

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE)	RESOLUTION NO. 24-5406
CAPITAL IMPROVEMENT PLAN FOR FISCAL)	Introduced by Marissa Madrigal,
YEARS 2024-25 THROUGH 2028-29 AND)	Chief Operating Officer, in
RE-ADOPTING METRO’S FINANCIAL POLICIES)	concurrence with Council President
)	Lynn Peterson

WHEREAS, Metro recognizes the need to prepare a long-range plan estimating the timing, scale and cost of its major capital projects and equipment purchases; and

WHEREAS, Metro’s Chief Operating Officer has directed the preparation of a Capital Improvement Plan for fiscal years 2024-25 through 2028-29 that projects Metro’s major capital spending needs over the next five years;

WHEREAS, the Metro Council has reviewed the FY 2024-25 through FY 2028-29 Capital Improvement Plan; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2024-25 budget including the FY 2024-25 through FY 2028-29 Capital Improvement Plan; and

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

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

1. That the FY 2024-25 through FY 2028-29 Capital Improvement Plan (CIP), summarized in Exhibit A, is hereby adopted.
2. That the FY 2024-25 capital projects from the FY 2024-25 through FY 2028-29 Capital Improvement Plan be included and appropriated in the FY 2024-25 budget.
3. That the Comprehensive Financial Policies, including the Debt Management, Post Issuance Compliance and Capital Asset Management Policies, included as Exhibit B to this Resolution, are re-adopted and will be published alongside the FY 2024-25 budget.

ADOPTED by the Metro Council this 13th day of June 2024.



Lynn Peterson, Metro Council President

Approved as to Form:



Carrie MacLaren, Metro Attorney

Exhibit A
CIP Summary
Resolution 24-5406
Fiscal Year 2024-25

Department: Information Technology and Records Management							
	ID	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
INFORMATION SVCS R&R SUBFUND							
Website Refresh	I3015U	520,000	200,000	-	-	-	720,000
UCS datacenter computer stack*	I9012E	360,000	-	-	-	-	360,000
IMS - Network Management	65200	283,067	256,265	679,724	500,000	500,000	2,219,056
EMC (File Storage) Replacement*	ISTBD22	275,000	-	-	-	-	275,000
datacenter backup platform*	I9013E	180,000	-	-	-	-	180,000
Redundant internet connection*	ISTBD25	170,000	-	-	-	-	170,000
Zoo UCS upgrade*	ISTBD18	150,000	-	-	-	-	150,000
Datacenter UPS battery protection platform upgrade*	ISTBD21	150,000	-	-	-	-	150,000
Zero Trust WAN*	ISTBD24	100,000	-	-	-	-	100,000
OCC Printers	ISTBD33	80,000	-	-	-	-	80,000
HVAC Update OCC Data Center	ISTBD28	-	200,000	-	-	-	200,000
Migrate Zoo data center	I9014E	-	135,000	-	-	-	135,000
Council Chamber Broadcast Video Upgrade	ISTBD32	-	50,000	-	180,000	-	230,000
MRC technology refresh	ISTBD35	-	-	300,000	300,000	-	600,000
Camera Platform	ISTBD31	-	-	250,000	-	-	250,000
Palo Alto Firewall	ISTBD30	-	-	125,000	-	-	125,000
Colocation Project-capital component	ISTBD40	-	-	-	800,000	-	800,000
Zoo storage Refresh	ISTBD34	-	-	-	125,000	-	125,000
UCS datacenter computer stack	ISTBD36	-	-	-	-	360,000	360,000
Datacenter backup platform	ISTBD37	-	-	-	-	180,000	180,000
Zero Trust WAN	ISTBD39	-	-	-	-	160,000	160,000
Zoo UCS upgrade	ISTBD38	-	-	-	-	150,000	150,000
MRC Technology Upgrades R&R	ISTBD26	-	-	-	-	-	-
TOTAL IS - INFORMATION SVCS R&R SUBFUND		\$2,268,067	\$841,265	\$1,354,724	\$1,905,000	\$1,350,000	\$7,719,056
TOTAL IS (23 Projects)		\$2,268,067	\$841,265	\$1,354,724	\$1,905,000	\$1,350,000	\$7,719,056

Major Funding Sources

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Information Svcs R&R Subfund	2,268,067	841,265	1,354,724	1,905,000	1,350,000	7,719,056
IS DEPARTMENT TOTAL:	\$2,268,067	\$841,265	\$1,354,724	\$1,905,000	\$1,350,000	7,719,056

Exhibit A
CIP Summary
Resolution 24-5406
Fiscal Year 2024-25

Department: Council							
	ID	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
NEW CAPITAL SUB-FUND							
ERP Stage II	01702	466,299	-	-	-	-	466,299
TOTAL COUNCIL - NEW CAPITAL SUB-FUND		\$466,299	\$0	\$0	\$0	\$0	\$466,299
TOTAL COUNCIL (1 Projects)		\$466,299	\$0	\$0	\$0	\$0	\$466,299

Major Funding Sources							
		FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
New Capital Sub-Fund		466,299	-	-	-	-	466,299
COUNCIL DEPARTMENT TOTAL:		\$466,299	\$0	\$0	\$0	\$0	466,299

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CIP Summary
Resolution 24-5406
Fiscal Year 2024-25

Department: Capital Asset Management							
	ID	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
METRO REG CENTER R&R SUBFUND							
MRC Single-User Restrooms	PSTBD050	1,000,000	-	-	-	-	1,000,000
MRC Laminate Sills	PSTBD052	200,000	-	-	-	-	200,000
MRC Campus ADA Upgrades	MRC00	100,000	150,000	-	-	-	250,000
MRC PV System	PSTBD038	75,000	350,000	-	-	-	425,000
MRC 410 conference upgrades	PSTBD058	-	300,000	-	-	-	300,000
MRC Landscape and Ecoroof Refresh	PSTBD053	-	250,000	-	-	-	250,000
MRC Plaza Lighting	PSTBD057	-	150,000	-	-	-	150,000
MRC Lobby Stairs & Tiling R&R	PSTBD056	-	-	-	500,000	-	500,000
MRC Café Master Plan/Conv	MRC023	-	-	-	200,000	-	200,000
MRC Conference Chairs	PSTBD043	-	-	-	-	200,000	200,000
MRC Badge Readers & Access System	PSTBD055	-	-	-	-	200,000	200,000
MRC Facility Condition Assessment	MRC022	-	-	-	-	100,000	100,000
MRC Irving Street Garage 4th Floor Deck Coating	PSTBD049	-	-	-	-	-	-
MRC Main Electrical Switch & Emergency Generator	PSTBD035	-	-	-	-	-	-
MRC Art	PSTBD054	-	-	-	-	-	-
TOTAL CAM - METRO REG CENTER R&R SUBFUND		\$1,375,000	\$1,200,000	\$0	\$700,000	\$500,000	\$3,775,000
NEW CAPITAL SUB-FUND							
MRC EV and Electrical Upgrades	MRC027	-	-	-	-	-	-
TOTAL CAM - NEW CAPITAL SUB-FUND		\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CAM (16 Projects)		\$1,375,000	\$1,200,000	\$0	\$700,000	\$500,000	\$3,775,000

Major Funding Sources

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Metro Reg Center R&R Subfund	1,375,000	1,200,000	-	700,000	500,000	3,775,000
New Capital Sub-Fund	-	-	-	-	-	-
CAM DEPARTMENT TOTAL:	\$1,375,000	\$1,200,000	\$0	\$700,000	\$500,000	3,775,000

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CIP Summary
Resolution 24-5406
Fiscal Year 2024-25

