

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE)
FY 2002-03 BUDGET AND TRANSMITTING)
THE APPROVED BUDGET TO THE TAX)
SUPERVISING AND CONSERVATION)
COMMISSION)

RESOLUTION NO. 02-3181

Introduced by
Councilor Rex Burkholder

WHEREAS, The Metro Council, convened as the Budget Committee, has reviewed the FY 2002-03 Proposed Budget; and

WHEREAS, The Council, convened as the Budget Committee, has conducted a public hearing on the FY 2002-03 Proposed Budget; and

WHEREAS, Pursuant to Oregon Budget Law, the Council, convened as the Budget Committee, must approve the FY 2002-03 Budget, and said approved budget must be transmitted to the Tax Supervising and Conservation Commission for public hearing and review; now, therefore,

BE IT RESOLVED,

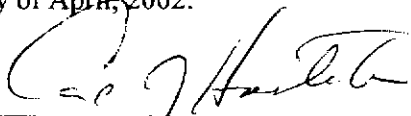
1. That the Proposed FY 2002-03 Budget as amended by the Metro Council, convened as the Budget Committee, which is on file at the Metro offices, is hereby approved.
2. That property tax levies for FY 2002-03 are approved as follows:

SUMMARY OF AD VALOREM TAX LEVY

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

3. That the Executive Officer is hereby directed to submit the Approved FY 2002-03 Budget and Appropriations Schedule to the Tax Supervising and Conservation Commission for public hearing and review.

ADOPTED by the Metro Council this 25th day of April, 2002.



Carl Hosticka, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel

BUDGET AND FINANCE COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 02-3181, FOR THE PURPOSE OF APPROVING THE FY 02-03 BUDGET AND TRANSMITTING THE APPROVED BUDGET TO THE TAX SUPERVISING AND CONSERVATION COMMISSION

Date: April 15, 2002

Presented by: Councilor Burkholder

Committee Recommendation: At its April 9 meeting, the committee considered Resolution No. 02-3181 and voted unanimously to send the resolution to the Council for adoption. Voting in favor: Councilors Atherton, Bragdon, Hosticka, McLain, and Chair Burkholder.

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

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

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

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

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

Committee Discussion: The proposed resolution represents the results of the Council Budget and Finance Committee's review of the proposed budget including the adoption of 17 technical and 4 substantive amendments. Approval of the resolution would provide for the transmittal of the committee-approved budget for review by the Tax Supervising and Conservation Commission.

The committee review process included five meetings that were devoted to departmental budget presentations, the identification and discussion of significant budget policy issues and consideration and action on amendments. A public hearing was held at the April 9 committee meeting. Committee actions added \$27.4 million to the proposed budget. However, nearly all of these additional funds (\$27.13 million) represent the carry over of unspent funds from the current fiscal year for projects or programs that will not be completed until FY 02-03. For example, the Convention Center expansion project will carry over \$22 million, various other MERC capital projects will carry over \$1.9 million and various REM projects will carry over \$2.3 million. An additional \$180,000 was included to cover the cost of steel drums for REM's HHW program. The amount had been inadvertently omitted from the budget.

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

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

Summary charts for the technical and substantive amendments are attached to this report.

The total budget approved by the committee is \$354.75 million, a decrease of \$60.6 million from the current fiscal year. Personal Services expenditures will increase 5.3%, Materials and Services by 1.46%, and Interfund Transfers by 4.4%. Capital Outlay will decline by 23.9%, Contingency by 26.65% and Ending Fund Balance by 35.5%. These declines will result largely from the completion of the Convention Center expansion, expenditure of the remaining open spaces acquisition bond proceeds and continued work on the Great Northwest exhibit at the zoo.

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

FY 2002-03 PROPOSED BUDGET
Fiscal Impact Summary of Budget Amendment Requests

SUBSTANTIVE AMENDMENTS FROM COUNCIL

Amendment #	Date of Action	Presenter	Analyst	Amendment	Fund/Department	Funding Source	Proposed Action		Action by Committee
							Total New Cost	Excise Tax Impact of new Cost	
General Fund - Planning									
GENERAL 2	4/9/02	Burkholder	Houser	Provide \$80,000 for implementation of Metro's adopted affordable housing policies	General Fund Planning Fund	General Fund ending fund balance reserves	\$80,000	\$80,000	Failed 1-4
GENERAL 3	4/9/02	McLain	Houser	Enhance the capability of the Planning & Regional Parks and Greenspaces Departments to pursue grant opportunities by providing each department with \$15,000 to procure outside grant writing assistance.	General Fund Planning Fund Regional Parks Fund	General Fund ending fund balance reserves	\$30,000	\$30,000	Passed 5-0
GENERAL 4	4/9/02	McLain	Houser	Add \$3,000 in the Special Appropriation line item for the Water Consortium	General Fund	General Fund ending fund balance reserves	\$3,000	\$3,000	Passed 5-0
Energy									
REM 3	4/9/02	Bragdon	Houser	Provide a \$50,000 contract between REM and the Regional Arts & Culture Council	Solid Waste Revenue Fund	Beginning Fund Balance (undesignated)	\$50,000	\$0	Passed 4-0-1
Support Services & Miscellaneous									
HR 1	4/9/02	McLain	Houser	Adopt a portion of the add package identified as Human Resources Add-1 related to the development of the an agency-wide training program by providing \$35,000 to hire an outside consultant to conduct an assessment and inventory of Metro training needs	Support Services Fund All operating funds	Cost Allocation Plan	\$35,000	\$2,431	Passed 5-0
ASD 1	4/9/02	Monroe	Houser	Add 1.0 FTE in Risk Management to assist with safety and loss control, emergency management and security	Risk Management Fund All operating funds	Cost Allocation Plan	\$64,500	\$13,581	Failed 0-4-1
ASD 2	4/9/02	McLain	Houser	Add a full-time receptionist at the Security Desk.	Building Management Fund All operating funds	Cost Allocation Plan	\$36,500	\$22,459	Passed 3-2
AUDITOR 1	4/9/02	Hosticka	Houser	Restore \$37,755 in temporary help and \$30,000 in contracted professional services.	Support Services Fund All operating funds	Cost Allocation Plan	\$67,755	\$13,839	Failed 2-3
AUDITOR 2	4/11/02 4/25/02	McLain	Houser	Restore \$30,000 in contracted professional services	Support Services Fund All operating funds	Cost Allocation Plan	\$30,000	\$3,128	Passed 5-2
TOTAL SUBSTANTIVE AMENDMENTS							\$366,755	\$165,310	

