

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE) RESOLUTION NO. 18-4878
CAPITAL IMPROVEMENT PLAN FOR FISCAL) Introduced by Martha Bennett, Chief
YEARS 2018-19 THROUGH 2022-23 AND) Operating Officer, in concurrence with
RE-ADOPTING METRO'S FINANCIAL POLICIES) Council President Tom Hughes

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 2018-19 through 2022-23 that projects Metro's major capital spending needs over the next five years;

WHEREAS, the Metro Council has reviewed the FY 2018-19 through FY 2022-23 Capital Improvement Plan; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2018-19 budget including the FY 2018-19 through FY 2022-23 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; now therefore

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

1. That the FY 2018-19 through FY 2022-23 Capital Improvement Plan (CIP), summarized in Exhibit A, is hereby adopted.
2. That the FY 2018-19 capital projects from the FY 2018-19 through FY 2022-23 Capital Improvement Plan be included and appropriated in the FY 2018-19 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 2018-19 budget.

ADOPTED by the Metro Council this 21st day of June 2018.



Tom Hughes, Metro Council President

Approved as to Form:



Nathan Sykes, Deputy Metro Attorney

CIP Project Summary by Funding Source for Fiscal Year 2019

Exhibit A
Resolution 18-4878

Department: IS							
	ID	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
EXPO FUND							
VOIP Phone System Upgrade	65701B	198,000	-	-	-	-	198,000
TOTAL IS - EXPO FUND		\$198,000	\$0	\$0	\$0	\$0	\$198,000
GENERAL FUND							
Payroll Project Phase II	11501E	165,000	-	-	-	-	165,000
Honey Badger Horizon 3	13002E	150,000	-	-	-	-	150,000
TOTAL IS - GENERAL FUND		\$315,000	\$0	\$0	\$0	\$0	\$315,000
INFORMATION SVCS R&R SUBFUND							
IS R&R < \$100K	Various	4,973	47,090	42,204	72,374	-	166,641
IMS - Network Management	65200	284,394	248,622	353,503	177,872	158,098	1,222,489
Netapp 3050 (Alex) File Server	ISTBD01	275,000	-	-	-	-	275,000
Website - R&R	ISTBD02	264,113	-	-	-	-	264,113
PeopleSoft LMS	11001E	215,141	-	-	-	-	215,141
PeopleSoft Upgrades	01521	108,758	-	-	-	-	108,758
PeopleSoft Supplier Contract Management Module	65612A	100,000	-	-	-	-	100,000
Printer Consolidation - Acquisition	65110	36,726	9,800	37,400	35,200	-	119,126
KRONOS Timeclocks	65630B	31,084	31,516	31,000	32,000	-	125,600
MRC Wiring Plant (twisted cooper and fiber)	ISTBD03	-	190,236	-	-	-	190,236
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
Palo Alto Firewall (2)	ISTBD04	-	-	120,285	-	-	120,285
TOTAL IS - INFORMATION SVCS R&R SUBFUND		\$1,320,189	\$735,094	\$764,392	\$534,567	\$158,098	\$3,512,340
METRO REG CENTER R&R SUBFUND							
VOIP Phone System Upgrade Phase II	65701C	185,749	-	-	-	-	185,749
VOIP Phone System Upgrade	65701B	46,802	-	-	-	-	46,802
TOTAL IS - METRO REG CENTER R&R SUBFUND		\$232,551	\$0	\$0	\$0	\$0	\$232,551
NEW CAPITAL SUB-FUND							
PeopleSoft Supplier Contract Management Module	65612A	400,000	-	-	-	-	400,000
PeopleSoft Benefits Module	11002E	150,000	-	-	-	-	150,000
PCI-Network Remediation	01570	100,000	-	-	-	-	100,000
TOTAL IS - NEW CAPITAL SUB-FUND		\$650,000	\$0	\$0	\$0	\$0	\$650,000

CIP Project Summary by Funding Source for Fiscal Year 2019

Exhibit A
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PARKS OPERATIONS R&R SUBFUND							
VOIP Phone System Upgrade Phase II	65701C	20,475	-	-	-	-	20,475
TOTAL IS - PARKS OPERATIONS R&R SUBFUND		\$20,475	\$0	\$0	\$0	\$0	\$20,475
PORTLAND'S CENTERS FOR THE ARTS FUND							
VOIP Phone System Upgrade	65701B	110,000	-	-	-	-	110,000
TOTAL IS - PORTLAND'S CENTERS FOR THE ARTS FUND		\$110,000	\$0	\$0	\$0	\$0	\$110,000
TOTAL IS (20 Projects)		\$2,846,215	\$735,094	\$764,392	\$534,567	\$158,098	\$5,038,366