Department: Parks and Nature							
	ID	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
GLENDOVEER GOLF COURSE SUB-FUND (P&N OPS)							
Von Ebert Exterior Maintenance	GF159	181,000	-	-	-	-	181,000
TOTAL PARKS - GLENDOVEER GOLF COURSE SUB-FUND (P&N OPS)		\$181,000	\$0	\$0	\$0	\$0	\$181,000
PARKS AND NATURE BOND FUND - NON-TAXABLE							
Natural Areas Acquisition	TEMP98	10,000,000	10,000,000	15,000,000	15,000,000	-	50,000,000
Blue Lake Curry Bldg Replacement	PBL009	2,516,466	-	-	-	-	2,516,466
Oxbow Potable Water System	POX012	820,000	3,000,000	500,000	-	-	4,320,000
Blue Lake Park Sanitary System	PBL015	654,714	-	-	-	-	654,714
Coffee Lake Wetlands Restoration	LR481	650,000	100,000	-	-	-	750,000
Oxbow Welcome Center Water System	POX021	600,000	50,000	-	-	-	650,000
Blue Lake Park Renovation	PBL011	500,000	2,000,000	6,000,000	1,783,000	-	10,283,000
Oxbow Roadway Improvements	POX014	500,000	500,000	2,350,000	800,000	-	4,150,000
Trails: St Johns Prairie Design	PTR001	500,000	150,000	-	-	-	650,000
Blue Lake Irrigation Pump House	PBL017	450,000	-	-	-	-	450,000
Marine Drive Trail	BA020	250,000	4,742,792	-	-	-	4,992,792
West Council Creek Village Stream Stabilization	G07052	200,000	-	-	-	-	200,000
Cultural Heritage & Healing Garden at Lone Fir	CEM010	150,000	2,450,000	1,183,232	-	-	3,783,232
Richardson Creek Pond Restoration	G18055	150,000	10,000	-	-	-	160,000
Sohler Stream Restoration	G48015	132,000	2,500	-	-	-	134,500
Meyers Stabilization	G18015	125,000	375,000	8,500	-	-	508,500
Quamash Prairie McFee Creek Crossing	LR520	120,000	275,000	50,000	-	-	445,000
Smull Stream Stabilization	G02147	70,000	-	-	-	-	70,000
Cultural Heritage & Healing Garden for Art	CEM015	60,000	75,000	75,000	-	-	210,000
North Fork Deep Creek Rest. Capital	LR652	50,000	250,000	10,000	-	-	310,000
ADA Transition Plan Ph. 2	PADA01	-	-	100,000	150,000	150,000	400,000
TOTAL PARKS - PARKS AND NATURE BOND FUND - NON-TAXABLE		\$18,498,180	\$23,980,292	\$25,276,732	\$17,733,000	\$150,000	\$85,638,204
PARKS AND NATURE OPERATING FUND							
Beaver Creek Stream Restoration	LR230	290,000	15,000	-	-	-	305,000
LowerClear Creek Rest Ph2	LR067	250,000	5,000	-	-	-	255,000
Fern Hill Forest Stream Restoration	LR155	60,000	359,000	-	-	-	419,000
Fern Hill Forest Stream & Savana Restoration	LR147	-	-	-	94,000	-	94,000
TOTAL PARKS - PARKS AND NATURE OPERATING FUND		\$600,000	\$379,000	\$0	\$94,000	\$0	\$1,073,000
PARKS CAPITAL SUB-FUND							
Glendoveer Cart Path Paving	GF158	650,000	-	-	-	-	650,000
Glendoveer Trail Path	Temp25	200,000	-	-	-	-	200,000
TOTAL PARKS - PARKS CAPITAL SUB-FUND		\$850,000	\$0	\$0	\$0	\$0	\$850,000
PARKS OPERATIONS R&R SUBFUND							
Fleet : PARKS	70001P	-	-	-	-	-	-
TOTAL PARKS - PARKS OPERATIONS R&R SUBFUND		\$0	\$0	\$0	\$0	\$0	\$0
TOTAL PARKS (29 Projects)		\$20,129,180	\$24,359,292	\$25,276,732	\$17,827,000	\$150,000	\$87,742,204

Major Funding Sources

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Glendoveer Golf Course Sub-Fund (P&N Ops)	181,000	-	-	-	-	181,000
Parks and Nature Bond Fund - Non-Taxable	18,498,180	23,980,292	25,276,732	17,733,000	150,000	85,638,204
Parks and Nature Operating Fund	600,000	379,000	-	94,000	-	1,073,000
Parks Capital Sub-Fund	850,000	-	-	-	-	850,000
Parks Operations R&R Subfund	-	-	-	-	-	-
PARKS DEPARTMENT TOTAL:	\$20,129,180	\$24,359,292	\$25,276,732	\$17,827,000	\$150,000	87,742,204

Exhibit A
CIP Summary
Resolution 24-5406
Fiscal Year 2024-25

Department: MERC - Expo Center							
	ID	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
EXPO FUND							
Expo - Hall E HVAC	8R287	600,000	600,000	1,200,000	600,000	600,000	3,600,000
Expo - Roof Repair - Hall C Recoat (TLT Pooled)	EXTBD01	325,000	575,000	75,000	75,000	335,000	1,385,000
Metro Outfalls Decommissioning	8N106	300,000	-	-	-	-	300,000
Expo Hall E Flat Roof	8R234	175,000	-	-	-	-	175,000
Hall E Micropile Improvements	8R295	100,000	-	-	-	-	100,000
Expo - UP2 North Walkway Cover	8N108	75,000	100,000	300,000	-	-	475,000
Expo - F&B Facility Renewal and Replacement	85114	-	1,000,000	-	-	-	1,000,000
Reseal Hall D/E Flooring	8R296	-	400,000	400,000	-	-	800,000
Expo - Hall C Roof Recoat	8R227	-	250,000	-	-	-	250,000
Expo - Lower Parking Lot: Grading	8N072a	-	150,000	300,000	-	-	450,000
Expo - Facility Wide Overhead Door improvements	8R291	-	100,000	200,000	200,000	50,000	550,000
Expo Electrical Review	8R292	-	100,000	-	-	-	100,000
Expo - Lower Parking Lot: Lighting	8N072	-	-	-	275,000	300,000	575,000
Facility Security Improvements	8R288	-	-	-	-	-	-
Facility Asphalt Replacement / Repair	8R290	-	-	-	-	-	-
ADA Facility Study	8R294	-	-	-	-	-	-
Halls D and E Window, Door and Seal Replacement	EXTBD75	-	-	-	-	-	-
Electrical Generator Enhancement	EXTBD69	-	-	-	-	-	-
TOTAL EXPO - EXPO FUND		\$1,575,000	\$3,275,000	\$2,475,000	\$1,150,000	\$1,285,000	\$9,760,000
TOTAL EXPO (18 Projects)		\$1,575,000	\$3,275,000	\$2,475,000	\$1,150,000	\$1,285,000	\$9,760,000

Major Funding Sources

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Expo Fund	1,575,000	3,275,000	2,475,000	1,150,000	1,285,000	9,760,000
EXPO DEPARTMENT TOTAL:	\$1,575,000	\$3,275,000	\$2,475,000	\$1,150,000	\$1,285,000	9,760,000

