



600 NE Grand Ave.
Portland, OR 97232-2736

Council meeting agenda

Thursday, June 6, 2024

10:30 AM

Metro Regional Center, Council Chamber,
<https://zoom.us/j/615079992> Webinar ID:
615 079 992 or 888-475-4499 (toll free)
[https://www.youtube.com/watch?
v=TKRJXdXssG0&list=PLB2faWWqJxGAOgO
HIX1Wdw4NNSBfpYH-&index=7](https://www.youtube.com/watch?v=TKRJXdXssG0&list=PLB2faWWqJxGAOgOHIX1Wdw4NNSBfpYH-&index=7)

This meeting will be held electronically and in person at the Metro Regional Center Council Chamber.

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<https://zoom.us/j/615079992> Webinar ID: 615 079 992 or 888-475-4499 (toll free)

1. Call to Order and Roll Call

2. Public Communication

Public comment may be submitted in writing. It will also be heard in person and by electronic communication (video conference or telephone). Written comments should be submitted electronically by emailing legislativecoordinator@oregonmetro.gov. Written comments received by 4:00 p.m. the day before the meeting will be provided to the council prior to the meeting. Testimony on non-agenda items will be taken at the beginning of the meeting. Testimony on agenda items generally will take place during that item, after staff presents, but also may be taken at the beginning of the meeting.

Those wishing to testify orally are encouraged to sign up in advance by either: (a) contacting the legislative coordinator by phone at 503-813-7591 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. Those wishing to testify in person should fill out a blue card found in the back of the Council Chamber.

Those requesting to comment virtually during the meeting can do so by joining the meeting using this link: <https://zoom.us/j/615079992> (Webinar ID: 615079992) or 888-475-4499 (toll free) and using the "Raise Hand" feature in Zoom or emailing the legislative coordinator at legislativecoordinator@oregonmetro.gov. Individuals will have three minutes to testify unless otherwise stated at the meeting.

3. Presentations

- 3.1 Presentation of Financial Policies with emphasis on renewal and replacement [24-6076](#)

Presenter(s): Auditor Brian Evans (he/him), Metro

Attachments: [Renewal-replacement-audit-highlights-may-2024 Staff Report](#)

4. Resolutions

- 4.1 Resolution No. 24-5412 For the Purpose of Adding Two new ODOT Managed Projects to the 2024-27 MTIP to Meet Federal Transportation Project Delivery Requirements [RES 24-5412](#)

Presenter(s): Rian Windsheimer, ODOT

Attachments: [Resolution No. 24-5412 Exhibit A Staff Report](#)

5. Ordinances (First Reading and Public Hearing)

- 5.1 Ordinance No. 24-1514 For the Purpose of Amending Metro Code Chapter 7.05 (Income Tax Administration) Regarding Income Tax Confidentiality Provisions [ORD 24-1514](#)

Presenter(s): Justin Laubscher (he/him), Tax Compliance Program Manager, Metro

Attachments: [Ordinance No. 24-1514 Exhibit A Exhibit B Staff Report](#)

5.1.1 Public Hearing for Ordinance No. 24-1514

6. Other Business

- 6.1 FY 2024-25 Budget - Vote on Budget Amendments and Notes **24-6071**

Attachments: Attachment 1 Staff Report

- 6.1.1 Public Hearing for FY 2024-25 Budget Vote
- 7. Chief Operating Officer Communication
- 8. Councilor Communication
- 9. Adjourn

**Presentation of Financial Policies with
emphasis on renewal and replacement**
Presentations

Metro Council Meeting
Thursday, June 6th, 2024

Renewal and Replacement: Finalize asset management strategy to inform financial policies

Why this audit is important

Renewal and replacement practices protect public investments by ensuring these assets meet or exceed their estimated useful life. As of June 30, 2023, Metro owned or leased about \$310 million in buildings, exhibits, equipment, and vehicles. Over the past five fiscal years, at least \$41.8 million was spent from dedicated renewal and replacement funds.

The purpose of this audit was to evaluate Metro’s revenues and expenditures for renewal and replacement and determine how projects are prioritized and managed.



Source: [Thenounproject.com](https://thenounproject.com)

Metro has taken steps to strengthen its asset management practices. At the time of our audit, the Capital Asset Management department was leading the effort to finalize an agencywide asset management strategy and improve the asset data collected.

What we found

Several best practices were in place to manage renewal and replacement, but an agencywide asset management strategy was not finalized. This reduced Metro’s ability to increase the sophistication of information systems and processes. It also made it difficult to establish appropriate financial policies for renewal and replacement needs. Without clear and well-aligned financial guidance, decision makers will not know if they are budgeting too much or not enough for renewal and replacement.

Opportunities to improve Metro’s management of renewal and replacement existed across four areas

Component	Currently in place	Potential for improvement
Strategy	<ul style="list-style-type: none"> Commitment to take care of assets 	<ul style="list-style-type: none"> Finalized agencywide asset management strategy
Information System	<ul style="list-style-type: none"> Centralized database Development of data standards 	<ul style="list-style-type: none"> Finalized data standards and requirements Regular project reporting, as required in CAMP Agencywide asset condition reports
Processes	<ul style="list-style-type: none"> Defined process to prioritize projects 	<ul style="list-style-type: none"> Defined processes to identify projects Improved documentation to increase transparency in prioritization
Financial Policies	<ul style="list-style-type: none"> Renewal and replacement reserves Reserve guidelines and policies 	<ul style="list-style-type: none"> Reserve policies based on asset needs Consistency across policies, guidelines, and agencywide asset management strategy

Source: Auditor’s Office summary of audit findings

What we recommend

The audit includes ten recommendations to assist Metro as it develops its renewal and replacement processes. We made five to finalize Metro’s asset management strategy and meet reporting requirements. We made five additional recommendations to identify long-term asset requirements and strengthen the quality of information used in decision making.



Renewal and Replacement:

Finalize asset management strategy to inform financial policies

May 2024

A Report by the Office of the Auditor

Brian Evans
Metro Auditor

Angela Owens
Principal Management Auditor

Tram Anh Hoang
Hatfield Resident Fellow

Metro Accountability Hotline

The Metro Accountability Hotline gives employees and citizens an avenue to report misconduct, waste or misuse of resources in any Metro or Metro Exposition Recreation Commission (MERC) facility or department.

The Hotline is administered by the Metro Auditor's Office. All reports are taken seriously and responded to in a timely manner. The auditor contracts with a hotline vendor, EthicsPoint, to provide and maintain the reporting system. Your report will serve the public interest and assist Metro in meeting high standards of public accountability.

To make a report, choose either of the following methods:

Dial 888-299-5460 (toll free in the U.S. and Canada)
File an online report at www.metroaccountability.org



Brian Evans
Metro Auditor
600 NE Grand Ave
Portland, OR 97232-2736
TEL 503 797 1892

MEMORANDUM

May 30, 2024

To: Lynn Peterson, Council President
Ashton Simpson, Councilor, District 1
Christine Lewis, Councilor, District 2
Gerritt Rosenthal, Councilor, District 3
Juan Carlos Gonzalez, Councilor, District 4
Mary Nolan, Councilor, District 5
Duncan Hwang, Councilor, District 6

From: Brian Evans, Metro Auditor

Re: Audit of Renewal and Replacement

This report covers the audit of financial policies related to asset renewal and replacement. Financial policies create a shared vision for how an organization will use its resources. The purpose was to evaluate Metro's revenues and expenditures for renewal and replacement and determine how projects were prioritized and managed.

The audit found several best practices were in place across the four components used to manage renewal and replacement. However, an agencywide asset management strategy was not finalized. An agencywide asset management strategy is the most important because it sets the overall vision for aligning the other three components: financial policies, information systems, and processes. Ongoing evaluations and refinements are crucial to improve each component and ensure alignment.

The audit found variations in the information systems used for making renewal and replacement decisions. This reduced Metro's ability to ensure projects addressed the most urgent needs. Processes for identifying and prioritizing projects lacked guidance and documentation, which reduced transparency.

We have discussed our findings and recommendations with Marissa Madrigal, COO; Andrew Scott, Deputy COO; Brian Kennedy, CFO; and Ryan Kinsella, Capital Asset Management Director. I would like to acknowledge and thank all the people who assisted us in completing this audit.

Summary

Renewal and replacement is the process of replacing capital assets to extend their life or increase their efficiency while retaining original use. Metro maintains renewal and replacement reserves to pay for capital maintenance and replacement. As of June 30, 2023, renewal and replacement policies applied to about \$310 million, or 41%, of the total value of Metro's assets.

The purpose of this audit was to evaluate Metro's revenues and expenditures for renewal and replacement and determine how projects are prioritized and managed. Several best practices were in place but an agencywide asset management strategy was not finalized. This reduced Metro's ability to increase the sophistication of renewal and replacement information systems and processes. It also made it difficult to establish appropriate financial policies for renewal and replacement needs.

Additional efforts were needed to ensure consistency across financial policies and align them with an agencywide asset strategy. Financial policies create a shared vision for how an organization will use its resources. Without clear and well-aligned financial guidance, decision makers will not know if they are budgeting too much or not enough for renewal and replacement.

There were variations in the information systems used for making renewal and replacement decisions. These systems included asset data, facility condition assessments, and project reporting. Asset data were reportedly incomplete and some reporting requirements were not met. This reduced Metro's ability to ensure projects addressed the most urgent needs.

Processes for identifying and prioritizing projects lacked guidance and documentation, which reduced transparency. Information to identify projects was inconsistent. Additional guidance and standardized practices will be needed as new approaches are developed to identify projects. A project prioritization process was in place but may not be specific enough to provide objective scoring. Additionally, prioritization scores did not appear effective in guiding decision-making.

The Capital Asset Management Department was leading the effort to finalize an agencywide asset management strategy. Work included improving the detail and consistency of data collected and using Facility Condition Assessments as a tool to identify renewal and replacement projects.

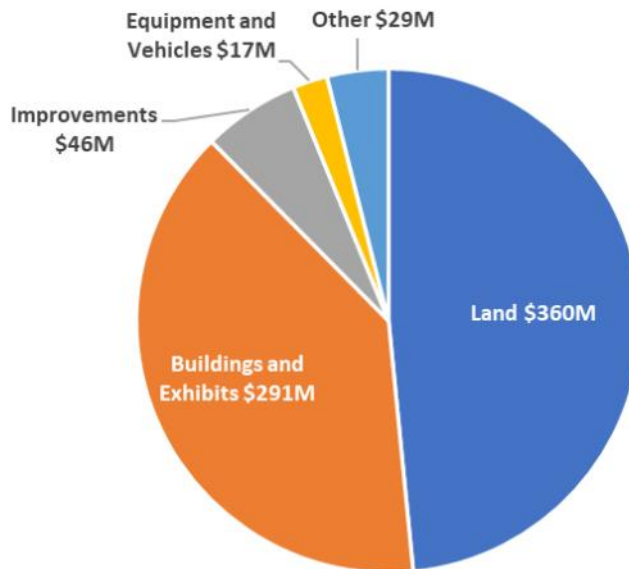
This audit includes ten recommendations to assist Metro as this work is completed. Five are intended to finalize the agencywide asset management strategy and improve reporting. The other five are designed to identify long-term asset requirements and strengthen the quality of information used in decision-making.

Background

Renewal and replacement is the process of replacing capital assets to extend life or increase the efficiency of an existing asset, while retaining its original use. Metro defines renewal and replacement as the construction, reconstruction, or major renovation of capital assets. Metro maintains renewal and replacement reserves to pay for capital maintenance and replacement so capital assets meet or exceed their estimated useful life.

As of June 30, 2023, Metro owned or leased nearly \$743 million in assets. Renewal and replacement policies and practices apply to buildings and exhibits, and equipment and vehicles, which amount to about \$310 million, or 41% the total value of Metro’s assets.

Exhibit 1 Land, buildings, and exhibits made up most of Metro’s assets

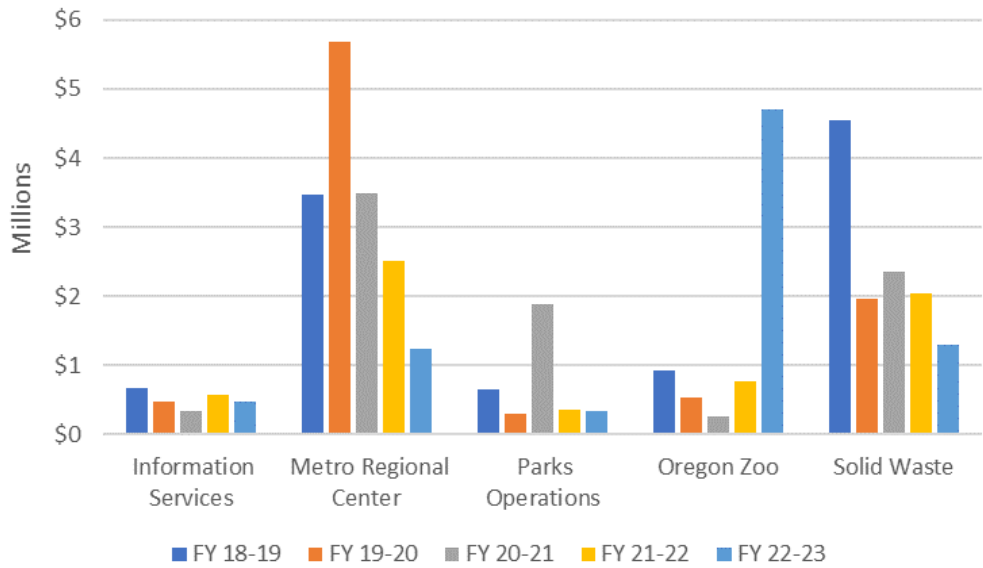


Source: Auditor’s Office analysis of Metro Annual Consolidated Financial Report.

Dedicated renewal and replacement funds are maintained for Information Services, Metro Regional Center (MRC), Parks operations, Oregon Zoo, and Solid Waste services. For Portland’s, Oregon Convention Center (OCC), and Portland Expo Center (Expo), renewal and replacement funds are combined with funding for new capital assets. Between fiscal year (FY) 2018-19 and FY 2022-23, Metro budgeted a total of \$95.2 million in the dedicated renewal and replacement funds, and \$102.1 million in the combined capital funds, adjusted for inflation.

Expenditures from renewal and replacement funds over the last five fiscal years were \$41.8 million. Year-to-year expenditures varied across these funds. Combined capital expenditures for Portland’s, OCC, and Expo totaled \$85 million over the last five years. Since the combined capital funds also include new capital investments, we were not able to show detailed year-to-year renewal and replacement expenditures from these funds.

Exhibit 2 Year-to-year renewal and replacement expenditures varied across funds



Source: Auditor’s Office analysis of Metro financial system data, adjusted for inflation.

Metro Council annually adopts financial policies during the budget process. The financial policies are intended to provide the framework for overall fiscal management, promote effective and efficient operations, support the achievement of strategic goals, and safeguard assets.

The financial policies include a detailed section that outlines Capital Asset Management Policies (CAMP). CAMP provides the basic framework for managing capital assets. It defines renewal and replacement, sets requirements for capital and renewal and replacement processes, and establishes the financing principles for funding capital projects.

CAMP requires the establishment of renewal and replacement funds or accounts for each operating fund with major capital assets. The intent is to ensure sufficient resources for capital maintenance and replacement so capital assets meet or exceed their estimated useful lives. They are not intended for funding major capital assets.

In addition to the financial policies annually adopted by Council, there are more detailed policies and procedures to guide internal operations. Those related to renewal and replacement include Capital Improvement Plan (CIP) instructions and renewal and replacement reserve policies. The CIP instructions provide the guidelines to develop the agency’s five-year CIP. The reserve policies set reserve targets, establish annual contributions, and identify appropriate uses of the renewal and replacement funds. The reserve policies were reported as not officially approved but used by finance managers to guide their work.

The CIP applies to projects with estimated costs of \$100,000 or larger and at least five years of useful life, including renewal and replacement projects. Capital Asset Management (CAM) facilitates the CIP process each year, while departments identify, prioritize, and propose projects for the CIP.

Exhibit 3 Metro’s capital improvement planning process applies to renewal and replacement projects

	Identification and Prioritization	Project Concept and Scheduling	Proposed CIP and Risk Mitigation	Review and Approval
Description	<ul style="list-style-type: none"> Identify all potential projects Score and rank projects using the CIP prioritization tool 	<ul style="list-style-type: none"> Develop project scope, schedule, budget, and staffing Estimate the project timeline 	<ul style="list-style-type: none"> Develop CIP based on project prioritization and funding available Identify risks and plan for risk mitigation 	<ul style="list-style-type: none"> Leadership reviews CIP and submits to Council for approval.
Entity in charge	Departments, Capital Planning Oversight Committees (CPOC)	Departments, CPOC	Departments, CPOC	CAM, CIP Executive Committee, Chief Executive Officer, Council

Source: Auditor’s Office summary of FY 2024-25 CIP instructions.

The governance of capital assets has evolved over the past decade. In 2013, Metro updated the CAMP to require a Capital Asset Advisory Committee to advise on the ongoing management of renewal and replacement reserves. This committee was later disbanded. In FY 2020-21, CAM became a stand-alone department which oversees the CIP process. The Asset Management Division within CAM was charged with implementing Metro’s overall asset strategy.

Besides CAM, several parties across the agency are responsible for managing asset renewal and replacement. Finance managers work with departments and Finance and Regulatory Services (FRS) to develop renewal and replacement reserve policies. Facility managers help ensure assets are cared for, functioning as intended, and are replaced when needed. The CIP instructions indicate each department engages their Capital Planning Oversight Committees (CPOC) to plan for and manage capital projects. In two reviewed departments, CPOC memberships included finance staff, facility staff, and department directors.

In 2016, two audits issued by the Metro Auditor’s Office identified weaknesses in asset management. Since then, Metro has taken several steps

to strengthen its asset management practices, which included the management of renewal and replacement. Metro hired a consultant in 2018 to review asset management processes and develop recommendations for Metro's Strategic Asset Management Plan (SAMP), asset management standards, and capital planning standards. In FY 2023-24, Metro piloted the use of facility condition assessments in two departments to guide the development of the CIP, as well as to standardize and provide asset data for Metro's information system.

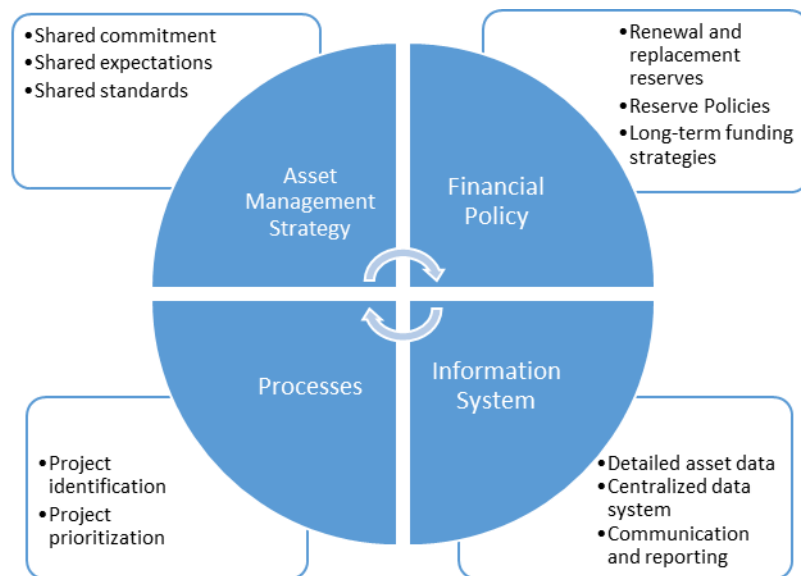
Results

Several best practices were in place for managing renewal and replacement. However, an agencywide strategy was not finalized. This reduced Metro’s ability to increase the sophistication of renewal and replacement information systems and processes. It also made it difficult to establish appropriate financial policies for renewal and replacement needs. Additional attention in the following areas will help improve asset management practices:

- Agencywide asset management strategy
- Financial policies for funding renewal and replacement
- Information systems used for decision-making
- Guidance to ensure consistent and transparent processes

Best practices in the management of renewal and replacement discuss four components. An agencywide asset management strategy is the most important because it sets the overall vision for aligning the other three components: financial policies, information systems, and processes. Ongoing evaluations and refinements are crucial to improve each component and ensure alignment. For instance, a complete and accurate asset database requires resources to develop and maintain. Those resources could be wasted if the database is not used to inform renewal and replacement decisions.

Exhibit 4 Effective renewal and replacement involves four components



Source: Auditor’s Office summary of SAMP recommendations and best practices outlined by the Government Finance Officers Association.

Metro implemented several best practices in each of these components. For example, it set aside funds for renewal and replacement projects. Agencywide reserve guidelines were outlined in CAMP and finance staff developed facility-specific policies for reserves.

A centralized data system capable of storing specific asset data was in place. CAM was in the process of finalizing standards for rating assets and

guidance for collecting asset data during Facility Condition Assessments (FCA). Budget changes for renewal and replacement projects were communicated to Metro Council through the budget amendment process. The Metropolitan Exposition Recreation Commission received updates about project spending in comparison to project budgets for OCC, Portland’5, and Expo.

Metro was in the process of exploring the use of FCAs to identify immediate and long-term renewal and replacement needs. These reports included an objective evaluation of the condition of an organization’s assets and forecasted costs to maintain and replace them.

A formal process was also in place to prioritize renewal and replacement projects. This process included a template to score potential projects based on established criteria. The three facilities we reviewed had oversight committees to evaluate projects and monitor their progress.

At the time of our review, CAM was leading the effort to finalize an agencywide asset management strategy. Work included improving the detail and consistency of asset data collected and using FCAs as a tool to identify renewal and replacement projects. We found additional opportunities to improve renewal and replacement practices.

Exhibit 5 Opportunities to improve Metro’s management of renewal and replacement existed across four areas

Component	Currently in place	Potential for improvement
Strategy	<ul style="list-style-type: none"> Commitment to take care of assets 	<ul style="list-style-type: none"> Finalized agencywide asset management strategy
Information System	<ul style="list-style-type: none"> Centralized database Development of data standards 	<ul style="list-style-type: none"> Finalized data standards and requirements Regular project reporting, as required in CAMP Agencywide asset condition reports
Processes	<ul style="list-style-type: none"> Defined process to prioritize projects 	<ul style="list-style-type: none"> Defined processes to identify projects Improved documentation to increase transparency in prioritization
Financial Policies	<ul style="list-style-type: none"> Renewal and replacement reserves Reserve policies 	<ul style="list-style-type: none"> Reserve policies based on asset needs Consistency across policies, guidelines, and agencywide asset management strategy

Source: Auditor’s Office summary of audit findings.

