 **Metro** | *Agenda*

Meeting: Metro Council
Date: Thursday, April 25, 2013
Time: 2 p.m.
Place: Metro, Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATION

3. CONSIDERATION OF THE MINUTES FOR APRIL 11, 2013

4. ORDINANCES – FIRST READ

4.1 Metro Chief Operating Officer Acting as Budget Officer Presents the Proposed Fiscal Year 2013-2014 Budget and Budget Message to the Metro Council Acting as the Budget Committee.

Bennett

4.1.1 **Ordinance No. 13-1300**, For the Purpose of Adopting the Annual Budget for Fiscal Year FY 2013-14, Making Appropriations, Levy Ad Valorem Taxes, and Authorizing an Interfund Loan.

4.1.2 Public Hearing on Ordinance No. 13-1300.

4.2 **Ordinance No. 13-1302**, For the Purpose of Amending Metro Code Chapter 5.02 to Establish Solid Waste Disposal Charges and Recoverable Solid Waste Charges for FY 2013-14.

4.3 **Ordinance No. 13-1301**, For the Purpose of Annexing to the Metro District Boundary Approximately 2.5 Acres Located at 25565 NW Evergreen Road Hillsboro.

4.4 **Ordinance No. 13-1303**, For the Purpose of Amending and Re-Adopting Metro Code 7.03 (Investment Policy) for Fiscal Year 2013-2014.

5. CHIEF OPERATING OFFICER COMMUNICATION

6. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for April 25, 2013 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, April 25</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, April 28, 7:30 p.m. <i>Date:</i> Monday, April 29, 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, April 29, 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, April 27, 11 p.m. <i>Date:</i> Sunday, April 28, 11 p.m. <i>Date:</i> Tuesday, April 30, 6 a.m. <i>Date:</i> Wednesday, May 1, 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 and Legislative Coordinator to be included in the meeting record. Documents can be submitted by e-mail, fax or mail or in person to the Regional Engagement and Legislative 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.

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Agenda Item No. 3.0

Consideration of the Minutes for April 11, 2013

Metro Council Meeting
Thursday, April 25, 2013
Metro, Council Chamber

Agenda Item No. 4.1.1

Ordinance No. 13-1300, For the Purpose of Adopting the
Annual Budget for Fiscal Year FY 2013-14, Making
Appropriations, Levy Ad Valorem Taxes, and Authorizing an
Interfund Loan.

Ordinances – First Reading

Metro Council Meeting
Thursday, April 25, 2013
Metro, Council Chamber

BEFORE THE METRO COUNCIL

ADOPTING THE ANNUAL BUDGET FOR) ORDINANCE NO. 13-1300
 FISCAL YEAR FY 2013-14, 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, 2013, and ending June 30, 2014; 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 2013-14 Metro Budget," in the total amount of FOUR HUNDRED EIGHTY ONE MILLION SIX HUNDRED SIXTY SIX THOUSAND SIX HUNDRED TWENTY (\$481,666,620), 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 operating rate levy; at the rate of \$0.0960 per ONE THOUSAND DOLLARS (\$1,000) of assessed values for local option rate levy and in the amount of THIRTY SEVEN MILLION SIX HUNDRED SEVENTY NINE THOUSAND FOUR HUNDRED NINETY SEVEN (\$37,679,497) for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2013-14. 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 <u>the Limitation</u>
Operating Tax Rate Levy	\$0.0966/\$1,000	
Local Option Tax Rate Levy	\$0.0960/\$1,000	
General Obligation Bond Levy		\$37,679,497

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, 2013, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

4. The Parks and Natural Areas Local Option Levy Fund is hereby created for the purpose of accounting for property taxes received under the local option levy authorization approved by the voters of the Metro region in May 2013. Major revenue source for the fund includes but is not limited to property taxes. In the event of the elimination of this fund, any fund balance remaining shall revert to the General Fund.

5. An interfund loan from the Solid Waste Revenue Fund to the Natural Areas Local Option Levy Fund in an amount not to exceed \$5.0 million is hereby authorized. The loan will be made to provide cash flow for authorized levy expenditures prior to the receipt of the first tax revenues in November/December 2013. The loan, including interest at a rate equal to the average yield on Metro's pooled investments, will be repaid from the Natural Areas Local Option Levy Fund prior to June 30, 2014.

6. 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.

7. 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, 2013, 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 20th day of June 2013.

Tom Hughes, Council President

ATTEST:

Approved as to Form:

Kelsey Newell, Recording Secretary

Alison Kean Campbell, Metro Attorney

STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 13-1300 ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2013-14, MAKING APPROPRIATIONS, LEVYING AD VALOREM TAXES, AND AUTHORIZING AN INTERFUND LOAN

Date: April 3, 2013

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 2013-14.

Metro Council action, through Ordinance No. 13-1300 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, 2013.

Once the budget plan for fiscal year 2013-14 is approved by the Metro Council on May 2, 2013, 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 in early May 2013 and adoption in June 2013.

Exhibit A to this Ordinance will be available subsequent to the Tax Supervising and Conservation Commission hearing June 6, 2013. Exhibits B and C of the Ordinance will be available at the public hearing on April 25, 2013.

ANALYSIS/INFORMATION

1. **Known Opposition** – Metro Council hearings will be held on the Proposed Budget on April 25, 2013 and May 2, 2013. 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, 2013. The Commission will conduct a hearing on June 6, 2013 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 2013-14 budget, effective July 1, 2013.
4. **Budget Impacts** – The total amount of the proposed FY 2013-14 annual budget is \$481,666,620 and 752.55 FTE.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of Ordinance No. 13-1300

Agenda Item No. 4.2

Ordinance No. 13-1302, For the Purpose of Amending Metro Code Chapter 5.02 to Establish Solid Waste Disposal Charges and Recoverable Solid Waste Charges for FY 2013-14.

Ordinances – First Reading

Metro Council Meeting
Thursday, April 25, 2013
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE) ORDINANCE NO. 13-1302
CHAPTER 5.02 TO ESTABLISH SOLID WASTE)
DISPOSAL CHARGES AND RECOVERABLE SOLID) Introduced by Chief Operating Officer
WASTE CHARGES FOR FY 2013-14.) Martha Bennett with the concurrence of
) Council President Tom Hughes

WHEREAS, Metro Code Chapter 5.02 establishes charges for disposal of solid waste at Metro South and Metro Central transfer stations; and,

WHEREAS, Metro Code Chapter 5.02 establishes charges for acceptance of recoverable solid waste at Metro South and Metro Central transfer stations; and,

WHEREAS, Metro's costs for solid waste services and programs have changed; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

- Section 1. Metro Code Amendment. Metro Code Section 5.02.025 is amended in the form attached hereto as Exhibit "A."
- Section 2. Recoverable Solid Waste Tonnage Charges. The schedule of Recoverable Solid Waste tonnage charges attached hereto as Exhibit "B" shall be implemented at Metro Central Station and Metro South Station on the effective date of this ordinance.
- Section 3. Effective Date. This ordinance shall become effective on September 1, 2013, or the first day of the first full month following 90 days after adoption by the Metro Council, whichever is later.

ADOPTED by the Metro Council this 2nd day of May, 2013.

Tom Hughes, Council President

Attest:

Approved as to Form:

Kelsey Newell, Recording Secretary

Alison Kean Campbell, Metro Attorney

Exhibit "A" to Ordinance No. 13-1302

METRO CODE - TITLE V SOLID WASTE
CHAPTER 5.02. DISPOSAL CHARGES AND USER FEES

5.02.025 Disposal Charges at Metro South & Metro Central Station

(a) The fee for disposal of solid waste at the Metro South Station and at the Metro Central Station shall consist of:

- (1) The following charges for each ton of solid waste delivered for disposal:
 - (A) A tonnage charge of ~~\$61.35~~61.74 per ton,
 - (B) The Regional System Fee as provided in Section 5.02.045,
 - (C) An enhancement fee of \$.50 per ton, and
 - (D) DEQ fees totaling \$1.24 per ton;
- (2) All applicable solid waste taxes as established in Metro Code Chapter 7.01, which excise taxes shall be stated separately; and
- (3) The following Transaction Charge for each Solid Waste Disposal Transaction:
 - (A) For each Solid Waste Disposal Transaction completed at staffed scales, the Transaction Charge shall be \$12.00.
 - (B) For each Solid Waste Disposal Transaction that is completed at the automated scales, the Transaction Charge shall be \$3.00.
 - (C) Notwithstanding the provisions of subsection (A), the Solid Waste Disposal Transaction Charge shall be \$3.00 in the event that a transaction that is otherwise capable of being completed at the automated scales must be completed at the staffed scales due to a physical site limitation, a limit or restriction of the computer operating system for the automated scales, or due to a malfunction of the automated scales.

(b) Notwithstanding subsection (a) of this section,

- (1) There shall be a minimum solid waste disposal charge at the Metro South Station and at the Metro Central Station for loads of solid waste weighing 340 pounds or less of \$28, which shall consist of a minimum Tonnage Charge of \$16.00 plus a Transaction Charge of \$12.00 per Transaction.
- (2) The Chief Operating Officer may waive collection of the Regional System Fee on solid waste that is generated outside the District, and collected by a hauler that is regulated by a local government unit, and accepted at Metro South Station or Metro Central Station.

(c) Total fees assessed in cash at the Metro South Station and at the Metro Central Station shall be rounded to the nearest whole dollar amount, with any \$0.50 charge rounded down.

(d) The Director of Parks and Environmental Services may waive disposal fees created in this section for Non-commercial Customers of the Metro Central Station and of the Metro South Station under extraordinary, emergency conditions or circumstances.

Exhibit "B" to Ordinance No. 13-1302

RECOVERABLE SOLID WASTE
SCHEDULE OF TONNAGE CHARGES
AT METRO CENTRAL STATION AND METRO SOUTH STATION

<u>Recoverable Waste Class</u>	<u>Per ton</u>
Wood waste/yard debris*	\$53.02
Residentially generated organic waste	56.67
Commercially generated organic waste (Metro Central only)	60.88

* The stated rate applies to acceptable wood waste and yard debris whether delivered in separate loads or commingled in a single load.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 13-1302 FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02 TO ESTABLISH SOLID WASTE DISPOSAL CHARGES AND RECOVERABLE SOLID WASTE CHARGES FOR FY 2013-14.

Date: April 25, 2013

Presented by: Douglas Anderson, FRS (Ext. 1788)

Summary

Each year, the Chief Operating Officer proposes new solid waste rates as part of the budget process. The changes are needed to keep current with costs and tonnage flows.

Main points of this legislation.

- Metro's tip fee for garbage is proposed to be \$94.33 in FY 2013-14. This is up 49 cents (½ percent) from the current rate. It means less than 3 cents per month to the residential ratepayer, on average. For most businesses, the difference on their garbage bills will be less than five dollars per year.
- Tip fee increases are proposed for all three of the organic waste streams accepted at Metro regional transfer stations – clean wood and yard debris, residential organics, and commercial organics. These increases stem from two primary factors: the removal of subsidies, as directed by council in Ordinance No. 12-1277; and, in the case of commercial organics, a significant increase in Metro's per-ton contract cost beginning in January 2014.
- Even with these changes, the organics rates remain \$33 to \$41 per ton below the price of disposal, and remain a powerful economic incentive for recovery.

Adoption of Ordinance No. 13-1302 would authorize the following charges at Metro regional transfer stations, effective September 1, 2013.

Table 1. Proposed Solid Waste Charges at Metro Regional Transfer Stations
Rates Effective September 1, 2013

Rates	Current	Proposed	Change
Fees per transaction			
Users of staffed scales	\$12.00	\$12.00	– 0 –
Users of automated scales	3.00	3.00	– 0 –
Fees per ton (Tip Fees)			
Mixed solid waste ("refuse")	\$93.84	\$94.33	\$0.49
Clean wood/yard debris	\$45.78	\$53.02	\$7.24
Residential organics	54.83	56.67	1.84
Commercial organics	52.30	60.88	8.58

Adoption of this ordinance would also leave the following rates unchanged from current levels:

- Regional System Fee. This is a charge on all disposal, whether delivered to Metro stations or not, and funds regional programs and services. It would remain unchanged at \$18.56 per ton. (More information on the Regional System Fee is provided on the next page.)
- Minimum load charge. This is the main rate paid by household self-haulers at the Metro stations. It would remain unchanged at \$28 for loads of 340 pounds and under.

Background Part 1. Overview of Metro’s Solid Waste Rates

Metro maintains two classes of solid waste rates. One class, the Regional System Fee, is charged on all disposal. The second class is a suite of charges for services at Metro regional transfer stations only.

1. **Regional System Fee** is a universal charge on the disposal of garbage. It is levied at all landfills, the Marion County Burner, Forest Grove Transfer Station, and the Metro stations. There are two levels of system fee: one for mixed solid waste, and a reduced rate for environmental cleanup materials. The current (and proposed) rates are \$18.56 and \$2.50 per ton, respectively. System fees raise about \$20 million per year and pay for Metro’s regional solid waste programs and services: household hazardous waste, latex paint recovery, St. Johns Landfill management, facility regulation, illegal dumpsite cleanup, and resource conservation and recycling.
2. **Charges for services at the Metro stations** cover the costs of Metro’s transfer station operations, transport, processing and disposal. Each customer pays a two-part fee: a fixed charge for the transaction costs, and a variable charge (“tip fee”) for each ton in the load.
 - **“Transaction Charges”** are the fixed fees for each load of waste accepted. There are two levels of transaction fee: one for users of the staffed scales (mainly self-haulers), and another for users of the automated scales (mainly commercial haulers). Together they raise about \$2.8 million dollars per year and pay for the cost of operating the scalehouses and related functions. The current and proposed transaction fees are shown in Table 1 of this staff report.
 - **“Tip Fees”** are different for each waste stream – garbage, residential organics, commercial organics, and wood/yard debris – and reflect the costs that are specific to each stream. The current and proposed rates are shown in Table 1.

Every tip fee is made up of a **Tonnage Charge** and various pass-throughs (Table 2). The tonnage charge pays for the costs of doing the work. In this region, the Regional System Fee, Metro excise tax, and DEQ fees are charged on all disposal. Together, Metro’s tonnage charges raise about \$31 million per year, and pay for the costs of station operations, recovery, transport, processing, disposal, capital, and management.

Of the add-on components, only the excise tax is set to rise, by 10 cents, from \$12.19 to \$12.29. This 10 cents is part of the 49 cent increase to the mixed waste rate in Table 1; the balance is a 39 cent increase in the tonnage charge, from \$61.35 to the proposed \$61.74.

Table 2. Components of Proposed Metro Tip Fees by Waste Stream
Rates Effective September 1, 2013

Rate Component	Mixed Solid Waste	Organic Waste		
		Clean Wood or Yard Debris	Residential Organics	Commercial Organics
Tonnage Charge <i>Covers costs of transfer, transport, recovery, disposal.</i>	\$61.74	\$52.52	\$56.17	\$60.38
Pass-Throughs <i>Government fees and taxes levied at disposal sites.</i>				
Regional System Fee	\$18.56	*_-	*_-	*_-
Metro excise tax	12.29	*_-	*_-	*_-
DEQ fees	1.24	*_-	*_-	*_-
Enhancement Fee	0.50	0.50	0.50	0.50
Total = Tip Fee	\$94.33	\$53.02	\$56.67	\$60.88

* It is the policy of Metro and DEQ to support material recovery and recycling by levying solid waste surcharges and taxes on the waste that is ultimately disposed. For this reason, the Regional System Fee, Metro excise tax, and DEQ fees are not included in the tip fees for organic wastes.

Background Part 2. Understanding the Proposed FY 2013-14 Rates

There are five main reasons for the changes – and in some cases, the lack of change – in the proposed FY 2013-14 rates.

1. **Tonnage.** After five years of decline, tonnage is beginning to stabilize at Metro stations. Staff expects this trend to hold through FY 2013-14 – although staff does not expect any significant *increases* at Metro stations.
2. **Foregoing a deposit into reserves.** Each year, Metro collects about \$700,000 from rates, and deposits the money into a reserve account for the renewal and replacement of capital. The size of the deposit is determined from periodic reviews by an independent engineer. Expenditures from the reserve are governed by the adopted capital budget.

The demand for renewal and replacement projects is down because the reduced tonnage of recent years has meant less wear-and-tear on capital. As a result, Metro's Renewal and Replacement Reserve is of sufficient size that no deposit will be required in FY 2013-14. Foregoing the deposit means a reduction of about \$1.35 on the mixed waste tonnage charge, 25 cents on the Regional System Fee, and varying amounts on the organics rates that would otherwise have been necessary.

3. **Setting organics charges at the cost of service.** For the first time, the proposed FY 2013-14 organics rates are set to a level that covers their costs. This is not only a best practice in itself, but it also reduces the size of increase in the mixed waste tip fee – mainly by providing a larger tonnage base over which to spread fixed contract and capital costs.

