

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE	)	RESOLUTION NO. 16-4712
CAPITAL IMPROVEMENT PLAN FOR FISCAL	)	Introduced by Martha Bennett, Chief
YEARS 2016-17 THROUGH 2020-21, APPROVING	)	Operating Officer, in concurrence with
THE METROPOLITAN TOURISM OPPORTUNITY	)	Council President Tom Hughes
COMPETITIVENESS ACCOUNT 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's Chief Operating Officer has directed the preparation of a Capital Improvement Plan for fiscal years 2016-17 through 2020-21 that projects Metro's major capital spending needs over the next five years;

WHEREAS, the Metro Council has reviewed the FY 2016-17 through FY 2020-21 Capital Improvement Plan; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2016-17 budget including the FY 2016-17 through FY 2020-21 Capital Improvement Plan; and

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

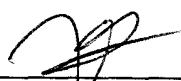

WHEREAS, the Metro Council annually approves funding from the Metropolitan Tourism Opportunity Competitiveness Account (MTOCA); now therefore

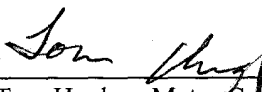
BE IT RESOLVED that the Metro Council hereby authorizes the following:

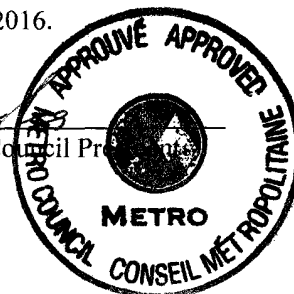
1. That the FY 2016-17 through FY 2020-21 Capital Improvement Plan (CIP), summarized in Exhibit A, is hereby adopted.
2. That the FY 2016-17 capital projects from the FY 2016-17 through FY 2020-21 Capital Improvement Plan be included and appropriated in the FY 2016-17 budget.
3. That the Comprehensive 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 2016-17 budget.
4. That MTOCA funding for the Oregon Convention Center and the Expo Center for FY 2016-17 is approved.

ADOPTED by the Metro Council this 23rd day of June, 2016.

Approved as to Form:

  
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Alison R. Kean, Metro Attorney  


  
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Tom Hughes, Metro Council President



**Total Project Summary with Major Funding Sources**

Exhibit A  
Resolution 16-4712

**Volume 2 Detail**

Information Services								
	ID	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
GENERAL FUND RENEWAL AND REPLACEMENT								
Information Technology R&R Projects < \$100,000	Various		362,389	349,671	524,745	573,808	130,702	1,941,315
Peoplesoft Renewal and Replacement (Incl. Carryforward)	65612	0	138,753	144,358	0	0	0	283,111
PeopleSoft Supplier Contract Management Module (CF)	65612A	0	100,000	0	0	0	0	100,000
Executive Conference Room 301	TBD	0	100,000	0	0	0	0	100,000
Website - R&R	TBD	0	0	0	264,113	0	0	264,113
Netapp 3050 (Alex) File Server	TBD	0	0	0	275,000	0	0	275,000
MRC Wiring plant (twisted copper and fiber)	TBD	0	0	0	0	190,236	0	190,236
Palo Alto Firewall - 2 count	TBD	0	0	0	0	0	120,285	120,285
TOTAL GENERAL FUND RENEWAL AND REPLACEMENT		\$0	\$701,142	\$494,029	\$1,063,858	\$764,044	\$250,987	\$3,274,060
GENERAL FUND								
Customer Relationship Software (CF)	65675A	29,150	100,000	0	0	0	0	129,150
TOTAL GENERAL FUND		29,150	100,000	0	0	0	0	129,150
CAPITAL FUND								
PCI Remediation	01570	0	250,000	0	0	0	0	250,000
Data Storage Backup & Recovery System Update	01571	0	250,000	0	0	0	0	250,000
Project Management Software - Horizon II	01555	127,000	75,000	0	0	0	0	202,000
Enhanced Fire Suppression - Data Center (CF)	01561	30,000	20,000	0	0	0	0	50,000
TOTAL CAPITAL FUND		157,000	595,000	0	0	0	0	\$752,000
TOTAL INFORMATION SERVICES		\$186,150	\$1,396,142	\$494,029	\$1,063,858	\$764,044	\$250,987	\$4,155,210
FIVE YEAR TOTAL, FY 2016-17 THROUGH FY 2020-21		\$3,969,060	Total Number of Projects 13					
Major Funding Sources								
		Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	
Fund Balance- Renewal and Replacement		0	731,142	494,029	1,063,858	764,044	250,987	
Fund Balance- Reserve for One Time Expenditures		186,150	540,000	0	0	0	0	
Interfund Transfer - SW		0	125,000	0	0	0	0	
Grants/Funding From Other Agencies		0	0	0	0	0	0	
Fund Balance		0	0	0	0	0	0	
Total- Information Services		\$186,150	\$1,396,142	\$494,029	\$1,063,858	\$764,044	\$250,987	

