600 NE Grand Ave.
Portland, OR 97232-2736
www.oregonmetro.gov

Metro | Agenda

Meeting:	Metro Council Work Session
Date:	Tuesday, Nov. 8, 2011
Time:	2 p.m.
Place:	Council Chambers

CALL TO ORDER AND ROLL CALL

2 PM	**1.**	**ADMINISTRATIVE/ COUNCIL AGENDA FOR NOVEMBER 10, 2011/CHIEF OPERATING OFFICER COMMUNICATIONS**	
2:15 PM	**2.**	**FIRST QUARTER FINANCIAL REPORT (UNAUDITED) – <u>INFORMATION</u>**	**Norton Wawrukiewicz**
2:35 PM	**3.**	**2012 LEGISLATIVE SESSION – <u>INFORMATION / DISCUSSION</u>**	**Tucker**
2:50 PM	**4.**	**COMMENTS ON PROPOSED AMENDMENTS TO THE OREGON HIGHWAY PLAN (OHP) AND OREGON TRANSPORTATION PLANNING RULE (TPR) – <u>INFORMATION/ DIRECTION</u>**	**Kloster**
3:05 PM	**5.**	**COUNCIL BRIEFINGS/COMMUNICATION**	

ADJOURN

Agenda Item Number 2.0

FIRST QUARTER FINANCIAL REPORT (UNAUDITED)

Metro Council Work Session
Tuesday, Nov. 8, 2011
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: November 8, 2011 Time: 2:15 pm Length: 20 minutes

Presentation Title: First Quarter Financial Report (unaudited)

Service, Office, or Center: Finance and Regulatory Services

Presenters (include phone number/extension and alternative contact information):
Margo Norton, Director (x1934)
Ann Wawrukiewicz (x 1566)

ISSUE & BACKGROUND

The first quarter financial report is important for two reasons:

1. Does the first quarter reveal any chinks in the budget plan?

   The budget is on track to perform the FY 2011-12 plan with some careful management.

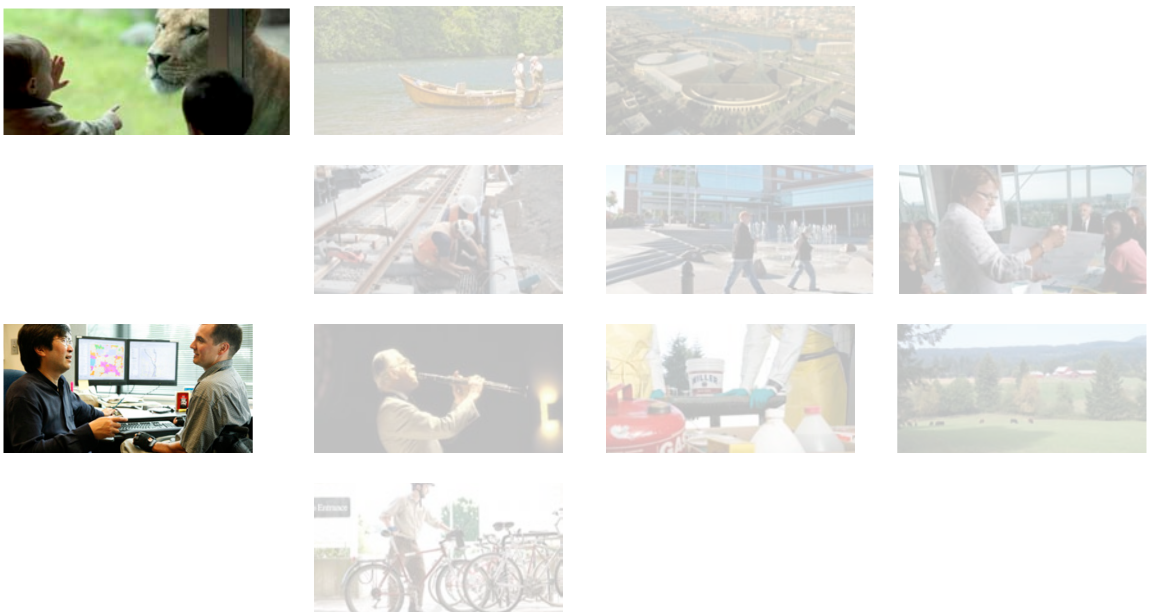
   Revenues have some positive trends in certain areas; less positive in others. Both revenues and expenditures are trending close to authorized appropriations. The caution is that revenue forecasts have been increasingly conservative into this third year of economic drift. Hitting the revenue marks does not signal an improving economy, merely an adjustment to the new reality.

2. How is the overall budget strategy performing and how does this lead into budget guidance for the next period?

   The current budget was constructed around four principles - footprint, focus, employee compact and resources. Of the principles, the resource dial moved the least and will require new attention. Our focus, including the six key initiatives intended for multi-year development, needs annual review to provide budget guidance to press forward or to adjust as needed.

The first quarter report will be distributed separately, prior to the work session, and posted on Metro's website. Search under "financial reports".

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __Yes XX No
DRAFT IS ATTACHED ___Yes ___No

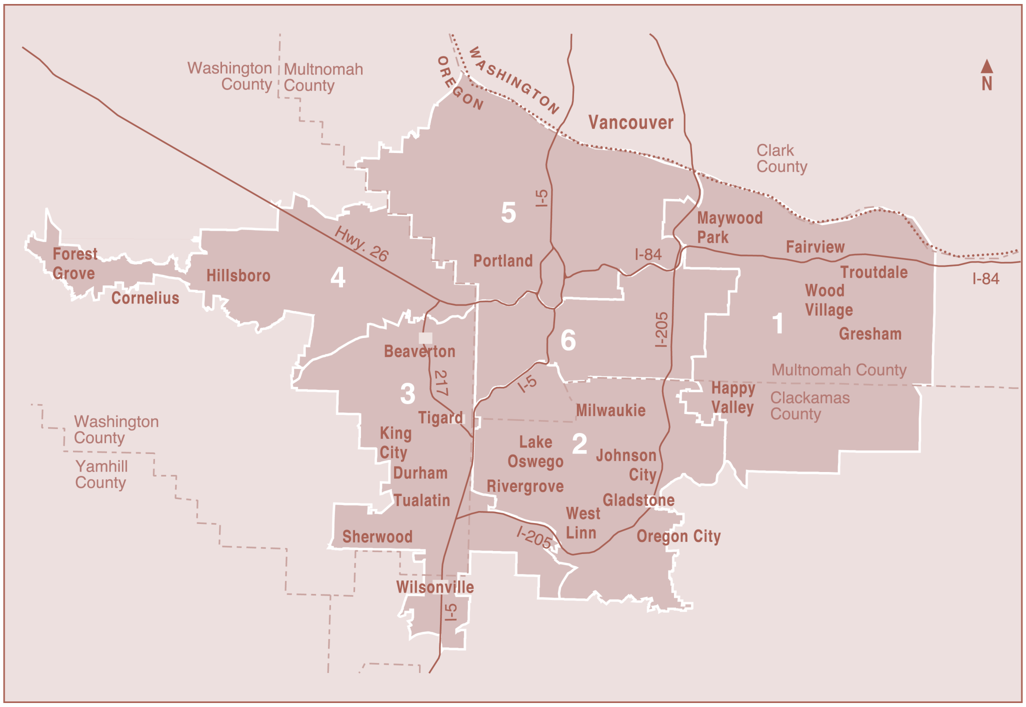


2011-12

FIRST QUARTERLY REPORT

July through September

Metro | *Making a great place*



Your Metro representatives

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503-797-1889

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Auditor
Suzanne Flynn, CIA
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Metro

Making a great place

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy and good transportation choices for people and businesses in our region. Voters have asked Metro to help with the challenges that cross those lines and affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to protecting open space, caring for parks, planning for the best use of land, managing garbage disposal and increasing recycling. Metro oversees world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and the Oregon Convention Center, which benefits the region's economy.

2011-12

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FIRST QUARTER REPORT

July through September

FY 2011-12 Quarterly Report

First Quarter

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EXECUTIVE SUMMARY

November 8, 2011

President Tom Hughes
Members of the Metro Council
Interested Parties

On behalf of the Finance Team I am today delivering Metro's First Quarter Financial Report. This report is based on the unaudited closing of Metro's financial records as of September 30. While it is not unusual to find that actual revenues and expenditures are tracking to budget this early in the year, we must remember that the current year's budget plan anticipated that the economy would remain persistently stagnant. Revenues were expected to remain mostly flat; expenditures were ratcheted down under the rubric of footprint, focus and employee compact. It comes as no surprise that the forecasted performance for this year is remarkably close to a much tighter budget.

Current Operations

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
All Revenue						
Program Revenues	129,293,507	31,730,186	24.5%	128,102,701	99.1%	91.1%
General Revenues	68,376,926	4,619,316	6.8%	67,933,196	99.4%	96.4%
All Revenue	**197,670,433**	**36,349,501**	**18.4%**	**196,035,897**	**99.2%**	**92.5%**

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	79,876,028	19,893,858	24.9%	77,498,300	97.0%	94.1%
Materials and Services	109,570,641	15,896,484	14.5%	100,997,700	92.2%	79.3%
Total Operating Expenditures	**189,446,669**	**35,790,342**	**18.9%**	**178,496,000**	**94.2%**	**85.4%**
Capital Outlay	**38,704,677**	**7,403,409**	**19.1%**	**30,590,725**	**79.0%**	**40.0%**
Renewal and Replacement	**4,072,303**	**201,435**	**4.9%**	**3,654,400**	**89.7%**	**75.0%**
Total Expenditures	**232,223,649**	**43,395,186**	**18.7%**	**212,741,125**	**91.6%**	**73.9%**

Despite an edgy economy, some revenues look positive

The venues, by and large, had a good first quarter, particularly the Oregon Convention Center where attendance was up nearly 18 percent. While the first quarter has traditionally been a slower quarter for the MERC venues, the last two years have shown increasingly solid first quarter performance. The Oregon Zoo's concert series this summer was also a top producer in attendance and revenues. The one downside note is that attendance not related to concerts slumped. Membership admissions were off considerably, signaling concerns about membership renewal which is usually transacted at the gate. Despite the cooler summer, Blue Lake and Oxbow parks showed improvement over the prior year when a rainy September made a mess out of the first quarter. Unfortunately this is offset by lower revenues from Glendoveer and from recreational vehicle fees.

Grant revenues are off again, due to program delays (corridors and transportation projects) and construction hurdles (trails). Tonnage projections have dropped slightly, reflecting an earlier start of the Portland residential food waste program (October 31 instead of March 2012); whether the city will see its anticipated 30,000 ton diversion immediately remains to be tested. The impact on Solid Waste revenues will be slight because much of the mixed food waste/yard debris will be processed for a fee at Metro transfer stations prior to delivery to composting facilities; the impact on excise tax will be somewhat greater.

Tax revenues are mixed. Transient lodging tax recovered nicely in the last half of last year. Industry signs look positive for continuing modest growth in both occupancy and room rate. Because of the tax turnover cycle, we will not see hard evidence of this until the November and December collections are in. Similarly, construction excise tax is not reflected in the year-to-date revenues because the first tax turnovers were not due until October 31. Early reports have given indications that this year's first quarter will be better than either of the two prior years' collections for the same period, although the housing industry remains one of the persistently stagnant sectors.

One note of concern: each county assessor has announced the tax rolls and produced the annual property tax statements. Although real market values continue to exceed assessed values in the aggregate, Measure 5 applications are on a property-by-property basis. For the first time, overall tax increases will not reach the three percent increase for the permanent rate operating levy, and compression has taken an increasingly larger bite.

Operating expenditures are tight

As the forecast shows, operating expenditures are much closer to budgeted appropriations than in prior years. Turnover rate remains at three percent or lower. Most personal services savings from the first quarter are generated by the lag time in starting up newly authorized positions whose recruitment could not begin until the new budget year.

Other expenditure trends are those most closely related to activity. Expenditures at the venues are related to events and attendance and paired with revenues: more events, greater revenues and greater expenditures. Where revenues are lower than expected (the zoo's non-concert related attendance, for example), expenditure control becomes the strategy for the remainder of the year. Parks will again struggle because expenditure control in operations cannot fully address problems in golf or RV fee revenues.

First quarter prognosis: On track

No significant surprises, although property tax compression requires further thought about future implications. Budget-to-actual forecasts appear to be tight, suggesting that activity-driven expenditures at the venues may need a budget amendment (the good kind) if performance remains strong. Several amendments including some housekeeping actions will be coming forward next week to tidy up the implementation of the new budget.

Are we making progress with our budget strategy?

The FY 2011-12 budget strategy was centered around footprint – how big are we; focus – are we focused on our priorities and applying our expertise where we can achieve the greatest outcomes; and employee compact – what is our strategy as an employer.

Metro made incremental progress in each of these three dimensions, eliminating a number of vacant positions, wrapping up some program efforts and redeploying our financial and human resources to key initiatives. Our footprint is still about the same, or will be as we continue to amend the adopted budget to include new grant funded positions and operational adjustments. Our focus, and the six key initiatives, will be a key topic as we begin discussions about the FY 2012-13 budget strategy. We will be asking you to consider what adjustments, if any, are needed to these initiatives and whether any emerging issues need to be elevated to the initiative level. We also made progress on our employee compact, although the 5-year forecasts show that compensation still remains our most rapidly increasing expense segment. Although there are some smaller collective bargaining agreements to be negotiated in the coming year, the largest agreements are now fixed until July 2014, effectively limiting further progress on the employee compact.

A fourth budget strategy dimension is resources – are we moving the resource dial? For FY 2011-12 this was the smallest effort. Modest fee increases in parking, facility rental rates, disposal charges and indexing of excise tax are normal operational actions. On a more developmental level, the zoo reached a new agreement with The Oregon Zoo Foundation

KEY INITIATIVES:

Corridors

Climate Change

Community Investment Strategy

Regional Parks Funding

Solid Waste Road Map

about membership classifications and commitments to pair fee increases in the future. The Council has reviewed the future business direction of the cemeteries program, and significant fee increases for sites and services are planned for November. The partnership with The Intertwine Alliance has made observable forward progress while the regional indicators work remains a work in progress.

But the truly transformational revenue challenges remain in front of us and are more fundamental than fretting about the exact pace of economic recovery. As we approach the next budget cycle we will begin with the five year forecast of the major operating funds – the General Fund, Solid Waste Revenue Fund and MERC Fund. Each presents distinctive challenges and each will require a custom-designed strategy.

For the General Fund, where much of our discussion focuses, the persistent revenue-expenditure gap relates more to our core services than to the initiatives. Permanent funding for regional parks operations needs to be decided. The Community Investment strategy began as a resource discussion. In the Solid Waste Fund, the continued diversion of waste from disposal supports sustainability goals and exerts upward rate pressure on what remains. In addition, the road map initiative is about the future view of disposal and solid waste operations, but an underlying question is the future rate structure which impacts not only the Solid Waste Fund but also the future application of excise tax. The MERC venues continue to weigh the opportunity costs of retaining current business and launching new business strategies.

Future financial prognosis: some heavy lifting required ahead.

Sincerely,

Margo Norton

Director of Finance and Regulatory Services

METRO REVENUES

Overall Revenues

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
All Revenue						
Program Revenues	129,293,507	31,730,186	24.5%	128,102,701	99.1%	91.1%
General Revenues	68,376,926	4,619,316	6.8%	67,933,196	99.4%	96.4%
Other Financing Sources	0	1,400	0%	1,400	0.0%	49.6%
All Revenue	**$197,670,433**	**$36,350,901**	**18.4%**	**$196,037,297**	**99.2%**	**92.5%**

Revenues for Metro, including the Metropolitan Exposition Recreation Commission (MERC), totaled $36.4 million through the first quarter, or 18.4 percent of the annual budget. Revenues at year-end are projected to reach $196 million, 99.2 percent of the budgeted $197.7 million. While attendance at Metro parks improved and MERC venues saw a strong first quarter, weather and the economy continue to erode zoo attendance. Solid Waste tonnage will be negatively impacted by the earlier initiation of the City of Portland residential organics composting program, a decline offset by an increase in fees charged for handling residential organics at the transfer stations.

Program revenues, described by type and department in the section below, generally include enterprise revenues, grants and contributions.

General revenues, detailed on page 9, include property and excise tax revenues, interest earnings and other shared government revenues.

Revenues generally on track

Program Revenues

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Program Revenues						
Charges for Services Revenue	108,684,977	30,261,855	27.8%	107,301,488	98.7%	92.9%
Internal Charges for Svcs-Rev	577,807	0	0.0%	577,807	100.0%	92.0%
Licenses and Permits	386,000	89,765	23.3%	380,000	98.4%	94.2%
Miscellaneous Revenue	302,779	36,265	12.0%	316,689	104.6%	102.3%
Grants	12,533,425	(304,210)	-2.4%	11,785,337	94.0%	68.0%
Contributions from Governments	3,827,419	1,520,000	39.7%	5,308,380	138.7%	101.7%
Contributions - Private Source	2,981,100	113,610	3.8%	2,420,100	81.2%	79.4%
Capital Grants	0	12,900	0%	12,900	0.0%	388.8%
Program Revenues	**$129,293,507**	**$31,730,186**	**24.5%**	**$128,102,701**	**99.1%**	**91.1%**

The negative year to date grant revenues reflect annual accounting adjustments across fiscal years.

PROGRAM REVENUE BY OPERATING UNIT

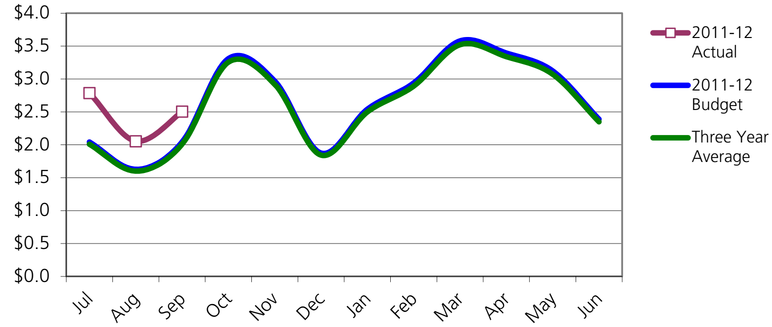
Finance and Regulatory Services

Contractors' Business License fees are projected to generate $380,000, 2 percent below budget and with no improvement over last year. The economy has continued to affect CBL revenues.

Metropolitan Exposition Recreation Commission

MERC- Program Revenues by Month

shown in millions



First quarter MERC revenues reached $7.3 million, compared to $6.7 million in the prior year, with the increase in revenue reflected at all three venues. Attendance continues to show small signs of improvement, with total attendance of 268,000 compared to 249,000 in the prior year, despite fewer events in the current year. Expo Center experienced an increase in both attendance and number of events.

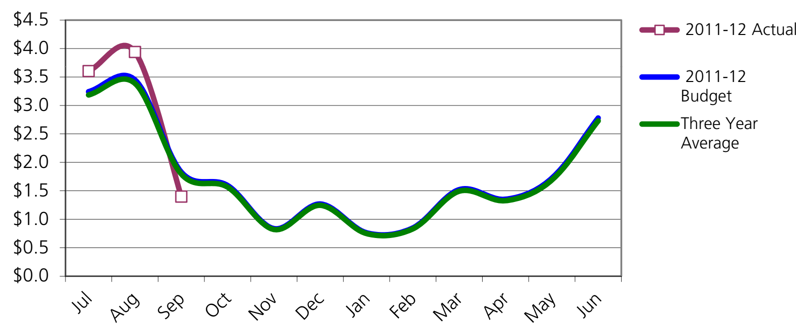
OCC performance strong

The Convention Center event schedule included several conventions that generated greater attendance and sales than anticipated, and several events generated gross revenues in excess of $500,000: National Association of Counties ($511,000), two Open Source Convention events (combined total $875,000) and Tektronics Sales University ($557,000). PCPA has a strong Broadway series this year, and corporate "ride and drive" sales events at the Expo Center provided a boost to the first quarter.

