.S. General Accounting Office
- OMB Circular A-133, Expenditures of Federal Awards
- State of Oregon and local laws and regulations

In addition, the audit firm will consider comments received from the Government Finance Officers Association Certificate of Achievement program review, as appropriate. The scope of each audit will be planned to preclude the need for exceptions due to scope limitations. A formal audit plan detailing audit scope, audit risks, and accounting and auditing developments will be reviewed with the Metro Auditor and Metro Audit Committee.

Comprehensive Annual Financial Report (CAFR) – Metro staff shall produce a complete copy of the CAFR in draft form by approximately October 20 of each year and shall submit such report to the independent audit firm for review.

A report on the audit of the basic financial statements and independent auditor comments and disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations shall be issued by the audit firm no later than November 15.

Request for Proposals

The audit firm shall meet with the Metro Audit Committee no later than November 20.

The CAFR will be issued no later than December 1.

Supplementary information other than Required Supplementary Information (RSI) are to be subject to auditing procedures "in relation to" the basic financial statements taken as a whole as required by Statements on Auditing Standards.

Report on the Single Audit – The audit firm will issue a report on the results of a single audit of Metro's federal awards in accordance with the U.S. Office of Management and budget Circular A-133. Metro staff will provide the Schedule of Expenditures of Federal Awards.

The audit firm shall submit two preliminary drafts of the single audit report by November 15 of each year to the Metro Auditor for review and comment. The audit firm will prepare and deliver 35 copies of the final single audit report to the Metro Auditor no later than December 1 of each year.

The report on the single audit shall include:

- Independent Auditors' Report on Basic Financial Statements.
- Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards
- Independent Auditors' Report on Compliance and Internal Control Over Compliance Applicable to Each Major Federal Award Program and on the Schedule of Expenditures of Federal Awards
- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
- Prior Findings
- Other statements or reports to satisfy federal, state and local regulations or requirements.

Management Recommendations Letter – The audit firm will submit recommendations annually to the Metro Auditor in letter form. The letter will include any findings, observations, opinions, comments or recommendations relating to internal control; accounting systems; data processing; compliance with laws, rules and regulations; or any other matters that come to the attention of the independent auditor during the course of the audit. These recommendations will not be construed as special or additional studies. They will be limited to those usually associated with the study of internal control systems and procedures as a part of an audit of financial statements.

Request for Proposals

The discussion draft shall be submitted to the Metro Auditor by November 30 of each year. Fifty copies of the final letters are required no later than December 15 of each year. The recommendations will be discussed with the Metro Auditor, the Metro Audit Committee and other appropriate Metro officials prior to publication.

Secretary of State Summary of Revenues and Expenditures – The audit firm shall prepare the Summary of Revenues and Expenditures required by the Secretary of State for the State of Oregon and deliver the report to the Finance staff no later than November 30 of each year.

Additional Responsibilities and Services – Metro has been awarded the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for its FY 1992 through 2004 CAFRs. This award demonstrates that Metro's CAFR complies with generally accepted accounting principles and applicable legal requirements and is easily readable, efficiently organized and conforms to program standards. Metro intends to annually submit its CAFR to the GFOA Certificate program and to continue to receive the award. Metro may require minor technical assistance from the audit firm relating to presentation or disclosure issues.

Proposals shall also contain provisions for dealing with extraordinary circumstances discovered during the audit that may require an expansion of audit work beyond that which was originally planned.

In addition, the audit firm may be requested to perform special projects for Metro during the year. Because of variations in the demand for additional services, such work will be contracted for, provided and billed separately to Metro on an hourly basis.

Materials and working papers developed during the engagement will be maintained for a minimum of three (3) years from the audit report date. The audit firm will make work papers available to authorized representatives from Metro, the Oversight Federal Audit Agency and the U.S. General Accounting Office.

Audit Contracts

Contract Period – The audit contract will be for a period of three (3) years, May 1, 2006, through April 30, 2009. The successful proposer shall be required to sign Metro's standard Personal Services Agreement (Appendix A) along with the negotiated Scope of Work.

Prime Contractor Responsibilities – Metro will negotiate and contract only with the successful audit firm. The proposer shall have the responsibility to carry out the contract and shall be the only entity recognized to receive payment from Metro.

