#### BEFORE THE METRO COUNCIL

ADOPTING THE ANNUAL BUDGET FOR	)	ORDINANCE NO. 13-1300A
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 NINETY MILLION SIX HUNDRED THIRTY FIVE THOUSAND FIVE HUNDRED SEVEN (\$490,635,507), 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 the Limitation
Operating Tax Rate Levy	\$0.0966/\$1,000	
Local Option Tax Rate Levy General Obligation Bond Levy	\$0.0960/\$1,000	\$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 on May 21, 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. An interfund loan from the General Fund to the MERC Fund in an amount not to exceed \$2.2 million is hereby authorized. The loan will be made to provide financing of the Eastside Streetcar Local Improvement District assessment on the Oregon Convention Center. The loan, including interest at a rate equal to the average yield on Metro's pooled investments, will be repaid from Oregon Convention Center revenues and/or reserves. Repayment will be over a period not to exceed ten years beginning FY 2013-14 and provide for a minimum of \$220,000 annual principal payments due no later than June 30<sup>th</sup> of each fiscal year
- 7. 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.
- 8. 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 Bridge Council President

ATTEST:

Kelsey Newell, Recording Secretary

Alison Kean Campbell, Metro Attorney

Approved as to Form:

# EXHIBIT A Ordinance No. 13-1300A



# Tax Supervising & Conservation Commission

PO Box 8428 Portland, Oregon 97207-8428

Telephone (503) 988-3054

Fax: (503) 988-3053

E-Mail: TSCC@ multco.us

Web Site: www.tsccmultco.com /tscc/ June 6, 2013

Metro Council 600 NE Grand Avenue Portland, Oregon 97232

Dear President Hughes and Councilors:

The Tax Supervising and Conservation Commission met on June 6, 2012 to review, discuss and conduct a public hearing on Metro's 2013-14 Approved Budget. This hearing was conducted pursuant to ORS 294.605 to 294.705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support efficient and economical administration of the district.

The budget was filed timely on May 7, 2013. The Commission hereby certifies by a majority vote of members of the Commission that it has no objections or recommendations to make with respect to the budget.

For 2013-14, estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with Local Budget Law. The budget estimates and levy amounts, as shown in the approved budget, are shown on the attached page.

Please file a complete copy of the adopted budget with the Commission no later than August 31, 2013.

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

Yours very truly,

TAX SUPERVISING & CONSERVATION COMMISSION

Javier Fernandez, Chair

Susan Schneider, Vice Chair

Brendan P. Watkins, Commissioner

Terry McCall, Commissioner

Steven B. Nance, Commissioner

Commissioners

Javier Fernandez, Chair Terry McCall Steven B. Nance Susan Schneider Brendan P. Watkins

# **EXHIBIT A** Ordinance No. 13-1300A

Metro 2013-14 Approved Budget

June 6, 2013

· 	Budget Estimates	Unappropriated Portion
General Fund	\$111,320,879	\$14,971,701
General Obligation Bond Debt Service Fund	36,494,125	146,450
General Asset Management Fund	12,227,868	486,312
General Revenue Bond Fund	2,874,715	5,393
MERC Fund	69,701,875	11,455,264
Natural Areas Fund	66,263,355	9,129,631
Open Spaces Fund	643,064	0
Zoo Infrastructure Fund	66,578,439	35,371,118
Parks & Natural Areas Local Option Levy Fund	10,216,770	0
Pioneer Cemetery Perpetual Care Fund	445,067	445,067
Rehabilitation & Enhancement Fund	2,266,179	1,543,581
Risk Management Fund	4,469,238	1,050,326
Smith & Bybee Wetlands Fund	3,600,569	3,225,467
Solid Waste Revenue Fund	94,564,477	18,407,491
Total Budget Estimates	\$481,666,620	\$96,237,801

Property Tax Levies, as approved by Budget Committee:

Permanent Rate - General Government

\$0.0966 / \$ 1,000 AV

Parks/Natural Areas Local Option - General Government \$0.0960 / \$1,000 AV

**Debt Service - Not Subject to Limit** 

\$37,679,497

# Budget Summary by Year Ordinance 13-1300A

								Change from
	Audited FY 2010-11	Audited FY 2011-12	Adopted FY 2012-13	Amended FY 2012-13	Proposed FY 2013-14	Approved FY 2013-14	Adopted FY 2013-14	FY 2012-13 Amended
RESOURCES								
Beginning Fund Balance	\$190,317,945	\$174,355,620	\$295,435,747	\$295,435,747	\$236,015,398	\$236,015,398	\$243,182,410	(17.69%)
Current Revenues								
Real Property Taxes	49,747,025	39,333,292	51,157,728	51,157,728	58,683,668	58,683,668	58,683,668	14.71%
Excise Tax	15,508,750	16,177,939	17,399,971	17,399,971	17,347,866	17,347,866	17,347,866	(0.30%)
Other Derived Tax Revenue	26,861	33,195	75,000	75,000	30,000	30,000	30,000	(60.00%)
Grants	10,267,397	10,290,105	12,273,683	12,328,058	10,308,412	10,308,412	10,381,662	(15.79%)
Local Gov't Shared Revenues	11,983,681	13,004,166	13,671,720	13,671,720	14,276,129	14,276,129	14,276,129	4.42%
Contributions from other Gov'ts	832,524	5,201,579	3,723,036	3,723,036	3,746,224	3,746,224	3,746,224	0.62%
Enterprise Revenue	113,192,834	109,865,624	115,772,391	115,793,331	115,700,485	115,700,485	114,428,110	(1.18%)
Interest Earnings	1,297,723	898,372	1,152,900	1,152,900	699,561	699,561	699,561	(39.32%)
Donations	2,661,868	2,432,270	1,606,027	1,606,027	3,847,801	3,847,801	3,847,801	139.59%
Other Misc. Revenue	3,307,412	843,009	333,941	340,261	262,880	262,880	382,880	12.53%
Bond and Loan Proceeds	15,000,000	195,478,859	0	0	0	0	0	0.00%
Subtotal Current Revenues	223,826,075	393,558,410	217,166,397	217,248,032	224,903,026	224,903,026	223,823,901	3.03%
Interfund Transfers:								
Interfund Reimbursements	8,396,573	9,167,136	10,118,777	10,118,777	9,885,541	9,885,541	9,885,541	(2.30%)
Internal Service Transfers	2,887,871	2,820,489	4,143,190	4,143,190	5,000,442	5,000,442	5,000,442	20.69%
Interfund Loan	0	0	2,431,000	2,431,000	239,800	239,800	2,670,800	9.86%
Fund Equity Transfers	10,708,853	9,948,218	6,522,471	6,565,571	5,622,413	5,622,413	6,072,413	(7.51%)
<b>Subtotal Interfund Transfers</b>	21,993,297	21,935,843	23,215,438	23,258,538	20,748,196	20,748,196	23,629,196	1.59%
TOTAL RESOURCES	\$436,137,317	\$589,849,873	\$535,817,582	\$535,942,317	\$481,666,620	\$481,666,620	\$490,635,507	(8.45%)
REQUIREMENTS								
Current Expenditures								
Personnel Services	\$73,984,490	\$76,388,503	\$79,964,117	\$79,676,923	\$83,203,038	\$83,203,038	\$83,751,779	5.11%
Materials and Services	99,375,744	96,023,272	116,199,406	116,617,377	117,050,113	117,050,113	121,872,363	4.51%
Capital Outlay	24,478,087	28,293,892	65,845,165	65,898,940	65,246,974	65,246,974	66,398,950	0.76%
Debt Service	41,950,078	64,941,026	54,769,223	54,769,223	40,937,068	40,937,068	40,937,068	(25.26%)
<b>Subtotal Current Expenditures</b>	239,788,399	265,646,693	316,777,911	316,962,463	306,437,193	306,437,193	312,960,160	(1.26%)
Interfund Transfers:								
Interfund Reimbursements	8,396,573	9,167,136	10,118,777	10,118,777	9,885,541	9,885,541	9,885,541	(2.30%)
Internal Service Transfers	2,887,871	2,820,489	4,143,190	4,143,190	5,000,442	5,000,442	5,000,442	20.69%
Interfund Loan	0	0	2,431,000	2,431,000	239,800	239,800	2,670,800	9.86%
Fund Equity Transfers	10,708,854	9,948,218	6,522,471	6,565,571	5,622,413	5,622,413	6,072,413	(7.51%)
Subtotal Interfund Transfers	21,993,298	21,935,843	23,215,438	23,258,538	20,748,196	20,748,196	23,629,196	1.59%
Contingency	0	0	61,037,639	60,468,739	58,243,430	58,243,430	60,244,356	(0.37%)
— Ending Fund Balance	174,355,620	302,267,337	134,786,594	135,252,577	96,237,801	96,237,801	93,801,795	(30.65%)
TOTAL REQUIREMENTS	\$436,137,317	\$589,849,873	\$535,817,582	\$535,942,317	\$481,666,620	\$481,666,620	\$490,635,507	(8.45%)
FULL-TIME EQUIVALENTS	756.60	755.49	740.50	743.64	752.55	752.55	757.09	1.81%
FTE CHANGE FROM FY 2012-1	3 AMENDED BUD	OGET						13.45