Metro Code has long required a subsidy for organics rates. The stated policy was to keep organics prices low, to encourage participation in the program. With the advent of the Portland residential organics initiative last year, that subsidy was set to balloon to almost \$2 million annually, which would not be financially sustainable. Partly in reaction, the council amended Metro Code (Ordinance No. 12-1277) to require that organics rates begin to cover their operating costs. However, consistent with Metro's long-standing policy toward all recovered materials, the council continued to exempt organics from the Regional System Fee and excise tax. This exemption means a price difference of \$33 to \$41 between the proposed organics rates and the garbage rate in FY 2013-14, as an incentive for participation in the program.

The proposed increases to organics rates is one-time. After next year, changes will be driven by underlying costs and tonnage. However, the larger tonnage base for fixed costs will remove upward pressure on the mixed waste rate on an ongoing basis.

4. **Use of uncommitted fund balance.** There are six reserve accounts within the Solid Waste Fund, designated by ordinance or financial policy. All six are projected to remain fully funded through FY 2013-14. In addition, there are more than \$800,000 of uncommitted funds above the reserve targets. It is standard practice in municipal utility rate setting to use excess fund balances to offset revenue requirements in future years. Through this mechanism, the money is "returned" to ratepayers.

The proposed rates reflect the use of this uncommitted fund balance. The dollars are proposed to be applied as follows: (1) \$531,000 to cover a portion of the St. Johns Landfill operating budget that is normally funded by rates. Without this move, the Regional System Fee would have to increase by 52 cents (all else equal), rather than the no-change that is proposed. (2) \$204,000 is proposed for transfer station costs. This provides another 52 cents in rate relief on the mixed waste tonnage charge. (3) The remaining funds are proposed to cover the

revenue gap stemming from the two month delay between the start of the fiscal year and the effective date of the rates. This affects all rates; it is sufficient to keep the transaction fees flat, and reduces the amount of increase in the organics rates that would have otherwise been necessary.

5. **The excise tax.** The tax rate is set automatically by a formula in the Code each year, and is never a formal part of the rate ordinance. However, it is related to the rate actions because it is part of the tip fee (Table 2). However, it will be up only a dime next year, from the current \$12.19 to \$12.29.

As stated under “Tip Fee” on page 2 of this staff report, that dime is part of the 49 cent increase in the mixed waste tip fee shown in Table 1. The other 39 cents stems from an increase in the mixed waste tonnage charge, from \$61.35 to the proposed \$61.74.

Information/Analysis

1. **Known Opposition.** There is no known opposition. The majority of ratepayers will enjoy the smallest increase in Metro’s disposal price in seven years. Solid waste regulators and rate practitioners have frequently encouraged Metro to move toward cost-of-service organics rates. It is possible that some large organics generators will dislike the elimination of the organics subsidy – but the organics charges still remain over 35 percent below the rate for garbage.
2. **Legal Antecedents.** Metro’s solid waste rates are set forth in Metro Code Chapter 5.02. Any change in these rates requires an ordinance amending Chapter 5.02. Metro reviews solid waste rates annually, and has amended Chapter 5.02 when changes are warranted. The proposed FY 2013-14 rates comply with the restriction set forth in Chapter III, Section 15 of the Metro Charter limiting user charges to the amount needed to recover the costs of providing goods and services.

The excise tax rate is established automatically by a passive mechanism set forth in Metro Code sections 7.01.020 and 7.01.022 and does not require council action to take effect.

3. **Anticipated Effects:** If adopted, this ordinance would raise the tip fee for solid waste at Metro transfer stations by 49 cents per ton. It would also increase the tip fees for organic wastes by the amounts set forth in Table 1.
4. **Budget Impacts.** The rates established by this ordinance are designed to raise \$52 million in enterprise revenue during FY 2013-14. This revenue would cover all but \$830,000 of the \$52.83 million in cash requirements of the proposed FY 2013-14 solid waste budget. The difference of \$830,000 would be paid by a draw from the uncommitted Solid Waste Fund balance. All reserves of the Solid Waste Fund will remain fully funded at their agreed-upon financial targets after this draw. If the council approves this ordinance, the \$52 million of enterprise revenue and \$830,000 draw from the fund balance will be incorporated in the FY 2013-14 budget prior to adoption.

RECOMMENDATION

The Chief Operating Officer recommends adoption of Ordinance No. 13-1302.

Agenda Item No. 4.3

Ordinance No. 13-1301, For the Purpose of Annexing to the Metro District Boundary Approximately 2.5 Acres Located at 25565 NW Evergreen Road Hillsboro.

Ordinances – First Reading

Metro Council Meeting
Thursday, April 25, 2013
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ANNEXING TO THE) Ordinance No. 13-1301
METRO DISTRICT BOUNDARY)
APPROXIMATELY 2.5 ACRES LOCATED AT 25565) Introduced by Chief Operating Officer
NW EVERGREEN ROAD HILLSBORO) Martha Bennett with the Concurrence of
) Council President Tom Hughes

WHEREAS, Amancio Martinez, has submitted a complete application for annexation of 2.5 acres (“the territory”) located at 25565 NW Evergreen Road, Hillsboro; and

WHEREAS, the Metro Council added the Evergreen area to the UGB, including the territory, by Ordinance No. 05-1070A on November 17, 2005; and

WHEREAS, Title 11 (Planning for New Urban Areas) of the Urban Growth Management Functional Plan requires annexation to the district prior to application of land use regulations intended to allow urbanization of the territory; and

WHEREAS, Metro has received consent to the annexation from the owner of the land in the territory; and

WHEREAS, the proposed annexation complies with the requirements of Metro Code 3.09.070; and

WHEREAS, the Council held a public hearing on the proposed amendment on May 2, 2013; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

- 1. The Metro District Boundary Map is hereby amended, as indicated in Exhibit A, attached and incorporated into this ordinance.
- 2. The proposed annexation meets the criteria in section 3.09.070 of the Metro Code, as demonstrated in the Staff Report dated April 9, 2013, attached and incorporated into this ordinance.

ADOPTED by the Metro Council this ___ day of May, 2013.

Tom Hughes, Council President

Attest:

Approved as to form:

Kelsey Newell, Recording Secretary

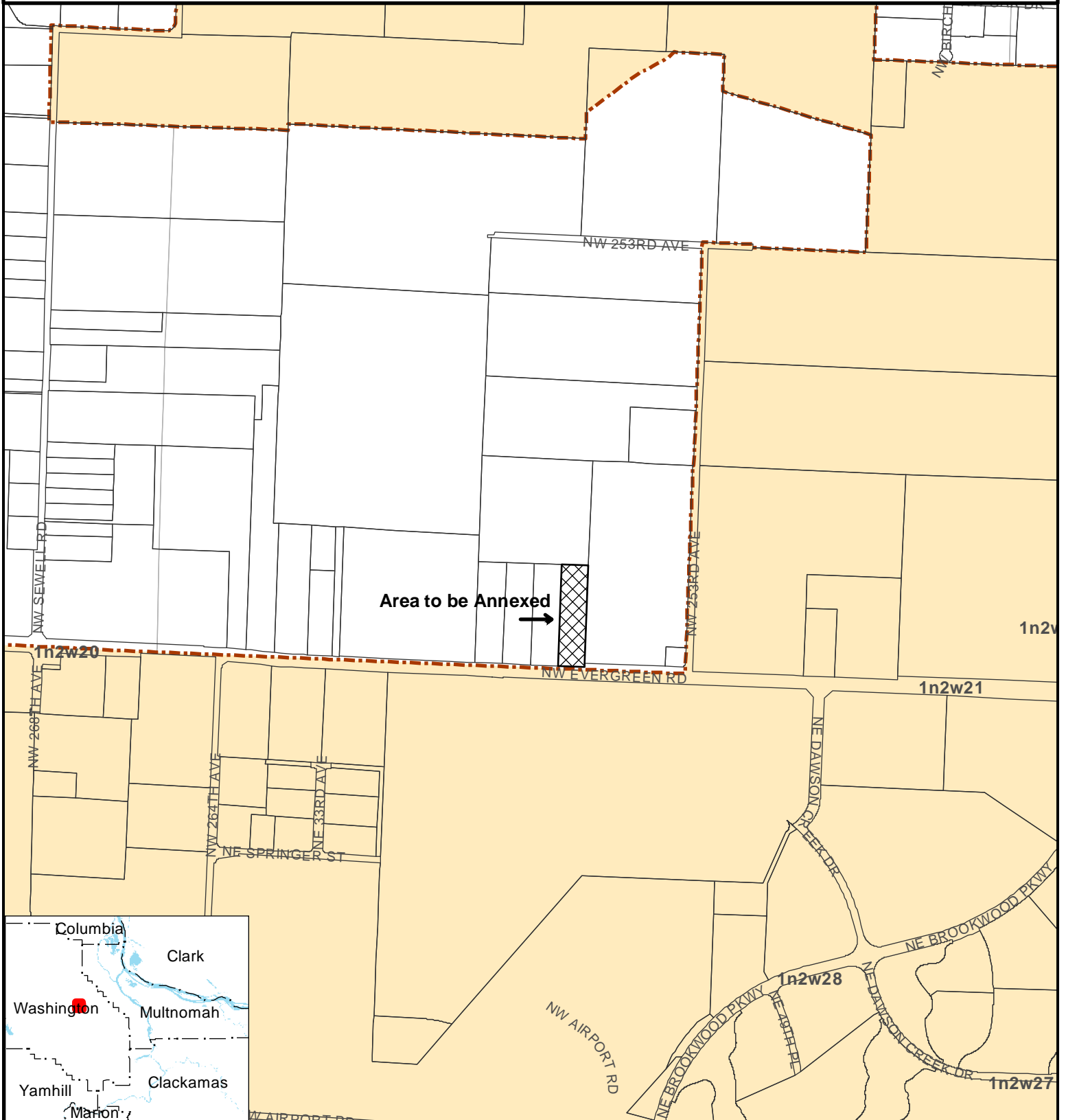
Alison Kean Campbell, Metro Attorney

Proposal No. AN-0113

1N2W21

Annexation to the Metro District Boundary

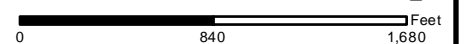
Washington County



Proposal No. AN-0113 Metro District Boundary

1:10,000

- Area to be annexed
- Taxlots
- Metro District Boundary



Metro
 Data Resource Center
 600 NE Grand Ave
 Portland, OR 97232-2736
 (503) 797-1742
<http://www.oregonmetro.gov/drc>

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STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 13-1301, FOR THE PURPOSE OF ANNEXING INTO THE METRO BOUNDARY APPROXIMATELY 2.5 ACRES LOCATED AT 25565 NW EVERGREEN ROAD HILLSBORO

Date: April 9, 2013

Prepared by: Tim O'Brien
Principal Regional Planner

BACKGROUND

CASE: AN-0113, Annexation to Metro District Boundary

PETITIONER: Amancio Martinez
25565 NW Evergreen Road
Hillsboro, OR 97124

PROPOSAL: The petitioner requests annexation of one property to the Metro District boundary following the Metro Council's addition of the property to the Urban Growth Boundary (UGB) in 2005. The applicant has annexed the subject property to the City of Hillsboro.

LOCATION: The property is located at 25565 NW Evergreen Road, Hillsboro and is approximately 2.5 acres in size. A map of the area can be seen in Attachment 1.

ZONING: The property is zoned for industrial use (IS) by Hillsboro.

The proposal consists of one tax lot. The land was added to the UGB in 2005 and is part of the Evergreen Industrial Area Plan that was adopted by Hillsboro. The land must be annexed into the Metro District for urbanization to occur.

APPLICABLE REVIEW CRITERIA

The criteria for an expedited annexation to the Metro District Boundary are contained in Metro Code Section 3.09.070.

3.09.070 Changes to Metro's Boundary

(E) The following criteria shall apply in lieu of the criteria set forth in subsection (d) of section 3.09.050. The Metro Council's final decision on a boundary change shall include findings and conclusions to demonstrate that:

- 1. The affected territory lies within the UGB;*

Staff Response:

The subject parcel was brought into the UGB in 2005 through the Metro Council's adoption of Ordinance No. 05-1070A.

- 2. The territory is subject to measures that prevent urbanization until the territory is annexed to a city or to service districts that will provide necessary urban services; and*

Staff Response:

The conditions of approval for Ordinance No. 05-1070A include a requirement that Hillsboro apply interim protection measures for areas added to the UGB as outlined in Urban Growth Management Functional Plan Title 11: Planning for New Urban Areas. Title 11 requires that new urban areas be annexed into the Metro District Boundary prior to urbanization of the area. Hillsboro also requires the land to be annexed into the city, the service provider for the area, prior to urbanization occurring. These measures ensure that urbanization may only occur after annexation to the necessary service districts is completed.

3. *The proposed change is consistent with any applicable cooperative or urban service agreements adopted pursuant to ORS Chapter 195 and any concept plan.*

Staff Response:

The City of Hillsboro and Washington County adopted urban service agreements indicating that the City has planning responsibility under state law and land use decision making authority with respect to the subject territory. The proposed annexation is consistent with that agreement and is required by Hillsboro prior to any future land use application. The inclusion of these properties within the Metro District is consistent with all applicable plans.

ANALYSIS/INFORMATION

Known Opposition: There is no known opposition to this application.

Legal Antecedents: Metro Code 3.09.070 allows for annexation to the Metro District boundary.

Anticipated Effects: This amendment will add approximately 2.5 acres to the Metro District. The land is currently within the UGB and within the city limits of Hillsboro. Approval of this request will allow for the urbanization of these parcels to occur consistent with the Evergreen Industrial Area Plan.

Budget Impacts: The applicant was required to file an application fee to cover all costs of processing this annexation request, thus there is no budget impact.

RECOMMENDED ACTION

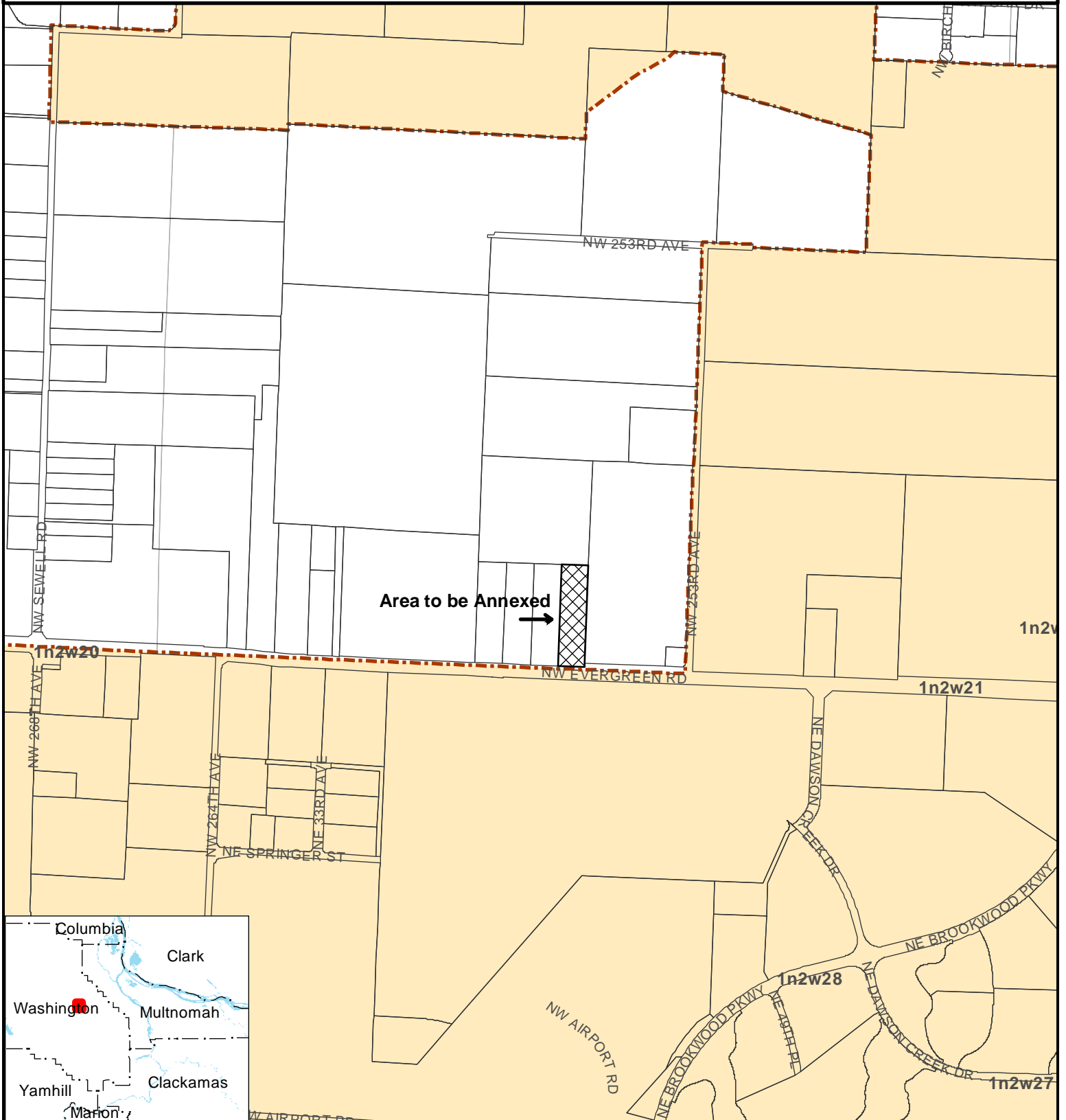
Staff recommends adoption of Ordinance No. 13-1301.

