



600 NE Grand Ave.  
Portland, OR 97232-2736

## Council meeting agenda

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Thursday, December 10, 2020

2:00 PM

<https://zoom.us/j/615079992> or  
888-475-4499 (toll free)

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<https://zoom.us/j/615079992>

Please note: To limit the spread of COVID-19, Metro Regional Center is now closed to the public.

This meeting will be held electronically. You can join the meeting on your computer or other device by using this link: <https://zoom.us/j/615079992> or by calling 888-475-4499 (toll free).

If you wish to attend the meeting, but do not have the ability to attend by phone or computer, please contact the Legislative Coordinator at least 24 hours before the noticed meeting time by phone at 503-797-1916 or email at [legislativecoordinator@oregonmetro.gov](mailto:legislativecoordinator@oregonmetro.gov).

### 1. Call to Order and Roll Call

### 2. Public Communication

Public comment may be submitted in writing and will also be heard by electronic communication (videoconference or telephone). Written comments should be submitted electronically by emailing [legislativecoordinator@oregonmetro.gov](mailto:legislativecoordinator@oregonmetro.gov). Written comments received by noon on October 29 will be provided to the council prior to the meeting.

Those wishing to testify orally are encouraged to sign up in advance by either: (a) contacting the legislative coordinator by phone at 503-797-1916 and providing your name and the agenda item on which you wish to testify; or (b) registering by email by sending your name and the agenda item on which you wish to testify to [legislativecoordinator@oregonmetro.gov](mailto:legislativecoordinator@oregonmetro.gov). Those requesting to comment during the meeting can do so by using the "Raise Hand" feature in Zoom or emailing the legislative coordinator at [legislativecoordinator@oregonmetro.gov](mailto:legislativecoordinator@oregonmetro.gov). Individuals will have three minutes to testify unless otherwise stated at the meeting.

### 3. Consent Agenda

- 3.1 Considerations of the Council Meeting Minutes for  
December 3, 2020

[20-5496](#)

Attachments: [Council Meeting Minutes for December 03, 2020](#)

- 3.2 Resolution No. 20-5145, For the Purpose of Confirming the Appointments of Jessica Stetson, Wilson Munoz and Yousif Ibrahim as Community Representatives to the Transportation Policy Alternatives Committee. [RES 20-5145](#)

Attachments: [Resolution 20-5145](#)  
[Staff Report](#)

- 3.3 Resolution No. 20-5150, For the Purpose of Accepting the November 3, 2020, General Election Abstract of Votes for Metro [RES 20-5150](#)

Attachments: [Resolution No. 20-5150](#)  
[Exhibit A to Resolution No. 20-5150](#)  
[Exhibit B to Resolution No. 20-5150](#)

**4. Resolutions**

- 4.1 Resolution No. 20-5143, For the Purpose of Metro Council's Acceptance of the Results of the Independent Audit for Financial Activity During Fiscal Year Ending June 30, 2020. [RES 20-5143](#)

Presenter(s): Brian Evans, Metro  
Brian Kennedy, Metro  
Ashley Osten, Moss Adams

Attachments: [Resolution No. 20-5143](#)  
[Staff Report](#)  
[Affordable Housing Bond Report](#)  
[Metro GAGAS FS Report](#)  
[Metro GAGAS Internal Control Report](#)  
[Metro OMB Report](#)  
[Metro OMS Report](#)  
[Natural Areas Bond Report](#)  
[Oregon Zoo Bond Report](#)  
[Parks and Nature Bond Report](#)  
[CAFR Final](#)  
[Metro Management Letter](#)

- 4.2 Resolution No. 20-5149, For the Purpose of Directing that Willamette Cove be Included in the List of Metro Parks and Natural Areas Eligible for 2019 Bond Funding and Development of a Plan for Public Engagement [RES 20-5149](#)

Presenter(s): Marissa Madrigal, Metro  
Jon Blasher, Metro

Attachments: [Resolution 20-5149](#)  
[Staff Report](#)  
[Exhibit A](#)

- 4.3 Resolution No. 20-5139, For the Purpose of Adopting the National Incident Management System [RES 20-5139](#)

Presenter(s): Courtney Patterson, Metro

Attachments: [Resolution No. 20-5139](#)  
[Staff Report](#)

**5. Ordinances (Second Reading)**

- 5.1 Ordinance No. 20-1451, For the Purpose of Updating Metro Code Chapter 5.10 to Improve Clarity, Remove Outdated Sections and Align with the Regional Waste Plan and to Add a New Metro Code Chapter 5.15 and to Update Definitions in Metro Code Chapter 5.00 [ORD 20-1451](#)

Presenter(s): Jennifer Erickson, Metro

Attachments: [Ordinance No. 20-1451](#)  
[Exhibit A to Ordinance No. 20-1451](#)  
[Exhibit B to Ordinance No. 20-1451](#)  
[Exhibit C to Ordinance No. 20-1451](#)  
[Staff Report](#)  
[Attachment 1 to Staff Report](#)  
[Attachment 2 to Staff Report](#)  
[Attachment 3 to Staff Report](#)  
[Attachment 4 to Staff Report](#)

- 5.2 Ordinance No. 20-1452, For the Purpose of Adding a New Title XI to the Metro Code and a New Chapter 11.01 “Supportive Housing Services Program” within that Title [ORD 20-1452](#)
- Presenter(s): Jes Larson, Metro  
Rachael Lembo, Metro
- Attachments: [Ordinance No. 20-1452](#)  
[Exhibit A to Ordinance No. 20-1452](#)  
[Staff Report](#)
- 5.3 Ordinance No. 20-1453, For the Purpose of Adding a New Metro Code Section 2.19.270 Establishing a Supportive Housing Services Regional Oversight Committee [ORD 20-1453](#)
- Presenter(s): Jes Larson, Metro  
Rachael Lembo, Metro
- Attachments: [Ordinance No. 20-1453](#)  
[Exhibit A to Ordinance No. 20-1453](#)  
[Staff Report](#)
- 5.4 Ordinance No. 20-1454, For the Purpose of Amending Metro Code Title VII to Add New Chapters 7.05 “Income Tax Administration for Personal and Business Taxes”, 7.06 “Personal Income Tax”, and 7.07 “Business Income Tax” [ORD 20-1454](#)
- Presenter(s): Jes Larson, Metro  
Rachael Lembo, Metro
- Attachments: [Ordinance No. 20-1454](#)  
[Exhibit A to Ordinance No. 20-1454](#)  
[Exhibit B to Ordinance No. 20-1454](#)  
[Exhibit C to Ordinance No. 20-1454](#)  
[Staff Report](#)
- 5.5 Resolution No. 20-5148, For the Purpose of Adopting the Supportive Housing Services Work Plan [RES 20-5148](#)
- Presenter(s): Jes Larson, Metro  
Rachael Lembo, Metro
- Attachments: [Resolution No. 20-5148](#)  
[Exhibit A to Resolution No. 20-5148](#)  
[Public Testimony on Exhibit A](#)  
[Staff Report](#)
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6. Chief Operating Officer Communication
7. Councilor Communication
8. Adjourn

# Metro respects civil rights

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### Thông báo về sự Metro không kỳ thị của

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### Повідомлення Metro про заборону дискримінації

Metro з повагою ставиться до громадянських прав. Для отримання інформації про програму Metro із захисту громадянських прав або форми скарги про дискримінацію відвідайте сайт [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). або Якщо вам потрібен перекладач на зборах, для задоволення вашого запиту зателефонуйте за номером 503-797-1700 з 8.00 до 17.00 у робочі дні за п'ять робочих днів до зборів.

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尊重民權。欲瞭解Metro民權計畫的詳情，或獲取歧視投訴表，請瀏覽網站 [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)。如果您需要口譯方可參加公共會議，請在會議召開前5個營業日撥打503-797-1700（工作日上午8點至下午5點），以便我們滿足您的要求。

### Ogeysiiska takooris la'aanta ee Metro

Metro waxay ixtiraamtaa xuquuqda madaniga. Si aad u heshid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshid warqadda ka cabashada takoorista, booqo [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Haddii aad u baahan tahay turjubaan si aad uga qaybqaadatid kullanka dadweyne, wac 503-797-1700 (8 galka hore illaa 5 galka dambe maalmaha shaqada) shan maalmaha shaqo ka hor kullanka si loo tixgaliyo codsashadaada.

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Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1700를 호출합니다.

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### សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានកម្មប័ណ្ណរើសអើងសម្រាប់ទស្សនាគេហទំព័រ [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)។ បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1700 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

### إشعار بعدم التمييز من Metro

تحتزم Metro الحقوق المدنية. للمزيد من المعلومات حول برنامج Metro للحقوق المدنية أو لإيداع شكوى ضد التمييز، يُرجى زيارة الموقع الإلكتروني [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). إن كنت بحاجة إلى مساعدة في اللغة، يجب عليك الاتصال مقدماً برقم الهاتف 503-797-1700 (من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة) قبل خمسة (5) أيام عمل من موعد الاجتماع.

### Paunawa ng Metro sa kawalan ng diskriminasyon

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### Notificación de no discriminación de Metro

Metro respeta los derechos civiles. Para obtener información sobre el programa de derechos civiles de Metro o para obtener un formulario de reclamo por discriminación, ingrese a [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Si necesita asistencia con el idioma, llame al 503-797-1700 (de 8:00 a. m. a 5:00 p. m. los días de semana) 5 días laborales antes de la asamblea.

### Уведомление о недопущении дискриминации от Metro

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### Avizul Metro privind nediscriminarea

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### Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

Metro tributes cai. Rau cov lus qhia txog Metro txoj cai kev pab, los yog kom sau ib daim ntawv tsis txaus siab, mus saib [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Yog hais tias koj xav tau lus kev pab, hu rau 503-797-1700 (8 teev sawv ntxov txog 5 teev tsaus ntuj weekdays) 5 hnuv ua hauj lwm ua ntej ntawm lub rooj sib tham.

**Television schedule for Metro Council meetings**

<p><b>Clackamas, Multnomah and Washington counties, and Vancouver, WA</b>  Channel 30 – Community Access Network  <i>Web site:</i> <a href="http://www.tvctv.org">www.tvctv.org</a>  <i>Ph:</i> 503-629-8534  Call or visit web site for program times.</p>	<p><b>Portland</b>  Channel 30 – Portland Community Media  <i>Web site:</i> <a href="http://www.pcmtv.org">www.pcmtv.org</a>  <i>Ph:</i> 503-288-1515  Call or visit web site for program times.</p>
<p><b>Gresham</b>  Channel 30 - MCTV  <i>Web site:</i> <a href="http://www.metroeast.org">www.metroeast.org</a>  <i>Ph:</i> 503-491-7636  Call or visit web site for program times.</p>	<p><b>Washington County and West Linn</b>  Channel 30– TVC TV  <i>Web site:</i> <a href="http://www.tvctv.org">www.tvctv.org</a>  <i>Ph:</i> 503-629-8534  Call or visit web site for program times.</p>
<p><b>Oregon City and Gladstone</b>  Channel 28 – Willamette Falls Television  <i>Web site:</i> <a href="http://www.wftvmedia.org/">http://www.wftvmedia.org/</a>  <i>Ph:</i> 503-650-0275  Call or visit web site for program times.</p>	

**PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.** Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement and Legislative Coordinator to be included in the meeting record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement and Legislative Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site [www.oregonmetro.gov](http://www.oregonmetro.gov) and click on public comment opportunities.

Agenda Item No. 3.1

**Consideration of the Council Meeting Minutes for December 03, 2020**

*Consent Agenda*

Metro Council Meeting  
Thursday, December 10, 2020



# **Metro**

*600 NE Grand Ave.  
Portland, OR 97232-2736  
oregonmetro.gov*



**Metro**

## **Minutes**

**Thursday, December 3, 2020**

**2:00 PM**

**Revised 12/2**

**This meeting was held virtually**

**Council meeting**

**1. Call to Order and Roll Call**

Deputy Council President Juan Carlos Gonzalez called the Metro Council meeting call to order at 2:02 p.m.

**Present:** 5 - Councilor Sam Chase, Councilor Shirley Craddick, Councilor Craig Dirksen, Councilor Christine Lewis, and Councilor Juan Carlos Gonzalez

**Excused:** 2 - Council President Lynn Peterson, and Councilor Bob Stacey

**2. Public Communication**

There was none.

**3. Consent Agenda**

Approval of the Consent Agenda

**A motion was made by Councilor Lewis, seconded by Councilor Craddick, to adopt items on the consent agenda.**

**The motion passed by the following vote:**

**Aye:** 5 - Councilor Chase, Councilor Craddick, Councilor Dirksen, Councilor Lewis, and Councilor Gonzalez

**Excused:** 2 - Council President Peterson, and Councilor Stacey

3.1 Considerations of the Council Meeting Minutes for November 19, 2020 Minutes

3.2 Resolution No. 20-5144, For the Purpose of Amending One Existing and Adding Two New Projects to the 2021-24 Metropolitan Transportation Improvement Program (MTIP) Impacting Hillsboro, Trimet, and Washington County (NV21-04-NOV)

**4. Resolutions**

4.1 Resolution No. 20-5413, For the Purpose of Re-Adopting Metro Code Chapter 7.04 (Investment Policy) for Fiscal Year 2020-2021

Deputy Council President Gonzalez introduced Mr. Brian Kennedy, Director of Finance and Regulatory Service, to present on Resolution No. 20-5413. Mr. Kennedy explained how Resolution No. 20-5413 would fulfill Oregon law that

governing bodies take action each year re-adopt their investment policy. He mentioned that the policy would not include any changes. Mr. Kennedy reported that technical changes to the policy would be brought to Council in 2021 to ensure all investments align with Metro's values.

*Council Discussion*

Councilor Chase inquired on exhibit A to the resolution in regard to market and return.

**A motion was made by Councilor Chase, seconded by Councilor Lewis, that this item be approved. The motion passed by the following vote:**

**Aye:** 5 - Councilor Chase, Councilor Craddick, Councilor Dirksen, Councilor Lewis, and Councilor Gonzalez

**Excused:** 2 - Council President Peterson, and Councilor Stacey

4.2 Resolution No. 20-5147, For the Purpose of Amending the FY 2020-21 Budget and Appropriations Schedule to Provide Changes in Operations

Deputy Council President Gonzalez introduced Ms. Cinnamon Williams, Financial Planning Director, to present on Resolution No. 20-5147. Ms. Williams discussed the two amendments that included two FTE requests for the general fund, and waste prevention and environmental services department budget reductions to the solid waste fund, to the FY2020-21 budget appropriations schedule to provide changes in operations that was approved by the COO.

*Council Discussion*

There was none.

**A motion was made by Councilor Craddick, seconded by Councilor Dirksen, that this item be approved. The motion passed by the following vote:**

**Aye:** 5 - Councilor Chase, Councilor Craddick, Councilor Dirksen, Councilor Lewis, and Councilor Gonzalez

**Excused:** 2 - Council President Peterson, and Councilor Stacey

**5. Ordinances (First Reading and Public Hearing)**

- 5.1 Ordinance No. 20-1451, For the Purpose of Updating Metro Code Chapter 5.10 to Improve Clarity, Remove Outdated Sections and Align with the Regional Waste Plan and to Add a New Metro Code Chapter 5.15 and to Update Definitions in Metro Code Chapter 5.00

Deputy Council President Gonzalez introduced Ms. Jennifer Erickson, Principal Planner in the Waste Prevention and Environmental Services department, to present on Resolution No. 20-1451. Ms. Erickson provided a brief overview of Metro Code chapter 5.15 in regard to the regional waste plan. She mentioned that the new plan focused on equity since the current code is out of date, and the proposed changes included and would improve multifamily housing recycling and garbage opportunities. She proposed to split the chapter into two chapters rather than one. She also discussed and addressed the public comments received for the proposed changes for multifamily units. Ms. Erikson reported that the proposed rules would require a 30-day comment period if the ordinance was adopted and would be affective in spring of 2021.

*Council Discussion*

Councilor Craddick inquired on the coloring of the metal containers and the change of the glass bin from yellow to orange.

Councilor Chase stressed the importance of making it as clear as possible on how to recycle and how the color coding would assist with this.

Councilor Lewis voiced her appreciation for the color change

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to make it accessible for the consumer and haulers. She requested that staff consider the lower level of services often given to multifamily households.

Deputy Council President Gonzalez commented on the positive change this ordinance would make.

#### 5.1.1 Public Hearing for Ordinance No. 20-1451

Deputy Council President Gonzalez opened up a public hearing on Ordinance No. 20-1451 and requested that those wishing to testify come forward to speak. Seeing none, Deputy Council President Gonzalez gaveled out of the public hearing. He noted that the Metro Council would hold a second hearing and vote on December 10, 2020.

#### 5.2 Resolution No. 20-5148, For the Purpose of Adopting the Supportive Housing Services Work Plan

Deputy Council President Gonzalez introduced Ms. Jes Larson, Housing Policy Program Manager, and Ms. Rachel Lembo, Finance Manager, to present on the Supportive Housing Services package which included Resolution No. 20-5148, Ordinance No. 20-1452, Ordinance No. 20-1453 and Ordinance No. 20-1454. Ms. Larson provided a quick overview of the agenda which included a review of the programmatic code and work plan, work plan draft updates, review of tax code sections, and tax policy options. She reminded the council of the Supportive Housing Services which would fund housing assistance and wrap around services. She discussed codifying measure 26-210 and mentioned the new code chapter as well as the new code section. She reviewed the programmatic work plan which included guiding principles and racial equity, governance, funding distribution and eligible uses, accountability structures and processes, and regional coordination. Ms.

Larson reported on the work plan updates with regard to comments received, which included roles clarified for the oversight committee, annual review for service providers for administrative cost recommendations, and clarity on the tri-county advisory body.

Ms. Rachel Lembo discussed the new tax code chapters, 7.05 income tax administration for personal and business taxes, 7.06 personal income tax, and 7.07 business income tax. She reviewed the apportionment on section 7.07.080, head of household 7.06.030, 7.06.120 employer withholding which included a current method and proposed an alternate. Ms. Lembo discussed current and alternative practices on all of the tax code chapters.

*Council Discussion*

Councilor Dirksen requested clarification on the current and alternatives for the apportionment section 7.07.080.

Councilor Lewis requested more information on apportionment in regard to remote working for employees and how its relation.

Councilor Chase inquired on the status of the State of Oregon having a role in collecting the tax for the measure and asked for clarification on administrative costs.

- 5.3 Ordinance No. 20-1452, For the Purpose of Adding a New Title XI to the Metro Code and a New Chapter 11.01 "Supportive Housing Services Program" within that Title
  - 5.4 Ordinance No. 20-1453, For the Purpose of Adding a New Metro Code Section 2.19.270 Establishing a Supportive Housing Services Regional Oversight Committee
  - 5.5 Ordinance No. 20-1454, For the Purpose of Amending Metro Code
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Title VII to Add New Chapters 7.05 “Income Tax Administration for Personal and Business Taxes”, 7.06 “Personal Income Tax”, and 7.07 “Business Income Tax”

5.5.1 Public Hearing for Resolution 20-5148 and Ordinance No. 20-1452, 20-1453, and 20-1454

Jon Isaacs, Portland Business Alliance: Voiced his support in staff changes, but was still concerned that the revenue sources could lead to legal vulnerability.

Jeff Newgard, member of the SHS tax implementation advisory table: Commented on several concerns the advisory table had on statutory requirements that could lead to legal vulnerability.

John Cook, West Side Economic Alliance: Spoke to the need to educate the public to encourage compliance on the tax implementation code.

Council President Gonzalez requested a unanimous consent to hold the vote for Resolution No. 20-5148 until December 10, 2020 to be considered with the Supportive Housing Services Ordinances. The Council unanimously agreed to hold the voting for the Supportive Housing Services package which included Resolution No. 20-5148, Ordinance No. 20-1452, Ordinance No. 20-1453 and Ordinance No. 20-1454. He noted that the Metro Council would hold a second hearing and vote on December 10, 2020.

**6. Chief Operating Officer Communication**

Ms. Marissa Madrigal reported that Ms. Raahi Reddy, Diversity, Equity and Inclusion program director, was appointed by the Portland City Council to serve the 20-member commission to review and offer amendments to its City Charter.

**7. Councilor Communication**

There was none.

**8. Adjourn**

There being no further business, Deputy Council President Gonzalez adjourned the Metro Council meeting at 3:35 p.m. The Metro Council will convene the next regular Council meeting on December 10 at 2:00 p.m.

Respectfully submitted,



Diadira Pedro-Xuncax, Council Policy Assistant



**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF DECEMBER 03, 2020**

<b>ITEM</b>	<b>DOCUMENT TYPE</b>	<b>DOC DATE</b>	<b>DOCUMENT DESCRIPTION</b>	<b>DOCUMENT No.</b>
<b>2.</b>	Written Testimony	12/03/20	Written Testimony from Kristin Leichner	120320c-01
<b>2.</b>	Written Testimony	12/03/20	Written Testimony from Pamela Treece	120320c-02
<b>3.1</b>	Minutes	12/03/20	Council Meeting Minutes for November 19, 2020	120320c-03
<b>5.2</b>	PowerPoint	12/03/20	Supportive Housing Services Program and Tax Implementation	120320c-04

Agenda Item No. 3.2

**Resolution No. 20-5145, For the Purpose of Appointing New Members to TPAC**  
*Consent Agenda*

Metro Council Meeting  
Thursday, December 10, 2020

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONFIRMING THE APPOINTMENTS OF JESSICA STETSON, WILSON MUNOZ AND YOUSIF IBRAHIM AS COMMUNITY REPRESENTATIVES TO THE TRANSPORTATION POLICY ALTERNATIVES COMMITTEE.

)  
)  
)

RESOLUTION NO. 20-5145

Introduced by: Chief Operating Officer  
Marissa Madrigal in concurrence with  
Council President Lynn Peterson

WHEREAS, Metro Code Sections 2.19.030(b) and 2.19.180(b)(6), and the Transportation Policy Alternatives Committee (TPAC) bylaws, provide that the Metro Council President shall appoint community members of TPAC, subject to confirmation by the Metro Council; and

WHEREAS, TPAC coordinates and guides the regional transportation planning program and makes recommendations to the Joint Policy Advisory Committee on Transportation (JPACT) in accordance with the policy of the Metro Council; and

WHEREAS, TPAC has three vacant regular seats for community representatives for the 2021-22 term and

WHEREAS, the Metro Council President has made the following appointments to fill the TPAC vacancies:

**Appointment, TPAC Community Members 2021-22 Two-Year Term:**

1. Jessica Stetson, Head of Growth at Ride Rapport that empowers cities around the world to bring new, clean forms of transportation and provide ridership data to cities to keep moving. Ms. Stetson resides in Milwaukie.
2. Wilson Muñoz, member of the City of Beaverton's Inclusion and Equity Team and immigrant to Portland in the 1990's with extensive experience in transport logistics.
3. Yousif Ibrahim, youth candidate dedicated to social justice and involved in the Southwest Corridor planning as part of Unite Oregon.

BE IT RESOLVED THAT the Metro Council hereby confirms the Metro Council President's appointment of the foregoing individuals to serve as TPAC community members, for the terms noted above.

ADOPTED by the Metro Council this 10<sup>th</sup> day of December 2020.

\_\_\_\_\_  
Lynn Peterson, Council President

Approved as to Form:

\_\_\_\_\_  
Carrie MacLaren, Metro Attorney

Resolution No. 20-5145

## STAFF REPORT

FOR THE PURPOSE OF CONFIRMING THE APPOINTMENTS OF JESSICA STETSON, WILSON MUNOZ AND YOUSIF IBRAHIM AS COMMUNITY REPRESENTATIVES TO THE TRANSPORTATION POLICY ALTERNATIVES COMMITTEE.

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Date: November 25, 2020  
Department: Planning & Development  
Meeting Date: December 10, 2020

Prepared by: Tom Kloster, TPAC Chair  
(503)797-1832  
[Tom.Kloster@oregonmetro.gov](mailto:Tom.Kloster@oregonmetro.gov)

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## BACKGROUND

### *General Considerations in Making These Recommendations*

Metro's Transportation Policy Alternatives Committee (TPAC) is a 21-member technical committee that advises the Joint Policy Advisory Committee (JPACT) on transportation policy and funding matters. TPAC consists mostly of local and state government representatives, but also includes six community representatives recruited at large. Community members serve in overlapping 2-year terms and are appointed by the Council. Each year, Metro reaches out to the community to fill three 2-year seats on the committee.

Due to COVID-19 constraints on our ability to fully engage with the public for meaningful recruitment processes this year, staff is recommending that two current alternatives to the committee, Wilson Muñoz and Yousif Ibrahim, be promoted to regular two-year terms and that current member Jessica Stetson be appointed to a second two-year term. All three appointments would be effective on January 1, 2021.

- Jessica Stetson is head of growth at Ride Rapport, a company that empowers cities around the world to bring new, clean forms of transportation and provide ridership data to cities to keep moving. Ms. Stetson resides in Milwaukie.
- Wilson Muñoz is member of the City of Beaverton's Inclusion and Equity Team and immigrant to Portland in the 1990's with extensive experience in transport logistics. Mr. Muñoz resides in Hillsboro.
- Yousif Ibrahim is a youth representative dedicated to social justice and involved in the Southwest Corridor planning as part of Unite Oregon. Mr. Ibrahim resides in Tigard.

The following existing TPAC community representatives were appointed by Council in December 2019 and are midway through their two-year terms and will continue to serve through 2021, as well:

- Idris Ibrahim is a youth representative from an immigrant Somali family with experience working with Momentum Alliance. Mr. Ibrahim resides in Tigard.
- Gladys Alvarado is a Latino Network professional, with past experience with La Hacienda and Providence Health Systems and the connections between transportation and public health. Ms. Alvarado resides in East Portland.
- Donovan Smith is an area native and active member of the African American community, with past work with the Portland Harbor cleanup, and writing for the Scanner and Observer. Mr. Smith resides in Northeast Portland.

### **ANALYSIS/INFORMATION**

1. **Known Opposition:** None.
2. **Legal Antecedents:** Metro Code Sections 2.19.030 (a) and (b) and 2.19.180 (b) (6); Metro TPAC Bylaws.
3. **Anticipated Effects:** Approval fills all vacancies for community members on TPAC.
4. **Budget Impacts:** None.

**RECOMMENDED ACTION** Staff recommends the adoption of Resolution No. 20-5145.

Agenda Item No. 3.3

**Resolution No. 20-5150**, For the Purpose of Accepting the November 3, 2020, General Election  
Abstract of Votes for Metro

*Consent Agenda*

Metro Council Meeting  
Thursday, December 10, 2020

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ACCEPTING THE ) RESOLUTION NO. 20-5150  
NOVEMBER 3, 2020 GENERAL ELECTION )  
ABSTRACT OF VOTES FOR METRO ) Metro Attorney Carrie MacLaren in  
) concurrence with Council President  
) Lynn Peterson

WHEREAS, the State of Oregon held a general election on November 3, 2020; and

WHEREAS, the positions of Metro Councilors representing the following districts appeared on the general election ballot:

1. Metro Councilor, Sub District 3
2. Metro Councilor, Sub District 5; and

WHEREAS, Measure 26-218 “Get Moving 2020,” a ballot measure authorizing a tax to fund safety, traffic, and transit improvements and programs, also appeared on the general election ballot; and

WHEREAS, ORS 255.295 requires that the Multnomah County Director of Elections Division canvass the official abstract of votes cast for Metro measures and members of the Metro Council and deliver the official abstract of votes to Metro for acceptance and determination of qualification, and issue certificates of election to the winners; and

WHEREAS, the Metro Charter, Chapter V, section 19 sets forth the qualification criteria for Metro Councilors and the Metro Auditor and provides that the Metro Council “is the judge of the election and qualification of its members”; and

WHEREAS, the abstract of votes and regional results of the general election for the Metro area were received by the Metro Council on November 23, 2020, and are attached to this Resolution as Exhibit A; and

WHEREAS, the Metro Council finds that Gerritt Rosenthal, who received a majority of votes cast at the general election for Metro Councilor, Sub District 3, is qualified to serve as a Metro Councilor pursuant to the terms and conditions of the Metro Charter; and

WHEREAS, the Metro Council finds that Mary Nolan, who received a majority of votes cast at the general election for Metro Councilor, Sub District 5, is qualified to serve as a Metro Councilor pursuant to the terms and conditions of the Metro Charter; and

WHEREAS, Metro Code Title IX Elections, Chapter 9.02.040(d), requires the Metro Council after certification of the election results from the Director of Elections proclaim the results in the records of the Metro Council; now therefore

BE IT RESOLVED:

1. That the Metro Council hereby accepts the results of the abstract of votes for the November 3, 2020 general election, attached as Exhibit A to this Resolution; and

2. That the voters of the Metro Area, Sub District 3, have elected Gerritt Rosenthal for the position of Metro Councilor, for a four-year term commencing on the first Monday of January 2021 and ending on the first Monday of January 2025; and

3. That the voters of the Metro Area, Sub District 5, have elected Mary Nolan for the position of Metro Councilor, for a four-year term commencing on the first Monday of January 2021 and ending on the first Monday of January 2025; and

4. That the voters of the Metro Area have not approved Measure 26-218; and

5. That the Metro Council authorizes Metro Council President Peterson to sign the County Elections Division statement attached to this Resolution as Exhibit B instructing the County elections officer to issue certificates of election to the above persons.

ADOPTED by the Metro Council this \_\_\_\_ day of December, 2020.

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Lynn Peterson, Council President

Approved as to Form:

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Carrie MacLaren, Metro Attorney



Multnomah County Election Results - Metro Councilor, District 5  
 November 3, 2020 General Election  
 All Precincts, Metro Council District 5, All ScanStations, Metro Councilor, District 5, All Boxes

**Metro Councilor, District 5 (Vote for 1)**

Precinct	Total Votes	Mary Nolan	Chris Smith	Write-in	Over Votes	Under Votes
Precinct 3101	1104	724 65.58%	361 32.70%	19 1.72%	0	305
Precinct 3102	293	175 59.73%	114 38.91%	4 1.37%	0	127
Precinct 3301	10468	6685 63.86%	3707 35.41%	76 0.73%	3	2510
Precinct 3303	2961	1960 66.19%	973 32.86%	28 0.95%	1	903
Precinct 3304	450	283 62.89%	164 36.44%	3 0.67%	0	164
Precinct 3602	4725	2981 63.09%	1709 36.17%	35 0.74%	0	1112
Precinct 3603	6421	4078 63.51%	2258 35.17%	85 1.32%	0	1617
Precinct 3604	122	86 70.49%	35 28.69%	1 0.82%	0	50
Precinct 3612	4117	2604 63.25%	1470 35.71%	43 1.04%	0	1094
Precinct 4203	1	1 100.00%	0 0.00%	0 0.00%	0	2
Precinct 4301	7743	4419 57.07%	3262 42.13%	62 0.80%	0	1753
Precinct 4302	8920	5304 59.46%	3541 39.70%	75 0.84%	2	1950
Precinct 4304	6347	3913 61.65%	2391 37.67%	43 0.68%	1	1294
Precinct 4305	7980	4701 58.91%	3211 40.24%	68 0.85%	2	1910
Precinct 4306	1516	915 60.36%	595 39.25%	6 0.40%	0	335
Precinct 4310	7011	3990 56.91%	2978 42.48%	43 0.61%	0	1420
Precinct 4401	7942	4784 60.24%	3055 38.47%	103 1.30%	1	1854
Precinct 4402	7948	4822 60.67%	3005 37.81%	121 1.52%	1	2113
Precinct 4403	6538	3786 57.91%	2701 41.31%	51 0.78%	1	1500
Precinct 4404	7796	4798 61.54%	2930 37.58%	68 0.87%	1	1706
Precinct 4409	1669	1014 60.75%	628 37.63%	27 1.62%	1	492
Precinct 4501	8320	5450 65.50%	2820 33.89%	50 0.60%	0	1828
Precinct 4502	3592	2223 61.89%	1337 37.22%	32 0.89%	0	967
Precinct 4503	3352	2127 63.45%	1204 35.92%	21 0.63%	0	726
Precinct 4505	6091	3811 62.57%	2231 36.63%	49 0.80%	2	1486
Precinct 4506	2649	1647 62.17%	954 36.01%	48 1.81%	0	829
Precinct 4509	2091	1219 58.30%	810 38.74%	62 2.97%	0	696
Precinct 4511	1946	1175 60.38%	702 36.07%	69 3.55%	0	632
Precinct 4512	464	319 68.75%	143 30.82%	2 0.43%	1	133
Precinct 4702	606	311 51.32%	268 44.22%	27 4.46%	0	212
Total	131183	80305 61.22%	49557 37.78%	1321 1.01%	17	31720

**Certificate**

I certify that the votes recorded on this abstract correctly summarize the tally of votes cast at the election indicated.



**Tim Scott, Director of Elections  
 Multnomah County, Oregon**

Multnomah County Election Results - Metro Measure 26-218  
 November 3, 2020 General Election  
 All Precincts, Metro District, All ScanStations, Measure 26-218, All Boxes

**Measure 26-218 (Vote for 1)**

Precinct	Total Votes	Yes	No	Over Votes	Under Votes
Precinct 2701	616	211 34.25%	405 65.75%	1	24
Precinct 2702	840	304 36.19%	536 63.81%	0	39
Precinct 3101	1358	582 42.86%	776 57.14%	0	51
Precinct 3102	402	144 35.82%	258 64.18%	0	18
Precinct 3301	12269	6090 49.64%	6179 50.36%	4	708
Precinct 3303	3686	1445 39.20%	2241 60.80%	0	179
Precinct 3304	589	240 40.75%	349 59.25%	0	25
Precinct 3501	977	391 40.02%	586 59.98%	0	42
Precinct 3502	4811	2064 42.90%	2747 57.10%	0	193
Precinct 3602	5539	2871 51.83%	2668 48.17%	1	297
Precinct 3603	7600	4169 54.86%	3431 45.14%	3	435
Precinct 3604	168	55 32.74%	113 67.26%	0	4
Precinct 3605	2380	955 40.13%	1425 59.87%	0	97
Precinct 3606	1803	815 45.20%	988 54.80%	1	78
Precinct 3607	5635	2502 44.40%	3133 55.60%	0	271
Precinct 3608	4891	2415 49.38%	2476 50.62%	0	282
Precinct 3609	517	167 32.30%	350 67.70%	0	18
Precinct 3610	3561	1442 40.49%	2119 59.51%	0	168
Precinct 3611	5231	2232 42.67%	2999 57.33%	2	265
Precinct 3612	4878	2739 56.15%	2139 43.85%	3	330
Precinct 3801	61	32 52.46%	29 47.54%	0	5
Precinct 3802	8863	3809 42.98%	5054 57.02%	0	371
Precinct 3803	5884	2823 47.98%	3061 52.02%	1	255
Precinct 3804	1268	596 47.00%	672 53.00%	0	40
Precinct 3805	799	343 42.93%	456 57.07%	0	31
Precinct 3806	1977	858 43.40%	1119 56.60%	0	93
Precinct 3807	1115	390 34.98%	725 65.02%	0	36
Precinct 3808	127	65 51.18%	62 48.82%	0	8
Precinct 4101	9033	4512 49.95%	4521 50.05%	0	418
Precinct 4102	4738	2240 47.28%	2498 52.72%	1	262
Precinct 4103	3650	1474 40.38%	2176 59.62%	0	145
Precinct 4203	9956	6198 62.25%	3758 37.75%	5	571
Precinct 4204	8264	4644 56.20%	3620 43.80%	2	371
Precinct 4205	4104	2292 55.85%	1812 44.15%	1	208
Precinct 4207	4861	2795 57.50%	2066 42.50%	0	240
Precinct 4208	3107	1777 57.19%	1330 42.81%	0	148
Precinct 4209	7424	4241 57.13%	3183 42.87%	1	378
Precinct 4210	10077	5313 52.72%	4764 47.28%	3	472
Precinct 4301	9031	5067 56.11%	3964 43.89%	2	463
Precinct 4302	10259	5956 58.06%	4303 41.94%	2	611
Precinct 4304	7282	3816 52.40%	3466 47.60%	4	356
Precinct 4305	9411	4779 50.78%	4632 49.22%	0	481
Precinct 4306	1769	971 54.89%	798 45.11%	0	82
Precinct 4310	8007	4489 56.06%	3518 43.94%	0	424
Precinct 4401	9347	4922 52.66%	4425 47.34%	0	450
Precinct 4402	9561	4766 49.85%	4795 50.15%	2	499
Precinct 4403	7673	4072 53.07%	3601 46.93%	1	365
Precinct 4404	9063	4651 51.32%	4412 48.68%	2	438
Precinct 4409	2049	938 45.78%	1111 54.22%	0	134
Precinct 4501	9749	4220 43.29%	5529 56.71%	3	396
Precinct 4502	4362	2034 46.63%	2328 53.37%	0	197
Precinct 4503	3879	1938 49.96%	1941 50.04%	0	199
Precinct 4505	7249	3484 48.06%	3765 51.94%	0	330
Precinct 4506	3280	1533 46.74%	1747 53.26%	0	198
Precinct 4508	4059	2080 51.24%	1979 48.76%	0	252
Precinct 4509	2614	991 37.91%	1623 62.09%	0	173
Precinct 4510	2248	837 37.23%	1411 62.77%	0	129
Precinct 4511	2431	1010 41.55%	1421 58.45%	0	147
Precinct 4512	564	248 43.97%	316 56.03%	0	34
Precinct 4601	9376	4560 48.63%	4816 51.37%	2	478
Precinct 4602	3635	1539 42.34%	2096 57.66%	1	135
Precinct 4604	5592	2735 48.91%	2857 51.09%	0	402
Precinct 4605	4875	2451 50.28%	2424 49.72%	1	254
Precinct 4606	10013	5303 52.96%	4710 47.04%	1	556

final official

**Measure 26-218 (Vote for 1)**

Precinct	Total Votes	Yes	No	Over Votes	Under Votes
Precinct 4607	3445	1474 42.79%	1971 57.21%	0	255
Precinct 4608	1373	694 50.55%	679 49.45%	1	98
Precinct 4701	2615	951 36.37%	1664 63.63%	0	216
Precinct 4702	763	263 34.47%	500 65.53%	0	55
Precinct 4703	2068	649 31.38%	1419 68.62%	0	110
Precinct 4704	3795	1339 35.28%	2456 64.72%	0	240
Precinct 4705	5099	2212 43.38%	2887 56.62%	0	352
Precinct 4706	3162	1081 34.19%	2081 65.81%	1	201
Precinct 4707	1658	713 43.00%	945 57.00%	0	104
Precinct 4708	3635	1547 42.56%	2088 57.44%	0	237
Precinct 4709	1886	661 35.05%	1225 64.95%	0	102
Precinct 4710	3378	1287 38.10%	2091 61.90%	1	232
Precinct 4801	1382	518 37.48%	864 62.52%	0	89
Precinct 4802	41	20 48.78%	21 51.22%	0	3
Precinct 4803	6954	3359 48.30%	3595 51.70%	0	432
Precinct 4804	1556	716 46.02%	840 53.98%	1	104
Precinct 4805	819	344 42.00%	475 58.00%	0	75
Precinct 4806	1521	535 35.17%	986 64.83%	0	89
Precinct 4807	2885	1163 40.31%	1722 59.69%	0	192
Precinct 4901	51	8 15.69%	43 84.31%	0	1
Precinct 4902	23	3 13.04%	20 86.96%	0	1
Precinct 4903	4595	1695 36.89%	2900 63.11%	0	294
Precinct 4904	8124	2480 30.53%	5644 69.47%	0	511
Precinct 4905	301	53 17.61%	248 82.39%	0	18
Precinct 4906	1360	490 36.03%	870 63.97%	0	106
Precinct 4907	261	82 31.42%	179 68.58%	0	13
Precinct 4908	2244	740 32.98%	1504 67.02%	0	132
Precinct 4909	4235	1536 36.27%	2699 63.73%	1	255
Precinct 4910	3336	1349 40.44%	1987 59.56%	1	256
Precinct 4911	4148	1496 36.07%	2652 63.93%	0	231
Precinct 5001	3926	1548 39.43%	2378 60.57%	1	261
Precinct 5002	7071	2319 32.80%	4752 67.20%	1	376
Precinct 5003	1081	424 39.22%	657 60.78%	0	76
Precinct 5004	6184	1953 31.58%	4231 68.42%	0	326
Precinct 5006	3583	1125 31.40%	2458 68.60%	1	200
Precinct 5007	3551	1238 34.86%	2313 65.14%	0	182
Precinct 5008	3403	934 27.45%	2469 72.55%	2	168
Precinct 5009	1034	349 33.75%	685 66.25%	0	71
Precinct 5101	745	292 39.19%	453 60.81%	0	54
Precinct 5102	4498	1643 36.53%	2855 63.47%	1	281
Precinct 5103	2571	900 35.01%	1671 64.99%	1	170
Precinct 5104	3672	1239 33.74%	2433 66.26%	0	242
Precinct 5105	374	100 26.74%	274 73.26%	0	22
Precinct 5106	1572	554 35.24%	1018 64.76%	0	136
Precinct 5107	1242	323 26.01%	919 73.99%	0	54
Precinct 5202	360	101 28.06%	259 71.94%	0	15
Precinct 5203	1453	304 20.92%	1149 79.08%	0	66
Precinct 5204	3348	926 27.66%	2422 72.34%	0	178
<b>Total</b>	<b>436818</b>	<b>201355 46.10%</b>	<b>235463 53.90%</b>	<b>63</b>	<b>23641</b>

**Certificate**

I certify that the votes recorded on this abstract correctly summarize the tally of votes cast at the election indicated.



**Tim Scott, Director of Elections  
 Multnomah County, Oregon**

**Canvass Results Report**

Official Ballots

Run Time 2:44 PM  
Run Date 11/19/2020

**Clackamas County**

November 3, 2020 General Election

11/3/2020  
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**Official Results**

Registered Voters  
260538 of 308112 = 84.56%  
Precincts Reporting  
117 of 117 = 100.00%

**Metro Councilor, District 3 - Vote for one**

Precinct	Tom Anderson	Gerritt Rosenthal	Miscellaneous Write-In (W)	Cast Votes	Undervotes	Overvotes	Vote by Mail Ballots Cast	Total Ballots Cast	Registered Voters	Turnout Percentage
101	5	2	0	7	1	0	8	8	11	72.73%
201	1,347	1,379	17	2,743	1,545	23	4,311	4,311	4,856	88.78%
202	1,566	1,603	18	3,187	1,709	24	4,920	4,920	5,860	83.96%
203	847	628	5	1,480	864	10	2,354	2,354	2,526	93.19%
204	884	892	18	1,794	909	8	2,711	2,711	3,217	84.27%
251 & 252	725	631	4	1,360	693	2	2,055	2,055	2,260	90.93%
<b>Totals</b>	<b>5,374</b>	<b>5,135</b>	<b>62</b>	<b>10,571</b>	<b>5,721</b>	<b>67</b>	<b>16,359</b>	<b>16,359</b>	<b>18,730</b>	<b>87.34%</b>



**CERTIFIED COPY OF THE ORIGINAL  
SHERRY HALL, COUNTY CLERK**

BY: Sherry Hall

**Canvass Results Report**

Official Ballots

Run Time 2:44 PM  
Run Date 11/19/2020

**Clackamas County**

November 3, 2020 General Election

11/3/2020  
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**Official Results**

Registered Voters  
260538 of 308112 = 84.56%

Precincts Reporting  
117 of 117 = 100.00%

**Measure 26-218: Metro**

Precinct	Yes	No	Cast Votes	Undervotes	Overvotes	Vote by Mail Ballots Cast	Total Ballots Cast	Registered Voters	Turnout Percentage
002	1,743	3,103	4,846	429	0	5,275	5,275	6,618	79.71%
003	1,912	4,405	6,317	499	0	6,816	6,816	8,411	81.04%
004	66	185	251	26	0	277	277	303	91.42%
005	745	1,640	2,385	234	1	2,620	2,620	3,248	80.67%
006	1,156	3,536	4,692	312	2	5,006	5,006	5,719	87.53%
007 & 010	477	960	1,437	159	0	1,596	1,596	2,075	76.92%
031	807	1,644	2,451	174	0	2,625	2,625	3,315	79.19%
032	1,268	2,501	3,769	288	0	4,057	4,057	4,916	82.53%
033	188	361	549	45	0	594	594	735	80.82%
040	66	200	266	22	0	288	288	372	77.42%
051	48	31	79	4	0	83	83	132	62.88%
052	257	420	677	45	0	722	722	836	86.36%
053	2,918	3,652	6,570	442	2	7,014	7,014	8,278	84.73%
055	2,027	3,575	5,602	369	1	5,972	5,972	7,038	84.85%
070 & 071	39	113	152	8	0	160	160	169	94.67%
072	39	62	101	6	0	107	107	124	86.29%
073	71	123	194	10	0	204	204	240	85.00%
074	14	41	55	3	0	58	58	64	90.63%
099 & 100	96	310	406	28	0	434	434	484	89.67%
101	2,155	4,640	6,795	555	0	7,350	7,350	8,776	83.75%

**Canvass Results Report**

Official Ballots

Run Time: 2:44 PM  
Run Date: 11/19/2020

**Clackamas County**

November 3, 2020 General Election

11/3/2020  
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**Official Results**

Registered Voters  
260538 of 308112 = 84.56%

Precincts Reporting  
117 of 117 = 100.00%

**Measure 26-218: Metro**

Precinct	Yes	No	Cast Votes	Undervotes	Overvotes	Vote by Mail Ballots Cast	Total Ballots Cast	Registered Voters	Turnout Percentage
102	205	444	649	64	0	713	713	843	84.58%
103 & 104	1,019	2,466	3,485	230	0	3,715	3,715	4,323	85.94%
105	290	781	1,071	76	0	1,147	1,147	1,334	85.98%
131	1,950	3,921	5,871	418	0	6,289	6,289	7,017	89.63%
132	1,454	2,882	4,336	261	0	4,597	4,597	5,086	90.39%
133	691	1,152	1,843	98	0	1,941	1,941	2,250	86.27%
134	20	52	72	5	0	77	77	82	93.90%
135	1,798	3,184	4,982	293	0	5,275	5,275	5,796	91.01%
151	932	1,546	2,478	139	0	2,617	2,617	2,877	90.96%
153	2,657	4,228	6,885	455	1	7,341	7,341	8,070	90.97%
154	400	522	922	83	0	1,005	1,005	1,090	92.20%
155	218	344	562	40	0	602	602	652	92.33%
156	2,241	3,539	5,780	415	2	6,197	6,197	6,775	91.47%
157	130	177	307	22	0	329	329	376	87.50%
159	2,702	4,066	6,768	497	0	7,265	7,265	8,085	89.86%
160	155	308	463	21	0	484	484	530	91.32%
201	1,571	2,442	4,013	297	1	4,311	4,311	4,856	88.78%
202	1,838	2,717	4,555	363	2	4,920	4,920	5,860	83.96%
203	708	1,514	2,222	131	1	2,354	2,354	2,526	93.19%
204	914	1,601	2,515	196	0	2,711	2,711	3,217	84.27%

**Canvass Results Report**

Official Ballots

Run Time 2:44 PM  
Run Date 11/19/2020

**Clackamas County**

November 3, 2020 General Election

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**Official Results**

Registered Voters  
260538 of 308112 = 84.56%  
Precincts Reporting  
117 of 117 = 100.00%

**Measure 26-218: Metro**

Precinct	Yes	No	Cast Votes	Undervotes	Overvotes	Vote by Mail Ballots Cast	Total Ballots Cast	Registered Voters	Turnout Percentage
251 & 252	681	1,239	1,920	135	0	2,055	2,055	2,260	90.93%
280	518	818	1,336	104	1	1,441	1,441	1,651	87.28%
281	439	732	1,171	85	0	1,256	1,256	1,401	89.65%
282	202	289	491	22	0	513	513	594	86.36%
283	114	321	435	24	0	459	459	498	92.17%
284	106	193	299	2	0	301	301	340	88.53%
320	139	292	431	19	0	450	450	498	90.36%
321	650	1,843	2,493	110	0	2,603	2,603	2,904	89.63%
400	302	1,056	1,358	86	0	1,444	1,444	1,654	87.30%
401	221	964	1,185	58	0	1,243	1,243	1,401	88.72%
402	269	1,207	1,476	74	0	1,550	1,550	1,822	85.07%
403	265	878	1,143	68	0	1,211	1,211	1,401	86.44%
404	84	396	480	29	0	509	509	604	84.27%
405	168	841	1,009	62	0	1,071	1,071	1,273	84.13%
406	0	12	12	0	0	12	12	15	80.00%
410	612	1,018	1,630	167	0	1,797	1,797	2,151	83.54%
411	867	2,066	2,933	261	0	3,194	3,194	3,820	83.61%
412	423	1,271	1,694	111	0	1,805	1,805	2,149	83.99%
413	770	1,306	2,076	173	0	2,249	2,249	3,051	73.71%
414	61	294	355	16	0	371	371	419	88.54%

**Canvass Results Report**

Official Ballots

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**Clackamas County**

November 3, 2020 General Election

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**Official Results**

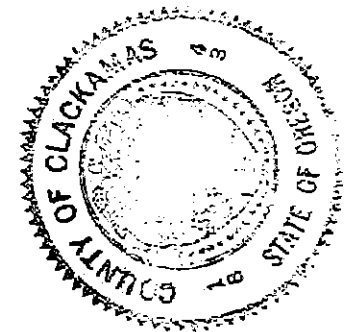
Registered Voters  
260538 of 308112 = 84.56%  
Precincts Reporting  
117 of 117 = 100.00%

**Measure 26-218: Metro**

Precinct	Yes	No	Cast Votes	Undervotes	Overvotes	Vote by Mail Ballots Cast	Total Ballots Cast	Registered Voters	Turnout Percentage
415	24	98	122	6	0	128	128	152	84.21%
416	1,261	2,646	3,907	331	2	4,240	4,240	5,112	82.94%
417 & 418	733	1,536	2,269	211	0	2,480	2,480	2,952	84.01%
419	111	201	312	16	0	328	328	368	89.13%
420	396	724	1,120	81	0	1,201	1,201	1,494	80.39%
421	829	1,887	2,716	195	0	2,911	2,911	3,472	83.84%
422	2,385	3,428	5,813	525	2	6,340	6,340	8,767	72.32%
500	93	211	304	21	0	325	325	370	87.84%
501	1,625	2,215	3,840	299	1	4,140	4,140	4,888	84.70%
502	2,281	3,980	6,261	417	0	6,678	6,678	7,961	83.88%
503	752	1,958	2,710	135	0	2,845	2,845	3,198	88.96%
504	1,582	3,337	4,919	367	0	5,286	5,286	6,427	82.25%
505	40	93	133	9	0	142	142	175	81.14%
506	650	1,502	2,152	159	0	2,311	2,311	2,925	79.01%
510	155	552	707	40	0	747	747	906	82.45%
511	2	3	5	0	0	5	5	10	50.00%
512	270	731	1,001	75	0	1,076	1,076	1,331	80.84%
515	176	301	477	36	0	513	513	640	80.16%
519	47	154	201	13	0	214	214	251	85.26%
<b>Totals</b>	<b>58,288</b>	<b>111,981</b>	<b>170,269</b>	<b>12,304</b>	<b>19</b>	<b>182,592</b>	<b>182,592</b>	<b>214,803</b>	<b>85.00%</b>

**CERTIFIED COPY OF THE ORIGINAL  
SHERRY HALL, COUNTY CLERK**

BY: *Sherry Hall*





Ballots Cast per Contest with Precincts  
 Washington County, Nov 03, 2020 General  
 All Precincts, All Districts, All ScanStations, All Contests, All Boxes  
 Official Results

Total Ballots Cast: 322760, Registered Voters: 384808, Overall Turnout: 83.88%

**Metro Councilor, District 3 (Vote for 1)**

Precinct	Ballots Cast	Reg. Voters	Total Votes	Tom Anderson		Gerrill Rosenthal		Write-In		Over Votes	Under Votes
Precinct 302	2173	2769	1490	754	50.60%	720	48.32%	16	1.07%	1	682
Precinct 303	92	110	52	28	53.85%	24	46.15%	0	0.00%	0	40
Precinct 304	2939	3696	2046	1002	48.97%	1015	49.61%	29	1.42%	0	893
Precinct 320	2837	3527	1982	911	45.96%	1047	52.83%	24	1.21%	0	855
Precinct 322	70	89	40	18	45.00%	21	52.50%	1	2.50%	0	30
Precinct 323	27	30	19	5	26.32%	13	68.42%	1	5.26%	0	8
Precinct 327	570	626	393	169	43.00%	223	56.74%	1	0.25%	0	177
Precinct 349	2656	3479	1860	837	45.00%	989	53.17%	34	1.83%	0	796
Precinct 350	3318	4234	2223	935	42.06%	1263	56.82%	25	1.12%	0	1095
Precinct 351	2832	3766	1965	902	45.90%	1034	52.62%	29	1.48%	1	866
Precinct 354	3934	4532	2709	1211	44.70%	1471	54.30%	27	1.00%	1	1224
Precinct 379	6991	8644	4837	2100	43.42%	2698	55.78%	39	0.81%	0	2154
Precinct 380	6662	7709	4552	1943	42.68%	2574	56.55%	35	0.77%	1	2109
Precinct 383	957	1057	626	232	37.06%	387	61.82%	7	1.12%	0	331
Precinct 384	3220	3607	2180	743	34.08%	1415	64.91%	22	1.01%	0	1040
Precinct 385	2534	2896	1558	628	40.31%	915	58.73%	15	0.96%	0	976
Precinct 388	948	1151	651	280	43.01%	364	55.91%	7	1.08%	0	297
Precinct 389	5844	6852	3844	1743	45.34%	2069	53.82%	32	0.83%	0	2000
Precinct 391	357	452	232	80	34.48%	149	64.22%	3	1.29%	0	125
Precinct 392	235	283	160	41	25.62%	118	73.75%	1	0.62%	0	75
Precinct 393	639	695	416	140	33.65%	273	65.62%	3	0.72%	0	223
Precinct 394	110	147	61	26	42.62%	35	57.38%	0	0.00%	0	49
Precinct 395	7072	8278	4755	2165	45.53%	2547	53.56%	43	0.90%	0	2317
Precinct 396	950	1162	683	331	48.46%	347	50.81%	5	0.73%	0	267
Precinct 397	2595	2978	1708	891	52.17%	788	46.14%	29	1.70%	0	887
Precinct 398	1814	2031	1218	643	52.79%	563	46.22%	12	0.99%	0	596
Precinct 399	2446	2892	1616	718	44.43%	869	53.77%	29	1.79%	0	830
Precinct 400	3918	4759	2649	1245	47.00%	1365	51.53%	39	1.47%	1	1268
Precinct 401	1894	2062	1323	485	36.66%	824	62.28%	14	1.06%	0	571
Precinct 402	7803	9041	5295	2882	54.43%	2355	44.48%	58	1.10%	0	2508
Precinct 404	6084	7381	4228	2085	49.31%	2092	49.48%	51	1.21%	1	1855
Precinct 405	8122	9336	5455	2865	52.52%	2521	46.21%	69	1.26%	1	2666
Precinct 409	4958	5926	3391	1664	49.07%	1683	49.63%	44	1.30%	0	1567
Precinct 410	3195	3687	2129	1080	50.73%	1021	47.96%	28	1.32%	0	1066
Precinct 411	1141	1279	741	414	55.87%	326	43.99%	1	0.13%	0	400
Precinct 412	1925	2219	1260	630	50.00%	625	49.60%	5	0.40%	0	665
Precinct 413	1567	1802	1086	551	50.74%	529	48.71%	6	0.55%	0	481
Precinct 414	514	599	312	166	53.21%	142	45.51%	4	1.28%	0	202
Precinct 415	79	83	50	31	62.00%	19	38.00%	0	0.00%	0	29
Precinct 416	132	141	91	46	50.55%	45	49.45%	0	0.00%	0	41
Precinct 417	1350	1705	921	472	51.25%	442	47.99%	7	0.76%	0	429
Precinct 418	2169	2446	1470	686	46.67%	775	52.72%	9	0.61%	0	699
Precinct 419	1779	1967	1145	553	48.30%	580	50.66%	12	1.05%	1	633
Precinct 420	3540	4141	2579	1286	49.86%	1270	49.24%	23	0.89%	0	961
Precinct 421	304	348	199	95	47.74%	101	50.75%	3	1.51%	0	105
Precinct 423	3240	4211	2325	1128	48.52%	1174	50.49%	23	0.99%	0	915
Precinct 424	4821	5506	3117	1665	53.42%	1410	45.24%	42	1.35%	0	1704
Precinct 425	355	431	220	124	56.36%	92	41.82%	4	1.82%	0	135
Precinct 426	57	66	42	26	61.90%	16	38.10%	0	0.00%	0	15
Precinct 427	37	46	24	15	62.50%	9	37.50%	0	0.00%	0	13
Precinct 428	1754	2232	1244	612	49.20%	625	50.24%	7	0.56%	1	509
Precinct 429	3030	3714	2097	976	46.54%	1095	52.22%	26	1.24%	1	932
Precinct 432	316	378	226	101	44.69%	121	53.54%	4	1.77%	0	90
Precinct 433	2338	2685	1685	816	48.43%	853	50.62%	16	0.95%	0	653
Precinct 434	3783	4484	2563	1206	47.05%	1328	51.81%	29	1.13%	0	1220
Precinct 435	4129	4772	2783	1401	50.34%	1338	48.08%	44	1.58%	0	1346
Precinct 436	2346	2606	1637	894	54.61%	731	44.65%	12	0.73%	0	709
Precinct 437	57	62	40	22	55.00%	18	45.00%	0	0.00%	0	17
Precinct 438	286	329	201	104	51.74%	95	47.28%	2	1.00%	0	85
Precinct 441	75	83	62	23	37.10%	39	62.90%	0	0.00%	0	13
Precinct 442	2804	3231	1876	1029	54.85%	827	44.08%	20	1.07%	0	928
Precinct 444	1	1	1	0	0.00%	1	100.00%	0	0.00%	0	0

Ballots Cast per Contest with Precincts  
 Washington County, Nov 03, 2020 General  
 All Precincts, All Districts, All Scan Stations, All Contests, All Boxes  
 Official Results

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 2020-11-23  
 10:35:26

Total Ballots Cast: 322760, Registered Voters: 384808, Overall Turnout: 83.88%

**Metro Councilor, District 3 (Vote for 1)**

Precinct	Ballots Cast	Reg. Voters	Total Votes	Tom Anderson	Gerritt Rosenthal	Write-In	Over Votes	Under Votes
Total	144725	171431	98343	46854 47.64%	50418 51.27%	1071 1.09%	10	46372



I, **Margaret Garza**, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, do hereby certify this to be a true and correct copy of the original.

Date: November 23, 2020  
 By: M. Garza  
Electors Manager

Ballots Cast per Contest with Precincts  
 Washington County, Nov 03, 2020 General  
 All Precincts, All Districts, All ScanStations, All Contests, All Boxes  
 Official Results

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 2020-11-23  
 10:35:26

Total Ballots Cast: 322760, Registered Voters: 384808, Overall Turnout: 83.88%

**Metro Councilor, District 5 (Vote for 1)**

Precinct	Ballots Cast	Reg. Voters	Total Votes	Mary Nolan		Chris Smith		Write-In		Over Votes	Under Votes
Precinct 365	2793	3051	1928	1339	69.45%	570	29.56%	19	0.99%	0	865
Precinct 366	1939	2277	1289	923	71.61%	352	27.31%	14	1.09%	0	850
Precinct 375	289	317	195	131	67.18%	61	31.28%	3	1.54%	0	94
Precinct 381	239	276	153	101	66.01%	50	32.68%	2	1.31%	0	86
Precinct 407	2020	2201	1369	988	72.17%	367	26.81%	14	1.02%	0	651
<b>Total</b>	<b>7280</b>	<b>8122</b>	<b>4934</b>	<b>3482</b>	<b>70.57%</b>	<b>1400</b>	<b>28.37%</b>	<b>52</b>	<b>1.05%</b>	<b>0</b>	<b>2346</b>



I, **Margaret Garza**, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, do hereby certify this to be a true and correct copy of the original.

Date: November 23, 2020  
 By: M. Garza  
Electronics Manager

Ballots Cast per Contest with Precincts  
 Washington County, Nov 03, 2020 General  
 All Precincts, All Districts, All ScanStations, All Contests, All Boxes  
 Official Results

Total Ballots Cast: 322760, Registered Voters: 384808, Overall Turnout: 83.88%

**M26-218 Metro Traffic Levy (Vote for 1)**

Precinct	Ballots Cast	Reg. Voters	Total Votes	Yes		No		Over Votes	Under Votes
Precinct 302	2173	2769	1999	754	37.72%	1245	62.28%	0	174
Precinct 303	676	909	619	214	34.57%	405	65.43%	0	57
Precinct 304	2939	3696	2720	1023	37.61%	1697	62.39%	0	219
Precinct 306	679	807	631	305	48.34%	326	51.66%	0	48
Precinct 307	1746	2160	1578	582	36.88%	996	63.12%	0	168
Precinct 309	3521	4186	3220	1396	43.35%	1824	56.65%	0	301
Precinct 310	0	0	0	0	0.00%	0	0.00%	0	0
Precinct 312	3	5	2	0	0.00%	2	100.00%	0	1
Precinct 313	4	5	2	1	50.00%	1	50.00%	0	2
Precinct 314	10	9	10	2	20.00%	8	80.00%	0	0
Precinct 317	7	13	7	1	14.29%	6	85.71%	0	0
Precinct 318	2881	3505	2623	969	36.94%	1654	63.06%	1	257
Precinct 319	7013	8646	6418	2782	43.35%	3636	56.65%	0	595
Precinct 320	2837	3527	2603	1073	41.22%	1530	58.78%	0	234
Precinct 322	70	89	60	14	23.33%	46	76.67%	0	10
Precinct 323	27	30	26	13	50.00%	13	50.00%	0	1
Precinct 325	0	0	0	0	0.00%	0	0.00%	0	0
Precinct 327	4526	5521	4115	1734	42.14%	2381	57.86%	0	411
Precinct 328	6	9	6	0	0.00%	6	100.00%	0	0
Precinct 329	8153	9681	7355	3208	43.62%	4147	56.38%	0	798
Precinct 331	2713	3241	2431	1157	47.59%	1274	52.41%	0	282
Precinct 332	2857	3714	2563	1343	52.40%	1220	47.60%	0	294
Precinct 333	4382	5666	3862	2104	54.48%	1758	45.52%	0	520
Precinct 335	3487	3981	3195	1059	33.15%	2136	66.85%	1	291
Precinct 336	2891	3540	2634	969	36.79%	1665	63.21%	0	257
Precinct 337	4049	5437	3632	1421	39.12%	2211	60.88%	0	417
Precinct 338	4687	6352	4315	1653	38.31%	2662	61.69%	0	372
Precinct 339	5308	7188	4831	1905	39.43%	2926	60.57%	0	477
Precinct 340	7030	8253	6567	2266	34.51%	4301	65.49%	0	463
Precinct 341	76	100	69	15	21.74%	54	78.26%	0	7
Precinct 342	40	40	38	15	39.47%	23	60.53%	0	2
Precinct 343	4553	5523	4157	1490	35.84%	2667	64.16%	0	396
Precinct 344	4337	5706	3949	1629	41.25%	2320	58.75%	1	387
Precinct 346	180	226	165	38	23.03%	127	76.97%	0	15
Precinct 348	36	44	32	15	46.88%	17	53.12%	0	4
Precinct 349	2656	3479	2428	1042	42.92%	1386	57.08%	2	226
Precinct 350	3318	4234	2942	1316	44.73%	1626	55.27%	1	375
Precinct 351	2832	3766	2570	1128	43.89%	1442	56.11%	1	261
Precinct 352	1040	1427	918	527	57.41%	391	42.59%	0	122
Precinct 353	2151	2535	2005	895	44.64%	1110	55.36%	0	146
Precinct 354	3934	4532	3634	1508	41.50%	2126	58.50%	0	300
Precinct 355	3283	3992	3023	1275	42.18%	1748	57.82%	0	260
Precinct 356	1898	2458	1762	711	40.35%	1051	59.65%	0	136
Precinct 357	1532	1964	1418	599	42.24%	819	57.76%	0	114
Precinct 358	2929	3441	2731	1236	45.26%	1495	54.74%	0	198
Precinct 359	2726	3305	2478	1188	47.94%	1290	52.06%	0	248
Precinct 360	3210	4030	2962	1468	49.56%	1494	50.44%	1	247
Precinct 361	2244	2866	2027	1163	57.38%	864	42.62%	0	217
Precinct 362	3748	4256	3454	1502	43.49%	1952	56.51%	1	293
Precinct 363	3529	4175	3277	1468	44.80%	1809	55.20%	0	252
Precinct 364	4891	5439	4552	1861	40.88%	2691	59.12%	0	339
Precinct 365	3099	3385	2898	1168	40.30%	1730	59.70%	0	201
Precinct 366	2270	2646	2083	1055	50.65%	1028	49.35%	1	186
Precinct 367	4554	5128	4210	1835	43.59%	2375	56.41%	0	344
Precinct 368	4031	4699	3681	1603	43.55%	2078	56.45%	0	350
Precinct 369	1874	2199	1727	712	41.23%	1015	58.77%	0	147
Precinct 370	2271	2640	2118	803	37.91%	1315	62.09%	0	153
Precinct 371	2346	2685	2210	931	42.13%	1279	57.87%	0	136
Precinct 372	1827	2052	1708	715	41.86%	993	58.14%	0	119
Precinct 374	10	14	7	0	0.00%	7	100.00%	0	3
Precinct 375	289	317	281	110	39.15%	171	60.85%	0	8
Precinct 376	1965	2287	1809	718	39.69%	1091	60.31%	0	156
Precinct 377	2492	2774	2302	937	40.70%	1365	59.30%	0	190



I, *Margaret Garza*, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, do hereby certify this to be a true and correct copy of the original.

Date: *November 23, 2020*  
 By: *Margaret Garza*  
*Margaret Garza*

Ballots Cast per Contest with Precincts  
 Washington County, Nov 03, 2020 General  
 All Precincts, All Districts, All ScanStations, All Contests, All Boxes  
 Official Results

Total Ballots Cast: 322760, Registered Voters: 384808, Overall Turnout: 83.88%

**M26-218 Metro Traffic Levy (Vote for 1)**

Precinct	Ballots Cast	Reg. Voters	Total Votes	Yes		No		Over Votes	Under Votes
Precinct 378	1916	2151	1761	872	49.52%	889	50.48%	0	155
Precinct 379	6991	8644	6402	2883	45.03%	3519	54.97%	0	589
Precinct 380	6662	7709	6091	2481	40.73%	3610	59.27%	1	570
Precinct 381	239	276	223	95	42.60%	128	57.40%	0	16
Precinct 382	2343	3168	2141	941	43.95%	1200	56.05%	0	202
Precinct 383	1098	1217	1002	435	43.41%	567	56.59%	0	96
Precinct 384	3220	3607	2976	1335	44.86%	1641	55.14%	1	243
Precinct 385	2534	2896	2329	992	42.59%	1337	57.41%	0	205
Precinct 386	2883	3216	2665	1017	38.16%	1648	61.84%	0	218
Precinct 387	1308	1509	1194	592	49.58%	602	50.42%	0	114
Precinct 388	948	1151	863	393	45.54%	470	54.46%	1	84
Precinct 389	5844	6852	5307	2163	40.76%	3144	59.24%	0	537
Precinct 390	2277	2615	2077	810	39.00%	1267	61.00%	0	200
Precinct 391	357	452	320	182	56.88%	138	43.12%	0	37
Precinct 392	242	272	220	118	53.64%	102	46.36%	0	22
Precinct 393	639	695	588	250	42.52%	338	57.48%	0	51
Precinct 394	266	336	222	83	37.39%	139	62.61%	0	44
Precinct 395	7072	8278	6390	2765	43.27%	3625	56.73%	0	682
Precinct 396	950	1162	886	367	41.42%	519	58.58%	0	64
Precinct 397	2595	2978	2390	853	35.69%	1537	64.31%	0	205
Precinct 398	1814	2031	1678	544	32.42%	1134	67.58%	0	136
Precinct 399	2446	2892	2267	927	40.89%	1340	59.11%	0	179
Precinct 400	3918	4759	3624	1518	41.89%	2106	58.11%	0	294
Precinct 401	1894	2062	1768	764	43.21%	1004	56.79%	0	126
Precinct 402	7803	9041	7230	2477	34.26%	4753	65.74%	0	573
Precinct 403	1457	1669	1316	533	40.50%	783	59.50%	0	141
Precinct 404	6084	7381	5602	2309	41.22%	3293	58.78%	1	481
Precinct 405	8122	9336	7462	2753	36.89%	4709	63.11%	2	658
Precinct 406	457	593	418	236	56.46%	182	43.54%	0	39
Precinct 407	2020	2201	1861	784	42.13%	1077	57.87%	0	159
Precinct 408	110	132	92	39	42.39%	53	57.61%	0	18
Precinct 409	4958	5926	4511	1899	42.10%	2612	57.90%	0	447
Precinct 410	3195	3687	2921	1131	38.72%	1790	61.28%	0	274
Precinct 411	1141	1279	1042	467	44.82%	575	55.18%	0	99
Precinct 412	1925	2219	1795	670	37.33%	1125	62.67%	0	130
Precinct 413	1567	1802	1442	550	38.14%	892	61.86%	0	125
Precinct 414	514	599	471	152	32.27%	319	67.73%	0	43
Precinct 415	79	83	77	20	25.97%	57	74.03%	0	2
Precinct 416	132	141	119	52	43.70%	67	56.30%	0	13
Precinct 417	1350	1705	1236	522	42.23%	714	57.77%	0	114
Precinct 418	2169	2446	1993	780	39.14%	1213	60.86%	0	176
Precinct 419	1779	1967	1621	489	30.17%	1132	69.83%	0	158
Precinct 420	3540	4141	3299	1214	36.80%	2085	63.20%	0	241
Precinct 421	304	348	276	114	41.30%	162	58.70%	0	28
Precinct 422	10	10	9	1	11.11%	8	88.89%	0	1
Precinct 423	3240	4211	2967	1236	41.66%	1731	58.34%	0	273
Precinct 424	4821	5506	4351	1536	35.30%	2815	64.70%	0	470
Precinct 425	355	431	330	78	23.64%	252	76.36%	0	25
Precinct 426	57	66	54	14	25.93%	40	74.07%	0	3
Precinct 427	37	46	31	11	35.48%	20	64.52%	0	6
Precinct 428	1754	2232	1596	680	42.61%	916	57.39%	0	158
Precinct 429	3030	3714	2770	1107	39.96%	1663	60.04%	1	259
Precinct 432	316	378	277	130	46.93%	147	53.07%	0	39
Precinct 433	2338	2685	2176	793	36.44%	1383	63.56%	0	162
Precinct 434	3783	4484	3493	1383	39.59%	2110	60.41%	0	290
Precinct 435	4129	4772	3792	1278	33.70%	2514	66.30%	0	337
Precinct 436	2346	2606	2170	724	33.36%	1446	66.64%	0	176
Precinct 437	57	62	50	16	32.00%	34	68.00%	0	7
Precinct 438	286	329	268	58	21.64%	210	78.36%	0	18
Precinct 439	1701	1967	1525	751	49.25%	774	50.75%	0	176
Precinct 440	1584	1967	1426	616	43.20%	810	56.80%	0	158
Precinct 441	75	83	74	33	44.59%	41	55.41%	0	1
Precinct 442	2804	3231	2561	863	33.70%	1698	66.30%	0	243

Ballots Cast per Contest with Precincts  
Washington County, Nov 03, 2020 General  
All Precincts, All Districts, All ScanStations, All Contests, All Boxes  
Official Results

Page: 168 of 170  
2020-11-23  
10:35:26

Total Ballots Cast: 322760, Registered Voters: 384808, Overall Turnout: 83.88%

**M26-218 Metro Traffic Levy (Vote for 1)**

Precinct	Ballots Cast	Reg. Voters	Total Votes	Yes	No	Over Votes	Under Votes
Precinct 444	1	1	1	1 100.00%	0 0.00%	0	0
Precinct 445	2	2	2	0 0.00%	2 100.00%	0	0
Total	298734	357710	273740	112504 41.10%	161236 58.90%	17	24977



Department of Community Services

Elections Division • Tim Scott, Director

ORS 255.295 provides for the district election authority to canvass the official abstract of votes cast for members of the district board and to cause the election officer to issue certificates of election to the winners.

Please complete the form and sign it. You can email a scanned copy back us at [elections@multco.us](mailto:elections@multco.us) or mail it back. Once we receive the form back we'll mail you the certificate of election. **Elected board members cannot take office until the certificates of election have been issued.**

\_\_\_\_\_

The district election authority for Metro, in accordance with ORS 255.295, has canvassed the abstract of votes cast on November 3, 2020 for members of the district board.

- Metro Councilor, District 3 – Gerritt Rosenthal
- Metro Councilor, District 5 – Mary Nolan

It has been determined those persons having received the highest number of votes are qualified and the election officer of Multnomah County is hereby instructed to issue certificates of election to said persons. (Any exceptions are noted below.)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of district election authority



Agenda Item No. 4.1

**Resolution No. 20-5143**, For the Purpose of Metro Council's Acceptance of the Results of the Independent Audit for Financial Activity During Fiscal Year Ending June 30, 2020

*Resolutions*

Metro Council Meeting  
Thursday, December 10, 2020



BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF METRO COUNCIL’S ) RESOLUTION NO. 20-5143  
ACCEPTANCE OF THE RESULTS OF THE )  
INDEPENDENT AUDIT FOR FINANCIAL ) Introduced by Chief Operating Officer  
ACTIVITY DURING FISCAL YEAR ENDING ) Marissa Madrigal in concurrence with  
JUNE 30, 2020 ) Council President Lynn Peterson

WHEREAS, Oregon Revised Statute 297.425 requires an annual independent audit of Metro’s financial statements; and

WHEREAS, Metro Code Section 2.15.80 requires the Metro Auditor to appoint the external certified public accountant to conduct certified financial statement audits as specified in state and local laws; and

WHEREAS, Metro engaged in Contract No. 936766 with Moss Adams LLP, independent Certified Public Accountants to provide the following audit services for each of the fiscal years ending June 30, 2020-2022:

- 1. Audit of Metro’s financial statements (including all costs associated with the Comprehensive Annual Financial Report and applicable management recommendations and comments);
- 2. Single Audit and applicable management recommendations and comments;
- 3. Metro Natural Areas Bond Measure Expenditures and applicable management recommendations and comments;
- 4. Oregon Zoo Construction Bond Measure Expenditures and applicable management recommendations and comments; and
- 5. Affordable Housing Bond Measure Expenditures and applicable management recommendations and comments.

WHEREAS, the annual independent audit for fiscal year ended June 30, 2020 has been completed and an unmodified opinion received from Moss Adams LLP; and

WHEREAS, a separate letter was delivered to management and a management plan of action completed; now, therefore,

BE IT RESOLVED that the Metro Council hereby acknowledges and receives the results of the independent audit for fiscal year ended June 30, 2020 (Attachment A) and adopts the corrective action plan as presented therein.

ADOPTED by the Metro Council this 10<sup>TH</sup> day of December 2020.

Approved as to Form:

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Carrie MacLaren, Metro Attorney

Lynn Peterson, Council President

## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 20-5143 FOR THE PURPOSE OF METRO COUNCIL'S ACCEPTANCE OF THE RESULTS OF THE INDEPENDENT AUDIT FOR FINANCIAL ACTIVITY DURING FISCAL YEAR ENDING JUNE 30, 2020

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Date: 11/24/20

Prepared by: Brian Evans  
Metro Auditor  
503-797-1891

### BACKGROUND

Oregon Revised Statute provision 297.425 requires an annual independent audit of Metro's financial statements. The current contract (No. 936766) was awarded to Moss Adams LLP for audit services and is effective May 1, 2020 through April 30, 2023.

Metro Code Chapter 2.15 specifies at Section 2.15.80 that the Auditor shall appoint external certified public accountants to conduct certified financial statement audits. Metro Charter Section 18 also specifies that the auditor shall be responsible for financial auditing of all aspects of Metro's operations.

The Comprehensive Annual Financial Report (CAFR) has been completed by Metro Finance and Regulatory Services. Moss Adams LLP has audited the financial statements and issued an opinion that these statements fairly represent Metro's financial position as of June 30, 2020. The results have been reviewed by the Metro Auditor and Metro Audit Committee members.

### ANALYSIS/INFORMATION

1. **Known Opposition** None

2. **Legal Antecedents**

Oregon Revised Statute provision 297.425 requires an annual independent audit of Metro's financial statements. Metro contract No. 936766 with Moss Adams LLP for audit services will expire on April 30, 2023.

Metro Code Chapter 2.15 specifies at Section 2.15.80 that the Auditor shall appoint external certified public accountants to conduct certified financial statement audits. The Metro Charter Section 18 also specifies that the auditor shall be responsible for financial auditing of all aspects of Metro's operations.

3. **Anticipated Effects**

Finance and Regulatory Services management and staff will review and implement the best practices suggestions as appropriate.

4. **Budget Impacts** None known at this time.

### RECOMMENDED ACTION

The Metro Auditor recommends approval of Resolution No. 20-5143.



## Report of Independent Auditors

Metro Council and Metro Auditor  
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 30, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit A to Resolution No. 18-4898 with regard to the Affordable Housing General Obligation Bonds, Series 2019. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metro's noncompliance with the above-referenced resolution provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of Metro, and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Portland, Oregon  
November 30, 2020

## Report of Independent Auditors

Metro Council and Metro Auditor  
Portland, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Oregon Zoo Foundation, a discretely presented component unit, which represents 100% of the assets, net position, and revenues of the discretely presented component unit of Metro. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Oregon Zoo Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of The Oregon Zoo Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 22 and the required supplementary information as listed in the table of contents on pages 79 through 91, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metro's basic financial statements. The other supplementary information and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, "supplementary information") is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section each as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020, on our consideration of Metro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Metro's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metro's internal control over financial reporting and compliance.

**Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations***

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated November 30, 2020, on our consideration of Metro's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in cursive script that reads "Ashley Oster".

For Moss Adams LLP  
Portland, Oregon  
November 30, 2020



## **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Metro Council and Metro Auditor  
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 30, 2020. Our report includes a reference to other auditors who audited the financial statements of The Oregon Zoo Foundation, as described in our report on Metro's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of The Oregon Zoo Foundation were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Metro's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Metro's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams LLP

Portland, Oregon  
November 30, 2020



## **Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

Metro Council and Metro Auditor  
Portland, Oregon

### **Report on Compliance for the Major Federal Program**

We have audited Metro's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on Metro's major federal program for the year ended June 30, 2020. Metro's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for Metro's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Metro's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Metro's compliance.

#### ***Opinion on the Major Federal Program***

In our opinion, Metro complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

## **Report on Internal Control Over Compliance**

Management of Metro is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Metro's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Moss Adams LLP*

Portland, Oregon  
November 30, 2020

## **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards***

Metro Council and Metro Auditor  
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the provision of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 30, 2020. Our report includes a reference to other auditors who audited the financial statements of The Oregon Zoo Foundation, a discretely presented component unit, as described in our report on Metro's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Metro's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- The accounting records and related internal control structure.
- The use of various depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption, and execution of the annual budgets for fiscal years 2021 and 2020.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.

## **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Metro's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Ashley Oster".

For Moss Adams LLP  
Portland, Oregon  
November 30, 2020



## Report of Independent Auditors

Metro Council and Metro Auditor  
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 30, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit A to Resolution No. 06-3672B with regard to the Natural Areas General Obligation Bonds, Series 2012A and Series 2018. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metro's noncompliance with the above-referenced resolution provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of Metro, and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Portland, Oregon  
November 30, 2020



## Report of Independent Auditors

Metro Council and Metro Auditor  
Portland, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 30, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit A to Resolution No. 08-3945 with regard to the Oregon Zoo General Obligation Bonds, Series 2012A, Series 2016 and Series 2018. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metro's noncompliance with the above-referenced resolution provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of Metro, and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Portland, Oregon  
November 30, 2020



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Metro Council and Metro Auditor  
Portland, Oregon

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In connection with our audit, nothing came to our attention that caused us to believe that Metro failed to comply with the provisions in Exhibit A to Resolution No. 19-4988 with regard to the Parks and Nature General Obligation Bonds, Series 2020A and 2020B. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Metro's noncompliance with the above-referenced resolution provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of Metro, and is not intended to be and should not be used by anyone other than these specified parties.

*Moss Adams LLP*

Portland, Oregon  
November 30, 2020



# Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2020





If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we’ve already crossed paths.

**So, hello. We’re Metro – nice to meet you.**

In a metropolitan area as big as Portland, we can do a lot of things better together. Join us to help the region prepare for a happy, healthy future.

**Stay in touch with news, stories and things to do.**

[oregonmetro.gov](http://oregonmetro.gov)

**Follow oregonmetro**



**Metro Council President**

Lynn Peterson

**Metro Councilors**

Shirley Craddick, District 1

Christine Lewis, District 2

Craig Dirksen, District 3

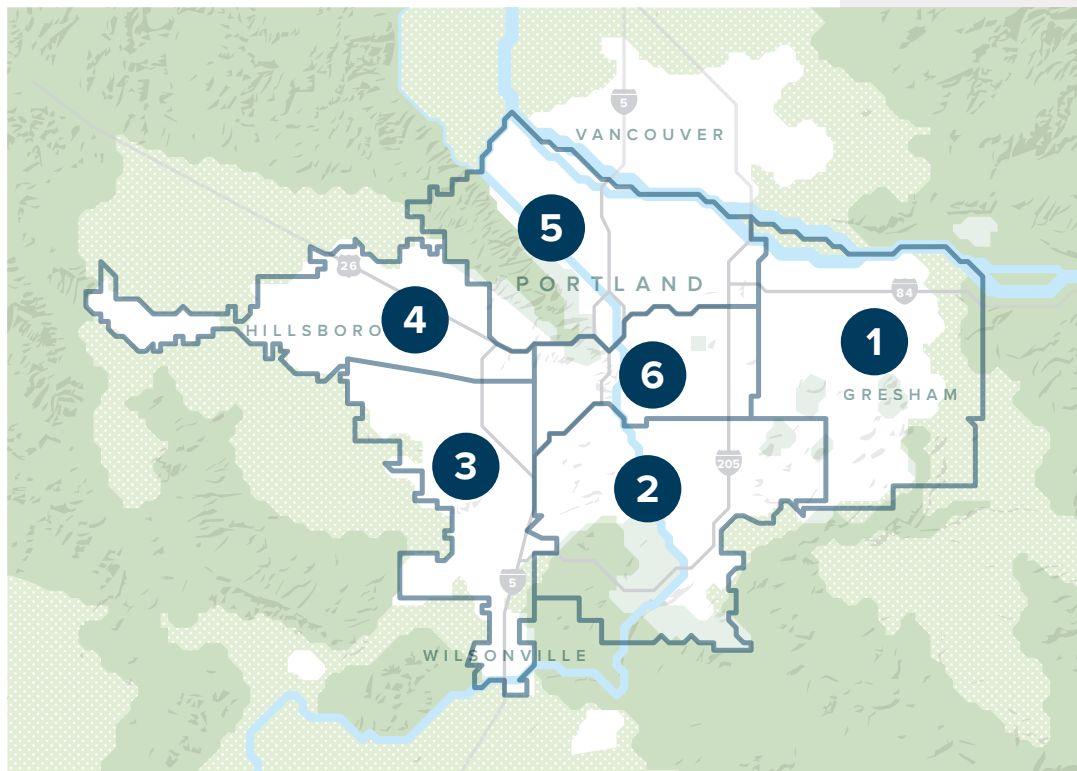
Juan Carlos Gonzalez, District 4

Sam Chase, District 5

Bob Stacey, District 6

**Auditor**

Brian Evans





# **Comprehensive Annual Financial Report**

For the fiscal year ended June 30, 2020

## **Finance and Regulatory Services Department**

Chief Financial Officer  
Brian Kennedy

Deputy Chief Financial Officer  
W. Caleb Ford, CPFO

Prepared by  
Accounting Services Division

Controller  
Somerset Erickson



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November 30, 2020

To the Council and Citizens of the Metro Region:

In accordance with ORS §297.425, we are pleased to present the Comprehensive Annual Financial Report of Metro for the fiscal year ended June 30, 2020, accompanied by the report of Metro's independent auditors, Moss Adams LLP.

This Comprehensive Annual Financial Report (CAFR) presents the financial position of Metro and the results of its operations, as well as cash flows for its proprietary fund types, for the fiscal year ended June 30, 2020. The financial statements and supporting schedules have been prepared by management in accordance with accounting principles generally accepted in the United States of America (GAAP), meet the requirements of the standards as prescribed by the Oregon Secretary of State and are in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada.

The CAFR provides meaningful financial information to legislative bodies, creditors, investors and the public. There are four main sections in this report, including a section with reports from our independent certified public accountants required by Oregon Administrative Rules and federal regulations. These reporting requirements are incorporated in the Minimum Standards for Audits of Municipal Corporations, as prescribed by the Secretary of State, *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Metro management is responsible for the completeness and reliability of all the information and representations presented in this CAFR, based upon a comprehensive internal control framework established for this purpose. This framework is designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that accounting transactions are executed in accordance with management's authorization and properly recorded, so that the financial statements can be prepared in conformity with GAAP. The design and operation of internal controls also ensures that federal and state financial assistance funds are expended in compliance with applicable laws and regulations related to those programs. Because the cost of internal controls should not outweigh their benefits, Metro's comprehensive framework of internal controls has been designed to

provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In accordance with Oregon law, Metro's financial statements have been audited by Moss Adams LLP. The auditor issued an unmodified ("clean") opinion on Metro's financial statements for the year ended June 30, 2020 (see pages 10-12). The independent audit of the financial statements was performed in accordance with applicable auditing standards as described by Moss Adams LLP in their reports included in this document.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### Profile of Metro

Metro crosses city limits and county lines to make our communities safe, livable and ready for tomorrow. From protecting our region's air, water and natural beauty to supporting neighborhoods, businesses and farms that thrive, Metro makes our region a great place. Metro serves more than 1.6 million residents in Clackamas, Multnomah and Washington counties, and the 24 cities in the Portland, Oregon metropolitan area.

The voters of the region approved a constitutional amendment to allow the creation of a home rule-regional government in the Portland metropolitan area in 1990, then a home rule charter for Metro in 1992 and a charter amendment in 2000. Metro is a directly-elected regional government in the United States and is governed by a council president, elected region wide, and six councilors elected by district. The charter established the elected position of Metro Auditor. Ordinances are passed by a simple majority vote of the seven council members.

**Services.** The primary responsibility of Metro, as authorized by its charter, is to provide regional land use planning. The charter further recognizes the significant role Metro has in other regional issues. As such, Metro provides the following services that focus on issues that cross local boundaries:

- **Planning and Development:** Manages the regional urban growth boundary, prepares the Regional Transportation Plan, allocates federal highway and



transit funds for the region, facilitates the creation of affordable housing, and conducts all regional transit and light rail planning.

- **Solid Waste Management:** Operates regional solid waste transfer stations, household hazardous waste facilities, and develops the Regional Solid Waste Management Plan.
- **Parks and Natural Areas:** Provides regional natural areas, parks, and trails, including historical cemeteries, a golf course, and marine facilities. Purchases land and restores natural habitats.
- **Visitor Venues:** Operates the Oregon Zoo, Oregon Convention Center, Portland Expo Center, and the Portland's Centers for the Arts.
- **Research Center:** Provides mapping and technical services, coordinates data and research activities with governmental and other partners, and develops regional economic and travel forecasts.

**Budget.** The annual adopted budget serves as the foundation for Metro's financial planning and control. Metro prepares a budget for each fund in accordance with the legal requirements set forth in Oregon Local Budget Law, ORS §294.305 to §294.565. The Council adopts the budget for all funds by ordinance prior to the beginning of Metro's fiscal year (July 1). Expenditures for each fund cannot legally exceed the appropriation levels set by the authorizing ordinance. Unexpected additional resources and budget revisions may be added to the budget by use of a supplemental budget or, under certain conditions, by an ordinance passed by the Council amending the budget. The original and any supplemental budgets require hearings before the public, publication in newspapers, and approval by the Council. Management may amend the budget *within* the appropriated levels of control without Council approval. Appropriations that have not been expended at year-end lapse and subsequent actual expenditures are charged against the ensuing year's appropriations.

**Reporting Entity.** For financial reporting purposes, Metro is a primary government under generally accepted accounting principles. This report includes all organizations and activities for which the elected officials exercise financial control. In addition, the Oregon Zoo Foundation (OZF) warrants inclusion in the report because of the nature and significance of its relationship with Metro, including its on-going financial support of Metro's Oregon Zoo. The OZF is a legally separate, tax-exempt organization organized to encourage and aid the development of the Oregon Zoo. The financial statements

of OZF are included in this report as a discretely presented component unit.

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which Metro operates.

**Local economy.** The Portland metropolitan region (i.e., the Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area (MSA)) is home to nearly 2.5 million residents, with over 1.6 million of those residing within the Metro boundary. The Portland MSA ranks 25th in the nation of large U.S. metropolitan areas; regional population grew 0.8 percent in 2019 (Census Bureau).

The economic region is comprised of five counties in Oregon and two other counties in Washington State. The region is a hub for financial activities, domestic and international trade, transportation and services for all of Oregon, southwest Washington and the Columbia River basin. The Portland MSA has non-farm payroll employment totaling over 1.2 million jobs (Bureau of Labor Statistics), with over 80 percent of those jobs located inside the Metro boundary.

The region experienced a record-setting economic downturn in the first and second quarter of 2020. The COVID-19 pandemic and state-ordered economic lockdowns hit hardest employment sectors that depended on social density and face-to-face interactions. Businesses and activities that served large gatherings (e.g., public venues), tourism-related (e.g., air travel, hotel/motel lodgings) and personal service providers were initially limited or ordered to close in March and April. Stay-at-home orders for nonessential personnel were in full swing by April. Job cuts during the pandemic peaked above 100,000 employees in the Portland MSA. The regional unemployment rate leaped to a seasonally-adjusted 14.3 percent in April – an unprecedented 11.1 percentage point increase in 1-month (Bureau of Labor Statistics). Unlike other recessions, this one hit with astounding speed and, by any economic measure, was unprecedented.

**Economic outlook.** It is expected that an economic recovery will depend on what happens with the discovery of a vaccine(s) and therapies for treating the coronavirus. Although there are promising therapies emerging now, a vaccine is not likely until mid-2021 and widespread vaccinations may not happen until months later. Fear of the virus will partly dampen the pace of recovery and consumer spending in the meantime. Metro does not expect real US GDP to reach its pre-pandemic peak until

late-2021 and full US employment not until the second half of 2022. Portland saw a resurgence in regional employment activity this summer, but like the US, we expect the strength of the recovery to fade as we approach the 4th quarter. Metro anticipates much of the economic recovery to happen in 2021 and later.

The region is poised to see growth rebound, albeit slower, because of the progress made during the summer. Homeowner asset values and household balance sheets stayed relatively strong considering all that has transpired. Households who kept their jobs were able to repair their balance sheets and payoff accumulated debt. The Federal Reserve's cut in interest rates to the zero effective bound also drove affordability, while demand from first-time home buyers and a relatively tight housing supply escalated home prices. Strong asset valuations will help to boost consumer confidence and drive personal consumption expenditures.

Social distancing measures and pandemic fears are still holding back the job outlook of many parts of the service economy. This is particularly true in industries serving tourism (e.g., lodgings and travel) and industries in which social distancing measures constrain economic function (e.g., restaurants, leisure and recreation). Retail jobs have improved incrementally and so have the other service sectors as they work around social distancing measures.

A harbinger of past business cycles has been turning points in solid waste flows; Metro tracks the amount of garbage thrown away. These estimates reflect the rise and fall of the economy. High-frequency tracking of this data show the contraction abating, but the recovery is far from complete. The recovery will be uneven with perhaps the construction industry and manufacturing as two key sectors leading the rebound. Metro's forecast of regional payroll employment growth indicates a turning point in the recession, but it won't be until the first quarter of 2023 before the region returns to pre-pandemic employment levels.

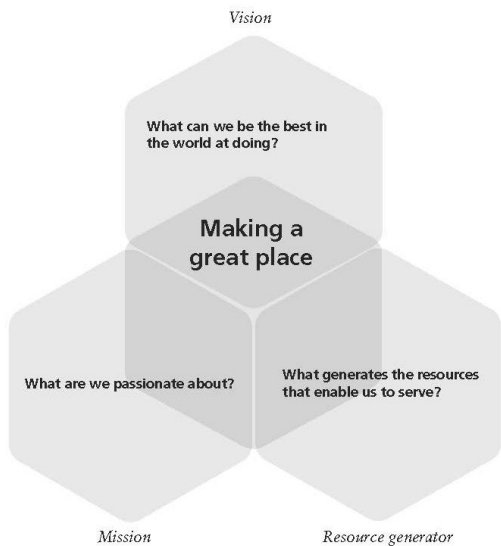
**COVID-19 pandemic.** Metro experienced the impact early and severely. Restrictions to travel, social gatherings, and stay-at-home orders for non-essential personnel caused a substantial decrease in revenues across Metro's business-type activities. Immediate reductions in operating expenditures were implemented to preserve contingencies and focus the agency on long-term economic sustainability. Metro will continue to exercise financial best practices, including robust forecasting to manage any risks to its financial condition.

**Long-term financial planning.** Metro's strong financial policies and disciplined practices have created operational stability. An important tool for building Metro's budget is the five-year forecast for its primary operating funds: the General Fund, the Solid Waste Revenue Fund, the Oregon Zoo Operating Fund and the Metropolitan Exposition Recreation Commission (MERC) Fund. Each budget cycle begins with a review of how the funds are performing, what factors affect the funds that are global assumptions and what factors are related to the specific nature of the operations that result in individual assumptions. Metro adheres to common-sense operation practices such as maintaining its assets, using one-time funds for one-time purposes, and ensuring enterprise activities manage to the bottom line.

Metro's budgets are anchored by the region's six desired outcomes. Developed by the region and adopted by the Metro Council in 2010 as part of the region's growth management policies, the six outcomes help all leaders and their communities focus on what makes this region a great place. Metro uses these outcomes to guide its strategic decision-making by testing department activities and programs against whether they are making these outcomes more likely over time.



In addition, the Metro Compass, shown in the diagram below, is used to develop the budget and ensure that Metro's programs and activities achieve the vision for the region, deliver on the core mission, and build public trust. Each of Metro's departments has developed a five-year mission critical plan for their operations. These plans help each department to look ahead to identify key opportunities and threats that face the region, Metro, and its programs to ensure Metro is making decisions today that will be sustainable and strategic for the next three to five years.



Metro also prepares a five-year Capital Improvement Plan (CIP) with annual updates as part of its financial planning responsibilities. The Metro Council annually reviews Metro’s capital asset management policies as part of the budget process.

**Major initiatives.** The budget for fiscal year 2020 was driven by the strategic goals and key initiatives identified by the Metro Council that guide the agency and region towards the six desired regional outcomes. The 2019-20 Budget included:

***Focusing on livability in the region.*** Metro has set forth to pass a series of ballot measures to advance livability by funding affordable housing, parks and natural areas, and transportation over a three year period. The \$653 million dollar ballot measure passed in November 2018 to fund construction of affordable housing in the Metro region. The \$475 million dollar Parks and Nature Bond measure was passed in November 2019 to further protect clean water, restore fish and wildlife habitat, and provide opportunities for people to connect with nature close to home. Further, a tax measure to fund supportive housing initiatives was passed in May 2020 and a measure to fund transportation improvements was referred for the November 2020 ballot.

***Implementing our goals and strategies for equity, diversity and inclusion.*** In June 2016, Metro Council adopted the agency’s Strategic Plan to Advance Racial Equity, Diversity, and Inclusion and in May 2017, Council considered an update to our Diversity Action Plan. Council has made increasing the diversity of

our workforce, increasing the percentage and dollar value of the contracts we award to minority, women, and emerging businesses, improving our relationships with historically underserved communities, and ensuring that all of the region’s residents have access to the six desired regional outcomes a high priority for our departments. The budget includes funding for programs and activities to support diversity, equity, and inclusion in every department of Metro.

***Adjusting for financial headwinds.*** Long-term financial forecasts for the General Fund and the Oregon Zoo reflect that the financial constraints faced in preparing the budget were long-term and structural in nature. Rates of growth in personnel services, including pension costs and Oregon’s new pay equity law, were projected to outpace revenue growth. This budget adjusted for some of these impacts. Mid-year budget amendments were passed to address the immediate impact of the COVID pandemic.

***Investing in Metro’s infrastructure.*** As in the past several fiscal years, the budget recommended that Metro invest in taking care of our systems and structures. It also includes funding to address these deferred investments and also to increase our efficiency.

**Relevant Financial Policies.** Comprehensive financial policies are reviewed annually and provide the basic framework for the overall fiscal management of the agency. The policies are designed to operate independently of changing circumstances and conditions and help safeguard Metro’s assets, promote effective and efficient operations, and support the achievement of Metro’s strategic goals. The policies were re-adopted by the Metro Council on June 18, 2020 (Resolution No. 20-5107), as published in its adopted budget.

Oregon Local Budget Law requires that total resources equal total requirements in each fund. In addition to this legal requirement, Metro considers a budget to be balanced whenever budgeted revenues equal or exceed budgeted expenditures. Metro’s Council established financial policies to make significant investments in the future by using a disciplined “pay yourself first” rule to assure that all funds maintain appropriate reserves to safeguard against dips in the economic climate and to protect the public’s investment in Metro’s physical assets. Metro policy provides that it will designate or assign fund balance amounts that are appropriate to the needs of each fund and that targeted assignment levels shall be established and reviewed annually as part of the budget review process. The policy requires that a new program or

service be evaluated before it is implemented to determine its affordability and that Metro will 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 Metro Council.

Metro has set aside fund balance amounts within the General Fund for potential additional Public Employee Retirement System pension liabilities and for future debt service on the full faith and credit bonds issued to refinance Metro Regional Center. This fund balance also includes amounts for cash flow and fund stabilization. Based upon a historical analysis, Metro's policies call for a minimum of 7 percent of operating revenues be set aside for either contingency or stabilization to guard against unexpected downturns in revenues and to stabilize resulting budget actions. The target provides a 90 percent confidence level that revenues would only dip below this amount once every ten years. These reserves in the General Fund and other funds were crucial in dealing with the immediate economic impact from the COVID pandemic.

Debt management policies provide that 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. Metro will not use short-term borrowing to finance operating needs unless specifically authorized by Council. Further, Metro will repay all debt issued within a period not to exceed the expected useful life of the improvements financed by the debt.

Metro's revenue policies provide that the agency will strive to maintain a diversified and balanced revenue system to protect it from short-term fluctuations in any one revenue source. A further detailed discussion of Metro's financial policies and plans for the future can be found in *Metro's 2020-21 Adopted Budget*.

### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Metro for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the twenty-eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an

easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

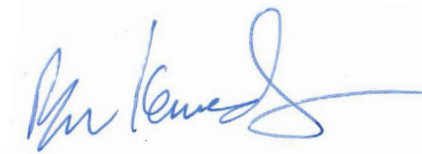
In addition, Metro received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its annual financial report for the fiscal year ended June 30, 2019. In order to qualify for this award, the government must publish a Popular Annual Financial Report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

The preparation of this report would not have been possible without the cooperation of employees across the Metro organization. We especially acknowledge Somer Erickson, Controller and the staff in the Accounting Services Division of the Finance and Regulatory Services Department for their efforts in the preparation of this report. We wish to acknowledge the professional and technical assistance of the audit staff of Moss Adams LLP. Finally, we extend our appreciation to the Metro Council, Metro Auditor, and the many Metro managers for their leadership and commitment to financial excellence.

Respectfully submitted,



Marissa Madrigal  
Chief Operating Officer



Brian Kennedy  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**METRO  
Oregon**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

## METRO

### Elected Officials (as of June 30, 2020)

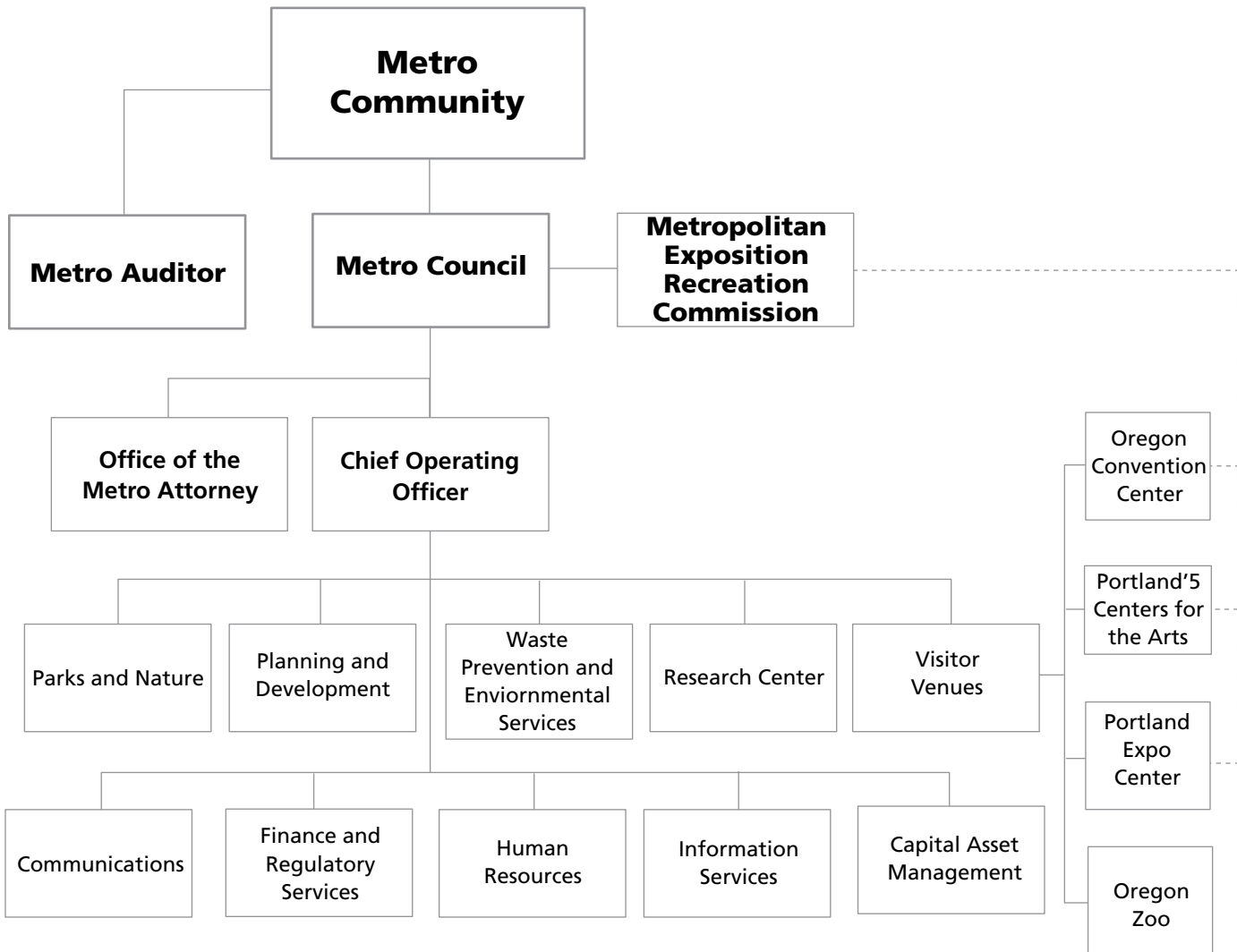
<b>Name</b>	<b>Position</b>	<b>Term expires</b>
Lynn Peterson	Metro Council President	January 2023
Shirley Craddick	Councilor-District 1	January 2023
Christine Lewis	Councilor-District 2	January 2023
Craig Dirksen	Councilor-District 3	January 2021
Juan Carlos Gonzalez	Councilor-District 4	January 2023
Sam Chase	Councilor-District 5	January 2021
Bob Stacey	Councilor-District 6	January 2021
Brian Evans, CIA	Metro Auditor	January 2023

### Appointed Officials

<b>Name</b>	<b>Position</b>
Marissa Madrigal	Chief Operating Officer
Andrew Scott	Deputy Chief Operating Officer
Carrie MacLaren	Metro Attorney
Brian Kennedy	Chief Financial Officer
Julio Garcia	Human Resources Director
Clifford Higgins	Communications Director
Rachel Coe	Information Services Director
Scott Cruickshank	Interim Oregon Zoo Director
Elissa Gertler	Planning and Development Director
Jeff Frkonja	Research Center Director
Roy Brower	Waste Prevention and Environmental Services Director
Jon Blasher	Parks and Nature Director
Scott Cruickshank	General Manager of Visitor Venues
Craig Stroud	Oregon Convention Center Director
Matthew Rotchford	Portland Expo Center Director
Robyn Williams	Portland's 5 Centers for the Arts Director

# Organizational Structure

as of June 30, 2020





**Brian Evans**  
**Metro Auditor**

600 NE Grand Ave  
Portland, OR 97232-2736  
TEL 503 797 1892, FAX 503 797 1831

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November 30, 2020

To the Metro Council and Residents of the Metro Region:

Oregon State law requires an annual audit of Metro's financial records and transactions by independent certified public accountants. The Metro Auditor is required by Metro Code to appoint certified public accountants to conduct this audit. In 2020, after completing a competitive process, I appointed Moss Adams LLP to conduct the audit of Metro. My office coordinated and monitored this audit.