Major Funding Sources

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Fund Balance - Reserve for one-time expenditures	965,000	-	-	-	-	965,000
Fund Balance - Renewal & Replacement	1,628,189	735,094	764,392	534,567	158,098	3,820,340
Fund Balance - Metro Reg Center R&R Subfund	232,551	-	-	-	-	232,551
Fund Balance - Parks Operations R&R Subfund	20,475	-	-	-	-	20,475
IS DEPARTMENT TOTAL:	\$2,846,215	\$735,094	\$764,392	\$534,567	\$158,098	\$5,038,366

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Department: PARKS							
	ID	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
GENERAL FUND							
N. Columbia Slough Bridge	BA011	75,000	-	-	-	-	75,000
Levy Terramet Database Improvement	LS010	55,000	55,000	-	-	-	110,000
TOTAL PARKS - GENERAL FUND		\$130,000	\$55,000	\$0	\$0	\$0	\$185,000
GLENDOVEER GOLF COURSE SUBFUND							
Glendoveer Facility Condition Assessment	GF121	75,000	-	-	72,000	-	147,000
Glendoveer Equipment	GF154	50,000	50,000	50,000	50,000	50,000	250,000
TOTAL PARKS - GLENDOVEER GOLF COURSE SUBFUND		\$125,000	\$50,000	\$50,000	\$122,000	\$50,000	\$397,000
NATURAL AREAS FUND							
Natural Areas Acquisition	TEMP98	7,500,000	7,500,000	-	-	-	15,000,000
Marine Drive Trail	BA020	1,050,000	-	1,250,000	-	-	2,300,000
Chehalem Ridge Comp Plan	LA110	750,000	1,870,000	-	-	-	2,620,000
Columbia Blvd Bridge Crossing	BA010	600,000	3,221,000	-	-	-	3,821,000
Tigard: Fanno Creek Trail	BA040	550,000	-	-	-	-	550,000
Gabbert Hill Access Improvements	LA200	350,000	2,330,000	-	-	550,000	3,230,000
River Island Restoration	BA030	228,000	50,000	-	-	-	278,000
Levy Terramet Database Improvement	LS010	100,000	100,000	100,000	100,000	-	400,000
TOTAL PARKS - NATURAL AREAS FUND		\$11,128,000	\$15,071,000	\$1,350,000	\$100,000	\$550,000	\$28,199,000
PARKS AND NATURAL AREAS LOCAL OPTION LEVY FUND							
Parks Levy Projects < \$100K	Various	420,000	50,000	30,000	45,000	-	545,000
Oxbow Welcome Center	LI005	1,914,351	-	-	-	-	1,914,351
Newell Creek Canyon Nature Park	LA250	1,550,000	-	-	500,000	-	2,050,000
Richardson Creek Restoration Project	LR031	950,000	50,000	-	-	-	1,000,000
Habitat Restoration	PKSTBD51	877,350	2,273,280	2,378,390	2,383,707	-	7,912,727
Core Stewardship	LR900	716,800	734,003	751,619	769,658	-	2,972,080
North Tualatin Mountains Nature Park	LA120	700,000	1,028,000	-	-	400,000	2,128,000
Ambleside Aquatic Restoration	LR1602	550,000	-	-	-	-	550,000
Oxbow Park Stream Restoration	LR240	472,650	15,000	-	-	-	487,650
Borland Infrastructure Phase 2	LR751	325,000	-	-	-	-	325,000
Killin Wetland Access/Site Evaluation	LA300	313,339	-	-	-	-	313,339
Levy: East Council Creek	LA121	150,000	700,000	-	-	-	850,000
3 New Trucks for Park Ops	PKSTBD36	130,000	-	-	-	-	130,000

