

# A G E N D A

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



**METRO**

## Agenda

MEETING: METRO COUNCIL REGULAR MEETING  
DATE: April 29, 2003  
DAY: Tuesday  
TIME: 2:00 PM  
PLACE: Metro Council Chamber

### CALL TO ORDER AND ROLL CALL

1. **Ordinance No. 03-1001**, For the Purpose of Adopting the Annual Budget For Fiscal Year 2003-04, making Appropriations, and Levying Ad Valorem Taxes, And Declaring an Emergency.
2. **CITIZENS COMMUNICATIONS**
3. **COUNCILOR COMMUNICATION**

**ADJOURN**

Agenda Item Number 1.0

**Ordinance No 03-1001**, For the Purpose of Adopting the Annual Budget  
for Fiscal Year 2003-04, Making Appropriations, and Levying Ad  
Valorem Taxes, and Declaring an Emergency.

***Second Reading***

Metro Council Meeting  
Tuesday, April 29, 2003  
Metro Council Chamber



BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE )  
ANNUAL BUDGET FOR FISCAL YEAR 2003- )  
04, MAKING APPROPRIATIONS, AND )  
LEVYING AD VALOREM TAXES, AND )  
DECLARING AN EMERGENCY )

ORDINANCE NO. 03-1001

Introduced by  
David Bragdon, Council President

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2003, and ending June 30, 2004; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Ordinance) and considered; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2003-04 Metro Budget," in the total amount of TWO HUNDRED EIGHT THREE MILLION FIVE HUNDRED TWENTY NINE THOUSAND FOUR HUNDRED TWENTY THREE (\$283,529,423) DOLLARS, attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per thousand dollars of assessed value for Zoo operations and in the amount of SEVENTEEN MILLION NINE HUNDRED FORTY THOUSAND TWO HUNDRED EIGHTY SEVEN (\$17,940,287) DOLLARS for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2003-04. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from <u>the Limitation</u>
Zoo Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		\$17,940,287

3. The Pioneer Cemetery Perpetual Care Fund is hereby created for the purpose of providing for the long-term maintenance of the cemeteries. Major revenues for the fund shall come from a surcharge on grave sales. In the event of elimination of the fund, any balance remaining in the fund shall revert to any fund designated to care for the maintenance of the cemeteries or, in absence of that, the Regional Parks Operating Fund.

4. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2003, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

5. The Chief Financial Officer shall make the filings as required by ORS 294.555 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

6. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2003, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this \_\_\_\_\_ day of June, 2003.

---

David Bragdon, Council President

ATTEST:

Approved as to Form:

---

Recording Secretary

---

Daniel B. Cooper, General Counsel

m:\asd\finance\confidential\budget\fy03-04\budord\adoption\ord 03-1001.doc



## **STAFF REPORT**

### **CONSIDERATION OF ORDINANCE NO. 03-1001 ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2003-04, MAKING APPROPRIATIONS AND LEVYING AD VALOREM TAXES, AND DECLARING AN EMERGENCY**

Date: March 14, 2003

Presented by: David Bragdon  
Council President

## **BACKGROUND**

I am forwarding to the Council for consideration and approval my proposed budget for Fiscal Year 2003-04.

Council action, through Ordinance No. 03-1001 is the final step in the process for the adoption of Metro's operating financial plan for the forthcoming fiscal year. Final action by the Council to adopt this plan must be completed by June 30, 2003.

Once the budget plan for Fiscal Year 2003-04 is adopted by the Council, the number of funds and their total dollar amount and the maximum tax levy cannot be amended without review and certification by the Tax Supervising and Conservation Commission. Adjustments, if any, by the Council to increase the level of expenditures in a fund are limited to no more than 10 percent of the total value of any fund's appropriations in the period between Council approval and adoption.

Exhibits B and C of the Ordinance will be available at the public hearing on April 3, 2003.

## **ANALYSIS/INFORMATION**

1. **Known Opposition** – Council hearings will be held on the Proposed Budget during the month of April 2003. Several opportunities for public comments will be provided. Opposition to any portion of the budget will be identified during that time.
2. **Legal Antecedents** – The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its approved budget to the Tax Supervising and Conservation Commission by May 15, 2003. The Commission will conduct a hearing during June 2003 for the purpose of receiving information from the public regarding the Council's approved budget. Following the hearing, the Commission will certify the budget to the Council for adoption and may provide recommendations to the Council regarding any aspect of the budget.
3. **Anticipated Effects** – Adoption of this ordinance will put into effect the annual FY 2003-04 budget, effective July 1, 2003.
4. **Budget Impacts** – The total amount of the proposed FY 2003-04 annual budget is \$283,529,423.

## **RECOMMENDED ACTION**

The Council President recommends adoption of Ordinance No. 03-1001.

M:\asd\finance\confidential\BUDGET\FY03-04\BudOrd\staff report for adoption ordinance.doc

## M E M O R A N D U M

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736  
 TEL 503 797 1700 | FAX 503 797 1794



METRO

DATE: April 18, 2003

TO: David Bragdon, Council President

FROM: Kathy Rutkowski<sup>ve</sup>, Acting Financial Planning Manager

RE: PROPOSED AMENDMENTS TO THE FY 2003-04 BUDGET INTRODUCED BY THE METRO AUDITOR

Metro Auditor Alexis Dow has submitted five amendments to her FY 2003-04 budget as proposed by Council President David Bragdon. All five amendments are attached. Each of the amendments would be funded through the cost allocation plan. The following is a summary table of the estimated impact of each amendment on department assessments through the cost allocation plan. There was no discussion on how departments would fund the additional costs within existing proposed budget.

	Auditor Amendment #1	Auditor Amendment #2	Auditor Amendment #3	Auditor Amendment #4	Auditor Amendment #5	Total by Department
Planning	9,765	5,022	1,984	14,023	2,648	33,442
Solid Waste	31,095	15,977	6,310	44,559	8,406	106,347
Oregon Zoo	11,480	5,904	2,332	16,485	3,112	39,313
General Fund	482	251	100	713	136	1,682
MERC Operations	16,604	8,532	3,369	23,795	4,489	56,789
Regional Parks	3,105	1,599	632	4,472	845	10,653
Open Spaces	1,343	690	273	1,928	364	4,598
<b>Total by Amendment</b>	<b>\$73,874</b>	<b>\$37,975</b>	<b>\$15,000</b>	<b>\$105,975</b>	<b>\$20,000</b>	<b>\$252,824</b>

## Attachments

cc: Councilor Rex Burkholder  
 Councilor Carl Hosticka  
 Councilor Susan McLain  
 Councilor Rod Monroe  
 Councilor Brian Newman  
 Councilor Rod Park  
 Mark Williams, Chief Operating Officer  
 Casey Short, Chief Financial Officer  
 Jeff Stone, Sr. Policy Advisor to the President



## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER:** Alexis Dow

**DRAFTER:** Alexis Dow

**DATE:** April 17, 2003

**PROPOSED AMENDMENT** (provide a brief summary of the requested action along with the specific line item affected)

The Auditor Office budget represents only 0.2% of Metro. It also represents the public's "eyes and ears" in these days of much needed accountability.

This amendment seeks to have the Auditor Materials and Services budget at a basic level sustained during five previous years.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
Auditor	Support Services	5201	Office Supplies	3,589
Auditor	Support Services	5205	Operating Supplies	-1,000
Auditor	Support Services	5210	Subscriptions & Dues	1,550
Auditor	Support Services	5240	Contracted Professional Services	58,460
Auditor	Support Services	5251	Utility Services	725
Auditor	Support Services	5280	Other Purchased Services	2,000
Auditor	Support Services	5450	Travel	5,600
Auditor	Support Services	5455	Staff Development	1,950
Auditor	Support Services	5490	Miscellaneous	1,000

### **PROGRAM/STAFFING IMPACTS**

This amendment is necessary to allow the Auditor Office to continue to operate at its current level – a level of operation considered necessary to provide an effective audit function consistent with the intent of the Metro Charter.

Without this amendment, the Auditor Office would be 35% below the approved ongoing level of materials and services for FY 2002-03 – a level sustained for over five previous years. This amendment will restore the Auditor Office to a realistic level for operating an effective audit function for an organization as complex and large as Metro.

The amendment seeks to specifically reinstate, among others:

Auditor professional services equivalent to ½ FTE	\$43,000
Legally required peer review	2,500
Telephone service including long distance and Auditor hotline	725
Legally required staff continuing education	7,550
Computers and related costs	4,250
Professional dues and subscriptions	1,550
Other purchased services, such as printing	2,000



Without the reinstatement of these funds, the Metro Auditor will be unable to fulfill basic responsibilities under the Metro Charter.

**ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT** (not necessary for technical adjustments)

The Council President's proposed budget made huge cuts in the basic level of materials & services for the Auditor's Office. The President's proposal for materials and services alone is only 65% of the ongoing amount approved for FY 2002-03 – a level of operations sustained during five previous years. The President's proposal contains insufficient funds to perform legally required activities, such as the annual financial statement audit, peer review and continuing education to keep audit staff qualified to perform government audits. Additionally, it does not allow for normal operating costs such as telephone long distance, computers and printing. The effect of these proposed reductions precludes the Metro Auditor from fulfilling legal and contractual requirements, weakens Metro's accountability to the public and denies the Auditor's Office resources needed to fulfill the intent of the Metro Charter.

The Auditor's role at Metro, as defined by the Metro Charter, is to independently perform continuous investigations. Two words are key – independent and continuous. There is to be a continuous, independent audit effort at a level appropriate for an organization of the size and complexity of Metro.

The historic level of staffing and resources for the Office of the Auditor has been carefully established. The Metro Auditor is required to possess a specified level of higher education, technical training and professional certification in order to hold the office. It is this education, training and certification that the Auditor brings to bear in carrying out the Auditor responsibilities to the citizens. This includes using the Auditor's professional judgment to establish the level of resources necessary for an effective Auditor's Office. The Auditor considers Metro's size and complexity and benchmarks to other governmental organizations operating under similar mandate. In order to perform the types of independent audits and investigations specified in the Metro Code requires, at a minimum, that the current level of operations be sustained.

The concept of independent auditing is very significant, today more than ever. Lack of auditor independence is a key factor in the Enron debacle. Arthur Andersen lost its independence and became beholden to management for fear of losing income. It could no longer perform its job independently. The proposed budget curtails Metro resources for the Auditor's Office more than for Metro operations as a whole. Such an action defeats the intent of the Metro Charter for an independent auditor and is contrary to the public's best interest.

Overall, Metro operations are growing, rather than being scaled back. Accordingly, Metro needs to continue to operate the Office of the Auditor at least at its present level, rather than reducing it. Maintaining the present level of audit effort by the Auditor Office ensures that the Metro Council and the citizens of Metro receive the benefit of independent audits.

Looking back on the last eight years that the Auditor has been here at Metro, the value of audit recommendations made by the Auditor Office has been well recognized in letters of response to the audits. More importantly, the value they provide to Metro is demonstrated by the fact that over 90% of audit recommendations are fully implemented or in the process of being implemented. For the last two years the quality of the Auditor's work was further affirmed when the National Association of Local Government Auditors awarded the Metro Auditor the top national awards for excellence.

Some examples of Auditor Office contributions to Metro include:

- MERC expects to generate about \$30,000 additional revenue during the remainder of calendar year 2003 from employees beginning to pay for parking. Additional revenue should be about \$48,000 annually in future years.
- Parks could receive an additional \$16,000 in annual rent for 2002 from clarifications in the Glendoveer Golf Course lease agreement.
- MERC will have better control over parking revenues at the expanded OCC by following Auditor recommendations to use tickets to evidence payment, to segregate cash handling and cash recording duties and to periodically conduct surveillance of lot attendants.



- In response to two Auditor reports on project management and contracting, Metro developed project management and contracting guidelines and began project manager training. These activities help ensure that Metro's projects are well managed, that contractors produce quality results and that public funds are protected from fraud, waste or inefficient use.
- The Auditor's Office worked with Transit Oriented Development Program (TOD) staff to develop meaningful performance measures. These measures were shared with the federal Department of Transportation, which adopted them and now require them for all TOD programs nationally.
- The Auditor's Office recommended revising thrift agency credit allocations to provide greater incentives to increase recycling rates as external factors affecting this program had changed since program inception.
- An Auditor study of Regional Land Information System (RLIS) data resulted in recommendations to improve accuracy, user friendliness and customer service.
- A review of the Open Spaces program produced recommendations to geographically adjust future purchases to better ensure regional balance and to strengthen procedures for obtaining property appraisals.
- As the initial PeopleSoft implementation project was falling behind schedule, the Auditor undertook a project implementation review which resulted in recommendations to improve staffing, processes and resource requirements to help ensure Metro avoided the notoriety of Oregon's DMV and Portland's Water Bureau.
- The Auditor undertook a Survey of Controls Over Cash Receipts at Remote Locations and made numerous recommendations, some of which were implemented and some are in process. Full implementation would help preclude thefts such as those at the Pioneer Cemeteries and the Oregon Zoo.
- The Auditor's Purchasing Benchmarks and Opportunities report made several recommendations including streamlining purchasing card processes to enhance efficiencies.

While it is satisfying to look at these accomplishments, the current focus must be on the Auditor's ability to continue to fulfill the Metro Charter mandate – to independently perform continuous investigations. It is through this effort that the Auditor is able to develop recommendations to help ensure that Metro operates effectively and efficiently and that accountability is provided to the public.

Approve this Auditor budget amendment to keep the Auditor Office operations at its present level. Only by approving this amendment will you enable the Auditor to continue to perform legally required activities such as the annual financial statement audit, performance audits and keeping audit staff qualified. It also allows for normal operating costs such as telephone long distance, computers, printing and outside professional assistance in specialized technical areas. The effect of the reductions in the proposed budget precludes the Auditor from fulfilling legal and contractual requirements; it weakens Metro's accountability to the public; and it reduces the Auditor's ability to evaluate risks and identify small issues before they become big concerns. At its current level of operation, the Auditor Office meets the intent of the Metro Charter and provides the level of independent auditing required of an organization of Metro's size and complexity. It is essential to adopt this amendment to sustain the current level of operation.

**OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?**

This amendment would be funded through the cost allocation plan. Impact on individual funds is minimal. For example, the impact on the General Fund is less than \$1,000, and the effect on the Planning Fund is about \$10,000 and is funded by grants. Solid waste absorbs less than \$30,000, the largest individual charge to any Metro operation.

