A G E N D A

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METRO

Agenda

MEETING:	METRO COUNCIL REGULAR MEETING – revised 2/26/03
DATE:	February 27, 2003
DAY:	Thursday
TIME:	2:00 PM
PLACE:	Metro Council Chamber

CALL TO ORDER AND ROLL CALL

1.	**INTRODUCTIONS**	
2.	**CITIZEN COMMUNICATIONS**	
3.	**BEST GOVERNMENT RECYCLING PROGRAM AWARD COMMUNITY RECYCLING LEADERSHIP AWARD AND SPECIAL WASTE EXCELLENCE GOLD AWARD**	Dunn Quinn
4.	**SECOND QUARTER FINANCIAL REPORT**	Short
5.	**FINANCIAL STATUS AND TRENDS**	Williams
6.	**CONSENT AGENDA**	
6.1	Consideration of Minutes for the February 20, 2003 Metro Council Regular Meeting.	
7.	**ORDINANCES - SECOND READING**	
7.1	**Ordinance No. 03-995,** For the Purpose of Amending the FY 2002-03 Budget and Appropriations Schedule by Transferring $3,500,000 from Contingency to the Debt Service Account, Authorizing Defeasance of Certain Solid Waste Revenue Bonds, and Declaring an Emergency.	Park
8.	**RESOLUTIONS**	
8.1	**Resolution No. 03-3282,** For the Purpose of Approving Portland Regional Federal Transportation Priorities for Federal Fiscal Year 2004 Appropriations.	Park

8.2 **Resolution No. 03-3284,** For the Purpose of Approving Metro's Application for Federal Transportation Funds through the Regional Priorities 2004-07 Solicitation. — Park

8.3 **Resolution No. 03-3287,** For the Purpose of Endorsement of a Regional Position on Reauthorization of the Transportation Equity Act For the 21st Century (TEA-21). — Park

8.4 **Resolution No. 03-3291,** For the Purpose of Completing Metro Council Office Transition by the Elimination of Some Current Classifications and Positions, and the Creation of some new Classifications and Positions. — Bragdon

9. EXECUTIVE SESSION HELD PURSUANT TO ORS 192.660 (1) (d) FOR THE PURPOSE OF DELIBERATING WITH PERSONS DESIGNATED TO CONDUCT LABOR NEGOTIATIONS.

10. COUNCILOR COMMUNICATION

ADJOURN

Cable Schedule for Week of February 27, 2003 (PCA)

	Sunday (3/2)	Monday (3/3)	Tuesday (3/4)	Wednesday (3/5)	Thursday (2/27)	Friday (2/28)	Saturday (3/1)
CHANNEL 11 **(Community Access Network)** (most of Portland area)						2:00 PM (previous meeting)	
CHANNEL 30 **(TVTV)** (Washington County, Lake Oswego)	12:00 PM (previous meeting)			11:00 PM (previous meeting)		6:30 AM 7:00 PM 11:00 PM (previous meeting)	3:30 PM (previous meeting)
CHANNEL 30 **(CityNet 30)** (most of City of Portland)		2:00 PM					
CHANNEL 30 **Willamette Falls Television** (West Linn, Rivergrove, Lake Oswego)	5:30 AM 2:30 PM	12:30 AM 3:30 PM 10:31 PM		12:30 AM 3:00 PM 10:30 PM		12:30 AM 3:30 PM 10:31 PM	5:30 AM 2:30 PM
CHANNEL 23/18 **Willamette Falls Television** (23- Oregon City, West Linn, Gladstone; 18- Clear Creek)							
CHANNEL 23 **Milwaukie Public Television** (Milwaukie)			10:00 AM 9:00 PM				

PLEASE NOTE THAT ALL SHOWING TIMES ARE TENTATIVE BASED ON THE INDIVIDUAL CABLE COMPANIES' SCHEDULES. PLEASE CALL THEM OR CHECK THEIR WEB SITES TO CONFIRM SHOWING TIMES.

Portland Cable Access	www.pcatv.org	*(503) 288-1515*
Tualatin Valley Television	www.yourtvtv.org	*(503) 629-8534*
Willamette Falls Television	www.wftvaccess.com	*(503) 650-0275*
Milwaukie Public Television		*(503) 652-4408*

Agenda items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington, 797-1542. 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 Clerk of the Council to be considered included in the decision record. Documents can be submitted by email, fax or mail or in person to the Clerk of the Council. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

Agenda Item Number 6.1

Consideration of Minutes of the February 20, 2003 Regular Council meeting.

Metro Council Meeting
Thursday, February 27, 2003
Metro Council Chamber

Agenda Item Number 7.1

Ordinance No. 03-995, For the Purpose of Amending the FY 2002-03 Budget and Appropriations Schedule by Transferring $3,500,000 from Contingency to the Debt Service Account, Authorizing Defeasance of Certain Solid Waste Revenue Bonds; and Declaring an Emergency.

Second Reading

Metro Council Meeting
Thursday, February 27, 2003
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE FY 2002-03 BUDGET AND APPROPRIATIONS SCHEDULE BY TRANSFERRING $3,500,000 FROM CONTINGENCY TO THE DEBT SERVICE ACCOUNT, AUTHORIZING DEFEASANCE OF CERTAIN SOLID WASTE REVENUE BONDS, AND DECLARING AN EMERGENCY	)	ORDINANCE NO. 03-995 Introduced by: Mark Williams, Chief Operating Officer with the concurrence of David Bragdon, Council President

WHEREAS, the Metro Council has reviewed and considered the need to transfer appropriations within the FY 2002-03 Budget; and,

WHEREAS, the need for the transfer 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 2002-03 Budget and Schedule of Appropriations are hereby amended as shown in the columns entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of transferring funds from Contingency to the Debt Service Account in the Solid Waste Revenue Fund.

2. That the Chief Operating Officer is authorized to use the amended appropriation to defease the Metro Central Transfer Station Project 1990 Series A Solid Waste Disposal System Revenue Bonds due on July 1, 2003, January 1, 2004 and July 1, 2004; and the Metro Central Transfer Station Project 1993 Series A Solid Waste Disposal System Revenue Bonds due on July 1, 2003 and July 1, 2004.

3. That because this Ordinance is 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 ________________, 2003.

David Bragdon, Council President

ATTEST:

Recording Secretary

Approved as to Form:

Daniel B. Cooper, Metro Attorney

Exhibit A
Ordinance No.03-995

ACCT	DESCRIPTION	Current Budget FTE	Current Budget Amount	Revision FTE	Revision Amount	Amended Budget FTE	Amended Budget Amount
Solid Waste Revenue Fund							
	Total Personal Services	109.15	$8,256,217	0.00	$0	109.15	$8,256,217
	Total Materials & Services		$36,874,939		$0		$36,874,939
TOTAL REQUIREMENTS		109.15	$45,131,156	0.00	$0	109.15	$45,131,156

Debt Service Account

ACCT	DESCRIPTION	Current Budget FTE	Current Budget Amount	Revision FTE	Revision Amount	Amended Budget FTE	Amended Budget Amount
	Debt Service						
Metro Central Financing							
REVBND	*Revenue Bond Payments*						
5630	Revenue Bond Pmts-Principal		983,387		1,402,519		2,385,906
5635	Revenue Bond Payments-Interest		1,680,564		2,097,481		3,778,045
Regional Environmental Management Department							
TOTAL REQUIREMENTS			$2,663,951		$3,500,000		$6,163,951

Landfill Closure Account

ACCT	DESCRIPTION	Current Budget FTE	Current Budget Amount	Revision FTE	Revision Amount	Amended Budget FTE	Amended Budget Amount
	Total Materials & Services		$185,000		$0		$185,000
	Total Capital Outlay		$2,561,800		$0		$2,561,800
TOTAL REQUIREMENTS			$2,746,800		$0		$2,746,800

Renewal & Replacement Account

ACCT	DESCRIPTION	Current Budget FTE	Current Budget Amount	Revision FTE	Revision Amount	Amended Budget FTE	Amended Budget Amount
TOTAL REQUIREMENTS			$2,690,707		$0		$2,690,707

General Account

ACCT	DESCRIPTION	Current Budget FTE	Current Budget Amount	Revision FTE	Revision Amount	Amended Budget FTE	Amended Budget Amount
TOTAL REQUIREMENTS			$2,341,100		$0		$2,341,100

Master Project Account

ACCT	DESCRIPTION	Current Budget FTE	Current Budget Amount	Revision FTE	Revision Amount	Amended Budget FTE	Amended Budget Amount
TOTAL REQUIREMENTS			$350,000		$0		$350,000

Recycling Business Assistance Account

ACCT	DESCRIPTION	Current Budget FTE	Current Budget Amount	Revision FTE	Revision Amount	Amended Budget FTE	Amended Budget Amount
	Total Materials & Services		$1,024,000		$0		$1,024,000
	Total Capital Outlay		$0		$0		$0
TOTAL REQUIREMENTS			$1,024,000		$0		$1,024,000
	Total Interfund Transfers		$4,210,036		$0		$4,210,036
	Contingency and Ending Balance						
CONT	*Contingency*						
5999	Contingency						
	* Operating Account (Operating Contingency)		2,299,297		(2,299,297)		0
	* Landfill Closure Account		5,132,847		0		5,132,847
	* Renewal & Replacement Account		4,674,478		(1,200,703)		3,473,775
UNAPP	*Unappropriated Fund Balance*						
	Total Contingency and Ending Balance		$27,789,558		($3,500,000)		$24,289,558
TOTAL REQUIREMENTS		109.15	$88,947,308	0.00	$0	109.15	$88,947,308

Exhibit B
Ordinance No. 03-995
FY 2002-03 SCHEDULE OF APPROPRIATIONS

	Current Appropriation	Revision	Amended Appropriation
SOLID WASTE REVENUE FUND			
Operating Account			
Operating Expenses (PS & M&S)	$45,131,156	$0	$45,131,156
Subtotal	45,131,156	0	45,131,156
Debt Service Account			
Debt Service	2,663,951	3,500,000	6,163,951
Subtotal	2,663,951	3,500,000	2,663,951
Landfill Closure Account			
Materials & Services	185,000	0	185,000
Capital Outlay	2,561,800	0	2,561,800
Subtotal	2,746,800	0	2,746,800
Renewal and Replacement Account			
Capital Outlay	2,690,707	0	2,690,707
Subtotal	2,690,707	0	2,690,707
General Account			
Capital Outlay	2,341,100	0	2,341,100
Subtotal	2,341,100	0	2,341,100
Master Project Account			
Debt Service	350,000	0	350,000
Subtotal	350,000	0	350,000
Recycling Business Assistance Account			
Materials & Services	1,024,000	0	1,024,000
Capital Outlay	0	0	0
Subtotal	1,024,000	0	1,024,000
General Expenses			
Interfund Transfers	4,210,036	0	4,210,036
Contingency	12,106,622	(3,500,000)	8,606,622
Subtotal	16,316,658	(3,500,000)	16,316,658
Unappropriated Balance	15,682,936	0	15,682,936
Total Fund Requirements	**$88,947,308**	**$0**	**$88,947,308**

All Other Appropriations Remain as Previously Adopted

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 03-995 FOR THE PURPOSE OF AMENDING THE FY 2002-03 BUDGET AND APPROPRIATIONS SCHEDULE BY TRANSFERRING $3,500,000 FROM CONTINGENCY TO THE DEBT SERVICE ACCOUNT, AUTHORIZING DEFEASANCE OF CERTAIN SOLID WASTE REVENUE BONDS, AND DECLARING AN EMERGENCY.

Date: February 7, 2003 Prepared by: Douglas Anderson

BACKGROUND

On January 23, 2003, in consultation with Bond Counsel, staff determined that Metro was on a track to violate the Rate Covenant on the Solid Waste Disposal System Revenue Bonds during the current fiscal year. The Rate Covenant states, in relevant part, that:

> At all times, [Metro] shall establish, levy, impose, maintain and collect fees and rates and charges for the use of the services and facilities of the system as shall be required to provide net revenues in each fiscal year which at least equal 110% of the annual debt service....
>
> *Section 702(j) of the Master Bond Ordinance, Metro Ordinance No. 89-319*

The intent of the Rate Covenant is to ensure that Metro will have more than enough revenue, after meeting expenses, to pay the debt service on the bonds. This is a cushion against risk on behalf of the bond holders. The requirement to have revenues at least 10 percent above the debt service is a covenant that Metro made when the bonds were sold. The 110% figure is called the "coverage ratio" and is calculated by dividing net revenue by the amount of the debt service.

Based on current trends of receipts and expenses, staff projects that net revenue will be only 57 percent of the debt service this year. This situation is due entirely to the use of the solid waste fund balance to pay some operating expenses. For purposes of the coverage ratio, the fund balance is not defined as operating revenue. Calculation of the projected coverage ratio is shown in the following table.

FY 2002-03 Net Revenue and Debt Service Coverage

Projections	Amount
Operating Revenue	$47,922,987
less: Operating Expenditures	$46,403,552
equals: Net Operating Revenue	$1,519,435
Debt Service	$2,651,096
Coverage Ratio	*57%*

A similar situation exists for the requested FY 2003-04 budget submitted by the department on November 15, 2002. Calculations based on the requested budget show that next year's coverage ratio would be 8 percent.

Metro has three variables under its control for meeting the coverage ratio: Metro can *increase net revenue* by raising rates and/or reducing expenditures, or *reduce the debt service.* Metro needs net revenue of about $2.9 million to cover 110 percent of the $2,651,096 debt service in the current fiscal year. Based on the figures in the table above, Metro is about $1.4 million shy of this revenue requirement. At this point in the fiscal year, it is not feasible to raise rates, and there is limited scope for reducing expenditures by as much as $1.4 million. Therefore, Metro must consider early retirement of some of its debt in order to have a chance at meeting the coverage this year. Because coverage is projected to be so low for FY 2003-04, the same solution should be considered for next year. The type of early retirement of debt that Metro would have to undertake is technically termed "defeasance" of the bonds.* This ordinance authorizes defeasance of three zero-coupon bonds from the 1990 issue, each with redemption value of $1,070,000; and two bonds from the 1993 series, having principal values of $80,000 and $85,000 respectively. The total of bonds defeased is almost $3.4 million.

On January 30, 2003, Bond Counsel issued a memorandum describing how the coverage calculation is affected when bonds are defeased. His opinion is based on the fact that Metro is required to make monthly deposits toward debt service payments. (Payments are actually remitted twice a year, on January 1 and July 1.) According to Bond Counsel, all monthly deposits that are due before the defeasance date are *included* as debt service in the coverage calculation. Any deposits with due dates after the defeasance are *excluded* from the coverage calculation.

In practical terms, this means that the sooner the defeasance takes place, the less revenue is required to cover the debt service. For example, if Metro defeases the July 2003 bonds in February 2003, then the deposits due for March through June can be excluded from the coverage calculation. If the defeasance occurs in March, then only the April through June deposits can be excluded. The following table shows that about $200,000 of additional net revenue is required to cover each month that the defeasance is delayed this fiscal year.**

Effect of Delay on FY 2002-03 Net Revenue Requirements

Timing of Defeasance	Deposits Excluded from Debt Service	Annual Debt Service	Total Net Revenue Required for Coverage	Expenditure Reduction Required after Defeasance*
February	4	$1,916,845	$2,108,530	$600,000
March	3	$2,100,408	$2,310,449	$800,000
April	2	$2,283,971	$2,512,368	$1.0 million
May	1	$2,467,533	$2,714,286	$1.2 million
No defeasance	0	$2,651,096	$2,916,206	$1.4 million

* Additional reductions that are needed to make up the difference between the net revenue required to meet the 110% coverage and the projected availability of $1.5 million in revenue. See table on page 1.

It is worthy of note that defeasance essentially accelerates the payment of debt service that was scheduled to occur anyway. Therefore, the amount of the defeasance is not an increase in cost to Metro; it simply shifts the timing of payments. However, as will be seen below, this creates an issue for the management of the solid waste reserves. The actual cost of defeasance is estimated to be $12,000 to $25,000 depending on the markets at the time of defeasance. On advice of Metro's Financial Advisor, this ordinance amends the debt service budget by $3.5 million to ensure there is sufficient appropriation to handle any defeasance scenario.

* "Defeasance" means to be relieved of financial and legal requirements of the bonds. In the present case, defeasance would relieve Metro from the legal obligation to cover 110 % of the full annual debt service.
** There is no similar timing issue for FY 2003-04, as long as the bonds are defeased this fiscal year.

ANALYSIS/INFORMATION

1. **Known Opposition.**

None.

2. **Legal Antecedents.**

Oregon Revised Statues Section 294.450 provides for transfers of appropriations within a fund if such transfers are authorized by official resolution or ordinance of the local jurisdiction's governing body.

3. **Anticipated Effects:**

As described in "Background" above, the primary purpose of defeasing the bonds is to reduce the amount of net revenue necessary to meet the debt service coverage requirement. There are different effects for this and next fiscal year:

FY 2002-03. Defeasance, together with judicious management of expenditures through the end of the current year, should allow Metro to meet the coverage ratio in FY 2002-03. The necessary level of expenditure reduction depends on the timing of the defeasance, as shown in the table on page 2 of this staff report.

FY 2003-04. Even with defeasance, an increase in net revenue of at least $500,000 is needed in the requested FY 2003-04 budget in order to make coverage next fiscal year. Metro will have debt service of $635,408 even after defeasing the bonds. This remaining debt service is interest on bonds maturing after FY 2003-04 coverage of this debt service requires almost $700,000 in net revenue, versus the $210,000 that is in the budget submitted by the department last November. Hence the need for an increase of $500,00 or more. The net revenue requirement may be achieved with any combination of expenditure reductions or rate increases totaling $500,000 or more, provided that the other budget assumptions hold—in particular, the amount of tonnage realized and the price of fuel.

An important additional effect in FY 2003-04 is generated by the accelerated payment of debt—namely, the management of the solid waste reserves. As submitted, the department's proposed FY 2003-04 budget is balanced by the use of approximately $3.9 million from the fund balance. However, the majority of funds earmarked for this purpose would instead go toward the defeasance, leaving a significant budgetary shortfall for next year. There are a number of options for managing this situation; for example (a) paying back the reserves over time, (b) reducing expenditures and/or increasing rates in FY 2003-04, or (c) accepting a lower level of reserves. In addition, a "rolling defeasance," in which debt service is paid a year in advance, should be considered. This strategy would significantly reduce the debt service that needs to be covered by operating revenue, and would allow considerable flexibility in the use of reserves to pay operating expenditures over time.

In any case, the department is on a sufficiently sound financial foundation to proceed with the defeasance at this time and decide on the management of reserves later. The discussion of options should occur during the FY 2003-04 budget hearings scheduled later this Spring.

4. **Budget Impacts.**

The cost of defeasing the bonds authorized by this ordinance is estimated at $12,000 to $25,000 (the actual cost will depend on the markets at the point of defeasance). Other budget effects have been described throughout this staff report. In summary, this ordinance authorizes the use of approximately $3.4 million from reserves to defease certain solid waste bonds in February or March 2003. This $3.4 million was scheduled to be spent on debt service during the next 16 months, so it is not a "cost" to the agency in that sense. However, the expenditure of these funds *at this point in time* will require a decision on managing expenditures and reserves during FY 2003-04. Some options have been described in "Anticipated Effects" above.

RECOMMENDATION

The Chief Operating Officer recommends approval of Ordinance No. 03-995.

M:\rem\od\projects\Legislation\Bond defeasance stfrpt.doc

Agenda Item Number 8.1

Resolution No. 03-3282, For the Purpose of Approving Portland Regional Federal Transportation Priorities for Federal Fiscal Year 2004 Appropriations.

Metro Council Meeting
Thursday, February 27, 2003
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING PORTLAND REGIONAL FEDERAL TRANSPORTATION PRIORITIES FOR FEDERAL FISCAL YEAR 2004 APPROPRIATIONS	))))	RESOLUTION NO. 03-3282 Introduced by Councilor Rod Park

WHEREAS, the Portland metropolitan region relies heavily on various federal funding sources to adequately plan for and develop the region's transportation infrastructure, and

WHEREAS, Metro must comply with a wide variety of federal requirements related to transportation planning and project funding, and

WHEREAS, Metro's Joint Policy Advisory Committee on Transportation (JPACT) has approved Exhibit A to this resolution, entitled, "Portland Region Priorities for FY 04 federal transportation appropriations,"; now therefore

BE IT RESOLVED, that the Metro Council

1. Approve Exhibit A of this resolution, entitled "FY 04 Federal Transportation Appropriations" and directs that it be submitted to the Oregon Congressional delegation.

ADOPTED by the Metro Council this _____ day of February, 2003

____
David Bragdon, Council President

APPROVED AS TO FORM:

____
Daniel B. Cooper, Metro Attorney

Exhibit A
PORTLAND REGIONAL
FEDERAL TRANSPORTATION PRIORITIES
FOR FEDERAL FISCAL YEAR 2004 APPROPRIATIONS

The following request for Congressional assistance in securing FFY 2004 appropriations will be forwarded to the Washington and Oregon Congressional delegations by the Metropolitan Planning Organizations in the Portland metropolitan area.

Because the FFY 2004 Appropriations request is being prepared prior to completion of the FFY 2003 Appropriations Bill, the specific amounts of funding requested for FFY 2004 may need to be revised subject to the amounts appropriated in the final FFY 2003 bill. The funding requested below for FFY 2004 assume that the final FFY 2003 appropriations match the levels requested by the Region. If required, revised appropriations requests will be released as soon as the FFY 2003 Appropriations bill is completed.

In addition, this FFY 2004 Appropriations request is being prepared concurrent with establishing the Region's priorities for the Transportation Reauthorization bill. These priorities include requests for project-specific earmarks and demonstration projects. If included in the Reauthorization bill, some of the earmarked or demonstration projects would seek an initial appropriation in FFY 2004. This FFY 2004 Appropriations request does not address appropriations for projects seeking an earmark for demonstration project status in the Reauthorization bill. Any project earmarked as Demo projects in the Authorization bill will automatically receive funds in FFY 04. The Region will monitor the Reauthorization bill and refine its FFY 2004 Appropriations request when appropriate.

A. Oregon Projects

1. **Interstate MAX.** Request an appropriation of $77.5 million in Sec. 5309 New Start funding for continued construction of the Interstate MAX extension, the region's priority discretionary project for FFY2004. This amount is consistent with the funding plan approved by FTA in the project's Full Funding Grant Agreement. The project is scheduled to be completed in the summer of 2004 and will require a final appropriation in FFY 2005.

2. **Wilsonville to Beaverton Commuter Rail**. Request an appropriation of $18 million in Sec. 5309 New Start funds for the construction of the 15.5-mile commuter rail project in Washington and Clackamas County, Oregon. Funds would be used for Final Design, initial vehicle progress payments and acquisition of right of way. This is in addition to the $2.5 million anticipated to be appropriated in FFY 2003 and will require a final appropriation in FFY 2005.

3. **Sauvie Island Bridge**. Request an appropriation of $1 million from Bridge Discretionary funds for preliminary engineering for the replacement of the Sauvie Island Bridge. The amount is in addition to the $2 million anticipated to be appropriated in FFY 2003.

4. **Sec. 5309 Bus and Bus Facilities.** Request an appropriation of $8 million from Section 5309 bus funds to acquire buses and improve bus facilities.

5. **I-5 Trade Corridor.** Request an appropriation of $0.5 million from the National Corridor Planning and Development Program to conduct preliminary engineering for the Columbia River vehicle and transit crossings, and associated interchange improvements between SR 500 in Vancouver and Columbia Boulevard in Portland. This is in addition to the $3.5 million anticipated to be appropriated in FFY 2003.

   In addition, the Coast Guard is currently completing an evaluation of the railroad swing-span across the Columbia River to determine if it is eligible for funding under the Truman-Hobbs Act. Pending the outcome of that study, there may be a request for an appropriation to build the recommended project.

6. **Interstate-205**. ODOT is requesting $1 million for preliminary engineering to add an extra lane in each direction on I-205 between the Stafford Interchange and I-5. This request capitalizes on a planned $37 million preservation project on I-205 between the Willamette River and I-5, which as currently designed requires temporary detour lanes to be built and then removed after preservation work is completed.

   FY 2004 funding will be used to redesign the project and secure the necessary environmental approvals needed to add construction of permanent lanes to the existing preservation project. Federal funds, an estimated $8 million, will be requested in future appropriations bills to pay for construction of the new lanes. If funded, the combined preservation/widening project would begin in FY 2007.

7. **Sunrise Corridor.** Request $1 million of Interstate – 4R funds to complete the EIS for the Sunrise Corridor – Phase I. This is in addition to Surface Transportation funds allocated through the Metro Transportation Improvement Program.

8. **Columbia River Channel Deepening.** Request an appropriation of $25 million from the energy and water appropriations for funding of construction of the channel deepening.

9. **Transportation and Community and Systems Preservation.** Request appropriations from TCSP program as follows:

   - $0.5 million for Gresham Springwater Area Concept and Implementation Plan.
   - $1.0 million for Damascus Area Concept and Implementation Plan.
   - $1.0 million for Kenton Feed and Seed redevelopment.

   Note: In addition, the following projects were approved as part of the priority list of projects to earmark through the reauthorization of TEA-21. Depending upon how projects are handled through the reauthorization bill, it may be appropriate to include some or all in the 2004 appropriations bill:

   - $5.6 million for Lake Rd. (Milwaukie)
   - $2.7 million for Gresham Civic Neighborhood LRT Station
   - $2.0 million for Rockwood Town Center

- $8.0 million for North Macadam Access

10. <u>Intelligent Transportation System.</u> Request $4.25 million appropriation for the Portland region's and State of Oregon's ITS initiatives. Also, request $4 million for the new Portland State University ITS research center.

11. <u>Central City Streetcar</u>. Request an appropriation of $1 million in HUD funds for Preliminary Engineering of Portland's streetcar extension to the Eastside.

12. <u>Jobs Access.</u> Request an appropriation of $3 million from Jobs Access/Reverse Commute (JARC) program. $1.8 million will support ongoing jobs access programs and $1.2 million will support expanded TriMet service.

13. <u>Regional Support for Statewide Request for Transit Improvements.</u> The Region supports the Oregon Transit Association's request for statewide transit earmarking including: $1.5 million of Section 5309 bus funds for construction of a 250 space park-and-ride facility and transit center in Wilsonville, $0.23 million for South Clackamas County Transit (Molalla), $0.225 million for City of Sandy Transit, and $0.20 million for City of Canby Transit.

14. <u>Highway Demo Projects.</u> In the project priorities adopted by the region for reauthorization of TEA-21, a number of projects were identified for funding through the "Highway Demo" funding category. In the past, this funding through the authorization bill has <u>not</u> required a separate appropriation. The following highway demo projects are identified on the Portland Region Reauthorization Priority list:

    - $32.8 million for I-5: Delta Park to Lombard
    - $26.4 million for Highway 217: TV Highway to Sunset Highway
    - $32.0 million for Sunrise Corridor – Phase I
    - $11.0 million for Ramsay Railroad Yard
    - $09.0 million for Air Cargo Access
    - $08.0 million for Boeckman Rd. (Wilsonville)
    - $05.0 million for Regional Culvert Program
    - $05.0 million for Regional Trail Program
    - $14.4 million for Beaverton-Hillsdale/Scholls Ferry/Oleson
    - $04.2 million for Wilsonville: Barber Road – Urban Village Connection

B. Washington Projects

1. <u>LRT Loop</u>. The region supports a $2 million earmark "new start" funding for the I-5/I-205/SR500 light rail loop for the initial Alternative Analysis feasibility process.

2. <u>FTA Capital Projects Earmarks</u>. Request a $3.6 million capital-leasing earmark to reimburse a public/private partnership that is constructing a 630-space Clark County Fairgrounds Park & Ride.

3. **<u>Vancouver Mall Transit Center.</u>** Request a $1.6 million earmark to lease land and upgrade existing Vancouver Mall Transit Center to reduce annual maintenance costs and ensure future operations.

4. **<u>FHWA/FTA Intelligent Transportation Systems Earmark.</u>** Regional Transportation Council will consolidate a FFY 2004 earmark request incorporating the needs of C-TRAN: deployment of traffic signal priority equipment on buses; real-time arrival and departure information, and; fleet maintenance management system. Estimated total of these three regional sub-projects is $1.6 million.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 03-3282, FOR THE PURPOSE OF APPROVING PORTLAND REGIONAL FEDERAL TRANSPORTATION PRIORITIES FOR FEDERAL FISCAL YEAR 2004 APPROPRIATIONS

Date: February 5, 2003 Prepared by: Andy Cotugno

BACKGROUND

The region annually produces a position paper that outlines the views of the Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT), a regional body that consists of local elected and appointed officials, on issues concerning transportation policy and funding that are likely to be considered by Congress during the coming year. This year priorities are focused on both annual appropriations, addressed by this resolution as well as reauthorization of the Transportation Equity Act for the 21st Century (TEA-21), addressed by Resolution No. 03-3271, For the Purpose of Endorsing A Regional Position on Reauthorization of the Transportation Equity Act for the 21st Century (Tea-21).

The proposed position paper addresses several critical regional transportation issues. The Portland region is pursuing an aggressive agenda to implement a high-capacity transit system. This effort involves implementing two projects concurrently within the next three to five years: Interstate MAX and the Wilsonville to Beaverton commuter rail. Additionally, there are several complementary projects for which the region is requesting funding: bus and bus facility purchases regionwide, Wilsonville Park and Ride, Kenton Transit Oriented Development (TOD) project, and Central City streetcar extension to North Macadam.

Oregon and Washington continue developing a cooperative strategy to address the transportation needs in the I-5 Trade Corridor. The paper outlines the Federal funding needs and sources for continuing this work and requests support for obtaining these funds. Other interstate issues addressed in the paper include Columbia River channel deepening, high-speed rail and support of requests by the State of Washington.

ANALYSIS/INFORMATION

1. **Known Opposition** None known.

2. **Legal Antecedents** Projects within the region earmarked for federal funding must be consistent with the Regional Transportation Plan, adopted by Metro Ordinance No. 00-869A, Consideration of Ordinance No. 00-869A For the Purpose of Adopting the 2000 Regional Transportation Plan; Amending Ordinance No. 96-647C and Ordinance No. 97-715B and Resolution No. 00-2969B, For the Purpose of Adopting the 2000 Regional Transportation Plan as the Federal Metropolitan Transportation Plan and must be amended into the Metro Transportation Improvement Program.

3. **Anticipated Effects** Resolution would provide the US Congress and the Oregon Congressional delegation specifically with the region's priorities for transportation funding for use in the federal transportation appropriation process.

4. **Budget Impacts** Metro is involved in planning related to several of the projects included in the priorities paper and must approve many of the requested funding allocations. Failure to obtain funding for one or more of the projects could affect the FY 03-04 Transportation Department budget. However, most of the funding requests deal with implementation projects sponsored by jurisdictions other than Metro.

RECOMMENDED ACTION

Approve Resolution 03-3282 for submission to the Oregon Congressional delegation for consideration in the Federal Fiscal Year 04 Appropriations Bill.

Agenda Item Number 8.2

Resolution No. 03-3284, For the Purpose of Approving Metro's Application for Federal Transportation Funds through the Regional Priorities 2004-07 Solicitation.

Metro Council Meeting
Thursday, February 27, 2003
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING METRO'S APPLICATIONS FOR FEDERAL TRANSPORTATION FUNDS THROUGH THE "REGIONAL PRIORITIES 2004-07" SOLICITATION	)))))	RESOLUTION NO. 03-3284 Introduced by Councilor Rod Park

WHEREAS, The 2000 Regional Transportation Plan (RTP) establishes the 20-year blueprint for transportation investments in the region to meet expected travel needs and implement the 2040 Growth Concept, and

WHEREAS, The Metropolitan Transportation Improvement Program (MTIP) is the mechanism for allocating federal funds to implement the RTP in five-year increments, and

WHEREAS, Metro is uniquely capable or expressly directed by state and federal regulations to complete certain planning and project functions called for in the RTP, and

WHEREAS, The Council Transportation Planning Committee previously provided preliminary review and approval of the possible Metro applications for MTIP funding, now therefore

BE IT RESOLVED, that the Metro Council approves the applications for funding through the MTIP as reflected in Exhibit A.

ADOPTED by the Metro Council this _____ day of February 2003.

____
David Bragdon, Council President

APROVED AS TO FORM:

____
Daniel B. Cooper, Metro Attorney

Exhibit A
Metro Applications for MTIP Funds

Metro Core Planning Program

Project: rpln1
Grant Request: $1,709,000 Match Amount: $196,000 Total Project Cost: $1,905,000
Project Sponsor: Metro

This project funds several Metro planning activities, many of which are required of Metropolitan Planning Organizations (MPO) by federal and state regulations. These includes updates and refinements of the Regional Transportation Plan (RTP), performance measures for implementing the RTP, performing the Metropolitan Transportation Improvement Program (MTIP), efforts to develop funding for the RTP projects and programs, the Livable Streets program, development of the regional travel forecasting model, monitoring of the transportation system and provision of technical assistance to local jurisdictions. The funding level provides for continuation of past annual allocations with a 3.5 percent per year escalator.

Metro TOD Program

Project: rtod1
Grant Request: $4,500,000 Match Amount: $517,000 Private Match: $125,425,000 Total Project Cost: $130,442,000
Project Sponsor: Metro

This project is to continue the Transit-Oriented Development Implementation Program (TOD Program), which helps stimulate the construction of "transit villages" and other joint development projects through public/private partnerships at light rail, commuter rail and streetcar stations throughout the Portland metropolitan region. These compact, relatively dense, mixed-use, mixed-income developments concentrate retail, housing and jobs in pedestrian-scaled urban environments, and increase non-auto trips (transit, bicycle, walking) while decreasing regional congestion and air pollution. TODs increase transit ridership 10 times compared to typical suburban development, but are more expensive and more risky for the private sector. Therefore, public/private partnerships are necessary.

To date, the Program has concentrated on getting built examples of higher density and mixed-use projects to be able to demonstrate developer interest, lender participation and market acceptance, and to determine cost penalties compared to public benefit gained. For the past 18 months, the Program has also been working to address the issue Randy Gragg (The Oregonian's architecture critic) has observed that "despite all the talk about transit villages, not one fully operating village yet exists at a transit station," in which a resident can buy a loaf of bread, walk to lunch, and complete a range of activities without requiring an auto. The program acquired 13 acres surrounding the future MAX station in Gresham and is currently developing the first project with a five-story building with housing over ground floor retail.

A grocery store is already in place and the TOD Program will continue this project while striving to implement, with Priorities 2004 funding, at least one full transit village on the Westside, with a full range of businesses and services. Specific project locations for the program include Gateway, Lloyd District, Hollywood, Peterkort, Beaverton, Orenco, Quatama, Beaverton Creek, Hillsboro Central, Kenton and others, providing they meet program eligibility requirements.

The initial TOD allocation provided $1 million per year for three years. The following MTIP application applied to continue TOD funding at $1 million per year but was allocated at $.75 million per year with the increase policy emphasis on centers. This application proposes TOD funding at $2 million per year in FY 06 and 07 and seeks to recapture the $.25 million per year that was cut from FY 04 and 05.

Metro Urban Centers Implementation Program

Project: rtod2

Grant Request: $1,000,000
Match Amount: $114,500
Private Match: $27,000,000
Total Project Cost: $28,114,500

Project Sponsor: Metro

This project would leverage the construction of significant infill and redevelopment and other joint development projects through public-private partnerships in Metro's 2040 mixed-use areas served by high frequency bus routes. This new development will be compact, relatively dense, mixed-use and mixed-income. It will concentrate retail, housing and jobs in pedestrian-scaled urban environments, and increase non-auto trips (transit, bicycle, walking) while decreasing regional congestion and air pollution. The Centers Implementation Program would operate through cooperative agreements with local, regional and state jurisdictions, would utilize Development Agreements with private developers, and would be governed by the existing TOD Program Steering Committee comprised of representatives from the Governor's Office (Chair), the Department of Environmental Quality (DEQ), the Department of Land Conservation & Development (DLCD), the Oregon Housing & Community Services Department, TriMet, the Metro Council, the Oregon Department of Transportation (ODOT), the Oregon Economic Development Department (OEDD) and the Portland Development Commission (PDC).

I-5 to Highway 99W Corridor and Concept Planning

Project: rpln5

Grant Request: $500,000
Match Amount: $57,250
Total Project Cost: $1,000,000

Project Sponsor: Metro

This application is to complete required corridor planning for the I-5 to Highway 99W connector in the vicinity of Tualatin and Sherwood. The need for a new highway connection in this area was identified in the 2000 RTP, but will not acknowledged by the LCDC as part of the plan until detailed findings on consistency with rural land use goals can be made.

The corridor for this connection includes new urban land along the south edge of Sherwood, and this project would seek to combine corridor planning for a new facility with needed concept planning for the new urban area. The RTP calls for this work to consider the possibility of creating a "hard edge" to the urban area with a new highway improvement that would serve as permanent definition of the region's urban growth boundary. The funding level is proposed at $.5 million per year as a start up implementation resource to complement Metro's Centers program. Upon demonstrated success, it would be appropriate to seek a higher amount in the future.

Powell-Foster Corridor Plan (Phase II)

Project: rpln3

Grant Request: $200,000
Match Amount: $400,000
Total Project Cost: $900,000

Project Sponsor: Metro

This application is to complete Phase II of the corridor planning work for Powell/Foster corridor. Phase I is underway and will be completed in June 2003. This application will complete the planning process. The outcome will be a set of feasible alternatives for the corridor with an implementation, phasing and funding strategies. The amount is in addition to the $.3 million allocated in the last MTIP process.

Regional Freight Data Collection

Project: rpln6

Grant Request: $500,000
Match Amount: $250,000
Total Project Cost: $750,000

Project Sponsor: Metro

This project will collect extensive freight mobility data to augment Metro's truck model and to answer key questions posed by jurisdictions and businesses associations within the region. The data collection effort could include:

- Origin and destination of shipments
- Freight routing on roads
- Truck load factors (how full are trucks based on the commodities they carry)
- Empty loads
- Other factors to be determined

Ultimately, the project will help the region make more targeted, strategic freight investment decisions, increasing the benefit for each dollar spent.

Regional TDM Program

Project: rtdml

Grant Request: $3,987,000
Match Amount: $409,465
Total Project Cost: $4,396,465

Project Sponsor: Metro and TriMet

This is a joint application by Metro and TriMet. Metro sets the program direction and approves specific implementation projects. TriMet is the primary implementation grant recipient. Transportation Demand Management (TDM) is a set of strategies that encourages the use of alternative modes to driving alone in order to maximize infrastructure investments, create public/private partnerships for trip reduction, and provide cost-efficient alternatives to building new transportation facilities. The Regional TDM program and projects, unlike motor vehicle and transit programs and projects, do not have major sources of revenue outside the MTIP flexible funding. The Regional TDM program leverages and compliments other transportation investments being made through the Transportartion Priorities 2004-2007 process. All elements of the TDM program (DEQ ECO clearinghouse, OOE telework, SMART/Wilsonville, TriMet "core" TDM program, TMA program and Region 2040 Initiatives program) are being combined into the Regional TDM program for the current funding request. The core TDM program includes program management, outreach and marketing, TDM program evaluation and regional rideshare. This program will guide future funding allocation decisions and contracts and will include the following:

- Support targeted TDM programs in key corridors identified in the RTP and in TriMet's Transportation Investment Plan.
- Support community- or neighborhood-based TDM programs in Central City, Regional Centers, Town Center, Station Communities, Industrial Areas or Main Streets.
- Increase awareness and performance of the regional rideshare program, including support for the carpoolmatchNW.org program.
- Continue to coordinate TMA program administration and policy development.
- Evaluate options of transitioning TMA Administration from TriMet to Metro or to other appropriate agencies.
- Support TMAs employer outreach and program development in Region 2040 centers, including industrial areas.
- Consider expanding funding levels for Region 2040 Initiatives Grant Program to target TDM programs in key 2040 centers and industrial areas, and to leverage other transportation investments being made throughout the region.
- Continue to support the TDM program at South Metro Area Regional Transit (SMART).
- Develop a strategy for promoting the Business Energy Tax Credit program throughout the region.
- Develop a strategy for promoting telework throughout the region.

