

BEFORE THE METRO COUNCIL

AN ORDINANCE AMENDING THE FY 2000-01 )     ORDINANCE NO. 01-911  
BUDGET AND APPROPRIATIONS )  
SCHEDULE BY TRANSFERRING )  
APPROPRIATIONS FROM OPERATING )     Introduced by Mike Burton,  
EXPENSES TO CAPITAL OUTLAY AND )     Executive Officer  
FROM DEBT SERVICES TO INTERFUND )  
TRANSFERS IN THE CONVENTION CENTER )  
PROJECT CAPITAL FUND; AND DECLARING )  
AN EMERGENCY )

WHEREAS, The Metro Council has reviewed and considered the need to transfer appropriations within the FY 2000-01 Budget; and

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

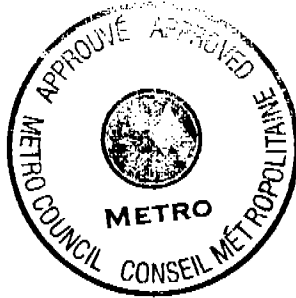
WHEREAS, Adequate funds exist for other identified needs; now, therefore;

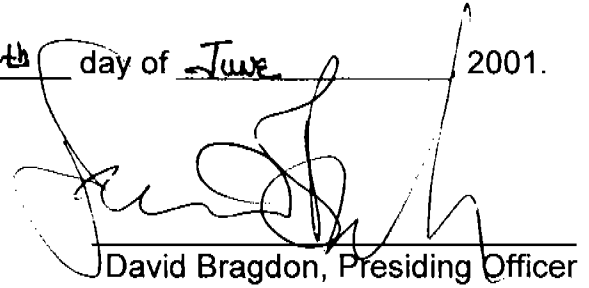
THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2000-01 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibit A to this Ordinance for the purpose of transferring funds from operating expenses to capital outlay and from debt service to interfund transfers to align with actual expenditures during FY 2000-01.

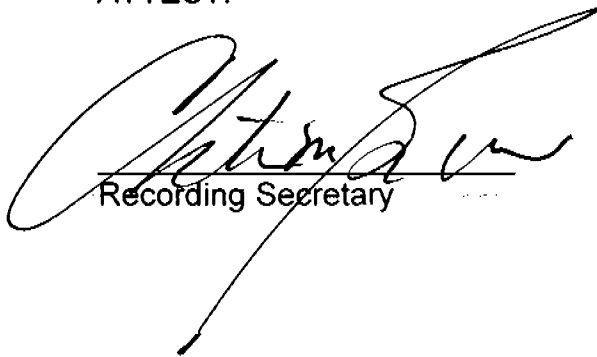
2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this 14<sup>th</sup> day of June 2001.

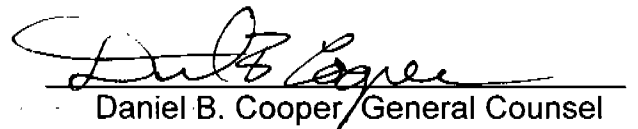


  
\_\_\_\_\_  
David Bragdon, Presiding Officer

ATTEST:

  
\_\_\_\_\_  
Recording Secretary

Approved as to Form:

  
\_\_\_\_\_  
Daniel B. Cooper, General Counsel

**Exhibit A**  
**Schedule of Appropriations**  
**FY 2000-01 Budget Amendment**  
**Ordinance No. 01-911**

	<b>Current Appropriations</b>	<b>Revision</b>	<b>Amended Appropriations</b>
<b>Convention Center Project Capital Fund</b>			
Operating Expenses (PS & M&S)	\$2,861,300	(\$2,192,000)	\$669,300
Capital Outlay	40,400,000	2,192,000	42,592,000
Debt Service	2,100,000	(2,100,000)	0
Interfund Transfers	0	2,100,000	2,100,000
Contingency	1,800,000	0	1,800,000
Unappropriated Balance	4,978,700	0	4,978,700
<b>Total Fund Requirements</b>	<b>\$52,140,000</b>	<b>\$0</b>	<b>\$52,140,000</b>

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

## **BUDGET COMMITTEE REPORT**

CONSIDERATION OF **ORDINANCE NO. 01-911**, FOR THE PURPOSE OF AMENDING THE FY 2000-01 BUDGET AND APPROPRIATIONS SCHEDULE BY TRANSFERING APPROPRIATIONS FROM OPERATING EXPENSES TO CAPITAL OUTLAY AND FROM DEBT SERVICES TO INTERFUND TRANSFERS IN THE CONVENTION CENTER PROJECT CAPITAL FUND; AND DECLARING AN EMERGENCY

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Date: May 30, 2001

Presented by: Councilor Burkholder

**Committee Recommendation:** At its May 30, 2001, meeting, the Budget Committee voted 6-0 to recommend Council adoption of Ordinance No. 01-911. Voting in favor: Councilors Atherton, Bragdon, Burkholder, Hosticka, McLain, and Monroe. Voting against: None. Absent: Councilor Park.