Request for Proposals

IV. QUALIFICATIONS/EXPERIENCE

Proposers must be independent certified public accountants. In addition, proposers will complete Appendix B, Proposer's Qualifications and Representations, and submit the completed document as part of their proposals.

V. PROJECT ADMINISTRATION

Pre-audit conferences with the Metro Auditor and Metro staff will be held no later than June 1 each year to discuss audit schedules. The audit firm will commence the audit at a mutually agreeable date, although Metro's preference is for final full fieldwork to begin approximately in mid-September. The audit firm and the Metro Auditor and financial management shall meet periodically to discuss audit-related issues. At a minimum, monthly meetings will be held during the course of the audit fieldwork to report on the progress of the audit. Support and services provided by Metro staff are included in Appendix C.

The audit firm is expected to consult on accounting policy issues and render financial advisory services on matters related to the financial statement audit as deemed necessary. Any unusual conditions encountered during the course of the audit where services of the audit firm must be extended beyond the normal work anticipated will require written notification to the Metro Auditor prior to the commencement of work.

Post-audit conferences to review the various reports and financial statements will be held with the Metro Auditor and Metro Audit Committee, including the Metro Chief Financial Officer, Accounting Manager and other appropriate Metro officials. Audit firm management shall be present at any meetings of the Metro Council when matters regarding the audit or related reports are discussed. Meetings with individual councilors, commissioners or managers may also be requested, but would be highly unusual.

VI. PROPOSAL INSTRUCTIONS

A. Submission of Proposals

Six (6) copies of the proposal shall be furnished to Metro, addressed to Alexis Dow, CPA, Metro Auditor, 600 NE Grand Avenue, Portland, OR 97232-2736.

B. Deadline

Proposals will not be considered if received after 4:00 p.m., [3 weeks after release date].

Request for Proposals

C. RFP as Basis for Proposals

This Request for Proposals represents the most definitive statement Metro will make concerning the information upon which Proposals are to be based. Any verbal information which is not addressed in this RFP will not be considered by Metro in evaluating the Proposal. All questions relating to this RFP should be addressed to Metro Auditor Alexis Dow at (503) 797-1891. Any questions, which in the opinion of Metro, warrant a written reply or RFP amendment will be furnished to all parties receiving this RFP. Metro will not respond to questions received after [one week before due date].

D. Information Release

All Proposers are hereby advised that Metro may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all Proposers agree to such activity and release Metro from all claims arising from such activity.

E. Minority and Women-Owned Business Program

In the event that any subcontracts are to be utilized in the performance of this agreement, the Proposer's attention is directed to Metro Code provisions 2.04.100.

Copies of that document are available from Purchasing/Contract Office of Metro, Metro Regional Center, 600 NE Grand Avenue, Portland, OR 97232 or call (503) 797-1816.

VII. PROPOSAL CONTENTS

The proposal should briefly describe the ability of the consultant to perform the work requested, as outlined below. Biographies and brochures may be included in an appendix. The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content). No waxed page dividers or non-recyclable materials should be included in the proposal.

A. Transmittal Letter: Indicate who will be assigned to the project, who will be project manager, and that the proposal will be valid for ninety (90) days.

B. Approach/Project Work Plan: Describe how the work will be done within the given timeframe and budget. Include a proposed work plan and schedule.

Request for Proposals

- C. Staffing/Project Manager Designation: Identify specific personnel assigned to major project tasks, their roles in relation to the work required, percent of their time on the project, and special qualifications they may bring to the project. Include resumes of individuals proposed for this contract.

Metro intends to award this contract to a single firm to provide the services required. Proposals must identify a single person as project manager to work with Metro. The consultant must assure responsibility for any subconsultant work and shall be responsible for the day-today direction and internal management of the consultant effort.

