

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF SUPPORTING STATE ) RESOLUTION NO. 88-973  
LEGISLATION FOR METRO REVENUE )  
RAISING AUTHORITY ) Introduced by the Council  
 ) Intergovernmental  
 ) Relations Committee

WHEREAS, The Metropolitan Service District was created by legislative action in 1977, and a vote of the people within the District boundary in 1978, to address specific regional problems and consolidate and provide regional services; and

WHEREAS, The District currently provides zoo, solid waste disposal, urban growth boundary management, regional transportation planning and development coordination, development and operation of the Oregon Convention Center, and other regional and local government coordination services; and

WHEREAS, The elected Council of the Metropolitan Service District, in order to provide for the District's various services, approved long-range financial principles and policies by adopting Resolution No. 84-444 which provides, in part, for the identification of revenue sources for all Metro functions including the policy-making and administrative costs of the Council and Executive Officer; and

WHEREAS, The District requires additional financing authority to fulfill its legislative and popular service mandates; and

WHEREAS, The Task Force on Metropolitan Regional Government, established in November 1987 by the State and Metro, is completing its charge and, following public hearings in

September and October of this year, will present its report and legislative recommendations to the 1989 State Legislature convening January 1989; now, therefore,

BE IT RESOLVED,

1. That the Council of the Metropolitan Service District supports the financing legislation described in Exhibit A hereto which deals with the revenue raising authority for the District;

2. That the Council in adopting this resolution, hereby submits to the Task Force on Metropolitan Regional Government Exhibit A and its proposed bills and respectfully requests that these bills be included in their report and introduced during the 1989 Legislative session.

ADOPTED by the Council of the Metropolitan Service District this 25th day of August 1988.

  
\_\_\_\_\_  
Mike Ragsdale, Presiding Officer

RES88973.JM  
8/25/88  
JM:gpwb

EXHIBIT A

Bracketed matter is deleted;  
underscored matter is new.

LOCAL GOV'T DUES/REMOVES THE "SUNSET" CLAUSE

A BILL FOR AN ACT

Relating to metropolitan service districts; amending ORS 268.513; and  
declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 268.513 is amended to read:

(1) The council shall consult with the advisory committee appointed under ORS 268.170 before determining whether it is necessary to charge the cities and counties within the district for the services and activities carried out under ORS 268.380 and 268.390. If the council determines that it is necessary to charge cities and counties within the district for any fiscal year, it shall determine the total amount to be charged and shall assess each city and county with the portion of the total amount as the population of the portion of the city or county within the district bears to the total population of the district provided, however, that the service charge shall not exceed the rate of 51 cents per capita [per year] for the fiscal year 1989-1990. In subsequent years, the limit shall be adjusted by an amount equal to 100 percent plus or minus the percentage rate of increase or decrease in the Consumer Price Index. If the adjusted limit results in

a fractional amount, the limit shall be increased to the next whole cent. For the purposes of this subsection the population of a county does not include the population of any city situated within the boundaries of that county. The population of each city and county shall be determined in the manner prescribed by the council.

(2) The council shall notify each city and county of its intent to assess and the amount it proposes to assess each city and county at least 120 days before the beginning of the fiscal year for which the charge will be made.

(3) The decision of the council to charge the cities and counties within the district, and the amount of the charge upon each, shall be binding upon those cities and counties. Cities and counties shall pay their charge on or before October 1 of the fiscal year for which the charge has been made.

(4) When the council determines that it is necessary to impose the service charges authorized under subsection (1) of this section for any fiscal year, each mass transit district organized under ORS chapter 267 and port located wholly or partly within the district shall also pay a service charge to the district for that fiscal year for the services and activities carried out under ORS 268.380 and 268.390. The charge for a mass transit district or port shall be the amount obtained by applying, for the population of the mass transit district or port within the boundaries of the district, a per capita charge that is 12-1/2 percent of the per capita rate established for cities and counties

for the same fiscal year. Subsections (2) and (3) of this section apply to charges assessed under this subsection.

[(5) This section shall not apply to a fiscal year that ends later than June 30, 1989.]

(5) As used in this section "Consumer Price Index" means the United States City Average for All Urban Consumers, All Items, Base Period 1982 through 1984 Equals 100, as compiled by the United States Department of Labor, Bureau of Labor Statistics.

SECTION 2. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect on July 1, 1989.

DEC:gpwb

8/25/88

Bill2.Due

A BILL FOR AN ACT

Relating to metropolitan service districts; amending ORS 268.515.

Be It Enacted by the People of the State of Oregon:

Section 1. Section 2 of this act is added to and made a part of ORS chapter 268.

Section 2. (1) To carry out the powers, functions and duties described in this chapter or to study the potential exercise of all powers and functions specified in ORS 268.312, a district may by ordinance impose excise taxes on any person using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the district.

(2) The imposition of or increase in an excise tax shall not become effective until 90 days after adoption by the District.