CIP Project Summary by Funding Source for Fiscal Year 2019

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Chinook: Floats & Gangway	PCK001	105,987	-	750,000	-	-	855,987
ADA Improvements at Park Properties	PKSTBD32	100,000	100,000	100,000	100,000	100,000	500,000
Levy Terramet Database Improvement	LS010	100,000	100,000	100,000	100,000	-	400,000
Blue Lake Curry Space Plan & Furniture Replacement	PKSTBD35	100,000	100,000	-	-	-	200,000
Blue Lake Curry Security Improvements	PKSTBD33	100,000	-	-	-	-	100,000
Grant Butte Nature Park	PKSTBD43	50,000	50,000	-	-	-	100,000
Smith and Bybee Wetlands Water Management	LR403	50,000	50,000	-	-	-	100,000
Blue Lake Infrastructure Improvements - Water System	LI212	-	100,000	-	-	-	100,000
Chehalem Ridge Comp Plan	LA110	-	-	-	-	3,830,000	3,830,000
TOTAL PARKS - PARKS AND NATURAL AREAS LOCAL OPTION LEVY FUND		\$9,675,477	\$5,350,283	\$4,110,009	\$3,898,365	\$4,330,000	\$27,364,134
PARKS CAPITAL SUB-FUND							
Trails: St Johns Prairie	PTR001	150,000	900,000	-	-	-	1,050,000
TOTAL PARKS - PARKS CAPITAL SUB-FUND		\$150,000	\$900,000	\$0	\$0	\$0	\$1,050,000
PARKS OPERATIONS R&R SUBFUND							
Parks R&R Projects < \$100k	Various	193,080	67,700	20,000	154,450	52,500	487,730
Fleet : PARKS	70001P	292,628	131,405	76,615	722,526	268,714	1,491,888
Chinook Landing Improvements	PCK002	100,000	419,000	-	-	2,000,000	2,519,000
Oxbow: Trail System Assessment	POX004	100,000	-	-	-	-	100,000
Blue Lake Park Outdoor Playset	PBL004	62,500	-	-	-	1,000,000	1,062,500
Blue Lake: Fencing	PBL002	45,851	65,000	-	-	-	110,851
Blue Lake Infrastructure Improvements - Water System	LI212	-	48,500	-	-	-	48,500
Cemetery Paving Projects	PKSTBD11	-	-	-	-	240,000	240,000
TOTAL PARKS - PARKS OPERATIONS R&R SUBFUND		\$794,059	\$731,605	\$96,615	\$876,976	\$3,561,214	\$6,060,469
SMITH AND BYBEE WETLANDS FUND							
N. Columbia Slough Bridge	BA011	75,000	-	-	-	-	75,000
Smith and Bybee Wetlands Water Management	LR403	50,000	50,000	-	-	-	100,000
TOTAL PARKS - SMITH AND BYBEE WETLANDS FUND		\$125,000	\$50,000	\$0	\$0	\$0	\$175,000
WILLAMETTE FALLS CAPITAL SUB-FUND							
WF Construction	WF013	7,000,000	2,000,000	2,000,000	2,000,000	-	13,000,000
Willamette Falls Riverwalk	WF010	1,000,000	58,896	-	-	-	1,058,896
TOTAL PARKS - WILLAMETTE FALLS CAPITAL SUB-FUND		\$8,000,000	\$2,058,896	\$2,000,000	\$2,000,000	\$0	\$14,058,896
TOTAL PARKS (39 Projects)		\$30,127,536	\$24,266,784	\$7,606,624	\$6,997,341	\$8,491,214	\$77,489,499

Major Funding Sources

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Fund Balance - General Fund	130,000	55,000	-	-	-	185,000
Fund Balance - Glendoveer Golf Course Subfund	125,000	50,000	50,000	122,000	50,000	397,000
Fund Balance - Parks Capital	150,000	900,000	-	-	-	1,050,000
Fund Balance - Parks Renewal & Replacement Subfund	794,059	731,605	96,615	876,976	3,561,214	6,060,469
Fund Balance - Smith and Bybee Wetlands Fund	125,000	50,000	-	-	-	175,000
Fund Balance - Willamette Falls Capital Sub-Fund	1,000,000	58,896	-	500,000	-	1,558,896
G. O. Bonds - Natural Areas	11,128,000	13,290,489	1,350,000	100,000	550,000	26,418,489
Local Option Levy Fund	8,894,490	5,350,283	4,110,009	3,898,365	4,330,000	26,583,147
Grants / Funding From Other Agencies	7,780,987	3,780,511	2,000,000	1,500,000	-	15,061,498
<u>PARKS DEPARTMENT TOTAL:</u>	\$30,127,536	\$24,266,784	\$7,606,624	\$6,997,341	\$8,491,214	\$77,489,499

