METRO
PEOPLE PLACES • OPEN SPACES

Adopted Budget
Fiscal Year 2005–06

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Distinguished Budget Presentation Award

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

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Metro

Oregon

For the Fiscal Year Beginning

July 1, 2004

President | Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Presentation Award to Metro, Oregon, for its annual budget for the fiscal year beginning July 1, 2004.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. This is the ninth consecutive year Metro has received this award.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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Volume 1

Users' Guide

This guide is intended to assist readers in finding information in the FY 2005–06 Metro budget. Information generally is grouped according to the sections identified by tabs or colored dividers in the budget document. In addition, Metro's budget and other financial information is available online at www.metro-region.org (drop-down menu in *quicklinks* in upper left corner of home page>Budget and financial information page with links down left side of page).

Volume 1

Volume 1 presents the entire Metro budget and general information pertinent to the development of the budget. This volume contains summary tables and charts. It also contains a department by department description of major activities and goals for FY 2005–06. Department activities may be budgeted in more than one fund. Volume 1 summarizes the Metro budget by department and by fund.

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This lists the contents of Volume 1 and the page number where specific information can be found.

Users' Guide

This section provides a summary of significant information and where to find it within the budget.

Budget Message – Transmittal Letter

The Metro Council President highlights the issues facing the agency, how this budget addresses those issues and the challenges for the future.

The letter from the Chief Financial Officer addresses significant changes to Metro's budget process, including the development of Council goals and objectives.

Budget Summary

This section presents a "budget-in-brief" by providing a comprehensive summary of detailed information contained elsewhere in both volumes.

It provides information on revenues and expenditures, including trends and fund balances, and summarizes staffing changes in the organization.

Revenue Analysis

The revenue analysis provides an overview of the major revenue sources. This overview includes a description of each source and the underlying assumptions for revenue estimates and recent trends.

Department Summaries

Operationally, Metro is organized into several departments. Most departments include a number of divisions and programs. Departments may be budgeted in one fund only or in several funds. This section discusses each department's purpose, organization, accomplishments, objectives and performance measures, and provides a summary of expenditures by classification, division and fund.

Fund Summaries

Metro's financial operations are segregated into 12 funds. For example, the Solid Waste Revenue Fund contains all revenues, other financial resources and expenditures necessary for the operation and maintenance of the region's solid waste disposal and recycling system. This ensures that revenues generated by the solid waste system are used to support that system. This section presents summary financial information and analysis for each of Metro's funds.

Budget and Financial Structure

This section describes the budget process at Metro. It reviews the budget calendar and budget development guidelines.

Debt Summary

Information about Metro's current debt position and future debt obligations is provided here. This section also provides information on Metro's debt capacity and the debt service for existing revenue bonds, general obligation bonds, capital leases, and other debt.

Capital Budget

Metro's Capital Budget for fiscal years 2005–06 through 2009–10 is included in the FY 2005–06 budget document. The Capital Budget is divided into the following sections: Overview and Summary, Departmental Summary and Analysis, Lists of Unfunded Projects, Current Projects Status Reports, and Supporting Information (pertinent to the review and adoption of the Capital Budget).

Organizational and Regional Profile

This section provides the reader with an overview of Metro's history, including a timeline showing the development of the agency and information regarding Metro's charter.

The regional profile contains maps showing the location of Metro and its facilities, as well as statistical information regarding the region.

Appendices, Volume 1

The Volume 1 appendices include several related documents which are legally required to be included with Metro's budget document or which provide additional policy background information. These appendices include the FY 2005–06 Schedule of Appropriations and Property Tax Calculation.

Volume 2

This volume contains detailed, technical information used primarily by Metro managers to manage their programs. This detail includes current as well as historical line item revenues and line item expenditures.

Table of Contents

This list shows the contents of Volume 2 and the page number where specific information can be found.

Line Item Detail by Fund

This section provides line item detail of resources and requirements for each fund. The line item detail is the breakdown of revenues and expenditures which comprise Metro's adopted budget.

Appendices, Volume 2

Volume 2 appendices provide additional information supporting and clarifying other items in the budget. The appendices include items of a technical or clarifying nature used primarily by Metro managers and internal staff. These items include the cost allocation plan, excise tax, and other information.

Transmittal Letter

To the Metro Council, our valued employees and citizens of the region:

When I took office in January 2003, Metro had depleted its reserve funds, revenues were flat, overhead costs were accelerating upward, we had violated our bond covenants, and undisciplined spending was on a trajectory to eat away at important programs. I promised to bring fiscal accountability to Metro and to set a new strategic direction, one that would make Metro more relevant to the real needs and aspirations of Metro area jurisdictions and the residents of the region.

My first task was to restore fiscal integrity to Metro. With the Council's courage and consent, my fiscal year 2003–04 budget selectively cut overhead costs, increased selected fees, and trimmed programs for a savings of $2.2 million. The fiscal year 2003–04 budget was the first Metro budget in years to not dip into reserves, and we were able to replenish our rainy-day fund.

Last year we stayed the course, emphasizing cost containment in the fiscal year 2004–05 budget. We cut non-core programs, saving $1.2 million, and addressed important public investments in convention facilities and parks through an excise tax increase that generates about $2.4 million annually. This combination of fiscal discipline and investment laid a solid foundation from which the Metro Council could now turn fully to the challenges and opportunities ahead.

In 2004, the Metro Council initiated a Strategic Budgeting Initiative to identify important regional goals and create strategies to address them. The Strategic Budgeting Initiative requires fundamental changes to the budgeting process, such as budgeting by program rather than by fund, improved tracking of program performance, and consolidating a myriad of individual accounts into the general fund. These measures will strengthen our ability to direct resources to strategic priorities, allow us to more easily transcend department boundaries in implementing projects, increase transparency and accountability, and provide more value to the public.

The Metro Council translated its regional goals into priority initiatives, including measures to substantially cut overhead costs by consolidating central service functions, a Nature in Neighborhoods initiative to protect and enhance greenspaces and habitat within the Metro region, and initiatives to address affordable housing, solid waste services, public facilities, and regional economic development. In each of these projects we are fundamentally redirecting the way Metro engages with its public, nonprofit, and private partners, by strengthening Metro's ability to lead regional initiatives, solve regional problems, and developing Metro's ability to convene, collaborate, provide technical support, build capacity, and develop effective strategies for investment and implementation.

While we are becoming more strategic about how we manage our resources, we are at the same time not relenting in our commitment to fiscal discipline. My instructions to our department heads this year was the same as in prior years: live within resources. For the third year, I offered a Council President's budget that leaves reserves intact.

Of the strategic initiatives being launched this year, the central service consolidation and the Nature in Neighborhoods project have the most visible budgetary implications, and so are outlined briefly below.

Reduce Overhead by Consolidating Central Service Functions

Overhead costs are rising by 10 percent per year, driven particularly by the increasing costs of health care coverage and Oregon's unsustainable public employee retirement system. Meantime, our revenues remain flat. Left unchecked, essential public services will soon be threatened. The Metro Council and I have empowered Chief Operating Officer Michael Jordan to preempt this result by consolidating a range of business service functions. Mr. Jordan initiated a hiring freeze and a voluntary separation program to accelerate attrition and limit layoffs in critical service areas. The result will be greater efficiency and accountability in our central service functions of finance, public affairs, and human resources, and a strengthened capacity to protect important public services and investments.

Enhance Nature in Neighborhoods

One of my priorities as Metro Council President is to maintain this region's edge in livability and economic competitiveness by enhancing and protecting the region's greenspaces. The Metro Council will wrap up years of Goal 5 planning in 2005, completing the functional plan component of that effort. The fiscal year 2005–06 budget will move us beyond the era of planning and into an era of investment and implementation through the Nature in Neighborhoods initiative, a multifaceted education, restoration, and willing seller acquisition program that will protect and enhance streams, wildlife habitat and greenspaces near where people live, work, and play. Rather than depend on government regulation, Nature in Neighborhoods fosters collaboration among conservation groups, developers, businesses and homeowners.

I promised as I took office as Metro's first president that I would put Metro's fiscal house in order. Each year I've taken steps to more fully deliver on that promise. I know that my Metro Council colleagues and I will continue to work to earn your trust as we increase fiscal discipline and accountability and turn our focus and attention to the services most valued by the residents of the region.

Sincerely,

David Bragdon
Metro Council President

Message from the Chief Financial Officer

With the FY 2005–06 Budget, Metro introduces some changes in both process and presentation. These changes are only beginnings and will continue to evolve over the next several years.

The changes are designed to achieve two objectives:

1. They endeavor to provide the Budget with greater transparency. Emphasizing departmental programs rather than budget funds, relating programs to Council objectives, and providing measures of success or failure of the programs all contribute to *understanding budget priorities* rather than mere presentation of budgeted amounts.
2. The Council's strategic planning process, its subsequent statements of objectives, the programmatic character of budget information, and the consolidation of budget funds all serve to assist the Metro Council in *aligning priorities with spending.*

A more subtle shift is the steps towards changes in Metro's culture from producing and tracking a budget to a year-round process of budgeting. As such, the budget proceeds from a starting point of the Council reassessing its strategic plan; departments suggesting programs to meet the subsequent goals and objectives, assessing budgetary and programmatic outcomes of these programs via appropriate performance measures; and Council selection of priorities that it seeks to capture in the budget. The cycle will repeat itself in ensuing years. Budgeting becomes an ongoing process rather than a document.

Only a small number of the changes that have been made in budget processes are visible in this budget document—but, they are significant. If their full impact has not occurred this year, it will occur in the future.

First, Council has selected through an extensive process, a set of result-oriented goals and objectives as an expression of its strategic intent for the region. The following is a statement of these programmatic goals and objectives:

1. *Great Places*
   Goal: Residents of the region enjoy vibrant, accessible and physically distinct places to live, work and play.
   - 1.1 Natural areas, park land and outdoor recreation infrastructure are available near housing and employment.
   - 1.2 The region's centers and corridors are distinctive, attractive and efficient.
   - 1.3 A diversity of artistic, cultural and recreational opportunities is available.
   - 1.4 The region's residents choose from a diversity of housing options.
2. *Environmental Health*
   Goal: The region's wildlife and people thrive in a healthy urban ecosystem.
   - 2.1 Natural areas are large enough, have the appropriate balance of species and are Interconnected with other natural areas so that normal ecological processes are maintained.
   - 2.2 Our community is inspired to create a better future for wildlife and the environment.
   - 2.3 The region's waste stream is reduced, recovered and returned to productive use, and the remainder has a minimal impact on the environment.
   - 2.4 Metro is a model for green business practices.
   - 2.5.1 Urban land is used efficiently and resource land is protected from urban encroachment.
3. *Economic Vitality*
   Goal: Residents and businesses benefit from a strong and equitable regional economy.

- 3.1 Land is available to meet the need for housing and employment.
- 3.2 Industry clusters thrive.
- 3.3 Access to jobs, services, centers and industrial areas is efficient.
- 3.4 Stable, affordable sources of energy, combined with energy conservation, position the region for sustained economic growth and stability.
- 3.5 The region is strong in tourism jobs.
- 3.6 The region's rural economy thrives.

4. *Smart Government*
Goal: Metro leads a fiscally sound, efficient and congruent system of governance where public services are funded appropriately and provided by the most suitable units of government.

- 4.1 Regional needs are supported by appropriate regional funding mechanisms.
- 4.2 Public services are available and equitable.
- 4.3 Metro provides services that fit its distinct competency or regional scope.
- 4.4 There is no duplication of public services among jurisdictions.
- 4.5 The tax system in the region does not have inadvertent effects on land use.

The Council has also set forth various operational goals and objectives that it terms "Critical success factors."

1. *Financial and Operational Excellence*

- 1.1 As stewards of the public trust, practice fiscal prudence, and operate efficiently and transparently.
- 1.2 Maintain asset value of facilities through preventative maintenance, monitoring and fully funding renewal and replacement reserve.
- 1.3 Maintain stable and appropriate level of funding for Metro programs.
- 1.4 Improve business processes to increase efficiency.

2. *Workforce Excellence*

- 2.1 Recruit, train and retain an exceptionally competent, productive and motivated workforce.
- 2.2 Provide leadership in the community through our diversity practices.
- 2.3 Create and sustain a creative, flexible, entrepreneurial culture that incorporates fresh ideas and supports reasonable risk.

3. *Communications and Leadership Excellence*

- 3.1 Lead regional problem solving and regional initiatives.
- 3.2 Foster a collaborative relationship between a council, focused on policy questions, and staff, focused on providing objective policy and program options and rigorous analysis.
- 3.3 Maintain open working relationships with other governments and organizations and provide a venue for regional collaboration.
- 3.4 Communicate effectively and develop constructive relationships with internal and external audiences.

Second, in the FY 2005–06 budget process, departments expressed their budgetary totals by program category as well as spending from budget funds. Additionally, departments have related these program initiatives to Council Goals and Objectives. The linkage is not expressed in the document but is incorporated in Council materials and in the prioritization process. Continued refinement of the linkage is anticipated in the ensuing years.

Third, each department suggests and calculates performance measures for each major program goal. Although this is a practice that has been followed in prior years, work will progress this fiscal year on tying performance measures and targets to each council goal and, as a result, to each program.

Results will appear in subsequent budgets. Then the cycle would be complete—linking Council Strategic priorities to their goals and objectives, to departmental programs, and, finally, to performance measures relative to targets.

And fourth, to provide greater flexibility in establishing Council spending priorities and to permit greater efficacy of reserves within the General Fund, the FY 2005–06 budget takes steps towards consolidating the fund structure that has appeared in earlier budgets. Recognizing the legal requirement for some segregated funds, the budget reduces the number of funds from twenty to twelve and increases amounts in the General Fund from around $14.4 million to around $79.8 million. The change provides the Council with a broader array of spending options.

These changes are ongoing efforts. They will greatly enhance both the ability and the responsibility of the Council to determine budget priorities and allocate Metro resources accordingly.

William L. Stringer
Chief Financial Officer

METRO

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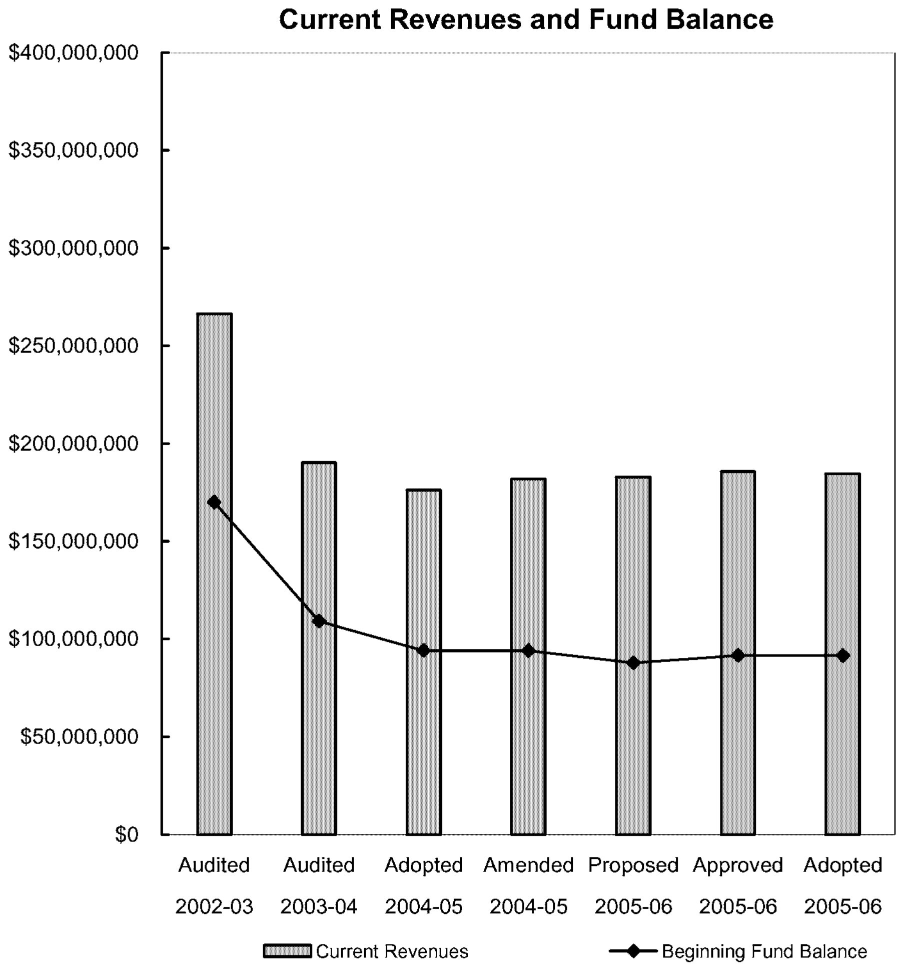
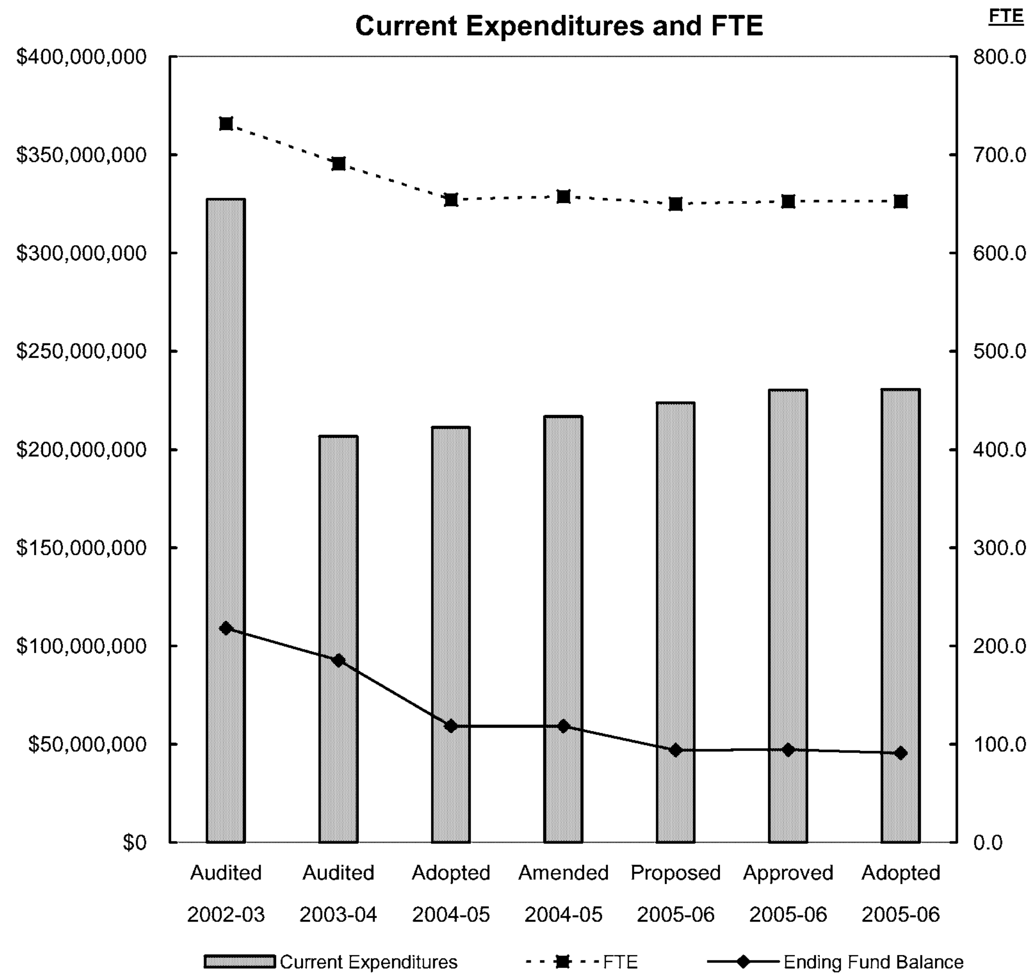
Budget Summary

Budget Summary by Year

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$170,103,732*	*$109,080,078*	*$94,118,981*	*$94,118,981*	*$87,936,542*	*$91,672,666*	*$91,575,340*	*(2.70%)*
Current Revenues								
Real Property Taxes	24,870,024	26,156,752	26,414,557	26,414,557	27,510,304	27,510,304	27,510,304	4.15%
Excise Tax	9,821,988	10,506,081	12,083,153	12,083,153	12,805,010	12,805,010	12,805,010	5.97%
Other Derived Tax Revenue	0	33,086	18,090	18,090	19,000	19,000	19,000	5.03%
Grants	7,074,525	7,430,630	14,315,247	15,276,914	12,071,647	13,907,714	14,054,714	(8.00%)
Local Government Shared Revenues	8,711,018	8,369,730	7,404,638	7,404,638	8,063,179	8,099,166	8,099,166	9.38%
Contributions from other Governments	2,828,593	1,067,052	752,912	752,912	740,800	757,000	757,000	0.54%
Enterprise Revenue	89,552,091	97,057,327	96,277,491	98,777,491	101,771,780	102,572,506	101,986,290	3.25%
Interest Earnings	2,631,843	1,120,037	1,322,269	1,322,269	1,892,961	1,892,961	1,892,961	43.16%
Donations	2,641,203	2,976,305	3,203,775	4,925,586	1,658,845	1,658,845	1,658,845	(66.32%)
Other Misc. Revenue	412,042	799,820	537,407	537,407	667,212	817,212	467,212	(13.06%)
Bond and Loan Proceeds	105,693,587	24,425,431	0	0	0	0	0	0.00%
Interfund Transfers:								
Interfund Reimbursements	5,519,130	5,560,348	6,613,074	6,613,074	6,763,454	6,763,454	6,763,454	2.27%
Internal Service Transfers	832,817	1,014,268	936,674	936,674	559,740	559,740	559,740	(40.24%)
Interfund Loan	103,898	101,248	0	0	0	0	0	0.00%
Fund Equity Transfers	5,613,888	3,655,578	6,341,306	6,857,306	8,322,052	8,322,052	8,072,052	17.71%
Subtotal Current Revenues	**266,306,647**	**190,273,695**	**176,220,593**	**181,920,071**	**182,845,984**	**185,684,964**	**184,645,748**	**1.50%**
Total Resources	**$436,410,379**	**$299,353,773**	**$270,339,574**	**$276,039,052**	**$270,782,526**	**$277,357,630**	**$276,221,088**	**0.07%**
Requirements								
Current Expenditures								
Personal Services	$52,817,719	$52,418,717	$54,621,361	$55,177,155	$58,701,440	$58,785,508	$58,785,508	6.54%
Materials and Services	73,416,357	76,965,490	81,452,307	86,986,813	82,655,751	85,141,344	86,724,485	(0.30%)
Capital Outlay	56,880,585	14,157,562	14,085,727	15,645,467	10,012,111	13,367,338	13,117,338	(16.16%)
Debt Service	132,145,908	52,809,535	22,938,172	22,938,172	24,035,131	24,035,131	23,539,006	2.62%
Interfund Transfers:								
Interfund Reimbursements	5,519,130	5,560,348	6,613,074	6,613,074	6,763,455	6,763,455	6,763,455	2.27%
Internal Service Transfers	832,816	1,014,268	936,674	936,674	559,740	559,740	559,740	(40.24%)
Interfund Loan	103,898	101,248	0	0	0	0	0	0.00%
Fund Equity Transfers	5,613,887	3,655,578	6,341,306	6,857,306	8,322,052	8,322,052	8,072,052	17.71%
Contingency	0	0	24,229,528	21,741,691	32,760,246	33,188,462	33,134,462	52.40%
Subtotal Current Expenditures	**327,330,300**	**206,682,746**	**211,218,149**	**216,896,352**	**223,809,926**	**230,163,030**	**230,696,046**	**6.36%**
Ending Fund Balance	*109,080,079*	*92,671,027*	*59,121,425*	*59,142,700*	*46,972,600*	*47,194,600*	*45,525,042*	*(23.03%)*
Total Requirements	**$436,410,379**	**$299,353,773**	**$270,339,574**	**$276,039,052**	**$270,782,526**	**$277,357,630**	**$276,221,088**	**0.07%**
Full-Time Equivalents (FTE)	731.63	691.23	654.50	657.50	649.98	652.58	652.58	(0.75%)

Budget Summary by Year

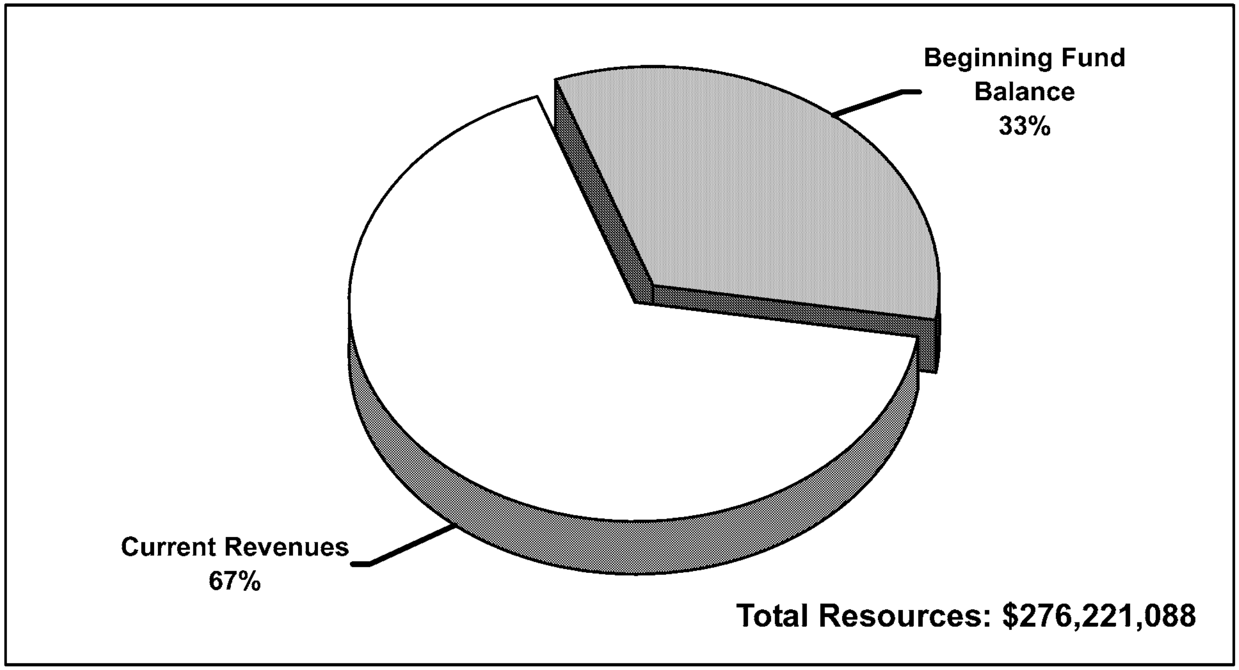




Where the Money Comes From

Resources to meet Metro's obligations and needs are derived from two primary sources: beginning fund balance and current revenues. Beginning fund balance consists of resources carried forward from previous fiscal years, including proceeds from voter-approved bonds (e.g., Open Spaces), reserves for specific purposes (e.g., self insurance, debt reserves), and monies used for cash flow. Current revenues are those earned from Metro operations or taxes levied during the fiscal year. The principal sources of current revenues are user fees and charges from individuals and organizations that pay to use Metro facilities or buy its services.

FY 2005–06 Total Resources



Beginning Fund Balance

The beginning fund balance for each fund consists of unspent resources carried forward from the previous fiscal year. Primary among these are resources in the Solid Waste Revenue Fund for operations, debt obligations, capital projects, and other dedicated accounts. These funds account for 35 percent of the beginning fund balance. The new combined General Fund accounts for 20 percent. Another element of the beginning fund balance includes reserves for specific purposes (e.g., self-insurance, future capital reserves, debt reserves, and trust reserves) which are generally required by law or formal operating agreements. The beginning fund balance also provides cash flow for specific operations until current year revenues are received.

The General Fund accounts for 20 percent of the beginning fund balance and is a combination of restricted and undesignated reserves. Approximately $10.6 million of the General Fund's $18.4 million fund balance is undesignated and may be used for any lawful purpose of the agency.

In total, 88 percent of Metro's beginning fund balance is restricted to the purposes for which the revenues are generated. Metro's beginning fund balance constitutes 33 percent of its total resources.

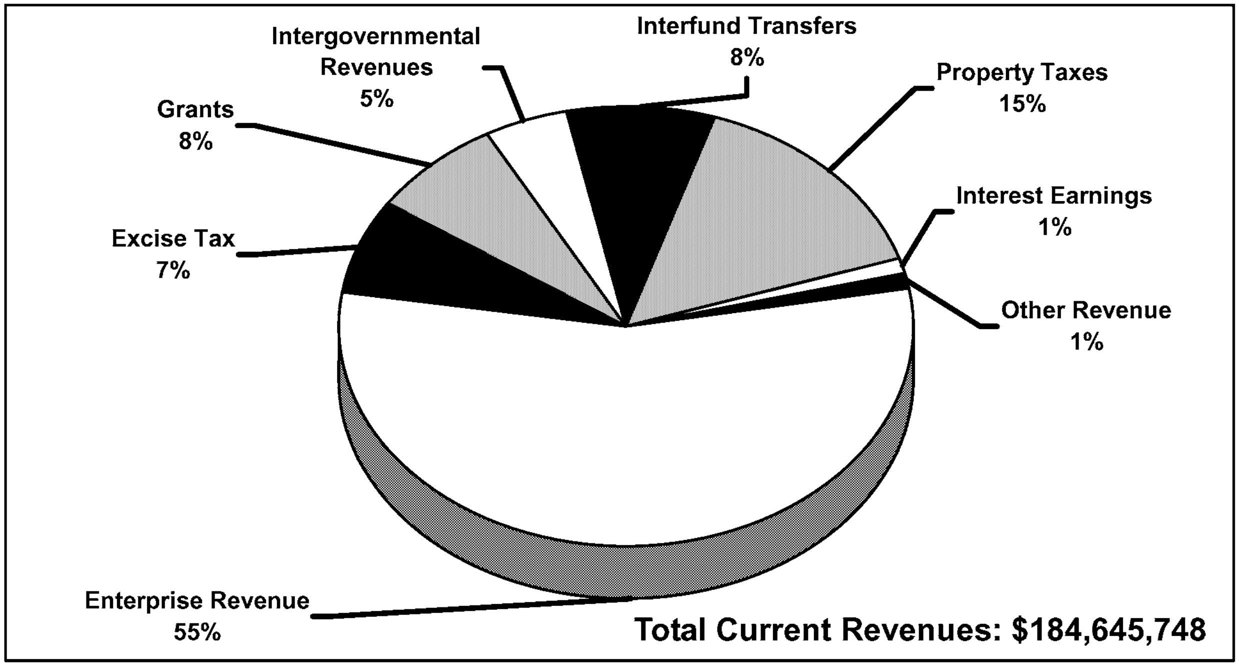
Current Revenues

Current revenues account for 67 percent of Metro's total resources. Metro's enterprise activities provide the largest amount of fee-generated revenues, constituting 55 percent of current revenues. Property tax revenues provide the next largest amount of total current revenues at 15 percent, followed by grants and interfund transfers at 8 percent each. The major elements of current revenues and the percentage of total current revenues they represent include the following:

Enterprise Revenues—55 percent

Enterprise activities account for the largest piece of current revenues at $102.0 million. Metro's largest enterprise activity is solid waste disposal,

FY 2005–06 Current Revenues



Resources	
Beginning Fund Balance	*$91,575,340*
Current Revenues	
Real Property Taxes	$27,510,304
Excise Tax	12,805,010
Other Derived Tax Revenue	19,000
Grants	14,054,714
Local Government Shared Revenues	8,099,166
Contributions from other Governments	757,000
Enterprise Revenue	101,986,290
Interest Earnings	1,892,961
Donations	1,658,845
Other Misc. Revenue	467,212
Interfund Transfers:	
Interfund Reimbursements	6,763,454
Internal Service Transfers	559,740
Fund Equity Transfers	8,072,052
Subtotal Current Revenues	**$184,645,748**
Total Resources	**$276,221,088**

generating $52.5 million, which comes from fees charged on solid waste deposited at Metro's transfer stations or several other designated solid waste facilities. The MERC facilities (Oregon Convention Center, Portland Center for the Performing Arts, and Portland Metropolitan Exposition Center) provide $25.6 million, the Oregon Zoo generates $13.8 million, and the regional parks another $2.6 million. The Risk Management Fund generates $6.2 million in internal charges for services to Metro departments for health and welfare premium costs. Parking fees, business license fees, and Data Resource Center revenues account for the remainder of enterprise revenues.

Property Taxes—15 percent

Metro has budgeted to receive $27.5 million in property tax revenues in FY 2005–06. This includes current year tax receipts for Oregon Zoo operations ($9.0 million) and debt service levies for outstanding general obligation bond issues for the Open Spaces Acquisition Program, the original Oregon Convention Center construction, and the Zoo's Great Northwest Project ($17.7 million). The remainder, approximately $800,000, will be received in the form of delinquent property taxes, levied in prior years but received in the current year, and interest and penalties on those late payments.

Interfund Transfers—8 percent

Metro budgets its resources in separate and distinct funds. Transfers between funds are made to pay for internal services provided by one department to another, and to pay interfund reimbursements (i.e., building management, printing, fleet, etc.) determined by the cost allocation plan. Interfund reimbursements and internal service transfers total $7.3 million in FY 2005–06. The transfer classification also includes $8.1 million in Fund Equity Transfers (revenue sharing between funds) such as the transfer of excise tax from the General Fund to assist in capital development and renewal and replacement activities in the Metro Capital Fund. Interfund transfers appear as both a resource to the receiving fund and a requirement for the transferring fund in the budget.

Excise Taxes—7 percent

The excise tax is received from users of Metro facilities and services in accordance with Metro Charter and Metro Code. The tax is recorded as revenue in the General Fund. It supports the costs of general government activities, such as the Council Office, elections expense, and lobbyist functions. The tax also supports various planning, parks, and greenspaces activities.

The excise tax is levied as a flat rate per ton on solid waste activities and as a percentage of revenues on all other authorized revenues. For budgeting purposes, the amount of excise tax raised by the flat rate per ton may be increased based on an annual CPI factor. The rate for all other authorized revenues remains the same from year to year unless amended by the Metro Council by ordinance. The current percentage rate for all other authorized revenue is 7.5 percent.

In addition to the base per ton amount generated on solid waste activities, an additional amount of $3.00 per ton is levied. Of this additional levy, $2.50 per ton is dedicated to Metro Regional Parks and Greenspaces. The funding is used for the development and operations of four new sites purchased under the Open Spaces bond measure, as well as operations of existing sites, and renewal and replacement reserves for all Regional Parks facilities. The remaining $0.50 per ton is dedicated to a Metro Tourism Opportunity and Competitiveness Account designed to enhance the Oregon Convention Center's competitiveness in the pursuit of conventions from outside the region, which bring new dollars into the region and which utilize the Oregon Convention Center. The per ton levy amounts increase annually based on CPI.

The excise tax is projected to raise $12.8 million from all sources during FY 2005–06.

Grants—8 percent

Grants provide $14.1 million to the revenue mix. The grants come mostly from state and federal agencies and are used primarily for planning activities. Metro also receives grants for projects planned in the Regional Parks and Greenspaces Department and the Oregon Zoo.

Intergovernmental Revenues—5 percent

Metro receives revenue from both state and local agencies. Among these are hotel/motel tax receipts from Multnomah County, funds from the City of Portland to support PCPA, state marine fuel tax revenues, and a portion of the recreational vehicle registration fees passed through Multnomah County from the State of Oregon to support the Regional Parks and Greenspaces Department.

Interest—1 percent

Interest earnings are projected at $1.9 million. Interest earned is based upon investing cash balances throughout the year. This revenue source is subject to the current rates earned by investments, estimated at 2.5 percent for FY 2005–06.

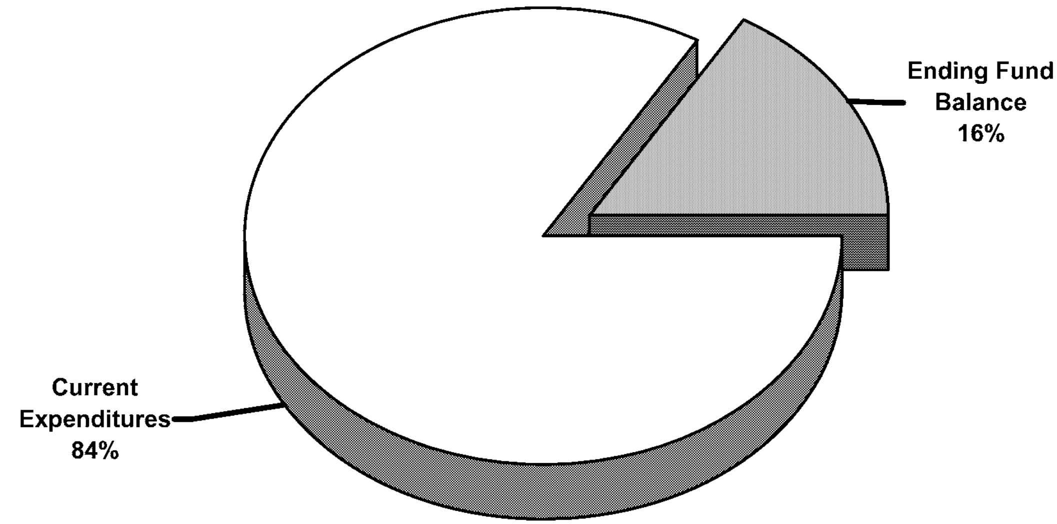
Other Miscellaneous Revenues—1 percent

In FY 2005–06, other revenues include $950,000 in donations to the Zoo and $684,000 in donations to MERC.

Where the Money Goes

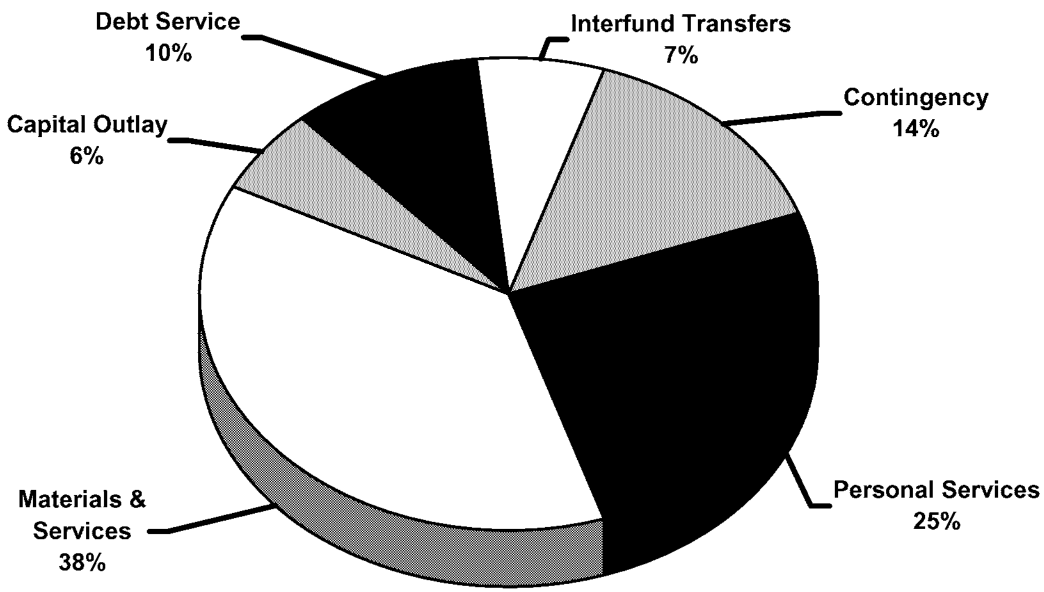
Metro uses its resources for a variety of purposes prescribed by state law and Metro Charter. Ending fund balances are resources that are not spent during the year but carried over to subsequent year(s). They include reserves, monies for cash flow purposes, and bond proceeds that will be spent in ensuing years for capital projects. Resources to be spent during the year can be categorized in one of several current expenditure categories.