Oregon Zoo

Oregon Zoo- Program Revenues by Month

shown in millions



Zoo concerts up, general attendance down

The summer concert series was a highlight of summer at the zoo, with a robust lineup of 16 premium concerts and three Zoo Tunes concerts. The entertainment lineup was stronger and more diverse than prior years and produced $1,318,236 in admission revenue, a 17 percent increase from the previous year. Total revenue for concerts was more than $2.2 million, including sponsorships and food and beverage revenue. In addition, the zoo had strong attendance at summer camps and classes.

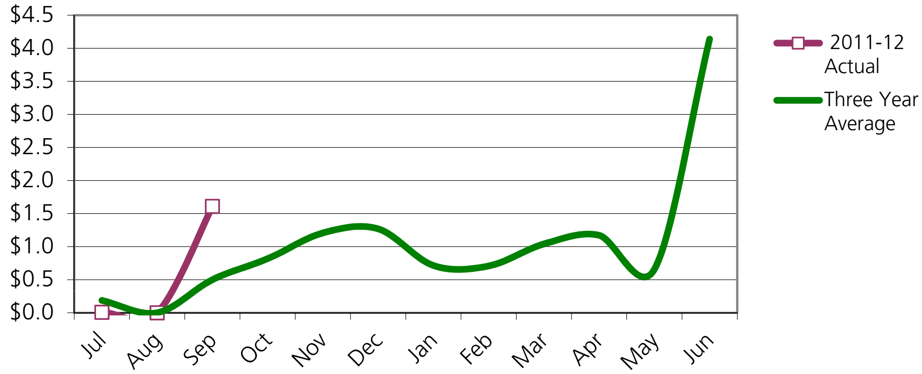
Despite the strong concert season, the zoo faced challenges in the first quarter due to a weak economy and bad weather that impacted general attendance and revenue. General attendance was down 5 percent, resulting in lower than anticipated revenue for food services, train ridership and retail sales. Per capita spending was relatively flat in food sales and train revenue, although retail per caps increased more than 6 percent from $1.35 to $1.44 per visitor.

The zoo is currently looking at several aggressive marketing options designed to drive attendance during the off peak season. A new event for the spring and summer is being considered to attract visitors during special evening hours, and the zoo is planning to add new

Planning and Development/Research Center

food cart options to drive revenue.

Planning and Development/Research Center- Program Revenues by Month



shown in millions

Planning grant revenues are projected to end the year at 94 percent of budget; expected grant shortfalls total approximately $650,000. Most of this is related to continued program delays in Corridors and transportation projects.

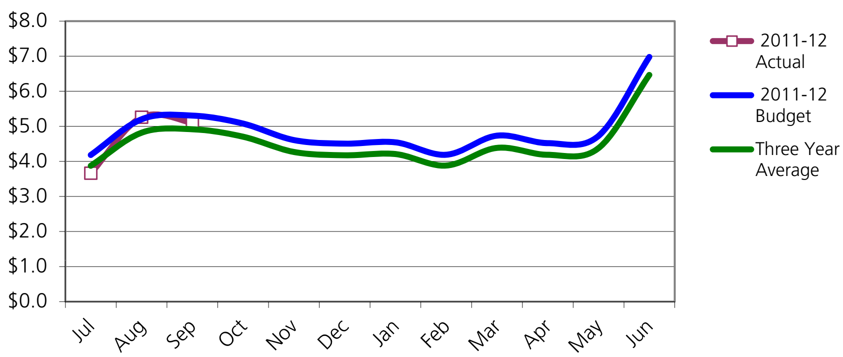
The peak in September shows receipt of $1.5 million in Transit Oriented Development funding expected in FY 2010-11 but not received from TriMet until this year. This timing change will push projected Contributions from Governments well over budget, assuming the current year's contribution is made timely.

Because the timing of grant revenues varies significantly and unpredictably from year to year, the "budget" line is not included in the chart above. Each year the August revenues are

Parks and Environmental Services

Parks and Environmental Services- Program Revenues by Month

shown in millions



adjusted in the Planning chart to account for year-end accounting entries.

Parks and Property Stewardship: Overall Parks and Property Stewardship revenues are projected to end the year 5.4 percent ($222,000) lower than budgeted levels. Increases in park attendance at Blue Lake Park and Oxbow Park during the first quarter have been offset by lower golf fees and RV fees.

Parking revenues at the Metro Regional Center are down fiscal year-to-date and forecasted to end 8.1 percent ($51,000) less than budget, due to the delay in implementing monthly parking fee increases. However, parking receipts may increase throughout the fiscal year due to the new visitor parking validation policy implemented September 1st that limits free parking. The expected shortfall in parking revenues is also partially offset by an increase ($25,800) in rental fees at Metro's onsite child care facility.

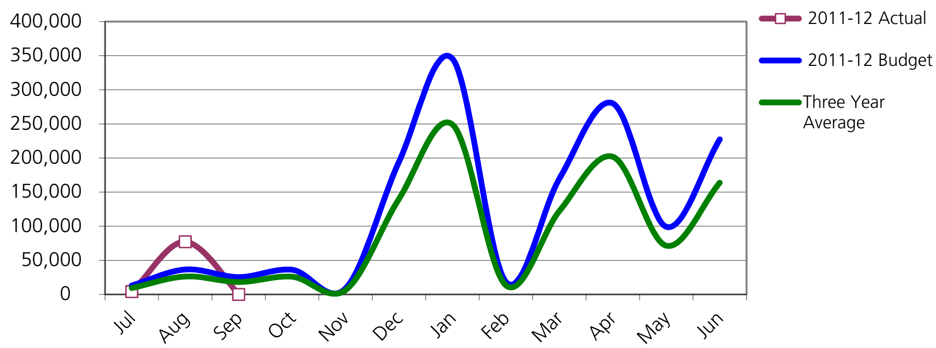
Early start of Portand residental food composting impacts waste stream

Solid Waste Operations: First quarter solid waste tonnage at Metro and regional facilities is down 4.81 and 3.98 percent, respectively. New projections will incorporate recent trends, but the primary driver is the expected effect of the new City of Portland residential organics program, that will allow city customers to place food waste in their yard debris carts. While the change was not unexpected, it was predicted to be rolled out in spring or summer 2012; instead it began October 31, 2011. The new program is expected to reduce the amount of solid waste tonnage, and consequently revenue, from solid waste fees. An increase in residential organics fees will almost offset this expected revenue shortfall. Effective October 31, 2011, Metro has established a new interim rate for residential and commercial organic material received at Metro transfer stations. Separate rates for both materials will be established in spring 2012.

Year-end program revenues are projected to be 0.7 percent ($382,000) lower than budgeted.

Sustainability Center

Sustainability Center- Program Revenues by Month*



*Prior year revenues that make up the Three Year Average exclude a $4.3 million land donation made in June 2009.

Blue Lake trail delay

Sustainability Center program revenues are projected to end the year 44 percent lower than budget. The budget anticipated completion of the Blue Lake Trail section of the 40-Mile Loop Trail during FY 2011-12 and the recognition of the expenditures made directly by the Oregon Department of Transportation as revenue ($836,000) upon completion of the project. The project is currently in the design stage. However, because of the federal requirements and review required, construction is now delayed until summer 2012 and may not be completed until early 2013.

Actual grant revenues for other projects will depend on the ability to complete the projects associated with the grants. Several projects associated with grants have been in a scoping phase during the first quarter.

General Revenues

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
General Revenue						
Real Property Taxes	39,039,151	247,604	0.6%	39,000,000	99.9%	100.7%
Excise Taxes	15,172,837	3,186,706	21.0%	14,809,273	97.6%	92.2%
Construction Excise Tax	1,605,000	64,166	4.0%	1,525,000	95.0%	109.5%
Other Derived Tax Revenues	25,000	4,470	17.9%	25,000	100.0%	112.3%
Local Govt Shared Revenues	11,708,979	962,939	8.2%	11,647,098	99.5%	93.7%
Interest Earnings	825,959	153,431	18.6%	926,825	112.2%	78.6%
General Revenue	**$68,376,926**	**$4,619,316**	**6.8%**	**$67,933,196**	**99.4%**	**96.4%**

Property tax compression

Property Taxes– Metro has seen higher than budgeted property tax collections for the last several years, despite the struggling economy. For FY 2011-12, however, the combined effects of a lower than expected increase in property assessments, a 40 percent jump in Measure 5 compression loss and deferred billing due to the Comcast appeal is leading to a lower than budgeted year-end collections estimate in spite of a higher than budgeted collection rate.

TLT looks positive; CET, too soon to tell

Transient Lodging Tax– Transient Lodging Tax (TLT) receipts provide fundamental operating and marketing support for OCC and PCPA. The first TLT payment of the current year was less than the very strong prior year by approximately $165,000. Year-to-date room nights sold in the market are up 4.5 percent, occupancy rates (room nights per hotel) are up 3.9 percent, and the average daily room rate is up 5 percent. TLT trends become more apparent after first quarter payments are received in November and December.

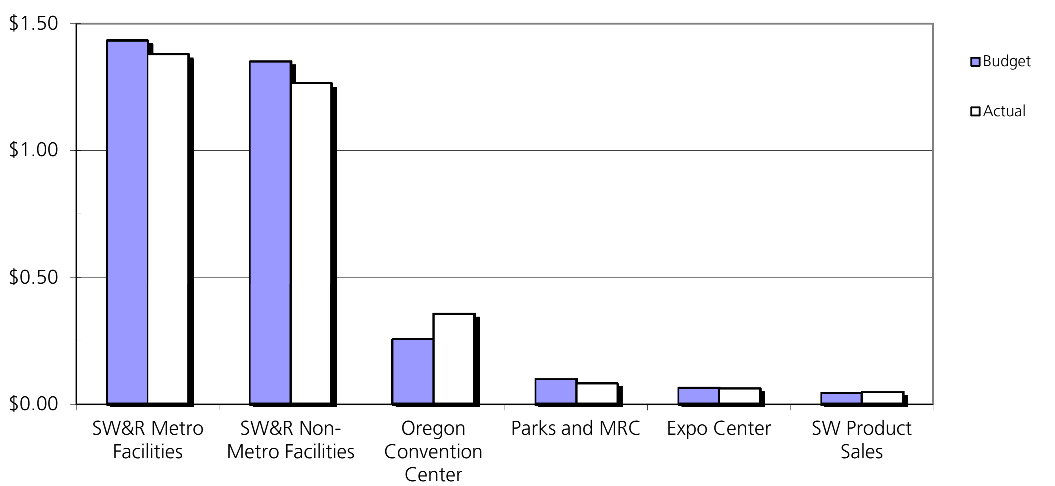
Construction Excise Tax– Construction excise tax receipts are not due until thirty days following the end of the quarter; hence, year-to-date receipts lag by a full quarter. Collections' reporting in late October does indicate an improved performance over the first quarter in the two prior years, a welcome sign in what has been a stagnant building environment.

Interest Earnings– The average yield on investments through the first quarter was a low 0.64 percent, still slightly higher than the budgeted 0.5 percent; year-end projections are $100,000 higher than budget.

Excise Tax

Excise Tax Received Through September 30, 2011, Budget vs. Actual

shown in millions



Excise tax slightly off

Solid waste excise tax collections are projected to end the year 3.7 percent below budget. Non-tonnage excise tax is projected at 5 percent higher than budget, led by strong revenues at the Oregon Convention Center. Please see the excise tax appendix and the Parks and Environmental Services revenue narrative for additional detail.

METRO EXPENDITURES– OPERATING DEPARTMENTS

Metro Operating Departments (including MERC)

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	62,750,938	15,800,129	25.2%	**61,202,300**	**97.5%**	**94.5%**
Materials and Services	98,371,135	14,482,908	14.7%	**94,109,054**	**95.7%**	**79.6%**
Total Operating Expenditures	**161,122,073**	**30,283,037**	**18.8%**	**155,311,354**	**96.4%**	**85.1%**
Total Capital Outlay	**38,129,677**	**7,354,077**	**19.3%**	**30,014,508**	**78.7%**	**39.0%**
Total Renewal and Replacement	**3,233,332**	**194,242**	**6.0%**	**2,815,400**	**87.1%**	**83.8%**
Total Expenditures	**$202,485,082**	**$37,831,357**	**18.7%**	**$188,141,262**	**92.9%**	**72.5%**

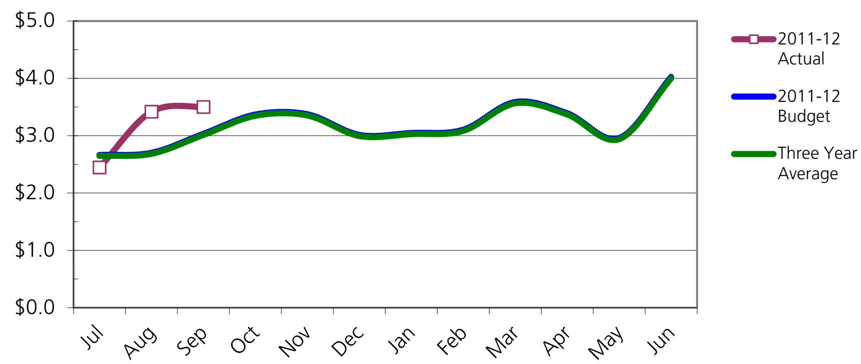
EXPENDITURES BY DEPARTMENT

MERC

	Budget	YTD Actual	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	17,788,181	4,286,836	24.1%	17,685,056	99.4%	93.7%
Materials and Services	20,472,300	5,079,120	24.8%	19,985,330	97.6%	96.7%
Total Operating Expenditures	**38,260,481**	**9,365,956**	**24.5%**	**37,670,386**	**98.5%**	**95.3%**
Total Capital Outlay	**3,079,396**	**540,767**	**17.6%**	**2,979,396**	**96.8%**	**56.0%**
Total Expenditures	**$41,339,877**	**$9,906,723**	**24.0%**	**$40,649,782**	**98.3%**	**92.4%**

MERC- Operating Expenditures by Month

shown in millions



Summer Capital expenses at PCPA

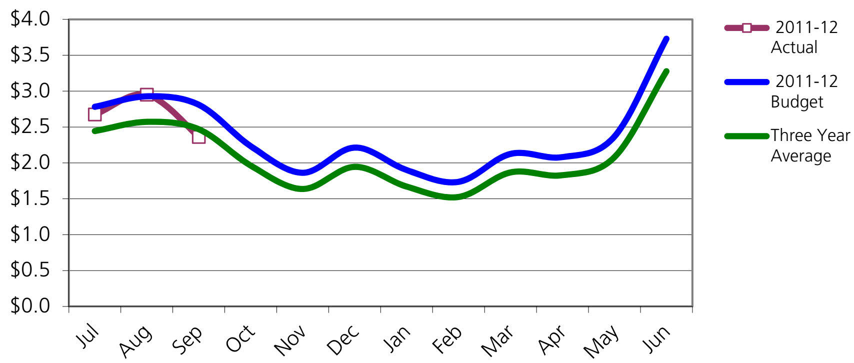
Strong first quarter revenues compared to the prior year resulted in higher event-related spending. Several one-time project expenditures occurred in the first quarter at PCPA and Expo Center. PCPA has completed the first phase of two major maintenance projects: the restoration of the exterior facade of the Arlene Schnitzer Concert Hall ($152,000) and an emergency repair on wall panels in the Keller Auditorium ($23,000). The Expo Center has continued work on projects recommended in the Portland State University study related to website design and branding ($30,000).

Oregon Zoo

	Budget	Actual TYD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	17,349,036	4,643,841	26.8%	16,493,624	95.1%	95.3%
Materials and Services	11,177,195	3,344,273	29.9%	11,066,900	99.0%	87.6%
Total Operating Expenditures	**28,526,231**	**7,988,114**	**28.0%**	**27,560,524**	**96.6%**	**92.2%**
Total New Capital	**1,155,200**	**29,350**	**2.5%**	**1,155,200**	**100.0%**	**91.6%**
Total Renewal and Replacement	**1,179,595**	**106,836**	**9.1%**	**1,150,198**	**97.5%**	**93.5%**
Total Expenditures	**30,861,026**	**8,124,300**	**26.3%**	**$29,865,922**	**96.8%**	**92.3%**

Oregon Zoo- Operating Expenditures by Month

shown in millions



Slower attendance requires cost monitoring

Given the continuing decline in non-concert related attendance, the zoo continues to monitor expenditures with a focus on managing seasonal and temporary staffing, overtime and operating expenditures. Staff will continue to monitor and closely manage expenditures while focusing on improving systems to enhance staff scheduling, visitor attendance and the profitability of events and activities.

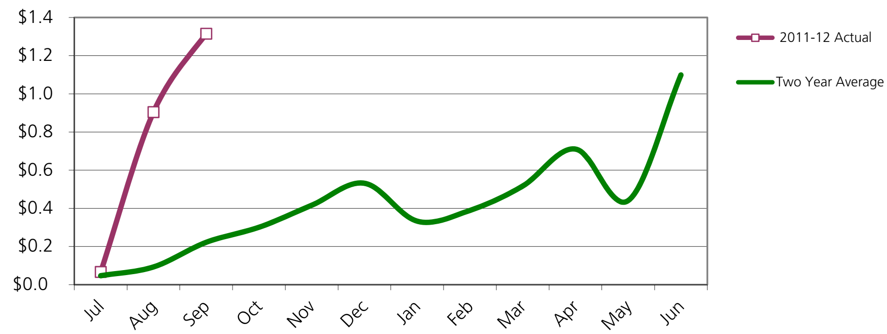
The reinstated Catering Supervisor position is currently being recruited to increase catering revenue, a key requirement of the position. A third party consultant will be contracted to review current business processes in the catering and guest services department. The zoo is currently in the process of interviewing for the newly created Environmental Education Manager position. It is expected that the position will be filled before the end of the calendar year.

Capital: The zoo is in the process of purchasing more than $400,000 in equipment for the new Veterinary Medical Center, funded from a campaign of The Oregon Zoo Foundation. In addition, the renovations and repairs to the Cascade Aviary Mesh and the Africa Lagoon projects are in the planning stages, with an estimated cost of $825,000. These two projects are funded by The Oregon Zoo Foundation's "Don't Miss the Flight" campaign.

Oregon Zoo Infrastructure and Animal Welfare Bond

	Budget	Actual TYD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	627,690	190,171	30.3%	691,400	110.1%	88.7%
Materials and Services	0	386	0%	0	0%	0%
Total Operating Expenditures	**627,690**	**190,557**	**30.4%**	**691,400**	**110.1%**	**91.6%**
Total Capital Outlay	**6,432,825**	**2,095,599**	**32.6%**	**5,253,214**	**81.7%**	**31.6%**
Total Expenditures	**$7,060,515**	**$2,286,156**	**32.4%**	**$5,944,614**	**84.2%**	**34.5%**

Oregon Zoo Infrastructure and Animal Welfare Bond- Expenditures by Month



Personal services' spending includes both direct bond program staff and Metro staff providing support for the land use process. The budget anticipated using interfund transfers to reimburse the General Fund for this additional staff time. Instead, all staff time is being charged directly to the bond fund. This change allows more specific tracking of time spent on the project and increases transparency and accountability.

The Veterinary Medical Center project is on budget and is scheduled to be completed in December 2011. Outside improvements are generally complete; during the first quarter work has shifted to internal mechanical and electrical systems and specialized finishes, such as surgery suites and animal caging. This is the first major project for the Infrastructure and Animal Welfare Bond.

Bond projects on track, as promised

The Penguin Life Support System Upgrade project is approximately 95 percent complete. Water is running through the systems and control/monitoring components are being tested and interconnected. The project remains on budget, but the general contractor is significantly behind schedule. Program staff is attentive to this issue and is working closely with zoo staff to manage the move of the penguins back into the exhibit, as well as opening the exhibit to the public.

Metro issued a Request for Proposals for Elephant Habitat and Related Infrastructure design services in September. This process will identify and contract with the multi-disciplinary consultant team to provide design services for the elephant habitat project and contract administration during construction. The program is working to contract with a team by mid-December and continues negotiating a property purchase option with a property owner for a Remote Elephant Center property.

The Metro Council adopted the Bond Implementation Plan by resolution. The plan outlines the scopes, budget allocations, and schedule for the remaining bond projects. Completing the budget and timeline for the remaining bond projects is an important milestone.