In terms of overall Metro funding, the proposed budget projects revenue growth.



**EFFECT ON KEY BUDGET ISSUES** – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

Impact on individual funds is minimal. For example, the impact on the General Fund is less than \$1,000, and the effect on the Planning Fund is about \$10,000 and is funded by grants. Solid waste absorbs less than \$30,000, which is the largest individual charge to any Metro fund.

- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**

This amendment is unrelated to the transition.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

Increases central overhead spending by \$73,874; however, the impact on individual funds is minimal. For example, the impact on the General Fund is less than \$1,000, and the effect on the Planning Fund is about \$10,000 and is funded by grants. Solid waste absorbs less than \$30,000, which is the largest individual charge to any Metro fund.



Department	#
Auditor	2

## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER:** Alexis Dow

**DRAFTER:** Alexis Dow

**DATE:** April 16, 2003

**PROPOSED AMENDMENT** (provide a brief summary of the requested action along with the specific line item affected)

Reinstates the 0.5 FTE temporary senior auditor position that was eliminated last year. This position had existed for four previous years and is crucial to ensure an effective Auditor function as envisioned under the Metro Charter.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
Auditor	Support Services	5030	Temporary Employees	35,000
Auditor	Support Services	5100	Fringe Benefits	2,975

**PROGRAM/STAFFING IMPACTS**

Reinstates the 0.5 FTE temporary senior auditor position that was eliminated last year.

**ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT** (not necessary for technical adjustments)

Reinstates the 0.5 FTE temporary senior auditor position that was eliminated last year. This position had existed for four previous years and is crucial to ensure an effective Auditor function as envisioned under the Metro Charter.

**OPTIONS FOR FUNDING THIS AMENDMENT** – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

This amendment would be funded through the cost allocation plan. Impact on individual funds is expected to be nominal. For example, the impact on the General Fund is less than \$500, and the effect on the Planning Fund is about \$5,000 and is funded by grants.

**EFFECT ON KEY BUDGET ISSUES** – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

Impact on individual funds is nominal. For example, the impact on the General Fund is less than \$500, and the effect on the Planning Fund is about \$5,000 and is funded by grants.

- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**

The amendment is unrelated to the transition.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

Increases central overhead spending by \$37,975; however, the impact on individual funds is nominal. For example, the impact on the General Fund is less than \$500, and the effect on the Planning Fund is about \$5,000 and is funded by grants.



Department	#
Auditor	3

## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER:** Alexis Dow

**DRAFTER:** Alexis Dow

**DATE:** April 16, 2003

**PROPOSED AMENDMENT** (provide a brief summary of the requested action along with the specific line item affected)

Adds \$15,000 to Contracted Support Services to undertake an evaluation of the governance structure changes that become effective at Metro on January 6, 2003.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
Auditor	Support Services	5240	Contracted Professional Services	15,000

### **PROGRAM/STAFFING IMPACTS**

No staffing impact. See next question for discussion of program impact.

### **ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT** (not necessary for technical adjustments)

This is anticipated to be a one-year request that will supplement the Auditor Office resources to undertake an evaluation of the governance structure changes that became effective at Metro on January 6, 2003. Risks are inherently greater whenever change occurs and this transition is a major change for Metro.

Additionally, efficiencies and savings were promised to the area citizens as a benefit of this voter approved change in governance structure. It is important that Metro independently report its accomplishment of successful transition. The Auditor is the only independent resource within Metro.

### **OPTIONS FOR FUNDING THIS AMENDMENT** – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

This amendment would be funded through the cost allocation plan. Impact on individual funds is expected to be nominal. For example, the impact on the General Fund is less than \$200, and the effect on the Planning Fund is about \$2,000 and is funded by grants.

### **EFFECT ON KEY BUDGET ISSUES** – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

Impact on individual funds is nominal. For example, the impact on the General Fund is less than \$200, and the effect on the Planning Fund is about \$2,000 and is funded by grants.

- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**

This amendment seeks to ensure that the savings and efficiencies promised to the voters as a result of the governance change are realized and sustained by undertaking an independent study and reporting results to the citizens of the Metro region.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

Increases central overhead spending by \$15,000; however, Impact on individual funds is nominal. For example, the impact on the General Fund is less than \$200, and the effect on the Planning Fund is about \$2,000 and is funded by grants.



Department	#
Auditor	4

## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER:** Alexis Dow

**DRAFTER:** Alexis Dow

**DATE:** April 16, 2003

**PROPOSED AMENDMENT** (provide a brief summary of the requested action along with the specific line item affected)

Reinstates the 0.5 FTE temporary senior auditor position that was eliminated last year. Also adds 0.5 FTE senior auditor position in response to the Metro governance change. Includes Fringe and Materials & Services expenses related to position.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
Auditor	Support Services	5010	Regular Employees-FT-Exempt	70,000
Auditor	Support Services	5100	Fringe Benefits	26,425
Auditor	Support Services	5205	Operating Supplies	3,500
Auditor	Support Services	5210	Subscriptions & Dues	500
Auditor	Support Services	5251	Utility Services	50
Auditor	Support Services	5400	Charges for Services	2,100
Auditor	Support Services	5450	Travel	2,400
Auditor	Support Services	5455	Staff Development	1,000

### **PROGRAM/STAFFING IMPACTS**

Reinstates the 0.5 FTE temporary senior auditor position that was eliminated last year. Also adds 0.5 FTE senior auditor position in response to the Metro governance change.

### **ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT** (not necessary for technical adjustments)

Reinstates the 0.5 FTE temporary senior auditor position that was eliminated last year. This position had existed for four previous years and is crucial to ensure an effective Auditor function as envisioned under the Metro Charter.

An additional 0.5 FTE senior auditor position is proposed in response to the Metro Charter amendment that eliminated the Executive Officer position. This change, in effect, eliminated some of the "checks and balances" that previously existed in the Metro governance structure. The additional audit support is intended to mitigate this loss.

### **OPTIONS FOR FUNDING THIS AMENDMENT** – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

This amendment would be funded through the cost allocation plan. Impact on individual funds is expected to be nominal. For example, the impact on the General Fund is less than \$1,400, and the effect on the



Planning Fund is less than \$15,000 and is funded by grants. Solid waste absorbs less than \$45,000, the largest individual charge to any Metro operation.

**EFFECT ON KEY BUDGET ISSUES** – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

Impact on individual funds is nominal. For example, the impact on the General Fund is less than \$1,400, and the effect on the Planning Fund is less than \$15,000 and is funded by grants. Solid waste absorbs less than \$45,000, which is the largest individual charge to any Metro fund.

- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**

The additional 0.5 FTE senior auditor position is proposed in response to the Metro Charter amendment that eliminated the Executive Officer position. This change, in effect, eliminated some of the “checks and balances” that previously existed in the Metro governance structure. The additional audit support is intended to mitigate this loss.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

Increases central overhead spending by \$105,975; however, the impact on individual funds is nominal. For example, the impact on the General Fund is less than \$1,400, and the effect on the Planning Fund is less than \$15,000 and is funded by grants. Solid waste absorbs less than \$45,000, which is the largest individual charge to any Metro fund.

Department	#
Auditor	5

## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER:** Alexis Dow

**DRAFTER:** Alexis Dow

**DATE:** April 16, 2003

**PROPOSED AMENDMENT** (provide a brief summary of the requested action along with the specific line item affected)

Creates an office division to create a conference room and workspaces that provide audit staff with improved privacy and greater freedom from distractions.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
Auditor	Support Services	5720	Buildings and Related (Non-CIP)	20,000

### **PROGRAM/STAFFING IMPACTS**

No staffing impact. See next question for discussion of program impact.

### **ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT** (not necessary for technical adjustments)

A few years ago the Metro Auditor agreed to give up their conference room to help provide space for Executive Office staff. This request seeks to reinstate a conference room for audit staff use and create office divisions to improve privacy for audit staff.

### **OPTIONS FOR FUNDING THIS AMENDMENT** – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

This amendment would be funded through the cost allocation plan. Impact on individual funds is expected to be nominal. For example, the impact on the General Fund is less than \$300, and the effect on the Planning Fund is about \$3,000 and is funded by grants.

### **EFFECT ON KEY BUDGET ISSUES** – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

Impact on individual funds is nominal. For example, the impact on the General Fund is less than \$300, and the effect on the Planning Fund is about \$3,000 and is funded by grants.

- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**

The amendment is unrelated to the transition.



- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

Increases central overhead spending by \$20,000; however, the impact on individual funds is nominal. For example, the impact on the General Fund is less than \$300, and the effect on the Planning Fund is about \$3,000 and is funded by grants.

042903c02

# M E M O R A N D U M

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736  
TEL 503 797 1700 | FAX 503 797 1794



**METRO**

**DATE:** April 23, 2003

**TO:** David Bragdon, Council President

**FROM:** Kathy Rutkowski, Acting Financial Planning Manager

**RE:** COUNCILOR GENERATED PROPOSED AMENDMENTS TO THE FY 2003-04  
PROPOSED BUDGET

Attached are the proposed amendments to the FY 2003-04 budget submitted by Councilors. A summary of the amendments is included at the front of the packet. These are the amendments to be discussed at the Council meeting of Tuesday, April 29, 2003.

## Attachments

cc: Councilor Rex Burkholder  
Councilor Carl Hosticka  
Councilor Susan McLain  
Councilor Rod Monroe  
Councilor Brian Newman  
Councilor Rod Park  
Mark Williams, Chief Operating Officer  
Casey Short, Chief Financial Officer  
Karen Feher, CIP Coordinator  
Brad Stevens, Financial Planning Analyst  
Cherie Yasami, Financial Planning Analyst



Department	#
Planning	1

## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER:** Councilor Brian Newman

**DRAFTER:** Sherry Oeser, Manager, Planning Department  
Kathy Rutkowski, Budget Coordinator, Finance Department

**DATE:** April 11, 2003

**PROPOSED AMENDMENT** (provide a brief summary of the requested action along with the specific line item affected)

Currently in the Planning Department's FY 2003-04 proposed budget, there are 2.25 FTE budgeted for Centers Program work; however, no funds for Materials and Services are budgeted. This amendment would add \$100,000 in Contracted Professional Services to the Center program in the Planning Department. These funds would enable the department to initiate work on the Center Implementation Model called for in the Centers work plan. Work on this model will examine one specific center in the region, analyze barriers that exist that hinder development and recommend ways to resolve those barriers, compile a list of possible incentives to use to develop the center and develop a strategy for developing the center. The intent is for the information gained from this work to be used in developing other centers in the region.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
<b><i>Resource:</i></b>				
General Fund	010	3500	Beginning Fund Balance	\$100,000
<b><i>Expenditure:</i></b>				
Planning	140	5240	Contracted Professional Services	\$100,000

**PROGRAM/STAFFING IMPACTS**

The Metro Council adopted Resolution No. 02-3254B in December 2002 that established a Centers Team within Metro and directed staff to begin implementing a Centers strategy. A key component of the Centers strategy is a Center Implementation Model. The work necessary to complete this implementation model, such as a market analysis, is highly specialized work that cannot be performed by Metro staff.

Staff currently budgeted in the Centers program will be assigned to work with and manage the contract with the consultant so no new FTE are needed.

**ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT** (not necessary for technical adjustments)

- The Council has designated Centers as a priority program for the agency.
- As part of the urban growth boundary decision made in December 2002, the council committed to using the land inside the urban growth boundary more efficiently by increasing the region's refill rate. The urban growth boundary decision was predicated on a refill rate of 29%. The Residential Urban



Growth Report anticipated an additional 2.7% capacity in designated mixed-use Centers to achieve that 29% refill rate.

- In addition, in December, 2002, the Council adopted a new Regional Framework Plan policy on centers and adopted new Metro Code language (3.07.610 to 3.07.650) to enhance centers and "improve the critical roles they play in the region".
- It's an efficient use of limited funds because the resulting product can be used for other centers in the region.

**OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?**

The FY 2003-04 Proposed Budget assumes an unrestricted beginning fund balance for the General Fund of \$956,000. This is very close to the agency's goal of \$1 million in unrestricted reserves for the General Fund. However, the estimate for beginning fund balance that is shown in the Proposed Budget does not include an estimate for underspending in the Council or Executive Officer budgets in FY 2002-03. That portion of the Council and Executive Officer budgets that is funded by excise tax in the current year but is not spent will drop to fund balance at year-end. In all likelihood, the actual unrestricted beginning fund balance will be much higher than what is currently shown.

This amendment requests \$100,000 in additional excise tax for a one-time expenditure for a case study in the Centers Implementation Model program. As mentioned, this would be a one-time expenditure. The additional excise tax allocation to Planning would be a "project" allocation and would not be folded into the Planning Fund's base excise tax operating allocation.

This amendment is proposed to be funded with General Fund unrestricted beginning fund balance with the provision that it will not drop the actual unrestricted beginning fund balance for the General Fund below the \$1 million amount. If the actual unrestricted beginning fund balance in the General Fund is not sufficient to make this transfer and still retain \$1 million in general reserves, the expenditure will not be made.

The funding option recommended in this amendment meets two financial principles:

1. Uses one time funding (beginning fund balance) for one time expenditures (special project), and
2. Preserves the \$1 million goal of general reserves in the General Fund

**EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions**

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**  
See above
- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**  
No
- **Will this amendment increase/decrease central overhead spending? If so, by how much?**  
No



Department	#
Council Office	1

## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER** Susan McLain

**DRAFTER:** Brad Stevens and Linnea Nelson

**DATE** 4/15/03

**PROPOSED AMENDMENT** (provide a brief summary of the requested action along with the specific line item affected)

This amendment would add 1 FTE to the Council Office, restoring 0.5 FTE for the Records and Information Analyst position formerly in the Office of the Metro Attorney, adding 0.5 FTE to support the Council Operations Manager, and moving the Archives Program to the Council Office. Under this proposal, an additional \$30,000 would be charged to the departments through the cost allocation plan, and the remaining \$34,000 in funding would be achieved through spending reductions in the Council Office and the Public Affairs Department.