FY 2005–06 Total Requirements



Total Requirements: $276,221,088

FY 2005–06 Total Current Expenditures

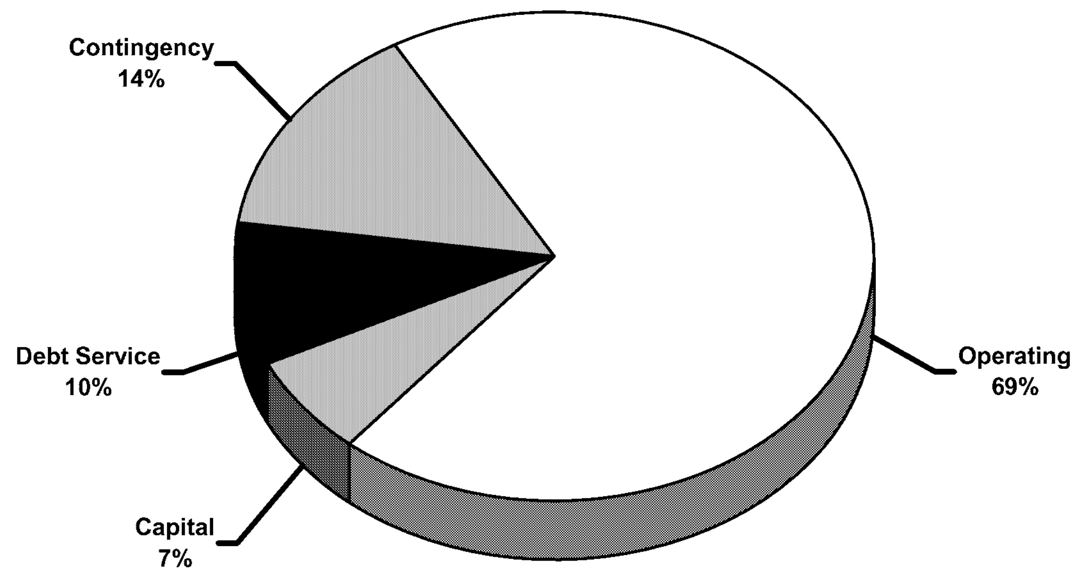


Total Current Expenditures: $230,696,046

Requirements	
Current Expenditures	
Personal Services	$58,785,508
Materials and Services	86,724,485
Capital Outlay	13,117,338
Debt Service	23,539,006
Interfund Transfers:	
Interfund Reimbursements	6,763,455
Internal Service Transfers	559,740
Fund Equity Transfers	8,072,052
Contingency	33,134,462
Subtotal Current Expenditures	**$230,696,046**
Ending Fund Balance	*45,525,042*
Total Requirements	**$276,221,088**

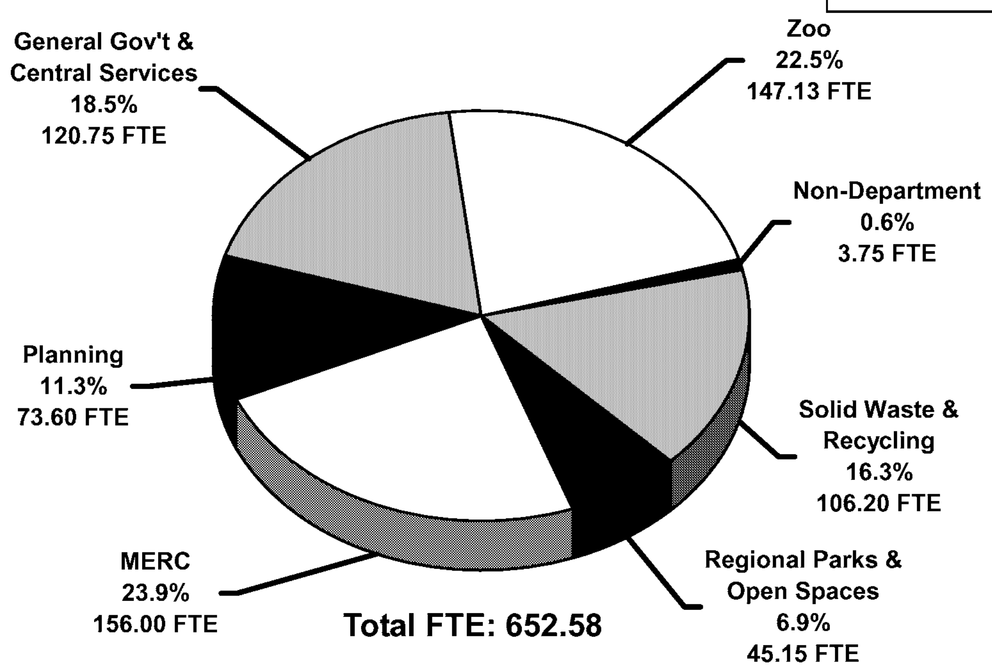
Metro's total current expenditures are allocated for the specific programs and functions described in the Department Summaries contained in the body of this budget document. Sixty-nine percent of current expenditures are in support of the operations of Metro facilities such as the Oregon Zoo, the Oregon Convention Center, the Expo Center, Portland Center for the Performing Arts, Regional Parks and Greenspaces, and solid waste disposal facilities, as well as programs such as waste reduction, recycling information, and regional transportation and growth management planning. Another ten percent is dedicated to debt service on outstanding general obligation and revenue bonds, and seven percent allocated for capital outlay and improvements to various facilities. Contingencies for unforeseen needs make up the balance of current expenditures.

FY 2005–06 Current Expenditures by Type



Total Expenditures by Type: $230,696,046

FY 2005–06 Total Full-Time Equivalent Positions by Function



Total FTE: 652.58

Full-time equivalent staff (FTE) totals 652.58 positions for Metro. Sixty-seven percent of these staff work for three departments: the Oregon Zoo, the Metro Exposition-Recreation Commission (MERC), and Solid Waste and Recycling.

Metro's budget includes only regular, benefit eligible positions in its FTE count. Temporary, seasonal, and MERC part-time, event-related positions are not included in the FTE charts.

Metro uses its resources for a variety of programs and functions related to its primary goals. Those programs and functions are explained in detail in the Department Summaries contained in the body of this budget document. The chart on the previous page and the following explanation give the information by expenditure classification.

Current Expenditures

Current expenditures consist of amounts anticipated to be paid out in the current fiscal year. This includes payments for operations, capital improvements and acquisitions, and transfers to other funds. The major elements of current expenditures and the percentage of total current expenditures they represent include the following:

Personal Services—25 percent

Metro plans to spend about $58.8 million for salaries and wages and related expenditures for its employees in FY 2005–06. The FY 2005–06 budget includes 652.58 full-time equivalent (FTE) positions. FTE includes regular, benefit-eligible full-time and part-time positions. It does not include temporary, seasonal, or event-related staff.

Personal services also include employee related benefit costs such as health and welfare and pension contributions. The FY 2005–06 budget includes a 4.7 percent increase in Metro's contribution rate to the Public Employees Retirement System (PERS) due to the recognition of prior year investment losses, and assumes a 10 percent increase in the health and welfare premium cap paid by Metro. The Oregon Supreme Court recently ruled to overturn several of the changes made to the PERS system by the 2003 Oregon Legislature. The impact of this ruling is not yet reflected in Metro's benefit costs.

Materials and Services—38 percent

Metro plans to spend about $86.7 million on materials and services in FY 2005-06. Large expenditures in this area include solid waste transfer station operations and the transfer of solid waste to the Columbia Ridge Landfill in Gilliam County (about $26.6 million). Materials and services also includes costs for contracted operations of the Oregon Convention Center, the Oregon Zoo, the Portland Center for the Performing Arts, the Expo Center, and the regional parks.

Capital Outlay—6 percent

Approximately $23.5 million is provided for capital expenditures. These funds provide for major capital improvement projects at various facilities. The largest uses of capital funds are $3.8 million for capital improvements at MERC facilities, $3.2 million for solid waste facility capital projects, $2.17 million for capital improvements at the Oregon Zoo, $2.0 million in capital development at Metro Regional Parks, and $1.2 million for land purchases under the Open Spaces Program. Capital expenditures include purchases of land and equipment, improvements to facilities, and other capital related expenditures. Projects that are over $50,000 and have a useful life of more than five years are included in Metro's five-year Capital Budget, updated and adopted annually.

Debt Service—10 percent

Debt service provides for payments on revenue, general obligation, and full faith and credit bonds sold for the Metro Central transfer station, the Oregon Convention Center, Metro Regional Center, the Open Spaces Acquisition Program, the Expo Center, and the Oregon Zoo. This category also includes payments on outstanding loans to the Oregon Economic and Community Development Department (OECDD). Refer to the Debt Summary portion of this budget for the debt service schedules.

Interfund Transfers—7 percent

Metro budgets its resources in separate and distinct funds. Transfers between funds are made to pay for the cost of services provided in one fund for the benefit of another (i.e., printing, fleet, etc.) or to share resources between funds. Interfund transfers in FY 2005–06 total about $15.4 million. Interfund transfers appear as both a resource to the receiving fund and a requirement for the giving fund in the budget.

Contingency—14 percent

Contingencies in each fund are created to provide for unforeseen requirements. These funds may be spent only after an action of the Metro Council authorizes transferring appropriations from contingency to an expenditure line item. In FY 2005–06, the contingency category also includes specific reserves for potential liabilities arising from court challenges to legislatively enacted pension reforms. For three years, an amount equal to approximately 6.65 percent of regular salaries has been set-aside in a reserve called the *PERS Reserve*. Council action will be required to appropriate these funds for any purpose.

Ending Fund Balances

Ending fund balances in one fiscal year become the beginning fund balances of the next fiscal year. Metro plans to carry forward $45.5 million into FY 2006–07. In addition to the planned carry-over at the end of FY 2005–06, Metro will also carry forward unspent contingency funds and any surplus from department operations.

Primary among the planned funds to be carried forward are reserves for specific purposes (solid waste activities and debt reserves) which are generally required by law or formal operating agreement. In addition, planned ending balances also include funds to be carried over to provide cash flow for specific operations so that they can operate early in the next fiscal year even though their primary current revenues may not be received until later in that fiscal year.

Ending fund balance has declined significantly since FY 2002–03, about 58 percent. This is due primarily to the expenditure of bond proceeds or intergovernmental revenues received for the Open Spaces Acquisition Program and the expansion of the Oregon Convention Center. In addition, there has been a planned spend-down of the undesignated fund balance in the Solid Waste Revenue Fund through a tipping fee subsidy and recognition of potential outstanding environmental liabilities in the Risk Management Fund.

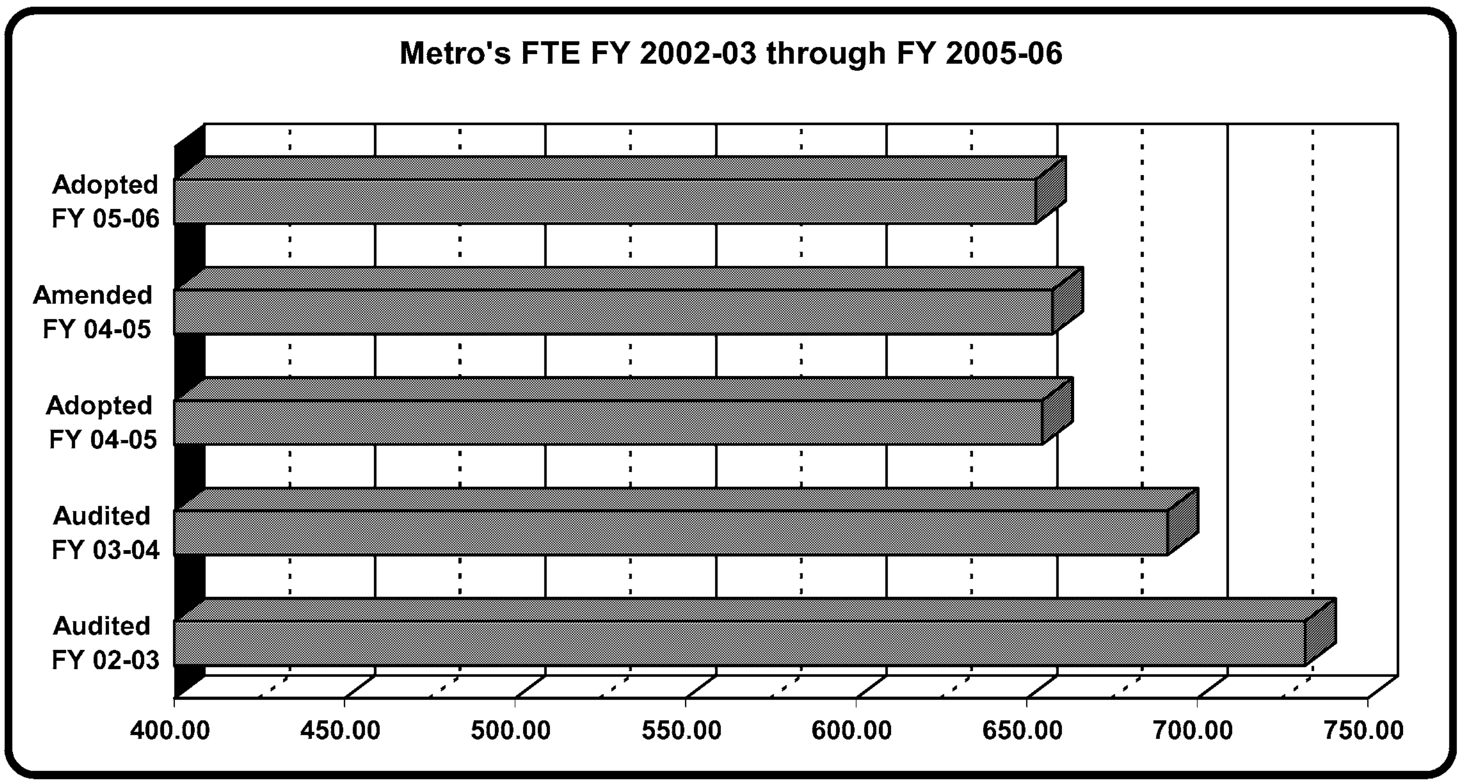
Staff Levels

Metro counts regular, benefit-eligible staff positions by FTE (full-time equivalent). One FTE equals one person working full-time for one year (2,080 hours). One FTE most often is one person working full-time, but it may also be two people each working half-time, or some other combination of people whose total work time does not exceed 2,080 hours. Temporary, seasonal, and MERC part-time, event-related positions are not included in the FTE chart.

For a period of several years prior to FY 2001–02, staff levels for Metro operations remained fairly constant with only minor changes in any one year. Generally, increases were seen in enterprise-related activities such as MERC, Zoo, and Solid Waste & Recycling, while most central service or excise tax funded departments remained relatively constant or decreased. Staff levels for major capital projects for MERC and Regional Parks increased substantially for a period of years reaching a high of 24.10 FTE in FY 2000–01. As the major expansion or acquisition projects were completed, staffing declined to its current level of 1.50 in FY 2005–06.

In the last couple of years staff levels have changed dramatically. Several key factors have contributed to the change:

- Spend down and near completion of the Open Spaces Acquisition bond program.
- Opening of the newly expanded Oregon Convention Center and the subsequent economic impact of world and national events.
- Implementation of a charter amendment approved by the voters in November 2000 to consolidate the Council and Executive Offices.
- Recognition of the fiscal implications of previous spending authorizations.



Open Spaces Acquisition Program

In 1995, the voters of the Metro region approved a $135.6 million Open Spaces, Parks, and Streams bond measure. A majority of the measure provided for the purchase of regionally significant natural and open spaces to ensure preservation of the lands for future generations. By FY 1998–99, a total of 17.25 FTE (including 3.50 FTE in the Office of Metro Attorney) had been added to provide the staffing expertise necessary for a willing seller acquisition program estimated to purchase over 6,000 acres of land. Now in its ninth year, the bond proceeds are almost depleted. Staffing levels have been reduced accordingly in the last several years, down to 5.25 FTE by FY 2003–04. FTE remained constant in FY 2004–05 but are declining to 1.50 in FY 2005–06.

Expanded Oregon Convention Center

In FY 1999–00, Metro, the City of Portland, Multnomah County, and the local lodging and car rental industries developed a proposal to expand the Oregon Convention Center. Construction began in FY 2000–01 and was completed in the spring of 2003. In anticipation of the grand opening of the expanded facility, approximately 40 FTE were added to the MERC staff in FY 2002–03. During the preparation of the FY 2003-04 budget (fall of 2002), MERC re-evaluated staffing levels needed for the expanded facility, resulting in a reduction of 14.75 FTE. By late spring 2003, it became clear that national and world events, including the terrorist attacks on September 11, 2001, the SARS outbreak, and the economic recession, were having a substantial impact on the region's convention business. In early FY 2003–04, MERC management took immediate action to recognize the fiscal implications of these events, resulting in the additional reduction of 18 FTE from the Oregon Convention Center. While these actions were taken during FY 2003–04 ,the actual FTE reduction was not reflected in the budget until FY 2004–05.

Charter Amendment

The consolidation of the Council and Executive offices, as required by the November 2000 charter amendment, created opportunities for consolidation of staff functions formerly done in the two offices. Elimination of duplicate positions and streamlining of Council Office functions produced a reduction of 9.10 FTE in FY 2003–04. (Implementation of the charter amendment is discussed in the Organizational and Regional Profile section.)

Fiscal Implication of Previous Spending Authorization (Living Within Our Means)

For a variety of reasons, most of Metro's operations required the use of fund balance reserves to maintain program levels and balance the budget. In some cases, particularly where reserves were considered too high, there was a planned spend down pattern authorized. However, in others, no plan had been developed. In at least one area, it had been hoped that an additional revenue source would be authorized to help cover the additional unfunded operating needs that had been placed upon it. During preparation of the FY 2003–04 budget, it was decided that the agency must begin to live within its means and reduce its reliance on fund balance reserves. In meeting this goal, almost every department of Metro found it necessary to reduce its staffing levels in FY 2003–04. This policy continued into FY 2004–05; however, reductions in the previous year combined with a new dedicated revenue source for Regional Parks ameliorated the fiscal situation for most departments, with the exception of the Oregon Zoo.

In 1996, the voters of the region approved a general obligation bond measure to construct the Great Northwest Exhibit at the Oregon Zoo. The project is being completed in a series of phases featuring native wildlife exhibits that include forest and waters displays, as well as a new entrance with a restaurant and gift shop adjacent to the light rail station. While the opening of any new exhibit enhances revenue by increasing the attendance to the zoo, each phase of the project also adds additional operating costs. The Oregon Zoo was also chosen to participate in the California Condor Recovery Project. The off-site facility began operations in FY 2003–04 and is not open to the general public. Being chosen to participate in this conservation project is an honor to the Zoo; however, it also comes with additional costs and contributes to the overall operating deficit. In addition, the Zoo has experienced increases in existing operating costs such as utilities, insurance, health care, and retirement benefits that exceed the cost of inflation. Unfortunately, increases in overall operating costs have outpaced the Zoo's ability to generate additional revenue. The directive to reduce reliance on fund balance reserves and "live within our means" has placed the greatest burden on the Oregon Zoo. To achieve the fiscal results imposed by this directive, the Zoo has had to reduce approximately 9 FTE in FY 2003–04 and FY 2004–05 and an additional 5 in FY 2005–06. For the most part, the reductions targeted vacant positions. Reductions were made in areas that did not affect the health and welfare of the animals in the Zoo's care.

Fiscal Year 2005–06 Changes in FTE

The FY 2005–06 budget shows a decrease of almost 5 FTE from the FY 2004–05 amended budget. This is the net effect of several department staff level changes. The major changes include:

- The reduction of 4.72 FTE at the Oregon Zoo due to the fiscal constraints of the department.
- The net reduction of 1.55 FTE in the Planning Fund recognizing the transfer of 3.0 FTE to the Nature in Neighborhoods program, the addition of 4.50 FTE grant-funded positions for programs such as the Regional Travel Options, and the reduction of 3.05 FTE due to work plan reorganizations and changes in program funding.
- The addition of 0.50 in the Office of the Metro Attorney increasing legal support for MERC.
- The creation of a Nature in Neighborhoods Program and transfers of 3.75 FTE from the Planning and Public Affairs departments.
- The transfer of 0.45 FTE from Public Affairs and Government Relations to the Nature in Neighborhoods program.
- The reduction of 1.5 FTE in Finance and Administrative Services as part of an agency effort to contain administrative costs.
- The net reduction of 1 FTE at MERC reflects the addition of 1 FTE to support audio video needs of Oregon Convention Center users and the elimination of two Expo vacant staff positions.

Metro FTE - FY 2002-03 through FY 2005-06
(Does not include temporary, seasonal or MERC part-time labor)

DEPARTMENT	Audited FY 02-03	Audited FY 03-04	Adopted FY 04-05	Amended FY 04-05	Adopted FY 05-06	% Change from FY 04-05	% Change from FY 02-03
Office of the Auditor	5.00	5.00	5.00	5.00	5.00	0.00%	0.00%
Office of the Council	20.00	17.00	17.00	17.00	17.00	0.00%	(15.00%)
Office of the Executive Officer	16.10	0.00	0.00	0.00	0.00	n/a	(100.00%)
Office of Metro Attorney	13.50	10.50	10.50	10.50	11.00	4.76%	(18.52%)
Finance & Administrative Services	69.05	66.35	63.70	63.70	62.20	(2.35%)	(9.92%)
Human Resources	9.10	9.00	11.00	11.00	11.00	0.00%	20.88%
Metro E-R Commission	193.00	180.25	157.00	157.00	156.00	(0.64%)	(19.17%)
Non-Department	0.00	0.00	0.00	0.00	3.75	n/a	n/a
Oregon Zoo	169.73	160.23	151.85	151.85	147.13	(3.11%)	(13.32%)
Planning	79.00	80.10	73.15	75.15	73.60	(2.06%)	(6.84%)
Public Affairs Department	0.00	12.00	15.00	15.00	14.55	(3.00%)	n/a
Regional Parks and Greenspaces	48.00	42.10	44.10	45.10	45.15	0.11%	(5.94%)
Solid Waste & Recycling	109.15	108.70	106.20	106.20	106.20	0.00%	(2.70%)
Totals	731.63	691.23	654.50	657.50	652.58	(0.75%)	(10.80%)

Fund Balances

Beginning Fund Balance

Approximately 33 percent ($91.6 million) of Metro's FY 2005–06 total resources comes from beginning fund balances—money carried over from previous fiscal years. The Solid Waste Revenue Fund's beginning fund balance of $32.2 million comprises the largest piece of the beginning fund balance resource. This amount includes $6.7 million in reserves for landfill closure; $5.3 million in the renewal and replacement account; $6.1 million in the General Account for specific capital and debt reserves; $4.0 million in other dedicated accounts for rate stabilization, business assistance, and pension liability; and $7.8 million in undesignated fund balance.

Other major components of beginning fund balance are:

General Fund: $18.4 million.
This is the combined balance for several major operating departments—Oregon Zoo, Planning, and Regional Parks and Greenspaces—as well as all general government and central service functions such as Council, Metro Attorney, Metro Auditor, Finance and Administrative Services, Human Resources, and Public Affairs and Government Relations. It includes several dedicated reserves such as the General Fund Recovery Rate Stabilization Reserve, the PERS Reserve, and a reserve for future debt service on the full faith and credit bonds issued to refinance Metro Regional Center. It also includes reserves for cash flow and several renewal and replacement accounts, which are being transferred to the new Metro Capital Fund. Metro has a policy to retain the equivalent of 10 percent of General Fund operating revenues in a reserve to guard against unexpected downturns in revenues and stabilize resulting budget actions.

MERC Operating Fund: $10.6 million.
This is the combined balance for the three facilities (Oregon Convention Center, Expo Center, and Portland Center for the Performing Arts) managed by the Metro Exposition-Recreation Commission.

General Obligation Bond Debt Service Fund: $9.5 million.
This amount is required to pay debt service due early in FY 2005–06 before property tax revenues are received.

Open Spaces Fund: $3.5 million.
This money is bond proceeds carried over from the $135.6 million general obligation bonds authorized by voters in FY 1994–95.

Risk Management Fund: $0.3 million.
This is Metro's self-insurance reserve. This fund previously had a balance of $5.6 million. However, in FY 2003–04 Metro performed an evaluation of its environmental impairment risks. The actuarial study identified a probable environmental exposure of $5.225 million. Generally accepted accounting principles required that, once known, this liability be accrued and expensed. Although this action has reduced the fund balance, the funds remain with Metro, as the liability is an estimate of existing amounts to be paid in the future. The recognition of this liability has reduced the self-insurance reserves for the remaining risk management programs below an acceptable level. A plan to rebuild the reserve to adequate levels over the next three to five years was immediately implemented.

The remainder of the total fund balance is divided among the other remaining funds and includes a combination of reserves for debt, capital replacement and cash flow.

Unappropriated Ending Fund Balance

The unappropriated ending balance of $45.5 million includes $9.7 million of debt reserves for general obligation bond payments in early FY 2005–06, $15.5 million in reserves for the solid waste operation and $7.5 million for MERC operating reserves. The rest of the ending fund balance consists of debt service reserves for revenue bonds, risk management and general reserves.

Revenue Analysis

This section presents a consolidated summary of major revenue sources, a description of each source, underlying assumptions for revenue estimates and recent trends. Tables showing estimated or actual revenues for each major source for the last four fiscal years supplement this discussion. This section does not address fund balances, which are discussed in the *Budget Summary* and *Fund Summaries*.

The table below shows a four-year summary of major revenue sources for all Metro funds. In the narrative that follows, the five largest revenue sources for Metro are described in greater detail. This discussion includes enterprise revenues, property taxes, excise taxes, grants, and intergovernmental revenues. Together, these five sources constitute 97 percent of Metro's current revenues (excluding interfund transfers).

Revenue Summary - All Funds

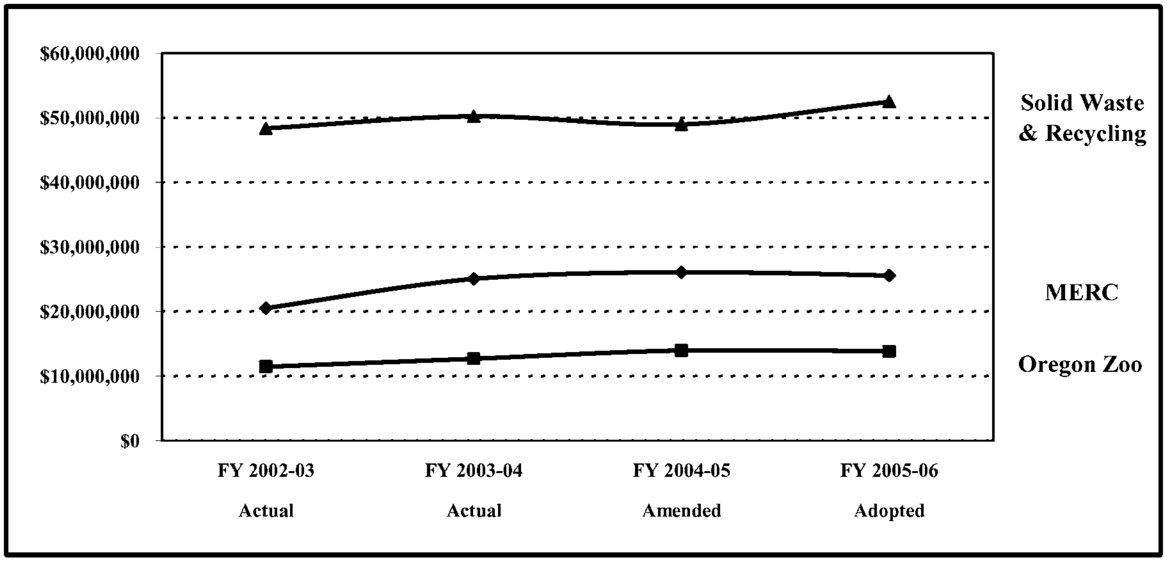
	FY 2002-03 Audited	FY 2003-04 Audited	FY 2004-05 Adopted	FY 2004-05 Amended	FY 2005-06 Proposed	FY 2005-06 Approved	FY 2005-06 Adopted	% Change from Amended FY 2004-05
Current Revenues								
Real Property Taxes	$24,870,024	$26,156,752	$26,414,557	$26,414,557	$27,510,304	$27,510,304	$27,510,304	4.15%
Excise Tax	9,821,988	10,506,081	12,083,153	12,083,153	12,805,010	12,805,010	12,805,010	5.97%
Other Derived Tax Revenue	0	33,086	18,090	18,090	19,000	19,000	19,000	5.03%
Grants	7,074,525	7,430,630	14,315,247	15,276,914	12,071,647	13,907,714	14,054,714	(8.00%)
Local Government Shared Revenues	8,711,018	8,369,730	7,404,638	7,404,638	8,063,179	8,099,166	8,099,166	9.38%
Contributions from Other Governments	2,828,593	1,067,052	752,912	752,912	740,800	757,000	757,000	0.54%
Enterprise Revenue	89,552,091	97,057,327	96,277,491	98,777,491	101,771,780	102,572,506	101,986,290	3.25%
Interest Earnings	2,631,843	1,120,037	1,322,269	1,322,269	1,892,961	1,892,961	1,892,961	43.16%
Donations	2,641,203	2,976,305	3,203,775	4,925,586	1,658,845	1,658,845	1,658,845	(66.32%)
Other Misc. Revenue	412,042	799,820	537,407	537,407	667,212	817,212	467,212	(13.06%)
Bond and Loan Proceeds	105,693,587	24,425,431	0	0	0	0	0	n/a
Subtotal External Current Revenues	*254,236,914*	*179,942,252*	*162,329,539*	*167,513,017*	*167,200,738*	*170,039,718*	*169,250,502*	*1.04%*
Interfund Transfers:								
Interfund Reimbursements	5,519,130	5,560,348	6,613,074	6,613,074	6,763,454	6,763,454	6,763,454	2.27%
Internal Service Transfers	832,817	1,014,268	936,674	936,674	559,740	559,740	559,740	(40.24%)
Interfund Loan	103,898	101,248	0	0	0	0	0	n/a
Fund Equity Transfers	5,613,888	3,655,578	6,341,306	6,857,306	8,322,052	8,322,052	8,072,052	17.71%
Subtotal Internal Current Revenues	*12,069,733*	*10,331,442*	*13,891,054*	*14,407,054*	*15,645,246*	*15,645,246*	*15,395,246*	*6.86%*
Total Current Revenues	**$266,306,647**	**$190,273,695**	**$176,220,593**	**$181,920,071**	**$182,845,984**	**$185,684,964**	**$184,645,748**	**1.50%**

Enterprise Revenue

Enterprise revenue represents income earned from use of Metro facilities or franchises and the purchase of Metro products and services. Ninety percent of all enterprise revenue is derived from facilities operated or services provided by three departments: MERC, Solid Waste and Recycling, and the Oregon Zoo.

Except for revenue generated at the Portland Center for the Performing Arts and other exemptions specified in Metro Code, all enterprise revenue is subject to Metro's excise tax (see discussion that follows under *Tax Revenues*). Revenue projections are initially calculated based on gross revenues prior to the application of the excise tax; however, the budget document reflects revenues net of the excise tax (gross projections less excise tax).

Key Enterprise Revenues



MERC Enterprise Revenue

Enterprise revenue from MERC-operated facilities comprises 25 percent of total Metro enterprise revenues. MERC facilities include the Metropolitan Exposition Center (Expo Center), the Oregon Convention Center (OCC), and the Portland Center for the Performing Arts. Overall, enterprise revenues for MERC increased dramatically from the FY 2002–03 actuals, primarily due to the opening of the expanded Convention Center in the spring of 2003. Projected revenue declines are primarily the result of fewer booked conventions at OCC in FY 2005–06. Over 88 percent of MERC enterprise revenue is derived from the following sources:

Rental—This is the combined total of revenue generated for license agreements for temporary leasing of space within the facilities and revenue generated from equipment rental charged back to clients. Projected revenue represents a 20.69 percent increase over FY 2002–03 actual revenue, primarily due to the opening of the expanded Convention Center in the spring of 2003.

Concessions/Catering—These are revenues generated from food and beverage sales and catered functions. Projections are based upon projected attendance, historical sales, and booked conventions.

Parking—These are fees charged for parking in the lots at the Convention Center and the Expo Center. A new parking structure was built as part of the expansion project and opened in April 2002, a year before construction was completed on the rest of the facility. The opening of the new parking facility resulted in an overall significant increase in parking revenues.

Reimbursement-Labor—These are charges to renters for the labor cost of staging and staffing events at all three facilities. About 80 percent of these revenues are reimbursements for labor at the Portland Center for the Performing Arts. Projections for this facility are based upon projected wage and fringe rates and the number of events to be held. The increase in FY 2003–04 was due to an accounting change for contracted event services such as police and security, which were formerly charged directly to the vendor or event promoter.

Utility Services—This category represents revenue received from contractors to cover the cost of a variety of utility services, such as electrical, telephone, air, water, gas, etc., used for business and show purposes. Approximately 88 percent of these revenues are recovered at the Oregon Convention Center. Projections are based on the number of events to be held and the anticipated fees charged by the utility providers. Revenues increased substantially in FY 2003–04 due to the opening of the expanded Oregon Convention Center and the offering of booth cleaning, a new service.

Enterprise Revenue

Major Sources by Department	Actual FY 2002-03	Actual FY 2003-04	Amended FY 2004-05	Adopted FY 2005-06	% of Department Total	% of Total Enterprise Revenue	% Change from FY 2004-05	% Change from FY 2002-03
MERC								
Rentals	4,355,125	4,999,722	5,164,983	5,256,335	20.54%		1.77%	20.69%
Concessions/Catering	8,041,019	10,973,112	11,215,561	10,349,456	40.44%		(7.72%)	28.71%
Parking	2,333,796	2,412,128	2,607,745	2,384,560	9.32%		(8.56%)	2.18%
Reimbursed Services	2,137,128	2,252,396	2,236,179	2,229,335	8.71%		(0.31%)	4.31%
Utility Services	1,684,248	2,247,689	2,248,191	2,416,798	9.44%		7.50%	43.49%
Other	1,968,401	2,171,536	2,620,831	2,958,593	11.56%		12.89%	50.30%
MERC Total	**$20,519,717**	**$25,056,583**	**$26,093,490**	**$25,595,077**	**100.00%**	**25.10%**	**(1.91%)**	**24.73%**
Oregon Zoo								
Admissions	4,756,469	4,902,553	5,679,420	5,528,605	39.92%		(2.66%)	16.23%
Food Sales	3,675,560	3,794,073	4,143,070	4,093,953	29.56%		(1.19%)	11.38%
Retail Sales	1,373,742	1,483,788	2,108,419	1,913,209	13.81%		(9.26%)	39.27%
Railroad Rides	451,350	473,989	481,860	487,442	3.52%		1.16%	8.00%
Tuition & Lectures	697,435	786,944	838,074	812,487	5.87%		(3.05%)	16.50%
Other	500,020	1,257,405	724,691	1,013,535	7.32%		39.86%	102.70%
Oregon Zoo Total	**$11,454,576**	**$12,698,752**	**$13,975,534**	**$13,849,231**	**100.00%**	**13.58%**	**(0.90%)**	**20.91%**
Solid Waste and Recyling								
Disposal Fees	19,696,442	24,466,447	24,991,630	26,321,821	50.15%		5.32%	33.64%
Regional System Fee	18,347,404	21,066,946	19,059,361	19,332,087	36.84%		1.43%	5.37%
Transaction Fee	2,192,479	2,254,458	2,421,478	2,846,115	5.42%		17.54%	29.81%
Other	8,117,203	2,452,902	2,492,383	3,982,741	7.59%		59.80%	(50.93%)
REM Total	**$48,353,528**	**$50,240,753**	**$48,964,852**	**$52,482,764**	**100.00%**	**51.46%**	**7.18%**	**8.54%**
Other Enterprise Revenue	$9,224,270	$9,061,240	$9,743,615	$10,059,218		9.86%	3.24%	9.05%
Total Enterprise Revenue	***$89,552,091***	***$97,057,327***	***$98,777,491***	***$101,986,290***		***100.00%***	***3.25%***	***13.88%***

Zoo Enterprise Revenue

Enterprise revenues from the Oregon Zoo account for over 13 percent of Metro's total enterprise revenues. Zoo revenue projections are based on average per capita fees or rates. Actual fees or rates will vary depending on the age of the visitor or the item purchased. In the last several years, the Oregon Zoo has been constructing a major new exhibit—the Great Northwest Project. The exhibit has been opened in phases with Phase IV, the Eagle Canyon Exhibit and the Trillium Creek Family Farm, opening in 2004. With the opening of these new exhibits, Zoo attendance has substantially increased over the last four years. Ninety-two percent of the Zoo's enterprise revenues are derived from the following sources:

Admissions—Annual attendance and admission rates are the factors which determine the per capita estimate used to calculate admissions revenue. The combination of new exhibit openings and excellent weather resulted in Zoo attendance reaching over 1.33 million in FY 2004–05. The FY 2005–06 budget assumes attendance of 1.31 million visitors.

Food Sales—Revenues from food, beverage and catering sales are included in this category. Projections for regular food and beverage sales are based upon a per capita spending of $2.40 multiplied by the anticipated attendance of 1.31 million. Catering food sales projections of $1.04 million are based on sales and growth patterns from the previous five years.

Retail Sales—These are sales from the Zoo's gift shop and vending machines. Beginning in FY 2003–04, the Zoo began contracting out the operation of the gift shop, resulting in a significant increase in revenues.

Railroad Rides—These are revenues from the sale of rides on the Zoo's railroad and people mover. Projections are based upon per capita spending of $0.40 multiplied by anticipated attendance of 1.31 million.

Tuitions and Lectures—These are for fees received for educational classes and lectures provided by or sponsored by the Oregon Zoo. Revenues are projected based on historical class participation and planned course offerings. In FY 2002–03, the Zoo added several new educational programs and expanded popular activities, such as Zoo Camp, resulting in a significant increase in revenue. It is anticipated that these programs will continue to be successful.

Solid Waste and Recycling Enterprise Revenues

Enterprise revenues from the Solid Waste and Recycling Department (SW&R) account for approximately 51 percent of total Metro enterprise revenues. These revenues are derived from fees and charges for the processing and disposal of solid waste within the region. When waste is delivered to Metro's regional transfer stations, haulers pay a fee called the "tipping fee." This fee of $70.96 covers the transport and disposal of the waste as well as the Regional System Fee and Department of Environmental Quality fees. Effective September 1, 2005, the tipping fee is scheduled to increase to $71.41 per ton.

Disposal Fees—These fees represent that portion of the solid waste disposal rate that covers the cost of disposing and transporting waste from Metro transfer stations. The contracts for both the disposal and transport of the waste were renegotiated in FY 1998–99, resulting in a reduced cost to Metro. Tonnage estimates for FY 2005–06 are slightly higher than previous years.

Regional System Fees—This fee is charged on a per-ton basis on all waste that is processed in the region. This includes waste that is hauled to Metro's transfer stations as well as waste that is disposed of at facilities throughout the region that are licensed or franchised by Metro. The Regional System Fee recovers an allocated portion of administrative and fixed costs, including debt service. The fee recovers hazardous waste and latex paint facility operations costs, including a portion of their capital costs. The fee provides for regional waste reduction programs development and operations. The fee, currently $15.09, is scheduled to decrease to $14.54 effective September 1, 2005.

Transaction Fee—The transaction fee was instituted in the latter part of FY 1997–98 as a way to capture the processing costs associated with citizens bringing small loads to the transfer stations for processing. This fee is set at $7.50 per load, and its purpose is to recover non-tonnage-related scalehouse costs equitably from all Metro customers.

Other Revenue—Other revenue is derived from a variety of sources, including disposal charges for items such as tires, refrigeration units, yard debris and household hazardous waste materials; community enhancement fees charged on each ton of waste processed at Metro Central, Metro

South, and the Forest Grove transfer stations; special assessment fees required by the Oregon Department of Environmental Quality; and a solid waste facility fee that is charged on each ton of waste to capture administrative overhead costs of operating the transfer stations. These other revenues will generate approximately $4.0 million in FY 2005–06, up about $1.5 million from the inclusion of fees for organics and an increase in paint recycling revenues.

Other Enterprise Revenues

These revenues are derived from several sources and comprise less than 10 percent of total enterprise revenues. Revenues include fees charged at Metro's Regional Parks, parking fees charged at Metro Regional Center, and revenue generated by the Regional Contractor's License Program and the Data Resource Center.

Also included in this category are internal fees charged departments by Risk Management for the cost of health care provided to employees. The increase from FY 2002–03 is due to costs associated with health care insurance.

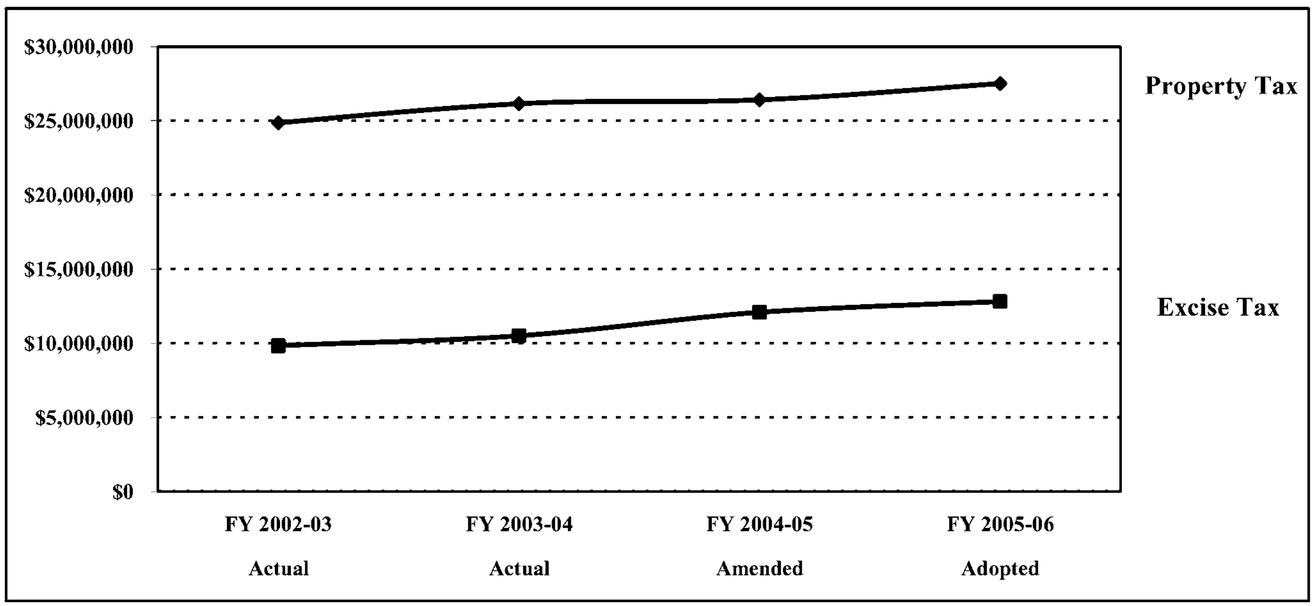
Tax Revenues

Metro's tax revenues are generated from two major sources—property taxes and excise taxes. Together, they constitute almost 24 percent of Metro's total revenues (not including interfund transfers). This percentage actually overstates the tax revenue contribution to current operations because 66 percent of property taxes is dedicated to debt service.

