

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AMENDING	)	RESOLUTION NO. 87-787
RESOLUTION NO. 87-744, ADOPTING	)	
A SUPPLEMENTAL BUDGET AND REVIS-	)	Introduced by the
ING THE FY 1987-88 BUDGET AND	)	Executive Officer
APPROPRIATIONS AND INCREASING	)	
CONVENTION CENTER PROJECT DEBT	)	
SERVICE PAYMENTS	)	

WHEREAS, Various conditions exist which had not been ascertained at the time of the preparation of the FY 1987-88 Budget and a change in financial planning is required; and

WHEREAS, Additional sources are needed for increased Convention Center Project debt service in FY 1987-88; and

WHEREAS, The property tax levy for FY 1987-88 may not be increased; and

WHEREAS, Interest earnings are available from the Convention Center Project Capital Fund for this purpose; and

WHEREAS, The Multnomah County Tax Supervising and Conservation Commission held its public hearing on the Supplemental Budget of the Metropolitan Service District for the fiscal year beginning July 1, 1987, and ending June 30, 1988; and

WHEREAS, Recommendations from the Tax Supervising and Conservation Commission have been received and acted upon, as reflected in the Budget and in the Schedule of Appropriations; now, therefore,

BE IT RESOLVED,

That Resolution No. 87-744, Exhibit B, FY 1987-88 Budget, and Exhibit C, Schedule of Appropriations, are hereby amended as

shown in Exhibits A and B to this Resolution.

ADOPTED by the Council of the Metropolitan Service District  
this 22nd day of December, 1987.

  
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Richard Waker, Presiding Officer

JS/gl  
7826C/506  
12/14/87

STAFF REPORT

Agenda Item No. 9.1

Meeting Date Dec. 22, 1987

CONSIDERATION OF RESOLUTION NO. 87-787 AMENDING  
RESOLUTION NO. 87-744, ADOPTING A SUPPLEMENTAL  
BUDGET AND REVISING THE FY 1987-88 BUDGET AND  
APPROPRIATIONS AND INCREASING CONVENTION CENTER  
PROJECT DEBT SERVICE PAYMENTS

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Date: December 10, 1987

Presented by: Jennifer Sims

FACTUAL BACKGROUND AND ANALYSIS

The debt payment schedule for the Convention Center Project General Obligation bonds was revised in June. The revision moved the FY 87-88 interest payment from January 1, 1988, to June 1, 1988. The deferred payment is higher than that budgeted and requires a budget amendment.

This item is presented as a supplemental budget under Oregon Budget Law ORS 294.480 (1)(a), which allows this type of amendment when there is "an occurrence or condition which had not been ascertained at the time of the preparation of a budget for the current year which requires a change in financial planning."

The current adopted budget anticipates a \$2,493,800 payment funded by the property tax levy and some interest earnings on those taxes. The actual payment will be \$4,409,513. Oregon Budget Law prohibits an increase in the tax levy so the difference must be derived from other funding sources.

The Council considered this matter in August and decided to use a portion of the first year interest earnings on the bond proceeds to make the higher interest payments. This is an eligible use of these funds and in accordance with the previously planned use of these earnings.

Also in August, Resolution No. 87-788 was adopted approving the supplemental budget as presented in Resolution No. 87-787 and forwarding it to the Tax Supervising and Conservation Commission (TSCC) for public hearing. The TSCC held that hearing on December 8, 1987. The TSCC's certification letter is attached to this report as Attachment A. In response to the Commission's recommendations, staff has prepared revised budget schedules which are attached hereto as replacement Exhibits A and B.

Four changes are reflected in the replacement exhibits. These changes are:

1. With receipt and investment of the bond proceeds, a much better estimate of interest earnings is available. Proceeds are favorably invested for a projected FY 87-88 earnings of \$3,894,320 after rebate. This is substantially higher than original projections. Therefore, the budget should be amended accordingly.
2. The portion of the state grant budgeted for this fiscal year will not be received and should be eliminated as a revenue. A corresponding reduction in the unappropriated balance of \$7.5 million will balance the budget. There is no direct budget impact. This revenue is anticipated in FY 88-89.
3. The Council has amended the budget for COLA and Classification Plan Study since the supplemental was submitted. The replacement exhibits include these revisions.
4. The TSCC has recommended a different format for the supplemental budget which is displayed in the replacement exhibits.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 87-787 as amended by replacement Exhibits A and B.

