

Metro | Agenda

Meeting: Special Budget Work Session I
Date: Thursday, April 14, 2011
Time: **2:30 p.m. *Please note the budget work session will begin immediately following the regular council meeting**
Place: Council Chambers

CALL TO ORDER AND ROLL CALL

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|---------|--|----------|
| 2:30 PM | 1. ADMINISTRATIVE/CHIEF OPERATING OFFICER COMMUNICATIONS | |
| 2:40 PM | 2. VISITOR VENUES OCC, PCPA, EXPO, ZOO-
<u>INFORMATION</u> | Dresler |
| 3:30 PM | 3. PARKS AND ENVIRONMENTAL SERVICES, PARKS OPERATIONS, CEMETERIES, SOLID WASTE OPERATIONS - <u>INFORMATION</u> | Slyman |
| 3:45 PM | 4. SOLID WASTE RATES - <u>INFORMATION</u> | Anderson |
| 3:55 PM | 5. BUSINESS SERVICES, COUNCIL OFFICE, OMA, COMMUNICATIONS, FRS, HR, IS - <u>INFORMATION</u> | Robinson |
| 4:15 PM | 6. PREVIEW OF BUDGET WORK SESSION II | Cooper |
| 4:25 PM | 7. COUNCIL BRIEFINGS/COMMUNICATION | |

ADJOURN

Materials following this page were distributed at the meeting.

Budget Work Session I | April 14, 2011

Objective: Understanding of basic operations and budget drivers
What Metro does every day = 80 percent of budget

Agenda

Overview of Work Session	Dan Cooper, Acting COO
Visitor Venues	Teri Dresler, General Manager of Visitor Venues PCPA, Expo, OCC, Zoo
Parks and Environmental Services Park Operations Cemeteries Solid Waste Operations	Paul Slyman
SW Rates Any follow up to prepare for rate ordinance consideration	Doug Anderson
Business Services Council office OMA FRS HR IS Communications	Scott Robinson, Deputy COO
Preview of Work Session II (April 19)	Dan Cooper, Acting COO

Visitor Venues

Metro's Visitor Venues include the Oregon Convention Center (OCC), Portland Center for the Performing Arts (PCPA), Portland Expo Center (Expo) and Oregon Zoo. Formed in July 2010 to enhance collaboration on operational issues, the team actively works towards a common mission of maintaining world-class gathering and entertainment spaces for residents and visitors.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$33,379,369	\$32,713,014	\$34,840,366	\$34,904,366	\$35,545,525	1.84%
Materials and Services	30,920,687	30,086,723	31,669,160	31,625,149	31,714,767	0.28%
Capital Outlay	9,524,883	5,870,989	21,371,399	21,571,399	9,116,794	(57.74%)
Debt Service	1,611,868	1,728,813	1,593,802	1,593,802	1,593,040	(0.05%)
TOTAL	\$75,436,807	\$70,399,539	\$89,474,727	\$89,694,716	\$77,970,126	(13.07%)
BUDGET BY FUND						
General Fund	\$26,051,845	\$24,694,668	\$27,204,192	\$27,224,181	\$28,390,577	4.28%
General Renewal & Replacement Fund	1,029,946	845,785	1,082,144	1,082,144	933,497	(13.74%)
General Revenue Bond Fund	1,594,320	1,592,451	1,812,892	1,812,892	1,809,861	(0.17%)
MERC Fund	38,992,330	39,317,691	43,669,107	43,869,107	39,234,494	(10.56%)
Metro Capital Fund	6,991,142	2,469,443	350,000	350,000	1,155,200	230.06%
Oregon Zoo Infrastructure & Animal Welfare Fund	777,224	1,479,501	15,356,392	15,356,392	6,446,497	(58.02%)
TOTAL	\$75,436,807	\$70,399,539	\$89,474,727	\$89,694,716	\$77,970,126	(13.07%)
FULL-TIME EQUIVALENTS (FTE)	346.98	351.98	344.98	345.98	344.53	(0.42%)

SIGNIFICANT BUDGET CHANGES:

- Implementation of MERC Reserves policy: The MERC Commission has reviewed and recommended the designation of specific reserves within the MERC Fund. This includes operating reserves for contingency and stabilization, and accumulation reserves for renewal and replacement and new capital and/or strategic business opportunities. The in-depth study used methodology similar to the General Fund study, adapted for the business cycles and circumstances more common to enterprise-driven operations.
- The transition of the MERC business management unit to corresponding organizational units within Metro has generated savings with four positions previously providing 100 percent direct support to Visitor Venues, now serving as members of Metro operating units providing services to all of Metro, including venues. A Human Resources manager II, Information Technology staff and a procurement analyst are components of larger Metro operating units providing services to the venues.

The four venues are presented individually on the following pages.

Visitor Venues – Portland Center for the Performing Arts

The Portland Center for the Performing Arts (PCPA) is the region’s premier performing arts venue management organization. PCPA manages the Keller Auditorium, Arlene Schnitzer Concert Hall and Antoinette Hatfield Hall, which houses the Dolores Winningstad and Newmark theaters and Brunish Hall. PCPA’s mission is to provide superior, responsibly managed performance space that fosters an environment in which diverse performing arts, events and audiences may flourish. This is accomplished by providing deeply discounted use of the venues for its resident companies and local non-profit arts organizations.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$5,352,701	\$5,096,747	\$5,606,405	\$5,606,405	\$5,605,736	(0.01%)
Materials and Services	3,678,659	4,096,194	3,617,627	3,617,627	3,770,199	4.22%
Capital Outlay	233,647	273,303	767,000	967,000	350,000	(63.81%)
TOTAL	\$9,265,007	\$9,466,244	\$9,991,032	\$10,191,032	\$9,725,935	(4.56%)
BUDGET BY FUND						
MERC Fund	9,265,007	9,466,244	9,991,032	10,191,032	9,725,935	(4.56%)
TOTAL	\$9,265,007	\$9,466,244	\$9,991,032	\$10,191,032	\$9,725,935	(4.56%)
FULL-TIME EQUIVALENTS (FTE)	46.40	46.40	46.40	46.40	47.40	2.16%

SIGNIFICANT BUDGET CHANGES:

- Operating revenues are up almost 4 percent from prior year due to 12.5 weeks of Broadway.
- Transient Lodging Tax base will be down almost 27 percent compared to previous years (approx. \$337,000). PCPA is eliminating 1 FTE (Maintenance and Construction Supervisor), increasing a .75 FTE (Marketing and Promotions Coordinator) to 1 FTE and eliminating 2 part-time positions (Utility Workers) to create 1 FTE (Utility Lead). The personal services budget is essentially flat over prior year.
- Materials and services up 4.2 percent from prior year.