The remaining \$20,961 of this amendment covers the Material and Services costs to support the work of the position. These were included in the proposed budget for the Office of Metro Attorney, and under this amendment are transferred to the Council office.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
<b>Resources</b>				
General Fund	010	4975	Transfer for Indirect Costs	
			From Planning	6,715
			From Solid Waste	1,403
			From Zoo	779
			From Council & Public Affairs	15,764
			From MERC	(848)
			From Regional Parks	3,557
			From Open Spaces	2,630
<b>Total Resources</b>				<b>\$30,000</b>
<b>Expenditure Reductions</b>				
Council Office	010	5201	Office Supplies	(20,000)
Council Office	010	5280	Other Purchased Services	(10,000)
Public Affairs Dept.	010	5280	Other Purchased Services	(4,000)
Office of Metro Attorney	610	5201	Office Supplies	(2,448)
Office of Metro Attorney	610	5205	Operating Supplies	(2,550)
Office of Metro Attorney	610	5260	Maintenance & Repair	(663)
Office of Metro Attorney	610	5280	Other Purchased Services	(15,300)
<b>Total Reductions</b>				<b>(\$54,961)</b>
<b>Expenditures</b>				
Council Office	010	5010	Salaries – Regular Employees	45,633
Council Office	010	5100	Fringe Benefits	18,367
Council Office	010	5201	Office Supplies	2,448
Council Office	010	5205	Operating Supplies	2,550
Council Office	010	5260	Maintenance & Repair	663
Council Office	010	5280	Other Purchased Services	15,300
<b>Total Expenditures</b>				<b>\$84,961</b>



## **PROGRAM/STAFFING IMPACTS**

This amendment would add 1 FTE to the Council Office to perform records management for the agency, and provide support to the Council Operations Manager. Half of this position would be dedicated to the management and archiving of records, including ordinances and resolutions. This position would ensure Metro complies with state and federal record retention regulations, as well as Metro's own record retention policy. The other half of the position would provide support to the Council Operations Manager, especially as the primary person to provide coverage for the Council front desk when the Council receptionist is away.

## **ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT** (not necessary for technical adjustments)

### **Records Management**

Many factors now make management of public records complex, necessitating a professional approach from a dedicated individual. Information is one of the most vital and strategic assets any organization possesses. Triggering events such as the 9-11 disaster and recent scandals (Enron, WorldCom, etc.) have raised awareness regarding the need for proper stewardship of information assets. By investing in records management personnel and best practices now, Metro will save money in the future. Providing records to the public is one of the direct ways Metro interacts with its citizens. It is one of Metro's central necessities to conscientiously manage its records in a manner that accords with records management principles and also serves the public interest.

Metro records need to be managed in the same sense that other important government resources and assets need to be managed. Management includes recognition of the importance of records, assignment of responsibilities, application of effective records and information management techniques, and understanding and application of modern information technology. It requires establishing goals and objectives, setting priorities, and marshaling human, financial and other resources to accomplish the work. Governments that lack formal, well-developed records management programs are likely to have a variety of problems that affect their abilities to serve the public. Records accumulate gradually, and the problems resulting from poor management practices, such as a buildup of obsolete records or haphazard treatment of e-mail, also accumulate gradually. The consequences of not acting, or of applying inadequate or inappropriate solutions, are not always apparent or dramatic.

When information is outdated, missing, prematurely destroyed or not accessible, the operations slow and resources are wasted because people act from the wrong information or need to recreate that which is lost or not accessible. This redundant effort wastes time, costs money, and frustrates Metro employees and the public they serve.

### **State and Federal Laws**

The State of Oregon has a plethora of laws and regulations concerning the creation and management of public records, and considers the task so important as to establish a formal agency to oversee record keeping in state and local government. Specifically, each state and local agency is directed by ORS 192.105.(2)(a), to designate a records officer to coordinate its records management program and serve as liaison with the State Archivist. The State Archivist requires periodic reports from records officers about records management programs. When federal funds are involved in Metro projects, records retention requirements of the US Government must be observed.

### **Implementing State Recommendations**

In 2000, Metro approved its first comprehensive records retention schedule, to be in effect for five years. At that time, the State of Oregon Archives Division prepared a report recommending improvements in Metro's record keeping practices. To date, those recommendations have not been implemented, because Metro has not officially designated a records officer and given direction to implement those changes. Metro's Records and Information Analyst drafted a plan for implementing those changes. With management approval, the State's recommendations could be implemented under the auspices of this position.



## **TRIM**

TRIM (Tower Record Information Management) is a records management database, identified by the State as one of Metro's vital databases, and used by the Council Office and Solid Waste and Recycling. TRIM is a complex database program that requires professionally trained personnel to maintain it. The user interface seems relatively simple, but much technical work is needed behind that interface to make it work seamlessly. Metro is scheduled to provide the public with access to public records via TRIM and the web. More than ever a dedicated Records and Information Analyst will be needed. This is a service that will serve all Metro departments, decreasing staff time currently used to retrieve, duplicate and send out requested copies.

TRIM is a powerful tool that can improve business processes, promote efficiencies in records retrieval, maintenance and destruction, and provide increased access to public records, saving Metro money over time. The Records and Information Analyst is needed to expand use of TRIM across the agency, providing training for all staff (currently only key records personnel are trained). Many departments have expressed interest in using TRIM. A good example of this is the recent PERS records pilot project initiated by the current Records and Information Analyst. Using TRIM, she assisted the Accounting Division to eliminate paying for 45 boxes to be held in off-site archives for 75 years, by removing the few PERS documents and making them available to Accounting through TRIM. This not only saves \$21,000 in storage costs, it also saves money in staff time and increases Metro's efficiency and speed in retrieving PERS documents through TRIM when requested. This type of cost savings will not be realized in the future without a trained Records and Information Analyst that knows the difference between requirements for maintaining records for six years and 75 years, and who can provide the leadership to advise departments and implement such cost-saving projects.

## **Litigation Records Requests**

The Records and Information Analyst also provides documents requested by the Office of the Metro Attorney in response to litigation against Metro. These are copies of all Council action documents over a period of time pertaining to the area of litigation. Sometimes documents must be pulled from off-site permanent storage. One request included 11,000 pages, and on an average, the Council Office receives six requests per year. Without a designated person to fulfill these requests in a timely manner, the Council Office staff would have difficulty fulfilling its other daily duties.

Not having a professionally trained Records and Information Analyst could put Metro at risk. Records are needed in legal proceedings to prove a fact and defend Metro. If records cannot be found, are incomplete, or are inadequate in some other way (especially important in the case of electronic records), legal proceedings could be materially affected and Metro itself therefore put at risk.

## **Records Management Complexity and the Future**

Government is moving fast into formatting original public records on electronic and digital media. This trend has introduced a whole new scope of dissemination and security issues that need to be dealt with in new ways. Frequently new legislation is passed that further restricts when and to whom certain public records may be disclosed. Sweeping new legislation, such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), necessitates that local governments assign people to write and implement new policies, etc. to ensure compliance. The need to produce important archived records on short notice, such as with subpoenas or media requests pursuant to public records law, creates problems for those who do not deal with records on a regular basis.

Nearly every study in the past 20 years has concluded that government records and archival programs are underfunded in relation to the magnitude and complexity of the work they can reasonably be expected to accomplish. Records management and archival work is by its nature and definition organic and dynamic; the volume of records continually grows, and the volume of researchers is likely to grow. Metro's investment in a Records and Information Analyst now, will more than pay for itself in the efficiency and service it provides to the public over time.



### **Council Office Support**

The Council Operations Manager position in the proposed budget combines the work previously performed by three full-time FTEs. The addition of 0.5 FTE in this amendment would enable the Council Operations Manager to provide the essential services previously provided. This person would also serve as the primary back-up person to cover the Council front desk for daily morning, afternoon and lunch breaks, and during absences. This would free the three Council Support Specialists to provide the analysis, research and administrative support to the six Metro Councilors without interruption. Additionally, this person would be the primary back-up support for the Metropolitan Policy Advisory Committee (MPAC) staffing. As an additional responsibility previously in the Executive Office, MPAC now is under the auspices of the Chief Operation Officer, and currently does not have any staffing back-up.

### **OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?**

Under this amendment, half of the Records the Information Analyst position would be funded through the cost allocation plan, increasing central service expenditures charged to the departments. Department budgets would need to be adjusted accordingly, either through spending reductions, reductions in the ending fund balance, or through increased use of excise tax revenue.

### **EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions**

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

Charges to the departments through the cost allocation plan would be increased resulting in an increase in fund balance draw unless there are reductions in other expenditures, or increases in excise tax revenue transferred from the General Fund. If additional excise tax is transferred from the General Fund, fund balance may be reduced.

- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**

This amendment will add \$84,961 to the Council Office budget for the Archives program. After reductions proposed in this amendment, the combined Council Office and Public Affairs budget would have a net increase of \$50,961.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

This amendment will increase central overhead spending by \$64,000. Of this, \$34,000 will be paid with excise tax, the remaining \$30,000 will be funded through the cost allocation plan.



Department	#
Solid Waste & Recycling	3

## **AMENDMENT TO FY 2003-04 PROPOSED BUDGET**

**PRESENTER** Rod Monroe, Metro Councilor, District 6

**DRAFTER:** Rod Monroe

**DATE** April 17, 2003

### **PROPOSED AMENDMENT**

#### **APPROPRIATION ADJUSTMENT**

Increase funding in the amount of \$300,000 for the Regional System Fee Credit Program

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
Solid Waste & Recycling	Solid Waste Revenue	5280	Fee Reimbursements	\$300,000

### **REQUIREMENTS**

Operating Account (Financial Management & Analysis)

Project	Amount
Recovery Performance-based Regional System Fee Credit	\$300,000

Budgetary Account – Unappropriated Balance

Project	Amount
Operating Contingency (Rate Stabilization Account)	(\$300,000)

### **PROGRAM/STAFFING IMPACTS**

No staffing impacts. For program impacts see "arguments in favor" below.

### **ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT**

This amendment changes the proposed budget for RSF credits from \$450,000 to \$750,000. There are at least 3 benefits to reducing the level of cuts to this program next year: (1) Metro gets a longer period of time to develop and implement a better alternative for the post-collection recovery program; (2) it reduces the impact on the industry and thereby makes it less likely to lose ground on recovery efforts; and (3) it provides the flexibility to revise the credit schedule to improve incentives to recover materials.

### **OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?**

This amendment draws \$300,000 from reserves. (a) This slows progress toward bringing the Operating Contingency back to its target level. (b) The \$300,00 will have to be made up at some time by reductions



in other program areas or an increase in rates. (c) This action shaves 68 points off the projected debt service coverage ratio although the projected number is still well within compliance.

**EFFECT ON KEY BUDGET ISSUES** – Provide a brief response to each of the following questions:

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

Increase the draw from reserves by \$300,000. See also *“Options for Funding”* above.

- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**

No effect.

- **Will this amendment increase/decrease central overhead spending?**

No effect.



Department	#
Solid Waste & Recycling	4

## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER** Rod Monroe, Metro Councilor, District 6

**DRAFTER:** Rod Monroe

**DATE** April 18, 2003

### **PROPOSED AMENDMENT**

#### **APPROPRIATION ADJUSTMENT**

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
Solid Waste & Recycling	Solid Waste Revenue	5240	Contracted Professional Services	(\$32,500)
		5315	Grants to Other Governments	\$75,000

### **REQUIREMENTS**

Operating Account (Office of the Director)

Project	Amount
Envirocorps Program	(\$32,500)
Exempted Disposal Fees Program	\$75,000

Budgetary Account – Unappropriated Balance

Project	Amount
Operating Contingency (Rate Stabilization Account)	(\$42,500)

### **PROGRAM/STAFFING IMPACTS**

No staffing impact.

### **ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT**

The program has grown over the years as more groups have taken advantage of it. It enables citizens, working through their neighborhood associations and non-profit agencies, to clean up their neighborhoods and receive relief from disposal fees. At a funding level of \$150,000 (equal to the \$150,000 budgeted in 2002-03), and with careful application of the program criteria, requests for the vouchers should be able to be met. Also, greater geographic distribution of the funds could be encouraged. Conversely, the proposed budget would result in needing to deny many qualified applicants through a cap or limit of some kind (i.e., first-come, first-served), or changing the criteria of the program.

### **OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?**

The amendment can be partially funded by eliminating \$32,500 currently budgeted under Contracted Professional Services for a contract with Envirocorp. (See also "Effects" below.) The disposal voucher program serves a higher need in the community and is a better fit with department priorities



**EFFECT ON KEY BUDGET ISSUES** – Provide a brief response to each of the following questions:

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

Increase the draw from reserves by \$42,500.

- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**

No effect.

- **Will this amendment increase/decrease central overhead spending?**

No effect.



Department	#
Solid Waste & Recycling	5

## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER** David Bragdon, Metro Council President

**DRAFTER:** David Bragdon

**DATE** April 21, 2003

### **PROPOSED AMENDMENT**

#### **APPROPRIATION ADJUSTMENT**

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
Solid Waste & Recycling	Solid Waste Revenue	5240	Contracted Professional Services	(\$32,500)
		5315	Grants to Other Governments	\$32,500

### **REQUIREMENTS**

Operating Account (Office of the Director)

Project	Amount
Envirocorp Program	(\$32,500)
Exempted Disposal Fees Program	\$32,500

### **PROGRAM/STAFFING IMPACTS**

No staffing impact.

### **ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT**

This program serves an important need in the region by enabling communities to keep their neighborhoods clean and free of illegally dumped garbage. Adding \$32,500 to the budget allows more neighborhood associations and non-profit agencies to take advantage of the program.

### **OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?**

The amendment can be funded by eliminating \$32,500 currently budgeted for a contract with Envirocorp. The disposal voucher program serves a higher need in the community and is a better fit with department priorities.

**EFFECT ON KEY BUDGET ISSUES** – Provide a brief response to each of the following questions:

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

No effect

- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**

No effect.

- **Will this amendment increase/decrease central overhead spending?**

No effect.



Department	#
Solid Waste & Recycling	6

## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER** Susan McLain

**DRAFTER:** Karen Feher and Linnea Nelson

**DATE** April 16, 2003

**PROPOSED AMENDMENT** (provide a brief summary of the requested action along with the specific line item affected)

Increase the Solid Waste and Recycling department budget by \$30,000 for the Environmental Action Team (ENACT), which evaluates different sustainability models, provides sustainability training, and funds projects that make Metro more resource-efficient and reduces its environmental impact.