**Total Project Summary with Major Funding Sources**

Exhibit A  
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Property and Environmental Services								
	ID	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
<b>CAPITAL FUND</b>								
MRC Space Plan Remodel (Includes CF)	01327	118,000	326,000	0	0	0	0	444,000
MRC Building Envelope Phase I	01325	0	26,700	0	0	0	0	26,700
Motor Pool Fleet Vehicle (2)	70001	0	55,000	0	0	0	0	55,000
<b>TOTAL CAPITAL FUND</b>		<b>\$118,000</b>	<b>\$407,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$525,700</b>
<b>MRC GENERAL FUND RENEWAL AND REPLACEMENT</b>								
Property Services R&R Projects < \$100,000	Various	0	184,739	87,600	12,433	22,329	20,000	327,101
MRC Roof Phase II (Loan Portion)	01320A	0	607,541	0	0	0	0	607,541
MRC Roof Phase I (General Fund CF)	01320	61,282	503,718	0	0	0	0	565,000
Table 6 Tenant Improvements	TBD	0	280,000	0	0	0	0	280,000
MRC Building Envelope Phase II (Loan Portion)	01325A	0	217,000	0	0	0	0	217,000
MRC Security System (Includes CF)	01503	0	145,600	30,000	0	0	0	175,600
VOIP Phone System Upgrade Phase I (CF)	65701B	0	140,400	0	0	0	0	140,400
Central Environmental System (CF)	01324	0	126,800	0	0	0	0	126,800
PES Fleet (MRC Fleet + DAS Replacement+carryforward)	70001	0	103,630	0	0	51,409	30,655	185,694
MRC Rooftop Air handler RAC (Units 1-4)	MRC0001	0	75,000	663,434	0	0	0	738,434
MRC Rooftop Air handler RAC (Units 1-4) Phase II	TBD	0	0	761,000	0	0	0	761,000
VOIP Phone System Upgrade Phase II	65701C	0	0	445,132	0	0	0	445,132
MRC Daycare Carpets	TBD	0	0	0	156,600	0	0	156,600
Parking Structure Resealing	TBD	0	0	0	0	233,750	0	233,750
<b>TOTAL MRC GENERAL FUND RENEWAL AND REPLACEMENT</b>		<b>\$61,282</b>	<b>\$2,384,428</b>	<b>\$1,987,166</b>	<b>\$169,033</b>	<b>\$307,488</b>	<b>\$50,655</b>	<b>\$4,960,052</b>
<b>SOLID WASTE GENERAL ACCOUNT</b>								
Metro Central Stormwater Improvements (incl CF)	76873	900,000	800,000	0	0	0	0	1,700,000
SW Roadmap Project (Least Cost Planning Model)	65770	150,000	300,000	0	0	0	0	450,000
Metro Central Organics Improvements	76872	0	230,000	0	0	0	0	230,000
Regulatory Affairs TL3 Grapple Truck	76856	0	145,000	0	0	0	0	145,000
Metro Central Camera Expansion (CF)	77106	0	100,000	0	0	0	0	100,000
Metro South Camera Expansion (CF)	77102	0	100,000	0	0	0	0	100,000
Metro South Truck Enhance and Exit Imprv	76840	40,728	75,000	0	0	0	0	115,728
<b>TOTAL SOLID WASTE GENERAL ACCOUNT</b>		<b>\$1,090,728</b>	<b>\$1,750,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,840,728</b>
<b>SOLID WASTE LANDFILL CLOSURE ACCOUNT</b>								
St. Johns Landfill - Remediation	76995	0	400,000	0	0	0	0	400,000
St. Johns - Habitat Restoration (subproject)	76995A	0	50,000	50,000	50,000	0	0	150,000
SILF - adapting flares to lower gas flow rates	77001	0	100,000	50,000	0	0	0	150,000
SILF - replace PLC and data device	77002	0	75,000	0	0	0	0	75,000
<b>TOTAL SOLID WASTE LANDFILL CLOSURE ACCOUNT</b>		<b>\$0</b>	<b>\$625,000</b>	<b>\$100,000</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$775,000</b>

**Total Project Summary with Major Funding Sources**

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	ID	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
<b>SOLID WASTE RENEWAL AND REPLACEMENT ACCOUNT</b>								
SW Renewal and Replacement Acct <\$100K	Various	30,000	416,250	160,000	300,000	282,858	379,150	1,568,258
2nd Floor PES Furniture Replacement	01329	0	550,000	0	0	0	0	550,000
Metro Central - Replace Slow Speed Shredder	76889	0	550,000	0	0	0	0	550,000
Metro Central - Compactor #1	SMC002	0	400,000	1,000,000	0	0	0	1,400,000
Metro South - Compactor #1	SMS001	0	400,000	1,000,000	0	0	0	1,400,000
MSS HHW Roof Replacement (incl CF)	77110	0	250,000	0	0	0	0	250,000
Metro South Bays - 1&2 Ventilations System	76836	0	140,000	0	0	0	0	140,000
SW Fleet (incl. carryforward)	70001	0	138,800	307,933	69,850	137,859	58,150	712,592
MSS Pit Wall Refurbishment	77111	0	110,000	0	0	0	0	110,000
Metro Central - Annual Concrete Repair	77125	50,000	50,000	50,000	50,000	50,000	50,000	300,000
VOIP Phone System Upgrade Phase I (cf)	65701B	0	6,000	0	0	0	0	6,000
VOIP Phone System Upgrade Phase II	65701C	0	0	14,016	0	0	0	14,016
Metro Central- Conveyor #1	TBD	0	0	400,000	0	0	0	400,000
Platform Scale MCS-B	TBD	0	0	0	150,000	0	0	150,000
Metro Central - Compactor #3	TBD	0	0	0	400,000	1,000,000	0	1,400,000
Metro South - Compactor #2	TBD	0	0	0	400,000	1,000,000	0	1,400,000
Platform Scale MSS #1, 70ft	TBD	0	0	0	0	150,000	150,000	300,000
Metro Central - Conveyor #3	TBD	0	0	0	0	400,000	0	400,000
Metro Central - Compactor #2	TBD	0	0	0	0	0	1,400,000	1,400,000
<b>TOTAL SOLID WASTE RENEWAL AND REPLACEMENT ACCOUNT</b>		<b>\$80,000</b>	<b>\$3,011,050</b>	<b>\$2,931,949</b>	<b>\$1,369,850</b>	<b>\$3,020,717</b>	<b>\$2,037,300</b>	<b>\$12,450,866</b>
<b>TOTAL PROPERTY AND ENVIRONMENTAL SERVICES</b>		<b>\$1,350,010</b>	<b>\$8,178,178</b>	<b>\$5,019,115</b>	<b>\$1,588,883</b>	<b>\$3,328,205</b>	<b>\$2,087,955</b>	<b>\$21,552,346</b>
<b>FIVE YEAR TOTAL, FY 2016-17 THROUGH FY 2020-21</b>		<b>\$20,202,336</b>	<b>Total Number of Projects 47</b>					