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Department: PES							
	ID	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
GENERAL FUND							
MRC Fire Stoppage	01332	203,275	-	-	-	-	203,275
TOTAL PES - GENERAL FUND		\$203,275	\$0	\$0	\$0	\$0	\$203,275
METRO REG CENTER R&R SUBFUND							
MRC: HVAC and BAS Upgrades	MRC001	3,941,234	-	-	-	-	3,941,234
MRC Roof Rplcmnt-Phase 2	01320A	2,430,344	-	-	-	-	2,430,344
MRC Bldg Envlp Rprs-Phase 2	01325A	717,000	-	-	-	-	717,000
MRC Daycare Improvements	MRC003	200,000	-	-	-	-	200,000
MRC Security System	01503	90,000	-	-	-	-	90,000
MRC Wayfinding	PSTBD025	50,000	100,000	-	-	-	150,000
Table 6 Tenant Improvements	MRC002	49,302	-	-	-	-	49,302
MRC IS System Upgrades	PSTBD029	-	300,000	-	-	-	300,000
MRC Concrete Repairs	PSTBD004	-	100,000	400,000	-	-	500,000
MRC Kitchen, Bathroom and ADA Upgrades	PSTBD030	-	100,000	100,000	100,000	100,000	400,000
Fleet: MRC	70001M	-	51,409	30,655	31,853	106,867	220,784
MRC Elevator Modernization	PSTBD006	-	-	600,000	600,000	600,000	1,800,000
MRC Irving Garage Concrete and Steel	PSTBD011	-	-	600,000	600,000	-	1,200,000
MRC Lighting Upgrades	PSTBD031	-	-	-	150,000	550,000	700,000
MRC Plaza Drainage	PSTBD032	-	-	-	140,000	560,000	700,000
TOTAL PES - METRO REG CENTER R&R SUBFUND		\$7,477,880	\$651,409	\$1,730,655	\$1,621,853	\$1,916,867	\$13,398,664
NEW CAPITAL SUB-FUND							
MRC Furniture Reconfiguration	MRC005	-	700,000	350,000	900,000	650,000	2,600,000
MRC Underground Garage Entrance	PSTBD026	-	250,000	-	-	-	250,000
MRC Emergency Generator	MRC004	-	140,000	560,000	-	-	700,000
MRC Central UPS System	PSTBD023	-	50,000	200,000	-	-	250,000
MRC Lobby Security Improvements	PSTBD028	-	-	350,000	-	-	350,000
TOTAL PES - NEW CAPITAL SUB-FUND		\$0	\$1,140,000	\$1,460,000	\$900,000	\$650,000	\$4,150,000
SOLID WASTE GENERAL ACCOUNT							
MSS Land Addition	SWTBD08	3,000,000	-	-	-	-	3,000,000
New Facility CRC Design	SWTBD18	150,000	1,000,000	500,000	500,000	350,000	2,500,000
MCS HHW - Widen Exit Road	SWTBD17	100,000	-	-	-	-	100,000
Metro Paint Processing Room Expansion	SWTBD16	50,000	300,000	1,150,000	-	-	1,500,000

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MCS Bay 4 Improvements for Organics	SWTBD15	-	250,000	1,250,000	-	-	1,500,000
New Facility CRC Construction	SWTBD19	-	-	-	8,750,000	8,750,000	17,500,000
TOTAL PES - SOLID WASTE GENERAL ACCOUNT			\$3,300,000	\$1,550,000	\$2,900,000	\$9,250,000	\$9,100,000
SOLID WASTE LANDFILL CLOSURE							
SJLF Flare Replacement	77002	740,000	-	-	-	-	740,000
St. Johns Landfill - Remediation	76995	100,000	300,000	-	-	-	400,000
TOTAL PES - SOLID WASTE LANDFILL CLOSURE			\$840,000	\$300,000	\$0	\$0	\$1,140,000
SOLID WASTE RENEWAL AND REPLACEMENT							
Metro South: Compactor #1	SMS001	2,600,800	-	-	-	-	2,600,800
Metro Central - Compactor #3	SWTBD04	1,800,000	-	-	-	-	1,800,000
Metro South - Compactor #2	SWTBD06	1,800,000	-	-	-	-	1,800,000
MSS Transfer Scale Replacement	SWTBD20	500,000	-	-	-	-	500,000
MSS Exterior Renovations	SMS003	400,000	-	-	-	-	400,000
Crusher Can / Aerosol Crusher - MSS	77126	200,000	-	-	-	-	200,000
MCS Gate Replacement	SWTBD21	100,000	-	-	-	-	100,000
Metro Central - Annual Concrete Repair	77125	75,000	75,000	75,000	75,000	75,000	375,000
Fleet: Solid Waste	70001S	71,900	124,900	58,150	115,100	129,500	499,550
MSS Annual Concrete Maintenance	77124	50,000	50,000	50,000	50,000	50,000	250,000
Metro Central - Conveyor #1	SWTBD05	-	750,000	-	-	-	750,000
Platform Scale MCS-B	SWTBD03	-	300,000	-	-	-	300,000
SW Branding & Signage	SWTBD22	-	200,000	200,000	-	-	400,000
MCS Exterior Renovations	SWTBD14	-	100,000	400,000	-	-	500,000
Metro Central - Conveyor #3	SWTBD07	-	-	500,000	-	-	500,000
Metro South Bays - 1&2 Ventilations System	76836	-	-	200,000	-	-	200,000
Platform Scale MSS #2	SWTBD02	-	-	-	300,000	-	300,000
Pond Reconstruction and Clean-Up	SWTBD23	-	-	-	150,000	-	150,000
TOTAL PES - SOLID WASTE RENEWAL AND REPLACEMENT			\$7,597,700	\$1,599,900	\$1,483,150	\$690,100	\$254,500
TOTAL PES (47 Projects)			\$19,418,855	\$5,241,309	\$7,573,805	\$12,461,953	\$11,921,367

