

BOND FINANCIAL REPORTING

The committee regularly reviews financial reporting for the 2019 parks and nature bond and any capital investments from the parks and nature levy. Financial data is tracked by Metro's fiscal year, which goes from July 1 through June 30 of each year.

Metro issued the first round of the \$475 million bond in April 2020 for the start of a 12-year program. At the time of the bond sale, Metro was able to take advantage of historically low interest rates and earn a return while preparing to spend in the form of a bond premium.

As of end of June 2024, Metro has spent \$80 million of bond proceeds available, representing a significant in bond dollars spent since the committee's previous report. Metro has awarded \$67 million through the local share program as well as competitive grant awards for trail planning and construction, the large scale community visions program and the Nature in Neighborhoods capital grants program. For these programs, which are largely reimbursement based, spend will follow the pace of awards made.

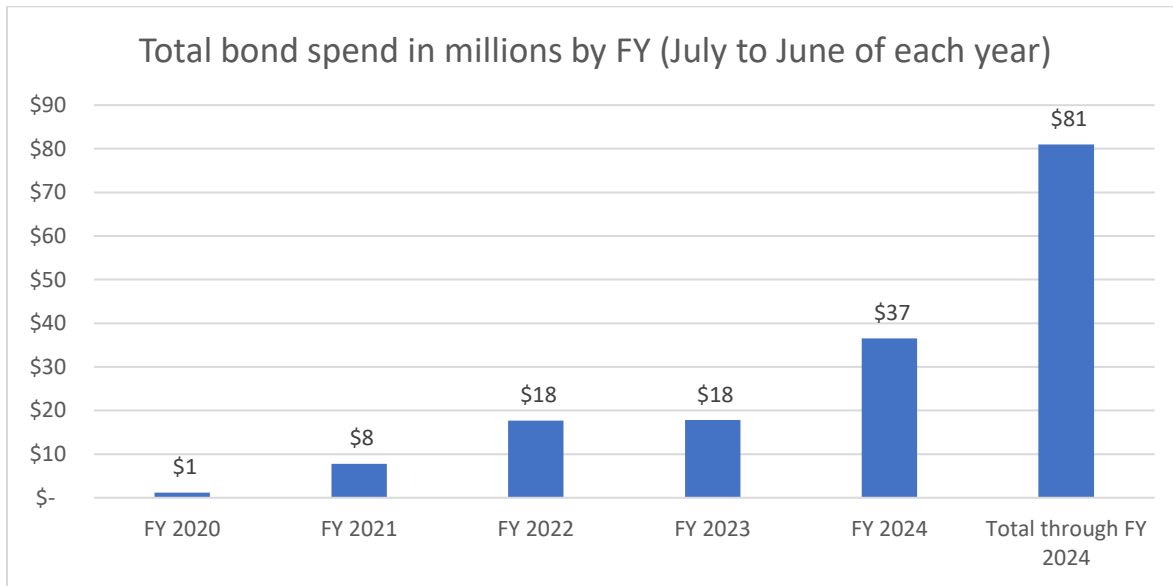
Indirect expenditures or administrative expenditures, which are expenditures that directly benefit the bond projects but aren't tracked by specific project, currently represent 17 percent of total expenditures. We will refer to this number as the bond's administrative rate. Some of these services include, but are not limited to, legal costs, financial support, technical support, and human resource support that do not correspond directly to a single project but are essential to delivering on the bond's objectives and outcomes.

The pace of bond spending through June 2024 has continued to increase.

- Continued ramp up of land acquisition activities due to building pipeline through steady landowner outreach over the last few years
- Completion of several essential infrastructure projects at Blue Lake Park

As we've anticipated, now that all the bond programs are up and running, the administrative expenditures as a percentage of total spending has decreased since 2020 and we anticipate this trend to continue as direct project spending continues to increase. Generally, administrative expenditures as a percent of total spend are high at the begin and end of a bond spend down.

Figure 1, bond spend by fiscal year



Looking ahead

In the next year, staff anticipate that the pace of spending will continue, bolstered by investments in land acquisition and planning, design and engineering for improvements at Metro’s developed sites.

In addition, in the next 1-2 years, staff anticipate that bond spending on local share, capital grants and trail grant projects will increase significantly as awarded projects commence and begin to request reimbursements.

Contract equity

Beyond reporting on the pace of bond spending, Metro also sets and tracks progress towards targets for the contractors and workers who are participating in bond funded contracts.

Specifically, Metro tracks the percentage of bond spending with minority owned, women owned and emerging small businesses that are certified with [Oregon’s Certification Office for Business Inclusion and Diversity \(COBID\)](#) and with each type of COBID certification (minority owned, women owned and emerging small businesses, service-disabled veteran-owned).

