

 **Metro** | *Agenda*

Meeting: Natural Areas Program Performance Oversight Committee
Date: Tuesday, April 30, 2013
Time: 9 to 11 a.m.
Location: Metro Regional Center, council chamber

8:45 **COFFEE AND PASTRIES**

9:00 **WELCOME** Drake Butsch

9:05 **PROGRAM UPDATES** Kathleen Brennan-Hunter
Acquisition, local share and capital grants
Financial report
Stabilization update
May 10 committee tour

9:45 **PERFORMANCE MEASURES** Kathleen Brennan-Hunter

9:55 **ADMINISTRATIVE COSTS** Brian Kennedy

10:05 **TERRAMET** Brian Kennedy

10:45 **WRAP UP/CONCLUSIONS FOR ANNUAL REPORT** Drake Butsch

11:00 **ADJOURN**

2013 WORK PLAN

March 15, 2013

Stabilization report
Natural areas and parks levy
Local share reporting approach
Work plan

April 30, 2013

Terramet
Administrative costs
Performance measures

June 25, 2013

Unusual circumstances
Target area progress
Capital grants/awards
Committee report drafting and conclusions



Natural Areas Program Performance Oversight Committee

April 30, 2013

Committee members in attendance: Dean Alterman, Drake Butsch (committee chair), Bill Drew, Peter Mohr, Andrew Nordby, Norman Penner, Steve Yarosh

Committee members excused: Michelle Cairo, Christine Dupres, Walt McMonies, Rick Mishaga, Shawn Naranch, Autumn Rudisel, Kendra Smith, Cam Turner

Metro: Kathleen Brennan-Hunter, Brian Kennedy, Heather Kent

Welcome

Committee chair Drake Butsch welcomed the committee and thanked them for attending.

Program updates

Acquisition

Kathleen Brennan-Hunter reviewed the program dashboard and said Metro has acquired three properties since the committee's last meeting. The first fills the last remaining gap on the north side of Mount Talbert. The other two properties are small inholdings at River Island on the Clackamas River near Barton Park. Drake Butsch asked about Cooper Mountain and Tryon Creek Linkages, which have not had any acquisitions to date. Kathleen explained that staff are targeting one or two very specific properties in those target areas and are actively talking with property owners.

Financial report

Brian Kennedy reviewed the financial report. He noted administrative costs are 6.42 percent since the beginning of the bond. Although FY 2013 administrative costs are above the 10 percent goal (due to lower local share and acquisition spending), Brian believes costs will stay below 10 percent overall. Drake Butsch asked about the increase in materials and services over last year; Brian said the bulk of the increase was for Terramet and some carryover from the previous year's Its Our Nature campaign.

Local share

Seven jurisdictions have completed local share projects since the last meeting. The local share update reflects these new projects.

Capital grants

The current grant cycle is nearing completion. The committee has met and made its funding recommendations to the Metro Council. Steve Yarosh, the Oversight Committee's liaison to the Capital Grant Committee, said they recommended four of the five proposals. The committee will recommend about \$1 million in funding this cycle. The Metro Council will meet to approve the grants on May 30. Kathleen will invite committee chair Sue Marshall to attend the June 25 Oversight Committee meeting to discuss the grant program in more detail.

Stabilization

Brian distributed the stabilization report, which details the properties with stabilization expenses.

May 10 tour

Heather gave a brief presentation and described some of the places committee members will visit on the May 10 tour, including Stringfield Park, the Trolley Trail, Mt. Scott Creek at North Clackamas Community Park and

Canemah Bluff Natural Area. The tour will meet at Metro at 8:30 a.m. and return by 12:30 p.m. Please contact Marybeth Haliski if interested in attending.

Performance measures

The current performance measurement system was discussed. The committee would like to review summary performance measures for each of the target areas. Staff will create a report summarizing the individual ratings for each target area, including what challenges exist and any opportunities for improvement, and share it with the committee for comment.

Administrative costs

Brian reviewed Metro's cost allocation plan. Discussion was held about the federal requirement to distribute indirect costs equitably among all agency departments and the change in allocation shares because of the zoo capital bond. Several committee members were concerned that the natural areas program was paying disproportionately to other departments based not on staff size but rather on the large sums it expends. Kathleen suggested staff review allocations across the agency to see how the change rolled out agency wide and what impacts there were to other budgets compared to the natural areas budget. Kathleen will share this information with a small subcommittee (Drake Butsch and Dean Alterman) and determine next steps. Brian said he is confident that interest plus premiums on the bond are enough to cover the increased costs.

Terramet

Terramet is the Natural Areas Program's database to capture information about each property. The workflow is automated so staff can have accurate and up-to-date access to information about each property. Phase 1, focusing on land acquisition, is substantially complete and has been in use for nearly a year. Phase 2, currently in test phase, focuses on land management work and how activities are tracked. Phase 3 will focus on reporting and property and lease management. Cost for the first two phases was \$650,000; the budget for Phase 3 is \$350,000. Maintenance costs will be determined once the system is complete. Metro owns the program, but is working with the developer and partner agencies to determine if the code base could be used by other groups.