Following this letter is the independent auditor's report on Metro's financial statements as of June 30, 2020. In addition to the above report, Metro is required to have an audit of its expenditures of federal awards in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the provisions of *Government Auditing Standards* issued by the Comptroller General of the United States. The necessary reports pertaining to Metro's internal control, compliance with applicable laws, regulations, grants and the Schedule of Expenditures of Federal Awards for the year ended June 30, 2020 are included in the last section of this report, Audit Comments and Disclosures Required by State and Federal Regulations.

I want to thank the Metro employees who make this process run smoothly. Their hard work and attention to detail during this year's disruptions caused by Covid-19 are especially noteworthy.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brian Evans".

Brian Evans  
Metro Auditor



## Report of Independent Auditors

Metro Council and Metro Auditor  
Portland, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of The Oregon Zoo Foundation, a discretely presented component unit, which represents 100% of the assets, net position, and revenues of the discretely presented component unit of Metro. Those financial statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Oregon Zoo Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of The Oregon Zoo Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 22 and the required supplementary information as listed in the table of contents on pages 79 through 91, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Metro's basic financial statements. The other supplementary information and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (collectively, "supplementary information") is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section each as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020, on our consideration of Metro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Metro's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metro's internal control over financial reporting and compliance.

**Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations***

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated November 30, 2020, on our consideration of Metro's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Moss Adams LLP  
Portland, Oregon  
November 30, 2020

## Management's Discussion and Analysis For the fiscal year ended June 30, 2020

As management of Metro, Oregon, we provide readers of Metro's financial statements this narrative overview and analysis of the financial activities of Metro for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 1 - 5 of this report. This information is based upon currently known facts, decisions or conditions.

### FINANCIAL HIGHLIGHTS

- Metro's assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources (also defined as *net position*) by \$670,304,829 at June 30, 2020, which reflects an increase of 5.2 percent or \$33,126,539 over the prior fiscal year.
- Metro completed the fiscal year with its governmental funds reporting *combined* fund balances of \$1,029,759,330. Of the total amount of governmental combined fund balance, \$24,836,760 or 2.4 percent, is considered available for spending at Metro's discretion (*unassigned* fund balance).
- At the end of fiscal year 2020, unrestricted spendable fund balance (the total of the *committed*, *assigned* and *unassigned* components of fund balance) in the general fund totaled \$39,577,189 and represents 59.3 percent of total general fund expenditures.
- Metro's total outstanding long-term liabilities increased \$113,029,273 or 11.8 percent during the current fiscal year. The significant increase in this amount is due to the issuance of \$200.0 million in taxable general obligation bonds authorized under the 2019 Parks and Nature ballot measure.
- In March of 2020 the Governor of the State of Oregon issued an emergency order declaring a state of emergency as a result of a global pandemic related to the COVID-19 pandemic. In compliance with that order, Metro closed the Oregon Zoo, Oregon Convention Center, EXPO, and the Portland's Performing Arts Centers, as well as many park facilities. Additionally, office workers were directed to telework and access to office facilities was restricted. These closures led to significant layoffs at the visitor venues mid-year and all departments were asked to reduce programs and spending where possible.
- Program revenues of Metro's business-type activities (Solid Waste, Oregon Zoo and MERC operations) totaled \$161,700,032, down \$31,310,520 or 16.2 percent, attributable to COVID-19 related restrictions.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Metro's basic financial statements, which consist of the following three components: 1) the *government-wide financial statements*, 2) the *fund financial statements*, and 3) the *notes to the financial statements*. This report also includes *supplementary information* intended to furnish additional detail to support the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of Metro's finances using accounting methods similar to those used by private-sector business.

The *Statement of Net Position* includes all of Metro's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the net difference between these elements reported as net position. Over time, increases or decreases in Metro's net position may serve as a useful indicator of whether the financial position of Metro is improving or deteriorating.

The *Statement of Activities* presents information showing how Metro's net position changed during the fiscal year. Such changes are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused vacation leave).

Each government-wide financial statement is divided into three categories:

*Governmental activities* – Activities supported principally by general revenue sources including various taxes that provide Metro's basic governmental services. These services include the *general government operations* functions of the Council office and various administrative functions; *regional planning and development* which includes regional transportation planning, land use planning, and affordable housing development and support; and *culture and*

*recreation* which includes regional parks and natural areas, community enhancement activities near Metro area solid waste facilities, management of Smith and Bybee Wetlands and Pioneer Cemeteries.

*Business-type activities* – Activities supported by charges for services and fees to customers to help cover the costs of certain services. These activities consist of the *Solid Waste, Oregon Zoo*, and Metropolitan Exposition-Recreation Commission (MERC) operations. Solid waste operations include the operation of two transfer and recycling centers (Metro South and Metro Central), household hazardous waste collection centers, paint recycling center and other solid waste system programs. Oregon Zoo operations include zoo visitor experience, environmental education, and animal conservation and research. MERC operations include the Oregon Convention Center (OCC), Portland's Centers for the Arts (Portland's) and Portland Expo Center (Expo) facilities.

*Component unit* – Metro includes The Oregon Zoo Foundation (OZF) as a discretely presented component unit. OZF is considered a component unit as the sole purpose of this legally separate non-profit organization is to provide support and significant additional funding for Metro's Oregon Zoo.

The government-wide financial statements can be found on pages 23-27 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Metro, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements – including bond covenants and Oregon local budget law requirements. The funds of Metro can be classified into two categories:

- **Governmental funds** are used to account for essentially the same functions as reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, these statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Thus, the governmental funds statements provide a detailed short-term view that helps the reader determine the

comparative level of financial resources that can be spent in the near future to finance Metro's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of Metro's near-term financing decisions. A reconciliation that follows the governmental funds statements explains the differences between the two statements to facilitate this comparison between *governmental funds* and *governmental activities*.

- Metro maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the seven funds considered major: General, Parks and Natural Areas Local Option Levy, Affordable Housing, General Obligation Bond Debt Service, Oregon Zoo Infrastructure and Animal Welfare, Natural Areas, and Parks and Nature funds. Data from the other four governmental funds (Smith and Bybee Wetlands, Community Enhancement, Open Spaces and Cemetery Perpetual Care) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Of special note, a portion of one budgetary fund (the General Revenue Bond Fund) and one additional entire budgetary fund (General Asset Management Fund) are allocated to the General Fund and combined with those operating activities for reporting in conformance with generally accepted accounting principles (GAAP) in the governmental fund financial statements. The remaining portion of the budgetary General Revenue Bond Fund is allocated to the MERC Fund for proprietary fund presentation noted below.

The governmental fund financial statements can be found on pages 29-34 of this report.

- **Proprietary funds** provide the same type of information as the government-wide financial statements, only in more detail, including cash flows.

Metro includes two different types:

*Enterprise funds* are used to report the same functions as *business-type activities* in the government-wide financial statements. Metro uses enterprise funds to account for its Solid Waste, Oregon Zoo and MERC operations, all three of which are considered major funds. The entire budgetary fund Oregon Zoo Asset Management Fund is combined with the Oregon Zoo for the proprietary fund presentation.

*Internal service funds* are an accounting device used to accumulate and allocate costs internally among Metro's various functions. Metro uses an internal service fund to account for management of its retained risks. The revenues and expenses of the internal service fund that are duplicated in other funds through cost allocations are eliminated in the government-wide statements, with the remaining balances included in governmental activities in the government-wide financial statements

The proprietary fund financial statements can be found on pages 35-40 of this report.

**Notes to the financial statements.** The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-78 of this report.

**Required Supplementary Information (RSI).** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget-to-actual results for Metro's General Fund and its major special revenue funds, and pension and other post-employment benefit disclosures. RSI can be found on pages 79-90.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 93-131.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Metro's assets and deferred outflows of resources exceed liabilities and deferred inflows of resources (defined as *net position*) by \$670,304,829 at June 30, 2020. The table on the following page reflects the condensed Government-wide Statement of Net Position.

Metro's governmental activities account for net position of \$302,709,052, or 45.2 percent of the total net position, whereas business-type activities account for \$367,595,777 or 54.8 percent.

Of Metro's total net position, \$591,873,688 (88.3 percent) reflects its net investment in capital assets (e.g., headquarters offices, zoo exhibits, natural areas property, transfer stations, convention center, and other significant assets), less any related outstanding debt that was used to acquire those assets. Metro uses these capital assets to provide services to its citizens; therefore, this amount is not available for future spending. Although Metro's investment in its capital assets is reported net of the related debt, it should be noted that the resources needed to repay this debt must come from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Metro's restricted net position (21.6 percent) represents resources that are subject to external restrictions on how they may be used. External restrictions for specific purposes include areas such as parks and natural areas local option levy, Transit Oriented Development (TOD), Smith and Bybee Wetlands management plan, and capital projects funded by bond or restricted proceeds. The restricted component of net position decreased \$16,480,142 or 10.2 percent from the amount at June 30, 2019, reflecting a planned spend down of those restricted resources.

The remaining \$66,309,631 is an unrestricted deficit, which represents the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Of this amount, \$22,788,471 is attributable to Metro's business-type activities which cannot be used to make up for the deficit reported in governmental activities. Unrestricted net position increased \$20,834,611 (to a total deficit of \$130,469,211) in governmental activities, primarily due to scheduled debt

METRO

Management's Discussion and Analysis, *continued*  
For the fiscal year ended June 30, 2020

Metro's Net Position

	Governmental Activities		Business-type Activities		Total - Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 1,055,818,464	848,125,188	100,550,495	140,062,876	1,156,368,959	988,188,064
Capital assets	369,390,704	360,933,412	343,537,792	327,258,925	712,928,496	688,192,337
<b>Total assets</b>	<b>1,425,209,168</b>	<b>1,209,058,600</b>	<b>444,088,287</b>	<b>467,321,801</b>	<b>1,869,297,455</b>	<b>1,676,380,401</b>
<b>Total deferred outflows of resources</b>	<b>17,110,915</b>	<b>16,942,022</b>	<b>20,890,619</b>	<b>20,074,746</b>	<b>38,001,534</b>	<b>37,016,768</b>
Long-term liabilities outstanding	1,068,885,851	955,856,578	70,989,948	67,250,737	1,139,875,799	1,023,107,315
Other liabilities	67,684,065	14,873,042	22,574,161	31,838,881	90,258,226	46,711,923
<b>Total liabilities</b>	<b>1,136,569,916</b>	<b>970,729,620</b>	<b>93,564,109</b>	<b>99,089,618</b>	<b>1,230,134,025</b>	<b>1,069,819,238</b>
<b>Total deferred inflows of resources</b>	<b>3,041,115</b>	<b>2,806,344</b>	<b>3,819,020</b>	<b>3,593,297</b>	<b>6,860,135</b>	<b>6,399,641</b>
Net position:						
Net investment in						
capital assets	294,848,252	281,246,439	338,396,545	321,159,565	591,873,688	570,027,275
Restricted	138,330,011	122,522,041	6,410,761	38,698,873	144,740,772	161,220,914
Unrestricted	(130,469,211)	(151,303,822)	22,788,471	24,855,194	(66,309,631)	(94,069,899)
<b>Total net position</b>	<b>\$ 302,709,052</b>	<b>252,464,658</b>	<b>367,595,777</b>	<b>384,713,632</b>	<b>670,304,829</b>	<b>637,178,290</b>

retirement. A portion of this deficit can be attributed to the allocable proportion of the Oregon Public Employees Pension System liability, as discussed in Note IV.G.1. Metro has several bonds which are accounted for in governmental activities without a corresponding asset; the proceeds from Dedicated Tax Revenue bonds for the Oregon Convention Center hotel were distributed to the developer in prior years and there is no asset owned by Metro. Similar transactions contributed to the unrestricted net deficit such as the local share component of the Natural Areas program and the bond construction at the Oregon Zoo; in both cases, the debt is accounted for in the governmental funds without a corresponding asset. It is expected that the unrestricted net deficit will increase as the Affordable Housing Bond proceeds are expended in future years. It should further be noted that all four of these bond issuances are supported by dedicated tax revenues (property taxes and site-specific transient lodging taxes) and current accounting standards only allow the recording of taxes as they are levied.

**Changes in Net Position.** Overall, Metro's net position increased 5.2 percent or \$33,126,539 over the prior fiscal year. Governmental activities' net position increased \$50,244,394, while business-type activities' net position decreased \$17,117,855 for the fiscal year ended June 30, 2020. The components of the change in net position are reflected in the condensed information from Metro's Statement of Activities presented in the table above. The reasons for the changes noted here are discussed in the following sections for governmental activities and business-type activities.

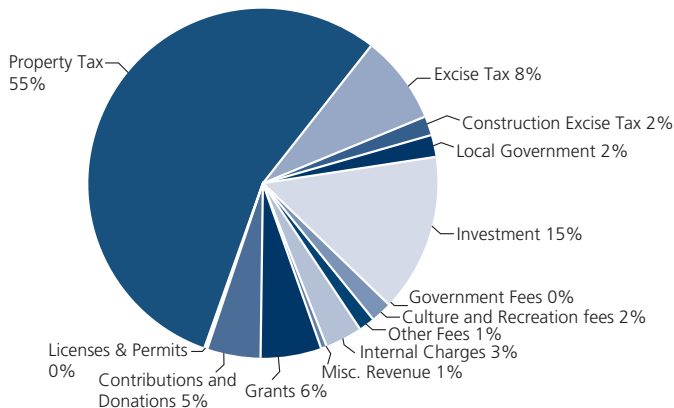
**METRO**

Management’s Discussion and Analysis, *continued*  
For the fiscal year ended June 30, 2020

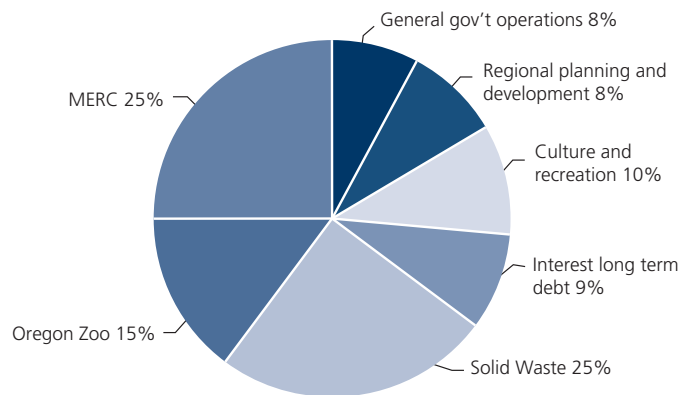
**Changes in Metro’s Net Position**

	Governmental Activities		Business-type Activities		Total - Primary Government	
	2020	2019	2020	2019	2020	2019
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 15,963,480	17,427,021	133,125,232	161,101,138	149,088,712	178,528,159
Operating grants and contributions	25,671,383	26,137,387	27,786,467	30,313,581	53,457,850	56,450,968
Capital grants and contributions	338,894	425,138	788,333	1,595,833	1,127,227	2,020,971
General revenues						
Property taxes	114,176,644	78,203,583	-	-	114,176,644	78,203,583
Excise taxes	16,916,905	22,170,774	-	-	16,916,905	22,170,774
Other	33,941,507	9,245,531	3,801,003	3,947,274	37,742,510	13,192,805
<b>Total revenues</b>	<b>207,008,813</b>	<b>153,609,434</b>	<b>165,501,035</b>	<b>196,957,826</b>	<b>372,509,848</b>	<b>350,567,260</b>
<b>Expenses:</b>						
General government operations	26,670,161	18,419,574	-	-	26,670,161	18,419,574
Regional planning and development	29,178,474	26,623,652	-	-	29,178,474	26,623,652
Culture and recreation	33,858,568	31,389,370	-	-	33,858,568	31,389,370
Interest on long-term debt	29,756,452	11,408,272	-	-	29,756,452	11,408,272
Solid Waste	-	-	84,882,301	76,879,522	84,882,301	76,879,522
Oregon Zoo	-	-	50,169,271	47,446,196	50,169,271	47,446,196
MERC	-	-	84,868,082	106,849,882	84,868,082	106,849,882
<b>Total expenses</b>	<b>119,463,655</b>	<b>87,840,868</b>	<b>219,919,654</b>	<b>231,175,600</b>	<b>339,383,309</b>	<b>319,016,468</b>
Increase (decrease) in net position before transfers	87,545,158	65,768,566	(54,418,619)	(34,217,774)	33,126,539	31,550,792
Transfers	(37,300,764)	(22,594,240)	37,300,764	22,594,240	-	-
<b>Increase (decrease) in net position</b>	<b>50,244,394</b>	<b>43,174,326</b>	<b>(17,117,855)</b>	<b>(11,623,534)</b>	<b>33,126,539</b>	<b>31,550,792</b>
<b>Net Position, July 1</b>	<b>252,464,658</b>	<b>209,290,332</b>	<b>384,713,632</b>	<b>396,337,166</b>	<b>637,178,290</b>	<b>605,627,498</b>
<b>Net Position, June 30</b>	<b>\$ 302,709,052</b>	<b>252,464,658</b>	<b>367,595,777</b>	<b>384,713,632</b>	<b>670,304,829</b>	<b>637,178,290</b>

**Metro Governmental Activities Sources of Revenue, Fiscal Year 2020**

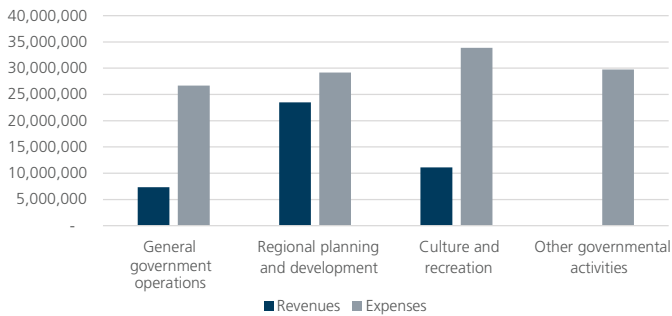


**Metro Function/Program Expenses, Fiscal Year 2020**

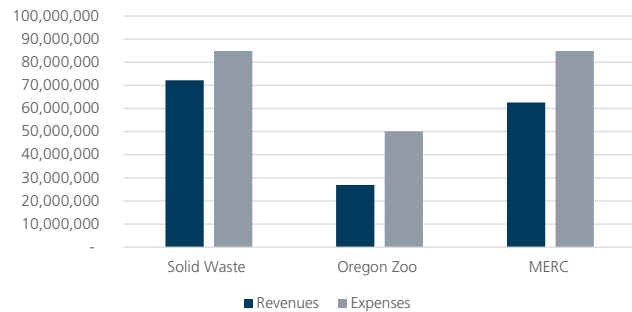




**Program Revenues and Expenses - Governmental Activities, Fiscal Year 2020**



**Program Revenues and Expenses - Business-type Activities, Fiscal Year 2020**



**Governmental activities.** Governmental activities program revenues decreased \$2,015,789 or 4.6 percent and totaled \$41,973,757. This was a pandemic-related decrease, primarily attributable to a 21.1 percent reduction in recreation fees in the Parks Department.

Metro’s general government operations expense totaled \$26,670,161 or 7.9 percent of Metro’s total primary government expenses, which was an increase of \$8,250,587. This is primarily due to increased expenditures in the Transit Oriented Development (TOD) program, contributions to local partner capital projects, and contracted work on the Southwest Transit Corridor planning project. Interest on long-term debt increased by \$18,348,180 or 160.8 percent from the prior fiscal year. The increase is attributed to the higher debt service from the newly issued debt for the Affordable Housing bond program.

**Business-type activities.** Program revenues of Metro’s business-type activities (Solid Waste, Oregon Zoo and MERC operations) totaled \$161,700,032, down \$31,310,520 or 16.2 percent. Metro’s business-type activities were the most directly impacted area by the COVID-19 pandemic. The Zoo and MERC facilities were all closed in compliance with directives from the state and county governments; reduction in economic activity reduced tonnage in the Solid Waste program. Solid Waste fees dropped 2.6 percent, or \$1.9 million dollars. The Oregon Zoo had a 23.1 percent reduction in fee revenue, amounting to \$6.5 million dollars. This was partially offset by increased grant and donation revenue of \$1.2 million dollars. The MERC fund had a decrease in

program revenues of 28.1 percent, totaling \$24.5 million dollars, impacting both fee revenue and shared revenue from lodging and other visitor taxes.

Total expenses decreased \$11,255,946 or 4.9 percent to a total of \$219,919,654. Solid Waste program expenses increased \$8,002,779, or 10.4 percent. Tonnage decreased 7.7 percent at Metro-owned facilities, but a change in contractor and an enhanced service level at the transfer stations increased operating costs. Oregon Zoo program expenses increased \$2,723,075, or 5.7 percent primarily due to increased depreciation expense; significant cost cutting measures were enacted but occurred late in the fiscal year. MERC expenses decreased \$21,981,800, or 20.6 percent; costs from the major renovation at OCC were completed and there was substantially less activity from construction than in the prior year. Like the zoo, the MERC venues implemented significant cost cutting measures due to the COVID-19 pandemic late in the year.

**General revenues.** The most significant general revenue, property taxes, accounts for 55.2 percent of all governmental activities revenues, up from 46.0 percent in the prior fiscal year. Property taxes are dedicated to repayment of general obligation bond debt, for programs authorized by the Parks and Natural Areas Local Option Levy, or allocated by the Council in support of governmental activities. Property taxes to support debt service requirements were substantially higher for scheduled debt payments; most notably, principal repayment on the Affordable Housing bonds began in this fiscal year. The total amount of property taxes increased \$35,973,061.

**FINANCIAL ANALYSIS OF METRO'S FUNDS**

As noted earlier, Metro uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Metro's *governmental funds* financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing Metro's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for discretionary spending at the end of the fiscal year.

At June 30, 2020, Metro's governmental funds reported combined fund balances of \$1,029,759,330. This significant increase of \$201,567,782 (24.3 percent) reflects the proceeds of the Parks and Nature bond issuance. These balances are restricted for those purposes and will decrease over the next several years as the proceeds are spent. Of the total amount of governmental combined fund balance above, \$24,836,760 or 2.4 percent, is considered unassigned fund balance and available for spending at Metro's discretion.

The remainder of the fund balance is either *nonspendable*, *restricted*, *committed* or *assigned*. Nonspendable fund balance represents amounts not in spendable form, prepayments to housing partners from the Affordable Housing Fund, and the corpus of the permanent fund, which total \$16,031,870 at June 30, 2020. Fund balances restricted for particular purposes, such as affordable housing, parks and natural areas, bonded capital projects, the Willamette Falls Legacy, and debt service totaled \$974,085,838. Fund balance in the amount of \$14,740,429 is committed by the Metro Council for local governments' planning efforts under the Construction Excise Tax (CET) program. Assigned fund balance totaled \$64,430 and is reflected in Metro's permanent fund dedicated to cemetery programs.

Note II.D.12 and Note IV.P provide further information on Metro's fund balance classifications for all governmental funds.

The General Fund is the primary operating fund of Metro. At the end of fiscal year 2020, unassigned fund balance of the general fund was \$24,836,761. Total fund balance

increased \$972,813 to a total of \$103,187,360 at June 30, 2020. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 30.5 percent of total general fund expenditures, while total fund balance represents 126.7 percent of that same amount.

The General Fund expended \$20,329,017 for general government operations. These operational expenditures included the general government share of costs for the Council Office, Metro Auditor, Office of Metro Attorney, Communications, Human Resources, Finance and Regulatory Services, and Information Services. Expenditures increased \$4,951,072 from budgeted expansion of existing programs; some of these areas had later budget reductions due to the pandemic.

Planning and development expenditures were \$4,138,267 higher in the general fund than the prior fiscal year, or an increase of 20.0 percent. Expenditures are highly variable dependent on the volume of purchases by the TOD program and the amount of planning services required by the agency. There is a corresponding increase in revenue due to the reimbursement arrangements for those projects.

Metro collected \$3,627,232 in CET during the fiscal year ended June 30, 2020, up \$44,139 or 1.2 percent from the prior fiscal year. This tax is imposed on new construction within the region, with limited exceptions, and is intended to provide funds to local governments for planning of future expansion areas, future urban reserves and planning that enables redevelopment of centers, corridors and employment areas within the existing Urban Growth Boundary. While collections were flat over the prior year, they are still at relatively high levels, corresponding with the high level of construction activity in the region despite pandemic related slowing.

The restricted and non-spendable positions in other governmental funds changed from \$725,977,000 to \$926,507,540, or an increase of \$200,530,540. The Natural Areas Fund and Oregon Zoo Infrastructure & Animal Welfare fund reduced their restricted fund balances by \$10,390,600 and \$23,365,891, respectively, due to planned expenditures on major capital projects. This is the first year of existence for the Parks and Nature Fund, and its restricted fund balance is \$210,572,640 due to its bond issuance in May 2020.

**METRO**

Management’s Discussion and Analysis, *continued*  
 For the fiscal year ended June 30, 2020

Metro’s other major governmental funds include Parks and Natural Areas Local Option Levy, Affordable Housing, General Obligation Bond Debt Service, Oregon Zoo Infrastructure and Animal Welfare, Natural Areas, and Parks and Nature Funds. All of these funds carry restricted or non-spendable fund balances because they were established for specific purposes by the passage of various ballot measures.

There was a reduction in expenditures in the Parks and Natural Areas Local Option Levy fund due to fewer capital projects being funded from that source, compared to the prior fiscal year. The Affordable Housing Fund had relatively minimal activity, expenditures only amounted to \$2.4 million, as housing partners are establishing their spending programs. There were substantially higher property tax revenues, \$81.9 million, in the General Obligation Bond Debt Service Fund with equally higher expenditures. This is due to the increased tax levy to pay debt service on the Affordable Housing bonds.

Capital construction continued at the Oregon Zoo, with major projects including both Polar Bear and Primate habitats, leading to increased expenditures in the Infrastructure and Animal Welfare Fund. Spending increased 165.9% to \$24,043,515, but will substantially decrease in subsequent years as that program completes its work. Similarly, the Natural Areas Fund is winding down; there was 12.2 percent fewer expenditures in the current fiscal year. The Parks and Nature Bond, however,

was just passed in November 2019. The fund received \$200.0 million in general obligation proceeds with a \$10.9 million dollar premium. The majority of the \$1.2 million in expenditures is related to bond issuance costs.

**Proprietary funds.** Metro’s proprietary fund statements provide the same type of information found in the government-wide financial statements on pages 35-40, but in more detail.

At the end of fiscal year 2020, *unrestricted net position* of the Solid Waste Fund, Oregon Zoo Fund and MERC Fund amounted to \$31,058,730, a deficit of \$14,255,355, and \$8,128,640, respectively. The total change in *net position* for each fund equaled a decrease of \$9,307,316, a decrease of \$4,385,659, and an increase of \$11,945,994, respectively. Factors concerning the finances of the proprietary funds have already been addressed in the discussion of Metro’s business-type activities; the MERC Fund had a net increase due to the completion of the major construction at OCC, which funds had been classified as restricted in the prior fiscal year.

**BUDGETARY HIGHLIGHTS**

As noted earlier, Metro’s General Fund is used to account for general government operations and the programs of Planning, and Parks and Nature. Over the course of the fiscal year, the Metro Council revised the budget for the General Fund four times, and total requirements came to \$142,810,286. The total increase from the prior

**Metro’s Capital Assets**  
*(net of accumulated depreciation)*

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land	\$305,467,234	\$300,821,558	21,045,160	21,045,160	326,512,394	321,866,718
Intangible - easements	12,226,710	12,207,229	-	-	12,226,710	12,207,229
Artwork	270,986	270,986	1,184,358	1,869,521	1,455,344	2,140,507
Buildings and Exhibits	23,671,782	22,937,360	247,285,767	257,551,263	270,957,548	280,488,623
Improvements	15,373,153	15,413,968	17,740,474	7,124,398	33,113,627	22,538,366
Equipment and Vehicles	1,932,889	2,181,108	14,515,404	12,193,644	16,448,293	14,374,752
Intangible - software	884,554	1,045,439	1,460,116	1,120,249	2,344,670	2,165,688
Office furniture/equip	240,624	313,929	397,308	639,296	637,932	953,225
Railroad equip/facilities	-	-	2,121,925	2,472,454	2,121,925	2,472,454
Construction in Progress	9,322,772	5,741,835	37,787,280	23,242,918	47,110,053	28,984,753
<b>Total</b>	<b>\$369,390,704</b>	<b>360,933,412</b>	<b>343,537,792</b>	<b>327,258,903</b>	<b>712,928,496</b>	<b>688,192,315</b>

## METRO

### Management's Discussion and Analysis, *continued*

For the fiscal year ended June 30, 2020

year in budgeted expenditures and transfers amounted to \$24,751,173. This can mostly be attributed to higher appropriations in the TOD program for potential property purchases.

Government contributions were \$9,848,792, but budgeted at \$4,795,350; unanticipated federal grants were received from local partners for assistance with transportation construction projects. Grant revenues also came in \$1,393,016 lower compared to budget due to several factors within the Planning and Development Department. Most of Metro's grants in this department are reimbursement based and lower activity for these programs created variances on both the revenue and expenditure line items.

As mentioned previously, the COVID-19 pandemic had a dramatic impact on Metro's visitor venues. The Oregon Zoo Operating Fund received only \$26,102,638 of a budgeted \$34,016,713 in program revenues, a negative variance of 23.3 percent. The MERC Fund received \$62,584,577 of a budgeted \$85,941,988 in program revenues, a negative variance of 27.2 percent. Activities were minimized and the Oregon Zoo and MERC Funds were able to limit expenditures, excluding contingency and transfers, to 87.4 percent and 78.8 percent, respectively.

Year over year, total revised budget across all funds was \$1,359,852,340, up 98.4 percent from Fiscal Year 2018-19. This substantial increase reflects the additional resources from the Affordable Housing bonds, which is expected to be expended over a seven to ten year period.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

Metro's capital assets for its governmental and business-type activities totals \$712,928,496 (net of accumulated depreciation) as of June 30, 2020. This investment includes land, buildings and exhibits, improvements, and various types of equipment. The total increase (including additions and deductions) in Metro's investment in capital assets for

the current fiscal year was \$24,736,181 or 3.6 percent, net of accumulated depreciation. The total change consists of an increase of \$8,457,292 or 2.3 percent in capital assets attributable to governmental activities and an increase of \$16,278,889 or 5.0 percent in business-type activity capital assets (additional capital assets, less increases in accumulated depreciation).

Additional information on Metro's capital assets can be found in Note IV.D to the financial statements.

**Long-term debt.** At the end of the current fiscal year, Metro had total bonded debt outstanding of \$1,067,484,278 net of unamortized premiums and discounts. Of this amount, \$970,079,966 comprises debt backed by property tax assessments and the remainder of \$97,404,312 represents bonds secured by a broad pledge of Metro revenues, including property taxes used to support operations, site-specific transient lodging tax, and excise taxes levied on users of certain Metro services.

The table below provides a summary of Metro's debt activity. Bonds are reflected net of unamortized premiums and discounts as disclosed in the notes to the financial statements:

Metro's total debt increased \$148,939,584 or 16.2 percent during the current fiscal year. The key factor for this increase was the issuance of the Parks and Nature 2020 series of taxable bonds in the amount of \$210.9 million. The remainder of the variance was scheduled debt repayment.

In March 2020, Standard & Poor's reaffirmed its AAA rating on Metro general obligation bonds, while Moody's Investor Services reaffirmed its Aaa rating. The rating agencies' reports emphasized the strong financial reserves of the agency, the low debt ratio, significantly broad tax base and the strength of its financial policies.

#### Metro's Outstanding Debt

	Governmental Activities		Business-type Activities		Total - Primary Government	
	2020	2019	2020	2019	2020	2019
General Obligation bonds	\$970,079,966	\$816,251,155	-	-	970,079,966	816,251,155
Full Faith & Credit/Dedicated Tax/Pension bonds	92,263,065	96,194,183	5,141,247	6,099,359	97,404,312	102,293,542
Total	\$1,062,343,031	912,445,338	5,141,247	6,099,359	1,067,484,278	918,544,697

In May 2020, Moody's issued a credit opinion on Metro's 2017 Dedicated Tax Revenue Bonds affirming their Aa3 rating due to strong reserves, historically robust coverage, and solid mechanisms for bond repayment. However, they were assigned a negative outlook because of expected declines in tourism due to the COVID-19 pandemic.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for Metro is \$33,781,364,510, which is significantly in excess of Metro's outstanding general obligation debt.

Additional information on Metro's long-term debt can be found in Notes IV.K through IV.L in the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

By law, Metro must present a balanced budget. When accounting for all resources and requirements, the budget for Fiscal Year 2020-21 totals \$1,434,696,874, up 6.4 percent from Fiscal Year 2019-20. A detailed discussion can be found in *Metro's 2020-21 Adopted Budget*.

Budgetary assumptions impacting Metro's budget are:

- Property taxes reflect Metro's permanent operating rate of \$0.0966/\$1,000 of assessed value; and the local option levy rate of \$0.0960/\$1,000 of assessed value. FY 2020-21 is the third year of the second five-year local option levy approved for renewal by voters in 2016. Both levies assume a 4.0 percent increase in assessed value and a 94.5 percent collectible rate.
- Local government revenues include the Transient Lodging Tax (TLT) collected by Multnomah County to support operations of OCC and Portland's and capital funding for OCC and Expo, and the Visitor Facilities Trust Account (VFTA) allocations to OCC and Portland's. Those revenues are expected to decrease related to the expected negative impact of the COVID-19 pandemic on the number of hotel room nights and associated lodging revenues.
- Enterprise revenues include a 46.5 percent decrease at MERC, a 52.7 percent decrease at the Oregon Zoo and a 3.5 percent increase in solid waste revenues.

- Personnel services costs decreased by 2 percent. The decrease is related to staff reductions related to the COVID-19 pandemic and is partially offset by an increase in PERS costs and salary adjustments for cost of living adjustment, merit and step increases. A large percentage of Metro staff are represented and salary increases are based on specific collective bargaining agreements.
- The number of authorized positions decreases in fiscal year 2021 by a net 19.90 FTE to a total of 979.66 FTE, primarily due to contracting certain services at the Oregon Zoo. Pandemic related layoffs did not affect authorized FTE for this budget in order to ensure staff could be rehired as restrictions were lifted.
- Significant capital project expenditures in fiscal year 2021 include: \$7.5 million for land acquisition and design for a new solid waste facility, \$15 million for land acquisition for affordable housing projects, \$21.6 million for habitat construction at the Oregon Zoo, \$4.2 million for building improvements at the MRC building, \$4.5 million for design and construction of the Willamette Falls project, \$4.3 million for acoustical enhancements at Arlene Schnitzer Concert hall, \$2.3 million for development of the Chehalem Ridge Nature Park, and \$2.0 million in additional renovations and equipment purchases at the Oregon Zoo.

Due to ongoing operational impacts from the COVID-19 pandemic, Metro Council adopted Resolution 20-5131 decreasing total budget appropriations by \$14.8 million and reducing 32.35 FTE on October 15, 2020. Detailed information on the impacts to individual funds, including the use of budgetary contingencies, can be found in the staff report and exhibits accompanying that resolution.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Metro's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Metro, 600 NE Grand Avenue, Portland, Oregon, 97232-2736.

# **Basic Financial Statements**



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# Government-Wide Financial Statements

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**METRO**

**Statement of Net Position  
June 30, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Oregon Zoo Foundation
<b>ASSETS</b>				
Equity in internal cash and investment pool	\$ 43,250,504	87,893,784	131,144,288	2,519,089
Investments	-	-	-	16,366,170
Receivables (net of allowance for uncollectibles):				
Property taxes	403,751	-	403,751	-
Trade	64,572	8,350,524	8,415,096	875,307
Other	2,357,167	4,134,530	6,491,697	239,654
Interest	312,056	348,531	660,587	-
Grants	4,186,667	796,844	4,983,511	-
Internal balances	2,143,544	(2,143,544)	-	-
Inventories	-	182,927	182,927	-
Prepaid items	782,683	-	782,683	-
Net OPEB asset	529,937	704,426	1,234,363	-
Other assets	184,985	114,000	298,985	90,441
Restricted assets:				
Equity in internal cash and investment pool	110,563,198	168,473	110,731,671	-
Investments	862,337,447	-	862,337,447	-
Receivables (net of allowance for uncollectibles):				
Property taxes	1,999,443	-	1,999,443	-
Trade	116,522	-	116,522	-
Other	52,305	-	52,305	-
Interest	3,907,275	-	3,907,275	-
Assets held for resale	6,515,567	-	6,515,567	-
Prepaid items	15,043,000	-	15,043,000	-
Loans receivable	1,067,841	-	1,067,841	-
Capital assets:				
Land, intangibles, artwork and construction in progress	327,287,702	60,016,799	387,304,501	-
Other capital assets (net of accumulated depreciation)	42,103,002	283,520,993	325,623,995	19,500
<b>Total assets</b>	<b>1,425,209,168</b>	<b>444,088,287</b>	<b>1,869,297,455</b>	<b>20,110,161</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	319,798	-	319,798	-
Deferred pension amounts	16,719,275	20,769,810	37,489,085	-
Deferred OPEB amounts	71,842	120,809	192,651	-
<b>Total deferred outflows of resources</b>	<b>17,110,915</b>	<b>20,890,619</b>	<b>38,001,534</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts payable	12,100,209	11,298,638	23,398,847	21,198
Accrued salaries and benefits	2,146,385	1,940,072	4,086,457	-
Contracts payable	1,613,822	624,652	2,238,474	4,998,648
Accrued interest payable	3,695,721	10,579	3,706,300	-
Accrued self-insurance claims	466,000	-	466,000	-
Unearned revenue	258,012	2,260,478	2,518,490	90,000
Deposits payable	20,118	1,979,547	1,999,665	-
Other liabilities	36,610	627,109	663,719	-
Payable from restricted assets:				
Contracts payable	-	-	-	28,621

(Continued)

**METRO**

Statement of Net Position, *continued*

June 30, 2020

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Oregon Zoo
				Foundation
<b>LIABILITIES, Continued</b>				
Non-current liabilities:				
Due within one year:				
Bonds payable	\$ 45,020,000	890,000	45,910,000	-
Post-closure costs payable	-	663,971	663,971	-
Compensated absences	2,327,188	2,279,115	4,606,303	-
Due in more than one year:				
Bonds payable (net of unamortized premium or discount)	1,017,323,031	4,251,247	1,021,574,278	-
Other postemployment benefits	1,086,000	1,894,688	2,980,688	-
Post-closure costs payable	-	3,577,305	3,577,305	-
Pollution remediation obligation	886,500	95,000	981,500	-
Compensated absences	806,032	568,575	1,374,607	-
Net pension liability	48,784,288	60,603,133	109,387,421	-
<b>Total liabilities</b>	<b>1,136,569,916</b>	<b>93,564,109</b>	<b>1,230,134,025</b>	<b>5,138,467</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension amounts	2,868,877	3,563,913	6,432,790	-
Deferred OPEB amounts	172,238	255,107	427,345	-
<b>Total deferred inflows of resources</b>	<b>3,041,115</b>	<b>3,819,020</b>	<b>6,860,135</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets (1)	294,848,252	338,396,545	591,873,688	19,500
Restricted for:				
Parks and natural areas operations:				
Expendable	9,421,920	-	9,421,920	-
Affordable housing	32,354,257	-	32,354,257	-
Transit oriented development projects	22,757,134	-	22,757,134	-
Planning projects	12,034,192	-	12,034,192	-
Smith and Bybee Wetlands management plan	1,972,260	-	1,972,260	-
Community enhancement	1,507,053	-	1,507,053	-
Willamette Falls Legacy project	15,494,377	-	15,494,377	-
Debt service	1,428,562	-	1,428,562	-
Capital projects	40,603,380	6,410,761	47,014,141	-
Perpetual care:				
Expendable	64,430	-	64,430	-
Non-expendable	692,446	-	692,446	-
Unrestricted	(130,469,211)	22,788,471	(66,309,631)	14,952,194
<b>Total net position</b>	<b>\$ 302,709,052</b>	<b>367,595,777</b>	<b>670,304,829</b>	<b>14,971,694</b>

(1) See Note II.D.12 in the notes to the financial statements

The notes to the financial statements are an integral part of this statement.

**METRO**  
**Statement of Activities**  
**For the fiscal year ended June 30, 2020**

	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>FUNCTIONS/PROGRAMS</b>				
<b>Primary Government:</b>				
Governmental activities:				
General government operations	\$ 26,670,161	3,677,685	3,662,736	-
Regional planning and development	29,178,474	2,287,732	21,221,950	-
Culture and recreation	33,858,568	9,998,063	786,697	338,894
Interest on long-term debt	29,756,452	-	-	-
<b>Total governmental activities</b>	<b>119,463,655</b>	<b>15,963,480</b>	<b>25,671,383</b>	<b>338,894</b>
Business-type activities:				
Solid Waste	84,882,301	72,174,379	30,415	-
Oregon Zoo	50,169,271	23,013,687	3,148,640	748,333
MERC	84,868,082	37,937,166	24,607,412	40,000
<b>Total business-type activities</b>	<b>219,919,654</b>	<b>133,125,232</b>	<b>27,786,467</b>	<b>788,333</b>
<b>Total primary government</b>	<b>\$ 339,383,309</b>	<b>149,088,712</b>	<b>53,457,850</b>	<b>1,127,227</b>
<b>Component Unit:</b>				
Oregon Zoo Foundation	\$ 10,225,354	4,421,308	4,315,809	-

General revenues:
Property taxes
Excise taxes
Construction excise tax
Cemetery revenue surcharge
Unrestricted investment earnings (loss)
Transfers
<b>Total general revenues and transfers</b>
Change in net position
<b>Net position - July 1, 2019</b>
<b>Net position - June 30, 2020</b>

The notes to the financial statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net Position**

<b>Primary Government</b>			<b>Component Unit</b>
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Oregon Zoo Foundation</b>
(19,329,740)	-	(19,329,740)	
(5,668,792)	-	(5,668,792)	
(22,734,914)	-	(22,734,914)	
(29,756,452)	-	(29,756,452)	
<u>(77,489,898)</u>	<u>-</u>	<u>(77,489,898)</u>	
-	(12,677,507)	(12,677,507)	
-	(23,258,611)	(23,258,611)	
-	(22,283,504)	(22,283,504)	
<u>-</u>	<u>(58,219,622)</u>	<u>(58,219,622)</u>	
<u>(77,489,898)</u>	<u>(58,219,622)</u>	<u>(135,709,520)</u>	
			<u>(1,488,237)</u>
114,176,644	-	114,176,644	-
16,916,905	-	16,916,905	-
3,627,232	-	3,627,232	-
45,533	-	45,533	-
30,268,742	3,801,003	34,069,745	261,591
(37,300,764)	37,300,764	-	-
<u>127,734,292</u>	<u>41,101,767</u>	<u>168,836,059</u>	<u>261,591</u>
50,244,394	(17,117,855)	33,126,539	(1,226,646)
<u>252,464,658</u>	<u>384,713,632</u>	<u>637,178,290</u>	<u>16,198,340</u>
<u>\$ 302,709,052</u>	<u>367,595,777</u>	<u>670,304,829</u>	<u>14,971,694</u>



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# Fund Financial Statements

## Governmental Funds

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### **Major Funds**

#### **General Fund**

The *General Fund* accounts for all activities not required to be accounted for in another fund. This fund accounts for Metro's primary governmental programs and support services including Council, Office of the Auditor, Office of Metro Attorney, Information Services, Communications, Finance and Regulatory Services, Human Resources, Property and Environmental Services (construction project management and Metro Regional Center building operations components), Parks and Nature, Planning and Development (land use, urban growth management, and environmental and transportation planning), Research Center, and special and non-departmental appropriations. The principal resources of the fund are charges for services, grants, property taxes, construction excise tax, excise taxes on Metro's facilities and services levied in accordance with the Metro Code, bonds issued, and premium on bonds issued.

The budgetary General Fund is combined with two other budgetary funds, the General Revenue Bond Fund – General and the General Asset Management Fund, to become one fund in accordance with accounting principles generally accepted in the United States of America.

#### **Special Revenue Funds**

##### *Parks and Natural Areas Local Option Levy Fund*

The fund was established to account for a special five-year tax levy to provide funds to operate and maintain regional parks and natural areas. Specifically, funds will be used to improve water quality and restore wildlife habitat, wetlands and floodplains. The principal source of revenue is property taxes.

##### *Affordable Housing Fund*

The fund was established to account for bond proceeds and expenditures related to the 2018 Affordable Housing Measure. Metro sold \$652.8 million in taxable bonds in May 2019 to fund affordable housing for low-income families, seniors, veterans and people with disabilities in the greater Portland region.

#### **Debt Service Fund**

The *General Obligation Bond Debt Service Fund* accounts for payments of general obligation bond principal and interest to bondholders. The principal resources are property taxes and investment income.

#### **Capital Projects Funds**

##### *Zoo Infrastructure and Animal Welfare Fund*

This fund was established to account for proceeds of voter-approved general obligation bonds to fund infrastructure and projects related to animal welfare at the Oregon Zoo. The principal sources of revenue are bonds issued, premium on bonds issued and investment income.

##### *Natural Areas Fund*

This fund accounts for activities to acquire and preserve natural areas and stream frontages, maintain and improve water quality, and protect fish and wildlife habitat. The principal resources are investment income and grants.

##### *Parks and Nature Bond Fund*

This fund accounts for activities to protect natural areas, water quality, and fish and wildlife habitat and connecting people to nature. The principal sources of revenue are bonds issued, premium on bonds issued and investment income.

#### **Other Governmental Funds**

Other governmental funds include Smith and Bybee Wetlands Fund, Community Enhancement Fund, Open Spaces Fund, and Cemetery Perpetual Care Fund.

**METRO**

Balance Sheet and Reconciliation to Statement of Net Position

Governmental Funds

June 30, 2020

	General	Special Revenue		General Obligation Bond Debt Service
		Parks and Natural Areas Local Option Levy	Affordable Housing	
<b>ASSETS</b>				
Equity in internal cash and investment pool	\$ 92,503,989	10,794,073	21,148,948	3,245,092
Investments	-	-	636,668,750	-
Receivables:				
Property taxes	403,751	372,855	-	1,626,588
Trade	133,440	3,320	-	-
Other	2,357,167	-	-	-
Interest	354,357	43,888	2,766,025	8,191
Grants	4,186,667	-	-	-
Assets held for resale	6,515,567	-	-	-
Prepaid items	279,627	-	15,043,000	-
Other assets	130,580	45,682	-	-
Loans receivable	1,067,840	-	-	-
Restricted assets:				
Equity in internal cash and investment pool	3,388,454	-	-	28
<b>Total assets</b>	<b>\$ 111,321,439</b>	<b>11,259,818</b>	<b>675,626,723</b>	<b>4,879,899</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 5,602,602	1,314,009	44,772	-
Accrued salaries and benefits	1,729,630	246,887	36,617	-
Contracts payable	157,738	48,377	-	-
Unearned revenue	258,012	-	-	-
Deposits payable	20,118	-	-	-
Other liabilities	4,233	90	-	-
<b>Total liabilities</b>	<b>7,772,333</b>	<b>1,609,363</b>	<b>81,389</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	336,977	307,633	-	1,340,331
Unavailable revenue-other	24,769	-	-	-
<b>Total deferred inflows of resources</b>	<b>361,746</b>	<b>307,633</b>	<b>-</b>	<b>1,340,331</b>
<b>FUND BALANCES</b>				
Nonspendable	296,426	-	15,043,000	-
Restricted	63,313,745	9,342,822	660,502,334	3,539,568
Committed	14,740,429	-	-	-
Assigned	-	-	-	-
Unassigned	24,836,760	-	-	-
<b>Total fund balances</b>	<b>103,187,360</b>	<b>9,342,822</b>	<b>675,545,334</b>	<b>3,539,568</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 111,321,439</b>	<b>11,259,818</b>	<b>675,626,723</b>	<b>4,879,899</b>

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

The net pension liability and related deferred outflows and inflows of resources are not available/payable in the current period and therefore are not reported in the funds.

The net OPEB liability and related deferred outflows and inflows of resources are not available/payable in the current period and therefore are not reported in the funds.

Property taxes and certain other revenues are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds.

An internal service fund is used by management to charge the costs of insurance and risk management to individual funds.

The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

Long-term liabilities (including bonds payable) and related deferred outflows of resources, are not due and payable in the current period and therefore are not reported in the funds.

Net position of governmental activities

The notes to the financial statements are an integral part of this statement.

<b>Capital Projects</b>				
<b>Oregon Zoo Infrastructure and Animal Welfare</b>	<b>Natural Areas</b>	<b>Parks and Nature</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
4,340,295	6,285,091	3,663,661	3,634,093	145,615,242
11,831,306	7,539,492	206,297,899	-	862,337,447
-	-	-	-	2,403,194
-	44,334	-	-	181,094
-	-	-	52,304	2,409,471
65,764	41,752	904,789	14,576	4,199,342
-	-	-	-	4,186,667
-	-	-	-	6,515,567
-	-	-	-	15,322,627
-	-	8,722	-	184,984
-	-	-	-	1,067,840
-	-	-	-	3,388,482
<b>16,237,365</b>	<b>13,910,669</b>	<b>210,875,071</b>	<b>3,700,973</b>	<b>1,047,811,957</b>
2,944,932	1,561,497	282,951	252,952	12,003,715
24,299	86,015	19,480	-	2,142,928
1,287,166	120,540	-	-	1,613,821
-	-	-	-	258,012
-	-	-	-	20,118
-	-	-	-	4,323.00
<b>4,256,397</b>	<b>1,768,052</b>	<b>302,431</b>	<b>252,952</b>	<b>16,042,917</b>
-	-	-	-	1,984,941
-	-	-	-	24,769
-	-	-	-	2,009,710
-	-	-	692,447	16,031,873
11,980,968	12,142,617	210,572,640	2,691,144	974,085,838
-	-	-	-	14,740,429
-	-	-	64,430	64,430
-	-	-	-	24,836,760
<b>11,980,968</b>	<b>12,142,617</b>	<b>210,572,640</b>	<b>3,448,021</b>	<b>1,029,759,330</b>
<b>16,237,365</b>	<b>13,910,669</b>	<b>210,875,071</b>	<b>3,700,973</b>	<b>369,390,704</b>
				(34,933,890)
				(656,459)
				2,009,710
				6,910,617
				(1,069,770,960)
			<b>\$</b>	<b>302,709,052</b>



**METRO**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the fiscal year ended June 30, 2020**

	General	Special Revenue		General Obligation Bond Debt Service
		Parks and Natural Areas Local Option Levy	Affordable Housing	
<b>REVENUES</b>				
Property taxes	\$ 16,359,682	15,874,346	-	81,867,403
Excise taxes	16,916,905	-	-	-
Construction excise tax	3,627,232	-	-	-
Cemetery revenue surcharge	-	-	-	-
Investment income	3,364,196	391,190	23,403,932	748,648
Government fees	85,692	-	-	-
Culture and recreation fees	4,066,569	-	-	-
Solid waste fees	-	-	-	-
Other fees	1,955,668	-	-	-
Internal charges for services	7,079,106	-	-	-
Licenses and permits	583,115	-	-	-
Miscellaneous revenue	1,077,763	3,320	-	-
Grants	11,422,362	116,738	-	-
Local government shared revenues	4,185,973	-	-	-
Government contributions	9,917,660	-	-	-
Contributions and donations	28,650	-	-	-
Capital grants	-	-	-	-
Capital contributions and donations	269,560	-	-	-
<b>Total revenues</b>	<b>80,940,133</b>	<b>16,385,594</b>	<b>23,403,932</b>	<b>82,616,051</b>
<b>EXPENDITURES</b>				
Current:				
General government operations	20,329,017	601,438	-	-
Regional planning and development	24,820,319	-	2,364,334	-
Culture and recreation	12,018,374	12,098,120	-	-
Debt service:				
Principal	3,515,000	-	-	52,775,000
Interest	4,032,899	-	-	29,480,112
Capital outlay	2,045,665	1,350,649	-	-
<b>Total expenditures</b>	<b>66,761,274</b>	<b>14,050,207</b>	<b>2,364,334</b>	<b>82,255,112</b>
<b>Revenues over (under) expenditures</b>	<b>14,178,859</b>	<b>2,335,387</b>	<b>21,039,598</b>	<b>360,939</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Sale of capital assets	23,596	-	-	-
Transfers in	1,449,821	-	-	-
Transfers out	(14,679,464)	(33,180)	(6,271)	-
<b>Total other financing sources (uses)</b>	<b>(13,206,047)</b>	<b>(33,180)</b>	<b>(6,271)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>972,812</b>	<b>2,302,207</b>	<b>21,033,327</b>	<b>360,939</b>
Fund balances - July 1, 2019	102,214,548	7,040,615	654,512,007	3,178,629
Fund balances - June 30, 2020	\$ 103,187,360	9,342,822	675,545,334	3,539,568

The notes to the financial statements are an integral part of this statement.

<b>Capital Projects</b>				
<b>Oregon Zoo Infrastructure and Animal Welfare</b>	<b>Natural Areas</b>	<b>Parks and Nature</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
-	-	-	-	114,101,431
-	-	-	-	16,916,905
-	-	-	-	3,627,232
-	-	-	45,534	45,534
681,319	481,049	877,024	137,295	30,084,653
-	-	-	-	85,692
-	-	-	-	4,066,569
-	-	-	1,086,468	1,086,468
-	20,000	-	-	1,975,668
-	-	-	-	7,079,106
-	-	-	-	583,115
-	11,865	-	-	1,092,948
-	-	-	-	11,539,100
-	-	-	-	4,185,973
-	-	-	-	9,917,660
-	-	-	-	28,650
-	44,334	-	-	44,334
-	25,000	-	-	294,560
<b>681,319</b>	<b>582,248</b>	<b>877,024</b>	<b>1,269,297</b>	<b>206,755,598</b>
-	-	-	-	20,930,455
-	-	-	-	27,184,653
669,894	1,771,826	1,001,094	1,186,949	28,746,257
-	-	-	-	56,290,000
-	-	-	-	33,513,011
23,373,621	8,187,269	224,540	-	35,181,744
<b>24,043,515</b>	<b>9,959,095</b>	<b>1,225,634</b>	<b>1,186,949</b>	<b>201,846,120</b>
<b>(23,362,196)</b>	<b>(9,376,847)</b>	<b>(348,610)</b>	<b>82,348</b>	<b>4,909,478</b>
-	-	200,000,000	-	200,000,000
-	-	10,922,405	-	10,922,405
-	59	-	-	23,655
-	-	-	-	1,449,821
(3,695)	(1,013,812)	(1,155)	-	(15,737,577)
<b>(3,695)</b>	<b>(1,013,753)</b>	<b>210,921,250</b>	<b>-</b>	<b>196,658,304</b>
<b>(23,365,891)</b>	<b>(10,390,600)</b>	<b>210,572,640</b>	<b>82,348</b>	<b>201,567,782</b>
35,346,859	22,533,217	-	3,365,673	828,191,548
<b>11,980,968</b>	<b>12,142,617</b>	<b>210,572,640</b>	<b>3,448,021</b>	<b>1,029,759,330</b>

**METRO**

## Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the fiscal year ended June 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances-total governmental funds	\$	201,567,782
<p>Governmental funds report capital outlays as expenditures, while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		
Expenditures for capital assets	35,226,448	
Less current year depreciation	<u>(3,063,344)</u>	32,163,104
<p>Governmental funds expend general obligation bond proceeds that become capital assets that are owned and depreciated by a proprietary fund in governmental activities</p>		
		(23,022,047)
<p>In the statement of activities, only the gain or loss on the disposal of capital assets is reported, while in governmental funds, the entire proceeds from sales increase financial resources. The change in net position differs from the change in fund balance by the book values of the assets disposed.</p>		
		(683,766)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Change in unavailable revenue-property taxes	75,213	
Change in unavailable revenue-other	<u>(7,696)</u>	67,517
<p>An internal service fund is used by management to charge the costs of insurance and risk management to individual funds. The net revenue of certain activities of the internal service fund is included in governmental activities in the statement of activities.</p>		
		41,018
<p>The issuance of long-term debt provides current financial resources to governmental funds, but issuance of debt increases long-term liabilities in the statement of net position. The repayment of principal on long-term debt uses current financial resources of governmental funds, but repayment of debt reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas premiums and discounts are deferred and amortized in the statement of activities. These are the effects of the differences in the treatment of long-term debt and related items.</p>		
Bonds issued	(200,000,000)	
Premium on bonds issued	(10,922,406)	
Principal payments on bonds	56,290,000	
Amortization of unamortized premium or discount	<u>4,734,711</u>	(149,897,695)
<p>Expenses in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds.</p>		
Pollution remediation liability	(884,000)	
Other postemployment benefits	51,703	
Compensated absences	(805,441)	
Amortization of deferred charge on refunding	(800,579)	
Accruals associated with pension related obligations	(7,865,389)	
Arbitrage payable on bonds	489,760	
Accrued interest on long-term debt	<u>(177,573)</u>	(9,991,519)
Change in net position of governmental activities	\$	<u><u>50,244,394</u></u>

The notes to the financial statements are an integral part of this statement.

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# Fund Financial Statements

## Proprietary Funds

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### Enterprise Funds

#### Major Funds

##### *Solid Waste Fund*

This fund accounts for revenues, primarily from charges for services for the disposal of solid waste, and expenses for the implementation, administration and enforcement of Metro's Solid Waste Management Plan. This fund also accounts for Metro South Station and Metro Central Station solid waste transfer and recycling facilities, and the closed St. Johns Landfill.

##### *Oregon Zoo Fund*

This fund accounts for revenues and expenses related to the management and operation of the Oregon Zoo. The principal sources of revenue are charges for services such as admission and membership fees, and food, beverage and gift sales. Expenses consist primarily of facility operation costs and payroll. This fund consists of two budgetary funds (Oregon Zoo Operating Fund and Oregon Zoo Asset Management Fund) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

##### *MERC Fund*

This fund accounts for revenues and expenses related to the management and operation of facilities managed by MERC, including the OCC, Expo Center, and Portland's. The principal sources of revenue are charges for services and local government shared revenue. Expenses consist primarily of management, food and beverage and operation costs. This fund consists of two budgetary funds (MERC Fund and General Revenue Bond Fund-MERC) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

### Internal Service Fund

#### *Risk Management Fund*

This fund accounts for risk management and self-insurance programs performed for other organizational units within Metro. The primary revenue is charges for services to user funds. Primary expenses are insurance premiums, claims costs, and studies related to insurance issues.

**METRO**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

	<b>Business-type Activities- Enterprise Funds</b>			<b>Total</b>	<b>Governmental Activities- Internal Service Fund</b>
	<b>Solid Waste</b>	<b>Oregon Zoo</b>	<b>MERC</b>		<b>Risk Management</b>
<b>ASSETS</b>					
Current assets:					
Equity in internal cash and investment pool	\$ 51,206,786	8,964,851	27,722,147	87,893,784	4,809,980
Receivables:					
Trade	4,468,047	1,050,581	2,831,896	8,350,524	-
Other	1,997,315	358	2,136,857	4,134,530	-
Interest	203,367	38,608	106,556	348,531	19,987
Grants	-	397,737	399,107	796,844	-
Inventories	182,927	-	-	182,927	-
Prepaid items	-	-	-	-	503,056
Other assets	-	114,000	-	114,000	-
<b>Total current assets</b>	<b>58,058,442</b>	<b>10,566,135</b>	<b>33,196,563</b>	<b>101,821,140</b>	<b>5,333,023</b>
Noncurrent assets:					
Advances to other funds	1,342,839	-	-	1,342,839	-
Restricted equity in internal cash and investment pool	-	-	168,473	168,473	-
OPEB asset	197,946	245,497	260,982	704,425	-
Capital assets, net	30,629,425	163,817,860	149,090,507	343,537,792	-
<b>Total noncurrent assets</b>	<b>32,170,210</b>	<b>164,063,357</b>	<b>149,519,962</b>	<b>345,753,529</b>	<b>-</b>
<b>Total assets</b>	<b>90,228,652</b>	<b>174,629,492</b>	<b>182,716,525</b>	<b>447,574,669</b>	<b>5,333,023</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred pension amounts	6,839,473	6,566,626	7,363,711	20,769,810	-
Deferred OPEB amounts	32,360	44,862	43,587	120,809	-
<b>Total deferred outflows of resources</b>	<b>6,871,833</b>	<b>6,611,488</b>	<b>7,407,298</b>	<b>20,890,619</b>	<b>-</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	7,294,556	1,015,177	2,988,905	11,298,638	96,493
Accrued salaries and benefits	945,590	586,995	407,487	1,940,072	3,457
Contracts payable	181,314	-	443,339	624,653	-
Accrued interest payable	-	-	10,579	10,579	-
Accrued self-insurance claims	-	-	-	-	466,000
Unearned revenue	-	302,117	1,958,361	2,260,478	-
Deposits payable	(120)	42,619	1,937,047	1,979,546	-
Other liabilities	32	311	626,767	627,110	-
Due to other funds	-	-	-	-	-
Bonds payable-current	-	-	890,000	890,000	-
Post-closure costs payable-current	663,971	-	-	663,971	-
Compensated absences-current	852,074	727,712	699,329	2,279,115	-
<b>Total current liabilities</b>	<b>9,937,417</b>	<b>2,674,931</b>	<b>9,961,814</b>	<b>22,574,162</b>	<b>565,950</b>

(Continued)

**METRO**  
**Statement of Net Position**  
**Proprietary Funds, *continued***  
**June 30, 2020**

	<b>Business-type Activities- Enterprise Funds</b>			<b>Total</b>	<b>Governmental Activities- Internal Service Fund</b>
	<b>Solid Waste</b>	<b>Oregon Zoo</b>	<b>MERC</b>		<b>Risk Management</b>
<b>LIABILITIES, <i>Continued</i></b>					
Noncurrent liabilities:					
Bonds payable (net of unamortized premium or discount)	\$ -	-	4,251,247	4,251,247	-
Advances from other funds	-	1,342,839	-	1,342,839	-
Other postemployment benefits	504,116	709,482	681,090	1,894,688	-
Post-closure costs payable	3,577,305	-	-	3,577,305	-
Pollution remediation obligation	-	-	95,000	95,000	-
Compensated absences	193,318	329,991	45,267	568,576	-
Net pension liability	19,956,538	19,160,411	21,486,184	60,603,133	-
<b>Total non-current liabilities</b>	<b>24,231,277</b>	<b>21,542,723</b>	<b>26,558,788</b>	<b>72,332,788</b>	<b>-</b>
<b>Total liabilities</b>	<b>34,168,694</b>	<b>24,217,654</b>	<b>36,520,602</b>	<b>94,906,950</b>	<b>565,950</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred pension amounts	1,173,592	1,126,774	1,263,547	3,563,913	-
Deferred OPEB amounts	70,045	91,758	93,304	255,107	-
<b>Total deferred inflows of resources</b>	<b>1,243,637</b>	<b>1,218,532</b>	<b>1,356,851</b>	<b>3,819,020</b>	<b>-</b>
<b>NET POSITION</b>					
Net investment in capital assets	30,629,425	163,817,860	143,949,260	338,396,545	-
Restricted for:					
Capital projects	-	6,242,288	168,473	6,410,761	-
Unrestricted	31,058,730	(14,255,355)	8,128,640	24,932,015	4,767,073
<b>Total net position</b>	<b>\$ 61,688,155</b>	<b>155,804,793</b>	<b>152,246,373</b>	<b>369,739,321</b>	<b>4,767,073</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(2,143,544)	
<b>Net position of business-type activities</b>				<b>\$ 367,595,777</b>	

The notes to the financial statements are an integral part of this statement.

**METRO**

Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Funds  
 For the fiscal year ended June 30, 2020

	Business-type Activities- Enterprise Funds			Total	Governmental Activities- Internal Service Fund Risk Management
	Solid Waste	Oregon Zoo	MERC		
<b>OPERATING REVENUES</b>					
Charges for services	\$ 71,931,785	22,988,687	37,919,155	132,839,627	107,554
Internal charges for services	242,594	25,000	18,011	285,605	1,824,025
<b>Total operating revenues</b>	<b>72,174,379</b>	<b>23,013,687</b>	<b>37,937,166</b>	<b>133,125,232</b>	<b>1,931,579</b>
<b>OPERATING EXPENSES</b>					
Payroll and fringe benefits	22,174,736	23,207,134	24,238,270	69,620,140	13,016
Depreciation and amortization	1,801,526	6,074,336	4,052,139	11,928,001	-
Administration	5,094,359	4,021,137	5,584,560	14,700,056	-
Facility operations	20,103,405	13,661,428	28,450,651	62,215,484	-
Marketing	-	16,930	4,400,782	4,417,712	-
Food and beverage	-	-	11,220,143	11,220,143	-
Disposal fees	9,206,015	-	-	9,206,015	-
Waste transport	11,786,630	-	-	11,786,630	-
Special waste disposal fees	1,048,563	-	-	1,048,563	-
Landfill post-closure (reduction)	(35,618)	-	-	(35,618)	-
Consulting services	4,131,877	2,871,216	782,324	7,785,417	-
Charges for services	1,021,005	38,600	1,949,718	3,009,323	-
Insurance	-	-	-	-	1,318,838
Claims	-	-	-	-	892,996
Actuarial claims (reduction)	-	-	-	-	89,000
Other materials and services	5,734,730	-	-	5,734,730	112,618
<b>Total operating expenses</b>	<b>82,067,228</b>	<b>49,890,781</b>	<b>80,678,587</b>	<b>212,636,596</b>	<b>2,426,468</b>
<b>Operating income (loss)</b>	<b>(9,892,849)</b>	<b>(26,877,094)</b>	<b>(42,741,421)</b>	<b>(79,511,364)</b>	<b>(494,889)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income	2,002,967	448,613	1,349,426	3,801,006	184,090
Grants	5,339	706,637	518,887	1,230,863	32,166
Local government shared revenue	-	-	20,631,145	20,631,145	-
Government contributions	25,076	-	2,457,379	2,482,455	-
Contributions and donations	-	2,442,003	1,000,000	3,442,003	-
Contributions to other governments	-	-	(2,784,864)	(2,784,864)	-
Gain (loss) on disposal of capital assets	10,156	(2,438)	(1,217,307)	(1,209,589)	-
Waste reduction grants	(2,800,704)	-	-	(2,800,704)	-
Contributions to other governments	-	(15,000)	-	(15,000)	-
Interest expense	-	(94,935)	(58,226)	(153,161)	-
<b>Total non-operating revenues (expenses)</b>	<b>(757,166)</b>	<b>3,484,880</b>	<b>21,896,440</b>	<b>24,624,154</b>	<b>216,256</b>
<b>Income (loss) before transfers and capital contributions</b>	<b>(10,650,015)</b>	<b>(23,392,214)</b>	<b>(20,844,981)</b>	<b>(54,887,210)</b>	<b>(278,633)</b>
Capital contributions	-	23,770,358	40,000	23,810,358	-
Transfers in	205,082	14,074,382	400,000	14,679,464	-
Transfers out	(135,211)	(129,479)	(136,034)	(400,725)	(90)
<b>Change in net position</b>	<b>(10,580,144)</b>	<b>14,323,046</b>	<b>(20,541,015)</b>	<b>(16,798,113)</b>	<b>(278,723)</b>
<b>Total net position - July 1, 2019</b>	<b>72,268,299</b>	<b>141,481,747</b>	<b>172,787,388</b>		<b>5,045,796</b>
<b>Total net position - June 30, 2020</b>	<b>\$ 61,688,155</b>	<b>155,804,793</b>	<b>152,246,373</b>		<b>4,767,073</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(319,742)	
<b>Change in net position of business-type activities</b>				<b>\$ (17,117,855)</b>	

The notes to the financial statements are an integral part of this statement.

**METRO**

Statement of Cash Flows

Proprietary Funds

For the fiscal year ended June 30, 2020

	Business-type Activities- Enterprise Funds			Total	Governmental Activities- Internal Service Fund
	Solid Waste	Oregon Zoo	MERC		Risk Management
Cash flows from operating activities:					
Receipts from customers	\$ 71,850,590	23,019,170	39,277,933	134,147,693	107,554
Receipts from interfund services provided	-	-	-	-	1,824,025
Payments to suppliers for goods and services	(52,839,981)	(21,372,414)	(55,503,850)	(129,716,245)	(1,405,183)
Payments for claims	-	-	-	-	(892,996)
Payments to employees for services	(17,886,743)	(20,782,052)	(22,204,951)	(60,873,746)	-
Payments for interfund services used	(5,094,359)	(4,021,137)	(5,584,560)	(14,700,056)	(9,559)
Net cash (used in) operating activities	(3,970,493)	(23,156,433)	(44,015,428)	(71,142,354)	(376,159)
Cash flows from noncapital financing activities:					
Grants received	5,339	470,548	119,780	595,667	32,166
Local government shared revenues	-	-	23,614,321	23,614,321	-
Government contributions	25,076	-	2,457,379	2,482,455	-
Contributions and donations	-	2,442,003	1,000,000	3,442,003	-
Contributions to other governments	-	-	(2,784,864)	(2,784,864)	-
Grants to others	(2,800,704)	(15,000)	-	(2,815,704)	-
Principal collected (paid) on interfund loans	893,161	(843,161)	-	50,000	-
Interest collected (paid) on interfund loans	94,935	(94,935)	-	-	-
Transfers from other funds	205,082	14,074,382	400,000	14,679,464	-
Transfers to other funds	(135,211)	(129,479)	(136,034)	(400,724)	(90)
Net cash provided by (used in) noncapital financing activities	(1,712,322)	15,904,358	24,670,582	38,862,618	32,076
Cash flows from capital and related financing activities:					
Capital grants and contributions	-	748,333	40,000	788,333	-
Principal payment on bonds	-	-	(865,000)	(865,000)	-
Interest payments	-	-	(154,775)	(154,775)	-
Acquisition and construction of capital assets	(519,592)	(1,189,371)	(4,694,801)	(6,403,764)	-
Proceeds from sale of capital assets	1,050	8,282	-	9,332	-
Net cash used in capital and related financing activities	(518,542)	(432,756)	(5,674,576)	(6,625,874)	-
Cash flows from investing activities:					
Investment income	1,846,646	451,573	1,372,344	3,670,563	177,179
Net cash provided by investing activities	1,846,646	451,573	1,372,344	3,670,563	177,179
Net (decrease) in cash including restricted amounts	(4,354,711)	(7,233,258)	(23,647,078)	(35,235,047)	(166,904)
Cash at beginning of year including restricted amounts	55,561,497	16,198,109	51,537,698	123,297,304	4,976,884
Cash at end of year including restricted amounts	\$ 51,206,786	8,964,851	27,890,620	88,062,257	4,809,980

(Continued)



**METRO**  
**Statement of Cash Flows**  
**Proprietary Funds, *continued***  
**For the fiscal year ended June 30, 2020**

	<b>Business-type Activities- Enterprise Funds</b>				<b>Activities- Internal Service Fund</b>
	<b>Solid Waste</b>	<b>Oregon Zoo</b>	<b>MERC</b>	<b>Total</b>	<b>Risk Management</b>
Equity in internal cash and investment pool	\$ 51,206,786	8,964,851	27,722,147	87,893,784	4,809,980
Restricted equity in internal cash and investment pool	-	-	168,473	168,473	-
<b>Total</b>	<b>\$ 51,206,786</b>	<b>8,964,851</b>	<b>27,890,620</b>	<b>88,062,257</b>	<b>4,809,980</b>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (9,892,849)	(26,877,094)	(42,741,421)	(79,511,364)	(494,889)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	1,801,526	6,074,336	4,052,139	11,928,001	-
Change in assets and liabilities:					
Trade/other accounts receivable	(323,789)	5,483	1,340,767	1,022,461	-
Inventories	65,676	-	-	65,676	-
Prepaid items	7,883	786,260	100	794,243	-
Other assets	-	18,000	-	18,000	29,653
Accounts payable	1,616,778	(2,625,560)	(3,653,539)	(4,662,321)	(3,380)
Accrued salaries, benefits and compensated absences	4,287,992	2,425,083	2,033,320	8,746,395	3,457
Contracts payable	77,146	(25,000)	(1,052,212)	(1,000,066)	-
Accrued self-insurance claims	-	-	-	-	89,000
Unearned revenue	-	(2,846,072)	(4,037,379)	(6,883,451)	-
Deposits payable	(80)	(91,430)	(574,209)	(665,719)	-
Other liabilities	-	(439)	617,006	616,567	-
Post-closure costs payable	(647,776)	-	-	(647,776)	-
Pollution remediation obligation	(963,000)	-	-	(963,000)	-
<b>Total adjustments</b>	<b>5,922,356</b>	<b>3,720,661</b>	<b>(1,274,007)</b>	<b>8,369,010</b>	<b>118,730</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (3,970,493)</b>	<b>(23,156,433)</b>	<b>(44,015,428)</b>	<b>(71,142,354)</b>	<b>(376,159)</b>
<b>Noncash investing, capital, and financing activities:</b>					
Non-cash portion of capital contributions	\$ -	23,022,025	-	23,022,025	-

The notes to the financial statements are an integral part of this statement.

**I. HISTORICAL INTRODUCTION**

Metro, the nation's only directly elected regional government, was organized under the provisions of Oregon Revised Statutes (ORS) Chapter 268 to make available, in the Portland, Oregon metropolitan area, public services not adequately available through previously authorized governmental agencies. Under the 1992 Metro Charter, Metro's primary function is regional planning services. Metro is also authorized to exercise the following functions and is permitted by Charter to assume additional functions if approved by ordinance:

- Acquisition, development, maintenance and operation of:
  - a metropolitan zoo,
  - public cultural, trade, convention, exhibition, sports, entertainment, and spectator facilities,
  - facilities for disposal of solid and liquid wastes, and
  - a system of parks, open spaces and recreational facilities of metropolitan concern
- Metropolitan aspects of natural disaster planning and response coordination
- Development and marketing of data
- Performance of any other function required by state law or assigned to Metro by voters

The Metro Council is the governing body and consists of six part time councilors, each elected on a nonpartisan basis from a single district within the Metro area. The Council President, who both administers the agency and presides over the policy-making of the Council, is elected from the Metro area at large. A Chief Operating Officer, appointed by the Council President and confirmed by the Council, is responsible for day-to-day administration of Metro, under the guidance of the Council President and the full Council. The Metro Auditor is elected at large, and that office performs financial and performance audits and makes reports to the Council and Chief Operating Officer.

The Metropolitan Exposition Recreation Commission (MERC) was established by Metro ordinance to operate, maintain and renovate metropolitan convention, trade and spectator facilities pursuant to appropriate state statutes. The Commission consists of seven members, five recommended to the Council by local governments and two directly appointed by the Council President, and all confirmed by the Council. MERC is not legally separate from Metro.

**II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Metro have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following summary of Metro's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

**A. THE REPORTING ENTITY****1. Primary Government**

Metro is a municipal corporation governed by a Council President and six Councilors. As required by GAAP, Metro's financial statements present Metro (the primary government) and its component unit – the Oregon Zoo Foundation (OZF), a legally separate non-profit organization whose sole purpose is to provide support and significant additional funding for Metro's Oregon Zoo (the Zoo). This discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from Metro. For materiality reasons, disclosures accompanying Metro's financial statements have generally been limited to those of the primary government.

## 2. Discretely Presented Component Unit

OZF – The legally separate OZF exists exclusively for the support and benefit of the Zoo. It is a public benefit corporation organized and operated under Section 501(c)(3) of the Internal Revenue Code. The OZF conducts fundraising efforts on behalf of the Zoo, receiving donations from both individuals and corporations that are provided as financial support to the Zoo. The OZF is included in Metro’s report under provisions of GASB Statement No. 39. Complete financial statements for OZF can be obtained from the Finance Manager at 4001 SW Canyon Road, Portland, OR 97221-2799.

## B. BASIC FINANCIAL STATEMENTS

1. **Government-wide financial statements** (the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component unit. For the most part, the effect of interfund activity has been eliminated from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The primary government is reported separately from its legally separate component unit.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as *general revenues*, as are internally dedicated resources.

2. **Fund financial statements** are presented for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

## C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using an *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. All transactions affecting increases (revenues) and decreases (expenses) in total net position during the period are reported. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue when all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. Governmental funds’ operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) of net current position during a period. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are both “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Metro considers revenue arising from federal and state grants to be available in the period when the underlying related expenditures for reimbursement based grants have been incurred, if it is known that all eligibility requirements that allow for billing of the amount to the grantor agency under the applicable grant agreement have been satisfied. All other revenue is considered available if received within 60 days of fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt that is recorded when due and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, excise taxes, construction excise tax, cemetery revenue surcharges, grants, local government shared revenues, government contributions, charges for services, and investment income are susceptible to accrual.

Contributions and donations and other receipts become measurable and available when cash is received and are recognized as revenue at that time.

The accounts of Metro are organized on the basis of funds, each of which is a separate accounting entity with self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance equity, revenues, and expenditures or expenses, as appropriate. The segregation by fund is for the purpose of carrying on specific activities or attaining certain objectives in accordance with ordinances, special regulations, restrictions or limitations. The various funds are grouped by fund type and classified into two broad fund categories: governmental and proprietary.

Major funds are those whose revenues, expenditures/expenses, assets plus deferred outflows of resources, or liabilities plus deferred inflows of resources (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Additional funds may be reported as a major fund if Metro's officials believe that fund is particularly important to financial statement users. Metro reports the following major governmental funds:

**General Fund** – This fund accounts for all activities not required to be accounted for in another fund: Metro's primary governmental programs and support services including Council, Office of the Auditor, Office of Metro Attorney, Information Services, Communications, Finance and Regulatory Services, Human Resources, Property and Environmental Services (construction project management and Metro Regional Center building operations components), Parks and Nature, Planning and Development (land use, urban growth management, and environmental and transportation planning), Research Center, and special and non-departmental appropriations. The budgetary General Fund is combined with two other budgetary funds, the General Revenue Bond Fund – General and the General Asset Management Fund, to become one fund in accordance with accounting principles generally accepted in the United States of America.

**Special Revenue Fund** – Special revenue funds account for revenues (other than fiduciary resources or major capital projects) that are legally restricted to expenditures for specific purposes. Metro's major special revenue funds are:

*Parks and Natural Areas Local Option Levy Fund* – This fund was established to account for a special five-year tax levy to provide funds to operate and maintain regional parks and natural areas. Specifically, funds will be used to improve water quality and restore wildlife habitat, wetlands and floodplains.

*Affordable Housing Fund* – This fund was established to account for bond proceeds and expenditures related to the 2018 Affordable Housing Measure. Metro sold \$652.8 million in taxable bonds in May 2019 to fund affordable housing for low-income families, seniors, veterans and people with disabilities in the greater Portland region.

**Debt Service Fund** – *The General Obligation Bond Debt Service Fund* accounts for payments of general obligation bond principal and interest to bondholders.

**Capital Projects Funds** – This fund type is used to account for resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Metro's major capital projects funds are:

*Oregon Zoo Infrastructure and Animal Welfare Fund* – This fund was established to account for proceeds of voter-approved general obligation bonds to fund infrastructure and projects related to animal welfare at the Oregon Zoo.

*Natural Areas Fund* – This fund accounts for activities to acquire and preserve natural areas and stream frontages, maintain and improve water quality, and protect fish and wildlife habitat.

*Parks and Nature Bond Fund* – This fund accounts for activities to protect natural areas, water quality, and fish and wildlife habitat and connecting people to nature.

Metro reports the following major proprietary funds:

**Enterprise Funds** – These funds account for the financing of predominantly self supporting activities that are funded through service charges and user fees to customers. Metro’s enterprise funds are:

*Solid Waste Fund* - This fund accounts for revenues, primarily from charges for services for the disposal of solid waste, and expenses for the implementation, administration and enforcement of Metro's Solid Waste Management Plan. This fund also accounts for Metro South Station and Metro Central Station solid waste transfer and recycling facilities, and the closed St. Johns Landfill.

*Oregon Zoo Fund* - This fund accounts for revenues and expenses related to the management and operation of the Oregon Zoo. The principal sources of revenue are charges for services such as admission and membership fees, and food, beverage and gift sales. Expenses consist primarily of facility operation costs and payroll. This fund consists of two budgetary funds (Oregon Zoo Operating Fund and Oregon Zoo Asset Management) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

*MERC Fund* - This fund accounts for revenues and expenses related to the management and operation of facilities managed by MERC, including the Metro owned Oregon Convention Center (OCC) and the Portland Expo Center (Expo). In addition, under the provisions of an intergovernmental agreement with the City of Portland, MERC is responsible for operation and management of the City-owned Portland’s Centers for the Arts (Portland’s). This fund consists of two budgetary funds (MERC Fund and General Revenue Bond Fund-MERC) that are combined as one Enterprise Fund to be in accordance with accounting principles generally accepted in the United States of America.

**Internal Service Fund** – Internal service funds are used to account for activities or services furnished by designated departments to other organizational units. Charges are made to the user departments to support these activities. Metro’s internal service fund is:

*Risk Management Fund* – This fund accounts for risk management and self-insurance programs performed for other organizational units within Metro.

Metro also reports *nonmajor* funds of the following fund types:

#### Special Revenue Funds

##### Capital Projects Fund

**Permanent Fund** – This fund type is used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government’s programs.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions are direct charges for services between various funds that represent services provided and used. Elimination of these charges would distort the measurement of the cost of individual functional activities. Certain indirect costs for central administration and support have been included as part of program expenses reported for the various functions in the government-wide financial statements.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Solid Waste Fund, Oregon Zoo Fund, MERC Fund, and of the internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## **D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/ INFLOWS OF RESOURCES, AND NET POSITION/ FUND BALANCES**

### **1. Cash and Investments**

Metro maintains a cash and investment pool that is available for use by all funds for investment purposes, excluding the component unit. Interest earned on pooled investments is allocated monthly based upon each fund's average monthly cash balance. Investments are presented at fair value within the fair value hierarchy established by GAAP. Fair value is determined annually as of June 30.

For purposes of the statement of cash flows, cash is considered to be cash on hand, demand deposits, cash in restricted accounts and equity in the internal cash and investment pool. All pooled investment purchases and maturities are part of Metro's cash management activity and are considered cash and cash equivalents.

As authorized by State statutes, policies recommended by Metro's Investment Advisory Board and adopted by the Metro Council authorize Metro to invest in obligations of U.S. government agencies, U.S. Government Sponsored Enterprises (USGSE), the U.S. Treasury, certificates of deposit, repurchase agreements, money market investments, bankers' acceptances, commercial paper, certain corporate promissory notes, State of Oregon and local government securities, debt obligations of the states of California, Idaho and Washington and their political subdivisions, and the State Treasurer's Local Government Investment Pool (LGIP).

### **2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at fiscal year-end are referred to as "due to/from other funds" (short-term) and "advances to/from other funds" (long-term) in the fund financial statements. The residual balances outstanding between governmental activities and business-type activities, along with the other interfund balances described above, are reported in the government-wide financial statements as "internal balances."

Uncollected property taxes receivable collected and remitted to Metro by county treasurers within approximately 60 days of fiscal year-end are recognized

as revenue. The remaining balance is recorded as unavailable revenue because it is not deemed available to finance operations of the current period. Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Property taxes are assessed and become a lien against the property as of July 1 each year. Since property taxes may be collected by foreclosure, no allowance for doubtful accounts is deemed necessary. Property taxes are levied on November 15 and are payable in three installments that are due on November 15, February 15 and May 15. Taxes unpaid and outstanding after May 16 are considered delinquent.

Receivables are stated net of an allowance for uncollectibles when required.

Metro allocates indirect costs, primarily of an administrative nature, to grants in compliance with cost allocation plans that are subject to the approval of Metro's oversight agency. The plan in effect for fiscal year 2020 allocated indirect costs to grants at a rate of approximately 54 percent of the related direct personnel costs.

### **3. Inventories and Prepaid Items**

Inventories, consisting of consumable food and items held for resale, are valued at cost (first in, first out method), and are charged as expenses when consumed. Payments to vendors for services that will benefit future periods are recorded as prepaid items using the consumption method.

### **4. Animal Collections**

In accordance with industry practice, animal collections of the Zoo are recorded at the nominal amount of \$1, as there is no objective basis for establishing value. Differences in attributes such as species, age, sex, endangered status, and breeding potential make it impracticable to assign value. Acquisitions are recorded as expenses of the operating activity.

### **5. Transit-Oriented Development (TOD) Program Easements**

Metro purchases easements on various TOD projects

from developers. These easements contain property use conditions for periods up to 30 years to accomplish the goals of the TOD program. Metro does not consider the substance of such easements as assets, but rather project funding and amounts paid are reflected as a period cost. This policy is based on the concept that assets are resources that Metro controls and that have a present capacity to provide services, directly or indirectly. TOD easements, while a contractual or property right controlled by Metro, are entered into for the purposes of developing properties that increase transit ridership. The transit system is a service function of a wholly separate government entity. In the broadest sense, success of the program through TOD easements can enable the region and its individual government entities to maximize future resources. As such, there is no increase in Metro's present capacity to provide service and TOD easements are effectively contributions to the programs and service capacity of other governments.

## 6. Restricted Assets

Resources for future payment of bonds and certain long-term liabilities or activities have been classified as restricted assets on the statement of net position because their use is limited by certain applicable agreements or state laws. Assets of the Parks and Natural Areas Local Option Levy Fund are restricted by Measure 26-152, a voter-approved five-year local option property tax levy. Assets of the Debt Service, Oregon Zoo Infrastructure and Animal Welfare, Natural Areas, Parks and Nature, and Open Spaces Funds are restricted by state law controlling the use of bond proceeds. Assets of the Smith and Bybee Wetlands Fund, and portions of the General Fund related to the TOD program, Convention Center Hotel project and Willamette Falls Legacy project are restricted by contractual agreements with third parties. Assets of the Community Enhancement and the Cemetery Perpetual Care Funds are restricted by state law and/or Metro Code.

## 7. Capital Assets

Capital assets, which include land, intangible easements, artwork, construction in progress, buildings and exhibits, improvements, equipment and vehicles, intangible software, office furniture and equipment, and railroad equipment and facilities, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined as assets with an initial cost of \$10,000 or

more, and an estimated useful life in excess of one year. Capital assets are recorded at cost, and donated capital assets are stated at acquisition value when received, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Normal maintenance and repairs are charged to operations as incurred. Replacements exceeding \$10,000 that improve or extend the lives of property are capitalized.

Capital assets are recorded as capital outlay expenditures in the governmental funds statements when purchased. Capital assets in the enterprise and internal service funds are capitalized when purchased. Interest expense incurred before the end of a construction period is recognized as an expense in the period in which the cost is incurred and is not capitalized as part of the asset's historical cost.

Depreciation/amortization is computed using the straight line method over the following estimated useful lives:

Asset	Years
Buildings and exhibits	20-50
Improvements	10-65
Equipment and vehicles	8-20
Intangible-software	5
Office furniture and equipment	5-20
Railroad equipment and facilities	10

Pursuant to an intergovernmental agreement with the City of Portland, Metro (through MERC) operates and manages activities for Portland's, but capital assets purchased from funds derived from these operations become property of the City. As such, these expenses are reflected as contributions to other governments and are not capitalized.

## 8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position reports a separate section for *deferred outflows of resources*, which represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until that time. Metro reports three items in the government-wide statement of net position: deferred charge on refunding bonds, deferred OPEB amounts, and deferred pension amounts. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount

is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred pension and OPEB amounts are contributions to the plan subsequent to the measurement date of the plan for reporting purposes and are recognized as outflows of resources in the following fiscal year.

In addition to liabilities, the statement of financial position reports a separate section for *deferred inflows of resources*, which represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The government-wide statement of net position reports deferred pension and OPEB amounts which represent the net difference between projected and actual earnings on plan investments and the changes in proportionate share of contributions. Metro also has *unavailable revenue*, which arises only under a modified accrual basis of accounting and so is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and loan receipt revenues. All deferred inflows are recognized as inflows of resources in the period that the amounts become available.

## 9. Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same accrual basis as they are reported by PERS. For this purpose, revenues are recognized when earned. Contributions are recognized when due, pursuant to formal commitments, as well as statutory and PERS Board requirements. Expenses are recognized when incurred. Benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Withdrawals are recognized in the month they are due and payable. Investments are reported at fair value.

## 10. Long-term Obligations

In the government-wide financial statements, and in proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are

reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premium and discount amounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported on the statement of net position net of the unamortized portion of premiums or discounts.

For governmental fund types in the fund financial statements, bond premiums, discounts and issuance costs are recognized in the period incurred. The face amount of debt issued plus any premium received on issuance is reported as other financing sources. Discounts on issuance are reported as other financing uses. Issuance costs are reported as expenditures

## 11. Liability for Compensated Absences

Accumulated unpaid vacation benefits are accrued as earned in government-wide and proprietary fund financial statements. Accumulated unpaid vacation benefits are recorded as liabilities in the governmental fund types only if they have matured as the result of employee resignations or retirements. Calculated amounts of vacation leave payable include salary-related payments associated with the leave, such as Metro's share of Social Security and Medicare taxes. The amount due within one year is estimated on a historical average of leave taken during a fiscal year. Accumulated sick leave does not vest and is, therefore, recorded in all funds when leave is taken.

## 12. Fund Balances and Net Position

Fund balance is classified in the governmental fund financial statements in five components to give users information necessary to understand any constraints imposed upon the resources and how those constraints may be modified or eliminated. Fund balance is classified as *nonspendable* when amounts cannot be spent because they are either in nonspendable form, such as prepaid expenditures, long-term receivables, or inventory, or are legally required to remain intact, such as the corpus of a permanent fund. Amounts classified as *restricted* fund balance are amounts with constraints imposed externally by creditors, grantors, contributors, or the laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The Metro Council is the highest level of decision-



making authority for Metro that can, by adopting an ordinance, place constraints on resources that are reported as *committed* fund balance. These commitments can be modified or rescinded only by Council adoption of subsequent ordinances. *Assigned* fund balances are amounts intended to be used for specific purposes but do not meet the criteria to be classified as committed. Metro Council has, by resolution, authorized the Chief Operating Officer to assign fund balance. *Unassigned* fund balance is available for other uses and only the general fund may report a positive unassigned fund balance amount. It is Metro's policy to use restricted resources first, then unrestricted resources as needed when both restricted and unrestricted resources are available for use. 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.

In the government-wide statement of net position and the statement of net position for proprietary funds, limitations on how the net position may be used are reported as restrictions. Restrictions may be placed by an external party providing the resources, by enabling legislation, or by the nature of the asset.

The government-wide statement of net position includes the result of Metro financing capital assets for the business-type activities through the issuance of general obligation bonds, a governmental activities function. The amount of long-term debt outstanding on the bonds is reflected as a liability (and as a component of unrestricted net position) in the governmental activities column, whereas the associated capital assets financed by this debt are reflected as assets (and as a component of invested in capital assets, net of related debt) in the business-type activities column. The primary government total column has been adjusted to match the debt against the assets in the invested in capital assets, net of related debt category.

#### **E. ADOPTION OF NEW GASB PRONOUNCEMENTS**

During the fiscal year ended June 30, 2020, Metro implemented the following GASB Statements that were applicable to Metro's operations:

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. Issued May

2020, primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

#### **F. FUTURE ADOPTION OF GASB PRONOUNCEMENTS**

Metro will implement future GASB pronouncements no later than the required effective date. Metro is currently evaluating the applicability of the following GASB pronouncements for their impact on Metro's financial statements in subsequent years:

- GASB Statement No. 84, *Fiduciary Activities*, effective for reporting periods beginning after December 15, 2019.
- GASB Statement No. 87, *Leases*, effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for reporting periods beginning after December 15, 2020.
- GASB Statement No. 90, *Majority Equity Interests*, effective for reporting periods beginning after December 15, 2019.
- GASB Statement No. 91, *Conduit Debt Obligations*, effective for reporting periods beginning after December 15, 2021.
- GASB Statement No. 92, *Omnibus 2020*, effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*, effective for reporting periods beginning after June 15, 2020.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for reporting periods beginning after June 15, 2022.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for reporting periods beginning after June 15, 2022.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, effective for reporting periods beginning after June 15, 2021.

**III. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS****Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported

in the government-wide statement of net position.

Elements of that reconciliation explain that capital assets, net pension liability and related amounts, and long-term liabilities/deferred outflows are either not reported or are reported as unavailable in the funds. The details of these differences are:

	Capital assets	Net pension liability and related amounts	Net OPEB liability and related amounts	Long-term liabilities/deferred outflows
Capital assets	\$ 413,867,707	-	-	-
Accumulated depreciation	(44,477,003)	-	-	-
Deferred pension amounts (deferred outflows)	-	16,719,275	-	-
Net pension liability	-	(48,784,288)	-	-
Deferred pension amounts (deferred inflows)	-	(2,868,877)	-	-
Net OPEB asset	-	-	529,937	-
Deferred OPEB amounts (deferred outflows)	-	-	71,842	-
Net OPEB liability	-	-	(1,086,000)	-
Deferred OPEB amounts (deferred inflows)	-	-	(172,238)	-
Accrued interest payable	-	-	-	(3,695,721)
Arbitrage payable	-	-	-	(32,287)
Bonds payable (net of unamortized premium/discount)	-	-	-	(1,062,343,031)
Pollution remediation obligation	-	-	-	(886,500)
Compensated absences	-	-	-	(3,133,220)
Deferred charge on refunding	-	-	-	319,798
Net adjustment to fund balance-total governmental funds to arrive at net position-governmental activities	\$ 369,390,704	(34,933,890)	(656,459)	(1,069,770,960)

**IV. DETAILED NOTES ON ALL FUNDS****A. CASH AND INVESTMENTS**

Metro pools virtually all funds for investment purposes. Each fund's portion of this pool is reported as "equity in internal cash and investment pool."

Policies adopted by Metro's Investment Advisory Board and the Metro Council authorize Metro to invest in obligations of U.S. government agencies, U.S. Government Sponsored Enterprises (USGSE), the U.S. Treasury, certificates of deposit, repurchase agreements, money market investments, bankers' acceptances, commercial

paper, certain corporate promissory notes, State of Oregon and local government securities, debt obligations of the states of California, Idaho and Washington and their political subdivisions, and the State Treasurer's local government investment pool (LGIP). The LGIP is an external investment pool that is not rated by any national rating agency. LGIP investments are reported at fair value and are materially the same as the value of the pool shares. The State Treasurer's investment policies are governed by Oregon Revised Statutes and the Oregon Short Term Fund Board (OSTFB).

**METRO**

Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

**Fair Value Measurements** - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 - Unadjusted quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active.

Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Equity in internal cash and investment pool on the Statement of Net Position includes the internal pool reported below. The OZF component unit does not participate in the internal investment pool of Metro. As of June 30, 2020, Metro had the following investments and maturities presented at fair value within the fair value hierarchy established by GAAP:

Investment Type	Standard & Poor's Ratings	Held by		Fair Value		Investment Maturities (in months)		
		Individual funds	Internal pool	Level 1	Level 2	Less than 3	3-17	18-59
U.S. Treasuries	AA+	\$ 353,785,100	60,918,508	414,703,608	-	17,196,913	245,198,730	152,307,965
U.S. Government securities - USGSE	AA+	472,100,030	64,569,461	-	536,669,491	1,504,395	112,510,912	422,654,184
Corporate Debt	AA	1,327,339	3,668,464	-	4,995,803	-	4,995,803	-
	AA+	-	8,493,441	-	8,493,441	-	3,009,238	5,484,203
	AAA	3,407,620	5,410,455	-	8,818,075	-	4,494,858	4,323,217
	AA-	15,271,854	4,925,430	-	20,197,284	1,200,420	10,230,390	8,766,474
	A+	5,163,596	3,048,270	-	8,211,866	-	5,163,596	3,048,270
Commercial Paper	A-1+	4,003,651	1,399,832	-	5,403,483	5,403,483	-	-
Municipal Bonds	AA+	-	9,616,429	-	9,616,429	-	-	9,616,429
	AA-	4,102,980	3,968,858	-	8,071,838	-	3,204,480	4,867,358
	Unrated	2,206,621	2,171,551	-	4,378,172	-	2,206,621	2,171,551
Sub-total		861,368,791	168,190,699	414,703,608	614,855,882	25,305,211	391,014,628	613,239,651
State Treasurer's investment pool		968,656	48,119,509					
Total Investments		862,337,447	216,310,208					
Cash deposits		-	25,565,751					
Total cash and investments		\$ 862,337,447	241,875,959					
Per statement of net position:								
Unrestricted		\$ -	131,144,288					
Restricted		862,337,447	110,731,671					
Total		\$ 862,337,447	241,875,959					

**Interest Rate Risk** – As a means of limiting its exposure to fair value losses resulting from rising interest rates, Metro’s investment policy allows only the purchase of investments that are intended to be held to maturity. However, securities may be sold prior to maturity in order to improve the quality, net yield, or maturity characteristics of the portfolio. The structure of the investment portfolio aims to fund cash needs of ongoing operations, thereby avoiding the need to sell securities. Metro uses a laddered or constant stream of maturing securities in constructing the portfolio to ensure ample liquidity to support business operations without the need to sell securities. Investments cannot be made predicated upon selling the security prior to maturity. Metro avoids purchasing callable investments unless liquidity needs can be met without relying on the call being exercised.

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted an investment policy that was submitted to and reviewed by the OSTFB. Metro’s investment policy has been reviewed by the OSTFB. Metro limits investment maturities as follows:

<u>Maturity</u>	<u>Minimum to mature</u>
Under 3 months	20 percent minimum
Under 18 months	25 percent minimum
Under 60 months	100 percent minimum

**Credit Risk** – Metro’s investment policy seeks to minimize credit risk by (1) limiting exposure to poor credits and concentrating investments in the safest types of securities, (2) diversification, (3) pre-qualification of the financial institutions, broker/dealers, and advisers with which Metro will do business, and (4) active monitoring of the portfolio. Neither Oregon Revised Statutes nor Metro investment policy limits investments as to credit rating for securities purchased from U.S. Government Agencies or from USGSE. Other allowed investments, by Metro policy, must have a minimum rating as follows: bankers acceptances, A-1; corporate notes, AA-, or A- if an Oregon based entity; commercial paper, A-1, or A-2 if an Oregon entity; municipal debt, AA- for debt of the states of Idaho, California or Washington or their political subdivisions, or A- if the state of Oregon or its political subdivisions. Private placement or 144A securities and mortgage-backed securities are not allowed. The State Investment Pool is unrated.

Oregon Revised Statutes require bankers’ acceptances to be guaranteed by and carried on the books of, a qualified financial institution, eligible for discount by the Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

**Custodial Credit Risk** – Metro monitors custodial credit risk on deposits (the risk that if a bank failed, Metro’s deposits would not be returned) in accordance with Metro investment policy which specifies the requirements of Oregon statutes. Oregon Revised Statutes Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program, a collateral pool administered by the Oregon State Treasurer. Bank depositories are required to pledge collateral against any public funds deposits in excess of federal deposit insurance amounts. The Oregon Treasury monitors each depository bank and ensures compliance with collateralization requirements for all Oregon public fund deposits. Banks are able to pledge a reduced amount if they are well capitalized; and in turn, the banks are required to share in the liability of a failed institution, should it ever occur. Public entities are required to verify that deposit accounts in excess of federal deposit insurance limits are maintained only at financial institutions included on the list of qualified depositories found on the Treasurer’s web site. It is the responsibility of the public official to ensure compliance with these requirements in order to eliminate personal liability in the event of a bank loss. Metro also monitors its depository institutions for indications of financial health. At June 30, 2020, all of Metro’s deposits were insured as described above.

For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, Metro will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Metro’s investment policy requires that all trades are executed by delivery vs. payment to ensure that securities are deposited for safekeeping in an eligible financial institution prior to the release of funds. As of June 30, 2020, Metro had no investments that were held by either counterparty or the counterparty’s trust department agent. Therefore, Metro has no outstanding investments that were exposed to custodial credit risk.

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Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

**Concentration of Credit Risk** – To avoid incurring unreasonable risks inherent in over-investing in specific instruments or in individual financial institutions, Metro diversifies its portfolio and follows the Metro investment policy which sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. In addition, Oregon Revised Statutes require

no more than 25 percent of the moneys of a local government to be invested in bankers’ acceptances of any qualified financial institution. At June 30, 2020 Metro was in compliance with all percentage restrictions. More than 5 percent of Metro’s total investments are in securities by the following issuers:

Issuer	Percentage of Total Investments (Total Entity Concentration)	Policy Allowed Maximum	Fund Concentrations Exceeding Total Entity Concentration			
			Oregon Zoo Infrastructure Fund	Natural Areas Fund	Affordable Housing Fund	Parks and Nature Bond Fund
Federal Home Loan Bank (FHLB)	31.6%	40.0%	-	-	42.5%	-
Federal Home Loan Mortgage Corp (FHLMC)	8.3%	40.0%	-	-	11.3%	-
Federal Farm Credit Banks (FFCB)	5.9%	40.0%	-	-	-	11.2%
U.S. Treasuries	38.4%	100.0%	71.8%	79.8%	42.3%	-

**B. ASSETS HELD FOR RESALE**

Acquisition and improvements to real property that is purchased with the intent to sell to private-sector purchasers meeting certain criteria under Metro’s TOD program are reported in governmental activities in the statement of net position as Assets Held for Resale. Such assets are reported at the lower of cost or net realizable value. The carrying value at June 30 is:

Property Name	Address	Amount
Gresham Civic	NW Civic Drive & NW 15th, Gresham, OR	\$ 2,649,104
Milwaukie Town Center	10700 SE McLoughlin Boulevard, Milwaukie, OR	409,186
The Crossings	Section 4, Township 1 South, Range 3 East (Parcel 2), Gresham, OR	355,850
Elmonica	Section 6DB, Township 1 South, Range 1 West (Parcel R0037258), Beaverton, OR	802,427
Trinity Christian Center	432 NE 74th Avenue, Portland, OR	2,300,000
		<u>\$ 6,516,567</u>

**C. LOANS RECEIVABLE**

**1. TOD Loans**

TOD loans receivable, reflected in the schedule below, are loans to developers who agree to develop projects in accordance with TOD program criteria. The loans are secured by the underlying property, which is subject to TOD use restrictions for a period of 30 years. Metro’s security interest in the property is subordinate to other security interests on the property. These loans receivable are not discounted in accordance with guidance in GASB Statement No. 62.

**2. Von Ebert Brewing Loan**

Metro leased property to Von Ebert Brewing as part of the operation of the Glendoveer Golf Course. Under the lease agreement, Metro advanced money to pay for certain tenant improvements, with repayment to occur over time.

Details on loans receivable at June 30 are as follows:

Maximum Term	Interest Rate	First Payment	Last Payment	Payment Frequency	TOD Loans	Von Ebert Loan	Total Loans
50 years	0 to 1%	3/15/2026	3/15/2056	annually	\$ 634,280	-	634,280
50 years	0 to 1%	3/1/2028	3/1/2058	annually	408,792	-	408,792
60 months	3.5%	7/1/2018	6/1/2023	monthly	-	24,769	24,769
					<u>\$ 1,043,072</u>	<u>24,769</u>	<u>1,067,841</u>

**D. CAPITAL ASSETS**

In the governmental activities column of the statement of activities, capital asset reclassification or transfers between governmental funds and internal service funds have been eliminated. In a like manner, capital asset transfers between enterprise funds have been eliminated in the business-type activities column. The remaining transfers shown on the statement of activities consist of \$23,022,047 in capital asset transfers between governmental activities and business-type activities.

