

Metro | Agenda

Meeting: Metro Council
Date: Thursday, June 21, 2012
Time: 2 p.m.
Place: Metro, Council Chamber

CALL TO ORDER AND ROLL CALL

1. **INTRODUCTIONS**
2. **CITIZEN COMMUNICATION**
3. **FINANCIAL CONDITION OF METRO: FY 2001-02 TO FY 2010-11 AUDIT** **Flynn**
4. **CONSIDERATION OF THE MINUTES FOR JUNE 14, 2012**
5. **HEARING ON ENFORCEMENT OF TITLE 13 OF THE METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN – CITY OF TROUTDALE**
Public Hearing
6. **ORDINANCES – SECOND READING**
 - 6.1 **Ordinance No. 12-1279**, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule and Amending the FY 2011-12 through FY 2015-16 Capital Improvement Plan. **Burkholder**
Public Hearing
 - 6.2 **Ordinance No. 12-1280**, For the Purpose of Amending and Re-Adopting Metro Code 7.03 (Investment Policy) for Fiscal Year 2012-2013. **Hosticka**
Public Hearing
 - 6.3 **Ordinance No. 12-1274A**, For the Purpose of Adopting the Annual Budget For Fiscal Year FY 2012-13, Making Appropriations, Levying Ad Valorem Taxes, and Authorizing an Interfund Loan. **Hughes**
Public Hearing
7. **RESOLUTIONS**
 - 7.1 **Resolution No. 12-4352**, For the Purpose of Adopting the Capital Improvement Plan for Fiscal Years 2012-13 through 2016-17; and Readopting Metro's Financial Policies. **Hughes**
 - 7.2 **Resolution No. 12-4353**, For the Purpose of Accepting the May 15, 2012 Primary Election Abstract of Votes for Metro and Finding the Candidates Qualified. **Hughes**
8. **CHIEF OPERATING OFFICER COMMUNICATION**
9. **COUNCILOR COMMUNICATION**

ADJOURN

Television schedule for June 21, 2012 Metro Council meeting

<p>Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 30 – Community Access Network <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Thursday, June 21</p>	<p>Portland Channel 30 – Portland Community Media <i>Web site:</i> www.pcmtv.org <i>Ph:</i> 503-288-1515 <i>Date:</i> Sunday, June 24, 7:30 p.m. <i>Date:</i> Monday, June 25, 9 a.m.</p>
<p>Gresham Channel 30 - MCTV <i>Web site:</i> www.metroeast.org <i>Ph:</i> 503-491-7636 <i>Date:</i> Monday, June 25, 2 p.m.</p>	<p>Washington County Channel 30– TVC TV <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Saturday, June 23, 11 p.m. <i>Date:</i> Sunday, June 24, 11 p.m. <i>Date:</i> Tuesday, June 26, 6 a.m. <i>Date:</i> Wednesday, June 27, 4 p.m.</p>
<p>Oregon City, Gladstone Channel 28 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>	<p>West Linn Channel 30 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.</p>

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

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

Agenda Item No. 3.0

**Financial Condition of Metro:
FY 2001-02 to FY 2010-11 Audit**

Metro Council Meeting
Thursday, June 21, 2012
Metro, Council Chamber



Financial Condition of Metro: FY 2001-02 to FY 2010-11

June 2012
A Report by the Office of the Auditor

Suzanne Flynn
Metro Auditor



**Knighton Award
for Auditing**

Metro audit receives ALGA Gold Award

An audit released in 2011 entitled “Large Contract Administration” received the Gold Award for Small Shops by ALGA (Association of Local Government Auditors.) The office was presented with the award at the ALGA conference in Tempe, Arizona in May 2012. Knighton Award winners are selected each year by a judging panel, and awards presented at the annual conference.

Metro Ethics Line

The Metro Ethics Line gives employees and citizens an avenue to report misconduct, waste or misuse of resources in any Metro or Metro Exposition Recreation Commission (MERC) facility or department.

The ethics line is administered by the Metro Auditor's Office. All reports are taken seriously and responded to in a timely manner. The auditor contracts with a hotline vendor, EthicsPoint, to provide and maintain the reporting system. Your report will serve the public interest and assist Metro in meeting high standards of public accountability.

To make a report, choose either of the following methods:

Dial 888-299-5460 (toll free in the U.S. and Canada)

File an online report at www.metroethicsline.org



SUZANNE FLYNN

Metro Auditor

600 NE Grand Avenue


Portland, OR 97232-2736

Phone: (503)797-1892 Fax: (503)797-1831

MEMORANDUM

June 6, 2012

To: Tom Hughes, Council President
Shirley Craddick, Councilor, District 1
Carlotta Collette, Councilor, District 2
Carl Hosticka, Councilor, District 3
Kathryn Harrington, Councilor, District 4
Rex Burkholder, Councilor, District 5
Barbara Roberts, Councilor, District 6

From: Suzanne Flynn, Metro Auditor 

Re: Financial Condition of Metro, FY 2001-02 to FY 2010-11

The following report is a review of Metro's financial condition over the last ten years. My office completes this audit every two years and this is the third report in the series. It provides a check-up of how well Metro is doing financially based upon financial indicators that are recommended by the International City/County Management Association. This year, in an attempt to improve the quality of the information, I added expenditure information by individual departments.

Most of the information in this report is derived from the Comprehensive Annual Financial Report prepared each year by the Finance and Regulatory Services and audited by the external auditor. It is intended to give a long term review for Metro's financial history. Despite the economic downturn, most indicators remain positive for Metro.

We have discussed our findings and recommendations with management of Finance and Regulatory Services, the Chief Operating Officer and Deputy Chief Operating Officer. I would like to acknowledge their assistance and cooperation in preparing and reviewing the report.

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Summary

A government in good financial condition can afford to provide services on an on-going basis without disruption and can respond to changes. Financial condition can be monitored by reviewing long-term trends in the areas of revenues received, expenditures, debt, assets and the community's demographics and economy.

This report provides citizens and public officials with an overview of Metro's financial condition. It includes 38 measures and covers a 10-year period from FY 2001-02 through FY 2010-11.

Most revenues increased

Metro receives revenues from a variety of sources. Some are restricted to a particular use or program and some are not. Once adjusted for inflation, **total revenues increased 19%**. This is a positive trend. In FY 2010-11, fees that were charged for services made up 54% of revenues received. Taxes were the second largest source, at 33%. Details for each revenue source are as follows:

- *Charges for services:* Fees received for services at the Oregon Zoo and the facilities of the Metro Exposition and Recreation Commission (Oregon Convention Center, Portland Center for the Performing Arts, Exposition Center) **increased**. User fees for Metro's parks and solid waste disposal system **declined**.
- *Property taxes:* Property taxes to fund general government and taxes to repay debt on Metro's bond measures **increased**.
- *Excise taxes:* Taxes received from users of Metro facilities and services **increased overall**, but **declined** in the last three years.
- *Grants:* Revenues received from grants **trended up**, but fluctuated up and down from year-to-year.

Expenditures increased in most categories

We reviewed total expenditure, expenditure for risk management, employee costs, fixed costs, capital and individual departments. Once adjusted for inflation, **total expenditure increased 17%**. This is both a positive and negative trend.

- *Risk Management Fund:* These expenditures are for expenses relating to employee insurance premiums, claims and studies related to insurance issues. Expenditures have **increased 54%**, a negative trend.
- *Employee costs:* Expenditure for employee salaries and benefits **increased 22%**. Benefits have consistently been around 26% of total employee costs.

- *Fixed costs:* This expenditure is primarily for payments on long-term debt. Metro's debt payments **decreased** in the earlier years as debt was paid off, increased as bonds were issued, and **began to decline** in FY 2010-11 as debt was paid off. A significant portion of Metro's debt is covered by a tax increase approved by voters to fund the purchase of natural areas and improvements at the Oregon Zoo.
- *Capital expenditure:* Metro's spending on physical assets was primarily for land purchases or construction and improvements at the Oregon Zoo. Expenditure **declined** until FY 2006-07 and has **increased** with the approval of bond measures. This is a positive trend.
- *Expenditure by department:* Most departments **increased** expenditures, which could lead to increased services, a positive trend. However, this does not measure efficiency and effectiveness of the increased expenditure. The solid waste system experienced a **decline** that mirrored the **decline** in service fees that fund the program.

Financial standing indicators are positive

- *Liquidity:* Liquidity measures Metro's ability to meet its short-term obligations. Metro has consistently been well **above the recommended ratio**, a **positive** trend.
- *Total debt:* The majority (75%) of Metro's debt is covered by a voter-approved tax increase to pay off general obligation bonds. Debt **increased** in FY 2006-07 and has since **declined** as debt is paid off, a positive trend.
- *Net assets:* This is a measure of all assets, physical and monetary, after what is owed (liabilities) is subtracted. Net assets have **increased**, a positive trend.
- *Capital assets:* Capital assets are physical assets and can be non-depreciable, such as land, or depreciable, such as buildings or zoo exhibits. The value of non-depreciable assets **increased**, a positive trend.
- *Fund balance – General Fund:* This is a new measure beginning in FY 2010-2011. It is the ratio of unreserved fund balance to operating revenues in the General Fund. The General Fund pays for Metro's primary government programs and support services. A declining fund balance would be a warning.

Demographic and economic trends show effect of recession

Demographic and economic indicators suggest a cautious approach until the economy strengthens.

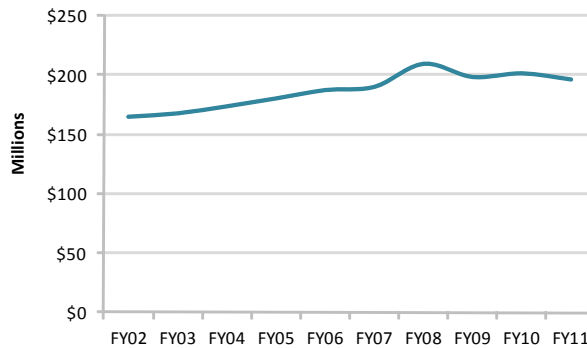
- *Population:* Population in the tri-county area has **increased 12%**, but growth **slowed** in recent years.

- *Per capita personal income:* This indicator **increased slightly** (0.4%), but **declined** in the last two years.
- *Unemployment rate and number of jobs:* In the past three years, the Portland metropolitan area experienced an **increasing** unemployment rate, and a **decline** in the number of jobs.
- *Number of businesses:* The number of businesses grew until 2007, but remained at about the same level since then.
- *Annual value of new construction:* This measure **dropped** significantly from 2005 to 2009.
- *Real market property values:* This indicator **declined** from 2009 to 2011.

Revenue

The amount of money Metro receives determines its capacity to deliver services. The sources of Metro's revenues are diverse; some programs charge for their services, while others are funded by taxes. In this section, we show total revenues and the different types of revenue.

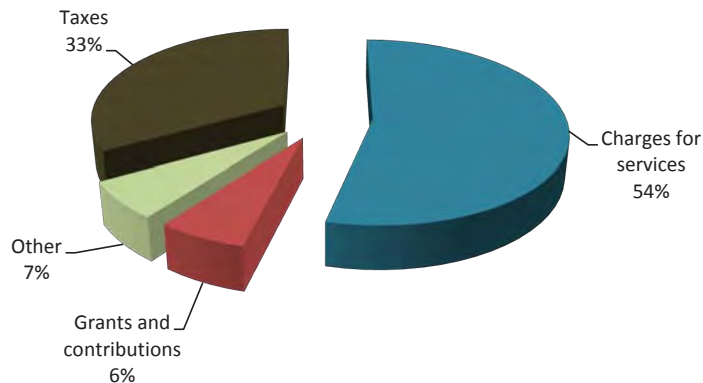
Total revenues FY 2001-02 to FY 2010-11 (adjusted for inflation)



In the last 10 years, total revenue increased 19%. However, not all revenues have increased and the rate of increase has varied by revenue source.

Several factors affected changes in revenues since FY 2007-08. Revenues from property taxes increased primarily as the result of two new voter-approved bond measures, one to purchase natural areas and the other to make improvements at the Oregon Zoo. Revenues were also affected by the Great Recession and declined in FY 2008-2009.

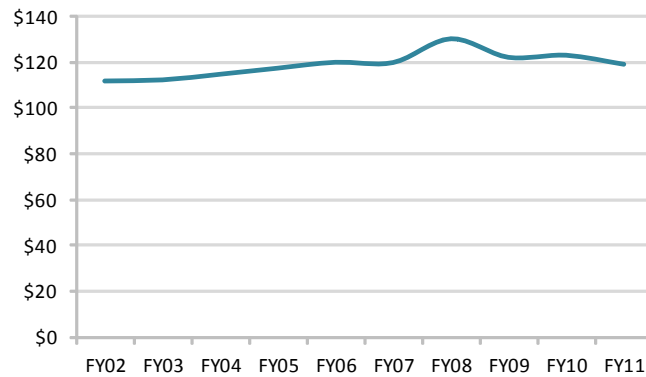
Revenue sources FY 2010-11



Metro has a diverse array of revenue sources. Several are restricted and can only be used for one service, while others support several types of services.

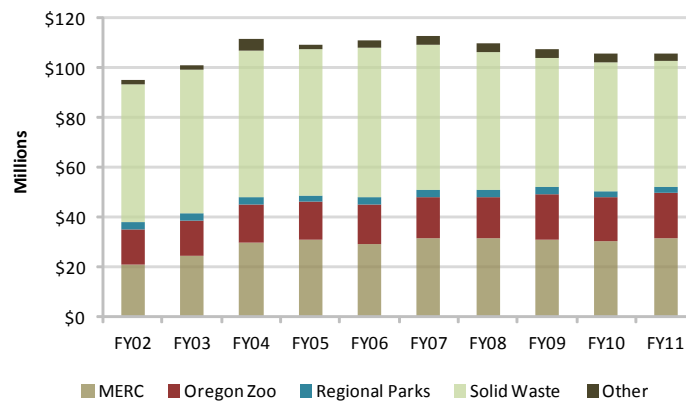
In FY 2010-11, the largest source of revenues at Metro was charges for services. In the last 10 years, the percentage of revenues received from charges for services has been as high as 63%, and as low as 52%. The second largest source of revenue (33%) in FY 2010-11 was taxes.

Revenue per capita
 FY 2001-02 to FY 2010-11
 (adjusted for inflation)



Per capita revenues show changes in revenues relative to changes in population. As the population increases, it might be expected that revenues and the need for services would increase in a similar way. From FY 2001-02, population increased by 11.6% and revenue per capita increased by 6.6%.

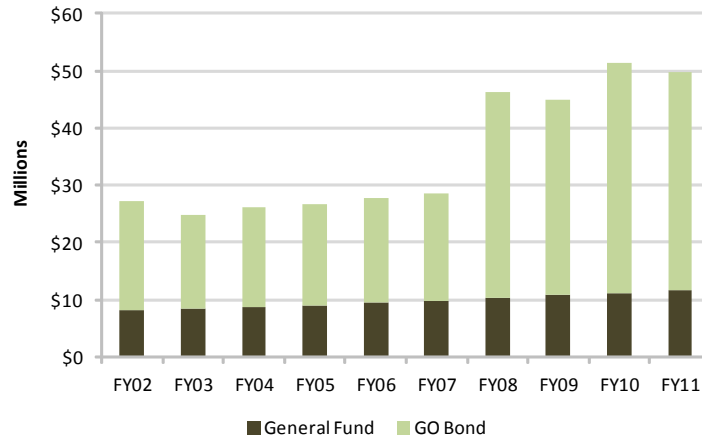
Charges for services
 FY 2001-02 to FY 2010-11
 (adjusted for inflation)



Several of Metro’s services charge a fee. Metro’s solid waste facilities and regional parks, as well as the Oregon Zoo, all charge for services. The Metro Exposition and Recreation Commission (MERC) includes the Oregon Convention Center, Portland Center for the Performing Arts and the Exposition Center. Each of these facilities also charges for services. The amount collected can reflect the state of the economy.

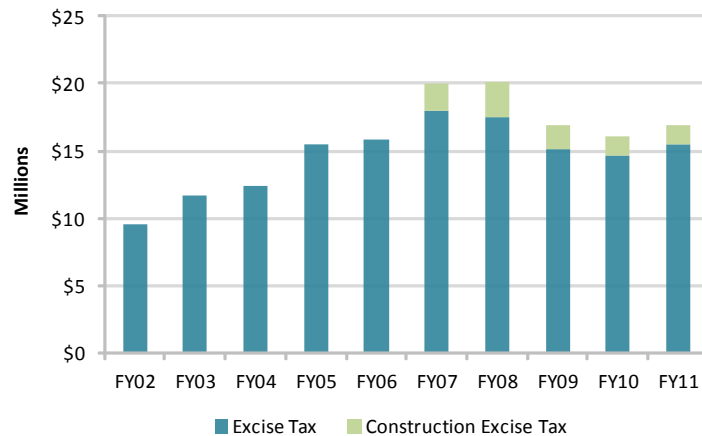
Service charges for Metro regional parks have decreased 10% and solid waste disposal decreased 9% for the 10-year period. All other services saw an increase.

Property taxes
 FY 2001-02 to FY 2010-11
 (adjusted for inflation)



Metro receives some revenues from property taxes. A portion of these taxes comes from an on-going rate used to fund general government services (General Fund). In addition, voters approved a tax increase to repay bonds used by Metro to purchase natural areas and make improvements at the Oregon Zoo. Property tax revenue for general government services increased 43%, while revenue to repay bonds doubled.

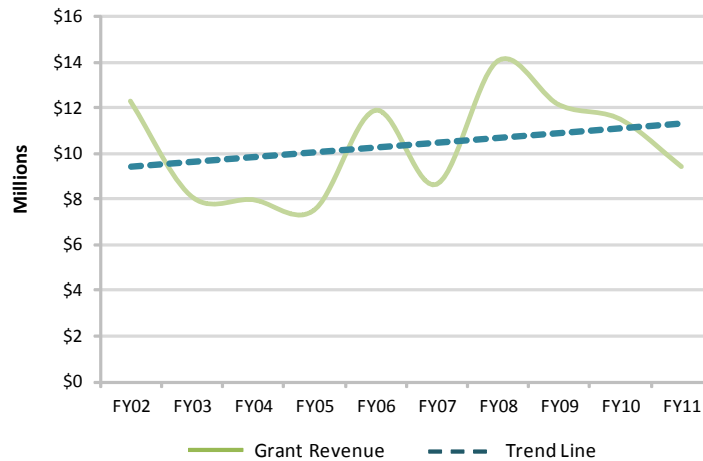
Excise taxes
 FY 2001-02 to FY 2010-11
 (adjusted for inflation)



Excise taxes received from users of Metro facilities and services are governed by the Metro Charter and Code. Beginning in FY 2006-07, Metro imposed a tax on new construction within the region (Construction Excise Tax) that is intended to fund planning in new areas brought into the urban growth boundary. Originally scheduled to end June 30, 2009, this tax has been extended until September 30, 2014.

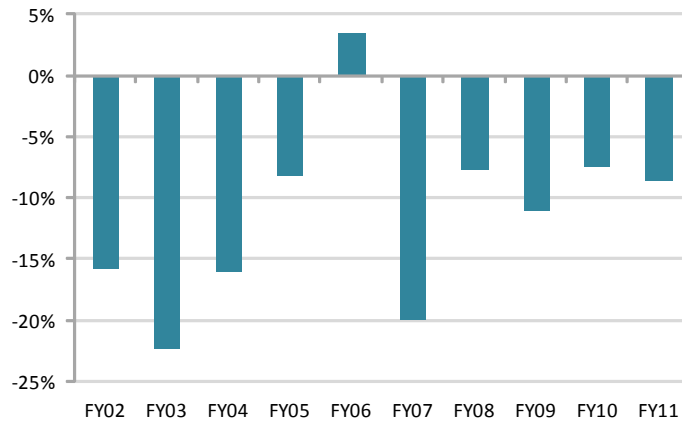
Both taxes were affected by the economy. Although total revenues from excise taxes increased overall (62%), they declined since FY 2007-08. Revenues from the CET declined 26% since inception.

Grants
 FY 2001-02 to FY 2010-11
 (adjusted for inflation)



Most grant revenues received by Metro are for projects in the Planning and Development Department. These revenues are restricted for a specific purpose and cannot be used outside of that purpose. Metro only receives grant funds after work is completed and billed. This causes the amounts received to fluctuate, however, the amount received has tended to increase over time.

General Fund revenue over/under budget
 FY 2001-02 to FY 2010-11



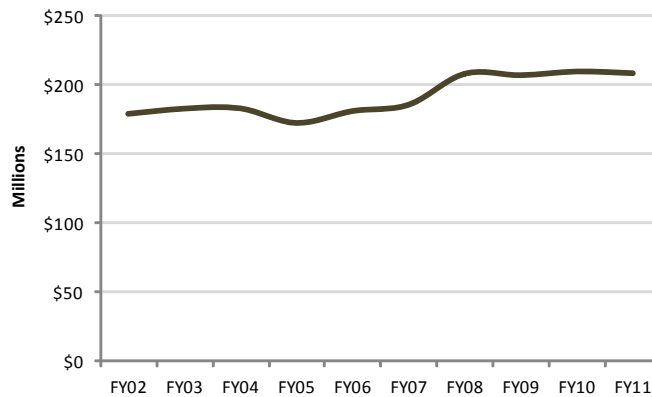
Revenue shortfall measures how well expected revenues were estimated each year. Significant shortfalls could require mid-year cuts of services if these funds were relied upon.

In 9 out of 10 years, these shortfalls were primarily the result of over-estimation of grant receipts in the Planning and Development Department. The department only received these revenues after work on projects was billed. If a project was delayed, actual revenues would be less than estimated. Since FY 2008-009, revenues from excise taxes and fees were less than expected and account for some of this. More recently, General Fund revenue shortfalls have not been as large as in previous years, a positive improvement.

Expenditure

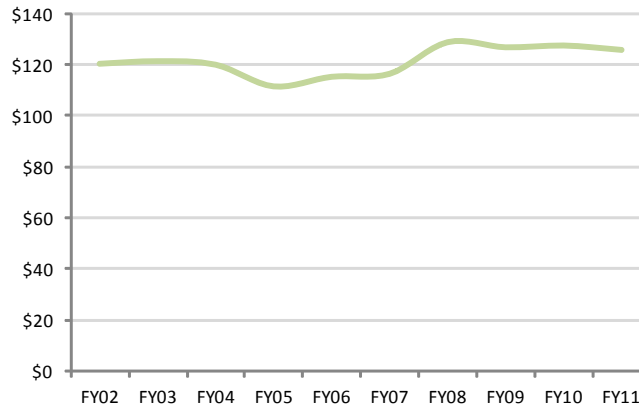
Expenditures are a rough measure of a government's service output. Generally, the more a government spends in inflation-adjusted dollars, the more services it is providing. In this section, we show total spending and report on categories of spending, such as personnel costs, debt payment and department expenditure.

Total expenditure
FY 2001-02 to FY 2010-11
(adjusted for inflation)



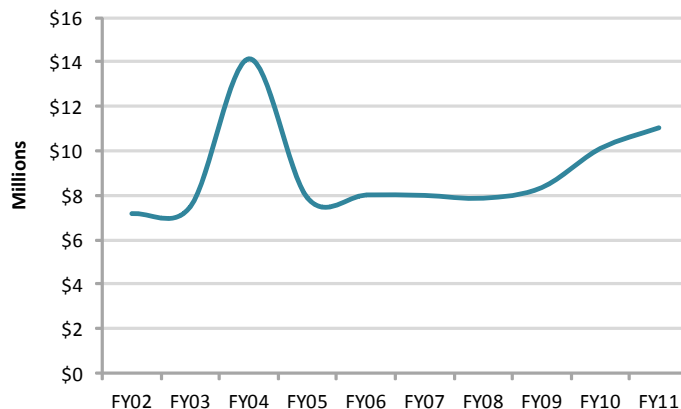
Total expenditures include all departments and services operated by Metro and MERC, as well as non-departmental costs and debt service. Included are costs for employee salaries and benefits, materials and services. Total expenditure increased 17%.

Expenditure per capita
FY 2001-02 to FY 2010-11
(adjusted for inflation)



Changes in per capita expenditures reflect changes in expenditure relative to changes in population. Increases in per capita spending may mean that the cost of providing services is growing faster than the community's ability to pay. This indicator has increased 5% in the last 10 years, a relatively small increase.

Risk management fund
 FY 2001-02 to FY 2010-11
 (adjusted for inflation)



The Risk Management Fund accounts for expenses related to employee insurance premiums, claims and studies related to insurance issues. Expenditures have increased 54% over the last 10 years. The spike in FY 2003-04 was due to accounting standards that required Metro to report as an expense probable future costs related to mitigating environmental conditions.

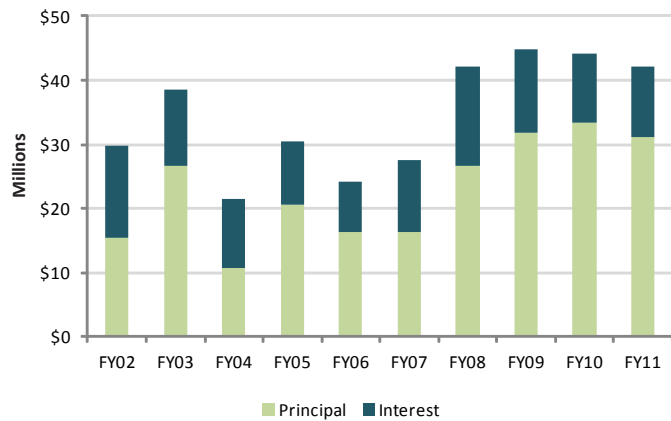
Employee costs
 FY 2001-02 to FY 2010-11
 (adjusted for inflation)



In the past 10 years, expenditure for employee salaries and benefits increased 22%. Benefits have consistently been around 26% of total employee compensation.

Fixed costs

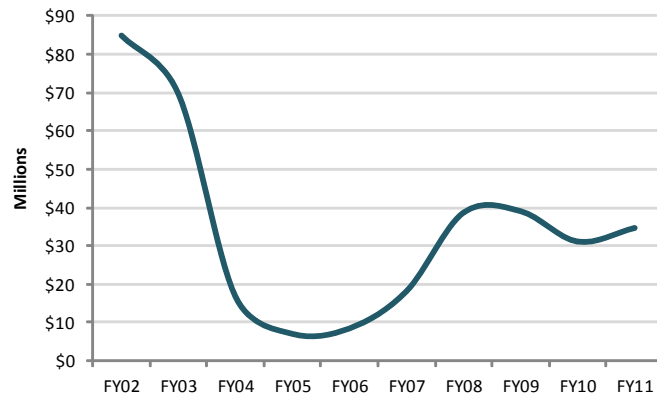
FY 2001-02 to FY 2010-11
(adjusted for inflation)



Fixed costs include the principal and interest on long-term debt and operating leases. They are considered fixed because Metro cannot adjust these payments when there is a change in resources available. Metro's long-term debt was primarily from the sale of general obligation bonds (75%), which are covered by a tax increase approved by voters. Metro uses these tax revenues to pay the debt.

Capital expenditure

FY 2001-02 to FY 2010-11
(adjusted for inflation)

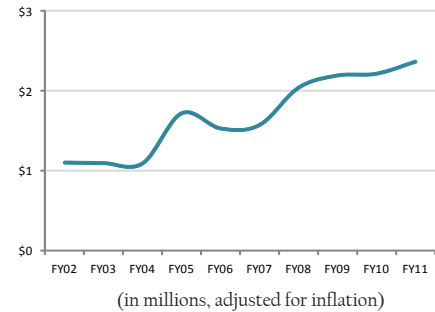


Capital spending is used to acquire or add to any physical asset. More recent spending on capital was primarily for the purchases of land for the natural areas program and improvements at the Oregon Zoo. Voters approved a bond measure in 2006 to allow land purchases and a bond measure in 2008 to make improvements at the Oregon Zoo.

Spending by program

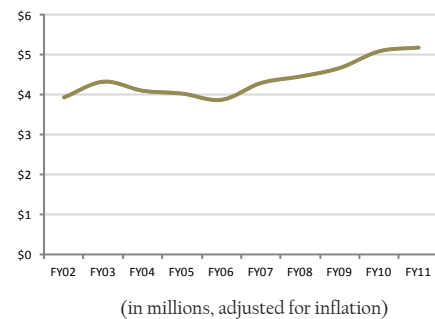
Communications

This department provides media relations, public involvement, writing, marketing, graphic and web design services to other Metro departments. In the last 10 years, expenditure for Communications has more than doubled. In FY 2010-11, 95% of the department's expenditure was for personnel.



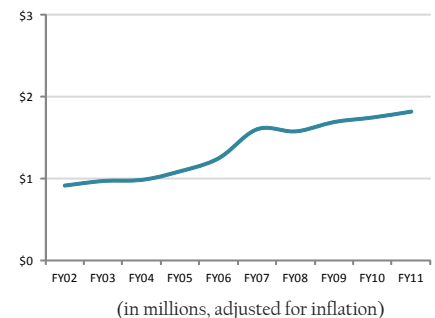
Finance and Regulatory Services

The Finance and Regulatory Services Department provides business services to other Metro departments and oversees regulations of the solid waste system. Expenditure increased 31% from FY 2001-02 to FY 2010-11. Three-quarters of its expenditure is for personnel.



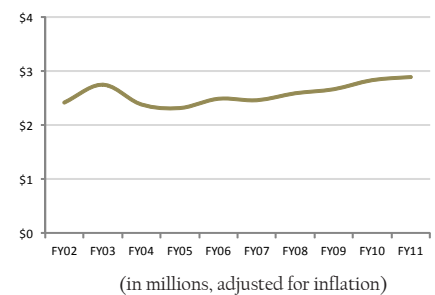
Human Resources

The Human Resources Department is a support service for all Metro departments. It is responsible for employee recruitment, compensation and benefits. It also provides organizational development and training. Expenditure doubled in the last 10 years. In FY 2010-11, 83% of expenditure was for personnel.



Information Services

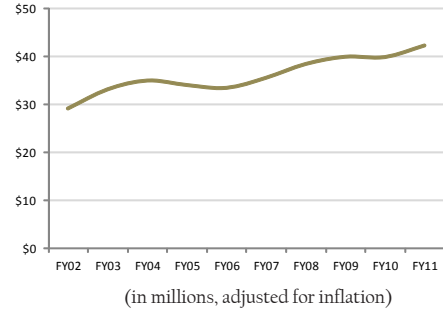
This department provides centralized services for the rest of Metro in the areas of hardware and software necessary for the agency to access information, make information available externally and to communicate. Expenditure for the department has increased 20% in the last 10 years. In the most recent fiscal year, 80% of its expenditure was for personnel.



MERC

The Metro Exposition and Recreation Commission oversees the operation and maintenance of the Oregon Convention Center, Portland Center for the Performing Arts (PCPA) and Expo Center. The Convention Center and Expo Center are owned by Metro. PCPA is owned by the City of Portland, which has assigned management responsibility to Metro.

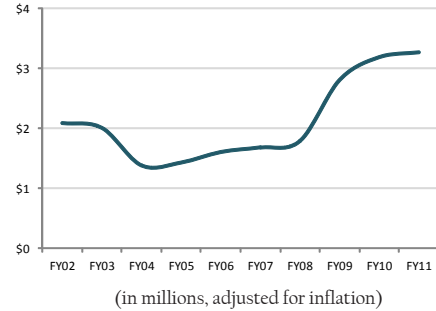
Spending on these three facilities has increased 45% in the last 10 years.



Metro Council

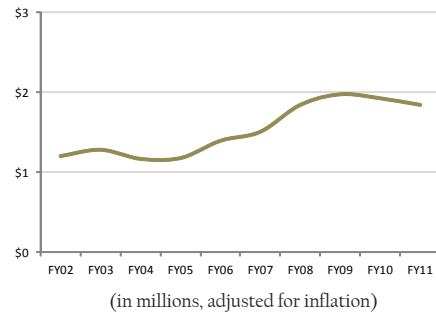
The Metro Council is the governing body of Metro. It consists of seven elected officials: six elected geographically and one Council president elected regionally. The Office also includes the Chief Operating Officer, the government affairs and policy development program, and the community investment strategy program.

From FY 2001-02 to FY 2010-11, expenditure increased 57%. In FY 2010-11, 90% of expenditure was for personnel costs.



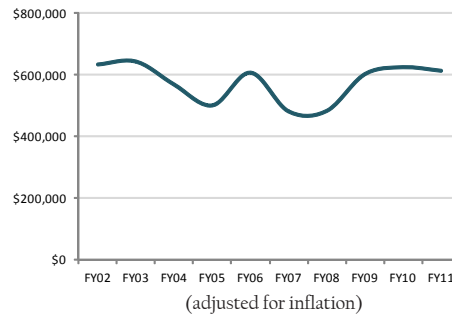
Office of the Metro Attorney

The Metro Attorney’s Office provides legal research, evaluation, analysis and advice to Metro departments. It also may initiate, defend or appeal litigation upon request. In the last ten years, expenditures increased 53%. In FY 2010-11, almost all (98%) expenditure was for personnel.



Office of the Metro Auditor

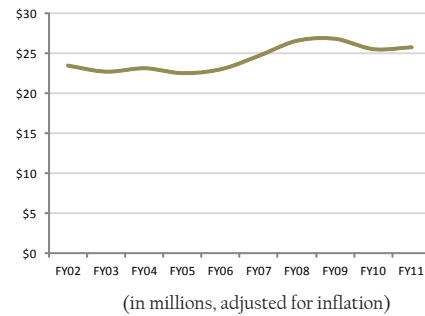
The Office of the Metro Auditor conducts performance audits of Metro’s services and programs, oversees the financial audit by an outside auditing firm and administers a hotline. Expenditures have declined 3% in the last 10 years. Like the Metro Attorney’s Office, nearly all (95%) of the expenditure in FY 2010-11 was for personnel.



Oregon Zoo

The 64-acre Oregon Zoo has five major exhibits, with 2,200 individual animals representing 260 species. The Zoo also contributes to wildlife conservation through education programs and cooperation with the Association of Zoos and Aquariums to house and breed endangered species.

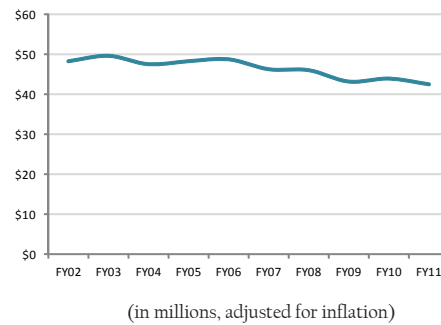
Spending on Zoo operations increased 10% in the last 10 years.



Parks and Environmental Services

Parks and Environmental Services has three programs. The department manages the regional waste disposal system, various parks and pioneer cemeteries and Metro owned properties.

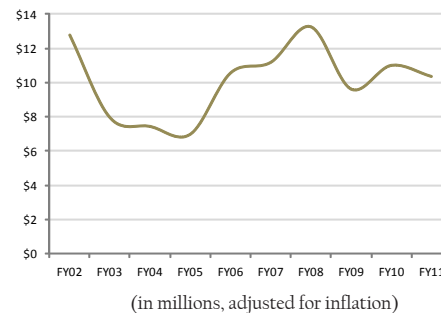
Overall spending decreased by 12%, mostly due to decreased activity in the solid waste system. The system is funded entirely by fees, which declined during the economic recession.