DEC:gpwb

8/24/88

Bill13.exc

Bracketed matter is deleted;  
underscored matter is new.

COUNCIL AUTHORITY TO LEVY INCOME TAX

A BILL FOR AN ACT

Relating to metropolitan service districts; amending ORS 268.505.

Be It Enacted by the People of the State of Oregon:

Section 1. ORS 268.505 is amended to read:

(1) To carry out the purposes of this chapter, a district may by ordinance impose a tax:

(a) Upon the entire taxable income of every resident of the district subject to tax under ORS chapter 316 and upon the taxable income of every nonresident that is derived from sources within the district which income is subject to tax under ORS chapter 316; and

(b) On or measured by the net income of a mercantile, manufacturing, business, financial, centrally assessed, investment, insurance or other corporation or entity taxable as a corporation doing business, located, or having a place of

business or office within or having income derived from sources within the district which income is subject to tax under ORS chapter 317 or 318.

(2) The rate of the tax imposed by ordinance adopted under authority of subsection (1) of this section shall not exceed one percent. The tax may be imposed and collected as a surtax upon the state income or excise tax.

(3) Any ordinance adopted pursuant to subsection (1) of this section may require a nonresident, corporation or other entity taxable as a corporation having income from activity both within and without the district taxable by the State of Oregon to allocate and apportion such net income to the district in the manner required for allocation and apportionment of income under ORS 314.280 and 314.605 to 314.675.

(4) If a district adopts an ordinance under this section, the ordinance shall be consistent with any state law relating to the same subject and with rules and regulations of the Department of Revenue prescribed under ORS 305.620.

(5) Any ordinance adopted by the district under subsection (1) of this section shall [receive the approval of the electors of the district before taking effect.] not become effective until 90 days after adoption by the district.



gpwb

8/24/88

Bill.inc

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## EXHIBIT A

Bracketed matter is deleted;  
underscored matter is new.

LOCAL GOV'T DUES/REMOVES THE "SUNSET" CLAUSE

### A BILL FOR AN ACT

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the purposes of this subsection the population of a county does not include the population of any city situated within the boundaries of that county. The population of each city and county shall be determined in the manner prescribed by the council.

(2) The council shall notify each city and county of its intent to assess and the amount it proposes to assess each city and county at least 120 days before the beginning of the fiscal year for which the charge will be made.

(3) The decision of the council to charge the cities and counties within the district, and the amount of the charge upon each, shall be binding upon those cities and counties. Cities and counties shall pay their charge on or before October 1 of the fiscal year for which the charge has been made.

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**DRAFT**

for the same fiscal year. Subsections (2) and (3) of this section apply to charges assessed under this subsection.

[(5) This section shall not apply to a fiscal year that ends later than June 30, 1989.]

(5)

SECTION 2. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect on July 1, 1989.

DEC:gpwb

8/11/88

Bill12.Due

# DRAFT

EXHIBIT B

EXCISE TAX

## A BILL FOR AN ACT

Relating to metropolitan service districts; amending ORS 268.515

Be It Enacted by the People of the State of Oregon:

Section 1. Section 2 of this act is added to ORS Chapter 268

Section 2. (1) To carry out the powers, functions and duties described in this chapter or to study the potential exercise of all powers and functions specified in ORS 268.312, a district may by ordinance impose excise taxes on any person using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the district.

(2) The imposition of or increase in an excise tax shall not become effective until 90 days after adoption by the District.

DEC:gpwb

8/17/88

Bill13.exc

# DRAFT

## EXHIBIT C

Bracketed matter is deleted;  
underscored matter is new.

### COUNCIL AUTHORITY TO LEVY INCOME TAX

#### A BILL FOR AN ACT

Relating to Metropolitan Service Districts; amending ORS 268.505

Be It Enacted by the People of the State of Oregon:

Section 1. ORS 268.505 is amended to read:

(1) To carry out the purposes of this chapter, a district may by ordinance impose a tax:

(a) Upon the entire taxable income of every resident of the district subject to tax under ORS chapter 316 and upon the taxable income of every nonresident that is derived from sources within the district which income is subject to tax under ORS chapter 316; and

(b) On or measured by the net income of a mercantile, manufacturing, business, financial, centrally assessed, investment, insurance or other corporation or entity taxable as a corporation doing business, located, or having a place of

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business or office within or having income derived from sources within the district which income is subject to tax under ORS chapter 317 or 318.

(2) The rate of the tax imposed by ordinance adopted under authority of subsection (1) of this section shall not exceed one percent. The tax may be imposed and collected as a surtax upon the state income or excise tax.

(3) Any ordinance adopted pursuant to subsection (1) of this section may require a nonresident, corporation or other entity taxable as a corporation having income from activity both within and without the district taxable by the State of Oregon to allocate and apportion such net income to the district in the manner required for allocation and apportionment of income under ORS 314.280 and 314.605 to 314.675.