- D. Experience: Indicate how your firm meets the experience requirements listed in section IV of this RFP. List financial statement audits conducted over the past five years which involved local government entities of a size and with complexity comparable to Metro. For each of these audits, include the name of the customer contact person, his/her title, role on the project, and telephone number. Identify persons on the proposed project team who worked on each of the other projects listed, and their respective roles. Complete the form provided in Appendix B.
- E. Cost/Budget: Present the proposed cost of the project and the proposed method of compensation. List hourly rates for personnel assigned to the project. Anticipated reimbursable expenses should also be listed. Actual audit fees, including out-of-pocket expenses, have been \$96,300; \$90,854; and \$70,000 for FY 2005, 2004, and 2003, respectively.
- F. Exceptions and Comments: To facilitate evaluation of proposals, all responding firms will adhere to the format outlined within this RFP. Firms wishing to take exception to, or comment on, any specified criteria within this RFP are encouraged to document their concerns in this part of their proposal. Exceptions or comments should be succinct, thorough and organized.

VIII. GENERAL PROPOSAL/CONTRACT CONDITIONS

- A. Limitation and Award: This RFP does not commit Metro to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. The Metro Auditor reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request, negotiate with all qualified sources, or to cancel all or part of this RFP.
- B. Billing Procedures: Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of Metro before reimbursement of services can occur. Contractor's invoices

Request for Proposals

shall include an itemized statement of the work done during the billing period, and will not be submitted more frequently than once a month. Metro shall pay Contractor within 30 days of receipt of an approved invoice.

- C. Validity Period and Authority: The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company contacted during the period in which the Metro Auditor is evaluating the proposal.

- D. Conflict of Interest. A Proposer filing a proposal thereby certifies that no officer, agent, or employee of Metro or Metro has a pecuniary interest in this proposal or has participated in contract negotiations on behalf of Metro; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other Proposer for the same call for proposals; the Proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.

IX. EVALUATION OF PROPOSALS

- A. Evaluation Procedure: Proposals received that conform to the proposal instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. Interviews may be requested prior to final selection of one firm.

- B. Evaluation Criteria: This section provides a description of the criteria which will be used in the evaluation of the proposals submitted to accomplish the work defined in the RFP.

	<u>Percentage of Total Score</u>
<i>Budget/Cost Proposal</i>	65%
<ul style="list-style-type: none"> ▪ Projected cost/benefit of proposed work plan/approach ▪ Commitment to budget and schedule parameters 	
<i>Expertise and Experience</i>	25%
<ul style="list-style-type: none"> ▪ Project firm and staff ▪ Commitment to project 	
<i>Audit Work Plan/Approach</i>	5%
<ul style="list-style-type: none"> ▪ Demonstration of understanding of the project objectives ▪ Performance methodology 	
<i>Reference Check</i>	5%
	100%

Request for Proposals

X. NOTICE TO ALL PROPOSERS – STANDARD AGREEMENT

The attached personal services agreement is a standard agreement approved for use by the Office of Metro Attorney. This is the contract the successful Proposer will enter into with Metro; it is included for your review prior to submitting a proposal.

Personal Services Agreement

Contract # _____

THIS AGREEMENT is between the Metro Auditor, an elected official of Metro, a metropolitan service district organized under the laws of the State of Oregon and the Metro Charter, located at 600 N.E. Grand Avenue, Portland, OR 97232-2736, and _____, referred to herein as "Contractor," located at _____.

In exchange for the promises and other consideration set forth below, the parties agree as follows:

