



METRO

Agenda

MEETING: METRO COUNCIL
DATE: November 19, 2009
DAY: Thursday
TIME: 2:00 p.m.
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATIONS

3. RESULTS OF ZOO BOND MEASURE AUDIT: BRIEFING

Flynn

4. CONSENT AGENDA

4.1 Consideration of Minutes for the November 12, 2009 Metro Council Regular Meeting.

4.2 **Resolution No. 09-4091**, For the Purpose of Confirming the Council President's Appointments and Reappointment to the Transportation Policy Advisory Committee (TPAC) for the 2010

5. ORDINANCES - SECOND READING

5.1 **Ordinance No. 09-1224**, For the Purpose of Amending the FY 2009-10 Budget and Appropriations Schedule Providing Increased Appropriations in the MERC Fund and Declaring an Emergency.

5.2 **Ordinance No. 09-1225**, For the Purpose of Amending the FY 2009-10 Budget and Appropriations Schedule to Revise the Third Floor Remodel Capital Projects, Move Funding from Contingency, Amend the FY 2009-10 Through FY 2013-14 Capital Improvement Plan and Declaring an Emergency.

5.3 **Ordinance No. 09-1226**, For the Purpose of Amending the FY 2009-10 Budget and Appropriations Schedule to Provide for Approved Capital Projects, Recognizing New Grants, and Declaring an Emergency.

5.4 **Ordinance No. 09-1227**, For the Purpose of Amending the FY 2009-10 Budget and Appropriations Realigning Program Staff, Transferring Budget Authority and Declaring an Emergency.

5.5 **Ordinance No. 09-1228**, For the Purpose of Amending the FY 2009-10 Budget and Appropriations Schedule to Create a Limited Duration Principal Planner Position with the Research Center for the Purpose of Managing the Regional Indicators Project and Declaring an Emergency.

6. RESOLUTIONS

6.1 **Resolution No. 09-4092**, For the Purpose of Amending the Key Milestone Schedule that Guides Metro's Participation in the Designation of Urban and Rural Reserves. Harrington

7. CHIEF OPERATING OFFICER COMMUNICATION

8. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for November 19, 2009 Metro Council meeting

<p>Clackamas, Multnomah and Washington counties, and Vancouver, Wash. Channel 11 – Community Access Network www.tvctv.org – (503) 629-8534 2 p.m. Thursday, November 19 (Live)</p>	<p>Portland Channel 30 (CityNet 30) – Portland Community Media www.pcmv.org – (503) 288-1515 8:30 p.m. Sunday, November 22 2 p.m. Monday, November 23</p>
<p>Gresham Channel 30 – MCTV www.mctv.org – (503) 491-7636 2 p.m. Monday, November 23</p>	<p>Washington County Channel 30 – TVC-TV www.tvctv.org – (503) 629-8534 11 p.m. Saturday, November 21 11 p.m. Sunday, November 22 6 a.m. Tuesday, November 24 4 p.m. Wednesday, November 25</p>
<p>Oregon City, Gladstone Channel 28 – Willamette Falls Television www.wftvaccess.com – (503) 650-0275 Call or visit website for program times.</p>	<p>West Linn Channel 30 – Willamette Falls Television www.wftvaccess.com – (503) 650-0275 Call or visit website for program times.</p>

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.

Agenda items may not be considered in the exact order in which they are listed. If you have questions about the agenda, please call the Council Office at (503) 797-1540. Public hearings are held on all ordinances second read and on resolutions upon request of the public. Documents for the record must be submitted to the Council Office to be included in the decision record. Documents may be submitted by e-mail, fax, mail or in person at the Council Office. For additional information about testifying before the Metro Council, and for other public comment opportunities, please go to this section of the Metro website www.oregonmetro.gov/participate. For assistance per the American Disabilities Act (ADA), dial Metro’s TDD line (503) 797-1804 or (503) 797-1540 for the Council Office.

Agenda Item Number 3.0

RESULTS OF ZOO BOND MEASURE AUDIT: BRIEFING
PRESENTED BY SUZANNE FLYNN, METRO AUDITOR

Metro Council Meeting
Thursday, November 19, 2009
Metro Council Chamber



Oregon Zoo Capital Construction:
Metro's readiness to construct 2008 bond projects

November 2009
A Report by the Office of the Auditor

Suzanne Flynn
Metro Auditor

Audit Team: Elizabeth Wager, *Sr. Management Auditor*
Kristin Lieber, *Sr. Management Auditor*
Kathryn Nichols, *Principal Management Auditor*



Knighton Award for Auditing

Metro Audit Winner of ALGA 2008 Award

The Office of the Auditor has been awarded with the Silver Award for Small Shops, which was presented at the 2009 conference of the Association of Local Government Auditors (ALGA) in San Francisco in May. The audit winning the award is the *Waste Reduction and Outreach* audit completed in November 2008.

Metro Ethics Line

The Metro Ethics Line gives employees and citizens an avenue to report misconduct, waste or misuse of resources in any Metro or Metropolitan Exposition Recreation Commission (MERC) facility or department.

The ethics line is administered by the Metro Auditor's Office. All reports are taken seriously and responded to in a timely manner. The auditor contracts with a hotline vendor, EthicsPoint, to provide and maintain the reporting system. Your report will serve the public interest and assist Metro in meeting high standards of public accountability.

To make a report, choose either of the following methods:

Dial 888-299-5460 (toll free in the U.S. and Canada)

File an online report at www.metroethicsline.org



SUZANNE FLYNN

Metro Auditor

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MEMORANDUM

November 12, 2009

To: David Bragdon, Council President
Rod Park, Councilor, District 1
Carlotta Collette, Councilor, District 2
Carl Hosticka, Councilor, District 3
Kathryn Harrington, Councilor, District 4
Rex Burkholder, Councilor, District 5
Robert Liberty, Councilor, District 6

From: Suzanne Flynn, Metro Auditor 

Re: Oregon Zoo Audit

The attached report covers our audit of the management of construction projects at the Zoo. This audit was on our FY09-10 Audit Schedule.

We conducted this audit to assess the capacity at Metro and the Zoo to manage capital construction projects. Our methodology was to review three projects in different stages of completion. One was completed in March 2007, one was under construction during the audit, and the other will begin construction next year and is funded by the bond measure approved by voters in 2008. Based upon our analysis, we have concerns that the 2008 bond measure program is not as developed as it should be.

We have discussed our findings and recommendations with Michael Jordan, Chief Operating Officer, Scott Robinson, Deputy COO, the Zoo Director, the Director of Finance and Regulatory Services, and the Zoo Bond Program Manager. We have found them receptive to our concerns. We note that Metro management began to take action prior to our office completing our work.

My office will schedule a formal follow-up to this audit within 1-2 years. We would like to acknowledge and thank the management and staff who assisted us in completing this audit.

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Summary

The Oregon Zoo is important to the region and has been part of the Portland landscape for over 100 years. Metro became responsible for the Zoo in 1979. It is home to more than 2,000 animals from around the world, attended by over 1.5 million visitors annually and more than 2,000 individuals donate their time to the Zoo. The Zoo also has an independent foundation that provides support for Zoo development.

In November 2008, Metro-area voters passed a \$125 million bond measure to allow the Zoo to make improvements including larger enclosures, an updated veterinary hospital, better sewer system, water conservation measures, and conservation education. This ballot measure was three times the size of a similar bond measure passed in 1996 and will take at least twice as long to complete.

The Auditor's Office added this program to the audit schedule to assist the Zoo in meeting this new challenge and to ensure that Metro and the Zoo were adequately prepared. We completed case studies of three construction projects to analyze the Zoo's and Metro's management structure.

We concluded that there were risks in the 2008 bond program. The Zoo did not have strong processes in place to manage costs and schedules. A more comprehensive master plan was needed to manage a complex series of projects that would be completed over a 10-12 year period and affect almost every corner of the current Zoo site. The hiring of key people to manage the program was delayed and the structure of the organization was not yet clear.

Previous construction projects at the Zoo were much smaller. The procedures that the Zoo had in place to monitor earlier projects were ad hoc. There was no consistent, basic approach. In all three projects we studied, the project began with a design that exceeded the budget. Projects should be designed with the original budget in mind. Zoo management tried to re-engineer the costs down after design but this was not an effective method to control costs.

Once Zoo management determined the project was going to be over budget and was late, it compensated by trying to complete projects with in-house or temporary staff and reducing time that was planned for animals to adjust to the new exhibits. In order for the Zoo to manage the current ambitious program, it must carefully track costs and schedules.

We found that the management environment at the Zoo contributed to poor project management practices. Management made plans based upon unrealistic expectations. Zoo management chose deadlines for maximum public exposure and did not balance them with a methodically determined construction schedule. Zoo operations were more independent from Metro than other Metro departments. As a result, the Zoo did not have available certain skill sets that might have been helpful if the relationship had been more collaborative.

Information and communication are important to keeping a project on track and controlling costs. Previous Zoo projects suffered from a lack of accurate information. There were no consistent systems in place to maintain documentation or to allow ongoing monitoring. In some instances, management could have responded more effectively to information about project costs. Roles and responsibilities were not clear and personnel at the Zoo and Metro thought that spending and budget oversight were the responsibility of someone else.

We believe this is an opportune time to correct the deficiencies and build a stronger program. We have recent evidence that Metro and Zoo management realizes that improvements are needed. We have made recommendations that are designed to improve the stewardship of public resources, encourage expectations that are more realistic and clarify the roles and responsibilities of all involved.

Background

The Oregon Zoo has been a part of the Portland landscape for over 100 years. Home to more than 2,000 animals from around the world, the Oregon Zoo also boasts one of the largest volunteer programs in the country. Annually, more than 2,000 individuals donate over 168,000 hours of their time. The Zoo has welcomed more than a million guests in 17 of the past 20 years, with a record breaking year of attendance in 2008 of over 1.5 million visitors.

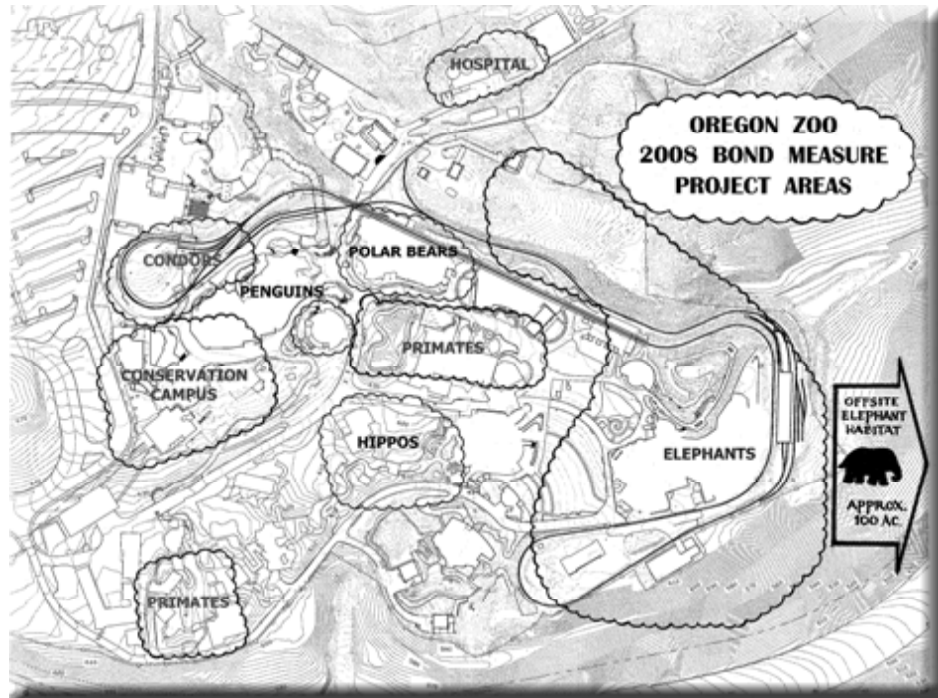
The Zoo is committed to conservation, research and education. It currently participates in 21 Species Survival Plans and is a conservation leader for local animals. For the last four years, the Zoo's butterfly conservation lab successfully reared and released endangered northwest butterflies. The Zoo has hosted forums and research efforts to help the local endangered turtle species survive and operates a Turtle Conservation Lab where turtles are hatched and raised until they are large enough to thrive on their own. The Zoo is internationally known for its successful Asian elephant breeding program. The Oregon Zoo is an important part of the region's ecology and is enjoyed by children, adults and families from all over the area.

In November 2008, Metro-area voters passed a \$125 million bond measure to enable the Zoo to provide more humane conditions for animals and realize water and energy efficiencies. The bond measure was intended to provide financing for a number of significant improvements to the Zoo grounds including:

- Updating four undersized enclosures with larger, more natural and safer spaces, including the addition of four and a half acres of new area for elephants.
- Modernizing the outdated veterinary hospital for better animal safety and health.
- Improving water quality by replacing the Zoo's 1950s-era sewer system.
- Increasing water conservation through the installation of water recycling filtration systems and replacing damaged plumbing and irrigation systems.
- Expanding access to conservation education through providing more space for summer camps, classes and hands-on learning for children, adults and families.

The bond measure also called for internal audits, annual independent financial audits and the creation of a citizen oversight committee to monitor spending and recommend project modifications if needed. Additionally, Metro has created an internal steering committee to provide direction for bond activities.

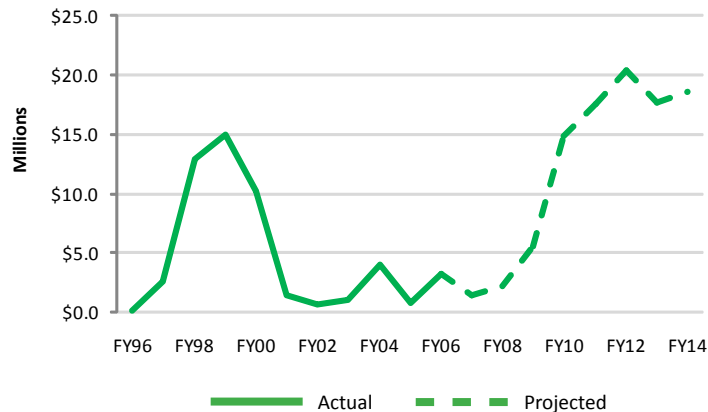
Exhibit 1
New capital projects funded by the 2008 bond measure



Source: Oregon Zoo

Capital projects funded by the 2008 bond measure will affect almost every corner of the Zoo grounds. There are nine new capital projects that are a result of the passage of the new bond measure. The Zoo's capital spending will increase as a result of these projects. The 2008 bond measure is three times the size of the last similar bond measure passed in 1996, which funded the Great Northwest exhibit.

Exhibit 2
Actual and projected Zoo capital spending FY 1996-2014 (in millions, adjusted for inflation)



Source: Metro budgets

Scope and methodology

The purpose of this audit was to determine whether Metro and the Oregon Zoo were ready to implement the 2008 bond measure. Our audit objectives were designed to determine if:

1. Metro and the Oregon Zoo followed best practices in organizing and implementing construction projects.
2. Metro and the Zoo met their obligation to citizens under the previous Zoo bond measure.
3. Metro and the Zoo completed projects on time and on budget.
4. Metro and the Zoo adequately addressed previous deficiencies in project management and were prepared to implement the new bond program.