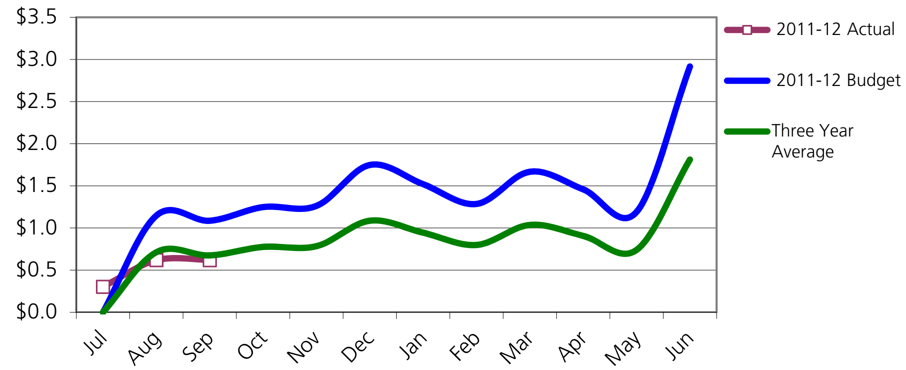
Metro staff and stakeholders are currently reviewing the draft 20-year Comprehensive Capital Master Plan. The Master Plan outlines future renovations and improvements to animal habitats, guest service amenities and continued sustainability improvements to reduce campus water and fossil fuel use.

Planning and Development

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	6,369,409	1,498,188	23.5%	6,051,000	95.0%	85.2%
Materials and Services	10,100,232	41,043	0.4%	8,802,000	87.1%	38.6%
Total Expenditures	**$16,469,641**	**$1,539,231**	**9.3%**	**$14,853,000**	**90.2%**	**56.4%**

Planning and Development- Operating Expenditures by Month

shown in millions



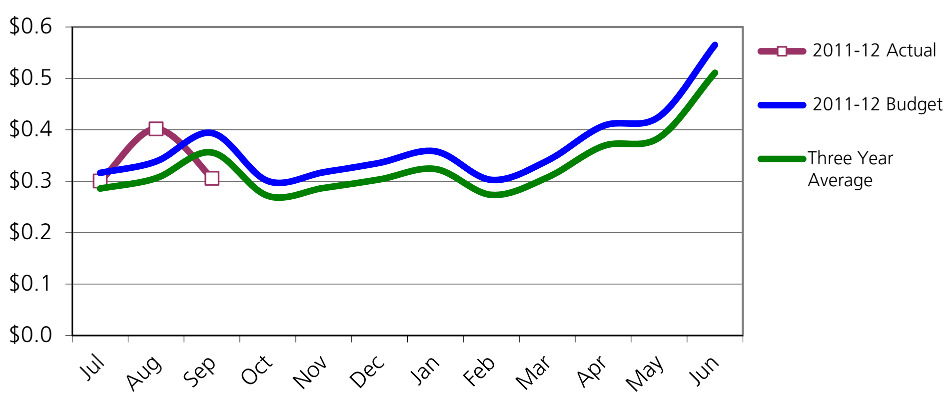
Year-end projections anticipate underspending of $236,000 for the southwest corridors project, due to a revised project work plan that includes more time to complete partnership agreements. Other projected underspending reflects vacant positions, several employees on long term leave and small amounts of materials and services spread across programs. The Transit Oriented Development (TOD) program is budgeted so as to allow Metro to take advantage of opportunities as they arise throughout the year. At this point, TOD spending is still projected at 100 percent of budget.

Research Center

	Budget	Year-end Actual	Year-end % of Budget	3-Year Average
Personal Services	3,501,866	3,330,617	95.1%	99.4%
Materials and Services	1,206,173	866,181	71.8%	100.0%
Total Expenditures	**$4,708,039**	**$4,196,799**	**89.1%**	**99.5%**

Research Center- Operating Expenditures by Month

shown in millions



The Aerial Photography project in the Data Resource Center area is projected to come in $50,000 under budget. Remaining underspending is due to vacant positions early in the year and small amounts of materials and services across programs. The small peak in spending in August represents three one-time contract payments totaling just more than $80,000.

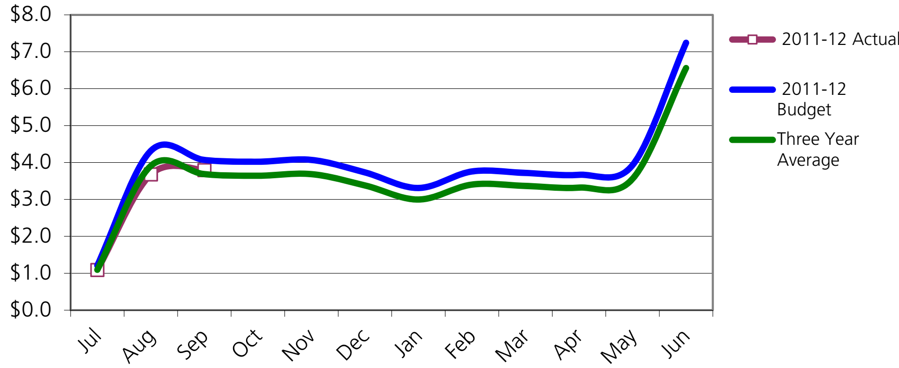
Parks and Environmental Services

	Budget	YTD Actuals	YTD % of Budget	Year-End Projection	% of Budget
General Fund	**$6,578,791**	**1,413,143**	**21.5%**	**$6,405,778**	**97.4%**
Solid Waste Revenue Fund	**$43,631,775**	**7,207,003**	**16.5%**	**$43,278,358**	**99.2%**
General Asset Management Fund	**$1,942,731**	**87,699**	**4.5%**	**$1,942,731**	**100.0%**

All Funds	Budget	YTD Actuals	YTD % of Budget	Year-End Projection	% of Budget	3-year Average
Personal Services	9,768,961	2,445,609	25.0%	9,707,296	99.4%	92.4%
Materials and Services	37,272,520	6,118,832	16.4%	36,807,755	98.8%	91.0%
Total Operating Expenditures	**47,041,481**	**8,564,441**	**18.2%**	**46,515,051**	**98.9%**	**91.2%**
Capital Outlay	**3,726,000**	**65,345**	**1.8%**	**2,980,800**	**80.0%**	**13.7%**
Renewal and Replacement	**1,942,731**	**82,254**	**4.2%**	**1,554,185**	**80.0%**	**51.8%**
Total Expenditures	**52,710,212**	**8,712,040**	**16.5%**	**51,050,036**	**96.9%**	**82.6%**

Parks and Environmental Services- Operating Expenditures by Month

shown in millions



Parks and Property Stewardship: A budget amendment provided an additional $85,750 to remodel existing Metro Regional Center office space to accommodate the continued consolidation of MERC and Metro business services. Operating expenditures are following seasonal patterns and are projected to end the fiscal year approximately $173,000 below budget. Recognizing revenue shortfalls, management continues to identify opportunities to reduce expenditures.

New organics processing rate

Solid Waste Operations: The year-end tonnage projection is lower than budgeted, based on a new projection in which solid waste tonnage to Metro facilities is expected to fall 4.3 percent below budget. The reduction in solid waste tonnage translates to a 3.9 percent ($1.1 million) decrease in tonnage-related materials and services. The decline is not one-to-one because Metro's operations contracts contain fixed costs that must be paid regardless of tonnage. However, these expenditure reductions will be more than offset by projected increases ($1.3 million) in the costs to process increased residential organic waste after the October 31, 2011, implementation of residential organics collection by the City of Portland. Metro negotiated new rates with the contractors at both Metro South and Metro Central to accept, transfer, transport and process residential organic waste. Over the next two quarters, staff will consider the need for a budget amendment to increase expenditure authority.

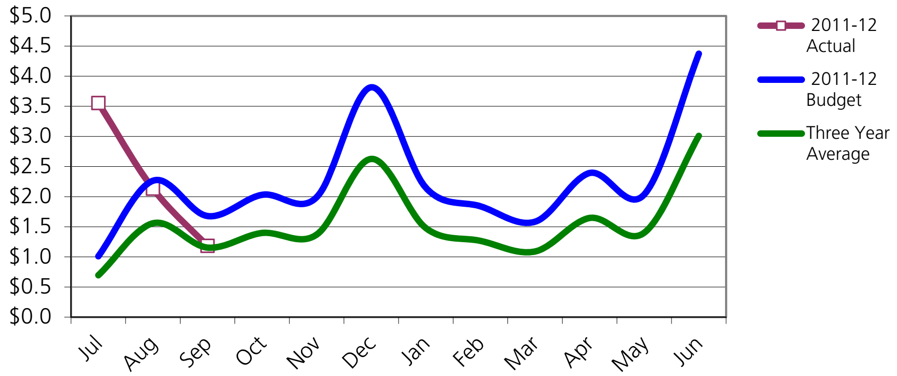
PES spent less than 2 percent of its capital budget during the first quarter of FY 2011-12. About 70 percent of the capital budget is related to Solid Waste Operations. During the first quarter capital projects were under needs assessment or in the scoping phase. The year-end projection assumes that 80 percent of the capital and renewal and replacement budgets will be spent in FY 2011-12. This assumption will be reevaluated during the second quarter when more detailed project-based information becomes available.

Sustainability Center

	Budget	YTD	YTD % of Budget	Year-End Projection	% of Budget	
General Fund	$5,014,777	$1,102,116	22.0%	$4,929,639	98.3%	
Solid Waste Revenue Fund	$8,094,613	$784,177	9.7%	$7,494,456	92.6%	
Natural Areas Fund	$34,659,897	$9,951,308	28.7%	$26,570,897	76.7%	
All Funds	**Budget**	**YTD**	**YTD % of Budget**	**Year-End Projection**	**% of Budget**	**3-year Average**
Personal Services	7,449,329	1,871,605	25.1%	7,345,923	98.6%	96.7%
Materials and Services	19,670,861	5,002,024	25.4%	16,602,069	84.4%	59.3%
Total Operating Expenditures	27,120,190	6,873,629	25.3%	23,947,992	88.3%	68.7%
Capital Outlay	21,433,882	4,974,695	23.2%	15,494,882	72.3%	35.4%
Renewal and Replacement	111,006	0	0.0%	111,006	100.0%	0.0%
Total Expenditures	48,554,072	11,848,323	24.4%	39,553,880	81.5%	49.0%

Sustainability Center- Operating Expenditures by Month

shown in millions, excluding capital acquisitions



Sustainability Center actual operating expenditures exhibit large variations from month to month primarily due to the local share program and acquisition programs under the Natural Areas Bond program.

Parks Planning and Development: Several projects are under review or in the scoping phase. The budget anticipated completion of the Blue Lake Trail section of the 40-Mile Loop Trail ($836,000) during FY 2011-12 and the recognition of the expenditures directly made by the Oregon Department of Transportation as a Metro asset. The project is under review and is not expected to be completed during FY 2011-12.

Resource Conservation and Recycling: Expenditures in this program generally take place from the second to fourth quarter as Grants to Other Governments.

Natural Areas: The peak observed in July is due primarily to the City of Portland ($2,500,000) local share grant for the acquisition of the River View property. In addition, during the first quarter Metro acquired a conservation easement ($2,250,000) on the same property. (The latter capital expense is not seen on the graph, which charts only operating expenditures). The year-end forecast for local share and for land acquisition capital outlay is conservative, based on historical patterns and expected acquisitions by the end of the fiscal year. Spending to date is well ahead of prior years, particularly in the area of local share because agreements are expiring.

Local share reimbursements at 60 percent completion

EXPENDITURES– SUPPORT DEPARTMENTS

All Support Departments

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	17,125,087	4,093,729	23.9%	16,295,955	95.2%	94.8%
Materials and Services	3,783,185	591,409	15.6%	2,943,000	77.8%	70.2%
Total Operating Expenditures	**20,908,272**	**4,685,138**	**22.4%**	**19,238,955**	**92.0%**	**90.2%**
Total New Capital	**575,000**	**59,332**	**10.3%**	**576,217**	**100.2%**	**40.4%**
Total Renewal and Replacement	**838,971**	**7,193**	**0.9%**	**838,971**	**100.0%**	**52.2%**
Total Expenditures	**$22,322,243**	**$4,751,663**	**21.3%**	**$20,654,143**	**92.5%**	**88.2%**

Council Office

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	2,820,919	655,294	23.2%	2,629,200	93.2%	98.5%
Materials and Services	873,631	80,457	9.2%	688,000	78.8%	43.8%
Total Expenditures	**$3,694,550**	**$735,751**	**19.9%**	**$3,317,200**	**89.8%**	**89.9%**

Office of the Auditor

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	644,908	156,322	24.2%	630,355	97.7%	92.2%
Materials and Services	41,544	13,412	32.3%	30,179	72.6%	70.4%
Total Expenditures	**$686,452**	**$169,735**	**24.7%**	**$660,534**	**96.2%**	**90.9%**

Office of the Metro Attorney

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	2,003,709	459,963	23.0%	1,912,000	95.4%	94.3%
Materials and Services	64,176	3,807	5.9%	45,800	71.4%	84.3%
Total Expenditures	**$2,067,885**	**$463,771**	**22.4%**	**$1,957,800**	**94.7%**	**94.0%**

Communications

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	2,333,500	592,285	25.4%	2,287,500	98.0%	97.5%
Materials and Services	144,319	22,105	15.3%	110,000	76.2%	44.4%
Total Expenditures	**$2,477,819**	**$614,390**	**24.8%**	**$2,397,500**	**96.8%**	**90.2%**

Finance and Regulatory Services

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	4,726,213	1,197,054	25.3%	4,682,400	99.1%	92.2%
Materials and Services	1,382,805	91,638	6.6%	1,060,850	76.7%	76.6%
Total Operating Expenditures	**6,109,018**	**1,288,692**	**21.1%**	**5,743,250**	**94.0%**	**88.4%**
Total New Capital	**575,000**	**55,000**	**9.6%**	**575,000**	**100.0%**	
Total Renewal and Replacement	**100,000**	**507**	**0.5%**	**106,000**	**106.0%**	
Total Expenditures	**$6,784,018**	**$1,344,199**	**19.8%**	**$6,424,250**	**94.7%**	**88.4%**

Human Resources

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	1,879,926	406,229	21.6%	1,644,500	87.5%	96.9%
Materials and Services	374,235	29,890	8.0%	286,200	76.5%	84.8%
Total Expenditures	**$2,254,161**	**$436,119**	**19.3%**	**$1,930,700**	**85.7%**	**94.5%**

Information Services

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	2,715,912	626,582	23.1%	2,510,000	92.4%	92.7%
Materials and Services	902,475	350,100	38.8%	721,980	80.0%	82.2%
Total Operating Expenditures	**3,618,387**	**976,682**	**27.0%**	**3,231,980**	**89.3%**	**90.1%**
Total New Capital	**0**	**4,332**	**0%**	**4,332**	**0.0%**	**40.4%**
Total Renewal and Replacement	**738,971**	**6,886**	**0.9%**	**732,971**	**99.2%**	**52.2%**
Total Expenditures	**$4,357,358**	**$987,900**	**22.7%**	**$3,969,283**	**91.1%**	**86.8%**

EXPENDITURES– NON-DEPARTMENTAL

Non-departmental

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	0	0	0%	0	0%	0%
Materials and Services	4,601,055	152,997	3.3%	1,681,000	36.5%	42.8%
Total Operating Expenditures	**4,601,055**	**152,997**	**3.3%**	**1,681,000**	**36.5%**	**42.8%**
Total Debt Service	**32,167,740**	**9,972,501**	**31.0%**	**32,167,740**	**100.0%**	**100.0%**
Total Expenditures	**$36,768,795**	**$10,125,498**	**27.5%**	**$33,848,740**	**92.1%**	**93.2%**

Non-departmental special appropriation expenditures during the first quarter included the following:

- $6,950 of budgeted $131,000 for external financial audit.
- $19,860 in Water Consortium dues.
- $53,500 of budgeted $236,500 in agency sponsorships:
  - $25,000 to Regional Arts and Culture Council.
  - $25,000 to Greater Portland, Inc. (economic development membership).
- $52,100 in Nature in Neighborhoods grant reimbursements.

Appendices

APPENDIX – All funds, year to year comparison,
as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**165,415,447**		**173,919,174**		**173,919,174**	
Program Revenues	129,293,507	31,730,186	31,730,186	24.5%	128,102,701	99.1%
General Revenues	68,376,926	4,619,316	4,619,316	6.8%	67,933,196	99.4%
Interfund Transfers	22,121,927	5,471,654	5,471,654	24.7%	21,680,845	98.0%
Special Items	0	0	0	0.0%		
Extraordinary Items	0	0	0	0.0%		
Other Financing Sources	0	1,400	1,400		1,400	
Subtotal Current Revenues	**219,792,360**	**41,822,555**	**41,822,555**	**19.0%**	**217,718,142**	**99.1%**
Total Resources	**385,207,807**		**215,741,729**		**391,637,317**	
Requirements						
Operating Expenditures	189,446,669	35,790,342	35,790,342	18.9%	178,496,000	94.2%
Debt Service	35,261,700	11,585,321	11,585,321	32.9%	35,261,700	100.0%
Capital Outlay + Renewal and Replacement	42,776,980	7,604,844	7,604,844	17.8%	34,245,125	80.1%
Interfund Transfers	22,121,927	4,601,903	4,601,903	20.8%	17,918,761	81.0%
Contingency	34,620,819					
Subtotal Current Expenditures	**324,228,095**	**59,582,410**	**59,582,410**	**18.4%**	**265,921,586**	**82.0%**
Unappropriated Balance	**62,931,694**		**156,159,319**		**125,715,731**	
Total Requirements	**387,159,789**		**215,741,729**		**$391,637,317**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Actuals	% Budget
Resources						
Beginning Fund Balance	**175,322,025**		**190,632,130**		**190,632,130**	
Program Revenues	141,509,026	25,850,955	25,850,955	18.3%	129,542,768	91.5%
General Revenues	77,451,244	3,250,717	3,250,717	4.2%	78,095,135	100.8%
Interfund Transfers	22,456,261	10,145,154	10,145,154	45.2%	22,008,513	98.0%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	15,300,000	15,001,900	15,001,900	98.1%	15,112,677	98.8%
Subtotal Current Revenues	**256,716,531**	**54,248,725**	**54,248,725**	**21.1%**	**244,759,093**	**95.3%**
Total Resources	**432,038,556**		**244,880,855**		**435,391,223**	
Requirements						
Operating Expenditures	200,026,909	33,398,462	33,398,462	16.7%	173,021,790	86.5%
Debt Service	41,954,002	11,528,549	11,528,549	27.5%	41,950,078	100.0%
Capital Outlay + Renewal and Replacement	62,451,858	2,951,784	2,951,784	4.7%	24,491,668	39.2%
Interfund Transfers	22,456,261	9,438,809	9,438,809	42.0%	22,008,513	98.0%
Contingency	32,191,273					
Subtotal Current Expenditures	**359,080,303**	**57,317,604**	**57,317,604**	**16.0%**	**261,472,049**	**72.8%**
Unappropriated Balance	**72,958,254**		**187,563,251**		**173,919,174**	
Total Requirements	**432,038,557**		**244,880,855**		**$435,391,223**	