Major Funding Sources

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Fund Balance - General Fund	203,275	-	-	-	-	203,275
Fund Balance - Metro Reg Center R&R Subfund	3,415,880	51,409	30,655	31,853	106,867	3,636,664
Fund Balance - Solid Waste Landfill Closure	840,000	300,000	-	-	-	1,140,000
Fund Balance - Solid Waste Renewal and Replacement	7,597,700	1,599,900	1,483,150	690,100	254,500	11,625,350
Fund Balance - Solid Waste General Account	3,300,000	1,550,000	2,900,000	9,250,000	9,100,000	26,100,000
Full faith and Credit Bon - MRC Bond	2,101,000	1,740,000	3,160,000	2,490,000	2,460,000	11,951,000
Interfund Loan - SW to MRC	1,961,000	-	-	-	-	1,961,000
<u>PES DEPARTMENT TOTAL:</u>	\$19,418,855	\$5,241,309	\$7,573,805	\$12,461,953	\$11,921,367	\$56,617,289

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Department: EXPO							
	ID	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
EXPO FUND							
Expo Capital Projects < \$100K	Various	102,000	100,000	75,000	75,000	75,000	427,000
Expo - Hall C Refurbishment	8R172	300,000	-	-	-	-	300,000
Expo - Lower Parking Lot 1 Improvements	8N072	200,000	-	-	-	-	200,000
Expo Show Net Rplc	8R211	165,000	-	-	-	-	165,000
Expo - Security Cameras / Access Controls	8R212	157,138	10,000	66,500	50,000	150,000	433,638
Expo - Lighting Control review and install - Halls ABCDE	8R169	150,000	-	-	-	-	150,000
Expo - Hall C Roof Recoat	8R227	125,000	-	-	-	-	125,000
Expo - Parking Lot Asphalt Maintenance / Replacement	8R040	60,000	62,000	64,500	67,080	69,763	323,343
Expo - UP4 New Storage Building	8N079	40,000	250,000	-	-	-	290,000
Expo - Expo Website Update	8R229	40,000	100,000	-	-	-	140,000
Expo - Facility Wide Door review / install / security	8R230	20,000	150,000	-	-	-	170,000
Expo - Hall A Carpet and Paint	8R231	10,000	90,000	-	-	-	100,000
Expo - Halls ABC Interior and Exterior Paint (R&R)	EXTBD12	-	120,000	120,000	-	-	240,000
Expo - Hall D Storage Office Conversion	EXTBD18	-	35,000	300,000	-	-	335,000
Expo - Hall D Kitchen Office Conversion	EXTBD17	-	20,000	300,000	-	-	320,000
Electronic Reader Board Upgrade	EXTBD59	-	-	100,000	-	-	100,000
Expo - Facility Wide Overhead Door review / install	EXTBD28	-	-	35,000	250,000	-	285,000
Expo - Parking Lot Improvements	EXTBD50	-	-	-	700,000	-	700,000
Expo - Hall D&E HVAC	EXTBD60	-	-	-	135,000	-	135,000
Expo - Hall E Flat Roofs	EXTBD53	-	-	-	35,000	750,000	785,000
TOTAL EXPO - EXPO FUND		\$1,369,138	\$937,000	\$1,061,000	\$1,312,080	\$1,044,763	\$5,723,981
TOTAL EXPO (20 Projects)		\$1,369,138	\$937,000	\$1,061,000	\$1,312,080	\$1,044,763	\$5,723,981

Major Funding Sources

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
TLT Pooled Capital	1,269,138	917,000	661,000	1,312,080	1,044,763	5,203,981
Interfund loan/Other - Capital Contribution - Food & Beverage	-	20,000	400,000	-	-	420,000
Interfund loan/Other - Other Contributions	100,000	-	-	-	-	100,000
EXPO DEPARTMENT TOTAL:	\$1,369,138	\$937,000	\$1,061,000	\$1,312,080	\$1,044,763	\$5,723,981