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ATTACHMENT A

**TAX SUPERVISING & CONSERVATION COMMISSION**

Multnomah County, Oregon

1510 Portland Building

Portland, Oregon 97204-1950

1120 S.W. Fifth Avenue

503/248-3054

December 9, 1987

Board of Directors  
Metropolitan Service District  
2000 S.W. First  
Portland, Oregon 97201

Dear Board Members:

The Tax Supervising and Conservation Commission met on December 8, 1987 to review, discuss and conduct a public hearing on a proposed 1987-88 Supplemental Budget which seeks to transfer \$1,710,281 from the contingency account of the Convention Center Project Capital Fund to the Convention Center Debt Service Fund. The purpose of this adjustment is to enable payment of debt service expense before June 30.

After careful consideration the Commission recommends that the estimates approved by the Budget Committee for the Capital Fund be revised because the estimates do not reflect a complete financial plan. The revisions should recognize:

- a. That Metro will not receive \$7,500,000 from the state this fiscal year.
- b. The increased interest income to be realized from bond sale proceed investments resulting from an advanced sale date, July 1 vs. December 1, 1987.
- c. An update of expense requirements through June 30.

Board of Directors  
Metro Service District

December 9, 1987  
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In rebalancing requirements with resources caution should be exercised to ensure that no part of the unappropriated balance is appropriated.

This certification, made pursuant to ORS 294.645, is based on the following additional appropriations:

Convention Center Project Capital Fund	\$ 1,710,281
Convention Center Debt Service Fund	\$ 1,710,281

Yours very truly,

TAX SUPERVISING & CONSERVATION COMMISSION

  
G. J. Gutjahr  
Administrative Officer

GJG:pj

REPLACEMENT  
EXHIBIT A  
Proposed Amendment to Res. No. 87-787

FY 1987-88 SUPPLEMENTAL BUDGET  
ESTIMATE SHEETS

	SUPPLEMENTAL BUDGET			RECOMMENDATIONS AS PER TSCC
	ADOPTED BUDGET FY 1987-88	PROPOSED	APPROVED	
<u>Convention Center Project Capital Fund (ref. p. 144-145 Annual Budget)</u>				
<b>Resources:</b>				
State Grant	7,500,000	7,500,000	7,500,000	0
General Obligation Bond Sale	65,000,000	65,000,000	65,000,000	65,000,000
Interest Income	2,388,634	2,388,634	2,388,634	3,894,320
	74,888,634	74,888,634	74,888,634	68,894,320
<b>Requirements:</b>				
Personal Services	208,289	208,289	208,289	210,372
Materials & Services	290,300	290,300	290,300	290,300
Capital Outlay	18,863,123	18,863,123	18,863,123	18,863,123
Transfer to Debt Fund	0	1,710,281	1,710,281	1,710,281
Transfer to Other Funds	872,361	872,361	872,361	872,361
Contingency	2,540,759	830,478	830,478	2,334,081
Unappropriated Balance	52,113,802	52,113,802	52,113,802	44,613,802
	74,888,634	74,888,634	74,888,634	68,894,320

REPLACEMENT  
EXHIBIT A  
Proposed Amendment to Res. No. 87-787

FY 1987-88 SUPPLEMENTAL BUDGET  
ESTIMATE SHEETS

	SUPPLEMENTAL BUDGET			RECOMMENDATIONS AS PER TSCC
	ADOPTED BUDGET FY 1987-88	PROPOSED	APPROVED	
<hr style="border-top: 1px dashed black;"/>				
Convention Center Project Debt Fund (ref. p. 150, Annual Budget)				
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Resources:				
Property Taxes	2,438,800	2,438,800	2,438,800	2,438,800
Interest	55,000	60,000	60,000	60,000
Accrued Bond Interest	0	200,432	200,432	200,432
Transfer from Capital Fund	0	1,710,281	1,710,281	1,710,281
	2,493,800	4,409,513	4,409,513	4,409,513
TOTAL				
Requirements:				
Interest on Bonds	2,493,800	4,409,513	4,409,513	4,409,513
	2,493,800	4,409,513	4,409,513	4,409,513
TOTAL				



REPLACEMENT  
EXHIBIT B  
Proposed Amendment to Res. No. 87-787

FY 1987-88 SUPPLEMENTAL BUDGET  
SCHEDULE OF APPROPRIATIONS

	SUPPLEMENTAL BUDGET			RECOMMENDATIONS AS PER TSCC
	ADOPTED BUDGET FY 1987-88	PROPOSED	APPROVED	
<u>Convention Center Project Capital Fund</u>				
Personal Services	208,289	208,289	208,289	210,372
Materials & Services	290,300	290,300	290,300	290,300
Capital Outlay	18,863,123	18,863,123	18,863,123	18,863,123
Transfers	872,361	2,582,642	2,582,642	2,582,642
Contingency	2,540,759	830,478	830,478	2,334,081
Unappropriated Balance	52,113,802	52,113,802	52,113,802	44,613,802
	74,888,634	74,888,634	74,888,634	68,894,320
<u>Convention Center Project Debt Fund</u>				
Interest on Bonds	2,493,800	4,409,513	4,409,513	4,409,513
	2,493,800	4,409,513	4,409,513	4,409,513

ing Officer would decide if a second public hearing would be conducted.