## **EXHIBIT C**

## Ordinance 13-1300A

# FY 2013-14 SCHEDULE OF APPROPRIATIONS

		Adopted <u>Budget</u>
GENERAL FUND		
Communications		2,701,648
Council Office		3,938,637
Finance & Regulatory Services		4,628,354
Human Resources		2,219,337
Information Services		3,915,095
Metro Auditor		725,382
Office of Metro Attorney		2,061,480
Oregon Zoo		31,585,451
Parks & Environmental Services		8,818,344
Planning and Development		14,216,023
Research Center		3,644,374
Sustainability Center		3,916,131
Special Appropriations		5,350,265
Non-Departmental		
Debt Service		1,720,071
Interfund Transfers		7,146,409
Contingency	_	4,290,572
	Total Appropriations	100,877,573
Unappropriated Balance		15,946,701
Total Fund Requirements		\$116,824,274
GENERAL ASSET MANAGEMENT FUN	ND.	
Asset Management Program		10,018,546
Non-Departmental		10,010,510
Contingency		2,785,481
contingency	Total Appropriations	12,804,027
	10tai iippropriamons	
Unappropriated Balance		686,312
Total Fund Requirements		\$13,490,339
GENERAL OBLIGATION BOND DEBT	SERVICE FUND	
Debt Service		36,347,675
Unappropriated Balance		146,450
Total Fund Requirements		\$36,494,125
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GENERAL REVENUE BOND FUND		2.960.222
Debt Service		2,869,322
Unappropriated Balance		5,393
Total Fund Requirements		\$2,874,715
MERC FUND		
MERC		47,913,967
Non-Departmental		
Interfund Transfers		5,131,804
Contingency		10,979,029
	Total Appropriations	64,024,800
Unappropriated Balance		8,770,342
<b>Total Fund Requirements</b>		\$72,795,142

## **EXHIBIT C**

## Ordinance 13-1300A

# FY 2013-14 SCHEDULE OF APPROPRIATIONS

		Adopted <u>Budget</u>
NATURAL AREAS FUND		
Sustainability Center		35,247,915
Non-Departmental		
Interfund Transfers		1,885,809
Contingency	_	20,000,000
	Total Appropriations	57,133,724
Unappropriated Balance		9,129,631
<b>Total Fund Requirements</b>		\$66,263,355
NATURAL AREAS LOCAL OPTION LI	EVY FUND	
Oregon Zoo	.,	297,413
Parks & Environmental Services		2,296,544
Sustainability Center		5,227,100
Special Appropriations		750,000
Non-Departmental		,
Interfund Transfers		929,953
Contingency		715,760
Commigency	Total Appropriations	10,216,770
	10ttl 1pp10p1ttlitois	10,210,770
Unappropriated Balance		0
Total Fund Requirements		\$10,216,770
OPEN SPACES FUND		
Sustainability Center		643,064
Total Fund Requirements		\$643,064
OREGON ZOO INFRASTRUCTURE AN		Z IZLINID
	ID ANIMAL WELFARI	
Oregon Zoo		25,765,168
Non-Departmental		242 152
Interfund Transfers		242,153
Contingency	T-4-1 A	5,200,000
	Total Appropriations	31,207,321
Unappropriated Balance		35,371,118
Total Fund Requirements		\$35,371,118
CEMETERY PERPETUAL CARE FUNI	)	
Unappropriated Balance		445,067
Total Fund Requirements		\$445,067
REHABILITATION & ENHANCEMENT	r fiind	
Sustainability Center	TOND	330,990
Non-Departmental		550,550
Interfund Transfers		114,602
Contingency		280,000
Contingency	Total Appropriations	725,592
	10im 11ppi opi mitoits	,
Unappropriated Balance		1,549,335
Total Fund Requirements		\$2,274,927

# EXHIBIT C Ordinance 13-1300A FY 2013-14 SCHEDULE OF APPROPRIATIONS

		Adopted <u>Budget</u>
RISK MANAGEMENT FUND		Duaget
Finance & Regulatory Services		2,616,951
Non-Departmental		
Interfund Transfers		301,961
Contingency		500,000
	Total Appropriations	3,418,912
Unappropriated Balance		1,050,326
<b>Total Fund Requirements</b>		\$4,469,238
SMITH AND BYBEE LAKES FUND		
Parks & Environmental Services		65,000
Non-Departmental		
Interfund Transfers		110,102
Contingency		200,000
	Total Appropriations	375,102
Unappropriated Balance		3,225,467
Total Fund Requirements		\$3,600,569
SOLID WASTE REVENUE FUND		
Finance & Regulatory Services		2,179,938
Sustainability Center		5,842,884
Parks & Environmental Services		45,107,091
Non-Departmental		
Interfund Transfers		7,766,403
Contingency	_	15,293,514
	Total Appropriations	76,189,830
Unappropriated Balance		17,475,653
<b>Total Fund Requirements</b>		\$93,665,483
<b>Total Appropriations</b>		\$396,833,712
<b>Total Unappropriated Balance</b>		\$93,801,795
TOTAL BUDGET		\$490,635,507

#### 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