

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE) RESOLUTION NO. 12-4352
CAPITAL IMPROVEMENT PLAN FOR FISCAL) Introduced by Martha Bennett, Chief
YEARS 2012-13 THROUGH 2016-17; APPROVING) Operating Officer with concurrence of
THE METROPOLITAN TOURISM OPPORTUNITY) the Council President
COMPETITIVENESS PROJECTS AND RE-ADOPTING
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 and equipment purchases; and

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

WHEREAS, Metro's Chief Operating Officer has directed the preparation of a Capital Improvement Plan for fiscal years 2012-13 through 2016-17 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 2012-13 through FY 2016-17 Capital Improvement Plan; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2012-13 budget including the FY 2012-13 through FY 2016-17 Capital Improvement Plan; and

WHEREAS, the Metro Council approves projects funded by the Metropolitan Tourism Opportunity Competitiveness Account (MTOCA); and

WHEREAS, the Metro Council annually reviews and readopts its Comprehensive Financial Policies including the Capital Asset Management Policies; now therefore

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

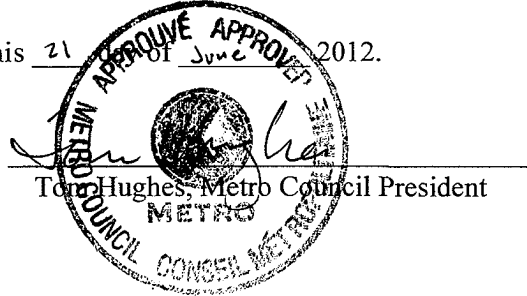
1. That the FY 2012-13 through FY 2016-17 Capital Improvement Plan (CIP), summarized on Exhibit A, is hereby adopted.

2. That the FY 2012-13 capital projects from the FY 2012-13 through FY 2016-17 Capital Improvement Plan be included and appropriated in the FY 2012-13 budget.

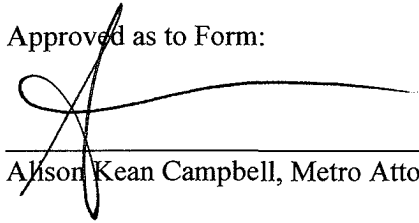
3. That the project identified for MTOCA funding for FY 2012-13 is approved.

4. That the Comprehensive Financial Policies, including the Capital Asset Management Policies, included as Exhibit B to this Resolution, are re-adopted and will be published in the FY 2012-13 budget.

ADOPTED by the Metro Council this 21 of June 2012.



Approved as to Form:



Alison Kean Campbell, Metro Attorney

Total Project Summary with Major Funding Source

Exhibit A
Resolution 12-4352

Priority	Fund	Dept
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Finance	Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
General Fund Capital Fund - 612								
1 Budget Module	\$120,000	\$120,000	\$0	\$0	\$0	\$0	\$240,000	Fund Balance - Capital Reserve
Solid Waste General Account								
1 Solid Waste Information System (SWIS)	\$711,219	\$113,781	\$0	\$0	\$0	\$0	\$825,000	Fund Balance - Capital Reserve
SW Renewal & Replacement Account								
1 Enforcement Vehicle Replacement	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$180,000	Fund Balance - Renewal and Replacement
Total - Finance	\$861,219	\$263,781	\$30,000	\$30,000	\$30,000	\$30,000	\$1,245,000	

Total Project Summary with Major Funding Source

Information Services		Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
General Fund									
1	Metro Web	\$0	\$367,125	\$225,005	\$0	\$0	\$0	\$592,130	Fund Balance
General Fund Renewal and Replacement Fund									
0	Data Center	\$74,500	\$33,659	\$0	\$0	\$0	\$0	\$108,159	Fund Balance - Renewal and Replacement
1	Information Technology R&R Projects	\$169,866	\$433,169	\$138,003	\$269,722	\$285,913	\$195,705	\$1,492,378	Fund Balance - Renewal and Replacement
2	Upgrade of Business Enterprise Software (PeopleSoft)	\$114,805	\$133,365	\$0	\$138,753	\$0	\$144,358	\$531,281	Fund Balance - Renewal and Replacement
2	Enterprise Storage	\$0	\$245,243	\$0	\$0	\$0	\$0	\$245,243	Fund Balance - Renewal and Replacement
Total - Information Services		\$359,171	\$1,212,561	\$363,008	\$408,475	\$285,913	\$340,063	\$2,969,191	