Proposal No. AN-0113

1N2W21

Annexation to the Metro District Boundary

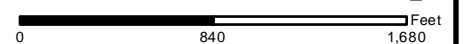
Washington County



Proposal No. AN-0113 Metro District Boundary

1:10,000

- Area to be annexed
- Taxlots
- Metro District Boundary



Metro
 Data Resource Center
 600 NE Grand Ave
 Portland, OR 97232-2736
 (503) 797-1742
<http://www.oregonmetro.gov/drc>

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Agenda Item No. 4.4

Ordinance No. 13-1303, For the Purpose of Amending and Re-
Adopting Metro Code 7.03 (Investment Policy) for Fiscal Year
2013-2014.

Ordinances – First Reading

Metro Council Meeting
Thursday, April 25, 2013
Metro, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING AND RE-)	ORDINANCE NO. 13-1303
ADOPTING METRO CODE 7.03 (INVESTMENT)	
POLICY) FOR FISCAL YEAR 2013-2014)	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 two change to the Investment Policy. The first change is to expand the allowable duration of investments from 18 months to three years for 25% of the portfolio. This 25% is considered to be reserve funds that are not needed for short term cash flow needs.

The second change is to allow the addition of high quality corporate debt as another diversification option. This corporate debt option would be limited to only the highest caliber corporations with AA rated by S&P or Aa rated by Moody’s or by a nationally recognized statistical rating organization [ORS 294.035 (3)]; and

WHEREAS, the Investment Advisory Board on January 16, 2013 voted to recommend these changes, 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, 2013 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 2nd day of May, 2013.

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; and amended and readopted June 21, 2012 by Ordinance No. 12-1280.)

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. Also Corporate promissory notes with long term minimum ratings of Aa (Moody's) or AA (S&P) or equivalent by any nationally recognized statistical rating organization. If a corporation has a split rating the most recent rating would be used for decision-making purposes.
- (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; and amended by Ordinance No. 12-1280, 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 requirements will be met. ~~Maturities beyond 18 months will be limited to direct U.S. Treasury obligations.~~

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(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) -	35%	

Security	Maximum Percent of Portfolio	Maximum Maturity
<p>Issued by a financial institution, commercial, industrial, or utility business enterprise.</p> <p>For a corporation headquartered in Oregon</p> <p>For a corporation headquartered outside of Oregon.</p> <p>Corporate promissory notes that have a long term minimum ratings of Aa (Moody's) or AA (S&P) or equivalent by a nationally recognized statistical rating organization.</p>	25%	<p>A-1 and P-1 only, 90-day maturity;</p> <p>A-2 and P-2, A-1/P-2, or A-2/P1, 60-day maturity</p> <p>A-1 and P-1 only; 90-day maturity</p> <p>Aa (Moody's) or AA (S&P) Maximum maturity of three years. See <u>7.03.060(c)(2) for concentration maximums.</u></p>
<p>State of Oregon and Local Government Securities with A ratings or better; 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.</p>	25%	
<p>State of Oregon Investment Pool</p>	100%	
<p>Market Interest Accounts and Checking Accounts</p>	<p>Minimum necessary for daily cash management efficiency</p>	

(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	<p>May be purchased from any qualified institution provided the master repurchase agreement is effective and the safekeeping requirements are met. 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</p>

Type of Security	Limitation
	to do banking business in the state of Oregon. 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.
Commercial Paper, Corporate Promissory notes	No more than 5 percent of the total portfolio with any one corporate entity.
State and Local Government Securities; also California, Idaho and Washington	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

(Effective 6/21/12)

7.03 - 12 of 13

- 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. 13-1303 FOR THE PURPOSE OF AMENDING AND RE-ADOPTING METRO CODE 7.03 (INVESTMENT POLICY) FOR FISCAL YEAR 2013-2014 AND DECLARING AN EMERGENCY

Date: March 22, 2013

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 7.03.080 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 reviewed recommendations by the Investment Manager. The first recommendation was to increase the allowable duration of Metro's listed investments options from 18 months to three years for 25% of the portfolio. This 25% is considered to be reserve funds that are not needed for short term cash flow needs.

The second recommendation was to include high quality corporate debt as another diversification option. This debt option would be limited to only AA rated corporations of which there are few of these calibers. Examples are IBM, GE, Wal-Mart or ExxonMobil. Staff research revealed that this specific change is already permitted in Oregon State law (ORS 294.035) and that the language proposed is the same as the Oregon State Short Term Fund Board (OSTFB) has approved for Multnomah County. The IAB reviewed these options as allowed by the state and discussed the merits of both recommendations. Concluding that in this market environment we do want to have all the available options that are permitted under law. Whether we use these options or not, we must always follow our principals of safety and liquidity before yield. The IAB recommends Council amend the code to use these options and readopt the code as amended.

The change to the investment policy was proposed as a part of this re-adoption. The Investment Manager feels with the recommendation of the Investment Advisory Board that the current policy be modified to include increased duration of 25% of the portfolio. Plus including high quality corporate debt if such obligations have a long-term rating of AA (S&P) or Aa (Moody's) as rated on the settlement date in this high category by a nationally recognized statistical rating organization [ORS 294.035 (3) (i)] this would allow a larger universe of options for the current investment environment. The preceding wording has been approved by the OSTFB in this form when they reviewed the Multnomah County Investment Policy so it should have no trouble with review and approval. OSTFB only reviews those investment policies with changes and we would submit the new policy as soon as passed by the Council. The current Metro policy meets the requisite due diligence with proposed processes.

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.

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; readopted by Ordinance 12-1280 June 21, 2012)

3. **Anticipated Effects:** N/A

4. **Budget Impacts:** N/A

RECOMMENDED ACTION: Staff recommends re-adoption as amended of Metro Code Chapter 7.03 by Resolution No. 13-1303.

Materials following this page were distributed at the meeting.



LAMETTE RIVER
N.W. Naito Parkway
N Interstate Avenue
MAX LIGHT RAIL
Broadway Bridge

Station Way
NW Broadway
Union Station/Amtrak
Greyhound Bus

Old Town/Chinatown
SW Ankeny
SW Pine
SW Oak
SW Stark
SW Washington
SW Alder
Morrison Bridge
Eastbank Esplanade

N Vanc
Luther King Jr.
Grand Ave
Lloyd
Rose Garden arena
Oregon Convention Center
Burnside Bridge
Tom McCall Waterfront Park
Oregon Maritime Center
Museum

NE Hancock
NE Broadway
NE Weidler
NE Halsey
Lloyd Center Mall
NE Multnomah
NE Oregon
NE Irving
NE Hoyt
NE Glisan
NE Flanders
NE Everett
NE Davis
NE Couch
East Burnside
SE Sixth
SE Seventh
SE Eighth
SE Ninth
SE Tenth
SE Eleventh
SE Twelfth
SE Oak
SE Stark
SE Washington
SE Alder
SE Morrison
SE Belmont

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"STACKED" CUT/CORNER ON NAITO PARKWAY

MAX SUBWAY 1.3 MILES

STREETCAR

STREETCAR

99E

5

84

700

North Park Blocks

STREETCAR

700

Notes on CRC:

- *Single-deck bridges offer 140' river clearance to meet Coast Guard mandate and maritime industry needs.*
- *The proposed double-deck bridge design is "structurally unsound" as well as too low above the river.*
- *West Hayden Island is no place for a marine terminal as an oval track rail facility creates a chokepoint that limits freight and passenger-rail service, Risks complete closure of this Main Line RR crossing in Derailments. Port of Portland can be held accountable for this poor engineering decision.*
- *ODOT finished a fine Marine Drive interchange design in 2010 WITH "Off-island Access to Hayden Island".*
- *The proposed Hayden Island (spagetti ramp) Interchange creates severe accident Hazards on both Exit ramps and Entrance Interchanges with heavy traffic.*
- *Alternative Concept #1 "eliminates several Highway merge problem lanes.*
- *Concept #1 eliminates hazardous exit and entrance interchanges and leaves a landscape barrier.*

Notes on DBT:

- *The 'stacked' Cut-cover Tunnel option in the DEIS stabilizes, rather than destabilizes, waterfront sub-surface soils; displaces least AWW traffic and manages it more safely; creates strongest seawall; lines up with the ramp now built and would lead to this Cut-cover tunnel; can be built with least disruption while AWW is left in place.*
- *Retaining the Battery Street Tunnel is feasible and can be extended north to reconnect John, Thomas & Harrison Streets at Aurora more effectively than proposed with the DBT.*
- *Mercer West widening turns residential Queen Anne into a freight truck corridor. Leaving commercial traffic on Elliott/Western with the stacked Cut-cover tunnel is safer for all traffic and pedestrians.*
- *The Alaskan Way design as proposed creates a chaotic bottleneck at all intersections.*

Senator Rivers, there is so much wrong with Wsdot process and projects, it sets a precedent that the nation's highway department under-achievers cannot be allowed to emulate. I would rather their comeuppance be given tactfully, but the prosecution of criminal acts that present mortal danger should not be excused lightly. These are not merely minor mistakes. They are life-threatening hazards chosen by representative agencies. It makes me sick to watch their PR spokespersons lie, deceive or any otherwise mislead the public. I'd rather you contacted the City or Portland or Portland Metro for latest copies of the report. If they won't provide the report with expedited urgency, I'll send copies at your request. Thank you.

Art Lewellan Portland Oregon

Senator Ann Rivers,

Sunday April 14th

I heard on OPB radio Sunday broadcast that you have requested an investigation of Wsdot for mishandling the Columbia River Crossing project.

I heartily agree but must unfortunately add that Wsdot mishandling of highway projects in Seattle is worse. The Deep Bore Tunnel (DBT) in Seattle is an engineering catastrophe in the making, and must be stopped. It is not too late.

I have submitted a 50-page report to Portland City Council, Portland's regional planning agency Metro and other State and Federal agencies which presents significant evidence to prove Wsdot rigged studies of the Alaskan Way Viaduct replacement project before and after the 2007 voter referendum. Evidence also suggests Seattle DOT rigged studies of street reconfigurations (Mercer West & Alaskan Way boulevard) directly related to the DBT. The proposed rebuild of the Seattle Seawall (Soil Stabilization?) is also suspect as it further destabilizes already highly unstable waterfront subsurface soils.

I ask that this call for an investigation commence immediately and that you inform Wsdot that it will occur, with or without their cooperation. In my report, I highlight alternates contained in DEIS documentation for both highway projects as (potentially) less expensive, more durable, more effective traffic management and most important, safer in many ways. The official alternatives give Wsdot and sdot a direction in which public disillusionment can be restored and the projects put back on schedule.

Finding Common Ground on Climate Change

New polling gauges GOP attitudes on energy and climate change.

Anna Fahey April 10, 2013, 10:53am

Yale and George Mason University recently asked [American Republicans and Republican-leaning Independents](#) about their views on energy & climate change. The good news: There are ways to find common ground across political divides.

Republicans prefer clean energy as America's energy future

A large majority of respondents (77%) support clean, renewable energy for the US, much more (51%) or somewhat more (26%) than is used today. Among those who support expanded use of clean energy, (69%) feel we should be taking action immediately. Only (9%) think we should use clean energy less in the future and only (8%) think the amount we're using now is just right. A slight majority (52%) support using fossil fuels in the US much less (21%) or somewhat less (31%) than we do today.

Among those who'd like to see less fossil fuel use, the most common preference is to do it "immediately" (52%). Notably, the terms that resonate most to describe energy-types are "fossil fuels, conventional energy, dirty energy" and "Clean energy, Renewable, Advanced."

Perceived benefits of clean energy outweigh the perceived costs

A majority of the respondents feel that taking steps to reduce our fossil fuel use will benefit the nation in a number of ways. The most popular benefit for this group is "freeing us from dependence on foreign oil"—(66%). Close behind is "Saving resources for our children and grandchildren to use"(57%), in a tie with "Providing a better life for our children and grandchildren"—(56%).

The numbers dropped from there. Notably, (46%) think cutting fossil fuel use would improve people's health. And (43%) felt it would "protect God's Creation," and (41%) said it would create jobs and strengthen our economy. Not too shabby. Only (30%) said it would limit climate change or improve our national security.

The good news is that none of the potential costs associated with cutting fossil fuel use were seen as likely by a majority. In fact, respondents selected more benefits than costs (51%) when benefits were selected vs. (33% average cost.) Smallish numbers, a (25%) or fewer respondents believe cutting fossil fuel use would "interfere with the free market," "harm poor people more than it helps them," or "undermine American sovereignty."

Respondents were asked which potential benefit is most important to them personally. Freedom from dependence on foreign oil again came out on top, this time by a much wider margin, (48%), compared to only (14%) for "saving resources for our children and grandchildren," and (11%) for providing a better life for their kids and grandchildren. Despite this drop off, the concept of providing a better life for our kids and grandkids is where we find the most common ground with more progressive audiences.

On the flip side, when asked which cost was of greatest concern to them *personally*, the top choice was “more government regulation” (42%), trailed a fair distance by “rising energy prices” (only 31%), and costing jobs and harming the economy (a mere 15%). Clearly the perceived costs elicit a less intense reaction than the potential benefits. In light of all these costs or benefits associated with cutting fossil fuel use (and after the battery of survey questions concerning costs/benefits), by a margin of almost 2 to 1 (64% to 35%), conservative respondents say:

[The US should take action to reduce our fossil fuel use.](#)

A majority understands climate change is happening and supports a US response.

A slim majority of respondents (52%) knows climate change is happening, (26%) think it isn't, (22%) “don't know.” When presented with one of two conservative arguments saying Americans should respond to climate change, a solid majority (62%) agrees that “Americans absolutely should” (23%) “probably should” (39%) take steps to address it. One argument focused on human health and clean air and water and included the Ben Franklin adage, “*an ounce of prevention is worth a pound of cure.*” The other emphasized the importance of accountability for true costs of pollution in free-enterprise systems. Each fared about the same, garnering above (60%) agreement.

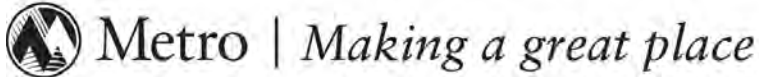
Only a third agrees with Republican Party positions on climate; only half on energy.

A minority of respondents (35%) agrees with the Republican Party's position on climate change (a plurality “neither agrees nor disagrees”), while a slight majority (51%) agrees with the GOP position on meeting America's energy needs.

Electeds are perceived as unresponsive to citizens' views on climate. Few respondents (less than 20%) think people like themselves have influence over what their elected officials think or do regarding climate change. The majority (62%) says “I don't think elected officials care much about what people like me think about climate change.” So how do we talk about climate change and energy solutions across party lines? Here are some tips (these are especially powerful when used in conjunction with the [winning three-part climate narrative](#) published here recently.)

Finding Common Ground on Climate

- Americans across the political spectrum are ready for leadership on energy and climate.
- Americans of all political stripes agree clean energy is the right direction for our country.
- Americans can rise to energy challenges and succeed. Nothing should stand in our way.
- Americans agree we should cut fossil fuel use, freeing ourselves from oil dependence, for a stronger economy providing a better life for our growing & grown children & grandchildren.



METRO COUNCIL MEETING

Meeting Summary
April 11, 2013
Metro, Council Chamber

Councilors Present: Council President Tom Hughes and Councilors Shirley Craddick, Carlotta Collette, Kathryn Harrington, and Sam Chase

Councilors Excused: Councilors Bob Stacey and Craig Dirksen

Council President Tom Hughes called the regular council meeting to order at 2:01 p.m.

1. INTRODUCTIONS

Council President Hughes welcomed Mr. Nathan Sykes, legal counsel for the meeting.

2. CITIZEN COMMUNICATIONS

There were none.

3. ECO-EFFICIENT PILOT PROJECT PRESENTATION

Ms. Miranda Bateschell of Metro provided a presentation on the recent Eco-Efficient Pilot project – a project aimed to implement an eco-efficient business strategy in two local communities using tools from Metro’s Community Investment Toolkit, Volume 3. Ms. Bateschell stated that the project helps to build partnerships and provides local partners with action items for specific employment areas to meet local economic development and sustainability goals. The project selected the City of Hillsboro’s Old Town and the City of Gresham’s Vista Business Park as the pilot’s two case studies. She briefly highlighted responses received from the local communities and partners, and expressed their appreciation for Metro’s technical assistance and funding. A more in-depth presentation will be provided at the April 24 Metro Policy Advisory Committee (MPAC) meeting. The presentation will include information on lessons learned, highlight some of the partnerships built through the project’s workshop process, and provide other communities tips on how to replicate the eco-efficient project in their local communities. (Copies of the case study summaries are included as part of the meeting record.)

