600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
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METRO

Agenda

MEETING:	METRO COUNCIL WORK SESSION
DATE:	May 20, 2008
DAY:	Tuesday
TIME:	2:00 PM
PLACE:	Metro Council Chamber

CALL TO ORDER AND ROLL CALL

2:00 PM	**1.**	**ADMINISTRATIVE/CHIEF OPERATING OFFICER COMMUNICATIONS**	
	1.1	Response to Tax Supervision and Conservation Commission	Stringer
	1.2	2nd and 3rd Quarterly Reports	
2:30 PM	**2.**	**PERFORMANCE MEASUREMENT AND COUNCIL GOALS**	Tucker
3:00 PM	**3.**	**BREAK**	
3:05 PM	**4.**	**MILWAUKIE SUPPLEMENTAL DRAFT ENVIRONMENTAL IMPACT STATEMENT**	Wieghart
4:05 PM	**5.**	**COUNCIL BRIEFINGS/COMMUNICATION**	

ADJOURN

Agenda Item Number 1.1

Response to Tax Supervision and
Conservation Commission

Metro Council Work Session
Tuesday, May 20, 2008
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: _______May 20, 2008______ Time: ___2:15_____Length: ___30 mins

Presentation Title: ___Quarterly Financial Report and TSCC Questions

Department: ____Finance and Administrative Services

Presenters: ____Bill Stringer, CFO and Margo Norton, Deputy CFO

ISSUE & BACKGROUND

1. Quarterly Financial Report for 3rd Quarter (January – March) - information

   Quarterly report will be distributed in advance of meeting.
   Conclusion: revenues and expenditures are on track for year-end.

2. TSCC questions – Council direction to staff

   TSCC has provided an initial set of questions in advance of the June 5 hearing. Council will review draft responses and provide direction to staff to finalize the document and deliver to TSCC for distribution to Commissioners.

   We note that at the June 5 hearing, and perhaps before, we may receive additional questions from TSCC. We have already been told that there will be questions about the Zoo bond measure and the Waste Reduction Education/Outdoor School funding.

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __Yes _X_No
DRAFT IS ATTACHED ___Yes ___No

M E M O R A N D U M

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
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METRO

DATE: May 14, 2008

TO: David Bragdon, Council President
Rex Burkholder, Councilor
Carlotta Collette, Councilor
Kathryn Harrington, Councilor
Carl Hosticka, Councilor
Robert Liberty, Councilor
Rod Park, Councilor

FROM: Margo Norton, Deputy CFO

RE: DRAFT RESPONSE to TSCC Questions for June 5 hearing
Work Session May 20

On April 30, 2008 when you approved the FY 2008-09 budget, we distributed the initial questions we had received from TSCC in advance. Today we are including the draft responses to those questions. The questions were assigned to a primary drafter based on content, then compiled and circulated for general review by the Finance Team and the Senior Directors.

Please review the responses prior to your meeting on May 20. At that time we will be asking you for any comments, suggestions or changes and direction to staff to forward the response to TSCC. TSCC will provide our answers to commission members in advance of the June 5 meeting and public hearing.

Since receiving these initial questions we have heard from the TSCC director that there will be at least two additional questions at hearing, if not prior to hearing. As expected, the TSCC will be inquiring about the bond measure you authorized for the zoo at your May 8 meeting. We will be scheduling the required hearing with TSCC on the bond measure sometime after budget adoption, but TSCC will want some preliminary information in June. The second question, based on brief news reports about the approval of the Metro budget, will be about the Waste Reduction Education/Outdoor school provision.

After reviewing the approved budget in detail, TSCC may have additional questions in other areas. We will notify you as soon as we receive them.

Questions:

1. The Chief Operating Officer's Budget Message references the "Making the Greatest Place" initiative. Can you tell us more about this policy and how it affects this budget?

   Response: Metro, along with cities and counties throughout the metro area, adopted the Region 2040 Plan in 1995. Since then, much progress has been made on planning and zoning. Two years ago, the Metro Council launched an effort to develop and hone tools to help communities implement those plans – specifically; focused development in centers and corridors and connecting those areas with high capacity transit to provide transportation choices for residents and employees. That effort was called "the New Look at Region 2040" or "Making the Greatest Place". Both terms refer to several initiatives including the update of the Regional Transportation Plan, establishing urban and rural reserves, conducting a regional infrastructure assessment to analyze comparative cost information and issues and opportunities, and developing and marketing financial tools.

Natural Areas Bond Measure

2. The first round of bonds had just been sold prior to our meeting with you last year. , providing $125.295 million for the Natural Areas program. The bond measure had three components: regional natural areas acquisition ($168.4 million), local cost share projects ($44.0 million) and Nature in Neighborhoods Capital Grant Program ($15 million). Can you give us an update on how these first bond proceeds have been spent so far on these three distinct programs? (Link: Bond Measure Ballot Title Explanatory Statement, March 22, 2006)

   As of March 31, 2008 (unaudited) …

$27,486,478	Regional land acquisition expenses
$1,766,214	Limited capital improvements (Mount Talbert, Cooper Mountain and Graham Oaks Nature Parks)
$4,602,503	Local Share component ($4,576,518 in payments to local jurisdictions)
$44,216	Capital Grants component (first round of grants anticipated to be awarded in late Spring 2008)
$2,248,564	Administrative expenses (including "refinement")
$36,147,976	Total expended in program (life-to-date)
$100,262,086	Bond proceeds remaining (bond proceeds, premiums, interest earnings and other resources, minus program expenses)

   The spend down projections at the time the bonds were sold showed an ending fund balance estimate of $90.7 million for June 30, 2008. This ending fund balance projection is still considered realistic based on current acquisition transactions under contract.

3. The second issue of bonds is scheduled to be sold in 2010. At this point do you have concerns given the volatile state of the municipal bond market?

   Metro's financial advisors indicate that the market for tax exempt debt is still strong and that bond premiums are still the rule rather than the exception. Although bond insurance has become very expensive, even when it is available, the general obligation implied by the Natural Area bonds does not require credit enhancement. Given these facts, we are not concerned about the ability to sell the remaining $103 million of the $227.4 million authorized by the voters. In fact, if current market conditions prevailed we would expect to sell the bonds at a higher price (lower yield) than we did the first $125 million in April 2007.

4. Do you expect to retain the same excellent "double triple" bond rating as the first issue?

   When Moody's Rating Services announced Metro's Aaa bond rating they indicated that "the upgrade and Aaa rating assignment reflects Metro's very large tax base which encompasses the greater Portland metropolitan area and limited operating risks as a special purpose district, providing it with more financial flexibility than a typical local government. The rating also incorporates Metro's favorable debt profile with limited future borrowing plans and ample reserves. The stable outlook reflects the expectation that management will continue to maintain ample reserves and approve sound budgets." Thanks to Metro's stable tax base and its stringent financial policies, none of these four conditions has changed. Thus, barring a significant downturn in the local area economy, we anticipate that Metro's financial condition will remain strong and our Aaa credit rating from both agencies will stand.

Oregon Zoo

5. The Oregon Zoo has been experiencing record attendance and that should continue next year with the traveling Dinosaurs exhibit and two new permanent exhibits: the Red Ape Reserve and Predators of the Serengeti. With all of that success, what plans do you have to deal with the parking and crowds that are already at capacity during summer months?

   Answer: Two specific actions to manage the existing parking lot are reflected in the proposed budget: an increase in the parking fee from $1 to $2 for non-members and a "rail to rail" incentive that allows members riding MAX to ride the zoo train without cost. We are continuing efforts to secure a long term agreement for overflow parking.

6. Metro will stop collecting excise taxes on revenue generated at the Zoo as of this coming September. At the same time the long standing dedication of operating taxes to the zoo will no longer apply. Can you tell us why those decisions were made and what impact it will have on funds available to operate the Zoo?

   Consolidation of the General Fund is one of the most significant financial steps Metro has taken to stabilize its financial base. The consolidation and the financial policies related to appropriate and adequate reserves allow Metro to spread risk across its general government operations and withstand unexpected fluctuations in revenues or expenditures.

   Excise tax is a general fund discretionary revenue. The zoo has collected excise tax revenue on its admissions and other sales; at the same time the zoo has received excise tax revenue for its capital maintenance, renewal and replacement projects and, to a limited extent, for new capital projects. With the consolidation of the General Fund, it makes less sense to both collect excise tax revenue and allocate excise tax to the same operating unit.

   In 1997 Ballot Measure 50 eliminated any underlying property tax dedication, replacing it with what is now known as the "permanent rate." The Metro Council by Resolution No. 98-2666 continued to direct the "permanent operating tax rate" to support the operation and capital needs of the Oregon Zoo. In the opinion of the Metro Attorney, the effect of the Resolution, because it is not a law, can only be considered as a policy statement to be utilized by the Metro Council in office at the time it was adopted, and it is not binding on future Councils. The full opinion of the Metro Attorney is available upon request.

   There is no adverse impact on available funds for the zoo. For FY 2008-09 the zoo's operating expenses are $30 million, compared to $28 million in FY 2007-08; the zoo's operating revenues are $20 million compared to $16.5 million. Underlying general fund support from any discretionary source, including property taxes, remains close to $10 million.

   Exempting the zoo from excise tax is a priority for FY 2008-09, following up on the recommendation of the Zoo Future Vision Committee. The zoo's budget also contains a small incentive allocation that will allow the zoo to make additional capital investments if enterprise revenues remain strong and operations produce efficiencies. In the coming year Metro will make a careful examination of the remaining relatively modest excise tax revenues within the General Fund (Data Resource Center, Regional Parks and Metro headquarters facility parking) to determine the best way to complete the consolidation of the General Fund.

7. We have heard a rumor that the "stork" might be visiting the Zoo's elephant pen in the near future. Is that true and how significant of an impact might that have on attendance?

Answer: The national zoo community is hesitant to build too much excitement about Asian Elephant pregnancies, particularly given the 40 percent mortality rate. That said, yes, the Oregon Zoo has a pregnant elephant in the herd, and if all goes well the birth will occur around September 2008. The birth will be after the temporary dinosaur exhibit is finished and moved out of the park, and during the zoo's fall shoulder season. Since this is the first elephant birth at the zoo in 15 years, the attendance impact is unknown, but expected to be significant. Historic numbers indicate 30-40 percent more attendance than typical in the month following the birth, or 36,000 to 48,000 more visitors for September 2008.

Metropolitan Exposition recreation Commission (MERC)

8. MERC revenues for admissions, parking, concessions and other event services are up over 11% in this budget. Is that pretty consistent across the board or are certain venues or revenue sources doing better than others?

Portland Center for the Performing Arts (PCPA) is proposing overall operating revenue to increase 19.5% over FY 2007-08 budget. PCPA is expected to have a very good year in FY 2008-09 thanks to an excellent Broadway season. .

- 14 weeks of Broadway Series, including 7 weeks of mega shows (Phantom and Wicked)
- The Oregon Children's Theater move from Keller Auditorium will free up 6 weeks for more Broadway and commercial concert tours
- Base rents increase 3% across the board
- Merchandising anticipated to be up 43% due to 14 weeks of Broadway Series
- Utility services estimated to increase 25% due to more commercial shows at the Keller Auditorium

The Oregon Convention Center (OCC) is proposing overall operating revenue to increase 6.3% over FY 2007-08 budget

- 2008-09 fiscal year will see a fewer number of conventions than 2007-08, but anticipate more local events
- Convention Business will be 8% lower than 2007-08 with about 4 fewer new conventions for the year.
- The first full year at rental rate that increased 10% as of July 2007 should result in $100 thousand more revenue
- Increased efforts to sell more parking to exhibitors and shows will have a $100 thousand impact
- Additional staff and increased AV sales efforts should generate $120 thousand additional revenue

The EXPO Center (EXPO) is proposing overall operating revenue to increases 2% over FY 2007-08 budget

- Building rental rate increase 3%
- Food & Beverage is expected to increase 13.4% over the current budget:
- OCC 17.3%
- PCPA 10.8%
- EXPO .9%

9. Funds are available to move forward with a Convention Center Headquarters Hotel. What is the time frame for making a final decision?

Please see the attached decision chart.

10. If the decision is made to build a Headquarters Hotel, will that necessitate renegotiating the Visitor Development Initiative (VDI)?

    Amendments to the VDI will be necessary. At a minimum the taxes that the hotel would otherwise need to pay to the City of Portland and Multnomah County are needed to secure the financing. Other amendments may be necessary as well.

11. At this point would you care to guess the odds of the Headquarters Hotel becoming a reality in the next five years?

    Sorry, but no.

Solid Waste and Recycling

12. Last year we talked about the new contract for hauling solid waste to the landfill site in Eastern Oregon that will be begin no later than January 1, 2010. Can you update us on the status of the contacting process?

    On March 12, 2008, Metro received eight proposals—seven from trucking firms and one from a barge company. The proposals have been evaluated and Metro will begin negotiations with the top-ranked firm in mid-June. The target date for signing a contract is August 1, 2008.

13. Is it likely that the new contract will increase the per ton "tipping fee"?

    Yes. Metro's current transport cost is significantly under market—mainly because of a 1999 contract amendment in which Metro pre-paid all future fixed costs at a significantly discounted value, and obtained a dollar per ton reduction in variable cost. Metro's new contract will be at market, and therefore above the cost of the current contract. Metro estimates the tip fee will have to rise $5.53 per ton to cover the new cost. As the contract begins in mid-fiscal year, this increase will occur over two fiscal years: an increase of about $2.77 in FY 2009-10, and $2.76 in FY 2010-11.

14. The Budget Message provides details of a new initiative to install "diesel particulate filters" on many of the garbage trucks used to pick up and transport solid waste to transfer stations at a cost of $7 million over three years:

    - Are these the same type of filters that TriMet is installing on many of its buses?

      Yes.

    - What do you hope to achieve with this investment (savings cost, reduced emissions)?

      Reducing particulate matter (PM) emissions is the primary benefit. A fully-implemented retrofit program will reduce regional PM emissions by up to 10 tons annually. Each ton reduction has a health impact savings of approximately $100,000.

    - Are not most of these trucks privately owned and if so will this be a voluntary program?

      All trucks are privately owned by waste collection franchisees that are regulated by local jurisdictions. Metro anticipates entering into intergovernmental agreements with local jurisdictions, wherein Metro funds the retrofitting of vehicles with the best available technology in exchange for local jurisdictions requiring the participation of the franchisees.

15. There seems to be a renewed focus on recycling, especially on the part of businesses. Can you tell us about the efforts you are making throughout the region and why is recycling getting more attention these days?

While recycling programs for residents and businesses have been in place in the region for over twenty years, there has been reinvigoration and expansion of many of them recently. The driving factor for these changes is the need for Metro-area residents and businesses to increase their recycling in order for the region to meet its state-mandated 64% recovery rate by 2009.

Metro and local governments in the region have focused on increasing recycling for three types of materials in order to meet the 64% goal: construction and demolition debris, food waste, and paper from businesses. Specific efforts in the business sector have ranged from media campaigns, to direct on-site assistance for businesses as means to increase access to, and participation in, recycling programs.

In addition, over the past three years many of the curbside residential recycling programs in the region switched from bin-based to cart-based collection systems. This change received significant media attention since it directly affected hundreds of thousands of residential households.

Planning

16. Metro was successful in getting the next urban growth boundary (UGB) extension delayed for two years. At the same time you are undergoing a study to designate urban and rural reserves that will affect future UGB expansion areas. Can you give us a broader view of how these two processes fit together?

During the last session, Metro and its regional partners successfully lobbied the state legislature for two companion bills related to this topic: one bill allowed a two-year delay in the update of the urban growth boundary and the second one changed state law to authorize Metro, Clackamas, Washington and Multnomah Counties to designate urban and rural reserves. The two-year year delay allows these four entities the time needed to study and designate urban and rural reserves and to focus more attention on what tools are needed to create vibrant communities inside the existing UGB. The Metro Council is committed to selecting land inside future urban reserve areas for growth boundary decisions.

17. Estimates are that the region's population could increase by 1 million by 2030. Metro has the lead role in planning for this growth. Given the lack of funding for needed infrastructure (roads, water and sewer), how are we possibly going to accommodate that many more people?

State law requires all jurisdictions in the state to establish an urban growth boundary that maintains a 20-year supply of land for housing and jobs. There is no companion law that provides adequate funding for needed infrastructure. Every five years, Metro must analyze jobs and housing forecasts and make urban growth boundary decisions consistent with those forecasts. It is estimated that of the one million new residents in the Portland metro area, approximately half will be people coming from outside the region and half will be through new births.

Metro has two efforts to address the adequacy of funding for the infrastructure needed to accommodate growth of a million new people. The first relates to developing a regional and state transportation funding proposal, jointly with other local and regional governments and agencies. The second is an evaluation of other, non-transportation, infrastructure needs and the adequacy of those funding mechanisms. Both will involve new and increased fees and/or taxes to meet these needs.

18. Last year we talked about the Regional Transportation Plan, which at the time was still in the discussion and recommendation phase. Can you give us an update on the Plan?

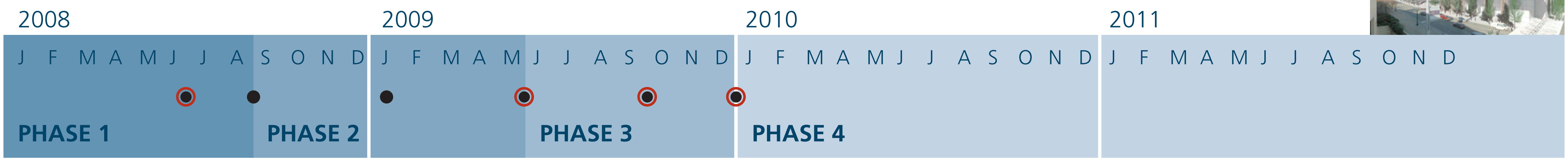
Metro is currently involved in a major update to the Regional Transportation Plan (RTP) that began in 2006, and will conclude in late 2009. The first phase of the update was completed last December (2007), and brought Metro into compliance with federal planning requirements. The federal component was necessary to maintain Metro's certification under Federal Highway Administration (FHWA) criteria, which in turn is required for the continued flow of federal transportation funds into the region. The FHWA certified the updated plan in early 2008, ensuring that several major, federally-funded transit and highway projects in the region may proceed without interruption.

The current phase extends into 2009, and establishes compliance with Oregon statewide planning requirements upon completion. This phase will trigger updates to local transportation plans in 25 cities and 3 counties, when adopted, and becomes the threshold for all land use decisions in the region at that time. This component is also a central part of the region's growth management strategy, and will help inform upcoming decisions on whether to expand the urban growth boundary, or where to establish urban and rural reserves outside the boundary. The final action on this phase of the RTP is tentatively scheduled for Fall 2009.

Headquarters Hotel

2008 through 2011 Decision-making timeline

Metro | *People places. Open spaces*



● Points at which Metro can terminate project

○ Contract allows Metro additional review and decision periods if budget estimates increase from previous phases

Phase	Time period	Cost	Deliverables due	
PHASE 1 Feasibility Period	6 months, starting Dec. 26th, 2007	$.6 million	• Conceptual project drawings • Preliminary project budget • Preliminary project schedule • Design-build agreement	• Architecture-engineer agreement • Hotel operators agreement • Room block commitment agreement • Pre-opening and technical service agreement
Metro Review and Decision	**60 days, starting June 26th**			
PHASE 2 Design Development	9 months, starting on date Metro approves Phase 1 deliverables	$5 million	• Schematic designs • Design review documents • Schematic budget estimate • 50% design development drawings/documents	• Updated project budget • Updated project pro-forma • 100% design development drawings/documents
PHASE 3 Construction Drawings and Developers Guaranteed Maximum Price	7 months, starting on date Metro approves Phase II deliverables	$7 million	• 50% construction drawings due at midpoint of Phase III • 90% construction drawings due at end of Phase III	
PHASE 4 Construction	18-24 months, starting on date Metro approves Phase III deliverables	Bonds Issued	• 600 room first-class, full-service headquarters hotel	

FISCAL YEAR 2007–08

Quarterly Report
Second Quarter

October through December 2007

METRO

PEOPLE PLACES
OPEN SPACES

600 NE Grand Ave., Portland, Oregon 97232-2736

Metro's quarterly financial reports provide periodic information on Metro's financial status. Each report summarizes revenue and expenditure performance for each fund in a format that shows current revenues as well as operating and non-operating expenditures. Each report forecasts where the financial unit expects to be at year-end and provides a historical 3-year average as a guidepost. Together the forecast and the 3-year average serve as beacons to alert us to any course corrections needed to remain within our resources or legal spending authority. The report also includes an analysis of excise tax collections.

The second quarter report focuses on the Capital Improvement Plan (CIP), reviewing all projects scheduled for activity during this budget year.

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METRO REVENUES

Overall Revenues

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Program Revenues	106,116,388	45,284,797	$93,420,002	88.0%	91.9%
General Revenues	72,663,791	54,752,399	73,937,102	101.8%	108.2%
Special Items	0	5,000	5,000	0.0%	7.0%
All Revenue	**$178,780,179**	**$100,042,196**	**$167,362,104**	**93.6%**	**132.4%**

Revenues for Metro, excluding the Metropolitan Exposition Recreation Commission (MERC), totaled $100 million, or 56 percent of budget through the end of the second quarter. Based on current projections, revenues at year-end will total $167 million, below the anticipated $179 million. General Revenues, primarily interest revenues, are higher than budgeted, while Program Revenues are somewhat lower, due primarily to lower than budgeted grant revenues in Planning.

Program Revenues

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Charges for Services Revenue	$72,256,209	$37,027,706	$74,336,512	102.9%	102.8%
Internal Charges for Services	7,216,052	2,995,024	6,530,375	90.5%	90.5%
Licenses and Permits	405,000	194,673	430,000	106.2%	99.5%
Miscellaneous Revenue	1,705,822	930,724	151,109	8.9%	121.3%
Grants	**21,423,548**	**2,565,574**	**8,947,006**	**41.8%**	**50.9%**
Contributions from Governments	70,157	0	0	0.0%	27.9%
Contributions - Private Source	1,039,600	496,035	1,025,000	98.6%	97.4%
Capital Grants	2,000,000	1,075,061	2,000,000	100.0%	332.6%
Program Revenues	**$106,116,388**	**$45,284,797**	**$93,420,002**	**88.0%**	**91.9%**

Program Revenue by Department

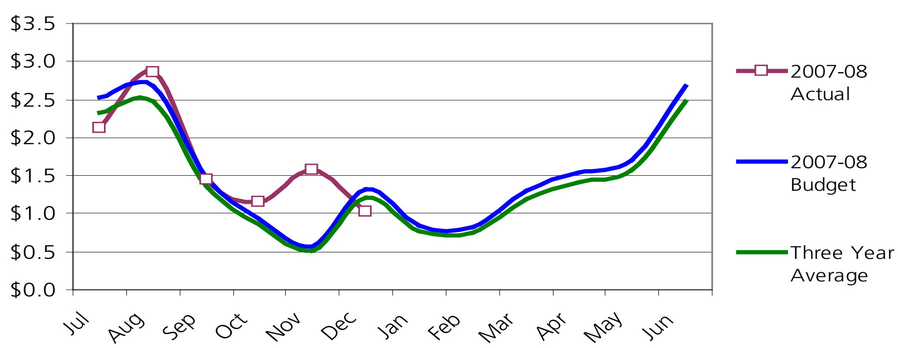
Finance and Administrative Services

Revenues from the Metro Regional Center attached parking structure remain strong.