APPENDIX – Fund Tables, year to year comparison

General Fund (consolidated), as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**25,619,555**		**28,964,227**		**28,964,227**	
Program Revenues	40,252,371	11,260,432	11,260,432	28.0%	39,451,905	98.0%
General Revenues	29,133,718	3,379,677	3,379,677	11.6%	28,936,321	99.3%
Transfers	46,918,432	6,887,825	6,887,825	14.7%	27,093,491	57.7%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	1,400	1,400		1,400	
Subtotal Current Revenues	**116,304,521**	**21,529,333**	**21,529,333**	**18.5%**	**95,483,117**	**82.1%**
Total Resources	**141,924,076**		**50,493,560**		**124,447,344**	
Requirements						
Operating Expenditures	84,129,239	17,448,389	17,448,389	20.7%	79,358,500	94.3%
Debt Service	1,588,215	0	0	0.0%	1,588,215	100.0%
Capital Outlay	47,000	21,240	21,240	45.2%	47,000	100.0%
Interfund Transfers	4,949,564	2,292,972	2,292,972	46.3%	4,949,564	100.0%
Intrafund Transfers	32,652,695	4,153,665	4,153,665	12.7%	14,449,352	44.3%
Contingency	3,893,867					
Subtotal Current Expenditures	**127,260,580**	**23,916,265**	**23,916,265**	**18.8%**	**100,392,631**	**78.9%**
Unappropriated Balance	**14,663,496**		**26,577,295**		**24,054,713**	
Total Requirements	**141,924,076**		**50,493,560**		**$124,447,344**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Actuals	% Budget
Resources						
Beginning Fund Balance	**26,354,341**		**30,194,768**		**30,194,768**	
Program Revenues	39,427,526	10,663,611	10,663,611	27.0%	34,521,030	87.6%
General Revenues	28,304,127	3,069,478	3,069,478	10.8%	27,777,390	98.1%
Transfers	40,916,656	6,470,200	6,470,200	15.8%	23,627,709	57.7%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	100	100	0.0%	1,916	
Subtotal Current Revenues	**108,648,309**	**20,203,389**	**20,203,389**	**18.6%**	**85,928,045**	**79.1%**
Total Resources	**135,002,650**		**50,398,157**		**116,122,813**	
Requirements						
Operating Expenditures	81,923,262	16,417,865	16,417,865	20.0%	67,664,164	82.6%
Debt Service	1,529,472	0	0	0.0%	1,529,472	100.0%
Capital Outlay	139,500	0	0	0.0%	199,491	143.0%
Interfund Transfers	4,338,554	2,111,280	2,111,280	48.7%	4,338,554	100.0%
Intrafund Transfers	30,342,305	3,946,996	3,946,996	13.0%	13,426,966	44.3%
Contingency	3,441,260					
Subtotal Current Expenditures	**121,714,353**	**22,476,141**	**22,476,141**	**18.5%**	**87,158,648**	**71.6%**
Unappropriated Balance	**13,288,297**		**27,922,016**		**28,964,166**	
Total Requirements	**135,002,650**		**50,398,157**		**$116,122,813**	

General Asset Management Fund, as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**6,689,948**		**7,453,961**		**7,453,961**	
Program Revenues	663,334	5,400	5,400	0.8%	663,334	100.0%
General Revenues	33,298	6,772	6,772	20.3%	32,000	96.1%
Transfers	1,752,505	377,127	377,127	21.5%	1,752,505	100.0%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	0	0	0.0%	0	
Subtotal Current Revenues	**2,449,137**	**389,299**	**389,299**	**15.9%**	**2,447,839**	**99.9%**
Total Resources	**9,139,085**		**7,843,259**		**9,901,800**	
Requirements						
Operating Expenditures	898,483	15,768	15,768	1.8%	808,635	90.0%
Debt Service	0	0	0	0.0%		
Capital Outlay	4,329,020	219,330	219,330	5.1%	3,896,118	90.0%
Interfund Transfers	0	0	0	0.0%		
Intrafund Transfers	0	0	0	0.0%		
Contingency	3,911,582					
Subtotal Current Expenditures	**9,139,085**	**235,098**	**235,098**	**2.6%**	**4,704,753**	**51.5%**
Unappropriated Balance	**0**		**7,608,161**		**5,197,047**	
Total Requirements	**9,139,085**		**7,843,259**		**$9,901,800**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Actuals	% Budget
Resources						
Beginning Fund Balance	**7,664,516**		**7,536,280**		**7,536,280**	
Program Revenues	686,330	567,224	567,224	82.6%	1,357,928	197.9%
General Revenues	62,677	7,495	7,495	12.0%	60,154	96.0%
Transfers	1,327,635	316,059	316,059	23.8%	1,293,854	97.5%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	1,800	1,800	0.0%	1,800	0.0%
Subtotal Current Revenues	**2,076,642**	**892,578**	**892,578**	**43.0%**	**2,713,736**	**130.7%**
Total Resources	**9,741,158**		**8,428,858**		**10,250,016**	
Requirements						
Operating Expenditures	892,231	245,237	245,237	27.5%	954,702	107.0%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	3,086,775	399,120	399,120	12.9%	1,841,353	59.7%
Interfund Transfers	128,000	0	0	0.0%	0	0.0%
Intrafund Transfers	20,000	0	0	0.0%	0	0.0%
Contingency	5,289,152					
Subtotal Current Expenditures	**9,416,158**	**644,358**	**644,358**	**6.8%**	**2,796,056**	**29.7%**
Unappropriated Balance	**325,000**		**7,784,501**		**7,453,961**	
Total Requirements	**9,741,158**		**8,428,858**		**$10,250,016**	

MERC Fund, as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**24,615,569**		**26,357,847**		**26,357,847**	
Program Revenues	31,829,834	7,439,920	7,439,920	23.4%	32,148,132	101.0%
General Revenues	11,278,141	969,377	969,377	8.6%	11,278,141	100.0%
Transfers	591,510	0	0	0.0%	591,510	100.0%
Special Items	0	0	0		0	
Extraordinary Items	0	0	0		0	
Other Financing Sources	0	0	0		0	
Subtotal Current Revenues	**43,699,485**	**8,409,297**	**8,409,297**	**19.2%**	**44,017,783**	**100.7%**
Total Resources	**68,315,054**		**34,767,144**		**70,375,630**	
Requirements						
Operating Expenditures	38,260,481	9,365,956	9,365,956	24.5%	37,670,386	98.5%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	3,079,396	540,767	540,767	17.6%	2,979,396	96.8%
Interfund Transfers	6,142,766	869,751	869,751	14.2%	6,142,766	100.0%
Intrafund Transfers	0	0	0	0.0%	0	
Contingency	7,633,716					
Subtotal Current Expenditures	**55,116,359**	**10,776,474**	**10,776,474**	**19.6%**	**46,792,548**	**84.9%**
Unappropriated Balance	**13,198,695**		**23,990,670**		**23,583,082**	
Total Requirements	**68,315,054**		**34,767,144**		**$70,375,630**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Actuals	% Budget
Resources						
Beginning Fund Balance	**24,850,944**		**27,089,539**		**27,089,539**	
Program Revenues	33,423,334	6,779,311	6,779,311	20.3%	33,092,401	99.0%
General Revenues	10,794,076	1,099,908	1,099,908	10.2%	11,626,069	107.7%
Transfers	475,000	0	0	0.0%	475,000	100.0%
Special Items	0	0	0		0	
Extraordinary Items	0	0	0		0	
Other Financing Sources	0	0	0		0	
Subtotal Current Revenues	**44,692,410**	**7,879,219**	**7,879,219**	**17.6%**	**45,193,470**	**101.1%**
Total Resources	**69,543,354**		**34,968,758**	**50.3%**	**72,283,009**	
Requirements						
Operating Expenditures	39,708,448	8,734,969	8,734,969	22.0%	38,143,827	96.1%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	5,290,659	218,234	218,234	4.1%	3,993,774	75.5%
Interfund Transfers	3,801,630	706,345	706,345	18.6%	3,787,561	99.6%
Intrafund Transfers	0	0	0	0.0%	0	
Contingency	2,452,773					
Subtotal Current Expenditures	**51,253,510**	**9,659,548**	**9,659,548**	**18.8%**	**45,925,162**	**89.6%**
Unappropriated Balance	**18,289,844**		**25,309,210**		**26,357,847**	
Total Requirements	**69,543,354**		**34,968,758**		**$72,283,009**	

Natural Areas Fund, as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**36,715,000**		**36,469,224**		**36,469,224**	
Program Revenues	866,000	49,377	49,377	5.7%	79,000	9.1%
General Revenues	183,575	8,026	8,026	4.4%	183,575	100.0%
Transfers	8,940	0	0	0.0%	8,940	100.0%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	0	0	0.0%	0	
Subtotal Current Revenues	**1,058,515**	**57,403**	**57,403**	**5.4%**	**271,515**	**25.7%**
Total Resources	**37,773,515**		**36,526,627**		**36,740,739**	
Requirements						
Operating Expenditures	13,720,897	5,000,019	5,000,019	36.4%	11,571,000	84.3%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	20,939,000	4,951,290	4,951,290	23.6%	15,000,000	71.6%
Interfund Transfers	1,773,222	391,965	391,965	22.1%	1,720,025	97.0%
Intrafund Transfers	0	0	0	0.0%		
Contingency	1,340,396					
Subtotal Current Expenditures	**37,773,515**	**10,343,274**	**10,343,274**	**27.4%**	**28,291,025**	**74.9%**
Unappropriated Balance	**0**		**26,183,354**		**8,449,714**	
Total Requirements	**37,773,515**		**36,526,627**		**$36,740,739**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Actuals	% Budget
Resources						
Beginning Fund Balance	**50,775,000**		**56,792,607**		**56,792,607**	
Program Revenues	943,210	10,128	10,128	1.1%	414,009	43.9%
General Revenues	505,750	(89,114)	(89,114)	-17.6%	322,830	63.8%
Transfers	0	0	0	0.0%	0	
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	0	0	0.0%	0	
Subtotal Current Revenues	**1,448,960**	**(78,986)**	**(78,986)**	**-5.5%**	**736,839**	**50.9%**
Total Resources	**52,223,960**		**56,713,621**	**108.6%**	**57,529,446**	
Requirements						
Operating Expenditures	13,500,698	1,433,194	1,433,194	10.6%	9,696,969	71.8%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	33,202,590	2,333,348	2,333,348	7.0%	9,907,984	29.8%
Interfund Transfers	1,502,241	334,724	334,724	22.3%	1,455,269	96.9%
Intrafund Transfers	0	0	0	0.0%	0	
Contingency	3,988,905					
Subtotal Current Expenditures	**52,194,434**	**4,101,266**	**4,101,266**	**7.9%**	**21,060,222**	**40.3%**
Unappropriated Balance	**29,526**		**52,612,356**		**36,469,224**	
Total Requirements	**52,223,960**		**56,713,621**		**$57,529,446**	

Oregon Zoo Infrastructure and Animal Welfare Bond Fund, as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**9,649,239**		**8,876,891**		**8,876,891**	
Program Revenues	0	0	0	0.0%	5,400	
General Revenues	24,648	11,030	11,030	44.7%	32,000	129.8%
Transfers	3,350	0	0	0.0%	3,350	100.0%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	0	0	0.0%	0	
Subtotal Current Revenues	**27,998**	**11,030**	**11,030**	**39.4%**	**40,750**	**145.5%**
Total Resources	**9,677,237**		**8,887,921**		**8,917,641**	
Requirements						
Operating Expenditures	627,690	190,557	190,557	30.4%	691,400	110.1%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	6,432,825	2,095,599	2,095,599	32.6%	5,253,200	81.7%
Interfund Transfers	364,209	38,080	38,080	10.5%	152,320	41.8%
Intrafund Transfers	0	0	0	0.0%	0	0.0%
Contingency	2,252,513					
Subtotal Current Expenditures	**9,677,237**	**2,324,236**	**2,324,236**	**24.0%**	**6,096,920**	**63.0%**
Unappropriated Balance	**0**		**6,563,685**		**2,820,721**	
Total Requirements	**9,677,237**		**8,887,921**		**$8,917,641**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Actuals	% Budget
Resources						
Beginning Fund Balance	**2,121,338**		**2,806,954**		**2,806,954**	
Program Revenues	0	88	88	0.0%	0	
General Revenues	21,213	10,950	10,950	51.6%	56,583	266.7%
Transfers	0	0	0	0.0%	0	
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	15,000,000	15,000,000	15,000,000	100.0%	15,000,000	100.0%
Subtotal Current Revenues	**15,021,213**	**15,011,038**	**15,011,038**	**99.9%**	**15,056,583**	**100.2%**
Total Resources	**17,142,551**		**17,817,992**		**17,863,537**	
Requirements						
Operating Expenditures	659,562	177,226	177,226	26.9%	766,200	116.2%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	14,696,830	176,622	176,622	1.2%	7,952,550	54.1%
Interfund Transfers	294,915	74,093	74,093	25.1%	267,896	90.8%
Intrafund Transfers	0	0	0	0.0%	0	
Contingency	1,476,683					
Subtotal Current Expenditures	**17,127,990**	**427,941**	**427,941**	**2.5%**	**8,986,646**	**52.5%**
Unappropriated Balance	**14,561**		**17,390,051**		**8,876,890**	
Total Requirements	**17,142,551**		**17,817,992**		**$17,863,537**	

Risk Management Fund, as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**2,364,250**		**2,629,579**		**2,629,579**	
Program Revenues *	627,807	13,459	13,459	2.1%	627,807	100.0%
General Revenues	25,000	2,487	2,487	9.9%	17,000	68.0%
Transfers	1,819,183	747,547	747,547	41.1%	1,819,183	100.0%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	0	0	0.0%	0	
Subtotal Current Revenues	**2,471,990**	**763,493**	**763,493**	**30.9%**	**2,463,990**	**99.7%**
Total Resources	**4,836,240**		**3,393,072**		**5,093,569**	
Requirements						
Operating Expenditures *	2,815,266	669,170	669,170	23.8%	2,264,650	80.4%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	0	0	0	0.0%	0	
Interfund Transfers	757,890	138,945	138,945	18.3%	757,890	100.0%
Intrafund Transfers	0	0	0	0.0%	0	
Contingency	500,000					
Subtotal Current Expenditures	**4,073,156**	**808,115**	**808,115**	**19.8%**	**3,022,540**	**74.2%**
Unappropriated Balance	**763,084**		**2,584,957**		**2,071,029**	
Total Requirements	**4,836,240**		**3,393,072**		**$5,093,569**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Actuals	% Budget
Resources						
Beginning Fund Balance	**8,142,227**	**0**	**7,998,239**		**7,998,239**	
Program Revenues *	9,525,278	2,166,343	2,166,343	22.7%	9,672,010	101.5%
General Revenues	25,000	8,042	8,042	32.2%	32,239	129.0%
Transfers	1,186,095	484,096	484,096	40.8%	1,183,018	99.7%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	0	0	0.0%	0	
Subtotal Current Revenues	**10,736,373**	**2,658,481**	**2,658,481**	**24.8%**	**10,887,267**	**101.4%**
Total Resources	**18,878,600**		**10,656,721**	**56.4%**	**18,885,506**	
Requirements						
Operating Expenditures *	12,498,637	2,862,044	2,862,044	22.9%	11,030,927	88.3%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	0	0	0	0.0%	0	
Interfund Transfers	5,225,000	5,225,000	5,225,000	100.0%	5,225,000	100.0%
Intrafund Transfers	0	0	0	0.0%	0	
Contingency	528,084					
Subtotal Current Expenditures	**18,251,721**	**8,087,044**	**8,087,044**	**44.3%**	**16,255,927**	**89.1%**
Unappropriated Balance	**626,879**		**2,569,677**		**2,629,579**	
Total Requirements	**18,878,600**		**10,656,721**		**$18,885,506**	

* The change implemented in the current year in how health benefit costs are charged results in a large drop in internal charge for services revenues and expenditures compared to previous years.

Solid Waste Revenue Fund, as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**39,914,107**		**42,792,555**		**42,792,555**	
Program Revenues	55,035,122	12,970,617	12,970,617	23.6%	54,653,074	99.3%
General Revenues	196,526	34,472	34,472	17.5%	210,918	107.3%
Transfers	237,875	0	0	0.0%	237,875	100.0%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	0	0	0.0%	0	
Subtotal Current Revenues	**55,469,523**	**13,005,089**	**13,005,089**	**23.4%**	**55,101,867**	**99.3%**
Total Resources	**95,383,630**		**55,797,644**		**97,894,422**	
Requirements						
Operating Expenditures	50,238,698	8,343,760	8,343,760	16.6%	49,156,824	97.8%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	3,726,000	65,345	65,345	1.8%	2,980,800	80.0%
Interfund Transfers	7,988,738	1,739,941	1,739,941	21.8%	7,973,920	99.8%
Contingency	14,588,745					
Subtotal Current Expenditures	**76,542,181**	**10,149,046**	**10,149,046**	**13.3%**	**60,111,544**	**78.5%**
Unappropriated Balance	**18,841,449**		**45,648,598**		**37,782,878**	
Total Requirements	**95,383,630**		**55,797,644**		**97,894,422**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**36,535,502**		**37,982,915**		**37,982,915**	
Program Revenues	57,502,348	12,443,560	12,443,560	21.6%	50,758,427	88.3%
General Revenues	357,537	34,330	34,330	9.6%	301,114	84.2%
Transfers	5,446,449	5,225,000	5,225,000	95.9%	5,446,449	100.0%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	0	0	0.0%	33,961	
Subtotal Current Revenues	**63,306,334**	**17,702,890**	**17,702,890**	**28.0%**	**56,539,951**	**89.3%**
Total Resources	**99,841,836**		**55,685,804**		**94,522,866**	
Requirements						
Operating Expenditures	50,304,431	8,137,979	8,137,979	16.2%	44,435,828	88.3%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	5,194,283	42,544	42,544	0.8%	497,278	9.6%
Interfund Transfers	6,995,233	1,693,712	1,693,712	24.2%	6,797,204	97.2%
Contingency	14,540,763					
Subtotal Current Expenditures	**77,034,710**	**9,874,235**	**9,874,235**	**12.8%**	**51,730,310**	**67.2%**
Unappropriated Balance	**22,807,126**		**45,811,570**		**42,792,555**	
Total Requirements	**99,841,836**		**55,685,804**		**94,522,866**	

APPENDIX – Excise Tax Annual Forecast, as of September 30, 2011

Total Excise Tax Collections

7.5% Excise Tax

Facility/Function	FY 2011-12 Budget	Revised Annual Forecast	Difference	% Difference
Oregon Convention Center	1,287,973	1,398,739	110,766	8.60%
Expo Center	478,378	478,378	-	0.00%
Planning Fund	4,830	4,830	-	0.00%
SW Product Sales	170,250	183,800	13,550	7.96%
Parks and MRC	283,680	268,361	(15,319)	-5.40%
Total	**2,225,111**	**2,334,108**	**108,997**	**4.90%**

Solid Waste Per Ton Excise Tax

	FY 2011-12 Budget	Revised Annual Forecast	Difference	% Difference
Solid Waste and Recycling Metro Facilities	5,404,969	5,196,405	(208,564)	-3.86%
Solid Waste and Recycling Non Metro Facilities	7,542,757	7,278,761	(263,996)	-3.50%
Total Solid Waste Per Ton Excise Tax	**12,947,726**	**12,475,165**	**(472,561)**	**-3.65%**
Grand Total Excise Tax	**15,172,837**	**14,809,273**	**(363,564)**	**-2.40%**

Assumptions:

Non Metro tonnage includes Environmental Cleanup charge (ECU) of $1 per ton and Outside of Metro Tonnage disposed at Metro sites.

Recovery Rate Stabilization Reserve Balance

Solid Waste General by Code	11,550,783	11,550,783
Transfer to Recovery Rate Stabilization Reserve	**1,396,943**	**924,382**

Recovery Rate Stabilization Reserve Balance

Beginning Balance from FY 2010-11*	$	457,786
FY 2011-12 Contribution	$	924,382
FY 2011-12 Ending Balance	$	1,382,168

*Contribution from FY 2010-11 has been identified for General Fund streetcar assessment, expected to be billed in early FY 2012-13. Estimated cost is $500,000.

Agenda Item Number 3.0

2012 LEGISLATIVE SESSION

Metro Council Work Session
Tuesday, Nov. 8, 2011
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: November 8, 2011 Time: 2:35 pm Length: 15 minutes

Presentation Title: 2012 Legislative Session

Department: Government Affairs and Policy Development

Presenters: Randy Tucker

ISSUE & BACKGROUND

This work session is for the purpose of having an initial discussion of the 2012 legislative session and the Metro Council's objectives for the session.

OPTIONS AVAILABLE

Council may wish to discuss specific legislative concepts or direct staff to develop additional concepts.

IMPLICATIONS AND SUGGESTIONS

QUESTION(S) PRESENTED FOR CONSIDERATION

Staff requests that Councilors provide initial feedback on proposed legislative priorities. No specific Council actions are required at this time.