**Major Funding Sources**

	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Fund Balance- Renewal and Replacement	141,282	5,163,678	4,919,115	1,538,883	3,328,205	2,087,955
Fund Balance- Capital Reserve	1,208,728	2,157,700	0	0	0	0
Interfund Loan - SW to MRC	0	231,800	0	0	0	0
Fund Balance- Landfill Closure	0	625,000	100,000	50,000	0	0
<b>Total- Property and Environmental Services</b>	<b>\$1,350,010</b>	<b>\$8,178,178</b>	<b>\$5,019,115</b>	<b>\$1,588,883</b>	<b>\$3,328,205</b>	<b>\$2,087,955</b>

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Parks and Nature								
	ID	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
<b>GENEARL FUND</b>								
Terramet Database Improvements	LS010	69,225	50,000	0	0	0	0	119,225
<b>TOTAL GENERAL FUND</b>		<b>69,225</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>119,225</b>
<b>WILLAMETTE FALLS CAPITAL SUB-FUND</b>								
Willamette Falls Riverwalk (Local Share Funding)	WF010	0	340,582	0	0	0	0	340,582
<b>TOTAL WILLAMETTE FALLS CAPITAL SUB-FUND</b>		<b>0</b>	<b>340,582</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>340,582</b>
<b>SMITH AND BYBEE WETLANDS FUND</b>								
Smith and Bybee Water Control Structure	LR408	0	80,000	0	0	0	0	80,000
<b>TOTAL SMITH AND BYBEE WETLANDS FUND</b>		<b>0</b>	<b>80,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80,000</b>
<b>REGIONAL PARKS CAPITAL FUND</b>								
St. Johns Prairie Trail & Overlook	PTR001	0	150,000	700,000	0	0	0	850,000
<b>TOTAL REGIONAL PARKS CAPITAL FUND</b>		<b>\$0</b>	<b>\$150,000</b>	<b>\$700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$850,000</b>
<b>PARKS GENERAL FUND RENEWAL AND REPLACEMENT</b>								
Parks R&R Projects < \$100,000	Various	0	632,602	319,325	319,325	319,325	319,325	1,909,902
Gravel Trails (2 miles) @ Oxbow Park	POX004	0	252,404	0	0	0	0	252,404
Parks Fleet (includes CF)	70001	0	207,983	310,014	277,668	131,405	76,615	1,003,685
Golf Cart path asphalt @ Glendoveer Golf	GF134	0	160,000	0	0	0	0	160,000
Oxbow Park Nature Play Area (R&R portion)	LI003	0	23,302	0	0	0	0	23,302
VOIP Phone System Upgrade Phase I - Blue Lake/Oxbow (CF)	65701B	0	9,000	0	0	0	0	9,000
VOIP Phone System Upgrade Phase II - Blue Lake/Oxbow	65701C	0	0	25,489	0	0	0	25,489
Chinook Landing Asphalt Pavement	RPRR07	0	0	270,703	0	0	0	270,703
Chinook Landing Boarding Dock and Steel Pilings	RPRR06	0	0	0	0	140,599	0	140,599
<b>TOTAL PARKS GENERAL FUND RENEWAL AND REPLACEMENT</b>		<b>\$0</b>	<b>\$1,285,291</b>	<b>\$925,531</b>	<b>\$596,993</b>	<b>\$591,329</b>	<b>\$395,940</b>	<b>\$3,795,084</b>