The Council recessed from 7:25 p.m. to 7:45 p.m.

9. RESOLUTIONS

9.1 Consideration of Resolution No. 87-787, for the Purpose of Amending Resolution No. 87-744, Adopting a Supplemental Budget and Appropriations and Increasing Convention Center Project Debt Service Payments (Public Hearing)

Jennifer Sims, Management Services Director, summarized staff's written report. She explained the Council had initially reviewed the resolution in August 1987 and had approved the budget for transmittal to the Tax Supervising & Conservation Commission (TSCC). The TSCC certified the budget and had recommended certain changes as outlined in its letter included in the staff report.

Presiding Officer opened the public hearing. No testimony was received and the hearing was closed.

Motion: Councilor Hansen moved, seconded by Councilor DeJardin, to adopt the resolution.

Vote: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Collier was absent.

The motion carried.

9.2 Consideration of Resolution No. 87-833, for the Purpose of Endorsing the Tri-Met Five-Year Transit Development Plan

Andy Cotugno, Transportation Director, summarized staff's written report and explained the resolution ensured that a regional transit system would receive a stable funding base. He said the resolution would be presented to the Tri-Met Board pending the Council's adoption.

Motion: Councilor Van Bergen moved to adopt the resolution and Councilor Kelley seconded the motion.

Vote: A vote on the motion resulted in all ten Councilors present voting aye. Councilor Bonner and DeJardin were absent.

The motion carried and the resolution was unanimously adopted.

EXHIBIT A

CONVENTION CENTER PROJECT  
DEBT SERVICE FUND

<u>Resources</u>	<u>Current Budget</u>	<u>Revision</u>	<u>Proposed Budget</u>
Transfer from Convention Center Project Capital Fund	\$ 0	\$1,710,281	\$1,710,281
Property Taxes - Current Year	2,438,800	0	2,438,800
Bond Proceeds	0	200,432	200,432
Interest	<u>55,000</u>	<u>5,000</u>	<u>60,000</u>
Total Resources	\$2,493,800	\$1,915,713	\$4,409,513
<u>Requirements</u>			
Debt Service* Interest	<u>\$2,493,800</u>	<u>\$1,915,713</u>	<u>\$4,409,513</u>
Total Debt Service	\$2,493,800	\$1,915,713	\$4,409,513

\* Formerly classified as Materials & Services

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EXHIBIT A  
 CONVENTION CENTER PROJECT  
 CAPITAL FUND

<u>Resources</u>	<u>Current Budget</u>	<u>Revision</u>	<u>Proposed Budget</u>
Total Resources	\$74,888,634	\$ 0	\$74,888,634
 <u>Requirements</u>			
Personal Services	\$ 208,289	0	\$ 208,289
Materials & Services	290,300	0	290,300
Capital Outlay	18,863,123	0	18,863,123
Transfers			
To Convention Center			
Project Debt Service	0	1,710,281	1,710,281
All Other Accounts	<u>872,361</u>	<u>0</u>	<u>872,361</u>
Subtotal Transfers	\$ 872,361	\$ 1,710,281	\$ 2,582,642
Contingency	\$ 2,540,759	(\$1,710,281)	\$ 830,478
Unappropriated Balance	<u>52,113,802</u>	<u>0</u>	<u>52,113,802</u>
Total Requirements	\$74,888,634	\$ 0	\$74,888,634

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## EXHIBIT B

## SCHEDULE OF APPROPRIATIONS

	<u>Current Appropriation</u>	<u>Revision</u>	<u>Revised Appropriation</u>
<u>Convention Center Project</u>			
<u>Capital Fund</u>			
Personal Services	\$ 208,289	0	\$ 208,289
Materials & Services	290,300	0	290,300
Capital Outlay	18,863,123	0	18,863,123
Transfers	872,361	1,710,281	2,582,642
Contingency	2,540,759	(1,710,281)	830,478
Unappropriated Balance	<u>52,113,802</u>	<u>0</u>	<u>52,113,802</u>
Total Convention Center			
Project Capital Fund			
Requirements	\$74,886,634 <sup>a</sup>	\$ 0	\$74,888,634
<u>Convention Center Project</u>			
<u>Debt Service Fund</u>			
Debt Service <sup>b</sup>	<u>\$2,493,800</u>	<u>\$1,915,713</u>	<u>\$4,409,513</u>
Total Convention Center			
Project Debt Service Fund			
Requirements	\$2,493,800	\$1,915,713	\$4,409,513

<sup>a</sup> This total is incorrect due to a typo. The revised appropriation reflects the correct figure.