To accomplish our objectives, auditors reviewed previous relevant audit reports to identify prior deficiencies. We focused our audit work on areas where recommendations had been made.

We used a case study approach to review Zoo construction project management practices. Three construction projects were selected: Cascade Canyon, which was part of the Great Northwest exhibit, completed March 2007; Predators of the Serengeti, which opened in fall of 2009; and the early project work on the new veterinary hospital. These projects were selected because they were representative of projects the Zoo has undertaken: one was completed, one was in progress during audit fieldwork and one was in the planning stage. Additionally, these projects were selected on the basis of whether they had been previously audited, if obtaining data would be particularly difficult, or how defined the scopes of the projects were.

Exhibit 3
Case study projects

PROJECT	DESCRIPTION
Cascade Canyon	Also called "Introduction to the Forest," this project consisted of a trail connecting the mountain goat area to new exhibits for bear, cougar and bobcat. The exhibit opened in March 2007 and cost \$3.5 million.
Predators of the Serengeti	Funded largely by donations, the project converted the Alaska Tundra exhibit into additional African exhibits, providing visitors with viewing opportunities for close-up interaction with predators, including lions, wild dogs, cheetahs and caracals. The exhibit opened in September 2009 and is expected to cost \$6.97 million.
Veterinary Hospital	Part of the 2008 bond measure, this project will replace the aging and substandard veterinary and animal quarantine buildings. Design began in early 2008 and the capital budget was \$9.2 million.

We selected these projects to obtain an understanding of how construction projects were managed at the Zoo. We assessed the planning, scheduling and contracting information related to the three projects and reviewed the project facilitation software used by the Construction and Maintenance office. We reviewed five years of the Zoo's capital budgets and associated documentation. Expenditures were reviewed and interviews conducted with Metro and Zoo management and a number of Zoo employees. We researched construction project best practices as well as information from the Project Management Institute as criteria for our audit. Our fieldwork was conducted from June to September 2009.

This audit was included in the FY09 audit schedule. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Results

Managing construction projects is difficult and requires different skills than managing the business side of a zoo or the care of animals. The Zoo's past experiences in building new and improved exhibits were on a much smaller scale than the projects currently before them.

To determine if Metro and the Zoo were prepared for the 2008 bond measure, we reviewed three projects that the Zoo had worked on and were in different stages of completion. We determined that the processes in place were not at a sophisticated enough level to ensure effective management of construction. As a result, the Zoo had taken some unnecessary risks. The Zoo lacked some basic project management processes such as budgeting and monitoring ongoing costs and project timelines.

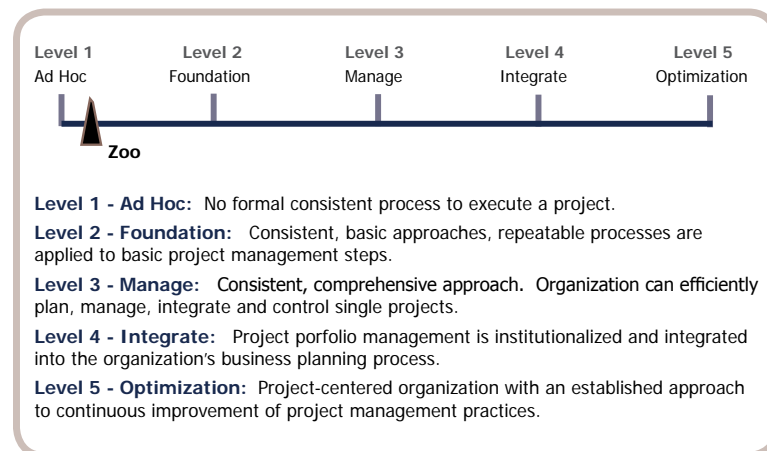
The underlying cause was the management environment at the Zoo and Metro. Zoo leadership had unrealistic expectations for improvements, starting with the budget. Information was not gathered or communicated effectively to support monitoring the progress of projects. Staff at both Metro and the Zoo were unclear as to roles and responsibilities to be performed. As a result, oversight was weak.

Applying these lessons learned, we saw future risks to the program if adjustments were not made. Metro and the Zoo need to develop a master plan, improve the quality of project management, and move quickly so that timelines can be met.

Project management processes need to be at a higher level

A common method of determining an organization's level of project management capability and maturity is to use the model shown below. We found the Zoo's management of construction projects was ad hoc. As a result, all three projects we studied had cost increases and schedule delays. Project management was handled differently for each project and was highly dependent on the project manager. This resulted in the Zoo taking some unnecessary risks, exceeding its budgets, and not knowing when projects were off track.

Exhibit 4
Level of project management capability and maturity



Source: Metro Auditor's Office analysis

The current bond program is ambitious and complex. Managing costs will be essential, as the ultimate outcome of paying more for one project is that there will be fewer funds available for other projects. Additionally, the Zoo will remain open and will need to move guests through for many years while it is under construction. Construction schedules need to be coordinated with Zoo operations to maintain the quality of the visitor experience and animal care.

In order to be successful in managing multiple projects while maintaining operations, the Zoo needs project management processes equivalent to a Level 4 organization. At Level 4, project management processes are well-defined, documented, understood and executed. Data is collected, analyzed and used to anticipate and prevent problems.

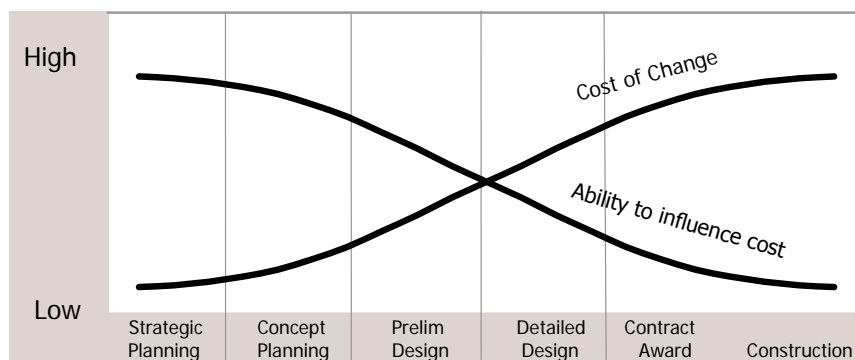
In all three projects reviewed, we found no consistent systems in place to maintain project-oriented documentation. Information was lost or located in separate places within the division. As project managers frequently changed, it was difficult for new project managers to obtain accurate information about their project status. This environment contributed to inaccurate reporting.

As a Level 1 organization, the Zoo cannot reliably manage projects within a schedule and budget, placing the bond program at risk. The Zoo should act quickly to put better cost and schedule management processes in place immediately.

The Zoo begins projects without a realistic budget

For all three projects we reviewed, construction began, or was going to begin, with a design that would cost more to build than the budgeted amount. Once construction begins, the ability to influence costs is very limited.

Exhibit 5
Ability to influence cost compared to project timeline



Source: 2008, Office of the City Auditor, Edmonton, Canada, capital project audit

We found that the construction budget was not communicated to the designer up front, when the ability to influence the cost was the greatest. Because this was not done, the Zoo spent a long time trying to reduce costs after the initial design was developed. One of the goals of the design period is to develop a good estimate of a project's cost. Despite long design times, the Zoo did not develop accurate cost estimates. It then began construction, without reasonable assurance the project could be completed within its budget.

Cascade Canyon exhibit: After the cost estimate for the design exceeded the budget, Zoo staff tried to engineer costs down. The project began construction with an estimated cost 10% higher than its budget.

Predators of the Serengeti exhibit: The project began construction with a cost estimate developed by the Zoo that was not realistic. It had no project contingency funds and low estimates for work. For example, the budget for direct construction was \$700,000 less than the estimate provided by the architect. The Zoo budgeted \$320,000 for architectural and engineering services but had already issued \$400,000 in contracts. A later budget reduced the budgeted amount to \$300,000, although \$375,000 had been spent.

Veterinary Hospital: The architecture firm hired to design the new veterinary hospital began work in February 2008. Their initial design was estimated to cost more than \$2 million over the \$9.2 million allocated for the project. As of September 2009, work was ongoing to engineer the cost of this design down. The Zoo considered beginning construction in August 2009 without assurance the project could be completed within the budget, but to their credit, elected to wait until designs were more complete.

Costs and schedules
should be tracked

The purpose of tracking budgets and schedules is to provide adequate information so management can take effective actions when projects deviate significantly from plans. Neither the Zoo nor Metro's Finance and Regulatory Services Department tracked how much was obligated through contracts. The Zoo did not have a standard way to track spending on a project basis. Schedules developed at the beginning of projects were not kept current. Management and stakeholders did not get accurate information on cost and schedule status.

Cascade Canyon exhibit: The project manager developed a spreadsheet to track projected spending against the budget. Final costs came in over the capital budget by about \$400,000. A project plan developed at the beginning of the project was not kept current.

Predators of the Serengeti exhibit: The project manager did not track projected spending or the total value of contracts signed by Metro. As a result, management did not identify cost overruns of \$1.6 million until construction was almost complete. As of the writing of this audit report, construction work was ongoing, so cost overruns may be higher. A basic reason for cost overruns was a work scope that could not realistically be completed within the budget. However, monitoring contract commitments would have provided an indication a year earlier the project would go over budget.

The schedule was not kept current. Animal keepers were given inaccurate information about when exhibits would be ready and animal move-in dates slipped several times. Status reports indicated the project was within budget and ahead of schedule. In reality, the project was over budget and behind schedule.

Veterinary Hospital: The project manager planned to track projected costs, but had not started yet. Schedules had been developed for design, but there was no schedule for the full project. Because the Zoo was close to beginning construction and had already issued some contracts for the project, it would be reasonable to expect a schedule and a way of tracking costs.

Zoo can reduce risks

The Zoo wanted to provide the best possible facility for animals and the community. However, it took risks by not monitoring spending and timelines. When projects fell behind schedule, staff gave animals less time than planned to adjust to new exhibits. When exhibits cost more than expected, money was not available for other projects. The Zoo pulled staff from other activities to complete exhibits, leaving work undone, or hiring temporary staff to supplement increasing costs.

Cascade Canyon exhibit: Staff was pulled from other projects to complete exhibit work. Costs exceeded the budget. The Oregon Zoo Foundation provided funds to complete the exhibit.

Predators of the Serengeti exhibit: Delays in construction resulted in shortening the planned acclimation periods for animals. The Zoo developed strategies to manage risks, but this additional work could have been avoided with better planning. Staff was pulled from other projects to complete exhibit work. Funding was identified to cover cost overruns, which may have reduced money available for other projects.

Management environment could be improved

During the audit, we found a management environment and agency culture that, at times, undermined effective project management. Zoo leadership set unrealistic expectations for construction projects. These expectations led to weak planning, poor communication and a confused organizational structure. Management did not always respond appropriately when projects deviated from plan. Similar deficiencies noted in previous audits were not fully addressed. Projects had insufficient oversight because roles were never well defined. Management will need to take the lead in promoting practices that ensure the careful management of public resources.

The tone in an organization is set at the highest management level, and that tone influences the standards and actions of everyone. Limiting focus to short-term results can have negative consequences. History has shown that an emphasis on “results at any cost” fosters an environment in which the price of failure becomes too high. In setting the tone and culture, management can create an environment that reduces the risk of questionable or unethical behavior. While we found no evidence of fraud, we found information was misrepresented and that incorrect information was presented to the Metro Council.

The Zoo was geographically and programmatically separated from the rest of Metro. Zoo employees did not participate in cross departmental collaboration that would have benefited the Zoo. Skills transfer could have taken place between Metro's planners, engineers, and financial staff to improve Zoo operations and project management.

Zoo management undertook complex projects and committed to completing them quickly and inexpensively. At times, this was to the detriment of Zoo staff. Deadlines for projects and opening dates were chosen for maximum public exposure and were not balanced with a well thought out construction schedule. Those dates were then advertised, which locked in the unrealistic schedule. As a result, construction was rushed. When projects were delayed and timelines were not adjusted, the Zoo needed to use its own staff to work on projects because additional outsourced work was not budgeted. Zoo management has acknowledged it over-committed and over-extended Zoo staff.

Management grew to rely on the support of the Oregon Zoo Foundation and were less rigorous in managing project budgets. The Oregon Zoo Foundation was highly successful at raising money for the Oregon Zoo. Zoo management may have used this continued success to instill the idea that money would always be found, and there was less need to follow through on delivering projects on budget.

Management could respond to information more appropriately

When told that projects were off track, Zoo management did not address the problems. There are several instances where the Zoo could have responded more appropriately. Employees provided information that was subsequently changed. During the course of our audit, we were unable to determine whether that was at management's direction, but it happened frequently enough that we questioned these practices.

For the Predators of the Serengeti exhibit, during the planning stage, the cost estimate came in higher than the budget and the Zoo responded by reducing the cost estimate. Project contingency funds were reduced to zero and line items reduced to low amounts. When presented with information that the project was over budget before construction began, the Zoo proceeded with construction without adjusting the budget. Zoo leadership planned to cover shortfalls with operating funds or by seeking assistance from the Oregon Zoo Foundation.

For the Cascade Canyon exhibit, when bids for construction exceeded the budget, Zoo leadership split the work between two years. They delayed much of the work to the second year rather than reduce the project scope, making it appear the project was within budget. Zoo leadership continued to report this as a \$3 million project to Metro Council although the cost to complete the project would be higher.

Councilors, managers and employees need accurate information in order to make informed decisions. Many times, information reported about Zoo construction projects was incorrect.

Roles and responsibilities
can be clarified

Zoo employees indicated they communicated their needs to management, but management did not act on those requests. Getting work done quickly was difficult. Multiple employees interviewed said the biggest constraint to effectiveness was their lack of resources.

A well-defined organizational structure is essential to the control environment. When an organizational structure is unclear, lines of authority and accountability become blurred – or can disappear entirely. Such structural breakdowns result in situations in which “everyone is responsible” but “no one is responsible.” In such a situation, monitoring accountability becomes difficult.

Among the Construction and Maintenance division at the Zoo, as well as within Metro and Zoo management, roles and responsibilities were unclear. The project management plans for both the Cascade Canyon and Predators of the Serengeti exhibits described overlapping responsibilities for both Metro and Zoo management, leading to weak accountability.

Staff members with skill sets valuable for particular project management functions were not performing those functions. An employee with demonstrated project management skills had developed a tool for monitoring costs, however this tool was not used. Similarly, the finance manager’s skills could have been instrumental for assisting with budget development, tracking spending and monitoring. However, those skills were not used.