**Total Project Summary with Major Funding Sources**

Exhibit A  
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	ID	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
<b>NATURAL AREAS FUND</b>								
Natural Areas Acquisition	TBD	103,302,250	7,000,000	5,000,000	5,000,000	0	0	120,302,250
River Island Restoration	BA030	1,607,000	5,290,000	130,000	0	0	0	7,027,000
Orenco Nature Park (Sale)	G13052	400,000	570,000	0	0	0	0	970,000
Orenco Nature Park (Bond)	G13052	0	1,100,000	0	0	0	0	1,100,000
Willamette Falls Riverwalk (Bond)	WF010	172,000	1,000,000	750,000	750,000	1,250,000	400,000	4,322,000
Sellwood Gap	G24010	150,000	848,858	0	0	0	0	998,858
Tualatin River Launch (Bond)	71904	200,000	400,000	0	0	0	0	600,000
Tualatin River Launch (Special/Grant)	71904	0	288,500	0	0	0	0	288,500
Chimney Pk Trail and Columbia Blvd Br. Xing (Bond)	BA010	350,000	300,000	1,250,000	0	0	0	1,900,000
Chehalem Ridge (Bond)	LA110	100,000	150,000	600,000	2,050,000	0	0	2,900,000
Terramet Database Improvements (Bond)	52004	86,385	100,000	0	0	0	0	186,385
Fanno Creek	BA040	0	225,000	25,000	550,000	0	0	800,000
East Buttes (Bond)	LA200	30,500	100,000	245,000	1,425,000	0	0	1,800,500
Marine Drive	BA020	50,000	200,000	1,000,000	1,250,000	0	0	2,500,000
N. Columbia Slough Bridge (Bond)	BA011	0	80,000		600,000	0	0	680,000
N. Columbia Slough Bridge (Grant)	BA011	0	0	0	0	1,771,000	0	1,771,000
<b>TOTAL NATURAL AREAS FUND</b>		<b>\$106,448,135</b>	<b>\$17,652,358</b>	<b>\$9,000,000</b>	<b>\$11,625,000</b>	<b>\$3,021,000</b>	<b>\$400,000</b>	<b>\$148,146,493</b>
<b>PARKS AND NATURAL AREAS LOCAL OPTION LEVY FUND</b>								
Oxbow Office	LI005	0	800,000	200,000	0	0	0	1,000,000
Blue Lake Curry Yard Improvements	LI202	100,000	350,000	0	0	0	0	450,000
Killin Design & Construction	LA300	125,000	250,000	450,000	0	0	0	825,000
Tualatin Forest (Burlington Forest/McCarty/Ennis)	LA120	50,000	250,000	477,500	0	0	0	777,500
Newell Canyon - Design & Construction (Incl CF)	LA250	20,000	250,000	477,500	0	0	0	747,500
Blue Lake Office	LI213	80,000	180,000	500,000	0	0	0	760,000
Multnomah Channel Water Contrl Structures (North & South)	LR662	0	170,000	0	0	0	0	170,000
Oxbow Park Nature Play Area (Grant)	LI003	0	167,500	0	0	0	0	167,500
Sauvie Island Boat Dock	LI503	0	125,000	0	0	0	0	125,000
Smith and Bybee Water Control Structure (Levy)	LR408	0	80,000	0	0	0	0	80,000
Oxbow Park Nature Play Area	LI003	65,000	52,237	0	0	0	0	117,237
Terramet Database Improvements (Levy)	LS010	103,740	50,000	0	0	0	0	153,740
Chehalem Ridge (Levy)	LA110	0	25,000	0	0	0	0	25,000
East Buttes (Levy)	LA200	0	25,000	0	0	0	0	25,000
East Council Creek	LA121	0	25,000	0	0	0	0	25,000
Smith and Bybee Pathway Renovations	TBD	0	0	0	100,000	0	0	100,000
Blue Lake Well Pump	LI212	0	0	0	100,000	0	0	100,000
Oxbow Park Well Pump	TBD	0	0	0	100,000	0	0	100,000
<b>TOTAL PARKS AND NATURAL AREAS LOCAL OPTION LEVY FUND</b>		<b>\$543,740</b>	<b>\$2,799,737</b>	<b>\$2,105,000</b>	<b>\$300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,748,477</b>
<b>TOTAL PARKS AND NATURE</b>		<b>\$107,061,100</b>	<b>\$22,357,968</b>	<b>\$12,730,531</b>	<b>\$12,521,993</b>	<b>\$3,612,329</b>	<b>\$795,940</b>	<b>\$159,079,861</b>
<b>FIVE YEAR TOTAL, FY 2016-17 THROUGH FY 2020-21</b>		<b>\$52,018,761</b>	<b>Total Number of Projects 35</b>					

**Major Funding Sources**

	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Fund Balance- Renewal and Replacement	0	1,285,291	925,531	596,993	591,329	395,940
Fund Balance - General Fund	69,225	50,000	0	0	0	0
Fund Balance- Capital Reserve	0	150,000	700,000	0	0	0
Fund Balance - Willamette Falls Capital Subfund	0	340,582	0	0	0	0
Fund Balance - Smith & Bybee Wetlands Fund	0	80,000	0	0	0	0
G.O. Bonds- Natural Areas	106,448,135	13,573,858	9,000,000	11,625,000	1,250,000	400,000
Grants / Funding From Other Agencies	0	456,000	0	0	1,771,000	0
Local Options Levy	543,740	2,632,237	2,105,000	300,000	0	0
Contingency	0	3,790,000	0	0	0	0
<b>Total- Parks and Nature</b>	<b>\$107,061,100</b>	<b>\$22,357,968</b>	<b>\$12,730,531</b>	<b>\$12,521,993</b>	<b>\$3,612,329</b>	<b>\$795,940</b>

**Total Project Summary with Major Funding Sources**

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VISITOR VENUES- MERC								
MERC Admin								
	ID	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
MERC FUND								
PCI Compliance (Venue Hardware)	TBD	0	250,000	0	0	0	0	250,000
TOTAL MERC ADMIN		\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000
FIVE YEAR TOTAL, FY 2016-17 THROUGH FY 2020-21		\$250,000	Total Number of Projects 1					