1. Duration. This personal services agreement shall be effective _____ and shall remain in effect until and including _____, unless terminated or extended as provided in this Agreement.
2. Scope of Work. Contractor shall provide all services and materials specified in the attached "Exhibit A -- Scope of Work," which is incorporated into this Agreement by reference. All services and materials shall be provided by Contractor in accordance with the Scope of Work, in a competent and professional manner. To the extent that the Scope of Work contains additional contract provisions or waives any provision in the body of this Agreement, the Scope of Work shall control.
3. Payment. Metro shall pay Contractor for services performed and materials delivered in the amount(s), manner and at the time(s) specified in the Scope of Work for a maximum sum not to exceed _____ AND _____/100THS DOLLARS (\$_____).
4. Insurance.
 - a. Contractor shall purchase and maintain at the Contractor's expense, the following types of insurance, covering the Contractor, its employees, and agents:
 - (1) Broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, operations, and product liability, shall be a minimum of \$1,000,000 per occurrence. The policy must be endorsed with contractual liability coverage; and
 - (2) automobile bodily injury and property damage liability insurance coverage shall be a minimum of 1,000,000 per occurrence.
 - b. Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS. Notice of any material change or policy cancellation shall be provided to Metro 30 days prior to the change or cancellation.
 - c. Contractor, its subcontractors, if any, and all employers working under this Agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Metro with certification of Workers' Compensation insurance including employer's liability. If Contractor has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached, as Exhibit B, in lieu of the certificate showing current Workers' Compensation.
 - d. If required by the Scope of Work, Contractor shall maintain for the duration of this Agreement professional liability insurance covering personal injury and property damage arising from errors, omissions, or malpractice. Coverage shall be in the minimum amount of \$500,000. Contractor shall provide to Metro a certificate of this insurance, and 30 days' advance notice of material change or cancellation.
 - e. Contractor shall provide Metro with a Certificate of Insurance complying with this article, and naming Metro as an additional insured within fifteen (15) days of execution of this contract, or twenty-four (24) hours before services under this contract commence, whichever date is earlier.
5. Indemnification. Contractor shall indemnify and hold Metro, its agents, employees and elected officials harmless from any and all claims, demands, damages, actions, losses and expenses, including attorney's fees, arising out of or in

Personal Services Agreement

any way connected with its performance of this Agreement, or with any patent infringement or copyright claims arising out of the use of Contractor's designs or other materials by Metro and for any claims or disputes involving subcontractors.

6. Ownership of Documents and Maintenance of Records. Unless otherwise provided herein, all documents, instruments and media of any nature produced by Contractor pursuant to this agreement are Work Products and are the property of Metro, including but not limited to: drawings, specifications, reports, scientific or theoretical modeling, electronic media, computer software created or altered specifically for the purpose of completing the Scope of Work, works of art and photographs. Unless otherwise provided herein, upon Metro request, Contractor shall promptly provide Metro with an electronic version of all Work Products that have been produced or recorded in electronic media. Metro and Contractor agree that all work Products are works made for hire and Contractor hereby conveys, transfers, and grants to Metro all rights of reproduction and the copyright to all such Work Products.

- a. Contractor and subcontractors shall maintain all fiscal records relating to such contracts in accordance with generally accepted accounting principles. In addition, Contractor and subcontractors shall maintain any other records necessary to clearly document:
 - (1) The performance of the contractor, including but not limited to the contractor's compliance with contract plans and specifications, compliance with fair contracting and employment programs, compliance with Oregon law on the payment of wages and accelerated payment provisions; and compliance with any and all requirements imposed on the contractor or subcontractor under the terms of the contract or subcontract;
 - (2) Any claims arising from or relating to the performance of the contractor or subcontractor under a public contract;
 - (3) Any cost and pricing data relating to the contract; and
 - (4) Payments made to all suppliers and subcontractors.
- b. Contractor and subcontractors shall maintain records for the longer period of (a.) six years from the date of final completion of the contract to which the records relate or (b.) until the conclusion of any audit, controversy or litigation arising out of or related to the contract.
- c. Contractor and subcontractors shall make records available to Metro and its authorized representatives, including but not limited to the staff of any Metro department and the staff of the Metro Auditor, within the boundaries of the Metro region, at reasonable times and places regardless of whether litigation has been filed on any claims. If the records are not made available within the boundaries of Metro, the Contractor or subcontractor agrees to bear all of the costs for Metro employees, and any necessary consultants hired by Metro, including but not limited to the costs of travel, per diem sums, salary, and any other expenses that Metro incurs, in sending its employees or consultants to examine, audit, inspect, and copy those records. If the Contractor elects to have such records outside these boundaries, the costs paid by the Contractor to Metro for inspection, auditing, examining and copying those records shall not be recoverable costs in any legal proceeding.
- d. Contractor and subcontractors authorize and permit Metro and its authorized representatives, including but not limited to the staff of any Metro department and the staff of the Metro Auditor, to inspect, examine, copy and audit the books and records of Contractor or subcontractor, including tax returns, financial statements, other financial documents and any documents that may be placed in escrow according to any contract requirements. Metro shall keep any such documents confidential to the extent permitted by Oregon law, subject to the provisions of section E.
- e. Contractor and subcontractors agree to disclose the records requested by Metro and agree to the admission of such records as evidence in any proceeding between Metro and the Contractor or subcontractor, including, but not limited to, a court proceeding, arbitration, mediation or other alternative dispute resolution process.
- f. Contractor and subcontractors agree that in the event such records disclose that Metro is owed any sum of money or establish that any portion of any claim made against Metro is not warranted, the Contractor or subcontractor shall pay all costs incurred by Metro in conducting the audit and inspection. Such costs may be withheld from any sum that is due or that becomes due from Metro.

