

Council – Executive Officer Fall Retreat

Agenda

September 25, 2001

Columbia Conference Center – Portland Airport

11:00 AM – 5:00 PM

Facilitator: Sue Dicile

1. Ground rules
2. Density Measure on May ballot
3. Budget
 - Critical assumptions and fund forecasts (15 min)
 - Councilors and Executive discuss budget priorities
 - Green Ribbon budget implications
 - Regional transportation funding
4. Next steps in Transition planning
5. Habitat protection and UGB nexus

**** Recommend that you take Airport MAX due to parking restrictions at Portland International Airport.



METRO

M E M O R A N D U M

DATE: September 19, 2001

TO: Metro Council

FROM: David Bragdon
Presiding Officer, Metro Council

Mike Burton
Executive Officer, Metro

SUBJECT: Council-Executive Officer Fall Retreat Agenda

Two handwritten signatures are present. The first signature, in black ink, is written over the name 'David Bragdon' and extends upwards and to the right. The second signature, also in black ink, is written over the name 'Mike Burton' and is more compact and horizontal.

Attached please find the agenda for our upcoming retreat. We hope this gives you sufficient time to prepare your thoughts and suggestions for a most productive time together. Thank you.

Attachment

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Charter
Metro Transition Advisory Task Force
September 25, 2001

Background. The Presiding Officer and the Executive Officer, in consultation with the Metro Council, have appointed a Transition Advisory Task Force to advise them on the implementation of ballot measure 26-10.

Ballot measure 26-10, approved by voters in the November 2000 general election, amends the Metro Charter to create the office of Council President and abolish the office of Executive Officer effective January 6, 2003. The measure also requires the Council to create the offices of the Metro Chief Operating Officer and the Metro Attorney.

Charge. The Task Force has been appointed to provide the Executive Officer, the Presiding Officer, and the Council with options to consider for structuring the roles, responsibilities, and relationships between and among the Council President, the Council, the Chief Operating Officer, the Metro Attorney, and the department directors.

The Task Force should include options to address the following specific questions:

1. What should be the division of responsibility and authority between the Council, Council President, and Chief Operating Officer for the administration of the agency? What are the duties of the Chief Operating Officer? What offices or functions should report directly to the Council and not be subordinate to the Chief Operating Officer? How is the role of the Chief Operating Officer different from that of Executive Officer?
2. What should be the relationship between the Metro Attorney and the Council, the Council President, and the Chief Operating Officer? Refer to Metro Code Chapter 2.08.
3. What should be the authority of the Chief Operating Officer for hiring and firing department directors?
4. What should be the respective roles of the Chief Operating Officer, Council President, and Council in the development of the annual budget?

Deliverables. The Task Force shall make a written report to the Executive Officer and Presiding Officer containing the information and recommendations described above in the charge to the Task Force. The report is due no later than _____.

Task Force. The Executive and Council offices shall provide staff support to the Task Force, including agendas and minutes. The Task Force may request additional resources from the Executive Officer.

Task Force Organization. The Executive Officer and Presiding Officer will jointly appoint a chair to preside over meetings and deliberations. The Task Force will approve its final report by majority vote. The Task Force will comply with Oregon's Open Meetings Law.

FY 02-03 Budget Framework

Presented to: Budget and Finance Committee

September 26, 2001

Topics

- **Five-Year Plans**
 - Enterprise and Excise Tax-Related
 - Assumptions
 - Fund Balance Projections
 - Issues & Uncertainties
- **FY03 Budget**
 - Schedule
 - Assumptions
- **Policy Questions**

Five-Year Plans

FY03 - FY07

Global Assumptions

- **Personnel Costs**
 - COLA/Merit
 - 3% MERC, Zoo & Parks
 - 5% all others
 - +1% for Benefit cost increases
- **3% M&S**
- **Updated**
 - Adopted Budget - FY02 level carried forward
 - Year-end results as of 2nd close
- **Most recently adopted CIP (Dec. '00)**
- **Does not reflect Sept. 11 impact**