- Consider a Regional Travel Options Clearinghouse (similar to Metro's recycling program) that may include a staffed regional TDM hotline, web-based information such as downloadable educational materials and links to regional partners.

The funding level is consistent with Resolution No. 02-3183 which established the appropriate funding level for the TDM program and Transportation Management Associations.

RTP Corridor Project

Project: rpln4 Grant Request: $500,000 Match Amount: $600,000 Total Project Cost: $1,100,000 Project Sponsor: Metro

Chapter 6 of the 2000 RTP identifies a number of major regional transportation corridors with significant needs but which require further planning and engineering before a specific project can be developed and implemented. The State Transportation Planning rule requires prompt completion of these multi-modal corridor plans. In FY 2001, Metro led the Corridor Initiatives Process, which established a strategy for completion and prioritization of the corridors.

The RTP Corridor Project will undertake a refinement plan for the next priority corridor. The list of potential corridors for planning includes I-5, I-205, Barbur Boulevard, Tualatin Valley Highway and several other regional highway corridors. The project will complete systems level planning work and will identify a set of improvement alternatives that can be taken into project development. The outcome of the corridor planning process will be a set of feasible capital improvements for the corridor with an implementation, phasing and funding strategy.

The application is intended to provide $.25 million per year in FY 06 and 07 for corridor planning priorities established at that time.

Rx for Big Streets

Project: rpln2 Grant Request: $276,000 Match Amount: $67,000 Total Project Cost: $343,000 Project Sponsor: Metro

This project is an effort to conduct joint land use and transportation planning for "big streets" in the Metro region. "Big Streets" are largely four-lane facilities that once served as rural highway routes, but have evolved to become urban thoroughfares. In this transition, the design and function of the routes has often contradicted land use plans, and most of these facilities have not been updated to serve as multi-modal facilities. As a result, the "Big Streets" that define the corridors are among the most deficient transportation facilities in the regional system. They are characterized by inadequate or absent pedestrian and bicycle facilities, and aging traffic control systems and roadways designs that are insufficient to meet projected demand. These streets already carry heavy traffic volumes, and are actively used by pedestrians and bicyclists, and often have high transit ridership, despite the lack of safe facilities. By design, these routes are intended to balance local access with regional mobility, yet no plans exist for how to strike this balance. The goal of this three-phase project is to establish design principles and a methodology for planning in these corridors through development of design guidelines and pilot projects on three facilities in the region.

The 2040 Growth Concept identified most of these facilities as "corridors," and this land use designation is the last remaining element of the 2040 plan that has yet to be defined at a level of detail needed to be incorporated into local land use plans. This refinement work follows similar efforts for other mixed-use components of the 2040 Growth Concept. In the 1990s, more than one-third of the development in mixed-use areas has occurred in corridors. Yet, these corridors are the least defined of the 2040 land use components, underscoring the need for integrating land use and transportation planning here.

Gresham Civic Drive Green Street Demonstration Project

Project: mgs2

Grant Request: $250,000
Match Amount: $25,675
Total Project Cost: $275,675

Project Sponsor: Metro

This project is a green street demonstration project to retrofit Civic Drive to treat stormwater runoff from approximately 12,800 square feet of impervious surface using larger street trees and structural soils. Curb inserts or perforated curbs that are consistent with the Green Streets handbook will be used to maintain the integrity of the curb while directing stormwater runoff into street tree wells. Existing trees will be salvaged and planted in another location within the TOD project area. Large street trees will be selected from the Trees for Green Streets guide and planted in a site-specific structural soil mix that is amended with organic material. The structural soils will allow larger street trees to be planted, which is unusual in high-density urban areas. The result is a reduction of the volume of runoff that enters the stormwater collection system that does not compromise the amount of right of way available for on-street parking, bike movement, transit stops and pedestrian activities.

The existing stormwater system will be used as an overflow device that directs water to an underground cistern and recycled through a water feature on the northwestern corner of the adjacent lot. This water feature will be a central gathering place and will be used as an opportunity to educate people about the impacts of stormwater runoff on natural stream systems. Signage will be used to explain how the green street treatment helps to mitigate the impervious street surface. Educating the public about the impacts of streets on streams is one of the ways to make green street projects more publicly acceptable. This green streets demonstration project will be coordinated with construction of five-story mixed use development called The Crossing and the new MAX station and plaza in Gresham Civic Neighborhood.

Gresham Civic Station and TOD Development

Project: mtr2
Grant Request: \$3,450,000 Match Amount: \$979,500 Private Match: \$256,000,000 Total Project Cost: \$260,390,000
Project Sponsors: City of Gresham, TriMet and Metro

This project constructs a new light rail station and transit plaza immediately surrounding the future MAX station on 85-acres of vacant land west of Civic Drive in the City of Gresham. This project provides a unique opportunity to design and build a transit station and the surrounding TOD together. When completed, this will be the largest TOD in the region outside Portland's downtown that is physically or functionally connected to transit and a rare opportunity for the transit station to be surrounded by a TOD on all sides. The proposed transit station is the epicenter of Gresham Civic Neighborhood, which will eventually include 700,000 square feet of retail, 1,100 housing units (including for sale and for rent, elderly, market rate and affordable), grocery store, movie theaters, restaurants, health club, health care and office.

This application for the LRT station itself. Past MTIP allocations to the Metro TOD program have funded adjacent development projects.

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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 03-3284 FOR THE PURPOSE OF APPROVING METRO'S APPLICATIONS FOR FEDERAL TRANSPORTATION FUNDS THROUGH THE "REGIONAL PRIORITIES 2004-07" SOLICITATION

Date: February 3, 2003 Prepared by: Tom Kloster

BACKGROUND

The Regional Transportation Plan (RTP) identifies a 20-year list of future transportation projects based on regional transportation and land-use policies. Most transportation projects of importance to the region are funded with state and federal money. The cost of all the projects approved in the RTP exceeds the amount of funding available at any one time. The Transportation Priorities 2004-07 program will select RTP projects to receive some of the federal funds allocated to this region. Approximately $635 million is spent on transportation in the Portland metropolitan region each year through a combination of federal, state, regional and local sources. This includes spending on maintenance and operation of existing roads and transit as well as the construction of new roads, sidewalks and bike facilities and implementation of programs to manage or reduce demand on the region's transportation system.

Of this total, Metro allocates regional flexible funds that come from two different federal grant programs: the Surface Transportation and Congestion/Air Quality programs. Approximately $53 million is expected to be available to the Portland metropolitan region from these grant programs for the years 2006 and 2007. Of this amount, $12 million had been previously committed to development of light rail in the Interstate Avenue and South corridors. The Transportation Priorities 2004-07 program is the regional process to identify which transportation projects and programs will receive the remaining $41 million. These funds are limited to eligible sponsors under federal law, including Metro, TriMet, South Metro Area Rapid Transit (SMART), Oregon Department of Environmental Quality, Oregon Department of Transportation, Washington County and its cities, Clackamas County and its cities, Multnomah County and its cities, city of Portland, Port of Portland and parks and recreation districts.

In July 2002, JPACT and the Metro Council adopted a new policy direction for transportation funding. The primary objective is to leverage economic development in priority 2040 land-use areas through investments that support commercial centers, industrial areas and urban growth boundary expansion areas with completed concept plans. Other objectives include emphasizing projects that do not have other funding sources, completing gaps in the system and developing a transportation system that serves all travel options.

The Transportation Priorities program will address this policy guidance in two ways. First, the program provides an incentive for eligible government sponsors to nominate projects that support economic activity in priority land-use areas as defined by the 2040 Growth Concept. Projects fitting this category are eligible for up to a maximum allowed regional match of 89.73 percent under federal requirements. In contrast, projects located outside of these key 2040 areas are only be eligible for up to 70 percent regional match under the new criteria. This approach rewards projects that directly relate to the 2040 plan, while retaining flexibility to fund projects that do not directly benefit a regional priority land-use area but that are deemed to be important and effective transportation projects due to other considerations.

The program also addresses the new policy guidance through the technical evaluation portion of the program. In the technical evaluation of projects, 40 of 100 possible technical points are dedicated to evaluation of the land uses served by the proposed transportation project and how well 2040 Growth Concept objectives are implemented. As in previous allocation processes, projects will still be evaluated and ranked based on their effectiveness, cost effectiveness and impact on safety.

Metro has routinely received fund through the MTIP process for a wide variety of planning activities and projects, ranging from core planning programs that are required by federal law to special programs and projects that advance regional policy. Of these applications, the ongoing funding requests for the following programs (each described in more detail in Attachment A) have been approved in each MTIP update since the early 1990s:

- Metro Core Planning Program
- Metro TOD Program
- Regional TDM Program

In addition to these core programs, Metro has also successfully competed for funds to complete special projects and planning efforts. These efforts include numerous corridor plans, area plans, TOD developments and regional trail projects. The following are special Metro projects proposed for funding as part of the Priorities 2004-07 allocation (also described in more detail in Attachment A):

- I-5 to Highway 99W Corridor and Concept Planning
- Powell-Foster Corridor Plan (Phase II)
- Regional Freight Data Collection
- RTP Corridor Project
- Rx for Big Streets
- Gresham Civic Drive Green Street Demonstration Project
- Gresham Civic Station and TOD Development
- Metro Urban Centers Implementation Program

The proposed resolution would approve the pursuit of Regional Priorities 2004-07 MTIP funds on behalf of Metro, for the funding period of 2004-2007, and direct staff to submit these applications for funding: These proposals were first discussed and approved by the Council Transportation Planning Committee in fall 2002 in draft form, and were submitted for technical evaluation in December 2002.

ANALYSIS/INFORMATION

1. **Known Opposition** None.

2. **Legal Antecedents** Metro has routinely applied for MTIP funds for a variety of purposes, and is recognized by the federal government as an eligible agency grantee for these funds.

3. **Anticipated Effects** If ultimately approved by JPACT and the Metro Council, the funds would advance Metro's efforts to implement the 2040 Growth Concept through strategic transportation planning and investments. These funds would advance planning and development projects that would otherwise not be accomplished with other Metro operating funding sources.

4. **Budget Impacts** The projects and programs represented by these applications would require $3,616,390 in local match from Metro to receive $16,872,000 in federal grant funds. It is unlikely

that all of the applications will be approved, though some applications represent ongoing programs that have been routinely funded through the MTIP. These budget impacts are for the 2006-07 fiscal year.

RECOMMENDED ACTION

Approval of Resolution No. 03-3284 to pursue Regional Priorities 2004-07 MTIP funds on behalf of Metro, for the funding period of 2004-2007, and direct staff to submit the applications described previously in this report for funding consideration.

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Agenda Item Number 8.3

Resolution No. 03-3287, For the Purpose of Endorsement of a Regional Position on Reauthorization of the Transportation Equity Act For the 21st Century (TEA-21).

Metro Council Meeting
Thursday, February 20, 2003
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSEMENT OF A REGIONAL POSITION ON REAUTHORIZATION OF THE TRANSPORTATION EQUITY ACT FOR THE 21ST CENTURY (TEA-21)	)))	RESOLUTION NO. 03-3287 Introduced by Councilor Rod Park

WHEREAS, the Transportation Equity Act for the 21st Century (TEA-21) was adopted by Congress in 1998; and

WHEREAS, TEA-21 is scheduled to expire at the end of federal Fiscal Year 2003 (September 30, 2003); and

WHEREAS, Congress will be considering reauthorization of TEA-21 during 2003; and

WHEREAS, TEA-21 has a significant policy effect on transportation planning and decision-making and funding in the Portland region; and

WHEREAS, reauthorization results in the "earmarking" or identification of specific projects and establishes the amount of federal funding eligible to be appropriated to those projects; and

WHEREAS, further review of proposed legislation will lead to possible amendment and refinement to this policy postion; now therefore

BE IT RESOLVED that the Metro Council:

1. Endorses the summary of regional priority policy issues on reauthorization of TEA-21 as reflected in Exhibit A.
2. Endorses the regional position paper on reauthorization of TEA-21 as reflected in Exhibit B.
3. Endorses the projects identified in Exhibit C as the region's priority projects for TEA-21 reauthorization earmarking.

ADOPTED by the Metro Council this _____________ day of February, 2003

____
David Bragdon, Council President

Approved as to Form:

____
Daniel B. Cooper, Metro Attorney

Exhibit A

Portland Regional Position
on the Reauthorization of
the Transportation Equity Act for the 21st Century
Priority Policy Issues

1. Funding levels

   The paramount issue is to increase the funding levels available for transportation. This is particularly important in light of the growing national budget pressures, the increasing federal deficit, the added costs placed on the transportation system due to national security and the growing needs generally. Without increasing the overall program, any debate about changes in any particular program direction is moot. In addition, current provisions for maintaining the firewalls between the transportation trust fund and the rest of the federal budget, minimum appropriation level guarantees and provisions for increasing spending levels if trust fund receipts are higher than estimated (RABA) should continue. Revenue options under discussion to increase the program include:

   - Indexing the gas tax (potentially retroactive to 1992);
   - Changing the ethanol tax credit to provided lost funding to the transportation trust fund from the general fund;
   - Recapturing interest on the trust fund from the general fund;
   - Bonding against increased resources;
   - Ensuring the state maintains at least a 95% return on transportation taxes paid to the federal government; and
   - Maintaining firewall provisions that ensure collections to the Trust Fund and provide to the states and localities through annual appropriations.

2. The most important policy area to pursue is to preserve the basic policy structure established by ISTEA and TEA-21, including flexible funding provisions, the role of the MPO in policy setting, funding allocation and project selection and, the sub-allocation to MPOs of STP funds.. In addition, continued allocation of funds to transit districts (through Section 5309 funds) is essential to the goals of the region. As the overall size of the transportation program is increased, it is in these funding sources - STP, CMAQ and Section 5309 - that are the highest priorities to increase. The region and the delegation should monitor and participate in national discussions to address urban congestion problems, especially in large metro areas

3. The discretionary funding categories that are likely to have the greatest financial impact on the region are the transit "New Starts" program and the highway "Borders and Corridors" program. Funding levels should be increased in both programs to provide a mechanism to provide discretionary funding to large projects through a rigorous, merit-based approach. Specific issues associated with these programs include:

   - Separation of the "Trade Corridors" program from the "International Borders" program with a significant funding increase and establishment of rigorous criteria focused on movement of freight;
   - Increased funding for the "New Starts" program in recognition of the growing support for creation of a streamlined "Small Starts" category for lower cost Bus Rapid Transit, Commuter Rail and Streetcar projects: support creation of such a "Small Starts program" if additional resources are made available to fund such projects;

- Inclusion of project selection criteria for Streetcar "Small Starts" projects that emphasize commitment to transit supportive development to generate transit ridership in lieu of regional mobility; and
- Refinement of the TIFIA program to make it more attractive through low cost loans and the addition of a partial grant component.

4. Various programs are under consideration to increase the emphasis on all forms of freight transportation, including research, data collection and funding flexibility, including provisions for selected improvements to the freight rail system. Because of the strong freight character to the Portland area economy, these should be a priority area for the region. Associated with this is consideration of an added Title to the Act that integrates a freight rail program, Amtrak and High-Speed Passenger Rail, including dedication of the 4.3 cent fuel tax now being paid by the railroads to the federal general fund to this Trust Fund.

EXHIBIT B

Regional Position on Reauthorization of the Transportation Equity Act for the 21st Century (TEA-21)

1) Major Funding & Policy Issues

a) Transportation Funding.

i) Setting the Baseline for TEA-21 Reauthorization.

The Transportation Equity Act for the 21st Century (TEA-21) authorized the Revenue Aligned Budget Authority (RABA) to create a more direct linkage between the revenues coming into the highway Trust Fund and the revenues being appropriated to highway and transit construction. Over the first four years of TEA-21, RABA generated significant increases in federal transportation funding. However, the Administration has proposed a significant cut in RABA funding for FY 2003. Unless funding is restored, the baseline spending level for the reauthorization of TEA-21, and the overall level of funding for the five-year authorization period, could be significantly reduced.

Background: The Administration has proposed a RABA formula allocation in its fiscal 2003 budget to Congress that represented an $8.6 billion or 27 percent cut from FY 2002 levels. Congress has indicated that it will likely restore a portion of these highway funds, enough to bring FY 2003 highway spending up to the TEA-21 authorized level of $27.7 billion but well short of the $31.8 billion FY 2002 level. Restoration is important not only for FY03 programs but because the FY03 funding level could establish the baseline for the TEA-21 reauthorization spending levels.

Oregon receives, on average, 1.2 percent of federal aid highway allocations so the impact on the state of setting the reauthorization baseline at the RABA level versus the authorized level is approximately an additional 14 % or approximately $50 million per year in additional funds. Over the course of the six-year authorization the difference would amount to more than $300 million in additional funds if the higher authorization level is achieved.

If the Administration's FY03 budget proposal were to become the new authorization baseline, Oregon could stand to loose approximately $100 million per year over the FY02 RABA levels or $600 million over the life of the new authorization.

Policy Proposal: Support restoration of the highway program spending cuts proposed by the Administration. The "baseline" spending levels in the new TEA-21 should not be influenced by the lower levels proposed in the Administration's FY 03 budget. Restoring the baseline to the TEA-21 authorized level would increase spending by $4 billion in the first year of the new bill. Restoring funding to the FY02 spending level would increase spending by $8 billion in the first year of the new bill.

Consistency: this is essential to the implementation of the RTP.

ii) Increase Overall Funding Levels: Additional funding is the most critical issue for the reauthorization of TEA-21.

Background: The overall level of funding for the highway trust fund largely determines the level of funds available for all federally funded transportation programs including highways, bridges, light rail, bus, bike, pedestrian and planning.

TEA-21 Improvements. Federal highway and transit funding increased dramatically under TEA-21. Guaranteed highway funding levels increased 42 percent over the Intermodal Surface Transportation Efficiency Act (ISTEA) levels to $27 billion. Transit guaranteed levels increased 31 percent. Congress also RABA for the highway program, linking highway spending to trust fund receipts. RABA in particular has generated significantly higher highway funding levels at the national level than would have been available under a fixed authorization formula.

Revenue Aligned Budget Authority. Despite increased funding in TEA-21, needs have continued to outstrip resources because of the aging of the system, increased growth and congestion, growing interest in rail new start projects around the country and the additional cost of responding to new requirements such as the endangered species act. And, although RABA has generated significant additional resources for the highway formula program, recently the appropriations process has varied from the original formula allocation of RABA funds with a few key states receiving earmarks of the full RABA amount. In addition, the interest on the Trust Fund was diverted to the general fund in TEA-21, reducing the available funds significantly.

Inflation. The federal gas tax is a fixed $18.3 cents per gallon. Because it is not indexed to inflation, each year the federal Highway Trust Fund loses purchasing power in real terms. The national inflation rate for heavy highway construction has averaged (%%) per year over the life of TEA-21.

Ethanol Tax Credit. The federal government supports the ethanol industry with a 5.3 cents per gallon tax credit for "gasohol" which consists of 90 percent gasoline and 10 percent ethanol. With the federal tax incentive, companies that blend ethanol pay a 13 cents per gallon federal excise tax, compared with the standard 18.3 cents per gallon tax on motor fuels.

Additionally, 2.5 cents per gallon of the excise tax on ethanol-blended fuels is diverted to the Treasury's general fund. The highway trust fund receives only 10.5 cents per gallon for each gallon of ethanol-blended gasoline, 7.8 cents less than gasoline. Between fiscal 2000 and 2010 approximately $15.3 billion will be lost to the highway trust fund due to the ethanol tax credit and diversion to the general fund.

The American Association of State Highway and Transportation Officials (AASHTO) has set a goal of increasing the federal highway program from $34 billion in fiscal year 2004 to $41 billion in fiscal year 2009 - an increase of 34 percent. The goal for transit is to see an increase from $7.5 billion to $10 billion over six years. In part, AASHTO has proposed funding the increased size of the program through a Federal Transportation Finance Corporation through the use of debt. The goal of the American Public Transportation Association (APTA) is to increase the transit program to $14 billion per year.

Policy Proposal: Additional funding is necessary to meet the federal and local objectives of the transportation program. There are a number of approaches that could be taken to increase funding. They include:

(a) Spend the accumulated balances in the Trust Fund.
(b) Return RABA generated funds to the state formula allocation. Eliminating earmarking would have resulted in an additional $1 billion in formula highway funds in FY 02 distributed to the states by formula.
(c) Use general fund dollars to compensate the Trust Fund for the lower tax rate on ethanol ($.053 lower tax rate) and the portion of the ethanol tax now going to the general fund is $.025). These ethanol tax credits cost the Trust Fund approximately $1.5 billion per year.
(d) Rededicate interest payments currently going to the general fund to the Highway Trust Fund.
(e) Index the federal gas tax to reflect inflation.
(f) Support the Federal Transportation Finance Corporation if tied to new revenues.

Consistency: increased funding is the single most important issue, not only to better fund on-going programs but to allow creation of new programs outlined in this paper.

iii) **Oregon Highway Formula Allocation:** Oregon won a significant victory in TEA-21, changing the national formula to return more federal tax dollars to Oregon.

Background: Oregon won a major victory in TEA-21 with the passage of a highway allocation formula that boosted the state's allocation from $0.89 returned to the state for each $1.00 of tax paid to $0.94 cents returned for each $1.00 paid. The highway allocation formula is critical to the state, local governments, transit districts, and the region because it dictates the amount of funding that is available for planning, air quality improvement, bicycle and pedestrian facilities as well as highway and bridge repair and construction.

Analysis: Next to the overall level of highway trust fund revenues, the allocation formula is the most important factor in determining the amount of federal highway, STP, CMAQ and other transportation funding received by the state. A small change in the formula translates into tens of millions in additional funds allocated to the state. Allocations are based in part on Census data. In past years, the most recent Census data has not always been used, even when available. This has disadvantaged high population growth states and geographic regions.

Policy Proposal:

(a) Support the state's efforts to secure its fair share of federal Highway Trust Fund allocations and improve its position even further in the upcoming reauthorization.
(b) Oppose further suballocations of the trust fund. Suballocations actually reduce the flexibility of federal transportation dollars, rather than increasing flexibility as envisioned in ISTEA and TEA-21.
(c) Congress should require use of the 2000 census wherever the law calls for population in its federal formula programs. If the 2000 census is not available, under no circumstances should data acquired before the 1990 census is used.

Consistency: at least maintaining the formulas that result in Oregon receiving 94%, return is consistent with the RTP.

iv) **Maintain firewalls and funding guarantees.**

Background: Prior to TEA-21, Highway Trust Fund dollars were counted as part of the overall federal budget. Transportation was forced to compete against other federal programs for funding. This resulted in years of under-investment in transportation while at the same time unspent Trust Fund balances ballooned. TEA-21 restored the integrity of the Trust Fund and guarantees that all of its revenues will be spent on transportation.

TEA-21's Revenue Aligned Budget Authority (RABA) provisions have generated significant resources for the highway program. RABA funds are allocated to states based on TEA-21's highway allocation formula. Recently, however, the appropriations process has earmarked funds rather than follow the formula approach.

Analysis: Guaranteed funding for highway and transit programs has provided much needed stability of funding levels, allowing for longer range planning and investment strategies and multi-year federal commitments.

Policy Proposal:

(a) Support maintaining firewalls that separate the Trust Fund from the unified budget.
(b) Support continuation of guaranteed funding for highway and transit programs.
(c) Work to sustain RABA and its formula allocation approach in the next bill, ensuring that Trust Fund balances do not accumulate.
(d) Support the current ratio between the highway and transit accounts of the Trust Fund.

Consistency: this is essential to the implementation of the RTP by shielding transportation appropriations from unexpected budget cuts.

v) **Additional funding for New Starts.**

Background: Since the construction of the original eastside MAX light rail project, the Portland region has received more than $1 billion in New Starts funding. The region has become a national model for using the development of light rail projects to respond to growth, congestion and regional land use and development goals.

Our success has spurred other communities to pursue light rail initiatives of their own. Currently there are 11 projects in Final Design and 39 in Preliminary Engineering. The projects will likely seek a total of $21.1 billion in TEA-21 authority.

The national growth in proposed New Starts projects has raised congressional attention and support for the program. TEA-21 increased the authorized funding available for the New Starts program from $760 million in FY1998 to $1.2 billion in FY2003.

Analysis: While funding has increased, the New Starts program is under intense pressure to respond to a growing number of candidate projects across the country. The most optimistic assumptions for the program call for spending approximately $10 billion over the next authorization period.

It is a very high priority for the region that the New Starts program remains and increases in funding level.

Current regional priorities for funding from the New Starts Program are:

- to complete appropriations toward the FFGA for Interstate MAX;
- execute an FFGA for Wilsonville to Beaverton Commuter Rail and complete appropriations;
- obtain authorization for the South Corridor project; execute an FFGA and complete appropriations.

Taking a longer-term view, future priorities for New Start funding need to be sorted out. Based upon past funding actions of JPACT, consideration should be given to:

- beginning the Clark County loop connecting Interstate MAX and airport MAX;
- the downtown Portland Transit Mall alignment for MAX;
- extension of the Portland Streetcar into North Macadam and along the Willamette Shore route to Lake Oswego.

Policy Proposal: Support a significant increase in federal New Starts funding to respond to the national demand for New Starts projects and to enable the region to pursue its anticipated fixed guideway initiatives. Any increase in funding for the transit program should concentrate on the New Starts program. Increased funding could come from sources noted above. Maintain current non-federal match requirements in statute and FTA flexibility in applying match requirements.

Consistency: this is essential to the implementation of the light rail portion of the RTP since this is the major source of funding and national competition continues to increase.

b) **Major Policy Issues**

i) **Maintain or expand flexible and progressive policies in ISTEA and TEA-21.**

Background: ISTEA's groundbreaking achievement was increasing the flexibility of federal transportation funds with the implementation of the STP, CMAQ and Enhancements programs. In addition ISTEA allowed states and local governments greater ability to tailor their transportation programs to reflect their individual goals and needs, while contributing to the development of a national intermodal transportation system.

TEA-21 maintained the flexible transportation funding structures and implemented new programs such as TCSP that allowed even greater flexibility.

Analysis: The Portland region has used the flexibility of the federal transportation funding programs authorized in TEA-21 to shape transportation solutions that work for our cities and neighborhoods. The region has succeeded in increasing transit use at a rate faster than population or VMT growth. The result is one of the most livable communities in the country.

Policy Proposal: Urge Congress to maintain the flexible funding structure of TEA-21 and improve programs such as TCSP so they can fulfill their original intent.

Consistency: this is essential to the implementation of the RTP since these are sources of funds allocated through the MTIP process.

ii) **Intermodal connectors and freight facilities:**

Background: One of the greatest achievements of ISTEA was its emphasis on intermodalism. TEA-21 continued the ISTEA focus on intermodalism and the result has been a more flexible, efficient and integrated transportation system. In particular, ISTEA and TEA-21 allowed greater flexibility in addressing freight mobility issues, an area that had received relatively little attention in federal funding programs previously.

The NHS Intermodal Freight Connectors report sent to Congress documents the fact that NHS freight road segments are in worse condition and receive less funding than other NHS routes. Targeted investment in these "last mile" segments would reap significant economic benefits relative to the costs.

Analysis: TEA-21's focus on intermodalism was a move in the right direction. However, the region's experience over the past six years has indicated areas of potential improvement. For example, there remain a number of limitations on the kinds of freight projects that can receive federal dollars that limit the region's ability to respond to regional priorities.

Policy Proposal:

(a) The Borders and Corridors program should be amended to focus greater resources on a few strategic freight corridors, like Interstate 5, which connect the United States, Mexico and Canada. An emphasis should be placed on projects that improve the movement of freight. The program's authorization level should be increased.
(b) Congress should clarify the eligibility of freight rail and road projects for CMAQ funding.
(c) Congress should consider transferring the 4.3-cent tax on railroad diesel fuel from the General Fund to the Highway Trust Fund to provide resources for expanded freight railroad project eligibility.
(d) Congress should encourage the creation of a Freight Advisory Group -- a mechanism for communicating with one voice to "one DOT" on freight transportation issues.
(e) A Freight Transportation Cooperative Research Program should be created.
(f) Congress should enhance the use of Transportation Infrastructure Financing Innovation Authority (TIFIA) (a credit enhancement program) by lowering the project dollar threshold from $100 million, changing the debt mechanisms from taxable to tax-free, expanding eligibility for freight projects and relaxing repayment requirements; allow pooling of modal funds; expand the State infrastructure Bank program to all states; create tax incentives for freight rail and intermodal infrastructure investment.

Consistency: this is essential to the implementation of the RTP because these recommendations would assist in implementing I-5 Trade Corridor improvements and because this region has a significant freight function.

iii) **Oppose devolution or formularizing of transit discretionary grant program.**

Background: During the TEA-21 authorization debate a proposal was surfaced in Congress to eliminate the discretionary transit program that allocates funds to a select group of project based on merit (including New Starts), in favor of a formula program that allocates funds based on population.

Analysis: The region opposed devolution or formularizing of the New Starts program during TEA-21 because the current discretionary grant process ensures high quality projects of a scale sufficient to address major transportation corridors. Formularizing funding would mean each state would receive only a relatively small stream of funds, making the construction of large rail projects with federal funds nearly impossible. Regions with superior projects, such as Portland, would receive no additional funding relative to region's pursuing less meritorious projects.

Policy Proposal: Continue to vigorously oppose devolution or formularization proposals.

Consistency: this is essential to the implementation of the RTP because shifting FTA funding to formula would ensure that light rail projects would <u>not</u> be implemented.

2) **New Initiatives and Concepts**

A number of new initiatives are being debated and analyzed at the national level. Pending the outcome of national developments, the region has not taken a firm position on a number of these concepts. These initiatives and concepts are outlined here in order for the region to be fully informed on the national level debate on TEA-21 policy.

a) **Key Transit Policy Issues**

i) **Balancing Additional New Starts funding.**

The region recognizes that attention needs to be given to the needs of existing rail systems to add to their core system capacity. Projects that will make better use of existing infrastructure can offer a cost-effective approach to build transit ridership. This region expects to be able to benefit from such investment in future years. We believe that, consistent with the priority we place on the New Starts program, some of the growth in transit spending above current levels could be devoted to addressing "core capacity" needs.

The top priority of the region is to increase funding for the New Starts program. At the same time, the region continues to support the existing balance at the federal level between New Starts, Rail Modernization and Bus Facilities programs. It will be important to monitor proposals for an added "core capacity" program to determine whether to support it.

Consistency: increased funding for New Starts is essential to the implementation of the RTP. Creation of a "Core Capacity" funding category, may be useful since it could provide an alternative source for capacity expansion of the existing LRT corridors. Similarly, a "Small Streets" program under discussion could provide an alternative source for streetcar and commuter rail projects.

ii) **Full Funding Grant Agreements for BRT.**

Background: There are a set of important regional BRT projects that are often times too small to merit a FFGA for tens of millions in federal participation and too big to be funded in one or two years of the typical one to three-million dollar federal bus discretionary earmark. Transit agencies do not have the capability to carry the financing or the risk of advancing local funds to these projects in anticipation of future federal appropriations.

Analysis: There are some BRT or TSM projects in the new start pipeline, but none have actually received an FFGA. Many TSM projects leverage additional ridership, leverage positive land use patterns around transit stations and generally add value to fixed guideway improvements. At the same time, they do not generally lend themselves to the typical measures used by the FTA in evaluating FFGAs.

Over the course of TEA-21, Congress has moved increasingly to earmarking the FTA bus and bus facilities funds. Unlike the New Starts program, these earmarked projects receive no FTA evaluation or rating prior to congressional funding decisions.

Policy Proposal: To facilitate the development of these projects, which are generally cheaper options, they should be made eligible for FFGAs out of the existing bus program. The FFGAs should undergo FTA review for technical and financial feasibility and transportation benefit but the review should not be as resource demanding as the New Starts program. This would have the effect of returning at least a part of the bus program to a merit-based allocation.

Consistency: this would be useful for implementation of transit elements in the RTP through provision of a multi-year funding agreement.

iii) Streamline Project Delivery.

Background: The design build project delivery method has several advantages over the traditional design-bid-build method. Design build projects bring the architect/engineer and the general contractor together into a single contract entity. The resulting partnership enhances communication between the parties and neutralizes their competing and sometimes adversarial business roles. Further, the owner is relieved of its "go-between" role for design/construction coordination matters since this risk is shifted to the design build contractor.

Design build often results in time savings for overall project delivery compared to the traditional method. Time savings are possible due to the ability of the design build team to begin early phases of construction while design is being completed for later phases.

Design build can sometimes yield significant cost savings, particularly in situations where flexibility in the finished product is possible. In such cases, collaboration between the designer and contractor can achieve the most efficient balance of design choices and construction methods.

Tri-Met Experience. Tri-Met has had several positive experiences with design build project delivery. Of particular note is the Portland Airport Light Rail Extension. That project used a single design build contractor for the entire project. The design build contractor was brought into the project very early in the project life, participating in Preliminary Engineering (PE) work prior to final contract negotiations and final design & construction. In fact, the design build contractor was also an equity partner in the project, providing capital funding in exchange for development rights in publicly owned property surrounding a portion of the alignment. By using the design build method, Tri-Met acquired an excellent system extension and experienced the remarkably low change order percentage of 1.5 percent.

Design build in TEA-21. Design build was introduced to the transit industry in the ISTEA Act of 1991. Several demonstration projects were established to explore this delivery method in actual transit practice, and the demonstrations were carried through into TEA-21. Results of the demonstration projects were published in a report to Congress in 1998.

In 2000, FTA released interim guidance on how the existing FFGA process steps should be applied to projects using the design build delivery method. Although the guidance was a beneficial step forward in integrating design build into the New Starts environment, additional changes in the FFGA process could render even greater benefits from design build. Reauthorization of TEA-21 may provide an excellent opportunity to do this.

Analysis. The FFGA process for design build outlined in the current guidance is very similar to the process for the traditional delivery method. It is structured to bring the design build contractor into the project at the time a traditional final design would begin. This sequence allows the existing legal and administrative requirements to be applied to design build. However, introduction of the design build contractor at the time of final design is too late to leverage much of the potential benefit of the design build method.

To gain the maximum benefit of design build for transit projects, it is desirable to bring the design build team into the process very early in the project life. It is beneficial for the design build team to participate in PE, prior to development of documents for NEPA approval. This early involvement allows the design build team to influence the alignment layout and station area development to optimize cost, constructibility, ridership, and joint development opportunities. Early participation in joint development opportunities is especially important in order to promote equity partnership from the design build team.

Policy Proposal: Utilizing such early involvement, a revised FFGA process could be as follows:

(a) *Alternatives Analysis*, including selection of the Locally Preferred Alternative, would be conducted in the usual manner by the sponsor Agency and MPO.
(b) The Agency would submit to FTA a *Request to Enter Design Development*. This would be similar to a Request to Enter PE and would contain the same information and criteria evaluation/requirements. It would differ, however, in that Design Development authority would encompass both PE and a pre-determined portion of Final Design (perhaps to the 30% level). Combined PE/partial FD recognizes the lack of hard edges between PE and FD in design build and thus eliminates the separate steps of PE/Final Design approval.
(c) *Upon approval to enter Design Development*, the Agency would execute a two-phase contract with a design-builder. Phase 1 would be for Design Development/NEPA support and Phase 2 would encompass Design Completion/Construction. Solicitations for interested proposers could be initiated concurrently with Step 2 above. Even at this early stage, real financial competition can be generated from proposers through their commitments on:
   - equity investment for property development rights
   - fee percentage on final design & construction
   - incentives for "beating the budget"
   - sharing of unused construction contingency
   - tax incentive rebate from vehicle leasing mechanisms.
(d) *During Design Development*, the design build would assess the LPA, influence the concept where appropriate, provide support for NEPA documentation, conduct detail design on key issues/areas, and develop a cost estimate for final (production) design and construction. Meanwhile, the agency would lead the NEPA approval effort, solidify local funding (including design build equity partnership, if included) and prepare PMP, Fleet

Plans, and other documents. The Agency and the design build would negotiate a firm price for the second phase (design/construction) based on the results of Phase 1 efforts.

(e) Design Development would conclude with *submission of a request for an FFGA*. During the 120-day review process, the design build could proceed with detail design, ROW acquisition and even early construction activities under LONP authority.

(f) Once the *FFGA is approved*, the design build contract's Phase 2 work would be authorized, and final design/construction completed.

The alternate scenario provides for an extremely effective alliance between the Agency, designer, and builder. It recognizes that in the design build process, lines between PE and FD are blurred. PE resources are devoted to issues that harbor the greatest risks and rewards. Further, it is the builder itself who decides where the pressure points are, leading to fewer surprises, lower contingencies, and quantifiable risks. Those risks that remain can be discussed and apportioned between Agency and design build and addressed in the terms of the negotiated price.

Conclusion: The current guidance on use of design build contractors for transit construction is a good first step. In cases where there is little possibility for alignment deviation or Joint Development, PE and Final Design can remain separated and the guidance can be followed.

The alternate process described above facilitates even greater benefit from design build by bringing the builder into the process early, thus gaining the benefit of engineering, construction and commercial knowledge before alignment decisions are fixed. The preferences revealed reflect the unique approach of the specific design build team. Further, their vested interest in the construction and operational phases ensures that their ideas are realistic and pragmatic, and endows the design build team with a fiduciary interest in making them work.

Consistency: this would be useful for delivery of the RTP through more efficient, expedited procedures.

b) Environmental stewardship and streamlining.

Background: The National Environmental Policy Act (NEPA) process for large, complex projects has become increasingly lengthy and complex. Listings under the Endangered Species Act (ESA) are impacting not only large construction projects, but also routine preservation and maintenance activities. Previous efforts to streamline the environmental review of transportation projects, including those in TEA-21, have yielded some results, but significant issues remain.

As a result, there is considerable attention by Congress, the federal administration and state transportation agencies to streamlining project environmental review and permitting procedures. The intent is to speed up the time required to begin construction on transportation projects. Particular attention is being paid to elimination of duplicative reviews, consolidating multiple agency approval steps into a single approval step and coordination of reviews by multiple natural resource agencies.

Analysis: In response to Section 1309 of TEA-21, ODOT has developed and implemented a coordinated review process for highway construction projects. This improved method for state and federal permitting agencies to review highway projects is up and running in Oregon. Known as "CETAS" (Collaborative Environmental and Transportation Agreement on Streamlining), it establishes a working relationship between ODOT and ten state and federal transportation, natural and cultural resource and land use planning agencies. The CETAS partnership has defined how to streamline (in six tasks):

Implement an Environmental Management System to achieve performance based permitting:
- Employ Habitat Mitigation Programs;
- Enlarge GIS Mapping Systems of Natural and Cultural Resources;
- Additional Programmatic Biological Opinions (PBOs);
- Seamless Performance of contractors and local governments;
- Expand Partnerships.

These tasks are aimed at early involvement of natural resource agencies and improved information about natural resources in the transportation project development process.

