

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE)
FY 2001-02 BUDGET AND TRANSMITTING)
THE APPROVED BUDGET TO THE TAX)
SUPERVISING AND CONSERVATION)
COMMISSION)

RESOLUTION NO. 01-3056

Introduced by
Councilor Susan McLain

WHEREAS, The Metro Council, convened as the Budget Committee, has reviewed the FY 2001-02 Proposed Budget; and

WHEREAS, The Council, convened as the Budget Committee, has conducted a public hearing on the FY 2001-02 Proposed Budget; and

WHEREAS, Pursuant to Oregon Budget Law, the Council, convened as the Budget Committee, must approve the FY 2001-02 Budget, and said approved budget must be transmitted to the Tax Supervising and Conservation Commission for public hearing and review; now, therefore,

BE IT RESOLVED,

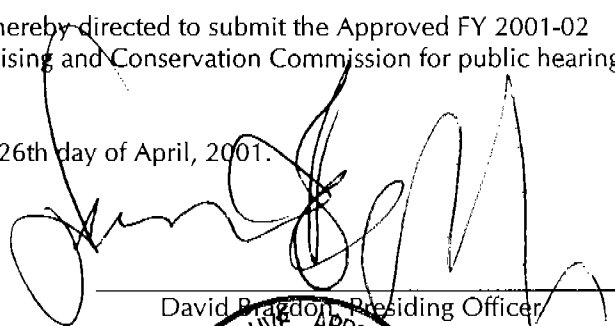
1. That the Proposed FY 2001-02 Budget as amended by the Metro Council, convened as the Budget Committee, which is on file at the Metro offices, is hereby approved.
2. That property tax levies for FY 2001-02 are approved as follows:

SUMMARY OF AD VALOREM TAX LEVY .

	Subject to the General Government <u>Limitation</u>	Excluded from the <u>Limitation</u>
Zoo Tax Rate	\$0.0966/\$1,000	
General Obligation Bond Levy		\$ 19,663,985


3. That the Executive Officer is hereby directed to submit the Approved FY 2001-02 Budget and Appropriations Schedule to the Tax Supervising and Conservation Commission for public hearing and review.

ADOPTED by the Metro Council this 26th day of April, 2001.



David Braddon, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel



STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 01-3056 FOR THE PURPOSE OF APPROVING THE FY 2001-02 BUDGET AND TRANSMITTING THE APPROVED BUDGET TO THE TAX SUPERVISING AND CONSERVATION COMMISSION

Date: April 26, 2001

Prepared by: Peggy Coats

BACKGROUND

Tax Supervising and Conservation Commission Authority

The Tax Supervising and Conservation Commission (TSCC) is an independent, impartial panel of citizen volunteers established to monitor the financial affairs of local governments. The Commission presently oversees the budgeting and taxing activities of 36 municipal corporations, including Metro. The Commission is required to review the budgets of all local governments required to comply with local budget law in counties with over 500,000 population, and which have more than half of their assessed value within Multnomah County. The Commission's review is both procedural and substantive in nature. Procedural checks establish compliance with the various laws governing local finance, particularly local budget law. A substantive review of program content, the reasonableness of estimates, and coordination of financial planning among various units is also performed. All budgets must be certified by the Commission prior to adoption by the local governing body. Metro is required to submit its budget for the coming fiscal year to TSCC by May 15th of each year.

FY 2001-02 Budget Review Process

The Budget Review process was initiated at the Budget and Finance Committee on February 14 and ended on April 18, 2001. It consisted of three primary segments:

1. Individual department and fund budgets were evaluated in groupings:
 - General Fund-Related Departments (Planning, Parks, Executive Office, and Council)
 - Enterprise Fund-Related Departments (REM, Zoo, and MERC)
 - Support Services and Miscellaneous Fund-Related Departments (ASD, Human Resources, IT, Auditor, Office of General Counsel, and Office of Citizen Involvement)Reviews considered basic departmental programs, costs, and FTE; programmatic changes in the budget since last FY review, including related staffing changes; new programs initiated in this budget; impact on the department's ability to perform charter-related mandates; long-term financial needs of the department, particularly those not addressed in the budget; coordination with Council Committee work plans; and coordination with Council/Executive Officer budget priorities.
2. Council analysts reviewed the proposed departmental budgets, and identified questions and issues, which were submitted to the departments for a response. Departments reviewed questions and answers with the committee as a whole.
3. Technical adjustments, substantive amendments, and budget notes were proposed and heard in committee prior to full Council consideration of the budget.