Property Taxes

Property taxes are levied by Metro for only two purposes—Zoo operations and debt service payments. In 1990, voters approved a permanent property tax levy for the Oregon Zoo. The Zoo tax levy for operations is subject to the state limitations of Ballot Measures 5 and 50. Ballot Measure 50 allows general government operating levies to increase at 3 percent annually plus an allowance for new construction, while Ballot Measure 5 limits total general government levies to no more than $10.00 per thousand of assessed value. By law, general obligation debt must also be approved by voters. Property taxes for debt service are levied to repay debt on three voter-approved general obligation bond measures (see Section G, *Debt Summary* in this document for more information). Property taxes levied for general obligation debt are exempt from the limitations of Ballot Measures 5 and 50. In FY 2001–02, Metro refinanced the Oregon Convention Center general obligation bonds. The Open Spaces, Parks and Streams bonds were refinanced in November 2002. The callable portion of the Oregon Zoo bonds were refunded in 2005. The refinancings resulted in large, one-time savings in addition to the ongoing savings from reduced payments.

Major Tax Revenues



Major Tax Revenues

Major Sources by Department	Actual FY 2002-03	Actual FY 2003-04	Amended FY 2004-05	Adopted FY 2005-06	% of Department Total	% of Total Tax Revenue	% Change from FY 2003-04	% Change from FY 2002-03
Property Taxes								
Major Sources:								
Zoo Tax Base	8,375,766	8,619,927	8,933,904	9,294,893	33.79%		4.04%	10.97%
G.O. Debt Service	16,494,258	17,536,825	17,480,653	18,215,411	66.21%		4.20%	10.43%
Total	**24,870,024**	**26,156,752**	**26,414,557**	**27,510,304**	**100.00%**	**68.24%**	**4.15%**	**10.62%**
Excise Taxes								
Major Sources:								
Solid Waste & Recycling Ops	7,614,768	7,854,574	9,466,867	10,155,986	79.31%		7.28%	33.37%
MERC Operations	1,136,560	1,467,456	1,323,532	1,370,857	10.71%		3.58%	20.61%
Zoo Operations	861,896	954,630	1,048,165	1,028,663	8.03%		(1.86%)	19.35%
Other	208,764	229,421	244,589	249,504	1.95%		2.01%	19.51%
Total	**9,821,988**	**10,506,081**	**12,083,153**	**12,805,010**	**100.00%**	**31.76%**	**5.97%**	**30.37%**
Total Tax Revenue	***$34,692,012***	***$36,662,833***	***$38,497,710***	***$40,315,314***		***100.00%***	***4.72%***	***16.21%***

Excise Taxes

Metro imposes a tax on users of facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by Metro. Excise tax revenues support the costs of the Council Office and programs which are unable to generate sufficient own-source revenue. It is a key revenue source supporting the Planning and Regional Parks departments. Excise tax revenue constitutes Metro's only source of general government revenue.

Prior to FY 2000–01 the excise tax was collected as a percentage of revenues generated regardless of the source. However, in FY 2000–01 the Council amended the method by which excise tax is calculated on solid waste revenues from a percentage of the tipping fee to a flat rate per ton. The rate per ton on solid waste revenues is determined annually during the budget process based on a formula set in the authorizing ordinance. This year's budget includes an excise tax rate of 7.5 percent on all non-solid waste generated revenues and a flat fee of $8.39 on all solid waste tonnage, including an additional $2.55 per ton dedicated to Regional Parks and $0.51 per ton dedicated to a Tourism Opportunity and Competitiveness Account to provide assistance to MERC in marketing the Oregon Convention Center. (For additional discussion on the excise tax, see *Where the Money Comes From* in Section B, *Budget Summary* in this document.)

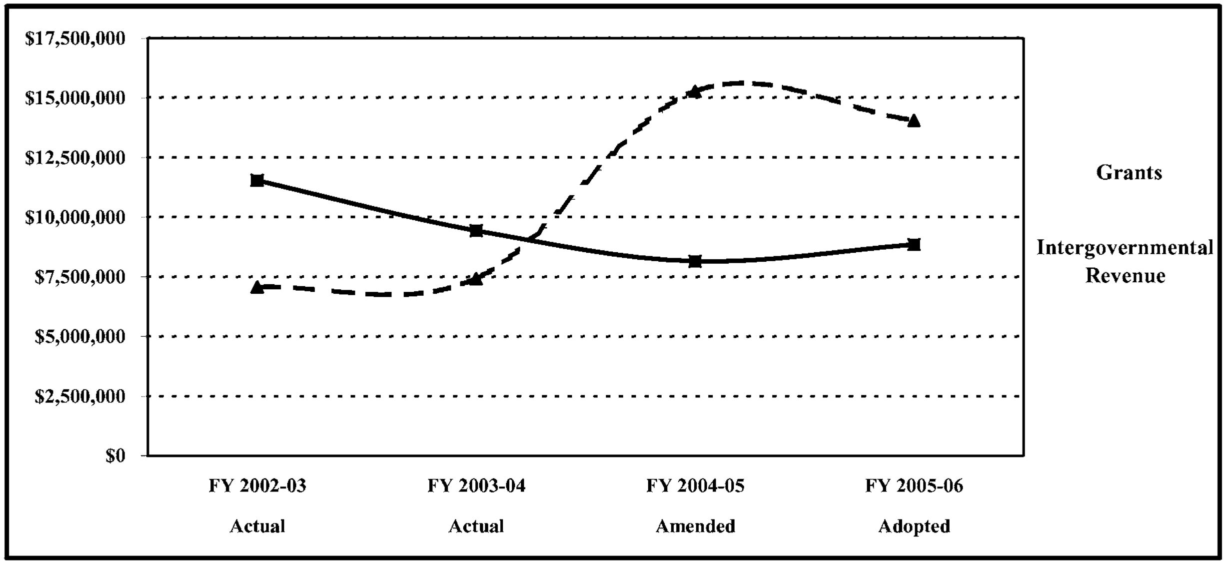
Grants and Intergovernmental Revenues

For FY 2005–06, grants and intergovernmental revenue represent over 13 percent of Metro's total revenues (not including interfund transfers). The principal sources for these revenues are state and federal planning grants, support for the PCPA from the City of Portland, and Multnomah County's pass-through of hotel/motel taxes.

Grants

Most of Metro's grant revenues support planning activities. The majority of planning grant dollars are for transportation planning purposes. Because Metro is the designated agency for regional transportation planning

Grants and Intergovernmental Revenues



under the Federal Transportation Efficiency Act of the 21st Century, it receives a significant amount of federal grant dollars. In addition, Metro receives grants from the state, the local transit agency (TriMet), and other local governments within the region.

Intergovernmental Revenues

Intergovernmental revenues include contributions from other governments to support Metro programs and capital projects, and revenues received from other governments and shared with Metro on a formula basis. The largest shared operating revenue program is the hotel/motel occupancy tax levied by Multnomah County. Multnomah County passes through to Metro almost all of its 3 percent hotel/motel tax to support the operations of the Oregon Convention Center and the Portland Center for the Performing Arts.

Additionally, Metro receives intergovernmental revenue from the City of Portland to support the operations at the PCPA. The PCPA is owned by the city but is managed by Metro. Through agreements negotiated in FY 2000–01, the city increased its contributions for operations and capital improvements at PCPA. These contributions have decreased as the backlog of capital improvements has been reduced.

The other principal sources of shared revenues for Metro are registration fees for recreational vehicles and marine fuel taxes. Projections for these sources are based on estimates received from the State of Oregon and Multnomah County. The 2002–03 and 2003–04 fiscal years included contributions totaling $1.95 million from TriMet for the purchase of land to site a new light rail station at the Expo Center.

Grants and Intergovernmental Revenues continued on next page

Grants and Intergovernmental Revenues

Major Sources by Department	Actual FY 2002-03	Actual FY 2003-04	Amended FY 2004-05	Adopted FY 2005-06	% of Department Total	% of Total Grant & Ingov't Rev	% Change from FY 2004-05	% Change from FY 2002-03
Grants								
Major Sources:								
Planning Grants	6,127,328	6,340,907	13,420,145	12,482,516	88.81%		(6.99%)	103.72%
Regional Parks Grants	546,144	295,090	1,097,867	984,697	7.01%		(10.31%)	80.30%
Other	401,053	794,633	758,902	587,501	4.18%		(22.59%)	46.49%
Total	**$7,074,525**	**$7,430,630**	**$15,276,914**	**$14,054,714**	**100.00%**	**61.35%**	**(8.00%)**	**98.67%**
Intergovernmental Revenues								
Major Sources:								
Hotel/Motel Taxes	8,326,852	7,893,216	7,000,663	7,558,724	85.35%		7.97%	(9.22%)
City of Portland for PCPA	1,080,407	641,256	652,612	675,500	7.63%		3.51%	(37.48%)
TriMet light rail station payments to Expo	1,631,257	321,288	0	0	0.00%		N/A	(100.00%)
Support for Parks & Greenspaces	477,360	499,102	444,275	577,987	6.53%		30.10%	21.08%
Other	23,735	81,920	60,000	43,955	0.50%		(26.74%)	85.19%
Total	**$11,539,611**	**$9,436,783**	**$8,157,550**	**$8,856,166**	**100.00%**	**38.65%**	**8.56%**	**(23.25%)**
Total Grants and Intergovernmental Revenue	***$18,614,136***	***$16,867,412***	***$23,434,464***	***$22,910,880***		***100.00%***	***(2.23%)***	***23.08%***

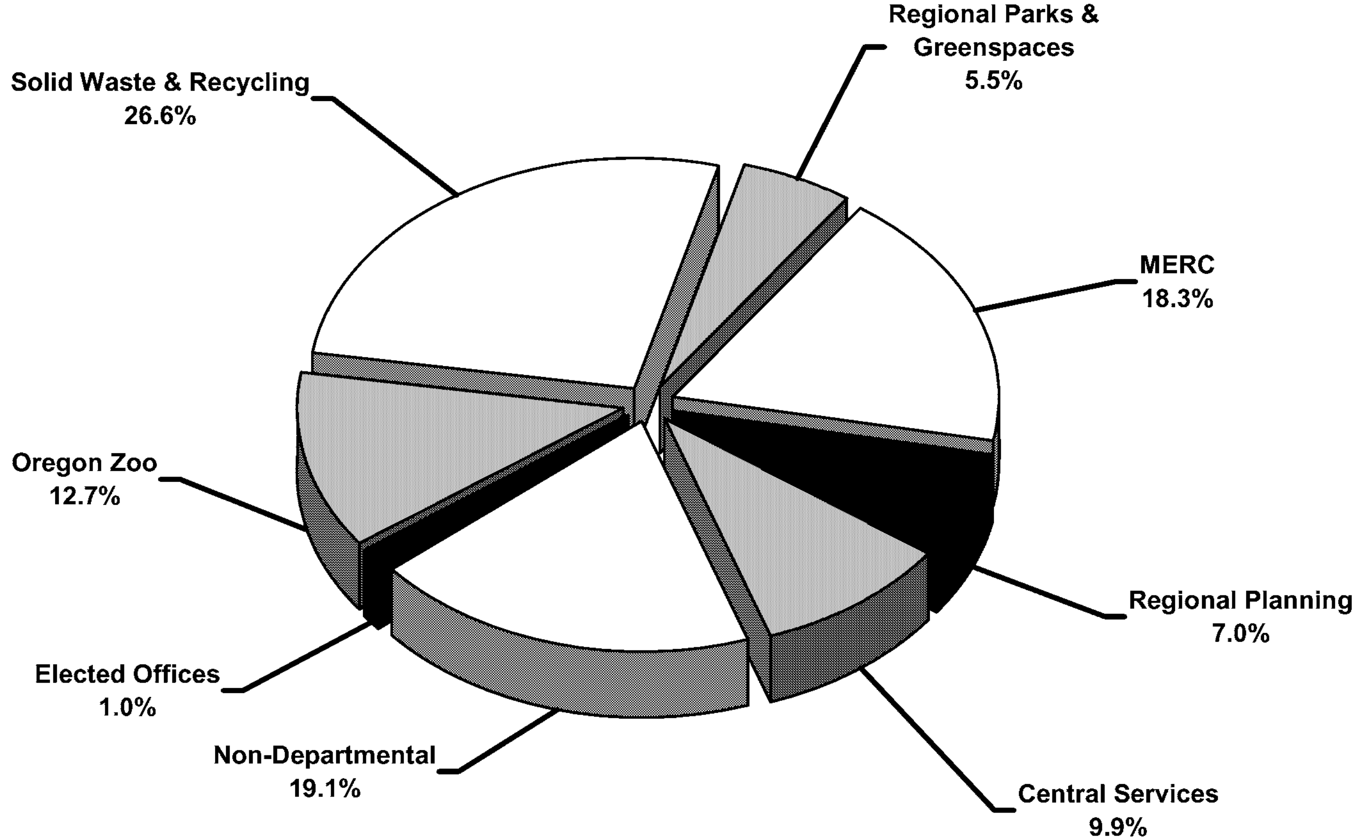
Table of Contents

Department Summaries

Summary of All Departments

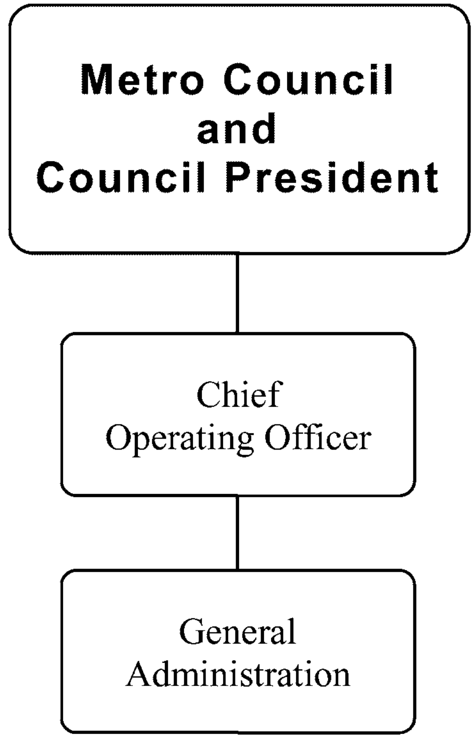
Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$52,817,719	$52,418,717	$54,621,361	$55,177,155	$58,701,440	$58,785,508	$58,785,508	6.54%
Materials and Services	73,215,318	76,965,490	81,452,307	86,986,813	82,655,751	85,141,344	86,724,485	(0.30%)
Capital Outlay	56,921,358	14,157,122	14,038,727	15,598,467	9,980,111	13,335,338	13,085,338	(16.11%)
Debt Service	132,306,174	52,809,975	22,985,172	22,985,172	24,067,131	24,067,131	23,571,006	2.55%
Interfund Reimbursements	5,519,130	5,560,348	6,613,074	6,613,074	6,763,455	6,763,455	6,763,455	2.27%
Internal Service Charges	832,816	1,014,268	936,674	936,674	559,740	559,740	559,740	(40.24%)
Interfund Loan	103,898	101,248	0	0	0	0	0	0.00%
Fund Equity Transfers	5,613,887	3,655,578	6,341,306	6,857,306	8,322,052	8,322,052	8,072,052	17.71%
Totals	**$327,330,300**	**$206,682,746**	**$186,988,621**	**$195,154,661**	**$191,049,680**	**$196,974,568**	**$197,561,584**	**1.23%**
Budget by Department								
Office of the Metro Auditor	$630,732	$570,356	$645,956	$645,956	$640,837	$601,742	$631,742	(2.20%)
Office of the Council	1,337,777	1,170,730	1,435,201	1,435,201	1,438,397	1,438,397	1,438,397	0.22%
Office of the Executive Officer	1,259,786	0	0	0	0	0	0	0.00%
Office of Metro Attorney	1,571,674	1,193,682	1,332,658	1,332,658	1,470,347	1,470,347	1,470,347	10.33%
Finance & Administrative Services	12,903,687	18,212,603	8,958,489	8,976,489	8,746,675	8,771,675	8,771,675	(2.28%)
Human Resources	807,166	831,246	7,091,918	7,091,918	7,277,583	7,277,583	7,277,583	2.62%
Metro E-R Commission	79,226,118	34,692,293	32,874,332	36,028,332	33,706,499	36,119,726	36,119,726	0.25%
Oregon Zoo	20,894,891	27,671,759	24,411,240	24,812,590	24,287,466	25,007,466	25,007,466	0.79%
Planning	8,817,398	8,484,979	15,157,350	15,405,252	12,598,630	13,528,436	13,777,577	(10.57%)
Public Affairs Department	0	983,095	1,759,207	1,759,207	1,759,176	2,036,117	2,036,117	15.74%
Regional Parks and Greenspaces	11,263,121	9,650,581	11,595,188	13,969,976	10,801,169	10,828,557	10,828,557	(22.49%)
Solid Waste & Recycling	55,938,076	49,512,869	47,885,827	49,339,827	51,987,602	52,788,328	52,492,328	6.39%
Non-Departmental	132,679,874	53,708,553	33,841,255	34,357,255	36,335,299	37,106,194	37,710,069	9.76%
Totals	**$327,330,300**	**$206,682,746**	**$186,988,621**	**$195,154,661**	**$191,049,680**	**$196,974,568**	**$197,561,584**	**1.23%**
Contingency	*0*	*0*	*24,229,528*	*21,741,691*	*32,760,246*	*33,188,462*	*33,134,462*	*52.40%*
Ending Fund Balance	*109,080,079*	*92,671,027*	*59,121,425*	*59,142,700*	*46,972,600*	*47,194,600*	*45,525,042*	*(23.03%)*
Total Budget	**$436,410,379**	**$299,353,773**	**$270,339,574**	**$276,039,052**	**$270,782,526**	**$277,357,630**	**$276,221,088**	**0.07%**
Full-Time Equivalents (FTE)	731.63	691.23	654.50	657.50	649.98	652.58	652.58	(0.75%)

Summary of All Departments



METRO

PEOPLE PLACES
OPEN SPACES


Metro Council and Council President
Chief Operating Officer
General Administration

Council Office

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$1,229,749	$1,096,101	$1,236,915	$1,236,915	$1,300,372	$1,300,372	$1,300,372	5.13%
Materials and Services	108,028	74,629	198,286	198,286	138,025	138,025	138,025	(30.39%)
Totals	**$1,337,777**	**$1,170,730**	**$1,435,201**	**$1,435,201**	**$1,438,397**	**$1,438,397**	**$1,438,397**	**0.22%**
Budget by Division								
Council General Administration	$0	$1,170,730	$1,435,201	$1,435,201	$1,438,397	$1,438,397	$1,438,397	0.22%
Council	1,183,705	0	0	0	0	0	0	0.00%
Public Outreach	101,327	0	0	0	0	0	0	0.00%
Office of Citizen Involvement	52,745	0	0	0	0	0	0	0.00%
Totals	**$1,337,777**	**$1,170,730**	**$1,435,201**	**$1,435,201**	**$1,438,397**	**$1,438,397**	**$1,438,397**	**0.22%**
Budget by Fund								
General Fund	$1,337,777	$1,170,730	$1,435,201	$1,435,201	$1,438,397	$1,438,397	$1,438,397	0.22%
Totals	**$1,337,777**	**$1,170,730**	**$1,435,201**	**$1,435,201**	**$1,438,397**	**$1,438,397**	**$1,438,397**	**0.22%**
Full-Time Equivalents (FTE)	20.00	17.00	17.00	17.00	17.00	17.00	17.00	0.00%

NOTE: On January 6, 2003, Metro implemented the Charter amendment which changed the goverance structure of the agency. The change in governance structure merged the Council and the Executive Offices into one office. FY 2003-04 was the first year this new structure is reflected in the budget. The Council Public Outreach division and the Office of Citizen Involvement are now budgeted in the Public Affairs Department beginning in FY 2003-04.

Council Office

About the Office

The Metro Council is the governing body of Metro. Its authority is defined in the Metro Charter passed by voters in 1992 and amended in 2000. The Council's authorities include:

- Establishing policies for the agency's programs and functions.
- Developing long-range plans for existing and future agency activities.
- Adopting the annual budget and levying taxes, user charges, and other revenue measures.
- Overseeing the operation of Metro functions and programs to ensure that adopted policies and programs are carried out.

The Council consists of seven elected officials: six Councilors elected from distinct geographic districts and one Council President elected from the metropolitan region at large. The Council Office budget also includes the Chief Operating Officer, who serves at the pleasure of Council and Council President to enforce Metro ordinances; execute the policies of the Metro Council; provide day-to-day administration of Metro's resources, programs, enterprise businesses, facilities, and workforce; and work with the Council President to prepare a recommended annual budget for Council consideration. Also included is the President's policy advisor who coordinates legislative development processes and Council policy development communications.

The Council Office staff provides clerical and other support to the Councilors as individuals, as well as to the Council as a whole in its role as a legislative body whose procedures and formalities must be carefully conducted under the charter and law. Administrative support provided to the Metro Council, Council President, and Chief Operating Officer includes personnel administration, office/department budgeting and fiscal control, meeting support, calendar and mailing lists maintenance, special projects, distribution of Council agendas and agenda materials, and maintenance and archiving of Council records. The Metro archives program encompasses a comprehensive records and information management system for the Metro Council Office and the agency as a whole. The Council Office also provides administrative and policy support for the Metro Policy Advisory Committee (MPAC), an advisory group of local officials established by the Metro Charter.

Major Accomplishments in Fiscal Year 2004–05

- Developed agency's strategic plan, including agency programmatic and operational goals and objectives.
- Instituted a parking solution and a transit incentive program for the Oregon Zoo.
- Established a comprehensive Record Management Strategic Plan for agency.
- Developed an agency-wide Performance Evaluation Program.
- Initiated agency Strategic Program Performance Budgeting and five-year financial forecast.
- Completed Urban Growth Boundary Periodic Review industrial lands process and extensive off-site meeting schedule.
- Adopted 2005–06 Budget and Capital Budget.
- Implemented new contract for regional transfer stations.
- Completed Metropolitan Transportation Improvement Program process.

Major Objectives in Fiscal Year 2005–06

The Council Office will continue to support Council activities, many of which will be of a higher profile in the coming year due to the scope of the decisions being made. Issues such as regional solid waste management planning and transportation funding decisions are all expected to maintain a heavy workload and related communications in the year ahead.

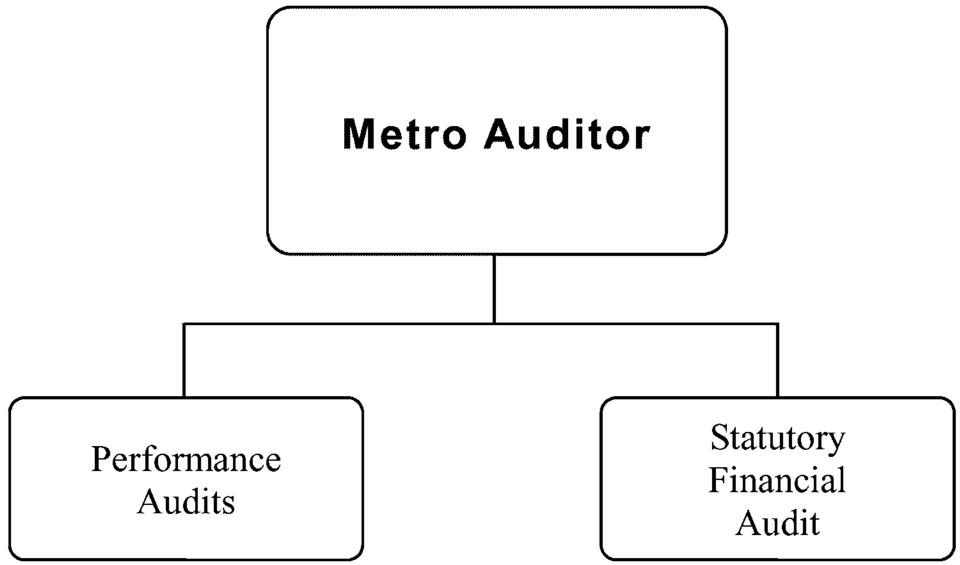
Service Level Changes for Fiscal Year 2005–06

In fiscal year 2005–06, the Council Office will continue to provide the same level of service as in 2004–05. This service level plan includes 6 off-site council meetings (one in each district), staffing for weekly Work Sessions and Regular Council meetings, and bi-monthly meetings of MPAC. Staffing for additional public hearings, work sessions, committees and task forces will continue to be provided with the limited resources in the department and the collaborative support of other agency departments. The Council Office is also planning for two part-time work-study positions, which will help the department complete projects more efficiently. The Council has implemented electronic agenda packets, which will provide printing and mailing savings. The Office will also be providing agency records using web-based technology for additional savings. The department is working in conjunction with Portland State University to digitize Metro historic and current planning records.

Performance Measures

The Council has indicated that it expects to see *Performance Measures* developed as an integral part of their strategic planning and program budget initiatives. As of this writing, the Council is still working with Departments to define "programs" in terms of content, level of specificity, objectives, and funding. As this process evolves, it will be possible to develop measures that relate more precisely to the Council's Strategic Goals and Objectives. Until that time, the Department will continue to track and report its historical series, as shown in the following table.

Performance Measures	*Council Office*	Actual FY 02–03	Actual FY 03–04	Target FY 04–05	Target FY 05–06
	1. Percent of responses within 24 hours to citizen requests for Council assistance	97.5%	98%	99%	99%
	2. Speaking engagements and presentations to citizens, agency staff, neighborhood, civic, business, special interest, and other groups by Councilors and Chief Operating Officer	267	315	350	380
	3. Metro Council evening meetings held region-wide, increasing visibility and accessibility of Council	9	9	12	12
	4. Live broadcast of Metro Council meetings	38	40	46	46
	5. Staff training (number of classes, seminars attended by staff)	6	10	16	16
	6. Access to Council records via Web	0%	50%	75%	80%
	7. Response to citizen correspondence within 72 hours	80%	85%	90%	92%


Metro Auditor
Performance Audits
Statutory Financial Audit

Office of the Metro Auditor

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$456,195	$431,355	$486,756	$486,756	$523,781	$523,781	$523,781	7.61%
Materials and Services	174,537	139,001	159,200	159,200	117,056	77,961	107,961	(32.19%)
Totals	**$630,732**	**$570,356**	**$645,956**	**$645,956**	**$640,837**	**$601,742**	**$631,742**	**(2.20%)**
Budget by Division								
Office of the Auditor	$630,732	$570,356	$645,956	$645,956	$640,837	$601,742	$631,742	(2.20%)
Totals	**$630,732**	**$570,356**	**$645,956**	**$645,956**	**$640,837**	**$601,742**	**$631,742**	**(2.20%)**
Budget by Fund								
General Fund	$630,732	$570,356	$645,956	$645,956	$640,837	$601,742	$631,742	(2.20%)
Totals	**$630,732**	**$570,356**	**$645,956**	**$645,956**	**$640,837**	**$601,742**	**$631,742**	**(2.20%)**
Full-Time Equivalents (FTE)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00%

Metro Auditor

Department Purpose

Metro strategic goals focus on providing residents of the region with great places to live, work, and play—places with healthy urban ecosystems and economic vitality—while leading a fiscally sound, efficient, and congruent system of governance where public services are appropriately funded.

To support these goals, the Metro Auditor undertakes performance audits that provide Metro with accurate information, unbiased analysis and objective recommendations on how best to use public resources in support of the region's well being. The Metro Charter mandates that the Metro Auditor make continuous investigations of Metro operations, including financial transactions, personnel, equipment and facilities, and all other aspects of these operations. The Metro Auditor issues reports to the Council based on the results of these investigations with recommendations for remedial action. Audit recommendations can help create and sustain a creative, flexible, entrepreneurial culture that incorporates fresh ideas with a reasonable level of risk.

The Metro Auditor mission is to make government more efficient and to ensure that Metro activities are accountable and transparent to citizens. The Metro Council wisely recognizes the importance of this mission as the Council identified public trust, fiscal prudence, transparency, and continuous improvement for enhanced efficiency as critical success factors in its recent strategic initiative. Clearly, the Metro Council appreciates that promoting more effective and efficient operations allows Metro to better leverage available resources to accomplish its goal to provide Metro area residents with great places to live, work and play.

About the Metro Auditor

The Metro Auditor protects the public interest by looking at ways to improve the use of public funds and recommends corrective actions that help ensure resources are used wisely and programs are effective. These responsibilities directly support the recent Metro Council strategic initiative goals of public trust, fiscal prudence, and efficient and transparent operations.

The Metro Auditor position was created as part of the home-rule charter approved by voters in 1992. The Metro Auditor is elected region-wide and must possess professional certification as a licensed Certified Public Accountant or a Certified Internal Auditor. Both professions promulgate standards for auditing that include, among others, independence, objectivity, periodic quality control review, and ongoing professional education.

The primary role of the Metro Auditor is oversight of both financial and performance audits. State law requires Metro to use an outside CPA firm to audit its annual financial statements. The Metro Auditor administers this contract for financial audit services while she and her staff focus their daily efforts on performance audits. This is consistent with the Metro Charter mandate for continuous, independent auditing at an appropriate level given Metro's size and complexity.

The Metro Auditor's staff conducts performance audits in accordance with generally accepted government auditing standards. Performance auditing is an effort that may address any of the following concerns:

- Efficient allocation and use of resources.
- Management performance.
- Cost-effectiveness of alternative methods of delivering services and attaining goals.
- Reliability of information provided by management.
- Program administration and organization.
- Results of programs and activities and their impact on recipients.
- Achievement of program and/or organizational goals and objectives.
- Compliance with applicable laws, rules, and other authoritative and relevant standards.

Audit recommendations developed in conjunction with performance audits can help create and sustain a creative, flexible, entrepreneurial culture that incorporates fresh ideas with a reasonable level of risk.

To ensure the objectivity and reliability of its work, the Metro Auditor operates independently of the Council. Reviews are conducted at the initiative of the Metro Auditor to fulfill the Metro Charter mandate. Topics may be selected in response to specific concerns or requests, and reviews cover the full spectrum of Metro departments and activities. The following factors are considered in selecting projects:

- Level of Council and public interest.
- Relative risk and exposure.
- Service management problems.
- Quality of internal controls.
- Historical problems or concerns.
- Potential to benefit more than one department.

The Metro Auditor serves as an important element of "checks and balances" at Metro. The Metro Auditor serves as an unbiased resource for the Council and Council President to ensure the Chief Operating Officer is effectively and efficiently running Metro's day-to-day operations. The Metro Auditor is also an objective resource for the Chief Operating Officer to ensure that individual Metro departments and programs are running efficiently and effectively. Further, the Metro Auditor serves the public by ensuring independent oversight of all aspects of Metro operations.

By promoting more effective operations, the Metro Auditor helps Metro to better leverage Metro's available resources to accomplish its mission to provide Metro-area residents with great places to live, work, and play—places that are economically vital and possess healthy urban ecosystems.

Major Accomplishments in FY 2004–05

- Performed survey of Metro's employee severance/litigation payments.
- Identified opportunities for mitigating risk in Metro's business process improvement initiative.
- Reported on issues surrounding Metro Community Enhancement Grants[1].
- Updated status of audit recommendations.
- Assessed relationship between Oregon Zoo and the Oregon Zoo Foundation[1].
- Completed required peer/quality control review.
- Engaged Solberg/Adams LLC to audit Metro's telecommunications expenses.
- Identified costs and savings associated with the transition to Metro's new governance structure.
- Prepared a risk assessment to identify issues that can inhibit achievement of Metro's goals.
- Studied pay-for-performance compensation programs to provide Metro with useful guidance in formulating and implementing its own program[1].
- Managed contract with Grant Thornton LLP to audit Metro's annual financial statements.
- Updated external and internal web pages.
- Published and distributed newsletters.
- Assisted Metro operating departments as they implement audit recommendations and take other steps to improve management systems and internal controls.

Service Level Changes from FY 2004–05

Without the reinstatement of a half-time auditor, quantitatively we expect to issue one less audit report during the year. On a qualitative level, without this reinstatement, the Metro Auditor, while limited in her ability to support Metro Council strategic initiatives that emphasize improved business processes, fiscal prudence, and financial transparency, will strive to provide as best a level of service as possible given restrained resources. Because audit recommendations developed in conjunction with audit reports can engender the Council-sought culture that is creative and flexible and incorporates fresh ideas with reasonable levels of risk, lack of this reinstatement is particularly unfavorable now as Metro embarks on a significant business process improvement effort. These initiatives are never easy and involve considerable risk. There is the increased risk of service levels dropping below that necessary to manage operations, the potential degradation of data quality, and the possible breakdown of controls designed to deter fraud and identify errors. Stepped-up audit attentiveness is crucial when such initiatives are undertaken.

Major Objectives for FY 2005–06

- Survey Planning department's management of personal services contract.
- Review the purpose of, and criteria for, applying the Regional System Fee Credit program[1].
- Monitor Metro's business process improvement effort to ensure internal controls are maintained and to assess effectiveness of project and its processes.
- Evaluate Zoo retail operations, including contract with Aramark and Zoo point-of-sale system.
- Review adequacy of MERC maintenance reserves.
- Audit parking lot revenues[1].
- Reassess risk and develop work plan for subsequent 18 to 24 months.
- Undertake other new audits identified in the risk assessment or suggested by Metro Council[1].
- Update status of audit recommendations.
- Manage contract with Grant Thornton LLP to audit Metro's annual financial statements.
- Communicate with citizens through reports, newsletters, the website, and ongoing involvement with the Metro Committee for Citizen Involvement.
- Maintain positive, professional working relationships with the Metro Councilors, the Chief Operating Officer, MERC, and Metro employees
- Ensure that Metro resources are maximized.
- Continue efforts to maximize productivity and efficiency through ongoing changes in business practices.
- Assist Metro operating departments as they implement audit recommendations and take other steps to improve management systems and internal controls.

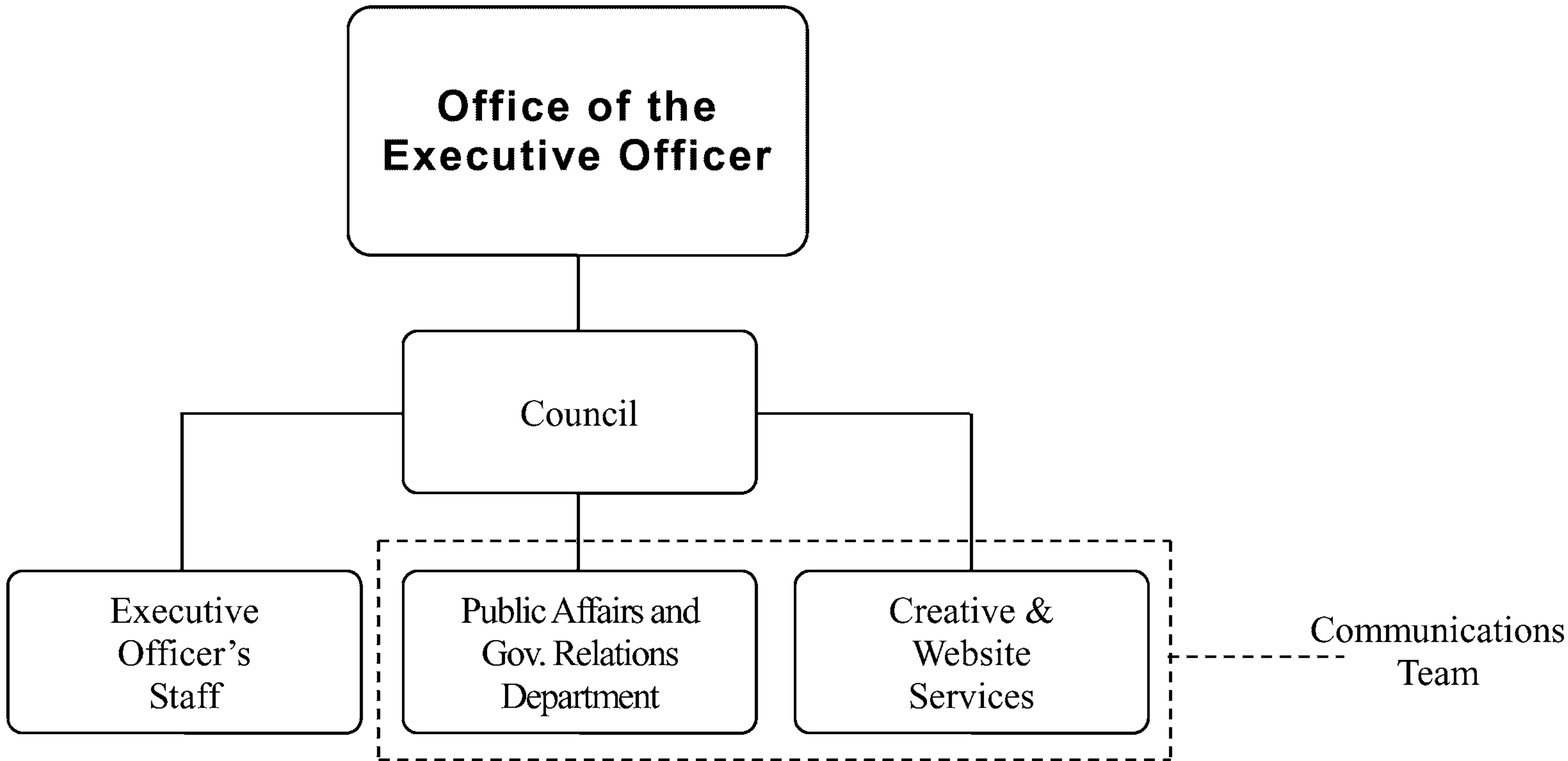
[1] Requested by Metro Council Resolution No. 03-3383.

Performance Measures

The Council has indicated that it expects to see *Performance Measures* developed as an integral part of their strategic planning and program budget initiatives. As of this writing, the Council is still working with Departments to define "programs" in terms of content, level of specificity, objectives, and funding. As this process evolves, it will be possible to develop measures that relate more precisely to the Council's Strategic Goals and Objectives. Until that time, the Department will continue to track and report its historical series, as shown in the following table.

Performance Measures		***Metro Auditor***	**Actual FY 02–03**	**Actual FY 03–04**	**Target FY 04–05**	**Target FY 05–06**
	1.	Complete and distribute full audit reports	5	10	7	6
	2.	Audit recommendations:				
		• Fully implemented	67%	65%	75%	75%
		• Under way with full implementation anticipated	17%	19%	15%	15%
		TOTAL	84%	84%	90%	90%

Prior to FY 2003–04



This office was abolished in FY 2003–04

Office of the Executive Officer

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$1,140,902	$0	$0	$0	$0	$0	$0	0.00%
Materials and Services	118,884	0	0	0	0	0	0	0.00%
Totals	**$1,259,786**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**0.00%**
Budget by Division								
Office of the Executive	$391,109	$0	$0	$0	$0	$0	$0	0.00%
Public Aff. & Gov't. Relations	304,051	0	0	0	0	0	0	0.00%
Creative Services	564,626	0	0	0	0	0	0	0.00%
Totals	**$1,259,786**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**0.00%**
Budget by Fund								
General Fund	$1,259,786	$0	$0	$0	$0	$0	$0	0.00%
Totals	**$1,259,786**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**0.00%**
Full-Time Equivalents (FTE)	16.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

NOTE: On January 6, 2003, Metro implemented the Charter amendment which changed the governance structure of the agency. The change in structure merged the Council and the Executive Offices into one office. FY 2003-04 was the first year this new structure was reflected in the budget. The divisions of Public Affairs & Government Relations, Creative Services and Office of Citizen Involvement were budgeted in the Public Affairs Department beginning in FY 2003-04. The Office of the Executive Office was eliminated.

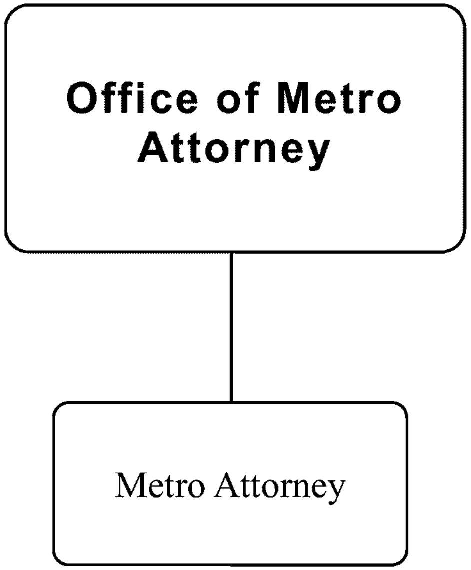
Office of the Executive Officer

In November 2000, the voters of the region passed an amendment to the Metro charter that changed the governance structure of the agency. The amendment abolished the regionally elected position of Executive Officer and replaced it with a regionally elected position of Council President. Functions and responsibilities formerly vested in the Executive Officer were transferred to the Council President or the newly created, appointed position of Chief Operating Officer.