**Major Funding Sources**

	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Fund Balance- Renewal and Replacement	0	250,000	0	0	0	0
<b>Total- MERC Admin</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Oregon Convention Center								
	ID	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
MERC FUND								
OCC Projects <\$100,000	Various	0	382,500	769,493	769,493	769,493	769,493	3,460,472
MLK/OBR/Holladay Plaza/Entrance Construction (includes CF)	8R082	44,427	2,600,000	0	0	0	0	2,644,427
Parking Management Sys (include CF)	8R115	0	1,000,000	0	0	0	0	1,000,000
CCTV Replacement (CF)	8R032	230,000	450,000	0	0	0	0	680,000
OCC Mass Notification & EST-3 Fire Alarm Notification Upgrades (TLT Pooled)	8R163	0	375,000	0	0	0	0	375,000
Cucina Rossa Concession Remodel (CF)	8S101	0	331,779	0	0	0	0	331,779
VOIP Phone System Upgrade Phase II - OCC Share	6S701C	0	313,568	0	0	0	0	313,568
Integrated Door Access (CF)	8N025	0	302,712	0	0	0	0	302,712
OCC Drinking Fountains Replacement (R&R)	8R160	0	175,000	0	0	0	0	175,000
OCC WiFi Network Upgrade (MTOCA)	8R164	0	170,000	0	0	0	0	170,000
OCC Audio Visual Equipment (MTOCA)	8R118	0	150,000	0	0	0	0	150,000
OCC Cardboard Baler & Canopy (New Capital)	8N067	0	130,000	0	0	0	0	130,000
OCC OM4 Network Upgrade (R&R)	8R165	0	130,000	0	0	0	0	130,000
Tower Lighting Replacement (CF)	8R052	100	123,900	0	0	0	0	123,900
Oregon Ballroom Lighting Replacement (CF)	8R080	0	115,000	0	0	0	0	115,000
Portland Ballroom Down Lighting Replacement (CF)	8R053	0	112,000	0	0	0	0	112,000
VOIP Phone System Upgrade Phase I - OCC Share	6S701B	0	52,500	0	0	0	0	52,500
OCC Facility Carpet Replacement (R&R)	TBD	0	0	2,300,000	0	0	0	2,300,000
Mtg Room/Ballroom Chair Replacement - (10,000)	TBD	0	0	960,000	0	0	0	960,000
Meeting Room & Ballroom Digital Signage	8N024	0	0	350,000	0	0	0	350,000
Orbit Café Concession Remodel	TBD	0	0	350,000	0	0	0	350,000
OCC Kitchen Digester (Aramark)	TBD	0	0	140,000	0	0	0	140,000
Built in Catering Bars	TBD	0	0	100,000	0	0	0	100,000
Original Facility Restroom Renovation (TLT Pooled)	TBD	0	0	0	1,750,000	0	0	1,750,000
Oregon Ballroom Renovation (TLT Pooled)	TBD	0	0	0	1,500,000	0	0	1,500,000
SkyView Remodel (Aramark)	TBD	0	0	0	400,000	0	0	400,000
Public Circulation Furniture Replacement (TLT Pooled)	TBD	0	0	0	250,000	0	0	250,000
HVAC System Replacement (R&R)	TBD	0	0	0	200,000	0	0	200,000
Boiler Replacement (two of three) (R&R)	TBD	0	0	0	0	975,000	0	975,000
External Digital Signage Replacement - Construction	TBD	0	0	0	0	600,000	0	600,000
Table Replacement (Expansion Side) (R&R)	TBD	0	0	0	0	575,000	0	575,000
Chiller Unit Replacement (four) (R&R)	TBD	0	0	0	0	0	1,750,000	1,750,000
Exhibit Hall Folding Chair Replacement - (12,000) (R&R)	TBD	0	0	0	0	0	1,100,000	1,100,000
Cooling Tower Replacement (four) (R&R)	TBD	0	0	0	0	0	975,000	975,000
TOTAL OREGON CONVENTION CENTER			\$274,527	\$6,913,959	\$4,969,493	\$4,869,493	\$2,919,493	\$4,594,493
FIVE YEAR TOTAL, FY 2016-17 THROUGH FY 2020-21		\$24,266,831	Total Number of Projects 34					

**Major Funding Sources**

	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Fund Balance- Renewal and Replacement	230,100	2,459,747	1,969,493	2,519,493	2,919,493	4,594,493
TLT Capital Reserves	0	1,130,000	0	1,950,000	0	0
MTOCA	0	477,712	0	0	0	0
Business Strategy Reserves	44,427	2,666,500	2,300,000	0	0	0
Currently Unfunded / Aramark	0	180,000	700,000	400,000	0	0
<b>Total- Oregon Convention Center</b>	<b>\$274,527</b>	<b>\$6,913,959</b>	<b>\$4,969,493</b>	<b>\$4,869,493</b>	<b>\$2,919,493</b>	<b>\$4,594,493</b>