Wrap up/conclusions for annual report

The committee will review the status of its 2012 recommendations and discuss new recommendations for next year's work. Nancy Jerrick will once again be asked to write the committee's report.

Next meeting

The next meeting will be June 25, 2013, 9 to 11 a.m. in the council chamber.

Adjournment

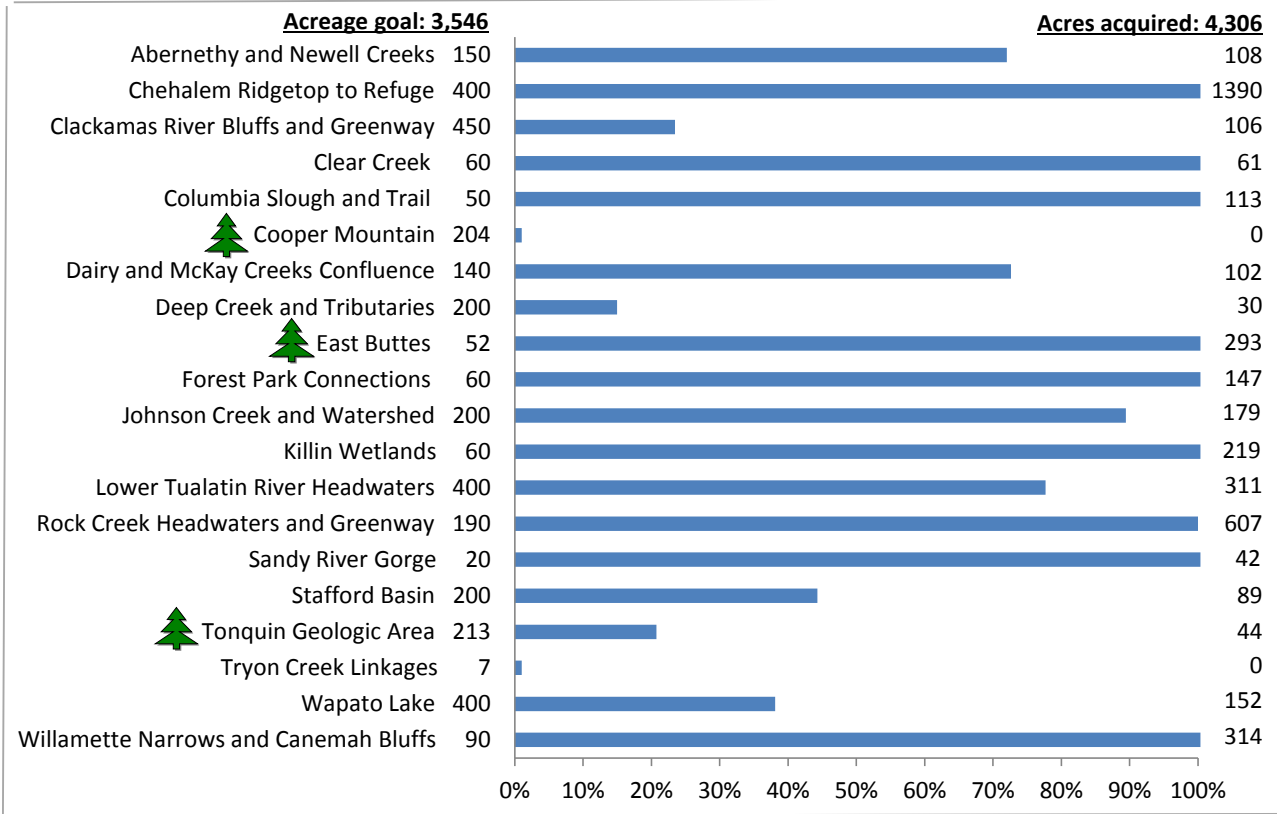
The meeting adjourned at 10:50 a.m.

Minutes recorded by Marybeth Haliski.