Exhibit A
CIP Summary
Resolution 24-5406
Fiscal Year 2024-25

Department: MERC - Oregon Convention Center							
	ID	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
CONVENTION CENTER OPERATING FUND							
Public Safety Front of House Programming	8R304	2,400,000	-	-	-	-	2,400,000
Food & Beverage: Design & Projects	OCCTBD201	1,825,000	-	-	-	-	1,825,000
Lighting: Lobbies, Pre functions, Exterior LED Retrofits	8R302	1,000,000	-	-	-	-	1,000,000
Main Entrance Safety Enhancements	8R306	500,000	-	-	-	-	500,000
Holladay Lobby Exterior Door T&W	8R329	275,000	-	-	-	-	275,000
Reoccurring: IT Infrastructure Investment	8R300	200,000	-	150,000	-	150,000	500,000
Website Redesign & Drupal Platform Upgrade	8R085	175,000	-	-	-	-	175,000
Lighting: Exhibit Hall LED Retrofits	8R148	150,000	1,750,000	-	-	-	1,900,000
ADA Assessment and Improvements	8N086	150,000	750,000	-	-	-	900,000
Electrical Vehicle Infrastructure	8R328	140,000	-	-	-	-	140,000
Interior Loading Dock & Exhibit Concrete Repairs	8R330	125,000	400,000	-	-	-	525,000
Historical Display - Albina Neighborhood	8N109	100,000	-	-	-	-	100,000
Technology Office & MDF Space Reno	8R331	95,000	350,000	-	-	-	445,000
EST 4 Fire Alarm System Upgrade	OCCTBD202	-	550,000	-	-	-	550,000
Cooling System Upgrade Phase II	8R188B	-	150,000	4,800,000	-	-	4,950,000
ABC Meeting Room Renovation Design & Project	OCCTBD100	-	-	500,000	3,000,000	-	3,500,000
Vertical Transportation: Escalator Modernizations	8R207D	-	-	175,000	350,000	350,000	875,000
Articulating Boom Lift Replacement	8R308	-	-	150,000	-	-	150,000
Vertical Transportation: Escalator Modernizations	OCCTBD97	-	-	-	175,000	625,000	800,000
Reoccurring: CCTV Infrastructure Investment	8R311	-	-	-	160,000	-	160,000
Portland Ballroom/VIP D Renovation	OCCTBD96	-	-	-	-	500,000	500,000
Expansion Roof Replacement	8R315	-	-	-	-	200,000	200,000
TOTAL OCC - CONVENTION CENTER OPERATING FUND		\$7,135,000	\$3,950,000	\$5,775,000	\$3,685,000	\$1,825,000	\$22,370,000
TOTAL OCC (22 Projects)		\$7,135,000	\$3,950,000	\$5,775,000	\$3,685,000	\$1,825,000	\$22,370,000

Major Funding Sources

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Convention Center Operating Fund	7,135,000	3,950,000	5,775,000	3,685,000	1,825,000	22,370,000
OCC DEPARTMENT TOTAL:	\$7,135,000	\$3,950,000	\$5,775,000	\$3,685,000	\$1,825,000	22,370,000

Exhibit A
CIP Summary
Resolution 24-5406
Fiscal Year 2024-25

Department: MERC - Portland's							
	ID	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
PORTLAND'S CENTERS FOR THE ARTS FUND							
P5 ASCH Roof Drains	8R263	4,500,000	-	-	-	-	4,500,000
AHH Stage Door Elevator	8R278	440,000	-	-	-	-	440,000
P5 ASCH Broadway Marquee (R&R)	P5TBD03	321,000	-	175,000	1,250,000	6,000,000	7,746,000
ASCH Family Restroom(s)	8R272	300,000	-	-	-	-	300,000
ASCH Backup Generator Replacement	8R269	130,000	-	-	-	-	130,000
ASCH LED house lights	8R280	100,000	1,900,000	-	-	-	2,000,000
ADA compliance work	8R275	50,000	50,000	50,000	50,000	-	200,000
All Venues Theater Fall Protection	8N105	50,000	50,000	-	-	-	100,000
AHH Freight Elevator	8R281	-	450,000	-	-	-	450,000
Security cameras, Phase III	8R277	-	250,000	-	-	-	250,000
AHH Exterior Cladding	8R274	-	50,000	350,000	-	-	400,000
AHH Storefront Doors, Replacement	8R283	-	20,000	300,000	-	-	320,000
Niagara Controls Completion	8R279	-	-	500,000	-	-	500,000
All venues touchless restroom fixtures	8R268	-	-	450,000	-	-	450,000
Security cameras, Phase IV, Interior	8N107	-	-	150,000	150,000	-	300,000
Newmark Mid-bridge Updates	8R284	-	-	125,000	-	-	125,000
ASCH Seating Replacement	8R285	-	-	-	5,000,000	-	5,000,000
Keller LED house lights	8R286	-	-	-	1,500,000	-	1,500,000
Remodel Ticket Booths / Box Offices	8R282	-	-	-	400,000	-	400,000
TOTAL PCPA - PORTLAND'S CENTERS FOR THE ARTS FUND		\$5,891,000	\$2,770,000	\$2,100,000	\$8,350,000	\$6,000,000	\$25,111,000
TOTAL PCPA (19 Projects)		\$5,891,000	\$2,770,000	\$2,100,000	\$8,350,000	\$6,000,000	\$25,111,000

Major Funding Sources

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Portland's Centers for the Arts Fund	5,891,000	2,770,000	2,100,000	8,350,000	6,000,000	25,111,000
PCPA DEPARTMENT TOTAL:	\$5,891,000	\$2,770,000	\$2,100,000	\$8,350,000	\$6,000,000	25,111,000

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CIP Summary
Resolution 24-5406
Fiscal Year 2024-25

Department: Oregon Zoo							
	ID	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
OREGON ZOO CAPITAL PROJECTS SUB-FUND							
Property Acquisition-Structure Demo	ZOO161	6,000,000	-	-	-	-	6,000,000
Polar-Growlers-Elephants Plaza Structure	ZOO160	1,000,000	3,500,000	-	-	-	4,500,000
Jonsson Center Modernization	ZG0009	250,000	1,750,000	-	-	-	2,000,000
TOTAL ZOO - OREGON ZOO CAPITAL PROJECTS SUB-FUND		\$7,250,000	\$5,250,000	\$0	\$0	\$0	\$12,500,000
OREGON ZOO RENEWAL AND REPLACEMENT SUB-FUND							
Cascade Crest Building Systems Replacement	ZRW114	1,500,000	-	-	-	-	1,500,000
Point of Sale implementation	ZOO154	450,000	-	-	-	-	450,000
Cascade Crest Modernization	ZOO157	250,000	1,000,000	1,250,000	-	-	2,500,000
Emergency Power Resiliency	ZOO158	250,000	-	-	-	-	250,000
Cascade Crest Solar Panels	ZOO156	200,000	300,000	200,000	-	-	700,000
Lower Service Road Update	ZOO159	-	-	-	1,000,000	-	1,000,000
TOTAL ZOO - OREGON ZOO RENEWAL AND REPLACEMENT SUB-FUND		\$2,650,000	\$1,300,000	\$1,450,000	\$1,000,000	\$0	\$6,400,000
TOTAL ZOO (9 Projects)		\$9,900,000	\$6,550,000	\$1,450,000	\$1,000,000	\$0	\$18,900,000

Major Funding Sources

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Oregon Zoo Capital Projects Sub-Fund	7,250,000	5,250,000	-	-	-	12,500,000
Oregon Zoo Renewal and Replacement Sub-Fund	2,650,000	1,300,000	1,450,000	1,000,000	-	6,400,000
ZOO DEPARTMENT TOTAL:	\$9,900,000	\$6,550,000	\$1,450,000	\$1,000,000	\$0	18,900,000