<b><u>DEPARTMENT(S)</u></b>	<b><u>FUND(S)</u></b>	<b><u>LINE ITEMS</u></b>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
Solid Waste & Recycling, Office of the Director	530, Solid Waste Revenue Fund	5240	Contracted Professional Services	\$30,000
Solid Waste & Recycling, Office of the Director	530, Solid Waste Revenue Fund	5990	Rate Stabilization	-30,000

### **PROGRAM/STAFFING IMPACTS**

The amendment would allow the ENACT Team to continue its sustainability and demonstration grants program. The proposed budget includes \$45,000 for ENACT, which is half of its \$90,000 FY 02-03 budget. With this amendment, ENACT would have a budget of \$75,000, still representing a 17% cut from FY 02-03 levels.

### **ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT** (not necessary for technical adjustments)

Investing in sustainable purchasing and practices now, will save Metro money in the future, and are consistent with Metro's values of providing livable communities. Funding ENACT at this level would be consistent with widespread sustainability efforts by Oregon governments and businesses, including Governor Kulongoski's public commitment to continuing sustainability initiatives.

### **Solid Waste Budget Cuts**

The proposed budget represents a 50% cut in the ENACT budget. This amendment leaves ENACT with a 17% budget cut, which is more in line with, but still greater than, the 10% cut taken from the rest of the Solid Waste and Recycling budget.

### **Recycling at Metro Facilities**

Recycling reports received from all Metro facilities indicate that a number of them need to make a significant investment to increase their recycling rates to acceptable levels. Some facilities are recycling less than 20% of their waste, well below the minimum 50% recycling rate established by the City of Portland. ENACT would help these facilities by assisting in purchasing additional recycling collection containers and implementing programs to use them. Without this amendment, this would not necessarily happen.



### **Sustainable Purchasing—New State Law**

This amendment will allow ENACT to assist Metro in participating in new opportunities to leverage its purchasing power to increase market demand for sustainable products. Oregon Revised Statute 279 is being revised by the legislature via a consensus bill (HB 2341). It would allow Metro to purchase materials and services through a competitive Request for Proposal (RFP) procurement process that can incorporate a broader range of environmental criteria other than recycled content for the items to be purchased. With the additional funding, ENACT would be able to assist Metro take advantage of the upcoming changes in the law, taking into consideration such factors as toxicity (e.g., non-chlorine bleached paper) and durability (e.g., lighting fixtures or tubes that last longer and provide greater energy savings with less solid waste).

### **Sustainable Purchasing Cooperative**

Multnomah County and the City of Portland have formed a sustainable purchasing cooperative. It has outlined five priority areas in which to focus sustainable purchases:

1. paper
2. vehicles/vehicle products
3. office furniture
4. cleaning supplies
5. building supplies.

With this amendment, ENACT would lead Metro in participating in this cooperative approach to sustainable purchasing for targeted products that the cooperative has identified and researched.

### **E-paper Initiative**

In an effort to develop a sustainable information management system that will reduce paper use and maximize electronic management of information, ENACT is implementing its first agency-wide initiative, E-paper. The initiative is also to reduce environmental impact and increase efficiencies for staff, employees and resource use by reducing information travel time, storage space and paper use. Funding ENACT at the level of this amendment would allow ENACT to proceed with the training and hardware planned for this project. For FY 03-04, interns would provide additional employee training, forms inventorying and electronic conversion. The initiative also includes purchasing software and hardware for green meeting rooms, with LCD In-Focus projectors permanently mounted in meeting rooms and wireless networking that provides the ability to pull files directly from any Metro directory for display.

Please see the attached ENACT staff report and resolution for more supporting information.

### **OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?**

None, other than the \$30,000 decline in rate stabilization reserve.

### **EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions**

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**  
Yes. \$30,000 reduction in rate stabilization reserve.
- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**  
No. N/A
- **Will this amendment increase/decrease central overhead spending? If so, by how much?**  
No. N/A



## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO. 03-XXXX FOR THE PURPOSE OF DIRECTING THE CHIEF OPERATING OFFICER TO ESTABLISH A SUSTAINABLE BUSINESS MODEL FOR METRO DEPARTMENTS AND FACILITIES AND TO UNDERTAKE RELATED DUTIES

---

Date: April 16, 2003

Prepared by: Steve Apotheker, Department of Solid Waste and Recycling, at the request of Councilor Susan McLain

#### BACKGROUND

In 1999, Councilor McLain requested that Solid Waste and Recycling (then Regional Environmental Management) evaluate broadening the current focus on recycling and buy recycled efforts at Metro facility operations and procurement to one of sustainability. In particular, Councilor McLain asked the department to evaluate the applicability of The Natural Step's sustainability framework that Oregon businesses were adopting. For the past three years, representatives from Metro departments have researched The Natural Step and other sustainability models, provided sustainability training to more than 50 employees and funded 33 demonstration projects that demonstrate numerous opportunities to build sustainability into our business practices.

This resolution, requested by Councilor McLain, would integrate a sustainability approach be integrated into Metro's business practices. It formally adopts The Natural Step as Metro's framework for developing sustainable actions and goals. The Natural Step is the most common sustainability framework being used by local governments and businesses in Oregon. This resolution also recognizes the role of the Environmental Action Team in developing a sustainable business model that includes existing activities in recycling, recycled product procurement and integrated pest management.

The resolution identifies several opportunities for Metro's sustainability effort. One important opportunity is to explore accounting mechanisms that would allow departments to retain operational savings from sustainability investments for future sustainability actions. Another opportunity is an agency-wide initiative to develop a sustainable information system that is more resource efficient and more timely for our citizens, customers and employees.

Adoption of this resolution would be consistent with widespread sustainability efforts by Oregon governments and businesses, including Governor Kulongoski's executive order to outline his commitment to sustainability initiatives.

This resolution will allow Metro to participate in new opportunities to leverage its purchasing power to increase market demand for sustainable products. The City of Portland and Multnomah County have developed a sustainable purchasing strategy that will focus on purchases in five key project areas. The Center for a New American Dream has initiated a national strategy to work with governments to define common sustainable product standards for targeted products, with janitorial products being their first effort. Lastly, a bill developed by Oregon state and local procurement officials would allow a competitive procurement of materials and services, so that environmental criteria other than recycled content can be considered.

Adoption of this resolution will make Metro's business practices more sustainable and would align them with the agency's mission "to preserve and enhance the quality of life and the environment for ourselves and future generations." It would provide sustainability goals and a framework that give direction and



destination for Metro's business operations. Past recycling, buy recycled and integrated pest management efforts at Metro facilities did not have clear goals against which to measure their progress.

## ANALYSIS/INFORMATION

### 1. Known Opposition

None.

### 2. Legal Antecedents

Metro Code 2.04.580 establishes recycling coordination committees for Metro facilities, provides for annual recycling plans and requires a procurement program for recycled-content products that allows up to a 10 percent price preference for recycled-content purchases and requires an annual report to the Metro Council on this activity. Metro Executive Order 60 establishes an integrated pest management policy for Metro facilities to provide a quantifiable monitoring program that serves as a model for local governments and homeowners.

### 3. Anticipated Effects

This resolution would assist Metro departments and facilities in integrating sustainability into their business practices, including work plans, budgets and capital project requests. It will allow development of a formal sustainability management plan at the facility level that includes goals, strategies and actions that are relevant to that facility's environmental impacts and financially feasible next steps. It defines the role of the Environmental Action Team (ENACT) to provide leadership and technical assistance in the agency's efforts to integrate sustainability in its business practices and to work more closely with other local governments and businesses that share a similar sustainability focus.

### 4. Budget Impacts

The Environmental Action Team is funded at \$90,000 for FY 2002-03 in the Department of Solid Waste and Recycling budget. This resolution will establish policy for how the ENACT program is carried out, and is independent of whatever reasonable funding is provided for in the FY 2003-04 budget.



## BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF DIRECTING THE	)	RESOLUTION NO. 03-XXXX
METRO CHIEF OPERATING OFFICER TO	)	
ESTABLISH A SUSTAINABLE BUSINESS	)	Introduced by Councilor Susan McLain
MODEL FOR METRO DEPARTMENTS AND	)	
FACILITIES AND TO UNDERTAKE	)	
RELATED DUTIES	)	

WHEREAS, in ordaining the Metro Charter, the people of the Metro region established a regional government that undertakes, as its most important service, planning and policy making to preserve and enhance the quality of life and the environment for themselves and for future generations; and

WHEREAS, Metro Code 2.04.580 establishes recycling coordinating committees for Metro facilities that provide annual recycling plans and requires a procurement program for recycled-content products that provides a 10 percent price preference for recycled-content purchases and an annual report to the Metro Council on this activity; and

WHEREAS, Metro Executive Order 60 establishes an integrated pest management policy for Metro facilities to provide a quantifiable monitoring program that serves as a model for local governments and home owners; and

WHEREAS, in 1999 the Metro Executive Officer convened the Metro Environmental Action Team (ENACT) consisting of Metro employees from each department and MERC facility to evaluate different sustainability models and to meet with local governments and businesses to review their sustainability programs; and

WHEREAS, thereafter ENACT recommended providing \$165,000 in funding for 33 projects that demonstrated the breadth of opportunities at Metro facilities and operations to make such facilities and operations more resource-efficient and to reduce environmental impacts; and

WHEREAS, ENACT also has provided training to more than 50 employees in the Natural Step sustainability model and specific applications of that model, including sustainable paving and construction practices, sustainable purchasing methods, use of methods of measuring environmental impacts of operations; and sustainable computer purchasing, use and recycling practices; and

WHEREAS, ENACT also has identified opportunities for reducing the environmental impact of the Metro information delivery by reducing information travel time, storage space and paper use; and

WHEREAS, ENACT also provided oversight of an 2001 environmental audit of Metro facilities' use of energy, including transportation, and water has identified cost-effective opportunities to increase savings and reduce environmental impacts in these areas; and

WHEREAS, the implementation of a coordinated sustainability business model for Metro departments that incorporates the recycling coordinating committee, includes Metro's integrated pest management policy and utilizes the Metro Environmental Action Team would help Metro's internal business operations fulfill the mission of sustainability at Metro's own facilities and be a model to visitors, suppliers, service providers, contractors and employees; and

WHEREAS, Metro desires to work cooperatively with other Oregon governmental agencies and businesses that are integrating sustainability into their operations;



WHEREAS, sustainable purchasing efforts have become a priority for Oregon state and local governments and provide an opportunity for Metro to leverage its \$90 million in annual purchases and an average of \$30 million in annual contracts to support sustainable products and services; now therefore,

BE IT RESOLVED,

The Metro Council directs the Chief Operating Officer to:

- (a) Direct creation of a Metro a sustainable business model that includes:
  - (i) A vision statement that provides that Metro business practices shall be sustainable by 2025;
  - (ii) A set of values to guide the development of Metro's sustainable strategies and actions that is consistent with the vision statement and with the conditions set forth in The Natural Step sustainability system ; and
  - (iii) A set of quantitative, aspirational goals that (A) is consistent with the vision statement and the set of values; (B) includes but is not limited to the goals set forth on Exhibit A; and (C) provides the direction and motivation for improvement in Metro's business practices toward sustainability and the means to measure progress toward sustainability.
- (b) Utilize ENACT (i) to develop the sustainable business model set forth in sub-section (b); (ii) to implement such model; and (iii) to provide leadership; education; recommendations for projects; and co-ordination of Metro's recycling coordinating committees and integrated pest management policy.
- (c) Implement a sustainable information management system that will maximize efficient use of paper and electronic management of information, which will reduce costs, staff time, resource consumption environmental impacts, while providing greater public access to information about Metro's activities; and
- (d) Evaluate accounting mechanisms by which departments that make the capital investment in resource-efficient materials and services are able to receive operational savings even if those savings might accrue to another department; and
- (e) Report to the Metro Council annually by January 31 on progress made toward sustainability goals and program accomplishments for the previous fiscal year and provide a proposed work plan for the following fiscal year.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_ 2003.

\_\_\_\_\_  
David Bragdon, Council President

Approved as to form:

\_\_\_\_\_  
Daniel B. Cooper, Metro Attorney



**EXHIBIT A**  
**Resolution 03-XXXX**

---

**Metro Environmental Action Team (ENACT)**  
**Internal Sustainability Goals for Metro Facilities and Operations**

GOAL 1: Zero net increase in carbon emissions

GOAL 2: Zero discharge of persistent bio-accumulative toxins.

GOAL 3: Zero waste disposed and incinerated.

GOAL 4: Fifty percent reduction in water consumption.

GOAL 5: Zero net loss of biodiversity and productive healthy habitat for forests and riparian areas.



Department	#
Business Support	1

## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER** Susan McLain

**DRAFTER:** Brad Stevens and Linnea Nelson

**DATE** 4/15/03

**PROPOSED AMENDMENT** (provide a brief summary of the requested action along with the specific line item affected)

This amendment would restore the Records and Information Analyst position, formerly in the Office of the Metro Attorney, and move the Archives Program to the Business Support Department. The Material and Services cost to support the work of the position (\$20,961) were included in the proposed budget for the Office of Metro Attorney, and under this amendment are transferred to the Business Support Department.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
<b>Resources</b>				
Support Services Fund	610	4975	Transfer for Indirect Costs	
			From Planning	15,100
			From Solid Waste	7,953
			From Zoo	2,870
			From Council & Public Affairs	27,329
			From MERC	(44)
			From Regional Parks	7,741
			From Open Spaces	4,764
<b>Total Resources</b>				<b>\$65,713</b>
<b>Expenditure Reductions</b>				
Office of Metro Attorney	610	5201	Office Supplies	(2,448)
Office of Metro Attorney	610	5205	Operating Supplies	(2,550)
Office of Metro Attorney	610	5260	Maintenance & Repair	(663)
Office of Metro Attorney	610	5280	Other Purchased Services	(15,300)
<b>Total Reductions</b>				<b>(\$20,961)</b>
<b>Expenditures</b>				
Business Support Dept.	610	5010	Salaries – Regular Employees	45,634
Business Support Dept.	610	5100	Fringe Benefits	20,079
Business Support Dept.	610	5201	Office Supplies	2,448
Business Support Dept.	610	5205	Operating Supplies	2,550
Business Support Dept.	610	5260	Maintenance & Repair	663
Business Support Dept.	610	5280	Other Purchased Services	15,300
<b>Total Expenditures</b>				<b>\$86,674</b>



## **PROGRAM/STAFFING IMPACTS**

This amendment would add 1 FTE to the Business Support Department to manage records and archiving of documents for the agency, including ordinances and resolutions. This Records Management and Information Analyst position would ensure Metro complies with state and federal record retention regulations and records management recommendations, as well as Metro's own records retention policy. This position would manage the TRIM database and make documents available to the public via TRIM's web browser. When Metro is involved in litigation or legal challenges, this person would provide leadership in compiling requested documents in a timely manner to comply with public records request timeframes.

