



Metro | Agenda

Meeting: Metro Council Work Session
Date: Tuesday, June 12, 2012
Time: 2 p.m.
Place: Council Chambers

CALL TO ORDER AND ROLL CALL

**2 PM 1. ADMINISTRATIVE/COUNCIL AGENDA FOR JUNE 14,
2012/CHIEF OPERATING OFFICER COMMUNICATIONS**

**2:15 PM 2. FINAL ACTIONS NEEDED FOR FY 2012-13 BUDGET
ADOPTION ON JUNE 21 - INFORMATION / DISCUSSION** **Norton
Finance Staff**

3:15 PM 3. BREAK

**3:20 PM 4. POTENTIAL METRO ROLE IN DEQ'S PORTLAND AIR
TOXICS SOLUTIONS PROGRAM (PATS) - INFORMATION /
DISCUSSION** **Bennett**

3:40 PM 5. COUNCIL LIAISON UPDATES - INFORMATION

4:10 PM 6. COUNCIL BRIEFINGS/COMMUNICATION

ADJOURN

Agenda Item No. 2.0

**FINAL ACTIONS NEEDED FOR FY 2012-
13 BUDGET ADOPTION ON JUNE 21**

Metro Council Work Session
Tuesday, June 12, 2012
Metro, Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: June 12, 2012 Time: 2:15 pm Length: 60 minutes

Presentation Title: Final Actions Needed for FY 2012-13 Budget Adoption on June 21

Service, Office, or Center: Finance and Regulatory Services

Presenters (include phone number/extension and alternative contact information):
Margo Norton x1934 with Finance Team members

ISSUE & BACKGROUND

A number of actions will be taken as part of the FY 2012-13 budget adoption process:

- | | |
|---------|---|
| June 12 | Work session discussion of actions needed for adoption
Distribution of annual contracts list |
| June 14 | Reading of Budget Ordinance and Public Hearing |
| June 14 | Consider and vote on FY 2012-13 proposed Budget Amendments <ul style="list-style-type: none">• Direction to Staff to prepare final budget ordinance reflecting amendments.• Amendments will include reduction in tax levy as a result of favorable bond sale. |
| June 14 | First Reading of Amending and Readopting of Investment Policies |
| June 21 | Resolution approving Capital Improvement Plan, Financial Policies including Capital Asset Policies and approving MTOCA projects |
| June 21 | Second reading, Public Hearing and action on FY 2012-13 budget ordinance (now Version A) as amended June 14 <ul style="list-style-type: none">• Any <u>substantive</u> change to this ordinance will require an additional reading, public hearing and action prior to June 30. |
| June 21 | Second reading, Public Hearing and action on Readoption of Investment Policies |
| July 15 | (revised) tax levy certified to assessors' offices |

The purpose of the June 12 work session is to present the issues Council will be deciding as part of the adoption process. The order below is chosen merely to allow staff to be excused as quickly as the topic is concluded.

Materials for the work session, if not already attached, will be distributed not later than Monday, June 11.

Investment Policies

Metro Code requires the Council to readopt the investment policies annually. The Investment Advisory Board has reviewed the existing policies and recommends a change prior to readoption.

Proposed Change: Consistent with ORS 294.035.3c, allow investment in high grade debt of municipalities in neighboring states of California, Washington and Idaho. State law and Metro's current policies already permit investment in high grade debt of Oregon municipalities. While the likelihood of these investments is low, the Investment Advisory Board determined that in this market environment we want to have all the available options that are permitted under law.

Metro's principals of safety and liquidity before yield remain unchanged.

The red-line policies are attached for reference. This action is taken by ordinance.

Staff: Calvin Smith, Investment Coordinator (x1612)

Contracts list

Metro Code 2.04.028 provides: Prior to adoption of the annual budget, the Chief Operating Officer shall provide the Council with a list of proposed contracts and proposed applications of Metro for grant funding greater than \$50,000 to be entered into or sought during the next fiscal year. Including this on the work session item memorializes its distribution.

No action is required unless Councilors have questions or objections.

Staff: Sarah Grover, Admin. Specialist for Financial Planning (x1616)

Financial Policies

Annually the Council reviews the financial policies prior to the adoption of the budget, and the policies are published as part of the budget document. The financial policies incorporate by reference the capital asset management policies. For efficiency, we will incorporate this in the CIP resolution.

No changes are proposed.

Staff: Margo Norton (x1934)

5-year Capital Improvement Plan

The 5-year Capital Improvement Plan is an important part of the budget, although only the first year of the plan is appropriated. MERC projects are now included in the CIP. The CIP is approved by resolution, and changes to the 5-year plan, even changes that do not require a current-year budget amendment, must be approved by the Council by subsequent resolution.

The five year total for this CIP is \$187 million. Two areas dominate the CIP, the Zoo Bond expenditures of \$88 million and the Natural Area Bond expenditures of \$54 million. A summary of the plan follows.

Center/Service	#	Prior Years	FY 2012-2013	FY 2013-2014	FY 2014-2015	FY 2015-2016	FY 2016-2017	5-Year Total	Pct	Grand Total
Finance	3	861,219	263,781	30,000	30,000	30,000	30,000	383,781	0.20%	1,245,000
Information Services	5	359,171	1,212,561	363,008	408,475	285,913	340,063	2,610,020	1.39%	2,969,191
Visitor Venues - MERC	45	300,679	2,379,383	3,670,000	4,975,000	4,020,000	3,710,000	18,754,383	10.02%	19,055,062
Visitor Venues - Oregon Zoo	22	4,925,981	21,319,074	26,427,776	19,097,596	14,727,585	11,258,778	92,830,809	49.58%	97,756,790
Parks and Environmental Services	33	2,425,201	7,204,229	3,506,091	2,758,284	1,454,014	1,795,651	16,718,269	8.93%	19,143,470
Research Center	2	931,192	91,200	59,500	59,000	113,000	57,000	379,700	0.20%	1,310,892
Sustainability Center	4	61,692,319	31,557,110	10,000,000	5,000,000	5,000,000	4,000,000	55,557,110	29.67%	117,249,429
Total Metro	114	71,495,762	64,027,338	44,056,375	32,328,355	25,630,512	21,191,492	187,234,072	100.00%	258,729,834

B. This resolution also provides for the annual review and re-adoption of Metro's financial policies,

The capital asset management policies (CAMP) are included in the financial policies. No changes are proposed at this time. A cross-departmental task group is reviewing the agency's renewal and replacement definitions and procedures and may suggest changes in the future.

Staff: Karen Feher, Capital Budget Coordinator (x1868)

Proposed Amendments for FY 2012-13

A packet with all proposed amendments will be available prior to the work session.

The Budget Officer is recommending a number of department amendments, the majority of which are technical amendments to carry forward projects or activities that will not be concluded by June 30.

The proposals include a limited number of substantive amendments, including a reduction to the property tax levy because of the favorable bond sale, and budget notes proposed by Councilor Burkholder.

All final amendments to the budget must fall within the limitations of Oregon Budget Law, which states that adjustments to expenditures after approval of the budget are limited to no more than 10 percent of any particular fund's expenditures.

At the work session we will review the proposed amendments. Council will determine its readiness to proceed with the amendments on June 14 and how they will be considered (*en bloc* or individually).

Staff: Kathy Rutkowski, Budget Coordinator (x1630)
Ann Wawrukiewicz, Budget Analyst (x1566)

CHAPTER 7.03

INVESTMENT POLICY**

SECTIONS	TITLE
7.03.010	Scope
7.03.020	General Objectives
7.03.030	Standards of Care
7.03.040	Safekeeping and Custody
7.03.050	Suitable and Authorized Investments
7.03.060	Investment Parameters
7.03.070	Reporting
7.03.080	Policy Adoption and Re-Adoption
7.03.090	List of Documents Used in Conjunction with this Policy

**Former Chapter 2.06 (readopted April 9, 1998; amended December 10, 1998; readopted April 15, 1999; readopted April 27, 2000; readopted December 11, 2001; readopted October 3, 2002; renumbered by Ordinance No. 02-976, Sec. 1; readopted June 12, 2003; amended and readopted April 7, 2005, by Ordinance No. 05-1075; readopted April 20, 2006; readopted June 21, 2007; amended and readopted June 26, 2008, by Ordinance No. 08-1190; amended and readopted June 25, 2009, by Ordinance No. 09-1216; amended and readopted June 17, 2010, by Ordinance No. 10-1243; readopted June 23, 2011, by Resolution No. 11-4272.)

7.03.010 Scope

These investment policies apply to all cash-related assets included within the scope of Metro's audited financial statements and held directly by Metro.

Funds held and invested by trustees or fiscal agents are excluded from these policies; however, such funds are subject to the regulations established by the state of Oregon.

Funds of Metro will be invested in compliance with the provisions of ORS 294.035 to 294.048; ORS 294.125 to 294.145; ORS 294.810; and other applicable statutes. Investments will be in accordance with these policies and written administrative procedures. Investment of any tax-exempt borrowing proceeds and of any debt service funds will comply with the 1986 Tax Reform Act provisions and any subsequent amendments thereto.

(Ordinance No. 90-365. Amended by Ordinance No. 97-684, Sec. 1; Ordinance No. 02-976, Sec. 1; Ordinance No. 05-1075; and Ordinance No. 09-1216, Sec. 1.)

7.03.020 General Objectives

Due to Metro's fiduciary responsibility, safety of capital and availability of funds to meet payment requirements are the overriding objectives of the investment program. Investment yield targets are secondary.

(a) Safety. Investments shall be undertaken in a manner that seeks to ensure the preservation of principal in the overall portfolio and security of funds and investments. The objective will be to mitigate credit risk and interest rate risk.

(1) Credit Risk. Metro will minimize credit risk, the risk of loss due to the financial failure of the security issuer or backer, by:

- Limiting exposure to poor credits and concentrating the investments in the safest types of securities.
- Pre-qualifying the financial institutions, broker/dealers, and advisers with which Metro will do business.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized. For securities not backed by the full faith and credit of the federal government, diversification is required in order that potential losses on individual securities would not exceed the income generated from the remainder of the portfolio.
- Actively monitoring the investment portfolio holdings for ratings changes, changing economic/market conditions, etc.

(2) Interest Rate Risk. Metro will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

- Investing operating funds primarily in shorter-term securities or short-term investment pools.

(b) Liquidity. The investment officer shall assure that funds are constantly available to meet immediate payment requirements, including payroll, accounts payable and debt service.

(c) Yield. The investment portfolio shall be designed with the objective of regularly exceeding the average return on 90-day U.S. Treasury Bills. The investment program shall seek to augment returns above this level, consistent with risk limitations described in this policy and prudent investment principles.

This policy shall not preclude the sale of securities prior to their maturity in order to improve the quality, net yield, or maturity characteristic of the portfolio.

(d) Legality. Funds will be deposited and invested in accordance with statutes, ordinances and policies governing Metro.

(Ordinance No. 87-228, Sec. 3. Amended by Ordinance No. 90-365; Ordinance No. 02-976, Sec. 1; Ordinance No. 05-1075.)

7.03.030 Standards of Care

(a) Prudence. The standard of prudence to be applied by the investment officer shall be the "prudent investor" rule: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The prudent investor rule shall be applied in the context of managing the overall portfolio.

(b) Delegation of Authority. The Chief Operating Officer is the investment officer of Metro. The authority for investing Metro funds is vested with the investment officer, who, in turn, designates the investment manager to manage the day-to-day operations of Metro's investment portfolio, place purchase orders and sell orders with dealers and financial institutions, and prepare reports as required.

(c) Investment Advisory Board (IAB). There shall be an investment advisory board composed of five (5) members.

- (1) Terms of Service. The term of service for citizens appointed to the IAB shall be three (3) calendar years. The term of appointment shall be staggered so that not more than two (2) members' terms expire in any calendar year.
- (2) Appointment. The investment officer shall recommend to the Council for confirmation the names of persons for appointment to the IAB.
- (3) Duties. The IAB shall meet quarterly. The IAB will serve as a forum for discussion and act in an advisory capacity for investment strategies, banking relationships, the legality and probity of investment activities and the establishment of written procedures for the investment operations.

(d) Quarterly Reports. At each quarterly meeting, a report reflecting the status of the portfolio will be submitted for review and comment by at least three (3) members of the IAB. Discussion and comment on the report will be noted in minutes of the meeting. If concurrence is not obtained, notification will be given to the investment officer, including comments by the IAB.

(e) Monitoring the Portfolio. The investment manager will routinely monitor the contents of the portfolio comparing the holdings to the markets, relative values of competing instruments, changes in credit quality, and benchmarks. If there are advantageous transactions, the portfolio may be adjusted accordingly.

(f) Indemnity Clause. Metro shall indemnify the investment officer, chief financial officer, investment manager, staff and the IAB members from personal liability for losses that might occur pursuant to administering this investment policy.

The investment officer, acting in accordance with written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported to the council as soon as practicable.

(g) Accounting Method. Metro shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies, including, but not necessarily limited to, the American Institute of Certified Public Accountants (AICPA); the Financial Accounting Standards Board (FASB); and the Government Accounting Standards Board (GASB).

(Ordinance No. 05-1075.)

7.03.040 Safekeeping and Custody

(a) Authorized Financial Dealers and Institutions. The investment officer shall maintain a listing of all authorized dealers and financial institutions that are approved for investment purposes. Financial institutions must have a branch in Oregon. Any firm is eligible to apply to provide investment services to Metro and will be added to the list if the selection criteria are met. Additions or deletions to the list will be made by the investment officer and reviewed by the IAB. At the request of the investment officer, the firms performing investment services for Metro shall provide their most recent financial statements or Consolidated Report of Condition (call report) for review. Further, there should be in place proof as to all the necessary credentials and licenses held by employees of the broker/dealers who will have contact with Metro, as specified by but not necessarily limited to the National Association of Securities Dealers (NASD), Securities and Exchange Commission (SEC), etc. At minimum, the investment officer and the IAB shall conduct an annual evaluation of each firm's qualifications to determine whether it should be on the authorized list.

Securities dealers not affiliated with a Qualified Financial Institution, as defined in ORS 294.035, will be required to have headquarters located in the states of Oregon, Washington or Idaho and, if not headquartered in the state of Oregon, to have an office located in Oregon. Notwithstanding the above, securities dealers who are classified as primary dealers with the New York Federal Reserve Bank are also eligible.

(b) Internal Controls. The investment officer shall maintain a system of written internal controls, which shall be reviewed annually by the IAB and the independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation or imprudent actions.

Metro's independent auditor at least annually shall audit investments according to generally accepted auditing standards and this ordinance.

(c) Delivery vs. Payment. All securities purchased pursuant to this investment policy will be delivered by either book entry or physical delivery to a third party for safekeeping by a bank designated as custodian. Purchase and sale of all securities will be on a payment versus delivery basis. Delivery versus payment will also be required for all repurchase transactions and with the collateral priced and limited in maturity in compliance with ORS 294.035(2)(j).

(d) Safekeeping. The trust department of the bank designated as custodian will be considered to be a third party for the purposes of safekeeping of securities purchased from that bank. The custodian shall issue a safekeeping receipt to Metro listing the specific instrument, rate, maturity and other pertinent information.

Notwithstanding the preceding, an exception to the delivery versus payment policy is made when purchasing State and Local Government Series Securities (SLGS) from the United States Treasury's Bureau of Public Debt to satisfy arbitrage yield restriction requirements of the Internal Revenue Code for tax-exempt bond issues.

(Ordinance No. 05-1075.)

7.03.050 Suitable and Authorized Investments

(Definitions of terms and applicable authorizing statutes are listed in the "Summary of Investments Available to Municipalities" provided by the State Treasurer.)

(a) Investment Types. The following investments are permitted by this policy and ORS 294.035 and 294.810.

- (1) U.S. Treasury Bills, Notes, Bonds, Strips (Separate Trading of Registered Interest and Principal of Securities) and/or State and Local Government Series Securities (SLGS)
- (2) Securities of U.S. Government Agencies and U.S. Government Sponsored Enterprises
- (3) Certificates of Deposit (CD) from commercial banks in Oregon and insured by the Federal Deposit Insurance Corporation (FDIC)
- (4) Repurchase Agreements (Repo's)

- (5) Banker's Acceptances (BA)
- (6) Commercial Paper (CP) issued by a financial institution, commercial, industrial or utility business enterprise
- (7) State of Oregon and Local Government Securities with A ratings or better; also debt obligations of the States of California, Idaho and Washington and their political subdivisions with a long-term rating of AA or better or the highest category for short term municipal debt.
- (8) State of Oregon Investment Pool
- (9) Market Interest Accounts and Checking Accounts

(b) Collateralization. Deposit-type securities (i.e., Certificates of Deposit) and all bank deposits for any amount exceeding FDIC coverage shall be collateralized through the Public Funds Collateralization Program as required by ORS Chapter 295. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable.

