


BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AMENDING)	ORDINANCE NO. 80-90
ORDINANCE NO. 79-72, ADDING)	
SUPPLEMENTAL APPROPRIATIONS)	Introduced by the Council
TO FY 1980 BUDGET)	Coordinating Committee

THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT HEREBY ORDAINS:

Section 5 of Ordinance No. 79-72, as amended by transfers approved by Ordinance No. 80-82, is hereby amended for the fiscal year beginning July 1, 1979, as shown in the Revised Schedule of Appropriations, Exhibit A, attached hereto and by reference made a part of this Ordinance.

ADOPTED by the Council of the Metropolitan Service District
this 24th day of April, 1980.



ATTEST:



Clerk of the Council

CS:gl
7587/33

A G E N D A M A N A G E M E N T S U M M A R Y

TO: Metro Council
 FROM: Executive Officer
 SUBJECT: Amending Ordinance No. 79-72, Adding Supplemental Appropriations to FY 1980 Budget

I. RECOMMENDATIONS:

- A. ACTION REQUESTED: Approve Ordinance No. 80-90 adopting the FY 1980 Supplemental Budget.
- B. POLICY IMPACT: Adoption of the Supplemental Budget would make changes necessary in the FY 1980 Budget to reflect policy decisions previously made by the Council and to appropriate new local revenues.
- C. BUDGET IMPACT: Adoption of the Supplemental Budget will make changes in legal appropriations to implement decisions previously made by the Council.

II. ANALYSIS:

- A. BACKGROUND: State budget law establishes procedures for making changes in the adopted budget during the course of the fiscal year. The Council has complied with the first step of these procedures in transmitting the supplemental budget to the Tax Supervising and Conservation Commission (TSCC) on January 24. This Commission held a public hearing on March 18, 1980, and, with minor changes, certified the budget for adoption. The Tax Supervising and Conservation Commission recommended the following changes which are incorporated in the attached Ordinance. All adjustments are made to reconcile differences between the adopted budget and the audit.
1. Reduce General fund balances and contingency from \$35,141 to \$34,616, a \$525 decrease.
 2. Reduce the Solid Waste Capital fund balance and contingency by \$283,396.
 3. Increase the Drainage fund balance and Personal Services from \$5,092 to \$9,641, a \$4,549 increase.

A summary of the budget and the TSCC letter is attached for your review.

- B. ALTERNATIVES CONSIDERED: The policy alternatives involved in the Supplemental Budget have previously been considered by the Council. The Supplemental Budget makes the

necessary changes in the legally adopted FY 1980 Budget to reflect those changes.

- C. CONCLUSION: Adoption of the Supplemental Budget is needed to reflect prior decisions made by the Council in the FY 1980 Budget.

CS:bk
7587/33
4/10/80

Metropolitan Service District

527 SW Hall Portland, Oregon 97201 503/221-1646

Memorandum

Date: April 1, 1980
To: Metro Council
From: Rick Gustafson
Subject: FY 1980 Supplemental Budget

The FY 1980 Supplemental Budget as certified by the Tax Supervising and Conservation Commission is submitted for your adoption. The changes to the budget adopted by the Council in June, 1979, are summarized as follows:

1. Increase transfers from Zoo and Solid Waste funds to General fund.

The existing plan for charging the Special Revenue funds for services provided from the General Fund is based on federal guidelines which determine the overhead costs which may be charged to federal grants. These guidelines are restrictive and exclude certain costs of general government such as the Council, Executive Officer and their support costs. The transfers recommended in the Supplemental Budget would recognize that the Zoo and Solid Waste programs benefit from the work performed by the Council and Executive Officer which should be covered in an overhead cost allocation plan. The transfers are based on the following budgeted expenses, divided in thirds:

a)	Council	
	Council Secretary	13,255
	Materials and Services	44,600
b)	Executive Management	
	Executive Officer	48,058
	Executive Aide	22,895
	Administrative Aide	20,821
	Clerk of the Council (.50)	9,734
	TOTAL	<u>159,363</u>

The total \$106,242 transfer, \$53,121 from each fund, is included in the General Fund contingency and will be used to help increase the fund balance to be carried over to FY 1981.

2. Increased fund balances.

The audit of the FY 1979 records indicated fund balances larger than anticipated, in the following funds:

a) Zoo

The Zoo fund balance was actually \$1,252,354 higher than anticipated due mainly to delays in the construction of major capital projects such as the Primate Center. This increase is proposed to be appropriated as follows:

Transfer to General Fund	53,121
General Capital Improvements	1,153,020
Contingency	<u>36,211</u>
TOTAL	1,242,352

b) Solid Waste Operations

The increased fund balance, \$483,816 larger than anticipated, was generated largely because transfers projected to be made to the Solid Waste Debt and Capital Improvement Fund were not required in those funds and were not executed. The fund balance increase is proposed to be used as follows:

Transfer to General Fund	53,121
Contingency	<u>430,695</u>
TOTAL	483,816

c) Solid Waste Debt Fund

A minor increase of \$3,425 occurred in this fund and is proposed to be added to unappropriated balance.

d) Drainage Fund

An additional \$9,641 is appropriated for staff work to be performed on the Tualatin drainage projects. This amount had not been previously identified in the financial records carried over from the prior Metropolitan Service District.