(4) If a district adopts an ordinance under this section, the ordinance shall be consistent with any state law relating to the same subject and with rules and regulations of the Department of Revenue prescribed under ORS 305.620.

(5) Any ordinance adopted by the district under subsection (1) of this section shall [receive the approval of the electors of the district before taking effect.] not become effective until 90 days after adoption by the district.

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**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

- COMMITTEE REPORT ATTACHMENT A -

Date: August 17, 1988  
To: Metro Council  
From: Mike Ragsdale, <sup>m.r.</sup> Presiding Officer  
Regarding: PROPOSED FINANCIAL LEGISLATION

Attached for your information are three proposed bills which deal with revenue raising authority for the District. I have referred these matters to the Intergovernmental Relations Committee with instructions to give them priority consideration for subsequent consideration by the full Council. It is my intent to submit any of these matters that the Council approves to the Task Force on Metropolitan Regional Government and ask that they be included in their report and introduced during the 1989 Legislative session. This proposed legislation is attached as Exhibits A, B and C and discussed below.

Exhibit A: CONTINUES LOCAL GOVERNMENT DUES ASSESSMENT AUTHORITY

The proposed bill does three things 1) it removes the "sunset" clause on the dues assessment authority; 2) it provides an "escalator" clause tied to the CPI for future dues assessments beginning in FY 1990-91; and 3) it includes an emergency clause so the legislation will be effective on passage, thus enabling the District to make dues assessments for FY 1989-90.

The effect of this bill is to authorize the Council to continue assessing cities, counties, Tri-Met and the Port of Portland a service charge to support planning services and activities. As you know, the District has relied on this source of revenue for the past nine years to fund in part the transportation planning, data services and local government assistance programs. The local government assessments produce approximately \$625,000 a year and have been an essential source of revenue for these functions. Unless the District has another source of revenue, it makes sense to continue to fund these functions from this generally acceptable source.

The emergency clause is necessary because we will be in the FY 1989-90 budget process during the legislative session and must notify the local governments of our intent to levy the assessment during this period of time and collect the revenue after July 1, 1989.

The "escalator" clause is proposed as a way to index the dues so they can meet inflating or deflating changes in the economy. The District dues level has been at its cap since FY 1985-86, thus the revenue has

decreased relative to the costs of doing business. The Consumer Price Index as defined in ORS 327.075(4) is as follows:

". . . means the Consumer Price Index for All Urban Consumers of the Portland, Oregon, Standard Metropolitan Statistical Area, as compiled by the United States Department of Labor, Bureau of Labor Statistics."

The Data Services section has indicated that the latest CPI information available for the Portland "All Urban Consumer" is for the period from July 1, 1986 to June 30, 1987. The increase in the CPI for this period was 1.6 percent. Based on this information, if this "escalator" clause were in effect during that period the dues would have been an amount not to exceed \$.52 (rounding up since the actual increase was .8 of one cent. The Data Services section suggests that a more reliable or stable (because the sample size is larger) index might be the "U.S. Cities Average." Information on this index is provided on a more frequent basis also. The increase in the "U.S. Cities Average" during this same period was 3.7 percent which would put the dues at \$.53 per capita. A one cent increase in the dues equates to approximately an additional \$9,500.

Exhibit B:            AUTHORITY TO LEVY AN EXCISE TAX ON DISTRICT SERVICES

This bill adds language to chapter 268 ORS to authorize the Council to levy a tax on persons using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by the District. The Council may use the proceeds from such a tax or taxes to fund any activity of the District including the study of additional functions which the District may be authorized to provide. This bill is substantially the same as legislation passed during the 1985 session which was subsequently vetoed by Governor Atiyeh. A similar bill was introduced in the 1987 session, passed the House and was tabled in the Senate Intergovernmental Affairs Committee.

This bill is consistent with the current District Long Range Financial Policies which call for a new source of revenue to fund the general government costs of the District. Resolution No. 84-444 provides the policy regarding general government costs as follows:

- "1. General government and mandated services shall have an external source of revenue to cover their direct costs and to pay their share of support service.
2. When specific funds are identified for general government and mandated services, interfund transfers shall no longer be used to support these activities.

3. The support services functions of the General fund shall be totally financed from all operating funds on the basis of actual use."

General government and mandated services were defined as the costs of the Council, Executive Officer and costs of conducting elections for the elected positions of the District. The rationale for the District's adopted Long Range Financial Policies is explained in Attachment 1 (memo dated January 3, 1984). To a great extent the situation that is described in that memo is still relevant today. The Zoo is funded approximately 50 percent from a three-year serial levy (which expires on June 30, 1989), and the local government assessment authority expires at the end of this fiscal year. The major differences are that the dues are now budgeted directly in the Planning Fund and the Convention Center Project and the Metro E-R Commission have been added as functions which pay "overhead" charges to the General Fund. The chart on page 6 of Attachment 1 shows the basic relationship of the proposed General Government Fund to the Support Service Fund. The Convention Center Project fund and the Metro E-R Commission Fund should be added as funds which would pay overhead costs to the Support Service Fund. The Support Service Fund would include costs for Finance and Administration, Public Affairs and Office of General Counsel.