(Ordinance No. 05-1075. Amended by Ordinance No. 09-1216, Sec. 1.)

7.03.060 Investment Parameters

(a) Diversification by Maturity. Only investments which can be held to maturity shall be purchased. Investments shall not be planned or made predicated upon selling the security prior to maturity. This restriction does not prohibit the use of repurchase agreements under ORS 294.135(2).

Maturity limitations shall depend upon whether the funds being invested are considered short-term or long-term funds. All funds shall be considered short-term, except those reserved for capital projects (e.g., bond sale proceeds).

(1) Short-Term Funds.

- (A) Investment maturities for operating funds and bond reserves shall be scheduled to meet projected cash flow needs. Funds considered short-term will be invested to coincide with projected cash needs or with the following serial maturity:

25% minimum to mature under three months
75% minimum to mature under 18 months
100% minimum to mature under five years

- (B) Investments may not exceed five (5) years. Investment maturities beyond 18 months may be made when supported by cash flow projections which reasonably demonstrate that liquidity requirement will be met. Maturities beyond 18 months will be limited to direct U.S. Treasury obligations.

(2) Long-Term Funds.

- (A) Maturity scheduling shall be timed according to anticipated need. ORS 294.135 permits investment beyond 18 months for any bond proceeds or funds accumulated for any purpose that the district is permitted by state law to accumulate and hold funds for a period exceeding one (1) year. The maturities should be made to coincide as nearly as practicable with the expected use of the funds.
- (B) Investment of capital project funds shall be timed to meet projected contractor payments. The drawdown schedule used to guide the investment of the funds shall evidence the approval of the investment officer and review of the Chief Financial Officer.

(b) Diversification by Investment. The investment officer will diversify the portfolio to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities.

The maximum percentages of the portfolio and the maximum maturities for investments are as follows:

Security	Maximum Percent of Portfolio	Maximum Maturity
U.S. Treasury Bills, Notes, Bonds, Strips and/or State and Local Government Series (SLGS)	100%	
Securities of U.S. Government Agencies and U.S. Government Sponsored Enterprises	100%	
Certificates of Deposit (CD) Commercial Banks in Oregon Insured by FDIC	100%	
Repurchase Agreements (Repo's)	50%	90-day maturity
Banker's Acceptances (BA)	25%	
Commercial Paper (CP) - Issued by a financial institution, commercial, industrial, or utility business enterprise. For a corporation headquartered in Oregon For a corporation headquartered outside of Oregon	35%	A-1 and P-1 only, 90-day maturity; A-2 and P-2, A-1/P-2, or A-2/P1, 60-day maturity A-1 and P-1 only; 90-day maturity
State of Oregon and Local Government Securities with A ratings or better; <u>also States of California, Idaho and Washington and political subdivisions with a long term AA or better and short-term in the highest category for short term debt.</u>	25%	
State of Oregon Investment Pool	100%	

Security	Maximum Percent of Portfolio	Maximum Maturity
Market Interest Accounts and Checking Accounts	Minimum necessary for daily cash management efficiency	

(c) Diversification by Financial Institution.

- (1) Qualified Institutions. The investment officer shall maintain a listing of financial institutions and securities dealers recommended by the IAB. Any financial institution and/or securities dealer is eligible to make an application to the investment officer and upon due consideration and approval hold available funds.

A listing of the eligible institutions shall be held by the investment officer and provided any fiduciary agent or trustee.

- (2) Diversification Requirements. The combination of investments in Certificates of Deposit and Banker's Acceptances invested with any one institution shall not exceed 25 percent of the total available funds or 15 percent of the equity of the institution.

The following limitations avoid over-concentration in securities from a specific issuer or business sector:

Type of Security	Limitation
U.S. Government Treasuries	No limitations
U.S. Government Agencies	Securities of U.S. Government Agencies and U.S. Government Sponsored Enterprises as defined under ORS 294.035 and/or 294.040. No more than 40 percent of the portfolio in any one agency.
Certificates of Deposit - Commercial Banks	No more than the lesser of 25 percent of the total available funds or 15 percent of the equity of the financial institution may be invested with any one institution.
Repurchase Agreements	May be purchased from any qualified institution provided the master repurchase agreement is effective and the safekeeping requirements are met.

Type of Security	Limitation
	<p>All repurchase agreements will be fully collateralized by general obligations of the U.S. Government, the agencies and instrumentalities of the United States or enterprises sponsored by the United States government, marked to market.</p> <p>The investment officer shall not enter into any reverse repurchase agreements.</p>
Banker's Acceptances	<p>Must be guaranteed by, and carried on the books of, a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.</p> <p>Qualified institution means: A financial institution that is located and licensed to do banking business in the state of Oregon; or A financial institution located in the states of California, Idaho, or Washington that is wholly owned by a bank holding company that owns a financial institution that is located and licensed to do banking business in the state of Oregon.</p> <p>No more than the lesser of 25 percent of the total available funds or 15 percent of the equity of the financial institution may be invested with any one institution.</p>
Commercial Paper	No more than 5 percent of the total portfolio with any one corporate entity.
State and Local Government Securities; <u>also California, Idaho and Washington</u>	No more than 15 percent of the total portfolio in any one local entity.
State of Oregon Investment Pool	Not to exceed the maximum amount established in accordance with ORS 294.810, with the exception of pass-through funds (in and out within 10 days).

(d) Total Prohibitions. The investment officer may not make a commitment to invest funds or sell securities more than 14 business days prior to the anticipated date of settlement of the purchase or sale transaction and may not agree to invest funds or sell securities for a fee other than interest. Purchase of standby or forward commitments of any sort are specifically prohibited.

(e) Adherence to Investment Diversification. Diversification requirements must be met on the day an investment transaction is executed. If due to unanticipated cash needs, investment maturities or marking the portfolio to market, the investment in any security type, financial issuer or maturity spectrum later exceeds the limitations in the policy, the investment officer is responsible for bringing the investment portfolio back into compliance as soon as is practical.

(f) Competitive Selection of Investment Instruments. Before the investment officer invests any surplus funds, a competitive offering solicitation shall be conducted orally, or alternatively through an electronic competitive bidding platform that compares several offers of the same security class like commercial paper, new issue GSE's and treasury issues. Offerings will be requested from financial institutions for various options with regards to term and instrument. The investment officer will accept the offering, which provides the highest rate of return within the maturity required and within the prudent investor rule. Records will be kept of offerings and the basis for making the investment decision.

(Ordinance No. 05-1075. Amended by Ordinance No. 08-1190.)

7.03.070 Reporting

(a) Methods. A transaction report shall be prepared by the investment manager not later than one business day after the transaction, unless a trustee, operating under a trust agreement, has executed the transaction. The trustee agreement shall provide for a report of transactions to be submitted by the trustee on a monthly basis.

Quarterly reports shall be prepared for each regular meeting of the IAB to present historical information for the past 12-month period. Copies shall be provided to the Chief Operating Officer and the Metro Council.

(b) Performance Standards. The overall performance of Metro's investment program is evaluated quarterly by the IAB using the objectives outlined in this policy. The quarterly report which confirms adherence to this policy shall be provided to the Metro Council as soon as practicable.

The performance of Metro's portfolio shall be measured by comparing the average yield of the portfolio at month-end against the performance of the 90-day U.S. Treasury Bill issue maturing closest to 90 days from month-end and the Local Government Investment Pool's monthly average yield.

(Ordinance No. 05-1075.)

7.03.080 Policy Adoption and Re-adoption

(a) The investment policy must be reviewed by the IAB and the Oregon Short-Term Fund Board prior to adoption by the Metro Council. Adoption of this policy supersedes any other previous Council action or policy regarding Metro's investment management practices.

(b) This policy shall be subject to review and re-adoption annually by the Metro Council in accordance with ORS 294.135.

(Ordinance No. 05-1075.)

7.03.090 List of Documents Used in Conjunction with this Policy

The following documents are used in conjunction with this policy and are available from the investment manager upon request:

- List of Authorized Brokers and Dealers
- List of Primary Dealers
- Calendar of Federal Reserve System Holidays
- Calendar of Local Government Investment Pool Holidays
- Broker/Dealer Request for Information
- Oregon State Treasury's Summary of Liquid Investments Available to Local Governments for Short-Term Fund Investment
- Oregon State Treasury's U.S. Government and Agency Securities for Local Government Investment Under ORS 294.035 and 294.040
- Oregon State Treasury's List of Qualified Depositories for Public Funds
- Attorney General's letter of advice: Certificates of Deposit, ORS 294.035 and ORS 295
- Oregon Revised Statute Chapter 294 - County and Municipal Financial Administration
- Oregon Revised Statute Chapter 295 - Depositories of Public Funds and Securities
- Government Finance Officers Association Glossary of Cash Management Terms

(Ordinance No. 05-1075.)

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2012-13 Amount
COMMUNICATIONS						
NEW	TBD various	web design and development services	PS	08/01/12 06/30/14	500,000	200,000
NEW	TBD various	sign design production and fabrication	PS	10/01/12 09/30/14	500,000	200,000
NEW	TBD various	strategy, research and facilitation services	PS	10/01/12 09/30/14	500,000	150,000
FINANCE AND REGULATORY SERVICES - Financial Services						
New	US Bank	Banking Services	PS	12/01/12 - 11/30/17	200,000	40,000
New	TBD	ERP Scoping Review	PS	07/01/12 - 09/30/12	80,000	80,000
FINANCE AND REGULATORY SERVICES - General						
New	Lloyd TMA	MRC Trimet Passes	IGA	08/01/12 - 07/31/13	1,200,000	120,000
New	Lloyd TMA	Non-MERC Trimet Passes	IGA	08/01/12 - 07/31/13	60,000	60,000
FINANCE AND REGULATORY SERVICES - Solid Waste Compliance and Cleanup						
929804	Multnomah County	Investigative Services - One year extension	IGA	07/01/12 - 06/30/13	112,807	112,807
929803	Multnomah County	Inmate Work Crews Cleanup - One year extension	IGA	07/01/12 - 06/30/13	207,477	207,477
929805	City of Tigard	Tigard Officer Illegal Dumping - One year extension	IGA	07/01/12 - 06/30/13	239,716	239,716
HUMAN RESOURCES						
930850	Beecher Carlson Insurance Agency LLC	Healthcare consultant		07/01/12 - 06/30/14	80,000	unknown