Personal Services Agreement

g. Failure of the Contractor or subcontractor to keep or disclose records as required by this document or any solicitation document may result in debarment as a bidder or proposer for future Metro contracts as provided in ORS 279B.130 and Metro Code Section 2.04.070(c), or may result in a finding that the Contractor or subcontractor is not a responsible bidder or proposer as provided in ORS 279B.110 and Metro Code Section 2.04.052.

7. Project Information. Contractor shall share all project information and fully cooperate with Metro, informing Metro of all aspects of the project including actual or potential problems or defects. Contractor shall abstain from releasing any information or project news without the prior and specific written approval of Metro.

8. Independent Contractor Status. Contractor shall be an independent contractor for all purposes and shall be entitled only to the compensation provided for in this Agreement. Under no circumstances shall Contractor be considered an employee of Metro. Contractor shall provide all tools or equipment necessary to carry out this Agreement, and shall exercise complete control in achieving the results specified in the Scope of Work. Contractor is solely responsible for its performance under this Agreement and the quality of its work; for obtaining and maintaining all licenses and certifications necessary to carry out this Agreement; for payment of any fees, taxes, royalties, or other expenses necessary to complete the work except as otherwise specified in the Scope of Work; and for meeting all other requirements of law in carrying out this Agreement. Contractor shall identify and certify tax status and identification number through execution of IRS form W-9 prior to submitting any request for payment to Metro.

9. Right to Withhold Payments. Metro shall have the right to withhold from payments due to Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage, or claim which may result from Contractor's performance or failure to perform under this Agreement or the failure of Contractor to make proper payment to any suppliers or subcontractors.

10. State and Federal Law Constraints. Both parties shall comply with the public contracting provisions of ORS chapters 279A, 279B and 279C, and the recycling provisions of ORS 279B.025 to the extent those provisions apply to this Agreement. All such provisions required to be included in this Agreement are incorporated herein by reference. Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations including those of the Americans with Disabilities Act.

11. Situs. The situs of this Agreement is Portland, Oregon. Any litigation over this agreement shall be governed by the laws of the State of Oregon and shall be conducted in the Circuit Court of the state of Oregon for Multnomah County, or, if jurisdiction is proper, in the U.S. District Court for the District of Oregon.

12. Assignment. This Agreement is binding on each party, its successors, assigns, and legal representatives and may not, under any circumstance, be assigned or transferred by either party.

13. Termination. This Agreement may be terminated by mutual consent of the parties. In addition, Metro may terminate this Agreement by giving Contractor seven days prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Termination shall not excuse payment for expenses properly incurred prior to notice of termination, but neither party shall be liable for indirect or consequential damages arising from termination under this section.

14. No Waiver of Claims. The failure to enforce any provision of this Agreement shall not constitute a waiver by Metro of that or any other provision.

15. Modification. Notwithstanding and succeeding any and all prior agreement(s) or practice(s), this Agreement constitutes the entire Agreement between the parties, and may only be expressly modified in writing(s), signed by both parties.

METRO

By _____

By _____



Personal Services Agreement

Title _____

Title _____

Date _____

Date _____

Appendix B

PROPOSER'S QUALIFICATIONS AND REPRESENTATIONS

The Proposer makes the following statements and representations as part of the proposal:

GENERAL INFORMATION

1. Name (firm or individual) of Proposer: _____
2. Address: _____
3. Federal Employer Identification Number: _____
4. How long have you been in business? _____
5. Are you a corporation? Yes _____ No _____
If yes, please provide the date and state of incorporation, type of corporation, and list the names of all Portland area audit stockholders.
6. Are you a partnership? Yes _____ No _____
If yes, please list names of all Portland area audit partners.
7. Number of professional audit staff employed in the Portland area office. _____
8. In the preceding five years, has the firm audited at least three different local governments? Yes _____ No _____
9. Does the firm have current experience in assisting audit clients in obtaining and/or retaining the GFOA Certificate of Achievement Yes _____ No _____
10. Has the firm ever bid or submitted a proposal to Metro under another name? Yes _____ No _____
If yes, please list the name(s) used.