Planning and Development

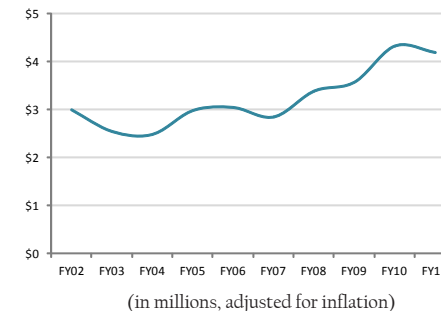
This department develops policies and programs that guide regional land use and transportation planning. It also provides technical assistance and distributes transportation project funding.

The major source of funding for the Planning and Development Department was grants. Spending fluctuated as the result of the variability of projects that received grants and were completed. Total expenditure decreased 19%.



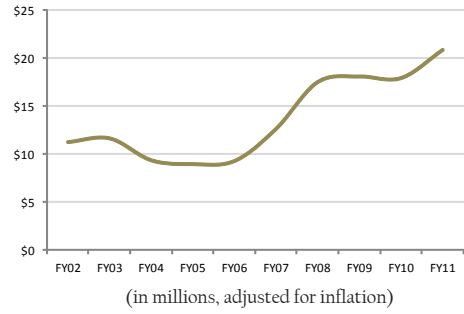
Research Center

The Research Center provides data, mapping, forecasting and technical services that support policy analysis and regulatory activities at Metro. It also provides services to local governments, businesses and the public. Expenditure by the Center increased 54% in the last 10 years.



Sustainability Center

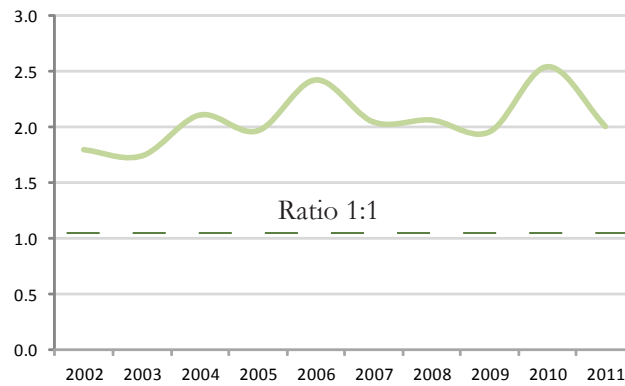
The Sustainability Center manages the Natural Areas bond measure program to purchase natural areas and works with local governments on waste prevention and recycling, and developing a regional system of natural areas, parks and trails. Expenditures by the Center have increased 85% in the last 10 years.



Financial Health

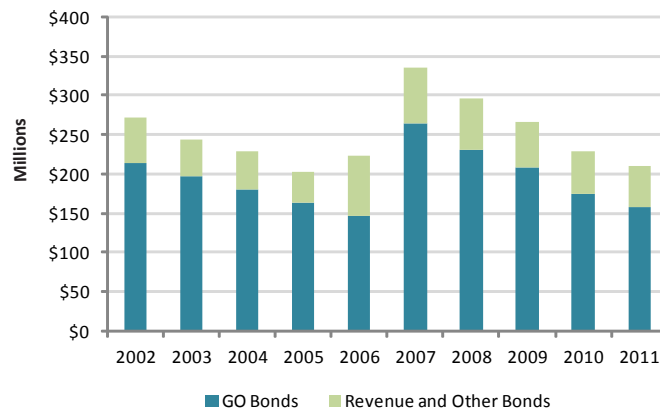
These indicators reflect Metro's financial position. Local governments in a sound financial condition can afford to continue paying for services they currently provide. Sound financial condition also implies the ability to withstand local, regional and national economic disruption.

Liquidity (as of June 30)



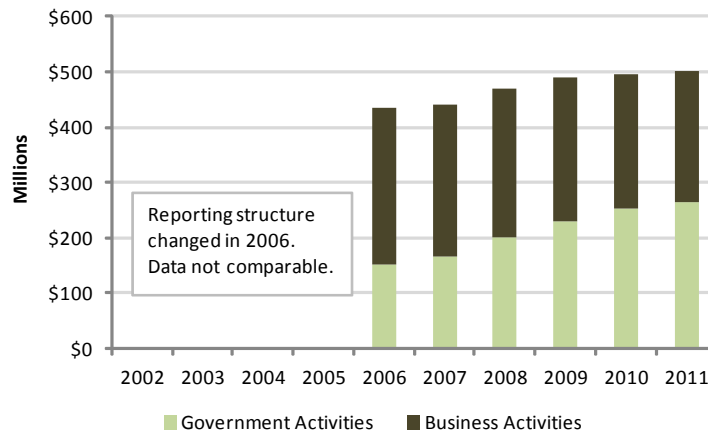
The liquidity indicator measures Metro's ability to meet its short-term obligations. It is the ratio of cash to short-term liabilities. A ratio of less than one-to-one is considered a warning sign. Metro has consistently been well above that ratio, a positive trend.

Total debt (as of June 30 adjusted for inflation)



The majority (75%) of Metro's long term debt is from general obligation bonds. Repayment of general obligation bonds occurs through a separate property tax levy that is not subject to Measure 5 limitations. Most recently, debt was increased by the issuance of bonds for the acquisition of natural areas and for improvements at the Oregon Zoo. Metro repays the debt by levying additional property taxes. Total debt declined as debt was repaid, a positive trend.

Net Assets
(as of June 30
adjusted for inflation)

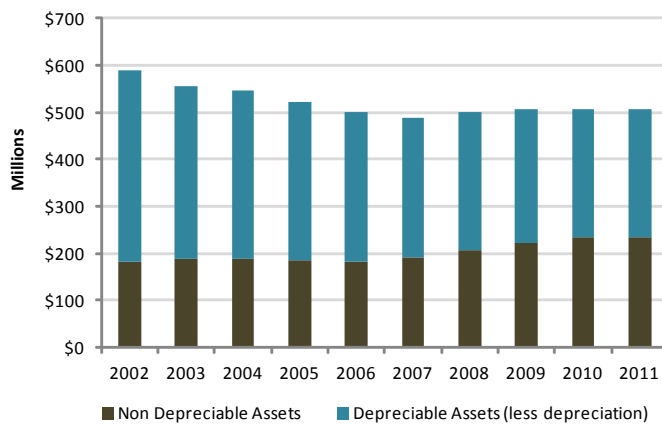


Metro has assets that are monetary and assets that are physical, such as buildings and land. Net assets measure the difference between what Metro owns, both monetary and physical, and what it owes.

Metro’s business activities include the solid waste system, Oregon Convention Center, Portland Center for the Performing Arts and Expo Center. All other Metro programs, such as regional planning, the Oregon Zoo and parks are included in governmental activities. In 2006, Metro’s business activities made up 65% of all net assets, compared to 48% in 2011. As the result of declining revenues and increased expenses, net assets for business activities declined 17% in the last six years.

The increase of nets assets for government activities was the result of two bond measures allowing Metro to purchase natural areas and a bond measure to support improvements at the Oregon Zoo.

Capital Assets
(as of June 30
adjusted for inflation)



Capital assets are the physical assets that are not depreciable, such as land, easements and artwork, and depreciable, such as buildings, zoo exhibits, equipment, software and office furniture. The total value of depreciable assets declined. In contrast, the value of non-depreciable assets increased 28%. This is primarily driven by land assets and the result of the two voter-approved bond measures allowing Metro to purchase natural areas.

**General Fund
fund balances**
(as of June 30)



The General Fund pays for Metro’s primary government programs and support services, including Communications, Council Office, Finance and Regulatory Services, Human Resources, Information Services, Metro Auditor, Metro Attorney, Oregon Zoo, Parks and Environmental Services, Planning and Development, Research Center and Sustainability Center. It does not include the Oregon Convention Center, Portland Center for the Performing Arts, Expo Center and the solid waste management system.

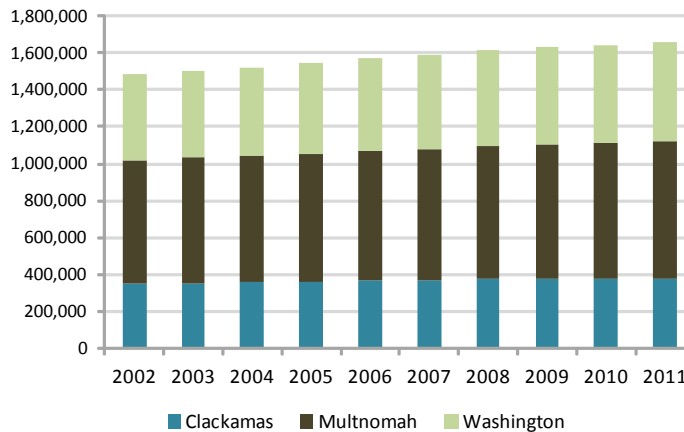
The size of a local government’s fund balances can affect its ability to withstand financial emergencies. This measure is the ratio of unreserved fund balances to operating revenues. Due to changes in accounting standards, data prior to FY 2010-11 is not available in these categories.

In FY 2010-11, the ratio of unassigned fund balances to operating revenues was 44%. As this new measure is tracked over time, a declining trend will be considered a warning sign. It could indicate there are fewer reserves available to a government in the event of a financial emergency. Metro has a budgetary policy that a percentage of revenues in the general fund be carried forward each year to maintain financial stability.

Demographic and Economic Trends

Metro's ability to raise revenue and deliver services is directly related to the economic and demographic trends of the region. The following indicators measure these trends.

Population
CY 2002 to CY 2011
(Tri-county)



A change in population can affect government finances by changing the revenue that is available or the demand for services. Total population grew 12% since 2002.

In the past 10 years, Washington County has grown at a faster rate than the other two counties. However, Multnomah County is the most populated county and, in 2011, represented 45% of the population in the tri-county area. Clackamas County actually experienced a decrease in population from 2009 to 2010 that was not yet regained in 2011.

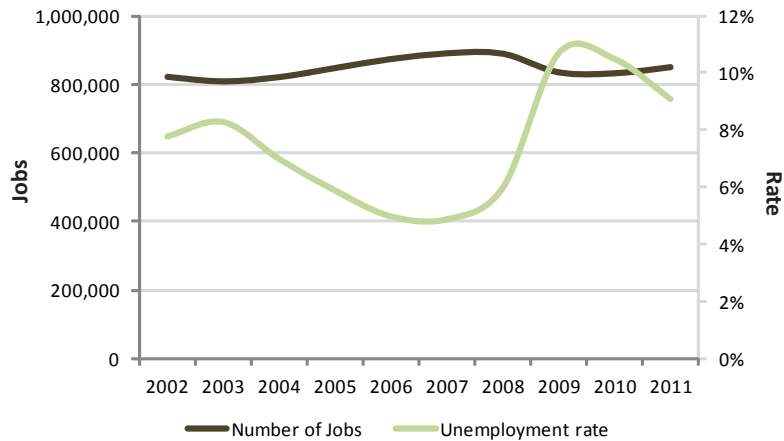
Per capita personal income
CY 2001 to CY 2010
(MSA, adjusted for inflation)



Credit rating firms use per capita income to measure a local government's ability to repay debt. A decline in per capita incomes causes a drop in consumer purchasing power and can provide advance notice that businesses will suffer a decline that can affect the rest of the local economy.

Per capita income has increased slightly (0.4%) since 2002. This was after increases in 2006 and 2007 that were reversed in 2008 and 2009.

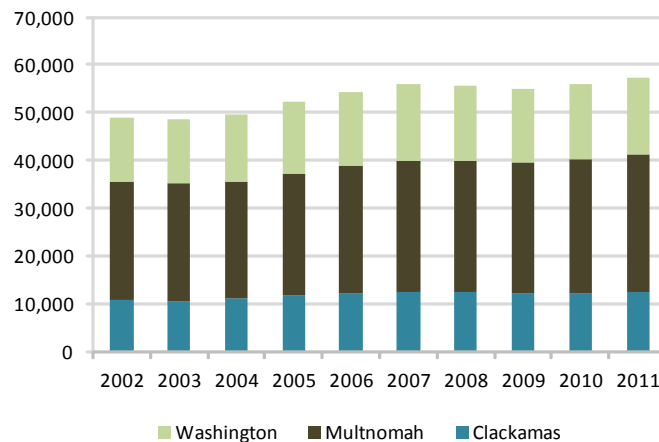
**Unemployment rate and
number of jobs**
CY 2002 to CY 2011
(MSA, Oregon portion)



These two indicators measure business activity. They are also related to personal income. Both an increasing unemployment rate and a decline in the number of jobs, such as occurred in 2008 and 2009, are a warning trend.

The unemployment rate was at its lowest in 2007 and has grown rapidly since then. The number of jobs in the region was at its highest in 2007 and has declined 5% from that peak.

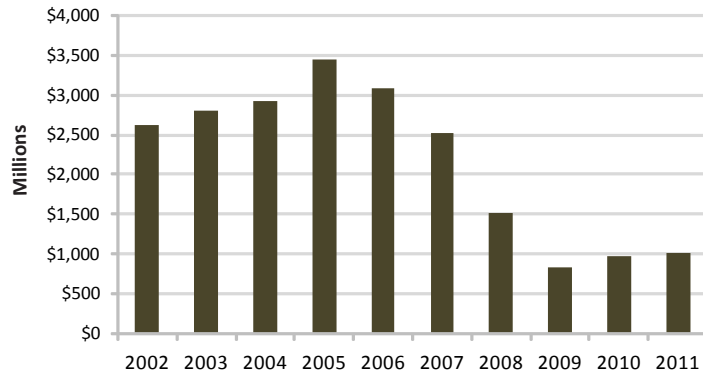
Number of businesses
CY 2002 to CY 2011
(Tri-county)



The number of businesses directly affects Metro’s revenues that are the product of business activity. A decline in business activity can harm the employment base, income and property value.

In 2011, one-half of businesses were located in Multnomah County. The number of businesses in the tri-county area was growing until 2007, but has remained about the same since then.

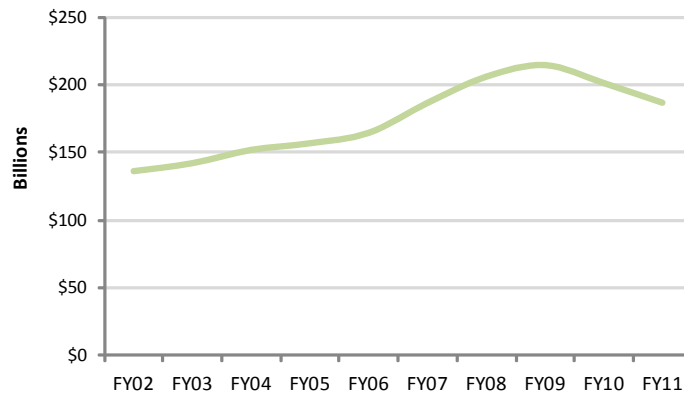
Annual value of new construction
 CY 2001 to CY 2010
 (MSA, adjusted for inflation)



New construction is important to Metro in several ways. Metro is responsible for planning for urban growth and transportation in the region. The rate of new construction could affect these plans. Also, some of Metro’s services are affected by construction activity.

The value of new construction declined from 2005 until 2009. From 2009-2011, values increased 22%, but were still down by 71% from the 2005 high.

Real market property values
 (Metro taxing district
 adjusted for inflation)



Declining growth or a drop in market value are considered warning trends. The effect of a decline on a government’s revenue depends on its reliance on property taxes for revenue. Metro receives approximately one quarter of its revenues from property taxes. The negative trend since FY 2008-09 reflects the impact of the recession.

Scope and Methodology

The purpose of this audit was to evaluate the financial condition of Metro. We used a methodology based upon the Financial Trend Monitoring System recommended by the International City/County Management Association (ICMA). We obtained information from Metro's budgetary and financial accounting systems and reports, combined it with economic and demographic data, and created a series of financial indicators that, when plotted over time, can be used to monitor changes in financial condition and provide information to assist decision-makers.

Our scope included both general government operations and business-type operations, such as those of the Metropolitan Exposition and Recreation Commission and the solid waste system. We did not include capital project funds, internal service funds or trust funds. The ICMA recommends focusing on "General Government" operations, excluding those operations that are run as a business-type activity where costs are recovered through user fees and charges. However, Metro has many business-type activities that are integral to its mission and these operations were included.


We obtained data from the independently audited Comprehensive Annual Financial Reports (CAFR) and more detailed information about revenue sources, personnel costs and budget shortfalls from Metro's financial accounting system, PeopleSoft. Economic and demographic data was acquired from outside published sources. All dollars were adjusted for inflation in current FY 2010-11, 2010 or 2011 dollars, whichever was appropriate.

Most of the data collected for demographic and economic measures was reported either for the three counties in the region, by metropolitan statistical area (MSA), which is larger and includes two counties in the State of Washington, Yamhill and Columbia Counties in Oregon, as well as the regional counties Clackamas, Multnomah and Washington, or in some cases, by the Oregon only portion of the MSA. Very little of the population in Clackamas, Multnomah and Washington (10%) is outside Metro's jurisdictional boundary.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The majority of the financial information in this report is from the CAFR and therefore, we relied on the work of Metro's external financial auditors. We reviewed other information for reasonableness and consistency. We did not audit the accuracy of source documents or reliability of data in computer-based information.

Management Response

 Metro | Memo

Date: June 1, 2012
To: Ms. Suzanne Flynn
Metro Auditor
Subject: Financial Condition of Metro
FY 2001-02 to FY 2010-11

We again appreciate the work of your office in producing this 10-year view of Metro's financial condition. We always find it useful to review the performance and consider the improvements and achievements over time.

As we near the adoption of the FY 2012-13 budget which is the financial plan for two years beyond the period of this review, we would like to point out how your review works together with our annual 5-year financial forecasting for budget planning purposes.

Diversity of Revenue Sources has helped during downturn

Because Metro consistently generates more than half of its annual revenues through its own activities, many of its expenses can be sized upward or downward based on business activity. In contrast to other jurisdictions, this has allowed Metro to operate and maintain more consistent services since the 2008 plunge. Our financial plan anticipates additional years of flat or slow growth revenues as the "tail" of the 2008 plunge continues to work its way through the economy.

Grants Remain Problematic

As you point out, Metro has over-budgeted grant revenues (see General Fund revenue over/under budget), and accompanying expenditures (not shown in the report), throughout the period. We've improved somewhat in the more recent years of the study. Like other metropolitan areas across the country, the Portland metro area is struggling with decreasing federal, state and local dollars to plan, build and maintain its transportation infrastructure. For Metro, this could represent a decline of several million transportation dollars in the years to come in addition to less capacity on the part of our partners to collaborate on planning and developing projects. The Planning and Development department has been streamlining its efforts over the past several years to respond to this new reality. This is reflected in both the reduced size of Planning and Development and its work program approach in FY 2012-13.

Employee Costs

Employee salaries and benefits have increased over the ten year period, not unexpectedly given our collective bargaining agreements. In your previous financial condition audit (FY 1999-2000 to FY 2008-09) wages had been moving even faster:

Prior Period: Total employee salaries and benefits have increased 27% over inflation. Benefits increased at a higher rate (37%) than salaries and wages (24%).

Current Report: In the past 10 years, expenditures for employee salaries and benefits increase 22%. Benefits have consistently been around 26% of total employee compensation.

Compensation is a sizeable expense in Metro's General Fund, more so than in other funds. Given the constraints of flat or slow-growth general revenues, Metro and its labor organizations have worked cooperatively to constrain these costs. Some changes began with non-represented employees, but bargaining units are joining in. Some efforts will take several years to develop fully. Wage increases have been awarded as lump sum payments, rather than adjustments to base salaries, thereby curbing future costs. Throughout the organization new employees are paying the employee portion of their PERS benefits. This has implemented at different dates for different employee groups and will take time and employee turnover to build up. Metro has adopted a cost sharing approach to health benefits, with employees paying a fixed proportion of the cost of the benefits. While this does not guarantee a reduction in overall health benefit costs, we believe it will influence future plan design where both Metro and the employee will share in cost savings.

We hope that over the next financial condition report periods the 10-year view will show the results of these recent changes. Our 5-year financial plan is also starting to reflect these adjustments.

Changes in Accounting Requirements or Organizational Structure

We appreciate that you have made considerable efforts to adjust for changes in organizational structure (Sustainable Metro Initiative in 2008 being the largest). This is more difficult over a ten-year period than it is over a shorter time. Since your "Spending by program" is new in this report, it may take some additional cycles for the adjustments to work through.

We are pleased that you included a note in the Risk Management Fund explaining the accounting change in FY 2004. We expect that you will see both an accounting change and an organizational change in your next reporting cycle, related again to environmental impairment and a change in accounting for employee benefits.

Two Successful Bond Measures

In the period studied, Metro passed two major bond measures, the 2006 Natural Areas measure and the 2008 Zoo Infrastructure and Animal Welfare measure. In the objective financial terms of your report this is reflected as variability in tax receipts, capital spending and principal and interest payments on long-term debt. The financial condition is supported, of course, by Metro's highest grade bond ratings, most recently confirmed in May 2012. In a broader context, however, these bond measures are a very important statement about the public trust Metro has earned by consistently delivering on the promises made to voters.

Again, we appreciate not only this report but also that the auditor provides the 10-year review every other year which allows us to look back and measure progress.

Sincerely



Martha Bennett
Chief Operating Officer



Margo Norton
Director, FRS



METRO

Office of the Metro Auditor
600 NE Grand Avenue
Portland, Oregon 97232
503-797-1892
www.oregonmetro.gov

Financial Condition of Metro

FY 2001-02 to FY 2010-11



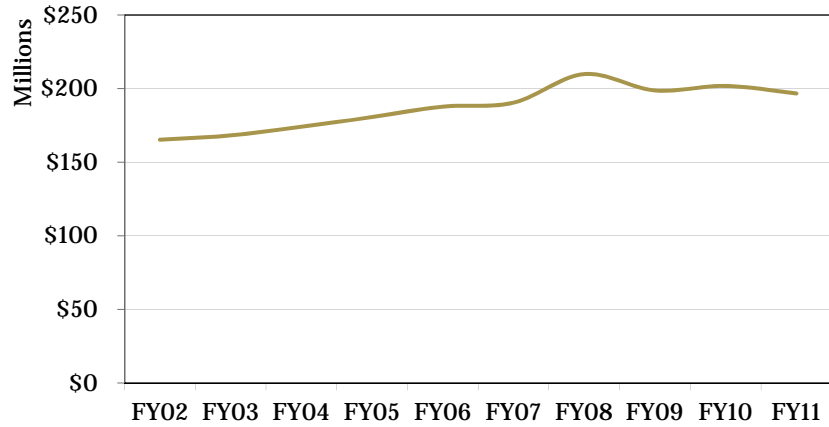
Scope & Methodology

- **Based upon International City/County Management Association**
- **Primarily CAFR data**
- **Ten year trend**

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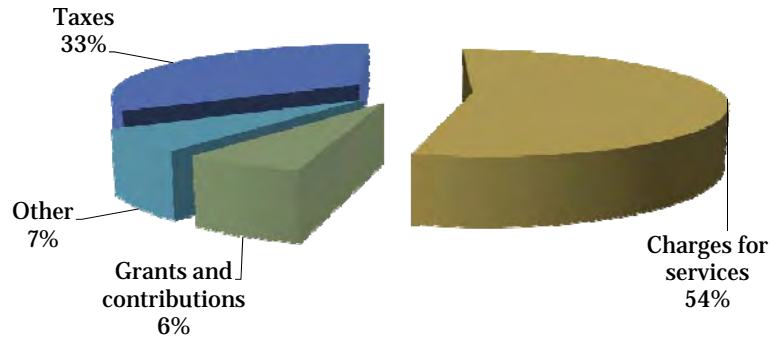
Revenue Growth

Adjusted for inflation



Office of the Metro Auditor

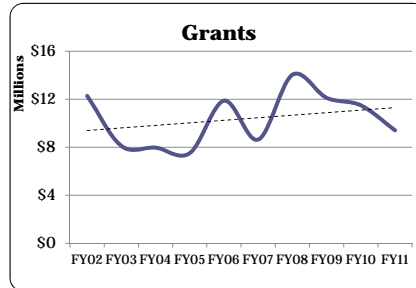
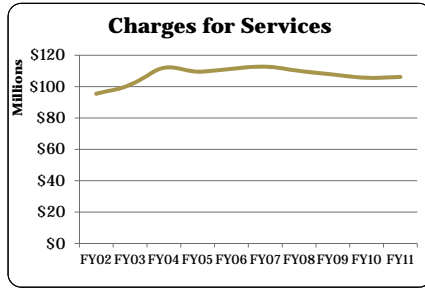
Revenue Sources - FY 2010-11



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Revenues

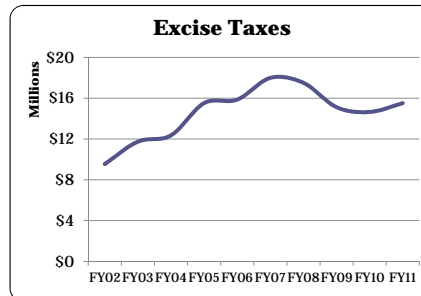
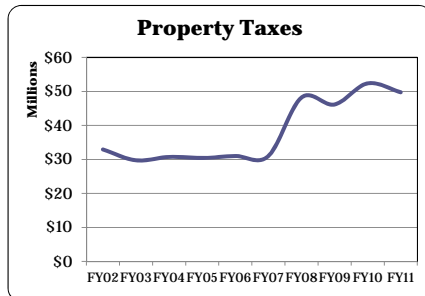
Adjusted for inflation



Office of the Metro Auditor

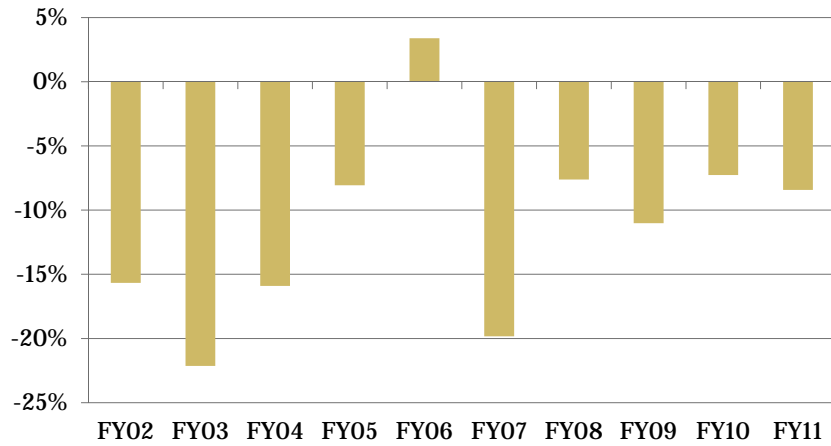
Tax Revenues

Adjusted for inflation



Office of the Metro Auditor

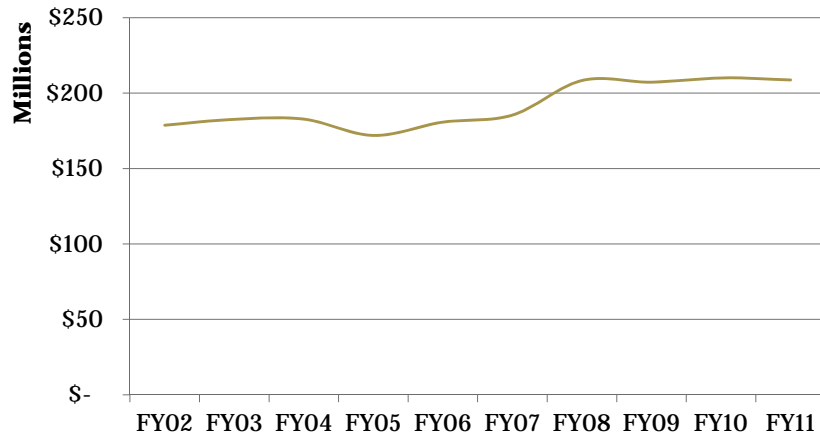
Revenue Shortfalls -GF



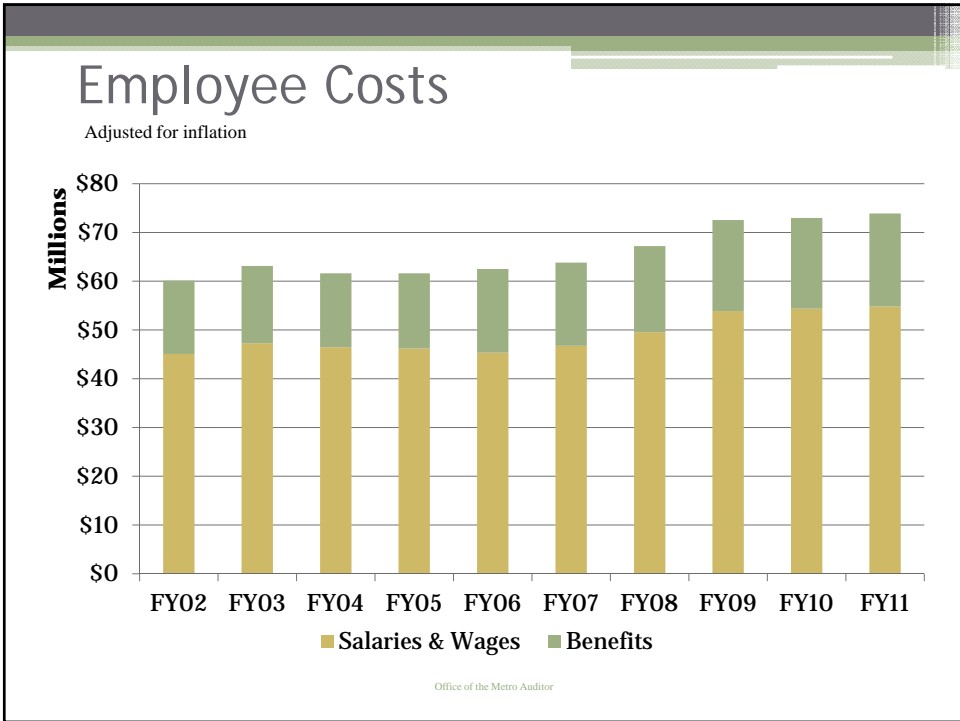
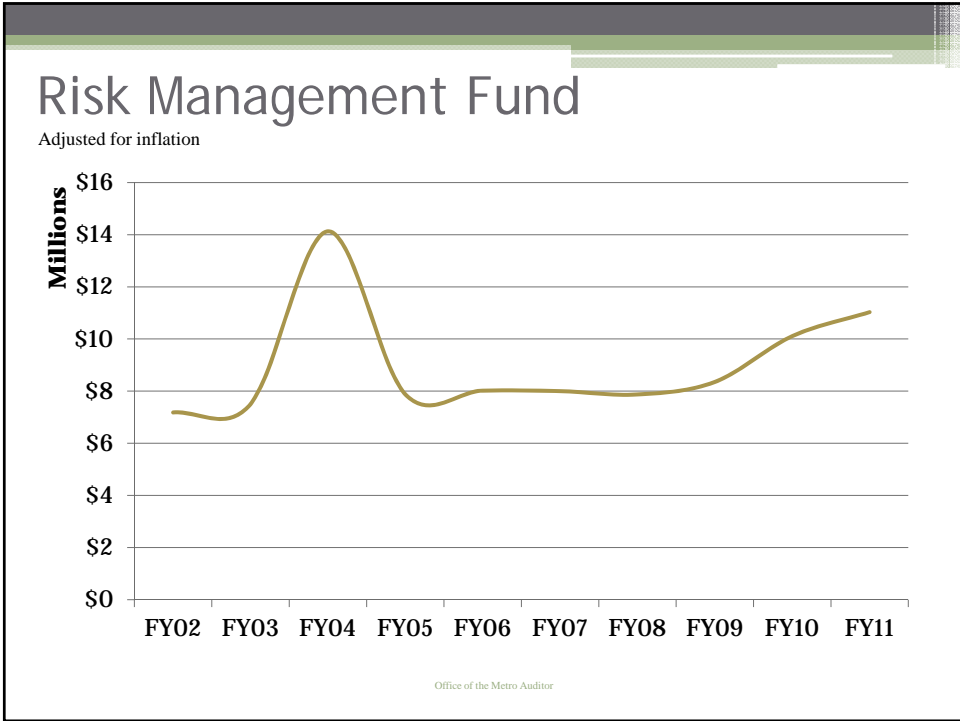
Office of the Metro Auditor

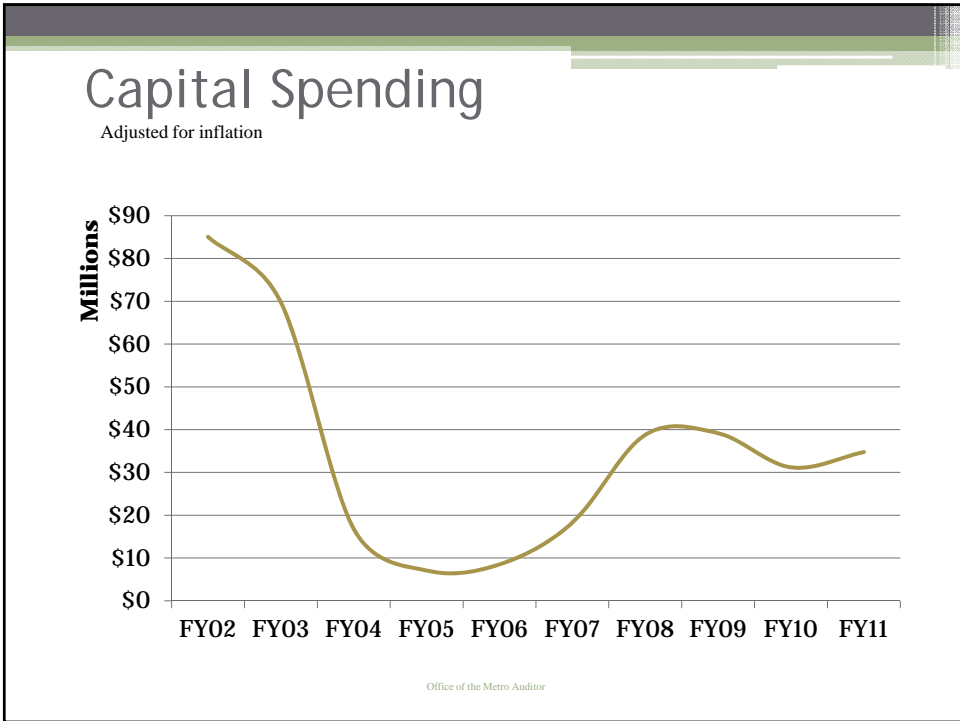
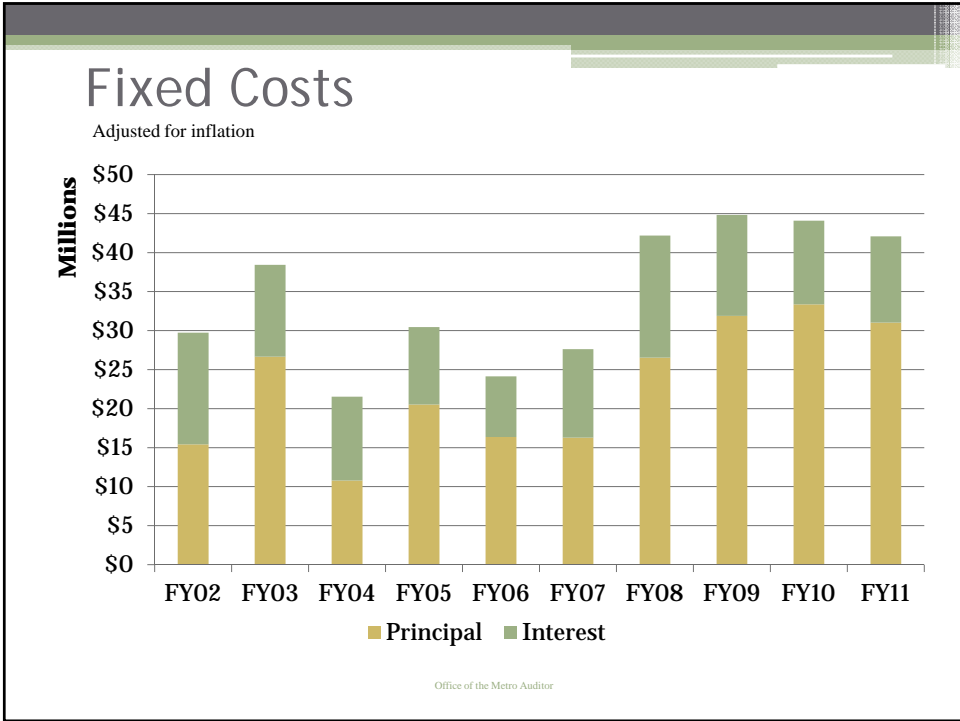
Total Expenditure