KEY INITIATIVES:

- Schnitzer Concert Hall façade repair will be completed.
- PCPA Foundation will fund \$350,000 in capital.
- Feasibility work on the Schnitzer Concert Hall/Main Street development project will continue. (There is currently no funding in the FY 2011-12 budget for this work.)
- PCPA will begin a project to develop the PCPA “Brand” in order to better position it in the community with the public, its stakeholders, donors and sponsors.

Visitor Venues – Portland Expo Center

The Portland Expo Center primarily hosts a diverse range of public consumer shows, special interest/hobby events and meetings that contribute to the livability of the region by inducing direct and indirect spending in local businesses generating tax revenue for state and local governments. This contribution is achieved by providing facilities and services including 333,000 square feet of divisible exhibit space, 10 meeting rooms, full service catering, concessions, a restaurant/bar and grill and parking for 2,500 vehicles and light rail service.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$1,483,747	\$1,373,102	\$1,501,164	\$1,501,164	\$1,527,826	1.78%
Materials and Services	2,626,521	2,346,555	2,904,065	2,904,065	2,692,241	(7.29%)
Capital Outlay	173,682	145,933	492,000	492,000	275,000	(44.11%)
Debt Service	1,192,231	1,188,631	1,189,132	1,189,132	1,188,632	(0.04%)
TOTAL	\$5,476,181	\$5,054,221	\$6,086,361	\$6,086,361	\$5,683,699	(6.62%)
BUDGET BY FUND						
General Revenue Bond Fund	1,192,231	1,188,631	1,189,132	1,189,132	1,188,632	(0.04%)
MERC Fund	4,283,950	3,865,590	4,897,229	4,897,229	4,495,067	(8.21%)
TOTAL	\$5,476,181	\$5,054,221	\$6,086,361	\$6,086,361	\$5,683,699	(6.62%)
FULL-TIME EQUIVALENTS (FTE)	13.30	13.30	13.30	13.30	13.30	0.00%

SIGNIFICANT BUDGET CHANGES:

- No changes in FTE service level from prior year.
- Decrease in materials and services with completion of the Conditional Use Master Plan and Marketing Plan update projects.
- Decrease in Capital with completion of the “West Delta Bar & Grill” project.
- Decrease in MERC Administration transfer as a result of the MERC/Metro Business Practices Study.

KEY INITIATIVES:

- Complete roll-out and implementation of the updated Marketing Plan.
- Completion of Capital projects including Hall E structural remedy, replacement of two portable bleacher units, replacement of Hall E lobby carpet and as needed parking lot asphalt maintenance, removal and replacement.

Visitor Venues – Oregon Convention Center

The Oregon Convention Center serves as the region's premier convention facility, hosting 550,000 visitors to 600 events annually, including national conventions, statewide conferences, regional meetings, special events and receptions. Through its partnership with Travel Portland, it is a key driver in drawing tourists and leisure travelers to the state, generating more than a half billion in regional spending and supporting 5,000 jobs. It leads the industry in sustainable operations and achievements and, as a LEED-EB Silver facility, is pursuing LEED-EB Gold certification in 2013.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$8,313,525	\$8,422,408	\$8,923,956	\$8,923,956	\$9,118,406	2.18%
Materials and Services	13,498,610	13,853,656	13,353,035	13,353,035	13,161,063	(1.44%)
Capital Outlay	671,604	1,153,733	3,738,105	3,738,105	726,000	(80.58%)
Debt Service	17,548	136,362	0	0	0	0.00%
TOTAL	\$22,501,287	\$23,566,159	\$26,015,096	\$26,015,096	\$23,005,469	(11.57%)
BUDGET BY FUND						
MERC Fund	22,501,287	23,566,159	26,015,096	26,015,096	23,005,469	(11.57%)
TOTAL	\$22,501,287	\$23,566,159	\$26,015,096	\$26,015,096	\$23,005,469	(11.57%)
FULL-TIME EQUIVALENTS (FTE)	110.30	112.30	110.30	110.30	110.30	0.00%

SIGNIFICANT BUDGET CHANGES:

- Outdoor adjacent plaza opening in summer 2011 as client and neighborhood amenity; revenue to be generated in early FY 2011-12.
- New incentive program for in-house sales team.
- No major capital projects nor any FTE additions.
- Transient lodging tax revenues are projected to be very strong over the next four years with an 8 percent increase in 2011 and continued growth of 6 percent in 2012.
- Bookings in 2012 and 2013 dramatically reduced per 2008 recession.

KEY INITIATIVES:

- Offer new food and beverage branding, marketing, pricing and offerings.
- Review utilization of space and what is the next best way to generate new business i.e. an executive center, a junior ballroom etc.
- Find ways to maintain revenue and streamline expenses.
- Launch of Hoyt Street Station Café.

Visitor Venues – Oregon Zoo

The Oregon Zoo contributes significantly to the livability of the Portland metropolitan area. The zoo is an important conservation education asset, providing learning opportunities for people of all ages. The zoo strives to motivate people to care and act on behalf of wildlife by providing opportunities for observation, discovery and engagement. The zoo serves as a regional conservation, education and recreation resource, enhancing the quality of life and assisting in economic development as a tourist attraction and community asset. As the top paid attraction in the state, the zoo is expected to draw more than 1.6 million visitors in FY 2011-12, providing fun, affordable and safe entertainment for families.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$15,871,712	\$15,912,874	\$16,850,690	\$16,914,690	\$17,868,854	5.64%
Materials and Services	10,690,096	9,380,297	11,088,834	11,044,823	11,507,944	4.19%
Capital Outlay	8,288,349	4,196,226	16,272,294	16,272,294	7,765,794	(52.28%)
Debt Service	402,089	403,820	404,670	404,670	404,408	(0.06%)
TOTAL	\$35,252,246	\$29,893,217	\$44,616,488	\$44,636,477	\$37,547,000	(15.88%)
BUDGET BY FUND						
General Fund	\$26,051,845	\$24,694,668	\$27,204,192	\$27,224,181	\$28,390,577	4.28%
General Renewal & Replacement F	1,029,946	845,785	1,082,144	1,082,144	933,497	(13.74%)
General Revenue Bond Fund	402,089	403,820	623,760	623,760	621,229	(0.41%)
Metro Capital Fund	6,991,142	2,469,443	350,000	350,000	1,155,200	230.06%
Oregon Zoo Infrastructure & Anim.	777,224	1,479,501	15,356,392	15,356,392	6,446,497	(58.02%)
TOTAL	\$35,252,246	\$29,893,217	\$44,616,488	\$44,636,477	\$37,547,000	(15.88%)
FULL-TIME EQUIVALENTS (FTE)	155.98	157.98	154.98	155.98	158.68	1.73%