Policy Proposal: Congress should support state-led efforts to both protect the environment and streamline the review process for transportation projects by:
- Providing increased funding to state departments of transportation and resource agencies to develop new programmatic approaches.
- Funding a pilot project for ODOT to demonstrate the benefits of implementing an Environmental Management System culminating in ISO 14001 certification.
- Providing resources for Global Information Systems (GIS) mapping of natural and cultural resources.
- Sanctioning advanced wetland and conservation banking for transportation projects.

In addition, as Congress and the Administration consider amendments to federal laws and regulations to streamline environmental review and permitting, this should not be used as a method to relax environmental standards. If there is a need to reevaluate environmental standards, this should be done directly.

Consistency: this would be useful for delivery of the RTP through more efficient, expedited procedures.

c) **Key Highway Policy Issues**

i) **Additional resources for the I-5 Trade Corridor.**

Background: Interstate 5 (I-5) in Oregon, Washington and California is one of 12 high priority corridors identified in TEA-21. One-fourth of the nation's exports and imports pass through the I-5 corridor.

The area between the I-84 interchange in Oregon and the I-205 interchange in Washington has been identified as having significant bottlenecks that threaten the economic vitality and livability of the region.

The Governors of Oregon and Washington have appointed a 28-member Task Force to develop a bi-state strategic plan to manage and improve transportation and freight mobility in the corridor.

The strategic plan will address freeway, transit, heavy rail, and arterial street needs. The public planning process started in January 2001 and the strategic plan is expected to be complete by the fall of 2002. Partners in this effort include Oregon and Washington Departments of Transportation, Metro, Southwest Washington Regional Transportation

Council, the ports of Portland and Vancouver, the cities of Portland and Vancouver, and Multnomah and Clark counties.

Work by the Task Force in the spring of 2002 will include development of recommendations on finance and implementation, bi-state land use agreements, transportation demand management, community enhancements and environmental justice, and freight and passenger rail.

Analysis: The bi-state strategic plan will address freeway, transit, heavy rail, and arterial needs. The public planning process started in January 2001 and the strategic plan is expected to be complete by the fall of 2002.

Draft Recommendations recently adopted by the Task Force call for:
- Upgrade existing bridges from 6 to 10 lanes across the Columbia River.
- A phased extension of the two existing light rail lines in Portland north to connect as a loop in Clark County
- Implementation of aggressive measures to reduce single auto trip demand, increase transit service and encourage use of alternatives to auto commuting
- Agreement to control land uses to avoid inducing more sprawl in response to a bigger freeway to simply result in a bigger traffic jam in the future.
- Three through-lanes, including Delta Park; and
- Interchange improvements between Columbia Blvd. in Portland and SR 500 in Vancouver.

The Task Force draft recommendations also call for a post-Task Force study of an arterial road west of I-5 in the vicinity of the railroad bridge.

Policy Proposal:

(a) Supports the state's efforts to eliminate bottlenecks in the I-5 Trade Corridor, especially between Portland and Vancouver, Washington.
(b) Support separation of TEA-21's Borders and Corridors program with a greater focus of funding in the Corridors program to key international and interstate freight corridors, like the I-5 Trade Corridor.
(c) Support to a least $1 billion increase of funds for the Border and Corridor program, expand the concept to include projects that support gateways to national and international markets and focus the emphasis on freight and bi-state cooperation.

Consistency: this would provide an expanded funding category for a significant RTP priority.

ii) Additional Railroad Resources in the I-5 Corridor

(1) Track Capacity

Background: Today the federal investment in passenger rail is a fraction of what is spent on other modes of transportation, and is limited primarily to providing Amtrak with annual operating and capital funds, the vast majority of which go to the Northeast Corridor.

In the Pacific Northwest Corridor, the states are paying the full operating cost to Amtrak. Since 1992, Oregon has spent over $24 million for operating costs alone. The state, local governments and railroads have invested another $25 million for track and station improvements in the corridor.

Over $100 million of track and signal improvements is needed in Oregon's portion of the corridor, without counting the cost of upgrading the rail bridge across the Columbia River. Federal funds are also needed to purchase train equipment, which would help lower operating costs.

The joint UP/BN crossing of the Columbia River is one of the busiest and most important rail links in the region. ODOT and WSDOT, in cooperation with Amtrak, the Ports of Portland and Vancouver, and the railroads, are undertaking a track capacity analysis of the joint UP/BN line across the Columbia River. Previous analyses suggest significant capacity problems on this line segment in the near future, which could impact economic development opportunities, passenger train expansion and through freight operations.

Analysis: States should not have to shoulder these costs alone. Federal highway and transit programs provide capital funding for roads, bridges and transit improvements, and likewise federal funds are needed for passenger rail development. Congress could increase the amount of funding available for passenger rail development if legislation pending this year is enacted. Some versions, however, would create a new complicated loan program rather than a grant program.

Loan programs alone will not provide the federal investment needed for states to develop successful passenger rail corridors. The reauthorization of TEA-21 is an opportunity for Congress to establish a federal rail program that adequately supports passenger rail development.

Policy Proposal: Support federal legislation to increase capital funding for freight and passenger rail facilities. Opposes moves to dissolve Amtrak. However, in the event that Amtrak is dissolved or dramatically restructured to eliminate West Coast services, track rights should revert to the state to allow passenger service to continue.

Consistency: this would provide funding for elements of the RTP dealing with the high-speed rail, the I-5 Trade Corridor and freight movement in general.

(2) Truman Hobbs

Background: The joint UP/BN crossing of the Columbia River is one of the busiest and most important rail links on the West Coast. ODOT and WSDOT, in cooperation with Amtrak, the Ports of Portland and Vancouver, and the railroads, are undertaking a track capacity analysis of the joint UP/BN line across the Columbia River. Previous analyses indicate significant capacity problems on this line segment which wold impact economic development opportunities, passenger train expansion and through freight operations.

The Coast Guard is currently undertaking an examination of the eligibility of the UP/BN railroad bridge over the Columbia River for Truman-Hobbs (navigational hazard) funding. The rail bridge swing-span is lined up with the lift span on the I-5 bridges, making it very difficult and hazardous for ships to use the I-5 "high" fixed span section.

Using the fixed span section avoids the need for opening the bridge and the resulting delay on I-5.

Analysis: Truman Hobbs is a federal program that funds projects to address rail hazards to navigation. Projects are selected based on the cost benefit of a given investment to the marine and freight rail facilities.

Policy Proposal: The analysis of the cost delay of the UP/BN rail crossing of the Columbia River should be expanded to include the impacts on truck and auto commerce on the I-5 bridge due to lift span operations caused by the RR bridge.

This can be done under existing statutes, but the law should also be changed to allow car/truck delay as part of the consideration. Truman-Hobbs funds are intended for "in-kind" replacement of navigational hazards but can be contributed toward larger facility upgrading projects such as adding capacity to the UP/BN bridge.

Consistency: this would increase the likelihood of funding to replace the railroad bridge swing span.

d) **Oppose federal preemption of state law regarding weight-mile fees.**

Background: Oregon maintains the cost-responsibility of paying for maintenance, preservation and modernization of the road and highway system through the weight-mile fee on commercial trucks. The weight-mile fee is based on the weight of the vehicle, the number of axels and the distance the vehicle travels on Oregon roads. The weight-mile tax is structured to most closely reflect the cost responsibility of trucks relative to the taxes paid by auto users.

Analysis: The national trucking industry has sought to eliminate the weight-mile system at the state and federal level. In the debate leading up to ISTEA and TEA-21 there were efforts to introduce amendments preempting weight-mile taxes on the state level.

Policy Proposal: The federal government should not preempt state authority to establish the most equitable method of assigning and implementing cost responsibility.

Consistency: this would protect a source of funding for the state highway fund that provides about 35% of the funding.

e) **Multi-State Vehicle Miles Traveled tax demo program.**

Background: As the prevalence of electric and hybrid fueled vehicles increases, there is a growing recognition in Oregon and other states that the gasoline tax is becoming a progressively less adequate financial source for surface transportation programs. In the 2001 legislative session Governor Kitzhaber asked for and received legislative approval of a task force to address the future of the gas tax as a source of Oregon highway funding. The Road User Fee Task Force (RUFTF) is preparing findings and recommendations regarding the viability and applicability of alternatives to the gas tax.

Analysis: Higher fuel efficiency and greater use of alternative fuels for autos erodes the ability of the gas tax to meet growing system demand. Although these vehicles continue to contribute to congestion and road damage, they do not contribute to the transportation trust fund in a proportional fashion.

Policy Proposal: Support a federal effort to examine ways a VMT tax or other road user fee system could be implemented at the state or federal level.

Consistency: this is similar to the Road User Fee Task Force established by the '01 Oregon Legislature to investigate alternative sources to the gas tax.

f) **Highway Bridge Replacement and Repair (HBRR) issues.**

Background: Current federal rules to determine the allocation of HBRR formula funds to states are based principally on the square footage of bridges. The TEA-21 formula does not recognize the additional cost in preserving and rehabilitating movable (lift span) bridges. The movable Willamette River bridges in Portland and elsewhere in Oregon receive the same funding per square foot as more easily maintained fixed span bridges.

Analysis: Under current formula, Oregon received approximately $40.2 million in HBRR funds over the first four years of TEA-21, representing approximately 2.7 % of total HBRR funds allocated.

Oregon has 27 heavy movable bridges or approximately 2.3 percent of a national total of approximately 1171 heavy movable bridges. By contrast, Oregon has approximately 7,300 total bridges, about 1.2 percent of the national total for all NHS and non-NHS bridges. Oregon's share of structurally deficient and functionally obsolete bridges is 1 percent of the national total.

It is estimated that the cost to replace or rehabilitate movable bridges is 1.7 times the cost of fixed span bridges.

Policy Proposal: Reauthorization should incorporate a 1.7 times factor in the HBRR formula for lift span bridges.

Consistency: this would provide an expanded source of funds for Multnomah County's Willamette River Bridge project.

g) **Orphan Highways.**

Background: An orphan highway is any aging US designated state highway that's role as a regional highway has been supplanted by the construction of the Interstate Freeway system. These highway links were predominantly built in the 1930's,'40's and 50's. During their primary service years, land uses that located along their lengths were auto oriented in type and function. Many were constructed as rural areas evolved into the first tier of suburban communities, making the leap from farm to market roads to urban highways. Much of the older commercial strips and nodes that were served by these state roads have been deteriorating and the roadways are likewise underutilized.

Analysis: A program of new reconstruction funds for state and local jurisdictions would make rehabilitation of these roadways viable as multi-modal main streets and boulevards. Application of these funds should be on routes where more intensive comprehensive plan land use designations are already in place. So doing will allow these facilities to not only provide an improved transportation asset but also change the face of the community from a land use perspective.

Examples of Candidate Routes: In Portland, many of the state highway routes that traverse the city have auto oriented commercial uses along their length with intermittent commercial nodes. Sandy Boulevard, as an example, serves several miles of northeast and southeast Portland as a four-lane arterial with sidewalks, intermittent on-street parking, left turn bays and good transit service. The street, which is a state highway, serves both local and non-local transportation trips. The Hollywood and Parkrose Districts serve as commercial centers along its length. Both regional and local land use and transportation policy focus on returning this street to its historic character by reconstructing the street with boulevard type standards that serve all modes and encourage property owners to reinvest in urban density land uses.

The state, in partnership with the city, designed and reconstructed a 12-block length of Sandy Boulevard using the more progressive regional boulevard design guidelines. The amenities included rehabilitation of the entire street cross section; addition of bike lanes, planted medians, pedestrian curb extensions, wider sidewalks and left turn refuges. Existing engineering standards were a difficult stumbling block, requiring design exceptions for some of the design's elements. Providing for more flexible design standards in this proposed program would save considerable time, money and negotiation.

Since its completion private property owners have invested in their storefronts or in some cases completely rebuilt on the sites using the more urban land use development regulations. These new developments have changed the character of the street and added vitality to the community. Now folks actually walk across the street rather than drive. The project is the region's showcase of how these once forgotten highway segments can become the jewel of the community. Other state highway segments that could be candidates include; Powell Boulevard, Lombard Street and Barbur Boulevard in Portland.

Policy Proposal: Create a pilot program of not more than $25 million to be funded out of new federal funds, rather than off the top of the formula program. Candidate projects would be judged based on the following criteria:

(a) 100% federal funding when the local government agrees to take over maintenance.
(b) Local government must commit to supportive comprehensive plan and zoning designations that support more intensive, mixed-use development along part or all of the route.
(c) FHWA should provide for more flexible design standards to achieve the program's design goals.
(d) The program should be limited to a small number of pilot projects to curb wholesale earmarking and provide financing to the truly worthy projects.

Consistency: this would provide a source of funds to implement community-based improvements on state highways ODOT would prefer to transfer to local governments. Consistent with the function called for in the RTP.

h) Freeway Removal and Reuse

Background: There is some interest in more flexibility for federal highway dollars to remove and reuse highways and interstate freeways if that is the desire of the local community.

This would continue the tradition of ISTEA and TEA-21 in giving greater flexibility to local jurisdictions in deciding the best local solution to their transportation and land use needs. It would allow the use of federal funds in major, community defining decisions such as the removal of the waterfront freeway and construction of Tom McCall Park.

However, given the tremendous unmet needs for maintenance and preservation of the existing highway and freeway network and the perhaps even greater unmet need for modernization, there is some concern for how one can justify using federal funds for the removal of functioning highway and freeway segments.

Consistency: this would be useful if the RTP is amended to reconfigure or relocate the Eastbank Freeway (I-5). Federal support is more likely for an approach that replaces the current function than completely removes a freeway with no attention to replacement.

i) **Improved Transportation Security.**

Background: Following the terrorist attacks of September 11, Congress created a new Transportation Security Administration and Office of Homeland Security to develop and coordinate a comprehensive national strategy to strengthen against terrorist attacks and protect the Nation's transportation systems to ensure freedom of movement for people and commerce.

Analysis: Among the activities that will be worked on in the coming months with state and local agencies are: Incident management, prevention, and response and recovery. For all of these activities, good communications is critical. Transportation agencies play an important role in responding to incidents and ensuring the free movement of people and goods. In the Portland region, an interagency group has identified a series of Intelligent Transportation System (ITS) improvements that will enhance the capability of different government agencies to communicate with one another and share information.

Policy Proposal: Federal funding dedicated to improving security should include transportation improvements in Oregon:
- ➢ Fully fund the state's ITS initiative, which includes the Portland region's ITS plan providing greater ability for surveillance and response to emergencies.
- ➢ Pay for "hardening" and other improvements to bridges or other potentially vulnerable points in the transportation system.

Consistency: although security is not directly addressed in the RTP, increased attention will no doubt lead to higher costs.

3) **Multi-Modal Policy Issues**

a) **Expanded funding to address endangered species issues.**

Background: New restrictions and capital requirements resulting from Endangered Species Act (ESA) designations and other federal natural resource protection requirements are substantially increasing the cost of transportation infrastructure construction and maintenance particularly for bridges. Ditches and culverts are no longer viewed simply as a means of conveying water; they are also water quality facilities and either barriers or facilitators of fish migratory movements. Any improvements made within our public rights-of-way must enhance habitat and water quality. The ESA and Clean Water Act (CWA) provide no funding for the required system improvements.

For example, Clackamas County estimated that there are 975 culverts that are barriers to fish migration and salmon-recovery efforts. Many of these culverts have to be replaced or retrofitted with baffles to slow water flow allowing for passage of all life stages of salmonids. Using an average cost estimated of $93,000 per culvert replacement, retrofitting all the culverts in the county would cost $80-90 million.

Analysis: Over 20 federal statutes impose a variety of environmental mandates on the construction, repair, and maintenance activities undertaken within the federal highway system. A 1995 analysis estimated that added costs due to environmental regulation could be 8 to 10 percent of construction expenditures for federal-aid highway projects. While restrictions are less on state and local roads they are nonetheless considerable.

Multiple environmental benefits can be achieved from conforming road and other transportation projects with ESA requirements. These benefits accrue to the community beyond the transportation benefit in the form of cleaner water, reduced flooding, reduced pollution from urban run off, etc. The cost of providing these additional benefits should be shared beyond the transportation resources.

Policy Proposal: TEA-21 reauthorization could provide a new program significantly expand the existing bridge replacement program to address culverts, blocking fish passage or create an add-on to the Public Lands Highway Program for culverts.

Consistency: the RTP was recently amended to include provisions for "Green Streets" including retrofitting culverts to allow better fish passage. This would provide funding for this purpose.

b) Funding Allocation Issues.

Background: With the 2000 Census, there will be a significant increase in the urbanized areas of the country receiving formula allocation of federal transportation planning funds. As many as one hundred new MPOs will be designated in the new bill. In Oregon, two additional MPOs are being formed in Medford and Corvallis. The new MPOs will receive allocations of federal STP and CMAQ funds without reducing the allocations to the existing MPOs regardless of overall federal funding levels. However, unless federal funding increases in the reauthorization, transportation planning fund distributions to the new MPOs will reduce the funding available for existing MPOs.

Policy Proposal:

(a) FHWA Planning funds should be increased from 1- percent take-down to a 2 percent take-down on the categorical programs to reflect the increasing responsibility of MPOs, the increased number of MPOs as a result of population growth and the increased population inside existing MPOs.
(b) FTA planning funds should be increased commensurate with population growth inside MPOs.

Consistency: this would allow funding to address transportation planning issues consistent with annual approval of the United Work Program.

c) Refocusing of TCSP program.

Background: The Transportation and Community and Systems Preservation Program (TCSP) began as a targeted $25 million program in TEA-21. It has since been expanded through the earmarking process into $250 million program that has drifted significantly from its original purpose. TCSP was established to investigate and address the relationships between transportation and community and system preservation and to identify private sector-based initiatives.

Although any project authorized under Title 23 or chapter 53 of Title 49 U.S.C. was made eligible, it was expected that the program would focus on corridor preservation activities necessary to implement transit oriented development plans, traffic calming measures, or other coordinated preservation practices.

Policy Proposal: Recommended changes include:

(a) FHWA and FTA should continue to develop guidance for projects to be funded through the program.
(b) Publish "best practices" from funded projects. Congress should increase the authorized level of the program to $250 million, comparable to the FY 2003 appropriations.
(c) Tighten up statutory language to ensure grants cannot be awarded unless they demonstrate a supportive land use benefit.
(d) Require an evaluation of the merits of the proposed projects by the Federal Highway Administration and approve funding based upon an evaluation of "Highly Recommended," "Recommended" or "Not Recommended." This should be designed to ensure good projects are recommended for funding, although in a more streamlined manner that the large multi-year contracts under the New Starts and National Trade Corridor Programs.

Consistency: the TCSP program was designed to recognize efforts like ours to link transportation and land use. However, due to congressional earmarking, we have been unable to access these funds since the first year grant to Pleasant Valley planning.

d) CMAQ funding apportionment to states.

Background: ISTEA, adopted in 1991, created the Congestion Mitigation/Air Quality Program to provide a better link between federal transportation spending and the Clean air Act. Specifically, it provided funds to reduce vehicle emissions through federally funded transportation improvements. Apportionment to the states of the total annual appropriation is based upon the population of the metropolitan area weighted by the severity of the air quality problem, as follows:

- 1.4 for "extreme" ozone non-attainment areas
- 1.3 for "severe" ozone non-attainment areas
- 1.2 for "serious" ozone non-attainment areas
- 1.1 for "moderate ozone non-attainment areas
- 1.0 for "marginal" ozone non-attainment areas
- 0.8 for "maintenance" in area that have attained ozone standards

Furthermore, if the metropolitan area is classified a carbon-monoxide non-attainment area, the population is further weighted by a factor of 1.2 and if the area has reached carbon monoxide attainment status, the population is further weighted by a factor of 1.1.
This weighted factor for funding apportionment to states fundamentally creates the wrong incentive. If the area is successful in implementing programs to meet federal air quality standards, it is penalized by a progressively lower funding apportionment. To add insult to

injury, when the area succeeds in meeting air quality standards, it's apportionment drops to an 80% share. The disincentive is compounded by the added factor for carbon monoxide.

Policy Proposal:

The disincentive to meeting federal air quality standards should be removed from the apportionment formula. In fact, it would be more appropriate to reverse the weighting factor and reward the metropolitan area with a progressively higher factor as they reach a better attainment status. At a minimum, the final adjustment factor, upon reaching attainment status should be adjusted to 1.1 or 1.2 to create a financial incentive to achieve and then maintain attainment status.

Consistency: This would increase the level of funding allocated through the MTIP process.

e) **Advanced right-of-way preservation.**

Background: Under current federal regulations, right-of-way acquisition for a federally funded project cannot occur until environmental documents have been prepared and approved and plans and specifications have been approved. Under this approach, right-of-way acquisition happens immediately before construction is to commence. These controls are to ensure that right-of-way acquisition does not happen before the environmental review process determines the best alignment and design for the proposed project and, as a result of early right-of-way acquisition, the environmental review process is prejudiced. As a result of this strict process, right-of-way can be effectively lost in fast growth areas or result in right-of-way that is prohibitively expensive due to development.

Policy Proposal:

Various methods should be sought to allow state and local protection and early acquisition of right-of-way, including:

- Allowing the local government to adopt development regulations identifying a proposed transportation corridor in their comprehensive plans and requiring new development to setback from the proposed corridor. This is commonplace for a setback from an existing road but is more difficult in locations that a new alignment is proposed.
- Allowing the local government to proceed with a protective acquisition of right-of-way when encroachment by a proposed development is imminent with the intent to use the right-of-way for project identified in a local comprehensive plan or sell the proposed right-of-way to the state transportation department upon completion of required environmental review. Under this approach, it would have to be recognized that the environmental review process might result in a different alignment being selected or a decision to <u>not</u> build the project.
- Allowing the state transportation department to proceed with a protective acquisition of right-of-way when encroachment by a proposed development is imminent for any project that is reflected in a federally approved Regional Transportation Plan prepared and adopted by a metropolitan planning organization under federal guidelines.

Further research on these and other methods will be researched with other interest groups.

Consistency: This would facilitate right-of-way protection for large projects in the RTP.

f) **Statewide and MPO bicycle program that addresses bicycle travel planning, operations and safety.**

Background: Enact a required statewide and MPO bicycle program that addresses bicycle travel planning, operations, safety, and capital construction. The program would also require of the highway, transit, rail, and air programs that bicycle plans resulting from this initiative be included in an intermodal connection investment strategy required of all modes. The safety program would address a range of issues from integration of auto and bicycle travel to in-school safety training and identification of safe routes to schools for all grade levels. Funding for this requirement would come, in part, from the highway trust fund and could require coordination between school and transportation authorities.

Consistency: this would affect planning requirements and expand the scope of bicycle-related planning.

g) **Renew federal support to capitalize State Infrastructure Banks (SIBs), expand flexibility of second-generation funds.**

Background: State Infrastructure Banks were authorized in ISTEA as a revolving source of funds for both highway and transit capital improvements. As an original pilot State Infrastructure Bank, Oregon was allowed to capitalize its SIB with federal apportionments. At that time, it was thought that loan funds repaid to the SIB, regardless of source – federal or state – could be reloaned without federal conditions, such as Buy America or Davis-Bacon. TEA-21 altered this. Only four named states are now allowed to capitalize their SIB's with federal funds.

Analysis: The limitations included in TEA-21 have a limiting effect on the size of Oregon's SIB and, by extension, the size of projects the bank can finance at low interest rates.

Policy Proposal: Lift the limitation on SIB capitalization. Consider changes that allow greater flexibility of reloaned funds.

Consistency: this would expand this borrowing option for implementation of RTP projects. All projects have a prerequisite that they be reflected in the RTP.

h) **Columbia River channel deepening project**

Background: The Port of Portland is pursuing a project sponsored by the Corps of Engineers and six Oregon and Washington ports to deepen the Columbia River navigation channel from 40 to 43 feet, subject to the necessary environmental approvals. A deeper navigation channel will enable cargo ships to carry larger, more cost-effective loads, yielding significant transportation savings to thousands of shippers in the Pacific Northwest and elsewhere in the United States. The project also includes several environmental features that will improve the Columbia River's habitat and environmental quality.

Analysis: Although it is not been addressed in the TEA-21 reauthorization bill, the channel-deepening project continues to be an important transportation priority for the region.

Policy Position: Support the channel-deepening project, subject to the necessary environmental approvals.

Consistency: this reaffirms past positions.

i) **Railroad shared use requirements**

Background: Current federal regulations regarding shared use of tracks between freight and passenger rail operations are intended to address safety concerns. However, as currently structured, the regulations pose a significant obstacle to the efficient use of these valuable resources. The Federal Railroad Administration (FRA) model emphasizes train crash standards and prohibitions against operating freight and passenger trains together. Other models for preserving safety while allowing shared use are used in Europe where technology is emphasized.

Analysis: The European approach to track sharing regulations emphasizes improved signaling and braking systems to avoid crashes in the first place. European standards deflect the energy of a crash away from passengers, and emphasize braking systems, block signaling systems, speed limits where appropriate, and crumple zones to allow passenger vehicles to absorb the brunt of an impact while protecting passengers and drivers. In comparison, FRA's vehicle safety standards do not speak to locomotive braking, train signaling systems, or speed limits. New authority is needed to facilitate the rules and procedures for permitting shared use of freight rail tracks by Amtrak and commuter rail projects.

Policy Proposal: Support increased funding for the Section 130 grade separation program to enhance public safety at grade crossings on public highways. Encourage FRA to examine European models of freight/passenger train control and approve pilot projects to demonstrate the technology-based approach.

Consistency: this would facilitate the Washington County commuter rail project and any future similar projects.

j) Streetcar Initiatives

Background: Many communities are expressing an interest in small scale rail based transit lines to serve redeveloping central city areas and connect neighborhoods in a way that is very different from regional rail systems. The existing federal assistance program, Federal Transit Section 5309 "New Starts," is oversubscribed and is governed by an extensive review and approval process that is not necessary or appropriate for low cost and non-intrusive urban streetcar lines.

Until the 1950's, many communities had extensive streetcar systems which served to connect neighborhoods to central city employment, shopping and cultural opportunities. As heavy industry migrates from the central city, major opportunities are created to foster the development of new, high-density urban neighborhoods. The creation of additional housing in the central city is a key transportation and economic strategy. By absorbing population growth in the central city, valuable farm and forest lands are preserved, the distances that people must travel for employment and other daily needs are greatly shortened, and the environmentally and fiscally costly expansion of the urban interstate highway system can be avoided.

Streetcar Characteristics: By definition, streetcars operate in existing public rights of way, often co-mingled with other traffic. Unlike regional light rail projects that connect major centers over long distances, streetcars connect redeveloping neighborhoods and major attractions over relatively short distances. Streetcars typically operate at lower speeds with more frequent stops to serve a dense mixed-use environment. For this reason the vehicles rely more heavily on operator control than complex technological systems. The vehicles' size and scale are respectful of the neighborhood settings in which they operate. Installation of a streetcar line is accomplished with minimal reconstruction within existing streets or rights of way.

If the Portland region is successful in attaining this new resource program, the region would need to respond by identifying projects that would qualify for financing. The next targeted extension by the City of Portland of the existing streetcar system would be to the connection of the Pearl District, West End, PSU, South Auditorium Area on the west side of the Willamette River with planned high density development in Portland's Central City on the east side of the river including the Lloyd and Central Eastside Industrial Districts and OMSI. This loop system would intercept Downtown bound bus and light rail transit service to facilitate transfers and improve transit access, particularly from the South Corridor to employment concentrations in the Lloyd District.

Analysis: New resources are needed to aid communities in building modern streetcar lines that provide residents and visitors of the central city with a choice in how they move about. For example, a new Portland streetcar line opened in July 2001, demonstrating the ability to capitalize on lower project cost, a minimally disruptive construction process and the opportunity to attract complimentary, mixed-use urban development. The purpose of this proposal is to set forth the context for a new funding program that would assist communities in developing streetcar lines and systems without competing with larger scale, more costly regional fixed guideway projects.

Policy Proposal:

(a) New Funding Program: The region supports the creation of a new streetcar-funding category with added funds. Legislative action to limit the propagation of regulations from the executive branch, limit to the degree possible and responsible NEPA requirements through an umbrella categorical exclusion, authorization for the Secretary to execute full funding grant agreements and such other changes in existing code and regulation as may be required to implement this program.

(b) Project Evaluation Criteria: A new set of project evaluation criteria should be established that is more appropriate to streetcar projects.

Projects should be reviewed solely against the following standards:

- Streetcar projects are intended to be economical and the maximum federal participation should be limited to $50 million.
- Project sponsors may be transit properties or other units of local general-purpose government.
- The maximum federal share should be limited fifty percent of total project cost. In addition, streetcar projects should require the financial participation in project construction of the owners of real property abutting the alignment excluding owner occupied residential properties. Property owner participation should be required to ensure that the project recovers a portion of enhanced property values. Property owner participation should have a floor of 10% of construction cost.
- Streetcar projects should demonstrate the development / redevelopment opportunities and in close proximity to the alignment. Projects must demonstrate that property zoning and comprehensive planning designations enabling complimentary mixed-use land uses should also be in place adjacent to the alignment.
- Streetcar projects should demonstrate how redeveloping or new neighborhoods on vacant or underutilized land will be connected to each other or major attractors in the central city and with major regional transit services.
- Project sponsors must provide a detailed operating plan including frequency of service, hours of operation, and stop locations and demonstrate the financial capacity to operate the line.
- Create under the Federal Housing Act authority for the Department of Housing and Urban Development to contract with urban communities to fund the construction of urban fixed guideways that support the development of housing and the re-development of housing in urban areas by the use of streetcar technology.
- The projects approved for funding would be ranked according to their support of mixed-use, higher density land uses. They would not be expected to meet traditional ridership thresholds suggested by USDOT-FTA standards. These projects would be eligible to receive up to $25 million in FTA Sec. 5309 New Start construction funds regardless of the level of HUD support. They would not be required to meet DOT New Start criteria, and would be exempt from DOT ranking.

Consistency: expansion of the streetcar system is reflected to a limited extent in the RTP but not with federal funds. In addition, MTIP funding has been allocated to define the transit and

bike improvement strategy in the Willamette Shore Corridor to Lake Oswego where a streetcar option would be examined. Creation of a "small starts" federal funding category would facilitate. However, it is not clear that the region should support a "Small Starts" program unless there is significant increases to the "New Starts" program.

k) **Support Continuation of the Value Pricing Pilot Program**

Background: ISTEA created the Congestion Pricing Pilot Program to support jurisdictions in the implementation of congestion pricing or peak period pricing projects. The program was expanded to include pre-project studies. In TEA-21 the program was continued and renamed the Value Pricing Pilot Program. This relatively small program, with funding of about $11 million a year, has supported a number of successful projects and studies around the country. There are on the ground implementation projects in San Diego and Orange County California, Lee County Florida, Houston Texas and New York and New Jersey.

Locally, this program provided $1 million towards the Traffic Relief Options (TRO) study. The TRO citizen's task force recommended that the region consider value pricing whenever major new highway capacity is added. This recommendation was incorporated as a policy requirement in the 2000 RTP. In 2002, Metro obtained an additional $400,000 grant to fund the value pricing portion of an overall alternatives analysis for the Highway 217 corridor. At the State level, the Road User Fee Task Force, which is looking at alternatives to the fuel tax, is funded out of this program.

The Value Pricing Pilot Program is a small program with a limited number of states (15) that are allowed to participate. Further, due to the difficulty of implementing this relatively new and controversial concept, the program has not always obligated all of its funds. Because of these factors, it is a possible candidate for elimination in renewal discussions. We believe that the program has played a valuable role in forwarding research and implementation at a national level of an important new management and financing tool. In addition, it has provided funding in this region and state and could be a small but important potential source for future studies or projects.

Analysis: Value Pricing, while growing in national and international prominence as a demand management and highway financing tool, still remains in its infancy in terms of actual projects. The federal pilot program continues to provide an important source of funding to support project studies and implementations.

Policy Position: Support the continuation of the Value Pricing Pilot Program at similar funding levels. Support the elimination of the limitation on the number of interstate tolling exemption slots so that more states can participate in the program.

Consistency: This is consistent with the Congestion Pricing Policy adopted in the RTP.

l) **Technical Issues.**

a) **Shift PMO funding to FTA wide rather than on project-by-project basis.**

Currently Project Management Oversight, FTAs mandated outside project review consultant, is paid out of project appropriations. Often this means that projects receive less funding than expected based on the congressional appropriation for a given year. This can cause troubling adjustments in budget, expenditure and borrowing. PMO work supports the oversight function of and mandate of the FTA and should be funded out of the agency's budget rather than project-by-project.

Consistency: this would increase the efficiency of delivering certain RTP projects.

b) Buy America.

Instead of having the Transit Agencies certify that the products that they meet Buy America, the Bus/Rail manufacturers could certify that the product that they sell meets Buy America. Each manufacturer does the initial work any way, so having the Transit Agency be responsible for certification makes little sense and costs the federal government a lot of money as each transit agency buying vehicles must audit and do the work for the certification. It is mostly the pre-award audit that is costly to the Transit Agencies - the post award, including buy inspections, makes sense for the transit agency to perform from a quality control perspective.

Consistency: this would increase the efficiency of delivering certain RTP projects.

c) Review of 12-year life for buses.

Currently, FTA prohibits using federal funds to replace buses less than 12 years old. This requirement does not recognize evolving technology nor does it take into consideration the use of the bus during the 12 years.

When a transit agency tries to participate in forwarding new technology, often the first generation of that technology does not produce the results necessary to maintain operations. TriMet's LNG fleet is a good example. These are 1st Generation LNG buses, which after 8-9 years do not run and we have been unable to get replacement parts as the technology has evolved. They are still listed as 12-year buses and unless we get a waiver from the FTA for both the 12-year life and the pay back for short life, we are on the line for a lot of money to go back to the FTA. This discourages transit agencies from participating in new technology.

Different operating environments age buses in different ways. A small transit agency may only run a bus 25,000 miles per year, 8 hours per day, 5 days per week. We run buses 50,000 miles per year, 20 hours a day, 7 days per week. A more accurate bus life measure would be miles, or hours - or any measure that took in account actual use.

Consistency: this would increase the efficiency of delivering certain RTP projects.

d) Excess property.

On projects, other than Westside Light Rail, for which Tri-Met was given a blanket permission to sell excess property, agencies usually have to go through a lengthy Federal process to dispose of unneeded property acquired with federal funds. FTA requires that property be posted for acquisition first by other federal agencies, then by other public agencies. The process can take up to a year.

Consistency: this would increase the efficiency of delivering certain RTP projects.

e) FTA concurrence.

Transit agencies are required to get FTA concurrence on the purchase of property over $250,000; that which is $50,000 more than appraisal and anytime condemnation is used. All of this takes a great deal of time. FTA will sometimes allow larger transit districts to purchase property without agency concurrence, however the decision is optional and the threshold uncertain. FTA should allow those properties with FFGAs to exercise this discretion on their own since these properties are already under considerable scrutiny by FTA and PMO.

Consistency: this would increase the efficiency of delivering certain RTP projects.

f) FTA oversight.

Oversight could be streamlined. Now we have:

- PMO - project management oversight
- FMO - financial management oversight
- PMO - procurement management oversight
- Rail State Safety (and Security) Oversight
- Triennial Reviews

All the above derive out of the same basic 22 or so FTA certification requirements, but transit agencies are subjected to different audits and different audit teams at different times. So it would be less onerous if FTA consolidated the oversight audits, audit teams, and rationalized the schedule/periodicity and relationship among the oversight reviews. At a minimum there could be 3 teams: PMO (project), State Rail Safety, and Triennial. The fist two would be continuing and the latter every 3 years.

Consistency: this would increase the efficiency of delivering certain RTP projects.

g) OMB leveling the playing field.

Many of the differences between FTA and FHWA are rooted in the OMB circulars regarding the differences in the clients served. FHWA primarily deals with states that are considered to have their own constitutional authority and established procedures regarding financial and legal accountability. Transit agencies, cities, and metropolitan areas have lesser status in the view of OMB, largely deriving their authority from states.

OMB requires more scrutiny by the federal departments administering funds to subdivisions of a state. Reducing oversight where it is not needed, such as where jurisdictions can show a consistent record of sound management of federal funds, would reduce costs and unnecessary delay in project implementation.

Consistency: this would increase the efficiency of delivering certain RTP projects.

m) University Transportation Research Centers

Request: Support enhancement of the Federal University Transportation Centers as part of the reauthorization of the transportation bill.

Background: Congress first authorized the creation of University Transportation Centers as part of the Surface Transportation and Uniform Relocation Act of 1987. This initial legislation authorized 10 centers to coincide with the Federal regions. The University Transportation Centers were again reauthorized in ISTEA and TEA-21. Currently TEA-21 authorizes $158.8 million for grants to 33 centers (regionally designated centers and congressionally specified centers). Research funded through the Centers requires a 50-50 match and is required to meet peer-review standards; in other words, the research done is not opinion or advocacy research.

The Centers designated as "regional centers" are also called Category A centers in the TEA-21 and receive $1 million per year for research. The level of annual funding for Regional Centers has not changed since 1987, and a variable obligation limit ceiling has reduced current funding to $870,000. The Congressionally mandated centers fall into three categories:

Category B: Received $300,000 in 1998 & 1999 and $500,000 for 2000 & 2001 *There is authorized a limited competition with Category C for the fifth and sixth years
Assumption College, Purdue University, Rutgers University, South Carolina State University, University of Central Florida, University of Denver and Mississippi State University, and University of Southern California and Cal State University Long Beach

Category C: Received $750,000 for years of 1998 through 2001 *There is authorized a limited competition with Category B for the fifth and sixth years
Morgan State University, New Jersey Institute of Technology, North Carolina A & T State University, North Carolina State University, San Jose State University, University of Alabama, University of Arkansas, University of Idaho, and University of South Florida

Category D: Received $2 million per year from 1998 through 2003
George Mason University with University of Virginia and Virginia Polytechnic Institute and State University, Marshall University, Montana State University, Bozeman, Northwestern University, University of Minnesota, and the University of Rhode Island

Justification and Application to Oregon: Making University Transportation Centers a priority in Oregon's recommendations for policies in the reauthorization of the transportation bill will benefit the state's transportation and planning programs. Other organizations are calling for increased funding for research. For example, the American Road and Transport Builders Association is recommending increasing the regional center authorization from $10 million per year to $30 million per year. Currently PSU receives about $100,000 a year in funding for transportation research through an affiliation with the Region X Center located at the University of Washington. Support for the program, including increased funding, would provide additional research capacity through one of two ways: 1) Funding could be increased for the Regional Centers; or 2) PSU could be authorized as one of the Congressionally mandated centers and receive money directly.

Each Center is required to have a theme that organizes the research done by faculty. PSU's theme would be Advanced Information Technology, Urban Transit, and Livability, Health, and Transportation.

Consistency: as proposed, the Portland State University Transportation Research Center would ensure research is independent and peer reviewed. In addition, an oversight committee, which includes representatives from outside PSU, is proposed. With these provisions, an expanded research capability at PSU would help advance innovative policy directions called for in the RTP.

EXHIBIT C

Portland Region
Priority Projects for
TEA-21 Reauthorization Earmarking

The projects identified below are consistent with the following principles:

1. The region should have a relatively short list of priorities.
2. As a target, the region should seek authorization for projects under the New Start category that could reach the funding stage at some point during the 6-year authorization period (2004-2009).
3. As a target, the region should seek $100 million in various highway earmark categories.
4. All projects must be consistent with the RTP Priority System.
5. Project requests should support and reinforce the land use plans of the region.
6. All project requests must be able to use earmarked funds within the six-year timeframe of the reauthorization bill.
7. The jurisdiction requesting a project earmark must be prepared to deliver an appropriate project within the earmarked funding amount regardless of the level of funding earmarked. Partial earmarks must be supplemented with alternate funding sources or scaled to an appropriate sized project.
8. There must be a strong base of support for the projects from governments, community and business organizations.
9. Members of the delegation must be willing to pursue the project earmark.
10. The overall regional list must be regionally balanced.
11. The adopted regional list will be described as the priorities of the region. Local requests outside of the adopted regional list will be strictly the priority of that jurisdiction.

