

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE ) RESOLUTION NO. 17-4799  
CAPITAL IMPROVEMENT PLAN FOR FISCAL ) Introduced by Martha Bennett, Chief  
YEARS 2017-18 THROUGH 2021-22, 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 2017-18 through 2021-22 that projects Metro's major capital spending needs over the next five years;

WHEREAS, the Metro Council has reviewed the FY 2017-18 through FY 2021-22 Capital Improvement Plan; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2017-18 budget including the FY 2017-18 through FY 2021-22 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

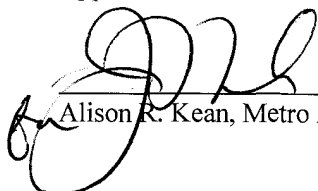
WHEREAS, the Metro Council annually approves funding from the Metropolitan Tourism Opportunity Competitiveness Account (MTOCA); now therefore

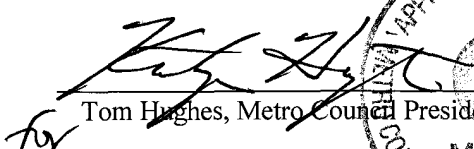
BE IT RESOLVED that the Metro Council hereby authorizes the following:

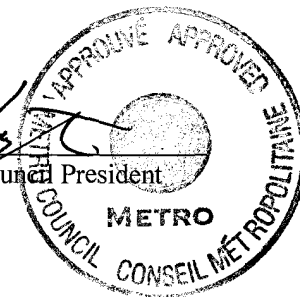
1. That the FY 2017-18 through FY 2021-22 Capital Improvement Plan (CIP), summarized in Exhibit A, is hereby adopted.
2. That the FY 2017-18 capital projects from the FY 2017-18 through FY 2021-22 Capital Improvement Plan be included and appropriated in the FY 2017-18 budget.
3. That the Comprehensive 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 2017-18 budget.
4. That MTOCA funding for the Oregon Convention Center and the Expo Center for FY 2017-18 is approved.

ADOPTED by the Metro Council this 22nd day of June 2017.

Approved as to Form:

  
Alison R. Kean, Metro Attorney

  
Tom Hughes, Metro Council President



Total Project Summary with Major Funding Sources

Exhibit A  
Resolution 17-4799

<b>INFORMATION SERVICES</b>							
	<b>ID</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Total</b>
<b>MERC FUND (CONVENTION CENTER)</b>							
VOIP Phone System Upgrade Phase II	65701C	300,000	-	-	-	-	300,000
<b>TOTAL MERC FUND (CONVENTION CENTER)</b>		<b>\$300,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$300,000</b>
<b>MERC FUND (EXPO)</b>							
VOIP Phone System Upgrade Phase II	65701C	70,740	-	-	-	-	70,740
<b>TOTAL MERC FUND (EXPO)</b>		<b>\$70,740</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$70,740</b>
<b>GENERAL FUND</b>							
Customer Relationship Software	65675A	29,340	-	-	-	-	29,340
<b>TOTAL GENERAL FUND</b>		<b>\$29,340</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,340</b>
<b>GENERAL ASSET MANAGEMENT FUND (RENEWAL &amp; REPLACEMENT)</b>							
IS R&R < \$100K		114,178	4,973	21,090	42,204	72,374	254,819
VOIP Phone System Upgrade Phase II	65701C	470,621	-	-	-	-	470,621
IMS - Network Management	65200	325,144	442,859	222,360	281,492	208,944	1,480,799
PeopleSoft LMS	ISTBD13	185,141	-	-	-	-	185,141
PeopleSoft Upgrades	01521	113,111	-	-	-	-	113,111
PeopleSoft Supplier Contract Management Module	65612A	100,000	-	-	-	-	100,000
Printer Consolidation - Acquisition	65110	42,750	13,660	9,800	37,400	35,200	138,810
KRONOS Timeclocks	65630B	40,344	31,084	31,516	31,000	32,000	165,944
Netapp 3050 (Alex) File Server	ISTBD01	-	275,000	-	-	-	275,000
PeopleSoft Upgrade	65612	-	-	150,191	-	156,258	306,449
RLI Training Software	01524	-	-	57,639	-	60,863	118,502
Council Chamber Broadcast Video	01326	-	-	-	180,000	-	180,000
<b>TOTAL GENERAL ASSET MANAGEMENT FUND (RENEWAL &amp; REPLACEMENT)</b>		<b>\$1,391,289</b>	<b>\$767,576</b>	<b>\$492,596</b>	<b>\$572,096</b>	<b>\$565,639</b>	<b>\$3,789,196</b>
<b>MERC FUND (MERC ADMIN)</b>							
PCI-Network Remediation	01570	250,000	-	-	-	-	250,000
<b>TOTAL MERC FUND (MERC ADMIN)</b>		<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>
<b>GENERAL ASSET MANAGEMENT FUND (NEW CAPITAL)</b>							
PCI-Network Remediation	01570	231,033	-	-	-	-	231,033
Zoo Roadmap	ISTBD06	164,000	-	-	-	-	164,000
Data Backup & Recovery System	01571	-	18,669	3,585	-	20,289	42,543
<b>TOTAL GENERAL ASSET MANAGEMENT FUND (NEW CAPITAL)</b>		<b>\$395,033</b>	<b>\$18,669</b>	<b>\$3,585</b>	<b>\$0</b>	<b>\$20,289</b>	<b>\$437,576</b>
<b>MERC FUND (PORTLAND'S CENTERS FOR THE ARTS)</b>							
VOIP Phone System Upgrade Phase II	65701C	141,521	-	-	-	-	141,521
<b>TOTAL MERC FUND (PORTLAND'S CENTERS FOR THE ARTS)</b>		<b>\$141,521</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$141,521</b>
<b>SOLID WASTE FUND (RENEWAL &amp; REPLACEMENT)</b>							
VOIP Phone System Upgrade Phase II	65701C	14,016	-	-	-	-	14,016
<b>TOTAL SOLID WASTE FUND (RENEWAL &amp; REPLACEMENT)</b>		<b>\$14,016</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,016</b>
<b>TOTAL INFORMATION SERVICES (16 Projects)</b>		<b>\$2,591,939</b>	<b>\$786,245</b>	<b>\$496,181</b>	<b>\$572,096</b>	<b>\$585,928</b>	<b>\$5,032,389</b>

**Major Funding Sources**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Total</b>
Fund Balance - Renewal & Replacement	2,331,566	767,576	492,596	572,096	565,639	4,729,473
Fund Balance - Reserve for One Time Expenditures	135,373	18,669	3,585	-	20,289	177,916
Interfund Transfer - SW	125,000	-	-	-	-	125,000
<b>TOTAL INFORMATION SERVICES DEPARTMENT</b>	<b>\$2,591,939</b>	<b>\$786,245</b>	<b>\$496,181</b>	<b>\$572,096</b>	<b>\$585,928</b>	<b>\$5,032,389</b>