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Fiscal Year 2024-25

Department: Waste Prevention and Environmental Services							
	ID	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
SOLID WASTE GENERAL ACCOUNT							
SJL Immediate Bridge Repairs	SJL009	150,000	-	-	-	-	150,000
SJL Office Relocation	SSJ008	150,000	-	-	-	-	150,000
RID Bldg Improvements Phase 2	RID004	-	800,000	-	-	-	800,000
MSS HHW Building Upgrades	STH041	-	350,000	400,000	-	-	750,000
SJL Bridge Replacement	SSJ003	-	300,000	1,000,000	4,500,000	4,000,000	9,800,000
Integrated Garbage & Recycling Data System	SWS004	-	300,000	400,000	-	-	700,000
SJL Stormwater Erosion Repairs	SJL010	-	100,000	-	-	-	100,000
SJL Stormwater Facility Improvements	SSJ007	-	100,000	-	-	-	100,000
MSS Air Tool	STH037	-	-	250,000	-	-	250,000
MCS HHW Bldg Renovations	CEN044	-	-	185,000	-	-	185,000
HHW Shipping Database Repl	SWR008	-	-	25,000	50,000	25,000	100,000
MSS/MCS Can Crushers	SWR009	-	-	-	175,000	-	175,000
VSQG Program Upgrade/Repl	SWR007	-	-	-	100,000	100,000	200,000
MCS HWF Replace Exhaust Fan #6	CEN045	-	-	-	-	150,000	150,000
TOTAL WPES - SOLID WASTE GENERAL ACCOUNT		\$300,000	\$1,950,000	\$2,260,000	\$4,825,000	\$4,275,000	\$13,610,000
SOLID WASTE RENEWAL AND REPLACEMENT							
MSS New Office & Breakroom	SMS006	1,150,000	-	-	-	-	1,150,000
MCS - Safe Roof Access	SMC028	700,000	-	-	-	-	700,000
MCS Bay 3 Concrete Floor	CEN049	500,000	-	-	-	-	500,000
MCS MSS POS system upgrade plus hardware	SWR004	450,000	450,000	-	-	-	900,000
MCS Stormwater System Replacement	SMC027	100,000	1,450,000	-	-	-	1,550,000
MCS Bay 4 Improvements for Organics	SMC011	-	2,500,000	2,000,000	-	-	4,500,000
MSS Pit Wall Repair Phase 1	STH035	-	1,000,000	-	-	-	1,000,000
Camera hardware replacement (All - both stations)	SWR005	-	750,000	-	-	-	750,000
Fleet: Solid Waste	700015	-	370,000	370,000	370,000	370,000	1,480,000
MSS Pond Stormwater - Phase II	STH034	-	200,000	200,000	-	-	400,000
MSS Traffic Portable Small Building	STH036	-	150,000	-	-	-	150,000
MCS Transfer Bldg Elec Upgrade	CEN046	-	-	525,000	-	-	525,000
MCS Transfer Bldg Gutter Repair	CEN047	-	-	450,000	-	-	450,000
MSS Bay 3 Ventilation & Elec	STH038	-	-	450,000	-	-	450,000
MSS Radiation System Repl	STH046	-	-	300,000	300,000	-	600,000
MSS Compactor Bridge Repair	STH042	-	-	175,000	250,000	-	425,000
MSS Compactor Electrical Upgrade	STH039	-	-	125,000	-	-	125,000
MSS Roof Replacements	STH044	-	-	-	1,000,000	1,000,000	2,000,000
MSS Electrical & Ventilation	STH040	-	-	-	325,000	-	325,000
MCS Vendor & Metro HVAC	CEN048	-	-	-	150,000	-	150,000
MSS Pit Repair Phase 2	STH043	-	-	-	-	700,000	700,000
MSS Switchpanel	STH045	-	-	-	-	150,000	150,000
TOTAL WPES - SOLID WASTE RENEWAL AND REPLACEMENT		\$2,900,000	\$6,870,000	\$4,595,000	\$2,395,000	\$2,220,000	\$18,980,000
TOTAL WPES (36 Projects)		\$3,200,000	\$8,820,000	\$6,855,000	\$7,220,000	\$6,495,000	\$32,590,000

Major Funding Sources

	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
Solid Waste General Account	300,000	1,950,000	2,260,000	4,825,000	4,275,000	13,610,000
Solid Waste Renewal and Replacement	2,900,000	6,870,000	4,595,000	2,395,000	2,220,000	18,980,000
WPES DEPARTMENT TOTAL:	\$3,200,000	\$8,820,000	\$6,855,000	\$7,220,000	\$6,495,000	32,590,000

FINANCIAL POLICIES

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

Each year as part of the annual budget adoption process the Metro Council reviews the financial policies which provide the framework for the overall fiscal management of the agency. Operating independently of changing circumstances and conditions, these policies are designed to help safeguard Metro’s assets, promote effective and efficient operations, and support the achievement of Metro’s strategic goals.

These financial policies establish basic principles to guide Metro’s elected officials and staff in carrying out their financial duties and fiduciary responsibilities. The Chief Financial Officer shall establish procedures to implement the policies established in this document.

General policies

1. Metro’s financial policies shall be reviewed annually by the Council and shall be published alongside the adopted budget.
2. Metro shall prepare its annual budget and Annual Comprehensive Financial Report consistent with accepted public finance professional standards.
3. The Chief Financial Officer shall establish and maintain appropriate financial and internal control procedures to assure the integrity of Metro’s finances.
4. Metro shall comply with all applicable state and federal laws and regulations concerning financial management and reporting, budgeting, and debt administration.

Accounting, auditing, and financial reporting

1. Metro shall annually prepare and publish an Annual Comprehensive Financial Report including financial statements and notes prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.
2. Metro shall maintain its accounting records on a basis of accounting consistent with the annual budget ordinance.
3. Metro shall have an independent financial and grant compliance audit performed annually in accordance with generally accepted auditing standards.

Budgeting and financial planning

1. As prescribed in Oregon budget law, total resources shall equal total requirements in each fund, including contingencies and fund balances.
2. Metro shall maintain fund balance reserves that are appropriate to the needs of each fund. Targeted reserve levels shall be established and reviewed annually as part of the budget process. Use of fund balance to support budgeted operations in the General Fund, an operating fund, or a central service fund shall be explained in the annual budget document; such explanation shall describe the nature of the budgeted reduction in fund balance and its expected future impact. Fund balances in excess of future needs shall be evaluated for alternative uses.
 - a. The Metro Council delegates to the Chief Operating Officer the authority to assign (and un-assign) additional amounts intended to be used for specific purposes narrower than the overall purpose of the fund established by Council.
 - b. Metro considers restricted amounts to have been spent prior to unrestricted (committed, assigned, or unassigned) amounts when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. Within unrestricted amounts, committed amounts are considered to have been spent first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

- c. The following information shall be specified by Council in the establishment of Stabilization Arrangements as defined in GASB Statement No. 54: a) the authority for establishing the arrangement (resolution or ordinance), b) the requirements, if any, for additions to the stabilization amount, c) the specific conditions under which stabilization amounts may be spent, and d) the intended stabilization balance.
3. Metro staff shall regularly monitor actual revenues and expenditures and report to the Office of the Chief Operating Officer at least quarterly on how they compare to budgeted amounts, to ensure compliance with the adopted budget. Any significant changes in financial status shall be timely reported to the Council.
4. Metro shall use its annual budget to identify and report on department or program goals and objectives and measures of performance.
5. A new program or service shall be evaluated before it is implemented to determine its affordability.
6. Metro shall authorize grant-funded programs and associated positions for a period not to exceed the length of the grant unless alternative funding can be secured.
7. Each operating fund will maintain a contingency account to meet unanticipated requirements during the budget year. The amount shall be appropriate for each fund.
8. Metro shall prepare annually a five-year forecast of revenues, expenditures, other financing sources and uses, and staffing needs for each of its major funds, identifying major anticipated changes and trends, and highlighting significant items which require the attention of the Council.
9. Metro will annually prepare a cost allocation plan prepared in accordance with applicable federal guidelines to maintain and maximize the recovery of indirect costs from federal grants, and to maintain consistency and equity in the allocation process.