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Exhibit A
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Department: PCPA							
	ID	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
PORTLAND'S CENTERS FOR THE ARTS FUND							
P'5 Capital Projects < \$100K	Various	140,000	50,000	257,000	75,000	75,000	597,000
Schnitzer Orchestra Shell Replacement	8R092	1,845,000	-	-	-	-	1,845,000
P5 AHH Roof	8R179	1,107,000	1,228,000	-	-	-	2,335,000
Keller Electrical Infrastructure Update	8R155	550,000	-	-	-	-	550,000
KA Generator Fuel Storage	8R214	350,000	-	-	-	-	350,000
P5 ASCH Roof Drains	8R215	250,000	-	-	-	-	250,000
Newmark Main Speakers	8R128	200,000	-	-	-	-	200,000
P5 ASCH Piano Replacement	8R216	200,000	-	-	-	-	200,000
P5 Art Bar/Lobby furniture replacement	8R218	175,000	-	-	-	-	175,000
P5 Portable Concession Kiosks	85105	175,000	-	-	-	-	175,000
P5 ASCH Chamber Lighting	8R177	175,000	-	-	-	-	175,000
Newmark Piano Replacement	8R217	150,000	-	-	-	-	150,000
ASCH Cooling Airflow Study - D&E	8N075	100,000	-	-	-	-	100,000
Keller Fall Arrest	8R219	100,000	-	-	-	-	100,000
P5 ASCH Broadway and Park Marquees	8R220	50,000	800,000	-	-	-	850,000
P5 AHH/ASCH/Keller ADA signage	8R182	30,000	50,000	95,000	-	-	175,000
AHH Stage door area rebuild	8R221	25,000	150,000	-	-	-	175,000
P5 AHH EIFS Replacement Phase III (R&R)	P5TBD28	-	700,000	-	-	-	700,000
ASCH Orchestra concession rebuild	P5TBD77	-	600,000	-	-	-	600,000
KA Catwalk at FOH	P5TBD75	-	350,000	-	-	-	350,000
ASCH Box office rebuild	P5TBD74	-	250,000	-	-	-	250,000
KA Camera/Security System	P5TBD85	-	200,000	-	-	-	200,000
ASCH - Cooling System Replacement	8R120	-	-	1,200,000	-	-	1,200,000
ASCH New Seats	P5TBD84	-	-	600,000	-	-	600,000
KA New PA (Monitors, Amps, Mains)	P5TBD89	-	-	400,000	-	-	400,000
P5 Keller Building HVAC Controls & Stage HVAC Improvements	P5TBD56	-	-	250,000	-	-	250,000
P5 AHH Rotunda/Bistro Carpet Replacement	P5TBD53	-	-	150,000	-	200,000	350,000
AHH 4th and 5th floor remodel	P5TBD92	-	-	150,000	-	-	150,000
P5 Keller Stage Pit Lifts Overhaul	P5TBD66	-	-	-	500,000	-	500,000
P5 AHH Freight Elevator Overhaul	P5TBD72	-	-	-	400,000	-	400,000
P5 Keller Backstage Dressing Tower Elevator	8R175	-	-	-	300,000	-	300,000

CIP Project Summary by Funding Source for Fiscal Year 2019

Exhibit A
Resolution 18-4878

Newmark Seating replacement	P5TBD83	-	-	-	225,000	-	225,000
P5 AHH Brunish Dressing Build-Out	P5TBD46	-	-	-	175,000	-	175,000
Newmark Replace Stage Floor	P5TBD86	-	-	-	100,000	-	100,000
TOTAL PCPA - PORTLAND'S CENTERS FOR THE ARTS FUND		\$5,622,000	\$4,378,000	\$3,102,000	\$1,775,000	\$275,000	\$15,152,000
TOTAL PCPA (34 Projects)		\$5,622,000	\$4,378,000	\$3,102,000	\$1,775,000	\$275,000	\$15,152,000

Major Funding Sources

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Fund Balance - Renewal and Replacement	3,427,000	4,378,000	2,952,000	1,775,000	75,000	12,607,000
Interfund loan/Other - Capital Contribution - Food & Beverage	350,000	-	150,000	-	200,000	700,000
Interfund loan/Other - Other Contributions	1,845,000	-	-	-	-	1,845,000
PCPA DEPARTMENT TOTAL:	\$5,622,000	\$4,378,000	\$3,102,000	\$1,775,000	\$275,000	\$15,152,000

CIP Project Summary by Funding Source for Fiscal Year 2019

Exhibit A
Resolution 18-4878

Department: OCC							
	ID	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
CONVENTION CENTER OPERATING FUND							
OCC Capital Projects < \$100K	Various	230,000	-	-	-	75,000	305,000
OCC - Master Plan Renovation	8R082	29,030,000	2,650,000	-	-	-	31,680,000
OCC Cooling System Rplcmnt	8R188	2,900,000	-	-	-	-	2,900,000
OCC - Lighting Control System	88174	2,255,000	-	-	-	-	2,255,000
OCC - Chair Replacement	8N073	1,300,000	1,500,000	-	-	-	2,800,000
OCC - Orbit Bakery/Front Remodel	8R213	793,000	707,000	-	-	-	1,500,000
Tower/Crown Glazing	8R222	500,000	-	-	-	-	500,000
OCC Elevator Main	8R207	375,000	175,000	-	-	-	550,000
Dragon Cafe HVAC	8R208	275,000	-	-	-	-	275,000
OCC - Integrated Door Access Controls	8N025	260,000	-	-	-	-	260,000
Exterior Waterproofing	8R223	250,000	400,000	-	-	-	650,000
Portable Ticketing Kiosks Purchase	8N076	250,000	-	-	-	-	250,000
OCC - A/V Equipment (NBS)	8R118	150,000	150,000	150,000	150,000	150,000	750,000
OCC - WiFi & Show Network Upgrades	8R226	120,000	120,000	130,000	130,000	130,000	630,000
Operations Office/Guest Service/pacificWild North area renovation	8R224	80,000	900,000	-	-	-	980,000
OCC - Alerton Glbl Cntrlr Upgrd	8R166	60,000	60,000	60,000	-	-	180,000
Water Heater Replacement	8R210	50,000	225,000	-	-	-	275,000
Lobby Lighting Retrofit	OCCTBD59	-	650,000	-	-	-	650,000
Food & Beverage Capital Investment	OCCTBD65	-	618,000	1,325,000	1,325,000	1,325,000	4,593,000
OCC - Table Replacement	OCCTBD44	-	450,000	-	-	-	450,000
AHU Motor Upgrade to VFD Controls	OCCTBD63	-	250,000	-	-	400,000	650,000
Elevator Door & Operator Replacement	OCCTBD62	-	250,000	-	-	-	250,000
Loading Dock Coil Door Replacement	OCCTBD69	-	250,000	-	-	-	250,000
OCC - Public Circulation Furniture Replacement	OCCTBD43	-	175,000	-	-	-	175,000
Mass Notification Consulting & Implementation	OCCTBD68	-	150,000	-	-	-	150,000
Glass Tower Structural Reinforcement	OCCTBD66	-	100,000	800,000	-	-	900,000
OCC - AV Audio System Upgrade	OCCTBD42	-	100,000	750,000	-	-	850,000
Escalator Safety Skirt Brush Installation	OCCTBD61	-	100,000	-	-	-	100,000
OCC - Crbrd Baler & Cnpy	8N067	-	75,000	350,000	-	-	425,000
Electrical Infrastructure Upgrade	OCCTBD64	-	60,000	500,000	500,000	-	1,060,000
Employee Locker Room Renovation	OCCTBD67	-	60,000	400,000	-	-	460,000