Oregon Zoo

Oregon Zoo- Program Revenues by Month

shown in millions

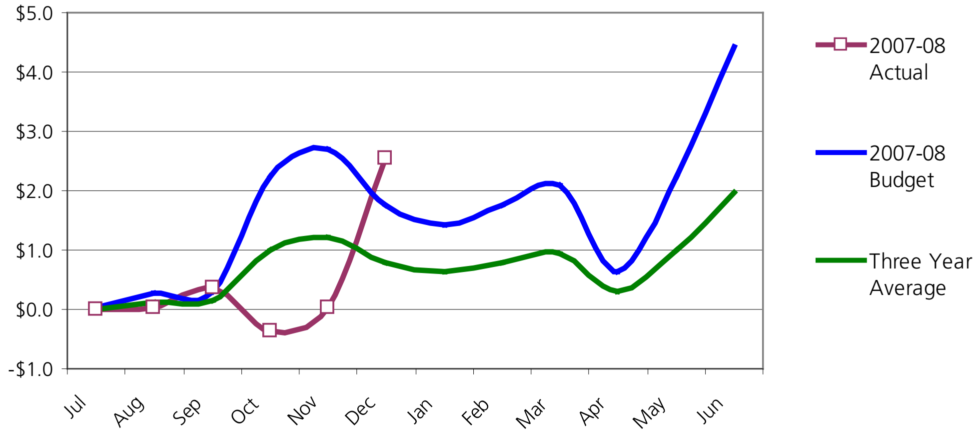


Zoo revenues are up due to record-breaking attendance in calendar year 2007—at 1.5 million visitors, the highest in the zoo's 120-year history. The zoo experienced a record November, with 30,000 more guests than 2006. Food and rail ride sales have been very strong compared to prior years. The approximately $1 million increase in revenues for November compared to prior years is due to donations from the *Predators of the Serengeti* capital fundraising campaign.

Planning

Planning- Program Revenues by Month

shown in millions

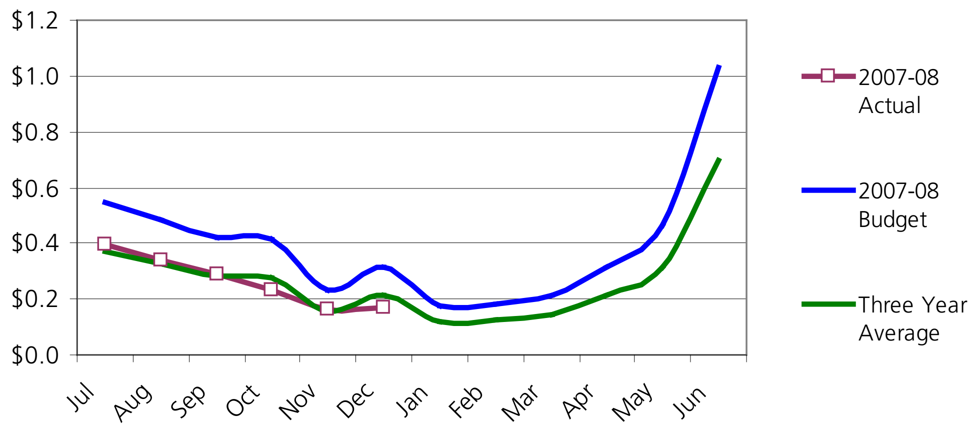


Most Planning program revenues come from federal, state, and local grants. Grant revenues are received on a reimbursement basis, generally one to two months after expenditures. Lower than projected revenues during October and November reflect an adjustment for a prior period accrual and longer than anticipated time to move Planning's grants billing system into the new fiscal year.

Regional Parks and Greenspaces

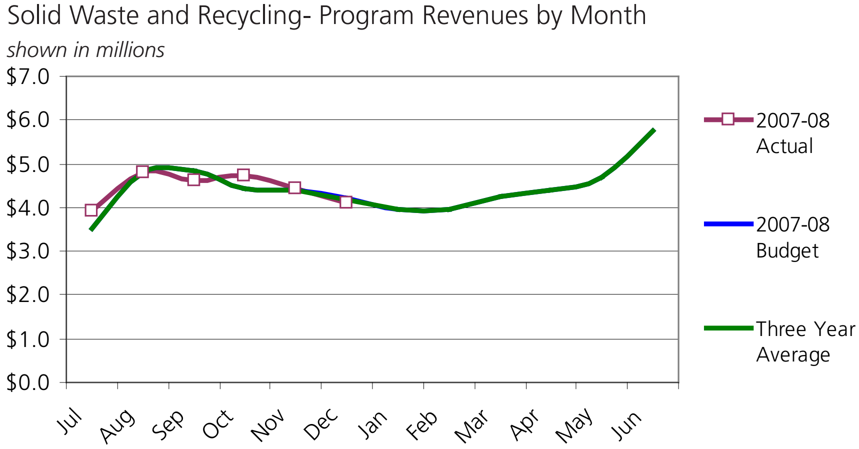
Regional Parks and Greenspaces- Program Revenues by Month

shown in millions



Charges for services revenues are as expected.

Solid Waste and Recycling



Revenues are expected to track closely to historical revenue collection patterns. Tonnage delivered to Metro facilities is expected to be 7.6 percent higher than budgeted, while tonnage from private facilities is expected to be 8.6 percent lower than budgeted. This year's budget was based on the assumption that a new private facility would be operational. This facility is not yet open, and the tonnage continues to flow to Metro facilities.

General Revenues

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Real Property Taxes	45,985,075	41,148,852	46,563,268	101.3%	101.3%
Excise Taxes	14,677,197	6,906,232	14,735,609	100.4%	108.4%
Construction Excise Tax	3,000,000	843,147	2,263,129	75.4%	90.3%
Other Derived Tax Revenues	19,000	12,624	25,000	131.6%	142.0%
Local Govt Shared Revenues	519,973	210,656	519,973	100.0%	115.5%
Interest Earnings	**8,462,546**	**5,630,887**	**9,830,123**	**116.2%**	**189.9%**
General Revenue	**$72,663,791**	**$54,752,398**	**$73,937,102**	**101.8%**	**107.7%**

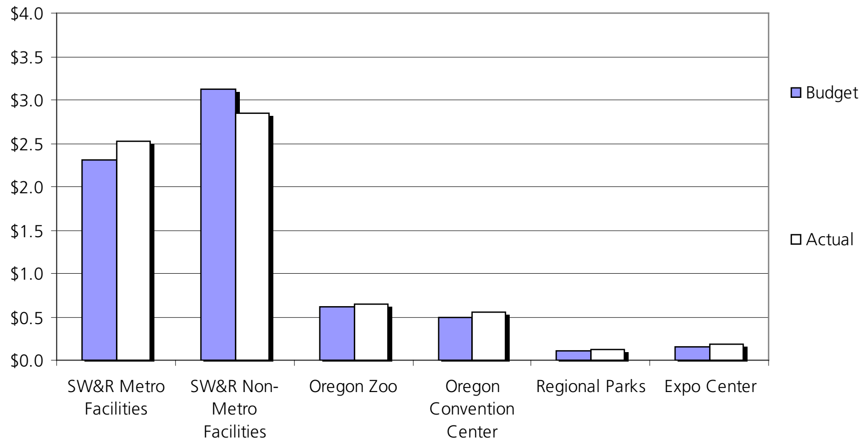
Construction Excise Tax– Effective July 1, 2006, Metro imposed a new 0.12 percent Construction Excise Tax on eligible construction throughout the region to fund concept planning for areas brought into the Urban Growth Boundary in 2002 and 2004. All jurisdictions issuing building permits have signed intergovernmental agreements to collect the tax on Metro's behalf. The larger jurisdictions have chosen quarterly reporting with collection transfers due 45 days following the end of the quarter. Subsequently, revenues reported through the second quarter include those collected during the first quarter from all jurisdictions and revenues from the handful of smaller jurisdictions that turn over revenues to Metro on a monthly basis. Revenues for this tax will typically lag one quarter. After increasing in each of the first five quarters of collection, in the second quarter of FY 2007-08, Construction Excise Tax collections dropped sharply, corresponding to a regionwide slowdown in new construction. This slowdown is expected to continue through year-end.

Interest Earnings– Metro's yield on investments averaged 5.10 percent through the second quarter, significantly higher than the budgeted 4.25 percent. This increased yield is projected to generate $1.37 million in additional interest earnings for the fiscal year.

Excise Tax

Excise Tax Received Through December 31, 2007, Budget vs. Actual

shown in millions



Metro Excise Tax– Excise Tax collections through December 31, 2007, are just ahead of budget. Higher than anticipated collections at the zoo, the Convention Center, the Expo Center, Regional Parks, and Metro Solid Waste facilities make up for the lower than anticipated collection at non-Metro solid waste facilities.

METRO EXPENDITURES– OPERATING DEPARTMENTS

Metro Operating Departments

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	37,515,809	18,037,877	36,671,849	97.8%	95.8%
Materials and Services	73,938,109	25,544,838	60,015,333	81.2%	86.2%
Total Operating Expenditures	**111,453,918**	**43,582,715**	**96,687,182**	**86.8%**	**89.6%**
Total Debt Service	**1,853,276**	**1,760,281**	**1,853,276**	**100.0%**	**94.5%**
Total Capital Outlay	**48,408,514**	**19,311,552**	**36,790,000**	**76.0%**	**52.6%**
Total Expenditures	**$161,715,708**	**$64,654,548**	**$135,330,458**	**83.7%**	**85.6%**

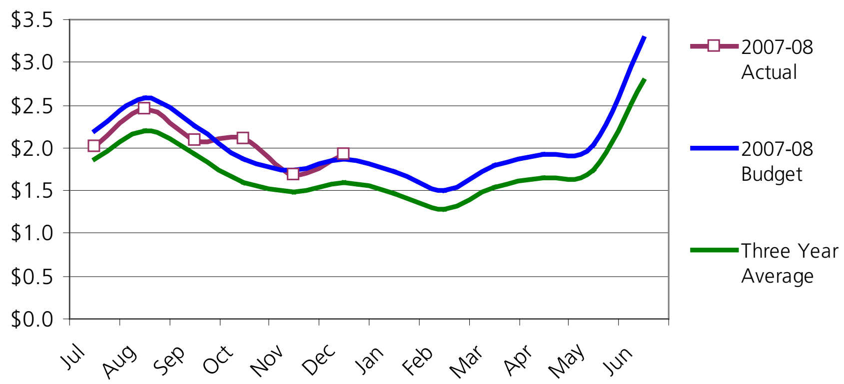
Expenditures by Department

Oregon Zoo

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	14,229,304	7,278,165	14,229,304	100.0%	97.8%
Materials and Services	10,543,084	5,005,175	10,543,084	100.0%	97.4%
Total Operating Expenditures	**24,772,388**	**12,283,340**	**24,772,388**	**100.0%**	**97.6%**
Total Capital Outlay	**4,185,000**	**454,379**	**4,185,000**	**100.0%**	**72.6%**
Total Expenditures	**$28,957,388**	**$12,737,720**	**28,957,388**	**100.0%**	**94.3%**

Oregon Zoo- Operating Expenditures by Month

shown in millions



Zoo attendance has been above forecast, which increases operating costs. Zoo managers managed resources well to keep overall costs in line with budget. The temporary dinosaur exhibit opening in May is expected to be very successful, and the zoo may need additional appropriation to support operations as a result of increased attendance.

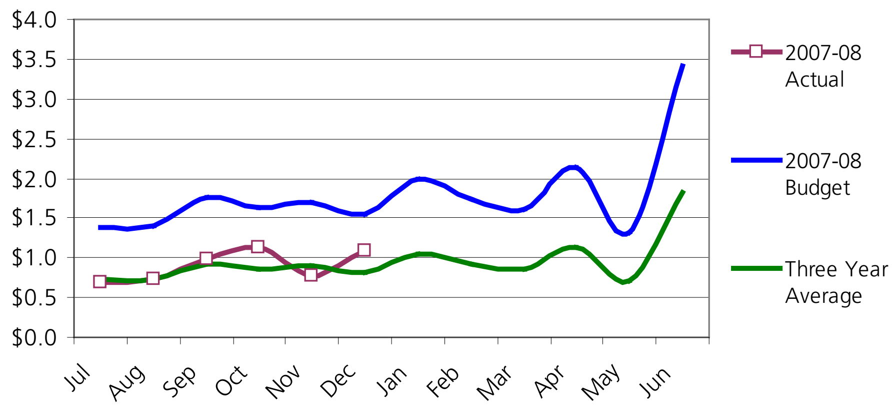
Capital outlay is below the three-year average primarily because of the *Predators of the Serengeti* and *Red Ape Reserve* exhibits. Metro's decision to solicit contractors using a Request for Proposal (RFP) process required approval from the Metro Contract Review Board. The board granted approval in late January, and the contracting process is moving forward. Additionally, City of Portland review and permitting of the two exhibits resulted in additional storm water management requirements. The Metro Council has approved a new capital project and an associated budget amendment for required storm water work.

Planning

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	8,660,387	3,921,443	8,251,637	95.3%	91.1%
Materials and Services	12,963,397	1,478,589	3,922,939	30.3%	48.9%
Total Operating Expenditures	**21,623,784**	**5,400,032**	**12,174,576**	**56.3%**	**66.2%**
Total Debt Service	**517,763**	**479,250**	**517,763**	**100.0%**	**100.0%**
Total Capital Outlay	**50,000**	**0**	**0**	**0.0%**	**0.0%**
Total Expenditures	**$22,191,547**	**$5,879,282**	**$12,692,339**	**57.2%**	**66.1%**

Planning- Operating Expenditures by Month

shown in millions

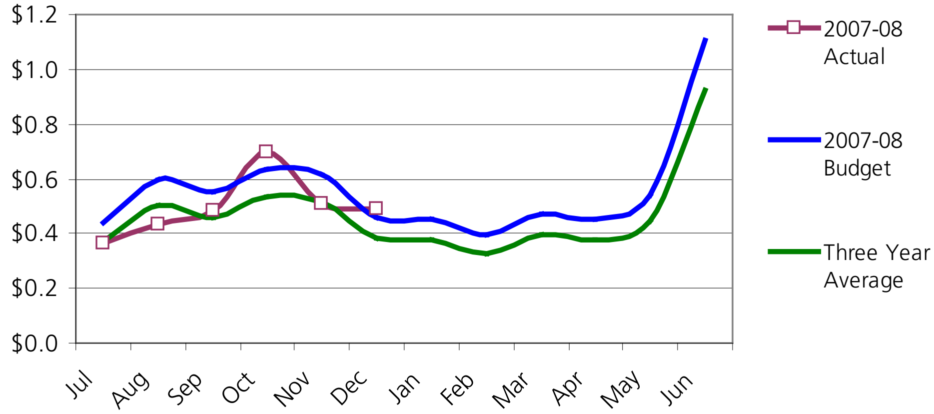


Personal services are projected to be at or slightly below budget. Materials and services spending is tied closely to grant funding, contractor billings, grant pass-throughs, and Transit-Oriented Development program purchases. Materials and services expenditures may increase significantly depending on grants and contract payments made between now and the end of the fiscal year. Capital Outlay funds will be carried over into FY 2008-09.

Regional Parks and Greenspaces (excluding Natural Areas)

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	3,674,130	1,853,967	3,615,463	98.4%	98.2%
Materials and Services	3,045,676	915,128	1,830,256	60.1%	71.4%
Total Operating Expenditures	**6,813,373**	**2,769,095**	**5,445,719**	**79.9%**	**83.9%**
Total Capital Outlay	**2,136,712**	**122,805**	**522,625**	**24.5%**	**51.9%**
Total Expenditures	**$8,950,085**	**$2,891,900**	**$5,968,344**	**66.7%**	**71.8%**

Regional Parks and Greenspaces (excluding Natural Areas)- Operating Expenditures by Month
shown in millions

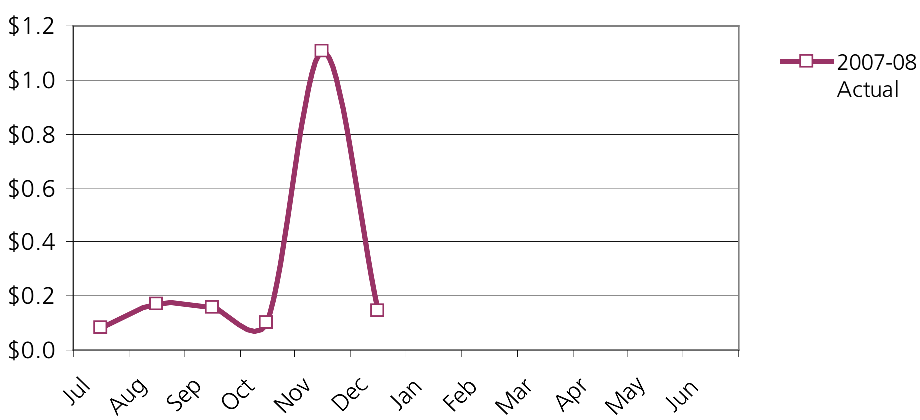


Unpredictable fall and early winter weather caused planting delays at several Parks restoration projects, resulting in lower than expected materials and services spending.

Regional Parks and Greenspaces - Natural Areas Program

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	1,302,290	493,815	1,234,537	94.8%	
Materials and Services	8,978,426	1,313,074	2,604,744	29.0%	
Total Operating Expenditures	**10,280,716**	**1,806,889**	**3,839,281**	**37.3%**	**N/A**
Total Capital Outlay	**41,565,614**	**18,688,793**	**31,000,000**	**74.6%**	**N/A**
Total Expenditures	**$51,846,330**	**$20,495,682**	**$34,839,281**	**67.2%**	**N/A**

Regional Parks and Greenspaces (Natural Areas Program)- Operating Expenditures by Month
shown in millions



The Natural Areas expenditures table and charts do not include three-year averages, as the new Natural Areas program has not yet existed for three years.

Natural Areas materials and services expenditures include an allocation of $7 million for local share payments. Because it is difficult to forecast when jurisdictions will make requests for reimbursement will be made, the budget is purposely high to ensure adequate appropriation for large possible requests.

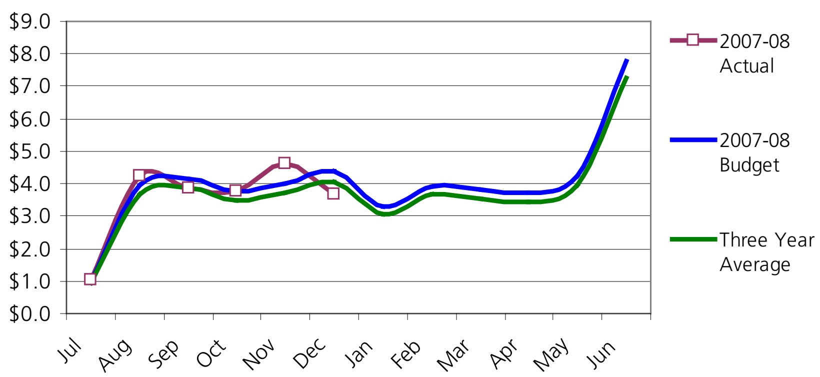
The capital budget includes land acquisition for the Natural Areas program. As of the end of December, about 47 percent of the $39 million budget has been spent. An examination of known closings scheduled or anticipated for the second half of the year, however, shows expected spending at a lower rate than the first half of the year. Given the willing seller nature of this program, it is difficult to project actual spending patterns.

Solid Waste and Recycling

	Budget	Actual YTD	Projection	Year-end % of Budget	3-Year Average
Personal Services	9,649,698	4,490,488	9,340,908	96.8%	95.8%
Materials and Services	38,407,526	16,663,647	41,114,310	107.0%	96.8%
Total Operating Expenditures	**48,057,224**	**21,154,135**	**50,455,218**	**105.0%**	**96.6%**
Total Debt Service	**1,335,513**	**1,281,031**	**1,335,513**	**100.0%**	**94.5%**
Total Capital Outlay	**2,607,900**	**128,947**	**1,605,000**	**61.5%**	**32.3%**
Total Expenditures	**$52,000,637**	**$22,564,113**	**$53,395,731**	**102.7%**	**92.8%**

Solid Waste and Recycling- Operating Expenditures by Month

shown in millions



The materials and services year-end projection is higher than budgeted, reflecting the increase in tonnage-related expenditures. The increase in tonnage deliveries to Metro facilities is due to the fact that a planned new private local transfer station assumed to divert about 40,000 tons from Metro transfer stations has not yet become operational. The department will request a budget amendment before the end of the fiscal year.

The department has only spent five percent of its capital budget in the first half of the fiscal year because a large number of projects did not require the engineering services that would normally have been performed early in the year. Two projects have been canceled as they were determined to be unneeded after the department conducted detailed assessments. About 62 percent of the capital budget is projected to be spent by the end of the fiscal year.

EXPENDITURES– SUPPORT DEPARTMENTS

All Support Departments

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	12,622,432	5,708,339	11,459,525	90.8%	94.0%
Materials and Services	12,666,606	4,973,265	10,919,736	86.2%	85.8%
Total Operating Expenditures	**25,289,038**	**10,681,604**	**22,379,261**	**88.5%**	**89.8%**
Total Capital Outlay	**1,282,159**	**54,124**	**843,863**	**65.8%**	**90.5%**
Total Expenditures	**$26,571,197**	**$10,735,728**	**$23,223,124**	**87.4%**	**89.7%**

Council Office

	Budget	Actual YTD	Projection	Year-end % of Budget	3-Year Average
Personal Services	1,700,850	794,297	1,606,297	94.4%	97.1%
Materials and Services	151,086	52,712	107,509	71.2%	55.6%
Total Operating Expenditures	**1,851,936**	**847,009**	**1,713,806**	**92.5%**	**92.2%**
Total Capital Outlay	**30,000**	**0**	**30,000**	**100.0%**	**0.0%**
Total Expenditures	**$1,881,936**	**$847,009**	**$1,743,806**	**92.7%**	**92.2%**

Projected year-end operating expenditures for the Council Office are as expected.

Capital project spending will depend on a March 2008 Council decision about the 3rd floor remodel.

Office of the Auditor

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	497,103	210,917	471,100	94.8%	92.1%
Materials and Services	30,180	13,834	28,300	93.8%	209.0%
Total Expenditures	**$527,283**	**$224,751**	**$499,400**	**94.7%**	**99.4%**

Projected year-end expenditures for the Auditor's Office are as expected.

Office of the Metro Attorney

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	1,807,338	793,899	1,643,898	91.0%	93.8%
Materials and Services	58,900	27,123	51,588	87.6%	56.2%
Total Expenditures	**$1,866,238**	**$821,022**	**$1,695,486**	**90.9%**	**90.9%**

In FY 2006-07, OMA's materials and services budget was decreased to more closely match past expenditures. While the projected figure for year-end is higher than the three-year average, in dollar terms, it is similar to past years.

Public Affairs and Government Relations

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	1,587,942	847,009	1,584,745	99.8%	97.1%
Materials and Services	249,608	96,217	235,525	94.4%	78.9%
Total Expenditures	**$1,837,550**	**$943,226**	**1,820,270**	**99.1%**	**94.3%**

Expenditures are as expected, with the exception of $22,370 in web re-design services provided in FY 2006-07 but paid for in FY 2007-08. Public Affairs will prepare a budget amendment to provide appropriation for this expenditure.

Finance and Administrative Services

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	5,729,406	2,456,475	4,879,613	85.2%	92.5%
Materials and Services	2,346,686	858,940	1,811,395	77.2%	89.4%
Total Operating Expenditures	**8,076,092**	**3,315,415**	**6,691,008**	**82.8%**	**91.6%**
Total Capital Outlay	**1,246,959**	**54,124**	**808,663**	**64.9%**	**90.5%**
Total Expenditures	**$9,323,051**	**$3,369,540**	**$7,499,671**	**80.4%**	**91.4%**

Under spending in Finance and Administrative Services is the result of several vacancies early in the year.

