

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE) RESOLUTION NO. 06-3696A
CAPITAL BUDGET FOR FISCAL) Introduced by
YEARS 2006-07 THROUGH 2010-11) David Bragdon, Council President

WHEREAS, Metro recognizes the need to prepare a long-range plan estimating the timing, scale and cost of its major capital projects & equipment purchases;

WHEREAS, Metro departments have inventoried existing major capital assets, prepared status reports on current capital projects and assessed future capital needs;

WHEREAS, Metro's Council President has directed the preparation of a Capital Budget for fiscal years 2006-07 through 2010-11 that projects Metro's major capital spending needs over the next five years, assesses the impact of capital projects on the forecasted financial condition of Metro funds, and assesses the impact on operating costs;

WHEREAS, the Metro Council has reviewed the FY 2006-07 through FY 2010-11 Capital Budget; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2006-07 through FY 2010-11 Capital Budget; now, therefore

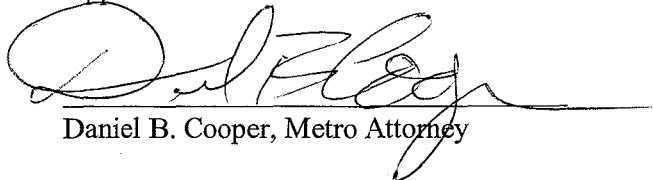
BE IT RESOLVED that the Metro Council hereby authorizes the following:

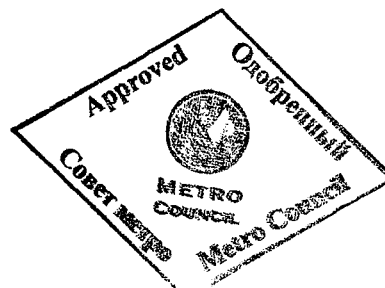
1. That the FY 2006-07 through FY 2010-11 Capital Budget, included as Exhibit A to this Resolution and summarized on Exhibit B, on file at the Metro offices, is hereby adopted.
2. That the Metro Council President is requested to include the FY 2006-07 capital projects from the FY 2006-07 through FY 2010-11 Capital Budget in the FY 2006-07 budget.

ADOPTED by the Metro Council this 22nd day of June 2006.


David Bragdon, Metro Council President

Approved as to Form:


Daniel B. Cooper, Metro Attorney



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

David Bragdon, Metro Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

Exhibit A

Resolution 06-3696

**Five-Year
Capital Budget
Fiscal Year 2006-07
through 2010-11**

**Five-Year
Capital Budget**

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**Capital Budget
FY 2006-07 through
FY 2010-11**



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OPEN SPACES

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User's Guide and Capital Budget Calendar

This section describes the capital budgeting process, as well as the structure of this portion of the budget document and the calendar established to prepare the agency's Capital Budget.

Overview of Process

Metro's Capital Budget process involves the four phases described below and detailed in the accompanying Capital Budget calendar.

Phase 1: Departmental Submissions. The foundation for the Capital Budget is the departments' capital project requests. To develop these requests, departments inventory existing capital assets, prepare a status report on current capital projects, and assess future capital needs. The capital project requests, status report, list of unfunded projects, and major assets inventory comprise a department's Capital Budget submission.

Phase 2: Financial Forecasts. The departments and the Financial Planning Division prepare five-year financial forecasts that are used to evaluate the departments' funding capacity for the capital projects requested.

Phase 3: Chief Operating Officer Review and Capital Budget Development. After the departments submit these project requests, the information is reviewed by the Chief Operating Officer. This includes:

- Technical review by Financial Planning of projects submitted by departments, including an assessment of Metro's capacity to fund the requested projects based on the five-year forecasts.
- Review of projects by the Chief Operating Officer.
- Presentation to the President of the Council of recommended projects for final decision and inclusion in the proposed Capital Budget.

Phase 4: Council Review and Capital Budget Adoption. The Metro Council reviews the proposed capital projects and acts on the proposed Capital Budget following a public hearing. Projects in the Capital Budget for FY 2006-07 are included in the proposed budget.

Because appropriations for projects are included in the annual budget, capital projects included in the first year of the Capital Budget are reviewed as the Council considers the proposed budget.

Overview of Document

This Capital Budget section contains Metro's plan for fiscal years 2006-07 through 2010-11. It also includes estimates for any project costs incurred pre-FY 2006-07. The document is divided into the following sections:

Transmittal Letter. The Council President describes his goals for the Capital Budget.

Capital Budget Overview and Summary. This section presents summary information on capital project funding sources and uses.

Departmental Summary and Analysis. The departmental summary and analysis of the department's funding capacity for the requested capital projects are found in this section.

Lists of Unfunded Projects. Those projects that were not included in the Plan for lack of funding, insufficient details, or further needs assessment are presented in this section. Departments may request that these projects be included in future plans as funding becomes available or project scope is further defined.

Current Projects Status Reports. This section presents information on the status of capital projects which were authorized previously and scheduled for completion by the end of FY 2005-06.

Appendices. Included in this section is information pertinent to the review and adoption of the Capital Budget.

Previously, the major capital assets inventories and project details were included in this document. To conserve resources, this information is now available upon request. In addition, the project detail sheets, including detailed descriptions of each capital project, are now available in a database.

Metro Capital Budget Calendar

Key Tasks

Task Completion

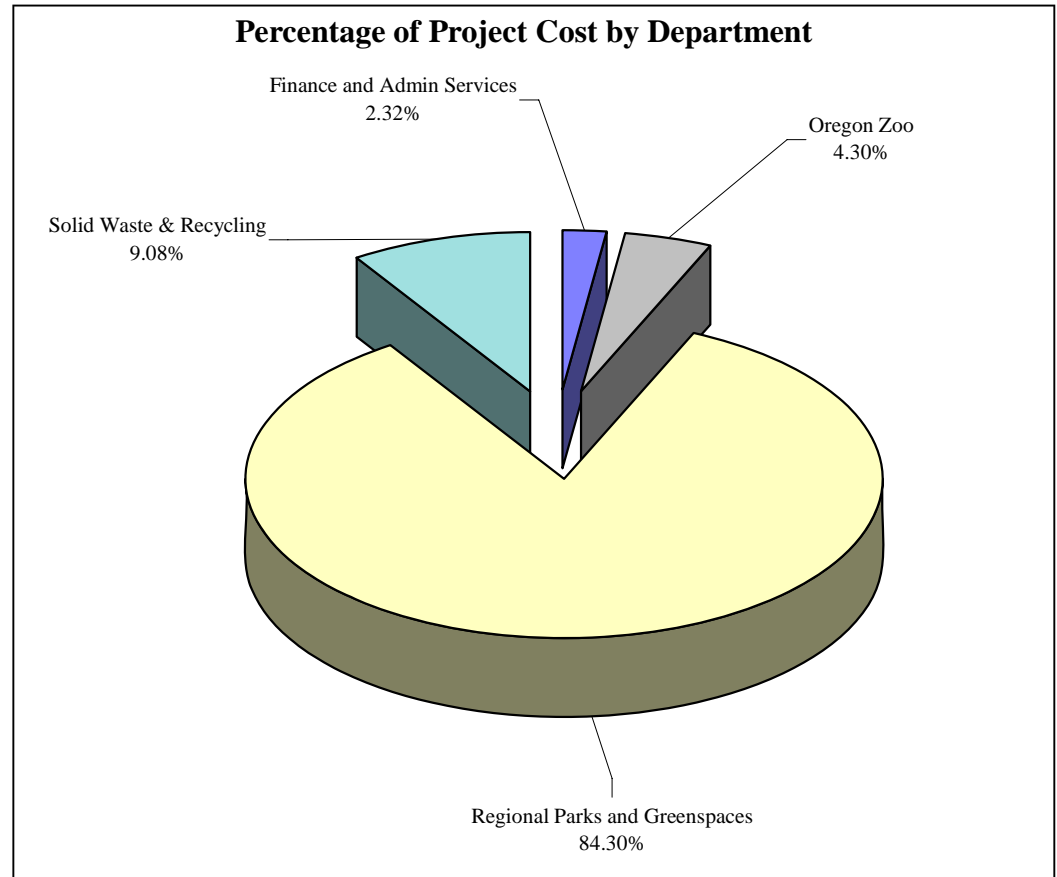
- Financial Planning issues Capital Budget Manual October 15
- Departments submit Capital Project Requests,
Current Projects Status Reports, and
List of Unfunded ProjectsDecember 9
- Financial Planning Division of Finance and
Administrative Services Department completes
evaluation of departmental requests and
prepares financial projections..... December—January
- Chief Operating Officer and Council President
review and discussion.....January
- Council President finalizes recommended capital projectsFebruary
- Proposed Capital Budget document forwarded to Council March
- Information Technology Steering Committee Review March
- Budget review meetings April
- Council holds public hearing and adopts Capital BudgetJune
- Adopted first year projects incorporated into
FY 2006-07 adopted budgetJune

Overview and Summary

Capital projects are defined in the Capital Budget as any physical asset acquired or constructed by Metro with a total capital cost of \$50,000 or more and a useful life of at least five years. The Capital

Budget for FY 2006-07 through FY 2010-11 includes 69 capital projects at a total cost of about \$143.6 million. The capital costs of these projects by fiscal year are presented by department in the summary table below. The shaded line shows costs for the five years of this Capital Budget. The “Total” column represents the total project costs, including spending and budget in prior years.

This year’s Capital Budget has a net increase of 17.6 percent over the prior year Capital Budget. This increase comes primarily from the \$105 million increase to a Regional Parks project to purchase new Open Spaces properties. This Capital Budget does not include Metro Exposition-Recreation Commission (MERC) projects. The previous fiscal year MERC projects totaled approximately \$4.8 million. The balance of this Capital Budget is mainly comprised of regular renewal and replacement projects and the planned Regional Parks’ development of certain of the properties acquired by the Open Spaces bond measure.



Project Cost Summary by Department/All Funds

Department	Total # of Projects	Prior Years	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	Total
Finance and Admin Services	12	2,168,005	741,000	737,500	511,500	1,061,000	275,000	5,494,005
Oregon Zoo	11	9,387,123	1,335,870	1,935,000	2,900,000	-	-	15,557,993
Regional Parks and Greenspaces	17	130,683,361	10,543,307	27,622,660	25,940,402	26,885,000	30,075,000	251,749,730
Solid Waste and Recycling	29	1,633,122	2,909,000	2,634,700	2,823,000	2,411,000	2,265,000	14,675,822
Total Metro	69	143,871,611	15,529,177	32,929,860	32,174,902	30,357,000	32,615,000	287,477,550

Total FY 2006-07 through FY 2010-11

143,605,939

Total Number of Projects

69

The overall number of projects is fourteen less than last year's Capital Budget, seventeen of which were MERC projects. Of the sixty-nine projects in the Capital Budget, eleven are new. Five of the new projects are Finance and Administrative Services, two are from the Oregon Zoo, three from Regional Parks, and one from Solid Waste and Recycling.

Overall, the majority of the capital project expenditures during the five years are from three Metro departments: Regional Parks and Greenspaces at 84.30 percent, Solid Waste and Recycling at 9.08 percent, and the Oregon Zoo at 4.30 percent.

Sources of Funds

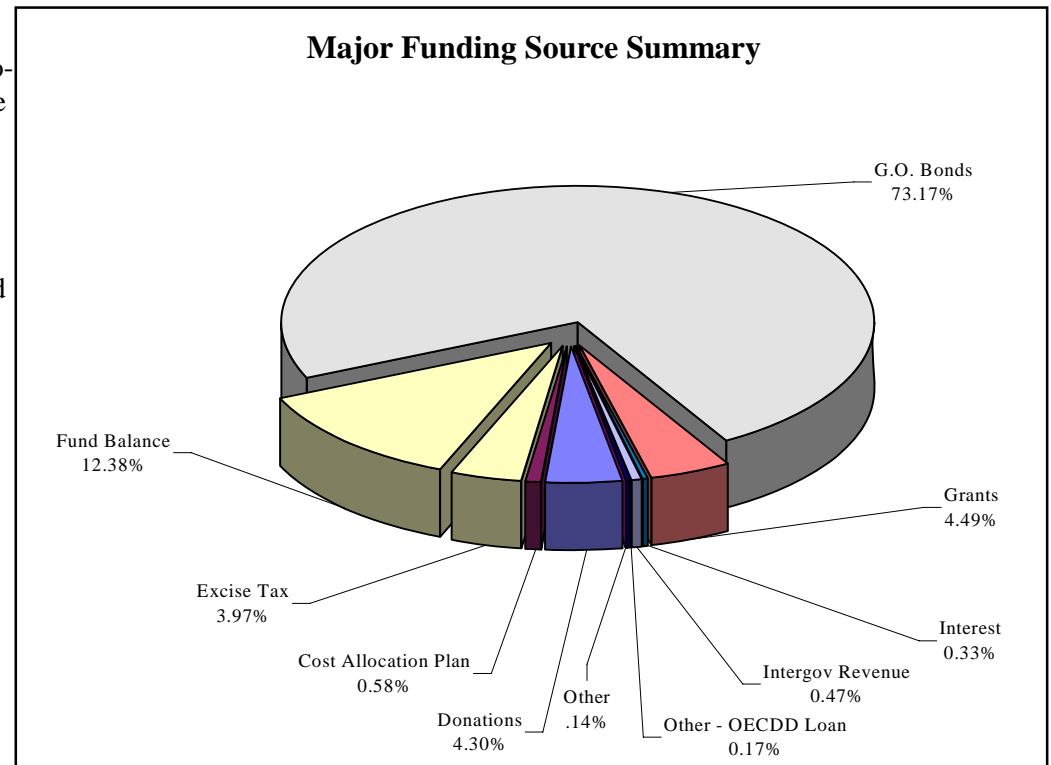
The financing sources for these capital projects vary by project and by department.

Solid Waste and Recycling generally relies on Fund Balance or Capital Reserve accounts. Funding for their projects is included in the rate setting process.

Zoo projects have typically been funded from Fund Balance and donations. The Zoo has an active fundraising arm in the Oregon Zoo Foundation and is relying on their fundraising efforts for almost 77 percent of their capital projects funding needs. Eighteen percent of their funding is from Fund Balance.

Regional Parks and Greenspaces non-land expenditures are predominantly funded by an expected general obligation bond (87 percent), grants (5 percent), and excise tax (5 percent). The land purchases and some major improvements will be funded by general obligation bonds. This Capital Budget anticipates expending renewal and replacement funds set aside from the "dollar per ton" dedicated excise tax and developing new parks from an additional "\$1.50" per ton excise tax.

The Information Technology division of Finance and Administrative Services relies on the central services allocation of costs to the operating departments to fund its projects. Property Services proposes to utilize capital reserves and allocations for its projects. This department implemented a renewal and replacement contribution in FY 2004-05 that evens out the



funding of projects for both Information Technology and Property Services projects.

1. **General Obligation (GO) Bond.** This is the anticipated funding source for the new Open Spaces Bond Measure. Metro plans on putting this measure on the ballot in FY 2006-07 and to begin expenditures in the same year.
2. **Fund Balance.** The second largest source of funds for capital projects, about 12 percent of total funds, is fund balance. Departments' fund balances, in the form of reserves or unrestricted funds, represent Metro's major source of pay-as-you-go financing. This financing technique is particularly well-suited for small- to medium-sized projects with a useful life of less than 20 years.