Capital asset management

1. Metro shall budget for the adequate maintenance of capital equipment and facilities and for their orderly replacement, consistent with longer-term planning for the management of capital assets.
2. The Council's previously adopted policies governing capital asset management are incorporated by reference into these policies.

Cash management and investments

1. Metro shall maintain an investment policy, which shall be subject to annual review and re-adoption.
2. Metro shall schedule disbursements, collections, and deposits of all funds to ensure maximum cash availability and investment potential.
3. Metro shall manage its investment portfolio with the objectives of safety of principal as the highest priority, liquidity adequate to needs, as the second highest priority, and yield from investments as its third highest priority.

Debt management

1. Metro shall issue long-term debt to finance capital improvements, including land acquisition that cannot be readily financed from current revenues or to reduce the cost of long-term financial obligations.
2. Metro will not use short-term borrowing to finance operating needs unless specifically authorized by the Council.
3. Metro shall repay all debt issued within a period not to exceed the expected useful life of the improvements financed by the debt.
4. As required by its continuing disclosure undertakings and Section 8 herein, and consistent with SEC Rule 15c2-12, as amended from time to time, Metro shall fully disclose financial and pertinent credit information as it relates to Metro's outstanding securities.

5. Metro shall strive to obtain the highest credit ratings to ensure that borrowing costs are minimized, Metro's access to credit is preserved and Metro has ample future flexibility to adjust its debt portfolio as needed to support operational goals.
6. Equipment and vehicles should be financed using the least costly method, including comparison to direct cash expenditure. This applies to purchases using operating leases, capital leases, bank financing, company financing or any other purchase programs. In evaluating such comparisons, Metro shall assume the opportunity cost for the use of its cash is the 90-day Treasury yield at the time of such analysis.

Solid Waste Fund Policies

1. The solid waste fee structure should not negatively impact Metro's credit rating.
2. Metro should ensure that it has the legal ability to implement and enforce the solid waste fee structure; or, if such authority is not already held, evaluate the relative difficulty of obtaining the authority.
3. Solid waste fees should be sufficient to generate revenues that fund the full cost of the solid waste system and provide fund balance reserves that are necessary for fee stabilization, policy compliance, and unexpected disruptions.
4. Metro will maintain separate fund balance reserves for transfer station operations and Regional System Fee-funded activities.
 - a. Uses of transfer station operations and Regional System Fee fund balance reserves will be restricted to uses within the same sub-fund. Any exceptions to this will require Council approval.

Tax exempt qualified obligations post issuance compliance - federal tax regulations and continuing disclosure

This Post Issuance Compliance (PIC) section sets forth specific policies of Metro designed to (a) monitor post issuance compliance of tax-exempt qualified obligations (the "Obligations") issued by Metro with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated there under (the "Treasury Regulations") and (b) comply with continuing disclosure undertaking executed by Metro (the "Undertakings") in connection with a primary offering of municipal securities (including Obligations and federally taxable bonds, collectively, "Bonds") that are subject to Securities and Exchange Commission Rule 15c2-12, as amended from time to time ("Rule 15c2-12").

The section documents existing practices and describes various procedures and systems designed to identify, on a timely basis, facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Bonds such that (a) the interest on such Obligations continue to be excludable from gross income for federal income tax purposes, and (b) Metro complies with its contractual obligations set forth in the Undertakings. Metro recognizes that compliance with applicable provisions of the Code and Treasury Regulations with respect to Obligations and Undertakings with respect to Bonds, is an on-going process, necessary during the entire term of the Bonds, and is an integral component of Metro's financial policies. Accordingly, the analysis of those facts and implementation of the policies will require ongoing monitoring and consultation with bond counsel.

The Chief Financial Officer in the Finance and Regulatory Services department approves the terms and structure of Bonds executed by Metro. Such Bonds are issued in accordance with the provisions of Oregon Revised Statutes, the Metro charter, and if issued as tax-exempt, also issued in accordance with the Code. Specific post issuance compliance procedures address the relevant areas described below. The following list is not intended to be exhaustive and further areas may be identified from time to time by Finance staff in consultation with bond counsel.

1. General policies and procedures.

The following relates to procedures and systems for monitoring post issuance compliance

generally. Staff may adjust procedures for non-tax advantaged Bonds as applicable.

- a. The Chief Financial Officer (the "CFO") shall identify an appropriate staff member or members to be responsible for monitoring post issuance compliance issues (the "Staff Designee"). The CFO shall be responsible for ensuring an adequate succession plan for transferring post issuance compliance responsibility when changes in staff occur.
- b. The Staff Designee will coordinate procedures for record retention and review of such records.
- c. The Staff Designee will review post issuance compliance procedures and systems on a periodic basis, but not less than annually.
- d. Ongoing training shall be made available to the Staff Designee (generally, not less frequently than annually) to support such individual's understanding of the tax requirements applicable to the Obligations.
- e. Electronic media will be the preferred method for storage of all documents and other records maintained by Finance and Regulatory Services. In maintaining such electronic storage, the Staff Designee will comply with applicable Internal Revenue Service (the "IRS") requirements, such as those contained in Revenue Procedure 9722.

2. Issuance of Bonds and creation of files

The following policies relate to specific issue of Obligations/Bonds.

- a. The Staff Designee will obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents including:
 - i. Intent Resolution.
 - ii. Bond transcript.
 - iii. Final Written Allocation and/or all available accounting records related to the financed facilities showing expenditures allocated to bond proceeds and expenditures (if any) allocated to other sources of funds, including information regarding including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
 1. Records, including purpose, type, payee, amount, and date, of all expenditures of bond proceeds.
 - iv. All rebate and yield reduction payment calculations performed by a rebate analyst and all investment records provided to the rebate analyst for purposes of preparing the calculation.
 - v. Forms 8038-T together with proof of filing and payment of rebate.
 - vi. Investment agreement bid documents (unless included in the bond transcript) including:
 1. Bid solicitation, bid responses, certificate of broker;
 2. Written summary of reasons for deviations from the terms of the solicitation that are incorporated into the investment agreement; and
 3. Copies of the investment agreement and any amendments.
 4. Records, including dates and amounts, of investment income on bond proceeds.
 - vii. Any item required to be maintained by the terms of the tax compliance agreement involving the use of the financed facilities or expenditures related to tax compliance for the bonds.
 - viii. Any opinion of bond counsel regarding the bonds not included in the bond transcript.
 - ix. Amendments, modifications, or substitute agreements to any agreement contained in the bond transcript.
 - x. Any correspondence with the IRS relating to the bonds, including all correspondence relating to an audit by the IRS of the bonds or any proceedings under the IRS's Voluntary Closing Agreement Program (VCAP).
 - xi. For refunding bond issues, the Bond File for the refunded bonds.

- xii. Evidence of completion of compliance documentation (including checklists) as described in Section 8.8 herein.
- xiii. Evidence of periodic training of the Staff Designee.
- xiv. Evidence of tracking of private use and private payment, if any.
- xv. Evidence of continuing disclosure filings pursuant to any Undertaking (as defined herein) and consistent with SEC Rule 15c2-12.