Total Project Summary with Major Funding Sources

Exhibit A  
Resolution 17-4799

<b>PARKS AND NATURE</b>							
	ID	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
<b>General Fund</b>							
Levy Terramet Database Improvement (GF SHARE)	LS010	55,000	-	-	-	-	55,000
<b>TOTAL GENERAL FUND</b>		<b>\$55,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$55,000</b>
<b>GENERAL ASSET MANAGEMENT FUND (RENEWAL AND REPLACEMENT)</b>							
Parks R&R Projects < \$100K		273,077	104,750	133,250	90,100	55,500	656,677
Fleet : PARKS	70001P	373,825	277,668	131,405	76,615	722,526	1,582,039
Oxbow: Gravel Trails	POX004	252,404	-	-	-	-	252,404
Chinook: Floats & Gangway	PCK001	115,830	-	-	-	-	115,830
Blue Lake Infrastructure Improvements	LI212	91,250	-	48,500	-	-	139,750
Cemetery Fencing	PKSTBD12	80,250	-	-	19,000	68,950	168,200
Chinook Landing Improvements	RPRR07	75,000	350,000	140,000	-	29,600	594,600
Blue Lake: Fencing	PBL002	45,851	-	65,000	-	-	110,851
Oxbow Play Area Renovations (R&R SHARE)	LI003	23,302	-	-	-	-	23,302
Oxbow Park Infrastructure Improvements (R&R Share)	LI011	-	-	-	-	10,000	10,000
Cemetery Paving Projects	PKSTBD11	-	-	22,500	217,620	-	240,120
Oxbow Roof Replacements	PKSTBD23	-	-	15,000	-	106,800	121,800
<b>TOTAL GENERAL ASSET MANAGEMENT FUND (RENEWAL AND REPLACEMENT)</b>		<b>\$1,330,789</b>	<b>\$732,418</b>	<b>\$555,655</b>	<b>\$403,335</b>	<b>\$993,376</b>	<b>\$4,015,573</b>
<b>GENERAL FUND (GLENDOVEER GOLF COURSE)</b>							
Glendoveer Facility Condition Assessment	GF121	75,000	75,000	-	-	72,000	222,000
Glendoveer Equipment	PKSTBD08	50,000	50,000	50,000	50,000	50,000	250,000
<b>TOTAL GENERAL FUND (GLENDOVEER GOLF COURSE)</b>		<b>\$125,000</b>	<b>\$125,000</b>	<b>\$50,000</b>	<b>\$50,000</b>	<b>\$122,000</b>	<b>\$472,000</b>
<b>NATURAL AREAS FUND</b>							
Natural Areas Acquisition	TEMP98	7,500,000	7,500,000	7,500,000	-	-	22,500,000
Columbia Blvd Bridge Crossing	BA010	1,450,000	1,771,000	-	-	-	3,221,000
Marine Drive Trail	BA020	1,200,000	1,250,000	-	-	-	2,450,000
Chehalem Ridge Comp Plan	LA110	720,000	2,050,000	-	-	-	2,770,000
Gabbert Hill Access Improvements	LA200	320,000	1,425,000	-	-	-	1,745,000
OPRC - Quitclaim - Springwater	G24010	150,310	-	-	-	-	150,310
River Island Restoration	BA030	130,000	-	-	-	-	130,000
Levy Terramet Database Improvement (Bond Share)	LS010	100,000	50,000	50,000	-	-	200,000
Tigard: Fanno Creek Trail	BA040	35,000	550,000	-	-	-	585,000
N. Columbia Slough Bridge	BA011	-	600,000	1,771,000	-	-	2,371,000
<b>TOTAL NATURAL AREAS FUND</b>		<b>\$11,605,310</b>	<b>\$15,196,000</b>	<b>\$9,321,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$36,122,310</b>
<b>PARKS AND NATURAL AREAS LOCAL OPTION LEVY FUND</b>							
Parks Levy Projects < \$100K		255,000	-	-	-	-	255,000
Oxbow Office/Residence Renovations	LI005	800,000	150,000	-	-	-	950,000
Tualatin Forest Restoration (Burlington Forest/McCarty/Ennis)	LA120	702,000	16,000	-	-	-	718,000
Killin Wetland Access/Site Evaluation	LA300	595,000	-	-	-	-	595,000
Newell Canyon Access/Site Evaluation	LA250	581,500	-	-	-	-	581,500
Smith and Bybee Wetlands Water Management	LR403	500,000	-	-	-	-	500,000
Ambleside Aquatic Restoration	LR1602	360,000	10,000	-	-	-	370,000
Oxbow Park Stream Restoration	LR240	325,000	1,502,000	-	-	-	1,827,000
Borland Infrastructure Improvements	LR750	325,000	-	-	-	-	325,000
Oxbow Play Area Renovations	LI003	321,804	-	-	-	-	321,804
Oxbow Campground Improvements	LI007	280,000	-	-	-	-	280,000
Blue Lake Infrastructure Improvements	LI212	100,000	100,000	-	-	-	200,000
Oxbow Park Infrastructure Improvements	LI011	100,000	100,000	-	-	-	200,000
Richardson Creek Restoration Project	LR031	50,000	995,000	-	-	-	1,045,000
Blue Lake Office Renovation	LI213	50,000	450,000	180,000	-	-	680,000
Levy Terramet Database Improvement	LS010	50,000	50,000	50,000	-	-	150,000
SB WCS upgrades&repairs (Levy Share)	LR408	80,000	-	-	-	-	80,000
Gabbert Hill Access Improvements (Levy Share)	LA200	25,000	-	-	-	-	25,000
Smith & Bybee Ramp and Pathway	PKSTBD01	-	100,000	-	-	-	100,000
<b>TOTAL PARKS AND NATURAL AREAS LOCAL OPTION LEVY FUND</b>		<b>\$5,500,304</b>	<b>\$3,473,000</b>	<b>\$230,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,203,304</b>
<b>GENERAL ASSET MANAGEMENT FUND (PARKS CAPITAL)</b>							
Trails: St Johns Prairie	PTRO01	250,000	850,000	-	-	-	1,100,000
<b>TOTAL GENERAL ASSET MANAGEMENT FUND (PARKS CAPITAL)</b>		<b>\$250,000</b>	<b>\$850,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,100,000</b>
<b>SMITH AND BYBEE WETLANDS FUND</b>							
SB WCS upgrades&repairs	LR408	80,000	-	-	-	-	80,000
<b>TOTAL SMITH AND BYBEE WETLANDS FUND</b>		<b>\$80,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$80,000</b>
<b>GENERAL ASSET MANAGEMENT FUND (WILLAMETTE FALLS CAPITAL)</b>							
WF Construction	WF013	1,650,000	750,000	1,250,000	400,000	-	4,050,000
WF Conceptual Design	WF011	1,090,582	-	-	-	-	1,090,582
Willamette Falls Legacy Project	WF040	195,000	-	-	-	-	195,000
Willamette Falls Riverwalk	WF010	165,859	-	-	-	-	165,859
<b>TOTAL GENERAL ASSET MANAGEMENT FUND (WILLAMETTE FALLS CAPITAL)</b>		<b>\$3,101,441</b>	<b>\$750,000</b>	<b>\$1,250,000</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$5,501,441</b>
<b>TOTAL PARKS &amp; NATURE (43 Projects)</b>		<b>\$22,047,844</b>	<b>\$21,126,418</b>	<b>\$11,406,655</b>	<b>\$853,335</b>	<b>\$1,115,376</b>	<b>\$56,549,628</b>