Major Funding Source Summary/All Funds

Source of Funds	Prior Years	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	Total
Donations	2,962,380	1,570,000	1,700,000	2,900,000	-	-	9,132,380
Capital Lease	769,427	-	-	-	-	-	769,427
Cost Allocation Plan	716,558	203,000	140,500	168,500	220,000	103,000	1,551,558
Excise Tax	532,804	2,510,000	985,000	940,402	1,185,000	75,000	6,228,206
Fund Balance and Reserves	5,233,775	4,949,895	3,907,360	3,138,000	3,411,000	2,380,000	23,020,030
G.O. Bonds	111,109,185	72,105	25,000,000	25,000,000	25,000,000	30,000,000	216,181,290
Grants	1,274,297	4,791,540	1,140,000	-	525,000	-	7,730,837
Interest	16,869,284	475,000	-	-	-	-	17,344,284
Intergovernment Revenue	193,500	681,767	-	-	-	-	875,267
Other - OECD Loan	4,201,295	238,066	-	-	-	-	4,439,361
Other	9,106	37,804	57,000	28,000	16,000	57,000	204,910
Total Metro	143,871,611	15,529,177	32,929,860	32,174,902	30,357,000	32,615,000	287,477,550

Because fund balance is used for operating as well as capital purposes and can be affected by fluctuations in operating revenues and expenditures, Financial Planning staff and departments prepared projections of fund balance available for capital projects for the five years spanning the Capital Budget. In the *Department Summary and Analysis Section*, departmental summaries show projections for those operating funds which will finance capital projects in whole or in part.

3. **Donations.** The majority of the donations are in the Zoo's Capital Budget submission. Phase V of the Great Northwest, the Lion Exhibit, and the California Condor Captive Breeding Facility at the Oregon Zoo are expected to be funded through donations from individual and group fund raising efforts.
4. **Grants.** Grants comprise about 4.49 percent of total funding for capital projects and are tied directly to specific projects. Regional Parks and Greenspaces Department has the majority of grants; these include Metropolitan Transportation Improvement Program (MTIP) and State Marine Board grant allocations.
5. **Excise Tax.** This category is general fund excise tax allocated for department use. In FY 2004-05, Council adopted an additional levy

of \$1.50 per solid waste disposed ton of garbage for the benefit of Regional Parks for a total of \$2.50 per ton and \$.50 to aid MERC in pursuing marketing opportunities for Oregon Convention Center. The FY 2006-07 amount is \$3.14 per ton and allocated for the use of Regional Parks, MERC, and the Oregon Zoo.

6. **Cost Allocation Plan.** This funding source is for central services projects, whose funding is derived from allocation to the operating departments. The category represents less than 1 percent of project funding. The Fiscal Year 2004-05 budget instituted a contribution to Renewal and Replacement for both the Information Technology agency needs and the Metro Regional Center. This action smoothes out department contributions for needed renewal and replacement.
7. **Intergovernmental.** Intergovernmental revenues are contributions from other governmental units in the region or the State of Oregon.
8. **Interest.** This category is generally interest earned on bond proceeds and includes a large amount of interest for the Open Spaces Project and the Great Northwest Project. Interest can also be earnings on specified reserves for a project. This source makes up about 0.3 percent of overall project funding.

9. **Other.** Other financing sources represent about 0.31 percent of total funds allocated to capital projects. This includes the financing of certain types of capital items using capital leases. To qualify for capital lease financing, equipment must have a unit cost greater than \$10,000 (except when purchasing as a component of a larger system) and an expected life greater than three years. The term of the lease may not exceed the life of the equipment.

Uses of Funds

Capital projects in the Capital Budget consist of facilities (purchase, construction, or improvements), land acquisitions, and equipment purchases of \$50,000 or more. Of the 69 projects, 88 percent are new construction or acquisition, one percent are expansion or remodeling projects, and 11 percent are replacement projects. The “Summary by Project Type” chart displayed here demonstrates this use distribution.

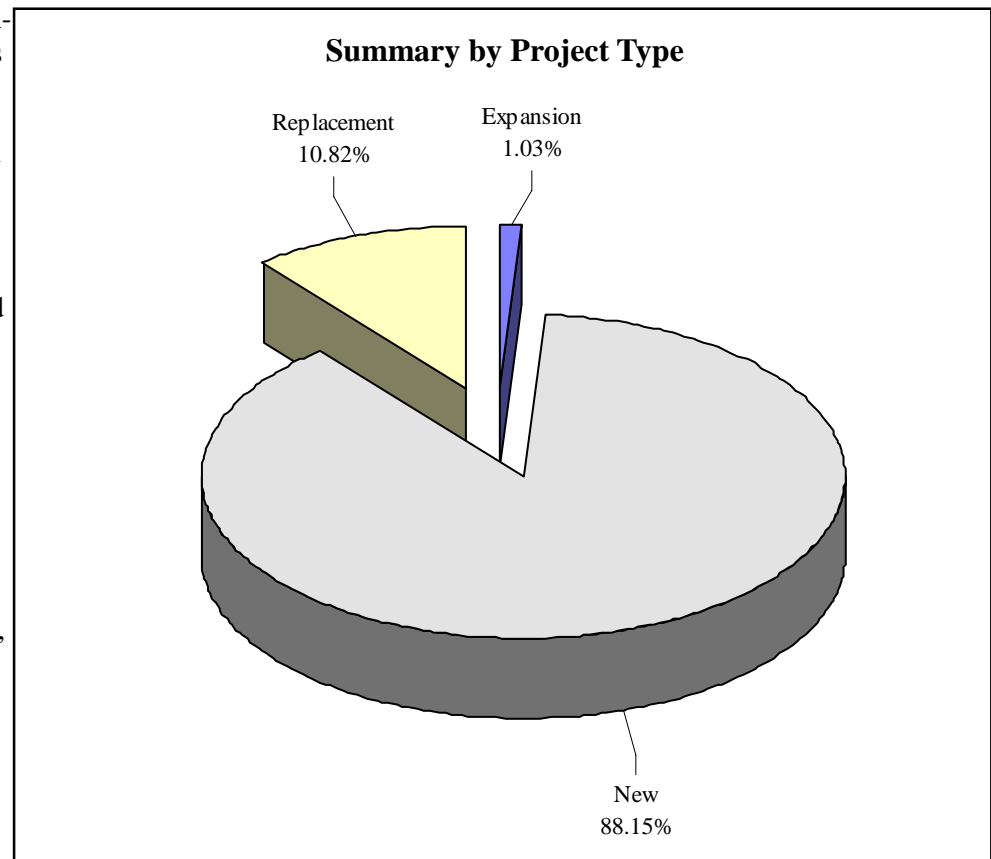
Facilities. About 20 percent of total funds is allocated to a variety of facility projects. These projects include the replacement, renovation, expansion, or new construction of buildings, exhibits, roadways, trails, and other infrastructure. As with other capital projects, these capital assets must have a minimum useful life of five years to be considered. This eliminates routine maintenance and repair projects, which are treated as operating expenses. Regional Parks and Greenspaces projects account for about 51 percent of the total projects in this category, followed by Solid Waste and Recycling at 26 percent, and the Oregon Zoo at 20 percent.

Equipment. About six percent of funds for capital projects is allocated to stand-alone equipment and furnishings. As with other capital projects, equipment can only qualify for Capital Budget consideration if it costs \$50,000 or more and has a useful life of five years or more. Equipment required for new facilities is reflected in the costs of those facilities. About 66 percent of the equipment category relates to Solid Waste and Recycling improvements. Information Technology projects are the next highest at about 28 percent.

Land. The remaining 73 percent of total funds in the Capital Budget is allocated to land acquisition or improvements. This \$105.5 million amount

is for Open Spaces acquisition in the Regional Parks and Greenspaces Department. This program is financed with general obligation bonds that were approved by the Council and voters in FY 1994-95 and are scheduled to be complete in FY 2006-07, and a proposed general obligation bond issue in FY 2006-07.

Restoration. A small amount of Regional Parks Capital Budget is devoted to restoration, which is usually grant funded. This accounts for approximately one percent of the total.



Summary by Project Type

Department	Total # of Projects	Prior Years	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	Total
Expansion	4	290,064	453,756	26,000	-	-	1,000,000	1,769,820
New	32	138,279,959	12,348,421	30,180,560	26,781,402	27,191,000	30,085,000	264,866,342
Replacement	33	5,301,588	2,727,000	2,723,300	5,393,500	3,166,000	1,530,000	20,841,388
Total Metro	69	143,871,611	15,529,177	32,929,860	32,174,902	30,357,000	32,615,000	287,477,550

Annual Operating Budget Impact Summary

Each department also projected the net impact on operating costs resulting from each capital project. The impact is shown in 2005 dollars for the first full year of operation after completion of the project. The table below is a summary by major budget category for all projects in the Capital Budget.

The chart labeled “Annual Net Operating Impact by Project” lists the projects with operating impact by department. Only three projects are expected

to produce positive cash flows, two in Regional Parks and one at the Oregon Zoo. Those are the Blue Lake Park concession building renovations, the Golf Course at Blue Lake Park, and the fluorescent light fixture replacement at the Zoo. Metro, overall, will have an additional cost of \$220,525 to \$1,332,439 per year from these projects. The projects adding the most to operating costs are the Regional Parks Cooper Mountain Natural Area, the Graham Oaks Nature Area Development, the Mt. Talbert Development Open Spaces-Phase II, and the California Condor Captive Breeding Facility.

Annual Operating Budget Impact Summary

Revenue and Cost By Major Budget Category	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	Total
Revenues	-	12,000	72,000	1,048,054	1,153,528	2,285,582
Expenditures						
Personal Services	137,000	225,663	398,445	472,232	614,298	1,847,638
Materials and Services	83,525	199,718	531,550	1,332,711	1,585,155	3,732,659
Renewal and Replacement	-	54,265	146,393	156,838	286,514	644,010
Total Expenditures	220,525	479,646	1,076,388	1,961,781	2,485,967	6,224,307
Net Contribution (Cost)	(220,525)	(467,646)	(1,004,388)	(913,727)	(1,332,439)	(3,938,725)

Annual Net Operating Impact by Project

Annual Net Impact on Operating Costs	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011
Finance					
Develop Enterprise Business Applications Software	-	(39,000)	(39,000)	(40,000)	(40,000)
Emergency Generator	-	-	(1,500)	(1,500)	(1,500)
Total Finance	-	(39,000)	(40,500)	(41,500)	(41,500)
Oregon Zoo					
California Condor Breeding Facility & Exhibit	(187,000)	(191,000)	(196,000)	(200,000)	(200,000)
Fluorescent Light Fixture Replacement	-	18,000	18,000	18,000	18,000
Introduction to the Forest (GNW V)	-	(28,000)	(28,000)	(28,000)	(28,000)
Lion Exhibit	-	-	-	56,000	56,000
Total Oregon Zoo	(187,000)	(201,000)	(206,000)	(154,000)	(154,000)
Regional Parks and Greenspaces					
Blue Lake Park Concession Building Renovations	-	12,000	12,000	12,000	12,000
Cooper Mountain Natural Area Development	-	-	(221,815)	(227,362)	(234,798)
Gales Creek/Tualatin River Confluence Project	(33,525)	(12,260)	(10,000)	(10,000)	-
Golf Course at Blue Lake Park	-	-	(206,477)	19,381	85,636
Graham Oaks Nature Area Development	-	-	-	-	(238,058)
M. James Gleason Boat Ramp - Phase III & IV	-	-	-	-	(17,500)
M. James Gleason Boat Ramp Renovation Phase I & II	-	-	(33,427)	(33,427)	(33,427)
Mt. Talbert Development	-	(162,247)	(166,611)	(171,097)	(177,290)
Open Spaces Land Acquisition - Second Phase	-	(61,139)	(126,558)	(294,722)	(474,502)
Total Regional Parks and Greenspaces	(33,525)	(223,646)	(752,888)	(705,227)	(1,077,939)
Solid Waste and Recycling					
Metro Central - Office Addition	-	-	(1,000)	(1,000)	(1,000)
Metro South - Install High Capacity Baler	-	-	-	-	(6,000)
Metro South - Wood Processing Capacity	-	-	-	(8,000)	(8,000)
Metro South - Wood Staging Structure	-	(4,000)	(4,000)	(4,000)	(4,000)
Metro South- Install Compactor for Public Unloading Area	-	-	-	-	(40,000)
Total Solid Waste and Recycling	-	(4,000)	(5,000)	(13,000)	(59,000)
Total Metro	(220,525)	(467,646)	(1,004,388)	(913,727)	(1,332,439)

**Capital Budget
Department
Summaries**

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Regional Parks and Greenspaces Department F-29
Solid Waste and Recycling Department F-35

Department Summary and Analysis

The following is an overview of the Five-Year Capital Budget departmental submissions and the narrative discussing relevant issues relating to each department's requests.

The following categories and charts are provided to give an overview and significant information regarding each Capital Budget submittal.

Total Projects Summary—By Year. Each department section begins with a complete listing, in priority order, of the projects contained in the current Capital Budget. This chart shows the expected expenditures by year. The shaded section under the chart shows the total number of projects and their expected cost during the five-year budgeting period.

Overview of Projects. This narrative addresses significant issues regarding each department's Capital Budget submission. The overview includes information on:

- The status of projects budgeted in the current fiscal year.
- New projects that are in the Capital Budget proposal.
- Changes in timing and scope of projects previously listed.
- Unfunded projects.

Project Funding. This section of the narrative discusses the sources of funding for the various projects and any overriding funding issues that may exist. This section refers to the *Major Funding Source Detail* chart provided for each department.

Operational Impact. This section of the narrative discusses the change in operational costs as a result of the proposed projects and refers to the *Cumulative Net Impact on Operating Costs* chart if there is an operating impact.

Five-Year Financial Forecast. A *Five-Year Financial Forecast* chart is included at the end of the narrative for operating departments. This forecast reflects the ending fund balance for a five-year period. This is a summary of a detailed five-year financial forecast that includes all expected revenues and expenditures overlaid with the capital projects and the resulting impact on ending fund balance. A discussion of the adequacy of funding as demonstrated in this financial forecast is included in the narrative. This portion of the narrative discusses that five-year outlook and its adequacy to fund the proposed projects.