Financial Policies

Additional efforts were needed to ensure consistency across financial policies and align them with an agencywide strategy. Financial policies create a shared vision for how an organization will use its resources. Renewal and replacement reserves provide financial flexibility and are a tool to proactively care for assets. Without clear and well-aligned financial guidance, decision makers will not know if they are budgeting too much or not enough funding for renewal and replacement.

Guidance for developing renewal and replacement reserves was inconsistent

Lack of an agencywide asset management strategy created barriers to developing appropriate renewal and replacement reserve policies. Inconsistencies across Metro's policies also reduced clarity about the intent for renewal and replacement reserves.

Guidance in CAMP was different from the guidance finance staff used to establish renewal and replacement reserves. CAMP required some reserves to be sufficient to cover ten years of needed projects. However, a ten-year project list had not been identified and we were informed reserves were insufficient to cover five years of planned projects. In the absence of this information, finance staff set targets for annual contributions and how much should be in the account at the end of the year (fund balance). These targets were based, in part, on what had been funded through prior year CIPs and available funding, rather than a forward-looking estimate of future needs.

CAMP suggested the purpose of renewal and replacement funding was to protect public investments by extending the useful life or increasing the efficiency of an asset. We heard additional perspectives about these funds. Some thought the purpose was to set aside funds in the event of an emergency. Another idea was the funds could be used as long-term savings accounts. Others believed setting aside too much money over a long period of time would be inefficient because those funds could be used for other projects or operating expenses.

There were also opportunities for interpretation in how renewal and replacement was defined. For instance, CAMP noted that renewal and replacement funding was not intended for routine maintenance. One of the reserve policies we reviewed included painting as an allowable activity, which could be interpreted as routine maintenance depending on the size of the project. CAMP defined renewal and replacement as construction, reconstruction, replacement, or major renovation. It also noted that funds should not be used on building replacements or significant structural upgrades. One of the reserve policies we reviewed included infrastructure replacement as an allowable activity.

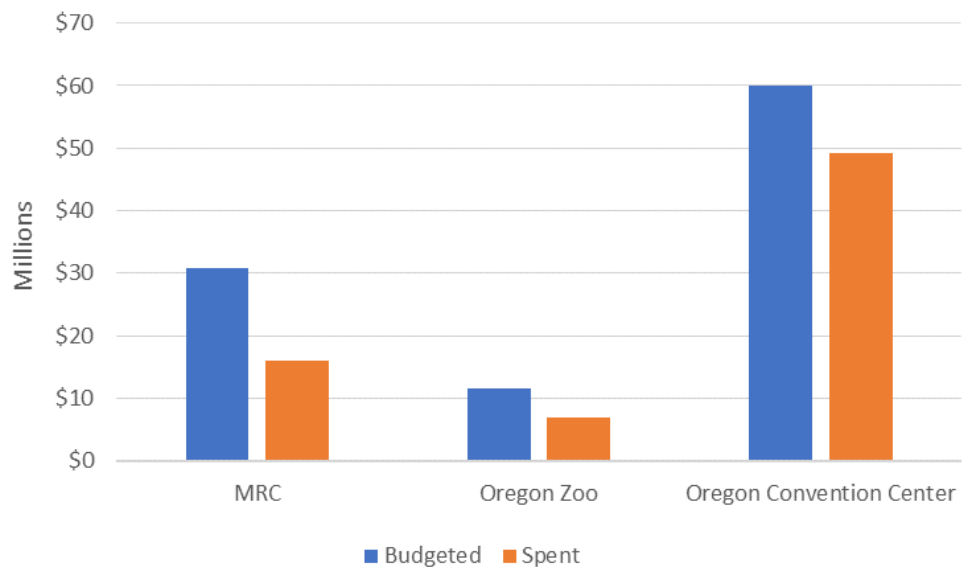
It was also difficult to determine which reserve policies were in effect. A draft 2024 agencywide reserve policy referred to a 2022 capital reserve policy as guidance for renewal and replacement reserves. However, the draft policy also included guidance for some renewal and replacement reserves that was not aligned with the 2022 policy.

Year one of the CIP did not consistently predict renewal and replacement spending

The CIP includes capital projects for the next five years. The first year of the CIP also serves as a budget. We found the first year of the CIP was inconsistent in predicting total annual spending. Differences between planned and actual spending could have several possible causes. Some of them were within Metro’s control and some were not. Examples included contractor availability, the accuracy of cost estimates as projects are developed, and staff capacity to manage projects. This emphasized the importance of learning from previous efforts to increase the accuracy of project planning and budgeting.

We compared budgeted amounts in the CIP to actual spending in those years from FY 2018-19 to FY 2022-23 for MRC, Oregon Zoo, and OCC. MRC spent about half of its renewal and replacement budget in the five years we reviewed, Oregon Zoo spent about 60%, and OCC spent about 82%.

Exhibit 6 Year one of the Capital Improvement Plan inconsistently predicted annual renewal and replacement spending



Source: Auditor’s Office analysis of budget documents and data from Metro’s financial system.

Overall, the accuracy of the CIP as a planning tool varied across facilities and fiscal years. Over the last five fiscal years, the amount of the initial budget spent ranged from 2% to 98%. While COVID likely created challenges in carrying out planned projects, learning more about the causes of these fluctuations could improve the accuracy of project planning and budgeting.

Tracking data to determine why some planned projects were not started when expected can help improve efficiency. Project delays can potentially result in reduced public benefit and increased costs over the long-term. Examples include additional maintenance and staff time needed to care for aging assets. Increases can also happen because of inflation and construction cost escalations, which may be out of Metro’s control, but remain important for increasing the accuracy of planning.

For instance, across the three facilities we reviewed, there was a \$6.05 million difference between what was initially budgeted and what was spent in FY 2021-22. If that work carried over to FY 2022-23, then Metro could have expected an additional cost of about \$380,000 based on inflation alone. In a more extreme example, there was about a \$13.8 million difference between what was initially budgeted and spent in FY 2018-19. If work planned for FY 2018-19 were to be carried out in FY 2022-23, Metro may need to pay about \$2.6 million more than originally planned, based on inflation. This is a simplification, but it highlights potential costs of delaying projects.

We also compared the amount of money spent in each fiscal year to the projects that were budgeted for those years. Most of the spending that took place was for projects initially budgeted in the CIP.

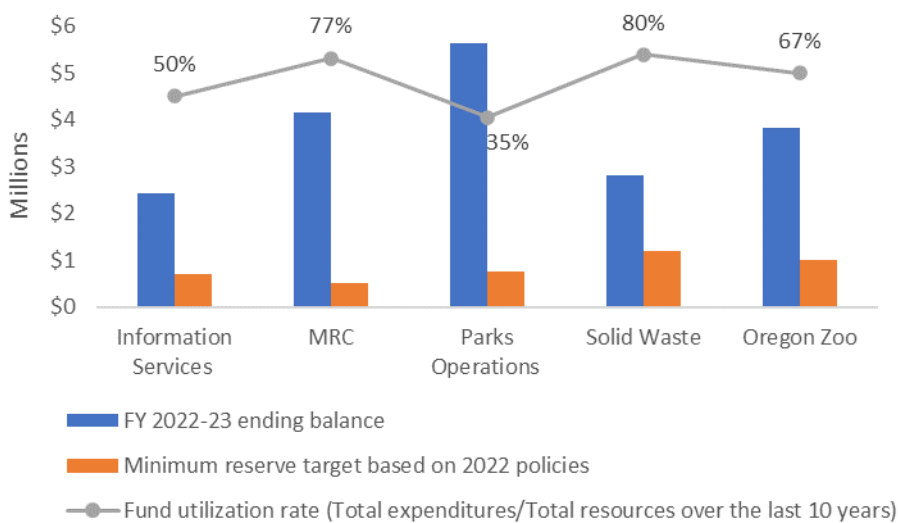
Metro's current financial planning maintains required reserves but does not ensure funding for all CIP projects

Metro had enough resources to cover renewal and replacement expenditures and maintain balances above the reserve targets required in its reserve policies. However, estimates of renewal and replacement trends suggest the current reserve policies may not guarantee coverage of all projects in the five-year CIP. As a result, additional funding for some parts of the organization may be needed.

We evaluated revenues, expenditures, and fund balances of five renewal and replacement funds based on available data in the past 10 fiscal years. By the end of FY 2022-23, all five funds had remaining balances above their reserve targets in the 2022 Renewal and Replacement Reserve Policies.

We also evaluated how well resources were used in each fund. MRC, Solid Waste, and Oregon Zoo used between 67% to 80% of their total available funding, which included revenue transfers and fund balances. Parks Operations and Information Services tended to maintain relatively high balances compared to their yearly expenditures, which resulted in lower percentages of funds used.

Exhibit 7 Metro successfully covered expenditures and met reserve targets in all renewal and replacement funds



Source: Auditor's Office analysis data from Metro's financial system, adjusted for inflation.

Being able to cover actual spending trends is a success, but it could incent slow project delivery. Metro has consistently spent less than it had planned in renewal and replacement funds. This indicated the CIP was not fully implemented for these funds. Had all projects been implemented as planned, Metro might have required additional revenue transfers to cover spending.

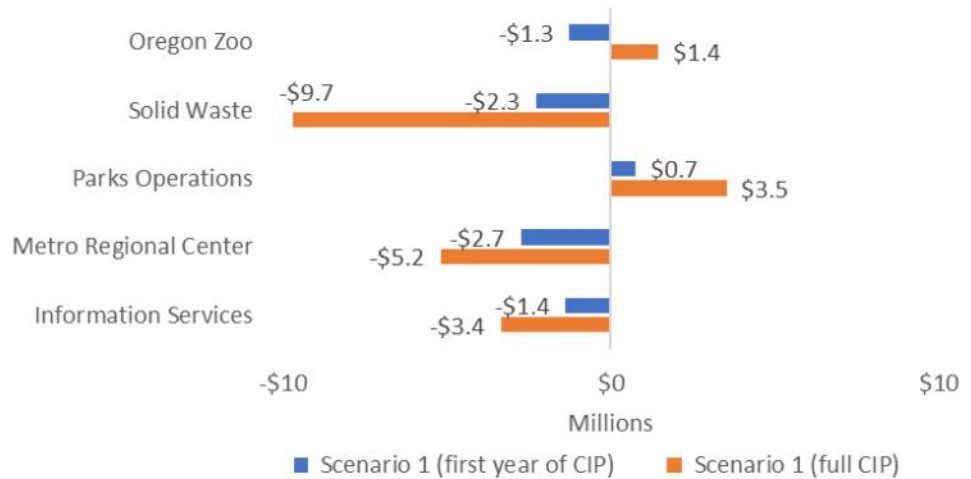
Best practices suggest a government's financial plans and CIP should address the continuing investment necessary to properly maintain its capital assets. Aligning financial plans with the CIP is important to manage different risks. Saving too much each year could result in a surplus that could be better used for other purposes. Alternatively, not having enough funds could result in delays in project delivery and damage to assets.

Our analysis indicated planning practices may not be as well-aligned as they could be. The CIP outlined projects for five years, but only the first year was budgeted through the annual budget process. This could lead to a situation where too much is budgeted for the first year of the five-year plan, but not enough is set aside to fund all the planned projects for future years. Aligning financial policies with the CIP can help avoid this situation and guide short-term and long-term decision-making.

The only formally documented financial planning we found was the reserve policies. However, it is unclear if the reserves can be used to fund any CIP project or if they are intended only for emergencies. Aligning capital planning and financial planning may require more than the reserve policies. For example, a financial plan could include considerations of alternative fundings sources such as fee revenues and outside debts, besides ongoing allocations.

To estimate the adequacy of funding for renewal and replacement, we set up three financial scenarios. In Scenario 1, we used the reserve policies to estimate revenues, and the FY 2023-24 CIP to estimate expenditures for the renewal and replacement funds in the next five years. We found revenue transfers would only cover the next year’s planned projects in one fund and would cover the next five years’ projects in two funds. This means Metro will need to draw down the fund balance to complete planned projects. Of the five renewal and replacement funds, Parks Operations had no planned projects for the next five years. .

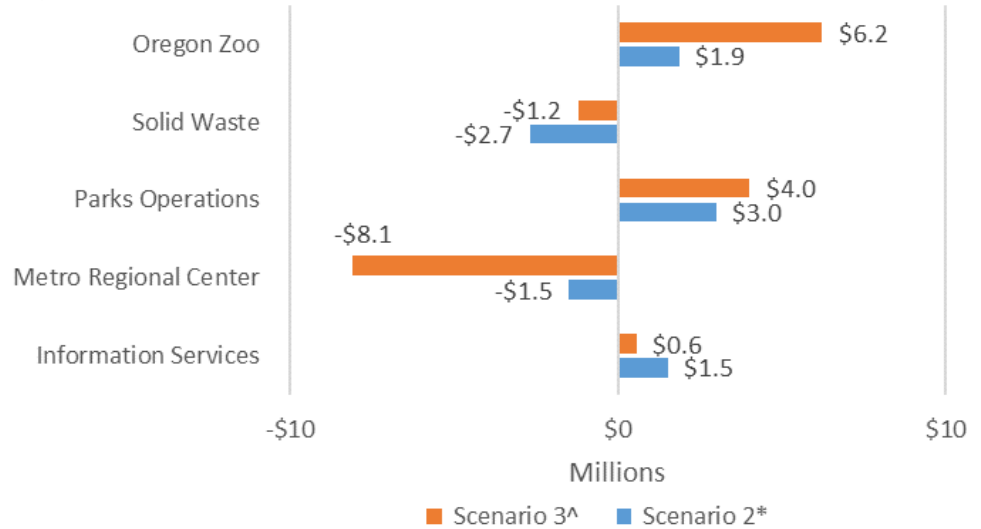
Exhibit 8 Metro’s current practice does not ensure adequate revenue transfers to cover CIP projects in all but one renewal and replacement funds



Source: Auditor’s Office analysis of CIP and Renewal and Replacement Reserve Policies by Department and Fund.

We also estimated future revenues and expenditures based on the assumption that trends from previous years continue. Scenario 2 uses a rolling five-year average of all revenues and expenditures while Scenario 3 excludes outlier projects and one-time revenue sources. These estimates show that the Parks Operations, Information Services, and Oregon Zoo funds may have more revenues than needed while MRC and Solid Waste may have to draw on their balances to fund renewal and replacement projects.

Exhibit 9 Based on past trends, MRC and Solid Waste may have to draw on their existing balances to fund renewal and replacement



Source: Auditor's Office analysis of data in Metro's financial system.

*Rolling five-year average of all actual revenues and expenditures

^Rolling five-year average of all actual revenues and expenditures excluding outliers

It is important to note that none of the above scenarios are meant to provide predictions of future financial resources and spending. Rather, they are meant to provide data points to evaluate the adequacy of renewal and replacement reserves and provide insights into financial planning practices. It will be important to consider and finalize the purpose of renewal and replacement reserves. If the reserves policies aim at covering the five-year CIP or ten years of needed projects, it would require more annual set asides. Alternatively, if the policies are intended to cover actual project costs based on 5-year past trends, less annual set asides may be needed for some funds.

Information Systems

There were variations in the information systems used for making renewal and replacement decisions. These systems included asset data, facility condition assessments, and project reporting. Data standards and requirements were not fully implemented, and some project reporting was not carried out as required. This reduced Metro's ability to ensure projects addressed the most urgent needs.

Asset data were reportedly incomplete

We were told that information in Metro's asset database was incomplete. CAM was restructuring Asset Essentials to be an asset inventory, that was formerly used to track maintenance and work orders. This meant assets that had no maintenance or work orders in the past may not currently be reflected in the system. Further, the level of detail in the system may vary, which could make agencywide analysis challenging.

According to best practices, detailed asset information should be collected, monitored, and communicated to prioritize limited resources. Details include asset condition, expected condition, estimated useful life, maintenance, and asset criticality. This information can be used to manage assets.

Exhibit 10 Detailed information can inform funding decisions

Information	What it is	Why it matters
Condition	Rating of asset condition (i.e. like new or needs replacement)	Easy-to-understand summary of asset health
Expected condition	Acceptable level for asset performance	Shows needed or unneeded investment when compared to current asset condition
Expected useful life	Estimated percentage of useful life remaining	Informs long-term financial planning
Criticality	Importance rating, i.e. <ul style="list-style-type: none"> • how often used/not used • impact and likelihood of failure • health and safety requirements 	Prioritizes asset needs when there is limited funding
Maintenance levels	Rating based on frequency of scheduled and unscheduled maintenance	Informs ongoing financial planning; Identifies assets that may need to be replaced sooner than expected
Budgeted vs. actual project spending	Comparison of planned spending to actual spending	Identifies trends and challenges that can be used to make course-corrections in financial and project planning processes

Source: Auditor's Office analysis of practices outlined by the Government Finance Officers Association, Metro's Strategic Asset Management Plan, and information included in MRC facility condition assessment.

CAM was in the process of implementing data standards for the asset database. The intent was to ensure consistency and eventually use the data to identify renewal and replacement needs. CAM provided an example of how this information could also be used to evaluate the impact of the CIP on the current condition of assets. For instance, if projects in the 5-year CIP were completed for Asset 1, its condition would improve from marginal (0%-25% of useful life remaining and high maintenance needs that impact operations) to excellent (75%-100% of useful life remaining and routine maintenance only).

Exhibit 11 Data can show the impact of completing projects

Transfer Station Asset	Current Condition*	Condition after implementing CIP projects*
Asset 1	Marginal	Excellent
Asset 2	Adequate	Good

Source: Auditor summary of CAM department draft analysis

** Condition ratings: Failed → Poor → Marginal → Adequate → Good → Excellent*

CAM expected to implement data standards by the end of 2024. We were informed it may take a minimum of five years to ensure the asset database contains detailed data for all assets. It was beyond the scope of this audit to evaluate the accuracy and completeness of information in Metro’s asset database. It will be important to have controls in place to ensure information is complete and accurate.

Some reporting requirements in Metro’s financial policies were not met

We were unable to find evidence that reporting was taking place as required by the annually adopted financial policies. CAMP required CIP status reports that included a comparison of budgeted to actual spending. CAMP also required that reports be presented to the COO and the Metropolitan Exposition and Recreation Commission quarterly, and to Metro Council twice annually.

Historically, Metro Council received this information through Metro’s Quarterly Financial Reports. However, these reports were discontinued in 2018. We were unable to find alternative reports that contained the required information. The financial policies adopted by Metro Council on June 22, 2023 reduced clarity about the roles and responsibilities for providing these reports. The old policy directed a specific position in FRS to report to Council. We were told another department is now responsible, but the policy does not identify which one.

Best practices also recommend easy-to-understand reports at least every three years that summarize agencywide asset condition. This information should describe how actual condition and performance compares to expected condition and performance. It should also include renewal and replacement lifecycles, funding sources and restrictions, and long-term trends.

Processes

Metro uses the five-year CIP to identify renewal and replacement projects and prioritize resources. Several improvements were in process to align Metro’s processes with best practices. These included using a Facility Condition Assessment (FCA) to inform project identification and establishing criteria to prioritize projects. However, guidance and documentation did not exist or were not adequate in some places, which reduced the transparency of the process. As CAM continues to strengthen asset management practices, it will be important to develop clear guidance.

Information to identify renewal and replacement projects was inconsistent

Information expected to identify renewal and replacement projects was inconsistent across the facilities we reviewed. This was partly because guidance was not in place. CIP instructions did not specify how projects should be identified. Using an FCA and improving the quality of asset data appear to be promising practices to identify projects. To be effective, additional guidance and standardized practices across the agency are needed.

The three facilities we reviewed had FCA reports available to help identify projects. One FCA was completed in 2023 and two were completed in 2016. To best ensure timely identification of needs and assist in long-term

financial planning, Metro standards recommend updating the FCA every five to ten years.

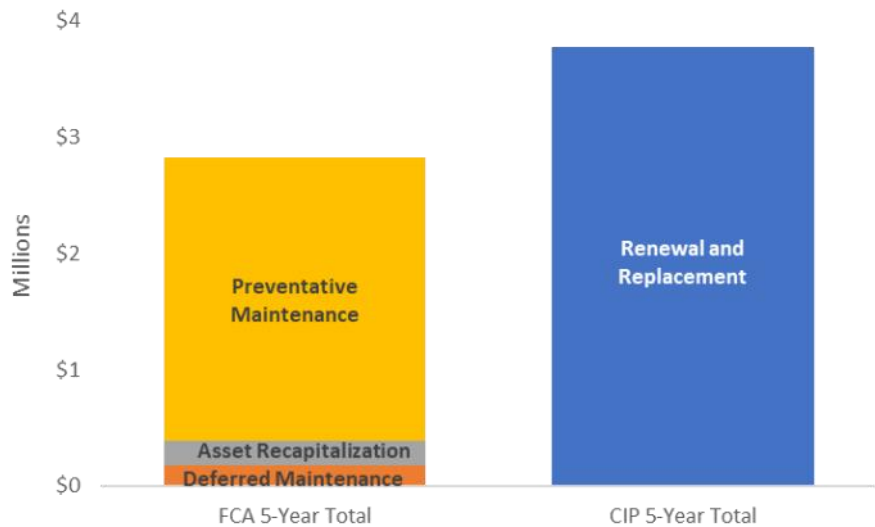
Two FCAs we reviewed presented information differently. One used a color-coded rating scale with nine categories to describe asset condition. The other used a five-point rating scale ranging from poor to excellent. Both reports used a point system to estimate the overall health of an asset, but the point ranges differed. This meant that an asset identified in “good” condition in one report may not be identified as “good” in another.

Both FCAs met the purpose of providing Metro information about the condition of its assets. However, differences in data could impact Metro’s ability to compare asset information across facilities. A consistent asset rating system would improve Metro’s ability to identify similar needs across the agency and potentially reduce costs by grouping similar projects together.

During our review, CAM was piloting FCAs as a tool to identify renewal and replacement needs. The pilot presented an opportunity to develop clear guidance for using FCAs to identify renewal and replacement projects. Because FCAs could be conducted every five to ten years and doing so requires staff time and financial resources, they may not be needed in all situations. This is important because they could become costly if each facility is expected to conduct one every five years.