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __Yes _X_No
DRAFT IS ATTACHED ___Yes _X_No

DATE:	**November 1, 2011**
TO:	**Metro Council**
FROM:	**Randy Tucker, Legislative Affairs Manager**
RE:	**2012 legislative agenda: first look**

Councilors:

As you know, in 2010 the voters amended the Oregon Constitution to require annual legislative sessions. The sessions in even-numbered years are limited to 35 days. The Legislature has held "supplemental" sessions in February of the last two even-numbered years as a "trial run" and arguably a marketing strategy in support of annual sessions. The 2012 session will be the first "regular" session in an even-numbered year.

Legislative leadership has issued deadlines and limits for legislation in the 2012 session, currently scheduled to run from February 1 to no later than March 6 (though the most recent calendar indicates a goal of adjourning by February 29). The tight limits on bill introductions (two bills per member, five per committee) suggest that only high-priority issues will be advanced, and place a premium on preparation for anyone lucky enough to secure the right to file a bill. (However, the partisan split in the House might provide opportunities for lower-priority, but less controversial bills to move forward if agreement cannot be reached on higher-priority legislation.)

Obviously, given the limits and timelines of the 2012 session, it makes sense for Metro to adopt a very targeted legislative agenda. I have been working with varying levels of intensity on a few items that are consistent with past Council priorities.

Potential proactive issues:

- **Natural area/trail funding:** This would be a cleaned-up version of the bill we introduced in the 2011 session (SB 752) that would allow the voters of the region to create and fund a service district for the purpose of supporting management and operation of local and regional natural areas, trails, open space and parks. If the political stars align and we move forward with this legislation with the support of our regional partners, it seems as though it would be Metro's top legislative priority for 2012.

  Passage of this authorizing legislation in February 2012 would make it possible for the creation of a service district to appear on the ballot in November 2012; Council President Hughes has indicated that we should keep that option open for now. However, staff believes that while early passage of authorizing legislation would be beneficial, it is more important to secure regional support, which may or may not be consistent with passage of legislation in February.

  Sustainability Center staff, Councilors and I have already done a fair amount of work to advance this issue, but a lot more remains to be done if we are to be successful. A sampling:

  - I have tentatively secured a committee bill, with the emphasis on "tentatively." A decision will be made in the next several weeks as to whether to actually have a bill drafted (the deadline for drafting requests is December 5). If we move forward, the relevant committee would probably request a January hearing.

- We are engaged in regional outreach to address the concerns that killed SB 752. Obviously, we need to address the concerns of our local partners if we hope to move forward.

- I am working with OMA on statutory language that addresses some of our mainly technical concerns with the bill as drafted last winter, as well as certain concerns of other parties. This would be what we would submit for drafting by Legislative Counsel.

- **Disposition of abandoned burial spaces:** While this is not an issue that is critical to raise in 2012, I am exploring whether there might be an opportunity to advance it. Preliminary indications are that there might be a chance of getting a bill from the House General Government Committee, but only if we can demonstrate that there is no opposition. I'm on it.

- **Zoo background checks:** The bill we passed in 2009 to allow us to use the state's Central Background Registry to screen applicants for jobs with direct, unsupervised access to children (mainly at the zoo) will sunset at the end of 2013. While it is not necessary to lift or extend this sunset until the 2013 session, other legislation might be forthcoming on a topic that could accommodate an amendment addressing our issue. I have begun to communicate with key legislators and committee staff to explore the possibilities.

Other issues:

- **Transportation:** An interim oversight committee on the Columbia River Crossing has met once and plans to meet again in December. I do not expect significant decisions on the CRC in February.

  Beyond the CRC, while I don't expect significant action on transportation in 2012, I would expect that the priorities expressed in JPACT's 2011 legislative agenda would generally still apply. (The high-level priorities in the JPACT resolution were to support jobs and economic recovery; preserve and expand local options; and support multimodal investment.)

- **Product stewardship:** Sen. Jackie Dingfelder convened an interim work group to explore how to move forward with product stewardship legislation for mercury-containing fluorescent lights. Staff's current understanding is that Sen. Dingfelder intends to introduce legislation with provisions on mercury content standards, state procurement rules and public education. The intent is to set the stage for future legislation that embodies a producer responsibility approach similar to what has been legislated for e-waste and paint.

- **Guns:** A recent legal decision might result in legislation related to the right of concealed weapons permit holders to openly carry guns in public buildings and properties. I plan to monitor this issue for its potential impacts on Metro facilities.

- **Steve Apotheker tribute:** Finally, I am working with the Senate President's office on introducing a Senate Concurrent Resolution that pays tribute to Steve Apotheker. The Legislature frequently passes resolutions that memorialize people who have in various ways contributed to their community and the state. Staff who worked with Steve have worked with his family and with people outside Metro to develop a draft that I will share with you. (The Senate President's office has said they will authorize the introduction of this legislation outside the limits for the 2012 session.)

Agenda Item Number 4.0

COMMENTS ON PROPOSED AMENDMENTS TO THE OREGON HIGHWAY PLAN (OHP) AND OREGON TRANSPORTATION PLANNING RULE (TPR)

Metro Council Work Session
Tuesday, Nov. 8, 2011
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: November 8, 2011 Time: 2:50 PM Length: 10 minutes

Presentation Title: Comments on proposed amendments to the Oregon Highway Plan (OHP) and Oregon Transportation Planning Rule (TPR)

Service, Office, or Center:
Planning & Development

Presenters (include phone number/extension and alternative contact information):
Tom Kloster x1832

ISSUE & BACKGROUND

The Oregon Transportation Commission (OTC) and Land Conservation and Development Commission (LCDC) are considering inter-related amendments to mobility policy in the Oregon Highway Plan (OHP) and Oregon Transportation Planning Rule (TPR), respectively. Both commissions must complete their work by January 1, 2012 under state statute.

The proposed changes to the OHP are sweeping, and represent a direction that Metro has been advocating for since the Region 2040 was first adopted in the 1990s. The proposed changes to the TPR also represent a direction that Metro has advocated for, though less sweeping than what has been proposed for the highway plan. In both cases, the Metro region's ability to advance the 2040 Growth Concept would be significantly enhanced, and thus the generally supportive comments in a draft comment letter recommended by the Transportation Policy Alternatives Committee (TPAC) on October 28.

OPTIONS AVAILABLE

The comment letter is drafted as a joint correspondence to the OTC and LCDC from the Council president, chair of the Metro Policy Advisory Committee (MPAC) and chair of the Joint Policy Advisory Committee on Transportation (JPACT).

The TPAC recommendation incorporates comments from a joint workshop of TPAC and Metro Technical Advisory Committee (MTAC) members, and MTAC is also scheduled to formally review the draft letter on November 30. Thus far, the draft letter has been written in consensus format, only included comments that have broad support as representing a regional interest.

Some local agencies will be submitting their own comments, especially where they wish to provide specific recommendations for language changes in the draft highway plan and TPR amendments – something the TPAC letter does not attempt.

Metro could also submit comments as an agency, should the Council choose to send a different or more detailed message on the two tracks of proposed changes. However, Metro staff has reviewed both the proposed highway plan and TPR amendments with an eye toward issues unique to Metro's interests, and do not recommend a separate letter at this time. This is in part because Metro staff have been extensively involved in the process, to date, and many of our interests were subsequently reflected in the final drafts issued for public comment by the OTC and LCDC.

IMPLICATIONS AND SUGGESTIONS

The proposed amendments to the OHP and TPR represent a significant step forward for both policy documents, and deserve strong support from the Metro region. Because both commissions must act by January 1, 2012, there is very little time to have an impact on more detailed aspects of the proposed amendments. Instead, staff recommends that the comments from the region focus on supporting the major changes being proposed, since they are largely consistent with our own direction for managing mobility, and the two commissions will likely hear from detractors who prefer the status quo.

The draft correspondence follows this general formula, expressing strong support in general, and with only a few constructive suggestions for improving the draft amendments to the TPR and OHP.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. Should the Metro Council endorse this comment letter?
2. How should Council members serving on MPAC and JPACT present the Council position?

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __Yes _x_No
DRAFT IS ATTACHED ___Yes ___No

600 NE Grand Ave.
Portland, OR 97232-2736
www.oregonmetro.gov

Metro | Memo

Date: November 1, 2011

To: Council, JPACT and MPAC Members & Interested Parties

From: Tom Kloster, AICP, Transportation Planning Manager

Subject: Draft comments on proposed amendments to the Transportation Planning Rule (TPR) and Oregon Highway Plan (OHP).

The attached comment letter was drafted based on an October 19 joint TPAC and MTAC workshop and subsequent TPAC discussion on October 28 of the proposed amendments to the Transportation Planning Rule (TPR) and Oregon Highway Plan (OHP). TPAC moved to endorse the draft for Council, JPACT and MPAC consideration. MTAC is scheduled to complete their review of the letter at their November 2 meeting.

The comments cover aspects of the TPR and OHP amendments where broad consensus on support existed for the draft language, or there was a consensus for the need to revise the draft text. Highlights include:

- Strongly endorse exempting local zone changes that are consistent with adopted plans from the 0060 TPR provisions
- Strongly endorse provisions allowing the creation of "multi-modal mixed use areas" or MMAs that exempt such areas from the 0060 TPR provisions
- Support special provisions for coordination with ODOT when interchanges are located inside an MMA, provided the ODOT determination is made locally
- Support OHP concept of alternative mobility policy based on corridors and multi-modal measures of travel
- Support shift from "standards" to "targets" when evaluating mobility as a means for creating more flexibility in heavily congested areas in our region
- Would like to see a commitment for the ODOT work program to carry amended OHP policies into other implementing documents (such as the highway design manual), and reconciling the new MMA designation in the TPR with ODOT's Special Transportation Area (STA) designation.

If approved and signed by the Metro Council, JPACT and MPAC, these comments will be submitted to the OTC and LCDC. State legislation requires the OTC and LCDC take respective actions on the proposed legislation by January 1, 2012.

November 15, 2011

Land Conservation and Development Commission (LCDC)
635 Capitol Street NE
Salem OR 97301-2532

Oregon Transportation Commission (OTC)
1158 Chemeketa Street NE
Salem, OR 97301

Dear Commission Members:

Thank you for the opportunity to comment on proposed amendments to the Transportation Planning Rule (TPR) and related revisions to the Oregon Highway Plan (OHP). We especially appreciate the opportunity to participate in the early stages of the rulemaking process, including the January panel discussion conducted by the joint OTC/LCDC subcommittee and the subsequent rulemaking advisory committee (RAC) over the past several months.

We have reviewed the draft amendments to the TPR and OHP, and strongly support the new direction proposed for both policy documents. While the TPR amendments represent a fairly targeted set of changes, we believe the impact will be substantial in allowing the Metro region to better advance our Region 2040 growth strategy.

The proposed revisions to the OHP are more sweeping, and we strongly support the new direction of defining “success” more holistically, across travel corridors and including all modes of travel. This approach will greatly enhance our ability to implement the recently adopted 2035 Regional Transportation Plan (RTP) through ongoing corridor planning and through city and county transportation system plans.

We applaud both commissions for meeting the legislated timeline for developing the draft TPR and OHP changes. Though we are providing more detailed comments, below, we are generally very supportive of the proposed changes, and look forward to seeing the TPR and OHP amendments enacted in December.

Transportation Planning Rule Comments

1. We strongly support amendments to the TPR that would exempt zone changes consistent with comprehensive plans from 0060 provisions. We understand that in the RAC discussions there were concerns about plans being too out of date to be relied upon for this provision, but this does not appear to be an issue in the Metro region: the regional functional plan triggered updates to all local plans in recent years to implement the Region 2040 growth strategy, and updates to the RTP in 2000, 2004 and 2010 triggered a similar series of updates to local transportation plans.

   This amendment to the TPR would remove a significant obstacle that several of our cities face in advancing the 2040 plan through staged zone changes, often made when infrastructure improvements are completed. The most prominent example is the Interstate Avenue light rail corridor, where zone changes were timed to follow completion of the MAX yellow line. These changes were nearly stopped by the existing TPR language, but would be allowed outright under the proposed changes.

2. We also support draft provisions allowing for “multi-modal mixed-use areas” (MMAs) to be designated by local jurisdictions and exempted from the 0060 provisions. This new designation goes a long way in helping cities and counties in the Metro region advance local plans for the centers, main streets and mixed-use corridors envisions in the Region 2040 growth strategy.

   Because our local jurisdictions have already done most of the planning required to define these “multi-modal mixed-use areas”, defining their boundaries for the purpose of the TPR will be a logical and straightforward step. By definition, most of our 2040 centers are located along major thoroughfares, and often near highway interchanges, so the difficult traffic conditions anticipated by the new TPR language are a common obstacle in implementing these plans.

   As currently written, the draft TPR language lists some of the Region 2040 typologies (regional centers and town centers) as a safe harbor for local governments, though there are other typologies within the 2040 construct that also meet the MMA criteria (main streets, station communities and mixed-use corridors). We support this targeted approach, since the 2040 centers are a basic organizing element of the 2040 growth strategy, and have been the main focus of local planning effort, while other mixed-use areas should meet the higher bar of satisfying the MMA criteria in the draft TPR amendments.

3. We support the higher standard for establishing MMAs in interchange areas as a way to protect regional and statewide travel interests, but this decision can best be made by local ODOT officials.

In the Metro region, our interchanges are a complex mixture of non-standard designs where it is often difficult to apply conventional design and safety standards. However, the Region 1 manager is well-versed in the issues and constraints presented by our interchanges, and should specifically be identified in the amended TPR as the person who provides written concurrence when included interchanges in an MMA.

Oregon Highway Plan Comments

1. We strongly support the proposed alternative mobility policy based on multi-modal corridors contained in the OHP draft. This change embraces the corridor-based mobility policy adopted last year in the 2035 RTP, and we look forward to applying the new provisions in the ongoing corridor work we are engaged.

   Currently, we are conducting corridor plan efforts in the Southwest Corridor (extending from the Portland Central City to Tualatin) and East Metro Corridor (Extending from I-84 to US 26 in East Multnomah County) where we will have an opportunity to work with ODOT in developing new mobility targets under the proposed OHP changes.

2. We also strongly support the shift from mobility “standards” to “targets”. When the 2035 RTP was adopted last year, the new plan incorporated a series of “desired outcomes” that are very much like the “targets” envisions in the draft OHP in that they are intended to guide incremental decisions over time, with less focus on a finish line.

3. We support the new technical latitude for ODOT in evaluating impacts of plan amendments proportionate to existing conditions. This change is especially appropriate for our region, where traffic volume is very high on major streets and highways, and the impact of a land use change is almost always dwarfed by the background traffic in a given area. The change will allow facility providers the needed flexibility to support land use changes that advance the Region 2040 strategy and reach practical design solutions for meeting system needs.

4. The proposed OHP revisions represent a major shift in state policy, but the new plan will rely on a series of implementing documents to carry this new direction to projects on the ground. Chief among these is the Oregon Highway Design Manual. In order to ensure full implementation of the revised OHP, the OTC should include a work program for ODOT to complete these related updates to the Oregon Highway Design Manual and other implementing documents.

5. The Rules Advisory Committee discussed the possibility of reconciling and consolidating the OHP provisions for reconciling Special Transportation Areas (STAs) with the new “multi-modal mixed use areas” (MMAs) provided in the TPR amendments. This needed work should also be

detailed by the OTC as a follow-up work program for ODOT in order to ensure full implementation of the revised OHP.

Again, we thank you for your leadership on these efforts, and look forward to working with you and your staff to begin implementing these important changes to the OHP and TPR in our region.

Sincerely,

signature

Tom Hughes, President
Metro Council

signature

Carlotta Collette, Chair
Joint Policy Advisory Committee on Transportation

signature

Charlotte Lehan, Chair
Metro Policy Advisory Committee

Materials following this page were distributed at the meeting.

600 NE Grand Ave.
Portland, OR 97232-2736
www.oregonmetro.gov

Metro | Agenda

Meeting: Metro Council
Date: Thursday, Nov. 10, 2011
Time: 2 p.m.
Place: Metro Council Chambers

CALL TO ORDER AND ROLL CALL

1.	**INTRODUCTIONS**	
2.	**CITIZEN COMMUNICATIONS**	
3.	**RECRUITMENT AND SELECTION PROCESS: STRENGTHEN DOCUMENTATION AND RECORD RETENTION**	**Flynn**
4.	**ZOO CAPITAL CONSTRUCTION PROGRAM AUDIT FOLLOW-UP**	**Flynn**
5.	**CONSIDERATION OF THE MINUTES FOR NOV. 3, 2011**	
6.	**CHIEF OPERATING OFFICER COMMUNICATION**	
7.	**COUNCILOR COMMUNICATION**	

ADJOURN

Television schedule for Nov. 10, 2011 Metro Council meeting

Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 11 – Community Access Network *Web site*: www.tvctv.org *Ph*: 503-629-8534 *Date*: Thursday, Nov. 10	**Portland** Channel 11 – Portland Community Media *Web site*: www.pcmtv.org *Ph*: 503-288-1515 *Date:* 8:30 p.m. Sunday, Nov. 13 *Date*: 2 p.m. Monday, Nov. 14
Gresham Channel 30 - MCTV *Web site*: www.metroeast.org *Ph*: 503-491-7636 *Date*: 2 p.m. Monday, Nov. 14	**Washington County** Channel 30– TVC TV *Web site*: www.tvctv.org *Ph*: 503-629-8534 *Date*: 11 p.m. Saturday, Nov. 12 *Date*: 11 p.m. Sunday, Nov. 13 *Date*: 6 a.m. Tuesday, Nov. 15 *Date*: 4 p.m. Wednesday, Nov. 16
Oregon City, Gladstone Channel 28 – Willamette Falls Television *Web site*: http://www.wftvmedia.org/ *Ph*: 503-650-0275 Call or visit web site for program times.	**West Linn** Channel 30 – Willamette Falls Television *Web site*: http://www.wftvmedia.org/ *Ph*: 503-650-0275 Call or visit web site for program times.

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

Agenda items may not be considered in the exact order. For questions about the agenda, call the Metro Council Office at 503-797-1540. Public hearings are held on all ordinances second read. Documents for the record must be submitted to the Regional Engagement Coordinator to be included in the decision record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement Coordinator. For additional information about testifying before the Metro Council please go to the Metro web site www.oregonmetro.gov and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 503-797-1804 or 503-797-1540 (Council Office).

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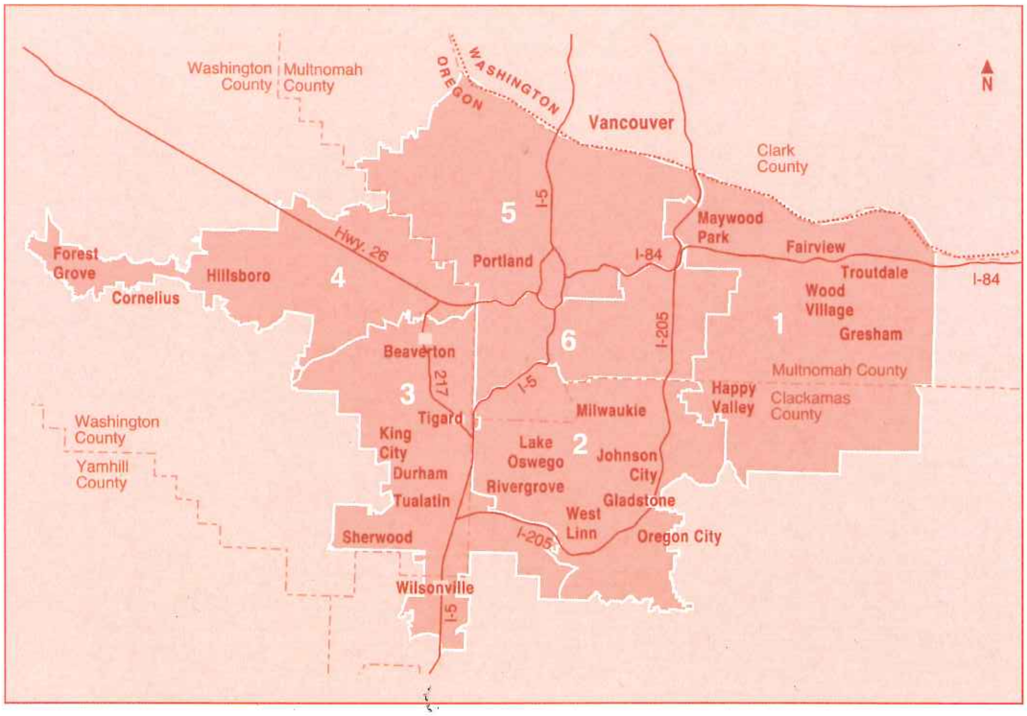
2011-12

FIRST QUARTERLY REPORT
July through September

Metro | *Making a great place*



Your Metro representatives

Council President
Tom Hughes
503-797-1889

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Shirley Craddick
503-797-1547

District 2
Carlotta Collette
503-797-1887

District 3
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District 4
Kathryn Harrington
503-797-1553

District 5
Rex Burkholder
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District 6
Barbara Roberts
503-797-1552

Auditor
Suzanne Flynn, CIA
503-797-1891

Metro

Making a great place

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy and good transportation choices for people and businesses in our region. Voters have asked Metro to help with the challenges that cross those lines and affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to protecting open space, caring for parks, planning for the best use of land, managing garbage disposal and increasing recycling. Metro oversees world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and the Oregon Convention Center, which benefits the region's economy.