Council discussion

Council asked clarifying questions about the projects’ consultants. Ms. Bateschell stated that the same consultants were used for both projects, but noted that an additional subconsultant was included on the Vista Business Park pilot because of specific goals identified by the community. The consultant – a firm based out of Seattle, Washington – will not be present for the April 24 MPAC meeting.

4. CONSIDERATION OF THE MINUTES FOR APRIL 4, 2013

Motion:	Councilor Shirley Craddick moved to approve the Council minutes for April 4, 2013.
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Vote:	Council President Hughes, and Councilors Craddick, Collette, Chase, and Harrington voted in support of the motion. The vote was 5 ayes, the motion <u>passed</u> .
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5. ORDINANCES – SECOND READ

5.1 **Ordinance No. 13-1299, Ordinance No. 13-1299**, For the Purpose of Amending the FY 2012-13 Budget and Appropriations Schedule, Adding 5.50 FTE and Amending the FY 2012-13 through 2016-17 Capital Improvement Plan.

Motion:	Councilor Craddick moved to approve Ordinance No. 13-1299.
Second:	Councilor Carlotta Collette seconded the motion.

Mr. Tim Collier of Metro introduced Ordinance No. 13-1299. The legislation is the third in a series of four consolidated budget actions for Council consideration in FY 2012-13. Mr. Collier summarized each of the proposed amendments. The amendments proposed to:

- Authorize 5.50 FTE to provide in-house janitorial and security services.
- Transfer \$200,000 from the General Asset Management Fund Contingency to fund sustainability upgrades to facilities and projects.
- Transfer \$75,000 from the General Fund Contingency to provide appropriations authority for in-house janitorial services (e.g. salary and benefits costs, supplies and equipment), and additional services by TriMet.
- Acknowledge \$30,000 in an intergovernmental agreement with TriMet to access Metro's Opt In panel.
- Provide an additional \$60,000 in expenditures for the budget module funded by Solid Waste and the General Fund.
- Transfer \$105,000 from the Portland Center for the Performing Arts Contingency Fund to increase funding for the cooling tower project at Antoinette Hatfield Hall. Additionally, the proposed legislation would amend the 5-year capital improvement plan to reflect the proposed changes in the cooling tower project and a kitchen project at the Oregon Convention Center.

(See the exhibits and staff report to Ordinance No. 13-1299 for details on each amendment.)

Council President Hughes opened a public hearing on Ordinance. No. 13-1299. Seeing no members of the public who wished to testify, the public hearing was closed.

Council discussion

Councilors inquired about the significant gap in staff's estimate and actual cost of the cooling tower project. Staff clarified that the initial estimate was based on the renewal and replacement

placeholder in the budget. Staff stated that an accurate project scope was not available until after an engineer was able to create a scope of work for the project. Council also discussed the hiring timeframe for the janitorial services, if current custodial staff could apply, and what the \$45,000 expenditure supported. Staff clarified that current janitorial staff would be asked to apply and that the recruitment would follow Metro's regular processes. The positions would begin July 1. In addition, staff clarified that the \$45,000 supported a combination of expenses including salary and benefits, equipment and supply costs.

Additional councilors recommended adding return on investment information in future budget amendment legislation, and adding more "WHEREAS" or "BE IT RESOLVED" statements in the ordinance itself that outline the budget amendments versus solely the staff report or exhibits.

Vote:

Council President Hughes, and Councilors Craddick, Collette, Chase, and Harrington voted in support of the motion. The vote was 5 ayes, the motion <u>passed</u> .
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6. CHIEF OPERATING OFFICER COMMUNICATION

Ms. Martha Bennett provided updates on:

- Metro received written notification from the Federal Highway Administration and Federal Transit Administration that the agency has been recertified as the area's Metropolitan Planning Organization. The certification is good for 4 years .
- The Tax Supervising and Conservation Commission (TSCC) is scheduled to hold a hearing on the natural areas local option levy on May 2.
- Ms. Bennett and Councilor Collette attended the April 10 Clackamas County Business Alliance (CBBA) meeting.

7. COUNCILOR COMMUNICATION

Councilor updates included the following recent meetings or events: MPAC, Portland to Milwaukie Light Rail Steering Committee, the Oregon Zoo Foundation, CCBA, City of Damascus Town Hall, East Metro Economic Alliance, Oregon Zoo Volunteer Appreciation dinner, the Port of Portland's Annual Community Report, and lunch meeting with Home Forward Executive Director Steve Rudman regarding affordable housing the in the region. Additional updates included the Blue Heron project, and a note that the Greater Hillsboro Area Chamber of Commerce has submitted a letter in support of the City of Hillsboro's proposed Regional Transportation Plan amendments. The letter has been included in the public record for the RTP amendments.

Council President Hughes noted that he would be out of the office the week of April 15. He will join representatives from the Portland Development Commission, Business Oregon, and Japanese American Society on a business trip to Japan.

8. ADJOURN

There being no further business, Council President Hughes adjourned the regular meeting at 2:52 p.m. The Metro Council will convene the next regular council meeting on Thursday, April 25 at 2 p.m. at the Council Chamber.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "K Newell".

Kelsey Newell, Regional Engagement & Legislative Coordinator

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF APRIL 11, 2013

Item	Topic	Doc. Date	Document Description	Doc. Number
	Agenda	4/10/13	Revised April 11, 2013 council agenda	41113c-01
4.0	Minutes	4/4/13	Council minutes for April 4, 2013	41113c-02



PUBLIC SERVICE
EXCELLENCE
INNOVATION
RESPECT
TEAMWORK
SUSTAINABILITY

PROPOSED BUDGET FY 2013-14
Summary

Budget Presentation

April 25, 2013

Overview

- Budget ordinance
- Budget message
- Budget by the numbers
- Office of Metro Auditor
- MERC
- Proposed Solid Waste Rates
- Moving the budget forward
- Public Hearing

First Reading

Martha Bennett, Chief Operating Officer

Tim Collier, Finance and Regulatory
Services Interim Director

Suzanne Flynn, CIA, Metro Auditor

Terry Goldman, MERC Commissioner
Budget Committee Chairperson

Douglas Anderson, Solid Waste Policy
and Compliance

Martha Bennett, Chief Operating Officer

required when budget is introduced

Budget message

- Budget Focus

Maintain excellent core services

Implement Council's key initiatives

Stay efficient and effective

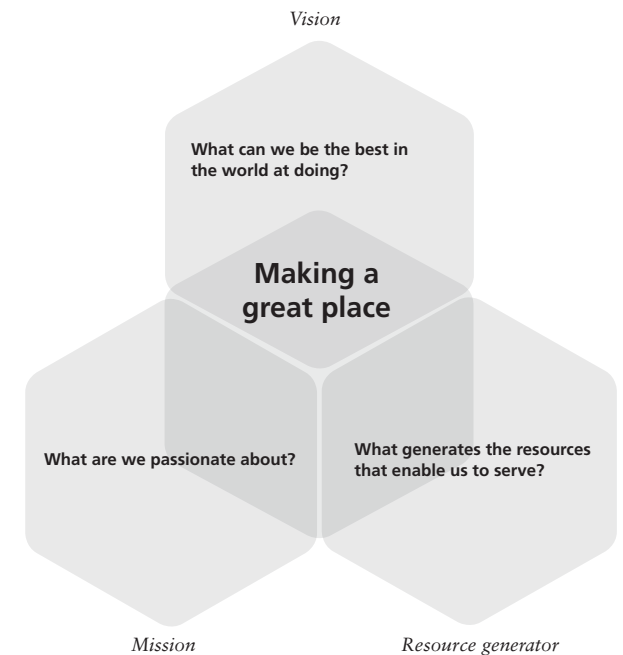
Use the six desired outcomes and Metro compass as guides

Decision-making tools

- 6 desired regional outcomes



- Metro Compass



- Guidance from Council work session
- Department mission-critical plans

What the budget looks like

	"FY 2012-13 Amended Budget"	FY 2013-14 Proposed Budget	% Change
Operating Funds			
General Fund	109,996,000	111,321,000	1%
MERC Fund	70,795,000	69,702,000	-2%
Parks and Natural Areas Levy Fund	0	10,217,000	
Solid Waste Revenue Fund	101,350,000	94,564,000	-7%
<i>Total Operating</i>	\$282,141,000	\$285,804,000	1%
Bond/Capital Funds			
General Assets Management Fund	10,573,000	12,228,000	
Natural Areas Fund	99,487,000	66,263,000	
Open Spaces Fund	739,000	643,000	
Oregon Zoo Infrastructure Bond Fund	78,600,000	66,578,000	
<i>Total Bond/Capital</i>	\$189,399,000	\$145,712,000	-23%
Debt Service Funds			
General Obligation Bond Debt Service Fund	50,219,000	36,494,000	
General Revenue Bond Fund	3,095,000	2,875,000	
<i>Total Debt Service</i>	\$53,314,000	\$39,369,000	-26%
Other Funds			
Cemetery Perpetual Care Fund	470,000	445,000	
Rehabilitation & Enhancement Fund	2,325,000	2,266,000	
Risk Management Fund	4,531,000	4,469,000	
Smith & Bybee Wetlands Fund	3,762,000	3,601,000	
<i>Total Other</i>	\$11,088,000	\$10,781,000	-3%
Total All Funds	\$535,942,000	\$481,666,000	-10%
FTE	743.64	752.55	1%

What the budget delivers

- Delivers excellent service
- Delivers on bond promises
- Meets mandates, Maintains core services, Protects Assets
- Moves Council initiatives forward

What the budget delivers

- **Delivers excellent service**

What we do every day

5 million citizens and customers every year

\$200 Million of the operating budget



What the budget delivers

- **Delivers on bond promises**

Continuation of Natural Areas acquisitions

Continuation of on-site Elephants Lands - largest zoo project

Projected completion of Condor exhibit



What the budget delivers

- Meets mandates
 - Planning and Development shaped by Council guidance

Assistance to community-directed development

Scale back transportation work to match available funding

Implement the 2040 vision

What the budget delivers

- **Meets mandates**
 - Corridor work shaped by grant funding
 - Continue integrated approach
 - Size project work to available federal funding and capacity of local partners
 - Focus on upcoming projects such as 2014 Urban Growth Report, Climate Smart Communities and RTP

What the budget delivers

- **Maintains core services**
 - **Operating Programs**
 - Maintains staffing for operating programs
 - Operating levy for Parks and Natural Areas
 - Continuation of Solid Waste Road Map Project
 - Opening of flamingo aviary and condor habitat

What the budget delivers

- **Maintains core services**
 - Support Services
 - Revamping website for customers
 - Improving engagement with local governments and citizens
 - Begin implementation of Finance Roadmap projects

What the budget delivers

- **Cares for public assets**

 - Renewal and replacement a priority in all operating funds

 - Project Management Office for efficient construction

 - Scope, Design, Build project implementation methodology

 - Parks and Natural Areas Local Option Levy

What the budget delivers

- **Moves Council initiatives forward with strategy**
 - Community Investment Initiative – partnerships for the future
 - Development opportunity fund
 - Equity Strategy – meeting the needs of the region’s changing population
 - Corridor projects – new approach to integrating land use, parks and transportation

What the budget delivers

- **Moves Council initiatives forward with funding**

Fund Development Opportunity in base	\$100,000
Development Opportunity Fund one-time	\$100,000
Metro Export Initiative	\$ 25,000
Equity Strategy Program	\$390,000
Support for continued development of Convention Center Hotel	\$418,000

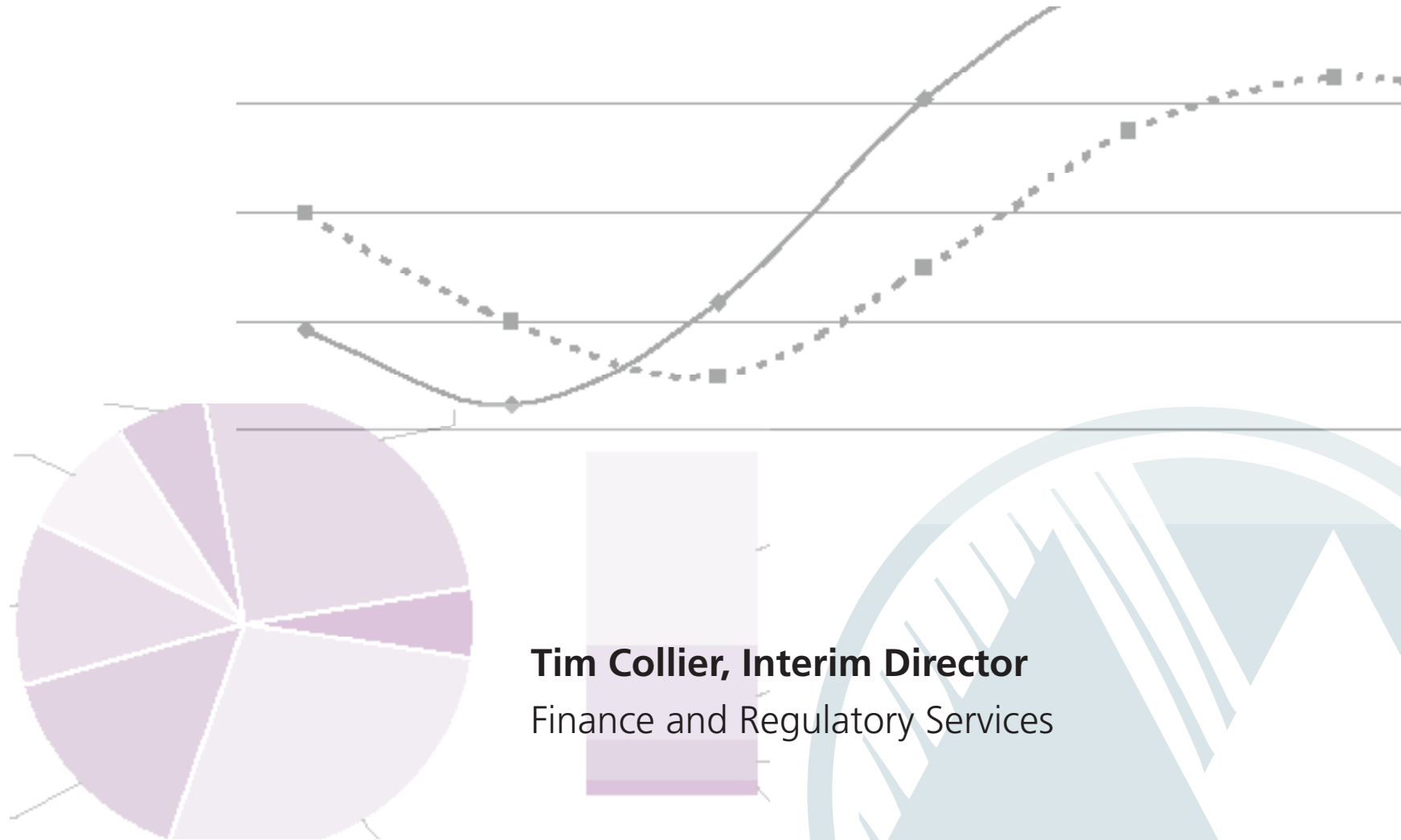
What the budget delivers

- **Moves Council initiatives forward with vision**
 - Future funding for Parks
 - Willamette Falls

Strategic issues for FY 13-14

- Parks and Natural Areas Local Option Levy
- Implementing 2040 Vision
- Future of Visitor Venues
- Solid Waste Road Map

