

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE)	ORDINANCE NO. 02-940B
ANNUAL BUDGET FOR FISCAL YEAR 2002-)	
03, MAKING APPROPRIATIONS, AND)	
LEVYING AD VALOREM TAXES, AND)	Introduced by
DECLARING AN EMERGENCY)	Mike Burton, Executive Officer

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2002, and ending June 30, 2003; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Ordinance) and considered; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2002-03 Metro Budget," in the total amount of THREE HUNDRED SIXTY FOUR MILLION FOUR HUNDRED FORTY SEVEN THOUSAND EIGHT HUNDRED THIRTY NINE (\$364,447,839) DOLLARS, attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per thousand dollars of assessed value for Zoo operations and in the amount of SIXTEEN MILLION SEVEN HUNDRED NINETY SEVEN THOUSAND THREE HUNDRED EIGHT FIVE (\$16,797,385) DOLLARS for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2002-03. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from <u>the Limitation</u>
Zoo Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		\$16,797,385

3. The Smith & Bybee Lakes Trust Fund is hereby renamed the Smith & Bybee Lakes Fund. The purpose of the fund remains the same.

4. The Regional Parks Trust Fund is hereby renamed the Regional Parks Special Accounts Fund. The purpose of the fund remains the same.

5. The Council hereby authorizes the Metropolitan Exposition-Recreation Commission (MERC) to enter into an installment payment contract with the City of Portland to pay MERC's obligation for its share of a Local Improvement District to construct a pedestrian walkway on the Steel Bridge. The principal amount of this obligation shall not exceed \$204,545.45, and may be paid in semi-annual installments for up to 20 years.

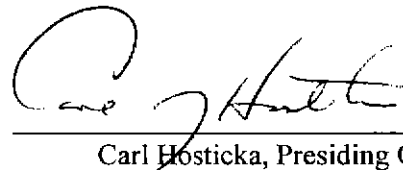
6. The Council hereby authorizes the Metropolitan Exposition-Recreation Commission (MERC) to enter into installment payment contracts with the City of Portland to pay MERC's obligation for its share of a Local Improvement District to finance the Portland Streetcar Phase 1 project. The principal amount of this obligation shall not exceed \$109,119.00, and may be paid in semi-annual installments for up to 20 years.

7. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2002, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

8. The Executive Officer shall make the filings as required by ORS 294.555 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

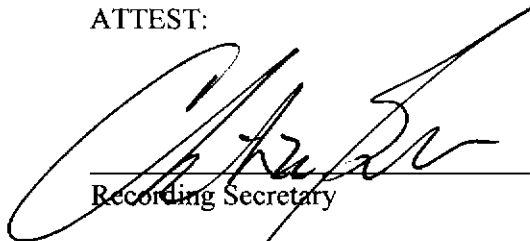
9. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2002, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this 13th day of June, 2002.



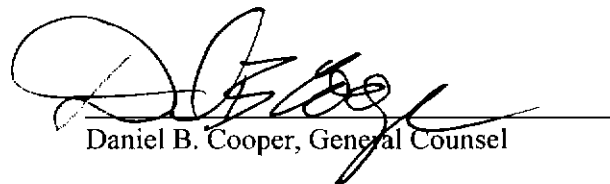
Carl Hosticka, Presiding Officer

ATTEST:



Recording Secretary

Approved as to Form:



Daniel B. Cooper, General Counsel

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BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE)
ANNUAL BUDGET FOR FISCAL YEAR 2002-)
03, MAKING APPROPRIATIONS, AND)
LEVYING AD VALOREM TAXES, AND)
DECLARING AN EMERGENCY)

ORDINANCE NO. 02-940A

Introduced by
Mike Burton, Executive Officer

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2002, and ending June 30, 2003; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Ordinance) and considered; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2002-03 Metro Budget," in the total amount ~~THREE HUNDRED TWENTY SEVEN MILLION THREE HUNDRED FOURTY TWO THOUSAND FOUR HUNDRED (\$327,342,400)~~ THREE HUNDREDFIFTY NINE MILLION SIX HUNDRED SIXTY FIVE THOUSAND EIGHT HUNDRED SIXTY ONE (\$359,665,861) DOLLARS, attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per thousand dollars of assessed value for Zoo operations and in the amount of SIXTEEN MILLION SEVEN HUNDRED NINETY SEVEN THOUSAND THREE HUNDRED EIGHT FIVE (\$16,797,385) DOLLARS for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2002-03. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from the <u>Limitation</u>
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567. In accordance with Section 2.02.125-040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2004~~2~~, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

678. The Executive Officer shall make the filings as required by ORS 294.555 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

789. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2002, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this _____13th day of June, 2002.