Capital asset balances and activity for fiscal year 2020 were as follows:

	Balance July 1, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
<b>Governmental activities:</b>					
Capital assets, non-depreciable:					
Land	\$ 300,821,558	1,494,320	-	3,151,356	305,467,234
Intangible-easements	12,207,229	13,804	-	5,677	12,226,710
Artwork	270,986	-	-	-	270,986
Construction in progress	5,741,835	33,202,840	-	(29,621,903)	9,322,772
<b>Total non-depreciable</b>	<b>319,041,608</b>	<b>34,710,964</b>	<b>-</b>	<b>(26,464,870)</b>	<b>327,287,702</b>
Capital assets, depreciable:					
Buildings and exhibits	39,775,935	420,619	(1,111,374)	1,929,861	41,015,042
Improvements	30,489,910	-	(347,958)	1,381,645	31,523,597
Equipment and vehicles	5,307,033	-	(222,176)	216,794	5,301,651
Intangible-software	6,723,604	94,864	-	66,284	6,884,752
Office furniture and equipment	1,911,413	-	(14,966)	(41,484)	1,854,963
<b>Total depreciable</b>	<b>84,207,895</b>	<b>515,484</b>	<b>(1,696,474)</b>	<b>3,553,100</b>	<b>86,580,005</b>
Accumulated depreciation:					
Buildings and exhibits	(16,838,575)	(965,569)	458,710	2,173	(17,343,260)
Improvements	(15,075,942)	(1,343,777)	347,958	(78,682)	(16,150,444)
Equipment and vehicles	(3,125,925)	(404,076)	191,074	(29,835)	(3,368,762)
Intangible-software	(5,678,165)	(328,479)	-	6,446	(6,000,198)
Office furniture and equipment	(1,597,484)	(21,443)	14,966	(10,378)	(1,614,339)
<b>Total accumulated depreciation</b>	<b>(42,316,091)</b>	<b>(3,063,344)</b>	<b>1,012,708</b>	<b>(110,276)</b>	<b>(44,477,003)</b>
<b>Total capital assets, depreciable, net</b>	<b>41,891,804</b>	<b>(2,547,860)</b>	<b>(683,766)</b>	<b>3,442,824</b>	<b>42,103,002</b>
Governmental activities					
capital assets, net	\$ 360,933,412	32,163,104	(683,766)	(23,022,047)	369,390,704

**METRO**

Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

	Balance July 1, 2019	Increases	Decreases	Transfers	Balance June 30, 2020
<b>Business-type activities:</b>					
Capital assets, non-depreciable:					
Land	\$ 21,045,160	246	-	(246)	21,045,160
Artwork	1,869,521	25,000	-	(710,163)	1,184,358
Construction in progress	23,242,918	6,341,662	-	8,202,701	37,787,280
<b>Total non-depreciable</b>	<b>46,157,599</b>	<b>6,366,908</b>	<b>-</b>	<b>7,492,292</b>	<b>60,016,799</b>
Capital assets, depreciable:					
Buildings and exhibits	450,276,915	-	(3,476,909)	163,881	446,963,887
Improvements	30,519,272	-	-	11,244,433	41,763,705
Equipment and vehicles	29,703,058	45,962	(2,057,092)	3,696,859	31,388,787
Intangible-software	1,916,096	-	-	502,189	2,418,285
Office furniture and equipment	1,908,412	-	(66,933)	(104,827)	1,736,652
Railroad equipment and facilities	3,668,673	-	-	-	3,668,673
<b>Total depreciable</b>	<b>517,992,426</b>	<b>45,962</b>	<b>(5,600,934)</b>	<b>15,502,534</b>	<b>527,939,989</b>
Accumulated depreciation:					
Buildings and exhibits	(192,725,630)	(9,274,441)	2,322,408	(457)	(199,678,120)
Improvements	(23,394,874)	(630,135)	-	1,778	(24,023,231)
Equipment and vehicles	(17,509,414)	(1,389,362)	1,984,136	41,257	(16,873,384)
Intangible-software	(795,847)	(162,366)	-	44	(958,169)
Office furniture and equipment	(1,269,116)	(121,169)	66,342	(15,401)	(1,339,344)
Railroad equipment and facilities	(1,196,219)	(350,529)	-	-	(1,546,748)
<b>Total accumulated depreciation</b>	<b>(236,891,100)</b>	<b>(11,928,001)</b>	<b>4,372,885</b>	<b>27,220</b>	<b>(244,418,996)</b>
<b>Total capital assets, depreciable, net</b>	<b>281,101,326</b>	<b>(11,882,039)</b>	<b>(1,228,048)</b>	<b>15,529,755</b>	<b>283,520,993</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 327,258,925</b>	<b>(5,515,131)</b>	<b>(1,228,048)</b>	<b>23,022,047</b>	<b>343,537,792</b>

An agreement between the City of Portland and Metro regarding the real property at the Zoo provides that the property must be used for zoo or zoo-related purposes and, if such property ceases to be used for such purposes or is used for other purposes, title reverts to the City. Metro was in compliance with this agreement for the fiscal year ended June 30, 2020.

Bond proceeds accounted for in the Oregon Zoo Infrastructure and Animal Welfare capital projects fund in governmental activities are expended for the benefit of the Oregon Zoo enterprise fund, and the resulting assets are owned and depreciated by the enterprise fund. This asset activity is shown as transfers from governmental activities to business-type activities.

Capital assets for MERC are those of Metro-owned facilities. Capital assets used in operating the Portland's are not included in the statement of net position of Metro as title to the assets remains with the City in accordance

with an intergovernmental consolidation agreement. These capital assets are included in the Comprehensive Annual Financial Report of the City of Portland.

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government operations	\$ 1,761,036
Culture and recreation	1,302,308
<b>Total depreciation expense - governmental activities</b>	<b>\$ 3,063,344</b>
Business-type activities:	
Solid Waste	\$ 1,801,526
Oregon Zoo	6,074,336
MERC	4,052,139
<b>Total depreciation expense - business-type activities</b>	<b>\$ 11,928,001</b>

**E. UNEARNED REVENUE**

Unearned revenue is reported for resources that have been received, but not yet earned. The details of these amounts at June 30, 2020 were:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Advance ticket sales/ registrations	\$ 28,816	2,114,675
Unredeemed gift certificates	73,739	145,802
Grant and contract drawdowns prior to meeting all eligibility requirements	155,457	-
<b>Total</b>	<b>\$ 258,012</b>	<b>2,260,478</b>

**F. DEFERRED COMPENSATION PLAN**

Metro offers its employees a 401(k) deferred compensation plan in accordance with Internal Revenue Code provisions. The plan is available to all Metro employees and permits employees to contribute a portion of their salary to the plan to obtain favorable tax treatment for amounts contributed. Moneys accumulated under the plan are deposited with a trustee for the exclusive benefit of the participants and are invested in mutual funds that are self-directed by participants. The deferred compensation is not available to participants until termination, retirement, death, or certain hardship conditions. In accordance with authoritative guidance, the plan is not included in Metro's financial statements.

**G. PENSION PLAN****1. Defined Benefit Plan Description**

*Name of pension plan* – Metro participates in the Oregon Public Employees Retirement System (PERS) which is a cost-sharing multiple employer defined benefit pension plan.

*Description of benefit terms* – Benefit provisions and other requirements of the system are established by the State of Oregon legislature pursuant to Oregon Revised Statutes, Chapters 238 and 238A.

a. **Tier One/Tier Two Retirement Benefit (Chapter 238)**. This segment of the plan is closed to new members hired on or after August 29, 2003.

**Pension benefits.** The PERS retirement allowance is payable monthly for life. It may be selected from thirteen retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60.

**Death benefits.** Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

**Disability benefits.** A member with ten or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits regardless of the



length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit.

**Benefit changes after retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living adjustments, which are capped at 2.0 percent per year.

- b. **Oregon Public Service Retirement Plan (OPSRP).** This pension program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

**Pension benefits.** OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for General Service members who attain normal retirement age: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for General Service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

**Death benefits.** Upon the death of a non-retired member, the spouse (or other person who is constitutionally required to be treated in the same manner as the spouse), receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70 ½ years.

**Disability benefits.** A member who has accrued ten or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**Benefit changes after retirement.** Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living adjustments, which are capped at 2.0 percent per year.

**Contributions** – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the PERS Retirement Health Insurance Account described in Note V.H.2.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates, based on a percentage of payroll, first became effective July 1, 2019. Metro has previously made a lump sum payment to establish a side account, and its rates have been reduced. Metro's actuarially determined contribution rate for the Tier One/Tier Two and OPSRP plans was 20.25 percent and 14.15 percent of subject payroll, respectively. Employer contributions recognized by PERS for the fiscal year ended June 30, 2020 were \$11,296,142.

A ten year schedule of Defined Benefit Pension Plan Contributions can be found in the Required Supplementary Information section of this report.

**Pension plan CAFR** – Both the PERS and OPSRP plans are administered by the Oregon Public Employees Retirement Board (OPERB), which issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling 1-888-320-7377, or by accessing the PERS web site at <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

**Actuarial valuation** – The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. This method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized as described in the table below.

**Actuarial methods and assumptions used to measure the total pension liability –**

Valuation Date	December 31, 2017
Experience Study Report	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of combined payroll; Tier One/Tier Two Unfunded Actuarial Liability (UAL) is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Projected salary increases	3.50 percent
Mortality	<b>Healthy retirees and beneficiaries:</b> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <b>Active members:</b> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. <b>Disabled retirees:</b> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

**Discount rate.** The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

The assumed asset allocation and the Oregon Investment Council's (OIC) target are provided in the table below:

<b>Asset class/ strategy</b>	<b>Low Range</b>	<b>High Range</b>	<b>OIC Target</b>
Debt securities	15.0 %	25.0 %	20.0 %
Public equity	32.5	42.5	37.5
Real estate	9.5	15.5	12.5
Private equity	14.0	21.0	17.5
Alternative equity	0.0	12.5	12.5
Opportunity portfolio	0.0	3.0	0.0
<b>Total</b>			<b>100.0 %</b>

**Long-Term Expected Rate of Return.** To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the OIC's investment advisors. The table below shows the actuary's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the

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Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<b>Asset class</b>	<b>Target</b>	<b>Compound Annual Return (Geometric)</b>
Core fixed income	8.0 %	3.5 %
Short-term bonds	8.0	3.4
Bank/leveraged loans	3.0	5.1
High yield bonds	1.0	6.5
Large/mid cap US equities	15.8	6.3
Small cap US equities	1.3	6.7
Micro cap US equities	1.3	6.8
Developed foreign equities	13.1	6.7
Emerging market equities	4.1	7.5
Non-US small cap equities	1.9	7.0
Private equity	17.5	7.8
Real estate (property)	10.0	5.5
Real estate (REITS)	2.5	6.4
Hedge fund of funds - diversified	2.5	4.1
Hedge fund - event-driven	0.6	5.9
Timber	1.9	5.6
Farmland	1.9	6.2
Infrastructure	3.8	6.6
Commodities	1.9	3.8
Assumed inflation - mean		2.5

**Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate** – The following presents Metro’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what Metro’s proportionate share of the net pension liability would be if it were calculated using a discount rate that was one percentage-point lower or one percentage-point higher than the current rate:

<b>Metro’s Net Pension Liability (Asset)</b>	<b>1% Decrease (6.20%)</b>	<b>Current Discount Rate (7.20%)</b>	<b>1% Increase (8.20%)</b>
Defined benefit pension plan	\$175,174,248	109,387,421	54,332,909

**Determination of Metro’s proportionate share** – Metro’s actuarially determined proportionate share of the plan amounts was 0.63238477 percent for the fiscal year ended June 30, 2019 (measurement date). Metro’s share of pension balances are determined by rolling forward the total net pension liability (actuarially determined at December 31, 2017) to the measurement date of June 30, 2019 and subtracting the plan’s net position as of June 30, 2019.

The basis for Metro’s proportion is actuarially determined by comparing Metro’s projected long-term contribution effort to the plan with the total projected long-term contribution effort for all employers. The rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The projected long-term effort is estimated by projecting the present value of all future Normal Cost Rate Contributions (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

An employer’s PVFNC depends on both the Normal Cost Rates charged on the employer’s payrolls, and on the underlying demographics of the respective payrolls. For PERS funding, employers may have three different payrolls, each with a different Normal Cost Rate:

- Tier 1/Tier 2 payroll
- OPSRP General Service payroll
- OPSRP Police and Fire payroll

A UAL exists when Plan assets are less than the actuarial liability as measured by the Plan’s actuarial funding valuations. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year’s

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Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

The projected long-term contribution effort is equal to the sum of the PVFNC and the UAL. After Metro's projected long-term contribution effort is calculated, that amount is reduced by the value of Metro's supplemental lump-sum payments, known as side accounts. Side accounts decrease Metro's projected long-term contribution effort because side accounts are effectively pre-paid contributions.

The preparation of these amounts in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

***Pension plan's fiduciary net position*** – Detailed information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of

resources and fiduciary net position can be found in the separately issued CAFR for the plan which is available as noted above.

***Payables to the pension plan*** – At June 30, 2020, Metro reported a payable of \$675,412 for the outstanding amount of legally required pension contributions to the pension plan for the fiscal year ended June 30, 2020.

***Pension Expense, Net Pension Liability or Asset, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*** - For the fiscal year ended June 30, 2020, Metro recognized a net pension liability of \$109,387,421 and a pension expense of \$28,309,168. At June 30, 2020, Metro reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental activities		Business-type activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the total pension liability	\$ 2,690,310	-	3,342,084	-
Changes in assumptions	6,618,145	-	8,221,507	-
Net difference between projected and actual earnings on pension plan investments	-	(1,382,985)	-	(1,718,037)
Changes in the employer's proportion	2,372,998	(25,886)	2,947,899	(32,157)
Differences between employer contributions and employer's proportionate share of system contributions	-	(1,460,006)	-	(1,813,719)
Total (prior to post-measurement date contributions)	\$ 11,681,453	(2,868,877)	14,511,490	(3,563,913)
Contributions subsequent to the measurement date	5,037,822	-	6,258,320	-
Net deferred outflows/(inflows) of resources	\$ 16,719,275	(2,868,877)	20,769,810	(3,563,913)

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### Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

The \$11,296,142 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in subsequent years as follows (outflows and inflows netted):

<u>Fiscal Year Ended June 30</u>	<u>Governmental activities</u>	<u>Business-type activities</u>
2021	\$ 4,956,944	6,157,849
2022	842,679	1,046,833
2023	1,627,642	2,021,966
2024	1,277,848	1,587,428
2025	107,463	133,501
<u>Total</u>	<u>\$ 8,812,576</u>	<u>10,947,577</u>

## 2. Defined Contribution Pension Plan

Beginning January 1, 2004, PERS active Tier One and Tier Two members became members of the Individual Account Program (IAP) of OPSRP. Although existing PERS members retain their existing PERS account, all current member contributions are deposited into the member's IAP, a defined contribution pension plan. Accounts are credited with earnings and losses net of administrative expenses. The IAP, as part of OPSRP, is administered by the PERS Board which is directed to adopt any rules necessary to administer OPSRP. The IAP is provided to all members or their beneficiaries who are PERS or OPSRP eligible.

State statutes require covered employees to contribute six percent of their annual covered salary to the IAP plan effective January 1, 2004. All new non-represented employees hired after July 1, 2011 pay the contribution for the IAP, whereas employees represented under a collective bargaining agreement pay the contribution for the IAP if hired after the date specified in the applicable collective bargaining agreement. Metro pays for the IAP contribution for the remainder of eligible Metro employees. An IAP member becomes vested on the date the employee account is established or on the date a rollover account was established. If Metro makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar

years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5, 10, 15, 20 year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

**Death Benefits** – Upon the death of a non-retired member, the beneficiary receives a lump sum of the member's account balance, rollover account balance, and the vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Metro paid contributions to the IAP of \$1,780,518 for the fiscal year ended June 30, 2020, which is included in payroll and fringe benefits expense. At June 30, 2020, a payable to the IAP portion of the plan in the amount of \$222,150 for the contractually required contributions for the month of June 2020 is included in salaries, withholdings and payroll taxes payable.

## H. OTHER POSTEMPLOYMENT BENEFITS

The other postemployment benefits (OPEB) for Metro combines two separate plans. Metro provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

### 1. Metro Retiree Health Insurance Plan – Implicit Rate Subsidy

**Plan Description** – All employees of Metro retiring from active service with a pension benefit payable immediately under Oregon PERS are eligible for other postemployment benefits (OPEB) relating to health care. As required by state law, retirees of Metro and their dependents under age 65 are allowed to receive the same health care coverage at tiered premium rates as offered to active Metro employees, resulting in an *implicit rate subsidy* (health care premiums priced only for retirees would be more expensive than tiered premiums because retirees have higher health care claims on average). The implicit

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Notes to the Financial Statements, *continued*  
For the fiscal year ended June 30, 2020

rate subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. Metro has not established a trust that meets the criteria in paragraph 4 of GASB Statement 75 for the accumulation of assets. Metro's single-employer OPEB plan does not issue a publicly available financial report.

**Benefits Provided** – The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2019, the following number of employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	13
Active employees	850
	863

**Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - Metro's total OPEB liability of \$2,980,688 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019. For the fiscal year ended June 30, 2020, Metro recognized OPEB expense from this plan of \$266,166. At June 30, 2020, Metro reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

<u>Sources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	-	14,656
Changes in assumptions	41,887	158,184
Benefit payments	125,359	-
<b>Total</b>	<b>\$ 167,246</b>	<b>172,840</b>

Deferred outflows of resources related to OPEB of \$125,359 resulting from Metro's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year

ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources to OPEB will be recognized in OPEB expense as follows:

**Fiscal year ending June 30:**

2021	\$24,645
2022	24,645
2023	24,645
2024	24,645
2025	24,645
Thereafter	7,728
<b>Total</b>	<b>\$130,953</b>

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Salary increases	3.50 percent
Mortality	Pub-2010 General Service Employee and Healthy Retiree tables, sex distinct for members and dependents. For male members and dependents only, a one year setback is applied. Future mortality improvement is not projected as it would be immaterial to the valuation.
Discount rate	3.50 percent (change from 3.87 percent in previous measurement period)
Healthcare cost trend rate	Medical and vision 7.00 percent in the first year, 6.00 in the second year, and varying from 4.75 to 5.75 percent over the remainder of the projection period. Dental: 4.00 percent per year

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

*Changes in the Total OPEB Liability*

	<b>Total OPEB Liability</b>
Balance as of June 30, 2019	\$2,823,833
Changes for the year:	
Service cost	177,807
Interest on total OPEB liability	113,004
Effect of economic/demographic gains or losses	(16,637)
Effect of assumptions changes or inputs	47,547
Benefit payments	(164,866)
Balance as of June 30, 2020	<u>\$ 2,980,688</u>

Changes in assumptions is the result of the change in the discount rate from 3.87 to 3.50 percent.

**Sensitivity of the Total OPEB Liability** - The following presents Metro's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

**Discount Rate:**

	<b>1% Decrease (2.50%)</b>	<b>Current Discount Rate (3.50%)</b>	<b>1% Increase (4.50%)</b>
Total OPEB Liability	\$ 3,222,066	2,980,688	2,754,768

**Healthcare Cost Trend Rate:**

	<b>1% Decrease (6.00% - decreasing to 3.75%)</b>	<b>Current Healthcare Cost Trend Rate (7.00% - decreasing to 4.75%)</b>	<b>1% Increase (8.00% - decreasing to 5.75%)</b>
Total OPEB Liability	\$ 2,660,963	2,980,688	3,355,606

**2. PERS Retirement Health Insurance Account**

**Plan Description** – Metro contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling 1-888-320-7377, or by accessing the PERS web site at <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

**Benefits Provided** – Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired on or after September 29, 1991.

**Contributions** - PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered

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Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Metro's contribution rates for the period were 0.06% for Tier One/Tier Two members, and 0.00% for OPSRP members. Metro's total for the year ended June 30, 2020 contributions was \$25,405.

**Total OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** - At June 30, 2020, Metro reported an asset of \$1,234,363 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. Metro's proportion of the net OPEB asset was based on Metro's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2019, Metro's proportionate share was 0.6388%, which is a decrease from its proportion of 0.6165% as of June 30, 2018.

For the year ended June 30, 2020, Metro recognized OPEB income from this plan of \$168,520. At June 30, 2020, Metro reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

<b>Sources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on investments	\$ -	76,190
Changes of assumptions	-	1,279
Changes in proportionate share	-	14,261
Differences between expected and actual experience	-	162,775
Contributions subsequent to the measurement date	25,405	-
<b>Total</b>	<b>\$ 25,405</b>	<b>254,505</b>

Deferred outflows of resources related to OPEB of \$25,405 resulting from Metro's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB income or expense as follows:

<b>Fiscal year ending June 30:</b>	
2021	\$131,089
2022	116,584
2023	14,681
2024	(7,849)
<b>Total</b>	<b>\$ 254,505</b>

**Actuarial Assumptions and Other Inputs**

The total OPEB asset based on the December 31, 2017 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	December 31, 2017
Measurement date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Healthcare cost trend rate	Not applicable



Mortality

**Healthy retirees and beneficiaries:**

RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.

**Active members:**

RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.

**Disabled retirees:**

RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

All other actuarial methods and assumptions are consistent with those disclosed in the OPERS Pension Plan. See Note V.G.1, for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

***Sensitivity of Metro's proportionate share of the net OPEB liability (asset) to changes in the discount rate***

- The following presents Metro's proportionate share of the net OPEB liability (asset), calculated using the discount rate of 7.20 percent, as well as what Metro's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate of 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	<b>1% Decrease (6.2%)</b>	<b>Current Discount Rate (7.2%)</b>	<b>1% Increase (8.2%)</b>
Total OPEB Liability (Asset)	\$ (956,949)	(1,234,363)	(1,470,739)

***OPEB Plan Fiduciary Net Position*** - Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

**I. COMMITMENTS**

**1. Columbia Ridge Landfill**

Metro has waste disposal services arrangements with the owner and operator of Columbia Ridge Landfill in Gilliam County, Oregon for disposal of solid waste from the transfer stations owned by Metro. One contract expired December 31, 2019 which specified a per ton unit price schedule that was adjusted annually on July 1 in an amount equivalent to 90 percent of the CPI, minus one-half of a percentage point. For fiscal year 2019, this resulted in a contracted per ton unit price of \$24.16 for the first 137,500 tons and a declining incremental price scale for each ton of waste in excess of 137,500 tons. For the first six months of fiscal year 2020, this rate was increased to \$24.84 which is the final rate for this contract before the start of the new contract.

A second contract was signed in fiscal year 2019 which began on January 1, 2020. The payment arrangement is to charge a flat fee for tons disposed. This fee starting January 1, 2020 is \$16.68 per ton, which will be adjusted annually by an amount equivalent to 90 percent of the annual change of CPI on July 1 each year until the contract expires on December 31, 2029. The first increase was applied on July 1, 2020, which is 42.5 percent of the annual change of CPI due to the six month duration of the timing on the contract. The estimated rate for the second six months of fiscal year 20-21 is \$16.88 per ton which will be applied on January 1, 2021.

**2. Waste Transport**

Solid waste transport from Metro facilities to Columbia Ridge Landfill and other disposal sites is privately contracted through December 31, 2029. The time frame encompasses two contracts with the same vendor. The first contract expired December 31, 2019 and the second contract started on January 1, 2020. Both contracts specify a per load unit price that is adjusted annually on July 1 each year, although the second contract has additional price elements per load.

The sun-setting contract adjusts in an amount equivalent to 75 percent of the CPI. For the first six months of fiscal year 2020, the unit load price equated to a rate of \$688.89 (equivalent to about \$20.73 per ton). For the last six months of fiscal year 2020, starting January 1,

## METRO

### Notes to the Financial Statements, *continued* For the fiscal year ended June 30, 2020

2020, the unit price is \$591.23 per load (equivalent to about \$17.79 per ton). The current contract will adjust the per load unit price by a percentage equal to 95 percent of the annual percent change of CPI. The additional unit prices for the new contract include a mile tax of \$66.71 and wage increase of \$27.63 per load. Both additional costs per load are not subject to the CPI increases.

Both contracts call for Metro to reimburse the contractor for the cost of shuttle fuel used at the transfer stations. The fuel price is highly variable and tied to a weekly index, but historically has added \$10 to \$15 to the cost of each load.

Expiring on December 31, 2024, the current fuel contract for over-the-road diesel fuel sets a price per gallon that is tied to a national weekly fuel index.

#### 3. Metro South Station

The operation of Metro South, a solid waste transfer station and materials recovery facility, is privately contracted through December 31, 2024. The previous contract ended on December 31, 2019 and a new operator took over on January 1, 2020. During fiscal year 2012, the parties amended the contract to address compensation and obligations for handling source-separated food waste mixed with yard debris (“residential organics”) generated by households in the City of Portland. Through December 2019 Metro paid \$53.34 per ton for the first 40,000 tons of residential organics, and a declining rate for greater quantities.

The current contractor provides transfer services and arranges for transport and processing. The new contract that began January 1, 2020 will not have annual fixed payments but will have agreed upon payments for wages, maintenance, and equipment ownership. These are not subject to CPI but are monthly reimbursements that include profit margins. There are prices for putrescible and non-putrescible waste and other waste materials that are subject to CPI adjustments annually.

#### 4. Metro Central Station

The operation of Metro Central, a solid waste transfer station and materials recovery facility, is privately contracted through December 31, 2021. The estimated fixed payment for fiscal year 20-21 is \$2,598,991. The

contractor also receives incentives for materials recovered from the waste stream and not sent to Columbia Ridge Landfill. The cost of transfer, transport and processing at remote composting sites is also included. The contractor provides transfer services and arranges for transport and processing. All payments are adjusted annually on July 1 in an amount equal to the CPI.

The following table presents approximate annual commitments based on forecasted refuse tons and assumed annual inflation equal to the average of the preceding four fiscal years for all of the previously described contracts. The figures for Metro South and Metro Central reflect costs and tonnage as estimated at contract prices and tonnage from the tonnage forecast and at various contract expiration dates.

Fiscal year ending June 30:	Columbia Ridge Landfill	Waste Transport	Metro South	Metro Central
2021	\$8,814,447	9,812,597	9,239,137	8,727,125
2022	9,520,356	10,626,061	9,534,573	4,884,067
Total	\$18,334,803	20,438,658	18,773,710	13,611,192

#### 5. Affordable Housing

Metro Council has approved the following projects under the Affordable Housing Bond program. The projects fund affordable housing for low-income families, seniors, veterans and people with disabilities in the Metro region.

Housing Partner	Project	Commitment
City of Beaverton	17811 Scholls Ferry Rd.	\$ 9,000,000
Home Forward	Dekum Court	22,900,000
Clackamas County	18000 Weber, Gladstone	6,900,000
Total		\$ 38,800,000

**6. Construction Projects**

Metro is committed under a number of contracts for construction services. The amount of major uncompleted contracts is approximately \$3,600,000 at June 30, 2020.

**J. LEASE OBLIGATIONS****1. Operating Lease**

The Portland's Centers for the Arts theater complex leases the grounds for the complex under an operating lease expiring in October 2083. The term of the original agreement may be extended in ten-year increments for a total of 50 additional years. Rent adjustments may be negotiated every five years commencing on November 1, 1994. The scheduled lease payments are \$14,024 per month through October 31, 2019 and \$26,276 beginning November 1, 2019. \$260,180 was paid on the lease in fiscal year 2020.

The future minimum lease payments are as follows:

<b>Fiscal year ending June 30:</b>	
2021	\$278,558
2022	315,315
2023	315,315
2024	315,315
2025	315,315
2026-30	1,576,575
2031-35	1,576,575
2036-40	1,576,575
2041-45	1,576,575
2046-50	1,576,575
2051-55	1,576,575
2056-60	1,576,575
2061-65	1,576,575
2066-70	1,576,575
2071-75	1,576,575
2076-80	1,576,575
2081-84	1,051,050
<b>Total</b>	<b>\$19,933,193</b>

**K. BONDS PAYABLE**

Metro issues a variety of long-term debt types to finance capital projects and some capital equipment. The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt after August 1986 calculate and rebate arbitrage earnings to the federal government. Metro's tax-exempt debt is in compliance with all Internal Revenue Service arbitrage regulations. The government-wide financial statements include a reported arbitrage liability of \$32,287 as of June 30, 2020.

The various debt issues are discussed below.

*Governmental Activities***1. 2012A and 2018 Series Natural Areas General Obligation Bonds and 2014 Series General Obligation Refunding Bonds**

In prior years, Metro issued \$124,295,000 of 2007 Series Natural Areas General Obligation Bonds and an additional \$75,000,000 of 2012A Series bonds. The bonds were issued by Metro under authority granted by voters for a total of \$227.4 million in general obligation bonds to fund activities to acquire and preserve natural areas and stream frontages, maintain and improve water quality, and protect fish and wildlife habitat. On May 15, 2018, Metro issued \$28,105,000 of Series 2018 bonds, which is the final issuance of bonds authorized under the 2006 voter approved measure.

In prior years, Metro issued \$57,955,000 of General Obligation Refunding Bonds, Series 2014 to refund all callable outstanding 2007 Series Natural Areas General Obligation Bonds. The defeased bonds have been called and paid and the escrow account for the defeasance is closed.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 4.0 percent to 5.0 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

**METRO**

Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

Fiscal year ending June 30:	2012A Series		2018 Series	
	Principal	Interest	Principal	Interest
2021	\$ 5,300,000	2,105,450	1,705,000	618,500
2022	6,045,000	1,840,450	1,835,000	533,250
2023	6,840,000	1,538,200	1,975,000	441,500
2024	7,690,000	1,196,200	2,125,000	342,750
2025	8,590,000	811,700	2,280,000	236,500
2026	9,555,000	382,200	2,450,000	122,500
	44,020,000	7,874,200	12,370,000	2,295,000
Unamortized premium	6,346,000		1,900,747	
Per statement of net position	\$ 50,366,000		14,270,747	

**2. 2012A, 2016, and 2018 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds**

In prior years, the region’s voters granted authority for a total of \$125 million in general obligation bonds to fund Oregon Zoo capital projects to protect animal health and safety, conserve and recycle water and to improve access to conservation education. The first and second series of this bond, issued as taxable Build America Bonds (BABs), for \$5,000,000 and \$15,000,000 were issued and paid off in prior fiscal years. Also in prior years, Metro issued

\$65,000,000 of 2012A Series bonds and \$30,000,000 of 2016 Series bonds. On May 15, 2018, Metro issued \$10,000,000 of Series 2018 bonds, which is the final issuance of bonds authorized under the 2008 voter approved measure.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 3.0 percent to 5.0 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

Fiscal year ending June 30:	2012A Series		2018 Series	
	Principal	Interest	Principal	Interest
2021	\$ 3,350,000	1,638,825	745,000	412,000
2022	3,665,000	1,471,325	815,000	374,750
2023	4,000,000	1,288,075	890,000	334,000
2024	4,360,000	1,088,075	975,000	289,500
2025	4,740,000	870,075	1,060,000	240,750
2026-28	16,625,000	1,239,000	3,755,000	385,750
	36,740,000	7,595,375	8,240,000	2,036,750
Unamortized premium	5,296,972		1,191,795	
Per statement of net position	\$ 42,036,972		9,431,795	

### 3. 2019 Series Affordable Housing General Obligation Bonds

On November 6, 2018, the region's voters granted authority for a total of \$652.8 million in general obligation bonds to fund affordable housing projects for low-income families, seniors, veterans and people with disabilities in the Metro region which includes Washington, Clackamas, and Multnomah counties. On May 15, 2019, Metro issued \$652,800,000 of federally taxable Series 2019 bonds authorized under the 2018 voter approved measure.

The bonds are to be repaid with proceeds of Metro's *ad valorem* property tax levied each year. Interest rates on individual bonds range from 3.0 percent to 3.5 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

<b>Fiscal year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>
2021	\$14,575,000	21,283,854
2022	16,160,000	20,773,728
2023	17,835,000	20,208,129
2024	19,600,000	19,583,904
2025	21,465,000	18,897,904
2026-30	138,190,000	82,524,606
2031-35	198,435,000	57,421,428
2036-39	214,400,000	19,328,640
	640,660,000	<u>260,022,193</u>
Unamortized premium	2,482,687	
Per statement of net position	<u>\$643,142,687</u>	

### 4. Full Faith and Credit Refunding Bonds 2013 Series

In prior years, Metro issued \$12,600,000 of Full Faith and Credit Refunding Bonds, 2013 Series to refund the portion of the Full Faith and Credit Refunding Bonds, 2003 Series callable without premium. The defeased bonds have been called and paid and the escrow account for the defeasance is closed.

The bonds are payable from all legally available taxes and other revenues of Metro. Interest rates on individual bonds range from 1.3 percent to 2.2 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

<b>Fiscal year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>
2021	\$1,320,000	70,595
2022	1,345,000	44,263
2023	1,370,000	15,070
Per statement of net position	<u>\$4,035,000</u>	<u>129,928</u>

### 5. Full Faith and Credit Bonds 2018 Series

On May 24, 2018, Metro issued \$13,290,000 of Full Faith and Credit Bonds, Series 2018 to fund renovations, upgrades and repairs to two existing Metro properties, the Metro Regional Center (MRC) building and Lone Fir Cemetery. The MRC building projects include exterior and interior replacements and upgrades and Information Services infrastructure. The Lone Fir Cemetery projects include a retaining wall replacement, fencing, and security and safety upgrades.

The bonds are payable from existing Metro revenues which includes assessments on departments to pay for their share of the MRC building upgrade costs along with other General Fund revenues. Interest rates on individual bonds range from 3.0 percent to 5.0 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

<b>Fiscal year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>
2021	-	586,450
2022	-	586,450
2023	-	586,450
2024	\$1,060,000	586,450
2025	1,115,000	533,450
2026-30	6,465,000	1,773,250
2031-33	4,650,000	297,100
	13,290,000	<u>4,949,600</u>
Unamortized premium	1,577,346	
Per statement of net position	<u>\$14,867,346</u>	

**METRO**

Notes to the Financial Statements, *continued*  
For the fiscal year ended June 30, 2020

**6. Dedicated Tax Revenue Bonds OCC Hotel Project  
2017 Series**

On August 8, 2017, Metro issued \$52,260,000 in Dedicated Tax Revenue Bonds, Oregon Convention Center Hotel project, Series 2017 to fund a contribution to the construction of a 600-room hotel adjacent to the OCC, a project to assist in marketing the OCC for national conventions.

Metro negotiated with a development partner who committed to design and construct the hotel, which will ultimately be owned and operated by Hyatt Hotels Corporation; these parties are providing approximately \$166 million of the estimated \$240 million cost. As part of the Development and Financing Agreement, Metro committed to provide a portion of the funding, consisting of the revenue bonds, \$4 million contributed by the MERC Proprietary Fund and \$10 million received previously from the State of Oregon lottery funds. Metro has transferred these funding sources to the developer.

The bonds are backed by site specific transient lodging tax revenue. Interest rates on individual bonds range from 3.0 percent to 5.0 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

<b>Fiscal year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>
2021	\$930,000	2,469,800
2022	965,000	2,432,600
2023	1,005,000	2,394,000
2024	1,055,000	2,343,750
2025	1,105,000	2,291,000
2026-30	6,415,000	10,568,500
2031-35	8,190,000	8,795,500
2036-40	10,455,000	6,532,750
2041-45	13,340,000	3,644,750
2046-47	6,315,000	477,500
	49,775,000	41,950,150
Unamortized premium	7,925,721	
Per statement of net position	\$57,700,721	

**7. Pension Obligation Bonds Metro Limited Tax Series  
2005**

In prior years, Metro, along with certain other Oregon cities, counties and special districts issued Limited Tax Pension Bonds Series 2005 to finance their PERS unfunded actuarial liabilities. The proceeds of Metro's \$24,290,000 in bonds were paid to PERS and resulted in a new, lower employer contribution rate.

The bonds are to be repaid through assessments on Metro departments in exchange for the lower pension cost. The individual bonds have interest rates ranging from 4.859 percent to 5.004 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

<b>Fiscal year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>
2021	\$1,480,000	783,626
2022	1,645,000	709,567
2023	1,820,000	627,251
2024	2,010,000	536,179
2025	2,210,000	435,598
2026-28	6,495,000	598,729
Per statement of net position	\$15,660,000	3,690,950

*Business-type Activities*

**8. Full Faith and Credit Refunding Bonds 2016 Series**

In prior years, Metro issued \$7,385,000 of Full Faith and Credit Refunding Bonds, Series 2016 to refund all callable outstanding 2006 Series Oregon Local Governments Full Faith and Credit Bonds. The defeased bonds have been called and paid and the escrow account for the defeasance is closed.

The bonds are payable from all legally available taxes and other revenues of Metro. Interest rates on individual bonds range from 1.5 percent to 5.0 percent.

**METRO**Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

<b>Fiscal year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>
2021	\$890,000	126,475
2022	920,000	101,400
2023	950,000	75,875
2024	965,000	49,450
2025	1,005,000	15,075
	4,730,000	368,275
Unamortized premium	411,247	
Per statement of net position	\$5,141,247	

### 9. 2020A and 2020B Series Parks and Nature General Obligation Bonds

In May 2020, Metro issued \$200,000,000 of 2020 Series Parks and Nature General Obligation Bonds. The bonds were issued by Metro under authority granted by voters for a total of \$475 million in general obligation bonds to fund programs designed to protect natural areas and connect people to nature. The bond will be used for protecting clean water for people, fish and wildlife; improving habitat for native fish and wildlife; protecting and restoring culturally significant native plant communities; and improving access to parks and nature.

The bonds are to be repaid with proceeds of Metro's ad valorem property tax levied each year. Interest rates on individual bonds range from 1.2 percent to 5.0 percent.

Bond principal and interest outstanding at June 30 and the corresponding maturities are:

<b>Fiscal year ending June 30:</b>	<b>Principal</b>	<b>Interest</b>
2021	\$15,615,000	5,352,783
2022	16,330,000	4,616,094
2023	16,945,000	4,289,494
2024	17,425,000	4,104,793
2025	8,685,000	3,900,921
2026-30	15,000,000	18,441,494
2031-35	45,975,000	13,690,044
2036-40	64,025,000	5,139,278
	200,000,000	59,534,901
Unamortized premium	10,831,763	
Per statement of net position	\$210,831,763	

**METRO**

Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

**L. CHANGES IN LONG-TERM LIABILITIES**

The following changes occurred during fiscal year 2020 in long-term liabilities:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 794,805,000	200,000,000	(52,775,000)	942,030,000	41,290,000
Full faith and credit bonds	18,620,000	-	(1,295,000)	17,325,000	1,320,000
Dedicated tax revenue bonds	50,670,000	-	(895,000)	49,775,000	930,000
Pension obligation bonds	16,985,000	-	(1,325,000)	15,660,000	1,480,000
Less unamortized amounts:					
For premium or discount	31,365,338	10,922,406	(4,734,713)	37,553,031	-
Total bonds payable	912,445,338	210,922,406	(61,024,713)	1,062,343,031	45,020,000
Pollution remediation obligation	2,500	884,000	-	886,500	-
Net other postemployment benefits	1,040,767	116,010	(70,777)	1,086,000	-
Compensated absences	2,327,778	3,133,220	(2,327,778)	3,133,220	2,327,188
Net pension liability	40,040,195	12,317,494	(3,573,401)	48,784,288	-
Governmental activity					
Long-term liabilities	\$ 955,856,578	227,373,130	(66,996,669)	1,116,233,039	47,347,188
<b>Business-type activities:</b>					
Bonds payable:					
Full faith and credit bonds	\$ 5,595,000	-	(865,000)	4,730,000	890,000
Less unamortized amounts:					
For premium or discount	504,360	-	(93,113)	411,247	-
Total bonds payable	6,099,360	-	(958,113)	5,141,247	890,000
Post-closure costs payable	4,889,052	-	(647,776)	4,241,276	663,971
Pollution remediation obligation	1,058,000	(682,721)	(280,279)	95,000	-
Net other postemployment benefits	1,783,066	205,711	(94,089)	1,894,688	-
Compensated absences	2,725,117	2,847,690	(2,725,117)	2,847,690	2,279,115
Net pension liability	50,696,142	14,431,386	(4,524,395)	60,603,133	-
Business-type activity					
Long-term liabilities	\$ 67,250,737	16,802,066	(9,229,769)	74,823,034	3,833,086



The internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for it are included as part of the above totals for governmental activities. For governmental activities, compensated absences and net pension liabilities are generally liquidated by the General Fund and the Natural Areas Fund, and net other postemployment benefits are charged to the General Fund.

### M. POST-CLOSURE COST PAYABLE

The St. Johns Landfill was closed for operations in a prior year. Closure and post-closure care costs were originally recognized while the St. Johns Landfill was still in operation based on the then current estimate of total costs to complete such efforts, regardless of when cash disbursements were to be made. Such costs include methane gas and leachate collection systems, final cover, seeding, roads, drainage, ground water monitoring wells, liner systems, storm water management and operations and maintenance costs. State and federal laws and regulations require Metro to perform certain post-closure maintenance and monitoring functions for thirty years after closure. At June 30, 2020, there were 6 years remaining until the post-closure care requirement is completed in fiscal year 2026.

The total post-closure cost of the St. Johns Landfill as of June 30, 2020 is estimated to be \$51,103,282 under current Federal and state regulations, a reduction of \$35,618 in the current fiscal year in the estimated total liability. Actual cost may vary due to inflation or deflation, changes in technology, or changes in regulations. During the fiscal year, Metro paid \$612,158 in closure costs as the closure process continued (\$46,862,007 cumulative to date); reducing the remaining estimated liability to \$4,241,276 at June 30, 2020.

Metro is required by state and federal laws and regulations to provide financial assurance for the coverage of these overall post-closure care estimated costs. Metro is currently providing this financial assurance through an Alternative Financial Assurance Mechanism which has been approved by the Oregon Department of Environmental Quality (DEQ) and consists of its Solid Waste Fund, a post-closure funding guarantee of future revenues to cover these costs and a Landfill Post-Closure Account. Metro is required to submit annual re-certifications of this mechanism and Metro is currently awaiting DEQ approval for this year's annual recertification.

### N. POLLUTION REMEDIATION OBLIGATION

Metro follows the requirements of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* to account for its pollution remediation liabilities. Various Metro properties have pollution remediation obligations where obligating events have occurred and amounts are estimable using the expected cash flows technique.

#### *Governmental Activities*

Estimable pollution remediation obligations are present at what is referred to as the Texaco site on McLoughlin Boulevard in Milwaukie, Oregon. DEQ includes this site in the Underground Storage Tank (UST) Cleanup program and the incomplete nature of cleanup activities by the prior owners constitutes an obligating event. Metro entered into a Prospective Purchaser Agreement (PPA) with DEQ which called for the decommissioning of USTs and remediation of soil contamination exceeding DEQ tolerances. Initial remediation work, including UST removal has been completed. Some shallow soil contamination remains. A cost estimate was developed for remaining DEQ oversight costs and cleanup of the remaining soil contamination during future site development work, as notified by DEQ in 2006. The estimated pollution remediation obligation for this site is estimated to be \$2,500, reflected in governmental activities on the government-wide statement of net position.

Other Metro properties fall within the Initial Study Area of the Portland Harbor Superfund site adjacent to the Portland Harbor. The area has been under investigation by the Lower Willamette Group (LWG) under a 2001 Environmental Protection Agency (EPA) Administrative Order on Consent. For the entire Portland Harbor Superfund site, the LWG has been conducting a remedial investigation in the Willamette River (in water) since 2001 with oversight from EPA. EPA issued a Record of Decision outlining the Selected Remedy in January 2017, which includes dredging, capping, and enhanced natural recovery, estimated to take 13 years to complete. Costs associated with investigations and studies as they pertain to Metro properties and the allocation of such costs among participating responsible parties (PRPs) are still being determined. The PRPs have engaged an allocator to develop a method for allocation of costs

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### Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

associated with the remedial investigation and feasibility study. Based upon the uncertainty of the Portland Harbor Superfund site remediation and allocation approach, pollution remediation obligations for the in-water remedy at Willamette Cove are not considered estimable. For the upland portion of the site, Metro's current share of the pollution remediation obligation is estimated to be \$884,000, reflected in governmental activities on the government-wide statement of net position.

#### *Business-type Activities*

At the St. Johns Landfill, work associated with pollution remediation for sediment located adjacent to the landfill levees and potentially shallow groundwater includes: completion of a remedial investigation (RI)/feasibility study (FS) and remedial design; remedial action implementation; and remedial action performance monitoring. The work associated with the RI has been completed and the final RI report has been accepted by DEQ. The work associated with the FS component was completed during fiscal year 2013. DEQ signed and issued a Record of Decision on July 9, 2014, which includes DEQ's selected remedial action. Work going forward is based on the Draft Remedial Action Work Plan (RAWP) for implementation of the preferred alternative which calls for activated carbon pellets to be spread across the sediment surface in the risk-based areas. Metro has elected to expand the treatment area to provide greater coverage of the Westside Mud Flat to reduce uncertainty. Follow-up sampling, laboratory and statistical analysis, and the results of such have been completed and sent to DEQ. Metro is awaiting DEQ approval and certification of these results at June 30, 2020.

For Metro Central Station, Metro received a request from the EPA and recommendation from DEQ to perform an expanded Preliminary Assessment. Metro then entered into an agreement with DEQ regarding the source control evaluation for the property. Metro has contracted with AECOM to update the station's stormwater treatment system to satisfy Tier 2 correction actions related to the DEQ's recommendation. Site improvements have been completed and Metro is awaiting DEQ approval and certification of these results at June 30, 2020.

Current information on estimable pollution remediation obligations at Expo, which is adjacent to a designated Superfund site, is limited. Therefore, the cost associated

with work beyond the initial preliminary study is not yet estimable. The pollution remediation obligation estimate for the DEQ recommended preliminary assessment, which is recorded in the MERC Fund, is \$95,000.

The total pollution remediation obligation on the government-wide statement of net position for governmental activities is \$886,500 and for business type activities is \$95,000.

**METRO**

Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

**O. FUND BALANCE CLASSIFICATIONS**

Fund balance classifications as presented on the governmental funds balance sheet are further detailed below:

	General Fund	Parks and Natural Areas Local Option Levy Special Revenue Fund	Affordable Housing Special Revenue Fund	General Obligation Bond Debt Service Fund	Major Capital Project Funds			Other Funds	Total
					Oregon ZIAW Fund	Natural Areas Fund	Parks and Nature Bond Fund		
<b>Fund balances:</b>									
Nonspendable:									
Not in spendable form									
Prepaid items	\$ 279,627	-	15,043,000	-	-	-	-	-	15,322,627
Long-term amount of loans receivable	16,799	-	-	-	-	-	-	-	16,799
Corpus of permanent fund	-	-	-	-	-	-	-	692,447	692,447
Total nonspendable	296,426	-	15,043,000	-	-	-	-	692,447	16,031,873
Restricted for:									
TOD projects	22,757,134	-	-	-	-	-	-	-	22,757,134
Planning IGA	12,034,192	-	-	-	-	-	-	-	12,034,192
Glendoveer operations	158,421	-	-	-	-	-	-	-	158,421
Parks and Natural Areas	-	9,342,822	-	-	-	-	-	-	9,342,822
Debt service on bonds	3,387,554	-	-	3,539,568	-	-	-	-	6,927,122
Smith & Bybee Wetlands mgmt plan	-	-	-	-	-	-	-	1,972,260	1,972,260
Community Enhancement	810,863	-	-	-	-	-	-	696,190	1,507,053
Willamette Falls Legacy project	15,524,159	-	-	-	-	-	-	-	15,524,159
Affordable Housing	-	-	660,502,334	-	-	-	-	-	660,502,334
TOD projects:									
Bond funded programs	8,641,422	-	-	-	11,980,968	12,142,617	210,572,640	22,694	243,360,341
Total restricted	63,313,745	9,342,822	660,502,334	3,539,568	11,980,968	12,142,617	210,572,640	2,691,144	974,085,838
Committed to:									
Construction excise tax for development planning	14,740,429	-	-	-	-	-	-	-	14,740,429
Total restricted	14,740,429	-	-	-	-	-	-	-	14,740,429
Assigned to:									
Permanent fund programs	-	-	-	-	-	-	-	64,430	64,430
Total assigned	-	-	-	-	-	-	-	64,430	64,430
Unassigned	24,836,760	-	-	-	-	-	-	-	24,836,760
Total fund balances	\$ 103,187,360	9,342,822	675,545,334	3,539,568	11,980,968	12,142,617	210,572,640	3,448,021	1,029,759,330

**METRO**

Notes to the Financial Statements, *continued*

For the fiscal year ended June 30, 2020

**P. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund receivables and payables are detailed in the table below.

Interfund receivables and payables detail	<b>Internal balances</b>		Assets per fund statements
	Oregon Zoo	(to reflect the consolidation of internal service fund activities) Business-type activities	
<b>Receivable Fund/Entity</b>			
<b>Advances to Other Funds</b> <i>(portion of interfund loans not scheduled to be repaid in the subsequent year)</i>			
Solid Waste	\$ 1,342,839		1,342,839
<b>Internal balances</b> <i>(to reflect the consolidation of internal service fund activities)</i>			
Governmental activities		2,143,544	
Liabilities per fund statements	\$ <u>1,342,839</u>		
Reconciliation to government-wide statements:			
Receivables/Payables between government-wide activity types:			
Due to/from other funds			
Advances to/from other funds			
Internal balances per the government-wide statement of net position		\$ <u>2,143,544</u>	

The loan from General Fund to MERC Fund is to finance the Portland Streetcar loop extension. Loans from Solid Waste Fund to General Fund and Oregon Zoo Fund are to finance various capital projects.

Note that amounts shown between Solid Waste and Oregon Zoo net within business-type activities in internal balances

Interfund transfers for the fiscal year by fund were:

<b>Transfers out</b>	<b>Transfers in</b>				<b>Total</b>
	<b>General</b>	<b>Solid Waste</b>	<b>Oregon Zoo</b>	<b>MERC</b>	
General	\$ -	205,082	14,074,382	400,000	14,679,464
Parks & Natural Areas	33,180	-	-	-	33,180
Affordable Housing	6,271	-	-	-	6,271
Oregon Zoo Infrastructure	3,695	-	-	-	3,695
Natural Areas	1,013,812	-	-	-	1,013,812
Parks and Nature	1,155	-	-	-	1,155
Solid Waste	135,211	-	-	-	135,211
Oregon Zoo	129,479	-	-	-	129,479
MERC	136,034	-	-	-	136,034
Risk Management	90	-	-	-	90
<b>Total</b>	\$ <u>1,458,927</u>	<u>205,082</u>	<u>14,074,382</u>	<u>400,000</u>	<u>16,138,391</u>
Reconciliation:					
Capital assets transferred to Governmental Activities from Business-type Activities	(9,106)	-	-	-	(9,106)
<b>Total</b>	\$ <u>1,449,821</u>	<u>205,082</u>	<u>14,074,382</u>	<u>400,000</u>	<u>16,129,285</u>

The transfers detailed above are transfers of resources from one fund to another that are not based upon a cost allocation plan or any expectation of a payment for services provided, but rather to provide resources for other uses. These include General Fund support to Solid Waste for the Sustainability program, to Oregon Zoo for general allocations and renewal and replacement of capital assets, and to MERC for Tourism Opportunity and Competiveness Account; Natural Areas support to the General Fund for the Willamette Falls Riverwalk project; and transfers of PERS reserve balances from various funds to the General Fund.

## Q. TAX ABATEMENTS

Metro has not entered into any tax abatement programs. However, Metro is subject to tax abatements granted by the three counties in which Metro operates. Metro's abated property taxes total \$7,408,528 for fiscal year 2020. The following two tax abatement programs account for 95 percent of the abated property taxes:

### Strategic Investment Program

The Strategic Investment Program (SIP) was adopted by the Oregon legislature in 1993 under ORS 285C.600. The purpose of this program is to attract and keep companies that provide good jobs in Oregon, particularly capital-intensive, high-technology employers. It allows "traded-sector" businesses, such as manufacturing firms, and local governments to negotiate alternative property tax agreements if these businesses are willing to invest at least \$100 million at an urban site or at least \$25 million at a rural location in Oregon. "Traded sector" is defined in Oregon law as "industries in which member firms sell their goods or services into markets for which national and international competition exists." The project must either receive local approval through a custom agreement with the county/city or be located in a pre-established "Strategic Investment Zone."

SIP allows for tax exemptions on project property for fifteen years. In exchange for receiving a property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor (Washington County).

### Oregon Enterprise Zone

The Enterprise Zone program (E-Zone) was adopted by the Oregon legislature under ORS 285C.175. The purpose of this program is to encourage business investment through property tax relief, in specific areas of the state. In exchange for locating or expanding into an Enterprise Zone, eligible (generally non-retail) businesses receive total exemption from the property taxes normally assessed on new plant and equipment. Subject to local authorization, timely filings and criteria the benefits include:

- Construction-in-Process Enterprise Zone Exemption- For up to two years before qualified property is placed in service, it can be exempt from local taxes, which can cover more property than the regular exemption for commercial facilities under construction.
- Three to five consecutive years of full relief from property taxes on qualified property, after it is in service.
- Depending on the zone, local incentives also may be available.

Metro's property tax abatements under these programs for the fiscal year ended June 30, 2020 were:

Tax Abatement Program	Amount of Taxes Abated
SIP	\$ 6,471,000
E-Zone	597,954
Subtotal major abatement programs	7,068,954
Other immaterial abatement programs	339,574
Total	\$ 7,408,528

## R. INSURED RISKS

Metro is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Metro has established a Risk Management Fund (an internal service fund) to account for risk management activities, including payment of insurance policy premiums, payment of claims, and to finance its uninsured risks of loss. Under this program, the Risk Management Fund provides risk of loss coverage as follows:

## METRO

### Notes to the Financial Statements, *continued* For the fiscal year ended June 30, 2020

- General liability, bodily injury to or property damage of third parties resulting from the negligence of Metro or its employees and errors and omissions risks: these risks are fully covered by the Risk Management Fund. Metro is protected by ORS Chapter 30, the Oregon Tort Claims Act, which contains statutory claim limits of \$749,000 for a single claimant and \$1,498,000 per multiple claimants. These statutory limits are indexed and change every year on July 1. Metro carries an excess liability policy of \$10 million, with a \$1 million deductible, which is intended to insure possible liability outside the Oregon Tort Claims Act.
- Property damage to Metro owned facilities: this risk is covered with a commercial property insurance policy. The property policy insures \$913,690,241 of property values with a \$500,000,000 limit blanket policy and a \$500,000 deductible.
- Workers' compensation, bodily injury or illness to an employee while in the course of employment: this risk is covered through a guaranteed cost program from SAIF Corporation, a commercial carrier, in amounts that meet statutory requirements.

Metro has not experienced settlements in excess of insurance coverage in any of the last three fiscal years. An independent actuary prepared an actuarial valuation and estimate of liabilities for unpaid claims as of June 30, 2020. Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Metro also monitors risk activity to ensure that proper reserves are maintained. All operating funds of Metro participate in the program and make payments to the Risk Management Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims and to establish sufficient reserves.

The estimated claims liability of \$466,000 reported as accrued self-insurance claims in the *Risk Management Fund* at June 30, 2020 was established in accordance with the requirements of GASB Statement No. 30, Risk Financing Omnibus, which requires that a liability for total estimated claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be

reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. A portion of the loss reserves have been discounted, using an assumed average investment rate of 1.025 percent in preparing the estimates. Metro does not purchase annuity contracts from commercial insurers to pay any aggregate amount of outstanding claims liabilities.

Changes in Risk Management Fund claims liability for the previous and current fiscal year were:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2018-19	\$ 531,000	265,431	419,431	377,000
2019-20	377,000	782,000	693,000	466,000

## S. CONTINGENT LIABILITIES

### 1. Reviews by Grantor Agencies

Grant costs are subject to review by the grantor agencies. Any costs disallowed as the result of the review would be borne by Metro and may require the return of such amount to the grantor agency. Should costs be disallowed on a grant for which Metro acts in a pass through capacity, Metro should be able to require repayment of amounts disallowed from the sub grantees.

### 2. Legal Matters

Metro is involved as a defendant in several claims and disputes that are normal to Metro's activities. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon its financial position or operations.



# **Required Supplementary Information**





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# Required Supplementary Information

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## Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

General Fund

Special Revenue Fund

*Parks and Natural Areas Local Option Levy Fund*

*Affordable Housing Fund*

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## Postemployment benefits other than pensions Retirement Health Insurance Account

Schedule of District's Proprietary Share of the Net OPEB Liability (Asset)  
Schedule of District's Contributions

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## Postemployment benefits other than pensions Implicit Rate Subsidy

Schedule of District's Changes in Total OPEB Liability and Related Ratios

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## Oregon Public Employees Retirement System, Pension Plan

Schedule of District's Proprietary Share of Net Pension Liability  
Schedule of District's Contributions

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## Notes to Required Supplementary Information

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**METRO****General Fund****Schedule of Revenues, Expenditures and Changes in Fund Balances-****Budget and Actual (Non-GAAP Basis of Budgeting)**

For the fiscal year ended June 30, 2020

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Government fees	\$ 35,816	35,816	85,692	49,876
Culture and recreation fees	4,922,229	4,922,229	4,066,569	(855,660)
Other fees	1,768,674	2,232,674	1,955,668	(277,006)
Internal charges for services	2,481,408	2,481,408	1,681,570	(799,838)
Licenses and permits	615,894	615,894	583,115	(32,779)
Miscellaneous revenue	768,093	768,093	1,714,427	946,334
Operating grants and contributions:				
Grants	12,815,378	12,815,378	11,422,362	(1,393,016)
Local government shared revenue	686,758	686,758	798,729	111,971
Government contributions	4,795,350	4,795,350	9,848,792	5,053,442
Contributions and donations	-	-	28,650	28,650
General revenues:				
Taxes:				
Property taxes	16,000,845	16,000,845	16,359,682	358,836
Excise taxes	17,844,273	17,844,273	16,916,905	(927,368)
Construction excise tax	3,985,000	3,985,000	3,627,232	(357,768)
Investment income	610,000	610,000	1,155,018	545,018
<b>Total revenues</b>	<b>67,329,718</b>	<b>67,793,718</b>	<b>70,244,410</b>	<b>2,450,692</b>
<b>EXPENDITURES</b>				
Council	7,726,021	8,013,471	6,667,864	1,345,607
Office of the auditor	821,704	821,704	712,991	108,713
Office of Metro attorney	2,928,917	2,928,917	2,691,662	237,255
Information services	6,567,223	6,656,621	5,537,394	1,119,227
Communications	2,631,021	2,631,021	2,346,643	284,378
Finance and regulatory services	5,893,713	6,018,713	5,576,420	442,293
Human resources	3,568,235	3,703,675	3,139,426	564,249
Property and environmental services	2,399,023	2,399,023	2,019,012	380,011
Parks and nature	12,330,623	12,330,623	10,565,179	1,765,444
Planning and development	36,522,239	36,522,239	21,969,066	14,553,173
Research center	5,585,459	6,118,459	5,211,350	907,109
Special appropriations	3,824,148	5,188,448	4,025,296	1,163,152
Non-departmental:				
Debt service	2,173,009	2,173,009	2,173,008	-

(Continued)

**METRO**

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances-  
Budget and Actual (Non-GAAP Basis of Budgeting), *continued*  
For the fiscal year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with final budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures, continued:				
Contingency	\$ 9,180,676	7,179,088	-	7,179,088
Total expenditures	102,152,011	102,685,011	72,635,312	30,049,698
Revenues over (under) expenditures	(34,822,293)	(34,891,293)	(2,390,902)	32,500,391
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	23,046	23,046
Transfers in	21,696,554	21,765,554	21,702,745	(62,809)
Transfers out	(19,576,655)	(19,576,655)	(18,900,531)	676,124
Total other financing sources (uses)	2,119,899	2,188,899	2,825,260	636,361
Revenues and other sources over (under) expenditures and other uses	(32,702,394)	(32,702,394)	434,358	33,136,752
Beginning fund balance available for appropriation -				
July 1, 2019	53,251,014	53,251,014	57,091,918	3,840,904
Unappropriated ending fund balance - June 30, 2020	\$ 20,548,620	20,548,620	57,526,276	36,977,656
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting:				
General Fund, as presented above			\$ 434,358	
General Revenue Bond Fund-General			8,749	
General Asset Management Fund			(3,237,524)	
Additional (decrease to) revenues required by Governmental GAAP:				
Adjustment to value investments at fair value			1,409,029	
Accrual of interest receivable on TOD loans			9,200	
Budget requirements not qualifying as expenses under Governmental GAAP:				
Repayment of interfund loans (transfers)			50,000	
Purchase of assets held for resale			2,299,000	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ 972,812	

**METRO****Parks and Natural Areas Local Option Levy Fund****Schedule of Revenues, Expenditures and Changes in Fund Balances -****Budget and Actual (Non-GAAP Basis of Budgeting)****For the fiscal year ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Program revenues:				
Operating grants and contributions:				
Grants	\$ 35,000	35,000	120,058	85,058
Government contributions	124,500	124,500	-	(124,500)
General revenues:				
Taxes:				
Property taxes	15,532,940	15,532,940	15,874,346	341,406
Investment income	132,481	132,481	227,176	94,695
<b>Total revenues</b>	<b>15,824,921</b>	<b>15,824,921</b>	<b>16,221,580</b>	<b>396,659</b>
<b>EXPENDITURES</b>				
Parks and nature	12,354,504	12,517,689	9,184,744	3,332,945
Special appropriations	1,000,000	1,000,000	601,438	398,562
Contingency	4,418,926	4,216,741	-	4,216,741
<b>Total expenditures</b>	<b>17,773,430</b>	<b>17,734,430</b>	<b>9,786,182</b>	<b>7,948,248</b>
Revenues over (under) expenditures	(1,948,509)	(1,909,509)	6,435,398	8,344,907
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(4,258,205)	(4,297,205)	(4,297,205)	-
<b>Total other financing sources (uses)</b>	<b>(4,258,205)</b>	<b>(4,297,205)</b>	<b>(4,297,205)</b>	<b>-</b>
Revenues and other sources over (under) expenditures and other uses	(6,206,714)	(6,206,714)	2,138,193	8,344,907
Beginning fund balance available for appropriation - July 1, 2019	6,206,714	6,206,714	7,000,721	794,007
Unappropriated ending fund balance - June 30, 2020	\$ -	-	9,138,914	9,138,914
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 2,138,193	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			164,014	
<b>Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds</b>			<b>\$ 2,302,207</b>	

**METRO**

## Affordable Housing Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Non-GAAP Basis of Budgeting)  
For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
General revenues:				
Investment income	\$ 12,400,000	12,400,000	15,809,567	3,409,567
Total revenues	12,400,000	12,400,000	15,809,567	3,409,567
<b>EXPENDITURES</b>				
Housing	202,717,100	202,717,100	2,370,605	(200,346,495)
Contingency	35,000,000	35,000,000	-	(35,000,000)
Total expenditures	237,717,100	237,717,100	2,370,605	(235,346,495)
Revenues over (under) expenditures	(225,317,100)	(225,317,100)	13,438,962	238,756,062
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	500,000	500,000	-	(500,000)
Total other financing sources (uses)	500,000	500,000	-	(500,000)
Revenues and other sources over expenditures and other uses	(224,817,100)	(224,817,100)	13,438,962	238,256,062
Beginning fund balance available for appropriation - July 1, 2019	652,000,000	652,000,000	650,917,896	(1,082,104)
Unappropriated ending fund balance - June 30, 2020	\$ 427,182,900	427,182,900	664,356,858	237,173,958
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 13,438,962	
Additional (decrease to) revenue required by Governmental GAAP: Adjustment to value investments at fair value			7,594,365	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ 21,033,327	

**METRO****Schedule of District's Proportionate Share of the Net OPEB Liability (Asset)  
Oregon Public Employees' Retirement System, Retirement Health Insurance Account  
Last Four Fiscal Years**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Metro's proportion of the net OPEB liability (asset)	0.6214%	0.6037%	0.6165%	0.6388%
Metro's proportionate share of the net OPEB liability (asset)	\$ 168,747	(251,939)	(688,163)	(1,234,363)
Metro's covered payroll	\$ 60,051,593	62,262,783	66,236,964	69,412,840
Metro's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	0.3%	-0.4%	-1.0%	-1.8%
Plan fiduciary net position as a percentage of the total OPEB liability	94.2%	108.9%	124.0%	144.4%

This schedule is presented to illustrate Metro's proportionate share of net OPEB liability over the last 10 years.  
However, until a full 10-year trend is compiled, Metro presents information for those years for which information is available.

**METRO**

## Schedule of District's Contributions

Oregon Public Employees' Retirement System, Retirement Health Insurance Account  
Last Four Fiscal Years

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually required contribution	\$ 317,059	298,503	316,595	25,405
Contributions in relation to the contractually required contribution	<u>317,059</u>	<u>298,503</u>	<u>316,595</u>	<u>25,405</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Metro's covered payroll	<u>\$ 62,262,783</u>	<u>66,236,964</u>	<u>69,412,840</u>	<u>70,340,490</u>
Contribution as a percentage of covered payroll	0.5%	0.5%	0.5%	0.0%

This schedule is presented to illustrate Metro's OPEB contributions over the last 10 years.

However, until a full 10-year trend is compiled, Metro presents information for those years for which information is available.



**METRO****Schedule of District's Changes in Total OPEB Liability and Related Ratios  
Implicit Rate Subsidy Plan  
Last Two Fiscal Years**

	<u>2019</u>	<u>2020</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 176,683	177,807
Interest on total OPEB liability	102,623	113,004
Changes of assumptions or other inputs	(66,972)	30,910
Benefit payments	<u>(155,404)</u>	<u>(164,866)</u>
Net change in total OPEB liability	56,930	156,855
Total OPEB liability, beginning of year	<u>2,766,903</u>	<u>2,823,833</u>
Total OPEB liability, end of year	<u>\$ 2,823,833</u>	<u>2,980,688</u>
Metro's covered payroll	N/A	N/A
Total OPEB liability as a percentage of covered payroll	N/A	N/A

This schedule is presented to illustrate Metro's changes in total OPEB liability over the last 10 years.

However, until a full 10-year trend is compiled, Metro presents information for those years for which information is available.

**METRO****Schedule of District's Proportionate Share of Net Pension Liability  
Oregon Public Employees' Retirement System, Pension Plan  
Last Seven Fiscal Years**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Metro's proportion of the net pension liability (asset)	0.51394738%	0.51394738%	0.55014352%	0.54657727%	0.59201276%	0.59897179%	0.63238477%
Metro's proportionate share of the net pension liability (asset)	\$ 26,233,596	(11,649,721)	31,586,277	82,053,939	79,803,544	90,736,337	109,387,421
Metro's covered payroll	\$ 50,208,189	52,521,307	55,726,726	60,051,593	62,262,783	66,236,964	69,412,840
Metro's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	52.2%	-22.2%	56.7%	136.6%	128.2%	137.0%	157.6%
Plan fiduciary net position as a percentage of the total pension liability	92.0%	103.6%	91.9%	80.5%	83.1%	82.1%	80.2%

This schedule is presented to illustrate Metro's proportionate share of net pension liability over the last 10 years.  
However, until a full 10-year trend is compiled, Metro presents information for those years for which information is available.

**METRO**  
 Schedule of District's Contributions  
 Oregon Public Employees' Retirement System, Pension Plan  
 Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Contractually required contribution	\$ 1,306,457	3,914,572	3,746,270
Contributions in relation to the contractually required contribution	<u>1,306,457</u>	<u>3,914,572</u>	<u>3,746,270</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>
Metro's covered payroll	<u>\$ 51,603,332</u>	<u>52,255,709</u>	<u>50,208,189</u>
Contributions as a percentage of covered payroll	2.5%	7.5%	7.5%

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
3,840,003	4,062,684	4,729,515	5,315,109	7,594,605	8,097,797	11,296,142
<u>3,840,003</u>	<u>4,062,684</u>	<u>4,729,515</u>	<u>5,315,109</u>	<u>7,594,605</u>	<u>8,097,797</u>	<u>11,296,142</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>52,521,307</u>	<u>55,726,726</u>	<u>60,051,593</u>	<u>62,262,783</u>	<u>66,236,964</u>	<u>69,412,840</u>	<u>70,340,490</u>
7.3%	7.3%	7.9%	8.5%	11.5%	11.7%	16.1%

**BUDGETARY INFORMATION****1. BUDGETS**

A budget is prepared for each fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. This basis differs from GAAP. The Council adopts the original budget for all funds by ordinance prior to the beginning of Metro's fiscal year. The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The legal level of control for each fund is set by department, with separate designations within the fund for the categories of debt service, interfund transfers and contingency.

The General Revenue Bond Fund is a budgetary fund comprised of two components that are separated and combined with other budgetary funds for reporting under GAAP. The General Asset Management Fund is a budgetary fund that is combined with the General Fund for reporting under GAAP. The Oregon Zoo Asset Management Fund is a budgetary fund that is combined with the Oregon Zoo Operating Fund for reporting under GAAP.

The detail budget document is required to contain more specific, detailed information about the aforementioned expenditure categories. Appropriations that have not been expended at year end lapse and subsequent actual expenditures are charged against ensuing year appropriations. Encumbrances are recorded in Metro's internal accounting records for management reporting and control. Encumbrances are closed at June 30 and re-established in the ensuing fiscal year against appropriations for that year.

Unexpected additional resources and budget revisions may be added to the budget through the use of a supplemental budget or by an ordinance passed by the Council amending the budget. A supplemental budget requires hearings before the public, publication in newspapers and approval by the Council. Original, amended and supplemental budgets may be modified by the use of appropriation transfers between the levels of control, with approval of the Council. Management may amend the budget within the appropriated levels of control without Council approval.

Metro adopted four budget amendments during the fiscal year ended June 30, 2020. All four of the amendments were consolidated amendments with multiple actions in each resolution. None of the individual actions within the consolidated amendments were significant.

**2. RECONCILIATION OF BASIS OF BUDGETING TO GAAP BASIS**

Oregon Local Budget Law, as adopted by Metro, requires accounting for certain transactions to be on a basis other than GAAP. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis of Budgeting) for each fund as presented in the required supplementary information is presented on the basis of budgeting and is adjusted to the GAAP basis for presentation in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds. The accounting for the reclassification of interfund transfers as operating transactions causes no difference between the excess of revenues and other sources over expenditures and other uses on the basis of budgeting and such amounts on a GAAP basis. Other reconciliations as necessary are presented on the face of the budgetary schedules.

**PENSION PLAN INFORMATION****1. CHANGES IN BENEFIT TERMS**

There were no changes of benefit terms between the periods shown in the schedules.

There were no changes in the size or composition of the population covered by the benefit terms.

**2. CHANGES IN ASSUMPTIONS**

For the valuation ending June 30, 2019, the discount rate changed from 7.5 percent to 7.2 percent.

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)  
LIABILITY INFORMATION**

**1. CHANGES IN BENEFIT TERMS**

There were no changes of benefit terms between the periods shown in the schedules.

There were no changes in the size or composition of the population covered by the benefit terms.

**2. CHANGES IN ASSUMPTIONS**

In the July 1, 2019 actuarial valuation, the OPEB liability discount rate decreased from 3.87 percent to 3.50 percent for results as of June 30, 2019 measurement date.



# **Other Supplementary Information**





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# Other Supplementary Information

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Combining Statements

Nonmajor Governmental Funds

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Budgetary Comparison Schedules

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# Combining Statements

## Nonmajor Governmental Funds

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### **Special Revenue Funds**

#### *Smith and Bybee Wetlands Fund*

This fund accounts for development and management of the Smith and Bybee Wetlands Natural Resource Management plan, which calls for Smith and Bybee Wetlands to be managed as environmental and recreational resources for the region. The principal source of revenue is investment income.

#### *Community Enhancement Fund*

This fund accounts for special fees collected on solid waste disposal. The funds are used for community enhancement projects in the areas around various solid waste disposal facilities and for administration of the enhancement program.

### **Capital Projects Fund**

#### *Open Spaces Fund*

This fund accounts for the activities to acquire and protect regional open spaces, parks, trails, and streams. The principal resources are miscellaneous and investment income.

### **Permanent Fund**

#### *Cemetery Perpetual Care Fund*

This fund accounts for amounts provided to build a permanent investment of principal from which the earnings will be used to provide long-term maintenance of pioneer cemeteries under Metro's management. The principal resource is a cemetery revenue surcharge on grave sales.

**METRO**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2020

	Special Revenue			Capital Projects	Permanent	Total Nonmajor Governmental Funds
	Smith and Bybee Wetlands	Community Enhancement	Total	Open Spaces	Cemetery Perpetual Care	
<b>ASSETS</b>						
Equity in internal cash and investment pool	\$ 1,979,694	877,908	2,857,602	22,599	753,892	3,634,093
Receivables:						
Other	-	52,304	52,304	-	-	52,304
Interest	8,112	3,384	11,496	95	2,985	14,576
<b>Total assets</b>	<b>1,987,806</b>	<b>933,596</b>	<b>2,921,402</b>	<b>22,694</b>	<b>756,877</b>	<b>3,700,973</b>
<b>LIABILITIES</b>						
Liabilities:						
Accounts payable	15,546	237,406	252,952	-	-	252,952
<b>Total liabilities</b>	<b>15,546</b>	<b>237,406</b>	<b>252,952</b>	<b>-</b>	<b>-</b>	<b>252,952</b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	692,447	692,447
Restricted	1,972,260	696,190	2,668,450	22,694	-	2,691,144
Assigned	-	-	-	-	64,430	64,430
<b>Total fund balances</b>	<b>1,972,260</b>	<b>696,190</b>	<b>2,668,450</b>	<b>22,694</b>	<b>756,877</b>	<b>3,448,021</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,987,806</b>	<b>933,596</b>	<b>2,921,402</b>	<b>22,694</b>	<b>756,877</b>	<b>3,700,973</b>

**METRO**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the fiscal year ended June 30, 2020

	Special Revenue			Capital Projects	Permanent Cemetery	Total Nonmajor Governmental Funds
	Smith and Bybee Wetlands	Community Enhancement	Total	Open Spaces	Perpetual Care	
<b>REVENUES</b>						
Cemetery revenue surcharge	\$ -	-	-	-	45,534	45,534
Investment income	77,232	31,505	108,737	900	27,658	137,295
Solid waste fees	-	1,086,468	1,086,468	-	-	1,086,468
<b>Total revenues</b>	<b>77,232</b>	<b>1,117,973</b>	<b>1,195,205</b>	<b>900</b>	<b>73,192</b>	<b>1,269,297</b>
<b>EXPENDITURES</b>						
Culture and recreation	181,603	1,005,346	1,186,949	-	-	1,186,949
<b>Total expenditures</b>	<b>181,603</b>	<b>1,005,346</b>	<b>1,186,949</b>	<b>-</b>	<b>-</b>	<b>1,186,949</b>
Revenues over (under) expenditures	(104,371)	112,627	8,256	900	73,192	82,348
Net change in fund balances	(104,371)	112,627	8,256	900	73,192	82,348
Fund balances - July 1, 2019	2,076,631	583,563	2,660,194	21,794	683,685	3,365,673
Fund balances - June 30, 2020	\$ 1,972,260	696,190	2,668,450	22,694	756,877	3,448,021

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# Budgetary Comparison Schedules

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Oregon Administrative Rules 162-010-0050 through 162-010-0330 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, as prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, requires an individual schedule of revenues, expenditures, and changes in fund balance, budget and actual be presented for each fund for which a legally adopted budget is required.

In accordance with GASB Statement No. 34, Metro's General Fund and major special revenue funds, the Affordable Housing Fund and the Parks and Natural Areas Local Option Levy Fund are presented as required supplementary information. Budgetary comparisons for all other funds are displayed in the following pages.



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# Other Major Governmental Funds

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## Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

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### **Debt Service Fund**

*General Obligation Bond Debt Service Fund*

### **Capital Projects Funds**

*Oregon Zoo Infrastructure and Animal Welfare Fund*

*Natural Areas Fund*

*Parks and Nature Bond Fund*



**METRO**

## General Obligation Bond Debt Service Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balances -

## Budget and Actual (Non-GAAP Basis of Budgeting)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
General revenues:				
Taxes:				
Property taxes	\$ 80,673,113	80,673,113	81,867,403	1,194,290
Investment income	25,000	25,000	703,231	678,231
Total revenues	80,698,113	80,698,113	82,570,634	1,872,521
<b>EXPENDITURES</b>				
Debt service:				
Principal	52,775,000	52,775,000	52,775,000	-
Interest	29,480,113	29,480,113	29,480,112	(1.00)
Total expenditures	82,255,113	82,255,113	82,255,112	(1.00)
Revenues over (under) expenditures	(1,557,000)	(1,557,000)	315,522	1,872,522
Beginning fund balance available for appropriation - July 1, 2019	1,557,000	1,557,000	3,151,443	1,594,443
Unappropriated ending fund balance - June 30, 2020	\$ -	-	3,466,965	3,466,965
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 315,522	
Additional (decrease to) revenue required by Governmental GAAP: Adjustment to value investments at fair value			45,417	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ 360,939	

**METRO**

Oregon Zoo Infrastructure and Animal Welfare Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual (Non-GAAP Basis of Budgeting)  
 For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
General revenues:				
Investment income	\$ 600,000	600,000	626,084	26,084
Total revenues	600,000	600,000	626,084	26,084
<b>EXPENDITURES</b>				
Oregon Zoo	28,356,291	28,356,291	23,803,503	4,552,788
Contingency	2,500,000	2,500,000	-	2,500,000
Total expenditures	30,856,291	30,856,291	23,803,503	7,052,788
Revenues under expenditures	(30,256,291)	(30,256,291)	(23,177,419)	7,078,872
<b>OTHER FINANCING USES</b>				
Transfers out	(243,709)	(243,709)	(243,709)	-
Total other financing uses	(243,709)	(243,709)	(243,709)	-
Revenues and other sources under expenditures and other uses	(30,500,000)	(30,500,000)	(23,421,128)	7,078,872
Beginning fund balance available for appropriation - July 1, 2019	30,500,000	30,500,000	35,292,243	4,792,243
Unappropriated ending fund balance - June 30, 2020	\$ -	-	11,871,115	11,871,115
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ (23,421,128)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			55,236	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (23,365,892)	

**METRO**

Natural Areas Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Non-GAAP Basis of Budgeting)  
For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	31,865	31,865
Operating grants and contributions:				
Grants	30,000	30,000	-	(30,000)
Capital grants and contributions:				
Capital contributions and donations	-	-	69,334	69,334
General revenues:				
Investment income	556,626	556,626	414,429	(142,197)
<b>Total revenues</b>	<b>586,626</b>	<b>586,626</b>	<b>515,628</b>	<b>(70,998)</b>
<b>EXPENDITURES</b>				
Parks and nature	8,556,370	9,056,370	8,248,429	807,941
Contingency	4,000,000	3,500,000	-	3,500,000
<b>Total expenditures</b>	<b>12,556,370</b>	<b>12,556,370</b>	<b>8,248,429</b>	<b>4,307,941</b>
Revenues under expenditures	(11,969,744)	(11,969,744)	(7,732,801)	4,236,943
<b>OTHER FINANCING USES</b>				
Transfers out	(2,724,478)	(2,724,478)	(2,724,419)	59
<b>Total other financing uses</b>	<b>(2,724,478)</b>	<b>(2,724,478)</b>	<b>(2,724,419)</b>	<b>59</b>
Revenues and other sources under expenditures and other uses	(14,694,222)	(14,694,222)	(10,457,220)	4,237,002
Beginning fund balance available for appropriation - July 1, 2019	22,265,058	22,265,058	22,478,870	213,812
Unappropriated ending fund balance - June 30, 2020	\$ 7,570,836	7,570,836	12,021,650	4,450,814
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ (10,457,220)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			66,620	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ (10,390,600)	

**METRO****Parks and Nature Bond Fund**
**Schedule of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual (Non-GAAP Basis of Budgeting)  
 For the fiscal year ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
General revenues:				
Investment income	\$ -	-	154,828	154,828
Total revenues	-	-	154,828	154,828
<b>EXPENDITURES</b>				
Parks and nature	-	10,000,000	1,226,790	(8,773,210)
Total expenditures	-	10,000,000	1,226,790	(8,773,210)
Revenues over (under) expenditures	-	(10,000,000)	(1,071,962)	8,928,038
<b>OTHER FINANCING SOURCES</b>				
General obligation bond proceeds	-	10,000,000	200,000,000	190,000,000
Premium on bonds sold	-	-	10,922,405	10,922,405
Total other financing sources	-	10,000,000	210,922,405	200,922,405
Revenues and other sources over expenditures and other uses	-	-	209,850,443	209,850,443
Beginning fund balance available for appropriation - July 1, 2019	-	-	-	-
Unappropriated ending fund balance - June 30, 2020	\$ -	-	209,850,443	209,850,443
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 209,850,443	
Additional (decrease to) revenue required by Governmental GAAP: Adjustment to value investments at fair value			722,197	
Net change in fund balance as reported on the statement of revenues, expenditures and changes in fund balances-governmental funds			\$ 210,572,640	



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# Nonmajor Governmental Funds

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## Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

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### **Special Revenue Funds**

*Smith and Bybee Wetlands Fund*

*Community Enhancement Fund*

### **Capital Projects Funds**

*Open Spaces Fund*

### **Permanent Fund**

*Cemetery Perpetual Care Fund*

**METRO**

## Smith and Bybee Wetlands Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balances -

## Budget and Actual (Non-GAAP Basis of Budgeting)

For the fiscal year ended June 30, 2020

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
General revenues:				
Investment income	\$ 41,355	41,355	47,016	5,661
Total revenues	41,355	41,355	47,016	5,661
<b>EXPENDITURES</b>				
Parks and nature	325,000	325,000	96,750	228,250
Contingency	500,000	500,000	-	500,000
Total expenditures	825,000	825,000	96,750	728,250
Revenues under expenditures	(783,645)	(783,645)	(49,734)	733,911
<b>OTHER FINANCING USES</b>				
Transfers out	(84,853)	(84,853)	(84,853)	-
Total other financing uses	(84,853)	(84,853)	(84,853)	-
Revenues and other sources under expenditures and other uses	(868,498)	(868,498)	(134,587)	733,911
Beginning fund balance available for appropriation - July 1, 2019	1,654,211	1,654,211	2,068,442	414,231
Unappropriated ending fund balance - June 30, 2020	\$ 785,713	785,713	1,933,855	1,148,142
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ (134,587)	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			30,216	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ (104,371)	

**METRO**

Community Enhancement Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Budget and Actual (Non-GAAP Basis of Budgeting)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Solid waste fees	\$ 1,102,244	1,102,244	1,086,468	(15,776)
General revenues:				
Investment income	12,555	12,555	18,070	5,515
<b>Total revenues</b>	<b>1,114,799</b>	<b>1,114,799</b>	<b>1,104,538</b>	<b>(10,261)</b>
<b>EXPENDITURES</b>				
Property and environmental services	1,343,485	1,343,485	986,952	356,533
Contingency	29,500	29,500	-	29,500
<b>Total expenditures</b>	<b>1,372,985</b>	<b>1,372,985</b>	<b>986,952</b>	<b>386,033</b>
Revenues over (under) expenditures	(258,186)	(258,186)	117,586	375,772
<b>OTHER FINANCING USES</b>				
Transfers out	(18,394)	(18,394)	(18,394)	-
Revenues over (under) expenditures and other uses	(276,580)	(276,580)	99,192	(375,772)
Beginning fund balance available for appropriation - July 1, 2019	413,221	413,221	582,315	169,094
Unappropriated ending fund balance - June 30, 2020	\$ 136,641	136,641	681,507	(544,866)
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 99,192	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			13,435	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ 112,627	



**METRO**

Open Spaces Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances -

Budget and Actual (Non-GAAP Basis of Budgeting)

For the fiscal year ended June 30, 2020

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
General revenues:				
Investment income	\$ -	-	534	534
Total revenues	-	-	534	534
<b>OTHER FINANCING USES</b>				
Transfers out	(29,761)	(29,761)	-	29,761
Revenues over (under) other uses	(29,761)	(29,761)	534	30,295
Beginning fund balance available for appropriation - July 1, 2019	29,761	29,761	23,119	(6,642)
Unappropriated ending fund balance - June 30, 2020	\$ -	-	23,653	23,653
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 534	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			366	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ 900	

**METRO****Cemetery Perpetual Care Fund****Schedule of Revenues, Expenditures and Changes in Fund Balances -****Budget and Actual (Non-GAAP Basis of Budgeting)****For the fiscal year ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
General revenues:				
Taxes:				
Cemetery revenue surcharge	\$ 48,250	48,250	45,533	(2,717)
Investment income	15,687	15,687	16,157	470
Total revenues	63,937	63,937	61,690	(2,247)
Beginning fund balance available for appropriation - July 1, 2019	689,176	689,176	680,203	(8,973)
Unappropriated ending fund balance - June 30, 2020	\$ 753,113	753,113	741,893	(11,220)
Reconciliation to Governmental GAAP basis:				
Excess of revenues and other financing sources over (under) expenditures and other financing uses on the basis of budgeting per above			\$ 61,690	
Additional (decrease to) revenue required by Governmental GAAP:				
Adjustment to value investments at fair value			11,502	
Net change in fund balance as reported on the combining statement of revenues, expenditures and changes in fund balances-nonmajor governmental funds			\$ 73,192	



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# Proprietary Funds

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## Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

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### Enterprise Funds

*Solid Waste Revenue Fund*

*Oregon Zoo Operating Fund*

*MERC Fund*

### Internal Service Fund

*Risk Management Fund*

**Reconciliation of Enterprise Fund Revenues and Expenditures (Basis of Budgeting) to Statement of Revenues, Expenses and Changes in Net Position-Proprietary Funds (GAAP Basis)**

**METRO****Solid Waste Revenue Fund****Schedule of Revenues, Expenditures and Changes in Fund Balances-****Budget and Actual (Non-GAAP Basis of Budgeting)****For the fiscal year ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Government fees	\$ 1,123,500	1,123,500	919,299	(204,201)
Culture and recreation fees	-	-	7,774	7,774
Solid waste fees	75,456,134	75,456,134	70,872,953	(4,583,181)
Other fees	-	-	126	126
Miscellaneous revenue	21,100	21,100	36,699	15,599
Operating grants and contributions:				
Grants	-	-	5,339	5,339
Government contributions	40,000	40,000	25,076	(14,924)
General revenues:				
Investment income	624,170	624,170	1,223,224	599,054
<b>Total revenues</b>	<b>77,264,904</b>	<b>77,264,904</b>	<b>73,090,490</b>	<b>(4,174,414)</b>
<b>EXPENDITURES</b>				
Property and environmental services	85,012,844	86,095,783	74,505,738	11,590,045
Contingency	15,291,645	14,644,152	-	14,644,152
<b>Total expenditures</b>	<b>100,304,489</b>	<b>100,739,935</b>	<b>74,505,738</b>	<b>26,234,197</b>
Revenues over (under) expenditures	(23,039,585)	(23,475,031)	(1,415,248)	22,059,783
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	1,050	1,050
Transfers in	1,011,450	1,476,896	1,435,772	(41,124)
Transfers out	(7,018,314)	(7,048,314)	(6,803,585)	244,729
<b>Total other financing sources (uses)</b>	<b>(6,006,864)</b>	<b>(5,571,418)</b>	<b>(5,366,763)</b>	<b>204,655</b>
Revenues and other sources under expenditures and other uses	(29,046,449)	(29,046,449)	(6,782,011)	22,264,438
Beginning fund balance available for appropriation - July 1, 2019	60,236,224	60,236,224	55,376,892	(4,859,332)
Unappropriated ending fund balance - June 30, 2020	\$ 31,189,775	31,189,775	48,594,881	17,405,106

**METRO**

Oregon Zoo Operating Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances-

Budget and Actual (Non-GAAP Basis of Budgeting)

For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Culture and recreation fees	\$ 29,664,061	29,664,061	21,804,370	(7,859,691)
Other fees	1,707,400	1,707,400	1,008,108	(699,292)
Miscellaneous revenue	50,000	50,000	141,520	91,520
Operating grants and contributions:				
Grants	565,533	565,533	706,637	141,104
Contributions and donations	2,029,719	2,029,719	2,442,003	412,284
General revenues:				
Investment income	15,000	15,000	183,922	168,922
<b>Total revenues</b>	<b>34,031,713</b>	<b>34,031,713</b>	<b>26,286,560</b>	<b>(7,745,153)</b>
<b>EXPENDITURES</b>				
Visitor venues-Oregon Zoo	42,711,225	42,711,225	37,325,728	5,385,497
Contingency	4,202,874	4,675,524	-	4,675,524
<b>Total expenditures</b>	<b>46,914,099</b>	<b>47,386,749</b>	<b>37,325,728</b>	<b>10,061,021</b>
Revenues over expenditures	(12,882,386)	(13,355,036)	(11,039,168)	2,315,868
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	-
Transfers in	13,622,000	13,622,000	13,422,000	(200,000.00)
Transfers out	(4,832,387)	(4,359,737)	(4,059,737)	300,000.00
<b>Total other financing sources (uses)</b>	<b>8,789,613</b>	<b>9,262,263</b>	<b>9,362,263</b>	<b>100,000.00</b>
Revenues and other sources under expenditures and other uses	(4,092,773)	(4,092,773)	(1,676,905)	2,415,868
Beginning fund balance available for appropriation - July 1, 2019	4,092,773	4,092,773	4,763,090	670,317
Unappropriated ending fund balance - June 30, 2020	\$ -	-	3,086,185	3,086,185

**METRO**

**MERC Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balances-  
Budget and Actual (Non-GAAP Basis of Budgeting)  
For the fiscal year ended June 30, 2020**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Culture and recreation fees	\$ 51,909,603	51,909,603	34,334,363	(17,575,240)
Other fees	4,345,746	4,345,746	3,105,771	(1,239,975)
Internal Charges for Services	-	-	18,011	18,011
Miscellaneous revenue	140,478	140,478	479,021	338,543
Operating grants and contributions:				
Grants	100,000	100,000	518,887	418,887
Local government shared revenue	26,872,375	26,872,375	20,631,145	(6,241,230)
Government contributions	1,448,786	1,448,786	2,457,379	1,008,593
Contributions and donations	125,000	125,000	1,000,000	875,000
Capital grants and contributions:				
Capital contributions and donations	1,000,000	1,000,000	40,000	(960,000)
General revenues:				
Investment income	660,000	660,000	924,313	264,313
<b>Total revenues</b>	<b>86,601,988</b>	<b>86,601,988</b>	<b>63,508,890</b>	<b>(23,093,098)</b>
<b>EXPENDITURES</b>				
MERC	96,915,293	96,469,293	76,053,017	20,416,276
Contingency	21,694,903	22,140,903	-	22,140,903
<b>Total expenditures</b>	<b>118,610,196</b>	<b>118,610,196</b>	<b>76,053,017</b>	<b>42,557,179</b>
Revenues under expenditures	(32,008,208)	(32,008,208)	(12,544,127)	19,464,081
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	400,000	400,000	400,000	-
Transfers out	(6,773,587)	(6,773,587)	(6,755,507)	18,080
<b>Total other financing sources (uses)</b>	<b>(6,373,587)</b>	<b>(6,373,587)</b>	<b>(6,355,507)</b>	<b>18,080</b>
Revenues and other sources under expenditures and other uses	(38,381,795)	(38,381,795)	(18,899,634)	19,482,161
Beginning fund balance available for appropriation - July 1, 2019	38,381,795	38,381,795	43,323,263	4,941,468
Unappropriated ending fund balance - June 30, 2020	\$ -	-	24,423,629	24,423,629

**METRO****Risk Management Fund****Schedule of Revenues, Expenditures and Changes in Fund Balances-  
Budget and Actual (Non-GAAP Basis of Budgeting)**

For the fiscal year ended June 30, 2020

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Other fees	\$ -	-	5,738	5,738
Internal charges for services	146,499	146,499	146,492	(7)
Miscellaneous revenue	10,000	10,000	101,816	91,816
Operating grants and contributions:				
Grants	50,000	50,000	32,165	(17,835)
General revenues:				
Investment income	10,000	10,000	110,887	100,887
<b>Total revenues</b>	<b>216,499</b>	<b>216,499</b>	<b>397,098</b>	<b>180,599</b>
<b>EXPENDITURES</b>				
Finance and regulatory services	3,921,931	3,921,931	2,426,556	1,495,375
Contingency	124,195	124,195	-	124,195
<b>Total expenditures</b>	<b>4,046,126</b>	<b>4,046,126</b>	<b>2,426,556</b>	<b>1,619,570</b>
Revenues under expenditures	(3,829,627)	(3,829,627)	(2,029,458)	1,800,169
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,677,533	1,677,533	1,677,533	-
<b>Total other financing sources</b>	<b>1,677,533</b>	<b>1,677,533</b>	<b>1,677,533</b>	<b>-</b>
Revenues and other sources under expenditures and other uses	(2,152,094)	(2,152,094)	(351,925)	1,800,169
Beginning fund balance available for appropriation - July 1, 2019	2,232,611	2,232,611	5,012,025	2,779,414
Unappropriated ending fund balance - June 30, 2020	\$ 80,517	80,517	4,660,100	4,579,583



**METRO**

Reconciliation of Enterprise Fund

Fund Balance (Basis of Budgeting) to Statement of Net Position-Proprietary Funds (GAAP Basis)  
For the fiscal year ended June 30, 2020

	Enterprise Funds				Internal Service Fund
	Solid Waste	Oregon Zoo	MERC	Total	Risk Management Fund
Unappropriated ending fund balance on the basis of budgeting:					
Solid Waste Revenue Fund	\$ 48,594,881	-	-	48,594,881	-
Oregon Zoo Operating Fund	-	3,086,185	-	3,086,185	-
Oregon Zoo Asset Management Fund	-	5,292,746	-	5,292,746	-
MERC Fund	-	-	24,423,629	24,423,629	-
General Revenue Bond Fund-MERC	-	-	487	487	-
Risk Management Fund	-	-	-	-	4,660,100
Additional Statement of Net Position items:					
Advances to other funds	1,342,839	-	-	1,342,839	-
Capital assets, net	30,629,425	163,817,860	149,090,507	343,537,792	-
Deferred pension amounts	6,839,473	6,566,626	7,363,711	20,769,810	-
Deferred OPEB amounts	32,360	44,862	43,587	120,809	-
Accrued interest payable	-	-	(10,579)	(10,579)	-
Bonds payable-current	-	-	(890,000)	(890,000)	-
Post-closure costs payable-current	(663,971)	-	-	(663,971)	-
Compensated absences-current	(852,074)	(727,712)	(699,329)	(2,279,115)	-
Bonds payable (net of unamortized premium or discount)	-	-	(4,251,247)	(4,251,247)	-
Advances from other funds	-	(1,342,839)	-	(1,342,839)	-
Net Other postemployment benefits	(306,170)	(463,986)	(420,106)	(1,190,262)	-
Post-closure costs payable	(3,577,305)	-	-	(3,577,305)	-
Pollution remediation obligation	-	-	(95,000)	(95,000)	-
Compensated absences	(193,318)	(329,991)	(45,267)	(568,576)	-
Net pension liability	(19,956,538)	(19,160,411)	(21,486,184)	(60,603,133)	-
Deferred pension amounts	(1,173,592)	(1,126,774)	(1,263,547)	(3,563,913)	-
Deferred OPEB amounts	(70,045)	(91,758)	(93,304)	(255,107)	-
Adjustments to Statement of Net Position items:					
Cumulative fair value adjustment to Equity in internal cash and investment pool	1,042,190	239,985	579,015	1,861,190	106,973
Total net position as reported on the Statement of Net Position-Proprietary Funds	\$ 61,688,155	155,804,793	152,246,373	369,739,321	4,767,073

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# Other Budgetary Funds

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## Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual

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### *General Revenue Bond Fund*

This fund is a budgetary fund comprised of two components that are separated and combined with other budgetary funds for reporting under GAAP.

### *General Asset Management Fund*

This fund is a budgetary fund that is combined with another budgetary fund for reporting under GAAP.

### *Oregon Zoo Asset Management Fund*

This fund is a budgetary fund that is combined with another budgetary fund for reporting under GAAP.

**METRO**

## General Revenue Bond Fund

## Schedule of Revenues, Expenditures and Changes in Fund Balances-

## Budget and Actual (Non-GAAP Basis of Budgeting)

For the fiscal year ended June 30, 2020

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Program revenues:				
Operating grants and contributions:				
Local government shared revenue	\$ 3,400,600	3,400,600	3,387,244	(13,356)
General revenues:				
Investment income	19,063	19,063	22,128	3,065
<b>Total revenues</b>	<b>3,419,663</b>	<b>3,419,663</b>	<b>3,409,372</b>	<b>(10,291)</b>
<b>EXPENDITURES</b>				
Debt service account	6,394,667	6,394,667	6,394,666	1
<b>Total expenditures</b>	<b>6,394,667</b>	<b>6,394,667</b>	<b>6,394,666</b>	<b>1</b>
Revenues under expenditures	(2,975,004)	(2,975,004)	(2,985,294)	(10,290)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	2,994,067	2,994,067	2,994,067	-
<b>Total other financing sources</b>	<b>2,994,067</b>	<b>2,994,067</b>	<b>2,994,067</b>	<b>-</b>
Revenues and other sources over expenditures	19,063	19,063	8,773	(10,290)
Beginning fund balance available for appropriation - July 1, 2019	4,388,305	4,388,305	4,082,643	(305,662)
Unappropriated ending fund balance - June 30, 2020	\$ 4,407,368	4,407,368	4,091,416	(315,952)

Note: This schedule demonstrates compliance with budget at the legal level of control.

**METRO**

## General Asset Management Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances-  
Budget and Actual (Non-GAAP Basis of Budgeting)

For the fiscal year ended June 30, 2020

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with final budget</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Program revenues:				
Miscellaneous revenue	\$ 8,709	8,709	60,864	52,155
Operating grants and contributions:				
Government contributions	-	-	68,868	68,868
Contributions and donations	7,500	7,500	-	(7,500)
Capital grants and contributions:				
Capital contributions and donations	4,000,000	4,000,000	269,560	(3,730,440)
General revenues:				
Investment income	676,535	676,535	778,045	101,510
<b>Total revenues</b>	<b>4,692,744</b>	<b>4,692,744</b>	<b>1,177,337</b>	<b>(3,515,407)</b>
<b>EXPENDITURES</b>				
Asset Management Program	17,724,642	17,724,642	6,932,007	10,792,635
Contingency	9,467,395	9,467,395	-	9,467,395
<b>Total expenditures</b>	<b>27,192,037</b>	<b>27,192,037</b>	<b>6,932,007</b>	<b>20,260,030</b>
Revenues under expenditures	(22,499,293)	(22,499,293)	(5,754,670)	16,744,623
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	550	550
Transfers in	2,731,357	2,731,357	2,566,596	(164,761)
Transfers out	(50,000)	(50,000)	(50,000)	-
<b>Total other financing sources and (uses)</b>	<b>2,681,357</b>	<b>2,681,357</b>	<b>2,517,146</b>	<b>(164,211)</b>
Revenues and other sources under expenditures and other uses	(19,817,936)	(19,817,936)	(3,237,524)	16,580,412
Beginning fund balance available for appropriation - July 1, 2019	35,088,564	35,088,564	35,331,308	242,744
Unappropriated ending fund balance - June 30, 2020	\$ 15,270,628	15,270,628	32,093,784	16,823,156

**METRO**

Oregon Zoo Asset Management Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances-  
 Budget and Actual (Non-GAAP Basis of Budgeting)  
 For the fiscal year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Program revenues:				
Charges for services:				
Miscellaneous revenue	\$ -	-	34,689	34,689
Capital grants and contributions:				
Capital contributions and donations	384,000	384,000	748,333	364,333
General revenues:				
Investment income	-	-	129,774	129,774
<b>Total revenues</b>	<b>384,000</b>	<b>384,000</b>	<b>912,796</b>	<b>528,796</b>
<b>EXPENDITURES</b>				
Visitor venues-Oregon Zoo	5,880,483	4,942,387	995,116	3,947,271
Contingency	467,043	467,043	-	467,043
<b>Total expenditures</b>	<b>6,347,526</b>	<b>5,409,430</b>	<b>995,116</b>	<b>4,414,314</b>
Revenues under expenditures	(5,963,526)	(5,025,430)	(82,320)	4,943,110
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	8,282	8,282
Transfers in	977,382	977,382	677,382	(300,000)
Transfers out	-	(938,096)	(938,096)	-
<b>Total other financing sources (uses)</b>	<b>977,382</b>	<b>39,286</b>	<b>(252,432)</b>	<b>(291,718)</b>
Revenues and other sources under expenditures and other uses	(4,986,144)	(4,986,144)	(334,752)	4,651,392
Beginning fund balance available for appropriation - July 1, 2019	4,986,144	4,986,144	5,627,497	641,353
Unappropriated ending fund balance - June 30, 2020	\$ -	-	5,292,745	5,292,745

**METRO**  
**General Revenue Bond Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances-**  
**(Non-GAAP Basis of Budgeting)**  
**For the fiscal year ended June 30, 2020**

	<b>General</b>	<b>MERC</b>	<b>Total</b>
<b>REVENUES</b>			
Program revenues:			
Operating grants and contributions:			
Local government shared revenue	\$ 3,387,244	-	3,387,244
General revenues:			
Investment income	22,104	24	22,128
<b>Total revenues</b>	<b>3,409,348</b>	<b>24</b>	<b>3,409,372</b>
<b>EXPENDITURES</b>			
Debt service account	5,374,891	1,019,775	6,394,666
<b>Total expenditures</b>	<b>5,374,891</b>	<b>1,019,775</b>	<b>6,394,666</b>
Revenues under expenditures	(1,965,543)	(1,019,751)	(2,985,294)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	1,974,292	1,019,775	2,994,067
<b>Total other financing sources</b>	<b>1,974,292</b>	<b>1,019,775</b>	<b>2,994,067</b>
Revenues and other sources over (under) expenditures	8,749	24	8,773
Beginning fund balance available for appropriation - July 1, 2019	4,082,181	462	4,082,643
Unappropriated ending fund balance - June 30, 2020	\$ 4,090,930	486	4,091,416

Note: This schedule presents the activity of the two components of the fund.



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# Other Financial Schedules

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**METRO**

**Schedule of Property Tax Transactions and Outstanding Receivable  
For the fiscal year ended June 30, 2020**

Fiscal Year	Original levy or balance of receivable July 1, 2019	Add (deduct)			Collections	Property taxes receivable June 30, 2020
		Discounts	Adjustments	Interest		
2019-20	\$ 118,129,185	(2,469,141)	(1,082,762)	9,305	(112,972,917)	1,613,670
2018-19	1,055,905	270	(36,225)	10,696	(603,722)	426,924
2017-18	372,791	74	(57,042)	5,163	(132,083)	188,903
2016-17	174,594	(42)	(7,095)	6,402	(103,194)	70,665
2015-16	73,925	(35)	(3,777)	3,407	(56,868)	16,652
2014-15	22,721	(44)	(3,576)	696	(7,950)	11,847
2013-14 & prior	106,057	(206)	(11,529)	1,409	(21,198)	74,533
<b>Total</b>	<b>\$ 119,935,178</b>	<b>(2,469,124)</b>	<b>(1,202,006)</b>	<b>37,078</b>	<b>(113,897,932)</b>	<b>2,403,194</b>

Reconciliation to property tax revenue presented in the Statement of Activities:	Governmental Activities
Cash collections July 1, 2019 to June 30, 2020	\$ 113,897,932
Accrual of receivables:	
July 1, 2019 to August 31, 2019	(274,277)
July 1, 2020 to August 31, 2020	418,252
Timing difference between county tax collector and county treasurer	(59,060)
Payments in lieu of property taxes	118,584
Taxes earned but not available:	
June 30, 2019	(1,909,728)
June 30, 2020	1,984,941
<b>Property tax revenue per Statement of Activities</b>	<b>\$ 114,176,644</b>

**METRO**  
**Schedule of Future Bonded Debt Service Requirements**  
**General Obligation Bonds**  
**June 30, 2020**

Year of maturity	2012A Series Natural Areas General Obligation Bonds		2012A Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds		2014 Series General Obligation Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020-21	5,300,000	2,105,450	3,350,000	1,638,825	-
2021-22	6,045,000	1,840,450	3,665,000	1,471,325	-	-
2022-23	6,840,000	1,538,200	4,000,000	1,288,075	-	-
2023-24	7,690,000	1,196,200	4,360,000	1,088,075	-	-
2024-25	8,590,000	811,700	4,740,000	870,075	-	-
2025-26	9,555,000	382,200	5,145,000	633,075	-	-
2026-27	-	-	5,525,000	427,275	-	-
2027-28	-	-	5,955,000	178,650	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
2032-33	-	-	-	-	-	-
2033-34	-	-	-	-	-	-
2034-35	-	-	-	-	-	-
2035-36	-	-	-	-	-	-
2036-37	-	-	-	-	-	-
2037-38	-	-	-	-	-	-
2038-39	-	-	-	-	-	-
2039-40	-	-	-	-	-	-
<b>Total</b>	<b>\$ 44,020,000</b>	<b>7,874,200</b>	<b>36,740,000</b>	<b>7,595,375</b>	<b>0</b>	<b>0</b>

(1) The principal amount of the bonds is reported net of unamortized premium or discount in governmental activities on the statement of net position.