To understand how FCAs can be used to develop the CIP, we compared the MRC’s FCA to the most recently proposed five-year CIP. The largest estimate from the FCA was for preventative maintenance. Under Metro’s financial policies, routine maintenance should not be paid for with renewal and replacement funding. We did not reconcile specific investments in the CIP and FCA, but inconsistent definitions could lead to misalignments between the investments listed in each document.

Exhibit 12 Inconsistent definitions made alignment between CIP and FCA investments unclear



Source: Auditor’s Office analysis of Metro Regional Center Facility Condition Assessment and Metro 2024-25 proposed budget.

Lack of documentation in the prioritization process reduced transparency and might impact priorities

The potential for misalignment underscores the importance for CAM to develop standards for how FCAs should be used to identify renewal and replacement projects. This information will help decision-makers understand the resources needed to align FCAs and CIP projects.

Best practices suggest that governments identify priority factors and develop a process to prioritize potential capital projects. Metro has a prioritization mechanism and process in place.

The CIP instructions provided a prioritization template and guidelines. Projects are prioritized in five categories:

- legal mandate
- health and safety
- end of useful life
- improved services/efficiency/return on investment
- leadership goals

Departments are asked to score all projects in each of these categories to achieve an overall prioritization score and provide a subjective rank from one to three. Departments can provide further project descriptions and rationale for rankings, if any. Departments then make the decision on which projects to move forward. Records of this prioritization phase were properly maintained across the three facilities we reviewed. The prioritization template was used as intended, but sometimes not fully filled out. This phase marks the first round of prioritization.

Though the prioritization process was in place, it may not be specific enough to provide objective scoring for each proposed project. We heard the template was an implementation of the SAMP recommendations. SAMP recommended eight categories with specific, quantifiable factors. In contrast, Metro's template used five broad categories with no specific factors to help interpret what was being evaluated.

Exhibit 13 Metro’s prioritization matrix appeared to be a simplified version of a consultant’s recommendations

Metro prioritization	SAMP recommended prioritization
Health and safety	Health & safety risk <ul style="list-style-type: none"> • Asset failure impact • Likelihood of asset failure
Legal mandate	Code/Regulation Compliance
End of useful life	Business Operations Risk <ul style="list-style-type: none"> • Asset criticality • Current asset condition • Likelihood of asset failure • Impact of asset failure to operation
Improved services/ efficiency/ returns on investment	Operational impact
	Unique operation criteria
	Financial impact <ul style="list-style-type: none"> • Outside funding opportunity • Return on investment
Leadership goals	Sustainability goals <ul style="list-style-type: none"> • Goal alignment • Progress towards goal
	Council priority

Source: Auditor’s Office analysis of Metro’s prioritization template (FY 2024-25) and Strategic Asset Management Plan report – Capital Planning Standard appendix, Plan B Consultancy.

Metro’s scoring scale for each prioritization category was not well-defined. For example, if an asset is not likely to fail but would seriously affect employee safety or be costly to fix, it could be considered either a moderate or significant risk using Metro’s guidance. However, the SAMP’s recommendation was to evaluate health and safety risk based on two factors: how likely the asset is to fail and the potential damage if the asset fails.

SAMP also included a scoring scale based on discrete timeframes and quantifiable measurements for each risk factor. These included the number of employees, clients, or patrons impacted, the seriousness of the health or safety issue, and the estimated dollar amount of damage incurred. While Metro’s current approach helped simplify the prioritization process, the simplification had the potential to introduce subjectivity, especially when comparing across departments.

More critically, the prioritization score did not appear effective in guiding decision-making. An analysis of the prioritization worksheets of the reviewed facilities from FY 2019-20 to FY 2023-24 showed that only 1% of potential projects received high scores (34-38 points), while 79% received low scores (0-16 points). Among the low score projects, 22% were ranked as a top priority by departments, and 59% were moved forward to the next phase. Among the low score projects that received a top priority ranking and/or were moved forward, less than half were accompanied with explanations.

The lack of documentation reduced the utility and transparency of department ranks, which were meant to account for prioritization factors not captured by the template.

Once projects were prioritized and moved forward, they were matched with available funding to develop the CIP. It is likely that in this phase, departments made the decision to fund certain projects while delaying others, depending on available funding and capacity. Alternatively, departments could request additional funding to cover all proposed projects. This could be called the second round of prioritization.

We found a lack of guidance and documentation for this phase. Some projects were not included in the prioritization template but appeared in the department's proposed CIP. The CIP instructions did not provide guidance for matching funding. It appeared that departments' CPOC could decide how funding would be matched to projects. Within a CPOC, the finance manager assisted with determining available funding, and the department director made the final decision about which projects to propose for the CIP.

In absence of clear guidance, the lack of documentation reduced the transparency of the prioritization process, increased the chance of inconsistent prioritization across departments, and could lead to misalignment between project priority and use of resources.

Recommendations

To finalize Metro’s asset management strategy and meet reporting requirements, the Chief Financial Officer and Capital Asset Management Director should:

1. Identify which recommendations from the 2018 consultant report to implement
2. Formally approve the finalized strategy
3. Document milestones and roles and responsibilities to implement the strategy
4. Update the Capital Asset Management Policies and Renewal and Replacement Reserve Policies to align with expectations set forth in the agencywide asset management strategy
5. Provide regular reports to Metro Council and the Chief Operating Officer about:
 - a. The status of capital improvement projects including budget to actual spending, and the status of project completion
 - b. Agencywide asset conditions

To identify long-term asset requirements and strengthen the quality of information used in decision-making, the Capital Asset Management Director should:

6. Finalize asset data standards to set expectations for:
 - a. Which assets are required to be in the asset database
 - b. Level of asset detail
 - c. Asset rating criteria
 - d. Roles and responsibilities for maintaining and updating asset data to make sure it is as complete and accurate as possible
7. Create consistent requirements for all Facility Condition Assessments and ensure they are reflected in the scopes of work of contractors
8. Develop guidance on how to align Facility Condition Assessments with the Capital Improvement Plan
9. Periodically evaluate the accuracy of Facility Condition Assessment estimated costs to actual project costs
10. Revise the project prioritization template by:
 - a. Refining the risk categories and scoring scales
 - b. Requiring explanation for department rankings when moving low-priority projects forward or delaying high-priority projects

Scope and methodology

The purpose of this audit was to evaluate Metro's revenues and expenditures for renewal and replacement and determine how projects are prioritized and managed. To do this, we had two audit objectives:

1. Determine trends in renewal and replacement revenue and expenditures over the last ten years and develop scenarios to evaluate the adequacy of renewal and replacement resources in the future.
2. Determine how renewal and replacement projects are prioritized and managed.

To develop our audit objectives, we reviewed relevant Metro policies and procedures. Reviewed policies included the annually adopted financial policies, particularly the Capital Asset Management policy, the draft Strategic Asset Management Plan, and reserve policies drafted by Finance and Regulatory Services staff. Reviewed procedures include the Capital Improvement Plan instructions.

We conducted interviews with Metro leadership and staff to learn more about processes, strengths, and opportunities for improvement. We gained a general understanding of the information systems used to store asset data and used Metro's financial system to extract data and conduct preliminary analyses of expenditures and budget. To identify audit criteria, we reviewed practices outlined by the Government Finance Officers Association. We also reviewed relevant audits within Metro and in other local governments through the Association of Local Government Auditors database.

To determine trends in revenue and expenditures in renewal and replacement funds, we used data from Metro's financial system. We were able to obtain ten years of data for some, but not all, funds.

We created three scenarios to evaluate the adequacy of resources in the future, through FY 2027-28

1. Revenues based on Metro's renewal and replacement reserve policies as of FY 2021-22, and expenditures based on the FY 2023-24 Capital Improvement five-year plan.
2. Revenues and expenditures based on historic data with an assumed 3% inflation.
3. Revenues and expenditures based on historic data that excluded what appeared to be one-time revenue sources and excluded projects with real expenditures greater than 2 standard deviations from the average real expenditure of all projects in the same fund. Assumed 3% inflation.

To determine how renewal and replacement projects are prioritized and managed, we judgmentally selected three of Metro's facilities for additional review: The Metro Regional Center, Oregon Zoo, and Oregon Convention Center. As a result, audit conclusions cannot be generalized across all Metro facilities. We obtained and reviewed documents from the FY 2024-25 Capital Improvement Planning process and compared Metro's practices

across facilities and against Government Finance Officers Association best practices. We also evaluated practices against requirements outlined in Metro's annually adopted financial policies.

This audit was included in the FY 2023-24 audit schedule. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Management response



Memo

Date: May 28, 2024
To: Brian Evans, Metro Auditor
From: Marissa Madrigal, Chief Operating Officer
Ryan Kinsella, Capital Asset Management Director
Subject: Management Response to Financial Policies for Renewal and Replacement Audit

Auditor Evans:

Thank you for the opportunity to respond to the 2024 Financial Policies for Renewal and Replacement Audit. We generally agree with the findings and recommendations and appreciate your collaborative approach in identifying opportunities for improvement throughout the audit.

Your audit summarizes the challenges of a maturing asset management program for Metro. While Metro has made progress in implementing parts of the 2018 Strategic Asset Management Plan, budget reductions during the pandemic eliminated the Asset Manager position and much of the work that was occurring.

In the past 18 months, however, the Capital Asset Department (CAM) has made inroads: the Asset Manager position was restored and filled, a new Asset Management Team was reconstituted, and significant and concrete steps have been taken in areas noted in the audit, including:

- CAM Asset Management reviewed best practices asset management data standards and condition ratings and worked with a consultant to reestablish these critical data standards to conform with our Asset Management system-of-record, Asset Essentials.
- Asset Management conducted a facility condition assessment of the Metro Regional under the new standards and uploaded data into Asset Essentials as a “proof of concept.” Following the facility condition assessment, CAM Asset Management collaborated with MRC Campus Operations to translate FCA findings into preventative maintenance schedules and projects for future CIPs. The Asset Management Team also established a 10-year forecast of the Metro Regional Center’s needs that will inform investment, maintenance and repair decisions.
- The Asset Management Stakeholder Advisory Group was reestablished as a representative group of stakeholders who will inform the updated AM policy
- Asset Management developed an agencywide solicitation for facility condition assessments; approach ensures efficiency in pricing, ready access for FCA for departments, ensures findings are uniform and conform to Metro’s condition and criticality standards

In the coming year, the Capital Asset Management Department plans to update Metro’s Asset Management Policy, work with departments to plan and conduct facility condition assessments within available capacity and resources, and update the prioritization process of capital

improvement plan development. Our primary goal is to inform investment decisions and maintenance practices through an asset management framework to efficiently extend asset life and services. As detailed below, CAM is implementing process improvements that align with the recommendations.

Management’s response to the audit’s recommendations follow.

To finalize Metro’s asset management strategy and meet reporting requirements, the Chief Financial Officer and Capital Asset Management Director should:

1. Identify which recommendations from the 2018 consultant report to implement

Response

Management agrees. This assessment was completed in July 2023. During this evaluation, Asset Management (AM) staff performed a point-by-point review of the Strategic Asset Management Plan (SAMP) recommendations, identifying completed items, outstanding items, and areas where Metro would benefit from alternative approaches, based on the experiences of staff since the SAMP was completed. The current Asset Management workplan is informed by this assessment.

Timeline

Already completed.

2. Formally approve the finalized strategy

Response

Management agrees. In summer 2023, Asset Management began developing a new, agency-wide Asset Management Policy. The Asset Management Policy will codify the goals of the Asset Management Program, the roles and responsibilities of CAM, FRS and facility operators in implementing the goals of the policy and provide a framework for achieving implementation.

Policy development efforts to date have included extensive stakeholder input sessions, with one-on-one reviews held with each operating department and central services provider with a vested interest in asset management, as well as interviews with peer jurisdictions and additional peer research. This effort was temporarily paused to allow for a Facility Condition Assessment (FCA) pilot to be performed on the Metro Regional Center, providing valuable feedback on asset management approaches and standards which will be integrated into the Policy.

Timeline

The Asset Management work plan calls for policy development to resume in the second half of 2024, with the policy completed and adopted by the end of the calendar year.

3. Document milestones and roles and responsibilities to implement the strategy

Response

Management agrees. Roles and responsibilities will be codified in the Asset Management Policy as described above. Milestones will be documented in the Asset Management Program’s workplan.

Timeline

The Asset Management Policy will be updated by end of 2024. It is important to note that implementation is dependent upon data collection, primarily through Facility Condition Assessments, which we anticipate will be phased over several years across Metro’s facilities.

4. Update financial policies related to the Capital Asset Management Plan and reserves to align with expectations set forth in the agencywide asset management strategy.

Response

Management agrees. Metro will update the financial policies as needed. The asset management strategy's goals will be best achieved through the integration of asset management practices into the capital planning process. This means the capital improvement plan should be developed by identifying 5-10 year capital needs, informed by service needs and risk tolerance and then developing a financing plan for meeting those needs, which could include annual cash contributions, grants, forecasted rate/fee increases, debt financing, and draws on reserves. Which financing tool works best will depend upon the cost efficiency, service demands, revenue constraints and risk tolerance. Setting-aside sufficient reserves to cover our capital needs is not realistic, but reserves represent one potential resource for planned periodic investment or unexpected capital emergency funds.

Timeline

Any necessary changes to financial policies will be made by July 2025.

5. Provide regular reports to Metro Council and the Chief Operating Officer about:

- a. The status of capital improvement projects including budget to actual spending, and the status of project completion**
- b. Agencywide asset conditions.**

Response

Management agrees. The audit identifies the need to provide reports to Metro Council and the COO on the status of the Capital Improvement Plan; however, multiple reporting channels are in place which inform key stakeholders and provide avenues for updating executive leadership and Council. These reporting processes include the following:

- FRS tracks monthly actuals and projections, including capital expenditures; updates are provided to the COO's office on a quarterly basis;
- The Construction Project Management Office (CPMO) provides monthly status updates to sponsors and executive sponsors; CPMO sends quarterly updates to department leadership;
- The CAM director and CIP analyst briefs department leadership and Capital Project Oversight Committees (CPOCs) on any key findings of current projects and proposed CIP projects as part of an annual review;
- The CAM Director briefs the CIP Executive Committee annually; key findings are communicated through the budget process. The CIP Executive Committee consists of the COO, DCOOs, CFO, General Manager of Visitor Venues, and the CAM Director.
- The Metropolitan Exposition Recreation Commission is briefed by departments as part of the capital budget process;
- The Adopted Budget provides a status of CIP.

CAM is currently evaluating the reporting needs of the capital improvement plan and project status. Our plan is to identify key audiences, their primary interests/objectives, key decision points, the frequency of when the information needs to be shared, and the data sources for the information/report. Metro Council and the COO were identified as key stakeholders in this evaluation; updated reporting will include budget to actual information, asset condition (as data permits), and any other additional information as identified in our evaluation process.

Timeline

CAM will begin annual reporting by July 2025. This depth of asset condition will be dependent upon the completion of facility condition assessments and availability of data.

To identify long-term asset requirements and strengthen the quality of information used in decision-making, the Capital Asset Management Director should:

6. Finalize asset data standards to set expectations for:

- a. Which assets are required to be in the asset database**
- b. Level of asset detail**
- c. Asset rating criteria**
- d. Roles and responsibilities for maintaining and updating asset data to make sure it is as complete and accurate as possible**

Response

Management agrees. We began aligning asset data standards across Metro through reviewing completed and outstanding recommendations in the Strategic Asset Management Plan and the initial policy drafting process. The Asset Management team has further refined these draft standards through the pilot FCA at the Metro Regional Center, which allowed the AM team to evaluate each point noted above in a real-world setting.

To complete establishing these standards, we will be convening an Asset Management Stakeholder Advisory Group (AMSAG). The AMSAG will provide valuable feedback and approval from stakeholders in each operating department and central services providers who manage asset data.

Timeline

Changes to data standards will be presented to stakeholders and adopted by the end of 2024.

7. Create consistent requirements for all Facility Condition Assessments and ensure they are reflected in the scopes of work of contractors

Response

Management agrees. The Asset Management team is in the process of creating a Request for Qualifications for agency-wide facility condition assessment services, aiming to ensure competitive pricing for assessment services and to make these services readily available to departments. The RFQ also stipulates that any vendor performing condition assessments for Metro facilities will utilize data standards provided by Metro, including asset categorization, condition and criticality criteria, and data format for integration with Metro's asset management software.

Timeline

Requirements have been established in the current RFQ for FCA services. Contract award is anticipated by September 2024.

8. Develop guidance on how to align Facility Condition Assessments with the capital improvement plan

Response

Management agrees. Incorporating an asset management framework, informed by data developed through FCAs, is a key opportunity for how Metro can improve its CIP development process. Over time, using facility condition data will allow for a more planful approach in identifying capital needs and ensuring resources are available so that are facilities efficiently and effectively serve our region.

To this end, there are multiple approaches to integrating FCA data into the CIP process, all of which are constrained by the availability of facility condition data. For example, a five-year list of recapitalization and major maintenance work might be identified from FCA data, which would be used as the basis (or a basis) for CIP development. The Asset Management team is currently evaluating options and guidance for the FY 2025-26 CIP development process.

Notably, CAM has already piloted this process for the Waste Prevention and Environmental Services (WPES) Department and the Metro Regional Center. During the recent FY 2024-25 CIP development, the Asset Management team translated WPES previously available facility data into new standards, and then analyzed and drew conclusions on upcoming asset needs intended to inform CIP development. The AM team conducted a similar analysis for the Metro Regional Center.

Timeline

Guidance will be shared with departments in August 2024 for the FY 2025-26 CIP development process.

9. Periodically evaluate the accuracy of Facility Condition Assessment estimated costs to actual project costs.

Response

Management mostly agrees. Updated facility condition assessments will be useful in estimating the amount of funding needed to bring assets back to good repair. Moreover, validating these cost estimates is an important consideration and helps ensure FCAs are providing value to Metro.

However, comparing the accuracy of FCA estimates to project costs is a more complex task for a couple of reasons: first, FCAs provide rough order of magnitude estimates for facility component replacement based upon industry standards. Not reflected in these estimates are inflationary increases and market changes to labor and materials. These two factors have significantly impacted project costs over the past four years.

Second, nearly all capital projects address multiple goals, including the renewal and replacement of an asset and components. Capital projects also address changing service levels and advance Metro's other policy goals, such as sustainability, resiliency, and access – all of which can impact project costs. While an FCA can provide a rough estimate of renewal and replacement costs, an FCA will not factor in the costs of other goals. For example, an FCA may be able to identify the need and estimated costs for replacing an office building based upon current design. In contrast, the estimated capital project costs would also reflect the additional costs of building within Metro's Sustainable Building and Sites policy, updating any ADA needs and access issues not included in the original building design, any needs to expand or contract the footprint based upon

forecasted space need, and costs associated with the Percent for Art policy.

Depending on the project's scope and how other needs are addressed, it is likely that the estimates included in an FCA will be incomplete. Moreover, parsing asset renewal and replacement costs from the costs associated with policy goals and other service needs would be challenging.

Timeline

CAM will annually report on assets and asset systems for each department and facility as part of the annual CIP review, presented annually to the CIP executive committee in January. Reports will include a summary of asset condition and estimated replacement cost as data becomes available from FCAs. Reporting will address annualized level of capital investment relative to the annualized FCA estimated costs, recognizing that there are significant shortcomings with this methodology but that this estimate provides a “rough order of magnitude” assessment.

10. Revise the project prioritization template by:

- a. Refining the risk categories and scoring scales**
- b. Requiring explanation for department rankings when moving low-priority projects forward or delaying high-priority projects.**

Response

Management agrees. The Asset Management team is currently reviewing the prioritization process and template, aiming to develop a tool that is useful for departments and better incorporates an asset management framework. An updated prioritization framework will retain consideration for current criteria, including how the project addresses healthy and safety concerns and aligns with Metro policy goals. In addition, the updated prioritization framework will better incorporate asset management principles. The current prioritization template is not explicitly tied to asset data or what has been collected in FCAs. There is a significant opportunity for us to better align these data sets with the CIP evaluation process.

Timeline

An updated prioritization process and template will be shared with departments in August 2024 for the FY 2025-26 CIP development process.

Thank you again to Auditor Evans and his team for their thoughtful work in examining Metro’s financial policies and asset management strategy.



Office of the Metro Auditor
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**Resolution No. 24-5412 For the Purpose of
Adding Two new ODOT Managed Projects
to the 2024-27 MTIP to Meet Federal
Transportation Project Delivery
Requirements**
Resolutions

Metro Council Meeting
Thursday, June 6th, 2024

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADDING TWO NEW) RESOLUTION NO. 24-5412
ODOT MANAGED PROJECTS TO THE 2024-27)
MTIP TO MEET FEDERAL TRANSPORTATION) Introduced by: Chief Operating
PROJECT DELIVERY REQUIREMENTS) Officer Marissa Madrigal in
concurrence with Council President
Lynn Peterson

WHEREAS, the Metropolitan Transportation Improvement Program (MTIP) prioritizes projects from the Regional Transportation Plan (RTP) to receive transportation-related funding; and

WHEREAS, the U.S. Department of Transportation requires federal funding for transportation projects located in a metropolitan area to be programmed in an MTIP; and

WHEREAS, in July 2023, the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council approved Resolution No. 23-5335 to adopt the 2024-27 MTIP; and

WHEREAS, the 2024-27 MTIP includes Metro approved RTP and federal performance-based programming requirements and demonstrates compliance and further progress towards achieving the RTP and federal performance targets; and

WHEREAS, pursuant to the U.S. Department of Transportation's MTIP amendment submission rules, JPACT and the Metro Council must approve any subsequent amendments to the MTIP to add new projects or substantially modify existing projects; and

WHEREAS, the Oregon Department of Transportation (ODOT) is adding two new projects to the MTIP which include a Great Streets program funded safety upgrade project and a Carbon Reduction Strategy funded I-205 Bus on Shoulder Lane project; and

WHEREAS, the ODOT's North Lombard Street safety upgrade project from North Delaware Ave to North Denver Ave includes \$3.3 million of federal plus matching funds supporting preliminary engineering, right-of-way, and utility relocation activities with the construction phase to be added in the next State Transportation Improvement program cycle; and

WHEREAS, the North Lombard Street project will design and various complete street upgrades to include curb & ramps ADA upgrades, redesign and add bike lanes, reconfigure roadway to 3 lanes (Boston to Lancaster) and traffic signal upgrade at Denver St.; and

WHEREAS, the Oregon Transportation Commission's approved State of Oregon Carbon Reduction Program includes \$2.5 million of appropriated Carbon funds to design and implement a Bus on Shoulder Lane project on I-205 from Sunnybrook Rd to Stafford Rd and utilize existing ODOT right-of-way; and

WHEREAS, ODOT's proposed delivery schedule requires the I-205 Bus on Shoulder Lane preliminary engineering phase to obligate the programmed federal funds before the end of September 2024 to be ready to start construction during federal fiscal year 2025; and

WHEREAS, the programming updates to add the two projects are stated in Exhibit A to this resolution; and

WHEREAS, on May 3, 2024, Metro's Transportation Policy and Alternatives Committee recommended that JPACT approve this resolution; and

WHEREAS, on May 23, 2024, JPACT approved and recommended the Metro Council adopt this resolution; now therefore

BE IT RESOLVED that the Metro Council adopts this resolution to add the two new projects as stated within Exhibit A to the 2024-27 Metropolitan Transportation Improvement Program to meet federal project delivery requirements.