Budget by the numbers



Tim Collier, Interim Director
Finance and Regulatory Services

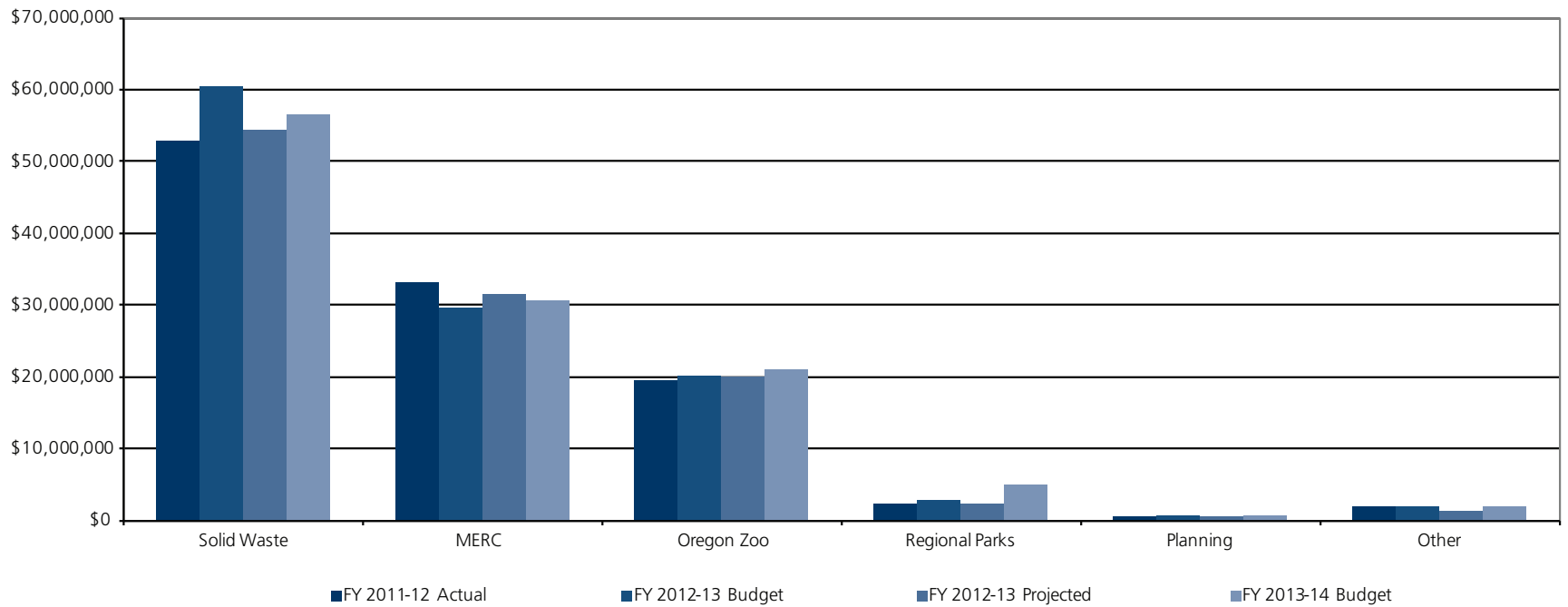
The "Legal" Budget

	FY 12-13 Amended Budget	FY 13-14 Proposed Budget	Budget % Change
Total Budget <i>(all resources and requirements)</i>	\$536 million	\$482 million	(10%)
Current Revenues	217 million	225 million	4
Current Expenditures	317 million	306 million	(4)
Wages and benefits	79.7 million	83.2 million	4
Full-time positions	743.64 FTE	752.55 FTE	8.91 FTE

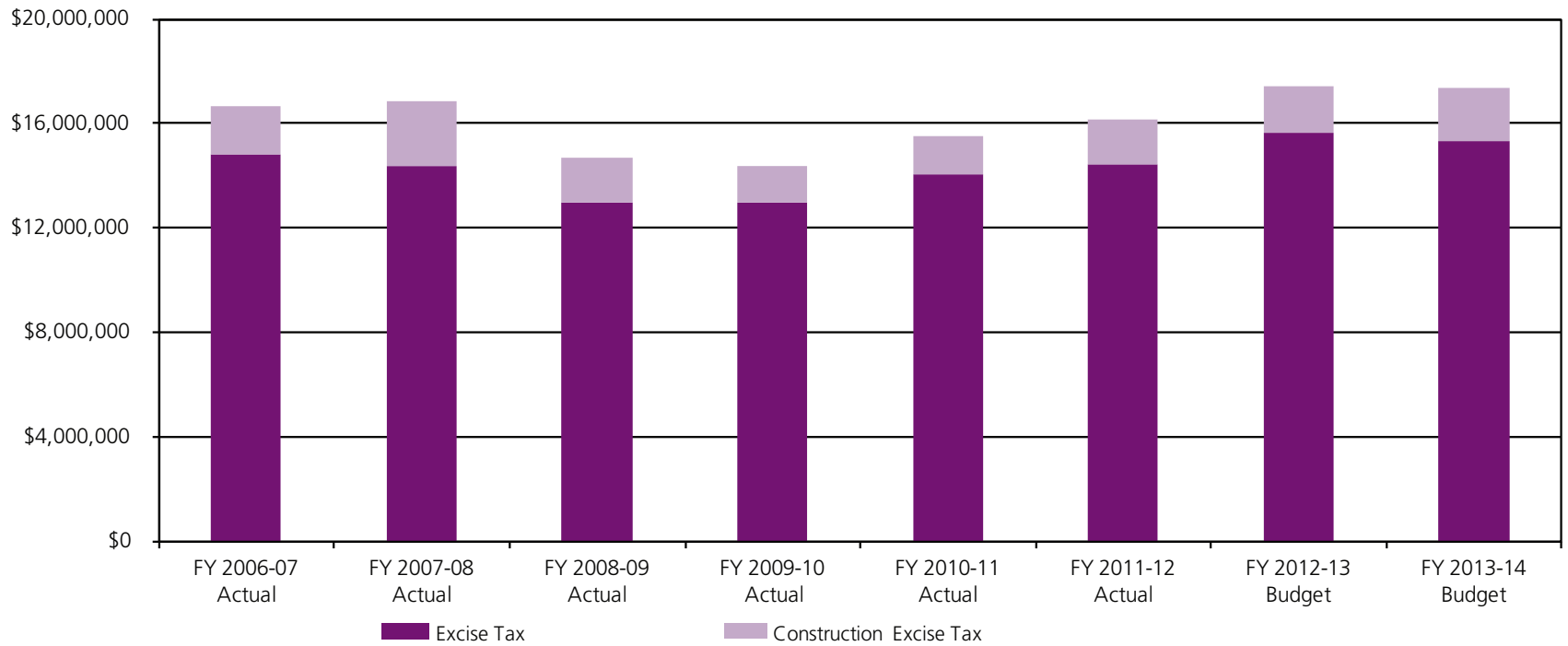
Budget by fund

	FY 2012-13 Amended Budget	FY 2013-14 Proposed Budget	% Change
Operating Funds			
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Total All Funds	\$535,942,000	\$481,666,000	-10%
FTE	743.64	752.55	1%