Human Resources

	Budget	Actual YTD	Projection	Year-end % of Budget	3-Year Average
Personal Services	1,299,793	605,742	1,273,872	98.0%	97.1%
Materials and Services	307,211	113,937	286,265	93.2%	82.0%
Total Expenditures	**$1,607,004**	**$719,679**	**$1,560,137**	**97.1%**	**94.5%**

Projected year-end expenditures for the Human Resources Department are as expected.

EXPENDITURES– NON-DEPARTMENTAL

Nature in Neighborhoods

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	457,060	227,171	455,500	99.7%	126.8%
Materials and Services	1,264,072	117,933	560,000	44.3%	10.0%
Total Expenditures	**$1,721,132**	**$345,104**	**$1,015,500**	**59.0%**	**32.4%**

Materials and services expenditures are lower, as Nature in Neighborhoods grants are structured on a reimbursement basis and are not paid until completion. The FY 2008-09 approved budget will carry over the authorization for grants awarded but not paid.

Other Non-departmental

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Materials and Services	3,801,125	823,969	3,136,365	82.5%	69.7%
Total Operating Expenditures	**3,801,125**	**823,969**	**3,136,365**	**82.5%**	**69.7%**
Total Debt Service	**36,598,698**	**14,312,758**	**36,598,698**	**100.0%**	**135.1%**
Total Capital Outlay	**1,587,959**	**297,011**	**1,046,094**	**65.9%**	**0.0%**
Total Expenditures	**$41,987,782**	**$15,433,739**	**$40,781,157**	**97.1%**	**118.2%**

Non-departmental expenditures through the second quarter include the following:

- $602,700 of the $3 million budgeted for construction excise tax planning grants. This is projected to be $2,765,365 by year-end.
- $73,850 of $85,000 budgeted for Metro's outside financial audit.
- $6687 of $14,250 for Lloyd Business Improvement District payment.
- $10,500 of $20,000 in sponsorships.
- $18,000 for water consortium dues.
- $25,000 of $25,000 to the Regional Arts and Culture Council.

APPENDIX A – Fund Tables

General Fund (consolidated), as of December 31, 2007

FY 2007–08

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 24,678,747**	**$ 2,722,208**	**$ 30,522,957**	**$ 30,522,957**	
Program Revenues	41,872,136	6,021,657	14,465,315	32,343,799	77.2%
General Revenues	29,310,135	14,006,830	17,854,579	28,932,786	98.7%
Transfers	6,806,255	1,617,611	3,353,841	5,999,391	88.1%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**77,988,526**	**21,646,098**	**35,673,736**	**67,275,976**	**86.3%**
Total Resources	**$102,667,273**		**$66,196,693**	**$97,798,933**	
Requirements					
Operating Expenditures	73,290,883	14,497,250	28,302,924	60,401,066	82.4%
Debt Service	1,876,661	1,078,699	1,078,699	1,876,661	100.0%
Capital Outlay	557,800	(40,908)	59,550	646,000	115.8%
Interfund Transfers	11,320,221	854,057	3,205,213	10,631,965	93.9%
Contingency	7,722,486	-	-		0.0%
Subtotal Current Expenditures	**94,768,051**	**16,389,098**	**32,646,386**	**73,555,692**	**77.6%**
Unappropriated Balance	**7,899,222**		**33,550,307**	**24,243,241**	
Total Requirements	**$102,667,273**		**$66,196,693**	**$97,798,933**	

FY 2006–07

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 20,290,724**		**$ 25,882,188**	**$ 25,882,188**	
Program Revenues	43,805,825	7,791,172	15,689,833	30,660,221	70.0%
General Revenues	27,468,097	12,972,388	16,724,136	28,821,024	104.9%
Transfers	10,534,052	1,430,409	3,014,230	5,863,863	55.7%
Employee 401K Contributions	-	(288)	-	-	0.0%
Special Items	2,000	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	592,500	0.0%
Subtotal Current Revenues	**81,809,974**	**22,193,680**	**35,428,198**	**65,937,608**	**80.6%**
Total Resources	**$102,100,698**		**$61,310,387**	**$91,819,796**	
Requirements					
Operating Expenditures	81,449,302	12,938,214	26,340,065	56,202,244	69.0%
Debt Service	1,228,148	599,449	628,699	1,228,148	100.0%
Capital Outlay	4,605,150	213,878	328,618	395,764	8.6%
Interfund Transfers	7,823,692	644,914	3,280,319	6,192,892	79.2%
Contingency	3,011,864	-	-	-	0.0%
Subtotal Current Expenditures	**98,118,156**	**14,396,455**	**30,577,701**	**64,019,047**	**65.2%**
Unappropriated Balance	**3,982,542**		**30,732,685**	**27,800,749**	
Total Requirements	**$102,100,698**		**$61,310,387**	**$91,819,796**	

Metro Capital Fund, as of December 31, 2007

FY 2007–08

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 7,343,976**		**$ 8,473,161**	**$ 8,473,161**	
Program Revenues	3,386,764	1,091,079	1,110,768	2,180,000	64.4%
General Revenues	191,826	107,823	191,335	306,136	159.6%
Transfers	7,144,500	294,126	716,252	7,144,500	100.0%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**10,723,090**	**1,493,028**	**2,018,355**	**9,630,636**	**89.8%**
Total Resources	**$18,067,066**		**$10,491,516**	**$18,103,797**	
Requirements					
Operating Expenditures	866,071	166,411	267,647	554,000	64.0%
Debt Service	-	-	-		0.0%
Capital Outlay	7,435,959	487,311	785,167	5,243,663	70.5%
Interfund Transfers	29,750	-	-	29,750	100.0%
Contingency	2,742,529	-	-		0.0%
Subtotal Current Expenditures	**11,074,309**	**653,722**	**1,052,813**	**5,827,413**	**52.6%**
Unappropriated Balance	**6,992,757**		**9,438,702**	**12,276,384**	
Total Requirements	**$18,067,066**		**$10,491,516**	**$18,103,797**	

FY 2006–07

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 6,851,970**		**$ 7,039,133**	**$ 7,039,133**	
Program Revenues	6,061,000	25,898	55,578	1,553,682	25.6%
General Revenues	131,084	86,718	179,741	407,636	311.0%
Transfers	2,152,830	495,183	990,366	1,999,927	92.9%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	-	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	-	0.0%
Subtotal Current Revenues	**8,344,914**	**607,800**	**1,225,685**	**3,961,246**	**47.5%**
Total Resources	**$15,196,884**		**$8,264,818**	**$11,000,379**	
Requirements					
Operating Expenditures	697,561	79,371	129,797	368,268	52.8%
Debt Service	-	-	-	-	0.0%
Capital Outlay	10,992,000	649,130	1,135,951	2,158,951	19.6%
Interfund Transfers	11,955	-	-	-	0.0%
Contingency	2,617,030	-	-	-	0.0%
Subtotal Current Expenditures	**14,318,546**	**728,501**	**1,265,748**	**2,527,218**	**17.6%**
Unappropriated Balance	**878,338**		**6,999,071**	**8,473,161**	
Total Requirements	**$15,196,884**		**$8,264,818**	**$11,000,379**	

MERC Fund, as of December 31, 2007

FY 2007–08

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 17,955,833**		**$ 22,350,467**	**$ 22,350,467**	
Program Revenues	28,503,945	7,889,558	13,500,642	29,001,368	101.7%
General Revenues	10,083,585	3,211,036	3,405,716	10,415,245	103.3%
Transfers	1,357,976		334,860	669,720	49.3%
Employee 401K Contributions	-		-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**39,945,506**	**11,100,594**	**17,241,218**	**40,086,333**	**100.4%**
Total Resources	**$57,901,339**		**$39,591,685**	**$62,436,800**	
Requirements					
Operating Expenditures	34,597,154	8,863,319	16,489,329	34,985,143	101.1%
Debt Service	18,352	18,349	18,349	18,349	100.0%
Capital Outlay	2,397,402	130,143	540,093	1,599,146	66.7%
Interfund Transfers	3,510,962	2,145,532	2,163,881	3,510,962	100.0%
Contingency	3,640,972	-	-	-	0.0%
Subtotal Current Expenditures	**44,164,842**	**11,157,343**	**19,211,652**	**40,113,600**	**90.8%**
Unappropriated Balance	**13,736,497**		**20,380,033**	**22,323,200**	
Total Requirements	**$57,901,339**		**$39,591,685**	**$62,436,800**	

FY 2006–07

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 13,194,318**		**$ 18,791,361**	**$ 18,791,361**	
Program Revenues	26,895,491	7,760,976	12,206,087	29,044,128	108.0%
General Revenues	9,149,970	1,044,174	1,044,581	11,706,323	127.9%
Transfers	-	-	-	1,648,462	0.0%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	-	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	-	0.0%
Subtotal Current Revenues	**36,045,461**	**8,805,150**	**13,250,668**	**42,398,913**	**117.6%**
Total Resources	**$49,239,779**		**$32,042,029**	**$61,190,274**	
Requirements					
Operating Expenditures	32,078,210	8,164,902	15,193,504	32,994,749	102.9%
Debt Service	18,899	9,377	18,895	18,895	100.0%
Capital Outlay	3,180,985	-	-	2,421,241	76.1%
Interfund Transfers	6,088,876	591,057	1,276,139	3,080,918	50.6%
Contingency	1,109,037	-	-	-	0.0%
Subtotal Current Expenditures	**42,476,007**	**8,765,336**	**16,488,538**	**38,515,803**	**90.7%**
Unappropriated Balance	**9,904,757**		**15,553,491**	**22,674,471**	
Total Requirements	**$52,380,764**		**$32,042,029**	**$61,190,274**	

Natural Areas Fund, as of December 31, 2007

FY 2007–08

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 125,001,075**		**$ 122,299,467**	**$ 122,299,467**	
Program Revenues	-	2,380	27,380	27,380	0.0%
General Revenues	5,120,341	1,371,952	3,181,110	5,800,000	113.3%
Transfers	-	-	-		0.0%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**5,120,341**	**1,374,332**	**3,208,490**	**5,827,380**	**113.8%**
Total Resources	**$130,121,416**		**$125,507,957**	**$128,126,847**	
Requirements					
Operating Expenditures	9,998,490	1,396,335	1,806,889	4,600,000	46.0%
Debt Service	-	-	-		0.0%
Capital Outlay	39,428,902	7,604,518	18,688,794	34,000,000	86.2%
Interfund Transfers	911,496	212,818	464,938	911,496	100.0%
Contingency	15,395,924	-	-		0.0%
Subtotal Current Expenditures	**65,734,812**	**9,213,671**	**20,960,621**	**39,511,496**	**60.1%**
Unappropriated Balance	**64,386,604**		**104,547,336**	**88,615,351**	
Total Requirements	**$130,121,416**		**$125,507,957**	**$128,126,847**	

FY 2006–07

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance					
Program Revenues	-	-	-	10,000	0.0%
General Revenues	-	-	-	1,301,230	0.0%
Transfers	-	-	-	-	0.0%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	-	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	130,678,369	0.0%
Subtotal Current Revenues	**-**	**-**	**-**	**131,989,599**	**0.0%**
Total Resources	**$0**		**$0**	**$131,989,599**	
Requirements					
Operating Expenditures	-	-	-	1,585,706	0.0%
Debt Service	-	-	-	-	0.0%
Capital Outlay	-	-	-	8,043,455	0.0%
Interfund Transfers	-	-	-	60,971	0.0%
Contingency	-	-	-	-	0.0%
Subtotal Current Expenditures	**-**	**-**	**-**	**9,690,133**	**0.0%**
Unappropriated Balance	**-**		**-**	**122,299,467**	
Total Requirements	**$0**		**$0**	**$131,989,599**	

Open Spaces Fund, as of December 31, 2007

FY 2007–08

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 375,000**		**$ 400,390**	**$ 400,390**	
Program Revenues	200,000	-	-	50,000	25.0%
General Revenues	15,938	4,838	8,666	16,000	100.4%
Transfers	-	-	-		0.0%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**215,938**	**4,838**	**8,666**	**66,000**	**30.6%**
Total Resources	**$590,938**		**$409,055**	**$466,390**	
Requirements					
Operating Expenditures	282,226	772	972	2,100	0.7%
Debt Service	-	-	-		0.0%
Capital Outlay	308,712	200	231	308,712	100.0%
Interfund Transfers	-	-	-		0.0%
Contingency	-	-	-		0.0%
Subtotal Current Expenditures	**590,938**	**972**	**1,203**	**310,812**	**52.6%**
Unappropriated Balance	**-**		**407,852**	**155,578**	
Total Requirements	**$590,938**		**$409,055**	**$466,390**	

FY 2006–07

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 2,101,946**		**$ 2,112,538**	**$ 2,112,538**	
Program Revenues	225,000	4,087	3,476	3,476	1.5%
General Revenues	112,470	26,805	58,553	69,003	61.4%
Transfers	-	-	-	-	0.0%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	-	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	-	0.0%
Subtotal Current Revenues	**337,470**	**30,892**	**62,029**	**72,479**	**21.5%**
Total Resources	**$2,439,416**		**$2,174,567**	**$2,185,017**	
Requirements					
Operating Expenditures	337,461	41,960	65,623	122,798	36.4%
Debt Service	-	-	-	-	0.0%
Capital Outlay	1,525,000	1,238,590	1,238,590	1,360,114	89.2%
Interfund Transfers	464,797	73,868	175,606	301,716	64.9%
Contingency	112,158	-	-	-	0.0%
Subtotal Current Expenditures	**2,439,416**	**1,354,418**	**1,479,819**	**1,784,628**	**73.2%**
Unappropriated Balance	**-**		**694,748**	**400,390**	
Total Requirements	**$2,439,416**		**$2,174,567**	**$2,185,017**	

Risk Management Fund, as of December 31, 2007

FY 2007–08

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 723,562**		**$ 1,101,136**	**$ 1,101,136**	
Program Revenues	7,372,452	1,594,743	3,090,183	6,972,854	94.6%
General Revenues	300,126	98,432	173,676	309,676	103.2%
Transfers	1,722,340	430,589	1,148,235	1,207,340	70.1%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**9,394,918**	**2,123,764**	**4,412,094**	**8,489,870**	**90.4%**
Total Resources	**$10,118,480**		**$5,513,230**	**$9,591,006**	
Requirements					
Operating Expenditures	9,675,319	1,678,894	3,886,192	8,551,154	88.4%
Debt Service	-	-	-		0.0%
Capital Outlay	-	-	-		0.0%
Interfund Transfers	-	-	-		0.0%
Contingency	424,362	-	-		0.0%
Subtotal Current Expenditures	**10,099,681**	**1,678,894**	**3,886,192**	**8,551,154**	**84.7%**
Unappropriated Balance	**18,799**		**1,627,037**	**1,039,852**	
Total Requirements	**$10,118,480**		**$5,513,230**	**$9,591,006**	

FY 2006–07

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 37,603,884**		**$ 40,492,488**	**$ 40,492,488**	
Program Revenues	53,662,649	13,309,297	26,757,601	54,118,469	100.8%
General Revenues	1,391,749	471,808	927,707	2,074,614	149.1%
Transfers	1,580,015	-	-	30,015	1.9%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	-	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	-	0.0%
Subtotal Current Revenues	**56,634,413**	**13,781,105**	**27,685,308**	**56,223,098**	**99.3%**
Total Resources	**$94,238,297**		**$68,177,796**	**$96,715,585**	
Requirements					
Operating Expenditures	48,004,493	11,673,387	20,515,922	46,604,258	97.1%
Debt Service	2,348,013	-	1,221,981	2,348,013	100.0%
Capital Outlay	3,019,000	419,707	722,050	1,117,742	37.0%
Interfund Transfers	6,465,869	1,049,645	2,265,072	4,492,996	69.5%
Contingency	15,908,078	-	-	-	0.0%
Subtotal Current Expenditures	**75,745,453**	**13,142,739**	**24,725,025**	**54,563,009**	**72.0%**
Unappropriated Balance	**18,492,844**		**43,452,771**	**42,152,577**	
Total Requirements	**$94,238,297**		**$68,177,796**	**$96,715,585**	

Solid Waste Revenue Fund, as of December 31, 2007

FY 2007–08

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 39,804,897**		**$ 42,152,577**	**$ 42,152,577**	
Program Revenues	53,233,336	13,254,082	26,590,848	54,955,854	103.2%
General Revenues	1,630,600	483,025	915,118	1,630,600	100.0%
Transfers	42,395	-	13,000	13,000	30.7%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	5,000	5,000	0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**54,906,331**	**13,737,107**	**27,523,966**	**56,604,454**	**103.1%**
Total Resources	**$94,711,228**		**$69,676,543**	**$98,757,031**	
Requirements					
Operating Expenditures	47,551,856	11,940,813	21,011,131	50,338,938	105.9%
Debt Service	1,335,513	-	1,281,031	1,335,513	100.0%
Capital Outlay	2,607,900	109,177	128,947	1,605,000	61.5%
Interfund Transfers	4,768,912	1,132,888	2,274,673	4,781,830	100.3%
Contingency	21,239,612	-	-		0.0%
Subtotal Current Expenditures	**77,503,793**	**13,182,878**	**24,695,783**	**58,061,281**	**74.9%**
Unappropriated Balance	**17,207,435**		**44,980,760**	**40,695,750**	
Total Requirements	**$94,711,228**		**$69,676,543**	**$98,757,031**	

FY 2006–07

	Adopted Budget	Actuals 2nd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 37,603,884**		**$ 40,492,488**	**$ 40,492,488**	
Program Revenues	53,662,649	13,309,297	26,757,601	54,118,469	100.8%
General Revenues	1,391,749	471,808	927,707	2,074,614	149.1%
Transfers	1,580,015	-	-	30,015	1.9%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	-	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	-	0.0%
Subtotal Current Revenues	**56,634,413**	**13,781,105**	**27,685,308**	**56,223,098**	**99.3%**
Total Resources	**$94,238,297**		**$68,177,796**	**$96,715,585**	
Requirements					
Operating Expenditures	48,004,493	11,673,387	20,515,922	46,604,258	97.1%
Debt Service	2,348,013	-	1,221,981	2,348,013	100.0%
Capital Outlay	3,019,000	419,707	722,050	1,117,742	37.0%
Interfund Transfers	6,465,869	1,049,645	2,265,072	4,492,996	69.5%
Contingency	15,908,078	-	-	-	0.0%
Subtotal Current Expenditures	**75,745,453**	**13,142,739**	**24,725,025**	**54,563,009**	**72.0%**
Unappropriated Balance	**18,492,844**		**43,452,771**	**42,152,577**	
Total Requirements	**$94,238,297**		**$68,177,796**	**$96,715,585**	

Excise Tax Annual Forecast, as of December 31, 2007

Total Excise Tax Collections, 7.5% Excise Tax

Facility/Function	FY 2007-08 Budget	Revised Annual Forecast	Difference	% Difference
Oregon Zoo	1,131,278	1,168,502	37,224	3.29%
Oregon Convention Center	1,084,166	1,209,339	125,173	11.55%
Regional Parks	184,736	213,155	28,419	15.38%
Expo Center	437,125	497,173	60,048	13.74%
Planning Fund	16,800	17,133	333	1.98%
Building Management	43,683	35,392	(8,291)	-18.98%
Total Year to Date	**2,897,788**	**3,140,694**	**242,906**	**8.38%**
Solid Waste Per Ton Excise Tax				
Solid Waste and Recycling Metro Facilities	4,624,732	5,070,148	445,416	9.63%
Solid Waste and Recycling Non Metro Facilities	7,154,676	6,524,767	(629,909)	-8.80%
Total Solid Waste Per Ton Excise Tax	**11,779,408**	**11,594,915**	**(184,493)**	**-1.57%**
Grand Total Excise Tax	**$14,677,196**	**$14,735,609**		

Solid Waste Excise Tax Distribution

Solid Waste General by Code	6,672,634	6,672,634	-	0.00%
Other Solid Waste Tax				
Regional Parks and Greenspaces	3,348,599	3,293,682	(54,917)	-1.64%
MTOCA	669,720	658,737	(10,983)	-1.64%
Oregon Zoo	519,618	511,096	(8,522)	-1.64%
Excise Tax Credits	201,540	180,608	(20,932)	-10.39%
Total Tax Allocated	11,412,111	11,316,757	(95,354)	
Total Solid Waste Per Ton Excise Tax	11,779,408	11,594,915	(184,493)	-1.57%
Transfer to Recovery Rate Stabilization Reserv	**$367,297**	**$278,158**	**$ (89,139)**	**-24.27%**

Projected Recovery Rate Stabilization Reserve Balance

Beginning Balance	$ 1,888,294
Projected FY 08 Contribution	$ 278,158
Projected FY 2007-08 Ending Balance	$ 2,166,452
Transferred	$ 1,395,000
Projected Balance in RRSR 7-1-08	$ 771,452
Allowed Balance (10% of Prior Two Years Metro Total ET)	$ 2,907,797

Assumptions:

Split between Metro and Non Metro is based upon budgeted tonnage.

Non Metro tonnage includes Petroleum Contaminate Soil (PCS) (PCS is $1 Per ton) and Outside of Metro Tonnage disposed at Metro sites.

APPENDIX B – Capital Budget Status

SUMMARY

The second quarter's report includes a comparison of budgeted capital projects and their year-to-date capital activity. Appendix B contains a complete listing and status update for all capital projects with scheduled expenditures in FY 2007-08. For most projects, activity extends over two or more years. Below is a summary of projects over $50,000 with significant changes from budgeted expectations, including project eliminations, changes over 10 percent in expected project cost and project delays.

Finance and Administrative Services

Work scheduling has delayed the Parking Structure Waterproofing project until 2008-09; funding will be carried over. In spring 2008, Council will consider an amendment to appropriate the $300,000 previously set aside in contingency for a third floor remodeling project. Added to the $120,000 already appropriated for Council/COO office and conference room space, this project's budget will be $420,000. The Council/COO Building Space Remodel will not be completed until FY 2008-09.

The project to rebuild the Metro Regional Center planters has been decreased by $34,000, as work done in-house resulted in cost savings. The Council Chamber Audio/Visual Upgrade project, a new capital cost in FY 2007-08, will increase renewal and replacement costs over the next five years by $140,581, due to the rapidly changing technology environment. The MRC First Floor Remodel is now anticipated to cost $89,000 more than budgeted, due to the need for additional architectural and electrical code work and higher furniture costs than budgeted. Carpet replacement costs, a separate CIP project, are included in the first floor remodel costs.

Information Technology

Two Information Technology projects will be folded into Information Technology Renewal and Replacement Projects Under $50,000 at the end of the fiscal year: Server Management and Upgrade Network Infrastructure. The Single Uninterruptible Power Source project is on hold pending the results of a design study; a decision will be made before the end of the fiscal year. Funding for the budget module in the Develop Enterprise Business Applications Software project likely will be carried forward into FY 2008-09. This project has been delayed because of the intense staff effort required to complete the PeopleSoft financial systems upgrade this year.

Oregon Zoo

Three zoo projects have been delayed, while one new capital project has been added since the budget was approved. The Washington Park Parking Lot Renovation, a perennial project, will be carried over into next year, due to continuing discussions with the City of Portland and other interested parties about the use of the auxiliary lot. A California Condor project for both off-site construction and an on-site exhibit was budgeted for 2007-08. Delays in fund raising and the intensification of on-site construction have moved this project back to 2010-11. The *Red Ape Reserve* (Orangutan Exhibit Renovation) is now expected to open in the fall of 2008, as the City of Portland's review and permitting of both this exhibit and the *Predators of the Serengeti* exhibit have resulted in additional requirements for storm water management. The resulting new Stormwater Project is expected to cost $250,000 to install a 30-inch storm water main down on the south edge of the zoo property to connect to the City of Portland's combined sewer overflow system located along Highway 26.