Appendix B

12. Does the firm have any outstanding bids or proposals for contracts with Metro? Yes ___ No

If yes, please provide the following:

<u>Subject</u>	<u>Requesting Department</u>
----------------	------------------------------

13. Does the firm have any current contract awards from Metro? Yes ___ No ___

If yes, please provide the following:

<u>Subject</u>	<u>Requesting Department</u>	<u>Amount</u>
----------------	------------------------------	---------------

14. Please provide any other information you feel would help the Selection Committee evaluate your firm for this engagement.

ADDITIONAL REPRESENTATIONS

In addition to the foregoing general information, the Proposer certifies that:

15. The Proposer, if an individual, is of lawful age; is the only one interested in this proposal; and that no person, firm or corporation, other than that named, has any interest in the proposal, or in the contract proposed to be entered into.
16. The Proposer and each person signing on behalf of any Proposer certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, under penalty of perjury, that to the best of their knowledge and belief:
- The prices in the proposal have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restraining competition as to any matter relating to such prices with any other proposer or with any competitor;

Appendix B

- b. Unless otherwise required by law, the prices which have been quoted in the proposal have not been knowingly disclosed by the Proposer prior to the proposal deadline, either directly or indirectly, to any other proposer or competitor;
 - c. No attempt has been made nor will be made by the Proposer to induce any other person, partnership or corporation to submit or not to submit a proposal for the purpose of restraining trade;
 - d. No Council member or other officer, employee, or person, whose salary is payable in whole or in part from Metro is directly or indirectly interested in the proposal, or in the services to which it relates, or in any of the profits thereof;
 - e. Said Proposer is not in arrears to Metro upon any debt or contract, and is not a defaulter, as surety or otherwise, upon any obligation to Metro, and has not been declared irresponsible, or unqualified, by any department of Metro or the State of Oregon, nor is there any proceeding pending relating to the responsibility or qualification of the Proposer to receive public contracts, except (if none, Proposer will insert "none").
 - f. Said Proposer meets the independence requirements of the American Institute of Certified Public Accountants and the Standards for Audit of Governmental Organizations, Programs, Activities and Functions, published by the U.S. General Accounting Office.
17. The Proposer has examined all parts of the RFP, including all requirements and contract terms and conditions thereof, and if its Proposal is accepted, the Proposer shall execute the proposed contract.
 18. The Proposer is duly licensed to do business in the City of Portland and is licensed by the Oregon State Board of Accountancy as a Certified Public Accountant and Municipal Auditor.
 19. The Proposer is and will certify to being an EEO Affirmative Action Employer.
 20. The Proposer has or will provide for all persons employed to perform the services covered by the proposal, or for any other contract for service, in accordance with Oregon Revised Statutes Section 656.001 to 656.794, either as a:
 - Carrier-insured employer, or as a
 - Self-insured employer as provided by ORS 656.407.The Proposer further certifies that evidence of such coverage shall be filed with Metro's Contracts Officer and maintained in effect for the duration of the contract.
 21. The Proposer fully understands and submits its proposal with the specific knowledge that:
 - In the event that the Proposer's proposal is accepted and receives all necessary approvals, the proposal will be incorporated into a contract containing general terms and conditions shown in Appendix A, Personal Services Contract.

The undersigned hereby certifies to the truth and accuracy of all statements, answers and data contained in this proposal and application, and hereby authorizes the Metro Auditor to make any necessary examinations or inquiries in order to make a determination as to the qualifications and responsibility of the Proposer. The undersigned has examined all parts of the Request for Proposals and understands that it is completely discretionary with the Audit Services Selection Committee whether to accept, reject, or negotiate its proposal submitted pursuant thereto.