SIGNIFICANT BUDGET CHANGES:

- Increase in Revenue = additional \$221,906.
- Admission remains flat at 1.6 million visitors.
- Materials and services 1.90 percent increase.
- Increase of 3.37 FTE and additional 5.90 percent increase in budget.
 - Addition of 1.0 Education Manager II.
 - Addition of 1.0 Catering Manager.
 - Addition of .60 Program Assistant I in Volunteer Resources Program.
 - Addition of .25 FTE for General Manager of Visitor Venues and .15 FTE Executive Assistant support.
 - Addition of .37 FTE for Web Social Media.

KEY INITIATIVES:

- Environmental Education reorganization – combine zoo conservation education with Sustainability, Parks, Resource Conservation to provide a regional approach to environmental education.
- Completion of Master Plan for Zoo.
- Increase revenue opportunities.

Parks and Environmental Services

Parks and Environmental Services' primary purpose is to operate Metro's parks and boat ramps, historic pioneer cemeteries, solid waste and household hazardous waste facilities, the Metro Regional Center building, a variety of rental home properties, agricultural and commercial leases and associated services efficiently and sustainably. PES enhances the quality of life in the region by serving more than 1,000 customers each day at our solid waste facilities and 3,000 each day at our parks, boat ramps and maintained trails.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$9,409,656	\$8,885,024	\$9,325,883	\$9,401,483	\$9,710,882	3.29%
Materials and Services	35,089,491	35,143,322	38,487,542	38,269,051	36,953,262	(3.44%)
Capital Outlay	4,042,480	3,047,305	5,117,738	5,117,738	4,207,179	(17.79%)
Debt Service	4,697,481	0	0	0	0	0.00%
TOTAL	\$53,239,108	\$47,075,651	\$52,931,163	\$52,788,272	\$50,871,323	(3.63%)
BUDGET BY FUND						
General Fund	\$5,057,180	\$6,568,190	\$6,942,305	\$6,799,414	\$6,459,391	(5.00%)
General Renewal & Replacement Fund	174,166	2,501,218	1,306,360	1,306,360	1,721,912	31.81%
Metro Capital Fund	2,865,632	723,313	84,500	84,500	0	(100.00%)
Smith & Bybee Lakes Fund	0	38,014	130,000	130,000	65,000	(50.00%)
Solid Waste Revenue Fund	45,142,130	37,244,916	44,467,998	44,467,998	42,625,020	(4.14%)
TOTAL	\$53,239,108	\$47,075,651	\$52,931,163	\$52,788,272	\$50,871,323	(3.63%)
FULL-TIME EQUIVALENTS (FTE)	112.80	104.55	97.55	98.55	96.80	(1.78%)

SIGNIFICANT BUDGET CHANGES:

- Two vacant administrative positions in the Administration and Finance divisions are eliminated.
- The \$5 fee at the Household Hazardous Waste facilities is reinstated.

KEY INITIATIVES:

- The Solid Waste Roadmap project continues with one dedicated FTE and \$250,000 budgeted in contracted professional services to assist with implementation of the various projects included in the Roadmap.
- We continue investments in the Sustainable Metro Initiative (SMI). The recent reorganization in Parks and Environmental Services focuses on providing high quality services to visitors at all Metro parks and increases efficiency by merging the construction management and project management teams from MERC and PES into a consolidated Property and Project Management Office.
- We continue our emphasis on customer service and responsiveness in Cemetery Operations, as well as long-term planning, with the development of a business plan for Metro's 14 pioneer cemeteries.

Proposed Solid Waste Rates

Component	Current	Proposed	Change
Tonnage Charge	\$56.45	\$58.35	\$1.90
Pass-Throughs			
Regional System Fee	\$16.72	\$17.64	\$0.92
Excise tax	10.94	11.80	0.86
DEQ fees	1.24	1.24	– 0 –
Community Enhancement Fee	0.50	0.50	– 0 –
Metro Tip Fee	\$85.85	\$89.53	\$3.68

OPTIONS FOR CONSIDERATION OF RATE ORDINANCE

- Today or any time prior to April 21, any member of the Council can direct staff to draft an amended version of the rate ordinance.
 - Example: The proposal to reinstate the Household Hazardous Waste fee, if approved in the budget, must be enacted by ordinance. It can be
 - a. Incorporated into the rates ordinance if the Council is ready to act now.
 - b. Approved in a separate ordinance with an effective date of the Council's choosing.
- On April 21 prior to opening the public hearing on the rate ordinance (No. 11-1257), any Councilor can move to substitute the amended version of the rate ordinance for the original. A simple majority carries the motion, after which the Council President will announce a first reading of the amended ordinance and open the public hearing on the amended ordinance. If the motion does not carry then the public hearing will be opened on the original ordinance, which would remain under active consideration.
- On April 28 the Council is scheduled to take final action on the rate ordinance. Whichever version is under consideration, if approved it would take effect on August 1.