The recent deliberations on the FY 1988-89 budget have highlighted the need to find an additional source of revenue to help pay for the costs of Metro's general government and support service. These costs have risen dramatically in the past two years and are taking substantial amounts of resources from the District's operating functions which could be applied to direct costs of those functions. This is particularly true of the Convention Center Project which has a fixed amount of revenue with which to construct and open the Convention Center facility.

The potential impact of obtaining a source of revenue to implement the Council's policy quoted above is shown on Attachment 2 which shows a revised General Government Fund and Support Service Fund based on the current adopted FY 1988-89 General Fund. Based on the assumptions shown in Attachment 2, the General Government Fund expenditures would total approximately 1.33 million dollars including an estimated \$300,000 for its share of Support Services. The estimated tax revenue needed is 1.2 million dollars. The central "overhead" charges (Support Service Fund) would be reduced from its current 4.0 million to approximately 3.1 million dollars.

Attachment 3 shows the estimated impact of such charges on the level of transfers from the operating funds for "overhead" services. Attachment 3 shows a reduction for each current contributing fund and the addition of the proposed General Government Fund transfer. It

Metro Council  
August 17, 1988  
Page 4

should be pointed out that these are estimates only based on current information and assumptions. However, a reasonably good picture is provided about the potential impact of such a plan.

Exhibit C: COUNCIL AUTHORITY TO LEVY AN INCOME TAX

This bill authorizes the Council to levy an income tax subject only to the initiative and referendum provisions of the State constitution and statute. The current law requires voter approval prior to an ordinance levying an income tax can take effect. The bill would give Metro the same authority as granted to the appointed Board of Tri-Met.

MR/DEC:gpwb  
Ragsd.817

attachments



# Memo

ATTACHMENT 1

METROPOLITAN SERVICE DISTRICT 527 S.W. HALL ST., PORTLAND, OREGON 97201 503 221-1645  
Providing Zoo, Transportation, Solid Waste and other Regional Services

Date: January 3, 1984  
To: Metro Council  
From: Rick Gustafson, Executive Officer  
Regarding: Long-Range Financial Policies for Metro

## INTRODUCTION

This memo provides a financial blueprint for building a stable, adequate funding base for Metro.

It contains general principles and specific policies which can serve as a guide for making decisions on the elements of Metro's financial structure and sources of funding.

It is a synthesis of the issues, information and financial policies outlined in a series of memos to the Council over the past five months. The memos include:

- "Future Funding--Background Information on Metro Financial Situation," July 26, 1983.
- "The General Fund--Its Relationship to Other Funds and Functions Provided," July 26, 1983.
- "Long-Range Financial Policies for Metro," September 7, 1983.
- "Five-Year Projections for the General Fund," September 8, 1983
- "Preliminary Five-Year Projections for Zoo Operating Fund," September 28, 1983.

This memo also includes background on the current sources of funding for the organization, the system used to support the General fund and the status of Metro's four Operating funds: Zoo, Solid Waste, Planning and General.

## BACKGROUND

In 1977 the Oregon Legislature passed HB 2070 which authorized a popular vote in the tri-county area on the merger of the Metropolitan Service District and the Columbia Region Association of Governments. The bill also provided for a directly elected Council and Executive Officer. While the

enabling legislation authorized a property and/or income tax levy and user fees, it did not provide a specific source of revenue for a General fund within the regional government.

When the voters approved the merger, and Metro began operations in 1979, a General fund was established and funded primarily by a system of justified interfund transfers from the other Operating funds. The funds reflect Metro's organizational structure.

This chart (Figure 1) shows the current relationship between the funds:

