



**METRO**

**Agenda**

MEETING: METRO COUNCIL WORK SESSION  
DATE: June 10, 2008  
DAY: Tuesday  
TIME: 2:00 PM  
PLACE: Metro Council Chamber

**CALL TO ORDER AND ROLL CALL**

- |                |           |  |          |
|----------------|-----------|--|----------|
| <b>2:00 PM</b> | <b>1.</b> | <b>DISCUSSION OF AGENDA FOR COUNCIL REGULAR MEETING, JUNE 12, 2008/ADMINISTRATIVE/CHIEF OPERATING OFFICER COMMUNICATIONS</b> |          |
| <b>2:15 PM</b> | <b>2.</b> | <b>FY 2008-09 BUDGET – FINAL STEPS PRIOR TO ADOPTION</b>   | Stringer |
| <b>2:45 PM</b> | <b>3.</b> | <b>PERFORMANCE MEASUREMENT AND COUNCIL GOALS UPDATE</b>  | Tucker   |
| <b>3:15 PM</b> | <b>4.</b> | <b>BREAK</b>   |          |
| <b>3:20 PM</b> | <b>5.</b> | <b>REGIONAL TRANSPORTATION PLAN PERFORMANCE MEASUREMENT FRAMEWORK</b>  | Ellis    |
| <b>4:20 PM</b> | <b>6.</b> | <b>COUNCIL BRIEFINGS/COMMUNICATION</b>   |          |

**ADJOURN**

**FY 2008-09 BUDGET – FINAL  
STEPS PRIOR TO ADOPTION**

Metro Council Work Session  
Tuesday, June 10, 2008  
Metro Council Chamber

## METRO COUNCIL

### Work Session Worksheet

Presentation Date: June 10, 2008 Time: 1:00 p.m. Length: 30 minutes

Presentation Title: Final Budget Amendments; Metro Capital Improvement Plan including increasing a Capital Project to \$100,000 and annual review of Metro Financial Policies

Department: Finance & Administrative Services

Presenters: Bill Stringer, Margo Norton, Karen Feher

#### **ISSUE & BACKGROUND:**

During this work session Council will be given the opportunity to review the following:

- Final Budget Amendments to the Fiscal Year 2008-09 Approved Budget
- Resolution to Adopt the Fiscal Year 2008-09 through Fiscal Year 2012-13 Capital Improvement Plan
- Annual review of Metro's Financial Policies with one requested change

Final budget amendments presentation will include an opportunity to review the amendments and clarify any issues prior to the vote on them June 19, 2008 to be included in the FY 2008-09 Adopted Budget. Several technical amendments carrying forward appropriation are anticipated. In addition drafters will be presenting two substantive amendments:

1. 1. Integrating Habitats - Michael Jordan, COO, agreed to return to Council during June amendments with options for addressing the President Bragdon's proposal for removing code barriers and encouraging habitat-friendly development. Planning and Parks have completed assessments of current efforts and will present their findings.
2. Efforts related to Sustainable Metro Initiative: An incremental adjustment related to Deputy COO position is necessary; Reed Wagner will discuss this amendment and provide information on any other project requirements that need to be appropriated now or held in designated contingency.

During the Budget approval process, the Metro's five-year capital budget received close review and is ready to be adopted annually. An "A" version will be provided for adoption with the Budget that includes all approved budget amendments that impact the capital budget. Staff is also requesting permission to raise the limit of a Capital Project to \$100,000 from \$50,000. The \$50,000 limit has been in place for about ten years and no longer represents a significant project for Metro. Most project between \$50,000 to \$100,000 are renewal and replacement, rather than new initiatives. In addition this increase will match the current threshold for public improvement projects.

This resolution also will provide the annual required review of Metro's Comprehensive Financial Policies. The policies contained in the resolution were drafted by a group of department finance managers and Financial Planning staff, thoroughly reviewed, discussed, and revised by a committee of finance staff from all major operating departments and Finance & Administrative Services, and presented to the Senior Management team before coming to the Council. Staff has developed these policies with the expectation that their application should not be considered to be required in all cases; rather, the policies will serve as strong guidelines for financial management that may occasionally not be practicable to meet. In those cases, it is further understood that

Council should be apprised of exceptions to the policies and advised of the reasons why a policy goal was not achieved.

The policies address six specific areas of financial management as well as a series of general policies. Several of these simply echo federal or state laws and regulations, or establish as policy certain practices that are currently being done. Highlights of the proposed policies include the following:

- The policies will be reviewed annually by the Council and published in the adopted budget.
- The Chief Financial Officer will develop guidelines and procedures in a number of areas, including determination of fund balances appropriate to each major fund, determination of appropriate contingencies to be maintained, and internal controls.
- A definition of a balanced budget, which is one in which current year revenues meet or exceed current year expenditures.
- The justification for a budgeted draw on fund balance in an operating fund will be included in the adopted budget. document
- A study to assess the affordability of any new program will be done before the program is implemented.
- The Council's existing capital asset management policies are incorporated into this document, by reference.
- One-time revenues will be used to pay for one-time costs or add to fund balance.

Only one change is recommended to these policies, the increase to \$100,000 from \$50,000 of a "Capital Project".

**OPTIONS AVAILABLE**

1. Approve or amend the presented budget amendments.
2. Approve or amend the five year capital improvement plan.
3. Review and approve or amend the financial policies with the suggested increase in a "Capital Project"

**IMPLICATIONS AND SUGGESTIONS**

**QUESTION(S) PRESENTED FOR CONSIDERATION**

Staff is requesting Council review and approve the technical and substantive amendments to the FY 2008-09 Approved Budget.

Staff is requesting Council adoption, by resolution of the FY 2008-09 through FY 2012-13 Capital Improvement Plan.

Staff is requesting Council annual review and adoption, by resolution, of a set of comprehensive financial policies with one change.

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION X Yes \_\_\_No  
DRAFT IS ATTACHED X Yes \_\_\_No**

**SCHEDULE FOR WORK SESSION**

Department Director/Head Approval \_\_\_\_\_

Chief Operating Officer Approval \_\_\_\_\_

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE ) RESOLUTION NO. 08-3941  
CAPITAL BUDGET FOR FISCAL YEARS ) Introduced by Michael Jordan, Chief  
2008-09 THROUGH 2012-13; RAISING THE ) Operating Officer with concurrence of  
INDIVIDUAL PROJECT REPORTING LIMIT; AND ) the Council President  
THE AMENDMENT AND READOPTION OF )  
METRO'S FINANCIAL POLICIES )

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, a review of the minimum reporting limit of \$50,000 established in FY 1997-98 for a capital project indicates the need to increase that limit to \$100,000; and

WHEREAS, Metro's Chief Operating Officer has directed the preparation of a Capital Budget for fiscal years 2008-09 through 2012-13 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; and

WHEREAS, the Metro Council has reviewed the FY 2008-09 through FY 2012-2013 Capital Budget; and

WHEREAS, the Metro Council Adopted Comprehensive Financial Policies for Metro by Resolution No. 04-3465 that calls for annual review and adoption of Metro's Comprehensive Financial Policies; and

WHEREAS, Metro's Finance Team has reviewed the Comprehensive Financial Policies; and

WHEREAS, Metro Council has reviewed the Comprehensive Financial Policies; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2008-09 through FY 2012-13 Capital Budget; now, therefore

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

1. That the FY 2008-09 through FY 2012-13 Capital Budget, summarized on Exhibit A, is hereby adopted.

2. That the Metro Council is requested to include the FY 2008-09 capital projects from the FY 2008-09 through FY 2012-13 Capital Budget in the FY 2008-09 budget.

3. That Metro's Financial Policies section "Capital Asset Management Policies", number 4 be amended to read: "Capital improvement projects are defined as facility or equipment purchases or construction which results in a capitalized asset costing more than ~~\$50,000~~\$100,000 and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of ~~\$50,000~~\$100,000 or more that have a useful life of at least five years."