Adjusted for inflation



Office of the Metro Auditor



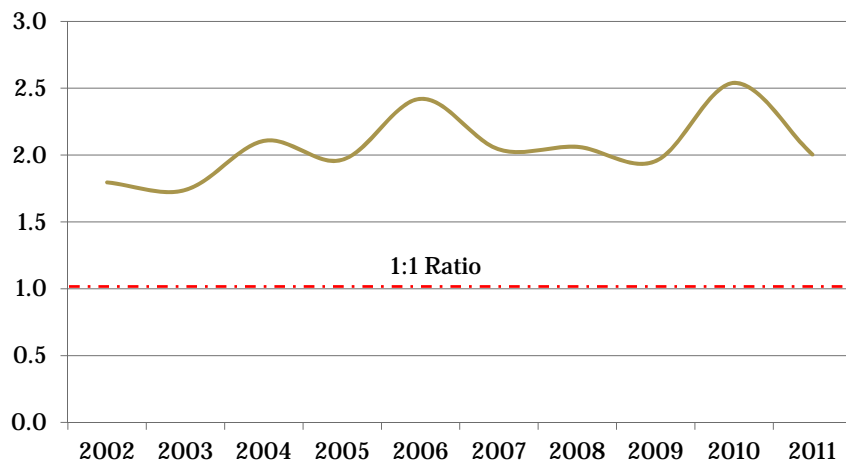


Departmental Expenditure

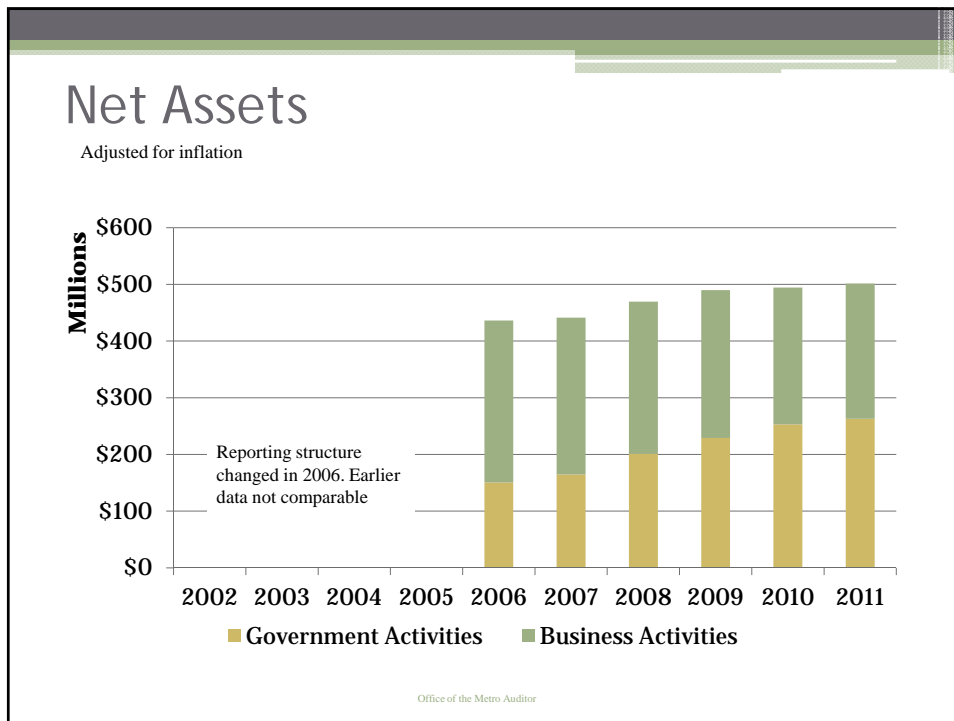
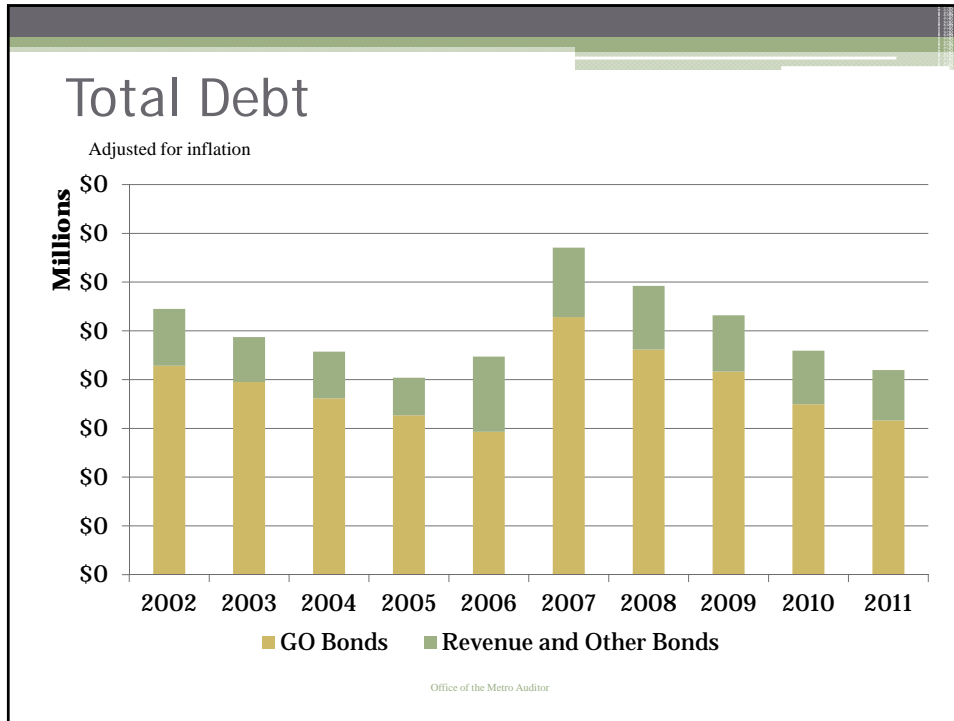
	FY11 Total Expenditure	10 year Trend
Planning	\$ 10,357,803	-19%
PES	\$ 42,510,268	-12%
Auditor	\$ 612,596	-3%
Zoo	\$ 25,841,695	10%
IS	\$ 2,884,515	20%
FRS	\$ 5,191,142	31%
MERC	\$ 42,414,375	45%
OMA	\$ 1,839,519	53%
DRC	\$ 4,196,799	54%
Council	\$ 3,264,909	57%
Sustainability	\$ 20,857,916	85%
HR	\$ 1,817,978	100%
Communications	\$ 2,368,447	114%

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Liquidity

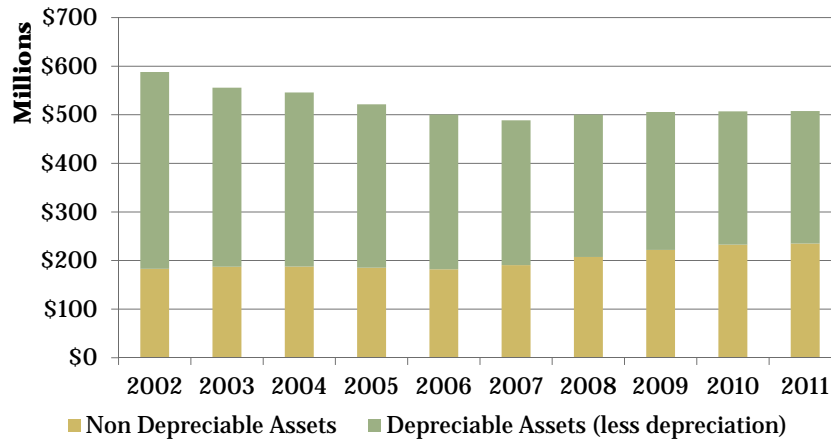


Office of the Metro Auditor



Capital Assets

Adjusted for inflation



Office of the Metro Auditor

Office of the Metro Auditor

Demographic/Economic Trends

- Per capita income increased slightly (0.4%)
- Increasing unemployment rate and decline in jobs 2008 and 2009
- Value of new construction declined 71% from 2005

Questions?

Agenda Item No. 4.0

Consideration of the Minutes for June 14, 2012

Metro Council Meeting
Thursday, June 21, 2012
Metro, Council Chamber

Agenda Item No. 5.0

**Hearing on Enforcement of Title 13 of the Metro Urban
Growth Management Functional Plan - City of Troutdale**

Metro Council Meeting
Thursday, June 21, 2012
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CONSIDERING) RESOLUTION NO. 12-4344
ENFORCEMENT ACTION TO BRING THE)
CITY OF TROUTDALE INTO COMPLIANCE) Introduced by Councilor Shirley Craddick
WITH TITLE 13 OF THE URBAN GROWTH)
MANAGEMENT FUNCTIONAL PLAN)

WHEREAS, the Metro Council enacted Title 13 (Nature in Neighborhoods) of the Urban Growth Management Functional Plan (UGMFP) to protect wildlife habitat and streamside corridor systems in the region; and

WHEREAS, the Council established January 5, 2009, as the date cities and counties must revise their land use regulations to comply with Title 13; and

WHEREAS, the City Council of Troutdale voted to postpone action on proposed regulations to comply with Title 13 on October 13, 2009; and

WHEREAS, Metro’s Chief Operating Officer granted the city an extension of time to comply with Title 13 to December 31, 2011; and

WHEREAS, the extended deadline for compliance with Title 13 passed and the City Council had not adopted complying regulations; and

WHEREAS, the Metro Council commenced proceedings to ensure compliance with requirements of Title 13; and

WHEREAS, the City Council of Troutdale voted to adopt regulations to comply with Title 13 on June 13, 2012; and

WHEREAS, the Metro staff reviewed the city’s new regulations and advised the Metro Council that they comply with Title 13; and

WHEREAS, the Council held a public hearing on enforcement pursuant to Title 8 on June 21, 2012; now, therefore,

BE IT RESOLVED that the Metro Council:

1. Enters Order No. 12-071, attached to this resolution as Exhibit A, which dismisses the proceeding.
2. Directs the Chief Operating Officer to send copies of Order No. 12-071 to the city of Troutdale, the Metropolitan Policy Advisory Committee and those persons who participated in the June 21, 2012, hearing.

ADOPTED by the Metro Council this 21st day of June, 2012.

Tom Hughes, Council President

Approved as to Form:

Alison Kean Campbell, Metro Attorney

Exhibit A to Resolution No. 12-4344

Order No. 12-071

**RELATING TO COMPLIANCE BY THE CITY OF TROUDALE
WITH TITLE 13 (NATURE IN NEIGHBORHOODS)**

APPLICABLE LAW

ORS 268.390(5) authorizes Metro to adopt a regional framework plan and implementing ordinances and to require local government comprehensive plans and implementing regulations to comply within two years after acknowledgement of the implementing ordinances. Metro adopted Title 13 (Nature in Neighborhoods) of its Urban Growth Management Functional Plan (UGMFP), a component of and an implementing ordinance of the Regional Framework Plan by Ordinance No. 05-1077C on September 29, 2005. The Metro Council set a date for compliance with Title 13 by cities and counties of the region of January 5, 2009. Pursuant to Title 8 (Compliance Procedures) of the UGMFP, Metro's Chief Operating Officer granted an extension to the city of Troutdale, at its request, to December 31, 2011. The city was required to bring its comprehensive plan and implementing regulations into compliance with Title 13 by that date. The extended deadline passed and the city council had not adopted complying regulations. The Metro Council commenced enforcement proceedings.

Title 8 sets forth a process for enforcement of compliance with its functional plans. The title provides that, if the Council determines that a city or county has complied with the functional plan, the Council shall adopt an order that dismisses the matter.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Metro Council finds the facts set forth in the Staff Report dated June 21, 2012, attached to this order. Based upon the Staff Report, the Council concludes that regulations adopted by the city of Troutdale on June 13, 2012, comply with Title 13.

IT IS HEREBY ORDERED THAT:

Pursuant to Metro Code 3.07.860D, the matter is dismissed.

ENTERED this 21st day of June, 2012.

Tom Hughes, Council President

Approved as to Form:

Alison Kean Campbell, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4344, FOR THE PURPOSE OF TAKING ENFORCEMENT ACTION TO BRING THE CITY OF TROUTDALE, OREGON, INTO COMPLIANCE WITH TITLE 13 OF THE URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN.

Date: June 21, 2012

Prepared by: Brian Harper

BACKGROUND

Title 13 of the Urban Growth Management Functional Plan is one part of the Nature in Neighborhoods initiative which is a broad based regional initiative to restore and protect the region's natural assets. Title 13 was meant to achieve its intended purpose through the conservation, protection and appropriate restoration of riparian and upland fish and wildlife habitat using a mix of regulatory and non-regulatory approaches.

Title 13's main purpose is to (1) conserve, protect, and restore a continuous ecologically viable streamside corridor system, from the stream's headwaters to their confluence with other streams and rivers, and with their floodplains in a manner that is integrated with upland wildlife habitat and with the surrounding urban landscape; and (2) to control and prevent water pollution for the protection of the public health and safety, and to maintain and improve water quality throughout the region. Within the region approximately 80,000 acres or a third of the urban area provides habitat for fish and wildlife.

Throughout 2008 and 2009 City of Troutdale staff worked with their citizen advisory group, planning commission and city council to develop a natural resource protection program that would comply with Title 13. Jurisdictions within the Metro Boundary were required to adopt implementing ordinances to comply with the requirements of Title 13 by January 5, 2009. Troutdale was not granted an initial extension in early 2009, as there was reason to believe that they were close to adopting a new ordinance. Final adoption of a compliant protection program was expected to occur October 13, 2009. However, at the October 13 meeting the city council approved a motion 4-2 to postpone action indefinitely.

After a change in membership on the Troutdale City Council, Troutdale staff held a work session on March 15, 2011 to re-introduce Metro's Title 13 program and the proposed code amendments to the new members of the City Council. City staff also outlined a timeline for adopting the proposed code changes with final adoption scheduled for consideration on October 11, 2011. In the meantime Troutdale requested, and received, a time extension until December 31, 2011 from the Metro COO to adopt the proposed code changes. The Audubon Society of Portland appealed the COO extension to the Metro Council and on September 15, 2011 the Council denied the appeal and upheld the time extension until December 31, 2011.

On November 8, 2011, the Troutdale City Council voted unanimously against adoption of the proposed code amendments. On December 13, 2011 the Troutdale City Council also unanimously passed a resolution indicating that the City's existing standards and provisions for development substantially comply with the performance standards and best management practices identified in Title 13 and the City's mapped natural resource areas substantially overlap with identified Title 13 Habitat Conservation

Areas. Metro staff responded to the City's resolution on December 20, 2011, with a detailed list of where the City was out of compliance with Title 13. At the February 7, 2012 Metro Council Work Session, Metro's Chief Operating Officer indicated to the Council that Troutdale was out-of-compliance with Title 13 of the Urban Growth Management Functional Plan, and had no intention of re-visiting changes to their ordinance to come into compliance. The Metro Council made the determination to proceed with enforcement of the Urban Growth Management Functional Plan at that time, and a hearing was scheduled for April 12, 2012.

Metro Staff have worked with Troutdale staff for the last several years to finalize proposed code amendments that substantially comply with the requirements of Title 13 (see Timeline below). The proposed amendments do not change the coverage or protection level for natural resource land in Troutdale on privately-owned land. The proposed amendments do provide for a more refined mitigation process and a resource verification processes that will help city staff review future development proposals more efficiently and with greater clarity as to what is expected, consistent with regional requirements. The proposed amendments were recommended for approval by city staff, the Troutdale Citizens Advisory Committee and the Planning Commission. At this time, it appears the City Council does not want to follow the recommendation from staff or the advisory committees. Metro staff believes that the proposed code amendments are necessary for Troutdale to be in substantial compliance with Title 13.

Update: On March 1, 2012, Metro and Troutdale staff and elected officials met in an attempt to determine an appropriate course of action to bring Troutdale into compliance with Title 13. On April 3, 2012, the Troutdale City Council agreed to move forward with a new set of amendments to address the issue of compliance with Title 13. The amendments were reviewed and agreed upon by Metro and City of Troutdale staff. The City sent the proposed code amendments to The Department of Land Conservation and Development for the required 35-day review period. A 1st reading of the proposed amendments was held on May 22, 2012 by the Troutdale City Council, and final adoption of those changes occurred on June 12, 2012. Staff has reviewed the adopted code changes and finds that Troutdale is now in substantial compliance with Title 13 of the Urban Growth Management Functional Plan.

TIMELINE

The following represents a timeline of the significant events surrounding Title 13 compliance in Troutdale:

March 4, 2008- Troutdale Council Work session held to discuss compliance with Title 13. Metro staff describes the Nature in Neighborhoods program and requirements in a presentation to Troutdale City Council.

January 5, 2009- All local jurisdictions are required to be in compliance with Title 13 of the Urban Growth Management Functional Plan.

February 25, 2009- Initial staff report from Troutdale to Metro, outlining their analysis of current conditions in the City related to Title 13 and how they would approach new regulatory changes. City also provides a timeline for adoption of new ordinance.

April 1, 2009- Initial meeting of the Troutdale Citizen's Advisory Committee. CAC discusses proposed changes to Troutdale Development Code.

May 4, 2009- Metro staff meet with Troutdale staff to discuss proposed code changes.

May 6, 2009- Troutdale Citizen's Advisory Committee recommends approval of changes to Troutdale Development Code (vote total unknown). Amendments are sent to Planning and Zoning Commission for consideration.

May 20, 2009- Troutdale Planning and Zoning Commission discuss proposed changes to development code related to Title 13.

June 17, 2009- Metro staff attend and testify at Troutdale Planning and Zoning Commission meeting on behalf of the proposed changes to the development code that would address Title 13 requirements.

July 15, 2009- Troutdale Planning and Zoning Commission recommends approval of the changes to the Troutdale Development Code by a vote of 4-3. Amendments are sent to the Troutdale City Council for consideration.

October 13, 2009- Troutdale City Council meets to discuss the text amendments to the Troutdale Development Code, related to Title 13. Troutdale City Council votes 4-2 to postpone the action indefinitely. Metro staff attend the meeting, but do not testify.

January 22, 2010- Metro staff begin the process of re-engaging the City of Troutdale on Title 13 through correspondence and meetings.

March 15, 2011- Council work session held to re-introduce Title 13 requirements and code changes to Troutdale City Council. A recent local election has produced new council members that need to be informed of Title 13 requirements and history of the current process.

September 27, 2011- 1st reading of development ordinance changes to comply with Title 13 is held by the Troutdale City Council. Metro staff are present but do not testify at this hearing. Troutdale City Council decides to postpone decision to November 8, 2011, pending an Open House for members of the public to learn more about the proposed changes.

October 26, 2011- Troutdale staff conduct an Open House for members of the public. Metro staff are told that they are not needed at the Open House.

November 8, 2011- Troutdale City Council unanimously votes 7-0 against the proposed development code changes needed to come into compliance with Title 13.

December 13, 2011- Troutdale City Council unanimously votes 7-0 on a resolution that finds their current codes to be compliant with Title 13, and submits that resolution to Metro for review.

January 9, 2012- Metro COO provides a letter to the City of Troutdale, informing them that they are technically out of compliance with Title 13 of the Urban Growth Management Functional Plan.

February 7, 2012- Metro Council sets an enforcement hearing date for April 12, 2012.

March 1, 2012- Metro and City of Troutdale elected officials and staff meet to discuss issues surrounding compliance with Title 13. At this meeting, a tentative agreement is reached on necessary code changes.

April 4, 2012- City of Troutdale submits code amendments related to Title 13 compliance to the Department of Land Conservation and Development for the required 35-day review period.

May 22, 2012- City of Troutdale brings code amendments related to Title 13 compliance to 1st Reading for future adoption.

June 12, 2012- City of Troutdale adopts a package of code amendments that bring it into compliance with Title 13 of the Urban Growth Management Functional Plan.

ENFORCEMENT OPTIONS

1. Direct application of functional plan requirements to City land use decisions
2. Withhold Metro's discretionary funds (e.g., transportation and planning funds) from the City
3. Seek an enforcement action by the state, which has authority to withhold cigarette and gas tax revenues from the City.
4. Dismiss the matter on grounds that the code amendments adopted by the City Council on June 12 bring the city into compliance with Title 13.

ANALYSIS INFORMATION

1. **Known Opposition.** To date, Metro has not received public comments from individuals, interest groups, or government agencies regarding Troutdale being out of compliance with Title 13.
2. **Legal Antecedents.** Policies in Metro's Regional Framework Plan and Title 13 of Metro's Urban Growth Management Functional Plan requires local jurisdictions to meet regional performance standards related to the protection of regionally identified fish and wildlife habitat. The purpose of Title 13 is to conserve, protect, and restore a continuous ecologically viable streamside corridor system, from the stream's headwaters to their confluence with other streams and rivers, and with their floodplains in a manner that is integrated with upland wildlife habitat and with the surrounding urban landscape; and to control and prevent water pollution for the protection of the public health and safety, and to maintain and improve water quality throughout the region.
3. **Anticipated Effects.** Enforcement of Title 13 requirements will ensure consistent application of Title 13 habitat conservation area requirements to support protection of the region's fish and wildlife habitat. In addition, enforcement will act to discourage other jurisdictions from attempting to circumvent Title 13 requirements. Enforcement of Title 13, in this case particularly, will also serve to protect publicly owned properties acquired through the Metro Open Space Bond Measure program.
4. **Budget Impacts.** There are negligible budget impacts from this order.

RECOMMENDED ACTION

Staff recommends that the Metro Council dismiss the current enforcement action. The City of Troutdale has adopted a package of code changes that have been reviewed by staff and bring the City of Troutdale into compliance with Title 13 of the Metro Urban Growth Management Functional Plan.

Agenda Item No. 6.1

Ordinance No. 12-1279, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule and Amending the FY 2011-12 through FY 2015-16 Capital Improvement Plan.

Ordinances – Second Reading

Metro Council Meeting
Thursday, June 21, 2012
Metro, Council Chamber

BEFORE THE METRO COUNCIL

AMENDING THE FY 2011-12 BUDGET AND) ORDINANCE NO. 12-1279
APPROPRIATIONS SCHEDULE AND)
AMENDING THE FY 2011-12 THROUGH FY) Introduced by Martha Bennett, Chief
2015-16 CAPITAL IMPROVEMENT PLAN) Operating Officer, with the concurrence of
) Council President Tom Hughes
)

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2011-12 Budget; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

- 1. That the FY 2011-12 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of acknowledging new food and beverage revenue, transferring appropriations from contingency to operating expenses in the MERC Fund and transferring appropriations from the General Fund to provide for a capital project increase in the General Asset Management Fund.
- 2. That the FY 2011-12 through FY 2015-16 Capital Improvement Plan is hereby amended accordingly and a new project added.
- 3. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this _____ day of _____ 2012.

Tom Hughes, Council President

Attest:

Approved as to Form:

Kelsey Newell, Recording Secretary

Alison Kean Campbell, Metro Attorney

**Exhibit A
Ordinance No. 12-1279**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Council Office							
<i>Personal Services</i>							
<i>SALWGE Salaries & Wages</i>							
5000	Elected Official Salaries						
	Council President	1.00	114,468	-	0	1.00	114,468
	Councilor	6.00	228,936	-	0	6.00	228,936
5010	Reg Employees-Full Time-Exempt						
	Chief Operating Officer	1.00	179,466	-	0	1.00	179,466
	Council Policy Analyst	4.00	219,364	-	0	4.00	219,364
	Director	1.00	123,771	-	(29,385)	1.00	94,386
	Deputy Chief Operating Officer	1.00	160,322	-	0	1.00	160,322
	Policy Advisor I	3.38	350,371	-	0	3.38	350,371
	Policy Advisor II	2.00	272,198	-	0	2.00	272,198
	Program Analyst II	4.00	218,881	-	0	4.00	218,881
	Program Analyst IV	2.00	141,106	-	0	2.00	141,106
5030	Temporary Employees		137,300		0		137,300
5080	Overtime		5,000		0		5,000
5089	Salary Adjustments				0		
	Merit/COLA Adjustment (non-rep)		16,018		0		16,018
<i>FRINGE Fringe Benefits</i>							
5100	Fringe Benefits						
	Base Fringe (variable & fixed)		841,001		(6,742)		834,259
Total Personal Services		25.38	\$3,008,202	0.00	(\$36,127)	25.38	\$2,972,075
Total Materials & Services			\$890,783		\$0		\$890,783
TOTAL REQUIREMENTS		25.38	\$3,898,985	0.00	(\$36,127)	25.38	\$3,862,858

Exhibit A
Ordinance No. 12-1279

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
General Expenses							
<u>Interfund Transfers</u>							
<i>INDTEX Interfund Reimbursements</i>							
5800	Transfer for Indirect Costs						
	* to Risk Mgmt Fund-Liability		344,916		0		344,916
	* to Risk Mgmt Fund-Worker Comp		382,344		0		382,344
<i>EQTCHC Fund Equity Transfers</i>							
5810	Transfer of Resources						
	* to General Revenue Bond Fund-Zoo		404,408		0		404,408
	* to Gen'l Asset Mgmt Fund-General Acct		10,000		36,127		46,127
	* to Gen'l Revenue Bond Fund-Debt Serv Acct		1,500,920		0		1,500,920
	* to MERC Fund (Tourism Opp. & Compt. Account)		480,000		0		480,000
	* to Renewal & Replacement Fund-General R&R		647,978		0		647,978
	* to Renewal & Replacement Fund-IT Renewal & Replacemer		255,000		0		255,000
	* to General Asset Management Fund		197,915		0		197,915
	* to Renewal & Replacement Fund-Regional Center R&R		322,540		0		322,540
	* to Renewal & Replacement Fund-Parks R&R		323,000		0		323,000
	* to Solid Waste Revenue Fund		148,458		0		148,458
Total Interfund Transfers			\$5,017,479		\$36,127		\$5,053,606
<u>Contingency & Unappropriated Balance</u>							
<i>CONT Contingency</i>							
5999	Contingency						
	* Contingency		2,908,646		0		2,908,646
	* Opportunity Account		153,496		0		153,496
	* Reserved for Streetcar LID (RRSR)		500,000		0		500,000
<i>UNAPP Unappropriated Fund Balance</i>							
5990	Unappropriated Fund Balance						
	* Stabilization Reserve		2,419,836		0		2,419,836
	* PERS Reserve		6,250,016		0		6,250,016
	* Recovery Rate Stabilization reserve		1,396,943		0		1,396,943
	* Reserved for Community Investment Initiative		812,000		0		812,000
	* Reserved for Future Natural Areas Operations		204,460		0		204,460
	* Reserved for Local Gov't Grants (CET)		1,165,574		0		1,165,574
	* Reserved for Future Planning Needs		14,993		0		14,993
	* Reserve for Future Debt Service		2,526,028		0		2,526,028
Total Contingency & Unappropriated Balance			\$18,351,992		\$0		\$18,351,992
TOTAL REQUIREMENTS		455.81	\$109,567,194	0.00	\$0	455.81	\$109,567,194

Exhibit A
Ordinance No. 12-1279

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Asset Management Fund							
General Asset Management Fund							
<u>Resources</u>							
BEGBAL	Beginning Fund Balance						
3500	* Prior year ending balance		6,689,948		0		6,689,948
GRANTS	Grants						
4110	State Grants-Direct		63,334		0		63,334
INTRST	Interest Earnings						
4700	Interest on Investments		33,298		0		33,298
DONAT	Contributions from Private Sources						
4750	Donations and Bequests		841,180		0		841,180
EQTREV	Fund Equity Transfers						
4970	Transfer of Resources						
	* from Solid Waste Revenue Fund		173,163		0		173,163
	* from General Fund (Regional Parks)		323,000		0		323,000
	* from General Fund-IT R&R		255,000		0		255,000
	* from General Fund-MRC R&R		322,540		0		322,540
	* from General Fund-Gen'l R&R		647,978		0		647,978
	* from MERC		10,824		0		10,824
	* from General Revenue Bond Fund		216,821		0		216,821
	* from General Fund		207,915		36,127		244,042
TOTAL RESOURCES			\$9,855,001		\$36,127		\$9,891,128
Total Materials & Services			\$1,005,061		\$0		\$1,005,061
<u>Capital Outlay</u>							
CAPNON	Capital Outlay (non-CIP Projects)						
5710	Improve-Oth thn Bldg		74,095		0		74,095
CAPCIP	Capital Outlay (CIP Projects)						
5710	Improve-Oth thn Bldg		1,267,709		0		1,267,709
5720	Buildings & Related		257,956		0		257,956
5730	Exhibits and Related		825,000		0		825,000
5740	Equipment & Vehicles		1,128,879		0		1,128,879
5745	Licensed Vehicles		564,276		0		564,276
5750	Office Furniture & Equip		650,833		36,127		686,960
5760	Railroad Equip & Facil		49,610		0		49,610
5790	Intangible Assets		120,000		0		120,000
Total Capital Outlay			\$4,938,358		\$36,127		\$4,974,485
<u>Contingency & Unappropriated Balance</u>							
CONT	Contingency						
5999	Contingency						
	* Contingency		3,911,582		0		3,911,582
Total Contingency & Unappropriated Balance			\$3,911,582		\$0		\$3,911,582
TOTAL REQUIREMENTS		-	\$9,855,001	-	\$36,127	-	\$9,891,128

Exhibit A
Ordinance No. 12-1279

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
MERC Fund							
<u>Resources</u>							
<i>BEGBAL Beginning Fund Balance</i>							
	* Undesignated		3,871,587		0		3,871,587
	* Renewal & Replacement Reserve		12,543,636		0		12,543,636
	* Transient Lodging Tax Capital Reserve		430,310		0		430,310
	* New Capital / Business Strategy Reserve		5,100,848				5,100,848
	* Aramark Contract Capital Investment Reserve		652,366		0		652,366
	* PERS Reserve		1,991,822		0		1,991,822
<i>GRANTS Grants</i>							
4120	Local Grant - Direct		46,675		0		46,675
4130	Hotel/Motel Tax		11,155,335		0		11,155,335
<i>GVCNTB Contributions from Governments</i>							
4145	Government Contributions		784,320		0		784,320
<i>CHGSVC Charges for Service</i>							
4500	Admission Fees		1,880,177		0		1,880,177
4510	Rentals		7,468,683		0		7,468,683
4550	Food Service Revenue		12,090,548		2,323,903		14,414,451
4560	Retail Sales		7,000		0		7,000
4570	Merchandising		15,000		0		15,000
4575	Advertising		15,000		0		15,000
4580	Utility Services		1,578,500		0		1,578,500
4590	Commissions		1,123,500		0		1,123,500
4620	Parking Fees		3,107,371		0		3,107,371
4645	Reimbursed Services		2,645,172		0		2,645,172
4647	Reimbursed Services - Contract		527,989		0		527,989
4650	Miscellaneous Charges for Svc		370,050		0		370,050
<i>INTRST Interest Earnings</i>							
4700	Interest on Investments		122,806		0		122,806
<i>DONAT Contributions from Private Sources</i>							
4750	Donations and Bequests		450,000		0		450,000
4760	Sponsorship Revenue		160,000		0		160,000
<i>MISCRV Miscellaneous Revenue</i>							
4170	Fine & Forfeitures		1,500		0		1,500
4805	Financing Transaction		93,664		0		93,664
4890	Miscellaneous Revenue		35,926		0		35,926
<i>EQTREV Fund Equity Transfers</i>							
4970	Transfer of Resources						
	* from General Fund		480,000		0		480,000
	* from Risk Management Fund		114,822		0		114,822
TOTAL RESOURCES			\$68,864,607		\$2,323,903		\$71,188,510
Total Personal Services			185.85 \$17,791,493	-	\$0	185.85	\$17,791,493
<u>Materials & Services</u>							
<i>GOODS Goods</i>							
5201	Office Supplies		198,065		0		198,065
5205	Operating Supplies		307,112		0		307,112
5210	Subscriptions and Dues		55,295		0		55,295
5214	Fuels and Lubricants		16,600		0		16,600
5215	Maintenance & Repairs Supplies		524,140		0		524,140
5225	Retail		11,000		0		11,000
<i>SVCS Services</i>							
5240	Contracted Professional Svcs		805,309		0		805,309
5245	Marketing Expense		2,642,520		0		2,642,520
5246	Sponsorship Expenditures		41,000		0		41,000
5247	Visitor Development Marketing		425,397		0		425,397
5251	Utility Services		2,636,796		0		2,636,796

Exhibit A
Ordinance No. 12-1279

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Metro Exposition Recreation Commission Fund							
MERC Fund							
5255	Cleaning Services		34,200		0		34,200
5260	Maintenance & Repair Services		1,199,660		0		1,199,660
5265	Rentals		735,125		0		735,125
5270	Insurance		23,700		0		23,700
5280	Other Purchased Services		387,575		0		387,575
5281	Other Purchased Services - Reimb		448,571		0		448,571
5291	Food and Beverage Services		9,627,618		2,745,639		12,373,257
5292	Parking Services		272,931		0		272,931
<i>IGEXP Intergov't Expenditures</i>							
5300	Payments to Other Agencies		261,846		0		261,846
5310	Taxes (Non-Payroll)		17,000		0		17,000
<i>OTHEXP Other Expenditures</i>							
5450	Travel		175,696		0		175,696
5455	Staff Development		116,514		0		116,514
5490	Miscellaneous Expenditures		3,500		0		3,500
Total Materials & Services			\$20,967,170		\$2,745,639		\$23,712,809
Total Capital Outlay			\$3,116,366		\$0		\$3,116,366
Total Interfund Transfers			\$6,162,880	-	\$0		\$6,162,880
<u>Contingency and Ending Balance</u>							
<i>CONT Contingency</i>							
5999	Contingency						
	* General Contingency		2,279,221		(2,091,824)		187,397
	* New Capital/Business Strategy Reserve		4,802,541		(653,815)		4,148,726
<i>UNAPP Unappropriated Fund Balance</i>							
5990	Unappropriated Fund Balance						
	* Stabilization Reserve		620,500		0		620,500
	* New Capital/Business Strategy Reserve		0		2,347,241		2,347,241
	* Ending Balance		546,241		(23,338)		522,903
	* Renewal & Replacement		12,578,195		0		12,578,195
Total Contingency and Ending Balance			\$20,826,698		(\$421,736)		\$20,404,962
TOTAL REQUIREMENTS		185.85	\$68,864,607	-	\$2,323,903	185.85	\$71,188,510

Exhibit B
Ordinance 12-1279
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
GENERAL FUND			
Communications	2,513,202	0	2,513,202
Council Office	3,898,985	(36,127)	3,862,858
Finance & Regulatory Services	3,877,640	0	3,877,640
Human Resources	2,183,806	0	2,183,806
Information Services	3,626,474	0	3,626,474
Metro Auditor	686,452	0	686,452
Office of Metro Attorney	1,984,575	0	1,984,575
Oregon Zoo	28,541,635	0	28,541,635
Parks & Environmental Services	6,656,184	0	6,656,184
Planning and Development	16,561,877	0	16,561,877
Research Center	4,489,582	0	4,489,582
Sustainability Center	5,022,941	0	5,022,941
Former ORS 197.352 Claims & Judgments	100	0	100
Special Appropriations	4,566,055	0	4,566,055
Non-Departmental			
Debt Service	1,588,215	0	1,588,215
Interfund Transfers	5,017,479	36,127	5,053,606
Contingency	3,562,142	0	3,562,142
Unappropriated Balance	14,789,850	0	14,789,850
Total Fund Requirements	\$109,567,194	\$0	\$109,567,194
GENERAL ASSET MANAGEMENT FUND			
Asset Management Program	5,943,419	36,127	5,979,546
Non-Departmental			
Contingency	3,911,582	0	3,911,582
Total Fund Requirements	\$9,855,001	\$36,127	\$9,891,128
MERC FUND			
MERC	41,875,029	2,745,639	44,620,668
Non-Departmental			
Interfund Transfers	6,162,880	0	6,162,880
Contingency	7,081,762	(2,745,639)	4,336,123
Unappropriated Balance	13,744,936	2,323,903	16,068,839
Total Fund Requirements	\$68,864,607	\$2,323,903	\$71,188,510

All other appropriations remain as previously adopted

STAFF REPORT

FOR THE PURPOSE OF AMENDING THE FY 2011-12 BUDGET AND APPROPRIATIONS SCHEDULE AND AMENDING THE FY 2011-12 THROUGH FY 2015-16 CAPITAL IMPROVEMENT PLAN

Date: May 25, 2012

Prepared by: Kathy Rutkowski 503-797-1630
Ann Wawrukiewicz 503-797-1566

BACKGROUND

Following the third quarter financial review, several additional items have been identified that necessitate amendment of the budget. Each action is discussed separately below.