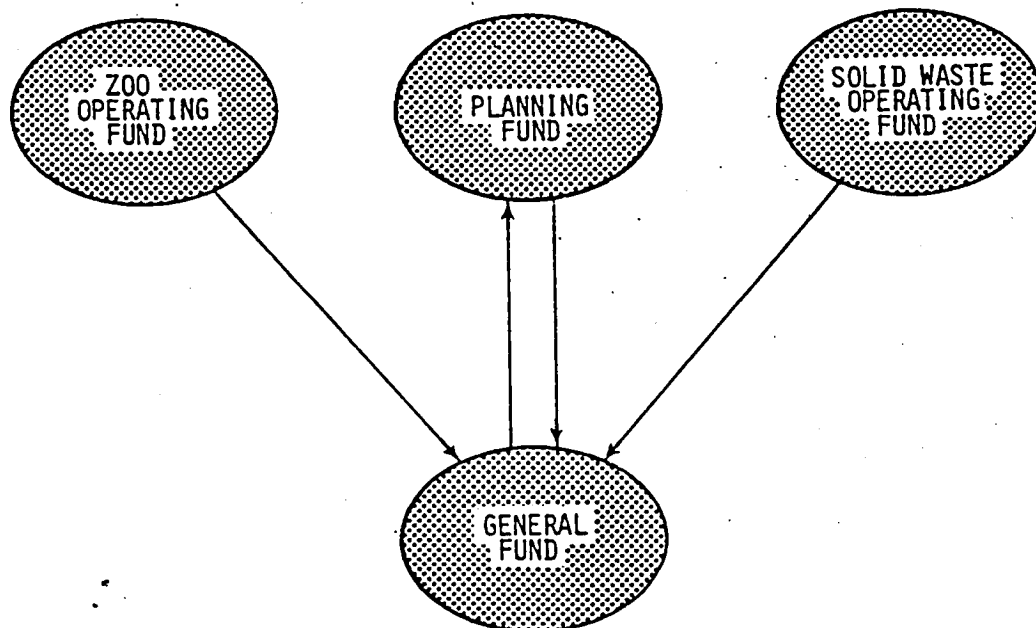


Figure 1

The Zoo and Solid Waste Operating funds receive all of their revenue from external sources, i.e., enterprise funds, special fees, donations (and in the case of the Zoo, property taxes). The Planning fund receives the majority of its revenue from federal and state grants, plus a small portion (about 10 percent) transferred from the General fund.

The General fund receives 70 percent of its revenue as transfers from the other three funds and the balance from local government dues. During the first five years of its existence, Metro was able to carry out its responsibilities with the Operating funds and system of interfund transfers described above. However, two important changes will soon occur:

1) The three-year serial levy that provides half of the Zoo's operating revenue expires June 30, 1984, and 2) the state law requiring local governments to pay the per capita dues assessment to Metro expires June 30, 1985. This chart (Figure 2) depicts the impact of those revenue losses on the four Operating funds.

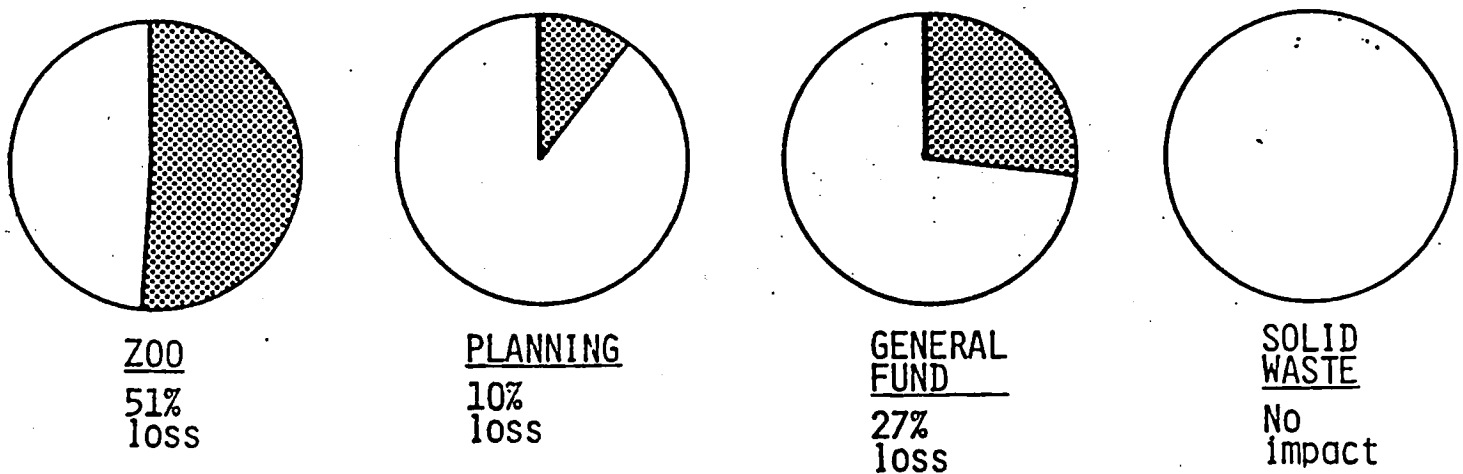


Figure 2

The 10 percent loss in the Planning fund does not include the reduction in federal or state grants that would result from diminished local matching funds.

In preparing to deal with the potential loss of those revenue sources, the Metro Council needs to establish a long-range financial policy for this organization. That policy should meet Metro's assigned responsibilities and also prepare the organization for changes that are expected to occur in the future.

#### FINANCIAL PRINCIPLES AND POLICIES

Over the past five years Metro has demonstrated its ability to effectively operate and improve-the Zoo, has shifted from only planning a solid waste system to operating solid waste facilities, and has maintained a mechanism for providing services and coordinating certain planning and funding activities for local governments, primarily in transportation.