4. That the Comprehensive Financial Polices, included as Exhibit B to this Resolution, are adopted and included in the FY 2008-09 budget.

ADOPTED by the Metro Council this \_\_\_\_ day of \_\_\_\_\_ 2008.

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David Bragdon, Metro Council President

Approved as to Form:

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Daniel B. Cooper, Metro Attorney

## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO. 08-3941, FOR THE PURPOSE OF ADOPTING THE CAPITAL BUDGET FOR FISCAL YEARS 2008-09 THROUGH 2012-13; RAISING THE INDIVIDUAL PROJECT REPORTING LIMIT; AND THE AMENDMENT AND READOPTION OF METRO'S FINANCIAL POLICIES

Date: May 30, 2008

Presented by: William Stringer, Chief Financial Officer

## BACKGROUND

A. The Capital Budget for Fiscal Years 2008-09 through 2012-13 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. If a project comes up unexpectedly during the year, departments need to follow an established amendment process to insure that Council's authority is obtained. The amendment process is in conjunction with the contracting procedures or, if no contract is required, through a separate resolution.

B. In addition to approving the five-year capital budget, staff requests the authority to increase to \$100,000 the need for Council approval on individual projects beginning with the FY 2009-10 capital budget submission. The reporting limit for the Capital Budget was set in FY 1997-98 to insure that any significant project would receive the approval of the Metro Council prior to proceeding. The \$50,000 level has not been adjusted during that period. The types of projects that fall into the \$50,000 to \$100,000 category are generally renewal and replacement. This action will allow a greater focus on those projects that have a significant fiscal impact on the agency and allow management to handle the smaller less significant projects. This increase would also match the current threshold for public improvement projects of \$100,000. The following projects in the Proposed Capital Budget are less than \$100,000. Six of the projects are new while the rest are renewal and replacement. Of the 88 projects in the Approved Budget, 14 are under \$100,000 and listed as follows:

<u>PROJECT</u>	<u>AMOUNT</u>	<u>NEW/R&amp;R</u>	<u>Project Yr</u>
Family Farm Addition	\$51,000	New	FY 2008-09
Stafford Field Station	\$70,000	New	FY 2008-09
Howell Ter. Park Restoration & Kitchen Upgrade	\$95,000	New	FY 2008-09
Perimeter USDA Fence	\$55,080	R&R	FY 2008-09
AfriCafe HVAC Controls Replacement	\$51,000	R&R	FY 2008-09
Primate Building HVAC Controls Replacement	\$51,000	R&R	FY 2008-09
Brainard Retaining Wall	\$76,500	R&R	FY 2008-09
Metro South - Natural Lighting Improvements	\$75,000	New	FY 2009-10
Metro Central HHW - Extend Canopy	\$75,000	New	FY 2011-12
Metro South HHW - Extend Canopy	\$75,000	New	FY2011-12
Metro Central- Scalehouse A Outbound scale	\$90,000	R&R	FY 2008-09
Metro Central - Roll-up Doors	\$65,000	R&R	FY 2011-12
Metro Central - Scalehouse A Inbound scale	\$90,000	R&R	FY 2009-10
Metro South - Outdoor/Site Lighting	\$75,000	R&R	FY 2008-09

C. This resolution also provides for the annual review and re-adoption of Metro's financial policies. Only one change, the increase to \$100,000 the capital improvement project to be included in the annual Capital

Improvement Plan, is proposed to the financial policies that went through an extensive review process and were adopted by Resolution No. 04-3465 in FY 2003-04. The redlined policies are attached as Exhibit B to the resolution. The change to the project level will be effective July 1, 2008 and included in the FY 2009-10 Capital Improvement Plan submission. The FY 2008-09 Capital Improvement Plan will still show the projects under \$100,000 but amendments will only be required for projects \$100,000 and over.

The current policies address six specific areas of financial management as well as a series of general policies. Several of these simply echo federal or state laws and regulations, or establish as policy certain practices that are currently being done. Highlights of those policies include:

- The policies will be reviewed annually by the Council and published in the adopted budget.
- The Chief Financial Officer will develop guidelines and procedures in a number of areas, including determination of fund balances appropriate to each major fund, determination of appropriate contingencies to be maintained, and internal controls.
- A definition of a balanced budget is one in which current year revenues meet or exceed current year expenditures.
- Any use of fund balance in an operating fund will be fully explained in the adopted budget document.
- A study to assess the affordability of any new program will be done before the program is implemented.
- The Council's existing capital asset management policies are incorporated into this document, by reference.
- One-time revenues will be used to pay for one-time costs or add to fund balance.

## ANALYSIS/INFORMATION

1. **Known Opposition:** None
2. **Legal Antecedents:** Metro's adopted financial policies require the annual adoption of a Capital Improvement Plan and the annual review of Metro's Comprehensive Financial Policies.
3. **Anticipated Effects:** The resolution signifies the Council has reviewed and approved the Capital Budget covering the years FY 2009-2013.

Within the 88 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 \$181 million.

This Resolution is the formal instrument by which the plan will be adopted and the first year incorporated into the Adopted Budget. Exhibit A is the summary of the Capital Budget of which all of the projects with expenditures in FY 2008-09, those specific FY 2008-09 amounts will be incorporated, as amended, into the Adopted Capital Budget.

This Resolution amends and re-adopts Metro's Comprehensive Financial Policies by changing the definition of a Capital Project to "Capital improvement projects are defined as facility or equipment purchases or construction which results in a capitalized asset costing more than \$100,000 and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of



\$100,000 or more that have a useful life of at least five years” increasing the project amount from \$50,000 to \$100,000. This change will be effective with the FY 2008-09 Capital Improvement Plan.

4. **Budget Impacts:** The plan’s FY 2008-09 amounts are the amounts to be incorporated into the FY 2008-09 Adopted Budget.

#### **RECOMMENDED ACTION**

The Council President recommends adoption of Resolution No. 08-3941, in concurrence with the Chief Financial Officer and Chief Operating Officer.

Priority
Fund
Dept

## Total Project Summary with Major Funding Source

EXHIBIT A RESOLUTION NO. 08-3941

Finance								
	Prior Years	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Grand Total	Funding Source
<b>General Fund Capital Fund - 612</b>								
4 Council/COO Building Space Remodel	\$4,664	\$150,000	\$0	\$0	\$0	\$0	\$154,664	Fund Balance - Capital Reserve
<b>General Fund Renewal and Replacement Fund</b>								
1 Rebuild Metro Regional Center planters	\$83,649	\$78,000	\$0	\$0	\$0	\$0	\$161,649	Fund Balance - Renewal and Replacement
2 Parking Structure Waterproofing	\$0	\$100,000	\$25,000	\$0	\$0	\$0	\$125,000	Fund Balance - Renewal and Replacement
3 Copier Replacement	\$290,544	\$47,000	\$52,020	\$50,923	\$51,957	\$50,788	\$543,232	Fund Balance - Renewal and Replacement
4 Carpet Replacement	\$0	\$75,000	\$100,000	\$100,000	\$111,000	\$0	\$386,000	Fund Balance - Renewal and Replacement
5 Replace Metro Regional Center telephone system	\$35,400	\$30,000	\$65,000	\$0	\$0	\$0	\$130,400	Fund Balance - Renewal and Replacement
6 Renewal and Replacement Property Services	\$0	\$15,000	\$82,386	\$26,545	\$0	\$54,748	\$178,679	Fund Balance - Renewal and Replacement
7 Council Chamber Audio/Visual Upgrades	\$100,959	\$0	\$0	\$0	\$0	\$140,851	\$241,810	Fund Balance - Renewal and Replacement
<b>Total - Finance</b>	<b>\$515,216</b>	<b>\$495,000</b>	<b>\$324,406</b>	<b>\$177,468</b>	<b>\$162,957</b>	<b>\$246,387</b>	<b>\$1,921,434</b>	