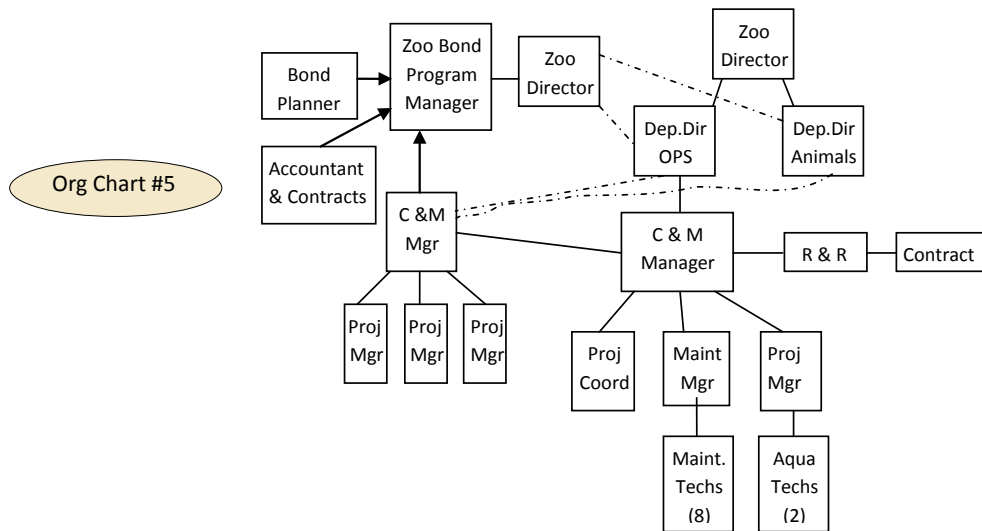
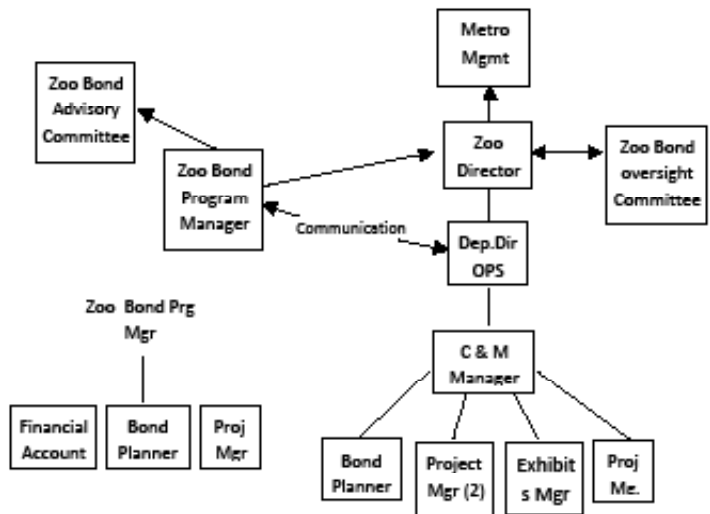
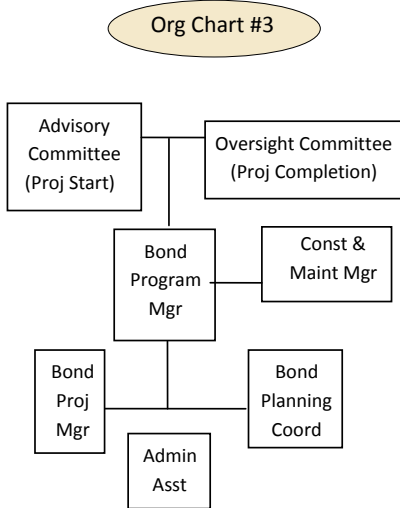
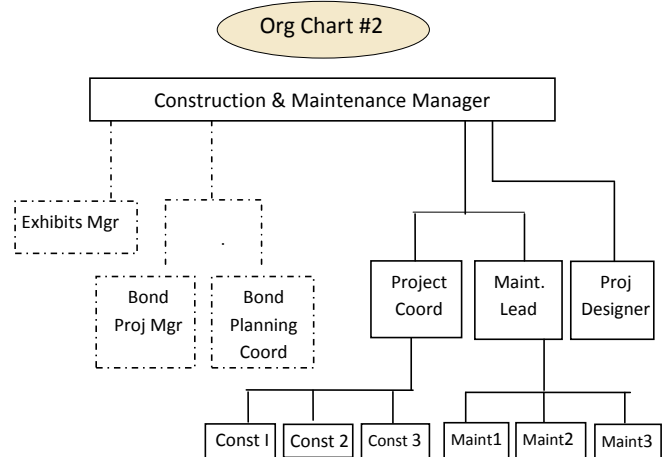
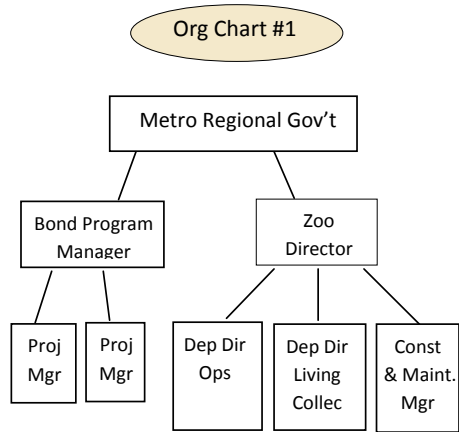
Employees within the Construction and Maintenance division were unclear regarding who was ultimately responsible for what, and from whom they should take direction. Some employees said they requested management input on design elements early in the process. However, when management’s input or intervention was provided, it was done late in the process, negatively impacting timelines and budgets.

Upon reviewing the organization for the new bond measure, we saw a similar pattern emerging of role confusion and overlapping responsibilities. This would not have been so concerning except this type of confusion occurred on the Cascade Canyon and Predators of the Serengeti projects and resulted in weak management and oversight. Neither management nor the Construction and Maintenance staff understood the organizational structure within which they worked. Auditors conducted an exercise in which they asked key staff working on or contributing to bond-funded projects how they saw the organization. The auditors received a very different representation of the organization from each employee interviewed (Exhibit 6). That exercise indicated that the confusion that existed in earlier Zoo construction projects was still a problem.

Additionally, the employees were unclear regarding the function of the two external committees. These added layers of oversight will not improve accountability if project roles are not more clearly defined.

Exhibit 6

The illustrations below represent the five organizational charts created by Zoo management and key staff working on or contributing to bond funded projects.



Financial oversight by Zoo and Metro leadership needs strengthening

As a result of the unclear assignment of roles and responsibilities, financial oversight of construction projects was inadequate. Depending on a contract's value, multiple people reviewed and indicated approval by signing their names. Our interviews found Zoo and Metro management each thought the other was responsible for ensuring funds were available to pay for the work.

Financial oversight at the Zoo was lacking. Zoo management did not track the value of contracts signed. The Zoo's Construction and Maintenance Office did not do this, but instead reviewed contracts to ensure work was required to complete the project. Zoo upper management read contract documents but did not verify money was available.

Metro management did not track the value of contracts signed for a project. Finance and Regulatory Services personnel reviewed contract documents to ensure procurements were lawful and a budget code assigned. The Office of the Metro Attorney provided a legal review of some contract documents and it would not make sense for the attorney to be responsible for monitoring project budgets.

For certain contract changes, Metro Council's approval was required. Information given to the Metro Council was not accurate enough for the Council to provide financial oversight. Staff reports were provided to inform their decisions. It was unclear to us who prepared or verified the information in these reports, but we know that it was inaccurate at times.

As a result, contracts were approved without verifying that sufficient funds were available. For instance, the Zoo Deputy Director, the Metro Procurement Officer, Zoo Contract Consultant, and the Office of the Metro Attorney approved a \$400,000 contract for fencing of the Predators of the Serengeti exhibit, despite there not being a budget for fencing for the project. This indicated to us that an important internal control was missing.

Metro's Finance and Regulatory Services Department appeared to function more as a service than as a control over spending. When Finance and Regulatory Services noticed discrepancies between spending and the capital budget for the Predators of the Serengeti exhibit, it notified Zoo management. The Zoo submitted a project budget that Finance and Regulatory Services found was not accurate. Despite this red flag, Finance and Regulatory Services seemed reluctant to assert authority. It offered to assist the Zoo in developing a budget and a way to track costs, but did not require the Zoo to do so. Finance and Regulatory Services reported twice a year to the Metro Council on capital projects; however, it relied on verbal assurance from Zoo management that projects were on time and on budget.

Attention needed to improve management of 2008 bond program

During the course of this audit, management became aware of some of these weaknesses and has started taking action. Zoo leadership acknowledged there is an opportunity to improve the management of construction projects. Metro Council, Metro management and the Oregon Zoo Foundation board have been briefed on cost overruns on the Predators of the Serengeti exhibit.

The Zoo and Metro risk their reputations if costs are underestimated and projects are not delivered as promised to the public. For the 2008 bond program, financial accountability is especially important. Promises were made to the public that spending would be closely monitored and cost savings realized due to infrastructure improvements.

The bond measure required a citizen oversight committee to review progress on projects, monitor spending and recommend changes if there are funding constraints. To perform its function, the oversight committee will need current and accurate information on the status of individual projects and the bond program as a whole. The Metro Council, Zoo leadership and Metro management also will require similar information to provide adequate oversight.

We saw risks to the 2008 bond program:

- Although planning was underway for two years, there was no master plan for how projects would be accomplished.
- The Zoo did not have processes in place to manage costs and schedules.
- Key decisions have taken longer than anticipated. Hiring the bond program manager took longer than anticipated, the citizen oversight committee was not appointed and construction of the veterinary hospital was delayed.
- We saw a risk that the veterinary hospital project could not be completed within the amount allocated in the capital budget.
- The bond program was not fully staffed at 6.8 full-time employees. Three new employees had been hired; however, two were working on other projects. The remaining 3.8 positions were intended to come from existing staff, but the organizational structure was not developed.
- Metro was considering establishing multiple committees to help steer the bond program. However, if their responsibilities overlap and are poorly defined, Metro risks weakening accountability.

The Zoo was waiting to begin several projects pending the outcome of a zoning decision by the City of Portland. By its own estimates, the earliest the Zoo might receive a decision was 2011. It had yet to submit its application, and several major milestones had not been met. Construction at the Zoo is limited by seasonal factors, such as weather and attendance, so monitoring timelines is particularly important. A small delay can result in a project not beginning until the following year. Because the zoning decision is the critical path for many projects, the Zoo should track its progress closely and monitor for schedule slippages. The Zoo should consider developing a contingency plan in case the application is delayed or rejected.

Recommendations

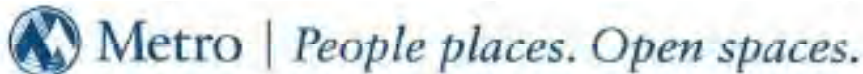
To ensure careful stewardship of public resources and encourage realistic expectations for Zoo projects:

1. Metro should ensure basic cost management processes are in place before it commits to large value construction contracts for bond-funded projects. This includes processes for:
 - a. Communicating the project budget to the architect;
 - b. Estimating project costs, including appropriate contingency amounts;
 - c. Verifying the work scope can reasonably be completed within the budget; and,
 - d. Monitoring and controlling spending and encumbrances.
2. Metro should improve its knowledge and understanding of estimating project costs.
3. Metro should develop processes for creating, monitoring and updating schedules for individual projects and the bond program as a whole.
4. Metro should establish a periodic reporting mechanism that provides the citizen oversight committee and Metro Council with current and accurate information on cost, schedule, and variances by project and for the bond as a whole.
5. Metro should develop a consistent system to maintain Zoo bond project documentation.

To improve accountability, the Chief Operating Officer should:

6. Clarify the organizational structure by clearly delineating roles and responsibilities and lines of authority.
7. Clarify the role of the Finance and Regulatory Services Department in providing financial oversight to capital projects.


MANAGEMENT RESPONSE



Memorandum

Date: Nov. 6, 2009

To: Suzanne Flynn, Metro Auditor

From: Scott Robinson, Deputy Chief Operating Officer; 
Mike Keele, Oregon Zoo Interim Director

Re: October 23, 2009 Oregon Zoo Construction Management Audit Report

This memorandum is Metro management's response to the final Oregon Zoo Construction Management Audit Report transmitted by your office on October 23, 2009.

Management would like to thank you and your office for adding this audit to your schedule. As you know, we encouraged this review, appreciate the diligence shown by your staff in researching and preparing the report, and welcome your recommendations. Metro management believes that it is vitally important that additional resources and processes are put in place to effectively manage the Oregon Zoo Infrastructure and Animal Welfare bond program, the largest capital improvement program the zoo has ever undertaken. Metro is well positioned to quickly implement improvements called for in the audit. The Sustainable Metro Initiative established project management best practices and the ability to bring expertise and resources from across the agency to support priority projects. Since the \$125 million Zoo bond measure passed in November 2008, Metro has taken steps to begin to create a robust governance and oversight structure to ensure careful and diligent stewardship of bond funds. This audit provides valuable additional guidance for improving performance and protecting taxpayers.

Your audit report provides critical insight into the construction management shortcomings manifested by Metro and the Zoo during the development of two exhibits occurring prior to and outside the November 2008 bond program – the Cascade Canyon exhibit and the recently opened \$6.9 million Predators of the Serengeti exhibit. The audit describes the Zoo's construction management style on these projects as ad hoc. Metro agrees. Now is the opportune time to build a stronger program. Your audit provides specific recommendations that Metro concurs will ensure significantly improved performance as it begins to implement the construction called for in the 2008 bond program. Metro has adopted or will adopt all audit recommendations and is focused on improving project management, budgeting, communication, and oversight to ensure that promises made to the public are kept.

Oregon Zoo staffs are highly skilled in animal care, conservation education, safety, and guest operations – but as the audit's review of Cascade Canyon and Predators projects reveals, they clearly were not adequately prepared or staffed to manage the scope and complexity of either project in addition to their regular duties. While the Predators exhibit was under construction, Zoo

managers and staffs were simultaneously working on the Amur tiger exhibit, a stormwater master plan, developing a new landscaped trail for animatronic dinosaurs, designing a veterinary hospital, and preparing for a national zoo and aquarium conference. Zoo management and staff tackled all of these tasks – including opening a world-class Predators exhibit – while welcoming an all-time record 1.6 million visitors. This tendency to over commit and respond with ad hoc management techniques must be corrected before the Zoo undertakes the upcoming projects called for in the 2008 bond program. To promptly and effectively implement the audit’s recommendations, Metro has taken or will undertake a series of improvements in staffing, governance and oversight to build a stronger program.

Metro has put in place a management process in which the Zoo bond construction program will be overseen and supported by three new dedicated positions: a program manager, a construction manager, and a bond planner.

The bond program will be coordinated with other Metro capital programs under the management of the Metro Deputy Chief Operating Officer. Zoo bond construction management has been separated from Zoo maintenance functions to ensure role clarity and dedicated resources.

Metro will develop and implement comprehensive best practices for capital project management with the assistance of outside experts and apply those practices to all Metro capital projects. Those practices will include consistent archiving of project management documentation.

The Metro Finance and Regulatory Services department is now charged with ensuring budgetary and contract controls and oversight. Metro has already and will continue to draw on and cross train staff to leverage the expertise of other branches within the agency to support the Zoo bond.

To ensure transparency to the public, a formal advisory committee comprised of internal and external experts, representing construction, finance, architecture, and animal care, will help guide all aspects of the Zoo bond program. The committee recently met to begin its work.

In addition, the bond program is focusing on a Master Planning process to address programmatic risks, dependencies, and opportunities. The new focus on project management practices led to the decision to hold any construction associated with the Veterinary Hospital until scope, budget, and schedule information is finalized to high levels of confidence and adequate contingency measures are in place.