Regional Parks and Greenspaces

One Regional Parks and Greenspaces project has increased more than 10 percent in cost from the adopted budget, while one has decreased by more than 10 percent. The budget for the M. James Gleason Boat Ramp Renovation Phase I and II increased from $2,322,362 to $3,624,320 as a result of additional permitted requirements by the U.S. Army Corps of Engineers. The majority of the increase will be funded by Marine Board grants; $225,000 will come from renewal and replacement funding. The Council will consider these changes in a budget amendment this spring. The scope of the Howell Territorial Park Restroom and Kitchen Upgrade was decreased from $165,000 to $95,000, in order to allow the $70,000 in savings to fund the

Stafford Field Station Office project, added to the CIP by a January 2008 budget amendment.

Several projects have been delayed. The Blue Lake Park Concession Building Renovations project, originally expected to be completed August 31, 2007, is now scheduled to be completed by the end of the fiscal year. Both the Graham Oaks Nature Area Development and the M. James Gleason Boat Ramp projects now are expected to be carried forward into next year. The Nature and Golf Learning Center at Blue Lake Park has been delayed by additional environmental review. A go/no-go decision on this project awaits the completion of a business plan and the identification of a funding source.

The Mt. Talbert Development project remains on budget at $1.7 million and will be completed this year. Spending was delayed in FY 2006-07 and carried over into FY 2007-08, increasing the expenditures in the current year considerably.

Solid Waste and Recycling

The department has spent only five percent of its capital budget in the first half of the fiscal year, primarily because several projects did not require outside engineering services that would normally have been performed early in the year. In some cases the engineering work was conducted in house, in others it was not needed at all. Most of these projects now are in the bid process or have contracts in process. The projects' scheduling was not moved up, as the region's weather dictates that construction generally begins in spring and continues through the summer. The department will spend a projected 62 percent of its capital budget by the end of the fiscal year.

Solid Waste and Recycling staff cancelled two projects after detailed assessments showed that they were unneeded: Metro South-Repair Commercial Tip Floor and Metro South-Replace Dust Suppression Systems. The department dropped the Metro South Compactor Replacement project for the Metro Central Compactor Replacement after studies showed a greater need at Central.

The department added two projects to the CIP following the adoption of the budget. A new project, the St. Johns Landfill Streaked Horned Lark Habitat, will take advantage of an unplanned partnership opportunity to provide habitat for this protected species. It will be presented to Council for formal action this spring. Additional safety requirements for the Metro Central Woodline project were not completed by the end of June 2007 and were carried over into FY 2007-08.

Finance and Administrative Services

FY 2007-08 Capital Projects status through December 31, 2007

Copier Replacement

This is the scheduled renewal and replacement of the Metro Regional Center Copier/Printers.

Comments: Expect to spend full budgeted amount.

FY 2007-08 Adopted Budget	112,000
Dollars spent as of 12-31-07	81,283
CIP Estimated Cost	472,691
Completion Date	Ongoing

Council/COO Building Space Remodel

This remodel is expected to provide meeting space and office space for the Council and the Chief Operating Officer. An additional $300,000 has been placed in contingency to expand the project to a broader third floor remodel. Council approval will be needed prior to authorizing the larger project.

Comments: This project will need to be carried forward to FY 2008-09. New completion date is not determined but will be after this budget year.

FY 2007-08 Adopted Budget	120,000
Dollars spent as of 12-31-07	9,569
CIP Estimated Cost	420,000
Completion Date	6/30/2008

MRC First Floor Remodel

The first floor of the Metro Regional Center expansion into the formerly leased space in the southwest corner of the Metro Regional Center to accommodate Parks expanded staff.

Comments: The total for this project is expected to be $456,716, due to additional architectural, electric, and furniture requirements. Project will be complete by 06/30/08.

FY 2007-08 Adopted Budget	367,000
Dollars spent as of 12-31-07	59,509
CIP Estimated Cost	367,000
Completion Date	6/30/2008

Parking Structure Waterproofing

This four year project is to waterproof the parking structure beginning with the top floor.

Comments: This will be carried forward to FY 2008-09. Will not start until July or August 2008.

FY 2007-08 Adopted Budget	75,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	125,000
Completion Date	6/30/2010

Rebuild Metro Regional Center planters

The planters at the Regional Center will be 15 years old by 2010, and deterioration is occurring in both the structures and the irrigation.

Comments: The amount noted for CIP Estimated Cost is about $34,000 less than originally anticipated. Work will be performed spring 2008.

FY 2007-08 Adopted Budget	65,000
Dollars spent as of 12-31-07	31,939
CIP Estimated Cost	161,649
Completion Date	6/30/2009

Asset Assessment - Inventory, Appraisal & Condition

This project provides the resources for a physical inventory of Metro Assets and the creation of a General Fund renewal and replacement plan.

Comments: The URS assessment of the inventory is complete with the expectation that there will be one additional bill. The balance of the funds are expected to be expended to match the inventory to the Accounting records.

FY 2007-08 Adopted Budget	100,000
Dollars spent as of 12-31-07	68,644
CIP Estimated Cost	100,000
Completion Date	6/30/2008

Council Chamber Audio/Visual Upgrades

Metro has received a grant from Mt. Hood Cable Regulatory Commission's Community Access Capital Grants, matched by Metro staff resources.

Comments: The total project cost is revised upward by $140,851 to reflect the renewal and replacement cost of the equipment in FY 2012-13. The initial project will be complete by 06/30/08.

FY 2007-08 Adopted Budget	100,959
Dollars spent as of 12-31-07	981
CIP Estimated Cost	241,810
Completion Date	6/30/2013

Information Technology

FY 2007-08 Capital Projects status through December 31, 2007

Replace/Acquire Desktop Computers

This represents all desktop computer hardware replacement and is provided as information only.

Comments: Purchases usually occur in the second half of the fiscal year.

FY 2007-08 Adopted Budget	90,000
Dollars spent as of 12-31-07	18,137
CIP Estimated Cost	847,193
Completion Date	Ongoing

Regional Land Information System

The Regional Land Information System (RLIS) is the heart of the planning and mapping services provided by Metro. This project is the regular upkeep of this system.

Comments: Spending is expected to be $44,000 in FY 2007-08.

FY 2007-08 Adopted Budget	57,000
Dollars spent as of 12-31-07	2,600
CIP Estimated Cost	975,667
Completion Date	Ongoing

Transportation Modeling Services Cluster Upgrade

The existing modeling system was purchased in FY 2001-02. This project represents the renewal and replacement needs for that original purchase.

Comments: Funding will be spent.

FY 2007-08 Adopted Budget	69,000
Dollars spent as of 12-31-07	14,874
CIP Estimated Cost	299,050
Completion Date	6/30/2012

Develop Enterprise Business Applications Software

This project is to purchase Asset Management Software and Budgeting Software.

Comments: The Asset Module has been purchased and is being implemented. The Budgeting Software portion will be carried over.

FY 2007-08 Adopted Budget	150,000
Dollars spent as of 12-31-07	56,135
CIP Estimated Cost	483,064
Completion Date	Ongoing

Server Management

This is the normal renewal and replacement of the Information Technology Servers.

Comments: Going forward, server management is folded into IT renewal and replacement under $50,000.

FY 2007-08 Adopted Budget	67,000
Dollars spent as of 12-31-07	39,994
CIP Estimated Cost	1,093,110
Completion Date	Ongoing

Information Technology (*continued*)

FY 2007-08 Capital Projects status through December 31, 2007

Single Uninterruptible Power Source (UPS) for Computer Room

This project is to provide an uninterruptible power supply or UPS for the Information Technology system.

Comments: Additional spending on this project is on hold pending results of a design study.

FY 2007-08 Adopted Budget	90,000
Dollars spent as of 12-31-07	17,000
CIP Estimated Cost	110,000
Completion Date	6/30/2008

Upgrade Network Infrastructure

This project is the scheduled technical upgrade required of network equipment due to technology improvements and increasing data demand.

Comments: Going forward,network infrastructure is folded into IT renewal and replacement under $50,000.

FY 2007-08 Adopted Budget	35,000
Dollars spent as of 12-31-07	5,153
CIP Estimated Cost	534,020
Completion Date	Ongoing

Upgrade of Business Enterprise Software (PeopleSoft)

This project provides the funding for the regular Peoplesoft upgrades both to Human Resource modules and Financial modules.

Comments: Budgeted funds will be spent in FY 2007-08.

FY 2007-08 Adopted Budget	116,000
Dollars spent as of 12-31-07	10,300
CIP Estimated Cost	397,500
Completion Date	Ongoing

Oregon Zoo

FY 2007-08 Capital Projects status through December 31, 2007

Washington Park Parking Lot Renovation

Funding is set aside for the reconstruction of the auxiliary parking lot at Washington Park serving the Oregon Zoo, the World Forestry Center, and the Portland Children's Museum, as well as Metro's share of the construction costs of the Washington Park light rail station.

Comments: This perennial project remains stalled due to continuing discussions with the City of Portland and other interested parties about the use of the auxiliary lot.

FY 2007-08 Adopted Budget	205,500
Dollars spent as of 12-31-07	-
CIP Estimated Cost	4,406,795
Completion Date	ongoing

Fire Alarm System Replacement

The existing fire alarms in several exhibit and work areas perform inconsistently creating potential fire/life/safety concerns. This project replaces the unreliable alarms and upgrades the AfriCafe alarm to meet Americans with Disabilities standards.

Comments: Project well underway. Expect to complete the project by June 2008.

FY 2007-08 Adopted Budget	55,000
Dollars spent as of 12-31-07	16,666
CIP Estimated Cost	55,000
Completion Date	6/30/2008

Fluorescent Light Fixture Replacement

This project continues the zoo's investment in energy efficient light fixtures. The energy efficient fixtures decrease energy use and associated costs.

Comments: Project complete.

FY 2007-08 Adopted Budget	80,000
Dollars spent as of 12-31-07	50,942
CIP Estimated Cost	100,942
Completion Date	12/31/2007

Red Ape Reserve (Orangutan Exhibit Renovation)

This project constructs a new indoor exhibit, new holding/shift rooms, and renovates existing outdoor exhibits for the zoo's orangutans.

Comments: Metro Contract Review Board approved a special procurement using a competitive Request for Proposal process. Additionally, City of Portland review and permitting of this exhibit resulted in additional requirements for storm water management. In January, the Metro Council approved a new capital project and an associated budget amendment so the zoo could complete the required storm water work. Because of permitting delays, the opening date has changed to early fall 2008 for this exhibit renovation.

FY 2007-08 Adopted Budget	1,800,000
Dollars spent as of 12-31-07	124,298
CIP Estimated Cost	1,800,000
Completion Date	12/31/2008

Oregon Zoo (*continued*)

FY 2007-08 Capital Projects status through December 31, 2007

Predators of the Serengeti

This $4 million project entails converting the Alaska Tundra exhibit into an African themed exhibit. Construction will continue into FY 2008-09 with the exhibit opening the summer of 2009. The Oregon Zoo Foundation is championing a campaign to finance the project's construction costs. In addition, the foundation is raising $1 million to fund an exhibit operating reserve to offset increased zoo operating costs associated with the exhibit.

Comments: The project is also using a competitive Request for Proposal process. Additionally, City of Portland review and permitting of this exhibit resulted in additional requirements for storm water management. In January, the Metro Council approved a new capital project and an associated budget amendment so the zoo could complete the required storm water work. Zoo management expects to increase the pace of work this spring with improving weather. The exhibit opening remains June 2009.

FY 2007-08 Adopted Budget	2,000,000
Dollars spent as of 12-31-07	176,513
CIP Estimated Cost	4,050,000
Completion Date	6/30/2009

Stormwater Project

Red Ape Reserve and Predators of the Serengeti exhibit projects require the separation of storm water from the city sewer system. This project installs a 30-inch storm water main down a ravine on the south edge of the zoo property to connect to the City of Portland's combined sewer overflow system located along Highway 26.

Comments: This project was added by budget amendment. Zoo management is working with the City of Portland on final permitting issues. The contractor selection process is underway.

FY 2007-08 Adopted Budget	-
Dollars spent as of 12-31-07	-
CIP Estimated Cost	250,000
Completion Date	6/30/2008

Primate Building Roof Replacement

This project includes reroofing the primate building after removing existing compromised green roof materials and extensively repairing roof substrate damage due to prolonged leaking and water damage.

Comments: This work is tied to the Red Ape Reserve project. The roof replacement requires dry weather and will be timed later this spring.

FY 2007-08 Adopted Budget	120,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	120,000
Completion Date	6/30/2008

Primate Climbing Structure Replacement

The existing chimpanzee climbing structure is deteriorated and is becoming an animal safety concern. This project retrofits the existing space with special clamping devices to secure dead tree snags that can be periodically replaced.

Comments: Planning complete and vendor selected. Will time work with improved spring weather. Expect to complete the project by June 2008.

FY 2007-08 Adopted Budget	90,000
Dollars spent as of 12-31-07	2,835
CIP Estimated Cost	90,000
Completion Date	6/30/2008

Veterinary Hospital and Quarantine Design

The present veterinary facilities are inadequate and have been recommended for update to meet Association of Zoos and Aquariums' accreditation standards. This project explores feasibility, options, and costs for replacing the hospital and quarantine facilities.

Comments: Consultants selected, work proceeding. Expect to complete the feasibility and planning work by June 2008.

FY 2007-08 Adopted Budget	100,000
Dollars spent as of 12-31-07	10,285
CIP Estimated Cost	100,000
Completion Date	6/30/2010

Regional Parks and Greenspaces

FY 2007-08 Capital Projects status through December 31, 2007

Blue Lake Park Concession Building Renovations

The concession building at Blue Lake Park has not been usable for several years because of deferred renewal and replacement. The project was carried over from last fiscal year.

Comments: This project will be completed on schedule.

FY 2007-08 Adopted Budget	25,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	100,000
Completion Date	6/30/2008

Blue Lake Water System Upgrade - Phase 2

Following the successful pump upgrade and 6” water line extension in Phase 1, substantially completed in FY 2005-06, this project is to upgrade the irrigation on the west portion of the park.

Comments: This project will be completed on schedule.

FY 2007-08 Adopted Budget	80,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	80,000
Completion Date	6/30/2008

Howell Territorial Park Restroom & Kitchen Upgrade

The barn at Howell Territorial Park housed Oregon Historical Society materials until Summer 2006. OHS removed all of its materials, and Metro now has full use of the barn. This project would upgrade the barn for community and other revenue generation.

Comments: This project was reduced to $95,000 from $165,000 in order to provide funding for the Stafford Field Station project.

FY 2007-08 Adopted Budget	165,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	95,000
Completion Date	6/30/2008

Stafford Field Station Office

This project replaces the existing pre-manufactured office building at the Stafford Field Station (Borland) with a new pre-manufactured office to provided need accommodations for the expanding land management demand.

Comments: This project was added by budget amendment in 2008.

FY 2007-08 Adopted Budget	-
Dollars spent as of 12-31-07	-
CIP Estimated Cost	70,000
Completion Date	6/30/2008

Parks Renewal & Replacement

This project is for various renewal and replacement projects.

Comments: These projects are progressing.

FY 2007-08 Adopted Budget	75,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	75,000
Completion Date	Ongoing

Regional Parks and Greenspaces (*continued*)

FY 2007-08 Capital Projects status through December 31, 2007

Cooper Mountain Natural Area Development

This project represents the capital development costs for Cooper Mountain Natural Area.

Comments: This project has been submitted to Washington County for land use approval.

FY 2007-08 Adopted Budget	2,523,500
Dollars spent as of 12-31-07	87,025
CIP Estimated Cost	2,972,775
Completion Date	6/30/2008

Graham Oaks Nature Area Development

The purpose of the Graham Oaks Nature Park Development (previously called the Wilsonville Tract area) is to provide a model of restoration ecology in balance with human activities and interests and to be a model for public education and environmental stewardship.

Comments: This project is currently in the design and engineering phase.

FY 2007-08 Adopted Budget	1,685,402
Dollars spent as of 12-31-07	42,621
CIP Estimated Cost	1,870,402
Completion Date	6/30/2009

Mt. Talbert Development

Development of the Mt. Talbert area, preparing site for use by general public.

Comments: The budget had anticipated greater spending in the prior year, although actual spending carried forward. The overall project is under budget and will be completed within the next couple months.

FY 2007-08 Adopted Budget	494,124
Dollars spent as of 12-31-07	918,915
CIP Estimated Cost	1,739,905
Completion Date	6/30/2008

Open Spaces Land Acquisition - Second Phase

Voters approved a $224.7 million General Obligation Bond Measure to acquire natural areas for the purpose of water quality and habitat protection.

Comments: Project is proceeding as planned. The willing seller aspect makes it difficult to predict actual spending patterns for the remainder of the year.

FY 2007-08 Adopted Budget	35,000,000
Dollars spent as of 12-31-07	17,662,960
CIP Estimated Cost	177,125,000
Completion Date	6/30/2018

Open Spaces Land Acquisition

The Open Spaces, Parks and Streams bond measure passed in 1995 calls for the purchase of land throughout the Metro region to be used as open spaces.

Comments: These funds should be spent out by the end of the fiscal year.

FY 2007-08 Adopted Budget	308,712
Dollars spent as of 12-31-07	-
CIP Estimated Cost	129,260,263
Completion Date	6/30/2008

Regional Parks and Greenspaces (*continued*)

FY 2007-08 Capital Projects status through December 31, 2007

Golf Learning Center at Blue Lake Park

The Economic Feasibility and Facility Improvements Plan for Blue Lake Park, adopted by Metro Council, identifies the development of a nature and golf learning facility on the undeveloped east side of Blue Lake Park as the best use of that property.

Comments: This project has been delayed pending additional environmental review and analysis. The business plan is being developed, in preparation of a "go/no go" decision.

FY 2007-08 Adopted Budget	858,000
Dollars spent as of 12-31-07	78,161
CIP Estimated Cost	9,355,849
Completion Date	6/30/2009

M. James Gleason Boat Ramp Renovation Phase I & II

Facility master plan completed in March 1998. In 1998, two adjacent parcels were purchased from the Port of Portland for implementation of improvements. Project design completed in 2001.

Comments: Project increased from $2,322,362 to 3,624,320 due to additional permitted requirements by the US Army Corp of Engineers. Increase is funded by $225,000 renewal and replacement and the balance by new Marine Board grants.

FY 2007-08 Adopted Budget	1,170,000
Dollars spent as of 12-31-07	27,514
CIP Estimated Cost	3,624,320
Completion Date	6/30/2009

Gales Creek/Tualatin River Confluence Project

The Gales Creek/Tualatin River Confluence restoration project includes restoring approximately 245 acres of flood plain property to historical vegetation communities and former flood plain functions.

Comments: This project has been completed. Expenses will increase as invoices are received and paid.

FY 2007-08 Adopted Budget	77,000
Dollars spent as of 12-31-07	14,784
CIP Estimated Cost	459,091
Completion Date	12/31/2007

Lone Fir Cemetery Entry (Morrison Building Site)

Multnomah County demolished the Morrison Building, adjacent to Lone Fir Cemetery, in 2006 and transferred the property to Metro in 2007. The acquisition of this property compels us to develop a Master Plan for Lone Fir, including this new property.

Comments: Work will begin on this project in Winter 2008.

FY 2007-08 Adopted Budget	80,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	80,000
Completion Date	6/30/2008

Multnomah Channel Basin Reconnection Project

Metro is partnering with Ducks Unlimited to develop funding for a project to augment previous restoration at the site initiated in 2000, focusing on the re-establishment of the site's major stream, Crabtree Creek, within its natural basin.

Comments: Project will be completed spring 2008.

FY 2007-08 Adopted Budget	384,400
Dollars spent as of 12-31-07	2,346
CIP Estimated Cost	384,400
Completion Date	4/30/2008

Solid Waste and Recycling

FY 2007-08 Capital Projects status through December 31, 2007

Metro Central - Chimney Removal

The existing chimney, which was part of the original steel mill facility construction, was not designed to withstand forces due to seismic activity. As a result, the chimney is deficient in overturning resistance.

Comments: Testing of the structure is nearing completion; Request for Bids being prepared.

FY 2007-08 Adopted Budget	165,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	175,000
Completion Date	6/30/2008

Metro Central - Locker room/restroom remodel

The existing contractor locker room and restrooms are in need of remodeling to better distribute space for the sorting crews and office staff. These facilities are currently overcrowded at peak staff change times.

Comments: Request for Proposals has been issued and is due in March.

FY 2007-08 Adopted Budget	15,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	115,000
Completion Date	6/30/2009

Metro Central - Seismic Cleanup

Metro Central Transfer Station was constructed in various phases beginning in the early 1920's. The building was used for various industrial activities during its 80 year life. This project removes the remnants of these activities.

Comments: Request for Bids going out in March.

FY 2007-08 Adopted Budget	175,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	200,000
Completion Date	6/30/2008

Metro South - Wood Staging Structure

This project will provide a covered area for wood recovery and processing activities. This will provide more space for recovery and could help increase material recovery at the Metro South Transfer Station.

Comments: Delayed pending the results of the Site Master Plan update which will be completed in early March.

FY 2007-08 Adopted Budget	80,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	650,000
Completion Date	6/30/2009

Metro South HHW - Drum Storage Capacity

As customer counts continue to increase, more 55 gallon drum storage is required. This project will evaluate drum storage options to increase capacity while using existing space.

Comments: Bids completed and storage unit on order; bids completed for installation and contract in process.

FY 2007-08 Adopted Budget	50,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	50,000
Completion Date	6/30/2008

Solid Waste and Recycling *(continued)*

FY 2007-08 Capital Projects status through December 31, 2007

St Johns Landfill - Perimeter Dike Stabilization and Seepage Control

The objective of this project is to stabilize sections of the St. Johns Landfill perimeter dike to minimize contact of waste or leachate with surrounding surface water. Project design includes enhancement of riparian habitat.

Comments: In process with Corp of Engineers and expect completion in July-August.

FY 2007-08 Adopted Budget	300,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	915,309
Completion Date	Ongoing

St Johns Landfill - Groundwater Monitoring Wells

In 2003 Metro and DEQ signed a consent order in compliance with Oregon environmental cleanup rules requiring that Metro implement a Remedial Investigation (RI) and Feasibility Study (FS) of St. Johns Landfill. As part of the site characterization monitoring wells are utilized.

Comments: Completed.

FY 2007-08 Adopted Budget	200,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	210,800
Completion Date	6/30/2009

St Johns Landfill - Landfill Bridge Repairs

The existing landfill bridge was constructed in the mid 1950's, and provides the only means of access to the landfill for vehicles. Bridge traffic is primarily Metro maintenance vehicles, and the bridge requires repairs to remain functional.

Comments: Plan to hire a consultant to review bridge condition report.

FY 2007-08 Adopted Budget	30,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	150,000
Completion Date	6/30/2009

St Johns Landfill - Native Vegetation on the Cover Cap

The primary purpose of vegetation on the surface of St. Johns Landfill is to prevent erosion that could adversely affect the integrity of the landfill cover system and the quality of the surrounding environment.

Comments: Normal progress.

FY 2007-08 Adopted Budget	15,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	150,942
Completion Date	Ongoing

St Johns Landfill - Re-establish Proper Drainage

Construction of the multi-layer cover system over the buried waste at St. Johns Landfill during 1991-1996 included contouring the landfill surface for effective drainage of rainwater. This feature protects the integrity of the cover.

Comments: Work planned for early summer.

FY 2007-08 Adopted Budget	5,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	866,005
Completion Date	Ongoing

Solid Waste and Recycling *(continued)*

FY 2007-08 Capital Projects status through December 31, 2007

Metro Central - Transfer Trailer Scale Replacement

Replacement of the transport trailer scale. This scale is used to weigh outgoing transport trucks to determine tonnage and highway weight limits.