Metro Council

The Metro Council Office includes the Office of the Chief Operating Officer, Government Affairs and Policy Development, and the Council Office itself. The Council Office includes the seven Councilors and their policy and administrative support, and provides regional governance and leadership through ongoing, innovative planning, focusing on issues that cross local boundaries. The Chief Operating Officer executes the policies of the Metro Council, provides day-to-day administration of Metro's resources, programs, enterprise businesses, facilities and workforce. The Government Affairs and Policy Development program supports Council and agency objectives, advises the Council on policies and initiatives, and provides strategic analysis to best leverage agency and regional outcomes. The Community Investment Strategy, the agency wide effort to create implementation tools to build out the 2040 vision of thriving centers and effective corridors, is managed by the Chief Operating Officer.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$2,561,046	\$2,984,924	\$2,646,386	\$2,832,249	\$2,806,518	(0.91%)
Materials and Services	167,112	145,115	850,527	868,875	646,632	(25.58%)
TOTAL	\$2,728,158	\$3,130,039	\$3,496,913	\$3,701,124	\$3,453,150	(6.70%)
BUDGET BY FUND						
General Fund	\$2,728,158	\$3,130,039	\$3,496,913	\$3,701,124	\$3,453,150	(6.70%)
TOTAL	\$2,728,158	\$3,130,039	\$3,496,913	\$3,701,124	\$3,453,150	(6.70%)
FULL-TIME EQUIVALENTS (FTE)	24.83	26.90	24.50	25.25	24.00	(4.95%)

SIGNIFICANT BUDGET CHANGES:

- The Columbia River Crossing director position, provided by contract with ODOT, is eliminated.
- An untapped allocation for federal lobbying is eliminated until a complete agenda is developed.
- A limited-duration policy advisor replaces a program analyst to provide direct support to the Community Investment Strategy, and master planning and land use projects to the Visitor Venues.
- Materials and services within the Community Investment Strategy were reduced in an effort to provide the same deliverables at reduced costs.

KEY INITIATIVES:

- Assimilate new members of the Metro Council.
- Develop a federal agenda.
- Create district-based stakeholder outreach plans.
- Develop innovative communication and project tools for the agency.
- The Community Investment Strategy will be presented at Budget Work Session II on April 19.

Office of Metro Attorney

The Office of Metro Attorney (OMA) provides legal advice to Metro elected officials, directors, commissioners and employees; drafts contracts and intergovernmental agreements; reviews ordinances and resolutions; negotiates legal documents including real estate acquisition agreements, construction agreements, easements and development agreements; provides advice regarding bonds and bond covenants; offers assistance on legislative matters; initiates, defends and appeals litigation on Metro's behalf; and provides all other legal advice and assistance when requested or as required by the Metro Council, Chief Operating Officer, the Auditor or any Metro commission or department director.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$1,862,602	\$1,834,865	\$1,951,684	\$1,951,684	\$1,994,409	2.19%
Materials and Services	55,620	53,966	61,202	62,141	64,176	3.27%
TOTAL	\$1,918,222	\$1,888,831	\$2,012,886	\$2,013,825	\$2,058,585	2.22%
BUDGET BY FUND						
General Fund	\$1,918,222	\$1,888,831	\$2,012,886	\$2,013,825	\$2,058,585	2.22%
TOTAL	\$1,918,222	\$1,888,831	\$2,012,886	\$2,013,825	\$2,058,585	2.22%
FULL-TIME EQUIVALENTS (FTE)	15.50	15.50	15.50	15.50	15.50	0.00%

SIGNIFICANT BUDGET CHANGES:

- None.

KEY INITIATIVES:

- Providing legal services and advice for Metro's Natural Areas Bond Measure program, including numerous real property acquisitions, easements and trail documents.
- Providing legal services and advice required for implementation of the Oregon Zoo Bond Measure program, including sale of an initial series of debt; providing legal work to obtain development approvals for construction of the the new veterinary center and other bond construction projects.
- Providing legal services and advice related to the Metro Council's efforts to create and develop a Community Investment Strategy and Community Investment Initiative, including providing legal services and advice to the Chief Operating Officer and the Metro Council in assessing regional infrastructure needs and identifying legally feasible methods of financing.
- Providing legal services and advice related to the Metro Council's efforts to develop the region as a "great place," including review and advice on the urban and rural reserve process; drafting multi-jurisdictional intergovernmental Agreements Regarding Urban and Rural Reserves; representing Metro before the Land Conservation and Development Commission regarding reserves process; providing legal advice to the Metro Council and Metro staff as Metro moves forward in the Urban Growth Boundary process.
- Providing legal services and advice regarding Metro's Solid Waste operations, including negotiation of Walsh Trucking contract; ongoing advice and evaluation of the Solid Waste excise tax system and Solid Waste Roadmap.
- Providing legal services and advice, including negotiation of Metro-ODOT intergovernmental agreements, regarding implementation of the state legislative requirements of Metro as set forth in HB 2001, including scenario planning and Greenhouse Gas (GHG) reductions.
- Providing legal services and advice to the Chief Operating Officer and the Metro Council in implementing the extension of the Construction Excise Tax by negotiating multiple intergovernmental agreements with local jurisdictions who were awarded CET grants; and defending the Metro Construction Excise Tax against a litigation challenge in state district and appellate court.

Finance and Regulatory Services

Finance and Regulatory Services provides the agency's accounting and financial planning services; centralized procurement and risk management services. FRS licenses small contractors, authorizes and regulates solid waste facilities and proposes solid waste rates and policies.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$3,739,793	\$4,050,310	\$4,523,947	\$4,523,947	\$4,699,993	3.89%
Materials and Services	900,887	1,168,961	1,283,087	1,289,007	1,254,505	(2.68%)
Capital Outlay	0	0	750,000	750,000	575,000	(23.33%)
TOTAL	\$4,640,680	\$5,219,271	\$6,557,034	\$6,562,954	\$6,529,498	(0.51%)
BUDGET BY FUND						
General Fund	\$3,239,962	\$2,907,839	\$3,358,417	\$3,364,337	\$3,851,688	14.49%
Risk Management Fund	163,677	255,546	267,152	267,152	0	(100.00%)
Solid Waste Revenue Fund	1,237,041	2,055,886	2,931,465	2,931,465	2,677,810	(8.65%)
TOTAL	\$4,640,680	\$5,219,271	\$6,557,034	\$6,562,954	\$6,529,498	(0.51%)
FULL-TIME EQUIVALENTS (FTE)	41.70	44.70	43.70	43.70	43.70	0.00%

SIGNIFICANT BUDGET CHANGES:

- Risk Management staff (2.8 FTE) are moved from the Risk Management Fund to the General Fund to simplify cost allocation and limit the Risk Fund to claims-only transactions.
- Procurement Services are consolidated with staff transfers to the General Fund from MERC and PES (net 1 FTE).