2018 Series Natural Areas General Obligation Bonds		2018 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds		2019 Series Affordable Housing General Obligation Bonds		2020 Series Parks and Nature General Obligation Bonds		Total	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal (1)	Interest
1,705,000	618,500	745,000	412,000	14,575,000	21,283,854	15,615,000	5,352,783	41,290,000	31,411,412
1,835,000	533,250	815,000	374,750	16,160,000	20,773,728	16,330,000	4,616,094	44,850,000	29,609,597
1,975,000	441,500	890,000	334,000	17,835,000	20,208,129	16,945,000	4,289,494	48,485,000	28,099,398
2,125,000	342,750	975,000	289,500	19,600,000	19,583,904	17,425,000	4,104,793	52,175,000	26,605,222
2,280,000	236,500	1,060,000	240,750	21,465,000	18,897,904	8,685,000	3,900,921	46,820,000	24,957,850
2,450,000	122,500	1,150,000	187,750	23,425,000	18,146,629	3,000,000	3,786,279	44,725,000	23,258,433
-	-	1,250,000	130,250	25,435,000	17,385,316	3,000,000	3,741,279	35,210,000	21,684,120
-	-	1,355,000	67,750	27,545,000	16,558,679	3,000,000	3,691,779	37,855,000	20,496,858
-	-	-	-	29,765,000	15,663,466	3,000,000	3,638,979	32,765,000	19,302,445
-	-	-	-	32,020,000	14,770,516	3,000,000	3,583,179	35,020,000	18,353,695
-	-	-	-	34,380,000	13,809,916	7,710,000	3,526,179	42,090,000	17,336,095
-	-	-	-	36,895,000	12,744,136	8,435,000	3,140,679	45,330,000	15,884,815
-	-	-	-	39,535,000	11,591,168	9,205,000	2,718,929	48,740,000	14,310,097
-	-	-	-	42,335,000	10,326,048	9,930,000	2,350,729	52,265,000	12,676,777
-	-	-	-	45,290,000	8,950,160	10,695,000	1,953,529	55,985,000	10,903,689
-	-	-	-	48,410,000	7,455,590	11,395,000	1,632,679	59,805,000	9,088,269
-	-	-	-	51,735,000	5,809,650	12,065,000	1,353,501	63,800,000	7,163,151
-	-	-	-	55,270,000	3,998,925	12,770,000	1,051,876	68,040,000	5,050,801
-	-	-	-	58,985,000	2,064,475	13,510,000	726,241	72,495,000	2,790,716
-	-	-	-	-	-	14,285,000	374,981	14,285,000	374,981
<u>12,370,000</u>	<u>2,295,000</u>	<u>8,240,000</u>	<u>2,036,750</u>	<u>640,660,000</u>	<u>260,022,193</u>	<u>200,000,000</u>	<u>59,534,901</u>	<u>942,030,000</u>	<u>339,358,419</u>

**METRO**

Schedule of Future Bonded Debt Service Requirements

Full Faith and Credit, Dedicated Tax Revenue and Pension Obligation Bonds

June 30, 2020

**Full Faith and Credit Bonds**

Year of maturity	Full Faith and Credit Bonds					
	Refunding Bonds 2013 Series (1)		Refunding Bonds 2016 Series (2)		2018 Series (1)	
	Principal	Interest	Principal	Interest	Principal	Interest
2020-21	\$ 1,320,000	70,595	890,000	126,475	-	586,450
2021-22	1,345,000	44,263	920,000	101,400	-	586,450
2022-23	1,370,000	15,070	950,000	75,875	-	586,450
2023-24	-	-	965,000	49,450	1,060,000	586,450
2024-25	-	-	1,005,000	15,075	1,115,000	533,450
2025-26	-	-	-	-	1,170,000	477,700
2026-27	-	-	-	-	1,230,000	419,200
2027-28	-	-	-	-	1,290,000	357,700
2028-29	-	-	-	-	1,355,000	293,200
2029-30	-	-	-	-	1,420,000	225,450
2030-31	-	-	-	-	1,495,000	154,450
2031-32	-	-	-	-	1,555,000	94,650
2032-33	-	-	-	-	1,600,000	48,000
2033-34	-	-	-	-	-	-
2034-35	-	-	-	-	-	-
2035-36	-	-	-	-	-	-
2036-37	-	-	-	-	-	-
2037-38	-	-	-	-	-	-
2038-39	-	-	-	-	-	-
2039-40	-	-	-	-	-	-
2040-41	-	-	-	-	-	-
2041-42	-	-	-	-	-	-
2042-43	-	-	-	-	-	-
2043-44	-	-	-	-	-	-
2044-45	-	-	-	-	-	-
2045-46	-	-	-	-	-	-
2046-47	-	-	-	-	-	-
<b>Total</b>	<b>\$ 4,035,000</b>	<b>129,928</b>	<b>4,730,000</b>	<b>368,275</b>	<b>13,290,000</b>	<b>4,949,600</b>

(1) The principal amount of the bonds is reported net of unamortized premium or discount in governmental activities on the statement of net position.

(2) The principal amount of the bonds is reported net of unamortized premium or discount in business-type activities on the statement of net position.

<b>Dedicated Tax Revenue Bonds</b>		<b>Pension Obligation Bonds</b>	
<b>Oregon Convention Center Hotel Project Series 2017 (1)</b>		<b>Metro Limited Tax Pension Obligation Bonds Series 2005 (1)</b>	
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
930,000	2,469,800	1,480,000	783,627
965,000	2,432,600	1,645,000	709,567
1,005,000	2,394,000	1,820,000	627,251
1,055,000	2,343,750	2,010,000	536,179
1,105,000	2,291,000	2,210,000	435,598
1,160,000	2,235,750	2,430,000	325,010
1,220,000	2,177,750	2,660,000	203,413
1,280,000	2,116,750	1,405,000	70,306
1,345,000	2,052,750	-	-
1,410,000	1,985,500	-	-
1,485,000	1,915,000	-	-
1,555,000	1,840,750	-	-
1,635,000	1,763,000	-	-
1,715,000	1,681,250	-	-
1,800,000	1,595,500	-	-
1,895,000	1,505,500	-	-
1,985,000	1,410,750	-	-
2,085,000	1,311,500	-	-
2,190,000	1,207,250	-	-
2,300,000	1,097,750	-	-
2,415,000	982,750	-	-
2,535,000	862,000	-	-
2,660,000	735,250	-	-
2,795,000	602,250	-	-
2,935,000	462,500	-	-
3,080,000	315,750	-	-
3,235,000	161,750	-	-
<b>49,775,000</b>	<b>41,950,150</b>	<b>15,660,000</b>	<b>3,690,951</b>

**METRO**
**Schedule of Long-term Bonded Debt Transactions  
 General Obligation Bonds  
 For the fiscal year ended June 30, 2020**

	Principal			Outstanding June 30, 2020	Interest Expenditure
	Outstanding July 1, 2019	Issued During Year	Matured and Paid During Year		
<b>DEBT SERVICE FUND</b>					
2012A Series Natural Areas General Obligation Bonds with interest rates from 4.0 to 5.0%, final maturity 6/1/26	\$ 48,630,000	-	4,610,000	44,020,000	2,335,950
2012A Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds with interest rates from 3.0 to 5.0%, final maturity 6/1/28	39,790,000	-	3,050,000	36,740,000	1,791,325
2014 Series General Obligation Refunding Bonds with interest rates from 4.0 to 5.0%, final maturity 6/1/20	15,115,000	-	15,115,000	0	755,750
2016 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds with interest rate of 5.0%, final maturity 6/1/20	8,105,000	-	8,105,000	0	405,250
2018 Series Natural Areas General Obligation Bonds with interest rate of 5.0%, final maturity 6/1/26	20,480,000	-	8,110,000	12,370,000	1,024,000
2018 Series Oregon Zoo Infrastructure and Animal Welfare General Obligation Bonds with interest rate of 5.0%, final maturity 6/1/28	9,885,000	-	1,645,000	8,240,000	494,250
2019 Series Affordable Housing General Obligation Bonds with interest rates from 3.0 to 3.5%, final maturity 6/1/39	652,800,000		12,140,000	640,660,000	22,673,587
2020 Parks and Nature General Obligation Bonds with interest rates from 1.2 to 5.0%, final maturity 6/1/40	-	200,000,000	-	200,000,000	-
<b>Total</b>	<b>\$ 794,805,000</b>	<b>200,000,000</b>	<b>52,775,000</b>	<b>942,030,000</b>	<b>29,480,112</b>

**METRO**

## Schedule of Long-term Bonded Debt Transactions

## Full Faith and Credit, Dedicated Tax Revenue and Pension Obligation Bonds

For the fiscal year ended June 30, 2020

	Principal			Outstanding June 30, 2020	Interest Expenditure
	Outstanding July 1, 2019	Issued During Year	Matured and Paid During Year		
<b>GENERAL FUND</b>					
<u>Full Faith and Credit</u>					
Refunding Bonds 2013 Series					
with interest rates from 1.3 to 2.2%, final maturity 8/1/22	\$ 5,330,000	-	1,295,000	4,035,000	92,841
<u>Full Faith and Credit</u>					
2018 Series					
with interest rates from 3.0 to 5.0%, final maturity 6/1/33	13,290,000	-	0	13,290,000	586,450
<u>Dedicated Tax Revenue</u>					
OCC Hotel Project Series 2017					
with interest rates from 3.0 to 5.0%, final maturity 6/15/47	50,670,000	-	895,000	49,775,000	2,505,600
<u>Pension Obligation</u>					
Metro Limited Tax Series 2005					
with interest rates from 4.859 to 5.004%, final maturity 6/1/28	16,985,000	-	1,325,000	15,660,000	848,008
<b>Total</b>	<b>\$ 86,275,000</b>	<b>0</b>	<b>3,515,000</b>	<b>82,760,000</b>	<b>4,032,899</b>
<b>ENTERPRISE FUNDS</b>					
MERC FUND:					
<u>Full Faith and Credit</u>					
Refunding Bonds 2016 Series					
with interest rates from 1.5 to 5.0%, final maturity 12/1/24	\$ 5,595,000	-	865,000	4,730,000	154,775
<b>Total</b>	<b>\$ 5,595,000</b>	<b>-</b>	<b>865,000</b>	<b>4,730,000</b>	<b>154,775</b>





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# Statistical Section

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This section of Metro’s comprehensive annual financial report presents detailed data regarding the current and prior fiscal years for assistance in understanding what the information in the financial statements, note disclosures, and required supplementary information says about Metro’s overall financial health. The information is presented in these categories:

	<u>Page</u>
<b>Financial Trends Information</b> These schedules contain trend information to help the reader understand how Metro’s financial performance and well-being have changed over time.	134-145
<b>Revenue Capacity Information</b> These schedules contain information to help the reader assess the factors affecting Metro’s ability to generate its most significant own-source revenue, solid waste fees.	147-149
<b>Debt Capacity Information</b> These schedules present information to help the reader assess the affordability of Metro’s current levels of outstanding debt and Metro’s ability to issue additional debt in the future.	150-159
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which Metro’s financial activities take place.	161-162
<b>Operating Information</b> These schedules contain information about Metro’s operations and resources to help the reader understand how Metro’s financial information relates to the services Metro provides and the activities it performs.	163-167
<b>Additional Information</b> These schedules present information to meet Metro’s continuing disclosure requirements under The Securities and Exchange Commission’s Rule 15c2-12 pertaining to governmental debt issuers.	168-171

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**METRO**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting), Unaudited**

	Fiscal Year		
	2011	2012 Restated	2013
<b>GOVERNMENTAL ACTIVITIES</b>			
Net investment in capital assets (1)	\$ 219,717,752	237,849,839	271,978,616
Restricted	47,802,264	49,673,790	43,460,675
Unrestricted	(4,511,250)	(13,149,913)	(17,127,868)
<b>Total governmental activities net position</b>	<b>263,008,766</b>	<b>274,373,716</b>	<b>298,311,423</b>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Net investment in capital assets	189,929,698	186,405,139	182,360,721
Restricted	1,591,637	2,130,034	2,496,996
Unrestricted	46,842,210	47,918,522	53,862,598
<b>Total business-type activities net position</b>	<b>238,363,545</b>	<b>236,453,695</b>	<b>238,720,315</b>
<b>PRIMARY GOVERNMENT</b>			
Net investment in capital assets (1)	399,322,450	418,964,978	454,339,337
Restricted	49,393,901	50,437,907	45,957,671
Unrestricted	52,655,960	40,058,609	36,734,730
<b>Total primary government net position</b>	<b>\$ 501,372,311</b>	<b>509,461,494</b>	<b>537,031,738</b>

(1) Through fiscal year 2012, and again starting in fiscal year 2016, these balances include the result of Metro financing capital assets for the business-type activities through the issuance of general obligation bonds. The amount of long-term debt outstanding on these bonds is reflected as a liability of the governmental activities in which repayment of the bonds occurs, whereas the associated capital assets financed by this debt are reflected with the business-type activities. The primary government totals have been adjusted to match the debt against the assets. These balances increase over time as a result of increases in capital assets, decreases in related long-term debt outstanding, and reductions in the amount of related unspent bond proceeds.

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
293,851,981	326,328,783	237,716,303	267,856,359	265,925,123	281,246,439	294,848,252
60,588,283	79,540,758	141,591,292	128,141,074	132,860,263	122,522,041	138,330,011
(24,867,150)	(51,369,202)	(151,660,696)	(141,181,696)	(189,495,054)	(151,303,822)	(130,469,211)
<b>329,573,114</b>	<b>354,500,339</b>	<b>227,646,899</b>	<b>254,815,737</b>	<b>209,290,332</b>	<b>252,464,658</b>	<b>302,709,052</b>
179,069,899	175,914,225	311,325,512	310,527,670	311,737,639	321,159,565	338,396,545
3,734,868	8,914,318	19,991,871	24,326,517	24,100,994	38,698,873	6,410,761
56,992,148	61,672,307	53,779,562	55,130,008	60,498,533	24,855,194	22,788,471
<b>239,796,915</b>	<b>246,500,850</b>	<b>385,096,945</b>	<b>389,984,195</b>	<b>396,337,166</b>	<b>384,713,632</b>	<b>367,595,777</b>
472,921,880	502,243,008	501,174,344	533,080,026	540,953,664	570,027,275	591,873,688
64,323,151	88,455,076	161,583,163	152,467,591	156,961,257	161,220,914	144,740,772
32,124,998	10,303,105	(50,013,663)	(40,747,685)	(92,287,423)	(94,069,899)	(66,309,631)
<b>569,370,029</b>	<b>601,001,189</b>	<b>612,743,844</b>	<b>644,799,932</b>	<b>605,627,498</b>	<b>637,178,290</b>	<b>670,304,829</b>

# METRO

## Changes in Net Position

### Last Ten Fiscal Years

(accrual basis of accounting), Unaudited

	Fiscal Year		
	2011	2012	2013
<b>EXPENSES</b>			
Governmental activities:			
General government operations (1)	\$ 14,456,222	16,417,342	14,704,292
Regional planning and development	14,816,800	13,908,730	11,234,615
Culture and recreation	20,351,578	22,695,565	20,788,176
Zoo (2)	27,400,337	30,064,611	33,662,272
Interest on long-term debt	9,538,172	8,159,660	10,927,415
<b>Total governmental activities expenses</b>	<b>86,563,109</b>	<b>91,245,908</b>	<b>91,316,770</b>
Business-type activities:			
Solid Waste (3)	51,721,806	51,020,053	55,266,458
Oregon Zoo (2)	-	-	-
MERC	48,048,265	49,389,612	51,344,928
<b>Total business-type activities expenses</b>	<b>99,770,071</b>	<b>100,409,665</b>	<b>106,611,386</b>
<b>Total primary government expenses</b>	<b>\$ 186,333,180</b>	<b>191,655,573</b>	<b>197,928,156</b>
<b>PROGRAM REVENUES</b>			
Governmental activities:			
Charges for services:			
General government operations	\$ 2,120,491	1,875,695	1,871,628
Regional planning and development	1,364,601	925,904	1,112,779
Culture and recreation	3,985,483	4,175,114	5,095,656
Zoo (2)	18,150,234	19,745,074	22,538,536
Operating grants and contributions (4)	10,973,394	15,551,926	13,553,316
Capital grants and contributions	1,866,808	1,105,751	2,264,327
<b>Total governmental activities program revenues</b>	<b>38,461,011</b>	<b>43,379,464</b>	<b>46,436,242</b>
Business-type activities:			
Charges for services:			
Solid Waste	50,782,440	52,989,049	55,661,225
Oregon Zoo (2)	-	-	-
MERC	31,597,534	33,231,703	36,670,638
Operating grants and contributions (5)	1,144,867	1,620,989	1,382,789
Capital grants and contributions	584,808	123,574	-
<b>Total business-type activities program revenues</b>	<b>84,109,649</b>	<b>87,965,315</b>	<b>93,714,652</b>
<b>Total primary government program revenues</b>	<b>\$ 122,570,660</b>	<b>131,344,779</b>	<b>140,150,894</b>

2014	2015	2016	2017	2018	2019	2020
17,216,935	14,121,383	21,833,274	16,571,054	92,414,695	18,419,574	26,670,161
11,609,788	12,164,998	16,311,836	18,252,248	18,694,103	26,623,652	29,178,474
19,969,697	23,281,061	29,221,523	33,156,498	34,237,180	31,389,370	33,858,568
35,660,651	32,483,204	-	-	-	-	-
9,712,521	6,736,232	7,071,050	6,766,723	8,150,951	11,408,272	29,756,452
94,169,592	88,786,878	74,437,683	74,746,523	153,496,929	87,840,868	119,463,655
56,759,612	57,279,945	64,542,514	67,359,647	70,581,702	76,879,522	84,882,301
-	-	51,633,613	46,636,849	51,803,762	47,446,196	50,169,271
53,945,435	54,868,782	69,110,637	69,090,836	74,435,547	106,849,882	84,868,082
110,705,047	112,148,727	185,286,764	183,087,332	196,821,011	231,175,600	219,919,654
204,874,639	200,935,605	259,724,447	257,833,855	350,317,940	319,016,468	339,383,309
1,615,075	1,501,207	2,132,646	3,133,150	2,764,649	4,942,275	3,677,685
1,422,619	1,180,754	789,058	1,485,757	1,172,496	1,562,666	2,287,732
6,121,579	7,444,771	8,851,083	9,616,244	10,483,073	10,922,080	9,998,063
22,082,776	21,546,136	-	-	-	-	-
11,945,779	22,495,818	13,145,776	16,845,537	18,750,842	26,137,387	25,671,383
3,454,245	7,141,282	261,290	313,816	7,675,000	425,138	338,894
46,642,073	61,309,968	25,179,853	31,394,504	40,846,060	43,989,546	41,973,757
58,583,492	62,743,167	68,196,150	70,798,890	71,897,428	74,185,046	72,174,379
-	-	23,741,859	26,062,207	29,390,534	29,994,324	23,013,687
35,091,155	42,892,276	50,972,855	47,876,192	51,011,674	56,921,768	37,937,166
17,183,489	19,974,313	23,414,591	28,801,808	27,284,520	30,313,581	27,786,467
-	200,000	609,917	1,293,000	1,687,660	1,595,833	788,333
110,858,136	125,809,756	166,935,372	174,832,097	181,271,816	193,010,552	161,700,032
157,500,209	187,119,724	192,115,225	206,226,601	222,117,876	237,000,098	203,673,789

(Continued)

# METRO

## Changes in Net Position, *continued* Last Ten Fiscal Years (accrual basis of accounting), Unaudited

	2011	2012	2013
<b>NET (EXPENSE)/REVENUE</b>			
Governmental activities	\$ (48,102,098)	(47,866,444)	(44,880,528)
Business-type activities	(15,660,422)	(12,444,350)	(12,896,734)
<b>Total primary government net expense</b>	<b>\$ (63,762,520)</b>	<b>(60,310,794)</b>	<b>(57,777,262)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>			
Governmental activities:			
Property taxes	\$ 49,624,399	39,609,807	51,609,216
Excise taxes	14,066,453	14,410,951	15,354,852
Construction excise tax	1,440,755	1,765,024	2,349,487
Cemetery revenue surcharge	27,056	33,619	28,792
Unrestricted local government shared revenues	468,776	466,123	555,198
Unrestricted investment earnings	885,490	506,774	754,672
Transfers	(4,913,239)	2,439,096	(596,564)
<b>Total governmental activities</b>	<b>61,599,690</b>	<b>59,231,394</b>	<b>70,055,653</b>
Business-type activities:			
Unrestricted local government shared revenues (5)	11,558,961	12,581,998	14,463,987
Unrestricted investment earnings	412,229	391,598	231,302
Transfers	4,913,239	(2,439,096)	596,564
<b>Total business-type activities</b>	<b>16,884,429</b>	<b>10,534,500</b>	<b>15,291,853</b>
<b>Total primary government</b>	<b>\$ 78,484,119</b>	<b>69,765,894</b>	<b>85,347,506</b>
<b>CHANGE IN NET POSITION</b>			
Governmental activities	\$ 13,497,592	11,364,950	25,175,125
Business-type activities	1,224,007	(1,909,850)	2,395,119
<b>Total primary government</b>	<b>\$ 14,721,599</b>	<b>9,455,100</b>	<b>27,570,244</b>
Prior period adjustment/cumulative change in accounting principle	\$ 659,362	(1,365,917)	-

(1) The large change in General government operations governmental activities expenses between fiscal years 2017 and 2018 is due to the approximately \$74 million Convention Center Hotel project bond proceeds which were transferred to the developer of the project in fiscal year 2018.

(2) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund. Prior to this, activities of the Zoo were reported as part of the General Fund, a governmental fund.

(3) Changes in Solid Waste business-type activities expenses between fiscal years 2009 and 2010 is due primarily to the recording of a change in estimate for landfill post-closure costs of \$13,634,086 in fiscal year 2010.

(4) Changes in governmental activities operating grants and contribution revenue between fiscal years 2014 and 2015 is due primarily to the receipt in fiscal year 2015 of one-time grants of approximately \$15 million for the Willamette Falls Legacy and Convention Center Hotel projects.

(5) Changes in business-type activities operating grants and contribution and unrestricted local government shared revenues between fiscal years 2013 and 2014 is due to a change in classification in fiscal year 2014 of MERC transient lodging taxes received from Multnomah County.

2014	2015	2016	2017	2018	2019	2020
(47,527,519)	(27,476,910)	(49,257,830)	(43,352,019)	(112,650,869)	(43,851,322)	(77,489,898)
153,089	13,661,029	(18,351,392)	(8,255,235)	(15,549,195)	(38,165,048)	(58,219,622)
<u>(47,374,430)</u>	<u>(13,815,881)</u>	<u>(67,609,222)</u>	<u>(51,607,254)</u>	<u>(128,200,064)</u>	<u>(82,016,370)</u>	<u>(135,709,520)</u>
59,506,228	61,957,344	55,546,801	59,711,015	64,162,251	78,203,583	114,176,644
15,999,908	16,584,669	18,144,766	18,830,032	18,343,257	18,587,682	16,916,905
2,537,894	2,669,188	3,338,479	3,561,675	3,792,595	3,583,092	3,627,232
49,581	48,335	46,711	47,095	51,479	39,854	45,533
-	-	-	-	-	-	-
1,202,458	904,399	1,383,708	857,777	1,711,821	9,205,677	30,268,742
(506,859)	(701,266)	(156,056,075)	(12,486,737)	(20,896,055)	(22,594,240)	(37,300,764)
<u>78,789,210</u>	<u>81,462,669</u>	<u>(77,595,610)</u>	<u>70,520,857</u>	<u>67,165,348</u>	<u>87,025,648</u>	<u>127,734,292</u>
-	-	-	-	-	-	-
416,652	425,728	891,412	655,748	1,182,067	3,947,274	3,801,003
506,859	701,266	156,056,075	12,486,737	20,896,055	22,594,240	37,300,764
<u>923,511</u>	<u>1,126,994</u>	<u>156,947,487</u>	<u>13,142,485</u>	<u>22,078,122</u>	<u>26,541,514</u>	<u>41,101,767</u>
<u>79,712,721</u>	<u>82,589,663</u>	<u>79,351,877</u>	<u>83,663,342</u>	<u>89,243,470</u>	<u>113,567,162</u>	<u>168,836,059</u>
31,261,691	53,985,759	(126,853,440)	27,168,838	(45,485,521)	43,174,326	50,244,394
1,076,600	14,788,023	138,596,095	4,887,250	6,528,927	(11,623,534)	(17,117,855)
<u>32,338,291</u>	<u>68,773,782</u>	<u>11,742,655</u>	<u>32,056,088</u>	<u>(38,956,594)</u>	<u>31,550,792</u>	<u>33,126,539</u>
-	(8,084,088)	-	-	(215,840)	-	-



**METRO**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting), Unaudited**

	<b>Fiscal Year</b>		
	<b>2011</b>	<b>2012</b>	<b>2013</b>
General Fund (1)			
Nonspendable	\$ 800,367	181,891	157,544
Restricted	13,412,488	16,962,147	20,175,302
Committed	3,661,469	4,169,918	5,427,647
Assigned	-	-	-
Unassigned	27,140,104	27,269,809	25,530,229
<b>Total General Fund</b>	<b>45,014,428</b>	<b>48,583,765</b>	<b>51,290,722</b>
All other governmental funds (1)			
Nonspendable	330,288	355,441	384,121
Restricted (2)	66,436,156	193,949,944	154,652,128
Assigned	503,681	26,330	27,671
<b>Total all other governmental funds</b>	<b>\$ 67,270,125</b>	<b>194,331,715</b>	<b>155,063,920</b>

(1) Metro implemented GASB Statement No. 54 during fiscal year 2011, which changed required fund balance classifications for governmental funds.

(2) Changes in Restricted fund balance of All other governmental funds between 2011 and 2012, between 2017 and 2018, and between 2018 and 2019 is primarily due to the issuance of bonds in 2012, 2018, and 2019; subsequent years changes are primarily due to the spend down of the proceeds.

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
1,434,164	1,413,353	1,013,709	798,952	42,693	186,438	296,426
23,335,910	38,197,509	37,683,525	42,309,999	52,899,445	64,016,351	63,313,745
5,836,553	5,626,594	11,135,969	12,316,557	10,522,814	12,493,221	14,740,429
-	-	-	-	-	15,529,940	-
21,358,970	16,093,516	17,162,433	21,133,911	29,180,618	9,988,598	24,836,760
<b>51,965,597</b>	<b>61,330,972</b>	<b>66,995,636</b>	<b>76,559,419</b>	<b>92,645,570</b>	<b>102,214,548</b>	<b>103,187,360</b>
436,202	482,037	528,748	555,580	607,059	647,996	15,735,447
124,685,440	86,346,886	89,903,244	62,107,158	86,678,277	725,292,232	910,772,093
30,336	32,839	37,398	60,859	16,612	36,772	64,430
<b>125,151,978</b>	<b>86,861,762</b>	<b>90,469,390</b>	<b>62,723,597</b>	<b>87,301,948</b>	<b>725,977,000</b>	<b>926,571,970</b>

**METRO**
**Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting), Unaudited**

	<b>Fiscal Year</b>		
	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>REVENUES</b>			
Property taxes	\$ 49,747,025	39,333,293	51,517,060
Excise taxes	14,068,190	14,413,338	15,357,373
Construction excise tax	1,440,755	1,765,024	2,349,487
Cemetery revenue surcharge	26,861	33,195	28,680
Investment income	853,253	488,586	742,206
Government fees	301,329	109,500	127,590
Culture and recreation fees (1)	17,890,108	19,553,150	22,172,112
Solid waste fees	-	270,856	301,902
Other fees	3,309,488	3,452,403	3,471,424
Internal charges for services	2,797,314	2,740,228	3,623,649
Licenses and permits	379,485	373,675	375,160
Miscellaneous revenue	943,084	221,974	477,361
Grants	9,611,840	9,743,878	10,390,062
Local government shared revenues	468,776	466,123	555,198
Government contributions	65,505	4,427,539	2,992,196
Contributions and donations	1,296,050	862,141	689,428
Capital grants	10,617	38,334	26,876
Capital contributions and donations	991,105	1,027,495	2,011,176
<b>Total revenues</b>	<b>104,200,785</b>	<b>99,320,732</b>	<b>117,208,940</b>
<b>EXPENDITURES</b>			
General government operations	12,432,590	14,142,072	12,883,851
Regional planning and development	14,797,588	13,904,294	11,263,128
Culture and recreation	17,415,303	19,350,637	18,618,034
Zoo (1)	25,030,953	27,860,285	30,978,416
Debt service:			
Principal	30,393,356	24,980,000	39,675,000
Interest	10,367,591	9,093,066	13,907,089
Capital outlay	24,231,381	28,910,761	26,777,135
<b>Total expenditures</b>	<b>134,668,762</b>	<b>138,241,115</b>	<b>154,102,653</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(30,467,977)</b>	<b>(38,920,383)</b>	<b>(36,893,713)</b>

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
59,245,166	61,790,541	55,397,507	59,562,937	64,369,020	79,370,064	114,101,431
16,002,790	16,587,938	18,144,768	18,830,032	18,343,257	18,587,682	16,916,905
2,537,894	2,669,188	3,338,479	3,561,675	3,792,595	3,583,093	3,627,232
49,581	48,335	46,711	47,095	51,479	39,854	45,534
1,180,790	888,088	1,358,919	846,966	1,688,487	9,072,979	30,084,653
99,809	95,725	76,236	85,353	96,500	83,043	85,692
23,306,808	24,856,959	4,592,527	4,612,352	4,821,013	5,156,720	4,066,569
317,949	340,912	985,486	1,033,211	1,053,525	1,077,086	1,086,468
3,470,826	3,271,705	1,485,642	1,951,142	1,985,501	1,971,267	1,975,668
3,223,107	1,812,342	3,969,961	5,477,184	5,145,553	7,989,975	7,079,106
369,855	393,796	507,560	558,504	593,228	577,621	583,115
365,234	540,467	177,329	540,483	730,850	579,426	1,092,948
8,056,565	17,840,916	8,569,740	11,733,942	11,595,479	9,130,571	11,539,100
621,111	773,657	761,253	766,318	3,954,656	3,863,885	4,185,973
2,975,000	3,370,903	3,814,143	4,345,277	3,200,708	13,142,245	9,917,660
293,104	510,343	640	-	-	-	28,650
842,564	18,740	238,790	107,046	175,000	261,638	44,334
2,611,681	7,122,542	22,500	206,770	7,500,000	178,510	294,560
<b>125,569,834</b>	<b>142,933,097</b>	<b>103,488,191</b>	<b>114,266,287</b>	<b>129,096,851</b>	<b>154,665,659</b>	<b>206,755,598</b>
15,189,343	16,506,570	12,583,030	13,885,115	88,524,517	15,877,682	20,930,455
11,598,462	13,888,509	13,304,049	16,814,210	17,666,404	25,444,323	27,184,653
18,866,771	22,358,773	24,568,215	28,730,153	30,295,557	28,049,868	28,746,257
31,274,828	31,967,441	-	-	-	-	-
27,320,000	29,665,000	23,770,000	24,315,000	30,165,000	40,740,000	56,290,000
12,428,417	9,722,466	9,354,224	10,321,223	11,131,207	12,780,341	33,513,011
39,647,950	46,140,996	30,098,540	29,097,093	16,635,087	25,515,599	35,181,744
<b>156,325,771</b>	<b>170,249,755</b>	<b>113,678,058</b>	<b>123,162,794</b>	<b>194,417,772</b>	<b>148,407,813</b>	<b>201,846,120</b>
<b>(30,755,937)</b>	<b>(27,316,658)</b>	<b>(10,189,867)</b>	<b>(8,896,507)</b>	<b>(65,320,921)</b>	<b>6,257,846</b>	<b>4,909,478</b>

(Continued)

**METRO**

Changes in Fund Balances, Governmental Funds, *continued*  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting), Unaudited

	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	15,000,000	140,000,000	-
Refunding bonds issued	-	27,575,000	12,600,000
Premium on bonds issued	-	27,903,859	42,577
Sale of capital assets	78,716	440,934	531,116
Transfers in	1,027,878	5,343,680	355,757
Payment to refunded bond escrow agent	-	(29,679,329)	(12,515,811)
Transfers out	(710,287)	(2,032,834)	(680,764)
<b>Total other financing sources (uses)</b>	<b>15,396,307</b>	<b>169,551,310</b>	<b>332,875</b>
<b>Net change in fund balances</b>	<b>(15,071,670)</b>	<b>130,630,927</b>	<b>(36,560,838)</b>
Prior period adjustment/cumulative change in accounting principle	\$ 659,362	-	-
 Debt service as a percentage of noncapital expenditures	 37.6%	 31.2%	 42.2%

(1) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund. Prior to this, activities of the Zoo were reported as part of the General Fund, a governmental fund.

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
-	-	30,000,000	-	103,655,000	652,800,000	200,000,000
-	57,955,000	-	-	-	-	-
-	6,780,891	3,479,164	-	14,710,080	2,630,335	10,922,405
1,743,987	23,361	348,744	430,096	933,046	64,909	23,655
281,742	964,282	5,779,685	6,815,333	2,485,448	1,904,259	1,449,821
-	(65,967,620)	-	-	-	-	-
(506,859)	(1,364,097)	(20,145,434)	(16,530,932)	(15,798,151)	(15,413,317)	(15,737,577)
1,518,870	(1,608,183)	19,462,159	(9,285,503)	105,985,423	641,986,186	196,658,304
(29,237,067)	(28,924,841)	9,272,292	(18,182,010)	40,664,502	648,244,032	201,567,782
-	-	-	-	-	-	-
34.1%	31.8%	39.6%	36.8%	23.2%	43.5%	53.9%



## METRO

### Solid Waste Tonnage by Waste Type and Destination (1)

Last Ten Fiscal Years

Unaudited

Fiscal year ended June 30,	Waste (2)				Organic (3)	ECU (4)	Regional Total All Waste Types
	Metro- Owned Facilities	Total Per Ton Rate	Privately- Owned Facilities	Total Per Ton Rate	Metro- Owned Facilities	Privately- Owned Facilities	
2011	453,790	85.85	628,743	27.66	23,142	142,515	1,248,190
2012	422,746	89.53	599,457	29.44	84,375	191,257	1,297,835
2013	398,133	93.84	647,912	30.75	101,386	227,707	1,375,138
2014	428,788	94.33	655,546	30.85	91,843	256,438	1,432,615
2015	471,727	93.33	668,913	29.97	86,753	343,303	1,570,696
2016	509,286	94.98	786,179	29.87	76,970	290,151	1,662,586
2017	523,199	96.25	819,222	30.24	79,533	383,483	1,805,437
2018	532,333	94.95	888,452	28.93	74,525	273,996	1,769,306
2019	549,143	97.45	917,591	30.22	77,630	195,544	1,739,908
2020	495,146	97.45	880,572	30.15	83,628	288,958	1,748,304

(1) Waste generated in the Metro region and delivered to solid waste facilities for disposal. The figures represent tons of solid waste from which Metro derives revenue.

(2) "Waste" is mixed solid waste on which Metro levies a Public Goods Charge that generates revenue for the Solid Waste Fund and pays for solid waste programs, and on which an Excise Tax that generates revenue for the General Fund is levied. Waste delivered to Metro's own transfer stations also incurs a user charge that is deposited in the Solid Waste Revenue Fund to pay for station operation, transport, and disposal.

(3) "Organic" is source-separated wood waste, yard debris and compostable food wastes delivered to Metro's own transfer stations. Metro levies a user charge and host fee only on the food waste portion of this group of wastes.

(4) "ECU" or "Environmental Clean-Up" material is soil and cleanup media contaminated by hazardous substances (though not itself a hazardous waste), including petroleum contaminated soils. Metro levies a reduced-rate Public Goods Charge and Excise Tax only on ECU.

Source: Metro Property and Environmental Services Department, solid waste information system. Data reflects revisions to previous years and therefore may not match previously published CAFRs.



**METRO**  
**Solid Waste Disposal Rates**  
**Last Ten Fiscal Years**  
**Unaudited**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>METRO FACILITIES</b>										
Disposal fee	\$ 56.45	58.35	61.35	61.74	61.62	62.87	63.19	63.20	64.41	64.41
Regional system fee	16.72	17.64	18.56	18.56	18.21	18.39	18.48	18.12	17.81	18.58
Excise tax	10.94	11.80	12.19	12.29	11.76	11.48	11.76	10.81	12.41	11.57
Community & enhancement/host fee	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00
DEQ fees - orphan sites	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13
DEQ fees - promotion	1.11	1.11	1.11	1.11	1.11	1.11	1.69	1.69	1.69	1.76
<b>Total rate per ton (1)</b>	<b>\$ 85.85</b>	<b>89.53</b>	<b>93.84</b>	<b>94.33</b>	<b>93.33</b>	<b>94.98</b>	<b>96.25</b>	<b>94.95</b>	<b>97.45</b>	<b>97.45</b>
Transaction fee-scalehouse	\$ 11.00	12.00	12.00	12.00	12.00	12.00	10.00	10.00	10.00	10.00
Transaction fee-automated	\$ 3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00
<b>PRIVATELY-OWNED FACILITIES</b>										
Regional system fee	\$ 16.72	17.64	18.56	18.56	18.21	18.39	18.48	18.12	17.81	18.58
Excise tax	10.94	11.80	12.19	12.29	11.76	11.48	11.76	10.81	12.41	11.57
<b>Total rate per ton</b>	<b>\$ 27.66</b>	<b>29.44</b>	<b>30.75</b>	<b>30.85</b>	<b>29.97</b>	<b>29.87</b>	<b>30.24</b>	<b>28.93</b>	<b>30.22</b>	<b>30.15</b>

(1) Rates are per ton of mixed waste disposal. For fiscal year 2020, minimum charge is \$28.00 for 360 pounds or less.  
 DEQ rates are set by the State of Oregon Department of Environmental Quality.

Source: Metro Property and Environmental Services Department.

**METRO**

Principal Solid Waste Fee Payers

Current Year and Nine Years Ago (1)

Unaudited

Customer/Payer	2020			2011		
	Fees Paid (1)	Rank	Percentage of Total Solid Waste Fee Revenue	Fees Paid (1)	Rank	Percentage of Total Solid Waste Fee Revenue
Waste Management of Oregon	\$ 14,505,661	1	20.74 %	\$ 8,460,821	1	17.29 %
Oregon City Garbage Company	3,468,810	2	4.96	2,408,466	4	4.92
Heiberg Garbage Service	3,164,668	3	4.53	1,292,560	6	2.64
Portland Disposal & Recycling	2,441,597	4	3.49	2,698,870	2	5.52
Arrow Sanitary Services	2,367,006	5	3.39	1,067,240	9	2.18
Allied Waste Services of Portland	2,260,024	6	3.23	1,273,881	7	2.60
AGG Recology Inc.	1,873,172	7	2.68	2,603,374	3	5.32
City Sanitary Service	1,437,104	8	2.06	-	-	-
Walker Garbage Services Inc.	1,267,970	9	1.81	901,896	10	1.84
Sunset Garbage Collection Inc.	1,212,970	10	1.73	-	-	-
Trashco Services Inc.	-	-	-	1,743,628	5	3.56
Oak Grove Disposal Company Inc.	-	-	-	1,175,963	8	2.40
<b>Total</b>	<b>\$ 33,998,982</b>		<b>48.62 %</b>	<b>\$ 23,626,699</b>		<b>48.27 %</b>

(1) Customers pay a per ton rate for solid waste disposal. The per ton rate includes various fee components which change each fiscal year. See Solid Waste Disposal Rates table for rate detail.

Sources: Metro Property and Environmental Services Department and Metro Accounting Division.

**METRO****Ratios of Outstanding Debt by Type****Last Ten Fiscal Years (1)****Unaudited**

<b>Fiscal year ended June 30,</b>	<b>Governmental Activities</b>				
	<b>General Obligation Bonds</b>	<b>Full Faith and Credit Refunding Bonds</b>	<b>Dedicated Tax Revenue Bonds</b>	<b>Pension Obligation Bonds</b>	<b>Loans Payable</b>
2011	\$ 163,799,185	\$ 14,502,505	\$ -	\$ 23,061,561	\$ -
2012	304,897,649	13,378,722	-	22,638,291	-
2013	265,579,168	13,985,000	-	22,300,000	-
2014	237,456,537	12,495,000	-	21,685,000	2,136
2015	209,240,729	10,900,000	-	20,975,000	-
2016	217,472,440	9,125,000	-	20,155,000	-
2017	191,285,127	7,880,000	-	19,225,000	-
2018	202,515,140	21,721,580	60,048,719	18,170,000	-
2019	816,251,155	20,319,463	58,889,720	16,985,000	-
2020	970,079,966	18,902,344	57,700,721	15,660,000	-

(1) See Demographic and Economic Statistics table for personal income and population data.

\* Not available

**Business-type Activities**

<b><u>Full Faith and Credit Bonds</u></b>	<b><u>Loans Payable</u></b>	<b><u>Total Primary Government</u></b>	<b><u>Percentage of Personal Income (1)</u></b>	<b><u>Per Capita (1)</u></b>
\$ 11,722,499	\$ -	\$ 213,085,750	0.23	128.61
11,108,835	-	352,023,497	0.35	210.42
11,079,730	-	312,943,898	0.31	184.78
10,357,673	-	281,996,346	0.26	164.16
9,605,617	-	250,721,346	0.21	143.65
8,988,560	-	255,741,000	0.21	143.74
7,895,584	-	226,285,711	0.17	124.89
7,017,472	-	309,472,911	0.22	168.28
6,099,360	-	918,544,698	0.62	494.22
5,141,247	-	1,067,484,278	N/A *	568.97



**METRO**  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years  
Unaudited

Fiscal year ended June 30,	General Bonded Debt Outstanding				Real Market Value (1)	Percentage of Actual Real Market Value of Property	Per Capita (2)
	General Obligation Bonds	Pension Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Net General Bonded Debt			
2011	\$ 163,799,185	\$ 23,061,561	\$ 14,086,438	\$ 172,774,308	\$ 196,930,643,603	0.09 %	\$ 104.28
2012	304,897,649	22,638,291	11,134,999	316,400,941	186,113,692,723	0.17	189.13
2013	265,579,168	22,300,000	632,127	287,247,041	182,115,877,804	0.16	169.61
2014	237,456,537	21,685,000	1,107,953	258,033,584	191,403,168,645	0.13	150.21
2015	209,240,729	20,975,000	1,270,502	228,945,227	211,844,217,262	0.11	131.17
2016	217,472,440	20,155,000	495,726	237,131,714	232,729,794,715	0.10	133.28
2017	191,285,127	19,225,000	814,903	209,695,224	266,256,751,631	0.08	115.73
2018	202,515,140	18,170,000	847,417	219,837,723	299,124,101,408	0.07	119.54
2019	816,251,155	16,985,000	3,178,629	830,057,526	326,072,241,004	0.25	446.61
2020	970,079,966	15,660,000	3,539,568	982,200,398	337,813,645,099	0.29	523.52

Sources:

(1) The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington counties.

(2) See Demographic and Economic Statistics table for population data.

**METRO**

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2020**

**Unaudited**

<b>Overlapping government</b>	<b>Net property tax backed debt</b>	<b>Percent within Metro</b>	<b>Share of Overlapping Debt</b>
Banks Fire District 13	\$ 3,780,000	0.04 %	\$ 1,603
City of Beaverton	34,857,325	99.87	34,812,847
City of Cornelius	2,776,938	94.12	2,613,787
City of Fairview	6,873,607	100.00	6,873,607
City of Gladstone	3,857,291	100.00	3,857,291
City of Gresham	42,165,297	100.00	42,165,297
City of Hillsboro	72,075,000	98.62	71,081,374
City of Lake Oswego	88,550,000	100.00	88,550,000
City of Milwaukie	37,192,174	100.00	37,192,174
City of Oregon City	13,625,000	99.90	13,611,634
City of Portland	463,339,299	100.00	463,336,519
City of Sherwood	17,879,268	99.70	17,825,487
City of Tigard	21,425,637	99.75	21,371,344
City of Troutdale	10,570,000	100.00	10,570,000
City of Tualatin	21,117,389	100.00	21,117,389
City of West Linn	31,015,000	100.00	31,015,000
City of Wood Village	3,435,000	100.00	3,435,000
Clackamas Community College	88,668,913	74.45	66,015,779
Clackamas County	121,210,000	74.37	90,143,513
Clackamas County ESD	20,636,690	74.53	15,381,268
Clackamas County RFPD 1	28,155,960	85.97	24,205,848
Clackamas County SD 115 (Gladstone)	35,488,599	100.00	35,488,599
Clackamas County SD 12 (North Clackamas)	681,734,563	98.56	671,944,854
Clackamas County SD 3J (West Linn-Wilsonville)	360,943,636	94.98	342,815,602
Clackamas County SD 46 (Oregon Trail)	83,539,476	6.57	5,485,035
Clackamas County SD 62 (Oregon City)	204,496,497	70.68	144,542,010
Clackamas County SD 7J (Lake Oswego)	265,745,846	100.00	265,745,846
Clackamas County SD 86 (Canby)	42,583,582	12.55	5,342,408
Clackamas Soil & Water Conservation	6,494,000	74.37	4,829,568
Columbia County SD 1J (Scappoose)	23,120,000	6.51	1,504,303
Corbett Water District	687,091	22.57	155,103
Lusted Water District	605,000	97.24	588,283
Mt. Hood Community College	20,510,000	86.65	17,771,074
Multnomah County	322,191,877	99.13	319,402,017
Multnomah County Drainage District 1	9,641,000	100.00	9,641,000
Multnomah County RFPD 10	1,679,672	85.27	1,432,339
Multnomah County SD 10J (Gresham-Barlow)	334,402,433	95.65	319,856,262
Multnomah County SD 1J (Portland)	1,191,001,582	99.70	1,187,403,566
Multnomah County SD 28J (Centennial)	15,045,275	100.00	15,045,275
Multnomah County SD 3 (Parkrose)	73,403,571	100.00	73,403,571
Multnomah County SD 39 (Corbett)	4,626,957	13.48	623,598
Multnomah County SD 40 (David Douglas)	69,002,481	100.00	69,002,481
Multnomah County SD 51J (Riverdale)	17,076,044	100.00	17,076,044
Multnomah County SD 7 (Reynolds)	192,394,881	100.00	192,394,881
Oak Lodge Water Services District	1,145,000	100.00	1,145,000
Pleasant Home Water District	1,400,000	57.78	808,934
Portland Community College	575,107,061	92.84	533,909,267
Rivergrove Water District 14J	503,825	100.00	503,825
Tualatin Hills Park & Recreation District	69,944,234	99.91	69,882,054
Tualatin Valley Fire & Rescue District	23,785,000	90.24	21,464,131
Valley View Water District	1,233,398	100.00	1,233,398

(Continued)

**METRO**

Direct and Overlapping Governmental Activities Debt, *continued*

As of June 30, 2020

Unaudited

<b>Overlapping government</b>	<b>Net property tax backed debt</b>	<b>Percent within Metro</b>	<b>Share of Overlapping Debt</b>
Washington County	\$ 213,232,118	93.79 %	\$ 199,984,006
Washington County SD 13 (Banks)	10,174,984	0.04	3,673
Washington County SD 15 (Forest Grove)	74,735,103	80.34	60,040,463
Washington County SD 1J (Hillsboro 7 Bond)	777,521	86.42	671,971
Washington County SD 1J (Hillsboro)	576,809,671	86.44	498,602,355
Washington County SD 23J (Tigard-Tualatin)	332,910,939	99.47	331,134,526
Washington County SD 48J (Beaverton)	955,103,871	99.89	954,044,661
Washington County SD 88J (Sherwood)	320,905,136	82.64	265,206,915
Subtotal, overlapping debt	\$ 8,247,387,712		7,705,305,659
Metro direct debt			1,062,343,031
Total direct and overlapping debt			\$ 8,767,648,690

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of Metro. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Metro.  
 "Net property tax backed debt" is gross property tax backed debt less self-supporting unlimited-tax general obligation, self-supporting full faith and credit debt, and revenue bonds.

Source: The Municipal Debt Advisory Commission, State of Oregon.





**METRO**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**Unaudited**

<b>Fiscal Year Ended June 30,</b>	<b>Debt limit</b>	<b>Total net debt applicable to limit</b>	<b>Legal debt margin</b>	<b>Total net debt applicable to the limit as a percentage of the debt limit</b>
2011	\$ 19,693,064,360	\$ 158,080,000	\$ 19,534,984,360	0.80 %
2012	18,611,369,272	273,485,000	18,337,884,272	1.47
2013	18,211,587,780	235,675,000	17,975,912,780	1.29
2014	19,140,316,865	210,460,000	18,929,856,865	1.10
2015	21,184,421,726	182,305,000	21,002,116,726	0.86
2016	23,272,979,472	190,565,000	23,082,414,472	0.82
2017	26,625,675,163	168,425,000	26,457,250,163	0.63
2018	29,912,410,141	179,415,000	29,732,995,141	0.60
2019	32,607,224,100	794,805,000	31,812,419,100	2.44
2020	33,781,364,510	942,030,000	32,839,334,510	2.79

**Legal Debt Margin Calculation for Fiscal Year 2020**

True cash value		\$ 337,813,645,099
Debt limit (10% of true cash value)		33,781,364,510
Debt applicable to limit:		
Gross bonded debt principal	\$ 1,029,520,000	
Less legal deductions from debt limit:		
Full Faith and Credit Refunding Bonds 2013 Series		(4,035,000)
Full Faith and Credit Refunding Bonds 2016 Series		(4,730,000)
Full Faith and Credit Bonds 2018 Series		(13,290,000)
Dedicated Tax Revenue OCC Hotel Project Bonds 2017 Series		(49,775,000)
Metro Limited Tax Pension Obligation Bonds Series 2005		(15,660,000)
Total net debt applicable to limit		942,030,000
Legal debt margin		\$ 32,839,334,510

Note: ORS 268.520 sets a debt limit of 10% of the true cash value of all taxable property within the district.

Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington Counties.

**METRO**

Revenue Support for Dedicated Tax Revenue Bonds, Series 2017 (OCC Hotel Project)

Last Ten Fiscal Years

Unaudited

Fiscal Year Ended June 30,	Multnomah County Transient Lodging Tax (TLT) Collections		Visitor Facilities Trust Account (VFTA) TLT Net Revenue			
	3% Excise Tax Fund (ETF) TLT(1)	2.5% VFTA TLT(2)	VFTA TLT Net Revenue (3)	City of Portland Bonds VFTA Existing Debt Service (4)	VFTA Payments Available for Series 2017 Bonds (5)	VFTA Payments Transferred to Metro (5)
2011	\$ 9,931,773	\$ 8,276,478	\$ 8,241,979	\$ 8,084,960	\$ 157,019	\$ -
2012	10,937,682	9,114,735	9,077,577	7,410,481	1,667,096	-
2013	11,708,823	9,754,922	9,716,872	7,716,076	2,000,796	-
2014	13,237,477	11,030,282	10,989,687	7,843,453	3,146,234	-
2015	16,187,084	13,489,237	13,447,078	7,987,333	5,459,745	-
2016	18,713,326	15,594,438	15,587,195	8,480,753	7,106,442	-
2017	19,193,769	15,999,832	15,999,832	9,574,819	6,425,013	6,425,013
2018	18,978,594	15,800,071	15,800,071	8,777,222	7,022,849	6,963,788
2019	22,251,356	18,515,110	18,515,110	9,030,659	9,484,451	4,942,458
2020	17,283,587	14,381,807	14,381,807	9,306,196	5,075,612	5,842,244

(1) A component of 3% ETF TLT transferred by Multnomah County to Metro for OCC operating support, including the payment of debt service of the Series 2017 Bonds, defined as "ETF Payments."

(2) A component of 2.5% VFTA TLT transferred by Multnomah County to Metro for payment of debt service of the Series 2017 Bonds, defined as "VFTA Payments."

(3) Excludes VFTA Vehicle Registration Tax (VRT) Revenue.

(4) Debt service on the City of Portland OCC and Stadium bonds and Full Faith and Credit Loan Agreement (PCPA Refunding, defeased in Fiscal Year 2016).

(5) Pledged for repayment of the Series 2017 Bonds, effective date of issuance fiscal year 2018.

(6) Debt service begins fiscal year 2018.

	ETF Payments to Metro (5)	Total Pledged Revenue (VFTA Payments plus ETF Payments) (5)	Pledged Revenue Used to Pay Debt Service (6)	Debt Service Requirements		Coverage
				Principal	Interest	
\$	7,262,373	\$ -	\$ -	\$ -	\$ -	-
	7,770,739	-	-	-	-	-
	8,314,691	-	-	-	-	-
	8,896,719	-	-	-	-	-
	9,519,489	-	-	-	-	-
	10,185,853	-	-	-	-	-
	10,898,863	17,323,876	-	-	-	-
	11,193,132	18,215,981	2,896,215	725,000	2,171,215	6.29
	11,634,142	21,118,593	3,396,550	865,000	2,531,550	6.22
	12,448,532	17,524,144	3,400,600	895,000	2,505,600	5.15



**METRO**  
Demographic and Economic Statistics  
Last Ten Fiscal Years  
Unaudited

<b>Fiscal year ended June 30,</b>	<b>Population (1)</b>	<b>Total Personal income (in thousands) (2)</b>	<b>Per capita personal income (2)</b>	<b>Portland metropolitan unemployment rate (2)</b>
2011	1,656,775	\$ 95,117,802	\$ 42,035	9.0 %
2012	1,672,970	101,586,721	44,391	8.0
2013	1,693,600	103,018,264	44,577	7.1
2014	1,717,765	110,791,572	47,266	6.1
2015	1,745,385	119,239,395	50,065	5.2
2016	1,779,245	125,385,359	51,672	4.6
2017	1,811,860	133,392,595	54,339	3.9
2018	1,839,005	143,214,639	57,903	3.8
2019	1,858,560	149,346,827	59,921	3.5
2020	1,876,155 (3)	N/A *	N/A *	NA *

\* Not available

(1) For Clackamas, Multnomah and Washington counties.

(2) Portland-Vancouver-Hillsboro OR-WA MSA

(3) Preliminary estimate

Sources: Population Research Center, Portland State University.  
Oregon Employment Department.  
U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

**METRO**  
Principal Employers (1)  
Current Year and Nine Years Ago  
Unaudited

<b>Employer</b>	<b>2020</b>			<b>2011</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Metropolitan Area Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Metropolitan Area Employment</b>
Intel Corporation	21,394	1	1.80 %	15,636	3	1.62 %
Providence Health System	19,326	2	1.62	14,089	4	1.46
US Government	18,500	3	1.55	17,400	2	1.81
Oregon Health & Science University	17,441	4	1.46	12,000	5	1.25
Legacy Health System	12,896	5	1.08	9,732	7	1.01
Kaiser Permanente	12,074	6	1.01	9,039	8	0.94
Nike, Inc.	12,000	7	1.01	7,000	10	0.73
State Government	11,700	8	0.98	23,900	1	2.48
Fred Meyer Stores	8,163	9	0.69	9,858	6	1.02
City of Portland	7,409	10	0.62	8,876	9	0.92
<b>Total</b>	<b>140,903</b>		<b>11.82 %</b>	<b>127,530</b>		<b>13.24 %</b>

(1) Portland-Vancouver-Hillsboro OR-WA MSA

Sources: Piper Jaffray & Co and [www.qualityinfo.org](http://www.qualityinfo.org).

**METRO**  
**Full-Time Equivalent Employees by Function/Program**  
**Last Ten Fiscal Years (1)**  
**Unaudited**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>FUNCTIONS/PROGRAMS</b>										
<b>Primary Government:</b>										
<i>Governmental activities:</i>										
General government operations	172.75	176.15	174.04	175.79	181.80	183.20	170.85	175.77	179.66	193.40
Regional planning and development	89.87	87.43	76.05	72.15	75.65	76.30	85.30	84.80	93.06	93.80
Culture and recreation	54.40	53.20	58.30	76.75	83.55	92.10	99.80	103.95	112.06	121.90
Zoo (1)	155.98	159.31	168.20	174.85	187.15	-	-	-	-	-
<b>Total governmental activities</b>	<b>473.00</b>	<b>476.09</b>	<b>476.59</b>	<b>499.54</b>	<b>528.15</b>	<b>351.60</b>	<b>355.95</b>	<b>364.52</b>	<b>384.78</b>	<b>409.10</b>
<i>Business-type activities:</i>										
Solid Waste	93.60	93.55	91.05	90.75	101.30	107.45	114.16	121.79	139.96	179.76
Oregon Zoo (1)	-	-	-	-	-	198.65	200.60	207.60	209.25	209.00
MERC	190.00	185.85	181.50	175.50	182.35	186.35	189.95	195.65	200.97	201.70
<b>Total business-type activities</b>	<b>283.60</b>	<b>279.40</b>	<b>272.55</b>	<b>266.25</b>	<b>283.65</b>	<b>492.45</b>	<b>504.71</b>	<b>525.04</b>	<b>550.18</b>	<b>590.46</b>
<b>Total primary government</b>	<b>756.60</b>	<b>755.49</b>	<b>749.14</b>	<b>765.79</b>	<b>811.80</b>	<b>844.05</b>	<b>860.66</b>	<b>889.56</b>	<b>934.96</b>	<b>999.56</b>
					(2)	(3)	(4)	(5)	(6)	

(1) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund. Prior to this, activities of the Zoo were reported as part of the General Fund, a governmental fund.

(2) Increase over previous fiscal year is due primarily to first time tracking of part-time personnel and the conversion of temporary to permanent positions. Increased service demands also led to the addition of staff.

(3) Increase over previous fiscal year is due to conversion of temporary to permanent positions. Increased service demands at the venues and in parks management also led to the addition of staff.

(4) Increase over previous fiscal year is primarily due to an increase in service demand for visitor venues, central services, solid waste operations and parks management.

(5) Increase over previous fiscal year is due to planning staff needed for the Affordable Housing Bond projects, increase in service demand for solid waste operations, and MetroPaint staff converted from contracted to permanent positions.

(6) General Fund increases are primarily due to Capital Project Management group being moved to the general fund. Culture and recreation increased due to new Parks and Nature Bond passing.

Source: Metro Adopted Budget documents.



# METRO

## Operating Indicators by Function/Program

### Last Ten Fiscal Years

#### Unaudited

	Fiscal Year		
	2011	2012	2013
<b>FUNCTIONS/PROGRAMS</b>			
<b>Primary Government:</b>			
<i>Governmental activities:</i>			
General government operations:			
Business licenses issued	2,811	2,768	2,779
General obligation bond rating:			
Moody's	Aaa	Aaa	Aaa
Standard and Poor's	AAA	AAA	AAA
Regional planning and development:			
Data Resource Center sales of maps and aerials	\$ 102,727	73,091	75,279
Culture and recreation:			
Visitors to Blue Lake Park, Oxbow Park and Chinook Landing (6)	704,430	754,351	813,194
Volunteer visits	5,082	4,248	3,188
Volunteer hours	20,328	15,664	10,357
Acres acquired in Open Spaces and Natural Areas land target areas	392	1,117	398
<i>Business-type activities:</i>			
Solid Waste:			
Recycling Information Center calls/hits on website (4) (7)	135,789	138,438	130,110
Students reached in elementary and secondary school presentations	42,767	46,636	31,636
Regional recovery rate (1)	57.9%	59.3%	62.2%
Hazardous waste net cost per pound	\$ 0.77	0.93	0.93
Gallons of recycled paint produced	134,548	157,957	158,421
Latex paint revenue	\$ 948,328	997,290	1,147,907
PaintCare revenue (management of post-consumer paint) (5)	\$ 1,097,559	1,382,882	1,303,797
Oregon Zoo (2):			
Adult admission price	\$ 10.50	10.50	11.50
Annual attendance	1,536,303	1,597,475	1,683,442
Volunteer hours	156,997	150,035	130,993
Enterprise revenue as percentage of operating revenue	64.0%	64.1%	62.4%
Contributions and donations as percent of total revenue	7.0%	4.0%	3.0%
MERC:			
Annual attendance			
Oregon Convention Center	524,388	732,982	661,283
Portland Expo Center	390,333	506,508	429,613
Portland's Centers for the Arts (3)	769,468	844,750	785,277
Number of events/performances			
Oregon Convention Center	88	80	95
Portland Expo Center	93	114	110
Portland's Centers for the Arts (3)	877	878	952
Capacity			
Occupancy rate (75% considered maximum)			
Oregon Convention Center	46%	42%	46%

\*Not available

- (1) Regional recovery rate is calculated by taking total waste generated in the region divided by amount recycled plus DEQ credits up to 6% for waste prevention, reuse, and home composting.  
2016 rate reflects DEQ no longer adding the 6% in recovery credits  
2020-DEQ provided updated numbers for 2016 & 2017
- (2) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund.  
Prior to this, activities of the Zoo were reported as part of the General Fund, in governmental activities.
- (3) Was renamed from Portland Center for the Performing Arts in 2014.
- (4) In November of 2018, the Recycling Information updated the phone system moving from a Cisco-VOIP system supported by Metro's information services department to a cloud-based hosted service (aka interaction routing strategy) managed by CenturyLink. The data tracking for the year was split between the two systems and tracked similarly with some differences.
- (5) PaintCare revenues derived from a newly established pilot project for the management of post-consumer paint.  
2019 Paint Care Revenue amount was corrected
- (6) Car counter was not in place @ Blue Lake Jan 2015-June 2015 due to new entry construction
- (7) In November of 2018, the Recycling Information updated the phone system moving from a Cisco-VOIP system supported by Metro's information services department to a cloud-based hosted service (aka interaction routing strategy) managed by CenturyLink.

Source: Various Metro departments.

2014	2015	2016	2017	2018	2019	2020
2,739	2,918	3,079	3,019	3,207	3,122	3,152
Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA	Aaa AAA
78,635	81,943	70,467	65,305	77,675	67,245	64,095
739,324	719,804	850,623	847,453	1,027,604	993,133	841,942
3,034	4,472	3,370	5,508	2,841	3,459	1,865
9,384	14,385	15,349	15,083	12,080	10,576	5,703
234	361	180	507	183	246	213
147,389	147,875	146,708	169,444	184,084	231,000	224,380
26,591	44,482	45,150	51,519	54,723	42,998	24,642
64.2%	59.8%	47.0%	46.6%	44.7%	N/A*	N/A*
0.89	0.97	1.04	1.04	1.13	0.99	1.36
199,192	243,341	220,016	203,421	176,489	201,895	161,041
1,258,303	1,360,872	1,286,638	1,149,852	1,064,213	1,205,964	941,447
1,131,360	1,521,246	1,567,449	1,481,844	1,650,050	1,792,651	1,459,255
11.50	11.50	14.95	14.95	17.95	22.95	17.95
1,514,192	1,560,035	1,494,316	1,549,394	1,704,918	1,529,078	977,639
158,551	130,065	98,722	91,911	93,174	78,113	64,666
60.4%	61.2%	59.5%	62.6%	70.2%	68.5%	54.9%
2.4%	2.0%	3.8%	6.2%	6.2%	4.9%	9.3%
581,195	633,047	632,823	624,538	619,068	697,923	435,612
466,213	381,169	398,705	385,184	392,760	471,400	247,815
743,560	876,819	928,151	946,691	958,064	917,425	672,246
88	81	74	70	77	70	46
154	112	121	109	114	121	90
906	967	964	971	946	983	648
44%	51%	58%	48%	45%	51%	47%

**METRO**

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Unaudited

	2011	2012	2013
<b>FUNCTIONS/PROGRAMS</b>			
<b>Primary Government:</b>			
<i>Governmental activities:</i>			
General government operations:			
Regional Center facilities	1	1	1
Square footage	110,000	110,000	110,000
Parking spaces - Regional Center garage	162	162	162
Parking spaces - Irving Street garage	485	485	485
Culture and recreation:			
Regional park facilities	7	8	8
Acres (including acres acquired using Natural areas bond proceeds)	1,957	2,207	2,207
Cemeteries	14	14	14
Acres	67	67	67
Golf facilities	1	1	1
Acres	232	232	232
18-hole courses	2	2	2
Marine facilities	3	3	3
Natural areas acquired from Multnomah County	7	7	7
Acres	2,422	2,422	2,422
Open Spaces land target areas	20	20	20
Acres	7,745	7,668	7,668
Natural areas acquired using bond proceeds	27	27	27
Acres	2,838	4,032	4,430
<i>Business-type activities:</i>			
Solid Waste:			
Transfer stations (including hazardous waste facilities)	2	2	2
Latex paint facilities	1	1	1
Closed landfills maintained	1	1	1
Oregon Zoo (1):			
Acres	65	65	65
Buildings and exhibits	73	73	71
Railways	1	1	1
MERC:			
Convention Centers	1	1	1
Square footage	907,000	907,000	907,000
Parking spaces	800	800	800
Exposition Centers	1	1	1
Square footage	330,000	330,000	330,000
Parking spaces	2,200	2,200	2,256

Note: No capital asset indicators are available for the regional planning and development function.

(1) In fiscal year 2016, Metro began reporting the activities of the Zoo in the Oregon Zoo enterprise fund. Prior to this, activities of the Zoo were reported as part of the General Fund, in governmental activities.

Source: Various Metro departments.

	2014	2015	2016	2017	2018	2019	2020
	1	1	1	1	1	1	1
	110,000	110,000	110,000	196,960	196,960	196,960	196,960
	162	162	162	162	162	162	162
	485	485	485	485	485	485	485
	8	8	8	8	8	8	8
	2,207	2,305	2,305	2,305	2,305	2,305	2,305
	14	14	14	14	14	14	14
	67	67	67	67	67	67	67
	1	1	1	1	1	1	1
	232	232	232	232	232	232	232
	2	2	2	2	2	2	2
	3	3	3	3	3	3	3
	7	7	7	7	7	7	7
	2,422	2,422	2,422	2,422	2,422	2,422	2,422
	20	20	20	20	20	20	20
	7,684	7,684	7,684	7,684	7,684	7,684	7,684
	27	27	27	27	27	27	27
	4,647	4,910	5,090	5,596	5,778	6,024	6,237
	2	2	2	2	2	2	2
	1	1	1	1	1	1	1
	1	1	1	1	1	1	1
	65	65	65	65	65	65	65
	67	67	67	68	68	68	68
	1	2	2	2	2	2	2
	1	1	1	1	1	1	1
	907,000	907,000	907,000	907,000	907,000	907,000	907,000
	800	800	716	716	791	791	791
	1	1	1	1	1	1	1
	330,000	330,000	330,000	333,000	333,000	333,000	333,000
	2,256	2,256	2,256	2,556	2,556	2,556	2,556

**METRO**

Property Tax Levies and Collections (1)

Last Ten Fiscal Years

Unaudited

Fiscal year ended June 30,	Total tax levy for fiscal year	Collected within the fiscal year of the levy		Collections in subsequent fiscal years	Total collections to date		Total uncollected taxes for the fiscal year
		Tax collections	Percentage of levy		Tax collections	Percentage of levy	
2011	51,113,288	48,209,584	94.3	1,166,655	49,376,239	96.6	2,524,787
2012	40,461,529	38,168,544	94.3	860,005	39,028,549	96.5	2,718,087
2013	53,097,952	50,317,145	94.8	1,792,208	52,109,353	98.1	2,846,442
2014	61,068,522	57,913,674	94.8	1,374,922	59,288,596	97.1	3,122,857
2015	63,625,056	60,524,636	95.1	1,244,348	61,768,984	97.1	3,256,373
2016	56,981,126	54,251,668	95.2	888,733	55,140,401	96.8	3,355,651
2017	61,417,731	58,526,399	95.3	779,904	59,306,303	96.6	3,523,722
2018	66,623,193	63,459,709	95.3	653,180	64,112,889	96.2	3,392,641
2019	80,232,825	76,823,359	95.8	603,722	77,427,081	96.5	2,184,005
2020	118,129,185	112,972,917	95.6	-	112,972,917	95.6	2,403,194

(1) Property tax levies provide operating revenue for the General Fund and the Parks and Natural Areas Local Option Levy Fund and debt service for Metro's general obligation bonds.

**METRO**  
**Taxable Property Values**  
**Last Ten Fiscal Years**  
**Unaudited**

<b>Fiscal Year Ended June 30,</b>	<b>Real Market Value (1)</b>	<b>Total Assessed Valuation (AV)</b>	<b>Urban Renewal Excess</b>	<b>AV used to Calculate Rates (2)</b>
Metro – Total Area				
2011	\$ 196,930,643,603	131,057,532,855	6,703,067,043	124,354,465,812
2012	186,113,692,723	134,726,718,334	6,813,436,761	127,913,281,573
2013	182,115,877,804	137,952,858,654	7,117,486,446	130,835,372,208
2014	191,403,168,645	143,016,215,233	6,911,680,698	136,104,534,535
2015	211,844,217,262	149,658,475,167	7,196,823,537	142,461,651,630
2016	232,729,794,715	157,332,876,813	7,692,366,115	149,640,510,698
2017	266,256,751,631	164,726,153,314	8,800,597,517	155,925,555,797
2018	299,124,101,408	173,009,992,753	9,598,803,019	163,411,189,734
2019	326,072,241,004	179,748,438,545	10,330,532,400	169,417,906,145
2020	336,012,820,952	187,871,290,559	11,037,634,600	176,833,655,959
Portion of Metro Located in Multnomah County				
2011	\$ 100,581,687,913	60,307,166,969	5,039,772,399	55,267,394,570
2012	94,398,806,299	61,937,120,961	5,151,161,165	56,785,959,796
2013	92,813,634,950	63,238,726,207	5,323,183,349	57,915,542,858
2014	97,169,032,640	65,397,982,385	5,552,059,852	59,845,922,533
2015	107,182,217,862	68,400,496,894	5,690,908,219	62,709,588,675
2016	118,439,572,417	71,365,034,261	6,080,696,726	65,284,337,535
2017	138,109,555,282	74,755,397,687	6,804,941,684	67,950,456,003
2018	157,192,504,703	78,638,078,635	7,438,667,311	71,199,411,324
2019	171,296,770,318	81,401,405,120	7,939,555,685	73,461,849,435
2020	175,102,627,961	84,962,241,690	8,295,865,811	76,666,375,879
Portion of Metro Located in Washington County				
2011	\$ 60,514,716,319	43,432,392,813	193,090,521	43,239,302,292
2012	58,085,653,520	44,766,571,918	201,432,245	44,565,139,673
2013	56,826,665,878	46,038,212,248	213,290,719	45,824,921,529
2014	60,172,881,111	47,774,596,085	278,476,700	47,496,119,385
2015	66,641,438,168	49,956,068,958	328,606,130	49,627,462,828
2016	72,210,640,850	53,190,401,212	308,315,912	52,882,085,300
2017	80,476,887,028	55,606,866,466	528,351,591	55,078,514,875
2018	89,533,841,337	58,356,654,076	660,442,801	57,696,211,275
2019	97,859,133,163	60,798,329,166	802,404,836	59,995,924,330
2020	102,088,763,082	63,665,739,901	1,020,055,114	62,645,684,787
Portion of Metro Located in Clackamas County				
2011	\$ 35,834,239,371	27,317,973,073	1,470,204,123	25,847,768,950
2012	33,629,232,904	28,023,025,455	1,460,843,351	26,562,182,104
2013	32,475,576,976	28,675,920,199	1,581,012,378	27,094,907,821
2014	34,061,254,894	29,843,636,763	1,081,144,146	28,762,492,617
2015	38,020,561,232	31,301,909,315	1,177,309,188	30,124,600,127
2016	42,079,581,448	32,777,441,340	1,303,353,477	31,474,087,863
2017	47,670,309,321	34,363,889,161	1,467,304,242	32,896,584,919
2018	52,397,755,368	36,015,260,042	1,499,692,907	34,515,567,135
2019	56,916,337,523	37,548,704,259	1,588,571,879	35,960,132,380
2020	58,821,429,909	39,243,308,968	1,721,713,675	37,521,595,293

(1) Value represents the Real Market Value of taxable properties, including the reduction in Real Market Value of specially assessed properties such as farm and forestland. This value is also commonly referred to as the Measure 5 Real Market Value by county assessors.

(2) Assessed value of property in Metro on which the Permanent Rate is applied to derive ad valorem property taxes, excluding urban renewal, exempt property within enterprise zones and any other offsets.

Source: Multnomah, Washington, and Clackamas Counties Departments of Assessment and Taxation.

**METRO**  
**Property Tax Rates by Type of Levy**  
**Last Ten Fiscal Years**  
**Unaudited**

<b>Fiscal Year Ended June 30,</b>	<b>Permanent Rate</b>	<b>Local Option Levy Rate</b>	<b>General Obligation Bond Levy Rate (1)</b>	<b>Total Rate</b>
2011	\$ 0.0966	\$ -	\$ 0.3146	\$ 0.4112
2012	0.0966	-	0.2202	0.3168
2013	0.0966	-	0.4140	0.5106
2014	0.0966	0.0960	0.2768	0.4694
2015	0.0966	0.0960	0.2683	0.4609
2016	0.0966	0.0960	0.1982	0.3908
2017	0.0966	0.0960	0.2057	0.3983
2018	0.0966	0.0960	0.2203	0.4129
2019	0.0966	0.0960	0.2827	0.4753
2020	0.0966	0.0960	0.4806	0.6732

(1) General obligation (GO) bond levy rate is a calculation of total GO levy divided by Assessed Value used to calculate rates.

**METRO**

Principal Property Tax Taxpayers Within the District by County  
(amounts expressed in thousands)

June 30, 2020

Unaudited

<u>Taxpayer account</u>	<u>Type of business</u>	<u>Assessed valuation</u>	<u>Percent of total valuation</u>
<b>MULTNOMAH COUNTY</b>			
PORT OF PORTLAND	Marine and aviation facilities	\$ 670,145	0.87 %
PORTLAND GENERAL ELECTRIC CO	Electric utility	605,452	0.79
ALASKA AIRLINES INC	Air Travel	423,588	0.55
PACIFICORP (PP&L)	Electric utility	385,910	0.50
CENTURYLINK	Telecommunications	329,735	0.43
WESTON INVESTMENT CO LLC	Nonresidential construction	281,110	0.37
BOEING COMPANY	Air Travel	270,158	0.35
COMCAST CORPORATION	Telecommunications	253,887	0.33
AT&T INC	Telecommunications	237,654	0.31
SOUTHWEST AIRLINES CO	Air Travel	235,900	0.31
All other taxpayers	-	72,972,837	95.18
	<b>Total</b>	<b>\$ 76,666,376</b>	<b>100.00 %</b>
<b>WASHINGTON COUNTY</b>			
INTEL	Computer electronics	\$ 1,970,829	3.15 %
NIKE, INC	Athletic apparel	1,011,210	1.61
PORTLAND GENERAL ELECTRIC CO	Electric utility	616,309	0.98
PACIFIC REALTY ASSOCIATES	Real estate	405,106	0.65
NORTHWEST NATURAL GAS CO	Natural gas utility	368,707	0.59
GENENTECH INC	Biotechnology	274,027	0.44
COMCAST CORPORATION	Telecommunications	241,049	0.38
VERIZON COMMUNICATIONS	Telecommunications	241,357	0.39
NIKE IHM	Unsupported Plastics Film and Sheet	216,673	0.35
LAM RESEARCH CORPORATION	Semiconductor production equipment	190,463	0.30
All other taxpayers	-	57,109,955	91.16
	<b>Total</b>	<b>\$ 62,645,685</b>	<b>100.00 %</b>
<b>CLACKAMAS COUNTY</b>			
PORTLAND GEN ELEC CO	Electric utility	\$ 418,873	1.12 %
GENERAL GROWTH PROPERTIES INC	Real estate	275,386	0.73
SHORENSTEIN PROPERTIES LLC	Real estate	220,451	0.59
FRED MEYER STORES INC #63	Retailer	190,776	0.51
PCC STRUCTURALS INC	Metal castings and machining	176,412	0.47
NORTHWEST NATURAL GAS CO	Natural gas utility	133,082	0.35
MEADOWS ROAD LLC	Real estate	92,677	0.25
COMCAST CORPORATION	Telecommunications	86,796	0.23
CENTURYLINK	Telecommunications	75,967	0.20
KAISER FOUNDATION HOSP	Healthcare	68,404	0.18
All other taxpayers	-	35,782,771	95.39
	<b>Total</b>	<b>\$ 37,521,595</b>	<b>100.00 %</b>

Source: The Departments of Assessment and Taxation for Multnomah, Clackamas and Washington counties.





**AUDIT COMMENTS AND DISCLOSURES  
REQUIRED BY STATE AND FEDERAL REGULATIONS**

Oregon Administrative Rules 162-010-0000 through 162-010-0330 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, as prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required financial statements and schedules are set forth in the preceding sections of this report.

Metro is the recipient of Federal Grant Awards and requires an audit subject to the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As a result, Metro's audit is also required to be performed in compliance with Generally Accepted Government Audit Standards.

Comments and disclosures required by the above rules and regulations are set forth on the following pages.



## **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards***

Metro Council and Metro Auditor  
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the provision of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 30, 2020. Our report includes a reference to other auditors who audited the financial statements of The Oregon Zoo Foundation, a discretely presented component unit, as described in our report on Metro's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Metro's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- The accounting records and related internal control structure.
- The use of various depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption, and execution of the annual budgets for fiscal years 2021 and 2020.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.

## **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Metro's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Moss Adams LLP  
Portland, Oregon  
November 30, 2020

## **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Metro Council and Metro Auditor  
Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Metro as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Metro's basic financial statements, and have issued our report thereon dated November 30, 2020. Our report includes a reference to other auditors who audited the financial statements of The Oregon Zoo Foundation, as described in our report on Metro's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of The Oregon Zoo Foundation were not audited in accordance with *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Metro's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Metro's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams LLP

Portland, Oregon  
November 30, 2020

## **Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

Metro Council and Metro Auditor  
Portland, Oregon

### **Report on Compliance for the Major Federal Program**

We have audited Metro's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on Metro's major federal program for the year ended June 30, 2020. Metro's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for Metro's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Metro's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Metro's compliance.

#### ***Opinion on the Major Federal Program***

In our opinion, Metro complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.



## Report on Internal Control Over Compliance

Management of Metro is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Metro's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss Adams LLP

Portland, Oregon  
November 30, 2020

**METRO**

**Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2020**

<u>Grantor and Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant/Pass Through Number</u>	<u>Federal Expenditures</u>
<b>U. S. DEPARTMENT OF AGRICULTURE</b>			
Forest Service-			
Direct Programs:			
UNO Program	10.U01	15-CS-11062200-006	\$ 5,990
Columbia River Gorge National Scenic Area	N/A	18-PA-11062200-005	11,133
Total U.S. Department of Agriculture			17,123
<b>U. S. DEPARTMENT OF DEFENSE</b>			
Department of the Army, Office of the Chief of Engineers-			
Passed through Washington Department of Fish & Wildlife:			
Planning Assistance to States - Water Resources Development Act	12.110	WDFW #19-12338	8,024
Planning Assistance to States - Water Resources Development Act	12.110	WDFW #18-11898	60,000
Total U.S. Department of Defense			68,024
<b>U. S. DEPARTMENT OF THE INTERIOR</b>			
Bureau of Land Management-			
Direct Programs:			
Recreation Resource Management; Cooperative Agreements	15.243	L19AC00115-0001	45,000
Fish and Wildlife Service-			
Direct Programs:			
Fish and Wildlife Management Assistance	15.608	F19AP00251-0001-NCDO	80,405
Endangered Species Conservation-Recovery Implementation Funds	15.657	F17AC00620	13,691
Endangered Species Conservation-Recovery Implementation Funds	15.657	F17AP00909	20,000
Subtotal Endangered Species Conservation-Recovery Implementation Funds			33,691
Youth Engagement, Education & Employment Program	15.676	F20AP00208	25,307
Fish and Wildlife Service-			
Passed through The Peregrine Fund Inc and Oregon Department of Fish & Wildlife:			
Wildlife Restoration Grant Program	15.611	ODFW #351-17	129,244
Total Fish and Wildlife Cluster			129,244
Passed through Oregon Department of Parks and Recreation:			
Cooperative Endangered Species Conservation Fund	15.615	FY18-E28TW13OZ	11,786
Cooperative Endangered Species Conservation Fund	15.615	FY17-E28TW10 OZ	27,947
Cooperative Endangered Species Conservation Fund	15.615	FY18-E6-67	5,963
Cooperative Endangered Species Conservation Fund	15.615	FY17-E6-69	14,436
Subtotal Cooperative Endangered Species Conservation Fund			60,132
Passed through Oregon State Marine Board:			
Clean Vessel Act	15.616	N/A	1,800
Clean Vessel Act	15.616	Agreement No. 1592	(101,363)
Subtotal Clean Vessel Act			(99,563)
Sport Fishing & Boating Safety Act	15.622	Agreement No. 1592	40,488
Passed through Ducks Unlimited			
North American Wetlands Conservation Fund	15.623	F13AP00369	119,500
Total U.S. Department of the Interior			434,204
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>			
Federal Highway Administration-			
Highway Planning and Construction Cluster-			
Passed through Oregon Department of Transportation:			
2020 PL & 2018 PL Carryforward - Lead	20.205	ODOT # 33536	2,175,347
2020 STP & 2018 STBG Carryforward Funds	20.205	ODOT # 33536	1,338,661
2020 SEC 5303 Funds & 2018 Carryforward Funds	20.205	ODOT # 33536	777,932
Next Corridor STBG & Next Corridor Carryforward Funds	20.205	ODOT # 33536	184,521
2020 TSMO STBG	20.205	ODOT # 33536	69,557
Delivering Transportation Options (aka ODOT RTO 4)	20.205	ODOT # 32516	253,987
Livable Streets Policy and Guidebook Update	20.205	ODOT # 31401	46,452
2020 TSMO Strategy Planning Update	20.205	ODOT # 33081	16,139
Congestion Pricing Modeling Support	20.205	ODOT # 33518	151,660
Regional Dockless Dashboard	20.205	ODOT # 33628	12,677
Passed through Southwest Washington Regional Transportation Council			
Columbia Connects Bi-State Planning Study	20.205	Work Order 01-2019	7,339
Total Highway Planning and Construction Cluster			5,034,272

(Continued)

**METRO**

Schedule of Expenditures of Federal Awards, *continued*  
 For the fiscal year ended June 30, 2020

Grantor and Program Title	Federal CFDA Number	Grant/Pass Through Number	Federal Expenditures
<b>U. S. DEPARTMENT OF TRANSPORTATION</b>			
Federal Transit Administration-			
Federal Transit - Capital Investment Grants-			
Direct Programs:			
Southwest Corridor Equitable Development Strategy (SWEDS)	20.500	OR-2017-013	428,750
<i>Passed through to subrecipients:</i>			
Center for Intercultural Organizing Total			19,428
Community Partners For Affordable Total			19,870
Home Forward Development Enterprises Total			20,222
Mercy Corps Total			42,574
Proud Ground Total			15,071
The Immigrant & Refugee Community Total			18,065
Montgomery Park to Hollywood HCT Development Strategy	20.500	OR-2020-006	259,319
<i>Passed through to subrecipients:</i>			
City of Portland Total			163,058
Federal Transit Formula Grants-			
Direct Programs:			
Surface Transportation Funds			
Regional Travel Options (RTO)	20.507	OR-2018-020	145,306
Regional Travel Options (RTO)	20.507	OR-2020-004	1,497,527
<i>Passed through to subrecipients:</i>			
City of Oregon City Total			8,753
City of Portland Total			363,667
Clackamas Community College Total			52,617
Clackamas County Total			7,754
Community Cycling Center Total			38,980
Go Lloyd Total			9,837
Oregon Walks Total			36,947
Pear Total			10,693
Portland Community College Total			17,876
Ride Connection Inc Total			119,351
The Street Trust Community Fund Total			111,144
Tri Met Total			16,575
Washington Park Transportation Total			15,154
Westside Transportation Alliance Inc Total			92,015
Safe Routes to Schools (SRTS)	20.507	OR-2019-028	416,799
<i>Passed through to subrecipients:</i>			
Beaverton School District 48 Total			50,630
City of Hillsboro Total			10,172
City of Tigard Total			53,352
Clackamas County Total			19,133
Community Cycling Center Total			38,343
Multnomah County Total			17,633
Total Federal Transit Cluster			2,747,701
Total U.S. Department of Transportation			7,781,973
<b>U. S. Environmental Protection Agency</b>			
Metro Coalition Assessment Grant	66.818	BF-01J23701-0	19,865
Total U.S. Environmental Protection Agency			19,865
<b>U. S. Department of Homeland Security, Federal Emergency Management Agency (FEMA)</b>			
Passed through City of Portland			
Regional Emergency Transportation Routes Update	97.067	City of Portland # 32001914	16,099
Total U.S. Dept of Homeland Security			16,099
<b>Total Expenditures of Federal Awards</b>			<b>\$ 8,337,288</b>

The accompanying notes are an integral part of this schedule.

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes all federal grant activity of Metro, under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this Schedule presents only a selected portion of the operations of Metro, it is not intended to and does not present the financial position, changes in net position or cash flows of Metro.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is described in note II.C to Metro's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenses are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where applicable. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3 – ELECTION OF DE MINIMIS INDIRECT RATE**

During the current year end, June 30, 2020, Metro did not elect to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Metro**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2020**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal programs and type of auditor’s report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor’s Report Issued on Compliance for Major Federal Programs</i>
20.205	Highway Planning and Construction Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee?  Yes  No

**Section II - Financial Statement Findings**

None reported

**Section III – Federal Award Findings and Questioned Costs**

None noted

**FINDING 2019-001 – Capital Assets, Significant Deficiency in Internal Control over Financial Reporting****Criteria or specific requirement:**

GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, states capital assets should be depreciated over their estimated useful lives. Depreciation expense should be measured by allocating the net cost of depreciable assets (historical cost less estimated salvage value) over their estimated useful lives in a systematic and rational manner.

**Condition:**

Three conditions existed as a result of our audit procedures. First, Metro did not have adequate internal control procedures in place to ensure asset lives were correctly entered into the system. Secondly, due to a system limitation, Metro did not have adequate internal control procedures in place to periodically review assets placed in service to verify such assets were appropriately transferred from construction in progress. Finally, it was noted that Metro did not perform an inventory observation of capital assets during the current or prior years.

**Context:**

As it relates to the first condition, during our analysis of depreciation expense, we identified two items where the useful life was not appropriately entered or applied by the system. The first asset was a building placed in service in 2017 but was entered into the system with an in service date of 2010, leading to over depreciation. The second asset had a useful life of 120 months, but the system was depreciating the asset over 12 months. An adjustment posted by management to correct this error over adjusted depreciation and removed too much depreciation expense.

As it relates to the second condition, we noted that various capital assets were incorrectly transferred out of work in process prior to them being completed which lead to a classification error.

As it relates to the third condition, no inventory observation had been performed.

**Effect:**

The effect of the first condition resulted in errors identified totaling \$3,763,584 for the Oregon Zoo Fund and \$630,300 for the Solid Waste Fund. The errors identified for the Oregon Zoo Fund were the result of too much depreciation expense being recognized in the current year whereas the errors identified for the Solid Waste Fund were the result of too little depreciation expense being recognized in the current year.

There was no impact on the change in net position as a result of the second condition; however, an adjustment was posted by management to correct the classification between work in process assets and other capital assets.

**Cause:**

Metro did not have adequate internal controls in place to review capital assets being placed in service.

**Recommendation:**

We recommend a control be implemented to ensure review of the asset life once it has been entered into the capital assets management system to ensure the asset lives are correct. We further recommend assets being transferred from construction in progress be periodically reviewed to ensure asset lives are assigned and depreciated appropriately once the construction in progress is placed in service.

**Views of responsible officials:** Metro understands and concurs with this finding.

**Current Status:** Resolved



November 30, 2020

Marissa Madrigal, Chief Operating Officer  
Brian Kennedy, Director, Finance & Regulatory Services  
Metro  
600 NE Grand Avenue  
Portland, Oregon 97232

We have completed our audit of the financial statements of Metro for the year ended June 30, 2020 and have issued our report thereon dated November 30, 2020. In planning and performing our audit of the financial statements in accordance with auditing standards generally accepted in the United States of America, we considered Metro's internal control over financial reporting (internal control) as a basis for designing our auditing procedures and for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Metro's internal control. Accordingly, we do not express an opinion on the effectiveness of Metro's internal control.

During the course of the audit, we noted certain other matters involving the internal control structure, operations, and financial reporting that are presented for your consideration which are reported to you below. Our comments and recommendations have been discussed with appropriate members of management, and are intended to improve the internal control structure or result in other operating efficiencies. We would be pleased to discuss these comments in further detail at your convenience, and to perform any desired additional study of these matters.

Our comments are as follows:

#### **Expenditure Approval (Repeat from Prior Year)**

**Observation** – As part of our federal grant compliance procedures, we reviewed the controls over Metro's approval of general expenditures. We noted that while review of the expenditures was being performed, formal documentation of the review was not consistently retained.

**Recommendation** – We recommend that documentation of review of general disbursements be documented and retained.

**Management Response** – Management agrees with the recommendation and will institute a procedure to document the approval of grant expenditures.

#### **User Access**

**Observation** – As documented in our IT Debrief Memo provided to management dated September 24, 2020, we noted user access reviews were not performed by Metro.



**Recommendation** – We recommend that management ensure at least an annual review of all user access permissions to all financially-significant systems is conducted, and supporting documentation is retained to demonstrate that all access permissions and users have been verified or adjusted where needed. Additional detail related to this recommendation is included in our IT Debrief Memo.

**Management Response** – Management agrees with the recommendation and will implement improved security review and approval processes for both ERP systems.

## Prior Year Observations and Recommendations

### Capital Assets

**Observation** – During our analysis of depreciation expense, we identified two items in which the useful life was not appropriately entered into or applied by the system. The first asset was a building placed in service in 2017, but was entered into the system with an in service date in 2010, leading to over depreciation. The second asset was an asset with a useful life of 120 months, but the system was depreciating over 12 months. The subsequent correction by management over adjusted and removed too much depreciation. Additionally, we noted that assets that were not in service and were not being depreciated were classified outside of WIP. This led to a classification error. Finally, based upon our discussions with management, we noted that no physical count of capital assets had been performed in either the current or the prior fiscal year.

**Recommendation** – We recommended a control be implemented to ensure review of the asset life once it has been entered into the capital assets management system to ensure the asset lives are correct. We further recommended that controls be implemented to ensure that assets are appropriately classified as either in progress or in service, with an accurate in service date. Additionally, we recommended that management perform a periodic count of capital assets to ensure the existence of assets.

**Current year status** – In the current year, for those assets reviewed, we noted asset lives were correct. We also noted there was proper classification between in progress and in service assets with an accurate in service date for those assets that were subject to testing. We also noted management performed an inventory of physical assets for a portion of Metro's operations with the remainder of the agency to be subject to physical inventory in 2021.

### Payroll

**Observation** – During our testing of controls surrounding the payroll process, we noted an instance in which the reconciliation of the payroll bank account was not prepared and reviewed in a timely manner.

**Recommendation** – We recommended Metro implement controls to ensure that bank accounts are prepared and reviewed in a timely manner.

**Current year status** – Resolved.

### Expenses

**Observation** – During our audit, we identified an expense in the Natural Areas fund that was accrued for twice in the prior year, leading to an over accrual in the prior year and subsequent reversal in the current year.

**Recommendation** – We recommend that controls are in place to ensure the proper accrual of invoices at year end.

**Current year status** – Resolved.

\*\*\*\*\*

We wish to thank you, Caleb Ford, Somer Erickson, Erica Webber, and the rest of the Metro staff for their support and assistance during our audit, as well as Brian Evans, Metro Auditor, who were all very professional and pleasant to work with regarding the administration of our audit contract with Metro.

Very truly yours,

*Moss Adams LLP*

Moss Adams LLP

cc: Brian Evans, Metro Auditor

Agenda Item No. 4.2

**Resolution No. 20-5149**, For the Purpose of Directing that Willamette Cove be Included in the List of Metro Parks and Natural Areas Eligible for 2019 Bond Funding and Development of a Plan for Public Engagement

*Resolutions*

Metro Council Meeting  
Thursday, December 10, 2020

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF DIRECTING THAT ) RESOLUTION NO. 20-5149  
WILLAMETTE COVE BE INCLUDED IN THE )  
LIST OF METRO PARKS AND NATURAL ) Introduced by Council President Lynn  
AREAS ELIGIBLE FOR 2019 BOND FUNDING ) Peterson  
AND DEVELOPMENT OF A PLAN FOR )  
PUBLIC ENGAGEMENT )

WHEREAS, in July, 1992, Metro completed the Metropolitan Greenspaces Master Plan which identified a desired system of natural areas interconnected with greenways and trails and designated Willamette Cove as a greenspace of regional significance; and

WHEREAS, in 1995 Metro Area voters approved an Open Spaces, Parks and Streams Bond Measure ( “1995 Open Spaces Bond Measure”) with a stated goal of acquiring land in 14 regional natural areas and six of the regional trails and greenways identified in the Greenspaces Master Plan; and

WHEREAS, in 1996, by Resolution No. 96-2266, Metro authorized the purchase of Willamette Cove with 1995 Open Spaces Bond Measure funding; and

WHEREAS, in 1996, by Resolutions No. 96-2340 and 96-2350, Metro approved a refinement plan and adoption of target area boundaries and objectives for Willamette Cove Target Area used to guide implementation of the 1995 Open Spaces Bond Measure, acknowledging community support for natural resource restoration and passive recreation at the site; and

WHEREAS, since its purchase, Willamette Cove has been the subject of an Oregon Department of Environmental Quality (DEQ) remedial action for hazardous waste clean-up on the Willamette Cove uplands (ECVC-NWR-00-26), extending from top of riverbank landward, east and away from the Willamette River; and

WHEREAS, Oregon DEQ intends to issue a remedial action clean-up remedy, following which Metro can begin engaging the community to establish objectives for passive recreation, equitable access, and natural area protection at the site; and

WHEREAS, the Willamette River provides a critical migratory corridor and rearing habitat for salmon and steelhead; and

WHEREAS, Willamette Cove has the potential to provide important fish and wildlife habitat; and

WHEREAS, the Willamette River holds great importance to several tribes as a natural and cultural resource; and

WHEREAS, Metro has heard from a diverse array of advocates, including the Portland Harbor Community Coalition, Portland African American Leadership Forum, American Indian Movement-Portland Chapter, Audubon Society of Portland, Portland Harbor Community Advisory Group, neighborhood representatives, Willamette Riverkeeper, and University of Portland, that there is community support for public access, natural resource restoration, and passive recreation at Willamette Cove, and desire to begin a broad community engagement process; and

WHEREAS, in 2019, by Resolution No. 19-4988, voters in the Metro area approved a Parks and Nature Bond Measure ( “2019 Bond Measure”) with a stated goal to fund natural area and water quality protection and to connect people to nature close to home; and

WHEREAS, the 2019 Bond Measure includes six program investment areas and program criteria to guide project prioritization and selection; and

WHEREAS, the 2019 Bond Measure “Taking Care of Metro Parks” investment area intends to use bond funds to provide safe, welcoming places to connect with nature, and includes a list of Metro parks and natural areas that are eligible for bond funding; and

WHEREAS, Willamette Cove is not included in the list of Metro parks and natural areas eligible for 2019 Bond Measure funding; however, Resolution No. 19-4988 provides that Metro Council may identify new locations that are eligible for capital investments using bond funding provided they meet the program requirements described in the 2019 Bond Measure; and

WHEREAS, Metro Council has determined that Willamette Cove meets the program requirements described in the 2019 Bond Measure and should be included in the list of Metro parks and natural areas that may be eligible for bond funds; and

WHEREAS, the 2019 Bond Measure was crafted to ensure that people of color are part of the decision-making and benefit from public investments in parks and nature, in accordance with Metro’s Strategic Plan to Advance Racial Equity, Diversity, and Inclusion; and

WHEREAS, the 2019 Bond Measure centered racial equity, community engagement, and climate resiliency as necessary criteria for all bond projects; and

WHEREAS, Metro recognizes that Willamette Cove represents a unique and important opportunity to restore ecological health and reconnect the community to the Willamette River; and

WHEREAS, to further the goal and objective for which Willamette Cove was acquired, now therefore,

**BE IT RESOLVED:**

1. Metro Council authorizes and directs Metro Chief Operating Officer to include Willamette Cove as a Metro parks and nature destination listed in Exhibit E to Resolution No. 19-4988 eligible for 2019 Bond Measure funds; and
2. Metro Council affirms its support of and commitment to explore trail development, habitat restoration, and a broad range of passive recreational activities at Willamette Cove consistent with its use as a natural area, for example but not limited to, walking, hiking, bicycling, beach access, wildlife viewing, picnicking, and cultural interpretation; and
3. Metro staff shall prepare a plan for meaningful public engagement to identify community priorities for future passive recreational opportunities and trail development consistent with protection and restoration of natural resources at Willamette Cove, and submit this plan to Metro Council within four months of the date DEQ issues its record of decision on remedial action.

ADOPTED by the Metro Council this \_\_\_\_ day of \_\_\_\_\_, 2020.

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Lynn Peterson, Council President

Approved as to Form:

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Carrie MacLaren, Metro Attorney

## **STAFF REPORT FOR COUNCIL MEETING**

IN CONSIDERATION OF RESOLUTION NO. 20-5149, FOR THE PURPOSE OF DIRECTING THAT WILLAMETTE COVE BE INCLUDED IN THE LIST OF METRO PARKS AND NATURAL AREAS ELIGIBLE FOR 2019 BOND FUNDING AND DEVELOPMENT OF A PLAN FOR PUBLIC ENGAGEMENT

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Date: November 13, 2010  
Department: Parks and Nature  
Meeting Date: December 10, 2020  
Prepared by: Parks and Nature  
Department

Presenter: Marissa Madrigal, Chief  
Operating Officer; Jon Blasher, Director,  
Parks and Nature  
Length: 15 minutes

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### **ISSUE STATEMENT**

The 2019 Parks and Nature Bond includes six program areas and program criteria to guide project prioritization and selection. One such program area – “Taking Care of Metro Parks” – uses bond funds to provide safe, welcoming places to connect with nature, and includes a list of Metro parks and natural areas that are eligible for bond funding. This resolution would add Willamette Cove to the list of Metro parks and nature destinations listed in Exhibit E to Resolution No. 19-4988 (attached as Exhibit A to staff report) and eligible for bond funding.

In addition, the resolution affirms Metro Council’s commitment to passive use recreation opportunities, as well as trail development and habitat restoration, the specifics of which would be determined in a later planning process.

Finally, the resolution directs staff to develop a plan for engaging the public to identify community priorities at Willamette Cove.

### **ACTION REQUESTED**

Approval of Resolution No. 20-5149 to add Willamette Cove to the list of Metro parks and nature destinations eligible for funding under the “Taking Care of Metro Parks” program area and to direct the development of a public engagement plan.

### **IDENTIFIED POLICY OUTCOMES**

Willamette Cove would be considered in the 2019 Parks and Nature refinement process and considered for bond funding under the “Taking Care of Metro Parks” program area. In addition, the development of a public engagement plan would insure the community is aware of the anticipated engagement process.

## **POLICY QUESTION(S)**

Only those properties identified in Exhibit E to Resolution No. 19-4988 are eligible for “Taking Care of Metro Parks” bond funding. Those properties currently eligible for bond funding are the subject of a bond refinement process, where competing properties and projects are discussed, analyzed, prioritized and scheduled.

Willamette Cove is currently not identified in Exhibit E and therefore not a part of the refinement process. Adding Willamette Cove to Exhibit E to Resolution No. 19-4988 is required for it to be included in the refinement process for consideration of bond funds. The question presented to Metro Council is: Does Metro Council desire to include Willamette Cove in the 2019 Bond refinement process and begin the process of community engagement?

## **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

There are two options for the Council to consider: not approving the resolution or approving the resolution as presented.

### Option 1 – Not approving the resolution:

Not approving the resolution would maintain the status quo. Willamette Cove would not be eligible for “Taking Care of Metro Parks” bond funding.

Only those properties currently identified in Exhibit E to Resolution No. 19-4988 would be eligible for “Taking Care of Metro Parks” bond funding and included in the refinement process. Bond funded improvements and community priorities at other listed properties would not be impacted.

### Option 2 – Approving the resolution as presented:

Approving the resolution would make Willamette Cove eligible for “Taking Care of Metro Parks” bond funding. Willamette Cove would be included in the bond refinement process, where competing properties and projects are discussed, analyzed, prioritized, and scheduled pursuant to bond criteria. Being eligible does not guarantee prioritization or funding. Approving the resolution would also result in Metro staff providing a plan for meaningful community engagement to identify community priorities for the property.

“Taking Care of Metro Parks” bond funding is a finite financial resource. Therefore, approving this resolution would result in Willamette Cove competing with and potentially reducing bond funding from the other properties and projects identified in Exhibit A to Resolution No. 19-4988.

Approving the resolution would also require Metro staff to provide and plan for meaningful community engagement by a date certain. That work effort is not currently planned for or budgeted and would require additional financial and staff resources, or displace other work.



## STAFF RECOMMENDATIONS

N/A

## STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

- How is this related to Metro’s Strategic Plan (to be developed in 2019) or Core Mission?
- How does this advance Metro’s racial equity goals?
  - Pursuant to the 2019 Parks and Nature Bond
- How does this advance Metro’s climate action goals?
  - Pursuant to the 2019 Parks and Nature Bond
- Known Opposition/Support/Community Feedback: Metro has not discussed this matter with or otherwise sought regional community input. Community support and feedback has been localized to date.
- Explicit list of stakeholder groups and individuals who have been involved in policy development: N/A
- Legal Antecedents: Resolution 19-498, 2019 Parks and Nature Bond
- Anticipated Effects: This resolution would add Willamette Cove to the list of Metro parks and nature destinations listed in Exhibit E to Resolution No. 19-4988 and eligible for bond funding; affirms Metro Council’s commitment to passive use recreation opportunities, as well as trail development and habitat restoration; and directs staff to develop a plan for engaging the public to identify community priorities at Willamette Cove.
- Financial Implications (current year and ongoing): Approving the resolution would make Willamette Cove eligible for “Taking Care of Metro Parks” bond funding and include Willamette Cove in the refinement process for consideration of bond funds. Approving the resolution would require additional staff resources to comply with resolution directives, which are not currently budgeted. The amount is not currently known.

## BACKGROUND

The 2019 Parks and Nature Bond includes six program areas and program criteria to guide project prioritization and selection. One such program area – “Taking Care of Metro Parks” – uses bond funds to provide safe, welcoming places to connect with nature, and includes a list of Metro parks and natural areas that are eligible for bond funding. This resolution would add Willamette Cove to the list of Metro parks and nature destinations listed in Exhibit E to Resolution No. 19-4988 and eligible for bond funding.

At the time this list was developed, it was unknown when the Oregon Department of Environmental Quality (DEQ) would issue a record of decision for cleanup of the Willamette Cove property. In March 2020, DEQ issued its Staff Report for Recommended Remedial Action for Willamette Cove Update Site. Metro expects DEQ will issue a record of decision selecting a remedial action, following which Metro can begin engaging the

community to establish objectives for passive recreation, equitable access, and natural area protection at the site.

The 2019 Parks and Nature Bond provides that Metro Council may identify new locations that are eligible for capital investments using bond funding provided they meet the racial equity, community engagement, and climate resiliency program requirements described in the 2019 Bond Measure. Willamette Cove meets these program requirements, and as a result Metro Council may elect to add Willamette Cove to the list of Metro parks and nature destinations listed in Exhibit E to Resolution No. 19-4988. The effect of this action is to add Willamette Cove to the list of Metro properties that will be considered in the bond refinement plan, through which Metro staff will meaningfully engage the community and prioritize projects and needs among and between those listed properties. It does not guarantee priority of funding.

#### **ATTACHMENTS**

Exhibit A to Staff Report, "Exhibit E to Resolution No. 19-4988"

## **Exhibit E**

### **Take Care of Metro Parks**

In this Metro program area, Metro will use bond funds to provide safe, welcoming places to connect with nature by completing newer nature parks and maintaining water systems, trails, bathrooms and other amenities at older parks like Oxbow and Blue Lake. All projects must satisfy required bond program community engagement, racial equity and climate resilience criteria set forth in Exhibit A, in addition to the requirements below.