**Major Funding Sources**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
Fund Balance- Renewal and Replacement	1,330,789	732,418	555,655	403,335	993,376	4,015,573
Fund Balance - General Fund	180,000	125,000	50,000	50,000	122,000	527,000
Fund Balance- Capital Reserve	250,000	850,000	-	-	-	1,100,000
Fund Balance - Willamette Falls Capital Subfund	2,228,441	750,000	1,250,000	400,000	-	4,628,441
Fund Balance - Smith & Bybee Wetlands Fund	80,000	-	-	-	-	80,000
G.O. Bonds- Natural Areas	11,485,310	13,425,000	7,550,000	-	-	32,460,310
Grants / Funding From Other Agencies	873,000	1,771,000	1,771,000	-	-	4,415,000
Local Options Levy	5,620,304	3,473,000	230,000	-	-	9,323,304
<b>TOTAL PARKS &amp; NATURE</b>	<b>\$22,047,844</b>	<b>\$21,126,418</b>	<b>\$11,406,655</b>	<b>\$853,335</b>	<b>\$1,115,376</b>	<b>\$56,549,628</b>

Total Project Summary with Major Funding Sources

Exhibit A  
Resolution 17-4799

<b>PROPERTY &amp; ENVIRONMENTAL SERVICES</b>							
	ID	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
<b>MERC FUND (CONVENTION CENTER)</b>							
VOIP Phone System Upgrade (OCC Share)	65701B	52,500	-	-	-	-	52,500
<b>TOTAL MERC FUND (CONVENTION CENTER)</b>		<b>\$52,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$52,500</b>
<b>MERC FUND (EXPO)</b>							
VOIP Phone System Upgrade (EXPO Share)	65701B	37,200	-	-	-	-	37,200
<b>TOTAL MERC FUND (EXPO)</b>		<b>\$37,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,200</b>
<b>GENERAL ASSET MANAGEMENT FUND (RENEWAL AND REPLACEMENT)</b>							
MRC: Rooftop Airhandler	MRC001	1,424,434	-	-	-	-	1,424,434
MRC Roof Rplcmnt-Phase 2	01320A	535,389	-	-	-	-	535,389
Table 6 Tenant Improvements	PSTBD022	300,000	-	-	-	-	300,000
MRC - Building Envelope Repairs	01325	217,000	-	-	-	-	217,000
Central Environmental System	01324	216,800	-	-	-	-	216,800
VOIP Phone System Upgrade	65701B	137,400	-	-	-	-	137,400
MRC Security System	01503	120,000	-	-	-	-	120,000
MRC Daycare Carpets	PSTBD021	-	156,600	-	-	-	156,600
PES Fleet	70001	-	-	51,409	30,655	-	82,064
Parking Structure Resealing	PSTBD020	-	-	-	233,750	-	233,750
<b>TOTAL GENERAL ASSET MANAGEMENT FUND (RENEWAL AND REPLACEMENT)</b>		<b>\$2,951,023</b>	<b>\$156,600</b>	<b>\$51,409</b>	<b>\$264,405</b>	<b>\$0</b>	<b>\$3,423,437</b>
<b>MERC FUND (PORTLAND'S CENTERS FOR THE ARTS)</b>							
VOIP Phone System Upgrade (PCPA Share)	65701B	72,600	-	-	-	-	72,600
<b>TOTAL MERC FUND (PORTLAND'S CENTERS FOR THE ARTS)</b>		<b>\$72,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$72,600</b>
<b>SOLID WASTE FUND (GENERAL ACCOUNT)</b>							
SW Transfer Station Signage	SWTBD09	65,000	50,000	35,000	-	-	150,000
<b>TOTAL SOLID WASTE FUND (GENERAL ACCOUNT)</b>		<b>\$65,000</b>	<b>\$50,000</b>	<b>\$35,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$150,000</b>
<b>SOLID WASTE FUND (LANDFILL CLOSURE)</b>							
St. Johns Landfill - Remediation	76995	400,000	-	-	-	-	400,000
SJLF Flare Replacement	77002	300,000	-	-	-	-	300,000
<b>TOTAL SOLID WASTE FUND (LANDFILL CLOSURE)</b>		<b>\$700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$700,000</b>
<b>SOLID WASTE FUND (OPERATING ACCOUNT)</b>							
SW Capital Projects <\$100K		99,500	-	-	-	-	99,500
<b>TOTAL SOLID WASTE FUND (OPERATING ACCOUNT)</b>		<b>\$99,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$99,500</b>
<b>SOLID WASTE FUND (RENEWAL &amp; REPLACEMENT)</b>							
SW R&R Projects < \$100K		240,000	50,000	60,000	-	-	350,000
Central Compactor #1	SMC002	1,400,000	-	-	-	-	1,400,000
Metro South: Compactor #1	SMS001	1,400,000	-	-	-	-	1,400,000
Fleet: Solid Waste	70001S	360,333	69,850	124,859	58,150	115,082	728,274
MSS HHW Roof Replacement	77110	200,000	200,000	-	-	-	400,000
MSS Bays 1 & 2 lighting replacement	77117	100,000	-	-	-	-	100,000
Crusher Can / Aerosol Crusher - MSS	77126	100,000	-	-	-	-	100,000
MRC Remodel- 2nd Floor-PES/SW Year 2	01329	90,000	-	-	-	-	90,000
MSS Annual Concrete Maintenance	SWTBD10	50,000	50,000	50,000	50,000	50,000	250,000
Metro Central - Annual Concrete Repair	77125	50,000	50,000	50,000	50,000	-	200,000
VOIP Phone System Upgrade (Latex Paint Share)	65701B	6,000	-	-	-	-	6,000
Metro Central - Compactor #3	SWTBD04	-	1,400,000	-	-	-	1,400,000
Metro South - Compactor #2	SWTBD06	-	400,000	1,000,000	-	-	1,400,000
Platform Scale MCS-B	SWTBD03	-	150,000	-	-	-	150,000
Metro South Bays - 1&2 Ventilations System	76836	-	140,000	-	-	-	140,000
Metro Central - Conveyor #1	SWTBD05	-	-	600,000	-	-	600,000
Metro Central - Conveyor #3	SWTBD07	-	-	400,000	-	-	400,000
Platform Scale MSS #1, 70ft	SWTBD02	-	-	150,000	-	-	150,000
<b>TOTAL SOLID WASTE FUND (RENEWAL &amp; REPLACEMENT)</b>		<b>\$3,996,333</b>	<b>\$2,509,850</b>	<b>\$2,434,859</b>	<b>\$158,150</b>	<b>\$165,082</b>	<b>\$9,264,274</b>
<b>TOTAL PROPERTY &amp; ENVIRONMENTAL SERVICES (30 Projects)</b>		<b>\$7,974,156</b>	<b>\$2,716,450</b>	<b>\$2,521,268</b>	<b>\$422,555</b>	<b>\$165,082</b>	<b>\$13,799,511</b>