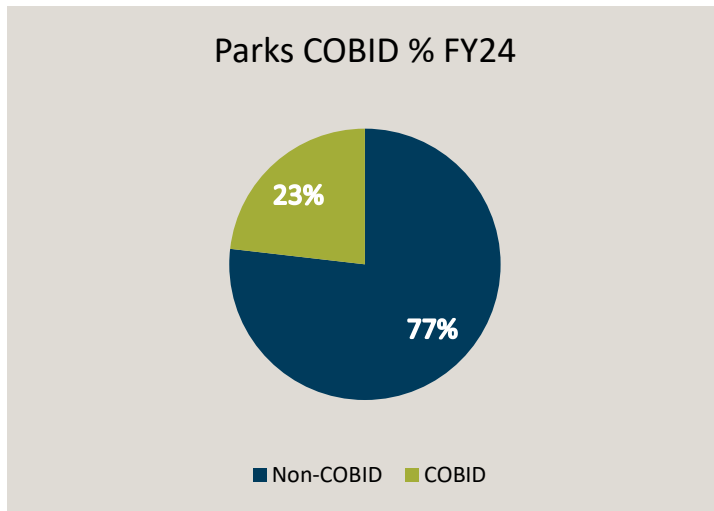
Metro’s participation reporting method removes work that cannot reasonably be performed by a COBID-certified firms from the participation rate calculation. Metro excludes the following types of contracts and payments from the calculation:

- Services provided by another public agency that do not compete with the private sector
- Services for which there is a single or limited group of businesses, none of which are COBID-certified

- Services mandated by Oregon Law (Oregon Revised Statutes) to be provided by qualified rehabilitation facilities

The COBID participation rate to date for Metro’s eligible bond funded projects is 23%, which exceeds the floor for COBID participation set for bond investments (20%) and is lower than the cumulative COBID rate included in the last annual report. Here is some additional context that may impact the COBID participation trajectory and offer areas for additional staff and committee focus this year and beyond:

Figure 2



The total spend for all bond funded contracts from FY 2023 to FY 2024 more than doubled.

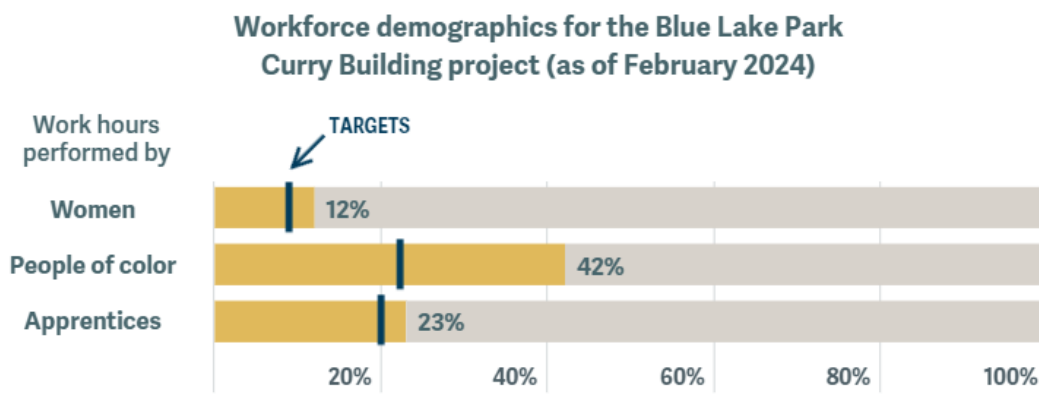
A higher percentage of the spending of the bond funded contracts includes construction contracts, which tend to be larger contracts with more sub-contractors. As an agency, Metro doesn't have agency-wide protocol for tracking COBID participation rate for sub-contractors.

Out of the 23% COBID contracting breaks out in the following categories:

Emerging small business	11%
Disadvantaged business enterprise	7%
Minority business enterprise	5%
Women business enterprise	1%

- Guidelines for tracking and making progress to workforce equity goals as established in Metro’s [Construction Careers Pathways Program](#) are dependent on the total project cost for any bond-funded capital construction projects. Currently, a subset of bond-funded capital construction projects are tracking and making progress towards a more equitable workforce, including a few construction projects prioritized by park providers to receive local share funding awards. This past year staff began to track progress toward goals for diverse workforce participation on bond funded construction projects like the Blue Lake Park Curry Building that are part of the [Regional Workforce Equity Agreement](#).
- We are in the first year of implementing the agency’s goals for workforce participation by people of color, women and apprentices in bond-funded construction projects, and have seen workforce participation in for the first Metro-led construction project with established workforce goals exceed agency targets. The current targets are: 22% of work hours performed by people of color, 9% of work hours performed by women and 20% of work hours performed by apprentices. These targets ramp up to 25% of work hours performed by people of color and 14% of work hours performed by women by FY 2027 (the target for apprentices remains at 20%).

Figure 3



As of February 2024, the workforce demographics for the Blue Lake Park Curry Building project are exceeding targets in every category.

Looking ahead

Staff will continue to track COBID participation rates to the 20% COBID participation floor across the bond for prime and sub-contractors. Staff will also explore opportunities to increase the nuance and granularity with which we’re tracking COBID participation across all large contracts for the 2019 parks and nature bond. In addition, Metro will continue to track workforce hours for women workers, workers of color and apprentices for any and all construction projects that meet the established threshold for the Construction Career Pathways project.

