

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 23-5334, FOR THE PURPOSE OF ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2023-24 THROUGH 2027-28 AND RE-ADOPTING METRO'S FINANCIAL POLICIES

Date: June 20, 2023

Prepared by:
Patrick Dennis, Budget Coordinator

Department: Office of the Chief Operating Officer

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

Meeting date: June 22, 2023

Length: 20 minutes

ISSUE STATEMENT

Council action, through Resolution 23-5334, will adopt the Capital Improvement Plan (CIP) for FY 2023-24 through FY 2027-28 (five-year CIP) and will re-adopt Metro's Financial Policies.

ACTION REQUESTED

Council consideration of Resolution 23-5334.

IDENTIFIED POLICY OUTCOMES

- Adoption of the five-year CIP approves capital projects as detailed in Exhibit A and directs that project expenditures for FY 2023-24 are appropriated.
- Re-adoption of Metro's Financial Policies, as outlined in Exhibit B, for FY 2023-24.

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 22-5334.

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. There are no significant changes in the FY 2023-24 Financial Policies.

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, 2023.

4. Financial Impacts – The adopted five-year CIP will include 184 projects with FY2023-24 appropriations of \$69,839,844 and total estimated costs for five years of \$250,253,864.

BACKGROUND

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

	Total						
	Projects	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	5 YR Total
Capital Asset Management	19	\$ 3,473,000	\$ 1,825,000	\$ 1,100,000	\$ 1,050,000	\$ 1,350,000	\$ 8,798,000
Information Technology and Records Management	22	2,394,186	1,584,532	656,265	1,054,724	680,000	6,369,707
Parks and Nature	26	32,712,158	20,384,000	21,508,500	21,358,500	15,000,000	110,963,158
Visitor Venues - MERC	78	13,002,500	19,047,500	11,780,833	11,008,333	15,950,833	70,789,999
Visitor Venues - Oregon Zoo	10	4,113,000	837,000	838,000	-	-	5,788,000
Waste Prevention and Environmental Services	29	14,145,000	8,700,000	6,100,000	8,300,000	10,300,000	47,545,000
Total	184	\$ 69,839,844	\$ 52,378,032	\$ 41,983,598	\$ 42,771,557	\$ 43,280,833	\$ 250,253,864

- Financial Policies re-adopted for FY 2023-24:
 - 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 #23-5334 - For the Purpose of Adopting the Capital Improvement Plan for Fiscal Years 2023-24 through 2027-28 and Re-Adopting Metro's Financial Policies

Exhibit A – Summary of CIP – Resolution 23-5334

Exhibit B – Financial Policies – Resolution 23-5334