**Major Funding Sources**

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
Fund Balance- Renewal and Replacement	5,296,267	2,509,850	2,434,859	158,150	165,082	10,564,208
Fund Balance- Capital Reserve	164,500	50,000	35,000	-	-	249,500
Interfund Loan - SW to MRC	1,813,389	156,600	51,409	264,405	-	2,285,803
Fund Balance- Landfill Closure	700,000	-	-	-	-	700,000
<b>TOTAL PROPERTY &amp; ENVIRONMENTAL SERVICES</b>	<b>\$7,974,156</b>	<b>\$2,716,450</b>	<b>\$2,521,268</b>	<b>\$422,555</b>	<b>\$165,082</b>	<b>13,799,511</b>

Total Project Summary with Major Funding Sources

Exhibit A  
Resolution 17-4799

<b>OREGON CONVENTION CENTER</b>							
	<b>ID</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>TOTAL</b>
<b>MERC FUND (CONVENTION CENTER)</b>							
OCC Capital Projects <\$100K		368,000	-	75,000	-	-	443,000
OCC - Master Plan Renovation	8R082	6,000,000	29,000,000	-	-	-	35,000,000
OCC - CCTV Replacement	8R032	450,000	-	-	-	-	450,000
OCC Loading Dock Improvements	8R189	360,000	-	-	-	-	360,000
OCC - EST-3 Fire Alarm Notification Upgrades	8R163	305,000	-	-	-	-	305,000
OCC - Integrated Door Access Controls	8N025	300,000	-	-	-	-	300,000
OCC Breakroom Renovation	8R191	285,000	-	-	-	-	285,000
OCC - Lighting Control System	88174	275,000	-	-	-	-	275,000
OCC - POS Replacement	OCCTBD38	230,000	-	-	-	-	230,000
OCC - Movable Partition Refurbishment	8R190	180,000	-	-	-	-	180,000
OCC - Building Envelope	8R187	150,000	700,000	-	-	-	850,000
OCC - A/V Equipment (NBS)	8R118	150,000	150,000	150,000	150,000	150,000	750,000
OCC Cooling System Rplcmnt	8R188	80,000	2,300,000	-	-	-	2,380,000
OCC - Alerton Gbl Controller Upgrade	8R166	70,000	50,000	-	-	-	120,000
OCC - Orbit Bakery/Front Remodel	OCCTBD41	-	700,000	-	-	-	700,000
OCC - Lighting Project - BOH, Offices	8R148A	-	500,000	-	-	-	500,000
OCC - Cardboard Baler & Canopy	8N067	-	215,000	-	-	-	215,000
OCC - WiFi & Show Network Upgrades	OCCTBD31	-	120,000	-	130,000	-	250,000
OCC - Chair Replacement	OCCTBD30	-	-	600,000	-	660,000	1,260,000
OCC - Table Replacement	OCCTBD44	-	-	400,000	-	-	400,000
OCC - AV Audio System Upgrade	OCCTBD42	-	-	315,000	-	-	315,000
OCC - Sandwich Company Renovation	OCCTBD45	-	-	250,000	-	-	250,000
OCC - Public Circulation Furniture Replacement	OCCTBD43	-	-	175,000	-	-	175,000
OCC - Portland Roasting Coffee Renovation	OCCTBD46	-	-	150,000	150,000	-	300,000
OCC - Boiler Replacement (2)	OCC08	-	-	-	1,750,000	-	1,750,000
OCC - Tortilla Crisp Renovation	OCCTBD47	-	-	-	400,000	-	400,000
<b>TOTAL MERC FUND (CONVENTION CENTER)</b>		<b>\$9,203,000</b>	<b>\$33,735,000</b>	<b>\$2,115,000</b>	<b>\$2,580,000</b>	<b>\$810,000</b>	<b>\$48,443,000</b>
<b>TOTAL OREGON CONVENTION CENTER (26 Projects)</b>		<b>\$9,203,000</b>	<b>\$33,735,000</b>	<b>\$2,115,000</b>	<b>\$2,580,000</b>	<b>\$810,000</b>	<b>\$48,443,000</b>

**Major Funding Sources**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Total</b>
Fund Balance- Renewal and Replacement	2,748,000	3,765,000	1,390,000	1,900,000	660,000	<b>10,463,000</b>
Fund Balance - New Capital	150,000	150,000	150,000	150,000	150,000	<b>750,000</b>
MTOCA	-	120,000	-	130,000	-	<b>250,000</b>
TLT Capital Reserves	5,805,000	29,000,000	175,000	-	-	<b>34,980,000</b>
Aramark Capital/Other	500,000	700,000	400,000	400,000	-	<b>2,000,000</b>
<b>OREGON CONVENTION CENTER TOTAL</b>	<b>\$9,203,000</b>	<b>\$33,735,000</b>	<b>\$2,115,000</b>	<b>\$2,580,000</b>	<b>\$810,000</b>	<b>\$48,443,000</b>

