

## STAFF REPORT FOR 6-17-2021 COUNCIL MEETING

IN CONSIDERATION OF RESOLUTION NO. 21-5175, FOR THE PURPOSE OF  
ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2021-22  
THROUGH 2025-26 AND RE-ADOPTING METRO'S FINANCIAL POLICIES

---

Date: 6.1.2021

Prepared by: Jessica Eden 503.797.1717

Department:  
Council

Presenters:  
Marissa Madrigal, Chief Operating Officer,  
503.797.1541,

Finance and Regulatory Services

[Marissa.Madrigal@oregonmetro.gov](mailto:Marissa.Madrigal@oregonmetro.gov)  
Brian Kennedy, Chief Financial Officer,  
503.797.1913

[Brian.Kennedy@oregonmetro.gov](mailto:Brian.Kennedy@oregonmetro.gov)

Meeting date: 6.17.2021

Length: 15 minutes

---

### ISSUE STATEMENT

Council action, through Resolution 21-5175, will adopt the Capital Improvement Plan for FY 2021-22 through FY 2025-26 (five year CIP) and will re-adopt Metro's Financial Policies.

### ACTION REQUESTED

Council consideration of Resolution 21-5175.

### IDENTIFIED POLICY OUTCOMES

- Adoption of the five year CIP approves capital projects as detailed in Exhibit A and directs that project expenditures for FY 2021-22 are appropriated, as amended, in the FY 2021-22 budget.
- Re-adoption of Metro's Financial Policies, as outlined in Exhibit B, for FY 2021-22.

### POLICY QUESTIONS

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

### POLICY OPTIONS FOR COUNCIL TO CONSIDER

Adoption of the five year CIP for and the re-adopted of the Financial Policies is required for compliance with Metro's Financial Policies.

## STAFF RECOMMENDATIONS

The Chief Operating Officer recommends approval of resolution 21-5175.

## STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

- The five year CIP outlines Metro's long-range capital planning process. Exhibit A provides details of the five year CIP.
- Metro's Financial Policies were first adopted in 2004 through Council action on Resolution 04-3465. Since then, Council has re-adopted the Financial Policies annually in concurrence with their annual adoption of the budget. There are no significant changes in the FY 2021-22 Financial Policies.

### Known Opposition/Support/Community Feedback

- None known at this time.

### Legal Antecedents

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

### Anticipated Effects

- The Adopted five year CIP and the re-adopted Financial Policies will be effective July 1, 2021.

### Financial Implications

- The Adopted five year CIP will include 144 projects with FY 2021-22 appropriations of \$47,005,159 and total estimated costs for five years of \$217,304,806.

## BACKGROUND

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

	Total Projects	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	5 YR Total
Capital Asset Management	21	\$5,785,000	\$2,100,000	\$2,050,000	\$3,575,000	\$1,600,000	\$15,110,000
Information Services	20	\$2,604,869	\$962,579	\$813,421	\$1,029,532	\$256,265	\$5,666,666
Parks and Nature	35	\$16,644,290	\$22,225,000	\$22,824,850	\$15,967,000	\$13,750,000	\$91,411,140
Visitor Venues - MERC	42	\$2,060,000	\$3,585,000	\$7,440,000	\$8,515,000	\$6,210,000	\$27,810,000
Visitor Venues - Oregon Zoo	7*	\$2,360,000	\$2,147,000	\$1,948,000	\$400,000	\$400,000	\$7,255,000
Waste Prevention and Environmental Services	26	\$17,551,000	\$11,230,000	\$10,704,000	\$13,247,000	\$17,320,000	\$70,052,000
<b>Total</b>	<b>144</b>	<b>\$ 47,005,159</b>	<b>\$ 42,249,579</b>	<b>\$ 45,780,271</b>	<b>\$ 42,733,532</b>	<b>\$ 39,536,265</b>	<b>\$ 217,304,806</b>

\*Project I3008U-Zoo is included in IS project count versus Zoo as project is co-funded

- Financial Policies re-adopted for FY 2021-22:  
The policies include general and specific that are either required to align with federal or state laws and regulations or developed to establish procedures and practices that meet agency goals and practices. Highlights of the policies include:

- The policies will be reviewed annually by the Council and published in the adopted budget.
- A definition of a balanced budget is one in which current year revenues meet or exceed current year expenditures.
- Any use of fund balance in an operating fund will be fully explained in the adopted budget document.
- A study to assess the affordability of any new program will be done before the program is implemented.
- One-time revenues will be used to pay for one-time costs or added to fund balance.
- Post issuance compliance policies are designed to comply with applicable provisions of the Internal Revenue Code of 1986 and SEC Rule 15c2-12 as amended from time to time.
- Capital asset management policies establish the framework for overall capital asset planning and management.

#### **ATTACHMENTS**

- Exhibit A - Project Summary by Funding Source for the Capital Improvement Plan for Fiscal Year 2021-22 through FY 2025-26
- Exhibit B - Financial Policies