Total Project Summary with Major Funding Source

Metro Exposition-Recreation Commission

	Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
MERC Fund								
1 Expo - Portable Bleacher Replacement	\$80,000	\$50,000	\$50,000	\$0	\$0	\$0	\$180,000	Fund Balance - Renewal and Replacement
2 Expo - Parking Lot Asphalt Maint/Replace	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$60,000	\$310,000	Fund Balance - Renewal and Replacement
3 Expo - Roof Repair - Hall D - Front/Back	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	Fund Balance - Renewal and Replacement
4 Expo - Roof Repair - Hall E - Front and Back	\$0	\$0	\$175,000	\$0	\$0	\$0	\$175,000	Fund Balance - Renewal and Replacement
5 Expo - Electrical Upgrade - Hall A & B	\$0	\$0	\$0	\$140,000	\$0	\$0	\$140,000	Fund Balance - Renewal and Replacement
6 Expo - Roof Repair - Hall D (Barrel)	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000	Fund Balance - Renewal and Replacement
7 Expo - Roof Repair - Hall E (Barrel)	\$0	\$0	\$0	\$0	\$120,000	\$0	\$120,000	Fund Balance - Renewal and Replacement
8 Expo - Meridian Phone System	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000	Fund Balance - Renewal and Replacement
MERC Fund								
1 OCC - Kitchen Remodel	\$32,062	\$113,000	\$0	\$0	\$0	\$0	\$145,062	F&B Contract Investment Fund
1 OCC - ECMS (Energy Conservation Measures)	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	TLT Reserves
2 OCC - CCTV Replacement	\$0	\$275,000	\$0	\$0	\$0	\$0	\$275,000	Fund Balance - Renewal and Replacement
2 OCC - Electrical Sub Meeting	\$8,617	\$191,383	\$0	\$0	\$0	\$0	\$200,000	MTOCA
3 OCC - Replace Chrome Entry Doors - Orginal Side	\$0	\$125,000	\$0	\$0	\$0	\$0	\$125,000	Fund Balance - Renewal and Replacement
4 OCC - Lighting Upgrade - Phase II	\$0	\$500,000	\$0	\$0	\$0	\$0	\$500,000	Other VDI
4 OCC - Main Kitchen Walk-in Coolers and Freezer	\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000	F&B Contract Investment Fund
5 OCC - Original Roof Replacement and Parapet Wall	\$0	\$100,000	\$2,000,000	\$0	\$0	\$0	\$2,100,000	Fund Balance - Renewal and Replacement
5 OCC - Concession Upgrades	\$0	\$175,000	\$0	\$0	\$0	\$0	\$175,000	F&B Contract Investment Fund
6 OCC - Cooling Towers	\$0	\$0	\$385,000	\$0	\$0	\$0	\$385,000	Fund Balance - Renewal and Replacement
7 OCC - Purchase AV Equipment	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000	Fund Balance - Renewal and Replacement
8 OCC - Carpet Replacement and Overall Design Consu	\$0	\$0	\$0	\$2,100,000	\$0	\$0	\$2,100,000	Fund Balance - Renewal and Replacement
9 OCC - Replace Meeting Room Chairs - 3000	\$0	\$0	\$0	\$960,000	\$0	\$0	\$960,000	Fund Balance - Renewal and Replacement
10 OCC - Concrete Polishing	\$0	\$0	\$0	\$375,000	\$0	\$0	\$375,000	Fund Balance - Renewal and Replacement
11 OCC - Replace 2 (of 3) Boilers	\$0	\$0	\$0	\$0	\$475,000	\$0	\$475,000	Fund Balance - Renewal and Replacement
12 OCC - Replace Chiller Units	\$0	\$0	\$0	\$0	\$600,000	\$550,000	\$1,150,000	Fund Balance - Renewal and Replacement
13 OCC - Replace Folding Padded Chairs	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000	Fund Balance - Renewal and Replacement
14 OCC - Elevator 18 - Car & Rail Rework	\$0	\$0	\$0	\$0	\$850,000	\$0	\$850,000	Fund Balance - Renewal and Replacement
15 OCC - Replace all Tables on Expansion Side	\$0	\$0	\$0	\$0	\$0	\$350,000	\$350,000	Fund Balance - Renewal and Replacement
16 OCC - Bleacher Replacement	\$0	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000	Fund Balance - Renewal and Replacement
MERC Fund								
1 PCPA - AHH Exterior Insulation Finish System	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000	Fund Balance - Renewal and Replacement
2 PCPA - AHH Cooling Tower & Associated Piping	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	Fund Balance - Renewal and Replacement
3 PCPA - Keller Cooling Tower & Associated Piping	\$0	\$0	\$150,000	\$0	\$0	\$0	\$150,000	Fund Balance - Renewal and Replacement
4 PCPA - Keller Roof and Drains - Full Tearoff and Re	\$0	\$0	\$250,000	\$250,000	\$250,000	\$0	\$750,000	Fund Balance - Renewal and Replacement
5 PCPA - HVAC Controls Replacement - All Facilities	\$130,000	\$0	\$100,000	\$0	\$0	\$0	\$230,000	Fund Balance - Renewal and Replacement
6 PCPA - Newmark Dimmer System	\$0	\$0	\$160,000	\$0	\$0	\$0	\$160,000	Fund Balance - Renewal and Replacement
7 PCPA - Keller - Fore Stage (Pit) Elevator Lift	\$0	\$0	\$250,000	\$250,000	\$0	\$0	\$500,000	Fund Balance - Renewal and Replacement
8 PCPA - Keller Front of House & Backstage Elevators	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000	Fund Balance - Renewal and Replacement
9 PCPA - ASCH Chiller Replacement & Associated Pip	\$0	\$0	\$0	\$350,000	\$0	\$0	\$350,000	Fund Balance - Renewal and Replacement
10 PCPA - Keller Carpet Replacement - Front of House	\$0	\$0	\$0	\$150,000	\$100,000	\$0	\$250,000	Fund Balance - Renewal and Replacement