MERC Food and Beverage

The MERC venues are experiencing food and beverage sales greater than original estimates. The current revenue forecast is \$14.4 million, an increase of \$2.3 million over the adopted budget. The current projected food and beverage cost is \$12.4 million with a margin of 13.6 percent, down 6.2 percent from the original budget estimate of 19.8 percent.

Oregon Convention Center (OCC)

OCC food and beverage revenue forecast is \$10.1 million, an increase over the adopted budget of \$1.9 million. Food and beverage cost forecast is \$8.8 million, an increase of \$2.2 million. The projected margin is 12.5 percent with net revenue of \$1.3 million. This represents a decrease of 6.3 percent from the adopted budget margin of 18.8 percent. This variance is due to an aggressive budget, reduced high margin convention business, increased wages and benefit costs.

Portland Center for Performing Arts (PCPA)

PCPA food and beverage revenue forecast is \$2.1 million, an increase over the adopted budget of \$421,000. Food and beverage cost forecast is \$1.7 million, an increase of \$259,000. The projected margin is 19.4 percent with net revenue of \$410,692. This represents an increase of 4.7 percent over the adopted budget margin of 14.7 percent. The increased sales are driven by the Broadway series and the increased points of sale in the theaters.

Portland Exposition Center (Expo)

Expo food and beverage revenue forecast is \$2.2 million, a decrease of \$23,000 from the adopted budget. Food and beverage cost forecast is \$1.9 million, an increase of \$289,000. The projected margin is 13.3 percent with net revenue of \$292,000. This represents a decrease of 14 percent from the adopted budget margin of 27.3 percent. This variance is a combination of an aggressive revenue forecast in the original budget and increased costs due to the Cirque event.

Oregon budget law does not allow the recognition and direct appropriation of this additional revenue without the benefit of a supplemental budget. This action transfers \$2,745,639 from contingency to materials and services to provide for the needed increase in food and beverage expense. It also acknowledges the receipt of \$2,323,903 in additional revenue but places the additional revenue in New Capital/Business Strategy Reserve (unappropriated).

Council Chamber Audio System Upgrade

During FY 2011-12, the audio system in the Council Chamber was upgraded. The existing equipment was outdated, subject to interference and did not comply with Federal Communications Commission regulations. The chamber system was also out of compliance with Americans with Disabilities Act requirements for the hearing impaired. The initial budget was \$60,000, but several additional project components were needed to meet Council requirements, resulting in final costs of \$96,127. Current year underspending of \$36,127 from position vacancies in the Council Office will be transferred to the General Asset Management Fund to cover the additional cost.

Front Plaza Planter project (CIP Amendment only)

The Front Plaza Planter restoration project will provide for an extended life cycle and reduce maintenance costs. The project includes relining and waterproofing five plaza planters; existing materials will be removed. The project will provide new drainage systems, lightweight planting media and improved irrigation. New materials will reflect the recently adopted planting theme of the entry plaza plantings. The original budget for this project was \$90,000 and bids came back at \$126,000, necessitating the amendment to the CIP. Sufficient appropriation exists to fund the additional cost; no budget action is needed.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known.
2. **Legal Antecedents:** ORS 294.450(1) provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction. ORS 294.450(3) provides for transfers of appropriations or of appropriations and a like amount of budget resources between funds of the municipal corporation when authorized by an official resolution or ordinance of the governing body.
3. **Anticipated Effects:** This action provides for changes in operations as described above; recognizing additional food and beverage sales and expenses at MERC Venues and providing for an upgrade to the Council Chamber audio system.
4. **Budget Impacts:** This action has the following impact on the FY 2011-12 budget:
 - Acknowledges \$2.3 million in additional food and beverage sales at various MERC Venues.
 - Transfers \$2.7 million from MERC contingency to fund additional food and beverage expenses.
 - Transfers approximately \$36,000 in Council Office underspending due to vacancies to the General Asset Management Fund to pay for additional costs associated with Council Chamber audio system upgrade.
 - Amends the Capital Improvement Plan to reflect actual bid for the Front Plaza Planter project.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of this Ordinance.

Agenda Item No. 6.2

Ordinance No. 12-1280, For the Purpose of Amending and Re-
Adopting Metro Code 7.03 (Investment Policy) for Fiscal Year
2012-2013.

Ordinances – Second Reading

Metro Council Meeting
Thursday, June 21, 2012
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING AND RE-)	ORDINANCE NO. 12-1280
ADOPTING METRO CODE 7.03 (INVESTMENT)	
POLICY) FOR FISCAL YEAR 2012-2013)	Introduced by Martha Bennett, Chief Operating Office in concurrence with Council President Tom Hughes

WHEREAS, Metro Code Section 7.03 contains the investment policy which applies to all cash-related assets held by Metro; and

WHEREAS, the Investment Advisory Board annually reviews and approves the Investment Policy for submission to Metro Council; and

WHEREAS, the Investment Coordinator has proposed one change to the Investment Policy to expand the definition of allowable Municipal debt to include lawfully issued debt of the States of California, Idaho and Washington and their political subdivisions if such obligations have a long-term rating of AA or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS 294.035 (3)]; and

WHEREAS, the Investment Advisory Board on April 17, 2012 voted to recommend this change, to Metro Code 7.03 and submit to the Metro Council for approval and readoption; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That Metro Code Chapter 7.03 is hereby amended and re-adopted as attached hereto in Exhibit A to this ordinance.

2. That this Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins, July 1, 2012 and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, and that re-adoption of the Investment Policy should coincide with the adoption of the annual budget, an emergency is declared to exist and this Ordinance shall take effect immediately, pursuant to Metro Charter Section 39(1).

ADOPTED by the Metro Council this ___ day of June 2012.

Tom Hughes, Council President

Attest:

Approved as to Form:

Kelsey Newell, Recorder

Alison Kean Campbell, Metro Attorney

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.)

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 12-1280 FOR THE PURPOSE OF AMENDING AND RE-ADOPTING METRO CODE 7.03 (INVESTMENT POLICY) FOR FISCAL YEAR 2012-2013

Date: May 23, 2012

Prepared by: Calvin Smith
Telephone: 503-797-1612

BACKGROUND

Metro Code, Chapter 7.03 contains the Investment Policy that applies to all cash-related assets held by Metro. Metro code requires the annual review and readopting with the assistance of the Investment Advisory Board who are appointed on staggered terms by the Council President. This Investment Policy is being submitted to Council for review and re-adoption in accordance with Section 7.03.160 of Metro Code.

The format of Metro's Investment Policy conforms to the Oregon State Treasury's Sample Investment Policy for Local Governments and the Government Finance Officers Association's (GFOA) Sample Investment Policy. This allows Metro's policy to be readily compared to investment policies of other local governments that have adopted the same GFOA format.

The Investment Advisory Board (IAB) members asked staff to look into whether Metro could purchase municipal debt. Metro Code 7.03.050 (a) (7) already permits purchasing of Oregon municipal debt. Staff research revealed that Oregon State law (ORS 294.035.3c) also permits purchasing of higher grade municipal debt from the surrounding states. The IAB reviewed this option as allowed by the state and discussed the merits of municipal debt, concluding that in this market environment we do want to have all the available options that are permitted under law.

Specifically, the proposal is to amend the current policy to allow investments in municipal debt of California, Idaho and Washington and their political subdivisions if such obligations have a long-term rating of AA or better or are rated on the settlement date in the highest category for short-term municipal debt by a nationally recognized statistical rating organization [ORS 294.035 (3c)]. Approving this change would allow a larger universe of options for the current investment environment. Whether Metro uses this option or not, the policy requires that we continue to follow our principals of safety and liquidity before yield.

Metro's current policy has been approved by the Oregon State Short Term Fund Board (OSTFB) as required. If the Council approves this change, Metro must resubmit its policies for review. The wording proposed for change has been approved by the OSTFB for other jurisdictions in Oregon, including most recently the Multnomah County Investment Policy.

The IAB recommends Council amend the code to make this option available and readopt the code as amended.

ANALYSIS/INFORMATION

1. **Known Opposition:** None.
2. **Legal Antecedents:** Metro Code, Chapter 7.03, Investment Policy, Section 7.030.080(b) proscribes that the policy shall be subject to review and re-adoption annually by the Metro Council in

accordance with ORS 294.135. ORS 294.035.3c permits investments in municipal debt obligations of specifically named states.

Chapter 7.03 was formerly 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, by Ordinance 06-1114; readopted June 21, 2007 by Ordinance 07-1149; readopted June 26, 2008 by Ordinance 08-1190; readopted June 25, 2009 by Ordinance 09-1216.;readopted June 17, 2010 by Ordinance 10-1243; readopted by Resolution 11-4272 June 23,2011)

3. **Anticipated Effects:** In addition to debt obligations of municipal units in Oregon, Metro would be able to consider municipal debt obligations of California, Washington and Idaho.
4. **Budget Impacts:** None anticipated.

RECOMMENDED ACTION: The Investment Advisory Board recommends re-adoption as amended of Metro Code Chapter 7.03 by Ordinance No. 12-1280.

Agenda Item No. 6.3

Ordinance No. 12-1274A, For the Purpose of Adopting the
Annual Budget For Fiscal Year FY 2012-13, Making
Appropriations, Levying Ad Valorem Taxes, and Authorizing an
Interfund Loan.

Ordinances – Second Reading

Metro Council Meeting
Thursday, June 21, 2012
Metro, Council Chamber

BEFORE THE METRO COUNCIL

ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR FY 2012-13, MAKING APPROPRIATIONS, LEVYING AD VALOREM TAXES, AND AUTHORIZING AN INTERFUND LOAN)))))	ORDINANCE NO. 12-1274A Introduced by Martha Bennett, Chief Operating Officer, with the concurrence of Council President Tom Hughes
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WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2012, and ending June 30, 2013; and

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

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2012-13 Metro Budget," in the total amount of FIVE HUNDRED THIRTY FIVE MILLION EIGHT HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED EIGHTY TWO (\$535,817,582), attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per ONE THOUSAND DOLLARS (\$1,000) of assessed value for operations and in the amount of FORTY MILLION FIVE HUNDRED FIFTY SEVEN THOUSAND TWO HUNDRED FORTY FOUR (\$40,557,244) for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2011-12. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from the <u>Limitation</u>
Operating Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		\$40,557,244

3. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2012, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

4. An interfund loan from the General Fund to the MERC Fund in an amount not to exceed \$2.2 million is hereby authorized. The loan will be made to provide financing of the Eastside Streetcar Local Improvement District assessment on the Oregon Convention Center. The loan, including interest at a rate equal to the average yield on Metro's pooled investments, will be repaid from Oregon Convention Center revenues and/or reserves. Repayment will be over a ten year period beginning FY 2012-13 and provide for a minimum of \$220,000 annual principal payments due no later than June 30th of each fiscal year.

5. The Chief Operating Officer shall make the filings as required by ORS 294.458 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

6. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2012, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this 21st day of June 2012.

Tom Hughes, Council President

ATTEST:

Approved as to Form:

Kelsey Newell, Recording Secretary

Alison Kean Campbell, Metro Attorney

BEFORE THE METRO COUNCIL

ADOPTING THE ANNUAL BUDGET FOR) ORDINANCE NO. 12-1274A
 FISCAL YEAR FY 2012-13, MAKING)
 APPROPRIATIONS, LEVYING AD VALOREM) Introduced by Martha Bennett, Chief
 TAXES, AND AUTHORIZING AN INTERFUND) Operating Officer, with the concurrence of
 LOAN) Council President Tom Hughes

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2012, and ending June 30, 2013; and

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

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2012-13 Metro Budget," in the total amount of FIVE HUNDRED THIRTY FIVE MILLION EIGHT HUNDRED SEVENTEEN THOUSAND FIVE HUNDRED EIGHTY TWO FIVE HUNDRED TWENTY MILLION SIXTY FIVE THOUSAND SEVEN HUNDRED NINETY ONE (~~\$520,065,794,535,817,582~~), attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per ONE THOUSAND DOLLARS (\$1,000) of assessed value for operations and in the amount of FIFTY FOURFORTY MILLION ONE FIVE HUNDRED SEVENTY FIFTY SEVENONE THOUSAND EIGHT TWO HUNDRED FORTY FOUR (~~\$54,171,84440,557,244~~) for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2011-12. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government Limitation	Excluded from the Limitation
Operating Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		<u>\$54,171,84440,557,244</u>

3. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2012, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

4. An interfund loan from the General Fund to the MERC Fund in an amount not to exceed \$2.2 million is hereby authorized. The loan will be made to provide financing of the Eastside Streetcar Local Improvement District assessment on the Oregon Convention Center. The loan, including interest at a rate equal to the average yield on Metro's pooled investments, will be repaid from Oregon Convention Center revenues and/or reserves. Repayment will be over a ten year period beginning FY 2012-13 and provide for a minimum of \$220,000 annual principal payments due no later than June 30th of each fiscal year.

5. The Chief Operating Officer shall make the filings as required by ORS 294.458 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

6. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2012, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this 21st day of June 2012.

Tom Hughes, Council President

ATTEST:

Approved as to Form:

Kelsey Newell, Recording Secretary

Alison Kean Campbell, Metro Attorney



**Tax Supervising
& Conservation
Commission**

PO Box 8428
Portland, Oregon
97207-8428

Telephone (503) 988-3054

Fax: (503) 988-3053

E-Mail:
TSCC@multco.us

Web Site:
www.tscmultco.com /tsccl

June 7, 2012

Metro Council
600 NE Grand Avenue
Portland , Oregon 97232

Dear President Hughes and Councilors:

The Tax Supervising and Conservation Commission met on June 9, 2011 to review, discuss and conduct a public hearing on the Metro's 2012-13 Approved Budget. This hearing was conducted pursuant to ORS 294.605 to 294.705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support efficient and economical administration of the district.

The budget was filed timely on May 8, 2012. The Commission hereby certifies by a majority vote of members of the Commission that it has no recommendation or objections to make with respect to the budget.

For 2012-13, estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with Local Budget Law. The budget estimates and levy amounts, as shown in the approved budget, are shown on the attached page.

Please file a complete copy of the adopted budget with the Commission no later than August 31, 2012.

We appreciate having the opportunity to discuss this budget with you.

Yours very truly,

TAX SUPERVISING & CONSERVATION COMMISSION

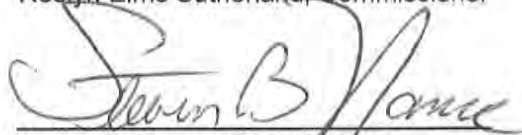


Javier Fernandez, Chair

Susan Schneider, Commissioner

Roslyn Elms Sutherland, Commissioner



Terry McCall, Commissioner

Steven B. Nance, Commissioner

Commissioners

Javier Fernandez, Chair
Terry McCall
Steven B. Nance
Susan Schneider
Dr. Roslyn Elms Sutherland

EXHIBIT B
Ordinance 12-1274A
Notes to Adopted Budget (as approved on 6/14/12)

Budget Note #1 – Community Investment Initiative

The Metro Council will approve a program work plan for Metro's involvement in the Community Investment Initiative during the first quarter of FY 2012-13, which will identify key direction and decision points for the Metro Council.

Budget Note #2 – Opportunity Fund

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.

Budget Note #3 – One time expenditures

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.

EXHIBIT C
Ordinance 12-1274A
FY 2012-13 SCHEDULE OF APPROPRIATIONS

	<u>Proposed Budget</u>	<u>Approved Budget</u>	<u>Revision</u>	<u>Adopted Budget</u>
GENERAL FUND				
Communications	2,586,585	2,586,585	15,000	2,601,585
Council Office	3,924,829	3,924,829	40,000	3,964,829
Finance & Regulatory Services	4,218,275	4,218,275	0	4,218,275
Human Resources	2,167,032	2,167,032	0	2,167,032
Information Services	3,640,353	3,640,353	0	3,640,353
Metro Auditor	708,748	708,748	0	708,748
Office of Metro Attorney	1,927,172	1,927,172	0	1,927,172
Oregon Zoo	30,862,025	30,862,025	0	30,862,025
Parks & Environmental Services	6,681,825	6,681,825	0	6,681,825
Planning and Development	14,477,196	14,477,196	0	14,477,196
Research Center	3,834,691	3,834,691	46,244	3,880,935
Sustainability Center	4,036,112	4,036,112	50,650	4,086,762
Special Appropriations	4,896,187	4,896,187	0	4,896,187
Non-Departmental				
Debt Service	1,654,290	1,654,290	0	1,654,290
Interfund Transfers	7,521,525	7,521,525	200,000	7,721,525
Contingency	3,831,000	3,831,000	(60,000)	3,771,000
<i>Total Appropriations</i>	<u>96,967,845</u>	<u>96,967,845</u>	<u>291,894</u>	<u>97,259,739</u>
Unappropriated Balance	12,647,089	12,647,089	13,756	12,660,845
Total Fund Requirements	<u>\$109,614,934</u>	<u>\$109,614,934</u>	<u>\$597,544</u>	<u>\$109,920,584</u>
GENERAL ASSET MANAGEMENT FUND				
Asset Management Program	5,475,007	5,475,007	448,762	5,923,769
Non-Departmental				
Interfund Transfers	19,681	19,681	0	19,681
Contingency	4,379,897	4,379,897	0	4,379,897
<i>Total Appropriations</i>	<u>9,874,585</u>	<u>9,874,585</u>	<u>448,762</u>	<u>10,323,347</u>
Unappropriated Balance	0	0	200,000	200,000
Total Fund Requirements	<u>\$9,874,585</u>	<u>\$9,874,585</u>	<u>\$2,191,368</u>	<u>\$10,523,347</u>
GENERAL OBLIGATION BOND DEBT SERVICE FUND				
Debt Service	51,991,413	51,991,413	(1,966,517)	50,024,896
Unappropriated Balance	10,092,981	10,092,981	(9,899,281)	193,700
Total Fund Requirements	<u>\$62,084,394</u>	<u>\$62,084,394</u>	<u>(\$11,865,798)</u>	<u>\$50,218,596</u>
GENERAL REVENUE BOND FUND				
Debt Service	3,090,037	3,090,037	0	3,090,037
Unappropriated Balance	5,361	5,361	0	5,361
Total Fund Requirements	<u>\$3,095,398</u>	<u>\$3,095,398</u>	<u>\$0</u>	<u>\$3,095,398</u>

EXHIBIT C
Ordinance 12-1274A
FY 2012-13 SCHEDULE OF APPROPRIATIONS

MERC FUND

MERC	44,281,504	44,281,504	971,149	45,252,653
Non-Departmental				
Interfund Transfers	4,806,913	4,806,913	0	4,806,913
Contingency	7,613,240	7,613,240	225,028	7,838,268
<i>Total Appropriations</i>	<u>56,701,657</u>	<u>56,701,657</u>	<u>1,196,177</u>	<u>57,897,834</u>
Unappropriated Balance	13,097,572	13,097,572	(200,000)	12,897,572
Total Fund Requirements	<u>\$69,799,229</u>	<u>\$69,799,229</u>	<u>(\$200,000)</u>	<u>\$70,795,406</u>

NATURAL AREAS FUND

Sustainability Center	45,179,080	45,179,080	0	45,179,080
Non-Departmental				
Interfund Transfers	1,783,226	1,783,226	0	1,783,226
Contingency	25,000,000	25,000,000	0	25,000,000
<i>Total Appropriations</i>	<u>71,962,306</u>	<u>71,962,306</u>	<u>0</u>	<u>71,962,306</u>
Unappropriated Balance	12,838,139	12,838,139	14,687,000	27,525,139
Total Fund Requirements	<u>\$84,800,445</u>	<u>\$84,800,445</u>	<u>\$14,687,000</u>	<u>\$99,487,445</u>

OPEN SPACES FUND

Sustainability Center	738,934	738,934	0	738,934
Total Fund Requirements	<u>\$738,934</u>	<u>\$738,934</u>	<u>\$0</u>	<u>\$738,934</u>

OREGON ZOO INFRASTRUCTURE AND ANIMAL WELFARE FUND

Oregon Zoo	19,526,002	19,526,002	0	19,526,002
Non-Departmental				
Interfund Transfers	292,677	292,677	0	292,677
Contingency	3,963,195	3,963,195	0	3,963,195
<i>Total Appropriations</i>	<u>23,781,874</u>	<u>23,781,874</u>	<u>0</u>	<u>23,781,874</u>
Unappropriated Balance	44,397,992	44,397,992	10,420,000	54,817,992
Total Fund Requirements	<u>\$44,397,992</u>	<u>\$44,397,992</u>	<u>\$10,420,000</u>	<u>\$54,817,992</u>

PIONEER CEMETERY PERPETUAL CARE FUND

Unappropriated Balance	470,187	470,187	0	470,187
Total Fund Requirements	<u>\$470,187</u>	<u>\$470,187</u>	<u>\$0</u>	<u>\$470,187</u>

REHABILITATION & ENHANCEMENT FUND

Sustainability Center	358,641	358,641	0	358,641
Non-Departmental				
Interfund Transfers	33,465	33,465	0	33,465
Contingency	280,000	280,000	0	280,000
<i>Total Appropriations</i>	<u>672,106</u>	<u>672,106</u>	<u>0</u>	<u>672,106</u>
Unappropriated Balance	1,653,293	1,653,293	0	1,653,293
Total Fund Requirements	<u>\$2,325,399</u>	<u>\$2,325,399</u>	<u>\$0</u>	<u>\$2,325,399</u>

EXHIBIT C
Ordinance 12-1274A
FY 2012-13 SCHEDULE OF APPROPRIATIONS

RISK MANAGEMENT FUND

Finance & Regulatory Services	2,641,276	2,641,276	0	2,641,276
Non-Departmental				
Interfund Transfers	295,207	295,207	0	295,207
Contingency	500,000	500,000	0	500,000
<i>Total Appropriations</i>	<u>3,436,483</u>	<u>3,436,483</u>	<u>0</u>	<u>3,436,483</u>
Unappropriated Balance	1,094,652	1,094,652	0	1,094,652
Total Fund Requirements	<u>\$4,531,135</u>	<u>\$4,531,135</u>	<u>\$0</u>	<u>\$4,531,135</u>

SMITH AND BYBEE LAKES FUND

Parks & Environmental Services	65,000	65,000	0	65,000
Non-Departmental				
Interfund Transfers	104,841	104,841	0	104,841
Contingency	200,000	200,000	0	200,000
<i>Total Appropriations</i>	<u>369,841</u>	<u>369,841</u>	<u>0</u>	<u>369,841</u>
Unappropriated Balance	3,391,886	3,391,886	0	3,391,886
Total Fund Requirements	<u>\$3,761,727</u>	<u>\$3,761,727</u>	<u>\$0</u>	<u>\$3,761,727</u>

SOLID WASTE REVENUE FUND

Finance & Regulatory Services	2,145,570	2,145,570	0	2,145,570
Sustainability Center	6,002,794	6,002,794	400,000	6,402,794
Parks & Environmental Services	49,502,045	49,502,045	160,000	49,662,045
Non-Departmental				
Interfund Transfers	8,157,903	8,157,903	0	8,157,903
Contingency	15,105,279	15,105,279	0	15,105,279
<i>Total Appropriations</i>	<u>80,913,591</u>	<u>80,913,591</u>	<u>560,000</u>	<u>81,473,591</u>
Unappropriated Balance	19,875,967	19,875,967	0	19,875,967
Total Fund Requirements	<u>\$100,789,558</u>	<u>\$100,789,558</u>	<u>\$560,000</u>	<u>\$101,349,558</u>

Total Appropriations	\$400,500,672	\$400,500,672	\$530,316	\$401,030,988
Total Unappropriated Balance	\$119,565,119	\$119,565,119	\$15,221,475	\$134,786,594

TOTAL BUDGET	<u>\$520,065,791</u>	<u>\$520,065,791</u>	<u>\$15,751,791</u>	<u>\$535,817,582</u>
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STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 12-1274 ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2012-13, MAKING APPROPRIATIONS, LEVYING AD VALOREM TAXES, AND AUTHORIZING AN INTERFUND LOAN

Date: March 30, 2012

Presented by: Martha Bennett
Chief Operating Officer

BACKGROUND

I am forwarding to the Metro Council for consideration and approval my proposed budget for fiscal year 2012-13.

Metro Council action, through Ordinance No. 12-1274 is the final step in the process for the adoption of Metro's operating financial plan for the forthcoming fiscal year. Final action by the Metro Council to adopt this plan must be completed by June 30, 2012.

Once the budget plan for fiscal year 2012-13 is approved by the Metro Council on April 26, 2012, the number of funds and the maximum tax levy cannot be amended without review and certification by the Tax Supervising and Conservation Commission. Adjustments, if any, by the Metro Council to increase the level of expenditures in a fund are limited to no more than 10 percent of the total value of any fund's expenditures in the period between Metro Council approval at the end of April 2012 and adoption in June 2012.

Exhibit A to this Ordinance will be available subsequent to the Tax Supervising and Conservation Commission hearing June 7, 2012. Exhibits B and C of the Ordinance will be available at the public hearing on April 19, 2012.

ANALYSIS/INFORMATION

1. **Known Opposition** – Metro Council hearings will be held on the Proposed Budget on April 19, 2012 and April 26, 2012. Opportunities for public comments will be provided. Opposition to any portion of the budget will be identified during that time.
2. **Legal Antecedents** – The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its approved budget to the Tax Supervising and Conservation Commission by May 15, 201. The Commission will conduct a hearing on June 7, 2012 for the purpose of receiving information from the public regarding the Metro Council's approved budget. Following the hearing, the Commission will certify the budget to the Metro Council for adoption and may provide recommendations to the Metro Council regarding any aspect of the budget.
3. **Anticipated Effects** – Adoption of this ordinance will put into effect the annual FY 2012-13 budget, effective July 1, 2012.
4. **Budget Impacts** – The total amount of the proposed FY 2012-13 annual budget is \$520,065,791 and 740.00 FTE.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of Ordinance No. 12-1274.

M:\Asd\Finance\Confidential\BUDGET\FY12-13\Budord\Ord 12-1274 Adopting Ordinance\Staff Report For Adoption Ord 12-1274.Doc

Agenda Item No. 7.1

Resolution No. 12-4352, For the Purpose of Adopting the Capital Improvement Plan for Fiscal Years 2012-13 through 2016-17; and Readopting Metro's Financial Policies.

Resolutions

Metro Council Meeting
Thursday, June 21, 2012
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE) RESOLUTION NO. 12-4352
CAPITAL IMPROVEMENT PLAN FOR FISCAL) Introduced by Martha Bennett, Chief
YEARS 2012-13 THROUGH 2016-17; APPROVING) Operating Officer with concurrence of
THE METROPOLITAN TOURISM OPPORTUNITY) the Council President
COMPETITIVENESS PROJECTS AND RE-ADOPTING
METRO'S FINANCIAL POLICIES

WHEREAS, Metro recognizes the need to prepare a long-range plan estimating the timing, scale and cost of its major capital projects and equipment purchases; and

WHEREAS, Metro has inventoried existing major capital assets, prepared status reports on current capital projects and assessed future capital needs; and

WHEREAS, Metro's Chief Operating Officer has directed the preparation of a Capital Improvement Plan for fiscal years 2012-13 through 2016-17 that projects Metro's major capital spending needs over the next five years, assesses the impact of capital projects on the forecasted financial condition of Metro funds, and assesses the impact on operating costs; and

WHEREAS, the Metro Council has reviewed the FY 2012-13 through FY 2016-17 Capital Improvement Plan; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2012-13 budget including the FY 2012-13 through FY 2016-17 Capital Improvement Plan; and

WHEREAS, the Metro Council approves projects funded by the Metropolitan Tourism Opportunity Competitiveness Account (MTOCA); and

WHEREAS, the Metro Council annually reviews and readopts its Comprehensive Financial Policies including the Capital Asset Management Policies; now therefore

BE IT RESOLVED that the Metro Council hereby authorizes the following:

1. That the FY 2012-13 through FY 2016-17 Capital Improvement Plan (CIP), summarized on Exhibit A, is hereby adopted.
2. That the FY 2012-13 capital projects from the FY 2012-13 through FY 2016-17 Capital Improvement Plan be included and appropriated in the FY 2012-13 budget.

3. That the project identified for MTOCA funding for FY 2012-13 is approved.

4. That the Comprehensive Financial Polices, including the Capital Asset Management Policies, included as Exhibit B to this Resolution, are re-adopted and will be published in the FY 2012-13 budget.

ADOPTED by the Metro Council this ____ day of _____ 2012.