## Total Project Summary with Major Funding Source

EXHIBIT A RESOLUTION NO. 08-3941

Information Technology								
	Prior Years	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Grand Total	Funding Source
<b>All Funds</b>								
1 Replace/Acquire Desktop Computers	\$539,966	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$939,966	Fund Balance - Capital Reserve
<b>General Fund Capital Fund - 612</b>								
5 Develop Enterprise Business Applications Software	\$334,528	\$150,000	\$0	\$0	\$0	\$0	\$484,528	Fund Balance - Capital Reserve
<b>General Fund Renewal and Replacement Fund</b>								
1 Net Appliance Alex File Server	\$0	\$132,600	\$0	\$0	\$0	\$143,531	\$276,131	Fund Balance - Renewal and Replacement
2 Upgrade of Business Enterprise Software (PeopleSoft	\$128,514	\$68,340	\$65,025	\$71,101	\$67,652	\$73,973	\$474,605	Fund Balance - Renewal and Replacement
3 Enterprise Productivity Platform Upgrade and Licensi	\$162,890	\$231,700	\$197,200	\$197,200	\$10,000	\$0	\$798,990	Fund Balance - Renewal and Replacement
4 Information Technology R&R Projects Under \$50,00	\$0	\$182,988	\$168,441	\$158,636	\$269,742	\$141,377	\$921,184	Fund Balance - Renewal and Replacement
5 Single Uninterruptible Power Source (UPS) for Comp	\$90,000	\$0	\$0	\$0	\$0	\$22,082	\$112,082	Fund Balance - Capital Reserve
<b>Planning Fund</b>								
1 Regional Land Information System (RLIS)	\$795,667	\$56,000	\$42,000	\$32,000	\$27,000	\$23,000	\$975,667	Other Capital Lease
2 Transportation Modeling Services Cluster Upgrade	\$69,000	\$25,000	\$80,000	\$25,000	\$68,200	\$25,000	\$292,200	Other
<b>Total - Information Technology</b>	<b>\$2,120,565</b>	<b>\$926,628</b>	<b>\$632,666</b>	<b>\$563,937</b>	<b>\$522,594</b>	<b>\$508,963</b>	<b>\$5,275,353</b>	

## Total Project Summary with Major Funding Source

EXHIBIT A RESOLUTION NO. 08-3941

Oregon Zoo	Prior Years	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Grand Total	Funding Source
<b>General Revenue Bond Fund (Zoo)</b>								
1 Washington Park Parking Lot Renovation	\$4,406,795	\$201,200	\$0	\$0	\$0	\$0	\$4,607,995	Other
<b>Zoo Capital Projects Fund</b>								
1 Predators of the Serengeti	\$380,730	\$3,670,000	\$0	\$0	\$75,000	\$0	\$4,125,730	Donations
2 Red Ape Reserve "Orangutan"	\$225,000	\$1,575,000	\$0	\$0	\$0	\$0	\$1,800,000	Excise Tax Renewal & Replacement
3 Family Farm Addition	\$0	\$51,000	\$0	\$0	\$0	\$0	\$51,000	Fund Balance - Capital Reserve
4 Storm Water Connection to Big Pipe	\$125,000	\$125,000	\$0	\$0	\$0	\$0	\$250,000	Fund Balance - Capital Reserve
5 Primate Building - Forests of the World Exhibit	\$875,478	\$0	\$400,000	\$0	\$0	\$0	\$1,275,478	Fund Balance - Capital Reserve
6 Mandrill Exhibit	\$0	\$0	\$300,000	\$0	\$0	\$0	\$300,000	Fund Balance - Capital Reserve
7 California Condor Breeding Facility & Exhibit	\$1,928,956	\$0	\$0	\$1,000,000	\$0	\$0	\$2,928,956	Donations
8 Polar and Sun Bear Exhibit Renovation	\$0	\$0	\$0	\$500,000	\$0	\$0	\$500,000	Fund Balance - Capital Reserve
<b>General Fund Renewal and Replacement Fund</b>								
1 FY 2008-09 Zoo Renewal and Replacement Projects	\$0	\$357,627	\$0	\$0	\$0	\$0	\$357,627	Fund Balance - Renewal and Replacement
2 Perimeter USDA Fence	\$0	\$55,080	\$0	\$0	\$0	\$0	\$55,080	Fund Balance - Renewal and Replacement
3 Campus Radio Replacement	\$0	\$229,500	\$0	\$0	\$0	\$0	\$229,500	Fund Balance - Renewal and Replacement
4 AfriCafe HVAC Controls Replacement	\$0	\$51,000	\$0	\$0	\$0	\$0	\$51,000	Fund Balance - Renewal and Replacement
5 Primate Building HVAC Controls Replacement	\$0	\$51,000	\$0	\$0	\$0	\$0	\$51,000	Fund Balance - Renewal and Replacement
6 FY 2009-10 Zoo Renewal and Replacement Projects	\$0	\$0	\$667,592	\$0	\$0	\$0	\$667,592	Fund Balance - Renewal and Replacement
7 FY 2010-11 Zoo Renewal and Replacement Projects	\$0	\$0	\$0	\$748,273	\$0	\$0	\$748,273	Fund Balance - Renewal and Replacement
8 FY 2011-12 Zoo Renewal and Replacement Projects	\$0	\$0	\$0	\$0	\$711,018	\$0	\$711,018	Fund Balance - Renewal and Replacement
9 FY 2012-13 Zoo Renewal and Replacement Projects	\$0	\$0	\$0	\$0	\$0	\$856,348	\$856,348	Fund Balance - Renewal and Replacement
<b>Total - Oregon Zoo</b>	<b>\$7,941,959</b>	<b>\$6,366,407</b>	<b>\$1,367,592</b>	<b>\$2,248,273</b>	<b>\$786,018</b>	<b>\$856,348</b>	<b>\$19,566,597</b>	

## Total Project Summary with Major Funding Source

EXHIBIT A RESOLUTION NO. 08-3941

Regional Parks and Greenspaces								
	Prior Years	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Grand Total	Funding Source
<b>Natural Areas Fund</b>								
1 Natural Areas Acquisition	\$35,000,000	\$35,000,000	\$35,000,000	\$35,000,000	\$25,000,000	\$2,070,963	\$167,070,963	G.O. Bonds - Open Spaces
2 Mount Talbert Nature Park	\$1,689,905	\$50,000	\$0	\$0	\$0	\$0	\$1,739,905	G.O. Bonds - Open Spaces
3 Cooper Mountain Nature Park	\$205,663	\$2,523,500	\$100,000	\$75,000	\$0	\$0	\$2,904,163	G.O. Bonds - Open Spaces
4 Graham Oaks Nature Park	\$277,507	\$1,600,402	\$0	\$0	\$0	\$0	\$1,877,909	G.O. Bonds - Open Spaces
5 Willamette Cove Nature Park	\$0	\$0	\$0	\$300,000	\$0	\$0	\$300,000	G.O. Bonds - Open Spaces
<b>Open Spaces Fund</b>								
1 Open Spaces Land Acquisition	\$129,516,675	\$407,781	\$0	\$0	\$0	\$0	\$129,924,456	G.O. Bonds - Open Spaces
<b>Regional Parks Capital Fund</b>								
1 Nature and Golf Learning Center at Blue Lake Park	\$691,149	\$5,758,000	\$3,000,000	\$0	\$0	\$0	\$9,449,149	Other
2 M. James Gleason Boat Ramp Renovation Phase I & I	\$1,188,520	\$2,435,800	\$0	\$0	\$0	\$0	\$3,624,320	Grants - State Marine Board
3 M. James Gleason Boat Ramp - Phase III & IV	\$0	\$0	\$0	\$800,000	\$0	\$0	\$800,000	Grants - State Marine Board
4 Stafford Field Station Office	\$0	\$70,000	\$0	\$0	\$0	\$0	\$70,000	Excise Tax Renewal & Replacement
5 Howell Territorial Park Restroom & Kitchen Upgrade	\$30,000	\$65,000	\$0	\$0	\$0	\$0	\$95,000	Excise Tax Renewal & Replacement
<b>General Fund Renewal and Replacement Fund</b>								
1 Regional Parks Renewal and Replacement	\$0	\$60,153	\$39,978	\$256,599	\$474,697	\$24,425	\$855,852	Fund Balance - Renewal and Replacement
2 Brainard Retaining Wall	\$0	\$76,500	\$0	\$0	\$0	\$0	\$76,500	Fund Balance - Renewal and Replacement
<b>Total - Regional Parks and Greenspaces</b>	<b>\$168,599,419</b>	<b>\$48,047,136</b>	<b>\$38,139,978</b>	<b>\$36,431,599</b>	<b>\$25,474,697</b>	<b>\$2,095,388</b>	<b>\$318,788,217</b>	