To assist the Council achieve the broad goal of providing financial stability for Metro, the following general principles are recommended:

1. Each functional area must have identified sources of revenue;
2. Each functional area must prepare a five-year financial plan; and
3. Any new functions assumed by Metro must have a source of funding.

The functional activities of Metro vary both in the nature of their services and in the source of their revenue. Therefore, the following policies are recommended to the Council to aid decision-making in each of the functional areas:

#### General Government/Mandated Services

1. General government and mandated services should have an external source of revenue to cover their direct costs and to pay their share of support services.
2. When specific funds are identified for general government and mandated services, interfund transfers should no longer be used to support these activities.
3. The support services functions of the General fund should be totally financed from all Operating funds on the basis of actual use.

#### Local Assistance and Coordination

1. Local assistance activities carried out by Metro should be funded by the jurisdictions and organizations using those services.
2. Metro should annually review and develop a local assistance program in conjunction with local government users.

#### Zoo Operations

1. The Zoo should rely on the property tax for a portion of its revenues.



2. A ratio of approximately 50 percent tax and 50 percent non-tax revenues should be maintained for funding Zoo operations.
3. The Council should annually review admission fees to assist in meeting Objective 2 above.
4. The Council should develop a policy of maintaining a proper balance between funds used for animal and non-animal capital improvements.
5. The priority for capital investments should be the completion of the Zoo's development and the replacement of non-standard exhibits.

#### Solid Waste Operations

1. A set of financial policies should be prepared for adoption by the Metro Council prior to the beginning of the rate review process in September 1984, and should address disposal rates, regional transfer charges, convenience charges, user fees and other appropriate issues.
2. A five-year financial plan should be prepared for Council consideration.

#### REVISED ORGANIZATIONAL STRUCTURE

The application of the functional area financial policies produces structural changes in the Metro organization. The Zoo and Solid Waste funds remain in their current form. The other two funds change. The Planning fund becomes a Local Assistance fund. The General fund becomes divided into two distinct parts: 1) general government and mandated services, and 2) support services. Support services are provided to all four functional areas, including general government and mandated services and each of the four functional areas pays for support services on the basis of use.

Each functional area fund has its own source of revenue. When a dedicated tax source is secured for the general government and mandated services activities, the interfund transfer system ends to financially support those activities. The chart on the next page (Figure 3) depicts the new organization and funding structure.