Regular project status reporting has begun and will help ensure that progress and unforeseen issues are effectively managed with adequate oversight.

Finally, in addition to annual financial expenditure audits, a citizen performance oversight committee will review and publish an annual report on the adequacy of the established bond governance and project management processes. Through all of these checks and balances, Metro will be in a strong position to successfully deliver on its promise to the public.

The new staffing, governance structures and processes already are making a significant difference. For example, many of the issues identified in the auditor’s review of the Predators of the Serengeti project also apply to the Red Ape Reserve project. Metro recently completed an assessment of the

project's scope, schedule, and budget to ensure it can be completed and open for visitors in 2010 using only funds from capital reserves and donations.

Metro agrees that the implementation of your recommendations will improve and strengthen the 2008 bond program and is committed to fully implementing the audit recommendations. The steps Metro already has taken, when combined with work underway and improved monitoring and reporting, will strengthen the agency's construction capabilities and help ensure the 2008 Zoo bond program is effectively managed. Metro management and staff appreciate the thoughtful and thorough review conducted by the Auditor and welcome ongoing review of progress towards implementation of the audit recommendations.



METRO

Office of the Metro Auditor
600 NE Grand Avenue
Portland, Oregon 97232
503-797-1892
www.oregonmetro.gov

Agenda Item Number 4.1

**Consideration of Minutes for the November 12, 2009 Metro Council
Regular Meeting.**

Consent Agenda

Metro Council Meeting
Thursday, November 19, 2009
Metro Council Chamber

Agenda Item Number 4.2

Resolution No. 09-4091, For the Purpose of Confirming the Council President's Appointments and Reappointment to the Transportation Policy Advisory Committee (TPAC) for the 2010

Consent Agenda

Metro Council Meeting
Thursday, November 19, 2009
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONFIRMING THE) RESOLUTION NO. 09- 4091
COUNCIL PRESIDENT’S APPOINTMENTS)
AND REAPPOINTMENT TO THE) Introduced by Council President David
TRANSPORTATION POLICY) Bragdon
ADVISORY COMMITTEE (TPAC) FOR 2010–
2011

WHEREAS, Metro Code Sections 2.19.030(b) and 2.19.180, the Transportation Policy Alternatives Committee (TPAC) bylaws provided that the Metro Council President shall appoint all members of all advisory committees; and

WHEREAS, TPAC coordinates and guides the regional transportation planning program in accordance with the policy of the Metro Council; and

WHEREAS, TPAC has three seats for a citizen members currently vacant; and

WHEREAS, the Metro Council President has made the following appointment to fill the TPAC vacancies:

TPAC Name; New Appointment; and Terms:

John Reinhold, IT Systems Analyst, The Regence Group (Reappointment; Second Two-Year Term – January 2010 through December 2011);

Tracy Ann Whalen, Corporate Traffic Manager, ESCO Corporation. (First Two-Year Term – January 2010 through December 2011);

Jennifer Weinstein, Graduate Student, Portland State University, (First Two-Year Term – January 2010 through December 2011);

BE IT RESOLVED that the Metro Council hereby confirms the Metro Council President’s appointments of the following citizens to serve as TPAC members as noted below:

TPAC Name; New Appointment; and Terms:

John Reinhold, IT Systems Analyst, The Regence Group (Reappointment; Second Two-Year Term – January 2010 through December 2011);

Tracy Ann Whalen, Transportation Logistics, ESCO. (First Two-Year Term – January 2010 through December 2011);

Jenny Weinstein, Graduate Research Assistant, Portland State University, (First Two-Year Term – January 2010 through December 2011);

ADOPTED by the Metro Council this _____ day of November 2009.

David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 09-4091, FOR THE PURPOSE OF CONFIRMING THE COUNCIL PRESIDENT'S APPOINTMENTS AND REAPPOINTMENT TO THE TRANSPORTATION POLICY ADVISORY COMMITTEE (TPAC) FOR 2010–2011

Date: November TBD, 2009

Prepared by: Pat Emmerson
503-797-1551

BACKGROUND

The Transportation Policy Alternatives Committee (TPAC) provides technical advice to the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council regarding transportation planning and policy. TPAC has 21 members—15 technical staff from governments in the region and 6 community representatives. The community members of TPAC represent various transportation interests and parts of the region.

Currently TPAC has three vacant community seats, the result of expired two-year terms. Public notices of the vacancies were sent to a list of interested parties, neighborhood association newsletters and major and community newspapers. The vacancies were posted on the Metro web site with application instructions and a link to an online application form. Metro received 22 applications and interviewed 5 individuals.

ANALYSIS/INFORMATION

Known Opposition

No known opposition.

Legal Antecedents

Metro Code Sections 2.19.030 (a) and (b) and 2.19.180 (b)(6) states that community representatives be nominated through a public application process, appointed by the Metro President and confirmed by the Metro Council.

Anticipated Effects

Approval fills vacancies for community representatives on TPAC.

Budget Impacts

None.

RECOMMENDED ACTION

Adopt Resolution No. 09-4091

Agenda Item Number 5.1

Ordinance No. 09-1224, For the Purpose of Amending the FY 2009-10 Budget and Appropriations Schedule Providing Increased Appropriations in the MERC Fund and Declaring an Emergency.

ORDINANCES – SECOND READING

Metro Council Meeting
Thursday, November 19, 2009
Metro Council Chamber

BEFORE THE METRO COUNCIL

AMENDING THE FY 2009-10 BUDGET AND) ORDINANCE NO. 09-1224
APPROPRIATIONS SCHEDULE PROVIDING)
INCREASED APPROPRIATIONS IN THE MERC) Introduced by Michael Jordan, Chief
FUND AND DECLARING AN EMERGENCY) Operating Officer, with the concurrence of
) Council President David Bragdon

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2009-10 Budget; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2009-10 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of providing increased appropriations in the MERC Fund.
2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____ 2009.

David Bragdon, Council President

Attest:

Approved as to Form:

Anthony Andersen, Recording Secretary

Daniel B. Cooper, Metro Attorney

**Exhibit A
Ordinance No. 09-1224**

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
MERC Fund							
<u>Resources</u>							
BGBAL	<i>Beginning Fund Balance</i>						
	* Prior year ending balance		25,702,261		0		25,702,261
	* Oregon Convention Center		325,000		0		325,000
	* Portland Center for the Performing Arts		47,500		0		47,500
GRANTS	<i>Grants</i>						
4125	Local Grants - Indirect		0		216,925		216,925
LGSHRE	<i>Local Gov't Share Revenues</i>						
4130	Hotel/Motel Tax		10,930,634		0		10,930,634
4142	Intergovernment Misc. Revenue		43,955		0		43,955
4145	Government Contributions		760,926		0		760,926
CHGSVC	<i>Charges for Service</i>						
4500	Admission Fees		1,439,332		0		1,439,332
4510	Rentals		7,201,549		0		7,201,549
4550	Food Service Revenue		12,123,799		0		12,123,799
4560	Retail Sales		22,000		0		22,000
4575	Advertising		25,500		0		25,500
4580	Utility Services		1,516,818		0		1,516,818
4590	Commissions		682,300		0		682,300
4620	Parking Fees		2,603,350		0		2,603,350
4645	Reimbursed Services		3,152,282		0		3,152,282
4647	Reimbursed Services - Contract		460,747		0		460,747
4650	Miscellaneous Charges for Svc		289,880		0		289,880
INTRST	<i>Interest Earnings</i>						
4700	Interest on Investments		586,518		0		586,518
DONAT	<i>Contributions from Private Sources</i>						
4750	Donations and Bequests		307,000		0		307,000
4755	Capital Donations and Bequests		1,250,000		0		1,250,000
4760	Sponsorship Revenue		365,500		0		365,500
MISCRV	<i>Miscellaneous Revenue</i>						
4805	Financing Transaction		81,126		0		81,126
4890	Miscellaneous Revenue		36,100		25,000		61,100
4891	Refunds and Reimbursements		5,000		0		5,000
EQTREV	<i>Fund Equity Transfers</i>						
4970	Transfer of Resources						
	* from General Fund		692,490		0		692,490
TOTAL RESOURCES			\$70,651,567		\$241,925		\$70,893,492
Total Personal Services			194.00	\$18,534,604	0.00	\$0	194.00 \$18,534,604
<u>Materials & Services</u>							
GOODS	<i>Goods</i>						
5201	Office Supplies		223,555		0		223,555
5205	Operating Supplies		297,086		0		297,086
5210	Subscriptions and Dues		90,896		0		90,896
5214	Fuels and Lubricants		17,970		0		17,970
5215	Maintenance & Repairs Supplies		584,175		0		584,175
5225	Retail		9,000		0		9,000
SVCS	<i>Services</i>						
5240	Contracted Professional Svcs		1,273,843		260,000		1,533,843
5245	Marketing Expense		2,619,362		0		2,619,362
5247	POVA Pass-Through		412,681		0		412,681
5251	Utility Services		2,584,520		0		2,584,520

**Exhibit A
Ordinance No. 09-1224**

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
MERC Fund							
5255	Cleaning Services		33,260		0		33,260
5260	Maintenance & Repair Services		836,943		0		836,943
5265	Rentals		591,388		0		591,388
5270	Insurance		28,060		0		28,060
5280	Other Purchased Services		420,448		0		420,448
5281	Other Purchased Services - Reimb		390,913		0		390,913
5291	Food and Beverage Services		9,431,528		0		9,431,528
5292	Parking Services		292,357		0		292,357
IGEXP	<i>Intergov't Expenditures</i>						
5300	Payments to Other Agencies		235,379		306,564		541,943
5310	Taxes (Non-Payroll)		11,500		0		11,500
5320	Government Assessments		0		0		0
OTHEXP	<i>Other Expenditures</i>						
5450	Travel		164,625		0		164,625
5455	Staff Development		221,665		0		221,665
5490	Miscellaneous Expenditures		5,500		0		5,500
Total Materials & Services			\$20,776,654		\$566,564		\$21,343,218
Capital Outlay							
CAPCIP	<i>Capital Outlay (CIP Projects)</i>						
5710	Improve-Oth thn Bldg		75,000		0		75,000
5720	Buildings & Related		3,123,490		(18,075)		3,105,415
5740	Equipment & Vehicles		56,000		0		56,000
5750	Office Furniture & Equip		170,000		0		170,000
Total Capital Outlay			\$3,424,490		(\$18,075)		\$3,406,415
Debt Service							
LOAN	<i>Loan Payments</i>						
5610	Loan Payments-Principal		10,280		135,000		145,280
5615	Loan Payments-Interest		6,978		0		6,978
Total Debt Service			\$17,258		\$135,000		\$152,258
Total Interfund Transfers			\$3,704,857	0.00	\$0		\$3,704,857
Contingency and Ending Balance							
CONT	<i>Contingency</i>						
5999	Contingency						
	* General Contingency		2,009,197		(683,489)		1,325,708
	* Renewal and Replacement		970,000		0		970,000
	* Prior Year PERS Reserve		1,486,398		0		1,486,398
	* Reimbursable HQH Contingency		3,700,000		0		3,700,000
	* Contingency for Capital (TL TAX)		640,310		0		640,310
UNAPP	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* Restricted Fund Balance (User Fees)		1,339,841		0		1,339,841
	* Ending Balance		12,148,391		241,925		12,390,316
	* Renewal & Replacement		815,000		0		815,000
	* Current Year PERS Reserve		375,187		0		375,187
	* Prior Year PERS Reserve		709,380		0		709,380
Total Contingency and Ending Balance			\$24,193,704		(\$441,564)		\$23,752,140
TOTAL REQUIREMENTS		194.00	\$70,651,567	0.00	\$241,925	194.00	\$70,893,492

Exhibit B
Ordinance 09-1224
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
MERC FUND			
MERC	42,735,748	548,489	43,284,237
Non-Departmental			
Debt Service	17,258	135,000	152,258
Interfund Transfers	3,704,857	0	3,704,857
Contingency	8,805,905	(683,489)	8,122,416
Unappropriated Balance	15,387,799	241,925	15,629,724
Total Fund Requirements	\$70,651,567	\$241,925	\$70,893,492

All other appropriations remain as previously adopted

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO 09-1224 AMENDING THE FY 2009-10 BUDGET AND APPROPRIATIONS SCHEDULE PROVIDING INCREASED APPROPRIATIONS IN THE MERC FUND AND DECLARING AN EMERGENCY

Date: October 16, 2009

Presented by: Cynthia Hill
503-731-7829

BACKGROUND

This ordinance requests a modification to the FY 2009-10 MERC budget for four items as described below.

1. In FY 2008-09 MERC received a \$225,000 contribution from the City of Portland for Architectural and Urban Design for the Arlene Schnitzer Concert Hall (ASCH) Renovation and Main Street Project. About \$216,925 will carry forward to FY 2009-10 for this project. An additional \$43,075 will be reallocated from unspent capital projects funded with a donation from the Friends of the PCPA. This action request requests an increase of \$260,000 in professional services to provide for continuation of the project. The primary contract for this project, awarded in September 2009, provides adequate authority for the work and does not need to be amended.
2. MERC is required to pay a Local Improvement District assessment made by the City of Portland on the PCPA for the Portland Mall Revitalization project. The total assessment is \$310,025. MERC is responsible for \$306,564 and the First Congregational Church is responsible for \$3,461. Although financing options are available through the City of Portland, the most cost effective alternative is to make payment in full when due. This action requests the transfer of \$306,564 from the MERC contingency to pay the assessment.
3. In 2002, the Oregon Convention Center was required to pay a Local Improvement District assessment to the City of Portland for the Steel Bridge improvements. MERC chose to finance this payment over a 20 year period. The loan carries an interest rate of 5.32 percent. Under the current market conditions it is most cost effective to pay off this loan in full. Retiring this debt now will save approximately \$50,000 in future interest payments over the remaining life of the loan. This action requests the transfer of \$135,000 from the MERC contingency to retire this debt.
4. During the Oregon Convention Center Expansion project an insurance reserve account was funded for potential outstanding workers' compensation claims. This account will be closed and the final balance of \$25,000 will be released to the Oregon Convention Center. MERC is reinvesting this revenue in the renovation of a portion of the Oregon Convention Center food service facility known as the Stir Lounge. Additional funds are being requested for the project for operation needs not recognized in the original design costs related to equipment purchases, furniture purchases, kitchen layout and equipment needs, and additional electrical requirements. The request, although initially funded from contingency, will be offset by a declaration of \$25,000 in miscellaneous revenue.

ANALYSIS/INFORMATION

- 1. Known Opposition:** None known.
- 2. Legal Antecedents:** ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction.
- 3. Anticipated Effects:** This action will allow the continuation of an important study on the design of a portion of the PCPA; allow the payment of two Local Improvement District assessments to the City of Portland, and provide the completion of the Stir Lounge at the Oregon Convention Center.
- 4. Budget Impacts:** This ordinance authorizes a net reduction in contingency of \$683,489 to make payment to the City of Portland, retire an outstanding loan and continue projects at PCPA and the Oregon Convention Center. Additional revenue of \$241,925 will be recognized or received to offset the contingency reduction.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this Ordinance.