## Total Project Summary with Major Funding Source

EXHIBIT A RESOLUTION NO. 08-3941

Solid Waste and Recycling	Prior Years	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Grand Total	Funding Source
<b>Solid Waste General Account</b>								
1 Metro South - Natural Lighting Improvements	\$0	\$0	\$75,000	\$0	\$0	\$0	\$75,000	Fund Balance - Capital Reserve
2 Metro Central - Seismic Cleanup	\$100,000	\$75,000	\$0	\$0	\$0	\$0	\$175,000	Fund Balance - Capital Reserve
2 Metro South - New Operations Supervisors' Office	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000	Fund Balance - Capital Reserve
3 Metro Central - Chimney Removal	\$135,000	\$30,000	\$0	\$0	\$0	\$0	\$165,000	Fund Balance - Capital Reserve
3 Metro Central - Locker room/restroom remodel	\$0	\$165,000	\$0	\$0	\$0	\$0	\$165,000	Fund Balance - Capital Reserve
4 Metro South - Wood Staging Structure	\$0	\$80,000	\$570,000	\$0	\$0	\$0	\$650,000	Fund Balance - Capital Reserve
5 Metro South - Wood Processing Capacity	\$53,500	\$60,000	\$595,000	\$150,000	\$0	\$0	\$858,500	Fund Balance - Capital Reserve
6 Metro South- Installation of Compactor for Public Un	\$0	\$0	\$0	\$200,000	\$680,000	\$0	\$880,000	Fund Balance - Capital Reserve
7 Metro Central - Tarping Station	\$0	\$0	\$200,000	\$0	\$0	\$0	\$200,000	Fund Balance - Capital Reserve
8 Metro South - Install High Capacity Baler	\$0	\$0	\$0	\$255,000	\$375,000	\$0	\$630,000	Fund Balance - Capital Reserve
9 Metro Central HHW - Extend Canopy	\$0	\$0	\$0	\$0	\$75,000	\$0	\$75,000	Fund Balance - Capital Reserve
10 Metro South HHW - Extend Canopy	\$0	\$0	\$0	\$0	\$75,000	\$0	\$75,000	Fund Balance - Capital Reserve
11 Metro Central - Rainwater Harvesting	\$0	\$150,000	\$160,000	\$0	\$0	\$0	\$310,000	Fund Balance - Capital Reserve
12 Future Master Facility Plan Improvements	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$1,000,000	Fund Balance - Capital Reserve
13 Reader Board at MSS entrance	\$0	\$0	\$200,000	\$0	\$0	\$0	\$200,000	Fund Balance - Capital Reserve
14 Sort Line for Metro Central Station	\$0	\$0	\$0	\$864,000	\$0	\$0	\$864,000	Fund Balance - Capital Reserve
15 Expansion of MCS-HHW facility	\$0	\$0	\$0	\$0	\$0	\$863,000	\$863,000	Fund Balance - Capital Reserve
16 Improvements to Metro South truck entrance/exit	\$0	\$0	\$110,000	\$0	\$0	\$0	\$110,000	Fund Balance - Capital Reserve
17 Power Surge Protection for scalehouses at MSS & M	\$0	\$0	\$150,000	\$0	\$0	\$0	\$150,000	Fund Balance - Capital Reserve
<b>Solid Waste Landfill Closure</b>								
1 St. John's - Groundwater Monitoring Wells	\$200,000	\$10,800	\$0	\$0	\$0	\$0	\$210,800	Fund Balance - Landfill Closure
2 St John's - Perimeter Dike Stabilization and Seepage	\$323,622	\$400,000	\$6,000	\$6,000	\$3,000	\$3,000	\$741,622	Fund Balance - Landfill Closure
3 St. John's - Re-establish Proper Drainage	\$621,331	\$0	\$252,000	\$5,000	\$5,000	\$0	\$883,331	Fund Balance - Landfill Closure
4 St. John's - Landfill Bridge Repairs	\$30,000	\$120,000	\$0	\$0	\$0	\$0	\$150,000	Fund Balance - Landfill Closure
5 St. John's - Landfill Remediation	\$0	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$3,000,000	Fund Balance - Landfill Closure
<b>SW Renewal &amp; Replacement Account</b>								
1 Metro Central - Transfer trailer Scale Replacement	\$0	\$190,000	\$0	\$0	\$0	\$0	\$190,000	Fund Balance - Renewal and Replacement
1 Metro Central - Compactor Replacement	\$200,000	\$700,000	\$0	\$0	\$0	\$0	\$900,000	Fund Balance - Renewal and Replacement
2 Metro Central HHW - Chiller Replacement	\$32,000	\$68,000	\$0	\$0	\$0	\$0	\$100,000	Fund Balance - Renewal and Replacement
3 Metro Central- Scalehouse A Outbound scale	\$0	\$90,000	\$0	\$0	\$0	\$0	\$90,000	Fund Balance - Renewal and Replacement
4 Metro Central - Truckwash	\$0	\$35,000	\$285,000	\$0	\$0	\$0	\$320,000	Fund Balance - Renewal and Replacement
5 Metro South - Compactor Replacement	\$3,638	\$0	\$600,000	\$600,000	\$0	\$0	\$1,203,638	Fund Balance - Renewal and Replacement
6 Metro South- Replace Ventilation System Component	\$0	\$0	\$140,000	\$0	\$0	\$0	\$140,000	Fund Balance - Renewal and Replacement
7 Metro Central-HHW- Ventilation System Replacemen	\$0	\$140,000	\$0	\$0	\$0	\$0	\$140,000	Fund Balance - Renewal and Replacement
8 Metro Central - Roll-up Doors	\$0	\$0	\$0	\$0	\$65,000	\$0	\$65,000	Fund Balance - Renewal and Replacement
9 Metro Central - Baler Conveyor	\$0	\$0	\$0	\$0	\$220,000	\$0	\$220,000	Fund Balance - Renewal and Replacement
10 Metro Central - Scalehouse A Inbound scale	\$0	\$0	\$90,000	\$0	\$0	\$0	\$90,000	Fund Balance - Renewal and Replacement
11 Metro Central - Scalehouse "C" Scale Replacement	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000	Fund Balance - Renewal and Replacement
12 Metro Central - Replace metal wall system	\$0	\$0	\$0	\$0	\$170,000	\$0	\$170,000	Fund Balance - Renewal and Replacement
13 Metro Central Standby Power Generator	\$0	\$0	\$0	\$0	\$0	\$135,000	\$135,000	Fund Balance - Renewal and Replacement

## Total Project Summary with Major Funding Source

EXHIBIT A RESOLUTION NO. 08-3941

Priority
Fund
Dept

Solid Waste and Recycling	Prior Years	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Grand Total	Funding Source
14 Metro South - Outdoor/Site Lighting	\$0	\$75,000	\$0	\$0	\$0	\$0	\$75,000	Fund Balance - Renewal and Replacement
15 Metro South - Modify Entry Way to Operations Bld.	\$0	\$0	\$175,000	\$0	\$0	\$0	\$175,000	Fund Balance - Renewal and Replacement
<b>Total - Solid Waste and Recycling</b>	<b>\$1,699,091</b>	<b>\$2,388,800</b>	<b>\$3,708,000</b>	<b>\$3,180,000</b>	<b>\$2,668,000</b>	<b>\$3,001,000</b>	<b>\$16,644,891</b>	

## **METRO FINANCIAL POLICIES**

### **Metro Financial Policies**

Metro's financial policies, set forth below, provide the framework for the overall fiscal management of the agency. Operating independently of changing circumstances and conditions, these policies are designed to help safeguard Metro's assets, promote effective and efficient operations, and support the achievement of Metro's strategic goals.