Total Project Summary with Major Funding Source

Priority	Fund	Dept
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Metro Exposition-Recreation Commission

	Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
11 PCPA - AHH Boiler	\$0	\$0	\$0	\$150,000	\$0	\$0	\$150,000	Fund Balance - Renewal and Replacement
12 PCPA - Keller Main Speakers	\$0	\$0	\$0	\$0	\$125,000	\$0	\$125,000	Fund Balance - Renewal and Replacement
13 PCPA - ASCH Portland Sign Re-paint & Re-light	\$0	\$0	\$0	\$0	\$100,000	\$100,000	\$200,000	Fund Balance - Renewal and Replacement
14 PCPA - Newmark Stage Floor	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000	Fund Balance - Renewal and Replacement
15 PCPA - AHH Passenger Elevators	\$0	\$0	\$0	\$0	\$150,000	\$150,000	\$300,000	Fund Balance - Renewal and Replacement
16 PCPA - ASCH Passenger Elevators	\$0	\$0	\$0	\$0	\$0	\$300,000	\$300,000	Fund Balance - Renewal and Replacement
17 PCPA - AHH Roof	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000	Fund Balance - Renewal and Replacement
Total - Metro Exposition-Recreation Commission	\$300,679	\$2,379,383	\$3,670,000	\$4,975,000	\$4,020,000	\$3,710,000	\$19,055,062	