Total Project Summary with Major Funding Sources

Exhibit A  
Resolution 17-4799

<b>PORTLAND'S CENTERS FOR THE ARTS</b>							
	<b>ID</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Total</b>
<b>MERC FUND (PORTLAND'S CENTERS FOR THE ARTS)</b>							
P'5 Capital Projects < \$100K		360,000	280,000	75,000	60,000	-	775,000
P5 Keller Backstage Dressing Tower Elevator	8R175	300,000	-	-	-	-	300,000
P5 Newmark Lighting Phase III	8R144	275,000	-	-	-	-	275,000
P'5 - AHH Newmark Lighting System Overhaul - Phase II	8R089	275,000	-	-	-	-	275,000
P5 ArtBar Bar Rplcmnt	85108	200,000	200,000	-	-	-	400,000
P'5 - AHH Winingstad House Lighting Controls & Dimmers	8R090	200,000	-	-	-	-	200,000
P5 AHH/ASCH/Keller Access Control/CCTV replacement	P5TBD31	200,000	-	-	-	-	200,000
P5 AHH Food Service PO system replacement	P5TBD32	130,000	-	-	-	-	130,000
P5 ASCH/Keller Main Curtain/Organ Loft Curtains	8R183	100,000	-	-	-	-	100,000
P5 AHH Roof	8R179	50,000	300,000	-	-	-	350,000
P5 ASCH Chamber Lighting	8R177	25,000	150,000	-	-	-	175,000
P5 Keller Wall Panels	8R145	-	3,000,000	-	-	-	3,000,000
P5 ASCH Piano Replacement	P5TBD71	-	550,000	-	-	-	550,000
P5 Keller Building HVAC Controls & Stage HVAC Improvements	P5TBD56	-	500,000	-	-	-	500,000
ASCH - Cooling Tower Replacement	8R120	-	350,000	-	-	-	350,000
P5 Keller HVAC Controls Upgrades (R&R)	P5TBD15	-	350,000	-	-	-	350,000
P5 Keller Main Switchgear (R&R)	8R155	-	300,000	-	-	-	300,000
P5 Keller Electric Panels	8R158	-	300,000	-	-	-	300,000
P5 AHH - Backstage Elevator Overhaul	8R121	-	270,000	-	-	-	270,000
AHH, ASCH, Keller - Stage Doors and Office Plan	8R101	-	200,000	-	-	-	200,000
P5 ASCH Broadway Marquee	P5TBD55	-	175,000	200,000	-	-	375,000
P5 AHH Rotunda/Bistro Carpet Replacement	P5TBD53	-	150,000	-	-	-	150,000
P5 Keller Interior Paneling Repairs	P5TBD52	-	100,000	-	-	-	100,000
P5 ASCH Roof Drains	P5TBD51	-	100,000	-	-	-	100,000
P5 AHH/ASCH/Keller ADA updates	P5TBD47	-	30,000	50,000	-	95,000	175,000
P5 AHH FOH Elvtr Ovrhl	8R152	-	-	575,000	-	-	575,000
P5 Keller Stage Pit Lifts Overhaul	P5TBD66	-	-	350,000	-	-	350,000
P5 Keller Carpet Front of House	P5TBD64	-	-	150,000	-	-	150,000
P5 Keller Main Speakers	P5TBD65	-	-	150,000	-	-	150,000
P5 ASCH Park Street Marquee	P5TBD63	-	-	125,000	175,000	-	300,000
P5 ASCH Seat cushion/fabric replacement	P5TBD62	-	-	100,000	100,000	-	200,000
P5 AHH Storage Racking System	P5TBD61	-	-	100,000	-	-	100,000
P5 AHH Demand Control Ventilation HVAC	P5TBD57	-	-	20,000	125,000	-	145,000
P5 AHH EIFS Replacement Phase III	P5TBD70	-	-	-	400,000	-	400,000
P5 ASCH FOH Elevators Overhaul	P5TBD69	-	-	-	300,000	-	300,000
P5 Keller FOH Elevator Overhauls	P5TBD59	-	-	-	-	650,000	650,000
P5 ASCH Backstage Dressing Tower Elevator Overhaul	P5TBD68	-	-	-	-	275,000	275,000
P5 ASCH Backstage Elevator Overhaul	P5TBD73	-	-	-	-	210,000	210,000
P5 AHH Freight Elevator Overhaul	P5TBD72	-	-	-	-	100,000	100,000
<b>TOTAL MERC FUND (PORTLAND'S CENTERS FOR THE ARTS)</b>		<b>\$2,115,000</b>	<b>\$7,305,000</b>	<b>\$1,895,000</b>	<b>\$1,160,000</b>	<b>\$1,330,000</b>	<b>\$13,805,000</b>
<b>TOTAL PORTLAND'S CENTERS FOR THE ARTS (39 Projects)</b>		<b>\$2,115,000</b>	<b>\$7,305,000</b>	<b>\$1,895,000</b>	<b>\$1,160,000</b>	<b>\$1,330,000</b>	<b>\$13,805,000</b>

**Major Funding Sources**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Total</b>
Fund Balance- Renewal and Replacement	1,915,000	7,305,000	1,895,000	1,160,000	1,330,000	13,605,000
Aramark	200,000					200,000
<b>TOTAL PORTLAND 5 CENTER FOR THE ARTS</b>	<b>\$2,115,000</b>	<b>\$7,305,000</b>	<b>\$1,895,000</b>	<b>\$1,160,000</b>	<b>\$1,330,000</b>	<b>\$13,805,000</b>

Total Project Summary with Major Funding Sources

Exhibit A  
Resolution 17-4799

<b>EXPO CENTER</b>							
	<b>ID</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Total</b>
<b>MERC FUND (EXPO)</b>							
Expo Capital Projects < \$100K		280,000	185,000	205,000	-	150,000	820,000
Expo - Hall D Roof Repairs/Replacement	8R136	1,898,750	975,000	-	-	-	2,873,750
Expo - POS Micros System	EXTBD16	160,000	-	-	-	-	160,000
Expo - Hall A Elec. transformer/LP1 Shore Power /Cirque	EXTBD31	150,000	-	-	-	-	150,000
Expo - Parking Lot Asphalt Maintenance / Replacement	8R040	135,000	60,000	60,000	60,000	60,000	375,000
Expo - Connector Glass Door	85106	120,000	45,000	-	-	-	165,000
Expo - Roof Repair - Halls ABC Minor Repairs	8R135	80,000	135,000	10,000	10,000	10,000	245,000
Expo - WiFi - Telecommunications Upgrade	8R139	80,000	-	-	50,000	-	130,000
Expo - Hall C HVAC Study and Installation	EXTBD25	35,000	250,000	-	-	-	285,000
Expo - Lighting Control review and install - Halls ABCDE	EXTBD30	20,000	150,000	-	-	-	170,000
Expo - Sport Court / Futsol	EXTBD23	-	175,000	-	-	-	175,000
Expo - Hall C Roof Recoat	EXTBD49	-	125,000	-	-	-	125,000
Expo - Halls ABC Interior Paint (R&R)	EXTBD12	-	120,000	-	-	-	120,000
Expo - UP4 New Storage Building	EXTBD19	-	50,000	250,000	-	-	300,000
Expo - Expo Website Update	EXTBD32	-	50,000	200,000	-	-	250,000
Expo - Facility Wide Door review / install / security	EXTBD27	-	35,000	250,000	-	-	285,000
Expo - Electrical Equipment (New Bus/Capital)	EXTBD06	-	-	150,000	-	-	150,000
Expo - Hall D Kitchen Office Conversion	EXTBD17	-	-	35,000	300,000	-	335,000
Expo - Hall D Storage Office Conversion	EXTBD18	-	-	35,000	300,000	-	335,000
Expo - Roof Repair - Hall E Loading Dock (TLT Pooled)	EXTBD02	-	-	-	375,000	330,000	705,000
Expo - Facility Wide Overhead Door review / install	EXTBD28	-	-	-	35,000	250,000	285,000
Expo - Parking Entry System and Loop Replacement	EXTBD50	-	-	-	-	700,000	700,000
Expo - Hall E HVAC	EXTBD39	-	-	-	-	290,000	290,000
<b>TOTAL MERC FUND (EXPO)</b>		<b>\$2,958,750</b>	<b>\$2,355,000</b>	<b>\$1,195,000</b>	<b>\$1,130,000</b>	<b>\$1,790,000</b>	<b>\$9,428,750</b>
<b>TOTAL EXPO (23 Projects)</b>		<b>\$2,958,750</b>	<b>\$2,355,000</b>	<b>\$1,195,000</b>	<b>\$1,130,000</b>	<b>\$1,790,000</b>	<b>\$9,428,750</b>