**Finance and
Administrative
Services
Department**

Total Projects Summary - By Year

Finance				Prior Years	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	Total
Project No.	Priority									
All Funds										
IT1	1	Replace/Acquire Desktop Computers		\$397,193	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$847,193
Total - All Funds				\$397,193	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$847,193
Building Management Fund										
1505	1	Rebuild Metro Regional Center planters		\$0	\$65,000	\$0	\$0	\$0	\$0	\$65,000
56190	2	Emergency Generator		\$0	\$0	\$370,000	\$0	\$0	\$0	\$370,000
TEMP109	3	Metro Regional Center Roof Replacement		\$0	\$0	\$0	\$0	\$455,000	\$0	\$455,000
56180	4	Carpet Replacement		\$0	\$0	\$50,000	\$200,000	\$250,000	\$0	\$500,000
1500	5	Replace Metro Regional Center telephone system		\$0	\$65,000	\$0	\$0	\$0	\$0	\$65,000
Total - Building Management Fund				\$0	\$130,000	\$420,000	\$200,000	\$705,000	\$0	\$1,455,000
Planning Fund										
94403/94404	1	Regional Land Information System (RLIS)		\$706,025	\$30,000	\$57,000	\$28,000	\$16,000	\$57,000	\$894,025
Total - Planning Fund				\$706,025	\$30,000	\$57,000	\$28,000	\$16,000	\$57,000	\$894,025
Support Services Fund										
56110	1	Server Management		\$359,165	\$136,000	\$78,000	\$156,000	\$144,000	\$53,000	\$926,165
56120	3	Upgrade Network Infrastructure		\$352,558	\$25,000	\$30,000	\$25,000	\$30,000	\$25,000	\$487,558
65612	4	Upgrade of Business Enterprise Software (PeopleSoft)		\$63,000	\$67,000	\$62,500	\$12,500	\$76,000	\$50,000	\$331,000
56135	5	Develop Enterprise Business Applications Software		\$290,064	\$193,000	\$0	\$0	\$0	\$0	\$483,064
Total - Support Services Fund				\$1,064,787	\$421,000	\$170,500	\$193,500	\$250,000	\$128,000	\$2,227,787
SW Renewal & Replacement Account										
76921/76953	1	Replace Computer Network Components		\$0	\$70,000	\$0	\$0	\$0	\$0	\$70,000
Total - SW Renewal & Replacement Account				\$0	\$70,000	\$0	\$0	\$0	\$0	\$70,000
Total - Finance				\$2,168,005	\$741,000	\$737,500	\$511,500	\$1,061,000	\$275,000	\$5,494,005

Total FY 2006-2007 through FY 2010-2011	\$3,326,000
Total # of Projects	12

Finance and Administrative Services Department

Finance and Administrative Services contains two areas that generate Capital projects, Property Services and Information Technology. The Property Services division of the Finance and Administrative Services Department (FAS) is responsible for the operations and maintenance of the Metro Regional Center (MRC), the attached parking garage, and the operation of the print shop at Metro. The Information Technology division of FAS manages the information technology infrastructure and services of the agency. All projects throughout the agency related to information technology, regardless of funding source, are grouped in this section.

Overview of Projects

Property Services Division

There are three new projects identified in the FY 2006-07 Property Service Capital Budget. The new projects are:

- Rebuild Metro Regional Center planters.
- Replace Metro Regional Center Telephone System Project.
- The purchase and installation of an Emergency Generator Project.

The Rebuild Metro Center Planters Project will cost \$65,000. The replacement of the telephone system at the MRC is scheduled to begin in FY 2006-07 and cost \$65,000. The Emergency Generator Project is anticipated to cost \$370,000 (\$10,000 for a comprehensive electrical feasibility study and \$360,000 for the purchase and installation of the generator). This project is currently scheduled for FY 2007-08 to allow for a full need and feasibility study. The previously scheduled projects include the Metro Regional Center Roof Replacement Project and the Carpet Replacement Project. These projects are scheduled to commence in FY 2007-08 and be completed by 2011.

The first capital project in the Property Services Division is the Rebuild Metro Regional Center Planters Project. This project is estimated to cost \$65,000 and have a useful life of 20 years. There is deterioration occurring in the existing structure and the irrigation system needs to be replaced. At present, there is ongoing water damage to the Human Resource Department and the Data Resource Center (DRC) located at the front of the MRC. The soil and drainage system is failing to drain quickly and this increases the weight on the existing structure, which pushes against the MRC and will eventually cause more leaks and future damage. This project is proposed to begin in FY 2006-07 and will take one year to complete. No additional operating impact is anticipated for this capital project.

The second new project in the FY 2006-07 Capital Budget is the Replace Metro Regional Center Telephone Systems Project. The present system at the MRC will be outdated and past its useful life by 2010. The new system has an estimated life of 15 years and will cost \$65,000.

The third new project is the purchase and installation of an emergency generator at the Metro Regional Center. The MRC is without a backup power source; therefore the MRC cannot operate should the power go out. In the event of an emergency there would be no way to coordinate solid waste disposal, transportation routing (if the bridges are down), or to continue financial operations. Metro carries the regional responsibility for solid waste removal should a natural disaster or similar incident occur in the Portland Metro area, solid waste removal and transportation operations will need to continue. The generator will provide Metro with the ability to continue service despite an unforeseen emergency or incident. Of the total cost, \$10,000 is identified for an electrical engineering consultant to conduct a feasibility study. The estimated useful life for the generator is 40 years.

The Carpet Replacement Project has been set back another year and is now scheduled to begin in FY 2007-08. The Carpet Replacement Project is scheduled for completion over a three-year period, with one floor of the building scheduled in each year. The total cost will be \$500,000, and the expected useful life for the carpet is ten years. In addition, the MRC Roof Replacement Project has been rescheduled to begin in FY 2009-10. The cost for the replacement of the roof at the MRC is \$455,000 and it will have a useful life of 20 years.

The Telephone Replacement Project and Carpet and Roof Replacement Projects will be funded out of a Renewal and Replacement Reserve for the MRC. Contributions to this reserve are made annually and are funded through allocations charged to the departments that occupy the building.

The Capital Budget for the Property Services Division also includes two unfunded projects: Air Rights Housing Project Over the Metro Parking Garage and Signs for Metro Regional Center. Currently, no funding has been identified for the completion of these projects. The department has identified the Signs for the Metro Regional Center as medium on the department's priority list and the Air Rights Housing Project as low in the priority list.

Information Technology Division

For the Information Technology Division, there are six existing projects and one new project identified in the FY 2006-07 Capital Budget.

For FY 2006-07 Information Technology identified one new project and that is the Develop Enterprise Business Applications Project, which includes \$150,000 for budget module software and \$43,000 for an asset management module. The project, recommended by the Business Design Team, will be completed in FY 2006-07 upon the selection and implementation of a software provider. This project will be funded out of the Information Technology Renewal and Replacement fund.

Three projects are related to maintenance of the network: Upgrade Network Infrastructure, Upgrade of Business Enterprise Software, and Server Management. These projects enable the department to maintain the computer infrastructure used by the entire agency by upgrading or replacing equipment and software. These changes are necessary to meet agency performance demands for daily operations.

The PeopleSoft financial and human resource systems are upgraded periodically as new versions of the software are released. This Capital Budget includes periodic software including E-performance and E-benefits upgrades, enabling these systems to work more efficiently and to stay current with technology advancements in this area. This upgrade package is scheduled for FY 2006-07. It is anticipated that the cost of the upgrades to PeopleSoft may change in future years depending upon vendor agreements and service provided by Oracle.

The FY 2006-07 Capital Budget includes the second phase of the replacement of computer network components at some of the Solid Waste facilities. This network serves the Metro South and Metro Central Solid Waste Transfer Stations. Funding for this project is out of the Solid Waste Renewal and Replacement Account in the amount of \$70,000.

A planned upgrade to the Regional Land Information System (RLIS) is budgeted in the Planning Fund. The RLIS project is will require \$188,000 over the next five years for software and upgrades.

The remaining project, Replace/Acquire Desktop Computers, is a continuation of reporting the replacement costs of the agency for desktop computers. The annual amounts included for this project represent a three-year replacement cycle for all desktop systems. Costs are budgeted throughout the agency, but all of the purchases are coordinated through the Information Technology Division. Ninety thousand dollars is budgeted in FY 2006-07 for the Replace/Acquire Desktop Computers Project.

The Capital Budget also includes seven projects on the unfunded list for the Information Technology Division. Five of the nine projects provide for new or greatly expanded information technology applications. Four projects provide for the upgrade or replacement of the Oregon Zoo's outdated network equipment and infrastructure, a new Point of Sale system, and cash management system. The projects at the Oregon Zoo have been identified as high priority. The projects on the unfunded list have been recognized as a benefit to the agency; however, funding sources have not been identified.

Major Changes from Prior Fiscal Year's Capital Budget

Property Services Division

There are three new projects identified in the Property Services Division Capital Budget. The Rebuild Metro Regional Center Planters, the Replace Telephones, and the Emergency Generator at the Metro Regional Center Projects are identified in the Capital Budget; they are scheduled to begin FY 2006-07. The timing for two previously identified projects has been changed in the Property Services Capital Budget. The first project, Carpet Replacement at the Metro Regional Center, has been delayed another year and is scheduled to occur in FY 2007-08. The timing of this project may

change again as the condition of the carpet is reassessed as part of next year's Capital Budgeting process. The second change is in the timing of the Metro Center Roof Replacement Project. This project has been rescheduled to begin in FY 2008-09. Both projects have been rescheduled to allow for the fund to accumulate the appropriate balance to pay for the identified projects.

Information Technology Division

The FY 2006-07 Capital Budget for the Information Technology Division includes one additional project. The Develop Enterprise Business Applications Software Project is a new project in the FY 2006-07 Capital Budget. This project has been identified as a useful tool in the development of the Metro Budget and will be funded with Information and Technology renewal and replacement funds.

All other projects are of an ongoing or recurring nature. Replacement or periodic upgrades of information technology hardware are proposed according to the existing replacement schedule, usually 3 – 5 years. Each year, as the projects are updated, costs may increase or decrease depending on the replacement cycle.

Project Funding

Contributions to the Building Management reserve (\$97,000 annually) are made based on projected needs and are funded through allocations charged to the departments occupying the building. All capital projects for the Metro Regional Center are funded out of this reserve. The costs for the Emergency Generator Project are expected to be split between the Building Management Fund and the Solid Waste Revenue Fund. In FY 2006-07 staff recommends the contribution increase in the amount of \$36,000 to fund the copier replacement program in the Capital Budget. Presently, these funds are allocated in the Office Service portion of the Cost Allocation Plan and they will be classified as a capital project beginning in FY 2006-07. Furthermore, it is anticipated that the contribution to the Building Management Fund will be reduced back to its original level of \$97,000 in 2010 after the completion of the Carpet and Roof Replacement projects.

A renewal and replacement reserve was also established for information technology projects. The reserve was seeded with discretionary fund balance that has accumulated over a period of years from the Contractor's License program. Annual contributions to the reserve are made from allocations to departments through the cost allocation plan (estimated at \$150,000 annually), and from profits of the Contractor's License program (annual estimate of \$50,000). Ongoing replacement projects approved in the Five-Year Capital Budget will be funded from this reserve. At present, Staff does not recommend increasing the contribution to the Information Technology renewal and replacement fund.

Operational Impact

There is a possible impact to the Information Technology Department's Operation Budget with the addition of budget and asset management software. This project is also funded with one-time money, and the ongoing maintenance will be absorbed in the Cost Allocation Plan in the future. Without a formal Request for Proposal (RFP) it is difficult to anticipate the ongoing maintenance costs, however, vendors have indicated that the cost will be from \$7,000-\$15,000.

Major Funding Source Detail

Finance						
Major Funding Source Category	Prior Years	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Fund Balance - Capital Reserve	\$610,637	\$413,000	\$460,000	\$90,000	\$90,000	\$90,000
Fund Balance - Renewal and Replacement	\$62,277	\$95,000	\$80,000	\$225,000	\$735,000	\$25,000
Other	\$9,106	\$30,000	\$57,000	\$28,000	\$16,000	\$57,000
Other - Cost Allocation Plan	\$716,558	\$203,000	\$140,500	\$168,500	\$220,000	\$103,000
Other Capital Lease	\$769,427	\$0	\$0	\$0	\$0	\$0
Total - Finance	\$2,168,005	\$741,000	\$737,500	\$511,500	\$1,061,000	\$275,000

Cumulative Net Impact on Operating Costs

Finance					
Annual Net Impact on Operating Costs	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Materials and Services	\$0	\$39,000	\$40,500	\$41,500	\$41,500
Total Expenditures	\$0	\$39,000	\$40,500	\$41,500	\$41,500
Net Contribution (Cost) Finance	\$0	(\$39,000)	(\$40,500)	(\$41,500)	(\$41,500)

Oregon Zoo

Total Projects Summary - By Year

Oregon Zoo			Prior Years	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	Total
General Revenue Bond Fund (Zoo)									
TEMP188	1	Washington Park Parking Lot Renovation	\$4,201,295	\$190,870	\$0	\$0	\$0	\$0	\$4,392,165
Total - General Revenue Bond Fund (Zoo)			\$4,201,295	\$190,870	\$0	\$0	\$0	\$0	\$4,392,165
Zoo Capital Projects Fund									
51215I	1	Introduction to the Forest (GNW V)	\$2,579,735	\$550,000	\$0	\$0	\$0	\$0	\$3,129,735
ZOO5	2	Primate Building	\$874,414	\$150,000	\$500,000	\$300,000	\$0	\$0	\$1,824,414
ZCM02	3	Admission Ticketing System Upgrade	\$0	\$200,000	\$0	\$0	\$0	\$0	\$200,000
ZOO2	4	Lion Exhibit	\$0	\$50,000	\$200,000	\$2,600,000	\$0	\$0	\$2,850,000
ZCON	6	California Condor Breeding Facility & Exhibit	\$1,531,679	\$0	\$1,000,000	\$0	\$0	\$0	\$2,531,679
TEMP15	7	Steller Cove Upgrades	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000
TEMP13	8	Administration Building Upgrades	\$0	\$0	\$135,000	\$0	\$0	\$0	\$135,000
ZAH02	9	Animal Hospital X-Ray Machine	\$0	\$70,000	\$0	\$0	\$0	\$0	\$70,000
TEMP238	10	Fluorescent Light Fixture Replacement	\$0	\$55,000	\$0	\$0	\$0	\$0	\$55,000
Total - Zoo Capital Projects Fund			\$4,985,828	\$1,075,000	\$1,935,000	\$2,900,000	\$0	\$0	\$10,895,828
Zoo Operating Fund									
ZOO11	5	Stormwater Handling System	\$200,000	\$70,000	\$0	\$0	\$0	\$0	\$270,000
Total - Zoo Operating Fund			\$200,000	\$70,000	\$0	\$0	\$0	\$0	\$270,000
Total - Oregon Zoo			\$9,387,123	\$1,335,870	\$1,935,000	\$2,900,000	\$0	\$0	\$15,557,993

Total FY 2006-07 through FY 2010-11	\$6,170,870
Total Number of Projects	11

Oregon Zoo

There are a variety of capital projects for the Oregon Zoo in this Capital Budget. There are new facility construction projects and renewal and replacement projects, such as the Primate Building. The preceding summary table lists

each capital project by fiscal year.

Overview of Projects

Budgeted Projects:

- The Zoo has two new projects in the Capital Budget for the year. The first project is to replace the outdated X-Ray Machine currently being used in the Zoo facility. The second new project is the replacement of the Oregon Zoo's fluorescent light fixtures with new energy-efficient units.
- Introduction to the Forest (GNW V) — this project was originally expected to be completed by the end of FY 2005-06. Due to funding constraints, \$550,000 of the project has been delayed to FY 2006-07.
- Primate Building — scheduling has changed somewhat. In last year's Capital Budget it was intended work would not commence until FY 2007-08 and be spread over two years. This Capital Budget assumes some work beginning in FY 2006-07 and continuing over the following two years.
- The Admission Ticketing System Upgrade Project, included in last year's Capital Budget, has been moved to FY 2006-07.
- Stormwater Handling System Project — increased in scope by \$70,000 and is still fully grant-funded. No estimate has been made on the amount that will be saved in sewer bill to the Zoo, but there are expected savings.

- Lion Exhibit — fundraising continues on this project. It was expected to be completed in FY 2005-06 but is delayed to future years. Design is expected to take place in FY 2006-07 with construction commencing in FY 2007-08 and the majority of the construction completed in FY 2008-09. The cost for the project has also increased \$650,000.
- The California Condor Breeding Facility & Exhibit project has completed the first phase by establishing the Breeding Facility. The second phase, the exhibit for the public of a non-breeding pair, has been delayed to FY 2007-08. About \$200,000 has been raised so far for the second phase
- Steller Cover Upgrades are delayed on year to FY 2007-08.
- Administration Building Upgrades are still expected to be completed in FY 2007-08.