Total Project Summary with Major Funding Source

Oregon Zoo		Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
Zoo Infrastructure and Animal Welfare									
1	Elephant Habitat and Related Infrastructure	\$3,190,490	\$15,378,319	\$21,265,889	\$14,130,119	\$0	\$0	\$53,964,817	GO Bonds Zoo
2	Condor Exhibit	\$0	\$1,980,206	\$768,934	\$0	\$0	\$0	\$2,749,140	GO Bonds Zoo
3	Remote Elephant Center (offsite facility)	\$39,678	\$1,775,000	\$3,100,000	\$2,285,322	\$0	\$0	\$7,200,000	GO Bonds Zoo
4	Campus and Habitat Interpretive Design	\$0	\$100,000	\$100,000	\$72,222	\$44,444	\$44,444	\$361,110	GO Bonds Zoo
5	Conservation Discovery Zone	\$8,893	\$0	\$291,219	\$1,587,800	\$11,738,336	\$495,677	\$14,121,925	GO Bonds Zoo
6	Polar Bear Habitat	\$1,500	\$0	\$0	\$0	\$1,872,563	\$9,488,582	\$11,362,645	GO Bonds Zoo
7	Primate and Rhino Habitats	\$1,500	\$0	\$0	\$0	\$0	\$712,896	\$714,396	GO Bonds Zoo
8	One-percent for Art Design and Installation	\$0	\$97,795	\$97,795	\$97,795	\$97,795	\$97,795	\$488,975	GO Bonds Zoo
9	Construction Bond Issuance	\$299,682	\$0	\$0	\$150,000	\$0	\$0	\$449,682	GO Bonds Zoo
10	Updated Conditional Use Master Plan	\$397,791	\$100,000	\$0	\$0	\$0	\$0	\$497,791	GO Bonds Zoo
General Fund Renewal and Replacement Fund									
1	Zoo Renewal and Replacement Projects	\$626,871	\$586,695	\$697,464	\$462,640	\$734,788	\$306,393	\$3,414,851	Fund Balance - Renewal and Replacement
2	Perimeter USDA Fence	\$58,451	\$59,620	\$60,813	\$62,029	\$63,270	\$64,535	\$368,718	Fund Balance - Renewal and Replacement
3	Zoo Parking Lot Replacement	\$21,224	\$21,224	\$21,649	\$22,082	\$22,523	\$22,974	\$131,676	Fund Balance - Renewal and Replacement
4	Zoo Railroad Track Replacement	\$23,080	\$46,622	\$24,013	\$24,493	\$24,983	\$25,482	\$168,673	Fund Balance - Renewal and Replacement
5	Swamp Building & Aviary Roof Replacement	\$0	\$0	\$0	\$102,584	\$0	\$0	\$102,584	Fund Balance - Renewal and Replacement
6	Penguinarium Interpretive Graphics	\$0	\$0	\$0	\$100,510	\$0	\$0	\$100,510	Fund Balance - Renewal and Replacement
6	Roof Replacement Africafe	\$0	\$128,593	\$0	\$0	\$0	\$0	\$128,593	Fund Balance - Renewal and Replacement
7	Railroad roundhouse Roof	\$0	\$0	\$0	\$0	\$128,883	\$0	\$128,883	Fund Balance - Renewal and Replacement
Zoo Capital Projects Fund									
1	Africa Lagoon Aviary	\$95,000	\$370,000	\$0	\$0	\$0	\$0	\$465,000	Donations
2	Aviary Marsh Mesh	\$40,000	\$360,000	\$0	\$0	\$0	\$0	\$400,000	Donations
3	Cascade Grill Improvements	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	Fund Balance - Capital Reserve
4	Washington Park Parking Lot Study	\$121,821	\$165,000	\$0	\$0	\$0	\$0	\$286,821	Fund Balance - Capital Reserve
Total - Oregon Zoo		\$4,925,981	\$21,319,074	\$26,427,776	\$19,097,596	\$14,727,585	\$11,258,778	\$97,756,790	