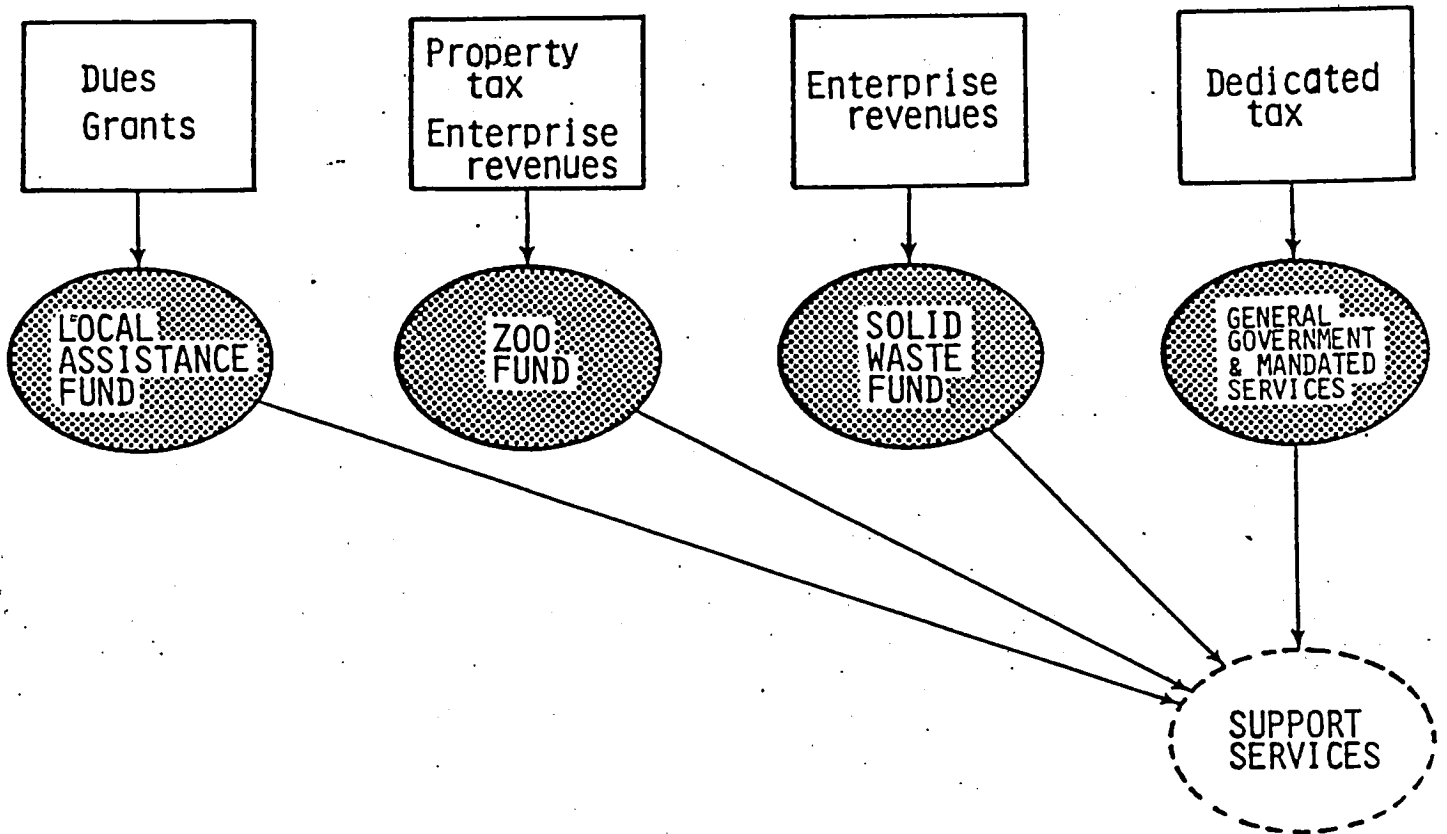


Figure 3

### STRATEGY

When MSD and CRAG were merged, there was a change in organizational structure, but not in the source of funding. In crafting the merger bill in 1977 the Legislature concentrated on the organizational issue. It is now time to focus on Metro's financial structure.

The purpose of this long-range financial strategy is to articulate a set of financial policies that reflect Metro's organizational structure and responsibilities.

Implementation of the financial strategy requires the following actions by the Council:

- By February 1984 complete work on a combined operations and capital three-year serial levy request for the Zoo to be submitted to the voters in May 1984.
- By July 1984 commence a process to seek legislative authorization to revise Metro's tax authority to seek a revenue source for general government and mandated services.

- By September 1984 adopt a five-year financial plan and a set of financial policies for the Solid Waste Department.
- By January 1985 seek agreement with local governments for funding a local assistance and coordination program.

RECOMMENDATION

Council should implement the strategy outlined in this memo in order to provide a stable funding base for Metro in the future.

That can be achieved by renewing the three-year Zoo serial levy, seeking a revenue source for the general government and mandated services fund, reaching agreement with local governments to fund the local assistance program and continuing to emphasize efficiency and economy in the internal structure and management of the organization.

DL/gl  
0455C/363

ATTACHMENT 2

CURRENT GENERAL FUND AND REVISED GENERAL GOVERNMENT  
AND SUPPORT SERVICES FUND

Expenditures

<u>Category</u>	FY 1988-89	Revised 1988-89	
	Adopted <u>Gen. Fund Budget</u>	<u>General Government Fund</u>	<u>Support Serv. Fund</u>
Council	\$ 364,620	\$ 404,620 <sup>a</sup>	
Executive Management	381,641	416,641 <sup>a</sup>	
General Counsel	236,706	0	\$ 236,706
Finance & Admin.	1,912,261	0	1,837,261 <sup>a</sup>
Public Affairs	508,437	0	508,437
SUBTOTAL	<u>\$3,403,665</u>	<u>\$ 821,261</u>	<u>\$2,582,404</u>
Transfers To:			
Building Fund	\$ 237,257	\$ 59,314 <sup>b</sup>	\$ 177,943 <sup>b</sup>
Insurance Fund	12,579	3,145 <sup>b</sup>	9,434 <sup>b</sup>
Planning Fund	50,709	75,000 <sup>c</sup>	50,709
Support Services Fund	0	300,000 <sup>d</sup>	0
SUBTOTAL	<u>\$ 300,545</u>	<u>\$ 437,459</u>	<u>\$ 238,086</u>
Contingency	\$ 217,409	\$ 54,352 <sup>b</sup>	\$ 163,057 <sup>b</sup>
Unappropriated Balance	<u>85,161</u>	<u>21,290<sup>b</sup></u>	<u>63,871<sup>b</sup></u>
TOTAL EXPENDITURES	<u>\$4,006,780</u>	<u>\$1,334,362<sup>e</sup></u>	<u>\$3,047,418<sup>e</sup></u>

a Budgeted election expense of \$75,000 moved from Finance & Administration to Council (\$40,000) and Executive Management (\$35,000) budgets.

b General Fund costs divided between General Government Fund and Support Services Fund and basis of FTE estimated in each new fund (25 percent General Government and 75 percent Support Services).

c Not budgeted in current year, but estimated amount to study additional function to be carried out by Planning & Development Department.

d Not budgeted in current year, but estimated transfer for Support Services (overhead costs).

e Total estimated expenditure of \$4,381,780 which is \$375,000 more than FY 1988-89 General Fund budget.