Staff and functions formerly budgeted in Public Affairs and Government Relations, Creative Services, and the Office of Citizen Involvement were transferred to the Public Affairs and Government Relations Department. Most positions that directly served the Executive Officer were eliminated; however, certain functions, such as staff support for the Metropolitan Policy Advisory Committee (MPAC), were transferred to the Council Office.

METRO

PEOPLE PLACES
OPEN SPACES


Office of Metro Attorney
Metro Attorney

Office of Metro Attorney

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$1,259,201	$1,039,992	$1,126,686	$1,126,686	$1,290,827	$1,290,827	$1,290,827	14.57%
Materials and Services	312,473	153,690	205,972	205,972	179,520	179,520	179,520	(12.84%)
Totals	**$1,571,674**	**$1,193,682**	**$1,332,658**	**$1,332,658**	**$1,470,347**	**$1,470,347**	**$1,470,347**	**10.33%**
Budget by Division								
Office of Metro Attorney	$1,138,361	$990,341	$1,083,292	$1,083,292	$1,390,347	$1,390,347	$1,390,347	28.34%
Open Spaces Due Diligence Program	433,313	203,341	249,366	249,366	80,000	80,000	80,000	(67.92%)
Totals	**$1,571,674**	**$1,193,682**	**$1,332,658**	**$1,332,658**	**$1,470,347**	**$1,470,347**	**$1,470,347**	**10.33%**
Budget by Fund								
General Fund	$1,138,361	$990,341	$1,083,292	$1,083,292	$1,390,347	$1,390,347	$1,390,347	28.34%
Open Spaces	433,313	203,341	249,366	249,366	80,000	80,000	80,000	(67.92%)
Totals	**$1,571,674**	**$1,193,682**	**$1,332,658**	**$1,332,658**	**$1,470,347**	**$1,470,347**	**$1,470,347**	**10.33%**
Full-Time Equivalents (FTE)	13.50	10.50	10.50	10.50	11.00	11.00	11.00	4.76%

Office of Metro Attorney

Office Purpose

The Office of Metro Attorney provides legal advice and services, including litigation when appropriate, for Metro officials, programs, and staff. Services are provided in a cost-effective, responsive, and proactive manner.

About the Office

In carrying out its mission, the goals of the Office of Metro Attorney are to:

- Provide clear and concise legal advice to policymakers in making informed decisions in the public interest.
- Ensure to the maximum extent possible that Metro's written documents are clear and precise statements in order to avoid misunderstandings and possible litigation.
- Represent Metro, both formally and informally, consistent with the goals of Metro and in a manner that represents a responsible contribution to the administration of the courts and the justice system.
- Fully comply with the highest professional and ethical standards of the Oregon State Bar, the Oregon Supreme Court, and the legal profession.

The Office of Metro Attorney (OMA) provides legal services to the entire Metro organization, including all departments, commissions, the Chief Operating Officer, the Council, and the Auditor. These legal services include research, evaluation, analysis, and advice regarding legal issues affecting Metro; review of contracts, requests for proposals, and bid documents; negotiations regarding contractual agreements; and advice and assistance on legislative matters.

The Office provides written opinions, reviews ordinances and resolutions, and represents Metro officers and employees. The Metro Attorney may initiate, defend, or appeal litigation on behalf of Metro when requested by the Council, Chief Operating Officer, the Auditor, or any Metro commission.

OMA staff includes the agency's lead attorney, the *Metro Attorney*; 5.0 FTE senior attorneys; an assistant senior attorney; two paralegals; and two clerical support positions. They are assigned to provide legal services to the Planning Department, the Solid Waste and Recycling Department, the Regional Parks and Greenspaces Department, the Metropolitan Exposition-Recreation Commission, and the Oregon Zoo, as well as legal work needed by the Council, Chief Operating Officer, Metro Auditor, Human Resources Department, or Finance and Administrative Services Department. This Office also provides legal service to Metro's Regional Parks and Greenspaces Department in its efforts to purchase land for open spaces, parks, and trails, including overseeing due diligence prior to land acquisition and closing land acquisitions. This Office contracts for all real estate appraisal services required for due diligence purposes, as well as other needed services such as environmental surveys and surveyors.

Consistent with efficient provision of legal services, actual work assignments are often organized on a "team" basis, and attorneys, paralegals, and clerical staff are given work assignments based on areas of expertise and the varying levels of legal work being generated by the various parts of Metro. Legal work does not flow into the office at a "steady state" rate or in relatively the same ratio per operating departments. The Office places all of its resources at the disposal of the entire agency on an as-needed basis.

Major Accomplishments in FY 2004–05

- Successfully defended, or enabled Metro to settle, all legal claims.
- Provided legal services needed to enable Metro Council to achieve policy and administrative goals.

Major Objectives for FY 2005–06

- Provide all legal services needed to enable Metro Council to achieve Council established goals.
- Successful completion of all other duties as assigned.

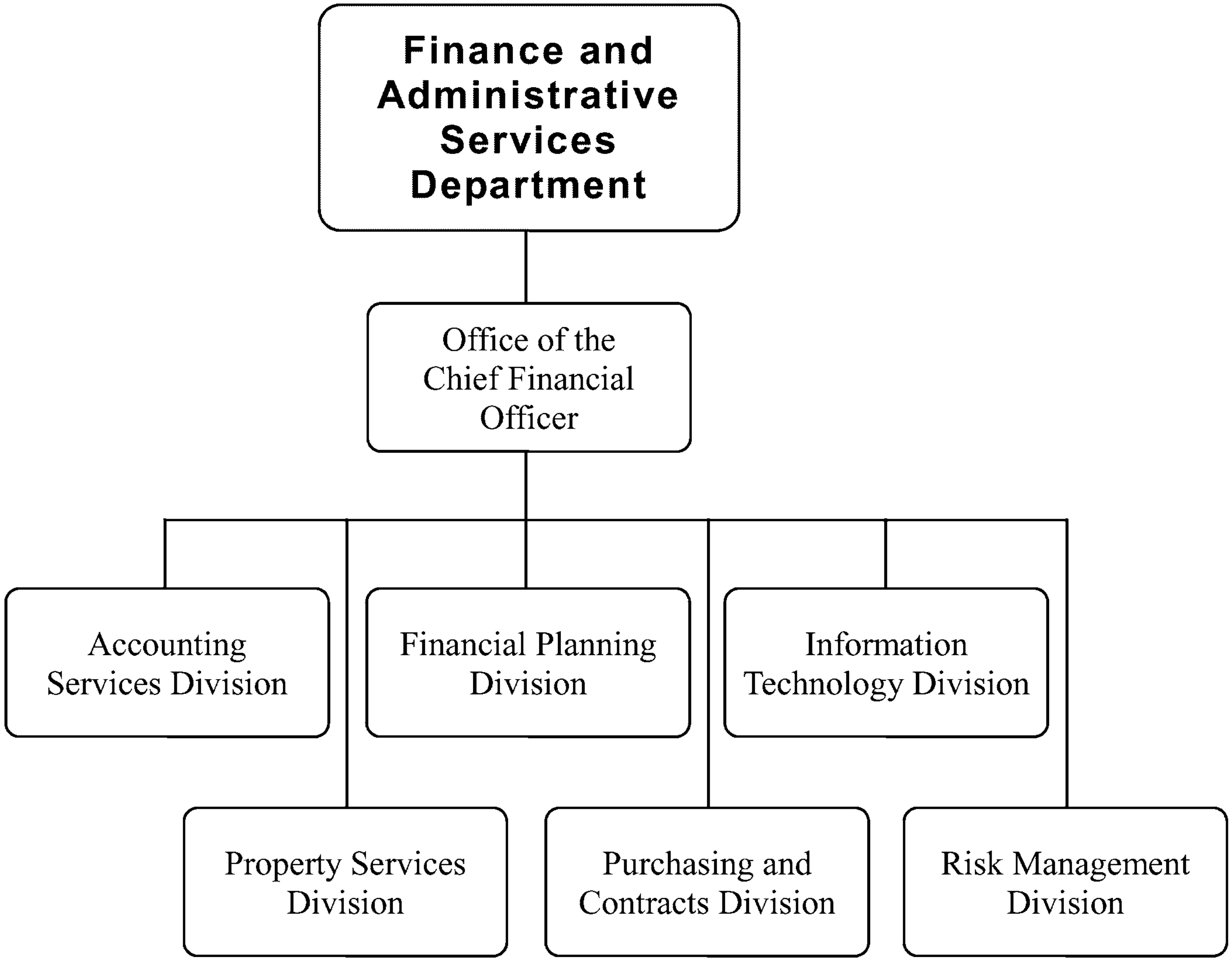
Service Level Changes from FY 2004–05

The FY 2005–06 budget includes a 0.50 FTE increase in senior attorney to provide additional assistance to MERC. The additional assistance had been provided during FY 2004–05, but was charged directly against the MERC budget. The current year budget consolidates all internal legal work under the Office of Metro Attorney.

Performance Measures

The Council has indicated that it expects to see *Performance Measures* developed as an integral part of their strategic planning and program budget initiatives. As of this writing, the Council is still working with Departments to define "programs" in terms of content, level of specificity, objectives, and funding. As this process evolves, it will be possible to develop measures that relate more precisely to the Council's Strategic Goals and Objectives. Until that time, the Department will continue to track and report its historical series, as shown in the following table.

Performance Measures		***Office of Metro Attorney***	**Actual FY 02–03**	**Actual FY 03–04**	**Target FY 04–05**	**Target FY 05–06**
	1.	Contract documents reviewed and completed	310	240	218	218
	2.	Legislative documents completed and/or reviewed	95	117	98	98


Finance and Administrative Services Department
Office of the Chief Financial Officer
Accounting Services Division
Financial Planning Division
Information Technology Division
Property Services Division
Purchasing and Contracts Division
Risk Management Division

Finance and Administrative Services Department

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$4,851,340	$4,681,766	$4,822,748	$4,822,748	$4,959,658	$4,959,658	$4,959,658	2.84%
Materials and Services	7,775,321	13,249,304	3,940,741	3,940,741	3,516,017	3,541,017	3,541,017	(10.14%)
Capital Outlay	238,966	246,913	195,000	213,000	271,000	271,000	271,000	27.23%
Debt Service	38,060	34,620	0	0	0	0	0	0.00%
Totals	**$12,903,687**	**$18,212,603**	**$8,958,489**	**$8,976,489**	**$8,746,675**	**$8,771,675**	**$8,771,675**	**(2.28%)**
Budget by Division								
Office of the Chief Financial Officer	$382,199	$144,938	$250,423	$250,423	$380,319	$405,319	$405,319	61.85%
Office of the Director	0	16,897	0	0	0	0	0	0.00%
Accounting Services	1,674,946	1,705,855	1,830,112	1,830,112	1,819,610	1,819,610	1,819,610	(0.57%)
Contract Services	278,641	340,971	384,364	384,364	334,163	334,163	334,163	(13.06%)
Financial Planning	493,391	428,569	475,263	475,263	377,188	377,188	377,188	(20.64%)
Information Technology	2,405,454	2,183,909	2,326,235	2,326,235	2,491,428	2,491,428	2,491,428	7.10%
Property Services	1,394,672	1,369,587	1,540,572	1,558,572	1,532,090	1,532,090	1,532,090	(1.70%)
Risk Management	6,274,384	12,021,877	2,151,520	2,151,520	1,811,877	1,811,877	1,811,877	(15.79%)
Totals	**$12,903,687**	**$18,212,603**	**$8,958,489**	**$8,976,489**	**$8,746,675**	**$8,771,675**	**$8,771,675**	**(2.28%)**
Budget by Fund								
General Fund	$6,629,303	$6,190,726	$6,806,969	$6,824,969	$6,934,798	$6,959,798	$6,959,798	1.98%
Risk Management	6,274,384	12,021,877	2,151,520	2,151,520	1,811,877	1,811,877	1,811,877	(15.79%)
Totals	**$12,903,687**	**$18,212,603**	**$8,958,489**	**$8,976,489**	**$8,746,675**	**$8,771,675**	**$8,771,675**	**(2.28%)**
Full-Time Equivalents (FTE)	69.05	66.35	63.70	63.70	62.20	62.20	62.20	(2.35%)

Finance and Administrative Services Department

Department Purpose

The Finance and Administrative Services Department provides financial management, administrative and building services to Metro's elected officials, operating departments, employees, and the public. The department is guided by the mission: *We provide essential services in support of our customers.*

About the Department

The Finance and Administrative Services Department (FAS) is the Office of the Chief Financial Officer (CFO), Accounting Services, Financial Planning, Information Technology, Property Services, Purchasing and Contract Services, and Risk Management divisions. The department provides accounting services for the agency; coordinates the preparation, monitoring, and implementation of the agency's annual budget and five-year capital budget; manages debt; facilitates the Council's strategic planning efforts and project prioritization; performs long-range financial planning; administers Metro's risk management program; manages Metro's headquarters building; coordinates the agency's decentralized purchasing system; manages the Emerging Small Business and Minority- and Women-Owned Business program; and provides information technology services for Metro's operations.

The department's primary funding source is transfers from Metro departments for paying their share of central business services. The amount transferred from each department to the General and Risk Management Funds is determined through Metro's indirect cost allocation plan.

Office of the Chief Financial Officer

The Office of the CFO supervises FAS department operations, provides strategic direction to business services functions for all departments, consults the Council and Chief Operating Officer on large capital projects funding practices and financial policies, and administers the FAS department budget.

Accounting Services Division

The Accounting division performs basic business processes required for Metro to carry out its programs and activities. Financial transactions are grouped in the following areas:

Accounts Payable processes expenditure transactions and issues payments to providers of goods and services.

Accounts Receivable processes revenue transactions, including recording cash receipts and invoicing customers, and performs credit management and collection activities. This section also manages Metro's Contractor's License Program, which provides contractors within the region with a business license that is recognized by the three counties and most cities within the region. This "one-stop licensing" saves contractors both time and money.

Payroll processes personnel-related expenditures, including payroll and fringe benefit payments, and files required federal, state, and other agency reports (e.g., W-2s, 941s, unemployment reports, and fringe benefit payments, including 401(k) and child care plans). Payroll also administers the PERS retirement program for Metro.

Investments manages and invests cash balances in accordance with state law and Metro policy. This includes the daily management of an investment portfolio in excess of $100 million.

Financial Reporting and Control maintains internal controls over financial transactions and information and generates required and requested financial reports, including the Comprehensive Annual Financial Report (CAFR). Fixed asset accounting is part of this area's responsibilities. Monthly and ad hoc financial reports are generated and issued by this section. This section also coordinates with the Auditor's Office and the contracted outside auditor in Metro's annual financial audit.

Financial Planning Division

The Financial Planning division provides a variety of financial services:

Budget Preparation and Monitoring includes the preparation, analysis, and implementation of the agency-wide budget and advising departments and elected officials to ensure that the legal requirements associated with the budget are met and maintained.

Capital Improvement Planning involves coordinating the preparation, implementation, and monitoring of the agency's annual five-year capital budget and coordination of the plan with the annual budget.

Long Range Financial Planning helps departments anticipate fiscal requirements, cope with the effects of changes in the funding environment, and develop systems and procedures that will allow for maximum return and efficiency in the use of funds. The division also ensures compliance with laws and procedures that affect the agency's financial condition.

Debt Management involves the development of debt issuance strategies and analysis, administration of the debt payment process, and ongoing compliance with bond covenants.

Information Technology Division

The IT division is organized into five programs that are critical to a successful agency-wide approach to information resource management. Their functions are:

Enterprise Application Services provides technical development and maintenance support for all enterprise applications with a primary focus on PeopleSoft financial and human resource systems. This program also includes database administration, system performance management, application portfolio management, PeopleSoft desktop training, Unix server administration, data management, and work flow.

Desktop Support Services provides hardware and software installation and troubleshooting to all desktop and workstation users, managed through the Help Desk function. The program also works closely with other departments to analyze hardware and software configurations and provide advice on long-term desktop purchase strategies. As a part of these functions, the program installs new systems and, with central Purchasing, coordinates all new desktop hardware and software purchasing. Desktop Support Services maintains an Information Technology website to provide self-service advice to a variety of users.

System and Network Services plans, implements, and manages network upgrades to enable Metro to take advantage of current and emerging information technologies. It also ensures that all hardware components of the network are integrated and working efficiently. System and Network Services tests new information technology products with the goal of improving network, server, and desktop computer performance.

Department Applications works in conjunction with Metro departments to assist in upgrades and maintenance for department-specific applications and on the interfaces with other Metro systems that share data and information. In performing the work, staff consults with departments on options to enhance software applications. When appropriate, this team does limited software development to accomplish those enhancements and performs programming maintenance to those systems to minimize disruption to their operations.

Web Services is responsible for supporting Metro's Internet presence. Activities and responsibilities include completely updating Metro's web page to include interactive elements, such as constituent accessible Metro libraries and information tables, installation of a distributed content management system to support stronger and streamlined information flow from departments to the Metro web pages, application development for the Metro website in other tools, such as bulletin boards and automated job applications, and traffic analysis of Metro, MERC and Zoo web pages.

Property Services Division

The Property Services division manages Metro Regional Center, the agency's headquarters building which includes an attached parking garage, and provides security services and mailing/copy services for Metro departments. Division funding is primarily from departmental allocations to the General Fund, with additional revenue from building leases and parking fees.

Building Management manages the physical operation of Metro Regional Center, in support of Metro elected officials and employees, visitors, and tenants. Services include space planning, remodeling, maintenance, building security, life safety, front desk reception, local area network wiring, and management of the employee garage and attached parking structure. This program operates out of the General Fund, which also collects funds for debt service payments on the bonds issued to finance the building.

Support Services provides additional support for building operations, with its primary responsibilities being for telephone maintenance and operation of Metro's small fleet of leased vehicles.

Office Services runs the mailroom, providing interoffice and intergovernmental delivery as well as U.S. Mail, and operates the central copy center for large print and copy jobs.

Purchasing and Contract Services Division

The Purchasing and Contract Services division provides business services listed below:

Contract Services provides support for Metro's decentralized, competitive procurement processes and contract development functions. This program applies rules, regulations, and limitations established in state law and Metro Code. Primary responsibilities consist of encouraging a competitive process that supports openness and impartiality; and reviewing and monitoring department contracts, amendments, and requests for bids/proposals pursuant to Metro Code and state and federal regulations.

Purchasing Services operates the Purchasing Management Information System, ensures compliance with purchasing rules, and coordinates the purchase of products and services used throughout Metro. This program also administers Metro's purchasing card program.

Minority/Women-Owned/Emerging Small Business Enterprise Programs. Metro Code establishes programs that encourage Metro use of minority- and women-owned businesses and emerging small businesses by creating the maximum possible opportunity for such businesses to compete for and participate in Metro contracting activities. It is the policy of Metro to provide equal opportunity to all persons to access and participate in all projects, programs and services of Metro.

Risk Management Division

The Risk Management division administers the Risk Management Fund. The fund contains revenues and expenditures related to the administration of Metro's risk management program, including employee fringe benefits and unemployment insurance which are managed by the Human Resource Department. Three programs are administered by Finance and Administrative Services within the Risk Management Fund:

Liability/Property—Responsible for the liability self-insurance program, the emergency management program, property insurance and self-insured claims, and employee bonding.

Workers' Compensation—Responsible for workers' safety and administration of workers' compensation claims.

Environmental Impairment Liability—Maintains reserves to fund pollution-related losses. No claims are expected or budgeted.

Major Accomplishments in FY 2004–05

The Finance and Administrative Services Department has accomplished numerous initiatives in addition to its ongoing work. That ongoing work includes preparation and monitoring of the annual budget, budget amendments, and annual five-year capital budget; paying the bills and accounting for Metro's revenue and expenses; producing the Comprehensive Annual Financial Report; management and maintenance of the agency's computer systems, networks, hardware, and software; and coordination of risk management, safety, and loss control programs.

Specific initiatives anticipated to be completed by the end of FY 2004–05 include:

- Implemented PeopleSoft version 8.4 upgrade of financial applications.
- Implemented phase 1 of Strategic Programmatic and Performance Budgeting.
- Developed Metro Financial Policies, adopted by Council.
- Conducted a thorough review of Metro's purchasing and contracting policies and procedures, and began implementation of recommended changes.
- Convened an internal Finance and Administrative Services Team to address issues associated with Metro's central services costs, program budgeting, and performance management.

- Consolidated a variety of department-specific funds into a General Fund.
- Developed and implemented an Employee Suggestion Awards Program.
- Received awards for excellence in financial reporting and budgeting from the Government Finance Officers Association.
- Prepared Consolidated Annual Financial Report in compliance with GASB 34 for the fiscal year ended June 30, 2004.

Major Objectives for FY 2005–06

- Implement PeopleSoft Version 8.9 upgrade of Human Resources Management System.
- Prepare Consolidated Annual Financial Report in compliance with GASB 34 for the fiscal year ended June 30, 2005.
- Develop the fiscal year 2006–07 budget and five-year capital budget.
- Implement phase 2 of strategic programmatic and performance budgeting, primarily performance measurement implementation and merging programmatic budgeting with the PeopleSoft chart of accounts.
- Continue to meet national standards for excellence in Accounting and Financial Planning.
- Support Metro's elected officials in their efforts to identify a sustainable approach to funding for the agency.
- Identify appropriate revenue streams for services provided to the community and affiliated jurisdictions.
- Implement business process improvements made possible by merging business support services currently offered centrally and within departments.

Performance Measures

The Council has indicated that it expects to see *Performance Measures* developed as an integral part of their strategic planning and program budget initiatives. As of this writing, the Council is still working with Departments to define "programs" in terms of content, level of specificity, objectives, and funding. As this process evolves, it will be possible to develop measures that relate more precisely to the Council's Strategic Goals and Objectives. Until that time, the Department will continue to track and report its historical series, as shown in the following table.

Performance Measures

	Finance and Administrative Services Department	Actual FY 02–03	Actual FY 03–04	Target FY 04–05	Target FY 05–06
1.a	Yield on Metro investments exceeds 3-month T-Bill rate by 15 basis points (bp); (15 bp = 0.15%)— measure used through FY 03–04	+66 bp	+15 bp	N/A	N/A
1.b	Yield on Metro investments is within 5 basis points of the 3-month T-bill yield; (5bp = 0.05%)— measured used beginning FY 04–05	N/A	N/A	+/- 5 bp	+/- 5 bp
2.	Variance between excise tax forecast and actual receipts (percentage of actual receipts above or below forecast)	2.56%	4.85%	+/- 5.0%	+/- 5.0%
3.	Receive Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes
4.	Receive GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes
5.	Total risk management expenses as percentage of operating budget	0.58%	0.83%	0.80%	1.00%
6.	Percent of time that PeopleSoft financial and HR modules are available to users between 8 a.m. and 5 p.m.	99.04%	99%	99%	99%
7.	Number of high and immediate priority user calls to the Help Desk that receive response within four hours	97.82%	99%	99%	99%
8.	Percent of time that e-mail is available to users between 8 a.m. and 5 p.m.	99.90%	99.90%	99.90%	99.90%
9.	Percent of time network file service is available to users between 8 a.m. and 5 p.m.	99.90%	99.90%	99.90%	99.90%

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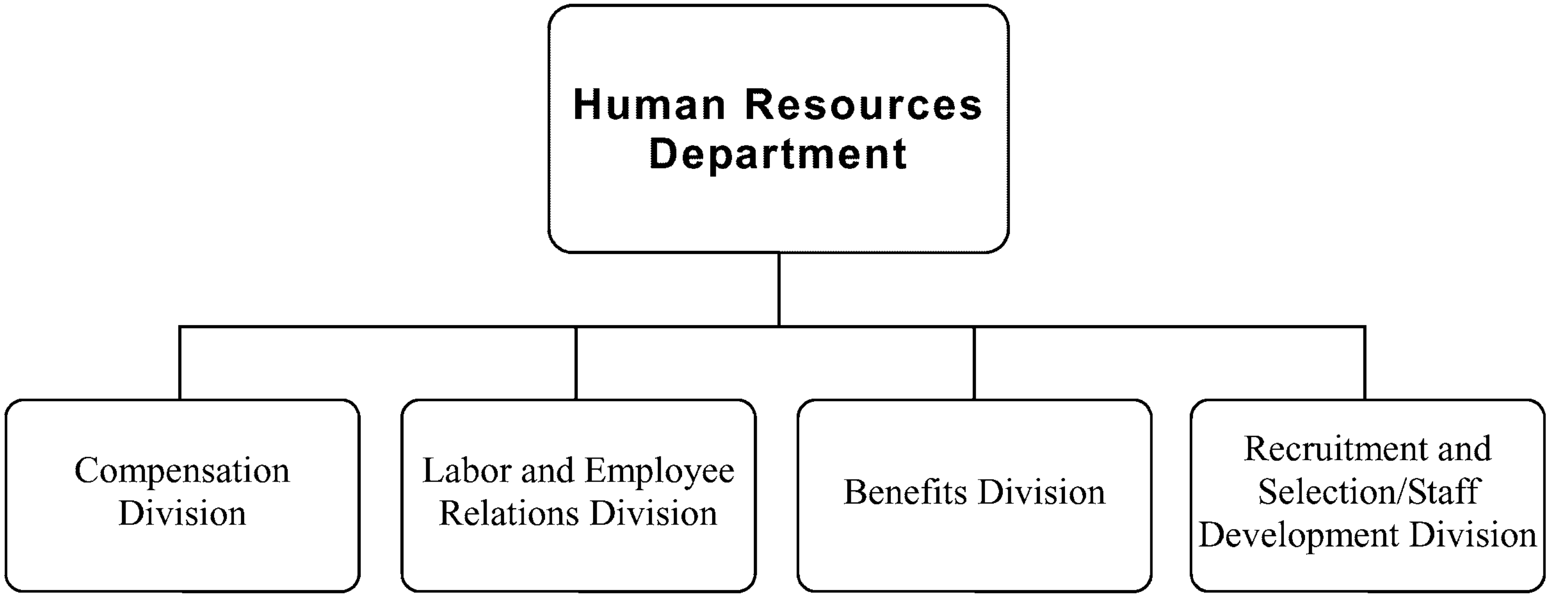
Human Resources Department
Compensation Division
Labor and Employee Relations Division
Benefits Division
Recruitment and Selection/Staff Development Division

Human Resources Department

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$656,545	$735,602	$928,687	$928,687	$935,348	$935,348	$935,348	0.72%
Materials and Services	150,621	95,644	6,163,231	6,163,231	6,342,235	6,342,235	6,342,235	2.90%
Totals	**$807,166**	**$831,246**	**$7,091,918**	**$7,091,918**	**$7,277,583**	**$7,277,583**	**$7,277,583**	**2.62%**
Budget by Division								
Human Resources	$807,166	$831,246	$7,091,918	$7,091,918	$7,277,583	$7,277,583	$7,277,583	2.62%
Totals	**$807,166**	**$831,246**	**$7,091,918**	**$7,091,918**	**$7,277,583**	**$7,277,583**	**$7,277,583**	**2.62%**
Budget by Fund								
General Fund	$807,166	$831,246	$1,077,057	$1,077,057	$1,136,818	$1,136,818	$1,136,818	5.55%
Risk Management	0	0	6,014,861	6,014,861	6,140,765	6,140,765	6,140,765	2.09%
Totals	**$807,166**	**$831,246**	**$7,091,918**	**$7,091,918**	**$7,277,583**	**$7,277,583**	**$7,277,583**	**2.62%**
Full-Time Equivalents (FTE)	9.10	9.00	11.00	11.00	11.00	11.00	11.00	0.00%

Human Resources Department

Department Purpose

The Human Resources Department works in partnership with customers to provide knowledge, advice, and support.

About the Department

The department consists of a Director and four secondary programs that are funded through the General and Risk Management Funds.
The department's primary funding source is transfers from Metro departments for paying their share of business and other services. The amount transferred from each department is determined through the agency's indirect cost allocation plan. The four secondary programs within Human Resources are:

Compensation

Compensation staff administer Council's classification, pay, health and welfare, and unemployment policies; ensure the integrity of classification and compensation practices and salary plans; and process reclassification reviews and assist with comprehensive classification and compensation studies to ensure that Metro remains competitive in the labor market. Staff administer the agency's health and welfare benefits, the unemployment compensation process, and the employee Wellness program.

Labor and Employee Relations

Labor and Employee Relations staff represent Council and department directors in labor negotiations and on the Joint Labor Management Committee regarding hours, wages, benefits, and working conditions; interpret the terms of labor agreements and personnel policies and Code; and assist Council in developing long-range personnel policy.

Organizational Development

Organizational Development staff conduct employee orientation; provide career development services to the workforce; develop and deliver employment-related training; provide teambuilding, facilitation, and dispute resolution services to managers and employees; and administer the Employee Service Award program.

Recruitment and Retention

Recruitment and Retention staff work to attract and retain an exceptionally competent, productive, and motivated workforce. Recruitment and Retention staff perform processes that meet the spirit and intent of employment law by completing application screening promptly and efficiently; counseling and training managers and non-managers on effective selection practices; designing and developing programs and processes, including affirmative action planning, which help position Metro's workforce for the future, and providing reporting mechanisms by which managers can chart progress and hold themselves accountable.

Major Accomplishments in Fiscal Year 2004–05

- Completed a comprehensive survey of our customers.
- Prepared a two-year strategic plan that aligns department goals and objectives with customer needs.
- Reorganized the Human Resources department FTE to align positions with strategic workplan.
- Negotiated a successor agreement with AFSCME, Local 3580.
- Developed procedures and support resources for reduction in force; processed nine layoffs.
- Developed and administered Employee Service Award program.
- Developed and implemented Total Compensation Communication process.
- Performed an Availability and Utilization analysis for Metro and MERC.

- Expanded diversity outreach network and participated in or sponsored community diversity initiatives.
- Developed comprehensive Supervisory Training Academy.
- Developed agency-wide Performance Evaluation process for represented and non-represented employees.
- Assisted in major department reorganization of the Planning and Parks departments and the Oregon Zoo.
- Co-chaired the Joint Labor Management Committee on health and welfare.
- Co-chaired the Joint Labor Management Committee on paid time.

Service Level Changes from Fiscal Year 2004–05

In response to feedback from our stakeholders and in an effort to operate more efficiently, the Human Resources Department developed a Comprehensive Strategic Plan and reorganized the department FTE. The former HRIS Manager and Classification/Compensation Manager positions were combined into one Compensation Systems Manager position supporting both compensation and HRIS. A Labor and Employee Relations Specialist position was created to support the current Labor and Employee Relations Manager.

As part of the reorganization, the following positions were reclassified:

- One FTE reclassified from Management Technician to Program Analyst I.
- One FTE reclassified from Program Analyst I to Program Analyst III.
- One FTE reclassified from Program Analyst IV to Program Analyst III.

The addition of the Compensation Systems Manager and Labor and Employee Relations Specialist support specific efforts to develop and administer a Performance Evaluation Program for represented and non-represented employees and administer a comprehensive Supervisory Academy for Metro and MERC Managers and Supervisors.

Major Objectives for Fiscal Year 2005–06

- Continue to co-chair Joint Labor Management Committees.
- Complete implementation of process improvements identified by key users of HR services.
- Revise the Reclassification process.
- Remove personnel policy from Metro Code and create a policy & procedure format.
- Conduct a classification and compensation study of LIU, Local 483 positions at Metro.
- Conduct a classification and compensation study of IATSE, Local 28 positions at MERC.
- Work with IT to upgrade HRIS modules consistent with migration of PeopleSoft versions to next levels.
- Work with IT to implement PeopleSoft capabilities for tracking and reporting total compensation.

Performance Measures

The Council has indicated that it expects to see *Performance Measures* developed as an integral part of their strategic planning and program budget initiatives. As of this writing, the Council is still working with Departments to define "programs" in terms of content, level of specificity, objectives, and funding. As this process evolves, it will be possible to develop measures that relate more precisely to the Council's Strategic Goals and Objectives. Until that time, the Department will continue to track and report its historical series, as shown in the following table.

Performance Measures		*Human Resources Department*	Actual FY 02–03	Actual FY 03–04	Target FY 04–05	Target FY 05–06
	1.	Survey respondents rating HR services as good or excellent	98%	100%	98%	98%
	2.	Minimum qualification screening completed within 3-day goal	99%	99%	98%	98%
	3.	Personnel actions processed without error	98%	100%	98%	98%
	4.	New supervisors receiving management orientation within one year of employment	100%	100%	100%	100%
	5.	New employees attending new employee orientation within three months of hire date	96%	95%	95%	100%

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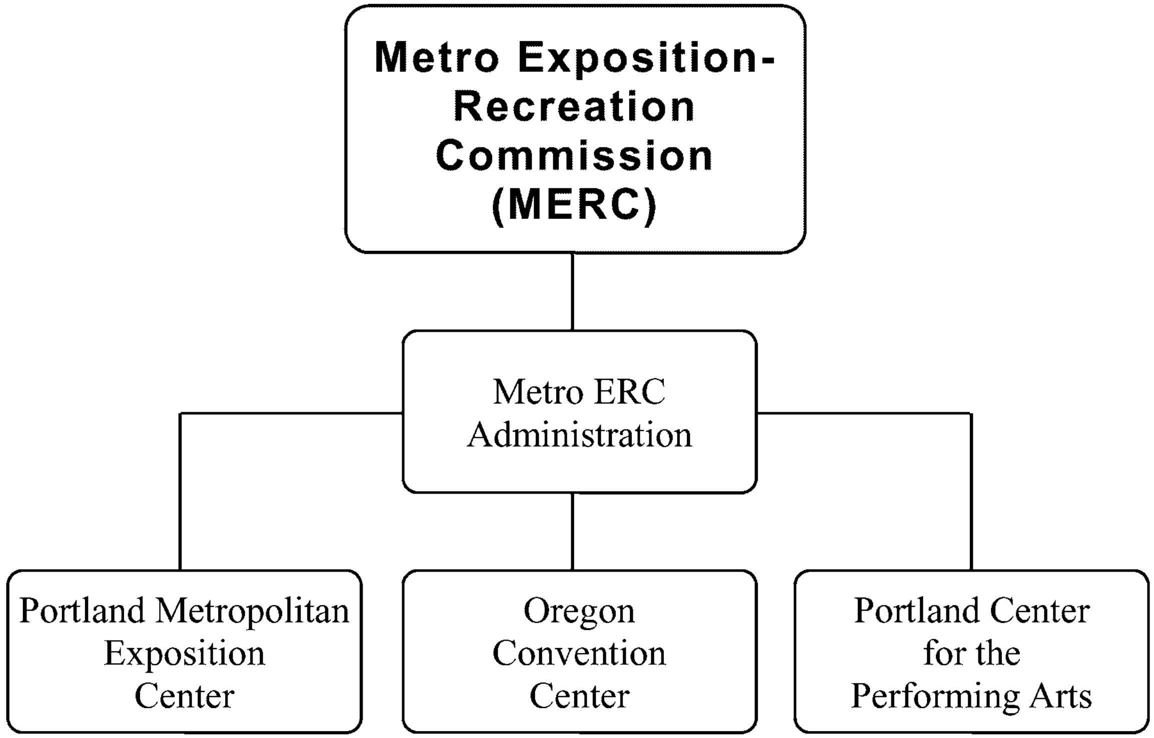

Metro Exposition-Recreation Commission (MERC)
Metro ERC Administration
Portland Metropolitan Exposition Center
Oregon Convention Center
Portland Center for the Performing Arts

Metro Exposition-Recreation Commission

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$12,948,908	$13,191,435	$13,436,734	$13,736,734	$14,970,506	$14,970,506	$14,970,506	8.98%
Materials and Services	15,854,674	17,232,782	15,063,931	17,263,931	16,125,246	16,153,246	16,153,246	(6.43%)
Capital Outlay	49,318,629	3,118,795	3,142,350	3,796,350	1,372,845	3,758,072	3,758,072	(1.01%)
Debt Service	1,103,907	1,149,281	1,231,317	1,231,317	1,237,902	1,237,902	1,237,902	0.53%
Totals	**$79,226,118**	**$34,692,293**	**$32,874,332**	**$36,028,332**	**$33,706,499**	**$36,119,726**	**$36,119,726**	**0.25%**
Budget by Division								
MERC Administration	$1,104,152	$1,073,208	$1,214,749	$1,214,749	$1,326,495	$1,354,495	$1,354,495	11.50%
Oregon Convention Center	62,290,063	20,290,550	16,488,980	18,988,980	17,747,167	17,747,167	17,747,167	(6.54%)
Portland Center for the Performing Arts	6,156,859	6,402,212	6,448,123	6,448,123	7,519,991	7,519,991	7,519,991	16.62%
Exposition Center	5,005,751	5,054,932	5,163,843	5,163,843	5,171,527	5,171,527	5,171,527	0.15%
Pooled Capital	4,669,293	1,871,391	3,558,637	4,212,637	1,941,319	4,326,546	4,326,546	2.70%
Totals	**$79,226,118**	**$34,692,293**	**$32,874,332**	**$36,028,332**	**$33,706,499**	**$36,119,726**	**$36,119,726**	**0.25%**
Budget by Fund								
MERC Operating Fund	$27,839,983	$29,877,743	$28,107,187	$30,607,187	$30,550,046	$30,578,046	$30,578,046	(0.10%)
Oregon Convention Center Project Capital Fund	45,637,977	1,814,417	0	0	0	0	0	0.00%
MERC Pooled Capital Fund	4,669,293	1,871,391	3,558,637	4,212,637	1,941,319	4,326,546	4,326,546	2.70%
General Revenue Bond Fund (Hall D Expansion)	1,078,865	1,128,742	1,208,508	1,208,508	1,215,134	1,215,134	1,215,134	0.55%
Totals	**$79,226,118**	**$34,692,293**	**$32,874,332**	**$36,028,332**	**$33,706,499**	**$36,119,726**	**$36,119,726**	**0.25%**
Full-Time Equivalents (FTE)	193.00	180.25	157.00	157.00	156.00	156.00	156.00	(0.64%)

Metro Exposition-Recreation Commission (MERC)

Commission Purpose

The Metro Exposition-Recreation Commission (MERC) works to promote the livability and economic vitality of the Portland metropolitan area through sound stewardship, expert management, and creative development of regional public event venues.

The Commission, through its staff, manages convention, exhibition, and performing arts facilities, including the Oregon Convention Center (OCC), the Portland Center for the Performing Arts (PCPA), and the Portland Metropolitan Exposition Center (Expo Center). These venues attract over two million visitors annually to international, national, and regional events.

MERC Strategic Goals

- Maximize economic impact for the metropolitan region and the state of Oregon.
- Provide and operate venues to foster a diverse range of performing arts, convention, and trade and exhibition events.
- Achieve financial stability through responsible policies and prudent practices.
- Advocate for enhancing public support of regional trade facilities, the arts, and tourism.
- Efficiently operate and maintain facilities in premiere condition.
- Be a productive part of Metro.
- Recruit and employ a quality-motivated workforce that provides superior facility management and customer service and reflects the diversity of the metropolitan region.

MERC has developed strategic goals to advance its mission and to ensure the organization manages these public venues for the highest and best uses and delivers quality services to those who pass through its doors.

About the Organization

The Metropolitan Exposition Recreation Commission is both a public commission of Metro and a public asset management organization. The Commission consists of seven members who share a commitment to promoting the metropolitan region as a visitor destination and protecting the public investment in these important regional venues that it manages.

MERC has a solid reputation for expertise in public assembly facility management, quality customer service, and responsible administrative service. As an organization, MERC is structured into four business units—MERC Administration, OCC, PCPA, and Expo Center—that each contribute to MERC's overall mission.

In managing these public venues, MERC is in a unique position because the ownership of the facilities varies. OCC and Expo are owned by Metro. PCPA is owned by the City of Portland but managed by MERC under agreement with the City. Ultimately, of course, the public owns all the facilities, and MERC strives to operate all of the facilities in a prudent and business-like manner that serves the public interest.

MERC Operations

MERC is primarily funded through its entrepreneurial operations and industry tax subsidies. MERC receives no property tax support for operations. Approximately 77 percent of MERC's funding is generated through revenues from fees and services for facility rental, event services, parking, and food and catering business. The remaining 23 percent comes from lodging industry tax subsidy, government contributions, donations, and investment earnings. MERC budgets its operations in the MERC Operating Fund, and capital and non-recurring repair and maintenance are budgeted in the MERC Pooled Capital Fund.

The primary source of subsidy funding comes from hotel/motel tax levied in Multnomah County and from the Visitor Development Initiative (VDI) established to fund visitor improvements to the city, including the expansion of the Oregon Convention Center.

A Multnomah County lodging tax of three percent is distributed to OCC, PCPA, Portland Oregon Visitors Association (POVA) and the Region Arts and Culture Council (RACC).

The budget includes the final year of Visitor Development Initiative (VDI) subsidy tax support for the Oregon Convention Center. It is not anticipated that the VDI tax collections will be adequate to fund a subsidy for Portland Center for the Performing Arts in FY 2005–06.

Long term fiscal vitality remains of paramount importance. The last several years were marked by severe economic downturns from a national recession and social and political impacts from the war on terrorism. As a result, tourism and business spending hit historic lows, which directly affect our convention, consumer trade, and entertainment business. To address these challenges MERC focused on the following initiatives in the development of the FY 2005–06 budget:

- Minimum fund balance preservation.
- Expenditure management.
- Revenue.

MERC Administration

MERC Administration provides leadership, policy direction, and centralized fiscal and administrative services—strategic planning, financial management and reporting, capital development, purchasing, information management, human resources, and public relations—to support the specialized businesses that MERC operates. This unit also implements commission policies that set both tone and direction for the organization. MERC Administration also assumes primary responsibility for coordinating and communicating with Metro as MERC's parent agency, as well as other public and private partners.