Total Project Summary with Major Funding Source

Parks and Environmental Services		Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
General Fund Renewal and Replacement Fund									
1	Regional Parks Renewal and Replacement	\$294,664	\$309,204	\$106,441	\$180,397	\$74,302	\$168,399	\$1,133,407	Fund Balance - Renewal and Replacement
2	M. James Gleason - Parking Lot and Restroom	\$85,000	\$1,285,900	\$0	\$0	\$0	\$0	\$1,370,900	Grants - OR Fish & Wildlife
3	Blue Lake Wetland, Pathway, Trail	\$0	\$195,595	\$0	\$0	\$0	\$0	\$195,595	Fund Balance - Renewal and Replacement
4	Oxbow Park Hardened River Access	\$0	\$0	\$0	\$303,253	\$0	\$0	\$303,253	Fund Balance - Renewal and Replacement
5	Chinook Landing Boarding Dock (500ft) & Steel Pilin	\$0	\$0	\$0	\$0	\$140,599	\$0	\$140,599	Fund Balance - Renewal and Replacement
6	Asphalt Pavement 5.2 acres Chinook Landing	\$0	\$0	\$0	\$0	\$0	\$270,703	\$270,703	Fund Balance - Renewal and Replacement
7	Concrete Boat Ramp Blue Lake Park	\$0	\$0	\$0	\$0	\$0	\$119,509	\$119,509	Fund Balance - Renewal and Replacement
Regional Parks Capital Fund									
1	Glendoveer Golf Course Improvements	\$0	\$331,000	\$0	\$0	\$0	\$0	\$331,000	Fund Balance
Regional Parks Special Accounts Fund									
1	Oxbow Park Capital Improvements	\$0	\$363,600	\$0	\$0	\$0	\$0	\$363,600	Fund Balance
General Fund Renewal and Replacement Fund									
1	Renewal and Replacement Property Services	\$314,997	\$10,599	\$78,880	\$0	\$0	\$60,686	\$465,162	Fund Balance - Renewal and Replacement
1	Carpet Replacement	\$209,683	\$15,000	\$0	\$0	\$0	\$0	\$224,683	Fund Balance - Renewal and Replacement
1	Rebuild Metro Regional Center planters	\$130,689	\$65,000	\$0	\$0	\$0	\$0	\$195,689	Fund Balance - Renewal and Replacement
2	PES - Fleet	\$251,885	\$265,331	\$110,366	\$171,634	\$139,113	\$76,354	\$1,014,683	Fund Balance - Renewal and Replacement
4	Metro Regional Center Roof Replacement	\$0	\$0	\$512,404	\$0	\$0	\$0	\$512,404	Fund Balance - Renewal and Replacement
Solid Waste General Account									
1	Metro Central Organics/Food Handling Area Improve	\$50,000	\$250,000	\$0	\$0	\$0	\$0	\$300,000	Fund Balance - Capital Reserve
2	Metro Central Storm Water Improvements	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	Fund Balance - Capital Reserve
3	Metro South HHW - Extend Canopy	\$15,000	\$85,000	\$0	\$0	\$0	\$0	\$100,000	Fund Balance - Capital Reserve
4	Improvements to Metro South truck entrance/exit	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000	Fund Balance - Capital Reserve
5	St. Johns Landfill-Gas to Energy Conversion	\$150,000	\$1,150,000	\$0	\$0	\$0	\$0	\$1,300,000	Fund Balance - Capital Reserve
6	Reader Board at MSS entrance	\$0	\$0	\$200,000	\$0	\$0	\$0	\$200,000	Fund Balance - Capital Reserve
7	Future Master Facility Plan Improvements	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000	Fund Balance - Capital Reserve
Solid Waste Landfill Closure									
1	St Johns - Perimeter Dike Stabilization and Seepage C	\$763,283	\$3,000	\$3,000	\$3,000	\$0	\$0	\$772,283	Fund Balance - Landfill Closure
2	St. Johns - Landfill Remediation	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$3,000,000	Fund Balance - Landfill Closure
SW Renewal & Replacement Account									
1	SW Renewal and Replacement Acct Non CIP	\$40,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$540,000	Fund Balance - Renewal and Replacement
2	Metro Central HHW - Roof replacement	\$120,000	\$40,000	\$0	\$0	\$0	\$0	\$160,000	Fund Balance - Renewal and Replacement
3	MSS Control Room Green Roof	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	Fund Balance - Renewal and Replacement
4	Metro South Transfer Station Bays -1 & 2 Ventilation	\$0	\$110,000	\$0	\$0	\$0	\$0	\$110,000	Fund Balance - Renewal and Replacement
5	Metro South Transfer Station - Roof replacement	\$0	\$335,000	\$0	\$0	\$0	\$0	\$335,000	Fund Balance - Renewal and Replacement
6	Metro Central - Replace Slow Speed Shredder	\$0	\$600,000	\$0	\$0	\$0	\$0	\$600,000	Fund Balance - Renewal and Replacement
7	MSS Front Entry Roof	\$0	\$120,000	\$0	\$0	\$0	\$0	\$120,000	Fund Balance - Renewal and Replacement
8	Metro Central - Replace metal wall system	\$0	\$170,000	\$0	\$0	\$0	\$0	\$170,000	Fund Balance - Renewal and Replacement
9	Metro Central - Baler Conveyor	\$0	\$0	\$220,000	\$0	\$0	\$0	\$220,000	Fund Balance - Renewal and Replacement
10	Metro South - Modify Entry Way to Operations Bld.	\$0	\$0	\$175,000	\$0	\$0	\$0	\$175,000	Fund Balance - Renewal and Replacement
Total - Parks and Environmental Services		\$2,425,201	\$7,204,229	\$3,506,091	\$2,758,284	\$1,454,014	\$1,795,651	\$19,143,470	