**Major Funding Sources**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Total</b>
Fund Balance- Renewal and Replacement	890,000	1,150,000	1,035,000	755,000	1,460,000	5,290,000
Fund Balance - New Capital	-	185,000	160,000	-	-	345,000
TLT Capital Reserves	1,898,750	975,000	-	375,000	330,000	3,578,750
Aramark Capital	170,000	45,000	-	-	-	215,000
<b>TOTAL EXPO CENTER</b>	<b>\$2,958,750</b>	<b>\$2,355,000</b>	<b>\$1,195,000</b>	<b>\$1,130,000</b>	<b>\$1,790,000</b>	<b>\$9,428,750</b>

Total Project Summary with Major Funding Sources

Exhibit A  
Resolution 17-4799

<b>OREGON ZOO</b>							
	<b>ID</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Total</b>
<b>OREGON ZOO ASSET MANAGEMENT FUND (NEW CAPITAL)</b>							
Giraffe Feeding Station	ZOO66	400,000	-	-	-	-	400,000
Railroad Rolling Stock Replacement	ZRW193	350,000	350,000	-	-	-	700,000
Zoo New Capital < \$100K	ZOOTBD22	130,000	-	-	-	-	130,000
Amphitheatre Tier Remodel	ZOO77	110,000	-	-	-	-	110,000
Animal Area Cameras	ZOO78	100,000	100,000	100,000	100,000	100,000	500,000
<b>TOTAL OREGON ZOO ASSET MANAGEMENT FUND (NEW CAPITAL)</b>		<b>\$1,090,000</b>	<b>\$450,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$1,840,000</b>
<b>OREGON ZOO INFRASTRUCTURE/ANIMAL WELFARE FUND</b>							
Polar Bear Habitat	ZIP004	2,500,000	10,150,000	11,150,000	1,221,481	-	25,021,481
Primate & Rhino Habitat	ZIP005	2,500,000	5,250,000	9,019,160	-	-	16,769,160
Zoo Electrical Infrastructure	ZOOTBD04	1,000,000	-	-	-	-	1,000,000
Campus and Habitat Interpretive Design	ZIP013	250,733	-	-	-	-	250,733
One-Percent for Art Design and Installation	ZIP012	80,000	107,400	75,000	-	-	262,400
<b>TOTAL OREGON ZOO INFRASTRUCTURE/ANIMAL WELFARE FUND</b>		<b>\$6,330,733</b>	<b>\$15,507,400</b>	<b>\$20,244,160</b>	<b>\$1,221,481</b>	<b>\$0</b>	<b>\$43,303,774</b>
<b>OREGON ZOO ASSET MANAGEMENT FUND (RENEWAL AND REPLACEMENT)</b>							
ZOO R&R < \$100K		195,000	27,800	217,608	-	15,000	455,408
Roof Replacement Project	ZOOTBD07	673,000	650,000	650,000	650,000	650,000	3,273,000
TBD ZOO R&R Projects	ZOOTBD25	287,000	-	-	-	-	287,000
Fleet Replacement Program	700012	150,100	143,000	143,000	143,000	143,000	722,100
Life Support System Assessment	ZRW194	150,000	-	-	-	-	150,000
Cascade Crest Paint & Dry Rot Repair	ZRW195	120,000	-	-	-	-	120,000
Website Redesign	ZRW196	50,000	150,000	-	-	-	200,000
HVAC Upgrades	ZOOTBD10	-	-	-	670,000	-	670,000
Steller Cover Renovation	ZOO41	-	-	-	-	500,000	500,000
<b>TOTAL OREGON ZOO ASSET MANAGEMENT FUND (RENEWAL AND REPLACEMENT)</b>		<b>\$1,625,100</b>	<b>\$970,800</b>	<b>\$1,010,608</b>	<b>\$1,463,000</b>	<b>\$1,308,000</b>	<b>\$6,377,508</b>
<b>TOTAL OREGON ZOO (19 Projects)</b>		<b>\$9,045,833</b>	<b>\$16,928,200</b>	<b>\$21,354,768</b>	<b>\$2,784,481</b>	<b>\$1,408,000</b>	<b>\$51,521,282</b>

**Major Funding Sources**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>Total</b>
Fund Balance- New Capital	1,090,000	450,000	100,000	100,000	100,000	1,840,000
Fund Balance- Renewal and Replacement	1,625,100	970,800	1,010,608	1,463,000	1,308,000	6,377,508
G.O. Bonds- Zoo	6,330,733	15,507,400	20,244,160	1,221,481	-	43,303,774
<b>OREGON ZOO DEPARTMENT TOTAL</b>	<b>\$9,045,833</b>	<b>\$16,928,200</b>	<b>\$21,354,768</b>	<b>\$2,784,481</b>	<b>\$1,408,000</b>	<b>\$51,521,282</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

maximum benefit for its investments in major facilities and equipment requires an ongoing financial commitment.