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2012-13 Amount
METROPOLITAN EXPOSITION RECREATION CENTER - Expo Center						
New	TBD	Parking Lot Asphalt Maintenance and/or Removal/Replacement - UP4 South / UP3	PUB	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Portable Bleacher Replacement	G&S	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Sweeper Scrubber Combination	G&S	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Roof Repair - Hall AB Storage, Hall C Aluminum Barrel Roof and Hall D Front and Back	PUB	07/01/12 - 06/30/13	180,000	180,000
New	TBD	Structural Engineer Report	PS	07/01/12 - 06/30/13	75,000	75,000
New	TBD	Marketing and Communication Plan	PS	07/01/12 - 06/30/13	100,000	100,000
METROPOLITAN EXPOSITION RECREATION CENTER - Oregon Convention Center						
New	TBD	ECMS- Energy Conservation Measures (ETO back 60k)	PUB	07/01/12 - 06/30/13	150,000	150,000
New	TBD	Show Network Capacity Upgrade - 6 Arrays/GB Switcher Upgrade	PUB	07/01/12 - 06/30/13	80,000	80,000
New	TBD	Rest Room Handicap Door Operators	PUB	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Riding Sweeper/Scrubber	G&S	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Original Roof Replacement (add Parapet Wall Cap to Project) Part 1	PS	07/01/12 - 06/30/13	100,000	100,000
New	TBD	CCTV Replacement	PUB	07/01/12 - 06/30/13	275,000	275,000
New	TBD	Replacement Chrome Entry Doors on Original Side of Venue	PUB	07/01/12 - 06/30/13	125,000	125,000
New	TBD	Lighting Project (Exhibit Halls 190k/Meeting Space 300k (ETO back 160k)	PUB	07/01/12 - 06/30/13	500,000	500,000
New	TBD	Electrical Sub Metering	PUB	07/01/12 - 06/30/13	191,383	191,383
New	TBD	Concession Upgrades	PUB	07/01/12 - 06/30/13	175,000	175,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2012-13 Amount
METROPOLITAN EXPOSITION RECREATION CENTER - Oregon Convention Center, <i>continued</i>						
New	TBD	Walk in Cooler Refrigeration Project	PUB	07/01/12 - 06/30/13	250,000	250,000
New	TBD	LEED Certification	PS	07/01/12 - 06/30/13	75,000	75,000
New	TBD	Room Block Project: Services - Communications	PS	07/01/12 - 06/30/13	75,000	75,000
New	TBD	Room Block Project: Services - Financial	PS	07/01/12 - 06/30/13	75,000	75,000
New	TBD	Room Block Project: Services - Legal OHS	PS	07/01/12 - 06/30/13	72,667	72,667
New	TBD	Room Block Project: Services - Management/Consulting	PS	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Room Block Project: Services - Marketing	PS	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Room Block Project: Services - Project Management	PS	07/01/12 - 06/30/13	50,000	50,000
New	TBD	AV Rentals multiple vendors	PUB	07/01/12 - 06/30/13	235,000	235,000
Extension	ThyssenKrupp	Elevator/Escalator Service Contract	PUB	07/01/09 - 06/30/13	675,000	175,000
Extension	ProGrass Landscape	OCC Landscaping	PUB	07/01/12 - 02/28/14	133,000	33,000
Extension	Performance Systems Integration Corp	Alarm Testing	PUB	12/01/10 - 12/31/14	83,011	21,211
Extension	White Glove Building Maintenance	Window Washing	PUB	07/08/09 - 06/30/13	76,000	26,000
Extension	Travel Portland	National Marketing	PS	10/01/05 - 06/30/14	29,257,731	2,700,046
METROPOLITAN EXPOSITION RECREATION CENTER - Portland Center for Performing Arts						
New	TBD	Newmark Theatre Rolling Fire Doors (3)	PUB	07/01/12 - 06/30/13	75,000	75,000
New	TBD	AHH - Exterior Insulation Finish System	PUB	07/01/12 - 06/30/13	100,000	100,000
New	TBD	AHH -Cooling Tower & Associated Piping	PUB	07/01/12 - 06/30/13	150,000	150,000
New	TBD	Keller - Carpet Replacement - Stairwells	PUB	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Keller - Soft goods-legs, borders, misc	G&S	07/01/12 - 06/30/13	50,000	50,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2012-13 Amount
METROPOLITAN EXPOSITION RECREATION CENTER - Multi Venue						
New	TBD	Freewire - Internet services	PUB	01/23/13 - 01/23/16	70,000	23,333
New	TBD	Integra Telcom	PUB	04/01/13 - 04/30/16	97,980	32,660
New	TBD	Economic Impact Study	PS	07/01/12 - 04/30/16	50,000	20,000
New	TBD	Courier Service	PUB	07/01/12 - 04/30/16	66,000	22,000
New	City Center	Parking Labor OCC & EXPO	PUB	07/01/12 - 04/30/16	656,630	253,002
New	TBD	Refuse Removal	PUB	07/01/12 - 04/30/16	270,000	90,000
METROPOLITAN EXPOSITION RECREATION CENTER - Administration						
New	TBD	Information Services	G&S	07/01/12 - 06/30/13	200,000	200,000
OREGON ZOO- Bond						
New	To be determined	Elephant Offsite Exhibit Design	PS	07/01/12 - 06/30/14	1,000,000	500,000
New	To be determined	Archeological Services	PS	07/01/12 - 06/30/14	50,000	25,000
New	To be determined	Condor Exhibit General Contractor	PUB	11/01/12 - 11/30/13	1,800,000	1,500,000
New	To be determined, multiple	On-Call Geotechnical Services	PS	07/01/12 - 06/30/14	500,000	250,000
New	To be determined, multiple	On-Call Arborist Services	PUB	07/01/12 - 06/30/15	150,000	50,000
New	To be determined, multiple	On-Call Abatement Services	PS	07/01/12 - 06/30/14	100,000	50,000
New	To be determined, multiple	Design Services	PS	07/01/12 - 06/30/14	1,500,000	500,000
New	To be determined, multiple	On-Call Inspection Services	PS	07/01/12 - 06/30/14	150,000	100,000
New	To be determined, multiple	On-Call Utility Locating Services	PUB	07/01/12 - 06/30/15	50,000	30,000
New	To be determined	Artist	PS	07/01/12 - 06/30/15	350,000	250,000
New	To be determined	Commissioning Agent	PS	07/01/12 - 06/30/15	80,000	40,000
OREGON ZOO- Living Collections						
New	To be determined - multiple	Animal feed for herbivore, omnivore, waterfowl, polar bear	G&S	07/01/12 - 06/30/15	240,000	80,000
New	To be determined, multiple	Feeder Animals	G&S	07/01/12 - 06/30/15	300,000	100,000
New	To be determined, multiple	Feeder Insects	G&S	07/01/12 - 06/30/15	90,000	30,000
New	To be determined	Hay for animals	G&S	07/01/12 - 06/30/15	225,000	75,000
New	To be determined	Animal Bedding	G&S	08/01/12 - 07/31/15	225,000	75,000
New	To be determined, multiple	Laboratory Services	PS	07/01/12 - 06/30/15	90,000	30,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2012-13 Amount
OREGON ZOO- Facilities and Horticulture						
New	To be determined - multiple	Telecommunications services	PUB	07/01/12 - 06/30/15	150,000	50,000
New	To be determined	Electrical Controls Services	PUB	07/01/12 - 06/30/15	250,000	75,000
New	To be determined - multiple	Aviary Exhibit Renovation Projects	PUB	08/01/12 - 06/30/13	750,000	750,000
New	To be determined - multiple	Salt Supply for pools	G&S	07/01/12 - 07/31/15	90,000	30,000
New	To be determined - multiple	Roof replacements/ repairs, various	PUB	07/01/12 - 06/30/13	400,000	400,000
New	To be determined, multiple	Rockwork as needed	PUB	09/01/12 - 12/31/15	150,000	50,000
New	To be determined	Misc Pool Coatings	PUB	09/01/12 - 09/30/15	150,000	50,000
New	To be determined	Vehicle Batteries	G&S	07/01/12 - 06/30/15	150,000	50,000
New	To be determined, multiple	Electrical Repairs as needed	PUB	07/01/12 - 06/30/15	100,000	30,000
New	To be determined, multiple	Miscellaneous caging and fencing services	PUB	07/01/12 - 06/30/15	250,000	90,000
New	To be determined - multiple	Miscellaneous painting	PUB	08/01/12 - 06/30/15	200,000	50,000
New	To be determined, multiple	Miscellaneous HVAC services	PUB	07/01/12 - 06/30/15	75,000	25,000
New	To be determined, multiple	Miscellaneous concrete repairs	PUB	07/01/12 - 06/30/15	100,000	25,000
New	To be determined	HVAC replacement	PUB	07/01/12 - 06/30/13	150,000	150,000
New	To be determined	Turf Renovation	PUB	06/01/13 - 05/31/16	100,000	25,000
New	To be determined - multiple	Paving and seal coating services	PUB	07/01/12 - 06/30/15	150,000	50,000
New	To be determined - multiple	Glass services	PUB	08/01/12 - 08/30/15	75,000	25,000
OREGON ZOO- Marketing						
New	To be determined - multiple	Classified and Display Advertising	PS	07/01/12 - 06/30/15	1,500,000	300,000
New	To be determined	Market Research	PS	07/01/12 - 06/30/15	120,000	40,000
New	To be determined - multiple	Marketing and Communication Agency	PS	07/01/12 - 06/30/15	100,000	50,000
New	To be determined	Website Web Design	PS	08/01/12 - 07/31/13	50,000	50,000
New	To be determined	Interpretive and Exhibit Fabrication	PUB	08/01/12 - 07/31/15	200,000	50,000
New	To be determined	Entertainment Agency	PS	08/01/12 - 07/31/15	150,000	50,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2012-13 Amount
OREGON ZOO- Education						
New	To be determined	Online event registration	PS	07/01/12 - 06/30/13	60,000	60,000
OREGON ZOO- Guest services						
New	To be determined	Provide food service pizza	G&S	07/01/12 - 06/30/15	150,000	50,000
New	To be determined - multiple	Specialty desserts for resale	G&S	08/01/12 - 07/31/15	75,000	25,000
New	To be determined - multiple	Provide specialty meats	G&S	07/01/12 - 06/30/15	525,000	175,000
New	To be determined - multiple	Provide catering foods	G&S	07/01/12 - 06/30/15	240,000	80,000
New	To be determined - multiple	Equipment rental	PUB	07/01/12 - 06/30/15	90,000	30,000
New	To be determined - multiple	Restaurant supplies	G&S	07/01/12 - 06/30/15	135,000	45,000
New	To be determined - multiple	Supply custom printed food service paper items	G&S	07/01/12 - 06/30/15	300,000	100,000
New	To be determined	Assorted contracts to supply merchandise for resale for food service	G&S	07/01/12 - 06/30/15	300,000	100,000
New	To be determined - multiple	Temporary Lease Exhibits	PUB	07/01/12 - 06/30/15	1,500,000	500,000
New	To be determined - multiple	Provide zoo uniforms	G&S	07/01/12 - 06/30/15	300,000	100,000
New	To be determined	Event Light Setup	PUB	09/01/12 - 08/31/15	450,000	150,000
New	To be determined - multiple	Beer and Wine for concerts	G&S	01/01/12 - 12/31/14	750,000	250,000
New	To be determined	Acrylic & glass polishing	PUB	07/01/12 - 06/30/15	100,000	25,000
New	To be determined	Custodial Supplies	G&S	08/01/12 - 07/31/15	450,000	150,000
New	To be determined - multiple	Beverage Supply	PUB	01/01/13 - 12/31/18	750,000	250,000
New	To be determined - multiple	Ice Cream for resale	PUB	07/01/12 - 06/30/15	120,000	40,000
New	To be determined	Food for resale unit	G&S	08/01/12 - 07/31/13	60,000	60,000
New	To be determined	Tableware Supplies	G&S	10/01/12 - 09/30/15	150,000	50,000
New	To be determined	Hood/Vent Cleaning	PUB	12/01/12 - 11/30/15	60,000	20,000
New	To be determined - multiple	Seafood for resale	G&S	01/01/13 - 12/31/15	150,000	50,000
New	To be determined - multiple	Vending Concessions	G&S	04/01/13 - 03/31/16	90,000	30,000
New	To be determined - multiple	Equipment Repair	PUB	07/01/12 - 06/30/15	75,000	25,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2012-13 Amount
OREGON ZOO- Guest services, <i>continued</i>						
New	To be determined - multiple	Purchase Restaurant Furniture and Equipment	G&S	07/01/12 - 06/30/13	100,000	100,000
Potential	Washington Dept. of Fish and Wildlife	Taylor's Checkerspot Butterflies - Amendment	GRANT	07/31/13 - 07/31/14	50,000	50,000
Potential	Oregon State University	Education - Synergies SYSTEMS Project	GRANT	03/13/13 - 06/30/15	99,533	33,000
PARKS AND ENVIRONMENTAL SERVICES						
New	TBD	SW Roadmap Projects 1&2	PS	07/01/12 - 06/30/13	250,000	250,000
New	TBD	Health & Safety Technical Services	PS	07/01/12 - 06/30/13	55,000	55,000
New	TBD	Long Term Disposal System Planning	PS	07/01/12 - 06/30/13	125,000	125,000
New	TBD	Wastewater disposal	PUB	10/01/12 - 09/30/13	70,000	52,000
New	Mt. Hood Community College	College internship program	IGA	07/01/12 - 06/30/13	56,076	56,076
New	DePaul Industries	Latex paint processing support	PS	07/01/12 - 06/30/13	424,750	424,750
New	TBD	Supply Absorbent, towels, etc.	PROC	09/21/12 - 09/20/14	100,000	37,500
New	TBD	Wastewater disposal	PUB	10/01/12 - 09/30/13	92,500	69,375
New	TBD	Supply one gallon cans	PROC	12/15/12 - 12/14/14	98,700	24,675
New	TBD	Recycling of mercury-containing lamps	PUB	01/01/13 - 12/31/14	100,000	50,000
New	TBD	Personal Protective Equipment	PROC	01/13/13 - 12/31/14	220,000	55,000
New	TBD	Supply dry film preservative	PROC	01/15/13 - 01/14/14	50,000	25,000
New	TBD	Personal Protective Equipment	PROC	02/15/13 - 02/14/15	175,000	28,875
PARKS AND ENVIRONMENTAL SERVICES - Solid Waste Operations: General account						
New	TBD	Metro South - Maint. Bld. Roll-up Door	PUB	07/01/12 - 06/30/13	70,000	70,000
New	TBD	Metro Central HHW - Extend Canopy	PUB	07/01/12 - 06/30/13	75,000	75,000
New	TBD	Metro Central Rainwater Reuse	PUB	07/01/12 - 06/30/13	65,000	65,000
New	TBD	Metro Central Organics/Food Handling Area Improvements	PUB	07/01/12 - 06/30/13	250,000	250,000
New	TBD	Metro Central Storm Water Improvements	PUB	07/01/12 - 06/30/13	150,000	150,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2012-13 Amount
PARKS AND ENVIRONMENTAL SERVICES - Solid Waste Operations: General account, <i>continued</i>						
New	TBD	Metro South HHW - Extend Canopy	PUB	07/01/12 - 06/30/13	85,000	85,000
New	TBD	Metro South - Truck Entrance/Exit	PUB	07/01/12 - 06/30/13	100,000	100,000
New	TBD	St. Johns Landfill-Gas to Energy Conversion	PUB	07/01/12 - 06/30/13	1,150,000	1,150,000
PARKS AND ENVIRONMENTAL SERVICES - Solid Waste Operations: Closure account						
New	TBD	Landfill Remediation	PUB	07/01/12 - 06/30/13	1,000,000	1,000,000
New	TBD	St Johns Landfill Feasibility Study	PUB	07/01/12 - 06/30/13	100,000	100,000
New	TBD	Misc. Technical Services	PS	07/01/12 - 06/30/13	80,000	80,000
PARKS AND ENVIRONMENTAL SERVICES - Solid Waste Operations: Renewal and replacement account						
New	TBD	Metro South - Front Entry Roof	PUB	07/01/12 - 06/30/13	120,000	120,000
New	TBD	Metro South - Control Roof Green	PUB	07/01/12 - 06/30/13	150,000	150,000
New	TBD	Metro Central - Signage	PUB	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Metro South - Asphalt Rehabilitation	PUB	07/01/12 - 06/30/13	75,000	75,000
New	TBD	Metro South - Irrigation System	PUB	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Replace - Ticket automation boxes at Transfer Stations	PUB	07/01/12 - 06/30/13	52,000	52,000
New	TBD	Metro South - Phone System Replacement	PUB	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Metro South - Signage	PUB	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Metro South - Replace lighting over pit	PUB	07/01/12 - 06/30/13	55,000	55,000
New	TBD	Metro South - Camera Replacement	PUB	07/01/12 - 06/30/13	75,000	75,000
New	TBD	Metro Central - Phone System Replacement	PUB	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Unanticipated extraordinary repair/replacement of capital assets	PUB	07/01/12 - 06/30/13	100,000	100,000
New	TBD	Metro South - Ventilation System Bay 1 and 2	PUB	07/01/12 - 06/30/13	110,000	110,000
New	TBD	Metro South - Roof Replacement	PUB	07/01/12 - 06/30/13	335,000	335,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2012-13 Amount
PARKS AND ENVIRONMENTAL SERVICES - Solid Waste Operations: Renewal and replacement account, <i>continued</i>						
New	TBD	Metro Central - Replace Slow Speed Shredder	PUB	07/01/12 - 06/30/13	600,000	600,000
New	TBD	Metro Central - Replace Metal Wall System	PUB	07/01/12 - 06/30/13	170,000	170,000
PARKS AND ENVIRONMENTAL SERVICES - Property Stewardship: Parks - Operating Account						
New	TBD	Oxbow Park - Remediation Study	PUB	07/01/12 - 06/30/13	100,000	100,000
PARKS AND ENVIRONMENTAL SERVICES - Property Stewardship: Parks - Renewal & Replacement						
New	TBD	Fleet PES	PUB	07/01/12 - 06/30/13	265,331	265,331
New	TBD	Blue Lake Park - Signage	PUB	07/01/12 - 06/30/13	86,595	86,595
New	TBD	Blue Lake Wetland Pathway Trail	PUB	07/01/12 - 06/30/13	195,595	195,595
New	TBD	Gleason - Asphalt Parking Lot	PUB	07/01/12 - 06/30/13	1,285,900	1,285,900
New	TBD, multiple	Chinook Landing - Transient Floats, Gangway, Piles	PUB	07/01/12 - 06/30/13	84,897	84,897
New	TBD, multiple	Front Plaza Planter project	PUB	07/01/12 - 06/30/13	65,000	65,000
PARKS AND ENVIRONMENTAL SERVICES - Property Stewardship: Parks - Parks Capital Accounts						
New	TBD	Pioneer Cemetery - Capital Outlay to Install Cremation Merchandise	PUB	07/01/12 - 06/30/13	50,000	50,000
New	TBD	Canemah Bluff - Project Improvements	PUB	07/01/12 - 06/30/13	119,350	119,350
New	TBD	Glendoveer Golf Course - Capital Improvements	PUB	07/01/12 - 06/30/13	331,000	331,000
New	TBD	Oxbow Park - Capital Improvements	PUB	07/01/12 - 06/30/13	363,600	363,600
PLANNING & DEVELOPMENT - Administration						
New	ODOT, PL/STP/Support	General Planning funds for transportation projects	IGA, REV	07/01/12 - 06/30/13	4,416,425	4,416,425
New	ODOT, Sec. 5303	General Planning funds for transportation projects	IGA, REV	07/01/12 - 06/30/13	647,110	647,110
New	TriMet	General Planning funds for transportation projects	IGA, REV	07/01/12 - 06/30/13	225,000	225,000