Total Project Summary with Major Funding Source

Exhibit A
Resolution 12-4352

Priority	Fund	Dept
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Research Center	Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
Planning Fund								
2 Transportation Modeling Services Cluster Upgrade	\$81,576	\$68,200	\$27,500	\$40,000	\$75,000	\$25,000	\$317,276	Other
Planning Fund								
1 Regional Land Information System (RLIS)	\$849,616	\$23,000	\$32,000	\$19,000	\$38,000	\$32,000	\$993,616	Other
Total - Research Center	\$931,192	\$91,200	\$59,500	\$59,000	\$113,000	\$57,000	\$1,310,892	

Total Project Summary with Major Funding Source

Sustainability Center		Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
Natural Areas Fund									
1	Natural Areas Acquisition	\$61,392,319	\$30,000,000	\$10,000,000	\$5,000,000	\$5,000,000	\$4,000,000	\$115,392,319	G.O. Bonds - Open Spaces
2	Natural Areas Information System	\$300,000	\$350,000	\$0	\$0	\$0	\$0	\$650,000	Fund Balance
Regional Parks Capital Fund									
1	Canemah Bluff Improvements	\$0	\$119,350	\$0	\$0	\$0	\$0	\$119,350	Fund Balance
Natural Areas Fund									
1	40-Mile Loop Trail Construction at Blue Lake Park	\$0	\$1,087,760	\$0	\$0	\$0	\$0	\$1,087,760	Grants
Total - Sustainability Center		\$61,692,319	\$31,557,110	\$10,000,000	\$5,000,000	\$5,000,000	\$4,000,000	\$117,249,429	

FINANCIAL POLICIES

In 2004 the Metro Council enacted Resolution No. 04-3465, “adopting comprehensive financial policies for Metro.”

Each year as part of the annual budget adoption process the Metro Council reviews the financial policies which 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. Recently the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the Metro Council to make certain policy decisions regarding the use of resources and classifications of fund balance. In June 2010 the Metro Council took action to amend Metro’s Comprehensive Financial Policies to incorporate the GASB Statement No. 54 principles and to re-approve the policies. These changes are reflected in Budget and Financial Planning, section 2.

These financial 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.
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.
 - a. The Metro Council delegates to the Chief Operating Officer the authority to assign (and un-assign) additional amounts intended to be used for specific purposes more narrow than the overall purpose of the fund established by Council. A schedule of such assignments shall be included within the adopted budget document.
 - b. Metro considers restricted amounts to have been spent prior to unrestricted (committed, assigned, or unassigned) amounts when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. Within unrestricted amounts, committed amounts are considered to have been spent first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

- c. The following information shall be specified by Council in the establishment of Stabilization Arrangements as defined in GASB Statement No. 54: a) the authority for establishing the arrangement (resolution or ordinance), b) the requirements, if any, for additions to the stabilization amount, c) the specific conditions under which stabilization amounts may be spent, and d) the intended stabilization balance.
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 re-adoption.
2. Metro shall schedule disbursements, collections and deposits of all funds to ensure maximum cash availability and investment potential.
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 and Replacement Reserve account for each operating fund responsible for major capital assets.
Ensuring that the public receives the maximum benefit for its investments in major facilities and equipment requires an ongoing financial commitment. A Renewal and 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 \$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.¹
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 and 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 and

¹ Effective July 1, 2009, capital asset threshold was increased from \$50,000 to \$100,000 in accordance with Metro Resolution 08-3941A. This reflected a State of Oregon definition of a public improvement project.

Replacement Reserve account should be evaluated and adjusted to reflect the greater of the average renewal and replacement project needs over the coming five years or 2 percent 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 and 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 and 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.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4352, FOR THE PURPOSE OF ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2012-13 THROUGH 2016-17; APPROVING THE METROPOLITAN TOURISM OPPORTUNITY COMPETITIVENESS PROJECTS AND RE-ADOPTING METRO’S FINANCIAL POLICIES

Date: May 31, 2012

Presented by: Margo Norton, Director, Finance and Regulatory Services
Karen Feher, Capital Improvement Plan Coordinator

BACKGROUND

A. The Capital Improvement Plan (CIP) for Fiscal Years 2012-13 through 2016-17 represents Metro’s long-range capital planning process. Metro has established a sound base to forecast the agency’s capital needs and balances 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 must follow an established amendment process to submit the project to Council for approval. The Council usually has given prior direction for the project, and the amendment comes forward in conjunction with a contract award or, if no contract is required, through a separate resolution.