Tom Hughes, Metro Council President

Approved as to Form:

Alison Kean Campbell, Metro Attorney

Total Project Summary with Major Funding Source

Exhibit A
Resolution 12-4352

Priority	Fund	Dept
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	Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
Finance								
General Fund Capital Fund - 612								
1 Budget Module	\$120,000	\$120,000	\$0	\$0	\$0	\$0	\$240,000	Fund Balance - Capital Reserve
Solid Waste General Account								
1 Solid Waste Information System (SWIS)	\$711,219	\$113,781	\$0	\$0	\$0	\$0	\$825,000	Fund Balance - Capital Reserve
SW Renewal & Replacement Account								
1 Enforcement Vehicle Replacement	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$180,000	Fund Balance - Renewal and Replacement
Total - Finance	\$861,219	\$263,781	\$30,000	\$30,000	\$30,000	\$30,000	\$1,245,000	

Total Project Summary with Major Funding Source

Information Services		Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
General Fund									
1	Metro Web	\$0	\$367,125	\$225,005	\$0	\$0	\$0	\$592,130	Fund Balance
General Fund Renewal and Replacement Fund									
0	Data Center	\$74,500	\$33,659	\$0	\$0	\$0	\$0	\$108,159	Fund Balance - Renewal and Replacement
1	Information Technology R&R Projects	\$169,866	\$433,169	\$138,003	\$269,722	\$285,913	\$195,705	\$1,492,378	Fund Balance - Renewal and Replacement
2	Upgrade of Business Enterprise Software (PeopleSoft)	\$114,805	\$133,365	\$0	\$138,753	\$0	\$144,358	\$531,281	Fund Balance - Renewal and Replacement
2	Enterprise Storage	\$0	\$245,243	\$0	\$0	\$0	\$0	\$245,243	Fund Balance - Renewal and Replacement
Total - Information Services		\$359,171	\$1,212,561	\$363,008	\$408,475	\$285,913	\$340,063	\$2,969,191	

Total Project Summary with Major Funding Source

Metro Exposition-Recreation Commission

	Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
MERC Fund								
1 Expo - Portable Bleacher Replacement	\$80,000	\$50,000	\$50,000	\$0	\$0	\$0	\$180,000	Fund Balance - Renewal and Replacement
2 Expo - Parking Lot Asphalt Maint/Replace	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$60,000	\$310,000	Fund Balance - Renewal and Replacement
3 Expo - Roof Repair - Hall D - Front/Back	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	Fund Balance - Renewal and Replacement
4 Expo - Roof Repair - Hall E - Front and Back	\$0	\$0	\$175,000	\$0	\$0	\$0	\$175,000	Fund Balance - Renewal and Replacement
5 Expo - Electrical Upgrade - Hall A & B	\$0	\$0	\$0	\$140,000	\$0	\$0	\$140,000	Fund Balance - Renewal and Replacement
6 Expo - Roof Repair - Hall D (Barrel)	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000	Fund Balance - Renewal and Replacement
7 Expo - Roof Repair - Hall E (Barrel)	\$0	\$0	\$0	\$0	\$120,000	\$0	\$120,000	Fund Balance - Renewal and Replacement
8 Expo - Meridian Phone System	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000	Fund Balance - Renewal and Replacement
MERC Fund								
1 OCC - Kitchen Remodel	\$32,062	\$113,000	\$0	\$0	\$0	\$0	\$145,062	F&B Contract Investment Fund
1 OCC - ECMS (Energy Conservation Measures)	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	TLT Reserves
2 OCC - CCTV Replacement	\$0	\$275,000	\$0	\$0	\$0	\$0	\$275,000	Fund Balance - Renewal and Replacement
2 OCC - Electrical Sub Meeting	\$8,617	\$191,383	\$0	\$0	\$0	\$0	\$200,000	MTOCA
3 OCC - Replace Chrome Entry Doors - Orginal Side	\$0	\$125,000	\$0	\$0	\$0	\$0	\$125,000	Fund Balance - Renewal and Replacement
4 OCC - Lighting Upgrade - Phase II	\$0	\$500,000	\$0	\$0	\$0	\$0	\$500,000	Other VDI
4 OCC - Main Kitchen Walk-in Coolers and Freezer	\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000	F&B Contract Investment Fund
5 OCC - Original Roof Replacement and Parapet Wall	\$0	\$100,000	\$2,000,000	\$0	\$0	\$0	\$2,100,000	Fund Balance - Renewal and Replacement
5 OCC - Concession Upgrades	\$0	\$175,000	\$0	\$0	\$0	\$0	\$175,000	F&B Contract Investment Fund
6 OCC - Cooling Towers	\$0	\$0	\$385,000	\$0	\$0	\$0	\$385,000	Fund Balance - Renewal and Replacement
7 OCC - Purchase AV Equipment	\$0	\$0	\$100,000	\$0	\$0	\$0	\$100,000	Fund Balance - Renewal and Replacement
8 OCC - Carpet Replacement and Overall Design Consu	\$0	\$0	\$0	\$2,100,000	\$0	\$0	\$2,100,000	Fund Balance - Renewal and Replacement
9 OCC - Replace Meeting Room Chairs - 3000	\$0	\$0	\$0	\$960,000	\$0	\$0	\$960,000	Fund Balance - Renewal and Replacement
10 OCC - Concrete Polishing	\$0	\$0	\$0	\$375,000	\$0	\$0	\$375,000	Fund Balance - Renewal and Replacement
11 OCC - Replace 2 (of 3) Boilers	\$0	\$0	\$0	\$0	\$475,000	\$0	\$475,000	Fund Balance - Renewal and Replacement
12 OCC - Replace Chiller Units	\$0	\$0	\$0	\$0	\$600,000	\$550,000	\$1,150,000	Fund Balance - Renewal and Replacement
13 OCC - Replace Folding Padded Chairs	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000	Fund Balance - Renewal and Replacement
14 OCC - Elevator 18 - Car & Rail Rework	\$0	\$0	\$0	\$0	\$850,000	\$0	\$850,000	Fund Balance - Renewal and Replacement
15 OCC - Replace all Tables on Expansion Side	\$0	\$0	\$0	\$0	\$0	\$350,000	\$350,000	Fund Balance - Renewal and Replacement
16 OCC - Bleacher Replacement	\$0	\$0	\$0	\$0	\$0	\$2,000,000	\$2,000,000	Fund Balance - Renewal and Replacement
MERC Fund								
1 PCPA - AHH Exterior Insulation Finish System	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000	Fund Balance - Renewal and Replacement
2 PCPA - AHH Cooling Tower & Associated Piping	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	Fund Balance - Renewal and Replacement
3 PCPA - Keller Cooling Tower & Associated Piping	\$0	\$0	\$150,000	\$0	\$0	\$0	\$150,000	Fund Balance - Renewal and Replacement
4 PCPA - Keller Roof and Drains - Full Tearoff and Re	\$0	\$0	\$250,000	\$250,000	\$250,000	\$0	\$750,000	Fund Balance - Renewal and Replacement
5 PCPA - HVAC Controls Replacement - All Facilities	\$130,000	\$0	\$100,000	\$0	\$0	\$0	\$230,000	Fund Balance - Renewal and Replacement
6 PCPA - Newmark Dimmer System	\$0	\$0	\$160,000	\$0	\$0	\$0	\$160,000	Fund Balance - Renewal and Replacement
7 PCPA - Keller - Fore Stage (Pit) Elevator Lift	\$0	\$0	\$250,000	\$250,000	\$0	\$0	\$500,000	Fund Balance - Renewal and Replacement
8 PCPA - Keller Front of House & Backstage Elevators	\$0	\$0	\$0	\$100,000	\$0	\$0	\$100,000	Fund Balance - Renewal and Replacement
9 PCPA - ASCH Chiller Replacement & Associated Pip	\$0	\$0	\$0	\$350,000	\$0	\$0	\$350,000	Fund Balance - Renewal and Replacement
10 PCPA - Keller Carpet Replacement - Front of House	\$0	\$0	\$0	\$150,000	\$100,000	\$0	\$250,000	Fund Balance - Renewal and Replacement

Total Project Summary with Major Funding Source

Priority	Fund	Dept
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Metro Exposition-Recreation Commission

	Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
11 PCPA - AHH Boiler	\$0	\$0	\$0	\$150,000	\$0	\$0	\$150,000	Fund Balance - Renewal and Replacement
12 PCPA - Keller Main Speakers	\$0	\$0	\$0	\$0	\$125,000	\$0	\$125,000	Fund Balance - Renewal and Replacement
13 PCPA - ASCH Portland Sign Re-paint & Re-light	\$0	\$0	\$0	\$0	\$100,000	\$100,000	\$200,000	Fund Balance - Renewal and Replacement
14 PCPA - Newmark Stage Floor	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000	Fund Balance - Renewal and Replacement
15 PCPA - AHH Passenger Elevators	\$0	\$0	\$0	\$0	\$150,000	\$150,000	\$300,000	Fund Balance - Renewal and Replacement
16 PCPA - ASCH Passenger Elevators	\$0	\$0	\$0	\$0	\$0	\$300,000	\$300,000	Fund Balance - Renewal and Replacement
17 PCPA - AHH Roof	\$0	\$0	\$0	\$0	\$0	\$200,000	\$200,000	Fund Balance - Renewal and Replacement
Total - Metro Exposition-Recreation Commission	\$300,679	\$2,379,383	\$3,670,000	\$4,975,000	\$4,020,000	\$3,710,000	\$19,055,062	

Total Project Summary with Major Funding Source

Oregon Zoo								
	Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
Zoo Infrastructure and Animal Welfare								
1 Elephant Habitat and Related Infrastructure	\$3,190,490	\$15,378,319	\$21,265,889	\$14,130,119	\$0	\$0	\$53,964,817	GO Bonds Zoo
2 Condor Exhibit	\$0	\$1,980,206	\$768,934	\$0	\$0	\$0	\$2,749,140	GO Bonds Zoo
3 Remote Elephant Center (offsite facility)	\$39,678	\$1,775,000	\$3,100,000	\$2,285,322	\$0	\$0	\$7,200,000	GO Bonds Zoo
4 Campus and Habitat Interpretive Design	\$0	\$100,000	\$100,000	\$72,222	\$44,444	\$44,444	\$361,110	GO Bonds Zoo
5 Conservation Discovery Zone	\$8,893	\$0	\$291,219	\$1,587,800	\$11,738,336	\$495,677	\$14,121,925	GO Bonds Zoo
6 Polar Bear Habitat	\$1,500	\$0	\$0	\$0	\$1,872,563	\$9,488,582	\$11,362,645	GO Bonds Zoo
7 Primate and Rhino Habitats	\$1,500	\$0	\$0	\$0	\$0	\$712,896	\$714,396	GO Bonds Zoo
8 One-percent for Art Design and Installation	\$0	\$97,795	\$97,795	\$97,795	\$97,795	\$97,795	\$488,975	GO Bonds Zoo
9 Construction Bond Issuance	\$299,682	\$0	\$0	\$150,000	\$0	\$0	\$449,682	GO Bonds Zoo
10 Updated Conditional Use Master Plan	\$397,791	\$100,000	\$0	\$0	\$0	\$0	\$497,791	GO Bonds Zoo
General Fund Renewal and Replacement Fund								
1 Zoo Renewal and Replacement Projects	\$626,871	\$586,695	\$697,464	\$462,640	\$734,788	\$306,393	\$3,414,851	Fund Balance - Renewal and Replacement
2 Perimeter USDA Fence	\$58,451	\$59,620	\$60,813	\$62,029	\$63,270	\$64,535	\$368,718	Fund Balance - Renewal and Replacement
3 Zoo Parking Lot Replacement	\$21,224	\$21,224	\$21,649	\$22,082	\$22,523	\$22,974	\$131,676	Fund Balance - Renewal and Replacement
4 Zoo Railroad Track Replacement	\$23,080	\$46,622	\$24,013	\$24,493	\$24,983	\$25,482	\$168,673	Fund Balance - Renewal and Replacement
5 Swamp Building & Aviary Roof Replacement	\$0	\$0	\$0	\$102,584	\$0	\$0	\$102,584	Fund Balance - Renewal and Replacement
6 Penguinarium Interpretive Graphics	\$0	\$0	\$0	\$100,510	\$0	\$0	\$100,510	Fund Balance - Renewal and Replacement
6 Roof Replacement Africafe	\$0	\$128,593	\$0	\$0	\$0	\$0	\$128,593	Fund Balance - Renewal and Replacement
7 Railroad roundhouse Roof	\$0	\$0	\$0	\$0	\$128,883	\$0	\$128,883	Fund Balance - Renewal and Replacement
Zoo Capital Projects Fund								
1 Africa Lagoon Aviary	\$95,000	\$370,000	\$0	\$0	\$0	\$0	\$465,000	Donations
2 Aviary Marsh Mesh	\$40,000	\$360,000	\$0	\$0	\$0	\$0	\$400,000	Donations
3 Cascade Grill Improvements	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	Fund Balance - Capital Reserve
4 Washington Park Parking Lot Study	\$121,821	\$165,000	\$0	\$0	\$0	\$0	\$286,821	Fund Balance - Capital Reserve
Total - Oregon Zoo	\$4,925,981	\$21,319,074	\$26,427,776	\$19,097,596	\$14,727,585	\$11,258,778	\$97,756,790	

Total Project Summary with Major Funding Source

Parks and Environmental Services	Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
General Fund Renewal and Replacement Fund								
1 Regional Parks Renewal and Replacement	\$294,664	\$309,204	\$106,441	\$180,397	\$74,302	\$168,399	\$1,133,407	Fund Balance - Renewal and Replacement
2 M. James Gleason - Parking Lot and Restroom	\$85,000	\$1,285,900	\$0	\$0	\$0	\$0	\$1,370,900	Grants - OR Fish & Wildlife
3 Blue Lake Wetland, Pathway, Trail	\$0	\$195,595	\$0	\$0	\$0	\$0	\$195,595	Fund Balance - Renewal and Replacement
4 Oxbow Park Hardened River Access	\$0	\$0	\$0	\$303,253	\$0	\$0	\$303,253	Fund Balance - Renewal and Replacement
5 Chinook Landing Boarding Dock (500ft) & Steel Pilin	\$0	\$0	\$0	\$0	\$140,599	\$0	\$140,599	Fund Balance - Renewal and Replacement
6 Asphalt Pavement 5.2 acres Chinook Landing	\$0	\$0	\$0	\$0	\$0	\$270,703	\$270,703	Fund Balance - Renewal and Replacement
7 Concrete Boat Ramp Blue Lake Park	\$0	\$0	\$0	\$0	\$0	\$119,509	\$119,509	Fund Balance - Renewal and Replacement
Regional Parks Capital Fund								
1 Glendoveer Golf Course Improvements	\$0	\$331,000	\$0	\$0	\$0	\$0	\$331,000	Fund Balance
Regional Parks Special Accounts Fund								
1 Oxbow Park Capital Improvements	\$0	\$363,600	\$0	\$0	\$0	\$0	\$363,600	Fund Balance
General Fund Renewal and Replacement Fund								
1 Renewal and Replacement Property Services	\$314,997	\$10,599	\$78,880	\$0	\$0	\$60,686	\$465,162	Fund Balance - Renewal and Replacement
1 Carpet Replacement	\$209,683	\$15,000	\$0	\$0	\$0	\$0	\$224,683	Fund Balance - Renewal and Replacement
1 Rebuild Metro Regional Center planters	\$130,689	\$65,000	\$0	\$0	\$0	\$0	\$195,689	Fund Balance - Renewal and Replacement
2 PES - Fleet	\$251,885	\$265,331	\$110,366	\$171,634	\$139,113	\$76,354	\$1,014,683	Fund Balance - Renewal and Replacement
4 Metro Regional Center Roof Replacement	\$0	\$0	\$512,404	\$0	\$0	\$0	\$512,404	Fund Balance - Renewal and Replacement
Solid Waste General Account								
1 Metro Central Organics/Food Handling Area Improve	\$50,000	\$250,000	\$0	\$0	\$0	\$0	\$300,000	Fund Balance - Capital Reserve
2 Metro Central Storm Water Improvements	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	Fund Balance - Capital Reserve
3 Metro South HHW - Extend Canopy	\$15,000	\$85,000	\$0	\$0	\$0	\$0	\$100,000	Fund Balance - Capital Reserve
4 Improvements to Metro South truck entrance/exit	\$0	\$100,000	\$0	\$0	\$0	\$0	\$100,000	Fund Balance - Capital Reserve
5 St. Johns Landfill-Gas to Energy Conversion	\$150,000	\$1,150,000	\$0	\$0	\$0	\$0	\$1,300,000	Fund Balance - Capital Reserve
6 Reader Board at MSS entrance	\$0	\$0	\$200,000	\$0	\$0	\$0	\$200,000	Fund Balance - Capital Reserve
7 Future Master Facility Plan Improvements	\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000	Fund Balance - Capital Reserve
Solid Waste Landfill Closure								
1 St Johns - Perimeter Dike Stabilization and Seepage C	\$763,283	\$3,000	\$3,000	\$3,000	\$0	\$0	\$772,283	Fund Balance - Landfill Closure
2 St. Johns - Landfill Remediation	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$0	\$0	\$3,000,000	Fund Balance - Landfill Closure
SW Renewal & Replacement Account								
1 SW Renewal and Replacement Acct Non CIP	\$40,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$540,000	Fund Balance - Renewal and Replacement
2 Metro Central HHW - Roof replacement	\$120,000	\$40,000	\$0	\$0	\$0	\$0	\$160,000	Fund Balance - Renewal and Replacement
3 MSS Control Room Green Roof	\$0	\$150,000	\$0	\$0	\$0	\$0	\$150,000	Fund Balance - Renewal and Replacement
4 Metro South Transfer Station Bays -1 & 2 Ventilation	\$0	\$110,000	\$0	\$0	\$0	\$0	\$110,000	Fund Balance - Renewal and Replacement
5 Metro South Transfer Station - Roof replacement	\$0	\$335,000	\$0	\$0	\$0	\$0	\$335,000	Fund Balance - Renewal and Replacement
6 Metro Central - Replace Slow Speed Shredder	\$0	\$600,000	\$0	\$0	\$0	\$0	\$600,000	Fund Balance - Renewal and Replacement
7 MSS Front Entry Roof	\$0	\$120,000	\$0	\$0	\$0	\$0	\$120,000	Fund Balance - Renewal and Replacement
8 Metro Central - Replace metal wall system	\$0	\$170,000	\$0	\$0	\$0	\$0	\$170,000	Fund Balance - Renewal and Replacement
9 Metro Central - Baler Conveyor	\$0	\$0	\$220,000	\$0	\$0	\$0	\$220,000	Fund Balance - Renewal and Replacement
10 Metro South - Modify Entry Way to Operations Bld.	\$0	\$0	\$175,000	\$0	\$0	\$0	\$175,000	Fund Balance - Renewal and Replacement
Total - Parks and Environmental Services	\$2,425,201	\$7,204,229	\$3,506,091	\$2,758,284	\$1,454,014	\$1,795,651	\$19,143,470	

Total Project Summary with Major Funding Source

Exhibit A
Resolution 12-4352

Priority	Fund	Dept
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Research Center	Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
Planning Fund								
2 Transportation Modeling Services Cluster Upgrade	\$81,576	\$68,200	\$27,500	\$40,000	\$75,000	\$25,000	\$317,276	Other
Planning Fund								
1 Regional Land Information System (RLIS)	\$849,616	\$23,000	\$32,000	\$19,000	\$38,000	\$32,000	\$993,616	Other
Total - Research Center	\$931,192	\$91,200	\$59,500	\$59,000	\$113,000	\$57,000	\$1,310,892	

Total Project Summary with Major Funding Source

Sustainability Center		Prior Years	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Grand Total	Funding Source
Natural Areas Fund									
1	Natural Areas Acquisition	\$61,392,319	\$30,000,000	\$10,000,000	\$5,000,000	\$5,000,000	\$4,000,000	\$115,392,319	G.O. Bonds - Open Spaces
2	Natural Areas Information System	\$300,000	\$350,000	\$0	\$0	\$0	\$0	\$650,000	Fund Balance
Regional Parks Capital Fund									
1	Canemah Bluff Improvements	\$0	\$119,350	\$0	\$0	\$0	\$0	\$119,350	Fund Balance
Natural Areas Fund									
1	40-Mile Loop Trail Construction at Blue Lake Park	\$0	\$1,087,760	\$0	\$0	\$0	\$0	\$1,087,760	Grants
Total - Sustainability Center		\$61,692,319	\$31,557,110	\$10,000,000	\$5,000,000	\$5,000,000	\$4,000,000	\$117,249,429	

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 such as peer reviews. The assessment should identify renewal and replacement projects that should be done within the following five years. The Renewal and

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.

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.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4352, FOR THE PURPOSE OF ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR FISCAL YEARS 2012-13 THROUGH 2016-17; APPROVING THE METROPOLITAN TOURISM OPPORTUNITY COMPETITIVENESS PROJECTS AND RE-ADOPTING METRO’S FINANCIAL POLICIES

Date: May 31, 2012

Presented by: Margo Norton, Director, Finance and Regulatory Services
Karen Feher, Capital Improvement Plan Coordinator

BACKGROUND

A. The Capital Improvement Plan (CIP) for Fiscal Years 2012-13 through 2016-17 represents Metro’s long-range capital planning process. Metro has established a sound base to forecast the agency’s capital needs and balances those needs with available resources. As a result, Metro has been able to coordinate the financing and timing of its capital improvements in a way that maximizes the benefits to the public and provides opportunities to save money. If a project comes up unexpectedly during the year, departments must follow an established amendment process to submit the project to Council for approval. The Council usually has given prior direction for the project, and the amendment comes forward in conjunction with a contract award or, if no contract is required, through a separate resolution.

Exhibit A provides a listing of the CIP projects and their major funding sources. The resolution approves the entire capital budget and directs that projects for FY 2012-13 be approved, and project expenditures for FY 2012-13 be appropriated, as amended, in the FY 2012-13 budget.

The adopted CIP includes the previously identified projects of the current CIP, both multi-year projects that are scheduled to continue in the new five-year period or projects which will be beginning in this new five-year period. In addition, the CIP also includes new projects in FY 2012-13 that have become critical and for which one-time funding has been identified. These include overdue improvements at Glendoveer Golf Course, a master plan and geotechnical study for Oxbow Park to address the worsening erosion that threatens the campground area, and a two-year project to update Metro’s primary website; the current web platform has become obsolete. These three General Fund projects illustrate the continuing difficulty in developing a consistent, stable mechanism for funding new projects within the General Fund.

The following table shows the number of projects by Center; Exhibit A to the Resolution shows the individual projects by Center. This year’s CIP remains dominated by bond projects.

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, including the Capital Asset Management Policies that are incorporated by reference. The policies are attached as Exhibit B to the resolution. No changes are recommended.

The current policies address six specific areas of financial management as well as a series of general policies. Several of these simply echo federal or state laws and regulations, or establish as policy certain practices that are currently being done. Highlights of those policies include:

- The policies will be reviewed annually by the Council and published in the adopted budget.

- The Chief Financial Officer will develop guidelines and procedures in a number of areas, including determination of fund balances appropriate to each major fund, determination of appropriate contingencies to be maintained and internal controls.
- A definition of a balanced budget is one in which current year revenues meet or exceed current year expenditures.
- Any use of fund balance in an operating fund will be fully explained in the adopted budget document.
- A study to assess the affordability of any new program will be done before the program is implemented.
- The Council's existing capital asset management policies are incorporated into this document, by reference.
- One-time revenues will be used to pay for one-time costs or add to fund balance.

C. This action also approves the Metro Tourism Opportunity and Competitiveness Account (MTOCA) projects at the Oregon Convention Center FY 2012-13. The MTOCA funds (\$518,000) are appropriated in the General Fund and transferred to MERC as part of the annual budget process. This year the funds are utilized for a single non-capital project to research options for satisfying the need for a minimum 500 hotel room block.

ANALYSIS/INFORMATION

1. **Known Opposition:** None.
2. **Legal Antecedents:** Metro's adopted financial policies require the annual adoption of a Capital Improvement Plan.
3. **Anticipated Effects:** The resolution signifies the Council has reviewed and approved the CIP covering FYs 2012-13 through 2016-17.

Within the 114 projects planned during the five years covered by this CIP, sixty-four percent are projects for replacing or improving existing facilities (\$119.2 million); twenty-nine percent purchase land through the Natural Areas program (\$54.0 million); and the remaining seven percent purchase equipment and complete some restoration (\$14.0 million). The total cost for these projects during the five years is estimated to be \$187.2 million.

This Resolution is the formal instrument by which the five-year plan will be adopted. Projects with planned expenditures in FY 2012-13 will be incorporated into the Adopted Budget.

This Resolution is the formal instrument to approve the Metro Tourism Opportunity and Competitiveness project for FY 2012-13.

4. **Budget Impacts:** The plan's FY 2012-13 expenditures will be appropriated in the FY 2012-13 Adopted Budget.

RECOMMENDED ACTION

Resolution No. 12-4352 is an important component of the annual budget process. The Chief Operating Officer with the concurrence of the Council President recommends adoption.

Agenda Item No. 7.2

Resolution No. 12-4353, For the Purpose of Accepting the May
15, 2012 Primary Election Abstract of Votes for Metro and
Finding the Candidates Qualified.

Resolutions

Metro Council Meeting
Thursday, June 21, 2012
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ACCEPTING THE) RESOLUTION NO. 12-4353
MAY 15, 2012 PRIMARY ELECTION)
ABSTRACT OF VOTES FOR METRO AND) Introduced by Council President Tom Hughes
FINDING THE CANDIDATES QUALIFIED)

WHEREAS, a Primary Election was held in the State of Oregon on May 15, 2012 (“Primary Election”);

WHEREAS, candidates for the following Metro subdistricts appeared on the Primary Election ballot in accordance with ORS Chapter 249 and ORS Chapter 268:

1. Metro Councilor, Sub District 3;
2. Metro Councilor, Sub District 5; and
3. Metro Councilor, Sub District 6

WHEREAS, ORS 255.295 requires that the Multnomah County Director of Elections Division canvass the official abstract of votes cast for members of the Metro Council, deliver the official Abstract of Votes to Metro for acceptance and determination of qualification , and cause the Elections Division election officer to issue certificates of election to the winners; and

WHEREAS, the Metro Charter, Chapter V, section 19 sets forth the qualification criteria for Metro Councilors and provides that the Metro Council “is the judge of the election and qualification of its members;” and Chapter VI, section 29(1) of the Metro Charter further provides that “if one candidate for a Metro office receives a majority of the votes cast at the primary election for all candidates for that office, that candidate is elected;” and

WHEREAS, the Abstract of Votes and regional results of the Primary Election for the Metro Area were received by the Metro Council on June 6, 2012, and are attached hereto and incorporated herein as Exhibit A; and

WHEREAS, the Metro Council finds that each of the three candidates who received a majority of votes cast at the primary election for their respective Subdistricts is qualified to serve as a Metro Councilor pursuant to the terms and conditions of the Metro Charter; now therefore

BE IT RESOLVED:

1. That the Metro Council hereby accepts the results of the Abstract of Votes for the May 15, 2012 Primary Election, attached hereto as Exhibit A and incorporated herein;
2. That the voters of the Metro Area, District 3, have elected Craig Dirksen for the position of Metro Councilor, for a four-year term commencing on the 1st Monday of January 2013, and ending on the 1st Monday of January 2017, and that the Metro Council finds that Mr. Dirksen is qualified to serve as a Metro Councilor pursuant to the terms and conditions of the Metro Charter; and
3. That the voters of the Metro Area, District 5, have elected Sam Chase for the position of Metro Councilor, for a four-year term commencing on the 1st Monday of January 2013, and ending on the 1st Monday of January 2017, and that the Metro Council finds that Mr.

Chase is qualified to serve as a Metro Councilor pursuant to the terms and conditions of the Metro Charter; and

4. That the voters of the Metro Area, District 6, have elected Bob Stacey for the position of Metro Councilor, for a four-year term commencing on the 1st Monday of January 2013 and ending on the 1st Monday of January 2017, and that the Metro Council finds that Mr. Stacey is qualified to serve as a Metro Councilor pursuant to the terms and conditions of the Metro Charter; and
5. That the Metro Council authorizes Metro Council President Hughes to sign the County Elections Division statement attached hereto as Exhibit B instructing the County elections officer to issue certificates of election to the above persons.

ADOPTED by the Metro Council this 21st day of June 2012.

Tom Hughes, Council President

Approved as to Form:

Alison Kean Campbell, Metro Attorney

Exhibit A
Resolution No. 12-4353
Regional Results and Certified Copies of
Abstract of Votes for the Metro Area
May 15, 2012 Primary Election

Exhibit "A" to Resolution No. 12-4353

NUMBERED KEY CANVASS

Multnomah County, Oregon

Primary Election

May 15, 2012

STATISTICS

REPORT-EL52

PAGE 0001

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	TOTAL	PERCENT		TOTAL	PERCENT
01 = REGISTERED VOTERS - TOTAL	402,285		09 = BALLOTS CAST - NONAFFILIATED	1,099	.68
02 = REGISTERED VOTERS - DEMOCRAT	220,178	54.73	10 = BALLOTS CAST - NONPARTISAN	27,698	17.21
03 = REGISTERED VOTERS - REPUBLICAN	68,724	17.08	11 = VOTER TURNOUT - TOTAL		40.01
04 = REGISTERED VOTERS - NONAFFILIATED	113,383	28.18	12 = VOTER TURNOUT - DEMOCRAT		46.93
05 = REGISTERED VOTERS - NONPARTISAN	0		13 = VOTER TURNOUT - REPUBLICAN		41.92
06 = BALLOTS CAST - TOTAL	160,945		14 = VOTER TURNOUT - NONAFFILIATED		.97
07 = BALLOTS CAST - DEMOCRAT	103,338	64.21	15 = VOTER TURNOUT - NONPARTISAN		
08 = BALLOTS CAST - REPUBLICAN	28,810	17.90			

	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
2701	624	367	157	100	0	332	206	85	1	40	53.21	56.13	54.14	1.00	
2702	825	383	292	150	0	351	184	135	4	28	42.55	48.04	46.23	2.67	
3101	1171	598	278	295	0	500	294	114	5	87	42.70	49.16	41.01	1.69	
3102	1917	924	514	479	0	701	418	195	9	79	36.57	45.24	37.94	1.88	
3103	642	290	214	138	0	280	144	104	2	30	43.61	49.66	48.60	1.45	
3301	3710	2400	299	1011	0	1817	1361	135	8	313	48.98	56.71	45.15	.79	
3302	4169	2439	552	1178	0	1717	1168	216	10	323	41.18	47.89	39.13	.85	
3303	3397	1611	870	916	0	1433	777	376	15	265	42.18	48.23	43.22	1.64	
3304	548	293	145	110	0	232	143	59	3	27	42.34	48.81	40.69	2.73	
3501	856	442	216	198	0	402	240	105	5	52	46.96	54.30	48.61	2.53	
3502	4539	2579	906	1054	0	2223	1407	473	12	331	48.98	54.56	52.21	1.14	
3601	1516	868	338	310	0	859	539	202	7	111	56.66	62.10	59.76	2.26	
3602	3415	1984	258	1173	0	1216	846	85	16	269	35.61	42.64	32.95	1.36	
3603	2596	1259	264	1073	0	722	439	68	6	209	27.81	34.87	25.76	.56	
3604	4702	2619	738	1345	0	2133	1347	382	23	381	45.36	51.43	51.76	1.71	
3605	2287	1259	506	522	0	1248	774	295	9	170	54.57	61.48	58.30	1.72	
3606	4463	2710	736	1017	0	2564	1747	395	28	394	57.45	64.46	53.67	2.75	
3607	2281	1367	348	566	0	1185	811	203	7	164	51.95	59.33	58.33	1.24	
3608	3250	1721	578	951	0	1521	956	295	11	259	46.80	55.55	51.04	1.16	
3609	536	302	155	79	0	308	190	90	0	28	57.46	62.91	58.06	.00	
3610	3809	2327	694	788	0	2080	1412	383	7	278	54.61	60.68	55.19	.89	
3611	4486	2699	788	999	0	2349	1590	400	15	344	52.36	58.91	50.76	1.50	
3612	4531	2510	544	1477	0	2014	1313	265	19	417	44.45	52.31	48.71	1.29	
3801	3893	2241	781	871	0	1989	1286	396	13	294	51.09	57.39	50.70	1.49	
3802	3206	1885	604	717	0	1538	1048	269	14	207	47.97	55.60	44.54	1.95	
3803	3843	2290	503	1050	0	1713	1199	205	11	298	44.57	52.36	40.76	1.05	
3804	2519	1492	434	593	0	1384	918	245	12	209	54.94	61.53	56.45	2.02	
3805	2112	1164	381	567	0	864	562	161	6	135	40.91	48.28	42.26	1.06	
3806	1720	851	498	371	0	663	376	205	4	78	38.55	44.18	41.16	1.08	
3807	1095	506	393	196	0	433	220	177	0	36	39.54	43.48	45.04	.00	
3808	315	144	34	137	0	44	21	17	0	6	13.97	14.58	50.00	.00	
4101	3625	2194	416	1015	0	1746	1172	210	10	354	48.17	53.42	50.48	.99	
4102	4136	2320	601	1215	0	1759	1122	271	14	352	42.53	48.36	45.09	1.15	
4103	3692	2265	683	744	0	2059	1389	383	10	277	55.77	61.32	56.08	1.34	
4104	4011	2605	421	985	0	2113	1521	234	6	352	52.68	58.39	55.58	.61	
4201	3664	2254	197	1213	0	1556	1104	100	8	344	42.47	48.98	50.76	.66	
4203	3482	2006	203	1273	0	1320	870	94	4	352	37.91	43.37	46.31	.31	
4204	4288	2767	237	1284	0	2013	1472	109	12	420	46.94	53.20	45.99	.93	
4205	4400	2925	298	1177	0	2217	1657	154	8	398	50.39	56.65	51.68	.68	
4206	4244	2614	281	1349	0	1853	1354	118	12	369	43.66	51.80	41.99	.89	
4207	4002	2535	169	1298	0	1849	1344	74	7	424	46.20	53.02	43.79	.54	
4208	3742	2393	213	1136	0	1776	1305	111	8	352	47.46	54.53	52.11	.70	
4209	4261	2433	428	1400	0	1679	1123	188	10	358	39.40	46.16	43.93	.71	
4210	4243	2455	416	1372	0	1670	1099	201	11	359	39.36	44.77	48.32	.80	
4211	4408	2537	532	1339	0	1966	1296	256	11	403	44.60	51.08	48.12	.82	
4301	4456	2948	242	1266	0	1666	1219	90	2	355	37.39	41.35	37.19	.16	
4302	4463	2905	186	1372	0	1570	1132	69	9	360	35.18	38.97	37.10	.66	
4303	4168	2804	146	1218	0	1541	1164	61	11	305	36.97	41.51	41.78	.90	
4304	4432	2937	238	1257	0	1604	1191	83	7	323	36.19	40.55	34.87	.56	

	TOTAL	PERCENT		TOTAL	PERCENT
01 = REGISTERED VOTERS - TOTAL	402,285		09 = BALLOTS CAST - NONAFFILIATED	1,099	.68
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04 = REGISTERED VOTERS - NONAFFILIATED	113,383	28.18	12 = VOTER TURNOUT - DEMOCRAT		46.93
05 = REGISTERED VOTERS - NONPARTISAN	0		13 = VOTER TURNOUT - REPUBLICAN		41.92
06 = BALLOTS CAST - TOTAL	160,945		14 = VOTER TURNOUT - NONAFFILIATED		.97
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	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
4305	4285	2787	363	1135	0	1888	1327	185	4	372	44.06	47.61	50.96	.35	
4306	4194	2673	365	1156	0	1811	1294	196	8	313	43.18	48.41	53.70	.69	
4307	4486	2837	434	1215	0	1727	1231	185	11	300	38.50	43.39	42.63	.91	
4308	4214	2885	374	955	0	2350	1798	196	12	344	55.77	62.32	52.41	1.26	
4310	4233	2756	236	1241	0	1803	1352	99	10	342	42.59	49.06	41.95	.81	
4311	3169	2185	138	846	0	1469	1135	66	2	266	46.36	51.95	47.83	.24	
4401	3662	2110	375	1177	0	1262	820	164	9	269	34.46	38.86	43.73	.76	
4402	4231	2564	433	1234	0	1599	1058	189	12	340	37.79	41.26	43.65	.97	
4403	3560	2155	358	1047	0	1525	1027	171	3	324	42.84	47.66	47.77	.29	
4404	4346	2697	364	1285	0	1404	989	144	6	265	32.31	36.67	39.56	.47	
4405	4293	2490	483	1320	0	1658	1074	202	11	371	38.62	43.13	41.82	.83	
4406	4117	2406	542	1169	0	1743	1142	265	14	322	42.34	47.46	48.89	1.20	
4407	3055	1970	233	852	0	1255	913	102	6	234	41.08	46.35	43.78	.70	
4408	4442	2521	664	1257	0	1591	1020	281	10	280	35.82	40.46	42.32	.80	
4409	1899	977	265	657	0	575	352	100	2	121	30.28	36.03	37.74	.30	
4501	4487	2942	560	985	0	2436	1786	287	13	350	54.29	60.71	51.25	1.32	
4502	4155	2461	536	1158	0	1823	1208	247	10	358	43.87	49.09	46.08	.86	
4503	3964	2598	405	961	0	2127	1570	191	14	352	53.66	60.43	47.16	1.46	
4504	4397	3028	562	807	0	2654	1966	340	10	338	60.36	64.93	60.50	1.24	
4505	2893	1799	399	695	0	1261	876	188	8	189	43.59	48.69	47.12	1.15	
4506	3099	1584	661	854	0	1148	651	302	7	188	37.04	41.10	45.69	.82	
4507	4205	2583	502	1120	0	1913	1327	228	11	347	45.49	51.37	45.42	.98	
4508	3882	2090	566	1226	0	1374	867	210	16	281	35.39	41.48	37.10	1.31	
4509	2365	1136	591	638	0	869	470	262	2	135	36.74	41.37	44.33	.31	
4510	2203	1096	623	484	0	914	464	317	5	128	41.49	42.34	50.88	1.03	
4511	2396	1163	501	732	0	730	406	178	5	141	30.47	34.91	35.53	.68	
4512	525	277	119	129	0	217	120	64	1	32	41.33	43.32	53.78	.78	
4601	4457	2673	520	1264	0	2032	1391	242	15	384	45.59	52.04	46.54	1.19	
4602	3499	2327	464	708	0	2136	1568	268	14	286	61.05	67.38	57.76	1.98	
4603	4457	2897	553	1007	0	2525	1830	299	20	376	56.65	63.17	54.07	1.99	
4604	3941	1956	657	1328	0	1235	720	247	7	261	31.34	36.81	37.60	.53	
4605	4446	2573	555	1318	0	1883	1263	252	14	354	42.35	49.09	45.41	1.06	
4606	4359	2406	488	1465	0	1467	964	185	5	313	33.65	40.07	37.91	.34	
4607	3334	1573	801	960	0	1270	653	398	11	208	38.09	41.51	49.69	1.15	
4608	2421	1146	348	927	0	702	418	110	5	169	29.00	36.47	31.61	.54	
4609	4529	2539	548	1442	0	1782	1160	242	14	366	39.35	45.69	44.16	.97	
4701	2613	1305	687	621	0	1045	594	336	3	112	39.99	45.52	48.91	.48	
4702	706	347	154	205	0	261	148	61	1	51	36.97	42.65	39.61	.49	
4703	2128	943	671	514	0	991	502	349	8	132	46.57	53.23	52.01	1.56	
4704	3850	1818	1046	986	0	1619	865	531	8	215	42.05	47.58	50.76	.81	
4705	4193	2091	849	1253	0	1608	945	386	10	267	38.35	45.19	45.47	.80	
4706	3133	1489	705	939	0	960	551	242	4	163	30.64	37.00	34.33	.43	
4707	1607	815	345	447	0	652	384	158	5	105	40.57	47.12	45.80	1.12	
4708	3365	1637	744	984	0	1218	647	347	12	212	36.20	39.52	46.64	1.22	
4709	1887	924	419	544	0	614	362	153	6	93	32.54	39.18	36.52	1.10	
4710	4062	1875	886	1301	0	1344	688	393	20	243	33.09	36.69	44.36	1.54	
4801	1289	517	378	394	0	485	237	161	6	81	37.63	45.84	42.59	1.52	
4802	3823	1858	553	1412	0	1144	685	173	11	275	29.92	36.87	31.28	.78	
4803	2239	1045	350	844	0	631	364	122	8	137	28.18	34.83	34.86	.95	
4804	1397	643	233	521	0	396	242	70	4	80	28.35	37.64	30.04	.77	

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	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
4805	832	405	146	281	0	244	151	48	0	45	29.33	37.28	32.88	.00	
4806	1432	619	423	390	0	607	320	198	3	86	42.39	51.70	46.81	.77	
4807	2625	1227	509	889	0	767	425	177	10	155	29.22	34.64	34.77	1.12	
4901	55	19	24	12	0	15	5	9	0	1	27.27	26.32	37.50	.00	
4902	26	14	9	3	0	13	5	6	0	2	50.00	35.71	66.67	.00	
4903	4102	1765	1185	1152	0	1116	587	376	11	142	27.21	33.26	31.73	.95	
4904	3712	1405	1150	1157	0	899	419	350	9	121	24.22	29.82	30.43	.78	
4905	4362	1642	1545	1175	0	1132	504	469	11	148	25.95	30.69	30.36	.94	
4906	1226	517	304	405	0	310	154	104	3	49	25.29	29.79	34.21	.74	
4907	271	124	108	39	0	107	60	40	1	6	39.48	48.39	37.04	2.56	
4908	2100	855	621	624	0	594	278	246	8	62	28.29	32.51	39.61	1.28	
4909	4060	1723	1102	1235	0	1047	545	348	7	147	25.79	31.63	31.58	.57	
4910	3346	1507	857	982	0	894	447	336	9	102	26.72	29.66	39.21	.92	
4911	4023	1822	980	1221	0	1030	551	304	8	167	25.60	30.24	31.02	.66	
5001	3719	1645	785	1289	0	798	453	226	6	113	21.46	27.54	28.79	.47	
5002	4322	1644	1466	1212	0	1072	511	403	20	138	24.80	31.08	27.49	1.65	
5003	4009	1734	1221	1054	0	1166	631	389	11	135	29.08	36.39	31.86	1.04	
5004	3107	1184	1199	724	0	1085	488	453	8	136	34.92	41.22	37.78	1.10	
5005	2169	875	586	708	0	549	261	185	8	95	25.31	29.83	31.57	1.13	
5006	3321	1281	1174	866	0	948	443	386	9	110	28.55	34.58	32.88	1.04	
5007	3460	1437	1050	973	0	884	442	321	12	109	25.55	30.76	30.57	1.23	
5008	3325	1349	1214	762	0	971	469	395	3	104	29.20	34.77	32.54	.39	
5009	873	393	190	290	0	246	144	60	0	42	28.18	36.64	31.58	.00	
5101	792	367	142	283	0	215	119	50	1	45	27.15	32.43	35.21	.35	
5102	4328	1931	1027	1370	0	1372	702	404	18	248	31.70	36.35	39.34	1.31	
5103	2139	873	550	716	0	774	378	229	2	165	36.19	43.30	41.64	.28	
5104	3430	1509	948	973	0	1107	582	363	12	150	32.27	38.57	38.29	1.23	
5105	364	136	144	84	0	125	50	63	2	10	34.34	36.76	43.75	2.38	
5106	1572	691	441	440	0	498	235	187	4	72	31.68	34.01	42.40	.91	
5107	581	203	257	121	0	191	74	98	1	18	32.87	36.45	38.13	.83	
5202	2534	965	933	636	0	867	423	331	10	103	34.21	43.83	35.48	1.57	
5203	1952	673	809	470	0	595	245	276	9	65	30.48	36.40	34.12	1.91	
5204	2934	1056	1094	784	0	809	343	355	8	103	27.57	32.48	32.45	1.02	

Certificate

I certify that the votes recorded on this abstract correctly summarize the tally of votes cast at the election indicated.