ANALYSIS/INFORMATION

1. **Legal Antecedents** – Oregon Revised Statute 294.610 created the Tax Supervising and Conservation Commission in 1919. Prior to that time, the Oregon Legislature controlled local government budgets.
2. **Budget Impacts** – The TSCC review may result in recommendations for amendments to the approved budget prior to its final adoption by Council in June. The attached "Budget Committee Recommendations Report" incorporates the following approved adjustments, amendments, and notes:

Summary of Approved Adjustments, Amendments and Notes to FY 2001-02 Budget

<p>Agency-wide</p>	<p>Budget Notes</p> <ul style="list-style-type: none"> ▪ Direct staff to explore the development of an overall funding strategy to deal with long-term funding challenges, and to do this in conjunction with a strategic planning process ▪ Direct staff to explore adjustments in areas such as COLAs and merit increases to offset General Fund shortfalls or constraints ▪ Direct staff to determine how agency-wide standards could be developed for staff development and training, and for obtaining personal service contracts ▪ Direct staff to look at different HR programs and policies agency-wide, and to determine how a business re-engineering model might be applied to attain greater effectiveness ▪ Direct staff to evaluate the possibility of moving toward performance based budgeting to better align the budget with Metro policies, goals, and performance measures ▪ Direct staff to explore opportunities for cost savings, increased value, and efficiencies ▪ Direct all departments to clearly show affiliation with Metro through display of Metro logo and tagline ▪ Direct staff to respond to FY 1999-2000 Financial Statement Audit Management Recommendations
<p>ASD</p>	<p>Substantive Amendments</p> <ul style="list-style-type: none"> ▪ Provide appropriation of \$370,000 for increased health and welfare costs
<p>Auditor</p>	<p>Substantive Amendments</p> <ul style="list-style-type: none"> ▪ Reduce travel and staff development by \$6,942 <p>Technical Adjustments</p> <ul style="list-style-type: none"> ▪ Carryover \$13,000 funding for Infolink audit <p>Budget Notes</p> <ul style="list-style-type: none"> ▪ Auditor to make substantive changes to operating processes
<p>Council</p>	<p>Substantive Amendments</p> <ul style="list-style-type: none"> ▪ Carry over \$15,000 of a projected \$25,000 year-end savings to provide Council department support of the agency-wide 2040 Reengagement Effort. ▪ Replace an existing Council Assistant II position with a Council Assistant III position for a total cost of \$5,368 in personal services. This position is an allocated cost; 50% will be charged to Council Outreach, and 50% to Council Administration. ▪ Acknowledge receipt of a \$108,100 grant from the Mt. Hood Cable Regulatory Commission to upgrade the video production system in Council Chambers, and transfers \$7,000 from the General Fund to the General Revenue Bond Fund as the portion of Council's matching share not already absorbed within the existing budget. ▪ Make changes to Council Office budget narrative
<p>General Fund</p>	<p>Technical Adjustment</p> <ul style="list-style-type: none"> ▪ Acknowledge revision in the manner in which the portion of excise tax earned on Solid Waste revenues dedicated to Parks programs is determined (no fiscal impact).
<p>Information Technology</p>	<p>Substantive Amendments</p> <ul style="list-style-type: none"> ▪ Adjust estimated debt service payments approved by Council February 22, 2001, to reflect actual costs for the contract, and moves some of the payment to IT. ▪ Remove a budgeted position designated to serve as "webmaster" from IT; transfer it to Creative Services; and reflect savings of \$34,516
<p>MERC</p>	<p>Substantive Amendments</p> <ul style="list-style-type: none"> ▪ Allow MERC to pay for an estimated \$130,000 in security services during OCC construction out of the capital fund pertinent to that project ▪ Acknowledge receipt of \$350,000 in revenue from the Visitor facilities Trust Account as part of the IGA signed in December between Metro, the City of Portland, and Multnomah County, and expends funds on marketing the Convention Center. <p>Technical Adjustments</p> <ul style="list-style-type: none"> ▪ Transfer \$800,000 remaining fund balance for the Civic Stadium from MERC's operating fund to the Pooled Capital Fund for capital improvements at PCPA.