These policies establish basic principles to guide Metro's elected officials and staff in carrying out their financial duties and fiduciary responsibilities. The Chief Financial Officer shall establish procedures to implement the policies established in this document.

### ***General Policies***

1. Metro's Financial Policies shall be reviewed annually by the Council and shall be published in the adopted budget.
2. Metro shall prepare its annual budget and Comprehensive Annual Financial Report consistent with accepted public finance professional standards.
3. The Chief Financial Officer shall establish and maintain appropriate financial and internal control procedures to assure the integrity of Metro's finances.
4. Metro shall comply with all applicable state and federal laws and regulations concerning financial management and reporting, budgeting, and debt administration.

### ***Accounting, Auditing and Financial Reporting***

1. Metro shall annually prepare and publish a Comprehensive Annual Financial Report including financial statements and notes prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.
2. Metro shall maintain its accounting records on a basis of accounting consistent with the annual budget ordinance.
3. Metro shall have an independent financial and grant compliance audit performed annually in accordance with generally accepted auditing standards.

### ***Budgeting and Financial Planning***

1. As prescribed in Oregon budget law, total resources shall equal total requirements in each fund, including contingencies and fund balances. However, Metro considers a budget to be balanced whenever budgeted revenues equal or exceed budgeted expenditures. Beginning fund balances shall not be considered as revenue, nor shall contingencies or ending fund balances be considered expenditures, in determining whether a fund is in balance.



## **METRO FINANCIAL POLICIES**

2. Metro shall maintain fund balance reserves that are appropriate to the needs of each fund. Targeted reserve levels shall be established and reviewed annually as part of the budget process. Use of fund balance to support budgeted operations in the General Fund, an operating fund, or a central service fund shall be explained in the annual budget document; such explanation shall describe the nature of the budgeted reduction in fund balance and its expected future impact. Fund balances in excess of future needs shall be evaluated for alternative uses.
3. Metro staff shall regularly monitor actual revenues and expenditures and report to Council at least quarterly on how they compare to budgeted amounts, to ensure compliance with the adopted budget. Any significant changes in financial status shall be timely reported to the Council.
4. Metro shall use its annual budget to identify and report on department or program goals and objectives and measures of performance.
5. A new program or service shall be evaluated before it is implemented to determine its affordability.
6. Metro shall authorize grant-funded programs and associated positions for a period not to exceed the length of the grant unless alternative funding can be secured.
7. Each operating fund will maintain a contingency account to meet unanticipated requirements during the budget year. The amount shall be appropriate for each fund.
8. Metro shall prepare annually a five-year forecast of revenues, expenditures, other financing sources and uses, and staffing needs for each of its major funds, identifying major anticipated changes and trends, and highlighting significant items which require the attention of the Council.
9. Metro will annually prepare a cost allocation plan prepared in accordance with applicable federal guidelines to maintain and maximize the recovery of indirect costs from federal grants, and to maintain consistency and equity in the allocation process.

### ***Capital Asset Management***

1. Metro shall budget for the adequate maintenance of capital equipment and facilities and for their orderly replacement, consistent with longer-term planning for the management of capital assets.
2. The Council's previously-adopted policies governing capital asset management are incorporated by reference into these policies.

### ***Cash Management and Investments***

1. Metro shall maintain an investment policy in the Metro Code, which shall be subject to annual review and readoption.
2. Metro shall schedule disbursements, collections and deposits of all funds to ensure maximum cash availability and investment potential.

## **METRO FINANCIAL POLICIES**

3. Metro shall manage its investment portfolio with the objectives of safety of principal as the highest priority, liquidity adequate to needs as the second highest priority, and yield from investments as its third highest priority.

### ***Debt Management***

1. Metro shall issue long-term debt only to finance capital improvements, including land acquisition, that cannot be readily financed from current revenues, or to reduce the cost of long-term financial obligations.
2. Metro will not use short-term borrowing to finance operating needs unless specifically authorized by the Council.
3. Metro shall repay all debt issued within a period not to exceed the expected useful life of the improvements financed by the debt.
4. Metro shall fully disclose financial and pertinent credit information as it relates to Metro's outstanding securities.
5. Metro shall strive to obtain the highest credit ratings to ensure that borrowing costs are minimized and Metro's access to credit is preserved.
6. Equipment and vehicles should be financed using the least costly method, including comparison to direct cash expenditure. This applies to purchase using operating leases, capital leases, bank financing, company financing or any other purchase programs.

### ***Revenues***

1. Metro shall estimate revenues through an objective, analytical process.
2. Metro shall strive to maintain a diversified and balanced revenue system to protect it from short-term fluctuations in any one revenue source.
3. One-time revenues shall be used to support one-time expenditures or increase fund balance.
4. Metro shall pursue appropriate grant opportunities; however, before accepting any grant, Metro will consider the current and future implications of either accepting or rejecting it. The Chief Financial Officer may establish criteria to be used in evaluating the potential implications of accepting grants.

## 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 financial 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.*

## Capital Asset Management Policies

4. Capital improvement projects are defined as facility or equipment purchases or construction which results in a capitalized asset costing more than \$100,000 and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of \$100,000 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.*

## Capital Asset Management Policies

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.*

Agenda Item Number 3.0

**PERFORMANCE  
MEASUREMENT AND COUNCIL  
GOALS UPDATE**

Metro Council Work Session  
Tuesday, June 10, 2008  
Metro Council Chamber

# METRO COUNCIL

## Work Session Worksheet

Presentation Date: June 10, 2008 Time: 2:45 pm Length: 30 minutes

Presentation Title: Performance Measure and Council Goals Update

Department: Office of the COO

Presenters: Jeff Tucker and Michael Jordan

### **ISSUE & BACKGROUND**

In December 2007, the Council adopted the goals in the Regional Transportation Plan (RTP) after a significant 18-month development process with stakeholders and the review/approval of JPACT. In May 2008, as part of the Performance-based Growth Management (PBG) project (one of the tracks on the Making the Greatest Place road map) MPAC recommended the Council's adoption of a resolution identifying definitions of a successful region. The resolution is scheduled to come to Metro Council for consideration on June 19, 2008.

The Approved FY 2008-09 Metro Budget has been developed around seven goals, which were a rewrite of the Council Goals and Objectives developed several years ago.

On May 20, 2008, the Council was provided a categorization of the goals from each of these separate processes. The categorization shows that, while the wording of the goals/outcome statements may be different, there are significant similarities among them. The spreadsheet also shows that all of the goal statements can be categorized around the three elements of sustainability – Great Communities, Healthy Environment and Vital Economy – as well as additional value areas of Smart Government and Responsible Operations.

Metro staff from the Long Range Policy Planning group, from the Regional Transportation Planning group, and from the CFO's office engage regularly to coordinate their efforts around these goals and their related performance measures.

The issue to be discussed is whether it is necessary for the specific goal language be identical, or is our current language adequate to convey our intended messages.

### **OPTIONS AVAILABLE**

Council may decide that the goals as written in the Program Budget are adequate and remove the "draft" language associated with them; or

Council may provide direction at this work session on changing the language of the goals for inclusion in the budget; or

Council may decide to maintain the "draft" element of the goals and agree to continue this discussion within the context of PBGM and the Regional Transportation Plan (RTP) update discussions.

### **IMPLICATIONS AND SUGGESTIONS**

The budget documents are required to be printed and submitted to the TSCC by August 29, 2008. Given the time necessary to make edits and print the document, this legal deadline translates into a practical deadline of July 25<sup>th</sup> to know the specific wording of the goals.