Oregon Convention Center

The Oregon Convention Center serves as a significant economic vehicle for the metropolitan region and Oregon by attracting out-of-town visitors. In the past three years, OCC has generated approximately $1.3 billion in economic activity for the region. The convention center's policies and management philosophy are tailored to ensure that generating out-of-town convention business remains its primary objective. To achieve this objective, the center must maintain sufficient operating revenues to responsibly manage the facility and maintain it in a first-class condition.

The Oregon Convention Center is now the largest convention center in the Pacific Northwest. The center completed a much-needed expansion in spring 2003 that increased the building's size by approximately 60 percent, adding 407,000 total square feet to the original 500,000 square-foot facility. The center now offers 255,000 square feet of exhibit space, two grand ballrooms, 55 meeting rooms, an 800-space covered parking garage, 20 loading bays, new retail spaces, generous lobby and pre-function spaces, and full-service kitchen facilities capable of serving 10,000 meals. The center also provides in-house event services, routine maintenance, event set-up and teardown, and housekeeping functions. Parking and food and beverage management services are provided by outside contractors.

OCC is a national convention center that hosts many domestic and international conventions and shows each year. The facility, with its flexible space, is also home to local meetings, food functions, and consumer shows. OCC competes with other convention centers in the western United States, including Denver, Phoenix, Salt Lake City, San Diego, and Seattle, and the growth in the quantity and size of trade shows and conventions has driven demand for more exhibit and meeting space at convention centers throughout the United States. There is also demand for enhanced technology infrastructure and services. OCC's primary competitors have either completed or are planning expansions, or they are building new facilities to meet this growth.

Portland's tourism infrastructure has undergone significant expansion in its hotel room inventory, airport facilities, and mass transit. The region has enhanced these community assets to remain competitive and capture its share of the convention market. Lloyd District improvements—including new retail, transportation, and a 20-year district development plan—also make the convention center's location appealing. Transportation costs and convenience are significant factors to convention and trade show clients and attendees. The convention center's expansion is also a crucial piece in the Lloyd District renovation and boosting Portland's viability as a tourist and convention destination.

The pressing issue for OCC in the future is sustainable operational support for the expanded facility. Convention centers are traditionally operated as "loss leaders" for community economic development and tax generation, and OCC is no exception. Operating subsidies, usually from lodging tax, are provided to cover the full cost of bringing in economic-generating conventions and trade shows to a region. The larger the convention center, the larger the operating cost and greater the need for subsidy support.

OCC's funding landscape has been dramatically altered by the VDI, which enabled the expansion project to go forward. The VDI is a complex public/private funding mechanism, providing financing for the OCC expansion project and a host of other visitor improvement projects to be created and funded with no property taxes. The VDI agreement relies upon a 2.5 percent surcharge on the Multnomah County lodging tax (raised from 9 percent to 11.5 percent) and a 2.5 percent surcharge on the Multnomah County car rental tax (raised from 10 percent to 12.5 percent). The VDI provides a total of $8.84 million to OCC for operational support for fiscal years 2001 through 2006. This was intended to recognize the impact of the expansion project—including down-time during construction, ramping up to full occupancy, and the necessary operational support for a much larger facility.

The VDI will suspend enhanced operational support for OCC after 2006. However, it contains a mechanism for Metro to request continued operating support for OCC beyond 2006, but such support is not guaranteed. Additionally, it is subject to both political discussion and dispute resolution processes. The community's support for a long-term, sustainable operating subsidy for OCC will be a significant factor in its continuing success.

Even with the expanded convention center, Portland remains at a distinct competitive disadvantage when battling for citywide conventions because it lacks sufficient hotel inventory or a headquarters hotel on the eastside near the convention center. The Portland Development Commission (PDC) has put the headquarters hotel development as a top priority and issued a Request for Proposals (RFP) in 2004. These RFPs are being evaluated. This action moves the headquarters hotel development forward and is an essential piece of the puzzle needed to maximize convention business for Portland.

Portland Center for the Performing Arts

PCPA provides superior, responsibly managed performance spaces that foster an environment in which diverse performing arts, events, and audiences may flourish.

PCPA is comprised of three buildings with four theaters: the Arlene Schnitzer Concert Hall (historic 1928 vaudeville/movie house, restored in 1984), Keller Auditorium (formerly the "Civic" Auditorium, built in 1917 and modernized in 1968), and the Newmark and Dolores Winningstad Theaters (housed in the New Theater Building, built and opened in 1987). Brunish Hall, a previously unfinished space in the New Theater Building, was completed and opened in 2000.

PCPA facilities are used predominantly by a diverse group of arts and entertainment organizations, which consist of commercial promoters, non-profit arts presenters and producers, and resident companies—the primary tenants who produce theater, symphony, ballet, opera, and children's programming.

Since 2000, PCPA has implemented a series of revenue development and cost-cutting measures that have stabilized funding for operations and working capital requirements and allowed a moderate growth in its fund balance. The savings generated by that cutback, combined with the additional public funding from the Visitors Development Initiative, have allowed the center to break even. However, during the same period, enterprise revenues have plateaued, and a series of asset failures have raised concerns about the long-term fiscal health of the center.

PCPA funding from the VDI is dependent on the amount of visitor lodging taxes collected. In FY 2003–04, PCPA budgeted $531,000 from VDI. Collections were not adequate to fund that PCPA allocation. The City of Portland agreed to partially offset this loss with a one-time contribution of $250,000 in January 2005. PCPA adjusted operations to prepare for lack of VDI funding in the future.

In fiscal year 2004–05, the center focused on achieving a break-even budget in response to a soft arts market and the reduction in VDI funding. Commercial concert business was down all over the country and was particularly weak in the Portland market. Attendance at arts events in general is also down and touring Broadway show product has been weak.

The proposed FY 2005–06 budget reflects the anticipation of a strong market year with increasing improvements in resources. Major sources of revenue for PCPA include rental, food service, user fees, ticket commissions, and hotel/motel tax. Business levels are anticipated to be above those of FY 2004–05 due to an increase in weeks of Broadway with one blockbuster show as part of the season. Resident company attendance is expected to be flat and commercial business to be comparable to that in FY 2004–05.

Portland Metropolitan Exposition Center

The Portland Expo is a multi-purpose facility that has served for more than 30 years as the region's primary destination for consumer shows and public events. Since 1996, the Expo Center has been evolving into a fully modern exhibition complex that has included significant capital improvements and the addition of two new exhibition facilities. The 60-acre campus includes a complex of three connected buildings comprising nearly 330,000 square feet of exhibit space, 11 meeting rooms, a full-service kitchen, and parking for 2,400 vehicles.

The Expo Center's mission is to provide superior exhibition spaces for events that appeal to the general public. The center hosts consumer, trade, and special interest events, and its roster includes agricultural shows; antique and collectible shows; auto, recreational vehicle, and motorcycle shows; boat shows; dances; home and garden shows; recreational equipment shows and similar events. The Expo Center hosts approximately 100 events annually and attracts in excess of 525,000 visitors.

Each year the Expo Center faces the same challenges as the other two facilities—rising costs, a need to generate new and repeat event business, and a need to maintain the strategic fund balance goal. The Expo Center, however, has the additional challenge of funding a $1.2 million debt service payment for the construction of Hall D Replacement.

MERC Pooled Capital

The MERC Pooled Capital Fund accounts for MERC's capital projects and renovation and replacement of its extensive infrastructure. This allows for capital and infrastructure renovation and replacement costs to be captured in one place, and segregates normal operating expenditures from special one-time project expenditures. This permits a more accurate reflection of operating results within the MERC Operating Fund, while more closely tracking the connection between revenues dedicated for capital and replacement/renovation expenditures.

Major Accomplishments in FY 2004–05

Administration

- Developed and implemented critical financial management policies, procedures, and processes, including purchasing policy, capital policy, cash handling, event settlement, and food and beverage processes.
- Purchased event management accounting system to allow event based analyses and management information for improved decision making.
- Remedied past accounting backlog.
- Simplified, improved, and streamlined business and accounting systems.
- Hired and promoted accounting and budgeting staff to create stable and professional work environment.
- Reduced manual tasks and implemented more efficient, electronic processes for several data entry tasks.

OCC

- OCC expansion received LEED certification from U.S. Green Building Council.
- Extended the national marketing and sales contract with POVA for better performance standards.
- Completed the five-year business plan goals for:
  - Retaining well-trained, educated employees who provide superior customer service.
  - Enhancing financial stability.
  - Becoming an active and valued community partner.
- Maintained the fund balance goal, with an increase of $600,000 since FY 2003–04.

PCPA

- Obtained funding for the summer arts camps as part of new ticketing agreement.
- Received $75,000 in rebates and energy tax credits from the new energy efficient stage lighting equipment installed in all three theaters.
- Began capital improvements, such as carpet replacement, and marquee repairs, at the Arlene Schnitzer Concert Hall. Completed study on additional improvements to the Hall.
- Developed conceptual plan for the development of Main Street Plaza.
- Completed partnership advertising campaign with Pepsi involving Oregon Children's Theater's production of *Big Friendly Giant*.
- Implemented new Mail Manager System as part of new ticketing agreement. This email blast software provided increased ticket sales for those events being promoted.
- Opened permanent bar and restaurant in rotunda of New Theater Building. The Art Bar and Bistro provides upscale food and beverage at moderate prices.
- Introduced community arts activities for children on Main Street during summer months.

Expo

- Completed a full year of the TriMet Park & Ride and Event Fare Program from the new Interstate MAX lightrail service.
- Integrated event staff into venue marketing and sales program.
- Completed feasibility review of outsourcing marketing efforts.
- Revised project scope and financial feasibility of Phase III capital plan.
- Developed fee based on-site advertising service program.

Service Level Changes from FY 2004–05

OCC

- Addition of a new position, "Audio Visual Sales Coordinator." This position will be responsible for marketing of audio visual services.

PCPA

- Adjust .40 FTE allocation of staff to the MERC Pooled Capital Fund.

Expo

- Reduce staffing level by 2.00 FTE.

Major Objectives for FY 2005–06

Administration

- Implement new facility and event management software to improve workflow management and reporting, including streamlining and automating functions.
- Continue development and implementation of critical financial management policies, procedures, and processes.
- Develop a comprehensive information system disaster recovery plan.
- Create staff development program that includes coaching, recognition, skills assessment, shadowing, cross-training, and internships.
- Continue to support MERC's enhanced website to ensure it provides interesting and relevant information and serves as an effective public relations and communication tool.

OCC

- Manage and operate the facility without sufficient public subsidy.
- Aggressively market the expanded facility to local and regional markets.
- Retain well-trained, educated employees who provide superior customer service.

- Enhance financial stability by increasing revenue, concentrating on food and beverage, increased pricing where feasible, reimbursed labor, and retail opportunities.
- Secure Headquarters Hotel developer through Portland Development Commission (PDC) request for bid (RFP) process.
- Utilize Excise Tax funds to make operational improvements for total facility LEED certification and reduce operating costs.

PCPA

- Work with Friends of the Performing Arts Center on sponsorship opportunities for PCPA facilities.
- Revamp gift shop with new marketing strategies, merchandise upgrades and increased on-line sales.
- Create celebration concierge services in conjunction with show tickets around special occasions such as birthdays, anniversaries, etc., to increase revenues.
- Develop and implement shopping cart for PCPA website, offering special gift items, dinner/ticket packages, etc.
- Replacement of Newmark Theater stage floor.
- Replace Winningstad Theater seating risers.

Expo

- Determine long-term practicality of I-MAX Event Fare Program.
- Update Strategic Plan goals and strategies.
- Develop strategies to effectively contend with recent and upcoming competitive market venues.

Performance Measures

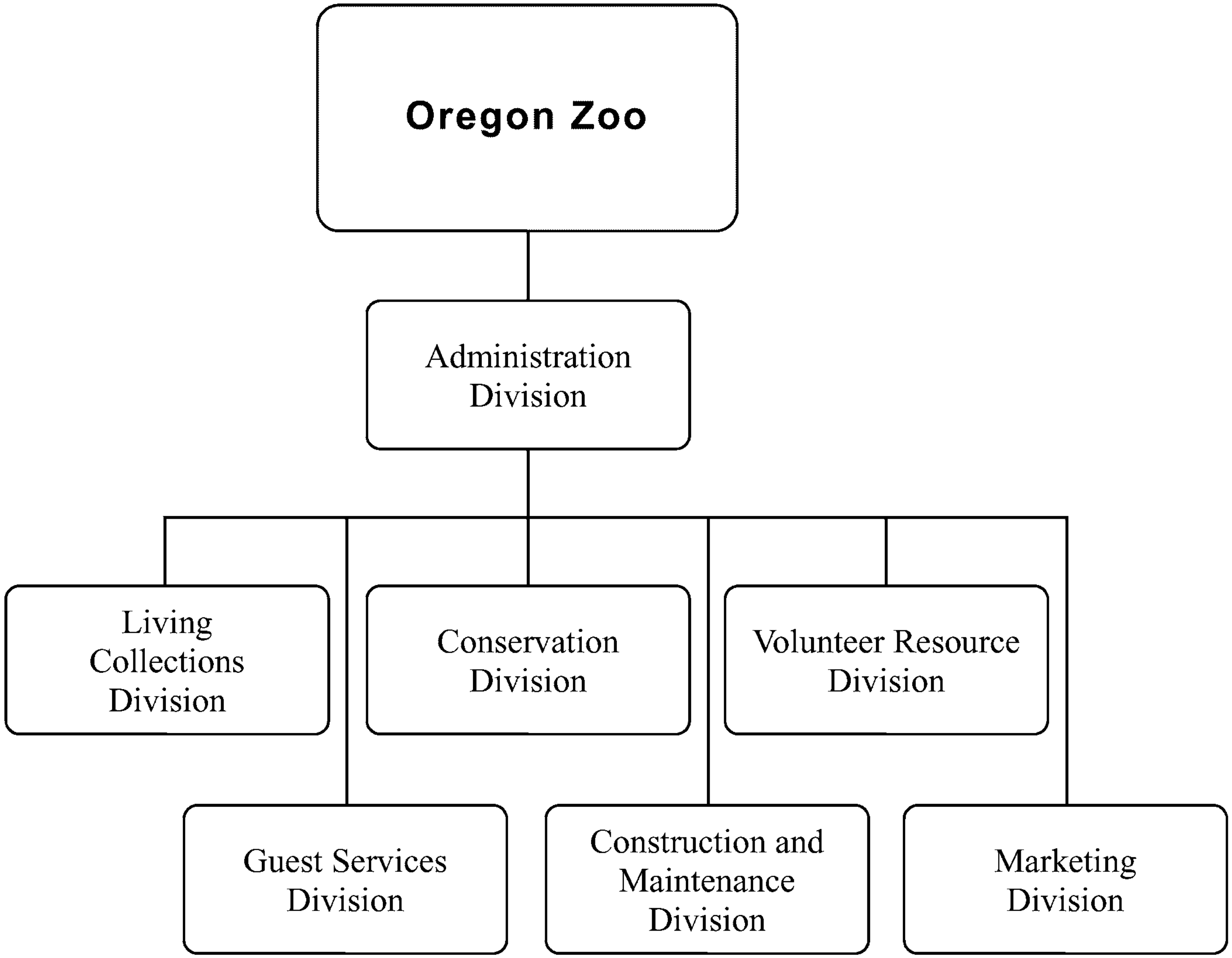
The Council has indicated that it expects to see *Performance Measures* developed as an integral part of their strategic planning and program budget initiatives. As of this writing, the Council is still working with Departments to define "programs" in terms of content, level of specificity, objectives, and funding. As this process evolves, it will be possible to develop measures that relate more precisely to the Council's Strategic Goals and Objectives. Until that time, the Department will continue to track and report its historical series, as shown in the following table.

Performance Measures		Metro Exposition-Recreation Commission	Actual FY 02–03	Actual FY 03–04	Target FY 04–05	Target FY 05–06
Oregon Convention Center	1.	Number of conventions/trade shows	66	91	89	85
	2.	Estimated economic impact in metropolitan region	$380.1 million	$481.5 million	$470 million	$455 million
	3.	Attendance	577,328	668,911	660,000	630,000
	4.	Occupancy rate (75% is considered maximum)*	55%	37%	41%	39%
	5.	Food and beverage margin	13%	23%	22%	27%
Expo Center	1.	Number of events				
		a. Consumer/public shows	69	58	85	65
		b. Convention/trade/miscellaneous	33	34	25	35
	2.	Attendance at events				
		a. Consumer/public shows	511,429	475,086	523,000	500,000
		b. Convention/trade/miscellaneous	22,938	26,584	31,000	25,000
	3.	Food and beverage margin	8%	18%	15%	23%
Portland Center for the Performing Arts	1.	Number of performances	902	978	834	909
	2.	Attendance at events	947,338	900,000	900,000	920,000
	3.	Total weeks of Broadway	12.5	10	8	11
	4.	Total commercial shows	90	99	90	90
	5.	Food and beverage margin	10%	11%	16%	19%

* Decrease in occupancy rate is a result of the number of booked conventions and the completion of the expansion project.

METRO

PEOPLE PLACES
OPEN SPACES


Oregon Zoo
Administration Division
Living Collections Division
Conservation Division
Volunteer Resource Division
Guest Services Division
Construction and Maintenance Division
Marketing Division

Oregon Zoo

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$12,229,008	$12,150,255	$12,384,835	$12,412,655	$12,897,953	$12,897,953	$12,897,953	3.91%
Materials and Services	6,824,656	7,595,828	8,341,475	8,515,005	8,517,683	8,517,683	8,517,683	0.03%
Capital Outlay	1,412,268	3,605,492	3,264,688	3,464,688	2,468,766	3,188,766	3,188,766	(7.96%)
Debt Service\Capital Leases	428,959	4,320,184	420,242	420,242	403,064	403,064	403,064	(4.09%)
Totals	**$20,894,891**	**$27,671,759**	**$24,411,240**	**$24,812,590**	**$24,287,466**	**$25,007,466**	**$25,007,466**	**0.79%**
Budget by Division								
Administration	$875,078	$4,705,787	$1,226,165	$1,226,165	$1,402,673	$1,402,673	$1,402,673	14.40%
Conservation	$1,385,806	$1,327,577	$1,447,936	$1,475,756	$1,426,400	$1,426,400	$1,426,400	(3.34%)
Construction/Maint.	4,628,735	7,208,518	7,555,770	7,829,050	7,254,346	7,974,346	7,974,346	1.86%
Design Services	545,486	511,700	489,762	489,762	0	0	0	(100.00%)
Guest Services	7,193,129	7,481,237	7,059,965	7,072,715	8,068,054	8,068,054	8,048,941	13.80%
Living Collections	4,597,095	4,821,036	4,916,616	4,926,616	4,975,238	4,975,238	4,975,238	0.99%
Marketing	1,669,562	1,615,904	1,715,026	1,792,526	833,113	833,113	833,113	(53.52%)
Volunteer Resources	0	0	0	0	327,642	327,642	346,755	n/a
Totals	**$20,894,891**	**$27,671,759**	**$24,411,240**	**$24,812,590**	**$24,287,466**	**$25,007,466**	**$25,007,466**	**0.79%**
Budget by Fund								
General Fund	$19,527,070	$19,739,343	$20,740,927	$21,142,277	$21,425,057	$21,625,057	$21,625,057	2.28%
Metro Capital Fund	938,862	3,612,232	3,071,083	3,071,083	2,276,279	2,796,279	2,796,279	(8.95%)
General Revenue Bond Fund (Washington Park Parking Lot)	428,959	4,320,184	599,230	599,230	586,130	586,130	586,130	(2.19%)
Totals	**$20,894,891**	**$27,671,759**	**$24,411,240**	**$24,812,590**	**$24,287,466**	**$25,007,466**	**$25,007,466**	**0.79%**
Full-Time Equivalents (FTE)	169.73	160.23	151.85	151.85	147.13	147.13	147.13	(3.11%)

Oregon Zoo

Department Purpose

The Oregon Zoo's mission is "Inspiring our community to create a better future for wildlife."

About the Department

The Oregon Zoo contributes significantly to the livability of the Portland metropolitan area. It is an important conservation-education asset, providing learning opportunities to people of all ages and striving to motivate people to care and act on behalf of wildlife by providing opportunities for observation, discovery, and engagement. The Zoo serves as a regional conservation, education, and recreational resource, enhancing the quality of life and assisting in economic development as a tourist attraction and community asset. As the top paid attraction in the state, it is expected to draw 1,310,000 visitors in FY 2005–06, by providing fun, affordable, and safe entertainment for all age groups.

The Zoo contributes to the conservation of wildlife through direct field work and by educating the public regarding conservation; researching and improving husbandry techniques, exhibit environments, animal management, and captive propagation; and cooperating with American Zoo and Aquarium Association (AZA) Species Survival Plans and other conservation efforts to house and breed endangered and threatened species.

In FY 2005–06, the Zoo expects to continue to maintain the high attendance levels achieved in the previous three fiscal years. A new exhibit, Cascade Canyon Trail, is scheduled to open in the summer of 2006. This continuation of the Great Northwest project will showcase American black bear, bobcat, and cougars.

The Zoo is organized into divisions, including Living Collections, Conservation, Volunteer Resource, Guest Services, Construction and Maintenance, Marketing, and Administration.

Living Collections Division

The Living Collections division maintains, propagates, studies, and exhibits a healthy representative collection of exotic, native, and domestic animals and plants. The animal collection currently exceeds 1,500 specimens. Programs include animal acquisition, animal care, veterinary services, and horticulture. Staff includes the office of the Zoo's deputy director.

High priority is given to breeding endangered and threatened species and participating in cooperative breeding programs with other accredited North American zoos. Special expertise is required to initiate breeding programs; make the best use of the Zoo's collection of endangered and threatened species; comply with government regulations relating to acquisition, exhibition, and disposition of endangered species; and to exhibit exotic and native wildlife. Standards for animal care continue to improve as new exhibits come on-line, incorporating the latest advances in husbandry and exhibit techniques (specifically, building naturalistic exhibits with appropriate holding areas). An increased emphasis is being placed on species conservation through the development of self-sustaining captive populations.

The division serves in a regional capacity, providing information and expertise in areas of animal care and local conservation to help promote Metro's goal of ensuring that the region's wildlife and people thrive in a healthy, urban ecosystem. The Horticulture section was incorporated into the Living Collections division several years ago to help with overall conservation initiatives and to better integrate landscape features into animal exhibits.

During FY 2005–06, emphasis will continue on the training of selected animals within the collection to improve animal care and facilitate animal transfers to other zoos or new exhibits.

Conservation Division

The Conservation division plays a central role in motivating the community to care and act on behalf of wildlife by providing opportunities for observation, discovery, and enjoyment. Programs and materials produced by the division contribute to public understanding and the need for direct action concerning issues related to clean air and water, the management of resources for future generations, and improving access to nature. The Zoo has a national reputation for entertaining and award-winning educational public programs that attract tourists from across the country and contribute to the region's economy. Grants from the Bureau of Land Management continue to fund the Urban Nature Overnights (UNO), a program for at-risk youth. Zoo Animal Presenters (ZAP), a grant-funded program for underserved youth in the community, is progressing into its eighth year. Institute of Museum and Library Science funding contributes to the support of the UNO and ZAP programs. Services to schools include grant-funded Head Start outreach programs, *Discover Birds!* assemblies, teacher training, classroom learning kits, and curriculum used by over 95,528 school group visitors. Camps, classes, and overnights successfully reach targeted audiences of children, adults, and families. These activities make a positive contribution to the financial strength of the Zoo.

The division identifies and implements *in situ* and *ex situ* wildlife conservation and research activities that contribute to the Zoo's conservation mission. Division staff monitor conservation and research activities conducted by animal keepers, students, research associates, visiting scientists, interns, and volunteers for the purpose of ensuring compliance with the Zoo's animal welfare policy and guidelines, laws, and regulations. Plans also include participation in conservation recovery programs, including California Condor, Oregon Silverspot Butterfly, Western Pond Turtle, Columbia Basin Pygmy Rabbits, and Fender's Blue Butterflies.

Volunteer Resource Division

More than 1,700 volunteers contribute 143,500 hours, comparable to almost 69 full-time equivalents (FTEs), to the operation of 42 programs and 35 events and activities. Zoo visitors are provided with a variety of shows, demonstrations, activities, and talks by staff and trained volunteers. Volunteers are involved in educational outreach programs such as ZooMobile and the *Discover Birds!* show that served more than 57,000 guests in Oregon and southwest Washington. Last year, 320 youth, a record number, participated in the ZooTeen volunteer program. ZooTeens, entering grades 9–12, work during the summer at Zoo animal petting areas, Steller Cove tide pool, and the Kongo ranger station. Interns work during the school year and often receive school credit or fulfill school-to-work requirements. The Trillium Creek Family Farm youth volunteers provide animal care and manage the farm for visitors year-round.

Guest Services Division

Guest Services provides the major revenue-generating activities of the Zoo, operating all food service facilities, an in-house catering program, gate admissions, security, safety, and on-grounds shuttle. Guest Services is responsible for operating and maintaining the Zoo's railway and equipment, which includes 2.56 miles of railway track and a fleet of vehicles.

In FY 2005–06, Guest Services will continue to increase services and revenues. The Zoo looks forward to offering giraffe feeding opportunities in the summer of 2005. Because of a reliance on a large number of temporary and part-time workers, staff is committed to recruiting a diverse and highly qualified work force, emphasizing and improving its ongoing training program, and improving financial performance.

Construction and Maintenance Division

The Construction and Maintenance division provides exhibit construction, project management, and rehabilitation and repair of the Zoo's facilities, including 38 buildings and exhibits and 341,000 square feet of roads and pathways on 64 acres. During FY 2005–06, staff will continue to focus on design and construction of the Great Northwest project exhibits and implementing the capital renewal and replacement plan to add to the useful life of existing buildings and to improve the visitor experience and animal environments.

Design staff plans and designs exhibits and graphics to maintain the Zoo's visual consistency and provide interpretive materials such as signs, print materials, and graphics. For FY 2005–06, the focus will be on designing exhibit improvements and continuing to update the Zoo's wayfinding system.

Marketing Division

Zoo events, attendance, and support are encouraged by marketing efforts through media campaigns, group sales, special events, animal shows, outreach programs, advertising, and general promotional efforts. In FY 2005–06, efforts will include publicity to generate attendance and working with other divisions to create and coordinate events, such as the Zoo's popular summer concert series.

Administration Division

The Administration Division includes the office of the director and the budget and finance function for the Zoo. The division is responsible for overall leadership of Zoo programs, including providing budget direction and fiscal management. In addition, the Zoo director serves as executive director of the Oregon Zoo Foundation.

In FY 2005–06, this division will continue to establish new community and regional partnerships to promote the Zoo, to lead the development function to increase contributed funds, to monitor the budget, evaluate the cost/benefit of programs and events, and to maintain excellent cash controls.

Major Accomplishments in FY 2004–05

In FY 2004–05, the Zoo accomplished the following:

- Introduced several new species.
- Celebrated the birth of a rare baby Colobus monkey.
- Opened Trillium Creek Family Farm in July 2004.
- Introduced a new "Two-Buck Tuesday" admission policy.
- Was granted accreditation by the American Zoo and Aquarium Association, celebrating 30 years of successfully being awarded this distinction.
- Initiated new Zoo admission rates, a parking fee, and transit subsidy incentive in January 2005.
- Achieved record ZooLights attendance—over 100,000 visitors.
- Continued the Zoo's conservation efforts.
- Made progress toward summer 2006 opening of Introduction to the Forest exhibit.

Service Level Changes from FY 2004–05

In order to submit a balanced budget, as required, for FY 2005–06, the Zoo eliminated 4.72 full-time equivalent (FTE) positions. Although the Zoo has experienced record-breaking attendance, revenues have not increased proportionately to compensate for the increased cost of operations. Among other expenses, utilities and the costs associated with wages and health and welfare have risen significantly. Even though the Zoo has taken steps to help reduce these increases, this economic environment necessitated an evaluation of all Zoo programs to identify cost-effective alternatives in order to remain self-sufficient. Changes include the following:

- The conservation, research, and education activities of the zoo are being combined under a new division. The Conservation division will coordinate all internal and external conservation, research, and education programming and activities. The net impact of this change is a reduction of 1.0 FTE.
- To recognize economies of scale, the design activities of the Zoo are being restructured and will be integrated with existing divisions at the Zoo. The Design division will be eliminated. Two staff members will be moved to the Marketing division, and two staff members will be moved to the Exhibits section of the Construction and Maintenance division. The net impact of this change will be a reduction of 1.9 FTE.
- To streamline operations and recognize efficiencies, Zoo event staff will be transferred from the Marketing division to the Guest Services division. This change will result in a net reduction of .8 FTE.
- The Volunteer Resource division, a new division of the zoo, will be responsible for all volunteer services and activities. This change has no impact on the number of FTE.
- The Security Supervisor position will be eliminated. The net impact is a decrease of 1.0 FTE.
- A vacant position in the Guest Services division (Food Services) will be eliminated. The net impact is a decrease of 0.85 FTE.
- Part-time Animal Keeper hours will be reduced after the Winged Wonders exhibit is completed. The net impact is a decrease of 0.17 FTE.

Major Objectives for FY 2005–06

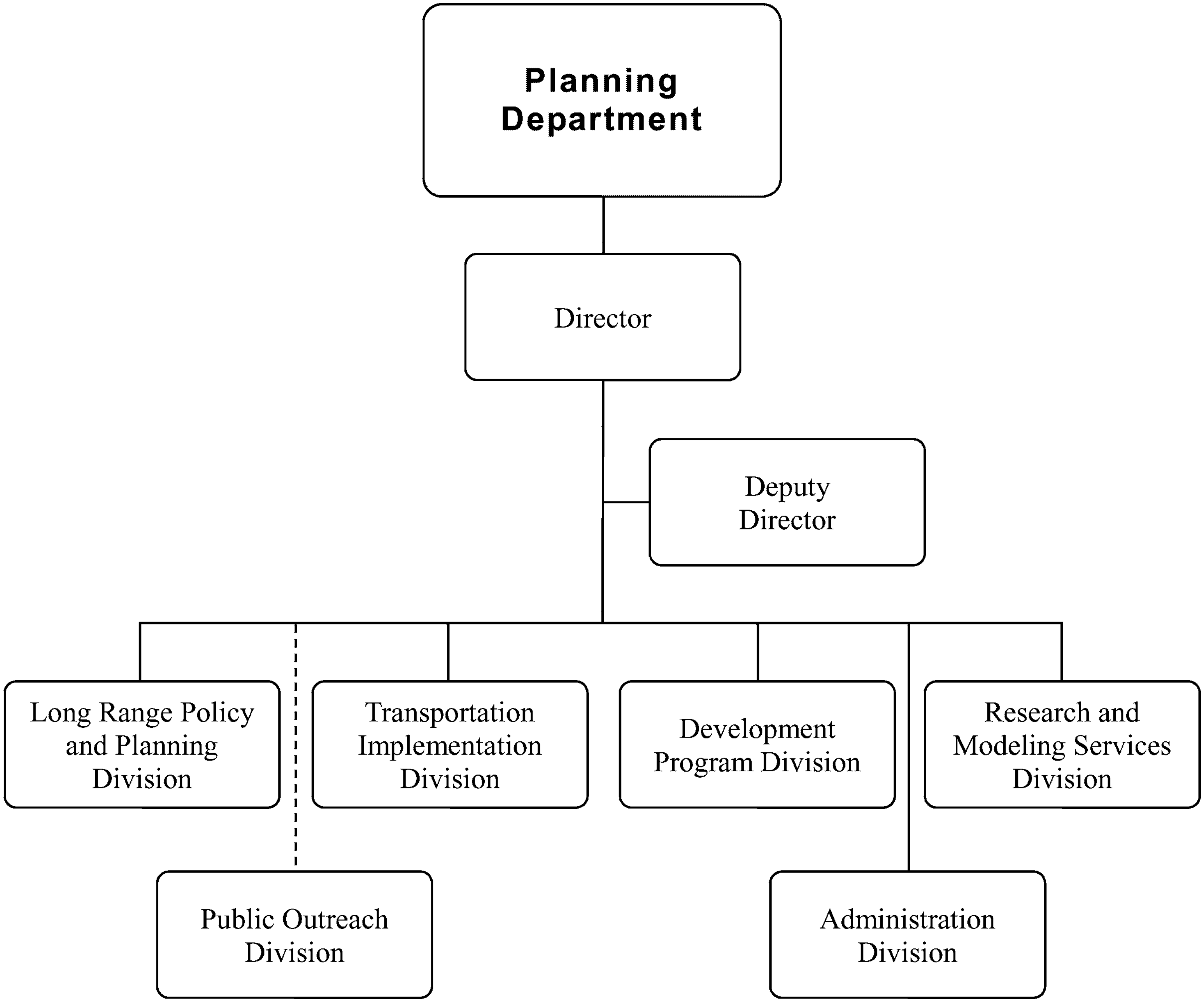
In FY 2005–06, the Zoo will:

- Reach attendance of over 1,310,000.
- Complete construction of Phase V (the final phase) of the Great Northwest project, Cascade Canyon Trail exhibit area, including American black bear, bobcat, and cougar exhibits.
- Complete construction of the second phase of the California Condor off-site breeding facility.
- Purchase and install a new admission ticketing system.
- Continue the Zoo's conservation efforts.

Performance Measures

The Council has indicated that it expects to see *Performance Measures* developed as an integral part of their strategic planning and program budget initiatives. As of this writing, the Council is still working with Departments to define "programs" in terms of content, level of specificity, objectives, and funding. As this process evolves, it will be possible to develop measures that relate more precisely to the Council's Strategic Goals and Objectives. Until that time, the Department will continue to track and report its historical series, as shown in the following table.

Performance		***Oregon Zoo***	**Actual FY 02–03**	**Actual FY 03–04**	**Target FY 04–05**	**Target FY 05–06**
	1.	Annual attendance	1,293,597	1,318,458	1,295,000	1,310,000
	2.	FTE/1,000 visitors	0.13	0.12	0.12	0.11
	3.	Property taxes as percent of operating revenue	39%	38%	37%	38%
	4.	Fundraising as percent of total revenue	5.6%	3.3%	3.8%	3.9%


Planning Department
Director
Deputy Director
Long Range Policy and Planning Division
Transportation Implementation Division
Development Program Division
Research and Modeling Services Division
Public Outreach Division
Administration Division

Planning Department

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$6,382,522	$6,562,649	$6,599,718	$6,752,275	$7,265,809	$7,072,948	$7,072,948	4.75%
Materials and Services	2,394,103	1,833,466	8,510,632	8,605,977	5,300,821	6,423,488	6,672,629	(22.47%)
Capital Outlay	40,773	44,212	0	0	0	0	0	0.00%
Debt Service	0	44,652	47,000	47,000	32,000	32,000	32,000	(31.91%)
Totals	**$8,817,398**	**$8,484,979**	**$15,157,350**	**$15,405,252**	**$12,598,630**	**$13,528,436**	**$13,777,577**	**(10.57%)**
Budget by Division								
Planning	$8,817,398	$8,484,979	$15,157,350	$15,405,252	$12,598,630	$13,528,436	$13,777,577	(10.57%)
Totals	**$8,817,398**	**$8,484,979**	**$15,157,350**	**$15,405,252**	**$12,598,630**	**$13,528,436**	**$13,777,577**	**(10.57%)**
Budget by Fund								
General Fund	$8,817,398	$8,484,979	$15,157,350	$15,405,252	$12,598,630	$13,528,436	$13,777,577	(10.57%)
Totals	**$8,817,398**	**$8,484,979**	**$15,157,350**	**$15,405,252**	**$12,598,630**	**$13,528,436**	**$13,777,577**	**(10.57%)**
Full-Time Equivalents (FTE)	79.00	80.10	73.15	75.15	74.60	73.60	73.60	(2.06%)

Planning Department

Department Purpose

The Planning Department's mission includes supporting Metro Council decision-making in maintaining a regional consensus on growth management that preserves and enhances the livability of the region and promotes livable communities. The Metro Charter directs growth management to be the primary function of Metro and requires Metro to coordinate land-use planning within the region. To that end, the Metro Planning Department's current mission focuses work activities on implementation of the regional planning vision contained within the 2040 Growth Concept and defined within the Regional Framework Plan, the Urban Growth Management Functional Plan, (Functional Plan) and the Regional Transportation Plan (RTP).

The Planning Department works with the Metro Council to: (1) ensure broad-based, continuing, and responsive public involvement; (2) provide a regional focus for decision making; and (3) ensure technical integrity within all program areas.

The 2040 Growth Concept implementation will be achieved though maintaining an urban growth boundary (UGB) that maximizes efficiencies and limits impacts on natural resources and farmland. This will be achieved through protection of natural habitat and water quality within the UGB, assisting local governments and agencies to foster appropriate development within 2040 Growth Concept design types, and by developing a truly multi-modal transportation system consistent with underlying 2040 Growth Concept development patterns.

Metro, through the Planning Department, is the designated Metropolitan Planning Organization for the Portland metropolitan area. It maintains the RTP in compliance with requirements established in the Transportation Equity Act of the 21st Century (TEA-21), the Land Conservation and Development Commission's (LCDC) Transportation Planning Rule, the Metro Charter, and the Regional 2040 Growth Concept. Additionally, it addresses transportation funding issues through programming of federal transportation funds through the Metropolitan Transportation Improvement Program (MTIP).

About the Department

The Planning Department includes six divisions: Long Range Policy and Planning, Transportation Implementation, Development Program, Research and Modeling Services, Public Outreach, and Administration.

Long Range Policy and Planning Division

The Long Range Policy and Planning Division consists of two sections: Regional Transportation Planning and Long Range Planning. In prior years, the division was made up of three sections. The activities listed in the new Long Range Planning Section are a merger of the former Long Range Planning Section activities and the Community Development Section planning projects.

- *Regional Transportation Planning Section*—The Regional Transportation Planning Section's activities are intended to meet the requirements and objectives of the federal TEA-21, the state's Transportation Planning Rule, and the Clean Air Act Amendments. This is accomplished through the following programs:
  - *Regional Transportation Plan*—The plan provides the region with a comprehensive policy and investment plan for long-range improvements to the region's transportation system. In FY 2005–06, activities will include the kickoff of a major, two-year update to ensure the plan adequately reflects changing population and travel and economic trends, including federal, state, and regional planning requirements. Metro's Livable Streets Program provides design guidelines for implementing the RTP with transportation improvements that complement 2040 Growth Concept Plan land uses and leverage redevelopment and infill.
  - *Metropolitan Transportation Improvement Program*—The MTIP prioritizes and allocates available funds to projects in the RTP. This year's update will emphasize 2040 Growth Concept implementation using policies and project evaluation criteria from the 2001–02 MTIP. The MTIP is also used to promote Metro's Livable Streets Program with threshold design criteria for regional funding and demonstration projects that promote design innovations.

- *Finance Program*—Metro, through the Joint Policy Advisory Committee on Transportation (JPACT) and its finance committee, provides a forum for cooperative development of funding programs to implement the RTP and the Regional Framework Plan. During FY 2005–06, Metro will facilitate the ongoing discussion about how to fund the Priority System of the RTP, including how to proceed with recommendations from the Transportation Investment Task Force. This effort may include a regional transportation funding measure.

- *Long-Range Planning Section*—On-going programs for this section include the Regional Framework Plan and 2040 Growth Concept Compliance, Integrated Land Use and Transportation Concept Planning, Natural Resources Implementation, and Affordable Housing. The specific programs are:

  Regional Framework Plan

  - Regular updates to the Regional Framework Plan and Functional Plan.
  - Administration of the UGB quasi-judicial and legislative amendment processes and annexation process.
  - Review of local amendments for compliance with the Functional Plan.
  - Technical support for Metro Technical Advisory Committee (MTAC) and the Water Resources Policy Advisory Committee (WRPAC).
  - Technical assistance and research on development and redevelopment in 2040 Growth Concept mixed use areas.
  - Coordination with the Regional Water Providers Consortium on the Regional Water Supply Plan.
  - Coordination with the Regional Emergency Management Group (REMG) to plan for emergencies through the participation at the technical and policy level with this group.

Integrated Land Use and Transportation Concept Planning

- Research, policy, and process support for the 2040 Growth Concept Review (Big Look).
- Technical assistance and review of local concept planning activities in the new urban areas, specifically Damascus and Bethany.
- Economic development planning and policy development to better align Metro's programs in support of a regional economic development strategy.

Natural Resources Implementation—The Planning Department will support the Nature in Neighborhoods Initiative to implement the Metro Council policies on Fish and Wildlife Habitat Protection. The implementation activities include:

- Completing LCDC acknowledgement on the program for meeting statewide planning goals and continued consultation with National Oceanic Atmospheric Administration Fisheries, Department of Environmental Quality, and U.S. Fish and Wildlife for Endangered Species Act and Clean Water Act support.
- Expanding education and awareness about fish and wildlife habitat.
- Providing technical assistance to support green development practices habitat stewardship and other incentives for habitat protection and restoration.
- Providing technical support to local jurisdictions for meeting Functional Plan compliance.
- Developing a comprehensive regional habitat restoration plan that integrates and supports local watershed action plans and other restoration activities.
- Monitoring and reporting on progress toward adopted program policy objectives.

The implementation program also includes implementing recommendations on stormwater management from a regional perspective, as defined by Metro Council in the current fiscal year.