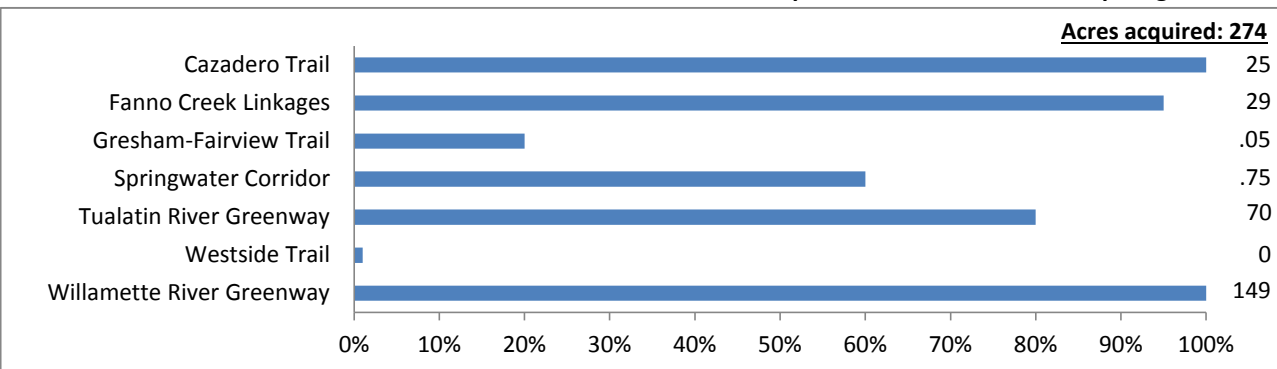
Natural Areas Program

April 30, 2013

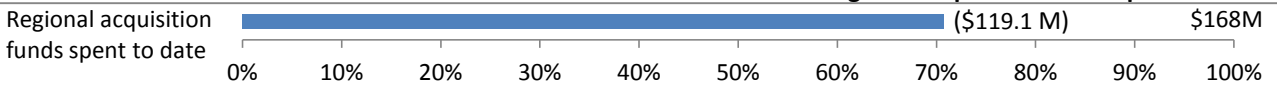
Natural area acquisition park built percent of 2006 refinement plan acreage goals met



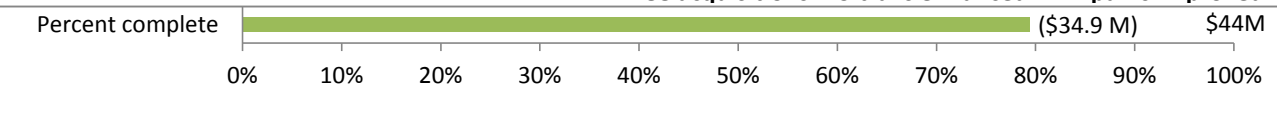
Trail/greenway corridors percent of 2006 refinement plan goals met



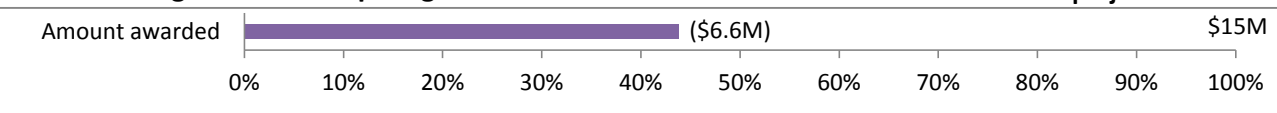
Regional acquisition regional acquisition funds spent to date



Local share **88 acquisitions** **9 trails enhanced** **44 parks improved**



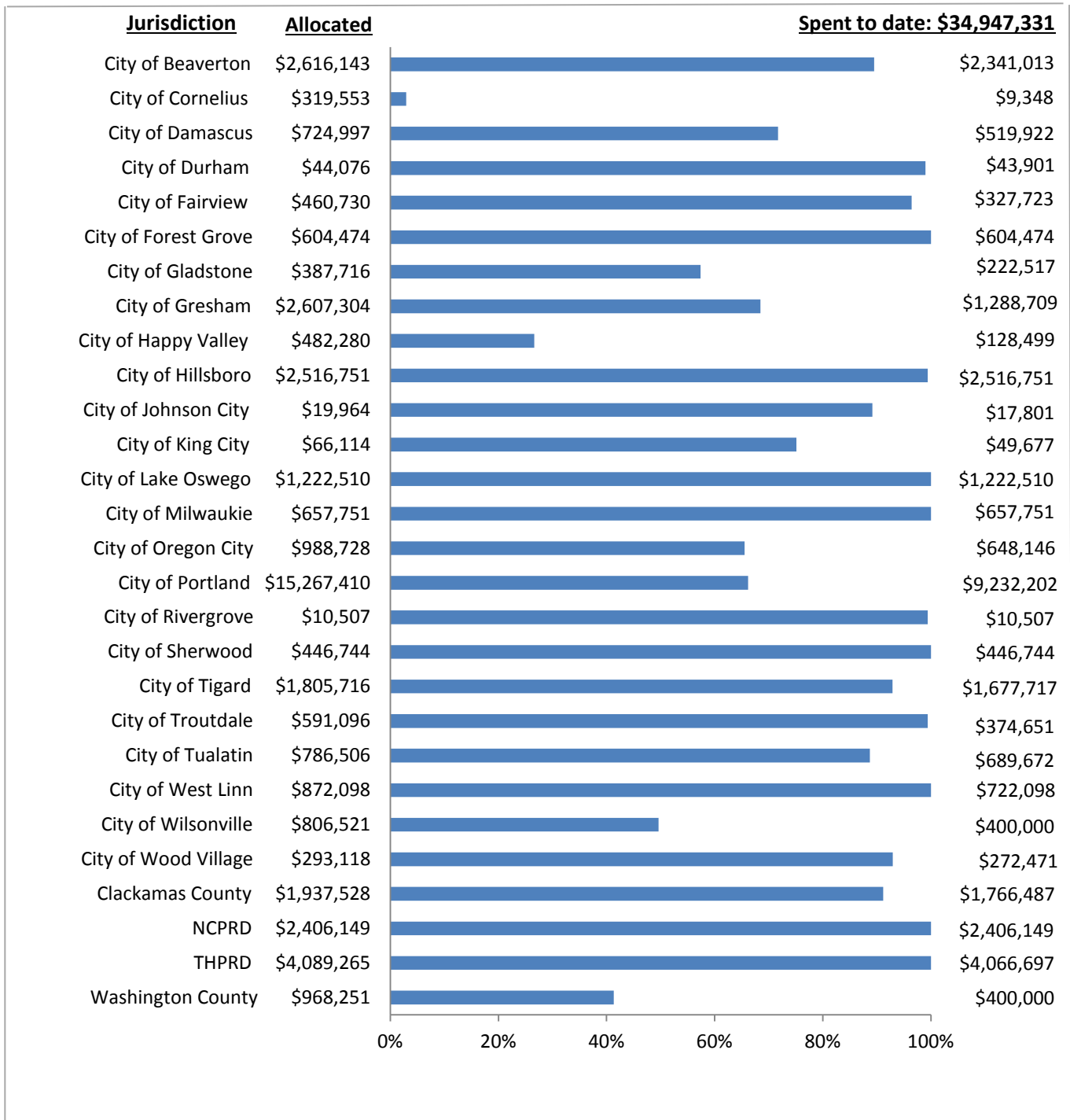
Nature in Neighborhoods capital grants **23 projects awarded**