#### **Program activities**

- Address capital maintenance, repair and improvement needs at Metro facilities
- Complete nature parks with adopted master plans
- Create new nature parks and access opportunities

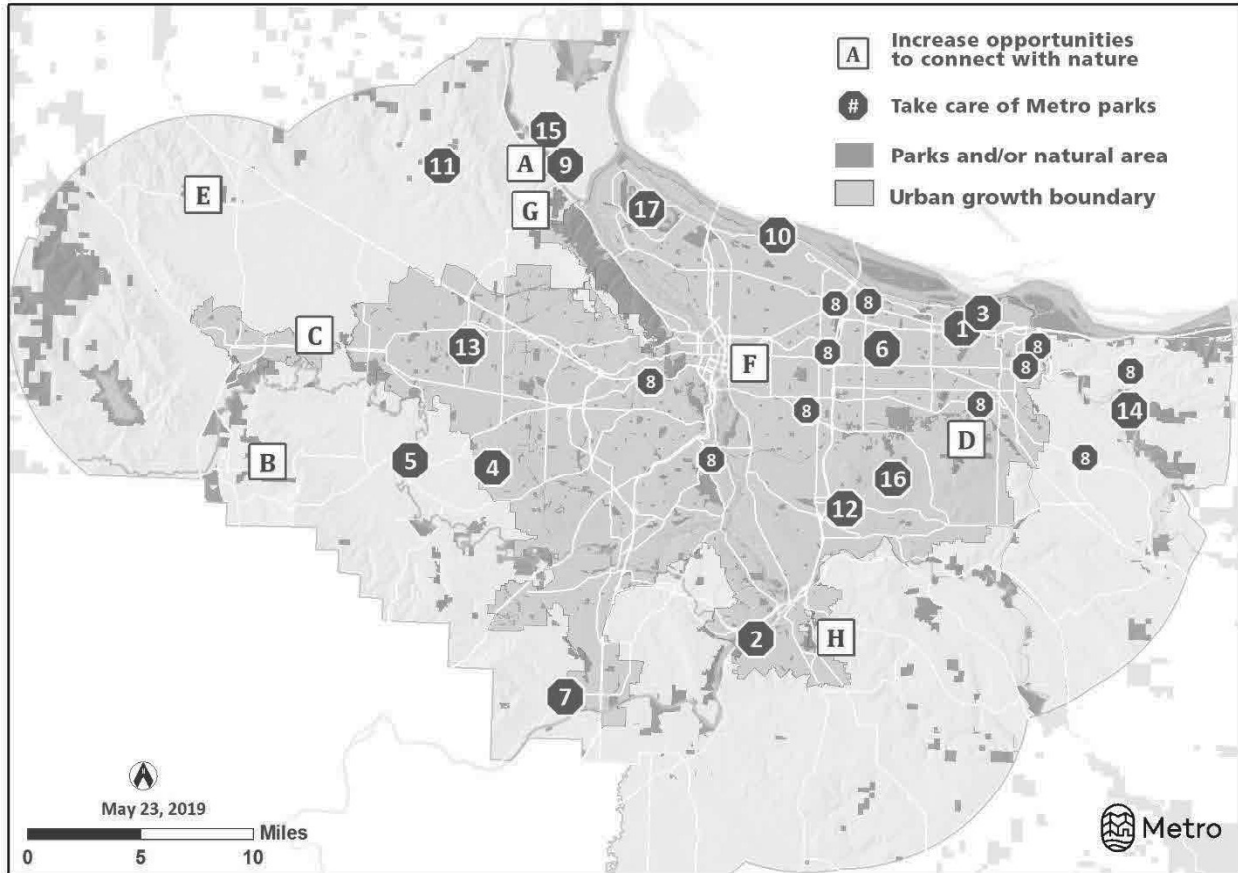
#### **Program criteria**

Program investments must satisfy at least one of the following criteria.

- Maintain critical infrastructure and improve visitor experience to ensure that parks are safe and welcoming, particularly those with high visitation and use by communities of color, or places/projects identified by communities of color.
- Improve visitor experience through investing in new or existing park amenities.
- Improve the efficiency and effectiveness of operations and maintenance of developed parks.
- Provide new or expanded access to nature for people, particularly in proximity to neighborhoods, centers, corridors or transit.
- Provide people with access to water with scenic and/or recreational opportunities.
- Increase access for those living with disabilities through investments in projects using universal design principles and Americans with Disability Act compliance.
- Provide opportunities for culturally responsive public improvements identified by communities of color and/or greater Portland's Indigenous community.
- Provide natural history and site interpretation including compelling and accurate representations of historical individuals, communities and populations.

#### **Metro parks and nature destinations**

The following Metro parks and natural areas are eligible for capital maintenance infrastructure and accessibility improvements with bond funding. See map for location information.



1. Blue Lake Regional Park
2. Canemah Bluff Nature Park
3. Chinook Landing Marine Park
4. Cooper Mountain Nature Park
5. Farmington Paddle Launch
6. Glendoveer Golf Course and Nature Trail
7. Graham Oaks Nature Park
8. Historic cemeteries, including Lone Fir Cemetery
9. Howell Territorial Park
10. M. James Gleason Memorial Boat Ramp
11. Mason Hill Park
12. Mount Talbert Nature Park
13. Orenco Woods Nature Park
14. Oxbow Regional Park
15. Sauvie Island Boat Ramp
16. Scouters Mountain Nature Park
17. Smith and Bybee Wetlands Natural Area

### **Increasing opportunities for people to connect with nature**

The following Metro parks and natural areas have current adopted master plans. Projects in those plans are eligible for bond investments. See map for location detail.

- A. Burlington Creek Forest Natural Area
- B. Chehalem Ridge Natural Area
- C. East Council Creek Natural Area
- D. Gabbert Butte Natural Area
- E. Killin Wetlands Nature Park
- F. Lone Fir Cemetery
- G. McCarthy Creek Forest Natural Area
- H. Newell Creek Canyon Natural Area

The Metro Council may identify new locations for Metro capital investments using bond funding that meet the program requirements described above including capital maintenance, infrastructure and accessibility improvements.

Agenda Item No. 4.3

**Resolution No. 20-5139**, For the Purpose of Emergency Operations Plan (EOP) and NIMS  
(National Incident Management System) Compliance

*Resolutions*

Metro Council Meeting  
Thursday, December 10, 2020

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE ) RESOLUTION NO. 20-5139  
NATIONAL INCIDENT MANAGEMENT )  
SYSTEM ) Introduced by Chief Operating Officer  
) Marissa Madrigal in concurrence with  
) Council President Lynn Peterson

WHEREAS, response to and recovery from major emergencies and disasters requires integrated professional management and coordination; and

WHEREAS, the United States President directed the Secretary of the Department of Homeland Security to develop and administer a National Incident Management System to standardize and enhance incident management procedures nationwide; and

WHEREAS, the National Incident Management System provides a structure and process to effectively coordinate responders from multiple disciplines and levels of government and to integrate them with resources from the private sector and non-governmental organizations; and

WHEREAS, use of the National Incident Management System, which has as a key component the Incident Command System (ICS), will improve Metro's ability to manage major emergencies and disasters; and

WHEREAS, as a condition to receive federal preparedness grants Metro must adopt and use the National Incident Management System; now therefore,

BE IT RESOLVED that Metro hereby adopts the National Incident Management System as the foundation for incident command, coordination and support activities. It is further the policy of Metro to provide appropriate training on the National Incident Management System and its core components to personnel responsible for managing and/or supporting major emergency and disaster operations.

ADOPTED by the Metro Council this 10th day of December 2020.

\_\_\_\_\_  
Lynn Peterson, Council President

Approved as to Form:

\_\_\_\_\_  
Carrie MacLaren, Metro Attorney

**[STAFF REPORT FOR USE FOR WORK SESSIONS AND COUNCIL MEETINGS]**

IN CONSIDERATION OF RESOLUTION NO. 20-5139, FOR THE PURPOSE OF  
ADOPTING THE NATIONAL INCIDENT MANAGEMENT SYSTEM

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Date: 11/23/2020  
Department: Capital Asset Management  
Meeting Date: 12/10/2020

Presenter(s) (if applicable): Courtney  
Patterson  
Length: 10 minutes

Prepared by: Courtney Patterson, 503-  
349-5053

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**ISSUE STATEMENT**

Metro plays an official role in disaster debris management following a regional incident and will need to have a common framework to partner with other local governments and the private sector. Metro has leveraged the National Incident Management System (NIMS) framework in responding to recent emergencies, including COVID-19 and disastrous wildfires in the region. Our work around emergency transportation routes for the region is eligible for federal funding support upon adoption of the NIMS framework. Thus, a framework is needed to provide consistency and efficiency in responding to emergencies like wildfires, COVID-19, or other incidents and ensuring eligibility for federal funds.

National incidents, especially the terrorist attack on 9-11-2001, demonstrated that the entire country needed a streamlined process for managing emergency incidents. In March 2004, FEMA issued the National Incident Management System (NIMS) framework to create a scalable structure for managing all incidents from a house fire to a global pandemic. Since 2004, thousands of local, state, federal, non-profit, and private agencies have adopted NIMS. In order to gain access to federal emergency management grant funds and formalize its emergency management program, Metro must also adopt NIMS.

**ACTION REQUESTED**

We recommend adoption of resolution No. 20-5139. This resolution formalizes Metro's emergency management program and provides policy guidance to utilize NIMS, the national emergency response standard.

**IDENTIFIED POLICY OUTCOMES**

This resolution seeks to adopt a national standard for emergency response. NIMS is a framework and can be adjusted to meet Metro specific functions and structure. It allows Metro to use the same structure that is used by local, state, federal, non-profit and private sector partners.



## **POLICY QUESTION(S)**

Should Metro utilize the National Incident Management System as a framework for responding to regional emergencies?

## **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

Adopt the National Incident Management System:

- Respond to incidents in a manner consistent with the national framework;
- Ensures eligibility for federal funding support;
- Allows Metro staff and programs to interoperate with other local, state, federal, non-profit, and private sector partners.

Choose not to adopt the National Incident Management System:

- Lose eligibility for over \$200,000 this FY in federal homeland security grants and potential future funding in future FYs;
- Risk confusion in response strategies with other partners.

## **STAFF RECOMMENDATIONS**

Adopt the National Incident Management System (NIMS) via resolution to provide a framework for responding to emergencies and ensure Metro's eligibility for federal homeland security grant funds.

## **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

Metro's role in responding to regional emergencies stems from previous policy adoption for the 2030 Regional Waste Plan and the Racial Equity, Diversity, and Inclusion strategy. Implementation of these plans and responding to regional emergencies requires coordination both internally and externally.

The 2030 Regional Waste Plan has three goals related to emergency response and resilience. NIMS adoption is a basic first step towards building emergency management partnerships and a solid emergency management program.

As COVID-19 has demonstrated, emergencies have disproportionate impacts on communities of color. Emergency management work that is grounded in equity principles will build resilience in the most impacted communities.

Local government partners have encouraged Metro to build an emergency management program especially around its post-disaster debris management roles. COVID-19 has also shown that our partners will look to Metro for assistance with sheltering.

In Homeland Security Presidential Directive-5 (HSPD-5), President Bush called on the Secretary of Homeland Security to develop a national incident management system to provide a consistent nationwide approach for federal, state, tribal and local governments to work together to prepare for, prevent, respond to and recover from domestic incidents, regardless of cause, size or complexity.

On March 1, 2004, after close collaboration with state and local government officials and representatives from a wide range of public safety organizations, Homeland Security issued the NIMS .

Oregon adopted NIMS as its Incident Management System through legislative statute 401.092

To encourage other governments to adopt NIMS homeland security grant funds require that all recipient agencies formally adopt NIMS before they are eligible for the grant. Metro is slated to receive Urban Area Security Initiative (UASI) 2018 reimbursement and must adopt NIMS before 12/31/2020.

### **BACKGROUND**

At the March 3, 2020 Council work session Courtney Patterson previewed this resolution. Council discussed the Emergency Operations Plan and ongoing preparations for COVID-19 response. At the November 5, 2020 work session, staff shared how the agency responded to regional wildfires using the NIMS framework.

The Council resolution to formalize the emergency management program with a NIMS resolution was delayed due to COVID-19 and wildfire response workload. However, Metro's Incident Management Team (IMT) has used the NIMS framework and Emergency Operations Plan throughout the response.

### **ATTACHMENTS**

Powerpoint to be submitted closer to the presentation date

Agenda Item No. 5.1

**Ordinance No. 20-1451**, For the Purpose of Updating the Regional Waste Plan Code

*Ordinance (Second Reading & Vote)*

Metro Council Meeting  
Thursday, December 10, 2020

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF UPDATING METRO	)	ORDINANCE NO. 20-1451
CODE CHAPTER 5.10 TO IMPROVE CLARITY,	)	
REMOVE OUTDATED SECTIONS AND ALIGN	)	Introduced by Chief Operating Officer
WITH THE REGIONAL WASTE PLAN AND TO	)	Marissa Madrigal in concurrence with
ADD A NEW METRO CODE CHAPTER 5.15	)	Council President Lynn Peterson
AND TO UPDATE DEFINITIONS IN METRO	)	
CODE CHAPTER 5.00	)	

WHEREAS, the Metro solid waste code is set forth in Title V of the Metro Code; and

WHEREAS, Metro Code Chapter 5.10 contains the requirements for the Regional Waste Plan;  
and

WHEREAS, the proposed updates to Metro Code Chapter 5.10 include moving provisions related to local government requirements to a new, separate chapter to improve clarity, consistency and make the code easier to understand by the public; and

WHEREAS, the proposed updates to Metro Code Chapter 5.10 remove obsolete requirements under the old Regional Solid Waste Management Plan as well as obsolete Oregon state statute that is no longer in effect; and

WHEREAS, as a result of updating and renumbering Metro Code Chapter 5.10, a new Metro Code Chapter 5.15 is added; and

WHEREAS, as a result of updating Metro Code Chapter 5.10, Metro Code Chapter 5.00 must also be updated to add and clarify definitions; and

WHEREAS, the proposed updates to Metro Code Chapter 5.10 and the addition of Metro Code Chapter 5.15 remove unnecessary and outdated provisions, clarifies terms, and other housekeeping revisions that will also improve its readability and make it easier to understand; and

WHEREAS, staff solicited input from the public on the proposed changes to Metro Code Chapter 5.10 and 5.15 by consulting with the Regional Waste Advisory Committee, Metro’s Committee on Racial Equity, local government partners, Metro Policy Advisory Committee and other stakeholders as well as providing a 30-day public comment period during September and October 2020; and

WHEREAS, because the current Chapter 5.10 code sections will be rewritten and significant portions moved to a new Chapter 5.15 and re-ordered to establish a more logical flow, current Chapter 5.10 should be repealed and replaced in its entirety with the attached Exhibit A to avoid confusing tracked changes; and

WHEREAS, the Chief Operating Officer recommends that the Metro Council adopt the proposed updates to Metro Code Chapter 5.10 to improve clarity and consistency and to conform with other updates and improvements; and

WHEREAS, the Metro Council finds that the updates to Metro Code Chapter 5.10 provide greater clarity for the public and further the goals of the agency; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code Chapter 5.10 is repealed and replaced in its entirety with a new Chapter 5.10 (“Regional Waste Plan”) as set forth in the attached Exhibit A;
2. A new Chapter 5.15 (“Local Government Requirements Under the Regional Waste Plan”) is added to the Metro Code as set forth in the attached Exhibit B.
3. Metro Code Chapter 5.00 (“Definitions”) is amended to add definitions as set forth in the attached Exhibit C.
4. To ensure accurate references in current administrative rules, all references in Metro Administrative Rules 4000-4085 to former section numbers in Metro Code Chapter 5.10 are hereby changed to the appropriate Chapter 5.15 reference without the need for a public comment period or oral hearing as normally required by Metro Code Chapter 5.08.

ADOPTED by the Metro Council this 10th day of December 2020.

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Lynn Peterson, Council President

Attest:

Approved as to Form:

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\_ Jaye Cromwell, Recording Secretary

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Carrie MacLaren, Metro Attorney

Exhibit A

**CHAPTER 5.10**

**REGIONAL WASTE PLAN**

- 5.10.010 Authority
- 5.10.020 Application
- 5.10.030 Regional Waste Plan Requirements
- 5.10.040 Regional Waste Plan Amendments
- 5.10.050 Severability
- 5.10.060 Administrative Rules

### **5.10.010 Authority**

Metro's solid waste planning and implementing authority is established under the Metro Charter, the Constitution of the State of Oregon, and ORS Chapters 268 and 459.

### **5.10.020 Application**

The Regional Waste Plan applies to all portions of Clackamas, Washington, and Multnomah Counties within Metro's jurisdictional boundary.

### **5.10.030 Regional Waste Plan Requirements**

- (a) The Regional Waste Plan contains requirements and performance standards that are binding on a local government within Metro's jurisdictional boundary. The requirements and performance standards that are binding on a local government are set forth in Chapter 5.15 and associated administrative rules.
- (b) The Regional Waste Plan also contains requirements and performance standards that may result in changes to other sections of Metro Code including, but not limited to, all chapters in Title V and other code sections related to solid waste matters.

### **5.10.040 Regional Waste Plan Amendments**

- (a) The Chief Operating Officer may recommend amendments to the Regional Waste Plan for consideration by Council. Council may adopt amendments to the Regional Waste Plan by ordinance.
- (b) If Council adopts an amendment to the Regional Waste Plan that affects the waste reduction program, the Chief Operating Officer will submit the applicable amendments to the DEQ for review and approval.
- (c) The Chief Operating Officer may administratively correct any typographical or scrivener's errors discovered in the Regional Waste Plan without further petition, notice, or hearing.

### **5.10.050 Severability**

This chapter's sections and those of the Regional Waste Plan are severable. Any action by any state agency or judgment of a court of competent jurisdiction invalidating any section of this chapter or the Regional Waste Plan does not affect the validity of any other section.

### **5.10.060 Administrative Rules**

The Chief Operating Officer may adopt administrative rules under the provisions set forth in Chapter 5.08 to govern the obligations under this chapter and implement all provisions of this chapter.

Exhibit B

**CHAPTER 5.15**

**LOCAL GOVERNMENT REQUIREMENTS UNDER THE REGIONAL WASTE PLAN**

**GENERAL PROVISIONS**

- 5.15.010 Purpose and Intent
- 5.15.020 Compliance with the Regional Waste Plan
- 5.15.030 Compliance Date; Extension Request
- 5.15.040 Non-Compliance
- 5.15.050 Technical and Financial Assistance
- 5.15.060 Local Government Conformity to the Regional Waste Plan
- 5.15.070 Administrative Rules

**RESIDENTIAL SERVICE**

- 5.15.110 Purpose and Intent
- 5.15.120 Implementation and Compliance
- 5.15.130 Residential Service Standard

**BUSINESS SERVICE AND RECYCLING REQUIREMENT**

- 5.15.210 Purpose and Intent
- 5.15.220 Implementation and Compliance
- 5.15.220 Business Service Standard
- 5.15.230 Business Recycling Requirement
- 5.15.240 Business Recycling Requirement Performance Standard
- 5.15.250 Metro Enforcement of Business Recycling Requirement
- 5.15.260 Business Recycling Requirement Model Ordinance

**GENERAL EDUCATION**

- 5.15.310 Purpose and Intent
- 5.15.320 Implementation and Compliance
- 5.15.330 General Education Standard

**BUSINESS FOOD WASTE REQUIREMENT**

- 5.15.410 Purpose and Intent
- 5.15.420 Business Food Waste and Covered Businesses
- 5.15.430 Business Food Waste Requirement
- 5.15.440 Business Food Waste Requirement Performance Standard
- 5.15.450 Temporary Waiver
- 5.15.460 Metro Enforcement of Business Food Waste Requirement
- 5.15.470 Business Food Waste Model Ordinance



## **GENERAL PROVISIONS**

### **5.15.010 Purpose and Intent**

The purpose of this chapter is to establish a process for determining whether local government actions comply with the Regional Waste Plan. The Council intends the process to be efficient and cost effective and to provide an opportunity for the Council to interpret the requirements of the Regional Waste Plan.

### **5.15.020 Compliance with the Regional Waste Plan**

- (a) A local government must comply with the Regional Waste Plan.
- (b) Metro will notify each local government that is not in compliance with the Regional Waste Plan. The Chief Operating Officer will make findings regarding the non-compliance and will recommend actions that will bring the local government into compliance.
- (c) A local government that receives a notice of non-compliance must respond to Metro in writing within 60 days from the date of the notification. The response must include:
  - An agreement to implement Metro's recommended actions;
  - An alternate proposal for Metro's consideration and approval that describes other actions that the local government will take to achieve compliance; or
  - A request for a compliance extension under Section 5.15.030.
- (d) If a local government fails to respond as provided in subsection (c) or refuses to comply with the Regional Waste Plan requirements, the Chief Operating Officer may proceed to the non-compliance procedures under Section 5.15.040 and as set forth in administrative rule.

### **5.15.030 Compliance Date; Extension Request**

- (a) Metro will notify each local government of the compliance date of all Regional Waste Plan requirements.
- (b) A local government may seek an extension of time to comply with a Regional Waste Plan requirement by submitting a written request for an extension to Metro as set forth in administrative rule.

#### **5.15.040 Non-Compliance**

- (a) The Council may review the Chief Operating Officer's finding that a local government has not complied with the Regional Waste Plan requirements and performance standards. The process is set forth in administrative rules.
- (b) If the Council finds that the local government action is out of compliance with the Regional Waste Plan or any related rules or provisions of the Metro Code, the Council may adopt a resolution that (1) identifies the noncompliant action; (2) directs changes in the local government action; and (3) requires any other action, including penalties.
- (c) If the Council chooses not to review the Chief Operating Officer's findings, the Chief Operating Officer will direct the necessary actions.

#### **5.15.050 Technical and Financial Assistance**

Metro will encourage a local government to use the technical and financial assistance programs provided by Metro to help the local government comply with the Regional Waste Plan requirements.

#### **5.15.060 Local Government Conformity to the Regional Waste Plan**

A local government may not adopt any ordinance, order, regulation, or contract affecting solid waste management that conflicts with the Regional Waste Plan requirements.

#### **5.15.070 Administrative Rules**

- (a) The Chief Operating Officer may adopt administrative rules under the provisions set forth in Chapter 5.08 to govern the obligations under this chapter and implement all provisions of this chapter.
- (b) In addition to the general administrative rulemaking authority in Chapter 5.08, the Chief Operating Officer also has explicit authority to establish by administrative rule:
  - (1) The procedures and timelines for seeking an extension for compliance.
  - (2) The process for review of the Chief Operating Officer's findings per section 5.15.040.

## **RESIDENTIAL SERVICE**

### **5.15.110 Purpose and Intent**

A local government must adopt and implement the residential service standard as required by the Regional Waste Plan and as specified in this chapter and administrative rules. The residential service standard ensures a comprehensive and consistent level of solid waste collection service for the region.

### **5.15.120 Implementation and Compliance**

- (a) A local government must implement the residential service standard by adopting the provisions of Section 5.15.130 and associated administrative rules.
- (b) A local government must provide information related to compliance with this requirement at Metro's request and as specified in administrative rules.

### **5.15.130 Residential Service Standard**

The Chief Operating Officer will adopt administrative rules to implement the residential service standard. The standard requires, without limitation, that a local government must:

- (a) Provide comprehensive single-family residential solid waste collection services including collection of acceptable recyclable materials;
- (b) Provide comprehensive multifamily residential solid waste collection services including collection of acceptable recyclable materials;
- (c) Implement minimum service levels for all collected materials for multifamily residential customers.
- (d) Develop and implement standards for collection areas, to ensure adequate access to collection receptacles.
- (e) Provide supporting solid waste outreach and education programs and materials to all residential solid waste generators.
- (f) Implement regional standards for collection container colors, signage and related informational materials.
- (g) Provide bulky waste collection service.

## **BUSINESS SERVICE AND RECYCLING REQUIREMENT**

### **5.15.210 Purpose and Intent**

The business service standard and recycling requirement provide education and collection service requirements for the business sector in order to create a consistent standard throughout the Metro region and to increase recycling.

### **5.15.220 Implementation and Compliance**

- (a) A local government must implement the business service standard by adopting the provisions of Section 5.15.230 and associated administrative rules.
- (b) A local government must provide information related to compliance with this requirement at Metro's request and as specified in administrative rules.

### **5.15.230 Business Service Standard**

- (a) Provide complete business solid waste collection services according to the standards specified in administrative rules; and
- (b) Provide solid waste outreach and education programs and materials to all business solid waste generators according to the standards specified in administrative rules.

### **5.15.240 Business Recycling Requirement**

- (a) A local government must:
  - (1) Adopt the business recycling requirement model ordinance or demonstrate that existing local government ordinances comply with the performance standard in Section 5.15.250 and the corresponding administrative rules.
  - (2) Establish a method for businesses to comply with the business recycling requirement model ordinance or local government ordinance; or
  - (3) Enter into an intergovernmental agreement with Metro that provides for Metro to establish a method for enforcing compliance by businesses with the business recycling requirement.
- (b) The local government must provide information related to the local government's implementation of the business recycling requirements at Metro's request and as specified in administrative rules.

### **5.15.250 Business Recycling Requirement Performance Standard**

The Chief Operating Officer will adopt administrative rules to address the business recycling requirement performance standard. The performance standard must include, without limitation, the following elements:

- (a) Businesses must:

- (1) Source-separate all recyclable paper, cardboard, glass and plastic bottles and jars, and aluminum and tin cans for reuse or recycling;
  - (2) Provide recycling receptacles for internal maintenance or work areas where recyclable materials may be collected, stored, or both; and
  - (3) Post accurate signs where recyclable materials are collected, stored, or both that identify the materials that the business must source-separate for reuse or recycling and that provide recycling instructions.
- (b) A local government must ensure that businesses comply with the business recycling requirement.
- (c) A local government may exempt a business from some or all of the business recycling requirement if:
- (1) The business provides access to the local government for a site visit; and
  - (2) The local government determines during the site visit that the business cannot comply with the business recycling requirement.

#### **5.15.260 Metro Enforcement of Business Recycling Requirement**

The Chief Operating Officer may execute an intergovernmental agreement with a local government to enforce business recycling requirement within its jurisdiction.

#### **5.15.270 Business Recycling Requirement Model Ordinance**

The Chief Operating Officer may adopt a business recycling requirement model ordinance for use by a local government. The model ordinance is advisory only.

### **GENERAL EDUCATION**

#### **5.15.310 Purpose and Intent**

A local government must adopt and implement the general education standard as required by the Regional Waste Plan and as specified in this chapter and administrative rules. The education standard ensures a comprehensive and consistent level of garbage, recycling, composting, waste prevention and reuse education and assistance for all customers in the region.

#### **5.15.320 Implementation and Compliance**

- (a) A local government must implement the education standard by adopting the provisions of Section 5.15.330 and associated administrative rules.
- (b) A local government must provide information related to compliance with this requirement at Metro's request and as specified in administrative rules.

#### **5.15.330 General Education Standard**

The Chief Operating Officer will adopt administrative rules to implement the general education standard. The standard must require without limitation that a local government must:

- (a) Provide solid waste outreach and education programs and materials to all solid waste customers as set forth in administrative rule.
- (b) Ensure implementation of all outreach and education programs required by state law.

## **BUSINESS FOOD WASTE REQUIREMENT**

### **5.15.410 Purpose and Intent**

The business food waste requirement provides an opportunity to increase recycling of food waste and to assist the Metro region to achieve waste reduction goals. Metro does not intend for this requirement to apply to food that is fit for human consumption and accepted for donation by a charitable organization or the use of food waste for animal consumption in compliance with applicable regulations. [Ord. No. 18-1418.]

### **5.15.420 Business Food Waste and Covered Businesses**

Business food waste is solid waste consisting of food waste removed from the food supply chain that is not fit for human or animal consumption. A covered business is a business that cooks, assembles, processes, serves, or sells food.

### **5.15.430 Business Food Waste Requirement**

A local government must require:

- (a) All covered businesses in its jurisdiction to source-separate business food waste for recovery;
- (b) All source-separated food waste from a covered business to be transported to a facility authorized by Metro to accept food waste; and
- (c) All persons, as defined by Metro Code Section 1.01.040(h), who provide space to a covered business to allow the source separation and collection of food waste at the place of business.

#### **5.15.440 Business Food Waste Requirement Performance Standards**

The Chief Operating Officer will adopt administrative rules to address the business food waste requirement performance standards. The performance standards must include, without limitation, the following elements:

- (a) Provisions requiring that a local government:
  - (1) Notify covered businesses and waste haulers of the business food waste requirement;
  - (2) Require covered businesses and waste haulers to comply with the business food waste requirement;
  - (3) Provide education and technical assistance to covered businesses and waste haulers regarding the business food waste requirement; and
  - (4) Enforce the business food waste requirement.
- (b) Provisions requiring a local government to compel persons providing space to a covered business to allow for the source separation and collection of business food waste.

Metro may allow a local government to waive the business food waste requirement as to a specific business as provided in administrative rules.

#### **5.15.450 Temporary Waiver**

Metro may waive a local government's implementation of the business food waste requirement as specified in administrative rules. The term of a waiver may not exceed one year.

#### **5.15.460 Metro Enforcement of Business Food Waste Requirement**

The Chief Operating Officer may execute an intergovernmental agreement with a local government to enforce business food waste requirements within its jurisdiction.

#### **5.15.470 Business Food Waste Model Ordinance**

Metro may adopt a business food waste requirement model ordinance for use by the local government. The model ordinance is advisory only.

Exhibit C

**TITLE V**

**SOLID WASTE**

- 5.00 Solid Waste Definitions
- 5.01 Solid Waste Facility Regulation<sup>1</sup>
- 5.02 Regional System Fee
- 5.03 Solid Waste Fees at Metro Transfer Stations
- 5.04 Investment and Innovation Program<sup>2</sup>
- 5.05 Solid Waste Flow Control
- 5.06 Solid Waste Community Enhancement Programs
- 5.07 Recycling Credits
- 5.08 Administrative Rulemaking Authority for Title V
- 5.09 Illegal Disposal<sup>3</sup>
- 5.10 Regional Waste Plan<sup>4</sup>

**Repealed**

- 5.02 Disposal Charges and User Fees  
[Repealed Ord. 19-1439]
- 5.03 Disposal Site Franchise Fees  
[Repealed Ord. 14-1332, Sec. 2]
- 5.08 Rate Review Committee  
[Repealed Ord. 00-860A, Sec. 2]

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<sup>1</sup> Formerly "Disposal Site Franchising." Renamed by Ord. 95-621A, Sec 1.

<sup>2</sup> Formerly "One Percent for Recycling Program." Renamed by Ord. 02-937A, Sec 2. Formerly "Recycling Business Assistance Program." Amended by Ord. 17-1415.

<sup>3</sup> Formerly "Illegal Dumping." Renamed by Ord. 13-1311, Sec. 1.

<sup>4</sup> Formerly "Regional Solid Waste Management Plan" Renamed by Ord. 19-1432.



## CHAPTER 5.00

### SOLID WASTE DEFINITIONS

#### 5.00.010 Definitions

For the purposes of Title V Solid Waste, unless the context requires otherwise, the following terms have the meaning indicated:

**Activity** means a primary operation or function that is performed in a solid waste facility or at a disposal site, including but not limited to resource recovery, composting, energy recovery, and other types of processing; recycling; transfer; incineration; and disposal of solid waste. This term does not include operations or functions that serve to support the primary activity, such as segregation.

**Agronomic application rate** means land application of no more than the optimum quantity per acre of compost, sludge or other materials. In no case may the application adversely impact the waters of the State. The application must be designed to:

- (1) Provide the amount of nutrient, usually nitrogen, needed by crops or other plantings, to prevent controllable loss of nutrients to the environment;
- (2) Condition and improve the soil comparable to that attained by commonly used soil amendments; or
- (3) Adjust soil pH to desired levels.

**Alternative Program** means a solid waste management service proposed by a local government that differs from the service required under Chapter 5.10.

**Authorized official** means a person authorized to issue citations under Chapter 5.09.

**Available regional tonnage** means the amount of putrescible solid waste tonnage that Metro may allocate to privately owned transfer stations after Metro has first reserved the applicable minimum amount of putrescible tonnage for the Metro transfer stations. [Ord. 19-1438]

**Business** means any entity of one or more persons, corporate or otherwise, engaged in commercial, professional, charitable, political, industrial, educational, or other activity that is non-residential in nature, including public bodies and excluding businesses whose primary office is located in a residence.

**Business recycling service customer** means a person who enters into a service agreement with a waste hauler or recycler for business recycling services.

**Chief Operating Officer** means the Metro Chief Operating Officer or the Chief Operating Officer's designee.

**Clean fill** means material consisting of soil, rock, concrete, brick, building block, tile or asphalt paving that does not contain contaminants that could adversely impact the waters of the State or public health. This term does not include putrescible waste, cleanup material, construction and demolition waste, or industrial waste.

**Cleanup material** means solid waste resulting from the excavation or cleanup of releases of hazardous substances into the environment, including street sweeping waste, non-hazardous contaminated soils that do not qualify as clean fill (such as petroleum contaminated soils) and contaminated debris resulting from the cleanup of chemical spills or releases. This term does not include solid waste generated by manufacturing or industrial processes.

**Closure** means restoring a solid waste facility or a disposal site to its condition before licensed or franchised solid waste activities began at the site. Closure includes, but is not limited to, the removal of all accumulations of solid waste and recyclable materials from the site.

**Code** means the Metro Code.

**Community enhancement fee** or **enhancement fee** means the fee collected in addition to general disposal rates that pays for rehabilitation and enhancement projects in the areas surrounding solid waste facilities and disposal sites.

**Compost** means the stabilized product of composting.

**Composting** means the controlled biological decomposition of organic material.

**Conditionally exempt generator (CEG)** means a conditionally exempt small quantity generator as defined in 40 CFR 261.5.

**Conversion technology facility** means a facility that uses primarily chemical or thermal processes other than melting (changing from solid to liquid through heating without changing chemical composition) to produce fuels, chemicals, or other useful products from solid waste. These chemicals of thermal processes include, but are not limited to, distillation, gasification, hydrolysis, pyrolysis, thermal depolymerization, transesterification and animal rendering, but do not include direct combustion, composting, anaerobic digestion, melting, or mechanical recycling. Mills that primarily use mechanical recycling or melting to recycle materials back into similar materials are not considered to be conversion technology facilities, even if they use some chemical or thermal processes in the recycling process.

**Council** means the Metro Council.

**Customer** means all generators receiving solid waste and recycling collection service whether or not they are the primary account holder.

**DEQ** means the Department of Environmental Quality of the State of Oregon.

**Department** means Metro's Property and Environmental Services Department.

**Designated facility** means a facility in the system of solid waste facilities and disposal sites that Metro authorizes under Chapter 5.05 to accept waste generated within the jurisdiction of Metro.

**Direct haul** means the delivery of putrescible waste from a solid waste facility directly to Metro's contract operator for disposal of putrescible waste. Direct haul is an activity under Chapter 5.01.

**Disposal fee** means a fee that pays the direct unit costs of transportation and disposal of general purpose solid waste.

**Disposal site** means the land, buildings, and equipment used for the disposal of solid waste whether or not open to the public. This term does not include a solid waste facility.

**Electronic device** means:

- (1) A computer monitor of any type having a viewable area greater than four inches measured diagonally;
- (2) A desktop computer or portable computer;
- (3) A television of any type having a viewable area greater than four inches measured diagonally; or
- (4) Any part of a clothes washer, clothes dryer, refrigerator, freezer, microwave oven, conventional oven or range, dishwasher, room air conditioner, dehumidifier or air purifier.

**Energy recovery** means a type of resource recovery that is limited to methods in which all or a part of solid waste materials are processed to use the heat content or another form of energy.

**Facility** means the land, buildings, and equipment used for an activity.

**Franchise** means the grant of authority or privilege given by the Council to operate a disposal site, transfer station, energy recovery facility, or to conduct any other activity that requires authorization under Chapter 5.01.

**Franchisee** means the holder of a current, validly issued franchise granted by the Council under Chapter 5.01.

**Franchise fee** means the fee Metro charges the franchisee for the administration of the franchise.

**Hazardous substance** means any substance defined as a hazardous substance pursuant to Section 101(14) of the federal Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 USC 9601 et seq., oil, as defined in ORS 465.200, and any substance designated by DEQ under ORS 465.400.

**Hazardous waste** has the meaning provided in ORS 466.005.

**Hearings officer** means a person that Metro designates to hear and decide cases under this title.

**Household hazardous waste** means any discarded, useless or unwanted chemical, material, substance or product that is or may be hazardous or toxic to the public or the environment and is commonly used in or around households and is generated by the household. Household hazardous waste may include but is not limited to some cleaners, solvents, pesticides, and automotive and paint products.

**Inert** means containing only constituents that are biologically and chemically inactive and that, when exposed to biodegradation and/or leaching, will not adversely impact the waters of the State or public health.

**License** means the permission given by the Council or Chief Operating Officer to operate a solid waste facility not otherwise exempted or requiring a franchise under Chapter 5.01.

**Licensee** means the holder of a current, validly issued license granted by the Council or Chief Operating Officer under Chapter 5.01.

**Limited capacity landfill** means a landfill that has sought a site development plan amendment for expansion of the landfill capacity from the Oregon Department of Environmental Quality, and has not received approval from the Department by May 25, 2017, or the equivalent determination in another state. [Ord. 17-1401, Sec. 2.]

**Local government** means any city or county that is within Metro's jurisdiction, including the unincorporated areas of Clackamas, Multnomah, and Washington Counties.

**Local government action** means adoption of any ordinance, order, regulation, contract, or program affecting solid waste management.

**Material recovery** means a type of resource recovery that is limited to manual or mechanical methods of obtaining material from solid waste that still has useful physical or chemical properties and can be reused, recycled, or composted for some purpose. Material recovery includes obtaining material from solid waste that is used in the preparation of fuel, but excludes the extraction of heat content or other forms of energy from the material.

**Medical waste** means solid waste that is generated as a result of patient diagnosis, treatment or immunization of human beings or animals.

**Metro Central Station** is the Metro solid waste transfer and recycling station located at 6161 NW 61st Avenue, Portland, Oregon 97210.

**Metro South Station** is the Metro solid waste transfer and recycling station located at 2001 Washington Street, Oregon City, Oregon 97045.

**Multifamily residential** means residential dwelling communities having at least five units.

**New landfill** means a landfill that receives its initial permission from DEQ to receive solid waste on or after May 25, 2017, or the equivalent determination in another state. [Ord. 17-1401, Sec. 2.]

**Non-commercial customer** means a person who is not primarily engaged in the business of collection or transportation of solid waste and who is not authorized by any federal, state or local government to perform such collection or transportation.

**Non-putrescible waste** means any waste that contains no more than trivial amounts of putrescible materials or minor amounts of putrescible materials contained in such a way that they can be easily separated from the remainder of the load without causing contamination of the load. This term includes construction and demolition waste. This term does not include cleanup material, source-separated recyclable materials, special waste, land clearing debris or yard debris.

**Non-system facility** means any solid waste facility, disposal site, transfer station, processing facility, recycling drop center, resource recovery facility or other facility for the disposal, recycling or other processing of solid waste if the facility is not part of the system.

**Non-system license** means the permission given by the Council or Chief Operating Officer to transport solid waste generated within the Metro boundary to a non-system facility.

**Person** has the same meaning as in Metro Code Section 1.01.040. For any person other than an individual, the acts of the person's employees, contractors, and authorized agents are considered the acts of the person.

**Petroleum contaminated soil** means soil into which hydrocarbons, including gasoline, diesel fuel, bunker oil or other petroleum products have been released. This term does not include soil that is contaminated with petroleum products but also contaminated with hazardous waste or radioactive waste.

**Process, processing, or processed** means a method or system of altering the form, condition or content of wastes, including but not limited to composting, vermiprocessing and other controlled methods of biological decomposition; classifying; separating; shredding, milling, pulverizing, or hydropulping. This term does not include incineration or mechanical volume reduction techniques such as baling and compaction.

**Processing facility** means a facility where or by which solid wastes are processed. This term does not include commercial and home garbage disposal units which are used to process food wastes and are part of the sewage system, hospital incinerators, crematoriums, paper shredders in commercial establishments, or equipment used by a recycling drop center.

**Processing residual** means the solid waste that remains after resource recovery has occurred and which is intended for disposal.

**Putrescible** means rapidly decomposable by microorganisms, which may give rise to foul smelling, offensive products during such decomposition or which is capable of attracting or providing food for birds and potential disease vectors such as rodents and flies.

**Putrescible waste** means waste containing putrescible material.

**Radioactive waste** means the same as defined in ORS 469.300.

**Rate** means the amount that a solid waste facility or disposal site charges to receive, process, transfer, or dispose of solid waste.

**Recoverable solid waste** means source-separated or homogeneous material accepted in a single transaction at Metro Central Station or at Metro South Station in a form that is usable by existing technologies (notwithstanding the presence of incidental amounts or types of contaminants) for reuse, recycling, controlled biological decomposition of organic material including composting and digestion, and the preparation of fuels that meet an engineering, industrial, or market specification. This term does not include mass burning, incineration in refuse derived fuel facilities, and similar methods of extracting energy from mixed solid wastes.

**Recyclable material** means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and that can be reused, recycled, or composted for the same or other purpose(s).

**Recycle** or **recycling** means any process by which waste materials are transformed into new products in such a manner that the original products may lose their identity.

**Recycling drop center** means a facility that receives and temporarily stores multiple source-separated recyclable materials, including but not limited to glass, scrap paper, corrugated paper, newspaper, tin cans, aluminum, plastic and oil, which materials will be transported or sold to third parties for reuse or resale. This term does not include a facility that processes source-separated recyclable materials.

**Regional Waste Plan** or **RWP** means the Regional Waste Plan adopted as a functional plan by Council and approved by DEQ.

**Regional system fee** means a fee that recovers the costs for all associated regional solid waste activities related to managing, planning and administering the entire recycling, processing and disposal system.

**Reload** means the activity of receiving solid waste for the purpose of consolidating and transferring it to a solid waste facility.

**Required use order** means a written order issued pursuant to Chapter 5.05 requiring a waste hauler or other person to use a designated facility pursuant to the terms of the order.

**Residence** means the place where a person lives.

**Resource recovery** means a process by which useful material or energy resources are obtained from solid waste.

**Reuse** means the return of a commodity into the economic stream for use in the same kind of application as before without change in its identity.

**RWP requirement** means the portions of the Regional Waste Plan that are binding on local governments as set forth in Chapter 5.10.

**Segregation** means the removal of prohibited wastes, unauthorized wastes, bulky material (such as but not limited to white goods and metals) incidental to the transfer of solid waste. Segregation does not include resource recovery or other processing of solid waste. The sole intent of segregation is not to separate useful material from the solid waste but to remove prohibited, unauthorized waste or bulky materials that could be hard to handle by either the facility personnel or operation equipment.

**Significant disruption** means an event that disrupts access to a transfer station, creates increased risk to human health or the environment, or impacts the normal operations, transportation routes or established system of a waste hauler or a transfer station. A significant disruption event may be caused by system disruptions (such as long term road repair or closures or facility construction) or natural forces (such as severe weather, flood, landslide or earthquake).

**Single-family residential means individual residential dwelling units, duplexes, triplexes, or four-plexes.**

**Solid waste** means all putrescible and non-putrescible wastes, including without limitation, garbage, rubbish, refuse, ashes, waste paper and cardboard; discarded or abandoned vehicles or parts thereof; sewage sludge, septic tank and cesspool pumpings or other sludge; commercial, industrial, demolition and construction waste; discarded home and industrial appliances; asphalt, broken concrete and bricks; manure, vegetable or animal solid and semi-solid wastes, dead animals; infectious waste; and other such wastes, including without limitation cleanup materials, commingled recyclable material, petroleum contaminated soil, special waste, source-separated recyclable material, land clearing debris and yard debris. This term does not include:

- (1) Hazardous wastes;
- (2) Radioactive wastes;
- (3) Materials used for fertilizer, soil conditioning, humus restoration, or for other productive purposes or which are salvageable for these purposes and are used on land in agricultural operations and the growing or harvesting of crops and the raising of fowls or animals, provided the materials are used at or below agronomic application rates; or
- (4) Explosives.

**Solid waste facility** means a facility at which solid waste is received for transfer, resource recovery, and/or processing. The term does not include disposal sites.

**Solid waste system facility** means a facility that Metro designates as part of Metro's system for the management and disposal of solid and liquid waste. This term includes, but is not limited to, all designated facilities set forth in Chapter 5.05 and any non-system facility that receives solid waste from within the Metro area, whether pursuant to an authorized non-system license or otherwise.

**Source separate or source separated or source separation** means that the person who last uses recyclable material separates the recyclable material from solid waste.

**Source-separated recyclable material or Source-separated recyclables** means solid waste that has been source separated by the waste generator for the purpose of reuse, recycling, or composting. This term includes (1) all homogenous loads of recyclable materials that have been source separated by material type for the purpose of recycling (i.e., source-sorted) and (2) residential and commercial commingled recyclable materials, which include only those recyclable material types that the local jurisdiction, where the materials were collected, permits to be mixed together in a single container as part of its residential curbside recyclable material collection program. This term does not include any other commingled recyclable materials.

**Special waste** means any waste (even though it may be part of a delivered load of waste) that falls within one or more of the following categories:

- (1) Containerized waste (e.g., a drum, barrel, portable tank, box, pail, etc.) of a type listed in 3 through 9 or 11 of this definition below.
- (2) Waste transported in a bulk tanker.
- (3) Liquid waste including outdated, off spec liquid food waste or liquids of any type when the quantity and the load would fail the paint filter liquid (Method 9095, SW-846) test or includes 25 or more gallons of free liquid per load, whichever is more restrictive.
- (4) Containers (or drums) that once held commercial products or chemicals, unless the containers (or drums) are empty as provided in 40 CFR 261.7(b)(1).
- (5) Sludge waste from septic tanks, food service, grease traps, or wastewater from commercial laundries, laundromats or car washes.
- (6) Waste from an industrial process.
- (7) Waste from a pollution control process.
- (8) Residue or debris from the cleanup of a spill or release of chemical substances, commercial products or wastes listed in 1 through 7 or 9 of this definition.
- (9) Soil, water, residue, debris, or articles which are contaminated from the cleanup of a site or facility formerly used for the generation, storage, treatment, recycling, reclamation, or disposal of wastes listed in 1 through 8 of this definition.
- (10) Chemical-containing equipment removed from service (for example: filters, oil filters, cathode ray tubes, lab equipment, acetylene tanks, CFC tanks, refrigeration units, or any other chemical-containing equipment).



- (11) Waste in waste containers that are marked with a National Fire Protection Association identification label that has a hazard rating of 2, 3, or 4, but not empty containers so marked.
- (12) Any waste that requires extraordinary management or special handling. Examples of such special wastes are: chemicals, liquids, sludge and dust from commercial and industrial operations; municipal waste water treatment plant grits, screenings and sludge; contaminated soils; tannery wastes, empty pesticide containers, and dead animals or by-products.
- (13) Medical waste.

**Specific material recycler** means a facility that processes a single type of non-putrescible recyclable material that holds intrinsic value in established reuse or recycling markets. These materials include, but are not limited to, scrap metal, plastic, paper, or other similar commodities. This term does not include a facility that processes commingled source-separated recyclables collected through curbside residential or commercial collection programs.

**Standard recyclable materials** means newspaper, ferrous scrap metal, non-ferrous scrap metal, used motor oil, corrugated cardboard and kraft paper, aluminum, container glass, high-grade office paper, tin/steel cans, yard debris, mixed scrap paper, milk cartons, plastic containers, milk jugs, phone books, magazines, and empty aerosol cans.

**State** means the State of Oregon.

**Substantial compliance** means local government actions, on the whole, conform to the purposes of the performance standards in Chapter 5.10 and any failure to meet individual performance standard requirements is technical or minor in nature.

**System** means all facilities that Metro designates as part of its system for the management and disposal of solid and liquid waste. This includes, but is not limited to, the following:

- (1) Recycling and other volume reduction facilities;
- (2) Landfills, or other disposal means;
- (3) Resource recovery facilities (including steam production and electrical generating facilities using solid waste as fuel);
- (4) Recycling and transfer stations;
- (5) Roads, water lines, wastewater lines and treatment facilities to the extent used to carry out the provisions of ORS chapter 268 and other applicable laws of the state of Oregon;
- (6) All buildings, fixtures, equipment, real property and personal property that Metro owns, leases, operates or uses to dispose of solid and liquid waste;
- (7) Designated facilities as provided in Chapter 5.05.

**Tonnage Allocation** means an amount of the region’s putrescible waste that Metro grants to a private transfer station.

**Transaction** means a customer’s use of a Metro transfer station disposal facility, hazardous waste facility, or household hazardous waste collection event, for the purpose of delivering for disposal a single load of solid or hazardous waste during a single visit from a single vehicle (whether or not accompanied by, or transporting, one or more trailers). A solid waste disposal transaction occurs when a customer enters a Metro transfer station facility, hazardous waste facility, or household hazardous waste collection event. [Ord. 19-1438]

**Transaction fee** means the fee that Metro imposes for each transaction at a Metro transfer station to pay for related scalehouse costs.

**Transfer** means the activity of receiving solid waste for purposes of transferring it from one vehicle or container to another vehicle or container for transport. Transfer may include segregation, temporary storage, consolidation of solid waste from more than one vehicle, and compaction. This term does not include resource recovery or other processing of solid waste.

**Transfer station** means a solid waste facility whose primary activity includes, but is not limited to, the transfer of solid waste to a disposal site.

**Transfer station wasteshed** means the area surrounding one or more transfer stations that is more immediately accessible to those transfer stations than any other transfer station, based on travel time.

**Unacceptable waste** means waste that is either:

- (1) Prohibited from disposal at a disposal site by state or federal law, regulation, rule, code, permit or permit condition; or
- (2) Special waste without an approved special waste permit.

**Useful material** means material that still has useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and which, when separated from solid waste, is suitable for use in the same or other purpose(s). For purposes of this Code, cleanup materials are not useful materials. Types of useful materials include, but are not limited to:

- (1) Material that can be reused;
- (2) Recyclable material;
- (3) Organic material(s) suitable for controlled biological decomposition (such as for making compost);
- (4) Material used in the preparation of fuel;
- (5) Material intended to be used, and which is in fact used, for construction or land reclamation (such as inert material for fill);

- (6) Material intended to be used, and which is in fact used, productively in landfill operations (such as roadbeds or alternative daily cover).

**Vermiprocessing** means a controlled method or system of biological processing that utilizes worms to consume and digest organic materials, and that produces worm castings for productive uses.

**Waste** means any material considered to be useless, unwanted or discarded by the person who last used the material for its intended and original purpose. For the purpose of Chapter 5.09, the term “waste” also includes any such material even if it is broken, recoverable, or recyclable.

**Waste hauler** means any person who is (1) franchised, licensed or permitted by a local government unit pursuant to state law to collect and haul solid waste; or (2) engaged, in whole or part, in the collection, transportation, delivery, or disposal of solid waste generated by such person or others within the Metro boundary.

**Waste hierarchy** means first, reduce the amount of solid waste generated; second, reuse material for its originally intended purpose; third, recycle or compost material that cannot be reduced or reused; fourth, recover energy from material that cannot be reduced, reused, recycled or composted so long as the energy recovery facility preserves the quality of air, water and land resources; and fifth, landfill solid waste that cannot be reduced, reused, recycled, composted or from which energy cannot be recovered.

**Waste Reduction Program** means the Waste Reduction Program required by ORS 459.055(2)(a), adopted by the Metro Council as part of the RWP, and accepted and approved by the DEQ as part of the RWP.

**Yard debris** means vegetative and woody material generated from residential or commercial landscaping activities. Yard debris includes landscape waste, grass clippings, leaves, hedge trimmings, branches, sod, scrapings, stumps and other vegetative waste having similar properties. This term does not include other solid waste such as soil, demolition debris, painted or treated wood waste. [Ord. 81 111, Sec. 2; Ord. 82-146, Sec. 2; Ord. 86-210, Sec. 1; Ord. 88-257, Sec. 2; Ord. 88-278, Sec. 1; Ord. 89-269, Sec. 2; Ord. 89-295, Sec. 1; Ord. 89-319; Ord. 90-337, Sec. 2; Ord. 90-372, Sec. 1; Ord. 91-386C, Sec. 2; Ord. 91-388, Secs. 1 and 8; Ord. 91 422B, Sec. 1; Ord. 92-455B, Sec. 1; Ord. 92-473A, Sec. 1; Ord. 93-482, Sec. 1; Ord. 94-531, Sec. 2; Ord. 94-557; Ord. 95-597, Sec. 1; Ord. 95-621A, Sec. 2; Ord. 97-681B, Sec. 1; Ord. 98-720A, Sec. 2; Ord. 98 762C, Secs. 1 and 54; Ord. 00 866, Sec. 1; Ord. 00-867, Secs. 1-2; Ord. 00-873, Sec. 1; Ord. 00-876A, Sec. 1; Ord. 01-907A, Sec. 1; Ord. 01 914, Sec. 1; Ord. 01 916C, Sec. 1; Ord. 01-917, Sec. 1; Ord. 02-937A, Sec. 3; Ord. 02-951B, Sec. 1; Ord. 02 974, Sec. 1; Ord. 03 1018A, Sec. 1; Ord. 03-1019, Sec. 1; Ord. 06 1101; Ord. 06-1103, Sec. 1; Ord. 06-1107; Ord. 07-1147B, Secs. 1, 5 and 9; Ord. 08-1183A; Ord. 08-1200; Ord. 12-1272, Secs. 1-2; Ord. 12-1277, Sec. 4; Ord. 13-1306, Sec. 1; Ord. 13-1311; Ord. 14-1323, Sec. 6; Ord. 14-1331; Ord. 16-1386; Ord. 17-1410; Ord. 18-1426; Ord. 19-1432; Ord. 19-1438.]

IN CONSIDERATION OF ORDINANCE NO. 20-1451 FOR THE PURPOSE OF UPDATING METRO CODE CHAPTER 5.10 TO IMPROVE CLARITY, REMOVE OUTDATED SECTIONS AND ALIGN WITH THE REGIONAL WASTE PLAN AND TO ADD A NEW METRO CODE CHAPTER 5.15 AND TO UPDATE DEFINITIONS IN METRO CODE CHAPTER 5.00

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Date: November 18, 2020

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Department: WPES

Presenter(s): Jennifer Erickson

Meeting date: December 3, 2020

Length: 20 minutes

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### **ISSUE STATEMENT**

Metro staff seeks to update and improve Metro's solid waste code (Metro Code Title V) and administrative rules to provide greater clarity and to provide the framework for implementation of the 2030 Regional Waste Plan.

### **ACTION REQUESTED**

Adopt Ordinance No. 20-1451 to repeal existing Metro Code Chapter 5.10 (Regional Waste Plan) and replace with two Chapters: a revised Chapter 5.10 which covers overall Plan requirements and a new Chapter 5.15 focused specifically on local government requirements under the Plan. The proposed ordinance also includes various other housekeeping revisions to improve clarity and consistency, remove obsolete state law provisions and to conform to current code and rule format. Related definitions in Chapter 5.00 will also be updated as part of this process.

### **IDENTIFIED POLICY OUTCOMES**

The policy framework that Council will set by adopting these changes will direct new service standards that enable implementation of the 2030 Regional Waste Plan and guide associated administrative rules. These changes help move the region toward a more clear and consistent standard--especially for people living in multifamily homes--and have a positive impact on communities of color and historically disadvantaged neighborhoods. The proposed improvements are a direct response to community input heard during Plan development as well as a study to review service levels and needs at multifamily properties. The proposed updates to Metro's solid waste code also remove unnecessary and outdated provisions, clarify terms, and respond to needed changes in the solid waste and recycling sector.

## **POLICY QUESTION(S)**

1. Should the current Chapter 5.10 (Regional Waste Plan) be repealed and split into two separate chapters (5.10 and 5.15) to update and differentiate those requirements under the overall Regional Waste Plan from those that apply specifically to local governments?
2. If yes, should a portion of specific implementation detail be moved from code to administrative rules?

## **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

1. Approve the ordinance as proposed to update Metro Code Chapter 5.10 as described in this staff report. This option will result in making the code easier to read and understand and will differentiate between overall Regional Waste Plan requirements and those that apply only to local governments.
2. Amend the ordinance to adopt other revisions to Metro Code Chapter 5.10 that are different than those described in this staff report. The potential effects of this option are unknown at this time because they would be dependent on the extent of the alternate proposal.
3. Do not approve the ordinance. This option will maintain the current Metro Code Chapter 5.10 including obsolete language and references.

## **STAFF RECOMMENDATIONS**

Staff recommends approval of Ordinance No. 20-1451 to update Metro Code Chapter 5.10. Since all of the current Chapter 5.10 would be rewritten to establish a more logical flow, a large portion reorganized and moved to a new Chapter 5.15, and because several sections of current Chapter 5.10 are obsolete, staff recommends that the current Chapter 5.10 be repealed and replaced in its entirety with the attached Exhibit A to avoid confusing tracked changes.

## **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

Approval of this ordinance would result in updating current Chapter 5.10 and moving Regional Waste Plan requirements that apply to local governments to a new separate chapter (Chapter 5.15); Chapter 5.10 continues to govern the overall Regional Waste Plan. The proposed ordinance also includes various other housekeeping revisions to improve clarity and consistency as described below and provided in Exhibit A.

Staff recommends updating Metro Code Chapter 5.10 as described below:

1. Move all provisions related to local government requirements under the Regional Waste Plan into new Metro Code Chapter 5.15.

2. Update language throughout the chapter to remove legalese, passive voice, nominalizations and lengthy sentences.
3. Reorganize code sections into a more logical sector-specific approach. For example, rather than have several separate code sections dealing with single-family and multifamily residential requirements, code sections have been grouped by sector (residential, business, general education).
4. Remove old dates, irrelevant language and confusing references to obsolete state statute.
5. Establish new standards for multifamily residential solid waste services including collection container colors, service volume and frequency minimums and requiring the use of regional decals and signs.
6. Eliminate the Regional Service Standard Alternative Program. Local government alternative programs (every-other-week collection) that showed the same outcome as the Regional Service Standard (weekly collection) have been incorporated into the new standard. The Alternative Program has proven ineffective and burdensome to Metro and local governments.
7. Move and reword some specific implementation detail to administrative rules so that all local government requirements are in a single location and are communicated more clearly. These include: general service standards for all sectors; specific service standards for single-family, multifamily and business customers; education and outreach standards; materials required for collection.
8. General housekeeping to Metro Code Section 5.00 to update definitions.

## **KNOWN OPPOSITION**

There is no known opposition to the proposed revisions to Metro Code Chapter 5.10. Metro received 19 comments during the 30-day public comment period, none of which resulted in any changes to the proposed code amendments. Public comments indicated general support for the policy.

## **PUBLIC OUTREACH**

Metro provided an opportunity for the public to review and submit comments on the proposed updates. The public comment period was open from September 15 through October 15, 2020. Local government elected officials, city and county managers, residential property managers and owners, community-based organizations, tenant organizations and garbage and recycling companies were notified via email about the opportunity to comment. A call for comments paired with an infographic was posted on Metro's three social media platforms (Facebook, Twitter and Instagram). Some local governments also publicized the comment period through their communication channels. Metro staff met with the region's local government solid waste directors several times, presented to the Regional Waste Advisory Committee on three occasions (May, June and July 2020), to Metro's Committee on Racial Equity (July and September 2020) and to MPAC (September

2020). These committees all responded favorably to the proposal and offered no additional changes.

Most of the comments received during the public comment period were supportive and were in reference to the proposed administrative rules. Three changes were made to the rules based on comments received—all to improve clarity. If Council adopts Ordinance 20-1451, the associated rules will have an additional 30-day public comment period in early 2021 prior to consideration by Metro’s Chief Operating Officer.

Some comments received were outside the scope of the proposed code updates and housekeeping improvements. The full public comment report is provided as Attachment 1 to this report.

## **LEGAL ANTECEDENTS**

Metro Charter, Title V of the Metro Code and ORS Chapters 268 and 459.

Ordinance 19-1431 For the Purpose of Adopting the 2030 Regional Waste Plan.

Ordinance 19-1432 For the Purpose of Amending Metro Code Title V for Consistency with the 2030 Regional Waste Plan.

## **ANTICIPATED EFFECTS**

Approval of this ordinance would repeal the existing Metro Code Chapter 5.10 and replace it with an updated Chapter 5.10 and a new Chapter 5.15 to improve clarity and reflect the Regional Waste Plan as provided in Exhibit A.

## **BUDGET IMPACTS**

There are no expected budget impacts associated with the adoption of this ordinance.

However, the transition to a more equitable and uniform garbage and recycling system for people living in multifamily homes will have costs. After an independent financial analysis, a 7-year timeline for meeting the required multifamily collection container color standard was identified as the cost-effective approach. It gives haulers the most flexibility in meeting the requirement and takes advantage of the seven year equipment depreciation schedule already built into local government franchised commercial rates. Upgrades are necessary not only to bring current systems up to a minimum standard, but also to ensure standardization as more multifamily homes and affordable housing are being constructed throughout the region.

## **BACKGROUND**

In March 2019, the Metro Council adopted the 2030 Regional Waste Plan and set the policy direction for the region’s solid waste and recycling system. The new plan is very different than previous plans in that its values, principles, goals and actions specifically reflect the needs and aspirations of members of our community who haven’t historically had a strong

voice in the development of environmental plans, policies and programs. The foundation of this plan is equity—centering the voices, values and needs of communities of color and historically marginalized groups in the region’s solid waste and recycling system. The plan is implemented in many ways; through collaborative programs with local government partners and community organizations, and through required actions that bring minimum standards and consistency to a large and complex system. Metro Code and the associated administrative rules are the mechanism used to implement the required elements of the plan. Chapter 5.10 of the Metro Code is now obsolete and needs to be re-written to reflect the goals, policies and programs of the current Regional Waste Plan.

In March of 2019, the Metro Council adopted Ordinance 19-1432 which made non-substantive changes to terms and language in Title V to align with the new Regional Waste Plan. This ordinance was the first step towards shifting from the old plan to the new terminology and set the stage for future, more substantive changes.

Currently, Metro Code Chapter 5.10 implements the requirements of the 2008 Regional Solid Waste Management Plan and contains verbatim state statute and regional requirements that are no longer in place. The proposed changes will remove old state statute and clarify that the code implements the Regional Waste Plan, not state law. As it stands today, overall Regional Waste Plan requirements, requirements specific to local governments and regional service provision standards are scattered throughout Chapter 5.10. To better organize the chapter and provide more clarity, staff proposes to split the existing Chapter 5.10 into two chapters: Chapter 5.10 covers the overall plan, while all requirements specific to local governments are proposed for a new Chapter 5.15.

Current code is challenging to read and interpret, contains obsolete terms and does not reflect the wording in the new Regional Waste Plan. At the direction of the Metro Council, Metro staff has been working to update Metro’s solid waste code and administrative rules overall to provide greater clarity and predictability for the public and for those directly involved in the region’s garbage and recycling system. These efforts have sought to remove unnecessary and outdated provisions, improve readability, clarify terms, and enable greater flexibility for Metro to protect the public’s interest and respond to changes in the solid waste and recycling system. Metro staff seeks to continue to fulfill Council’s direction by updating Chapter 5.10, and adding a new Chapter 5.15 to improve organization and readability as well as to implement the current Regional Waste Plan.

To provide more clarity and differentiate between overall Regional Waste Plan requirements and those that specifically apply to local governments, staff proposes to split the existing Chapter 5.10 into the following two chapters:

1. Chapter 5.10 (Regional Waste Plan) will continue to govern the overall Regional Waste Plan.
2. Chapter 5.15 (Local Government Requirements Under the Regional Waste Plan) will govern the service standards that local governments are required to meet with regard to provision of garbage and recycling services.



In addition to the proposed revisions and new code chapter described above, administrative rules are being updated to reflect the current Regional Waste Plan. If the Metro Council adopts the proposed changes to Chapter 5.10 and establishes a new Chapter 5.15, the associated administrative rules will be posted for public comment and an oral hearing in January 2021 in accordance with Metro Code Chapter 5.08.

## **ATTACHMENTS**

- Attachment 1: Ordinance No. 20-1451 *For The Purpose of Updating Metro Code Chapter 5.10 to Improve Clarity, Remove Outdated Sections and Align with the Regional Waste Plan and to Add a New Metro Code Chapter 5.15 and to Update Definitions in Metro Code Chapter 5.00.*
- Attachment 2: Draft Administrative Rules (AR 5.15-1000, 2000, 3000, 5000)
- Attachment 3: Public Comment Report
- Attachment 4: Overview of Proposed Revisions to Metro Code Chapter 5.10

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF UPDATING METRO	)	ORDINANCE NO. 20-1451
CODE CHAPTER 5.10 TO IMPROVE CLARITY,	)	
REMOVE OUTDATED SECTIONS AND ALIGN	)	Introduced by Chief Operating Officer
WITH THE REGIONAL WASTE PLAN AND TO	)	Marissa Madrigal in concurrence with
ADD A NEW METRO CODE CHAPTER 5.15	)	Council President Lynn Peterson
AND TO UPDATE DEFINITIONS IN METRO	)	
CODE CHAPTER 5.00	)	

WHEREAS, the Metro solid waste code is set forth in Title V of the Metro Code; and

WHEREAS, Metro Code Chapter 5.10 contains the requirements for the Regional Waste Plan;  
and

WHEREAS, the proposed updates to Metro Code Chapter 5.10 include moving provisions related to local government requirements to a new, separate chapter to improve clarity, consistency and make the code easier to understand by the public; and

WHEREAS, the proposed updates to Metro Code Chapter 5.10 remove obsolete requirements under the old Regional Solid Waste Management Plan as well as obsolete Oregon state statute that is no longer in effect; and

WHEREAS, as a result of updating and renumbering Metro Code Chapter 5.10, a new Metro Code Chapter 5.15 is added; and

WHEREAS, as a result of updating Metro Code Chapter 5.10, Metro Code Chapter 5.00 must also be updated to add and clarify definitions; and

WHEREAS, the proposed updates to Metro Code Chapter 5.10 and the addition of Metro Code Chapter 5.15 remove unnecessary and outdated provisions, clarifies terms, and other housekeeping revisions that will also improve its readability and make it easier to understand; and

WHEREAS, staff solicited input from the public on the proposed changes to Metro Code Chapter 5.10 and 5.15 by consulting with the Regional Waste Advisory Committee, Metro’s Committee on Racial Equity, local government partners, Metro Policy Advisory Committee and other stakeholders as well as providing a 30-day public comment period during September and October 2020; and

WHEREAS, because the current Chapter 5.10 code sections will be rewritten and significant portions moved to a new Chapter 5.15 and re-ordered to establish a more logical flow, current Chapter 5.10 should be repealed and replaced in its entirety with the attached Exhibit A to avoid confusing tracked changes; and

WHEREAS, the Chief Operating Officer recommends that the Metro Council adopt the proposed updates to Metro Code Chapter 5.10 to improve clarity and consistency and to conform with other updates and improvements; and

WHEREAS, the Metro Council finds that the updates to Metro Code Chapter 5.10 provide greater clarity for the public and further the goals of the agency; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code Chapter 5.10 is repealed and replaced in its entirety with a new Chapter 5.10 (“Regional Waste Plan”) as set forth in the attached Exhibit A;
2. A new Chapter 5.15 (“Local Government Requirements Under the Regional Waste Plan”) is added to the Metro Code as set forth in the attached Exhibit B.
3. Metro Code Chapter 5.00 (“Definitions”) is amended to add definitions as set forth in the attached Exhibit C.
4. To ensure accurate references in current administrative rules, all references in Metro Administrative Rules 4000-4085 to former section numbers in Metro Code Chapter 5.10 are hereby changed to the appropriate Chapter 5.15 reference without the need for a public comment period or oral hearing as normally required by Metro Code Chapter 5.08.

ADOPTED by the Metro Council this 10th day of December 2020.

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Lynn Peterson, Council President

Attest:

Approved as to Form:

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Jaye Cromwell, Recording Secretary

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Carrie MacLaren, Metro Attorney

Exhibit A

**CHAPTER 5.10**

**REGIONAL WASTE PLAN**

- 5.10.010 Authority
- 5.10.020 Application
- 5.10.030 Regional Waste Plan Requirements
- 5.10.040 Regional Waste Plan Amendments
- 5.10.050 Severability
- 5.10.060 Administrative Rules

### **5.10.010 Authority**

Metro's solid waste planning and implementing authority is established under the Metro Charter, the Constitution of the State of Oregon, and ORS Chapters 268 and 459.

### **5.10.020 Application**

The Regional Waste Plan applies to all portions of Clackamas, Washington, and Multnomah Counties within Metro's jurisdictional boundary.

### **5.10.030 Regional Waste Plan Requirements**

- (a) The Regional Waste Plan contains requirements and performance standards that are binding on a local government within Metro's jurisdictional boundary. The requirements and performance standards that are binding on a local government are set forth in Chapter 5.15 and associated administrative rules.
- (b) The Regional Waste Plan also contains requirements and performance standards that may result in changes to other sections of Metro Code including, but not limited to, all chapters in Title V and other code sections related to solid waste matters.

### **5.10.040 Regional Waste Plan Amendments**

- (a) The Chief Operating Officer may recommend amendments to the Regional Waste Plan for consideration by Council. Council may adopt amendments to the Regional Waste Plan by ordinance.
- (b) If Council adopts an amendment to the Regional Waste Plan that affects the waste reduction program, the Chief Operating Officer will submit the applicable amendments to the DEQ for review and approval.
- (c) The Chief Operating Officer may administratively correct any typographical or scrivener's errors discovered in the Regional Waste Plan without further petition, notice, or hearing.

### **5.10.050 Severability**

This chapter's sections and those of the Regional Waste Plan are severable. Any action by any state agency or judgment of a court of competent jurisdiction invalidating any section of this chapter or the Regional Waste Plan does not affect the validity of any other section.

### **5.10.060 Administrative Rules**

The Chief Operating Officer may adopt administrative rules under the provisions set forth in Chapter 5.08 to govern the obligations under this chapter and implement all provisions of this chapter.

Exhibit B

**CHAPTER 5.15**

**LOCAL GOVERNMENT REQUIREMENTS UNDER THE REGIONAL WASTE PLAN**

**GENERAL PROVISIONS**

- 5.15.010 Purpose and Intent
- 5.15.020 Compliance with the Regional Waste Plan
- 5.15.030 Compliance Date; Extension Request
- 5.15.040 Non-Compliance
- 5.15.050 Technical and Financial Assistance
- 5.15.060 Local Government Conformity to the Regional Waste Plan
- 5.15.070 Administrative Rules

**RESIDENTIAL SERVICE**

- 5.15.110 Purpose and Intent
- 5.15.120 Implementation and Compliance
- 5.15.130 Residential Service Standard

**BUSINESS SERVICE AND RECYCLING REQUIREMENT**

- 5.15.210 Purpose and Intent
- 5.15.220 Implementation and Compliance
- 5.15.220 Business Service Standard
- 5.15.230 Business Recycling Requirement
- 5.15.240 Business Recycling Requirement Performance Standard
- 5.15.250 Metro Enforcement of Business Recycling Requirement
- 5.15.260 Business Recycling Requirement Model Ordinance

**GENERAL EDUCATION**

- 5.15.310 Purpose and Intent
- 5.15.320 Implementation and Compliance
- 5.15.330 General Education Standard

**BUSINESS FOOD WASTE REQUIREMENT**

- 5.15.410 Purpose and Intent
- 5.15.420 Business Food Waste and Covered Businesses
- 5.15.430 Business Food Waste Requirement
- 5.15.440 Business Food Waste Requirement Performance Standard
- 5.15.450 Temporary Waiver
- 5.15.460 Metro Enforcement of Business Food Waste Requirement
- 5.15.470 Business Food Waste Model Ordinance

## GENERAL PROVISIONS

### 5.15.010 Purpose and Intent

The purpose of this chapter is to establish a process for determining whether local government actions comply with the Regional Waste Plan. The Council intends the process to be efficient and cost effective and to provide an opportunity for the Council to interpret the requirements of the Regional Waste Plan.

### 5.15.020 Compliance with the Regional Waste Plan

- (a) A local government must comply with the Regional Waste Plan.
- (b) Metro will notify each local government that is not in compliance with the Regional Waste Plan. The Chief Operating Officer will make findings regarding the non-compliance and will recommend actions that will bring the local government into compliance.
- (c) A local government that receives a notice of non-compliance must respond to Metro in writing within 60 days from the date of the notification. The response must include:
  - An agreement to implement Metro's recommended actions;
  - An alternate proposal for Metro's consideration and approval that describes other actions that the local government will take to achieve compliance; or
  - A request for a compliance extension under Section 5.15.030.
- (d) If a local government fails to respond as provided in subsection (c) or refuses to comply with the Regional Waste Plan requirements, the Chief Operating Officer may proceed to the non-compliance procedures under Section 5.15.040 and as set forth in administrative rule.

### 5.15.030 Compliance Date; Extension Request

- (a) Metro will notify each local government of the compliance date of all Regional Waste Plan requirements.
- (b) A local government may seek an extension of time to comply with a Regional Waste Plan requirement by submitting a written request for an extension to Metro as set forth in administrative rule.

#### **5.15.040 Non-Compliance**

- (a) The Council may review the Chief Operating Officer's finding that a local government has not complied with the Regional Waste Plan requirements and performance standards. The process is set forth in administrative rules.
- (b) If the Council finds that the local government action is out of compliance with the Regional Waste Plan or any related rules or provisions of the Metro Code, the Council may adopt a resolution that (1) identifies the noncompliant action; (2) directs changes in the local government action; and (3) requires any other action, including penalties.
- (c) If the Council chooses not to review the Chief Operating Officer's findings, the Chief Operating Officer will direct the necessary actions.

#### **5.15.050 Technical and Financial Assistance**

Metro will encourage a local government to use the technical and financial assistance programs provided by Metro to help the local government comply with the Regional Waste Plan requirements.

#### **5.15.060 Local Government Conformity to the Regional Waste Plan**

A local government may not adopt any ordinance, order, regulation, or contract affecting solid waste management that conflicts with the Regional Waste Plan requirements.

#### **5.15.070 Administrative Rules**

- (a) The Chief Operating Officer may adopt administrative rules under the provisions set forth in Chapter 5.08 to govern the obligations under this chapter and implement all provisions of this chapter.
- (b) In addition to the general administrative rulemaking authority in Chapter 5.08, the Chief Operating Officer also has explicit authority to establish by administrative rule:
  - (1) The procedures and timelines for seeking an extension for compliance.
  - (2) The process for review of the Chief Operating Officer's findings per section 5.15.040.



## **RESIDENTIAL SERVICE**

### **5.15.110 Purpose and Intent**

A local government must adopt and implement the residential service standard as required by the Regional Waste Plan and as specified in this chapter and administrative rules. The residential service standard ensures a comprehensive and consistent level of solid waste collection service for the region.

### **5.15.120 Implementation and Compliance**

- (a) A local government must implement the residential service standard by adopting the provisions of Section 5.15.130 and associated administrative rules.
- (b) A local government must provide information related to compliance with this requirement at Metro's request and as specified in administrative rules.

### **5.15.130 Residential Service Standard**

The Chief Operating Officer will adopt administrative rules to implement the residential service standard. The standard requires, without limitation, that a local government must:

- (a) Provide comprehensive single-family residential solid waste collection services including collection of acceptable recyclable materials;
- (b) Provide comprehensive multifamily residential solid waste collection services including collection of acceptable recyclable materials;
- (c) Implement minimum service levels for all collected materials for multifamily residential customers.
- (d) Develop and implement standards for collection areas, to ensure adequate access to collection receptacles.
- (e) Provide supporting solid waste outreach and education programs and materials to all residential solid waste generators.
- (f) Implement regional standards for collection container colors, signage and related informational materials.
- (g) Provide bulky waste collection service.

## **BUSINESS SERVICE AND RECYCLING REQUIREMENT**

### **5.15.210 Purpose and Intent**

The business service standard and recycling requirement provide education and collection service requirements for the business sector in order to create a consistent standard throughout the Metro region and to increase recycling.

### **5.15.220 Implementation and Compliance**

- (a) A local government must implement the business service standard by adopting the provisions of Section 5.15.230 and associated administrative rules.
- (b) A local government must provide information related to compliance with this requirement at Metro's request and as specified in administrative rules.

### **5.15.230 Business Service Standard**

- (a) Provide complete business solid waste collection services according to the standards specified in administrative rules; and
- (b) Provide solid waste outreach and education programs and materials to all business solid waste generators according to the standards specified in administrative rules.

### **5.15.240 Business Recycling Requirement**

- (a) A local government must:
  - (1) Adopt the business recycling requirement model ordinance or demonstrate that existing local government ordinances comply with the performance standard in Section 5.15.250 and the corresponding administrative rules.
  - (2) Establish a method for businesses to comply with the business recycling requirement model ordinance or local government ordinance; or
  - (3) Enter into an intergovernmental agreement with Metro that provides for Metro to establish a method for enforcing compliance by businesses with the business recycling requirement.
- (b) The local government must provide information related to the local government's implementation of the business recycling requirements at Metro's request and as specified in administrative rules.

### **5.15.250 Business Recycling Requirement Performance Standard**

The Chief Operating Officer will adopt administrative rules to address the business recycling requirement performance standard. The performance standard must include, without limitation, the following elements:

- (a) Businesses must:

- (1) Source-separate all recyclable paper, cardboard, glass and plastic bottles and jars, and aluminum and tin cans for reuse or recycling;
  - (2) Provide recycling receptacles for internal maintenance or work areas where recyclable materials may be collected, stored, or both; and
  - (3) Post accurate signs where recyclable materials are collected, stored, or both that identify the materials that the business must source-separate for reuse or recycling and that provide recycling instructions.
- (b) A local government must ensure that businesses comply with the business recycling requirement.
- (c) A local government may exempt a business from some or all of the business recycling requirement if:
- (1) The business provides access to the local government for a site visit; and
  - (2) The local government determines during the site visit that the business cannot comply with the business recycling requirement.

#### **5.15.260 Metro Enforcement of Business Recycling Requirement**

The Chief Operating Officer may execute an intergovernmental agreement with a local government to enforce business recycling requirement within its jurisdiction.

#### **5.15.270 Business Recycling Requirement Model Ordinance**

The Chief Operating Officer may adopt a business recycling requirement model ordinance for use by a local government. The model ordinance is advisory only.

### **GENERAL EDUCATION**

#### **5.15.310 Purpose and Intent**

A local government must adopt and implement the general education standard as required by the Regional Waste Plan and as specified in this chapter and administrative rules. The education standard ensures a comprehensive and consistent level of garbage, recycling, composting, waste prevention and reuse education and assistance for all customers in the region.

#### **5.15.320 Implementation and Compliance**

- (a) A local government must implement the education standard by adopting the provisions of Section 5.15.330 and associated administrative rules.
- (b) A local government must provide information related to compliance with this requirement at Metro's request and as specified in administrative rules.

#### **5.15.330 General Education Standard**

The Chief Operating Officer will adopt administrative rules to implement the general education standard. The standard must require without limitation that a local government must:

- (a) Provide solid waste outreach and education programs and materials to all solid waste customers as set forth in administrative rule.
- (b) Ensure implementation of all outreach and education programs required by state law.

## **BUSINESS FOOD WASTE REQUIREMENT**

### **5.15.410 Purpose and Intent**

The business food waste requirement provides an opportunity to increase recycling of food waste and to assist the Metro region to achieve waste reduction goals. Metro does not intend for this requirement to apply to food that is fit for human consumption and accepted for donation by a charitable organization or the use of food waste for animal consumption in compliance with applicable regulations. [Ord. No. 18-1418.]

### **5.15.420 Business Food Waste and Covered Businesses**

Business food waste is solid waste consisting of food waste removed from the food supply chain that is not fit for human or animal consumption. A covered business is a business that cooks, assembles, processes, serves, or sells food.

### **5.15.430 Business Food Waste Requirement**

A local government must require:

- (a) All covered businesses in its jurisdiction to source-separate business food waste for recovery;
- (b) All source-separated food waste from a covered business to be transported to a facility authorized by Metro to accept food waste; and
- (c) All persons, as defined by Metro Code Section 1.01.040(h), who provide space to a covered business to allow the source separation and collection of food waste at the place of business.

#### **5.15.440 Business Food Waste Requirement Performance Standards**

The Chief Operating Officer will adopt administrative rules to address the business food waste requirement performance standards. The performance standards must include, without limitation, the following elements:

- (a) Provisions requiring that a local government:
  - (1) Notify covered businesses and waste haulers of the business food waste requirement;
  - (2) Require covered businesses and waste haulers to comply with the business food waste requirement;
  - (3) Provide education and technical assistance to covered businesses and waste haulers regarding the business food waste requirement; and
  - (4) Enforce the business food waste requirement.
- (b) Provisions requiring a local government to compel persons providing space to a covered business to allow for the source separation and collection of business food waste.

Metro may allow a local government to waive the business food waste requirement as to a specific business as provided in administrative rules.

#### **5.15.450 Temporary Waiver**

Metro may waive a local government's implementation of the business food waste requirement as specified in administrative rules. The term of a waiver may not exceed one year.

#### **5.15.460 Metro Enforcement of Business Food Waste Requirement**

The Chief Operating Officer may execute an intergovernmental agreement with a local government to enforce business food waste requirements within its jurisdiction.

#### **5.15.470 Business Food Waste Model Ordinance**

Metro may adopt a business food waste requirement model ordinance for use by the local government. The model ordinance is advisory only.

Exhibit C

**TITLE V**

**SOLID WASTE**

- 5.00 Solid Waste Definitions
- 5.01 Solid Waste Facility Regulation<sup>1</sup>
- 5.02 Regional System Fee
- 5.03 Solid Waste Fees at Metro Transfer Stations
- 5.04 Investment and Innovation Program<sup>2</sup>
- 5.05 Solid Waste Flow Control
- 5.06 Solid Waste Community Enhancement Programs
- 5.07 Recycling Credits
- 5.08 Administrative Rulemaking Authority for Title V
- 5.09 Illegal Disposal<sup>3</sup>
- 5.10 Regional Waste Plan<sup>4</sup>

**Repealed**

- 5.02 Disposal Charges and User Fees  
[Repealed Ord. 19-1439]
- 5.03 Disposal Site Franchise Fees  
[Repealed Ord. 14-1332, Sec. 2]
- 5.08 Rate Review Committee  
[Repealed Ord. 00-860A, Sec. 2]

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<sup>1</sup> Formerly "Disposal Site Franchising." Renamed by Ord. 95-621A, Sec 1.

<sup>2</sup> Formerly "One Percent for Recycling Program." Renamed by Ord. 02-937A, Sec 2. Formerly "Recycling Business Assistance Program." Amended by Ord. 17-1415.

<sup>3</sup> Formerly "Illegal Dumping." Renamed by Ord. 13-1311, Sec. 1.

<sup>4</sup> Formerly "Regional Solid Waste Management Plan" Renamed by Ord. 19-1432.

## CHAPTER 5.00

### SOLID WASTE DEFINITIONS

#### 5.00.010 Definitions

For the purposes of Title V Solid Waste, unless the context requires otherwise, the following terms have the meaning indicated:

**Activity** means a primary operation or function that is performed in a solid waste facility or at a disposal site, including but not limited to resource recovery, composting, energy recovery, and other types of processing; recycling; transfer; incineration; and disposal of solid waste. This term does not include operations or functions that serve to support the primary activity, such as segregation.

**Agronomic application rate** means land application of no more than the optimum quantity per acre of compost, sludge or other materials. In no case may the application adversely impact the waters of the State. The application must be designed to:

- (1) Provide the amount of nutrient, usually nitrogen, needed by crops or other plantings, to prevent controllable loss of nutrients to the environment;
- (2) Condition and improve the soil comparable to that attained by commonly used soil amendments; or
- (3) Adjust soil pH to desired levels.

**Alternative Program** means a solid waste management service proposed by a local government that differs from the service required under Chapter 5.10.

**Authorized official** means a person authorized to issue citations under Chapter 5.09.

**Available regional tonnage** means the amount of putrescible solid waste tonnage that Metro may allocate to privately owned transfer stations after Metro has first reserved the applicable minimum amount of putrescible tonnage for the Metro transfer stations. [Ord. 19-1438]

**Business** means any entity of one or more persons, corporate or otherwise, engaged in commercial, professional, charitable, political, industrial, educational, or other activity that is non-residential in nature, including public bodies and excluding businesses whose primary office is located in a residence.

**Business recycling service customer** means a person who enters into a service agreement with a waste hauler or recycler for business recycling services.

**Chief Operating Officer** means the Metro Chief Operating Officer or the Chief Operating Officer's designee.

**Clean fill** means material consisting of soil, rock, concrete, brick, building block, tile or asphalt paving that does not contain contaminants that could adversely impact the waters of the State or public health. This term does not include putrescible waste, cleanup material, construction and demolition waste, or industrial waste.

**Cleanup material** means solid waste resulting from the excavation or cleanup of releases of hazardous substances into the environment, including street sweeping waste, non-hazardous contaminated soils that do not qualify as clean fill (such as petroleum contaminated soils) and contaminated debris resulting from the cleanup of chemical spills or releases. This term does not include solid waste generated by manufacturing or industrial processes.

**Closure** means restoring a solid waste facility or a disposal site to its condition before licensed or franchised solid waste activities began at the site. Closure includes, but is not limited to, the removal of all accumulations of solid waste and recyclable materials from the site.

**Code** means the Metro Code.

**Community enhancement fee** or **enhancement fee** means the fee collected in addition to general disposal rates that pays for rehabilitation and enhancement projects in the areas surrounding solid waste facilities and disposal sites.

**Compost** means the stabilized product of composting.

**Composting** means the controlled biological decomposition of organic material.

**Conditionally exempt generator (CEG)** means a conditionally exempt small quantity generator as defined in 40 CFR 261.5.

**Conversion technology facility** means a facility that uses primarily chemical or thermal processes other than melting (changing from solid to liquid through heating without changing chemical composition) to produce fuels, chemicals, or other useful products from solid waste. These chemicals of thermal processes include, but are not limited to, distillation, gasification, hydrolysis, pyrolysis, thermal depolymerization, transesterification and animal rendering, but do not include direct combustion, composting, anaerobic digestion, melting, or mechanical recycling. Mills that primarily use mechanical recycling or melting to recycle materials back into similar materials are not considered to be conversion technology facilities, even if they use some chemical or thermal processes in the recycling process.

**Council** means the Metro Council.

**Customer** means all generators receiving solid waste and recycling collection service whether or not they are the primary account holder.

**DEQ** means the Department of Environmental Quality of the State of Oregon.

**Department** means Metro's Property and Environmental Services Department.



**Designated facility** means a facility in the system of solid waste facilities and disposal sites that Metro authorizes under Chapter 5.05 to accept waste generated within the jurisdiction of Metro.

**Direct haul** means the delivery of putrescible waste from a solid waste facility directly to Metro's contract operator for disposal of putrescible waste. Direct haul is an activity under Chapter 5.01.

**Disposal fee** means a fee that pays the direct unit costs of transportation and disposal of general purpose solid waste.

**Disposal site** means the land, buildings, and equipment used for the disposal of solid waste whether or not open to the public. This term does not include a solid waste facility.

**Electronic device** means:

- (1) A computer monitor of any type having a viewable area greater than four inches measured diagonally;
- (2) A desktop computer or portable computer;
- (3) A television of any type having a viewable area greater than four inches measured diagonally; or
- (4) Any part of a clothes washer, clothes dryer, refrigerator, freezer, microwave oven, conventional oven or range, dishwasher, room air conditioner, dehumidifier or air purifier.

**Energy recovery** means a type of resource recovery that is limited to methods in which all or a part of solid waste materials are processed to use the heat content or another form of energy.

**Facility** means the land, buildings, and equipment used for an activity.

**Franchise** means the grant of authority or privilege given by the Council to operate a disposal site, transfer station, energy recovery facility, or to conduct any other activity that requires authorization under Chapter 5.01.

**Franchisee** means the holder of a current, validly issued franchise granted by the Council under Chapter 5.01.

**Franchise fee** means the fee Metro charges the franchisee for the administration of the franchise.

**Hazardous substance** means any substance defined as a hazardous substance pursuant to Section 101(14) of the federal Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 USC 9601 et seq., oil, as defined in ORS 465.200, and any substance designated by DEQ under ORS 465.400.

**Hazardous waste** has the meaning provided in ORS 466.005.

**Hearings officer** means a person that Metro designates to hear and decide cases under this title.

**Household hazardous waste** means any discarded, useless or unwanted chemical, material, substance or product that is or may be hazardous or toxic to the public or the environment and is commonly used in or around households and is generated by the household. Household hazardous waste may include but is not limited to some cleaners, solvents, pesticides, and automotive and paint products.

**Inert** means containing only constituents that are biologically and chemically inactive and that, when exposed to biodegradation and/or leaching, will not adversely impact the waters of the State or public health.

**License** means the permission given by the Council or Chief Operating Officer to operate a solid waste facility not otherwise exempted or requiring a franchise under Chapter 5.01.

**Licensee** means the holder of a current, validly issued license granted by the Council or Chief Operating Officer under Chapter 5.01.

**Limited capacity landfill** means a landfill that has sought a site development plan amendment for expansion of the landfill capacity from the Oregon Department of Environmental Quality, and has not received approval from the Department by May 25, 2017, or the equivalent determination in another state. [Ord. 17-1401, Sec. 2.]

**Local government** means any city or county that is within Metro's jurisdiction, including the unincorporated areas of Clackamas, Multnomah, and Washington Counties.

**Local government action** means adoption of any ordinance, order, regulation, contract, or program affecting solid waste management.

**Material recovery** means a type of resource recovery that is limited to manual or mechanical methods of obtaining material from solid waste that still has useful physical or chemical properties and can be reused, recycled, or composted for some purpose. Material recovery includes obtaining material from solid waste that is used in the preparation of fuel, but excludes the extraction of heat content or other forms of energy from the material.

**Medical waste** means solid waste that is generated as a result of patient diagnosis, treatment or immunization of human beings or animals.

**Metro Central Station** is the Metro solid waste transfer and recycling station located at 6161 NW 61st Avenue, Portland, Oregon 97210.

**Metro South Station** is the Metro solid waste transfer and recycling station located at 2001 Washington Street, Oregon City, Oregon 97045.

**Multifamily residential** means residential dwelling communities having at least five units.

**New landfill** means a landfill that receives its initial permission from DEQ to receive solid waste on or after May 25, 2017, or the equivalent determination in another state. [Ord. 17-1401, Sec. 2.]

**Non-commercial customer** means a person who is not primarily engaged in the business of collection or transportation of solid waste and who is not authorized by any federal, state or local government to perform such collection or transportation.

**Non-putrescible waste** means any waste that contains no more than trivial amounts of putrescible materials or minor amounts of putrescible materials contained in such a way that they can be easily separated from the remainder of the load without causing contamination of the load. This term includes construction and demolition waste. This term does not include cleanup material, source-separated recyclable materials, special waste, land clearing debris or yard debris.

**Non-system facility** means any solid waste facility, disposal site, transfer station, processing facility, recycling drop center, resource recovery facility or other facility for the disposal, recycling or other processing of solid waste if the facility is not part of the system.

**Non-system license** means the permission given by the Council or Chief Operating Officer to transport solid waste generated within the Metro boundary to a non-system facility.

**Person** has the same meaning as in Metro Code Section 1.01.040. For any person other than an individual, the acts of the person's employees, contractors, and authorized agents are considered the acts of the person.

**Petroleum contaminated soil** means soil into which hydrocarbons, including gasoline, diesel fuel, bunker oil or other petroleum products have been released. This term does not include soil that is contaminated with petroleum products but also contaminated with hazardous waste or radioactive waste.

**Process, processing, or processed** means a method or system of altering the form, condition or content of wastes, including but not limited to composting, vermiprocessing and other controlled methods of biological decomposition; classifying; separating; shredding, milling, pulverizing, or hydropulping. This term does not include incineration or mechanical volume reduction techniques such as baling and compaction.

**Processing facility** means a facility where or by which solid wastes are processed. This term does not include commercial and home garbage disposal units which are used to process food wastes and are part of the sewage system, hospital incinerators, crematoriums, paper shredders in commercial establishments, or equipment used by a recycling drop center.

**Processing residual** means the solid waste that remains after resource recovery has occurred and which is intended for disposal.

**Putrescible** means rapidly decomposable by microorganisms, which may give rise to foul smelling, offensive products during such decomposition or which is capable of attracting or providing food for birds and potential disease vectors such as rodents and flies.

**Putrescible waste** means waste containing putrescible material.

**Radioactive waste** means the same as defined in ORS 469.300.

**Rate** means the amount that a solid waste facility or disposal site charges to receive, process, transfer, or dispose of solid waste.

**Recoverable solid waste** means source-separated or homogeneous material accepted in a single transaction at Metro Central Station or at Metro South Station in a form that is usable by existing technologies (notwithstanding the presence of incidental amounts or types of contaminants) for reuse, recycling, controlled biological decomposition of organic material including composting and digestion, and the preparation of fuels that meet an engineering, industrial, or market specification. This term does not include mass burning, incineration in refuse derived fuel facilities, and similar methods of extracting energy from mixed solid wastes.

**Recyclable material** means material that still has or retains useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and that can be reused, recycled, or composted for the same or other purpose(s).

**Recycle** or **recycling** means any process by which waste materials are transformed into new products in such a manner that the original products may lose their identity.

**Recycling drop center** means a facility that receives and temporarily stores multiple source-separated recyclable materials, including but not limited to glass, scrap paper, corrugated paper, newspaper, tin cans, aluminum, plastic and oil, which materials will be transported or sold to third parties for reuse or resale. This term does not include a facility that processes source-separated recyclable materials.

**Regional Waste Plan** or **RWP** means the Regional Waste Plan adopted as a functional plan by Council and approved by DEQ.

**Regional system fee** means a fee that recovers the costs for all associated regional solid waste activities related to managing, planning and administering the entire recycling, processing and disposal system.

**Reload** means the activity of receiving solid waste for the purpose of consolidating and transferring it to a solid waste facility.

**Required use order** means a written order issued pursuant to Chapter 5.05 requiring a waste hauler or other person to use a designated facility pursuant to the terms of the order.

**Residence** means the place where a person lives.

**Resource recovery** means a process by which useful material or energy resources are obtained from solid waste.

**Reuse** means the return of a commodity into the economic stream for use in the same kind of application as before without change in its identity.

**RWP requirement** means the portions of the Regional Waste Plan that are binding on local governments as set forth in Chapter 5.10.

**Segregation** means the removal of prohibited wastes, unauthorized wastes, bulky material (such as but not limited to white goods and metals) incidental to the transfer of solid waste. Segregation does not include resource recovery or other processing of solid waste. The sole intent of segregation is not to separate useful material from the solid waste but to remove prohibited, unauthorized waste or bulky materials that could be hard to handle by either the facility personnel or operation equipment.

**Significant disruption** means an event that disrupts access to a transfer station, creates increased risk to human health or the environment, or impacts the normal operations, transportation routes or established system of a waste hauler or a transfer station. A significant disruption event may be caused by system disruptions (such as long term road repair or closures or facility construction) or natural forces (such as severe weather, flood, landslide or earthquake).

**Single-family residential means individual residential dwelling units, duplexes, triplexes, or four-plexes.**

**Solid waste** means all putrescible and non-putrescible wastes, including without limitation, garbage, rubbish, refuse, ashes, waste paper and cardboard; discarded or abandoned vehicles or parts thereof; sewage sludge, septic tank and cesspool pumpings or other sludge; commercial, industrial, demolition and construction waste; discarded home and industrial appliances; asphalt, broken concrete and bricks; manure, vegetable or animal solid and semi-solid wastes, dead animals; infectious waste; and other such wastes, including without limitation cleanup materials, commingled recyclable material, petroleum contaminated soil, special waste, source-separated recyclable material, land clearing debris and yard debris. This term does not include:

- (1) Hazardous wastes;
- (2) Radioactive wastes;
- (3) Materials used for fertilizer, soil conditioning, humus restoration, or for other productive purposes or which are salvageable for these purposes and are used on land in agricultural operations and the growing or harvesting of crops and the raising of fowls or animals, provided the materials are used at or below agronomic application rates; or
- (4) Explosives.

**Solid waste facility** means a facility at which solid waste is received for transfer, resource recovery, and/or processing. The term does not include disposal sites.

**Solid waste system facility** means a facility that Metro designates as part of Metro's system for the management and disposal of solid and liquid waste. This term includes, but is not limited to, all designated facilities set forth in Chapter 5.05 and any non-system facility that receives solid waste from within the Metro area, whether pursuant to an authorized non-system license or otherwise.

**Source separate or source separated or source separation** means that the person who last uses recyclable material separates the recyclable material from solid waste.

**Source-separated recyclable material or Source-separated recyclables** means solid waste that has been source separated by the waste generator for the purpose of reuse, recycling, or composting. This term includes (1) all homogenous loads of recyclable materials that have been source separated by material type for the purpose of recycling (i.e., source-sorted) and (2) residential and commercial commingled recyclable materials, which include only those recyclable material types that the local jurisdiction, where the materials were collected, permits to be mixed together in a single container as part of its residential curbside recyclable material collection program. This term does not include any other commingled recyclable materials.

**Special waste** means any waste (even though it may be part of a delivered load of waste) that falls within one or more of the following categories:

- (1) Containerized waste (e.g., a drum, barrel, portable tank, box, pail, etc.) of a type listed in 3 through 9 or 11 of this definition below.
- (2) Waste transported in a bulk tanker.
- (3) Liquid waste including outdated, off spec liquid food waste or liquids of any type when the quantity and the load would fail the paint filter liquid (Method 9095, SW-846) test or includes 25 or more gallons of free liquid per load, whichever is more restrictive.
- (4) Containers (or drums) that once held commercial products or chemicals, unless the containers (or drums) are empty as provided in 40 CFR 261.7(b)(1).
- (5) Sludge waste from septic tanks, food service, grease traps, or wastewater from commercial laundries, laundromats or car washes.
- (6) Waste from an industrial process.
- (7) Waste from a pollution control process.
- (8) Residue or debris from the cleanup of a spill or release of chemical substances, commercial products or wastes listed in 1 through 7 or 9 of this definition.
- (9) Soil, water, residue, debris, or articles which are contaminated from the cleanup of a site or facility formerly used for the generation, storage, treatment, recycling, reclamation, or disposal of wastes listed in 1 through 8 of this definition.
- (10) Chemical-containing equipment removed from service (for example: filters, oil filters, cathode ray tubes, lab equipment, acetylene tanks, CFC tanks, refrigeration units, or any other chemical-containing equipment).

- (11) Waste in waste containers that are marked with a National Fire Protection Association identification label that has a hazard rating of 2, 3, or 4, but not empty containers so marked.
- (12) Any waste that requires extraordinary management or special handling. Examples of such special wastes are: chemicals, liquids, sludge and dust from commercial and industrial operations; municipal waste water treatment plant grits, screenings and sludge; contaminated soils; tannery wastes, empty pesticide containers, and dead animals or by-products.
- (13) Medical waste.

**Specific material recycler** means a facility that processes a single type of non-putrescible recyclable material that holds intrinsic value in established reuse or recycling markets. These materials include, but are not limited to, scrap metal, plastic, paper, or other similar commodities. This term does not include a facility that processes commingled source-separated recyclables collected through curbside residential or commercial collection programs.

**Standard recyclable materials** means newspaper, ferrous scrap metal, non-ferrous scrap metal, used motor oil, corrugated cardboard and kraft paper, aluminum, container glass, high-grade office paper, tin/steel cans, yard debris, mixed scrap paper, milk cartons, plastic containers, milk jugs, phone books, magazines, and empty aerosol cans.

**State** means the State of Oregon.

**Substantial compliance** means local government actions, on the whole, conform to the purposes of the performance standards in Chapter 5.10 and any failure to meet individual performance standard requirements is technical or minor in nature.

**System** means all facilities that Metro designates as part of its system for the management and disposal of solid and liquid waste. This includes, but is not limited to, the following:

- (1) Recycling and other volume reduction facilities;
- (2) Landfills, or other disposal means;
- (3) Resource recovery facilities (including steam production and electrical generating facilities using solid waste as fuel);
- (4) Recycling and transfer stations;
- (5) Roads, water lines, wastewater lines and treatment facilities to the extent used to carry out the provisions of ORS chapter 268 and other applicable laws of the state of Oregon;
- (6) All buildings, fixtures, equipment, real property and personal property that Metro owns, leases, operates or uses to dispose of solid and liquid waste;
- (7) Designated facilities as provided in Chapter 5.05.

**Tonnage Allocation** means an amount of the region's putrescible waste that Metro grants to a private transfer station.

**Transaction** means a customer's use of a Metro transfer station disposal facility, hazardous waste facility, or household hazardous waste collection event, for the purpose of delivering for disposal a single load of solid or hazardous waste during a single visit from a single vehicle (whether or not accompanied by, or transporting, one or more trailers). A solid waste disposal transaction occurs when a customer enters a Metro transfer station facility, hazardous waste facility, or household hazardous waste collection event. [Ord. 19-1438]

**Transaction fee** means the fee that Metro imposes for each transaction at a Metro transfer station to pay for related scalehouse costs.

**Transfer** means the activity of receiving solid waste for purposes of transferring it from one vehicle or container to another vehicle or container for transport. Transfer may include segregation, temporary storage, consolidation of solid waste from more than one vehicle, and compaction. This term does not include resource recovery or other processing of solid waste.

**Transfer station** means a solid waste facility whose primary activity includes, but is not limited to, the transfer of solid waste to a disposal site.

**Transfer station wasteshed** means the area surrounding one or more transfer stations that is more immediately accessible to those transfer stations than any other transfer station, based on travel time.

**Unacceptable waste** means waste that is either:

- (1) Prohibited from disposal at a disposal site by state or federal law, regulation, rule, code, permit or permit condition; or
- (2) Special waste without an approved special waste permit.

**Useful material** means material that still has useful physical, chemical, or biological properties after serving its original purpose(s) or function(s), and which, when separated from solid waste, is suitable for use in the same or other purpose(s). For purposes of this Code, cleanup materials are not useful materials. Types of useful materials include, but are not limited to:

- (1) Material that can be reused;
- (2) Recyclable material;
- (3) Organic material(s) suitable for controlled biological decomposition (such as for making compost);
- (4) Material used in the preparation of fuel;
- (5) Material intended to be used, and which is in fact used, for construction or land reclamation (such as inert material for fill);



- (6) Material intended to be used, and which is in fact used, productively in landfill operations (such as roadbeds or alternative daily cover).

**Vermiprocessing** means a controlled method or system of biological processing that utilizes worms to consume and digest organic materials, and that produces worm castings for productive uses.

**Waste** means any material considered to be useless, unwanted or discarded by the person who last used the material for its intended and original purpose. For the purpose of Chapter 5.09, the term “waste” also includes any such material even if it is broken, recoverable, or recyclable.

**Waste hauler** means any person who is (1) franchised, licensed or permitted by a local government unit pursuant to state law to collect and haul solid waste; or (2) engaged, in whole or part, in the collection, transportation, delivery, or disposal of solid waste generated by such person or others within the Metro boundary.

**Waste hierarchy** means first, reduce the amount of solid waste generated; second, reuse material for its originally intended purpose; third, recycle or compost material that cannot be reduced or reused; fourth, recover energy from material that cannot be reduced, reused, recycled or composted so long as the energy recovery facility preserves the quality of air, water and land resources; and fifth, landfill solid waste that cannot be reduced, reused, recycled, composted or from which energy cannot be recovered.

**Waste Reduction Program** means the Waste Reduction Program required by ORS 459.055(2)(a), adopted by the Metro Council as part of the RWP, and accepted and approved by the DEQ as part of the RWP.

**Yard debris** means vegetative and woody material generated from residential or commercial landscaping activities. Yard debris includes landscape waste, grass clippings, leaves, hedge trimmings, branches, sod, scrapings, stumps and other vegetative waste having similar properties. This term does not include other solid waste such as soil, demolition debris, painted or treated wood waste. [Ord. 81 111, Sec. 2; Ord. 82-146, Sec. 2; Ord. 86-210, Sec. 1; Ord. 88-257, Sec. 2; Ord. 88-278, Sec. 1; Ord. 89-269, Sec. 2; Ord. 89-295, Sec. 1; Ord. 89-319; Ord. 90-337, Sec. 2; Ord. 90-372, Sec. 1; Ord. 91-386C, Sec. 2; Ord. 91-388, Secs. 1 and 8; Ord. 91 422B, Sec. 1; Ord. 92-455B, Sec. 1; Ord. 92-473A, Sec. 1; Ord. 93-482, Sec. 1; Ord. 94-531, Sec. 2; Ord. 94-557; Ord. 95-597, Sec. 1; Ord. 95-621A, Sec. 2; Ord. 97-681B, Sec. 1; Ord. 98-720A, Sec. 2; Ord. 98 762C, Secs. 1 and 54; Ord. 00 866, Sec. 1; Ord. 00-867, Secs. 1-2; Ord. 00-873, Sec. 1; Ord. 00-876A, Sec. 1; Ord. 01-907A, Sec. 1; Ord. 01 914, Sec. 1; Ord. 01 916C, Sec. 1; Ord. 01-917, Sec. 1; Ord. 02-937A, Sec. 3; Ord. 02-951B, Sec. 1; Ord. 02 974, Sec. 1; Ord. 03 1018A, Sec. 1; Ord. 03-1019, Sec. 1; Ord. 06 1101; Ord. 06-1103, Sec. 1; Ord. 06-1107; Ord. 07-1147B, Secs. 1, 5 and 9; Ord. 08-1183A; Ord. 08-1200; Ord. 12-1272, Secs. 1-2; Ord. 12-1277, Sec. 4; Ord. 13-1306, Sec. 1; Ord. 13-1311; Ord. 14-1323, Sec. 6; Ord. 14-1331; Ord. 16-1386; Ord. 17-1410; Ord. 18-1426; Ord. 19-1432; Ord. 19-1438.]