Comments: Bids due in February.

FY 2007-08 Adopted Budget	90,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	90,000
Completion Date	6/30/2008

Metro Central HHW - Chiller Replacement

This project is to replace the air conditioning chiller that serves the flammable materials bulking room at the Household Hazardous Waste facility. This chiller is original equipment from the facility's construction in 1992.

Comments: Design is 90% complete; will issue for bids by March.

FY 2007-08 Adopted Budget	75,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	75,000
Completion Date	6/30/2008

Metro South - Compactor Replacement

The two compactors at Metro South Transfer Station were installed in late 1998 and early 1999. Metro staff estimates that they will be at the end of their useful lives in 2008. This project is for replacement of these units.

Comments: This project was changed in the CIP from Metro "South" to "Central" after investigation determined that central's compactors were in more immediate need of repair.

FY 2007-08 Adopted Budget	1,050,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	2,000,000
Completion Date	6/30/2009

Metro South - Repair Commercial Tip Floor

The floor on the commercial side of the building is worn such that reinforcing steel and aggregate have become exposed. An area of approximately 11,500 square feet will need to be sandblasted, scarified and coated with a fast-setting high strength polymer.

Comments: This project was planned as a response to the Renewal and Replacement Study; investigation prior to proceeding found this work is not required at this time.

FY 2007-08 Adopted Budget	197,900
Dollars spent as of 12-31-07	-
CIP Estimated Cost	197,900
Completion Date	Cancelled

Metro South-Replace Dust Suppression System Components

Major components of the dust suppression system for the commercial building at Metro South are scheduled for replacement.

Comments: This project was planned as a response to the Renewal and Replacement Study; investigation prior to proceeding found this work is not required at this time.

FY 2007-08 Adopted Budget	50,000
Dollars spent as of 12-31-07	-
CIP Estimated Cost	50,000
Completion Date	Cancelled

St. Johns Landfill - Streaked Horned Lark Habitat

Create a nesting habitat for the streaked horned lark as part of the overall restoration program for the site consistent with the goals of the Natural Resources Management Plan for Smith and Bybee Wetlands.

Comments: The initial site development was completed in November 2007. The remaining budget will be used, if needed, to supplement sand placement and plant seeding. This project is not in the budget and will be presented to Council for approval.

FY 2007-08 Adopted Budget	-
Dollars spent as of 12-31-07	78,578
CIP Estimated Cost	90,000
Completion Date	Ongoing

Metro Central - Woodline

This project replaces seven existing conveyors with three new conveyors for the wood processing system installed in 1990. The new conveyor configuration will improve operations by simplifying the conveyance system and will reduce maintenance costs.

Comments: This project was carried over from FY 2006-07 for final work related to the additional safety requirements.

FY 2007-08 Adopted Budget	-
Dollars spent as of 12-31-07	17,775
CIP Estimated Cost	478,321
Completion Date	Completed

FISCAL YEAR 2007–08

Quarterly Report
Third Quarter

January through March 2008

METRO

PEOPLE PLACES
OPEN SPACES

600 NE Grand Ave., Portland, Oregon 97232-2736

TABLE OF CONTENTS

May 15, 2007

The Honorable David Bragdon
Metro Council President
600 NE Grand Avenue
Portland, OR 97232

Dear Council President Bragdon:

I am pleased to present Metro's Quarterly Financial Report (unaudited) for the third quarter of the fiscal year ending June 30, 2008. Our goal is to provide the Council with quarterly reports within 45 days of the end of each reporting quarter. The third quarter report is timely. The second quarter report is also being delivered at this time. The financial data was analyzed timely but not delivered formally due to the budget schedule.

Once again I am able to bring you the best type of financial news a Chief Financial Officer can report – no surprises. The Finance Team uses solid budgeting techniques, beginning with the annual budget building assumptions and continuing throughout the year with strong revenue and expenditure analyses, bringing forward appropriate and timely budget amendments. This continuous cycle has been particularly evident during the past quarter as you took up the proposed budget for FY 2008-09 with relative ease.

Third Quarter Focuses on Year End

The focus for the third quarter is to look beyond March 31 and forecast how we expect to see the budget year conclude. First, the forecast helps us spot the need for any final course corrections including budget amendments for the current year. Also, it helps us isolate any unexpected changes, positive or negative, that could impact the FY 2008-09 budget plan, leaving time to propose these corrections in the May and June technical budget amendments for carry-overs and fund balances.

All funds, with limited exception, are within spending authority. The year–end review confirms the need for limited budget amendments which will come before Council on June 12 and June 26, 2008.

Budget amendments will include:

- MERC: to recognize increased food and beverage costs related to both increased sales and increased product costs.
- Zoo: to recognize increased operating costs associated with increased attendance and per capita spending.

Our second purpose, the review of any changes, positive or negative, that might alter spending plans reflected in the FY 2008-09 budget as approved by Council last week, also confirms that the plan is on target. The FY 2008-09 approved budget includes a number of technical amendments to carry forward operational or capital projects begun but not expected to be complete by June 30th. The June 30 forecast confirms these projects as underspent.

Other observations from the June 30 forecast confirm that general excise tax receipts, in the aggregate, are on target for the current year. Our ability to forecast excise tax accurately is important because both the current year's budget and the FY 2008-09 approved budget allocate 100 percent of the anticipated receipts to programmatic spending. The Construction Excise Tax (CET) collections have slowed as new construction starts have spiraled downward, but grant payment requests from participating jurisdictions are also slower than anticipated. As currently projected, the available beginning balance for the Recovery Rate Stabilization Fund will be lower than expected and will bear watching in the final quarter.

As we have reported often, grants revenues in the Planning Department are significantly overstated. The forecast shows that the department now expects to receive only about half of what is budgeted. The Planning Department derives most of its revenues from federal, state and local grants, a substantial portion of which is pass-through federal transportation grant awards to other agencies. While some grant awards do not mature as originally planned, neither do the corresponding expenditures. In some cases grants budgeted in one year are not received until the succeeding year. Conversely, grant funds received for Transit-Oriented Development projects may be carried forward from year to year until an appropriate project is identified and acquisitions are approved. Because transportation awards involve regional decision making and, in some cases, regional matching dollars, the past practice has been to relate the budgetary plan to the regional Unified Planning Work Program (UPWP). Detaching the Metro budget plan from the UPWP is manageable at the operating level, and the department's FY 2008-09 budget does take a step in that direction. However, disconnecting from the UPWP may have some unforeseen or unintended consequences at the political level that merit consideration prior to doing so.

Conclusions

The June 30 ending forecast demonstrates that programs and departments have followed the approved spending plans, have made timely adjustments throughout the year when circumstances have warranted budget amendments, and have used the current year's budget information to propose realistic spending plans for the coming year.

Preparation of these reports and Council review of them are important benchmarks of financial excellence. The fiscal standards assessment tool used by rating agencies includes legislative oversight, timely reporting and interim spending plan adjustments as hallmarks of top performing public agencies.

Our office is always available to provide additional detail related to these summary findings. Please do not hesitate to contact me with any comments or concerns.

Sincerely,

William L. Stringer

Chief Financial Officer and

Director of Finance and Administrative Services

METRO REVENUES

Overall Revenues

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Program Revenues	107,325,157	65,346,218	94,314,778	87.9%	90.5%
General Revenues	72,663,791	63,886,868	74,629,132	102.7%	108.2%
Sale of Capital Assets	0	5,000	5,000	n/a	7.0%
Overall Revenues	**$179,988,948**	**$129,238,086**	**$168,948,910**	**93.9%**	**131.4%**

Revenues for Metro, excluding the Metropolitan Exposition Recreation Commission (MERC), totaled $129 million, or 72 percent of budget through the third quarter. Revenues at year-end are projected to reach $169 million, below the anticipated $179 million. General Revenues, primarily interest revenues, are higher than budgeted (see page 7), while Program Revenues are lower (see below), due primarily to lower than budgeted grant revenues in the Planning Department.

Program Revenues

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Charges for Services Revenue	72,256,209	52,095,614	73,531,796	101.8%	102.8%
Internal Charges for Services Revenue	7,216,052	4,517,298	6,530,375	90.5%	90.5%
Licenses and Permits	405,000	294,978	415,000	102.5%	99.5%
Miscellaneous Revenue	1,705,822	1,406,805	211,173	12.4%	121.3%
Grants	**21,867,948**	**4,804,041**	**10,393,712**	**47.5%**	**45.2%**
Contributions from Governments	295,157	0	0	0.0%	27.9%
Contributions- Private Source	1,578,969	796,987	1,232,722	78.1%	96.8%
Capital Grants	2,000,000	1,430,495	2,000,000	100.0%	263.7%
Program Revenues	**$107,325,157**	**$65,346,218**	**$94,314,778**	**87.9%**	**90.5%**

Program Revenue by Department

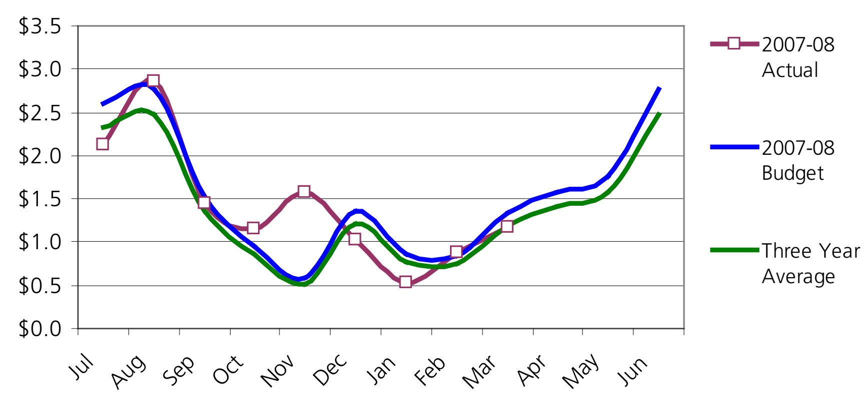
Finance and Administrative Services

Revenues from the attached parking structure at Metro Regional Center remain strong and are projected to exceed the budget at year-end by $50,000, or 12 percent.

Oregon Zoo

Oregon Zoo- Program Revenues by Month

shown in millions

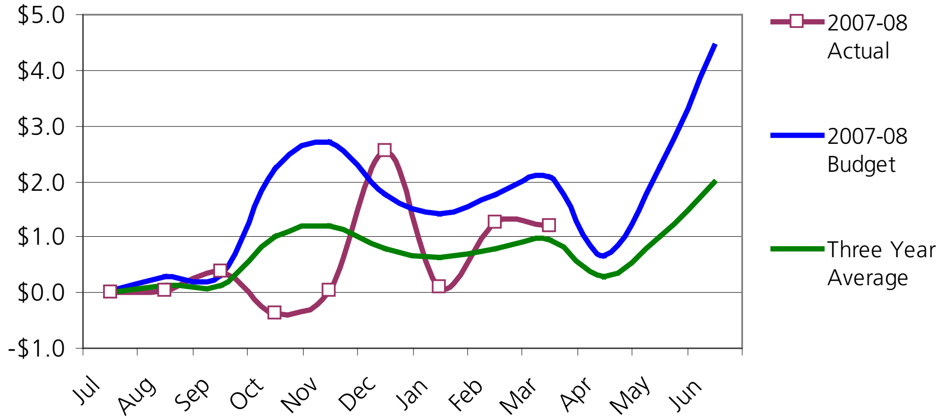


Zoo revenues through March kept pace with the budget, with final year-end projections on target as well. Attendance through March is nearly identical to last year's record level and 56,000 ahead of the fiscal year attendance forecast. Revenues are strong in food service, retail and railroad rides; revenues associated with the simulator ride are down sharply, and zoo management is evaluating its future. A change in accounting for summer camp tuition resulted in the deferral of revenues totaling nearly $600,000 from FY 2007-08 to FY 2008-09. Historically, summer camp revenues have been recorded on a cash basis; however, proper accounting is an accrual basis. This is a one-time adjustment.

Planning

Planning- Program Revenues by Month

shown in millions



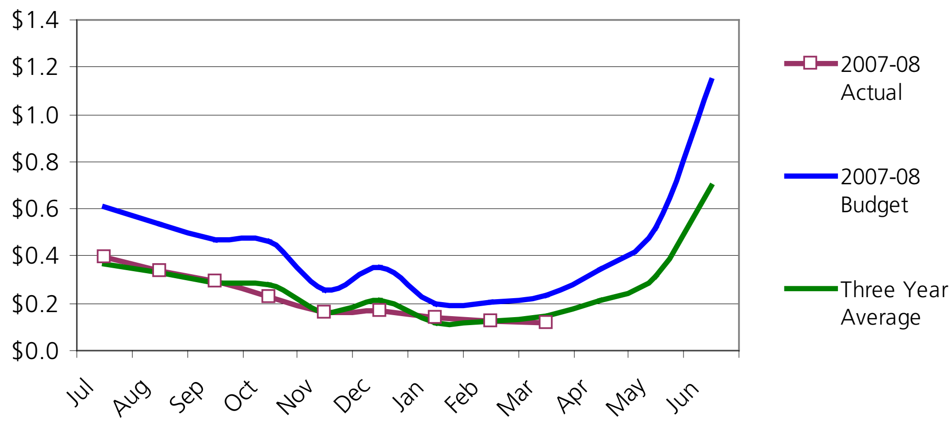
The Planning Department derives most revenues from federal, state and local grants, a substantial portion of which are pass-through federal transportation grant awards to other agencies. While some grant awards do not mature as originally planned, neither do the corresponding expenditures. In some cases grants budgeted in one year are not received until the succeeding year. Conversely, grant funds received for Transit -Oriented Development projects may be carried forward from year to year until an appropriate project is identified and acquisitions are approved. Because transportation awards involve regional decision making, the past practice has been to relate the budgetary plan to the regional Unified Planning Work Program (UPWP). Program (UPWP). Detaching the Metro budget plan from the UPWP is manageable at the operating level, and the department's FY 2008-09 budget does take a step in that direction. However, disconnecting from the UPWP may have some unforeseen or unintended consequences at the political level that merit consideration prior to doing so.

Year-end projections of charges for service revenues are $250,000 below budget.

Regional Parks and Greenspaces

Regional Parks and Greenspaces- Program Revenues by Month

shown in millions

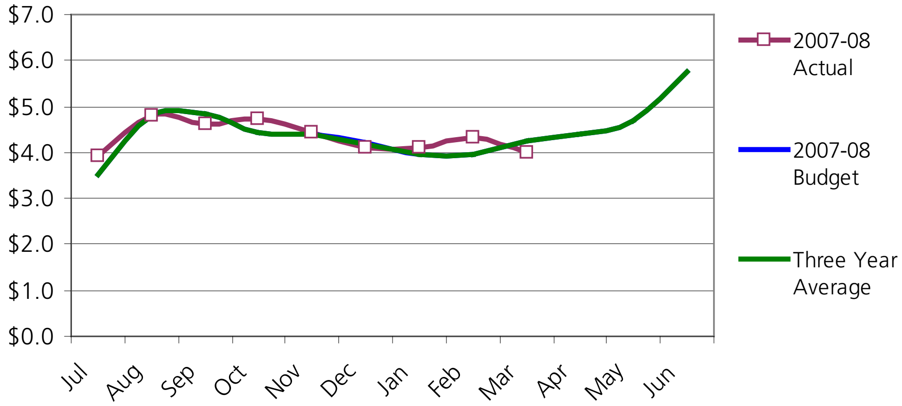


Total Parks enterprise revenues are anticipated at 99.2 percent of budget. Boat launch fees are projected to be $20,000 below budget due to the current and anticipated restrictions on spring salmon fishing. Grave sales and services have risen significantly ($37,000) over both FY 2006-07 and budgeted levels. The department anticipates that admission fees and picnic reservations will meet revenue projections, while Glendoveer golf revenues most likely will be just short of forecast (off 1.7 percent, or $14,000). Anticipated grant revenues are lower than budgeted by more than $2 million, due to weather-related restoration project delays. Grant revenues for these projects are received and recorded on a reimbursement basis; corresponding expenditures will be delayed as well.

Solid Waste and Recycling

Solid Waste and Recycling- Program Revenues by Month

shown in millions



Solid Waste projects year-end program revenues to be 2.8 percent higher than budgeted. Revenue figures in the budget were based on the assumption that a new private facility would be operational in FY 2007-08; this facility has yet to open, and the tonnage continues to flow to Metro facilities. Overall, tonnage delivered to Metro facilities is projected to be 7.1 percent higher than budgeted, while tonnage from private facilities is projected to be 8.4 percent lower. The higher revenue from Metro tonnage more than offsets lower revenues from private facilities' tonnage, where only the Regional System Fee is levied.

General Revenues

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Real Property Taxes	45,985,075	43,735,618	46,563,268	101.3%	101.3%
Excise Taxes	14,677,197	10,027,507	14,666,631	99.9%	108.4%
Construction Excise Tax	3,000,000	1,353,666	2,287,000	76.2%	90.3%
Other Derived Tax Revenues	19,000	17,739	19,000	100.0%	142.0%
Local Govt Shared Revenues	519,973	294,107	519,973	100.0%	115.5%
Interest Earnings	**8,462,546**	**8,458,231**	**10,573,260**	**124.9%**	**189.9%**
General Revenues	**$72,663,791**	**$63,886,867**	**$74,629,132**	**102.7%**	**108.2%**

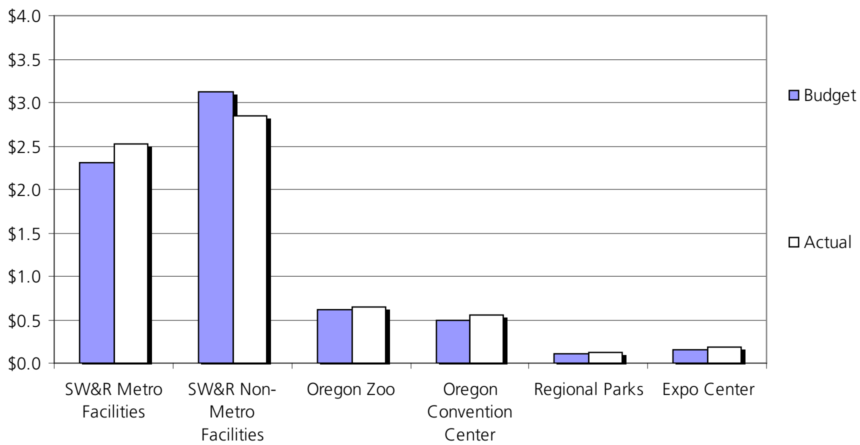
Construction Excise Tax– Effective July 1, 2006, Metro imposed a new 0.12 percent Construction Excise Tax on eligible construction throughout the region to fund concept planning for areas brought into the Urban Growth Boundary in 2002 and 2004. All jurisdictions issuing building permits have signed intergovernmental agreements to collect the tax on Metro's behalf. The larger jurisdictions report on a quarterly basis and as a result, revenues for this tax typically lag one quarter. After increasing in each of the first five quarters of collection, in the second quarter of FY 2007-08, construction excise tax collections dropped sharply, corresponding to a region wide slowdown in new construction. This slowdown is expected to continue through year-end.

Interest Earnings– Metro's yield on investments averaged 4.87 percent through the third quarter, higher than the budgeted 4.25 percent. This yield is projected to generate an additional $2 million for the fiscal year. Current market trends indicate that interest yields will continue to drop through year-end. As Metro's investments mature, interest rates of re-investment will be lower than recent averages.

Excise Tax

Excise Tax Received Through March 31, 2008, Budget vs. Actual

shown in millions



Metro Excise Tax– The year-end projection for non-tonnage excise tax is seven percent higher than budget, primarily due to increases from the Oregon Convention Center. The solid waste per ton excise tax is projected to be lower than the budgeted figure due to a small decline in overall tonnage.

METRO EXPENDITURES– OPERATING DEPARTMENTS

Metro Operating Departments

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	37,537,729	26,694,866	37,092,432	98.8%	95.3%
Materials and Services	77,172,054	42,251,751	66,532,626	86.2%	83.8%
Total Operating Expenditures	**114,709,783**	**68,946,616**	**103,625,058**	**90.3%**	**87.8%**
Loan Payments	517,763	517,763	517,763	100.0%	100.0%
Revenue Bond Payments	1,335,513	1,335,513	1,335,513	100.0%	94.5%
Total Debt Service	**1,853,276**	**1,853,276**	**1,853,276**	**100.0%**	**94.5%**
Total Capital Outlay	**48,834,883**	**21,721,329**	**29,755,000**	**60.9%**	**49.9%**
Total Expenditures	**$165,397,942**	**$92,521,221**	**$135,233,334**	**81.8%**	**83.5%**

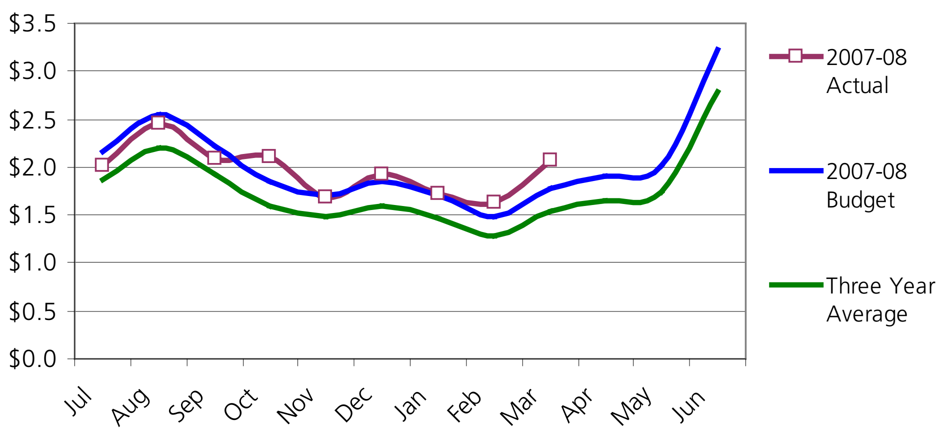
Expenditures by Department

Oregon Zoo

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	14,229,304	10,546,727	14,229,304	100.0%	97.7%
Materials and Services	10,240,084	7,165,930	10,400,000	101.6%	97.3%
Total Operating Expenditures	**24,469,388**	**17,712,658**	**24,629,304**	**100.7%**	**97.5%**
Total Capital Outlay	**4,611,369**	**804,263**	**1,600,000**	**34.7%**	**70.8%**
Total Expenditures	**$29,080,757**	**$18,516,920**	**$26,229,304**	**90.2%**	**94.0%**

Oregon Zoo- Operating Expenditures by Month

shown in millions



The Oregon Zoo held total operating expenditures in line with the budget despite attendance exceeding forecasts and costs that increase based on attendance. One line item of particular concern is food for resale. Most wholesale food prices are experiencing greater inflation than anticipated, impacting the zoo's operating expenditures. Strategic increases in zoo food pricing have recently been implemented. High attendance also necessitates more frequent maintenance and repairs in high use guest areas. Total operating expenditures are being monitored closely; trending indicates total operating expenditures exceeding budget by approximately $160,000 at year-end. In addition, the temporary dinosaur exhibit opens in May and is expected to draw large numbers of guests and revenues. To ensure the zoo has sufficient spending authority through year-end, Council will consider a proposed amendment in June.