## **ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT** (not necessary for technical adjustments)

### **Records Management**

Many factors now make management of public records complex, necessitating a professional approach from a dedicated individual. Information is one of the most vital and strategic assets any organization possesses. Triggering events such as the 9-11 disaster and recent scandals (Enron, WorldCom, etc.) have raised awareness regarding the need for proper stewardship of information assets. By investing in records management personnel and best practices now, Metro will save money in the future. Providing records to the public is one of the direct ways Metro interacts with its citizens. It is one of Metro's central necessities to conscientiously manage its records in a manner that accords with records management principles and also serves the public interest.

Metro records need to be managed in the same sense that other important government resources and assets need to be managed. Management includes recognition of the importance of records, assignment of responsibilities, application of effective records and information management techniques, and understanding and application of modern information technology. It requires establishing goals and objectives, setting priorities, and marshaling human, financial and other resources to accomplish the work. Governments that lack formal, well-developed records management programs are likely to have a variety of problems that affect their abilities to serve the public. Records accumulate gradually, and the problems resulting from poor management practices, such as a buildup of obsolete records or haphazard treatment of e-mail, also accumulate gradually. The consequences of not acting, or of applying inadequate or inappropriate solutions, are not always apparent or dramatic.

When information is outdated, missing, prematurely destroyed or not accessible, the operations slow and resources are wasted because people act from the wrong information or need to recreate that which is lost or not accessible. This redundant effort wastes time, costs money, and frustrates Metro employees and the public they serve.

### **State and Federal Laws**

The State of Oregon has a plethora of laws and regulations concerning the creation and management of public records, and considers the task so important as to establish a formal agency to oversee record keeping in state and local government. Specifically, each state and local agency is directed by ORS 192.105.(2)(a), to designate a records officer to coordinate its records management program and serve as liaison with the State Archivist. The State Archivist requires periodic reports from records officers about records management programs. When federal funds are involved in Metro projects, records retention requirements of the US Government must be observed.

### **Implementing State Recommendations**

In 2000, Metro approved its first comprehensive records retention schedule, to be in effect for five years. At that time, the State of Oregon Archives Division prepared a report recommending improvements in Metro's record keeping practices. To date, those recommendations have not been implemented, because Metro has not officially designated a records officer and given direction to implement those changes. Metro's Records and Information Analyst drafted a plan for implementing those changes. With management approval, the State's recommendations could be implemented under the auspices of this position.



## **TRIM**

TRIM (Tower Record Information Management) is a records management database, identified by the State as one of Metro's vital databases, and used by the Council Office and Solid Waste and Recycling. TRIM is a complex database program that requires professionally trained personnel to maintain it. The user interface seems relatively simple, but much technical work is needed behind that interface to make it work seamlessly. Metro is scheduled to provide the public with access to public records via TRIM and the web. More than ever a dedicated Records and Information Analyst will be needed. This is a service that will serve all Metro departments, decreasing staff time currently used to retrieve, duplicate and send out requested copies.

TRIM is a powerful tool that can improve business processes, promote efficiencies in records retrieval, maintenance and destruction, and provide increased access to public records, saving Metro money over time. The Records and Information Analyst is needed to expand use of TRIM across the agency, providing training for all staff (currently only key records personnel are trained). Many departments have expressed interest in using TRIM. A good example of this is the recent PERS records pilot project initiated by the current Records and Information Analyst. Using TRIM, she assisted the Accounting Division to eliminate paying for 45 boxes to be held in off-site archives for 75 years, by removing the few PERS documents and making them available to Accounting through TRIM. This not only saves \$21,000 in storage costs, it also saves money in staff time and increases Metro's efficiency and speed in retrieving PERS documents through TRIM when requested. This type of cost savings will not be realized in the future without a trained Records and Information Analyst that knows the difference between requirements for maintaining records for six years and 75 years, and who can provide the leadership to advise departments and implement such cost-saving projects.

## **Litigation Records Requests**

The Records and Information Analyst also provides documents requested by the Office of the Metro Attorney in response to litigation against Metro. These are copies of all Council action documents over a period of time pertaining to the area of litigation. Sometimes documents must be pulled from off-site permanent storage. One request included 11,000 pages, and on an average, the Council Office receives six requests per year. Without a designated person to fulfill these requests in a timely manner, the Council Office staff would have difficulty fulfilling its other daily duties.

Not having a professionally trained Records and Information Analyst could put Metro at risk. Records are needed in legal proceedings to prove a fact and defend Metro. If records cannot be found, are incomplete, or are inadequate in some other way (especially important in the case of electronic records), legal proceedings could be materially affected and Metro itself therefore put at risk.

## **Records Management Complexity and the Future**

Government is moving fast into formatting original public records on electronic and digital media. This trend has introduced a whole new scope of dissemination and security issues that need to be dealt with in new ways. Frequently new legislation is passed that further restricts when and to whom certain public records may be disclosed. Sweeping new legislation, such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), necessitates that local governments assign people to write and implement new policies, etc. to ensure compliance. The need to produce important archived records on short notice, such as with subpoenas or media requests pursuant to public records law, creates problems for those who do not deal with records on a regular basis.

Nearly every study in the past 20 years has concluded that government records and archival programs are underfunded in relation to the magnitude and complexity of the work they can reasonably be expected to accomplish. Records management and archival work is by its nature and definition organic and dynamic; the volume of records continually grows, and the volume of researchers is likely to grow. Metro's investment in a Records and Information Analyst now, will more than pay for itself in the efficiency and service it provides to the public over time.



**OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?**

Under this amendment, the Records and Information Analyst position would be funded through the cost allocation plan, increasing central service expenditures charged to the departments. Department budgets would need to be adjusted accordingly, either through spending reductions, reductions in the ending fund balance, or through increased use of excise tax revenue.

**EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions**

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

Charges to the departments through the cost allocation plan would be increased, resulting in an increase in fund balance draw, unless there are reductions in other expenditures, or increases in excise tax revenue transferred from the General Fund. If additional excise tax is transferred from the General Fund, fund balance may be reduced.

- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**

This amendment will have no impact on the transition savings.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

This amendment will increase central overhead spending by \$65,713 funded through the cost allocation plan.



Department	#
Public Affairs	1

## AMENDMENT TO FY 2003-04 PROPOSED BUDGET

**PRESENTER** Carl Hosticka

**DRAFTER:** Brad Stevens and Linnea Nelson

**DATE** 4/22/03

**PROPOSED AMENDMENT** (provide a brief summary of the requested action along with the specific line item affected)

This amendment would restore the Assistant Public Affairs Specialist position to the Creative Services division of the Public Affairs department. The position had been eliminated from the 2003-04 fiscal year proposed budget as part of the transition. Included are three options for funding the position.

**Option #1:** Increase allocated costs (Support Services Fund) charged to departments by \$72,124 to cover the entire cost of the position.

**Option #2:** Reduce budgeted travel and staff development expenditures for PeopleSoft training in the Finance and Business Support departments by \$30,000, or approximately 40%. Under this option, the remaining \$42,124 of salary and fringe is charged to the departments through the cost allocation plan.

**Option #3:** Reduce budgeted expenditures for travel and staff development in the Support Services fund by \$65,176, bringing them to the same level as the 2001-02 actuals. The remaining \$6,948 of salary and fringe is charged to the departments through the cost allocation plan.

The following tables summarize the impact of each of the three options to the FY 2003-04 Proposed Budget.

### Option #1—All Allocated

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
<b>Resources</b>				
Support Service Fund	610	4975	Transfer for Indirect Costs	
			From Planning	34,568
			From Solid Waste	19,862
			From Zoo	378
			From Council & Public Affairs	3,633
			From MERC	2,056
			From Regional Parks	9,829
			From Open Spaces	1,798
<b>Total Resources</b>				<b>\$72,124</b>
<b>Expenditures</b>				
Public Affairs Department	610	5010	Salaries – Regular Employees	50,971
Public Affairs Department	610	5100	Fringe Benefits	21,153
<b>Total Expenditures</b>				<b>\$72,124</b>



**Option #2—PeopleSoft Travel and Training Reduced by \$30,000**

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
<b>Resources</b>				
Support Service Fund	610	4975	Transfer for Indirect Costs	
			From Planning	32,554
			From Solid Waste	12,482
			From Zoo	(7,684)
			From Council & Public Affairs	2,306
			From MERC	(5,468)
			From Regional Parks	6,799
			From Open Spaces	1,135
<b>Total Resources</b>				<b>\$42,124</b>
<b>Expenditure Reductions</b>				
Business Support Dept.	610	5450	Travel	(6,769)
Business Support Dept	610	5455	Staff Development	(15,140)
Finance Department	610	5450	Travel	(2,403)
Finance Department	610	5455	Staff Development	(5,688)
<b>Total Reductions</b>				<b>(\$30,000)</b>
<b>Expenditures</b>				
Public Affairs Department	610	5010	Salaries – Regular Employees	50,971
Public Affairs Department	610	5100	Fringe Benefits	21,153
<b>Total Expenditures</b>				<b>\$72,124</b>

**Option #3—Support Services Travel and Training reduced by \$65,000**

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
<b>Resources</b>				
Support Service Fund	610	4975	Transfer for Indirect Costs	
			From Planning	26,062
			From Solid Waste	1,659
			From Zoo	(14,120)
			From Council & Public Affairs	676
			From MERC	(11,336)
			From Regional Parks	3,633
			From Open Spaces	375
<b>Total Resources</b>				<b>\$6,948</b>
<b>Expenditure Reductions</b>				
Business Support Dept.	610	5450	Travel	(16,045)
Business Support Dept	610	5455	Staff Development	(16,717)
Finance Department	610	5450	Travel	(7,027)
Finance Department	610	5455	Staff Development	(12,821)
Public Affairs Department	610	5450	Travel	(961)
Public Affairs Department	610	5455	Staff Development	(3,935)
Office of Metro Attorney	610	5450	Travel	(2,970)
Office of Metro Attorney	610	5455	Staff Development	(4,700)
<b>Total Reductions</b>				<b>(\$65,176)</b>
<b>Expenditures</b>				
Public Affairs Department	610	5010	Salaries – Regular Employees	50,971
Public Affairs Department	610	5100	Fringe Benefits	21,153
<b>Total Expenditures</b>				<b>\$72,124</b>



## **PROGRAM/STAFFING IMPACTS**

This amendment would restore 1 FTE to the Creative Services division of the Public Affairs department, a position providing publication and graphic design services to departments throughout the agency.

Under the second and third funding options, budgets for travel and staff development in Support Service departments would be reduced significantly. Reductions would primarily impact PeopleSoft training.

## **ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT** (not necessary for technical adjustments)

The proposed budget cuts services that are needed by Metro and the public we serve. If the Assistant Creative Services Specialist (Graphic Designer) is cut from the budget, it will mean a loss of services on materials that support programs that communicate directly to our public. This loss may also be costly, because this may force the day-to-day work to be contracted out at a higher rate to meet deadlines.

## **OPTIONS FOR FUNDING THIS AMENDMENT** – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

Under this amendment, the Assistant Public Affairs Specialist position would be funded through a combination of cuts and increased allocated costs. Department budgets would need to be adjusted accordingly, either through spending reductions, reductions in the ending fund balance, or through increased use of excise tax revenue.

## **EFFECT ON KEY BUDGET ISSUES** – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

Charges to the departments through the cost allocation plan would be increased resulting in an increase in fund balance draw unless there are reductions in other expenditures, or increases in excise tax revenue transferred from the General Fund. If additional excise tax is transferred from the General Fund, fund balance may be reduced.

- **Will this amendment increase/decrease savings from Council/Executive transition? If so, by how much?**

When transition savings are calculated comparing the former Council/Executive structure to the new Council/Public Affairs structure, Creative Services would be included in the savings calculation. As a result of this amendment, the Creative Services budget would be increased by \$72,124 in both of the first two options, and transition savings would be reduced by that same amount. Option number three includes reductions to travel and staff development in the Creative Services division and results in a net increase to the Public Affairs budget of \$67,228, and a corresponding reduction in transition savings.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

Under the first option, the Creative Services budget would be increased by \$72,124, charged entirely through the cost allocation plan.

The second funding option also increases the Creative Services budget by \$72,124, but includes \$30,000 in spending reduction to the Business Support and Finance departments. Under this option, allocated costs are increased by \$42,124.

After reductions to spending in Materials and Services, the third option will result in a net increase of \$67,228 to the Creative Services budget. This option includes \$65,176 in spending reductions in the Support Services fund, and would increase allocated costs by \$6,948.