**Total Project Summary with Major Funding Sources**

Exhibit A  
Resolution 16-4712

**Portland's Centers for the Arts**

	ID	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
<b>MERC FUND</b>								
P'S Projects <\$100,000	Various		505,138	270,000	95,000	80,000	0	950,138
Keller - Roof and Drains Replacement (inc CF)	8R098	0	1,509,793	0	0	0	0	1,509,793
P5 Keller Exterior Concrete Panels Repair (R&R)	8R145	0	500,000	0	0	0	0	500,000
P5 AHH - FOH Elevator Overhaul (2) (R&R)	8R152	0	480,000	0	0	0	0	480,000
8R099 - ASCH Portland Sign-assessment: re-paint, re-light (CF)	8R099	0	360,000	0	0	0	0	360,000
P5 AHH/ASCH/Keller - Stage Doors/Backstage/Box Office /Reh Hall Improvements/Renovations (CF)	8R101	0	241,719	0	0	0	0	241,719
P5 AHH-Backstage Elevator Overhaul (CF)	8R121	0	235,000	0	0	0	0	235,000
P5 AHH Fire Alarm System (R&R)	8R093	0	175,000	0	0	0	0	175,000
P5 Portable Concession Kiosks (CF)	85103	0	168,000	0	0	0	0	168,000
P5 ASCH Shell Rigging Overhaul (R&R)	8R092	0	150,000	0	0	0	0	150,000
Keller - North Concession Remodel (CF)	85103	0	150,000	0	0	0	0	150,000
P5 VOIP Phone System Upgrade Phase II	65701C	0	141,520	0	0	0	0	141,520
P5 Newmark Lighting Phase III (CF)	8R144	0	130,000	0	0	0	0	130,000
P5 Keller LED Lighting Conversion (CF)	8R094	0	110,635	0	0	0	0	110,635
Newmark Stage Floor (CF)	8R122	0	100,000	0	0	0	0	100,000
Newmark Main Speakers (CF)	8R128	0	100,000	0	0	0	0	100,000
VOIP Phone System Upgrade Phase I - P5 Share (CF)	65701B	0	72,600	0	0	0	0	72,600
ASCH - Cooling Tower Replacement (incl CF)	8R120	0	50,000	350,000	0	0	0	400,000
P5 Keller Electrical Panels Replacement (R&R)	8R158	0	25,000	300,000	0	0	0	325,000
P5 Keller Main Switchgear (R&R)	8R155	0	25,000	300,000	0	0	0	325,000
P5 ASCH Seat cushion/fabric replacement (R&R)		0	0	60,000	60,000	0	0	120,000
P5 ASCH - Roof Drains (R&R)		0	0	100,000	0	0	0	100,000
P5 ASCH Park Street Marquee (R&R)		0	0	100,000	0	150,000	0	250,000
P5 ASCH Audience Chamber Lighting Update to LED (R&R)		0	0	100,000	0	0	0	100,000
AHH-Storage Racking Systems - Basement & NMK Backstage	8R129	0	0	100,000	0	0	0	100,000
P5 AHH/ASCH/Keller - Operations Dept/NMK Improvements/Renovations (R&R)		0	0	150,000	0	0	0	150,000
P5 ASCH Broadway Marquee (R&R)		0	0	150,000	0	160,000	0	310,000
P5 AHH/ASCH/Keller -Access Control/CCTV replacement		0	0	200,000	0	0	0	200,000
P5 Keller Backstage Dressing Tower Elevator Overhaul (R&R)		0	0	260,000	0	0	0	260,000
P5 AHH Demand Control Ventilation/VAV HVAC Units (R&R)		0	0	0	15,000	100,000	0	115,000
P5 Keller Stage HVAC Improvements (R&R)		0	0	0	100,000	0	0	100,000
P5 Keller FOH Lobby Carpet Tile (R&R)		0	0	0	125,000	0	0	125,000
P5 Keller Main Speakers (R&R)		0	0	0	125,000	0	0	125,000
P5 Keller Carpet Front of House (R&R)		0	0	0	150,000	0	0	150,000
P5 Keller HVAC Controls Upgrades (R&R)		0	0	0	350,000	0	0	350,000
P5 ASCH Backstage Elevators Overhaul (R&R)		0	0	0	0	180,000	0	180,000
P5 AHH Roof (R&R)		0	0	0	0	200,000	0	200,000
P5 Keller Fore Stage (Pit) Elevator Lift (R&R)		0	0	0	0	250,000	0	250,000
P5 Keller Front of House Elevators Overhaul (2) (R&R)		0	0	0	0	0	520,000	520,000
P5 AHH EIFS Replacement Phase III (R&R)		0	0	0	0	0	350,000	350,000
P5 ASCH FOH Elevator Overhaul (R&R)		0	0	0	0	0	250,000	250,000
<b>TOTAL Portland's</b>		<b>\$0</b>	<b>\$5,229,405</b>	<b>\$2,440,000</b>	<b>\$1,020,000</b>	<b>\$1,120,000</b>	<b>\$1,120,000</b>	<b>\$10,929,405</b>
<b>FIVE YEAR TOTAL, FY 2016-17 THROUGH FY 2020-21</b>	<b>\$10,929,405</b>	<b>Total Number of Projects 41</b>						

**Major Funding Sources**

	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Fund Balance- Renewal and Replacement	0	4,786,170	2,360,000	1,020,000	1,120,000	1,120,000
Business Strategy Reserves	0	0	0	0	0	0
Aramark / Unfunded	0	443,235	0	0	0	0
Fund Balance- New Capital	0	0	80,000	0	0	0
<b>Total- P'S</b>	<b>\$0</b>	<b>\$5,229,405</b>	<b>\$2,440,000</b>	<b>\$1,020,000</b>	<b>\$1,120,000</b>	<b>\$1,120,000</b>