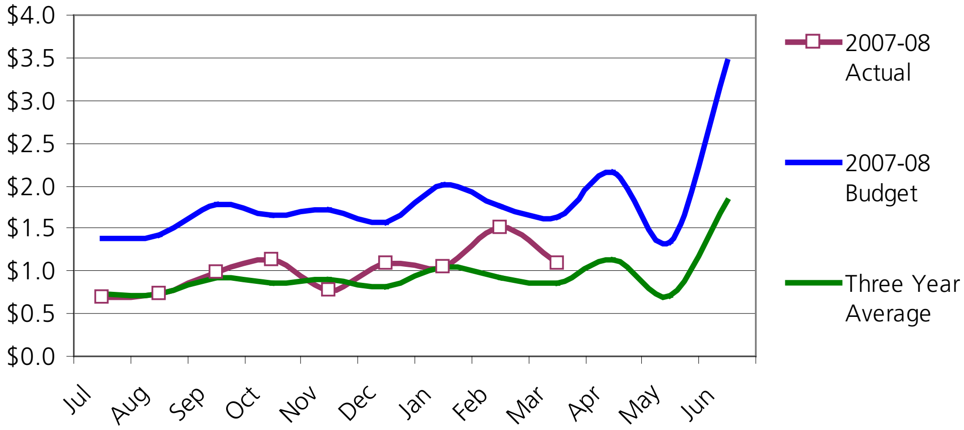
The *Red Ape Reserve* and *Predators of the Serengeti* capital projects experienced delays due to City of Portland permitting, storm water management requirements and contracting challenges. The zoo will carry over the funding for both projects to the FY 2008-09 budget.

Planning

	Budget	Actual YTD	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	8,682,307	5,912,877	7,889,227	90.9%	89.6%
Materials and Services	13,163,942	3,144,514	5,518,954	41.9%	39.4%
Total Operating Expenditures	**21,846,249**	**9,057,391**	**13,408,181**	**61.4%**	**59.7%**
Total Debt Service	**517,763**	**517,763**	**517,763**	**100.0%**	**100.0%**
Total Capital Outlay	**50,000**	**0**	**0**	**0.0%**	**0.0%**
Total Expenditures	**$22,414,012**	**$9,575,154**	**$13,925,944**	**62.1%**	**59.6%**

Planning- Operating Expenditures by Month

shown in millions



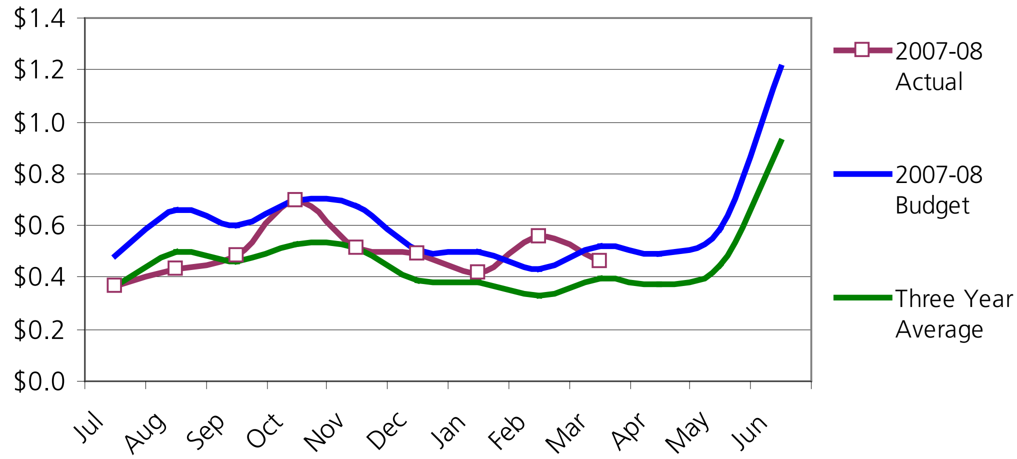
Planning Department personal services are projected to be below budget. Materials and services spending ties closely to grant funding, contractor billings, grant pass-throughs and Transit-Oriented Development program purchases and are expected to increase before year-end. Budgeted capital outlay is for pass-through grant funds for the bicycle parking structure at Portland State. This project is now expected to move into next fiscal year, and the funds will be carried over.

Regional Parks and Greenspaces (excluding Natural Areas)

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	3,674,130	2,706,359	3,582,277	97.5%	97.0%
Materials and Services	3,595,076	1,646,569	2,220,000	61.8%	65.4%
Total Operating Expenditures	**7,269,206**	**4,352,928**	**5,802,277**	**79.8%**	**79.6%**
Total Capital Outlay	**2,136,712**	**288,634**	**350,000**	**16.4%**	**48.5%**
Total Expenditures	**$9,405,918**	**$4,641,562**	**$6,152,277**	**65.4%**	**68.0%**

Regional Parks and Greenspaces (excluding Natural Areas)- Operating Expenditures by Month

shown in millions



Unpredictable winter weather caused planting delays at several Parks restoration projects, resulting in lower than expected materials and services spending. Additional underspending is due to the expenditures for the Multnomah Channel Basin Reconnection project, implemented by partner organizations, not being recorded until the end of the project.

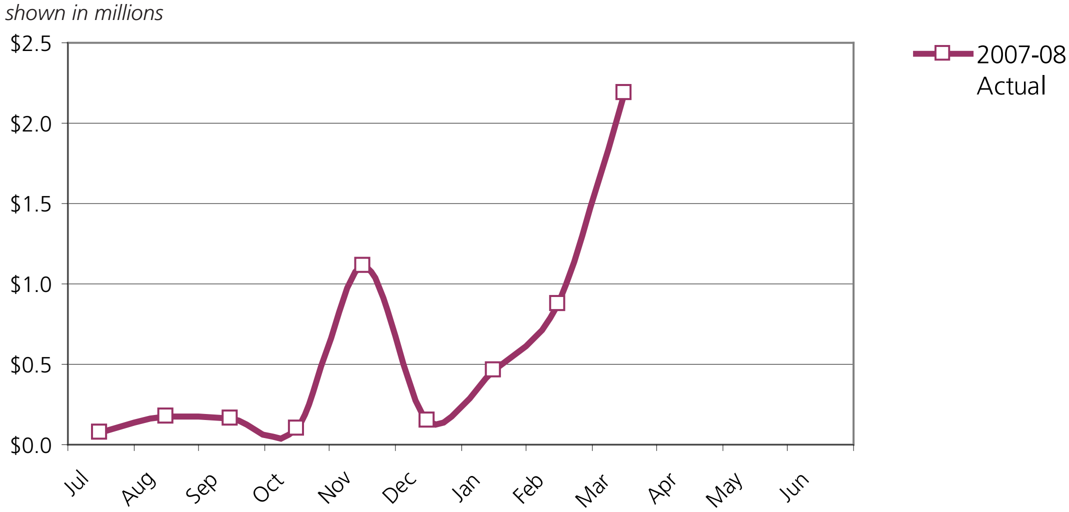
Capital outlay is projected to be much lower than budget. The Nature and Golf Learning Center at Blue Lake Park has been delayed by additional environmental review. A go/no-go decision on this project awaits the completion of a business plan and the identification of a funding source.

Regional Parks and Greenspaces - Natural Areas Program

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	1,302,290	757,210	1,267,723	97.3%	
Materials and Services	8,978,426	4,596,116	7,280,000	81.1%	
Total Operating Expenditures	**10,280,716**	**5,353,326**	**8,547,723**	**83.1%**	**N/A**
Total Capital Outlay	**39,428,902**	**20,415,229**	**26,200,000**	**66.4%**	**N/A**
Total Expenditures	**$49,709,618**	**$25,768,555**	**$34,747,723**	**69.9%**	**N/A**

Regional Parks and Greenspaces (Natural Areas Program)- Operating Expenditures by Month

shown in millions



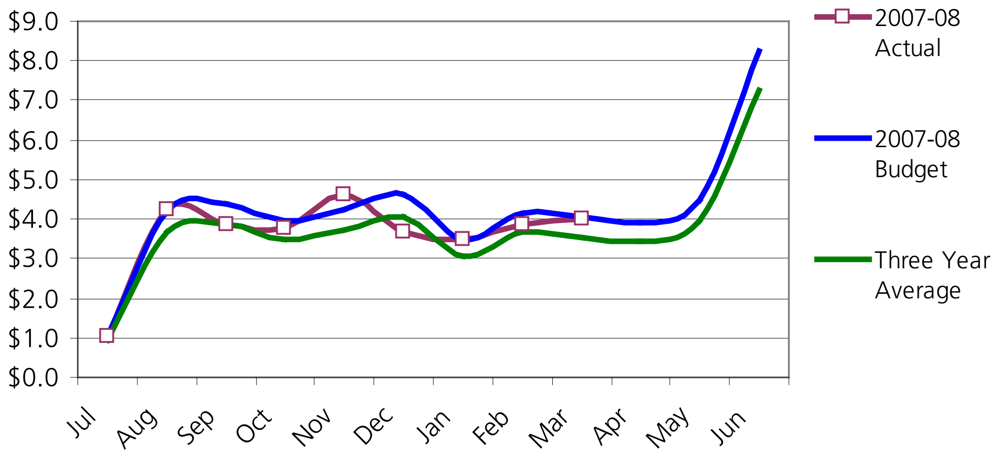
The Natural Areas expenditures table and charts do not include three-year averages, as the new Natural Areas program has not yet existed for three years.

Natural Areas materials and services saw spikes in November ($1.0 million), February ($0.4 million) and March ($2.1 million). Each spike represents a payment to a city under the Natural Area Local Share program. These payments are made on a reimbursement basis and are not predictable.

Solid Waste and Recycling

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	9,649,698	6,771,692	9,340,908	96.8%	95.8%
Materials and Services	41,194,526	25,698,621	41,113,672	99.8%	96.8%
Total Operating Expenditures	**50,844,224**	**32,470,313**	**50,454,580**	**99.2%**	**96.6%**
Total Debt Service	**1,335,513**	**1,335,513**	**1,335,513**	**100.0%**	**94.5%**
Total Capital Outlay	**2,607,900**	**213,164**	**1,605,000**	**61.5%**	**32.3%**
Total Expenditures	**$54,787,637**	**$34,018,990**	**$53,395,093**	**97.5%**	**92.8%**

Solid Waste and Recycling- Operating Expenditures by Month
shown in millions



During FY 2007-08 tonnage delivered to Metro facilities is expected to be 7.1 percent higher due to the a delay in the opening of a new private local transfer station assumed to divert about 40,000 tons from Metro transfer stations. On March 27, 2008, the Metro Council approved a $2.8 million budget amendment to provide appropriation authority from the Solid Waste Operating Contingency to pay the costs of station operation, transport and disposal for the additional tonnage. There is no financial impact on the Solid Waste Fund, as the revenue to pay these costs was collected from haulers when they delivered the additional tonnage. After the amendment, the year-end projection of materials and services is expected to track closely the budgeted amount and the historical average expenditures.

The department has spent only eight percent of its capital budget in the first three quarters because a large number of projects did not require the engineering services that would normally have been performed early in the year. Most of these projects are currently being bid or have contracts in process. A projected 62 percent of the capital budget will be spent by the end of the fiscal year.

EXPENDITURES– SUPPORT DEPARTMENTS

All Support Departments

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Yea Averag
Personal Services	12,716,887	8,632,346	11,718,999	92.2%	93.4%
Materials and Services	12,797,976	7,214,897	10,315,966	80.6%	85.8%
Total Operating Expenditures	**25,514,863**	**15,847,243**	**22,034,965**	**86.4%**	**89.4%**
Total Capital Outlay	**1,643,959**	**726,315**	**1,095,959**	**66.7%**	**88.7%**
Total Expenditures	**$27,158,822**	**$16,573,558**	**$23,130,924**	**85.2%**	**89.4%**

Council Office

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	1,740,265	1,212,755	1,652,354	94.9%	97.1%
Materials and Services	151,086	84,684	114,449	75.8%	55.4%
Total Operating Expenditures	**1,891,351**	**1,297,439**	**1,766,803**	**93.4%**	**92.1%**
Total Capital Outlay	**30,000**	**0**	**0**	**0.0%**	**0.0%**
Total Expenditures	**$1,921,351**	**$1,297,439**	**$1,766,803**	**92.0%**	**92.1%**

The capital outlay represents funding for furniture in the Council chambers. This project will be carried over to FY 2008-09; the funding will be combined with the overall 3rd-Floor remodel project in the Metro Capital Fund.

Office of the Auditor

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	497,103	313,273	427,800	86.1%	76.7%
Materials and Services	30,180	21,299	28,300	93.8%	137.3%
Total Expenditures	**$527,283**	**$334,572**	**$456,100**	**86.5%**	**81.7%**

Lower personal services expenditures reflect a mid-year vacancy. Other expenditures are as expected.

Office of the Metro Attorney

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	1,807,338	1,237,898	1,686,164	93.3%	93.8%
Materials and Services	58,900	44,903	55,620	94.4%	56.2%
Total Expenditures	**$1,866,238**	**$1,282,801**	**$1,741,784**	**93.3%**	**90.9%**

In FY 2006-07, OMA's materials and services budget was decreased to more closely match past expenditures. While the materials and services expenditures projection for year-end, as a percent of budget, is higher than the three-year average, in dollar terms, it is similar to past years.

Public Affairs and Government Relations

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	1,642,982	1,189,858	1,634,982	99.5%	97.1%
Materials and Services	271,978	133,803	230,349	84.7%	78.9%
Total Expenditures	**$1,914,960**	**$1,323,661**	**$1,865,331**	**97.4%**	**94.3%**

Budgeted personal services increased this quarter due to addition by amendment of three limited duration positions supporting Planning projects. Another amendment increased materials and services by $22,370 to provide FY 2007-08 appropriation for web re-design services completed in FY 2006-07 but billed in FY 2007-08.

Finance and Administrative Services

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	5,729,406	3,754,681	5,085,414	88.8%	92.5%
Materials and Services	2,425,686	1,208,742	2,092,417	86.3%	89.4%
Total Operating Expenditures	**8,155,092**	**4,963,423**	**7,177,831**	**88.0%**	**91.6%**
Total Capital Outlay	**1,613,959**	**726,315**	**1,095,959**	**67.9%**	**88.7%**
Total Expenditures	**$9,769,051**	**$5,689,738**	**$8,273,790**	**84.7%**	**91.3%**

Personal services expenditures are lower due to vacancies at the beginning of the fiscal year.

Human Resources

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	1,299,793	923,881	1,232,285	94.8%	97.1%
Materials and Services	337,211	182,346	294,991	87.5%	82.0%
Total Expenditures	**$1,637,004**	**$1,106,227**	**$1,527,276**	**93.3%**	**94.5%**

Projected year-end expenditures for Human Resources are as expected.

EXPENDITURES– NON-DEPARTMENTAL

Nature in Neighborhoods

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Personal Services	461,460	345,317	455,500	98.7%	126.8%
Materials and Services	1,349,672	213,065	400,000	29.6%	10.0%
Total Expenditures	**$1,811,132**	**$558,382**	**$855,500**	**47.2%**	**32.4%**

Materials and services expenditures are lower, as Nature in Neighborhoods grants are structured on a reimbursement basis and are not paid until completion. The FY 2008-09 approved budget will carry over the authorization for grants awarded but not paid.

Other Non-departmental

	Budget	Actual YTD	Year-end Projection	Year-end % of budget	3-Year Average
Materials and Services	3,378,750	1,465,227	3,177,776	94.1%	71.8%
Total Operating Expenditures	**3,378,750**	**1,465,227**	**3,177,776**	**94.1%**	**71.8%**
Total Debt Service	**36,598,698**	**22,585,921**	**36,598,698**	**100.0%**	**135.1%**
Total Capital Outlay	**1,587,959**	**408,993**	**875,459**	**55.1%**	**0.0%**
Total Expenditures	**$41,565,407**	**$24,460,142**	**$40,651,933**	**97.8%**	**121.3%**

Non-departmental special appropriation expenditures through the third quarter include the following:

- $ 1,239,195 of the $3 million budgeted for new construction excise tax concept planning grants to local governments. This is projected to be $2,765,365 by year-end.
- $ 17,240 of $20,000 in sponsorships.
- None of the $165,750 in primary election costs has been spent to date; the primary is in May 2008.

APPENDIX – Fund Tables

General Fund (consolidated), as of March 31, 2008

FY 2007–08

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 24,678,747**		**$ 24,678,747**	**$ 24,678,747**	
Program Revenues	42,647,905	5,783,216	20,248,532	32,791,657	76.9%
General Revenues	29,310,135	4,687,018	22,541,597	28,925,289	98.7%
Transfers	6,806,255	1,679,396	5,033,237	6,180,266	90.8%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**78,764,295**	**12,149,630**	**47,823,366**	**67,897,212**	**86.2%**
Total Resources	**$103,443,042**		**$72,502,113**	**$92,575,959**	
Requirements					
Operating Expenditures	74,075,573	14,700,330	43,003,254	63,037,076	85.1%
Debt Service	1,876,661	38,513	1,117,211	1,876,661	100.0%
Capital Outlay	555,169	289,947	349,498	539,000	97.1%
Interfund Transfers	11,653,221	6,842,841	10,048,054	10,964,965	94.1%
Contingency	7,383,196	-	-		0.0%
Subtotal Current Expenditures	**95,543,820**	**21,871,631**	**54,518,017**	**76,417,702**	**80.0%**
Unappropriated Balance	**7,899,222**		**17,984,096**	**16,158,257**	
Total Requirements	**$103,443,042**		**$72,502,113**	**$92,575,959**	

FY 2006–07

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 20,290,724**		**$ 25,882,188**	**$ 25,882,188**	
Program Revenues	43,914,219	6,487,609	22,177,441	30,660,221	69.8%
General Revenues	27,468,097	4,834,323	21,558,458	28,821,024	104.9%
Transfers	10,534,052	1,473,073	4,487,303	5,863,863	55.7%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	2,000	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	592,500	0.0%
Subtotal Current Revenues	**81,918,368**	**12,795,004**	**48,223,203**	**65,937,608**	**80.5%**
Total Resources	**$102,209,092**		**$74,105,391**	**$91,819,796**	
Requirements					
Operating Expenditures	79,102,477	12,984,018	39,324,083	56,202,244	71.0%
Debt Service	1,228,148	-	628,699	1,228,148	100.0%
Capital Outlay	7,319,044	1,858,508	2,187,126	395,764	5.4%
Interfund Transfers	7,803,692	1,610,124	4,890,443	6,192,892	79.4%
Contingency	2,773,189	-	-	-	0.0%
Subtotal Current Expenditures	**98,226,550**	**16,452,650**	**47,030,351**	**64,019,047**	**65.2%**
Unappropriated Balance	**3,982,542**		**27,075,040**	**27,800,749**	
Total Requirements	**$102,209,092**		**$74,105,391**	**$91,819,796**	

Metro Capital Fund, as of March 31, 2008

FY 2007–08

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 7,343,976**		**$ 7,343,976**	**$ 7,343,976**	
Program Revenues	3,819,764	355,434	1,466,202	2,180,000	57.1%
General Revenues	191,826	130,532	321,867	419,366	218.6%
Transfers	6,811,500	5,994,126	6,710,378	6,811,500	100.0%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**10,823,090**	**6,480,092**	**8,498,447**	**9,410,866**	**87.0%**
Total Resources	**$18,167,066**		**$15,842,423**	**$16,754,842**	
Requirements					
Operating Expenditures	866,071	55,334	322,981	430,641	49.7%
Debt Service	-	-	-		0.0%
Capital Outlay	7,785,959	682,307	1,467,473	2,667,959	34.3%
Interfund Transfers	29,750	-	-	29,750	100.0%
Contingency	2,492,529	-	-		0.0%
Subtotal Current Expenditures	**11,174,309**	**737,641**	**1,790,454**	**3,128,350**	**28.0%**
Unappropriated Balance	**6,992,757**		**14,051,968**	**13,626,492**	
Total Requirements	**$18,167,066**		**$15,842,423**	**$16,754,842**	

FY 2006–07

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 6,851,970**		**$ 7,039,133**	**$ 7,039,133**	
Program Revenues	6,061,000	888,444	944,022	1,553,682	25.6%
General Revenues	131,084	95,397	275,138	407,636	311.0%
Transfers	2,132,830	495,183	1,485,549	1,999,927	93.8%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	-	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	-	0.0%
Subtotal Current Revenues	**8,324,914**	**1,479,024**	**2,704,709**	**3,961,246**	**47.6%**
Total Resources	**$15,176,884**		**$9,743,842**	**$11,000,379**	
Requirements					
Operating Expenditures	697,561	78,572	208,369	368,268	52.8%
Debt Service	-	-	-	-	0.0%
Capital Outlay	10,972,000	550,883	1,686,834	2,158,951	19.7%
Interfund Transfers	11,955	-	-	-	0.0%
Contingency	2,617,030	-	-	-	0.0%
Subtotal Current Expenditures	**14,298,546**	**629,456**	**1,895,203**	**2,527,218**	**17.7%**
Unappropriated Balance	**878,338**		**7,848,639**	**8,473,161**	
Total Requirements	**$15,176,884**		**$9,743,842**	**$11,000,379**	

MERC Fund, as of March 31, 2008

FY 2007–08

	Adopted Budget	Actuals 3rd Quarter	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 17,955,833**	**$ 22,350,467**	**$ 22,350,467**	**$ 22,350,467**	
Program Revenues	28,503,945	22,395,894	22,395,894	29,902,037	104.9%
General Revenues	10,083,585	5,948,264	5,948,264	10,753,627	106.6%
Transfers	1,357,976	669,720	669,720	669,720	49.3%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**39,945,506**	**29,013,878**	**29,013,878**	**41,325,384**	**103.5%**
Total Resources	**$57,901,339**	**$51,364,345**	**$51,364,345**	**$63,675,851**	
Requirements					
Operating Expenditures	34,728,542	25,936,822	25,936,822	35,184,338	101.3%
Debt Service	18,352	18,349	18,349	18,349	100.0%
Capital Outlay	2,447,402	667,593	667,593	875,001	35.8%
Interfund Transfers	3,510,962	2,673,495	2,673,495	3,510,962	100.0%
Contingency	3,459,584				0.0%
Subtotal Current Expenditures	**44,164,842**	**29,296,259**	**29,296,259**	**39,588,650**	**89.6%**
Unappropriated Balance	**13,736,497**	**22,068,086**	**22,068,086**	**24,087,201**	
Total Requirements	**$57,901,339**	**$51,364,345**	**$51,364,345**	**$63,675,851**	

FY 2006–07

	Adopted Budget	Actuals 3rd Quarter	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 13,194,318**		**$ 15,120,074**	**$ 15,120,074**	
Program Revenues	26,895,491	13,227,199	20,988,175	27,212,239	101.2%
General Revenues	9,149,970	4,000,253	5,044,427	10,475,402	114.5%
Transfers		-	-	-	0.0%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	-	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	-	0.0%
Subtotal Current Revenues	**36,045,461**	**17,227,452**	**26,032,602**	**37,687,641**	**104.6%**
Total Resources	**$49,239,779**		**$41,152,676**	**$52,807,715**	
Requirements					
Operating Expenditures	32,078,210	15,588,411	23,753,313	32,045,418	99.9%
Debt Service	18,899	9,518	18,895	18,895	100.0%
Capital Outlay	40,000	27,798	27,798	27,798	69.5%
Interfund Transfers	6,088,876	1,210,225	1,801,282	3,646,065	59.9%
Contingency	1,109,037	-	-	-	0.0%
Subtotal Current Expenditures	**39,335,022**	**16,835,952**	**25,601,288**	**35,738,176**	**90.9%**
Unappropriated Balance	**9,904,757**		**15,551,388**	**17,069,539**	
Total Requirements	**$49,239,779**		**$41,152,676**	**$52,807,715**	