2011-12

FIRST QUARTER REPORT

July through September

printed on recycled content paper

FY 2011-12 Quarterly Report

First Quarter

Executive Summary 2

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Research Center 13
Parks and Environmental Services 14
Sustainability Center 15

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and December collections are in. Similarly, construction excise tax is not reflected in the year-to-date revenues because the first tax turnovers were not due until October 31. Early reports have given indications that this year's first quarter will be better than either of the two prior years' collections for the same period, although the housing industry remains one of the persistently stagnant sectors.

One note of concern: each county assessor has announced the tax rolls and produced the annual property tax statements. Although real market values continue to exceed assessed values in the aggregate, Measure 5 applications are on a property-by-property basis. For the first time, overall tax increases will not reach the three percent increase for the permanent rate operating levy, and compression has taken an increasingly larger bite.

Operating expenditures are tight

As the forecast shows, operating expenditures are much closer to budgeted appropriations than in prior years. Turnover rate remains at three percent or lower. Most personal services savings from the first quarter are generated by the lag time in starting up newly authorized positions whose recruitment could not begin until the new budget year.

Other expenditure trends are those most closely related to activity. Expenditures at the venues are related to events and attendance and paired with revenues: more events, greater revenues and greater expenditures. Where revenues are lower than expected (the zoo's non-concert related attendance, for example), expenditure control becomes the strategy for the remainder of the year. Parks will again struggle because expenditure control in operations cannot fully address problems in golf or RV fee revenues.

First quarter prognosis: On track

No significant surprises, although property tax compression requires further thought about future implications. Budget-to-actual forecasts appear to be tight, suggesting that activity-driven expenditures at the venues may need a budget amendment (the good kind) if performance remains strong. Several amendments including some housekeeping actions will be coming forward next week to tidy up the implementation of the new budget.

Are we making progress with our budget strategy?

The FY 2011-12 budget strategy was centered around footprint – how big are we; focus – are we focused on our priorities and applying our expertise where we can achieve the greatest outcomes; and employee compact – what is our strategy as an employer.

Metro made incremental progress in each of these three dimensions, eliminating a number of vacant positions, wrapping up some program efforts and redeploying our financial and human resources to key initiatives. Our footprint is still about the same, or will be as we continue to amend the adopted budget to include new grant funded positions and operational adjustments. Our focus, and the six key initiatives, will be a key topic as we begin discussions about the FY 2012-13 budget strategy. We will be asking you to consider what adjustments, if any, are needed to these initiatives and whether any emerging issues need to be elevated to the initiative level. We also made progress on our employee compact, although the 5-year forecasts show that compensation still remains our most rapidly increasing expense segment. Although there are some smaller collective bargaining agreements to be negotiated in the coming year, the largest agreements are now fixed until July 2014, effectively limiting further progress on the employee compact.

KEY INITIATIVES:
Corridors
Climate Change
Community Investment Strategy
Regional Parks Funding
Solid Waste Road Map

A fourth budget strategy dimension is resources – are we moving the resource dial? For FY 2011-12 this was the smallest effort. Modest fee increases in parking, facility rental rates, disposal charges and indexing of excise tax are normal operational actions. On a more developmental level, the zoo reached a new agreement with The Oregon Zoo Foundation

METRO REVENUES

Overall Revenues

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
All Revenue						
Program Revenues	129,293,507	31,730,186	24.5%	128,102,701	99.1%	91.1%
General Revenues	68,376,926	4,619,316	6.8%	67,933,196	99.4%	96.4%
Other Financing Sources	0	1,400	0%	1,400	0.0%	49.6%
All Revenue	**$197,670,433**	**$36,350,901**	**18.4%**	**$196,037,297**	**99.2%**	**92.5%**

Revenues for Metro, including the Metropolitan Exposition Recreation Commission (MERC), totaled $36.4 million through the first quarter, or 18.4 percent of the annual budget. Revenues at year-end are projected to reach $196 million, 99.2 percent of the budgeted $197.7 million. While attendance at Metro parks improved and MERC venues saw a strong first quarter, weather and the economy continue to erode zoo attendance. Solid Waste tonnage will be negatively impacted by the earlier initiation of the City of Portland residential organics composting program, a decline offset by an increase in fees charged for handling residential organics at the transfer stations.

Program revenues, described by type and department in the section below, generally include enterprise revenues, grants and contributions.

General revenues, detailed on page 9, include property and excise tax revenues, interest earnings and other shared government revenues.

Revenues generally on track

Program Revenues

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Program Revenues						
Charges for Services Revenue	108,684,977	30,261,855	27.8%	107,301,488	98.7%	92.9%
Internal Charges for Svcs-Rev	577,807	0	0.0%	577,807	100.0%	92.0%
Licenses and Permits	386,000	89,765	23.3%	380,000	98.4%	94.2%
Miscellaneous Revenue	302,779	36,265	12.0%	316,689	104.6%	102.3%
Grants	12,533,425	(304,210)	-2.4%	11,785,337	94.0%	68.0%
Contributions from Governments	3,827,419	1,520,000	39.7%	5,308,380	138.7%	101.7%
Contributions - Private Source	2,981,100	113,610	3.8%	2,420,100	81.2%	79.4%
Capital Grants	0	12,900	0%	12,900	0.0%	388.8%
Program Revenues	**$129,293,507**	**$31,730,186**	**24.5%**	**$128,102,701**	**99.1%**	**91.1%**

The negative year to date grant revenues reflect annual accounting adjustments across fiscal years.

PROGRAM REVENUE BY OPERATING UNIT

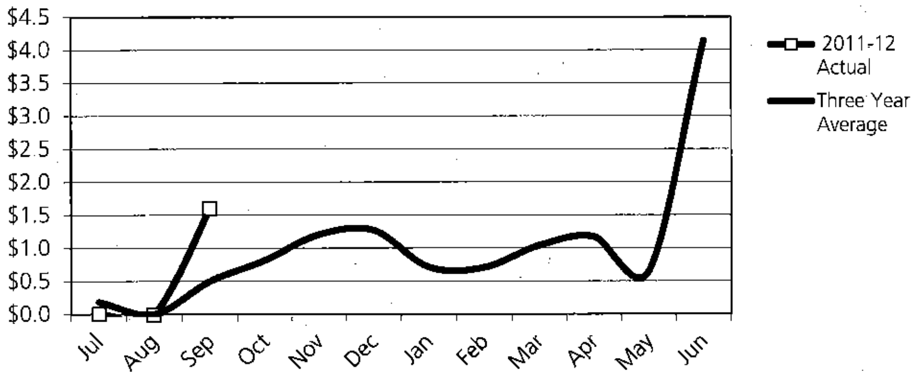
Finance and Regulatory Services

Contractors' Business License fees are projected to generate $380,000, 2 percent below budget and with no improvement over last year. The economy has continued to affect CBL revenues.

Planning and Development/Research Center

food cart options to drive revenue.

Planning and Development/Research Center- Program Revenues by Month



shown in millions

Planning grant revenues are projected to end the year at 94 percent of budget; expected grant shortfalls total approximately $650,000. Most of this is related to continued program delays in Corridors and transportation projects.

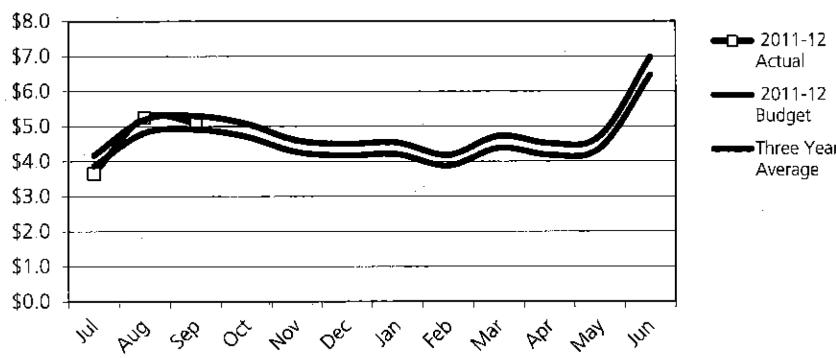
The peak in September shows receipt of $1.5 million in Transit Oriented Development funding expected in FY 2010-11 but not received from TriMet until this year. This timing change will push projected Contributions from Governments well over budget, assuming the current year's contribution is made timely.

Because the timing of grant revenues varies significantly and unpredictably from year to year, the "budget" line is not included in the chart above. Each year the August revenues are

Parks and Environmental Services

Parks and Environmental Services- Program Revenues by Month

shown in millions



adjusted in the Planning chart to account for year-end accounting entries.

Parks and Property Stewardship: Overall Parks and Property Stewardship revenues are projected to end the year 5.4 percent ($222,000) lower than budgeted levels. Increases in park attendance at Blue Lake Park and Oxbow Park during the first quarter have been offset by lower golf fees and RV fees.

Parking revenues at the Metro Regional Center are down fiscal year-to-date and forecasted to end 8.1 percent ($51,000) less than budget, due to the delay in implementing monthly parking fee increases. However, parking receipts may increase throughout the fiscal year due to the new visitor parking validation policy implemented September 1st that limits free parking. The expected shortfall in parking revenues is also partially offset by an increase ($25,800) in rental fees at Metro's onsite child care facility.

Early start of Portand residental food composting impacts waste stream

Solid Waste Operations: First quarter solid waste tonnage at Metro and regional facilities is down 4.81 and 3.98 percent, respectively. New projections will incorporate recent trends, but the primary driver is the expected effect of the new City of Portland residential organics program, that will allow city customers to place food waste in their yard debris carts. While

General Revenues

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
General Revenue						
Real Property Taxes	39,039,151	247,604	0.6%	39,000,000	99.9%	100.7%
Excise Taxes	15,172,837	3,186,706	21.0%	14,809,273	97.6%	92.2%
Construction Excise Tax	1,605,000	64,166	4.0%	1,525,000	95.0%	109.5%
Other Derived Tax Revenues	25,000	4,470	17.9%	25,000	100.0%	112.3%
Local Govt Shared Revenues	11,708,979	962,939	8.2%	11,647,098	99.5%	93.7%
Interest Earnings	825,959	153,431	18.6%	926,825	112.2%	78.6%
General Revenue	**$68,376,926**	**$4,619,316**	**6.8%**	**$67,933,196**	**99.4%**	**96.4%**

Property Taxes– Metro has seen higher than budgeted property tax collections for the last several years, despite the struggling economy. For FY 2011-12, however, the combined effects of a lower than expected increase in property assessments, a 40 percent jump in Measure 5 compression loss and deferred billing due to the Comcast appeal is leading to a lower than budgeted year-end collections estimate in spite of a higher than budgeted collection rate.

Property tax compression

Transient Lodging Tax– Transient Lodging Tax (TLT) receipts provide fundamental operating and marketing support for OCC and PCPA. The first TLT payment of the current year was less than the very strong prior year by approximately $165,000. Year-to-date room nights sold in the market are up 4.5 percent, occupancy rates (room nights per hotel) are up 3.9 percent, and the average daily room rate is up 5 percent. TLT trends become more apparent after first quarter payments are received in November and December.

TLT looks positive; CET, too soon to tell

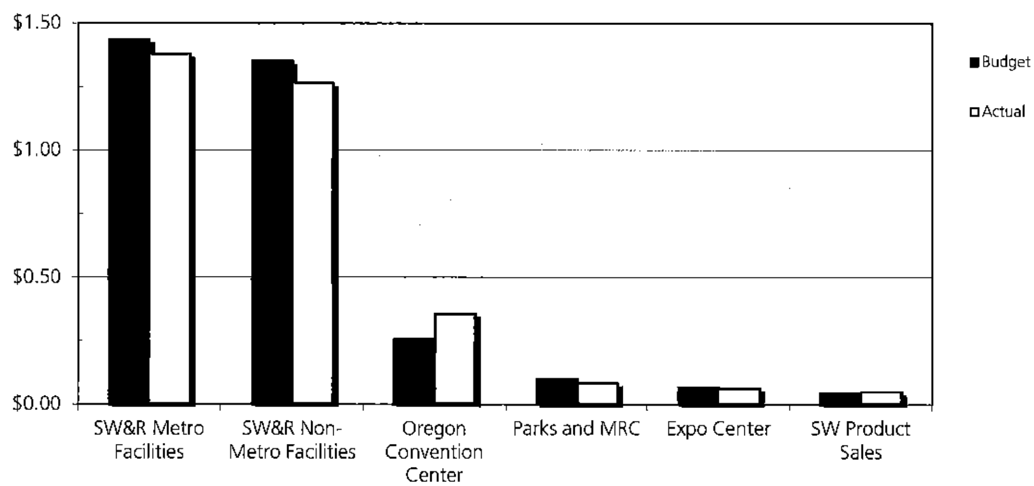
Construction Excise Tax– Construction excise tax receipts are not due until thirty days following the end of the quarter; hence, year-to-date receipts lag by a full quarter. Collections' reporting in late October does indicate an improved performance over the first quarter in the two prior years, a welcome sign in what has been a stagnant building environment.

Interest Earnings– The average yield on investments through the first quarter was a low 0.64 percent, still slightly higher than the budgeted 0.5 percent; year-end projections are $100,000 higher than budget.

Excise Tax

Excise Tax Received Through September 30, 2011, Budget vs. Actual

shown in millions



Excise tax slightly off

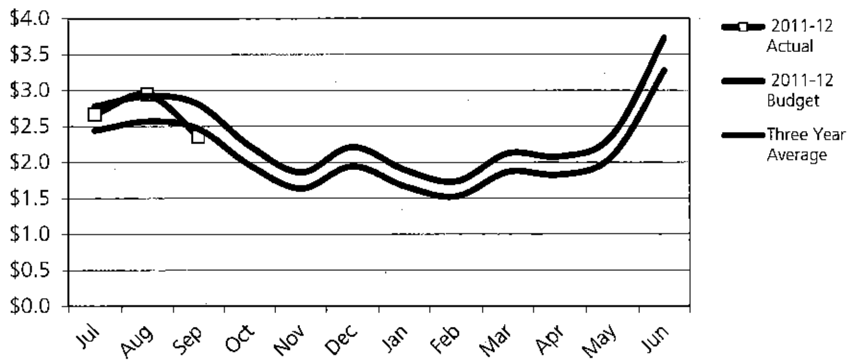
Solid waste excise tax collections are projected to end the year 3.7 percent below budget. Non-tonnage excise tax is projected at 5 percent higher than budget, led by strong revenues at the Oregon Convention Center. Please see the excise tax appendix and the Parks and Environmental Services revenue narrative for additional detail.

Oregon Zoo

	Budget	Actual TYD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	17,349,036	4,643,841	26.8%	16,493,624	95.1%	95.3%
Materials and Services	11,177,195	3,344,273	29.9%	11,066,900	99.0%	87.6%
Total Operating Expenditures	**28,526,231**	**7,988,114**	**28.0%**	**27,560,524**	**96.6%**	**92.2%**
Total New Capital	**1,155,200**	**29,350**	**2.5%**	**1,155,200**	**100.0%**	**91.6%**
Total Renewal and Replacement	**1,179,595**	**106,836**	**9.1%**	**1,150,198**	**97.5%**	**93.5%**
Total Expenditures	**30,861,026**	**8,124,300**	**26.3%**	**$29,865,922**	**96.8%**	**92.3%**

Oregon Zoo- Operating Expenditures by Month

shown in millions



Slower attendance requires cost monitoring

Given the continuing decline in non-concert related attendance, the zoo continues to monitor expenditures with a focus on managing seasonal and temporary staffing, overtime and operating expenditures. Staff will continue to monitor and closely manage expenditures while focusing on improving systems to enhance staff scheduling, visitor attendance and the profitability of events and activities.

The reinstated Catering Supervisor position is currently being recruited to increase catering revenue, a key requirement of the position. A third party consultant will be contracted to review current business processes in the catering and guest services department. The zoo is currently in the process of interviewing for the newly created Environmental Education Manager position. It is expected that the position will be filled before the end of the calendar year.

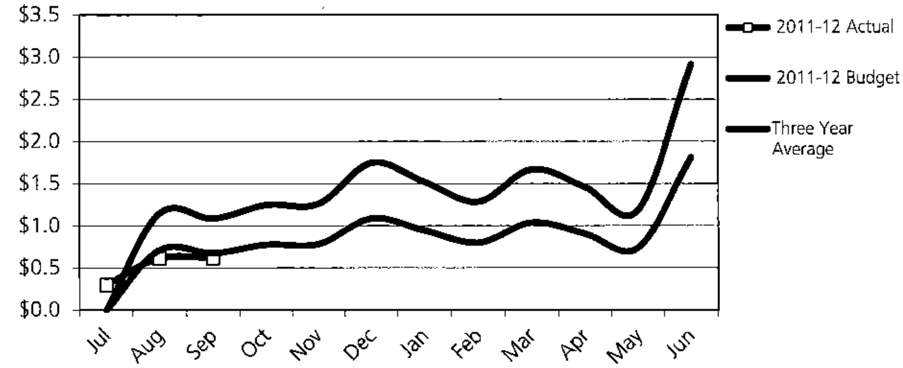
Capital: The zoo is in the process of purchasing more than $400,000 in equipment for the new Veterinary Medical Center, funded from a campaign of The Oregon Zoo Foundation. In addition, the renovations and repairs to the Cascade Aviary Mesh and the Africa Lagoon projects are in the planning stages, with an estimated cost of $825,000. These two projects are funded by The Oregon Zoo Foundation's "Don't Miss the Flight" campaign.

Planning and Development

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	6,369,409	1,498,188	23.5%	6,051,000	95.0%	85.2%
Materials and Services	10,100,232	41,043	0.4%	8,802,000	87.1%	38.6%
Total Expenditures	**$16,469,641**	**$1,539,231**	**9.3%**	**$14,853,000**	**90.2%**	**56.4%**

Planning and Development- Operating Expenditures by Month

shown in millions



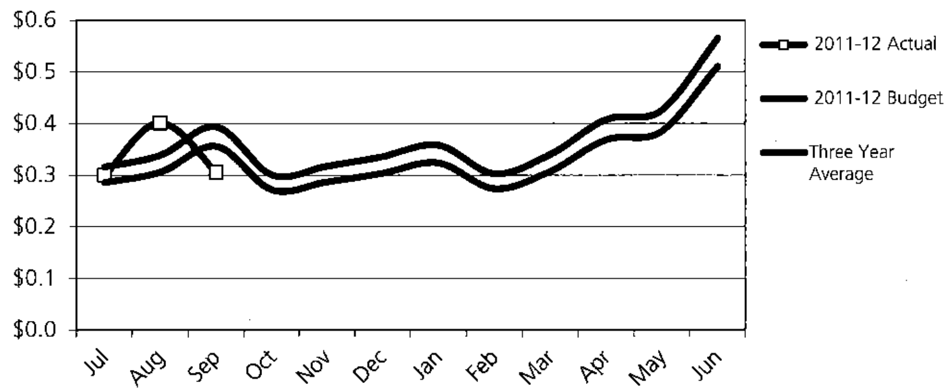
Year-end projections anticipate underspending of $236,000 for the southwest corridors project, due to a revised project work plan that includes more time to complete partnership agreements. Other projected underspending reflects vacant positions, several employees on long term leave and small amounts of materials and services spread across programs. The Transit Oriented Development (TOD) program is budgeted so as to allow Metro to take advantage of opportunities as they arise throughout the year. At this point, TOD spending is still projected at 100 percent of budget.