ADOPTED by the Metro Council this ____ day of _____ 2024.

Lynn Peterson, Council President

Approved as to Form:

Carrie MacLaren, Metro Attorney

Exhibit A
May FFY 2024 Formal/Full MTIP Amendment Summary
Formal Amendment #: MA24-08-MAY

The May Federal Fiscal Year 2024 Formal MTIP Amendment adds two new projects to the MTIP. MTIP and STIP programming is required to meet federal transportation delivery requirements. A summary of the changes includes the following:

- **Key 23636 - US30B: (N Lombard St) N Delaware Ave - N Denver (ODOT):** The formal amendment adds the new Great Streets complete streets upgrades project on North Lombard Street to the MTIP. Funding is being sourced from Key 23310. This is a non-MPO project grouping bucket (PGB) supporting ODOT's Great Streets program upgrades.
- **Key 23638 - I-205 Sunnybrook Rd - Stafford Rd Bus on Shoulder (ODOT):** The formal amendment adds the new ODOT project that will design and implement a new bus on shoulder dedicated lane on I-205 to the MTIP.

The Exhibit A Table starting below provides a summary of the changes and programming actions for the included projects. See the Exhibit A MTIP Worksheets for the detailed changes and consistency review areas.

2024-2027 Metropolitan Transportation Improvement Program

Exhibit A to Resolution 24-5412

May FFY 2024 Formal Transition Amendment Bundle Contents

Amendment Type: Formal/Full

Amendment #: MA24-08-MAY

Total Number of Projects: 2

Key Number & MTIP ID	Lead Agency	Project Name	Project Description	Amendment Action
Category: Project Cancellations: No cancellations or removals from the MTIP as part of the May 2024 Formal Amendment				
None				
Category: New Projects Being Added to the MTIP				
(#1) ODOT Key # 23636 MTIP ID	ODOT	US30B: (N Lombard St) N Delaware Ave - N Denver	On N Lombard St from N Delaware St to N Denver complete design street upgrades to include curb & ramps ADA upgrades, redesign and add bike lanes,	ADD NEW PROJECT: The formal amendment adds the preliminary engineering (PE), Right-of-Way (ROW), and Utility Relocation (UR)

TBD <i>New Project</i>			reconfigure roadway to 3 lanes (Boston to Lancaster) and traffic signal upgrade at Denver St.	phases to the MTIP through this amendment. The construction phase will be added as part of the next STIP cycle in FFY 2027.
(#2) ODOT Key # 23638 MTIP ID TBD <i>New Project</i>	ODOT	I-205 Sunnybrook Rd - Stafford Rd Bus on Shoulder	Expand transit service along the I-205 corridor between Stafford Rd and Sunnybrook Rd. by creating a Bus on Shoulder corridor within ODOT Right of Way Enhance portions of ODOT ROW along I-205 between Stafford Rd and Sunnybrook Rd to allow authorized public transit providers to utilize bus on shoulder operations providing more reliable transit travel time	<u>ADD NEW PROJECT:</u> The formal amendment adds the new OTC approved project that will design and implement a new bus on shoulder dedicated lane on I-205 to the MTIP

Note: Under public notification/comments and per TPAC discussion and further review by ODOT, the Bus on Shoulder Lane, I-205 Sunnybrook Rd to Stafford Rd description has been tweaked as shown above to remove possible confusion that the project is expanding service.

Proposed Amendment Review and Approval Steps:

- Tuesday, April 30, 2024: Post amendment & begin 30-day notification/comment period.
- Friday, May 3, 2024: TPAC meeting (Required Metro amendment notification)
Status: Resolution 24-5412 was passed unanimously by TPAC with the condition to review the project description.
- Thursday, May 23, 2023: JPACT meeting.
Status: JPACT received a presentation about the I-205 Bus on Shoulder Lane project and passed Resolution 24-5412 unanimously.
- Thursday, May 30, 2024: End 30-day Public Comment period.
- Thursday, June 6, 2024: Final approval from Metro Council anticipated.
- Early to mid-July 2024: Estimated final USDOT amendment approvals occur.



Metro
 2024-27 Metropolitan Transportation Improvement Program (MTIP)
 PROJECT AMENDMENT DETAIL WORKSHEET

MTIP Formal Amendment
ADD NEW PROJECT
 Add the new ODOT Great Streets funded project to the MTIP

Project #1

Project Details Summary							
ODOT Key #	23636	RFFA ID:	N/A	RTP ID:	12095	RTP Approval Date:	11/30/2023
MTIP ID:	TBD	CDS ID:	N/A	Bridge #:	N/A	FTA Flex & Conversion Code	No
MTIP Amendment ID:		MA24-08-MAY	STIP Amendment ID:		24-27-0952		

Summary of Amendment Changes Occurring:
 The formal amendment adds the new Great Streets complete streets upgrades project to the MTIP. Funding is being sourced from Key 23310. This is a non-MPO project grouping bucket (PGB) supporting ODOT's Great Streets program upgrades. Key 23310 is a non-MPO PGB. By shifting the funds to Key 23626, new funding is being added to the MTIP In the MPA boundary. This impacts the MTIP's fiscal constraint finding which triggers the need for the MTIP formal amendment.

Project Name:	US30B: (N Lombard St) N Delaware Ave - N Denver						
Lead Agency:	ODOT	Applicant:	ODOT	Administrator:	ODOT		
Certified Agency Delivery:	No	Non-Certified Agency Delivery:	No	Delivery as Direct Recipient:	Yes		

Short Description:
On N Lombard St from N Delaware St to N Denver complete design street upgrades to include curb & ramps ADA upgrades, redesign and add bike lanes, reconfigure roadway to 3 lanes (Boston to Lancaster) and traffic signal upgrade at Denver St.

MTIP Detailed Description (Internal Metro use only):
Project uses Great Streets and ADA funding in North Portland on N. Lombard St/US30BY (MP 4.50 to MP5.20) to upgrade curb ramps and add and redesign bike lanes for the safety of all roadway users along Lombard St between Delaware and Denver. From Boston to Lancaster the project will reconfigure the roadway to three lanes, adding bike lanes. At Denver, the project will implement a variety of safety improvements and upgrade the traffic signal (ODOT SW Great Street program funding)

STIP Description:
Project uses Great Streets and ADA funding to upgrade curb ramps and add and redesign bike lanes for the safety of all roadway users along Lombard St between Delaware and Denver. From Boston to Lancaster the project will reconfigure the roadway to three lanes, adding bike lanes. At Denver, the project will implement a variety of safety improvements and upgrade the traffic signal.

Project Classification Details			
Project Type	Category	Features	System Investment Type
Active Transportation/ Complete Streets ODOT Work Type:	Active Trans - Motor Vehicle	Lane Reduction	Capital Improvement
	Active Trans - Bike	Separated (aka Protected) lanes	
	Active Trans - Pedestrian ADAP, BIKEPED	Sidewalk Reconstruction	

Phase Funding and Programming

Fund Type	Fund Code	Year	Planning	Preliminary Engineering (PE)	Right of Way (ROW)	Utility Relocation (UR)	Construction (Cons)	Other	Total
Federal Funds									
State STBG	Y240	2024		\$ 2,454,720					\$ 2,454,720
AC-STBGS	ACPO	2024		\$ 77,205					\$ 77,205
State STBG	Y240	2026			\$ 498,594				\$ 498,594
State STBG	Y240	2026				\$ 311,622			\$ 311,622
Federal Totals:			\$ -	\$ 2,531,925	\$ 498,594	\$ 311,622	\$ -	\$ -	\$ 3,342,141

State Funds

Fund Type	Fund Code	Year	Planning	Preliminary Engineering (PE)	Right of Way (ROW)	Utility Relocation	Construction	Other	Total
State (Y240)	Match	2024		\$ 280,954					\$ 280,954
State (ACPO)	Match	2024		\$ 8,836					\$ 8,836
State (Y240)	Match	2026			\$ 57,066				\$ 57,066
State (Y240)	Match	2026				\$ 35,667			\$ 35,667
State Totals:			\$ -	\$ 289,790	\$ 57,066	\$ 35,667	\$ -	\$ -	\$ 382,523

Local Funds

Fund Type	Fund Code	Year	Planning	Preliminary Engineering (PE)	Right of Way (ROW)	Utility Relocation	Construction	Other	Total
									\$ -
Local Totals:			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Phase Totals	Planning	PE	ROW	UR	Cons	Other	Total
Existing Programming Totals:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amended Programming Totals	\$ -	\$ 2,821,715	\$ 555,660	\$ 347,289	\$ -	\$ -	\$ 3,724,664

Total Estimated Project Cost							\$9 million
Total Cost in Year of Expenditure:							\$9 million

Programming Summary	Yes/No	Reason if short Programmed					
Is the project short programmed?	Yes	The construction phase programming will be added later (probably as part of the next STIP).					
Programming Adjustments Details	Planning	PE	ROW	UR	Cons	Other	Totals
Phase Programming Change:	\$ -	\$ 2,821,715	\$ 555,660	\$ 347,289	\$ -	\$ -	\$ 3,724,664
Phase Change Percent:	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%
Amended Phase Matching Funds:	\$ -	\$ 289,790	\$ 57,066	\$ 35,667	\$ -	\$ -	\$ 382,523
Amended Phase Matching Percent:	N/A	10.27%	10.27%	10.27%	N/A	N/A	10.27%

Phase Programming Summary Totals

Fund Category	Planning	Preliminary Engineering (PE)	Right of Way (ROW)	Utility Relocation	Construction	Other	Total
Federal	\$ -	\$ 2,531,925	\$ 498,594	\$ 311,622	\$ -	\$ -	\$ 3,342,141
State	\$ -	\$ 289,790	\$ 57,066	\$ 35,667	\$ -	\$ -	\$ 382,523
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 2,821,715	\$ 555,660	\$ 347,289	\$ -	\$ -	\$ 3,724,664

Phase Composition Percentages

Fund Type	Planning	PE	ROW	UR	Cons	Other	Total
Federal	0.0%	89.73%	89.73%	89.73%	0.0%	0.0%	89.73%
State	0.0%	10.27%	10.27%	10.27%	0.0%	0.0%	10.27%
Local	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.0%	100.0%	100.0%	100.0%	0.0%	0.0%	100.0%

Phase Programming Percentage

Fund Category	Planning	Preliminary Engineering (PE)	Right of Way (ROW)	Utility Relocation	Construction	Other	Total
Federal	0.0%	68.0%	13.4%	8.4%	0.0%	0.0%	89.7%
State	0.0%	7.8%	1.5%	1.0%	0.0%	0.0%	10.3%
Local	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.0%	75.8%	14.9%	9.3%	0.0%	0.0%	100.0%

Project Phase Obligation History							
Item	Planning	PE	ROW	UR	Cons	Other	Federal
Total Funds Obligated							Aid ID
Federal Funds Obligated:							
EA Number:							FHWA or FTA
Initial Obligation Date:							FHWA
EA End Date:							FMIS or TRAMS
Known Expenditures:							FMIS
Completion Date Notes:					Estimated Project Completion Date:		Not Specified
Are federal funds being flex transferred to FTA?		Yes/No		If yes, expected FTA conversion code:		N/A	
Notes: Expenditure Authorization (EA) information pertains primarily to projects under ODOT Local Delivery oversight.							

Fiscal Constraint Consistency Review	
1. What is the source of funding? ODOT Great Street program approved funding	
2. Does the amendment include changes or updates to the project funding? Yes. The funds are being added to the MTIP for the first time.	
3. Was proof-of-funding documentation provided to verify the funding change? Yes. The funds are being split from Key 23310 and committed to 23636.	
4. Did the funding change require OTC, ODOT Director, or ODOT program manager approval? ODOT program manager approval	
5. Has the fiscal constraint requirement been properly demonstrated and satisfied as part of the MTIP amendment? Yes	

Project Location References					
On State Highway	Yes/No	Route	MP Begin	MP End	Length
	Yes	USBY30	4.50	5.20	0.7 miles
Cross Streets	Route or Arterial	Cross Street	Cross Street	Cross Street	
	North Lombard St	North Delaware St		North Denver St	

Summary of MTIP Programming and Last Formal/Full Amendment or Administrative Modification							
1st Year Programmed	2024	Years Active	0	Project Status	2	Pre-design/project development activities (pre-NEPA) (ITS = ConOps.)	
Total Prior Amendments	0	Last Amendment	Not Applicable	Date of Last Amendment	Not Applicable	Last MTIP Amend Num	Not Applicable
Last Amendment Action	Not Applicable						

Anticipated Required Performance Measurements Monitoring							
Metro RTP Performance Measurements	Congestion Mitigation	Climate Change Reduction	Economic Prosperity	Equity	Mobility Improvement	Safety	Equity Notes EFA north of Lombard St = Yes POC = No LEP = No LI = Yes
				X	X	X	

RTP Air Quality Conformity and Transportation Modeling Designations	
Is this a capacity enhancing or non-capacity enhancing project?	Non-capacity enhancing project
Is the project exempt from a conformity determination per 40 CFR 93.126, Table 2 or 40 CFR 93.127, Table 3?	Yes. The project is exempt per 40 CFR 93.126, Table 2
Exemption Reference:	Air Quality - Bicycle and pedestrian facilities.
Was an air analysis required as part of RTP inclusion?	No. Not Applicable
If capacity enhancing, was transportation modeling analysis completed as part of RTP inclusion?	No. Not applicable. The project is not capacity enhancing
RTP Constrained Project ID #1 and Name:	(ODOT) ID# 12095 - Safety & Operations Projects: 2023-2030
RTP Project Description #1: <i>The North Lombard Greats Streets upgrade project can be considered a subset of two RTP constrained entries as shown at right)</i>	Projects to improve safety and/or operational efficiencies such as pedestrian crossings, speed feedback signs, transit priority technology at signals on arterial roads, railroad crossing repairs, slide and rock fall protections, illumination, signals and signal operations systems, sidewalks, bicycle lanes, and other improvements that do not add motor vehicle capacity.
RTP Constrained Project ID #2 and Name:	(Portland) RTP ID 10299 - N. Lombard Corridor Improvements: Local Contribution to State-owned Arterial (North Richmond St east to MLK)
RTP Project Description #2:	Design and implement transportation improvements including signal upgrades, lane reconfiguration, enhanced crossings, in-roadway and/or parallel bikeways, and pedestrian improvements along the corridor. Improve pedestrian safety and accessibility of the crossing of I-5. Project will coordinate with ODOT to identify locations and design treatments.

Project Location in the Metro Transportation Network		
Yes/No	Network	Designation
No	Motor Vehicle	Minor Arterial in the Motor Vehicle network
No	Transit	Frequent Bus in the Transit network
No	Freight	No designation
No	Bicycle	Regional Bikeway in the Bicycle network
No	Pedestrian	Pedestrian Parkway in the Pedestrian network

National Highway System and Functional Classification Designations			
System	Y/N	Route	Designation
NHS Project	No	North Lombard St	No designation
Functional Classification	Yes	North Lombard St	Urban Minor Arterial
Federal Aid Eligible Facility	Yes	North Lombard St	4 - Minor Arterial

Additional RTP Consistency Check Areas
1. Is the project designated as a Transportation Control Measure? No.
2. Is the project identified on the Congestion Management Process (CMP) plan? Yes.
3. Is the project included as part of the approved: UPWP? No. Not applicable.
3a. If yes, is an amendment required to the UPWP? No.
3b. Can the project MTIP amendment proceed before the UPWP amendment? Yes.
3c. What is the UPWP category (Master Agreement, Metro funded stand-alone, Non-Metro funded Regionally Significant)? Not applicable.
4. Applicable RTP Goals: <u>Goal # 1 - Mobility Options:</u> Objective 1.2 - Travel Options: Plan communities and design and manage the transportation system to increase the proportion of trips made by walking, bicycling, shared rides and use of transit, and reduce per capita vehicle miles traveled. <u>Goal #2 - Safe System:</u> Objective 2.1 - Vision Zero: Eliminate fatal and severe injury crashes for all modes of travel by 2035. <u>Goal #3 - Equitable Transportation:</u> Objective 3.2 - Barrier Free Transportation: Eliminate barriers that people of color, low income people, youth, older adults, people with disabilities and other marginalized communities face to meeting their travel needs.
5. Does the project require a special performance assessment evaluation as part of the MTIP amendment? No. The project is not capacity enhancing nor does it exceed \$100 million in total project cost.

Public Notification/Opportunity to Comment Consistency Requirement

1. Is a 30-day/opportunity to comment period required as part of the amendment? **Yes.**
2. What are the start and end dates for the comment period? **Estimated to be April 30, 2024 to May 29, 2024**
3. Was the comment period completed consistent with the Metro Public Participation Plan? **Yes.**
4. Was the comment period included on the Metro website allowing email submissions as comments? **Yes.**
5. Did the project amendment result in a significant number of comments? **Not expected.**
6. Did the comments require a comment log and submission plus review by Metro Communications staff and to Council Office? **Not expected.**

Fund Codes References

Advance Construction ADVCON (AC funds)	A funding placeholder tool. This fund management tool allows agencies to incur costs on a project and submit the full or partial amount later for Federal reimbursement if the project is approved for funding. Advance construction can be used to fund emergency relief efforts and for any project listed in the STIP, including surface transportation, interstate, bridge, and safety projects. The use of Advance Construction is normally only by the state DOT to help leverage their funding resources and keep projects on their respective delivery schedules.
AC-GARVEE	Advance Construction funds with the anticipated conversion code to be GARVEE funds
STBG	Surface Transportation Block Grant funds. A federal funding source (FHWA based) appropriated to the State DOT. The Surface Transportation Block Grant Program (STBG) promotes flexibility in State and local transportation decisions and provides flexible funding to best address State and local transportation needs.
State STBG	Appropriated STBG that remains under ODOT's management and commitment to eligible projects.
State	General state funds used to provide the minimum match to the federal funds

Project Name: US30B: (N Lombard St) N Delaware Ave - N Denver (DRAFT AMENDMENT)

Fund Codes										
Phase	Fund Code	Description	Percent of Phase	Total Amount	Federal Percent	Federal Amount	State Percent	State Amount	Local Percent	Local Amount
PE	ACPO	ADVANCE CONSTRUCT PR	3.05%	86,041.36	89.73%	77,204.91	10.27%	8,836.45	0.00%	0.00
	Y240	Surface Transportation Block Grant (STBG) - Flex IIIA	96.95%	2,735,674.00	89.73%	2,454,720.28	10.27%	280,953.72	0.00%	0.00
	PE Totals			100.00%	2,821,715.36		2,531,925.19		289,790.17	
RW	Y240	Surface Transportation Block Grant (STBG) - Flex IIIA	100.00%	555,660.00	89.73%	498,593.72	10.27%	57,066.28	0.00%	0.00
	RW Totals			100.00%	555,660.00		498,593.72		57,066.28	
UR	Y240	Surface Transportation Block Grant (STBG) - Flex IIIA	100.00%	347,288.00	89.73%	311,621.52	10.27%	35,666.48	0.00%	0.00
	UR Totals			100.00%	347,288.00		311,621.52		35,666.48	
Grand Totals					3,724,663.36		3,342,140.43		382,522.93	0.00

Description: Funding for the Great Streets program in federal fiscal year 2025. Projects will be selected at a later date, based on program requirements. Region: 6

MPO: Non-MPO
Applicant: ODOT

Work Type: BIKPED
Status: BUCKET OF FUNDS

Location(s)-					
Mileposts	Length	Route	Highway	ACT	County(s)
				STATEWIDE	STATEWIDE

Current Project Estimate							
	Planning	Prelim. Engineering	Right of Way	Utility Relocation	Construction	Other	Project Total
Year					2025		
Total					\$11,666,666.66		\$11,666,666.66
Fund 1					Y240 \$10,468,499.99		
Match					\$1,198,166.67		

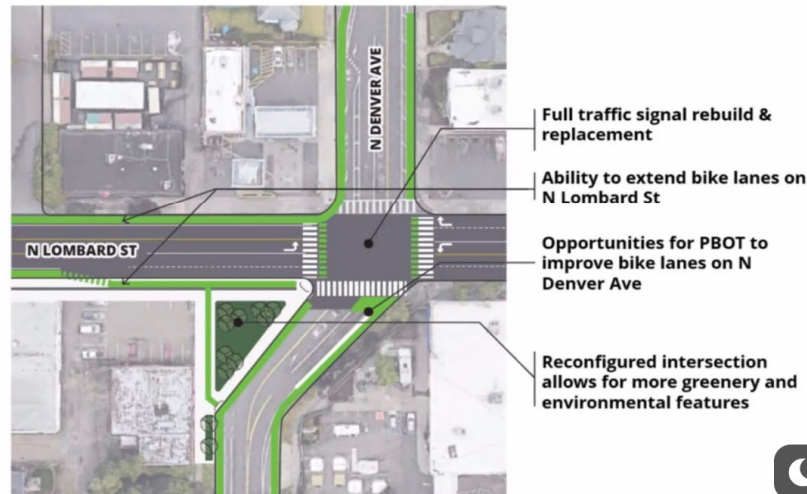
Footnote:

Proposed North Denver Street intersection upgrade details sourced from Jonathan Maus, BikePortland article October 30, 2023



Great Streets: N Lombard St & N Denver Ave

- Developing a "Great Streets" grant application in coordination with ODOT
- Advanced to "Round #2" of grant selection process.
- Will request a letter of support from BAC, other advisory bodies, and community-based organizations.