Affordable Housing—The affordable housing planning activities in this fiscal year will be coordinated with the Centers Program, Big Look process, and corridor and centers research activities. Specific activities include:

- Research on capacity and demand by type for housing in 2040 Growth Concept mixed-use areas identifying obstacles and opportunities for housing production.
- Facilitating a discussion at the Affordable Housing Technical Advisory Committee (HTAC) regarding potential new tools and strategies for building housing in 2040 Growth Concept mixed-use areas.
- Assessing and reporting on the region's progress in providing affordable housing as required in *Title 7: Affordable Housing of the Functional Plan.*

Performance Measures—The Functional Plan and state require Metro to evaluate progress on meeting the 2040 Growth Concept and other regional policies. Reports were prepared in 2002 and 2004; the next report is due in 2006. During the fiscal year, staff will further the research needed to evaluate progress in new policy areas and further refine a performance measures data base system in the Data Resource Center (DRC) and with Travel Forecasting for ongoing performance measures. This work will also support the Big Look process.

Transportation Implementation Division

The Transportation Implementation Division is responsible for five main programmatic areas: (1) High Capacity Transit Implementation, including alternatives analysis, federal environmental impact statements, and project funding; (2) Project Development for multi-modal Corridor Refinement Plans identified in the RTP; (3) Transportation Revenue Development, including legislative and public/private initiatives at the regional, state, and federal levels; (4) Metro's freight planning efforts, including the Regional Freight Plan and coordination with private, local, state, and federal partners on projects and policies; and (5) the Regional Travel Options (RTO) Program. FY 2005–06 work in the major programmatic areas is outlined below:

- *High Capacity Transit Implementation*
  - South Corridor I-205/Portland Mall Project: This project is a follow-up to the I-205/Portland Mall Final Environmental Impact Statement (FEIS) and Preliminary Engineering completed in FY 2004–05. Division staff will assist in the preparation of a federal New Starts Report for the project. Tasks will include monitoring of mitigation measures during the Final Design Phase and coordination with resource agencies and the Federal Transit Administration (FTA).
  - Bi-State Coordination Committee: The coordination activity between partners at the Oregon Department of Transportation (ODOT), Washington State Department of Transportation (WSDOT), cities of Portland and Vancouver, ports of Portland and Vancouver, and transit agencies focuses around transportation issues in the I-5 and I-205 crossing of the Columbia River and associated land use, economic development, and environmental justice issues. It is anticipated that issues related to federal funding, freight issues, land use plan amendments, and transportation demand management measures will be topics for coordination in FY 2005–06.
  - Milwaukie Light Rail Transit (LRT): This project will commence Phase 2 of the Locally Preferred Alternative (LPA) for the South Corridor LRT Project by updating the South Corridor Supplemental Environmental Impact Statement to reflect changes in the proposed rail alignment and to add five years to the forecast year. Potential alignment modifications could require revisions to the LPA.
  - Willamette Shoreline Alternatives Analysis: This project will evaluate transit modes and alignments to connect the North Macadam streetcar alignment to the Lake Oswego Town Center. This activity is the first step in the federal transit planning process.
  - Eastside Alternatives Analysis: This project will evaluate alternative transit modes and alignments to connect downtown Portland to the Lloyd District and Central Eastside. Completion of the first step in the federal transit planning process is anticipated to be during FY 2005–06.

- *Project Development*
  - Highway 217 Corridor Plan: This multi-modal corridor plan evaluates alternatives that provide improved mobility to regional destinations, as well as access to the Beaverton and Washington Square Regional Centers. Phase II, which will include consideration of general purpose and value pricing strategies to added capacity on the highway, arterial, bike, and transit improvements, has commenced. Final recommendations, including financing and phasing strategies, are expected by fall 2005.
  - Next Corridor: The Section's planning priorities for the Transportation Policy Alternatives Committee (TPAC)/JPACT and the Metro Council are revisiting the 18 refinement plans identified in the RTP. Top candidates for the next corridor study that will commence in fall 2005 include the Powell/Foster and I-84 to US 26 Connector, I-5 from Highway 217 to Wilsonville, I-205 South, and I-405. The plan will provide a multi-modal assessment of needs and identify projects and implementation plans for the highest priority corridor.
  - I-5/Columbia Crossing: The TEA-21 designated I-5 within the Portland/Vancouver region as a Priority Corridor under the National Trade Corridors and Borders Program. ODOT and WSDOT have begun a joint project as a follow-up to the I-5 Transportation and Trade Partnership Strategic Plan. Metro staff ensures that local and multi-modal issues are addressed in the development and evaluation of alternatives. It also supports the partnership by completing specific tasks on a contract basis and participating on the Partnership's various advisory and technical committees. In FY 2005–06, Metro will prepare travel demand forecasts as well as other tasks still to be defined.
  - Sunrise Corridor Supplemental Draft Environmental Impact Statement (SDEIS): This planning effort, led by Clackamas County, will advance Unit 1 of Phase 1 of the Sunrise Corridor Project. Section staff will provide technical support and will coordinate with Metro's ongoing Damascus Concept Plan to ensure that the highway facility is consistent with the 2040 Growth Concept and serves the growth in the UGB expansion area.
  - I-5/99W Corridor Plan: This activity is to participate, with Washington County as the lead agency, in the development of an RTP amendment to conclude how the need for a Connector should be addressed, including consideration of the requirements of an exception to State Planning goals, an RTP amendment, completion of an environmental impact statement, and selection of a preferred alternative. This is a multi-year activity.
- *Transportation Revenue Development*—Transportation Revenue Development identifies and secures funding for implementation of RTP projects. Current emphasis is on working with the Transportation Investment Task Force to evaluate a potential 2006 regional ballot measure for transportation projects, securing FTA New Starts funding, tracking the reauthorization of the federal surface transportation bill, and working with the 2005 session of the state legislature to develop funding sources.
- *Regional Travel Options Program*—RTO manages the region's programs which seek to reduce reliance on the automobile. It includes the following main activities:
  - Leadership of the RTO Subcommittee, which focuses on the ongoing development and evaluation of transportation demand management programs and policies in the Metro region.
  - Marketing the use of transportation options through existing and expanded partnerships.
  - Developing a targeted marketing program for rideshare and vanpool services.
  - Monitoring the work of five Transportation Management Areas (TMA) within the region.
  - Management of a grant program, which allocates funds competitively to promising transportation demand management (TDM) programs and projects.
- *Regional Freight Program*—This program meets federal and state objectives to plan for goods-movement needs and document freight project priorities. Activities include updating the regional freight network, projects, and policies in the RTP; coordinating local, state, and federal

planning efforts; and pursuit of public/private funding opportunities. Major emphasis in FY 2005–06 will include completion, with the Port of Portland, of the regional freight Data Collection Study and associated enhancements to Metro's truck forecasting model, leading a freight review of Metro's street design guidelines, and expansion of Metro's Regional Freight Committee to include private shippers and carriers. Metro will also continue to participate in other planning efforts and funding programs to ensure key regional freight policies and priorities are considered.

Development Program Division

Development Program implements Metro's policy and planning goals relating to transit-oriented development and urban centers designated under the 2040 Framework Plan. The Transit-Oriented Development Implementation Program (TOD Program) helps stimulate the construction of "transit villages" and projects that demonstrate TOD concepts in transit station areas and frequent bus corridors. These compact, relatively dense, mixed-used, mixed-income developments concentrate retail, housing, and jobs in pedestrian-scaled urban environments, increase non-auto use (transit, biking, walking) and decrease regional congestion and air pollution. The Urban Centers Implementation Program (Centers Program) is primarily a project-based implementation program with the following goals: help cause the construction by the private sector of high-density housing and mixed-use projects with a floor area ratio close to or exceeding 1:1; create a sense of place in Centers; reduce regional vehicle miles traveled (VMT); reduce home-to-work trip length; and increase walk, bike, and transit trips in Centers. Two related activities within this program are the *Get Centered!* advocacy and technical assistance campaign and a Business Energy Tax Credit funded program that integrates green building elements into selected projects.

Research and Modeling Services Division

The Research and Modeling Services Division consists of two sections: the Travel Forecasting Section and the Data Resource Center.

- *Travel Forecasting Section*—This section is responsible for improving reliability of the travel-demand forecasting model and application of the travel-demand model in regional studies. The section also supplies technical assistance to local governments and regional agencies. Programs under this section include:

  - *Technical Assistance*—Staff provide support, computer usage, and training assistance to ten local governments and regional agencies under this program.

  - *U.S. Department of Transportation (USDOT) Model Improvement Program*—The Transportation Model Improvement Program (TMIP) is ongoing and is a large, national program initiated for the purpose of developing a new transportation-modeling paradigm in response to federal policy issues. It is intended to accurately evaluate air-quality impacts of proposed actions. It will depict travel-demand response to transportation infrastructure changes and travel-demand management actions.

    As part of the USDOT TMIP program, the Los Alamos National Laboratory is developing a new model framework known as TRANSIMS (TRANsportation SIMulationS). The first demonstration of interim operating capability was in Dallas. The second demonstration is in the Portland metropolitan area, where trip-planning capabilities are being developed. USDOT intends to deploy the final software tools to major U.S. cities within two to three years.

  - *Model Development Program*—This program defines work elements necessary to keep the travel-demand model responsive to issues that emerge during transportation analysis. Model maintenance activities ensure the model reflects current infrastructure assumptions and is operating efficiently. Research work elements lead to development of new models with enhanced capabilities.

    The program is very important, because results from travel-demand models are used extensively in the analysis of transporttation policy and investment. In addition, federal and state legislation specify data needs that require a high degree of modeling proficiency.

- *Data Resource Center*—DRC serves a multi-faceted role within the agency and throughout the community. Within the agency, the DRC contributes to the success of analysis and projects undertaken by Planning, Solid Waste and Recycling, and Regional Parks and Open Spaces. The DRC provides state-of-the-art mapping and spatial analysis, regional economic and demographic forecasting, land use and vacant land studies, and sophisticated urban economic analysis.

- *Urban Growth Modeling, Simulation, and Analysis*—The DRC has developed a state-of-the-art land-use simulation model, MetroScope. This decision-support tool is linked to the Travel Forecasting Model, making it possible to produce and analyze alternative growth scenarios. It saw its first application producing alternate growth scenarios for the Periodic Review work program. MetroScope may also be used to prepare Transportation Analysis Zone (TAZ) level growth forecasts, used by Travel Forecasting.
- *Model Development*—Responsible for development and maintenance of the regional population and employment forecast model and the growth-simulation model, MetroScope.
- *Forecasting*—DRC is responsible for providing forecasts of population and employment. This model is an econometric representation of the regional economy and is used for mid-range (5–10 years) and long-range (10–30 years) forecasts.
- *Client Services*—Technical assistance and geographical information system (GIS) products and services to internal Metro programs, jurisdictions, TriMet, the Oregon Department of Transportation and storefront customers (private-sector businesses and the general public). The DRC storefront provides services and products to subscribers and non-subscribers. Subscribers include local jurisdictions that have entered into intergovernmental agreements with Metro. Non-subscribers are primarily business and citizen users.
- *Performance Measures*—Databases are maintained and statistics provided for monitoring the performance of Metro’s policies and growth management programs. In the coming fiscal year, DRC will take a more active role in producing performance measures of growth management and housing policies. An update schedule and reporting cycle will be developed for an agreed list of measures.

Public Outreach Division

> *Note: The Public Outreach Division of the Planning Department is managed by the Public Affairs Department, through the Office of Citizen Involvement.*

The Public Outreach Division is responsible for developing and coordinating communications and public-outreach programs to ensure a healthy dialog with the community on regional planning issues and policies. This includes public participation support for long-range, natural resource, community, and transportation planning projects and programs such as MTIP; Corridor Studies; the RTP; Fish and Wildlife Habitat; Periodic Review; and special study areas. It also includes the development of comprehensive communication tools, including collateral materials, technical summary reports, newsletters, Internet Web information, surveys, and other targeted materials.

Administration Division

The Administration Division provides for overall department management, including budget, Unified Planning Work Program, contracts, grants and personnel. The division provides staff support for Metro Council, JPACT, WRPAC, TPAC, the Goal 5 Technical Advisory Committee, HTAC, and MTAC.

Major Accomplishments in FY 2004–05

Long Range Policy & Planning

- Developed creative and effective outreach tools in support of Metro's natural resource protection (Goal 5) program. This included developing Web tools to enable property owners, interested citizens, and jurisdictional partners to query for specific property locations to see how protection and restoration options being considered might affect those properties.
- Partnered with Public Affairs staff to develop the decision-making process for the Big Look by developing and implementing appropriate communication tools to engage stakeholders.

- Metro Council adopted a publicly supported Regional Fish and Wildlife Habitat Protection Program that relies on voluntary and regulatory elements and initiation of efforts to support green development practices, habitat stewardship, restoration, and monitoring on habitat conditions.
- Completed the Damascus Concept Planning and technical assistance on concept planning in Sherwood and Tualatin.
- Restated the Regional Framework Plan.
- Provided technical assistance to local jurisdictions in implementing, as well as complying with, the Functional Plan.
- Participated with regional partners on coordinating a regional economic development strategy.
- Provided project management and research assistance on improving the MetroScope land use model.
- Completed research on redevelopment opportunities along 2040 corridors and in key areas in the region and identified the market "tipping point" for redevelopment.
- Convened HTAC and initiated a review of the region's progress in providing affordable housing and identifying future directions for supporting housing production in mixed-use areas that can help meet the region's housing needs.
- Metro Council adopted an updated Regional Water Supply Plan into the Regional Framework Plan, as developed by the Regional Water Providers Consortium.
- Established partnerships and funding sources to support implementation of voluntary incentive-based habitat protection and restoration.
- Participated in REMG and furthered the regional cooperation for emergency planning.
- Published the second edition of the Regional Performance Measures, including data and analysis of new policy areas not previously available.
- Identified a regional role for Metro in stormwater management.
- Published the recently adopted 2004 RTP.
- Published the adopted 2004–07 MTIP.
- Allocated $53 million in federal funds for 2006–09 to a broad array of multi-modal transportation projects and programs.
- Initiated Phase I of the MTIP database restructuring.
- Initiated transition phase of the RTO strategic plan, the first major update to the region's demand management strategy in more than a decade.
- Continued development and analysis of the Damascus Concept Planning alternatives.

Transportation Implementation

- Released publication of the I-205/Portland Mall LRT Project FEIS, which completed the federal National Environmental Protection Act (NEPA) process for this 8.3-mile light rail extension and cleared the way for the project to move into final design and construction.
- Produced Metro's first-ever publication of an environmental document on CD (I-205/Portland Mall FEIS) reducing hardcopy requirements, saving a stack of paper 47 feet high and reducing printing and distribution costs by $14,000, while providing extra features such as animated visual simulations.
- Successfully developed and implemented local funding plan to raise 40 percent of the funds required to build the I-205/Portland Mall LRT Project.
- Led the Regional Freight Committee and significant participation in the Statewide Freight Advisory Committee, particularly in development of freight funding priorities.
- Initiated two Alternative Analysis projects for extensions of the streetcar system to the Central Eastside and Lloyd District and from North Macadam to Lake Oswego.
- Evaluated wide-range of alternatives for Highway 217 Corridor Plan and selected promising alternatives to be carried forward.

- Completed FTA New Starts project ranking submittals for the South Corridor I-205 LRT Project with the Portland Mall and the Wilsonville-to-Beaverton Commuter Rail Project.
- Based on New Starts submittals, the FTA advanced the Wilsonville-to-Beaverton Commuter Rail Project to Final Design and approved the I-205/Portland Mall LRT Project to move into Preliminary Engineering.
- Facilitated the Bi-State Committee in cooperation with the Southwest Washington Regional Transportation Council focusing on transportation issues in the I-5 and I-205 crossing of the Columbia River and associated land use, economic development, and environmental justice issues.

Development Program Division

- Completed the shell of The Crossing building in Gresham Civic Neighborhood.
- Completed the preliminary design for a new MAX station and public plaza in Gresham Civic Neighborhood.
- Acquired project site on Interstate MAX.
- Completed development agreement with developer on site on the Interstate MAX.
- Completed development agreement with developer for Milwaukie Regional Center.
- Completed pre-development activities on the Milwaukie Town Center project.
- Conceived and launched the *Get Centered!* advocacy and technical assistance campaign.
- Started construction on Green Building Program with rain garden in Gresham Civic "Crossing."
- Completed pre-development activities on 11th and Burnside Frequent Bus Corridor project.
- Started construction on South Plaza at Beaverton Central/Round.

Research and Modeling Services

- Developed creative and effective Web outreach tools in support of Metro's natural resource protection (Goal 5) program. This included developing Web tools to enable property owners, interested citizens, and jurisdictional partners to query for specific property locations to see how protection and restoration options being considered might affect those properties.
- Exceeded the FY 2003–04 revenue target by $35,000 for a total of $395,000 from sale of products and services.
- Completed forecast of population/employment for bi-state region to 2030, including completion of the 2030 forecast of population and employment and its distribution to TAZs by MetroScope. This is a primary data input to the transport model.
- Updated population by census tract and block group to the current year from 2000 and updated employment to mapped locations for current year.
- Provided the information in RLIS quarterly to subscribers.
- Maintained the annually purchased aerial photography.
- Completed population synthesis, activity generation, and first stage tour mode choice model using TRANSIMS models.
- Completed analysis and conversion of EMME/2 trip tables and assignment to the TRANSIMS routing/micro-simulating environment.
- Participated on the Oregon Modeling Steering Committee; staff currently serves as chair for this committee.
- Coordinated data collection for use in Metro Planning Department programs.
- Reviewed and commented on key documents pertaining to comparisons of national transportation system performance (e.g., Texas Transportation Institute—Urban Mobility Report, Federal Highway Administration [FHWA]—Federal Highway Statistics, and FHWA—Highway Performance Monitoring System Summary Report).

- Assembled transportation system performance data for inclusion in the Metro Performance Measure document.
- Participated on a statewide committee to design and administer a pilot test for a Travel Behavior Survey.
- Participated on a regional committee to advise and comment on freight data collection survey objectives and survey process.
- Served in an advisory role to an Oregon State University study team assembled to assess the use of global positioning system technology in capturing truck origin and destination data.
- Updated travel demand models to align with the new employment designations (Bureau of Labor Statistics) adopted by the DRC.
- Began transition to new travel demand modeling software.
- Used data from Portland State University Intelligent Transportation Systems (ITS) laboratory to update information used in traffic assignment procedures.
- Provided data and modeling services to the Transportation Implementation program (e.g., South Corridor LRT, Wilsonville-Beaverton Commuter Rail, Highway 217—Phase 1, Powell-Foster Study, Sunrise Corridor—Phase 1).
- Provided data and modeling services to the Long Range Planning and Policy program (e.g., Periodic Review, Pleasant Valley Concept Plan, Regional Transportation Plan updates, Air Quality Conformity).

Service Level Changes From FY 2004–05

The FY 2005–06 budget includes a new multi-discipline, cross-departmental initiative called Nature in Neighborhoods. The primary project team staff is budgeted in a non-departmental section of the General Fund; however, Planning department staff will assist and support the initiative as it relates to implementation of Metro Council policies on natural areas/fish and wildlife habitat protection.

To create the project team, 3.45 FTE (including .45 FTE public outreach staff) and approximately $300,000 in excise formerly dedicated to the development of Goal 5 fish and wildlife habitat protection policies were transferred to the Nature in Neighborhoods initiative. While this appears as a reduction in the Planning Department budget, it is actually a redirection of resources as this program moves from development to implementation of Council policies.

The Planning Department is funded from two primary sources—grants and General Fund allocations of excise tax. Grants vary from year to year based on project needs, while General Fund allocations have gradually increased, based usually on a CPI factor. The general funds are used to pay for growth management planning, about one-third of the DRC services, matching funds to programs and projects funded through grants, and for some of the administrative and overhead costs of the department. In the last several years, general fund allocations have increased between 1.0 to 2.0 percent annually while personnel costs and overhead, particularly those costs related to pension and health and welfare, have generally increased 5 percent. To balance the budget, the department has minimally funded many excise tax funded programs as well as shifted funding sources for many other costs to grants, whenever possible. This was done when it was determined the program could not be continued without the resources and all costs were grant-eligible. The effect, however, is to transfer a greater cost burden to grant funds. The department continues to be challenged by a combination of rising personnel costs and unstable funding.

Major Objectives for FY 2005–06

Long Range Policy and Planning

- Use an enhanced MetroScope, allowing quick turn-around of scenarios and 3D visualization tools in support of the Big Look project and other planning programs.
- Support concept planning for additional new urban areas, in coordination with local jurisdiction partners.

- Provide support for a major Metro Council review of the Big Look.
- Formalize coordination among planning projects on 2040 Growth Concept design-type corridors through a Transportation-Growth Management grant application for street design and land uses along these corridors.
- Establish a more clearly defined role for Metro in economic development planning and better align Metro's programs with a regional economic strategy.
- Prepare for the third Performance Measures Report by initiating additional data collection and analysis to more completely answer questions about adopted Metro policy effectiveness and publishing the data available in a more routine format.
- Maintain up-to-date Regional Framework Plan, Functional Plan, and Metro Code texts, and respond to stated requirements.
- Incorporate consistent fish and wildlife habitat protection messages in ongoing Metro education and awareness programs, work with profit, non-profit, and agency partners to prioritize and support restoration activities, initiate monitoring efforts, and provide technical assistance to support program goals.
- Review the region's progress in providing affordable housing and identify future directions for accomplishing housing affordability goals, particularly in mixed-use areas, using the experience and advice of HTAC.
- Participate with REMG to continue to seek coordination and funding to support emergency management planning.
- Support water quality and habitat protection goals by supporting regional stormwater management efforts.
- Provide technical support for ongoing JPACT and Metro Council discussion of a regional transportation funding measure.
- Complete final adoption of the 2006–09 MTIP, including demonstration of air quality conformity.
- Complete first phase of MTIP database restructuring.
- Initiate a major update to the RTP, to be completed in 2007.

Transportation Implementation

- Complete New Starts application materials that would result in a Full Funding Grant Agreement with FTA for the Wilsonville-to-Beaverton Commuter Rail Project.
- Complete work on New Starts materials to be submitted to FTA, which advance the I-205/Portland Mall LRT Project into Final Design and which result in a Full Funding Grant Agreement for the project.
- Initiate the Supplemental Draft Environmental Impact Statement for Phase 2 of the South Corridor LRT Project, which would connect the Portland Mall to downtown Milwaukie over a new Willamette River transit bridge.
- Successfully complete Alternatives Analysis and initiate the NEPA federal environmental review process for the Eastside Transit Project and the Portland-to-Lake Oswego Transit Project, begun in FY 2004–05.
- Complete Highway 217 Corridor plan and advance a project into the environmental process.
- Facilitate the development and implementation of a regional freight origin-destination survey in conjunction with travel forecasting staff and regional partners.
- Begin implementation of Foster/Powell Corridor Phase I recommendations and initiate the Phase II planning process.
- Continue support to TriMet for the preparation of FTA New Starts reports for the South Corridor LRT and Wilsonville-to-Beaverton Commuter Rail projects.
- Enter into contracts for Phase II Powell/Foster Corridor Study; develop scope in coordination with Damascus Concept Planning.
- Formalize Regional Freight Committee as subcommittee to TPAC; commence major review of freight policies, projects, and criteria as next RTP and MTIP.
- Support ODOT's I-5 Columbia River Crossing Study through land use analysis, development, and analysis of travel-demand forecasts and project management coordination.

- Continue supporting Willamette Shoreline Consortium with technical analysis, management of the right-of-way, and coordination of intergovernmental agreements.
- Complete the first phase of transition activities called for in the RTO Strategic Plan.
- Continue involvement in local transportation project conception, funding, and design to implement livable streets policies, with an emphasis on "boulevard" projects funded through the MTIP program.

Development Program Division

- Commence construction on Milwaukie Town Center project.
- Commence construction on Green Building rain garden in Milwaukie Center.
- Complete first year of the *Get Centered!* advocacy and technical campaign.
- Complete construction on The Crossing and commence lease up.
- Negotiate for anchor tenant for Gresham Station.
- Select developer for Hillsboro Central.
- Start construction for "TOP LEATHER"—11th and Burnside Frequent Bus.
- Commence construction on next phase of The Round.
- Complete pre-development activities for third phase of Russellville.

Research and Modeling Services

- Complete the process of streamlining the MetroScope model. In addition, the model will become a "transparent" planning facilitation tool though incorporating off-the-shelf software components to enable control of all model assumptions and provide clear model scenario results in the from of graphics (charts and graphs), maps, and 3-D renderings and fly-throughs.
- Expected DRC storefront products will include the new 2030 Forecast to be published for distribution. A new set of aerial photography will be flown in July 2005 and distributed in December. For the first time, there will be a leaf-off flight in March 2005 to be available in August. Map customers will be able to purchase "smart" digital maps in addition to traditional hard copies. This product will employ new mapping software that provides some mapping tools for use on customers' computers. Support concept planning for additional new urban areas, in coordination with local jurisdiction partners.
- Continue serving on TRANSIMS coordination teams.
- Provide travel-forecasting assistance to ODOT, TriMet, the Port of Portland, and cities and counties within this region in terms of staff support, access to the Transportation Planning software via external connections, as well as training on topics of software use and demand-modeling theory.
- Provide data and modeling services to regional jurisdictions and agencies, private consultants, and other non-governmental clients.
- Provide data and modeling services specified in the content of intergovernmental agreements (e.g., Modeling Service IGA between ODOT and Metro).
- Conduct research to maintain and improve responsiveness of the demand model to policy needs.
- Participate on the Oregon Modeling Steering Committee with particular emphasis on: (1) the potential fielding of a longitudinal panel survey and (2) the integration of statewide modeling tools with those at the regional level.
- Participate on Transportation Research Board and other national committees that help shape national planning guidelines.
- Coordinate with Portland State University and the ITS Laboratory to ensure the collection of ITS data that are meaningful and useful to Metro and its regional partners.
- Evaluate results of the Pilot Travel Behavior Survey conducted in FY 2004–05. Based upon the findings, determine the most effective survey design and finalize the procedures for full implementation.

- Participate on a regional committee to advise and comment on the Freight Data Collection survey objectives and survey process.
- Continue the enhancement of the algorithms used to estimate travel decisions. Incorporate elements derived from the TRANSIMS demand model research into the Metro models.
- Update the regional freight model using the data collected during the Phase 2 Freight Data Collection effort.
- Coordinate with ODOT with regard to the integration of the state-wide model (completed in FY 2004–05) and the more detailed Metro regional model.
- Complete the transition to new travel demand modeling software.
- Provide data and modeling services to Metro Planning Department programs and projects (e.g., the Big Look, I-205 LRT, Milwaukie LRT, Central City Streetcar Study, Sunrise Corridor—Phase 2, Highway 217—Phase 2).

Performance Measures

The Council has indicated that it expects to see *Performance Measures* developed as an integral part of their strategic planning and program budget initiatives. As of this writing, the Council is still working with Departments to define "programs" in terms of content, level of specificity, objectives, and funding. As this process evolves, it will be possible to develop measures that relate more precisely to the Council's Strategic Goals and Objectives. Until that time, the Department will continue to track and report its historical series, as shown in the following table.

Performance Measures		Planning Department	Actual FY 02-03	Actual FY 03-04	Target FY 04-05	Target FY 05-06
Long Range Policy and Planning Division	1.	Damascas Planning Effort	5%	30%	80%	100%
	2.	Completion of Phase 1 of the Big Look	N/A	N/A	N/A	100%
	3.	LCDC Acknowledgement of Habitat Protection Program	N/A	N/A	N/A	100%
	4.	Revise Regional Housing Policies	N/A	N/A	N/A	100%
	5.	Complete Performance Measure Report 3	N/A	N/A	N/A	75%
	6.	Initiate RTP Update	75%	100%	N/A	100%
	7.	MTIP: updates and database management	90%	100%	N/A	100%
	8.	Meet federal certification requirements	100%	100%	100%	100%
	9.	Develop and implement MTIP Outreach	90%	80%	100%	100%
	10.	Expand Metro's Congestion Management System to meet federal regulations	N/A	N/A	N/A	100%
Transportation Implementation Division	1.	Complete Willamette Shoreline Alternatives Analysis	20%	N/A	50%	100%
	2.	Complete Eastside Alternatives Analysis	N/A	N/A	50%	100%
	3.	Complete Milwaukie LRT Project SDEIS	N/A	N/A	15%	85%
	4.	I-5 Columbia Crossing DEIS	N/A	N/A	N/A	25%
	5.	Complete Highway 217 Corridor Plan	5%	50%	75%	100%
	6.	I-5/99W Connector Corridor Study and Exception	N/A	N/A	5%	25%
	7.	Facilitate Transportation Finance Discussion	Ongoing	Ongoing	Ongoing	Ongoing

NOTE: N/A signifies that this measure was not tracked at this time and data is not available, or the project has been completed.

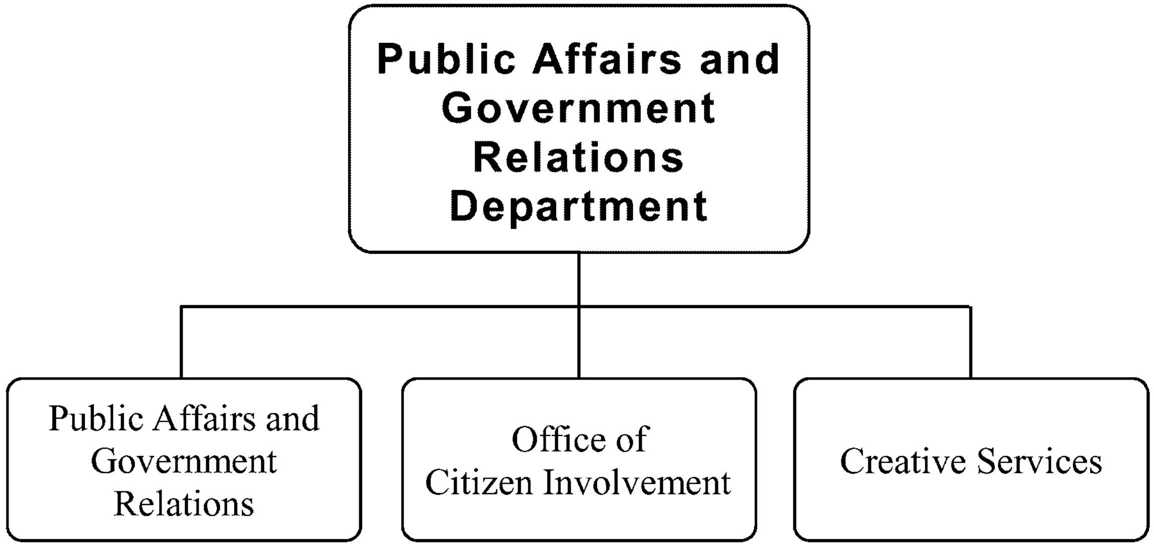
Performance Measures	***Planning Department***	**Actual FY 01-02**	**Actual FY 02-03**	**Target FY 03-04**	**Target FY 04-05**
Transportation Implementation Division continued	8. Develop Regional Vote Strategy	N/A	50%	100%	N/A
	9. Secure state legislature funding	100%	N/A	90%	100%
	10. Complete Regional Freight Data Collection Study	N/A	5%	30%	100%
	11. Establish private sector regional freight committee	N/A	N/A	N/A	100%
	12. Implement RTO Program transition to Metro	100%	75%	50%	100%
	13. Develop a collaborative marketing campaign that is an umbrella for all travel options programs being implemented in the region	N/A	N/A	100%	100%
	14. Refine performance measures for all RTO programs and use results to refine future program investments	N/A	N/A	100%	100%
	15. Develop a proposed regional parking policy that could be used to fund TMAs and TDM programs	N/A	N/A	N/A	100%
	16. Reduce drive-alone trips and increase the number of people using travel options by 10% in TravelSmart pilot project target areas	N/A	100%	100%	100%
	17. Work with TMAs to develop commute mode split targets and create performance measures that track progress toward these targets	N/A	N/A	100%	100%
	18. Develop and implement effective sales and marketing effort for *Bike There!* bike map	100%	100%	100%	100%
Development Program Division	1. Execute TOD Development Agreements: buildings five stories or more	0	2	2	3
	2. Execute Urban Centers Development Agreements: buildings four stories or more	N/A	N/A	1	1
	3. *Get Centered* education, advocacy, technical assistance campaign: five local events (case studies, tours, and networking) and six brown-bags	N/A	N/A	50% complete	100% complete

Performance Measures	Planning Department	Actual FY 02-03	Actual FY 03-04	Target FY 04-05	Target FY 05-06
Development Program Division continued	4. Green Building Program: initiate project construction	N/A	N/A	1	3
	5. Survey of TOD project travel behavior performance	1	none	1	1
Research and Modeling Services Division	1. Quarterly update of RLIS and distribution to subscribers on CD	100%	100%	100%	100%
	2. Vacant Land Inventory completed by March of each year	100%	100%	100%	100%
	3. RLIS subscriber base	139	150	160	170
	4. Publish 2030 Forecast	N/A	N/A	4th quarter	N/A
	5. DRC Storefront revenue	Target: $176,436 Actual: $142,089 81%	Target: $179,436 Actual: $158,045 88%	Target: $142,588 90%	Target: $169,088 90%
	6. Aerial photo update	12/2002	02/2003	02/2004	12/2005
	7. Annual publication of performance measures data	100%	100%	100%	100%
	8. Client services—number of requests for assistance from jurisdictions	115	83	80	80
	9. TRANSIMS	40%	60%	85%	100%
	10. Forecasting—number of major Metro projects	5	7	5	5

NOTE: N/A signifies that this measure was not tracked at this time and data is not available, or the project has been completed.

METRO

PEOPLE PLACES
OPEN SPACES


Public Affairs and Government Relations Department
Public Affairs and Government Relations
Office of Citizen Involvement
Creative Services

Public Affairs and Government Relations Department

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$0	$871,086	$1,324,044	$1,324,044	$1,409,422	$1,366,363	$1,366,363	3.20%
Materials and Services	0	112,009	435,163	435,163	349,754	669,754	669,754	53.91%
Totals	**$0**	**$983,095**	**$1,759,207**	**$1,759,207**	**$1,759,176**	**$2,036,117**	**$2,036,117**	**15.74%**
Budget by Division								
Public Affairs & Gov't Relations	$0	$446,207	$625,571	$625,571	$654,201	$654,201	$654,201	4.58%
Creative Services	0	505,880	541,122	541,122	564,879	564,879	564,879	4.39%
Office of Citizen Involvement	0	31,008	592,514	592,514	540,096	817,037	817,037	37.89%
Totals	**$0**	**$983,095**	**$1,759,207**	**$1,759,207**	**$1,759,176**	**$2,036,117**	**$2,036,117**	**15.74%**
Budget by Fund								
General Fund	$0	$983,095	$1,759,207	$1,759,207	$1,759,176	$2,036,117	$2,036,117	15.74%
Totals	**$0**	**$983,095**	**$1,759,207**	**$1,759,207**	**$1,759,176**	**$2,036,117**	**$2,036,117**	**15.74%**
Full-Time Equivalents (FTE)	0.00	12.00	15.00	15.00	15.00	14.55	14.55	(3.00%)

NOTE **:** Divisions of the Public Affairs Department were formerly budgeted in the Council Office or the Office of the Executive Officer.

Public Affairs and Government Relations Department

Department Purpose

The purpose of the Public Affairs and Government Relations (PAGR) department is to provide direct service to the Council, COO, and CFO in pursuit of the Council objective "Communicate effectively and develop constructive relationships with both internal and external audiences." The PAGR staff sets the quality and process standards for all departments to ensure that communication activities are responsive to Councilors and the Council's goals and objectives. Services and capabilities are delivered through five primary program areas: community relations, identity management, policy development, workforce communications, and the Office of Citizen Involvement.

Centralized services to support the council include: meeting and event management, media relations, communications campaign planning, regional coordination of stakeholder communications and legislative initiatives, website management, graphic design and exhibitry production, project-driven citizen involvement, public policy research, writing and editing, and agency-wide quality control in customer-centered communications and public information.

About the Department

In FY 2005–06, political savvy, media savvy and writing skills will be radically improved to match the tempo of the Metro Council's policy-making and leadership agenda. The PAGR director will refocus responsibilities to produce reduced work cycle times for communications and strategic planning. Agency-wide communications talent and budgets will be directed to leverage optimal support for the Metro Council and its region-wide convening goals and objectives.

Community Relations

The community relations program focuses on government, media and stakeholder relations. Community relations activities are the core of the Council communications goals. PAGR directs standard processes with department staff to ensure consistent messaging, timing of events and meetings, leveraging of media coverage and advancement of the Council legislative agenda. The Metro Council policy-making agenda and the management of relationships and discrete issues, both unanticipated and expected, are managed to best outcome using the policy development and Council liaison process. Councilor projects, especially as directed by lead councilors and for Councilors' in-district community relations activities, are the centerpiece of the communications plan and the services provided in this program.

Identity Management

The identity management program focuses on project communications planning and quality management of all produced or reproducible communications products. Identity management work is reserved for PAGR staff with competency in communication solution design, content development and information development process management. Primarily, staff in the Creative Services section manages Metro's identity. Communication products meet high and consistent standards for effectiveness, message impact, language consistency, and visual appeal. Activities in this program include web site content management and graphic design. This program is highly dependent on programming capacity provided by the IT department.

Policy Development

The policy development program provides support for the Metro Council's policy entrepreneur projects and decision-making processes. Working in coordination with department project managers, PAGR staff support Council with expertise and counsel on political and communication scenarios that leverage policy-making activities for best outcome. Working with Council office staff and COO, PAGR staff coaches on process and analysis models, developing and reinforcing process controls and up-tempo progress on meeting Council goals and objectives.

Workforce Communications

The workforce communications program provides support for Metro executives, the Metro Council, and Human Resources professionals to support culture change, process improvement, and lasting transformation of Metro workforce culture. PAGR staff produces weekly updates, schedules and coordinates employee events and meetings, and drafts employee communications for COO in collaboration with Human Resources and senior staff.

Metro Office of Citizen Involvement (OCI)

The OCI represents Metro Council's commitment to early, frequent, and effective citizen involvement in policy development processes managed by program departments. The OCI staff serves as on-staff consultants to project managers, ensuring that best practices for citizen involvement are incorporated in project work plans. By maintaining a centralized staff, resource costs can be spread among departments coordinated among projects for better annual planning and administration of labor-intensive citizen involvement investments.

The OCI staff supports the Metro Committee for Citizen Involvement (MCCI) which advises Council and staff on how to engage citizens productively and effectively in public involvement processes that support policy development and decision-making. MCCI members serve as a link to local jurisdictions and the planning and citizen involvement committees for cities and counties, and they review and provide recommendations for all public involvement plans.

Major Accomplishments in FY 2004–05

- Developed three-year Council communication plan.
- Developed in-house lobbying function; established a Metro Council legislative strategy for the 2005 state legislative.
- Developed a functional and coordinated working relationship among regional government lobby.
- Developed a *Nature in Neighborhoods* communications campaign to support policy development.
- Led a multi-party team and managed the contracting for the launch of Regional Transportation Options marketing communications program.
- Completed master calendar web tool.
- Organized and staffed 75 public meetings and open houses.

Service Level changes from FY 2004–05

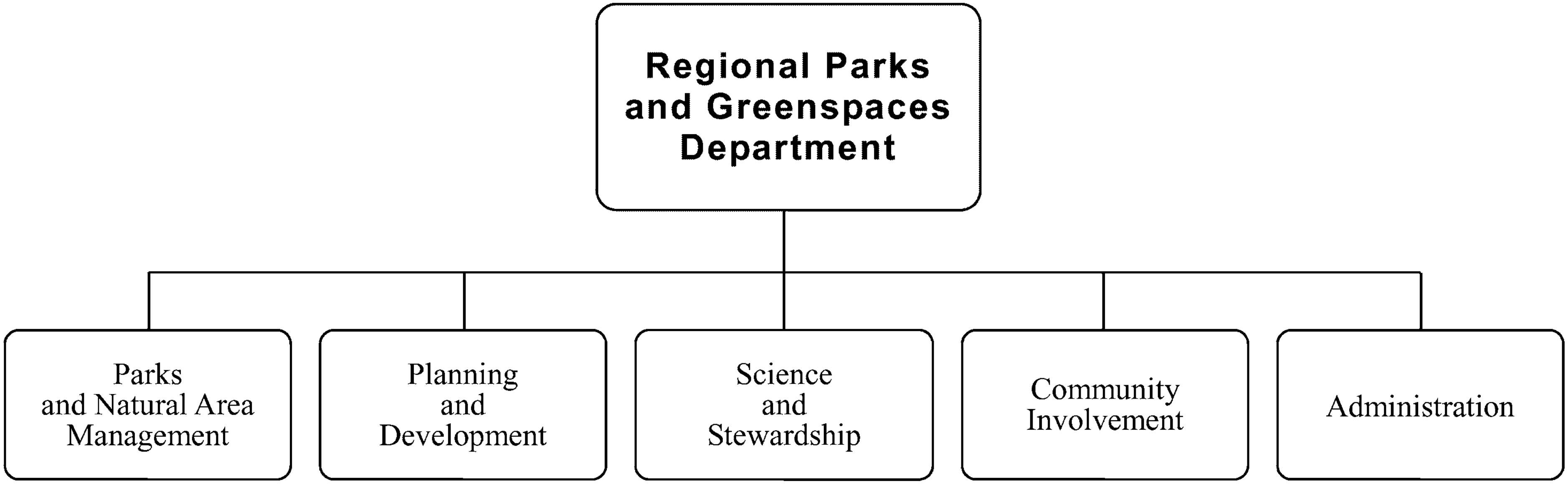
Service level changes are described in the preceding program subsections of the *About the Department* section.