A. Regional Highway Priorities - the following have been identified as regional highway priorities:

- I-5/Delta Park to Lombard (CON) ....$32.8 million - Hwy Demo
- I-5/Columbia River Bridge (EIS) ....$15.0 million - Borders & Corridors
- Highway 217-TV Hwy-Sunset Hwy
  (Westside Corridor Final Phase) ....$26.4 million – Hwy Demo
- Sunrise Corridor - Phase 1
  Preliminary Engineering & Right-of-Way acquisition ....$32.0 million – Hwy Demo
  (Interstate 4R Discretionary can also be considered for funding earmarked)
- Columbia Blvd. Intermodal Corridor
  Ramsay Railroad Yard ....$11.0 million – Freight Rail/Hwy Demo
  Air Cargo access ....$ 9.0 million – Hwy Demo

B. Regional Transit Priorities – The following have been identified as regional transit priorities:

1. Projects to be reauthorized – Section 5309 – New Starts:

   - Continue authorization for preliminary engineering and construction for the entire South/North project from Clackamas County to Clark County: 1. To complete Interstate MAX; 2.The Region's #1 priority for "New Start' authorization and funding is the South Corridor Project; 3. To continue authorization and funding for Wilsonville to Beaverton Commuter Rail; 4. To allow for future extension of Interstate MAX: Expo-Clark College.

2. Projects requiring new authorization – Section 5309– New Starts:

   - Provide new authority for Willamette Shoreline Streetcar Extension: PSU Lake Oswego – authorization for preliminary engineering and construction.

3. New transit project funding earmarks – Section 5309 – Bus:

   - Earmark funds for TriMet bus expansion and replacement.

4. State of Washington – Section 5309 – New Starts:

   - Support RTC and C-TRAN request for new preliminary engineering authority for I-5 to I-205 Clark County LRT "Loop".

C. Regional Livability Priorities: The following have been identified as community livability projects:

1. Boeckman Road (Wilsonville)..$8.00 Million – Highway Demo
2. Lake Road (Milwaukie)..$5.60 Million – TCSP/Highway Demo
3. Gresham Civic Neighborhood LRT Station.....................................$2.70 Million – TCSP/New Starts
4. Kenton Feed-and-Seed...$2.00 Million – TCSP/New Starts
5. Rockwood Town Center..$2.00 Million – TCSP/Highway Demo
6. Bancroft/North Macadam Access..$8.00 Million – TCSP/Highway Demo
7. Sauvie Island Bridge...$25.0 Million – Bridge/Highway Demo
8. Regional Culvert Retrofit – Phase 1..$5.00 Million – Highway Demo
9. Regional Trail Program – Next Phase...$5.00 Million – Highway Demo
10. Beaverton Hillsdale/Scholls Ferry/Oleson Rd.................................$14.4 Million - Highway Demo
11. Wilsonville: Barber Road – Urban Village Connection.................$ 4.20 million – Hwy Demo

D. The region also supports Portland State University's request for designation as a Federal University Transportation Research Center.

Note: It is not clear at this time how project earmarking will be implemented. As such, the categories noted above are preliminary and other funding categories may be more appropriate.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 03-3287, FOR THE PURPOSE OF ENDORSEMENT OF A REGIONAL POSITION ON THE REAUTHORIZATION OF THE TRANSPORTATION EQUITY ACT OF THE 21ST CENTURY (TEA-21)

Date: December 27, 2002 Prepared by: Andy Cotugno

BACKGROUND

The Transportation Equity Act for the 21st Century (TEA-21), adopted by Congress in 1997, is scheduled to expire September 30, 2003. TEA-21 is the federal authorization bill for transportation projects and funding. The authorization bill establishes federal programs, identifies or "earmarks" some specific projects and sets the upper limits on the amount of federal funds the programs and projects are eligible to receive. The act also establishes rules for the distribution of federal transportation funds including apportionment formulas for those programs whose funds are distributed by such methods.

The reauthorization bill will have a direct effect on Metro and the region's jurisdictions in terms of how planning for transportation is performed and how much federal assistance to perform this planning function is made available. There is also a direct impact on which transportation projects are identified as eligible to receive federal funding.

The next reauthorization of a federal transportation bill will be considered in the upcoming Congressional session and is scheduled for completion prior to adjournment in Fall 2003. To favorably influence the federal legislation, it is important to clearly articulate the region's positions during their consideration of the reauthorization bill language. This Resolution No. 03-3287, amends and replaces the previously adopted Resolution No. 03-3271 by adding the following changes:

- added language in Exhibit B that environmental streamlining should not be used to reduce environmental standards at the request of Councilor Newman;
- an added project to Exhibit C in Wilsonville at the request of Councilor Hosticka; and
- an added project in Exhibit C at the request of ODOT.

ANALYSIS/INFORMATION

1. **Known Opposition** None known at this time. Local jurisdictions that have not successfully identified their local transportation priority projects as regional priority projects for federal reauthorization may oppose the regional priority project list.

2. **Legal Antecedents** TEA-21 is the current federal transportation authorization authority providing Metro the authority to function as a federally designated Metropolitan Planning Organization (MPO). TEA-21 is scheduled to expire September 30, 2003 and Congress will be considering reauthorization of transportation legislation during its 2003 session.

3. **Anticipated Effects** This resolution will communicate the regional policy position for reauthorization of TEA-21. The policy paper will be used in the regions federal reauthorization activities in Congress.

4. **Budget Impacts** Reauthorization is a significant issue affecting Metro and the Portland region and, as such, this paper and efforts to influence its outcome are a significant work effort for the department. In addition, one of the issues directly affects funding to MPOs including Metro.

RECOMMENDED ACTION

Adopt Resolution No. 03-3287 as recommended to be amended by TPAC (TPAC amendments are denoted in strike-through and underscore format). The TPAC recommendation to delete reference to suballocation of CMAQ funds to MPOs in Section 2 of Exhibit A is predicated on the understanding from comments from ODOT that it is more appropriate to decide how to best allocate CMAQ funds within Oregon. Under current practices, CMAQ funds are suballocated to current and former air quality non-attainment areas (including to Metro to allocate through the MTIP process). TPAC recommended that there be a letter sent to ODOT from JPACT indicating that this provision was removed because the current practice is to suballocate CMAQ funds and this practice should continue.

Agenda Item Number 8.4

Resolution No. 03-3291, For the Purpose of Completing Metro Council Office Transition by the Elimination of some current Classifications and Positions, and the Creation of Some New Classifications and Positions.

Metro Council Meeting
Thursday, February 27, 2003
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF COMPLETING METRO COUNCIL OFFICE TRANSITION BY THE ELIMINATION OF SOME CURRENT CLASSIFICATIONS AND POSITIONS, AND THE CREATION OF SOME NEW CLASSIFICATIONS AND POSITIONS	))))))	RESOLUTION NO. 03- 3291 Introduced by David Bragdon, Council President

WHEREAS, Metro Code Section 2.02.340 requires that any new job classification added to the classification plan requires Council approval; and

WHEREAS, the merger of the Executive and Council offices as a result of the passage of the Charter Amendment approved by the voters in November 2000 and implemented in January 2003 requires the creation of new positions, and the abrogation or elimination of other positions to accommodate functional needs of the new structure; and

WHEREAS, an evaluation of functional needs in the area of Council Office management and public affairs has resulted in the identification and creation of new classifications and the elimination or abrogation of other classifications as outlined in Exhibit A; and

WHEREAS, the current Council Office budget is sufficient to encompass the pay ranges for the proposed classifications; now therefore

BE IT RESOLVED that the Metro Council approve the following actions as outlined in Exhibit A:

1. That the unclassified job classifications of Legislative and Policy Development Officer, Council Operations Officer, Council Communications Officer, and Public Relations Specialist be eliminated; and
2. That the classified job classifications of Council Clerk and Assistant Creative Services Specialist be eliminated; and
3. That the new unclassified job classifications of Assistant to the Council President and Confidential Secretary be added to the classification plan; and
4. That the new classified job classifications of Senior Public Relations Coordinator, Associate Public Relations Coordinator, and Public Relations Support Specialist be added to the classification plan; and
5. That the existing classified job classification of Program Supervisor II be applied to a new position that will perform the duties of Council Clerk, supervise Council support staff, and perform other council duties as assigned; and
6. That the existing classified job classification of Program Supervisor II be applied to a new position that will supervise Creative Services within Public Affairs and Government Relations; and
7. That existing classified job classification of Director I be used to create a new position of Public Affairs and Government Relations Director.

ADOPTED by the Metro Council this _____day of__________, 2003

____
David Bragdon, Council President

Approved as to Form:

____
Daniel B. Cooper, Metro Attorney

METRO
Series Classification Description
(Unclassified)

Class Number:		**Established:**	1/03
Title:	Assistant to the Council President	**Revised:**	
Pay Grade:		**AA/EEO:**	
Bargaining Unit:	Non-represented	**FLSA Status:**	Exempt

Classification Summary

Under general direction, the Assistant to the Council President assists the Council President by providing expert professional assistance, advice and support on a wide range of highly complex, sensitive and confidential topics related to regional and external affair matters. This position serves as the liaison and communicator of the Council President goals and objectives with external regional parties, including the business community, public and private entities, boards, commissions, and other elected officials.

Supervision Received

This position is appointed by and reports directly to the Council President.

Distinguishing Features

Responsibilities are broad in scope and require a high degree of political and organizational acumen, ability to exercise considerable discretion and carry out responsibilities in a manner that supports and furthers the Council President's interests, goals and objectives.

Essential Functions

An employee in this classification may perform any of the following duties. However, these examples do not include all the specific tasks that an employee in this classification may be expected to perform.

1. Represents the Council President on regional boards, commissions, committees, and high-level strategy meetings and work sessions; serves as liaison with other elected officials, business and community leaders and the public.
2. Conducts research, analyzes and provides recommendations on a wide variety of highly complex, sensitive and confidential regional and external affair matters or topics.
3. Prepares written reports and recommendations, as assigned.
4. Assists in planning and coordinating the Council President's external affair activities.
5. On behalf of the Council President coordinates and consults with other agency staff responsible for intergovernmental relations.
6. Performs other related duties as assigned.

Secondary Functions

Travel and attending meetings beyond the typical workday may be required.

Job Specifications

This position requires a Bachelor's degree with major coursework in public policy, public administration, business administration, or a related field; and five years of increasingly responsible senior professional level experience working for elected officials. Masters degree in public or business administration preferred; or any combination of experience and education that provides the appointee with the desired skills, knowledge, and ability to perform the job, including:

1. Extensive knowledge of public relations and citizen involvement principles and practices.
2. Ability to demonstrate a high degree of political and organizatiónal acumen when dealing with responsibilities that are broad in scope.
3. Ability to exercise considerable discretion and carry out responsibilities in a manner that supports and furthers the Council President's interests, goals and objectives.
4. Knowledge of Metro organization, ordinances, rules, policies and procedures.
5. Knowledge of Federal, state and local laws and regulations applicable to areas of assigned responsibility.
6. Knowledge of principles and practices of public administration.
7. Ability to interact effectively with elected officials, representatives of other governments, senior management, associates and the public.
8. Ability to exercise tact and diplomacy in working with others and in dealing with highly sensitive and complex issues and situations with broad effects on Metro mission, policies and issues.
9. Ability to define complex issues, performs analyses and research, evaluate alternatives and develop recommendations.
10. Ability to conduct research, analyze results and present findings.
11. Ability to understand, interpret, explain and apply applicable Metro, state and federal policy, laws and regulations.
12. Ability to demonstrate independent judgment and expertise within general policy guidelines.
13. Ability to act with discretion when dealing with highly confidential information.
14. Excellent oral and written communication skills.

Working Conditions

Work is performed primarily in an indoor office environment. Employees in this series may need to work with difficult or upset individuals and can be exposed to toxic chemicals and materials found in an office environment. Mental activities required by this classification include frequent decision-making, interpersonal skills, teamwork, creativity, customer service, use of discretion, the ability to perform math, and the ability to read, write, speak and understand English. Required physical activities include frequent keyboard fingering, talking, repetitive motions of hands/wrists, sitting, hearing and lifting and carrying objects less than 15 pounds.

Valid drivers license or acceptable alternative method of transportation.

METRO
Series Classification Description
(unclassified)

Class Number:		**Established:**	2/03
Title:	Confidential Secretary	**Revised:**	
Pay Grade:	109	**AA/EEO:**	
Bargaining Unit:	Non-represented	**FLSA Status:**	Non-exempt

Classification Summary

This position performs senior level secretarial and administrative assistant assignments for the Chief Operating Officer, administrator of the agency; or the Council President, an elected official. General directions and guidelines are the normal form of supervision, and specialized knowledge of the assigned work area and the agency in general are needed for assigned duties. Confidential information is a regular part of assignments, and high levels of discretion are needed for most tasks.

Supervision Received

Supervision is received from the Chief Operating Officer, the Council President, or assigned designee.

Distinguishing Features

None.

Essential Functions

An employee in this classification may perform any of the following duties. However, these examples do not include all the specific tasks that an employee in this classification may be expected to perform.

1. Schedules appointments for COO or Council President and others as directed. Arranges and coordinates meetings for committees, commissions, and outside agencies. Arranges lodging and transportation as needed.
2. Develops, maintains, and coordinates office operations of the COO or Council President; establishes and maintains primary department files and records.
3. Performs receptionist and clerical duties by screening callers; receiving, sorting and distributing mail; responding to the public regarding standardized information about Metro and its programs; and acts as an agency contact to receive, communicate, exchange, correct or verify information concerning the COO or Council President office.
4. Composes detailed letters, reports, memos and meeting minutes from written or oral instructions using a computer. Verifies, edits and formats documents, reports and correspondence that include proprietary and confidential information.
5. Demonstrates specific, in-depth expertise concerning Council President or COO perspective, opinion, and policy formulation by preparing letters for signature, responding directly to phone calls and sending email correspondence to Metro departments, other agencies and the general public.
6. Interfaces with agency staff and the public to accomplish assigned projects and duties as needed.

7. Collects, organizes, compiles and tabulates data and information within established guidelines; performs basic statistical and clerical accounting procedures; reviews and prepares data for computer input; and prepares and processes a variety of forms, information and records.
8. Has a strong understanding of Council President or COO goals, perspectives and opinions; and acts as a resource for others concerning the interpretation of agency policy and objectives.
9. Develops and coordinates special research projects to provide data and reports. This work supports the Council President or COO in formulating policy and strategic development.

Secondary Functions

1. Performs other duties when assigned.

Job Specifications

This position requires an Associates Degree and four years of progressively responsible confidential administrative support, secretarial and general office experience supporting senior management, elected officials, or high-level appointees; or any combination of education and experience that provides the applicant with the desired skills, knowledge, and ability to perform the job, including:

1. Thorough knowledge of current office procedures and equipment with emphasis on clerical, secretarial and administrative assistant methods and practices.
2. Ability to communicate effective by written, spoken, and electronic means.
3. Ability to perform research and perform analyses.
4. Ability to effectively use standard office equipment including business computer software and hardware.
5. Ability to work independently and as part of a team.
6. Ability to use discretion when dealing with confidential information.

Working Conditions

Work is performed primarily in an indoor office environment. Employees in this series may need to work with difficult or upset individuals and can be exposed to toxic chemicals and materials found in an office environment. Mental activities required by this classification include frequent decision-making, interpersonal skills, teamwork, creativity, customer service, use of discretion, the ability to perform math, and the ability to read, write, speak and understand English. Required physical activities include frequent keyboard fingering, talking, repetitive motions of hands/wrists, sitting, hearing and lifting and carrying objects less than 15 pounds.

METRO
POSITION DESCRIPTION
(Note: this is not a classification description)

Public Affairs and Government Relations Director

Position Summary

This position is responsible for directing, planning, and coordinating the agency's public involvement, public affairs, business and media relations, government relations, and creative services programs; including long and short-term planning, policy development and implementation, inter-governmental and media relations, and financial and human resource management.

Supervision Received:

Supervision is received from the Chief Operating Officer.

Supervision Exercised:

This position supervises the Public Affairs and Creative Services staff.

Distinguishing Features:

Not applicable.

Essential Functions

An employee in this position may perform any of the following duties. However, these examples do not include all the specific tasks that an employee in this position may be expected to perform.

1. Plans, organizes and directs all aspects of the Public Affairs Department. Establishes policies, procedures, and work standards to ensure consistency with expectations for services and effective operations of the department.
2. Responsible for determining and managing the strategic direction of Metro's media and governmental relations, public involvement, creative services, and public affairs support of Councilor policy development and awareness.
3. Works collaboratively with the COO, department heads, Council, and other staff to establish common public outreach and government relations goals and objectives.
4. Participates in the development and implementation of Metro's legislative policies and priorities; works with the COO and departments to analyze impact of new legislation and help determine methods to implement new legislation.
5. Develops and implements the department budget; oversees controls to ensure expenditures are within limits authorized through the budget.
6. Provides full supervision of professional, supervisory, and technical positions with primary responsibility for hiring, promoting, transferring, assigning, evaluating performance, initiating salary action, handling grievances, disciplining, and discharging employees.

7. Establishes and maintains effective communications and contact with and between the Chief Operating Officer, Council President, Councilors, and Metro Department Directors regarding department direction and progress of public affairs programs and projects, legislators, legislative committees, elected officials, and various intergovernmental associations.

Secondary Functions

1. Performs other duties as assigned.

Job Specifications

This position requires a Bachelor's degree in Public Affairs, Political Science, Creative Services, Journalism, or a related field; and seven years of increasingly responsible management level experience including operational and strategic planning for agency-wide public affairs, government relations, budgeting, and personnel management, preferably in a public agency; or any combination of experience and education that provides the applicant with the desired skills, knowledge, and ability to perform the job, including:

1. Exceptional ability to communicate clearly and concisely both orally and in writing.
2. Knowledge of organizational and management practices as applied to the analysis and evaluation of programs, policies, and organizational needs.
3. Ability to establish and maintain effective working relationships with agency staff, elected officials, media, government agencies, legislators, and the community.
4. Ability to respond appropriately to legislative and policy opportunities.
5. Knowledge of principles and practices of budget preparation and administration, finance, and accounting.
6. Ability to interpret and apply Council Office and agency policies, procedures, and regulations.
7. Ability to supervise staff and provide administrative and professional direction for public affairs activities.
8. Ability to work independently and as part of a team.

METRO
POSITION DESCRIPTION
(Note: this is not a classification description)

Creative Services Program Supervisor II

Position Summary

Under general direction this position plans, organizes, directs, manages and reviews the administrative and operational activities of the Creative Services division of the Public Affairs Department. Responsibilities include defining project scope, setting schedules, planning and arranging for resources, and providing analysis and technical support.

Supervision Received:

Supervision is received from the Public Affairs and Government Relations Director.

Supervision Exercised:

This position supervises the Creative Services staff of Public Affairs.

Distinguishing Features:

Not applicable.

Essential Functions

An employee in this position may perform any of the following duties. However, these examples do not include all the specific tasks that an employee in this position may be expected to perform.

1. Provides supervision over technical and professional positions with primary responsibility for assigning work, evaluating performance, and training subordinates.
2. Provides technical and creative analysis and support in troubleshooting, evaluating and resolving problems within Creative Services.
3. Directs creative approaches, procedures, and quality control standards to ensure a consistent Metro message and effective operations of Creative Services.
4. Supervises the implementation and administration of processes, functions, and activities of a complex and/or technical nature; collaborates with other Metro departments concerning agency-wide creative services initiatives.
5. Advises and assists the Public Affairs Director with the implementation of cross-department public affairs strategies.
6. Prepares budget based on resource availability and requirements, and program goals and objectives. Monitor expenditures to stay within established budgetary constraints.
7. Develops short and long-range plans, goals and objectives for operational effectiveness within the Creative Services division. Determines strategies, monitors progress and resolves issues.

Secondary Functions

Performs other duties as assigned.

Job Specifications

This position requires a Bachelor's degree in Graphic Design, Creative Services, Public Affairs, or a related field; and four years of increasingly responsible professional level experience in the Creative Services field; project management or supervisory experience preferred; or any combination of experience and education that provides the applicant with the desired skills, knowledge, and ability to perform the job, including:

1. Exceptional ability to communication clearly and concisely both orally and in writing.
2. Knowledge of the principles and practices of creative services, graphic design, and public affairs.
3. Ability to supervise professional and technical staff.
4. Knowledge of the principles and practices of project management and implementation processes.
5. Ability to schedule, implement and evaluate tasks and activities of staff.
6. Ability to collaborate with other departments to work towards a common goal.
7. Ability to respond to situations with logical and innovative analysis.
8. Ability to communicate and coordinate multiple and complex tasks to staff.
9. Knowledge of budgeting and expenditure control processes.
10. Ability to interpret and apply Council Office and agency policies, procedures, and regulations.

METRO
Series Classification Description

Class Number:	1260	**Established:**	2/03
Title:	Senior Public Relations Coordinator	**Revised:**	
Pay Grade:	116	**AA/EEO:**	
Bargaining Unit:	Non-represented	**FLSA Status:**	Exempt

Classification Summary

The Senior Public Relations Coordinator is responsible for creating and maintaining a high level of positive public awareness of Metro through a variety of public relations and inter-governmental activities. Activities include promoting constructive relationships with the public, media, local government officials, legislators, and other community leaders; the creation of public outreach and involvement programs; development of collaborative working relationships with individual Metro departments; and the development of strategic initiatives to support the policy development of elected officials.

Supervision Received

Supervision is received from the Public Affairs and Government Relations Director.

Supervision Exercised

This position may provide lead direction to other members of the public affairs department, and other public affairs staff in individual Metro departments.

Distinguishing Features

The Senior Public Relations Coordinator is distinguished from the Associate Public Relations Coordinator by the performance and management of complex, strategic public relations projects that have agency-wide and regional implications; and by the responsibility of providing lead direction to other professional and administrative staff.

Essential Functions

An employee in this classification may perform any of the following duties. However, these examples do not include all the specific tasks that an employee in this classification may be expected to perform.

1. Develop and implement community relations strategies to support Metro's relationship with local governments, legislators, and community stakeholders.
2. Work with Councilors to develop communications strategies for specific constituencies and policy issues.
3. Develop and implement internal communication strategies to enhance internal Metro employee communication and understanding of Council office policy development and Chief Operating Officer directives.
4. Project manage a variety of outreach and communication initiatives including the development of scope, budget, timelines, work team, etc. Develop public relations

strategies including stakeholder analyses, outreach tool testing, focus groups, and strategic planning sessions with other agency staff.

5. Serve as contact for the media; build and maintain relationships with news reporters; advise the Public Affairs Director and the Council on media issues, as needed.
6. Develop and implement various community outreach activities; make presentations to professional associations, City councils, planning and parks commissions and other audiences.
7. Manage communications projects to ensure a consistent agency message.
8. Work with elected officials and staff from other public agencies to disseminate information and coordinate outreach efforts.
9. Write talking points and speeches for elected officials.
10. Write reports, news releases, and public materials.
11. Manage consultants and outside contractors for Public Affairs Department projects, as assigned.

Secondary Functions

1. Performs related duties as assigned.

Job Specifications

Bachelors degree in communications, public relations, political science or in a field related to assigned responsibility, 4 years increasingly responsible experience working in a public affairs or community outreach program, preferably while supporting elected officials or Board members; or any combination of education and experience that provides the applicant with the desired skills, knowledge, and ability to perform the job, including:

1. Exceptional ability to communicate clearly and concisely both orally and in writing.
2. Knowledge of project management practices and implementation processes.
3. Knowledge of public relations and communications principles and practices.
4. Ability to conduct research, perform analyses, and present findings.
5. Ability to interpret and apply Council Office and agency policies, procedures, and regulations.
6. Ability to lead staff and provide professional direction for public affairs activities.
7. Exceptional ability to work independently and collaborate in a team environment.
8. Knowledge of budgeting principles and practices.
9. Ability to routinely exercise discretion when working with confidential information.

Working Conditions

Work is performed primarily in an indoor office environment. Periodic travel to meetings or activities outside of the agency may be required. Employees in this series may need to work with difficult or upset individuals and can be exposed to toxic chemicals and materials found in an office environment. Mental activities required by this classification include frequent decision-making, interpersonal skills, teamwork, creativity, customer service, use of discretion, the ability to perform math, and the ability to read, write, speak and understand English. This position may be required to take media calls at all hours of the day. Required physical activities include frequent keyboard fingering, talking, repetitive motions of hands/wrists, sitting, hearing and lifting and carrying objects less than 15 pounds.

METRO
Series Classification Description

Class Number:	1340	**Established:**	2/03
Title:	Associate Public Relations Coordinator	**Revised:**	
Pay Grade:	114	**AA/EEO:**	
Bargaining Unit:	Non-represented	**FLSA Status:**	Exempt

Classification Summary

The Associate Public Relations Coordinator is responsible for maintaining a high level of positive public awareness of Metro through a variety of public relations and inter-governmental activities. Activities include promoting constructive relationships with the public, media, local government officials, legislators, and other community leaders; the support of public outreach and involvement programs; and facilitation of collaborative working relationships with individual Metro departments.

Supervision Received

Supervision is received from the Public Affairs and Government Relations Director.

Supervision Exercised

This position may provide lead direction to other public affairs staff in individual Metro departments.

Distinguishing Features

The Associate Public Relations Coordinator is distinguished from the Senior Public Relations Coordinator by the performance and support of routine public relations projects that have agency-wide and regional implications. The Associate Public Relations Coordinator provides professional and administrative support to the Senior Public Relations Coordinator and the Director of Public Affairs for complex, strategic public relations and outreach projects.

Essential Functions

An employee in this classification may perform any of the following duties. However, these examples do not include all the specific tasks that an employee in this classification may be expected to perform.

1. Assist in the implementation of community relations strategies to support Metro's relationship with local governments, legislators, and community stakeholders.
2. Implement internal communication strategies to enhance internal Metro employee communication and understanding of Council office policy development and Chief Operations Officer management directives.
3. Participate in the development of a variety of outreach and communication initiatives.
4. Advise the Public Affairs Director and the Senior Public Relations Coordinators on media issues, as needed; serve as contact for media in limited circumstances.
5. Assist with the implementation of various community outreach activities; make presentations to professional associations, commissions and other audiences.

6. Complete communications projects that ensure a consistent agency message.
7. Work with elected officials and staff from other public agencies to disseminate information and coordinate outreach efforts.
8. Write reports, news releases, and public materials.
9. May write talking points for elected officials.
10. Manage small budgets and contracts.

Secondary Functions

Performs related duties as assigned.

Job Specifications

Bachelors degree in communications, public relations, political science or in a field related to assigned responsibility, 2 years increasingly responsible experience working in a public affairs or community outreach program, preferably while supporting elected officials or Board members; or any combination of education and experience that provides the applicant with the desired skills, knowledge, and ability to perform the job, including:

1. Exceptional ability to communicate clearly and concisely both orally and in writing.
2. Knowledge of project management practices and implementation processes.
3. Knowledge of public relations and communications principles and practices.
4. Ability to conduct research, perform analyses, and present findings.
5. Ability to interpret and apply Council Office and agency policies, procedures, and regulations.
6. Exceptional ability to work independently and work collaboratively as part of a team.
7. Ability to routinely exercise discretion when working with confidential information.

Working Conditions

Work is performed primarily in an indoor office environment. Periodic travel to meetings and activities outside of the agency may be required. Employees in this series may need to work with difficult or upset individuals and can be exposed to toxic chemicals and materials found in an office environment. Mental activities required by this classification include frequent decision-making, interpersonal skills, teamwork, creativity, customer service, use of discretion, the ability to perform math, and the ability to read, write, speak and understand English. Required physical activities include frequent keyboard fingering, talking, repetitive motions of hands/wrists, sitting, hearing and lifting and carrying objects less than 15 pounds.

METRO
Series Classification Description

Class Number:	1200	**Established:**	1/03
Title:	Public Relations Support Specialist	**Revised:**	
Pay Grade:	109	**AA/EEO:**	
Bargaining Unit:	Non-represented	**FLSA Status:**	Non-Exempt

Classification Summary

This position directly supports the Public Affairs Department by serving as a professional resource that performs administrative support duties. General guidelines are the normal form of supervision, and strong writing and organizational skills are needed for assigned duties. High levels of discretion and the ability to maintain confidentiality are needed for most tasks.

Supervision Received:

Supervision is received from the Public Affairs and Government Relations Director.

Supervision Exercised:

None.

Distinguishing Features:

Not applicable.

Essential Functions

An employee in this classification may perform any of the following duties. However, these examples do not include all the specific tasks that an employee in this classification may be expected to perform.

1. Supports public involvement, outreach, and intergovernmental efforts and programs by facilitating and staffing meetings, preparing agenda packets and meeting minutes, writing reports and other documents as needed.
2. Facilitates communication between committees and the Public Affairs Department, the Council Office, and other agency departments and staff.
3. Supports Council policymaking with public involvement activities, including writing reports, correspondence and talking points for the Public Affairs Director, Chief Operating Officer, Council President and Councilors.
4. Provides access and awareness of Council activities including posting public notices, maintaining schedules and media updates, planning and staffing Council activities, supporting meetings and events for Council and agency, and arranging mailings and information requests.
5. Writes, coordinates, edits, drafts and distributes Councilor newsletters.
6. Maintains specific Public Affairs Department websites.
7. Provides administrative support for the Public Relations Director.

Secondary Functions

Performs other duties when assigned.

Job Specifications

This position requires an Associate Degree and four years of progressively responsible and complex support experience; Bachelors degree in related field preferred; or any combination of experience and education that provides the applicant with the desired skills, knowledge and ability to perform the job, including:

1. Ability to communicate effectively by written, spoken, and electronic means.
2. Ability to multi-task, balance priorities and manage different tasks concurrently.
3. Ability to perform research and analysis.
4. Ability to preparing correspondence and reports.
5. Thorough knowledge of current office procedures and general administrative tasks.
6. Ability to make independent decisions.
7. Ability to work independently and as part of a team.

Working Conditions

Work is performed primarily in an indoor office environment. Employees in this series may need to work with difficult or upset individuals and can be exposed to toxic chemicals and materials found in an office environment. Mental activities required by this classification include frequent decision-making, interpersonal skills, teamwork, creativity, customer service, use of discretion, the ability to perform math, and the ability to read, write, speak and understand English. Required physical activities include frequent keyboard fingering, talking, repetitive motions of hands/wrists, sitting, hearing and lifting and carrying objects less than 15 pounds.

METRO
POSITION DESCRIPTION
(Note: this is not a classification description)

Council Operations Manager
(Program Supervisor II)

Position Summary

Under general direction, this position plans, organizes, directs, reviews, and directly supports the administrative and operational activities of the Council Offices. This position is responsible for carrying out and coordinating the activities and tasks of Council Clerk, confidential council administrative support, and may assist and/or supervise council records retention activities and ensures appropriate response is provided to outside agencies and the general public. This position provides staff assistance and support to Council and the Chief Operating Officer.

Supervision Received:

Supervision is received from the Chief Operating Officer.

Supervision Exercised:

This position supervises the Council Support Specialists, the Council Administrative Assistant II, and other positions as designated by the Chief Operating Officer.

Distinguishing Features:

Not applicable.

Essential Functions

An employee in this position may perform any of the following duties. However, these examples do not include all the specific tasks that an employee in this position may be expected to perform.

1. Provides administrative support and manages document flow for Council meetings; maintains complete records of Council meetings by preparing agendas, supervising recording activities, taking minutes and typing minutes and/or supervising such typing, and ensuring the recording of official actions taken in Council meetings are timely and accurate.
2. Ensures that Council meeting agendas and packet materials are assembled, reproduced, posted and distributed; ensures that meetings, notices, and public information comply with public meeting act requirements and legally mandated Federal, State, and local laws, regulations and ordinances concerning records retention and access.
3. May oversee permanent Council records retention activities and assume responsibility for maintaining document integrity and safety, and planning for disaster recovery for Council records.
4. Coordinates with agency staff to process support documents pertinent to Council meetings; trains council staff as needed.
5. Administers State and Metro campaign financing and disclosure laws.

6. Provides staff assistance as needed to management staff, COO and/or Council as directed.
7. Participates in developing, planning and implementing goals and objectives for the Council Office; recommends and administers changes relating to organizational structure, operations, policy and procedures.
8. Supervises assigned Council office staff, including hiring, assigning work, evaluating performance, initiating salary action, rewarding, disciplining, discharging and adjusting grievances.
9. Plans, directs, and coordinates Council office work plan; assigns projects and programmatic areas of responsibility; reviews and evaluates work methods and procedures; meets with key staff to identify and resolve problems.
10. Assists in the preparation of the Council Office budget including providing salary/benefit information, forecasting additional funding required for administrative programs, recommending adjustments as necessary, and approving and monitoring expenditures.

Secondary Functions

Performs other duties as assigned.

Job Specifications

This position requires a Bachelor's degree with major coursework in business administration, public administration, or a related field; and four years of increasingly responsible work experience performing similar technical duties and the supervision of staff; or any combination of experience and education that provides the applicant with the desired skills, knowledge, and ability to perform the job. Certification as a Municipal Recorder and Records Management is preferred. Other requirements include, but are not limited to:

1. Thorough knowledge of principles and practices of public administration including pertinent Federal, State and local laws, codes and regulations.
2. Thorough knowledge of principles and practices of public records management and retention.
3. Ability to supervise staff and provide administrative and professional direction for confidential and administrative activities.
4. Ability to make independent decisions.
5. Ability to communicate clearly and effectively by written, spoken, and electronic means.
6. Ability to work independently and as part of a team.
7. Ability to interact effectively with Senior Management, elected officials, employees and the public.
8. Ability to act with discretion when dealing with highly confidential information.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 03-3291 FOR THE PURPOSE OF COMPLETING METRO COUNCIL OFFICE TRANSITION BY THE ELIMINATION OF SOME CURRENT CLASSIFICATIONS AND POSITIONS, AND THE CREATION OF SOME NEW CLASSIFICATIONS AND POSITIONS

Date: February 27, 2003 Prepared by: Lilly Aguilar

BACKGROUND

As a result of the passage of Ballot Measure 26-10 on November 7, 2000, Metro's Charter was amended to abolish the office of Executive Officer, create the office of Council President, and create the position of Chief Operating Officer. These changes, which went into effect January 6, 2003, resulted in the need to restructure the former offices of the Executive Officer and Council Office, and to assess staffing requirements to meet functional needs of the new administration. This assessment is being undertaken in several phases as follows: Council administration and support staffing, Public Affairs staffing, and Council President/Chief Operating Officer staffing. The proposed Resolution recommends the creation, abrogation, and/or elimination of positions in the Council administration and support area as a result of the final phases of the planned assessment. Metro Code Section 2.02.340 requires that any new job classification added to the classification plan requires Council approval.

ANALYSIS/INFORMATION

1. **Known Opposition** None.

2. **Legal Antecedents** Resolution 00-2929A "For the Purpose of Submitting to the Voters an Amendment to the Metro Charter Abolishing the Office of Executive Officer, Creating the Office of Council President, and Making Related Changes".

3. **Anticipated Effects** This resolution will eliminate four unclassified job classifications (Legislative and Policy Development Officer, Council Operations Officer, Council Communications Officer, and Public Relations Specialist); eliminate two classified job classifications (Council Clerk and Assistant Creative Services Specialist); create two unclassified job classifications (Assistant to the Council President and Confidential Secretary); create three classified job classifications (Senior Public Relations Coordinator, Associate Public Relations Coordinator, and Public Relations Support Specialist); and apply existing job classifications to new postions (Council Operations Manager, Creative Services Supervisor, and Public Affairs and Government Relations Director).

1. **Budget Impacts** This action is part of the overall expected savings from the combination of the former Executive and Council Offices; expected overall savings from the transition is approximately $500,000 annually.

RECOMMENDED ACTION

That Council approve Resolution 03-3291, For the Purpose of Completing Metro Council Office Transition by the Elimination of Some Current Classifications and Positions, and the Creation of Some New Classifications and Positions.

022703c-01

MINUTES OF THE METRO COUNCIL MEETING

Thursday, February 20, 2003
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Brian Newman, Carl Hosticka, Rod Monroe, Rex Burkholder, Rod Park

Councilors Absent: Susan McLain (excused)

Council President Bragdon convened the Regular Council Meeting at 2:30 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

There were none.

3. METRO/AIM SCHOOL PROJECT

Gina Whitehill-Baziuk, Planning Department, said the AIM High School students would be presenting the Powell Boulevard Survey Project. Metro had approached Carly Fuhrman, AIM High School Principal, to involve students in the project. This project was a semester long. Ms. Whitehill-Bazuik recognized Mike Alson and Metro staff that had also participated in the project. Shelley Washburn, an AIM teacher, said the idea was to send the students out into the community. Metro wanted them to connect with the public and gathered comments. She hoped Metro would have more partnerships like this one. She introduced the AIM students; Kevin Mesplay, Michaele Paulson, Amethyst Monken, Sara Richards, Lacey Buchanan, Jaime DeLaRosa, Jann Denniston.

Amethyst Monken, AIM student, gave an overview of their community service project with Metro. They conducted a survey and interviewed parents. She began the power point presentation on the project (a copy of this presentation is included in the meeting record). Sara Richards, AIM student, said Metro had a problem, they didn't know how to best reach the public to get their input on the Powell Foster Boulevard study. She talked about developing the survey and spoke to the benefits of the project to Metro and AIM students. She gave an overview of the survey process.

Lacey Buchanan, AIM student, talked about the survey questions. They practiced the survey on each other. She noted that some of the participants did not speak English and spoke to how they overcame this obstacle. Jaime De La Rosa, AIM student, summarized the results of the survey. Jana Denniston, AIM student, provided the survey conclusions. They thanked Metro, City of Portland and Oregon Department of Transportation.

Councilor Monroe said he felt AIM students were remarkable young people. These students had blossomed in this alternative school setting. He noted their successes. David Douglas School District was very proud of these students. This district was the only district that was not cutting any school days in this year. AIM students would be able to attend a full year. He acknowledged Cary Fuhrman, Principal. She really cared about these students. In turn, these students had given

Metro a real ear to what the community was thinking about this corridor. These students had truly contributed to the community and Metro.

Councilor Burkholder expressed his appreciation about this innovative way of approaching the community. He asked about how they dealt with people who did not speak English. What were some of the techniques used? Mr. De La Rosa, a student who spoke Spanish, said he studied the survey beforehand so that he could assist Spanish-speaking individuals. Ms. Richards also said some who did not understand English could read English. Ms Buchanan added that some of the children translated for their parents.

Councilor Hosticka said he and Councilor Newman had both been asked by the press today about new lanes being added to I-205 and how long it would take before these lanes will filled up? He asked the students if they had any thoughts about this issue? Ms. Fuhrman said there had been substantial growth in the area.

Councilor Newman welcomed the students to the world of planning. When he was first getting started he had to conduct surveys on buses. They had learned a marketable skill. More governments were surveying and polling the community to be more effective. They had a similar exercise for the South Corridor Study. They had polled their peers. They found out that students' feedback was different. He asked if they thought they would have found different conclusions. The students would they would probably focus more on the shelters for buses as well as bicycles and pedestrian access.