<sup>b</sup> Formerly classified as Materials & Services.

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Councilor Kirkpatrick asked about the dollar impact of Amendment No. 8, relating to sick leave usage, incentive and accrual. Article 14.11.1 of the new agreement would authorize employees who use 40 hours or less of sick leave in a fiscal year to have set aside an amount equal to 25 percent of their sick leave accrual for the fiscal year in an account. They would be paid the balance of the account when they terminated employment with Metro. The current sick leave incentive program would be deleted.

Ray Phelps explained the administration viewed the amendment as an opportunity to reduce the amount of sick leave taken by Zoo employees and the amount of expenses resulting from sick leave. The average union employee used over seven days sick leave annually, he said, plus additional expenses of hiring temporary workers and paying other employees overtime when an employee was absent. Mr. Boose added that the maximum liability to Metro would be \$18,500 annually if no one was sick. The figure would be reduced another \$6,000 by eliminating the former sick leave incentive program. He noted the new program would be implemented on a one year, trial basis.

Councilor Bonner asked why management had not placed a cap on the amount of sick leave an employee could accumulate. Mr. Phelps said ceilings had been imposed in the past but when long-term employees came close to reaching the ceiling, union officials would bargain to raise the limit and management would concede. Given that history, Mr. Phelps recommended imposing no cap.

Motion: Councilor Gardner moved, seconded by Councilor Van Bergen, to approve Resolution No. 87-789.

Vote: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Collier was absent.

The motion carried and Resolution No. 87-789 was adopted.

8.3 Consideration of Resolution No. 87-788, for the Purpose of Approving a FY 1987-88 Supplemental Budget (related to Convention Center Project Debt Service Requirements) and Transmitting the Approved Budget to the Tax Supervising and Conservation Commission (TSCC); and

Consideration of Resolution No. 87-787, for the Purpose of Amending Resolution No. 87-744, Adopting a Supplemental Budget and Revising the FY 1987-88 Budget and Appropriations and Increasing Convention Center Project Debt Service Payments (Public Hearing)



Jennifer Sims, Management Services Director, reported the Council would be asked to adopt Resolution No. 87-789 at this meeting. The approved supplemental budget would then be forwarded to the TSCC for review, public hearing and certification. The certified budget would be returned by the TSCC to Metro for final adoption. The Council would then be asked to adopt Resolution No. 87-787. A public hearing would be conducted on Resolution No. 87-787 at this meeting.

Ms. Sims reviewed the actions requested. She said the current adopted budget anticipated a \$2,493,800 payment funded by the property tax levy and some interest earnings on those taxes. The actual payment would be \$4,409,513. Since Oregon Budget Law prohibited an increase in the tax levy, the difference had to be derived from other funding sources. Staff recommended using \$1.7 million of interest earnings on the bond proceeds to pay FY 1987-88 debt service requirements.

Presiding Officer Waker left the Council Chamber and Deputy Presiding Officer Gardner opened the public hearing on Resolution No. 87-787. There being no testimony, The Deputy closed the hearing.

Motion: Councilor Ragsdale moved to adopt Resolution No. 87-788. Councilor Knowles seconded the motion.

Responding to Councilor Gardner's question, Ray Phelps, Finance & Administration Director, reported that if the proposed supplemental budget were not approved, property taxes would increase from about 9¢ per \$1,000 assessed value to about 25¢ per \$1,000.

Presiding Officer Waker returned to the Council Chamber.

Vote: A vote on the motion to adopt Resolution No. 87-788 resulted in all 10 Councilors present voting aye. Councilors Collier and Hansen were absent.

Deputy Presiding Officer Gardner explained the Council would be asked to adopt Resolution No. 87-787 when the certified budget was returned from the TSCC.

8.2 Consideration of Resolution No. 87-797, for the Purpose of Authorizing Two New Positions (Construction Project Manager and Secretary), Amending the Pay and Classification Plans, and Amending the FY 1987-88 Budget and Appropriations Schedule

Executive Officer Cusma reviewed the need for upgrading construction management oversight. Construction activities were increasing and the complexity of the Disadvantaged Business Enterprise Program required a Construction Project Manager to oversee Metro's activi-