**Solid Waste  
Administrative Rule**

**AR 5.15-1000 through 1020**

Administrative Rule of Metro Code Chapter 5.15  
Administrative Rule Adoption Record and Findings

**AR 5.15-1000 through 1020  
Request for Compliance Date Extension and Non-Compliance  
Procedures Administrative Rules**

These administrative rules are adopted under the authority of Metro Code, which authorizes the Chief Operating Officer (COO) to adopt and amend administrative rules. In accordance with Metro Code Chapter 5.08, the COO provided an opportunity for public comment and held a public hearing on these rules before their adoption.

The COO finds that these administrative rules are necessary to implement certain provisions of Metro Code Chapter 5.15 and hereby adopts Administrative Rules Nos. 5.15-1000 through 1020. The requirements of these administrative rules are in addition to all other requirements and provisions in Metro Code Chapter 5.15. These rules have the same force and effect as any other provision of Metro Code Chapter 5.15.

It is so ordered:

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Marissa Madrigal  
Metro Chief Operating Officer

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Date

# **SOLID WASTE**

## **ADMINISTRATIVE RULES**

**AR 5.15-1000 through 1020**

### **Request for Compliance Date Extension and Non-Compliance Procedures**

Effective: XXXXX

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5.15 - 1000	Purpose
5.15 - 1005	Legal Authority
5.15 - 1010	Applicability of Rules
5.15 - 1015	Request for Compliance Date Extension
5.15 - 1020	Non-compliance procedures

DRAFT

### **5.15 – 1000 Purpose**

To implement the local government requirements under the Regional Waste Plan as set forth in Metro Code Chapter 5.15.

### **5.15 – 1005 Legal Authority**

1. Metro’s solid waste planning and implementing authority is established under the Metro Charter, the Constitution of the State of Oregon, and ORS Chapters 268 and 459.
2. These rules are issued under the authority of Metro Code. These rules are in addition to all other requirements and provisions in Metro Code Chapters 5.10 and 5.15.

### **5.15 – 1010 Applicability of Rules**

The local government requirements under the Regional Waste Plan apply to all portions of Clackamas, Washington, and Multnomah Counties within Metro’s jurisdictional boundary.

### **5.15 – 1015 Request for Compliance Date Extension**

1. A local government may seek an extension of time to comply with a Regional Waste Plan requirement by filing a written request for an extension with the Chief Operating Officer.
2. The local government’s written request must demonstrate that: (1) the local government is making progress toward compliance with the Regional Waste Plan requirement; and (2) the local government has good cause for failure to meet the compliance date.
3. The Chief Operating Officer will notify the local government in writing of its decision to grant or deny the request and the reasons behind the decision within 60 days of receipt of the request.
4. The Chief Operating Officer may establish conditions for the extension to ensure the local government complies in a timely manner and that local government actions during the extension period do not undermine the region’s ability to implement the Regional Waste Plan.
5. No more than two extensions of time will be granted and the Chief Operating Officer will not extend the date for compliance for more than one year from the date of approval of the original request.

### **5.15 -1020 Non-Compliance Procedures**

1. If the Chief Operating Officer finds that a local government is not in compliance with a Regional Waste Plan requirement or performance standard, then Chief Operating Officer will notify the local government of the finding in writing.
2. The local government may respond to the Chief Operating Officer’s finding of non-compliance. Responses and any relevant materials to support the response must be received within 60 days of the date of the Chief Operating Officer’s original notification of findings.
3. The Chief Operating Officer will review the local government’s response and determine if the local government is in compliance.
4. If the Chief Operating Officer determines that the local government remains out of compliance the Chief Operating Officer will notify the Council of the finding of noncompliance and will schedule a hearing within 90 days. The Chief Operating Officer will notify the local government of these findings and the date, time and location of the hearing.
5. The local government may file a response to the Council within 30 days of the Chief Operating Officer’s findings.
6. If the Council finds that the local government action does not comply with the Regional Waste Plan or any related rules or provisions of the Metro Code, the Chief Operating Officer will issue any requirements or penalties as directed in the Council order.

**Solid Waste  
Administrative Rule**

**AR 5.15-2000 through 2065**

**Administrative Rule of Metro Code Chapter 5.15  
Administrative Rule Adoption Record and Findings**

**AR 5.15-2000 through 2065  
Residential Service Administrative Rules**

These administrative rules are adopted under the authority of Metro Code, which authorizes the Chief Operating Officer (COO) to adopt and amend administrative rules. In accordance with Metro Code Chapter 5.08, the COO provided an opportunity for public comment and held a public hearing on these rules before their adoption.

The COO finds that these administrative rules are necessary to implement certain provisions of Metro Code Chapter 5.15 and hereby adopts Administrative Rules Nos. 5.15-2000 through 2065. The requirements of these administrative rules are in addition to all other requirements and provisions in Metro Code Chapter 5.15. These rules have the same force and effect as any other provision of Metro Code Chapter 5.15.

It is so ordered:

\_\_\_\_\_  
Marissa Madrigal  
Metro Chief Operating Officer

\_\_\_\_\_  
Date

**SOLID WASTE  
ADMINISTRATIVE RULES  
Residential Service**

**AR 5.15-2000 through 2065**

Effective: XXXXX

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5.15 - 2030	Exemption to Single-Family Yard Debris Service Standard
5.15 - 2035	Exemption for Single-Family Every Other Week Programs
5.15 - 2040	Multifamily Residential Service Standards
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5.15 - 2050	Exemptions to Multifamily Standards
5.15 - 2055	Compliance and Enforcement
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**5.15 – 2000 Purpose**

To implement the residential service standard as set forth in Metro Code Chapter 5.15 and as required by the Regional Waste Plan to ensure a comprehensive and consistent level of recycling service for the region.

**5.15 – 2005 Legal Authority**

1. Metro’s solid waste planning and implementing authority is established under the Metro Charter, the Constitution of the State of Oregon, and ORS Chapters 268 and 459.
2. These rules are issued under the authority of Metro Code. These rules are in addition to all other requirements and provisions in Metro Code Chapters 5.10 and 5.15.

**5.15 – 2010 Definitions**

Unless otherwise specifically defined below, all terms used are as defined in Metro Code Chapter 5.00.

**Acceptable recyclable materials** are a type of source-separated recyclable as-defined in Metro Code Chapter 5.00. For the purposes of these administrative rules, acceptable recyclable materials include the following:

Mixed waste paper	Steel cans
Newspaper	Aluminum
Magazines	Scrap metal
Corrugated cardboard	Plastic bottles and jars

Kraft paper	Round plastic containers/tubs
Aseptic containers	Glass bottles and jars
Yard debris	Motor oil

~~Adequate service means no overflow of garbage or recycling; receptacle lids must close. Bulky waste should not accumulate for more than seven days or impede access to service area. No bagged or overflow garbage present in recycling receptacles.~~

**Minimum service** means the lowest amount of acceptable recyclable material, glass, yard debris, and garbage collection service volume to be in compliance with residential service standard.

**Commented [SK1]:** A comment received by Sam Wisner showed that the adequate service definition added confusion to understanding the Multifamily Residential Service Standards. The definition was removed from rule and will be added to a guidance document.

### 5.15 – 2015 Applicability of Rules

The requirements of the Regional Waste Plan’s residential service standard apply to all portions of Clackamas, Washington, and Multnomah Counties within Metro’s jurisdictional boundary. For areas of Clackamas, Multnomah and Washington Counties outside of Metro’s jurisdictional boundary, the performance standards are recommendations.

### 5.15 - 2020 Glass Separation Requirement

For all residential customers, a local government must require that glass is kept separate from all other acceptable recyclable materials in collection receptacles and on collection vehicles.

### 5.15 - 2025 Single-Family Residential Service Standards

For all single-family residential customers, a local government must:

1. Provide at least one receptacle, with capacity of at least 60 gallons, for the collection of all acceptable recyclable materials except glass and motor oil.
2. Provide at least one receptacle for source-separated glass collection. The receptacle must have a capacity of at least five gallons.
3. Provide weekly collection of acceptable recyclable materials, glass, motor oil, and yard debris on the same day of the week as garbage, unless exempted under administrative rule 5.15-2030 or administrative rule 5.15-2035.
4. Provide at least one receptacle for yard debris collection. The receptacle must have a capacity of at least 60 gallons.

~~If food scraps service is offered, provide weekly collection of residential food scraps mixed with yard debris. Every other week collection of residential food scraps mixed with yard debris is allowed if approved by the processing facility receiving the material and acceptance does not violate any other government ordinance, regulation, permit, health or safety code.~~

5. ~~Residential food scraps with yard debris can be offered at weekly or every other week frequency. Every other week collection of residential food scraps mixed with yard debris is allowed only if approved in advance by the processing facility receiving the material and acceptance does not violate any other government ordinance, regulation, permit, health, or safety code.~~

**Commented [SK2]:** A comment submitted by Kristen Leichner provided wording that increased clarity. The wording has been changed to reflect her suggestion.

6. Provide bulky waste collection service.

7. Ensure that property owners and managers provide access to adequate on-site garbage and recycling collection service to renters of single-family residential properties.

**Commented [SK3]:** This edit is related to comment submitted by Sam Wisner. The term adequate is being removed.

#### 5.15 - 2030 Exemption to Single-Family Yard Debris Service Standard

1. A local government may exempt rural service areas from regular on-route collection of yard debris provided that the local government distributes informational material to rural customers at least annually that provides options for proper management of yard debris, including instructions to not place yard debris in solid waste receptacles destined for disposal.
2. A local government may define “rural service areas” for purposes of solid waste collection and must provide its definition to Metro. A local government must notify Metro of any changes to that definition.

#### 5.15 - 2035 Exemption for Single-Family Every Other Week Recycling and Yard Debris Collection Programs

A local government with an every-other-week recycling and/or yard debris collection program in place as of January 1, 2019 meets the residential service standard. A second recycling collection receptacle of at least 60 gallons capacity must be provided to every-other-week customers upon request and at no additional charge.

#### 5.15 - 2040 Multifamily Residential Service Standards

For all multifamily residential customers, a local government must:

1. **Provide/Implement** a minimum service volume of 20 gallons per unit per week for garbage collection service.
2. **Provide/Implement** a minimum service volume of 20 gallons per unit per week for acceptable recyclable materials and a minimum service volume of one gallon per unit per week for source-separated glass.
3. Ensure all material streams are collected at least weekly. On call services are exempt from collection frequency and minimum service volume requirements.
4. Ensure provision of regularly-occurring bulky waste collection service by July 1, 2025.

**Commented [SK4]:** Clackamas County suggested this wording to increase clarity.

#### 5.15 - 2045 Multifamily Receptacle Colors; Signage; Informational Materials

For all multifamily residential customers, a local government must comply with the regional standards for collection receptacles by the dates below.

1. All receptacles ordered after July 1, 2021 must comply with the color standard below and must be labeled with the correct Metro-approved regional signage.
2. All plastic receptacles for garbage, mixed recyclable materials, and yard debris and/or food scraps ordered after July 1, 2021 must contain at least 30% post-consumer recycled content.
3. Garbage receptacles must be gray, mixed recyclable materials receptacles must be blue, yard debris and/or food scraps receptacles must be green and source-separated glass receptacles must be orange by July 1, 2028. Metro will provide a list of approved receptacle colors by vendor.
4. Color standards do not apply to compactors and drop boxes.
5. As of December 31, 2023, all receptacles must be labeled with the correct Metro-approved regional decals for acceptable recyclable materials, glass, yard debris, and garbage. All previous garbage and



recycling instructional decals must be completely removed from each receptacle and replaced with correct and approved regional decals.

**5.15 - 2050 Exemptions to Multifamily Standards**

Notwithstanding administrative rule 5.15-2045, a local government may:

1. Exempt used motor oil from collection.
2. Exempt yard debris from collection if no yard debris is generated on-site, or the customer meets one of the following conditions:
  - a. Uses a landscape maintenance firm that transports yard debris to a Metro-authorized facility;
  - b. Manages its yard debris on-site such as composting or mulching;
  - c. Self-hauls its yard debris to a Metro-authorized facility;
  - d. Uses another method approved by Metro.

**5.15 - 2055 Compliance and Enforcement**

A local government must comply with the requirements of the Regional Waste Plan’s residential service standard. If a local government does not comply, Metro will withhold funding associated with the implementation of the Regional Waste Plan. Metro may also withhold discretionary funding associated with other programs and seek any remedy under its Charter, Code or applicable state law.

**5.15 - 2060 Reporting**

As part of regular annual reporting requirements, a local government must provide the information necessary for Metro to determine compliance with the residential service standard.

**5.15 - 2065 Funding Guidelines**

In order to receive funding associated with the Regional Waste Plan, a local government or its designated agency must comply with the requirements of Metro Code Chapter 5.15 and these rules. The local government or its designated agency must also enter into an intergovernmental agreement with Metro.

**Commented [SK5]:** Clackamas County suggested this wording to increase clarity.

Administrative Rule of Metro Code Chapter 5.15  
Administrative Rule Adoption Record and Findings

**AR 5.15-3000 through 3055  
Business Service Standard and Recycling Requirement**

These administrative rules are adopted under the authority of Metro Code, which authorizes the Chief Operating Officer (COO) to adopt and amend administrative rules. In accordance with Metro Code Chapter 5.08, the COO provided an opportunity for public comment and held a public hearing on these rules before their adoption.

The COO finds that these administrative rules are necessary to implement certain provisions of Metro Code Chapter 5.15 and hereby adopts Administrative Rules Nos. 5.15-3000 through 3055. The requirements of these administrative rules are in addition to all other requirements and provisions in Metro Code Chapter 5.15. These rules have the same force and effect as any other provision of Metro Code Chapter 5.15.

It is so ordered:

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Marissa Madrigal  
Metro Chief Operating Officer

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Date

**SOLID WASTE  
ADMINISTRATIVE RULES**

**AR 5.15-3000 through 3055**

Business Service Standard and Business Recycling Requirement

Effective: XXXXX

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5.15 - 3045	Local Government Enforcement of the Business Recycling Requirement
5.15 - 3050	Metro Enforcement of the Business Recycling Requirement
5.15 - 3055	Reporting Requirements

**5.15 – 3000 Purpose**

To implement the business service standard and the business recycling requirement as set forth in Metro Code 5.15 and as required by the Regional Waste Plan to ensure a comprehensive and consistent level of recycling service for the region.

**5.15 – 3005 Legal Authority**

1. Metro’s solid waste planning and implementing authority is established under the Metro Charter, the Constitution of the State of Oregon, and ORS Chapters 268 and 459.
2. These rules are issued under the authority of Metro Code. These rules are in addition to all other requirements and provisions in Metro Code Chapters 5.10 and 5.15.

**5.15 – 3010 Definitions**

Unless otherwise specifically defined below, all terms used are as defined in Metro Code Chapter 5.00 and administrative rule 5.15-2010.

**5.15 – 3015 Applicability of Rules**

The requirements of the Regional Waste Plan’s business service standard and business recycling requirement apply to all portions of Clackamas, Washington, and Multnomah Counties within Metro’s jurisdictional boundary. For areas of Clackamas, Multnomah and Washington Counties outside of Metro’s jurisdictional boundary, the performance standard is a recommendation.

**5.15 - 3020 Glass Separation Requirement**

For all business customers, a local government must require that glass is kept separate from all other acceptable recyclable materials in collection receptacles and on collection vehicles.

### **5.15 – 3025 Business Service Standard**

A local government must provide garbage and recycling collection services to meet the needs of all business customers.

### **5.15 – 3030 Business Recycling Requirement**

To implement the business recycling requirement a local government must:

1. Adopt the Metro model ordinance or demonstrate code complies with the business recycling requirement.
2. Send notice to businesses that outlines the recycling requirements and how to receive assistance.
3. Establish a local compliance program or enter into an intergovernmental agreement with Metro to perform the compliance function.
4. Report to Metro on information related to program adoption, implementation and performance as outlined in administrative rules 5.15 – 3055.

### **5.15 – 3035 Business Recycling Requirement Performance Standard**

A local government must ensure implementation of the business recycling requirement performance standard:

1. Businesses must source separate acceptable recyclable materials with the exception of motor oil and yard debris for reuse or recycling.
2. Businesses must provide recycling containers for internal maintenance or work areas where acceptable recyclable materials may be collected and stored.
3. Businesses must post accurate instructional signs where acceptable recyclable materials are collected and stored that identify the materials that the business must collect for reuse or recycling.
4. A local government must establish a method for ensuring compliance with the business recycling requirement.
5. A local government may exempt a business from some or all of the business recycling requirement if the business provides access to the local government for a site visit and the local government determines that the business cannot comply with the business recycling requirement, or compliance results in a violation of other government ordinance, health or safety code.

### **5.15 – 3040 Business Recycling Requirement Compliance**

A businesses is considered in compliance if the business has implemented the following:

1. Regularly scheduled recycling collection provided by the franchised or licensed garbage and recycling hauler, a private recycling service or self-haul.
2. A two-container sort system: acceptable recyclable materials and glass.
3. Internal recycling containers located as conveniently as garbage containers; generally a recycling collection container at each employee work station and/or work area.
4. All interior and exterior recycling containers are correctly labeled and accurate signs and instructions are posted that identify the acceptable recyclable materials the business must recycle, and how to prepare items for recycling.
5. All employees and tenants receive information about recycling and waste prevention at least once annually and all new employees and tenants receive training about waste prevention and recycling.

6. Property management and janitorial/maintenance agreements enable businesses to meet waste prevention and recycling program goals and requirements.

#### **5.15 – 3045 Local Government Enforcement of the Business Recycling Requirement**

1. A local government must use enforcement authority to ensure business compliance with the business recycling requirement and use education and technical assistance as the primary tools to achieve compliance.
2. A local government must establish a method for ensuring business compliance with the business recycling requirement in one of the following ways:
  - a. Adopt the compliance program as defined in the business recycling requirement model ordinance.
  - b. Enter into an intergovernmental agreement with Metro to enforce the business recycling requirement or contract with another local government to conduct enforcement.
  - c. Implement a locally-designed compliance method that follows one of the following models:
    - i. Compliance is determined from information provided by franchised or licensed haulers or other recycling service providers. The local government has a clear and complete process for: notifying businesses of non-compliance; providing technical assistance to support compliance; and enforcing against continuing non-compliance.
    - ii. Compliance is determined from local government inspection of businesses. The local government has a clear and complete process for: notifying businesses of non-compliance; providing technical assistance to support compliance; and enforcing against continuing non-compliance.
    - iii. Compliance is determined from self-reporting by businesses, coupled with verification measures. The local government has a clear and complete process for: notifying businesses of non-compliance; providing technical assistance to support compliance; and enforcing against continuing non-compliance.
    - iv. Design an alternative compliance method and seek approval by Metro.

#### **5.15 – 3050 Metro Enforcement of Business Recycling Requirement**

Upon establishment of an intergovernmental agreement with a local government, Metro will perform the local government function to ensure compliance with the business recycling requirement.

1. A local Government will identify non-compliant businesses through recycling service reports, complaints or other means.
2. A local government will offer assistance to the non-compliant businesses.
3. Businesses that remain non-compliant after local government attempts to assist them will be referred to Metro for enforcement action.
4. Metro will provide a written non-compliance letter to the business upon receipt of the local government referral. The letter will describe the business recycling requirement, offer the business an opportunity to verify compliance within 30 days with the local government, and offer recycling assistance.
5. A local government will report back to Metro to indicate whether or not the violation has been corrected. If the business has not complied, Metro will issue a notice of violation with an

opportunity to cure. The notice must provide an additional opportunity to cure the violation within the time specified in the notice and must notify the business that it may be subject to a fine. Local governments will provide assistance to businesses seeking an opportunity to cure and report back to Metro to indicate whether or not the violation has been corrected.

6. If the business does not comply with the notice of violation, Metro will provide a written notice of violation and assess a fine to the business within the time specified in the notice. The notice of assessment of fine must include the information required by Metro Code Section 5.09.090. Metro must serve the notice personally or by registered or certified mail. A business may contest an assessment by following the procedures set forth in Metro Code Section 5.09.130 and 5.09.150. Metro must notify the local government of the assessment of fine. A local government representative must be available upon request to provide testimony for a contested case hearing.

### **5.15 – 3055 Reporting Requirements**

A local government must provide the following documentation to Metro:

1. A copy of the adopted ordinance or current code that is consistent with the performance standard in Metro Code.
2. A written description of the local government compliance method consistent with these administrative rules or signed intergovernmental agreement with Metro.
3. An outreach plan that describes how businesses will be notified of the requirement and a local government's compliance approach.
4. A year-end report with the results, including number of businesses notified and number of compliance actions. In cases where there is a city/city or city/county cooperative relationship, the designated jurisdiction may report on behalf of the other jurisdictions.
5. Metro will provide appropriate reporting forms.

**Solid Waste  
Administrative Rule**

**AR 5.15-5000 through 5020**

**Administrative Rule of Metro Code Chapter 5.15  
Administrative Rule Adoption Record and Findings**

**AR 5.15-5000 through 5020  
General Education Standard Administrative Rules**

These administrative rules are adopted under the authority of Metro Code, which authorizes the Chief Operating Officer (COO) to adopt and amend administrative rules. In accordance with Metro Code Chapter 5.08, the COO provided an opportunity for public comment and held a public hearing on these rules before their adoption.

The COO finds that these administrative rules are necessary to implement certain provisions of Metro Code Chapter 5.15 and hereby adopts Administrative Rules Nos. 5.15-5000 through 5020. The requirements of these administrative rules are in addition to all other requirements and provisions in Metro Code Chapter 5.15. These rules have the same force and effect as any other provision of Metro Code Chapter 5.15.

It is so ordered:

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Marissa Madrigal  
Metro Chief Operating Officer

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Date

# SOLID WASTE ADMINISTRATIVE RULES General Education

AR 5.15-5000 through 5020

Effective: XXXXX

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5.15 - 5020	General Education Performance Standard

### 5.15 – 5000 Purpose

To implement the general education standard as set forth in Metro Code Chapter 5.15 and as required by the Regional Waste Plan to ensure a comprehensive and consistent level of education and assistance for garbage, recycling, composting, waste prevention, and reuse education and assistance for all customers in the region.

### 5.15 – 5005 Legal Authority

1. Metro’s solid waste planning and implementing authority is established under the Metro Charter, the Constitution of the State of Oregon, and ORS Chapters 268 and 459.
2. These rules are issued under the authority of Metro Code. These rules are in addition to all other requirements and provisions in Metro Code Chapters 5.10 and 5.15.

### 5.15 – 5010 Definitions

Unless otherwise specifically defined below, all terms used are as defined in Metro Code Chapter 5.00 and administrative rule 5.15-2010.

**Culturally-responsive** means adapted to maximize the respect and relevance to the beliefs, practices, culture and linguistic needs of diverse consumer populations and communities.

### 5.15 – 5015 Applicability of Rules

The requirements of the Regional Waste Plan’s general education standard apply to all portions of Clackamas, Washington, and Multnomah Counties within Metro’s jurisdictional boundary. For areas of Clackamas, Multnomah and Washington Counties outside of Metro’s jurisdictional boundary, the standard is a recommendation.



### **5.15 -5020 General Education Performance Standard**

A local government must:

1. Provide comprehensive education and assistance for waste, recycling and reuse services to all customers. Education and assistance must be provided at least annually and contain the following:
  - a. Information about waste prevention, reuse, recycling, yard debris and food waste.
  - b. Instructions about the proper preparation of materials for recycling, composting and disposal.
  - c. Contact information for customers to receive additional information or assistance.
2. Provide education and outreach resources that are accurate, culturally-responsive, and reflect local conditions. Ensure that all information provided by collection service providers meets this standard.
3. Ensure collection service providers give direct performance feedback to individual customers regarding any contamination of acceptable recyclable materials.
4. Provide timely inclement weather notifications to customers in multiple languages and through a variety of media.

A local government should:

5. Use regional education and outreach resources, campaigns and programs as developed by Metro including, but not limited to:
  - a. Implement regionally-consistent contamination reduction efforts to improve material quality, including education, sorting instructions, and customer feedback methods.
  - b. Utilize Metro's Recycling Information Center to serve all residents in the region as a clearinghouse for prevention, reuse, recycling and disposal information.

# Public Comment Report Proposed Updates to Metro Code Chapter 5.10 and Associated Administrative Rules



October 20, 2020

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## BACKGROUND

In March 2019, Metro adopted the 2030 Regional Waste Plan which sets the policy direction for the region's solid waste and recycling system. The plan is implemented in many ways; through collaborative programs with local government partners and community organizations, and through required actions that bring minimum standards and consistency to a large and complex system. Metro Code and Administrative Rules are the mechanism used to implement the required elements of the plan. The Metro Code and Rules need to be updated and re-written to reflect the goals, policies and programs of the new plan.

Between September 15 and October 15, 2020 Metro conducted a public comment period for proposed updates to the Metro Code Chapter 5.10 and associated administrative rules pertaining to the regional service standard<sup>1</sup>. Local government elected officials, city and county managers, residential property managers and owners, community-based organizations and tenant organizations and garbage and recycling companies were notified via email about the opportunity to comment. The email messages included audience-specific fact sheets and a Frequently Asked Questions document. A call for comments paired with an infographic was posted on Metro's three social media platforms Facebook ([www.facebook.com/oregonmetro](http://www.facebook.com/oregonmetro)), Twitter (@oregonmetro) and Instagram (@oregonmetro). Some local governments also publicized the comment period through their communication channels. Examples of the email message and social media posts are included as Attachment A.

In addition, the Metro web page dedicated to the service standards project ([www.oregonmetro.gov/servicestandards](http://www.oregonmetro.gov/servicestandards)) provided information about the proposed changes, and anticipated impacts, as well as the full text of proposed code and rules.

Comments were accepted in writing for inclusion in this report. The comments were received through an email address established for the comment period ([servicestandards@oregonmetro.gov](mailto:servicestandards@oregonmetro.gov)). As well as through a web form, accessible by a single click, designed to reduce barriers to participation. Comments were also able to be received via U.S. mail.

The web form appears to be successful in reducing barriers to submitting comments. All comments received from residents and property managers and owners were received through the web form. Four comments were received through the web form from multifamily residents within hours of the social media infographic posting.

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<sup>1</sup> Metro Code Chapters 5.00 definitions, 5.10 Regional Waste Plan, 5.15 Local Government Requirements under the Regional Waste Plan. Administrative Rules 5.15-1000 Request for Compliance Date Extension, 5.15-2000 Residential Service, 5.15-3000 Business Service Standard and Recycling Requirement, 5.15-5000 General Education. Current proposed drafts are posted at [www.oregonmetro.gov/servicestandards](http://www.oregonmetro.gov/servicestandards).

Comments were received from individuals living in multifamily homes, property managers, local governments, hauler associations and individual haulers.

## COMMENT SUMMARY

At the close of the comment period, 19 comments were received:

- Nine were clearly supportive.
- None were opposed to the proposed code.
- Six expressed concerns about economic and environmental costs of the proposed multifamily color standard administrative rule.
- Eight were interested in additional detail on the bulky waste standard; six of the eight comments were supportive of the regularly occurring bulky waste requirement.
- Five requested specific edits to the policy or had general concerns and suggestions for changes.
- Six had general suggestions to improve multifamily services.
- Four had questions related to expanding every other week collection of single-family mixed recycling and compost.
- All comments wholly or partially addressed the multifamily service standard administrative rules.

The majority of those **in favor** of the policy indicated:

- Improvements for multifamily customers are overdue and they look forward to seeing the future improvements.
- An interest in access to food scrap service for people living in multifamily homes.
- An interest in additional detail for bulky waste collection.

The **concerns** expressed by eight of the comments included the following:

- Concerns from haulers on increased costs related to implementing the multifamily color standard.
- Questions regarding additional detail on how bulky waste items would be handled.
- Concerns about how standards may be enforced.

All of the comments received, as well as the comment log with staff response, are included with this report as Attachment B.

## AMENDMENTS MADE TO DRAFT POLICY

All comments received during the comment period were reviewed by the Metro Policy and Compliance division. Those comments that requested **specific changes** to the code or administrative rules were discussed by the team and in some cases, reviewed by the Office of the Metro Attorney. The team then determined which comments necessitated changes or clarifications to the draft code and administrative rules documents and what those specific changes should be. Three comments, one from a hauler, one from a property manager and one from a local government, resulted in changes to the proposed administrative rules to improve clarity. The revised draft of the Administrative Rule 5.15-2000 Residential Service Standards, dated October 20, 2020, shows changes based on the comments during this period, and is included as Attachment C. No changes to the proposed Metro Code were made based on comments received.

## CONCLUSION

The public comments indicated general support for the policy with concerns regarding costs and requests for additional details from some groups.

- People living in multifamily homes want better signage and labeling, and better access to more organized bins.
- There is interest from multifamily residents living in the City of Portland to add food scraps collection.
- Support was expressed, but questions remain from property managers, haulers and hauler associations and a local government on details or specific standards for rules around regularly occurring bulky waste collection. Metro will work closely with local governments and other stakeholders to develop and pilot approaches and revise the rules over time.
- Haulers and hauler associations and one local government expressed concerns on environmental and economic costs to implement the multifamily color standard.

The administrative rules will have an additional 30-day comment period in January 2021 prior to adoption by the Metro COO. The complete report, including all attachments can be viewed on the Metro website: [www.oregonmetro.gov/servicestandards](http://www.oregonmetro.gov/servicestandards)

## Attachment A: Example outreach materials

### Example email with infographic

Hello,

I'm following up on an email I sent at the end of August.

Metro is proposing changes to Metro Code and rule, specifically changes to improve garbage and recycling collection for people living in multifamily homes.

Attached is a fact sheet and FAQ describing the changes.

Full text of the code and rule will be available on September 14.

Between September 15 and October 15, visit [www.oregonmetro.gov/servicestandards](http://www.oregonmetro.gov/servicestandards) to share your thoughts via a quick form. You can also email us at [ServiceStandards@oregonmetro.gov](mailto:ServiceStandards@oregonmetro.gov) or mail written comments to:

Metro  
Attn: Service Standards WPES  
600 NE Grand Avenue  
Portland, OR 97230

**Garbage and recycling changes for apartments and condos**

		
<b>More service</b> Bins won't get overloaded	<b>New bins</b> Color-coded	<b>Stickers and signs</b> Easier to understand

**Tell us what you think by October 15.**  
We heard you need better service. Share this information and encourage others to let us know if these proposed changes meet their needs.

 **Metro**

If you have any questions please contact me, Sara Kirby [sara.kirby@oregonmetro.gov](mailto:sara.kirby@oregonmetro.gov).

Example social media post



Metro

September 22 at 11:00 AM · 🌐



Metro is proposing changes to improve garbage and recycling collection at apartments and condos. From now until October 15, visit [www.oregonmetro.gov/servicestandards](http://www.oregonmetro.gov/servicestandards) to learn what this means for you and share your thoughts.

## Garbage and recycling changes for apartments and condos



**More service**

Bins won't get overloaded

**New bins**

Color-coded

**Stickers and signs**

Easier to understand

### Tell us what you think by October 15.

We heard you need better service. Share this information and encourage others to let us know if these proposed changes meet their needs.



## Attachment B - 2020 Regional Service Standard Formal Comments Log

Comment #	Date	Time	Channel	Name	Email Address	Zip Code	Category	Comment Summary	Response
1	9/22/2020	11:51	web form	Francesca Cameron	<a href="mailto:francesca747@gmail.com">francesca747@gmail.com</a>	97205	Multifamily	I do not have time to read the drafts, but have one issue that really matters to me. I want to have access to a compostable bin in my building where I can recycle kitchen waste.	Thank you for your input. With regard to food scraps recovery, Metro has chosen to focus regional programs and policies on food scraps generated from the business sector and agreed with our local government partners that decisions about residential food scraps programs will be made at the city and county level. We have forwarded your comment to the appropriate city or county so they are aware of your request.
2	9/22/2020	12:27	web form	Justin Gilchrist	<a href="mailto:jgilchristccla@gmail.com">jgilchristccla@gmail.com</a>	97219	Multifamily	I would appreciate more organized bins. Currently we just have two dumpsters with poor labeling and everyone doesn't know which one is which and ruins all our recyclables. I would also hope it makes for a more sanitary area if the service would come more often. Thank you.	Thank you for your input.
3	9/22/2020	13:08	web form	Neel Patel	<a href="mailto:neelpatelslc@gmail.com">neelpatelslc@gmail.com</a>	97209	Multifamily	This is a great idea! I would love more options for composting in apartment buildings. I tried to lobby my building for compost but it didn't go anywhere. Also the signs are helpful, but I feel that most people put whatever they want in the recycling. One solution my be to severely reduce recycling to what can actually be meaningfully recycled?  Also maybe for signs, stressing the importance of flattening cardboard boxes?? Thanks for all your hard work!	Thank you for your input. With regard to food scraps recovery, Metro has chosen to focus regional programs and policies on food scraps generated from the business sector and agreed with our local government partners that decisions about residential food scraps programs will be made at the city and county level. We have forwarded your comment to the appropriate city or county so they are aware of your request.
4	9/22/2020	13:42	web form	Jacob Metcalf	<a href="mailto:8bitjoystick@gmail.com">8bitjoystick@gmail.com</a>	97213	Multifamily	I am a essential healthcare worker currently fighting the covet 19 epidemic. I'm also a condo owner in Portland off NE 68th. It is long overdue that we expand and reform recycling and garbage services for multi-person Portland	Thank you for your input.
5	9/23/2020	8:47	web form	Alyson Berman	<a href="mailto:emmash@gmail.com">emmash@gmail.com</a>	97210	Multifamily	It still leaves out composting for apartment users. If the city can't pick up yard debris and compost from apartment residents, it would be great if there were drop off stations so we could minimize our waste and increase our composting.	Thank you for your input. With regard to food scraps recovery, Metro has chosen to focus regional programs and policies on food scraps generated from the business sector and agreed with our local government partners that decisions about residential food scraps programs will be made at the city and county level. We have forwarded your comment to the appropriate city or county so they are aware of your request.
6	9/23/2020 9/28/2020	11:56 10:55	web form web form	Lisa Chin Carolyn Overby	<a href="mailto:lisasenchin@gmail.com">lisasenchin@gmail.com</a> <a href="mailto:carolynoverby@frontier.com">carolynoverby@frontier.com</a>	97214 97008	Multifamily Multifamily	I'd like to have composting as an option. My apartment does not offer this. If this is not the channel for this request, I'd really like to know what would be the best resources. Thank you!	Thank you for your input. With regard to food scraps recovery, Metro has chosen to focus regional programs and policies on food scraps generated from the business sector and agreed with our local government partners that decisions about residential food scraps programs will be made at the city and county level. We have forwarded your comment to the appropriate city or county so they are aware of your request.
7								I question how bulk items will be picked up. Where will residents place them, when will they be picked up and who will pay for this extra service. Currently our residents contact us for pickup. We then schedule a day with Waste Management so property doesn't load up with trashy looking items showing on the property. The residents are informed that they will pay whatever fees Waste Management charges for the pickup. I sincerely think it would be a fiasco to just allow the residents to discard their unwanted large items on the property. Many would not bother taking them to a charity group or having one pick them up. I believe the charge is what motivates them to take action. Move-outs would be disastrous! Our residents don't pay for the water, sewer or garbage. I can foresee a lot of resentment if we started implementing that. I can also foresee the home owner's around the area taking advantage of the situation, as we already combat that to some degree.  I don't think it is always a misunderstanding concerning the contamination in recycling. There is no lid they have to lift for recycling whereas they must lift the lid for garbage. We do our very best to inform and work with our residents and for the most part they are compliant. I sincerely wish whoever is making these decisions had some experience managing a multi-family complex.	Thank you for your input. Metro anticipates working closely with local governments and stakeholders on the future development of bulky waste collection service standards.
8	9/28/2020	13:59	web form	Carolyn Overby	<a href="mailto:carolynoverby@frontier.com">carolynoverby@frontier.com</a>	97008	Multifamily	Company or organization (if applicable): Sussex Village LLC Zip code: 97008 Provide your feedback: I have a question. Will it be answered? Will Waste Management have the authority to take over a slice of my property to use as a large item recycling area. They have closed the recycling center that was on Denny Road in Beaverton. Is this a way for them to use small slices of other people's land which they do not pay taxes on?	Thank you for your input. Metro anticipates working closely with local governments and stakeholders on the future development of bulky waste collection service standards.

9	10/5/2020	9:34 Email	Kristin Lechner	<a href="mailto:kristini@pridedisposal.com">kristini@pridedisposal.com</a>	97140 Commercial	<p>see full text of comment in PDF Interest in expanding every other week mixed recycling and yard debris service. Concerns economic and environmental costs related to MF color standard implementation.</p>	<p>Thank you for your input. <b>AR 5.15-2025: Single-Family Residential Service Standards</b></p> <p>3. Existing every-other-week single-family collection programs including yard debris (AR 5.15-2035) meet the service standard. Metro did not want to make significant changes to single-family curbside collection program standards ahead of the statewide Recycling Steering Committee process, therefore the proposed service standard maintains the status-quo.</p> <p>5. Thank you for suggesting wording for the rule that increases clarity, Metro will amend the rules based on this suggestion.</p> <p><b>AR 5.15-2040 Multifamily Residential Service Standards</b></p> <p>4. Thank you for your input. Metro anticipates working closely with local governments on the future development of bulky waste collection service standards.</p> <p><b>AR 5.15-2045 Multifamily Receptacle Colors; Signage; Informational Materials</b></p> <ul style="list-style-type: none"> <li>Analysis shows minimal costs to commercial ratepayers as a result of establishing a multifamily color standard over a 7-year schedule. The analysis of costs showed a lid-only replacement to be almost as costly as replacing the entire cart, and cost savings depend on the cart body being in good condition. Replacing only the lids does not create regional consistency and would increase confusion for people living in multifamily homes. Additionally, lids of carts and containers are often left open in shared service situations rendering a lid-only color signal ineffective.</li> <li>Orange has been used as the standard glass decal and sign color in the Metro region for commercial collection for over a decade. In addition, yellow is widely accepted as the color for hazardous waste and red indicates biomedical waste. Orange is also used by Recycle Across America, a national non-profit organization working to standardize garbage and recycling labels, to indicate a glass-only stream.</li> <li>Metro is currently only proposing a color standard for multifamily carts and containers. There is no timeline established to set a color standard for other lines of service and likely no timeline will be established in the foreseeable future.</li> </ul>
10	10/9/2020	10:43 Web form	Ashley George	<a href="mailto:ashleygeorge@gmail.com">ashleygeorge@gmail.com</a>	97225 Multifamily	<p>Some multi-family housing units use a valet service where the residents just place their garbage and recycling outside of their door certain days of the week. It would be nice if it was required by Metro to provide residents yearly with a reminder of recycling guidelines. I frequently see my neighbors incorrectly recycling items so a reminder would be good!</p>	<p>Thank you for your input. Annual education for all customers has been a part of previous standards and is included in the proposed standards.</p>
11	10/10/2020	17:10 web form	Annee Ashton Goldfeld	<a href="mailto:goldfeld@aya.yale.edu">goldfeld@aya.yale.edu</a>	97006 Multifamily	<p>RE: 5.15 - 2040 Multifamily Residential Service Standards &amp; 5.15 - 2045 Multifamily Receptacle Colors; Signage; Informational Materials</p> <p>Regarding apartment complexes, much work needs to be done to educate both residents and staff about recycling. I speak from experience as a renter in Washington County for the last 12 years. 1) If residents perceive that recycling containers are too far from the nearest trash, they throw away their recycling in the trash. Several neighbors at The Lakes have said this as they see me walking with my recycling bucket to the collection area. 2) Bins are not always clearly labeled. I have suggested larger recycling posters to leasing office staff, but there has been no action so far. The yard waste bin used to collect glass is not labeled at all. 3) Mailboxes are a prime location to collect recyclable paper. Residents prefer to sort and dispose than carry home junk mail, etc. Clearly labeled recycling bins with slotted lids (like a mail drop slot) seem to work best. 4) Besides curbside recyclables, apartment complexes generate a lot of other "trash" when residents move out. These items include furniture, kitchen items, toys, electronics, clothes, and more that are still in good to excellent condition, just no longer wanted. My own home includes like new furniture and a fully functional computer monitor reclaimed from a dumpster area. Additionally I have sold reclaimed items on Craigslist. 5) Deposit return cans and bottles are sought in dumpsters by local neighbors struggling with poverty and/or homelessness. It would be great to have some type of compassionate alternative collection bin for returnables so that already at-risk individuals are not further endangered by biohazards and physical hazards in the dumpsters. 6) Leasing office staff needs to be engaged by local recycling authorities in regard to resident education that can happen via mass email to their residents.</p>	<p>Thank you for your input. New larger signs and clear labels for all bins are part of the proposed standards for multifamily collection system standards. Metro anticipates working closely with local governments on the future development of bulky waste collection service standards.</p>



The standards seem fairly reasonable. Weekly pickup for glass seems unnecessary. I have multiple properties with maybe 1.5 gallons glass per unit that usually aren't half full when picked up monthly. How will the standard of no bags of garbage on the ground be enforced? Most multifamily properties have people put bags of trash on the ground every day even though the dumpster is empty. I have multiple locations that find stacks of garbage on the ground in the garbage area almost every morning despite the dumpster being empty. We can clean it up regularly, but clearly marking bins and providing enough capacity is unfortunately not enough to get residents to place garbage in the bins. How about finding ways to provide bins that are accessible?

Thank you for your input. Your comments revealed some confusing language in the rules with regard to "adequate service" in section 5.15-2025; that section has been amended to improve clarity. Metro is committed to working with our local government partners to improve garbage and recycling services for multifamily customers. In future years we will be looking at how garbage and recycling areas are designed so that services are more accessible and user-friendly.

So happy you are making it easier for recycling in multi family housing. I live in an active senior adult community, and am co chair of the Green Team. There are many residents who care very much and strive to recycle correctly. There are a few residents who just don't care, and there are others who are unable. Anything you propose to make this process easier will be very welcome here. Thank you

Thank you for your input.

Clackamas County Sustainability & Solid Waste -- See PDF for full text. Questions about referring to "code" rather than "Regional Waste Plan" in code chapter 5.10 and 5.15. Additional questions related to yard debris language for residential customers. Questions around implementation of the multifamily color standard.

Thank you for your input.

**5.10 and 5.15 Code** The requirements for local governments under the Regional Waste Plan, referenced by the proposed code, are outlined on pages 113-115 of the Plan. The vast majority of actions in the Regional Waste Plan represent guidance to Metro and local governments, rather than requirements. The language, as drafted by the Metro Attorney, will remain.

**5.15 – 2030 Exemption to Single-Family Yard Debris Service Standard**

1. The language for this rule has been in place for a number of years and Metro believes it is important for rural customers to receive this annual notification.

**5.15 - 2040 Multifamily Residential Service Standards**

1. and 2. Metro agrees with this suggestion to increase clarity and will revise the rules based on this suggestion.

**5.15 – 2045 Multifamily Receptacle Colors; Signage; Informational Materials**

1. Metro's intent is to ensure that receptacles purchased after July 1, 2021 for multifamily customers meets the proposed color and signage standard. Wording suggestions to increase clarity are welcome.

2. Yes all proposed colors covered under this standard are available at 30 percent recycled content.

**5.15-2050 Exemptions to Multifamily Standards**

2. Metro believes the exemption conditions are important to maintain to ensure multifamily customers are receiving comprehensive collection services and to keep yard debris out of the garbage stream.

**5.15 – 2065 Funding Guidelines**

Thank you for your input. Metro will add "or it's designated agency" to the second sentence to increase clarity.

Sherwood, City of -- Thank you for providing an opportunity to comment on these proposed amendments - it is appreciated. Most of the changes that are proposed are administrative and minor in nature. The one important point that I would raise is to please be cautious in implementing new recycling equipment standards in terms of the effect on rates for our customers. Our franchised hauler, Pride Disposal, raised a number of these concerns to Metro in a letter that was submitted by Kristin Leichner. We echo their concerns, especially in these difficult economic times for many of our businesses and residents in these "Covid" times. Thank you again!

Thank you for your input. Independent analysis shows minimal costs to commercial ratepayers as a result of establishing a multifamily color standard over a 7-year schedule.

16	10/15/2020	3:08 PM	Email	KJ Lewis	<a href="mailto:kjlewis@republicservices.com">kjlewis@republicservices.com</a>	Multifamily	Concerned about economic and environmental costs related to MF color standard implementation. See PDF for full text	<p>Thank you for your input.</p> <p><b>5.15 – 2040 Multifamily Residential Service Standards</b> Metro anticipates working closely with local governments and stakeholders on the future development of bulky waste collection service standards and will update and revise the rules over time.</p> <p><b>5.15 -2045 Multifamily Receptacle Colors; signage; Information Materials</b></p> <ul style="list-style-type: none"> <li>• Analysis shows minimal costs to commercial ratepayers as a result of establishing a multifamily color standard over a seven year schedule.</li> <li>• Receptacles may be replaced over a seven year period. Receptacles with useful life remaining could be used in other lines of business and are not required to be disposed. The analysis of costs showed a lid-only replacement to be almost as costly as replacing the entire cart, and cost savings depend on the cart body being in good condition. Replacing only the lids does not create regional consistency and would increase confusion for people living in multifamily homes. Additionally, lids of carts and containers are often left open in shared service situations rendering a lid-only color signal ineffective.</li> <li>• Orange has been used as the standard glass decal and sign color in the Metro region for commercial collection for over a decade. Orange is also used by Recycle Across America, a national non-profit organization working to standardize garbage and recycling labels, to indicate a glass-only stream. Metro is currently only proposing a color standard for multifamily carts and containers. There is no timeline established to set a color standard for other lines of service and likely no timeline will be established in the foreseeable future.</li> </ul>
17	10/15/2020	4:31 PM	Email	Beth Vargas Duncan	<a href="mailto:bethvd@orra.net">bethvd@orra.net</a>	Multifamily	From the CCRRA - See PDF for full text. Interest in expanding every other week mixed recycling and yard debris service. Concerns economic and environmental costs related to MF color standard implementation.	<p>Thank you for your input. <b>5.15 – 2025 Single-Family Residential Service Standards 3.</b> Existing every-other-week single-family collection programs including yard debris (AR 5.15-2035) meet the service standard. Metro did not want to make significant changes to single-family curbside collection program standards ahead of the statewide Recycling Steering Committee process, therefore the proposed service standard maintains the status-quo.</p> <p>5. Metro is amending the rule based on this suggestion.</p> <p><b>5.15 -2045 Multifamily Receptacle Colors; signage; Information Materials</b></p> <ul style="list-style-type: none"> <li>• Analysis shows minimal costs to commercial ratepayers as a result of establishing a multifamily color standard over a seven year schedule.</li> <li>• Receptacles may be replaced over a seven year period. Receptacles with useful life remaining could be used in other lines of business and are not required to be disposed. The analysis of costs showed a lid-only replacement to be almost as costly as replacing the entire cart, and cost savings depend on the cart body being in good condition. Replacing only the lids does not create regional consistency and would increase confusion for people living in multifamily homes. Additionally, lids of carts and containers are often left open in shared service situations rendering a lid-only color signal ineffective.</li> <li>• Metro heard overwhelmingly from people living in multifamily homes that they want color consistency to reduce confusion in their collection services. Color consistency between decals and receptacles reinforce the message.</li> <li>• Orange has been used as the standard glass decal and sign color in the Metro region for commercial collection for over a decade. Orange is also used by Recycle Across America, a national non-profit organization working to standardize garbage and recycling labels, to indicate a glass-only stream. Metro is currently only proposing a color standard for multifamily carts and containers. There is no timeline established to set a color standard for other lines of service and likely no timeline will be established in the foreseeable future.</li> </ul>
18	10/16/2020	5:31 PM	Email	Beth Vargas Duncan	<a href="mailto:bethvd@orra.net">bethvd@orra.net</a>	Multifamily	From the PHA - See PDF for full text. Interest in expanding every other week mixed recycling and yard debris service. Concerns economic and environmental costs related to MF color standard implementation.	Three hauler associations submitted identical letters. See response above.
19	10/17/2020	6:31 PM	Email	Beth Vargas Duncan	<a href="mailto:bethvd@orra.net">bethvd@orra.net</a>	Multifamily	From the WCHA - See PDF for full text. Interest in expanding every other week mixed recycling and yard debris service. Concerns economic and environmental costs related to MF color standard implementation.	Three hauler associations submitted identical letters. See response above.

**From:** [Francesca via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Tuesday, September 22, 2020 11:51:30 AM

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Submitted on Tuesday, September 22, 2020 - 11:51am

Submitted by anonymous user: 172.68.174.134

Submitted values are:

First name: Francesca

Last name: Cameron

Email: francesca747@gmail.com

Company or organization (if applicable):

Zip code: 97205

Provide your feedback: I do not have time to read the drafts, but have one issue that really matters to me. I want to have access to a compostable bin in my building where I can recycle kitchen waste.

The results of this submission may be viewed at:

<https://www.oregonmetro.gov/node/31841/submission/106606>

**From:** [Justin via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Tuesday, September 22, 2020 12:27:40 PM

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Submitted on Tuesday, September 22, 2020 - 12:27pm

Submitted by anonymous user: 162.158.107.213

Submitted values are:

First name: Justin

Last name: Gilchrist

Email: [jgilchristfccla@gmail.com](mailto:jgilchristfccla@gmail.com)

Company or organization (if applicable):

Zip code: 97219

Provide your feedback: I would appreciate more organized bins. Currently we just have two dumpsters with poor labeling and everyone doesn't know which one is which and ruins all our recyclables. I would also hope it makes for a more sanitary area if the service would come more often. Thank you.

The results of this submission may be viewed at:

<https://www.oregonmetro.gov/node/31841/submission/106611>

**From:** [Neel via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Tuesday, September 22, 2020 1:07:52 PM

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Submitted on Tuesday, September 22, 2020 - 1:08pm

Submitted by anonymous user: 172.68.174.44

Submitted values are:

First name: Neel

Last name: Patel

Email: [neelpatelslc@gmail.com](mailto:neelpatelslc@gmail.com)

Company or organization (if applicable):

Zip code: 97209

Provide your feedback:

This is a great idea!

I would love more options for composting in apartment buildings. I tried to lobby my building for compost but it didn't go anywhere. Also the signs are helpful, but I feel that most people put whatever they want in the recycling. One solution may be to severely reduce recycling to what can actually be meaningfully recycled?

Also maybe for signs, stressing the importance of flattening cardboard boxes?? Thanks for all your hard work!

The results of this submission may be viewed at:

<https://www.oregonmetro.gov/node/31841/submission/106616>

**From:** [Jacob via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Tuesday, September 22, 2020 1:42:16 PM

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Submitted on Tuesday, September 22, 2020 - 1:42pm

Submitted by anonymous user: 172.68.174.68

Submitted values are:

First name: Jacob

Last name: Metcalf

Email: 8bitjoystick@gmail.com

Company or organization (if applicable):

Zip code: 97213

Provide your feedback: I am a essential healthcare worker currently fighting the covet 19 epidemic. I'm also a condo owner in Portland off NE 68th. It is long overdue that we expand and reform recycling and garbage services for multi-person Portland

The results of this submission may be viewed at:

<https://www.oregonmetro.gov/node/31841/submission/106621>

**From:** [Alyson via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Wednesday, September 23, 2020 8:47:00 AM

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Submitted on Wednesday, September 23, 2020 - 8:47am

Submitted by anonymous user: 162.158.106.82

Submitted values are:

First name: Alyson

Last name: Berman

Email: emmash@gmail.com

Company or organization (if applicable):

Zip code: 97210

Provide your feedback: It still leaves out composting for apartment users. If the city can't pick up yard debris and compost from apartment residents, it would be great if there were drop off stations so we could minimize our waste and increase our composting.

The results of this submission may be viewed at:

<https://www.oregonmetro.gov/node/31841/submission/106651>

**From:** [Lisa via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Wednesday, September 23, 2020 11:56:21 AM

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Submitted on Wednesday, September 23, 2020 - 11:56am

Submitted by anonymous user: 172.68.174.80

Submitted values are:

First name: Lisa

Last name: Chin

Email: [lisasenchin@gmail.com](mailto:lisasenchin@gmail.com)

Company or organization (if applicable):

Zip code: 97214

Provide your feedback: I'd like to have composting as an option. My apartment does not offer this. If this is not the channel for this request, I'd really like to know what would be the best resources. Thank you!

The results of this submission may be viewed at:

<https://www.oregonmetro.gov/node/31841/submission/106666>



**From:** [Carolyn via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Monday, September 28, 2020 10:53:14 AM

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Submitted on Monday, September 28, 2020 - 10:55am

Submitted by anonymous user: 172.68.174.80

Submitted values are:

First name: Carolyn

Last name: Overby

Email: [carolynoverby@frontier.com](mailto:carolynoverby@frontier.com)

Company or organization (if applicable): Sussex Village LLC

Zip code: 97008

Provide your feedback:

I question how bulk items will be picked up. Where will residents place them, when will they be picked up and who will pay for this extra service. Currently our residents contact us for pickup. We then schedule a day with Waste Management so property doesn't load up with trashy looking items showing on the property. The residents are informed that they will pay whatever fees Waste Management charges for the pickup. I sincerely think it would be a fiasco to just allow the residents to discard their unwanted large items on the property. Many would not bother taking them to a charity group or having one pick them up. I believe the charge is what motivates them to take action. Move-outs would be disastrous! Our residents don't pay for the water, sewer or garbage. I can foresee a lot of resentment if we started implementing that. I can also foresee the home owner's around the area taking advantage of the situation, as we already combat that to some degree.

I don't think it is always a misunderstanding concerning the contamination in recycling. There is no lid they have to lift for recycling whereas they must lift the lid for garbage. We do our very best to inform and work with our residents and for the most part they are compliant. I sincerely wish whoever is making these decisions had some experience managing a multi-family complex.

The results of this submission may be viewed at:

<https://www.oregonmetro.gov/node/31841/submission/106771>

**From:** [Carolyn via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Monday, September 28, 2020 1:56:52 PM

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Submitted on Monday, September 28, 2020 - 1:59pm

Submitted by anonymous user: 172.68.174.44

Submitted values are:

First name: Carolyn

Last name: Overby

Email: [carolynoverby@frontier.com](mailto:carolynoverby@frontier.com)

Company or organization (if applicable): Sussex Village LLC

Zip code: 97008

Provide your feedback: I have a question. Will it be answered? Will Waste Management have the authority to take over a slice of my property to use as a large item recycling area. They have closed the recycling center that was on Denny Road in Beaverton. Is this a way for them to use small slices of other people's land which they do not pay taxes on?

The results of this submission may be viewed at:

<https://www.oregonmetro.gov/node/31841/submission/106776>



October 5, 2020

Re: Comments on Proposed Revisions to Metro Code Chapter 5.10

Thank you for the opportunity to provide comments on the proposed changes. Our comments, questions, and concerns are addressed below.

**Administrative Rule 5.15 – 2025:**

#3: This service standard rule requires weekly collection of yard debris. Four of the jurisdictions that Pride Disposal services have every other week yard debris collection and always have. And I know that many other jurisdictions across the region have the same service level. This rule should be modified so that can continue, and so other jurisdictions can consider that service level in the future. Related to #5 in this section, if every other week yard debris with food scraps is allowed, there is no reason that every other week yard debris without food scraps should not also be allowed. I understand that 5.15 – 2035 allows any programs existing as of January 1, 2019 to continue, but there is no reason that a jurisdiction should be prevented from moving to an every other week yard debris program if that local jurisdiction chooses to do so.

#3: This service standard rule requires weekly collection of recycling. Five of the jurisdictions that Pride Disposal services have every other week recycling collection. Metro recently did a study finding that every other week recycling had similar outcomes to weekly recycling in terms of effectiveness. One less weekly pick-up also results in reduced GHG, neighborhood and arterial truck traffic, and reduced costs to ratepayers. I understand that 5.15 – 2035 allows any programs existing as of January 1, 2019 to continue, but there is no reason that a jurisdiction should be prevented from moving to an every other week program if that local jurisdiction chooses to do so.

#5: As at least 1 jurisdiction in the region is currently providing every other week yard debris with food scraps collection, I propose this rule be changed to read as follows: “Residential food scraps with yard debris can be offered at weekly or every other week frequency. Every other week collection of residential food scraps mixed with yard debris is only allowed if approved by the processing facility receiving the material and acceptance does not violate any other government ordinance, regulation, permit, health, or safety code.”

**Administrative Rule 5.15 – 2040:**

#4: I am supportive of the requirement for regularly occurring bulky waste collection at multi-family properties. My concern is that while other areas of this section have volume and frequency clearly defined, this item is not clearly defined. There should be consistency across all material types if a minimum standard is present. Does regularly occurring mean annually, weekly, monthly? I would propose a minimum frequency be established based on number of units.

**Administrative Rule 5.15 – 2045:** I understand and appreciate the desire for color coding throughout the system for better clarity for customers, but I do have several concerns about this path forward:

- There will be a large cost on the system to color code containers across the region. For metal containers, this will involve repainting all recycling containers. For plastic roll carts, this will involve replacement of carts that typically last for 20+ years. We even have some carts that have been in use for 30 years. This equipment has already been paid for by rate payers and Metro would be requiring rate payers to pay for refurbishment and/or replacement of containers on an accelerated schedule, which will cause rates to increase. While I understand the receptacles can be recycled, the recycling mantra of “Reduce, Reuse, Recycle” is a hierarchy with “Recycle” being the lowest priority in terms of importance. You are asking haulers across the region to prematurely discard thousands of receptacles across the region. Additionally, recycling of plastic roll carts has a cost associated with it, which will be borne by the rate payers. We have proposed on multiple occasions that a better path forward would involve color coding of lids, rather than color coding the entire receptacle. This is a more cost effective and far less wasteful change that would still achieve the color coding that is desired.
- I also have concerns about color coding instructional stickers to have the sticker color match the intended receptacle color. For example, the recycling stickers that have been designed are blue and are intended to be placed on containers that are also blue. Even with contrast within the sticker, the stickers will not stand out enough for customers to clearly see the sticker. I believe this will not achieve the goal of reducing customer confusion and therefore reducing recycling contamination.
- I believe that choosing orange for the glass bin color is a mistake. Across the region, glass is primarily put in yellow bins or red bins. It would be far more logical, environmentally friendly and cost effective to choose one of these 2 colors so not every bin across the entire region has to be changed. I would propose analysis be done on how many color-coded red bins vs. color coded yellow bins there are across the region and then the color that is more prevalent can be chosen.
- While I understand the current proposal is only regarding color coding of multi-family receptacles, I also understand that the intent within the Regional Waste Plan is to eventually color code receptacles across all lines of business in the region. With that in mind, I would like to again strongly emphasize the need to consider color coding of lids only and not color coding of entire receptacles. Our company has always provided blue lids on recycling carts and have, in the last few years, begun providing yard debris carts with green lids. If we are mandated in the future to replace all these carts, it would involve purchasing and disposing of approximately 70,000 carts.

Thank you,

Kristin Lechner  
President  
Pride Disposal & Recycling Company

**From:** [Ashley via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Friday, October 9, 2020 10:44:44 AM

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Submitted on Friday, October 9, 2020 - 10:43am  
Submitted by anonymous user: 108.162.245.96  
Submitted values are:

First name: Ashley  
Last name: George  
Email: ashleyhgeorge@gmail.com  
Company or organization (if applicable):  
Zip code: 97225

Provide your feedback: Some multi-family housing units use a valet service where the residents just place their garbage and recycling outside of their door certain days of the week. It would be nice if it was required by Metro to provide residents yearly with a reminder of recycling guidelines. I frequently see my neighbors incorrectly recycling items so a reminder would be good!

The results of this submission may be viewed at:  
<https://www.oregonmetro.gov/node/31841/submission/107051>

**From:** [Annee via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Saturday, October 10, 2020 5:11:03 PM

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Submitted on Saturday, October 10, 2020 - 5:10pm  
Submitted by anonymous user: 172.68.174.68  
Submitted values are:

First name: Annee  
Last name: Ashton Goldfeld  
Email: [goldfeld@aya.yale.edu](mailto:goldfeld@aya.yale.edu)  
Company or organization (if applicable):  
Zip code: 97006  
Provide your feedback:

RE:

5.15 - 2040 Multifamily Residential Service Standards

5.15 - 2045 Multifamily Receptacle Colors; Signage; Informational Materials

Regarding apartment complexes, much work needs to be done to educate both residents and staff about recycling. I speak from experience as a renter in Washington County for the last 12 years. 1) If residents perceive that recycling containers are too far from the nearest trash, they throw away their recycling in the trash. Several neighbors at The Lakes have said this as they see me walking with my recycling bucket to the collection area. 2) Bins are not always clearly labeled. I have suggested larger recycling posters to leasing office staff, but there has been no action so far. The yard waste bin used to collect glass is not labeled at all. 3) Mailboxes are a prime location to collect recyclable paper. Residents prefer to sort and dispose than carry home junk mail, etc. Clearly labeled recycling bins with slotted lids (like a mail drop slot) seem to work best. 4) Besides curbside recyclables, apartment complexes generate a lot of other "trash" when residents move out. These items include furniture, kitchen items, toys, electronics, clothes, and more that are still in good to excellent condition, just no longer wanted. My own home includes like new furniture and a fully functional computer monitor reclaimed from a dumpster area. Additionally I have sold reclaimed items on Craigslist. 5) Deposit return cans and bottles are sought in dumpsters by local neighbors struggling with poverty and/or homelessness. It would be great to have some type of compassionate alternative collection bin for returnables so that already at-risk individuals are not further endangered by biohazards and physical hazards in the dumpsters. 6) Leasing office staff needs to be engaged by local recycling authorities in regard to resident education that can happen via mass email to their residents. Thank you.

The results of this submission may be viewed at:

<https://www.oregonmetro.gov/node/31841/submission/107106>

**From:** [Sam via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Wednesday, October 7, 2020 2:41:52 PM

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Submitted on Wednesday, October 7, 2020 - 2:40pm

Submitted by anonymous user: 172.68.174.44

Submitted values are:

First name: Sam

Last name: Wisner

Email: [swisner@tokolaproperties.com](mailto:swisner@tokolaproperties.com)

Company or organization (if applicable): Tokola Properties

Zip code: 97030

Provide your feedback:

The standards seem fairly reasonable. Weekly pickup for glass seems unnecessary. I have multiple properties with maybe 1.5 gallons glass per unit that usually aren't half full when picked up monthly.

How will the standard of no bags of garbage on the ground be enforced? Most multifamily properties have people put bags of trash on the ground every day even though the dumpster is empty. I have multiple locations that find stacks of garbage on the ground in the garbage area almost every morning despite the dumpster being empty. We can clean it up regularly, but clearly marking bins and providing enough capacity is unfortunately not enough to get residents to place garbage in the bins.

How about finding ways to provide bins that are accessible?

The results of this submission may be viewed at:

<https://www.oregonmetro.gov/node/31841/submission/107006>

**From:** [Katherine via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Wednesday, October 14, 2020 9:01:40 PM

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Submitted on Wednesday, October 14, 2020 - 9:02pm  
Submitted by anonymous user: 172.68.174.68  
Submitted values are:

First name: Katherine  
Last name: Suri  
Email: [ksuri@sbcglobal.net](mailto:ksuri@sbcglobal.net)  
Company or organization (if applicable): Master Recycler  
Zip code: 97239

Provide your feedback:

So happy you are making it easier for recycling in multi family housing. I live in an active senior adult community, and am co chair of the Green Team. There are many residents who care fery much and strive to recycle correctly. There are a few residents who just don't care, and there are others fwwho are unable. Anything you propose to make this process easier will be very welcome here.  
Thank you

The results of this submission may be viewed at:  
<https://www.oregonmetro.gov/node/31841/submission/107311>



**From:** [Eben via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Thursday, October 15, 2020 1:32:15 PM

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Submitted on Thursday, October 15, 2020 - 1:33pm  
Submitted by anonymous user: 108.162.215.70  
Submitted values are:

First name: Eben  
Last name: Polk  
Email: [epolk@clackamas.us](mailto:epolk@clackamas.us)  
Company or organization (if applicable): Clackamas County Sustainability & Solid Waste  
Zip code: 97045  
Provide your feedback:

We are in support of the 2030 Regional Waste Plan (RWP) actions and enhancing multifamily service to make it more equitable for multifamily residents, and we are committed to doing our part and working with our cities and collectors to realize this goal. We support the updating of Code and Rules for clarity and to incorporate the 2030 RWP.

While we recognize the benefits of moving some of the items that have a significant impact on collection programs from Code to Rules, more substantive pieces should remain in Code (even though we don't have specific recommendations at this time).

Additionally, we have some feedback to specific content:

- Throughout various sections of the proposed Code (including, but not limited to, 5.15.020, 5.10.030, 5.15.060, 5.15.310) and proposed Rules (5.15-1000, 5.15-2000, 5.15-5000), the RWP is codified and binding; however, some items in the RWP are aspirational. As the requirements of the RWP are incorporated into Code/Rule, we recommend the following modifications to reference the binding nature of Code/Rule, not the RWP:

o 5.15.020 Application

The Code applies to all portions of Clackamas, Washington, and Multnomah Counties within Metro's jurisdictional boundary.

o 5.10.030 Regional Waste Plan Requirements

(a) The Code contains requirements and performance standards from the Regional Waste Plan that are binding on a local government within Metro's jurisdictional boundary. The requirements and performance standards that are binding on a local government are set forth in Chapter 5.15 and associated administrative rules.

(b) The Code contains requirements and performance standards from the Regional Waste Plan that may result in changes to other sections of Metro Code including, but not limited to, all chapters in Title V and other code sections related to solid waste matters.

o 5.15.060 Local Government Conformity to the Code

A local government may not adopt any ordinance, order, regulation, or contract affecting solid waste management that conflicts with the Code.

o 5.15.310 Purpose and Intent (General Education)

A local government must adopt and implement the general education standard as required by the Code and as specified in this chapter and administrative rules. The education standard ensures a comprehensive and consistent level of garbage, recycling, composting, waste prevention and reuse education and assistance for all customers in the region.

o The same recommendations pertain to the similar references throughout the proposed Rules.

- 5.15 – 2015 Applicability of Rules (proposed Rules 5.15-2000, pg 3)

o Thank you for stating that this is a recommendation for the watershed areas outside of Metro's boundary.

o Thanks again for the same in 5.15 - 5000 General Education (proposed Rules 5.15-5000, pg 2).

- 5.15 – 2025 Single-Family Residential Service Standards (proposed Rules 5.15-2000, pg 3)

o 7. "Ensure that property owners and managers provide access to adequate on-site recycling collection service

to renters of single-family residential properties.”

We acknowledge that many scenarios can exist in this setting. We support ensuring access to recycling for all residents. We want to make sure that “provide access to recycling collection service” does not mean that the landlord must be the account holder.

- 5.15 – 2030 Exemption to Single-Family Yard Debris Service Standard

o 1. “A local government may exempt rural service areas from regular on-route collection of yard debris provided that the local government distributes informational material to rural customers at least annually that provides options for proper management of yard debris, including instructions to not place yard debris in solid waste receptacles destined for disposal.”

We do not have any data indicating that yard debris in rural garbage containers is a problem.

We currently do not have a ban on placing yard debris in garbage.

We believe this is an opportunity to simplify Metro Rules and recommend eliminating the last portion of the sentence, “...including instructions to not place yard debris in solid waste receptacles destined for disposal.”

- 5.15 - 2040 Multifamily Residential Service Standards (proposed Rules 5.15-2000, pg 4)

o We support the per unit per week minimums to use as a tool to help ensure adequate service (no overflow, snow-coning, etc.).

o We also recognize that minimum service may not be adequate service.

o 1.&2. Our literal read of – “a local government must;” in combination with “provide,” suggests the local government is performing the collection service.

We suggest: A local government must: Implement a minimum service volume standard...

o 4. “Ensure provision of regularly-occurring bulky waste collection service by July 1, 2025.”

We acknowledge that bulky waste is problematic at some communities, and we support the adoption of language to improve bulky waste collection at multifamily communities. However, we think the region would be better served by postponing this rule until we can implement pilot projects to study the situation and explore potential solutions.

- 5.15 – 2045 Multifamily Receptacle Colors; Signage; Informational Materials (proposed Rules 5.15-2000, pg 4)

o We support regional color consistency and signage to help multifamily residents better identify and understand their bins.

o 1. “All receptacles ordered after July 1, 2021 must comply with the color standard below and must be labeled with the correct Metro-approved regional signage.”

Since the proposed rules state that the deadline for multifamily receptacle colors is 2028, we would like to understand why this provision is necessary.

Is Metro’s intent to influence the color of receptacles provided at a property in situations where the franchised collector may be swapping out receptacles? “Ordering” could be interpreted in a number of ways. “Providing” can be done without ordering.

o 2. “All plastic receptacles for garbage, mixed recyclable materials, and yard debris and/or food scraps ordered after July 1, 2021 must contain at least 30% post-consumer recycled content.”

Is it known that all proposed colors are available (at a reasonable cost) at 30% post-consumer recycled content?

o 3. We recommend that garbage containers be gray or black

o 3. We observe that the financial implications of this color change are not cost-neutral in seven years. There are likely additional costs associated with a seven-year timeline, though these costs may be reasonable given our outreach and consistency objectives. We would like to see some discussion about how to manage the disposition of carts that are in good condition, acknowledging that these are sunk costs.

o 5. We support the deployment of a region-wide re-stickering taskforce in order to meet this deadline.

- 5.15-2050 Exemptions to Multifamily Standards (proposed Rules 5.15-2000, pg 5)

o 2. Exempt yard debris from collection.

We believe this is an opportunity to simplify Metro’s Rules. We acknowledge that conditions are listed in the current rules; however, we believe, moving forward, these conditions should not be included, because:

There is no ban on yard debris in garbage.

There has been no indication there is significant amount of yard debris in multifamily garbage.

It is difficult to enforce.

- 5.15 – 2065 Funding Guidelines (proposed Rules 5.15-2000, pg 5)
  - o The local government must also enter into an intergovernmental agreement with Metro. In the first sentence it says, "...a local government or its designated agency," that should be repeated in the second sentence.
  - o While we do not recommend withholding of funds, we recommend that any withholding of funds should be limited to the funds earmarked for the implementation of specific provision of the Regional Waste Plan or Code. For example, this would be consistent with Metro's decision to withhold funding for business technical assistance in the City of Estacada.

The results of this submission may be viewed at:

<https://www.oregonmetro.gov/node/31841/submission/107351>

**From:** [Joseph via Metro](#) on behalf of [Metro](#)  
**To:** [ServiceStandards](#)  
**Subject:** Form submission from: Comment on the draft Regional Service Standard  
**Date:** Thursday, October 15, 2020 2:05:41 PM

---

Submitted on Thursday, October 15, 2020 - 2:06pm  
Submitted by anonymous user: 172.68.174.134  
Submitted values are:

First name: Joseph  
Last name: Gall  
Email: [gallj@sherwoodoregon.gov](mailto:gallj@sherwoodoregon.gov)  
Company or organization (if applicable): Sherwood, City of (OR)  
Zip code: 97140

Provide your feedback: Thank you for providing an opportunity to comment on these proposed amendments - it is appreciated. Most of the changes that are proposed are administrative and minor in nature. The one important point that I would raise is to please be cautious in implementing new recycling equipment standards in terms of the effect on rates for our customers. Our franchised hauler, Pride Disposal, raised a number of these concerns to Metro in a letter that was submitted by Kristin Leichner. We echo their concerns, especially in these difficult economic times for many of our businesses and residents in these "Covid" times. Thank you again!

The results of this submission may be viewed at:  
<https://www.oregonmetro.gov/node/31841/submission/107361>



Re: Comments on Proposed Revisions to Metro Code Chapter 5.10

Thank you for allowing comment on Metro's proposed code changes and changes to the regional service standards.

While reviewing proposed administrative rule changes, several concerns surfaced. We would advise staff to let Council know that many of the proposed changes will increase ratepayer/constituent costs. These cost increases are particularly impactful during this time, when many people are already struggling.

Regarding Administrative Rule 5.15 – 2040 (Multifamily Residential Service Standards), we agree that regularly occurring bulky waste collection at multifamily properties is a laudable goal. However, we ask that service volume and frequency be further defined. Does regularly occurring mean annually, monthly, weekly? This section is ambiguous.

Most concerning is Administrative Rule 5.15 -2045 (Multifamily Receptacle Colors; signage; Information Materials). While we agree that color coding would like increase clarity for ratepayers/constituents there are many things to consider:

- There will be significant cost to color code receptacles, which will increase ratepayer/constituent costs. Metal containers have to be repainted, plastic roll carts will have to be replaced. Ratepayers/constituents as well as the company have already paid for this equipment.. Metro would be requiring ratepayers/constituents to refurbish/replace equipment that may still have many years of use.
- While receptacles may be recycled, replacing all receptacles at once will have significant environmental impact. Metro would be requiring us to prematurely discard thousands of receptacles. We recommend that Metro instead require color coding of lids instead of color coding the entire receptacle. This would both achieve Metro's goal to color code, and reduce waste.
- Requiring changing the glass bin color to orange is again wasteful. It would be more environmentally friendly and cost effective to conduct an audit of what color bins are currently being used across the region and then chose the most ubiquitous color(s).

We acknowledge that current proposed changes are regarding color coding of multifamily properties, but we also understand that the intent of the Regional Waste Plan is to eventually color code receptacles across all lines of business in the region. We ask that Metro consider all the environmental impacts, costs that would be incurred related to color coding receptacles versus lids only, and the impact that will have on ratepayers/constituents. In our case, we would have to dispose of more than 35,500 carts and containers, excluding glass bins.

We believe industry has provided some realistic solutions to help more forward the Regional Waste Plan in a responsible and effective way to continue to align the Metro Region with strong service standards for the Solid Waste and Recycling Services. Thank you for your consideration of these comments.

Sincerely,

Jason Jordan – General Manager of Republic Services  
Portland Metro

October 15, 2020

Metro Council  
600 NE Grand Avenue  
Portland, OR 97232- 2736

Re: Comments on Proposed Revisions to Metro Code Chapter 5.10

This letter represents the Clackamas County Refuse and Recycling Association's (CCRRA) comments regarding Metro's proposed code changes and regional service standards. PHA appreciates this opportunity provide these comments. We are committed to working cooperatively with our regulatory local governments to provide safe, modern, and efficient waste collection services that include garbage, recycling, and organics collection at reasonable rates.

With these changes, we understand Metro proposes dividing code 5.10, creating one section for the Regional Waste Plan (5.10) and another for local government requirements (5.15). Some details currently in Metro's code will be moved to administrative rule. Code changes require Metro Council action and require a 90 days prior to implementation. Administrative rule changes do not require Council action; rules may be adopted by Metro's COO and require only 30 days for implementation.

In reviewing the proposed administrative rule changes, we have identified several concerns. Many of Metro's proposed service standards require added costs from ratepayers and consumers. We submit these comments with great consideration of the impact Metro's proposed system requirements may have on persons of color, low-income and marginalized community members.

**Administrative Rule 5.15 – 2025 Single-Family Residential Service Standards:**

#3: Requires weekly collection of yard debris. Several jurisdictions across the region provide every other week yard debris collection and have done so successfully for many years. This standard #3 relates to #5 in this section. If every other week yard debris with food scraps is allowed, then every other week yard debris without food scraps should be allowed. We understand Metro rule 5.15 – 2035 allows any programs existing as of January 1, 2019 to continue, but jurisdictions should be allowed to transition to an every other week yard debris program if that local jurisdiction so chooses.

#3: Requires weekly collection of recycling. Several jurisdictions in the region provide every other week recycling collection. Metro recently did a study finding that every other week recycling had similar outcomes to weekly recycling in terms of effectiveness. One less weekly pick-up also results in reduced GHG, neighborhood and arterial truck traffic, and reduced costs to ratepayers. We understand that 5.15 – 2035 allows any programs existing as of January 1, 2019 to continue, but jurisdictions should be allowed to transition to an every other week recycling program if that local jurisdiction so chooses.

#5: Allows every other week yard debris with food scraps. At least one jurisdiction in the region currently provides every other week yard debris with food scraps collection. We propose this rule be changed to read as follows: "Residential food scraps with yard debris can be offered at weekly or every other week frequency. Every other week collection of residential food scraps mixed with yard debris is only allowed if approved by the processing facility receiving the material and acceptance does not violate any other government ordinance, regulation, permit, health, or safety code."

Recommendation: These sections #3 and #5 should be modified so that every other week yard debris, yard debris with food scraps, and recycling collection can continue, and other jurisdictions can consider such service levels in the future. And #5 rule language be changed as noted in the preceding paragraph.

**Administrative Rule 5.15 – 2040 Multifamily Residential Service Standards:**

#4: Requires regularly occurring bulky waste service by July 1, 2025. We support ensuring regularly occurring bulky waste collection at multifamily properties. However, the service volume and frequency is not clearly defined as in other sections. There should be consistency across all material types if a minimum standard is present. Does regularly occurring mean annually, weekly, monthly?

Recommendation: A minimum frequency should be established based on number of units such as monthly or every other month.

**Administrative Rule 5.15 – 2045 Multifamily Receptacle Colors; Signage; Information Materials:** While color coding throughout the system could increase clarity for customers, we have several concerns.

- Significant cost to color code receptacles. All metal recycling containers will have to be repainted. Plastic roll carts that typically last 20+ years will be replaced. This equipment has already been paid for by rate payers and Metro would be requiring rate payers to pay for refurbishment and/or replacement of metal and plastic containers on an accelerated schedule, which will cause rates to increase.
- Waste creation by replacing receptacles. While receptacles may be recycled, the recycling mantra of “Reduce, Reuse, Recycle” is a hierarchy with “Recycle” being the lowest priority in terms of importance and arguably the highest environmental impact. Metro would be requiring haulers across the region to prematurely discard thousands of receptacles. Additionally, recycling of plastic roll carts has a cost associated with it, which will be borne by the rate payers. Recommendation: As we have proposed repeatedly to Metro staff, a better path forward would involve color coding of lids, rather than color coding the entire receptacle. This is a more cost effective and far less wasteful change that would still achieve the color coding that is desired. Alternative Recommendation: Require color coding upon replacement or maintenance of carts and containers. While this option may take longer to achieve color coding, there would be no added system costs or transportation impact in trading out large quantities of receptacles in a compressed time period.
- Decal Colors. We have concerns about color coding instructional stickers when the sticker color matches the intended receptacle color. For example, the recycling stickers that have been designed are blue and are intended to be placed on containers that are also blue. Even with contrast within the sticker, the stickers will not stand out enough for customers to clearly see the sticker. We believe this will not achieve the goal of reducing customer confusion and therefore reducing recycling contamination. Recommendation: Design stickers with a contrasting color so they visually stand out against the background of the receptacle.
- Glass Bins We believe that choosing orange for the glass bin color is a mistake. Across the region, glass is primarily put in yellow bins or red bins. It would be far more logical, environmentally friendly and cost effective to choose one of these 2 colors so not every bin across the entire region has to be changed. Recommendation: Quantify the number of red bins versus yellow bins across the region and choose the color that is more prevalent. Alternative Recommendation: Require color coding upon natural bin replacement. While this option may take longer to achieve color coding, there would be no added system costs.

Concern of color coding expansion. We recognize the current proposal is only regarding color coding of multi-family receptacles, but we also understand that the intent within the Regional Waste Plan is to eventually color code receptacles across all lines of business in the region.

Recommendation: Carefully consider all costs related to color coding all receptacles versus only the lids. For example, expanding this mandate across all lines of business would require one member hauler to purchase and dispose of approximately 70,000 carts.

In conclusion, while we hope our recommendations will be adopted, we could support the changes provided local governments will support the added cost in their rate setting processes and that there is adequate lead time (i.e. seven years) for implementation of color coding multifamily recycling containers.

We look forward to the opportunity to continue serving as a resource, imparting experience from our own challenges as large and many small, family and women-owned companies, in navigating the business of waste management while promoting our common values advancing equity in waste management. Please don't hesitate to contact Beth Vargas Duncan at 971-707-1683 or [bethvd@orra.net](mailto:bethvd@orra.net) with any questions.

Sincerely,

Josh Brown, President  
Clackamas County Refuse and Recycling Association



October 15, 2020

Metro Council  
600 NE Grand Avenue  
Portland, OR 97232- 2736

Re: Comments on Proposed Revisions to Metro Code Chapter 5.10

This letter represents the Portland Haulers' Association (PHA) comments regarding Metro's proposed code changes and regional service standards. PHA appreciates this opportunity provide these comments. We are committed to working cooperatively with our regulatory local governments to provide safe, modern, and efficient waste collection services that include garbage, recycling, and organics collection at reasonable rates.

With these changes, we understand Metro proposes dividing code 5.10, creating one section for the Regional Waste Plan (5.10) and another for local government requirements (5.15). Some details currently in Metro's code will be moved to administrative rule. Code changes require Metro Council action and require a 90 days prior to implementation. Administrative rule changes do not require Council action; rules may be adopted by Metro's COO and require only 30 days for implementation.

In reviewing the proposed administrative rule changes, we have identified several concerns. Many of Metro's proposed service standards require added costs from ratepayers and consumers. We submit these comments with great consideration of the impact Metro's proposed system requirements may have on persons of color, low-income and marginalized community members.

**Administrative Rule 5.15 – 2025 Single-Family Residential Service Standards:**

#3: Requires weekly collection of yard debris. Several jurisdictions across the region provide every other week yard debris collection and have done so successfully for many years. This standard #3 relates to #5 in this section. If every other week yard debris with food scraps is allowed, then every other week yard debris without food scraps should be allowed. We understand Metro rule 5.15 – 2035 allows any programs existing as of January 1, 2019 to continue, but jurisdictions should be allowed to transition to an every other week yard debris program if that local jurisdiction so chooses.

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#5: Allows every other week yard debris with food scraps. At least one jurisdiction in the region currently provides every other week yard debris with food scraps collection. We propose this rule be changed to read as follows: "Residential food scraps with yard debris can be offered at weekly or every other week frequency. Every other week collection of residential food scraps mixed with yard debris is only allowed if approved by the processing facility receiving the material and acceptance does not violate any other government ordinance, regulation, permit, health, or safety code."

Recommendation: These sections #3 and #5 should be modified so that every other week yard debris, yard debris with food scraps, and recycling collection can continue, and other jurisdictions can consider such service levels in the future. And #5 rule language be changed as noted in the preceding paragraph.

**Administrative Rule 5.15 – 2040 Multifamily Residential Service Standards:**

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Recommendation: A minimum frequency should be established based on number of units such as monthly or every other month.

**Administrative Rule 5.15 – 2045 Multifamily Receptacle Colors; Signage; Information Materials:** While color coding throughout the system could increase clarity for customers, we have several concerns.

- Significant cost to color code receptacles. All metal recycling containers will have to be repainted. Plastic roll carts that typically last 20+ years will be replaced. This equipment has already been paid for by rate payers and Metro would be requiring rate payers to pay for refurbishment and/or replacement of metal and plastic containers on an accelerated schedule, which will cause rates to increase.
- Waste creation by replacing receptacles. While receptacles may be recycled, the recycling mantra of “Reduce, Reuse, Recycle” is a hierarchy with “Recycle” being the lowest priority in terms of importance and arguably the highest environmental impact. Metro would be requiring haulers across the region to prematurely discard thousands of receptacles. Additionally, recycling of plastic roll carts has a cost associated with it, which will be borne by the rate payers. Recommendation: As we have proposed repeatedly to Metro staff, a better path forward would involve color coding of lids, rather than color coding the entire receptacle. This is a more cost effective and far less wasteful change that would still achieve the color coding that is desired. Alternative Recommendation: Require color coding upon replacement or maintenance of carts and containers. While this option may take longer to achieve color coding, there would be no added system costs or transportation impact in trading out large quantities of receptacles in a compressed time period.
- Decal Colors. We have concerns about color coding instructional stickers when the sticker color matches the intended receptacle color. For example, the recycling stickers that have been designed are blue and are intended to be placed on containers that are also blue. Even with contrast within the sticker, the stickers will not stand out enough for customers to clearly see the sticker. We believe this will not achieve the goal of reducing customer confusion and therefore reducing recycling contamination. Recommendation: Design stickers with a contrasting color so they visually stand out against the background of the receptacle.
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Concern of color coding expansion. We recognize the current proposal is only regarding color coding of multi-family receptacles, but we also understand that the intent within the Regional Waste Plan is to eventually color code receptacles across all lines of business in the region.

Recommendation: Carefully consider all costs related to color coding all receptacles versus only the lids. For example, expanding this mandate across all lines of business would require one member hauler to purchase and dispose of approximately 70,000 carts.

In conclusion, while we hope our recommendations will be adopted, we could support the changes provided local governments will support the added cost in their rate setting processes and that there is adequate lead time (i.e. seven years) for implementation of color coding multifamily recycling containers.

We look forward to the opportunity to continue serving as a resource, imparting experience from our own challenges as large and many small, family and women-owned companies, in navigating the business of waste management while promoting our common values advancing equity in waste management. Please don't hesitate to contact Beth Vargas Duncan at 971-707-1683 or [bethvd@orra.net](mailto:bethvd@orra.net) with any questions.

Sincerely,

Vallerie Gruetter Hill, President  
Portland Haulers' Association

October 15, 2020

Metro Council  
600 NE Grand Avenue  
Portland, OR 97232- 2736

Re: Comments on Proposed Revisions to Metro Code Chapter 5.10

This letter represents the Washington County Haulers' Association (WCHA) comments regarding Metro's proposed code changes and regional service standards. PHA appreciates this opportunity provide these comments. We are committed to working cooperatively with our regulatory local governments to provide safe, modern, and efficient waste collection services that include garbage, recycling, and organics collection at reasonable rates.

With these changes, we understand Metro proposes dividing code 5.10, creating one section for the Regional Waste Plan (5.10) and another for local government requirements (5.15). Some details currently in Metro's code will be moved to administrative rule. Code changes require Metro Council action and require a 90 days prior to implementation. Administrative rule changes do not require Council action; rules may be adopted by Metro's COO and require only 30 days for implementation.

In reviewing the proposed administrative rule changes, we have identified several concerns. Many of Metro's proposed service standards require added costs from ratepayers and consumers. We submit these comments with great consideration of the impact Metro's proposed system requirements may have on persons of color, low-income and marginalized community members.

**Administrative Rule 5.15 – 2025 Single-Family Residential Service Standards:**

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Recommendation: A minimum frequency should be established based on number of units such as monthly or every other month.

**Administrative Rule 5.15 – 2045 Multifamily Receptacle Colors; Signage; Information Materials:** While color coding throughout the system could increase clarity for customers, we have several concerns.

- Significant cost to color code receptacles. All metal recycling containers will have to be repainted. Plastic roll carts that typically last 20+ years will be replaced. This equipment has already been paid for by rate payers and Metro would be requiring rate payers to pay for refurbishment and/or replacement of metal and plastic containers on an accelerated schedule, which will cause rates to increase.
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Recommendation: Carefully consider all costs related to color coding all receptacles versus only the lids. For example, expanding this mandate across all lines of business would require one member hauler to purchase and dispose of approximately 70,000 carts.

In conclusion, while we hope our recommendations will be adopted, we could support the changes provided local governments will support the added cost in their rate setting processes and that there is adequate lead time (i.e. seven years) for implementation of color coding multifamily recycling containers.

We look forward to the opportunity to continue serving as a resource, imparting experience from our own challenges as large and many small, family and women-owned companies, in navigating the business of waste management while promoting our common values advancing equity in waste management. Please don't hesitate to contact Beth Vargas Duncan at 971-707-1683 or [bethvd@orra.net](mailto:bethvd@orra.net) with any questions.

Sincerely,

Mike Leichner, President  
Washington County Haulers' Association

## Attachment C: Solid Waste Administrative Rules

### **Solid Waste Administrative Rule**

**AR 5.15-2000 through 2065**

Administrative Rule of Metro Code Chapter 5.15  
Administrative Rule Adoption Record and Findings

### **AR 5.15-2000 through 2065 Residential Service Administrative Rules**

These administrative rules are adopted under the authority of Metro Code, which authorizes the Chief Operating Officer (COO) to adopt and amend administrative rules. In accordance with Metro Code Chapter 5.08, the COO provided an opportunity for public comment and held a public hearing on these rules before their adoption.

The COO finds that these administrative rules are necessary to implement certain provisions of Metro Code Chapter 5.15 and hereby adopts Administrative Rules Nos. 5.15-2000 through 2065. The requirements of these administrative rules are in addition to all other requirements and provisions in Metro Code Chapter 5.15. These rules have the same force and effect as any other provision of Metro Code Chapter 5.15.

It is so ordered:

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Marissa Madrigal  
Metro Chief Operating Officer

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Date

**SOLID WASTE  
ADMINISTRATIVE RULES**  
Residential Service

**AR 5.15-2000 through 2065**

Effective: XXXXX

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5.15 - 2030	Exemption to Single-Family Yard Debris Service Standard
5.15 - 2035	Exemption for Single-Family Every Other Week Programs
5.15 - 2040	Multifamily Residential Service Standards
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5.15 - 2055	Compliance and Enforcement
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**5.15 – 2000 Purpose**

To implement the residential service standard as set forth in Metro Code Chapter 5.15 and as required by the Regional Waste Plan to ensure a comprehensive and consistent level of recycling service for the region.

**5.15 – 2005 Legal Authority**

1. Metro’s solid waste planning and implementing authority is established under the Metro Charter, the Constitution of the State of Oregon, and ORS Chapters 268 and 459.
2. These rules are issued under the authority of Metro Code. These rules are in addition to all other requirements and provisions in Metro Code Chapters 5.10 and 5.15.

**5.15 – 2010 Definitions**

Unless otherwise specifically defined below, all terms used are as defined in Metro Code Chapter 5.00.

**Acceptable recyclable materials** are a type of source-separated recyclable as-defined in Metro Code Chapter 5.00. For the purposes of these administrative rules, acceptable recyclable materials include the following:

Mixed waste paper	Steel cans
Newspaper	Aluminum
Magazines	Scrap metal
Corrugated cardboard	Plastic bottles and jars



Kraft paper  
Aseptic containers  
Yard debris

Round plastic containers/tubs  
Glass bottles and jars  
Motor oil

~~Adequate service means no overflow of garbage or recycling; receptacle lids must close. Bulky waste should not accumulate for more than seven days or impede access to service area. No bagged or overflow garbage present in recycling receptacles.~~

**Minimum service** means the lowest amount of acceptable recyclable material, glass, yard debris, and garbage collection service volume to be in compliance with residential service standard.

**Commented [SK1]:** A comment received by Sam Wisner showed that the adequate service definition added confusion to understanding the Multifamily Residential Service Standards. The definition was removed from rule and will be added to a guidance document.

### 5.15 – 2015 Applicability of Rules

The requirements of the Regional Waste Plan’s residential service standard apply to all portions of Clackamas, Washington, and Multnomah Counties within Metro’s jurisdictional boundary. For areas of Clackamas, Multnomah and Washington Counties outside of Metro’s jurisdictional boundary, the performance standards are recommendations.

### 5.15 - 2020 Glass Separation Requirement

For all residential customers, a local government must require that glass is kept separate from all other acceptable recyclable materials in collection receptacles and on collection vehicles.

### 5.15 - 2025 Single-Family Residential Service Standards

For all single-family residential customers, a local government must:

1. Provide at least one receptacle, with capacity of at least 60 gallons, for the collection of all acceptable recyclable materials except glass and motor oil.
2. Provide at least one receptacle for source-separated glass collection. The receptacle must have a capacity of at least five gallons.
3. Provide weekly collection of acceptable recyclable materials, glass, motor oil, and yard debris on the same day of the week as garbage, unless exempted under administrative rule 5.15-2030 or administrative rule 5.15-2035.
4. Provide at least one receptacle for yard debris collection. The receptacle must have a capacity of at least 60 gallons.

~~If food scraps service is offered, provide weekly collection of residential food scraps mixed with yard debris. Every other week collection of residential food scraps mixed with yard debris is allowed if approved by the processing facility receiving the material and acceptance does not violate any other government ordinance, regulation, permit, health or safety code.~~

5. ~~Residential food scraps with yard debris can be offered at weekly or every other week frequency. Every other week collection of residential food scraps mixed with yard debris is allowed only if approved in advance by the processing facility receiving the material and acceptance does not violate any other government ordinance, regulation, permit, health, or safety code.~~

6. Provide bulky waste collection service.

7. Ensure that property owners and managers provide access to ~~adequate on-site garbage and~~ recycling collection service to renters of single-family residential properties.

**Commented [SK2]:** A comment submitted by Kristen Lechner provided wording that increased clarity. The wording has been changed to reflect her suggestion.

**Commented [SK3]:** This edit is related to comment submitted by Sam Wisner. The term adequate is being removed.

#### 5.15 - 2030 Exemption to Single-Family Yard Debris Service Standard

1. A local government may exempt rural service areas from regular on-route collection of yard debris provided that the local government distributes informational material to rural customers at least annually that provides options for proper management of yard debris, including instructions to not place yard debris in solid waste receptacles destined for disposal.
2. A local government may define “rural service areas” for purposes of solid waste collection and must provide its definition to Metro. A local government must notify Metro of any changes to that definition.

#### 5.15 - 2035 Exemption for Single-Family Every Other Week Recycling and Yard Debris Collection Programs

A local government with an every-other-week recycling and/or yard debris collection program in place as of January 1, 2019 meets the residential service standard. A second recycling collection receptacle of at least 60 gallons capacity must be provided to every-other-week customers upon request and at no additional charge.

#### 5.15 - 2040 Multifamily Residential Service Standards

For all multifamily residential customers, a local government must:

1. ~~Provide/Implement~~ a minimum service volume of 20 gallons per unit per week for garbage collection service.
2. ~~Provide/Implement~~ a minimum service volume of 20 gallons per unit per week for acceptable recyclable materials and a minimum service volume of one gallon per unit per week for source-separated glass.
3. Ensure all material streams are collected at least weekly. On call services are exempt from collection frequency and minimum service volume requirements.
4. Ensure provision of regularly-occurring bulky waste collection service by July 1, 2025.

**Commented [SK4]:** Clackamas County suggested provided this wording to increase clarity.

#### 5.15 - 2045 Multifamily Receptacle Colors; Signage; Informational Materials

For all multifamily residential customers, a local government must comply with the regional standards for collection receptacles by the dates below.

1. All receptacles ordered after July 1, 2021 must comply with the color standard below and must be labeled with the correct Metro-approved regional signage.
2. All plastic receptacles for garbage, mixed recyclable materials, and yard debris and/or food scraps ordered after July 1, 2021 must contain at least 30% post-consumer recycled content.
3. Garbage receptacles must be gray, mixed recyclable materials receptacles must be blue, yard debris and/or food scraps receptacles must be green and source-separated glass receptacles must be orange by July 1, 2028. Metro will provide a list of approved receptacle colors by vendor.
4. Color standards do not apply to compactors and drop boxes.
5. As of December 31, 2023, all receptacles must be labeled with the correct Metro-approved regional decals for acceptable recyclable materials, glass, yard debris, and garbage. All previous garbage and

recycling instructional decals must be completely removed from each receptacle and replaced with correct and approved regional decals.

**5.15 - 2050 Exemptions to Multifamily Standards**

Notwithstanding administrative rule 5.15-2045, a local government may:

1. Exempt used motor oil from collection.
2. Exempt yard debris from collection if no yard debris is generated on-site, or the customer meets one of the following conditions:
  - a. Uses a landscape maintenance firm that transports yard debris to a Metro-authorized facility;
  - b. Manages its yard debris on-site such as composting or mulching;
  - c. Self-hauls its yard debris to a Metro-authorized facility;
  - d. Uses another method approved by Metro.

**5.15 - 2055 Compliance and Enforcement**

A local government must comply with the requirements of the Regional Waste Plan’s residential service standard. If a local government does not comply, Metro will withhold funding associated with the implementation of the Regional Waste Plan. Metro may also withhold discretionary funding associated with other programs and seek any remedy under its Charter, Code or applicable state law.

**5.15 - 2060 Reporting**

As part of regular annual reporting requirements, a local government must provide the information necessary for Metro to determine compliance with the residential service standard.

**5.15 - 2065 Funding Guidelines**

In order to receive funding associated with the Regional Waste Plan, a local government or its designated agency must comply with the requirements of Metro Code Chapter 5.15 and these rules. The local government or its designated agency must also enter into an intergovernmental agreement with Metro.

**Commented [SK5]:** Clackamas County suggested provided this wording to increase clarity.

## Overview of Proposed Revisions to Metro Code Chapter 5.10

November 2020

### Why are changes being made?

**It is out of date.** Metro Code Chapter 5.10 implements the requirements of the former Regional Solid Waste Management Plan, not the new Regional Waste Plan adopted in March 2019. In addition, the Oregon Department of Environmental Quality updated recycling statute and rules in 2018 and much of Chapter 5.10 contains state requirements that are no longer in place.

**It does not fit the new format for Code.** Current code is challenging to read and interpret, contains obsolete terms and does not reflect the wording in the new Regional Waste Plan. Obsolete references, lengthy sentences and legalese are removed. Some implementation detail is being moved to administrative rules to follow format changes being made to the Metro Code overall.

**It is not well organized.** Currently overall Regional Waste Plan requirements, those for local governments and service provision standards are scattered throughout Chapter 5.10. To better organize the chapter and provide more clarity, the existing Chapter 5.10 is being split into two chapters.

**It does not reflect the Regional Waste Plan.** Code and rule in place now was designed for the 2008 Plan. In addition, existing code and rule contains both regional plan requirements as well as state requirements, which is confusing. These revisions clarify that the code and rule implement the Regional Waste Plan, not state law.

### What are the specific changes being considered?

- Split the current Chapter 5.10 into two chapters. Chapter 5.10 will cover the overall Regional Waste Plan and a new Chapter 5.15 has been created to focus on requirements specific to local governments, including establishing new multifamily residential requirements.
- Reorganize confusing sections. Rather than have several separate code sections dealing with single-family and multifamily residential requirements, code sections have been grouped by sector:
  - Residential Service (includes all types of residential dwellings)
  - Business Service and Recycling Requirement
  - Business Food Waste Requirement
  - General Education
- Move and reword some detailed information to administrative rules so that all local government requirements are in a single location and are communicated more clearly. These include:

- Specific service standards for single-family, multifamily and business customers
- Education and outreach standards
- Materials required for collection
- Add residential food scraps collection as a named material to the service standards:
  - Residential food scraps collection is an optional service
  - Weekly or every-other-week collection frequency
- Add a general education section that applies to all customers:
  - Reflects the Regional Waste Plan rather than obsolete state requirements
  - Focuses on regional consistency as well as requiring that education provided by local governments and service providers be accurate, culturally-responsive and reflect local conditions
- Add new standards for multifamily services to implement new and high-priority Regional Waste Plan actions. These will be the most significant substantive changes to the code and include:
  - Per unit service volume minimums for garbage, mixed recycling and glass streams
  - Weekly minimum collection frequency for all streams
  - Collection container color standard for all material streams
  - Required use of regional signage on bins and in collection areas
- Combine all standards and requirements with regard to the business sector into one section for ease of reading and to increase understanding. No substantive changes have been made.
  - Obsolete or outdated standards have been eliminated including past implementation deadlines, and past funding requirements
  - Commercial food scraps requirement is unchanged
- Eliminate the Regional Service Standard Alternative Program. Elements of local government alternative programs showing the same outcome as the Regional Service Standard (weekly collection) have been incorporated into the new standard. Elements of local government programs that showed worse outcomes than the Regional Service Standard will be required to change.
  - Every-other-week mixed recycling collection has been incorporated into the proposed standard for every-other-week programs in place as of January 1, 2019
- Remove obsolete state requirements and update wording and terms to reflect those used in the new Regional Waste Plan and to remove legalese, outdated references, and lengthy sentences.

Current Code sections	New Code sections	Explanation of Changes
<p>5.10.010-080 Regional Solid waste Management Plan</p> <p>5.10.110-160 Compliance Procedures</p>	<p>5.10.010-060 Regional Waste Plan</p>	<p>Chapter 5.10 has been shortened to focus on the overall applicability of the Regional Waste Plan (RWP), Metro’s authority to implement it, and plan amendment procedures.</p> <p>The majority of the Compliance Procedures section (110-160) in the current code applies to local governments and has been moved to the new Chapter 5.15 which is specific to local government requirements under the RWP. Outdated references, language and long sentences have been removed.</p>
<p>5.10.210-240 Regional Service Standard</p>	<p>5.15.010-070 General Provisions</p> <p>5.15.110-130 Residential Service</p>	<p>As noted above, the majority of the Compliance Procedures from existing code have been moved to a new chapter 5.15 (<i>Local Government Requirements Under the Regional Waste Plan</i>). Sections 010-060 pertain to compliance, extensions, technical and financial assistance and local government conformity to the plan. The Exception from Compliance section has been removed, and the wording in the other sections has been amended to reflect current terminology and procedures and to improve readability.</p> <p>The Regional Service Standard has been reorganized by sector and renamed. Section 5.15.110-130 focuses solely on the residential (single family and multifamily) sector. Obsolete or outdated standards and references to state statute no longer in effect have been eliminated. Lengthy detail has been removed from Code, updated, and placed in new Administrative Rules for Chapter 5.15. The Alternative Program and Performance Standard has been eliminated--elements of local government alternative programs showing the same outcome as weekly collection have been incorporated into the new standard. Every-other-week recycling collection programs in place as of January 1, 2019 meet the residential standard.</p>
<p>5.10.310-350 Business Recycling Requirement</p>	<p>5.15.210-260 Business Service and Recycling Requirement</p>	<p>All standards and requirements with regard to the business sector have been combined into one section for ease of reading and to increase understanding. Obsolete or outdated standards have been eliminated and lengthy detail has been removed from Code, updated, and placed in revised Administrative Rules for Chapter 5.15. Aside from updates to language and improvements for readability, no substantive changes have been made to the Business Recycling Requirement in code or rule. Irrelevant implementation deadlines (dates are past and all jurisdictions are in compliance</p>

		with the requirement) and the funding requirements (additional funding was only applicable to the first four years of the program) were removed.
5.10.410-470 Business Food Waste Requirement	5.15.410-470	No substantive changes have been made. Implementation dates in administrative rule were postponed by one year due to COVID-19 under a separate process completed in September 2020.
5.10.230 (d) Education and outreach section of the Regional Service Standard Elements	5.15.310-330 General Education	The education and outreach requirements have been moved to a new section that now represents a General Education Standard applicable to all solid waste customers. References to requirements under obsolete state law have been eliminated and detailed information moved to Administrative Rule. Although this standard applies to all customers, there are additional notification, education and outreach requirements specific to the Business Recycling Requirement and the Business Food Waste Requirement. Those specific requirements remain with those performance standards.

Agenda Item No. 5.2

**Ordinance 20-1452**, For the Purpose of Adding a New Title XI to the Metro Code and a New Chapter 11.01 “Supportive Housing Services Program” within that Title

*Ordinance (Second Reading & Vote)*

Metro Council Meeting  
Thursday, December 10, 2020



BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADDING A NEW TITLE )	ORDINANCE NO. 20-1452
XI TO THE METRO CODE AND A NEW )	
CHAPTER 11.01 “SUPPPORTIVE HOUSING )	Introduced by Chief Operating Officer
SERVICES PROGRAM” WITHIN THAT TITLE )	Marissa Madrigal in concurrence with
)	Council President Lynn Peterson

WHEREAS, on February 25, 2020, the Metro Council adopted Ordinance 20-1442 which, among other things, imposed business and personal income taxes to fund a Supportive Housing Services Program and found that homeless and housing services is a matter of metropolitan concern; and

WHEREAS, as part of that Ordinance adoption, the Metro Council found that the greater Portland region is facing a severe housing affordability and homelessness crisis, which endangers the health and safety of thousands of our unhoused neighbors. Homelessness is a deeply traumatic and dehumanizing experience that no person should have to endure, regardless of their circumstances; and

WHEREAS, the Council further found that thousands of households in the greater Portland region need supportive housing, and thousands more need housing assistance and other supports to achieve housing stability, according to the February 2020 ECONorthwest report entitled “Potential Sources and Uses of Revenue to Address the Region’s Homeless Crisis,” and

WHEREAS, the Council further found that the housing affordability and homelessness crisis in the greater Portland region impacts us all and requires collective and individual action from every person, business, elected official, and resident that calls the region home; and

WHEREAS, the Council also found that the homelessness crisis is an issue of scale and services do not yet match the scope of the crisis, and additional revenue is required to scale services to meet the needs and scope of the crisis; and

WHEREAS, Resolution 20-5083 referred Ordinance 20-1442 (Supportive Housing Services) to the voters for approval, which was designated as Measure 26-210 by Multnomah County Elections and placed on the May 2020 ballot (the “Measure”); and

WHEREAS, on May 19, 2020, the Metro area voters approved the Measure, thereby approving Ordinance 20-1442; and

WHEREAS, Resolution 20-5083 authorized the Metro Attorney to assign the Measure’s sections with title, chapter and section numbers for the Metro Code as the Metro Attorney deemed appropriate based on current Metro Code titles, chapters and sections; and

WHEREAS, this ordinance codifies, amends and supplements the Measure; and

WHEREAS, the sections of the Measure regarding imposition of the personal and business income taxes are being codified in new Metro Code Chapter 7.05 (Tax Administration), Chapter 7.06 (Personal Income Tax), and Chapter 7.07 (Business Income Tax); and

WHEREAS, the sections of the Measure regarding the establishment of a Regional Oversight Committee are being codified in Metro Code Chapter 2.19 (Regional Oversight Committee); and

WHEREAS, this Ordinance codifies the sections of the Measure regarding the programmatic aspects of providing Supportive Housing Services into a new Title XI, Chapter 11.01 of the Metro Code, with certain amendments as appropriate; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. A new Metro Code Chapter 11.01 attached as Exhibit A and entitled “Supportive Housing Services Program” is added to a new Metro Code Title XI.
2. This ordinance codifies, amends and supersedes the language in Measure 26-210. To the extent that any terms or conditions in Measure 26-210 conflict with the terms and conditions in this ordinance, this ordinance prevails.