Councilor Park asked what had they learned from going through this exercise? Ms. Richards said she learned a lot about Metro. It was helpful to learn about the process of how decisions were made. Ms. Monken said she thought that the parents' comments were interesting. Ms. Buchanan said they had also learned about street design. Council President Bragdon thanked the students for their efforts and noted how much Metro appreciated the help.

4. VOLUNTEER PROGRAM PRESENTATION

Jim Desmond, Parks and Greenspaces Director, said they were here to present their volunteer services report for the year (a copy of which is found in the meeting record). This was a great example of what this department aspired to be. The program combined stewardship and community resources in all corners of the region. People worked at 34 sites. They were helping the lands that Metro owned and saving the public a significant amount of dollars but were also providing opportunities to build community. This was a program that Metro should be proud of. He acknowledged Ms. Heather Nelson-Kent, Ms. Lupine Hudson and Ms. Mary West for the work they had done. He thanked the volunteers for their contribution.

Lupine Hudson, Co-Manager of Volunteer Services for Regional Parks and Greenspaces, shared the results of their work this year. She reported that they had about 9 people a day contributing to this volunteer program during 2002. This was an amazing commitment. She recognized the volunteers' contributions to the mission of caring for our parks and greenspaces.

Mary West, Co-Manager of Volunteer Services, said in 2002 they had 1250 volunteers donate close to 17000 hours. This was valued at about $270,000. They had worked on 34 sites, which was up 25% from last year. Increases were primarily at their openspaces throughout the region. They had also worked with 24 community groups including schools, scouts, friends groups and other non-profit organizations. The most effective way to put a face on these statistics was to recognize the human story behind these hardworking volunteers. This past year they had a volunteer appreciation dinner. Over 150 volunteers, staff and Councilor Hosticka attended the appreciation dinner. Awards were presented to Metro's outstanding volunteers.

Ms. Hudson said the variety of skills and resources that these volunteers bring to our department and to the agency was inspiring. She talked about Terese Fisher's contributions to the program. She was one of the Volunteer Program award recipients.

Terese Fisher said she was at first fearful about leading a group as a volunteer naturalist but found it was very fulfilling. Metro was willing to invest in her and therefore, she was more willing to invest in Metro. Through her experience she had learned to celebrate and appreciate the diversity of life. She had been reminded of life's potential. She was excited about sharing this with others. Her goal was to have the volunteers have a positive experience. She had also created a monitoring project database. She kept coming back because it was rewarding. Ms. Lupine and Ms. West took the time to make sure that the volunteers were rewarded and appreciated. She was honored to know and work with the Park's staff. She was also contributing to the community, another reason why she kept coming back to volunteer. Volunteering was also a way to meet many people, open a new world, and help others learn about it. Third, the department made it easy to volunteer. They seemed to find a way to match volunteers with their skills. The department sent a message that the volunteers were valued. The experience had provided her with many opportunities. She was not taken for granted. She was asked rather than expected, that made a difference in her continuing to volunteer for Metro Parks and Greenspaces. She was thankful to be part of this program.

Ms. West introduced Cassie Mellen and spoke to her contributions to the program. Cassie Mellen, said she had volunteered through Americorp. She was one of a four-person team. The project focused on eliminating Japanese Knotweed. She explained each person's role on the team. The four-member team had contributed 2400 volunteer hours. Ms. Mellen talked about their goals in the project. She also noted why she volunteered. She thought it would be a good way to expand her horizons and explained further some of what she had learned. She kept track of the data and created a database. They had taken a full watershed approach to removal of this weed. The overall public response was positive. She noted the accomplishments and the contribution that this program and project did for the community.

Ms. Hudson said there were stories behind each volunteer. There was still a lot of work to be done but knowing that these volunteers were helping was helping them achieve that goal. The volunteers were one of our most valuable regional resources. She noted the end of the year report.

Councilor Hosticka echoed and reinforced some of the statements having attended the appreciation dinner. He thought that while we try to reduce everything to numbers around here the real contributions were in the kind of sense of community that Mr. Desmond talked about. There was a strong sense among the volunteers that they were a special group that was contributing to the natural and human world in addition to a sense of personal accomplishment. From his perspective that was why the program was so valuable to Metro.

Councilor President Bragdon thanked the volunteers for all they had done and also recognized that it took staff to recruit, retain and manage the volunteers for the program.

5. OREGON CONVENTION CENTER ADVISORY COMMITTEE REPORT

Pat LaCrosse, Chair, provided the Oregon Convention Center Advisory Committee report and gave a summary of the report including the purpose and mission of the committee. He said they met five times and noted the membership of the committee. The committee looked at marketing, food services, parking, circulation, financing, budgets and other issues. He noted that on page 4 of the packet was the list of recommendations, which he summarized (a copy of which is found in the meeting record). He thanked the Metro staff that was provided to support the committee. He also acknowledged Councilors Burkholder and Park for their involvement.

Joe D'Alessandro, Portland Oregon Visitors Association, talked about what the group examined in depth. They felt Metro had selected a fine marketing agency to market the convention center. They felt the Visitor Development Fund Board would be a good group to continue the charge. He noted those who were part of the Board. He pointed out that marketing conditions had changed dramatically over the last two years and will continue to be very fluid. The changes concern them greatly. The economy, September 11th and any proposed war would impact business at OCC. Long term they knew that the convention will be successful but were concerned about the short term impacts.

Brad Hutton, incoming chair of the Visitors Association, replacing Mr. LaCrosse on the Visitor Development Fund Board said they were excited about the prospects of the center. The recommendations were key to the success of the convention center particularly the headquarters hotel recommendation. They endorsed the plan.

Councilor Burkholder echoed his appreciation for the committee. It had been a new subject area for him. The committee had done a good job of reviewing the existing structure. He noted Michael Morrissey's contribution as a staff person. The committee left them with some questions. He believed they had given the partnership some good suggestions for success in the future. They were also volunteers working for Metro.

Councilor Monroe said he had been an advocate of promoting tourism. He noted the State's and this City's beauty. He talked about legislation at the State that would help promote our State and talked about the roadblocks. He wondered if there were any attempts at compromise to bring common interests together. He wanted to know if there was anything that they could do to enhance this opportunity.

Mr. D'Alessandro talked about the bill and its history. Two years ago this bill had come up in the legislature and POVA opposed it. He explained why. The Oregon Lodging Association compromised and let the local lodging tax be increased. He talked about the investment and the incredible return. He talked about governments targeting the hotels to tax.

Councilor Monroe asked if there was any room for compromise. He wanted to see the bill pass but asked what they could do. Mr. D'Alessandro talked about the broad based support for the bill. The lodging groups felt they had already compromised.

Councilor Park said this committee had done a very good job. It has been a very difficult time with financial surprises. They had built back that support. He acknowledged Jeff Stone's contribution as well. There was some finish up business and he wanted to know if they would meet one more time. Mr. LaCrosse said they would be willing to meet again to finish up anything that was necessary.

Councilor Newman thanked them for their efforts. He asked if it was unusual for a convention center to be profitable or was it understood subsidies would need to continue? Mr. D'Alessandro explained what the convention center did for the community. Subsidy was the industry standard.

Council President Bragdon thanked them and talked about the real challenge in operating the center while under construction. Mr. D'Alessandro invited all to tour the facility.

6. CONSENT AGENDA

6.1 Consideration of minutes of the February 13, 2003 Regular Council Meetings.

Motion:	Councilor Hosticka moved to adopt the meeting minutes of the February 13, 2003, Regular Metro Council meeting.

Vote:	Councilors Hosticka, Burkholder, Monroe, Newman, and Council President Bragdon voted in support of the motion. The vote was 5 aye/1abstain, the motion passed with Councilor Park abstaining from the vote.

7. ORDINANCES - FIRST READING

7.1 **Ordinance No. 03-995,** For the Purpose of Amending the FY 2003-03 Budget and Appropriations Schedule by Transferring $3,500,000 from Contingency to the Debt Service Account, Authorizing Defeasance of Certain Solid Waste Revenue Bonds, and Declaring an Emergency.

Council President Bragdon assigned Ordinance No. 03-995 to Council.

8. RESOLUTIONS

8.1 **Resolution No. 03-3275,** For the Purpose of Granting an Easement to Oregon Department of Transportation for non-park use through Metro Property in Canemah Bluff.

Motion:	Councilor Monroe moved to adopt Resolution No. 03-3275.
Seconded:	Councilor Newman seconded the motion

Councilor Monroe explained the reasons for the resolution, He urge support.

Councilor Burkholder asked about preserving the bluff in its natural condition. He also asked about property across the river. What was the impact on the natural area and the disturbance in the area? Was this easement meeting our goals?

Mr. Jim Morgan, Parks and Greenspaces Department, said the wire mesh screening was not typical. It would be visible but not as visible as some of the previous installations. The anchoring would occur over the cliff. They had been working with the engineer to make it as aesthetic as possible. They had the area appraised. He spoke to fair market value and what was being paid for. It would have minimal impact. Most of the valuable resources were on the cliffs above.

Councilor Hosticka asked if the easement was for the purpose of the mesh only. Mr. Morgan said the easement allowed them to do what was necessary to make sure the rock face was safe. He explained what it would mean to grant the easement. Councilor Hosticka read the easement grant portion of the resolution. Mr. Morgan corrected himself and said it was for the sole purpose of the mesh. Councilor Burkholder said he was still uncomfortable with this easement. He made suggestions about what he would have liked to see from ODOT. He felt that there was a cost to Metro.

Councilor Monroe said there were times you had to make compromises. He felt that this was an appropriate compromise to protect the citizens who used the highway. He urged support.

Councilor Park asked Mr. Fjordbeck, Senior Assistant Counsel, what was our liability in this decision. Mr. Fjordbeck said it released Metro from liability. Joel Mortan, Senior Assistant Counsel, said he thought there would be liability if we choose to do nothing.

Vote:	Councilors Park, Hosticka, Burkholder, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 7 aye, the motion passed.

9. COUNCILOR COMMUNICATION

Councilor Newman said this morning he met with Congresswoman Hooley and other individuals about a service lane on I-205. She was looking into funding. It had been discussed at Joint Policy Advisory Committee on Transportation as well.

10. ADJOURN

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 3:31 p.m.

Prepared by

Chris Billington
Clerk of the Council

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF FEBRUARY 20, 2003

ITEM #	TOPIC	DOC DATE	DOCUMENT DESCRIPTION	DOC. NUMBER
6.1	MINUTES	02/13/03	METRO COUNCIL MINUTES OF FEBRUARY 20, 2003 SUBMITTED FOR APPROVAL	022003C-01
4.0	REPORT	2002	TO: METRO COUNCIL FROM: METRO REGIONAL PARKS AND GREENSPACES RE: 2002 VOLUNTEER SERVICES REPORT	022003C-02
4.0	VOLUNTEER ACTIVITIES	SPRING 2003	TO: METRO COUNCIL FROM: METRO REGIONAL PARKS AND GREENSPACES RE: METRO REGIONAL PARKS AND GREENSPACES SPRING 2003 VOLUNTEER ACTIVITIES	022003C-03
3.0	POWER POINT PRESENTA-TION	2/20/03	TO: METRO COUNCIL FROM: AIM HIGH SCHOOL RE: AIM HIGH SCHOOL AND METRO POWELL BOULEVARD SURVEY PROJECT	022003C-04

Metro Council –
Chris Billington,
for the Record

Quarterly Report
Second Quarter, FY 2002-03
through December 31, 2002

Metro Quarterly Report

METRO

PEOPLE PLACES
OPEN SPACES

Prepared by:
Financial Planning Division
Finance Department

022703c-02

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1542 | FAX 503 797 1793

METRO

February 27, 2003

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

Dear Council President Bragdon:

I am pleased to present Metro's Quarterly Financial Report for the second quarter of the 2002-03 fiscal year. In this report we have continued to provide information on Metro's financial status on a quarterly basis. The report summarizes revenue and expenditure performance for each fund, in a format that shows current revenues as well as operating and non-operating expenditures. There is also information regarding excise taxes through December 31, 2002 and an estimate of total excise tax receipts to be received through the end of the fiscal year.

Second quarter results are generally routine, although discretionary excise tax receipts are slightly below budget. Enterprise revenues overall are about where they should be through the second quarter. However, four areas will be watched closely to see if trends continue through the second half of the year.

- Excise tax generated by REM operations shows a continued trend toward more activity at non-Metro facilities and less at Metro's facilities. The second quarter projection includes four months of receipts for non-Metro facilities, due to lag time in collections. Based on projections, it appears both Metro and non-Metro facilities will exceed the excise tax amounts budgeted for the year. The amount of any excess goes to a rate stabilization reserve in the General Fund.
- The dollar amount received in Zoo enterprise revenues is higher than last year but per-cap spending is down from previous years.
- MERC's enterprise revenues are higher both in dollar amount and as a percentage of budget from the first half of last year; however, revenues are projected to come in under budget for the year.
- Revenues generated by the various park facilities are slightly higher than the first half of last year in both dollar amount and as a percentage of budget.

The financial status of the General Fund and in particular, the excise tax, is of extreme importance to the agency. Excise tax collections are monitored monthly for unusual activity, and receipts are forecasted quarterly. As of the second quarter, the overall excise tax collections were more than the amount budgeted. Solid Waste collections were higher than expected, and if this trend continues will result in an additional contribution to the Excise Tax Rate Stabilization Reserve in the General Fund in the amount of about $346,000. Regional Parks' collections were slightly higher than expected, but the excise tax generation for the Oregon Zoo, the Oregon Convention Center, and the smaller funds are all down. If these trends continue the result is a projected shortfall in discretionary excise tax revenue for the fiscal year of $78,658, or about .8%.

The actual FY 2002-03 beginning fund balance for the General Fund is about $309,000 higher than budgeted. This includes a $63,000 contribution to the Excise Tax Rate Stabilization Reserve at the end of FY 2001-02. The increase of $246,000 in the undesignated beginning fund balance helps to offset the projected excise tax shortfall from non-solid waste activity. At this time, we have made no attempt to forecast Council Office spending because transition related issues are not yet finalized.

Interest earnings appear significantly higher than budgeted, but this is the result of accounting entries that are necessary to comply with GASB 31 regulations. Additional entries through the year will offset the posting of first quarter earnings that appear higher than budgeted. The actual yield on Metro's pooled cash investments through the second quarter has been around 2.2 percent, slightly higher than the 1.5 percent budgeted. However, monthly yields are declining and were around 1.9% for December.

Interfund transfers, both in and out of funds, can skew a fund's overall financial picture. In FY 2002-03, two procedural changes in the management of transfers have made true comparisons to previous years difficult in these areas.

- Previously, all transfers for risk management costs were made from departments on July 1st of each year. To ease the strain on individual fund cash balances and to help maximize interest earnings for the departments, these transfers are now made on a quarterly basis.
- Almost all General Fund excise tax transfers are made to departments on a monthly basis. However, we are more closely monitoring the fund's cash balance to ensure it never becomes negative. As a result, transfers for the month of September were suspended to allow the cash balance in the General Fund to grow to an acceptable level. The first two quarters represent five months of transfers instead of the usual six months. By the end of December 2002, the fund's cash balance had recovered sufficiently to allow for September's transfers to be made in January 2003.

At this time, no unusual expenditure trends have been identified; however, those areas that are closely related to the economy or the weather are being monitored monthly for significant changes. The continuing possibility of war, sluggish economic performance nationally, and the State of Oregon's revenue crisis all contribute to uncertainty in forecasting Metro's finances.

The report also includes four capital funds, the largest being the Convention Center Project Capital Fund. Approximately 58 percent of the remaining $46 million carried over into FY 2002-03 has been spent on this project through the second quarter. Although this spending pattern may seem low the project remains on time. Capital spending in the other three funds – Zoo Capital Fund, MERC Pooled Capital Fund, and Open Spaces Fund – is low through the second quarter. This is the combination of scheduling delays (projects at PCPA), timing of when projects were to begin (OCC upgrade projects scheduled to begin in the 3rd and 4th quarters), and the willing seller nature of the Open Spaces Fund.

Any comments or suggestions on how this summary, or the document in general, could be improved would be very welcome. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

Casey Short

Casey Short
Chief Financial Officer & Director, Finance Department

METRO

Table of Contents

OPERATING FUNDS

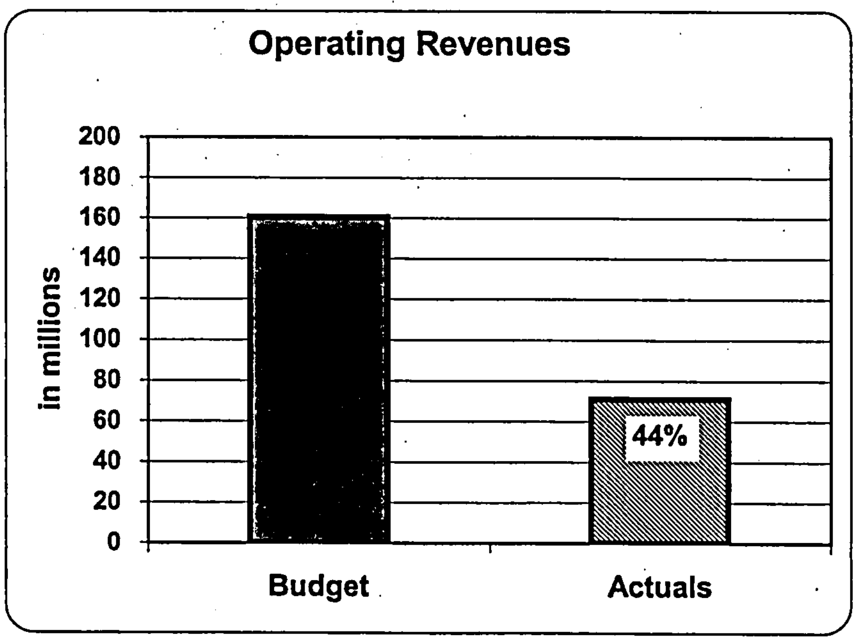
Operating Funds

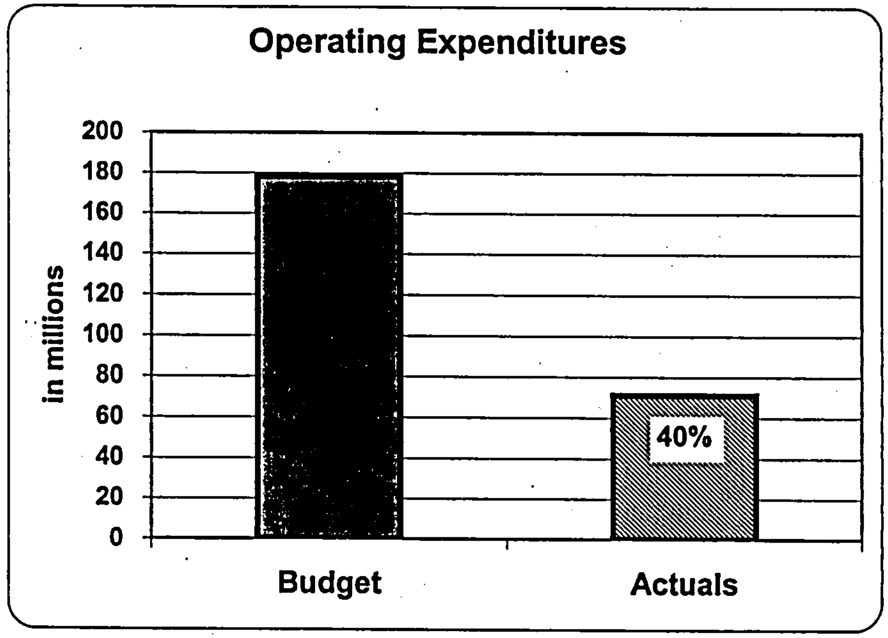
Operating funds are those funds that contain the revenues and expenditures associated with Metro services. As a general rule, they are the funds where personal services expenditures are charged. Contained within this section is a budget-to-actual summary providing information regarding each fund's activity through the end of the second quarter of fiscal year 2002-03. Also included is the same information for the corresponding period for last fiscal year. Along with the numerical information there is a brief explanation, by classification, of the revenues and expenditures in each fund.

All beginning fund balances have been adjusted to reflect the actual audited ending fund balance for FY 2001-02.

The funds have been grouped by type: general government, enterprise, or internal service to provide for a better understanding of the different operations at Metro. The general government funds are the General, Planning, and Regional Parks funds. The enterprise funds include MERC Operating, Solid Waste Revenue, and Zoo Operating funds. The internal service funds are the Building Management, Risk Management, and Support Services funds.

The following tables show the annual budgeted revenues and expenditures compared to actual through the second quarter (shown in millions).





General Fund

The General Fund was established to track revenues and expenditures for all general government functions. This includes the Metro Council, former Office of the Executive Officer and their staffs. The General Fund is supported by an excise tax on the purchase of Metro goods and services. Outlined below is an explanation of the activities in the General Fund through the second quarter of FY 2002-03.

Revenues

Excise Tax - A tax upon the purchase of Metro goods and services. The taxes received through the end the second quarter are slightly above budget, though the discretionary excise tax is projected to be slightly below budget. Additional information regarding this tax is available in the Excise Tax section of this document, beginning on page 32.

Interfund Transfers In – Transfers come from departments for certain allocated costs in the Council and Executive offices. The total amounts are determined through the cost allocation plan.

Expenditures

Council Office – Expenditures for the Council office are overstated by $25,535 and will be adjusted in the third quarter. Adjusting for this error, the Council office is at 50% of budget through the end of the second quarter. Forecasting year-end expenditures for this department is very difficult due to the uncertainty surrounding the transition. Expenditures in this department will be closely monitored through the end of the fiscal year to ensure we stay within budget.

Office of the Executive Officer – Spending is at 42% of budget for this department through the end of the second quarter. Although the position of Executive Officer was eliminated in the transition on January 6th, the budgeted appropriation for the Office of the Executive Officer remains. Transition related expenses, as well as salary for staff formerly in the Office of the Executive Officer is charged against this appropriation. Actual expenditures for this appropriation will be monitored and will continue to be included in the Quarterly Report under the Executive Office through the end of the fiscal year.

Special Appropriations - Budgeted expenditures include a $250,000 special appropriation for election costs, $75,000 for public notice costs required under Ballot Measure 56, $18,000 for Water Consortium dues, $30,000 for Chief Operations Officer recruitment costs and $40,000 in Metro governance transition costs. Actual expenditures for special appropriations through the second quarter totaled $36,895, including $13,575 for Water Consortium dues and $23,320 in transition expenses.

Interfund Transfers Out - This category includes transfers to the central service funds to pay for services allocated through the cost allocation plan. Central service transfers are made monthly, quarterly, or semi-annually depending on the type. Also included in this category are monthly transfers of excise tax to various operating funds. The General Fund is monitored to ensure there is sufficient cash balance before excise tax transfers are made. In September, it was determined cash balances were insufficient, and no excise tax transfers were made. As a result, excise tax transfers were only made in five out of the first six months of the fiscal year and Interfund Transfers Out year to date are below budget.

General Fund

As of December 31, 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$979,000		$1,288,482	132%	$1,015,280		$1,097,033	108%
Current Revenues								
Metro Excise Tax	9,577,258	2,519,510	4,709,901	49%	7,937,199	1,896,754	3,715,449	47%
Intergovernmental Revenue	0	0	0	0%	9,000	0	0	0%
Enterprise Revenue	0	0	(6)	0%	25,000	1,050	1,077	4%
Earnings on Investments	15,000	5,880	20,781	139%	35,000	9,073	21,401	61%
Donations	0	0	0	0%	150,000	26,500	26,500	18%
Other Miscellaneous Revenue	0	120	136	0%	0	150	300	0%
Interfund Transfers In	981,063	245,268	490,536	50%	1,682,833	420,708	841,416	50%
Subtotal Current Revenues	10,573,321	2,770,778	5,221,348	49%	9,839,032	2,354,235	4,606,143	47%
Total Resources	$11,552,321		$6,509,830	56%	$10,854,312		$5,703,176	53%
Requirements								
Operating Expenditures								
Council Office	$1,540,583	$438,446	$793,351	51%	$1,446,355	$314,246	$635,351	44%
Office of the Executive Officer	915,789	214,385	388,497	42%	1,664,028	291,344	579,762	35%
Special Appropriations	413,000	18,014	36,895	9%	542,500	0	15,000	3%
Subtotal Operating Expenditures	2,869,372	670,845	1,218,744	42%	3,652,883	605,590	1,230,113	34%
Non-Operating Expenditures								
Interfund Transfers Out	7,954,020	1,803,847	3,198,188	40%	6,887,365	1,378,695	2,943,746	43%
Contingency	500,000	0	0	0%	150,000	0	0	0%
Subtotal Non-Operating Expenditures	8,454,020	1,803,847	3,198,188	38%	7,037,365	1,378,695	2,943,746	42%
Subtotal Current Expenditures	$11,323,392	$2,474,692	$4,416,932	39%	$10,690,248	$1,984,285	$4,173,859	39%
Unappropriated Balance	228,929		2,092,898		164,064		1,529,317	
Total Requirements	$11,552,321		$6,509,830		$10,854,312		$5,703,176	

Planning Fund

The Planning Fund was established to track the revenues and expenditures associated with the Transportation and Growth Management activities. As outlined in the Metro Charter, growth management and land-use planning are the primary missions of the agency. The information outlined below provides an explanation of the activities in the Planning Fund through the second quarter of FY 2002-03.

Revenues

Grants – The majority of funding comes from federal, state and local grants. Grant revenues are usually received on a reimbursement basis and recording of grant revenues typically lags one to two months behind expenditures. Also, since the adoption of the budget, several areas, such as the Transit Oriented Development program, the Damascus/Sunrise Corridor planning project, the South Corridor final environmental impact statement, and the Longitudinal Panel project, have seen significant changes due to delays in the program, reductions in funding or the inability to secure funding. Changes in these four areas have resulted in a reduction of anticipated grant funding of over 40 percent or approximately $6.25 million

Enterprise Revenue – This category primarily includes revenues generated through the Data Resource Center. Included are subscriptions with private entities or local jurisdictions and revenues generated through storefront sales. Revenues received through the second quarter are low as billings for contractual and subscriptions work typically lag one to two months behind expenditures.

Interfund Transfers – Includes transfers of excise tax from the General Fund as well as transfers for direct services from other Metro departments. Excise tax transfers are received monthly providing the General Fund cash flow permits. Direct transfers are made as expenses are incurred. Through the second quarter five months of excise tax has been received.

Expenditures

Personal Services - Expenditures are as expected through the end of the second quarter at 48 percent.

Materials & Services – The majority budgeted for this expenditure category is tied to the purchase of TOD lands or the direct receipt of grant funds. TOD land purchases are made as appropriate lands become available. Two TOD land purchases were made during the second quarter. Other major expenditures through the second quarter were for South Corridor Environmental Impact Statement and the Transportation Investment Task Force. Other major expenditures related to the consultant and intergovernmental agreements for the South Corridor Final Environmental Impact Statement (FEIS) are in the process of being finalized and will be reflected in the last six months of the fiscal year.

Debt Service - Debt service payments for capital leases for computer equipment.

Capital Projects – Expected capital expenditures are for the completion of the TRANSIMS computer purchase originally authorized in FY 2001-02.

Interfund Transfers Out – This category includes transfers to the central service funds to pay for services allocated through the cost allocation plan, as well as the second installment on repayment of an interfund loan from Regional Environmental Management for the TRANSIMS purchase. Central service transfers are made monthly, quarterly, or semi-annually depending on the type. These transfers are as anticipated through the end of the second quarter.

Planning Fund

As of December, 31 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$655,143		$1,999,360	305%	$357,366		$1,999,360	559%
Current Revenues								
Grants	15,114,738	806,770	1,174,282	8%	15,225,077	4,192,292	4,257,552	28%
Local Gov't Shared Revenue	0	3,500	7,035	0%	0	7,650	7,650	0%
Enterprise Revenue	502,570	111,388	137,005	27%	769,743	109,342	257,481	33%
Earnings on Investments	0	8,656	46,181	0%	116,840	31,108	58,169	50%
Other Miscellaneous Revenue	14,536	42	49	0%	551,756	(216)	11,184	2%
Internal Service Transfers	4,822,312	1,178,549	2,035,391	42%	4,740,174	1,198,892	2,190,420	46%
Subtotal Current Revenues	20,454,156	2,108,904	3,399,943	17%	21,403,590	5,539,068	6,782,456	32%
Total Resources	$21,109,299		$5,399,303	26%	$21,760,956		$8,781,816	40%
Requirements								
Operating Expenditures								
Personal Services	$6,677,575	$1,625,896	$3,209,621	48%	$6,470,183	$1,543,870	$3,053,332	47%
Materials and Services	11,204,773	735,068	819,460	7%	12,090,205	297,300	1,848,289	15%
Capital Outlay Projects (non-CIP)	0	0	0	0%	15,200	0	0	0%
Subtotal Operating Expenditures	17,882,348	2,360,964	4,029,082	23%	18,575,588	1,841,170	4,901,621	26%
Non-Operating Expenditures								
Debt Service	40,773	38,972	40,772	100%	47,453	44,467	47,452	100%
Capital Outlay Projects (CIP)	72,000	0	0	0%	300,000	(282)	6,396	2%
Interfund Transfers Out	2,711,625	529,826	1,302,767	48%	2,415,337	446,810	1,170,050	48%
Contingency	402,553	0	0	0%	122,578	0	0	0%
Subtotal Non-Operating Expenditures	3,226,951	568,798	1,343,539	42%	2,885,368	490,995	1,223,898	42%
Subtotal Current Expenditures	$21,109,299	$2,929,762	$5,372,621	25%	$21,460,956	$2,332,165	$6,125,519	29%
Unappropriated Balance	0		26,681		300,000		2,656,296	
Total Requirements	$21,109,299		$5,399,303		$21,760,956		$8,781,816	

Regional Parks Fund

The Regional Parks Fund was established to track the revenues and expenditures related to the operations of the parks, golf courses, marine facilities, pioneer cemeteries and open spaces managed by Metro. The information listed below provides an explanation of the activities in this fund through the second quarter of FY 2002-03.

Revenues

Grants – Budgeted grant revenues include $230,000 from the State Marine Board for capital improvements at the M. James Gleason Boat Ramp and $250,000 in U.S. Fish & Wildlife Service grants for Greenspaces grants program. The U.S. Fish & Wildlife Service was billed $110,710 in February for expenses during the first half of the year. The Gleason Boat Ramp project has been delayed until FY 2003-04 because of land use delays.

Intergovernmental Revenues – The funds received are Metro's share of the revenues received by the State from the registration fees for recreational vehicles and County marine fuel taxes. Receipts from the State usually lag one to two months. The second quarter receipts are in line with expectations.

Enterprise Revenues – Represents revenues received for the use of Metro Regional Parks and golf course. Receipts for the first half of the year are higher than expected in the area of grave sales and services, property rentals, and golf revenues. Other revenues are on target.

Contributions and Donations – The FY 2002-03 budget assumes a $297,230 capital donation from GSR, the Glendoveer Golf Course operator, for renovation at the golf course. Improvements are complete and have been recorded. Through the second quarter, several small operating donations have also been received.

Interfund Transfers In – Interfund transfers received include excise tax revenue received from the General Fund and transfers from the Open Spaces Fund for former Multnomah County local share projects managed by the Regional Parks Department. Excise tax transfers are made on a monthly basis, as cash flow in the General Fund permits. Through the second quarter, the department has received five months of excise tax transfers from the General Fund. Transfers made from the Open Spaces Fund are made as expenditures for the Multnomah County local share projects are incurred; there were no such transfers in the first half of the year.

Expenditures

Personal Services - Expenditures were as expected through the end of the second quarter at 51 percent of budget. This expenditure rate is in line with expectations and historical trends.

Materials and Services – This expenditure is at 43 percent of budget through the second quarter. This is normal, with these expenditures traditionally coming later in the year.

Capital Outlay - The expenditures in this classification were for the purchase of a vehicle for the new park ranger in the natural resources program.

Capital Projects - The Parks & Greenspaces Department manages Multnomah County's portion of the Local Share Funding approved by the Open Spaces Ballot Measure. The expenditures are for improvements. Detailed descriptions of planned projects are in the adopted CIP. The majority of expenses to date represent the booking of improvements at Glendoveer Golf Course.

Interfund Transfers Out – Interfund transfer expense primarily represents transfers to central service funds for allocated costs as well as a small transfer of excise tax to the Smith and Bybee Lakes Fund. Central Service transfers are made either monthly, quarterly, or semi-annually depending on type. Expenses through the second quarter are as expected.

Regional Parks Fund

As of December 31, 2002

	Amended Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$3,565,847		$3,422,429	96%	$3,172,863		$3,422,429	108%
Current Revenues								
Grants	614,500	0	0	0%	1,225,909	14,125	14,125	1%
Intergovernmental Revenues	380,800	97,935	183,727	48%	385,500	131,162	168,487	44%
Enterprise Revenues	2,181,508	478,327	1,456,217	67%	2,141,922	412,302	1,332,637	62%
Earnings on Investments	51,930	11,547	51,328	99%	162,000	36,065	72,069	44%
Contributions and Donations	373,600	354,182	368,032	99%	447,300	100,332	118,637	27%
Other Miscellaneous Revenues	500	4,368	6,583	1317%	0	3,334	4,692	0%
Interfund Transfers In	3,268,824	571,743	947,611	29%	2,975,022	246,607	489,668	16%
Subtotal Current Revenues	6,871,662	1,518,103	3,013,498	44%	7,337,653	943,927	2,200,315	30%
Total Resources	$10,437,509		$6,435,927	62%	$10,510,516		$5,622,745	53%
Requirements								
Operating Expenditures								
Personal Services	$2,957,227	$684,420	$1,498,559	51%	$2,669,381	$587,733	$1,255,719	47%
Materials and Services	2,063,824	624,228	894,601	43%	1,720,152	380,076	649,140	38%
Capital Outlay Projects (non-CIP)	18,500	0	18,111	98%	75,000	19,698	64,432	86%
Subtotal Operating Expenditures	5,039,551	1,308,648	2,411,271	48%	4,464,533	987,507	1,969,291	44%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	1,195,541	319,588	352,000	29%	2,505,626	104,057	126,298	5%
Interfund Transfers Out	1,239,703	289,455	593,928	48%	998,475	205,136	520,763	52%
Contingency	218,819	0	0	0%	175,885	0	0	0%
Subtotal Non-Operating Expenditures	2,654,063	609,043	945,928	36%	3,679,986	309,193	647,061	18%
Subtotal Current Expenditures	$7,693,614	$1,917,691	$3,357,198	44%	$8,144,519	$1,296,700	$2,616,352	32%
Unappropriated Balance	2,743,895		3,078,729		2,365,997		3,006,393	
Total Requirements	$10,437,509		$6,435,927		$10,510,516		$5,622,745	

MERC Operating Fund

The MERC Operating Fund contains the operating revenues and expenditures of the facilities managed by the Metro Exposition-Recreation Commission (MERC). These facilities include the Oregon Convention Center (OCC), the Portland Metropolitan Exposition Center (Expo), and the Portland Center for the Performing Arts (PCPA). The fund also includes MERC Administration. The information outlined below provides an explanation of the activities in this fund through the second quarter of FY 2002-03.

Revenues

Intergovernmental Revenue –The FY 02-03 Budget includes $8.02 million in Multnomah County Lodging Tax, with $6.19 million for Convention Center operations and $1.83 million for PCPA. Lodging Tax is expected to come in slightly higher than budget by year-end. Only 26% has been received to date. Budgeted Intergovernmental Revenue also contains contributions from the City of Portland to support the operation of PCPA for $315,000. These funds have not yet been received for this Fiscal Year, which is normal for the second quarter.

Enterprise Revenue – This classification consists of revenue that is received for the services provided by the different facilities. The $9.3 million received for the year is 44% of budget

Expo Center – While year to date enterprise revenue is about 36% of budget and is about what is expected due to the seasonality in revenue generation, it is expected that Expo Center will miss its revenue target.

Oregon Convention Center – At about 43% of budget, enterprise revenues are up from the prior year but down from budget. Overall revenues for OCC are expected to be about 8% lower than budget at year-end.

Portland Center for the Performing Arts – Year to date revenues are almost 53% of budget. Based on booked events, and on projected business, PCPA is expected to meet its revenue target.

Expenditures

Expo Center – With Operating Revenues at $2.1 million (36.4% of budget) and Operating Expenditures at $1.6 million (37.6% of budget), the Expo Center revenue results are consistent with second quarter activity in prior years. Decreased expenditures over FY 2001-02 are the result of cost containment and several fewer shows. Expo is expected to meet net operating numbers through cost containment that will offset less than targeted revenue performance.

Oregon Convention Center – With Operating Revenues over $6.4 million (37.1% of budget) and Operating Expenditures at $8.2 million (48.7% of budget), net operating results are lower than budgeted but an improvement over the prior year. Only 20% of Hotel Motel taxes have been received.

Portland Center for the Performing Arts – With Operating Revenues over $3.2 million (53.7% of budget) and Operating Expenditures at $3.2 million (54% of budget), PCPA net is on par with expectations. Expenditures are overstated in personal services. (Staff that is budgeted in the MERC Pooled Capital Fund was charged against this fund in the first quarter.) This will be corrected by journal entry in third quarter. PCPA is expected to meet budget.

MERC Administration – Expenditures for the second quarter are lower than expected due to savings in M&S.

Capital Projects -All of the Capital Outlay budget for MERC has been moved to the MERC Pooled Capital Fund.

MERC Operating Fund

As of December 31, 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$13,596,822		$12,769,627	94%	$17,203,608		$15,012,405	87%
Current Revenues								
Intergovernmental Revenue	8,016,509	2,101,591	2,101,591	26%	6,752,109	1,678,940	1,678,940	25%
Enterprise Revenue	21,383,358	5,394,301	9,328,598	44%	18,809,322	4,812,266	8,030,366	43%
Earnings on Investments	165,426	28,820	148,947	90%	830,469	89,199	224,760	27%
Contributions and Donations	315,180	0	0	0%	668,000	0	0	0%
Other Miscellaneous Revenue	77,000	8,260	47,259	61%	68,000	9,503	37,058	54%
Interfund Transfers In	110,000	34,674	65,122	59%	205,000	48,266	81,888	40%
Subtotal Current Revenues	30,067,473	7,567,645	11,691,516	39%	27,332,900	6,638,174	10,053,013	37%
Total Resources	$43,664,295		$24,461,143	56%	$44,536,508		$25,065,418	56%
Requirements								
Operating Expenditures								
Expo Center	$4,315,069	$1,106,889	$1,620,676	38%	$4,243,318	$1,152,242	$1,641,385	39%
Oregon Convention Center	16,747,889	4,962,812	8,156,979	49%	14,539,800	3,552,946	6,668,456	46%
Portland Center for the Performing Arts	5,986,915	1,824,808	3,231,949	54%	6,218,365	1,699,831	2,941,838	47%
MERC Administration	1,194,340	247,425	497,665	42%	1,177,055	251,911	497,399	42%
Subtotal Operating Expenditures	28,244,213	8,141,935	13,507,269	48%	26,178,538	6,656,930	11,749,078	45%
Non-Operating Expenditures								
Debt Service	310,694	2,000	15,074	5%	17,700	780	1,097	6%
Capital Outlay Projects (CIP)	0	0	0	0%	0	5,500	5,500	0%
Interfund Transfers Out	4,793,294	470,157	928,121	19%	3,956,232	1,909,991	2,488,711	63%
Contingency	1,223,769	0	0	0%	713,020	0	0	0%
Subtotal Non-Operating Expenditures	6,327,757	472,158	943,195	15%	4,686,952	1,916,271	2,495,309	53%
Subtotal Current Expenditures	$34,571,970	$8,614,093	$14,450,465	42%	$30,865,490	$8,573,202	$14,244,386	46%
Unappropriated Balance	9,092,325		10,010,679		13,671,018		10,821,032	
Total Requirements	$43,664,295		$24,461,143		$44,536,508		$25,065,418	

Solid Waste Revenue Fund

The Solid Waste Revenue Fund was established to track revenues and expenditures associated with the collection, recovery, and disposal of waste within the Metro boundary. The Regional Environmental Management (REM) department manages this fund. The information listed below provides an explanation of the activities in this fund for the second quarter of FY 2002-03.