Contract number	Vendor	Description	Type	Duration		Contract Total	FY 2012-13 Amount
PLANNING & DEVELOPMENT - Regional Transportation Planning							
New	To be determined	Production and Printing of Best Practices Manual	PS/IGA	07/01/12	06/30/13	105,000	105,000
931210	FTA	CMAQ Funding for RTO Program	GRANT, REV	07/01/12	09/30/14	3,257,619	1,000,000
New	To be determined	RTO Contracted Professional Services	PS	07/01/12 - 06/30/13		250,000	250,000
New	To be determined	Various Contracts for Individualized Marketing Project	PS/IGA	07/01/12 - 06/30/13		104,000	104,000
New	To be determined	Various Grants to Transportation Management Associations	PS/IGA	07/01/12 - 06/30/13		240,000	240,000
New	To be determined	Contracts/Grants to carry out Regional Travel Options strategic plan goals	PS/IGA, GRANT, EXP	07/01/12 - 06/30/13		803,300	803,300
PLANNING & DEVELOPMENT - Land Use Planning							
New	To be determined	Various Agreements Focused on 2040 Implementation and Technical Assistance in Local Jurisdictions	PS/IGA	07/01/12 - 06/30/13		60,000	60,000
New	To be determined	Construction Excise Tax Grant Awards	GRANT, EXP	07/01/12 - 06/30/13		3,500,000	1,750,000
PLANNING & DEVELOPMENT - Corridor Development							
New	To be determined	Various Consultant Contracts for Southwest Corridor Refinement Plan - Analysis & Design	PS	07/01/12 - 06/30/13		1,391,275	1,391,275
New	To be determined	Various IGAs for Regional Partners Assistance with Southwest Corridor Refinement Plan	IGA	07/01/12 - 06/30/13		200,000	200,000
PLANNING & DEVELOPMENT - Development Center							
New	To be determined	Various TOD Program Purchases	PS/IGA	07/01/12 - 06/30/13		4,100,000	4,100,000
New	To be determined	Various Consultant Contracts for TOD Policy Development and Purchases	PS	07/01/12 - 06/30/13		265,000	265,000
New	To be determined	Various Contracts for Centers/Corridors Development Opportunities	PS/IGA	07/01/12 - 06/30/13		200,000	200,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2012-13 Amount
RESEARCH CENTER - Data Resource Center						
New	USGS	Research & Data Collection (Aerial Photo Purchase)	GRANT	07/01/12 - 09/30/12	50,000	50,000
New	To be determined	Aerial Photo Services	PS	02/01/13 - 06/30/14	230,000	230,000
SUSTAINABILITY CENTER - Land Conservation: Science and Stewardship - Operating Account						
New	TBD	Vegetation Management	PUB	TBD - TBD	536,781	536,781
SUSTAINABILITY CENTER - Land Conservation: Natural Areas Fund						
New	TBD	Nature in Neighborhoods Capital Grants	PS/IGA	TBD - TBD	2,150,000	2,150,000
New	TBD	Local Share	IGA	TBD - TBD	10,000,000	10,000,000
SUSTAINABILITY CENTER - Natural Areas Management						
New	TBD	Vegetation Management	PUB	TBD - TBD	187,745	187,745
SUSTAINABILITY CENTER - Parks Planning: Operating Account						
New	TBD	Parks Planning: Chehalem	PS	07/01/12 - 06/30/13	60,000	60,000
New	TBD	Trails Planning: Tualatin River Water Trial	PS	07/01/12 - 06/30/13	50,650	50,650
SUSTAINABILITY CENTER - Resource Conservation and Recycling: Operating Account						
New	City of Portland	Regional Green Development Resource Center	IGA	07/01/12 - 06/30/13	85,000	85,000
New	Oregon DEQ	DEQ Materials Management Research	IGA	07/01/12 - 06/30/13	90,000	90,000
New	TBD: Local Governments	Food Waste Recovery System Development	IGA	07/01/12 - 06/30/13	100,000	100,000
New	Oregon DEQ	DEQ Research for Priority Products	IGA	07/01/12 - 06/30/13	100,000	100,000
New	Multiple local governments	Recycle at Work Technical Assistance	IGA	07/01/12 - 06/30/13	642,000	642,000
New	Multiple local governments	Local Government Waste Reduction Program Implementation	IGA	07/01/12 - 06/30/13	770,000	770,000
New	TBD	Business: Outreach	PS	07/01/12 - 06/30/13	100,000	100,000
New	TBD-- multiple	Built Environment Education Program	PS	07/01/12 - 06/30/13	130,000	130,000
New	TBD - Multiple	Measurement: RCR Goals 1 & 3	PS	07/01/12 - 06/30/13	150,000	150,000
New	Multiple local governments	Multifamily: Direct Education & Outreach	IGA	07/01/12 - 06/30/13	80,000	80,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2012-13 Amount
SUSTAINABILITY CENTER - Resource Conservation and Recycling: Operating Account, <i>continued</i>						
New	TBD - Multiple	Natural Gardening: Content for Web & Other Media	PS	07/01/12 - 06/30/13	53,000	53,000
New	OSU	Natural Gardening Education	IGA	07/01/12 - 06/30/13	78,000	78,000
New	TBD - Multiple	RSWMP: Alternative Program Analysis	PS	07/01/12 - 06/30/13	50,000	50,000
SUSTAINABILITY CENTER - Resource Conservation and Recycling: Rehabilitation and Enhancement						
New	TBD-- multiple	Enhancement Grants Awarded by Metro Central Enhancement Committee	PS	01/01/13 - 12/30/13	131,000	131,000

FINANCIAL POLICIES

In 2004 the Metro Council enacted Resolution No. 04-3465, “adopting comprehensive financial policies for Metro.” Each year as part of the annual budget adoption process the Metro Council reviews the financial policies which provide the framework for the overall fiscal management of the agency. Operating independently of changing circumstances and conditions, these policies are designed to help safeguard Metro’s assets, promote effective and efficient operations and support the achievement of Metro’s strategic goals. Recently the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the Metro Council to make certain policy decisions regarding the use of resources and classifications of fund balance. In June 2010 the Metro Council took action to amend Metro’s Comprehensive Financial Policies to incorporate the GASB Statement No. 54 principles and to re-approve the policies. These changes are reflected in Budget and Financial Planning, section 2. These financial policies establish basic principles to guide Metro’s elected officials and staff in carrying out their financial duties and fiduciary responsibilities. The Chief Financial Officer shall establish procedures to implement the policies established in this document.

General policies

1. Metro’s financial policies shall be reviewed annually by the Council and shall be published in the adopted budget.
2. Metro shall prepare its annual budget and Comprehensive Annual Financial Report consistent with accepted public finance professional standards.
3. The Chief Financial Officer shall establish and maintain appropriate financial and internal control procedures to assure the integrity of Metro’s finances.
4. Metro shall comply with all applicable state and federal laws and regulations concerning financial management and reporting, budgeting and debt administration.

Accounting, auditing and financial reporting

1. Metro shall annually prepare and publish a Comprehensive Annual Financial Report including financial statements and notes prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.
2. Metro shall maintain its accounting records on a basis of accounting consistent with the annual budget ordinance.
3. Metro shall have an independent financial and grant compliance audit performed annually in accordance with generally accepted auditing standards.

Budgeting and financial planning

1. As prescribed in Oregon budget law, total resources shall equal total requirements in each fund, including contingencies and fund balances. However, Metro considers a budget to be balanced whenever budgeted revenues equal or exceed budgeted expenditures. Beginning fund balances shall not be considered as revenue, nor shall contingencies or ending fund balances be considered expenditures, in determining whether a fund is in balance.
2. Metro shall maintain fund balance reserves that are appropriate to the needs of each fund. Targeted reserve levels shall be established and reviewed annually as part of the budget process. Use of fund balance to support budgeted operations in the General Fund, an operating fund, or a central service fund shall be explained in the annual budget document; such explanation shall describe the nature of the budgeted reduction in fund balance and its expected future impact. Fund balances in excess of future needs shall be evaluated for alternative uses.
 - a. The Metro Council delegates to the Chief Operating Officer the authority to assign (and un-assign) additional amounts intended to be used for specific purposes more narrow than the overall purpose of the fund established by Council. A schedule of such assignments shall be included within the adopted budget document.
 - b. Metro considers restricted amounts to have been spent prior to unrestricted (committed, assigned, or unassigned) amounts when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. Within unrestricted amounts, committed amounts are considered to have been spent

first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

- c. The following information shall be specified by Council in the establishment of Stabilization Arrangements as defined in GASB Statement No. 54: a) the authority for establishing the arrangement (resolution or ordinance), b) the requirements, if any, for additions to the stabilization amount, c) the specific conditions under which stabilization amounts may be spent, and d) the intended stabilization balance.
3. Metro staff shall regularly monitor actual revenues and expenditures and report to Council at least quarterly on how they compare to budgeted amounts, to ensure compliance with the adopted budget. Any significant changes in financial status shall be timely reported to the Council.
4. Metro shall use its annual budget to identify and report on department or program goals and objectives and measures of performance.
5. A new program or service shall be evaluated before it is implemented to determine its affordability.
6. Metro shall authorize grant-funded programs and associated positions for a period not to exceed the length of the grant unless alternative funding can be secured.
7. Each operating fund will maintain a contingency account to meet unanticipated requirements during the budget year. The amount shall be appropriate for each fund.
8. Metro shall prepare annually a five-year forecast of revenues, expenditures, other financing sources and uses, and staffing needs for each of its major funds, identifying major anticipated changes and trends, and highlighting significant items which require the attention of the Council.
9. Metro will annually prepare a cost allocation plan prepared in accordance with applicable federal guidelines to maintain and maximize the recovery of indirect costs from federal grants, and to maintain consistency and equity in the allocation process.

Capital asset management

1. Metro shall budget for the adequate maintenance of capital equipment and facilities and for their orderly replacement, consistent with longer-term planning for the management of capital assets.
2. The Council's previously-adopted policies governing capital asset management are incorporated by reference into these policies.

Cash management and investments

1. Metro shall maintain an investment policy in the Metro Code, which shall be subject to annual review and re-adoption.
2. Metro shall schedule disbursements, collections and deposits of all funds to ensure maximum cash availability and investment potential.
3. Metro shall manage its investment portfolio with the objectives of safety of principal as the highest priority, liquidity adequate to needs as the second highest priority and yield from investments as its third highest priority.

Debt management

1. Metro shall issue long-term debt only to finance capital improvements, including land acquisition, that cannot be readily financed from current revenues, or to reduce the cost of long-term financial obligations.
2. Metro will not use short-term borrowing to finance operating needs unless specifically authorized by the Council.
3. Metro shall repay all debt issued within a period not to exceed the expected useful life of the improvements financed by the debt.
4. Metro shall fully disclose financial and pertinent credit information as it relates to Metro's outstanding securities.
5. Metro shall strive to obtain the highest credit ratings to ensure that borrowing costs are minimized and Metro's access to credit is preserved.
6. Equipment and vehicles should be financed using the least costly method, including comparison to direct cash expenditure. This applies to purchase using operating leases, capital leases, bank financing, company financing or any other purchase programs.

Revenues

1. Metro shall estimate revenues through an objective, analytical process.
2. Metro shall strive to maintain a diversified and balanced revenue system to protect it from short-term fluctuations in any one revenue source.

3. One-time revenues shall be used to support one-time expenditures or increase fund balance.
4. Metro shall pursue appropriate grant opportunities; however, before accepting any grant, Metro will consider the current and future implications of either accepting or rejecting it. The Chief Financial Officer may establish criteria to be used in evaluating the potential implications of accepting grants.

CAPITAL ASSET MANAGEMENT POLICIES

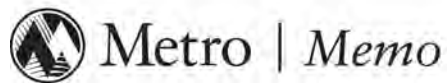
The following policies establish the framework for Metro's overall capital asset planning and management. They provide guidance for current practices and a framework for evaluation of proposals for future projects. These policies also seek to improve Metro's financial stability by providing a consistent approach to fiscal strategy. Adopted financial policies show the credit rating industry and prospective investors (bond buyers) the agency's commitment to sound financial management and fiscal integrity. Adherence to adopted policies ensures the integrity and clarity of the financial planning process and can lead to improvement in bond ratings and lower cost of capital.

1. Metro shall operate and maintain its physical assets in a manner that protects the public investment and ensures achievement of their maximum useful life.
Ensuring the maximum useful life for public assets is a primary agency responsibility. Establishing clear policies and procedures for monitoring, maintaining, repairing and replacing essential components of facilities is central to good management practices. It is expected that each Metro department will have written policies and procedures that address:
Multi-year planning for renewal and replacement of facilities and their major components;
Annual maintenance plans.
2. Metro shall establish a Renewal and Replacement Reserve account for each operating fund responsible for major capital assets.
Ensuring that the public receives the maximum benefit for its investments in major facilities and equipment requires an ongoing financial commitment. A Renewal and Replacement Reserve should initially be established based on the value of the asset and consideration of known best asset management practices. Periodic condition assessments should identify both upcoming renewal and replacement projects and the need to adjust reserves to support future projects. If resources are not sufficient to fully fund the Reserve without program impacts, the Council will be consider alternatives during the annual budget process. Establishing and funding the Reserve demonstrates Metro's ongoing capacity and commitment to these public investments.
3. Metro shall prepare, adopt and update at least annually a five-year Capital Improvement Plan (CIP). The Plan will identify and set priorities for all major capital assets to be acquired or constructed by Metro. The first year of the adopted CIP shall be included in the Proposed Budget.
The primary method for Metro departments to fulfill the need for multi-year planning is the Capital Improvement Planning process. The CIP allows a comprehensive look at Metro's capital needs for both new facilities and renewal and replacement of existing ones, and allows the Council to make the necessary decisions to ensure financial resources match forecasted needs.
4. Capital improvement projects are defined as facility or equipment purchases or construction which results in a capitalized asset costing more than \$100,000 and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of \$100,000 or more that have a useful life of at least five years.¹ A clear threshold ensures that the major needs are identified and incorporated in financial plans.
5. An assessment of each Metro facility will be conducted at least every five years. The report shall identify repairs needed in the coming five years to ensure the maximum useful life of the asset. This information shall be the basis for capital improvement planning for existing facilities and in determining the adequacy of the existing Renewal and Replacement Reserves.
A foundation step for capital planning is an understanding of the current conditions of Metro facilities. It is expected that Metro departments have a clear, documented process for assessing facility condition at least every five years. The assessment processes may range from formal, contracted engineering studies to in-house methods

¹ Effective July 1, 2009, capital asset threshold was increased from \$50,000 to \$100,000 in accordance with Metro Resolution 08-3941A. This reflected a State of Oregon definition of a public improvement project.

such as peer reviews. The assessment should identify renewal and replacement projects that should be done within the following five years. The Renewal and Replacement Reserve account should be evaluated and adjusted to reflect the greater of the average renewal and replacement project needs over the coming five years or 2 percent of the current facility replacement value.

6. The Capital Improvement Plan will identify adequate funding to support repair and replacement of deteriorating capital assets and avoid a significant unfunded liability from deferred maintenance.
Using the information provided by facility assessments, Metro departments should use the CIP process to identify the resources necessary to keep facilities in an adequate state of repair. In situations where financial resources force choices between programs and facility repair, the annual budget process should highlight these policy choices for Council action.
7. A five-year forecast of revenues and expenditures will be prepared in conjunction with the capital budgeting process. The forecast will include a discussion of major trends affecting agency operations, incorporate the operating and capital impact of new projects, and determine available capacity to fully fund the Renewal and Replacement Reserve.
Incorporation of capital needs into agency five-year forecasts ensures that problem areas are identified early enough that action can be taken to ensure both the maintenance of Metro facilities and integrity of Metro services.
8. To the extent possible, improvement projects and major equipment purchases will be funded on a pay-as-you-go basis from existing or foreseeable revenue sources. Fund Balances above established reserve requirements may be used for one-time expenditures such as capital equipment or financing of capital improvements.
Preparing a CIP and incorporating it into five-year forecasts enables Metro to plan needed capital spending within foreseeable revenues. This minimizes the more costly use of debt for capital financing and ensures renewal and replacement of facility components takes place without undue financial hardship to operations.
9. Debt (including capital leases) may only be used to finance capital, including land acquisition, not ongoing operations. Projects that are financed through debt must have a useful service life at least equal to the debt repayment period.
Because interest costs impact taxpayers and customers, debt financing should be utilized only for the creation or full replacement of major capital assets.
10. When choosing funding sources for capital items, every effort should be made to fund enterprise projects either with revenue bonds or self-liquidating general obligation bonds. For the purpose of funding non-enterprise projects, other legally permissible funding sources, such as systems development charges, should be considered.
11. Acquisition or construction of new facilities shall be done in accordance with Council adopted facility and/or master plans. Prior to approving the acquisition or construction of a new asset, Council shall be presented with an estimate of the full cost to operate and maintain the facility through its useful life and the plan for meeting these costs. At the time of approval, Council will determine and establish the Renewal and Replacement Reserve policy for the asset to ensure resources are adequate to meet future major maintenance needs.
New Metro facilities should be planned within the overall business and service objectives of the agency. To ensure that the public gains the maximum utility from the new facility or capital asset, Metro should identify the full cost of building and operating the facility throughout its useful life. Resources generated from its operation or other sources should be identified to meet these needs.



Date: June 7, 2012

To: Tom Hughes, Council President
Rex Burkholder, Councilor
Carlotta Collette, Councilor
Shirley Craddick, Councilor
Kathryn Harrington, Councilor
Carl Hosticka, Councilor
Barbara Roberts, Councilor

From: Kathy Rutkowski, Budget Coordinator

Cc: Martha Bennett, Chief Operating Officer
Scott Robinson, Deputy Chief Operating Officer
Margo Norton, Finance & Regulatory Services Director
Senior Leadership Team
Finance Team
Council Policy Coordinators

Re: **Department Amendments FY 2012-13 Budget**

Attached are the department requests for amendments to the FY 2012-13 budget. There are 11 amendments that are generally technical in nature and propose changes to the budget as a result of implementing prior Council decisions, updating projections, or carrying over funds from the previous fiscal year for approved but as yet uncompleted projects. The five-year Capital Improvement Plan will also be amended to reflect changes, if any, to capital or renewal & replacement projects greater than \$100,000.

