

BEFORE THE METRO COUNCIL

APPROVING THE FY 2009-10 BUDGET, SETTING)
PROPERTY TAX LEVIES AND TRANSMITTING)
THE APPROVED BUDGET TO THE MULTNOMAH)
COUNTY TAX SUPERVISING AND)
CONSERVATION COMMISSION)

RESOLUTION NO 09-4042

Introduced by
David Bragdon, Council President

WHEREAS, the Metro Council, convened as the Budget Committee, has reviewed the FY 2009-10 Proposed Budget; and

WHEREAS, the Council, convened as the Budget Committee, has conducted a public hearing on the FY 2009-10 Proposed Budget; and

WHEREAS, pursuant to Oregon Budget Law, the Council, convened as the Budget Committee, must approve the FY 2009-10 Budget, and said approved budget must be transmitted to the Multnomah County Tax Supervising and Conservation Commission for public hearing and review; now, therefore,

BE IT RESOLVED,

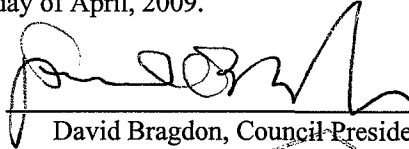
1. That the Proposed FY 2009-10 Budget as amended by the Metro Council, convened as the Budget Committee, which is on file at the Metro offices, is hereby approved.
2. That property tax levies for FY 2009-10 are approved as follows:

SUMMARY OF AD VALOREM TAX LEVY

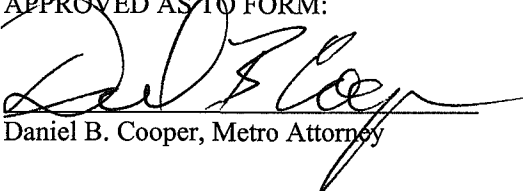
	Subject to the General Government <u>Limitation</u>	Excluded from the <u>Limitation</u>
Permanent Tax Rate	\$0.0966/\$1,000	
General Obligation Bond Levy		\$41,474,309

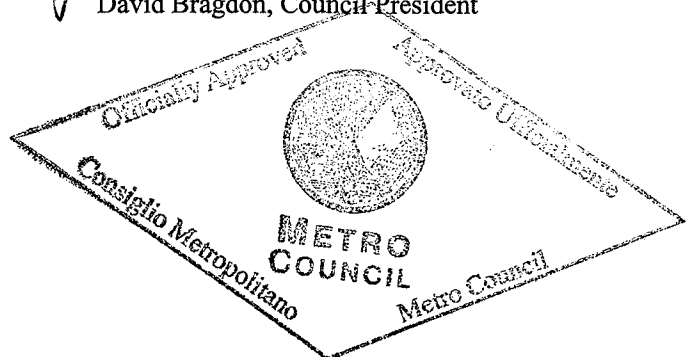
3. That the Chief Operating Officer is hereby directed to submit the Approved FY 2009-10 Budget and Appropriations Schedule to the Multnomah County Tax Supervising and Conservation Commission for public hearing and review.

ADOPTED by the Metro Council this 30th day of April, 2009.


David Bragdon, Council President

APPROVED AS TO FORM:


Daniel B. Cooper, Metro Attorney



STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 09-4042 APPROVING THE FY 2009-10 BUDGET, SETTING PROPERTY TAX LEVIES AND TRANSMITTING THE APPROVED BUDGET TO THE MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION COMMISSION

Date: April 30, 2009

Presented by: David Bragdon
Council President

BACKGROUND

On April 2, 2009, the Chief Operating Officer presented FY 2009-10 Proposed Budget to the Metro Council sitting as Budget Committee.

During the month of April a series of public work sessions and public hearings on the budget were held. The Council discussed budget issues with senior management and staff and received testimony from interested members of the general public and Metro stakeholders. Amendments to the Proposed Budget were developed, discussed and deliberated by the Council. Those amendments approved by the Council are included in the Approved Budget.

The action taken by this resolution is the interim step between initial proposal of the budget and final adoption of the budget in June. Oregon Budget Law requires that Metro approve and transmit its budget to the Multnomah County Tax Supervising and Conservation Commission (TSCC). Members of the TSCC are appointed by the Governor to supervise local government budgeting and taxing activities in Multnomah County. The TSCC will hold a public hearing on Metro's budget scheduled for Thursday, June 4, 2009 at 12:30 p.m. in the Metro Council Chamber Annex. Following the meeting, the TSCC will provide a letter of certification for Metro's budget at which time the Council will formally adopted the final budget for FY 2009-10. The adoption of the budget is currently scheduled for Thursday, June 25, 2009.

Oregon Budget Law requires the Budget Committee of each local jurisdiction to set the property tax levies for the ensuing year at the time the budget is approved. Under budget law the Metro Council sits as the Budget Committee for this action. The tax levies must be summarized in the resolution that approves the budget and cannot be increased beyond this amount following approval.

The FY 2009-10 general obligation bond property tax levy for the Proposed Budget was initially estimated using actual data through December 2008. It compared the first six months of FY 2008-09 with actual revenue receipts both at six months and year-end dating back to 1999. Based on this information the levy estimate for next year was calculated assuming a 94.5 percent collection rate in the current fiscal year and a 94.0 percent collection rate next fiscal year. The collection estimate for next year is consistent with the recommendation from the Tax Supervising and Conservation Commission. However, in the third quarter of FY 2008-09, property tax collections have tapered off considerably from initial estimates, which were based on a ten-year historical trend. We feel it is now prudent to reduce the current fiscal year collection rate from 94.5 percent to 94.0 percent, consistent with next year's collection rate. This change has the impact of reducing the beginning fund balance by \$177,000 and increasing current year property taxes to be received by \$177,000. Taking the collection rate into consideration the actual property tax levy for FY 2009-10 increases by \$188,300.

A request will be presented to the Council during the month of April to amend the FY 2009-10 budget to reflect this change. This resolution assumes that amendment is approved by the Council and reflects the revised levy amount for the general obligation bond debt service.

ANALYSIS/INFORMATION

1. **Known Opposition** – None known at this time.
2. **Legal Antecedents** – The preparation, review and adoption of Metro’s annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its approved budget to the Multnomah County Tax Supervising and Conservation Commission by May 15, 2009. The Commission will conduct a hearing on June 4, 2009 for the purpose of receiving information from the public regarding the Council’s approved budget. Following the hearing, the Commission will certify the budget to the Council for adoption and may provide recommendations to the Council regarding any aspect of the budget.
3. **Anticipated Effects** – Adoption of this resolution will set the tax levies for FY 2009-10 and authorize the transmittal of the approved budget to the Multnomah County Tax Supervising and Conservation Commission.
4. **Budget Impacts** – The total amount of the proposed FY 2009-10 annual budget was \$457,006,352. Changes to the proposed budget were identified during the month of April. The Council will vote on amendments prior to approval of the budget on April 30, 2009. All approved amendments will be incorporated into the approved budget prior to transmittal to the TSCC.

RECOMMENDED ACTION

The Council President recommends adoption of Resolution No. 09-4042 approving the FY 2009-10 budget and authorizing the Chief Operating Officer to submit the approved budget to the Multnomah County Tax Supervising and Conservation Commission.

M:\Asd\Finance\Confidential\BUDGET\FY09-10\FY09-10 APPROVED Budget\Resolution\Staff Report For Resolution 09-4042.Doc
4/1/2009 2:14 PM