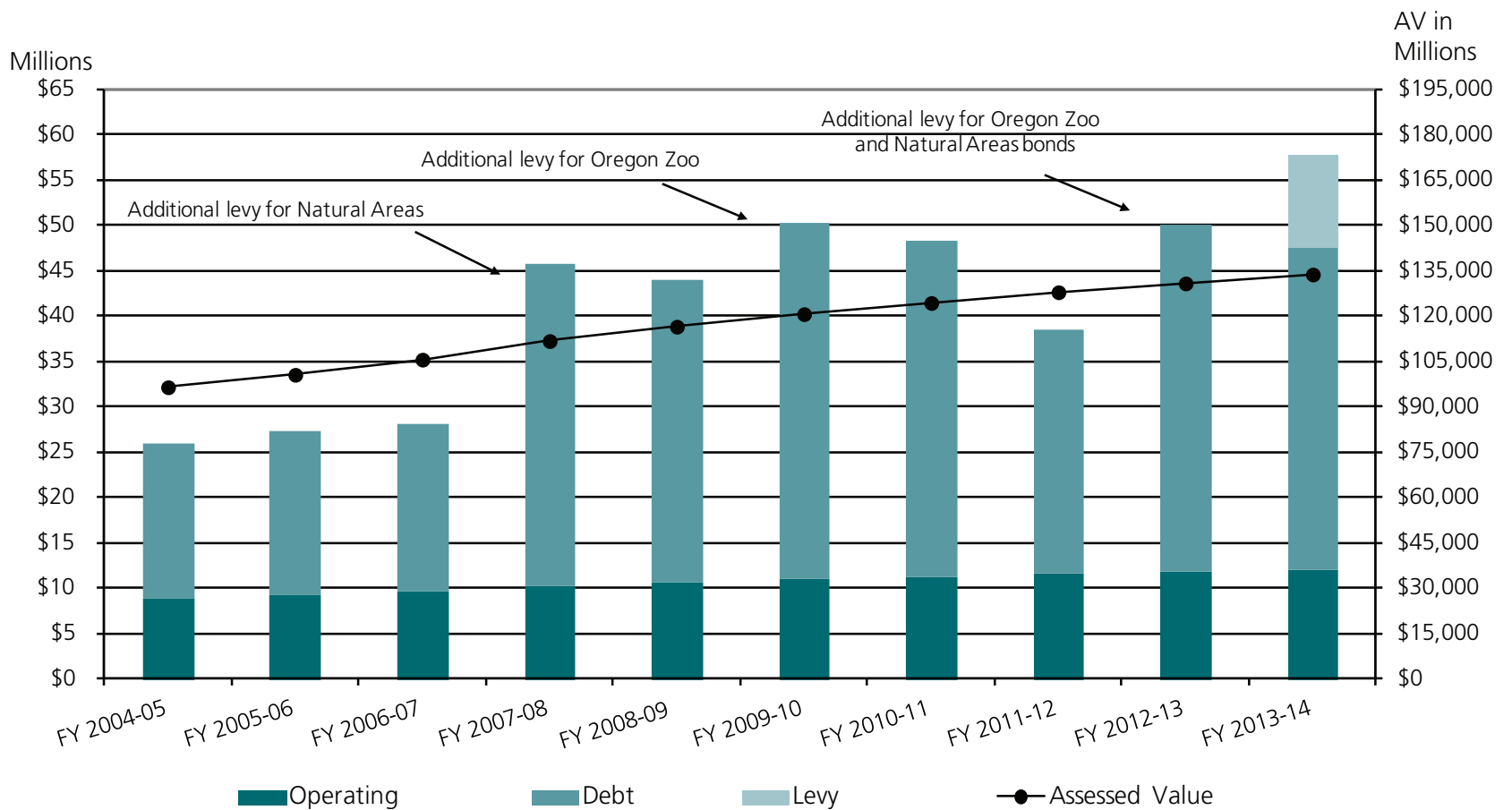
Enterprise revenue



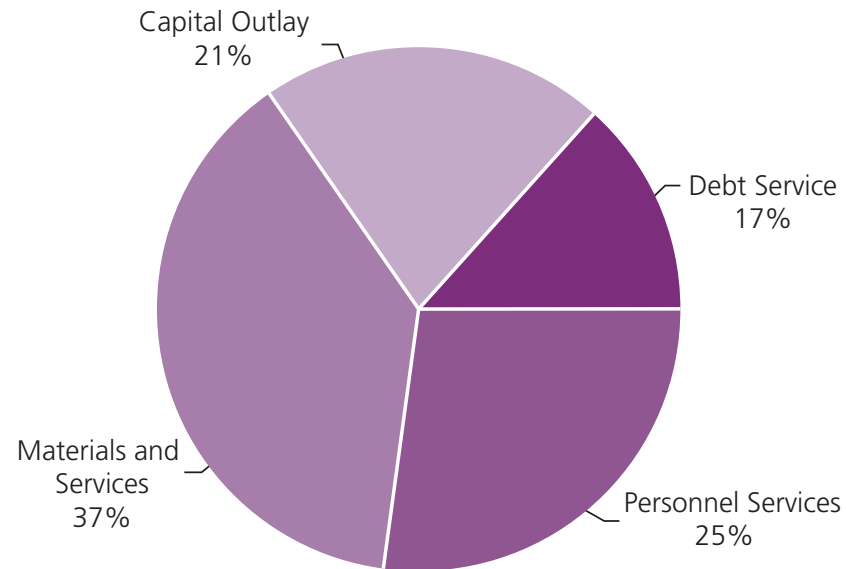
Excise tax



Property tax

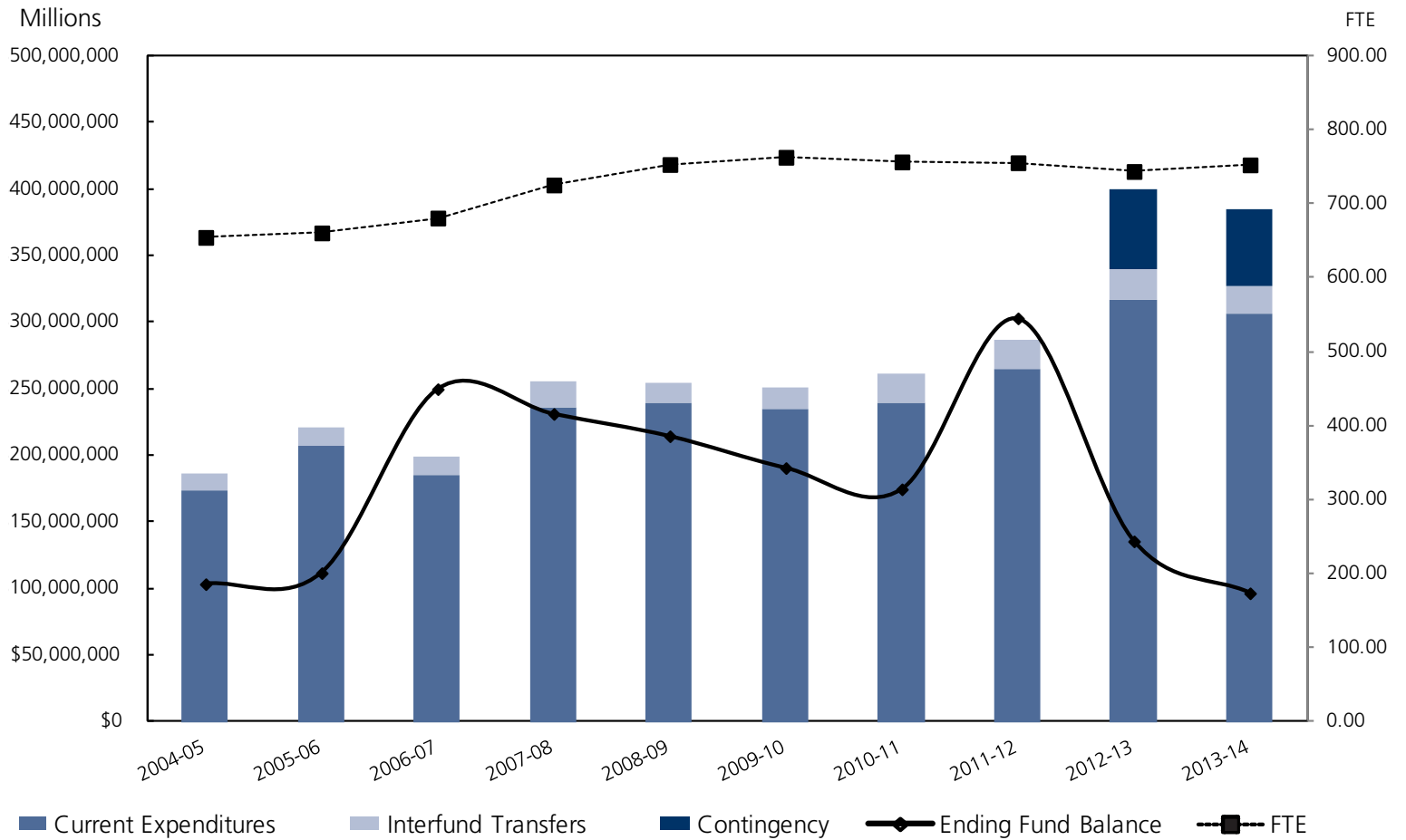


Category of Expense

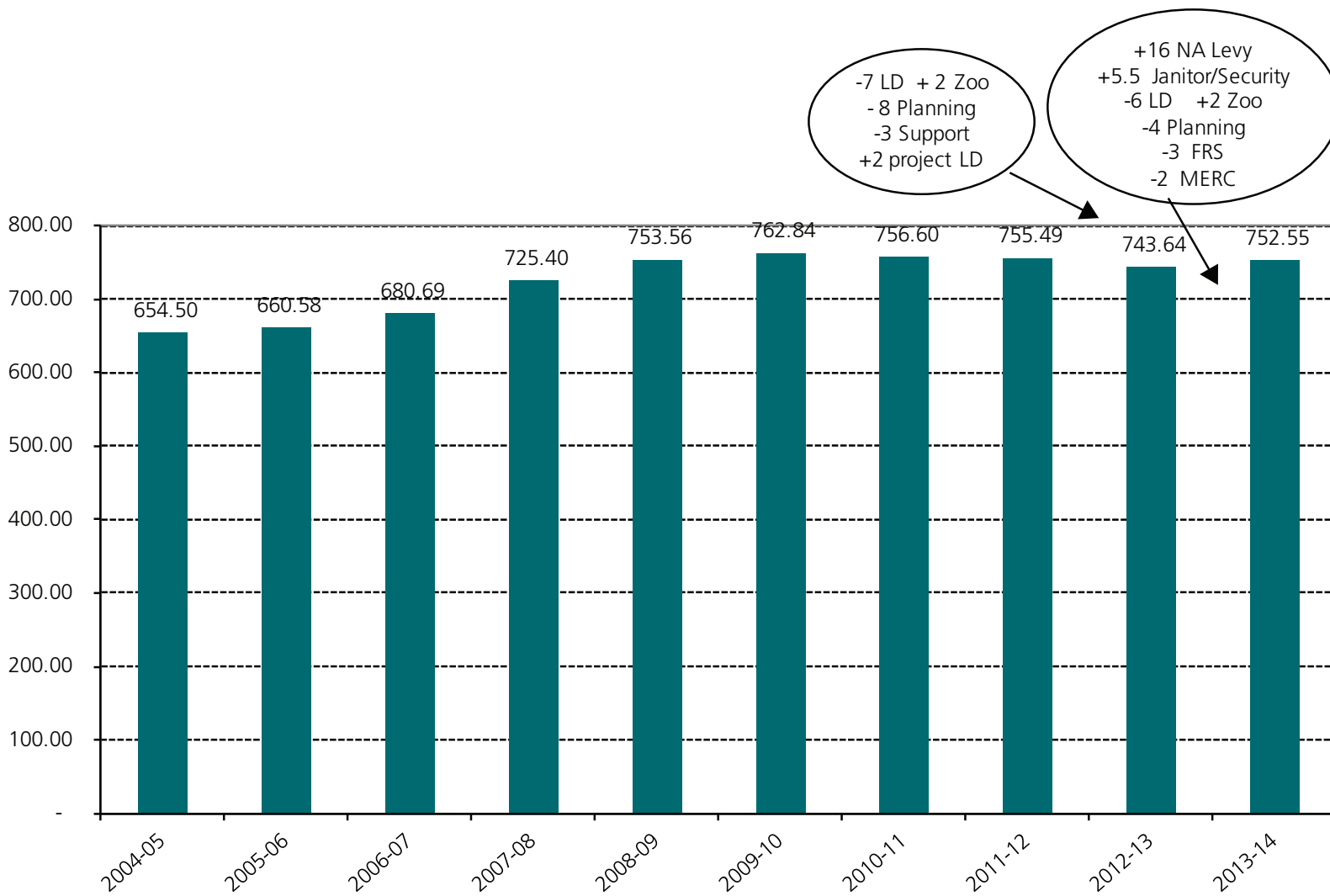


Total current expenditures: \$306,437,193

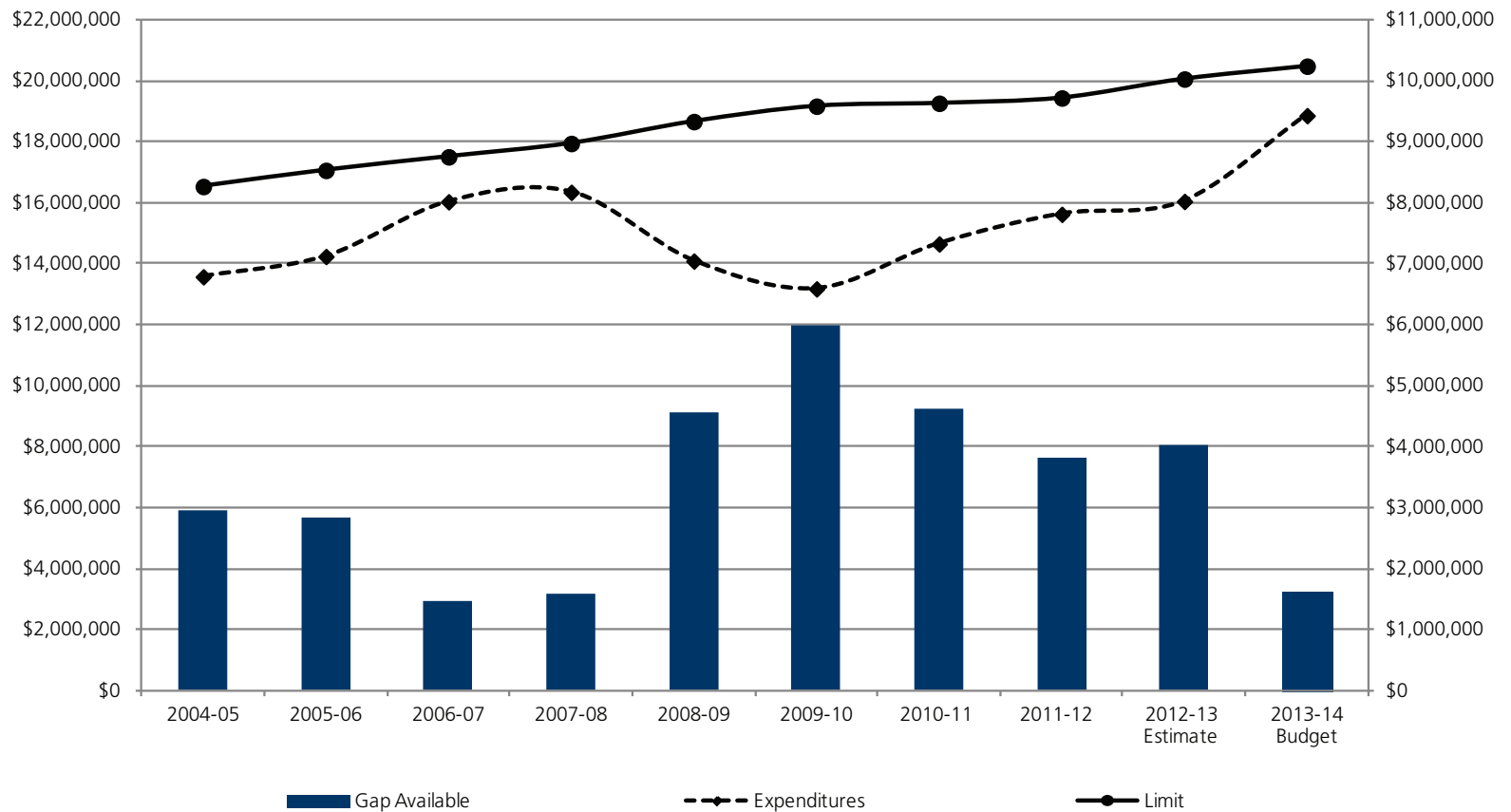
10-year expenditure history



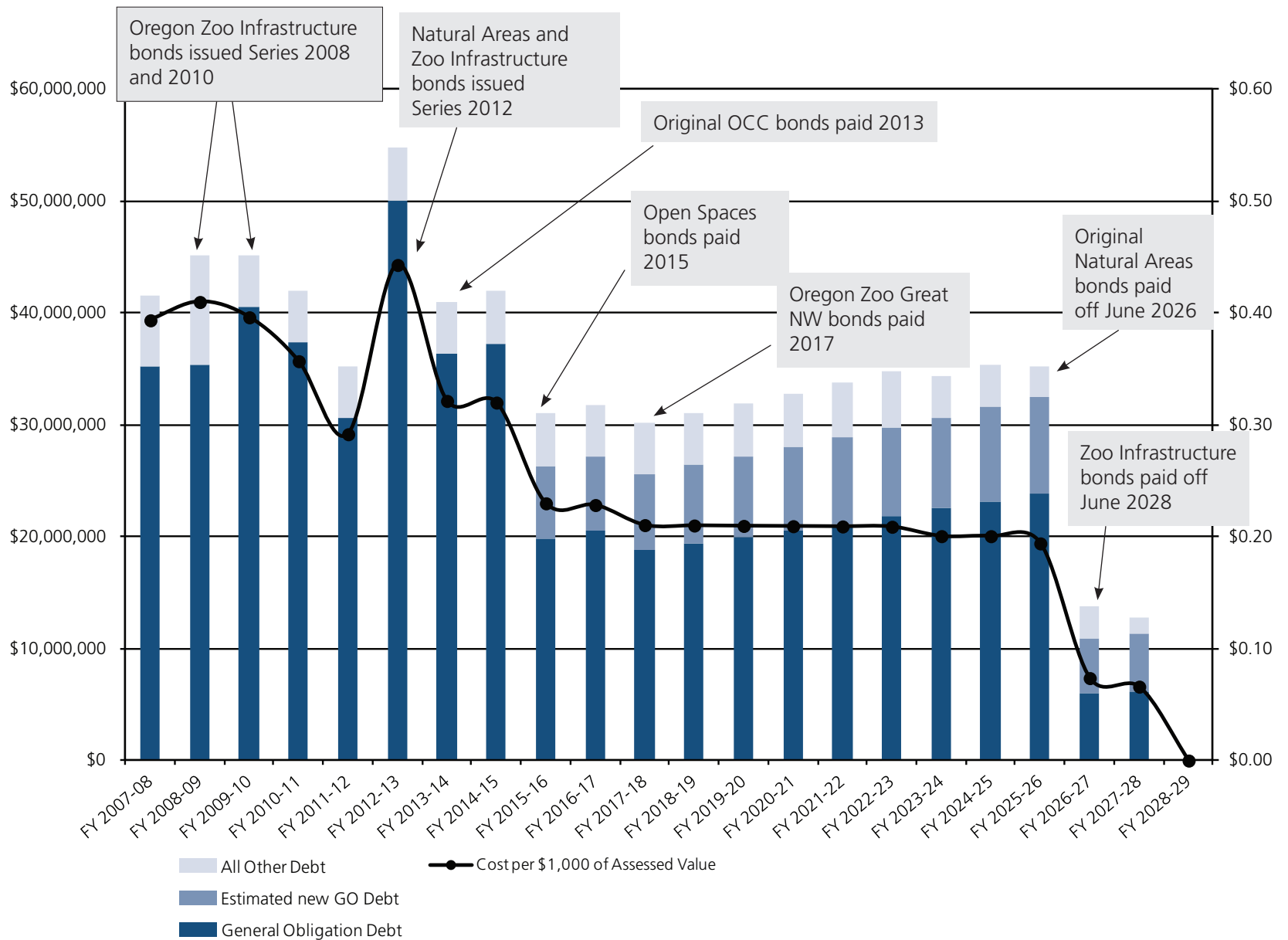
10-year total agency FTE history



Charter Limitation on expenditures



Debt service obligations

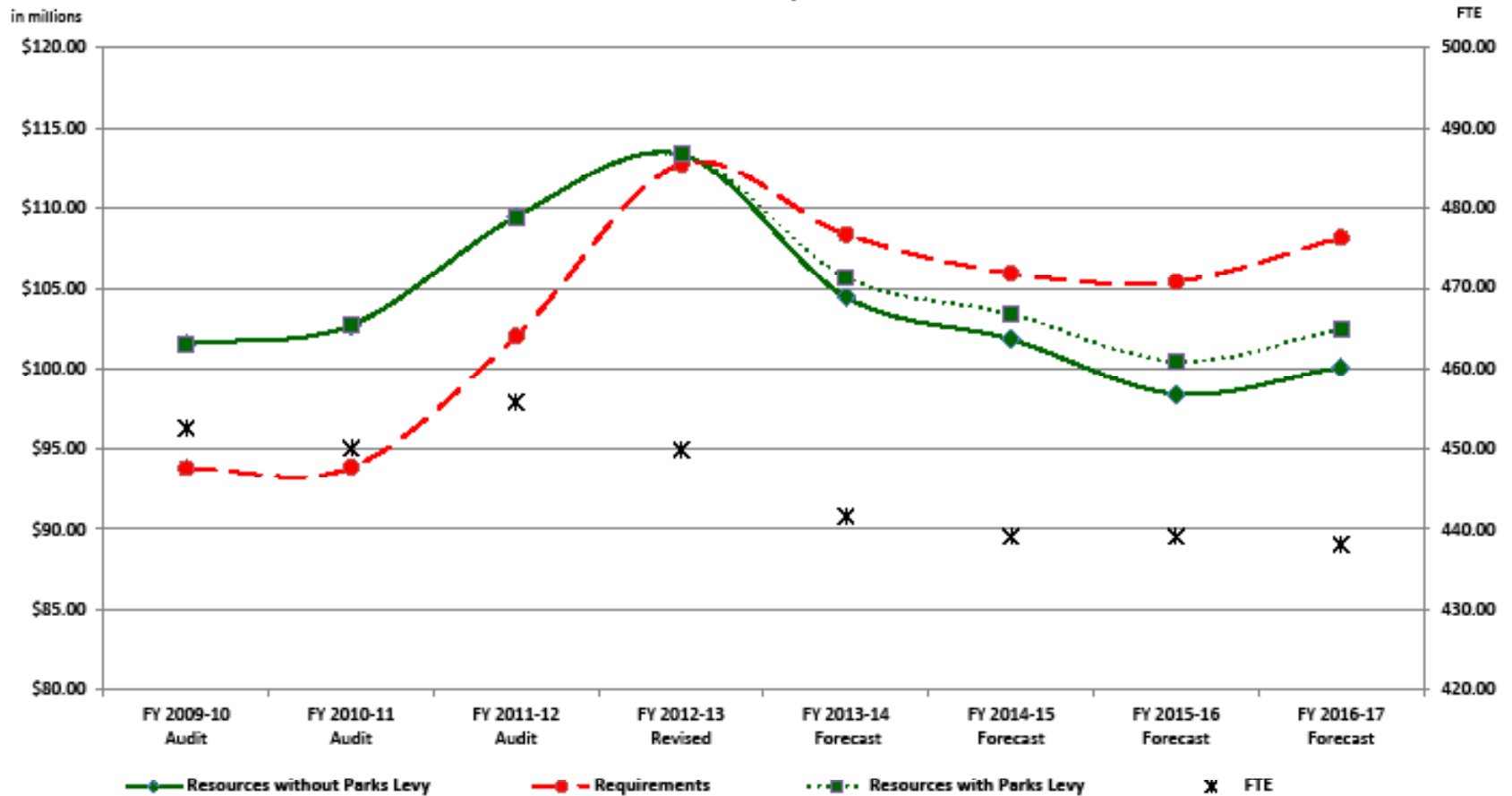


Property tax levy

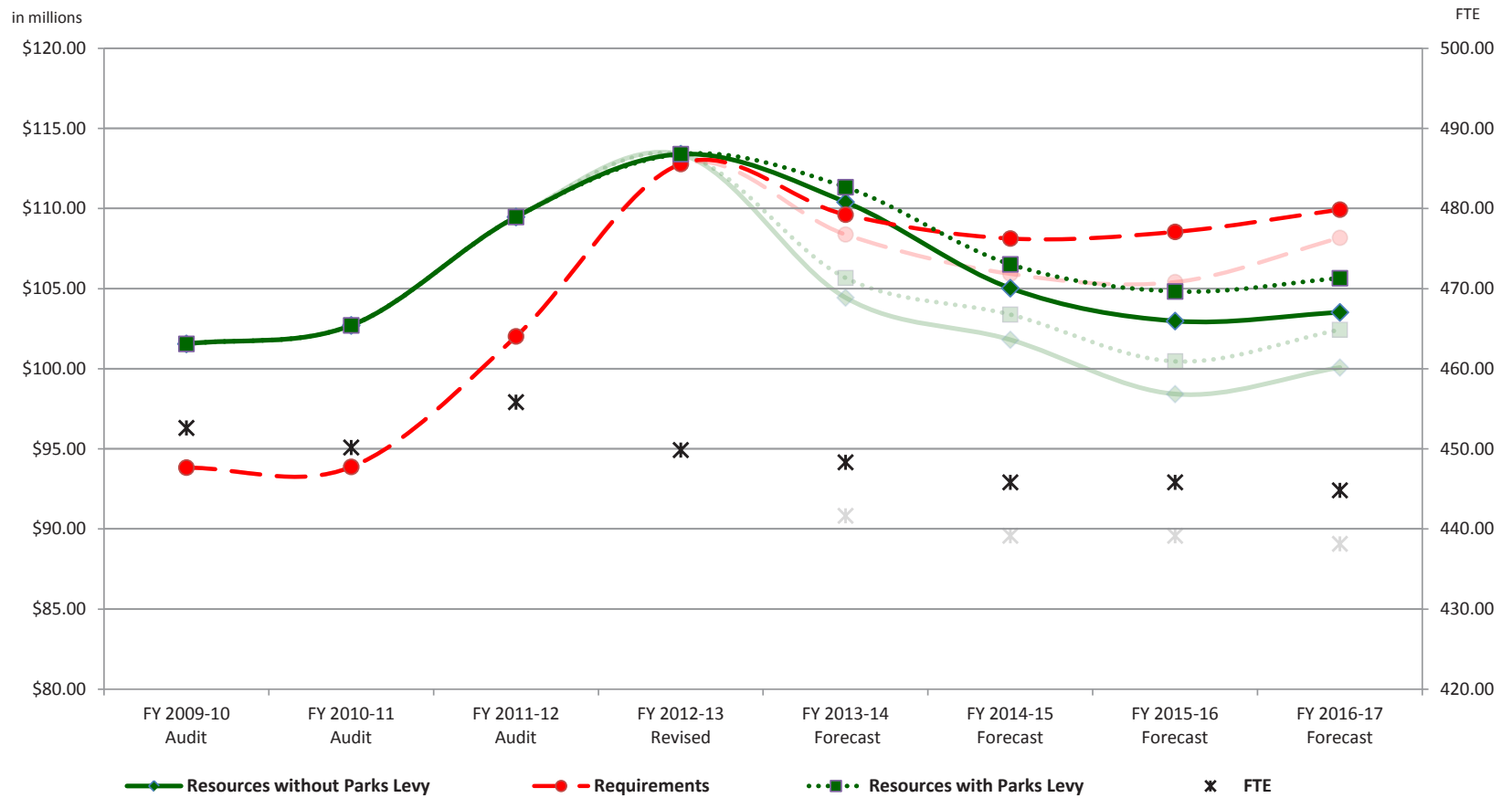
	Principal	Interest	Fiscal Year Debt Service
General Obligation Refunding Bonds			
Metro Washington Park Zoo Oregon Project 2005 Series	1,890,000	387,400	2,277,400
Open Spaces, Parks, and Streams 2012B Series	9,150,000	842,750	9,992,750
General Obligation Bonds			
Natural Areas 2007 Series	4,400,000	3,739,750	8,139,750
Natural Areas 2012A Series	4,610,000	3,404,350	8,014,350
Oregon Zoo Infrastructure 2012A Series	5,165,000	2,758,425	7,923,425
Full Faith & Credit Refunding Bonds			
2003 Series	1,385,000	24,238	1,409,238
2006 Series	705,000	483,650	1,188,650
2013 Series	105,000	166,433	271,433
Limited Tax Pension Obligation Bonds, Series 2005	615,000	1,105,071	1,720,071
TOTAL FY 2013-14 DEBT SERVICE PAYMENTS	\$28,025,000	\$12,912,066	\$40,937,066