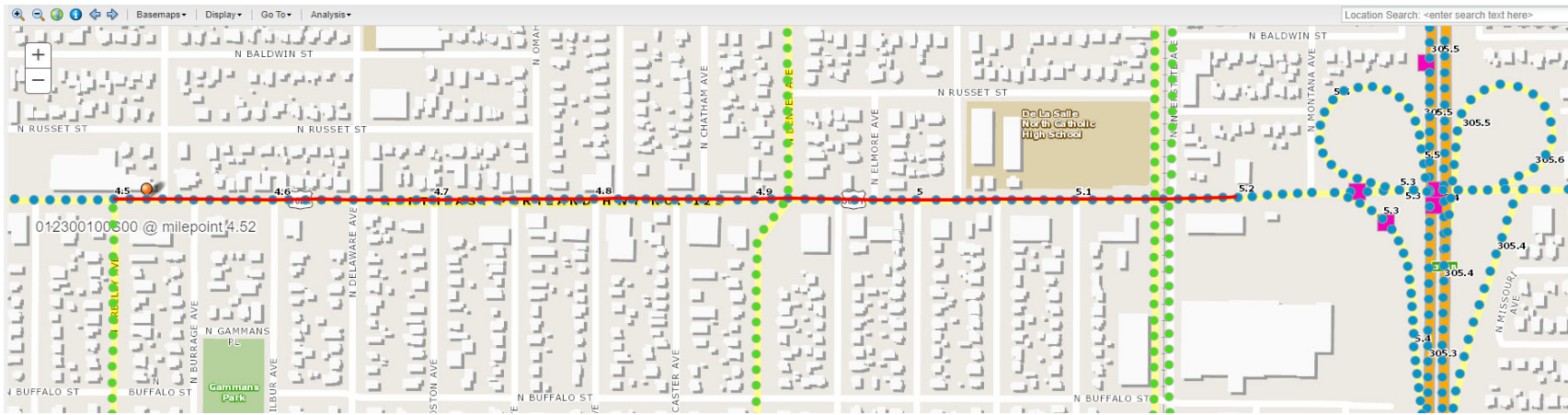




N Lombard looking just east of Delaware. Note the bike lane ends and there are two general purpose lanes ahead.

The Oregon Department of Transportation (ODOT) announced today they will award a \$9 million grant for the Portland region allowing us to extend the North Lombard bike lanes to Denver and redesign the Denver intersection. The project will make significant changes to a major Kenton neighborhood intersection and close a key gap in the north Portland bike network.

ODOT added bike lanes to Lombard (aka Highway 30) on a 1.2-mile segment from N Fiske to Delaware last summer as part of a major repaving project. One of the problems with the new lanes is that they stopped short — by about 10 blocks — of the major bikeway on N Denver.





Metro
 2024-27 Metropolitan Transportation Improvement Program (MTIP)
 PROJECT AMENDMENT DETAIL WORKSHEET

MTIP Formal Amendment
ADD NEW PROJECT
 Add the new ODOT Carbon funded project to the MTIP

Project #2 **Modification #1: Description adjustment as noted below**

Project Details Summary							
ODOT Key #	23638	RFFA ID:	N/A	RTP ID:	12095	RTP Approval Date:	11/30/2023
MTIP ID:	TBD	CDS ID:	N/A	Bridge #:	N/A	FTA Flex & Conversion Code	No
MTIP Amendment ID:		MA24-08-MAY	STIP Amendment ID:		24-27-0952		

Summary of Amendment Changes Occurring:
 The formal amendment adds the new ODOT project that will design and implement a new bus on shoulder dedicated lane on I-205 to the MTIP

Project Name:	I-205 Sunnybrook Rd - Stafford Rd Bus on Shoulder						
Lead Agency:	ODOT	Applicant:	ODOT	Administrator:	ODOT		
Certified Agency Delivery:	No	Non-Certified Agency Delivery:	No	Delivery as Direct Recipient:	Yes		

Note: ODOT has modified the project description based on TPAC discussions to clarify the overall purpose of the project and to eliminate possible confusion over how the transit system will be impacted. The project scope does not change. The description modification is considered a minor adjustment and is authorized as part of the public notification/comment process.

Short Description:
~~Expand transit service along the I-205 corridor between Stafford Rd and Sunnybrook Rd. by creating a Bus on Shoulder corridor within ODOT Right of Way~~
Enhance portions of ODOT ROW along I-205 between Stafford Rd and Sunnybrook Rd to allow authorized public transit providers to utilize bus on shoulder operations providing more reliable transit travel time

MTIP Detailed Description (Internal Metro use only):
 Along the I-205 corridor from Sunnybrook Rd to Stafford Rd (MP 3.00 to MP 10.76), design, construct and implement a bus on shoulder dedicated transit lane to ~~expand~~ **enhance** transit service using existing ODOT right-of way. (ODOT Statewide Carbon Program funding. Funding is not Metro allocated Carbon funds)

STIP Description:
~~Expand transit service along the I-205 corridor between Stafford Rd and Sunnybrook Rd. by creating a Bus on Shoulder corridor within ODOT Right of Way~~
Enhance portions of ODOT ROW along I-205 between Stafford Rd and Sunnybrook Rd to allow authorized public transit providers to utilize bus on shoulder operations providing more reliable transit travel time

Project Classification Details			
Project Type	Category	Features	System Investment Type
Highway	Highway - Transit	Bus on Shoulder	Systems Management, ITS, and Operations
ODOT Work Type:	OP-CARBON		

Phase Funding and Programming

Fund Type	Fund Code	Year	Planning	Preliminary Engineering (PE)	Right of Way (ROW)	Utility Relocation (UR)	Construction (Cons)	Other	Total
Federal Funds									
ST- CARBON	Y601	2024		\$ 254,613					\$ 254,613
ST- CARBON	Y601	2025					\$ 1,733,530		\$ 1,733,530
									\$ -
Federal Totals:			\$ -	\$ 254,613	\$ -	\$ -	\$ 1,733,530	\$ -	\$ 1,988,143

Note: The approved Carbon Reduction Funds belong to ODOT and are separate from Metro's \$18.8 million Carbon Reduction Program allocation

State Funds

Fund Type	Fund Code	Year	Planning	Preliminary Engineering (PE)	Right of Way (ROW)	Utility Relocation	Construction	Other	Total
State	Match	2024		\$ 29,142					\$ 29,142
State	Match	2025					\$ 198,410		\$ 198,410
State Totals:			\$ -	\$ 29,142	\$ -	\$ -	\$ 198,410	\$ -	\$ 227,552

Local Funds

Fund Type	Fund Code	Year	Planning	Preliminary Engineering (PE)	Right of Way (ROW)	Utility Relocation	Construction	Other	Total
									\$ -
Local Totals:			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Phase Totals	Planning	PE	ROW	UR	Cons	Other	Total
Existing Programming Totals:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amended Programming Totals	\$ -	\$ 283,755	\$ -	\$ -	\$ 1,931,940	\$ -	\$ 2,215,695

Total Estimated Project Cost	\$ 2,215,695
Total Cost in Year of Expenditure:	\$ 2,215,695

Programming Summary	Yes/No	Reason if short Programmed					
Is the project short programmed?	Yes	The construction phase programming will be added later (probably as part of the next STIP).					
Programming Adjustments Details	Planning	PE	ROW	UR	Cons	Other	Totals
Phase Programming Change:	\$ -	\$ 283,755	\$ -	\$ -	\$ 1,931,940	\$ -	\$ 2,215,695
Phase Change Percent:	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Amended Phase Matching Funds:	\$ -	\$ 29,142	\$ -	\$ -	\$ 198,410	\$ -	\$ 227,552
Amended Phase Matching Percent:	N/A	10.27%	N/A	N/A	10.27%	N/A	10.27%

Phase Programming Summary Totals

Fund Category	Planning	Preliminary Engineering (PE)	Right of Way (ROW)	Utility Relocation	Construction	Other	Total
Federal	\$ -	\$ 254,613	\$ -	\$ -	\$ 1,733,530	\$ -	\$ 1,988,143
State	\$ -	\$ 29,142	\$ -	\$ -	\$ 198,410	\$ -	\$ 227,552
Local	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ 283,755	\$ -	\$ -	\$ 1,931,940	\$ -	\$ 2,215,695

Phase Composition Percentages

Fund Type	Planning	PE	ROW	UR	Cons	Other	Total
Federal	0.0%	89.73%	0.0%	0.0%	89.73%	0.0%	89.73%
State	0.0%	10.27%	0.0%	0.0%	10.27%	0.0%	10.27%
Local	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	100.0%

Phase Programming Percentage

Fund Category	Planning	Preliminary Engineering (PE)	Right of Way (ROW)	Utility Relocation	Construction	Other	Total
Federal	0.0%	11.49%	0.0%	0.0%	78.24%	0.0%	89.73%
State	0.0%	1.32%	0.0%	0.0%	8.95%	0.0%	10.27%
Local	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	0.0%	12.81%	0.0%	0.0%	87.19%	0.0%	100.0%

Project Phase Obligation History							
Item	Planning	PE	ROW	UR	Cons	Other	Federal
Total Funds Obligated							Aid ID
Federal Funds Obligated:							
EA Number:							FHWA or FTA
Initial Obligation Date:							FHWA
EA End Date:							FMIS or TRAMS
Known Expenditures:							FMIS
						Estimated Project Completion Date:	12/31/2028
Completion Date Notes:							
Are federal funds being flex transferred to FTA?		No		If yes, expected FTA conversion code:		N/A	
Notes: Expenditure Authorization (EA) information pertains primarily to projects under ODOT Local Delivery oversight.							

Fiscal Constraint Consistency Review
1. What is the source of funding? ODOT Carbon Reduction Program funding approved by OTC.
2. Does the amendment include changes or updates to the project funding? Yes. The funds are being added to the MTIP for the first time.
3. Was proof-of-funding documentation provided to verify the funding change? Yes. OTC approved the Carbon fund last September.
4. Did the funding change require OTC, ODOT Director, or ODOT program manager approval? OTC approval was required.
5. Has the fiscal constraint requirement been properly demonstrated and satisfied as part of the MTIP amendment? Yes

Project Location References					
On State Highway	Yes/No	Route	MP Begin	MP End	Length
	Yes	I-205	3.00	10.76	7.76
Cross Streets	Route or Arterial		Cross Street		Cross Street
	I-205		Sunnybrook Rd		Stafford Rd

Summary of MTIP Programming and Last Formal/Full Amendment or Administrative Modification							
1st Year Programmed	2024	Years Active	0	Project Status	2	Pre-design/project development activities (pre-NEPA) (ITS = ConOps.)	
Total Prior Amendments	0	Last Amendment	Not Applicable	Date of Last Amendment	Not Applicable	Last MTIP Amend Num	Not Applicable
Last Amendment Action	Not Applicable						

Anticipated Required Performance Measurements Monitoring							
Metro RTP Performance Measurements	Congestion Mitigation	Climate Change Reduction	Economic Prosperity	Equity	Mobility Improvement	Safety	Equity Notes EFA northern limits = Yes POC = Yes LEP = No LI = Yes
	X	X		X	X		

RTP Air Quality Conformity and Transportation Modeling Designations	
Is this a capacity enhancing or non-capacity enhancing project?	The project c is not a SOV capacity enhancing project, but a ATM project.
Is the project exempt from a conformity determination per 40 CFR 93.126, Table 2 or 40 CFR 93.127, Table 3?	Yes. The project is exempt per 40 CFR 93.126, Table 2
Exemption Reference:	Other - Engineering to assess social, economic, and environmental effects of the proposed action or alternatives to that action.
Was an air analysis required as part of RTP inclusion?	No. Not Applicable
If capacity enhancing, was transportation modeling analysis completed as part of RTP inclusion?	No. Not applicable.
RTP Constrained Project ID #1 and Name:	ID# 11305 - I-205 Active Traffic Management
RTP Project Description #1:	Construct improvements to address recurring bottlenecks on I-205. Specific improvements as identified in operational analysis, Mobility Corridor analysis, refinement planning and Active Traffic Management Atlas.
RTP Constrained Project ID #2 and Name:	ID# - 12351 - ODOT Carbon Reduction & Electric Vehicle Infrastructure Programs: 2024-2030
RTP Project Description #2:	Projects to reduce carbon emissions and to support electrification of vehicles, consistent with the federal Carbon Reduction funding program, the federal National Electric Vehicle Infrastructure funding program, the Statewide Transportation Strategy, and Climate Smart Strategy.

Project Location in the Metro Transportation Network		
Yes/No	Network	Designation
Yes	Motor Vehicle	I-205 is designated as a Throughway
Yes	Transit	I-205 is designated as a Frequent Bus in the Transit Network
Yes	Freight	I-205 is designated as a Main Roadway Route in the Freight Network
No	Bicycle	No designation
No	Pedestrian	No designation

National Highway System and Functional Classification Designations			
System	Y/N	Route	Designation
NHS Project	Yes	I-205	I-205 is designated as an Interstate on the NHS
Functional Classification	Yes	I-205	Urban Interstate
Federal Aid Eligible Facility	Yes	I-205	1 = Interstate

Additional RTP Consistency Check Areas
1. Is the project designated as a Transportation Control Measure? No.
2. Is the project identified on the Congestion Management Process (CMP) plan? Yes.
3. Is the project included as part of the approved: UPWP? No. Not applicable.
3a. If yes, is an amendment required to the UPWP? No.
3b. Can the project MTIP amendment proceed before the UPWP amendment? Yes.
3c. What is the UPWP category (Master Agreement, Metro funded stand-alone, Non-Metro funded Regionally Significant)? Not applicable.
4. Applicable RTP Goals: <u>Goal # 1 - Mobility Options:</u> Objective 1.1 - Travel Options: Plan communities and design and manage the transportation system to increase the proportion of trips made by walking, bicycling, shared rides and use of transit, and reduce per capita vehicle miles traveled. Objective 1.3 - Access to Transit: Increase household and job access to current and planned frequent transit service. <u>Goal #3 - Equitable Transportation:</u> Objective 3.2 - Barrier Free Transportation: Eliminate barriers that people of color, low income people, youth, older adults, people with disabilities and other marginalized communities face to meeting their travel needs. <u>Goal #5 - Climate Action and Resilience:</u> Objective 5.2 - Climate Friendly Communities: Increase the share of jobs and households in walkable, mixed-use areas served by current and planned frequent transit service.

5. Does the project require a special performance assessment evaluation as part of the MTIP amendment? **No. The project does not exceed \$100 million in total project cost.**

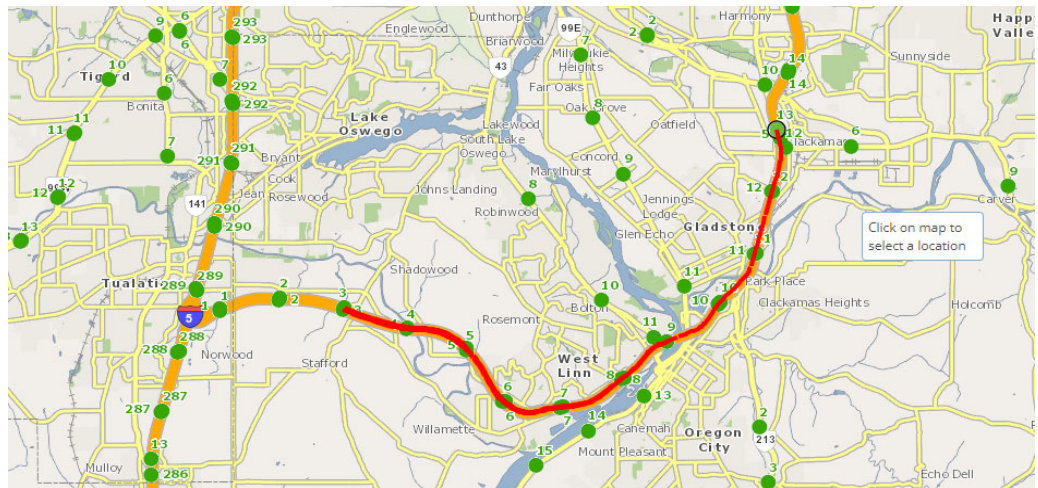
Public Notification/Opportunity to Comment Consistency Requirement

1. Is a 30-day/opportunity to comment period required as part of the amendment? **Yes.**
2. What are the start and end dates for the comment period? **Estimated to be April 30, 2024 to May 29, 2024**
3. Was the comment period completed consistent with the Metro Public Participation Plan? **Yes.**
4. Was the comment period included on the Metro website allowing email submissions as comments? **Yes.**
5. Did the project amendment result in a significant number of comments? **Comments are expected.**
6. Did the comments require a comment log and submission plus review by Metro Communications staff and to Council Office? **May be required.**

Fund Codes References

Carbon	Federal appropriated funds supporting the Carbon Reduction Program (CRP). The purpose of the CRP is to reduce transportation emissions through the development of State carbon reduction strategies and by funding projects designed to reduce transportation emissions
State	General state funds used to provide the minimum match to the federal funds

Fund Codes										
Phase	Fund Code	Description	Percent of Phase	Total Amount	Federal Percent	Federal Amount	State Percent	State Amount	Local Percent	Local Amount
PE	Y601	Carbon reduction program greater than 200,000 population IIA	100.00%	283,755.00	89.73%	254,613.36	10.27%	29,141.64	0.00%	0.00
	PE Totals			100.00%	283,755.00		254,613.36		29,141.64	0.00
CN	Y601	Carbon reduction program greater than 200,000 population IIA	100.00%	1,931,940.00	89.73%	1,733,529.76	10.27%	198,410.24	0.00%	0.00
	CN Totals			100.00%	1,931,940.00		1,733,529.76		198,410.24	0.00
Grand Totals					2,215,695.00		1,988,143.12		227,551.88	0.00





Oregon Transportation Commission
Formal Meeting Agenda; Thursday, Sept. 14, 2023
 Hybrid: In-Person & Zoom – Inn at the 5th, Maple Banquet Room
 205 E. 6th Ave., Eugene, OR 97401



Oregon
 Tina Kotek, Governor

Oregon Transportation Commis
 Office of the Director, I
 355 Capitol
 Salem, OR 97301

Formal Meeting ~ 9:00 AM – 4:00 PM

Please note: This meeting will be in person at [Inn at the 5th](#), but also can be viewed on our ODOT YouTube at <https://www.youtube.com/c/OregonDOT>. Closed Captioning is available on the livestream.

The Oregon Transportation Commission welcomes written and oral testimony for this meeting. Written testimony to be submitted and signups for oral testimony by **9:00 am, Wednesday Sept. 13, 2023**.

To sign-up and submit written testimony please complete the [comment form](#) on our website at https://www.oregon.gov/odot/Get-involved/Pages/OTC_Main.aspx.


Note: The Commission may choose to take agenda items out of order, pull, defer or shorten presentation times of agenda item(s) to accommodate unscheduled business needs. All portions of the meeting are open to the public unless noted as an executive session. Anyone wishing to be present for a particular item should join the webinar when the meeting begins to avoid missing an item of interest. [Website address to view agendas/minutes/materials](#)

The meeting is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to [Sabrina Foward](#), Commission Coordinator, at 503-986-3450 (or statewide relay 711).

(Pre-Meet with Leadership and OTC Members: 8:00-8:45 AM for briefing in Maple Banquet Room)

Time Order Type REGULAR AGENDA

9:00 AM	A)	Chair's Report	Welcome and comments from the Chair (10 min., OTC Chair Julie Brown)
9:10 AM	B)	Public Comment	The Commission allots 2 minutes per person (may change at the Chair's discretion) for public comments. (20 min., OTC Commission Staff)
9:30 AM	C)	Director's Report & Consent Agenda	Director's Report & Consent Agenda Items: Receive agency report from the Director followed by approval of the consent agenda. (10 min., ODOT Director Kristopher Strickler)
9:40 AM	D)	Informational	Committee Updates: Receive an update from Commissioners on their respective committees: ACT's, EMAC and CIAC (25 mins., OTC Members)
10:05 AM		BREAK	10 Minutes
10:15 AM	E)	Informational	Region 2, Area 5, LaneACT Update: Local Project Updates (60 mins., ODOT Area 5 Manager Vidal Francis, Lane ACT Representatives: ACT Chair and City of Creswell Airport Manager, Shelley Humble, City of Eugene, Mayor Lucy Vinis, City of Veneta, Mayor Keith Weiss, Lane County Transportation Senior Planner, Becky Taylor and City of Creswell, Councilor Shelly Clark)
11:15 AM	F)	Informational	Climate Office Update: Receive an update from the ODOT Climate Office on the Carbon Reduction Program development and the required Climate Reduction Strategy for the Federal Highway Administration. (20 mins., Policy, Data, and Analysis Division Administrator Amanda Pietz and Climate Office Administrator Suzanne Carlson)
11:35 AM		LUNCH	75 Minutes-Gordon Hotel Restaurant

DATE: August 31, 2023
TO: Oregon Transportation Commission

FROM: Kristopher W. Strickler
 Director
SUBJECT: Agenda Item F – Climate Office Update on the Carbon Reduction Program

Requested Action:
 Receive an update from the ODOT Climate Office on the Carbon Reduction Program development and the required Climate Reduction Strategy for the Federal Highway Administration.

Background:
 ODOT and its Climate Office works on reducing GHG emissions from transportation, adapting to the impacts of climate change, and on sustainability. The September Oregon Transportation Commission update will focus on the new Carbon Reduction Program, created by the Bipartisan Infrastructure Law, which provides funding for projects that reduce transportation related greenhouse gas emissions. Eligible project types include but are not limited to public transportation, transportation options programs, walking and biking, alternative fuels including electrification, technologies that support congestion management, energy efficient traffic control devices and diesel retrofits. Through the Carbon Reduction Program, Oregon is apportioned \$82.4 million over 5 years for fiscal years 2022-2026 and must submit a state Carbon Reduction Strategy to the Federal Highway Administration.

Oregon Carbon Reduction Program and Strategy:
 The Bipartisan Infrastructure Law requires each State, in consultation with any Metropolitan Planning Organization designated within the State, to develop a carbon reduction strategy and update the strategy every four years. The Bipartisan Infrastructure law requires carbon reduction strategies to "support efforts and identify projects and strategies to support the reduction of transportation emissions."