Ordinance No. 09-1225, For the Purpose of Amending the FY 2009-10 Budget and Appropriations Schedule to Revise the Third Floor Remodel Capital Projects, Move Funding from Contingency, Amend the FY 2009-10 Through FY 2013-14 Capital Improvement Plan and Declaring an Emergency.

ORDINANCES – SECOND READING

Metro Council Meeting
Thursday, November 19, 2009
Metro Council Chamber

BEFORE THE METRO COUNCIL

AMENDING THE FY 2009-10 BUDGET AND) ORDINANCE NO. 09-1225
APPROPRIATIONS SCHEDULE TO REVISE THE)
THIRD FLOOR REMODEL CAPITAL PROJECTS,) Introduced by Michael Jordan, Chief
MOVE FUNDING FROM CONTINGENCY,) Operating Officer, with the concurrence of
AMEND THE FY 2009-10 THROUGH FY 2013-14) Council President David Bragdon
CAPITAL IMPROVEMENT PLAN, AND)
DECLARING AN EMERGENCY)

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2009-10 Budget; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

- 1. That the FY 2009-10 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of revising the third floor remodel capital projects and moving funding from contingency.
- 2. That the FY 2009-10 through FY 2013-14 Capital Improvement Plan is hereby amended to include the projects shown in Exhibit C to this Ordinance.
- 3. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____ 2009.

David Bragdon, Council President

Attest:

Approved as to Form:

Anthony Andersen, Recording Secretary

Daniel B. Cooper, Metro Attorney

Exhibit A
Ordinance No. 09-1225

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
General Expenses							
<i>Interfund Transfers</i>							
INDTEX	<i>Interfund Reimbursements</i>						
5800	Transfer for Indirect Costs						
	* to Risk Mgmt Fund-Liability		191,681		0		191,681
	* to Risk Mgmt Fund-Worker Comp		275,463		0		275,463
EQTCHG	<i>Fund Equity Transfers</i>						
5810	Transfer of Resources						
	* to General Revenue Bond Fund-Zoo		403,820		0		403,820
	* to Metro Capital Fund-IT Projects		50,000		0		50,000
	* to Gen'l Revenue Bond Fund-Debt Serv Acct		1,485,849		0		1,485,849
	* to MERC Fund (Tourism Opp. & Compt. Account)		692,490		0		692,490
	* to Renewal & Replacement Fund-General R&R		537,233		0		537,233
	* to Renewal & Replacement Fund-IT Renewal & Rep		253,329		0		253,329
	* to Metro Capital Fund-Parks Capital		49,000		0		49,000
	* to Renewal & Replacement Fund-Regional Center		277,000		128,000		405,000
	* to Metro Capital Fund-Parks Cap		40,000		0		40,000
	* to Renewal & Replacement Fund-Parks R&R		200,000		0		200,000
	* to Solid Waste Revenue Fund		122,375		0		122,375
LOANEX	<i>Interfund Loan - Expenditures</i>						
5865	Interfund Loan - Interest		0				0
	* to Solid Waste Revenue Fund		266,250		0		266,250
Total Interfund Transfers			\$4,844,490		\$128,000		\$4,972,490
<i>Contingency & Unappropriated Balance</i>							
CONT	<i>Contingency</i>						
5999	Contingency						
	* Contingency		3,121,383		0		3,121,383
	* Reserved for Future Election Costs		183,411		0		183,411
	* Reserved for Nature in Neigh Grants		342,500		0		342,500
	* Reserved for Metro Regional Center Remodel		128,000		(128,000)		0
	* Reserved for Active Transportation Partnerships		176,100		0		176,100
	* Reserved for Climate Change		47,500		0		47,500
UNAPP	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* Stabilization Reserve		2,352,000		0		2,352,000
	* PERS Reserve		3,759,384		0		3,759,384
	* Computer Replacement Reserve (Planning)		90,000		0		90,000
	* Tibbets Flower Account		50		0		50
	* Reserved for Future Natural Areas Operations		804,460		0		804,460
	* Reserved for Local Gov't Grants (CET)		5,851		0		5,851
	* Reserved for Future Planning Needs		27,575		0		27,575
	* Debt Reserve for Full Faith & Credit Bonds		2,000,000		0		2,000,000
	* Reserve for Future Debt Service		2,676,806		0		2,676,806
Total Contingency & Unappropriated Balance			\$15,715,020		(\$128,000)		\$15,587,020
TOTAL REQUIREMENTS		451.73	\$104,755,967	0.00	\$0	451.73	\$104,755,967

Exhibit A
Ordinance No. 09-1225

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
General Renewal & Replacement Fund							
Renewal & Replacement							
<i>Resources</i>							
BEGBAL	Beginning Fund Balance						
3500	* Prior year ending balance		6,379,524		0		6,379,524
GRANTS	Grants						
4100	Federal Grants-Direct		500,000		0		500,000
4110	State Grants-Direct		712,500		0		712,500
INTRST	Interest Earnings						
4700	Interest on Investments		216,559		0		216,559
EQTREV	Fund Equity Transfers						
4970	Transfer of Resources						
	* from Solid Waste Revenue Fund		15,503		0		15,503
	* from General Fund (Regional Parks)		200,000		0		200,000
	* from General Fund-IT R&R		253,329		0		253,329
	* from General Fund-MRC R&R		277,000		128,000		405,000
	* from General Fund-Gen'l R&R		537,233		0		537,233
	* from Metro Capital Fund		799,410		0		799,410
	* from General Revenue Bond Fund-MRC R&R		0		0		0
TOTAL RESOURCES			\$9,891,058		\$128,000		\$10,019,058
<i>Materials & Services</i>							
GOODS	Goods						
5201	Office Supplies		108,615		0		108,615
5205	Operating Supplies		17,371		0		17,371
SVCS	Services						
5260	Maintenance & Repairs Services		76,500		0		76,500
CAPMNT	Capital Maintenance						
5261	Capital Maintenance - CIP		392,040		0		392,040
5262	Capital Maintenance - Non-CIP		283,972		0		283,972
OTHEXP	Other Expenditures						
Total Materials & Services			\$878,498		\$0		\$878,498
<i>Capital Outlay</i>							
CAPNON	Capital Outlay (non-CIP Projects)						
5740	Equipment & Vehicles		10,612		0		10,612
CAPCIP	Capital Outlay (CIP Projects)						
5710	Improve-Other than Bldg		1,749,940		0		1,749,940
5720	Buildings & Related		362,887		128,000		490,887
5730	Exhibits and Related		8,856		0		8,856
5740	Equipment & Vehicles		911,422		0		911,422
5750	Office Furniture & Equip		190,840		0		190,840
5760	Railroad Equip & Facil		22,851		0		22,851
Total Capital Outlay			\$3,257,408		\$128,000		\$3,385,408

Exhibit A
Ordinance No. 09-1225

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Renewal & Replacement Fund							
Renewal & Replacement							
<i>Contingency & Unappropriated Balance</i>							
CONT	<i>Contingency</i>						
5999	Contingency						
	* General contingency		2,753,015		0		2,753,015
UNAPP	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* Renewal & Replacement - Gen'l		3,002,137		0		3,002,137
Total Contingency & Unappropriated Balance			\$5,755,152		\$0		\$5,755,152
TOTAL REQUIREMENTS		0.00	\$9,891,058	0.00	\$128,000	0.00	\$10,019,058

Exhibit B
Ordinance 09-1225
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
GENERAL FUND			
Communications	2,178,971	0	2,178,971
Council Office (includes COO & Strategy Center)	3,408,277	0	3,408,277
Finance & Regulatory Services	3,334,056	0	3,334,056
Human Resources	1,904,090	0	1,904,090
Information Services	3,170,764	0	3,170,764
Metro Auditor	669,433	0	669,433
Office of Metro Attorney	1,995,694	0	1,995,694
Oregon Zoo	27,636,683	0	27,636,683
Parks & Environmental Services	6,831,562	0	6,831,562
Planning and Development	18,182,224	0	18,182,224
Research Center	4,200,843	0	4,200,843
Sustainability Center	4,490,128	0	4,490,128
Former ORS 197.352 Claims & Judgments	100	0	100
Special Appropriations	4,721,292	0	4,721,292
Non-Departmental			
Debt Service	1,472,340	0	1,472,340
Interfund Transfers	4,844,490	128,000	4,972,490
Contingency	3,998,894	(128,000)	3,870,894
Unappropriated Balance	11,716,126	0	11,716,126
Total Fund Requirements	\$104,755,967	\$0	\$104,755,967
GENERAL RENEWAL AND REPLACEMENT FUND			
Renewal & Replacement Program	4,135,906	128,000	4,263,906
Non-Departmental			
Contingency	2,753,015	0	2,753,015
Unappropriated Balance	3,002,137	0	3,002,137
Total Fund Requirements	\$9,891,058	\$128,000	\$10,019,058

All other appropriations remain as previously adopted

EXHIBIT C - Ordinance 09-1225

Capital Project Request - Project Detail

Project Title: Council/COO Building Space Remodel **Fund:** General Fund

Project Status: Incomplete **Funding Status:** Funded **FY First Authorized:** 2007-08 **Department:** Parks and Environmental Services

Project Number: 01510 **Active:** **Dept. Priority:** 1 **Facility:** Property Services **Division:** Property Services

Source Of Estimat: Preliminary **Source:** **Start Date:** 7/07 **Date:** 12/5/2006 **Cost Type:** Facilities

Type of Project: New **Request Type:** Initial **Completion Date:** 6/10 **Prepared By:** Mike Brown

Project Estimates	Actual	Budget/Est	Prior						
Capital Cost:	Expend	2009-2010	Years	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	Total
Construction	\$14,983	\$228,000	\$242,983	\$0	\$0	\$0	\$0	\$0	\$242,983
Equipment/Furnishings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total:	\$14,983	\$228,000	\$242,983	\$0	\$0	\$0	\$0	\$0	\$242,983

Funding Source:

Fund Balance - Capital Reserve	\$0	\$228,000	\$228,000	\$0	\$0	\$0	\$0	\$0	\$228,000
Fund Balance	\$14,983	\$0	\$14,983	\$0	\$0	\$0	\$0	\$0	\$14,983
Total:	\$14,983	\$228,000	\$242,983	\$0	\$0	\$0	\$0	\$0	\$242,983

Annual Operating Budget Impact

Project Description / Justification: **Estimated Useful Life (yrs):** 15 **First Full Fiscal Year of Operation:** 2010-11

This project was to remodel the 3rd floor of the Metro Regional Center. Originally a much broader scope of changes was anticipated with the project expected to cost in the range of \$450,000. The scope of work has been reduced to include only the reconfiguration of offices on the 3rd floor and the creation of a new conference room for the use of Metro Council.

Initially the budget was set at \$150,000 with \$50,000 in contingency. About \$15,000 has been spent on various plans to determine the overall scope of the project. \$100,000 was carried forward into Fiscal Year 2009-10 CIP and Budget. This project has now been tentatively scoped. \$66,000 of the \$100,000 has been spent to date.

Further aspects of this project provide planning, development, construction document development for the third floor conference room and COO/Council offices. The completed project will include sustainable options like centralized lighting controls in each office and conference room, HVAC conference room controls, conference room automated window blinds, interactive touch screens and the ability to in the future enter into a IGA with PCC for video teleconferencing with secure digital video recording as well as many more capabilities depending on direction and budget once the conference room is complete.

Additional funding for expanded video capabilities will be an additional project with expected funding from a grant.

Operating costs should be a wash due to the sustainable features added to offset the additional offices and equipment. There is a potential for savings on future training from the use of new video conferencing capabilities.

EXHIBIT C - Ordinance 09-1225

Strategic Analysis

01510

Council/COO Building Space Remodel

1. Purpose.

This project was to remodel the 3rd floor of the Metro Regional Center. Originally a much broader scope of changes was anticipated with the project expected to cost in the range of \$450,000. The scope of work has been reduced to include only the reconfiguration of offices on the 3rd floor and the creation of a new conference room for the use of Metro Council.

Initially the budget was set at \$150,000 with \$50,000 in contingency. About \$15,000 has been spent on various plans to determine the overall scope of the project. \$100,000 was carried forward into Fiscal Year 2009-10 CIP and Budget. This project has now been tentatively scoped. \$66,000 of the \$100,000 has been spent to date.

Further aspects of this project provide planning, development, construction document development for the third floor conference room and COO/Council offices. The completed project will include sustainable options like centralized lighting controls in each office and conference room, HVAC conference room controls, conference room automated window blinds, interactive touch screens and the ability to in the future enter into a IGA with PCC for video teleconferencing with secure digital video recording as well as many more capabilities depending on direction and budget once the conference room is complete.

Additional funding for expanded video capabilities will be an additional project with expected funding from a grant.

Operating costs should be a wash due to the sustainable features added to offset the additional offices and equipment. There is a potential for savings on future training from the use of new video conferencing capabilities.

2. Scope and Schedule.

Adds a conference room with up to date technology for the Council use. Adds common area and hallway and some office improvements. See separate list of project components with expected individual costs and completion dates

3. Managment.

Richard Thompson

4. Stakeholders.

Metro Center users and visitors to Metro Council and Metro Council

5. Risks.

Normal safety issues with construction.

6. Cost.

Original Cost Estimate	\$450,000
Operating Budget	

7. Environmental Sustainability.

All currently available sustainability options are incorporated in this project including interactive blinds that automatically adjust to outside temperatures to control internal temperatures. Sophisticated HVAC and electrical systems incorporated for maximum energy management. This project is considered a pilot for potential sustainability improvements to the rest of the Metro Regional Center. Recycled building materials were used when possible.

8. Regulatory Requirments.

City of Portland Permitting, building codes, over \$50,000 Boli job requirements, compliance with the City of Portland's building recycling requirements for projects over \$50,000.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 09-1225 AMENDING THE FY 2009-10 BUDGET AND APPROPRIATIONS SCHEDULE TO REVISE THE THIRD FLOOR REMODEL CAPITAL PROJECTS, MOVE FUNDING FROM CONTINGENCY, AMEND THE FY 2009-10 THROUGH 2013-14 CAPITAL IMPROVEMENT PLAN, AND DECLARING AN EMERGENCY

Date: October 19, 2009

Prepared by: Richard Thompson, Facilities Manager
Karen Feher, CIP Coordinator
503-797-1868

BACKGROUND

This budget request is to complete a scaled back remodel of the 3rd floor of the Metro Regional Center. Originally a broader scope of changes anticipated the project expenditures in the range of \$450,000. The scope of work has been reduced to include only the reconfiguration of offices on the 3rd floor and the creation of a new conference room for the use of Metro Council.

The project budget in FY 2008-09 was \$200,000 with \$50,000 of that funding in contingency. About \$15,000 was spent on various plans to determine the overall scope of the project and \$100,000 was carried forward into Fiscal Year 2009-10 CIP and Budget. The project costs are now more fully developed. Of the current year \$100,000 budget, \$66,000 is spent.

The remaining aspects of this project provide planning, development, construction document development for the third floor conference room and additional aspects of the management offices. The completed project will include sustainable options like centralized lighting controls in each office and conference room, HVAC conference room controls, conference room automated window blinds, interactive touch screens and the future capability for video teleconferencing and secure digital video recording as well as other technological capabilities depending on direction and availability of grant funding once the conference room is complete.