Local Share program

April 30, 2013

■ percent of local share allocation spent



2006 Natural Areas Bond Fund

Summary of Resources, Requirements and Changes in Fund Balance
(Unaudited)

	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>Through</u> <u>3/31/2013</u>		<u>Program</u> <u>Total</u>
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>FTE</u>	<u>Amount</u>	<u>Amount</u>
Beginning Fund Balance	0	122,299,840	93,979,814	77,117,027	56,800,428	36,436,243		98,462,227	0
Resources									
Bond Proceeds	130,678,369	0	0	0	0	90,015,894		0	220,694,263
Interest Earnings	1,301,230	5,600,503	2,538,906	940,859	322,830	139,417		268,037	11,111,781
Other Resources	10,000	27,380	5,322,056	385,730	414,009	950,828		271,446	7,381,449
Subtotal Resources	131,989,599	5,627,883	7,860,962	1,326,589	736,839	91,106,138		539,483	239,187,493
Requirements									
Land Acquisition									
Staff Costs	117,956	206,692	425,072	465,329	512,240	658,515	6.3	408,899	2,794,702
Materials & Services	6,786	2,599	334,980	328,153	8,506	3,907		25,631	710,562
Land Costs	7,596,372	25,224,753	14,517,160	10,274,472	8,457,543	14,944,534		7,305,226	88,320,060
Due Diligence									
Staff Costs	0	412,029	492,589	455,774	430,237	464,571	5.0	343,656	2,598,856
Materials & Services	96,539	199,756	183,474	299,244	315,358	412,112		608,992	2,115,475
Stabilization									
Staff Costs	19,578	116,534	190,606	290,234	388,887	430,992	4.7	320,246	1,757,076
Materials & Services	294	177,441	345,330	284,874	643,569	681,557		861,239	2,994,305
Local Share									
Staff Costs	0	36,269	43,872	47,458	49,759	56,434	0.5	42,929	276,723
Materials & Services	0	25	188	3,500	0	35,934		1,728	41,374
Payments to Jurisdictions	400,000	4,798,366	4,316,165	5,399,109	6,312,927	8,527,542		2,472,549	32,226,658
Capital Grants									
Staff Costs	0	63,831	89,352	125,466	91,744	111,876	0.8	71,744	554,014
Materials & Services	0	1,400	1,363	811	75,621	44,562		321,021	444,777
Grant Payments	0	0	49,750	534,899	1,211,418	150,901		747,046	2,694,014
Capital Construction									
Staff Costs	0	84,071	113,921	115,064	100,643	115,884	0.9	106,804	636,387
Capital	455,072	1,513,347	2,503,147	1,841,075	917,019	(9,098)		1,709	7,222,272
Administration									
Bond Issuance Costs Refinement	295,889	0	0	43	0	325,046		43	621,021
Staff Costs	1,477	5,426	0	0	0	0		0	6,903
Materials & Services	382,030	85,882	0	0	0	0		0	467,912
Direct Admin Costs									
Staff Costs	230,815	527,644	490,722	750,704	868,127	680,107	3.7	532,570	4,080,687
Materials & Services	25,980	152,422	51,490	56,082	263,857	890,303		360,693	1,800,827
Indirect Admin Costs*	60,971	339,422	574,569	370,939	453,567	554,475		637,453	2,991,396
Other Requirements	0	0	0	0	0	0		0	0
Subtotal Requirements	9,689,759	33,947,909	24,723,748	21,643,231	21,101,023	29,080,155		15,170,177	155,356,002
Ending Fund Balance	122,299,840	93,979,814	77,117,027	56,800,385	36,436,243	98,462,227		83,831,533	83,831,533
	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>		<u>FY13 YTD</u>	<u>Total</u>
Administration as % of Total Expenditures	10.29%	3.27%	4.52%	5.44%	7.51%	8.42%		10.09%	6.42%

* Indirect Administrative Expenses are those charged through internal allocation, and include services such as Human Resources, risk management, payroll, building rents, etc.