Unfunded Projects:

- There are no changes in the unfunded projects from last year's Capital Budget

Major Changes from the Prior Fiscal Year's Capital Budget

The majority of changes from last years Capital Budget are changes in timing of projects. Most projects depend upon fund raising and are often constrained by the success of those efforts.

Project Funding

Seventy-five percent of the projects are funded by donations and are dependent upon the success of the fund raising efforts. The Friends of the Zoo have been quite successful at raising funds, making this a more dependable source of funding than for other departments. Some grant funding has been applied for and received. The Zoo's projects are mostly expended out of the Zoo Capital Fund. The fund balance projections for the next five years demonstrate adequate funding, though fund balance declines significantly and no new source is apparent.

Operational Impact

Several Projects proposed or in-process have operational impact. Please refer to the table in the Overview and Summary on page F-12 for the details of the impact. The projects with operational impact are:

- Introduction to the Forest (GNW V) with a \$28,000 annual operating cost

- The Lion Exhibit is expected to contribute to operations \$56,000 a year by generating \$150,000 in revenues offset by \$94,000 in costs beginning in FY 2009-2010

California Condor Breeding Facility has a cost of approximately \$200,000 a year

Cumulative Net Impact on Operating Costs

Oregon Zoo		2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Annual Net Impact on Operating Costs						
Revenues		\$0	\$0	\$0	\$150,000	\$150,000
Personal Services		\$137,000	\$141,000	\$146,000	\$214,000	\$214,000
Materials and Services		\$50,000	\$60,000	\$60,000	\$90,000	\$90,000
	Total Expenditures	\$187,000	\$201,000	\$206,000	\$304,000	\$304,000
	Net Contribution (Cost) Oregon Zoo	(\$187,000)	(\$201,000)	(\$206,000)	(\$154,000)	(\$154,000)

Major Funding Source Detail

Oregon Zoo		Prior Years	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Major Funding Source Category							
Donations		\$1,999,679	\$270,000	\$1,700,000	\$2,900,000	\$0	\$0
Fund Balance - Capital Reserve		\$2,856,149	\$750,000	\$235,000	\$0	\$0	\$0
Grants		\$280,000	\$70,000	\$0	\$0	\$0	\$0
Other		\$4,201,295	\$245,870	\$0	\$0	\$0	\$0
Other - Interest Earnings		\$50,000	\$0	\$0	\$0	\$0	\$0
	Total - Oregon Zoo	\$9,387,123	\$1,335,870	\$1,935,000	\$2,900,000	\$0	\$0

**Five-Year Financial Forecast
as of December 2005**

Zoo Operating Fund	2005-06		Projections				
	Adopted	Est. Actual	2006-07	2007-08	2008-09	2009-10	2010-11
Estimated Beginning Fund Balance	\$6,811,010	\$7,721,377	\$7,705,937	\$8,215,774	\$8,543,073	\$8,663,463	\$8,547,957
Projected Current Revenues	\$24,635,412	\$24,796,698	\$25,365,117	\$25,831,000	\$26,450,000	\$27,077,000	\$27,711,000
Less Operating Expenditures	(\$24,685,930)	(\$24,612,138)	(\$24,785,279)	(\$25,503,701)	(\$26,329,611)	(\$27,192,506)	(\$28,091,789)
Ending Fund Balance Prior to CIP	\$6,760,492	\$7,905,937	\$8,285,774	\$8,543,073	\$8,663,463	\$8,547,957	\$8,167,168
Proposed Capital Projects	(\$200,000)	(\$200,000)	(\$70,000)	\$0	\$0	\$0	\$0
Ending Fund Balance After CIP	\$6,560,492	\$7,705,937	\$8,215,774	\$8,543,073	\$8,663,463	\$8,547,957	\$8,167,168
Ending Fund Balance Breakdown							
Reserves	\$5,755,636	\$5,758,553	\$6,326,881	\$6,913,552	\$7,523,592	\$8,158,094	\$8,818,208
Unrestricted Fund Balance	\$804,856	\$1,947,384	\$1,888,893	\$1,629,522	\$1,139,871	\$389,863	(\$651,040)

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

**Five-Year Financial Forecast
as of December, 2005**

Zoo Capital Fund	2005-06		Projections				
	Adopted	Estimated	2006-07	2007-08	2008-09	2009-10	2010-11
Estimated Beginning Fund Balance	\$4,959,358	\$4,780,014	\$1,994,719	\$1,242,573	\$973,341	\$924,779	\$869,626
Projected Revenues	\$110,984	\$430,984	\$400,000	\$1,747,000	\$2,937,000	\$35,000	\$33,000
Less Operating Expenditures	(\$576,279)	(\$98,279)	(\$77,146)	(\$81,232)	(\$85,562)	(\$90,152)	(\$95,018)
Ending Fund Balance Prior to CIP	\$4,494,063	\$5,112,719	\$2,317,573	\$2,908,341	\$3,824,779	\$869,626	\$807,608
Proposed Capital Projects	(\$2,720,000)	(\$3,118,000)	(\$1,075,000)	(\$1,935,000)	(\$2,900,000)	\$0	\$0
Ending Fund Balance After CIP	\$1,774,063	\$1,994,719	\$1,242,573	\$973,341	\$924,779	\$869,626	\$807,608

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.



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**Planning
Department**

Planning Department

The Planning Department serves as the metropolitan region's transportation planning organization and is responsible for urban growth management and land-use planning. The Technical Service division of the department consists of two

sections – Travel Forecasting and the Data Resource Center.

The work performed by the Travel Forecasting Section provides the base data used by Metro and local jurisdictions in the region for developing transportation alternatives. The department uses a sophisticated system of interconnected servers and workstations for the development and application of travel demand forecasting models. In FY 2001-02 the department replaced the existing computer system with a new, more powerful modeling system called TRANSPORTATION SIMULATION S (TRANSIMS). This travel modeling system requires very large amounts of processing power. The financing mechanism for the project was a three-year internal loan from a Metro department. The department plans to replace components of this system every year, with a replacement schedule ranging from two to three years, depending on the component. Historically, large capital computer purchases for the Planning Department have been financed with three-year capital leases or loans. However, beginning in FY 2003-04, the department has been attempting to fund a capital replacement reserve. The reserve, if fully funded, would finance the component purchases, with the department replenishing the reserve over the life of the equipment. Debt or reserve payments are allocated to users and individual projects through a billing system. Approximately 9 percent of the annual payments are funded with excise tax.

The Data Resource Center operates a network of computers to provide the forecasting, mapping and decision-making tools needed for Metro departments, local governments and private-sector subscribers. The Regional Land Information System (RLIS) is the heart of the planning and mapping services provided by Metro. This technology supports the enterprise applications of the Geographic Information System (GIS). To keep up with the demand for sophisticated land-use planning tools, the department replaces portions of the RLIS system each year. The replacement schedule covers

GIS work stations, plotters, specialized printers, etc., and may include some network infrastructure items as needed to support high end data exchanges between the Data Resource Center and Metro partners. All costs are allocated to the users and contracting agencies through a billing system. Historically, approximately 31 percent is funded with excise tax.

All computer projects are included in a consolidated Information Technology proposal. Refer to Finance and Administrative Services section for detail of the projects.

**Regional Parks
and Greenspaces
Department**

Regional Parks and Greenspaces			Prior Years	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	Total
Open Spaces Fund									
TEMP4	1	Open Spaces Land Acquisition	\$128,566,740	\$475,000	\$0	\$0	\$0	\$0	\$129,041,740
TEMP98	2	Open Spaces Land Acquisition - Second Phase	\$0	\$0	\$25,000,000	\$25,000,000	\$25,000,000	\$30,000,000	\$105,000,000
Total - Open Spaces Fund			\$128,566,740	\$475,000	\$25,000,000	\$25,000,000	\$25,000,000	\$30,000,000	\$234,041,740
Regional Parks Capital Fund									
70160	1	Golf Course at Blue Lake Park	\$64,570	\$1,500,000	\$982,660	\$0	\$0	\$0	\$2,547,230
70393	2	Three Bridges on the Springwater	\$0	\$4,691,000	\$0	\$0	\$0	\$0	\$4,691,000
70470	3	Mt. Talbert Development	\$120,547	\$1,450,000	\$50,000	\$50,000	\$0	\$0	\$1,670,547
70460	4	Cooper Mountain Natural Area Development	\$150,000	\$945,000	\$705,000	\$150,000	\$100,000	\$75,000	\$2,125,000
CEM101	5	Lone Fir Cemetery Morrison Property Site	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000
70480	6	Graham Oaks Nature Area Development	\$150,000	\$115,000	\$230,000	\$740,402	\$785,000	\$0	\$2,020,402
70170	7	M. James Gleason Boat Ramp Renovation Phase I & II	\$1,152,362	\$160,000	\$655,000	\$0	\$0	\$0	\$1,967,362
TEMP147	8	M. James Gleason Boat Ramp - Phase III & IV	\$0	\$0	\$0	\$0	\$700,000	\$0	\$700,000
TEMP186	9	Willamette Cove Park Development	\$0	\$0	\$0	\$0	\$300,000	\$0	\$300,000
Total - Regional Parks Capital Fund			\$1,637,479	\$9,011,000	\$2,622,660	\$940,402	\$1,885,000	\$75,000	\$16,171,541
Regional Parks Fund									
70451	1	Gales Creek/Tualatin River Confluence Project	\$479,142	\$18,390	\$0	\$0	\$0	\$0	\$497,532
70361	2	Clear Creek Side Channel Project	\$0	\$300,000	\$0	\$0	\$0	\$0	\$300,000
70317	3	Gotter Prairie Restoration - Phase 2	\$0	\$160,756	\$0	\$0	\$0	\$0	\$160,756
70452	4	Gales Creek (Epler) Riparian Enhancement	\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000
70319	5	Tualatin River (Munger Property) Riparian Enhancement	\$0	\$333,161	\$0	\$0	\$0	\$0	\$333,161
Total - Regional Parks Fund			\$479,142	\$862,307	\$0	\$0	\$0	\$0	\$1,341,449
General Fund									
70216	1	Blue Lake Park Concession Building Renovations	\$0	\$195,000	\$0	\$0	\$0	\$0	\$195,000
Total - General Fund			\$0	\$195,000	\$0	\$0	\$0	\$0	\$195,000
Total - Regional Parks and Greenspaces			\$130,683,361	\$10,543,307	\$27,622,660	\$25,940,402	\$26,885,000	\$30,075,000	\$251,749,730

Total FY 2006-07 through FY 2010-11	\$121,066,369
Total Number of Projects	17

Regional Parks and Greenspaces Department

the Open Spaces Program) include:

Regional Parks and Facilities

- Mason Hill
- Sauvie Island Boat Ramp
- Howell Territorial Park
- M. James Gleason Boat Ramp
- Broughton Beach
- Glendoveer Golf Course
- Blue Lake Regional Park
- Oxbow Regional Park
- Chinook Landing Marine Park

Natural Areas

- Bell View Point
- Beggar's-tick
- Gary and Flagg Island
- Indian John Island
- Larch Mountain Corridor
- Smith and Bybee Lakes

The department also maintains 14 pioneer cemeteries.

Overview of Projects

Active Capital Budget

The FY 2006-07 through FY 2010-11 Regional Parks capital budget includes 17 projects – six new and eleven continued from the current capital budget.

The goal of the Regional Parks & Greenspaces Department is to establish and maintain a regional system of interconnected natural areas, parks, trails, and greenways. Specific facilities (not including properties acquired under

- Redevelopment of the Morrison property directly adjacent to the Lone Fir Cemetery. The City of Portland has committed funding to initially stabilize the site. A plan will be developed for future building on the site.
- A renewal and replacement project to provide necessary repairs to the Blue Lake Park Concession Building. The building has not been usable for several years due to deferred maintenance. In FY 2005-06, the Council approved \$250,000 in general renewal and replacement funding to be used for any Metro facility at the Council's discretion. As part of the capital budget process, departments bid for this funding by submitting projects for consideration. The Council President has recommended this project for financing.
- Four restoration and enhancement projects on Metro-owned natural areas designed to return the land to a more natural environment.

Eleven projects were previously included in the Capital Budget. There are only a few significant changes in the capital budget from previous years. The Cooper Mountain Park Development project reflects a 12 percent increase in total project costs (\$225,000) indicating updated master planning information. The Open Spaces Land Acquisition General Obligation Bond Phase II project shows another year of costs resulting in a 40 percent increase in total project costs over the previous five-year planning window.

One project included in the previous capital budget for expenditure in FY 2006-07 – the Trolley Trail Engineering & Construction Phase I – has been cancelled. Ownership of the property has been transferred to the North Clackamas Parks & Recreation District. As the property is no longer a Metro asset, it does not belong in the capital budget.

There is discussion of moving the capital development costs of the four new park sites to the bond measure proposed for November 2006. Although this capital budget still proposes that the projects be funded from the original funding source – \$1.50 per ton excise tax on solid waste – the timing of two of the projects has been slightly delayed to accommodate the possible change in funding source. Construction on the Mt. Talbert Development and Cooper Mountain Park Development originally planned for FY 2005-06 has been delayed to the fourth quarter of FY 2006-07.

There are no significant changes in the other projects continued over from the previous year's capital budget.

Current Projects Status

Four projects included in the current capital budget are expected to be completed in FY 2005-06. They include the Blue Lake Water System Upgrade Phase I, the Blue Lake Water Play Area, the Multnomah Channel Basin Reconnection project, and the Salmon habitat improvement at the Smith & Bybee Lakes Wildlife area.

Unfunded Projects

Six projects are included on the department's unfunded list. All projects on the list have been identified as important to the mission of the department but are of lower priority than those listed in the active capital budget. Unfunded projects include improvements to Blue Lake and Howell Territorial Parks as well as the development of a nature center at Oxbow Park.

Project Funding

The department has prepared five-year projections for both the operating and capital budgets.

The capital budget is used to track revenues and expenses related to major capital projects, and to manage renewal & replacement as required under the capital asset management policies. The projections reflect that all major capital projects are fully funded through the five-year planning window. Approximately 39 percent of capital funding is derived from a portion of the excise tax generated from an additional \$1.50 per ton levy on solid waste implemented in the FY 2004-05 budget, or from previously existing excise tax levies dedicated to regional parks. The remaining 61 percent of the funding is from outside sources such as grants and donations, or dedicated reserves originally received from Multnomah County.

The operating budget accounts for revenues and expenses related to the operations of all regional parks and open spaces, as well as major restoration projects included in the capital budget that are not determined by accounting definition to be capital outlay. The department has folded into the forecast most, but not all, of the operational impacts of the proposed capital projects. The forecast includes operating costs for the new park sites

scheduled to open during the five-year planning window as well as the land stewardship costs associated with lands purchased under the Open Spaces Acquisition Phase II general obligation bond measure scheduled for the ballot in November 2006. It assumes, however, that the operating costs associated with Mt. Talbert (approximately \$130,000 annually not including renewal & replacement) are funded through an inter-governmental agreement with a local park provider. The forecast also assumes the continuation of PERS-related costs, including the PERS reserve, throughout the five years. It does not include approximately \$33,000 in net new operating costs for projects such as M. James Gleason Boat Ramp renovation. It also does not include operations of the Blue Lake Golf Center estimated to begin in FY 2008-09. However, based on operating cost estimates included in the capital budget submittal, the project is expected to generate sufficient revenue to fully fund all related operations after the first year.