Signature of Proposer

Title

Appendix C

SUPPORT AND SERVICES PROVIDED BY METRO STAFF

Metro Accounting Division staff provides the following:

TRIAL BALANCES AND OTHER FINANCIAL STATEMENTS

- Trial balances with prior year, budget and actual activity for each budgetary fund. Includes balance sheet and revenue and expenditure accounts.
- GAAP conversion trial balances for all proprietary funds with GAAP journal entries.
- Cash flow statements and support for each applicable fund.
- Completed draft of CAFR including all statements, schedules and note disclosures.

CASH/INVESTMENTS

- Bank and Investment Reconciliations
- Outstanding Check Lists (Operating & Payroll Accounts)
- Deposits In Transit
- Investment Portfolio detail
- Collateral Requirements Analysis

BALANCE SHEET ANALYSIS - ASSETS

- Accounts Receivable Reconciliations
- Fixed Assets detail- All Funds
 - Additions
 - Disposals and Transfers
 - Depreciation Schedule
- Accrued Interest
- Property Tax Accrual

BALANCE SHEET ANALYSIS - PAYABLES

- Accounts Payable Reconciliations
- Salary, withholding and payroll taxes payable reconciliations
- Retainage Payable -All Funds
- Accrued self-insurance actuarial support
- Post-Closure Liability Support
- Deposit- Reconciliations
- Accrued Vacation Summary
- Accrued Vacation Supporting Detail
- Operating Lease Payable Schedule
- Debt Service -- Loans and Bonds Payable Support
- Arbitrage Liability Calculation
- Environmental impairment liability support

OTHER

- Property Tax Revenue/Deferred Revenue Lead Schedule
- Property Tax Transactions
- Commitments Schedule (contracts)
- New Bond Issues or Refundings Detail
- Investment Footnote Support
- Response to GFOA Comments

Appendix C

GRANTS

- Grant Billings at June 30
- Schedule of Expenditures of Federal Awards
- Schedule of Closed Grants
- Schedule of Indirect Costs
- All Grant Agreements and Amendments

EDP AND OTHER REPORTS

- Access to online General Ledger information in PeopleSoft
- Affirmative Action Plan
- Indirect Cost Rate Proposal
- Fiscal Year Unified Work Program
- Budget Amendments and Supplemental Budget
- Budget Hearing Notices
- Budget Documents

Metro staff will also perform the following:

- Provide electronic images or pull hardcopy documents for examination.
- Preparation of additional analyses not listed above as required.

Appendix D

BACKGROUND INFORMATION

Metro is the nation's only directly elected regional government. Metro's primary responsibilities include regional land use and transportation planning, solid waste disposal and waste reduction programs, Oregon Zoo operations, open spaces acquisition, regional park management and operation of the region's spectator facilities. Metro accomplishes the latter through the Metropolitan Exposition-Recreation Commission (MERC). The Metro Council, composed of seven councilors who represent individual districts inside Metro's jurisdiction governs Metro. The Metro Council conducts its business in weekly meetings. Metro's Auditor is elected region-wide. The Metro Auditor provides financial and performance audits of Metro's programs and activities.

Metro will use the following funds in fiscal year 2006 and accounts for all funds on a modified accrual basis for budgetary purposes.

Government-Wide	Fund Type	Budgetary Fund	Fund or subfund
Governmental Activities	Governmental Funds		
	General	General	General Zoo Operating Planning Regional Parks General Revenue Bond-Building General Revenue Bond-Zoo Building Management Support Services
	Special Revenue	Smith and Bybee Lakes Rehabilitation and Enhancement	Smith and Bybee Lakes Rehabilitation and Enhancement
	Debt Service	General Obligation Bond Debt Service	General Obligation Bond Debt Service
	Capital Projects	Open Spaces Metro Capital	Open Spaces Zoo Capital Regional Parks Capital Renewal and Replacement Regional Parks Special Accounts
Business-Type Activities	Permanent	Cemetery Perpetual Care	Cemetery Perpetual Care
	Proprietary funds		
Component Unit	Enterprise	Solid Waste	Solid Waste Revenue
	Internal Service (allocated to Govt/Bus in Govt-Wide)	Risk Management	Risk Management
	MERC Component Unit	MERC Operating	Convention Center Operating PCPA Expo MERC Admin
		MERC Pooled Capital General Revenue Bond	MERC Pooled Capital General Revenue Bond-Expo
	OZF Component Unit	Not a Metro-maintained Fund	Not a Metro-maintained Fund