Carl Hosticka, Presiding Officer

ATTEST:

Approved as to Form:

Recording Secretary

Daniel B. Cooper, General Counsel



June 6, 2002

Metro Council
600 NE Grand Avenue
Portland, Oregon 97232

**Tax Supervising
& Conservation
Commission**

PO Box 8428
Portland, Oregon
97207-8428

Telephone (503) 988-3054

Fax: (503) 988-3053

E-Mail:
TSCC@co.multnomah.or.us

Web Site:
www.co.multnomah.or.us/
orgs/tscc/

Dear Councilors:

The Tax Supervising and Conservation Commission met on June 6, 2002 to review, discuss and conduct a public hearing on the Metro 2002-03 budget. This hearing was conducted pursuant to ORS 294.605-705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support efficient and economical administration of the district.

The 2002-03 budget, filed May 10, 2002, is hereby certified by a majority vote of members of the Commission with no objections or recommendations. Estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with Local Budget Law. The budget estimates and levy amounts, as shown in the approved budget, were as follows:

	<u>Budget Estimates</u>	<u>Unappropriated Portion</u>
General Fund	\$ 11,552,321	\$ 228,929
Risk Management Fund	13,494,073	5,164,595
Support Services Fund	11,020,178	220,148
Building Management Fund	4,341,815	1,553,457
Solid Waste Revenue Fund	88,947,308	15,682,936
General Revenue Bond Fund	5,817,468	1,926,000
General Obligation Bond Debt Service Fund	28,890,542	10,130,939
Zoo Operating Fund	28,615,003	4,079,145
Planning Fund	21,094,299	0
MERC Operating Fund	43,094,295	8,955,721
Regional Parks Fund	10,332,939	2,743,895
Zoo Capital Fund	6,164,760	4,257,760
Open Spaces Fund	15,280,019	1,500,000
Convention Center Project Capital Fund	54,604,932	0
MERC Pooled Capital Fund	8,455,210	0
Regional Parks Special Accounts Fund	493,910	304,899
Rehabilitation & Enhancement Fund	2,410,652	1,508,582
Smith & Bybee Lakes Fund	5,056,137	3,601,998
Total Budget Estimates	\$ 359,665,861	\$ 61,859,004

Tax Levy:

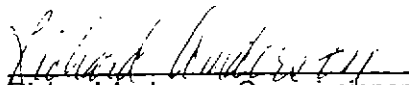
Permanent Rate Zoo Operating	\$ 0.0966
Debt Service - Not Subject to Limit	\$ 16,797,385

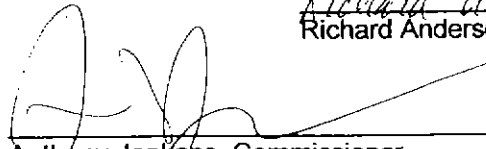
Please file a complete copy of the adopted budget with the Commission within 15 days of adoption.

We appreciate having the opportunity to discuss this budget with you.

Yours very truly,

TAX SUPERVISING & CONSERVATION COMMISSION


Richard Anderson, Commissioner


Anthony Jankans, Commissioner


Julie Van Noy, Commissioner

Commissioners
Richard Anderson
Anthony Jankans
Lynn McNamara
Carol Samuels
Julie Van Noy

MetroBudget



METRO

PEOPLE PLACES
OPEN SPACES

Portland, Oregon

Adopted Budget Volume 1

PLEASE NOTE: This document (Exhibit B) was too large to scan in its entirety. To view the document, contact the Council Archivist.

2002 - 03



METRO

PEOPLE PLACES
OPEN SPACES

Portland, Oregon

Metro Budget

Adopted Budget Volume 2

PLEASE NOTE: This document
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scan in its entirety. To view
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2002 - 03

Exhibit C

BUDGET AND FINANCE COMMITTEE REPORT

CONSIDERATION OF ORDINANCE NO. 02-940A, ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2002-03, MAKING APPROPRIATIONS AND LEVYING AD VALOREM TAXES AND DECLARING AN EMERGENCY

Date: June 10, 2002

Presented by: Councilor Burkholder

Committee Recommendation: At its May 22 meeting, the committee considered Ordinance No. 02-940 and voted unanimously to send the ordinance, as amended, to the Council for adoption. Voting in favor: Councilors Atherton, Bragdon, Hosticka, and Chair Burkholder. Councilor McLain was absent.

Background: The Metro budget adoption process begins in the late summer of each year and extends to the following June. The process has seven distinct phases or steps. These include:

- 1) Development and Submittal of Draft Departmental Budgets to the Executive Officer (November)
- 2) Budget Review by the Executive Officer (November-February)
- 3) Submittal of a Proposed Budget For Council Review (March)
- 4) Council Budget Review (March-April)
- 5) Council Approval of a Resolution to Submit an Approved Budget to the Tax Supervising and Conservation Commission (TSCC) for commission review (late April)
- 6) Commission hearing on the approved budget (early June)
- 7) Council final adoption of the budget (mid June)

The FY 02-03-budget process has included a much greater level of involvement by the Council staff in the early phases of the process prior to submittal of the budget for Council review. A "budget buddies" workgroup was established at the time that the departmental draft budgets were submitted in November. The workgroup included the Chief Operating Officer, Chief Financial Officer, Council Administrative Officer, the Financial Planning staff and the Council analysts.