- 1.3.4 Capital and renewal and replacement projects shall support Metro's MWESB procurement goals, including the Sheltered Market and FOTA program and the goals of Metro's Diversity Action Plan.
- 1.3.5 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. Debt financing should be utilized only for new projects or complete replacement of major capital assets.
- 1.3.6 Capital and renewal and replacement projects should support implementation of Metro's Sustainability Plan.
- 1.3.7 Projects shall be analyzed in light of environmental, regulatory, economic, historical and cultural perspectives, as well as the capacity of the infrastructure and the availability of resources for ongoing maintenance needs.
- 1.3.8 All approved capital projects shall be consistent with relevant goals and strategic plans as adopted by departments, the Metropolitan Exposition Recreation Commission ("MERC"), or the Metro Council.
- 1.3.9 A financial feasibility analysis shall be performed before any capital project, regardless of cost, is submitted to the Metro Council, MERC Commission, Chief Operating Officer, or General Manager of Visitor Venues for approval. The financial feasibility analysis shall include an analysis of the financial impact on the operating fund balance, return on investment, the availability and feasibility of funding sources, and cost estimates for the capital project. The analysis shall also identify the financial impact of the following requirements:
  - 1.3.9.1 Any public art funding requirements imposed by the Metro Code, the facility's owner, or any other applicable law;
  - 1.3.9.2 All required licenses, permits, certificates, design approval documents, and similar documents required by any authority; and
  - 1.3.9.3 Any contractual or legal requirements that apply to the proposed capital project.
- 1.3.10 In the capital project planning and review process, the Metro Council, MERC Commission, Chief Operating Officer, and General Manager shall be guided by the following financing principles:
  - 1.3.10.1 Funds shall be expended only on capital projects that meet identified strategic priorities.
  - 1.3.10.2 Funds shall be expended only on capital projects for which an analysis of funding options has been conducted. This analysis shall include evaluation of all funding options (donations, revenue generation by the project, intrafund transfers, proposed borrowing), and an analysis of the capital project's strategic priority, useful life, revenue sources, and repayment options.
  - 1.3.10.3 Funds shall be expended only on new projects that include identified and protected funding sources for a renewal and replacement reserve to ensure that the value of the capital asset can be maintained.
  - 1.3.10.4 Funds shall be expended only on projects for which a funding source for operational requirements has been identified.
  - 1.3.10.5 Metro's Adopted Budget should include undesignated contingency funds to permit MERC and other departments with capital project responsibilities to respond to unexpected events or opportunities.

## **Section 2: Definitions**

- 2.1 Capital asset – An item permanent in nature with future service capacity and used in operations, having an initial useful life of over one year, tangible or intangible, and held for purposes other than investment or resale with a cost

(or fair market value if donated) equal to or greater than the capitalization threshold established for the asset category included later in this policy.

- 2.2 Capital maintenance – Expenditures for repair and maintenance services not provided directly by Metro personnel. These costs are relatively minor alterations, ordinary and routine repair or effort necessary to preserve or repair an asset due to normal wear and tear so that it achieves its initial planned useful life. While not capitalized, significant capital maintenance projects (those with costs equal to or greater than \$50,000) must be included in the CIP and obtain Council authorization.
- 2.3 Total cost accounting – An analysis that includes the total initial acquisition cost of an asset as well as all operating costs for the expected useful life of the asset.
- 2.4 Renewal and replacement – Construction, reconstruction or major renovation on capital assets. Renewal and replacement does not include relatively minor alteration, ordinary repair or maintenance necessary to preserve or repair an asset.
- 2.5 Return on investment (ROI) – A calculation of the financial gains or benefits that can be expected from a project. ROI is represented as a ratio of the expected financial gains (benefits) of a project divided by its total costs.

### **Section 3: New Capital Projects**

- 3.1 All new capital projects over \$50,000 must be approved as part of the annual budget process. New project requests must comply with any other applicable Metro program or process requirements, including all Construction Project Management Office requirements and Metro’s Green Building Policy.
- 3.2 New projects over \$50,000 identified during the course of the fiscal year require approval as follows:
  - 3.2.1 If the project does not require additional budgetary authority, the project may be approved by the Chief Operating Officer, or their designee.
  - 3.2.2 If the project requires additional budgetary authority, the project must be approved by the Metro Council.
  - 3.2.3 For Capital projects with a total anticipated cost of less than \$100,000 at the MERC venues, the General Manager of Visitor Venues may approve the project if sufficient budgetary authority is available.
  - 3.2.4 Any capital project at the MERC venues with a total anticipated cost of \$100,000 or more also requires approval by the MERC Commission.
- 3.3 Emergency capital projects may be approved as follows:
  - 3.3.1 The Chief Operating Office or their designee may approve capital projects with a total anticipated cost of \$50,000 or more.
  - 3.3.2 The MERC Commission delegates to the General Manager or their designee the authority to approve capital projects with a total anticipated cost of \$100,000 or more.
  - 3.3.3 In the event an emergency capital project is approved, that approval shall be reported as follows:
    - 3.3.3.1 The Chief Operating Officer shall report the approval to the Metro Council.
    - 3.3.3.2 The General Manager shall report the approval to the MERC Commission at the next regular Commission Meeting.

### **Section 4: Renewal and Replacement**

- 4.1 The intent of Renewal and Replacement reserves is to ensure that sufficient resources are available for capital maintenance or replacement so that Metro’s capital assets meet or exceed their estimated useful life. The Renewal and

Replacement Reserve for each operating fund with major capital assets should initially be established based on the value of the asset and consideration of known best asset management practices.

- 4.2 General Guidelines – Renewal and replacement reserves and projects should be managed according to the following guidelines:
- 4.2.1 Renewal and replacement reserves are not intended to fund major capital assets such as building replacements or significant structural upgrades.
  - 4.2.2 Renewal and replacement reserves are not intended to fund routine maintenance activities. Routine maintenance should be included in facility operating budgets. If routine maintenance costs for an asset are increasing, renewal and replacement projects may be moved forward in the schedule if the project can be shown to reduce operating and/or maintenance costs.
  - 4.2.3 Facility managers should perform annual facility assessments to review renewal and replacement schedules.
  - 4.2.4 All renewal and replacement projects should incorporate sustainability features that support Metro’s sustainability goals, support adopted policies such as the Green Building Policy and Sustainable Procurement Policy and be evaluated on a total cost accounting basis relative to less sustainable options.
  - 4.2.5 New capital projects should be added to renewal and replacement lists upon completion. Asset replacement costs shall initially be based on original asset costs. In future revisions, replacement costs shall be based on acquiring a new asset of equal utility. Increased sustainability features such as efficiency improvements or design changes (e.g. green roof vs. traditional roof design) are not increases in asset utility. Increased estimated replacement costs based on new or improved sustainability features shall be considered in the budget process.
  - 4.2.6 On an annual basis, the Finance and Regulatory Services Director shall determine the minimum asset value for projects to be included in renewal and replacement reserves.
  - 4.2.7 For General Fund assets, the renewal and replacement reserves should be managed to ensure sufficient funding is available to complete all projects for the next 10 years. Enterprise fund renewal and replacement accounts should be managed to ensure that annual contributions are sufficient to fund renewal and replacement projects on an ongoing basis.
- 4.3 Budget Process – During the annual budget process, Department Directors shall submit a list of proposed renewal and replacement projects as part of the annual budget process. The renewal and replacement project lists shall include:
- 4.3.1 Cost estimates for all renewal and replacement projects (including projects carried forward from the prior year) that can be reasonably expected to be completed in the following fiscal year.
  - 4.3.2 Cost estimates for design and/or engineering work necessary to develop the scope and cost of construction project estimates for future renewal and replacement projects.
  - 4.3.3 Any projects with cost estimates above previous replacement cost estimates based on the inclusion of sustainability features in the project design that increase the initial cost of the project.
- 4.4 Renewal and replacement projects shall be included in aggregate in the Capital Improvement Plan for the Proposed Budget for Council Review.
- 4.5 Capital Asset Advisory Committee
- 4.5.1 The Capital Asset Advisory Committee is responsible for providing recommendations to the Director of Finance and Regulatory Services and the Financial Planning Division on the ongoing management of the renewal and replacement reserves for each major fund. The Advisory Committee shall be composed of the following positions (or Designee):
    - Capital Budget Coordinator, Finance and Regulatory Services (Chair)