The Oregon Carbon Reduction Strategy is based on the *Oregon Statewide Transportation Strategy: A 2050 Vision for Greenhouse Gas Emissions Reduction* (STS). It identifies projects and actions that ODOT and local jurisdictions are undertaking to reduce greenhouse gas emission from the transportation sector. The Carbon Reduction Strategy will provide the Federal Highway Administration with an overview and status of Oregon's work to reduce transportation related greenhouse gas emissions. As required by federal regulations, ODOT coordinated with the state's Metropolitan Planning Organizations, as well as Association of Oregon Counties, League of Oregon Cities and environmental representatives, to develop the Carbon Reduction Strategy and priorities for the Small Urban and Rural and ODOT Statewide funding.

STATEWIDE CARBON REDUCTION PROJECTS*				
Project Name	Project Description	Total Cost	CRP Funding	Justice40
NEVI Medium and Heavy-Duty Charging Infrastructure	Install fast charging stations for medium and heavy-duty vehicles at intervals to be located along either I-5, I-84, US 20, or US 97 to expand capabilities of NEVI sites.	\$4,900,000	\$4,396,770	TBD
ODOT Fleet Electric Vehicle Purchase	Procure 15 light duty battery electric vehicles.	\$982,719	\$881,794	Some Locations
Statewide Vanpool Expansion	Provide additional vanpools for shared commute trip solutions to reduce vehicle miles traveled and greenhouse gas emissions.	\$3,890,000	\$1,440,000	Yes
ODOT Fleet Charging Equipment	Install 11 level 2 dual-head charging stations, 2 direct current fast chargers and make-ready infrastructure for additional level 2 stations and fast chargers.	\$1,795,353	\$1,610,970	Some Locations
Low Emission Materials Construction Pilot	ODOT Research, Pavements, Climate Office and other relevant disciplines to research the effectiveness of low carbon materials, including low carbon concrete and asphalt and implement the use of these materials in CRP eligible projects.	\$1,300,000	\$1,100,000	TBD
Incident Response Preservation	This project funds the preservation of three dedicated Incident Response units in the 25-27 Biennium. Incident Response supports the agency's ability to clear traffic incidents quickly thus reducing congestion and associated greenhouse gas emissions.	\$1,000,000	\$897,300	No
TriMet Zero Emission Buses	Purchase of 3 zero emission buses to support regional travel options and diversion mitigation.	\$3,375,579	\$3,000,000	Yes
I-205 Bus on Shoulder	Expand transit service along the I-205 corridor between Stafford Rd and Sunnybrook Rd. by creating a Bus on Shoulder corridor within ODOT Right of Way.	\$2,815,800	\$2,525,800	Yes
Mode-Based Benefit-Cost Analysis Calculator	Identify areas of transportation impacts for different modes and produce a calculator for easy application to expand ODOT's climate and modeling analysis and inform future investments.	\$200,000	\$179,460	Yes
R1 Signal System Coordination Project	The project will include making improvements to 62 signalized intersections throughout 5 corridors to allow for coordinated signal timing. Corridors include: Tualatin Valley Hwy between 20th Ave and 26th Ave, SW 72nd Ave at OR217 interchange, Tualatin Valley Hwy downtown Hillsboro, Beaverton-Tualatin Hwy between SW Hunziker Rd and SW Satler St, and Pacific Hwy between SW 64th Ave and SW Fischer Rd.	\$999,300	\$897,300	Some Locations
E-Micro-mobility Pilot Program	Provide capital funding for electric micromobility (e-micromobility) lending libraries in 4-6 communities with limited or no access to shared micromobility systems.	\$1,000,000	\$897,300	TBD



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Memo

Date: May 23, 2024
To: Metro Council and Interested Parties
From: Ken Lobeck, Funding Programs Lead
Subject: May FFY 2024 MTIP Formal Amendment & Resolution 24-5412 Approval Request

FORMAL MTIP AMENDMENT STAFF REPORT

Amendment Purpose Statement

FOR THE PURPOSE OF ADDING TWO NEW ODOT MANAGED PROJECTS TO THE 2024-27 MTIP TO MEET FEDERAL TRANSPORTATION PROJECT DELIVERY REQUIREMENTS

BACKGROUND

What This Is - Amendment Summary:

The May 2024 Formal Metropolitan Transportation Improvement Program (MTIP) Formal/Full Amendment bundle adds two new project projects. Both are ODOT funded and manage projects.

The first project is an Americans with Disabilities Act (ADA)/ Complete Streets type upgrade project on north Lombard Street/US30BY. The project will provide ADA curb and ramp upgrades, redesign and add bike lanes, reconfigure roadway to 3 lanes (Boston to Lancaster) and complete a traffic signal upgrade at Denver St.

The second new project is a Bus on Shoulder Lane on I-205. The project will design, construct, and implement a bus on shoulder lane to expand transit service on I-205 between Sunnybrook Rd and Stafford Rd.

What is the requested action?

JPACT approved Resolution 24-5412 unanimously on May 23, 2024, and now recommends final approval from Metro Council to approve Resolution 24-5412 to add the two new projects to the 2024-27 MTIP.

Additional details about each new project are included starting on the next page.

JPACT May 23, 2024 Meeting Summary:

JPACT convened on May 23, 2024. The May 2024 Formal MTIP was included on the regular agenda for approval consideration. JPACT requested ODOT provide a short presentation about the new proposed I-205 Bus on Shoulder Lane project. Rian Windsheimer, ODOT Region 1 Director and Dwight Bashar, SMART Director provided an overview of the project. They discussed how the project evolved from the original pilot project on I-5 with CTRAN. They explained how the bus on shoulder lane concept will operate and be implemented. They explained how the I-205 segment was chosen and how the State Carbon funds will support the implementation.

After the presentation, JPACT members raised a couple of observations and questions. Commissioner Paul Savas, Clackamas County discussed the nexus with the rural transit providers making connections into the metro region. He commented that the I-205 Bus on Shoulder Lane project is a great start to build upon.

Mayor Joe Buck, City of Lake Oswego asked how the project fits into possible bigger transit plans and follow-on projects. Rian Windsheimer replied that ODOT is working with the transit agencies to evaluate future opportunities when feasible. However, he continued that there is not a formal plan for future similar projects. He added that ODOT has to consider any required roadwork and highway impacts as part of a bus on shoulder lane project. In some areas there will be opportunities. In some areas, the bus on shoulder lane may not be feasible. Overall, he summarized that the bus on shoulder lane concept represents an evolving plan that the transit providers and ODOT will continue to examine and evaluate for future opportunities.

Carley Francis, Washington State Department of Transportation offered a few observations from the WSDOT/ODOT pilot project which demonstrated transit reliability gains and improved transit routes for CTRAN. The pilot project helped support continued growth for further bus on shoulder lane projects now in the Portland Metro region.

With no further discussion, Commission Savas motioned for approval for Resolution 24-5412 with Mayor Joe Buck providing a second to the motion. JPACT then voted unanimously to approve Resolution 24-5412 for Metro Council to provide the final Metro approval to add the two new projects to the MTIP.

TPAC May 3, 2024 Meeting Summary:

TPAC members met on May 3, 2024, and received their official May 2024 MTIP Formal Amendment notification and overview briefing. Ken Lobeck, Metro provided an overview of the amendment bundle contents. After the presentation, Karen Buehrig, Clackamas County, asked if the submitted project description was consistent with the project delivery goal. She stated that the inclusion of "Expand transit services" could be considered misleading because no additional transit services would be implemented as a result of the new Bus On Shoulder Lane project. Chris Ford, ODOT concurred with Karen's observation and noted that the description may need to be tweaked. Ken Lobeck added that he would send the Region 1 STIP Coordinator a summary of the discussion and ask ODOT to review the description and update it if deemed appropriate. If a project description tweak occurs,

the updated description will be incorporated into Exhibit A to Resolution 24-5412 (MTIP Worksheets and other support documents as needed.

Added note: The initial I-205 Bus on Should Lane project amendment submission resulted in a few clarification questions from Metro. ODOT has submitted their response. Key 23638 in the staff report has been updated to include the questions and replies from ODOT.

A summary of the two projects is included below:

- **Key 22636 – US30B: (N Lombard St) N Delaware Ave - N Denver**

- Lead Agency: ODOT

- Description: The project is on N Lombard St from N Delaware St to N Denver and will complete design street upgrades to include curb & ramps ADA upgrades, redesign and add bike lanes, reconfigure roadway to 3 lanes (Boston to Lancaster) and traffic signal upgrade at Denver St.

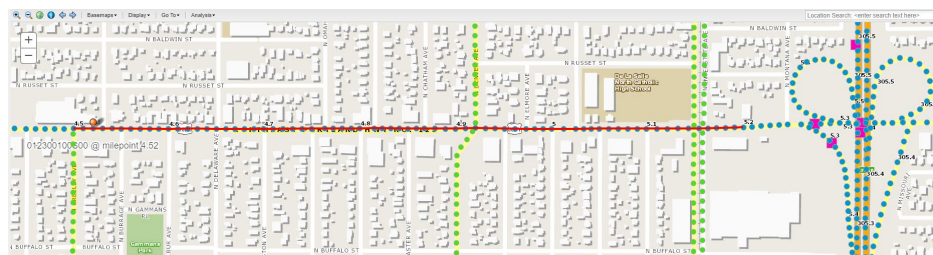


- Funding Summary: A total of \$3,342,141 of ODOT managed federal funds are being committed to the project as part of the Great Street program. With the required match, the programming total is \$3,724,664. The programming total does not include the Construction phase. The approximate total project is about \$9 million.

- Action: The formal amendment adds the new project to the MTIP. Adding a new project to the MTIP requires a formal/full amendment with final approval by FHWA.

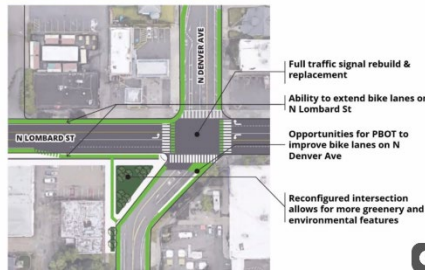
- Added Notes:

- The Preliminary Engineering (PE), Right-of-Way (ROW), and Utility Relocation (UR) phases are being added to the 2024-27 MTIP at this time.
- The Construction phase is anticipated to be added as part of the next cycle in FFY 2027



Great Streets: N Lombard St & N Denver Ave

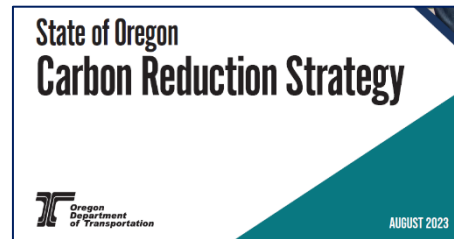
- Developing a "Great Streets" grant application in coordination with ODOT
- Advanced to "Round #2" of grant selection process.
- Will request a letter of support from BAC, other advisory bodies, and community-based organizations.



Proposed North Denver Street intersection upgrade details sourced from Jonathan Maus, BikePortland article, October 30, 2023

• **Key 23638 - I-205 Sunnybrook Rd - Stafford Rd Bus on Shoulder:**

- Lead Agency: ODOT
- Description: The project will expand transit service along the I-205 corridor between Stafford Rd and Sunnybrook Rd. by creating a Bus on Shoulder corridor within ODOT Right of Way.
- Funding Summary: \$1,988,143 of ODOT federal Carbon Reduction Program (CRP) funds are being programmed for the project. Along with the match, the total programming amount is \$2,215,695.
- Action: The formal amendment adds the new project to the MTIP. Adding a new project to the MTIP requires a formal/full amendment with final approval by FHWA.
- Added Questions and Replies:



▪ **ODOT and FHWA Pre-Reviews:**

ODOT has received concurrence from FHWA’s environmental that this Bus on Shoulder project does not constitute adding capacity or trigger a Type 1 project. ODOT requested FHWA guidance in December 2023 related to noise mitigation and other environmental factors. FHWA agreed that the use of the shoulder by authorized transit providers conditioned upon severe congestion (GP lanes at 35mph or less) would not constitute a freeway expansion/Type 1 project and therefore would not require a noise study. FHWA pointed to other DOT’s use of shoulders for authorized transit providers which were not Type 1 or capacity-building projects. ODOT and FHWA remain in contact regarding Bus on Shoulder

▪ **Did the project evolve from the earlier pilot project implemented between ODOT and WSDOT?**

Yes. ODOT launched two Bus on Shoulder (BoS) pilot projects (I-205 across the Glenn Jackson Bridge with C-TRAN in September 2020; I-5 between Tualatin and Wilsonville with SMART in November 2021) to evaluate the safety, impacts to infrastructure, and transit performance of Bus on Shoulder. BoS was already a well-tested and proven solution

for transit reliability in congested conditions and is used in more than 20+ metros around the United States, including in Washington State and Minnesota for more than 40 years. The two pilots were modeled off of the best practices and lessons learned from other jurisdictions' BoS programs and were the first in the state of Oregon. Concurrently to the launch of the pilots, ODOT staff worked to write an OAR to legalize the conditional use of the shoulders for authorized transit purposes in congested conditions. A Rules Advisory Committee met over the course of a year and included representatives from ODOT, law enforcement, transit providers, and the Oregon Pedestrian and Bicycle Advisory Committee (OBPAC). [OAR 734-020-0044](#) was adopted in 2023.

A note regarding OBPAC's participation: a member of OBPAC attended one meeting, but decided this was too much of a time commitment; instead, OBPAC decided to send a letter. After discussion with OBPAC, OBPAC agreed that BoS should be a tool in ODOT's tool kit to reduce congestion and improve transit reliability with the understanding that where legally allowed to be cyclists and pedestrians in the freeway shoulder have the ROW and transit operators must yield the shoulder to them. The required training of transit operators was also discussed along with the agreement that any crash or incident involving a vulnerable road user related to Bus on Shoulder would result in an investigation and could potentially lead to the halt of that BoS corridor. ODOT firmly agrees that BoS should not result in the removal of access to freeway shoulders by cyclists and pedestrians where already legally established.

▪ **What were the results of the pilot project?**

ODOT is currently concluding a Before/After study with a consultant team from HDR. Included in the contract were White Papers for each BoS Pilot Corridor (I-205 and I-5) and a One-Pager summary. ODOT can provide this One-Pager to Metro by 5/10 at a minimum.

In summary, the results of the two pilot projects were positive.

Safety: There were no crashes, incidents, close-calls, or evasive actions related to BoS. There were no concerns from law enforcement. Bus operators routinely encountered law enforcement vehicles, stalled/disabled vehicles, and debris in the freeway shoulders. As detailed in the Concept of Operations, when these obstacles were encountered, the operator merged back into the GP lanes and reported the shoulder obstruction to Dispatch. Dispatch has a process for both alerting future transit vehicles of the shoulder obstruction and alerting the appropriate party – usually ODOT – if a vehicle needs roadside assistance or if debris needs to be removed.

There was a single instance of an operator encountering a cyclist or pedestrian in the shoulder and the operator – as detailed in the Concept of Operations – merged back into the GP lanes and reported the vulnerable road user back to dispatch, who would alert future operators of their presence. There was a single instance of another vehicle operator using the shoulder illegally; this was another transit provider and a new operator who did not understand that they were also not allowed in the shoulder. SMART reported the incident to ODOT and ODOT contacted the transit provider immediately. In general, other jurisdictions have seen very little non-compliance from private vehicle operators, freight, or other transit providers who would look to illegally use the shoulder; this is consistent with the two pilots in Oregon.

Impacts to Infrastructure: ODOT evaluated the condition of the pavement and shoulder assets prior to the launch of the pilots and after at least a year of operations. There were no visible damages to the pavement or to the shoulder assets (manholes and drainage inlets). ODOT also looked into the condition of signs and striping related to BoS and determined that all assets were still in good condition. ODOT does not increase sweeps of the shoulder in BoS corridors and transit providers informed ODOT that the current level of maintenance is sufficient; there was no excessive damage to transit vehicles.

Transit Performance: Transit providers evaluated on-time performance (OTP) and both providers saw an improvement. SMART went from 52% OTP to 83% OTP and C-TRAN went from 82% (NB) and 93% (SB) to 85% (NB) and 95% (SB). It is important to note that both pilots launched during Covid-19 and both were evaluated during a period still impacted by Covid-19 travel patterns. ODOT recommends conducting another evaluation at the 5-year or 10-year mark. Both transit providers reported increased bus operator satisfaction and increased customer satisfaction.

- **Why was I-205 selected to implement the Bus on Shoulder Lane project? Were other primary routes considered?**

The BoS requires three elements to be implemented: recurring congestion, amenable freeway assets (i.e., wide-enough shoulders, few ramps or large spacing between ramps), and transit service. This section of I-205 between Stafford Road and OR43 has been a known transit gap for decades (See ClackCo Comprehensive Plan, ClackCo Transit Development Plan, Oregon Toll Program Low-Income Report, SMART's Transit Master Plan, TriMet's Forward Together Service Concept). TriMet and SMART approached ODOT requesting that this

corridor be turned into a BoS corridor to start a new bus route as recurring congestion made movement between Tualatin/Wilsonville and West Linn/Oregon City very challenging. Given the limited funding available through the Carbon Reduction Program and timeline of said funding, the desire expressed by transit agencies, and the uncertainty of RMPP/Tolling and any future widening of I-205, it was decided that I-205 would be the best candidate for funding Bus on Shoulder in the Portland Metro Area at this time.

- **Will the Bus on Shoulder Lane concept be expanded to other primary routes?**

The concept is being considered, but there are currently no other ongoing discussions with any transit providers about adding BoS anywhere in the near term.

As previously stated, there needs to be recurring congestion, amenable freeway assets, and transit service to have BoS. ODOT conducted analysis in 2019 to evaluate the existing freeway assets in the Portland Metro Area. ODOT is in agreement that future construction projects on freeways should aim to not preclude future BoS use (i.e., placement of rumble strips, placement of vertical or horizontal obstructions like signs, etc.) but there will certainly be exceptions or physical constraints that prevent new shoulders from being optimal. Region 1 staff are also discussing opportunities in the broader state of Oregon.

- **How does the Bus on Shoulder Lane design impact existing exit and entry ramps and overall traffic mobility?**

New signs and pavement markings will be used on the approaches to the exit ramps and from the entry ramps for the buses using the shoulder lane. The signs and pavement markings will be designed around existing infrastructure.

Buses using the shoulder lane are required to yield to anyone else using the exit/entry ramps; additionally, buses are only allowed to operate during congested periods with a max speed of 35 MPH. With these conditions in place, there will be no impact to overall traffic mobility.

- **Will the new lane be restricted only for TriMet and Smart buses?**

ODOT restricts use of the BoS lanes to authorized transit providers who have a signed Concept of Operations with ODOT. This document includes information about vehicle type, route, operator training, dispatch protocol, etc. At this time, ODOT is working on a Concept of

Operations for this corridor. SMART and TriMet are the two transit agencies who have expressed interest in the corridor and would be the only two currently in conversation about using the corridor. [OAR 734-020-0044](#) outlines what type of transit service providers are eligible for BoS: public transportation service provider and only for shared-ride service. Any other agency that complies with the OAR is welcome to contact ODOT and inquire about future BoS corridors or use of an existing BoS corridor.

▪ **Could the added lane be considered a mixed-use lane at other times?**

No. It will either be a shoulder for emergency use or a space for cyclist/pedestrians to use per existing Oregon law, or a space buses are allowed to use to bypass congestion during peak congestion periods. As noted above, legal use of this lane is defined in [OAR 734-020-0044](#). Use of the BoS lane by unauthorized vehicles is a citable traffic violation ([ORS 811.265 – Driver failure to obey traffic control device \(public.law\)](#))

▪ **What is the expected impact to the traffic flow on I-205 as a result of the Bus on Shoulder Lane?**

Given that there is currently no transit service between Wilsonville/Tualatin and West Linn/Oregon City/Clackamas Town Center, it is expected that some private vehicular trips will now be taken by on public transit, therefore reducing VMT. Minimal impact to traffic flow on I-205 is expected outside of this anticipated mode change.

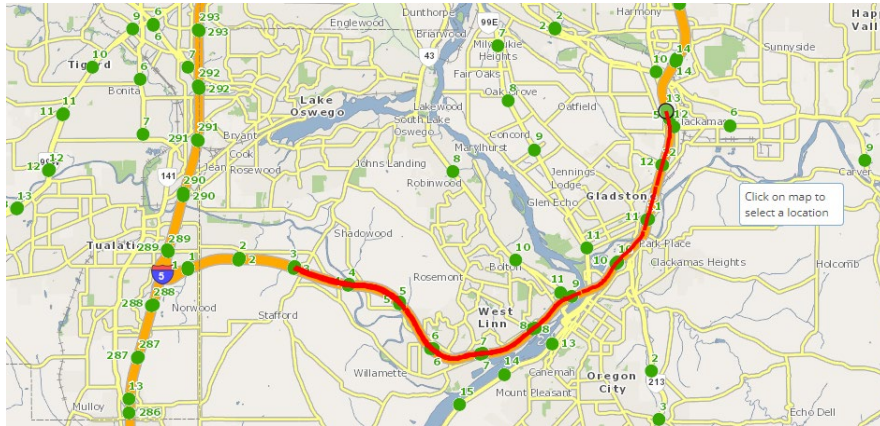
▪ **Will transit be able to operate safely?**

Yes. As outlined in the Concept of Operations, there are multiple safety and operational measures established by all involved agencies. This includes but is not limited to: BoS training for all bus operators who may use the corridor, limitations on speed, guidelines for encountering an obstruction on the shoulder, and protocols for reporting to dispatch.

The two pilot corridors reported no crashes, incidents, close calls, or evasive actions since their launch 3.5 and 2.5 years ago.