Note: Due Diligence staff costs have been removed from "Indirect Admin Costs" and the FTE for these positions is shown as a direct expense.

2006 Natural Areas Program

LOCAL SHARE PROGRAM UPDATE

APRIL 2013

Total local share allocation: **\$44,000,000**

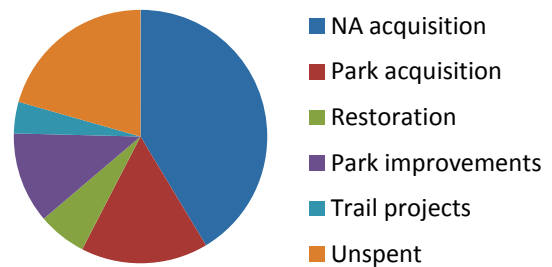
Expended as of April 25, 2013: **\$34,947,331**

Percentage expended as of April 25, 2013: **79%**

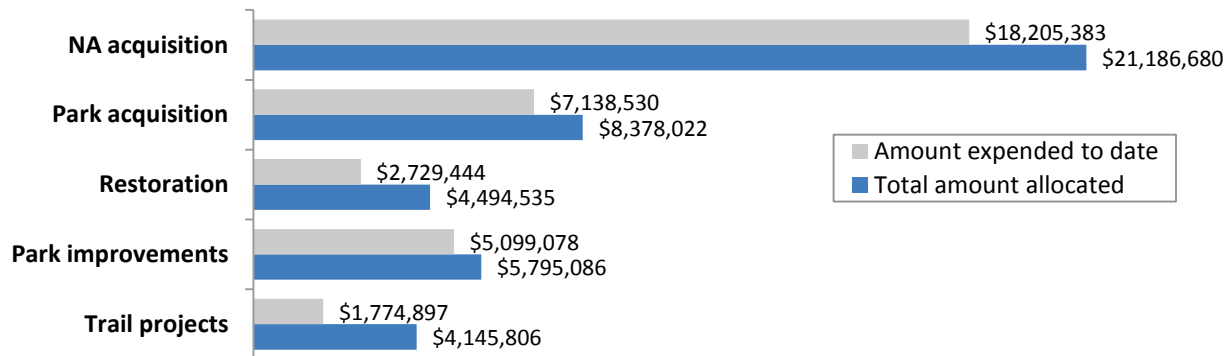
- **88** acquisitions; **667** acres
- **9** trail projects
- **44** parks and natural areas improved (includes restoration activities)

EXPENDITURES BY PROJECT TYPE

Project type	Amount allocated	Expended to date
NA acquisition (605 acres)	\$21,186,680	\$18,205,383
Park acquisition (60 acres)	\$8,378,022	\$7,138,530
Restoration	\$4,494,535	\$2,729,444
Park improvements	\$5,795,086	\$5,099,078
Trail projects	\$4,145,806	\$1,774,897



EXPENDITURE SUMMARY



NATURAL AREA ACQUISITION

Jurisdictions are using their local share funds to secure inholdings, expand existing natural areas or secure land for new nature parks.

- Over the last few months the City of Portland has submitted requisitions for six more inholdings to existing natural areas.
- The City of Gresham acquired a 2.87-acre site along Johnson Creek and adjacent to the Springwater Corridor Trail that complements Metro's goals for the Johnson Creek target area. Metro provided negotiation and legal services for this acquisition.
- The City of Tualatin acquired approximately 0.7 acres along the Tualatin River that complements Metro's goals for the Tualatin River target area. Metro provided negotiation and legal services for this acquisition.

Natural area acquisition

- \$21,186,680 allocated
- \$18,205,383 expended to date
- 73 sites acquired in 13 jurisdictions
- 605 acres acquired to date

PARK ACQUISITION

Tualatin Hills Park & Recreation District acquired a 1.34-acre acquisition in the North Bethany area for a future community park. They used \$22,568 of their local share. Washington County will contribute \$360,000 of their local share to this acquisition.

Park acquisition

- \$8,378,022 allocated
- \$7,138,530 expended to date
- 15 sites acquired in 8 jurisdictions
- 61 acres acquired to date

RESTORATION PROJECTS

The City of Portland has recently requested reimbursement for three restoration projects.

- Oaks Bottom Bluff Trail is a 1.1 mile trail that was regraded. Three elevated boardwalks were constructed and an new observation deck was built.
- A culvert was replaced at Whitaker Ponds between the east and west ponds in order to allow water movement from one pond to the next and relieve flooding of adjacent roadways and park areas.
- A Terwilliger Parkway monument sign was constructed at Duniway Park to mark the trail's centennial.

Restoration projects

- \$4,494,535 allocated
- \$2,729,444 expended to date
- 16 projects in 7 jurisdictions

PARK IMPROVEMENT PROJECTS

Park improvements continue to be an important aspect of the local share program.