Tim Scott

Tim Scott, Director of Elections
Multnomah County, Oregon

RUN DATE:06/01/12 02:58 PM

	TOTAL	PERCENT		TOTAL	PERCENT
01 = REGISTERED VOTERS - TOTAL	402,285		09 = BALLOTS CAST - NONAFFILIATED	1,099	.68
02 = REGISTERED VOTERS - DEMOCRAT	220,178	54.73	10 = BALLOTS CAST - NONPARTISAN	27,698	17.21
03 = REGISTERED VOTERS - REPUBLICAN	68,724	17.08	11 = VOTER TURNOUT - TOTAL		40.01
04 = REGISTERED VOTERS - NONAFFILIATED	113,383	28.18	12 = VOTER TURNOUT - DEMOCRAT		46.93
05 = REGISTERED VOTERS - NONPARTISAN	0		13 = VOTER TURNOUT - REPUBLICAN		41.92
06 = BALLOTS CAST - TOTAL	160,945		14 = VOTER TURNOUT - NONAFFILIATED		.97
07 = BALLOTS CAST - DEMOCRAT	103,338	64.21	15 = VOTER TURNOUT - NONPARTISAN		
08 = BALLOTS CAST - REPUBLICAN	28,810	17.90			

	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
2701	624	367	157	100	0	332	206	85	1	40	53.21	56.13	54.14	1.00	
2702	825	383	292	150	0	351	184	135	4	28	42.55	48.04	46.23	2.67	
3101	1171	598	278	295	0	500	294	114	5	87	42.70	49.16	41.01	1.69	
3102	1917	924	514	479	0	701	418	195	9	79	36.57	45.24	37.94	1.88	
3103	642	290	214	138	0	280	144	104	2	30	43.61	49.66	48.60	1.45	
3301	3710	2400	299	1011	0	1817	1361	135	8	313	48.98	56.71	45.15	.79	
3302	4169	2439	552	1178	0	1717	1168	216	10	323	41.18	47.89	39.13	.85	
3303	3397	1611	870	916	0	1433	777	376	15	265	42.18	48.23	43.22	1.64	
3304	548	293	145	110	0	232	143	59	3	27	42.34	48.81	40.69	2.73	
3501	856	442	216	198	0	402	240	105	5	52	46.96	54.30	48.61	2.53	
3502	4539	2579	906	1054	0	2223	1407	473	12	331	48.98	54.56	52.21	1.14	
3601	1516	868	338	310	0	859	539	202	7	111	56.66	62.10	59.76	2.26	
3602	3415	1984	258	1173	0	1216	846	85	16	269	35.61	42.64	32.95	1.36	
3603	2596	1259	264	1073	0	722	439	68	6	209	27.81	34.87	25.76	.56	
3604	4702	2619	738	1345	0	2133	1347	382	23	381	45.36	51.43	51.76	1.71	
3605	2287	1259	506	522	0	1248	774	295	9	170	54.57	61.48	58.30	1.72	
3606	4463	2710	736	1017	0	2564	1747	395	28	394	57.45	64.46	53.67	2.75	
3607	2281	1367	348	566	0	1185	811	203	7	164	51.95	59.33	58.33	1.24	
3608	3250	1721	578	951	0	1521	956	295	11	259	46.80	55.55	51.04	1.16	
3609	536	302	155	79	0	308	190	90	0	28	57.46	62.91	58.06	.00	
3610	3809	2327	694	788	0	2080	1412	383	7	278	54.61	60.68	55.19	.89	
3611	4486	2699	788	999	0	2349	1590	400	15	344	52.36	58.91	50.76	1.50	
3612	4531	2510	544	1477	0	2014	1313	265	19	417	44.45	52.31	48.71	1.29	
3801	3893	2241	781	871	0	1989	1286	396	13	294	51.09	57.39	50.70	1.49	
3802	3206	1885	604	717	0	1538	1048	269	14	207	47.97	55.60	44.54	1.95	
3803	3843	2290	503	1050	0	1713	1199	205	11	298	44.57	52.36	40.76	1.05	
3804	2519	1492	434	593	0	1384	918	245	12	209	54.94	61.53	56.45	2.02	
3805	2112	1164	381	567	0	864	562	161	6	135	40.91	48.28	42.26	1.06	
3806	1720	851	498	371	0	663	376	205	4	78	38.55	44.18	41.16	1.08	
3807	1095	506	393	196	0	433	220	177	0	36	39.54	43.48	45.04	.00	
3808	315	144	34	137	0	44	21	17	0	6	13.97	14.58	50.00	.00	
4101	3625	2194	416	1015	0	1746	1172	210	10	354	48.17	53.42	50.48	.99	
4102	4136	2320	601	1215	0	1759	1122	271	14	352	42.53	48.36	45.09	1.15	
4103	3692	2265	683	744	0	2059	1389	383	10	277	55.77	61.32	56.08	1.34	
4104	4011	2605	421	985	0	2113	1521	234	6	352	52.68	58.39	55.58	.61	
4201	3664	2254	197	1213	0	1556	1104	100	8	344	42.47	48.98	50.76	.66	
4203	3482	2006	203	1273	0	1320	870	94	4	352	37.91	43.37	46.31	.31	
4204	4288	2767	237	1284	0	2013	1472	109	12	420	46.94	53.20	45.99	.93	
4205	4400	2925	298	1177	0	2217	1657	154	8	398	50.39	56.65	51.68	.68	
4206	4244	2614	281	1349	0	1853	1354	118	12	369	43.66	51.80	41.99	.89	
4207	4002	2535	169	1298	0	1849	1344	74	7	424	46.20	53.02	43.79	.54	
4208	3742	2393	213	1136	0	1776	1305	111	8	352	47.46	54.53	52.11	.70	
4209	4261	2433	428	1400	0	1679	1123	188	10	358	39.40	46.16	43.93	.71	
4210	4243	2455	416	1372	0	1670	1099	201	11	359	39.36	44.77	48.32	.80	
4211	4408	2537	532	1339	0	1966	1296	256	11	403	44.60	51.08	48.12	.82	
4301	4456	2948	242	1266	0	1666	1219	90	2	355	37.39	41.35	37.19	.16	
4302	4463	2905	186	1372	0	1570	1132	69	9	360	35.18	38.97	37.10	.66	
4303	4168	2804	146	1218	0	1541	1164	61	11	305	36.97	41.51	41.78	.90	
4304	4432	2937	238	1257	0	1604	1191	83	7	323	36.19	40.55	34.87	.56	

	TOTAL	PERCENT		TOTAL	PERCENT
01 = REGISTERED VOTERS - TOTAL	402,285		09 = BALLOTS CAST - NONAFFILIATED	1,099	.68
02 = REGISTERED VOTERS - DEMOCRAT	220,178	54.73	10 = BALLOTS CAST - NONPARTISAN	27,698	17.21
03 = REGISTERED VOTERS - REPUBLICAN	68,724	17.08	11 = VOTER TURNOUT - TOTAL		40.01
04 = REGISTERED VOTERS - NONAFFILIATED	113,383	28.18	12 = VOTER TURNOUT - DEMOCRAT		46.93
05 = REGISTERED VOTERS - NONPARTISAN	0		13 = VOTER TURNOUT - REPUBLICAN		41.92
06 = BALLOTS CAST - TOTAL	160,945		14 = VOTER TURNOUT - NONAFFILIATED		.97
07 = BALLOTS CAST - DEMOCRAT	103,338	64.21	15 = VOTER TURNOUT - NONPARTISAN		
08 = BALLOTS CAST - REPUBLICAN	28,810	17.90			

(CONTINUED FROM PREVIOUS PAGE)

	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
4305	4285	2787	363	1135	0	1888	1327	185	4	372	44.06	47.61	50.96	.35	
4306	4194	2673	365	1156	0	1811	1294	196	8	313	43.18	48.41	53.70	.69	
4307	4486	2837	434	1215	0	1727	1231	185	11	300	38.50	43.39	42.63	.91	
4308	4214	2885	374	955	0	2350	1798	196	12	344	55.77	62.32	52.41	1.26	
4310	4233	2756	236	1241	0	1803	1352	99	10	342	42.59	49.06	41.95	.81	
4311	3169	2185	138	846	0	1469	1135	66	2	266	46.36	51.95	47.83	.24	
4401	3662	2110	375	1177	0	1262	820	164	9	269	34.46	38.86	43.73	.76	
4402	4231	2564	433	1234	0	1599	1058	189	12	340	37.79	41.26	43.65	.97	
4403	3560	2155	358	1047	0	1525	1027	171	3	324	42.84	47.66	47.77	.29	
4404	4346	2697	364	1285	0	1404	989	144	6	265	32.31	36.67	39.56	.47	
4405	4293	2490	483	1320	0	1658	1074	202	11	371	38.62	43.13	41.82	.83	
4406	4117	2406	542	1169	0	1743	1142	265	14	322	42.34	47.46	48.89	1.20	
4407	3055	1970	233	852	0	1255	913	102	6	234	41.08	46.35	43.78	.70	
4408	4442	2521	664	1257	0	1591	1020	281	10	280	35.82	40.46	42.32	.80	
4409	1899	977	265	657	0	575	352	100	2	121	30.28	36.03	37.74	.30	
4501	4487	2942	560	985	0	2436	1786	287	13	350	54.29	60.71	51.25	1.32	
4502	4155	2461	536	1158	0	1823	1208	247	10	358	43.87	49.09	46.08	.86	
4503	3964	2598	405	961	0	2127	1570	191	14	352	53.66	60.43	47.16	1.46	
4504	4397	3028	562	807	0	2654	1966	340	10	338	60.36	64.93	60.50	1.24	
4505	2893	1799	399	695	0	1261	876	188	8	189	43.59	48.69	47.12	1.15	
4506	3099	1584	661	854	0	1148	651	302	7	188	37.04	41.10	45.69	.82	
4507	4205	2583	502	1120	0	1913	1327	228	11	347	45.49	51.37	45.42	.98	
4508	3882	2090	566	1226	0	1374	867	210	16	281	35.39	41.48	37.10	1.31	
4509	2365	1136	591	638	0	869	470	262	2	135	36.74	41.37	44.33	.31	
4510	2203	1096	623	484	0	914	464	317	5	128	41.49	42.34	50.88	1.03	
4511	2396	1163	501	732	0	730	406	178	5	141	30.47	34.91	35.53	.68	
4512	525	277	119	129	0	217	120	64	1	32	41.33	43.32	53.78	.78	
4601	4457	2673	520	1264	0	2032	1391	242	15	384	45.59	52.04	46.54	1.19	
4602	3499	2327	464	708	0	2136	1568	268	14	286	61.05	67.38	57.76	1.98	
4603	4457	2897	553	1007	0	2525	1830	299	20	376	56.65	63.17	54.07	1.99	
4604	3941	1956	657	1328	0	1235	720	247	7	261	31.34	36.81	37.60	.53	
4605	4446	2573	555	1318	0	1883	1263	252	14	354	42.35	49.09	45.41	1.06	
4606	4359	2406	488	1465	0	1467	964	185	5	313	33.65	40.07	37.91	.34	
4607	3334	1573	801	960	0	1270	653	398	11	208	38.09	41.51	49.69	1.15	
4608	2421	1146	348	927	0	702	418	110	5	169	29.00	36.47	31.61	.54	
4609	4529	2539	548	1442	0	1782	1160	242	14	366	39.35	45.69	44.16	.97	
4701	2613	1305	687	621	0	1045	594	336	3	112	39.99	45.52	48.91	.48	
4702	706	347	154	205	0	261	148	61	1	51	36.97	42.65	39.61	.49	
4703	2128	943	671	514	0	991	502	349	8	132	46.57	53.23	52.01	1.56	
4704	3850	1818	1046	986	0	1619	865	531	8	215	42.05	47.58	50.76	.81	
4705	4193	2091	849	1253	0	1608	945	386	10	267	38.35	45.19	45.47	.80	
4706	3133	1489	705	939	0	960	551	242	4	163	30.64	37.00	34.33	.43	
4707	1607	815	345	447	0	652	384	158	5	105	40.57	47.12	45.80	1.12	
4708	3365	1637	744	984	0	1218	647	347	12	212	36.20	39.52	46.64	1.22	
4709	1887	924	419	544	0	614	362	153	6	93	32.54	39.18	36.52	1.10	
4710	4062	1875	886	1301	0	1344	688	393	20	243	33.09	36.69	44.36	1.54	
4801	1289	517	378	394	0	485	237	161	6	81	37.63	45.84	42.59	1.52	
4802	3823	1858	553	1412	0	1144	685	173	11	275	29.92	36.87	31.28	.78	
4803	2239	1045	350	844	0	631	364	122	8	137	28.18	34.83	34.86	.95	
4804	1397	643	233	521	0	396	242	70	4	80	28.35	37.64	30.04	.77	

	TOTAL	PERCENT		TOTAL	PERCENT
01 = REGISTERED VOTERS - TOTAL	402,285		09 = BALLOTS CAST - NONAFFILIATED	1,099	.68
02 = REGISTERED VOTERS - DEMOCRAT	220,178	54.73	10 = BALLOTS CAST - NONPARTISAN	27,698	17.21
03 = REGISTERED VOTERS - REPUBLICAN	68,724	17.08	11 = VOTER TURNOUT - TOTAL		40.01
04 = REGISTERED VOTERS - NONAFFILIATED	113,383	28.18	12 = VOTER TURNOUT - DEMOCRAT		46.93
05 = REGISTERED VOTERS - NONPARTISAN	0		13 = VOTER TURNOUT - REPUBLICAN		41.92
06 = BALLOTS CAST - TOTAL	160,945		14 = VOTER TURNOUT - NONAFFILIATED		.97
07 = BALLOTS CAST - DEMOCRAT	103,338	64.21	15 = VOTER TURNOUT - NONPARTISAN		
08 = BALLOTS CAST - REPUBLICAN	28,810	17.90			

(CONTINUED FROM PREVIOUS PAGE)

	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15
4805	832	.405	.146	.281	.0	.244	.151	.48	.0	.45	29.33	37.28	32.88	.00	. . .
4806	1432	.619	.423	.390	.0	.607	.320	.198	.3	.86	42.39	51.70	46.81	.77	. . .
4807	2625	1227	.509	.889	.0	.767	.425	.177	.10	.155	29.22	34.64	34.77	1.12	. . .
4901	55	.19	.24	.12	.0	.15	.5	.9	.0	.1	27.27	26.32	37.50	.00	. . .
4902	26	.14	.9	.3	.0	.13	.5	.6	.0	.2	50.00	35.71	66.67	.00	. . .
4903	4102	1765	1185	1152	.0	1116	.587	.376	.11	.142	27.21	33.26	31.73	.95	. . .
4904	3712	1405	1150	1157	.0	.899	.419	.350	.9	.121	24.22	29.82	30.43	.78	. . .
4905	4362	1642	1545	1175	.0	1132	.504	.469	.11	.148	25.95	30.69	30.36	.94	. . .
4906	1226	.517	.304	.405	.0	.310	.154	.104	.3	.49	25.29	29.79	34.21	.74	. . .
4907	271	.124	.108	.39	.0	.107	.60	.40	.1	.6	39.48	48.39	37.04	2.56	. . .
4908	2100	.855	.621	.624	.0	.594	.278	.246	.8	.62	28.29	32.51	39.61	1.28	. . .
4909	4060	1723	1102	1235	.0	1047	.545	.348	.7	.147	25.79	31.63	31.58	.57	. . .
4910	3346	1507	.857	.982	.0	.894	.447	.336	.9	.102	26.72	29.66	39.21	.92	. . .
4911	4023	1822	.980	1221	.0	1030	.551	.304	.8	.167	25.60	30.24	31.02	.66	. . .
5001	3719	1645	.785	1289	.0	.798	.453	.226	.6	.113	21.46	27.54	28.79	.47	. . .
5002	4322	1644	1466	1212	.0	1072	.511	.403	.20	.138	24.80	31.08	27.49	1.65	. . .
5003	4009	1734	1221	1054	.0	1166	.631	.389	.11	.135	29.08	36.39	31.86	1.04	. . .
5004	3107	1184	1199	.724	.0	1085	.488	.453	.8	.136	34.92	41.22	37.78	1.10	. . .
5005	2169	.875	.586	.708	.0	.549	.261	.185	.8	.95	25.31	29.83	31.57	1.13	. . .
5006	3321	1281	1174	.866	.0	.948	.443	.386	.9	.110	28.55	34.58	32.88	1.04	. . .
5007	3460	1437	1050	.973	.0	.884	.442	.321	.12	.109	25.55	30.76	30.57	1.23	. . .
5008	3325	1349	1214	.762	.0	.971	.469	.395	.3	.104	29.20	34.77	32.54	.39	. . .
5009	873	.393	.190	.290	.0	.246	.144	.60	.0	.42	28.18	36.64	31.58	.00	. . .
5101	792	.367	.142	.283	.0	.215	.119	.50	.1	.45	27.15	32.43	35.21	.35	. . .
5102	4328	1931	1027	1370	.0	1372	.702	.404	.18	.248	31.70	36.35	39.34	1.31	. . .
5103	2139	.873	.550	.716	.0	.774	.378	.229	.2	.165	36.19	43.30	41.64	.28	. . .
5104	3430	1509	.948	.973	.0	1107	.582	.363	.12	.150	32.27	38.57	38.29	1.23	. . .
5105	364	.136	.144	.84	.0	.125	.50	.63	.2	.10	34.34	36.76	43.75	2.38	. . .
5106	1572	.691	.441	.440	.0	.498	.235	.187	.4	.72	31.68	34.01	42.40	.91	. . .
5107	581	.203	.257	.121	.0	.191	.74	.98	.1	.18	32.87	36.45	38.13	.83	. . .
5202	2534	.965	.933	.636	.0	.867	.423	.331	.10	.103	34.21	43.83	35.48	1.57	. . .
5203	1952	.673	.809	.470	.0	.595	.245	.276	.9	.65	30.48	36.40	34.12	1.91	. . .
5204	2934	1056	1094	.784	.0	.809	.343	.355	.8	.103	27.57	32.48	32.45	1.02	. . .

	TOTAL	PERCENT		TOTAL	PERCENT
01 = REGISTERED VOTERS - TOTAL	265,267		08 = BALLOTS CAST - NONPARTISAN	10,752	13.51
02 = REGISTERED VOTERS - DEMOCRAT	105,489	39.77	09 = BALLOTS CAST - BLANK	191	.24
03 = REGISTERED VOTERS - REPUBLICAN	86,110	32.46	10 = VOTER TURNOUT - TOTAL		30.01
04 = REGISTERED VOTERS - NONPARTISAN	73,668	27.77	11 = VOTER TURNOUT - DEMOCRAT		36.58
05 = BALLOTS CAST - TOTAL	79,614		12 = VOTER TURNOUT - REPUBLICAN		35.16
06 = BALLOTS CAST - DEMOCRAT	38,583	48.46	13 = VOTER TURNOUT - NONPARTISAN		14.60
07 = BALLOTS CAST - REPUBLICAN	30,279	38.03			

	01	02	03	04	05	06	07	08	09	10	11	12	13
0301 301	1603	533	702	368	709	252	344	113	2	44.23	47.28	49.00	30.71
0302 302	2023	822	567	634	480	264	164	52	1	23.73	32.12	28.92	8.20
0303 303	888	331	336	221	265	107	126	32	0	29.84	32.33	37.50	14.48
0304 304	2673	1066	833	774	679	309	279	91	3	25.40	28.99	33.49	11.76
0305 305	836	247	339	250	312	105	132	75	1	37.32	42.51	38.94	30.00
0306 306	546	245	154	147	169	99	50	20	2	30.95	40.41	32.47	13.61
0307 307	1546	586	537	423	547	258	219	70	0	35.38	44.03	40.78	16.55
0308 308	207	68	97	42	65	20	39	6	0	31.40	29.41	40.21	14.29
0309 309	3967	1633	1078	1256	1211	593	361	257	0	30.53	36.31	33.49	20.46
0310 310	1525	552	603	370	504	223	249	32	1	33.05	40.40	41.29	8.65
0311 311	609	191	229	189	121	47	65	9	1	19.87	24.61	28.38	4.76
0312 312	717	277	259	181	246	122	103	21	1	34.31	44.04	39.77	11.60
0313 313	50	21	15	14	5	4	1	0	0	10.00	19.05	6.67	.00
0314 314	331	103	149	79	90	32	48	10	0	27.19	31.07	32.21	12.66
0315 315	930	285	422	223	316	129	163	24	1	33.98	45.26	38.63	10.76
0316 316	746	271	310	165	245	107	111	27	1	32.84	39.48	35.81	16.36
0317 317	916	285	451	180	376	134	211	31	0	41.05	47.02	46.78	17.22
0318 318	2333	839	819	675	808	340	334	134	2	34.63	40.52	40.78	19.85
0319 319	1058	425	305	328	226	116	88	22	2	21.36	27.29	28.85	6.71
0320 320	2457	993	722	742	557	293	203	61	1	22.67	29.51	28.12	8.22
0321 321	279	95	92	92	48	31	11	6	0	17.20	32.63	11.96	6.52
0322 322	350	110	150	90	113	38	64	11	0	32.29	34.55	42.67	12.22
0323 323	2747	1028	801	918	544	245	211	88	1	19.80	23.83	26.34	9.59
0324 324	449	172	154	123	120	60	48	12	1	26.73	34.88	31.17	9.76
0325 325	2	1	0	1	0	0	0	0	0	.00	.00	.00	.00
0326 326	1624	525	680	419	703	242	334	127	0	43.29	46.10	49.12	30.31
0327 327	3088	1168	1015	905	835	329	337	169	2	27.04	28.17	33.20	18.67
0328 328	1211	431	506	274	376	158	187	31	1	31.05	36.66	36.96	11.31
0329 329	3391	1194	1179	1018	973	406	389	178	2	28.69	34.00	32.99	17.49
0330 330	1153	414	390	349	277	134	112	31	2	24.02	32.37	28.72	8.88
0331 331	1993	751	524	718	349	181	115	53	1	17.51	24.10	21.95	7.38
0332 332	1874	750	563	561	728	347	229	152	1	38.85	46.27	40.67	27.09
0333 333	2689	1116	652	921	623	334	180	109	0	23.17	29.93	27.61	11.83
0334 334	123	53	43	27	51	28	20	3	0	41.46	52.83	46.51	11.11
0335 335	4248	1387	1666	1195	1440	522	628	290	0	33.90	37.64	37.70	24.27
0336 336	2633	966	925	742	1005	495	365	145	0	38.17	51.24	39.46	19.54
0337 337	3496	1346	1093	1057	1258	608	445	205	1	35.98	45.17	40.71	19.39
0338 338	3975	1451	1218	1306	1141	607	405	129	3	28.70	41.83	33.25	9.88
0339 339	1720	707	492	521	580	307	173	100	0	33.72	43.42	35.16	19.19
0340 340	2723	980	950	793	1112	512	397	203	0	40.84	52.24	41.79	25.60
0341 341	313	115	137	61	104	49	47	8	0	33.23	42.61	34.31	13.11
0342 342	108	35	47	26	37	15	20	2	0	34.26	42.86	42.55	7.69
0343 343	4112	1476	1418	1218	1387	573	559	255	5	33.73	38.82	39.42	20.94
0344 344	3693	1541	968	1184	1329	711	395	223	2	35.99	46.14	40.81	18.83
0345 345	26	10	8	8	8	4	2	2	0	30.77	40.00	25.00	25.00
0346 346	285	102	138	45	117	52	60	5	0	41.05	50.98	43.48	11.11
0347 347	61	21	24	16	25	15	9	1	0	40.98	71.43	37.50	6.25
0348 348	29	8	14	7	15	5	9	1	0	51.72	62.50	64.29	14.29
0349 349	2295	966	592	737	512	245	181	86	0	22.31	25.36	30.57	11.67
0350 350	2737	1276	695	766	942	506	302	134	1	34.42	39.66	43.45	17.49

	TOTAL	PERCENT		TOTAL	PERCENT
01 = REGISTERED VOTERS - TOTAL	265,267		08 = BALLOTS CAST - NONPARTISAN	10,752	13.51
02 = REGISTERED VOTERS - DEMOCRAT	105,489	39.77	09 = BALLOTS CAST - BLANK	191	.24
03 = REGISTERED VOTERS - REPUBLICAN	86,110	32.46	10 = VOTER TURNOUT - TOTAL		30.01
04 = REGISTERED VOTERS - NONPARTISAN	73,668	27.77	11 = VOTER TURNOUT - DEMOCRAT		36.58
05 = BALLOTS CAST - TOTAL	79,614		12 = VOTER TURNOUT - REPUBLICAN		35.16
06 = BALLOTS CAST - DEMOCRAT	38,583	48.46	13 = VOTER TURNOUT - NONPARTISAN		14.60
07 = BALLOTS CAST - REPUBLICAN	30,279	38.03			

(CONTINUED FROM PREVIOUS PAGE)

	01	02	03	04	05	06	07	08	09	10	11	12	13
0351 351	2209	.933	.576	.700	.441	.225	.162	.54	.0	19.96	24.12	28.13	7.71
0352 352	696	.327	.104	.265	.142	.90	.18	.34	.1	20.40	27.52	17.31	12.83
0353 353	1763	.836	.415	.512	.487	.293	.138	.56	.2	27.62	35.05	33.25	10.94
0354 354	3648	1587	1119	.942	1270	.677	.394	.199	.1	34.81	42.66	35.21	21.13
0355 355	2876	1300	.731	.845	.769	.455	.230	.84	.1	26.74	35.00	31.46	9.94
0356 356	1758	.703	.519	.536	.396	.188	.163	.45	.1	22.53	26.74	31.41	8.40
0357 357	1420	.587	.429	.404	.384	.185	.154	.45	.2	27.04	31.52	35.90	11.14
0358 358	1766	.728	.512	.526	.479	.223	.188	.68	.0	27.12	30.63	36.72	12.93
0359 359	1876	.796	.478	.602	.451	.212	.145	.94	.2	24.04	26.63	30.33	15.61
0360 360	2473	1054	.632	.787	.575	.310	.170	.95	.0	23.25	29.41	26.90	12.07
0361 361	1472	.653	.293	.526	.297	.162	.63	.72	.1	20.18	24.81	21.50	13.69
0362 362	3408	1537	.953	.918	1113	.625	.366	.122	.4	32.66	40.66	38.41	13.29
0363 363	3077	1318	.924	.835	.887	.462	.310	.115	.9	28.83	35.05	33.55	13.77
0364 364	4107	1715	1292	1100	1118	.605	.400	.113	.4	27.22	35.28	30.96	10.27
0365 365	2630	1187	.814	.629	.868	.477	.297	.94	.3	33.00	40.19	36.49	14.94
0366 366	1725	.805	.454	.466	.490	.268	.176	.46	.2	28.41	33.29	38.77	9.87
0367 367	3552	1271	1110	1171	.793	.353	.343	.97	.1	22.33	27.77	30.90	8.28
0368 368	3628	1346	1124	1158	.851	.411	.331	.109	.5	23.46	30.53	29.45	9.41
0369 369	1741	.637	.583	.521	.527	.255	.212	.60	.1	30.27	40.03	36.36	11.52
0370 370	2100	.855	.741	.504	.603	.262	.268	.73	.3	28.71	30.64	36.17	14.48
0371 371	2098	.885	.662	.551	.648	.332	.239	.77	.3	30.89	37.51	36.10	13.97
0372 372	1632	.762	.552	.318	.597	.350	.197	.50	.1	36.58	45.93	35.69	15.72
0373 373	312	.110	.132	.70	.106	.47	.48	.11	.0	33.97	42.73	36.36	15.71
0374 374	11	.1	.8	.2	.3	.1	.2	.0	.0	27.27	100.0	25.00	.00
0375 375	257	.119	.66	.72	.96	.52	.25	.19	.0	37.35	43.70	37.88	26.39
0376 376	1876	.742	.640	.494	.491	.256	.183	.52	.3	26.17	34.50	28.59	10.53
0377 377	2208	.829	.782	.597	.703	.289	.306	.108	.3	31.84	34.86	39.13	18.09
0378 378	1501	.729	.374	.398	.494	.294	.139	.61	.1	32.91	40.33	37.17	15.33
0379 379	3215	1475	.885	.855	1021	.531	.350	.140	.4	31.76	36.00	39.55	16.37
0380 380	2176	.915	.734	.527	.812	.417	.281	.114	.1	37.32	45.57	38.28	21.63
0381 381	667	.310	.143	.214	.198	.102	.61	.35	.0	29.69	32.90	42.66	16.36
0382 382	2783	1269	.751	.763	.833	.436	.282	.115	.4	29.93	34.36	37.55	15.07
0383 383	1297	.653	.341	.303	.491	.300	.126	.65	.0	37.86	45.94	36.95	21.45
0384 384	2231	1184	.517	.530	.778	.513	.195	.70	.1	34.87	43.33	37.72	13.21
0385 385	2716	1286	.857	.573	1023	.526	.394	.103	.3	37.67	40.90	45.97	17.98
0386 386	2714	1334	.839	.541	1060	.621	.352	.87	.1	39.06	46.55	41.95	16.08
0387 387	557	.257	.143	.157	.155	.80	.45	.30	.0	27.83	31.13	31.47	19.11
0388 388	234	.121	.31	.82	.63	.49	.9	.5	.0	26.92	40.50	29.03	6.10
0389 389	2201	.869	.665	.667	.564	.281	.190	.93	.0	25.62	32.34	28.57	13.94
0390 390	3533	1423	1228	.882	1246	.573	.501	.172	.1	35.27	40.27	40.80	19.50
0391 391	273	.124	.51	.98	.75	.41	.17	.17	.0	27.47	33.06	33.33	17.35
0392 392	151	.75	.29	.47	.51	.29	.10	.12	.0	33.77	38.67	34.48	25.53
0393 393	592	.315	.162	.115	.239	.143	.66	.30	.3	40.37	45.40	40.74	26.09
0394 394	127	.48	.50	.29	.42	.17	.19	.6	.0	33.07	35.42	38.00	20.69
0395 395	2311	.884	.781	.646	.646	.265	.267	.114	.1	27.95	29.98	34.19	17.65
0396 396	712	.271	.230	.211	.234	.118	.85	.31	.1	32.87	43.54	36.96	14.69
0397 397	2280	.749	.937	.594	.662	.267	.319	.76	.0	29.04	35.65	34.04	12.79
0398 398	820	.267	.367	.186	.235	.69	.141	.25	.2	28.66	25.84	38.42	13.44
0399 399	2042	.940	.494	.608	.609	.369	.173	.67	.0	29.82	39.26	35.02	11.02
0400 400	2572	1117	.706	.749	.740	.398	.242	.100	.4	28.77	35.63	34.28	13.35
0401 401	1630	.886	.357	.387	.578	.392	.130	.56	.2	35.46	44.24	36.41	14.47

TOTAL PERCENT

01 = REGISTERED VOTERS - TOTAL
02 = REGISTERED VOTERS - DEMOCRAT
03 = REGISTERED VOTERS - REPUBLICAN
04 = REGISTERED VOTERS - NONPARTISAN
05 = BALLOTS CAST - TOTAL
06 = BALLOTS CAST - DEMOCRAT
07 = BALLOTS CAST - REPUBLICAN

265,267
105,489 39.77
86,110 32.46
73,668 27.77
79,614
38,583 48.46
30,279 38.03

08 = BALLOTS CAST - NONPARTISAN
09 = BALLOTS CAST - BLANK
10 = VOTER TURNOUT - TOTAL
11 = VOTER TURNOUT - DEMOCRAT
12 = VOTER TURNOUT - REPUBLICAN
13 = VOTER TURNOUT - NONPARTISAN

TOTAL PERCENT
10,752 13.51
191 .24
30.01
36.58
35.16
14.60

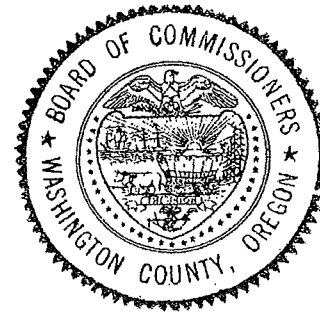
(CONTINUED FROM PREVIOUS PAGE)

Table with 13 columns (01-13) and multiple rows of data. Each row contains 13 numerical values representing counts for categories 01 through 13. The first column contains a unique identifier for each row (e.g., 0402 402).