The debt fund amendments are the result of the recent bond sale and are significant because they will reduce the tax levy.

The amendments will be reviewed with Council at the work session on June 12, 2012 and will be considered for vote at the Council meeting on June 14, 2012, prior to adoption of the budget scheduled for June 21, 2012

NOTE: At the work session we will not be presenting these amendments individually. We will ask if anyone wishes to discuss a specific amendment. When you review the packet prior to the meeting and have questions, please call or e-mail Kathy Rutkowski or Margo Norton. We will make sure we have an answer and/or available experts at the meeting.

At the conclusion of the Tuesday work session, we will ask if the Council is prepared to consider the department amendments in a block on June 14th, or if there are any amendments that the Council wishes to be considered separately. You will also have an additional opportunity to remove specific amendments from the block consideration at the June 14th meeting.

A summary table of contents of the amendments is included with this memo.

**FY 2012-13 Budget
Requested Department Amendments**

#	Org	Purpose	Page #
1	DEBT	Implement the 2012 Series general obligation bond sale; recognizing additional proceeds over and above par value of the bonds; reducing debt service payments; and lowering the tax levy	1
2	COMM	Extend the duration of limited duration position # 1124 through 6/30/2016 to coincide with secured grant funding	2
3	COMM	Carry forward contract to provide coordinated communications and marketing support for Metro's sustainable living and cemeteries program.	3
4	COUNCIL	Carry forward contract for the CII to provide facilitation, policy and technical guidance.	4
5	SUS	Carry forward contract to complete planning and design for a publicly accessible Tualatin River canoe launch.	5
6	SUS	Carry forward funding and contract for diesel retrofit project.	6
7	MERC	Carry forward contracts for a number of operating and capital projects; identify reductions to offset other increases; replenish reserves and recognize additional revenue.	7
8	GEN	Transfer from General Fund to General Asset Management Fund to partially replenish the Zoo's capital fund balance.	10
9	PES	Carry forward of several capital and renewal and replacement projects funded through the Solid Waste Revenue Fund.	11
10	CAPITAL	Carry forward of several General Fund capital projects – two for the Oregon Zoo and one for Information Services.	12
11	R&R	Recognize changes in the existing renewal and replacement project schedule and carry forward numerous projects listed in the amendment.	13

<i>For FP Use Only</i>	
Org Unit	#
DEBT	1

TECHNICAL AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: Finance & Regulatory Service

DATE: 6/5/12

DRAFTED BY : Kathy Rutkowski

<i>Amendment to:</i>	<i>Purpose:</i>	<i>Status:</i>	
Proposed Budget	<input type="checkbox"/>	Operating	<input checked="" type="checkbox"/>
Approved Budget	<input checked="" type="checkbox"/>	Capital Project	<input type="checkbox"/>
		Renewal & Replacement	<input type="checkbox"/>
		Ongoing	<input type="checkbox"/>
		One-time	<input checked="" type="checkbox"/>
			<input type="checkbox"/>

PROPOSED AMENDMENT: *Implementing Series 2012 General Obligation Bond Issuance*

The Series 2012 general obligation bonds were issued May 23, 2012. The sale produced extremely favorable results for Metro, resulting in premiums over and above the par value of the bonds of \$14.7 million for the Natural Areas bonds and \$10.4 million for the Oregon Zoo Infrastructure bonds. The FY 2012-13 budget anticipated the par value of the bonds but not the premiums. This action recognizes the premiums in both funds and places the additional money in unappropriated balance for future year spending.

With the sale we now have final debt service schedules on which to base the general obligation debt service property tax levy. The sale also resulted in extremely favorable results for the Metro region tax payer lowering the GO debt levy by almost \$14 million from the approved budget. Actual debt service payments for the new bond issues are about \$10.4 million less than originally estimated. The budget estimated the maximum rate per \$1,000 of assessed value for each issue (\$0.19 for Natural Areas and \$0.09 for Zoo) to provide flexibility at the time of sale. Actual rates per thousand are approximately \$0.12 and \$0.06 respectively. The sale also included the refunding of the 2002 Series Open Spaces bonds. The payments dates on these bonds were moved from September/March to December/June and the principal payment was moved from September to June. Under the terms of the refunding Metro will still be responsible for the principal payment in September 2012 but the restructuring of the payment dates has eliminated the need to levy for cash flow carryover. This results in an additional net reduction in the tax levy of approximately \$1.4 million.

Overall, the general obligation bond debt service levy will be reduced from \$54,171,844 to \$40,557,244.

Org Unit	Fund	Line Items		
		Acct #	Account Title	Amount
Natural Areas Fund				
Resources		3240	Beginning Fund Balance	\$14,687,000
Requirements		5990	Unappropriated Balance	\$14,687,000
Oregon Zoo Infrastructure and Animal Welfare Fund				
Resources		3240	Beginning Fund Balance	\$10,420,000
Requirements		5990	Unappropriated Balance	\$10,420,000
General Obligation Bond Debt Service Fund				
Resources		4010	Real Property Taxes – current year	(\$11,865,798)
Requirements		5620	GO Bond Payments - Principal	\$1,664,500
		5625	GO Bond Payments - Interest	(\$3,631,017)
		5990	Unappropriated Balance	(\$9,899,281)
			Total requirements	(\$11,865,798)

<i>For FP Use Only</i>	
Org Unit	#
COMM	2

TECHNICAL AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: Communications

DATE: 5/8/12

DRAFTED BY : Pam Peck

Amendment to:

Proposed Budget ☐
Approved Budget ☒

Purpose:

Operating ☒
Capital Project ☐
Renewal & Replacement ☐

Status:

Ongoing ☐
One-time ☐
☐

PROPOSED AMENDMENT:

Extend the duration of position #1124—Associate Public Affairs Specialist—through 6/30/2016.

PROGRAM/STAFFING IMPACTS:

Position #1124 – Associate Public Affairs Specialist was added to the budget in FY 2009-10 as a four-year limited duration through 6/30/2013. The original duration was based on secured federal grant funds. Additional grants have now been secured through the regional flexible funds process and are programmed to Metro in the Oregon Department of Transportation's Statewide Transportation Improvement Program. The department, with the approval of the Deputy Chief Operating Officer, is requesting an extension of the duration of this position from 6/30/2013 to 6/30/2016. The position is fully funded and budgeted for FY 2012-13. No additional appropriation authority is required for this request.

<i>For FP Use Only</i>	
Org Unit	#
COMM	3

AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: Communications

DATE: June 1, 2012

DRAFTED BY : Pam Peck

<i>Type of Amendment:</i>		<i>Amendment to:</i>		<i>Purpose:</i>		<i>Status:</i>	
Technical	<input checked="" type="checkbox"/>	Proposed Budget	<input type="checkbox"/>	Operating	<input checked="" type="checkbox"/>	Ongoing	<input type="checkbox"/>
Substantive	<input type="checkbox"/>	Approved Budget	<input checked="" type="checkbox"/>	Capital Project	<input type="checkbox"/>	One-time	<input checked="" type="checkbox"/>
				Renewal & Replacement	<input type="checkbox"/>		<input type="checkbox"/>

PROPOSED AMENDMENT: *Carryforward of Communications Contract for Sustainability and Cemetery Programs*

Communications proposes to carry forward \$15,000 of a \$20,000 contract to provide coordinated communications and marketing support for Metro's sustainable living (MetroPaint, Recycling Information Center, toxics and waste reduction and regional travel options) and cemeteries programs. This work will also inform Metro's website development project. Work on the project was delayed by a position vacancy, which reduced staff time available to develop the RFP and complete prep work for the project.

	Fund	Org Unit	Program	Line Items		
				<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
Resources	010-GEN	99999-Non-dept		3500	Beginning Fund Balance	\$15,000
Requirements	010-GEN	00320	00600	5240	Contracted Professional Services, temporary staff support, interns	\$15,000

PROGRAM/STAFFING IMPACTS:

None known.

<i>For FP Use Only</i>	
Org Unit	#
COUNCIL	4

AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: Council-CII

DATE: June 1, 2012

DRAFTED BY : Heidi Rahn/Ann Wawrukiewicz

<i>Type of Amendment:</i>	<i>Amendment to:</i>	<i>Purpose:</i>	<i>Status:</i>
Technical <input checked="" type="checkbox"/>	Proposed Budget <input type="checkbox"/>	Operating <input checked="" type="checkbox"/>	Ongoing <input type="checkbox"/>
Substantive <input type="checkbox"/>	Approved Budget <input checked="" type="checkbox"/>	Capital Project <input type="checkbox"/>	One-time <input checked="" type="checkbox"/>
		Renewal & Replacement <input type="checkbox"/>	<input type="checkbox"/>

PROPOSED AMENDMENT: *Carryforward of Community Investment Initiative Contract Funding*

The Council Office proposes to carry forward \$40,000 in materials and services for the Community Investment Initiative (CII) into FY 2012-13. Spending on the existing contract to provide facilitation, policy and technical guidance through June 2013 has been slightly slower than initially budgeted.

	Fund	Org Unit	Program	Line Items		
				<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
Resources	010-GEN	99999-Non-dept		3500	Beginning Fund Balance	\$40,000
Requirements	010-GEN	00125	00600	5240	Contracted Professional Services	\$40,000

PROGRAM/STAFFING IMPACTS:

<i>For FP Use Only</i>	
Org Unit	#
SUS	5

TECHNICAL AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: Sustainability Center

DATE: 6/1/2012

DRAFTED BY : Brian Kennedy

Amendment to:

Proposed Budget

☐

Approved Budget

☒

Purpose:

Operating

☐

Capital Project

☒

Renewal & Replacement

☐

Status:

Ongoing

☐

One-time

☒
☐

PROPOSED AMENDMENT: *Tualatin River canoe launch contract carryover*

Org Unit	Fund	Line Items		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
Resources	General Fund	3500	Beginning Fund Balance	50,650
Requirements	General Fund	5240	Contracted Professional Services	50,650

PROGRAM/STAFFING IMPACTS:

The FY 2011-12 budget included \$100,000 to begin the planning and design for a publicly accessible Tualatin River canoe launch. The desired outcome was to conduct the necessary planning and feasibility studies so that Metro could apply for a Oregon State Local Government Grant through Oregon Parks and Recreation. Staff has conducted extensive public outreach and identified potential locations but is continuing to work on the planning and design for a potential facility. Staff requests that \$50,650 be carried forward to FY 2012-13 to allow for the work to be completed and the grant application submitted.

<i>For FP Use Only</i>	
Org Unit	#
SUS	6

TECHNICAL AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: Sustainability Center

DATE: 6/1/2012

DRAFTED BY : Brian Kennedy

Amendment to:

Proposed Budget ☐
Approved Budget ☒

Purpose:

Operating ☒
Capital Project ☐
Renewal & Replacement ☐

Status:

Ongoing ☐
One-time ☒
☐

PROPOSED AMENDMENT:

The Diesel Retrofit project was anticipated to be complete by June 30, 2012, but several factors will require the project to be carried forward to FY 2012-13. One major factor was a large hauler pulling out of the program due to a decision to transition its fleet to compressed natural gas. That required staff to attempt to locate other haulers to participate in the program. It is anticipated that the project will be complete in the first quarter of FY 2012-13.

Org Unit	Fund	Line Items		
		Acct #	Account Title	Amount
Resources	Solid Waste Fund	3500	Beginning Fund Balance	168,800
	Solid Waste Fund	4105	Federal Grants	231,200
Requirements	Solid Waste Fund	5240	Contracted Professional Services	400,000

PROGRAM/STAFFING IMPACTS:

None.

<i>For FP Use Only</i>	
Org Unit	#
MERC	7

TECHNICAL AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: MERC Visitor Venues

DATE: May 2, 2012

DRAFTED BY : Cynthia Hill

Amendment to:

Proposed Budget ☐
Approved Budget ☒

Purpose:

Operating ☒
Capital Project ☒
Renewal & Replacement ☒

Status:

Ongoing ☐
One-time ☒
☐

PROPOSED AMENDMENT:

Org Unit	Fund	Line Items		
		Acct #	Account Title	Amount
Resources	MERC Fund (555)			
		3400	Unrestricted Beginning Fund Balance	\$477,077
		3400	Transient Lodging Tax Capital Reserve	70,000
		3400	Aramark Contract Capital Investment Reserve	425,000
		4760	Sponsorship Revenue	24,100
			Total Resources	\$996,177
Requirements	MERC Fund (555)			
		5240	Contracted Professional Services	\$135,000
		5240	Contracted Professional Services	(25,028)
		5265	Rentals	6,400
		5280	Purchased Services	17,700
		8710	Improvement Other than Building	70,000
		5720	Improvement of Building	720,883
		5740	Equipment & Vehicles	46,194
			Subtotal Requirements	\$971,149
Reserves				
		5990	Renewal and Replacement Reserve	(\$200,000)
		5999	Renewal & Replacement Contingency	200,000
		5999	New Capital/Business Strategy Reserve	25,028
			Subtotal Reserve	\$25,028
			Total Requirements	\$996,177

<i>For FP Use Only</i>	
Org Unit	#
MERC	7

PROGRAM/STAFFING IMPACTS:

	<u>Description</u>	<u>Amount</u>
<u>Operating Project Carryover</u>		
1) PCPA Website Re - Design	Website redesign can not start until the branding exercise, has been completed. The rebranding project is looking at the PCPA name and logo with an expected completion date in late May or early June.	\$35,000
2) Expo Center Marketing and Communication Plan Implementation	Marketing and Communication Plan calls for date-specific roll-out of advertising and media buys into FY13. Phase one (1) of on-site signage, and related improvements completed or scheduled within FY12. Phase two (2) review, analysis and execution of on-site improvements to occur following the load-out of Cirque du Soleil. To include, but not limited to; additional parking and directional signage, window clings and overhead door location markers. The balance of advertising and media buys as planned in the communication plan will be placed.	\$100,000
Total Operating Projects Carryover		\$135,000
<u>Capital Project Carryover</u>		
3) Expo Wi-Fi Project	Wi-Fi RFP respondent review is complete with one viable respondent. Analysis by Metro IT and OCC/Expo Telecommunications specialists is not complete.	\$25,000
4) Expo Hall E Lobby and Meeting Room E101-2 Carpet	Design of Hall E Lobby space uses and integration of new Expo logo colors and identity branding is complete. The actual timing to install the carpet in Hall E Lobby and meeting room E101-2 is scheduled to coincide with the new food and beverage concession area proposed in the same lobby space in the FY 12-13 capital plan.	\$44,500
5) OCC Electrical Sub metering	Bids came back higher than anticipated. Negotiating with low bidder to reduce project scope and investigate potential use of different type of sub meter for project.	\$191,383
6) OCC Recycling Containers in Exhibit Halls	Waiting to make a final determination on graphics for the recycling containers to ensure graphics for compostable items are correct at time of purchase and meet changes in local composting facility requirements.	\$46,194
7) OCC Food & Beverage Concession Upgrades (New Project)	A few of the original concession stands are in need of cosmetic upgrades to help drive concession revenue, which is a high priority.	\$175,000
8) OCC Food & Beverage - Main kitchen walk-in coolers and freezer (New Project)	The walk-in coolers and freezer in the main kitchen present a challenge requiring immediate attention because the refrigerant required for the original condensing units is no longer compliant. The coolers are in need of new doors and door seals and are inefficient by today's standards.	\$250,000
9) OCC Process Loop	Process loop pipe replacement to coincide with kitchen cooler refrigeration upgrade project described above.	\$35,000

<i>For FP Use Only</i>	
Org Unit	#
MERC	7

	<u>Description</u>	<u>Amount</u>
10) OCC Plaza Issues	This project is addressing the concrete and brick issues currently affecting the OCC north plaza. The brick for this project will not be delivered until mid July.	\$70,000
Total Capital Projects Carryover		\$837,077
Total carry over projects funded from increased beginning fund balance		\$972,077
<u>Budget reductions to balance budget</u>		
11) OCC Operations	Reduce contracted professional services \$21,520, offsetting the increase resulting from Metro COO decisions occurring after Commission approval of the recommended budget.	(\$21,520)
12) Expo Operations	Reduce contracted professional services \$3,508, offsetting the increase resulting from Metro COO decisions occurring after Commission approval of the recommended budget.	(\$3,508)
Total Budget Reductions		(\$25,028)
<u>New Revenue and Expenditures</u>		
13) OCC Plaza Free Concert Series	Recognize target sponsorship revenue of \$24,100 and the cost to provide entertainment (\$13,700), rental of stage sound equipment and canopy (\$6,400), and other purchased Services for alcohol monitoring (\$4,000).	24,100
Net Change to Expenditure Requirements		\$971,149
<u>Changes to the Reserve Accounts</u>		
15) Business Strategy Reserve	The budget balancing reductions at OCC and Expo Center (items #11 and #12 above) is off set by an increase to the Business Strategy Reserve.	\$25,028
16) Information Services	Reclassify \$200,000 of Renewal and Replacement reserve to renewal & replacement contingency. Current assessment of software licensing and server replacements is underway. When assessment is complete a budget and CIP amendment will be submitted for Commission approval.	0
Total changes to reserve accounts		\$25,028
Total Requirements		\$996,177

<i>For FP Use Only</i>	
Org Unit	#
GEN	8

TECHNICAL AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: Oregon Zoo

DATE: 6/5/12

DRAFTED BY : Norton/Bennett

Amendment to:

Proposed Budget

☐

Approved Budget

☒

Purpose:

Operating

☒

Capital Project

☒

Renewal & Replacement

☐

Status:

Ongoing

☐

One-time

☒
☐

PROPOSED AMENDMENT:

As reported in the third quarter the Oregon Zoo anticipated modestly increased revenues and significant operational underspending, both of which have increased further in the fourth quarter. The approved budget relies on spending the existing capital balance to fund small capital projects designed to enhance future revenues at the zoo. This amendment transfers a small portion of the unanticipated current fund balance to the General Asset Management Fund to replenish the capital balance, allowing the zoo to continue to develop future projects with revenue potential. The funds will remain in the unappropriated capital reserve until projects are proposed and approved.