- Finance Manager, Oregon Zoo
- Finance Manager, MERC Venues
- Finance Manager, Parks and Environmental Services (PES)/Sustainability Center
- Program Director, Parks and Property Stewardship (PES)
- Program Director, Solid Waste Operations (PES)
- Program Director, Natural Areas Program (Sustainability Center)
- Deputy Director, Oregon Zoo Operations
- cPMO Manager, Agency Construction Projects
- Director, Information Services Department

4.5.2 The Committee's responsibilities shall include:

4.5.2.1 Reviewing project lists, changes to project lists and requests for unfunded sustainability improvements to existing projects not already approved by a Budget Committee or other formal advisory group.

4.5.2.2 Providing a recommended renewal and replacement list to the Finance and Regulatory Services Director for inclusion in the Proposed Budget.

4.5.2.3 Providing an annual recommendation to the Finance and Regulatory Services Director for the minimum asset value for the following year.

4.5.2.4 Reviewing the Capital Asset Management Policies annually.

## **Section 5: Capital Improvement Plan (CIP)**

5.1 Metro will 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 CIP includes all Capital and Renewal and Replacement projects with a budget of \$100,000 or more.

5.2 Updates to the CIP may be made at any point during the fiscal year. Updates are required under the following circumstances:

5.2.1 New projects (over \$100,000) that are identified during the fiscal year and need to be initiated prior to the next fiscal year.

5.2.2 Actual or anticipated expenses for projects included in the current year adopted budget increase more than 20% above the original project budget if the original budget amount is less than or equal to \$1,000,000 or 10% if the original budget amount is greater than \$1,000,000.

5.2.3 Actual or anticipated expenses for projects included in the current year adopted budget require an increase in budget appropriation, regardless of the amount of increase above the original project budget.

## **Section 6: Sustainability**

6.1 All project proposals for new capital projects and renewal and replacement projects shall describe how the project supports Metro's Sustainability Plan in its efforts to reduce the environmental impact of Metro operations. When assessing capital or renewal and replacement projects for funding or prioritization, the following sustainability criteria should be applied:

6.1.1 Use total cost of ownership to create project budget projections that consider the costs of operating the asset for its entire useful life, not just the initial costs.

- 6.1.2 Utilize the prioritization criteria in Metro's Sustainability Plan:
  - 6.1.2.1 Strong impacts on Metro's sustainability goals (greenhouse gas emissions, toxics, waste, water quality and habitat).
  - 6.1.2.2 Provide a strong foundation for future sustainable operations work.
  - 6.1.2.3 Leverage other investments (internal or external).
  - 6.1.2.4 Present a strong return on investment (ROI).
  - 6.1.2.5 Reduce operations and maintenance costs over time.
  - 6.1.2.6 Provide strong public visibility and/or public education opportunity.
  - 6.1.2.7 Support the region's economy.
- 6.1.3 Support the requirements and preferred qualifications of Metro's Green Building and Sustainable Procurement administrative procedures.
- 6.1.4 Prioritize projects that, through their implementation, support Metro's MWESB procurement goals, including the Sheltered Market and FOTA programs and related goals of Metro's Diversity Action Plan.
- 6.1.5 Consider economic benefits or return on investment (i.e. simple payback) on projects that have a financial benefit to Metro over the life of the investment.
- 6.2 Capital and renewal and replacement projects should be incorporated into the site-specific work plans developed for each facility that indicate how the Sustainability Plan will be implemented.

## **Section 7: Reporting**

- 7.1 Capital project budget and actual reporting and status reports shall be provided as follows:
  - 7.1.1 Departments shall report to the Chief Operating Officer or designee quarterly.
  - 7.1.2 The General Manager shall report to the MERC Commission quarterly.
  - 7.1.3 The Director of Finance and Regulatory Services shall report to the Metro Council twice annually.



**STAFF REPORT**

IN CONSIDERATION OF RESOLUTION NO. 17-4799, FOR THE PURPOSE OF ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2017-18 THROUGH 2021-22, APPROVING THE METROPOLITAN TOURISM OPPORTUNITY COMPETITIVENESS PROJECTS AND RE-ADOPTING METRO’S FINANCIAL POLICIES

Date: June 22, 2017

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

**BACKGROUND**

A. The Capital Improvement Plan (CIP) for Fiscal Years 2017-18 through 2021-22 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 2017-18 be approved, and project expenditures for FY 2017-18 be appropriated, as amended, in the FY 2017-18 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	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	Total
Information Services	16	2,591,939	786,245	496,181	572,096	585,928	5,032,389
Property and Environmental Services	30	7,974,156	2,716,450	2,521,268	422,555	165,082	13,799,511
Parks and Nature	43	22,047,844	21,126,418	11,406,655	853,335	1,115,376	56,549,628
Visitor Venues- MERC	88	14,276,750	43,395,000	5,205,000	4,870,000	3,930,000	71,676,750
Visitor Venues- Oregon Zoo	19	9,045,833	16,928,200	21,354,768	2,784,481	1,408,000	51,521,282
<b>TOTAL</b>	<b>196</b>	<b>55,936,522</b>	<b>84,952,313</b>	<b>40,983,872</b>	<b>9,502,467</b>	<b>7,204,386</b>	<b>198,579,560</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 Portland Expo Center (\$400,000) for FY 2017-18. The MTOCA funds are appropriated in the General Fund and transferred to MERC as part of the annual budget process. The Expo Center will use the funding to support indirect operating costs 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 2017-18 through 2021-22.

The cost of the 196 projects planned during the five years covered by this CIP is estimated to be \$198.6 million.

This resolution is the formal instrument by which the five-year plan will be adopted. Projects with planned expenditures in FY 2017-18 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 2017-18.

4. **Budget Impacts:** The plan's FY 2017-18 expenditures (\$55.9 million) will be appropriated in the FY 2017-18 Adopted Budget.

#### **RECOMMENDED ACTION**

Resolution No. 17-4799 is an important component of the annual budget process. The Chief Operating Officer recommends adoption.