Operating costs are rising much faster than associated revenues. The addition of the stewardship costs of the new lands purchased under the proposed bond measure has only exacerbated the situation. While the opening of the Golf Center at Blue Lake Park may ultimately provide some net operating revenue, it will be far from sufficient to cover the operating loss. Initial operating forecasts prepared two years ago reflected a sufficiency of funding for an extended period. However, those projections were based on an excise tax levy of \$2.50 per ton on solid waste. The reduction of that levy to \$1.50 per ton combined with the continued capital expenditures and added land stewardship costs under the proposed new bond measure results in a continued draw on ending reserves to maintain operations.

While the capital portion of the budget may be fully funded, there is considerable concern about the ability of the department to sustain operations of the existing and proposed facilities.

Operational Impact

The department has done a very good job of including operating costs for projects. Operating costs include a component for renewal & replacement where appropriate. All estimates appear to be reasonable in nature and scope.

Cumulative Net Impact on Operating Costs

Regional Parks and Greenspaces					
Annual Net Impact on Operating Costs	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Revenues	\$0	\$12,000	\$72,000	\$898,054	\$1,003,528
Personal Services	\$0	\$84,663	\$252,445	\$258,232	\$400,298
Materials and Services	\$33,525	\$100,718	\$431,050	\$1,201,211	\$1,453,655
Renewal and Replacement	\$0	\$50,265	\$141,393	\$143,838	\$227,514
Total Expenditures	\$33,525	\$235,646	\$824,888	\$1,603,281	\$2,081,467
Net Contribution (Cost) Regional Parks and Greenspaces	(\$33,525)	(\$223,646)	(\$752,888)	(\$705,227)	(\$1,077,939)

Major Funding Source Detail

Regional Parks and Greenspaces						
Major Funding Source Category	Prior Years	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Donations	\$962,701	\$0	\$0	\$0	\$0	\$0
Donations - Reg Parks	\$0	\$1,000,000	\$0	\$0	\$0	\$0
Excise Tax	\$532,804	\$2,510,000	\$985,000	\$940,402	\$1,185,000	\$75,000
Fund Balance - Capital Reserve	\$101,590	\$695,000	\$497,660	\$0	\$0	\$0
Fund Balance - Renewal and Replacement	\$0	\$87,895	\$0	\$0	\$175,000	\$0
G.O. Bonds - Local Share	\$509,185	\$72,105	\$0	\$0	\$0	\$0
G.O. Bonds - Open Spaces	\$110,600,000	\$0	\$25,000,000	\$25,000,000	\$25,000,000	\$30,000,000
Grants	\$492,710	\$512,307	\$500,000	\$0	\$0	\$0
Grants - MTIP	\$0	\$4,209,233	\$0	\$0	\$0	\$0
Grants - OR Fish & Wildlife	\$40,000	\$0	\$0	\$0	\$0	\$0
Grants - State Marine Board	\$431,587	\$0	\$640,000	\$0	\$525,000	\$0
Interest on Bond	\$16,819,284	\$475,000	\$0	\$0	\$0	\$0
Milwaukie	\$0	\$28,000	\$0	\$0	\$0	\$0
Multnomah County	\$120,000	\$0	\$0	\$0	\$0	\$0
Other - City of Portland	\$0	\$150,000	\$0	\$0	\$0	\$0
Other - Donation	\$0	\$300,000	\$0	\$0	\$0	\$0
Other Gov Cont	\$73,500	\$50,000	\$0	\$0	\$0	\$0
Portland	\$0	\$453,767	\$0	\$0	\$0	\$0
Total - Regional Parks and Greenspaces	\$130,683,361	\$10,543,307	\$27,622,660	\$25,940,402	\$26,885,000	\$30,075,000

5-Year Financial Forecast as of January 2006

Regional Parks Operating Fund	FY 2005-06		Requested 2006-07	Projections			
	Adopted	Est. Actual		2007-08	2008-09	2009-10	2010-11
Estimated Beginning Fund Balance	\$3,073,467	\$3,073,467	\$1,828,594	\$1,208,011	\$1,201,115	\$834,807	\$252,866
Projected Operating Revenues	\$7,776,405	\$6,537,027	\$7,323,996	\$7,107,345	\$7,385,616	\$7,546,107	\$7,844,067
Less Operating Expenditures	(\$10,990,966)	(\$7,781,900)	(\$7,944,579)	(\$7,114,241)	(\$7,751,923)	(\$8,128,049)	(\$8,702,555)
Ending Fund Balance Prior to CIP	(\$141,094)	\$1,828,594	\$1,208,011	\$1,201,115	\$834,807	\$252,866	(\$605,622)
Proposed Capital Projects	(\$75,000)	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance After CIP	(\$216,094)	\$1,828,594	\$1,208,011	\$1,201,115	\$834,807	\$252,866	(\$605,622)
Ending Fund Balance Breakdown							
Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unrestricted Fund Balance	(\$216,094)	\$1,828,594	\$1,208,011	\$1,201,115	\$834,807	\$252,866	(\$605,622)

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

5-Year Financial Forecast as of January 2006

Regional Parks Capital Fund	FY 2005-06		Requested 2006-07	Projections			
	Adopted	Est. Actual		2007-08	2008-09	2009-10	2010-11
Estimated Beginning Fund Balance	\$823,322	\$1,326,266	\$3,224,332	\$985,373	\$373,979	\$383,589	\$408,343
Projected Operating Revenues	\$2,580,810	\$2,566,260	\$7,022,041	\$1,606,266	\$1,671,012	\$1,390,754	\$806,125
Less Expenditures	(\$907,000)	(\$418,194)	(\$590,000)	(\$380,000)	(\$451,000)	(\$281,000)	(\$256,000)
Ending Fund Balance Prior to CIP	\$2,497,132	\$3,474,332	\$9,656,373	\$2,211,639	\$1,593,991	\$1,493,343	\$958,468
Proposed Capital Projects	(\$1,107,500)	(\$250,000)	(\$8,671,000)	(\$1,837,660)	(\$1,210,402)	(\$1,085,000)	(\$700,000)
Ending Fund Balance After CIP	\$1,389,632	\$3,224,332	\$985,373	\$373,979	\$383,589	\$408,343	\$258,468
Ending Fund Balance Breakdown							
Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unrestricted Fund Balance	\$1,389,632	\$3,224,332	\$985,373	\$373,979	\$383,589	\$408,343	\$258,468

**Solid Waste
and Recycling
Department**

Total Projects Summary - By Year

Solid Waste and Recycling			Prior Years	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	Total
Solid Waste General Account									
76954	1	Metro Central - Woodroom Improvements	\$196,000	\$50,000	\$0	\$0	\$0	\$0	\$246,000
76932	2	Metro South - Wood Staging Structure	\$60,000	\$420,000	\$0	\$0	\$0	\$0	\$480,000
76955	3	Metro Central - Office Addition	\$0	\$100,000	\$26,000	\$0	\$0	\$0	\$126,000
76963	4	Metro Central - Seismic Cleanup	\$0	\$175,000	\$25,000	\$0	\$0	\$0	\$200,000
76964	5	Metro Central - Chimney Removal	\$0	\$165,000	\$10,000	\$0	\$0	\$0	\$175,000
76931	6	Metro South - Wood Processing Capacity	\$12,000	\$60,000	\$595,000	\$150,000	\$0	\$0	\$817,000
76929	7	Metro South - Install High Capacity Baler	\$0	\$0	\$255,000	\$375,000	\$0	\$0	\$630,000
TEMP173	8	Metro Central - Install New Scale at Scalehouse "C"	\$0	\$0	\$25,000	\$100,000	\$0	\$0	\$125,000
TEMP103	9	Metro South- Installation of Compactor for Public	\$0	\$0	\$0	\$200,000	\$680,000	\$0	\$880,000
TEMP80	10	Metro Central - Rainwater Harvesting	\$0	\$0	\$0	\$0	\$310,000	\$0	\$310,000
76930	11	Metro South - Install Sidewalk on Washington Street	\$20,000	\$230,000	\$0	\$0	\$0	\$0	\$250,000
TEMP175	12	Future Master Facility Plan Improvements	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000
Total - Solid Waste General Account			\$288,000	\$1,200,000	\$936,000	\$825,000	\$990,000	\$1,000,000	\$5,239,000
Solid Waste Landfill Closure									
76984	1	St. John's - Groundwater Monitoring Wells	\$0	\$200,000	\$10,800	\$0	\$0	\$0	\$210,800
76986	2	St John's - Perimeter Dike Stabilization and Seepage	\$33,309	\$300,000	\$600,000	\$6,000	\$6,000	\$0	\$945,309
76982	3	St. John's - Re-establish Proper Drainage	\$599,005	\$5,000	\$5,000	\$252,000	\$5,000	\$5,000	\$871,005
76988	4	St. John's - Landfill Bridge Repairs	\$0	\$30,000	\$120,000	\$0	\$0	\$0	\$150,000
TEMP158	5	St. John's - Landfill Remediation	\$0	\$0	\$0	\$500,000	\$500,000	\$500,000	\$1,500,000
76985	6	St. John's - Native Vegetation on the Cover Cap	\$110,942	\$10,000	\$15,000	\$10,000	\$10,000	\$10,000	\$165,942
Total - Solid Waste Landfill Closure			\$743,256	\$545,000	\$750,800	\$768,000	\$521,000	\$515,000	\$3,843,056
SW Renewal & Replacement Account									
76961	1	Metro Central - Rebuild Compactor No. 2	\$160,000	\$200,000	\$0	\$0	\$0	\$0	\$360,000
76944	2	Metro Central - Woodline	\$50,000	\$764,000	\$0	\$0	\$0	\$0	\$814,000
76945	3	Metro Central - Replace Compactor #3 Feed Conveyor	\$391,866	\$50,000	\$0	\$0	\$0	\$0	\$441,866
76933	4	Metro South - Compactor Replacement	\$0	\$150,000	\$750,000	\$750,000	\$0	\$0	\$1,650,000
TEMP227	5	Metro Central- Replace Oil/Water Separator	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000
TEMP178	6	Metro South - Repair Commercial Tip Floor	\$0	\$0	\$197,900	\$0	\$0	\$0	\$197,900
TEMP155	7	Metro Central-HHW- Ventilation System Replacement	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000
TEMP157	8	Metro South-Replace Dust Suppression System	\$0	\$0	\$0	\$50,000	\$0	\$0	\$50,000
TEMP156	9	Metro South- Replace Ventilation System Components	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000
TEMP152	10	Metro Central - Truckwash	\$0	\$0	\$0	\$30,000	\$150,000	\$0	\$180,000
TEMP208	11	Metro Central - Compactor Replacement	\$0	\$0	\$0	\$150,000	\$750,000	\$750,000	\$1,650,000
Total - SW Renewal & Replacement Account			\$601,866	\$1,164,000	\$947,900	\$1,230,000	\$900,000	\$750,000	\$5,593,766
Total - Solid Waste and Recycling			\$1,633,122	\$2,909,000	\$2,634,700	\$2,823,000	\$2,411,000	\$2,265,000	\$14,675,822

Total FY 2006-07 through FY 2010-11 \$13,042,700
 Total Number of Projects 29

Solid Waste and Recycling Department

The Solid Waste & Recycling Department (SW&R) is responsible for regional solid waste management. The primary goals of the department are:

- Reduce the toxicity and amount of solid waste generated and disposed.
- Develop an efficient, economical, and environmentally sound solid waste disposal system.

In carrying out these responsibilities, the department operates Metro's two transfer stations and two hazardous waste facilities, maintains two closed landfills, arranges for disposal at landfills and other facilities, develops and administers a solid waste management plan for the region as part of Metro's planning responsibilities, and promotes waste reduction and recycling activities.

The projects included in the plan are shown in the summary table on the preceding page. These projects are grouped into the three restricted accounts available within the Solid Waste Revenue Fund to finance capital projects: General Account Capital Reserve, Renewal and Replacement Account, and St. Johns Landfill Closure Account.

Overview of Projects

General Account

The projects to be financed through the General Account Capital Reserve are typically new capital assets designed to increase the efficiency and effectiveness of Metro's two transfer stations: Metro Central and Metro South. The majority of these projects are outlined in detail in a Master Facility Plan for the transfer stations, originally completed in April 1998 and updated early in FY 2001-02. The Master Facility Plan and this capital budget are based on the following goals:

- Improve waste recovery and recycling

- Reduce traffic congestion and improve site safety
- Maximize station efficiencies
- Improve facilities for Metro and station operator personnel

General Account Major Changes from Prior Fiscal Year's Capital Budget

Modifications to Hazardous Waste Facility were completed or are being completed during FY 2005-06. The Metro South, Latex Building/Public Area Lunch Room project was canceled as unneeded. The Metro South Install Sidewalk on Washington Street project was erroneously listed under Renewal and Replacement last year and is moved to the General Account.

The timing of several projects that were in the prior year's Capital Budget, have been adjusted in this Capital Budget. Four projects have been moved out:

- Metro Central – Woodroom Improvements FY 2005-06 to FY 2007-08
- Metro South – Install High Capacity Baler FY 2005-06 to FY 2007-08
- Metro South – Sidewalk on Washington St FY 2005-06 to FY 2006-07
- Metro South – Install Compactor for Public FY 2007-08 to FY 2009-10

Several other small timing changes were made. These timing changes are the result of staging projects differently and current year project delays pushing projects out to later dates.

Renewal and Replacement Account

The projects financed through the Renewal and Replacement Account are replacements of equipment and rehabilitation of facilities needed to realize the optimal lifespan of capital components. Under bond covenants, Metro is required to maintain adequate reserves to finance capital asset replacements. Every three years, the department contracts with an engineering firm to assess the condition of equipment and facilities and calculate annual contribution amounts to the Renewal and Replacement Account. The latest study was completed April 2005 and this capital budget reflects the findings of that study. The bonds are paid off in FY 2009-10. Prior to the pay-off of the bonds that require this account, the department will re-evaluate its renewal and replacement policies and procedures.

Renewal and Replacement Major Changes from Prior Fiscal Year's Capital Budget

Renewal and replacement has one new project at Metro Central to replace oil/water separator that is expected to reach its useful life in FY 2007-08. The Metro Central compactor replacement project increased \$750,000, as an additional compactor replacement is scheduled in FY 2010-11. The installation of the sidewalk on Washington Street is delayed one year and moved to the General Account. The replacement of Compactor #2 Feed Conveyer at Metro Central is canceled as unneeded upon inspection by a design firm.

Landfill Closure

The St. Johns Landfill Account is restricted to financing capital projects needed to close the St. Johns Landfill. The projects in the capital budget represent a series of improvements that are needed to minimize erosion damage, restore native vegetation, provide wastewater pre-treatment, repair the cover and dike systems, and provide adequate facilities for staff.

There are no new projects in the Landfill Closure capital budget. The Leachate Pretreatment project is now complete. There has been some minor rescheduling amongst the remaining six Landfill Closure accounts.

Project Funding

The financing for Solid Waste projects is derived from a combination of tip fee contributions and capital reserves. Current projects show that a combination of fund balance and rate support is available to finance all the department's capital projects.

Operational Impact

Many of these projects have operational impact, however those impacts are not absorbed by Metro but rather by the contracted operator of the facilities. The only operational impacts to Metro are generally renewal and replacement issues. Most of the changes made are to increase recovery so financial impact is not the only consideration. At the time the operating contracts are renegotiated, competitive bids are made to Metro based on the expected cost to operate the facilities so cost savings can come at this time. The Solid Waste and Recycling Department consistently completes feasibility studies prior to design and construction of any project.