Org Unit	Fund	Line Items		
		Acct #	Account Title	Amount
<i>General Fund</i>				
Resources	General Fund	3400	Beginning Balance	\$200,000
Requirements	General Fund	5810	Transfer to General Asset Management Fund	\$200,000
<i>General Asset Management Fund</i>				
Resources	Gen'l Asset Mgmt	4970	Transfer from General Fund	\$200,000
Requirements	Gen'l Asset Mgmt	5990	Unappropriated balance	\$200,000

PROGRAM/STAFFING IMPACTS:

Funds in the General Asset Management Fund's unappropriated reserve cannot be used for spending prior to FY 2013-14.

<i>For FP Use Only</i>	
Org Unit	#
PES	9

TECHNICAL AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: Parks and Environmental Services

DATE: June 6, 2012

DRAFTED BY : Ann Wawrukiewicz/Karen Feher

Amendment to:

Proposed Budget ☐
Approved Budget ☒

Purpose:

Operating ☐
Capital Project ☒
Renewal & Replacement ☒

Status:

Ongoing ☐
One-time ☒
☐

PROPOSED AMENDMENT: *Solid Waste Fund Capital and Renewal and Replacement Project Carry Forwards*

Several capital and renewal and replacement projects in the Solid Waste Fund have been delayed and will be carried forward to FY 2012-13. Projects are listed below. This action also amends the FY 2012-13 through FY 2016-17 Capital Improvement Plan.

	Fund	Line Items		
		Acct #	Account Title	Amount
Resources	534-SW R&R Account	3500	Beginning Fund Balance	\$60,000
	536- SW General Account	3500	Beginning Fund Balance	\$100,000
Requirements	534-SW R&R Account	5720	Buildings and Related	\$15,000
	534-SW R&R Account	5740	Equipment	\$45,000
	536- SW General Account	5710	Improvements Other than Bldgs	\$100,000

PROGRAM/STAFFING IMPACTS:

None anticipated.

Project Name	Org Unit	Account	Amount	Project Code
Metro Central Hazardous Waste Roof Replacement	PES	5720	\$15,000	76876
Metro South Radiation Detection System	PES	5740	\$20,000	76858
Metro South Camera Replacement	PES	5740	\$25,000	76859
Metro Central Organics/Food Handling	PES	5710	\$100,000	76872

<i>For FP Use Only</i>	
Org Unit	#
CAPITAL	10

TECHNICAL AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: Zoo/Information Services

DATE: June 6, 2012

DRAFTED BY : Ann Wawrukiewicz/Karen Feher

Amendment to:

Proposed Budget ☐
Approved Budget ☒

Purpose:

Operating ☐
Capital Project ☒
Renewal & Replacement ☐

Status:

Ongoing ☐
One-time ☒
☐

PROPOSED AMENDMENT: *General Fund Capital Project Carry Forwards*

Several capital projects have been delayed and will be carried forward to FY 2012-13. Projects are listed below. This action also amends the FY 2012-13 through FY 2016-17 Capital Improvement Plan.

Org Unit	Fund	Line Items		
		Acct #	Account Title	Amount
Resources	325- Zoo capital subfund	3500	Beginning Fund Balance	\$40,000
	612- General capital subfund	3500	Beginning Fund Balance	\$10,000
Requirements	325- Zoo capital subfund	5730	Exhibits and Related	\$40,000
	612- General capital subfund	5750	Office Furniture and Equipment	\$10,000

PROGRAM/STAFFING IMPACTS:

None anticipated.

Project Name	Org Unit	Account	Amount	Project Code
Africa Lagoon Aviary	Oregon Zoo	5730	\$20,000	ZAR24
Aviary Marsh Mesh	Oregon Zoo	5730	\$20,000	ZCA04
Closed Captioning Hardware	IS	5750	\$10,000	56175

<i>For FP Use Only</i>	
Org Unit	#
R&R	11

TECHNICAL AMENDMENT TO FY 2012-13 BUDGET

CENTER/SERVICE: PES/Information Services/Zoo/Research Center

DATE: June 6, 2012

DRAFTED BY : Ann Wawrukiewicz/Karen Feher

<i>Amendment to:</i>	<i>Purpose:</i>	<i>Status:</i>	
Proposed Budget	Operating	Ongoing	
Approved Budget	Capital Project	One-time	X
	Renewal & Replacement		

PROPOSED AMENDMENT: *Renewal and Replacement Carry Forwards and Replacement Schedule Changes*

Several renewal and replacement projects have been delayed and will be carried forward to FY 2012-13; others items do not yet need replacement and have been moved to later years. Finally, several pieces of equipment required replacement ahead of schedule during FY 2011-12 and were moved forward from their original replacement year. Projects are listed below. This action also amends the FY 2012-13 through FY 2016-17 Capital Improvement Plan.

	Fund	Line Items		
		Acct #	Account Title	Amount
Resources	611- R&R Fund	3500	Beginning Fund Balance	\$398,763
Requirements	611-R&R Fund	5261	Capital Maintenance- CIP	\$80,000
	611-R&R Fund	5710	Improvements Other than Buildings	\$202,593
	611-R&R Fund	5740	Equipment	(\$100,718)
	611-R&R Fund	5750	Office Furniture and Equipment	\$216,888

PROGRAM/STAFFING IMPACTS:

None anticipated.

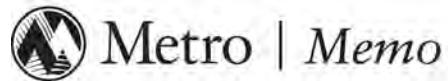
Projects that change the FY 2012-13 budget:

Project Name	Org Unit	Account	Project	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Cemetery Signage	PES	5710		(5,000)	5,000				
Carpet Replacement	PES-MRC	5261	56180	(15,000)	15,000				
MRC Plaza Planters	PES-MRC	5261	01505	(65,000)	65,000				
AV Equipment	PES-MRC	5740	01511	-	(140,850)				
Phone System	PES-MRC	5750	01500	-	(49,000)				
Conference Room Tables	PES-MRC	5750		-	(9,936)				9,936
Data Storage	IS	5750	01515	(245,243)	245,243				
Vbrick MPEG4 Encoders	IS	5750	01536		(8,490)	8,490			
Kronos-Latex and Expo	IS	5750	65630	(5,412)	5,412				
Data Center	IS	5750	65200	(33,659)	33,659				
Cascade Crest Gift Shop Roof AC	Zoo	5740	ZR56	(10,404)	10,404				
Swamp and Rainforest Bldg Mech.	Zoo	5740	ZAR22	(10,000)	10,000				
Africafe Roof	Zoo	5710	ZRW001	(128,593)	128,593				
Penquins Roof	Zoo	5710	ZRW024	-	69,000				
Aviary Chiller	Zoo	5740	ZR04	(5,100)	5,100				
Research Portable Xray Machine	Zoo	5740		-	14,628				
Total Change to FY 12-13 Budget					398,763				

<i>For FP Use Only</i>	
Org Unit	#
R&R	11

Projects that change the FY 2012-13 through FY 2016-17 CIP without impact on FY 2012-13 budget:

Project Name	Org Unit	Account	Project	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Telephone System	Zoo	5740	ZRW009	(14,612)					
Penguin HVAC Controls	Zoo	5740	ZRW022	45,000					
Trans. Modeling Svcs Cluster Upgrade	Research Ctr		43990	(50,000)		2,500	15,000	50,000	
Total Change to FY 12-13 Budget					-				



Date: June 7, 2012

To: Tom Hughes, Council President
Rex Burkholder, Councilor
Carlotta Collette, Councilor
Shirley Craddick, Councilor
Kathryn Harrington, Councilor
Carl Hosticka, Councilor
Barbara Roberts, Councilor

From: Margo Norton, Director of Finance and Regulatory Services

Cc: Martha Bennett, Chief Operating Officer
Scott Robinson, Deputy Chief Operating Officer
Senior Leadership Team
Finance Team
Council Policy Coordinators

Re: **Councilor Amendments FY 2012-13 Budget**

Attached are four amendments submitted by Councilor Burkholder. A management response is included with each proposal. The proposals and management responses are summarized in the table below.

Burkholder	Description	Management Response
1	Criteria for Opportunity Fund	Consider budget note
2	Criteria for general travel line item	Consider informal approach
3	Criteria for one-time expenditure fund	Consider budget note
4	Multimodal data development allocation \$80,000	0.5 FTE GIS Specialist 1-year limited duration \$60,000

The amendments will be reviewed with Council at the work session on June 12, 2012 and will be considered for vote at the Council meeting on June 14, 2012, prior to adoption of the budget scheduled for June 21, 2012.

FY 2012-13 Council Proposals For Budget Amendment Discussion

Councilor Burkholder	#1
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Enter in the information under appropriate area. If you don't use all the space in an area, snug up unused lines. You can delete the descriptions under each header to save space.

Short Title

Criteria for Opportunity Fund

Concise Description

Please describe the proposal, sufficient in scope that the cost and/or level of effort can be evaluated.

Chief Operating Officer is directed to develop, in conjunction with the Council, criteria for evaluating proposed uses of these funds (Opportunity Fund) as well as a process for authorizing use.

Objective

Clear statement of what this proposal is intended to accomplish.

What is the desired outcome? How will you tell if the proposal reaches the desired outcome?

The desired outcome is to reach a mutually-agreed upon strategy for how these funds are spent.

Duration (put an 'x' in the appropriate line, for specific length write in the length)

☒ One time

Specific length: _____

☐ On-going

Cost Estimate

How much are you willing to spend to achieve your desired outcome? What is the estimated cost or effort to implement this proposal? Give as much information about the cost as you can. Categories of expense (staffing, number of positions, outside services, necessary equipment) are helpful; line item detail is not required. Does this proposal generate revenue now? In some later period?

Some staff time in the COO office and Council Office will be required. Minimal fiscal impact.

Funding Options

How will you fund this proposal? Sources might include:

- Redeployment or elimination of existing effort by reassigning staff or eliminating an equivalent dollar amount from the proposed operating budget (be specific);
This option is cost neutral in FY 2011-12; depending on selection, it may or may not be 100 percent cost neutral in subsequent years.
- Use of one-time money from Opportunity Fund (\$500,000 total available);
The five-year plan anticipates that the Opportunity Fund will be funded each year. Committing the fund now may limit ability to respond to new opportunities that occur during the year.
- Use of one-time money from a specified reserve.
This option follows the financial policies of using one-time money to fund one-time (not permanent) expenses. Funding for multi-year proposals would all come from this year's reserves.

Depending on the chosen reserve, this may require replenishing the reserve next year under the “pay yourself first” principal for maintaining specified reserves.

Relationship to other programs

How does this proposal relate to, enhance or complement existing programs or projects?

This proposal is intended to improve the process for resource allocation.

Stakeholders

Who will be affected, positively or negatively, by this proposal? What known groups or coalitions will have interest in this?

Councilors will be confident expenditures from this fund meet mutually agreed upon policy goals.

Management Response

Burkholder #1: Opportunity fund:

This proposal can be implemented at any time by Council direction, informally or formally. To formalize the intent, a budget note would be a suitable vehicle. Budget notes are formal direction, printed in the budget document, and reported on by the Budget Officer in the subsequent period.

Suggested language:

Budget Note: The Chief Operating Officer will prepare for Council consideration a proposal establishing criteria for evaluating proposed uses of an Opportunity fund (or successor name) and the process for authorizing its use.

Additional Background

Establishment and Purpose of Opportunity fund

January 30, 2007

Work Session General Fund Reserves Study

Concept of a formal Opportunity Fund introduced at President Bragdon's request as part of General Fund reserves policy.

From Minutes: Council President Bragdon talked about the opportunity fund. He thought it was important that the one-time expenditures be clearly noted.

FY 2007-08 adopted budget document

"an 'opportunity' account to allow the Council to take advantage of strategic opportunities should they arise" (G-10)

July 26, 2007

Metro Council Strategic Budget Work Session

Packet Materials

OPPORTUNITY FUND

A commitment of \$500,000 is included in the FY 2007-08 budget to allow Council to seize new, entrepreneurial opportunities not anticipated during budget adoption. This differs from "contingency" which backs up those revenues and expenses already planned in the budget. "Opportunity" is for unplanned uses.

To preserve the ability to capitalize on unexpected opportunities, Metro would need to set aside an amount every year, using a combination of any opportunity funds not expended in the previous year and existing revenues. This would be a new financial policy.

September 4, 2007
Metro Council Work Session
Budget Amendment Discussion
(preparatory to the 3-year strategic reserves allocation)
Packet Materials

The forecast assumes:

- The general contingency and stabilization reserve are not spent and are carried over and rebudgeted in the following year.
- It does assume that the Opportunity Account provided under contingency is spent each year and replenished from new revenues the following year.

Present Process

The Opportunity fund is proposed at \$500,000 in each budget year and budgeted in a contingency category. To access the funds, the Council must adopt a budget amendment by ordinance.

The proposed budgets have generally followed this process. With the Council's concurrence, no Opportunity fund was proposed in FY 2010-11 as part of the budget balancing strategy. In most years the Council during the review of the proposed budget made amendments accessing the Opportunity fund for specified purposes, resulting in an adopted budget with less than \$500,000 available at July 1. The full amount of the Opportunity fund was not spent in three of five years.

History of Use of Opportunity Funds

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12
Proposed Budget Amount	500,000	500,000	500,000	0	500,000
Adopted Budget Amount	500,000	100,000	0	0	211,411
Amended Budget Amount	3,135	164,000	0	0	78,496
Amount used during FY	\$496,865	\$336,000	\$500,000	\$0	\$421,504

FY 2007-08 (first year of Opportunity Account):

1. Mid-Year: Council adopted ordinance 07-1160B allocated approximately \$6 million to a series of projects over a three year timeframe. The following projects were identified as funded by the Opportunity Account:
 - a. Transportation Speaker Series - \$18,000
 - b. Nature Friendly Design Competition - \$30,865
 - c. Earth Advantage Sponsorship - \$50,000
 - d. Parks & Greenspaces priorities and implementation Plan - \$150,000
 - e. Conservation Education ballot measure research - \$150,000
 - f. Regional Energy use mapping - \$8,000
 - g. Bike Model Refinement - \$50,000
 - h. Regional Affordable Housing Revolving Fund - \$40,000

FY 2008-09:

1. During the Council budget review, the Council adopted an amendment to use up to \$400,000 of the Opportunity Account as match for the diesel retrofit project.
2. Mid-Year: Council adopted ordinance 09-1209. The ordinance canceled the match for the diesel retrofit project returning it to the Account but made a new allocation of \$336,000 for the integrated mobility strategy (now referred to as active transportation).