Natural Areas Fund, as of March 31, 2008

FY 2007–08

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 125,001,075**		**$ 125,001,075**	**$ 125,001,075**	
Program Revenues	-	-	27,380	27,380	0.0%
General Revenues	5,120,341	1,211,972	4,393,082	5,800,000	113.3%
Transfers	-	-	-		0.0%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**5,120,341**	**1,211,972**	**4,420,462**	**5,827,380**	**113.8%**
Total Resources	**$130,121,416**		**$129,421,537**	**$130,828,455**	
Requirements					
Operating Expenditures	9,998,490	3,543,409	5,350,298	8,542,723	85.4%
Debt Service	-	-	-		0.0%
Capital Outlay	39,428,902	1,726,204	20,414,998	26,200,000	66.4%
Interfund Transfers	911,496	227,610	692,548	911,496	100.0%
Contingency	15,395,924	-	-		0.0%
Subtotal Current Expenditures	**65,734,812**	**5,497,224**	**26,457,844**	**35,654,219**	**54.2%**
Unappropriated Balance	**64,386,604**		**102,963,693**	**95,174,236**	
Total Requirements	**$130,121,416**		**$129,421,537**	**$130,828,455**	

FY 2006–07

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance					
Program Revenues	-	-	-	10,000	0.0%
General Revenues	-	-	-	1,301,230	0.0%
Transfers	-	-	-	-	0.0%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	-	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	500,000	500,000	130,678,369	0.0%
Subtotal Current Revenues	**-**	**500,000**	**500,000**	**131,989,599**	**0.0%**
Total Resources	**$0**		**$500,000**	**$131,989,599**	
Requirements					
Operating Expenditures	-	26,042	26,042	1,585,706	0.0%
Debt Service	-	-	-	-	0.0%
Capital Outlay	-	-	-	8,043,455	0.0%
Interfund Transfers	-	-	-	60,971	0.0%
Contingency	-	-	-	-	0.0%
Subtotal Current Expenditures	**-**	**26,042**	**26,042**	**9,690,133**	**0.0%**
Unappropriated Balance	**-**		**473,958**	**122,299,467**	
Total Requirements	**$0**		**$500,000**	**$131,989,599**	

Open Spaces Fund, as of March 31, 2008

FY 2007–08

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 375,000**		**$ 400,390**	**$ 400,390**	
Program Revenues	200,000	-	-	50,000	25.0%
General Revenues	15,938	4,334	13,000	17,000	106.7%
Transfers	-	-	-		0.0%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**215,938**	**4,334**	**13,000**	**67,000**	**31.0%**
Total Resources	**$590,938**		**$413,390**	**$467,390**	
Requirements					
Operating Expenditures	282,226	2,056	3,028	4,100	1.5%
Debt Service	-	-	-		0.0%
Capital Outlay	308,712	-	231	308,712	100.0%
Interfund Transfers	-	-	-		0.0%
Contingency	-	-	-		0.0%
Subtotal Current Expenditures	**590,938**	**2,056**	**3,259**	**312,812**	**52.9%**
Unappropriated Balance	**-**		**410,131**	**154,578**	
Total Requirements	**$590,938**		**$413,390**	**$467,390**	

FY 2006–07

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 2,101,946**		**$ 2,112,538**	**$ 2,112,538**	
Program Revenues	225,000	-	3,476	3,476	1.5%
General Revenues	112,470	3,086	61,639	69,003	61.4%
Transfers	-	-	-	-	0.0%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	-	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	-	0.0%
Subtotal Current Revenues	**337,470**	**3,086**	**65,115**	**72,479**	**21.5%**
Total Resources	**$2,439,416**		**$2,177,653**	**$2,185,017**	
Requirements					
Operating Expenditures	337,461	21,388	87,011	122,798	36.4%
Debt Service	-	-	-	-	0.0%
Capital Outlay	1,525,000	120,024	1,358,614	1,360,114	89.2%
Interfund Transfers	464,797	81,034	256,640	301,716	64.9%
Contingency	112,158	-	-	-	0.0%
Subtotal Current Expenditures	**2,439,416**	**222,446**	**1,702,265**	**1,784,628**	**73.2%**
Unappropriated Balance	**-**		**475,388**	**400,389**	
Total Requirements	**$2,439,416**		**$2,177,653**	**$2,185,017**	

Risk Management Fund, as of March 31, 2008

FY 2007–08

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 723,562**	**$ 753,562**	**$ 753,562**	**$ 753,562**	
Program Revenues	7,372,452	1,522,933	4,613,115	6,150,820	83.4%
General Revenues	300,126	93,540	267,217	323,467	107.8%
Transfers	1,722,340	287,059	1,435,294	1,722,340	100.0%
Employee 401K Contributions	-	-	-		0.0%
Special Items	-	-	-		0.0%
Extraordinary Items	-	-	-		0.0%
Other Financing Sources	-	-	-		0.0%
Subtotal Current Revenues	**9,394,918**	**1,903,532**	**6,315,626**	**8,196,627**	**87.2%**
Total Resources	**$10,118,480**		**$7,069,188**	**$8,950,189**	
Requirements					
Operating Expenditures	9,675,319	1,766,769	5,652,962	7,653,920	79.1%
Debt Service	-	-	-		0.0%
Capital Outlay	-	-	-		0.0%
Interfund Transfers	-	-	-		0.0%
Contingency	424,362	-	-		0.0%
Subtotal Current Expenditures	**10,099,681**	**1,766,769**	**5,652,962**	**7,653,920**	**75.8%**
Unappropriated Balance	**18,799**		**1,416,227**	**1,296,269**	
Total Requirements	**$10,118,480**		**$7,069,188**	**$8,950,189**	

FY 2006–07

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 244,911**		**$ 342,551**	**$ 342,551**	
Program Revenues	6,700,928	1,444,085	3,148,556	5,964,279	89.0%
General Revenues	241,069	90,006	255,273	390,574	162.0%
Transfers	1,803,000	221,337	1,581,674	1,803,001	100.0%
Employee 401K Contributions	-	-	-	-	0.0%
Special Items	-	-	-	-	0.0%
Extraordinary Items	-	-	-	-	0.0%
Other Financing Sources	-	-	-	-	0.0%
Subtotal Current Revenues	**8,744,997**	**1,755,428**	**4,985,502**	**8,157,854**	**93.3%**
Total Resources	**$8,989,908**		**$5,328,053**	**$8,500,405**	
Requirements					
Operating Expenditures	8,823,986	1,738,363	4,130,540	7,399,269	83.9%
Debt Service	-	-	-	-	0.0%
Capital Outlay	-	-	-	-	0.0%
Interfund Transfers	37,599	-	-	-	0.0%
Contingency	128,323	-	-	-	0.0%
Subtotal Current Expenditures	**8,989,908**	**1,738,363**	**4,130,540**	**7,399,269**	**82.3%**
Unappropriated Balance	**-**		**1,197,513**	**1,101,136**	
Total Requirements	**$8,989,908**		**$5,328,053**	**$8,500,405**	

Solid Waste Revenue Fund, as of March 31, 2008

FY 2007–08

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Projection	% Budget
Resources					
Beginning Fund Balance	**$ 39,804,897**	**$ 42,152,577**	**$ 42,152,577**	**$ 42,152,577**	
Program Revenues	$ 53,233,336	$ 12,399,837	$ 38,990,685	$ 54,704,097	102.8%
General Revenues	$ 1,630,600	$ 442,729	$ 1,357,847	$ 1,770,916	108.6%
Transfers	$ 42,395		$ 13,000	$ 42,395	100.0%
Employee 401K Contributions					0.0%
Special Items			$ 5,000	$ 5,000	0.0%
Extraordinary Items					0.0%
Other Financing Sources					0.0%
Subtotal Current Revenues	**54,906,331**	**12,842,566**	**40,366,533**	**56,522,408**	**102.9%**
Total Resources	**$94,711,228**		**$82,519,110**	**$98,674,985**	
Requirements					
Operating Expenditures	$ 50,338,856	$ 11,222,515	$ 32,233,646	50,030,066	99.4%
Debt Service	$ 1,335,513	$ 54,481	$ 1,335,513	1,335,513	100.0%
Capital Outlay	$ 2,607,900	$ 84,217	$ 213,164	1,605,000	61.5%
Interfund Transfers	$ 4,781,912	$ 1,157,982	$ 3,432,655	4,781,912	100.0%
Contingency	$ 18,439,612			18,439,612	100.0%
Subtotal Current Expenditures	**77,503,793**	**12,519,195**	**37,214,978**	**76,192,103**	**98.3%**
Unappropriated Balance	**17,207,435**		**45,304,132**	**22,482,882**	
Total Requirements	**$94,711,228**		**$82,519,110**	**$98,674,985**	

FY 2006–07

	Adopted Budget	Actuals 3rd Qtr	YTD Actuals	June 30 Actuals	% Budget
Resources					
Beginning Fund Balance	**$ 37,603,884**		**$ 40,492,488**	**$ 40,492,488**	
Program Revenues	$ 53,662,649	$ 12,297,270	$ 39,054,871	$ 54,118,469	100.8%
General Revenues	$ 1,391,749	$ 502,182	$ 1,429,889	$ 2,074,614	149.1%
Transfers	$ 1,580,015			$ 30,015	1.9%
Employee 401K Contributions					0.0%
Special Items					0.0%
Extraordinary Items					0.0%
Other Financing Sources					0.0%
Subtotal Current Revenues	**56,634,413**	**12,799,452**	**40,484,760**	**56,223,098**	**99.3%**
Total Resources	**$94,238,297**		**$80,977,248**	**$96,715,586**	
Requirements					
Operating Expenditures	$ 48,004,493	$ 10,995,046	$ 31,510,968	$ 46,604,258	97.1%
Debt Service	$ 2,348,013	$ 1,126,031	$ 2,348,013	$ 2,348,013	100.0%
Capital Outlay	$ 3,019,000	$ 237,629	$ 959,680	$ 1,117,742	37.0%
Interfund Transfers	$ 6,465,869	$ 1,066,995	$ 3,332,067	$ 4,492,996	69.5%
Contingency	$ 15,908,078				0.0%
Subtotal Current Expenditures	**75,745,453**	**13,425,701**	**38,150,727**	**54,563,009**	**72.0%**
Unappropriated Balance	**18,492,844**		**42,826,521**	**42,152,577**	
Total Requirements	**$94,238,297**		**$80,977,248**	**$96,715,586**	

Excise Tax Annual Forecast, as of March 31, 2008

Total Excise Tax Collections, 7.5% Excise Tax

Facility/Function	FY 2007-08 Budget	Revised Annual Forecast	Difference	% Difference
Oregon Zoo	1,131,278	1,144,354	13,076	1.16%
Oregon Convention Center	1,084,166	1,240,004	155,838	14.37%
Regional Parks	184,736	205,317	20,581	11.14%
Expo Center	437,125	465,964	28,839	6.60%
Planning Fund	16,800	16,393	(407)	-2.42%
Building Management	43,683	43,011	(672)	-1.54%
Total Year to Date	**2,897,788**	**3,115,042**	**217,254**	**7.50%**
Solid Waste Per Ton Excise Tax				
Solid Waste and Recycling Metro Facilities	4,624,732	4,995,473	370,741	8.02%
Solid Waste and Recycling Non Metro Facilities	7,154,676	6,556,115	(598,560)	-8.37%
Total Solid Waste Per Ton Excise Tax	**11,779,408**	**11,551,588**	**(227,820)**	**-1.93%**
Grand Total Excise Tax	**$14,677,196**	**$14,666,631**		

Solid Waste Excise Tax Distribution

Facility/Function	FY 2007-08 Budget	Revised Annual Forecast	Difference	% Difference
Total Solid Waste Per Ton Excise Tax	11,779,408	11,551,588	(227,820)	
Solid Waste General by Code	6,672,634	6,672,634	-	0.00%
Other Solid Waste Tax				
Regional Parks and Greenspaces	3,348,599	3,348,599	-	0.00%
MTOCA	669,720	669,720	-	0.00%
Renewal and Replacement	519,618	519,618	-	0.00%
Excise Tax Credits	201,540	169,294	(32,246)	-16.00%
Total Tax Allocated	11,412,111	11,379,865	(32,246)	
Transfer to Recovery Rate Stabilization Res.	**$367,297**	**$171,723**	**($195,574)**	**-53.25%**

Projected Recovery Rate Stabilization Reserve Balance

Projected FY2007-08 Contribution	$	171,723
Projected FY 2007-08 Ending Balance	$	2,060,017
Transferred	$	1,395,000
Projected Balance in RRSR 7-1-08	$	665,017
Allowed Balance (10% of Prior Two Years Metro Total ET)	$	2,907,797

Assumptions:
Split between Metro and Non Metro is based on budgeted tonnage.
Non Metro tonnage includes Petroleum Contaminated Soil (PCS) (PCS is $1 per ton) and Outside of Metro Tonnage disposed at Metro sites.
This projection for Non Metro is based on tonnage rather than collections.
OCC and Expo Center use budgeted numbers for March, as actual actual figures were not available until after month-end.
Building Management is budget for March as payment for parking was not received until April.

Agenda Item Number 2.0

PERFORMANCE MEASUREMENT AND COUNCIL GOALS

Metro Council Work Session
Tuesday, May 20, 2008
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: __May 20, 2008__ Time: __2:45 pm__ Length: __30 minutes__

Presentation Title: __Performance Measure and Council Goals Update__

Department: __Office of the COO__

Presenters: __Jeff Tucker and Michael Jordan__

ISSUE & BACKGROUND

This is one of a series of meetings with the Council to discuss the agency's Performance Measurement System. This work session will focus on Critical Success Factor measures and the baseline data being collected for them.

Updated measures and historical data will be provided to the councilors at the work session. Councilors will also be provided a comparative chart for discussion of Council Goals, scheduled for discussion at work session on June 10.

OPTIONS AVAILABLE

N/A

IMPLICATIONS AND SUGGESTIONS

It is suggested that the Council accept the list of Critical Success Factors to be used by the agency within the Performance Measurement System, with suggested additions, deletions and changes from councilors during the work session incorporated into the list.

QUESTION(S) PRESENTED FOR CONSIDERATION

Shall Metro use the list of performance measures as its Critical Success Factor measures for the next fiscal year?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __Yes _X_No
DRAFT IS ATTACHED ___Yes ___No

Agenda Item Number 4.0

MILWAUKIE SUPPLEMENTAL DRAFT ENVIRONMENTAL IMPACT STATEMENT

Metro Council Work Session
Tuesday, May 20, 2008
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: May 20, 2008 Time: 3:20 Length: 1 hr total – 15 min. presentation

Presentation Title: Portland to Milwaukie Light Rail – Supplemental Draft Environmental Impact Statement

Department: Planning

Presenters: Richard Brandman and Bridget Weighart

ISSUE & BACKGROUND

In 2003, the Metro Council, after coordination with its project partners, approved a Locally Preferred Alternative (LPA) for the Portland to Milwaukie Light Rail Project. This 2003 LPA included light rail as the preferred transit mode and an alignment that included service to Lake Avenue in Milwaukie.

However, the City of Milwaukie had several concerns noted at the time of LPA adoption, including the impact of the 2003 LPA LRT alignment to the Milwaukie Industrial Area. Metro and TriMet worked with the industrial users and identified a Tillamook Branch alignment option. There was also interest in extending the terminus south to Park Avenue. Further, development within the Portland South Waterfront, including a OHSU facility, new residential towers and an aerial tram to the Marquam Hill OHSU facilities were completed. In addition, the Federal Transit Administration (FTA) will only consider projects for New Starts applications when the draft environmental impact statement is no more than three years old.

Accordingly, a new Supplemental Draft Environmental Impact Statement (SDEIS) has been produced by the FTA, Metro and TriMet. The SDEIS may be found on Metro's web site, and paper copies of the executive summary or full SDEIS may be obtained from the Metro Planning Department. A compact disk containing the full SDEIS may also be obtained from Planning.

A 45-day comment period began on May 9 and ends a noon on June 23, 2008. Four open houses are scheduled May 21, 22, 27 and 28 and a public hearing before the Steering Committee is scheduled June 9. All project details may be found at: http://www.oregonmetro.gov/index.cfm/go/by.web/id=223.

Once public comments are gathered and considered with the impacts and potential mitigation measures identified in the SDEIS, project partners and then the Metro Council may consider a new LPA. Approval of an LPA would allow the project to apply for New Starts funding rating and begin preliminary engineering and preparation of a Final Environmental Impact Statement (FEIS). The FTA would then issue a Record of Decision and a full funding agreement could be considered by the FTA and construction could commence.

OPTIONS AVAILABLE
There are three major LRT alignment options that the Metro Council is being asked to consider. These include:

- Preferred Willamette River Crossing? (see attached Willamette River Partnership Recommendation)
- 2003 LPA (McLoughlin Boulevard) or Tillamook alignment in Milwaukie?
- Lake Road or Park Avenue southern terminus?

In addition, while federal funds (up to $750 million) and state funds ($250 million) have been identified, there are local matching funds that need to be secured. Staff will provide Metro Council with an update of financing plan issues and possible solution options.

IMPLICATIONS AND SUGGESTIONS

The Metro Council discussion will help initiate the formation of a draft locally preferred alternative that would determine the alignment and features of the proposed transit project.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. Is there additional information that the Metro Council needs concerning the Willamette River Crossing options?

2. Are there issues concerning the project that have not yet been addressed?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION _x_Yes __No
DRAFT IS ATTACHED ___Yes _x__No (Staff will develop a resolution for Metro Council consideration once further discussion of a possible locally preferred alternative has been advanced.)

RECOMMENDATION OF CHAIR VERA KATZ
WILLAMETTE RIVER CROSSING PARTNERSHIP

To: **Willamette River Crossing Partnership**

From: **Chair Vera Katz**

Re: **Recommendation**

For the last nine months, I have been privileged to lead your committee as we explored the technical and policy questions regarding the Portland to Milwaukie Light Rail Project and the options for a river crossing alignment. Working with TriMet, Metro, and the City of Portland, I have developed a draft recommendation for a preferred river crossing alignment. At our next meeting on May 1, I will be asking for your concurrence in this recommendation. The committee's recommendation will then be forwarded to Mayor Potter and Commissioner Adams in accordance with our charge.

My draft recommendation addresses both location and design issues. Concurrence in these issues will allow TriMet to pursue refinements of the design in collaboration with Metro, property owners, and the City of Portland (the City).

BACKGROUND

1. The Portland to Milwaukie Light Rail Project (Project) is an undertaking of TriMet, Metro, ODOT, Clackamas County, and the cities of Portland and Milwaukie to extend light rail from downtown Portland to downtown Milwaukie in Clackamas County. The Project is an outgrowth of the 1998 South/North Transit Corridor Project that would have connected Clackamas County to Vancouver, Washington. In 2003, Metro adopted a revised Locally Preferred Alternative (LPA) from downtown Portland to Milwaukie. The current Project updates and continues concept design and environmental analysis from 2003. Included in the 2003 LPA is a river crossing alignment from the south side of the Oregon Museum of Science and Industry (OMSI) main building to SW River Parkway.

2. In August 2007, Metro initiated a work program to prepare a Supplemental Draft Environmental Impact Statement (SDEIS) for the Project. The SDEIS updates existing environmental information for the corridor and evaluates impacts of the proposed alignment, including a new bridge across the Willamette. The analysis includes, but is not limited to, impacts to land use, transportation, natural resources, and views. The SDEIS is scheduled to be published in early May. At the conclusion of public comment, Metro, with the advice of the City and other jurisdictions, will select a new Locally Preferred Alternative (LPA) for the Project.

3. Since the adoption of the 2003 LPA, there have been substantial changes in land uses and transportation, particularly in the South Waterfront District. Several residential condominium towers are complete or under construction. The Oregon Health and Science University (OHSU) has completed a large office and research facility. A new aerial tram now connects OHSU's main campus to the South

Waterfront District. The Portland Streetcar has been extended to SW Lowell. Through donation, OHSU has acquired 19 acres between the Ross Island and Marquam Bridges and is planning significant new development there on the Schnitzer OHSU Campus. ZRZ has initiated development planning for the Zidell properties, including environmental cleanup. On the east side of the river, OMSI has acquired six blocks immediately south of its existing building. OMSI is preparing a master plan that would incorporate streetcar, light rail, and proposed relocation of SE Water Avenue. The Portland Opera also owns a development site immediately to the east of its office and rehearsal space. The zoning in this area permits some mixed-use development. The Portland Streetcar Loop Project is entering the final engineering phase of development and would add a streetcar to Martin Luther King Jr. Boulevard and Grand Avenue. The Loop project will include a temporary terminus near OMSI, with the intent of utilizing the new river crossing to connect to the streetcar in South Waterfront.

4. Metro, TriMet, and the City developed four river crossing alignment options located south of the 2003 LPA bridge alignment. The options would serve the west side along SW Porter or SW Meade Streets, and the east side along either SE Caruthers Street or the former SE Sherman Street right-of-way, just north of the Portland Opera building.

5. A new bridge may affect navigation of the Willamette River. TriMet and Metro are working with river users to determine the extent of the effects. TriMet has consulted with the Coast Guard for guidance on bridge height requirements, and a river users survey has been conducted. TriMet has conducted one work session to learn more about the needs of river users and the impacts of height options on property owners on both sides of the river.

6. A river crossing south of the LPA will better serve existing and future development in the South Waterfront District and will advance Portland's development of a Science and Technology Quarter that spans the river and connects OMSI and OHSU, as well as connecting to Portland Community College (PCC) and Portland State University (PSU). A new bridge over the Willamette River will be required and will be configured to serve light rail, streetcar, buses, bicycles, and pedestrians. Entry and exit points for each of these modes will be designed for both sides of the river.

7. In August 2007, the City, TriMet, and Metro joined together to form the Willamette River Crossing Partnership Committee (the Partnership Committee). City participants include the Bureau of Planning, the Portland Office of Transportation, the Portland Development Commission, and the Bureau of Parks and Recreation. The Partnership Committee also includes representatives of property owners and neighborhood associations. The formal charge to the Partnership Committee is to provide advice to Commissioner Adams and Mayor Potter on the location and design of the river crossing and related issues, such as the street network and the Greenway. The Partnership Committee was also asked to consider strategies to support the timely completion of the Portland to Milwaukie Light Rail Project and public/private investments in South Waterfront

and the OMSI subarea of the Central Eastside. The membership of the Partnership Committee is listed in Exhibit E.

8. The full Partnership Committee met four times between August 2007 and May 2008. During this time, City, TriMet, and Metro staff worked to refine alignment design options including street locations, bridge height, costs, ridership, and many other issues. At each meeting, the Partnership Committee was briefed on these issues. Comments from committee members were instrumental in shaping the design options and the preliminary concept design for the alignment as set forth in this recommendation.

9. In addition to meetings of the full Partnership Committee, several work sessions were conducted with property owners and agency staff. These work sessions provided the opportunity to integrate information on planned development activities by OMSI, the Portland Opera, OHSU, and Zidell with the design of the crossing alignment. City, TriMet, and Metro staff participated in each of the work sessions.

RECOMMENDATION

1. The river crossing alignment preferred by the Partnership Committee is set forth in Exhibit A. Beginning on the east side, the alignment is near the former SE Sherman Street right-of-way just north of the Portland Opera properties. A station would be located between the relocated SE Water Avenue and its existing, unrelocated right-of-way. The station location is illustrated in Exhibit D. The alignment would cross the river and land at a point on the west side just north of the property line between OHSU and Zidell. A station would be located on a site that is just south of the current property boundary, between SW Moody Avenue and the future SW Bond Avenue. The station is illustrated in Exhibit C. The station footprints, streetcar connections, pedestrian connections, and bicycle connections are all preliminary and will be refined in later phases.

2. OHSU and Zidell have reached a tentative agreement on a property exchange. The alignment of the Project relative to the existing property line has been referred to as the "bow tie" during the Partnership Committee's deliberations. The preferred preliminary concept design is not dependent on the property exchange; however, it would facilitate the efficient use of the land adjacent to the alignment. This property exchange is conceptually depicted in Exhibit B.