Revenues

Enterprise Revenue – Enterprise revenue for FY 02-03 second quarter is lower than budgeted, mainly due to a 5 percent tonnage decrease from the October forecast at Metro facilities. Overall, regional tonnage is the same as the October forecast, as non-Metro tonnage increased 5 percent.

Miscellaneous Revenue – This classification mainly includes pass-through debt service receipts, cash over and short, and fines.

Interfund Transfers In – Budgeted Interfund Transfers are for direct costs related to the Rehabilitation and Enhancement Fund, and for repayment of an interfund loan to the Planning Fund.

Expenditures

Personal Services – These expenditures year-to-date are as expected, at 48 percent of budget.

Materials and Services – The decline from budget in tonnage disposed of at Metro facilities contributes to lower Materials and Services spending.

Capital Outlay – Expenditures in this classification are for minor repairs to REM facilities as well as the purchase of equipment for use by the department. Expenditures match the expected timing of capital purchases.

Debt Service – Funds are for the repayment of the bonds sold to finance the construction of the Metro Central Transfer Station and the Riedel Compost Facility.

Capital Projects – Capital project expenditures are lower than expected, and lower than the same time in the prior year. REM is currently reviewing the scheduling of their major capital projects.

Interfund Transfers Out - The planned transfers to central service funds for allocated costs are within expectations for the year.

Solid Waste Revenue Fund

As of December 31, 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$38,081,459		$39,823,811	105%	$41,528,326		$43,610,662	105%
Current Revenues								
Grants	100,000	5,746	6,245	6%	0	0	0	0%
Enterprise Revenue	49,507,131	12,342,304	23,674,217	48%	49,358,176	11,286,755	22,729,488	46%
Earnings on Investments	752,300	142,244	553,129	74%	1,937,500	471,566	849,812	44%
Other Miscellaneous Revenue	365,000	24,778	49,001	13%	365,000	41,645	71,931	20%
Interfund Transfers In	141,418	0	0	0%	150,050	0	0	0%
Subtotal Current Revenues	50,865,849	12,515,072	24,282,592	48%	51,810,726	11,799,966	23,651,231	46%
Total Resources	$88,947,308		$64,106,403	72%	$93,339,052		$67,261,893	72%
Requirements								
Operating Expenditures								
Personal Services	$8,256,217	$2,011,855	$3,977,176	48%	$7,954,207	$1,858,441	$3,709,317	47%
Materials and Services	38,083,939	8,722,784	14,842,082	39%	39,009,462	8,303,926	14,701,811	38%
Capital Outlay Projects (non-CIP)	499,000	82,616	118,849	24%	1,091,500	270,401	408,051	37%
Subtotal Operating Expenditures	46,839,156	10,817,255	18,938,107	40%	48,055,169	10,432,768	18,819,179	39%
Non-Operating Expenditures								
Debt Service	3,013,951	21,842	1,411,290	47%	4,038,546	38,644	2,459,499	61%
Capital Outlay Projects (CIP)	7,094,607	560,207	791,142	11%	5,200,430	463,105	894,695	17%
Interfund Transfers Out	4,210,036	918,924	1,930,848	46%	4,443,461	980,522	1,899,160	43%
Contingency	12,106,622	0	0	0%	12,380,152	0	0	0%
Subtotal Non-Operating Expenditures	26,425,216	1,500,973	4,133,280	16%	26,062,589	1,482,271	5,253,355	20%
Subtotal Current Expenditures	$73,264,372	$12,318,229	$23,071,386	31%	$74,117,758	$11,915,039	$24,072,533	32%
Unappropriated Balance	15,682,936		41,035,017		19,221,294		43,189,359	
Total Requirements	$88,947,308		$64,106,403		$93,339,052		$67,261,893	

Zoo Operating Fund

The Zoo Operating Fund was established to track the revenues and expenditures associated with the operations of the Oregon Zoo. Capital projects at the Zoo are budgeted in the Zoo Capital Fund. The information listed below provides an explanation of the financial activity in this fund through the second quarter of FY 2002-03.

Revenues

Real Property Taxes – Revenues from the voter-approved operating levy. The majority of the taxes are received in the second quarter. Other delinquent taxes are received throughout the year. It is expected that actual revenues will not meet the planned revenues by $90,000 due to a lower than anticipated growth in assessed value in Multnomah County.

Grant Revenues – The Zoo received a federal grant from the Institute of Museum and Library Services for special programs. The funds from this grant are received on a reimbursement basis.

Enterprise Revenues – Revenues received from admissions, catering, concessions and retail sales at the Oregon Zoo. While attendance is up over 6% from projected, per-cap spending on retail and concessions is down. As a result, total revenues are 1.2% lower than budgeted projections for this time of year. These revenues are being monitored very closely in light of recent economic changes.

Donations – Donations received from the Friends of the Zoo, corporations and others to assist with the operations of the Zoo. Historically, donations were received at the end of the fiscal year. Beginning this year, donations from the Friends of the Zoo are received on a monthly basis, and therefore higher than second quarter of last year.

Miscellaneous Revenue – This classification consists of miscellaneous revenue, including the sale of fixed assets, fines and forfeitures, and cash over and short.

Expenditures

Operating expenditures through the end of the second quarter were 2.4% below projected budget. These expenditures will be monitored closely throughout the fiscal year to avoid potential over-expenditure.

Personal Services –Expenditures through the end of the quarter are as expected through this time of year.

Materials and Services – Expenditures are as expected through the end of the quarter. Significant expenditures will occur later during the busy spring and early summer season.

Capital Outlay - Expenditures for minor repairs to Zoo facilities as well as the purchase of equipment for use by the department. Expenditures are as planned through the second quarter.

Capital Outlay CIP Projects – The Zoo planned for a full upgrade of its telephone/communications equipment this year. The majority of that work was completed in the first half of the year.

Interfund Transfers Out - Transfers to central service funds for allocated costs and debt service. The transfers are as anticipated through the end of the second quarter.

Zoo Operating Fund

As of December 31, 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$6,314,624		$6,543,031	104%	$6,658,925		$6,543,031	98%
Current Revenues								
Real Property Taxes	8,493,666	7,198,795	7,232,268	85%	7,917,640	6,897,078	6,926,628	87%
Grants	56,000	22,304	36,367	65%	0	34,063	34,063	0%
Enterprise Revenue	12,343,488	1,686,146	6,600,617	53%	11,037,798	1,402,214	6,274,546	57%
Earnings on Investments	92,469	21,856	102,380	111%	355,554	72,290	150,491	42%
Contributions and Donations	1,288,000	482,983	643,054	50%	865,855	114,990	136,708	16%
Other Miscellaneous Revenue	26,756	12,148	27,456	103%	3,500	15,489	26,967	770%
Interfund Transfers In	0	0	0	0%	350,000	0	0	0%
Subtotal Current Revenues	22,300,379	9,424,233	14,642,143	66%	20,530,347	8,536,122	13,549,403	66%
Total Resources	$28,615,003		$21,185,174	74%	$27,189,272		$20,092,434	74%
Requirements								
Operating Expenditures								
Personal Services	$12,837,648	$2,848,599	$6,326,391	49%	$12,381,321	$2,834,382	$6,293,475	51%
Materials and Services	7,559,649	1,510,709	3,488,004	46%	7,944,131	1,523,475	3,459,648	44%
Capital Outlay Projects (non-CIP)	474,200	925	73,838	16%	234,000	51,201	110,799	47%
Subtotal Operating Expenditures	20,871,497	4,360,233	9,888,233	47%	20,559,452	4,409,058	9,863,921	48%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	150,000	18,341	138,810	93%	0	0	0	0%
Interfund Transfers Out	2,619,680	547,680	1,095,360	42%	2,565,813	892,378	1,605,097	63%
Contingency	990,681	0	0	0%	0	0	0	0%
Subtotal Non-Operating Expenditures	3,760,361	566,021	1,234,170	33%	2,565,813	892,378	1,605,097	63%
Subtotal Current Expenditures	$24,631,858	$4,926,253	$11,122,403	45%	$23,125,265	$5,301,436	$11,469,018	50%
Unappropriated Balance	3,983,145		10,062,771		4,064,007		8,623,416	
Total Requirements	$28,615,003		$21,185,174		$27,189,272		$20,092,434	

Building Management Fund

The Building Management Fund was established to track the revenues and expenditures related to the operations of the Metro Regional Center and attached parking structure. This fund is an internal service fund and as such receives transfers from other portions of the agency as its primary revenue source. The information listed below provides an explanation of the activities in this fund through the second quarter of FY 2002-03.

Revenues

Enterprise Revenues - These revenues are received from parking fees and rental income. The agreement with MERC to manage the parking within the parking structure continues in this fiscal year. These revenues have been higher than anticipated through the end of the second quarter. Lease revenues are lower than anticipated due to the vacancy in the plaza building.

Interfund Transfers In - Indirect transfers received through the end of the second quarter reflect the timing of transfers to meet the requirements of the fund. The fund also receives transfers from the General Revenue Bond Fund to pay for capital projects.

Expenditures

Personal Services - Expenditures are as anticipated through the end of the second quarter.

Materials and Services - The purchases from this classification are within expectations through the end of the second quarter. The budgeted amount provides for unforeseen repair needs which have not been needed this quarter.

Capital Outlay – This classification includes appropriations for minor repair and remodeling for Metro Regional Center and acquisition of building maintenance equipment. In FY 2002-03, this includes projects for partial replacement of the carpet and replacement of the security system.

Interfund Transfers Out – These transfers are made to the General Revenue Bond Fund to cover the debt service requirements for the Metro Regional Center and parking structure.

Building Management Fund

As of December 31, 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$1,516,205		$1,504,368	99%	$1,351,319		$1,462,113	108%
Current Revenues								
Enterprise Revenue	528,526	145,740	281,987	53%	574,127	125,956	247,909	43%
Earnings on Investments	22,762	4,552	22,942	101%	54,709	12,891	26,662	49%
Other Miscellaneous Revenue	0	9	9	0%	0	(4,199)	29,226	0%
Interfund Transfers In	2,274,322	106,406	1,057,169	46%	2,023,507	58,490	966,760	48%
Subtotal Current Revenues	2,825,610	256,708	1,362,108	48%	2,652,343	193,138	1,270,557	48%
Total Resources	$4,341,815		$2,866,475	66%	$4,003,662		$2,732,670	68%
Requirements								
Operating Expenditures								
Personal Services	$278,942	$67,630	$132,751	48%	$245,496	$50,334	$102,551	42%
Materials and Services	615,760	120,506	218,073	35%	590,552	141,970	240,160	41%
Capital Outlay	138,150	44,043	46,043	33%	65,000	222	222	0%
Subtotal Operating Expenditures	1,032,852	232,179	396,867	38%	901,048	192,526	342,933	38%
Non-Operating Expenditures								
Interfund Transfers Out	1,715,506	0	1,149,954	67%	1,703,436	0	1,123,483	66%
Contingency	40,000	0	0	0%	0	0	0	0%
Subtotal Non-Operating Expenditures	1,755,506	0	1,149,954	66%	1,703,436	0	1,123,483	66%
Subtotal Current Expenditures	$2,788,358	$232,179	$1,546,821	55%	$2,604,484	$192,526	$1,466,416	56%
Unappropriated Balance	1,553,457		1,319,654		1,399,178		1,266,254	
Total Requirements	$4,341,815		$2,866,475		$4,003,662		$2,732,670	

Risk Management Fund

The Risk Management Fund was established to track the revenues and expenditures of insurance related activities at Metro. This fund is an internal service fund and as such receives transfers from other portions of the agency as its primary revenue source. The information listed below provides an explanation of the activities through the second quarter of FY 2002-03.

Revenues

Grants - The $10,000 grant budgeted for this fund is from the State of Oregon to pay for modifications to work areas required by Worker's Compensation claims for injured employees. These grant funds have not been needed this year.

Enterprise Revenues - Payments by departments for unemployment and health and welfare insurance. Departments pay these charges as a part of the fringe benefits paid per employee. These revenues are less than anticipated at this time of year due to the timing of payments for health insurance.

Miscellaneous Revenues - To balance health care costs in the budget, an amount was projected in Miscellaneous Revenue for employees' contributions to health insurance costs. It was subsequently determined that these contributions should not pass through Metro, for accounting reasons. These contributions will not be reflected in the Risk Management Fund.

Interfund Transfers In - Budgeted transfers for the costs allocated through the cost allocation plan. In prior years, these transfers were made in full in the first quarter, but are now made quarterly to ease cash flow in the contributing Funds.

Expenditures

Personal Services - The expenditures in this classification are for the staff that administer the Risk Management programs.

Materials and Services - Included in this classification are the payments of insurance premiums and other costs associated with the Risk Management functions of the agency. Some of these expenditures will be made later this fiscal year.

Risk Management Fund

As of December 31, 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$7,153,523		$6,835,805	96%	$6,937,317		$7,190,938	104%
Current Revenues								
Grants	10,000	0	0	0%	10,000	0	0	0%
Enterprise Revenue	5,131,533	1,322,340	1,911,848	37%	4,215,200	1,292,143	2,098,889	50%
Earnings on Investments	100,000	23,992	112,207	112%	428,610	79,327	152,162	36%
Other Miscellaneous Revenue	405,000	0	2,041	1%	370,000	48	9,260	3%
Interfund Transfers In	694,017	173,507	347,014	50%	694,017	0	694,017	100%
Subtotal Current Revenues	6,340,550	1,519,839	2,373,110	37%	5,717,827	1,371,518	2,954,329	52%
Total Resources	$13,494,073		$9,208,915	68%	$12,655,144		$10,145,267	80%
Requirements								
Operating Expenditures								
Personal Services	$308,290	$70,451	$148,369	48%	$298,528	$71,963	$146,599	49%
Materials and Services	7,521,188	1,478,913	2,700,687	36%	6,064,561	1,502,584	2,720,034	45%
Subtotal Operating Expenditures	7,829,478	1,549,365	2,849,056	36%	6,363,089	1,574,548	2,866,633	45%
Non-Operating Expenditures								
Contingency	500,000	0	0	0%	400,000	0	0	0%
Subtotal Non-Operating Expenditures	500,000	0	0	0%	400,000	0	0	0%
Subtotal Current Expenditures	$8,329,478	$1,549,365	$2,849,056	34%	$6,763,089	$1,574,548	$2,866,633	42%
Unappropriated Balance	5,164,595		6,359,859		5,892,055		7,278,634	
Total Requirements	$13,494,073		$9,208,915		$12,655,144		$10,145,267	

Support Services Fund

The Support Services Fund is an internal service fund established to track the revenues and expenditures of the departments and programs that provide services to the entire agency. As an internal service fund, transfers from other funds, as determined through the cost allocation plan, support the activities in this fund. The information outlined below provides an explanation of the activities in this fund through the second quarter of FY 2002-03.

Revenues

Enterprise Revenue – This revenue is received from the Contractors Business License program. This program allows qualified contractors to purchase one license that covers all jurisdictions within the Metro boundary. Revenues are lower than expected through the second quarter, reflecting the economic status of the region and related construction activity.

Interfund Transfers In - Transfers from other funds to support the activities in this fund. The total amount is determined through the cost allocation plan.

Expenditures

Administrative Services - This department manages the financial services and property services of the agency. The operating expenditures for this department are as anticipated through the end of the second quarter.

Human Resources - This department provides human resource services for the entire agency. Expenditures are as expected due to projects being scheduled later in the fiscal year.

Information Technology - This department provides information technology services throughout Metro. Expenditures are higher than anticipated due to one-time purchases in the first quarter.

Office of General Counsel - This department provides legal counsel to all departments within the agency, the Executive Office, and the Metro Council. Expenditures are as expected at this point in the fiscal year.

Office of Citizen Involvement - This office is shared by the Council Office and the Office of the Executive Officer and is no longer in the Support Services Fund. It is now in the General Fund.

Office of the Auditor - This office provides auditing services to the agency. The expenditures for this department are slightly lower than expected due to some projects that are scheduled to begin later in the fiscal year.

Creative Services – This department provides communications products and tools to the agency. Expenditures are as expected at this point in the fiscal year.

Debt Service - The debt service payments are for capital leases on computer equipment.

Capital Projects - Capital Projects budgeted in this fund are all for Information Technology. Through the end of the second quarter, these expenditures are only at 29% of budget. Additional projects scheduled for completion in the second half of the fiscal year include server management, network infrastructure upgrades and enterprise application software upgrades. It is anticipated all of the $180,000 budgeted will be necessary to complete these projects.

Interfund Transfers Out - These transfers include transfers for indirect costs as allocated through the cost allocation plan for the Support Services departments' use of Building Management and Risk Management services.

Support Services Fund

As of December 31, 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$1,114,549		$1,023,045	92%	$1,102,786		$1,023,045	93%
Current Revenues								
Enterprise Revenue	572,091	109,776	200,423	35%	467,201	74,970	162,861	35%
Earnings on Investments	12,555	4,639	28,616	228%	53,989	12,224	21,942	41%
Other Miscellaneous Revenue	0	906	1,475	0%	0	2,341	2,526	0%
Interfund Transfers In	9,475,383	2,312,832	4,625,664	49%	9,986,258	2,445,777	4,891,554	49%
Subtotal Current Revenues	10,060,029	2,428,153	4,856,177	48%	10,507,448	2,535,312	5,078,883	48%
Total Resources	$11,174,578		$5,879,222	53%	$11,610,234		$6,101,928	53%
Requirements								
Operating Expenditures								
Administrative Services	$3,567,835	$732,165	$1,452,330	41%	$3,335,594	$655,241	$1,343,688	40%
Human Resources	935,620	201,992	393,610	42%	851,604	184,962	360,702	42%
Information Technology	2,607,013	520,978	1,352,569	52%	2,086,588	415,360	1,048,900	50%
Office of General Counsel	1,228,910	288,028	538,438	44%	1,137,827	247,815	516,527	45%
Office of Citizen Involvement	0	0	0	0%	65,226	15,146	30,360	47%
Office of the Auditor	678,792	189,303	318,097	47%	630,411	159,972	282,985	45%
Creative Services	577,672	142,728	273,926	47%	0	0	0	0%
Subtotal Operating Expenditures	9,595,842	2,075,195	4,328,970	45%	8,107,250	1,678,496	3,583,163	44%
Non-Operating Expenditures								
Debt Service	38,060	36,250	38,059	100%	49,867	38,472	49,844	100%
Capital Outlay Projects (CIP)	180,000	22,895	51,495	29%	454,000	2,915	65,783	14%
Interfund Transfers Out	668,900	38,113	309,452	46%	2,296,177	436,864	1,147,726	50%
Contingency	471,628	0	0	0%	369,134	0	0	0%
Subtotal Non-Operating Expenditures	1,358,588	97,258	399,006	29%	3,169,178	478,252	1,263,353	40%
Subtotal Current Expenditures	$10,954,430	$2,172,453	$4,727,976	43%	$11,276,428	$2,156,747	$4,846,515	43%
Unappropriated Balance	220,148		1,151,246		333,806		1,255,413	
Total Requirements	$11,174,578		$5,879,222		$11,610,234		$6,101,928	

CAPITAL FUNDS

Capital Funds

There are four capital funds included in this section: the Open Spaces Fund, the Zoo Capital Fund, the Convention Center Project Capital Fund and the MERC Pooled Capital Fund. Each of these funds was established to track the revenues and expenditures related to major capital projects or capital improvements at Metro facilities.

- Open Spaces Fund – open spaces land purchases
- Zoo Capital Fund – Great Northwest Project, as well as other Zoo capital projects
- Convention Center Capital Fund – original construction of OCC and the new expansion project
- MERC Pooled Capital Fund – major capital renewal and replacement needs for all the MERC facilities

Open Spaces Fund

This fund is used to account for bond proceeds and expenditures related to the open spaces, parks and streams bonds. The information outlined below provides an explanation of the activities in this fund through the second quarter of FY 2002-03.

Revenues

Interest Earnings – The interest earned on the remaining bond proceeds provides a portion of the resources that support the open spaces program.

Enterprise Revenue – This represents revenue received from other jurisdictions for providing real estate services. The department currently has contracts with the City of Gresham, Tualatin Hills Parks and Recreation District and the City of Portland Parks and Recreation Bureau.

Expenditures

Personal Services – Expenditures in this classification are for the staffing that is required for the open space acquisition services, including the due diligence staff. Expenditures were as anticipated through the second quarter.

Materials and Services – The major expenditures in this classification, payments of local share funds to local jurisdictions, are paid as requests are received for reimbursement.

Capital Projects - Expenditures are for the purchase of land. Actual expenditures are subject to negotiations with landowners.

Interfund Transfers Out - Transfers out of the Open Spaces Fund include expenditures for Multnomah County local share projects and for central services. Local share transfers are made quarterly as expenses are incurred. Central service transfers are made monthly, quarterly, or semi-annually depending on type.

Open Spaces Fund

As of December 31, 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$15,152,519		$15,737,420	104%	$26,022,985		$27,338,023	105%
Current Revenues								
Grants	0	0	0	0%	9,000	5,000	5,000	56%
Contributions from Governments	0	20,000	20,000	0%	300,000	0	0	0%
Enterprise Revenue	0	15,723	17,468	0%	0	0	0	0%
Earnings on Investments	127,500	121,617	201,723	158%	1,284,986	179,550	697,419	54%
Donations	0	0	0	0%	562,000	0	0	0%
Other Miscellaneous Revenues	0	0	0	0%	0	10	10	0%
Subtotal Current Revenues	127,500	157,340	239,191	188%	2,155,986	184,561	702,429	33%
Total Resources	$15,280,019		$15,976,611	105%	$28,178,971		$28,040,452	100%
Requirements								
Operating Expenditures								
Personal Services	$978,179	$237,093	$480,337	49%	$1,343,681	$308,020	$611,082	45%
Materials and Services	4,480,082	295,048	847,910	19%	4,997,145	358,228	570,922	11%
Subtotal Operating Expenditures	5,458,261	532,141	1,328,247	24%	6,340,826	666,247	1,182,004	19%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	6,880,000	1,077,564	1,889,373	27%	15,282,000	2,238,389	4,800,344	31%
Interfund Transfers Out	1,218,408	122,729	244,856	20%	1,973,146	151,029	300,041	15%
Contingency	223,350	0	0	0%	4,582,999	0	0	0%
Subtotal Non-Operating Expenditures	8,321,758	1,200,293	2,134,229	26%	21,838,145	2,389,418	5,100,385	23%
Subtotal Current Expenditures	$13,780,019	$1,732,435	$3,462,476	25%	$28,178,971	$3,055,665	$6,282,389	22%
Unappropriated Balance	1,500,000		12,514,135		0		21,758,063	
Total Requirements	$15,280,019		$15,976,611		$28,178,971		$28,040,452	

Zoo Capital Fund

This fund is used to account for expenditures related to capital projects at the Oregon Zoo. The information outlined below provides an explanation of the activities in this fund through the end of the second quarter of FY 2002-03.

Revenues

Grants – The Oregon Zoo has been awarded a $75,000 grant from the U.S. Forest Service to be used in the construction of the Eagle Canyon Exhibit (formerly Eagle/Salmon). Disbursements will be made on a reimbursement basis. The $20,000 is the first payment on this grant.

Donations – Donations from the Friends of the Zoo, corporations and individuals to support specific capital projects at the Zoo. It is anticipated that by the end of the fiscal year the budget target will be met.

Expenditures

Capital Projects – The planned expenditures are for continued work on the Great Northwest Project and for other capital projects as identified in the CIP. The expenditures in this quarter include the Eagle Canyon portion of the Great Northwest Project.

Zoo Capital Fund

As of December 31, 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$5,581,045		$6,880,060	123%	$5,676,367		$6,880,060	121%
Current Revenues								
Grants	0	20,000	20,000	0%	0	0	0	0%
Earnings on Investments	83,715	18,089	75,830	91%	322,887	44,674	99,026	31%
Contributions and Donations	500,000	146,538	181,256	36%	500,000	148,688	153,084	31%
Miscellaneous Revenue	0	0	0	0%	0	0	225,880	0%
Subtotal Current Revenues	583,715	184,627	277,087	47%	822,887	193,362	477,990	58%
Total Resources	$6,164,760		$7,157,147	116%	$6,499,254		$7,358,050	113%
Requirements								
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	1,407,000	108,469	150,936	11%	1,574,500	250,802	417,300	27%
Contingency	500,000	0	0	0%	500,000	0	0	0%
Subtotal Non-Operating Expenditures	1,907,000	108,469	150,936	8%	2,074,500	250,802	417,300	20%
Subtotal Current Expenditures	$1,907,000	$108,469	$150,936	8%	$2,074,500	$250,802	$417,300	20%
Unappropriated Balance	4,257,760		7,006,211		4,424,754		6,940,750	
Total Requirements	$6,164,760		$7,157,147		$6,499,254		$7,358,050	

Convention Center Project Capital Fund

This fund is used to account for revenues and expenditures related to the expansion of the Oregon Convention Center. The information outlined below provides an explanation of the activities in this fund through the second quarter of FY 2002-03. This project is on schedule with a planned opening in April 2003.

Revenues

Interest Earnings – The interest earned on the revenue received from various sources. The interest generated will be used to support the project.

Expenditures

Personal Services – Expenditures are for the construction management and administrative staff associated with the project. Expenses are higher than budgeted through the second quarter as a result of salary adjustments implemented in accordance with the compensation study. A budget amendment may have to be made in this fund. The operating fund has adequate appropriation to cover these increased expenditures.

Materials and Services – These are planned expenditures in support of the project that are not classified as capital outlay.

Capital Projects - Expenditures for the construction of the expanded facility. The over-all project expenditure is low due to the construction timeline and the timing of the cash flow stream. Some $59 million was budgeted as beginning fund balance in FY 2002-03. This was more than was needed, but this large amount was carried forward to insure adequate appropriation with an uncertain cash flow stream. It is estimated there will be a project shortfall requiring the transfer of $1 million from the MERC operating fund balance to complete the expansion. More information will be available to Council in the form of a budget amendment authorizing the transfer of funds.

Interfund Transfers Out – The current year transfers for support service costs are as expected.

Convention Center Capital Project Fund

As of December 31, 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$59,352,069		$45,769,532	77%	$89,262,023		$97,433,173	109%
Current Revenues								
Earnings on Investments	252,863	15,237	644,213	255%	2,600,000	1,009,250	2,308,168	89%
Other Miscellaneous Revenue	0	0	0	0%	0	120	120	0%
Interfund Transfers In	0	13,118	14,043	0%	0	3,032	3,032	0%
Subtotal Current Revenues	252,863	28,355	658,256	260%	2,600,000	1,012,401	2,311,319	89%
Total Resources	$59,604,932		$46,427,788	78%	$91,862,023		$99,744,492	109%
Requirements								
Operating Expenditures								
Personal Services	$451,893	$106,163	$227,246	50%	$436,277	$104,425	$214,488	49%
Materials and Services	22,700	930	4,408	19%	23,200	2,106	87,034	375%
Subtotal Operating Expenditures	474,593	107,093	231,654	49%	459,477	106,530	301,522	66%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	58,928,202	15,108,831	26,024,657	44%	67,223,028	9,704,023	15,028,600	22%
Interfund Transfers Out	202,137	51,330	102,601	51%	277,228	59,255	109,083	39%
Contingency	0	0	0	0%	2,411,209	0	0	0%
Subtotal Non-Operating Expenditures	59,130,339	15,160,161	26,127,259	44%	69,911,465	9,763,278	15,137,684	22%
Subtotal Current Expenditures	$59,604,932	$15,267,254	$26,358,913	44%	$70,370,942	$9,869,808	$15,439,206	22%
Unappropriated Balance	0		20,068,875		21,491,081		84,305,286	
Total Requirements	$59,604,932		$46,427,788		$91,862,023		$99,744,492	

MERC Pooled Capital Fund

This fund is used as a reserve fund for future major capital renewal and replacement needs for all the MERC facilities. The MERC Pooled Capital Fund budgets and accounts for those projects authorized and funded through MERC's capital planning process that identifies the mission, direction, and future facility needs of all MERC facilities. The information outlined below provides an explanation of the activities in this fund through the second quarter of FY 2002-03.

Revenues

Contributions from Other Governments – The revenues in this classification consist of contributions from the City of Portland to support the capital needs of PCPA. It is anticipated these funds will be received in the second half of the year.

Interest Earnings – The interest earned on fund balance.

Interfund Transfers In – These are transfers from the three MERC facilities to cover planned capital improvements. The majority of these funds are from the Oregon Convention Center to upgrade the current facility at the same time as the facility expansion.

Expenditures

Personal Services – Expenditures in this classification are for staffing required to manage the capital projects. Expenses in this category are lower than budgeted due to an error in allocating staff from PCPA. This error will be corrected in the third quarter. PCPA staff who should have had some of their time charged to the Pooled Capital Fund were charged completely to the PCPA Operations. This is about a $140,000 error.

Materials and Services – These expenditures represent the renewal and replacement projects that are not classified as capital outlay.

Capital Projects – The majority of the projects budgeted in this classification are for PCPA and the OCC upgrades to the existing facility. Delays in projects are the result of scheduling issues at the PCPA. A major push is on to complete many of the projects in the third and fourth quarter of the fiscal year. The OCC projects were not scheduled to begin until the second and third quarter.

MERC Pooled Capital Fund

As of December 31, 2002

	Adopted Budget 2002-03	Actuals Qtr 2 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03	Amended Budget 2001-02	Actuals Qtr 2 2001-02	Actuals YTD 2001-02	YTD as % Budget 2001-02
Resources								
Beginning Fund Balance	$3,947,279		$4,663,986	118%	$5,384,174		$4,663,986	87%
Current Revenues								
Contributions from Governments	815,180	0	0	0%	300,000	128,309	128,309	43%
Earnings on Investments	26,630	14,517	66,141	248%	225,000	46,341	63,893	28%
Donations	822,421	0	0	0%	0	0	0	0%
Interfund Transfers In	1,886,278	0	0	0%	1,344,000	623,374	623,374	46%
Subtotal Current Revenues	3,550,509	14,517	66,141	2%	1,869,000	798,023	815,575	44%
Total Resources	$7,497,788		$4,730,127	63%	$7,253,174		$5,479,561	76%
Requirements								
Operating Expenditures								
Personal Services	$446,456	$17,473	$70,229	16%	$33,571	$9,381	$20,001	60%
Materials and Services	100,000	4,520	4,520	5%	645,000	472	472	0%
Capital Outlay Projects (non-CIP)	280,000	37,652	108,083	39%	0	42,634	91,167	0%
Subtotal Operating Expenditures	826,456	59,645	182,832	22%	678,571	52,486	111,641	16%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	6,486,702	161,139	262,960	4%	2,410,000	30,189	101,559	4%
Contingency	178,630	0	0	0%	928,400	0	0	0%
Subtotal Non-Operating Expenditures	6,665,332	161,139	262,960	4%	3,338,400	30,189	101,559	3%
Subtotal Current Expenditures	$7,491,788	$220,784	$445,792	6%	$4,016,971	$82,676	$213,200	5%
Unappropriated Balance	6,000		4,284,335		3,236,203		5,266,361	
Total Requirements	$7,497,788		$4,730,127		$7,253,174		$5,479,561	

EXCISE TAX

Excise Tax

This section of the quarterly report provides a summary and analysis of the excise tax received so far in FY 2002-03. As of the second quarter, the overall excise tax collections were less than the amount budgeted. Solid Waste collections were higher than expected and if this trend continues will result in an additional contribution to the Excise Tax Rate Stabilization Reserve in the General Fund in the amount of about $340,000. Regional Parks collections were higher by $13,279. Expo Center's excise tax is about 2% higher than budget. The excise tax generation for the Oregon Zoo, the Oregon Convention Center and the smaller funds are all down resulting in a projected shortfall of unrestricted excise tax for the fiscal year of $78,658, or about 1%.

Metro's excise tax is received from users of Metro facilities and services in accordance with the Metro Charter and Metro Code. The tax is recorded as revenue in the General Fund. It supports some of the expenses of the Office of the Executive Officer and the Council Office. The tax also supports, via transfers from the General Fund, activities in the Planning and Regional Parks Departments.

The FY 2002-03 budget was adopted assuming an excise tax rate of 7.5 percent on all authorized revenues with the exception of solid waste revenues, which are calculated on a flat per ton rate. The flat per ton rate for FY 2002-03 is $6.39 per ton. This per ton rate includes the newly adopted $1.00 per ton for Regional Parks.

The table on page 36 shows a projection of the General Fund. The actual beginning fund balance is about $309,000 higher than budgeted. This includes a $63,000 contribution to the Excise Tax Rate Stabilization Reserve. The increase of $246,000 in the undesignated beginning fund balance helps to offset the projected $78,000 excise tax shortfall from non-solid waste activity. The net result for the General Fund based on second quarter activity and projections would be a reduction of some $5,500 in the fund balance.

Excise Tax Analysis

Year-to-Date:

The excise taxes received through the second quarter are higher than budgeted by about 5 percent as a result of faster collections of non-Metro facility solid waste receivables. However, projections based on year-to-date actuals indicate excise taxes available for spending will come in 0.8 percent below budget at year-end. Regional Environmental Management, Regional Parks, and the Expo generated more tax than budgeted while other departments had shortfalls. This projects to an annual shortfall of $78,658 in unrestricted excise tax. (Second quarter figures for REM Non-Metro Facilities include only four months' receipts, due to a normal lag in collections. Projecting these figures for a full year, seasonally adjusted, produces the results shown.)

- Regional Environmental Management – Actual excise tax came in higher than the budget resulting in an expected contribution to the REM Excise Tax Rate Stabilization Reserve by year-end of over $250,000.

- Oregon Zoo - The excise tax received from Zoo operations through the end of December is lower than anticipated. Attendance at the Zoo has been good, but per diem spending is low.

- Oregon Convention Center – The current economic environment as well as the September 11th events have affected the earnings for this facility, resulting in excise tax receipts that are 10 percent less than budgeted. These results are better than last year at the same time and better than first quarter results.

- Regional Parks - The excise tax received through the second quarter is slightly higher than expected.

- Expo Center - The receipts are over 2% higher than what was anticipated through the end of December.

- Planning Department - The excise tax received from the Planning Department is mostly a result of the activities of the Data Resource Center (DRC), which is somewhat lower than expected.

- Building Management - The excise tax receipts from this fund are lower than budgeted due to a vacancy in the plaza space.

Actual Receipts through Second Quarter: This chart represents actual excise tax receipts through December 31, 2002.

EXCISE TAX RECEIVED ACTUAL YTD VS PLAN YTD
December 31, 2002

	YTD Estimate	Actual	Difference	% Difference
REM Metro Facilities	1,754,911	1,835,759	80,848	4.61%
REM Non Metro Facilities	1,558,311	1,749,046	190,735	12.24%
Oregon Zoo	513,230	501,211	(12,019)	-2.34%
Oregon Convention Center	390,874	349,426	(41,448)	-10.60%
Regional Parks	98,304	111,583	13,279	13.51%
Expo Center	148,004	151,669	3,665	2.48%
Planning Fund	6,973	6,417	(556)	-7.97%
Building Management	6,203	4,790	(1,413)	-22.78%
Total YTD	**$ 4,476,810**	**$ 4,709,901**	**$ 233,091**	**5.21%**

Revised Annual Projection: This chart represents actual excise tax receipts through December 31, 2002 combined with a seasonally adjusted projection for the remainder of the fiscal year that has also been adjusted for second quarter results.

Revised Annual Forecast
as of month ending December 31, 2002

Facility/Function	FY 2002-03 Budget	Revised Annual Forecast	Difference	% Difference
REM Metro Facilities	3,329,488	3,482,876	153,388	4.61%
REM Non Metro Facilities	3,901,591	4,094,024	192,433	4.93%
Oregon Zoo	925,762	904,082	(21,680)	-2.34%
Oregon Convention Center	804,730	719,396	(85,334)	-10.60%
Regional Parks	163,613	185,715	22,102	13.51%
Expo Center	422,695	433,163	10,468	2.48%
Planning Fund	16,740	15,405	(1,335)	-7.97%
Building Management	12,639	9,760	(2,879)	-22.78%
Total YTD	**$ 9,577,258**	**$ 9,844,422**	**$ 267,164**	**2.79%**
Excise Tax Reserve	0	345,821	345,821	
Net Available Excise Tax	**$ 9,577,258**	**$ 9,498,600**	**$ (78,658)**	**-0.82%**

GENERAL FUND PROJECTION
through December 31, 2002

	Adopted Budget	Amended Budget	Estimated Actuals	$ Change from Budget	% Change
RESOURCES					
Beginning Fund Balance					
Undesignated Carryover	*669,000*	*669,000*	*915,203* (1)	*246,203*	*36.80%*
Estimated Prior Year Underspending	70,000	70,000	70,000	-	*0.00%*
Project Carryover	240,000	240,000	240,000	-	*0.00%*
Rate Stabilization Reserve	-	-	63,279	*63,279*	*n/a*
Total Beginning Fund Balance	979,000	979,000	1,288,482	309,482	*31.61%*
Current Revenues					
Excise Taxes	9,577,258	9,577,258	9,844,422 (2)	*267,164*	*2.79%*
Interest	15,000	15,000	15,000	-	*0.00%*
Transfers In	981,063	981,063	981,063	-	*0.00%*
Subtotal Current Revenues	10,573,321	10,573,321	10,840,485	*267,164*	*2.53%*
TOTAL RESOURCES	11,552,321	11,552,321	12,128,967	*576,646*	*4.99%*
REQUIREMENTS					
Operating Expenditures					
Council Office	1,540,583	1,540,583	1,540,583 (3)	-	*0.00%*
Office of the Executive Officer	915,789	915,789	915,789 (3)	-	*0.00%*
Special Appropriations	413,000	413,000	384,309 (4)	*(28,691)*	*-6.95%*
Subtotal Operating Expenditures	2,869,372	2,869,372	2,840,681	(28,691)	*-1.00%*
Non-Operating Expenditures					
Interfund Transfers Out	7,954,020	7,954,020	7,922,891	*(31,129)*	*-0.39%*
Subtotal Non-Operating Expenditures	7,954,020	7,954,020	7,922,891	(31,129)	*-0.39%*
Total Expenditures	10,823,392	10,823,392	10,763,572	(59,820)	*-0.55%*
Ending Fund Balance (Incl. Budgeted contingency)					
Rate Stabilization Reserve	-	-	*409,100*	*409,100*	*n/a*
Undesignated Reserve	*728,929*	*728,929*	*956,295*	*227,366*	*31.19%*
TOTAL REQUIREMENTS	11,552,321	11,552,321	12,128,967	576,646	*4.99%*

(1) Beginning fund balance has been adjusted to reflect the final audited FY 2001-02 ending fund balance. Significant changes from projections during FY 2001-02 include:

- *$60,000 in additional excise tax*
- *$86,000 in additional general underspending*
- *$60,000 in lower transfer costs*
- *$98,000 in lower special appropriaitons*

(2) Projection based on actuals through second quarter and historical seasonality trends. Excise tax generated from solid waste is projected to be $345,821 higher than budgeted contributing to the rate stabilization reserve. Non-solid waste generated excise tax is projected to be short $78,658.