	TOTAL	PERCENT		TOTAL	PERCENT
01 = REGISTERED VOTERS - TOTAL	265,267		08 = BALLOTS CAST - NONPARTISAN	10,752	13.51
02 = REGISTERED VOTERS - DEMOCRAT	105,489	39.77	09 = BALLOTS CAST - BLANK	191	.24
03 = REGISTERED VOTERS - REPUBLICAN	86,110	32.46	10 = VOTER TURNOUT - TOTAL		30.01
04 = REGISTERED VOTERS - NONPARTISAN	73,668	27.77	11 = VOTER TURNOUT - DEMOCRAT		36.58
05 = BALLOTS CAST - TOTAL	79,614		12 = VOTER TURNOUT - REPUBLICAN		35.16
06 = BALLOTS CAST - DEMOCRAT	38,583	48.46	13 = VOTER TURNOUT - NONPARTISAN		14.60
07 = BALLOTS CAST - REPUBLICAN	30,279	38.03			

(CONTINUED FROM PREVIOUS PAGE)

	01	02	03	04	05	06	07	08	09	10	11	12	13
0454 454	518	178	165	175	86	38	33	15	1	16.60	21.35	20.00	8.57
0457 457	2002	666	786	550	405	161	201	43	2	20.23	24.17	25.57	7.82
0458 458	2392	886	907	599	1198	536	460	202	2	50.08	60.50	50.72	33.72
0459 459	2565	1035	827	703	1104	567	369	168	0	43.04	54.78	44.62	23.90
0460 460	1909	783	416	710	375	178	109	88	0	19.64	22.73	26.20	12.39
0461 461	2562	998	798	766	716	305	291	120	1	27.95	30.56	36.47	15.67



CERTIFIED TO BE A TRUE AND
 CORRECT COPY OF THE ORIGINAL

Date June 1, 2012

WASHINGTON COUNTY
 ELECTIONS DIVISION

BY M. K. [Signature]

Metro Councilor, 3rd District

Vote For 1

01 = Craig Dirksen

02 = WRITE-IN

VOTES PERCENT

20,594 98.74
263 1.26

03 = OVER VOTES
04 = UNDER VOTES

VOTES PERCENT

1
14,562

	01	02	03	04
0302 302	250	10	0	220
0303 303	8	0	0	3
0304 304	356	5	0	318
0320 320	321	3	0	233
0322 322	4	0	0	9
0349 349	286	4	0	222
0350 350	573	6	0	363
0351 351	246	2	0	193
0354 354	739	11	0	520
0379 379	595	2	0	424
0380 380	452	0	1	359
0381 381	120	2	0	76
0382 382	513	6	0	314
0383 383	267	1	0	183
0384 384	412	9	0	357
0385 385	596	2	0	425
0388 388	41	0	0	22
0389 389	348	5	0	211
0390 390	691	7	0	548
0391 391	32	2	0	41
0392 392	29	0	0	22
0393 393	121	0	0	118
0394 394	1	0	0	1
0395 395	382	6	0	258
0396 396	154	0	0	80
0397 397	350	10	0	302
0398 398	131	0	0	94
0399 399	317	4	0	288
0400 400	432	6	0	302
0401 401	305	4	0	269
0402 402	175	6	0	102
0403 403	658	13	0	413
0404 404	454	13	0	264
0405 405	836	15	0	504
0406 406	517	16	0	298
0408 408	981	9	0	613
0409 409	388	1	0	212
0410 410	318	10	0	236
0411 411	296	3	0	194
0412 412	242	2	0	223
0413 413	81	1	0	61
0414 414	99	1	0	72
0415 415	164	0	0	108
0416 416	235	2	0	179
0417 417	223	0	0	115
0418 418	277	1	0	230
0419 419	543	1	0	345
0420 420	495	5	0	340
0421 421	32	0	0	29
0423 423	443	10	0	278
0424 424	560	6	0	357
0425 425	47	0	0	47
0426 426	12	0	0	13
0427 427	2	0	0	1
0428 428	208	2	0	121

NUMBERED KEY CANVASS

Washington County, Oregon
Primary Election
May 15, 2012

Official Final

RUN DATE:06/01/12 08:24 AM

REPORT-EL52

PAGE 0119

Metro Councilor, 3rd District

VOTES PERCENT

VOTES PERCENT

Vote For 1

01 = Craig Dirksen

20,594 98.74

03 = OVER VOTES

1

02 = WRITE-IN

263 1.26

04 = UNDER VOTES

14,562

(CONTINUED FROM PREVIOUS PAGE)

	01	02	03	04
0429 429	215	3	0	212
0432 432	28	2	0	21
0433 433	342	4	0	252
0434 434	426	6	0	394
0435 435	523	9	0	380
0436 436	324	2	0	214
0437 437	13	0	0	11
0438 438	35	0	0	27
0441 441	13	0	0	6
0442 442	88	1	0	89
0443 443	3	0	0	5
0445 445	86	2	0	41
0446 446	763	7	0	529
0451 451	73	0	0	67
0454 454	52	2	0	32
0457 457	252	1	0	152



**Canvass Report — Total Voters — Official
Clackamas County, Oregon — Primary Election — May 15, 2012**

06/01/2012 02:19 PM
Precincts Reporting 118 of 118 = 100.00%

Total Number of Voters: 76,436 of 213,998 = 35.72%

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Metro Councilor, 3rd District

Precinct	Blank Ballots Cast	Over Votes	Under Votes	Total Ballots Cast	Registered Voters	Percent Turnout	Craig Dirksen	Write-Ins	Rejected Write-Ins	Totals
201	5	0	371	912	2,768	32.95%	527	14	0	541
202	0	0	478	1,199	3,908	30.68%	717	4	0	721
203	0	0	594	1,274	1,982	64.28%	679	1	0	680
251	0	0	0	0	4	0.00%	0	0	0	0
252	0	0	231	563	1,753	32.12%	331	1	0	332
280	0	0	0	0	0	0.00%	0	0	0	0
323	0	0	3	4	4	100.00%	1	0	0	1
Totals:	5	0	1,677	3,952	10,419		2,255	20	0	2,275

CERTIFIED COPY OF THE ORIGINAL
SHERRY HALL, COUNTY CLERK

BY: 

Metro Councilor, 5th District
 Vote For 1

	VOTES	PERCENT		VOTES	PERCENT
01 = Sam Chase	24,963	59.52	05 = Michael (micro) W Durrow	1,751	4.17
02 = Terry Parker	1,927	4.59	06 = WRITE-IN	229	.55
03 = Brad Perkins	3,911	9.32	07 = OVER VOTES	16	
04 = Helen Ying	9,161	21.84	08 = UNDER VOTES	16,266	

	01	02	03	04	05	06	07	08
3101	193	17	50	73	7	3	0	157
3102	62	13	17	9	9	0	0	47
3301	1025	31	61	201	31	3	0	464
3302	810	30	92	245	30	5	0	503
3303	647	38	85	160	18	3	1	480
3304	116	10	19	12	4	0	0	70
3601	430	22	44	67	15	4	0	276
3602	574	27	36	187	28	4	0	358
3603	238	36	74	165	19	2	1	187
3604	1018	40	106	284	43	11	1	628
3612	858	55	122	400	38	9	1	527
4203	0	0	0	0	0	0	0	0
4301	733	54	80	294	70	3	0	430
4302	670	38	64	305	77	10	1	403
4303	648	35	63	299	66	9	1	420
4304	675	38	90	277	67	9	0	446
4305	798	57	110	301	72	4	0	546
4306	786	46	119	305	45	5	1	502
4307	684	82	92	299	79	9	1	481
4308	1177	33	217	250	52	11	1	607
4310	846	52	133	250	55	4	0	462
4311	699	38	104	206	38	5	0	377
4401	459	73	81	251	60	6	0	332
4402	610	64	122	293	93	5	0	412
4403	646	56	86	285	61	3	1	385
4404	502	82	117	239	65	5	0	394
4405	627	62	131	332	67	13	1	425
4406	658	69	122	304	44	6	2	537
4407	564	41	71	199	49	3	0	328
4408	579	78	126	295	54	9	0	450
4409	186	44	55	126	16	0	0	136
4501	1113	63	223	310	51	14	0	660
4502	772	75	109	311	51	6	1	497
4503	933	52	205	266	38	9	0	622
4504	1302	48	226	308	41	3	0	722
4505	509	60	81	166	32	6	1	406
4506	392	74	87	192	36	5	0	361
4507	827	60	111	287	52	7	0	566
4509	232	63	78	177	22	9	0	287
4511	218	48	64	150	33	6	1	210
4512	71	12	17	38	12	0	0	67
4702	76	11	21	43	11	1	0	98

Certificate

I certify that the votes recorded on this abstract correctly summarize the tally of votes cast at the election indicated.

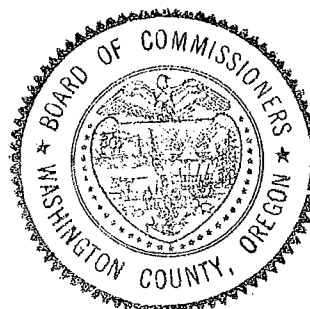


**Tim Scott, Director of Elections
 Multnomah County, Oregon**

		VOTES PERCENT		VOTES PERCENT				
Metro Councilor, 5th District								
Vote For 1								
01 = Sam Chase	709	57.13	05 = Michael (micro) W Durrow	31	2.50			
02 = Terry Parker	75	6.04	06 = WRITE-IN	14	1.13			
03 = Brad Perkins	78	6.29	07 = OVER VOTES	0				
04 = Helen Ying	334	26.91	08 = UNDER VOTES	595				

	01	02	03	04	05	06	07	08

0365 365	290	29	36	140	10	5	0	277
0366 366	136	16	16	77	6	3	0	115
0375 375	52	2	4	10	0	0	0	28
0407 407	231	28	22	107	15	6	0	175



Metro Councilor, 6th District

VOTES PERCENT

VOTES PERCENT

Vote For 1

01 = Bob Stacey

39,794 84.81

02 = Jonathan P Levine

6,773 14.43

04 = OVER VOTES

3

03 = WRITE-IN

356 .76

05 = UNDER VOTES

18,015

	01	02	03	04	05
2701	211	31	2	0	88
2702	187	41	1	0	121
3502	1302	248	12	0	660
3605	780	114	7	0	347
3606	1614	228	11	0	708
3607	737	98	1	0	349
3608	946	157	5	0	413
3609	192	25	2	0	88
3610	1271	180	15	0	612
3611	1405	206	12	0	723
3803	1001	177	17	0	513
3804	763	135	7	0	320
4101	1077	170	7	1	491
4102	979	240	14	0	524
4103	1289	159	10	0	599
4104	1346	159	15	0	592
4201	995	123	8	1	427
4203	806	139	9	0	362
4204	1338	162	3	1	507
4205	1547	137	7	0	523
4206	1283	121	10	0	438
4207	1236	125	6	0	481
4208	1145	146	3	0	481
4209	1049	188	5	0	432
4210	1041	171	12	0	445
4211	1183	207	9	0	566
4508	772	191	6	0	403
4601	1275	209	12	0	535
4602	1450	134	9	0	541
4603	1691	198	8	0	625
4604	703	180	4	0	348
4605	1145	218	7	0	511
4606	868	187	9	0	403
4607	697	159	9	0	405
4608	379	126	3	0	194
4609	1033	215	9	0	525
4705	841	262	21	0	482
4707	314	96	9	0	233
4710	104	40	6	0	82
4801	219	97	7	0	162
4802	628	227	8	0	280
4803	361	112	10	0	148
4804	205	76	4	0	111
4807	386	159	5	0	217

Certificate

I certify that the votes recorded on this abstract correctly summarize the tally of votes cast at the election indicated.



**Tim Scott, Director of Elections
 Multnomah County, Oregon**

Exhibit B
Resolution No. 12-4353
Memo of Instruction to Multnomah County Elections Division
To Issue Certificates of Election

MULTNOMAH COUNTY
TIM SCOTT
DIRECTOR OF ELECTIONS



ELECTIONS DIVISION
1040 SE MORRISON ST
PORTLAND, OR 97214
(503) 988-3720
WWW.MCELECTIONS.ORG

MEMORANDUM

Date: June 4, 2012
To: Metro
From: Eric Sample
Subject: Canvass of Votes

ORS 255.295 provides for the district election authority to canvass the official abstract of votes cast for members of the district board and to cause the election officer to issue certificates of election to the winners.

Please read carefully and complete this form. Using the enclosed envelope, return the form promptly so certificates of election may be mailed to the newly elected board members. **Elected board members cannot take office until the certificates of election have been issued.**

The district election authority for **Metro**, in accordance with ORS 255.295, has canvassed the abstract of votes cast on May 15, 2012 for members of the district board.

It has been determined those persons having received the highest number of votes are qualified and the election officer of Multnomah County is hereby instructed to issue certificates of election to said persons. (Any exceptions are noted below.)

Date

Signature of district election authority

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4353, FOR THE PURPOSE OF ACCEPTING THE MAY 15, 2012 PRIMARY ELECTION ABSTRACT OF VOTES FOR METRO

Date: June 7, 2012

Prepared by: Alison Kean Campbell, Metro Attorney
Ext. 1511

BACKGROUND

On May 15, 2012, a Primary Election was held in the State of Oregon. On June 6, 2012 Metro received from the Multnomah County Elections Division the official Certified Results of that election, and the canvass of the official Abstract of Votes. In that election, candidates for the following Metro subdistricts appeared on the Primary Election ballot in accordance with ORS Chapter 249:

- Metro Councilor, Sub District; and
- Metro Councilor, Sub District 5; and
- Metro Councilor, Sub District 6

Oregon law requires that the Multnomah County Director of Elections Division canvass the official abstract of votes cast for members of the Metro Council, deliver the official Abstract of Votes to Metro for acceptance and determination of qualification, and to cause the Elections Division election officer to issue certificates of election to the winners. Metro Charter, Chapter V, section 19 sets forth the qualification criteria for Metro Councilors and provides that the Metro Council “is the judge of the election and qualification of its members;” and Chapter VI, section 29(1) of the Metro Charter further provides that “if one candidate for a Metro office receives a majority of the votes cast at the primary election for all candidates for that office, that candidate is elected.” The three successful candidates all meet the qualification standards for holding the office of Metro Councilor as set forth in the Metro Charter.

ANALYSIS/INFORMATION

1. **Known Opposition:** None.
2. **Legal Antecedents:** ORS 268, ORS 249; ORS 255.295; and the Metro Charter.
3. **Anticipated Effects:** The Multnomah County Elections Division will send certificates of election to the three successful Metro Council candidates, who will take office and start their terms at the first meeting of the Metro Council in January 2013.
4. **Budget Impacts:** None.

RECOMMENDED ACTION

Council President Tom Hughes and the Metro Council recommend the adoption of Resolution No. 12-4353.

Materials following this page were distributed at the meeting.

Metro | Agenda

Meeting: Metro Council
Date: Thursday, June 21, 2012
Time: 2 p.m.
Place: Metro, Council Chamber

REVISED, 6/20/12

CALL TO ORDER AND ROLL CALL

1. **INTRODUCTIONS**
2. **CITIZEN COMMUNICATION**
3. **FINANCIAL CONDITION OF METRO: FY 2001-02 TO FY 2010-11 AUDIT** **Flynn**
4. **CONSENT AGENDA**
 - 4.1 Consideration of the Minutes for June 14, 2012
 - 4.2 **Resolution No. 12-4355**, For the Purpose of Authorizing the Chief Operating Officer to Enter into a Lease with City of Portland Parks and Recreation and World Forestry Center for the West Parking Lot in Washington Park.
5. **HEARING ON ENFORCEMENT OF TITLE 13 OF THE METRO URBAN GROWTH MANAGEMENT FUNCTIONAL PLAN – CITY OF TROUTDALE**

Public Hearing
6. **ORDINANCES – SECOND READING**
 - 6.1 **Ordinance No. 12-1279**, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule and Amending the FY 2011-12 through FY 2015-16 Capital Improvement Plan. **Burkholder**

Public Hearing
 - 6.2 **Ordinance No. 12-1280**, For the Purpose of Amending and Re-Adopting Metro Code 7.03 (Investment Policy) for Fiscal Year 2012-2013. **Hosticka**

Public Hearing
 - 6.3 **Ordinance No. 12-1274A**, For the Purpose of Adopting the Annual Budget For Fiscal Year FY 2012-13, Making Appropriations, Levying Ad Valorem Taxes, and Authorizing an Interfund Loan. **Hughes**

Public Hearing
7. **RESOLUTIONS**
 - 7.1 **Resolution No. 12-4352**, For the Purpose of Adopting the Capital Improvement Plan for Fiscal Years 2012-13 through 2016-17; and Readopting Metro's Financial Policies. **Hughes**
 - 7.2 **Resolution No. 12-4353**, For the Purpose of Accepting the May 15, 2012 Primary Election Abstract of Votes for Metro and Finding the Candidates Qualified. **Hughes**

Continued on back

8. CHIEF OPERATING OFFICER COMMUNICATION

9. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for June 21, 2012 Metro Council meeting

Clackamas, Multnomah and Washington counties, and Vancouver, WA Channel 30 – Community Access Network <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Thursday, June 21	Portland Channel 30 – Portland Community Media <i>Web site:</i> www.pcmtv.org <i>Ph:</i> 503-288-1515 <i>Date:</i> Sunday, June 24, 7:30 p.m. <i>Date:</i> Monday, June 25, 9 a.m.
Gresham Channel 30 - MCTV <i>Web site:</i> www.metroeast.org <i>Ph:</i> 503-491-7636 <i>Date:</i> Monday, June 25, 2 p.m.	Washington County Channel 30– TVC TV <i>Web site:</i> www.tvctv.org <i>Ph:</i> 503-629-8534 <i>Date:</i> Saturday, June 23, 11 p.m. <i>Date:</i> Sunday, June 24, 11 p.m. <i>Date:</i> Tuesday, June 26, 6 a.m. <i>Date:</i> Wednesday, June 27, 4 p.m.
Oregon City, Gladstone Channel 28 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.	West Linn Channel 30 – Willamette Falls Television <i>Web site:</i> http://www.wftvmedia.org/ <i>Ph:</i> 503-650-0275 Call or visit web site for program times.

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

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

Financial Condition of Metro

FY 2001-02 to FY 2010-11



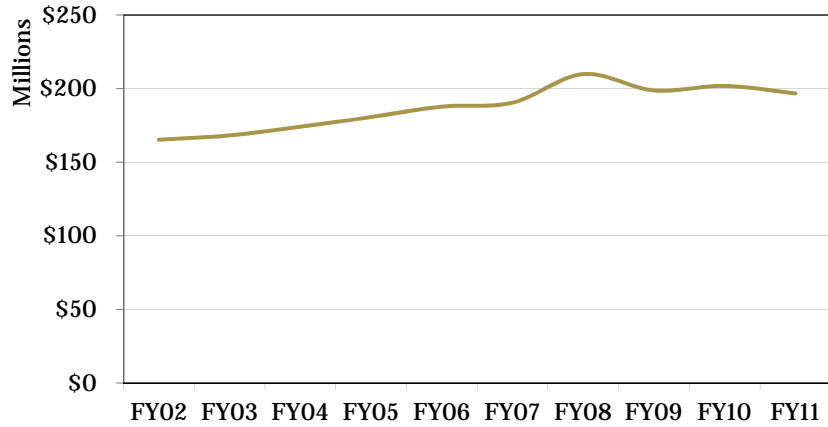
Scope & Methodology

- **Based upon International City/County Management Association**
- **Primarily CAFR data**
- **Ten year trend**

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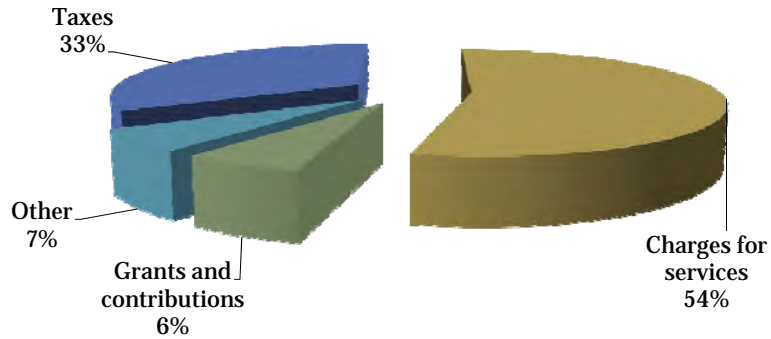
Revenue Growth

Adjusted for inflation



Office of the Metro Auditor

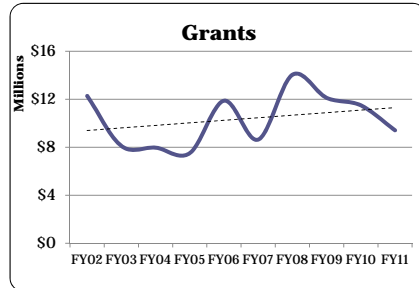
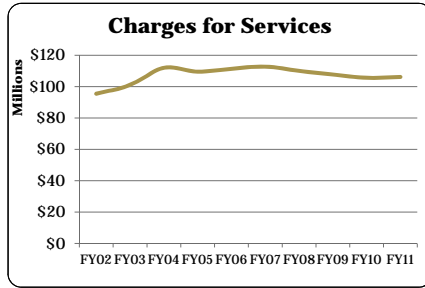
Revenue Sources - FY 2010-11



Office of the Metro Auditor

Revenues

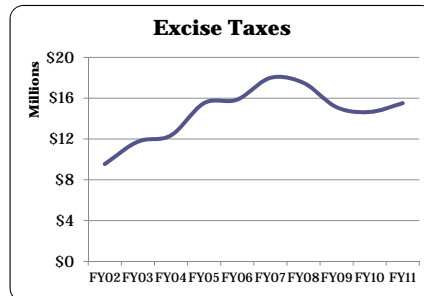
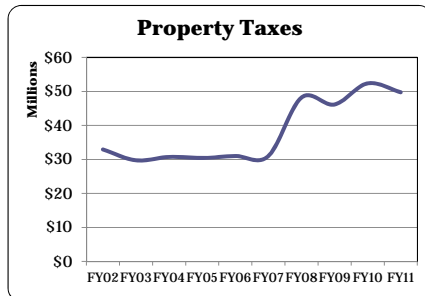
Adjusted for inflation



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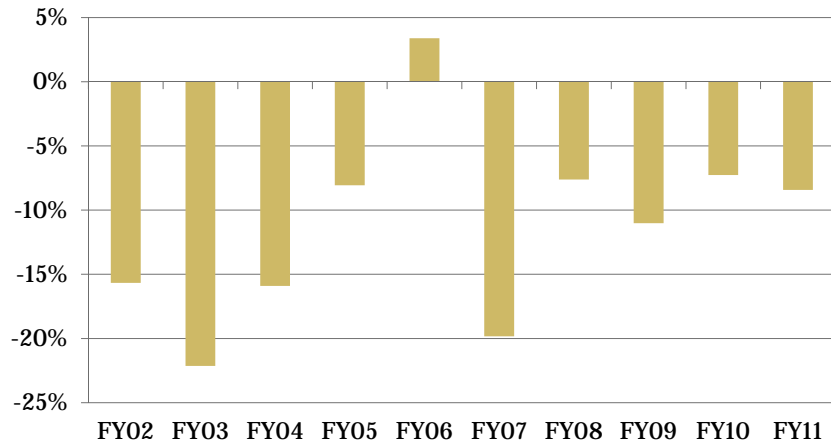
Tax Revenues

Adjusted for inflation



Office of the Metro Auditor

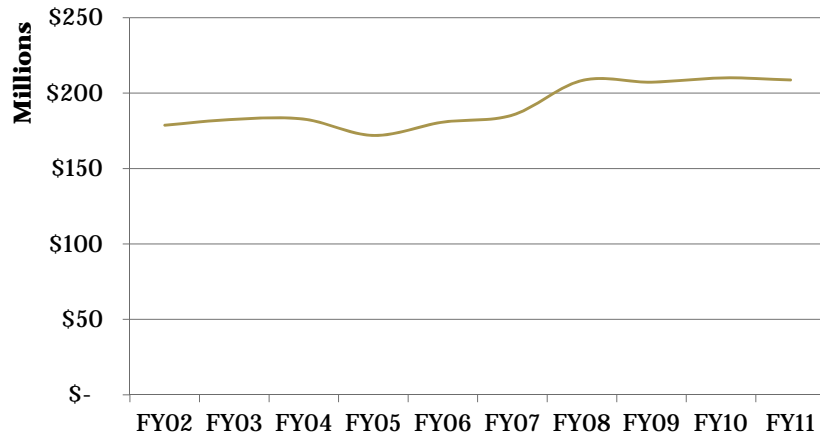
Revenue Shortfalls -GF



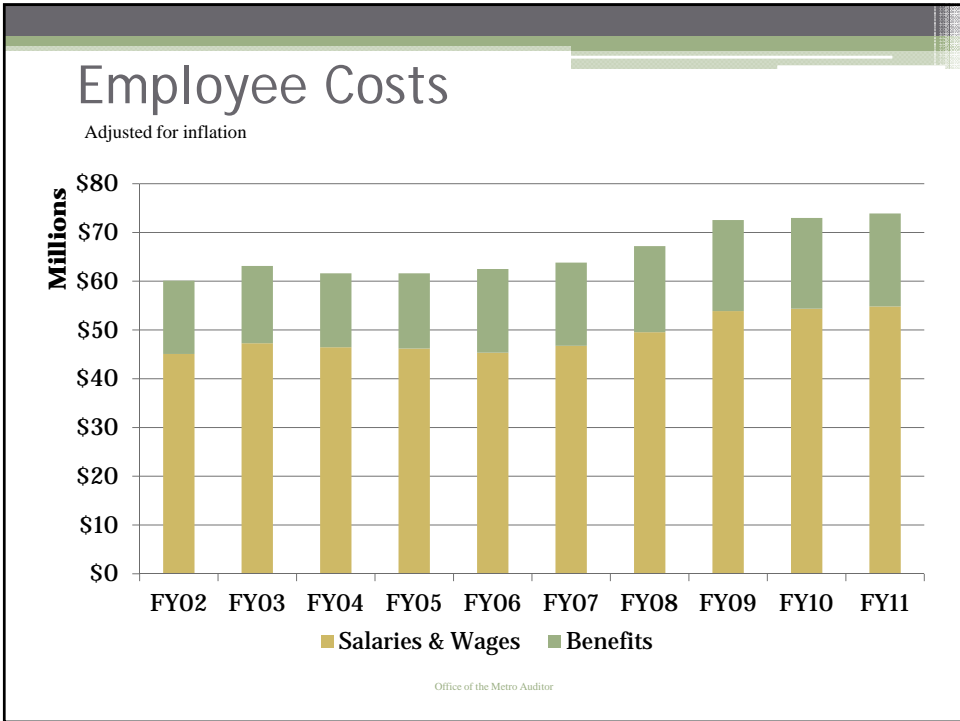
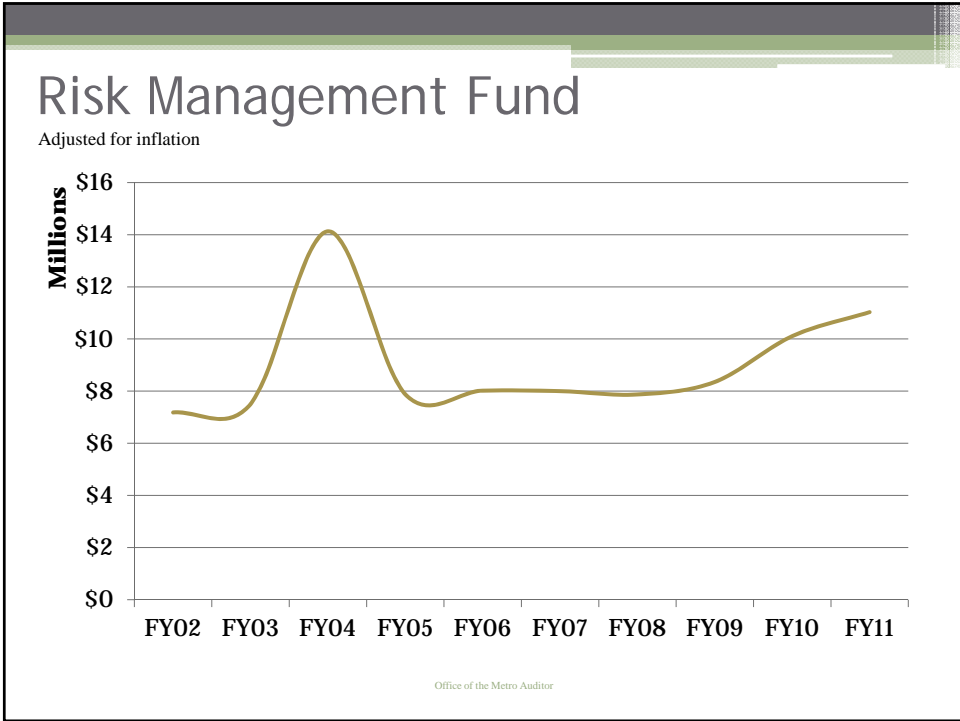
Office of the Metro Auditor

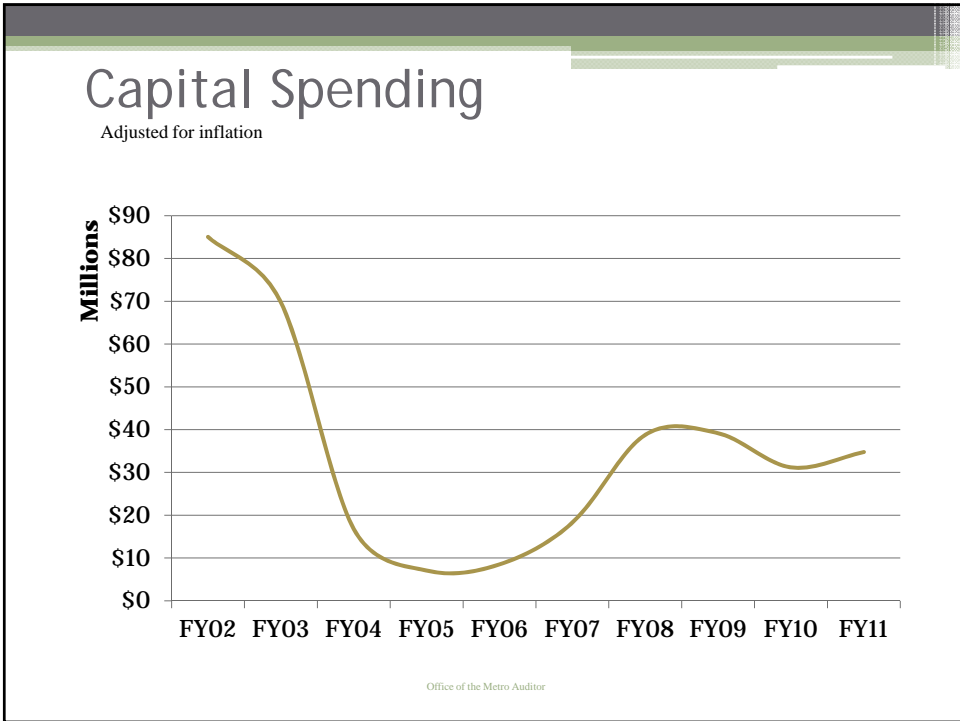
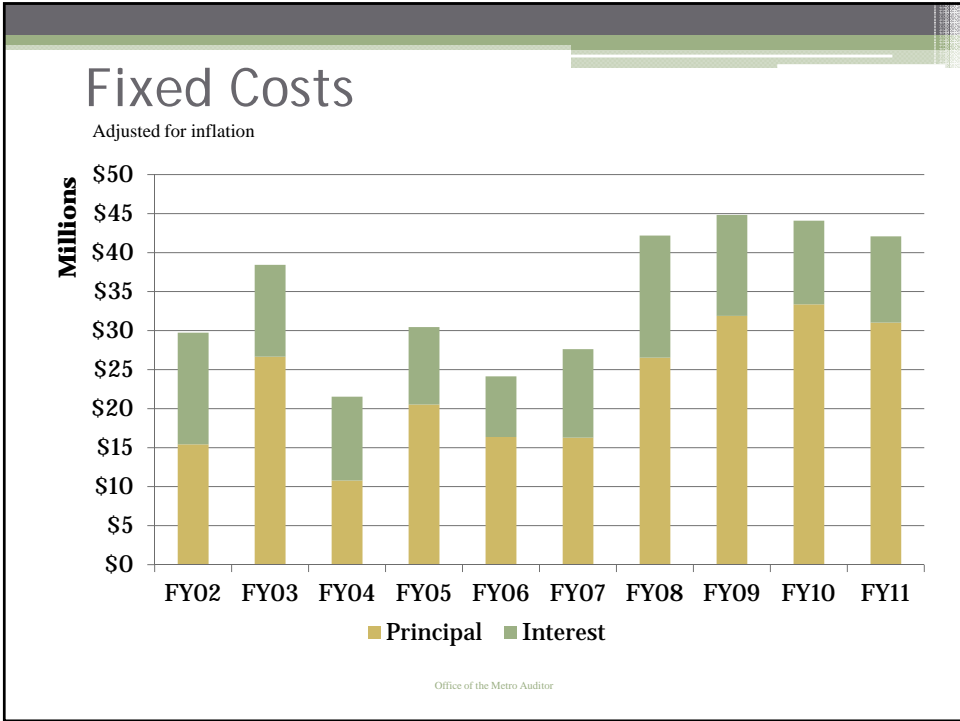
Total Expenditure