3. Arbitrage rebate calculations

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations. The Staff Designee will:

- a. Coordinate the tracking of expenditures, including the expenditure of any investment earnings, with other applicable Finance staff.
- b. Obtain a computation of the yield on each issue from Metro's outside arbitrage rebate specialist and maintain a system for tracking investment earnings.
- c. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of reissuance expenditures.
- d. Coordinate with Finance staff to monitor compliance by departments with the applicable "temporary period" (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- e. Ensure that investments acquired with proceeds of such issue are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.
- f. Coordinate to avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- g. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions.
- h. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- i. Monitor compliance with six-month, 18month or 2-year spending exceptions to the rebate requirement, as applicable.
- j. Arrange for timely computation of any rebate or yield reduction payment liability by Metro's outside arbitrage rebate specialist and, if rebate is due, file a Form 8038T and arrange for payment of such rebate liability.

4. Private activity concerns

The following polices relate to the monitoring and tracking of private use and private payments with respect to the facilities financed with the Obligations. The Staff Designee will:

- a. Coordinate with staff to maintain records determining and tracking facilities financed with specific Obligations and in what amounts.
- b. Coordinate with applicable staff to maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.
- c. Coordinate with applicable staff to maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.
- d. Coordinate with Finance staff to monitor the expenditure of proceeds of an issue and investment

earnings for qualifying costs.

- e. Coordinate with applicable staff to monitor private use of financed facilities to ensure compliance with applicable percentage limitations on such use.

5. Reissuance considerations

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes. The Staff Designee will:

- a. Identify and consult with bond counsel regarding any post-issuance changes or modifications to any terms of an issue of Obligations to determine whether such changes could be treated as a reissuance for federal tax purposes.
- b. Confirm with bond counsel whether any “remedial action” taken in connection with a “change in use” (as such terms are defined in the Code and Treasury Regulations) would be treated as a reissuance for tax purposes and, if so, confirm the filing of any new Form 8038G.

6. Records retention

The following policies relate to retention of records relating to the Bonds issued. The Staff Designee will:

- a. Coordinate with staff regarding the records to be maintained by Metro to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- b. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- c. Coordinate with staff to generally maintain the following:
 - i. Basic records relating to the transaction (e.g., any non-arbitrage certificate, net revenue estimates and the bond counsel opinion);
 - ii. Documentation evidencing expenditure of proceeds of the issue;
 - iii. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
 - iv. Documentation evidencing use of financed property by public and private entities (e.g., copies of management contracts and research agreements);
 - v. Documentation evidencing all sources of payment or security for the issue; and
 - vi. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- d. Coordinate the retention of all records in a manner that ensures their complete access to the IRS. While this is typically accomplished through the maintenance of hard copies, records may be kept in electronic format so long as applicable requirements, such as Revenue Procedure 97-22, are satisfied.
- e. Electronic media will be the preferred method for storage of all documents and other records maintained by Finance and Regulatory Services. In maintaining such electronic storage, the Staff Designee will comply with applicable Internal Revenue Service (the “IRS”) requirements, such as those contained in Revenue Procedure 9722.
- f. Keep all material records for so long as the issue is outstanding (including any refunding), plus five years.

7. Continuing disclosure Undertaking

The following policies related to the issuance of each specific issue of Bonds that is required by SEC Rule 15c2-12 to include an Undertaking. The Staff Designee will:

- a. Review the Undertaking to determine if new or additional information is required to be filed, compared with Metro's existing Undertakings.
 - b. Update the master spreadsheet of disclosure requirements to reflect additional changes.
 - c. At least twice a year (at budget preparation and during audit), review the various Undertakings' requirements to ensure they have been met. The first review is internal only. The second review is always with the Financial Auditors.
 - d. The Controller, responsible for the ACFR, will coordinate with the Financial Planning Director to ensure the filing requirements are met, particularly if any changes are proposed for supplemental materials included in the ACFR.
 - e. During this time, the Controller will review the filing requirements under all Undertakings and begin collecting information that is not presented in the ACFR or budget.
 - f. Once the ACFR is presented to and approved by the Metro Council, it is posted on EMMA, which in no case will be later than the filing deadlines under all Undertakings.
 - g. The annual budget is adopted no later than June 30th each fiscal year.
 - h. The budget document is posted on EMMA soon after it is filed with the TSCC and counties by August 31st of each year and no later than the filing deadlines under all Undertakings.
 - i. Supplementary information not presented in the ACFR or budget is posted on EMMA with the posting of the ACFR or budget, but in no case later than the filing deadlines under the applicable Undertakings.
 - j. If a Material Event (as defined by SEC Rule 15c2-12, as amended from time to time) happens, the Staff Designee will cause the appropriate notices to be filed within 10 business days of the event.
8. Identification and materiality determination of "Financial Obligations"

The following policies relate to each issuance of Bonds on and after February 27, 2019 that is required by SEC Rule 15c2-12 to include an Undertaking. Metro is obligated to disclose, within 10 business days after the occurrence of the following events:

- i. Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.
 - ii. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.
- a. To ensure Metro's compliance with any disclosure obligations arising as a result of the occurrence of these events, the Staff Designee will:
- i. Review the incurrence of any Metro "financial obligation" and any agreement of Metro to covenants, events of default, remedies, priority rights, or similar terms of a financial obligations, to determine whether it might be material and, therefore, subject to disclosure on EMMA.
 1. The term "financial obligation" is defined by Rule 15c2-12 and in Metro's Undertakings to have the following meaning: "financial obligation" means a: debt obligation; derivative instrument entered into in connection with, or pledged as security or source of payment for, an existing or planned debt obligation; or a guaranty of such debt obligations or derivatives.
 2. Under Rule 15c2-12 and in Metro's Undertakings, the term "financial obligation" does not include Bonds as to which a final official statement has been provided to the

Municipal Securities Rulemaking Board (e.g., filed on EMMA) consistent with Rule 15c2-12.

3. Examples of “financial obligations” include debt or debt-like obligations, such as loan agreements, bank direct purchases, lease-purchase agreements, letters of credit and lines of credit.
 4. “Derivative instruments” include swaps, futures contracts, forward contracts, options, or similar instruments related to an existing or planned debt obligation. For the purposes of this section, derivatives do not include fuel hedges, energy hedges or other similar instruments not related to debt obligations. Leases that are not vehicles to borrow money (real estate leases, office equipment leases, etc.) are *not* financial obligations.
 5. To determine the materiality of a financial obligation, the Staff Designee, in consultation with Metro Counsel and Bond Counsel, as needed, will assess the obligation considering Metro’s operations and debt structure. An event is “material” under federal securities laws if a reasonable investor would consider it important in making an investment decision.
 6. Materiality is affected by a variety of factors, including the size of a financial obligation compared to Metro’s overall balance sheet and debt outstanding, the security for repayment pledged to the financial obligation (versus that pledged to bondholders), the financial obligation’s seniority position versus Metro bonds, covenants, and remedies to the lender in the event of a default. Generally, if information about a financial obligation would be included in an Official Statement for Metro Bonds, it would be material for purposes of filing a material event notice on EMMA.
- b. Review any default, acceleration, termination, modification, or similar event reflecting financial difficulties on a financial obligation, regardless of when Metro entered into the financial obligation, to determine whether such event is material.
 - c. Make an EMMA filing disclosing the existence of a material financial obligation, a material agreement to terms of a financial obligation, or a default, acceleration, termination, modification, or similar event reflecting financial difficulties on a financial obligation, each within 10 business days of its “incurrence.” For the purposes of this section, “incurrence” means the date on which the financial obligation becomes enforceable against Metro or on which the default, acceleration, termination, modification, or similar event occurs. Any filing disclosing the existence of a material financial obligation will include a summary of the key terms of such financial obligation (which may be satisfied by filing pertinent financing documents, subject to any redactions of information requested by Metro’s lender)