(3) At this time, no projection of Council or Executive Office spending has been made because the structure after transition is still unknown.

(4) Includes actual expense from three counties for November 2002 election.

SPENDING vs APPROPRIATIONS

This section provides a comparison of the appropriation level with the actual spending through the end of the second quarter. The appropriation level is the legal expenditure limit as outlined in Oregon Budget Law. When expenditures are audited at the end of the fiscal year, compliance with this level of appropriations is one of the primary criteria audited.

FY 2002-2003
Budget Appropriations vs Expenditures
As of December 31, 2002

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Building Manangement Fund					
Operating Expenses (PS & M&S)	$894,702	$894,702	$350,824	39.21%	$543,878
Capital Outlay	138,150	138,150	46,043	33.33%	92,107
Interfund Transfers	1,715,506	1,715,506	1,149,954	67.03%	565,552
Contingency	40,000	40,000	0	0.00%	40,000
Unappropriated Balance	1,553,457	1,553,457	0	0.00%	1,553,457
Total Fund Requirements	**$4,341,815**	**$4,341,815**	**$1,546,821**	**35.63%**	**$2,794,994**
Convention Center Capital Fund					
Operating Expenses (PS & M&S)	$474,593	$474,593	$231,654	48.81%	$242,939
Capital Outlay	58,928,202	58,928,202	26,024,657	44.16%	32,903,545
Interfund Transfers	202,137	202,137	102,601	50.76%	99,536
Total Fund Requirements	**$59,604,932**	**$59,604,932**	**$26,358,913**	**44.22%**	**$33,246,019**
General Fund					
Council Office					
Operating Expenses (PS & M&S)	$1,540,583	$1,540,583	$793,351	51.50%	$747,232
	1,540,583	1,540,583	793,351	51.50%	747,232
Office of the Executive Officer					
Operating Expenses (PS & M&S)	915,789	915,789	388,497	42.42%	527,292
	915,789	915,789	388,497	42.42%	527,292
Special Appropriations					
Materials & Services	413,000	413,000	36,895	8.93%	376,105
	413,000	413,000	36,895	8.93%	376,105
General Expenses					
Interfund Transfers	7,954,020	7,954,020	3,198,188	40.21%	4,755,832
Contingency	500,000	500,000	0	0.00%	500,000
	8,454,020	8,454,020	3,198,188	37.83%	5,255,832
Unappropriated Balance	228,929	228,929	0	0.00%	228,929
Total Fund Requirements	**$11,552,321**	**$11,552,321**	**$4,416,932**	**38.23%**	**$7,135,389**

FY 2002-2003
Budget Appropriations vs Expenditures
As of December 31, 2002

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
General Obligation Debt Service Fund					
Materials & Services	$0	$0	$351,022	0.00%	(351,022)
Debt Service	18,759,603	18,759,603	9,932,722	52.95%	8,826,881
Unappropriated Balance	10,130,939	10,130,939	0	0.00%	10,130,939
Total Fund Requirements	**$28,890,542**	**$28,890,542**	**$10,283,744**	**35.60%**	**$18,606,798**
General Revenue Bond Fund					
Construction Account					
Capital Outlay - Metro Regional Center	$0	$28,039	$28,843	102.87%	($804)
	0	28,039	28,843	102.87%	(804)
Project Account					
Capital Outlay - Washington Park Parking Lot	188,138	188,138	0	0.00%	188,138
	188,138	188,138	0	0.00%	188,138
Debt Service Account					
Debt Service - Metro Regional Center	1,785,506	1,785,506	1,219,953	68%	565,554
Debt Service - Expo Center Hall D	1,078,865	1,078,865	1,078,865	100%	0
Debt Service - Washington Park Parking Lot	428,959	428,959	428,959	100.00%	0
	3,293,330	3,293,330	2,727,776	82.83%	565,554
General Expenses					
Interfund Transfers	110,000	110,000	0	0.00%	110,000
Contingency	300,000	300,000	0	0.00%	300,000
	410,000	410,000	0	0.00%	410,000
Unappropriated Balance	1,926,000	1,926,000	0	0.00%	1,926,000
Total Fund Requirements	**$5,817,468**	**$5,845,507**	**$2,756,619**	**47.16%**	**$3,088,888**
MERC Operating Fund					
Operating Expenses (PS & M&S)	$28,244,213	$28,244,213	$13,507,269	47.82%	$14,736,944
Debt Service	310,694	310,694	15,074	4.85%	295,620
Interfund Transfers	4,793,294	4,793,294	928,121	19.36%	3,865,173
Contingency	1,223,769	1,223,769	0	0.00%	1,223,769
Unappropriated Balance	9,092,325	9,092,325	0	0.00%	9,092,325
Total Fund Requirements	**$43,664,295**	**$43,664,295**	**$14,450,465**	**33.09%**	**$29,213,830**

FY 2002-2003
Budget Appropriations vs Expenditures
As of December 31, 2002

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
MERC Pooled Capital Fund					
Operating Expenses (PS & M&S)	$546,456	$546,456	$74,749	13.68%	$471,707
Capital Outlay	6,766,702	6,766,702	371,043	5.48%	6,395,659
Contingency	178,630	178,630	0	0.00%	178,630
Unappropriated Balance	6,000	6,000	0	0.00%	6,000
Total Fund Requirements	**$7,497,788**	**$7,497,788**	**$445,792**	**5.95%**	**$7,051,996**
Open Spaces Fund					
Operating Expenses (PS & M&S)	$5,458,261	$5,458,261	$1,328,247	24.33%	$4,130,014
Capital Outlay	6,880,000	6,880,000	1,889,373	27.46%	4,990,627
Interfund Transfers	1,218,408	1,218,408	244,856	20.10%	973,552
Contingency	223,350	223,350	0	0.00%	223,350
Unappropriated Balance	1,500,000	1,500,000	0	0.00%	1,500,000
Total Fund Requirements	**$15,280,019**	**$15,280,019**	**$3,462,476**	**22.66%**	**$11,817,543**
Planning Fund					
Operating Expenses (PS & M&S)	$17,882,348	$17,882,348	$4,029,082	22.53%	$13,853,266
Debt Service	40,773	40,773	40,772	100.00%	1
Capital Outlay	0	72,000	0	0.00%	72,000
Interfund Transfers	2,711,625	2,711,625	1,302,767	48.04%	1,408,858
Contingency	474,553	402,553	0	0.00%	402,553
Total Fund Requirements	**$21,109,299**	**$21,109,299**	**$5,372,621**	**25.45%**	**$15,736,678**
Regional Parks Fund					
Operating Expenses (PS & M&S)	$4,891,051	$5,021,051	$2,393,160	47.66%	$2,627,892
Capital Outlay	1,214,041	1,214,041	370,111	30.49%	843,930
Interfund Transfers	1,239,703	1,239,703	593,928	47.91%	645,775
Contingency	244,249	218,819	0	0.00%	218,819
Unappropriated Balance	2,743,895	2,743,895	0	0.00%	2,743,895
Total Fund Requirements	**$10,332,939**	**$10,437,509**	**$3,357,198**	**32.16%**	**$7,080,311**

FY 2002-2003
Budget Appropriations vs Expenditures
As of December 31, 2002

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Regional Parks Special Accounts Fund					
Operating Expenses (PS & M&S)	$140,100	$140,100	$104	0.07%	$139,996
Interfund Transfers	48,911	48,911	7,941	16.24%	40,970
Unappropriated Balance	304,899	304,899	0	0.00%	304,899
Total Fund Requirements	**$493,910**	**$493,910**	**$8,045**	**1.63%**	**$485,865**
Rehabilitation & Enhancement Fund					
Materials & Services	$566,752	$566,752	$158,621	27.99%	$408,131
Interfund Transfers	35,318	35,318	0	0.00%	35,318
Contingency	300,000	300,000	0	0.00%	300,000
Unappropriated Balance	1,508,582	1,508,582	0	0.00%	1,508,582
Total Fund Requirements	**$2,410,652**	**$2,410,652**	**$158,621**	**6.58%**	**$2,252,031**
Risk Management Fund					
Operating Expenses (PS & M&S)	$7,829,478	$7,829,478	$2,849,056	36.39%	$4,980,422
Contingency	500,000	500,000	0	0.00%	500,000
Unappropriated Balance	5,164,595	5,164,595	0	0.00%	5,164,595
Total Fund Requirements	**$13,494,073**	**$13,494,073**	**$2,849,056**	**21.11%**	**$10,645,017**
Smith and Bybee Lake Trust Fund					
Operating Expenses (PS & M&S)	$332,847	$332,847	$56,198	16.88%	$276,649
Capital Outlay	1,060,070	1,060,070	48,378	4.56%	1,011,692
Interfund Transfers	53,722	53,722	21,860	40.69%	31,862
Contingency	7,500	7,500	0	0.00%	7,500
Unappropriated Balance	3,601,998	3,601,998	0	0.00%	3,601,998
Total Fund Requirements	**$5,056,137**	**$5,056,137**	**$126,436**	**2.50%**	**$4,929,701**

FY 2002-2003
Budget Appropriations vs Expenditures
As of December 31, 2002

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Solid Waste Revenue Fund					
Operating Account					
Operating Expenses (PS & M&S)	$45,131,156	$45,131,156	$18,813,097	41.69%	$26,318,059
	45,131,156	45,131,156	18,813,097	41.69%	26,318,059
Debt Service Account					
Debt Service	2,663,951	2,663,951	1,370,338	51.44%	1,293,613
	2,663,951	2,663,951	1,370,338	51.44%	1,293,613
Landfill Closure Account					
Materials & Services	185,000	185,000	6,161	3.33%	178,839
Capital Outlay	2,561,800	2,561,800	134,784	5.26%	2,427,016
	2,746,800	2,746,800	140,945	5.13%	2,605,855
Renewal and Replacement Account					
Capital Outlay	2,690,707	2,690,707	523,490	19.46%	2,167,217
	2,690,707	2,690,707	523,490	19.46%	2,167,217
General Account					
Capital Outlay	2,341,100	2,341,100	251,716	10.75%	2,089,384
	2,341,100	2,341,100	251,716	10.75%	2,089,384
Master Project Account					
Debt Service	350,000	350,000	40,952	11.70%	309,048
	350,000	350,000	40,952	11.70%	309,048
Recycling Business Assistance Account					
Materials & Services	1,024,000	1,024,000	0	0.00%	1,024,000
	1,024,000	1,024,000	0	0.00%	1,024,000
General Expenses					
Interfund Transfers	4,210,036	4,210,036	1,930,848	45.86%	2,279,188
Contingency	12,106,622	12,106,622	0	0.00%	12,106,622
	16,316,658	16,316,658	1,930,848	11.83%	14,385,810
Unappropriated Balance	15,682,936	15,682,936	0	0.00%	15,682,936
Total Fund Requirements	**$88,947,308**	**$88,947,308**	**$23,071,386**	**25.94%**	**$65,875,922**

FY 2002-2003
Budget Appropriations vs Expenditures
As of December 31, 2002

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Support Services Fund					
Administrative Services/Human Resources					
Operating Expenses (PS & M&S)	$4,459,455	$4,459,455	$1,806,111	40.50%	$2,653,344
Capital Outlay	44,000	44,000	39,829	90.52%	4,171
	4,503,455	4,503,455	1,845,940	40.99%	2,657,515
Information Technology					
Operating Expenses (PS & M&S)	2,592,013	2,592,013	1,352,301	52.17%	1,239,712
Debt Service	38,060	38,060	38,059	100.00%	1
Capital Outlay	195,000	195,000	51,763	26.55%	143,237
	2,825,073	2,825,073	1,442,123	51.05%	1,382,950
Office of the Executive Officer					
Operating Expenses (PS & M&S)	577,672	577,672	273,926	47.42%	303,746
	577,672	577,672	273,926	47.42%	303,746
Office of General Counsel					
Operating Expenses (PS & M&S)	1,228,910	1,228,910	538,438	43.81%	690,472
	1,228,910	1,228,910	538,438	43.81%	690,472
Office of the Auditor					
Operating Expenses (PS & M&S)	678,792	678,792	318,097	46.86%	360,695
	678,792	678,792	318,097	46.86%	360,695
General Expenses					
Interfund Transfers	668,900	668,900	309,452	46.26%	359,448
Contingency	471,628	471,628	0	0.00%	471,628
	1,140,528	1,140,528	309,452	27.13%	831,076
Unappropriated Balance	220,148	220,148	0	0%	220,148
Total Fund Requirements	**$11,174,578**	**$11,174,578**	**$4,727,976**	**42.31%**	**$6,446,602**

FY 2002-2003
Budget Appropriations vs Expenditures
As of December 31, 2002

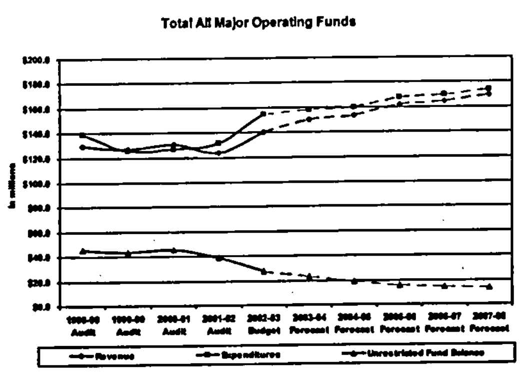
	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Zoo Capital Fund					
Capital Outlay	$1,407,000	$1,407,000	$150,936	10.73%	$1,256,064
Contingency	500,000	500,000	0	0.00%	500,000
Unappropriated Balance	4,257,760	4,257,760	0	0.00%	4,257,760
Total Fund Requirements	$6,164,760	$6,164,760	$150,936	2.45%	$6,013,824
Zoo Operating Fund					
Operating Expenses (PS & M&S)	$20,397,297	$20,397,297	$9,814,395	48.12%	$10,582,902
Capital Outlay	624,200	624,200	212,648	34.07%	411,552
Interfund Transfers	2,619,680	2,619,680	1,095,360	41.81%	1,524,320
Contingency	990,681	990,681	0	0.00%	990,681
Unappropriated Balance	3,983,145	3,983,145	0	0.00%	3,983,145
Total Fund Requirements	$28,615,003	$28,615,003	$11,122,403	38.87%	$17,492,600
Total Budget	$364,447,839	$364,580,448	$114,666,441	31.45%	$249,914,007

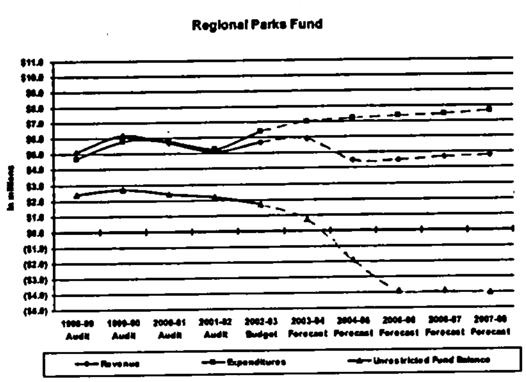
022703c-03

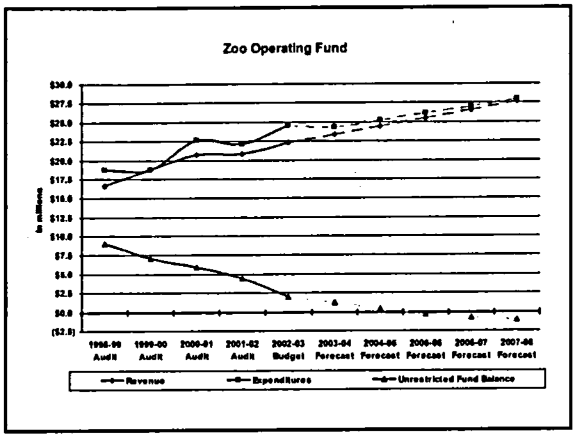
Financial Picture and Trends

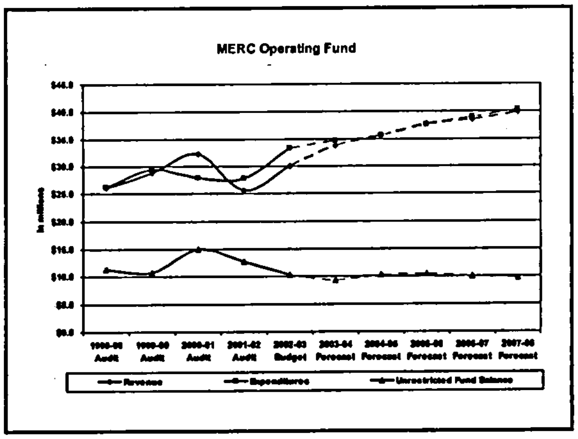
FY 1998-99 through FY 2007-08

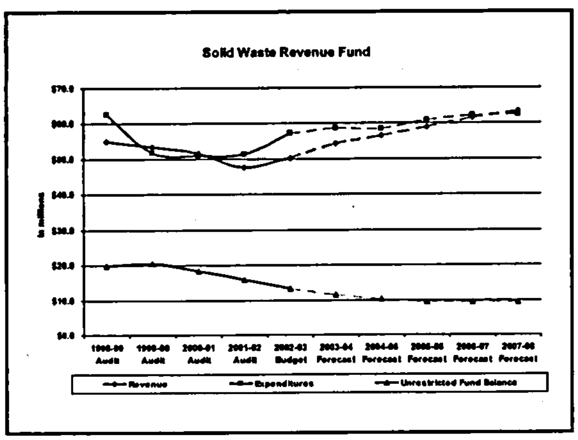
Presented February 27, 2003

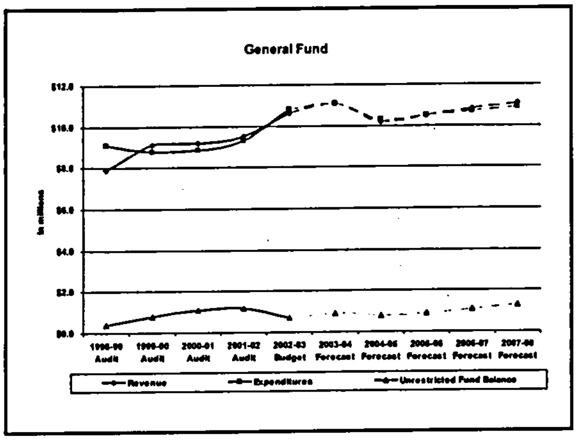


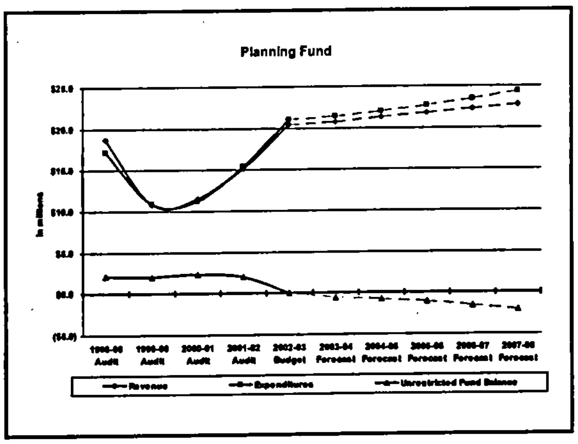


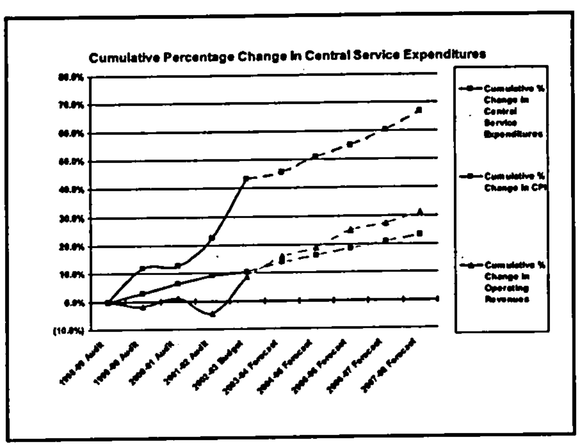

Zoo Operating Fund
In millions
Revenue
Expenditures
Unrestricted Fund Balance

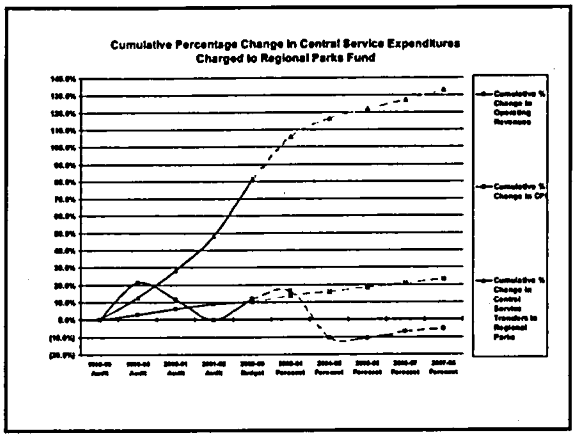

MERC Operating Fund
In millions
Revenue
Expenditures
Unrestricted Fund Balance

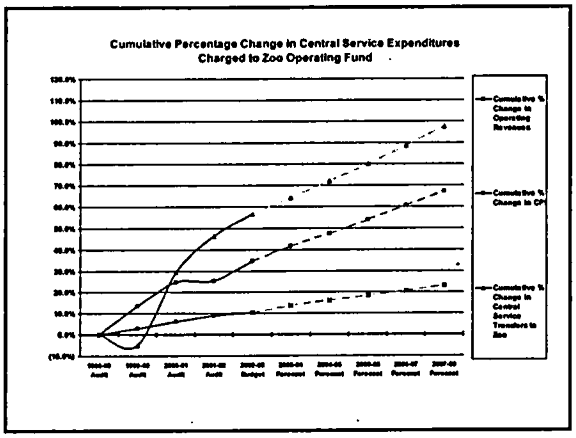

Solid Waste Revenue Fund
In millions
Revenue
Expenditures
Unrestricted Fund Balance

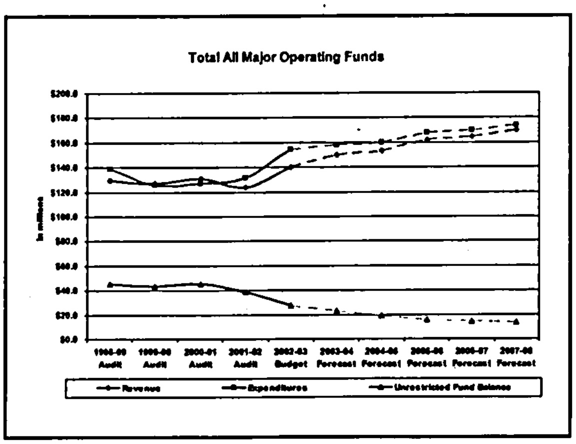

General Fund
In millions
Revenue
Expenditures
Unrestricted Fund Balance


Planning Fund
In millions
Revenue
Expenditures
Unrestricted Fund Balance


Cumulative Percentage Change in Central Service Expenditures
Cumulative % Change in Central Service Expenditures
Cumulative % Change in CPI
Cumulative % Change in Operating Revenues


Cumulative Percentage Change in Central Service Expenditures
Charged to Regional Parks Fund


Cumulative Percentage Change in Central Service Expenditures
Charged to Zoo Operating Fund


Total All Major Operating Funds
In millions
Revenue
Expenditures
Unrestricted Fund Balance

Financial Picture and Trends

FY 1998-99 through FY 2007-08

Presented February 27, 2003

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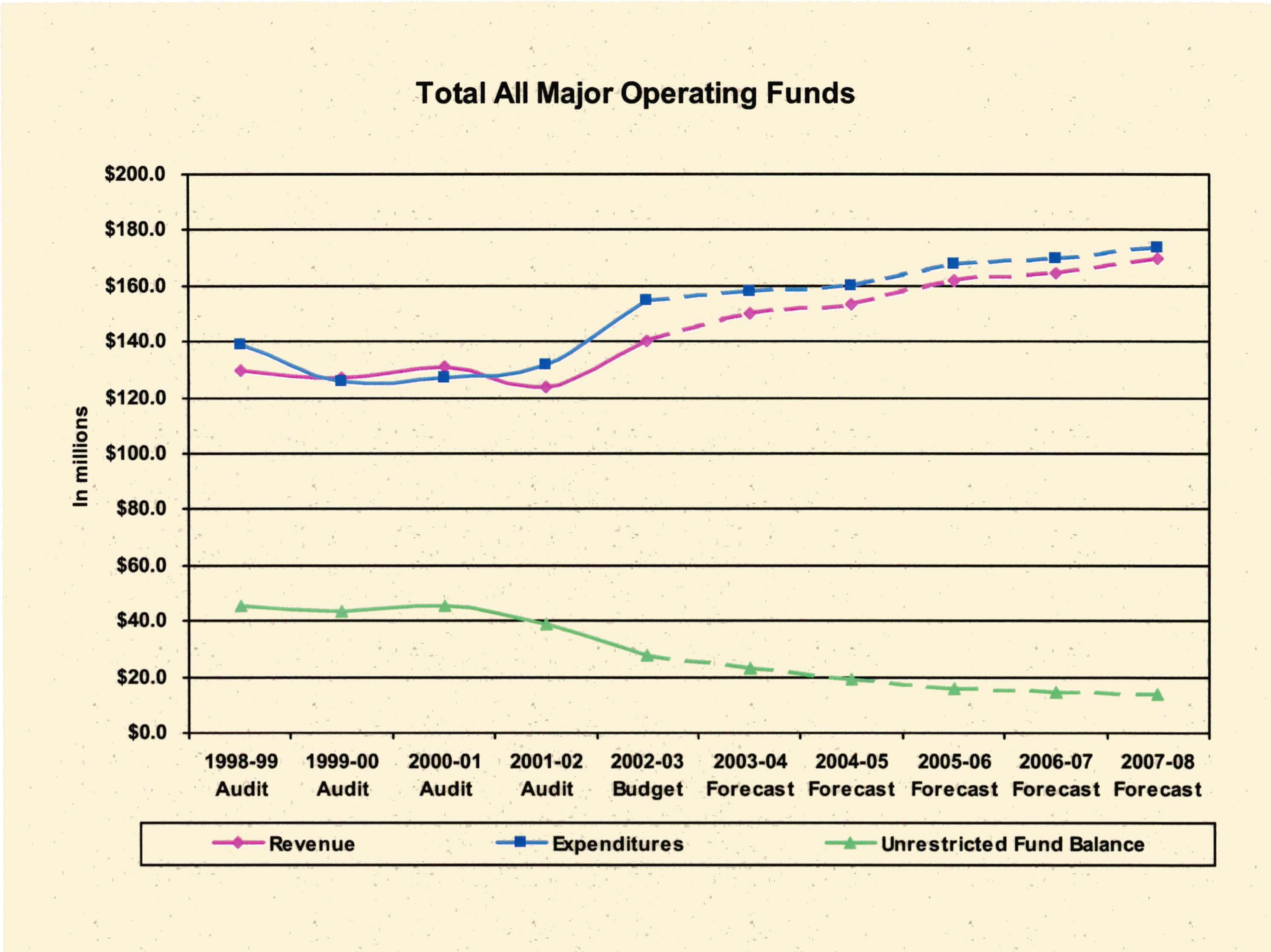
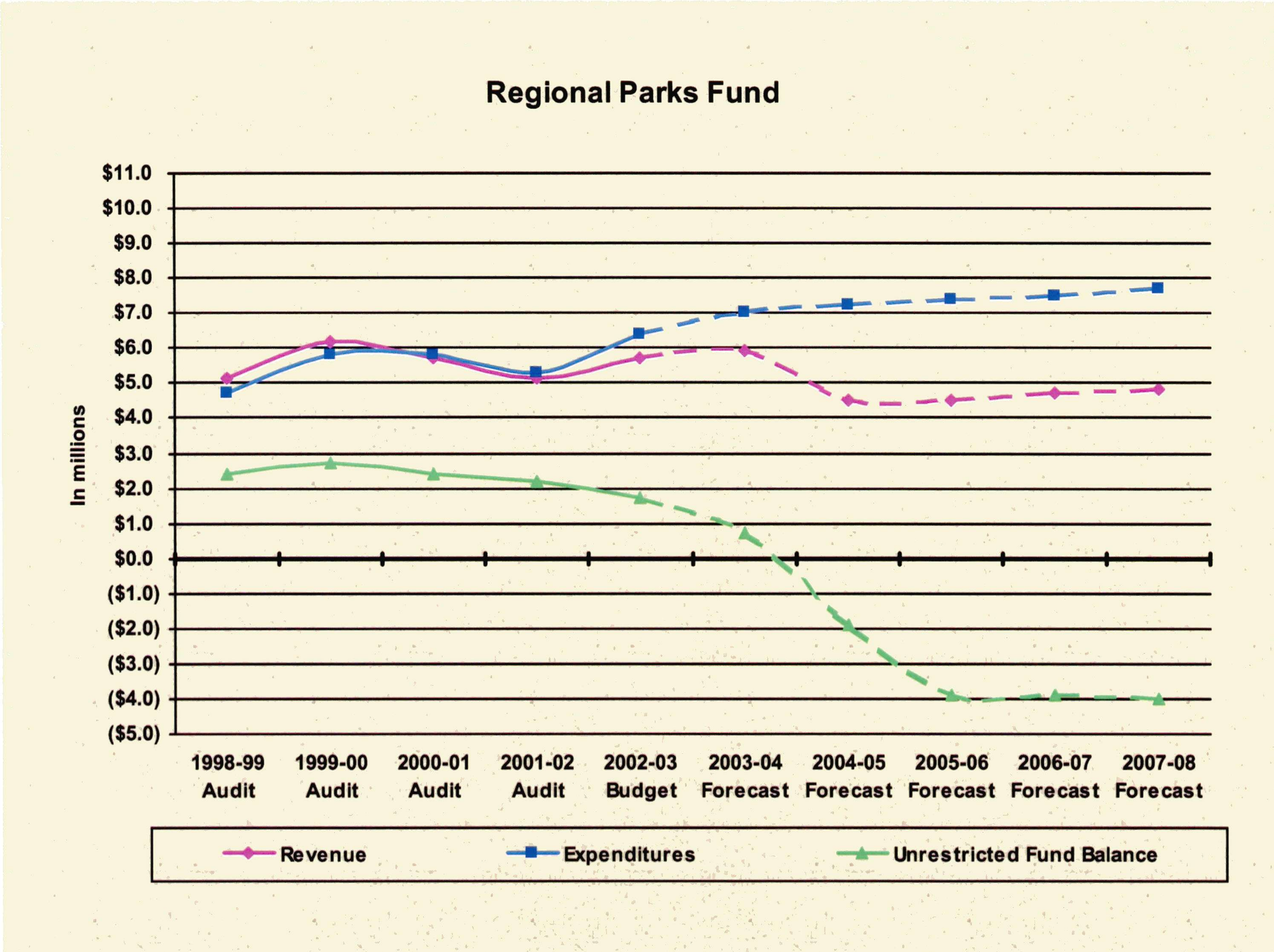
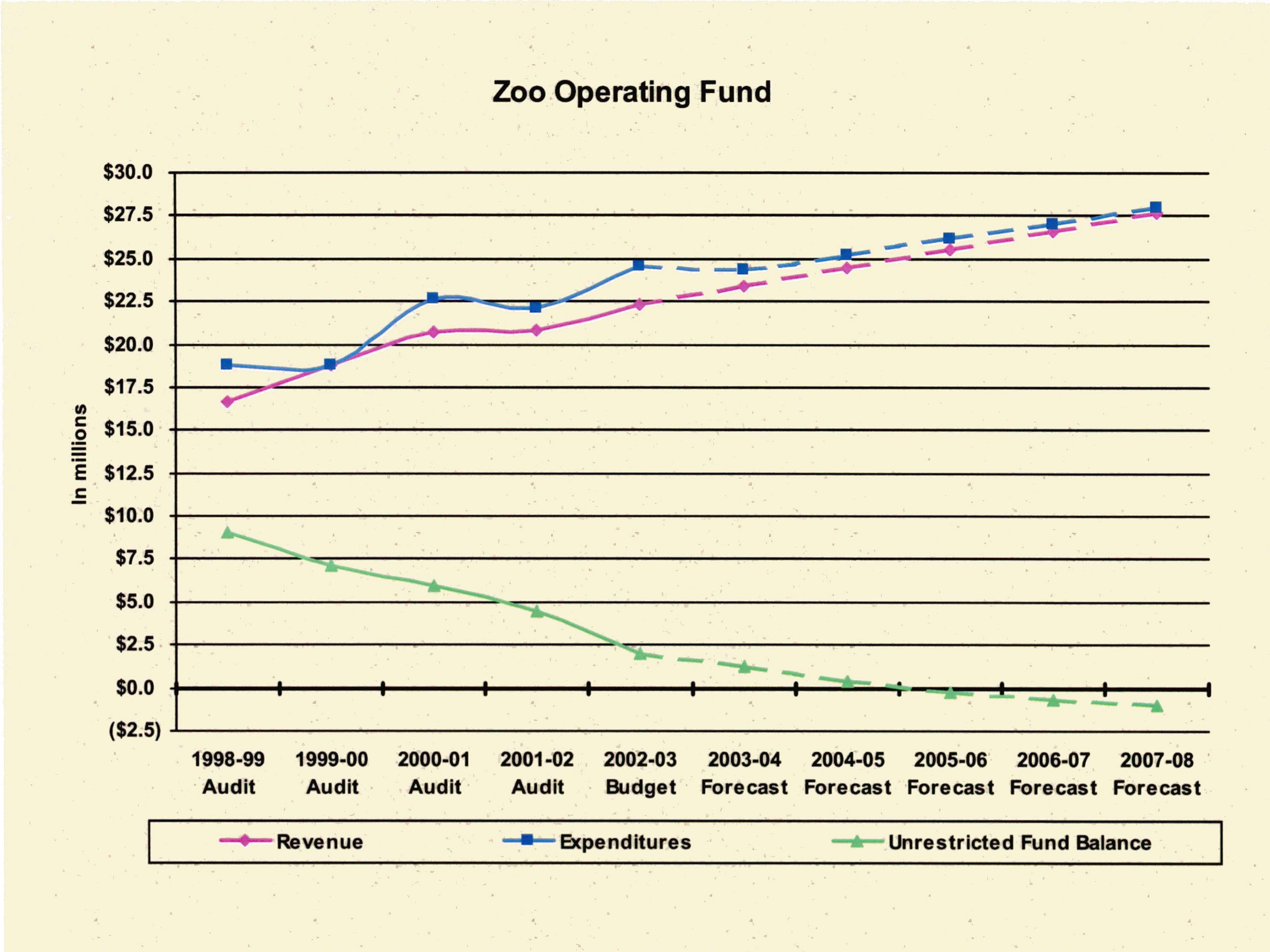
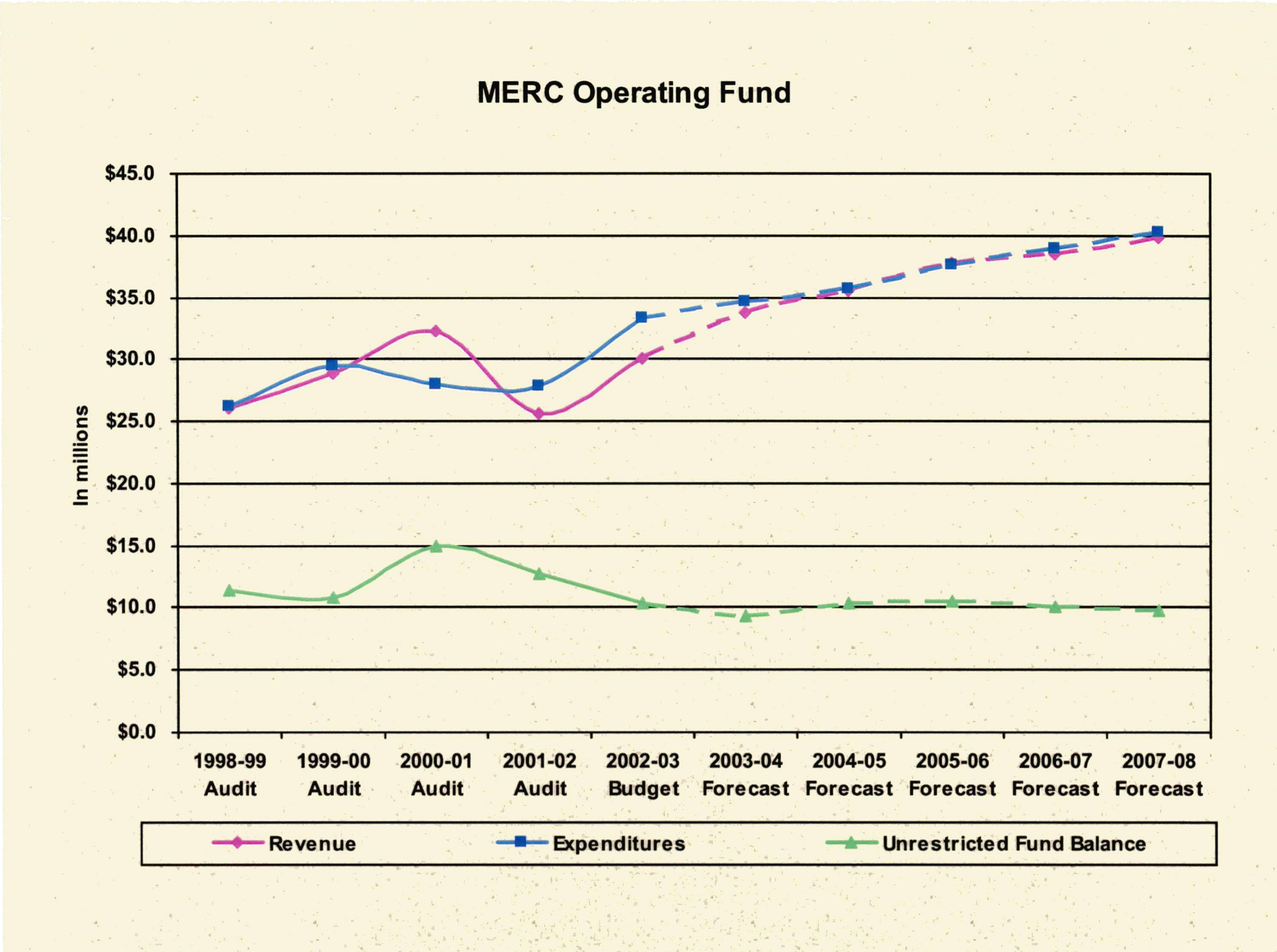
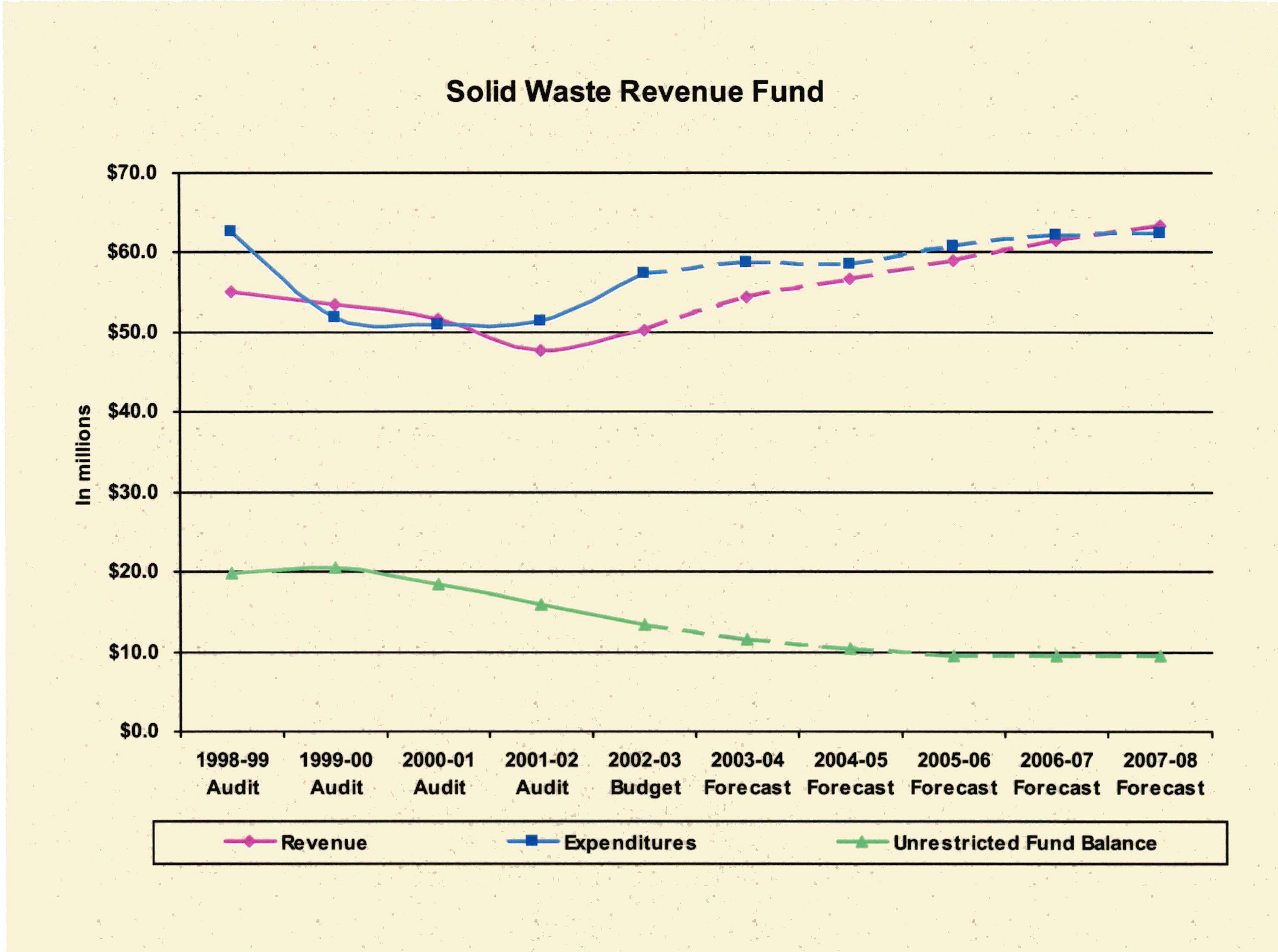