The budget narratives, as written, describe the Council Goals as being a “work in progress” that have not yet been adopted. Given the continued work on the Performance-based Growth Management outcomes, RTP performance measures and the potential for including this discussion as part of the joint MPAC / JPACT meetings in the fall, it may be advantageous to continue to characterize the Council Goals as draft.

**QUESTIONS PRESENTED FOR CONSIDERATION**

1. Does the Council have refinements for the draft Council Goals as developed for the 2008-09 Budget documents?
2. Shall the 2008-09 Budget include the caveats that the goals are draft and still being developed?

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION \_\_Yes \_X\_No**  
**DRAFT IS ATTACHED \_\_\_Yes \_\_\_No**



Agenda Item Number 5.0

**REGIONAL TRANSPORTATION PLAN  
PERFORMANCE MEASUREMENT FRAMEWORK**

Metro Council Work Session  
Tuesday, June 10, 2008  
Metro Council Chamber

## METRO COUNCIL

### Work Session Worksheet

Presentation Date: June 10, 2008 Time: 3:20 p.m. Length: 60 minutes

Presentation Title: RTP Performance Measurement Framework

Department: Planning

Presenters: Kim Ellis & Deena Platman

#### **ISSUE & BACKGROUND**

The 2035 Regional Transportation Plan (RTP) Update relies on an outcomes-based approach to planning for the region's transportation system. By definition, this necessitates the use of performance measurements to inform decision-making and monitor progress towards achieving desired outcomes. Over the past year, staff has been focused on the development of a performance measurement framework that will serve as a communication tool for the RTP, conveying progress towards meeting planning goals, providing data for system evaluation and assisting policy development and investment decision-making.

The framework also satisfies benchmarks mandated by Statewide Planning Goals and the Oregon Transportation Planning Rule (TPR), and federal requirements to establish a performance monitoring system as part of the region's Congestion Management Process (CMP). The process for developing, testing and refining the performance measures will be iterative throughout the RTP update process, and linked with the Performance-Based Growth Management and Agency-wide performance measures work that is also underway.

Staff, with assistance from a working group comprised of members of TPAC, MTAC, and other stakeholders, has arrived at a recommended framework set of predictive performance measures to be evaluated this summer as part of the RTP Investment Scenarios phase.

The memorandum provided as Attachment 1 describes the framework and development process in greater detail. Attachment B to Attachment 1 lists the recommended set of predictive performance measures and their relationship to the ten adopted RTP goals.

#### **OPTIONS AVAILABLE**

Council may decide to support the recommended performance measurement framework and the advancement of the draft predictive measures as presented; or

Council may choose to suggest refinements to the framework and/or measures.

### **IMPLICATIONS AND SUGGESTIONS**

Staff recommends advancing the recommended performance measurement framework and the set of predictive performance measures into the RTP Investment Scenarios Analysis phase. With Council support, it allows the RTP process to move forward to test the relevancy of the measures as part of the scenarios analysis.

Staff will reconvene the RTP Performance Measure Work Group in the fall to identify refinements based on the findings from this summer's evaluation. Recommendations from this phase will be brought forward to JPACT, MPAC and the Metro Council for discussion this fall.

### **QUESTION(S) PRESENTED FOR CONSIDERATION**

1. Does the Council have refinements to the recommended RTP Performance Measurement Framework and the draft predictive performance measures as presented?
2. What information drawn from the performance measures do you see as most relevant to inform your decision-making as the RTP update progresses?
3. The RTP Performance Measurement Framework will be integrated with the Performance-Based Growth Management and agency-wide performance measure efforts. Does the Council have direction for staff regarding the integration of these efforts?

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION** \_\_ Yes **X** No  
**DRAFT IS ATTACHED** \_\_ Yes **X** No

M E M O R A N D U M

600 NORTHEAST GRAND AVENUE PORTLAND, OREGON 97232 2736  
TEL 503 797 1700 FAX 503 797 1794



DATE: June 4, 2008  
TO: Metro Council, JPACT and MPAC Members and Interested Parties  
FROM: Kim Ellis, Principal Transportation Planner  
Deena Platman, Principal Transportation Planner  
SUBJECT: RTP Performance Measurement Framework

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**Purpose**

This memo summarizes Regional Transportation Plan (RTP) performance measures work completed to date and describes the overall framework for evaluating and monitoring the 2035 RTP. The memo also recommends a set of performance measures to be further evaluated as part of the RTP Investment Scenarios analysis this summer. The recommended measures were narrowed from more than 100 potential performance measures identified in the federal component of the 2035 RTP (*dated December 14, 2007*). The process for developing, testing and refining the performance measures will be iterative throughout the RTP update process, and coordinated with the Performance-Based Growth Management work that is also underway.

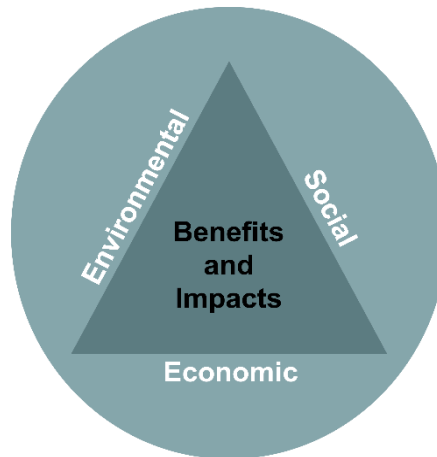
**Action Requested**

Preliminary direction on the RTP Performance Measurement Framework and the advancement of predictive performance measures into the RTP Investment Scenarios analysis phase for further evaluation and refinement (See Attachment B).

**Background**

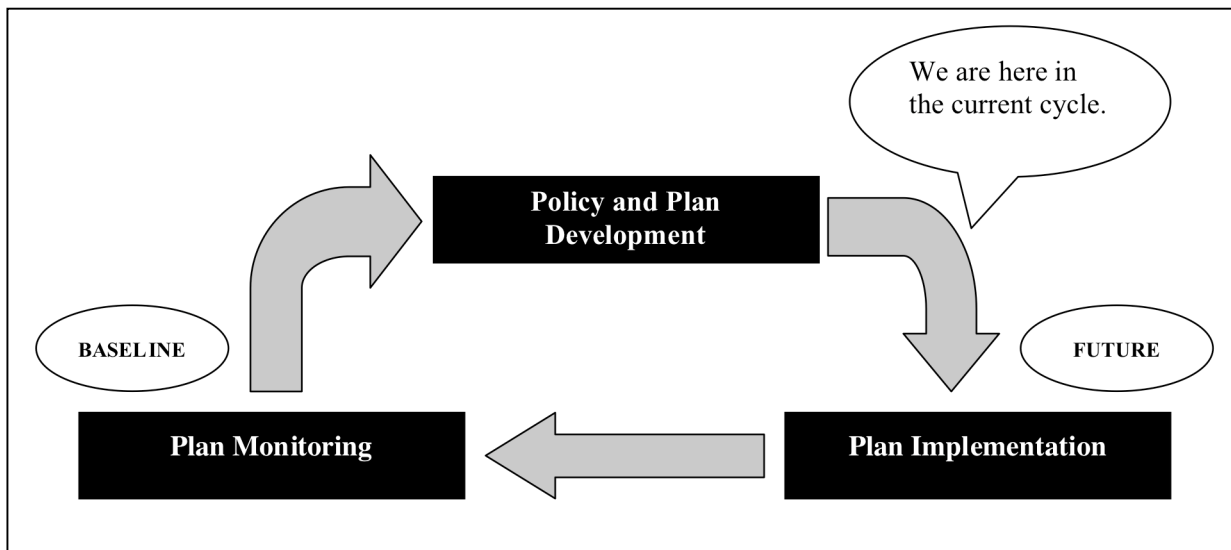
The primary aim of the 2035 Regional Transportation Plan (RTP) is to implement the Region 2040 vision for land use, transportation, the economy, and the environment. To accomplish this, the 2035 RTP Update is embracing new ways to think more holistically and strategically about how to efficiently and effectively move people and freight around and through the Portland metropolitan region. A key element is the development and application of an outcomes-based evaluation framework that considers economic, social and environmental benefits and impacts as shown in Figure 1.