CIP Project Summary by Funding Source for Fiscal Year 2019

Exhibit A
Resolution 18-4878

Exhibit Hall Restroom Renovation	OCCTBD70	-	-	224,000	1,700,000	-	1,924,000
ABC Meeting Room Renovation	OCCTBD72	-	-	100,000	6,500,000	-	6,600,000
OCC - Boiler Replacement	OCCTBD29	-	-	75,000	1,800,000	-	1,875,000
VIP B Renovation	OCCTBD71	-	-	70,000	400,000	-	470,000
Interior Digital Signage Additions	OCCTBD73	-	-	-	1,000,000	-	1,000,000
CCTV Security Camera Replacement	OCCTBD81	-	-	-	800,000	-	800,000
Gingko Lane Renovation	OCCTBD75	-	-	-	700,000	5,000,000	5,700,000
Exhibit Hall Sound Panel Replacement	OCCTBD74	-	-	-	500,000	-	500,000
Holladay Suites Renovation	OCCTBD76	-	-	-	60,000	400,000	460,000
DEF Meeting Rooms/Lobbies/Restrooms Renovation	OCCTBD78	-	-	-	-	1,100,000	1,100,000
Holladay & 1st Ave Exterior Improvements	OCCTBD80	-	-	-	-	500,000	500,000
Security Console/Entrance area Renovation	OCCTBD77	-	-	-	-	140,000	140,000
TOTAL OCC - CONVENTION CENTER OPERATING FUND		\$38,878,000	\$10,175,000	\$4,934,000	\$15,565,000	\$9,220,000	\$78,772,000
TOTAL OCC (43 Projects)		\$38,878,000	\$10,175,000	\$4,934,000	\$15,565,000	\$9,220,000	\$78,772,000

Major Funding Sources

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Fund Balance - Renewal and Replacement	31,026,006	3,502,902	-	5,554,108	1,149,404	41,232,419
TLT Pooled Capital	6,345,457	6,528,348	4,655,484	9,552,689	7,522,549	34,604,528
Interfund loan/Other - Capital Contribution - Food & Beverage	1,506,537	143,750	278,516	458,203	548,047	2,935,053
OCC DEPARTMENT TOTAL:	\$38,878,000	\$10,175,000	\$4,934,000	\$15,565,000	\$9,220,000	\$78,772,000