KEY INITIATIVES:

- The MERC/Metro business consolidation continues. Procurement staff is consolidated and co-located; improved MWESB and sustainable procurement policies will be tested. Accounting staff will determine whether single banking services and credit card services will result in cost savings and increased efficiency.
- An enterprise system review team will consider how best to utilize the existing business tools to improve timely and more comprehensive financial reporting.
- Phase 2 of the Solid Waste Information Systems project will be completed in FY 2011-12. The SWIS project will provide a more robust and effective system for collecting and reporting on the more than \$30 million in annual fees and excise taxes paid by privately owned solid waste facilities.

Human Resources

Human Resources is committed to providing strategic leadership, building collaborative relationships, promoting diversity and operating in a professional, efficient and effective manner. Human Resources is responsible for the following core service areas: classification and compensation, labor and employee relations, organizational development and training, recruitment and retention, payroll and benefits.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$1,341,289	\$1,418,105	\$1,505,090	\$1,505,090	\$1,868,526	24.15%
Materials and Services	303,393	297,806	331,717	337,798	359,235	6.35%
TOTAL	\$1,644,682	\$1,715,911	\$1,836,807	\$1,842,888	\$2,227,761	20.88%
BUDGET BY FUND						
General Fund	\$1,644,682	\$1,715,911	\$1,836,807	\$1,842,888	\$2,227,761	20.88%
TOTAL	\$1,644,682	\$1,715,911	\$1,836,807	\$1,842,888	\$2,227,761	20.88%
FULL-TIME EQUIVALENTS (FTE)	15.00	16.00	16.50	16.50	19.00	15.15%

SIGNIFICANT BUDGET CHANGES:

- We have flattened the HR department and shifted resources to better assist other departments and the organization with strategic initiatives.
- This year's budget does show a net increase in FTE.
 - An existing FTE is being transferred from MERC to Metro in order to better align programs and gain consistency in business practices. This will allow us to have a more uniform approach to collective bargaining and health insurance.
 - There is a new FTE in the budget for a diversity coordinator. There is a recognized need to increase our overall outreach efforts to diverse communities and to increase efforts regarding inclusiveness within the organization. In order to achieve gains in this area, the organization will need to devote resources to a position that can be dedicated to leading the effort agency wide.
 - Utilizing existing 0.5 FTE and adding 0.5 to create a limited duration position to assist with new initiatives such as policy and procedure development and a unified approach to classification structure.

KEY INITIATIVES:

We have been working to build the HR infrastructure for the organization. We have a number of initiatives ready to start or that are under way to accomplish this including but not limited to:

- Diversity.
 - Increased outreach to diverse populations.
 - Internal Cultural competency initiative.
- Authoring agency wide personnel policies and procedures.
- Consistent application of classification specifications.
- Per recommendations from prior audits, we are working with IS and Finance to gain efficiencies in the use of the HRIS system for payroll and benefits.
- Improved agency wide leave management.
- Agency wide training including the development and training on management competencies, implementation of a learning management system and development of on line courses regarding Metro procedures such as use of P-cards.
- RFP for a new benefits broker and active marketing of plans to save costs.

Information Services

Information Services (IS) provides technology-based leadership and solutions to support Metro's goals and business through the development, implementation, support and management of information systems.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$1,891,569	\$2,240,925	\$2,306,829	\$2,306,829	\$2,700,312	17.06%
Materials and Services	699,886	570,221	840,033	840,247	904,947	7.70%
Capital Outlay	470,351	361,072	1,067,520	1,067,520	537,085	(49.69%)
TOTAL	\$3,061,806	\$3,172,218	\$4,214,382	\$4,214,596	\$4,142,344	(1.71%)
BUDGET BY FUND						
General Fund	\$2,586,531	\$2,780,349	\$3,058,380	\$3,058,594	\$3,572,787	16.81%
General Renewal & Replacement Fund	341,385	316,921	1,031,002	1,031,002	569,557	(44.76%)
Metro Capital Fund	133,890	74,948	125,000	125,000	0	(100.00%)
TOTAL	\$3,061,806	\$3,172,218	\$4,214,382	\$4,214,596	\$4,142,344	(1.71%)
FULL-TIME EQUIVALENTS (FTE)	22.50	24.50	23.50	23.50	26.00	10.64%

SIGNIFICANT BUDGET CHANGES:

- Two MERC IS staff moved from the MERC Fund to the General Fund to provide efficiencies for networking and help desk services. A part-time Records and Information Analyst position is transferred from Planning and Development and increased to full-time (two year limited duration) to address planning records needs. A vacant part time (0.5 FTE) position is eliminated from the help desk area.
- Operating costs increased as licensing for Microsoft applications shifted from a capital cost for purchasing to maintenance as expected and approved in the original plan.

KEY INITIATIVES:

- The consolidation of MERC and Metro business services continues in the coming year. It will further consolidate network infrastructure, and focus on standardization, application interfaces, departmental restructuring, business process redesign, policy revision and project management standardization.
- IS is working in cooperation with Human Resources, Finance and the venues to review enterprise systems identifying opportunities to re-use current applications in new areas and maximize functionality in existing software.
- The newly adopted content management system rollout will begin with new web sites for Expo and the Oregon Zoo. IS and Communications are working together on hosting, coordinating and supporting all new web site initiatives with the help of a content management advisory committee comprising stakeholders from across the agency.
- The second phase of the SharePoint project will be initiated. This includes an interface to the TRIM document management system as well as a further rollout of project collaboration workspaces.
- IS is working in cooperation with Finance and Regulatory Services to complete the build-out of the Solid Waste Information System.
- Human Resources and IS continue to address observations in the Auditor's report concerning payroll and benefits. This includes software enhancements for improved management of sick leave.

Communications

Communications provides strategic communications guidance and coordinates a full range of services to advance the region's six desired outcomes, helps Metro programs achieve desired results and supports the effectiveness of the agency.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$2,052,073	\$2,011,809	\$2,220,057	\$2,220,057	\$2,235,916	0.71%
Materials and Services	84,978	168,283	294,618	295,739	241,820	(18.23%)
TOTAL	\$2,137,051	\$2,180,092	\$2,514,675	\$2,515,796	\$2,477,736	(1.51%)
BUDGET BY FUND						
General Fund	\$2,137,051	\$2,180,092	\$2,514,675	\$2,515,796	\$2,477,736	(1.51%)
TOTAL	\$2,137,051	\$2,180,092	\$2,514,675	\$2,515,796	\$2,477,736	(1.51%)
FULL-TIME EQUIVALENTS (FTE)	22.25	21.00	22.00	22.00	21.00	(4.55%)

SIGNIFICANT BUDGET CHANGES:

- Elimination of Communications' administrative support position. Scheduling, processing of travel requests, P-Cards, and invoices for the Council office, the COO's office, the Deputy COO's office and Communications; managing foreign visitor delegations, among other tasks will need to be reassigned.
- Elimination of a .5 FTE position associated with Nature in Neighborhoods. The position was budgeted in the Sustainability Center but reported through Communications. The position is eliminated as the result of the successful completion of a partnership project with the Home Builders Association.
- Reduction of communications-related materials and services for the Community Investment Strategy. The reduction will result in the end of the independent reporter experiment.