**Figure 1. RTP Outcomes-Based Performance Measure Framework**



Performance measurement is a critical element of this approach, creating a communication tool to convey progress towards meeting planning goals, provide data for system evaluation and assist policy development and investment decision-making. Development of a performance measurement framework also satisfies benchmarks mandated by the Oregon Transportation Planning Rule (TPR) and federal requirements to establish a performance monitoring system as part of the region's Congestion Management Process (CMP). Figure 2 provides a diagram of the performance measurement cycle.

**Figure 2. RTP Performance Measurement Cycle**



## **RTP Performance Measure Work Group Process and Recommendations**

The RTP Performance Measure (PM) Work Group comprised of TPAC and MTAC members/alternates, and other key stakeholders are leading the effort to identify performance measures in this framework. The process for developing, testing and refining the performance measures will be iterative throughout the RTP update process, and coordinated with the Performance-Based Growth Management work that is also underway.

Since Fall 2007, Metro convened six meetings of the work group. Attachment A includes the roster of work group members. Initially, the work group focused on defining a framework for RTP performance measurement and establishing a set of guiding principles to select candidate measures. The guiding principles used to narrow the list of potential performance measures are shown in Table 1.

**Table 1. Principles to Guide Selection of RTP Performance Measures**

<b>1. Reflect RTP Goals and Objectives</b>	<i>Measures reflect the underlying goals and objectives expressed in RTP policy.</i>
<b>2. Compliance</b>	<i>Measures comply with Oregon Transportation Plan, Oregon Highway Plan, Transportation Planning Rule, and Congestion Management.</i>
<b>3. Specific impacts</b>	<i>Measures assess specific impacts of outcomes the RTP can influence.</i>
<b>4. Consider system user</b>	<i>Measures should address how people use/experience the transportation system</i>
<b>5. Relevant and comprehensible</b>	<i>Measures are relevant to and easily understood by elected officials, staff, and public.</i>
<b>6. Manageable</b>	<i>Identify a manageable number of measures that provide value to the decision-making process.</i>
<b>7. Simple data</b>	<i>Data is relatively simple to collect, report and maintain.</i>
<b>8. Replicable or translatable</b>	<i>Measures should be replicable or able to translate between policy constructs.</i>
<b>9. Comparable</b>	<i>Measures allow comparison with other regions.</i>

On May 19, 2008, the RTP Performance Measure Work Group endorsed the staff recommended performance measurement framework and selected system evaluation measures for assessment in the RTP investment scenarios phase. The recommended measures were narrowed from more than 100 potential performance measures identified in the federal component of the 2035 RTP (*dated December 14, 2007*).

### **Recommended RTP Performance Measurement Framework**

The framework reflects the continued evolution of regional transportation planning from a primarily project-driven endeavor to one that is framed by the larger set of outcomes that affect people’s everyday lives, commerce and the quality of life in this region. The framework acknowledges the broader impacts of transportation on these outcomes. Figure 3 lays out the RTP performance measurement framework graphically to show the elements of the performance measurement system.

**Figure 3. 2035 RTP Performance Measurement Framework Elements**

	<b>RTP Goals</b>	<b>Geographic Extent</b>	<b>Application</b>
<b>Performance Measures</b>	<ol style="list-style-type: none"> <li>1. Foster Vibrant Communities and Compact Urban Form</li> <li>2. Sustain Economic Competitiveness and Prosperity</li> <li>3. Expand Transportation Choices</li> <li>4. Effective and Efficient Management of Transportation System</li> <li>5. Enhance Safety and Security</li> <li>6. Promote Environmental Stewardship</li> <li>7. Enhance Human Health</li> <li>8. Ensure Equity</li> <li>9. Ensure Fiscal Stewardship</li> <li>10. Deliver Accountability</li> </ol>	<ol style="list-style-type: none"> <li>A. Regionwide</li> <li>B. Mobility Corridor</li> <li>C. Community</li> </ol>	<ol style="list-style-type: none"> <li>A. Baseline Evaluation</li> <li>B. System Evaluation</li> <li>C. Plan Monitoring</li> </ol>

**Performance Measures** – Performance measures form the core of the system. They are the *quantitative method of analysis* used to evaluate condition or status to determine the degree of success a project or program has had in achieving its stated goals and objectives. Some measures can be used to predict the future as part of an evaluation process using forecasted or “predictive” data, while other measures can be used to monitor changes of based on actual empirical or observed data. In many instances, a single measure can be use to assess progress towards meeting multiple goals.

**RTP Goals** – The ten RTP goals each provide a statement of purpose that describes *long-term desired outcomes* for the region’s transportation system to support and implement the Region 2040 vision. In many instances, a goal has multiple performance measures providing feedback on achievement.

**Geographic Extent** – The first round of technical analysis for the Federal 2035 RTP demonstrated that system-level measures are no longer sufficient to determine whether investments lead to efficient and reliable corridors in the region or meet other RTP goals. The framework addresses this limitation by including three levels of geographic scale to measure performance.

- *Region-wide* measures focus on the performance of the entire metropolitan area, monitoring the plan at a system-level with the ability to compare this region’s success with other metropolitan regions of similar size. Region-wide measures are useful on a broad level but do not provide the level of detail to effectively diagnose problems or inform make decisions about individual corridors or 2040 land use types.

- *Mobility corridors* are transportation corridors centered on the region's network of interstate and state highways that include parallel networks of arterial roadways, high capacity and regional transit routes and regional trails. The multi-modal network of corridors is intended to move people and freight between different parts of the region and connect the region with the rest of the state and beyond. Measuring performance at this geographic scale will provide a not only a better understanding individual mobility corridor performance but also allow comparison of performance across multiple mobility corridors.
- *Community level measures* focus on the 2040 land use types, addressing how the physical design of the transportation system fosters an efficient urban form and vibrant communities envisioned in the 2040 Growth Concept. The 2000 RTP began this move toward community level measures by adopting the 2040 Non-SOV Modal Targets and Area of Special Concern into regional policy.

### **Application**

The framework acknowledges the multiple uses for performance measures by defining three applications of use in the RTP.

- *Baseline evaluation* measures provide a base level of assessment about the transportation system at the beginning of an RTP update. They are the basis for considering past trends and identifying transportation needs and issues to be addressed.
- *System evaluation* measures provide the basis for evaluating alternatives and comparing different levels of transportation investment during an RTP update. This application relies largely on measures that can be forecasted into the future using predictive travel demand and land use models.
- *Plan monitoring* measures allow the region to track progress in achieving its goals and objectives over time and will inform the baseline evaluation to be conducted at the beginning of an RTP update. Monitoring will occur between RTP updates to determine whether refinements to the policy framework, investment priorities, or other plan elements are needed. Monitoring measures can draw from observed as well as modeled data. As subset of this uses is the *Congestion Management Process (CMP)*, which are targeted specifically on the efficiency and effectiveness of the transportation system to move people and goods in a timely manner. CMP measures are likely to draw from the growing availability of real-time transportation system data and will be assessed with greater frequency. In addition, some of these measures will satisfy benchmarks mandated by Statewide Planning Goals and the Oregon Transportation Planning Rule (TPR).

### **Recommended Performance Measures for System Evaluation**

Metro staff and the RTP Performance Measure Work Group spent the past several months developing and refining a set of proposed performance measures that can be applied in the system evaluation phase of the 2035 RTP. Attachment B, RTP Goal-Performance Measure Matrix, lists all of the recommended performance measures to be advanced into the RTP Investment scenarios phase for testing. The matrix links the individual performance measures to the RTP goals they address.



## Schedule

Development of the RTP Evaluation Framework and corresponding performance measures will occur in six steps during the next 18 months.