Cumulative Net Impact on Operating Costs

Solid Waste and Recycling						
Annual Net Impact on Operating Costs		2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Renewal and Replacement		\$0	\$4,000	\$5,000	\$13,000	\$59,000
	Total Expenditures	\$0	\$4,000	\$5,000	\$13,000	\$59,000
	Net Contribution (Cost) Solid Waste and Recycling	\$0	(\$4,000)	(\$5,000)	(\$13,000)	(\$59,000)

Major Funding Source Detail

Solid Waste and Recycling							
Major Funding Source Category		Prior Years	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Fund Balance - Capital Reserve		\$288,000	\$1,200,000	\$936,000	\$825,000	\$990,000	\$1,000,000
Fund Balance - Landfill Closure		\$713,256	\$545,000	\$750,800	\$868,000	\$521,000	\$515,000
Fund Balance - Renewal and Replacement		\$601,866	\$1,164,000	\$947,900	\$1,130,000	\$900,000	\$750,000
Grants		\$30,000	\$0	\$0	\$0	\$0	\$0
	Total - Solid Waste and Recycling	\$1,633,122	\$2,909,000	\$2,634,700	\$2,823,000	\$2,411,000	\$2,265,000

**Five-Year Financial Forecast
as of December 2005**

Solid Waste Revenue Fund	2005-06		Projections				
	Adopted	Est. Actuals	2006-07	2007-08	2008-09	2009-10	2010-11
<i>Estimated Beginning Fund Balance</i>	\$32,177,307	\$36,783,681	\$37,113,273	\$34,874,476	\$33,817,049	\$30,192,198	\$26,960,220
Projected Operating Revenues	\$53,307,548	\$54,658,262	\$56,040,810	\$55,790,317	\$56,143,182	\$58,147,749	\$60,568,263
Less Operating Expenditures	(53,392,126)	(52,619,670)	(\$55,470,607)	(\$54,213,044)	(\$56,945,033)	(\$58,968,727)	(\$58,815,849)
Ending Fund Balance Prior to CIP	\$32,092,729	\$38,822,273	\$37,683,476	\$36,451,749	\$33,015,198	\$29,371,220	\$28,712,634
Proposed Capital Projects	(\$2,892,000)	(\$1,709,000)	(\$2,809,000)	(\$2,634,700)	(\$2,823,000)	(\$2,411,000)	(\$2,265,000)
Ending Fund Balance after CIP	\$29,200,729	\$37,113,273	\$34,874,476	\$33,817,049	\$30,192,198	\$26,960,220	\$26,447,634
Ending Fund Balance Breakdown							
Debt Service Reserve	\$3,615,918	\$3,615,918	\$3,615,920	\$4,654,366	\$2,349,000	\$0	\$0
Renewal & Replacement Reserve	\$4,407,887	6,200,604	5,962,525	5,830,307	5,409,692	5,301,953	5,844,105
Capital Reserve	\$1,833,362	2,332,915	2,136,000	1,625,000	1,725,000	1,996,074	1,200,000
Rate Stabilization	\$5,547,096	10,324,097	8,281,305	6,813,415	5,816,546	4,525,011	4,004,776
Working Capital	\$6,009,668	5,759,668	5,759,668	5,759,668	5,759,668	5,759,668	5,759,668
Reserves (Metro Central)	\$1,210,865	1,210,865	1,664,206	2,114,564	2,587,440	3,083,960	3,605,305
Business Assistance Account	\$450,000	700,000	700,000	700,000	700,000	700,000	700,000
Landfill Closure	\$6,125,933	6,969,206	6,754,852	6,319,729	5,844,852	5,593,554	5,333,780
Remaining Fund Balance	\$0	\$0	\$0	\$0	(\$0)	(\$0)	(\$0)

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

Unfunded Projects

Projects included on these lists are those projects which were deemed worthy of future consideration but were not included in the Five-Year Capital Budget for one of the following reasons: (1) sufficient funds are not available

to finance the project, (2) scope of the project requires further definition, or (3) alternatives need to be explored. As funds become available or projects are refined, departments may request their inclusion.

Key To Unfunded Lists

Project Title – Name given to project by the department.

Type – Indicates whether project is a “New” capital asset, or an “Expansion” or “Replacement” of an existing asset.

Prepared By – Department staff person preparing report.

Department Priority – Indicates whether the project is a “High,” “Medium,” or “Low” priority relative to other projects.

Estimated Project Cost – Preliminary estimate of capital costs for the project expressed in 2004 dollars. A blank field here means the cost is unknown.

List of Unfunded Projects

Department:

Project ID	Project Title	Type	Prepared By	Department Priority	Estimated Cost
Finance					
TEMP131	Zoo Network Equipment Replacement	New	David Biederman	High	\$120,000
TEMP129	Zoo Network Infrastructure Upgrade	Expansion	David Biederman	High	\$233,000
TEMP126	Connect PeopleSoft Accounts Payable and TRIM	New	David Biederman	Medium	\$100,000
TEMP130	Eagle Salmon Infrastructure	New	David Biederman	Medium	\$116,000
TEMP151	Signs on Metro Regional Center	New	Brian Phillips	Medium	\$65,000
TEMP127	Webcasting of Public Meetings (primarily Metro Council)	New	David Biederman	Medium	\$100,000
TEMP132	Zoo food cart network integration for central cash management	New	David Biederman	Medium	\$100,000
TEMP51	Air Rights (Housing) Project over Metro Parking Garage (no cost to Metro)	New	Brian Phillips	Low	\$25,000,000
TEM133	Zoo Point of Sales System	Expansion	David Biederman	Low	\$200,000
Department Total					\$26,034,000
Oregon Zoo					
TEMP19	Asphalt Roads Path Repair and Replacement	Replacement	Sarah Chisholm	High	\$200,000
TEMP86	BearWalk Café Restroom Upgrades	Replacement	Sarah Chisholm	Medium	\$50,000
TEMP11	Elephant Walls/Structural Upgrades	Replacement	Sarah Chisholm	Medium	\$100,000
Z004	Insect Zoo	Replacement	Sarah Chisholm	Medium	\$125,000
TEMP121	AfriCafe Terrace Permanent Cover	New	Sarah Chisholm	Low	\$100,000
TEMP123	Cascade Grill and Sunset Room Remodel	New	Sarah Chisholm	Low	\$100,000
TEMP120	Elephant Museum renovation	New	Sarah Chisholm	Low	\$100,000
TEMP92	Elevator Replacements	Replacement	Sarah Chisholm		\$90,000
TEMP18	Masai Hut and Pygmy Goat Barn	Replacement	Sarah Chisholm	Low	\$70,000
ZOO6	Musk Ox Fencing	Replacement	Sarah Chisholm	Low	\$83,500
TEMP10	Wolf Yard Renovations	Replacement	Sarah Chisholm	Low	\$75,000
Department Total					\$1,093,500
Regional Parks and Greenspaces					
TEMP66	Blue Lake Park Improvements Phase 1	New	Heather Nelson Kent	High	\$8,900,000
TEMP67	Blue Lake Park Improvements Phase 2	New	Heather Nelson Kent	Medium	\$3,000,000
71772	Oxbow Park - Diack Environmental Education Center	New	Heather Nelson Kent	Medium	\$1,767,645
54030	Howell Territorial Park - Phase I and II Improvements	Expansion	Heather Nelson Kent	Low	\$1,075,000
70270	Howell Territorial Park - Wildlife Interpretive Trail	New	Heather Nelson Kent	Low	\$172,000
TEMP68	Oxbow Park Capital Improvements	Expansion	Heather Nelson Kent	Low	\$3,400,000
Department Total					\$18,314,645

Current Projects Status Reports

The *Current Projects Status Report* is used to report on the progress toward completion of existing projects and to assist with preparing the Capital Budget. Included are previously approved projects that were expected to be completed by the

end of FY 2005-06. Status reports are grouped by department.

Key to Status Reports

Project Title. Title by which the project was referenced in the last budget.

FY First Authorized. The fiscal year in which funds were first appropriated for the project.

Project Status. The status of the project is identified by the following: *Completed, Incomplete, Canceled.*

Completion Date. The actual completion date for projects designated as *Completed*, or the expected completion date for projects designated as *Incomplete*. The date listed for canceled projects is the original date projected for completion.

Original Cost Estimate. Estimate of total project costs when the project was first authorized.

Revised Cost Estimate. The most recent estimate of total project costs. If blank, unchanged.

Expenditures. The total funds expended for the project as of June 30, 2005.

Current Projects Status

Department

Finance

Project ID	Project Title	FY First Authorized	Project Status	Completion Date	Original Cost Estimate	Revised Cost Estimate	Actual Expenditures
56131	Satellite copier replacement	2004-05	Complete	Ongoing	\$0	\$0	\$0
56137	Upgrade Desktop Operating Systems and Office Software	1998-99	Canceled	6/30/2006	\$190,000	\$0	\$0
65110	Copier Replacement	2005-06	Incomplete	6/30/2006	\$135,000	\$0	\$0

Regional Parks and Greenspaces

70162	Water Play Area - Blue Lake Park	2004-05	Complete	6/30/2006	\$140,000	Unchanged	\$190,000
70225	Blue Lake Water System Upgrade - Phase I Salmon Habitat Improvement - Smith & Bybee Lakes	2004-05	Complete	6/30/2006	\$90,000	Unchanged	\$90,000
71822	Wildlife Area	2004-05	Complete	6/30/2006	\$68,000	\$0	\$68,000
TEMP224	Multnomah Channel Basin Reconnection Project	2005-06	Incomplete	6/30/2006	\$378,700	Unchanged	\$0

Solid Waste and Recycling

76928	Metro South- Latex Building/Public Area Lunch Room Conversion	2002-03	Canceled	6/30/2006	\$50,000	\$0	\$0
76947	Metro C/S - Modifications to Haz Waste Facility	1997-98	Complete	11/21/2005	\$230,000	\$467,000	\$66,441
76962	Metro Central - Replace Compactor #2 Feed Conveyor	1998-99	Canceled	6/30/2006	\$385,000	Unchanged	\$17,311
76987	St. John's - Leachate Pretreatment	2001-02	Complete	1/30/2006	\$1,250,000	\$524,074	\$295,150

**Five-Year Capital
Budget Supporting
Information**

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Capital Asset Management Policies

During the Council's FY 2000-01 budget review process, concern was raised about the lack of comprehensive agency asset management policies. In response to this concern, the Presiding Officer established a Systems

Performance Task Force to review the differing departmental approaches to capital asset management and make recommendations to the Council. The major finding of the task force was a need to have capital management policies for three principal reasons:

- to provide a general framework for capital asset management
- to provide minimum standards and requirements related to capital asset management for all Metro departments
- to have established written policies against which the Council can review the capital asset management programs of individual departments; these policies also require additional fiscal information be included in the capital improvement plan and the budget that will give the Council a clearer picture of the total capital needs of the agency

On October 18, 2001 via Resolution No. 01-3113, Council approved the Metro Capital Asset Management Policies as follows. During FY 2002-03, operating procedures are being developed by a joint effort of Agency finance and facility staff to ensure consistent application of these policies.

Capital Asset Management Policies

The following policies establish the framework for Metro's overall capital asset planning and management. They provide guidance for current practices and a framework for evaluation of proposals for future projects. These policies also seek to improve Metro's financial stability by providing a consistent approach to fiscal strategy. Adopted financial policies show the credit rating industry and prospective investors (bond buyers) the agency's commitment to sound financial management and fiscal integrity. Adherence to adopted policies ensures the integrity and clarity of the fi-

nancial planning process and can lead to improvement in bond ratings and lower cost of capital.

1. Metro shall operate and maintain its physical assets in a manner that protects the public investment and ensures achievement of their maximum useful life.

Ensuring the maximum useful life for public assets is a primary agency responsibility. Establishing clear policies and procedures for monitoring, maintaining, repairing and replacing essential components of facilities is central to good management practices. It is expected that each Metro department will have written policies and procedures that address:

- *Multi-year planning for renewal and replacement of facilities and their major components;*
- *Annual maintenance plans.*

2. Metro shall establish a Renewal & Replacement Reserve account for each operating fund responsible for major capital assets.

Ensuring that the public receives the maximum benefit for their investments in major facilities and equipment requires an ongoing financial commitment. A Renewal & Replacement Reserve should initially be established based on the value of the asset and consideration of known best asset management practices. Periodic condition assessments should identify both upcoming renewal and replacement projects and the need to adjust reserves to support future projects. If resources are not sufficient to fully fund the Reserve without program impacts, the Council will be consider alternatives during the annual budget process. Establishing and funding the Reserve demonstrates Metro's ongoing capacity and commitment to these public investments.

3. Metro shall prepare, adopt and update at least annually a five-year Capital Improvement Plan (CIP). The Plan will identify and set priorities for all major capital assets to be acquired or constructed by

Metro. The first year of the adopted CIP shall be included in the Proposed Budget.

The primary method for Metro departments to fulfill the need for multi-year planning is the Capital Improvement Planning process. The CIP allows a comprehensive look at Metro's capital needs for both new facilities and renewal and replacement of existing ones, and allows the Council to make the necessary decisions to ensure financial resources match forecasted needs.

4. Capital improvement projects are defined as facility or equipment purchases or construction which results in a capitalized asset costing more than \$50,000 and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of \$50,000 or more that have a useful life of at least five years.

A clear threshold ensures that the major needs are identified and incorporated in financial plans.

5. An assessment of each Metro facility will be conducted at least every five years. The report shall identify repairs needed in the coming five years to ensure the maximum useful life of the asset. This information shall be the basis for capital improvement planning for existing facilities and in determining the adequacy of the existing Renewal & Replacement Reserves.

A foundation step for capital planning is an understanding of the current conditions of Metro facilities. It is expected that Metro departments have a clear, documented process for assessing facility condition at least every five years. The assessment processes may range from formal, contracted engineering studies to in-house methods such as peer reviews. The assessment should identify renewal and replacement projects that should be done within the following five years. The Renewal & Replacement Reserve account should be evaluated and adjusted to reflect the greater of the average renewal & replacement project needs over the coming five years or 2% of the current facility replacement value.

6. The Capital Improvement Plan will identify adequate funding to support repair and replacement of deteriorating capital assets and avoid a significant unfunded liability from deferred maintenance.

Using the information provided by facility assessments, Metro departments should use the CIP process to identify the resources necessary to keep facilities in an adequate state of repair. In situations where financial resources force choices between programs and facility repair, the annual budget process should highlight these policy choices for Council action.

7. A five-year forecast of revenues and expenditures will be prepared in conjunction with the capital budgeting process. The forecast will include a discussion of major trends affecting agency operations, incorporate the operating and capital impact of new projects, and determine available capacity to fully fund the Renewal & Replacement Reserve.

Incorporation of capital needs into Agency five-year forecasts ensures that problem areas are identified early enough that action can be taken to ensure both the maintenance of Metro facilities and integrity of Metro services.

8. To the extent possible, improvement projects and major equipment purchases will be funded on a pay-as-you-go basis from existing or foreseeable revenue sources. Fund Balances above established reserve requirements may be used for one-time expenditures such as capital equipment or financing of capital improvements.

Preparing a CIP and incorporating it into five-year forecasts enables Metro to plan needed capital spending within foreseeable revenues. This minimizes the more costly use of debt for capital financing and ensures renewal and replacement of facility components takes place without undue financial hardship to operations.