This action moves \$128,000 from General Fund contingency to the renewal and replacement fund to complete this project as well as amending the Capital Improvement Plan.

ANALYSIS/INFORMATION

- 1. Known Opposition:** None known.
- 2. Legal Antecedents:** ORS 294.450 provides for transfers of appropriations within a fund, and from the General Fund to any other fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction. In addition, ORS 294.326(3) provides an exemption to Oregon Budget Law allowing for the expenditure in the year of receipt of grants, gifts and bequests received by a municipal corporation in trust for a specific purpose. The Capital Improvement Plan is adopted by Resolution; therefore amendments must be adopted by Resolution or included in another Council action.

3. **Anticipated Effects:** This action implements the funding actions needed for the capital projects approved by the Council through Resolution 09-4078, adopted October 15, 2009. It approves a change to the FY 2009-10 through FY 2013-14 Capital Improvement Plan increasing the project by \$128,000.
4. **Budget Impacts:** This ordinance will recognize a transfer of \$128,000 from the General Fund contingency to the Renewal & Replacement Fund to provide appropriations for the project described in the staff report above.

RECOMMENDED ACTION

Chief Operating Officer Michael Jordan recommends approval of this Ordinance.

Agenda Item Number 5.3

Ordinance No. 09-1226, For the Purpose of Amending the FY 2009-10 Budget and Appropriations Schedule to Provide for Approved Capital Projects, Recognizing New Grants, and Declaring an Emergency.

ORDINANCES – SECOND READING

Metro Council Meeting
Thursday, November 19, 2009
Metro Council Chamber

BEFORE THE METRO COUNCIL

AMENDING THE FY 2009-10 BUDGET AND) ORDINANCE NO. 09-1226
APPROPRIATIONS SCHEDULE TO PROVIDE)
FOR APPROVED CAPITAL PROJECTS,) Introduced by Michael Jordan, Chief
RECOGNIZING NEW CAPITAL GRANTS AND) Operating Officer, with the concurrence of
DECLARING AN EMERGENCY) Council President David Bragdon

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2009-10 Budget; and

WHEREAS, the Metro Council through Resolution 09-4078 adopted on October 15, 2009 has approved several new capital projects and amended the FY 2009-10 through FY 2013-14 Capital Improvement Plan; and

WHEREAS, Oregon Budget Law ORS 294.326 allows for the expenditure in the year of receipt of grants, gifts, bequests, and other devices received by a municipal corporation in trust for a specific purpose; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

- 1. That the FY 2009-10 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of recognizing new capital grants and providing appropriation for several new capital projects.
- 2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____ 2009.

David Bragdon, Council President

Attest:

Approved as to Form:

Anthony Andersen, Recording Secretary

Daniel B. Cooper, Metro Attorney

Exhibit A
Ordinance No. 09-1226

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
General Renewal & Replacement Fund							
Renewal & Replacement							
<i>Resources</i>							
BEGBAL	Beginning Fund Balance						
3500	* Prior year ending balance		6,379,524		0		6,379,524
GRANTS	Grants						
4100	Federal Grants-Direct		0		500,000		500,000
4110	State Grants-Direct		0		712,500		712,500
INTRST	Interest Earnings						
4700	Interest on Investments		216,559		0		216,559
EQTREV	Fund Equity Transfers						
4970	Transfer of Resources						
	* from Solid Waste Revenue Fund		15,503		0		15,503
	* from General Fund (Regional Parks)		200,000		0		200,000
	* from General Fund-IT R&R		253,329		0		253,329
	* from General Fund-MRC R&R		277,000		0		277,000
	* from General Fund-Gen'l R&R		537,233		0		537,233
	* from Metro Capital Fund		799,410		0		799,410
	* from General Revenue Bond Fund-MRC R&R		0		0		0
TOTAL RESOURCES			\$8,678,558		\$1,212,500		\$9,891,058
<i>Materials & Services</i>							
GOODS	Goods						
5201	Office Supplies		59,615		49,000		108,615
5205	Operating Supplies		17,371		0		17,371
SVCS	Services						
5260	Maintenance & Repairs Services		76,500		0		76,500
CAPMNT	Capital Maintenance						
5261	Capital Maintenance - CIP		392,040		0		392,040
5262	Capital Maintenance - Non-CIP		283,972		0		283,972
OTHEXP	Other Expenditures						
Total Materials & Services			\$829,498		\$49,000		\$878,498
<i>Capital Outlay</i>							
CAPNON	Capital Outlay (non-CIP Projects)						
5740	Equipment & Vehicles		10,612		0		10,612
CAPCIP	Capital Outlay (CIP Projects)						
5710	Improve-Oth thn Bldg		149,940		1,600,000		1,749,940
5720	Buildings & Related		362,887		0		362,887
5730	Exhibits and Related		8,856		0		8,856
5740	Equipment & Vehicles		880,422		31,000		911,422
5750	Office Furniture & Equip		190,840		0		190,840
5760	Railroad Equip & Facil		22,851		0		22,851
Total Capital Outlay			\$1,626,408		\$1,631,000		\$3,257,408

Exhibit A
Ordinance No. 09-1226

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Renewal & Replacement Fund							
Renewal & Replacement							
<i>Contingency & Unappropriated Balance</i>							
CONT	<i>Contingency</i>						
5999	Contingency						
	* General contingency		3,220,515		(467,500)		2,753,015
UNAPP	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* Renewal & Replacement - Gen'l		3,002,137		0		3,002,137
Total Contingency & Unappropriated Balance			\$6,222,652		(\$467,500)		\$5,755,152
TOTAL REQUIREMENTS		0.00	\$8,678,558	0.00	\$1,212,500	0.00	\$9,891,058

Exhibit A
Ordinance No. 09-1226

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Parks & Environmental Services							
Total Personal Services		45.60	\$4,070,264	0.00	\$0	45.60	\$4,070,264
<i>Materials & Services</i>							
<i>GOODS Goods</i>							
	5201 Office Supplies		70,687		0		70,687
	5205 Operating Supplies		114,875		0		114,875
	5210 Subscriptions and Dues		4,701		0		4,701
	5214 Fuels and Lubricants		2,135		0		2,135
	5215 Maintenance & Repairs Supplies		203,983		0		203,983
	5225 Retail		9,316		0		9,316
<i>SVCS Services</i>							
	5240 Contracted Professional Svcs		346,191		91,600		437,791
	5250 Contracted Property Services		196,213		0		196,213
	5251 Utility Services		398,194		0		398,194
	5255 Cleaning Services		197,281		0		197,281
	5260 Maintenance & Repair Services		455,930		0		455,930
	5265 Rentals		51,238		0		51,238
	5280 Other Purchased Services		24,052		0		24,052
	5290 Operations Contracts		2,994		0		2,994
<i>IGEXP Intergov't Expenditures</i>							
	5300 Payments to Other Agencies		401,119		0		401,119
	5310 Taxes (Non-Payroll)		249,478		0		249,478
<i>OTHEXP Other Expenditures</i>							
	5450 Travel		5,839		0		5,839
	5455 Staff Development		26,994		0		26,994
	5490 Miscellaneous Expenditures		78		0		78
Total Materials & Services			\$2,761,298		\$91,600		\$2,852,898
TOTAL REQUIREMENTS		45.60	\$6,831,562	0.00	\$91,600	45.60	\$6,923,162

Exhibit A
Ordinance No. 09-1226

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
General Expenses							
Total Interfund Transfers			\$4,844,490		\$0		\$4,844,490
<u>Contingency & Unappropriated Balance</u>							
<i>CONT</i>	<i>Contingency</i>						
5999	Contingency						
	* Contingency		3,121,383		(91,600)		3,029,783
	* Reserved for Future Election Costs		183,411		0		183,411
	* Reserved for Nature in Neigh Grants		342,500		0		342,500
	* Reserved for Metro Regional Center Remodel		128,000		0		128,000
	* Reserved for Active Transportation Partnerships		176,100		0		176,100
	* Reserved for Climate Change		47,500		0		47,500
<i>UNAPP</i>	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* Stabilization Reserve		2,352,000		0		2,352,000
	* PERS Reserve		3,759,384		0		3,759,384
	* Computer Replacement Reserve (Planning)		90,000		0		90,000
	* Tibbets Flower Account		50		0		50
	* Reserved for Future Natural Areas Operations		804,460		0		804,460
	* Reserved for Local Gov't Grants (CET)		5,851		0		5,851
	* Reserved for Future Planning Needs		27,575		0		27,575
	* Debt Reserve for Full Faith & Credit Bonds		2,000,000		0		2,000,000
	* Reserve for Future Debt Service		2,676,806		0		2,676,806
Total Contingency & Unappropriated Balance			\$15,715,020		(\$91,600)		\$15,623,420
TOTAL REQUIREMENTS		451.73	\$104,755,967	0.00	\$0	451.73	\$104,755,967

Exhibit B
Ordinance 09-1226
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
GENERAL FUND			
Communications	2,178,971	0	2,178,971
Council Office (includes COO & Strategy Center)	3,408,277	0	3,408,277
Finance & Regulatory Services	3,334,056	0	3,334,056
Human Resources	1,904,090	0	1,904,090
Information Services	3,170,764	0	3,170,764
Metro Auditor	669,433	0	669,433
Office of Metro Attorney	1,995,694	0	1,995,694
Oregon Zoo	27,636,683	0	27,636,683
Parks & Environmental Services	6,831,562	91,600	6,923,162
Planning and Development	18,182,224	0	18,182,224
Research Center	4,200,843	0	4,200,843
Sustainability Center	4,490,128	0	4,490,128
Former ORS 197.352 Claims & Judgments	100	0	100
Special Appropriations	4,721,292	0	4,721,292
Non-Departmental			
Debt Service	1,472,340	0	1,472,340
Interfund Transfers	4,844,490	0	4,844,490
Contingency	3,998,894	(91,600)	3,907,294
Unappropriated Balance	11,716,126	0	11,716,126
Total Fund Requirements	\$104,755,967	\$0	\$104,755,967
GENERAL RENEWAL AND REPLACEMENT FUND			
Renewal & Replacement Program	2,455,906	1,680,000	4,135,906
Non-Departmental			
Contingency	3,220,515	(467,500)	2,753,015
Unappropriated Balance	3,002,137	0	3,002,137
Total Fund Requirements	\$8,678,558	\$1,212,500	\$9,891,058

All other appropriations remain as previously adopted

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 09-1226 TO PROVIDE FOR APPROVED CAPITAL PROJECTS, RECOGNIZING NEW CAPITAL GRANTS AND DECLARING AN EMERGENCY

Date: October 16, 2009

Prepared by: Karen Feher, CIP Coordinator
503-797-1868

BACKGROUND

On October 15, 2009 the Council adopted Resolution 09-4078 approving or amending several capital projects and amending the FY 2009-10 through FY 2013-14 Capital Improvement Plan. This ordinance implements the fiscal aspects of that action by recognizing several new capital grants and transferring appropriations from contingency, as needed. Budget actions are explained below.

1. **M James Gleason Boat Ramp, Phase III**: Metro Parks and Environmental Services applied for and received a \$512,500 Oregon State Marine Board Facility Grant and a \$500,000 Oregon Department of Fish and Wildlife Federal Sportfish Restoration Grant for water related facility improvements at the M. James Gleason Boat Ramp. The grants are contingent on Metro providing a \$337,500 Metro match for the estimated \$1,350,000 project. The project is listed in Metro's Capital Improvement Plan in Fiscal Year 2011 in the amount of \$1,300,000 and is Phase III of a multi-phase improvement plan for the facility. Metro's match would come from the Renewal and Replacement Fund. The grant funding relieves the Renewal and Replacement Fund of funding the entire project. All Corps of Engineers and Department of State Land regulatory and City of Portland land use permits are in place with bids for the project already in hand. The project consists of the following:
 - a. Demolition and removal of existing debris deflection system (trash rack and debris boom,) boarding floats, gangway and corresponding pile system.
 - b. Demolition and removal of existing concrete and asphalt boat ramp.
 - c. Construction and installation of a new concrete replacement boat ramp.
 - d. Construction and installation of a new boarding floats and corresponding support piles replacement.
 - e. Construction and installation of the last six (6) sections of the wave attenuator wall and corresponding support piles as part of the new debris deflection replacement system.

Bids are in hand and the actual expect cost of all of the above is \$250,000 higher than originally expected, increasing the project to \$1,600,000. The Oregon State Marine Board has agreed to fund an additional \$200,000; the additional \$50,000 match will come from the Renewal and Replacement Fund.

This action recognizes the \$1,212,500 in grants and moves \$387,500 from contingency in Renewal and Replacement to fund this project to match the \$1,600,000 amended project listed in the CIP

2. **Lone Fir Cemetery**: 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 required us to develop a Master Plan for Lone Fir, including this new property. At the same time as part of the planning process, Metro began conceptual work to design a memorial to honor the Chinese immigrants buried on this property. Metro's contribution is the master planning and design

development of the site, with private fundraising intended to pay for the building of the memorial and surrounding landscaping. Multnomah County provided \$150,000 for this effort, of which \$11,600 remains. Metro appropriated \$80,000 as its contribution to the project in FY 2007-08. The final stages of the project including consulting assistance to support the fundraising effort was placed on hold and inadvertently dropped rather than carried forward.

This action requests that \$91,600 be transferred from General Fund contingency to rectify the carry over oversight. An additional \$40,000 is provided in the FY 2009-10 budget specifically to provide for Lone Fir maintenance/improvements. Projects include:

- a. \$10,000 to remove asphalt in driveway off Morrison St.;
- b. \$20,000 to stabilize mausoleum;
- c. \$10,000 to install safety lighting.

Because this activity relates to improvements at Lone Fir, Metro needs to designate a capital project in the CIP. The \$91,600 will be in the Parks and Environmental Services operating budget and the \$40,000 resides in the Capital Fund.

3. **Other Smaller Renewal and Replacement Projects:**

- a. Regional Parks and Metro Regional Center's point of sale system consists of some old cash registers and need replacement. This project will replace six registers, two at Blue Lake Park, one at Oxbow Park, one at Chinook Landing boat ramp and one in the Metro Store. The cost of this project is \$31,000. This action moves the funds from Renewal and Replacement contingency to the appropriate expenditure accounts. The contract to purchase the machines, competitively bid, is with MICROS. An additional register will be purchased on this contract for the Latex Paint Store funded by existing renewal and replacement money in the Solid Waste Renewal and Replacement Fund.
- b. Last fiscal year Metro began replacing the telephone handsets at Metro Regional Center; \$19,000 was expended on a project originally scoped at \$30,000. The balance of the funding was inadvertently not carried forward into this fiscal year's spending authority. In addition it is estimated that an additional \$38,000 is needed to replace all of the telephone handsets. This action requests a move of \$49,000 from Renewal and Replacement contingency to finish this project.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known.
2. **Legal Antecedents:** ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction. In addition, ORS 294.326(3) provides an exemption to Oregon Budget Law allowing for the expenditure in the year of receipt of grants, gifts and bequests received by a municipal corporation in trust for a specific purpose.
3. **Anticipated Effects:** This action implements the funding actions needed for the capital projects approved by the Council through Resolution 09-4078, adopted October 15, 2009. It recognizes changes approved to the FY 2009-10 through FY 2013-14 Capital Improvement Plan.