Major Objectives for Fiscal Year 2005–06

- Dramatically improve political, media, and writing competencies.
- Train and practice informed consent model.
- Complete PAGR refocusing.
- Institutionalize quarterly controls for document drafting and review processes, including tighter cycle times.
- Increase lead-time for Metro Council preparation for communications activities.
- Actualize 24/7 media response capacity.

Performance Measures

The Council has indicated that it expects to see *Performance Measures* developed as an integral part of their strategic planning and program budget initiatives. As of this writing, the Council is still working with Departments to define "programs" in terms of content, level of specificity, objectives, and funding. As this process evolves, it will be possible to develop measures that relate more precisely to the Council's Strategic Goals and Objectives. Performance Measures for the Public Affairs and Government Relations Department will be developed as part of a new budget initiative.


Regional Parks and Greenspaces Department
Parks and Natural Area Management
Planning and Development
Science and Stewardship
Community Involvement
Administration

Regional Parks and Greenspaces Department

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$3,613,936	$3,466,669	$3,689,010	$3,764,427	$4,000,360	$4,003,548	$4,003,548	6.35%
Materials and Services	3,677,513	2,667,487	3,346,389	4,958,020	4,412,309	4,436,509	4,436,509	(10.52%)
Capital Outlay	3,971,672	3,516,425	4,559,789	5,247,529	2,388,500	2,388,500	2,388,500	(54.48%)
Totals	**$11,263,121**	**$9,650,581**	**$11,595,188**	**$13,969,976**	**$10,801,169**	**$10,828,557**	**$10,828,557**	**(22.49%)**
Budget by Division								
Administration (beginning FY 2005-06)	$0	$0	$0	$0	$623,048	$623,048	$623,048	n/a
Community Outreach	0	0	0	0	772,317	775,505	775,505	n/a
Parks & Natural Areas	0	0	0	0	3,183,760	3,292,960	3,292,960	n/a
Planning & Development	0	0	0	0	2,024,219	2,024,219	2,024,219	n/a
Science & Stewardship	0	0	0	0	1,416,367	1,281,367	1,281,367	n/a
Administration (prior to FY 2005-06)	1,190,581	1,218,924	484,418	494,418	0	0	0	(100.00%)
Natural Resource Management	0	0	621,391	2,005,919	0	0	0	(100.00%)
Parks & Visitor Services	3,082,436	3,498,021	3,925,817	4,432,817	0	0	0	(100.00%)
Planning & Education	1,167,299	1,763,110	1,951,456	2,424,716	0	0	0	(100.00%)
Open Spaces Acquisition	5,822,805	3,170,526	4,612,106	4,612,106	2,781,458	2,831,458	2,831,458	(38.61%)
Totals	**$11,263,121**	**$9,650,581**	**$11,595,188**	**$13,969,976**	**$10,801,169**	**$10,828,557**	**$10,828,557**	**(22.49%)**
Budget by Fund								
General Fund	$5,241,948	$5,757,658	$4,879,860	$6,566,908	$6,412,211	$6,389,599	$6,389,599	(2.70%)
Metro Capital Fund	311	0	1,281,725	1,649,465	1,607,500	1,607,500	1,607,500	(2.54%)
Open Spaces Fund	5,822,805	3,170,526	4,612,106	4,612,106	2,781,458	2,831,458	2,831,458	(38.61%)
Smith & Bybee Lakes Fund	198,057	722,397	821,497	1,141,497	0	0	0	(100.00%)
Totals	**$11,263,121**	**$9,650,581**	**$11,595,188**	**$13,969,976**	**$10,801,169**	**$10,828,557**	**$10,828,557**	**(22.49%)**
Full-Time Equivalents (FTE)	48.00	42.10	44.10	45.10	44.85	45.15	45.15	0.11%

Regional Parks and Greenspaces Department

Department Purpose

The department's primary purpose is to work cooperatively with our partners to develop and maintain a regional system of interconnected natural areas, parks, trails, and greenways for wildlife and people that:

- Complements the Region 2040 Concept Plan.
- Is consistent with the Regional Framework Plan.
- Contributes to the region's quality of life and economic prosperity.
- Balances human use with the need to protect habitat diversity.
- Is managed in a manner that sustains natural systems over time.
- Provides educational opportunities throughout the region that inspire stewardship of natural resources.
- Provides recreational opportunities integrating nature and cultural resources.
- Is accessible and responsive to diverse human and wildlife populations.
- Is assembled and managed through a cooperative process involving citizens, governments, and private interests.
- Is maintained and operated in a manner that is fiscally responsible.
- Reflects leadership in regional protection of natural systems.

Primary policy direction is provided by the Regional Framework Plan, the Metropolitan Greenspaces Master Plan, Regional Urban Growth Goals and Objectives (RUGGO), the Region 2040 Growth Concept, and the Open Spaces, Parks, and Streams bond measure legal requirements/covenants.

About the Department

The Regional Parks and Greenspaces Department contributes directly to the preservation of the region's livability and supports the goals and objectives developed by the Metro Council. Department programs focus on the provision of accessible regional open spaces, parks and trails, and the maintenance and enhancement of environmental quality. The department implements elements of the 2040 Growth Concept related to open spaces, parks, trails, and stream corridors through (1) the acquisition of open space, trail and greenway corridors; (2) development of programs and plans related to the implementation of the Regional Framework Plan; and (3) management of more than 11,000 acres of regional parks and natural areas.

The department actively pursues partnerships with other park and natural area providers, state and federal natural resource management agencies, nonprofit and citizen groups, and a variety of recipients of restoration and education grants. The department provides and promotes natural history interpretive programs, hands-on stewardship activities, and outdoor recreation opportunities. It also develops management/master plans for Metro sites that strive to involve stakeholders and leverage limited financial resources.

The work of the department is divided into three primary programs.

Parks Facilities and Property Management Program

The purpose of Parks Facilities and Property Management is to provide efficient and cost effective management for the day-to-day operations, visitor assistance, maintenance, adjacent landowner issue and concern resolution, and enforcement of Metro Title 10 regulations for the protection of developed regional parks, cemeteries, golf courses, wildlife and natural areas, and the day-to-day management of rental home properties and agricultural and commercial leases.

Site Planning and Construction Program

The purpose of this program is to enhance Metro Regional Parks and Greenspaces facilities and properties through investments in park improvements in compliance with adopted master plans. The efforts to design, obtain land use approvals and building permits, and construct four new natural area sites for public use are the significant work products of this program. In addition, other projects at Metro's parks and natural areas will be undertaken as funding allows or as partners step forward with projects on properties owned by Metro and managed in partnership with other agencies or non-profit organizations. The program also includes construction management for major maintenance and renewal/replacement projects.

Natural Resources Stewardship

The purpose of this program is to engage local governments, natural resource agencies and groups, citizens, and volunteers in a cooperative effort to establish an interconnected, regional system of parks, natural areas, trails, and greenways for fish, wildlife, and people. Metro staff will coordinate natural resource protection and management through a variety of secondary programs to integrate lands into the system.

The Metro Charter authorizes Metro to acquire, develop, maintain, and operate a system of parks, open space, and recreational facilities of metropolitan concern. The Metropolitan Greenspaces Master Plan (1992) also describes a vision for a cooperative regional system of parks, natural areas, trails, and greenways for fish, wildlife, and people. The policy guidelines for implementing this vision are described in the Regional Framework Plan (1997) and are the guiding principles for the Natural Resource Stewardship program.

Major Accomplishments in FY 2004–05

- Operated and maintained parks, natural areas, recreation facilities at FY 2003–04 levels and provided direct services to more than 1.2 million visitors.
- Acquired 108 acres of open space in compliance with adopted refinement plans.
- Participated in an extensive restoration project on the Clackamas River, building refugia for salmonids and other habitat improvements.
- Completed design and engineering drawings for improvements at Mt. Talbert Natural Area and began the land use approval process with Clackamas County.
- Completed the Master Plan for the Cooper Mountain Natural Area.
- Completed facility improvements at Smith and Bybee Lakes, including new parking lot, bathrooms, canoe launch, and related artwork and other public improvements.
- Completed Phase I facility improvements at M. James Gleason Boat Ramp.
- Completed the five-year update of the Regional Parks Inventory.
- Completed Phase IV construction improvements at Oxbow Regional Park (picnic shelters and restrooms).
- Provided education programs for an estimated 13,000 people, including school field trips, Oxbow campfire program, *GreenScene* natural history interpretive programs, and our roving naturalist program.
- Organized special events at our parks and greenspaces, attended by more than 12,000 people. This includes Salmon Festival and Blue Lake's 4th-of-July celebration.
- Coordinated the efforts of approximately 1,434 volunteers, who donated 30,000 hours of their time and talent this year (calendar year 2004) participating in activities at a variety of Metro properties including parks, natural areas, and historic pioneer cemeteries (valued at $515,700). The hours donated represents an increase of 67% over 2003.
- Participated in, and contributed to, agency-wide strategic planning efforts.
- Completed a variety of deferred capital maintenance projects.

Service Level Changes from FY 2004–05

The FY 2005–06 budget maintains the service levels from FY 2004–05. There were also some structural changes made within the budget.

- *Renewal & Replacement Support*—the FY 2005–06 budget represents a decrease in renewal and replacement projects and contributions to the renewal and replacement reserve, from $500,000 in projects in FY 2004–05 to $350,000 in this budget year. This reduction was made to provide additional support to building and restoring the four new regional natural areas. Renewal and replacement support is anticipated to increase to $500,000 once those projects are completed.
- *Development of new regional parks*—The increased excise tax support provided in FY 2004–05 allows for the department to begin development of new regional parks. In the FY 2005–06 budget, construction of the first phase of the Mt. Talbert Natural Area has been budgeted, along with the design and engineering for the Cooper Mountain Natural Area. There is also budget to begin restoration efforts at the Graham Oaks Natural Area in Wilsonville.
- *Prepare for a new ballot measure in November 2006*—The FY 2005–06 budget includes the transfer of 0.5 FTE from the Open Spaces Fund to the Regional Parks Department of the General Fund to conduct work related to a new ballot measure in November 2006 for land acquisition, restoration, and local share projects. The work plan for this program includes designing and facilitating a public process to determine the specific components of the measure, conduct public information research to identify public priorities, coordinate the review of measure components by bond counsel, and purchase options on real estate.
- *Nature in Neighborhoods support*—The FY 2005–06 budget includes a new multi-discipline, cross-departmental initiative called Nature in Neighborhood. The primary project team staff is budgeted in a non-departmental section of the General Fund; however, Regional Parks department staff will assist and support the initiative as it relates to natural areas acquisition and restoration.

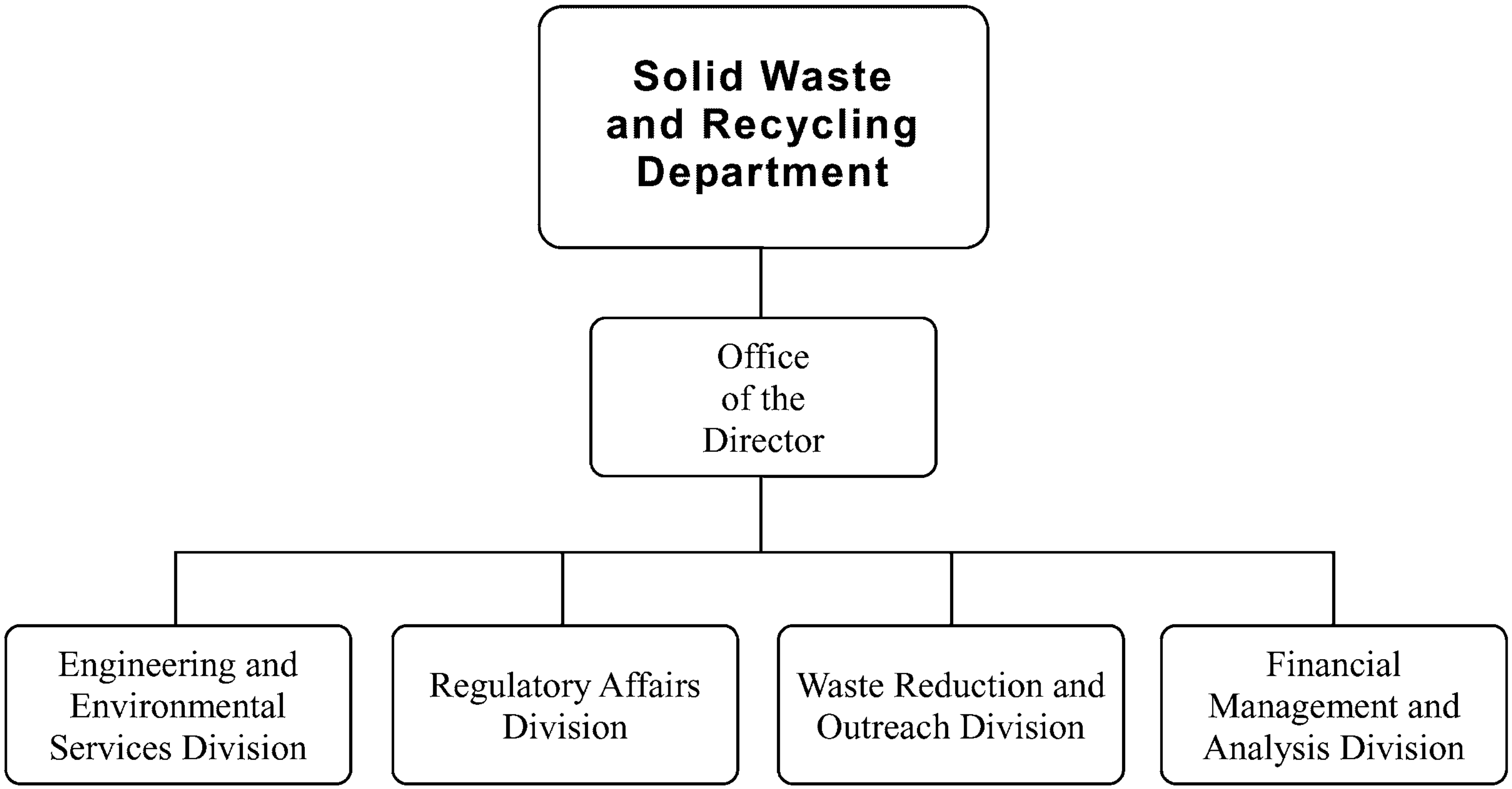
Major Objectives for FY 2005–06

- Develop a land acquisition and habitat restoration ballot measure package for November 2006.
- Complete the first construction phase at the Mt. Talbert Natural Area.
- Begin the design and engineering drawings for improvements at Cooper Mountain Natural Area near Beaverton.
- Begin habitat restoration at Graham Oaks Natural Area in Wilsonville.
- Complete a variety of Renewal and Replacement (capital maintenance) projects.
- Complete a detailed financing plan and preliminary design for a Golf Learning Center at Blue Lake Park.
- Complete the Water Play Area at Blue Lake Park.
- Complete a major restoration project at the confluence of Gales Creek and the Tualatin River.
- Provide natural resource stewardship services on about 7,300 acres located in 14 target areas spread across the tri-county metropolitan region.
- Continue to provide natural history, environmental education, and special events at locations throughout the region.
- Administer the final year of the environmental education grants program in partnership with the U.S. Fish and Wildlife Service.

Performance Measures

The Council has indicated that it expects to see *Performance Measures* developed as an integral part of their strategic planning and program budget initiatives. As of this writing, the Council is still working with Departments to define "programs" in terms of content, level of specificity, objectives, and funding. As this process evolves, it will be possible to develop measures that relate more precisely to the Council's Strategic Goals and Objectives. Until that time, the Department will continue to track and report its historical series, as shown in the following table.

Performance Measures		Regional Parks and Greenspaces Department	Actual FY 02–03	Actual FY 03–04	Target FY 04–05	Target FY 05–06
Parks Facilities and Property Management	1.	Total acres managed	12,035	12,123	12,223	12,323
	2.	Number of visitors at Blue Lake, Oxbow Park, and Chinook Landing	713,276	728,910	721,800	722,000
	3.	Number of nine-hole rounds played at Glendoveer Golf Course	165,858	160,149	160,000	165,000
	4.	Lake House event rentals	72	61	65	67
	5.	Number of special use permits	24	22	20	20
	6.	House rental vacancy days	90	80	150	150
	7.	Number of interments (cemetery)	198	193	180	180
Site Planning and Construction	1.	*To be determined*				
Natural Resources Stewardship	1.	Percentage of four new sites under restoration	0%	6%	10%	15%
	2.	Management plans completed	0%	0%	6%	13%
	3.	Leveraged for restoration	$330,000	$475,000	$1,200,000	$570,000
	4.	Number of trail projects initiated	tba	tba	tbd	tbd
	5.	Number of participants in interpretive and education programs (quality)	10,706	13,000	11,000	13,000
	6.	Contact hours of participants in interpretive and education programs (quantity)	51,254	60,000	55,000	60,000
	7.	Education and interpretive programs delivered in Washington and Clackamas counties	NA	50	70	80
	8.	Number of volunteers	1,478	1,575	1,421	1,450
	9.	Number of volunteer hours	14,312	20,100	30,519	30,000
	10.	Number of acres acquired	168.05	87.72	100	100


Solid Waste and Recycling Department
Office of the Director
Engineering and Environmental Services Division
Regulatory Affairs Division
Waste Reduction and Outreach Division
Financial Management and Analysis Division

Solid Waste & Recycling Department

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$8,049,413	$8,191,808	$8,585,228	$8,585,228	$9,147,404	$9,147,404	$9,147,404	6.55%
Materials and Services	34,926,468	33,540,105	34,822,287	36,276,287	37,166,335	37,717,061	37,771,061	4.12%
Capital Outlay	1,910,208	3,625,285	2,876,900	2,876,900	2,979,000	3,229,000	3,229,000	12.24%
Debt Service	11,051,987	4,155,671	1,601,412	1,601,412	2,694,863	2,694,863	2,344,863	46.42%
Totals	**$55,938,076**	**$49,512,869**	**$47,885,827**	**$49,339,827**	**$51,987,602**	**$52,788,328**	**$52,492,328**	**6.39%**
Budget by Division								
Office of the Director	$513,490	$1,247,302	$1,557,890	$1,557,890	$1,580,148	$1,580,148	$1,580,148	1.43%
Business & Regulatory Affairs	528,766	331,813	534,151	534,151	15,000	15,000	15,000	(97.19%)
Environmental & Engineering Services	45,726,539	40,071,405	38,015,962	39,469,962	42,034,138	42,834,864	42,484,864	7.64%
Waste Reduction, Planning & Outreach	4,413,594	3,957,162	5,062,926	5,062,926	4,944,928	4,944,928	4,944,928	(2.33%)
Community & Administrative Services	1,252,498	0	0	0	540,136	540,136	594,136	n/a
Financial Management & Analysis Division	2,711,293	3,057,899	1,798,755	1,798,755	1,921,972	1,921,972	1,921,972	6.85%
Regulatory Affairs	791,896	847,289	916,143	916,143	951,280	951,280	951,280	3.84%
Totals	**$55,938,076**	**$49,512,869**	**$47,885,827**	**$49,339,827**	**$51,987,602**	**$52,788,328**	**$52,492,328**	**6.39%**
Budget by Fund								
Solid Waste Revenue Fund	$55,429,894	$49,181,057	$47,351,676	$48,805,676	$51,447,466	$52,248,192	$51,898,192	6.34%
Rehabilitation & Enhancement Fund	508,182	331,813	534,151	534,151	540,136	540,136	594,136	11.23%
Totals	**$55,938,076**	**$49,512,869**	**$47,885,827**	**$49,339,827**	**$51,987,602**	**$52,788,328**	**$52,492,328**	**6.39%**
Full-Time Equivalents (FTE)	109.15	108.70	106.20	106.20	106.20	106.20	106.20	0.00%

Solid Waste and Recycling Department

Department Purpose

Mission: *To contribute to the livability and conservation of the Metro region's environmental resources by taking actions that reduce and manage the region's solid waste in an effective, economical, and environmentally sound manner.*

The Department has worked closely with Council in its strategic planning exercise, and in particular, in the development of a "strategic program budget" to support the planning efforts.

About the Department

To carry out its mission, the Department owns and manages two transfer stations and two hazardous waste facilities and contracts for disposal of solid waste and hazardous waste generated by households and conditionally-exempt businesses, develops and administers a solid waste management plan for the region, regulates private solid waste facilities, maintains and monitors the region's largest inactive solid waste landfill, and promotes the sustainable management of resources through educational and grant programs and targeted waste reduction activities.

The Department is headed by the Office of the Director and is further organized into three operating divisions: Engineering and Environmental Services, Regulatory Affairs, and Waste Reduction and Outreach. In addition, the department has a finance and budget division, Financial Management and Analysis.

The FY 2005–06 budget builds on the policies and priorities established during the last two years by Council President Bragdon to find efficiencies and cost savings in the operation of the department. For the preparation of the budget this year, the department committed to implement a new operating contract for Metro South and Metro Central that includes significant new sustainability measures and to stay within current resources for other programs and projects. This means that there would be no substantive increase in the Regional System Fee (the rate that funds solid waste programs other than disposal services).

The department's work is organized around two complementary principles:

- *Waste Reduction Goal*: reducing the amount and toxicity of solid waste generated and disposed.
- *Solid Waste Disposal Goal*: ensuring environmentally sound and cost-efficient disposal of waste that cannot be prevented or recovered.

Waste Reduction

The primary mission of the Solid Waste and Recycling Department is to promote resource conservation by preventing, to the extent feasible, the generation of toxics and solid waste; and to divert reusable and recyclable materials from the waste stream back into productive use.

There are three basic programs that address these objectives: Solid Waste Reduction, Hazardous Waste Reduction, and Waste Reduction Education and Outreach.

Solid Waste Reduction program—To reduce solid waste, the Department is working to provide an *opportunity to recycle* for all persons, businesses, and events within the region. An *opportunity to recycle* means that waste generators have access to convenient and cost-effective alternatives to disposal, including approaches to preventing the generation of waste in the first place. A primary measure of progress is the Regional Recovery Rate, which measures the proportion of post-consumer waste that is prevented, reused, and recovered. The rate stood at 56.9 percent in 2003. The 2005 goal is 62 percent.

The following activities are implemented through the Solid Waste Reduction program:

- Program Maintenance (Annual Partnership Plan).
- New Initiatives (organics, construction, businesses).
- Measurement and Monitoring.

Hazardous Waste Reduction program—To reduce hazardous waste, the Department provides collection opportunities at two permanent facilities and conducts collection events ("Round Ups") in local communities. The Department is committed to recycling as many materials as feasible—in particular, latex paint—and providing for safe and environmentally sound disposal of the remainder. Important elements of this program include educating citizens on potential effects of hazardous materials on human safety and the environment and providing information on alternatives.

The following activities are implemented through the Hazardous Waste Reduction program:

- Permanent Facilities.
- Community Collection and Education (Round-Ups).
- Latex Paint.

Waste Reduction Education and Outreach program—Promoting the opportunity to recycle and other means of waste reduction and prevention is an important (and state-mandated) element of delivering the opportunity-to-recycle. The Department works to *motivate* citizens to use their opportunity to recycle through environmental education, *inform* citizens of the opportunity to recycle through various media, and *instruct* citizens on the best and appropriate use of their opportunity through information centers such as the Recycling Information Center (RIC) and web-based tools.

The following activities are implemented through the Waste Reduction Education and Outreach program:

- School Education.
- Adult Education.
- Information and Outreach (RIC, etc.).

Solid Waste Disposal

The second mission of the Solid Waste and Recycling Department is to ensure safe, efficient, and environmentally sound disposal of any waste that cannot be reduced, reused or recovered. The Department oversees a comprehensive public/private disposal system that implements the following programs: Disposal Services (publicly-owned transfer stations), Private Facility Regulation, Illegal Disposal, Landfill Stewardship, and Facility and Asset Management.

Disposal Services program—The Disposal Services program provides comprehensive solid waste disposal services to commercial haulers and the public through owning and managing the two publicly-owned regional transfer stations: Metro Central and Metro South Station. The following activities are implemented through the Disposal Services program:

- Scalehouse operations.
- Contractor management.
- Community enhancement.

Private Facility Regulation program—The Private Facility Regulation program ensures that the operations of privately-owned solid waste facilities meet environmental, regulatory, and fiscal standards through the following activities:

- Licensing and franchising.
- Inspections and audits.
- Enforcement.

Illegal Disposal program—The primary purpose of the Illegal Disposal program is to eliminate the illegal dumping of solid waste. This program monitors known dumpsites, investigates and pursues prosecution of persons who dump illegally, and cleans up illegal dumpsites on public lands. The Department enforces against and mitigates illegal disposal through the following activities:

- Monitoring.
- Investigations and enforcement.
- Cleanup/mitigation.

Landfill Stewardship program—The primary purpose of this program is to ensure Metro's compliance with the requirements of various permits that implement state law on landfill closure. The Department manages former disposal sites through the following activities:

- Closure and maintenance.
- Environmental monitoring.
- Landfill gas.

Facility and Asset Management—This program establishes and implements sound engineering and business practices in the management of the department's existing and new physical capital assets. The Department provides comprehensive capital planning, design, and construction management through the following activities:

- Renewal and Replacement and Capital Improvement plans.
- New capital and facilities, as well as improvements at existing facilities.

Major Accomplishments in FY 2004–05

FY 2004–05 has been a busy year for the department. First, the department has implemented a number of efficiency changes as outlined in the budget. Second, the department has continued to take a focused and critical look at its current portfolio of programs, utilizing a standard review framework for all programs, projects, activities, and initiatives:

Framework

- *Strategic Plan Consistency.* Does the service or program directly respond to one or more of the Metro Strategic Plan Goals and Objectives?
- *Mission Critical.* Is a service or program a key to achieving a legislative requirement, critical goal, or objective in the strategic plan or the Regional Solid Waste Management Plan? Is an administrative or support activity absolutely critical to doing the other work of the department?
- *Level-of-Effort and Cost-Effectiveness.* The department continues to standardize a cost-benefit framework for decisions on major programs and initiatives. This framework is intended first, to "right-size" programs and projects; and second, to ensure they are designed with efficiency and cost-effectiveness in mind. The Council *pro forma* was developed for the Organics program and has subsequently been applied to the Regional System Fee Credit and the Construction and Demolition programs. A similar planning-level *pro forma* was developed for program evaluation as part of the Regional Solid Waste Management Plan "62 percent" goal analysis and discussions.
- *Priority within the Mission.* Determine how the program ranks relative to others within the core mission—considering the contribution toward Regional Solid Waste Management Plan/Strategic Plan objectives, historical commitments, and councilor values for the solid waste system.

This framework guided many of the significant accomplishments of the department this year:

Accomplishments

- *Policy Leadership*
  - Continued work on the first major revision of the Regional Solid Waste Management Plan (RSWMP), a revision that will guide solid waste management for the next decade.
  - Led the Council through a series of policy discussions that resulted in a Disposal System Plan to review and potentially recommend revisions to the solid waste disposal system over the next five years.
  - Completed the process for securing a new operations contract for Metro transfer stations that includes leadership in material recovery and sustainability.
  - Worked with Council to place a moratorium on new transfer stations pending a review of existing criteria for market entry.
  - Worked with Council to help define a policy direction and, ultimately, a decision regarding the proposed Columbia Environmental local transfer station.
  - Worked with Council on its Strategic Planning efforts and made significant contributions toward the development of the strategic program budget.

- *Program Leadership*
  - Launched a major new initiative to recycle organic food waste through a joint program with the City of Portland to secure food and food contaminated paper, secure a processor with Cedar Grove, set a rate, and begin operations at Metro Central Transfer Station.
  - Initiated the "Fork it Over" campaign that enlisted businesses (restaurants, grocers, and caterers) to donate uneaten prepared foods to regional food relief agencies.
  - Developed proposals for Council consideration to increase commercial business recycling and to implement mandatory processing of dry waste. These proposals are still being analyzed.
  - Assisted in implementing improvements to reduce contamination and loss of commingled recyclable material collected in the region.
  - Completed major phases of the RSWMP update: internal scoping and public outreach activities, including focus group discussions and public workshops utilizing web-based information and surveys. Began drafting and refining a draft RSWMP, which describes the current system; identifies planning issues; and establishes policy direction for toxicity and waste reduction, facilities and services, and disaster debris management.
- *Operational Advances*
  - Successfully secured from DEQ an approved work plan for the remedial investigation of St. Johns landfill.
  - Relocated the latex paint recycling facility to Swan Island, including production and storage, and retain under a single roof at a more central site with improved accessibility and enhanced proximity to markets.
  - Reached settlements with Pacific Power Vac ($25,000) and Weyerhauser ($36,000) for Metro solid waste disposal code violations.
  - Posted on the web all solid waste and recycling regulatory forms, guidance, and administrative procedures.
  - Completed the "Initial Rate Comparison" as required in Change Order No. 8 to Metro's waste disposal contract with Waste Management, Incorporated, to analyze landfill disposal rates, ensuring that residents of the Metro region receive the best rates possible for the longest period of time.

Service Level Changes from FY 2004–05

The budget reflects changes related to:

- *Disposal Services*
  - Executing the new transfer station operations contract.
- *Waste Reduction*
  - Reducing the size of competitive grants to local governments and eliminating the Home Composting Bin sales project. The savings are a reallocation to help fund residential education efforts designed to improve the quality of commingled recyclable materials collected at the curb, and projects to increase participation and separation of recyclable materials by business generators.
  - Completing the relocation of the Latex Paint Facility.
- *Administration*
  - Inclusion of $50,000 for "Special Projects" in the Waste Reduction and Outreach Division for grants to businesses meeting sustainability, recycling, and related objectives.
  - Inclusion of $50,000 in the Financial Management and Analysis Division budget for technical support of the Disposal System Planning project.

Major Objectives for FY 2005–06

Comprehensive Planning

- Complete major elements of the Regional Solid Waste Management Plan; address key issues identified by the Council, stakeholders, and the public; and incorporate the solid waste policy direction and values developed with Council.

- Hold the line on solid waste rates, except to cover increases in costs due to inflation and the new transfer station contract. The pay-off of the solid waste bonds in FY 2009 would cause a sharp rate decrease. In the interest of maintaining smooth rate paths over time, one fourth ($590,000) of the debt service for those bonds is being paid out of the Rate Stabilization Reserve. This allows for phasing-in the use of Solid Waste Reserve to pay the debt service, in lieu of using rate revenue.
- Continue to implement the evaluation framework developed in FY 2004–05, with emphasis on improving staff's skills with cost-benefit and *pro forma* analyses.
- Lay the foundation and systematically address issues associated with the disposal system, including: determining the public's role in transfer station ownership and operations, identifying and maximizing objectives for the next waste transport contract, and allocating wet waste to private transfer stations.

Waste Reduction

- *Waste Prevention.* Continue to implement another round of waste prevention initiatives in at least two areas of high value and proven success: food waste donation and deconstruction/salvage.
- *Organics.* Continue development of regional food waste processing infrastructure and implementation of the opportunity to recycle food waste.
- *Dry Waste Material Recovery*. Implement and monitor new initiatives to increase recovery from all dry waste generated in the region.
- *Other Initiatives*. Continue work on the construction and demolition and commercial business sectors. The budget includes additional funds for current-level promotion and outreach through the Commercial Technical Assistance Program (CTAP) to support enhanced business recycling.
- *Electronic Waste*. Continue to participate in the state and national efforts seeking a solution to effective recycling and disposal of e-waste.
- *Regional System Fee Credit program*. Consider changes to the program. The redesign will take into account the direction recommended in early 2004 by the Recycling Credits Evaluation Task Force. The redesign will also take into account the effects of new dry waste recovery initiatives and activities of the RSWMP update process.
- *Education and Outreach*. Work with local governments, clean material recovery facilities, haulers, and other stakeholders to develop consistent messages to reduce contamination (particularly glass and plastic bags) in commingled recyclables.

Latex Paint Recycling

- Update the latex paint marketing plan. Meet the growing demand for Metro's recycled paint; eliminate customers' waiting times; increase volume, quality, and selection; drive down unit costs through efficiency and scale economies; and explore expanded supply, productivity, and retailing.

Hazardous Waste

- Continue with the successful elements of this program that have led to national recognition: an effective collection system, including neighborhood Round Ups, reuse and recovery, cost-effective and environmentally sound disposal, and a top-quality safety record. However, provide Council with an updated report on our Hazardous Waste collection and disposal practices that describes Metro's program, identifies costs and results, and examines the effect of other models of operations.

Landfill Stewardship

- Proceed with implementing the elements of the consent order and post-closure permit for St. Johns landfill, obtained in FY 2003–04, and the work plan and remedial investigation obtained in FY 2004–05.

Performance Measures

The Council has indicated that it expects to see *Performance Measures* developed as an integral part of their strategic planning and program budget initiatives. As of this writing, the Council is still working with Departments to define "programs" in terms of content, level of specificity, objectives, and funding. As this process evolves, it will be possible to develop measures that relate more precisely to the Council's Strategic Goals and Objectives. Until that time, the Department will continue to track and report its historical series, as shown in the following table.

Performance Measures		Solid Waste and Recycling Department	Target/Actual FY 02–03	Target/Actual FY 03–04	Projected FY 04–05	Target FY 05–06
Office of the Director	1.	Increase the number of new applicants for Community Enhancement Grants (2 for Metro Central and 2 for North Portland)	N/A	50% / 100%	100%	100%
Financial Management and Analysis	1.	Private facility review	N/A	11/7	11	11
	2.	Forecast accuracy	+/-5%/ 0.2%/	+/-5%/ 3.3%	+/-5%	+/-5%
Regulatory Affairs	1	Number of facility inspections *Reduction in FY 05–06 Target due to paternity leave of inspector*	196/221	392/369	400	380
	2.	Percent of formal enforcement actions upheld on appeal to hearings officer	100% / 100%	100% / No Appeals Filed	100%	100%
	3.	Percent of illegal dumpsites where action was taken within two days of discovery *Reduction in FY 05–06 Target due to transition to Metro-supervised work crews rather than Multnomah Co.-supervised work crews*	90% / 98.1%	90% / 98.5%	90%	85%
Engineering and Environmental Services	1.	Actual project costs vs. Capital Budget estimates	80% / 100%	80% / 100%	90%	90%
	2.	Compliance with permits/energy contract	N/A	100% / 100%	100%	100%
	3.	Hazardous waste net cost per pound	$0.91 / $0.90	$0.91 / $0.72	$0.91	$0.89
	4.	Injury and illness rate for engineering and environmental services staff at Metro transfer stations and hazardous waste facilities (in FY 2003–04, the reporting was changed from quantitative to percentage)	10 / Data not available	15% / 2.6%	15%	15%
	5.	Customer satisfaction with facility staff				
		• *Scalehouse*	95% / 86%	95% / 88.2%	90%	90%
		• *Hazardous Waste*	95% / 97%	95% / 98.3%	95%	95%
	6.	Percent increase in latex paint sales revenue	N/A / 51%	20% / 18.95%	20%	14%
	7.	Net cost per incoming paint gallon	N/A	N/A	$1.32	$0.78

NOTE: N/A signifies that this measure was not tracked at this time and data is not available.

Performance Measures		Solid Waste and Recycling Department cont'd.	Target/Actual FY 02–03	Target/Actual FY 03–04	Projected FY 04–05	Target FY 05–06
Waste Reduction and Outreach	1.	Calls to Recycling Information Center (RIC) and hits on website	N/A	110,000/126,245	110,000	110,000
	2.	Caller satisfaction with RIC information *The Customer Satisfaction Survey is conducted every other year.*	85% / 85%	85% / 87%	85%	N/A
	3.	Students reached in elementary and secondary school presentations	30,000 / 37,478	30,000 / 41,055	30,000	30,000
	4.	Adults reached in Hazardous Waste education program workshops and projects	N/A	6,000 / 8,176	6,000	7,000
			Target/Actual CY 2003	**Target/Actual CY 2004**	**Projected CY 2005**	**Target CY 2006**
	1.	Regional recovery rate	51.44% / Data not available	53.72% / Data not available	56.0%	56.6%
	2.	Recovery rate progress by initiative (in tons) • Organics • C&D • Commercial • Other programs	 34,758/TBD 291,721/TBD 609,666/TBD 270,150/TBD	 44,879/TBD 304,274/TBD 654,049/TBD 281,575/TBD	 55,000 316,826 698,431 293,000	 Data not available for these initiatives

Solid Waste Revenue Tons[1]	Actual			Projected[2]	Forecast	
	FY 2001–02	FY 2002–03	FY 2003–04	FY 2004–05	FY 2004–05[3]	FY 2005–06
Metro Facilities	612,558	577,780	572,744	570,232	562,760	572,886
Non-Metro Facilities	589,111	628,973	673,500	686,436	663,946	732,311
Total	1,201,669	1,206,753	1,246,244	1,256,668	1,226,706	1,305,197
Forecasts for Budget	1,221,208	1,203,826	1,207,606	1,226,706	---	---
Percentage Change	-1.6%	0.2%	3.2%	-2.4%	---	---

(1) *Includes yard debris at Metro facilities for which fees were charged. Excludes Petroleum Contaminated Soils (PCS) and other environmental cleanup material (ECU) at all facilities. PCS and ECU are not subject to full Metro fees.*
(2) *Projected based on data through October 2004.*
(3) *FY 2004–05 forecast for the Budget.*

Non-departmental Summary

Non-Departmental Summary

Budget by Classification	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Personal Services	$0	$0	$0	$0	$0	$316,800	$316,800	n/a
Materials and Services	898,040	271,545	265,000	265,000	490,750	944,845	2,194,845	728.24%
Capital Outlay	28,842	0	0	0	500,000	500,000	250,000	n/a
Debt Service	119,683,261	43,105,566	19,685,201	19,685,201	19,699,302	19,699,302	19,553,177	(0.67%)
Interfund Reimbursements	5,519,130	5,560,348	6,613,074	6,613,074	6,763,455	6,763,455	6,763,455	2.27%
Internal Service Charges	832,816	1,014,268	936,674	936,674	559,740	559,740	559,740	(40.24%)
Interfund Loan	103,898	101,248	0	0	0	0	0	0.00%
Fund Equity Transfers	5,613,887	3,655,578	6,341,306	6,857,306	8,322,052	8,322,052	8,072,052	17.71%
Totals	**$132,679,874**	**$53,708,553**	**$33,841,255**	**$34,357,255**	**$36,335,299**	**$37,106,194**	**$37,710,069**	**9.76%**

Budget by Fund	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	% Change from Amended FY 2004-05
Convention Center Project Capital Fund	$191,773	$0	$385,000	$385,000	$0	$0	$0	(100.00%)
General Fund	3,237,403	2,705,938	4,781,276	5,285,276	7,163,992	7,934,887	8,934,887	69.05%
General Obligation Bond Debt Service Fund	118,261,302	19,548,224	18,174,887	18,174,887	18,185,488	18,185,488	18,039,363	(0.75%)
General Revenue Bond Fund	1,874,350	23,557,342	1,510,314	1,510,314	2,098,814	2,098,814	2,098,814	38.97%
MERC Operating Fund	4,602,917	3,226,235	3,666,545	3,666,545	3,581,693	3,581,693	3,581,693	(2.31%)
MERC Pooled Capital	0	0	354,000	354,000	0	0	0	(100.00%)
Metro Capital Fund	22,461	89,438	0	0	500,500	500,500	250,500	n/a
Open Spaces Fund	507,589	672,705	608,749	608,749	368,077	368,077	368,077	(39.54%)
Rehabilitation & Enhancement Fund	14,458	23,923	26,630	26,630	29,101	29,101	29,101	9.28%
Smith & Bybee Lakes Fund	49,534	48,803	25,000	25,000	21,700	21,700	21,700	(13.20%)
Solid Waste Revenue Fund	3,918,087	3,835,945	4,308,854	4,320,854	4,385,934	4,385,934	4,385,934	1.51%
Totals	**$132,679,874**	**$53,708,553**	**$33,841,255**	**$34,357,255**	**$36,335,299**	**$37,106,194**	**$37,710,069**	**9.76%**
Full-Time Equivalents (FTE)	0.00	0.00	0.00	0.00	0.00	3.75	3.75	n/a

Non-departmental Summary

The expenditures listed in the non-departmental summary are non-operating expenses such as general obligation debt service and interfund transfers. Non-departmental expenditures also include items (such as special appropriations) that cannot be easily tied to the program of any single department or office. It also includes costs (such as election expenses) that do not occur every year.