Adjusted for inflation



Office of the Metro Auditor



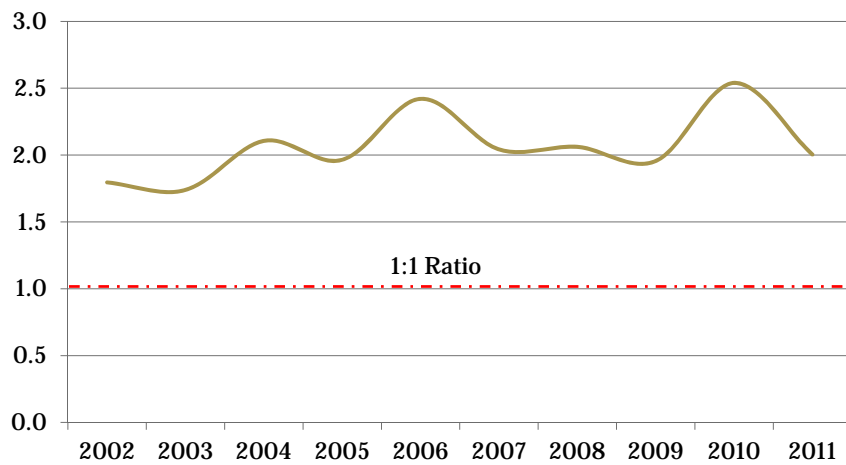


Departmental Expenditure

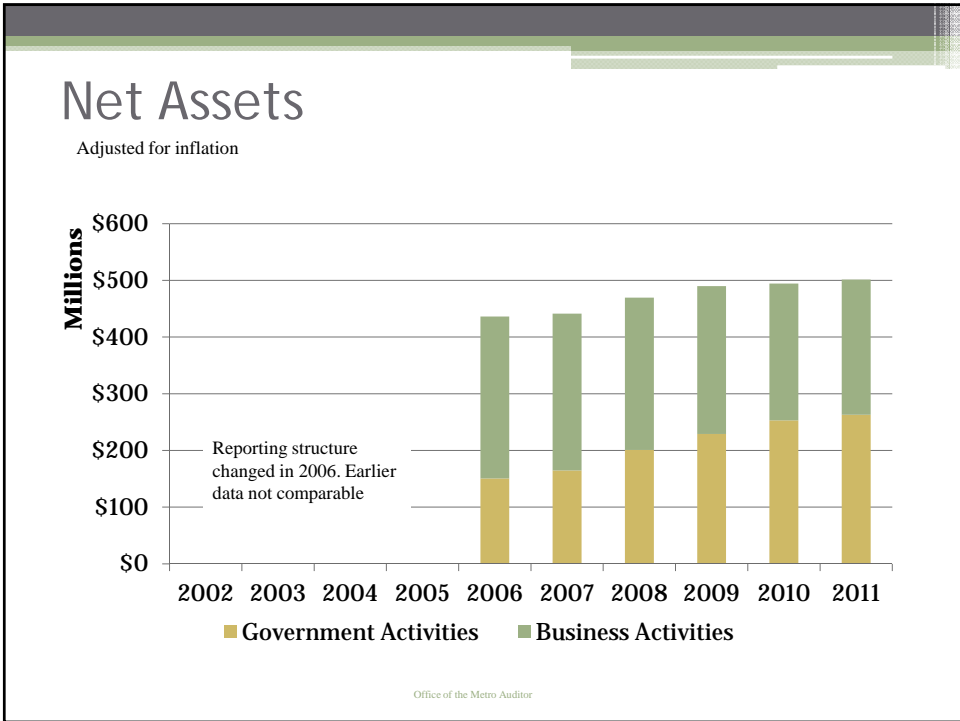
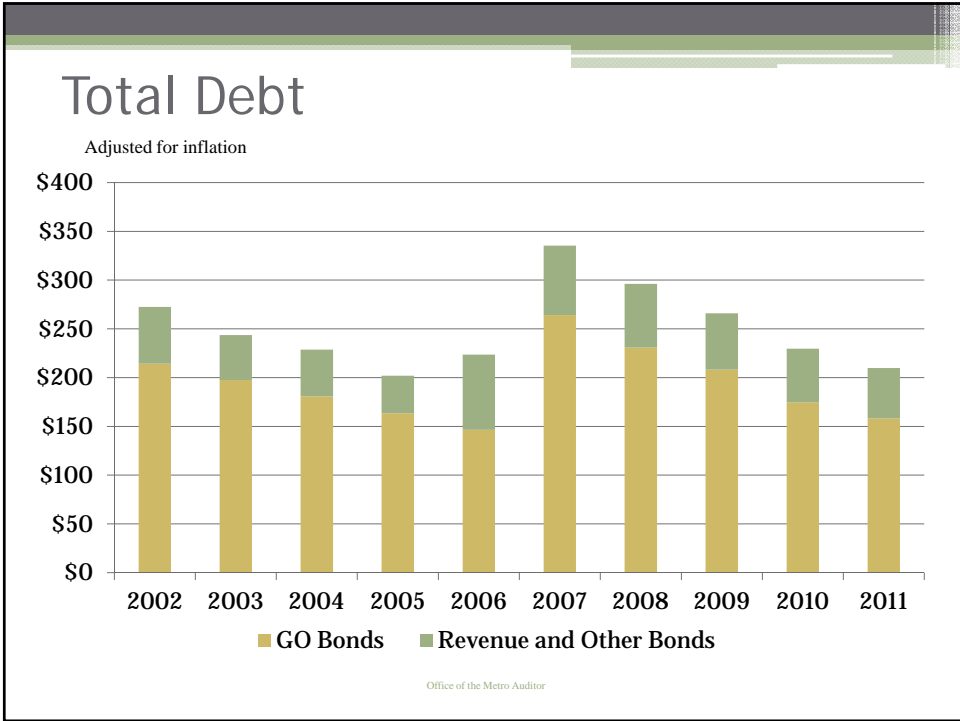
	FY11 Total Expenditure	10 year Trend
Planning	\$ 10,357,803	-19%
PES	\$ 42,510,268	-12%
Auditor	\$ 612,596	-3%
Zoo	\$ 25,841,695	10%
IS	\$ 2,884,515	20%
FRS	\$ 5,191,142	31%
MERC	\$ 42,414,375	45%
OMA	\$ 1,839,519	53%
DRC	\$ 4,196,799	54%
Council	\$ 3,264,909	57%
Sustainability	\$ 20,857,916	85%
HR	\$ 1,817,978	100%
Communications	\$ 2,368,447	114%

Office of the Metro Auditor

Liquidity

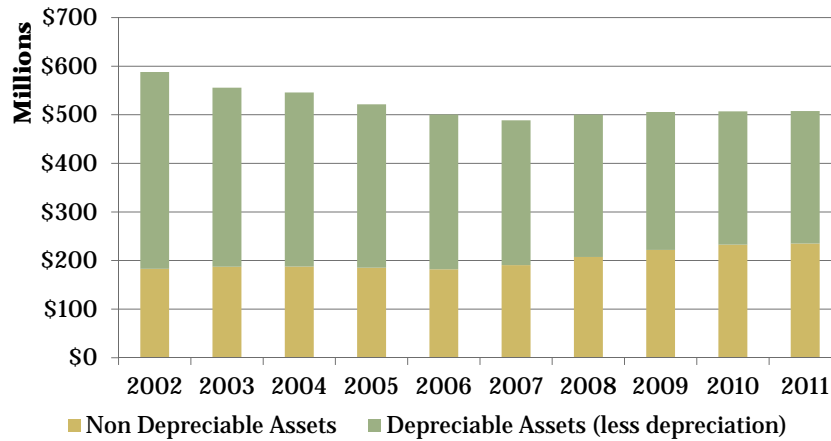


Office of the Metro Auditor



Capital Assets

Adjusted for inflation



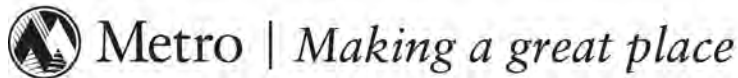
Office of the Metro Auditor

Office of the Metro Auditor

Demographic/Economic Trends

- Per capita income increased slightly (0.4%)
- Increasing unemployment rate and decline in jobs 2008 and 2009
- Value of new construction declined 71% from 2005

Questions?



METRO COUNCIL MEETING

Meeting Summary

June 14, 2012

Metro, Council Chamber

Councilors Present: Council President Tom Hughes and Councilors Rex Burkholder, Barbara Roberts, Carl Hosticka, Kathryn Harrington, Carlotta Collette and Shirley Craddick

Councilors Excused: None

Council President Tom Hughes convened the regular council meeting at 2:02 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

There were none.

3. FOLLOW-UP AUDIT TO THE 2009 AUDIT OF METRO'S SUSTAINABILITY MANAGEMENT PROGRAM

Metro Auditor Ms. Suzanne Flynn and Mr. Brian Evans provided a brief presentation on the recently completed follow-up audit on Metro's sustainability management practices. The original audit, completed in 2009, contained 11 recommendations to help improve the efficiency and effectiveness of Metro's sustainability efforts. The purpose of the follow-up audit was to determine the status of the original recommendations.

Mr. Evans quickly overviewed the follow-up audit's scope and methodology, results and recommendations for moving forward. The Auditor's Office determined that 9 of the 11 original recommendations had been implemented over the past three years. The two outstanding recommendations, currently in progress, address developing a funding structure and assessing the cost and potential economic and environmental benefits of sustainability activities. The Auditor's Office encouraged staff to continue to address the two outstanding recommendations, and recommended two additional areas management should focus its efforts in the future:

- Monitor and improve data quality and note changes in data when comparing year-to-year results in the annual report; and
- Continue to solicit feedback about training needs and provide training when appropriate.

Ms. Molly Chidsey of Metro thanked the Auditor for the report and provided management's response. Ms. Chidsey agreed with the recommendations to continue to establish a strong funding structure, assess the cost and benefits, and to include prioritization criteria. She provided a few examples of how staff is currently working to address the 2009 recommendations (e.g. working with FRS to identify available renewal and replacement funds). Ms. Chidsey also noted that the FY 11-12 annual report is anticipated for fall 2012.

Council thanked the Auditor and Metro staff. Discussion included the new touch screen panel in the lobby of the Metro Regional Center.

4. CONSIDERATION OF THE MINUTES FOR MAY 24, 2012

Motion:	Councilor Barbara Roberts moved to approve the Council minutes for May 24, 2012.
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Vote:	Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick, Collette and Harrington voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .
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5. ORDINANCES – FIRST READING

5.1 **Ordinance No. 12- 1279**, For the Purpose of Amending the FY 2011-12 Budget and Appropriations Schedule and Amending the FY 2011-12 through FY 2015-2016 Capital Improvement Plan.

Second read, public hearing, and Council consideration and vote are scheduled for Thursday, June 21. Councilor Rex Burkholder was assigned as carrier for the legislation.

5.2 **Ordinance No. 12- 1280**, For the Purpose of Amending and Re-Adopting Metro Code 7.03 (Investment Policy) for Fiscal Year 2012-2013.

Second read, public hearing, and Council consideration and vote are scheduled for Thursday, June 21. Councilor Carl Hosticka was assigned as carrier for the legislation.

6. ORDINANCES – CARRIED OVER

6.1 **Ordinance No. 12-1278**, For the Purpose of Amending the Regional Transportation Functional Plan to Remove the Schedule for Updating City and County Transportation System Plans; to Add an Exemption Process; and to Revise Procedures for Extensions and Exceptions.

Council President Hughes confirmed that the following motion was carried over from the May 24 Council meeting.

Motion:	Councilor Carlotta Collette moved to approve Ordinance No. 12-1278.
Second:	Councilor Kathryn Harrington seconded the motion.

Councilor Collette stated that the ordinance's Exhibit B, *Findings of Fact*, was not available on May 24th and consequently the Council agreed to carry the legislation over to June 14. The Regional Transportation Functional Plan, a subset of the Regional Transportation Plan, is the guide for local jurisdictions on how to comply with the RTP. Oregon's Transportation Planning Rule (TPR) allows for an exemption process for small communities, such as Johnson City or Maywood Park, that don't have the resources or the need – like larger cities – for transportation system planning. Additionally, if approved, the legislation would allow Metro's Chief Operating Officer to provide extensions to communities that are behind in completing their transportation system plans. Councilor Collette stated that the schedule of deadlines will be removed from the RTFP and placed in an appendix of the full RTP. She also stated that the Findings indicate that only Oregon's land use

and transportation planning goals – goals 2 and 12 respectively – are affected by the proposed changes. The Joint Policy Advisory Committee on Transportation (JPACT) unanimously approved the ordinance.

Council President Hughes opened a public hearing. Seeing no citizens who wished to testify, the public hearing was closed.

Council clarified that while certain jurisdictions may qualify for exemptions, approval of the ordinance does not automatically grant an exemption – an application would still be required. Additionally, councilors clarified that interested parties may easily access to the schedule of deadlines online at www.oregonmetro.gov.

Vote:

Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick, Collette and Harrington voted in support of the motion. The vote was 7 ayes, the motion <u>passed</u> .

7. ORDINANCES – SECOND READ

7.1 **Ordinance No. 12-1274**, For the Purpose of Adopting the Annual Budget for Fiscal Year FY 2012-13, Making Appropriations, Levying Ad Valorem Taxes, and Authorizing an Interfund Loan.

Council President Hughes stated that there was currently a motion on the floor, moved on May 3, 2012, to approve Ordinance No. 12-1274.

Council President Hughes opened a public hearing on Ordinance No. 12-1274. Seeing no citizens who wished to testify, the public hearing was closed.

Council President Hughes opened the meeting for council discussion and councilor-proposed amendments.

AMENDMENT #1:

Motion:	Councilor Kathryn Harrington moved to replace the budget note previously approved by the Council on May 3, 2012 with the following: <u>“Before budget adoption, Council will review and approve the program and spending plan for the Community Investment Initiative. The Metro Council will approve a program work plan for Metro’s involvement in the Community Investment Initiative during the first quarter of FY 2012-13, which will identify key direction and decision points for the Metro Council.”</u>
Second:	Councilor Rex Burkholder seconded the motion.

Discussion: Councilor Harrington stated that the proposed budget note memorializes Metro’s actions and the need for a bit more internal work.

Councilors expressed their support of the motion. Members stated that the proposed amendment will help to provided clarity in Metro’s role and partnership in the CII.

Vote: Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick, Collette and Harrington voted in support of the motion. The vote was 7 ayes, the motion passed.

AMENDMENT #2:

Motion:	Councilor Burkholder moved to include the following budget note in the FY 2012-13 budget: <u>“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.”</u>
Second:	Councilor Barbara Roberts seconded the motion.

Discussion: Councilor Burkholder noted that the Council discussed councilor-proposed amendments in-depth at the May 19 work session.

Vote: Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick, Collette and Harrington voted in support of the motion. The vote was 7 ayes, the motion passed.

AMENDMENT #3:

Motion:	Councilor Burkholder moved to include the following budget note in the FY 2012-13 budget: <u>“The Chief Operating Officer will prepare for Council consideration a proposal establishing the guidelines for spending plan for Reserve for Future One-Time expenditures (or successor name) as part of the regular budget process.”</u>
Second:	Councilor Collette seconded the motion.

Discussion: Similarly to Amendment #2, councilors noted that the full Council discussed councilor-proposed amendments in-depth at the May 19 work session.

Vote: Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick, Collette and Harrington voted in support of the motion. The vote was 7 ayes, the motion passed.

AMENDMENT #4:

Motion:	Councilor Burkholder moved to amend the FY 2012-13 budget to increase appropriations in the Research Center by \$60,000, add 0.5 FTE limited duration GIS Specialist for one year, to be funded by reducing the budgeted Opportunity Fund by \$60,000.
Second:	Councilor Collette seconded the motion.

Discussion: Councilor Burkholder, with assistance from Metro staff Ms. Lake McTighe, introduced Amendment #4. The amendment, if approved, would fund the standardization of data and the collection of data, on a regional level, for pedestrian facilities. The information collected will be used to improve Metro’s models and provide jurisdictions information on

how they rate in regards to providing safe pedestrian facilities and where to target future investments.

Staff clarified that the one-year position would work with local partners to identify a shared methodology and process for data collection and that a schedule for data maintenance would be determined – for example updates may occur as part of the larger RTP.

Councilors expressed their support for the amendment. Councilors stated that the proposed amendment would provide better uniform data and help to prioritize future pedestrian improvements in transportation corridors. General discussion included benefits the data collected will have for local partners, and the need to develop criteria for allocating Opportunity Fund monies in the future.

Vote: Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick, Collette and Harrington voted in support of the motion. The vote was 7 ayes, the motion passed.

AMENDMENT #5:

Motion:	Councilor Hosticka moved to approve the department technical amendments en bloc.
Second:	Councilor Burkholder seconded the motion.

Vote: Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick, Collette and Harrington voted in support of the motion. The vote was 7 ayes, the motion passed.

Motion:	Councilor Harrington moved to direct staff incorporate all actions taken at the June 14 meeting into an "A" version of the ordinance to be considered at the Thursday, June 21 st .
Second:	Councilor Shirley Craddick seconded the motion.

Vote: Council President Hughes, and Councilors Burkholder, Roberts, Hosticka, Craddick, Collette and Harrington voted in support of the motion. The vote was 7 ayes, the motion passed.

8. CHIEF OPERATING OFFICER COMMUNICATION

Ms. Martha Bennett updated the Council on four items; (1) on June 12 the City of Troutdale passed an ordinance satisfying compliance with Title 13; (2) Oregon Court of Appeals ruled in favor of Metro in the Construction Excise Tax lawsuit; (3) former Metro COO Michael Jordan will receive an University of Oregon award for his public service; and (4) the unfortunate passing of former Metro Councilor Ruth McFarland. Councilors shared memories of Ms. McFarland.

9. COUNCILOR COMMUNICATION

Councilor updates on recent meetings or events included the Metro Policy Advisory Committee tour of the Troutdale Reynolds Industrial Park, JPACT meeting, Transit Oriented Development Steering Committee meeting, and Great Downtowns event.

Upcoming events or trips highlighted included the Celebration at Canemah Bluffs, Metro's participation in Pride week, Councilor Collette's trip to the Three Rivers Park District's 2012 Special Parks District Forum in Michigan, and Councilor Burkholder's trip to California for a conference that will address infrastructure financing and sustainability. Additional updates included Councilor Roberts acceptance of the Farmworker Housing Development Corporation's award for her contributions to the farmworker community.

10. ADJOURN

There being no further business, Council President Hughes adjourned the regular meeting at 3:35 p.m. The Council will reconvene the next regular council meeting on Thursday, June 21 at 2 p.m. at the Metro Council Chamber.



Kelsey Newell, Regional Engagement Coordinator

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JUNE 14, 2012

Item	Topic	Doc. Date	Document Description	Doc. Number
4.	Minutes	5/24/12	May 24, 2012 Council minutes	61412c-01
7.2	Memo	6/14/12	From: Kathryn Harrington RE: Proposed budget note to the FY 12-13 budget	61412c-02
7.2	Memo	6/14/12	From: Rex Burkholder RE: Proposed budget amendments to the FY 12-13 budget	61412c-03

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE) RESOLUTION NO. 12-4355
CHIEF OPERATING OFFICER TO ENTER INTO)
A LEASE WITH CITY OF PORTLAND PARKS) Introduced by Councilor Shirley Craddick
AND RECREATION AND WORLD FORESTRY)
CENTER FOR THE WEST PARKING LOT IN)
WASHINGTON PARK)

WHEREAS, Metro owns and operates the Oregon Zoo, a premier destination recreation and educational venue located in the midst of the City of Portland’s Washington Park; and

WHEREAS, the Oregon Zoo benefits from the use of the Washington Park Parking Lot, which is owned by the City of Portland but leased to Metro and the World Forestry Center, under the terms of the Parking Lot Lease and Parking Lot Operating Agreement, which requires that the Washington Park Parking Lot be operated for the benefit of visitors to the Oregon Zoo, the World Forestry Center, Portland Children’s Museum, and Washington Park (the “Attractions”); and

WHEREAS, the West Lot, previously known as the Auxiliary Lot and located between the Portland Children’s Museum (PCM) and World Forestry Center (WFC), consists of approximately 120 additional spaces and serves a valuable role for several of the Attractions, but rights to use and manage the West Lot have never been formally granted by lease from the City of Portland to the Oregon Zoo and the World Forestry Center; and

WHEREAS, the Attractions wish cooperate to obtain land use approval to ratify the use of the West Lot for parking by the visitors to the Attractions, by seeking a conditional use permit from the City of Portland;

WHEREAS, in order to be official applicants for said conditional use permit on City of Portland real property, Metro and the World Forestry Center must own the property or have an interest in the West Lot; and

WHEREAS, the Zoo therefore wishes to lease the West Lot from the City of Portland for the duration of the Parking Lot Lease and Parking Lot Operating Agreement

WHEREAS, Metro Code Section 2.04.026 requires that the Chief Operating Officer obtain the authorization of the Metro Council prior to the execution of the following types of contracts: (1) any agreement with another government entity by which Metro acquires any interest in real property , and (2) any contract for the lease of real property; now, therefore,

BE IT RESOLVED that the Metro Council:

Authorizes the Metro Chief Operating Officer to enter into the West Lot Parking Lease with Portland Bureau of Parks and Recreation and the World Forestry Center, attached as Exhibit A hereto.

ADOPTED by the Metro Council this 21st day of June, 2012.

Tom Hughes, Council President

Approved as to Form:

Alison Kean Campbell, Metro Attorney

**2012 WEST LOT PARKING LOT LEASE
BETWEEN METRO AND THE CITY OF PORTLAND**

This 2012 WEST PARKING LOT LEASE is made and entered into as of the ___ day of June, 2012, by and between the CITY OF PORTLAND, a municipal corporation of the State of Oregon (“CITY”), METRO, a municipal corporation of the State of Oregon (“METRO”), and the WORLD FORESTRY CENTER, an Oregon nonprofit corporation (“WFC”).

RECITALS

WHEREAS, METRO, a municipal corporation, operates the Oregon Zoo, formerly the Metro Washington Park Zoo (“Zoo”), in Washington Park, Portland, Oregon; and

WHEREAS, WFC operates the Discovery Museum, the Julian N. Cheatham Hall, the Harold A. Miller Hall, and the Harry A. Merlo Hall, where it conducts its activities, programs, and functions (the “Center”), and has operated its Center for the use, education, enjoyment, and benefit of the general public on land in Washington Park it has leased from the CITY; and

WHEREAS, the CITY leased to METRO, WFC, and the OREGON MUSEUM OF SCIENCE AND INDUSTRY, an Oregon nonprofit corporation (“OMSI”), the parking lot adjacent to METRO’s Zoo, the WFC’s Center, and the Washington Park OMSI operation (the “Main Parking Lot”), under a 35-year lease entered into in 1979 (“Parking Lot Lease”); and

WHEREAS, METRO, OMSI, and the WFC entered into an Operating Agreement dated April 10, 1979, and amended said Agreement on October 21, 1994 by means of the 1994 Parking Lot Operating Agreement, which currently governs the use, operation, and maintenance of the Main Parking Lot by METRO, the WFC, and the CITY for the public attending their facilities; and

WHEREAS, on November 20, 1997, OMSI reconveyed its leasehold interest in the real property housing its Washington Park operation to the CITY, and the Children’s Museum (“CM2”) now occupies the former OMSI improvements under an agreement with the CITY; and

WHEREAS, during the construction of the light rail station in the Main Parking Lot, approximately 200 permanent parking spaces were lost in the Main Parking Lot, and a portion of the real property leased by the CITY to OMSI and located immediately adjacent to and between OMSI and WFC was converted to a temporary parking lot as further described and depicted herein (this adjacent parking lot is referred to as the “West Parking Lot”) under a Permit of Entry from the CITY date June 30, 1998; and

WHEREAS, it is in the public interest for METRO and the WFC to continue operating and maintaining the West Parking Lot for public parking to serve the visitors to the Zoo, WFC, CM2 and Washington Park, and the parties agree that the West Parking Lot should be included in the premises leased to Metro and WFC for parking purposes; and

WHEREAS, METRO, WFC, and the CITY have entered into this 2012 West Parking Lot Lease, for the purposes of leasing the West Parking Lot to METRO and WFC under substantially similar terms as the existing Parking Lot Lease and for a period of time coterminous with the end of same; and

WHEREAS, CITY, METRO and WFC, and potentially other Washington Park venues intend to submit a new, joint conditional use permit application to the City Bureau of Development Services seeking permanent approval of this shared parking lot in order to provide adequate parking for venue visitors. NOW, THEREFORE, the parties hereto covenant and agree as follows:

1. Leasehold. CITY hereby leases METRO and the WFC the West Park Parking Lot, situated in the City of Portland, County of Multnomah, State of Oregon, and more particularly depicted in Exhibit A attached hereto.

2. Term. The term of the lease shall begin on the last date of signature affixed hereto, and shall extend to April 10, 2014, the date the Parking Lot Lease expires, or upon termination of the existing Parking Lot Lease.

3. Rent. METRO and the WFC agree to pay as rent for the West Parking Lot the sum of \$1 per year, payable on the tenth day of each lease year.

4. Use, Management, Operations, Maintenance and Improvements. METRO, the WFC, and the CITY agree to use the West Parking Lot as a parking lot for the Zoo, WFC, CM2, and Washington Park visitors. Except as otherwise set forth herein, the West Parking Lot will be operated and used in accord with the terms of the Parking Lot Lease and the 1994 Operating Agreement between the parties, the terms of which are hereby ratified, confirmed and incorporated herein.

5. Notices. All notices and communications from one party to the other on legal matters and disputes shall be sent:

To METRO: The Zoo Director
Oregon Zoo
4001 S.W. Canyon Road
Portland, Oregon 97221-2705
Telephone: (503) 226-1561
Fax: (503) 226-6836

and METRO Attorney
600 N.E. Grand Avenue
Portland, Oregon 97232-2799
Telephone: (503) 797-1528
Fax: (503) 797-1792

WFC President

World Forestry Center
4033 S.W. Canyon Road
Portland, Oregon 97221-2760
Telephone: (503) 228-1367
Fax: (503) 228-3624

and

Secretary and Legal Counsel of the WFC
Miller, Nash LLP
111 S.W. Fifth Avenue, Suite 3500
Portland, Oregon 97204-3638
Telephone: (503) 224-5858
Fax: (503) 224-0155

To CITY:

Parks Director
1220 S.W. Fifth Avenue
Portland, Oregon 97204-1909
Telephone: _____
Fax: _____

and

City Attorney
1220 S.W. Fifth Avenue
Portland, Oregon 97204-1909
Telephone: (503) 823-4047
Fax: (503) 823-3089

6. Conflicting Terms: Except as specifically set forth herein to the contrary, all the terms and conditions of the Parking Lot Lease and 1994 Operating Agreement shall govern the agreement between the parties as to the West Parking Lot. In the event a conflict arises between this 2012 West Parking Lot Lease and the terms and conditions of the Parking Lot Lease or 1994 Parking Lot Operating Agreement, the terms and conditions of this West parking Lot Lease shall control as to the West Parking Lot.

IN WITNESS WHEREOF each party has caused this 2012 West Parking Lot Lease to be executed in duplicate by authority of its board of directors or executive board committee, its commissioners, or its council as of the date first above written.

CITY OF PORTLAND

METRO

By: _____

By: _____

Title: _____

Title: _____

WORLD FORESTRY CENTER

By: _____

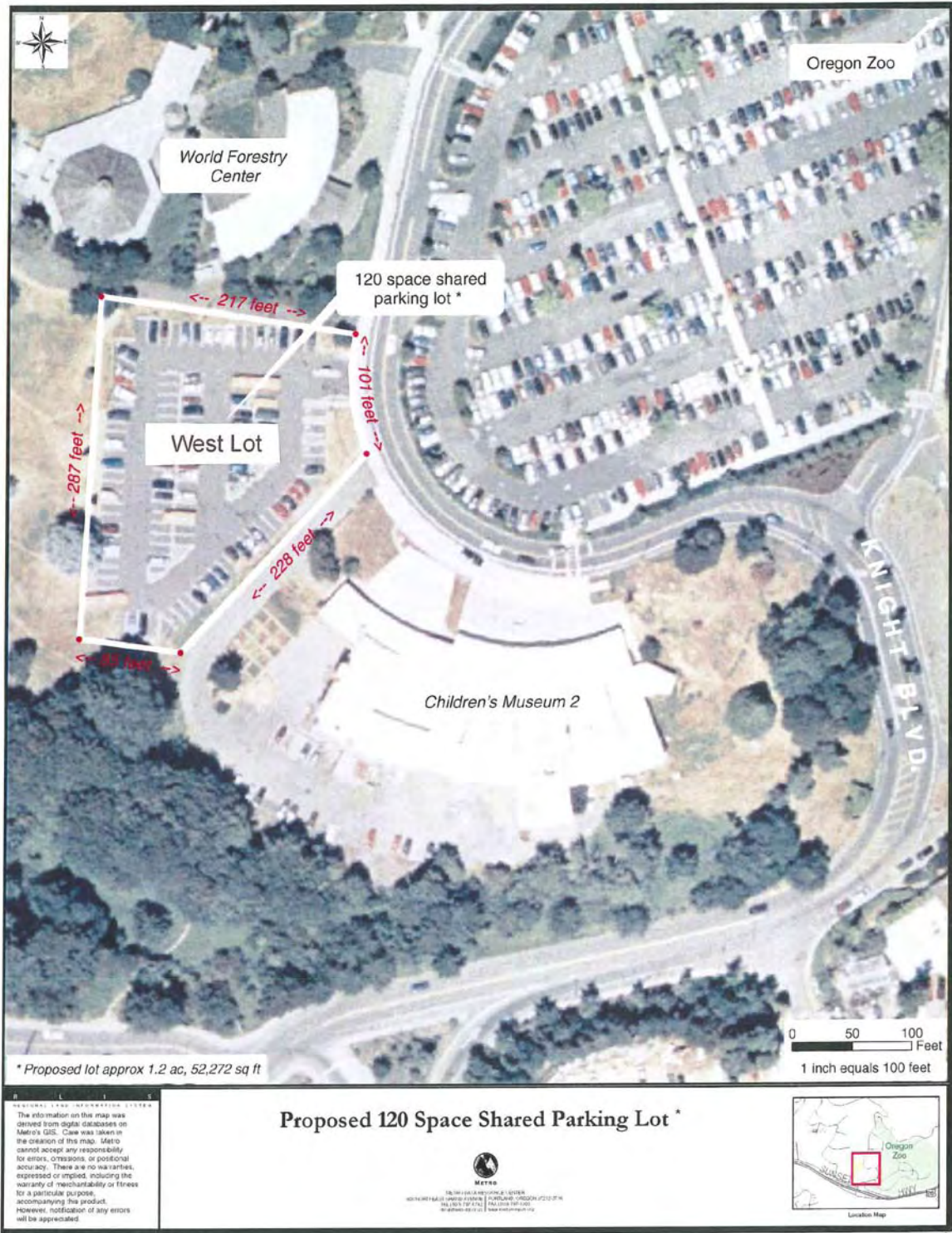
Title: _____

APPROVED AS TO FORM:

Harry Michael Auerbach
Deputy City Attorney

Joel Morton
Senior Assistant Metro Attorney

Dean D. DeChaine
Attorney for World Forestry Center



STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 12-4355, FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING OFFICER TO ENTER INTO A LEASE WITH CITY OF PORTLAND PARKS AND RECREATION AND WORLD FORESTRY CENTER FOR THE WEST PARKING LOT IN WASHINGTON PARK .

Date: June 21, 2012

Prepared by: Cheryl Twete
503.797.1774

BACKGROUND

For the past several months, staff has been working on a variety of new parking and access management tools for Washington Park with Portland Parks and Recreation (PP&R) staff, as well as the other venues within the Park. Staff anticipates returning to Council with a new parking and access management agreement in September 2012.

In the meantime, as part of our land use strategy, staff has determined, in partnership with PP&R, that separating the small parking lot known as the West Lot from the zoo's new conditional use master plan application is the best approach for addressing its future land use status. In the past, the surrounding neighborhood associations did not support the lot receiving permanent status and challenged the city's approvals. After a five-year appeal process, Metro chose to remove the West Lot permanent approval request from the zoo's conditional use master plan which was subsequently approved by the city in 2003. Since then, Metro has worked with the City to pursue a new conditional use approach for permanent approval.

Today, the West Lot, previously known as the Auxiliary Lot and located between the Portland Children's Museum (PCM) and World Forestry Center (WFC), consists of approximately 120 spaces and serves a valuable role for several attractions.

PP&R and Metro will be co-applicants with along with the Portland Children's Museum, World Forestry Center and Hoyt Arboretum for the West Lot Conditional Use Application. The purpose of the conditional use application is to request permanent land use approval for the West Lot, which is integral to the overall parking supply at the south end of Washington Park. It will be considered under a Type III or Hearings Officer decision-making process, so that any interested party may participate. Because it is no longer associated with the zoo's conditional use master plan, staff hopes that the zoo's bond program will not be impacted.

Staff has negotiated a new, short-term lease for the West Lot with PP&R and the World Forestry Center. This lease is expected to be terminated and superseded by a new parking management agreement that will result in PP&R taking over parking management of all Washington Park parking (including this West Lot). The new lease is necessary for the West Lot conditional use application and is structured similarly to the current Main Parking Lot lease (1979) in that:

1. Parties to the lease are identical – PP&R, WFC and Metro; and
2. The use, management operations, maintenance and improvements provisions are in accord with the terms of the Main Parking Lot lease and the 1994 Operating Agreement; and

3. The term expires April 10, 2014, concurrent with the Main Parking Lot lease; and
4. The rent is \$1/year.

A copy of the proposed lease is attached to Resolution No. 12-4355.

ANALYSIS/INFORMATION

1. **Known Opposition** – The Sylvan-Highlands Neighborhood Association and the Arlington Heights Neighborhood Association have been opposed to use of the West Lot in the past. They believe that the West Lot parking would be unnecessary if enough visitors used light rail to travel to Washington Park, and as a result the West Lot could then be torn out and replanted. Metro and PP&R have engaged in a public process with the neighbor associations to describe a) why this lot is necessary from a transportation management standpoint; b) what the benefits are to the neighborhood for its permanent operation; c) to better understand the neighborhood's issues and opportunities; and d) to develop a new, positive working relationship going forward.
2. **Legal Antecedents** Metro Code Section 2.04.026 requires that the Chief Operating Officer obtain the authorization of the Metro Council prior to the execution of the following types of contracts: (1) any agreement with another government entity by which Metro acquires any interest in real property , and (2) any contract for the lease of real property.
3. **Anticipated Effects** – The Oregon Zoo and the World Forestry Center will obtain official leasehold rights to use the West Lot, to be managed together with the main parking lot at the Zoo. This leasehold interest allows Metro to serve as co-applicant with PP&R for the West Lot conditional use application, which if approved will make the West Lot permanent.
4. **Budget Impacts** – the lease rental rate is \$1/year from date of execution (June 2012) to April 10, 2014.

RECOMMENDED ACTION

Approve Resolution No. 12-4355 to authorize the Metro Chief Operating Officer to enter into a West Lot Parking Lease with PP&R and the WFC.

CITY OF TROUTDALE

"Gateway to the Columbia River Gorge"



June 21, 2012

Metro

Attn: Martha Bennett
Chief Operating Officer
600 NE Grand Avenue
Portland, Oregon 97232

Mayor

Jim Kight

City Council

Doug Daoust
Norm Thomas
Glenn White
David Ripma
Rich Allen
Eric Anderson

City Manager

Craig Ward

City Attorney

David J. Ross

Re: City of Troutdale Compliance with Metro Urban Growth
Management Functional Plan, Title 13—Nature in Neighborhoods

Dear Ms. Bennett:

I am pleased to report to the Metro Council that on June 12, 2012 the Troutdale City Council unanimously passed amendments to the Troutdale Development Code for substantial compliance with Metro Urban Growth Management Functional Plan, Title 13—Nature in Neighborhoods. A Notice of Adoption dated June 13, 2012 was previously mailed to you and other interested parties and included a copy of Ordinance No. 814. Ordinance No. 814 embodies the City's findings that current standards and the amendments result in substantial compliance with Metro Title 13.

The amendments are based upon the work sessions between staff, the City Council Negotiating Team and Metro staff held since January 9, 2012, and the City trusts that this action will be acknowledged by the Metro Council as the fulfillment of the City's obligation in this matter.

Sincerely,

Elizabeth A. McCallum, SENIOR PLANNER

for
Craig Ward
City Manager