**FY 2003-04 Proposed Budget**  
**Summary of Cost Allocation and Excise Tax Impact of Proposed Amendments**  
*Costs by Amendment and Paying Department*

	Total New Proposed Allocations Assumes highest allocation when there are options								Allocations in the Proposed Budget	Total All Allocations
	Business Support #1	Public Affairs #1	Auditor Amendment #1	Auditor Amendment #2	Auditor Amendment #3	Auditor Amendment #4	Auditor Amendment #5	Total New Allocations		
Planning	15,100	34,568	9,765	5,022	1,984	14,023	2,648	83,110	2,324,471	2,407,581
Solid Waste	7,953	19,862	31,095	15,977	6,310	44,559	8,406	134,162	3,290,375	3,424,537
Oregon Zoo	2,870	378	11,480	5,904	2,332	16,485	3,112	42,561	2,164,197	2,206,758
General Fund	27,329	3,633	482	251	100	713	136	32,644	977,889	1,010,533
MERC Operations	(44)	2,056	16,604	8,532	3,369	23,795	4,489	58,801	2,053,469	2,112,270
Regional Parks	7,741	9,829	3,105	1,599	632	4,472	845	28,223	1,071,840	1,100,063
Open Spaces	4,764	1,798	1,343	690	273	1,928	364	11,160	284,841	296,001
Total	\$65,713	\$72,124	\$73,874	\$37,975	\$15,000	\$105,975	\$20,000	\$390,661	\$12,167,082	\$12,557,743

	Excise Tax Impact of Proposed New Allocations:							
	Business Support #1	Public Affairs #1	Auditor Amendment #1	Auditor Amendment #2	Auditor Amendment #3	Auditor Amendment #4	Auditor Amendment #5	Total New Allocations
Planning @ 30%	4,530	10,370	2,930	1,507	595	4,207	794	24,933
General Fund	27,329	3,633	482	251	100	713	136	32,644
Regional Parks @ 35%	2,709	3,440	1,087	560	221	1,565	296	9,878
MERC (VDI Agreement)	(26)	1,192	9,630	4,949	1,954	13,801	2,604	34,104
Total Excise Tax Impact	\$34,542	\$18,635	\$14,129	\$7,267	\$2,870	\$20,286	\$3,830	\$101,559

**Current Proposed General Fund Ending Undesignated Reserves (contingency & unappropriated balance)** **\$1,099,706**

<b>Undesignated General Fund Undesignated Reserves after all new allocations</b>	<b>\$998,147</b>
--	------------------

042903c-05



**FY 2003-04 Proposed Budget**  
**Summary of Cost Allocation Impact of Proposed Amendment**  
*Costs by Allocated Functional Area*

	FY 2002-03 Adopted Budget	FY 2003-04 Proposed Budget		Change from Council President Proposed CAP to FY 2002-03 Adopted		Change from CAP with All Proposed Amendments to FY 2002-03 Adopted	
		Council President Proposed	With All Proposed Allocations	\$	%	\$	%
<b>GENERAL FUND</b>							
Council Office	658,669	224,400	224,400	(434,269)	(65.93%)	(434,269)	(65.93%)
Office of the Executive Officer	532,425	0	0	(532,425)	(100.00%)	(532,425)	(100.00%)
<b>Subtotal</b>	<b>\$1,191,094</b>	<b>\$224,400</b>	<b>\$224,400</b>	<b>(\$966,694)</b>	<b>(81.16%)</b>	<b>(\$966,694)</b>	<b>(81.16%)</b>
<b>SUPPORT SERVICES FUND</b>							
Finance	\$2,262,828	\$2,182,823	\$2,182,823	(80,005)	(3.54%)	(80,005)	(3.54%)
Business Support	4,064,881	4,358,299	4,424,012	293,418	7.22%	359,131	8.83%
Office of Metro Attorney	1,199,451	1,104,044	1,104,044	(95,407)	(7.95%)	(95,407)	(7.95%)
Office of the Auditor	625,792	607,940	860,764	(17,852)	(2.85%)	234,972	37.55%
Public Affairs-Creative Services	577,672	530,078	602,202	(47,594)	(8.24%)	24,530	4.25%
<b>Subtotal</b>	<b>\$8,730,624</b>	<b>\$8,783,184</b>	<b>\$9,173,845</b>	<b>\$52,560</b>	<b>0.60%</b>	<b>\$443,221</b>	<b>5.08%</b>
<b>BUILDING MANAGEMENT FUND</b>	<b>\$2,114,324</b>	<b>\$2,159,498</b>	<b>\$2,159,498</b>	<b>45,174</b>	<b>2.14%</b>	<b>45,174</b>	<b>2.14%</b>
<b>RISK MANAGEMENT FUND</b>	<b>\$694,017</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>305,983</b>	<b>44.09%</b>	<b>305,983</b>	<b>44.09%</b>
<b>TOTAL TRANSFERS</b>	<b>\$12,730,059</b>	<b>\$12,167,082</b>	<b>\$12,557,743</b>	<b>(\$562,977)</b>	<b>(4.42%)</b>	<b>(\$172,316)</b>	<b>(1.35%)</b>



**FY 2003-04 Proposed Budget  
Comparison of Transition Savings**  
*Total Executive Office, Council and Public Affairs Budgets*

Budget by Classification	(A)	(B)	(C)	(B - A)		(C - A)	
	Amended Budget FY 2002-03	Proposed Budget FY 2003-04	With Amend. FY 2003-04	Change from FY 2003-04 Proposed Budget to FY 2002-03 Amended		Change from FY 2003-04 With Amendments to FY 2002-03 Amended	
				\$	%	\$	%
Personal Services	\$2,642,639	\$2,110,266	\$2,246,390	(\$532,373)	(20.15%)	(\$396,249)	(14.99%)
Materials and Services	391,405	353,630	340,591	(37,775)	(9.65%)	(50,814)	(12.98%)
Totals	\$3,034,044	\$2,463,896	\$2,586,981	(\$570,148)	(18.79%)	(\$447,063)	(14.73%)
<b>Budget by Division</b>							
Council	\$1,336,439	\$1,345,146	\$1,400,107	\$8,707	0.65%	\$63,668	4.76%
Council Public Outreach	124,822	0	0	(124,822)	(100.00%)	(124,822)	(100.00%)
Office of the Executive	535,053	0	0	(535,053)	(100.00%)	(535,053)	(100.00%)
Exec. Public Aff. & Gov't. Relations	380,736	0	0	(380,736)	(100.00%)	(380,736)	(100.00%)
Public Affairs Department	0	545,935	541,935	545,935	n/a	541,935	n/a
Office of Citizen Involvement	79,322	34,440	34,440	(44,882)	(56.58%)	(44,882)	(56.58%)
Creative Services	577,672	538,375	610,499	(39,297)	(6.80%)	32,827	5.68%
Totals	\$3,034,044	\$2,463,896	\$2,586,981	(\$570,148)	(18.79%)	(\$447,063)	(14.73%)
<b>Budget by Fund</b>							
General Fund	\$2,456,372	\$1,925,521	\$1,976,482	(\$530,851)	(21.61%)	(\$479,890)	(19.54%)
Support Services Fund	577,672	538,375	610,499	(39,297)	(6.80%)	32,827	5.68%
Totals	\$3,034,044	\$2,463,896	\$2,586,981	(\$570,148)	(18.79%)	(\$447,063)	(14.73%)
Full-Time Equivalents (FTE)	36.10	27.00	29.00	(9.10)	(25.21%)	(7.10)	(19.67%)

**Amendments that Impact Transition Savings:**

- \* Addition of 1.0 FTE in the Council budget with .50 FTE for Archivist (allocated) and .50 FTE to support the Council Operations Manager
- \* Restoration of 1.0 FTE Assistant Creative Services position



**FY 2003-04 PROPOSED BUDGET**  
**Fiscal Impact Summary of Budget Amendments**  
**As of April 24, 2003**

<b>SUBSTANTIVE AMENDMENTS FROM COUNCIL</b>							
<b>Amendment #</b>	<b>Page #</b>	<b>Presenter</b>	<b>Amendment</b>	<b>Fund/Department</b>	<b>Funding Source</b>	<b>Total New Cost (net)</b>	<b>Action by Committee</b>
<b>General Fund and Related</b>							
Planning 1	1	Newman	Provide additional \$100,000 for one case study for the Centers program	General Fund/Planning Fund Planning Department	Fund balance carryover in General Fund from underspending	\$100,000	
Council Office 1	3	McLain	Add 1.0 FTE in Council Office - restoring .50 FTE for Archivist functions and .50 FTE to support the Council Operations Manager. The excise tax portion of the position to be funded by reductions in Public Affairs and Council Office	General Fund Council Office Public Affairs	Cost Allocation Plan - \$30,000 Expenditure reductions - \$34,000	\$30,000	
<b>Enterprise &amp; Related</b>							
Solid Waste & Recycling 3	7	Monroe	Increase funding for the Regional System Fee by \$300,000	Solid Waste Revenue Fund Solid Waste & Recycling department	Ending Fund Balance	\$300,000	
Solid Waste & Recycling 4	9	Monroe	Increase by \$75,000 the funds available for disposal fee relief for neighborhood clean-ups. Fund a portion of the increased expense with a reduction of \$32,500 in the envirocorps program.	Solid Waste Revenue Fund Solid Waste & Recycling department	Ending Fund Balance	\$42,500	
Solid Waste & Recycling 5	11	Bragdon	Increase by \$32,500 the funds available for disposal fee relief for neighborhood clean-ups. Fund the increased expense with a reduction of \$32,500 in the envirocorps program.	Solid Waste Revenue Fund Solid Waste & Recycling department	Ending Fund Balance	\$0	
Solid Waste & Recycling 6	13	McLain	Add \$30,000 back to the Solid Waste & Recycling budget for the Environmental Action Team (ENACT)	Solid Waste Revenue Fund Solid Waste & Recycling department	Ending Fund Balance	\$30,000	
<b>Support Services &amp; Miscellaneous</b>							
Business Support 1	20	McLain	Restore 1.0 FTE Archivist position and place the position in the Business Support Department	Support Services Fund Business Support Department	Cost Allocation Plan	\$65,713	
Public Affairs 1	24	Hosticka	Restore 1.0 FTE Assistant Public Affairs Specialist in the Creative Services division of the Public Affairs department. The amendment includes three possible funding options.	Support Services Fund Public Affairs Department	Cost Allocation Plan (total new cost reflects highest of 3 options)	\$72,124	
<b>TOTAL SUBSTANTIVE AMENDMENTS</b>						<b>\$640,337</b>	

04/29/03 - 04



**FY 2003-04 PROPOSED BUDGET**  
**Fiscal Impact Summary of Budget Amendments**  
*As of April 24, 2003*

**SUBSTANTIVE AMENDMENTS FROM AUDITOR**

Amendment #	Page #	Presenter	Amendment	Fund/Department	Funding Source	Total New Cost	Action by Committee
<b><i>Support Services &amp; Miscellaneous</i></b>							
Auditor 1	1	Dow	Restore \$73,874 in materials & services	Support Services Fund Auditor's Office	Cost allocation plan	\$73,874	
Auditor 2	5	Dow	Requests the equivalent of 0.50 temporary senior auditor	Support Services Fund Auditor's Office	Cost allocation plan	\$37,975	
Auditor 3	7	Dow	Add \$15,000 to evaluate governance structure changes	Support Services Fund Auditor's Office	Cost allocation plan	\$15,000	
Auditor 4	9	Dow	Add 1.0 FTE and related materials & services	Support Services Fund Auditor's Office	Cost allocation plan	\$105,975	
Auditor 5	11	Dow	Adds \$20,000 for construction of conference room and private workspaces for staff	Support Services Fund Auditor's Office	Cost allocation plan	\$20,000	
<b>TOTAL SUBSTANTIVE AMENDMENTS</b>						<b>\$252,824</b>	

042903c-00-



042903-06

# Burkholder Budget Note 1

Add note:

"Metro funds to support neighborhood cleanups shall be provided in such a way as to guarantee regional equity, e.g., ~~allocated evenly by Council district~~"

*promote*



**Newman/Park Amendment to SOLID WASTE & RECYCLING # 3 (Monroe)**

**Increase funding in the amount of \$300,000 for the Regional System Fee Credit Program and hold those funds in abeyance. The Council President will convene a task force by September 1, 2003 that will review the program and distribution methodology of the credits. The task force will report its findings to the Metro Council by January 1, 2004.**

**Arguments in Favor:**

- It is essential that we hold these funds in an account until we receive the recycling rate from the state.
- We need to provide the council adequate time to obtain additional information on the business of the Regional System Fee Credit Program.
- A review is needed in the recycling arena to make sure we are making use of our most cost effective method. The Council President appointing a task force to report back to the council by January 1, 2004 on a variety of solid waste issues can accomplish this.



**Burkholder proposed amendment to archivist amendment:**

Add note:

“Expenditure of these funds is authorized only following the Chief Operating Officer giving the Council a staffing plan for how the archiving and support functions are to be managed, and the Council’s acceptance of that plan by resolution.”



042903c-09

**Linnea Nelson - Citizen call for tipping voucher amendment**

---

**From:** Linnea Nelson  
**To:** Christina Billington  
**Subject:** Citizen call for tipping voucher amendment  
**CC:** Carl Hosticka; Susan McLain

---

Chris,

Please enter into the Council 4-29-03 record that a citizen, Kelly Caldwell, 3534 SE Main, Portland, OR 97214, 503.232.0010, called today at 1:40 p.m. in support of the amendment to restore funding for the tipping vouchers. She is a Richmond Neighborhood Association member and works at Southeast Uplift. She feels it is a valuable partnership Metro has established, and she'd like to see it continue. She feels partnerships are a great way to work. She was at a neighborhood cleanup this last weekend, the first of its kind in 10 years, and the organizer received vouchers for the cleanup.



0429030-10

**Additional Expenditures**  
**Effect on the Debt Service Coverage & Contingency Reserves**  
**Solid Waste & Recycling Budget: FY 03-04**

	<u>Change</u>	<u>Coverage Ratio</u>	<u>Contingencies</u>	
			<u>Over/(Under) Target</u>	<u>Days of Working Capital</u>
Council President's Budget	-	653%	(\$328,558)	42
<b>Council President's Amended Budget</b>	<b>\$73,473</b>	<b>670%</b>	<b>(\$402,031)</b>	<b>41</b>

**Additional Expenditures**

\$50,000	659%	(\$452,031)	41
\$75,000	653%	(\$477,031)	41
\$100,000	648%	(\$502,031)	41
\$125,000	642%	(\$527,031)	40
\$150,000	636%	(\$552,031)	40
\$175,000	631%	(\$577,031)	40
\$200,000	625%	(\$602,031)	40
\$250,000	614%	(\$652,031)	39
\$300,000	602%	(\$702,031)	39
\$335,000	595%	(\$737,031)	39
\$375,000	586%	(\$777,031)	38
\$400,000	580%	(\$802,031)	38

**Revenue Sensitivity**

2.5% loss of tonnage	\$500,000	557%	(\$902,031)	37
5% loss of tonnage	\$1,000,000	445%	(\$1,402,031)	34
10% loss of tonnage	\$2,000,000	219%	(\$2,402,031)	26

# Schools budget counts on new tax

*The Portland board passes a \$392 million plan that depends on county voters approving an income tax*

BY STEVEN CARTER  
THE OREGONIAN

Banking on an election victory in May, the Portland School Board on Monday night approved a \$392 million budget for the next school year that avoids teacher layoffs and lost school days.

The budget, which is 9 percent higher than current spending, assumes that voters will agree on May 20 to a 1.25 percent Multnomah County income tax for three years to help Portland as well as seven other county school districts. The final budget will be adopted in June, once the May vote is known.

"What we had before us was a stark choice about what we wanted Portland Public Schools to look like," said board member Julia Brim-Edwards. "We chose a more positive future."

The board vote, which was 7-0, means that it is up to backers of Measure 26-48 to get the votes needed to pass the temporary income tax surcharge.