A team, consisting of one financial planning analyst and one council analyst, conducted an in-depth review of each department's proposed budget. These reviews resulted in the identification of policy issues and questions that were submitted to the departments for a response. The team then met with departmental staff to review these issues and questions. The workgroup then received presentations by departmental staff concerning their proposed budgets.

The budget buddy process resulted in the identification and elimination of technical errors, the rewriting of narrative documentation to clarify the intent of certain proposed expenditures and the identification of significant and global budget issues that would require review and action by the Council.

In April, the Council adopted Resolution 02-3181 that provided for the transmittal of the committee-approved budget for review by the Tax Supervising and Conservation Commission. This approved

budget included 17 technical and four substantive amendments. The commission's review did not result in any recommended changes. Consideration of the proposed amended ordinance represents to final step in the annual budget, the approval of the adopted budget.

Committee Discussion: The committee budget review process included five meetings that were devoted to departmental budget presentations, the identification and discussion of significant budget policy issues and consideration and action on amendments. A public hearing was held at the April 9 committee meeting. Committee actions added \$32.32 million to the proposed budget. However, most of these additional funds (\$27.13 million) represent the carry over of unspent funds from the current fiscal year for projects or programs that will not be completed until FY 02-03. For example, the Convention Center expansion project will carry over \$22 million, various other MERC capital projects will carry over \$1.9 million and various REM projects will carry over \$2.3 million. An additional \$180,000 was included to cover the cost of steel drums for REM's HHW program. The amount had been inadvertently omitted from the budget.

Substantive amendments adopted by the Council will add \$104,500 to the proposed budget. These include:

- 1) Enhanced Grant Writing Capability For the Planning and Parks and Greenspaces Departments (\$15,000 each). Funding provided by an increase in the excise tax allocation to each of the departments
- 2) Special Appropriation to fund Metro's share of the update of the Regional Water Supply Plan (\$3,000). Funding provided from the General Fund.
- 3) Assessment and inventory of Metro employee training programs and training needs (\$35,000). Funding provided from the cost allocation plan.
- 4) Addition of a full-time receptionist at the Security desk (\$36,500). Funding provided from the cost allocation plan.

The total budget approved by the committee is \$359.66 million, a decrease of \$55.68 million from the current fiscal year. Personal Services expenditures will increase 5.3%, Materials and Services by 1.46%, and Interfund Transfers by 4.4%. Capital Outlay will decline by 23.9%, Contingency by 26.65% and Ending Fund Balance by 35.5%. These declines will result largely from the completion of the Convention Center expansion, expenditure of the remaining open spaces acquisition bond proceeds and continued work on the Great Northwest exhibit at the zoo.

The Budget Committee Recommendations Report provides greater detail concerning the effect of the amendments adopted by the committee on individual budget funds.

Historically, there are a number of last-minute technical and substantive amendments that arise after the approved budget has been sent to the TSCC for review, and this year will be no exception. At the June 13 Council meeting at which final action is scheduled on the proposed ordinance, staff will be presenting a total of 14 technical and substantive amendments for consideration by the Council. Summaries of these amendments were provided to the Councilors on June 6.

STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 02-940 ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2002-03, MAKING APPROPRIATIONS AND LEVYING AD VALOREM TAXES, AND DECLARING AN EMERGENCY

Date: February 11, 2002

Presented by: Mike Burton
Executive Officer

BACKGROUND

I am forwarding to the Council for consideration and approval my proposed budget for Fiscal Year 2002-03.

Council action, through Ordinance No. 02-940 is the final step in the process for the adoption of Metro's operating financial plan for the forthcoming fiscal year. Final action by the Council to adopt this plan must be completed by June 30, 2002.

Once the budget plan for Fiscal Year 2002-03 is adopted by the Council, the number of funds and their total dollar amount and the maximum tax levy cannot be amended without review and certification by the Tax Supervising and Conservation Commission. Adjustments, if any, by the Council to increase the level of expenditures in a fund are limited to no more than 10 percent of the total value of any fund's appropriations in the period between Council approval and adoption.

Exhibits B and C of the Ordinance will be available at the public hearing on March 7, 2002.

ANALYSIS/INFORMATION

1. **Known Opposition** – Council hearings will be held on the Proposed Budget during the months of March and April 2002. Several opportunities for public comments will be provided. Opposition to any portion of the budget will be identified during that time.
2. **Legal Antecedents** – The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its approved budget to the Tax Supervising and Conservation Commission by May 15, 2002. The Commission will conduct a hearing during June 2002 for the purpose of receiving information from the public regarding the Council's approved budget. Following the hearing, the Commission will certify the budget to the Council for adoption and may provide recommendations to the Council regarding any aspect of the budget.
3. **Anticipated Effects** – Adoption of this ordinance will put into effect the annual FY 2002-03 budget, effective July 1, 2002.
4. **Budget Impacts** – The total amount of the proposed FY 2002-03 annual budget is \$327,342,400.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Ordinance No. 02-940.

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BEFORE THE METRO COUNCIL

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Daniel B. Cooper, General Counsel

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