Summary of Approved Adjustments, Amendments and Notes to FY 2001-02 Budget

<p>Parks</p>	<p>Substantive Amendments</p> <ul style="list-style-type: none"> ▪ Increase budget by \$3,000 to acknowledge and expend a grant from Oregon State Watershed Enhancement Board for restoration projects at Smith & Bybee Lakes ▪ Acknowledge and expend grants for \$50,000 for restoration work at Smith & Bybee Lakes ▪ Acknowledge and expend \$75,000 in legal settlement proceeds for environmental projects at the lakes. ▪ Acknowledge and expend \$5,000 grant from the Salmonid Education Grant Program for an interpretive sign at Oxbow Park. <p>Technical Adjustments</p> <ul style="list-style-type: none"> ▪ Revise personal services to correct error in calculation, reducing expenditures by \$37,327 ▪ Eliminate \$5,000 for use of one vehicle ▪ Carryover \$262,000 wetland restoration work funded by two federal grants ▪ Carryover \$35,000 grant funded project to remove dam on Johnson Creek ▪ Extend Northwest Power Planning Council grant for wetland restoration project in the Multnomah Channel Target Area ▪ Carryover \$37,000 for design and engineering work for recreational facility improvements at Smith & Bybee Lakes ▪ Reclassify how \$68,681 payments to ASD for construction management services are reflected in the budget ▪ Carryover \$106,540 for Oxbow Park Vault Toilet capital improvement project ▪ Recognize \$30,000 additional rental income and reduce draw on fund balance ▪ Carry forward \$14,500 for fund raising activities ▪ Carry forward \$25,000 for Blue Lake Master Plan feasibility study ▪ Carry forward \$4,596 for regional trail brochure ▪ Carry forward \$250,000 for Oxbow Park Yurts/Cabins capital improvement project ▪ Carry forward \$20,000 for Peninsula Crossing Trail
<p>Planning</p>	<p>Substantive Amendments</p> <ul style="list-style-type: none"> ▪ Reclassify Salmon Coordinator position and redirect to support Goal 5 effort exclusively. ▪ Increase beginning fund balance by \$39,000 and increase transfers from General Fund by \$36,000 to provide for projects related to Goal 5 <p>Technical Adjustments</p> <ul style="list-style-type: none"> ▪ Carryover \$28,614 for STP funding and local match for I-5 Transportation and Trade Partnership projects ▪ Carryover \$36,000 for GeoNorth contract, updating of website ▪ Carryover \$76,000 TCSP grant and associated contracts ▪ Carryover \$15,000 Parametrix contract to do periodic review alternatives analysis phase II lands
<p>REM</p>	<p>Substantive Amendments</p> <ul style="list-style-type: none"> ▪ Revise budget by \$2,206,137 to cover tonnage-related costs and downward tonnage trend ▪ Carry over and reappropriate \$600,000 Organics Infrastructure Development contract from Operating account to Recycling Business Assistance Account. <p>Technical Adjustments</p> <ul style="list-style-type: none"> ▪ Carryover \$1,192,200 for various contracts ▪ Reduce revenue by \$40,000 reimbursement in Rehabilitation and Enhancement Fund ▪ Reduce revenue by \$40,000 in Household Hazardous Waste Fees
<p>Zoo</p>	<p>Budget Note</p> <ul style="list-style-type: none"> ▪ Directs Zoo staff to determine the feasibility of converting the Zoo parking lot from a cost center to a profit center

RECOMMENDED ACTION: That Council approve Resolution 01-3056, For the Purpose of Approving the FY 2001-02 Budget and Transmitting the Approved Budget to the Tax Supervising and Conservation Commission