ADOPTED by the Metro Council this \_\_\_\_ day of December 2020.

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Lynn Peterson, Council President

Attest:

Approved as to Form:

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Jaye Cromwell, Recording Secretary

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Carrie MacLaren, Metro Attorney

**SUPPORTIVE HOUSING SERVICES PROGRAM**

<b>Section</b>	<b>Title</b>
11.01.010	Title
11.01.020	Finding of Metropolitan Concern
11.01.030	Purpose
11.01.040	Definitions
11.01.050	Services and Priorities
11.01.060	Local Implementation Plan
11.01.070	Local Implementation Plan Development; Approval Process
11.01.080	Annual Reporting by Local Implementation Partners
11.01.090	Allocation of Revenue and Program Funds
11.01.100	Failure to Comply with Local Implementation Plan
11.01.110	Equity and Community Engagement
11.01.120	Use of Revenues
11.01.130	Administrative Cost Recovery
11.01.140	Oversight Committee Review of Administrative Costs
11.01.150	Use of Funds in Metro Jurisdictional Boundary Only
11.01.160	Accountability of Funds
11.01.170	Tri-County Advisory Body
11.01.180	Tri-County Planning
11.01.190	Administrative Rulemaking Authority

**11.01.010 Title**

This chapter is known and may be cited as the Supportive Housing Services Program.

**11.01.020 Finding of Metropolitan Concern**

Homeless and housing services are matters of metropolitan concern over which Metro may exercise jurisdiction.

**11.01.030 Purpose**

The Supportive Housing Services Program will use revenue derived from the Metro Income Tax Laws (Chapters 7.06 and 7.07) to fund services for people experiencing homelessness and housing instability.

**11.01.040 Definitions**

**Implementation Intergovernmental Agreement** means the intergovernmental agreement between Metro and the Local Implementation Partner that governs the disbursement and uses of Program Funds.

**Local Implementation Partner** means a local government that receives Program Funds from Metro to implement the Supportive Housing Services Program and which enters into an Intergovernmental Agreement to receive those funds. Local Implementation Partners are generally Clackamas, Washington and Multnomah Counties.

**Local Implementation Plan** means the document that establishes the proposed use of the Supportive Housing Services Revenue and how these uses align with the purposes of the Supportive Housing Services Program.

**Program Funds** means funds available to a Local Implementation Partner, which generally consists of the Supportive Housing Services Revenue minus Metro’s administrative and collection costs.

**Regional Oversight Committee** means the committee established to oversee the Supportive Housing Services Program as more fully described in Metro Code Section 2.19.270.

**Supportive Housing Services Program Work Plan** or **Work Plan** means the Supportive Housing Services Program Work Plan adopted by the Metro Council on **December 10, 2020**.

**Supportive Housing Services Revenue** means all funds received from the taxes imposed by Metro

Code Chapters 7.06 and 7.07.

**11.01.050 Services and Priorities**

- (a) Supportive housing services revenue will fund supportive housing services that include housing services, outreach and engagement supports, health and wellness supports, employment and benefit supports and advocacy supports.
- (b) Supportive Housing Services Revenue and Supportive Housing Services will first address the unmet needs of people who are experiencing or at risk of experiencing long-term or frequent episodes of homelessness. Metro will prioritize the Supportive Housing Services Revenue and Supportive Housing Services in a manner that provides equitable access to people of color and other historically marginalized communities.

**11.01.060 Local Implementation Plan**

- (a) To receive Supportive Housing Services funds, each Local Implementation Partner must prepare a Local Implementation Plan. The Plan will describe the Local Implementation Partner's local housing and homeless service needs, current programming and unmet programming capacities, and proposed use of funds in accordance with the purposes of the regional Supportive Housing Services Program.
- (b) Each Local Implementation Partner must create its Plan using a racial equity lens that ensures equitable participation, access and outcomes in all parts of the program and considers the best available quantitative and qualitative data.
- (c) Metro recognizes that each Local Implementation Partner may approach program implementation differently depending on the unique needs of its residents and communities. Therefore, it is the policy of the Metro Council that there be sufficient flexibility in implementation to best serve the needs of residents, communities, and those receiving Supportive Housing Services from program funding.

**11.01.070 Local Implementation Plan Development; Approval Process**

- (a) A Local Implementation Partner must develop its Local Implementation Plan using locally convened and comprehensive engagement processes that prioritize the voices of Black, Indigenous and people of color and people with lived experience. Plans must be developed in full partnership with advisory bodies that equitably reflect community expertise and experience. Each Local Implementation Partner may convene a new advisory body or use an existing body that fulfills the representation requirements.
- (b) In order for a Local Implementation Partner to receive Supportive Housing Services funds, the

Local Implementation Plan must be recommended for approval by the Supportive Housing Services Regional Oversight Committee and then approved by the Local Implementation Partner's governing body and the Metro Council.

#### **11.01.080 Annual Reporting by Local Implementation Partners**

Each Local Implementation Partner must submit an Annual Progress Report to the Metro Council and the Regional Oversight Committee summarizing its progress and outcomes under the Local Implementation Plan.

#### **11.01.090 Allocation of Revenue and Program Funds**

- (a) After Metro has first retained funds necessary to pay for collection of the taxes, Metro may retain up to five percent of the remaining collected tax revenue for administration and oversight as more fully described in Section 11.01.130.
- (b) After funds have been allocated for collection, administration and oversight as set forth in subsection (a), Metro will then allocate the remaining Program Funds within each county using the following percentages: 21 1/3 percent to Clackamas County, 45 1/3 percent to Multnomah County and 33 1/3 percent to Washington County.
- (c) The percentages set forth in subsection (b) apply to revenue for the first two tax years. Thereafter, the percentages may be adjusted to reflect the portion of Supportive Housing Services Revenue actually collected in each county.

#### **11.01.100 Failure to Comply with Local Implementation Plan**

- (a) In coordination with the Regional Oversight Committee, Metro may adjust the allocation formula if program funds are unable to be fully spent in accordance with the regional program. Metro may also establish a regional reserve fund in order to address unanticipated expenses and cash flow needs.
- (b) Metro's Implementation Intergovernmental Agreements with each Local Implementation Partner will specify how Supportive Housing Services tax collections will be released. Agreements will include specifications for annual program budgets, financial reporting, practices for reserving funds, and redistribution of funds if a jurisdiction fails to comply with the Agreement.

#### **11.01.110 Equity and Community Engagement**

Metro has adopted a Strategic Plan to Advance Racial Equity, Diversity, and Inclusion which

includes specific goals and objectives to ensure that all people who live, work and recreate in the greater Portland region have the opportunity to share in and help define a thriving, livable and prosperous region. A key objective throughout the strategy is a commitment to advance equity related to stable and affordable housing. Metro will rely on the goals and objectives within the Strategic Plan to implement the Supporting Housing Services Program.

#### **11.01.120 Use of Revenues**

Unless expressly stated otherwise in this chapter, Supportive Housing Services Revenue may only be used for the purposes set forth in Sections 11.01.030 and 11.010.050, in addition to Metro's costs of collection and administration. Metro may establish a separate fund or funds for the purpose of receiving and distributing Supportive Housing Services Revenues.

#### **11.01.130 Administrative Cost Recovery**

After Metro's tax collection costs are paid, Metro may retain up to five percent of the remaining funds to pay for the costs to disburse the funds and administer and oversee the program. This includes convening and supporting the Regional Oversight Committee; establishing a regional homelessness data collection and reporting program; and supporting tri-county regional collaboration.

#### **11.01.140 Oversight Committee Review of Administrative Costs**

At least annually the Regional Oversight Committee will consider whether Metro's collection and administrative costs and each Local Implementation Partner's administrative costs could or should be reduced or increased. The Regional Oversight Committee will recommend to the Metro Council at least once a year as to how Metro can best limit collection and administrative costs.

#### **11.01.150 Use of Funds in Metro Jurisdictional Boundary Only**

Although some portion of each of the three recipient counties (Multnomah, Washington and Clackamas) are outside of the Metro jurisdictional boundary, Supportive Housing Services Revenue may be spent only for Supportive Housing Services provided within the Metro jurisdictional boundary.

#### **11.01.160 Accountability of Funds**

- (a) Each county or local government receiving funds must make an annual report to the Metro Council and the Regional Oversight Committee on how funds from the taxes have been spent and how those expenditures have affected established homelessness metrics.

(b) In the annual report, the Local Implementation Partner must demonstrate that County General Fund monies and other dedicated funding levels allocated for homelessness were at least as much as FY 20-21, in addition to the Supportive Housing Services program funds. A Local Implementation Partner may not displace funds committed before FY 20-21 except in extenuating circumstances and through a temporary waiver for good cause.

**11.01.170 Tri-County Advisory Body**

Metro will convene a tri-county advisory body to strengthen regional coordination in addressing homelessness in the region. The advisory body will identify regional goals, strategies and outcome metrics and provide guidance and recommendations to inform Supportive Housing Services Program implementation.

**11.01.180 Tri-County Planning**

Each county must annually contribute no less than five percent of that county's share of the Supportive Housing Services Revenue towards regional strategies as identified through Tri-County planning and approved by the Regional Oversight Committee.

**11.01.190 Administrative Rulemaking Authority**

- (a) The Chief Operating Officer may adopt administrative rules to further implement this chapter. This specifically includes the authority to establish representation requirements for the body that develops a Local Implementation Plan.
- (b) Until the Chief Operating Officer adopts administrative rules to further implement this chapter, the Supportive Housing Services Program Work Plan will further implement this chapter. However, if any term, requirement or condition in the Work Plan is in conflict with this chapter, the terms, requirements and conditions of this chapter prevail.



IN CONSIDERATION OF

- ORDINANCE 20-1452, FOR THE PURPOSE OF ADDING A NEW TITLE XI TO THE METRO CODE AND A NEW CHAPTER 11.01 “SUPPORTIVE HOUSING SERVICES PROGRAM” WITHIN THAT TITLE; and
- ORDINANCE 20-1453, FOR THE PURPOSE OF ADDING A NEW METRO CODE SECTION 2.19.270 ESTABLISHING A SUPPORTIVE HOUSING SERVICES REGIONAL OVERSIGHT COMMITTEE; and
- ORDINANCE 20-1454, FOR THE PURPOSE OF AMENDING METRO CODE TITLE VII TO ADD NEW CHAPTERS 7.05 “INCOME TAX ADMINISTRATION FOR PERSONAL AND BUSINESS TAXES,” 7.06 “PERSONAL INCOME TAX,” AND 7.07 “BUSINESS INCOME TAX”
- RESOLUTION 20-5148 TO ADOPT THE SUPPORTIVE HOUSING SERVICES WORK PLAN

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Date: November 24, 2020  
Department: Planning and Development  
Meeting Date: December 3, 2020

Prepared and Presented by: Jes Larson  
and Rachael Lembo  
Length: 40 minutes

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**ISSUE STATEMENT**

In February 2020, the Metro Council referred a ballot measure to voters that would authorize funding for regional supportive housing services and in May 2020, voters approved it. The ordinance authorizing the income taxes stated that, upon passage of the ballot measure, the “Metro Council will take further action to establish rules to enforce and implement the taxes imposed by the measure.”

Following direction given by Metro Council during the November 17, 2020 work session, these ordinances update Metro code to establish the Regional Supportive Housing Services program and oversight committee and to enact the tax collection system. The resolution approves a programmatic work plan as needed to direct implementation for the Planning and Development department.

Certain sections of the tax code have prompted discussion and comments since the November 17 work session.

- **Apportionment methodology.** Apportionment refers to the way a business allocates their net income when they also operate outside the Metro district, in this case specifically of services and other intangible items. Multnomah County and the City of Portland use a cost of performance method, and the State of Oregon uses a market based method. Metro’s charter authority to impose income taxes also provides latitude on how it structures those taxes. With respect to apportionment, Metro can choose either a cost of performance or market based methodology for

apportionment of income. At the work session, staff proposed we adopt the method consistent with Multnomah County and the City of Portland because it will result in lower collection costs. However, Metro could alternatively choose the market based method and align with the State of Oregon. The City has estimated this would increase collection costs by approximately \$500,000 per year. Metro staff do not have access to data to analyze the impact to tax revenue, however, this would result in a higher number of nonresident businesses subject to tax, which can be more challenging for enforcement.

- **Head of household filing status.** As noted at the November 17 work session, Metro has two filing statuses, single and joint, however there are five filing statuses available at the State level. Staff proposed individuals using head of household filing status on their State tax return would file a Metro single tax return, which has an income exemption of \$125,000. Alternatively, those filers could file a Metro joint tax return, which would result in an income exemption of \$200,000. The estimated maximum tax revenue impact from this change is a reduction of \$2,812,500, based on available State data.
- **Employer withholding.** At the November 17 work session, staff proposed Metro require employers to *offer* withholding, but not require mandatory withholding. This was primarily due to the challenge for employers in determining the correct withholding amount and the risk of over-withholding. Since that work session, staff have been working with Multnomah County staff as they prepare their code for the Preschool for All income tax, with the goal of aligning the codes to provide consistency to tax filers. Through those discussions Metro and Multnomah County have agreed on a revised withholding recommendation: voluntary employer withholding in calendar year 2021, and mandatory employer withholding for employees earning more than \$200,000 beginning calendar year 2022 unless an employee chooses to “opt out” of withholding. Thus, although employers would be required to withhold, employees would still have the option to opt in or out of withholding, just as with most income taxes. Requiring employer withholding at the higher threshold of \$200,000 results in less risk of over-withholding than if a lower threshold was used. The attached code proposal reflects this updated recommendation.
- **Pass-through entity taxation.** In the ordinance which referred this measure to the voters, Metro stated it would utilize, as guidance, the Multnomah County Business Income Tax rules and procedures for the business income tax. The County taxes all businesses, including pass through entities such as s-corporations and partnerships. At a State level, pass through entities do not pay business tax based on net income, instead they report net income to their owners, who then pay personal income tax on that income. As a result of this, Metro developed a solution to ensure pass through income was not taxed twice. Alternatively, Metro could exempt pass through entities from the business tax, and tax the owners via the personal income tax. Due to the income exemption on the personal income tax, this would result in lower tax revenue. The estimated maximum tax revenue impact from this change is

a reduction of \$15,000,000, based on staff analysis on double taxation. This alternative would result in a number of complex changes throughout both the business and personal income tax codes. If Metro Council directs staff to prepare this code change it may be prudent to delay adoption of the ordinance by another week in order for the technical experts on the tax table to review the proposed changes and their possible effects.

- **PBA Testimony (November 19).** The Portland Business Alliance (PBA) provided oral and written comment at the November 19 Council Meeting, asserting that the “voter-approved ordinance and proposed code may run afoul of a state law requiring any Metro income tax to be consistent with the Oregon income tax.” PBA specifically asserted that Metro’s approach to income apportionment and entity-level taxation were not “consistent” with how the state administers its business income taxes. The PBA’s “consistency” assertions rely on ORS 268.505.

However, Metro has both Charter authority (Metro Charter, Chapter III, Section 11) and statutory authority (ORS 268.505) to impose personal and business income taxes. Accordingly, Metro has two completely independent sources of authority– or options – for imposing income taxes, though both require voter approval. At the time of adoption, and in the Measure itself, Metro was clear in its intent to use the Multnomah County Business Income Tax as guidance for implementing Metro’s business income tax. This provided direction to staff developing the proposed Code. Metro’s independent charter authority to impose these taxes does not require it to “be consistent” with state law (although it may choose to do so). Rather, it provides the Metro Council with flexibility in how the Council chooses to structure these taxes.

### **ACTION REQUESTED**

Staff requests adoption of Ordinances No. 20-1452, 20-1453, 20-1454 and Resolution 20-5148.

Ordinance No. 20-1454, for the purpose of amending Metro code title VII to add new Chapters 7.05, “Income Tax Administration for Personal and Business Taxes”, 7.06 “Personal Income Tax”, and 7.07 “Business Income Tax” contains an emergency clause and would become effective immediately upon adoption. This will allow staff to proceed with adoption of administrative rules to assist taxfilers with these new tax codes.

### **IDENTIFIED POLICY OUTCOMES**

The establishment of the Supportive Housing Services program and the regional oversight committee in the Metro Code and programmatic work plan will define and describe the roles, responsibilities and administrative actions needed for implementation of the program.

The Metro income tax codes codify certain provisions of the Supportive Housing Services Measure approved by the voters, and the codes will also establish rules to implement the taxes imposed by the measure in an effective and efficient manner. These rules provide

details and also address tax considerations which were not addressed in the measure yet impact the tax paid by individuals and businesses and the total tax collected by Metro.

### **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

- Adoption of these ordinances and resolution. This will allow staff to proceed with establishment of the Supportive Housing Services program, regional oversight committee and implementation of the tax system.
- Adoption of these ordinances and resolution with revisions or modifications as described by Council.
- Rejection of these ordinances and resolution with other direction to staff for development of this program and the tax system. This would delay implementation.

### **STAFF RECOMMENDATIONS**

Staff recommend that Metro Council adopt Ordinances No. 20-1452, 20-1453, 20-1454 and Resolution 20-5148.

### **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

Implementation of the regional affordable housing bond program has been guided by a work plan developed by staff to define and develop the intentions described in the ballot measure. Staff have taken a similar approach with the Supportive Housing Services program to further develop and define the programmatic intentions of the ballot measure with a programmatic work plan.

Over the summer, a regional stakeholder advisory table was convened to provide guidance on early implementation questions. It was composed of a broad-based group of community stakeholders including culturally specific organizational leaders, housing, homeless and social service providers, behavioral health and healthcare providers and business interests. The table also included agency leadership from the three housing authorities and county homeless services agencies. The table met four times over the summer to prepare recommendations for the Metro Chief Operating Officer to inform development of the programmatic work plan and code, to be brought before Metro Council for consideration in the fall.

Development of the work plan has been further advised by Metro Council direction at the November 17<sup>th</sup> work session, and a public comment period that concluded on November 30<sup>th</sup>.

Metro staff formed a tax implementation advisory table to advise on technical aspects of tax implementation, technical issues, and provide recommendations to ensure a smooth, legal and easy tax collection process. Members included experts in taxation, tax policy, tax implementation and business stakeholders. The table met with staff five times this year and provided input on development of the tax codes.

## **BACKGROUND**

Homelessness and housing prices have increased dramatically in the Portland area over the past decade. Estimates of homelessness in the region range between 6,000 and 12,000 people. In January 2019, officials counted 5,711 people experiencing homelessness in Clackamas, Multnomah and Washington counties. Additionally, the Oregon Department of Education counted more than 7,000 students who experienced homelessness in the 2018 school year in Metro-area school districts. These reports undercount people experiencing homelessness while staying with a friend or family, or living in vehicles.

In recent years, more people are experiencing ‘chronic’ or prolonged homelessness. Approximately 3,123 to 4,935 people in the region experience homelessness related to complex and disabling conditions.

Additionally, Black, Indigenous and People of Color (BIPOC) disproportionately experience homelessness. BIPOC make up 21% of the total population in the tri-county area but comprise 31% of the homeless population. More specifically, Black and Indigenous people make up 5% of the total population but comprise over 20% of the homeless population.

The HereTogether coalition, a broad group of service providers, business leaders and advocates worked over the course of the last two years to develop the Regional Supportive Housing Services measure. As a broad coalition they identified the regional supportive housing need, developed programmatic and taxation strategies, engaged communities and built broad consensus for their programmatic and governance framework. With the support of elected leadership in Clackamas, Multnomah and Washington counties, they approached Metro in the Fall of 2019 requesting that Metro refer a measure to the region’s voters. In February 2020, the Metro Council unanimously referred the measure to voters and the voters passed the measure with 58% support in May 2020.

## **ATTACHMENTS**

- Ordinance 20-1452, For the Purpose of Adding a New Title XI to the Metro Code and a New Chapter 11.01 “Supportive Housing Services Program” within that Title; and
- Ordinance 20-1453, For the Purpose of Adding a New Metro Code Section 2.19.270 Establishing a Supportive Housing Services Regional Oversight Committee; and
- Ordinance 20-1454, For the Purpose of Amending Metro Code Title VII to Add New Chapters 7.05 “Income Tax Administration for Personal and Business Taxes”, 7.06 “Personal Income Tax”, and 7.07 “Business Income Tax”; and
- Resolution 20-5148 to adopt the Supportive Housing Services work plan

Agenda Item No. 5.3

**Ordinance 20-1453**, For the Purpose of Adding a New Metro Code Section 2.19.270 Establishing a Supportive Housing Services Regional Oversight Committee

*Ordinance (Second Reading & Vote)*

Metro Council Meeting  
Thursday, December 10, 2020

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADDING A NEW	)	ORDINANCE NO. 20-1453
METRO CODE SECTION 2.19.270	)	
ESTABLISHING A SUPPORTIVE HOUSING	)	Introduced by Chief Operating Officer
SERVICES REGIONAL OVERSIGHT	)	Marissa Madrigal in concurrence with
COMMITTEE	)	Council President Lynn Peterson

WHEREAS, on February 25, 2020, the Metro Council adopted Ordinance 20-1442 which, among other things, imposed business and personal income taxes to fund a Supportive Housing Services Program; and

WHEREAS, Resolution 20-5083 referred Ordinance 20-1442 (Supportive Housing Services) to the voters for approval, which was designated as Measure 26-210 by Multnomah County Elections and placed on the May 2020 ballot (the “Measure”); and

WHEREAS, on May 19, 2020, the Metro area voters approved the Measure, thereby approving Ordinance 20-1442; and

WHEREAS, recognizing the importance of independent oversight for new Metro programs, the Measure established a Supportive Housing Services Regional Oversight Committee; and

WHEREAS, on November 19, 2020, the Metro Council appointed members to the Regional Oversight Committee in a manner and under the membership requirements as set forth in the Measure; and

WHEREAS, Resolution 20-5083 authorized the Metro Attorney to assign the Measure’s sections with title, chapter and section numbers for the Metro Code as the Metro Attorney deemed appropriate based on current Metro Code titles, chapters and sections; and

WHEREAS, this ordinance codifies, amends and supplements the Measure; and

WHEREAS, the sections of the Measure regarding imposition of the personal and business income taxes are being codified in new Metro Code Chapter 7.05 (Tax Administration), Chapter 7.06 (Personal Income Tax), and Chapter 7.07 (Business Income Tax); and

WHEREAS, the sections of the Measure regarding the programmatic aspects of providing Supportive Housing Services are being codified into a new Title XI, Chapter 11.01 of the Metro Code; and

WHEREAS, this Ordinance codifies the Measure’s Supportive Housing Services Regional Oversight Committee and its requirements, membership and responsibilities into a new Metro Code Section 2.19.270; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. A new Metro Code Section 2.19.270 attached as Exhibit A and entitled “Supportive Housing Services Regional Oversight Committee” is added to Metro Code Chapter 2.19.

2. This ordinance codifies, amends and supersedes the language in Measure 26-210. To the extent that any terms or conditions in Measure 26-210 conflict with the terms and conditions in this ordinance, this ordinance prevails.

ADOPTED by the Metro Council this \_\_\_\_ day of December 2020.

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Lynn Peterson, Council President

Attest:

Approved as to Form:

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Jaye Cromwell, Recording Secretary

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Carrie MacLaren, Metro Attorney



### **2.19.270 Supportive Housing Services Regional Oversight Committee**

- (a) Committee Established. A 15-member regional oversight committee (hereafter, “Supportive Housing Services Regional Oversight Committee” or “Regional Oversight Committee”) will oversee the Supportive Housing Services Program.
- (b) Purpose and Authority. The purpose and authority of the Supportive Housing Services Regional Oversight Committee is to:
1. Evaluate local implementation plans, recommend changes as necessary to achieve program goals and guiding principles, and make recommendations to Metro Council for approval;
  2. Accept and review annual reports for consistency with approved local implementation plans;
  3. Monitor financial aspects of program administration, including review of program expenditures; and
  4. Provide annual reports and presentations to Metro Council and Clackamas, Multnomah, and Washington County Boards of Commissioners assessing performance, challenges, and outcomes.
- (c) Membership. The Supportive Housing Services Community Oversight Committee is composed of 15 members, as follows:
1. Five members from Clackamas County.
  2. Five members from Multnomah County.
  3. Five members from Washington County.
- (d) Jurisdictional Representation. In addition to the 15 members described in subsection (c), one representative each from the Clackamas, Multnomah and Washington County Boards of Commissioners, Portland City Council and Metro Council will serve on the committee as non-voting delegates.
- (e) Membership Attributes. The committee’s membership will include a broad range of personal and professional experience, including people with lived experience of homelessness or housing instability. The committee will also reflect the diversity of the region. The membership will include people with the following experiences, perspectives and qualities:

1. Experience overseeing, providing, or delivering supportive housing services;
2. Lived experience of homelessness or severe housing instability;
3. Experience in the development and implementation of supportive housing and other services;
4. Experience in the delivery of culturally-specific services;
5. Experience in the private-for-profit sector;
6. Experience in the philanthropic sector;
7. People who identify as Black, Indigenous and people of color, people with low incomes, immigrants and refugees, the LGBTQ+ community, people with disabilities, and other underserved and/or marginalized communities; and
8. Experience in a continuum of care organization.

A person may represent more than one of the subsections above. The membership must have broad representation and geographical diversity.

- (f) Terms. Nine of the initial Committee members will serve a one-year term, and the Council may reappoint those nine members for up to two additional two-year terms.
- (g) Meetings. The Committee will meet no less than quarterly and more frequently as necessary.
- (h) Oversight Committee Review. Metro may conduct a review of the regional oversight committee's role and effectiveness as appropriate.

Agenda Item No. 5.4

**Ordinance 20-1454**, For the Purpose of Amending Metro Code Title VII to Add New Chapters 7.05  
“Income Tax Administration for Personal and Business Taxes”,  
7.06 “Personal Income Tax”, and 7.07 “Business Income Tax”

*Ordinance (Second Reading & Vote)*

Metro Council Meeting  
Thursday, December 10, 2020

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO	)	ORDINANCE NO. 20-1454
CODE TITLE VII TO ADD NEW CHAPTERS	)	
7.05 "INCOME TAX ADMINISTRATION FOR	)	Introduced by Chief Operating Officer
PERSONAL AND BUSINESS TAXES," 7.06	)	Marissa Madrigal in concurrence with
"PERSONAL INCOME TAX," AND 7.07	)	Council President Lynn Peterson
"BUSINESS INCOME TAX"	)	

WHEREAS, on February 25, 2020, the Metro Council adopted Ordinance 20-1442.

WHEREAS, Ordinance 20-1442 imposed a tax of one percent beginning in tax year 2021 on the entire taxable income over \$200,000 if filing jointly and \$125,000 if filing singly on every resident of the district subject to tax under ORS chapter 316 and upon the taxable income over \$200,000 if filing jointly and \$125,000 if filing singly of every nonresident that is derived from sources within the district which income is subject to tax under ORS chapter 316 (the "Personal Income Tax"); and

WHEREAS, Ordinance 20-1442 also imposed a tax of one percent upon each person doing business within Metro if the gross receipts from all business income, both within and without Metro, is over \$5 million (the "Business Income Tax"); and

WHEREAS, the revenue derived from the taxes imposed by Ordinance 20-1442 will fund Supportive Housing Services; and

WHEREAS, before the taxes imposed by Ordinance 20-1442 could take effect, they required approval of the Metro area voters; and

WHEREAS, Resolution 20-5083 referred Ordinance 20-1442 (Supportive Housing Services) to the voters for approval, which was designated as Measure 26-210 by Multnomah County Elections and placed on the May 2020 ballot (the "Measure"); and

WHEREAS, on May 19, 2020, the Metro area voters approved the Measure, thereby approving the Personal Income Tax and Business Income Tax imposed in Ordinance 20-1442; and

WHEREAS, Ordinance 20-1442 stated that upon approval by the voters, the Metro Council would take further action to establish rules to enforce and implement the taxes imposed by the Measure, including: establishing rules to enforce and implement the Personal Income Tax include rules regarding penalties, interest, filing dates, required forms and documentation, residency determinations for income tax payment purposes, refunds and deficiencies, audit authority, overpayments, estimated payments, exemptions, appeals from income determinations, legal collection actions and any other provision deemed necessary to effectively and efficiently administer the taxes and achieve the purposes of the Measure; and

WHEREAS, Resolution 20-5083 stated that upon approval by the voters the Metro Attorney would assign the Measure's sections with title, chapter and section numbers for the Metro Code as the Metro Attorney deemed appropriate based on current Metro Code titles, chapters and sections; and

WHEREAS, this ordinance codifies, amends and supplements the Measure; and

WHEREAS, the sections of the Measure establishing a Regional Oversight Committee are being codified in Metro Code Chapter 2.19 (Regional Oversight Committee); and

WHEREAS, the sections of the Measure regarding the programmatic aspects of providing Supportive Housing Services are being codified in a new Title XI, Chapter 11.01 of the Metro Code, with certain amendments as appropriate; and

WHEREAS, codifying the Measure's sections regarding tax imposition and establishing new code chapters to enforce, collect and implement the Personal Income Tax and Business Income Tax will ensure efficient and transparent enforcement and collection of the taxes; now therefore,

**THE METRO COUNCIL ORDAINS AS FOLLOWS:**

1. A new Metro Code Chapter 7.05 attached as Exhibit A and entitled "Income Tax Administration for Personal and Business Taxes" is added to Metro Code Title VII.
2. A new Metro Code Chapter 7.06 attached as Exhibit B and entitled "Personal Income Tax" is added to Metro Code Title VII.
3. A new Metro Code Chapter 7.07 attached as Exhibit C and entitled "Business Income Tax" is added to Metro Code Title VII.
4. This ordinance codifies, amends and supersedes the language in Measure 26-210. To the extent that any terms or conditions in Measure 26-210 conflict with the terms and conditions in this ordinance, this ordinance prevails.
5. Upon adoption of this ordinance, the Chief Operating Officer may adopt administrative rules to further implement any provision found in Chapters 7.05, 7.06 and 7.07. The Chief Operating Officer must provide a public comment period of not less than 30 days and notice of the public comment period in a manner reasonably calculated to reach interested parties. Any administrative rule adopted by the Chief Operating Officer pursuant to this ordinance will take effect immediately upon adoption.

6. The Metro Council finds that the homelessness crisis is an emergency that affects the health, safety and welfare of Metro area residents. The Metro Council further finds the need for this ordinance to become effective immediately upon adoption to avoid potential administrative issues that could possibly delay funding for the supportive housing services, as well as to allow the Chief Operating Officer to proceed with public comment and adoption of administrative rules to assist taxfilers and remove potential uncertainty. Finally, the Metro Council finds that because this ordinance does not impose a new tax, an emergency clause is appropriate under Metro Charter Section 38(1).

ADOPTED by the Metro Council this \_\_\_\_ day of December 2020.

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Lynn Peterson, Council President

Attest:

Approved as to Form:

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Jaye Cromwell, Recording Secretary

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Carrie MacLaren, Metro Attorney

**CHAPTER 7.05**

**INCOME TAX ADMINISTRATION FOR PERSONAL AND BUSINESS TAXES**

<b>Section</b>	<b>Title</b>
7.05.010	Purpose and Applicability
7.05.020	Definitions
7.05.030	Conformity to State Income Tax Laws; Tax Guidance
7.05.040	Nexus
7.05.050	Tax as a Debt; Collection Authority
7.05.060	Administration
7.05.070	Administrative Authority
7.05.080	Ownership of Taxfiler Information
7.05.090	Confidentiality
7.05.100	Persons to Whom Information May Be Furnished
7.05.110	Taxfiler Representation
7.05.120	Representation Restrictions
7.05.130	Information Request; Examination of Books, Records or Persons
7.05.135	Subpoena Powers
7.05.140	Taxfiler Records Retention
7.05.150	Deficiencies and Refunds
7.05.160	Protests and Appeals; Penalty Waiver
7.05.170	Return Due Date; Extensions
7.05.180	Payment of Estimated Tax
7.05.190	Schedule for Payment of Estimated Tax
7.05.200	Tax Return Payment; Minimum
7.05.210	Payment Plan; Fee
7.05.220	Settlement Offers and Agreements
7.05.230	Changes to Federal or State Tax Returns
7.05.240	Criminal Penalties
7.05.250	Civil Penalty for Unauthorized Access of Tax Information
7.05.260	Penalties for Violations of Business Income Tax Law
7.05.270	Penalties for Violations of Personal Income Tax Law
7.05.280	Interest
7.05.290	Payments Applied
7.05.300	Interest on Refunds
7.05.310	Accountability of Funds; Audits
7.05.320	Severability

### **7.05.010 Purpose and Applicability**

The purpose of this chapter is to provide consistent, efficient and transparent administration of Metro's Business Income Tax Law and Personal Income Tax Law (collectively, "Metro's Income Tax Laws."). The provisions of this chapter apply to the administration of both the Business Income Tax Law and Personal Income Tax Law, as applicable, unless Chapter 7.06 or Chapter 7.07 specifically exempts a provision.

### **7.05.020 Definitions**

For the purpose of this chapter and Metro Code Chapters 7.06 and 7.07, the terms used are defined as provided in this section unless the context requires otherwise.

**Administrator** means Metro's agent for purposes of administering and enforcing the Business and Personal Income Tax Laws.

**Appeals Board** means the hearings body designated by the Administrator to review taxfiler appeals from final determinations by the Administrator.

**Business** means an enterprise, activity, profession or undertaking of any nature, whether related or unrelated, by a person in the pursuit of profit, gain or the production of income, including services performed by an individual for remuneration, but does not include wages earned as an employee.

**Business Income Tax Law** means the taxes imposed on businesses under the provisions of Metro Code Chapter 7.07.

**Chief Financial Officer** means the Metro Chief Financial Officer and the Officer's designee(s).

**Chief Operating Officer** means the Metro Chief Operating Officer and the Officer's designee(s).

**District** means all the territory within the jurisdictional boundary of Metro as provided by law.

**Doing Business** means to engage in any activity in pursuit of profit or gain, including but not limited to, any transaction involving the holding, sale, rental or lease of property, the manufacture or sale of goods or the sale or rendering of services other than as an employee. Doing business includes activities carried on by a person through officers, agents or employees as well as activities carried on by a person on their own behalf.



**Domicile** means the place an individual considers to be the individual's true, fixed, permanent home. Domicile is the place a person intends to return to after an absence. A person can only have one domicile at a given time. A person's domicile continues as their domicile until the person demonstrates (1) an intent to abandon the current domicile and acquire a new domicile, and (2) then actually resides in the new domicile. Factors that contribute to determining domicile include family, business activities and social connections. A person is domiciled in the District if the person's domicile is located within the District.

**Employee** means any individual who performs services for another individual or organization and whose compensation is reported by an IRS Form W- 2.

**Gross Receipts** means all income from whatever source derived.

**Individual** means a natural person, including a natural person who reports that person's income to the State of Oregon in a joint personal State income tax return. In such case, Individual refers to the joint taxfiler.

**Metro** means the Metropolitan Service District of the Portland metropolitan area, a municipal corporation established and existing pursuant to Section 14 of Article XI of the Oregon Constitution, ORS Chapter 268 and the Metro Charter.

**Metro Income Tax Laws** means, collectively, the Business Income Tax Law, the Personal Income Tax Law and the code chapters and administrative rules that administer and govern those taxes.

**Metro Taxable Income** means income attributable to sources within the District less deductions from income attributable to sources within the District. This includes, but is not limited to:

- (a) Wages received by a nonresident taxfiler attributable to work performed within the District;
- (b) Items reported to a nonresident taxfiler attributable to the taxfiler's ownership interest in a pass-through entity that does business in the District and reports tax items attributable to that ownership interest to the taxfiler on a Schedule K-1; and
- (c) Income and expenses from a sole proprietorship or disregarded entity attributable to business in the District and reported on a nonresident taxfiler's individual return.

**Net Operating Loss** means the negative taxable income that may result after the deductions allowed by the Business Income Tax Law in determining net income for the tax year.

**Nonbusiness Income** means income not created in the course of the taxfiler's business activities.

**Nonresident** means an individual who is not a resident of the District.

**Oregon Taxable Income** means the taxable income of residents or part year residents as reported or as reportable to the State of Oregon for personal income tax purposes.

**Part-year Resident** means a taxfiler who changes status during a tax year from resident to nonresident or from nonresident to resident.

**Person** means, but is not limited to, an individual, a natural person, married couple filing jointly, proprietorship, partnership, limited partnership, family limited partnerships, association, cooperative, trust, estate, corporation, personal holding company, limited liability company, limited liability partnership or any other form of organization for doing business. Each person who is not a natural person must designate a natural person in writing as its designated representative who is authorized to act and testify on behalf of such person.

**Personal Income Tax Law** means the personal income taxes imposed on District residents and nonresidents under the provisions of Metro Code Chapter 7.06.

**Received** means the postmark date affixed by the United States postal service if mailed, the date stamp if delivered by hand or sent by facsimile, or the receipt date from the online file and pay application confirmation notice.

**Resident** means (1) an individual whose domicile is within the District for the entire taxable year unless the individual maintains no permanent place of abode in the District, does maintain a permanent place of abode outside of the District, and spends on aggregate not more than 30 days per tax year in the District; or, (2) an individual who is not domiciled in the District but maintains a permanent place of abode in the District and spends in the aggregate more than 200 days or any part of a day of the tax year in the District unless the individual proves that the individual is in the District for only a temporary or transitory purpose. Resident does not include: an individual who is a qualified individual under section 911(d)(1) of the Internal Revenue Code for the tax year; the spouse of a qualified individual under Section 911(d)(1) of the Internal Revenue Code, if the spouse is not a resident of the District; a resident alien under section 7701(b) of the Internal Revenue Code who would be considered a qualified individual under Section 911(d)(1) of the Internal Revenue Code if the resident alien were a citizen of the United States; a member of the Armed Forces who performs active service as defined in 10 U.S.C. 101(d)(3), other than annual training duty or inactive-duty training, if the member's residency as reflected in the payroll records of the Defense Finance and Accounting Service is outside the District.

**Tax Year** means the taxable year of a person for Federal or State income tax purposes.

**Taxfiler** means any person whose income in whole or in part is subject to Metro Income Tax Laws and is required to file a return under Metro Income Tax Laws.

#### **7.05.030 Conformity to State Income Tax Laws; Tax Guidance**

- (a) The Administrator will construe the Business Income Tax Law, when applicable, in conformity with the laws and regulations that govern the Multnomah County Business Income Tax as those laws existed for that tax year. The Administrator will construe the Personal income Tax Law, when applicable, in conformity with the laws and regulations of the State of Oregon imposing taxes on or measured by net income as those laws existed for that tax year.
- (b) Any interpretation under subsection (a) may not conflict with any provision of this chapter, Chapter 7.06, or Chapter 7.07.
- (c) The Administrator has the authority by written policy to connect to or disconnect from any legislative enactment regarding income or excise taxation or the definition of income.

#### **7.05.040 Nexus**

The taxes imposed by Chapter 7.06 and Chapter 7.07 apply to all taxpayers that have substantial nexus with the District, subject only to constitutional limitation on Metro's authority.

#### **7.05.050 Tax as a Debt; Collection Authority**

- (a) The taxes imposed by Chapter 7.07 and Chapter 7.06 become a debt due to Metro at the time such liability for the tax is incurred. This includes any penalties and interest.
- (b) The Chief Financial Officer or Administrator is authorized to collect any deficient taxes, interest and penalties owed. This includes initiating and defending any civil actions and other legal proceedings.
- (c) Metro or the Administrator, as appropriate, may assign a delinquent tax account to a collection agency for collection.
- (d) Any assignment to an outside collection agency is subject to a reasonable collection fee, as allowed by law, above and beyond any amount owed to Metro.

#### **7.05.060 Administration**

- (a) The Administrator is the administrator of record and has the authority to administer and enforce the Metro Income Tax Laws including, but not limited to, administrative return processing, auditing, and determinations; collection of taxes, penalties and interest

(including instituting legal action in any court of competent jurisdiction by or on behalf of the Metro); and protests and appeals.

- (b) The Administrator has access to and maintains all tax filings and records under this chapter and the Metro Income Tax Laws on behalf of Metro. The Administrator may, upon taxfiler's written request and at the sole discretion of the Administrator, interpret how this chapter or the Metro Income Tax Laws apply to taxfiler's facts and circumstances. Nothing in this chapter or Chapters 7.06 and 7.07 preclude or is intended to preclude, the informal disposition of controversy by stipulation or agreed settlement, through correspondence or a conference with the Administrator.

#### **7.05.070 Administrative Authority**

- (a) The Administrator may implement procedures, forms, and written policies for administering the provisions of the Business Income Tax Law and Personal Income Tax Law.
- (b) The Administrator will coordinate with Metro to adopt administrative rules relating to matters within the scope of this chapter to administer compliance with the Business Income Tax Law and Personal Income Tax Law.

#### **7.05.080 Ownership of Taxfiler Information**

Metro is the sole owner of all taxfiler information under the authority of the Metro Income Tax Laws. The Chief Operating Officer, Metro Attorney, Chief Financial Officer, Administrator, and their agents have the right to access all taxfiler information for purposes of administration.

#### **7.05.090 Confidentiality**

- (a) No Metro elected official, employee, or agent, nor any person who has acquired information pursuant to the Metro Income Tax Laws, may divulge, release, or make known in any manner any financial information, social security numbers or any other elements of a tax return or tax account, including fact of filing and collection activity submitted or disclosed to Metro or the Administrator under the provisions of this chapter, the Metro Income Tax Laws, and any applicable administrative rules, unless otherwise provided in this chapter or as required by law.
- (b) Nothing in this section prohibits:
  1. The disclosure of general statistics in a form that would prevent the identification of financial information or social security numbers regarding an individual taxfiler;

2. The filing of any legal action by or on behalf of the Administrator or Metro to obtain payment on unpaid accounts or the disclosure of information necessary to do so; or
  3. The assignment to an outside collection agency of any unpaid account balance receivable provided that the Administrator notifies the taxfiler of the unpaid balance at least 60 days before the assignment of the claim.
- (c) Any person that violates this section may be subject to criminal penalties as set forth in Section 7.05.240.

#### **7.05.100 Persons to Whom Information May Be Furnished**

- (a) The Administrator and Metro Chief Operating Officer may disclose and give access to information described in Section 7.05.090 to an authorized representative of the Department of Revenue, State of Oregon, or of any local government of the State imposing taxes upon or measured by gross receipts or net income, for the following purposes:
1. To inspect the tax return of any taxfiler;
  2. To obtain an abstract or copy of the tax return;
  3. To obtain information concerning any item contained in any return;
  4. To obtain information of any financial audit of the tax returns of any taxfiler; or
  5. To maintain compliance with State or Federal Law (such as providing social security numbers to the Internal Revenue Service with 1099G filings for refunds issued).

Disclosure and access will be granted only if the laws, regulations or practices of the other jurisdiction maintain the confidentiality of this information at least to the extent provided by the Business Income Tax Law or Personal Income Tax Law, as applicable.

- (b) Upon request of a taxfiler, or authorized representative, the Administrator will provide copies of any tax return information filed by the taxfiler in the Administrator's possession to the taxfiler or authorized representative.
- (c) If a court of competent jurisdiction issues a court order requiring the disclosure of a taxfiler's tax return information, the Administrator will comply with the terms of that court order after providing written notice to the taxfiler at taxfiler's last known address.
- (d) The Administrator may also disclose and give access to information described in Section 7.05.090 to:

1. The Metro Attorney, the Attorney's assistants and employees, or other legal representatives of Metro, to the extent disclosure or access is necessary for the performance of the duties of advising or representing Metro.
  2. The Administrator's Attorney, the Attorney's assistants and employees, or other legal representatives of the Administrator, to the extent the Administrator deems disclosure or access necessary for the performance of the duties of advising or representing the Administrator, including but not limited to instituting legal actions on unpaid accounts.
  3. Other Metro employees and agents, to the extent disclosure or access is necessary for such employees or agents to perform their duties regarding or under contracts or agreements between Metro and the Administrator.
  4. The Administrator's employees, agents and officials, to the extent the Administrator deems disclosure or access necessary for such employees, agents or officials to:
    - A. Aid in any legal collection effort on unpaid accounts;
    - B. Perform their duties under contracts or agreements between the Administrator and Metro or between the Administrator and any other department, bureau, agency or subdivision of the Administrator relating to the administration of the Metro Income Tax Laws; or
    - C. Aid in determining whether a Metro Income Tax Law account is in compliance with all City, County, State and Federal laws or policies.
- (e) All employees and agents specified in Section 7.05.100(d) above, prior to the performance of duties involving access to financial information submitted to Metro or the Administrator under the terms of the Personal Income Tax Law or Business Income Tax Law, must be advised in writing of Section 7.05.240 relating to penalties for the violation of Sections 7.05.090 and 7.05.100. Such employees and agents must execute a certificate in a form prescribed by the Chief Operating Officer or Administrator, stating that the person has reviewed these provisions of law, has had them explained, and is aware of the penalties for the violation of Sections 7.05.090 and 7.05.100.
- (f) No person described in subsection (a) to whom disclosure or access to financial information has been given may make a disclosure under this section unless that person:
1. Is advised in writing of Section 7.05.240 relating to penalties for the violation of Section 7.05.090; and
  2. Executes a certificate in a form prescribed by the Chief Operating Officer or Administrator, stating these provisions of law have been reviewed and that person is aware of the penalties for the violation of Section 7.05.090. The Chief Operating

Officer's or Administrator's signature on the certificate, required by this subsection, constitutes consent to disclosure to the persons executing the certificate.

- (g) Any person that violates this section may be subject to criminal penalties as set forth in Section 7.05.240.

#### **7.05.110 Taxfiler Representation**

Third parties, such as attorneys or certified public accountants, may represent taxfilers before the Administrator. The Administrator may establish procedures for taxfilers to authorize a third party to represent the taxfiler, which may include a written authorization submitted to the Administrator. The Administrator is not required to recognize a third party who claims to represent a taxfiler if that third party does not comply with the established procedures.

#### **7.05.120 Representation Restrictions**

- (a) No employee or official of Metro, the Administrator, or any public agency authorized to collect taxes imposed by this chapter may represent any taxfiler in any matter before the Administrator. This restriction against taxfiler representation continues for two years after termination of employment or official status.
- (b) Members of the appeals board may not represent a taxfiler before the appeals board. No member of the appeals board may participate in any matter before the board if the appellant is a client of the member or the member's firm.

#### **7.05.130 Information Request; Examination of Books, Records or Persons**

- (a) The Administrator may require a taxfiler to produce documents. The Administrator may also examine any books, papers, records, or memoranda, including State and Federal income or excise tax returns, to ascertain the correctness of any tax return or to make an estimate of any tax. The Administrator has the authority, after notice, to:
1. Require the attendance of any person required to file a tax return under the Metro Income Tax Laws, or officers, agents, or other persons with knowledge of the person's business operations, at any reasonable time and place the Administrator may designate;
  2. Take testimony, with or without the power to administer oaths to any person required to be in attendance; and
  3. Require proof for the information sought, necessary to carry out the provisions of this

chapter.

- (b) The Administrator will designate the employees who have the power to administer oaths under this section.

#### **7.05.135 Subpoena Powers**

- (a) The Administrator may subpoena and examine witnesses, administer oaths, and require the production of any books or papers in the hands of any person, company or corporation, whenever necessary for the prosecution of any inquiries deemed necessary or proper.
- (b) If any person fails to comply with any subpoena of the Administrator or refuses to testify when the Administrator requires that person to testify, the Administrator may apply to a court of competent jurisdiction for an order to the person to produce the books and papers or attend and testify, or otherwise comply with the demand of the Administrator.
- (c) The Administrator will apply to the court by ex parte motion, upon which the court will make an order requiring the person against whom it is directed to comply with the Administrator's request or demand within 10 days after the service of the order, or within the additional time granted by the court, or to justify the failure within that time. The order will be served upon the person to whom it is directed in the manner required by the State of Oregon or other applicable jurisdiction for service of process, which is required to confer jurisdiction upon the court.
- (d) Upon petition of the person subpoenaed, the court will make an order determining if the evidence sought by the subpoena is relevant to the pending proceeding and, if requested by the person subpoenaed, an order as required in the interests of justice to protect the confidentiality of the information subpoenaed. Upon failure of the subpoenaed person to show cause for noncompliance, the court will make an order requiring the person to comply with the demand of the Administrator within such time as the court directs.
- (e) Failure to obey any order issued by the court under this section is contempt of court. The remedy provided by this section is in addition to other remedies, civil or criminal, that may exist.
- (f) The Administrator will designate the employees who have the power to administer oaths under this section.

#### **7.05.140 Taxfiler Records Retention**

Every person required to file a return under the Business Income Tax Law or Personal Income



Tax Law must keep and preserve for not less than seven years such documents and records, including State and Federal income and excise tax returns, accurately supporting the information reported on the taxfiler's return and calculation of tax for each year.

#### **7.05.150 Deficiencies and Refunds**

- (a) The Administrator may assess deficiencies and grant refunds any time within the periods set forth for deficiencies or refunds under ORS Chapter 314. The Administrator may by agreement with the taxfiler extend the time periods to the same extent as provided by statute.
- (b) When no tax return has been filed, there is no time limit for a notice of deficiency or the assessment of taxes, penalty and interest due.
- (c) Notwithstanding subsections (a) and (b), the Administrator is not required to accept any tax return for any tax period from a taxfiler if:
  - 1. The Administrator obtains a money judgment against the taxfiler for failure to pay an unpaid account balance due; and
  - 2. The Administrator or its designee lawfully served the taxfiler with the lawsuit pursuant to the Oregon Rules of Civil Procedure; and
  - 3. The tax return is for a taxable year that is the subject of the general money judgment; and
  - 4. The Administrator gave written notice stating that the taxfiler had an outstanding balance due at least 30 days before the Administrator (or its designee) filed a lawsuit for those particular taxable years.

#### **7.05.160 Protests and Appeals; Penalty Waiver**

- (a) A taxfiler may protest any determination by the Administrator. The Administrator must receive written notice of the protest within 30 days after the Administrator mailed or delivered the notice of determination to the taxfiler. The protest must state the name and address of the taxfiler and an explanation of the general grounds for the protest. The Administrator must respond within 30 days after the protest is filed with either a revised determination or a final determination. The Administrator's determination must include the reasons for the determination and state the time and manner for appealing the determination. The time to file a protest or the time for the Administrator's response may be extended by the Administrator for good cause. Requests for extensions of time must be

received before the original 30-day protest deadline expires. The Administrator will give written notice to the taxfiler if the Administrator's deadline is extended.

(b) A taxfiler may appeal any final determination by the Administrator to the appeals board. The Administrator must receive written notice of the appeal within 30 days after the Administrator mailed or delivered the final determination to the appellant. The notice of appeal must state the name and address of the appellant and include a copy of the final determination.

(c) Within 90 days after the Administrator mails or delivers the final determination to the appellant, the appellant must file with the appeals board a written statement containing:

1. The reasons the Administrator's determination is incorrect; and
2. What the correct determination should be.

Failure to file this a written statement within the time permitted is a waiver of any objections, and the appeal will be dismissed.

(d) Within 150 days after the Administrator mails or delivers the final determination to the appellant, the Administrator will file with the appeals board a written response to the appellant's statement. A copy of the Administrator's response must be mailed to the address provided by the appellant within 10 days after the Administrator files it with the appeals board.

(e) The Administrator must provide the appellant written notice of the hearing date and location at least 14 days before the hearing. The appellant and the Administrator may present relevant testimony, evidence, and oral argument at the hearing. The appeals board may request additional written comment and documents as the board deems appropriate.

(f) Decisions of the appeals board must be in writing, state the basis and legal authority for the decision and be signed by the appeals board chair.

(g) The decision of the appeals board is final as of the issue date and no further administrative appeal will be provided.

(h) The filing of an appeal with the appeals board temporarily suspends the obligation to pay any tax that is the subject of the appeal pending a final decision by the appeals board.

(i) Penalty waiver or reduction requests are not subject to the protest/appeal process or timeline outlined in subsections 7.05.160(a) through 160(h). The taxfiler must file a written request with the Administrator detailing why a penalty should be waived within 30 days of receipt of a billing notice that assesses a penalty. The Administrator must respond to requests to reduce or waive penalties within 60 days from the date the written request is

received. As provided in subsections 7.05.260(f) and 7.05.270(e), the Administrator may waive or reduce penalties in certain situations. If the taxfiler has requested that penalties be waived and the Administrator denies the taxfiler's request for this discretionary waiver of penalties, the taxfiler may request a conference with the Administrator (or Administrator's designee) within 30 days of the date of the Administrator's notice of denial. If the conference with the Administrator results in a denial of the penalty waiver request, that decision is final and may not be appealed to the Appeals Board.

#### **7.05.170 Return Due Date; Extensions**

- (a) Tax returns must be on forms provided or approved by the Administrator. All tax returns must be filed together with payment of the specified tax by the fifteenth day of the fourth month following the end of the tax year. If the due date falls on a weekend or Federal or State holiday, the due date is the first business day following the weekend or holiday. With respect to the Business Income Tax Law, for cooperatives and non-profit corporations that have later due dates under Oregon tax law, the due date for filing tax returns with the Administrator must conform to the due date under Oregon tax law.
- (b) The Administrator may, for good cause, grant extensions for filing returns. However, no extension may be granted for more than six months beyond the initial due date. This extension does not extend the time to pay the tax. Payments made after the due date may be subject to interest and penalties as provided in this chapter.
- (c) The tax return must contain a written declaration, verified by the taxfiler, to the effect that the statements made therein are true.
- (d) The Administrator will prepare blank tax returns and make them available upon request. Failure to receive a form does not relieve any person from the obligation to pay a tax under either the Business Income Tax Law or Personal Income Tax Law.

#### **7.05.180 Payment of Estimated Tax**

- (a) Every taxfiler expecting to have a tax liability under Chapter 7.06 or Chapter 7.07 of \$1,000 or greater must estimate and pay the taxfiler's tax liability for the current tax year as follows:
  - 1. Quarterly payments as provided in Section 7.05.190; or
  - 2. Employer provided withholding from taxfiler's wages as provided in Section 7.06.120.

- (b) If a taxfiler is required to remit estimated tax payments, such amounts remitted must total either the lesser of ninety percent of the taxfiler's current year tax liability or one hundred percent of the taxfiler's reported prior year tax liability.
- (c) The Administrator will not impose underpayment interest for failure to make quarterly estimated payments for tax year 2021 (tax year beginning on or after January 1, 2021). For tax years beginning on or after January 1, 2022, the Administrator will impose penalties and interest as provided in this chapter.

#### **7.05.190 Schedule for Payment of Estimated Tax**

- (a) A taxfiler required under Section 7.05.180 to make payments of estimated tax must make the payments in installments as follows:
  - 1. One quarter or more of the estimated tax on or before the fifteenth day of the fourth month of the tax year;
  - 2. One quarter or more of the estimated tax on or before the fifteenth day of the sixth month of the tax year;
  - 3. One quarter or more of the estimated tax on or before the fifteenth day of the ninth month of the tax year; and
  - 4. For business income taxfilers, the balance of the estimated tax must be paid on or before the fifteenth day of the twelfth month of the tax year;
  - 5. For personal income taxfilers, the balance of the estimated tax must be paid on or before the fifteenth day of the first month of the subsequent tax year.
- (b) Any payment of the estimated tax received by the Administrator for which the taxfiler has made no designation of the quarterly installment to which the payment is to be applied, will first be applied to underpayments of estimated tax due for any prior quarter of the tax year. Any excess amount will be applied to the installment that next becomes due after the payment was received.

#### **7.05.200 Tax Return Payment; Minimum**

- (a) Business Income Tax. Each business income tax return must be accompanied by a tax payment at the rate established in Metro Code Section 7.07.030, provided that each tax return must be accompanied by a minimum tax of \$100. The minimum payment may have previously been paid by quarterly payments, an extension payment, or credit available from a prior tax year.

- (b) Personal Income Tax. Each personal tax return must be accompanied by a tax payment at the rate established in Metro Code Section 7.06.040.

#### **7.05.210 Payment Plan; Fee**

If a person fails to pay the Business Income Tax or Personal Income Tax when due, the Administrator may establish a payment plan pursuant to written policy. The Administrator may charge a setup fee for each payment plan established.

#### **7.05.220 Settlement Offers and Agreements**

- (a) The Administrator may, upon good and sufficient cause, make settlement agreements with taxfilers in the recomputation of taxes payable or in the collection of those taxes. These agreements must be consistent with ORS 305.150 and 305.155 and corresponding OARs. The Administrator will provide applications for settlement offers to taxfilers proposing settlement offers.
- (b) In addition to the general power granted under this section, the Administrator may, upon a showing of good and sufficient cause, grant a taxfiler's request when the Oregon Department of Revenue has granted relief to a taxfiler under ORS 316.368 or ORS 316.369. In such case, a taxfiler who is granted relief will be treated as a single taxfiler for purposes of the tax imposed under this Chapter.

#### **7.05.230 Changes to Federal or State Tax Returns**

- (a) If a taxfiler's reported income under applicable State laws imposing a tax on or measured by income is changed by the Federal Internal Revenue Service or the State Department of Revenue, or amended by the taxfiler to correct an error in the original Federal or State return, the taxfiler must file a report of that change with the Administrator within 60 days after the date of the notice of the final determination of change or after an amended return is filed with the Federal or State agencies. The report must be accompanied by an amended tax return with respect to such income and by any additional tax, penalty, and interest due.
- (b) The Administrator may assess deficiencies and grant refunds resulting from changes to any relevant Federal, State or local income tax return within the time periods provided for in Section 7.05.150, treating the report of change in Federal, State or business income tax return as the filing of an amended tax return.
- (c) The Administrator may assess penalties and interest on the additional tax due as provided in Sections 7.05.260, 7.05.270, and 7.05.280 or may refuse to grant a refund of taxes as a

result of the amended return if the amended return is not filed with the Administrator within the time limits set forth in subsection (a).

#### **7.05.240 Criminal Penalties**

A violation of Section 7.05.090 or Section 7.05.100 is punishable, upon conviction thereof, by a fine not exceeding \$500 or by imprisonment for a period not exceeding six months, or by both fine and imprisonment. In addition, any Metro employee convicted for violation of Section 7.05.090 or Section 7.05.100 is subject to possible dismissal from employment and a possible prohibition from employment for a period of five years thereafter. Any agent of Metro who is convicted is ineligible for participation in any Metro contract for a period of five years thereafter.

#### **7.05.250 Civil Penalty for Unauthorized Access of Tax Information**

(a) Definitions. As used in this section, the following definitions apply:

*Computer Database* means any computer application(s) used by the Administrator to calculate or store business, personal, and financial data collected under the authority granted by Metro Income Tax Laws.

*Loss* means any reasonable cost incurred by Metro or the Administrator, including but not limited to the cost of responding to an offense, conducting a damage assessment, and restoring the data, program, system, or information to its condition prior to the offense, and any revenue lost, cost incurred, or other consequential damages incurred because of interruption of service.

(b) Any individual who intentionally accesses the Computer Database without authorization will be fined:

1. \$10,000 if the individual acquires any information regarding any business or personal account found in the Computer Database;
2. \$10,000 or the cost of the loss (whichever is greater) if the individual uses or attempts to use the acquired information for financial gain of any kind; or
3. \$10,000 or the cost of the loss (whichever is greater) if the individual causes the transmission of a program, information, code, or command to the Computer Database, and, as a result of such conduct, causes damage to the Computer Database.

#### **7.05.260 Penalties for Violations of Business Income Tax Law**

(a) A penalty will be assessed if a person:

1. Fails to file a tax return or extension request at the time required under Section 7.05.170(a) or 7.05.230(a); or
2. Fails to pay a tax when due.
3. The penalty under subsection (a) is:
  - A. Five percent of the total tax liability if the failure is for a period less than four months;
  - B. An additional penalty of twenty percent of the total tax liability if the failure is for a period of four months or more; and
  - C. An additional penalty of one hundred percent of the total tax liability of all tax years if the failure to file is for three or more consecutive tax years.

(b) A penalty will be assessed if a person who has filed an extension request:

1. Fails to file a tax return by the extended due date; or
2. Fails to pay the tax liability by the extended due date.
3. The penalty under subsection (b) is:
  - A. Five percent of the total tax liability if the failure is for a period of less than four months; and
  - B. An additional penalty of twenty percent of the total tax liability if the failure is for a period of four months or more.

(c) A penalty will be assessed if a person:

1. Fails to pay at least ninety percent of the total tax liability by the original due date; or
2. Fails to pay at least one hundred percent of the prior year's total tax liability by the original due date.
3. The penalty under subsection (c) is five percent of the tax underpayment, but not less than \$5.

- (d) The Administrator may impose a civil penalty of up to \$500 for each of the following violations of this chapter:
1. Failure to file any tax return within 60 days of the Administrator's original written notice to file; or
  2. Failure to pay any tax within 60 days of the Administrator's original written notice for payment; or
  3. Failure to provide either documents or information as required by this chapter or Chapter 7.07 within 60 days of the Administrator's original written notice to provide the documents or information; or
  4. Failure to fully complete any form required under the Business Income Tax Law; or
  5. Failure to fully comply with the requirements of any section of Chapter 7.05 or Chapter 7.07 unless the section has a separate penalty calculation.
- (e) The Administrator may impose a civil penalty under subsection (d) only if the Administrator gave notice of the potential for assessment of civil penalties for failure to comply or respond in the original written notice.
- (f) The Administrator may waive or reduce any penalty determined under subsections (a) through (d) for good cause, according to and consistent with written policies.
- (g) Frivolous Return Position. If the Administrator determines that taxfiler has taken a frivolous position in preparing the taxfiler's tax return, the Administrator will add a \$500 penalty to the amount of tax required to be shown on the tax due under this chapter or Chapter 7.07. For purposes of this subsection, a tax return position is considered frivolous if a taxfiler does not provide information on which the substantial correctness of the self-assessment may be judged or if the tax return contains information that on its face indicates that the self-assessment is substantially incorrect. Examples of "frivolous positions" as provided in Oregon Administrative Rule 150-316-0652(2) are adopted by direct reference, but are not a definitive list of those positions.
- (h) The provisions set forth in Metro Code Chapter 2.03 do not apply with respect to any penalty that maybe be assessed under this chapter or the Business Income Tax Law.

#### **7.05.270 Penalties for Violations of Personal Income Tax Law**

The Administrator will assess the following penalties upon personal income taxfilers:



- (a) Failure to File a Return; Failure to Pay Tax When Due. If a taxfiler fails to file a return or fails to pay a tax by the date on which the filing or payment is due, the Administrator will add a delinquency penalty of:
1. Five percent of the amount of the unpaid tax if the failure is for a period less than four months;
  2. An additional penalty of twenty percent of the unpaid tax if the failure is for a period of four months or more; and
  3. An additional penalty of one hundred percent of the unpaid tax of all tax years if the failure to file is for three or more consecutive tax years.
  4. For purposes of this section, unpaid tax is the taxfiler's tax liability reduced by payment of tax and any credit against tax that is claimed on the return.
- (b) Underpayment of Tax. A penalty will be assessed if a person:
1. Fails to pay at least ninety percent of the total tax liability by the original due date; or
  2. Fails to pay at least one hundred percent of the prior year's total tax liability by the original due date.
  3. The penalty under subsection (b) is five percent of the tax underpayment, but not less than \$5.
- (c) Intent to Evade. If a taxfiler fails to file a return with the intent to evade the tax imposed under this chapter or Chapter 7.06, or a taxfiler prepares or causes to be prepared a return and files that return with the intent to evade the tax imposed under this chapter or Chapter 7.06, the Administrator will impose a penalty in the amount of one hundred percent of any deficiency that the Administrator determines is due.
- (d) Substantial Understatement of Tax. If the Administrator determines that there is a substantial understatement of tax due under this chapter or Chapter 7.06, the Administrator will add to the amount of tax required to be shown on the return a penalty equal to twenty percent of the amount of any underpayment of tax attributable to the understatement.
1. For purposes of this subsection, a substantial understatement of tax exists if the amount of the understatement exceeds \$1,000 of tax otherwise due.
  2. In the case of any item attributable to an abusive tax shelter: no reduction of the amount of the understatement will be made with regard to that item regardless of the existence of substantial authority for the treatment of the item by the taxfiler; and, no

reduction of the amount of the understatement will be made with regard to that item regardless of the disclosure of the facts affecting the tax treatment of the item unless, in addition to the disclosure, the Administrator determines in the Administrator's sole discretion, that the taxfiler reasonably believed that the tax treatment of the item was more likely than not the proper treatment. This chapter expressly adopts the definitions contained in ORS 314.402 and the administrative rules thereunder.

3. The Administrator may waive all or any part of the penalty imposed under this subsection on a showing by the taxfiler that there was reasonable cause for the understatement or any portion thereof, and that the taxfiler acted in good faith.
- (e) Frivolous Return Position. If the Administrator determines that taxfiler has taken a frivolous position in preparing the taxfiler's tax return, the Administrator will add a \$500 penalty to the amount of tax required to be shown on the tax due under this chapter or Chapter 7.06. For purposes of this subsection, a tax return position is considered frivolous if a taxfiler does not provide information on which the substantial correctness of the self-assessment may be judged or if the tax return contains information that on its face indicates that the self-assessment is substantially incorrect. Examples of "frivolous positions" as provided in Oregon Administrative Rule 150-316-0652(2) are adopted by direct reference, but are not a definitive list of those positions.
- (f) Failure of Administrative Compliance. The Administrator may impose a penalty of up to \$500 for the following violations of this chapter:
1. Failure to file any tax return within 60 days of the Administrator's original written notice to file;
  2. Failure to pay any tax within 60 days of the Administrator's original written notice for payment;
  3. Failure to provide either documents or information as required by this chapter or Chapter 7.06 within 60 days of the Administrator's original written notice to provide the documents or information;
  4. Failure to fully complete any form required under the Personal Income Tax Law; or
  5. Failure to fully comply with the requirements of any section of Chapter 7.05 or Chapter 7.06 unless the section has a separate penalty calculation.

The Administrator may impose a civil penalty under this subsection only if the Administrator gave notice of the potential for assessment of civil penalties for failure to comply or respond in the original written notice. The Administrator may waive all or any part of the penalty imposed under this paragraph on a showing by the taxfiler that there was

reasonable cause for the Failure of Administrative Compliance, and that the taxfiler acted in good faith.

- (g) Penalties cumulative. Each penalty imposed under this section is in addition to any other penalty imposed under this section.
- (h) The provisions set forth in Metro Code Chapter 2.03 do not apply with respect to any penalty that maybe be assessed under this chapter or the Personal Income Tax Law.

#### **7.05.280 Interest**

- (a) Interest will be assessed on any unpaid tax at the rate in subsection (c), computed from the original due date of the tax to the fifteenth day of the month following the date of payment.
- (b) Interest will be assessed on any unpaid or underpaid quarterly estimated payment required by Section 7.05.180 and Section 7.05.190 at the rate in subsection (c), computed from the due date of each quarterly estimated payment to the original due date of the tax return to which the estimated payments apply.
- (c) Unless specifically provided otherwise by administrative rule as provided in subsection (d), the interest rate is 0.833% simple interest per month or fraction thereof (ten percent per annum).
- (d) If the Administrator determines that the interest rate provided in subsection (c) is at least one percentage point more or less than the effective interest rate on January 1 charged by the State of Oregon Department of Revenue, the Administrator may adjust the interest rate by administrative rule to match the State of Oregon Department of Revenue interest rate. The Administrator may not adjust the interest rate more than once in a calendar year. The adjusted interest rate applies to unpaid tax or underpaid estimated payments outstanding on or after the effective date of the adjusted interest rate.
- (e) Notwithstanding subsection (b), there is no interest on underpayment of quarterly estimated payments if:
  - 1. The total tax liability of the prior tax year was less than \$1,000;
  - 2. An amount equal to at least ninety percent of the total tax liability for the current tax year was paid in accordance with Section 7.05.190; or
  - 3. An amount equal to at least one hundred percent of the prior year's total tax liability was paid in accordance with Section 7.05.190.

- (f) For purposes of subsection (b), the amount of underpayment is determined by comparing ninety percent of the current total tax liability amount to quarterly estimated payments made prior to the original due date of the tax return. However, if one hundred percent of the prior year's total tax liability is paid to the Administrator by the due date of the fourth quarterly payment, the Administrator may use the prior year's tax liability if doing so will reduce the amount of interest owed.
- (g) For purposes of subsection (a), the amount of tax due on the tax return will be reduced by the amount of any tax payment made on or before the date for payment of the tax in accordance with Section 7.05.170(a) or Section 7.05.190.
- (h) Interest at the rate specified in subsection (a) accrues from the original due date without regard to any extension of the filing date.
- (i) Any interest amounts properly assessed in accordance with this section may not be waived or reduced by the Administrator, unless specifically provided for by written policy.

#### **7.05.290 Payments Applied**

Tax payments received will be applied first to any penalty accrued, then to interest accrued, then to taxes due, unless the Administrator determines in accordance with its written policies that a more equitable method exists for a particular taxfiler's account. The Administrator will apply tax payments received without a designation for a specific period to the oldest periods first in the order set forth above.

#### **7.05.300 Interest on Refunds**

When a taxfiler is entitled to a refund of a portion or all of a tax paid to the Administrator, the taxfiler will receive simple interest on that amount at the rate specified in Section 7.05.280(c), subject to the following:

- (a) Any overpayments will be refunded with interest for each month or fraction thereof for a period beginning four months after the later of:
  - 1. The due date of the tax return;
  - 2. The date the tax return was filed or the refund was otherwise requested; or
  - 3. The date the tax was paid, to the date of the refund.
- (b) Any overpayments of taxes that are the result of an amended return being filed will be refunded with interest for each month or fraction thereof for the period beginning four

months after the date the taxfiler filed the amended return. This subsection applies to tax returns that are amended due to a change to any relevant Federal, State or local income tax return.

**7.05.310 Accountability of Funds; Audits**

- (a) Every year a public accounting firm must conduct a financial audit of the revenue generated by the Business Income Tax and Personal Income Tax Laws and the distribution of that revenue. Metro will make the audit public as well as any report to the Metro Council regarding the results of the audit. Metro may use the revenue generated by the taxes to pay for the costs of the audit required under this section.
- (b) The revenue and expenditures from the taxes are subject to performance audits conducted by the Office of the Metro Auditor.

**7.05.320 Severability**

If a court of competent jurisdiction finds that any part, section or provision of this chapter is unconstitutional, illegal or invalid, that finding affects only that part, section or provision of the chapter and the remaining parts, sections or provisions remain in full force and effect.

**CHAPTER 7.06**

**PERSONAL INCOME TAX**

<b>Section</b>	<b>Title</b>
7.06.010	Title
7.06.020	Administration of Personal Income Tax Law
7.06.030	Definitions
7.06.040	Personal Income Tax Imposed; Filing Status
7.06.050	Effective Date and Reauthorization; Term
7.06.060	Tax Exemptions
7.06.070	Individuals Required to File a Tax Return
7.06.080	Taxfiler Identification Number
7.06.090	Deduction for Pass-through Income
7.06.100	Proration of Income for Part Year Residents
7.06.110	Overpayments of Personal Income Tax
7.06.120	Withholding Tax on Wages
7.06.130	Withholding Reconciliation by Employer for Payment of Withheld Tax
7.06.140	Final Tax Returns(s) of Deceased Taxfiler
7.06.150	Severability

### **7.06.010 Title**

This chapter is known and may be cited as the Metro Personal Income Tax Law.

### **7.06.020 Administration of Personal Income Tax Law**

The Personal Income Tax Law will be administered under the provisions set forth in this chapter and Metro Code Chapter 7.05, as applicable.

### **7.06.030 Definitions**

For purposes of this chapter, the terms used are defined as provided in Chapter 7.05, unless the context requires otherwise.

### **7.06.040 Personal Income Tax Imposed; Filing Status**

- (a) A tax of one percent is imposed on the entire Oregon Taxable Income of every resident of the District subject to tax under ORS chapter 316. Taxfilers that file a joint Metro return may exempt the first \$200,000 of taxable income; taxfilers that file a single Metro return may exempt the first \$125,000 of taxable income.
- (b) A tax of one percent is imposed upon the Metro Taxable Income of every nonresident of the District subject to tax under ORS chapter 316. Taxfilers that file a joint Metro return may exempt the first \$200,000 of taxable income; taxfilers that file a single Metro return may exempt the first \$125,000 of taxable income.
- (c) Taxfiler filing status must follow the filing status of the taxfiler's Oregon income tax return.
  - 1. Taxfilers using Oregon filing statuses married filing jointly and qualifying widow(er) must file a joint Metro return.
  - 2. Taxfilers using Oregon filing statuses single, married filing separately, and head of household must file a single Metro return.

### **7.06.050 Effective Date and Reauthorization; Term**

- (a) The Metro Personal Income Tax takes effect in Tax Year 2021 (Tax Year beginning on or after January 1, 2021).

- (b) The Metro Personal Income Tax will remain in effect for all periods through Tax Year 2030 (Tax Year beginning on or after January 1, 2030).
- (c) After Tax Year 2030, the tax will expire unless reauthorized by Metro voters on or before that date. After the tax expires, Metro or the entity authorized to collect the Personal Income Tax may continue to take all reasonable and necessary actions to ensure that taxes still owing are paid in full.

#### **7.06.060 Tax Exemptions**

- (a) Exemptions Required by Law. A person whom Metro is prohibited from taxing under the Constitution or laws of the United States, the Constitution or laws of the State of Oregon or the Metro Charter is exempt from payment of the tax set forth in this chapter.
- (b) Notwithstanding the exemptions listed in subsection (a), the Administrator may require the filings of tax returns or other documentary verification of any exemption claimed under this section.

#### **7.06.070 Individuals Required to File a Tax Return**

- (a) Every resident of the District who is required to file an Oregon income tax return for the taxable year and who reports Oregon Taxable Income over \$200,000 using Oregon filing status married filing jointly or qualifying widow(er), or over \$125,000 using Oregon filing status single, married filing separately, or head of household, is required to file a Metro Personal Income Tax return.
- (b) Every nonresident of the District who is required to file an Oregon income tax return for the taxable year and who reports Metro Taxable Income over \$200,000 using Oregon filing status married filing jointly or qualifying widow(er), or over \$125,000 using Oregon filing status single, married filing separately, or head of household, is required to file a Metro Personal Income Tax return.
- (c) Nothing contained in this section precludes the Administrator from requiring any individual to file a return when, in the judgment of the Administrator, the individual should file a return.
- (d) The Administrator will release the form that the taxfiler must file. The Administrator may accept substitute forms (such as created by tax software) provided the forms include identical information in comparable format as provided on the Metro tax return form.
- (e) A copy of the taxfiler's Oregon tax return is required to be filed with the tax return. If the personal income tax has been withheld from wages, a copy of Form W-2 is required to be



filed with the Personal Income Tax return unless otherwise notified by the Administrator. The Administrator is authorized to require a taxfiler to submit additional information with the taxfiler's report if, in the Administrator's sole discretion, such information is necessary to effectively administer the tax imposed under this chapter.

#### **7.06.080 Taxfiler Identification Number**

- (a) A taxfiler must provide information on tax records as required on and forms established by the Administrator. This includes tax returns, refund claims, applications, registrations, records, requests for information, reports, and other items of a similar nature filed with the Administrator as required by the item being filed.
- (b) The Administrator uses Tax Identification Numbers as a part of providing expeditious and practicable processing systems in the administration of the laws by the Administrator, including (but not limited to) such matters as the issuance of tax refunds, allocation or application of incoming tax payments and other matters of a similar nature. The Administrator may require a taxfiler to provide a copy of the taxfiler's social security card.
- (c) A social security number used as a taxfiler identification number is confidential information. Disclosure of social security numbers resulting in a breach of confidentiality will result in penalties pursuant to Metro Code Section 7.05.240.

#### **7.06.090 Deduction for Pass-through Income**

- (a) A taxfiler is allowed a deduction from taxable income for pass-through income subject to tax under Metro Chapter 7.07 Business Income Tax. Pass-through income comes from a business whose net income is taxed on the owners' or partners' personal tax returns. This includes, but is not limited to, entities taxed as partnerships and S-corporations.
- (b) The deduction amount allowed in subsection (a) is the individual owners' or partners' distributive share of taxable income on the Metro Business Income Tax return, as calculated and reported to the owner or partner by the business.
- (c) If the taxable income per the Metro Business Income Tax return is zero, the taxfiler is not allowed a deduction.

#### **7.06.100 Proration of Income for Part-Year Residents**

If a taxfiler is a part-year resident of the District for the tax year at issue, the taxfiler's taxable income includes:

- (a) For the portion of the year in which the taxfiler was a resident of Metro, the taxfiler's Oregon Taxable Income;
- (b) For the portion of the year in which the taxfiler was a nonresident, the taxfiler's Metro Taxable Income.

#### **7.06.110 Overpayments of Personal Income Tax**

The Administrator will apply overpayments of the personal income tax in the following manner:

- (a) Overpayments will first be applied against any outstanding balances due from prior years (with the net overpayment, if any, to be refunded).
- (b) If the Administrator determines that prior Metro tax returns were due but have not yet been filed, overpayments will be transferred to the prior year(s) yet to be filed.
- (c) If the Administrator determines that no outstanding balances are due and no prior returns are outstanding, the Administrator will refund all overpayments.

#### **7.06.120 Withholding Tax on Wages**

##### **(a) Employer Withholding from Employee Wages.**

1. Beginning January 1, 2021 withholding will be voluntary. However, an employer must offer to its employees in writing to withhold the Metro personal income tax from the employees' wages as soon as the employer's payroll system(s) can be configured to capture and remit the taxes withheld.
2. Beginning January 1, 2022, and each year thereafter, withholding is mandatory for all employees that work in the Metro District and earn \$200,000 or more during the calendar year. This applies to residents and nonresident employees.
3. An employee below the \$200,000 earning threshold in subsection (2) may choose to "opt in" to withholding with the employer, based on the employee's tax situation. An employee who meets the mandatory withholding criteria in subsection (2) may choose to "opt out" of withholding by the employer based on the employee's tax situation. The Administrator will provide guidance to employers on the information a taxfiler (employee) must provide to taxfiler's employer to "opt in" or "opt out" of withholding. Once provided, the employer must honor the employee's withholding election until notified of a change.

4. An employer must provide all "opt out" information to the Administrator on an annual basis in such form as the Administrator prescribes or upon a withholding audit by the Administrator.

- (b) Due Date of Withheld Taxes to Administrator by Employer. An employer who withholds the Personal Income Tax from employee payroll must remit the withheld amounts to the Administrator within the time that each employer is required to remit taxes withheld for state income tax purposes for any period.

Withheld amounts remitted to the Administrator must be accounted for as part of the collections under this section. No employee has any right of action against an employer in respect of any moneys deducted from wages and remitted in compliance or intended compliance with this section.

- (c) Personal Liability of Responsible Officers, Partners, Members, or Employees. If an employer withholds amounts due under this chapter from an employee's wages with proper authorization from the employee, the employer must remit that withheld tax on the due date as set forth in subsection (b). This chapter provides no extension of time, nor can the Administrator grant an extension. The employer holds the funds involved in trust for Metro, and any use of the funds by the employer is an illegal conversion.

1. When an employer fails to remit in whole or in part any tax withheld at the time required under this section, the Administrator will assess a late payment penalty. The penalty is:
  - A. Five percent of the balance of the tax paid after the original due date if the failure to remit is for a period less than or equal to four months;
  - B. An additional 20 percent of the balance of the tax paid after the original due date if the failure to remit is for a period greater than four months; and,
  - C. An additional penalty of 100 percent of the balance of the tax paid after the original due date of all tax years if the failure to remit is for three or more consecutive tax years.

The Administrator may waive all or any part of the penalty imposed under this subsection on a showing by the employer that there was reasonable cause for the failure to remit the withheld taxes or any portion of the withheld taxes and that the employer acted in good faith.

2. If an employer fails to remit to the Administrator amounts that have been withheld under this section, any Responsible Officer, Partner, Member, or Employee of the employer is personally responsible for the amounts that were withheld but not remitted. A Responsible Officer, Partner, Member, or Employee is included in the definition of "employer." This subsection specifically adopts the criteria set forth in OAR 150-316-0243(2) and (3) to determine whether an individual is a Responsible Officer, Partner, Member, or Employee.

3. The Administrator is authorized to collect from the Employer, including any individuals who are included in the definition of employer, pursuant to subsection 2 above, or any combination thereof, up to 100 percent of the tax that was withheld but not remitted to the Administrator. In addition, the employer is subject to interest for unpaid taxes as set forth in Chapter 7.05.
- (d) Credit for Tax Withheld. If the tax has actually been withheld by an employer and reported to the Administrator, credit or refund will be made to the employee even though the employer has not paid the tax to the Administrator. When the employer has neither reported nor paid the tax required to be withheld from an employee's wages but the employee submits evidence proving to the satisfaction of the Administrator that the employer actually did withhold the tax, the Administrator will allow the employee credit or refund for the amount so proved. Ordinarily, minimum satisfactory evidence will consist of a pay statement from the employer showing the amount of tax withheld and an affidavit of the employee as to the facts upon which the claim for credit or refund is based.

#### **7.06.130 Withholding Reconciliation by Employer for Payment of Withheld Tax**

- (a) Quarterly Withholding Reconciliation. On or before the last day of the month following the quarter in which withholdings pursuant to 7.06.120(a) have been made, the employer must file a quarterly tax report.
- (b) Annual Withholding Reconciliation. On or before the last day of January following any calendar year in which withholdings pursuant to 7.06.120(a) have been made, the employer must file with the Administrator a reconciliation of taxes withheld and taxes remitted.
- (c) The Administrator will determine by administrative rule the required format and information necessary to comply with subsections (a) and (b) above.

#### **7.06.140 Final Tax Return(s) of Deceased Taxfiler**

The Administrator may grant a fiduciary's request or enter into a settlement agreement with respect to the estates of decedents that are consistent with ORS 316.387 and corresponding Oregon Administrative Rules.

#### **7.06.150 Severability**

If a court of competent jurisdiction finds that any part, section or provision of this chapter is unconstitutional, illegal or invalid, that finding affects only that part, section or provision of the chapter and the remaining parts, sections or provisions remain in full force and effect.

**CHAPTER 7.07**

**BUSINESS INCOME TAX**

<b>Section</b>	<b>Title</b>
7.07.010	Title
7.07.015	Administration of Business Income Tax Law
7.07.020	Definitions
7.07.030	Business Income Tax Imposed
7.07.040	Effective Date and Reauthorization; Term
7.07.050	Tax Exemptions
7.07.060	Presumption of Doing Business
7.07.070	Income Determinations
7.07.080	Apportionment of Income
7.07.090	Presumptive Tax
7.07.100	Reporting for Pass-through Through Entities
7.07.110	Severability

### **7.07.010 Title**

This chapter is known and may be cited as the Metro Business Income Tax Law.

### **7.07.015 Administration of Business Income Tax Law**

The Business Income Tax Law will be administered under the provisions set forth in this chapter and Metro Code Chapter 7.05, as applicable.

### **7.07.020 Definitions**

For the purpose of this chapter, the terms used are defined as provided in in Chapter 7.05, unless the context requires otherwise.

### **7.07.030 Business Income Tax Imposed**

A tax of one percent is imposed on the net income of each person doing business within the District.

### **7.07.040 Effective Date and Reauthorization; Term**

- (a) The Metro Business Income Tax takes effect in Tax Year 2021 (Tax Year beginning on or after January 1, 2021).
- (b) The Metro Business Income Tax will remain in effect for all periods through Tax Year 2030 (Tax Year beginning on or after January 1, 2030).
- (c) After Tax Year 2030, the tax will expire unless reauthorized by Metro voters on or before that date. After the tax expires, Metro or the entity authorized to collect the Business Income Tax may continue to take all reasonable and necessary actions to ensure that taxes still owing are paid in full.
- (d) The payment of a tax required under this chapter and the acceptance of that tax payment does not entitle a taxfiler to carry on any business not in compliance with all the requirements of this code and all other applicable laws.

### **7.07.050 Tax Exemptions**

The following exemptions apply:

- (a) Small Business Exemption. A person whose gross receipts from all business income, both within and without the District, that is equal to or less than \$5 million is exempt from the payment and filing requirements of the tax set forth in this chapter.
- (b) Sole Proprietorships and Disregarded Entities. Sole proprietorships and disregarded entities are not subject to tax under this chapter and are subject to tax under the Personal Income Tax Law in Chapter 7.06.
- (c) Exemptions Required by Law. A person whom Metro is prohibited from taxing under the Constitution or laws of the United States, the Constitution or laws of the State of Oregon or the Metro Charter is exempt from payment of the tax set forth in this chapter.
- (d) Corporations exempt from the State of Oregon Corporation Excise Tax under ORS 317.080, provided that any such corporation subject to the tax on unrelated business income under ORS 317.920 to 317.930 must pay a tax based solely on such income.
- (e) Trusts exempt from federal income tax under Internal Revenue Code Section 501, provided that any exempt trust subject to tax on unrelated business income and certain other activities under Internal Revenue Code Section 501(b) are subject to the tax under this chapter based solely on that income.
- (f) Any person whose only business transactions are exclusively limited to operating within a permanent structure a display space, booth or table for selling or displaying merchandise by an affiliated participant at any trade show, convention, festival, fair, circus, market, flea market, swap meet or similar event for less than 14 days in any tax year.
- (g) Notwithstanding the exemptions listed in subsections (a)-(f), the Administrator may require the filings of tax returns or other documentary verification of any exemption claimed under this section.

#### **7.07.060 Presumption of Doing Business**

A person is presumed to be doing business in the District and subject to this chapter if engaged in any of the following activities:

1. Advertising or otherwise professing to be doing business within the District;
2. Delivering goods or providing services to customers within the District;
3. Owning, leasing or renting personal or real property within the District;

4. Engaging in any transaction involving the production of income from holding property or the gain from the sale of property, which is not otherwise exempted in this chapter. Property may be personal, including intangible, or real in nature;
5. Engaging in any activity in pursuit of gain which is not otherwise exempted in this chapter; or
6. Engaging in any activity that constitutes substantial nexus with the District.

#### **7.07.070 Income Determinations**

The net income arising from any business, as reportable to the State of Oregon (State) for corporation excise or income tax purposes, before any allocation or apportionment for operation out of state, or deduction for a net operating loss carry-forward or carry-back is subject to the Metro Business Income Tax.

- (a) Partnerships, S-corporations, limited liability companies (excluding disregarded entities), limited partnerships, limited liability partnerships, family limited partnerships, estates, and trusts are liable for the business tax and not the individual partners, shareholders, members, beneficiaries or owners. The income of these entities must include all income received by the entity including ordinary income, interest and dividend income, income from sales of business assets and other income attributable to the entity.
- (b) If one or more persons are required or elect to report their income to the State for corporation excise or income tax purposes in a consolidated, combined or joint return, a single return must be filed by the person filing such return. In such cases, net income means the net income of the consolidated, combined or joint group of taxfilers before any allocation or apportionment for operation out of the state, or deduction for a net operating loss carrying-forward or carry-back.
- (c) The absence of reporting income to the Internal Revenue Service or the State of Oregon does not limit the ability of the Administrator to determine the correct income of the taxfiler through examination under Section 7.05.130.
- (d) Estates and trusts. In determining income for estates and trusts, income is measured after distribution of profits to beneficiaries. No additional deduction is allowed.
- (e) Nonbusiness income. In determining income under this section, an allocation is allowed for nonbusiness income as reported to the State of Oregon. However, income treated as nonbusiness income for State of Oregon tax purposes may not necessarily be defined as nonbusiness income under the Business Income Tax Law. Interest and dividend income, rental income or losses from real and personal business property, and gains or losses on sales of property or investments owned by a trade or business are treated as business



income for purposes of the Business Income Tax Law. Income derived from non-unitary business functions reported at the state level may be considered nonbusiness income. Non-unitary income will not be recognized at an intra-state level. The taxfiler has the burden of showing that income is nonbusiness income.

- (f) Certain Deductions Not Allowed. In determining income, no deduction is allowed for:
1. Taxes based on or measured by net income;
  2. The federal built-in gains tax; or
  3. The City of Portland Clean Energy Surcharge.
- (g) Ordinary gain or loss. In determining income, gain or loss from the sale, exchange or involuntary conversion of real property or tangible and intangible personal property must be included as ordinary gain or loss.
- (h) Net operating loss. In determining income, a deduction is allowed equal to the aggregate of the net operating losses incurred in prior years, not to exceed 75% of the income determined for the current tax year before this deduction but after all other deductions from income allowed by this section and apportioned for business activity both within and without the District.
1. When the operations of the taxfiler from doing business both within and without the District result in a net operating loss, that loss will be apportioned in the same manner as the net income under Section 7.07.080. A net operating loss may not be carried forward from any tax year during which the taxfiler conducted no business within the District or the taxfiler was otherwise exempt from payment of the Business Income Tax unless specifically provided for by administrative rule or written policy.
  2. In computing the net operating loss for any tax year, the net operating loss of a prior tax year is not allowed as a deduction.
  3. The net operating loss of the earliest tax year available must be exhausted before a net operating loss from a later tax year may be deducted.
  4. The net operating loss in any tax year is allowed as a deduction in any of the five succeeding tax years until used or expired. Any partial tax year will be treated the same as a full tax year in determining the appropriate carry-forward period.

#### **7.07.080 Apportionment of Income**

- (a) "Jurisdiction to tax" occurs when a person engages in business activities in a jurisdiction that is not protected from taxation by Public Law 86- 272 (15 U.S.C. Section 381-384). Public Law 86-272 applies to interstate sales of tangible personal property. For purposes of the

Business Income Tax Law, the limits imposed by Public Law 86-272 for interstate jurisdiction to tax are also presumed to apply on an intrastate basis. If a taxfiler's business is based in the District, a taxfiler must have business activity outside the District that results in a jurisdiction to tax outside the District to apportion the income of the business. Without jurisdiction to tax outside the District, all income of a business is taxable by Metro.

- (b) "Business activity" means any of the elements of doing business. The income reportable as income earned from business activity within the District will include all business income from sources within the District that is taxable income under Oregon tax laws and regulations unless otherwise exempted or excluded in this chapter.
- (c) In computing the tax, taxfilers that have income from business activity both within and without the District must determine the income apportioned to the District by multiplying the total net income from the taxfiler's business by a fraction, the numerator of which is the total gross income of the taxfiler from business activity in the District during the tax year, and the denominator of which is the total gross income of the taxfiler from business activity everywhere during the tax year.
- (d) In determining the apportionment of gross income within the District under subsection (c):
  - 1. Sales of tangible personal property are deemed to take place in the District if the property is delivered or shipped to a purchaser within the District regardless of the f.o.b. point or other conditions of sale. If sales of tangible personal property are shipped from the District to a purchaser located where the taxfiler is not taxable, those sales are not apportioned to the District.
  - 2. Sales other than sales of tangible personal property are deemed to take place in the District, if the income producing activity is performed in the District.
- (e) Certain industries or incomes are subject to specific apportionment methodologies. These methodologies are described in administrative rules adopted in accordance with Section 7.05.070 or Metro ordinance. Industry specific or income specific apportionment methodologies required by Oregon Revised Statutes for apportionment of gross sales will be used in cases in which the Administrator has not adopted a rule regarding the apportionment of that industry or income. When gross sales as reported to Oregon are used for apportionment purposes, those gross sales are defined as gross income for apportionment purposes under this chapter. All apportionment methodologies directed under this subsection will be a single factor gross income apportionment as directed under subsection 7.07.080 (c) and subsection 7.07.080 (d). In those specific cases where the state has directed allocation of income, that income will be apportioned for purposes of this chapter, unless allocation is otherwise allowed in this chapter.
- (f) If the apportionment provisions of subsection (c) do not fairly represent the extent of the taxfiler's business activity in the District and result in the violation of the taxfiler's rights

under the Oregon Constitution or the United States Constitution, the taxfiler may petition the Administrator to permit the taxfiler to:

1. Use the method of apportionment used by the taxfiler under the applicable laws of the state imposing taxes upon or measured by net income; or
2. Use any other method to effectuate an equitable apportionment of the taxfiler's income.

#### **7.07.090 Presumptive Tax**

- (a) If a person fails to file a return, a rebuttable presumption exists that the tax payable amounts to \$500 for every tax year for which a return has not been filed.
- (b) Nothing in this section prevents the Administrator from assessing a tax due that is less than or greater than \$500 per tax year.
- (c) If the taxfiler filed a tax return the previous tax year, then presumptive taxes assessed under this section will be considered a tax return. Presumptive taxes assessed under this section are considered filed documents and are subject to the time limitations for deficiencies and refunds as described in Metro Code Section 7.05.150.
- (d) Taxes determined under this section are subject to penalties and interest from the date the taxes should have been paid as provided in Section 7.05.170 in accordance with Sections 7.05.260 and 7.05.280. The Administrator will send notice of the determination and assessment to the taxfiler.

#### **7.07.100 Reporting for Pass-through Through Entities**

- (a) Chapter 7.06, Personal Income Tax, allows a deduction for pass-through income subject to tax under this chapter. For purposes of this section, pass-through income subject to tax means income from a business whose net income is taxed on the owners' or partners' personal tax returns. This includes, but is not limited to, entities taxed as partnerships and S-corporations.
- (b) A business must calculate and report the amount allowed in subsection (a) to the owners or partners. The total amount of pass-through income subject to tax an entity reports to owners or partners on Schedule K-1 cannot exceed the taxable income of the business for that tax year.

#### **7.07.110 Severability**

If a court of competent jurisdiction finds that any part, section or provision of this chapter is unconstitutional, illegal or invalid, that finding affects only that part, section or provision of the chapter and the remaining parts, sections or provisions remain in full force and effect.

Agenda Item No. 5.5

**Resolution No. 20-5148**, For the Purpose of Adopting the Supportive Housing Services Work Plan

*Resolutions*

Metro Council Meeting  
Thursday, December 10, 2020

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE ) RESOLUTION NO. 20-5148  
METRO SUPPORTIVE HOUSING SERVICES )  
WORK PLAN )  
) Introduced by Chief Operating Officer  
) Marissa Madrigal in concurrence with  
) Council President Lynn Peterson

WHEREAS, on February 25, 2020, the Metro Council adopted Ordinance 20-1442 which, among other things, imposed business and personal income taxes to fund a Supportive Housing Services Program; and

WHEREAS, as part of that Ordinance adoption, the Metro Council found that the greater Portland region is facing a severe housing affordability and homelessness crisis, which endangers the health and safety of thousands of our unhoused neighbors. Homelessness is a deeply traumatic and dehumanizing experience that no person should have to endure, regardless of their circumstances; and

WHEREAS, the Council further found that thousands of households in the greater Portland region need supportive housing, and thousands more need housing assistance and other supports to achieve housing stability, according to the February 2020 ECONorthwest report entitled “Potential Sources and Uses of Revenue to Address the Region’s Homeless Crisis,” and

WHEREAS, the Council further found that the housing affordability and homelessness crisis in the greater Portland region impacts us all and requires collective and individual action from every person, business, elected official, and resident that calls the region home; and

WHEREAS, the Council also found that the homelessness crisis is an issue of scale and services do not yet match the scope of the crisis, and additional revenue is required to scale services to meet the needs and scope of the crisis; and

WHEREAS, Resolution 20-5083 referred Ordinance 20-1442 (Supportive Housing Services) to the voters for approval, which was designated as Measure 26-210 by Multnomah County Elections and placed on the May 2020 ballot (the “Measure”); and

WHEREAS, on May 19, 2020, the Metro area voters approved the Measure, thereby approving Ordinance 20-1442; and

WHEREAS, since the election Metro has been collaborating with its jurisdictional partners and stakeholders to develop a regional Supportive Housing Services program, incorporating the goals and outcomes set forth in the Measure; and

WHEREAS, Metro staff now proposes a Metro Supportive Housing Services Work Plan which will serve as a framework for the Metro Supportive Housing Services implementation

activities in addition to the new Metro Code Chapter 11.01 (“Supportive Housing Services Program”); now therefore,

BE IT RESOLVED, that the Metro Council hereby adopts the Metro Supportive Housing Services Work Plan, a copy of which is attached hereto as Exhibit A.

---

Lynn Peterson, Council President

Approved as to Form:

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Carrie MacLaren, Metro Attorney



Metro

[oregonmetro.gov](http://oregonmetro.gov)

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# Supportive Housing Services Program Work Plan

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December 2020



If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we’ve already crossed paths.

**So, hello. We’re Metro – nice to meet you.**

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Sam Chase, District 5

Bob Stacey, District 6

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## **2020 SUPPORTIVE HOUSING SERVICES PROGRAM WORK PLAN**

Adopted by Resolution No. xx-xxxx on xxxxx, 2020 by the Metro Council.

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## **1. INTRODUCTION**

On May 19, 2020, voters in the greater Portland region approved a measure to raise money for supportive housing services for people experiencing homelessness or at risk of experiencing homelessness. Community members and leaders from around the region developed the measure to provide the much-needed housing and wraparound services to effectively and permanently elevate people out of homelessness.

The ballot measure (see Addendum A) will fund a new Supportive Housing Services Program that will provide services for as many as 5,000 people experiencing prolonged homelessness with complex disabilities, and as many as 10,000 households experiencing short-term homelessness or at risk of homelessness. The program is guided by a commitment to lead with racial equity by especially meeting the needs of Black, Indigenous and people of color (BIPOC) who are disproportionately impacted by housing instability and homelessness.

The Supportive Housing Services Program will directly fund Clackamas, Multnomah and Washington counties to invest in local strategies to meet the needs in their communities. Revenue will be distributed within the portions of Clackamas, Multnomah and Washington counties that are inside the Metro jurisdictional boundary in amounts proportionate to the tax revenue estimated to be collected from individuals in those counties.

The program is funded through a 1 percent tax on all taxable income of more than \$125,000 for individuals and \$200,000 for joint filers and a 1 percent tax on profits from businesses with gross receipts of more than \$5 million. The new tax requirements begin in January 2021. Initial revenues are expected to be available for the first phase of program implementation by July 2021. The program will be funded through December 2030, unless reauthorized by the voters on or before that date.

In February 2020, the Metro Council adopted Ordinance No. 20-1442 which provided guidelines for Supportive Housing Services Program implementation including eligible services, priority populations, governance, local implementation plans, allocation of revenue, equity and community engagement, and tri-county planning. In June to September 2020, Metro convened a stakeholder advisory table that developed recommendations for regional values to guide program implementation and outcome metrics to ensure transparent oversight and accountability.

This Supportive Housing Services Work Plan provides a comprehensive plan for implementing the program. The Work Plan incorporates and supplements the guidelines in Ordinance No. 20-1442 and the recommendations of the stakeholder advisory table. In addition to Metro Chapter 11.01, it serves as the governing document for program implementation, addressing how Supportive Housing Services revenues will be administered to achieve the goals described in the ballot measure.

## **2. GUIDING PRINCIPLES AND RACIAL EQUITY**

Supportive Housing Services Program implementation will be guided by the following principles, which were developed by the stakeholder advisory table:

- Strive toward stable housing for all;
- Lead with racial equity and work toward racial justice;

- Fund proven solutions;
- Leverage existing capacity and resources;
- Innovate: evolve systems to improve;
- Demonstrate outcomes and impact with stable housing solutions;
- Ensure transparent oversight and accountability;
- Center people with lived experience, meet them where they are, and support their self-determination and well-being;
- Embrace regionalism: with shared learning and collaboration to support systems coordination and integration; and
- Lift up local experience: lead with the expertise of local agencies and community organizations addressing homelessness and housing insecurity.

Metro has adopted a Strategic Plan to Advance Racial Equity, Diversity and Inclusion which includes specific goals and objectives to ensure that all people who live, work and recreate in the greater Portland region have the opportunity to share in and help define a thriving, livable and prosperous region. A key objective for Supportive Housing Services Program implementation is a commitment to advance equity related to stable and affordable housing. In implementing the program, Metro will rely on the goals and objectives within the Strategic Plan to:

- Convene regional partners to advance racial equity outcomes in supportive housing services;
- Meaningfully engage with Black, Indigenous and people of color, people with low incomes, and other historically marginalized communities in establishing outcomes and implementing the program;
- Produce and provide research and information to support regional jurisdictions in advancing equity efforts;
- Increase accountability by ensuring involvement of Black, Indigenous and people of color in establishing goals, outcomes, and implementation and evaluation efforts;
- Increase participation of Black, Indigenous and people of color in decision-making; and
- Use equity criteria in resource allocation for the program.

Metro will actively work to remove barriers for organizations and communities to ensure full participation by providing stipends, scheduling events at accessible times and locations, and other inclusive engagement tactics.

### **3. GOVERNANCE**

On February 25, 2020, the Metro Council adopted Ordinance No. 20-1442 referring to voters the ballot measure authorizing Metro to impose a tax to fund supportive housing services. The Supportive Housing Services Program and this Work Plan must comply with the promises made to the voters in the ballot measure.

### **3.1 METRO COUNCIL**

The Metro Council provides policy direction for the Supportive Housing Services Program through:

- A. Adoption of this Work Plan;
- B. Appointment of Regional Oversight Committee members, chair and/or co-chairs, collectively charged with monitoring program implementation;
- C. Approval of Local Implementation Plans;
- D. Approval of intergovernmental agreements for implementation (each, an “Implementation IGA”) with Local Implementation Partners; and
- E. Monitoring of program outcomes, with guidance from the Regional Oversight Committee and tri-county advisory body.

### **3.2 METRO CHIEF OPERATING OFFICER AND STAFF**

The Metro Chief Operating Officer (COO) is authorized by the Metro Council to implement this Work Plan, and the COO will direct staff to conduct all Supportive Housing Services Program administration activities referenced herein, including (without limitation) the following:

- A. Ensure program implementation upholds promises made to voters;
- B. Develop and execute Implementation IGAs with Local Implementation Partners;
- C. Implement efficient and effective collection of personal and business income taxes;
- D. Develop and coordinate systems and structures to provide robust oversight and accountability and ensure transparency of public funds;
- E. Convene meetings and provide administrative support for the Regional Oversight Committee;
- F. Provide staffing and logistical support for a tri-county advisory body to identify regional goals, strategies and outcome metrics related to addressing homelessness in the region; and
- G. Conduct an annual independent financial audit with results made publicly available.

### **3.3 LOCAL IMPLEMENTATION PARTNERS**

Metro will partner with Clackamas, Multnomah and Washington county governments and their housing authorities to lead Supportive Housing Services Program implementation. The three county governments will serve as Metro’s Local Implementation Partners for the program. As experts in implementing programs that serve community members experiencing homelessness, the Local Implementation Partners will work with service providers and community partners to develop and implement programs that respond to the unique needs in their communities.

Local Implementation Partners must:

- A. Adopt a Local Implementation Plan, informed by community engagement, that describes local housing and homeless service needs, current programming and unmet programming capacities, proposed use of funds, and a strategy for advancing racial equity and ensuring community engagement in implementation (see Section 5.1 and Addendum D);

- B. Enter into an Implementation IGA with Metro, obligating the Local Implementation Partner to comply with this Work Plan and enter into certain covenants required to ensure compliance with the ballot measure and other applicable law; and
- C. Track and report on program outcomes annually as defined through this Work Plan.

### **3.4 REGIONAL OVERSIGHT COMMITTEE**

In accordance with Metro Code Section 2.19.270, Metro will appoint a Regional Oversight Committee to provide policy and programmatic guidance, monitor programmatic expenditures and evaluate outcomes (see Addendum B).

The committee will be charged with the following duties:

- A. Evaluate Local Implementation Plans, recommend changes as necessary to achieve program goals and guiding principles, and make recommendations to Metro Council for approval;
- B. Accept and review annual reports for consistency with approved Local Implementation Plans and regional goals;
- C. Monitor financial aspects of program administration, including review of program expenditures; and
- D. Provide annual reports and presentations to Metro Council and Clackamas, Multnomah and Washington County Boards of Commissioners assessing performance, challenges and outcomes.