KEY INITIATIVES:

- Opt In. Communications will continue to place significant focus on growing the membership of Opt In to reflect the demographic make-up of the region as whole. Opt In is a key part of building trust in Metro and of ongoing work to more actively engage the public in the CIS, corridor plans, Climate Smart Communities, bond programs and venue marketing. Key outcomes include broad public participation as described above, improved demographic data about people who participate with Metro and improved support to Metro's partners.
- Transition to a new web content management system. Metro is shifting virtually all of its web pages to a common content management system. Communications will provide content, design and programming support to the zoo, Expo, PCPA and to all MRC programs to ensure a smooth transition. The new system will provide for better use of social media to engage the public while also streamlining operations and management of web infrastructure and content management.
- Implementation of a unified sustainability programs marketing plan. Communications is leading the creation of a unified marketing plan for Metro's sustainability and behavior change programs and projects. The plan will provide for better targeting of Metro resources, better monitoring of the results of investments, more connection among marketing, behavior change and public engagement on policy projects, and more efficient use of staff resources.

Sustainability Center

Metro's Sustainability Center demonstrates and inspires sustainable stewardship of the region's natural resources by working with partners to develop and support a regional system of interconnected natural areas and trails; reducing waste and toxics and increasing recycling in the region through direct investment, education and outreach; and through the purchase and enhancement of natural areas, parks and trails throughout the region via funds provided by the Open Spaces and Natural Areas bond measures.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$5,463,469	\$6,076,351	\$7,196,119	\$7,045,508	\$7,298,318	3.59%
Materials and Services	9,848,564	11,471,106	20,284,264	20,373,329	19,334,361	(5.10%)
Capital Outlay	17,617,061	13,111,792	33,824,721	33,824,721	21,275,876	(37.10%)
TOTAL	\$32,929,094	\$30,659,249	\$61,305,104	\$61,243,558	\$47,908,555	(21.77%)
BUDGET BY FUND						
General Fund	\$3,271,576	\$3,389,725	\$5,470,794	\$5,409,248	\$4,542,707	(16.02%)
Natural Areas Fund	23,660,391	20,263,215	46,703,288	46,703,288	34,650,957	(25.81%)
Open Spaces Fund	7,017	19,526	622,131	622,131	336,876	(45.85%)
Rehabilitation & Enhancement Fund	416,683	359,013	409,639	409,639	336,903	(17.76%)
Solid Waste Revenue Fund	5,573,427	6,627,770	8,099,252	8,099,252	8,041,112	(0.72%)
TOTAL	\$32,929,094	\$30,659,249	\$61,305,104	\$61,243,558	\$47,908,555	(21.77%)
FULL-TIME EQUIVALENTS (FTE)	61.85	62.93	71.50	69.75	68.35	(2.01%)

SIGNIFICANT BUDGET CHANGES:

- Transition of Nature in Neighborhoods program: The overall focus of the NiN effort will shift toward incorporating NiN objectives and techniques into the regional implementation of Making a Great Place (SW and East Metro corridor projects, Community Investment Strategy, etc.). One position is being eliminated as a result of the successful completion of the staff partnership with the Homebuilders Association, though Metro will continue to partner with the HBA and others on specific green building outreach efforts.
- Elimination of Climate Change project manager position as scheduled by Council (was a two year limited duration position). The 2 year objectives established by Council were completed (Climate Prosperity Greenprint finalized; Metro GHG inventory and "lens" completed).

KEY INITIATIVES:

- While there is no budget impact in the Sustainability Center, the project to revamp Conservation Education continues with the transition of the programs to the zoo and the eventual merger of the two staffs.
- Efforts on The Intertwine regional funding strategy are continued in the budget by extending the limited duration planner assigned to that project. Staff will continue work with local park providers and The Intertwine Alliance to further develop the concept of regional parks, natural areas and trails funding.
- The delivery of the Natural Areas Bond program continues in the budget and anticipates a similar level of acquisition activity as in FY 2010-11.
- The Sustainability Center will provide staff to the Community Investment Initiative and further proposals by the Leadership Council that are in line with Council's Guiding Principles for the project. The Community Investment Initiative will benefit from the transfer of the staff person formerly assigned to Climate Change project.
- The Resource Conservation and Recycling work group will continue to carry out Metro's responsibilities under the Regional Solid Waste Management Plan by implementing waste and toxics reduction programs in partnership with local governments and other partners. RCR staff will continue to lead Metro's efforts to integrate sustainable practices into Metro's operations through the implementation of the Metro Sustainability Plan adopted by Council (Resolution No. 10-4198).

Planning and Development

The Planning and Development Department supports the Metro Council and its partners in developing and implementing a blueprint for growth and development in the region. It launched the Making the Greatest Place initiative three years ago to refine the Region 2040 Growth Concept and develop a Community Investment Strategy to foster development in downtowns, mainstreets and employment areas.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$5,699,845	\$5,765,741	\$6,087,179	\$6,174,185	\$6,336,181	2.62%
Materials and Services	3,656,244	5,051,104	9,327,050	9,388,303	9,458,570	0.75%
Debt Service	598,725	0	0	0	0	0.00%
TOTAL	\$9,954,814	\$10,816,845	\$15,414,229	\$15,562,488	\$15,794,751	1.49%
BUDGET BY FUND						
General Fund	\$9,954,814	\$10,816,845	\$15,414,229	\$15,562,488	\$15,794,751	1.49%
TOTAL	\$9,954,814	\$10,816,845	\$15,414,229	\$15,562,488	\$15,794,751	1.49%
FULL-TIME EQUIVALENTS (FTE)	54.15	57.60	56.30	57.20	55.38	(3.18%)

SIGNIFICANT BUDGET CHANGES:

- Eliminates limited duration positions for the Development Opportunity Fund and Active Transportation expiring in FY 2011-12.
- Transfers a part-time, limited duration Records and Information Analyst position to Information Services where it is increased to full-time to develop agency wide protocols for record keeping and address planning records needs.
- Reduces Manager II position to Principal Planner.