Research Center

	Budget	Year-end Actual	Year-end % of Budget	3-Year Average
Personal Services	3,501,866	3,330,617	95.1%	99.4%
Materials and Services	1,206,173	866,181	71.8%	100.0%
Total Expenditures	**$4,708,039**	**$4,196,799**	**89.1%**	**99.5%**

Research Center- Operating Expenditures by Month

shown in millions



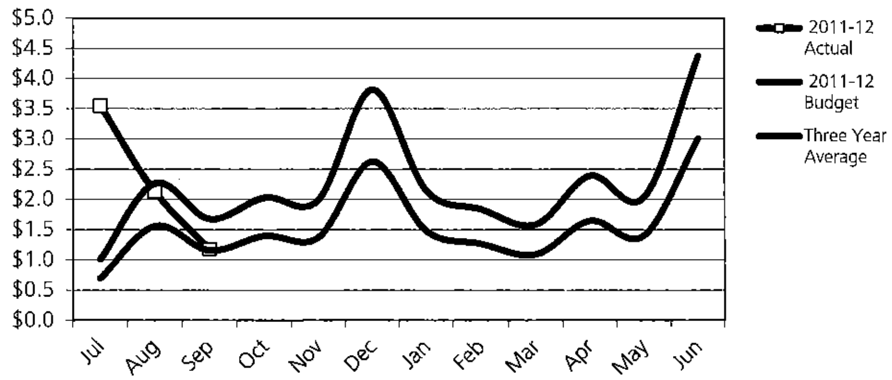
The Aerial Photography project in the Data Resource Center area is projected to come in $50,000 under budget. Remaining underspending is due to vacant positions early in the year and small amounts of materials and services across programs. The small peak in spending in August represents three one-time contract payments totaling just more than $80,000.

Sustainability Center

	Budget	YTD	YTD % of Budget	Year-End Projection	% of Budget	
General Fund	**$5,014,777**	**$1,102,116**	**22.0%**	**$4,929,639**	**98.3%**	
Solid Waste Revenue Fund	**$8,094,613**	**$784,177**	**9.7%**	**$7,494,456**	**92.6%**	
Natural Areas Fund	**$34,659,897**	**$9,951,308**	**28.7%**	**$26,570,897**	**76.7%**	
All Funds	**Budget**	**YTD**	**YTD % of Budget**	**Year-End Projection**	**% of Budget**	**3-year Average**
Personal Services	7,449,329	1,871,605	25.1%	7,345,923	98.6%	96.7%
Materials and Services	19,670,861	5,002,024	25.4%	16,602,069	84.4%	59.3%
Total Operating Expenditures	**27,120,190**	**6,873,629**	**25.3%**	**23,947,992**	**88.3%**	**68.7%**
Capital Outlay	**21,433,882**	**4,974,695**	**23.2%**	**15,494,882**	**72.3%**	**35.4%**
Renewal and Replacement	**111,006**	**0**	**0.0%**	**111,006**	**100.0%**	**0.0%**
Total Expenditures	**48,554,072**	**11,848,323**	**24.4%**	**39,553,880**	**81.5%**	**49.0%**

Sustainability Center- Operating Expenditures by Month

shown in millions, excluding capital acquisitions



Sustainability Center actual operating expenditures exhibit large variations from month to month primarily due to the local share program and acquisition programs under the Natural Areas Bond program.

Parks Planning and Development: Several projects are under review or in the scoping phase. The budget anticipated completion of the Blue Lake Trail section of the 40-Mile Loop Trail ($836,000) during FY 2011-12 and the recognition of the expenditures directly made by the Oregon Department of Transportation as a Metro asset. The project is under review and is not expected to be completed during FY 2011-12.

Resource Conservation and Recycling: Expenditures in this program generally take place from the second to fourth quarter as Grants to Other Governments.

Natural Areas: The peak observed in July is due primarily to the City of Portland ($2,500,000) local share grant for the acquisition of the River View property. In addition, during the first quarter Metro acquired a conservation easement ($2,250,000) on the same property. (The latter capital expense is not seen on the graph, which charts only operating expenditures). The year-end forecast for local share and for land acquisition capital outlay is conservative, based on historical patterns and expected acquisitions by the end of the fiscal year. Spending to date is well ahead of prior years, particularly in the area of local share because agreements are expiring.

Local share reimbursements at 60 percent completion

Finance and Regulatory Services

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	4,726,213	1,197,054	25.3%	4,682,400	99.1%	92.2%
Materials and Services	1,382,805	91,638	6.6%	1,060,850	76.7%	76.6%
Total Operating Expenditures	**6,109,018**	**1,288,692**	**21.1%**	**5,743,250**	**94.0%**	**88.4%**
Total New Capital	**575,000**	**55,000**	**9.6%**	**575,000**	**100.0%**	
Total Renewal and Replacement	**100,000**	**507**	**0.5%**	**106,000**	**106.0%**	
Total Expenditures	**$6,784,018**	**$1,344,199**	**19.8%**	**$6,424,250**	**94.7%**	**88.4%**

Human Resources

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	1,879,926	406,229	21.6%	1,644,500	87.5%	96.9%
Materials and Services	374,235	29,890	8.0%	286,200	76.5%	84.8%
Total Expenditures	**$2,254,161**	**$436,119**	**19.3%**	**$1,930,700**	**85.7%**	**94.5%**

Information Services

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	2,715,912	626,582	23.1%	2,510,000	92.4%	92.7%
Materials and Services	902,475	350,100	38.8%	721,980	80.0%	82.2%
Total Operating Expenditures	**3,618,387**	**976,682**	**27.0%**	**3,231,980**	**89.3%**	**90.1%**
Total New Capital	**0**	**4,332**	**0%**	**4,332**	**0.0%**	**40.4%**
Total Renewal and Replacement	**738,971**	**6,886**	**0.9%**	**732,971**	**99.2%**	**52.2%**
Total Expenditures	**$4,357,358**	**$987,900**	**22.7%**	**$3,969,283**	**91.1%**	**86.8%**

EXPENDITURES– NON-DEPARTMENTAL

Non-departmental

	Budget	Actual YTD	YTD % of Budget	Year-end Projection	Year-end % of Budget	3-Year Average
Personal Services	0	0	0%	0	0%	0%
Materials and Services	4,601,055	152,997	3.3%	1,681,000	36.5%	42.8%
Total Operating Expenditures	**4,601,055**	**152,997**	**3.3%**	**1,681,000**	**36.5%**	**42.8%**
Total Debt Service	**32,167,740**	**9,972,501**	**31.0%**	**32,167,740**	**100.0%**	**100.0%**
Total Expenditures	**$36,768,795**	**$10,125,498**	**27.5%**	**$33,848,740**	**92.1%**	**93.2%**

Non-departmental special appropriation expenditures during the first quarter included the following:

- $6,950 of budgeted $131,000 for external financial audit.
- $19,860 in Water Consortium dues.
- $53,500 of budgeted $236,500 in agency sponsorships:
  - $25,000 to Regional Arts and Culture Council.
  - $25,000 to Greater Portland, Inc. (economic development membership).
- $52,100 in Nature in Neighborhoods grant reimbursements.

Appendices

APPENDIX – All funds, year to year comparison, as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**165,415,447**		**173,919,174**		**173,919,174**	
Program Revenues	129,293,507	31,730,186	31,730,186	24.5%	128,102,701	99.1%
General Revenues	68,376,926	4,619,316	4,619,316	6.8%	67,933,196	99.4%
Interfund Transfers	22,121,927	5,471,654	5,471,654	24.7%	21,680,845	98.0%
Special Items	0	0	0	0.0%		
Extraordinary Items	0	0	0	0.0%		
Other Financing Sources	0	1,400	1,400		1,400	
Subtotal Current Revenues	**219,792,360**	**41,822,555**	**41,822,555**	**19.0%**	**217,718,142**	**99.1%**
Total Resources	**385,207,807**		**215,741,729**		**391,637,317**	
Requirements						
Operating Expenditures	189,446,669	35,790,342	35,790,342	18.9%	178,496,000	94.2%
Debt Service	35,261,700	11,585,321	11,585,321	32.9%	35,261,700	100.0%
Capital Outlay + Renewal and Replacement	42,776,980	7,604,844	7,604,844	17.8%	34,245,125	80.1%
Interfund Transfers	22,121,927	4,601,903	4,601,903	20.8%	17,918,761	81.0%
Contingency	34,620,819					
Subtotal Current Expenditures	**324,228,095**	**59,582,410**	**59,582,410**	**18.4%**	**265,921,586**	**82.0%**
Unappropriated Balance	**62,931,694**		**156,159,319**		**125,715,731**	
Total Requirements	**387,159,789**		**215,741,729**		**$391,637,317**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Actuals	% Budget
Resources						
Beginning Fund Balance	**175,322,025**		**190,632,130**		**190,632,130**	
Program Revenues	141,509,026	25,850,955	25,850,955	18.3%	129,542,768	91.5%
General Revenues	77,451,244	3,250,717	3,250,717	4.2%	78,095,135	100.8%
Interfund Transfers	22,456,261	10,145,154	10,145,154	45.2%	22,008,513	98.0%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	15,300,000	15,001,900	15,001,900	98.1%	15,112,677	98.8%
Subtotal Current Revenues	**256,716,531**	**54,248,725**	**54,248,725**	**21.1%**	**244,759,093**	**95.3%**
Total Resources	**432,038,556**		**244,880,855**		**435,391,223**	
Requirements						
Operating Expenditures	200,026,909	33,398,462	33,398,462	16.7%	173,021,790	86.5%
Debt Service	41,954,002	11,528,549	11,528,549	27.5%	41,950,078	100.0%
Capital Outlay + Renewal and Replacement	62,451,858	2,951,784	2,951,784	4.7%	24,491,668	39.2%
Interfund Transfers	22,456,261	9,438,809	9,438,809	42.0%	22,008,513	98.0%
Contingency	32,191,273					
Subtotal Current Expenditures	**359,080,303**	**57,317,604**	**57,317,604**	**16.0%**	**261,472,049**	**72.8%**
Unappropriated Balance	**72,958,254**		**187,563,251**		**173,919,174**	
Total Requirements	**432,038,557**		**244,880,855**		**$435,391,223**	

APPENDIX – Fund Tables, year to year comparison

General Fund (consolidated), as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**25,619,555**		**28,964,227**		**28,964,227**	
Program Revenues	40,252,371	11,260,432	11,260,432	28.0%	39,451,905	98.0%
General Revenues	29,133,718	3,379,677	3,379,677	11.6%	28,936,321	99.3%
Transfers	46,918,432	6,887,825	6,887,825	14.7%	27,093,491	57.7%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	1,400	1,400		1,400	
Subtotal Current Revenues	**116,304,521**	**21,529,333**	**21,529,333**	**18.5%**	**95,483,117**	**82.1%**
Total Resources	**141,924,076**		**50,493,560**		**124,447,344**	
Requirements						
Operating Expenditures	84,129,239	17,448,389	17,448,389	20.7%	79,358,500	94.3%
Debt Service	1,588,215	0	0	0.0%	1,588,215	100.0%
Capital Outlay	47,000	21,240	21,240	45.2%	47,000	100.0%
Interfund Transfers	4,949,564	2,292,972	2,292,972	46.3%	4,949,564	100.0%
Intrafund Transfers	32,652,695	4,153,665	4,153,665	12.7%	14,449,352	44.3%
Contingency	3,893,867					
Subtotal Current Expenditures	**127,260,580**	**23,916,265**	**23,916,265**	**18.8%**	**100,392,631**	**78.9%**
Unappropriated Balance	**14,663,496**		**26,577,295**		**24,054,713**	
Total Requirements	**141,924,076**		**50,493,560**		**$124,447,344**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Actuals	% Budget
Resources						
Beginning Fund Balance	**26,354,341**		**30,194,768**		**30,194,768**	
Program Revenues	39,427,526	10,663,611	10,663,611	27.0%	34,521,030	87.6%
General Revenues	28,304,127	3,069,478	3,069,478	10.8%	27,777,390	98.1%
Transfers	40,916,656	6,470,200	6,470,200	15.8%	23,627,709	57.7%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	100	100	0.0%	1,916	
Subtotal Current Revenues	**108,648,309**	**20,203,389**	**20,203,389**	**18.6%**	**85,928,045**	**79.1%**
Total Resources	**135,002,650**		**50,398,157**		**116,122,813**	
Requirements						
Operating Expenditures	81,923,262	16,417,865	16,417,865	20.0%	67,664,164	82.6%
Debt Service	1,529,472	0	0	0.0%	1,529,472	100.0%
Capital Outlay	139,500	0	0	0.0%	199,491	143.0%
Interfund Transfers	4,338,554	2,111,280	2,111,280	48.7%	4,338,554	100.0%
Intrafund Transfers	30,342,305	3,946,996	3,946,996	13.0%	13,426,966	44.3%
Contingency	3,441,260					
Subtotal Current Expenditures	**121,714,353**	**22,476,141**	**22,476,141**	**18.5%**	**87,158,648**	**71.6%**
Unappropriated Balance	**13,288,297**		**27,922,016**		**28,964,166**	
Total Requirements	**135,002,650**		**50,398,157**		**$116,122,813**	

MERC Fund, as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**24,615,569**		**26,357,847**		**26,357,847**	
Program Revenues	31,829,834	7,439,920	7,439,920	23.4%	32,148,132	101.0%
General Revenues	11,278,141	969,377	969,377	8.6%	11,278,141	100.0%
Transfers	591,510	0	0	0.0%	591,510	100.0%
Special Items	0	0	0		0	
Extraordinary Items	0	0	0		0	
Other Financing Sources	0	0	0		0	
Subtotal Current Revenues	**43,699,485**	**8,409,297**	**8,409,297**	**19.2%**	**44,017,783**	**100.7%**
Total Resources	**68,315,054**		**34,767,144**		**70,375,630**	
Requirements						
Operating Expenditures	38,260,481	9,365,956	9,365,956	24.5%	37,670,386	98.5%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	3,079,396	540,767	540,767	17.6%	2,979,396	96.8%
Interfund Transfers	6,142,766	869,751	869,751	14.2%	6,142,766	100.0%
Intrafund Transfers	0	0	0	0.0%	0	
Contingency	7,633,716					
Subtotal Current Expenditures	**55,116,359**	**10,776,474**	**10,776,474**	**19.6%**	**46,792,548**	**84.9%**
Unappropriated Balance	**13,198,695**		**23,990,670**		**23,583,082**	
Total Requirements	**68,315,054**		**34,767,144**		**$70,375,630**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Actuals	% Budget
Resources						
Beginning Fund Balance	**24,850,944**		**27,089,539**		**27,089,539**	
Program Revenues	33,423,334	6,779,311	6,779,311	20.3%	33,092,401	99.0%
General Revenues	10,794,076	1,099,908	1,099,908	10.2%	11,626,069	107.7%
Transfers	475,000	0	0	0.0%	475,000	100.0%
Special Items	0	0	0		0	
Extraordinary Items	0	0	0		0	
Other Financing Sources	0	0	0		0	
Subtotal Current Revenues	**44,692,410**	**7,879,219**	**7,879,219**	**17.6%**	**45,193,470**	**101.1%**
Total Resources	**69,543,354**		**34,968,758**	**50.3%**	**72,283,009**	
Requirements						
Operating Expenditures	39,708,448	8,734,969	8,734,969	22.0%	38,143,827	96.1%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	5,290,659	218,234	218,234	4.1%	3,993,774	75.5%
Interfund Transfers	3,801,630	706,345	706,345	18.6%	3,787,561	99.6%
Intrafund Transfers	0	0	0	0.0%	0	
Contingency	2,452,773					
Subtotal Current Expenditures	**51,253,510**	**9,659,548**	**9,659,548**	**18.8%**	**45,925,162**	**89.6%**
Unappropriated Balance	**18,289,844**		**25,309,210**		**26,357,847**	
Total Requirements	**69,543,354**		**34,968,758**		**$72,283,009**	

Oregon Zoo Infrastructure and Animal Welfare Bond Fund, as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**9,649,239**		**8,876,891**		**8,876,891**	
Program Revenues	0	0	0	0.0%	5,400	
General Revenues	24,648	11,030	11,030	44.7%	32,000	129.8%
Transfers	3,350	0	0	0.0%	3,350	100.0%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	0	0	0.0%	0	
Subtotal Current Revenues	**27,998**	**11,030**	**11,030**	**39.4%**	**40,750**	**145.5%**
Total Resources	**9,677,237**		**8,887,921**		**8,917,641**	
Requirements						
Operating Expenditures	627,690	190,557	190,557	30.4%	691,400	110.1%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	6,432,825	2,095,599	2,095,599	32.6%	5,253,200	81.7%
Interfund Transfers	364,209	38,080	38,080	10.5%	152,320	41.8%
Intrafund Transfers	0	0	0	0.0%	0	0.0%
Contingency	2,252,513					
Subtotal Current Expenditures	**9,677,237**	**2,324,236**	**2,324,236**	**24.0%**	**6,096,920**	**63.0%**
Unappropriated Balance	**0**		**6,563,685**		**2,820,721**	
Total Requirements	**9,677,237**		**8,887,921**		**$8,917,641**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Actuals	% Budget
Resources						
Beginning Fund Balance	**2,121,338**		**2,806,954**		**2,806,954**	
Program Revenues	0	88	88	0.0%	0	
General Revenues	21,213	10,950	10,950	51.6%	56,583	266.7%
Transfers	0	0	0	0.0%	0	
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	15,000,000	15,000,000	15,000,000	100.0%	15,000,000	100.0%
Subtotal Current Revenues	**15,021,213**	**15,011,038**	**15,011,038**	**99.9%**	**15,056,583**	**100.2%**
Total Resources	**17,142,551**		**17,817,992**		**17,863,537**	
Requirements						
Operating Expenditures	659,562	177,226	177,226	26.9%	766,200	116.2%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	14,696,830	176,622	176,622	1.2%	7,952,550	54.1%
Interfund Transfers	294,915	74,093	74,093	25.1%	267,896	90.8%
Intrafund Transfers	0	0	0	0.0%	0	
Contingency	1,476,683					
Subtotal Current Expenditures	**17,127,990**	**427,941**	**427,941**	**2.5%**	**8,986,646**	**52.5%**
Unappropriated Balance	**14,561**		**17,390,051**		**8,876,890**	
Total Requirements	**17,142,551**		**17,817,992**		**$17,863,537**	

Solid Waste Revenue Fund, as of September 30, 2011

FY 2011-12

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**39,914,107**		**42,792,555**		**42,792,555**	
Program Revenues	55,035,122	12,970,617	12,970,617	23.6%	54,653,074	99.3%
General Revenues	196,526	34,472	34,472	17.5%	210,918	107.3%
Transfers	237,875	0	0	0.0%	237,875	100.0%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	0	0	0.0%	0	
Subtotal Current Revenues	**55,469,523**	**13,005,089**	**13,005,089**	**23.4%**	**55,101,867**	**99.3%**
Total Resources	**95,383,630**		**55,797,644**		**97,894,422**	
Requirements						
Operating Expenditures	50,238,698	8,343,760	8,343,760	16.6%	49,156,824	97.8%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	3,726,000	65,345	65,345	1.8%	2,980,800	80.0%
Interfund Transfers	7,988,738	1,739,941	1,739,941	21.8%	7,973,920	99.8%
Contingency	14,588,745					
Subtotal Current Expenditures	**76,542,181**	**10,149,046**	**10,149,046**	**13.3%**	**60,111,544**	**78.5%**
Unappropriated Balance	**18,841,449**		**45,648,598**		**37,782,878**	
Total Requirements	**95,383,630**		**55,797,644**		**97,894,422**	

FY 2010-11

	Adopted Budget	Actuals 1st Qtr	YTD Actuals	YTD % of Budget	June 30 Projection	% Budget
Resources						
Beginning Fund Balance	**36,535,502**		**37,982,915**		**37,982,915**	
Program Revenues	57,502,348	12,443,560	12,443,560	21.6%	50,758,427	88.3%
General Revenues	357,537	34,330	34,330	9.6%	301,114	84.2%
Transfers	5,446,449	5,225,000	5,225,000	95.9%	5,446,449	100.0%
Special Items	0	0	0	0.0%	0	
Extraordinary Items	0	0	0	0.0%	0	
Other Financing Sources	0	0	0	0.0%	33,961	
Subtotal Current Revenues	**63,306,334**	**17,702,890**	**17,702,890**	**28.0%**	**56,539,951**	**89.3%**
Total Resources	**99,841,836**		**55,685,804**		**94,522,866**	
Requirements						
Operating Expenditures	50,304,431	8,137,979	8,137,979	16.2%	44,435,828	88.3%
Debt Service	0	0	0	0.0%	0	
Capital Outlay	5,194,283	42,544	42,544	0.8%	497,278	9.6%
Interfund Transfers	6,995,233	1,693,712	1,693,712	24.2%	6,797,204	97.2%
Contingency	14,540,763					
Subtotal Current Expenditures	**77,034,710**	**9,874,235**	**9,874,235**	**12.8%**	**51,730,310**	**67.2%**
Unappropriated Balance	**22,807,126**		**45,811,570**		**42,792,555**	
Total Requirements	**99,841,836**		**55,685,804**		**94,522,866**	

110811-cw03

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Metro | *Memo*

Date: November 8, 2011

To: President Tom Hughes
Members of Metro Council

From: Margo Norton, Director
Finance and Regulatory Services

Re: First Quarter Construction Excise Tax Report
FY 2011-12

A solid first quarter

This week Metro received the final first quarter construction excise tax collections, representing permit activity for July, August and September. Receipts totaled $ 413,000, an 18 percent uptick over last year's first quarter and the strongest first quarter in three years. The first quarter also exceeded the previous fourth quarter ($374,000). In two of the past five years the first quarter has been the leading quarter; the fourth quarter has led in three of five years.