- The City of Troutdale used their local share funds to rehabilitate a large adventure playground structure know as Imagination Station in Columbia Park. New picnic tables were also installed and the surrounding landscape was improved.
- The City of Fairview completed improvements at Salish Ponds, a popular fishing pond stocked with hatchery trout. Native vegetation was restored and 18 fishing areas were installed, which include access for people with physical disabilities. Trails that circle the ponds were regraded.
- The City of Gresham completed a trail spur that connects the Springwater Corridor to downtown Gresham. Gateway signage and a plaza at the south end of Main City Park creates a sense of place at the intersection with the Springwater Trail and entices people to explore the park and the Gresham community.
- The City of Troutdale constructed College Nature Park. This five-acre natural area consists of two trailhead plazas and a gravel trail that leads to picnic areas and scenic overlooks of wetlands and Beaver Creek.

Park improvement projects

- \$5,795,086 allocated
- \$5,099,078 expended to date
- 28 projects in 15 jurisdictions

TRAIL ACQUISITION AND IMPROVEMENTS

The City of West Linn and Clackamas County contributed portions of their local share funds to construct the Rosemont Trail linking the cities of West Linn and Lake Oswego. The trail is expected to be complete this spring.

Trails

- \$4,145,806 allocated
- 1,774,897 expended to date
- 9 projects in 8 jurisdictions

LEVERAGE INFORMATION

To date, local partners have reported \$33.5 million in leveraged funding – more than the total local share funds that have been expended to date.

Natural Areas Oversight Committee

Stabilization Report - April 2013

		Acres	Close Date	Stabilization End		Status	Prior Years	2012-13	Total to Date
				Date	Date				
Stabilization Administration									
Personnel Services							728,453	269,287	997,740
Materials & Services							33,988	8,697	42,686
							762,441	277,985	1,040,426
East Buttes									
G02038	Happy Valley Homes	14.70	7/26/2011	7/26/2013	Stabilization	1,142	1,385	2,527	
G02097	Miller	20.99	6/30/2008	6/30/2010	Complete	19,042	-	19,042	
G02110	Cascade Pacific Council	68.30	5/5/2011	5/5/2016	Stabilization	25,685	13,097	38,782	
G02125	Darby Ridge	37.30	6/6/2007	6/6/2009	Complete	20,100	5,264	25,363	
G02132	Sunnyside Brook, LLC/BASILLI	22.48	6/15/2010	6/15/2012	Stabilization	19,226	-	19,226	
G02135	Persimmon Properties	70.00	7/20/2007	7/20/2009	Complete	20,668	-	20,668	
G02136	Persimmon Development TL3600	8.00	7/20/2007	7/20/2009	Complete	819	-	819	
G02137	Persimmon Development TL600	15.00	10/14/2008	10/14/2010	Complete	3,371	-	3,371	
G02140	Rogers	30.02	4/8/2011	4/8/2016	Stabilization	20,180	65,415	85,595	
							130,358	85,161	215,519
Deep Creek and Tributaries									
G46002	Mabel Johnson Trust	17.90	10/29/2009	10/29/2011	Complete	23,162	7,099	30,261	
G46008	Winters/Homes New to You Inc.	4.83	12/21/2010	12/21/2012	Stabilization	8,382	852	9,233	
G46012	Schafer Trust	7.20	10/4/2011	10/4/2013	Stabilization	15,579	20,676	36,254	
							47,122	28,626	75,749
Clear Creek									
G12016	Stark	61.00	7/26/2012	7/26/2017	Stabilization	-	26,870	26,870	
							-	26,870	26,870
Clackamas River Greenway									
G18039	Pratt	88.30	10/9/2009	10/9/2011	Complete	7,929	-	7,929	
							7,929	-	7,929
Abernethy and Newell Creeks									
G03053	Trust for Public Land-Evanson	106.66	8/13/2007	8/13/2009	Complete	4,336	-	4,336	

G03065	Gabriel	1.36	5/10/2012	5/10/2014	Stabilization	-	212	212
						4,336	212	4,548

Stafford Basin

G55002	Stevens Family Enterprises LLC	24.70	6/20/2008	6/20/2010	Complete	29,268	-	29,268
G55003	Landover Properties	63.91	6/8/2009	6/8/2012	Stabilization	104,401	-	104,401
						133,669	-	133,669

Willamette Narrows and Canemah Bluff

53210	Canemah Bluffs					-	10,386	10,386
G21006	Lewis	29.60	6/26/2012	6/26/2017	Stabilization	301	55,407	55,708
G21007	Davis - File #21.07	24.34	3/11/2009	3/11/2011	Complete	12,801	-	12,801
G21015	Reeder	181.25	6/28/2011	12/31/2015	Stabilization	57,255	127,880	185,135
G21019	Benson	4.90	9/27/2011	9/27/2016	Stabilization	14,338	24,816	39,153
G21020	Brar	22.37	1/29/2013	1/0/1900	Stabilization	-	12,800	12,800
G22010	Vlahos	26.00	4/27/2012	4/27/2014	Stabilization	2,870	47,511	50,381
G22025	Kahre	13.29	3/25/2009	3/25/2011	Complete	9,343	-	9,343
						96,907	278,800	375,707