NOTE: Excise tax impacts of amendments funded under the cost allocation plan are estimates only and do not reflect the potential cumulative impact of multiple amendments.

**FY 2002-03 PROPOSED BUDGET
Fiscal Impact Summary of Budget Amendment Requests**

Amendment #	Date of Action	Presenter	Analyst	Amendment	Fund/Department	Funding Source	Total Cost	Action by Committee
Reg Parks 1	4/9/02	Ciecko	Morrissey	Carry forward Smith & Bybee Lakes Dam Removal CIP project	Smith & Bybee Lakes Fund	Donations	\$410,000	Passed 4-0
Reg Parks 2	4/9/02	Ciecko	Morrissey	Carry forward funding for Greenspaces Protection Plan public process	Regional Parks Fund	Beginning Fund Balance	\$75,000	Passed 4-0
Reg Parks 3	4/9/02	Ciecko	Morrissey	Revise revenue projection for \$1.00 per tone excise tax ordinance	Regional Parks Fund	Excise Tax	(\$46,000)	Passed 4-0
Reg Parks 4	4/9/02	Ciecko	Morrissey	Carry forward Regional Trails Brochure	Regional Parks Fund	Beginning Fund Balance	\$4,596	Passed 4-0
Reg Parks 5	4/9/02	Ciecko	Morrissey	Carry forward Fanno Creek Trail Study	Regional Parks Fund	Beginning Fund Balance	\$24,300	Passed 4-0
Reg Parks 6	4/9/02	Ciecko	Morrissey	Carry forward Blue Lake Park Eastside Wetlands Enhancement CIP project	Regional Parks Fund/ Open Spaces Fund	Transfer from Open Spaces (Mult. Ct. local share)	\$188,311	Passed 4-0
Reg Parks 7	4/9/02	Ciecko	Morrissey	Adjust property tax assessment for landbanked rental properties	Regional Parks Fund	Ending Fund Balance	\$23,000	Passed 4-0
Reg Parks 8	4/9/02	Ciecko	Morrissey	Reflect purchase of fire insurance for rental properties	Regional Parks Fund	Ending Fund Balance	\$13,200	Passed 4-0
Reg Parks 9	4/9/02	Ciecko	Morrissey	Carry forward Smith & Bybee Lakes trails mini-master plan project	Smith & Bybee Lakes Fund	Government Contributions	\$15,000	Passed 4-0
Reg Parks 10	4/25/02	Ciecko	Morrissey	Carry forward acquisition funds in the Open Spaces program	Open Spaces Fund	Beginning Fund Balance	\$4,880,000	Passed 7-0
Planning 1	4/9/02	Cotugno	Morrissey	Downgrade vacant part-time Associate Management Analyst position to Assistant Management Analyst and increase FTE from .50 to .75	Planning Fund	Contingency	\$1,800	Passed 4-0
Planning 2	4/9/02	Cotugno	Morrissey	Carryover ESEE consequences analysis contract	Planning Fund	Beginning Fund Balance	\$60,000	Passed 4-0

**FY 2002-03 PROPOSED BUDGET
Fiscal Impact Summary of Budget Amendment Requests**

TECHNICAL ADJUSTMENTS

Amendment #	Date of Action	Presenter	Analyst	Amendment	Fund/Department	Funding Source	Total Cost	Action by Committee
General 1	4/9/02	Sandrock	Houser	Move Transportation Investment Task Force funding from Special Appropriations to the Planning Fund	General Fund Planning Fund	Excise Tax	\$50,000	Passed 4-0

FY 2002-03 PROPOSED BUDGET
Fiscal Impact Summary of Budget Amendment Requests

TECHNICAL ADJUSTMENTS								
Amendment #	Date of Action	Presenter	Analyst	Amendment	Fund/Department	Funding Source	Total Cost	Action by Committee
<i>Enterprise & Related</i>								
REM 1	4/9/02	Petersen	Houser	Reflect costs for steel drums inadvertently left out of budget.	Solid Waste Revenue Fund	Ending Fund Balance	\$179,508	Passed 4-0
REM 2	4/9/02	Petersen	Houser	A variety of contract carryovers related to capital improvements, the Recycling Business Assistance Program, Waste Reduction Initiatives, and the Regional solid Waste Management Plan.	Solid Waste Revenue Fund	Beginning Fund Balance	\$2,304,707	Passed 4-0
ZOO 1	4/9/02	Vecchio	Houser	Carryover to replace the Zoo's telecommunication system	Zoo Operating Fund	Beginning Fund Balance	\$150,000	Passed 4-0
MERC 1	4/9/02	Enge	Houser	Carryover estimated unspent appropriation for the Oregon Convention Center Expansion Project	Convention Center Project Capital Fund	Beginning Fund Balance	\$22,000,000	Passed 4-0
MERC 2	4/9/02	Enge	Houser	Carryover capital projects for MERC	MERC Pooled Capital Fund	Beginning Fund Balance	\$1,900,000	Passed 4-0