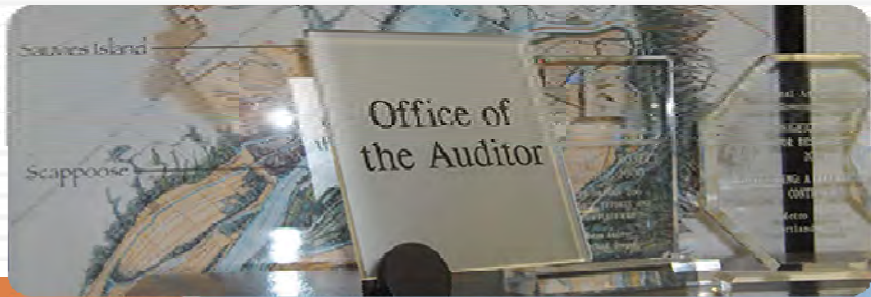
Property Taxes	FY 2012-13 Amended Budget	FY 2013-14 Proposed Budget
Permanent Operating Rate (per thousand)	9.66¢	9.66¢
Parks and Natural Areas Local Option Levy (per thousand)	-	9.60¢
Debt service (per thousand)	31¢	28¢
Average homeowner (\$200,000 assessed value) (\$250,000 market value)	\$81	\$95

General Fund Five-year forecast Oct 2012



General Fund five-year forecast Proposed Budget





Office of the Metro Auditor

FY13-14 Proposed Budget



Mission

- Ensure that Metro is accountable to the public
- Ensure that Metro activities are transparent
- Improve the efficiency, effectiveness, and quality of Metro services and activities

Accomplishments FY2012-13



- Audits completed
 - Ethics Line Case 66 (July 2012)
 - Span of Control (November 2012)
 - Risk Management (January 2013)
 - Emergency Management (March 2013)
 - Payroll and Benefits Follow-up Audit (May 2013)
 - Transportation Project Case Studies (June 2013)

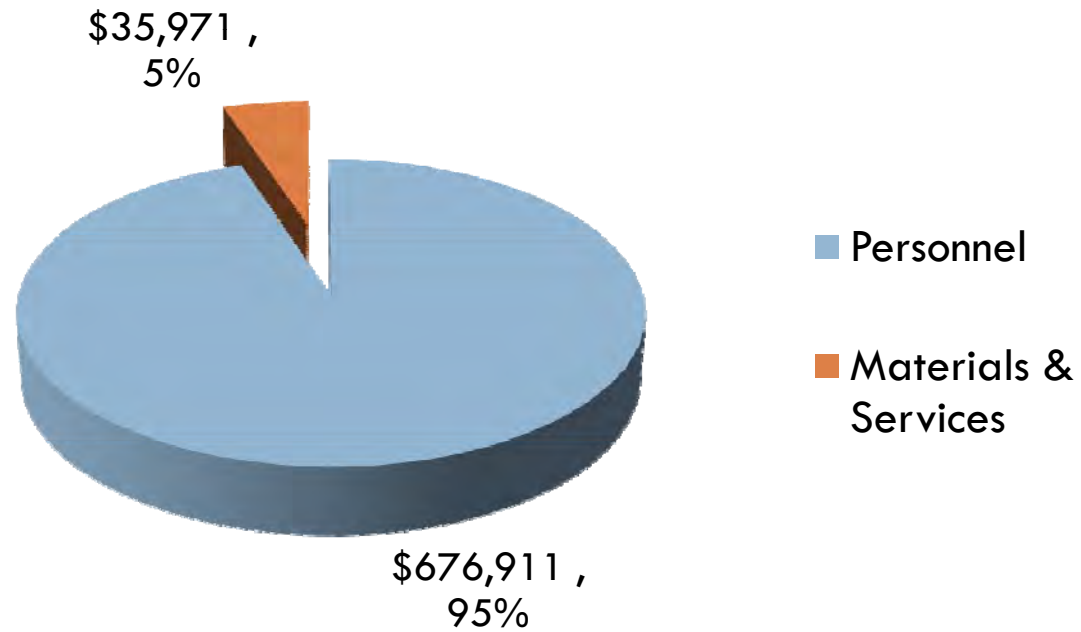
Accomplishments FY2012-13



- Received award for best audit from a small audit shop (Assoc. of Local Government Auditors)
- Received 10 reports on the Ethics Line
- Administered contract with external auditor Moss Adams



Proposed Budget FY2013-14





Comparison to Previous Years

	FY12 Actual	FY13 Adopted	FY14 Proposed
Personnel	\$639,243	\$673,290	\$676,911
Materials & Services	\$24,529	\$44,474	\$35,971
TOTAL	\$663,772	\$717,764	\$712,882



Upcoming Audits:

- ❑ **IS Software Controls Follow Up Audit** (in progress)
- ❑ **Organics Waste Management** (in progress)
- ❑ **Parks – Visitor Experience** (begin in May)
- ❑ **Procurement** (scope change)



Questions?

MERC

Terry Goldman

MERC Commission Budget Chair



Economic & Business Climate

Across the MERC venues:

Continued signs of growth evidenced by increasing attendance and size of events overall

Venues look at reduced spending, capture of new markets and diversification of events contributing to stabilization

Economic & Business Climate

Oregon Convention Center

Business driver: national conventions

- Fewer national conventions expected (32 vs 40)
- Direct result of 2008 recession; national conventions book 3-6 years in advance

Economic & Business Climate

Portland Center for The Performing Arts

Business driver: Broadway Across America

- Shorter BAA schedule than average: 6.5 weeks (compared to 10 weeks FY 12-13)
- Increased commercial bookings due to availability of large theatre space
- New ticketing contract resulting in revenue gains and enhanced service

Economic & Business Climate

Portland Expo Center

Business driver: large consumer/trade shows

- Number of events 10% higher than FY 12-13
- Multi-year agreements with major clients
- Staff reorganization and strategic sales and marketing investments paying off

Significant Budget Impacts

Metro/MERC Business Practice Study

- 6 FTE transferred from MERC fund to Metro departments
- Net savings to MERC venues: \$158,704

Oregon Convention Center Hotel project

- Focus: attract private investment to secure a dedicated block of hotel rooms adjacent to the OCC to serve national convention clients
- Funded through Metro's Tourism Opportunity and Competitiveness Account (MTOCA) \$418,633

Significant Budget Impacts

Eastside Streetcar Local Improvement District (LID)

- \$239,800 budgeted for year two of 10-year interagency lending arrangement between OCC and Metro

Oregon Convention Center bond refinance savings

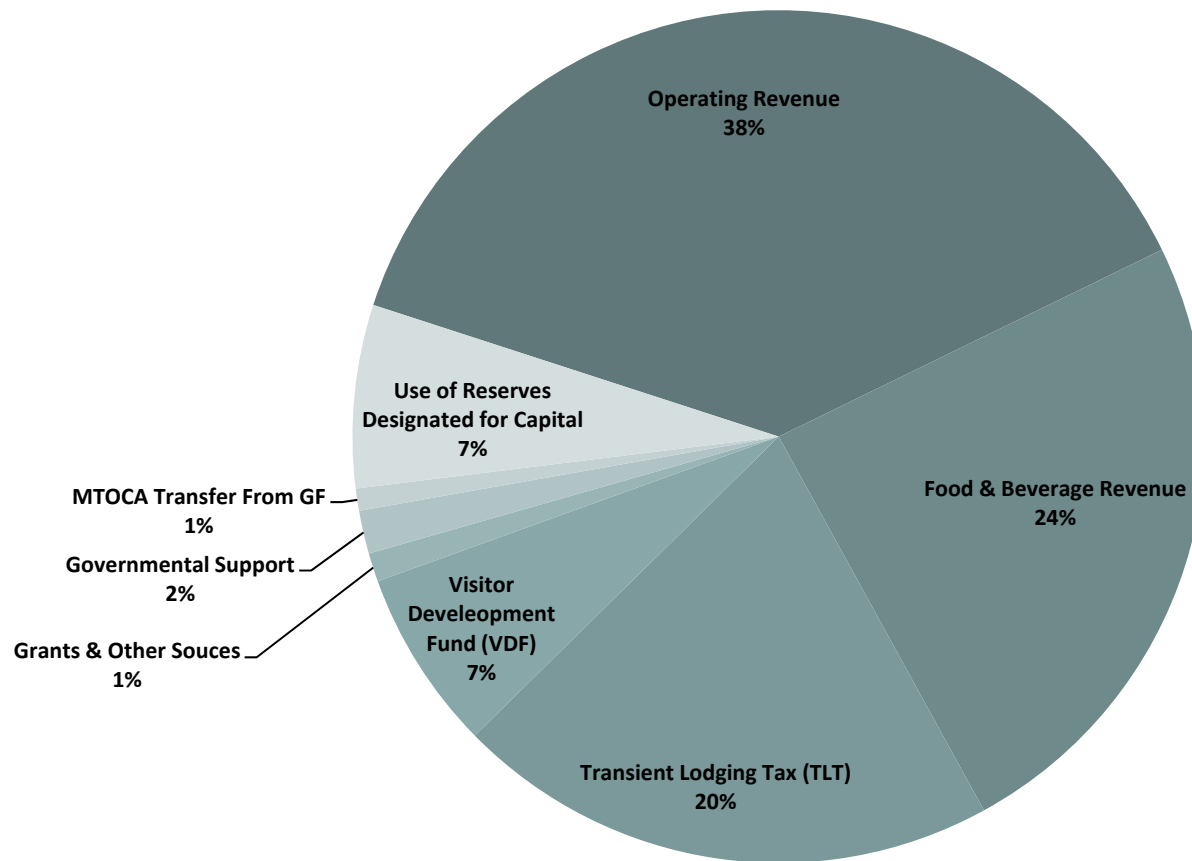
- Annual Bucket #4 request includes \$875,451 transfer to the Visitor Development Fund (VDF) to enhance marketing
- Memorandum of Understanding (MOU) defines how funds used

Oregon Convention Center Roof Replacement Phase 1

- Replace roof on original side of building
- Phase 1 is budget is \$1,080,000 funded from the OCC Renewal & Replacement Reserve

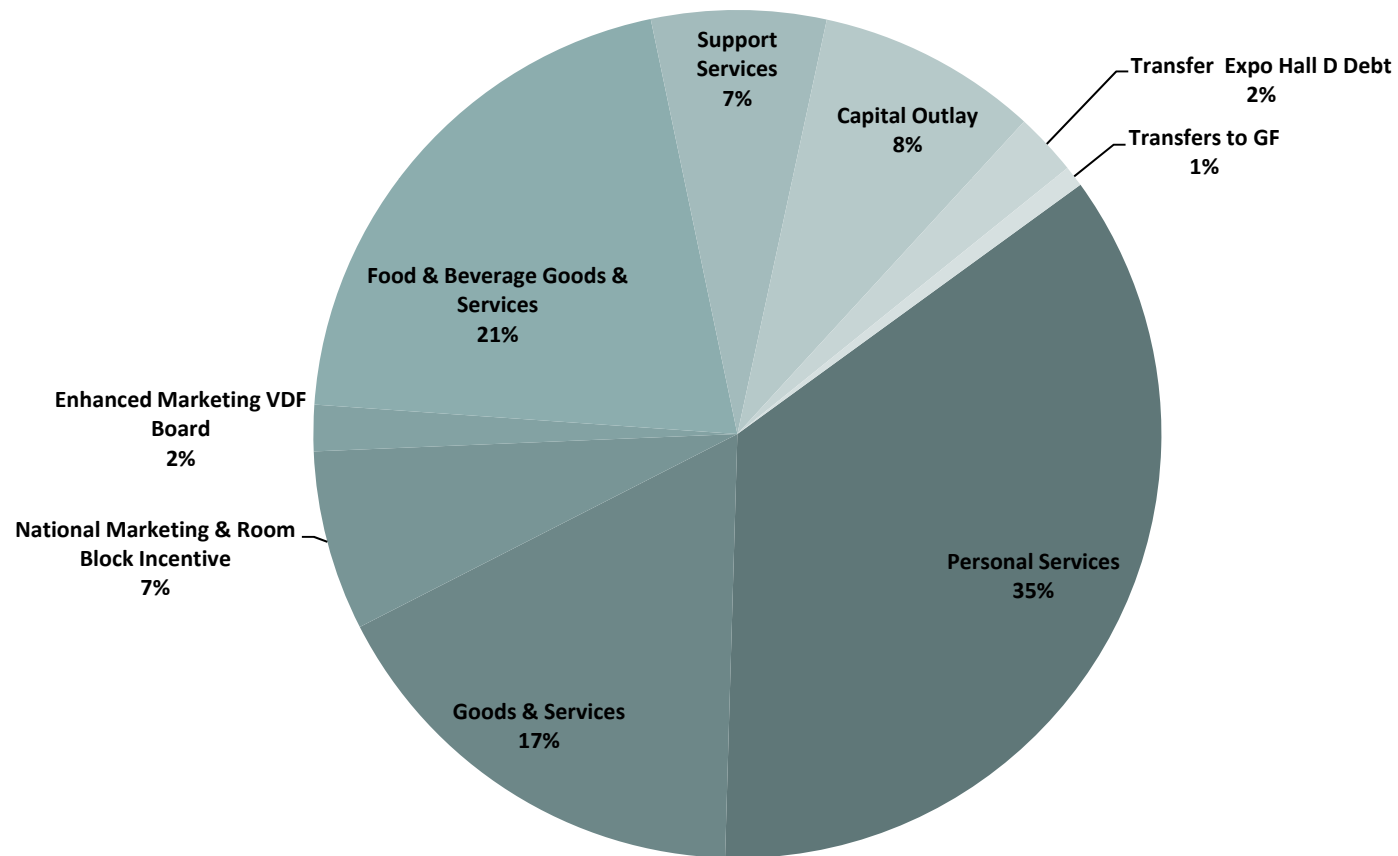
Total Revenue for FY 2013-14

Total Revenue \$49.8 m



Total Expenditures for FY 2013-14

Total Expenditures \$49.8 m



Proposed solid waste rates

Douglas Anderson

Solid Waste Policy and Compliance



Two classes of rates

1. Regional System Fee

Raises \$20-\$22 million per year.

Charged on all waste ultimately disposed

Revenue base: more than one million tons per year

Pays for regional programs and services

Two classes of rates

2. Service charges at Metro transfer stations

Raise about \$34 million per year

Charged to Metro customers only

Two-part charge:

Transaction Fee + Tip Fee
(per load) *(on each ton in the load)*

Base: 393,000 tons of waste

110,000 tons of organics

Pays for PES Disposal Operations

The five components of the tip fee

Tonnage Charge	\$61.74
<i>Covers costs of transfer, transport, recovery, disposal.</i>	
Pass-Throughs	
<i>Government fees and taxes levied at disposal sites.</i>	
Regional System Fee	\$18.56
Metro excise tax	12.29
DEQ fees	1.24
Enhancement Fee	0.50
<hr/>	
Total = Tip Fee	\$94.33

Proposed tip fee for waste

\$94.33 per ton, up 49 cents from \$93.84

Means about 3 cents per month for households

Less than \$5 per year for most businesses

No Changes Proposed

Transaction fees at Metro stations:
no change from \$3 and \$12

Minimum load charge at Metro Stations:
no change from \$28
This is the main rate paid by residential self-haulers

Regional System Fee:
no change from \$18.56

Proposed tip fees for organics

Wood/yard debris:	\$53.02	up \$7.24 from \$45.78
Residential organics:	\$56.67	up \$1.84 from \$54.83
Commercial organics:	\$60.88	up \$8.58 from \$52.30

Explaining the organics rates

Organics rates remain \$33 to \$41 per ton below the rate disposal

The proposed organics rates

- Now reflect Metro's cost-of-service

- Make Metro's organics operations financially sustainable

- Implement Council direction

- Include the 50 cent Enhancement Fee,

 - but not the Regional System Fee or excise tax

Explaining the tip fee for refuse

Practices affecting the proposed rate for refuse:

1. Organics rates are at Metro's cost of service
Spreads Metro's fixed costs over a larger tonnage base
2. We forego a deposit into reserves
Not needed in FY 2013-14 – the reserves are fully funded
3. We return uncommitted fund balance to the ratepayers
Standard practice: use excess fund balance against next year's rates

Conclusion

The proposed tip fee reflects the smallest change in seven years.