Tonquin Geologic Area

G08024	State of Oregon DAS - Dammasch	19.76	7/25/2008	7/25/2010	Complete	50,099	-	50,099
G08029	Weedman/Tonquin	24.40	3/12/2012	3/12/2017	Stabilization	455	25,175	25,631
						50,554	25,175	75,729

Lower Tualatin Headwaters

G54001	Burge Trust	52.93	5/2/2007	5/2/2009	Complete	8,467	-	8,467
G54003	Holmes Trust	38.60	10/17/2008	10/17/2010	Complete	50,311	-	50,311
G54004	Cole	5.00	6/8/2009	6/8/2011	Complete	2,403	-	2,403
G54005	Streeter	23.20	6/8/2009	6/8/2011	Complete	45,268	2,243	47,512
G54006	Brown Acquisition	44.19	4/30/2007	4/30/2009	Complete	5,394	-	5,394
G54012	Massoni	10.00	12/15/2010	12/15/2012	Stabilization	33	-	33
G54013	Ralston/Consani	34.00	8/23/2010	8/23/2012	Stabilization	39,094	3,517	42,611
G54014	Schmeltzer, file 54.014	76.55	11/21/2011	11/21/2016	Stabilization	35	25,698	25,733
G54016	Bohm (Conserv. Easement)	26.35	1/31/2013	1/0/1900	Stabilization	-	994	994

						151,005	32,452	183,457
Tualatin River Greenway								
G11011	Nelson/Vanghn Trust	68.25	8/29/2012	8/29/2017	Stabilization	-	17,434	17,434
G11031	Kapaun	0.41	9/28/2007	9/28/2009	Complete	6,539	-	6,539
G11033	ICON Construction	1.50	10/24/2008	10/24/2010	Complete	9,948	-	9,948
						17,089	22,977	40,066
Wapato Lake								
G50006	Lynscot Management	152.49	2/6/2012	2/6/2017	Stabilization	42,000	100,749	142,750
						42,000	100,749	142,750
Chehalem Ridgetop to Refuge								
G48001	Hamacher/Ponzi	36.30	2/11/2008	2/11/2010	Complete	24,768	-	24,768
G48002	Chehalem Ridge/TPL/Iowa Hill	1,143.00	1/7/2010	1/7/2013	Stabilization	451,966	130,786	582,752
G48004	McKenzie/Chehalem Ridge	19.17	9/22/2011	9/22/2016	Stabilization	19,421	13,320	32,740
G48005	Sandstrom Revocable Lvng Trust	40.00	11/15/2012	11/15/2017	Stabilization	-	737	737
						496,154	144,843	640,997
Dairy and McKay Creeks Confluence								
G07039	Wetter	88.05	4/13/2007	4/13/2009	Complete	9,403	-	9,403
G07042	Saxton	6.70	1/22/2009	1/22/2011	Complete	21,818	216	22,034
						31,451	216	31,667
Killin Wetland								
G56002	Moore Family Farm	214.95	3/8/2012	3/8/2017	Stabilization	336	23,764	24,100
						336	23,764	24,100
Rock Creek Headwaters and Greenway								
G13040	Steinberg	39.50	9/30/2011	9/30/2016	Stabilization	7,912	6,067	13,980
G13043	Keystone Construction & Dev	20.61	4/12/2010	4/12/2012	Stabilization	12,638	-	12,638
G13044	Chang	20.00	9/14/2009	9/14/2011	Complete	4,222	-	4,222
G13046	Cho	40.00	6/4/2010	6/4/2012	Stabilization	68,988	-	68,988
G13048	Fernald	37.39	4/21/2011	4/21/2016	Stabilization	31,893	4,021	35,914

G13049	Hampton / Rock Creek	80.80	12/21/2011	12/21/2016	Stabilization	9,575	7,923	17,499
G13050	Multnomah County Tax Title	26.50	5/9/2012	5/9/2014	Stabilization	-	41	41
G13051	Mid Valley Resources	300.00	12/21/2011	12/21/2016	Stabilization	790	8,010	8,800
G13052	Orenco Woods/Hillsboro/TPL	42.00	12/1/2011	12/1/2016	Stabilization	-	5,867	5,867
						136,018	31,929	167,948

Forest Park Connections

53060	Forest Park Expansion					3,647	-	3,647
G06058	Margolis/TPL	57.50	3/27/2007	3/27/2009	Complete	49,922	-	49,922
G06065	Oregon Parks Foundation	86.50	11/20/2008	11/20/2010	Complete	45,947	-	45,947
						99,516	-	99,516

Columbia Slough

G28009	Roughton/Columbia Slough	20.50	2/24/2011	2/24/2013	Stabilization	38,190	-	38,190
						38,190	-	38,190