FY 2009-10:

1. During Council review of the proposed budget the Council made the following amendments using the Opportunity Account as the funding mechanism:
 - a. \$45,000 for conservation education
 - b. \$218,000 for regional system (connecting green)
 - c. \$92,500 for Nature in Neighborhood grants
 - d. \$40,000 for Lone Fir maintenance/improvements
 - e. \$67,000 for infrastructure financing limited duration position
 - f. \$37,500 partial funding for climate change.

FY 2010-11:

Eliminated by Chief Operating Officer to assist in balancing the budget

FY 2011-12

1. During Council review of the proposed budget the Council made the following amendments using the Opportunity Account as the funding mechanism:
 - a. \$65,000 for Brownfields amendment
 - b. \$65,000 for Parcelization amendment
 - c. \$100,000 for Phase 1 of Tualatin River Water Trail effort
 - d. \$53,589 – balance needed to fund other Council amendments including Development Opportunity Fund and extension of climate change position
2. Mid-Year: Ordinance 11-1266, \$57,915 for Blue Lake Park disc golf project
3. Reserved for future expense: By council consensus, \$75,000 reserved from balance of Opportunity Account to fund Council three year commitment to the Metro Export Initiative beginning July 1, 2012.

FY 2012-13 Council Proposals For Budget Amendment Discussion

Councilor Burkholder	#2
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Enter in the information under appropriate area. If you don't use all the space in an area, snug up unused lines. You can delete the descriptions under each header to save space.

Short Title

Criteria for general travel line item

Concise Description

Please describe the proposal, sufficient in scope that the cost and/or level of effort can be evaluated.

Council directs the Chief Operating Officer to develop, in conjunction with Council, guidelines for the use of funds identified in the general travel line item by September 15, 2012.

Objective

Clear statement of what this proposal is intended to accomplish.

What is the desired outcome? How will you tell if the proposal reaches the desired outcome?

The desired outcome is to reach a mutually-agreed upon strategy for the use of travel funds.

Duration (put an 'x' in the appropriate line, for specific length write in the length)

☒ One time

Specific length: _____

☐ On-going

Cost Estimate

How much are you willing to spend to achieve your desired outcome? What is the estimated cost or effort to implement this proposal? Give as much information about the cost as you can. Categories of expense (staffing, number of positions, outside services, necessary equipment) are helpful; line item detail is not required. Does this proposal generate revenue now? In some later period?

Some staff time in the COO office and Council Office will be required. Minimal fiscal impact.

Funding Options

How will you fund this proposal? Sources might include:

- Redeployment or elimination of existing effort by reassigning staff or eliminating an equivalent dollar amount from the proposed operating budget (be specific);
This option is cost neutral in FY 2011-12; depending on selection, it may or may not be 100 percent cost neutral in subsequent years.
- Use of one-time money from Opportunity Fund (\$500,000 total available);
The five-year plan anticipates that the Opportunity Fund will be funded each year. Committing the fund now may limit ability to respond to new opportunities that occur during the year.
- Use of one-time money from a specified reserve.
This option follows the financial policies of using one-time money to fund one-time (not permanent) expenses. Funding for multi-year proposals would all come from this year's reserves.

Depending on the chosen reserve, this may require replenishing the reserve next year under the “pay yourself first” principal for maintaining specified reserves.

Relationship to other programs

How does this proposal relate to, enhance or complement existing programs or projects?

This proposal is intended to improve the process for resource allocation.

Stakeholders

Who will be affected, positively or negatively, by this proposal? What known groups or coalitions will have interest in this?

Councilors will be confident expenditures from this fund meet mutually agreed upon policy goals.

Management Response

Burkholder #2: General Travel expenditure

This proposal can be implemented at any time by Council direction, informally or formally.

Given that this appropriation is unique to a single budgetary unit (Council) and a relatively modest authorization (\$25,000) we recommend trying an informal approach. Most budgetary units (departments) have internal processes for approving operational spending. Councilor Burkholder could suggest that the Council Policy Manager convene the CPCs to develop collaboratively a proposal for the Councilors to consider and agree as a council operating procedure.

In the alternative, if Councilor Burkholder wishes to formalize the intent, a budget note would be a suitable vehicle. Budget notes are formal direction, printed in the budget document, and reported on by the Budget Officer in the subsequent period.

Suggested language:

Budget Note: The Chief Operating Officer will prepare for Council consideration a proposal establishing guidelines for requesting use of travel funds in the general account in the Council budget and a process for authorizing its use.

Additional Background

A new \$25,000 allocation of general travel funds was established in the Council budget in FY 2011-12, the current year. It is not described in either the budget message or the organizational summary because it does not meet the standard of “significant service level change.” The former Chief Operating Officer proposed this for FY 2011-12, according to staff recollection, because councilors’ individual district accounts were insufficient to fund major travel for councilors when officially representing Metro. In addition, councilors and departments were equally uncomfortable when requests were made for departments to fund such travel. The expectation was that this allocation would be available for those instances in which councilor participation requires travel, the councilor is officially representing Metro, and the trip is not funded by an outside agency or sponsor.

The Chief Operating Officer has again included \$25,000 in the proposed budget for FY 2012-13.

FY 2012-13 Council Proposals For Budget Amendment Discussion

Councilor Burkholder	#3
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Enter in the information under appropriate area. If you don't use all the space in an area, snug up unused lines. You can delete the descriptions under each header to save space.

Short Title

Criteria for one-time expenditure fund

Concise Description

Please describe the proposal, sufficient in scope that the cost and/or level of effort can be evaluated.

The COO, in consultation with the Council, will develop a spending plan for these funds as part of the regular budget process based on criteria that recognize the source and the history of uses of these funds.

Objective

Clear statement of what this proposal is intended to accomplish.

What is the desired outcome? How will you tell if the proposal reaches the desired outcome?

The desired outcome is to reach a mutually-agreed upon strategy for the use of these flexible funds.

Duration (put an 'x' in the appropriate line, for specific length write in the length)

☒ One time

Specific length: _____

☐ On-going

Cost Estimate

How much are you willing to spend to achieve your desired outcome? What is the estimated cost or effort to implement this proposal? Give as much information about the cost as you can. Categories of expense (staffing, number of positions, outside services, necessary equipment) are helpful; line item detail is not required. Does this proposal generate revenue now? In some later period?

Some staff time in the COO office and Council Office will be required. Minimal fiscal impact.

Funding Options

How will you fund this proposal? Sources might include:

- Redeployment or elimination of existing effort by reassigning staff or eliminating an equivalent dollar amount from the proposed operating budget (be specific);
This option is cost neutral in FY 2011-12; depending on selection, it may or may not be 100 percent cost neutral in subsequent years.
- Use of one-time money from Opportunity Fund (\$500,000 total available);
The five-year plan anticipates that the Opportunity Fund will be funded each year. Committing the fund now may limit ability to respond to new opportunities that occur during the year.
- Use of one-time money from a specified reserve.
This option follows the financial policies of using one-time money to fund one-time (not permanent) expenses. Funding for multi-year proposals would all come from this year's reserves.

Depending on the chosen reserve, this may require replenishing the reserve next year under the “pay yourself first” principal for maintaining specified reserves.

Relationship to other programs

How does this proposal relate to, enhance or complement existing programs or projects?

This proposal is intended to improve the process for resource allocation.

Stakeholders

Who will be affected, positively or negatively, by this proposal? What known groups or coalitions will have interest in this?

Councilors will be confident expenditures from this fund meet mutually agreed upon policy goals.

Management Response

Burkholder #3: One-time expenditure

This proposal can be implemented at any time by Council direction, informally or formally. To formalize the intent, a budget note would be a suitable vehicle. Budget notes are formal direction, printed in the budget document, and reported on by the Budget Officer in the subsequent period.

Suggested language:

Budget Note: The Chief Operating Officer will prepare for Council consideration a proposal for establishing the guidelines* for a spending plan for Reserve for Future One-Time expenditures (or successor name) as part of the regular budget process.

*Note: we suggest the term “guidelines” because of a provision in Oregon budget law that restricts the governing body from making decisions prior to the public proposing of the budget.

Additional Background

History of the “Reserve”

A brief history of the excise tax is attached. Since 2000 when the solid waste portion of the excise tax was converted from *ad valorem* to a per-ton tax and the “Recovery Rate Stabilization” Reserve was enacted, there have been a number of changes. Among them, in 2008, the former “Recovery Rate Stabilization Reserve” was eliminated. The importance of this is that the yield is used to calculate the tax rate; the spending limit is used to control how much excise tax can be expended in any year. With the advent of the Construction Excise Tax we did not want layered accumulations of excise tax. At the time the reserve was eliminated, the staff report indicated that we would continue to calculate and report on any amount above the yield, a report found in every quarterly financial report. Admittedly we have been less consistent about eliminating the former name, “Recovery Rate Stabilization Reserve” or ‘Recovery Rate Stabilization fund’, in our descriptions.

The first reserve balance was recorded in FY 2001-02 (\$64,126). It accumulated to an anticipated \$1.5+ million in FY 2004-05 when the Council first authorized its spending for the following year.

History of Uses of the “Reserve”

We have completed rapid but not exhaustive research on the uses of the former Recovery Rate Stabilization Fund, locating authorizing resolutions, ordinances and budget document references.

Council directed spending:

Spending from former Recovery Rate Stabilization fund			
2005-06	1,250,000		Res 05-3580A initial start up for Nature In Neighborhoods (2 years)
	250,000		Res 05-3594A renewal and replacement (reduced from \$500,000 based on available funding)
2007-08	1,395,000		ordinance 1170B - Three year Reserves Spending Plan
		250,000	Nature in Neighborhoods Grants
		345,000	Urban/Rural Reserves staff
		500,000	Urban/Rural Reserves analysis
		300,000	Capital Finance portfolio (staff position for Infrastructure finance)
2008-09	325,000		
		250,000	Nature in Neighborhoods Grants (Park amendment)
		75,000	Climate Change staff and M&S (Burkholder amendment)
2009-10	-		no balance available
2010-11	-		no balance available
2011-12	500,000		earmarked for MRC Street Car assessment (actual availabe: \$457,786
2012-13	600,000		in budget as currently approved
		200,000	Nature in Neighborhoods grants
		200,000	Glendoveer capital
		200,000	Sustainability upgrades
Total	4,320,000		
Total NiN	1,950,000		

Other uses

In years of increasing tonnage, reserve funds are accumulated when actual collections exceed the yield set in Code; in years of decreasing tonnage, funds are applied first to meet the underlying yield before any contribution is made to reserves. Information about this must be inferred from quarterly excise tax reports. Beginning in 2007 when tonnage first began declining, the “stabilization” intent of the over-collection was fulfilled. In FY 2007-08 the balance was reduced by \$61,632 because of the first shortfall in collections. This continued in FY 2008-09 when the remaining balance of \$106,662 was entirely consumed and still failed to produce the anticipated yield. In FY 2009-10 declining tonnage again netted no overcollection. The first new contribution came at the end of FY 2010-11 when \$457,776 remained after meeting the anticipated yield for both the 7.5 percent tax and the per ton tax. In FY 2011-12 we expect to end the year with about \$650,000 available.

The Excise Tax on Solid Waste

A Brief Policy History

- 1990** **Excise Tax Adopted.** Metro adopted an excise tax to fund its general government activities. It was implemented as an *ad valorem* tax on the gross revenues of Metro's own enterprise activities and on privately-owned solid waste facilities. The solid waste tax rate would vary between 5.25 and 8.50 percent over the next decade. *Reference: Ordinance No. 90-333A*
- 1992** **Voters Approve the Metro Charter.** The Charter limits the amount of annual expenditure from taxes that are not approved by a general vote. The initial cap was \$12.5 million, which rises annually at the rate of the consumer price index. The FY 2011-11 limit will be \$19.3 million. Other than the CPI increases, the expenditure limit can be raised only by a vote of the people.
- 2000** **Conversion.** Metro converted the *ad valorem* solid waste excise tax into a specific (per-ton) tax. The tax rate itself is not set in code; rather, the amount of revenue the tax is to rise, together with a formula for calculating the rate annually. Because the changes were quite extensive, they are summarized in the table on the back of this page. *Reference: Ordinance No. 00-857B*
- 2002** **"Buck a Ton for Parks"** In 1995 voters approved a bond measure for acquisition of natural areas, but not for improvements and operation. Facing a growing operating shortfall, Metro enacted a temporary (three-year) \$1 per ton surcharge ("Additional Tax") while an expert and citizen led "Green Ribbon Committee" developed recommendations on permanent funding natural area protection, restoration and operations. *Reference: Ordinance No. 02-939A*
- 2004** **Additional Tax made Permanent.** With a plan build four parks in four years, Metro modified the Additional Tax to fund the capital and subsequent ongoing operating costs of the four parks. Metro made the Additional Tax permanent, and increased the rate by \$2.00 to a total of \$3.00 per ton. The tax rate is set in Metro Code and increases each year at the rate of the consumer price index. If continued unchanged into FY 2010-11 the rate would be \$3.47 per ton. *Reference: Ordinance No. 04-1048A*. In a subsequent action, Metro amended the code to dedicate \$2.50 of the new Additional Tax to parks, and \$0.50 to the Metro Tourism Opportunity and Competitiveness Account (MTOCA). *Reference: Ordinance No. 04-1052*.
- 2006** **Dedicated Funding Repealed.** Finding that the best financial practice is to use the code for revenue generation and to leave resource allocations to the budget, Metro repealed the code-based dedication of funding for parks and MTOCA. These funds have continued to flow to parks and MTOCA through budget appropriations in subsequent years. *Reference: Ordinance No. 06-1116*
- 2008** **Deposits of Surpluses to Reserves Repealed.** Having repealed the excise tax recycling credits with passage of the Enhanced Dry Waste Recovery Program the year before, Metro repealed the code requirement to deposit any revenue over the statutory yield into the Recovery Rate Stabilization Reserve. *Reference: Ordinance No. 08-1187A*
- 2010** **"One Tax" Initiative.** In April 2010 the Metro Council will consider whether to simplify and stabilize the solid waste excise tax by combining the expected FY 2010-11 yield of the Additional Tax with the statutory yield of the Base Tax, and repealing the Additional Tax. For more on this initiative see the attached fact sheet, "Excise Tax Simplification and Stabilization Ordinance." *Reference: proposed Ordinance No. 10-1239*.

FY 2012-13 Council Proposals For Budget Amendment Discussion

Councilor Burkholder	#4
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Enter in the information under appropriate area. If you don't use all the space in an area, snug up unused lines. You can delete the descriptions under each header to save space.

Short Title

Multimodal data development allocation

Concise Description

Please describe the proposal, sufficient in scope that the cost and/or level of effort can be evaluated.

Add \$80,000 to Data Resource Center budget for next steps of multimodal data development.

Objective

Clear statement of what this proposal is intended to accomplish.

What is the desired outcome? How will you tell if the proposal reaches the desired outcome?

In FY 2011-12, the Council funded the first phase of the Multimodal Data component of the regional transportation model. This resulted in the first ever consistent and accurate information on bicycle facilities and regional trails. This data is used for transportation modeling, including the ability to forecast bicycle use based on facility type, as well as for targeting facility improvements in the Regional Transportation plan as well as local transportation system plans. In addition, this data is critical to the Active Transportation Plan component of the RTP, currently underway.

Data on pedestrian facilities is currently of very low quality, with some inconsistent and incomplete data on sidewalk locations but none on safe crossings, curb ramps or transit stop access. The RTP includes performance standards and goals relating to provision of pedestrian facilities that cannot be measured due to poor data. This budget amendment will collect and standardize information on pedestrian facilities so that progress toward regional goals can be measured as well as guiding programming of funds. Consistent data will also be critical for constructing the Active Transportation Plan.

Duration (put an 'x' in the appropriate line, for specific length write in the length)

 X One time

Specific length: _____

 On-going

Cost Estimate

How much are you willing to spend to achieve your desired outcome? What is the estimated cost or effort to implement this proposal? Give as much information about the cost as you can. Categories of expense (staffing, number of positions, outside services, necessary equipment) are helpful; line item detail is not required. Does this proposal generate revenue now? In some later period?

\$80,000

Funding Options

How will you fund this proposal? **I would like to explore options with guidance from the COO.**

Relationship to other programs

How does this proposal relate to, enhance or complement existing programs or projects?

This budget amendment will collect and standardize information on pedestrian facilities so that progress toward regional goals can be measured as well as guiding programming of funds. Consistent data will also be critical for constructing the Active Transportation Plan.