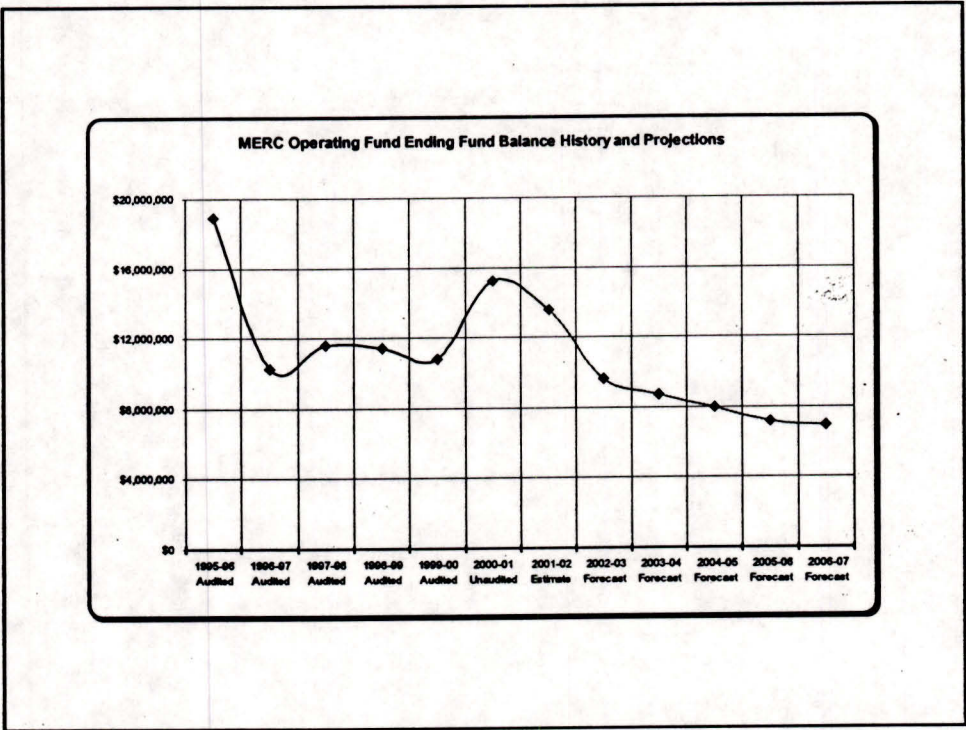
Enterprise Funds

- **MERC Operating Fund**
- **Solid Waste Revenue Fund**
- **Zoo Operating Fund**

MERC Operating Fund

Assumptions:

- **OCC Expansion Project**
 - **Planned opening in FY03**
 - **Operations support from Lodging Tax during construction**
 - **Lodging Tax continues at “base” level**
- **MERC pays full allocation for Central Services after FY03**



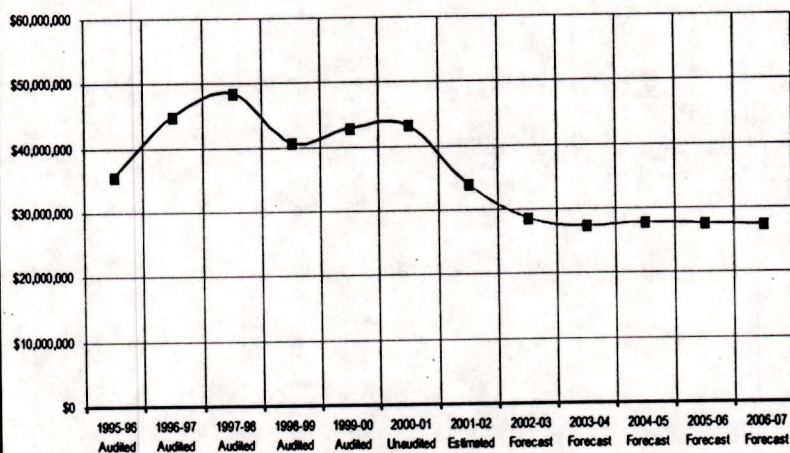
Issues or Uncertainties

- **Economy**
 - Lodging Tax
 - Facility revenue
- **Visitor Development Fund support for OCC after FY05-06**

Solid Waste Revenue Fund Assumptions

- April 2001 tonnage forecast modified
- Policy package assumptions
- Tip fee increases
 - Rate stabilization reserves to \$2.5M

Solid Waste Revenue Fund Balance History and Projections



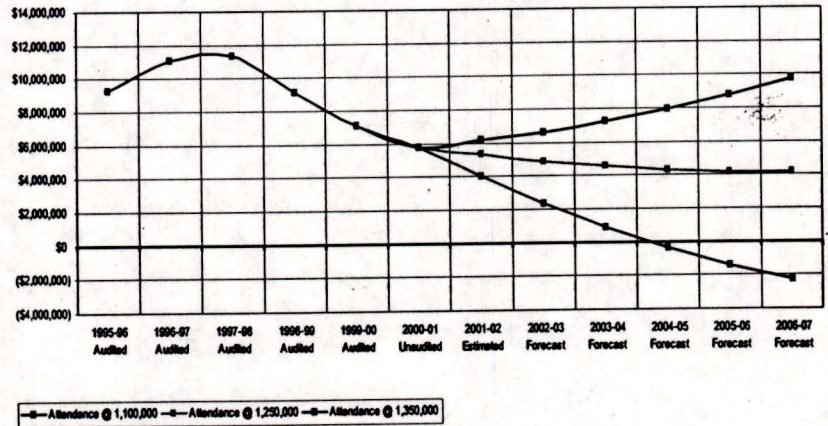
Issues or Uncertainties

- **Recycling Recovery Rate**
- **New Transfer Stations and Other System Changes**
- **Legal Challenges**
- **Regional Economy**