4. **Budget Impacts:** This ordinance will recognize an additional \$1,212,500 in new capital grants in the Renewal & Replacement Fund, transfers \$467,500 from contingency in the Renewal & Replacement Fund, and transfer \$91,600 in the General Fund to provide appropriations for the various projects as described in the staff report above.

RECOMMENDED ACTION

Chief Operating Officer Michael Jordan recommends approval of this Ordinance.

Agenda Item Number 5.4

Ordinance No. 09-1227, For the Purpose of Amending the FY 2009-10 Budget and Appropriations Realigning Program Staff, Transferring Budget Authority and Declaring an Emergency.

ORDINANCES – SECOND READING

Metro Council Meeting
Thursday, November 19, 2009
Metro Council Chamber

BEFORE THE METRO COUNCIL

AMENDING THE FY 2009-10 BUDGET AND) ORDINANCE NO. 09-1227
APPROPRIATIONS SCHEDULE REALIGNING)
PROGRAM STAFF, TRANSFERRING BUDGET) Introduced by Michael Jordan, Chief
AUTHORITY AND DECLARING AN) Operating Officer, with the concurrence of
EMERGENCY) Council President David Bragdon

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2009-10 Budget; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2009-10 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of realigning certain program staff and budget authority to better implement program goals.
2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____ 2009.

David Bragdon, Council President

Attest:

Approved as to Form:

Anthony Andersen, Recording Secretary

Daniel B. Cooper, Metro Attorney

**Exhibit A
Ordinance No. 09-1227**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Communications							
<i>Personal Services</i>							
SALWGE	Salaries & Wages						
5010	Reg Employees-Full Time-Exempt						
	Administrative Specialist IV	1.00	55,590	-	0	1.00	55,590
	Associate Public Affairs Specialist	5.00	270,568	-	0	5.00	270,568
	Associate Visual Communications Designe	1.00	58,356	-	0	1.00	58,356
	Manager I	1.00	77,801	-	0	1.00	77,801
	Manager II	1.00	93,886	1.00	105,805	2.00	199,691
	Program Director	1.00	120,000	-	0	1.00	120,000
	Program Supervisor II	1.00	79,247	-	0	1.00	79,247
	Senior Public Affairs Specialist	8.00	547,915	-	0	8.00	547,915
	Senior Visual Communications Designer	1.00	64,314	-	0	1.00	64,314
5089	Salary Adjustments						
	Merit Adjustment Pool (non-represented)		6,194		0		6,194
	Step Increases (AFSCME)		14,951		0		14,951
	COLA (represented employees)		29,404		0		29,404
	Other Adjustments (non-represented)		4,638		0		4,638
	Other Adjustments (AFSCME)		9,968		0		9,968
FRINGE	Fringe Benefits						
5100	Fringe Benefits						
	Base Fringe (variable & fixed)		477,278		33,055		510,333
5190	PERS Bond Recovery		45,851		3,385		49,236
Total Personal Services		20.00	\$1,955,961	1.00	\$142,245	21.00	\$2,098,206
Total Materials & Services			\$223,010		\$0		\$223,010
TOTAL REQUIREMENTS		20.00	\$2,178,971	1.00	\$142,245	21.00	\$2,321,216

**Exhibit A
Ordinance No. 09-1227**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Planning & Development							
<u>Personal Services</u>							
<i>SALWGE</i>	<i>Salaries & Wages</i>						
5010	Reg Employees-Full Time-Exempt						
	Administrative Specialist IV	1.00	48,028	-	0	1.00	48,028
	Assistant Public Affairs Specialist	1.00	43,592	-	0	1.00	43,592
	Assistant Regional Planner	2.00	103,420	-	0	2.00	103,420
	Associate Management Analyst	1.00	48,028	-	0	1.00	48,028
	Associate Regional Planner	3.00	179,258	-	0	3.00	179,258
	Associate Trans. Planner	4.00	239,553	-	0	4.00	239,553
	Deputy Director	2.00	258,697	-	0	2.00	258,697
	Manager I	2.00	190,022	-	0	2.00	190,022
	Manager II	4.00	398,590	(1.00)	(105,805)	3.00	292,785
	Principal Regional Planner	5.00	422,450	-	0	5.00	422,450
	Principal Transportation Planner	5.00	403,892	-	0	5.00	403,892
	Program Director II	1.00	140,969	-	0	1.00	140,969
	Program Supervisor I	1.00	64,792	-	0	1.00	64,792
	Senior Management Analyst	5.00	323,231	-	0	5.00	323,231
	Senior Regional Planner	2.00	135,193	-	0	2.00	135,193
	Senior Transportation Planner	9.00	647,960	-	0	9.00	647,960
	Transit Project Manager I	1.00	99,603	-	0	1.00	99,603
	Transit Project Manager II	1.00	100,472	-	0	1.00	100,472
	Transportation Engineer	1.00	86,086	-	0	1.00	86,086
5015	Reg Empl-Full Time-Non-Exempt						
	Administrative Specialist II	4.00	152,695	-	0	4.00	152,695
	Program Assistant 3	2.00	96,040	-	0	2.00	96,040
5020	Reg Emp-Part Time-Exempt						
	Principal Regional Planner	0.80	65,602	-	0	0.80	65,602
	Senior Regional Planner	1.00	74,492	(1.00)	(74,492)	-	0
5025	Reg Employees-Part Time-Non-Exempt						
	Program Assistant 2	0.80	30,160	-	0	0.80	30,160
5030	Temporary Employees	-	91,634		0	-	91,634
5080	Overtime		5,000		0		5,000
5089	Salary Adjustments						
	Merit Adjustment Pool (non-represented)		20,928		0		20,928
	Step Increases (AFSCME)		47,870		(1,117)		46,753
	COLA (represented employees)		92,858		(2,198)		90,660
	Other Adjustments (non-represented)		15,664		0		15,664
	Other Adjustments (AFSCME)		31,912		(294)		31,618
<i>FRINGE</i>	<i>Fringe Benefits</i>						
5100	Fringe Benefits						
	Base Fringe (variable & fixed)		1,454,664		(57,261)		1,397,403
5190	PERS Bond Recovery		149,078		(5,884)		143,194
Total Personal Services		59.60	\$6,262,433	(2.00)	(\$247,051)	57.60	\$6,015,382
<u>Materials & Services</u>							
<i>GOODS</i>	<i>Goods</i>						
	5201 Office Supplies		327,711		(2,421)		325,290
	5205 Operating Supplies		84,100		0		84,100
	5210 Subscriptions and Dues		28,486		(2,561)		25,925
<i>SVCS</i>	<i>Services</i>						
	5240 Contracted Professional Svcs		3,974,359		(14,500)		3,959,859
	5246 Sponsorships		4,500		(4,500)		0
	5251 Utility Services		8,765		0		8,765
	5260 Maintenance & Repair Services		29,514		0		29,514
	5265 Rentals		8,100		(600)		7,500
	5280 Other Purchased Services		297,205		(24,940)		272,265

Exhibit A
Ordinance No. 09-1227

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Planning & Development							
<i>IGEXP</i>	<i>Intergov't Expenditures</i>						
5300	Payments to Other Agencies		304,494		(21,494)		283,000
<i>INCGEX</i>	<i>Internal Charges for Service</i>						
5400	Charges for Service		1,500		0		1,500
<i>OTHEXP</i>	<i>Other Expenditures</i>						
5440	Program Purchases		4,990,000		0		4,990,000
5445	Grants and Loans		1,756,500		0		1,756,500
5450	Travel		90,637		(777)		89,860
5455	Staff Development		13,400		0		13,400
5490	Miscellaneous Expenditures		520		(520)		0
Total Materials & Services			\$11,919,791		(\$72,313)		\$11,847,478
TOTAL REQUIREMENTS		59.60	\$18,182,224	(2.00)	(\$319,364)	57.60	\$17,862,860

**Exhibit A
Ordinance No. 09-1227**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Sustainability Center							
<i>Personal Services</i>							
<i>SALWGE Salaries & Wages</i>							
5010	Reg Employees-Full Time-Exempt						
	Director	1.00	140,970	-	0	1.00	140,970
	Education Coordinator II	1.00	58,369	-	0	1.00	58,369
	Manager II	1.80	171,990	-	0	1.80	171,990
	Principal Regional Planner	1.80	154,955	-	0	1.80	154,955
	Program Analyst III	2.00	114,797	-	0	2.00	114,797
	Program Supervisor II	2.50	190,573	-	0	2.50	190,573
	Senior Natural Resource Scientist	4.00	306,481	-	0	4.00	306,481
	Senior Public Affairs Specialist	0.20	18,034	-	0	0.20	18,034
	Senior Regional Planner	4.00	283,144	-	0	4.00	283,144
5015	Reg Empl-Full Time-Non-Exempt						
	Administrative Specialist II	1.00	39,455	-	0	1.00	39,455
	Program Assistant 2	2.00	85,034	-	0	2.00	85,034
	Program Assistant 3	3.00	113,005	-	0	3.00	113,005
	Volunteer Coordinator I	1.80	86,189	-	0	1.80	86,189
5020	Reg Emp-Part Time-Exempt						
	Education Coordinator II	0.80	36,617	-	0	0.80	36,617
	Senior Regional Planner	-	0	1.00	74,492	1.00	74,492
5025	Reg Employees-Part Time-Non-Exempt						
5030	Temporary Employees		22,904		0		22,904
5080	Overtime		3,353		0		3,353
5089	Salary Adjustments						
	Merit Adjustment Pool (non-represented)		7,722		0		7,722
	Step Increases (AFSCME)		18,308		1,117		19,425
	COLA (represented employees)		37,961		2,198		40,159
	Other Adjustments (non-represented)		8,065		0		8,065
	Other Adjustments (AFSCME)		10,460		294		10,754
<i>FRINGE Fringe Benefits</i>							
5100	Fringe Benefits						
	Base Fringe (variable & fixed)		636,989		24,206		661,195
5190	PERS Bond Recovery		60,228		2,499		62,727
Total Personal Services		26.90	\$2,605,603	1.00	\$104,806	27.90	\$2,710,409
<i>Materials & Services</i>							
<i>GOODS Goods</i>							
	5201 Office Supplies		48,647		2,421		51,068
	5205 Operating Supplies		27,898		0		27,898
	5210 Subscriptions and Dues		3,390		2,561		5,951
	5215 Maintenance & Repairs Supplies		10,782		0		10,782
<i>SVCS Services</i>							
	5240 Contracted Professional Svcs		901,612		14,500		916,112
	5246 Sponsorships		0		4,500		4,500
	5250 Contracted Property Services		729,705		0		729,705
	5251 Utility Services		6,519		0		6,519
	5260 Maintenance & Repair Services		1,108		0		1,108
	5265 Rentals		970		600		1,570
	5280 Other Purchased Services		82,200		24,940		107,140
	5290 Operations Contracts		3,372		0		3,372

Exhibit A
Ordinance No. 09-1227

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Sustainability Center							
<i>IGEXP</i>	<i>Intergov't Expenditures</i>						
	5300 Payments to Other Agencies		39,929		21,494		61,423
<i>OTHEXP</i>	<i>Other Expenditures</i>						
	5450 Travel		6,316		777		7,093
	5455 Staff Development		17,066		0		17,066
	5490 Miscellaneous Expenditures		5,011		520		5,531
Total Materials & Services			\$1,884,525		\$72,313		\$1,956,838
TOTAL REQUIREMENTS		26.90	\$4,490,128	1.00	\$177,119	27.90	\$4,667,247

Exhibit B
Ordinance 09-1227
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
GENERAL FUND			
Communications	2,178,971	142,245	2,321,216
Council Office (includes COO & Strategy Center)	3,408,277	0	3,408,277
Finance & Regulatory Services	3,334,056	0	3,334,056
Human Resources	1,904,090	0	1,904,090
Information Services	3,170,764	0	3,170,764
Metro Auditor	669,433	0	669,433
Office of Metro Attorney	1,995,694	0	1,995,694
Oregon Zoo	27,636,683	0	27,636,683
Parks & Environmental Services	6,831,562	0	6,831,562
Planning and Development	18,182,224	(319,364)	17,862,860
Research Center	4,200,843	0	4,200,843
Sustainability Center	4,490,128	177,119	4,667,247
Former ORS 197.352 Claims & Judgments	100	0	100
Special Appropriations	4,721,292	0	4,721,292
Non-Departmental			
Debt Service	1,472,340	0	1,472,340
Interfund Transfers	4,844,490	0	4,844,490
Contingency	3,998,894	0	3,998,894
Unappropriated Balance	11,716,126	0	11,716,126
Total Fund Requirements	\$104,755,967	\$0	\$104,755,967

All other appropriations remain as previously adopted

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 09-1227 AMENDING THE FY 2009-10 BUDGET AND APPROPRIATIONS SCHEDULE REALIGNING PROGRAM STAFF, TRANSFERRING BUDGET AUTHORITY AND DECLARING AN EMERGENCY

Date: October 16, 2009

Presented by: Jim Middaugh, 503-797-1505
Heather Nelson-Kent, 503-797-1739

BACKGROUND

Since the adoption of the budget several staff have been realigned to better implement program goals. This ordinance requests the technical adjustments that are necessary in the budget to recognize the realignment.

Regional Travel Options

This amendment transfers the Regional Travel Options (RTO) manager position (1.0 FTE) from Planning and Development to Communications for the purpose of creating a Programs and Facilities Communications Manager position. The position will be responsible for the management of efforts that promote the use of Metro parks, facilities, services and products, and advance sustainable business practices and consumer behaviors. The position will continue to provide oversight for the marketing and outreach elements of the RTO program. In addition, the position will be responsible for coordinating activities with the Communications management team, and for developing communications and marketing strategies that support new and emerging business needs related to Metro programs and facilities.

Nature in Neighborhoods

Metro senior leadership continues to develop and improve Metro's approach to multidisciplinary, collaborative efforts to increase the support for effective habitat protection through the implementation of the Metro Council's 2005 Nature in Neighborhoods legislation. In the adopted FY 2009-10 budget, the Nature in Neighborhood program was divided into two separate areas – a portion of the work and staff under the Natural Areas Program and a portion of the work and staff under the Development Center. As the changes from the Sustainable Metro Initiative continue to be implemented, it has become clear that separating these two program areas is not in the best interest of continued internal collaboration and partnership development outside of the agency. This budget amendment restores the program budget for the Nature in Neighborhoods initiative into a single program with a dedicated supervisor. The entire budget will be administered through the Sustainability Center, Natural Areas Program.

ANALYSIS/INFORMATION

- 1. Known Opposition:** None known.
- 2. Legal Antecedents:** ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction.
- 3. Anticipated Effects:** This ordinance will provide the technical adjustments necessary to implement the realignment of staff as described above. The realignment will provide increased internal Metro collaboration, program accountability and effectiveness.