KEY INITIATIVES:

- Moving into implementation phase of Making the Greatest Place initiative by developing strategies to stimulate development in downtowns, mainstreets, employment areas and industrial lands.
- Complete Urban and Rural Reserves process and urban growth boundary decision.
- Develop and evaluate scenarios to respond to state-mandated greenhouse gas reduction targets.
- Foster local community development efforts by executing community development and planning (i.e., Construction Excise Tax program) grant agreements with local jurisdictions. Assist and monitor those efforts to ensure stated products are completed.
- With TriMet, secure a Record of Decision for the Milwaukie to Portland Light Rail Project and successfully enter the Final Design phase of the FTA New Starts process.
- Complete the adoption of the Locally Preferred Alternative for the Lake Oswego to Portland Transit Corridor and, with TriMet submit a New Starts and Preliminary Engineering application to the Federal Transit Administration.
- Complete the East Metro Connection Plan and community investment strategy and commence implementation efforts.
- Launch the integrated Southwest Corridor Strategy in concert with multiple local and regional partners to lay the groundwork for focused investment decisions in communities throughout the corridor.

Research Center

The Research Center supports the Metro Council, Metro staff, external clients and the public by providing accurate and reliable data, information, mapping, forecasting, and technical services to support public policy analysis and regulatory compliance. The center coordinates data and research activities with local government partners, academic institutions and the private sector. In addition, the regional economic and travel forecasts provided by the Research Center meet federal and state requirements for consistent, accurate and reliable data and forecasting tools.

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION						
Personal Services	\$2,877,435	\$3,243,570	\$3,425,572	\$3,501,866	\$3,269,336	(6.64%)
Materials and Services	600,344	1,015,206	1,206,173	1,170,186	1,002,334	(14.34%)
TOTAL	\$3,477,779	\$4,258,776	\$4,631,745	\$4,672,052	\$4,271,670	(8.57%)
BUDGET BY FUND						
General Fund	\$3,477,779	\$4,258,776	\$4,631,745	\$4,672,052	\$4,271,670	(8.57%)
TOTAL	\$3,477,779	\$4,258,776	\$4,631,745	\$4,672,052	\$4,271,670	(8.57%)
FULL-TIME EQUIVALENTS (FTE)	29.50	31.18	31.91	32.67	29.30	(10.32%)

SIGNIFICANT BUDGET CHANGES:

- Eliminates vacant Associate Transportation Modeler position from the Transportation Research and Modeling Services section.
- Eliminates expiring limited duration positions, and reclassifies GIS positions resulting in no net increase in staffing in the Data Resource Center.
- Continues Regional Indicators staff to September 30 and Climate Smart Initiative limited duration staff for the full year.

KEY INITIATIVES:

- Implement greenhouse gas analysis for Metro projects, programs and activities through the use of the Climate Procedures Manual.
- Finish first comprehensive regional indicators (Greater Portland Vancouver Indicators) report in conjunction with PSU and local partners.
- Complete economic feasibility and modeling analysis effort to determine the likely amount of residential and non-residential development in the new urban reserves.



Parks and Environmental Services is proud to provide exceptional customer service to over 1 million visitors annually. The numbers shown at right represent an average day based on annual measurements.

BY THE NUMBERS

On an average day in Parks and Environmental Services

Parks

- 1,974** customers served at Blue Lake, Oxbow and Chinook boat ramp
- 30** visitor contacts made about park rules and regulations and general questions about Metro parks
- 1,000** visitors enjoy a network of maintained trails
- 3** renter/tenant issues addressed
- 10** over the counter annual passes sold to park users and numerous annual passes mailed to fulfill online and mail-in purchases

Metro Regional Center and Metro Store

- 88** visitors welcomed and assisted in the MRC lobby
- 60** phone calls received and responded to at the Metro switchboard
- 5** internal and 11 external walk-in customers served
- 12** fleet reservations and 5 AV equipment reservations coordinated

Cemeteries

- 2** consultations with families for service arrangements and at least 2 burial services attended
- 2** graves located and marked for upcoming services

Solid waste

- 850** customers served at Metro scale houses and the transfer of almost 3 million pounds of garbage ensured
- 200** household hazardous waste customers served resulting in 1,400 pounds of hazardous waste processed
- 924** pounds of hazardous waste recovered or recycled and the remaining 476 pounds disposed of properly
- 1,200** gallons of latex paint processed from throughout the state of Oregon
- 40** customers served at the MetroPaint store, resulting in 280 gallons of paint and 10 compost bins sold
- 750** thousand cubic feet of landfill gas collected and 1250 therms of gas sold, enough energy to heat 450 homes
- 70** tons of material recovered from the waste stream by contractors, preventing the release of 85 metric tons of CO2 equivalents



Parks and Environmental Services is proud to provide exceptional customer service to over 1 million visitors annually. The numbers shown at right represent recent cost savings measures instituted by PES staff.

BY THE NUMBERS

Cost Savings in Parks and Environmental Services

Solid waste

\$120,000 Annual savings because of new sorting and packaging procedures at the Household Hazardous Waste facilities.

\$36,000 Savings per year since solidifying non-hazardous cleaners on-site so they can be landfilled. These materials were previously consolidated in 55 gallon drums and then shipped to a hazardous waste disposal contractor who would solidify it themselves and landfill the materials.

\$92,197 Savings in the first year of a new contract with PSC Environmental, for transportation and disposal of hazardous waste collected at Metro's facilities. This three-year contract is expected to yield similar savings in its second and third years.

\$26,400 Annual savings for the MetroPaint latex paint recycling facility on Swan Island, as negotiated in a new, four-year lease. Total savings over the life of the lease is estimated to be nearly **\$128,000**.

Metro Regional Center

\$2,800 Water and sewer cost savings at MRC annually from the installation of water-saving fixtures in the restrooms, and better irrigation controls outside.

\$24,000 Annual savings from execution of a new custodial contract at MRC, which brought in better service at a lower cost.

Parks

Due to cooler weather and a green algae bloom which resulted in fewer visitors, costs were trimmed as follows:

\$8,000 Savings in seasonal labor costs, by hiring fewer seasonal workers and scheduling the remaining workers more efficiently.