Zoo Operating Fund Assumptions

- **Multiple attendance scenarios**
⇒ 1.1m, 1.25m, 1.35m
- **Property tax +5%/year**

**Zoo Operating Ending Fund Balance History and Projections
Multiple Attendance Assumptions**



Issues or Uncertainties

- @ 1.25m attendance, no \$\$ for capital
- Parking
- Economy
- Weather
- Neighbors

Excise Tax Related Funds

- **General Fund**
- **Planning Fund**
- **Regional Parks Fund**

General Fund Five-Year Plan

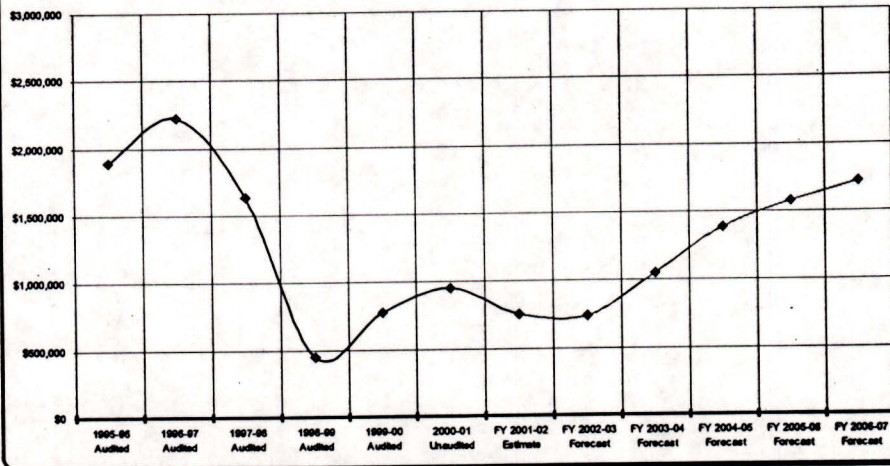
- **Revenue based on enterprise forecasts**
 - Solid Waste Excise Tax +2.7% in FY03, +3% in future years
 - Zoo Excise Tax based on 1.25m attendance
- **Planning/Parks transfers +3% FY03, +5% after**
- **Charter savings from Executive Officer/Council President combination**
 - Additional awaits Council action

General Fund Excise Tax Transfers

Base Allocations = FY02 + 3%

Tradeoffs:	Excise Tax Transfers	Change to Fund Balance
	+5%	(\$113,000)
	+3%	(\$20,000)
	+0%	\$120,000