**Background:** Tony Mounts, Financial Planning Manager, presented the staff report. He stated that this amendment accomplishes the following things:

1. Properly identifies budget expenditures within capital outlay
2. Moves appropriations from debt service to interfund transfers for repayment of a Solid Waste interfund loan and the purchase of a security contract for the Oregon Convention Center project
3. Covers indirect costs for support services as part of the project.

**Committee Issues/Discussion:** There was none.

**Key Public Testimony:** There was none.

## **STAFF REPORT**

### **CONSIDERATION OF ORDINANCE NO. 01-911 AMENDING THE FY 2000-01 BUDGET AND APPROPRIATIONS SCHEDULE BY TRANSFERRING APPROPRIATIONS FROM OPERATING EXPENSES TO CAPITAL OUTLAY AND FROM DEBT SERVICE TO INTERFUND TRANSFERS IN THE CONVENTION CENTER PROJECT CAPITAL FUND; AND DECLARING AN EMERGENCY.**

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Date: March 21, 2001

Presented by: Bryant Enge

## **DESCRIPTION**

The proposed amendment calls for transferring appropriations between classifications within the Convention Center Project Capital Fund. This is being done to insure that budgetary appropriations are in the correct classification to match with actual expenditures therefore preventing a violation of Oregon Budget Law if expenditures exceed appropriations.

## **EXISTING LAW**

ORS 294.450 provides for transfers of appropriations within a fund if, such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction. MERC has a need for just such transfers in the Convention Center Capital Project Fund.

## **BACKGROUND**

At the time the budget was adopted, the final negotiations regarding the funding of the expansion were not completed. The adopted budget was prepared based upon known information at that time. As the fiscal year has progressed and the project has been funded, the construction work has begun and there is a need to align budgetary appropriations with actual activities and expenditures.

A transfer from debt service to interfund transfers resolves three needs of the department. Those needs are outlined below.

1. Repayment of an Interfund Loan – During FY 1999-00 an interfund loan was made from the Solid Waste Revenue Fund to the Convention Center Capital Project Fund to cover project expenses until the funding was available from the City of Portland and others. The total amount that was available for the interfund loan was \$6.5 million. In making this inter-fund loan, it was agreed that MERC would only draw against the total the actual amount needed during that fiscal year. At the time the budget was adopted for FY 2000-01 it was estimated that the amount that would be borrowed and paid back with interest was \$2.1 million. The actual amount borrowed plus interest was \$993,622 and was paid to the Solid Waste Revenue Fund via an interfund transfer rather than as debt service as was budgeted.
2. Security for the Expansion Project - The expansion project requires 24-hour security to insure the safety of the public and the significant investment in equipment and facilities. MERC Administration has a security staff that provides security services at all facilities. In order to provide increased security for the expansion project additional expenses will be incurred. The project will reimburse MERC Administration through an interfund transfer to the MERC Operating Fund. There are sufficient appropriations in that fund to cover the additional expenses.

3. Transfer for Indirect Charges – At the time of budget adoption the Convention Center Project Fund was not included as one of the funds that pay for services through the cost allocation plan. This was because it was unknown whether the funding for the project would be made available and if the project would proceed. After all of the parties signed the intergovernmental agreement that finalized the funding for the expansion project, it was decided to charge this fund for central services as the services provided to the project will be significant. The total cost to this fund for central services is estimated to be \$135,000. The transfer from debt service to interfund transfers will provide appropriations to cover these costs.

Also, there is a need to transfer appropriations budgeted as materials and services to capital-outlay. The expenditures that were budgeted under materials and services are actually part of the construction of the new asset, the expanded convention center, and as such should be classified as capital outlay. The materials and services classification is combined with personal services classification in the Operating Expenses appropriation. The proposed action by the Council will transfer appropriations between Operating Expenses and Capital Outlay.

### **BUDGET IMPACT**

The proposed amendments move current appropriations within the budget into different classifications. This insures that the actual expenditures match the legal appropriations within this fund. All other appropriations remain as adopted.

### **OUTSTANDING QUESTIONS**

Through this amendment all questions are resolved regarding this fund.

### **EXECUTIVE OFFICER'S RECOMMENDATION**

The Executive Officer recommends adoption of Ordinance No. 01-911