- **Step 1 – Scoping** – Completed February ‘08  
*Define issues to be addressed and develop a conceptual framework for identifying performance measures and mobility corridors.*
- **Step 2 – Performance Measurement Framework Development** – March ‘08 to June ‘08  
*Develop a preliminary set of diagnostic performance measures that can be evaluated in RTP Investment Scenarios analysis and applied in Mobility Corridor Atlas.*
- **Step 3 – Performance Measurement Framework Assessment** – July ‘08 to December ‘08  
*Apply preliminary performance measure framework to base year and future year RTP Investment Scenarios Analysis and Mobility Corridor Atlas. Evaluate results, refine measures as needed, and confirm data outputs for Mobility Corridor Atlas. Finalize Mobility Corridor Atlas report.*
- **Step 4 – System Development and Analysis** – January ‘09 to April ‘09  
*Using insight from Step 3, develop investment criteria to guide RTP System Development task.*
- **Step 5 – RTP System Development and Evaluation Framework Recommendation** – April ‘09 to June ‘09  
*Apply Step 4 investment criteria and compare Step 3 base year with Round 1 and Round 2 modeling outputs (region-wide, mobility corridor and community building measures). Finalize evaluation framework and performance measures recommendations (including benchmarks/targets) and identify recommended refinements to state policies. The analysis in this step will inform prioritizing regional transportation investments and result in an updated RTP financially constrained system and recommended RTP state system of investments. Create a reporting structure that can be used for ongoing CMP monitoring and satisfy benchmarks required by Statewide planning goals and the TPR.*
- **Step 6 – Adoption Process** – October - December ‘09  
*Release discussion draft RTP for public review. Adopt final 2035 Regional Transportation Plan and provide direction to the development of local Transportation System Plans and future corridor refinement plans.*

## Next Steps

With endorsement of the RTP Performance Measurement Framework by MPAC, JPACT, and Metro Council, the set of predictive performance measures listed in Attachment B will be evaluated as part of the RTP Investment Scenarios analysis this summer. Results of the evaluation will be reported to technical and policy advisory committees this fall.

The RTP Performance Measure Work Group will reconvene in the fall to review results and further refine the list of performance measures based on findings. The work group will also begin to augment the predictive performance measures with other measures that draw from observed data sources, such as ODOT’s accident database or freeway loop detector, to address state and

federal requirements for on-going plan and congestion management process monitoring. The work group will recommend a set of key measures and benchmarks that will be used to monitor implementation of the plan over time. Reliability, safety, accountability, and equity are areas where observed data could be used for monitoring purposes.

## Attachment A

### RTP Performance Measures Work Group Members

<b>Member/Alternate</b>	<b>Organization</b>	<b>Metro Advisory Committee</b>
Frank Angelo	Angelo Planning	N/A
Andy Back	Washington County	TPAC
Bev Bookin	Bookin Group	MTAC
Al Burns	City of Portland	MTAC
Bob Cortright	DLCD	N/A
Kate Dreyfus	City of Gresham	N/A
Denny Egner	City of Lake Oswego	MTAC
Meg Fernekees	DLCD	MTAC
John Gessner	City of Fairview	MTAC
John Gillam/Courtney Duke	City of Portland	TPAC
Brian Gregor	ODOT	N/A
Mara Gross/Ron Carley	Coalition for A Livable Future	N/A
Jon Holan	City of Forest Grove	MTAC
Robin McCaffrey	Port of Portland	TPAC
Mike McCarthy	City of Tigard	MTAC
Jay McCoy	City of Gresham	N/A
Mike McKillip	City of Tualatin	TPAC
Louis Ornelas	Shared Vision Consulting	TPAC
Lidwien Rahman/Andy Johnson	ODOT	TPAC/MTAC
Joseph Readdy	Sera Architects	MTAC
Satvinder Sandhu	FHWA	TPAC
Kelly Betteridge/Joe Recker	TriMet	TPAC
Ron Weinman	Clackamas County	TPAC



## METRO RTP Goal-Performance Measure Matrix

The matrix below lists all the recommended performance measures and their relationship to the adopted RTP goals. Dots are shown for each performance measure for every RTP goal that the performance measure provides information about. While each performance measure was developed to communicate the conditions, impacts or effectiveness of actions in meeting RTP goals in one primary goal area, the matrix shows that several of the performance measures report on several goals. This demonstrates the linkages between each of the goal areas and the impact of policy decisions across environmental, economic and social boundaries.

Recommended Performance Measures for System Evaluation		Adopted RTP Goals																		
		Foster Vibrant Communities and Compact Urban Form	Sustain Economic Competitiveness and Prosperity	Expand Transportation Choices	Effective and Efficient Management of Transportation System	Enhance Safety and Security	Promote Environmental Stewardship	Enhance Human Health	Ensure Equity	Ensure Fiscal Stewardship	Deliver Accountability									
1.	Vehicle miles traveled (total and per capita)	●	●																	
2.	Average commute length and time by mode for the region, sub-districts and mobility corridors	●		●																
3.	Average trip length by mobility corridor by trip purpose	●			●															
4.	Average travel time for home-based non-work trips region-wide and comparing a regional average with average by land use type and by mode	●			●															
5.	Motor vehicle and transit travel time between key origin-destinations for mid-day and PM peak	●	●	●	●															
6.	Travel Time Index (ratio of peak period to free flow time) by Corridor		●																	
7.	Miles, percent and location of Throughways and Arterials that exceed RTP LOS-based motor vehicle performance measures in mid-day and PM peak for the region, sub-districts and Corridors				●															
8.	Miles, percent and location of regional freight network facilities that exceed RTP LOS-based motor vehicle performance measures in mid-day and PM peak for Main Roadways and Roadway Connectors, and by Corridor		●		●															
9.	Total delay and cost of delay on the regional freight network in mid-day and PM peak		●		●															
10.	Non-drive alone trips and mode share region-wide, by mobility corridor and for central city and individual regional centers (Number of daily walking, bicycling, shared ride and transit trips and % by mode)	●		●	●						●	●								
11.	Transit Level of Service (ratio of riders to seating) by Corridor for High Capacity Transit	●	●	●																
12.	Daily transit trips per revenue hour	●																		●
13.	Annual transit riders (total and per capita)				●						●									●
14.	Number and percent of households and jobs within 30 minutes of the central city, regional centers, and key employment/industrial areas for mid-day and PM peak**	●	●																	
15.	Number and percent of homes within ¼-mile and ½-mile of 2040 central city, regional centers, town centers, mainstreets, or station communities	●			●															
16.	Number and percent of homes within ½-mile of regional multi-use trail system and ¼ mile of parks/greenspaces**	●			●						●	●	●							
17.	Number and percent of homes within ½-mile of HCT service and ¼-mile of frequent bus service**	●			●								●							
18.	Number and percent of environmental justice communities (Census data) within ½-mile of HCT or ¼-mile frequent bus service as compared to the region**				●								●							
19.	Average housing and transportation costs per household*												●							●
20.	User cost per mile (auto & truck)												●							●
21.	Tons of transportation-related air pollutants (e.g. CO, ozone, and PM-10)				●						●	●								
22.	Tons of transportation-related greenhouse gas emissions (e.g. CO <sub>2</sub> )				●						●	●								
23.	Acres of regionally significant Goal 5 resources potentially affected by new transportation infrastructure**	●									●									
24.	Total acres consumed by household & jobs*	●										●								
25.	Households per acre by housing type and 2040 design type	●																		●
26.	Capture rate (total number and percent of jobs and households attracted to UGB, neighbor cities, 2040 centers, corridors, and industrial/employment areas)*	●									●	●								●

Matrix Notes:

\* = data derived from Metroscope analysis

\*\* = data derived from GIS analysis

All other data derived from the EMME3 travel forecast model

No ability to predict/forecast system safety. To be addressed in plan monitoring and Congestion Management Process (CMP) measures.

No ability to predict/forecast accountability. To be addressed in plan monitoring measures.