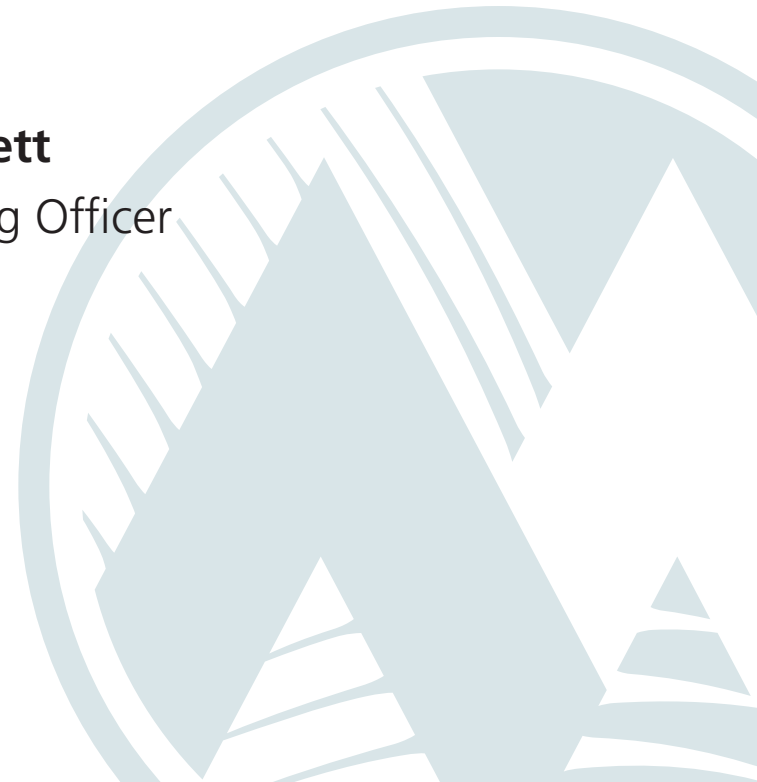
Metro's organics operations financially sustainable

Metro's rates reflect standard and best practices in municipal utility rate-setting

Moving the budget forward

Martha Bennett

Chief Operating Officer



Moving the budget forward

- Proposing a balanced budget is always challenging
 - Adjusting to reality of less transportation funding
 - Maintaining staff talent for the future
 - Avoiding disruptive service shifts that damage public trust
 - Staying with financial policies that work
 - Using the budget as a course correction to the future

Moving the budget forward

- Approving, and ultimately adopting a balanced budget now becomes the Council's challenge

Does the budget move Metro and the region in the right direction?

Does the budget reflect your guidance?

Does the budget continue to maintain the confidence of Metro's citizens?

Next important dates

			Public Hearing
April	April 25	Budget introduced Solid waste rates introduced	*
	April 30	Council worksession on proposed budget	
May	May 2	Public Hearing Resolution to approve budget, set tax levy, forward budget to TSCC FY 2013-14 Proposed Budget Solid Waste Rates Budget ordinance continued to June	*
	May 15	Budget documents to TSCC	
June	June 6	TSCC review and hearing	*
	June 13	Final amendments	*
	June 20	Budget adoption	*
July	July 1	New budget begins	
	July 15	Tax levy submitted to counties	
September	September 1	Solid Waste rates effective	

Acknowledgements

Thanks to:

Senior Management Team

Finance Team

Program Managers and Analysts

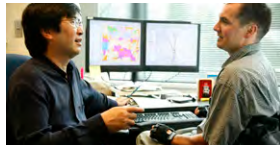
Production Team

Sarah Erskine

Cover Design

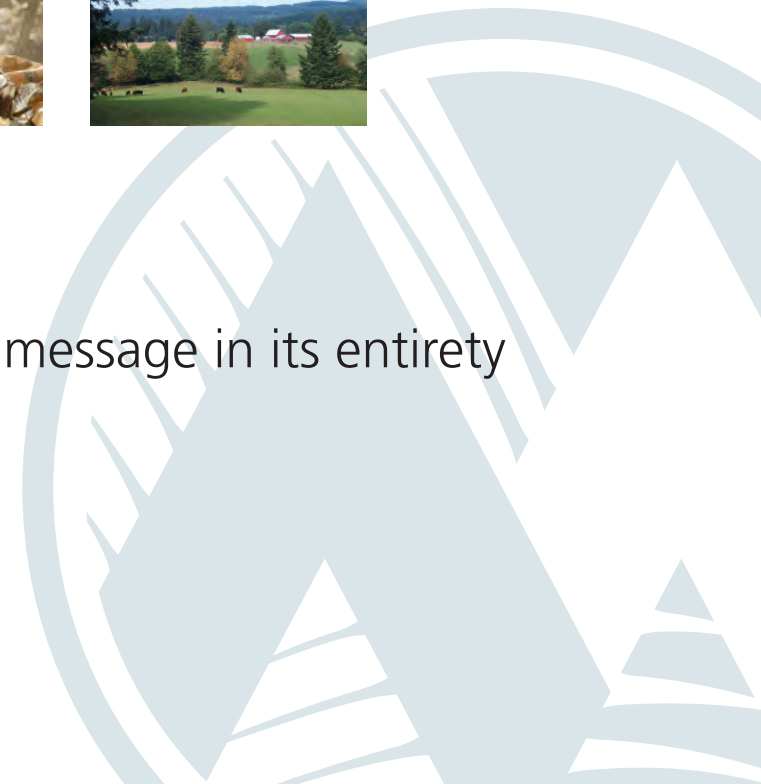
Creative Services

Thank you



To view Metro's budget and the budget message in its entirety please visit:

www.oregonmetro.gov/budget



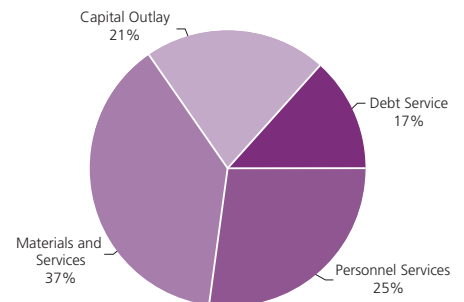
FY 2013-14 Proposed Budget

by the numbers

	FY 2012-13 Amended Budget	FY 2013-14 Proposed Budget	% Change
Operating Funds			
General Fund	109,996,000	111,321,000	1%
MERC Fund	70,795,000	69,702,000	-2%
Parks and Natural Areas Local Option Levy Fund	0	10,217,000	
Solid Waste Revenue Fund	101,350,000	94,564,000	-7%
Total Operating	\$282,141,000	\$285,804,000	1%
Bond/Capital Funds			
General Assets Management Fund	10,573,000	12,228,000	
Natural Areas Fund	99,487,000	66,263,000	
Open Spaces Fund	739,000	643,000	
Oregon Zoo Infrastructure Bond Fund	78,600,000	66,578,000	
Total Bond/Capital	\$189,399,000	\$145,712,000	-23%
Debt Service Funds			
General Obligation Bond Debt Service Fund	50,219,000	36,494,000	
General Revenue Bond Fund	3,095,000	2,875,000	
Total Debt Service	\$53,314,000	\$39,369,000	-26%
Other Funds			
Cemetery Perpetual Care Fund	470,000	445,000	
Rehabilitation & Enhancement Fund	2,325,000	2,266,000	
Risk Management Fund	4,531,000	4,469,000	
Smith & Bybee Wetlands Fund	3,762,000	3,601,000	
Total Other	\$11,088,000	\$10,781,000	-3%
Total All Funds	\$535,942,000	\$481,666,000	-10%
FTE	743.64	752.55	1%

	FY 2012-13 Estimated Budget	FY 2013-14 Proposed Budget	% Δ
Enterprise revenues			
Enterprise revenues	\$116 million	\$116 million	0%
Solid Waste	60.5 million	56.6 million	
Venues			
Oregon Zoo	20.9 million	20.5 million	
MERC	29.6 million	30.7 million	
Property Taxes			
Permanent Operating Rate (per thousand)	9.66¢	9.66¢	
Parks and Natural Areas Local Option Levy (per thousand)	0¢	9.60¢	
Debt service (per thousand)	31¢	28¢	(10.7%)
Average homeowner (\$200,000 assessed value) (\$250,000 market value)	\$81	\$95	17.3%

Current Expenditures



Total \$306,437,193



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COUNCILOR KATHRYN HARRINGTON, DISTRICT 4

To: Metro Council
From: Councilor Kathryn Harrington
Date: April 25, 2013
Subject: Request for Budget Proposal to invest in Equity Atlas opportunity map materials to support collaborative regional decision-making in 2014

Metro has been working with the Coalition for a Livable Future on the second generation of the **Regional Equity Atlas. This second generation has been expected to provide a vast series of Opportunity Maps highlighting existing conditions and potential opportunities for improvement throughout the 25 cities and 3 counties that make up the metropolitan Portland region.**

I have been thirsting for this information as a means to advance regional understanding of opportunities that lie before us in advance of the next major cycle of regional decision-making, with the Climate Smart Communities program, the Urban Growth Report and Urban Growth Management decision-making as well as the Regional Transportation Plan. Draft information was shared at the Coalition for a Livable Future 10th Annual Livability Summit held last October. **I am excited about the prospects for the availability of this information for shared learning experiences, discussion and review at regional and small forums with local partners as our policy making work proceeds in 2013 and 2014.**

I have recently come to understand that the project is pushing hard to complete the availability of the on-line technical tool for presenting the vast array of information and filters for use. That is wonderful for all of the staff level experts that will use the tool in the course of their important project work. **But what about providing learning opportunities for elected officials and key stakeholders through-out the region? What about providing resources for policy discussions in large forums as well in small groups and in one-on-one discussions?** Past experience highlights to me that elected officials, of which I am one, will not utilize an on-line tool for such purposes. Please note that the status of engagement materials is not yet confirmed (with Metro staff and CLF.)

I am pro-actively generating **a request for a budget proposal to identify and secure budget resources to produce a set of materials (an illustration or discussion guide with a reasonable set of opportunity maps and key lessons learned, and appropriate presentation materials) to be used for engagements no later than the end of 2013.** These resources should help support the Climate Smart Communities Phase 3 work, as well as foster regional community understanding in advance of the next Urban Growth Report (due in 2014).

Without these resources, I know of no other tool that will foster understanding across our region partners for the significant growth management policy discussions and decision-making to be made in the upcoming calendar year, 2014. I assume a contractor could be utilized (M&S) to craft the materials and also I assume that M&S will be needed for packaging and printing materials. (A total guess: a contractor for 4-6 months max \$50K and print production costs \$20K.)

I hope you will join me in asking the COO (and Metro staff) to develop a solution to support this smaller program, an investment to support collaborative regional decision-making in 2014.



Metro | *Making a great place*

COUNCILOR KATHRYN HARRINGTON, DISTRICT 4

To: Metro Council
From: Councilor Kathryn Harrington
Date: April 25, 2013
Subject: Request for Budget Note for the Community Investment Initiative

Metro has been working with the Coalition for a Livable Future on the second generation of the **Regional Equity Atlas. This second generation has been expected to provide a vast series of Opportunity Maps highlighting existing conditions and potential opportunities for improvement throughout the 25 cities and 3 counties that make up the metropolitan Portland region.**

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Metro | *Making a great place*

COUNCILOR KATHRYN HARRINGTON, DISTRICT 4

To: Metro Council
From: Councilor Kathryn Harrington
Date: April 25, 2013
Subject: Request for Budget Proposal to support follow-through on Active Transportation Strategies

Summary

For the last two years, the Metro Council has supported the development of the region's first ever **Active Transportation Plan**. This plan is being finalized by the development team, the Stakeholder Advisory Committee, with **final recommendations coming to the Metro Council in June**. During the development of this strategic plan, multiple noteworthy facts have come to light that have made me realize that the work of going from recommended strategies to plans and implementation has really just begun. In addition, there seems to be a thirst among many regional partners for assistance to figure out how to deliver the needed community serving solutions. **As such, I am requesting that a proposal for subsequent work be developed for consideration in the FY 13-14 budget. My hope is that the Metro Council will choose to invest in advancing walking and bicycling corridor solutions, also referred to as Active Transportation solutions. Budget desired outcome: For the next two years, through dedicated Metro staff resource(s) ensure that the strategies in the soon to be proposed Active Transportation Plan are realized through Local Transportation System Plans (TSP), Local Capital Improvement Plans (CIP) and regional plans (RTP, RTFP.)**

To illustrate potential budget amendments (yet to developed utilizing staff expertise), this may take the shape of 1 person (\$110K/year, \$220K for 2 years, \$50K M&S for 2 years for a total proposal of \$270,000 for 2 years, \$135K per year for FY13-14 and FY14-15.) Given that the final strategic recommendations in the regional Active Transportation Plan will be released and presented to the Metro Council in June, the Metro Council may wish to set aside the money for this work and make a final decision in the subsequent months when adequate time is available.

Overview

The Regional Active Transportation program was last reviewed with the Metro Council in February in a work session. The ATP is expected to allow the region to compete more effectively for limited funding and coordinate projects for seamless connection. Development of the ATP was identified as a recommended follow up activity in the 2035 RTP to address these needs. Phase one is complete providing a comprehensive existing conditions analysis of the current regional pedestrian and bicycle networks. Phase two was underway as presented in the February work session, identifying project needs and evaluating a range of improvements to the networks. The final phase, phase three, is expected to result in a tiered list of regional Active Transportation priority projects for development (some of which are totally new network solutions/corridors), a recommended phased implementation plan and proposed investment strategies for implementing this new regional Active Transportation network. **Those results will only be realized with effective follow-up with our regional partners, both at the staff level and the elected level.**

During the last year of this project I have been startled by some things discovered through the development of this strategic plan. Various examples include:

- While our region has a few major network pathways, our regional system project list is lacking in sufficient network paths/corridors, lacking as in non-existent. Our region needs to define and build a true regional system that serves the majority of potential users. We aren't talking about just gaps in current pathways, but rather significant routes that are not yet reflected in plans and project lists.
- Today, nearly 18 percent of all trips in Clackamas, Multnomah and Washington counties are made by walking and bicycling.
- Fifteen percent of children under the age of 14 bicycle where they need to go. If the system is not safe, we have a big issue to address.
- Twenty-five percent of young people aged 25 to 34 years old use active modes to get around. How do we continue these trends in the future decades of their lives?
- Fifteen percent of our trips made by car are under one mile. One mile is not far. We could reduce congestion, improve our personal health and reduce air pollution if we made more of these trips by walking, bicycling or using transit.
- The existing walking, bicycling and transit solutions tend to be on arterials, as those are the destination and transit service areas. They are also the most dangerous, so safety is an issue that needs to be addressed.
- Including bicycle and walking projects in roadway preservation projects, and following best practice design guidelines, would improve the region's ability to make regional pedestrian and bicycle routes complete streets. Why should increasing auto capacity be allowed to reduce pedestrian and bicycle connectivity?

Addressing the situation is not just a matter of waiting for the local TSPs to catch up with community needs. As this regional Active Transportation Plan has been developing, an amazing array of support requests have materialized. Many of our local communities seem to be hungry to address this – but need help, assistance that Metro has the expertise to provide. Updates to local Transportation System Plans (TSPs), Local Capital Improvement Plans, the next Regional Transportation Plan (RTP) and the Regional Transportation Functional Plan (RTFP) provide opportunities to include policies and best practices for implementation. Current regional and local transportation plans have clear visions and goals for balanced transportation systems which include bicycling, walking and taking transit; it seems that they don't have all of the policies, tools and corridor definitions needed to realize those visions and goals. Best practices for implementable plans include prioritized project lists, concept level designs, funding plans and performance targets. Specific guidelines for some of the pedestrian and bicycle requirements in the RTFP would support performance measurement and consistent implementation across the region.

- We know that reaching city and regional community ambitions for vibrant communities is dependent upon more people walking, bicycling and accessing transit.
- We know reaching the regional air shed goals is dependent upon more people walking, bicycling and accessing transit.
- We know that our regional economic development goals are dependent upon a workforce that can afford their combined household and transportation costs. Enabling more people to walk, bicycle and access transit helps reach local and regional economic goals.

I hope you will join me in asking the COO (and Metro staff) to develop a solution to support this smaller program. Investing in advancing walking, bicycling and access to transit can deliver appreciable value for the region and our local partners.

Support Document:

BudgetForm_ActiveTransportationFromStrategytoFundingAndImplementation_130415