"We are working hard to pass it," said Nancy Hamilton, a Portland parent and one of the campaign field organizers. "Our feeling is that we don't have an option. Our kids' education is at risk."

The school district has limped through this year with a \$20 million loss in state school support from the Legislature, partially offset by 10 days' worth of free work from teachers and a boost in the city business license fee dedicated to the district.

Next year without the local income tax

## VOTER REGISTRATION

Today is the last day to register for the May 20 election, which includes an income tax measure in Multnomah County and local-option property tax levies for the Beaverton, Canby and Scappoose school districts, as well as local candidate elections.

You can register in person at any county elections office or state Driver and Motor Vehicle Division Office. If you mail in your registration, it must be postmarked today.

Voter registration forms, plus county elections office addresses and phone numbers, are available on the Web site: [www.sos.state.or.us/elections/votereg/vreg.htm](http://www.sos.state.or.us/elections/votereg/vreg.htm)

## Schools: Tax failure means program cuts

*Continued from Page B1*

surcharge, the district faces a budget of \$337 million. According to Superintendent Jim Scherzinger that would mean laying off 600 teachers, increasing class size by 30 percent and eliminating all athletics and all magnet programs, such as the arts program at Jefferson High School and the International Baccalaureate at Lincoln High School.

Measure 26-48 would raise \$100 million a year through the 2005-06 school year for county schools, with more than half that money going to Portland. A taxpayer with an Oregon taxable income of

\$30,000 would pay an extra \$250 a year in income taxes if the measure passes. The measure is aimed at tiding over county schools until a statewide solution to the school funding shortfall can be found.

Three weeks ago, Scherzinger gave the board a choice: Plan for next year as if the tax surcharge has passed, or plan for a sharply reduced program based solely on support from the State School Fund. The board chose the first option.

### Internal auditing proposed

The only change from what Scherzinger presented the board was an additional \$75,000 to

create an internal auditing function in the district to ferret out ways the district can save money.

Brim-Edwards proposed the auditing office after seeing a state report in March criticizing state agencies for not having internal auditors.

"We are bigger than most state agencies," Brim-Edwards said. "In talking to the community, I have found that they want us to tell them how we have been responsible with the money they have given us."

The auditor will start Jan. 1 — midyear in the budget cycle — and will report to the board, giving

him or her independence from school district administration. After the first year, the auditing function will cost \$150,000 a year.

Portland City Auditor Gary Blackmer said having an internal auditor was a good idea.

"A performance auditor," he said, "can identify ways they can provide the same services more effectively and efficiently."

A 1998 external district audit by KMPG Peat Marwick recommended establishing an internal auditor. But Marc Abrams, school board budget committee chairman, said members had to overcome their concerns about adding another

administrator in tight budget times.

"We finally decided that this particular function would be cost-effective," he said. "We would save more money than we would spend."

Brim-Edwards said it hasn't been decided how much of the annual cost of the program will be for the auditor's salary and how much will be for support services. Blackmer earns \$85,000 a year as city auditor, an elected post with broad job responsibilities.

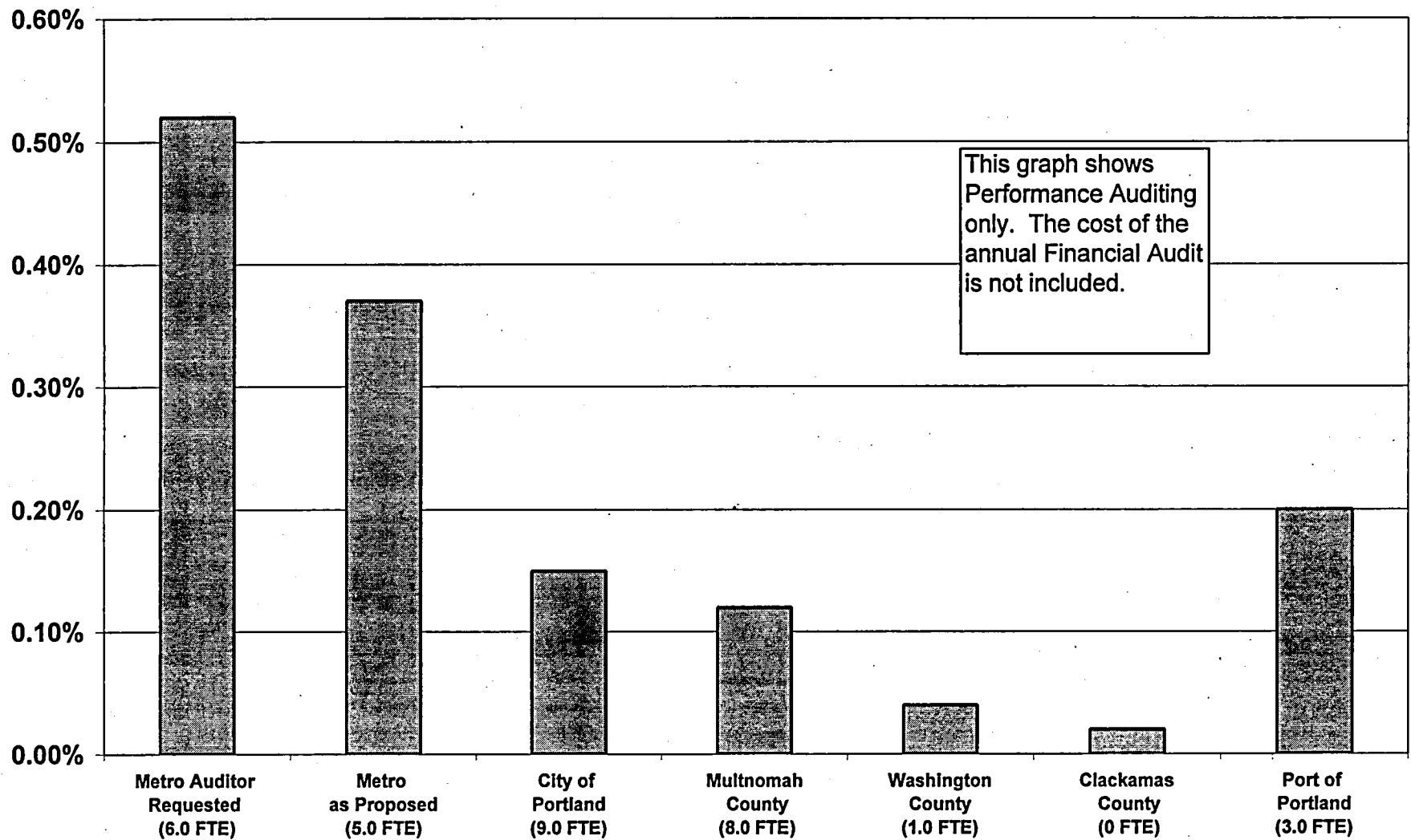
Steven Carter: 503-221-8521;  
[stevencarter@news.oregonian.com](mailto:stevencarter@news.oregonian.com)

042903c-11



## Auditing as a Percent of Total Budget

*(Total budget = total personal services & materials and services)*



042903c-12

## Results of Auditor Research

Questions	Auditor Requested FY 03-04	Metro Proposed FY 03-04	City of Portland	Multnomah County	Washington County	Clackamas County <sup>3</sup>	Port of Portland <sup>4</sup>
1. What is the Auditors adopted budget for Performance Audits in FY 02-03? <sup>2</sup>	\$731,189	\$516,340	\$1,203,916	\$794,869	\$154,600	\$60,000	\$268,000
2. Number of FTE performing this function?	6	5	9	8	1	0	3
3. Budgeted amount for Financial Audit for FY 02-03? <sup>1</sup>	\$91,600	\$91,600	\$303,200	\$106,940	\$100,000	\$103,494	\$96,000
4. What is the total organization budget for Personal Services and Materials & Services?	\$139,226,299	\$139,226,299	\$778,050,268	\$653,942,466	\$376,428,192	\$281,814,800	\$149,369,695
5. Performance Auditing as a % of the total Budget?	0.52%	0.37%	0.15%	0.12%	0.04%	0.02%	0.20%

<sup>1</sup> In Multnomah and Washington Counties, as well as the Port of Portland, the annual financial audit is budgeted and expensed through the Finance function of the organization rather than the Auditor's Office

<sup>2</sup> The amount shown for Metro's Performance Audits is the Auditor's budget less the amount budgeted to complete the annual financial audit (\$88,000) and the amount for the audit compliance letter (\$3,600)

<sup>3</sup> Clackamas County does not have an elected auditor. All of the County's audit work is performed via contract.

<sup>4</sup> The Port of Portland does not have an elected auditor. It does have an Internal Audit Manager that supervises the performance audits for the organization.





# M E M O R A N D U M

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736  
TEL 503 797 1700 | FAX 503 797 1794



METRO

Date: April 24, 2003  
To: Metro Council  
From:  Andy Cotugno, Planning Director  
 Chris Deffebach, Long Range Planning Manager  
Re: ***Schedule for the Fish and Wildlife Habitat Protection Program (Goal 5)***

At the April 22, 2003 Metro Council Informal, a question was raised regarding the schedule for the Goal 5 program. I would like to clarify the schedule the department has been operating under and expand upon other schedule options.

The attached "ESEE Schedule for Metro's Regional Fish and Wildlife Habitat Protection Plan" and "Metro ESEE Analysis Flowchart" reflects the schedule that staff is following. These documents have been circulated to the Metro Council and the various advisory committees, including WRPAC, the Goal 5 TAC, ETAC, MTAC, MPAC and the Tualatin Basin Policy Committee. This schedule is for the ESEE step of the process and under the Goal 5 Rule will be followed by the Program step of the process. In addition, at the direction of Metro Council, these schedules reflect development and analysis of "pre-program alternatives" as part of the ESEE analysis. This was incorporated to accelerate the Program step and to give more focus and relevance to the ESEE step.

This ESEE schedule identifies two Metro Council actions. The first is in October 2003 when the pre-program alternatives would be the subject of Metro Council approval by resolution to serve as the basis for completing the ESEE consequence analyses. The second action is in June 2004 when it is proposed that the Metro Council adopt by resolution the ESEE decision on the areas to "prohibit or limit conflicting uses" and select a program approach to accomplish this direction. Under this schedule, final adoption of the program by ordinance would occur in December 2004.

This schedule is consistent with the Tualatin Basin Coordinating Committee schedule. The second attachment shows their schedule and the Metro schedule on the same page. These completion dates are in the process of being amended into their intergovernmental agreements (IGA). Their schedule calls for adoption of their "allow, limit, prohibit" decision at the conclusion of their ESEE analysis in April 2004 and adoption of their program in August 2004. This would meet the IGA requirement to be 120 days in advance of the Metro program decision thereby allowing inclusion of the Tualatin Basin program into the Metro program.

There are several key features to the schedule:

- It provides for early definition of program alternatives during the ESEE process in addition to following the ESEE process.
- It provides for public outreach at the same time as Periodic Review Task 3 allowing for coordination of materials and message.
- It allows for understanding the magnitude of impact on buildable lands at the same time Periodic Review Task 3 is adopted.
- It is coordinated with the Tualatin Basic schedule, thereby implementing the provision of their intergovernmental agreement calling for local government implementation of the program within six months of Metro adoption.

At the February 25, 2003 Metro Council Informal, there was discussion of the overall Fish and Wildlife program direction. At that time, staff was directed to work with Councilor Hosticka to prepare two timelines, one with existing resources and another if more resources are provided. In response, staff prepared three options, which have been provided through the Metro Council budget process (see "Follow-up to April 9, 2003 budget deliberations").

- The first schedule option is predicated on existing resources and the schedule described above.
- The second option would accelerate the above schedule, providing for adoption of the ESEE decision by the end of December 2003 and adoption of the program by July 2004. However, as I indicated in my budget presentation on April 9, 2003 accelerating the schedule as described in Option 2 would require an amendment to the current (FY 2002-03) budget, not just amendment to the proposed (FY 2003-04) budget.
- The third option would retain the same schedule as Option 1 but would increase the budget to improve upon the quality of the technical and public outreach efforts.

Staff believes these schedules are an aggressive but realistic reflection of the level of effort required to complete the program. They take into account the necessary technical work to produce a defensible final decision as well as the necessary stakeholder and public involvement. We are available to respond to alternative schedule approaches.