The realignment of staff in the Regional Travel Options program to the Communications Office creates one position with oversight for agency marketing and communications efforts related to Metro programs and facilities. This position will work as part of the Communications management team to ensure coordination of agency communications activities. It shifts management of RTO planning and grant making functions, including the RTO subcommittee of TPAC, the Transportation Management Association program, the RTO grant program, the RTO evaluation program and two RTO staff dedicated to planning, policy development and evaluation, to the Regional Transportation Plan Manager. RTO staff and programs will become part of a Transportation System Management and Operations work group within the Regional Transportation Plan division. RTO staff dedicated to marketing and communications will report to the new Programs and Facilities Communications manager.

- 4. Budget Impacts:** All staff and program costs are currently fully budgeted. It transfers \$142,245 and 1.0 FTE from Planning and Development to Communications and \$177,119 and 1.0 FTE from Planning and Development to Sustainability Center.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this Ordinance.

Agenda Item Number 5.5

Ordinance No. 09-1228, For the Purpose of Amending the FY 2009-10 Budget and Appropriations Schedule to Create a Limited Duration Principal Planner Position with the Research Center for the Purpose of Managing the Regional Indicators Project and Declaring an Emergency.

ORDINANCES – SECOND READING

Metro Council Meeting
Thursday, November 19, 2009
Metro Council Chamber

BEFORE THE METRO COUNCIL

AMENDING THE FY 2009-10 BUDGET AND)	ORDINANCE NO. 09-1228
APPROPRIATIONS SCHEDULE TO CREATE A)	
LIMITED DURATION PRINCIPAL PLANNER)	Introduced by Michael Jordan, Chief
POSITION WITHIN THE RESEARCH CENTER)	Operating Officer, with the concurrence of
FOR THE PURPOSE OF MANAGING THE)	Council President David Bragdon
REGIONAL INDICATORS PROJECT AND)	
DECLARING AN EMERGENCY)	

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2009-10 Budget; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2009-10 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of creating a limited duration Principal Planner position within the Research Center for the purpose of managing the Regional Indicators project.
2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____ 2009.

David Bragdon, Council President

Attest:

Approved as to Form:

Anthony Andersen, Recording Secretary

Daniel B. Cooper, Metro Attorney

**Exhibit A
Ordinance No. 09-1228**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Research Center							
<i>Personal Services</i>							
SALWGE	Salaries & Wages						
5010	Reg Employees-Full Time-Exempt						
	Administrative Specialist IV	1.00	43,592	-	0	1.00	43,592
	Assistant Transportation Modeler	1.00	50,437	-	0	1.00	50,437
	Associate GIS Specialist	3.00	197,347	-	0	3.00	197,347
	Associate Transportation Modeler	5.00	288,025	-	0	5.00	288,025
	Manager I	1.00	90,593	-	0	1.00	90,593
	Manager II	2.00	180,333	-	0	2.00	180,333
	Principal GIS Specialist	2.00	172,172	-	0	2.00	172,172
	Principal Regional Planner	1.00	86,086	0.53	47,157	1.53	133,243
	Principal Transportation Modeler	3.00	258,258	-	0	3.00	258,258
	Program Director II	1.00	131,785	-	0	1.00	131,785
	Program Supervisor II	2.00	180,511	-	0	2.00	180,511
	Senior GIS Specialist	4.00	275,117	-	0	4.00	275,117
	Senior Transportation Modeler	2.00	164,006	-	0	2.00	164,006
5015	Reg Empl-Full Time-Non-Exempt						
	GIS Technician	1.55	63,164	-	0	1.55	63,164
5020	Reg Emp-Part Time-Exempt						
	Assistant GIS Specialist	0.60	30,261	-	0	0.60	30,261
	Associate GIS Specialist	0.50	33,764	-	0	0.50	33,764
5030	Temporary Employees		30,224		0		30,224
5089	Salary Adjustments						
	Merit Adjustment Pool (non-represented)		9,740		0		9,740
	Merit Adjustment Pool (LIUNA)				0		
	Step Increases (AFSCME)		25,387		0		25,387
	COLA (represented employees)		49,928		0		49,928
	Other Adjustments (non-represented)		7,290		0		7,290
	Other Adjustments (AFSCME)		16,925		0		16,925
FRINGE	Fringe Benefits						
5100	Fringe Benefits						
	Base Fringe (variable & fixed)		738,956		14,854		753,810
5190	PERS Bond Recovery		76,318		1,509		77,827
Total Personal Services		30.65	\$3,200,219	0.53	\$63,520	31.18	\$3,263,739
<i>Materials & Services</i>							
GOODS	Goods						
5201	Office Supplies		206,703		5,000		211,703
5205	Operating Supplies		14,400		5,000		19,400
5210	Subscriptions and Dues		3,960		0		3,960
SVCS	Services						
5240	Contracted Professional Svcs		648,774		0		648,774
5251	Utility Services		551		0		551
5260	Maintenance & Repair Services		82,593		0		82,593
5280	Other Purchased Services		21,916		5,000		26,916
OTHEXP	Other Expenditures						
5450	Travel		16,727		0		16,727
5455	Staff Development		5,000		0		5,000
Total Materials & Services			\$1,000,624		\$15,000		\$1,015,624
TOTAL REQUIREMENTS		30.65	\$4,200,843	0.53	\$78,520	31.18	\$4,279,363

**Exhibit A
Ordinance No. 09-1228**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
General Expenses							
Total Interfund Transfers			\$4,844,490		\$0		\$4,844,490
<u>Contingency & Unappropriated Balance</u>							
<i>CONT</i>	<i>Contingency</i>						
5999	Contingency						
	* Contingency		3,121,383		(134,100)		2,987,283
	* Reserved for Future Planning Needs		0		55,580		55,580
	* Reserved for Future Election Costs		183,411		0		183,411
	* Reserved for Nature in Neigh Grants		342,500		0		342,500
	* Reserved for Metro Regional Center Remodel		128,000		0		128,000
	* Reserved for Active Transportation Partnerships		176,100		0		176,100
	* Reserved for Climate Change		47,500		0		47,500
<i>UNAPP</i>	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* Stabilization Reserve		2,352,000		0		2,352,000
	* PERS Reserve		3,759,384		0		3,759,384
	* Computer Replacement Reserve (Planning)		90,000		0		90,000
	* Tibbets Flower Account		50		0		50
	* Reserved for Future Natural Areas Operations		804,460		0		804,460
	* Reserved for Local Gov't Grants (CET)		5,851		0		5,851
	* Reserved for Future Planning Needs		27,575		0		27,575
	* Debt Reserve for Full Faith & Credit Bonds		2,000,000		0		2,000,000
	* Reserve for Future Debt Service		2,676,806		0		2,676,806
Total Contingency & Unappropriated Balance			\$15,715,020		(\$78,520)		\$15,636,500
TOTAL REQUIREMENTS		451.73	\$104,755,967	0.53	\$0	452.26	\$104,755,967

Exhibit B
Ordinance 09-1228
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
GENERAL FUND			
Communications	2,178,971	0	2,178,971
Council Office (includes COO & Strategy Center)	3,408,277	0	3,408,277
Finance & Regulatory Services	3,334,056	0	3,334,056
Human Resources	1,904,090	0	1,904,090
Information Services	3,170,764	0	3,170,764
Metro Auditor	669,433	0	669,433
Office of Metro Attorney	1,995,694	0	1,995,694
Oregon Zoo	27,636,683	0	27,636,683
Parks & Environmental Services	6,831,562	0	6,831,562
Planning and Development	18,182,224	0	18,182,224
Research Center	4,200,843	78,520	4,279,363
Sustainability Center	4,490,128	0	4,490,128
Former ORS 197.352 Claims & Judgments	100	0	100
Special Appropriations	4,721,292	0	4,721,292
Non-Departmental			
Debt Service	1,472,340	0	1,472,340
Interfund Transfers	4,844,490	0	4,844,490
Contingency	3,998,894	(134,100)	3,864,794
Unappropriated Balance	11,716,126	55,580	11,716,126
Total Fund Requirements	\$104,755,967	\$0	\$104,700,387

All other appropriations remain as previously adopted

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 09-1228, AMENDING THE FY 2009-10 BUDGET AND APPROPRIATIONS SCHEDULE TO CREATE A LIMITED DURATION PRINCIPAL PLANNER POSITION WITHIN THE RESEARCH CENTER FOR THE PURPOSE OF MANAGING THE REGIONAL INDICATORS PROJECT AND DECLARING AN EMERGENCY

Date: October 16, 2009

Presented by: Mike Hoglund
503-797-1743

BACKGROUND

The Research Center has begun collaboration with the PSU Institute of Metropolitan Studies (IMS), local governments, and other agencies and organizations interested in triple bottom-line regional indicators. Project scoping underway will define a project governance and oversight structure, identify collaborative technical work teams, identify key project milestones, resource needs, and products. An inter-agency project kick-off event is scheduled for November.

It is anticipated that each technical work team will have a team leader, but the need for an overall project manager has been identified by the project organizing team. A limited duration project manager, housed at Metro, will work to ensure project elements are delivered through a collaborative, open process. The project manager would be solely assigned to the indicator's project and would fill a newly created 0.8 FTE position from approximately November 2009 through January 2011. The need for continuation of the position will be further reviewed through the FY 10-11 budget process.

The approximate cost (salary and fringe) of the 0.8 FTE Principal Planner position for the 15 month period would be \$119,100. An additional \$15,000 is requested for materials & services expenses related to the addition of a position (i.e. computer, software, etc) as well as potential costs associated with convening local partners. Metro has previously committed to a \$20,000 match to PSU to support a Miller grant for social sustainability indicators that would be folded into the larger regional indicator effort. Metro's total combined investment of just over \$150,000 leverages an additional \$300,000 (committed to date) of work outside Metro toward indicator research and development.

This position will oversee a collaborative, comprehensive process to develop, populate, analyze and systematically report on a longitudinal set of indicators for the Metro region. This limited duration Principal Planner will provide project management to the indicators effort, oversee project work teams, staff policy and steering committees, produce key reports and communications, ensure product delivery and maintain the project budget. The Principal Planner will report directly to the Metro Research Director and coordinate with PSU's Director of the Institute of Metropolitan Studies.

A final set of indicators will cover the triple bottom-line of sustainability with the following objectives:

- Track the state of the region's people, economy, and environment.
- Provide a connecting framework for evaluating Metro Council goals in conjunction with Making the Greatest Place and other regional initiatives.
- Align regional and community level objectives with triple bottom-line sustainability indicators.
- Stimulate discussion of how public and private sector activities can change the state of the region for the better.
- Sharpen the collective vision of a better future for the region and coordinate the efforts to attain a preferred future.
- Promote understanding of the relationship between policy and outcomes.
- Guide public sector resource allocation and investment based on performance.

ANALYSIS/INFORMATION

- 1. Known Opposition:** None known.
- 2. Legal Antecedents:** ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction.
- 3. Anticipated Effects:** This action would authorize the creation of a .80 FTE limited duration principal planner position for the period November 2009 through January 2011 to serve as project manager for the Regional Indicators project.
- 4. Budget Impacts:** The total estimated new cost of this action is \$134,100 over the 15 month period of the project and includes the authorization of a .80 FTE limited duration principal planner position. The new cost will be funded through a reduction in the General Fund contingency. The estimated expenses to be incurred during FY 2009-10, approximately \$78,520, will be appropriated in the Research Center. The balance of the request will be held in reserve for the remaining 7 months authorization of the position.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this Ordinance.

Agenda Item Number 6.1

Resolution No. 09-4092, For the Purpose of Amending the Key Milestone Schedule that Guides Metro's Participation in the Designation of Urban and Rural Reserves.

COUNCILOR HARRINGTON

Metro Council Meeting
Thursday, November 19, 2009
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) RESOLUTION NO. 09-4092
KEY MILESTONE SCHEDULE THAT)
GUIDES METRO’S PARTICIPATION IN THE) Introduced by Councilor Harrington
DESIGNATION OF URBAN AND RURAL
RESERVES

WHEREAS, Metro and Clackamas, Multnomah and Washington Counties are jointly leading a regional process to designate certain lands outside the Metro urban growth boundary as urban reserves (land that will be considered for possible urbanization over the next 40 to 50 years) and rural reserves (land that will be protected from urbanization over the same period), as authorized by ORS 195.137 et seq; and

WHEREAS, on February 28, 2008 the Metro Council endorsed by Resolution 08-3909 the use of a schedule and milestones to guide the reserves designation process, and on July 9, 2009 the Metro Council amended the key milestone schedule by Resolution 09-4061; and

WHEREAS, in November 2009 representatives of Metro and Clackamas, Multnomah and Washington Counties agreed to amend the milestones timeline in order to allow more time for the jurisdictions to arrive at a specific urban and rural reserves proposal and solicit public comments on that proposal; and

WHEREAS, the revised timeline calls for initial agreement on reserves by February 2010 while the formal adoption schedule remains unchanged (by May 2010) in order to facilitate required growth management decisions in 2010; now therefore

BE IT RESOLVED that the Metro Council:

- 1. endorses the following revision to the reserves schedule: move Phase 4 completion milestone (reserve areas recommended via intergovernmental agreements) from December 2009 to February 2010.

ADOPTED by the Metro Council this 19th day of November, 2009.

David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 09-4092, FOR THE PURPOSE OF AMENDING THE KEY MILESTONE SCHEDULE THAT GUIDES METRO'S PARTICIPATION IN THE DESIGNATION OF URBAN AND RURAL RESERVES

Date: November 9, 2009

Prepared by: John Williams, x1635

BACKGROUND

As the Council has previously discussed, the Reserves Core 4 has approved a revision to the milestone date for Phase 4 of the urban and rural reserves designation process. The revision calls for adoption of intergovernmental agreements (IGAs) between each county and Metro by February 2010 rather than the current timeline of December 2009. The Core 4 discussed several factors supporting a timeline revision, including:

- Allowing more time for the Core 4 to discuss the components of the IGAs, including maps and policy content; and
- Conducting public open houses on the draft IGAs, as called for by the state-approved reserves public involvement plan, and providing summaries of comments received prior to adoption.

Since the Metro Council previously approved the original reserves milestone timeline via Resolution 08-3909 and an amendment via Resolution 09-4061, the updated timeline should similarly be adopted by resolution of the Council. That update is the sole purpose of Resolution 09-4092.

ANALYSIS/INFORMATION

- 1. Known Opposition:** None; the timeline revision has been reviewed by the Reserves Core 4. The timeline revision does not change the schedule for completing the reserves project (anticipated May 2010).
- 2. Legal Antecedents:** Oregon Revised Statute (ORS) 195.137 to 195.145 and 197.651 (from SB 1011) and Oregon Administrative Rule (ORA) 660 Division 27 Urban and Rural Reserves in the Portland Metropolitan Area authorize the designation of urban and rural reserves by Metro and a county through intergovernmental agreements; Metro Council Resolution 08-3909 (adopted February 2008) endorsed the creation of the Reserves Steering Committee and the reserves process schedule including key milestones.
- 3. Anticipated Effects:** The adoption of Resolution 09-4092 will facilitate completion of the reserves project for the reasons outlined above and supports the continued collaboration between Metro and Clackamas, Multnomah and Washington counties on this project.
- 4. Budget Impacts:** None; the Council has previously approved budget amendments extending reserves funding through the revised project completion date in May 2010.

RECOMMENDED ACTION

Staff recommends adoption of Resolution 09-4092.