

BEFORE THE METRO COUNCIL

AN ORDINANCE AMENDING THE FY 1999-00	)	ORDINANCE NO. 99-832
BUDGET AND APPROPRIATIONS	)	
SCHEDULE FOR THE PURPOSE OF	)	
TRANSFERRING \$510,000 FROM	)	Introduced by Mike Burton,
CONTINGENCY TO CAPITAL OUTLAY IN	)	Executive Officer
THE CONVENTION CENTER PROJECT	)	
CAPITAL FUND, AUTHORIZING AN	)	
INTERFUND LOAN FROM THE SOLID	)	
WASTE REVENUE FUND TO THE	)	
CONVENTION CENTER PROJECT CAPITAL	)	
FUND TO PROVIDE FOR CASH FLOW; AND	)	
DECLARING AN EMERGENCY	)	

WHEREAS, The Metro Council has approved a memorandum of understanding regarding the expansion of the Oregon Convention Center; and

WHEREAS, The expenditure of funds on the expansion project will begin in January 2000; and

WHEREAS, The revenue bond proceeds will not be available to Metro until FY 2000-01; and

WHEREAS, It is necessary for Metro to provide interim funding for the expansion project between the period January 2000 and June 2000; and

WHEREAS, Oregon Budget Law, ORS 294.460, allows the governing body to authorize interfund loans under certain circumstances; and

WHEREAS, The Metro Council has reviewed and considered the need to authorize an interfund loan and to transfer appropriations within the FY 1999-00 Budget; and

WHEREAS, The need for the interfund loan and the transfer of appropriation has been justified; and

WHEREAS, Adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That an interfund loan from the Solid Waste Revenue Fund to the Convention Center Project Capital Fund in an amount not to exceed \$6.5 million is hereby authorized. The loan is necessary to provide cash flow for the Oregon Convention Center expansion project until revenue bond proceeds and other funding is made available in FY 2000-01. The loan will be repaid with interest during FY 2000-01. The interest rate shall be determined based on the monthly average Metro pooled cash investment yield.

2. That the FY 1999-00 Budget and Schedule of Appropriations for Convention Center Project Capital Fund are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of transferring \$510,000 from Contingency to Capital Outlay to provide for necessary appropriation authority based on the estimated project draw down schedule.

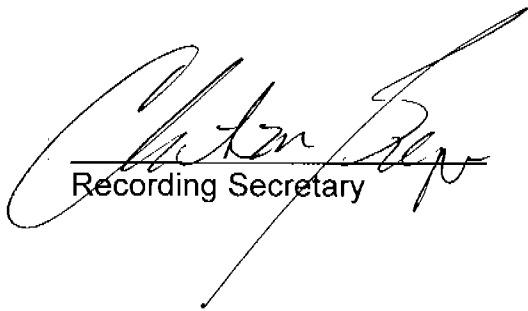
3. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.


ADOPTED by the Metro Council this 9<sup>th</sup> day of DECEMBER, 1999.

  
Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:

  
Recording Secretary

  
Daniel B. Cooper, General Counsel

**Exhibit A**  
**Ordinance No. 99832**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
<b>Convention Center Project Capital Fund</b>							
<i>Resources</i>							
<i>GVCNTB</i>	<i>Contributions from Governments</i>						
4145	Government Contributions		6,500,000		(6,500,000)		0
<i>INTRST</i>	<i>Interest Earnings</i>						
4700	Interest on Investments		105,000		(105,000)		0
	Interfund Loan						
	* from Solid Waste Revenue Fund		0		6,500,000		6,500,000
<b>TOTAL RESOURCES</b>			<b>\$6,605,000</b>		<b>(\$105,000)</b>		<b>\$6,500,000</b>
<i>Personal Services</i>							
<i>SALWGE</i>	<i>Salaries &amp; Wages</i>						
5010	Reg Employees-Full Time-Exempt						
	Construction Manager		0		60,000		60,000
	Other Staff		0		150,000		150,000
<i>FRINGE</i>	<i>Fringe Benefits</i>						
5100	Fringe Benefits		0		77,700		77,700
<b>Total Personal Services</b>			<b>\$0</b>		<b>\$287,700</b>		<b>\$287,700</b>
<i>Materials &amp; Services</i>							
<i>SVCS</i>	<i>Services</i>						
5280	Other Purchased Services		3,000		0		3,000
<i>INCGEX</i>	<i>Internal Charges for Services</i>						
5400	Charges for Services		322,000		(287,700)		34,300
<b>Total Materials &amp; Services</b>			<b>\$325,000</b>		<b>(\$287,700)</b>		<b>\$37,300</b>
<i>Capital Outlay</i>							
<i>CAPCIP</i>	<i>Capital Outlay Projects (CIP)</i>						
5725	Buildings & Related		5,665,000		510,000		6,175,000
<b>Total Capital Outlay</b>			<b>\$5,665,000</b>		<b>\$510,000</b>		<b>\$6,175,000</b>
<i>Contingency and Ending Balance</i>							
<i>CONT</i>	<i>Contingency</i>						
5900	Contingency		510,000		(510,000)		0
<i>UNAPP</i>	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance		105,000		(105,000)		0
<b>Total Contingency and Ending Balance</b>			<b>\$615,000</b>		<b>(\$615,000)</b>		<b>\$0</b>
<b>TOTAL REQUIREMENTS</b>			<b>\$6,605,000</b>		<b>(\$105,000)</b>		<b>\$6,500,000</b>