AC/CD/srb  
I:\gm\ong\_range\_planning\share\Correspondence\council memo on goal 5 april 23 03.doc

Attachments



# DRAFT

## Integrated Work Program for Metro and Tualatin Basin Goal 5 Approach

Metro				
	August 2003	Preliminary Regional ESEE	step 9	Staff Draft
	July 2003	Pre-Program Concepts	step 11	Council Decision
	December 31, 2003	Synthesis Report	step 13	Staff Draft
	May 1, 2004	Regional ESEE Decision - ALP Map	step 15	Council Decision
	December 31, 2004	Program Decision		Council Decision
Tualatin Basin NRCC				
2003	April	Draft Work Program/Timeframe & Draft Adjustments to TB IGA		
	May	Decision on Work Program, TB IGA, Consultant Contract		
	June	Existing Environmental Health – HUC level		
	July - August	Initial ESEE Approach/Rules – site level, for Jurisdiction Review and Analysis		
	August – Aug 2004	Initial Discussion Pre-Program Concepts		
	September	Additional Discussion Pre-Program Concepts: Allow-Limit-Prohibit		
	December	Initial Review HUC/site Level ESEE & ALP Map (Map 1)		
2004	January	Public Notice #1 & Second Review HUC/site level ESEE Analyses and ALP (Map 2)		
	February	Public Hearing #1		
	April	ESEE/ALP Decision		
	May	Initial Discussion Program Concepts		
	June	Decision Draft Program & Public Notice #2		
	July	Public Hearing #2		
	August 9	Tentative Program Decision		
	August 16	Final Decision – Adopt ESEE/ALP/Program, Report on Effect of Program on Environmental Health of HUCs		
			120 days	
	December 16	Metro Council Comply/Substantially Comply Decision		
2005			180 days	
	May 31	Local Adoption Due		

# ESEE Schedule for Metro's Regional Fish and Wildlife Habitat Protection Plan\*

## Time Line Summary

**DRAFT**

Task	ESEE Task Number	2003 March/ April	2003 May/ June	2003 July/ August	2003 September/ October	2003 November/ December	2004 January/ February	2004 March/ April	2004 May/ June	2004 July/ August	2004 September/ October	2004 November/ December
Conflicting Uses	1	T										
Impact Areas**	2											
Combine Inventory	4	Staff										
Inventory Maintenance		Staff work										
Consequences		Consultant work		Staff work								
• Economic	5	Consultant work		Staff work								
				Tech Review								
• Social	6	S	T									
• Environment	7	T										
• Energy	8	S	T									
ESEE integration and summary	9			Staff work		Tech Review						
Program research	10	Staff work										
Develop Pre-program alternatives	11	Staff work		Tech Review		Public Comment		❖				
ESEE Consequences	12					Staff work		Tech Review				
Synthesis Report	13					Staff work		Tech Review				
Public Notice								€				
Public Comment	14						Staff outreach work		Public Comment			
Metro Council ESEE Decision	15								❖			



\* This time line applies to the second step (the ESEE analysis - the economic, social, environmental and energy consequences of protecting or not protecting regionally significant riparian corridors and wildlife habitat) of a three step process. The final step, the program, would be determined after completion of the above work. \*\* Already completed and reviewed. February, 2003

❖ Council Action



# DRAFT

## Integrated Work Program for Metro and Tualatin Basin Goal 5 Approach

Metro				
	August 2003	Preliminary Regional ESEE	step 9	Staff Draft
	July 2003	Pre-Program Concepts	step 11	Council Decision
	December 31, 2003	Synthesis Report	step 13	Staff Draft
	May 1, 2004	Regional ESEE Decision - ALP Map	step 15	Council Decision
	December 31, 2004	Program Decision		Council Decision
Tualatin Basin NRCC				
2003	April	Draft Work Program/Timeframe & Draft Adjustments to TB IGA		
	May	Decision on Work Program, TB IGA, Consultant Contract		
	June	Existing Environmental Health – HUC level		
	July - August	Initial ESEE Approach/Rules – site level, for Jurisdiction Review and Analysis		
	August – Aug 2004	Initial Discussion Pre-Program Concepts		
	September	Additional Discussion Pre-Program Concepts: Allow-Limit-Prohibit		
	December	Initial Review HUC/site Level ESEE & ALP Map (Map 1)		
2004	January	Public Notice #1 & Second Review HUC/site level ESEE Analyses and ALP (Map 2)		
	February	Public Hearing #1		
	April	ESEE/ALP Decision		
	May	Initial Discussion Program Concepts		
	June	Decision Draft Program & Public Notice #2		
	July	Public Hearing #2		
	August 9	Tentative Program Decision		
	August 16	Final Decision – Adopt ESEE/ALP/Program, Report on Effect of Program on Environmental Health of HUCs		
				
		December 16	Metro Council Comply/Substantially Comply Decision	
2005				
	May 31	Local Adoption Due		

## Integrated Work Program for Metro Goal 5 and Tualatin Basin Goal 5 Approach

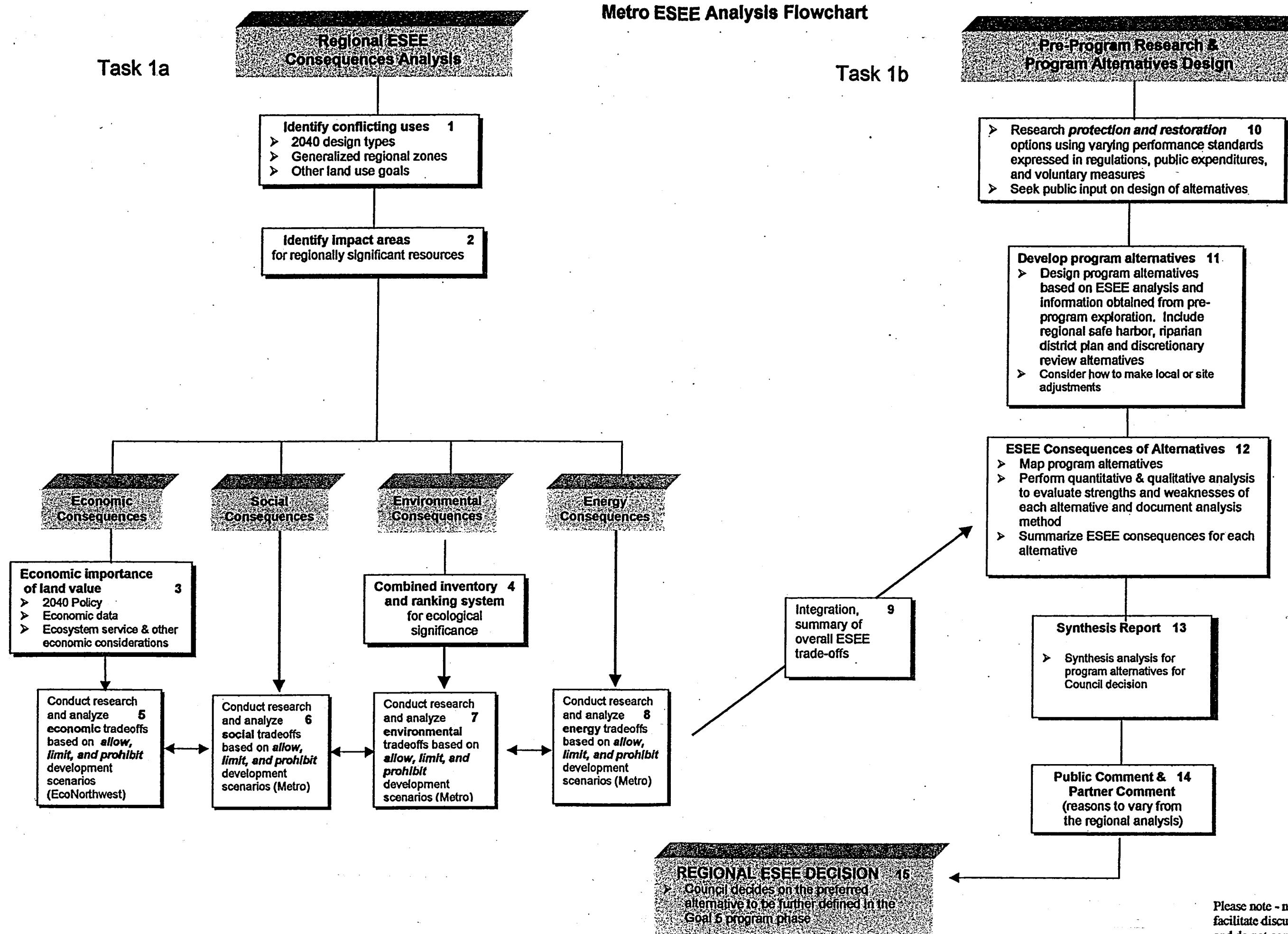
[illegible]



# Metro ESEE Analysis Flowchart

Task 1a

Task 1b



Please note - numbers are provided to facilitate discussion of work elements and do not constitute discrete steps

## 2040 Centers Program

### Request:

Additional \$100,000.00 for Materials and Services

### Purpose:

To engage Contracted Professional Services for the Center Program in order to initiate work on one Center Development Strategy. The requested funding will allow the Department to undertake one complete Development Strategy including:

1. Establish a Local Project Team to lead the Development Strategy
  - Steering Committee made up of Metro and local stakeholders
  - Public Involvement/Outreach Program for the Development Strategy
2. Build on the Vision Statement
  - A long-term vision for the Center will guide development, establish the framework for policies and regulations and channel capital improvements and other public spending
  - Update the Vision, if needed, to ensure it remains current and supported
  - If there is no vision statement or equivalent, this needs to be developed first
3. Undertake an Inventory of Assets and Opportunities
  - Identify community assets through a stakeholder survey
  - Collect and record profile data on the range of uses in the Center including: retail, housing, office, entertainment, libraries, post offices, park, restaurants, etc.
4. Undertake Market Research
  - Identify prospective competitive uses and economic activities
  - Identify competitive uses and activities suitable for redevelopment opportunity sites
  - Identify strategic sites where redevelopment will spur broader core area revitalization
  - Determine financial feasibility of redevelopment opportunities
  - Examine opportunities for public private partnerships
5. Undertake a Barrier Scan
  - Review and analyze physical, financial, market, regulatory, political and other barriers to development in Centers.
6. Develop Initiatives, Investments and Incentives
  - The public sector must take the primary leadership role and the initiative before the private sector is willing to commit time and money
7. Develop an Action Plan
  - Based on the first six steps and previous planning efforts, an Action Plan to stimulate development in the Center will be developed.
8. Measure and Report on Progress
  - The development strategy will provide Metro with base case measurement

This Pilot Centers Development Strategy will be replicable to the remaining Centers. The Strategy will be modified to meet the unique circumstances of the individual Centers.



**Proposed 2040 Centers Work Program**  
**November 25, 2002**

**Draft**

**PROGRAM DESCRIPTION AND OBJECTIVE**

The Metro 2040 Growth Concept was adopted for the long-term growth management of the region. It provides a general approach to where the growth should be directed and at what density and it provides for a hierarchy Centers. The Centers are the keystone of the region's strategy to manage growth. The adopted strategies in the Regional Framework Plan and the Urban Growth Management Functional Plan establish policy directions, regulations and recommendations to strengthen the Centers.

The Residential Urban Growth Report forecasts that 29 percent of new housing units will locate on already developed land. This represents an increase of 2.7 percent over the observed rate of 26.3 percent. This rate increase means 6,000 more dwelling units inside the boundary. As much of the development inside the Centers will be refill, it is necessary for Metro, working with its local government partners, to develop a strategy to realize the higher refill rates.

The Work Program will build on the Phases I, II and III Centers Studies of 2000 – 2002. Three basic strategies were identified in the Studies: reduce barriers to development; provide Incentives for Development in Centers; and prune retail and other employment outside of Centers. This program will coordinate with other Planning sections and Metro departments to provide technical assistance to other disciplines such as transportation, green space and open space planning.

**WORK PROGRAM**

**Task 1: Establish a 2040 Centers Team**

Establish a multi-disciplinary 2040 Centers Team to refine and carry out this work program. The six interrelated elements of this work program include:

- Implement Title 6
- Refine Regional Framework Plan Policies
- Develop a Region-wide Strategy for Centers
- Coordination with Internal/External Partners
- Research and Data Collection
- Highlight Successes

**Task 2: Implement the new Title 6: Central City, Regional Centers, Town Centers and Neighborhood Centers**

The proposed Title 6 calls for Metro and local jurisdictions to develop a strategy to enhance each Center over a scheduled period. This process, beginning in 2003, will be undertaken in coordination with the State Community Solutions Team and the Metro Transportation Improvement Program schedule.

**First Step:**

- Development a program of assistance to local governments, including a grant program for local implementation and an assessment of Center needs;
- Development of a model for a process for development of an individual center strategy of initiatives, investments and removal of barriers; and
- Development of a set of incentives for individual centers.

Second Step:

- Choose two or three 2040 Centers as pilots projects
- Undertake an analysis of barriers to development; incentives to encourage development; and policies/regulations directing commercial uses outside of Centers.
- Development of a program of actions to eliminate or reduce the barriers; discourage new office and retail uses outside of Centers; adopt incentives for Centers.
- Development of an accelerated review process for preferred types of development

**Task 3: Refine Regional Framework Plan Policies**

The Executive Officers Recommendation for UGB expansion included Regional Framework Plan amendments. This task will build on the proposal to include:

- Development of more comprehensive policies to support Metro's activities in Centers
- Provide further definitions of the different Centers
- Expand on the concept of Neighborhood Centers
- Expand on phases of Centers described in the Phase III report.

**Task 4: Develop a Region-wide Strategy for Centers**

A region-wide strategy for Centers could include:

- Prioritization of Centers
- Identification of markets appropriate to specific Centers
- Determination of the appropriate land uses for Centers
- Coordination of activities between jurisdictions

**Task 5: Develop a Coordination Program with Internal/External Partners**

Coordination within Metro, with local governments and State agencies.

- Metro Programs: Corridor Planning; Performance Measures; TOD Program; MTIP; Park Acquisition Programs for urban areas.
- Local Governments: Work in coordination with the local jurisdictions programs for Centers
- State Agencies: Work with the Community Solutions Team to develop a mechanism for coordination of local, regional and state efforts and investments to ensure complementary benefits. Work with the Oregon Transportation Commission to designate Centers as Special Transportation Areas

**Task 6: Establish a Research and Data Collection Process**

Activities will include:

- Research Programs: The roles/relationships of Centers and Corridors. (TGM funds will be sought to complete this task).
- Data Collection: create an inventory of the Centers.
- Performance Measures: participate in the ongoing performance development work.
- Establish a Reporting System: this would mark progress in Centers, including density of development, and would be coordinated the Performance Measures program and provide data to be used in future Urban Growth Reports

**Task 7: Highlight Successes**

- On the Ground Newsletter: a monthly newsletter to assist in Center implementation.
- Inventory of Successes: examples of success that can be used to assist others in new projects will be developed.
- Awards program: to celebrate successful developments and programs in Centers.



## Proposed Centers Budget FY 04

Program Element	Program Task	Expenditures			Revenue		Comments/Notes
		FTE	Consultant	Other Materials & Supplies	Excise Tax	Grants	
Program Coordination and Policy Development	Coordination within Metro	0.20					
	Policy Development (RFP)	0.25					
	Region-wide development strategy	0.60					
	Centers and Corridors Research						
	Public Involvement						
External Coordination	State Community Solutions Team	0.07					
	Local Governments	0.15					
	2040 Centers Advisory Team	0.15					
	Special Districts/Fed. Govt	0.03					
Regional Resource Center	Center Implementation Model	0.10	100,000		100,000		For development of model development strategy for regional center
	Inventory of 2040 Centers	0.05					May not be comprehensive
	Barriers List & Resolution	0.05					May not be comprehensive
	Incentives List	0.05					May not be comprehensive
	Code Library						could pay intern
	Visual Images Library						
	Implementation Tools	0.05					May not be comprehensive
	Technical Assistance	0.25					
	Grant Writing						
	GIS Assistance						
	Web Resource						Locals would pay for any services
	Metro Public Involvement Grants to Locals						
	Metro Grant Program for Local Implementation						
	"Field Guide" electronic news brief	0.15					
	Centers Awards Program						
Performance Measures	Data Collection (Field Verification)						
	Reporting System for Centers Progress	0.10					
Totals		2.25	100,000	0	100,000	0	

3/24/2003

**Bold = proposed amendment**