General Fund Ending Fund Balance History and Projections

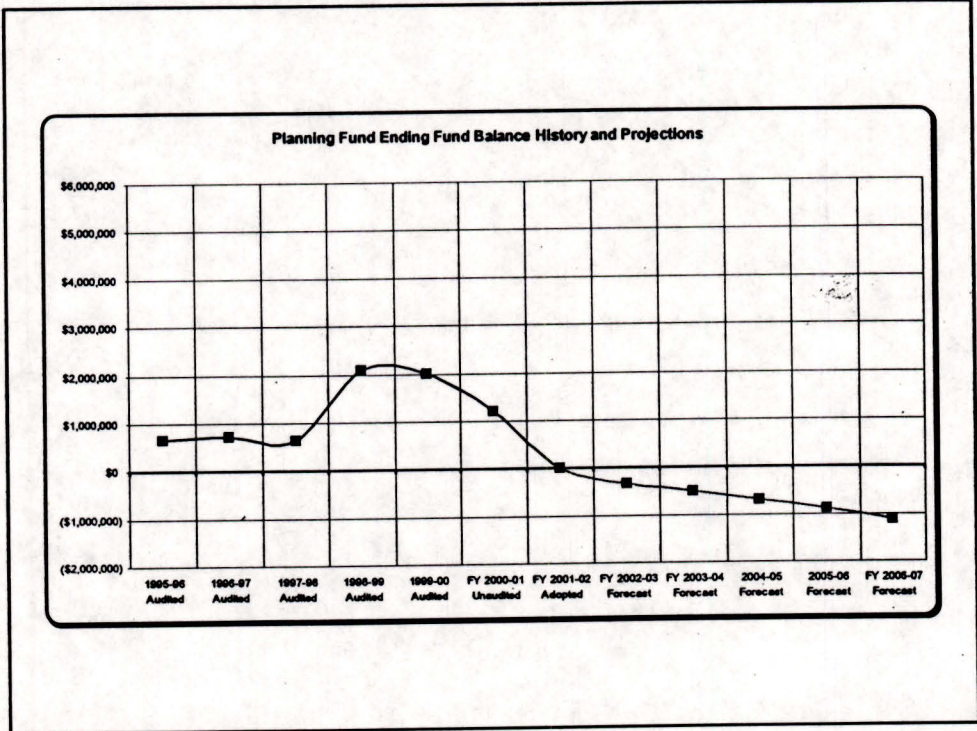


General Fund Summary

- **Helped by OCC expansion**
- **Fund Balance meets target**
- **Economy's impact on excise tax needs careful monitoring**
- **Transition savings could be used as hedge**

Planning Fund Assumptions

- **Grants increase 3% per year**
- **No new programs**



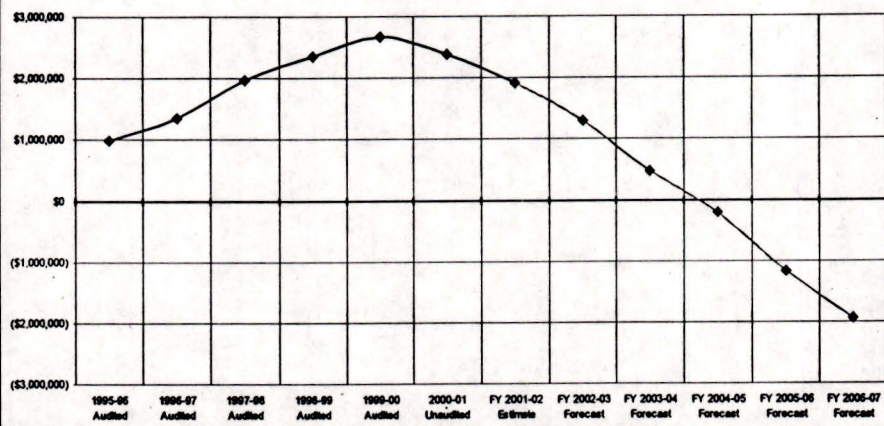
Issues or Uncertainties

- **Need for ongoing regional engagement on growth**
- **Availability of Federal Funds**
 - Increasing reliance on grants to support ongoing programs
- **Anti-Density Measure**

Regional Parks Fund Assumptions

- Attendance constant
- Fees increase over time
- Programs remain at FY02 levels
 - No Open Space development
 - Deferred Maintenance at minimum
 - Continued use of Fund Balance
 - No shift of costs from Open Space Fund
- Capital reserves not included

Regional Parks Fund Ending Fund Balance History and Projections
(not including the restricted capital reserve)



Issues or Uncertainties

- **Long-term funding plan**
 - Operations
 - Management, planning and development of purchased openspaces

Summary:

Excise Tax-Related Funds

- **Vulnerable to economic downturn**
- **Planning Fund dependent on Federal funding to close gap**
- **Regional Parks Fund will require additional resources or program reductions**
- **Transition savings only partially incorporated**

FY03 Budget Development

Calendar and Framework

Process Assumptions

- **Transition**
 - Continue collaborative process
- **Council and Cabinet role impacted**
 - Council involvement early
 - Cabinet involvement in developing agency budget proposal

Calendar

September	<ul style="list-style-type: none">• Set Budget Priorities & Assumptions• Issue Manual (9/28)
October	<ul style="list-style-type: none">• Department Preparation• Council Decision Packages selected
November	<ul style="list-style-type: none">• Department Submittals (11/21)• Financial Planning review
December	<ul style="list-style-type: none">• Decision Packages submitted• Review of department budgets
January	<ul style="list-style-type: none">• Final balancing decisions• Cabinet recommendations
February	<ul style="list-style-type: none">• Preparation of documents
March	<ul style="list-style-type: none">• Submit FY03 Proposed Budget to Council

FY03 Budget Assumptions

- COLA @ 3%
- Merit - 3% or Anniversary date
- Health & Welfare @ cap (?)
- M&S @ 3%
- Support Services same as operating departments
- Excise Tax transfers @ FY02 +3%

Policy Questions

Five-Year Plans

- **Is there acceptance of the assumptions?**
- **Are there multi-year policy objectives that should be used to frame FY03 budget proposals?**
 - **Renewal & Replacement**
 - **...?**

FY03 Budget Development

- **All Funds**
 - COLA/Merit, Health, general inflation
- **General Fund**
 - Transfer/Fund Balance
 - Charter savings
- **Regional Parks Fund**
 - Current level pending election results
 - Reductions to meet sustainable revenue

Council Retreat Handouts

(I am getting a memo
from Rex)