\$14,000 Savings in overtime pay as a result of better scheduling procedures.

\$8,500 Materials and Services savings because less consumables were needed, including trash bags, paper towels and toilet paper.



DATE: Wednesday, April 13, 2011
TO: Metro Council
FROM: Paul Slyman, Parks and Environmental Services Director
RE: Gleason Boat Ramp -Boat Storage Project

Issue:

The 2010/2011 Parks and Environmental Services budget included a budget note directing staff to work with our master plan partners to discuss the possibility of incorporating long-term dry boat storage into the total vision for Phase IV of the Columbia River Gleason Boat Ramp/Broughton Beach master plan. Phase IV is the final phase of the master plan and it includes expanding the existing parking lot, repaving and incorporating bio-swales and adding restrooms to the site.

This memorandum provides background on the master plan improvements, a summary of discussions with master plan partners, general cost estimates to develop dry boat storage, and next steps.

Background:

- In 1998, the Columbia River Gleason Boat Ramp/Broughton Beach Master Plan was approved by the City of Portland as part of a land-use action. The Plan, which expires in 2013, anticipates that the Multnomah County Sheriff's River Patrol Unit (River Patrol) will construct a new office facility in the area where boat storage has been discussed. Development rights to execute the improvements contained in the Plan will be guaranteed when Metro submits development permits for Phase IV parking and restroom improvements. The City will charge between \$8,000 and \$10,000 for this application.
- The former maintenance and storage building (portage building) occupying the space suggested for dry boat storage was purchased from the Port of Portland in 1996. It is constructed of concrete block and wood framing, and has mold and dry rot from a leaking roof. A complete roof, dry rot repair, paint for both the interior and exterior, window/door replacement and fencing are required for the building to continue in some level of service to the River Patrol, who have been using it (though this use is not included in the IGA with the County). Rehabilitation of the building is not within existing plans for the site; staff estimates costs would be from \$120,000 to \$175,000.

Discussions with Master Plan Partners:

To obtain partner input, staff contacted the River Patrol, the City of Portland Bureau of Development Services, and the State Marine Board. Staff discussed development of a dry sail boat storage facility on the site, which would require demolishing the portage building, currently used by the River Patrol for storage. This site is suited for dry sail boat storage because its

proximity to the boat ramp eliminates having to remove and raise the mast each time a sail boat is transported. The site could also be used for storage of non-motorized boats, such as kayaks or outrigger canoes.

Metro staff contacted the State Marine Board regarding development of a boat storage area and demolition of the portage building. The Marine Board was not opposed, but expressed a desire that any future use would benefit the boating public and not impair site circulation. Following that conversation, the River Patrol contacted the Marine Board. The Marine Board is discussing impacts to the River Patrol because some of the equipment stored in the building may technically belong to the Board. This information will be clarified soon.

Metro staff also met with the River Patrol, who expressed concerns regarding demolition of the portage building and impacts it would have on their operations. The building currently houses their Dive Unit equipment and trailer, spare engines, and other River Patrol equipment, some of which is staged to provide response to Bonneville Dam river emergencies. Some spare parts and equipment could be stored at other county facilities. The River Patrol maintains 13 vessels and runs its Columbia and Willamette River operations from this site.

Multnomah County has stated they do not have the funding needed to complete Master Plan improvements for a new River Patrol building on the portage building site. If the Plan agreement expires without construction of the new building, a Type III land-use application with the City of Portland will be required to adopt a new Master Plan, necessitating consultant services to prepare the application and fees, likely costing between \$40,000 and \$50,000. However, the expiration date could be extended with a minor amendment.

General Cost Estimates to Develop Dry Boat Storage

Development Costs

In the last two years, Metro staff solicited informal bids for items needed for boat storage, including building removal, leveling the pad, removing existing fencing, and adding a new security fence and lighting, totaling approximately \$94,000. Because of the minimal improvements needed, development of dry boat storage would not preclude future uses of this portion of the property, which could easily be converted to accommodate different uses in the future.

Operation of the Boat Storage Facility

In addition to these improvements, a request for proposals would need to be prepared to hire an operator for the boat storage facility. Based on storing approximately 25 boats at \$75.00 per month at an 80% occupancy rate for nine months a year, boat storage could generate approximately \$13,500 gross annual revenue. Based on other Metro concession agreements, staff estimates that the operator would retain 75% of the fees for managing the operation. At \$3,375 per year, payback would occur in 27 years.

Initial investigation shows that a local company involved in running a moorage sailing club, or a retail marine operator might be interested in site management. A contract operator would conduct all cash handling, monitor condition of the facility and boats, ensure that no prohibited activities occur onsite, handle damage or theft claims, and other duties in exchange for controlling the majority of the revenue.

Alternatives

1. Create gravel surface parking in this area, which could accommodate about 50 cars. This option would cost roughly \$45,000 to remove the building and level the area. Demand for the area is limited to approximately three months per year based on weather, assuming a 70% occupancy rate in the lot and based on 20 days per month. Approximate annual revenue: \$7,377. Payback: 6.1 years.
2. Invest in rehabilitating the building for a marine storage type use permitted under the IG2 zoning, at an approximate cost of \$175,000. Based on quality, commercial rent for this type of space ranges from \$0.50/sq. ft. up to \$1.50/sq ft. Even with the proposed investment, the building condition probably warrants rent at \$0.60/sq. ft. Based on 4,000 sq. ft. of rentable space, the property would generate approximately \$2,400/mth or \$28,800/yr. Payback: 6.07 years.

Next Steps

- Prior to soliciting proposals through an RFP process, contact local moorage providers to determine interest in running a dry sail boat storage facility.
- Produce a refined pro forma to determine hard costs for building rehabilitation versus developing the site for dry boat storage.
- Revise the 1996 intergovernmental agreement (IGA) with Multnomah County. The agreement is outdated and needs renegotiation to reflect changes in site use, operational changes with the River Patrol and Metro Parks, and to establish conditions for use of the portage building.

PS:LN:gbc

Attachment: Plan View

cc: Mike Brown, Manager, Property & Project Management, PES
Lydia Neill, Properties Management, PES

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Queue

Gleason Boat Ramp
2010 Aerial Photography



Portage
Building

Multnomah River Patrol

NE MARINE DR

100 50 0 100 Feet