9. Periodic post-issuance compliance review.

The following policies relate to each issuance of Obligations/Bonds. The Staff Designee will:

- a. Review and document the amount of existing private use or private payment on a periodic basis, but not less than annually, and consult with bond counsel as to any possible private use of or private payment on financed facilities that could cause an issue to exceed the limitations on private use/private payment; and
- b. Identify, review and document in advance any new sale, lease or license, management contract, sponsored research arrangement, or other arrangement involving private use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.
- c. Consult with bond counsel to remedy any change in use or excess private use/private payment through an appropriate “remedial action” (described in section 1.141-12 of the Treasury Regulations) or the Voluntary Closing Agreement Program (VCAP) described in IRS Notice 2008-31 (or successor guidance).
- d. Review, assess and document that other periodic requirements (continuing disclosure obligations, arbitrage rebate review, etc.) have been completed.

- e. In connection with preparation of the Annual Comprehensive Financial Report and filing of annual financial information required to be filed on EMMA pursuant to Metro's Undertakings, review debt and debt-like agreements that may qualify as "financial obligations" (as defined herein) in connection with required event filings under Metro's Undertakings entered into on and after February 27, 2019.
- f. The Staff Designee may use a standardized checklist to guide its review and documentation as required in this Section.

Revenues

1. Metro shall estimate revenues through an objective, analytical process.
2. Metro shall strive to maintain a diversified and balanced revenue system to protect it from short-term fluctuations in any one revenue source.
3. One-time revenues shall be used to support one-time expenditures or increase fund balance.
4. Metro shall pursue appropriate grant opportunities; however, before accepting any grant, Metro will consider the current and future implications of either accepting or rejecting it. The Chief Financial Officer may establish criteria to be used in evaluating the potential implications of accepting grants.

CAPITAL ASSET MANAGEMENT POLICIES

Section 1: Purpose

1. The Capital Asset Management Policies establish the framework for Metro's overall capital asset planning and management. They provide guidance for current practices and a framework for evaluation of proposals for future projects. These policies also seek to improve Metro's financial stability by providing a consistent approach to fiscal strategy. Metro's adopted financial policies show the credit rating industry and prospective investors (bond buyers) the agency's commitment to sound financial management and fiscal integrity. Adherence to adopted policies ensures the integrity and clarity of the financial planning process and can lead to improvement in bond ratings and lower cost of capital.
2. The capital asset planning process applies to projects of \$100,000 or more and having a useful life of at least five years. These projects include capital maintenance tasks that increase the life of the asset on assets with values of \$100,000 or more. In addition, the planning process includes information technology items over \$100,000 that may have a useful life of less than five years.
3. Metro's Capital Asset Management Policy shall be governed by the following principles:
 - a. Metro shall operate and maintain its physical assets in a manner that protects the public investment and ensures achievement of their maximum useful life. Ensuring the maximum useful life for public assets is a primary agency responsibility. Establishing clear policies and procedures for monitoring, maintaining, repairing, and replacing essential components of facilities is central to good management practices.
 - b. Metro shall prepare, adopt, and update at least annually a five-year Capital Improvement Plan (CIP). The CIP will identify and set priorities for all major capital assets to be acquired or constructed by Metro.
 - c. Metro shall establish a Renewal and Replacement Reserve account for each operating fund responsible for major capital assets. Renewal and Replacement includes any activity that serves to extend the useful life or increase the efficiency of an existing asset, while retaining its original use. Ensuring that the public receives the maximum benefit for its investments in major facilities and equipment requires an ongoing financial commitment.
 - d. Capital and renewal and replacement projects shall support Metro's Diversity in Contracting procurement goals, including the Sheltered Market and FOTA program and the goals of Metro's

Diversity Action Plan.

- e. To the extent possible, improvement projects and major equipment purchases will be funded on a pay-as-you-go basis from existing or foreseeable revenue sources. Fund Balances above established reserve requirements may be used for one-time expenditures such as capital equipment or financing of capital improvements. Debt financing should be utilized only for new projects or complete replacement of major capital assets.
- f. Capital and renewal and replacement projects should support implementation of Metro's Sustainability Plan.
- g. Projects shall be analyzed considering environmental, regulatory, economic, historical, and cultural perspectives, as well as the capacity of the infrastructure and the availability of resources for ongoing maintenance needs.
- h. All approved capital projects shall be consistent with relevant goals and strategic plans as adopted by departments, the Metropolitan Exposition-Recreation Commission ("MERC"), or the Metro Council.
- i. A financial feasibility analysis shall be performed before any capital project, regardless of cost, is submitted to the Metro Council, MERC Commission, Chief Operating Officer, or General Manager of Visitor Venues for approval. The financial feasibility analysis shall include an analysis of the financial impact on the operating fund balance, return on investment, the availability and feasibility of funding sources, and cost estimates for the capital project. The analysis shall also identify the financial impact of the following requirements:
 - i. Any public art funding requirements imposed by the Metro Code, the facility's owner, or any other applicable law;
 - ii. All required licenses, permits, certificates, design approval documents, and similar documents required by any authority; and
 - iii. Any contractual or legal requirements that apply to the proposed capital project.
- a. In the capital project planning and review process, the Metro Council, MERC Commission, Chief Operating Officer, and General Manager shall be guided by the following financing principles:
 - i. Funds shall be expended only on capital projects that meet identified strategic priorities.
 - ii. Funds shall be expended only on capital projects for which an analysis of funding options has been conducted. This analysis shall include evaluation of all funding options (donations, revenue generation by the project, intrafund transfers, proposed borrowing), and an analysis of the capital project's strategic priority, useful life, revenue sources, and repayment options.
 - iii. Funds shall be expended only on new projects that include identified and protected funding sources for a renewal and replacement reserve to ensure that the value of the capital asset can be maintained.
 - iv. Funds shall be expended only on projects for which a funding source for operational requirements has been identified.
 - v. Metro's Adopted Budget should include undesignated contingency funds to permit MERC and other departments with capital project responsibilities to respond to unexpected events or opportunities.

Section 2: Definitions

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

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

2. Capital maintenance – Expenditures for repair and maintenance services not provided directly by Metro personnel. These costs are relatively minor alterations, ordinary and routine repair, or effort necessary to preserve or repair an asset due to normal wear and tear so that it achieves its initial planned useful life. While not capitalized, significant capital maintenance projects (those with costs equal to or greater than \$100,000) must be included in the CIP and obtain Council authorization.
3. Total cost accounting – An analysis that includes the total initial acquisition cost of an asset as well as all operating costs for the expected useful life of the asset.
4. Renewal and replacement – Construction, reconstruction, or major renovation on capital assets. Renewal and replacement does not include relatively minor alteration, ordinary repair or maintenance necessary to preserve or repair an asset.
5. Return on investment (ROI) – A calculation of the financial gains or benefits that can be expected from a project. ROI is represented as a ratio of the expected financial gains (benefits) of a project divided by its total costs.

Section 3: New Capital Projects

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

Section 4: Renewal and Replacement

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

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

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

Section 5: Capital Improvement Plan (CIP)

1. Metro will prepare, adopt, and update at least annually a five-year Capital Improvement Plan (CIP). The plan will identify and set priorities for all major capital assets to be acquired or constructed by Metro. The

first year of the adopted CIP shall be included in the Proposed Budget. The CIP includes all Capital and Renewal and Replacement projects with a budget of \$100,000 or more.