Exhibit A provides a listing of the CIP projects and their major funding sources. The resolution approves the entire capital budget and directs that projects for FY 2012-13 be approved, and project expenditures for FY 2012-13 be appropriated, as amended, in the FY 2012-13 budget.

The adopted CIP includes the previously identified projects of the current CIP, both multi-year projects that are scheduled to continue in the new five-year period or projects which will be beginning in this new five-year period. In addition, the CIP also includes new projects in FY 2012-13 that have become critical and for which one-time funding has been identified. These include overdue improvements at Glendoveer Golf Course, a master plan and geotechnical study for Oxbow Park to address the worsening erosion that threatens the campground area, and a two-year project to update Metro’s primary website; the current web platform has become obsolete. These three General Fund projects illustrate the continuing difficulty in developing a consistent, stable mechanism for funding new projects within the General Fund.

The following table shows the number of projects by Center; Exhibit A to the Resolution shows the individual projects by Center. This year’s CIP remains dominated by bond projects.

Center/Service	#	Prior Years	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	5-Year Total	Pct	Grand Total
Finance	3	861,219	263,781	30,000	30,000	30,000	30,000	383,781	0.20%	1,245,000
Information Services	5	359,171	1,212,561	363,008	408,475	285,913	340,063	2,610,020	1.39%	2,969,191
Visitor Venues - MERC	45	300,679	2,379,383	3,670,000	4,975,000	4,020,000	3,710,000	18,754,383	10.02%	19,055,062
Visitor Venues - Oregon Zoo	22	4,925,981	21,319,074	26,427,776	19,097,596	14,727,585	11,258,778	92,830,809	49.58%	97,756,790
Parks and Environmental Services	33	2,425,201	7,204,229	3,506,091	2,758,284	1,454,014	1,795,651	16,718,269	8.93%	19,143,470
Research Center	2	931,192	91,200	59,500	59,000	113,000	57,000	379,700	0.20%	1,310,892
Sustainability Center	4	61,692,319	31,557,110	10,000,000	5,000,000	5,000,000	4,000,000	55,557,110	29.67%	117,249,429
Total Metro	114	71,495,762	64,027,338	44,056,375	32,328,355	25,630,512	21,191,492	187,234,072	100.00%	258,729,834

B. This resolution also provides for the annual review and re-adoption of Metro’s financial policies, including the Capital Asset Management Policies that are incorporated by reference. The policies are attached as Exhibit B to the resolution. No changes are recommended.

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.

C. This action also approves the Metro Tourism Opportunity and Competitiveness Account (MTOCA) projects at the Oregon Convention Center FY 2012-13. The MTOCA funds (\$518,000) are appropriated in the General Fund and transferred to MERC as part of the annual budget process. This year the funds are utilized for a single non-capital project to research options for satisfying the need for a minimum 500 hotel room block.

ANALYSIS/INFORMATION

1. **Known Opposition:** None.
2. **Legal Antecedents:** Metro's adopted financial policies require the annual adoption of a Capital Improvement Plan.
3. **Anticipated Effects:** The resolution signifies the Council has reviewed and approved the CIP covering FYs 2012-13 through 2016-17.

Within the 114 projects planned during the five years covered by this CIP, sixty-four percent are projects for replacing or improving existing facilities (\$119.2 million); twenty-nine percent purchase land through the Natural Areas program (\$54.0 million); and the remaining seven percent purchase equipment and complete some restoration (\$14.0 million). The total cost for these projects during the five years is estimated to be \$187.2 million.

This Resolution is the formal instrument by which the five-year plan will be adopted. Projects with planned expenditures in FY 2012-13 will be incorporated into the Adopted Budget.

This Resolution is the formal instrument to approve the Metro Tourism Opportunity and Competitiveness project for FY 2012-13.

4. **Budget Impacts:** The plan's FY 2012-13 expenditures will be appropriated in the FY 2012-13 Adopted Budget.

RECOMMENDED ACTION

Resolution No. 12-4352 is an important component of the annual budget process. The Chief Operating Officer with the concurrence of the Council President recommends adoption.