CIP Project Summary by Funding Source for Fiscal Year 2019

Exhibit A
Resolution 18-4878

Department: ZOO							
	ID	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
OREGON ZOO CAPITAL PROJECTS SUB-FUND							
Zoo New Capital < \$100K	ZOOTBD22	300,000	80,000	-	-	-	380,000
Animal Area Cameras	ZOO78	100,000	100,000	100,000	100,000	100,000	500,000
Elephant transfer area modification	ZOOTBD19-2	-	150,000	-	-	-	150,000
Railroad Rolling Stock Replacement	ZRW193	-	-	700,000	-	-	700,000
Black bear stream and pool	ZOOTBD19-3	-	-	200,000	-	-	200,000
Ticket Booth	ZOOTBD19-9	-	-	-	-	120,000	120,000
TOTAL ZOO - OREGON ZOO CAPITAL PROJECTS SUB-FUND		\$400,000	\$330,000	\$1,000,000	\$100,000	\$220,000	\$2,050,000
OREGON ZOO INFRASTRUCTURE/ANIMAL WELFARE FUND							
Polar Bear/Primate/Rhino Habitats	ZIP004	13,613,524	23,003,204	1,440,787	-	-	38,057,515
Generator Replacement	ZII018	625,000	-	-	-	-	625,000
One-Percent for Art Design and Installation	ZIP012	100,000	75,000	-	-	-	175,000
Primate & Rhino Habitat	ZIP005	-	-	-	-	-	-
TOTAL ZOO - OREGON ZOO INFRASTRUCTURE/ANIMAL WELFARE FUND		\$14,338,524	\$23,078,204	\$1,440,787	\$0	\$0	\$38,857,515
OREGON ZOO RENEWAL AND REPLACEMENT SUB-FUND							
Zoo IS Roadmap	ZOOTBD19-7	500,000	150,000	150,000	100,000	100,000	1,000,000
VOIP Installation	ZOOTBD19-6	500,000	-	-	-	-	500,000
Animal Hospital X-Ray Machine	ZOOTBD08	300,000	-	-	-	-	300,000
Website Redesign	ZRW196	200,000	-	-	-	-	200,000
Zoo R&R Projects < \$100K	ZRWSK5	135,000	487,707	80,000	30,000	75,000	807,707
Cascade Crest Elevator	ZVS20	115,000	115,000	-	-	-	230,000
Stellar Cove Digital Control System	ZGFRR07	-	120,000	-	-	-	120,000
Stellar Cove - LSS updates	ZOOTBD11	-	-	-	1,163,578	-	1,163,578
Fleet: ZOO	70001Z	-	-	-	40,154	394,155	434,309
Cascade Crest Epoxy Flooring	ZOOTBD19-5	-	-	-	-	383,168	383,168
Africafe Restroom Remodel	ZOOTBD19-4	-	-	-	-	250,000	250,000
TOTAL ZOO - OREGON ZOO RENEWAL AND REPLACEMENT SUB-FUND		\$1,750,000	\$872,707	\$230,000	\$1,333,732	\$1,202,323	\$5,388,762
TOTAL ZOO (21 Projects)		\$16,488,524	\$24,280,911	\$2,670,787	\$1,433,732	\$1,422,323	\$46,296,277

Major Funding Sources

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Grant - Oregon Zoo Foundation	700,000	330,000	300,000	100,000	220,000	1,650,000
Interfund Loan - SW	-	-	700,000	-	-	700,000
Fund Balance - Zoo Renewal and Replacement	1,450,000	872,707	230,000	1,333,732	1,202,323	5,088,762
G.O. Bonds - Oregon Zoo	14,338,524	23,078,204	1,440,787	-	-	38,857,515
ZOO DEPARTMENT TOTAL:	\$16,488,524	\$24,280,911	\$2,670,787	\$1,433,732	\$1,422,323	\$46,296,277

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. In 2009 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 an improvement in bond ratings and to a 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. 18-4878, FOR THE PURPOSE OF ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2018-19 THROUGH 2022-23 AND RE-ADOPTING METRO’S FINANCIAL POLICIES

Date: June 21, 2018

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

BACKGROUND

A. The Capital Improvement Plan (CIP) for Fiscal Years 2018-19 through 2022-23 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 2018-19 be approved, and project expenditures for FY 2018-19 be appropriated, as amended, in the FY 2018-19 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 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	Total
Information Services	20	2,846,215	735,094	764,392	534,567	158,098	5,038,366
Parks and Nature	39	30,127,536	24,266,784	7,606,624	6,997,341	8,491,214	77,489,499
Property and Environmental Services	47	19,418,855	5,241,309	7,573,805	12,461,953	11,921,367	56,617,289
Visitor Venues- MERC	97	45,869,138	15,490,000	9,097,000	18,652,080	10,539,763	99,647,981
Visitor Venues- Oregon Zoo	21	16,488,524	24,280,911	2,670,787	1,433,732	1,422,323	46,296,277
TOTAL	224	114,750,268	70,014,098	27,712,608	40,079,673	32,532,765	285,089,412

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 the policies align with state laws and regulations, while others establish as agency 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 added to fund balance.

ANALYSIS/INFORMATION

1. **Known Opposition:** None.
2. **Legal Antecedents:** Metro's adopted financial policies require the annual adoption of a Capital Improvement Plan.
3. **Anticipated Effects:** The resolution signifies the Council has reviewed and approved the CIP covering FYs 2018-19 through 2022-23.

The cost of the 224 projects planned during the five years covered by this CIP is estimated to be \$285.1 million.

This resolution is the formal instrument by which the five-year plan will be adopted. Projects with planned expenditures in FY 2018-19 will be incorporated into the adopted budget.

4. **Budget Impacts:** The plan's FY 2018-19 expenditures (\$114.8 million) will be appropriated in the FY 2018-19 Adopted Budget.

RECOMMENDED ACTION

Resolution No. 18-4878 is an important component of the annual budget process. The Chief Operating Officer recommends adoption.