9. Debt (including capital leases) may only be used to finance capital, including land acquisition, not ongoing operations. Projects that are

financed through debt must have a useful service life at least equal to the debt repayment period.

Because interest costs impact taxpayers and customers, debt financing should be utilized only for the creation or full replacement of major capital assets.

10. When choosing funding sources for capital items, every effort should be made to fund enterprise projects either with revenue bonds or self-liquidating general obligation bonds. For the purpose of funding non-enterprise projects other legally permissible funding sources, such as systems development charges should be considered.
11. Acquisition or construction of new facilities shall be done in accordance with Council adopted facility and/or master plans. Prior to approving the acquisition or construction of a new asset, Council shall be presented with an estimate of the full cost to operate and maintain the facility through its useful life and the plan for meeting these costs. At the time of approval, Council will determine and establish the Renewal & Replacement Reserve policy for the asset to ensure resources are adequate to meet future major maintenance needs.

New Metro facilities should be planned within the overall business and service objectives of the agency. To ensure that the public gains the maximum utility from the new facility or capital asset, Metro should identify the full cost of building and operating the facility throughout its useful life. Resources generated from its operation or other sources should be identified to meet these needs.

Note: Beginning with fiscal year 2005-06, the Capital Improvement Plan (CIP) is referred to as the Five-Year Capital Budget.

Executive Order No. 82 and Project Manual

EXECUTIVE ORDER No. 82

EFFECTIVE DATE:
November 12, 2002

SUBJECT:
PROJECT MANAGEMENT

PURPOSE

Metro has an excellent record of completing major capital projects on time, within budget, and meeting or exceeding the public's expectations. This Executive Order is intended to build on that record of success.

The Project Management Executive Order describes the high-level requirements for planning, communicating, managing, and evaluating capital projects. It does not describe the operational-level requirements for successfully completing a project.

The Order's requirements are generic and will need to be the separately published Project Management Manual. The Manual is dynamic and should be revised and clarified based on experience.

SCOPE

The Order and the Manual establish mandatory requirements for capital projects as defined by the Metro Capital Improvement Plan Manual¹:

"A capital project is any physical asset acquired, constructed or financed by Metro with a total capital cost of \$50,000 or more and a useful life of at least 5 years."

From time to time, the Chief Operating Officer or Department Director may require that the Manual's methodology be used for selected complex or high-interest non-capital projects. The Manual should be considered a useful source of information for anyone involved in a major project.

¹ Metro Capital Improvement Plan Manual (July, 2002). If the definition of a capital project is changed in subsequent versions of the Capital Improvement Plan Manual, the new definition will govern the applicability of these capital project management requirements.

PROJECT CATEGORIES

For planning and management purposes, capital projects are classified according to their significance.

1. Major projects. Major projects have high visibility, significant risks, or have a total cost of \$1 million and greater.
2. Minor Projects. Minor projects are all other capital projects. Sometimes a group of *related* minor projects have an aggregate cost exceeding \$1 million and should be managed together as major project.
3. Non-capital Projects. As the Project Management Manual is refined through experience, the Chief Operating Officer may require the Manual's planning methodology be used for selected non-capital projects.

PLANNING REQUIREMENTS

1. Strategic Analysis

A Strategic Analysis is required for *all* capital projects.

The department proposing a capital project shall submit a Strategic Analysis to the Financial Planning Division when it submits its initial request to include a project in Metro's Capital Improvement Plan (CIP)². A Strategic Analysis contains the elements described in the Capital Project Management Manual.

The Council approves the project for planning purposes when it adopts the CIP. The approval allows the department to request expenditure authority, usually through the annual budget process, for planning, analysis, and preliminary engineering.

2. Conceptual Project Management Plan

A Conceptual Project Management Plan is required for *major* capital projects. It should be submitted via the Chief Financial Officer and

² Refer to the current version of the annual Metro Capital Improvement Plan Manual for instructions on the CIP* process.

Metro Attorney to the Chief Operating Officer for approval according to the schedule in the Strategic Analysis. The larger and more complex the project, the earlier it should be submitted. In any case it must precede substantial commitments to the capital phases of the project. For example, the Plan should be approved before soliciting a construction contract, acquiring real property, or issuing debt financing. In no case should it be submitted later than the department's first annual budget request for the capital phase of the project.

A Conceptual Project Management Plan builds on the Strategic Analysis. It contains all of the major elements of an Implementation Workplan but with less detail. The usual elements are described in the Capital Project Management Manual.

3. Implementation Workplan

An Implementation Workplan is required for *all* capital projects. For major projects, it should be submitted with the department's first annual budget request for the capital phases of the project. For minor projects the Workplan should be submitted and approved by the department director one to six months before beginning construction. The larger or more complex the project, the earlier the Implementation Workplan should be submitted. The complexity and detail in the Workplan should be commensurate with the cost, complexity, and risk of the project.

An Implementation Workplan builds on the Strategic Analysis and the Conceptual Project Management Plan, if one was required. The usual elements are described in the Capital Project Management Manual.

TRAINING AND EVALUATION

Project management is a trainable skill that uses well-accepted and tested techniques, processes, and tools. It is different from the skill required to manage on-going operations. Metro has an obligation to train and learn from a cadre of skilled and experienced project managers.

The Chief Operating Officer shall appoint a Project Management Training Team with responsibilities that include:

- Identification of project manager qualifications
- Development of a project manager training program
- Establishment of project managers forum where Metro project managers can assist and learn from each other.

ORDERED by the Executive Officer this 12th day of November, 2002.



Mike Burton
Executive Officer

* Note: Beginning with fiscal year 2005-06, the Capital Improvement Plan (CIP) is referred to as the Five-Year Capital Budget.

Capital Project Management Manual

November 8, 2002
(updated October 2004)

I. OVERVIEW

Purpose. Metro has an excellent record of completing major capital projects on time, within budget, and meeting or exceeding the public's expectations. The Executive Officer has published the Capital Project Management Manual and tools to build on that record of success.

The Project Management Manual describes the high-level requirements for planning, communicating, managing, and evaluating capital projects. It does not describe the operational-level requirements for successfully completing a project.

The Manual's requirements are generic and will need to be adapted to accommodate the unique characteristics of particular projects. The Manual is dynamic and should be revised and clarified based on experience. That said, the Manual's requirements are not optional. They must be used as the basic template to plan and manage capital projects.

Applicability. The Manual's requirements are mandatory for capital projects as defined by the Metro Capital Improvement Plan Manual:

“A capital project is any physical asset acquired, constructed, or financed by Metro with a total capital cost of \$50,000 or more and a useful life of at least 5 years.”

From time to time, the Chief Operating Officer or Department Director may require that the Manual's methodology be used for selected complex or high-interest non-capital projects. The Manual should be considered a useful source of information for anyone involved in a major project.

Project Categories. For planning and management purposes, capital projects are classified according to their significance.

1. **Major projects.** Major projects have high-visibility, significant risks, or have a total cost of \$1 million and greater.
2. **Minor projects.** Minor projects are all other capital projects. Sometimes a group of *related* minor projects have an aggregate cost exceeding \$1 million and should be managed together as a major project.

II. PLANNING REQUIREMENTS

1. Strategic Analysis

A Strategic Analysis is required for *all* capital projects.

The department proposing a capital project shall submit a Strategic Analysis to the Financial Planning Division when it submits its initial request to include a project in Metro's Capital Improvement Plan (CIP). A Strategic Analysis contains the following elements:

- a. **Purpose.** Succinctly state the project's purpose. What need does it fulfill; what mandate or policy does it satisfy? The purpose should normally be stated in one or two simple declarative sentences.
- b. **Scope and schedule.** List the major phases and deliverables including a discussion of siting options and issues if relevant. Describe the proposed schedule for phase and deliverable. For major projects (\$1 million or greater), indicate when the Conceptual Project Management Plan (see following section) will be submitted to the Chief Operating Officer for approval.
- c. **Management.** Describe in general terms the organization, roles, and responsibilities of the management team.
- d. **Stakeholders.** Identify the stakeholders and their interests in the project. If their positions are known, do they support or oppose the project? Describe their issues.
- e. **Risks.** Identify the major risks, if any, of not undertaking the project. Describe generally how the risks will be managed or mitigated.
- f. **Cost.** How much will the project cost? Describe the budget and financing. Include an estimate of future operational and maintenance costs in accordance with the same general methodology as Metro's Capital Asset Management policies.
- g. **Environmental sustainability.** Describe opportunities, costs, and benefits for the project to support and promote environmental stewardship.
- h. **Regulatory requirements.** List the major regulatory requirements for the project (e.g., land use and environmental approvals).

The Council approves the project for planning purposes when it adopts the CIP. The approval allows the department to request expenditure authority, usually through the annual budget process, for planning, analysis, and preliminary engineering.

2. Conceptual Project Management Plan

A Conceptual Project Management Plan is required for *major* capital projects. It should be submitted via the Chief Financial Officer and Metro Attorney to the Chief Operating Officer for approval according to the schedule in the Strategic Analysis. The larger and more complex the project, the earlier it should be submitted. In any case, it must precede substantial commitments to the capital phases of the project. For example, the Plan should be approved before soliciting a construction contract, acquiring real property, or issuing debt financing. In no case should it be submitted later than the department's first annual budget request for the capital phase of the project.

A Conceptual Project Management Plan builds on the Strategic Analysis. It contains all of the major elements of an Implementation Workplan but with less detail. The usual elements are:

- a. Purpose. Restate the purpose statement from the Strategic Analysis. If the project purpose has changed, explain how and why.
- b. Scope and schedule. Describe the project phases and deliverables and the schedule for each. Identify the critical paths. Include a conceptual architectural design.
- c. Siting. If siting is a relevant factor, describe the siting options and process for selection.
- d. Contract approach. Describe the project's contracting methodology (e.g., design/bid, bid/build, or construction manager/general contractor [CMGC]). How will contractors be selected (RFQ, RFB, RFP)?
- e. Management and decision making. Describe the organization, roles, responsibilities, and qualifications of the management team. Who has authority to make and approve decisions during the project, including changes? What resources will the management team

need to successfully complete the project? Consider training and technology needs.

- f. Stakeholders. Identify the stakeholders and their interests in the project. If their positions are known, do they support or oppose the project? What is the plan to build stakeholder support?
- g. Cost. How much will the project cost? Describe the budget and financing. Include an estimate of future operational and maintenance costs in accordance with the same general methodology as Metro's Capital Asset Management policies. Costs include hard and soft costs, art, internal Metro labor and overhead, consulting, communications, insurance, financing, environmental sustainability, furnishings, etc. Include a reasonable contingency, normally at least 10 percent of the total project cost. The cost estimate must be validated by independent review.
- h. Financing. In collaboration with the Financial Planning Division, describe the financing plan. Estimate payments and cash flow during the project.
- i. Financial management and reporting. In collaboration with the Accounting Division, describe generally how finances will be managed, tracked, and reported.
- j. Risk management and safety. Identify the major risks to the project, including environmental risks. Describe generally how the risks will be managed, mitigated, and insured. Describe generally the safety plan.
- k. Quality management. Describe generally how the quality of the project will be assured. Include a plan to solicit quality criteria (performance standards) from interested stakeholders. When selected, the criteria need to be stated in concrete and measurable terms (e.g., time, cost, specifications, performance, etc.). For projects over \$10 million, identify, at least by qualifications, the members of an independent project oversight committee.
- l. Environmental sustainability. Describe opportunities, costs, and benefits for the project to support and promote environmental stewardship. Consider LEED certification standards.

- m. Regulatory requirements. Describe generally the plan and schedule to obtain the necessary major regulatory approvals required for the project (e.g., land use and environmental approvals).
- n. Workforce diversity. Describe generally the plan to encourage workforce diversity including subcontractors.
- o. Communications. Describe generally the plan to communicate with stakeholders including, as appropriate, the Metro Council, Chief Operating Officer, Department Director, regulatory agencies, contributors, the public, contractors, and the workforce. Include milestone celebrations.
- p. Art. Describe generally the plan to comply with legal requirements to include art in the project.

3. Implementation Workplan

An Implementation Workplan is required for *all* capital projects. For major projects, it should be submitted with the department's first annual budget request for the capital phases of the project. For minor projects the Workplan should be submitted and approved by the department director one to six months before beginning construction. The larger or more complex the project, the earlier the Implementation Workplan should be submitted. The complexity and detail in the Workplan should be commensurate with the cost, complexity, and risk of the project.

An Implementation Workplan builds on the Strategic Analysis and the Conceptual Project Management Plan, if one was required. The usual elements are:

- a. Purpose. Restate the purpose statement from the Strategic Analysis. If the project purpose has changed, explain how and why.
- b. Scope and schedule. Describe in detail the project phases and deliverables and the schedule for each. Identify the critical paths.
- c. Siting. If siting is a relevant factor, describe the siting options and process for selection including public input.
- d. Contracts. Describe the nature and status of the project's major contracts. Identify the major contractors (e.g., architect, general contractor, etc.) if they have been selected.

- e. Management. Identify by name the members of the project team. Describe the team's organization, roles, responsibilities, and authority. Who has authority to approve and accept what aspects of the project, including changes? Does the team have the resources and support it needs to deliver the project on time and within budget?
- f. Stakeholders. Identify the stakeholders and their interests in the project. What is the plan to build and maintain stakeholder support?
- g. Cost. How much will the project cost? Describe the budget and financing. Include an estimate of future operational and maintenance costs in accordance with the same general methodology as Metro's Capital Asset Management policies. Costs include hard and soft costs, art, internal Metro labor and overhead, consulting, communications, insurance, financing, environmental sustainability, furnishings, etc. Include a reasonable contingency, normally at least 10 percent of the total project cost. Explain any significant changes in estimated costs over time. What are the risks that project costs will increase, and how will those risks be managed?
- h. Financing. In collaboration with the Financial Planning Division, describe the financing plan.
- i. Financial management and reporting. In collaboration with the Accounting Division, describe the project's financial management and reporting requirements, including invoice approval and processing.
- j. Risk management and safety. Identify the major risks to the project, including environmental risks. Describe how the risks will be managed, mitigated, and insured. Include a process to rapidly identify, assess, and manage unanticipated risks and crises. Describe the project safety plan.
- k. Quality management. Describe how the quality of the project will be assured. List the project's quality criteria (performance standards). They must be stated in concrete and measurable terms (e.g., time, cost, specifications, performance, etc.). Who will evaluate the project's performance? At what points will evaluation occur? To

whom will it be reported? Projects over \$10 million require an independent project oversight committee. Identify the members and their charge.

- l. Environmental sustainability. Describe the environmental stewardship features of the project. What are the costs and benefits? Will the project qualify for LEED or other green building certification? If not, why not?
- m. Regulatory requirements. In collaboration with the Office of the Metro Attorney, describe the status of the major regulatory approvals (e.g., land use and environmental) that are required for the project. Describe the plan and schedule to obtain final approval.
- n. Workforce diversity. Describe workforce diversity plan, including subcontractors.
- o. Communications. Describe the plan to communicate with stakeholders including, as appropriate, the Metro Council, Chief Operating Officer, Department Director, regulatory agencies, contributors, the public, contractors, and the workforce. Include milestone celebrations. Enlist the support of the Communications Team if necessary.
- p. Art. Describe the plan to comply with legal requirements to include art in the project.
- q. Evaluation and closeout. Describe generally the plan to evaluate and close out the project.
- r. Operations plan. After completion, describe in general terms the operations plan.