**Exhibit B**  
**Ordinance No. 99-832**  
**FY 1999-00 SCHEDULE OF APPROPRIATIONS**

	<u>Adopted Budget</u>	<u>Revision</u>	<u>Adopted Budget</u>
<b>CONVENTION CENTER PROJECT CAPITAL FUND</b>			
Operating Expenses (PS & M&S)	\$325,000	\$0	\$325,000
Capital Outlay	5,665,000	510,000	6,175,000
Interfund Transfers	0	0	0
Contingency	510,000	(510,000)	0
Unappropriated Balance	105,000	(105,000)	0
<b>Total Fund Requirements</b>	<b>\$6,605,000</b>	<b>(\$105,000)</b>	<b>\$6,500,000</b>

***All Other Appropriations Remain as Previously Adopted***

## **STAFF REPORT**

CONSIDERATION OF ORDINANCE 99-832 AMENDING THE FY 1999-00 BUDGET AND APPROPRIATIONS SCHEDULE FOR THE PURPOSE OF TRANSFERRING \$510,000 FROM CONTINGENCY TO CAPITAL OUTLAY IN THE CONVENTION CENTER PROJECT CAPITAL FUND, AUTHORIZING AN INTERFUND LOAN FROM THE SOLID WASTE REVENUE FUND TO THE CONVENTION CENTER PROJECT CAPITAL FUND TO PROVIDE FOR CASH FLOW; AND DECLARING AN EMERGENCY.

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Date: November 18, 1999

Presented by: David Biedermann  
Tony Mounts

## **FACTUAL BACKGROUND AND ANALYSIS**

The FY 1999-00 Adopted Budget anticipated the need for certain expenditures related to the Oregon Convention Center expansion project. However, the budget anticipated that funding this fiscal year would be provided through a government contribution of revenue bond proceeds from the City of Portland. It now appears that revenue bond proceeds will not be available until next fiscal year and that MERC will be required to initially fund expansion project expenditures of approximately \$6.5 million between January and June 2000.

The expansion project budget anticipated a reserve contribution from MERC of \$6.1 million (\$3.1 from the MERC Operating Fund and \$3.0 from the MERC Pooled Capital Fund). Unfortunately, all MERC reserves are budgeted in unappropriated balance in FY 1999-00. Oregon Budget Law prohibits the appropriation of these funds from unappropriated balance for the remainder of this fiscal year.

Oregon Budget Law, ORS 294.460, does allow (with certain exceptions) a municipal corporation to loan money from any fund to any other fund whenever the loan is authorized by official resolution or ordinance of the governing body. This action would authorize an interfund loan from the Solid Waste Revenue Fund to the Convention Center Project Capital Fund to provide the needed cash flow for expansion project expenditures this fiscal year. The loan will be administered similar to a line of credit. Funds will be provided on a monthly basis to the Convention Center Project Fund to cover necessary expenditures. Interest will be charged on the loan at a rate equal to the monthly average Metro pooled cash investment yield. The loan, with interest, will be repaid in FY 2000-01 from a government contribution of revenue bond proceeds, MERC reserves, or a combination of both.

In addition, the adopted budget for the Convention Center Project Capital Fund provided for \$5,665,000 in capital outlay with \$510,000 in contingency. The draw down schedule for the project anticipates approximately \$6.1 million in capital expenditures during FY 1999-00. This ordinance requests the transfer of \$510,000 from contingency to capital outlay in the Convention Center Project Capital Fund to provide sufficient appropriation authority for the anticipated expenditures.

Finally, since the loan proceeds will not be received in advance of actual need, the Convention Center Project Capital Fund should not earn interest during the year. The ordinance reflects the change in funding circumstances by eliminating the interest earnings and the corresponding ending fund balance.

### **EXECUTIVE OFFICER RECOMMENDATION**

The Executive Officer recommends approval of Ordinance No. 99-832.

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