Johnson Creek and Watershed

G29001	Wong	10.00	6/22/2007	6/22/2009	Complete	4,137	-	4,137
G29002	Spani Seely	1.02	12/29/2006	12/29/2008	Complete	10,460	-	10,460
G29004	Telford Estates	20.00	11/27/2007	11/27/2009	Complete	101,701	4,179	105,880
G29005	Clarence Allesina	1.28	7/31/2007	7/31/2009	Complete	16,880	-	16,880
G29006	Hedges	49.00	7/13/2007	7/13/2009	Complete	16,369	-	16,369
G29007	Clatsop Buttes I (Hedge Creek)	1.54	1/7/2008	1/7/2010	Complete	2,762	-	2,762
G29008	JC Reeves	52.68	11/30/2007	11/30/2009	Complete	4,670	-	4,670
G29012	Stickney	1.98	7/14/2008	7/14/2010	Complete	29,380	-	29,380
G29013	Parson	5.59	2/9/2010	2/9/2012	Complete	30,580	-	30,580
G29015	Jones	0.50	10/7/2008	10/7/2010	Complete	18,605	5,577	24,182
G29017	Gonzales	0.38	12/23/2008	12/23/2010	Complete	1,618	-	1,618
G29019	Peden	5.85	4/8/2011	4/8/2013	Stabilization	18,985	6,596	25,582
G29020	Marston	2.97	11/18/2010	11/18/2015	Stabilization	24,195	6,596	30,792
G29022	Wildt	4.81	6/28/2012	6/28/2017	Stabilization	-	26,603	26,603
						280,344	49,551	329,895

Sandy River Gorge

G04024	Friberg - File 4.024	41.80	12/1/2009	12/4/2011	Complete	55	-	55
						55	-	55

Fanno Creek Linkages

G16009	Fields	25.89	9/13/2012	9/13/2017	Stabilization	-	21,063	21,063
						-	21,063	21,063

Cazadero Trail

G52001	OSU Foundation	24.63	5/19/2010	5/19/2012	Stabilization	37,809	2,402	40,211
						37,809	2,402	40,211

 **Metro** | *Memo*

Date: April 30, 2013
To: Natural Areas Program Performance Oversight Committee
From: Brian Kennedy, Finance Manager
Subject: Metro cost allocation plan

Overview of Cost Allocation Plan

Metro is the recipient of significant federal money, both formula grants and specific project grants. The majority of the grants are received by Planning and Development, although other federal monies are received by the Oregon Zoo, Parks and Environmental Services and the Sustainability Center. The federal government allows agencies to charge a portion of agency overhead to federal grant programs only when the agency has an approved Cost Allocation Plan. Metro has a very sophisticated plan, which takes into consideration both the availability of business services as well as the utilization of these services.

As a recipient of multiple federal grants, it is a requirement that our cost allocation plan be applied to all programs equitably and we cannot treat one program differently than another. Federal guidelines require that the cost allocation plan be audited on a periodic basis. Audit responsibility is assigned to a federal agency, which in turn may delegate the responsibility to a state agency. The state agency responsible for Metro is the Oregon Department of Transportation because most of our grants are federal highway funds. In addition, Metro's financial auditors review the cost allocation plan each year as part of the annual audit. These audits test the methodology to make sure it applies equitably to all departments and that indirect costs are appropriately allocated.

The cost allocation plan is developed using a balanced approach focusing on accessibility, availability and utilization of services. The plan is designed to encourage the use of the expertise and business infrastructure that helps all programs be transparent and accountable. The major services in the basis data are:

- Property Services (fleet, telephones)
- Office Services (mail services, print shop)
- Building management (occupancy, utilities, security)
- Metro Attorney
- Financial Services (accounting, cash management, budget, financial planning)
- Risk Management (purchased insurance, self insurance, safety)
- Human Resources
- Auditor's Office
- Independent Audit
- Records Management
- Accounting Records Manager

- COO's Office
- Information Services (technology services)
- Communications/Creative Services
- Sustainability Program

Basis of Allocation

The data used to allocate central business costs to the operating services measure the usage or benefit received by each of the operations from the central services. The measure used to determine use or benefit is called the basis of allocation. Metro's plan utilizes many allocation bases, including data such as the number of copies, building square footage and the number of accounting transactions.

The total activity or volume is determined for each allocation basis as well as the amount attributable to each operating fund. Indirect costs are allocated on the same proportion represented by the allocation basis. For example, if Solid Waste operations occupy 20% of the square footage of the Metro Regional Center they will be allocated 20% of the building's costs.

From year to year, the amount of central business costs allocated to an operating fund is subject to two variables. The first is the total cost of central business services. If the total cost goes up, an operating fund will experience an increase in the amount allocated. The second variable involves the allocation basis. If the utilization proportion used by an operating fund increases, it will receive a greater proportion of the central business costs. As a result, the amount allocated to an operating fund is dependent not only on its use but also on the use of that same service by direct services in all other operating funds service areas.

Summary

Metro's cost allocation plan conforms to federal guidelines and is used to determine interfund transfers from operating funds (Natural Areas Bond, Solid Waste, Zoo, MERC, Regional Parks, Planning, etc.) to funds accounting for Central Services. In addition, its approved methodology allows Metro to recover a portion of Central Services from federal grants.