Total All Major Operating Funds
$200.0
$180.0
$160.0
$140.0
$120.0
$100.0
$80.0
$60.0
$40.0
$20.0
$0.0
In millions
1998-99 Audit
1999-00 Audit
2000-01 Audit
2001-02 Audit
2002-03 Budget
2003-04 Forecast
2004-05 Forecast
2005-06 Forecast
2006-07 Forecast
2007-08 Forecast
Revenue
Expenditures
Unrestricted Fund Balance

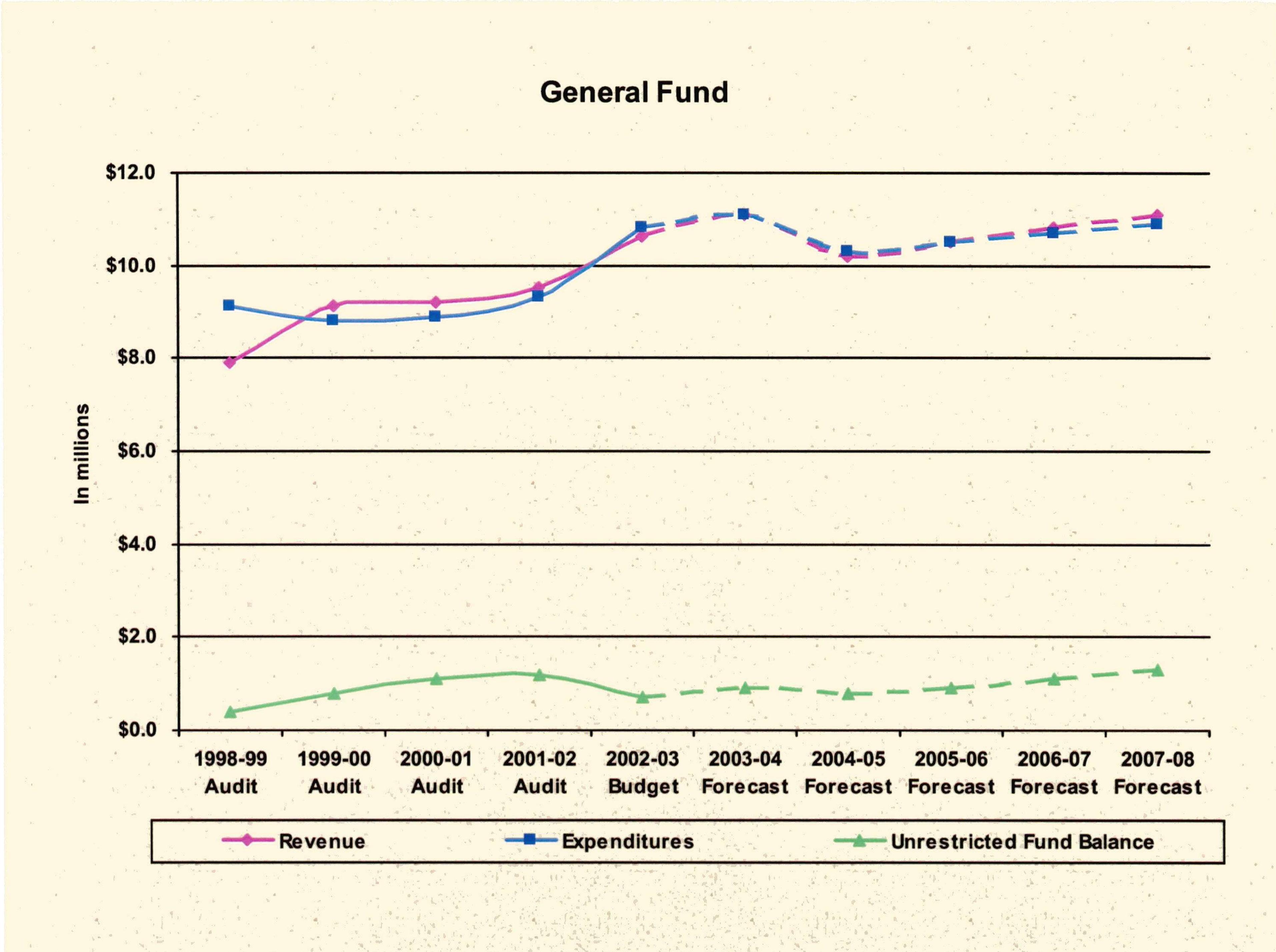


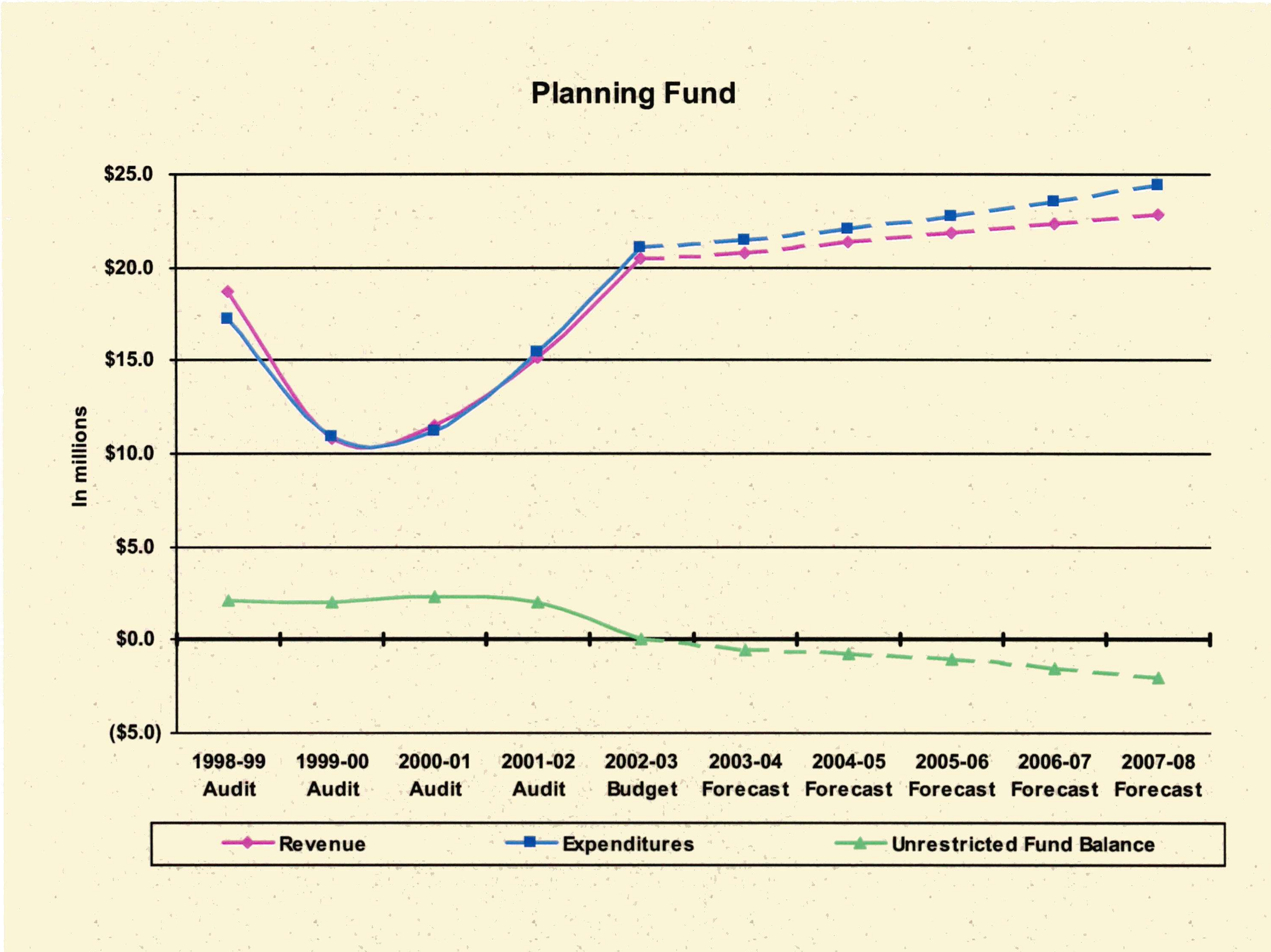
Regional Parks Fund
$11.0
$10.0
$9.0
$8.0
$7.0
$6.0
$5.0
$4.0
$3.0
$2.0
$1.0
$0.0
($1.0)
($2.0)
($3.0)
($4.0)
($5.0)
In millions
1998-99 Audit
1999-00 Audit
2000-01 Audit
2001-02 Audit
2002-03 Budget
2003-04 Forecast
2004-05 Forecast
2005-06 Forecast
2006-07 Forecast
2007-08 Forecast
Revenue
Expenditures
Unrestricted Fund Balance


Zoo Operating Fund
$30.0
$27.5
$25.0
$22.5
$20.0
$17.5
$15.0
$12.5
$10.0
$7.5
$5.0
$2.5
$0.0
($2.5)
In millions
1998-99 Audit
1999-00 Audit
2000-01 Audit
2001-02 Audit
2002-03 Budget
2003-04 Forecast
2004-05 Forecast
2005-06 Forecast
2006-07 Forecast
2007-08 Forecast
Revenue
Expenditures
Unrestricted Fund Balance

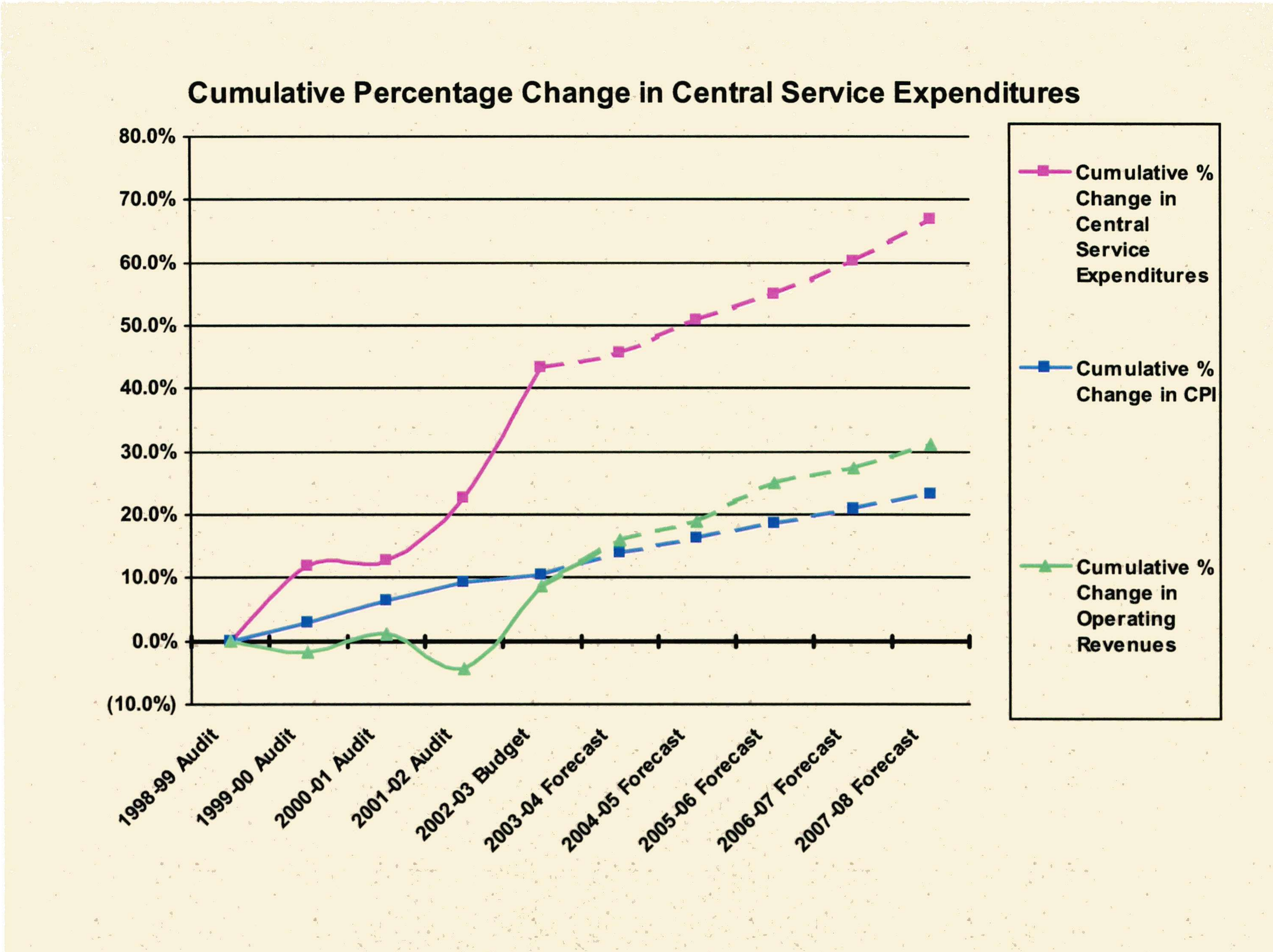

MERC Operating Fund
$45.0
$40.0
$35.0
$30.0
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
In millions
1998-99 Audit
1999-00 Audit
2000-01 Audit
2001-02 Audit
2002-03 Budget
2003-04 Forecast
2004-05 Forecast
2005-06 Forecast
2006-07 Forecast
2007-08 Forecast
Revenue
Expenditures
Unrestricted Fund Balance


Solid Waste Revenue Fund
$70.0
$60.0
$50.0
$40.0
$30.0
$20.0
$10.0
$0.0
In millions
1998-99 Audit
1999-00 Audit
2000-01 Audit
2001-02 Audit
2002-03 Budget
2003-04 Forecast
2004-05 Forecast
2005-06 Forecast
2006-07 Forecast
2007-08 Forecast
Revenue
Expenditures
Unrestricted Fund Balance

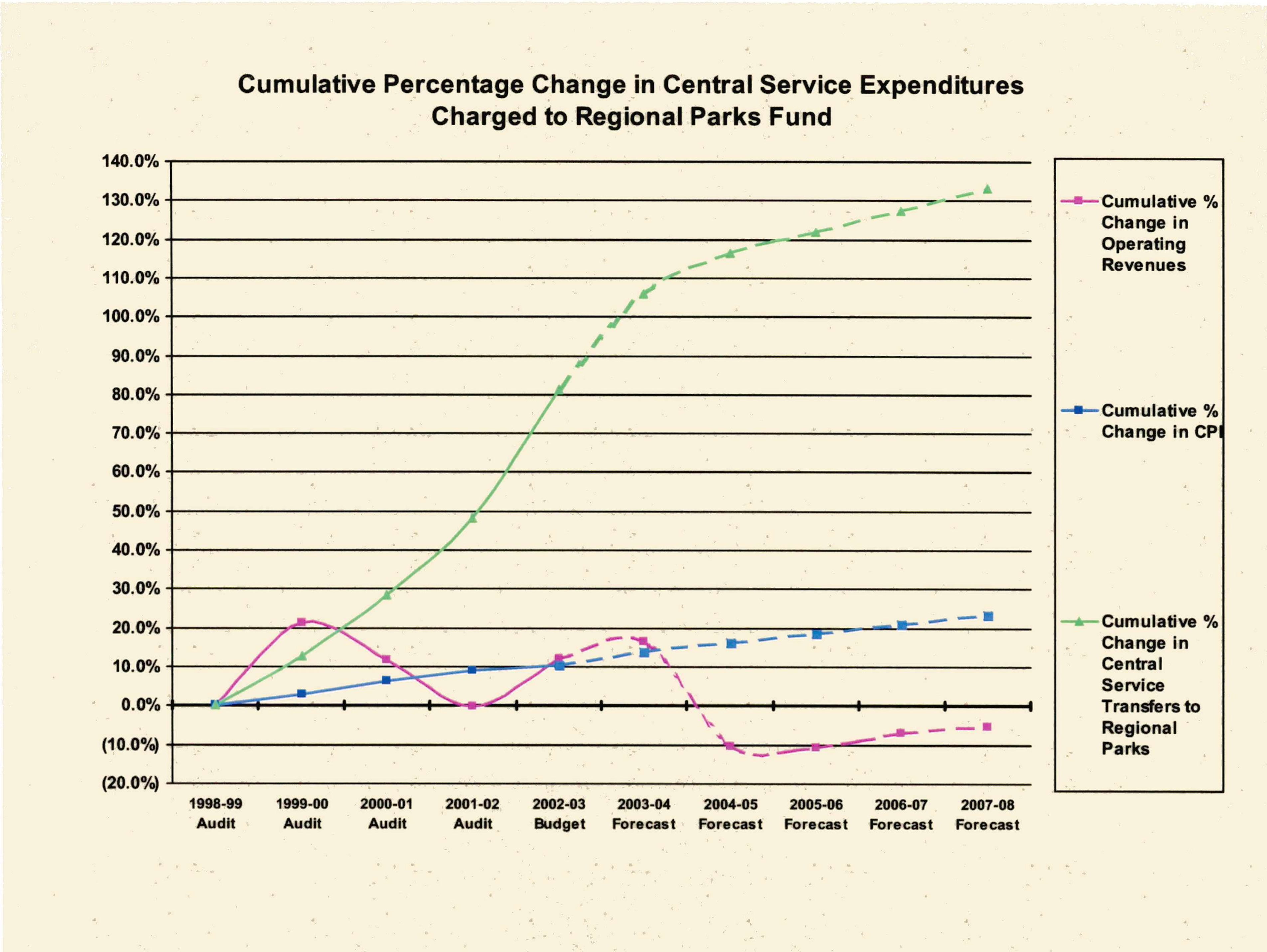

General Fund
$12.0
$10.0
$8.0
$6.0
$4.0
$2.0
$0.0
In millions
1998-99 Audit
1999-00 Audit
2000-01 Audit
2001-02 Audit
2002-03 Budget
2003-04 Forecast
2004-05 Forecast
2005-06 Forecast
2006-07 Forecast
2007-08 Forecast
Revenue
Expenditures
Unrestricted Fund Balance



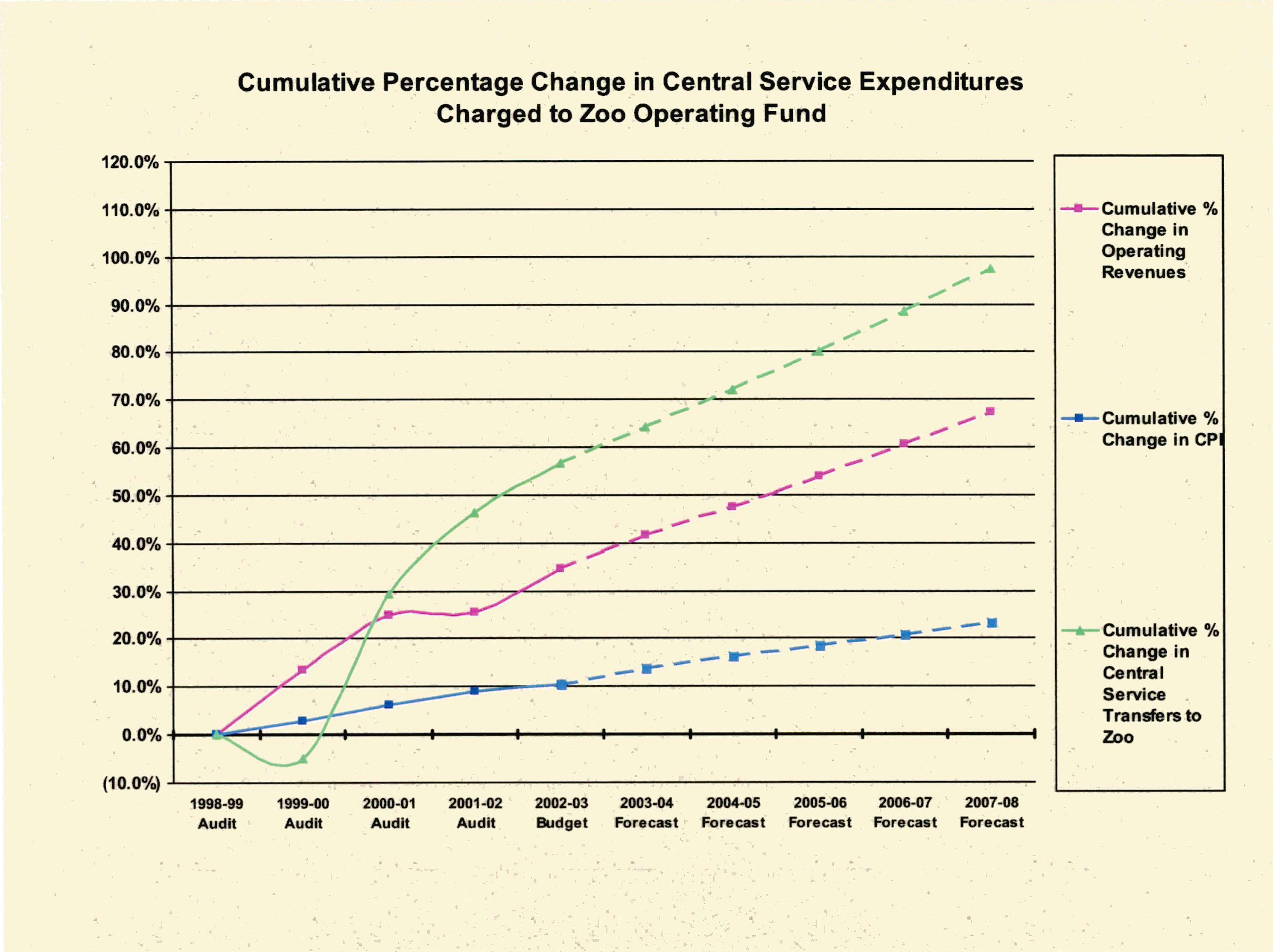
Planning Fund
$25.0
$20.0
$15.0
$10.0
$5.0
$0.0
($5.0)
In millions
1998-99 Audit
1999-00 Audit
2000-01 Audit
2001-02 Audit
2002-03 Budget
2003-04 Forecast
2004-05 Forecast
2005-06 Forecast
2006-07 Forecast
2007-08 Forecast
Revenue
Expenditures
Unrestricted Fund Balance

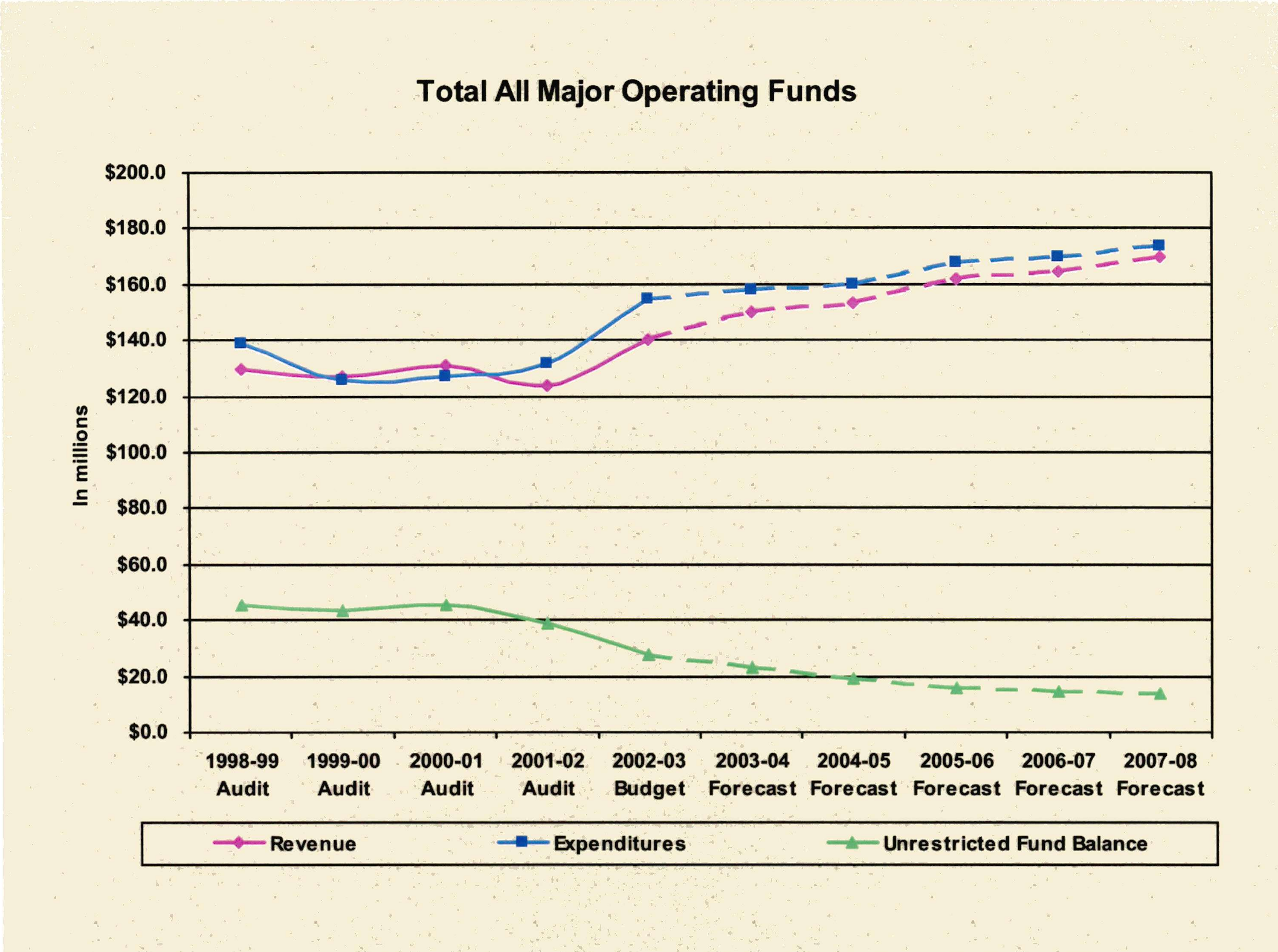


Cumulative Percentage Change in Central Service Expenditures
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
(10.0%)
1998-99 Audit
1999-00 Audit
2000-01 Audit
2001-02 Audit
2002-03 Budget
2003-04 Forecast
2004-05 Forecast
2005-06 Forecast
2006-07 Forecast
2007-08 Forecast
Cumulative % Change in Central Service Expenditures
Cumulative % Change in CPI
Cumulative % Change in Operating Revenues



Cumulative Percentage Change in Central Service Expenditures
Charged to Regional Parks Fund
140.0%
130.0%
120.0%
110.0%
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
(10.0%)
(20.0%)
1998-99 Audit
1999-00 Audit
2000-01 Audit
2001-02 Audit
2002-03 Budget
2003-04 Forecast
2004-05 Forecast
2005-06 Forecast
2006-07 Forecast
2007-08 Forecast
Cumulative % Change in Operating Revenues
Cumulative % Change in CPI
Cumulative % Change in Central Service Transfers to Regional Parks


Cumulative Percentage Change in Central Service Expenditures
Charged to Zoo Operating Fund
120.0%
110.0%
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
(10.0%)
1998-99 Audit
1999-00 Audit
2000-01 Audit
2001-02 Audit
2002-03 Budget
2003-04 Forecast
2004-05 Forecast
2005-06 Forecast
2006-07 Forecast
2007-08 Forecast
Cumulative % Change in Operating Revenues
Cumulative % Change in CPI
Cumulative % Change in Central Service Transfers to Zoo


Total All Major Operating Funds
In millions
$200.0
$180.0
$160.0
$140.0
$120.0
$100.0
$80.0
$60.0
$40.0
$20.0
$0.0
1998-99 Audit
1999-00 Audit
2000-01 Audit
2001-02 Audit
2002-03 Budget
2003-04 Forecast
2004-05 Forecast
2005-06 Forecast
2006-07 Forecast
2007-08 Forecast
Revenue
Expenditures
Unrestricted Fund Balance

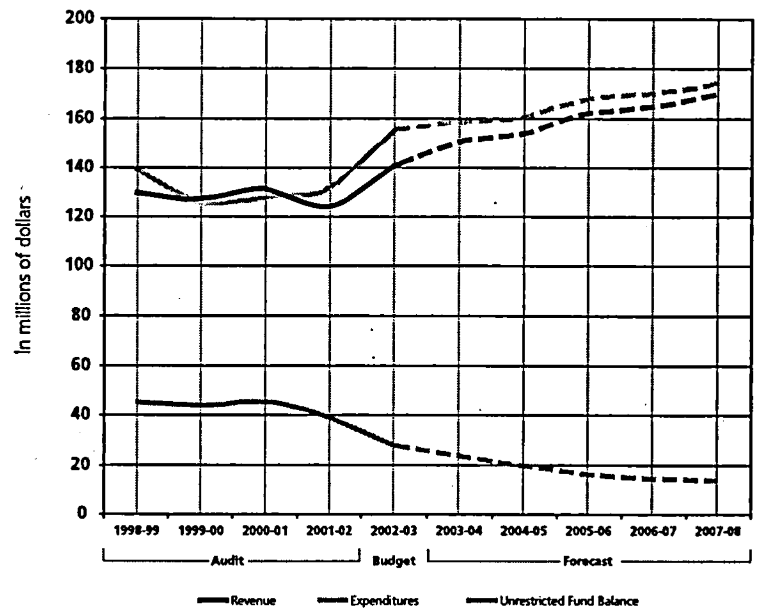
022703c-05

METRO
PEOPLE PLACES • OPEN SPACES

February 2003

Metro Financial Trends Report Summary

The Financial Trends Report is being presented to the Metro Council as it prepares to deliberate on the 2003-04 budget. The next budget presents opportunities to set policies correcting the course projected in this analysis – by cutting costs, raising revenues or a combination – and to start restoring Metro's operating funds to long-term health.



Total all operating funds – Expenditures are exceeding revenues and fund balances are going down. If Metro continues to follow current operating and revenue practices, Metro operations are projected to spend down the reserve funds during the next five years. For more financial trend information vist www.metro-region.org.

As part of preparations for the 2003-04 budget, Metro examined the financial trends in its operation – as a whole, and separated into the individual operating funds.

This report shows that Metro has regularly been spending more on its operations than it takes in. When operating revenue has fallen short, the agency has spent down resources – at times as part of a deliberate strategy to lower reserve levels, and at times using reserves to continue to support programs and services despite their increasing costs.

The analysis looked back four budget years to the 1998-99 audited budget figures, included the current, 2002-03 adopted budget. In three of those five years, Metro operations have spent more than the incoming revenues would support.

The analysis also forecasted operating revenue and spending into the future, ending in 2007-08. The future forecast is the analyst's best estimate of trends if Metro does not change its policies on operations and does not act to increase (or lower) its revenues structures. These forecasts are considered conservative, and reflect neither a best – or worst – case scenario.

If Metro continues to follow current operating and revenue practices, Metro operations are projected to spend down the reserve funds during the next five years.

Metro's budget is built with several discreet – and legally separate – operating funds. To guide the decisions around the budget, analysts reviewed the trends in each of the major operating funds: Regional Parks, the Oregon Zoo, MERC, Solid Waste, the General Fund and Planning.

Regional Parks

Metro's Regional Parks and Greenspaces Department has, in four of the last five budgets, spent more than it received in revenues. As a result, it has eaten away its operating fund balance. That balance, \$2.4 million in 1998-99, is already dropping to \$1.7 million in the 2002-03 budget.

But the future projections are dire. In 2004-05, the \$1-per-ton excise tax surcharge on solid waste will sunset, depriving parks of critical operating funds. While spending is projected to steadily increase, revenues plummet – and so does the fund balance.

If nothing changes on the revenue or spending sides, the Regional parks and Greenspaces Fund will run out of reserves in 2004.

Clearly, the Metro Council and parks management will need to address this problem.

Zoo Operating Fund

The Oregon Zoo has steadily increased its revenues, in part by attracting record attendance. Its revenues have risen 35 percent from 1998-99 to the current budget. However, operating costs have risen even higher. In FY 1998-99 and FY 2000-01, the zoo made $2 million contributions to capital projects in each year drawing down on its operating reserves. FY 1999-00 was the only year in the last 5 that the zoo balanced its operating costs with operating revenue generated. Overall, the zoo operations fund balance has dropped 78 percent in four years – from $9 million to an expected $2 million this year.

The future projections are negative. Even without further use of the operating fund for capital projects, operations will continue to cost more that revenues will cover. Under current trends – and if there are no cost-cutting or revenue-raising measures taken – the zoo would run out of reserves in three years.

Metropolitan Exposition and Recreation Fund

The Metro Exposition and Recreation Fund's operating revenues and spending have fluctuated during the last few years. In 2000-01, the agency cut costs significantly to build up its operating fund. In the last two years, that reserve has been spent down, as revenues dropped due to construction impact at the Oregon Convention Center and spending has gradually rebounded. Under current spending and revenue projections, the MERC operating fund balance is expected to stabilize at around $10 million.

Solid Waste Revenue Fund

The Solid Waste Revenue Fund is the largest operating fund at Metro. Consultants to Metro had advised that the fund balance – then about $20 million – was higher than needed to support the operations. The council began a planned draw-down on the reserve, using the money to subsidize operations, and to decrease the tipping fee. Following that course, the Solid Waste and Recycling Department has lowered the unrestricted fund balance from a high of $20.4 million in 1999-2000 to the projected $13.3 million in the current budget. Under current projections, the fund balance is expected to stabilize at around $10 million.

General Fund

Metro's General Fund pays for the general government functions of the Council and the former Executive Office, as well as covering significant program costs in planning and Regional Parks.

The General Fund revenues come from excise taxes: a flat rate per ton on solid waste currently set at $6.39 per ton, and a 7.5 percent fee charged on all other service metro sells, from tickets at the Expo Center to entrance at the Oregon Zoo.

The Metro Council has adopted a stated goal of having a $1million General Fund reserve. During three years, from the 1998-99 budget through the 2001-02 budget, the General Fund balance grew, reaching $1.2 million. In the current budget, however, the General Fund is expected to spend part of that reserve, leaving it at $700,000. Under projections, the General Fund will not recover to the $1 million level until 2006.

Planning Fund

The Planning Department depends heavily on federal grants for its funding. The programs and spending in the department therefore closely track the revenue brought in with the grants. However, as in other departments, the projections show that costs are expected to continue to grow slightly faster than revenues.

Central Services

For all the Metro operations, a major factor driving their costs and spending up has been the increased cost of Central Services. Cost of Central Services are allocated and charged back to operating departments through the cost allocation plan. The cost allocation plan includes services such as Information Technology, the Auditor's Officer, the Metro Attorney, Accounting, Finance, Human Services, Creative Services, Property management, Metro Regional Center rent, and risk management and insurance costs. Central Services spending has risen 44 percent in just the last four years. Meanwhile, Metro's operating revenues have risen about 9 percent, and inflation has gone up about 10 percent.

That dramatic increase has been fueled by several factors: Significant increases in spending on information technology, higher costs in the Council and Executive offices, and dramatically higher risk management costs after 9-11.

And under current practices, Central Services costs are projected to continue to rise well above the rate of inflation, taking an ever-larger share of Metro's operating revenues.

Central service expenditures charged to regional parks

The increase in central services costs has been charged directly to the operating branches of Metro, impacting their ability to continue services to the public. The Regional Park's central services costs have risen 80 percent since 1998, while their operating revenues to pay for parks services have gone up only 10 percent.

Central service expenditures charged to zoo operating fund

Similarly, the central service costs are squeezing the zoo operations budget. The zoo's central services costs have gone up 57 percent in four years, while their revenues have risen 35 percent.

022703c-09

Exhibit B
Ordinance No. 03-995
FY 2002-03 SCHEDULE OF APPROPRIATIONS

	Current Appropriation	Revision	Amended Appropriation
SOLID WASTE REVENUE FUND			
Operating Account			
Operating Expenses (PS & M&S)	$45,131,156	$0	$45,131,156
Subtotal	45,131,156	0	45,131,156
Debt Service Account			
Debt Service	2,663,951	3,500,000	6,163,951
Subtotal	2,663,951	3,500,000	6,163,951
Landfill Closure Account			
Materials & Services	185,000	0	185,000
Capital Outlay	2,561,800	0	2,561,800
Subtotal	2,746,800	0	2,746,800
Renewal and Replacement Account			
Capital Outlay	2,690,707	0	2,690,707
Subtotal	2,690,707	0	2,690,707
General Account			
Capital Outlay	2,341,100	0	2,341,100
Subtotal	2,341,100	0	2,341,100
Master Project Account			
Debt Service	350,000	0	350,000
Subtotal	350,000	0	350,000
Recycling Business Assistance Account			
Materials & Services	1,024,000	0	1,024,000
Capital Outlay	0	0	0
Subtotal	1,024,000	0	1,024,000
General Expenses			
Interfund Transfers	4,210,036	0	4,210,036
Contingency	12,106,622	(3,500,000)	8,606,622
Subtotal	16,316,658	(3,500,000)	12,816,658
Unappropriated Balance	15,682,936	0	15,682,936
Total Fund Requirements	**$88,947,308**	**$0**	**$88,947,308**

All Other Appropriations Remain as Previously Adopted