1st Quarter history
(rounded)

FY2012	$413,000
FY 2011	350,000
FY2010	327,000
FY2009	649,000
FY2008	781,000
FY2007 (start-up)	147,000

Annual Collections
(rounded)

FY2012 (to date)	$ 413,000
FY2011	1,441,000
FY2010	1,428,000
FY2009	1,720,000
FY2008	2,461,000
FY2007 (start-up)	1,807,000

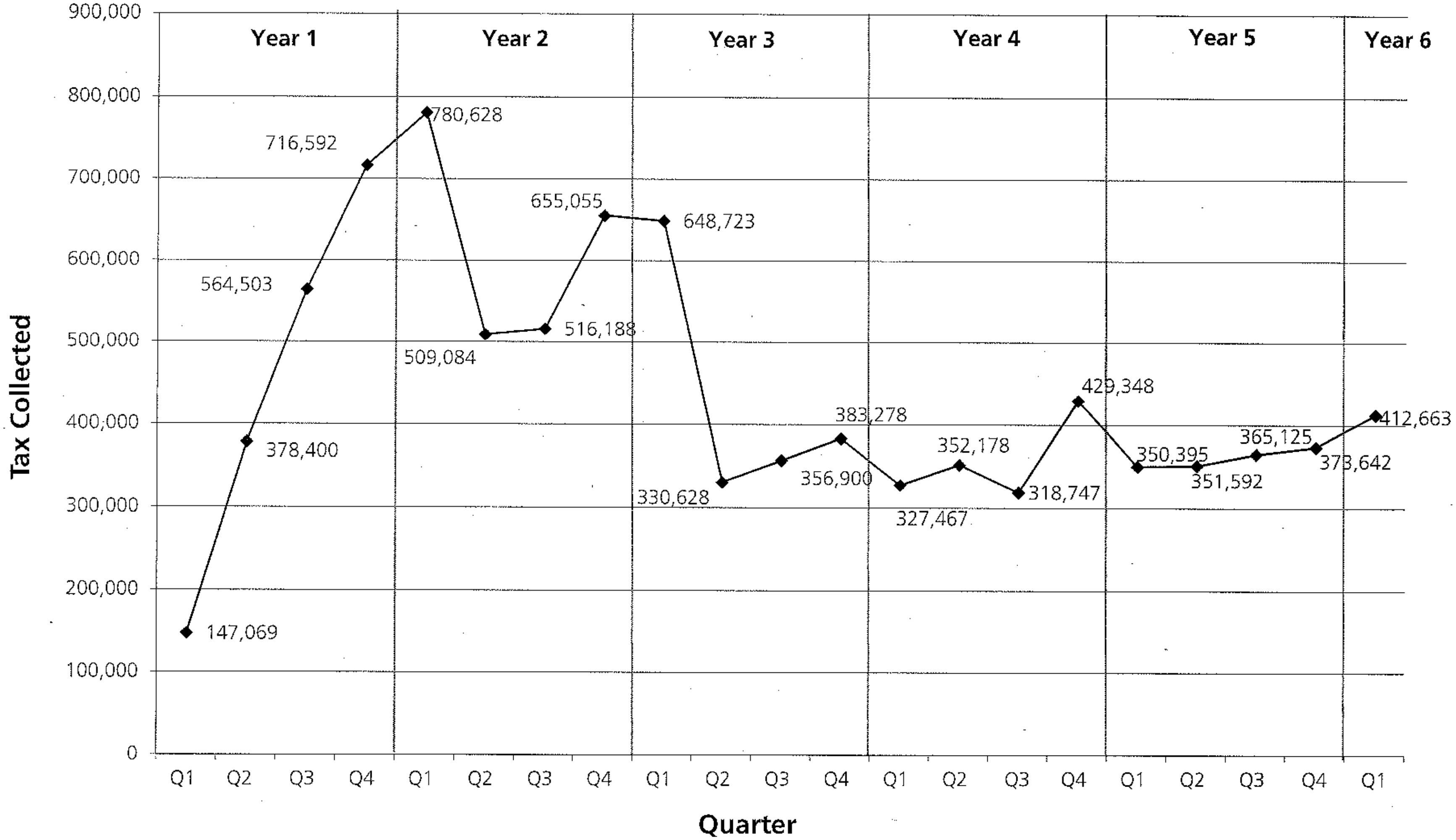
Signals for the future?

Can we read anything into this solid uptick? Probably not just yet. According to Metro's economist Dennis Yee the commercial real estate industry is just now starting to talk about improvements next year (calendar 2012). There is no discernable change in the construction of single family homes where the annualized levels for the 2011 year are about 30 percent of normal construction levels. There is a very small increase in multi-family construction in the last 10 months, still 20 percent short of previous norms. We also did not detect any spikes in per unit value of construction.

Cumulative collections

Cumulative collections since July 2006 are now close to $9.3million. As part of the legislation extending the tax, Metro began retaining 2.5 percent of the collected receipts above $6.3 million to recover a portion of its costs in administering the program. To date Metro has collected $74,000, $62,000 of which has been used to offset a portion of costs for legal services. This is the first quarter when administrative dollars have become available for offsetting program costs.

Construction Excise Tax by Quarter
July 1, 2006 - September 30, 2011



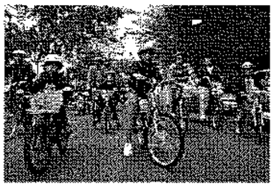
110816w-04

Summary of Budget Ordinance Actions for Fall Amendment
First reading: November 17   Second reading and action: December 3

All Funds Housekeeping	1	Implements AFSCME contract for $117,000 of FY 2006-07 opt out funding. Moves money from Risk Management Fund to various funds based on # of AFSCME employees.
PES/Building Operations	2	Increases front desk receptionist from 0.50 FTE to 1.0 FTE. Funded in current year by permanent decrease in Safety and Security Officer from 1.0 FTE to .75 FTE. Vacancy savings in the safety and security officer position in the current year will more than offset the increase in FTE. In future years, the increase in FTE for the front desk receptionist will be funded from the permanent 0.25 FTE decrease in the Safety and Security Officer position and a permanent reduction in contracted security staff.
Zoo/Operations	3	Converts a 0.50 FTE Nutritionist Technician II position (LIU) to a full time Program Supervisor I (non-rep) position to ensure proper expertise and oversight of the animal nutrition aspect of animal care. The increased oversight in the operations and purchasing in animal food will result in savings in the cost of animal food. A final determination of the appropriate classification will be made when the complete job description is reviewed by Human Resources.
Zoo/operations and bond program	4	Provides appropriations to hire a parking and transportation consultant to assist in the preparation of a management study and implementation strategy for the western portion of Washington Park. Transfers remaining parking lot project funds from the General Revenue Bond Fund (approx $217,000) and recognize $40,000 in contributions from alliance members. Amends 5-Year CIP.
Zoo/capital	5	Recognizes $225,000 in additional OZF donations to fund the Cascade Aviary Mesh and Africa Lagoon Aviary projects. Amends the 5-year CIP.
Planning/ Regional Active Transportation	6	Recognizes portion of $280,000 TGM grant for expenditures through June 30; establishes one LD position through 2013-14.
Research Center	7	Extends Performance Indicators position through Jan 2012; uses off-shoring resource, reducing balance to about $10K.
Research Center	8	Changes some FTE, netting an additional .4 FTE senior GIS position to be funded by an increase in sales revenue. Continuation of position next year will depend on achieving anticipated sales revenue. Sales revenue collected but unrecognized; uses contingency to provide necessary appropriations.

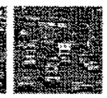
Proposed Amendments to the

Transportation Planning Rule & Oregon Highway Plan



Timeline

- Sept 2010 - LCDC hears TPR concerns
- Jan 2011 - OTC and LCDC appoint joint committee
- April 2011 - Joint subcommittee issues recommendations
- June 2011 - SB 795 requires TPR & OHP changes by Jan 1
- Summer 2011 - TPR Rules Advisory Committee and OHP Technical Advisory draft revisions for public review
- Fall 2011 – Parallel OTC and LCDC review


Concerns

- Barrier to Economic Development
- Obstacle to mixed-use, compact development in urban areas
- Does not address non-auto modes



Proposed TPR Amendments

Existing Provision	*Proposed Change*
Zone changes triggering the Section 0060 concurrency provisions	**Zone changes** consistent with adopted plans **exempted** from 0060
Full mitigation could be required for compliance with Section 0060	**Partial mitigation allowed** when adding industrial or non-retail jobs
Up-zoning in 2040 centers severely limited by existing congestion	Process set forth for **exempting centers** from Section 0060 trigger

Oregon Highway Plan Revisions

Existing Provisions	*Proposed Change*
Mobility policy set forth as standards	Mobility policy set forth as **"targets"**
Single level-of-service congestion policy based on traditional volume-to-capacity ratio	New provisions allow **alternative performance measures** and corridor-based performance
Small increases in projected traffic triggers conflict with highway plan	Much **more latitude** for ODOT to **evaluate impacts** in proportion to existing conditions, defining "no further degradation"

Consensus Comments (so far)

Planning Rule (TPR)
Strongly support **exempting zone changes** consistent with comprehensive plans from 0060
Support allowing for **"multi-modal mixed-use areas"** (MMAs)
Support **higher standard** for establishing MMAs in **interchange areas**

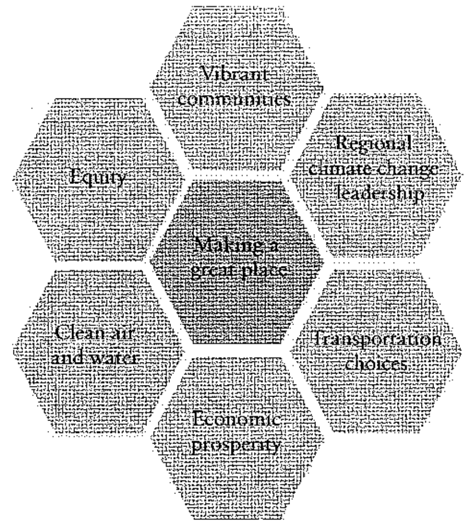
Highway Plan (OHP)
Strongly support **alternative mobility policy** flexibility
Strongly support the **shift** from mobility **"standards" to "targets"**.
Support **more latitude** for ODOT in evaluating impacts
Ensure OHP changes are **reflected in implementing documents**
Reconcile Special Transportation Areas (STAs) with MMAs

110811cw06

November 8, 2011

Regional Brownfield Scoping Project

Miranda Bateschell, Land Use Planning



PROJECT GOAL: Demonstrate the need for brownfield restoration and redevelopment in our region, and outline a range of solutions and best practices that could be applied in the metro area.

METRO ROLE:
Provide critical information and potential solutions to our local partners to guide local communities and enable policy decisions.

PRODUCTS:
A report:
- Illustrating and estimating the extent of brownfields in the region's 2040 design types
- Outlining potential solutions and next steps for Metro Council consideration and regional discussion

Components of this report will also be available as individual products:
- Brownfield site redevelopment typologies that can be applied to specific properties to estimate potential conditions and opportunities, and to help guide strategic investments.
- District-level brownfield inventories that can be used to inform the scope of brownfields in different design types and redevelopment actions in those study areas, and establishes a model for a future comprehensive regional inventory.

DESIRED OUTCOMES:
- Clarify for policy makers what is known about brownfields in the region and what can be done to improve information about the region's brownfield needs and opportunities.
- Clarify the merits of investing in brownfields and the type of resources and actions needed to effect brownfield redevelopment.
- Enable the Metro Council and the Community Investment Initiative Leadership Council to craft a strategic focus for prioritizing brownfield cleanup - whether an increased regional effort is appropriate, what strategies might be most successful, and how the work would be funded.
- Position local elected leadership with information for use in productive engagement with other stakeholders regarding the opportunity costs for not addressing brownfield needs and making decisions to address those needs.

COUNCIL ROLE
- Outreach to partners
    - If needed, help staff secure participation from integral partner agencies.
    - Lead discussions with other policy makers (including MPAC) on the range of solutions and best practices to help identify the region's preferred alternatives and priorities.
    - Lay the foundation for productive engagement with local elected leadership and the general public in case decisions are made to build a more robust brownfield program.

EXTERNAL PARTNERS:

- Technical review team:
  - Lender, developer, business member, State brownfield representative from Business Oregon, DRC staff, land use staff, and staff to the Community Investment Initiative Leadership Council
  - Data collection team: DEQ and brownfield program staff in other government agencies
  - Local Land Use/ Economic Development Staff: in study areas and through MTAC
- Local elected officials and policy-makers: engaged through MPAC and by the Metro Council.
- Engagement with government affairs staff and/or legislators may be needed as part of the evaluation of potential legislative changes to support brownfield redevelopment.
- Partner with the City of Portland's brownfield redevelopment study, which is focused on incremental implementation actions that increase the rate of brownfield redevelopment.

RELATED PROJECTS/PROGRAMS:

- Community Investment Initiative
- Climate Smart Communities scenarios
- Centers & Corridors work program
- Employment & Industrial areas work program
- Southwest Corridor and East Metro Corridor refinement programs
- Opportunity mapping
- Metro equity workgroup

RESOURCES:

- Planning and Development Department:
  - .3 FTE project manager
  - .1 FTE project assistant responsible for DRC coordination
  - .25 FTE limited duration project assistant
  - Materials and Services $65,000: contract with consultant
- Research Center:
  - Data Resource Center: .5FTE (includes .2 from CIS DRC budget)

110811cw-07

DRAFT November <day>, 2011

Linda Craig
Chair, Natural Areas Bond Oversight Committee
1201 SW 12th Avenue, Suite 222
Portland, Oregon 97205
503-808-9252

Dear Linda,

Thank you for your multiple years of service on the Natural Areas Bond Oversight Committee and for your leadership in serving as the chair of the Committee this last year. The attention of the oversight committee has assured that the business practices and acquisition methods used by our staff at Metro meet the highest standards. This program is critical to the health and economy of the Portland metropolitan region for current and future generations, and your passion and professional discipline helps us fulfill our fiduciary responsibility with this important land conservation measure.

The committee is authorized to ask any questions or analyze any aspect of the bond program it believe warrants investigation. The Metro Council appreciates the scope of the committee's examination of the program and its consideration of incorporating feedback from the Council in prior years. The Council has had the opportunity to read your September 2011 report in detail and with this letter respectfully offers some additional items for possible consideration:

Trails and Natural Areas: All of the natural area acquisitions are proximate to our metropolitan population. In some areas, people are creating rogue trails. In addition, the region has taken deliberate policy and investment actions with an Active Transportation program. Some habitat areas are quite sensitive, others less so. What criteria might you suggest Metro consider using to enable more trail presence along the edge of or through natural areas so that we can be successful in balancing the needs for human health and access to nature while also preserving natural areas?

Looking ahead: In a few years the bond measure program will be 10 years old. Are there some performance aspects that we should be monitoring now that will help ensure successful achievement by 2016? With the bond measure having three major aspects (regional acquisitions, local share, capital grants) are there any operational or performance aspects that we should be taking into account now so that we have a solid story to share with our regional residents in 5 years?

Progress regionally: Acquisitions within the 20 target and 7 trail/greenway areas have been proceeding following the bond program refinement plans and principles (e.g. willing seller.) The Council appreciates the level of information that the committee has been following and probing in executing its responsibility to the voters of the region. Given that the program was developed to reach regional goals, as outlined in the bond measure, we are wondering if the committee has had the opportunity to ponder how progress of these specific areas adds up cumulatively for the benefit of *clean air, water and natural habitat for the region*. Is there anything that Metro should consider as it completes the program so that the program is not only successful with each individual area but also the cumulative set provides a holistic result for the benefit of future generations?

Local Share Progress and Regional assessment: The 2006 bond measure included as one of its three major components a local share program, providing funds for our local city and park service district partners for park improvement projects and locally important acquisitions. We have all been monitoring the implementation progress of the local share at the local partner level. In a few years, the bond measure program will reach a 10 year milestone. How are these local share programs helping to achieve the regionally adopted 6 desired outcomes of a successful region? Have the local share programs helped to cumulatively achieve a regional result, for example access to parks?

Site Stabilization Timing: We appreciate the committee's attention in reviewing the approach that Metro staff has been taking on site stabilization after property acquisition. Given the seasonal aspect of nature and stabilization activities (ex. cutting seasons and planting seasons) we are wondering if specific seasonal dates should be considered for starting a site stabilization clock independent of the specific acquisition date? This might provide enough time for staff to execute a best practice for the site specific inventory walk-through surveys needed, as well as time to construct a site specific stabilization plan including setting up the work crews, none of which can be done until an acquisition has actually closed and all of which must be done in relation to nature's four seasons. Your review of this idea and any appropriate implementation will help ensure the continued authorized use of bond measure funds for vital stabilization activities.

Review of Collection with Health, Equity and Tourism perspectives: The acquisition and preservation of natural areas with this bond program are being done to safeguard water quality, protect fish and wildlife habitat and ensure access to nature for future generations. The Metro region has adopted 6 desired outcomes for a successful region. In the full scope of its work, the Metro Council is increasingly reviewing programs with health and equity lenses as well as taking stock of the contribution that tourism makes to our regional and state economy. Given the increased emphasis that Health, Equity and Tourism aspects are taking in our region, as the Metro Council considers access to these properties for future generations, what are your thoughts on these three aspects and the properties that make up the regional collection? How would you tell the story of the Natural Areas program for each of these three aspects?

The range of items above reflect the level of respect and appreciation that the Metro Council has for the expertise and opinions of the oversight committee. It also provides some insight into the curiosity that the Metro Council has about the value these bond investments will have for future generations. The Metro Council is mindful that the oversight committee has a full complement of work before it for the year ahead. The Council would appreciate your consideration of our thoughts, but are in no way intending to divert you from your chosen course. I look forward to your next meeting, and the finalization of your committee work plan, which will lead to another valuable report next year. Thank you again for your service and for your attention to detail, which helps to ensure our agency ever improves its performance.

Sincerely,

Kathryn Harrington
Metro Councilor District 4
Council Liaison, Natural Areas Bond Oversight Committee