REVENUE

<u>Category</u>	FY 1988-89	Revised 1988-89	
	Adopted <u>Gen. Fund Budget</u>	<u>General Government Fund</u>	<u>Support Serv. Fund</u>
Fund Balance	\$ 235,000	\$ 58,750 <sup>a</sup>	\$ 176,250 <sup>a</sup>
Interest	108,000	27,000 <sup>b</sup>	81,000 <sup>b</sup>
Excise Tax	0	1,248,612	0
Transfers From:			
Zoo Operating	826,849	0	560,288
Solid Waste Operating	1,296,939	0	884,010
Planning	675,810	0	458,191
Convention Ctr. Proj.	708,230 <sup>c</sup>	0	480,602 <sup>c</sup>
Metro E-R Commission	155,952	0	107,077
General Government	<u>0</u>	<u>0</u>	<u>300,000</u>
<b>TOTAL REVENUE</b>	<b>\$4,006,780</b>	<b>\$1,334,362</b>	<b>\$3,047,418</b>

a General Fund fund balance divided 25 percent for General Government and 75 percent Support Services.

b General Fund interest divided 25 percent for General Government and 75 percent Support Services. These amounts could vary significantly based on active cash flow and transfer policies.

c Amount includes both Project Management Fund and Project Capital Fund.

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ATTACHMENT 3

SUMMARY OF POTENTIAL IMPACT ON TRANSFERS  
FOR OVERHEAD PURPOSES

<u>Category</u>	FY 1988-89 Adopted <u>Gen. Fund Budget</u>	Estimated Support Services <u>Transfer</u>	<u>Difference</u>
Zoo Operating	\$ 826,849 (22.5%)	\$ 560,288 (20.1%)	(\$266,561)
SW Operating	1,296,939 (35.5%)	884,010 (31.7%)	(412,929)
Planning	675,810 (18.4%)	458,191 (16.4%)	(217,619)
Con. Ctr. Proj.	708,230 (19.3%)	480,602 (17.2%)	(227,628)
Metro E-R Com.	155,952 ( 4.3%)	107,077 ( 3.8%)	(48,875)
Gen. Gov't.	<u>0 ( 0%)</u>	<u>300,00 (10.8%)</u>	<u>300,000</u>
 TOTAL	 \$3,663,780 (100.0%)	 \$2,790,168 (100.0%)	 (\$873,612)

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- a General Fund fund balance divided 25 percent for General Government and 75 percent Support Services.
- b General Fund interest divided 25 percent for General Government and 75 percent Support Services. These amounts could vary significantly based on actual cash flow and transfer policies.
- c Amount includes both Project Management Fund and Project Capital Fund.

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**METRO**

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

Agenda Item No. 7.1

Meeting Date August 25, 1988

Date: August 24, 1988

To: Metro Council

From: Councilor Jim Gardner, Chair  
Council Intergovernmental Relations Committee

Regarding: COMMITTEE REPORT ON AUGUST 25, 1988 COUNCIL MEETING  
AGENDA ITEM NO. 7.1 CONSIDERATION OF RESOLUTION NO.  
88-973 FOR THE PURPOSE OF SUPPORTING STATE LEGISLATION  
FOR METRO REVENUE RAISING AUTHORITY

Resolution No. 88-973 serves as the Council's vehicle to present three revenue raising bills (regarding local governmental dues, an excise tax on Metro's services, and income tax authority) to Senator Otto's Task Force on Regional Metropolitan Government. The resolution requests that the Task Force include the bills in their package for the 1989 State Legislative Session beginning January 1989. "Committee Report Attachment A" attached after the resolution is the Presiding Officer's August 17 memo discussing the bills and their impact.

These bills are the first piece in the Council's 1989 legislative package. Additional legislative pieces anticipated to come before the Committee are "housekeeping" language for Metro's Business License Program, Solid Waste legislation and possible measures relating to Metro's governing structure.

Committee discussion and issues: Metro's Government Relations Manager, Greg McMurdo made the following points:

- o Senator Otto supports removal of the Local Governmental Dues sunset clause as presented in Metro's bill.
- o The "All Cities Average" CPI rate should be used to index the local governmental dues because it is more accurate.
- o The excise tax would apply to current services Metro may provide, as delineated in State statute, and would raise General Fund revenue and thus could eliminate current interfund transfers.
- o The income tax bill gives Metro the same authority as Tri-Met to introduce an income tax without prior voter approval, but with a 90-day delayed effective date allowing for a voter referendum.

Councilor Collier voiced concern that Mr. McMurdo review the bills with each of the District's County Chairs so that they are not "blindsided". The Committee agreed to amend the local government dues bill to use the "All Cities Average" CPI rate and to have dues fractions rounded up.

Committee Action: The Council Intergovernmental Relations Committee considered Resolution No. 88-973 at its August 23 meeting and unanimously recommends Council adoption of the resolution.