**Total Project Summary with Major Funding Sources**

Exhibit A  
Resolution 16-4712

**PORTLAND EXPO CENTER**

	ID	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
<b>MERC FUND</b>								
Expo R&R <\$100K			264,000	264,500	90,000	65,000	60,000	743,500
EXPO - Hall D Roof Repairs/Replacement (incl CF)	8R136	0	779,500	0	0	0	0	779,500
EXPO Electronic Reader Board (incl CF)	8N011	0	235,000	0	0	0	0	235,000
Hall D & E HVAC - Condition Analysis & Repair Budget (incl CF)	8R137	0	170,000	0	0	0	135,000	305,000
Expo Hall A Carpet & Paint (R&R)	8R149	0	100,000	0	0	0	0	100,000
Expo Halls D & E Solar Project (TLT Pooled)	8N064	0	100,000	0	0	0	0	100,000
Expo Connector - Glass Roll Up (CF)	85106	0	100,000	0	0	0	0	100,000
Expo Security Camera System Replacement Phase 1 of 2 (CF)	8R112	2,000	98,000	0	0	0	0	100,000
Expo - Parking Lot Asphalt Maintenance / Replacement (incl CF)	8R040	0	77,415	60,000	160,000	60,000	60,000	417,415
VOIP Phone System Upgrade Phase II	65701C	0	70,740	0	0	0	0	70,740
VOIP Phone System Upgrade Phase I (CF)	65701B	0	37,200	0	0	0	0	37,200
Hall D Carpet & Paint (CF)	8R042	148,535	25,065	0	0	0	0	173,600
Expo Stormwater Wall (CF)	8N032	160,755	14,460	0	0	0	0	175,215
Expo Halls ABC Exterior Paint	TBD	0	0	120,000	0	0	0	120,000
Roof Repair - Hall C Recoat	TBD	0	0	125,000	0	0	0	125,000
Expo Halls ABC Interior Paint (R&R)	TBD	0	0	0	120,000	0	0	120,000
Expo Hall E Roof Replacement (TLT Pooled)	TBD	0	0	0	525,000	525,000	0	1,050,000
Expo Electrical Equipment (New Bus/Capital)	TBD	0	0	0	0	150,000	0	150,000
Roof Repair - Hall E Loading Dock (TLT Pooled)	TBD	0	0	0	0	0	375,000	375,000
Expo Pipe & Drape (New Bus/Capital)	TBD	0	0	0	0	0	125,000	125,000
<b>TOTAL EXPO CENTER</b>		<b>311,290</b>	<b>\$2,071,380</b>	<b>\$569,500</b>	<b>\$895,000</b>	<b>\$800,000</b>	<b>\$755,000</b>	<b>\$5,402,170</b>
<b>FIVE YEAR TOTAL, FY 2016-17 THROUGH FY 2020-21</b>		<b>\$5,090,880</b>	<b>Total Number of Projects 20</b>					

**Major Funding Sources**

	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Fund Balance- Renewal and Replacement	150,535	1,828,565	349,000	350,000	115,000	245,000
Fund Balance - New Capital	0	0	10,000	10,000	150,000	125,000
TLT Capital Reserves	160,755	94,660	180,000	535,000	535,000	385,000
Aramark Capital	0	148,155	30,500	0	0	0
<b>Total- Expo Center</b>	<b>\$311,290</b>	<b>\$2,071,380</b>	<b>\$569,500</b>	<b>\$895,000</b>	<b>\$800,000</b>	<b>\$755,000</b>

**Total Project Summary with Major Funding Sources**

Exhibit A  
Resolution 16-4712

Oregon Zoo								
	ID	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Total
<b>ZOO INFRASTRUCTURE AND ANIMAL WELFARE BOND FUND</b>								
Education Center (CDZ)	ZIP006	0	4,558,173	0	0	0	0	4,558,173
Polar Bear Habitat	ZIP004	0	1,713,872	13,671,247	14,971	0	0	15,400,090
Campus and Habitat Interpretive Design	ZIP013	0	287,790	132,704	19,186	0	0	439,680
One-Percent for Art Design and Installation	ZIP012	0	112,656	107,400	107,400	0	0	327,456
Primate & Rhino Habitat	ZIP005	0	85,708	972,640	2,506,201	10,638,550	0	14,203,099
<b>TOTAL ZOO INFRASTRUCTURE AND ANIMAL WELFARE BOND FUND</b>		<b>\$0</b>	<b>\$6,758,199</b>	<b>\$14,883,991</b>	<b>\$2,647,758</b>	<b>\$10,638,550</b>	<b>\$0</b>	<b>\$34,928,498</b>
<b>ZOO CAPITAL FUND</b>								
Lower Track Remediation	ZOO52	0	725,000	0	0	0	0	725,000
Education Center - Backyard Habitat / Café	ZIP006	0	695,130	0	0	0	0	695,130
Steller Cove Chiller Replacement	ZRW096	0	400,000	0	0	0	0	400,000
<b>TOTAL ZOO CAPITAL FUND</b>		<b>\$0</b>	<b>\$1,820,130</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,820,130</b>
<b>GENERAL FUND RENEWAL AND REPLACEMENT</b>								
Zoo R&R Projects < \$100,000	ZGFR01	0	872,485	765,088	504,252	751,997	630,340	3,524,162
Admin Bldg HVAC Unit 1 Education (CF)	ZRW067	0	118,849	0	0	0	0	118,849
WAY-FINDING SIGN SYSTEM (CF)	ZRW152	0	152,295	0	0	0	0	152,295
Railroad Roundhouse Roof (CF)	ZRW148	0	128,883	0	0	0	0	128,883
VOIP Infrastructure Remediation (CF)	65701B	0	127,200	0	0	0	0	127,200
VOIP Phone System Upgrade Phase II	65701C	0	0	332,231	0	0	0	332,231
Stellar Cove Digital Control System	ZGFR07	0	0	121,899	0	0	0	121,899
Vet Medical Center X-Ray Machine	ZGFR08	0	0	211,482	0	0	0	211,482
ZR37 - Africa Interpretive Graphics	ZR37	0	0	0	113,000	0	0	113,000
ZGFR10 - Gateway Ticketing System	ZGFR10	0	0	0	157,000	0	0	157,000
Railroad Tunnel 1200 kw Generator	TBD	0	0	0	209,757	453,000	0	662,757
Const/Maint 450 kw Generator	TBD	0	0	0	0	101,960	0	101,960
Cascade Crest - Elevator	TBD	0	0	0	0	0	100,000	100,000
Admin Building Carpet 1st & 2nd Floor	ZRW129	0	0	0	0	0	100,000	100,000
<b>TOTAL GENERAL FUND RENEWAL AND REPLACEMENT</b>		<b>\$0</b>	<b>\$1,399,711</b>	<b>\$1,430,700</b>	<b>\$984,009</b>	<b>\$1,306,957</b>	<b>\$830,340</b>	<b>\$5,951,717</b>
<b>TOTAL OREGON ZOO</b>		<b>\$0</b>	<b>\$9,978,040</b>	<b>\$16,314,691</b>	<b>\$3,631,767</b>	<b>\$11,945,507</b>	<b>\$830,340</b>	<b>\$42,700,345</b>
<b>FIVE YEAR TOTAL, FY 2016-17 THROUGH FY 2020-21</b>		<b>\$42,700,345</b>	<b>Total Number of Projects 22</b>					