3. On the west side, it is anticipated that the finished elevation would be increased throughout the OHSU campus and portions of the Zidell properties. This change would address the need to cap contaminated soils and may facilitate the development of underground parking. For purposes of the next phase of design work, TriMet will assume a finished grade elevation of 12 to 14 feet at the bridge landing point. Additional discussions among property owners, the City, and TriMet will be required to refine the finished grade assumptions and address associated cost issues as design progresses over the next year.

4. The Partnership Committee recognizes that the Willamette River Greenway is a high priority for the community. On both the east and west sides, the bridge must connect to the Greenway Trail in a safe and sensitive manner. On the west side, the location of bridge abutments and the bridge landing point will necessitate reconsideration of the accepted South Waterfront Greenway Development Plan. It is important to maintain the essential functions provided in the current design. Some project resources may be available to support design work related to the Greenway Park and Trail on both sides.

5. The Partnership Committee encourages the Bureau of Planning to evaluate the current zoning near the proposed SE Sherman Street station. The current designations may not facilitate mixed-use development at the densities desired next to a light rail station.

6. The Project will impact property ownerships on both sides of the river. To the maximum extent possible, the conversion of existing ownerships to public use should be avoided in order to help preserve the financial capacity of the districts to support the Project.

7. The Partnership Committee believes the following design principles should guide further design efforts for the bridge structure, the transit alignment on land, streets, greenway, and open space:

   Bridge
   - Provide a bridge and bridge approaches that provide adequate horizontal and vertical navigation clearance for vessels. The minimum vertical clearance is believed to be in the range of 75 feet above Columbia River Datum (CRC) +0.00. The proposed vertical and horizontal clearances will be addressed by TriMet with the help of river users during the next phase of design. The height of the bridge is subject to approval by the Coast Guard, which considers the needs of all river users.
   - Provide a profile for pedestrian accessibility that complies with the Americans With Disabilities Act (ADA).
   - Develop a bridgehead that is integrated with the landscape of the Greenway and provides a good, complementary pedestrian environment for abutting buildings.
   - Construct a bridge that strives to avoid, minimize, or mitigate its environmental impact on the Willamette River, its banks, and its fisheries.
   - Construct a bridge that is visually sensitive to the built and natural contexts.
   - Construct a bridge that is worthy of becoming a Portland icon with respect to looking at it, being near it, and being on it.
   - Provide a bridge that serves all modes of transportation, except vehicles, and functions to connect the Science and Technology Quarter that will develop on both sides of the river.
   - In the design of the bridge, apply low impact development standards and best practices, including in the management of stormwater runoff.

Greenway/ Open Space

- Ensure that the functional purpose of the Greenway Park in this area is achieved and that the minimum Greenway setback is 100 feet from the "2002 Top of Bank" line.
- Develop a complementary aesthetic and ecological relationship between the Greenway and the bridge.
- Develop bridge landings that accommodate grade-separated Greenway path crossings as well as facilitate good linkages to other existing paths and sidewalks.

Streets and Access

- Provide rights-of-way that efficiently accommodate transit (LRT, streetcar, and bus), while maintaining flexibility for future changes in technology and operations.
- Develop SW Moody Avenue and SW Bond Avenue/River Parkway as a couplet (SW Moody will initially be a two-way street but will phase into a couplet as the district develops) with capacity and configuration consistent with the capacities to the north and south. Develop SW Moody Avenue and SW Bond Avenue/River Parkway to accommodate the streetcar. It is anticipated that SW Moody will eventually be relocated to the west and at a higher grade than its current location.
- Develop an east-west local street plan in conjunction with the OHSU Master Plan and ZRZ Development Plan.
- Amend the South Waterfront Street Plan to support the preferred alignment.
- Aspire to realign SE Water Avenue to improve pedestrian and bicycle safety, implement the OMSI Master Plan, and improve freight mobility.
- Integrate LRT with OMSI's Master Plan, realignment of SE Water Avenue, the Portland Streetcar Loop Project, and Oregon Rail Heritage Foundation Museum.
- Develop a revised circulation plan to incorporate the realignment of SE Water Avenue, the Greenway/Springwater Corridor access, and local circulation.

Land Use

- Promote land use patterns that support the Central City Plan and South Waterfront Plan.
- Effectively nurture the development of the vision for a Portland Science and Technology Quarter that connects OMSI, OHSU, PCC, and PSU.
- Support OMSI and OHSU master plans.
- Support future development plans for ZRZ, Portland Opera, and other adjacent properties.
- Support the future Oregon Rail Heritage Foundation Museum.

Environmental

- Meet all NEPA requirements.
- Be designed to avoid or minimize impacts on water and habitat resources.
- Aspire to apply innovative stormwater management techniques.
- Use construction practices that are appropriate for sensitive environmental areas.

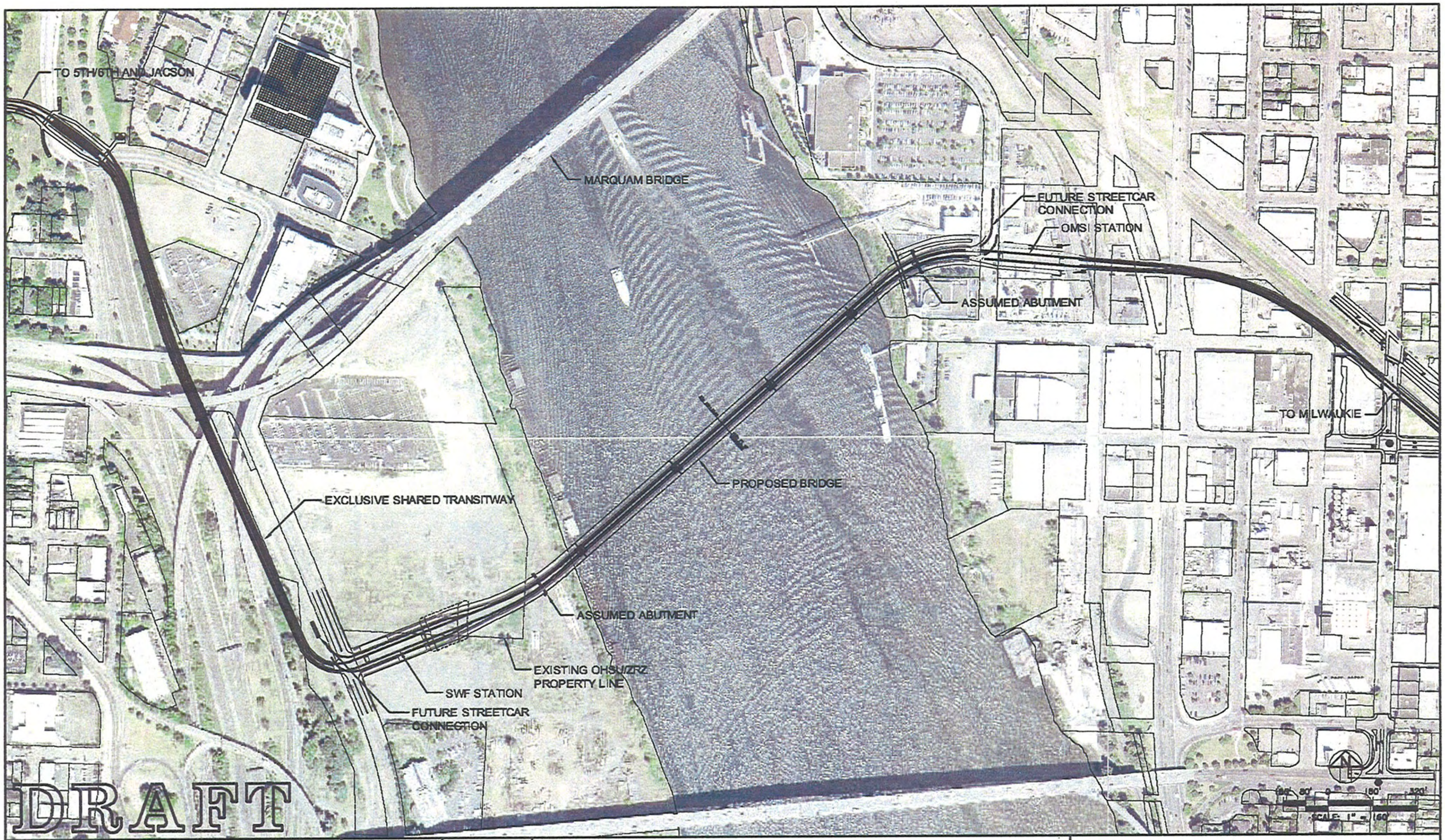
Phasing

- Prepare a preliminary phasing concept plan for streets, parks, LRT, streetcar, pedestrian, and bicycle facilities as part of Preliminary Engineering and to be refined as part of Final Engineering.
- Address the following phasing issues:
    1. Construction of LRT with OHSU's development plans.
    2. Construction of LRT with the phasing of SW Moody and Bond Avenues.
    3. Construction of LRT with the phasing of the Greenway improvements.
    4. Construction of LRT with the phasing of street improvements with ZRZ Development Plan.
    5. Construction of LRT with OMSI's development plans.
    6. Construction of LRT with realignment of SE Water Avenue.
    7. Development of construction mitigation plans with the phased improvements of infrastructure and development.
- Develop a preliminary financing plan for the phased improvements.

8. The Partnership Committee expresses its support for the Portland to Milwaukie Light Rail Project and recognizes that the list of issues and improvements included in this recommendation include many shared responsibilities between partners. The Partnership Committee encourages all parties to acknowledge and agree to participate collaboratively in future additional design work required to address detailed issues, as outlined above.

9. Additional design work will be required by TriMet, the City, and property owners to refine details of the horizontal and vertical alignment design, street plans, interface with the Greenway, utility placement, station location, and other issues. Because of the complexity of these items and the interrelationship of the landward design elements with the bridge, the Partnership Committee recommends that the Committee continue to meet occasionally through the completion of the next phase of bridge design. In addition, the Committee recommends the formation of a Bridge Design Advisory Committee. The committee would provide advice on bridge design and cost issues. The committee should be formed by TriMet, Metro, and the City in consultation with property owners.

Exhibit List



TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON

TRI MET
CAPITAL PROJECTS AND FACILITIES DIVISION
710 N.E. HOLLADAY STREET
PORTLAND, OREGON 97232

TRIMET
MILWAUKIE LIGHT RAIL
SEGMENT A - OPTION B5
MOST SUPPORTED ALIGNMENT
MOU EXHIBIT A

NO.	DATE	BY	CHK	APPD.	REVISIONS

DESIGNED	DATE
DRAWN	DATE
CHECKED	DATE
APPROVED	DATE

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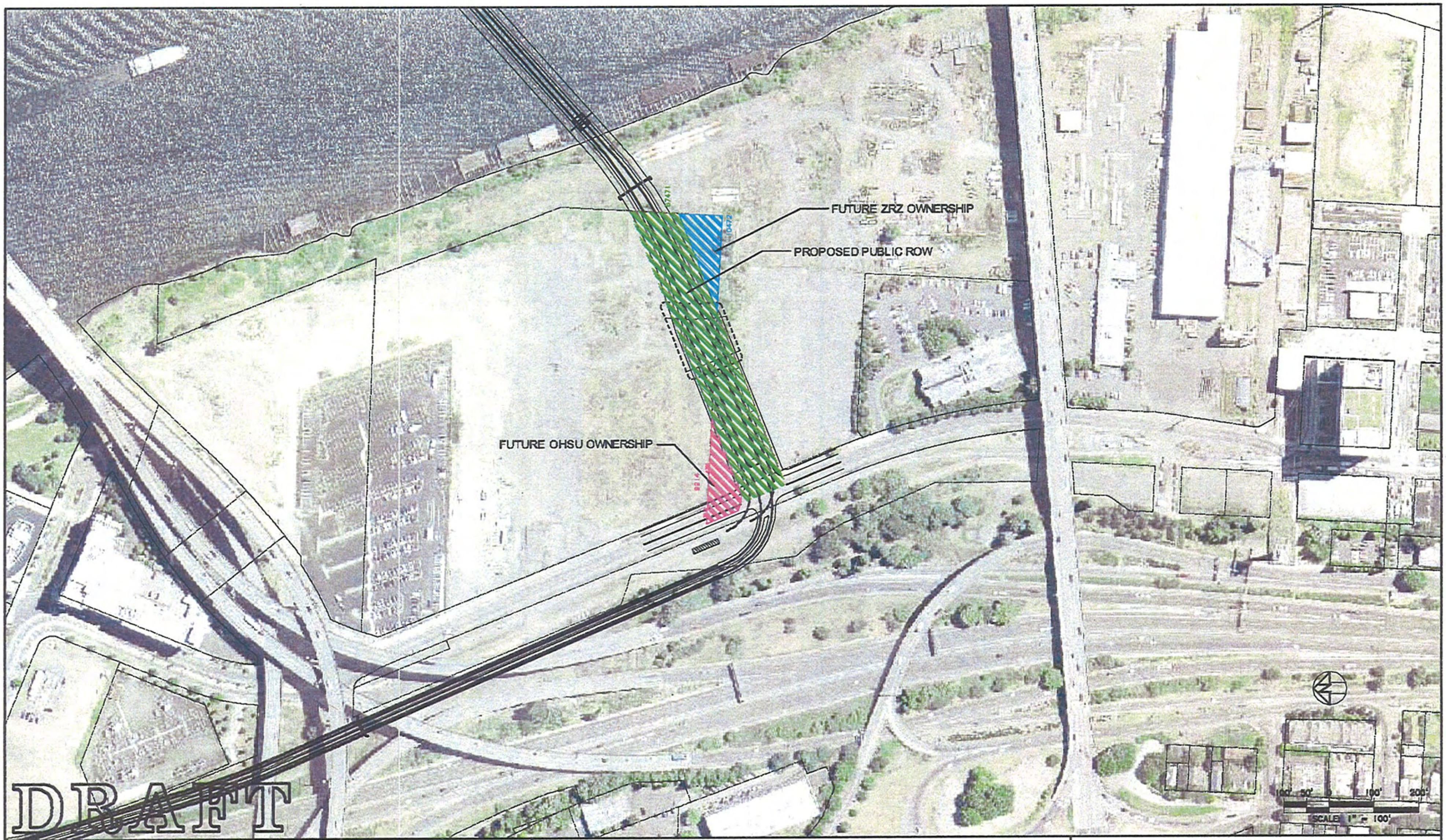

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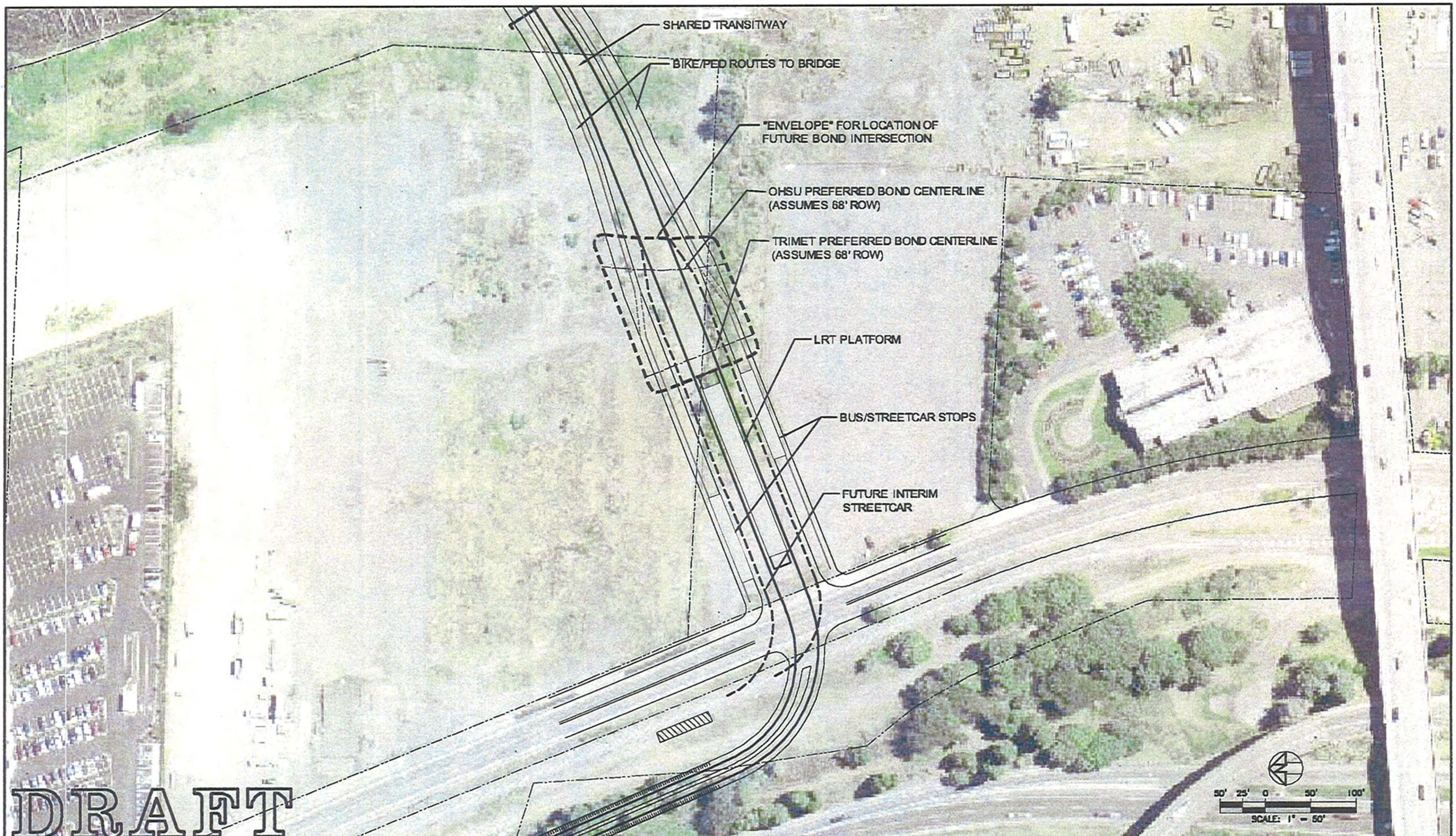

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TRIMET
MILWAUKIE LIGHT RAIL
SEGMENT A - OPTION B5
MOST SUPPORTED ALIGNMENT
MOU EXHIBIT C

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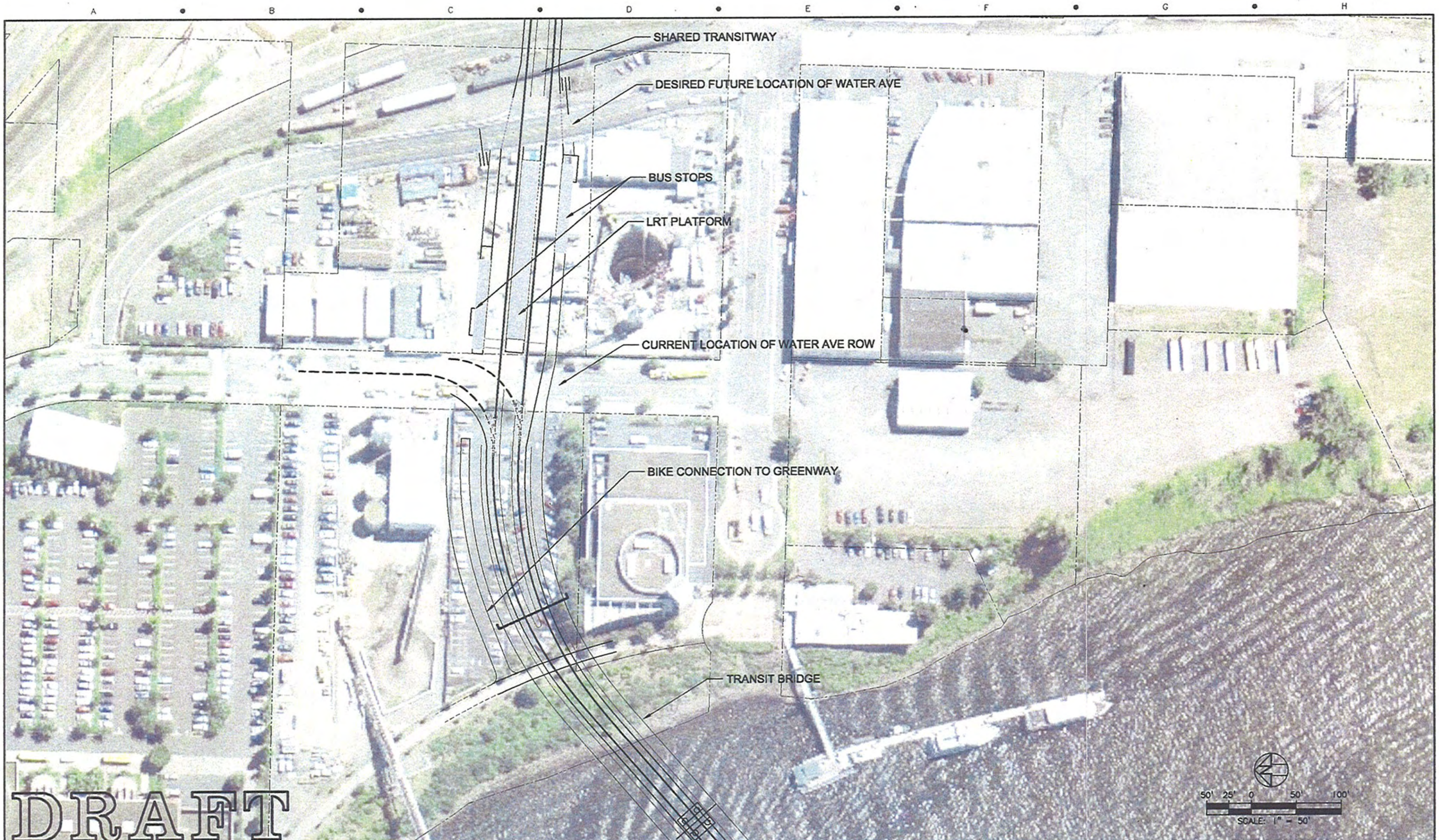

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SEGMENT A – OPTION B5
MOST SUPPORTED ALIGNMENT
MOU EXHIBIT D

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EXHIBIT E

WILLAMETTE RIVER CROSSING PARTNERSHIP COMMITTEE MEMBERS

Vera Katz
Chair
Willamette River Crossing Partnership

Richard Brandman
Deputy Planning Director
Metro

Kurt Bruun
Lorentz Bruun Construction (LBC)

Bob Durgan
Vice President, Development Services
Andersen Construction, Inc.

Jim Gardner
South Portland Neighborhood Association

Sue Keil
Director
Portland Office of Transportation

Gil Kelley
Director
Portland Bureau of Planning

Wayne Kingsley
Portland Spirit

Pat Lacrosse
Oregon Museum of Science & Industry

Ken Love
President
South Portland Neighborhood Association

Dean Marriot
Director
Bureau of Environmental Services

Christopher Mattaliano
General Director
Portland Opera

Rod McDowell
Vice President; Facility Services
Oregon Museum of Science & Industry

Neil McFarlane
Executive Director, Capital Projects
TriMet

Valeria Ramirez
Director of Business Operations
Portland Opera

Rick Saito
North Macadam Property Owner
Group MacKenzie

Zari Santner
Director
Portland Parks and Recreation

Steve Stadum
General Counsel
Oregon Health & Science University

Peter Stark
President
Central Eastside Industrial Council

Nancy Steuber
Director
Oregon Museum of Science & Industry

Bruce Warner
Executive Director
Portland Development Commission

Mark Williams
Associate Vice President
Oregon Health & Science University

Dan Yates
Portland Spirit

Jay Zidell
Chief Executive Officer
Zidell Marine Corporation