Capital Project Management Manual – Appendix 1

ELEMENTS OF PLANS DESCRIBED

1. Scope and schedule
2. Contracts
3. Management
4. Financial management
5. Reporting and documentation
6. Risk management and safety
7. Quality management
8. Environmental sustainability
9. Workforce diversity
10. Communications
11. Art
12. Claims, closeout, and evaluations

Capital Project Management Manual – Appendix 2

TOOL KIT

1. Strategic Analysis Form
2. Conceptual Analysis Form
3. Implementation Analysis Form
4. Monthly Report Form
5. Evaluation Form

Capital Project Management Manual – Appendix 3

TRAINING AND EVALUATION

Project management is a trainable skill that uses well-accepted and tested techniques, processes, and tools. It is different from the skill required to manage on-going operations. Metro has an obligation to train and learn from a cadre of skilled and experienced project managers.

The Chief Operating Officer shall appoint a Project Management Training Team with responsibilities that include:

- Identification of project manager qualifications
- Development of a project manager training program
- Establishment of project managers forum where Metro project managers can assist and learn from each other

Glossary

Five-Year Capital Budget – The Capital Budget is a long-range plan prepared annually to identify the capital projects to be funded over a five-year period. It identifies each planned project, the year in which it will be started or acquired, the

amount to be expended on the project each year and the proposed method of financing these expenditures. The Capital Budget is reviewed and approved by the Executive Officer and the Council. Projects approved for the first year of the plan become part of the agency's budget for the ensuing year, where they may be modified. Projects in years two through five of the plan are subject to revision in subsequent Capital Budgets.

Capital Project – A capital project is any physical asset acquired, constructed, or financed by Metro, with a total capital cost of \$50,000 or more and a useful life of at least five years. It can include land, facilities, trails, roads, other infrastructure, major equipment and parts thereof. It can include replacement and renewal projects as well as new acquisitions and construction projects.

Acquisition or construction of a capital project may be staged over several years. All elements of the original project are included in the total project costs even if individual elements do not meet the cost and useful life criteria. For example, the acquisition of a computer system may involve the purchase of individual workstations over several years, each of which cost less than \$50,000 each and have a useful life of less than five years. The project cost of the computer system includes the acquisition of all individual workstations originally planned as part of the system.

Capital Budget Document – The official document presenting Metro's five-year capital budget. This document is included in the Budget document and contains information on Metro's capital funding capacity, unfunded capital needs, and a status report on current capital projects. Along with the annual operating budget document, the capital budget document is presented to the Council by the Council President for its consideration and adoption. Appropriations for capital projects continue to be made through the annual budget.

Prior Capital Budget – The capital budget for FY 2005-06 through FY 2009-10 adopted by the Metro Council on June 23, 2005.

Note: Beginning with fiscal year 2005-06, the Capital Improvement Plan (CIP) is referred to as the Five-Year Capital Budget.

Adopting Resolution

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE) RESOLUTION NO. 06-3696
CAPITAL BUDGET FOR FISCAL) Introduced by
YEARS 2006-07 THROUGH 2010-11) David Bragdon, Council President

WHEREAS, Metro recognizes the need to prepare a long-range plan estimating the timing, scale and cost of its major capital projects & equipment purchases;

WHEREAS, Metro departments have inventoried existing major capital assets, prepared status reports on current capital projects and assessed future capital needs;

WHEREAS, Metro's Council President has directed the preparation of a Capital Budget for fiscal years 2006-07 through 2010-11 that projects Metro's major capital spending needs over the next five years, assesses the impact of capital projects on the forecasted financial condition of Metro funds, and assesses the impact on operating costs;

WHEREAS, the Metro Council has reviewed the FY 2006-07 through FY 2010-11 Capital Budget; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2006-07 through FY 2010-11 Capital Budget; now, therefore

BE IT RESOLVED that the Metro Council hereby authorizes the following:

1. That the FY 2006-07 through FY 2010-11 Capital Budget, included as Exhibit A to this Resolution and summarized on Exhibit B, on file at the Metro offices, is hereby adopted.
2. That the Metro Council President is requested to include the FY 2006-07 capital projects from the FY 2006-07 through FY 2010-11 Capital Budget in the FY 2006-07 budget.

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

David Bragdon, Metro Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

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METRO

PEOPLE PLACES

OPEN SPACES

Fund	Priority	Project	Total Prior Years	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Grand Total	Funding Source
All Funds										
1		Replace/Acquire Desktop Computers	397,193	90,000	90,000	90,000	90,000	90,000	847,193	Fund Balance
Building Management Fund										
1		Rebuild Metro Regional Center planters	-	65,000	-	-	-	-	65,000	Building Renewal & Replace.
2		Emergency Generator	-	-	370,000	-	-	-	370,000	SW/ Bldg Fund Balance
3		Metro Regional Center Roof Replacement	-	-	-	-	455,000	-	455,000	Fund Balance
4		Carpet Replacement	-	-	50,000	200,000	250,000	-	500,000	Fund Balance
5		Replace Metro Regional Center telephone system	-	65,000	-	-	-	-	65,000	Building Renewal & Replace.
Planning Fund										
1		Regional Land Information System (RLIS)	706,025	30,000	57,000	28,000	16,000	57,000	894,025	Cap Lease/Ent. Rev
Support Services Fund										
1		Server Management	359,165	136,000	78,000	156,000	144,000	53,000	926,165	Cap Lease/Ent. Rev
2		Upgrade Network Infrastructure	352,558	25,000	30,000	25,000	30,000	25,000	487,558	Fund Balance
3		Develop Enterprise Business Applications Software	290,064	193,000	-	-	-	-	483,064	IT Renewal & Replacement
4		Upgrade of Business Enterprise Software (PeopleSoft)	63,000	67,000	62,500	12,500	76,000	50,000	331,000	Fund Balance
SW Renewal & Replacement Account										
1		Replace Computer Network Components	-	70,000	-	-	-	-	70,000	Fund Balance
Total Finance and Administrative Services			2,168,005	741,000	737,500	511,500	1,061,000	275,000	5,494,005	
General Revenue Bond Fund (Zoo)										
1		Washington Park Parking Lot Renovation	4,201,295	190,870	-	-	-	-	4,392,165	Fund Balance
Zoo Capital Projects Fund										
1		Introduction to the Forest (GNW V)	2,579,735	550,000	-	-	-	-	3,129,735	Fund Bal/Int/Donations
2		Primate Building	874,414	150,000	500,000	300,000	-	-	1,824,414	Fund Bal/Donations
3		Admission Ticketing System Upgrade	-	200,000	-	-	-	-	200,000	Fund Balance
4		Lion Exhibit	-	50,000	200,000	2,600,000	-	-	2,850,000	Donations
6		California Condor Breeding Facility & Exhibit	1,531,679	-	1,000,000	-	-	-	2,531,679	Donations/Grants
7		Steller Cove Upgrades	-	-	100,000	-	-	-	100,000	Fund Balance
8		Administration Building Upgrades	-	-	135,000	-	-	-	135,000	Fund Balance
Zoo Operating Fund										
5		Stormwater Handling System	200,000	70,000	-	-	-	-	270,000	Grants
9		Animal Hospital X-Ray Machine	-	70,000	-	-	-	-	70,000	Donations
10		Fluorescent Light Fixture Replacement	-	55,000	-	-	-	-	55,000	Fund Balance
Total Oregon Zoo			9,387,123	1,335,870	1,935,000	2,900,000	-	-	15,557,993	
Open Spaces Fund										
1		Open Spaces Land Acquisition	128,566,740	475,000	-	-	-	-	129,041,740	GO Bond/Interest
2		Open Spaces Land Acquisition - Second Phase	-	-	25,000,000	25,000,000	25,000,000	30,000,000	105,000,000	GO Bond
Regional Parks Capital Fund										
1		Golf Course at Blue Lake Park	64,570	1,500,000	982,660	-	-	-	2,547,230	Grants/Fund Bal/Other
2		Three Bridges on the Springwater	-	4,691,000	-	-	-	-	4,691,000	Portland/Milwaukie/Grants
3		Mt. Talbert Development	120,547	1,450,000	50,000	50,000	-	-	1,670,547	Excise Tax
4		Cooper Mountain Natural Area Development	150,000	945,000	705,000	150,000	100,000	75,000	2,125,000	Excise Tax
5		Lone Fir Cemetery Morrison Property Site Redevelopment	-	150,000	-	-	-	-	150,000	City of Portland
6		Graham Oaks Nature Area Development	150,000	115,000	230,000	740,402	785,000	-	2,020,402	Excise Tax
7		M. James Gleason Boat Ramp Renovation Phase I & II	1,152,362	160,000	655,000	-	-	-	1,967,362	Mult Cty/Loc Share/Grants
8		M. James Gleason Boat Ramp - Phase III & IV	-	-	-	-	700,000	-	700,000	Grants/Fund Bal
9		Willamette Cove Park Development	-	-	-	-	300,000	-	300,000	Excise Tax
Regional Parks Fund										
1		Gales Creek/Tualatin River Confluence Project	479,142	18,390	-	-	-	-	497,532	Grants/Excise Tax/Donations
2		Clear Creek Side Channel Project	-	300,000	-	-	-	-	300,000	Donation/PGE/OWHF
3		Gotter Prairie Restoration - Phase 2	-	160,756	-	-	-	-	160,756	Various Grants

Fund	Priority	Project	Total Prior Years	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Grand Total	Funding Source
4		Gales Creek (Epler) Riparian Enhancement	-	50,000	-	-	-	-	50,000	Oth Gov/Clean Water Svc
5		Tualatin River (Munger Property) Riparian Enhancement	-	333,161	-	-	-	-	333,161	Various Grants

General Fund

1	Blue Lake Park Concession Building Renovations	-	195,000	-	-	-	-	-	195,000	Undesignated R&R Reserve
Total Regional Parks and Greenspaces			130,683,361	10,543,307	27,622,660	25,940,402	26,885,000	30,075,000	251,749,730	

Solid Waste General Account

1	Metro Central - Woodroom Improvements	196,000	50,000	-	-	-	-	-	246,000	Fund Balance
2	Metro South - Wood Staging Structure	60,000	420,000	-	-	-	-	-	480,000	Fund Balance
3	Metro Central - Office Addition	-	100,000	26,000	-	-	-	-	126,000	Fund Balance
4	Metro Central - Seismic Cleanup	-	175,000	25,000	-	-	-	-	200,000	Fund Balance
5	Metro Central - Chimney Removal	-	165,000	10,000	-	-	-	-	175,000	Fund Balance
6	Metro South - Wood Processing Capacity	12,000	60,000	595,000	150,000	-	-	-	817,000	Fund Balance
7	Metro South - Install High Capacity Baler	-	-	255,000	375,000	-	-	-	630,000	Fund Balance
8	Metro Central - Install New Scale at Scalehouse "C"	-	-	25,000	100,000	-	-	-	125,000	Fund Balance
9	Metro South- Installation of Compactor for Public Unloading	-	-	-	200,000	680,000	-	-	880,000	Fund Balance
10	Metro Central - Rainwater Harvesting	-	-	-	-	310,000	-	-	310,000	Fund Balance
11	Metro South - Install Sidewalk on Washington Street	20,000	230,000	-	-	-	-	-	250,000	Fund Balance
12	Future Master Facility Plan Improvements	-	-	-	-	-	1,000,000	-	1,000,000	Fund Balance

Solid Waste Landfill Closure

1	St. John's - Groundwater Monitoring Wells	-	200,000	10,800	-	-	-	-	210,800	Fund Balance
2	St John's - Perimeter Dike Stabilization and Seepage Contr	33,309	300,000	600,000	6,000	6,000	-	-	945,309	Fund Balance
3	St. John's - Re-establish Proper Drainage	599,005	5,000	5,000	252,000	5,000	5,000	-	871,005	Fund Balance
4	St. John's - Landfill Bridge Repairs	-	30,000	120,000	-	-	-	-	150,000	Fund Balance
5	St. John's - Landfill Remediation	-	-	-	500,000	500,000	500,000	-	1,500,000	Fund Balance
6	St. John's - Native Vegetation on the Cover Cap	110,942	10,000	15,000	10,000	10,000	10,000	-	165,942	Fund Balance

SW Renewal & Replacement Account

1	Metro Central - Rebuild Compactor No. 2	160,000	200,000	-	-	-	-	-	360,000	Fund Balance
2	Metro Central - Woodline	50,000	764,000	-	-	-	-	-	814,000	Fund Balance
3	Metro Central - Replace Compactor #3 Feed Conveyor	391,866	50,000	-	-	-	-	-	441,866	Fund Balance
4	Metro South - Compactor Replacement	-	150,000	750,000	750,000	-	-	-	1,650,000	Fund Balance
5	Metro Central- Replace Oil/Water Separator	-	-	-	50,000	-	-	-	50,000	Fund Balance
6	Metro South - Repair Commercial Tip Floor	-	-	197,900	-	-	-	-	197,900	Fund Balance
7	Metro Central-HHW- Ventilation System Replacement	-	-	-	100,000	-	-	-	100,000	Fund Balance
8	Metro South-Replace Dust Suppression System Componer	-	-	-	50,000	-	-	-	50,000	Fund Balance
9	Metro South- Replace Ventilation System Components	-	-	-	100,000	-	-	-	100,000	Fund Balance
10	Metro Central - Truckwash	-	-	-	30,000	150,000	-	-	180,000	Fund Balance
11	Metro Central - Compactor Replacement	-	-	-	150,000	750,000	750,000	-	1,650,000	Fund Balance
Total Solid Waste & Recycling			1,633,122	2,909,000	2,634,700	2,823,000	2,411,000	2,265,000	14,675,822	

Total Metro	143,871,611	15,529,177	32,929,860	32,174,902	30,357,000	32,615,000	287,477,550
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New Projects to begin in FY 2006-07
New Projects to begin in later years
New Project funded with Undesignated Renewal and Replacement Funding

Five Year Total	\$ 143,605,939
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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 06-3696, FOR THE PURPOSE OF ADOPTING THE CAPITAL BUDGET FOR FISCAL YEARS 2006-07 THROUGH 2010-11

Date: June 7, 2006

Presented by: William Stringer, Chief Financial Officer

BACKGROUND

The Capital Budget for Fiscal Years 2006-07 through 2010-11 represents Metro's long-range capital improvement planning process. Metro has established a sound base to forecast the agency's capital needs and balance those needs with available resources. As a result, Metro has been able to coordinate the financing and timing of its capital improvements in a way that maximizes the benefits to the public and provides opportunities to save money.

ANALYSIS/INFORMATION

1. **Known Opposition:** None
2. **Legal Antecedents:** There is no legal requirement for Metro to prepare a Capital Budget.
3. **Anticipated Effects:** The resolution signifies the Council has reviewed and approved the Capital Budget covering the years FY 2007 – FY 2011.

Within the 69 projects planned during the five years covered by this Capital Budget are projects for replacing or improving existing facilities, projects purchasing new equipment, and projects that create new facilities. The total cost for these projects during the five years is estimated to be \$143.6 million.

This Resolution is the formal instrument by which the plan will be adopted to incorporate the first year of the Plan into the Adopted Budget. Exhibit A is the Capital Budget and Exhibit B is a listing of all the projects that will be incorporated, as amended, into the Adopted Capital Budget.

4. **Budget Impacts:** The plan's FY 2006-07 projects are the FY 2006-07 Budget's Capital Budget requests. The financial impacts of the projects are described in detail and in summary form in the Capital Budget.

RECOMMENDED ACTION

The Council President recommends adoption of Resolution No. 06-3696, in concurrence with the Chief Financial Officer and Chief Operating Officer.