#### **Membership**

The committee will be composed of 15 voting members with 5 members each from Clackamas, Washington and Multnomah counties. Committee members will be appointed by the Metro Council.

The committee's membership will include a broad range of personal and professional experience, including people with lived experience of homelessness or housing instability. The committee will also reflect the diversity of the region. The membership will include people with the following experiences, perspectives and qualities:

- Experience overseeing, providing or delivering supportive housing services;
- Lived experience of homelessness or severe housing instability;
- Experience in the development and implementation of supportive housing and other services;
- Experience in the delivery of culturally specific services;
- Experience in the private for-profit sector;
- Experience in the philanthropic sector;
- Experience in a Continuum of Care organization; and
- People who identify as Black, Indigenous and people of color, people with low incomes, immigrants and refugees, the LGBTQ+ community, people with disabilities and other underserved and/or marginalized communities.

Stipends, childcare, technical assistance, interpretation, accessibility assistance and other supports for participation will be available.

Committee members will serve two-year terms.

#### **Jurisdictional representation**

One representative each from the Clackamas, Multnomah and Washington County Boards of Commissioners, Portland City Council and Metro Council will serve on the committee as non-voting delegates.

### **Accountability**

All committee meetings and materials will be available and accessible to the public, and appropriate notice will be given to inform all interested parties of the time, place and agenda of each meeting.

Committee members are considered public officials under Oregon law and will be responsible for complying with provisions in Oregon law regarding public records and public meetings, disclosure of conflicts of interest, prohibitions on the use of official positions to obtain financial benefit, and restrictions on political activity.

Metro may conduct a review of the committee's role and effectiveness as appropriate.

## **4. FUNDING DISTRIBUTION AND ELIGIBLE USES**

### **4.1. ALLOCATION AND DISTRIBUTION OF SUPPORTIVE HOUSING SERVICES REVENUE**

Supportive Housing Services revenue will be distributed as follows:

- A. After Metro has first retained funds necessary to pay for collection of the taxes, including debt service related to the implementation costs, Metro may retain up to 5 percent of the remaining collected revenue for administration, oversight and accountability, data collection, coordination, and other costs associated with management of the regional program.
- B. After the funds have been allocated as set forth in Section 4.1.A, Metro will then allocate the remaining Supportive Housing Services revenue within the portions of Clackamas, Multnomah and Washington counties that are inside the Metro jurisdictional boundary in amounts proportionate to the tax revenue estimated to be collected from individuals in those counties. Funds will be distributed to the Local Implementation Partner within each county using the following percentages: 21 1/3 percent to Clackamas County, 45 1/3 percent to Multnomah County and 33 1/3 percent to Washington County.
- C. The percentages set forth in Section 4.1.B apply to revenue for the first two tax years. Thereafter, the percentages may be adjusted to reflect the portion of Supportive Housing Services revenue actually collected in each county.
- D. Metro's Implementation IGAs with each Local Implementation Partner will specify how Supportive Housing Services funds will be released. Agreements will include specifications for annual program budgets, financial reporting, practices for reserving funds, and redistribution of funds if a jurisdiction fails to comply with the agreement.

### **4.2 PRIORITIZATION OF SUPPORTIVE HOUSING SERVICES FUNDS**

Each Local Implementation Partner must create a Local Implementation Plan outlining its proposed use of funds in accordance with the purposes of the program (see Section 5.1 and Addendum D). Local Implementation Plans must include a commitment that funding will be allocated as follows (see Addendum C for definitions of the terms used in Sections 4.2 and 4.3):

- A. Seventy-five percent of funds will be devoted to services for population A, defined as:



- Extremely low-income; AND
- Have one or more disabling conditions; AND
- Are experiencing or at imminent risk of experiencing long-term or frequent episodes of literal homelessness.

B. Twenty-five percent of funds will be devoted to services for population B, defined as:

- Experiencing homelessness; OR
- Have a substantial risk of experiencing homelessness.

This distribution of resources to serve priority populations may be adjusted over time as chronic and prolonged homelessness is reduced.

### **4.3 ELIGIBLE USES OF SUPPORTIVE HOUSING SERVICES FUNDS**

The Supportive Housing Services Program is guided by regional goals and oversight, but implemented by Local Implementation Partners who are best positioned to respond to community needs. Successful implementation requires flexibility for local jurisdictions to create and implement strategies that respond to local community needs and effectively leverage local capacity and expertise. The uses of Supportive Housing Services funds will be guided by each county’s Local Implementation Plan.

Eligible uses of funds include any of the supportive housing services defined in Addendum C as well as administrative costs within applicable limits (see Section 4.5).

Funds are prioritized for ongoing service and operating costs to support implementation of supportive housing services as defined in Section 4.5. Under certain circumstances, capital costs directly related to those supportive housing services may be eligible if necessary to support ongoing implementation of the services and when consistent with Local Implementation Plans.

Programmatic success will be based on housing stability achieved by people experiencing homelessness or at risk of homelessness. An approach that effectively balances supportive services with long-term rent assistance and other housing strategies will therefore be necessary.

Funds may only be used for services provided within the portion of each recipient county that is within the Metro jurisdictional boundary.

### **4.4 REGIONAL APPROACH TO MEETING SUPPORTIVE HOUSING NEED**

A regional approach is required to effectively address service and resource gaps to meet the needs of the Supportive Housing Services Program’s priority populations across the region. Local Implementation Partners will work together to enhance and expand local programs and services so that they share responsibility to address unmet needs across the region. Each county will develop and enhance local supportive housing services to address the needs of the portion of the region’s homeless population that is proportionate to the percentage of Supportive Housing Services revenues allocated to each county (see Section 4.1).

### **4.5 ADMINISTRATIVE COSTS**

It is the policy of the Metro Council to maintain low administrative costs to ensure that the maximum amount possible of Supportive Housing Services revenue is used to fund supportive housing services.

Administrative costs will be restricted as follows:

- A. As described in Section 4.1.A, after Metro's tax collection costs are paid, Metro may retain up to 5 percent of the remaining funds to pay for the costs to disburse the funds and administer and oversee the program. This includes convening and supporting the Regional Oversight Committee, establishing a regional data collection and reporting program, and supporting tri-county regional collaboration.
- B. Administrative expenses incurred by Local Implementation Partners for provision of services are recommended not to exceed five percent of total annual funds allocated for provision of services, consistent with guidelines for similar programs funded by the State.
- C. Administrative expenses incurred by Local Implementation Partners and housing authorities for administering long-term rent assistance programs are recommended not to exceed 10 percent of total annual funds allocated for long-term rent assistance, consistent with guidelines for similar programs funded by HUD and the State.
- D. Administrative expenses incurred by service providers are expected to vary based on program type, organizational capacity and other factors. The Regional Oversight Committee will include an analysis of service provider administrative costs in its annual monitoring of program expenditures. Based on this review, the committee may recommend adoption of service provider administrative cost guidelines for Metro Council consideration.

Administrative costs do not include costs directly associated with program and service delivery.

At least annually, the Regional Oversight Committee will consider whether the recommended administrative costs should be reduced or increased.

## **5. ACCOUNTABILITY STRUCTURES AND PROCESS**

### **5.1 LOCAL IMPLEMENTATION PLANS**

Each county will prepare a Local Implementation Plan to describe their local housing and homeless service needs, current programming and unmet programming capacities, and proposed use of funds in accordance with the purposes of the regional Supportive Housing Services Program. Plans must be created using a racial equity lens that ensures equitable participation, access and outcomes in all parts of the program and considers the best available quantitative and qualitative data.

#### **Development and approval process**

Each Local Implementation Plan must be developed using locally convened and comprehensive engagement processes that prioritize the voices of Black, Indigenous and people of color and people with lived experience. Plans must be developed in full partnership with advisory bodies that equitably reflect community expertise and experience. Each county may convene a new advisory body or use an existing body that fulfills the representation requirements.

Advisory body membership must include:

- People with lived experience of homelessness and/or extreme poverty;
- People from Black, Indigenous and people of color and other marginalized communities;
- Culturally responsive and culturally specific service providers;

- Elected officials, or their representatives, from the county and cities participating in the regional affordable housing bond;
- Representatives from the business, faith and philanthropic sectors;
- Representatives of the county/city agencies responsible for implementing housing and homelessness services, and that routinely engage with unsheltered people;
- Representatives from health and behavioral health who have expertise serving those with health conditions, mental health and/or substance use from culturally responsive and culturally specific service providers; and
- Representation ensuring geographic diversity.

Each Local Implementation Plan will be reviewed and approved by the respective county's local governing body, the Regional Oversight Committee and the Metro Council. Upon full approval, each Local Implementation Plan will be incorporated into the Intergovernmental Agreements between Metro and each respective county to govern transfer of funds, program implementation, and ongoing oversight and accountability.

### **Required elements**

Local Implementation Plans must include the following elements, described in greater detail in Addendum D:

- A. *Analysis of inequitable outcomes*: An articulation of racial inequities in housing stability and access to current services;
- B. *Racial equity strategies*: A description of mitigation strategies and how the key objectives of Metro's Strategic Plan to Advance Racial Equity, Diversity and Inclusion have been incorporated;
- C. *Inclusive community engagement*: An articulation of how perspectives of Black, Indigenous and people of color and culturally specific groups were considered and incorporated into the development of the plan and will continue to be engaged through implementation and evaluation;
- D. *Priority population investment distribution*: A commitment that funding will be allocated as specified in Section 4.2;
- E. *Current investments*: A review of current system investments or capacity serving priority populations, an analysis of the nature and extent of gaps in services to meet the needs of the priority population, and a commitment to prohibit displacement of current local funding commitments for such services;
- F. *Distribution*: A strategy for equitable geographic distribution of services with partnering jurisdictions and service providers across the region;
- G. *Access coordination*: A plan for coordinating access to services with partnering jurisdictions and service providers across the region;
- H. *Procurement and partners*: A description of how funds will be allocated to public and nonprofit service providers;
- I. *Planned investments*: An articulation of programmatic investments planned, including the types of services to be funded to address the gap analysis;
- J. *Outcomes, reporting and evaluation*: An agreement to track and report on program outcomes annually as defined through regional coordination and with regional metrics.

## Updates and amendments

Local Implementation Plans may be revised or amended only upon written agreement by the Local Implementation Partner, recommendation for approval by the Regional Oversight Committee and approval by Metro Council. Proposed changes to a Local Implementation Plan will be presented as amendments to the Regional Oversight Committee for approval and confirmed by Metro Council.

## 5.2 REGIONAL OUTCOME METRICS

Regional outcome metrics will be used to understand the impacts and outcomes of the Supportive Housing Services Program. The required metrics will provide clear and consistent data sets that ensure transparent accountability and regional analysis of outcomes. They will be measured consistently in each county and reported to Metro and the Regional Oversight Committee. Staff will work to create standardized definitions and methodologies to achieve the intentions of the metrics as described below.

Additional collaboration between Metro, Local Implementation Partners and community experts will further refine and ensure quality control for each metric. Metrics will be phased in over time according to the regional system's capacity to comply with the newly established regional standards.

Required regional outcome metrics will include:

### A. Housing stability

#### *Measurable goals:*

- Housing equity is advanced by providing access to services and housing for Black, Indigenous and people of color at greater rates than Black, Indigenous and people of color experiencing homelessness.
- Housing equity is advanced with housing stability outcomes (retention rates) for Black, Indigenous and people of color that are equal or better than housing stability outcomes for non-Hispanic whites.
- The disparate rate of Black, Indigenous and people of color experiencing chronic homelessness is significantly reduced.

#### *Outcome metrics:*

- Number of supportive housing units created and total capacity, compared to households in need of supportive housing. This will measure change in supportive housing system capacity and need over time.
- Number of households experiencing housing instability or homelessness compared to households placed into stable housing each year. This will measure programmatic inflow and outflow.
- Number of housing placements and homelessness preventions, by housing intervention type (e.g. supportive housing, rapid rehousing) and priority population type. This will measure people being served.
- Housing retention rates. This will measure if housing stability is achieved with supportive housing.
- 'Length of homelessness' and 'returns to homelessness'. These will measure how effectively the system is meeting the need over time.

- Funds and services leveraged through coordination with capital investments and other service systems such as healthcare, employment and criminal justice. This will measure leveraged impact of funding in each county.

B. Equitable service delivery

*Measurable goals:*

- Increase culturally specific organization capacity with increased investments and expanded organizational reach for culturally specific organizations and programs.
- All supportive housing services providers work to build anti-racist, gender-affirming systems with regionally established, culturally responsive policies, standards and technical assistance.

*Outcome metrics:*

- Scale of investments made through culturally specific service providers to measure increased capacity over time.
- Rates of pay for direct service roles and distribution of pay from lowest to highest paid staff by agency to measure equitable pay and livable wages.
- Diversity of staff by race, ethnicity, sexual orientation, gender identity, disability status and lived experience.

C. Engagement and decision-making

*Measurable goals:*

- Black, Indigenous and people of color are overrepresented on all decision-making and advisory bodies.
- Black, Indigenous and people of color and people with lived experience are engaged disproportionately to inform program design and decision making.

*Outcome metrics:*

- Percent of all advisory and oversight committee members who identify as Black, Indigenous and people of color or as having lived experience of housing instability or homelessness.

**Data disaggregation**

In keeping with Metro’s commitment to advance racial equity, and the Supportive Housing Services Program’s overarching goal to ensure racial justice, data will be disaggregated to evaluate existing and continued disparate impacts for BIPOC communities and other impacted populations. As such, all applicable data sets will be disaggregated by regionally standardized values and methodology to understand disparate outcomes for people by race, ethnicity, disability status, sexual orientation and gender identity.

**5.3 ANNUAL REVIEW PROCESS**

Each Local Implementation Partner will submit an Annual Progress Report to the Metro Council and the Regional Oversight Committee summarizing its progress and outcomes under the Local Implementation Plan, including:

- A. A full program accounting of investments or a financial report;
- B. Reporting on required outcome metrics; and

- C. An equity analysis incorporated into all facets of the report, including reporting on the success or failure of racial inequity mitigation strategies and steps being taken to improve racial equity outcomes.

A template for the Annual Progress Report will be developed by Metro with input from the Local Implementation Partners.

The Regional Oversight Committee will review each Annual Progress Report and may recommend changes to the Local Implementation Plan to achieve regional goals and/or to better align the Local Implementation Plan with the Work Plan. The Local Implementation Partner will identify proposed strategies to address the Regional Oversight Committee's recommendations. The proposed strategies will be submitted to the Regional Oversight Committee for approval and confirmed by Metro Council.

As part of the annual review process, the Regional Oversight Committee will evaluate tax collection and administrative costs incurred by Metro, Local Implementation Partners and service providers and consider if any costs should be reduced or increased. The committee will present any such recommendations to the Metro Council.

## **5.4 AUDITS**

A public accounting firm must conduct an annual financial audit of the revenue generated by the Supportive Housing Services taxes and the distribution of that revenue. Metro will make public the audit and any report to the Metro Council regarding the results of the audit. Metro may use the revenue generated by the taxes to pay for the costs of the audit.

The revenue and expenditures from the taxes are also subject to performance audits conducted by the Office of the Metro Auditor.

## **6. REGIONAL COORDINATION**

### **6.1 TRI-COUNTY ADVISORY BODY**

Metro will convene a tri-county advisory body to strengthen regional coordination in addressing homelessness in the region. The advisory body will identify regional goals, strategies and outcome metrics and provide guidance and recommendations to inform Supportive Housing Services Program implementation.

The advisory body will include people representing the following perspectives:

- People with lived experience of homelessness and/or extreme poverty;
- People from Black, Indigenous and people of color and other marginalized communities;
- Culturally responsive and culturally specific service providers;
- Elected officials, or their representatives, from the counties and cities participating in the regional affordable housing bond;
- Representatives from the business, faith and philanthropic sectors;
- Representatives of county/city agencies responsible for implementing housing and homelessness services, and that routinely engage with unsheltered people;

- Representatives from health and behavioral health who have expertise serving those with health conditions, mental health and/or substance use from culturally responsive and culturally specific service providers; and
- Representation ensuring geographic diversity.

Metro will work with the Local Implementation Partners to develop a proposed structure, charter and procedures for the tri-county advisory body, to be presented to Metro Council for approval.

Metro will provide ongoing staffing and logistical support to convene the advisory body and support its planning and coordination efforts. Local Implementation Partners will work to incorporate the advisory body's recommendations into their implementation strategies.

## **6.2 TRI-COUNTY PLANNING**

The tri-county advisory body will lead a planning process to develop recommendations for regional coordination related to these and other issue areas as identified:

- *Regional capacity*: strategies to strengthen regional supportive housing capacity, including but not limited to: coordination of capital investments funded by the regional affordable housing bond and other sources, development of a regional model of long-term rent assistance, and expanded system capacity for culturally specific housing and services;
- *Systems alignment*: coordination and integration between the housing and homeless service systems, as well as other systems serving people experiencing homelessness, including the healthcare, education, workforce and criminal justice systems; and
- *Standards and metrics*: regional performance metrics to measure the impact of specific program types, regional system indicators to measure changes in the population experiencing homelessness, consistency in program evaluation standards and procedures, standards for culturally responsive services, and standardized data definitions, data collection methods and quality control.

## ADDENDUM A

### BALLOT MEASURE 26-210

Ballot Title:	Supports homeless services through higher earners’ tax, business profits tax.
Question:	Should Metro support homeless services, tax income over \$200,000/\$125,000(joint/single), profits on businesses with income over \$5 million?
Summary:	<p>Measure funds supportive housing services to prevent and reduce homelessness in Washington, Clackamas, and Multnomah counties within district boundaries. Prioritizes services to address needs of people experiencing, or at risk of, long-term or frequent episodes of homelessness. Services funded by a marginal income tax of 1% on households with income over \$200,000 (over \$125,000 for single filers) and a business profits tax of 1%. Income tax applies to resident income, and to non-resident income earned from sources within district. Exempts businesses with gross receipts of \$5 million per year or less.</p> <p>Declares funding for homelessness services a matter of metropolitan concern, directs regional funding to local services agencies, requires community engagement to develop localized implementation plans. Allocates funds to counties by estimated revenue collected within each county. Establishes community oversight committee to evaluate and approve local plans, monitor program outcomes and uses of funds. Requires creation of tri- county homeless services coordination plan.</p> <p>Requires performance reviews and independent financial audits. Metro administrative and oversight costs limited to 5%. Requires voter approval to continue tax after 2030.</p>
Explanatory Statement:	<p>The greater Portland region is facing a severe housing affordability and homelessness crisis. Rents and housing prices have risen faster than wages, making it especially hard for people living on fixed retirement or disability incomes to afford housing. While it is difficult to accurately estimate the number of people experiencing homelessness, or at risk of becoming homeless, according to a February 2020 report by EcoNorthwest, an estimated 38,263 people (24,260 households) experienced homelessness in 2017 in Washington, Clackamas and Multnomah counties; thousands more were at risk.</p> <p>Homelessness disproportionately impacts people with disabilities, people of color, and seniors. For people who experience homelessness, disabling conditions such as mental illness, chronic medical conditions, and addiction are made worse, and become barriers to housing placement.</p> <p>Providing supportive housing services is a widely demonstrated approach to effectively end homelessness for individuals who have experienced</p>



	<p>prolonged and repeated homelessness, and protecting families from becoming homeless with prevention assistance. Supportive housing services include case management, mental healthcare, addiction and recovery treatment, employment services, rent assistance, and other care as needed. Despite state and local efforts to increase investment in supportive housing services, the need in greater Portland exceeds local capacity.</p> <p>This measure will authorize Metro to establish a regional supportive housing funding program, providing the resources to address unmet needs of people experiencing or at risk of experiencing long-term or frequent episodes of homelessness in the greater Portland region. The measure will result in a substantial increase in the delivery of supportive housing services.</p> <p>Supportive housing services will be funded by a marginal personal income tax of 1% on households with taxable income over \$200,000 (or taxable income over \$125,000 for individual tax filers) and a business profits tax of 1% with an exemption for small businesses that have gross receipts of \$5 million or less per year. The personal income tax will be assessed on residents of the Metro district, and on non-residents who have income earned from sources within the district. Only income above \$200,000 (\$125,000 individual) is taxed.</p> <p>In each county a local implementation plan will be developed to describe how supportive housing services will be prioritized and delivered to address local needs. Local plans must be developed using comprehensive community engagement that prioritizes those most directly affected by the homelessness crisis.</p> <p>A regional oversight committee with broad geographic representation will review and evaluate each local plan, monitor local implementation, and review spending. The oversight committee will report every year to Metro Council on program outcomes and areas for improvement, and annual performance and financial audits of funding for supportive housing services will be conducted. Metro administrative costs are limited to 5% and must be reviewed annually. The measure requires voter approval to continue after 2030.</p>
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On Behalf of:

- Metro Council President Lynn Peterson
- Councilor Shirley Craddick
- Councilor Christine Lewis
- Councilor Craig Dirksen
- Councilor Juan Carlos Gonzales
- Councilor Sam Chase
- Councilor Bob Stacey

Submitted by: Carrie MacLaren, Metro Attorney

## **ADDENDUM B**

### **REGIONAL OVERSIGHT COMMITTEE CHARTER**

#### **Background on the Supportive Housing Services Program**

On May 19, 2020, voters in the greater Portland region approved a measure to raise money for supportive housing services for people experiencing homelessness or at risk of experiencing homelessness. Community members and leaders from around the region developed the measure to provide the much-needed housing and wraparound services to effectively and permanently elevate people out of homelessness.

The ballot measure will fund a new Supportive Housing Services Program that will provide services for as many as 5,000 people experiencing prolonged homelessness with complex disabilities, and as many as 10,000 households experiencing short-term homelessness or at risk of homelessness. The program is guided by a commitment to lead with racial equity by especially meeting the needs of Black, Indigenous and people of color who are disproportionately impacted by housing instability and homelessness.

Implementation of the program will be guided by the following principles:

- Strive toward stable housing for all;
- Lead with racial equity and work toward racial justice;
- Fund proven solutions;
- Leverage existing capacity and resources;
- Innovate: evolve systems to improve;
- Demonstrate outcomes and impact with stable housing solutions;
- Ensure transparent oversight and accountability;
- Center people with lived experience, meet them where they are and support their self-determination and well-being;
- Embrace regionalism: with shared learning and collaboration to support systems coordination and integration; and
- Lift up local experience: lead with the expertise of local agencies and community organizations addressing homelessness and housing insecurity.

The Supportive Housing Services Program is guided by regional goals and oversight but implemented by Local Implementation Partners who are best positioned to respond to community needs. The program will directly fund Clackamas, Multnomah and Washington counties to invest in local strategies to meet the supportive housing and service needs in their communities.

#### **Regional Oversight Committee Authorizing Ordinance**

The Metro Council established the Regional Oversight Committee on 11, 19, 2020 by amending Metro Code Chapter 2.19.270 via Ordinance No. 20-1453.

#### **Regional Oversight Committee's Purpose and Authority**

The purpose of the Regional Oversight Committee is to provide independent program oversight on behalf of the Metro Council to ensure that investments achieve regional goals and desired outcomes and to ensure transparency and accountability in Supportive Housing Services Program activities and outcomes.

The committee is charged with the following duties:

- Evaluate Local Implementation Plans, recommend changes as necessary to achieve program goals and guiding principles, and make recommendations to Metro Council for approval;
- Accept and review annual reports for consistency with approved Local Implementation Plans and regional goals;
- Monitor financial aspects of program administration, including review of program expenditures; and
- Provide annual reports and presentations to Metro Council and Clackamas, Multnomah and Washington County Boards of Commissioners assessing performance, challenges and outcomes.

### **Committee Membership**

The committee is composed of 15 voting members (5 members each from Clackamas, Multnomah and Washington counties), appointed by the Metro Council President subject to Metro Council confirmation.

Committee membership represents a diversity of perspectives, geography, demographics, and personal and professional experience, including people with lived experience of homelessness or housing instability from across the region. Committee members serve as independent representatives of the community contributing their experiences and expertise to the oversight work. Members do not represent any specific organizations, jurisdictions or other entities.

The Metro Council President will designate at least one member to serve as chairperson of the committee or may elect to designate two members to serve as co-chairpersons of the committee.

- **Terms of service:** Nine of the initial committee members will be appointed to serve a one-year term and may be reappointed to serve up to two additional two-year terms. All other committee members will be appointed to serve two-year terms and may be reappointed to serve up to two additional two-year terms. The committee will be dissolved in 2031 or upon the issuance of a final report by the committee after all funds authorized by Ballot Measure 26-210 have been spent, whichever is earlier.
- **Attendance:** The committee will meet no fewer than four times a year. Meetings will be more frequent in the first year, and at least quarterly throughout program implementation. In the interest of maintaining continuity in discussions, members commit to attending all meetings unless they are prevented from doing so by reasonable excuse. Committee members will notify staff ahead of meetings if they are unable to be present, and will read materials and request briefings from staff on the information presented, deliberations and outcomes of the meeting. The committee will not use alternates or proxies.

## **Chairperson(s) Role**

Chairperson(s) may be selected by the Metro Council President to support and provide guidance on content and ideas to meet the committee goals, support decision making procedures, and help develop agendas and the work program of the committee.

## **Metro Council and Staff Roles**

Metro Council will appoint committee members, receive committee recommendations and annual review reports to inform Local Implementation Plan approval and policy decisions. Metro staff will facilitate the work program of the committee, provide policy and program information and context as needed to the committee, and work in coordination with programmatic staff from Implementing Partner jurisdictions.

## **Elected Delegate Role**

Elected delegates representing partnering jurisdictions will be present to the oversight and accountability work to receive feedback and direction from the committee relevant to program implementation outcomes, and transfer knowledge and communication directly to their respective jurisdictions. One representative from each of the following jurisdictions will participate on the committee as non-voting delegates:

- Metro Council
- Clackamas County Board of Commissioners
- Multnomah County Board of Commissioners
- Washington County Board of Commissioners
- Portland City Council

## **Accountability**

All committee meetings and materials will be available and accessible to the public, and appropriate notice will be given to inform all interested parties of the time, place and agenda of each meeting.

Committee members are considered public officials under Oregon law and are responsible for complying with provisions in Oregon law, including:

- **Use of position:** Committee members are prohibited from using or attempting to use their position (including access to confidential information obtained through their position) to obtain a financial benefit for themselves, for a relative or for a business with which the member or relative is associated.
- **Conflicts of interest:** Committee members must publicly announce any potential or actual conflicts of interest on each occasion that they are met with the conflict. A conflict of interest occurs when a member's official actions on the committee could or would result in a financial benefit or detriment to themselves, a relative or a business with which the member or relative is associated. In the case of an actual conflict of interest, committee members must refrain from participating in any discussion or taking any action on the issue.

- **Restrictions on political activity:** Committee members may not engage in campaign-related political activity during committee meetings or while working in an official capacity as a committee member. Restricted activities include promoting or opposing candidates, ballot measures or political committees.
- **Public records and meetings:** Committee members are subject to the provisions of Oregon Public Records and Meetings Law. All committee meetings and records shall be open and available to the public. This includes discussions of committee business by email or in gatherings of a quorum of committee members outside of regular committee meetings.

## ADDENDUM C

### DEFINITIONS FOR SECTIONS 4.2 AND 4.3

**Extremely low income:** A household earning less than 30 percent of Area Median Income (AMI).

**Extremely rent burdened:** A household paying 50 percent or more of income toward rent and utilities.

**Homelessness:** An individual or family who lacks a fixed, regular and adequate nighttime residence including:

- Individuals or families who are sharing the housing of others due to loss of housing, economic hardship or a similar reason; are living in motels, hotels, trailer parks or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; or are abandoned in hospitals;
- Individuals or families who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings; or
- Individuals or families who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations or similar settings.

**Imminent risk of literal homelessness:** Any circumstance that provides clear evidence that an individual or family will become literally homeless without supportive housing services within 14 days of application for assistance. This includes but is not limited to:

- Individuals or families who are involuntarily doubled up and who face literal homelessness;
- Individuals exiting an institution (including but not limited to exiting incarceration or foster care) and who face literal homelessness; and
- Individuals or families fleeing a domestic violence or abuse situation and who face literal homelessness.

**Involuntarily doubled up:** Individuals or families who are sharing the housing of others due to loss of housing, economic hardship or a similar reason.

**Literal homelessness:** An individual or family who lacks a fixed, regular and adequate nighttime residence, meaning:

- Has a primary nighttime residence that is a public or private place not meant for human habitation;
- Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
- Is exiting an institution where the individual has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

**Long-term and frequent episodes of literal homelessness:** 12 or more months of literal homelessness over three years.

**Substantial risk of homelessness:** A circumstance that exists if a household is very low income and extremely rent burdened, or any other circumstance that would make it more likely than not that without supportive housing services the household will become literally homeless or involuntarily doubled-up.

**Supportive housing services:** Services for people experiencing homelessness and housing instability including, but not limited to:

- Housing services:
  - supportive housing
  - long-term rent assistance
  - short-term rent assistance
  - housing placement services
  - eviction prevention
  - transitional housing
  - shelter
- Outreach and engagement supports:
  - street outreach services
  - in-reach services
  - basic survival support services
- Health and wellness supports:
  - mental health services
  - interventions and addiction services (crisis and recovery)
  - physical health services
  - intervention services for people with physical impairments and disabilities
  - peer support services
  - discharge intervention services
- Employment and benefit supports:
  - financial literacy services
  - employment services
  - job training and retention services
  - educational services
  - workplace supports
  - benefits navigation and attainment services
- Advocacy supports:
  - landlord tenant education and legal services
  - fair housing advocacy

**Very low income:** A household earning less than 50 percent of AMI.

## ADDENDUM D

### LOCAL IMPLEMENTATION PLAN REQUIREMENTS

Each county will prepare a Local Implementation Plan to describe their local housing and homeless service needs, current programming and unmet programming capacities, and proposed use of funds in accordance with the purposes of the regional Supportive Housing Services Program.

Local Implementation Plans must include:

- A. **Analysis of inequitable outcomes.** An articulation of racial inequities in housing stability and access to current services, including:
  - An analysis of the racial disparities among people experiencing homelessness and the priority service population;
  - An analysis of the racial disparities in access to programs, and housing and services outcomes, for people experiencing homelessness and the priority service populations; and
  - An articulation of barriers to program access that contribute to the disparities identified in the above analysis.
- B. **Racial equity strategies.** A description of mitigation strategies and how the key objectives of Metro's Strategic Plan to Advance Racial Equity, Diversity and Inclusion have been incorporated. This should include a thorough racial equity analysis and strategy that includes clearly defined mitigation strategies and resource allocations intended to remedy existing disparities and ensure equitable access to funds and services.
- C. **Inclusive community engagement.** An articulation of how perspectives and recommendations of Black, Indigenous and people of color, people with lived experiences, and culturally specific groups were considered and incorporated into the development of the plan and will continue to be engaged through implementation and evaluation. Including:
  - Advisory body membership that meets the criteria listed in Section 5.1; and
  - A description of how the plan will remove barriers to participation for organizations and communities by providing stipends, scheduling events at accessible times and locations, and other supportive engagement strategies.
- D. **Priority population investment distribution.** A commitment that funding will be allocated as defined in Section 4.2.
- E. **Current investments.** A review of current system investments or capacity serving priority populations, including:
  - An analysis of the nature and extent of gaps in services to meet the needs of the priority population, broken down by service type, household types and demographic groups.
  - A commitment to maintain local funds currently provided. Supportive Housing Services revenue may not replace current funding levels, with the exception of good cause requests for a temporary waiver such as a broad economic downturn.
- F. **Distribution.** A strategy for equitable geographic distribution of services within the respective jurisdictional boundary and the Metro jurisdictional boundary.



- G. **Access coordination.** A plan for coordinating access to services with partnering jurisdictions and service providers across the region. This includes a commitment that any documentation required for determining program eligibility will be low barrier and include self-reporting options.
- H. **Procurement and partners.** A description of how funds will be allocated to public and nonprofit service providers, including:
- Transparent procurement processes and a description of the workforce equity procurement standards;
  - A commitment to partner with service providers who affirmatively ensure equitable pay and livable wages for their workers, and who will provide anti-racist, gender-affirming services consistent with regionally established, culturally responsive policies and standards; and
  - A description of how funding and technical assistance will be prioritized for providers who demonstrate a commitment to serve Black, Indigenous and people of color with culturally specific and/or linguistically specific services, including programs that have the lowest barriers to entry and actively reach out to communities screened out of other programs.
- I. **Planned investments.** An articulation of programmatic investments planned, including:
- The types of housing services to be funded to address the gap analysis, including specifically:
    - Supportive housing
    - Long-term rent assistance
    - Short-term rent assistance
    - Housing placement services
    - Eviction prevention
    - Shelter and transitional housing
  - A description of the support services to be funded in tandem with these housing services;
  - A commitment to one regional model of long-term rent assistance;
  - A description of other program models for each type of service that define expectations and best practices for service providers;
  - A description of how investments by service type will be phased to increase over the first three years of program implementation as revenues grow, and how decisions will be made to scale investments by service types with funding increases and decreases over time, including a plan to ensure housing stability for program participants; and
  - A description of programming alignment with, and plans to leverage, other investments and systems such as Continuum of Care, Medicaid, behavioral health and capital investments in affordable housing.
- J. **Outcomes, reporting and evaluation.** An agreement to track and report on program outcomes annually as defined through regional coordination and with regional metrics, including:
- A description of annual outcomes anticipated. Goals will be updated annually as programming evolves and based on anticipated annual revenue forecasts. Goals may include:
    - number of supportive housing units created
    - numbers of housing placements made
    - number of eviction preventions
    - rate of successful housing retention, etc.
  - A commitment to tracking outcomes as established and defined through regional coordination and with regionally established metrics. This includes consistency in data disaggregation using regionally standardized values and methodology to understand

- disparate outcomes for people by race, ethnicity, disability status, sexual orientation and gender identity. (See Section 5.2 for the regionally required outcome metrics.)
- A commitment to regional measurable goals to decrease racial disparities among people experiencing homelessness. (See Section 5.2 for the regional measurable goals for advancing racial equity.)
  - A commitment to evaluation standards and procedures to be established through regional coordination. Evaluation will be conducted every three years and include performance of systems coordination, housing and service program types, and services provision.

**From:** [Metro Supportive Housing Services](#)  
**To:** [REDACTED]  
**Subject:** RE: [External sender]New ideas?  
**Date:** Monday, November 23, 2020 4:07:05 PM

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Dear Jonathan,

Thank you for providing your input on the Supportive Housing Services Work Plan. Staff will be reviewing all feedback received and providing a summary and updated staff recommendations to Council in response to the combined feedback. We have recorded your response and it will be included in the Metro Council materials as an attachment to the proposed resolution to adopt the Work Plan on December 10th.

We appreciate your engagement,  
Metro Housing

-----Original Message-----

From: Jonathan Blatt [REDACTED]  
Sent: Wednesday, November 18, 2020 1:54 PM  
To: Metro Supportive Housing Services <HousingServices@oregonmetro.gov>  
Subject: [External sender]New ideas?

CAUTION: This email originated from an External source. Do not open links or attachments unless you know the content is safe.

Hi, thank you for the difficult work you are doing on an important problem.

I humbly suggest the following idea can help get more people into housing:

1. Since new privately built apartments with inclusionary zoning don't get built fast enough; 2. Since new subsidized housing buildings and a few hotel purchases can't ever get done fast enough; 3. We simply need more ideas or we'll never catch up on housing people.

So here it is:

City, county and state additional money to landlords of already existing buildings in addition to the amount they would receive from housing vouchers, this would Incentivize landlords to take in people who need help. I have been a landlord and rented to someone in need when i was reassured by their family who I knew that they would back them up if needed. Some consideration to guaranteeing landlords for damage should also be considered.

The stock of existing housing vacancies is far far bigger than the very limited number of new units coming online. This is where we can create a huge dent in the problem.

Thank you for consideration of this idea.

Please reply as to your evaluation of this idea and confirm receipt of this email.

Thanks again, respectfully submitted,  
Jonathan Blatt

Sent from my iPhone

**From:** [Metro Supportive Housing Services](#)  
**To:** [REDACTED]  
**Subject:** RE: [External sender]Supportive Housing Services Program Work Plan  
**Date:** Monday, November 23, 2020 4:08:07 PM

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Dear Andy,

Thank you for providing your input on the Supportive Housing Services Work Plan. Staff will be reviewing all feedback received and providing a summary and updated staff recommendations to Council in response to the combined feedback. We have recorded your response and it will be included in the Metro Council materials as an attachment to the proposed resolution to adopt the Work Plan on December 10th.

We appreciate your engagement,  
Metro Housing

**From:** Andy Nelson [REDACTED]  
**Sent:** Wednesday, November 18, 2020 2:12 PM  
**To:** Metro Supportive Housing Services <HousingServices@oregonmetro.gov>  
**Subject:** [External sender]Supportive Housing Services Program Work Plan

**CAUTION:** This email originated from an **External source**. Do not open links or attachments unless you know the content is safe.

Thanks for the opportunity to review the plan and offer feedback. The plan connects well to the planning work done through the HereTogether Advisory process. My one suggestion is to expand the service strategy to call out culturally-responsive service providers. Culturally-specific organizations ought to be a priority. They won't be able to do the work alone. It's important to set criteria for what is a culturally-responsive organization. The Meyer Memorial Trust's [DEI Spectrum Tool](#) provides an excellent example.

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**ANDY NELSON**  
Executive Director [IMPACT NW](#)  
[REDACTED]  
He/Him/HIS

[Join the movement to prevent homelessness](#)



Metro SHS Staff:

Comments on SHS Program Work Plan, November, 2020

11/20/20

First, I concur with the comments from the Council during the 17 November Work Session to the effect that the proposed Work Plan represents a great deal of overwhelmingly solid work and forethought regarding how the region is to proceed in providing effective supportive services. I am entirely supportive of the goals and urgency to make this happen quickly and effectively.

That said, having listened to the 17 November Council presentation, and having had a bit more time to review the SHS Work Plan, I have a few comments that I feel deserve some additional thought or elaboration. Staff may already have taken these observations into account and I cannot claim to understand all the considerations that have been included.

Comment # 1:

My previous comment (e-mail - 17 November) regarding the tri-county advisory body needs some modification. On further reading I realized that, indeed, the Work Plan envisions an additional group that you have labeled the “tri-county advisory body”. My preliminary comment was the result of some misunderstanding on my part since it would seem that the Regional Oversight Committee (ROC) is also, by design, a “tri-county advisory group”. My first suggestion would be to give the second advisory body a specific name and acronym to avoid confusion. My first suggestion would be: SHS Advisory Group (SHSAG), which is catchy but not easy to pronounce, yet still better than TCSHSAG (tri-county SHS advisory group). I will use SHSAG for convenience.

Comment #2:

I found the apparent overlap between the 2 committees somewhat confusing and the role of the SHSAG somewhat lacking in clarity. The ROC is specifically constituted to “provide policy and programmatic guidance” [S. 3.4] which seems to overlap with the role of the SHSAG to “identify regional goals strategies and outcome metrics and....to inform the SHS program implementation.” [S. 6.1]. In addition, both committees seem to rely on overlapping membership criteria such as lived experiences, experience with critical homelessness issues, ethnic and geographic diversity, and having skills or expertise in such services. I understand that the ROC is largely specified by the ballot measure while the SHSAG must be created by Metro and that some overlap is unavoidable, but on a technical level, it might be clarified at the outset whether individuals may be members of both committees or only one. I assume the size of the SHSAG will be determined at a later date and note that the ROC might be asked to provide input on that matter.

Comment #3:

Perhaps I missed something but the level and type of authority and the channels of communication between the SHSAG and other groups was not very clear. The Work Plan calls for this group to be created by Metro and of course Metro can structure its

responsibilities at a later date, but it would seem valuable to provide an outline of its communication role and responsibilities vis a vis both the ROC and the Local Implementation Partners (LIPs) should be identified in the Work Plan. It would seem the benefits of an additional group (the SHSAG) would be in bringing in both more and more diverse regional “players”. It would seem that close coordination with the ROC might be a benefit to the process and help distill, for the Council, any proposed changes in policies or implementation strategies. It would seem potentially disadvantageous to have two independent groups trying to advise Metro Council on how to move forward. Since the SHSAG also envisions elected members, some formal pathways for interaction with the LIPs might also be needed.

Comment #4:

This is a comment regarding the timing and wording of the “charge” of the SHSAG as noted in 6.1. From a timing standpoint, it would seem that the current Work Plan provides much of the basis for “regional goals, strategies, and outcome metrics”, such that the real role of the SHSAG will be to suggest midcourse corrections. Since funding for full implementation will ramp up over 2021, it would seem that processes and goals (at least on an interim basis) would already be in place by the time the SHSAG has the full support it needs to function. In addition, one or two years of early implementation metrics will indubitably guide their analysis and input.

Comment #5:

Regarding metrics: Although I am by no means more than a novice in the field of SHS, it would be my hope that metrics beyond housing metrics might be developed. These might include the number of persons interacted with and response resource expenditures for services such as counseling, medical interventions, critical transportation, etc. I assume these have been considered but did not see them called out.

Comment #6:

The taxation plan seems quite thorough and well laid out, with suitable alterations to avoid double taxations. I did note one part of the verbal presentation that was not included in the written materials and that was regarding use of a basic calculation assumption based on Portland and Multnomah County vs. the method used by the State of Oregon. My only comment would be to ask for more information on how this calculatory assumption comports with the other larger cities in the region. I cannot comment further since this element does not seem to be covered in the supporting materials.

General Comments:

Overall I find the SHA Work Plan to be very good basis for moving forward and represents a great deal of excellent work. I support it and will work to make its goals into reality. I hope more detail on the structure and charge of the SHSAG will be developed in the early phases of the implementation. I hope these comments are helpful.

Gerritt Rosenthal

IN CONSIDERATION OF

- ORDINANCE 20-1452, FOR THE PURPOSE OF ADDING A NEW TITLE XI TO THE METRO CODE AND A NEW CHAPTER 11.01 “SUPPORTIVE HOUSING SERVICES PROGRAM” WITHIN THAT TITLE; and
- ORDINANCE 20-1453, FOR THE PURPOSE OF ADDING A NEW METRO CODE SECTION 2.19.270 ESTABLISHING A SUPPORTIVE HOUSING SERVICES REGIONAL OVERSIGHT COMMITTEE; and
- ORDINANCE 20-1454, FOR THE PURPOSE OF AMENDING METRO CODE TITLE VII TO ADD NEW CHAPTERS 7.05 “INCOME TAX ADMINISTRATION FOR PERSONAL AND BUSINESS TAXES,” 7.06 “PERSONAL INCOME TAX,” AND 7.07 “BUSINESS INCOME TAX”
- RESOLUTION 20-5148 TO ADOPT THE SUPPORTIVE HOUSING SERVICES WORK PLAN

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Date: November 24, 2020  
Department: Planning and Development  
Meeting Date: December 3, 2020

Prepared and Presented by: Jes Larson  
and Rachael Lembo  
Length: 40 minutes

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**ISSUE STATEMENT**

In February 2020, the Metro Council referred a ballot measure to voters that would authorize funding for regional supportive housing services and in May 2020, voters approved it. The ordinance authorizing the income taxes stated that, upon passage of the ballot measure, the “Metro Council will take further action to establish rules to enforce and implement the taxes imposed by the measure.”

Following direction given by Metro Council during the November 17, 2020 work session, these ordinances update Metro code to establish the Regional Supportive Housing Services program and oversight committee and to enact the tax collection system. The resolution approves a programmatic work plan as needed to direct implementation for the Planning and Development department.

Certain sections of the tax code have prompted discussion and comments since the November 17 work session.

- **Apportionment methodology.** Apportionment refers to the way a business allocates their net income when they also operate outside the Metro district, in this case specifically of services and other intangible items. Multnomah County and the City of Portland use a cost of performance method, and the State of Oregon uses a market based method. Metro’s charter authority to impose income taxes also provides latitude on how it structures those taxes. With respect to apportionment, Metro can choose either a cost of performance or market based methodology for

apportionment of income. At the work session, staff proposed we adopt the method consistent with Multnomah County and the City of Portland because it will result in lower collection costs. However, Metro could alternatively choose the market based method and align with the State of Oregon. The City has estimated this would increase collection costs by approximately \$500,000 per year. Metro staff do not have access to data to analyze the impact to tax revenue, however, this would result in a higher number of nonresident businesses subject to tax, which can be more challenging for enforcement.

- **Head of household filing status.** As noted at the November 17 work session, Metro has two filing statuses, single and joint, however there are five filing statuses available at the State level. Staff proposed individuals using head of household filing status on their State tax return would file a Metro single tax return, which has an income exemption of \$125,000. Alternatively, those filers could file a Metro joint tax return, which would result in an income exemption of \$200,000. The estimated maximum tax revenue impact from this change is a reduction of \$2,812,500, based on available State data.
- **Employer withholding.** At the November 17 work session, staff proposed Metro require employers to *offer* withholding, but not require mandatory withholding. This was primarily due to the challenge for employers in determining the correct withholding amount and the risk of over-withholding. Since that work session, staff have been working with Multnomah County staff as they prepare their code for the Preschool for All income tax, with the goal of aligning the codes to provide consistency to tax filers. Through those discussions Metro and Multnomah County have agreed on a revised withholding recommendation: voluntary employer withholding in calendar year 2021, and mandatory employer withholding for employees earning more than \$200,000 beginning calendar year 2022 unless an employee chooses to “opt out” of withholding. Thus, although employers would be required to withhold, employees would still have the option to opt in or out of withholding, just as with most income taxes. Requiring employer withholding at the higher threshold of \$200,000 results in less risk of over-withholding than if a lower threshold was used. The attached code proposal reflects this updated recommendation.
- **Pass-through entity taxation.** In the ordinance which referred this measure to the voters, Metro stated it would utilize, as guidance, the Multnomah County Business Income Tax rules and procedures for the business income tax. The County taxes all businesses, including pass through entities such as s-corporations and partnerships. At a State level, pass through entities do not pay business tax based on net income, instead they report net income to their owners, who then pay personal income tax on that income. As a result of this, Metro developed a solution to ensure pass through income was not taxed twice. Alternatively, Metro could exempt pass through entities from the business tax, and tax the owners via the personal income tax. Due to the income exemption on the personal income tax, this would result in lower tax revenue. The estimated maximum tax revenue impact from this change is



a reduction of \$15,000,000, based on staff analysis on double taxation. This alternative would result in a number of complex changes throughout both the business and personal income tax codes. If Metro Council directs staff to prepare this code change it may be prudent to delay adoption of the ordinance by another week in order for the technical experts on the tax table to review the proposed changes and their possible effects.

- **PBA Testimony (November 19).** The Portland Business Alliance (PBA) provided oral and written comment at the November 19 Council Meeting, asserting that the “voter-approved ordinance and proposed code may run afoul of a state law requiring any Metro income tax to be consistent with the Oregon income tax.” PBA specifically asserted that Metro’s approach to income apportionment and entity-level taxation were not “consistent” with how the state administers its business income taxes. The PBA’s “consistency” assertions rely on ORS 268.505.

However, Metro has both Charter authority (Metro Charter, Chapter III, Section 11) and statutory authority (ORS 268.505) to impose personal and business income taxes. Accordingly, Metro has two completely independent sources of authority– or options – for imposing income taxes, though both require voter approval. At the time of adoption, and in the Measure itself, Metro was clear in its intent to use the Multnomah County Business Income Tax as guidance for implementing Metro’s business income tax. This provided direction to staff developing the proposed Code. Metro’s independent charter authority to impose these taxes does not require it to “be consistent” with state law (although it may choose to do so). Rather, it provides the Metro Council with flexibility in how the Council chooses to structure these taxes.

### **ACTION REQUESTED**

Staff requests adoption of Ordinances No. 20-1452, 20-1453, 20-1454 and Resolution 20-5148.

Ordinance No. 20-1454, for the purpose of amending Metro code title VII to add new Chapters 7.05, “Income Tax Administration for Personal and Business Taxes”, 7.06 “Personal Income Tax”, and 7.07 “Business Income Tax” contains an emergency clause and would become effective immediately upon adoption. This will allow staff to proceed with adoption of administrative rules to assist taxfilers with these new tax codes.

### **IDENTIFIED POLICY OUTCOMES**

The establishment of the Supportive Housing Services program and the regional oversight committee in the Metro Code and programmatic work plan will define and describe the roles, responsibilities and administrative actions needed for implementation of the program.

The Metro income tax codes codify certain provisions of the Supportive Housing Services Measure approved by the voters, and the codes will also establish rules to implement the taxes imposed by the measure in an effective and efficient manner. These rules provide

details and also address tax considerations which were not addressed in the measure yet impact the tax paid by individuals and businesses and the total tax collected by Metro.

### **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

- Adoption of these ordinances and resolution. This will allow staff to proceed with establishment of the Supportive Housing Services program, regional oversight committee and implementation of the tax system.
- Adoption of these ordinances and resolution with revisions or modifications as described by Council.
- Rejection of these ordinances and resolution with other direction to staff for development of this program and the tax system. This would delay implementation.

### **STAFF RECOMMENDATIONS**

Staff recommend that Metro Council adopt Ordinances No. 20-1452, 20-1453, 20-1454 and Resolution 20-5148.

### **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

Implementation of the regional affordable housing bond program has been guided by a work plan developed by staff to define and develop the intentions described in the ballot measure. Staff have taken a similar approach with the Supportive Housing Services program to further develop and define the programmatic intentions of the ballot measure with a programmatic work plan.

Over the summer, a regional stakeholder advisory table was convened to provide guidance on early implementation questions. It was composed of a broad-based group of community stakeholders including culturally specific organizational leaders, housing, homeless and social service providers, behavioral health and healthcare providers and business interests. The table also included agency leadership from the three housing authorities and county homeless services agencies. The table met four times over the summer to prepare recommendations for the Metro Chief Operating Officer to inform development of the programmatic work plan and code, to be brought before Metro Council for consideration in the fall.

Development of the work plan has been further advised by Metro Council direction at the November 17<sup>th</sup> work session, and a public comment period that concluded on November 30<sup>th</sup>.

Metro staff formed a tax implementation advisory table to advise on technical aspects of tax implementation, technical issues, and provide recommendations to ensure a smooth, legal and easy tax collection process. Members included experts in taxation, tax policy, tax implementation and business stakeholders. The table met with staff five times this year and provided input on development of the tax codes.

## **BACKGROUND**

Homelessness and housing prices have increased dramatically in the Portland area over the past decade. Estimates of homelessness in the region range between 6,000 and 12,000 people. In January 2019, officials counted 5,711 people experiencing homelessness in Clackamas, Multnomah and Washington counties. Additionally, the Oregon Department of Education counted more than 7,000 students who experienced homelessness in the 2018 school year in Metro-area school districts. These reports undercount people experiencing homelessness while staying with a friend or family, or living in vehicles.

In recent years, more people are experiencing ‘chronic’ or prolonged homelessness. Approximately 3,123 to 4,935 people in the region experience homelessness related to complex and disabling conditions.

Additionally, Black, Indigenous and People of Color (BIPOC) disproportionately experience homelessness. BIPOC make up 21% of the total population in the tri-county area but comprise 31% of the homeless population. More specifically, Black and Indigenous people make up 5% of the total population but comprise over 20% of the homeless population.

The HereTogether coalition, a broad group of service providers, business leaders and advocates worked over the course of the last two years to develop the Regional Supportive Housing Services measure. As a broad coalition they identified the regional supportive housing need, developed programmatic and taxation strategies, engaged communities and built broad consensus for their programmatic and governance framework. With the support of elected leadership in Clackamas, Multnomah and Washington counties, they approached Metro in the Fall of 2019 requesting that Metro refer a measure to the region’s voters. In February 2020, the Metro Council unanimously referred the measure to voters and the voters passed the measure with 58% support in May 2020.

## **ATTACHMENTS**

- Ordinance 20-1452, For the Purpose of Adding a New Title XI to the Metro Code and a New Chapter 11.01 “Supportive Housing Services Program” within that Title; and
- Ordinance 20-1453, For the Purpose of Adding a New Metro Code Section 2.19.270 Establishing a Supportive Housing Services Regional Oversight Committee; and
- Ordinance 20-1454, For the Purpose of Amending Metro Code Title VII to Add New Chapters 7.05 “Income Tax Administration for Personal and Business Taxes”, 7.06 “Personal Income Tax”, and 7.07 “Business Income Tax”; and
- Resolution 20-5148 to adopt the Supportive Housing Services work plan

Materials following this page were distributed at the meeting.

## Written Testimony for Resolution 20-5149

12/8/2020

Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.

Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.

The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

-John Marshall

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To whom it may concern at Metro Council:

I am writing to express my concern about toxic waste dumping in Willamette Cove.

1. Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.
2. Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.
3. The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

Thank you for your consideration.

Sincerely,  
Julie Talcott-Fuller

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Thank you for your leadership on the purchase of Willamette Cove following the public bond measure.

Given the small amount of public land along the (Portland area) Lower Willamette River, please continue to be visionary and move to fund the complete removal of toxic material from the full site.

Thank you for your consideration and public service.

Sincerely,  
Gail Curtis

To the Portland Metro Council

1. Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.
2. Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.
3. The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

Thank you for your consideration,  
K. Anne Conrad Antoville & Anthony Antoville

---

Hi there,

I am writing to share my comments on Willamette Cove.

Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.

Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.

The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

Thank you,  
Stephan Nance  
they/them

---

This is supposed to be a green space. No toxic waste dump!!!

Cristy Murray

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1. Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.

2. Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.
3. The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

These are my opinions concerning Willamette Cove

Sandra Siegner

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1. Willamette Cove should not be used as a contaminated waste dump because of its proximity to the Willamette River. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.
2. Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.

Diane Howieson  
Portland resident

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**Re: RESOLUTION 20-5149**

I am writing to urge the Metro Council to amend Resolution 20-5149 and commit to a full cleanup of Willamette Cove as an important step in realizing the highest standards of the Portland Harbor Superfund Site initiative.

Willamette Cove was one of only a few areas in the project that was expected to have public access as a Metro Natural Area after the Superfund clean-up is completed.

Metro's commitment to a proactive public process and green space funding are commendable but not enough, since leaving contaminated soil onsite could undermine human and wildlife health and possibly restrict future use of the area.

That said, I urge the Council to support a complete cleanup alternative that will be well worth the investment for generations to come.

Thank you.

Lloyd Vivola

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Dear Metro Councilors,

Please support a serious clean up of the 27 acres of Willamette Cove and avoid setting an example of "let's don't and say we did". Just capping the waste is insufficient. This site should become fully safe from toxins and fully open to the public. That's what we expected when Metro bought the property 25 years ago and that's still what's needed. Please also keep the agreements and discussions around these

decisions open and transparent. A lot of us care about cleaning up the Willamette and want to be informed.

Thank you for your consideration.

Ann Littlewood  
Portland, Oregon

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To the Metro Council:

As part of your commitment to the public trust that elected you and accordingly to the fiduciary use of public dollars with your purchase Willamette Cove, the 27-acre site along the Willamette River,

it's now been over 25 years since the 1996 purchase with Greenspace Bond measure dollars, and because the site is still not open to the public because of contamination issues, I implore you to do

the right thing to create a public natural area and remove all contaminated soils that exceed human health risk levels.

A partial cleanup is totally unsatisfactory. Do not leave 23,000 cubic yards of contaminated waste on the site by burying it underground beneath permanent caps. Leaching can occur!

Metro should be completely transparent about all aspects of the Willamette Cove Cleanup and commit to a full cleanup of the site.

For a clean Willamette River,

Lynn Herring

---

Good morning, these comments are pertaining to the hearing on the resolution for cleaning up Willamette Cove. As a citizen, I'm concerned that the resolution will not clean up toxic soil. We would like to be able to use the greenspace and will not be able to do so unless fully cleaned up. I'm requesting these comments submitted as written testimony.

1. Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.
2. Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.
3. The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

Thank you,  
Hope Lobkowicz



---

Dear Legislative Coordinator:

I am writing to insist that Willamette Cove should not be used as a waste dump. This contamination is a threat to humans, shorebirds, waterfowl, wildlife, and vegetation.

Pollutants in ground water and fresh surface waters that flow into wetlands are toxic to plants and animals and accumulate in wetland sediments encouraging invasive species. These threats along with climate change add additional stressors to the environment.

The pollution in Willamette Cove has not been resolved for 25 years and yet it was supposed to be available for public use. It is still not open due to contamination issues.

Willamette Cove deserves a future as a public green space that is fully cleaned, therefore Metro should add an amendment to the resolution to support a thorough cleanup to remove all contaminated soils.

Respectfully submitted,

June Stephens

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To Metro:

It is so simple to understand that it is not ok to leave toxic soil contamination at Willamette Cove. You got left holding the ball, and are representing all of us in whatever (so far secret) agreements you have with previous polluters/owners.

We all have to live with the same general cleanup rules: if I buy land with polluted soils, I have to clean it up if I can't get the previous owner to do it. We as a society no longer tolerate this type of pollution, legally or morally, and especially in such a scale!!!

Capping is totally unacceptable for this public, waterfront, 'green space'. It must be cleaned up to human health standards for our use.

Do the right thing! Serve the people, not the polluters. Insist on cleanup, not cap and hide! It will be that much harder if you don't get on it. The seeping and leaking will never end. You are responsible to do this right.

Humans count more than corporate dollars. Quit protecting polluters, open up the process, and create a piece of riverfront we can truly fully use and is restored.

Thank you,  
Catherine Arp

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Dear Metro Council Decision Makers,

Willamette Cove should not be used as a contaminated waste dump. Metro bought Willamette Cove, the 27-acre site along the Willamette River in 1996 with "green space bond measure dollars" to be used as a public natural area. 25 years later, the site still is not open to the public because of contamination issues.

The proposed solution of burying some of the contaminated soil underground beneath permanent caps is insufficient and would leave 23,000 cubic yards of contaminated waste on the site, which would mean the area could still not be opened to the public.

Metro has been hiding behind confidential cleanup agreements and its attorneys in explaining why it cannot support a more aggressive cleanup of this site.

Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove. Leaving contaminated waste on this site will increase public risk and limit public use. Metro should not allow a public natural area to be used as a permanent contaminated waste dump.

Cleanup of PUBLIC sights should not be decided behind closed doors. Metro needs to be transparent regarding what was supposed to be a PUBLIC natural area, but is still not open because of its avoidance of doing the right thing by the people of Portland and anyone visiting our river.

Most Sincerely,

Anna Nicholas  
Portland

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Please support a complete cleanup of waste in a transparent manner rather than capping and hiding toxic materials. We deserve better from our Metro. Thanks, Marshall C. Goldberg, MD, MPH.

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1. Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.
2. Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.
3. The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

Thank you for your time,  
Stephanie Sandmeyer

Metro should commit to complete cleanup of the Willamette Cove removing all contaminated soils that exceed human health risk levels.

Then too, the cleanup of these public sites should not be governed by secret agreements. All aspects of the Willamette Cove cleanup must be completely transparent.

Concerned citizen,  
Kathryn Sheibley

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Dear Madame/Sir,

I am writing to demand that Metro take appropriate steps to clean-up the toxic waste dump at Willamette Cove. This public natural area needs to be contaminate free so that citizens and wildlife can safely enjoy the space.

- Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.
- Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.
- The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

Sincerely,

Trine Beach  
SE Portland Resident

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Dear Metro Council:

Please accept this Testimony on the Future of Willamette Cove from the Cathedral Park Neighborhood Association (CPNA), the neighborhood which encompasses the Willamette Cove property.

Thank you for taking into consideration feedback from the community in drafting the resolution that you will be considering on Thursday, December 10, regarding the future of Willamette Cove. We appreciate the efforts of the Council to make the Cove eligible for Parks and Nature Bond Funding, to commit to considering development of the area for trails, beach access, and passive recreation, and to commit to seek out meaningful engagement with the community to determine how best to utilize the property known as Willamette Cove.

We would also like to take the opportunity to restate that CPNA is in favor of a full clean up of the site so that the residents of our neighborhood specifically, and the citizens of Portland in general, can enjoy the entirety of Willamette Cove without having to worry about contaminants resurfacing at some time in the future. CPNA believes that a full removal of the contaminated soil will provide a safer environment for the neighbors who live there now and for the people who will discover Willamette Cove in the future.

In light of this stance, we would ask that you consider including language in Resolution No. 20-5149 that would indicate a commitment to discuss further actions Metro could take to improve the environmental

conditions of the property should a determination be made by DEQ and the Port of Portland that toxins will remain on the site as part of their plan for clean-up. An amendment that addressed the concerns of the community and expressed this commitment was proposed by Metro Councilor Sam Chase but it has not been included with the draft being considered on December 10. Please consider including this amendment in the final resolution in some form so the community has confidence that a full clean-up is still a possibility at Willamette Cove.

Thank you for your time and consideration.

Very Best Regards,

Jon Smart  
Chair, Cathedral Park Neighborhood Association

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Please do not use Willamette Cove as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.

Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.

The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

Thank you for your time,

Terrie Burdette

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To whom it may concern,

I believe the following and want to see our nature areas available to the public and maintained so as to be clean and safe.

1. Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.
2. Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.
3. The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

Sincerely,

Carissa Campos

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Testimony for the public meeting  
Willamette Cove cleanup responsibility  
Irina Phillips, a citizen living in NE Portland

Metro (a public organization) purchased the 27-acre property in the St. Johns and Cathedral Park neighborhoods of North Portland in 1996 using public money from the 1995 natural areas bond measure. The original owner of the site was Port of Portland. Initial plans to redevelop Willamette Cove into an urban natural area and extend the North Portland Greenway Trail were stalled when high levels of contamination were found throughout the site. The current focus is on cleanup efforts.

In 2015, soils with the highest levels of contamination were removed from the upland areas and trucked to a landfill south of The Dalles. But contamination still remains throughout the site and in the river that pose risks to human health and the environment. We are not at the stage of urban natural area for sure. And it is not safe to extend the trail.

Cleanup options range from a maximum of removing all of the contaminated soil to a more reasonable/hybrid approach, where the worst of the contamination would be removed and the rest of the site would be capped with clean soil and monitored to protect the public and wildlife from pollution. The recent experience in other Superfund areas signals that capping does not stay on as designed during severe flooding & earthquake events.

Willamette Cove is one of the few sections of the Portland Harbor Superfund site that is in public ownership, which means that everyone has a stake, and people (citizens of nearby neighborhoods, more broader Portland, but also potential users of the suggested trail) have to define what level of access is safe and consistent with Metro's role in the region. I advocate for the Metro council to release communication with the administration of Port of Portland where they discuss the seriousness of toxic pollution & agree on sharing the cleanup costs. And I also advocate for taking a pause (at least 30 days) after DEQ's record of decision release to listen to the public & decide what is the best for the area, river & the City.

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Dear Portland Metro:

Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.

Thank you for making Willamette Cove eligible for the 2019 greenspace bond measure. Please take the resolution a step further and fund a complete cleanup of the site to make it a riverside park that Portland residents can visit safely. There is precious little (almost no) access to the River in metro Portland and any public access is a huge boon. Private, often-contaminated lands, make the banks of the Willamette almost completely off limits south of Linnton. This is a great shame and a huge detriment to the community. A public park at Willamette Cove would be hugely popular and welcome.

Also, as an active member of Portland's birdwatching community, I have noted that it is next to impossible to view the birds in the river between the Fremont Bridge and Sauvie Island. I have heard fellow birdwatchers complain about this fact numerous times. Portland has a thriving birdwatching

community and many members would welcome a public place to view the birds of the river and river edges. Willamette Cove would be a wonderful start to begin reopening the river to the community and reclaiming at least some of it from decades of industrial use and contamination. I understand that industrial uses are vital to the Portland economy, but some balance with public access and recreation is necessary. Industry and the Port of Portland have both feet on one side of the scale currently. So please help to at least put one finger on the other side.

Thank you so much for your time and consideration. Many Portland constituents are crossing their fingers and counting on you to make the right decision.

Philip Kline

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To the Metro Council:

Back in 1996, Metro purchased Willamette Cove with public bond money to be a public nature area. I want access to the shore of this section of the Willamette River for myself and for future generations. To allow for this, ALL the toxic waste health in this area that is hazardous to humans must be removed.

Also, the plans a agreements that Metro makes should be public and open, so I can trust that I am informed of how this area will be handled.

Thanks for working on this,

Linda Leyva

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Willamette Cove and the residents of Portland deserve a clean and ecologically healthy shoreline. Metro can and should commit to a full clean-up of the site instead of kicking this can of contaminants further down the road. Permanent solutions are cheaper in the long run and better for all. My husband and I moved to St. Johns six years ago because this working-class port neighborhood has a beautiful shoreline on the Willamette, lovely parks--including Kelley Point at the confluence of the Willamette and Columbia, and a cohesive sense of community. We walk our dogs along the cliffs above Willamette Cove, just three blocks from our house, and wish we dared to walk along the the river where we see many others jogging or strolling or walking THEIR dogs despite the warning signs. We drive across the bridge to Vancouver sometimes to walk along THEIR shoreline on the Columbia and always envy them the progress they've made in establishing trails and parks where we have superfund sites. If they can do it, so can we. It would pay us back many times over and contribute mightily to Portland's appeal to both residents and visitors. The delays have dragged on long enough. Put some people to work and establish greenbelts on both sides of the Willamette AND our side of the Columbia. Willamette Cove is a sweet place to start.

Most sincerely,  
Sue and Jim Tarjan

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I have been looking over the plan for the Superfund cleanup and am left with the conclusion that this plan will not recover the health of the site. Throwing a few feet of fill on top of toxic waste is like...putting a bandaid on a boil. It looks better but the problem remains. It is likely to emerge again in the future and will require constant monitoring, updating and maintenance.

Many Oregonians who once relied upon fish from the Willamette and the from the confluence with the Columbia won't fish here now. Some do anyway. Children living nearby need healthy areas in which to

recreate close to home. (Many, when I taught school in St. Johns, had never been to a natural area even as far from home as Forest Park. They will use this area whether or not it is safe. Isn't that their birthright? ) Of interest to me personally is the contention that the groundwater will be safe because Portland citizens have safe water piped from Bull Run to drink. Nope. There are residents on the NW side of the city, many within view of the river who are not provided with Bull Run water. They (we, I'm one of them) depend upon getting clean drinking water from wells, some as deep as 600-700 feet. I am not convinced that the plan you are considering includes adequate science to protect against the contaminated groundwater migrating to create a dangerous water crisis for users. Add to that the fact that we are in an earthquake zone.

Finally, Portland has, over many decades, built a reputation for respecting and preserving the rights of our native animals, insects, plants... the complete array of natural organisms. This plan is not in the spirit of our city or our state.

Paula Sauvageau

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Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.

Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.

The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

Thank you.

Andrew Frank

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I recently moved to North Portland from Minnesota, and was walking my dog around the University Park area---and then I stumbled upon Willamette Cove. "What a beautiful area!" I thought.....trees...water...what could be better for a nice walk?

But then I saw the WARNING signs posted, and quickly retreated--doing research, it seems that the area has been abused and neglected for decades, and that the Metro Council isn't sure if it should all be cleaned up!!

Of course it should all be cleaned up! You and I both know that those "permanent cap" proposals are inevitably gonna start leaking somewhere down the line. The two of us might be dead by then, but for our children, or our children's children, it matters!

Let's do the right thing NOW and clean up the whole thing....and DEFINITELY not add more toxic waste there!

My regards,

Quinn Rivenburgh

Portsmouth Neighborhood homeowner

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To Whom it May Concern,

Please let the Metro Council know:

1. Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.
2. Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.
3. The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the site.

Thank You, Brett Davis, MPH, CBME



## Written Testimony Received after the cutoff for Resolution 20-5149

12/10/20

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TO: Lynn Peterson, Metro Council President  
Metro Council  
FROM: Charles Ciecko  
SUBJECT: Resolution 20-5149  
DATE: December 9, 2020

Thank you for the opportunity to submit comments supporting Resolution 20-5149. If approved, this resolution will allow Willamette Cove to be included in the list of Metro Parks and Natural Areas eligible for 2019 bond funds.

As director of Metro's Regional Parks and Greenspaces Dept. during the development and implementation of Metro's first open space, parks and streams bond measure, I had direct involvement with the acquisition of Willamette Cove. An option to purchase this site was secured prior to the election and presented to voters as a specific example of a property to be acquired with bond proceeds upon voter approval. Willamette Cove was always intended to provide an array of recreational opportunities and access to the Willamette River for an historically underserved community.

The delay in moving forward with cleaning this site and making it available for a variety of public uses has been disappointing but finally the time to move forward with plan development and implementation is appropriate and timely.

A partial cleanup which limits future public use of Willamette Cove should be rejected and removal of all contaminants should be pursued at the earliest possible time. This is the only option that will result in realization of the full potential of this important site.

Thank you for your consideration.

Respectfully,

Charles Ciecko

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This resolution does not evaluate a full cleanup of Willamette Cove and is therefore insufficient.

Any cleanup decision that allows hazardous soils to be left consolidated onsite is doomed to failure due to the volatile and unpredictable nature of river flooding and the likelihood of a major future earthquake. That option would be unacceptable. Past flood events have exceeded both the current 100 and 500 year flood boundaries.

Because Willamette Cove is a unique site that has great potential to serve both residents and wildlife, it is worth the funding needed to do a full cleanup. That is the only way to create long term safe access.

I urge Council members to reconsider the ordinance and pursue a full cleanup of Willamette Cove hazardous soils.

Thank you,

Barbara Quinn

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As an avid birder who spends most of my free time exploring the greenspaces of the Portland area, I strongly believe there would be no better use of the amazing bond measure that we passed in support of greenspaces than to fund the cleanup of toxic waste from Willamette Cove and convert that space into a vibrant neighborhood nature park. This year has shown the need for community greenspaces more than any other. And as Portlanders, we would be doing our community and our future generations a grave disservice if we did not take this opportunity to fully remediate this beautiful area and help it live up to its huge potential.

I also believe that the decision making process on what to do with this piece of land should be transparent to all, so that we are fully invested in the process of a public asset. I appreciate the opportunity to submit testimonial on this important issue and have faith that Metro will do the right thing, honor their commitment to environmental stewardship on behalf of all Portlanders.

Signed,

Brodie Cass Talbott

NE Portland

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To whom it may concern,

Willamette Cove should not be used as a contaminated waste dump. Metro Council should amend the resolution to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels from Willamette Cove.

Cleanup of public sites should not be governed by secret agreements. Metro should be completely transparent about all aspects of the Willamette Cove Cleanup.

The commitments in the resolution to engage in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are positive steps forward but they are not enough—Metro must also commit to a full cleanup of the cove!

---

Dear Metro Commissioners,

Thank you for taking 3 steps forward in Willamette Cove Resolution No. 20-5149.

- Making Willamette Cove eligible for Parks & Nature Bond funding
- Agreeing to a future public involvement process to determine the future use of Willamette Cove
- Expanding Metro's vision beyond only the North Portland Greenway Trail on the outer edge of the property

Unfortunately, the resolution does not commit Metro to evaluate how to achieve a FULL cleanup of Willamette Cove. Instead, the resolution suggests that Metro supports a consolidation facility and capping over the majority of the contaminated sediment at Willamette Cove. This ignores community priorities and the Confederated Tribes of the Yakima Nation, asking to remove as much of the contaminated sediment from the site as possible. It also sends a clear message to youth that instead of taking responsibility to clean up our mess, we will leave it to them, the next generation, to deal with the toxic waste that Metro and the Port refused to remove. This is irresponsible and far from the mission of Metro.

I urge the council to support Metro Councilor Sam Chase's amendment to add a FULL cleanup conversation back into the resolution. *" Metro Council shall, within 30 days of the release of Oregon DEQ's remedial cleanup action record of decision on Willamette Cove, convene a work session to discuss additional and voluntary actions that Metro could take at the site to further improve its environmental condition; and "*

In addition, Council needs to make transparent the confidential agreement between Metro and the Port related to Willamette Cove to the public.

The communities that live in the north reach of the Willamette River have been displaced, and sacrificed for far too long. Why can't we enjoy the benefits of clean land, water and equitable access to the river without the fear of contamination. We do not want a half-assed job – we want what is fair and just. We want Metro and the Port of Portland to take responsibility for fully cleaning Willamette Cove. To do otherwise is unethical and repugnant.

As a retired teacher who spent over 20 years working with families from north Portland and St. John's and as a youth mentor who understands the desperation of youth who are sick and tired of waiting for our leaders to take bold action, I urge you to commit to a FULL clean up the cove and go down in history as having the foresight to do the right thing.

Thank you,

Jan Zuckerman

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To whom it may concern,

I have lived in St Johns for the last 13 years and have spent a lot of time exploring Willamette Cove and it has become one of my favorite places to walk. It is a treasure in the rough. I never take my dogs or my children down there however because of the possibilities of toxic waste exposure. I think it is absolutely imperative that Metro remove all toxic waste detrimental to humans. It is not a sustainable solution to bury the waste. It is only a bandaid. We need to make this a green space for all of Portland to enjoy!

Thank you,  
Heidi Scott

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Hello,

I am a concerned Oregon citizen writing to you about the resolution for Willamette Cove. I strongly believe that Willamette Cove should not be used as a contaminated waste dump, and that the resolution coming before the Metro Council should be amended to explicitly support a cleanup alternative which removes all contaminated soils that exceed human health risk levels. Cleanup of public sites should not be governed by secret agreements; Metro needs to be completely transparent about all aspects of the Willamette Cove Cleanup. The commitments to engaging in a robust public process regarding the future of Willamette Cove and making Willamette Cove eligible for 2019 greenspace bond measure funding are amazing steps forward - but they're not enough! Metro must also commit to a full cleanup of the site, for the site's future and safety.

I was alerted to what was going on at Willamette Cove by Portland Audubon. I would strongly suggest Metro contact Portland Audubon and include their input while considering this resolution.

Thank you for your time,

DeForest Rolnick-Wihtol

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A thorough cleanup of the Willamette Cove will be an inspiring new story of this River. Heretofore Metro's nature parks

have not had the distinction of being as dangerously contaminated as this one. The Cove provides Metro with some unique opportunities for outdoor education, for example, a demonstration bioremediation project which could involve community members as stewards caring for this site far into the future, long after caps have degraded or detached and containment cells have started to leak.

I urge Metro to rise to this watershed moment, and put Councilor Chase's resolution amendment for a full cleanup effort back into the resolution. Metro, unlike the city or state, is uniquely poised to actually increase the health of this River, this community. We will not regret it!

Respectfully,

Laura Feldman

Willamette River Advocacy Group

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Hello LC,

I live in the cathedral park neighborhood and I'm writing to implore you and those involved to vote for a full cleanup of the toxic chemicals in and around wilamette cove. Oregon prides itself as being a green and naturally beautiful state. Let's not take a half measure here.

Thank you.

Josef Liebhardt

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Re: Res 20-5149, and Willamette Cove Generally

Dear Metro President Petersen and Metro Councilors -

On behalf of Willamette Riverkeeper and our hundreds of members in the Portland Metro area, I'm sending this short note encouraging you to approve Resolution 20-5149. It makes a lot of sense to enable Metro to spend bond funds on a portion of the Willamette Cove cleanup, especially since Metro's responsibility represents a small share of the cleanup at this site. Willamette Riverkeeper has worked on the Portland Harbor Cleanup since the 1990s, and personally I've worked on it since December of 2000. We've gotten many hundreds of people on the river in Portland Harbor over the years. While there are many cleanup sites on the 11-mile stretch of the Superfund site, Willamette Cove stands out given it is a site owned by the public, and may provide some level of public access. We believe that Metro must advocate for the most stringent cleanup (see our comments to Oregon DEQ). Removal of contaminants from the site is paramount, and not leaving legacy contaminants based on cost is the right course. This is a basic element of *Environmental Justice*. While the Port of Portland has agreed to do the majority of the cleanup, Metro should be more forceful, and vocal about doing the best cleanup for this site. *The tepid public messaging by Metro regarding a robust cleanup to date is problematic.*

I'd also point out that this site was originally purchased for habitat and open space, and over the last 20 years it has been regularly discussed in regard to the restoration of healthy habitat - which is sorely lacking in Portland Harbor. While some public access is needed, it must be carefully balanced with the original intent of the purchase.

Thank you for your consideration. If you would like an opportunity to see the area from the river at some point, WR is happy to help enable that.

Sincerely,

Travis Williams

Riverkeeper & Executive Director

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My daughter and I live not far from Willamette Cove and I am writing to say that it should NOT be used as a contaminated waste dump. This is our beautiful river that we're talking about and Metro Council should be working towards making it a place where our community, our city can enjoy nature, not be confronted with more toxins. I urge Metro Council to unequivocally support a cleanup alternative that will remove all contaminated soil from Willamette Cove.

The clean up of our public spaces should never be covered by secret agreements. The clean up of Willamette Cove should be completely transparent in all aspects.

Your commitments in the resolution to engage the public in the process regarding Willamette Cove's future was a great step, but they aren't enough. Metro must commit to a full clean up of Willamette Cove and to its continued use as a public space.

Thank you!

-Angel O'Brien

North Portland resident

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I would like to participate in the meeting today. It is wrong in so many ways to expose toxic sediments and to rivet the soils on site in rain country.

The sediments need to be removed during the river cleanup and transported east - out of rain country.

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Hello,

I would like to provide this as testimony regarding the Willamette Cove resolution. I encourage Metro to do everything within their power to set a good example and conduct a full and thorough cleanup of Willamette Cove. Though the three steps outlined in the current resolution are good and should be pursued, they do not go far enough in terms of achieving a full clean up of the Cove. Both the local community and the Yakama Nation have called for removal of as much contaminated sediment as possible. I support the amendment proposed by Metro Councilor Sam Chase to add full clean up language back into the resolution. Finally, the council need to make the confidential agreement between Metro and the Port transparent to the public.

Portland and Metro should be leading the way on environmental stewardship, responsibility, and clean up, not just doing the bare minimum.

Thank you for considering these comments,

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Ryan Rittenhouse

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To Metro Council:

I live on the bluff above Willamette Cove.

Now that Metro is finally taking steps to clean up the cove and the uplands, I strongly urge you to amend this resolution by supporting a cleanup that completely removes all toxic contaminants from the site. Anything short of a full cleanup and removal of all pollutants would be a betrayal of the public's trust and would simply kick the can down the road for another generation to clean up. Please do the right thing. Clean it completely.

Thank you.

Kevin O'Sullivan

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Dear Metro,

We have lived in St John's since 1975 and love the river. We have swum in it, boated, and fished as well. My husband and I still go out in our little boat.

We need our regional government to do a full cleanup of Willamette Cove! My husband and I support Metro Councilor Sam Chase's amendment to add a full cleanup discussion back into the Metro resolution. Do not ignore community priorities and especially those of the Confederated Tribes of Yakima Nation which are to remove as much of the contaminated sediments as possible from the site.

All of the deliberations need to be transparent.

Don't do this cleanup on the cheap. Our beautiful neighborhood contains the trash of many decades and counting. It's time for that to stop!!!

Thank you,

Laurie and Dave King

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Thank you, Metro, for taking 3 steps forward in the [resolution](#):

- Making Willamette Cove eligible for Parks & Nature Bond funding
- Agreeing to a future public involvement process to determine the future use of Willamette Cove
- Expanding Metro's vision beyond only the North Portland Greenway Trail on the outer edge of the property

**2. The Resolution is insufficient, because it DOES NOT commit Metro to evaluate how to achieve a full cleanup of Willamette Cove.** The resolution suggests that Metro supports a consolidation facility and capping over the majority of the contaminated sediment at Willamette Cove, ignoring the majority of the community priorities and the Confederated Tribes of Yakama Nation, which are to remove as much contaminated sediment from the site as possible.

**3. Council should support Metro Councilor Sam Chase's amendment to add a full cleanup conversation back into the resolution:**

Amendment On page 2 of the resolution, following BE IT RESOLVED 2, insert:

*"3. Metro Council shall convene a work session within 30 days of the issuance of the DEQ record of decision for Willamette Cove to discuss additional and voluntary actions that Metro could take at the site to further improve its environmental condition."*

Please please please thoroughly clean up the toxic pollutants!!

Jeff Reznikoff

North Portland resident

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Dear Metro Council,

I want to thank you for taking steps to ensure that Willamette Cove is being considered for future funding from the Natural Areas bond. As someone who has direct experience with your agency and the bond measure- I always hoped that the bond measure could benefit a site like this.

Please continue to ensure public engagement on this topic is continuous and in line with some of this agency's already established extensions of outreach and advancing equity.

If Metro has not had the opportunity to do so yet- think about how this site and the engagement on this topic should be extended to the communities of color Metro already engages with, including the Natural Areas Equity workgroup and work done with Indigenous/ Tribal communities, through those established groups and positions as well.

This way the engagement is thoughtful, supported with funds that are earmarked for diverse engagement and inclusive of the community leaders in that work you are already engaging in. This is an opportunity to build on that and bring more people into this collective work.

Someday, hopefully in my lifetime, this site remediated, contamination removed and the process supported.

As someone who has been involved in many rooms that Metro convenes- I will say occasionally we are siloed. This is an opportunity for this agency to be a convener by extending the already established



supported pathways and pathfinders, dedicated to working with impacted communities- and bring this topic before those entities.

Thankyou for your leadership, consideration and support,

Jessica Rojas

Natural Areas Equity workgroup member

Northeast Coalition of Neighborhoods

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I am submitting written testimony to request full removal of contaminated soil and all contaminants in Willamette Cove.

First, I want to thank Metro, for taking 3 steps forward in the resolution. Those being:

- Making Willamette Cove eligible for Parks & Nature Bond funding
- Agreeing to a future public involvement process to determine the future use of Willamette Cove
- Expanding Metro's vision beyond only the North Portland Greenway Trail on the outer edge of the property

Second, I want to make the point that the Resolution is insufficient, because it DOES NOT commit Metro to evaluate how to achieve a full cleanup of Willamette Cove. The resolution suggests that Metro supports a consolidation facility and capping over the majority of the contaminated sediment at Willamette Cove, ignoring the majority of the community priorities and the Confederated Tribes of Yakama Nation, which are to remove as much contaminated sediment from the site as possible.

Third, I want to express my opinion that the Council should support Metro Councilor Sam Chase's amendment to add a full cleanup conversation back into the resolution:

Amendment On page 2 of the resolution, following BE IT RESOLVED 2, insert:

*"3. Metro Council shall convene a work session within 30 days of the issuance of the DEQ record of decision for Willamette Cove to discuss additional and voluntary actions that Metro could take at the site to further improve its environmental condition."*

Thank you for your attention.

Laura G Turnbull

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I am unable to attend today's meeting, but I want to relay my testimony about the future of Willamette Cove. I am an avid recreational user of the Willamette River and care deeply for the river and the people and ecosystems that depend on it.

First, I applaud Metro's expansion of its vision for the area beyond the North Portland Greenway Trail to include a more expansive green area, its action to make the cove eligible for Parks & Nature Bond funding, and its commitment to a public involvement process that will help shape the future use of the Cove.

However, Metro's current resolution on the Cove does not address the priority from the community and the Confederated Tribes of Yakama Nation to remove as much contaminated sediment from the site as possible. As written, the resolution suggests that Metro supports consolidation and capping, which are not in line with the demands of most impacted communities. As an organization that claims to prioritize equity, Metro must prioritize these voices of the Confederated Tribes, those represented by the Portland Harbor Community Coalition, and other marginalized communities in decisionmaking.

There is more work to be done. I ask that the council support Metro Councilor Sam Chase's amendment to convene a work session within 30 days of the issuance of the DEQ record of decision to discuss additional and voluntary actions that Metro could take at the site to further improve its environmental condition." A full process is critically important to responsible stewardship of the land and representation of the community.

Thank you for your attention to this matter,

Maggie Starr

---

The Resolution is insufficient, because it DOES NOT commit Metro to evaluate how to achieve a full cleanup of Willamette Cove. The resolution suggests that Metro supports a consolidation facility and capping over the majority of the contaminated sediment at Willamette Cove, ignoring the majority of the community priorities and the Confederated Tribes of Yakama Nation, which are to remove as much contaminated sediment from the site as possible.

3. Council should support Metro Councilor Sam Chase's amendment to add a full cleanup conversation back into the resolution:

(draft amendment language)

" Metro Council shall, within 30 days of the release of Oregon DEQ's remedial cleanup action record of decision on Willamette Cove, convene a work session to discuss additional and voluntary actions that Metro could take at the site to further improve its environmental condition; and "

4. Council needs to make transparent the confidential agreement between Metro and the Port related to Willamette Cove to the public

In Solidarity,

Charlie

---

Hello Metro Council,

"Mni Wiconi" Lakota for "Water is Life," water is life for all beings. Clean water is essential for all habitats. Willamette Cove is no exception - it is essential for the biosphere of the North Portland community.

Metro must act in support of the people and environment. Thank you for taking the steps of making the Cove eligible for Parks & Nature Bond funding. This is good use of the people's tax dollars. Making any and all agreements between the Port and Metro as transparent as possible to the Public aka the People, your constituents who pay tax dollars - is good governance, and cost effective.

The Council must support Metro Councilor Sam Chase's amendment to add a full cleanup conversation back into the resolution as follows: Amendment On page 2 of the resolution, following BE IT RESOLVED 2, insert:

*"3. Metro Council shall convene a work session within 30 days of the issuance of the DEQ record of decision for Willamette Cove to discuss additional and voluntary actions that Metro could take at the site to further improve its environmental condition."*

"Mni Wiconi" Lakota for "Water is Life," you must do this for the health and well-being of your children, your children's children and seven generations. Metro's mission is to safeguard green spaces and liveability by reducing and/or correcting environmental harm(s) either current or past, for the viability of our most precious resources water, land and air - Willamette Cove.

Please be a total champion for Willamette Cove and its biosphere. Step up, stand tall for the children of future generations. My Indigenous elders were stewards of and champions for Willamette Cove. This is your chance, your turn to be a good steward and champion for Willamette Cove. Mni Wiconi!

Thank you for your time, help and support. Much appreciated.

---

Dear Metro Council,

Everyone in the Metro service area needs equitable access to nature. Where tribes have a strong connection to a place, Metro needs to be especially attentive.

Thank you for making sure that Willamette Cove is eligible for Parks and Nature Bond funding, agreeing to a public involvement process, and expanding Metro's vision beyond the North Portland Greenway Trail on the outer edge of the property. These are very important provisions of Resolution 20-5149. However, the resolution lacks something very important--a commitment to evaluate how to achieve a full cleanup of Willamette Cove. Capping the contaminated sediment does not align with community priorities and the wishes of the Confederated Tribes of Yakima Nation who are calling for the removal of most of the contaminated sediment from the site.

I strongly urge the Council to support Metro Councilor Sam Chase's amendment to add a conversation about a full cleanup into the resolution. The Amendment should be inserted on page 2 of the resolution, following BE IT RESOLVED 2, as follows

*"3. Metro Council shall convene a work session within 30 days of the issuance of the DEQ record of decision for Willamette Cove to discuss additional and voluntary actions that Metro could take at the site to further improve its environmental condition."*

All people of the Metro area should be able to get close to the water bodies near where they live for recreation and spiritual and cultural reasons. A full clean-up of Willamette Cove is the only way to provide equitable access to a vital natural resource area for diverse populations. I look forward to hearing what you decide.

Sincerely,

Jenny Holmes

---

I support the talking points from the PHCC and statements from other Willamette River Advocacy Group members.

Among the other issues, Council needs to make transparent the confidential agreement between Metro and the Port related to Willamette Cove to the public.

Thank you,

Mark Whitcomb

Willamette River Advocacy Group

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## Clean the Willamette

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Hello Metro Legislative Coordinator and Metro Council:

I am writing to you because of my concern about a proposed toxic waste dump at Willamette Cove. This is a public natural area which must not be used to store contaminated waste.

I request that the Metro Council amend its resolution to explicitly support a cleanup alternative, including removal of all contaminated soils that exceed human health risk levels from Willamette Cove.

Cleanup of public sites should not be governed by secret agreements and Metro should be transparent in all aspects of overseeing Willamette Cove.

Metro should also commit to a robust public process regarding the future of Willamette Cove in which Willamette Cove would be made eligible for 2019 greenspace bond funding.

Thank you for advocating for the health of the Willamette River.

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Dena Turner

Greetings,

My name is Elijah Cetas. I grew up in North Portland, and I'm an organizer with Portland Harbor Community Coalition and the Sunrise Movement.

I want to thank you for making Willamette Cove eligible for Parks & Nature Bond funding, and committing to work with the public to determine the future use of this site.

Water is life.

It is imperative you listen to North Portlanders and the Yakima Nation and commit to a full clean up of Willamette Cove.

North Portlanders lack access to natural areas and parks that other river communities cherish. At the same time, we are overburdened with harm from industrial lands. Living adjacent to hundreds of fossil fuel tanks and the devastating pollution of the Superfund Site, our communities- housed and unhoused - are hurting. Impacted people have the right to access the water, to a health community, and to encounters with thriving ecosystems, fish and wildlife.

Consolidation and monitoring are not true solutions. It means hills of contaminated soil, time bombs waiting to spill back into the watershed. We know that climate change will raise seawaters and bring more extreme flooding that will in time erode and destroy these impermanent caps. The cascadia earthquake - a magnitude 9.0 earthquake - has a one in three chance of striking in the next 50 years.

Without a full cleanup, Metro leaves an enormous debt for future generations.

For only 2 million dollars more in cleanup costs, we can restore this landscape, make it safe for people and wildlife, resilient to floods and disasters, into perpetuity.

As a public agency, Metro is responsible for upholding its treaty obligations to the Treaty Tribes of the Willamette River. The Confederated Tribes of Yakama Nation are calling for a full cleanup of this site in accordance with their rights to harvest from usual and accustomed places, which they have held on the Willamette River since time immemorial.

It is unacceptable for this agency to ignore tribal sovereignty and public demands for a full cleanup by brokering a private agreement with another agency, the Port of Portland. These confidential communications must be made public.

Restore the resolution language submitted by Councilor Chase, and commit to a full clean up.

Thank you,

Elijah Cetas





# Agenda

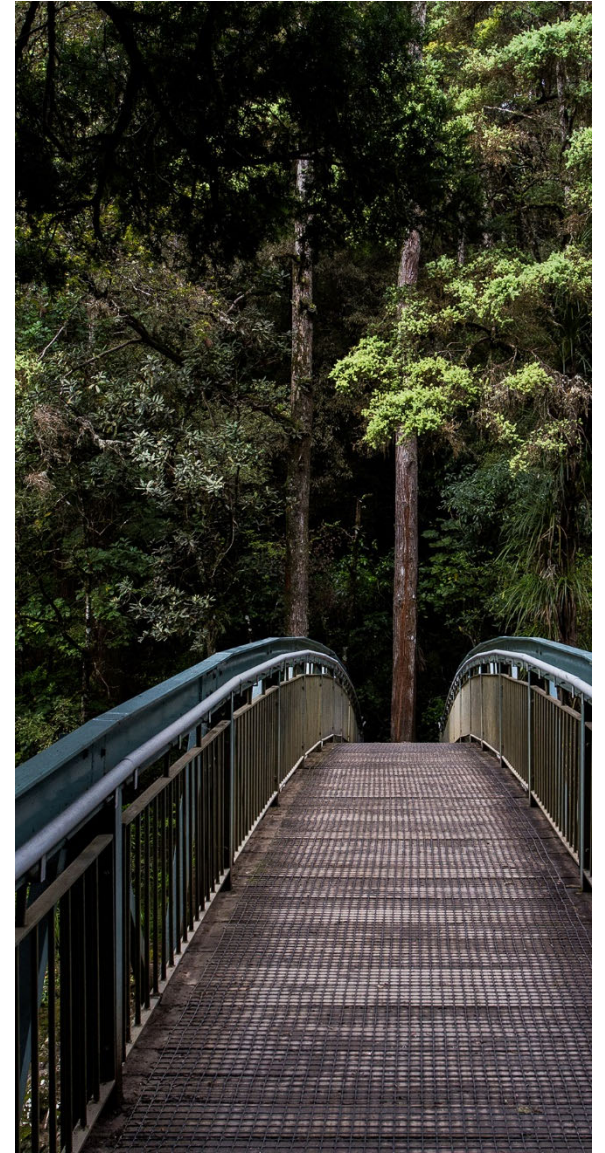
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1. What an audit covers
2. Auditor Opinions and Reports
3. Required Communications with Those Charged with Governance
4. Other Information





# Auditor Opinions & Reports



# Auditor Report on the Financial Statement

## Report of Independent Auditors

- Unmodified opinion
- Financial statements are presented fairly in accordance with US GAAP



# Other Auditor Reports – Single Audit

GAGAS Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

- No control findings
- No compliance findings

Report on Compliance with Requirements that could have a Direct and Material Effect on the Major Federal Program and on Internal Control Over Compliance in accordance with the Uniform Guidance for Federal Awards (2 CFR Part 200)

- No control findings
- No compliance findings



# Other Auditor Reports – Oregon Minimum Standards and Bond Expenditures

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Oregon Municipal Auditing Standards

- No control findings
- No instances of non-compliance

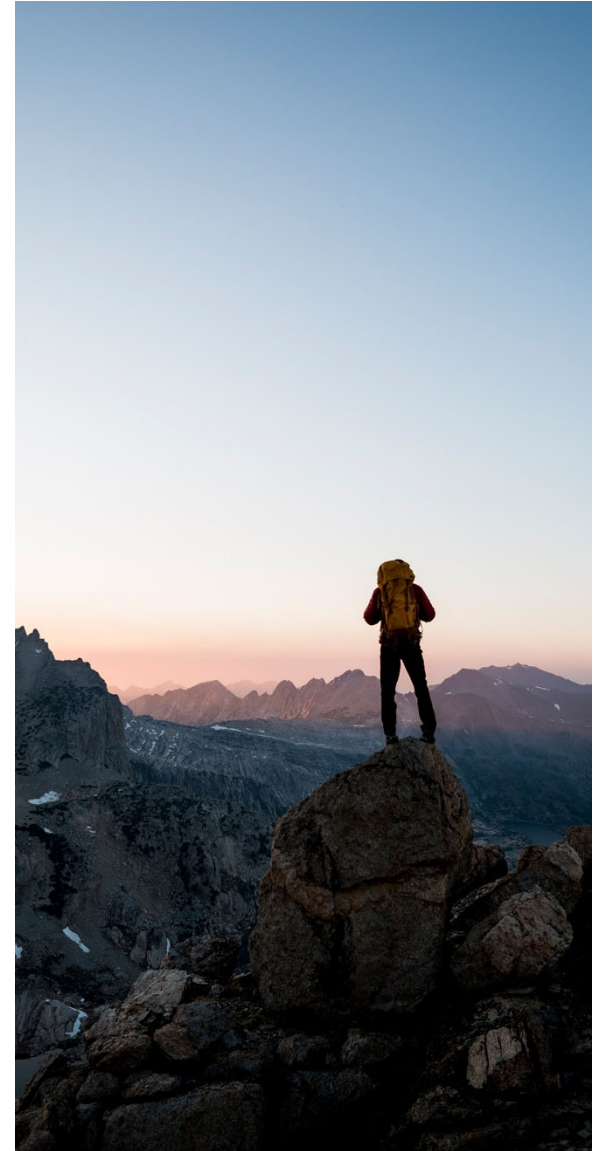
Report of Independent Auditors regarding Natural Areas General Obligation Bonds, Oregon Zoo General Obligation Bonds, Affordable Housing General Obligation Bonds, and Parks and Nature General Obligation Bonds

- Expenditures tested met the stated purpose in Council Resolutions laying out the intended use of the bond proceeds





# Communications with Those Charged with Governance



# Required Communications

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In-depth discussion including all required communications with Audit Committee in November

Reporting deadlines – attention focused on meeting State requirement to file the audit report with the State by December 31, 2020

## Audit adjustments

No corrected audit adjustments

One uncorrected audit adjustment to accrue for expenses in various funds within the General Fund incurred in FY 2020 and paid in FY2021 totaling approximately \$252,000.

No difficulties encountered in performing the audit

No disagreements with management

# Deficiencies in Internal Control

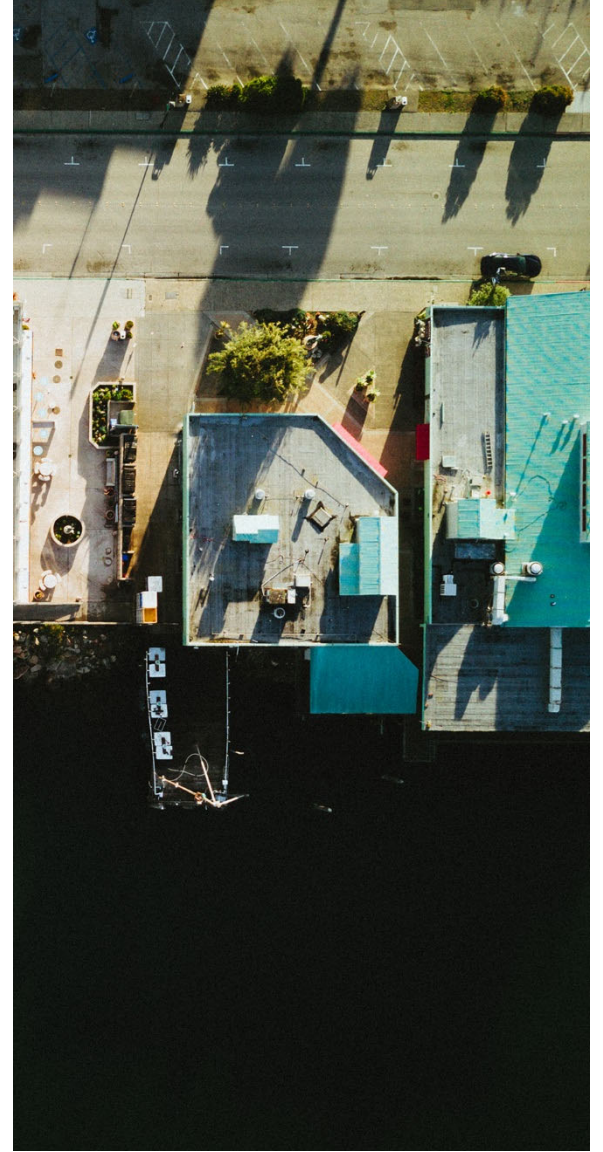
Any material weaknesses and significant deficiencies in the design or operation of internal control that came to the auditor's attention during the audit must be reported to the Audit Committee.

## Our Comments

- **Material weakness**
  - None noted
- **Significant deficiencies & non-compliance**
  - None noted
- **Current year best practice recommendations**
  - Expenditure approval
  - User access
- **Update on prior year items**
  - Expenditure approval – not resolved
  - Capital assets – resolved
  - Payroll – resolved
  - Expenses – resolved



# Accounting Update





# New Standards

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*GASB 96, Subscription-Based Information Technology Arrangements*

*GASB 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*



# Contact Us



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THANK  
YOU

# Willamette Cove: Resolution No. 20-5149



Metro Council meeting  
December 10, 2020

# Willamette Cove Upland Site



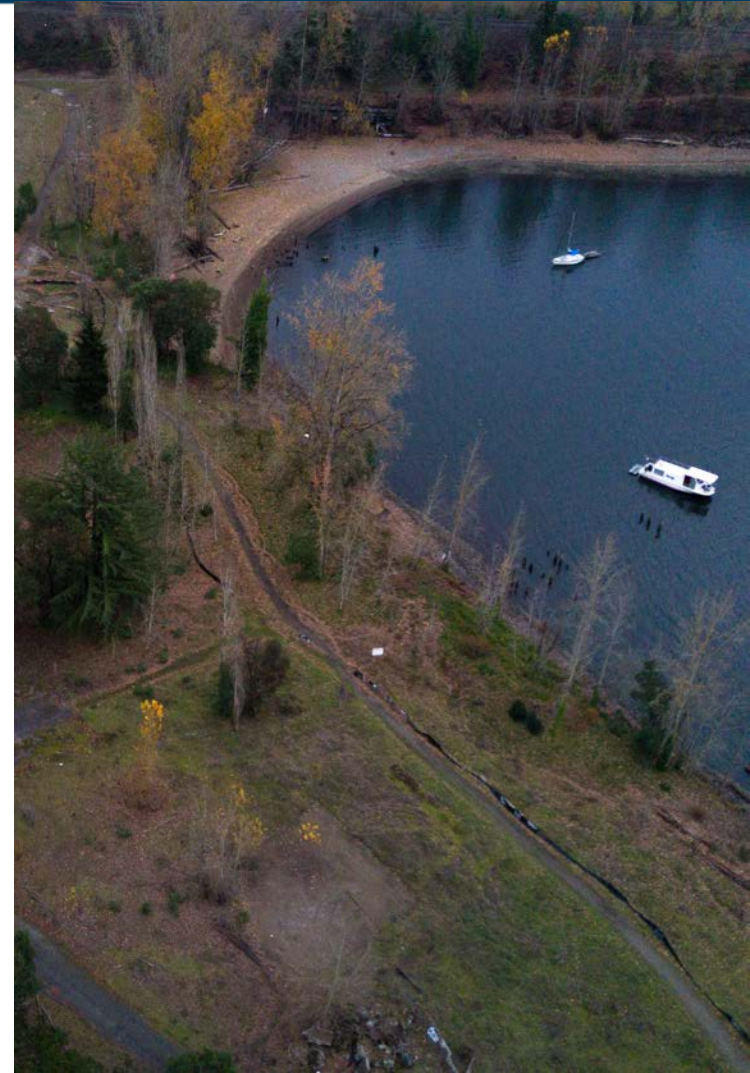
# 2019 bond program areas

- Land investments and restoration, \$155 million
- Metro park improvements, \$98 million
- Nature in Neighborhoods capital grants, \$40 million
- Local parks and nature projects, \$92 million
- Walking and biking trails, \$40 million
- Complex community projects, \$50 million



# Resolution No. 20-5149

- Include Willamette Cove property to Exhibit E of 2019 parks and nature bond resolution
- Affirm support to explore passive recreation, trail development, habitat restoration
- Direct staff to create engagement plan to identify community priorities



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Metro

# National Incident Management System (NIMS)

December 10, 2020

# What is NIMS?

The federal standard  
for managing  
emergency response

A scalable, flexible  
framework



# Why do we need NIMS?

Federally, NIMS was created because of the lessons learned from 9/11



# Why do we need NIMS?



Regionally, Metro has several post-emergency roles most importantly disaster debris. We need to use NIMS to operate seamlessly with our partners.

# How have we used NIMS?

Metro has already been using the NIMS framework to respond to COVID-19 and the wildfires.



# What will NIMS adoption do?

Help us coordinate with partners

Formalize our emergency management program

Ensure we are eligible for federal homeland security grants

# Council Input



Arts and events  
Garbage and recycling  
Land and transportation  
Oregon Zoo  
Parks and nature

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Metro



# Supportive Housing Services Program and Tax Implementation

December 10, 2020

# Tax Implementation

- Taxing authority
- Tax policy options
  - Head of household filing status
  - Apportionment
  - Pass through entities

# Taxing authority

- Testimony on November 19 and December 3 asserted tax code must be consistent with Oregon income tax law
- Assertion relies on ORS 268.505, Metro's statutory authority
- Metro also has independent charter authority
- Charter authority does not require code to be consistent with state law; statutory requirements apply only if Metro is relying on that statute to impose tax, which it is not

# Head of household: Sec 7.06.030

## **CURRENT – Head of Household files Metro single return**

- Metro single return exempts first \$125,000 of taxable income

## **ALTERNATE – Head of Household files Metro joint return**

- Metro joint return exempts first \$200,000 of taxable income
- Reduction in tax collections estimated to not exceed \$2.8 million

# Apportionment: Sec 7.07.080

**CURRENT – aligned with Multnomah County**

**ALTERNATE – aligned with State of Oregon**

# Apportionment: Aligned with Multnomah County

## Advantages

- Consistent with statement in measure that Metro would use Multnomah County business income tax as guidance
- No impact to expected tax collections
- Consistent with Multnomah County and City of Portland, can coordinate review of methodology change in the future

# Apportionment: Aligned with Multnomah County

## **Disadvantages**

- Different method than State
- Service/intangible sales use cost of performance method, taxed to local businesses

## **Other Consideration**

- Add requirement to review methodology in the future

# Apportionment: Aligned with State

## **Advantages**

- Follows State methodology
- Service/intangible sales use market based method, taxed to businesses with local customers



# Apportionment: Aligned with State

## Disadvantages

- State apportionment for goods is different, could result in much higher taxes for some local businesses
- Unknown impact to tax collections
- Estimated collection cost increase of \$500k/year
- More out-of-district businesses, harder to enforce
- Inconsistency with Multnomah County and City of Portland could remain even if they change methodology in the future

# Pass through entities

## **CURRENT – Business pays tax, owner receives deduction**

- Aligned with Multnomah County business income tax, with sole proprietorships exempted
- Double taxation concerns addressed

## **ALTERNATE – Business exempt, owner pays tax**

- Aligned with State of Oregon business income tax
- Reduction in tax collections estimated to not exceed \$15 million
- Major change in tax code, would require delay of code adoption to implement

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**/housingservices**