Appendix D

Metro currently maintains two checking accounts: 1) accounts payable and 2) payroll (which is a "zero-balance account"). In addition, investments are made with various Oregon financial institutions (certificates of deposit, U.S. Treasury Securities, etc.) in accordance with Metro Code and state law. Metro receives dedicated property tax revenue for bonded debt service and a tax base for zoo operations from three counties (Clackamas, Multnomah, Washington) and has receivable accounts for each. Metro employs approximately 2,000 people during a fiscal year.

Metro's corporate trustee (registrar and co-paying agent) is Bank of New York Trust Company, which maintains separate accounts for various bond issues including but not limited to bond proceeds, debt service, reserve and rebate accounts. In addition to the above accounts, MERC maintains various checking, vault and other cash accounts used for its operations.

Other systems and procedures include:

- Metro's investment policies: set by ordinance.
- Computerized systems: include payroll, purchasing, accounts payable, accounts receivable, billing, general ledger, and financial reporting. Each includes manual tasks as well, and some are not integrated on the ERP system.
- MERC: maintains a separate accounting function that monitors its financial operations. It processes documentation and transactions through Metro's accounting section for budget and financial reporting purposes.
- The following reports are available online at <http://www.metro-region.org/pssp.cfm?ProgServID=81>. Comprehensive Annual Financial Report for fiscal year ended June 30, 2005 and prior years.
- Adopted budget for fiscal year 2005/06.

Metro staff provides support by preparing audit work papers on trial balances and other financial statements, cash and investments, grants, and other areas listed in Appendix C. Metro staff will also pull documents for verification of information and prepare additional analyses as required.

METRO AUDITOR REPORT

IN CONSIDERATION OF RESOLUTION NO. 06-3673 FOR THE PURPOSE OF AUTHORIZING THE AUDITOR TO RELEASE A REQUEST FOR PROPOSALS AND EXECUTE A CONTRACT FOR INDEPENDENT AUDIT SERVICES FOR FINANCIAL ACTIVITY DURING FISCAL YEARS THROUGH JUNE 30, 2008.

Date: February 27, 2006

Prepared by: Alexis Dow, CPA, Metro Auditor

BACKGROUND

State ORS provision 297.465 requires an annual independent audit of Metro's financial statements. The existing contract with Grant Thornton LLP for audit services will expire on June 30, 2006.

Metro Code Chapter 2.04 regarding Metro contract procedures specifies at Section 2.04.054 that competitive proposals be solicited at least once every three years with exceptions allowed. The current contract is expiring and it is time to solicit competitive proposals for independent audit services.

Metro Code Chapter 2.15 specifies at Section 2.15.80 that the Auditor shall appoint external certified public accountants to conduct certified financial statement audits. The Metro Charter Section 18 also specifies that the auditor shall be responsible for financial auditing of all aspects of Metro's operations.

ANALYSIS/INFORMATION

1. Known Opposition

None.

2. Legal Antecedents

State ORS provision 297.465 requires an annual independent audit of Metro's financial statements. The contract with Grant Thornton LLP for audit services will expire on June 30, 2006.

Metro Code Chapter 2.04 regarding Metro contract procedures specifies at Section 2.04.054 that competitive proposals be solicited at least once every three years with exceptions allowed. The current contract is expiring and it is time to solicit competitive proposals for independent audit services.

Metro Code Chapter 2.15 specifies at Section 2.15.80 that the Auditor shall appoint external certified public accountants to conduct certified financial statement audits. The Metro Charter Section 18 also specifies that the auditor shall be responsible for financial auditing of all aspects of Metro's operations.

3. Anticipated Effects

Metro will be in a position to meet its legal obligation to provide independently audited annual financial statements.

4. **Budget Impacts**

The most recent financial statement audit fee was negotiated last year and amounted to \$96,300.00. Recent economic influences, driven in large part by federal Sarbanes-Oxley legislation, have created a high demand for auditors and higher audit fees are expected.

METRO AUDITOR RECOMMENDATION

The Metro Auditor recommends approval of Resolution No. 06-3673.