2. Updates to the CIP may be made at any point during the fiscal year. Updates are required under the following circumstances:
 - a. New projects (over \$100,000) that are identified during the fiscal year and need to be initiated prior to the next fiscal year;
 - b. Actual or anticipated expenses for projects included in the current year adopted budget increase more than 20% above the original project budget, if the original budget amount is less than or equal to \$1,000,000, or 10% if the original budget amount is greater than \$1,000,000;
 - c. Actual or anticipated expenses for projects included in the current year adopted budget require an increase in budget appropriation, regardless of the amount of increase above the original project budget.

Section 6: Sustainability

1. All project proposals for new capital projects and renewal and replacement projects shall describe how the project supports Metro's Sustainability Plan in its efforts to reduce the environmental impact of Metro operations. When assessing capital or renewal and replacement projects for funding or prioritization, the following sustainability criteria should be applied:
 - a. Use total cost of ownership to create project budget projections that consider the costs of operating the asset for its entire useful life, not just the initial costs.
 - b. Utilize the prioritization criteria in Metro's Sustainability Plan.
 - c. Strong impacts on Metro's sustainability goals (greenhouse gas emissions, toxics, waste, water quality and habitat):
 - i. Provide a strong foundation for future sustainable operations work
 - ii. Leverage other investments (internal or external)
 - iii. Present a strong return on investment (ROI)
 - iv. Reduce operations and maintenance costs over time
 - v. Provide strong public visibility and/or public education opportunity
 - vi. Support the region's economy
 - d. Support the requirements and preferred qualifications of Metro's Green Building and Sustainable Procurement administrative procedures.
 - e. Prioritize projects that, through their implementation, support Metro's MWESB procurement goals, including the Sheltered Market and FOTA programs and related goals of Metro's Diversity Action Plan.
 - f. Consider economic benefits or return on investment (i.e. simple payback) on projects that have a financial benefit to Metro over the life of the investment.
2. Capital and renewal and replacement projects should be incorporated into the site-specific work plans developed for each facility that indicate how the Sustainability Plan will be implemented.

Section 7: Reporting

1. Capital project budget and actual reporting and status reports shall be provided as follows:
 - a. Departments shall report to the Chief Operating Officer or designee quarterly;
 - b. The General Manager shall report to the MERC Commission quarterly;
 - c. Metro Council shall receive a report twice annually.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 24-5406, FOR THE PURPOSE OF ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2024-25 THROUGH 2028-29 AND RE-ADOPTING METRO'S FINANCIAL POLICIES

Date: June 6, 2024

Prepared by:
Joshua Burns, Interim Budget Coordinator

Department: Office of the Chief Operating Officer

Presented by:
Marissa Madrigal, Chief Operating Officer
Brian Kennedy, Chief Financial Officer

Meeting date: June 13, 2024

Length: 20 minutes

ISSUE STATEMENT

Council action, through Resolution 24-5406, will adopt the Capital Improvement Plan (CIP) for FY 2024-25 through FY 2028-29 (five-year CIP) and will re-adopt Metro's Financial Policies.

ACTION REQUESTED

Council consideration of Resolution 24-5406.

IDENTIFIED POLICY OUTCOMES

- Adoption of the five-year CIP approves capital projects as detailed in Exhibit A and directs that project expenditures for FY 2024-25 are appropriated.
- Re-adoption of Metro's Financial Policies, as outlined in Exhibit B, for FY 2024-25.

POLICY QUESTIONS

- Does the five-year CIP align with Capital Asset Management Policies designed to operate and maintain physical assets in a manner that protects public investments and ensures that assets achieve their maximum useful life?
- Do the Financial Policies appear to safeguard agency assets, promote effective and efficient operations, and support achieving Metro's strategic goals?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Annual adoption of the five-year CIP and the re-adoption of the Financial Policies is required to stay compliant with Metro's Financial Policies.

STAFF RECOMMENDATIONS

The Chief Operating Officer and Chief Financial Officer recommend that Council adopt Resolution 24-5406.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

- The five-year CIP outlines Metro's long-range capital planning process. Exhibit A provides details of the five-year CIP.

- Metro’s Financial Policies were first adopted in 2004 through Council action on Resolution 04-3465. Since then, Council has re-adopted the Financial Policies annually in concurrence with their annual adoption of the budget. Metro’s Financial Policies were updated for FY2024-25 for the Solid Waste Fund. Council previously discussed these changes as part of the adoption of the Solid Waste Fees for FY2024-25 and in their review of the Waste Fee Policy Task Force recommendations, and Council was supportive of these changes.

1. Known Opposition – None known at this time.

2. Legal Antecedents –

- The preparation, review and adoption of Metro’s annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294.
- Financial Policies detailing post issuance compliance are designed to comply with applicable provisions of the Internal Revenue Code of 1986 and SEC Rule 15c2-12 as amended from time to time.

3. Anticipated Effects – The adopted five-year CIP and the re-adopted Financial Policies will be effective as of July 1, 2024.

4. Financial Impacts – The adopted five-year CIP will include 173 projects with FY2024-25 appropriations of \$51,939,546 and total estimated costs for five years of \$208,433,559.

BACKGROUND

- The five-year CIP:
 - The table below provides a summary of the five-year CIP:

	Total Projects	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	5 YR Total
Capital Asset Management	16	\$ 1,375,000	\$ 1,200,000	\$ -	\$ 700,000	\$ 500,000	\$ 3,775,000
Council Office	1	466,299	-	-	-	-	466,299
Visitor Venues - MERC	59	14,601,000	9,995,000	10,350,000	13,185,000	9,110,000	57,241,000
Information Technology and Records Management	23	2,268,067	841,265	1,354,724	1,905,000	1,350,000	7,719,056
Parks and Nature	29	20,129,180	24,359,292	25,276,732	17,827,000	150,000	87,742,204
Waste Prevention and Environmental Services	36	3,200,000	8,820,000	6,855,000	7,220,000	6,495,000	32,590,000
Visitor Venues - Oregon Zoo	9	9,900,000	6,550,000	1,450,000	1,000,000	-	18,900,000
Total	173	\$ 51,939,546	\$ 51,765,557	\$ 45,286,456	\$ 41,837,000	\$ 17,605,000	\$ 208,433,559

- Financial Policies re-adopted for FY 2024-25:
 - The Financial Policies include general and specific policies that are either required to align with federal or state laws and regulations or developed to establish procedures and practices that meet agency goals and practices. Highlights of the policies include:
 - The policies will be reviewed annually by the Council and adopted alongside the budget.
 - A definition of a balanced budget is one in which current year revenues meet or exceed current year expenditures.
 - Any use of fund balance in an operating fund will be fully explained in the adopted budget document.
 - A study to assess the affordability of any new program will be done before the program is implemented.
 - One-time revenues will be used to pay for one-time costs or added to fund balance.
 - Post issuance compliance policies are designed to comply with applicable provisions of the Internal Revenue Code of 1986 and SEC Rule 15c2-12 as amended from time to time.

- Capital asset management policies establish the framework for overall capital asset planning and management.

ATTACHMENTS

Resolution #24-5406 - For the Purpose of Adopting the Capital Improvement Plan for Fiscal Years 2024-25 through 2028-29 and Re-Adopting Metro's Financial Policies

Exhibit A – Summary of CIP – Resolution 24-5406

Exhibit B – Financial Policies – Resolution 24-5406