**Major Funding Sources**

	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
G.O. Bonds- Zoo	0	6,758,199	14,883,991	2,647,758	10,638,550	0
Donations - OZF	0	488,000	0	0	0	0
Interfund Loan - SW	0	1,420,130	0	0	0	0
Local Option Levy	0	50,000	0	0	0	0
Fund Balance- Capital Reserves	0	-138,000	0	0	0	0
Fund Balance- Renewal and Replacement	0	1,399,711	1,430,700	984,009	1,306,957	830,340
<b>Total- Oregon Zoo</b>	<b>\$0</b>	<b>\$9,978,040</b>	<b>\$16,314,691</b>	<b>\$3,631,767</b>	<b>\$11,945,507</b>	<b>\$830,340</b>

## **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.
7. The Council's previously-adopted policies governing debt management (resolution 16-4689) are incorporated by reference into these policies.

## **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**

### **Section 1: Purpose**

- 1.1 The Capital Asset Management 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. Metro's 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.
- 1.2 The capital asset planning process applies to projects of \$50,000 or more and having a useful life of at least five years. These projects include capital maintenance tasks that increase the life of the asset on assets with values of \$50,000 or more. In addition, the planning process includes information technology items over \$50,000 that may have a useful life of less than five years.
- 1.3 Metro's Capital Asset Management Policy shall be governed by the following principles:
  - 1.3.1 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.
  - 1.3.2 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.
  - 1.3.3 Metro shall establish a Renewal and Replacement Reserve account for each operating fund responsible for major capital assets. Renewal and Replacement includes any activity that serves to extend the useful life or increase the efficiency of an existing asset, while retaining its original use. Ensuring that the public receives the

## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 16-4712, FOR THE PURPOSE OF ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2016-17 THROUGH 2020-21, APPROVING THE METROPOLITAN TOURISM OPPORTUNITY COMPETITIVENESS PROJECTS AND RE-ADOPTING METRO'S FINANCIAL POLICIES

Date: June 23, 2016

Presented by: Tim Collier, Director, Finance and Regulatory Services

## BACKGROUND

A. The Capital Improvement Plan (CIP) for Fiscal Years 2016-17 through 2020-21 represents Metro's long-range capital planning process. Exhibit A provides a listing of the CIP projects and their major funding sources. The resolution approves the entire five-year capital plan and directs that projects for FY 2016-17 be approved, and project expenditures for FY 2016-17 be appropriated, as amended, in the FY 2016-17 budget. If a project comes up unexpectedly during the year, departments must follow the amendment process to submit the project to Council for approval.

The table below shows the number of projects by department; Exhibit A to the Resolution shows the individual projects by department.

	Total Projects	Prior Years	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Five-Year Total	Total
Information Services	13	186,150	1,396,142	494,029	1,063,858	764,044	250,987	3,969,060	4,155,210
Property and Environmental Services	47	1,380,010	8,178,178	5,019,115	1,588,883	3,328,205	2,087,955	20,202,336	21,582,346
Parks and Nature	35	107,061,100	22,357,968	12,730,531	12,521,993	3,612,329	795,940	52,018,761	159,079,861
Visitor Venues- MERC	95	585,817	14,464,744	7,978,993	6,784,493	4,839,493	6,469,493	40,537,216	41,123,033
Visitor Venues- Oregon Zoo	21	0	9,978,040	16,314,691	3,631,767	11,945,507	830,340	42,700,345	42,700,345
<b>TOTAL</b>	<b>211</b>	<b>109,213,077</b>	<b>56,375,072</b>	<b>42,537,359</b>	<b>25,590,994</b>	<b>24,489,578</b>	<b>10,434,715</b>	<b>159,427,718</b>	<b>268,640,795</b>

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. The Council adopted an updated version of the Capital Asset Management Policies in October 2013. No further changes are recommended.

The current financial 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 in place. Highlights of those policies include:

- The policies will be reviewed annually by the Council and published in the adopted budget.
- 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) funding at the Oregon Convention Center (\$320,000) for FY 2016-17. The MTOCA funds are appropriated in the General Fund and transferred to MERC as part of the annual budget process. The Convention Center will use the funding for WiFi and Audio/Video upgrades in accordance with the MTOCA Resolution parameters.

#### **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 2016-17 through 2020-21.

The cost of the 211 projects planned during the five years covered by this CIP is estimated to be \$159.4 million.

This resolution is the formal instrument by which the five-year plan will be adopted. Projects with planned expenditures in FY 2016-17 will be incorporated into the adopted budget.

This resolution is the formal instrument to approve the Metro Tourism Opportunity and Competitiveness Account funding for FY 2016-17.

4. **Budget Impacts:** The plan's FY 2016-17 expenditures (\$56.4 million) will be appropriated in the FY 2016-17 Adopted Budget.

#### **RECOMMENDED ACTION**

Resolution No. 16-4712 is an important component of the annual budget process. The Chief Operating Officer recommends adoption.