Stakeholders

Who will be affected, positively or negatively, by this proposal? What known groups or coalitions will have interest in this?

Management Response

Burkholder #4: Multimodal data development allocation

Project Budget:

DRC management estimates that the work of this proposal will require additional effort equivalent to a 0.5 FTE GIS Specialist position, at a cost of \$60,000. The position will be limited duration for one year. The actual work may be performed by an existing individual or a number of individuals; the additional 0.5 FTE will backfill to cover assigned work. The backfill position will cost somewhat less.

This summary illustrates the potential of a pedestrian data development project. If funded, the list of specific deliverables will need to be refined and prioritized with feedback from affected stakeholders who are involved in relevant programs.

Examples of programs and projects that require pedestrian data include the following:

- Travel demand modeling
- Active transportation plan
- Trails planning
- Climate smart communities scenarios project
- RTP update
- Opportunity/Equity mapping
- Multi-modal level of service analysis
- Future corridor plans

Regional partners who need pedestrian data to fulfill their responsibilities will use this data as well.

Examples of organizations that require pedestrian data include the following:

- TriMet
- PSU/OTREC
- Willamette pedestrian coalition
- Local jurisdictions

To enhance our ability to support the decisions of these and other stakeholders, Metro staff will follow the data selection process outlined below:

1. Finalize the comprehensive list of pedestrian-related data requirements
2. Prioritize the list of requirements based on relevance to essential research questions
3. Identify existing and potential data-collection sources
4. Calculate the level of effort required to maintain each dataset at varying levels of frequency and precision (e.g. quarterly updates vs. annual updates, regional scale vs. grid, etc.)
5. Select the data that can be collected, maintained and distributed in a reliable and financially sustainable process to support future decisions
6. Develop initial datasets, along with the long-term maintenance plan

The following examples might give a sense of the types of products that could be included in an initial comprehensive list at the beginning of the data selection process:

- Land use variables:
 - employment and housing density
 - block size
 - building coverage ratio
 - housing type
 - land use mix

- Urban design characteristics
 - development oriented to sidewalk
 - parking design between buildings and sidewalk
 - pedestrian amenities
 - level of noise
 - streetlights
 - landscaping
 - tree canopy
 - perception of safety
 - common areas
- Transportation system characteristics:
 - number of lanes
 - pedestrian and bicycle infrastructure
 - pedestrian stairs
 - trails
 - informal paths
 - density of intersections/marked crosswalks/crossing controls
 - bridges
 - connectivity
 - sidewalk (presence, width, obstructions)
 - safety features (including traffic calming devices)
 - network design
 - vehicle volumes and speeds
 - average daily traffic
 - width of median
- Accessibility:
 - local and regional measures of accessibility
 - time and/or distance based measures
- Natural environmental factors:
 - weather
 - daylight vs. darkness
 - topography
- Socio-demographic factors:
 - distribution of income
 - race/ethnicity
 - age
 - household size

One primary point of distinction between this proposal and prior efforts to develop pedestrian data is the focus on long-term maintenance requirements. Rather than delivering static data with no maintenance strategy, this project will include a plan to collaborate with regional partners to keep a refined short list of data current for future research needs.

Agenda Item No. 4.0

**POTENTIAL METRO ROLE IN DEQ'S
PORTLAND AIR TOXICS SOLUTIONS
PROGRAM (PATS)**

Metro Council Work Session
Tuesday, June 12, 2012
Metro, Council Chamber

Materials following this page were distributed at the meeting.

Property Tax Calculations

General Obligation Bond Debt Service Tax Levy Amount

FY 2012-13 REQUIREMENTS		Estimate before bond sale	Actual after bond sale	Difference by Issue
07/01/12	Oregon Convention Center (2001 Series A)	\$132,250	\$132,250	\$0
01/01/13	Oregon Convention Center (2001 Series A)	\$5,422,250	\$5,422,250	
09/01/12	Open Spaces (2002 Series)	\$9,666,531	\$8,907,250	(\$1,433,802)
03/01/13	Open Spaces (2002 Series)	\$759,281	\$0	
09/01/13	Open Spaces (2002 Series) - cash flow	\$9,899,281	\$0	
12/01/12	Open Spaces (2012B Series)	\$0	\$539,316	
06/01/13	Open Spaces (2012B Series)	\$0	\$9,444,725	
07/15/12	Oregon Zoo-Oregon Project (2005 Series)	\$238,575	\$238,575	\$0
01/15/13	Oregon Zoo-Oregon Project (2005 Series)	\$2,033,575	\$2,033,575	
07/15/13	Oregon Zoo-Oregon Project (2005 Series) - cash flow	\$193,700	\$193,700	
12/01/12	Natural Areas (2007 Series)	\$1,954,475	\$1,954,475	\$0
06/01/13	Natural Areas (2007 Series)	\$6,184,475	\$6,184,475	
TBD	Natural Areas (2012A Series)	\$15,450,000	\$0	(\$7,932,466)
12/01/12	Natural Areas (2012A Series)	\$0	\$1,694,559	
06/01/13	Natural Areas (2012A Series)	\$0	\$5,822,975	
TBD	Zoo Infrastructure (2012A Series)	\$11,150,000	\$0	(\$3,499,529)
12/01/12	Zoo Infrastructure (2012A Series)	\$0	\$1,387,908	
06/01/13	Zoo Infrastructure (2012A Series)	\$0	\$6,262,563	
TOTAL REQUIREMENTS		\$63,084,393	\$50,218,596	(\$12,865,797)
Sources available for cash flow:				
	Fund balance	\$11,067,000	\$11,067,000	\$0
	Prior years taxes to be rec'd in FY 2012-13	750,000	750,000	\$0
	Interest earned, FY 2012-13	75,000	75,000	\$0
	Total non-tax sources available in FY 2012-13	\$11,892,000	\$11,892,000	\$0
Tax resources required to balance		\$51,192,393	\$38,326,596	(\$12,865,797)
Levy (assume 94.5% collectable rate)		\$54,171,844	\$40,557,244	(\$13,614,600)
Estimated FY 2012-13 Assessed Value		\$131,430,896,816	\$131,430,896,816	\$0
Levy rate per \$1,000 of assessed value		\$0.4122	\$0.3086	(\$0.1036)
On \$100,000 of assessed property value		\$41.22	\$30.86	(\$10.36)
FY 2012-13 GO DEBT TAX LEVY AMOUNT		\$54,171,844	\$40,557,244	(\$13,614,600)



Metro | Memo

Date: Tuesday, June 12, 2012
To: Metro Councilors
From: Martha Bennett, Chief Operating Officer and Heidi Rahn, Community Investment Initiative Project Manager
Subject: Community Investment Initiative Proposed Budget

Per the Metro Council's request for additional information regarding the Community Investment Initiative (CII) proposed budget for FY12-13, we have outlined the spending proposal according to the resources we anticipate will be needed to implement the CII strategic plan.

Staff will work with you over the next two months to identify potential roles and a work plan for the Metro Council related to the Community Investment Initiative.

CII Focus Area	Personnel		M&S	Total
Strategy 1: Establish infrastructure investment entity	1.1 FTE	\$109,208	\$130,000	\$239,208
Strategy 2: Create development-ready communities pilot program	.75 FTE	\$ 72,313	\$35,000	\$107,313
Strategy 3: Explore additional revenue for transportation	.25 FTE	\$27,590	\$22,000	\$49,590
Strategy 4: Support regional school facilities strategy	.35 FTE	\$39,838	\$16,000	\$55,838
CII organizational management	1.6 FTE	\$141,596	\$45,000	\$186,596
Total Personnel and M&S	4.05 FTE*	\$390,545	\$248,000	\$638,545

*The CII proposed budget includes 3.5 FTE in the Council Office and Research Center plus temporary administrative support. Additional support is expected to come from the Office of the Metro Attorney and staff from the Planning and Development Department and Council Office (including Council Policy Coordinators and Government Affairs and Policy Development staff).



Metro | *Making a great place*

May 29, 2012

TO: President Hughes and Metro Council Members
FROM: Martha Bennett, COO
Cc: Robin McArthur, Elissa Gertler
SUBJECT: Potential Metro Role in DEQ's Portland Air Toxics Solutions Program (PATs)

Issue:

Councilor Burkholder raised questions about DEQ's Portland Air Toxics Solutions Program (PATs) and requested that Metro engage in a RLI process to help reduce air toxics in this region. To follow up, I have asked Planning and Development department staff to research the status of DEQ's efforts and recommendations about what role Metro should play. In addition Robin McArthur and I met with Councilor Burkholder to discuss our recommendations for next steps.

Background

DEQ initiated the Portland Air Toxics Solutions program (PATs) to work with local communities to develop an air toxics reduction plan for the Portland region. In August 2009, DEQ convened a PATs Advisory Committee for the purpose of recommending strategies for an air toxics reduction plan. The committee was comprised of diverse stakeholders including governments, industry representatives, environmental groups, and citizens. While a final report was produced that includes recommendations for air toxics reductions, the group did not reach consensus on all issues and the report was not endorsed by all members. Trucking, metals, and other industry representatives generally objected to many of the recommendations of the report and questioned the technical veracity of the analysis, particularly the use of modeling instead of monitoring.

As it became clear there would be no consensus endorsement of the report, DEQ initially decided to present the document as a DEQ product instead of as a committee report. Most non-industry representatives objected, and a compromise was reached in which the document was presented as a committee report, but an optional letter of support or opposition was included from each member in lieu of a signature of endorsement. Metro submitted a letter expressing support for the PATs process and intent to incorporate the recommendations where possible into Metro work programs, along with a pledge to continue to provide technical support to PATs as requested.

The final report identified five areas in declining order that are the most significant contributors to air toxics.

1. Wood burning in fireplaces and woodstoves
2. Light duty vehicles
3. Heavy duty vehicles
4. Construction equipment
5. Industrial sources

The report identifies Metro as a key partner in addressing air toxics in the "On Road Mobile Light Duty" category and staff recommends we focus on efforts related to vehicles.

Oregon DEQ opened a public comment period on the report and will kick off a series of public meetings and outreach in late May. The report will be presented to the Oregon Environmental Quality Council for endorsement in October 2012.

Potential Role for Metro:

- 1) Incorporate air toxics reduction goals into Metro work programs such as the Climate Smart Communities and the SW Corridor initiatives to address mobile sources.
- 2) Monitor and testify to Environmental Quality Commission on PATS recommendations.
- 3) Work with DEQ staff to identify how “environmental justice” communities are impacted by mobile sources and consider ways to address those issues in Metro work programs.

Possible Course of Action:

Given that VMT reduction is critical to reducing air toxics for two of the top five sources, Metro’s Region 2040 growth concept and implementation activities fully support the PATS recommendations. Metro’s involvement in enhancing transit service, building transit-oriented development projects, brownfield redevelopment, and main street development activities all contribute to a reduction in VMT and therefore air toxics.

Another important issue is how air toxics affect “environmental justice” communities. Metro and DEQ staff will be discussing this topic with an eye toward how we may incorporate that knowledge into Metro’s existing work programs, especially around mobile sources.

Below is a list of specific program areas that are underway (or will be initiated in the next few years) and an explanation of how they support (or can support at low/no cost) reduction of air toxics.

Metro Programs That Emphasize VMT Reduction:

Below is a list of Metro programs focused on reducing VMT and thereby air toxics. These programs are funded in FY 12-13 but long-term funding will be needed but will need long-term funding.

- **Traffic incident management** - Effective incident management can reduce the time to detect incidents, the time for responding vehicles to arrive, and the time required for traffic to return to normal conditions. Vehicles idling in traffic jams contribute negatively to air quality. The TSMO plan designated this high priority in the near term needing an estimated \$2.7 million in investment.
- **Electronic traveler information** – Services like ODOT’s Trip Check and TriMet’s Regional Trip Planner beta are essential for providing residents and commuters pre-trip planning to make the best travel choice. The TSMO plan designated traveler information a high priority and estimated \$6.5 million is needed in the near term and another \$3.1 in the long term to effectively provide this information to the public.
- **Traffic signal coordination** – Several jurisdictions have shown the positive air quality effects of coordinating signals to reduce idling traffic or improve transit service and provide safer bike/pedestrian crossings, encouraging non-auto trips. Traffic signal coordination is part of the entire transportation system management package for corridor investment, estimated at \$91 million in the near term and \$202 million in the long-term.

- **Stronger Employee Commute Options incentives** – The TSMO plan calls for continuing employer services; however, the Climate Smart Communities estimated doubling the effort to reduce carbon dioxide and related emissions. Including rideshare support, commute services are estimated at 1.4 million each year in the TSMO plan. The TSMO plan includes a \$9.2 million region-wide incentive program. This was designated as a low priority and a long-term investment but would directly incent individuals to reduce reliance on the private vehicle.
- **Policy** – Metro’s Regional Transportation Functional Plan parking policy is expected to be updated in the next RTP. Parking policy addresses the growth in parking supply with new development. Many areas of the region have concluded there is an oversupply of parking. Smarter allocation of parking will reduce demand for vehicle trips in the long run. Metro will also be updating best practices for parking management including pricing and technology that allows drivers choice and ability to quickly locate parking, reducing air toxic emissions in congested areas from circling for parking spaces. The TSMO plan calls for parking management strategy and pilot project for just under \$0.5 million.

NOTE: Some items list a price tag. Those activities (bolded below) cannot be completed within the draft FY 12-13 budget.

Climate Smart Communities Scenarios Project

- Identify roles and responsibilities for decreasing VMT at local, regional, state, and federal levels (current).
- In support of the Oregon Sustainable Transportation Initiative (OSTI), work with state agencies and private partners to identify sustainable funding to reduce VMT and options for implementation (current).
- Use methodology currently being developed with the Oregon Public Health Division for considering health impacts of transportation and land use strategies (current).
- **Work with DEQ and ODOT to assess feasibility of incorporating air toxics evaluation in GreenSTEP model and modify model if possible. Determine appropriate reduction goals equivalent to 20% reduction goal established for GHG. Document and report air toxics co-benefits of GHG reduction scenarios. Air toxics analysis could contribute to evaluation of all scenarios (proposed - \$10,000-20,000)**
- **Produce air toxics outputs in MOBILE6 (or MOVES) runs scheduled to be used to assess final three scenarios; include air toxics analysis in scenario reporting (proposed – \$3,000-\$6,000).**

Regional Transportation Plan (RTP) – to be initiated in FY 13-14

- Continue to include monitoring and evaluation in support of health and equity goal added in 2035 RTP (current)

- Produce air toxics outputs in MOBILE6 (or MOVES) runs used in RTP update; include air toxics reporting in System Monitoring section of Chapter 5 or RTP, which currently reports levels of carbon monoxide (CO), nitrogen oxide (NOX), volatile organic compounds (VOC), and particulate matter (PM10) (proposed – \$1,500-\$3,000).
- Use methodology Climate Smart Communities is developing with the Oregon Public Health Division for considering health impacts of transportation and land use strategies in future RTP updates as appropriate (proposed – \$3,000-\$6,000)

Air Quality Conformity Determination for RTP and MTIP – to be initiated in FY 13-14

- Produce air toxics outputs in MOBILE6 (or MOVES) runs used to monitor modeled carbon monoxide emissions as mandated and benzene and 1,3 butadiene under agreement with Oregon DEQ; include additional air toxics monitoring in reports (proposed-\$1,500 - \$3,000)

Project Development – Corridor Plans

- Utilize existing PATS modeling results to identify localized air toxics areas within study corridors and apply special consideration to those areas. A limitation of this strategy is that PATS modeling is based on year 2017 data, which means conditions will not match those of Metro’s corridor study, which use later forecast year land use and transportation assumptions. Also, the PATS results are static, and the effects of various corridor plan alternatives on air toxics reductions could not be measured (proposed - \$3,000-\$6,000).
- MOBILE6 (or MOVES) to measure air toxics effects of corridor study alternatives. While MOBILE6 is usually utilized to assess emissions at a regional level, and usually the scale of regional emissions changes due to corridor projects are very small, software can be adjusted to measure air toxics at smaller geographies, though such adjustment would require significant labor time to modify the model for specific focus areas, and would require several additional model runs for each alternative (proposed - \$12,000-\$20,000)
- Complete health assessments and include health and equity in evaluation measures (current and proposed for future plans- \$9,000-\$12,000)