▪ **Does ODOT anticipate any implementation or delivery barriers to complete the project? No.**

Proposed I-205 Bus on Shoulder Lane Location Sunnybrook St to Stafford Rd



STATEWIDE CARBON REDUCTION PROJECTS*				
Project Name	Project Description	Total Cost	CRP Funding	Justice40
I-205 Bus on Shoulder	Expand transit service along the I-205 corridor between Stafford Rd and Sunnybrook Rd. by creating a Bus on Shoulder corridor within ODOT Right of Way.	\$2,815,800	\$2,525,800	Yes

Example of a prior implemented outside Bus on Should Lane – Minneapolis-St Paul area



Note: Additional guidance concerning shoulder lanes is available from:

1. FHWA’s website at <https://highways.dot.gov/public-roads/marchapril-2017/providing-shoulder-drive>.



2. FHWA's Use of Freeway Shoulders for Travel – Guide for Planning, Evaluating, and Designing Part Time Shoulder Use as Traffic Management Strategy:
 - Chapter 1: What is Part-time Shoulder Use?
 - Chapter 7: Design Considerations

METRO REQUIRED PROJECT AMENDMENT REVIEWS

In accordance with 23 CFR 450.316-328, Metro is responsible for reviewing and ensuring MTIP amendments comply with all federal programming requirements. Each project and their requested changes are evaluated against multiple MTIP programming review factors that originate from 23 CFR 450.316-328. They primarily are designed to ensure the MTIP is fiscally constrained, consistent with the approved RTP, and provides transparency in their updates, changes, and/or implementation. The programming factors include ensuring that the project amendments:

- Are eligible and required to be programmed in the MTIP.
- Properly demonstrate and fiscal constraint as a result of the required changes.
- Pass the RTP consistency review which requires a confirmation that the project(s) are identified in the current approved constrained RTP either as a stand- alone project or in an approved project grouping bucket.
- Are consistent with RTP project costs when compared with programming amounts in the MTIP.
- If a capacity enhancing project, the project is identified in the approved Metro modeling network and has completed required air conformity analysis and transportation demand modeling.
- Supports RTP goals and strategies consistency: Meets one or more goals or strategies identified in the current RTP.
- Contains applicable project scope elements that can be applied to Metro's performance requirements.
- Verified to be part of the Metro's annual Unified Planning Work Program (UPWP) for planning projects that may not be specifically identified in the RTP.

- Verified that the project location is part of the Metro regional transportation network, and is considered regionally significant, or required to be programmed in the MTIP per USDOT direction.
- Verified that the project and lead agency are eligible to receive, obligate, and expend federal funds.
- Does not violate supplemental directive guidance from FHWA/FTA’s approved Amendment Matrix.
- Reviewed and evaluated to determine if Performance Measurements will or will not apply.
- Successfully complete the required 30-day Public Notification/Opportunity to Comment period.
- Meets other MPO responsibility actions including project monitoring, fund obligations, and expenditure of allocated funds in a timely fashion.

APPROVAL STEPS AND TIMING

Metro’s approval process for formal amendment includes multiple steps. The required approvals for the May FFY 2024 Formal MTIP amendment (MA24-08-MAY) will include the following:

<u>Action</u>	<u>Target Date</u>
• TPAC Agenda mail-out.....	April 26, 2024
• Initiate the required 30-day public notification process.....	April 30, 2024
• TPAC notification and approval recommendation.....	May 3, 2024
• JPACT approval and recommendation to Council.....	May 23, 2024
• Completion of public notification process.....	May 29, 2024
• Metro Council approval.....	June 6 or 13, 2024

Notes:

- * The above dates are estimates. JPACT and Council meeting dates could change.
- ** If any notable comments are received during the public comment period requiring follow-on discussions, they will be addressed by JPACT.

USDOT Approval Steps (The below timeline is an estimation only):

<u>Action</u>	<u>Target Date</u>
• Final amendment package submission to ODOT & USDOT.....	June 18 ,2024
• USDOT clarification and final amendment approval.....	Mid-July 2024

ANALYSIS/INFORMATION

1. **Known Opposition:** None known at this time.
2. **Legal Antecedents:**
 - a. Amends the 2024-27 Metropolitan Transportation Improvement Program adopted by Metro Council Resolution 23-5335 on July 20, 2023 (FOR THE PURPOSE OF ADOPTING THE 2024-2027 METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM FOR THE PORTLAND METROPOLITAN AREA)
 - b. Oregon Governor approval of the 2021-24 MTIP on September 13, 2023.

- c. 2024-2027 Statewide Transportation Improvement Program (STIP) Approval and 2024 Federal Planning Finding on September 25, 2023.
3. **Anticipated Effects:** Enables the new projects to be added into the MTIP and STIP. Follow-on fund obligation and expenditure actions can then occur to meet required federal delivery requirements.
4. **Metro Budget Impacts:** There are no direct or indirect impacts to the approved Metro budget through the actions of this amendment. The identified funding for the new projects does not originate from Metro.

RECOMMENDED ACTION:

JPACT approved Resolution 24-5412 unanimously on May 23, 2024, and now recommends final approval from Metro Council to approve Resolution 24-5412 to add the two new projects to the 2024-27 MTIP.

No attachments.

**Ordinance No. 24-1514 For the Purpose of
Amending Metro Code Chapter 7.05 (Income Tax
Administration) Regarding Income Tax
Confidentiality Provisions**
Ordinances (First Reading and Public Hearing)

Metro Council Meeting
Thursday, June 6th, 2024

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO)	ORDINANCE NO. 24-1514
CODE CHAPTER 7.05 (INCOME TAX)	
ADMINISTRATION) REGARDING INCOME)	Introduced by Chief Operating Officer
TAX CONFIDENTIALITY PROVISIONS)	Marissa Madrigal in concurrence with
)	Council President Lynn Peterson

WHEREAS, on May 19, 2020, Metro area voters approved a personal and business income tax to fund Metro’s Supportive Housing Services Program; and

WHEREAS, Metro Code Chapter 7.05 (“Income Tax Administration for Personal Income and Business Taxes”) administers Metro’s Supportive Housing Services business and personal income taxes; and

WHEREAS, Metro Code Sections 7.05.090 (Confidentiality) and 7.05.100 (Persons to Whom Information May Be Furnished) impose confidentiality and disclosure restrictions on Metro’s income tax information. This includes describing which persons and entities have access to the information, how that information must be protected if shared or disclosed, and penalties for unlawful disclosure, and

WHEREAS, a 2023 public records request for local income tax information submitted to another local government jurisdiction highlighted the fact that local income tax information was perhaps not protected from public records requests under Oregon’s public records laws, even when a local government had confidentiality provisions in its code and even though state income tax information is exempt from public records disclosure under Oregon laws; and

WHEREAS, in response to concerns from local governments regarding the possible disconnect between the protection afforded to *local government* income tax information as compared to the protections afforded to *state* income tax information, in early 2024 the Oregon legislature passed HB 4031, and

WHEREAS, HB 4031 protects local government income tax information from disclosure in the same manner that state law already protects state income tax information from disclosure, and

WHEREAS, Metro now wishes to amend Metro Code Sections 7.05.090 and 7.05.100 to better align with state law regarding confidentiality protections and public records exemptions related to income tax information and to whom Metro may disclose that tax information; and

WHEREAS, to provide consistency and clarity to Metro area taxpayers, Metro finance staff worked closely with City of Portland and Multnomah County staff to ensure that code language regarding the confidentiality of income tax information is substantially identical among all three jurisdictions’ income tax laws, now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. Metro Code Section 7.05.090 (Confidentiality) is amended as set forth in the attached as Exhibit A, with inserted language in underlined text and deleted language in strikethrough text.

2. Metro Code Section 7.05.100 (Persons to Whom Information May Be Furnished) is repealed in its entirety and replaced with a new Section 7.05.100 (Disclosure of Information; Persons to Whom Information May Be Furnished) as set forth in Exhibit B.
3. If a court of competent jurisdiction finds that any portion of this ordinance is invalid or unenforceable as a matter of law, that finding does not invalidate or render unenforceable any other provisions of this ordinance.

ADOPTED by the Metro Council this [redacted] day of June 2024.

Lynn Peterson, Council President

Attest:

Approved as to Form:

Connor Ayers, Recording Secretary

Carrie MacLaren, Metro Attorney

Metro Code Section 7.05.090 (Confidentiality) is amended as follows, with double underlined text representing inserted text and ~~striketrough~~ representing deleted text:

7.05.090 Confidentiality; Public Records Exemption

~~(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.~~

(a) Except as otherwise specifically provided by Oregon law or Metro Code, it is unlawful for the Administrator or any Metro officer, employee, or agent to divulge or make known in any manner the amount of income, expense, deduction, exclusion or credit or any particulars set forth or disclosed in any report or return required in the administration of the Metro Income Tax Laws.

~~(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.~~

(b) It is unlawful for any person or entity to whom Metro or the Administrator has given information pursuant to 7.05.100 to divulge or use that information for any purpose other than that specified in Metro Code.

(c) As set forth in ORS 314.835, neither Metro nor the Administrator are required to comply with a subpoena or judicial order seeking Metro income tax information unless the court issuing the subpoena or judicial order is the court adjudicating the taxpayer's liability for income tax.

(d) The confidentiality rules and requirements in this section apply for the purposes of public records disclosure in ORS 192.311 to 192.478.

(e) As used in this section:

1. "Officer," "employee" or "person" includes an authorized representative of the officer, employee or person, or any former officer, employee or person, or an authorized representative of the former officer, employee or person.
2. "Particulars" includes, but is not limited to, a taxfiler's name, address, telephone number, Social Security number, employer identification number or other taxpayer identification number, the amount of refund claimed by or granted to a taxpayer, and whether a report or return has been filed.

(f) Metro will construe this section's provisions in conformity with the intent of ORS 314.835 as applicable.

(g) Any person that violates this section may be subject to criminal penalties as set forth in Section 7.05.240.

Metro Code Section 7.05.100 (Persons to Whom information May Be Furnished) is repealed in its entirety and replaced with the language below in double underlined text.

For context, the original code language in ~~strike through~~ text follows the new language.

7.05.100 Disclosure of Information; Persons to Whom Information May Be Furnished

(a) The Administrator or Metro Chief Operating Officer may:

1. Furnish any taxfiler or authorized taxfiler representative, upon request of the taxfiler or representative, with a copy of the taxfiler's tax return filed with the Administrator for any year, or with a copy of any report filed by the taxfiler in connection with the return, or with any other information the Administrator considers necessary.
2. Publish lists of taxfilers who are entitled to unclaimed tax refunds.
3. Publish statistics so classified as to prevent the identification of income or any particulars contained in any report or return.
4. Disclose a taxfiler's name, address, telephone number, refund amount, amount due, Social Security number, employer identification number or other taxfiler identification number to the extent necessary in connection with collection activities or the processing and mailing of correspondence or of forms for any report or return required in the administration of Metro Tax Laws.

(b) The Administrator or Metro Chief Operating Officer may disclose and give access to information described in Section 7.05.090 to:

1. The Commissioner of Internal Revenue or authorized representative, for tax administration and compliance purposes only.
2. The Oregon Department of Revenue or authorized representative, for tax administration and compliance purposes only.
3. For tax administration and compliance purposes, the proper officer or authorized representative of any of the following entities that has or is governed by a provision of law that meets the requirements of any applicable provision of the Internal Revenue Code as to confidentiality:
 - A. A state,
 - B. A city, county or other political subdivision of a state,
 - C. The District of Columbia, or
 - D. An association established exclusively to provide services to federal, state or local taxing authorities.

4. The Metro Attorney, the Attorney's assistants and employees, or other legal representatives of Metro, to the extent access is necessary to advise or represent the Administrator or Metro, including but not limited to instituting legal actions on unpaid accounts.

5. 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.

6. The proper officer or authorized representative of a city, county, or other subdivision of this state, to the extent the Administrator or Chief Operating Officer deems disclosure or access necessary for purposes of mutual tax administration of city, county, or other subdivision taxes. Any disclosure under this paragraph may be made only pursuant to a written agreement between Metro and the city, county, or other subdivision that ensures the confidentiality of the information disclosed.

7. Other employees, agents and officials of the Administrator or Metro, to the extent the Administrator or the Chief Operating Officer 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 or Metro and any other department, bureau, agency or subdivision of the Administrator or Metro relating to the administration of the Metro Income Tax Laws, or

C. Aid in determining whether a taxfiler complies with all Metro, City of Portland, Multnomah County, State and Federal laws or policies.

8. Other persons, partnerships, corporations and other legal entities, and their employees, to the extent the Administrator deems disclosure or access necessary for the performance of such others' duties under contracts or agreements between the Administrator and such legal entities, in the Administrator's administration of the tax laws.

9. The Administrator's appeals board, per Section 7.05.160, is authorized to receive relevant tax information for the purpose of considering and issuing decisions with respect to appeals of taxfilers to the Administrator's actions.

(c) 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, all employees and agents specified in subsections (b)(4)-(b)(9) above 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. Those 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.

(d) No person described in subsection (b)(1)-(b)(3) 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.

[For context, below is former Metro Code Section 7.05.100 language that Ordinance No. 24-1514 repeals and replaces.]

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.~~

IN CONSIDERATION OF ORDINANCE 24-1514, FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 7.05 (INCOME TAX ADMINISTRATION) REGARDING INCOME TAX CONFIDENTIALITY PROVISIONS

Date: May 21, 2024
Department: Finance & Reg. Services
Meeting Date: June 6, 2024

Presenter(s), (if applicable): Justin Laubscher, Tax Compliance Program Manager
Length: 10 minutes

Prepared by: Justin Laubscher

ISSUE STATEMENT

In 2023, a district attorney ruled that *local* income tax information was subject to disclosure pursuant to Oregon’s public records laws, even though local law prohibited its disclosure and even though state law protects *state* income tax information from public records requests.

Local governments expressed concerns regarding this ruling. In response, the state legislature recently passed HB 4031, which exempts local income tax information from public records requests. Metro staff seek to amend Metro’s Income Tax Laws (Chapter 7.05) to better align with state statutory language regarding income tax information confidentiality and to whom tax information may be provided. Ordinance No. 24-1514 will provide consistency, clarity and ease to taxpayers and tax representatives regarding what kinds of tax information Metro may disclose and who can receive that information. Metro staff has been working closely with the City of Portland and Multnomah County to implement these requirements uniformly with all three jurisdiction codes..

ACTION REQUESTED

Staff requests that Metro Council adopt Ordinance No. 24-1514.

IDENTIFIED POLICY OUTCOMES

The Metro Income Tax Laws (Chapters 7.05, 7.06, and 7.07 collectively) codify certain provisions of the Supportive Housing Services Measure approved by the voters. The policy outcome of the proposed ordinance would align Metro Code language with state law language regarding the confidentiality and exemption from public records requests with respect to income tax information.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

- Adopt this ordinance. This results in better alignment with state income tax law regarding confidentiality of income tax information and exemptions of public records requests for this information.

- Adopt this ordinance with revisions or modifications as described by Council.
- Reject this ordinance with other direction to staff. The existing income tax code would remain in place and Metro Code language regarding confidentiality of tax information and who can receive that information would not align with state law..

STAFF RECOMMENDATIONS

Staff recommend that Metro Council adopt Ordinance No. 24-1514.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The passage of HB 4031 in the 2024 short legislative session applies income tax information confidentiality requirements to local government agencies that collect, administer, or manage certain local taxes in the same manner the requirements apply to the Oregon Department of Revenue for public records disclosure or other reasons.

This new legislation makes it illegal for Metro officers, employees, or agents to divulge personal taxpayer information. By design and to ensure consistency and confidentiality intent, the proposed code language closely mirrors Oregon statutes on this issue. The major reason for mirroring state statutory language is to signal that Metro will adhere to the intent of HB 4031, which was that ORS 314.835 be applied to local income tax information in the same manner as to state income tax information. Synchronizing the Metro code with State law will minimize the potential for future public records requests battles and at the same time assure the taxpayer community we're doing no more and no less than what the State of Oregon does. The overall intent remains the same. Staff suggests a repeal and replace of Section 7.05.100 (Persons to Whom Information May Be Furnished) because the redline changes are somewhat messy and difficult to follow given the inclusion of state statutory language. However, the overall policy regarding confidentiality or to whom Metro may disclose this information remains the same.

**FY 2024-25 Budget - Vote on Budget Amendments
and Notes**
Presentations

Metro Council Meeting
Thursday, June 6th, 2024

STAFF REPORT

FOR THE PURPOSE OF THE COUNCIL TO CONSIDER AND VOTE ON BUDGET AMENDMENTS AND BUDGET NOTES TO BE INCORPORATED INTO THE FY 2024-25 BUDGET; FINAL PUBLIC HEARING PRIOR TO BUDGET ADOPTION

Date: June 5, 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 6, 2024

Length: 20 minutes

ISSUE STATEMENT

On June 06, 2024, Council will vote on budget amendments and budget notes to be incorporated into the FY 2024-25 budget. Additionally, this will be the final public hearing and opportunity for public comment on the budget, prior to June 13, 2024, when Council will vote to adopt the FY2024-25 budget, as amended on June 6, 2024. Metro's budget must be adopted prior to June 30, 2024.

ACTIONS REQUESTED

- Council consideration and vote for approval of the proposed budget amendments to be incorporated into the FY 2024-25 budget.
- Council consideration of any comments during the final Public Hearing for the FY 2024-25 budget adoption process.

IDENTIFIED POLICY OUTCOMES

Budget amendments and budget notes approved on June 6, 2024, will be incorporated into the FY 2024-25 budget prior to Council's vote to adopt the budget on June 13, 2024.

POLICY QUESTIONS

Which proposed budget amendments and budget notes reflect Council priorities, policies and goals?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Council may approve all, some, or none of the proposed budget amendments and budget notes for the FY 2024-25 budget.

STAFF RECOMMENDATIONS

The Chief Operating Officer and Chief Financial Officer recommend that Council consider and approve all budget amendments and budget notes that align with Council priorities.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

After considerable deliberation of the FY 2024-25 Proposed Budget, Council adopted Resolution 24-5397, approving the FY 2024-25 budget, setting property tax levies and authorizing transmission of the approved budget to the Multnomah County Tax Supervising and Conservation Commission.

After the budget was approved by Council on May 2, 2024, Metro departments submitted budget amendments that Council discussed on June 4, 2024. Council will vote to include budget amendments into the FY 2024-25 adopted budget on June 6, 2024.

Council also discussed and considered Councilor-proposed budget amendments and budget notes on June 4, 2024 and will vote to include the budget amendments and budget notes in the FY 2024-25 Adopted Budget on June 6, 2024.

If Council decides to approve budget amendments and budget notes on June 6, 2024, they will be incorporated into Resolution 24-5405, which will be voted on at the June 13, 2024 Council meeting.

Additionally, the Multnomah County Tax Supervising Conservation Commission's letter certifying the FY 2024-25 Approved Budget, from the May 30, 2024 Budget Hearing, will be attached to Resolution 24-5405, as an exhibit.

Council Adoption of the FY 2024-25 budget is scheduled for June 13, 2024.

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. Oregon Revised Statutes 294.635 required that Metro prepare and submit its approved budget to the Multnomah County Tax Supervising and Conservation Commission by May 15th, 2024. The Commission conducted a hearing on May 30, 2024.

3. Anticipated Effects – Approved budget amendments will be effective as of July 1, 2024. Approved budget notes will be included in the FY 2024-25 Adopted budget document.

4. Budget Impacts – The total appropriations of the FY 2024-25 Approved Budget are \$2,097,108,321 and 1,170.30 FTE.

Budget amendments and budget notes, approved on June 6, 2024, will be incorporated into the FY 2024-25 budget prior to Council adoption, set for June 13, 2024.

BACKGROUND

Oregon Budget Law requires local governments to prepare their annual budgets in three legislatively defined stages; Proposed, Approved and Adopted. The agency's current processes and calendar allow the agency to meet this requirement.

ATTACHMENTS

- Summary of Proposed Budget Amendments and Budget Notes for the FY 2024-25 Budget



METRO FY 2024-25 BUDGET

Summary of Proposed Budget Amendments for
the FY 2024-25 Budget

Discussion of Budget Amendments
and Budget Notes: June 4, 2024

Vote to Incorporate Budget Amendments: June 6, 2024

Vote to Adopt Budget: June 13, 2024

Prepared by Joshua Burns, Interim Budget Coordinator

Reading This Report

The **Report Summary** section provides a high-level overview of the report.

The **General Fund Summary** highlights changes to General Fund and other notable fund changes.

The **Budget Amendments and Capital Improvement Plan Changes** displays all of the proposed amendments and changes to the Capital Improvement Plan (CIP), a brief description of each amendment or change, and the financial impact to the budget.

The **Attachments** are the Capital Improvement Plan (CIP) changes in detail.

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Report Summary

This report includes 17 proposed budget amendments and changes to the capital improvement plan (CIP), and contains one Councilor budget note.

The different types of budget amendments are:

- Substantive Amendments that may change appropriations in a fund or alter FTE.
- Technical Amendments that include carry forwards for unspent FY 2022-23 funds. Others refine the budget to reflect anticipated activities in FY 2023-24, but do not change appropriations or FTE.

The proposed budget amendments in this report would *increase* appropriations to the:

- **General Fund** by \$1,786,606
- **General Asset Management Fund** by \$890,000
- **MERC Fund** by \$425,000
 - **Total Appropriation** Increase: \$3,101,606

The proposed budget amendments in this report would *reduce* FTE by **2.35**:

- **Finance and Regulatory Services: 2.0 FTE Increase**
 - 0.75 FTE – Transfer of Assistant Management Analyst from Zoo Operating Fund
 - 0.25 FTE – Increase Assistant Management Analyst by 0.25
 - 1.0 FTE – Finance Manager
- **Parks and Nature: 3.6 FTE Reduction**
 - -1.0 FTE – Education Coordinator
 - -0.6 FTE – Education Technician
 - -1.0 FTE – Program Analyst
 - -1.0 FTE – Manager I
- **Oregon Zoo: .75 FTE Reduction**
 - -0.75 FTE – Transfer of Assistant Management Analyst to FRS

The proposed changes to the Capital Improvement Plan (CIP) for FY 2023-24 are:

- **Portland Expo Center** increase of \$300,000 (Attachment 1)
- **Information Technology** increase of \$990,000 (Attachment 2)

General Fund Summary

The following are the proposed amendments that would increase appropriations within the General Fund:

- \$25,000 increase to Capital Asset Management (#625)
- \$265,000 increase to Chief Operating Officer [within Council] (#626)
- \$100,000 increase to Council (#627, #637)
- \$56,000 to Diversity, Equity and Inclusion (#628)
- \$350,570 to Finance and Regulatory Services (#630)
- \$40,000 to Human Resources (#631)
- \$496,116 to Planning, Development and Research (#633)
- -\$5,000 to Special Appropriations (#638, #639)
- \$425,000 to Interfund Transfers (#629, #638)
- \$33,920 increase to Contingency (#633)

The **Budget Amendments and Capital Improvement Plan Changes** section of this report describes all the proposed amendments in detail.

Notable Changes in Other Funds:

- General Asset Management Fund
 - Carry forward \$690,000 in unspent project funding
 - Carry forward \$200,000 for Safety, Climate and Resilience projects
- MERC Fund
 - Add \$125,000 for Performing Arts Grants
 - Carry forward \$300,000 in unspent project funding
- Parks and Nature Operating Fund
 - Reduction of 3.2 FTE
 - Transfer of 2.0 FTE to Parks and Nature Bond Fund
 - Net FTE Change: -5.2 FTE
- Parks and Nature Bond Fund
 - Reduction of .4 FTE
 - Increase 2.0 FTE from P&N Operating Fund Transfer
 - Net FTE Change: 1.6

Budget Amendments and Capital Improvement Plan Changes

Below is a list, by department, of each proposed budget amendment. Associated CIP changes can be found as attachments.