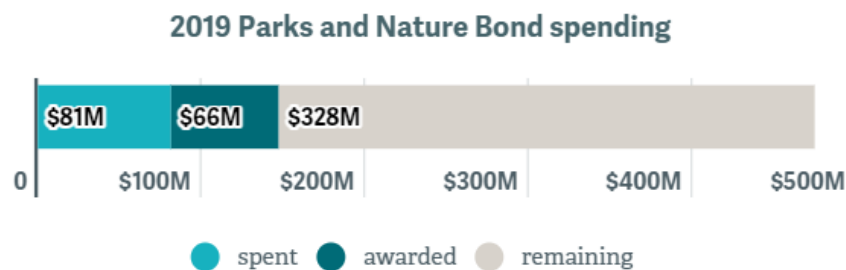
We anticipate that park providers for active local share, grant and trail projects will start reporting data on COBID firm participation and workforce participation by people of color, women and apprentices for bond-funded projects by the end of FY 2025.

2022 local option levy

Metro’s parks and nature local option levy protects clean water, restores fish and wildlife habitat at natural areas across the region and connects people with nature across 18,000 acres of parks, trails and natural areas through investments in capital projects and programs. In November 2022, the voters of the region approved a five-year renewal of the parks and nature levy.

The Natural Areas Oversight Committee is charged with reviewing any capital investments supported by the levy. In the last fiscal year (July 2023 through June 2024), the levy funded some capital restoration projects to improve the habitat at Metro natural areas across the region, which is one of the eligible bond activities within the protect and restore land program. Heading into the next fiscal year (July 2024 through June 2025), 3 capital restoration projects at high priority sites across the region are being funded with an estimated \$600,000 in levy dollars. There was also under \$200,000 in electric vehicles funded with levy dollars in last fiscal year. See list of specific levy funded expenditures [at the end of this section](#).

Figure 4, 2019 bond spend to date



\$143 million of the \$475 million in available bond funds have been spent or awarded (as of June 2024).

2019 Parks and Nature Bond - spend *in millions*

		FY20	FY21	FY22	FY23	FY24	Total Bond Spend
Protect/Restore (\$155 M)							
	Personnel	0.0	1.0	1.3	1.8	2.2	
	M&S &	0.1	0.8	5.1	5.3	8.2	
	TOTAL	0.1	1.9	6.4	7.1	10.4	\$ 25.9
Take Care of Metro Parks (\$98 M)							
	Personnel	0.0	0.6	1.3	2.0	1.3	
	M&S/Capit	0.2	3.1	2.3	2.0	16.3	
	TOTAL	0.2	3.7	3.6	4.0	17.6	\$ 29.2
Local Share (\$92 M)							
	Personnel	0.0	0.2	0.2	0.2	0.3	
	M&S &	-	0.0	2.5	1.6	3.7	
	TOTAL	0.0	0.2	2.7	1.9	4.0	\$ 8.79
Trails (\$40 M)							
	Personnel	0.0	0.2	0.2	0.3	0.3	
	M&S &	0.0	0.0	0.1	0.0	0.1	
	TOTAL	0.0	0.2	0.4	0.3	0.4	\$ 1.3
Nature in Neighborhood grants (\$40 M)							
	Personnel	0.0	0.2	0.2	0.4	0.4	
	M&S &	-	0.0	0.1	0.1	0.5	
	TOTAL	0.0	0.2	0.3	0.4	1.0	\$ 1.9
Community Visions (\$50 M)							
	Personnel	-	0.0	0.1	0.0	0.1	
	M&S &	-	-	-	0.0	0.0	
	TOTAL	-	0.0	0.1	0.0	0.1	\$ 0.3
Administrative							
	<i>Tax-</i>	\$ 0.5	\$ 1.5	\$ 3.5	\$ 3.6	\$ 3.1	
	<i>Taxable</i>	\$ 0.3	\$ -	\$ 0.5	\$ 0.5	\$ 0.2	
	TOTAL	\$ 0.8	\$ 1.5	\$ 4.0	\$ 4.1	\$ 3.3	\$ 13.8
	Admin %	66.2%	20.2%	23.0%	22.8%	8.8%	
	ACCUMUL	66.2%	26.5%	24.2%	23.6%	17.0%	
Total bond spend		\$ 1.2	\$ 7.8	\$ 17.7	\$ 17.8	\$ 36.5	

List of capital projects funded with levy funds in FY 2024

(NOTE: The oversight committee reviews any capital expenditures funded by the parks and nature operating levy. Some of the projects on the list below may also be funded with 2019 bond dollars)

Project name	Levy dollars spent on project
Borland fleet electrification	\$ 181,436.12
Fern Hill forest stream restoration	\$ 84,627.54
Lone Fir Cultural Heritage Garden	\$ 3,077.46
Lower Clear Creek restoration phase 2	\$ 57,108.60
North Fork Deep Creek restoration	\$43,827.81
Quamash McFee CR crossing project	\$ 1,327.50
Grand total	\$ 327,405.03