3. Net decrease in fund balances.

a. Planning and General Fund

A net decrease of \$24,858 in fund balances occurred

in the Planning and General funds, due primarily to the difficulty of projecting fund balances in the period immediately following merger of the prior Metropolitan Service District and the Columbia Region Association of Governments budgets. The FY 1979 audit allocated ending fund balances in a different manner than was projected by the staff in planning and carryovers for the FY 1980 budget. The supplemental budget reallocates the fund balances to reflect the audit.

b. Solid Waste Capital Fund

The fund balance was \$283,396 lower than budgeted because a federal grant anticipated to be received before the end of the fiscal year was not received until after the beginning of the current fiscal year. This change has been made in response to the TSCC recommendation. Because the expenditures in this fund will be far below the appropriations, it is not necessary to make a corresponding increase in federal grant receipts.

	<u>Budgeted</u>	<u>Audited</u>	<u>Change</u>
General Fund	525	34,616	34,091
Planning Fund	<u>340,000</u>	<u>281,051</u>	<u>(58,949)</u>
	\$340,525	\$315,667	(\$24,858)

4. Increased Local funds.

The following increases in Local funds have been received since the budget was adopted.

- a. General fund
 - From Multnomah County
for special study to be
conducted by Portland
State University. \$10,000
- b. Zoo fund
 - 1. From Meier & Frank
company for jazz concerts 5,000
 - 2. From Meyer Foundation
for administrative expenses
of Zoo development program. 20,000

1-0000

TAX SUPERVISING & CONSERVATION COMMISSION MULTNOMAH COUNTY

1429 Lloyd Building 700 N.E. Multnomah Street Portland, Oregon 97232 (503) 248-3054

March 20, 1980

Board of Directors
Metropolitan Service District
527 S.W. Hall
Portland, Oregon 97201

RECEIVED
MAR 24 1980

METRO SERVICE DISTRICT

Gentlemen:

The Tax Supervising and Conservation Commission has reviewed, given careful consideration to and on March 19, 1980 conducted a public hearing on a 1979-80 Supplemental Budget for the Metropolitan Service District. The budget is certified with the following objections and recommendations.

1. An objection is noted for the estimated July 1, 1980 \$35,141 General Fund balance. The 1978-79 audit states the balance as \$34,616. The resource and requirement estimates must be reduced \$525.
2. The public notice requirements of ORS 294.401 were not met. The statute requires an 8 to 14 day published notice before the budget committee convenes. Publication was made January 18 and the meeting held January 24.
3. It is recommended that the Council take action to reduce appropriations in the Solid Waste Capital Fund by \$283,396 due to a lower than estimated July 1, 1980 fund balance. Such action would be consistent with other fund adjustments shown in this Supplemental Budget and would reflect proper budget administration.
4. It is recommended that the Supplemental Budget for the Drainage Fund be adjusted to reflect a beginning fund balance of \$9,641, as stated in the 1979-80 Audit.

During consideration of the revised administrative overhead charge, district representatives explained that the charges were being increased to the Solid Waste and Zoo activities but not to Planning Fund activities for the reason that the federal government in its grant programs, budgeted in the Planning Fund, does not recognize legislative expense and other general operating costs. It is apparent to the Commission that the revised overhead formula does not

make an equitable allocation of costs among the benefiting activities. The rules of the federal government relative to grant administration do not seem to be a proper justification for use of dedicated property tax or other local revenue. The Commission urges that the District proceed with great caution in the allocation of administrative and legislative overhead costs so as to avoid questions concerning misappropriation of public funds.

This certification, made pursuant to ORS 294.645, is based on the following supplemental budget estimates.

Budget Estimates:

General Fund	\$ 150,333	
Planning Fund	(58,949)	
Zoo Fund	1,267,352	
Solid Waste Operations Fund	483,816	
Solid Waste Debt Fund	3,425	
Drainage Fund	<u>9,641</u>	
Total Budget Estimates		\$ 1,855,618

Tax Levy

No Change

Please file a copy of the adopting resolution when it becomes available.

Yours very truly,

TAX SUPERVISING & CONSERVATION COMMISSION


G. J. Gutjahr
Administrative Officer

GJG:pj

ORDINANCE NO. 80-90

TITLE AMENDING ORDINANCE NO. 79-72,
ADDING SUPPLEMENTAL APPROPRIATIONS
TO FY 1980 BUDGET

DATE INTRODUCED 4/10/80
FIRST READING 4/10/80
SECOND READING 4/24/80
DATE ADOPTED 4/24/80
DATE EFFECTIVE 4/24/80

ROLLCALL

	Yes	No	Abst.
Burton			
Stuhr	X		
Williams	X		
Berkman	X		
Kirkpatrick	X		
Deines	X		
Rhodes	X		
Schedeen	X		
Miller <i>Conner</i>	X		
Banzer	X		
Peterson	X		
Kafoury	X		