Central Services

<ul style="list-style-type: none"> • Amendment #625 (Substantive) Capital Asset Management 	<p>Capital Asset Management is requesting the carryover of unspent funds due to timing considerations of work being performed.</p> <p>\$200,000 carryover to beginning fund balance of the General Asset Management fund to be used for Safety, Climate, and Resilience and a corresponding increase in appropriations.</p> <p>\$25,000 for Green House Gas Inventory updates for Metro internal operations that won't be finalized before June 30. This will increase Beginning Fund Balance of the General fund with a corresponding increase in appropriations.</p>
<ul style="list-style-type: none"> • Amendment #626 (Substantive) Office of the Chief Operating Officer 	<p>Office of the COO is requesting carryover of unspent project budget of \$265,000 for Expo Future to FY24-25 to continue necessary community engagement and outreach (including stipends), finalizing market and feasibility study, strategic communications, and sports marketing and branding work. This does not add to the overall project budget just moves funding to next fiscal year.</p>
<ul style="list-style-type: none"> • Amendment #627 (Substantive) Council Office 	<p>Council office is requesting the carryover of \$50,000 to hire a consultant to support further development of the Climate Justice and Resilience Task Force, strategic planning framework, to include providing recommendations on a structure/format of an agency wide strategic plan and recommendations for internal/external coordination and implementation.</p> <p>Project scoping is in progress to hire a consultant to map out next steps and funding needs to be carried over to from FY23-24 to FY24-25.</p>
<ul style="list-style-type: none"> • Amendment #628 (Substantive) DEI 	<p>Diversity, Equity, and Inclusion (DEI) Department is requesting the carryover of unspent funds due to timing considerations of work being performed.</p> <ol style="list-style-type: none"> 1) Carryover of \$30,000 for contract 938913. This contractor is preparing a series of reports to conclude in September which will detail Metro's efforts to advance racial equity, diversity and inclusion since 2016. 2) Carryover of \$26,000 for contract 939025 to identify, develop, implement, and sustain a healthcare equity program that off-sets the cost and reduces barriers for COBID-certified construction businesses to apply and

	<p>complete for Metro contracts.</p>
<ul style="list-style-type: none"> Amendment #629 (Substantive) GF Transfer to Expo Center 	<p>Expo Center is requesting the carryforward of \$300,000 to FY24-25 for Metro's proportionate share of the larger levy project as a benefited property owner in Multnomah County Drainage District boundary. These funds were already budgeted for in FY23-24 and are being moved to FY24-25 due to timing considerations of project work.</p> <p>The General Fund will transfer funds to Expo based on actual projects costs. Therefore, this request requires and increase in transfers expense out of the General fund and an increase in capital outlay appropriations at Expo Center to pay for Metro Outfalls Decommissioning.</p> <p>Project 8N106 is being added to the 5-year CIP.</p>
<ul style="list-style-type: none"> Amendment #630 (Substantive) Finance and Regulatory Services 	<p>Finance and Regulatory Services is requesting the transfer of .75 FTE from Zoo to FRS and additionally requests to add .25 FTE to make this a 1.0 FTE. This position will primarily support the financial processing of Zoo Bond transactions and invoices.</p> <p>Additionally, FRS requests a 1.0 Finance Manager. As Metro expands its regional collaboration and programming through recent voter approved measures, financial planning and budgeting division is in need of additional capacity to provide support for department leadership.</p> <p>This amendment increases appropriations to the General Fund by \$350,570.</p>
<ul style="list-style-type: none"> Amendment #631 (Substantive) Human Resources 	<p>Human Resources is requesting the following carryover of unspent funds to FY24-25 due to timing considerations of work being performed.</p> <p>\$40,000 for Innova which supports HR Pay Equity analysis. These funds are being carried over to finalize the work of comparable tool and assessment, training HR staff to do work of comparable character going forward and consulting as we move through negotiations on the pay equity analysis for represented employees.</p>

<ul style="list-style-type: none"> • Amendment #632 (Substantive) Information Technology 	<p>Information Technology has unspent project funding in FY23-24 due to project timing.</p> <p>This request seeks a carryover of unspent funds to FY24-25 Beginning Fund Balance of \$690,000 to the General Asset Management fund for IT capital projects and corresponding increases in appropriations. Additionally, this request amends the 5-year CIP plan to reflect the updated timing of the following projects:</p> <p>i9012E-UCS Datacenter computer stack \$360,000 i9013E-datacenter backup platform \$180,000 ISTBD18-Zoo UCS upgrade \$150,000</p>
<ul style="list-style-type: none"> • Amendment #633 (Substantive) Planning, Development and Research 	<p>PDR requests an amendment to carryover contract balances related to the Urban Growth Report and aerial photo leaf-off (winter) flight.</p> <p>In addition, PDR requests an amendment to recognize anticipated redistribution funds. These funds are made available as a reward for meeting our MPO funding obligation target schedule. The proposed plan for these funds supports initiatives within the RFFA process to help the region continue to meet obligation targets. Total redistribution funds for the region are approximately \$13.6 million, including \$600k for Metro led projects of which \$400k is included in this amendment. The proposed plan is contingent on approval by JPACT in June and Metro Council in July.</p>

Parks & Nature

<ul style="list-style-type: none"> • Amendment #635 (Substantive) Transfer of Positions from Operating to Bond 	<p>Due to the Operating deficit in the Parks and Nature Operating fund, the COO requested that the department cut approximately \$1,000,000 from the FY 2024-25 budget and to make a plan to address another \$2,500,000 for the FY 2025-26 budget. This work plan will be done during the summer of 2024 and continued through budget development season.</p> <p>As part of that effort, this amendment reallocates net 2.0 FTE from the Parks and Nature Operating Fund to the Parks and Nature Bond fund.</p> <p>This does not increase appropriations to either fund.</p>
<ul style="list-style-type: none"> • Amendment #636 (Substantive) Defund 4 positions and Move M&S to Bond 	<p>Due to the Operating deficit in the Parks and Nature Operating fund, the COO requested that the department cut approximately \$1,000,000 from the FY 2024-25 budget and to make a plan to address another \$2,500,000 for the FY 2025-26 budget. This work plan will be done during the summer of 2024 and continued through budget development season.</p> <p>As part of that effort, this amendment defunds 4 positions with a net FTE of 3.6. It also moves \$150,000 in M&S from the Parks and Nature Operating Fund to the Parks and Nature Bond fund.</p> <p>This does not increase appropriations to either fund.</p>

Councilor Budget Amendments

<p>• Amendment #637 (Substantive) Hwang – Social Innovation</p>	<p>The social innovation program plans to launch a collaborative pilot project in 2024. This project is indented to serve as an experimental platform for joint investment. The goal is to combine resources from various stakeholders into a pilot initiative, which provides testing ground for impact and learning. The requested \$50,000 will serve as a flexible and deployable funds from Metro to complement resources provided by other stakeholders. A pilot project will be selected by the Social Innovation Council, which includes three Metro team members, including Councilor Duncan Hwang.</p> <p>This amendment increases appropriations by \$50,000.</p>
<p>• Amendment #638 (Substantive) Lewis – Performing Arts Grants</p>	<p>This budget amendment directs the Chief Operating Officer to create a one-year grant program for performing arts.</p> <p>This funding proposal is in response to a uniquely challenging arts environment. \$125,000 will be divided equally into two distinct grant programs. One program will support resident companies and presenting arts organizations that call our venues home, particularly in light of significant cost increases coming back from the pandemic closures. No more than \$6,250 to each.</p> <p>The second program will provide grants to partner with local community-based organizations (CBOs) specifically for venue rentals. This allows organizations to collaborate with our Department of Culture and Community to curate events relevant to their communities. These grants are intended to be low- barrier and quick for groups who would like access to perform in P’5 but don’t normally have the funds required for access.</p> <p>One time funding of \$125k to come from RACC (\$25k) and GF Contingency (\$100k)</p>
<p>• Amendment #639 (Substantive) Lewis – Washington Park Train Task Force</p>	<p>Provides direction and funds to support a newly formed Washington Park Train Task Force</p> <p>This amendment directs Council Office leadership to manage and support a Washington Park Train Task Force with the aim to produce a report that:</p> <ul style="list-style-type: none"> • clarifies the cost to bring a whole loop train back to Washington Park; • explores the train as a tourist attraction and related revenue generation; and • makes recommendations regarding future feasibility and funding scenarios, including the potential for electrification. <p>The task force should include residents of Portland and representation from City of Portland, Explore Washington Park, Oregon Zoo Foundation, and Oregon Zoo staff.</p> <p>One time funding of \$20,000 to come from General Fund Ending Fund Balance.</p>

<ul style="list-style-type: none"> • Amendment #640 (Substantive) Simpson – PSU Transportation and Traffic Class 	<p>Metro would take over financial support of the Portland Traffic and Transportation (PTT) class offered at Portland State University (PSU). Previously, this class was supported by the Portland Bureau of Transportation (PBOT), however due to budget constraints, PBOT decided to cut the PTT class. This class has been a great opportunity for the region and has facilitated partnerships with agencies such as Metro and TriMet in the past. There is an opportunity for Metro to take on the leadership of this course if desired. PBOT is open to further conversation and a spectrum of options on how to run this class. PBOT is happy to hand the program off to Metro, but be available for initial knowledge transfer and making connections to speakers, etc. There is a potential hybrid option as well, where Metro remains the funder but could ask for staff support from PBOT to work with a facilitator to set up the course and do outreach. There is room for Metro to decide what model is preferable.</p> <p>Requires a \$45k transfer from GF EFB to Planning.</p>
<ul style="list-style-type: none"> • Amendment #642 (Substantive) Lewis and Gonzalez – WPES/Reuse Organizations 	<p>Council appropriates \$750,000 in one-time, emergency funding to keep existing reuse organizations solvent while WPES works to create a pilot program that will eventually lead to stable funding.</p> <p>Reduce WPES Regional System Fee contingency by \$750,000 to fund reuse organizations by the end of the calendar year.</p> <p>Part of WPES' mission is to enhance opportunities to reduce, reuse and recycle. WPES has many partners from industry to nonprofit organizations who help it do this work. Reuse organizations are in a uniquely challenging funding environment. To continue to have a robust reuse partnership environment, this amendment provides one-time, emergency funding and injects a sense of urgency into finding a long-term strategy.</p> <p>This amendment is in line with the vision, goals and actions found in the 2030 Regional Waste Plan.</p>

Councilor Budget Notes

Budget Note Summaries:

Budget Note #1 (Councilor Lewis):

Allocate the undesignated general fund resources after required reserves are fully funded to expanded capital reserves, and designate those funds for climate and resilience projects related to Metro Assets with a priority for projects in the CIP that are eligible for Direct Pay incentives.

Sponsored by: Councilor Lewis

The full text of the Budget Note is included on the following page (10).

**FY 2024-25 Council Proposals
For Budget Note Discussion**

Budget Note Title: Unallocated General Fund Reserve for Capital—
Climate Resilience

Budget Note Narrative: Allocate the undesignated general fund resources after required reserves are fully funded to expanded capital reserves. The current estimate of this amount for FY 2024-25 is approximately \$2 million. This budget note will designate these funds in the general fund contingency for climate justice and resilience projects related to Metro assets. Priority will be given to projects in the Capital Improvement Plan (CIP) that are eligible for Direct Pay incentives.

The Chief Operating Officer will return to Council in November 2024 with a budget amendment to allocate these funds to projects and make the necessary appropriations.

<p style="text-align: center;"><u>Primary Sponsor</u></p> <p style="text-align: center;"><u>Sponsoring Councilors</u></p> <p><input type="checkbox"/> President Peterson</p> <p><input type="checkbox"/> Councilor Simpson</p> <p><input checked="" type="checkbox"/> Councilor Lewis</p> <p><input type="checkbox"/> Councilor Rosenthal</p> <p><input type="checkbox"/> Councilor González</p> <p><input type="checkbox"/> Councilor Nolan</p> <p><input type="checkbox"/> Councilor Hwang</p>

Attachment 1

Budget Amendment for FY2024-25

Capital Improvement Plan (CIP) Detail Changes

Visitor Venue - Expo

New? Y/N	Project ID	Project Title	GL Acct	Fund ID	Dept ID	FY 2024-25			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
						CIP	Change Request*	CIP Amended	CIP Amended	CIP Amended	CIP Amended	CIP Amended
N	8N106	Metro Outfalls Decommissioning	579000	556	56999	-	300,000	300,000	-	-	-	-
								-	-	-	-	-

Attachment 2

Budget Amendment for FY2024-25
Capital Improvement Plan (CIP) Detail Changes
Information Technology and Records Management

New? Y/N	Project ID	Project Title	GL Acct	Fund ID	Dept ID	FY 2024-25			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
						CIP	Change Request*	CIP Amended	CIP Amended	CIP Amended	CIP Amended	CIP Amended
N	i9012E	UCS Datacenter computer stack	579000	616	00441	-	360,000	360,000	-	-	-	-
N	i9013E	datacenter backup platform	579000	616	00441	-	180,000	180,000	-	-	-	-
N	ISTBD18	Zoo UCS Upgrade	579000	616	00441	-	150,000	150,000	-	-	-	-
								-	-	-	-	-

Materials following this page were distributed at the meeting.



Oregon Bus on Shoulder



Bus on Shoulder

- Authorized transit providers may drive in the roadway shoulder to bypass congestion
- Used in over 25 metropolitan areas
- Benefits include:
 - Improves transit reliability
 - Maximizes use of existing freeway facilities



How does BoS function?

- Can only use shoulder when adjacent travel lane is moving at 35mph or less
- Buses in the shoulder can travel up to 15 mph faster than adjacent traffic, and a maximum of 35mph
- Regular uses of the shoulder take priority (law enforcement, pedestrians and cyclists, disabled vehicles, maintenance operations)
- If a bus encounters something in the shoulder (debris, vehicle, cyclist, pedestrian), it must merge back into general travel lanes
- Buses merge back into the general travel lanes at on- and off-ramps (at this time)



What happens before a corridor is operational?

- Roadway Authority and Transit Provider must agree to a Concept of Operations
- Transit Provider trains operators for shoulder use in a classroom setting and in the field
- Transit Provider Dispatch is trained
- Law enforcement is briefed
- Public outreach by Roadway Authority and Transit Provider
- Monitoring Agreement in place



Roadway preparation for Bus on Shoulder

- Signing
 - Before, throughout, and at the end
- Striping
 - Dashed fog-line at the start and stop
 - In-lane pavement markings
- Roadway
 - Repair or replacement of failing drainage inlets and manholes
 - Relocation of rumble strips



BoS Pilot locations

I-205 across the Glenn Jackson Bridge between Oregon and Washington

- ODOT, WSDOT, C-TRAN
- September 2020

I-5 between Tualatin and Wilsonville

- November 2021
- ODOT, SMART



Transit Performance

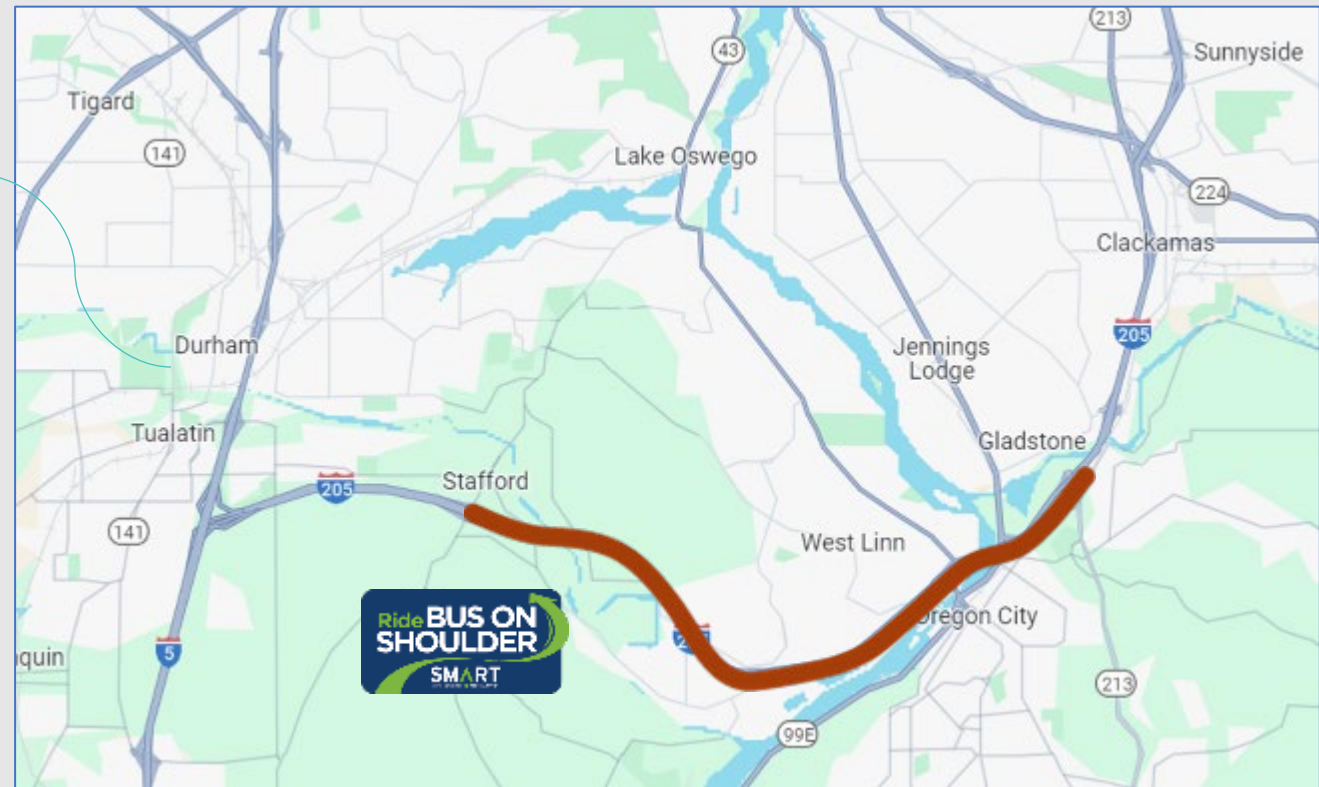
On-Time Performance, 2019 vs. 2022

- I-5 Pilot (SMART)
 - Pre-pilot: ~52%
 - Post-pilot: ~83%
- I-205 Pilot (C-TRAN)
 - Pre-pilot: ~82% (NB); ~93% (SB)
 - Post-pilot: ~85% (NB); ~95% (SB)



What's Next in Region 1?

- Carbon Reduction Program grant funding to prepare segment of I-205 for BoS
 - Longest BOS segment
 - Electric cutaway buses
- Timeline
 - Concept of Operations in development
 - Construction expected Spring 2025





Metro

Supportive Housing Services Program and Tax Implementation Ordinance 24-1514

June 6, 2024

Ordinance 24-1514

Two Code Updates regarding income tax confidentiality:

- Exhibit A:Chapter 7.05.090, Confidentiality; Public Records Exemption
- Exhibit B:Chapter 7.05.100, Disclosure of Information; Persons to Whom Information May Be Furnished

House Bill 4031

- Expands State regulations for tax return confidentiality and disclosures to *local* governments.
- Exempts local tax information from public records requests
- Makes it unlawful for Metro officers, employees, or agents to divulge personal taxpayer information.

Exhibit A:

- Chapter 7.05.090, Confidentiality; Public Records Exemption
- Aligns code with state statutory language regarding what kinds of income tax information Metro may disclose and who can receive that information.
- Provides consistency, clarity and ease to taxpayers and tax reps.

Exhibit B:

- Chapter 7.05.100, Disclosure of Information; Persons to Whom Information May Be Furnished
- Synchronizing the Metro code with State law will minimize the potential for future public records requests
- Metro finance staff working closely with City of Portland and Multnomah County to implement these requirements uniformly.
- No major change in policy

oregonmetro.gov
/housingservices





Metro Council Meeting Testimony: June 6, 2024
Regarding Budget Amendment #642: WPES/Reuse Organizations

My name is Jackie Kirouac-Fram, and I'm the Executive Director of the ReBuilding Center.

As I've mentioned in the past, I have been heartened by Metro's genuine engagement with me and other members of the nonprofit reuse community over the past five years. The WPES staff and Metro Councilors have taken the time to learn about our work and what we need to continue to provide our community with community-centered, low-to-no-cost reclaimed goods while working towards Metro's vision of less waste and more community resilience.

I was very happy to hear about the budget note to develop plans for long-term financial support and, as I mentioned when I testified here last month, there is an urgent need for funding now. We cannot wait.

High interest rates and inflation have slowed home purchases and renovations, reducing the amount of material we are receiving from our community. At the same time, inflation and price increases have driven the desire and need for affordable home repair materials higher than ever. With low supply and high demand, we are unable to support ourselves or our community without additional financial support this year.

I urge you to pass Budget Amendment #642 to provide critical financial support to the ReBuilding Center and other reuse organizations while we await Metro's longer-term funding plans. Your financial support, this year and in the future, will secure the continued partnership of low-cost, community-based reuse operations that support and strengthen Metro's priorities of waste prevention, equity, prosperity, and affordable housing.

Thank you.

Jackie Kirouac-Fram
Executive Director
ReBuilding Center
jackie@rebuildingcenter.org
503-542-5061

From: [Wufoo](#)
To: [Legislative Coordinator](#)
Subject: [External sender]Submit testimony to Metro Council [#231]
Date: Wednesday, June 5, 2024 3:00:33 PM

Name * Cozette Tran-Caffee

Email * COZETTE.TRANCAFFEE@GMAIL.COM

Your testimony

Dear Metro Councilors,

I wrote back in April to urge you to support the ReBuilding Center's request for funding from Metro's Waste Prevention & Environmental Services 2024–2025 budget. I was excited to hear that Metro is now considering both immediate funding of reuse organizations and longer-term funding. This is just a quick note to voice my support of Budget Amendment #642, which will provide critical financial support for the ReBuilding Center while a more stable source of funding is developed.

Thank you!

Cozette

Is your testimony related to an item on an upcoming agenda? * Yes