Highlights of the FY 2005–06 non-departmental budget are:

- Debt service on general obligation bonds totaling $18.0 million.
- $6.8 million in Interfund Reimbursements for agency-wide central service functions such as accounting, legal services, risk management, and Metro Regional Center management.
- Transfer of $2.28 million in dedicated capital or renewal and replacement reserves to the Metro Capital Fund to establish dedicated assets in the newly created fund.
- Transfer of $2.2 million in excise tax from the General Fund to the Metro Capital Fund to support capital and renewal and replacement of the Regional Parks and Greenspaces Department and to the Metro Exposition-Recreation Commission to support the activities and operations of the Oregon Convention Center.
- Transfer of $1.9 million from the General Fund to the General Revenue Bond Fund to fund debt service payments on the Metro Regional Center and Washington Park Parking Lot bonds.
- Transfer of $1.2 million from the MERC Operating Fund to the General Revenue Bond Fund for debt service on outstanding OECDD loans.
- Transfers of approximately $388,000 for services provided by Data Resource Center to other Metro departments.
- Transfer of approximately $406,000 from the Solid Waste Revenue Fund to the Rehabilitation and Enhancement Fund for dedicated enhancement fees received through the Solid Waste disposal fee.
- General Fund Special Appropriations
  - $300,000 for primary election costs for the Council President, Auditor, and three Council seats.
  - $150,000 for public notice requirements under voter-approved ballot measures or required by Metro Code.
  - $25,000 for contribution to the Regional Arts and Culture Council.
  - $15,750 for water consortium dues.
  - $114,095 for Metro's outside financial audit contract.
  - $10,000 contribution to RailVolution.
  - $25,000 for general Metro sponsorship account
- *Nature in Neighborhoods*: Beginning in FY 2005–06, this section includes the Nature in Neighborhoods project team, a multi-discipline cross-departmental team of staff brought together to implement the Council's *Nature in Neighborhoods Initiative.*

  Nature in Neighborhoods is a regional habitat protection, restoration, and greenspaces initiative designed to inspire, strengthen, coordinate, and focus the activities of individuals and organizations with a role and stake in the region's fish and wildlife habitat, natural beauty, clean air and water, and outdoor recreational opportunities. Metro plays a lead role in Nature in Neighborhoods, but recognizes that the protection and restoration of fish and wildlife habitat and the integration of greenspaces into the urban environment is a task of scope and magnitude beyond the reach of any one organization; it will take the coordinated and strategic action of many.

  Metro will provide overall leadership and coordination to the initiative, providing a range of resources and expertise to partner organizations and the region's residents. Metro's roles will include convening, coordinating, communicating, educating, assisting, providing incentives, building capacity, focusing and leveraging the talents, skills, resources, and concerted action of Metro departments and partner organizations.

  The initiative is supported by a newly formed interdisciplinary Nature in Neighborhoods staff team. Staff total 3.75 FTE for a total cost of

$316,800. An additional $1,555,000 is set aside for materials and services and restoration grant projects, bringing the total budget commitment for Nature in Neighborhoods to $1,871,800. Nature in Neighborhoods is funded through the reallocation of existing Metro resources. Additionally, resources available in Metro's Planning Department, Regional Parks and Greenspaces Department, Oregon Zoo, Solid Waste and Recycling Department, and Public Affairs and Government Relations Departments will be coordinated in support of Nature in Neighborhoods.

Metro will work with its public, nonprofit, and private partners to implement a comprehensive communications strategy that supports and integrates the program elements and elevates the level of awareness, understanding, and commitment behind the initiative.

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Fund Summaries

Summary of All Funds

	General Fund	General Obligation Bond Debt Service Fund	General Revenue Bond Fund	MERC Operating Fund	MERC Pooled Capital Fund	Metro Capital Fund	Open Spaces Fund
Resources							
Beginning Fund Balance	*$18,449,436*	*$9,519,754*	*$767,989*	*$10,552,328*	*$4,491,841*	*$6,190,380*	*$3,521,281*
Current Revenues							
Real Property Taxes	9,294,893	18,215,411	0	0	0	0	0
Excise Tax	12,805,010	0	0	0	0	0	0
Other Derived Tax Revenue	0	0	0	0	0	0	0
Grants	13,784,714	0	0	0	0	60,000	200,000
Local Government Shared Revenues	496,487	0	0	7,602,679	0	0	0
Contributions from other Government	81,500	0	0	337,750	337,750	0	0
Enterprise Revenue	17,599,574	0	0	25,595,077	0	0	55,000
Interest Earnings	329,419	50,000	4,500	167,168	31,102	139,059	88,000
Donations	974,845	0	0	109,000	575,000	0	0
Other Misc. Revenue	107,212	0	0	195,000	150,000	0	0
Interfund Transfers:							
Interfund Reimbursements	5,435,454	0	0	0	0	0	0
Internal Service Transfers	485,639	0	0	0	0	45,000	0
Fund Equity Transfers	500	0	3,132,012	192,943	733,845	3,606,830	0
Subtotal Current Revenues	61,395,247	18,265,411	3,136,512	34,199,617	1,827,697	3,850,889	343,000
Total Resources	**$79,844,683**	**$27,785,165**	**$3,904,501**	**$44,751,945**	**$6,319,538**	**$10,041,269**	**$3,864,281**
Requirements							
Current Expenditures							
Personal Services	$34,290,207	$0	$0	$14,402,032	$568,474	$76,279	$157,609
Materials and Services	22,943,190	0	0	16,153,246	0	500,000	1,547,849
Capital Outlay	663,700	0	183,066	0	3,758,072	4,077,500	1,206,000
Debt Service	0	18,039,363	3,132,012	22,768	0	0	0
Interfund Transfers:							
Interfund Reimbursements	630,383	0	0	2,196,245	0	0	316,281
Internal Service Transfers	25,000	0	0	72,677	0	0	51,796
Fund Equity Transfers	5,767,859	0	585,000	1,312,771	0	500	0
Contingency	13,571,915	0	0	3,048,401	751,236	1,217,152	468,494
Subtotal Current Expenditures	77,892,254	18,039,363	3,900,078	37,208,140	5,077,782	5,871,431	3,748,029
Ending Fund Balance	*1,952,429*	*9,745,802*	*4,423*	*7,543,805*	*1,241,756*	*4,169,838*	*116,252*
Total Requirements	**$79,844,683**	**$27,785,165**	**$3,904,501**	**$44,751,945**	**$6,319,538**	**$10,041,269**	**$3,864,281**
Full-Time Equivalents (FTE)	386.08	0.00	0.00	150.65	5.35	1.00	1.50

Summary of All Funds

	Pioneer Cemetery Perpetual Care Fund	Rehab. & Enhancement Fund	Risk Management Fund	Smith & Bybee Lakes Fund	Solid Waste Revenue Fund	Total
Resources						
Beginning Fund Balance	*$133,173*	*$1,875,400*	*$286,451*	*$3,610,000*	*$32,177,307*	*$91,575,340*
Current Revenues						
Real Property Taxes	0	0	0	0	0	27,510,304
Excise Tax	0	0	0	0	0	12,805,010
Other Derived Tax Revenue	19,000	0	0	0	0	19,000
Grants	0	0	10,000	0	0	14,054,714
Local Government Shared Revenues	0	0	0	0	0	8,099,166
Contributions from other Government	0	0	0	0	0	757,000
Enterprise Revenue	0	54,000	6,198,175	1,700	52,482,764	101,986,290
Interest Earnings	3,300	46,885	162,595	90,250	780,683	1,892,961
Donations	0	0	0	0	0	1,658,845
Other Misc. Revenue	0	0	0	0	15,000	467,212
Interfund Transfers:						
Interfund Reimbursements	0	0	1,328,000	0	0	6,763,454
Internal Service Transfers	0	0	0	0	29,101	559,740
Fund Equity Transfers	0	405,922	0	0	0	8,072,052
Subtotal Current Revenues	22,300	506,807	7,698,770	91,950	53,307,548	184,645,748
Total Resources	**$155,473**	**$2,382,207**	**$7,985,221**	**$3,701,950**	**$85,484,855**	**$276,221,088**
Requirements						
Current Expenditures						
Personal Services	$0	$0	$143,503	$0	$9,147,404	$58,785,508
Materials and Services	0	594,136	7,809,139	0	37,176,925	86,724,485
Capital Outlay	0	0	0	0	3,229,000	13,117,338
Debt Service	0	0	0	0	2,344,863	23,539,006
Interfund Transfers:						
Interfund Reimbursements	0	0	0	0	3,620,546	6,763,455
Internal Service Transfers	0	29,101	0	21,700	359,466	559,740
Fund Equity Transfers	0	0	0	0	405,922	8,072,052
Contingency	0	300,000	32,579	0	13,744,685	33,134,462
Subtotal Current Expenditures	0	923,237	7,985,221	21,700	70,028,811	230,696,046
Ending Fund Balance	*155,473*	*1,458,970*	*0*	*3,680,250*	*15,456,044*	*45,525,042*
Total Requirements	**$155,473**	**$2,382,207**	**$7,985,221**	**$3,701,950**	**$85,484,855**	**$276,221,088**
Full-Time Equivalents (FTE)	0.00	0.00	1.80	0.00	106.20	652.58

METRO

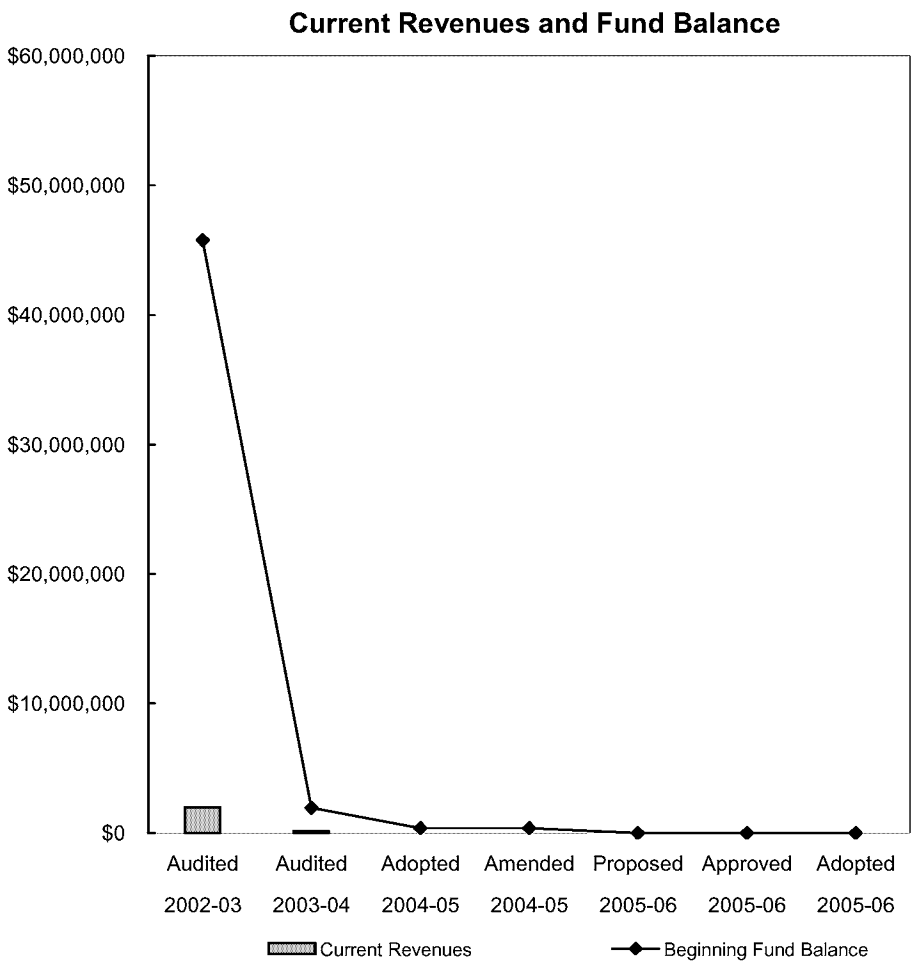
PEOPLE PLACES
OPEN SPACES

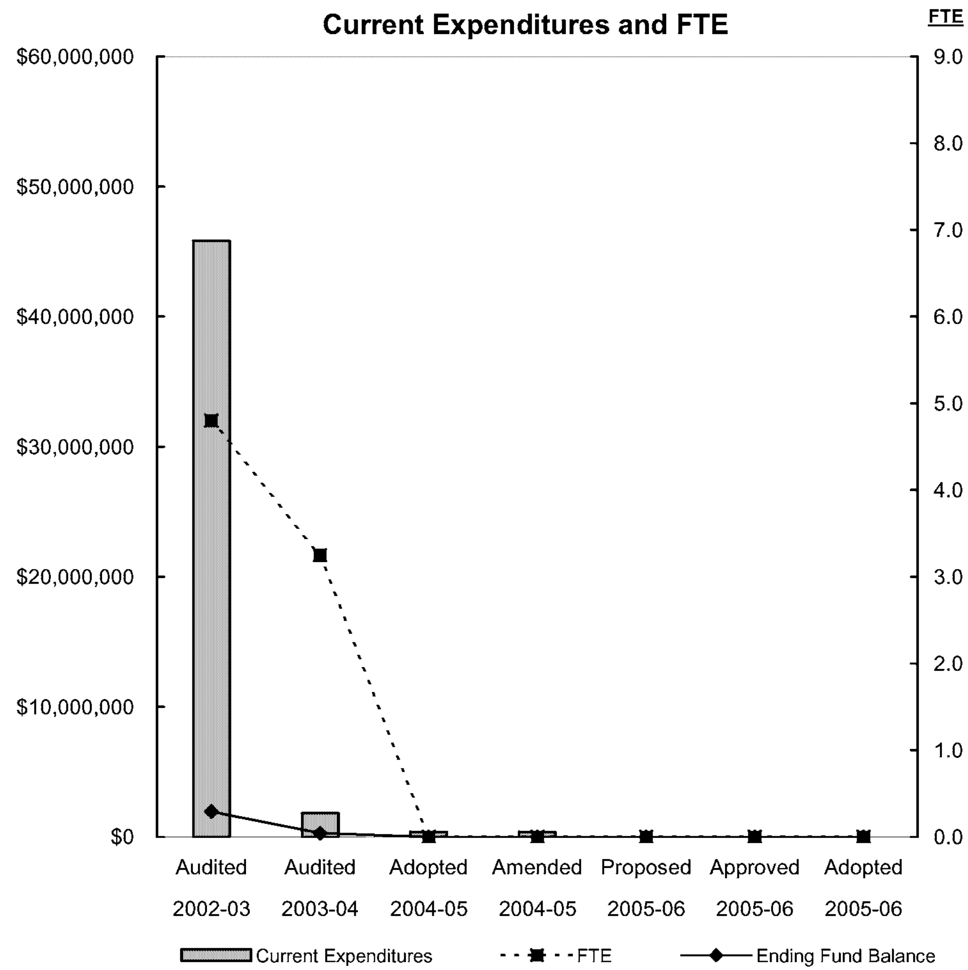
Convention Center Project Capital Fund

Convention Center Project Capital Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$45,769,532*	*$1,939,119*	*$385,000*	*$385,000*	*$0*	*$0*	*$0*	*(100.00%)*
Current Revenues								
Enterprise Revenue	750,000	0	0	0	0	0	0	0.00%
Interest Earnings	478,199	26,128	0	0	0	0	0	0.00%
Donations	750,000	124,666	0	0	0	0	0	0.00%
Interfund Transfers:								
Fund Equity Transfers	21,138	0	0	0	0	0	0	0.00%
Subtotal Current Revenues	**1,999,337**	**150,794**	**0**	**0**	**0**	**0**	**0**	**0.00%**
Total Resources	**$47,768,869**	**$2,089,913**	**$385,000**	**$385,000**	**$0**	**$0**	**$0**	**(100.00%)**
Requirements								
Current Expenditures								
Personal Services	$447,227	$96,761	$0	$0	$0	$0	$0	0.00%
Materials and Services	5,740	21,638	0	0	0	0	0	0.00%
Capital Outlay	45,185,010	1,696,019	0	0	0	0	0	0.00%
Interfund Transfers:								
Interfund Reimbursements	109,157	0	0	0	0	0	0	0.00%
Internal Service Transfers	82,616	0	0	0	0	0	0	0.00%
Fund Equity Transfers	0	0	385,000	385,000	0	0	0	(100.00%)
Subtotal Current Expenditures	**45,829,750**	**1,814,417**	**385,000**	**385,000**	**0**	**0**	**0**	**(100.00%)**
Ending Fund Balance	*1,939,119*	*275,496*	*0*	*0*	*0*	*0*	*0*	*0.00%*
Total Requirements	**$47,768,869**	**$2,089,913**	**$385,000**	**$385,000**	**$0**	**$0**	**$0**	**(100.00%)**
Full-Time Equivalents (FTE)	4.80	3.25	0.00	0.00	0.00	0.00	0.00	0.00%

Convention Center Project Capital Fund





Convention Center Project Capital Fund

The Convention Center Project Capital Fund was established to provide and account for the construction of the Oregon Convention Center. The fund accounted for design and construction of the center and dedicated project staff. Phase one of the convention center project was completed in 1990, which included 150,000 square feet of exhibit space; 25,000 square feet of ballroom space; 30,000 square feet of meeting space; 10 docks on the main loading dock and 850 parking spaces in a surface parking lot.

To improve the competitiveness of the center, in 1998 the second phase of the project, resulting in full build-out, was developed. The center began the expansion of the facility in February 2001 after several years of hard work by community, government, and industry leaders to generate funding for the $115 million project. The expansion added more than 407,000 total square feet to the current 500,000 square foot multipurpose facility. The expansion project included 105,000 square feet of new exhibit space, a new grand ballroom, 22 new meeting rooms, an 800-space covered parking garage, 11 additional loading bays, retail spaces, and improvements to the kitchen and food areas. The grand opening of the expanded center was April 2003. Partial parking in the garage opened April 2002; the balance opened with the expanded Center.

The Visitor Development Initiative, a collaborative public/private partnership trust, provided funding for the expansion. The trust is funded through allocation of a 2.5 percent surcharge on Multnomah County hotel and car rental taxes that are primarily dedicated to pay debt service on obligations issued to finance costs related to the Oregon Convention Center expansion. The City of Portland issued approximately $100 million in Limited Tax Revenue Bonds to fund a grant to Metro to complete the center. Additional funding for the expansion came from cash contributions of $5 million from the Oregon Convention Center fund balance and $5 million from the city of Portland.

In FY 2004–05, this fund included a small amount of funding to complete the closing of this project. That amount was transferred to MERC Pooled Capital Fund and is being held for potential outstanding costs for this project.

Fund Balance

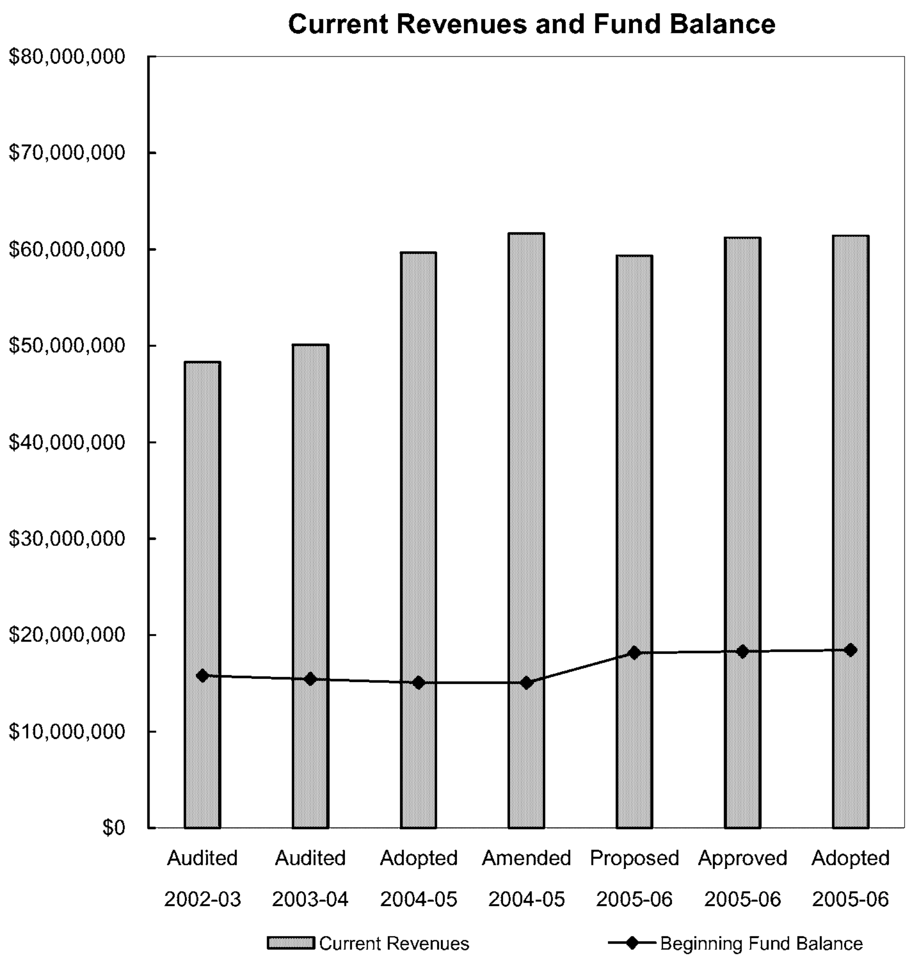
The fund balance is zero, and this fund is closed.

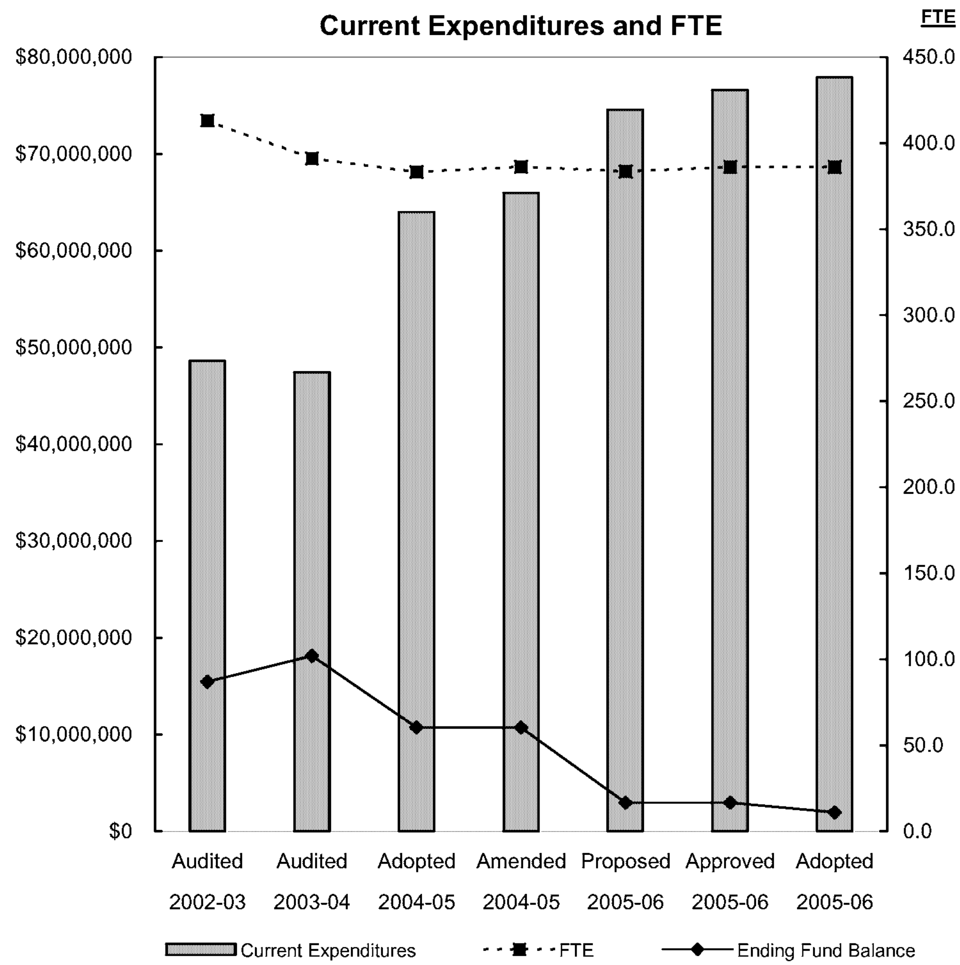
General Fund

General Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$15,780,714*	*$15,441,073*	*$15,079,113*	*$15,079,113*	*$18,169,295*	*$18,317,295*	*$18,449,436*	*22.35%*
Current Revenues								
Real Property Taxes	8,375,766	8,619,927	8,933,904	8,933,904	9,294,893	9,294,893	9,294,893	4.04%
Excise Tax	9,821,988	10,506,081	12,083,153	12,083,153	12,805,010	12,805,010	12,805,010	5.97%
Grants	6,788,064	6,787,083	13,543,345	14,171,263	11,801,647	13,637,714	13,784,714	(2.73%)
Local Government Shared Revenues	384,166	476,514	403,975	403,975	460,500	496,487	496,487	22.90%
Contributions from other Governments	106,829	41,508	40,300	40,300	65,300	81,500	81,500	102.23%
Enterprise Revenue	15,267,088	16,701,350	17,761,159	17,761,159	17,599,574	17,599,574	17,599,574	(0.91%)
Interest Earnings	333,570	259,033	203,576	203,576	329,419	329,419	329,419	61.82%
Donations	1,533,862	1,082,891	934,500	2,302,320	974,845	974,845	974,845	(57.66%)
Other Misc. Revenue	95,209	182,690	92,407	92,407	107,212	107,212	107,212	16.02%
Interfund Transfers:								
Interfund Reimbursements	4,825,113	4,560,346	5,285,076	5,285,076	5,435,454	5,435,454	5,435,454	2.85%
Internal Service Transfers	695,645	896,331	374,295	374,295	485,639	485,639	485,639	29.75%
Fund Equity Transfers	60,003	2,500	0	0	500	500	500	0.00%
Subtotal Current Revenues	**48,287,303**	**50,116,254**	**59,655,690**	**61,651,428**	**59,359,993**	**61,248,247**	**61,395,247**	**(0.42%)**
Total Resources	**$64,068,017**	**$65,557,327**	**$74,734,803**	**$76,730,541**	**$77,529,288**	**$79,565,542**	**$79,844,683**	**4.06%**
Requirements								
Current Expenditures								
Personal Services	$30,559,945	$29,949,556	$31,906,679	$32,162,473	$34,206,139	$34,290,207	$34,290,207	6.62%
Materials and Services	14,125,023	13,540,931	21,616,440	23,496,946	19,557,182	21,414,049	22,943,190	(2.36%)
Capital Outlay	1,160,234	1,420,700	327,700	545,700	463,700	663,700	663,700	21.62%
Debt Service	78,833	78,832	0	0	0	0	0	0.00%
Interfund Transfers:								
Interfund Reimbursements	302,783	377,221	626,769	626,769	630,383	630,383	630,383	0.58%
Internal Service Transfers	0	62,658	190,000	190,000	25,000	25,000	25,000	(86.84%)
Interfund Loan	103,898	101,248	0	0	0	0	0	0.00%
Fund Equity Transfers	2,296,228	1,893,266	3,699,507	4,203,507	6,017,859	6,017,859	5,767,859	37.22%
Contingency	0	0	5,642,478	4,770,641	13,676,596	13,571,915	13,571,915	184.49%
Subtotal Current Expenditures	**48,626,944**	**47,424,412**	**64,009,573**	**65,996,036**	**74,576,859**	**76,613,113**	**77,892,254**	**18.03%**
Ending Fund Balance	*15,441,073*	*18,132,915*	*10,725,230*	*10,734,505*	*2,952,429*	*2,952,429*	*1,952,429*	*(81.81%)*
Total Requirements	**$64,068,017**	**$65,557,327**	**$74,734,803**	**$76,730,541**	**$77,529,288**	**$79,565,542**	**$79,844,683**	**4.06%**
Full-Time Equivalents (FTE)	413.03	391.03	383.25	386.25	383.48	386.08	386.08	(0.04%)

General Fund





General Fund

Historically, the General Fund has included only the costs of the general government functions of the elected Metro Council and Council President, their staffs, the Public Affairs Department, and non-departmental special appropriations, such as election expenses and public notices required under the provisions of ballot measure 56.

During FY 2004–05, Metro initiated a multi-year Strategic Budgeting Initiative to identify important regional goals and to create strategies to address them. The Initiative requires fundamental cultural changes to the budgeting process. The Metro Council spent over forty hours in a series of retreats, developing and prioritizing goals and objectives. These goals and objectives provide strategic direction to the departments and a framework for program development. Departments were instructed to determine outcomes for proposed programs and provide measures to demonstrate progress toward those outcomes.

Commencing in FY 2005–06, Metro launched major changes to its budget process, beginning the transformation from an organizational-based budget to a multi-year program-based budget that is closely tied to Metro Council's strategic goals and objectives. This transformation is expected to take several years to complete. In order to provide the decision makers increased fiscal flexibility in the allocation of resources to the highest priority programs the number of funds was reduced from 20 to 12 by consolidating all funds that did not have legal or strategic constraints.

In FY 2005–06, the Zoo Operating Fund, Regional Parks Operating Fund, Planning Fund, Support Services Fund, and Building Management Fund were consolidated into the General Fund. The expanded General Fund now includes the operating costs of the Council Office, Office of Metro Attorney, Office of Metro Auditor, Finance and Administrative Services, Human Resources, Oregon Zoo, Planning, Public Affairs and Government Relations, and the Regional Parks and Greenspaces, as well as non-departmental special appropriations including the newly created Nature in Neighborhoods project team. For further information and discussion on each department see the *Department Summary* section.

Current Revenues

Property Taxes—Property tax revenues are received from a tax base approved by voters in May 1990. It is anticipated that Metro will receive 94 percent of the property tax levied and approximately $271,000 in delinquent taxes.

Excise Tax—The primary general government source of revenue for the General Fund is an excise tax on the purchase of Metro goods and services. The FY 2005–06 budget includes an excise tax rate of 7.5 percent on all non-solid waste generated revenues and a flat fee of $8.33 on all solid waste tonnage, including an additional $2.50 per ton dedicated to Regional Parks and $0.50 per ton dedicated to a Tourism Opportunity and Competitiveness Account to provide assistance to MERC in marketing the Oregon Convention Center.

In FY 2000–01, the Metro Council changed the excise tax rate on solid waste revenues from a percentage of the tipping fee to a per ton fee. The initial per ton fee was set to raise the same amount that would have been generated using an 8.5 percent excise tax rate. The per ton excise tax is determined annually during the budget process. For budgeting purposes, the Council President may assume the fee increases at the same rate as the Consumer Price Index. However, the Council may exceed that limitation if additional resources are deemed necessary during the budget review and adoption process.

In March 2002, the Council adopted a change in the excise tax ordinance providing funding for the Parks Department from an additional excise tax levy on solid waste. The initial levy was set at $1.00 per ton. In FY 2004–05, the levy dedicated to Regional Parks was increased to $2.50 per ton effective September 1, 2004. The levy provides for operations and maintenance, as well as capital development of four open space sites to Regional Parks.

The FY 2004–05 budget also provided an additional $0.50 per ton to an account in the General Fund dedicated to the marketing of the Oregon Convention Center. This levy was also effective September 1, 2004.

All per ton excise tax levies increase annually based on a CPI factor.

Grants—The Planning Department receives about $12.5 million in grant funds, approximately 91 percent of all grants. The department relies on federal, state, and local grants to fund most of its transportation planning programs. The Regional Parks and Greenspaces Department receives about $925,000 in grants primarily for restoration projects on Metro-owned natural areas, and the Oregon Zoo receives about $302,000 in grants. Grants at the Oregon Zoo are received in support of conservation projects performed in cooperation with other jurisdictions or for a stormwater improvement project. The decline in grant funds from FY 2004–05 is due primarily to the amount allocated for the Transit Oriented Development acquisition program under the Planning Department. Grant funding fluctuates annually based on project need.

Intergovernmental Revenues—This category includes local government shared revenues derived from registration fees for recreational vehicles (RVs), county marine fuel taxes, and payments from other governmental agencies for services provided by the Regional Parks and Greenspaces Department. In FY 2005–06, revenues received from RV registration fees are expected to increase based on projections from the State of Oregon, and marine fuel taxes are anticipated to remain relatively flat.

Enterprise Revenues—These are revenues derived from the income producing activities of the General Fund such as the Oregon Zoo and Regional Parks. They include admission fees, parking fees, food and beverage sales, gift shop sales, train rides, education fees, rental income, greens fees at Glendoveer Golf Course, and sales and contracted services generated through the Data Resource Center of the Planning Department. No fee increases are anticipated for FY 2005–06. Most revenue estimates at the Oregon Zoo are based upon per capita revenue projections combined with an estimated attendance of 1.310 million. Revenues at Regional Parks are estimated based on a three-year rolling average. Over ninety-three percent of all enterprise revenues are generated at either the Oregon Zoo or Regional Parks and are heavily dependent on weather conditions. The remaining seven percent is generated through rental income and parking fees at Metro Regional Center and the adjoining parking structure, and contracts and sales through the Data Resource Center. For further discussion on enterprise revenues see the *Revenue Analysis* section of the FY 2005–06 Adopted Budget.

Interest Earnings—Interest is earned on the unspent portion of the fund balance. Earnings are based on the current rate of Metro's average investment portfolio. In FY 2005–06, the budget assumes an interest rate of 2.5 percent.

Donations—This category includes contributions from individual and organizations in support of general operations or specific projects. Anticipated revenues in FY 2005–06 include $988,000 from the Oregon Zoo Foundation and smaller contributions in support of the Gales Creek Restoration project and the Salmon Festival at Oxbow Regional Park. In mid-year FY 2004–05, the Regional Parks Department received several large donations totaling $1.329 million to support several restoration projects such as the Clackamas River fish channel project and salmon habitat restoration.

Interfund Transfers—Metro's central services, such as Finance and Administrative Services, Building Management, Human Resources, Metro Attorney, Creative Services division of Public Affairs and Government Relations Department, and Metro Auditor, are budgeted in the General Fund. Costs of these services are allocated to operating departments through an approved cost allocation plan. Approximately $5.4 million in reimbursements is received from operating departments that are budgeted outside of the General Fund. In addition, the Planning Department charges for services and maintenance associated with the Data Resource Center, and the Metro Attorney's office charges for additional services requested by departments when the scope of work is either above or outside the planned work program.

Current Expenditures

Personal Services—This category includes salary, wage and fringe benefits for the 386.08 FTE that reside in the various departments of the General Fund. Overall, total FTE has remained flat; however, individual departments have experienced fluctuations based on program needs and resource constraints. See the *Staff Levels* discussion in the *Budget Summary* section for further discussion on specific programmatic changes. Irrespective of staff level shifts, all departments have experienced increases in fringe benefits particularly in the areas of health and welfare and pension costs. Metro's per capita cap on health and welfare increased 10 percent in FY 2005–06, and its employer contribution to the Oregon Public Employees Retirement System increased 4.7 percent. Metro staff and management are actively working on proposals to contain future years' costs in these areas.

Materials and Services—Expenditures in this category for basic operations, maintenance, and administration have remained relatively flat or have decreased slightly from the previous year. Costs associated with restoration projects will fluctuate from year to year based on available funding, and are anticipated to decrease about $700,000 in FY 2005–06. Planning Department expenditures are closely tied to the level of grants received. Around 89 percent of Planning Department costs, about $6.4 million, is for contracted professional services, TOD land purchases, or pass-through of grant funds to other governments. The FY 2005–06 budget includes a new Nature in Neighborhoods Initiative (for further discussion on this initiative see the *Non-Department* narrative under the *Department Summary* section). Included in the budget for this initiative is $1.250 million identified to provide restoration funds that implement the Nature in Neighborhoods program goals.

Capital Outlay—Expenditures in this category include the purchase of equipment, vehicles, and other fixed assets, and the remodeling and rehabilitation of exhibits and other facilities. The majority of expenditures are in two departments—Finance and Administrative Services for improvements or replacement to Metro's Information Technology systems or the Oregon Zoo for the stormwater management project and several smaller exhibit renovation projects. Also included is $75,000 for options on land purchases under a natural areas bond measure, $32,000 for replacement of travel forecasting computer equipment, and $18,000 for the replacement of a satellite office copier. Capital projects over $50,000 are reviewed and approved annually through the five-year capital budget process.

Transfers—There are two types of transfers from the General Fund: (1) interfund reimbursements for risk management services and (2) fund equity transfers of resources. Transfers of resources account for almost 90 percent of expenditures in this category. There are several distinct reasons for the these transfers including:

- The transfer of $1.7 million in renewal and replacement reserves to the new Metro Capital Fund. This includes approximately $1.35 million in accumulated reserves and $350,000 in new contributions in FY 2005–06.
- The transfer of approximately $1.9 million to the General Revenue Bond Fund for outstanding debt service on the full faith and credit bonds issued in October 2003 to refinance the Metro Regional Center revenue bonds and Oregon Zoo OECDD project loan.
- The transfer of $1.325 million in excise tax to the Regional Parks capital account in the Metro Capital Fund to provide funding for the development of four new regional park facilities as well as provide renewal and replacement funding for existing facilities.
- The transfer of $829,000 in excise tax to the Metro Exposition-Recreation Commission; $636,000 provided to the Oregon Convention Center under the Metro Tourism Opportunity and Competitiveness Account, and $193,000 also provided to the Oregon Convention Center to subsidize central service and administrative costs for the facility and remain in compliance with the Visitor Development Initiative agreement.

Contingency—A contingency is provided to meet unforeseen needs throughout the year. Expenditures from contingency may only be made through Council adoption of an ordinance amending the budget. To maintain maximum flexibility for the Metro Council, all but a few specific dedicated reserves are budgeted in contingency. Any transfer from contingency throughout the year that would exceed a cumulative amount greater than 15 percent of expenditures requires a full supplemental budget amendment, including public review by the Tax Supervising and Conservation Commission. The FY 2005–06 contingency is made up of four accounts: (1) a general contingency and reserve that can be used for any lawful purpose approved by the Council, (2) the Metro Tourism Opportunity and Competitiveness Account dedicated to the marketing of the Oregon Convention Center, (3) a PERS reserve set aside for potential pension cost liabilities, and (4) a small amount specifically set aside by budget note and reserved for use by the Council once Council support requirements are determined.

Fund Balance

Metro policy is to retain the equivalent of 10 percent of General Fund operating revenues in a reserve to guard against unexpected downturns in revenues and stabilize resulting budget actions. While this reserve is reflected in the ending fund balance at year-end, it is budgeted under contingency to provide maximum flexibility to the Council to meet unforeseen needs. The budgeted ending fund balance includes two dedicated reserves—the General Fund Recovery Rate Stabilization Reserve and a reserve for future debt service on the full faith and credit bonds issued to finance Metro Regional Center. The General Fund Recovery Rate Stabilization Reserve accumulates excise tax earned on solid waste tonnage in excess of the base amount allowed under the excise tax authorization ordinance. Use of these funds is guided by the excise tax ordinance and can only be appropriated by specific Council action during the annual budget development process. During the FY 2005–06 budget process, Council appropriated $1.25 million of this reserve to the Nature in Neighborhoods Initiative, leaving an estimated balance of approximately $83,000. At year-end, all reserves plus unexpended contingency are carried forward to the next year.

METRO

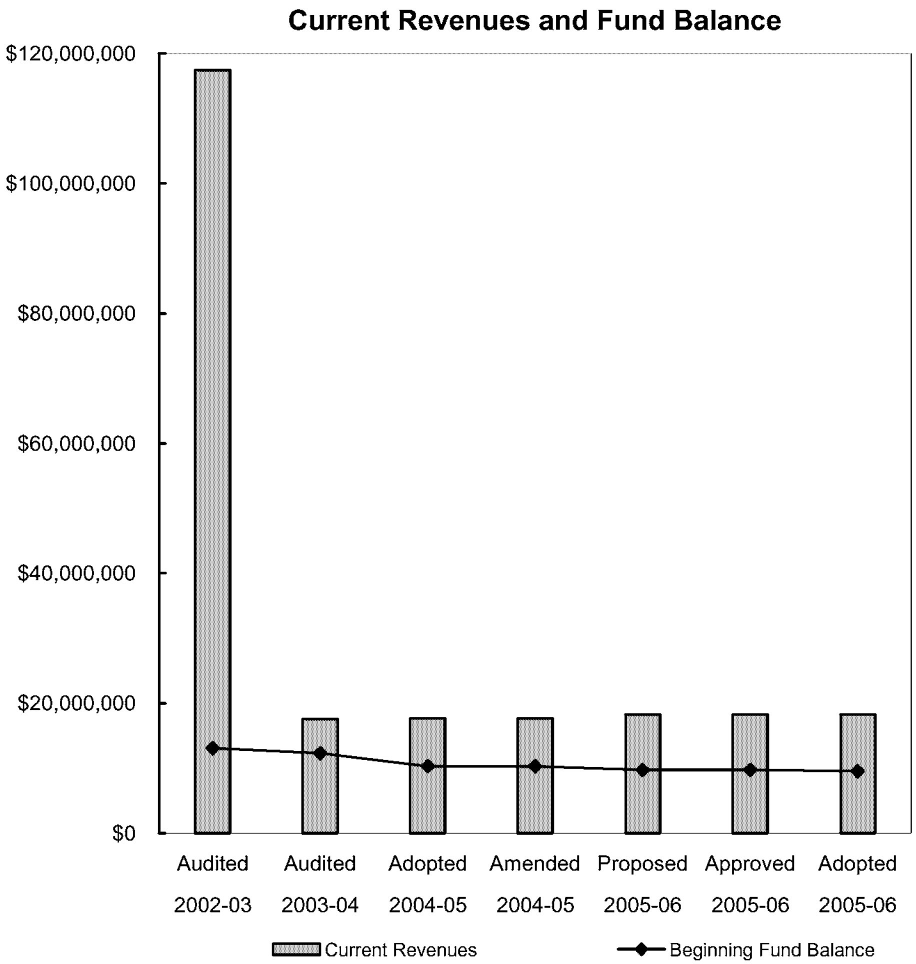
PEOPLE PLACES
OPEN SPACES

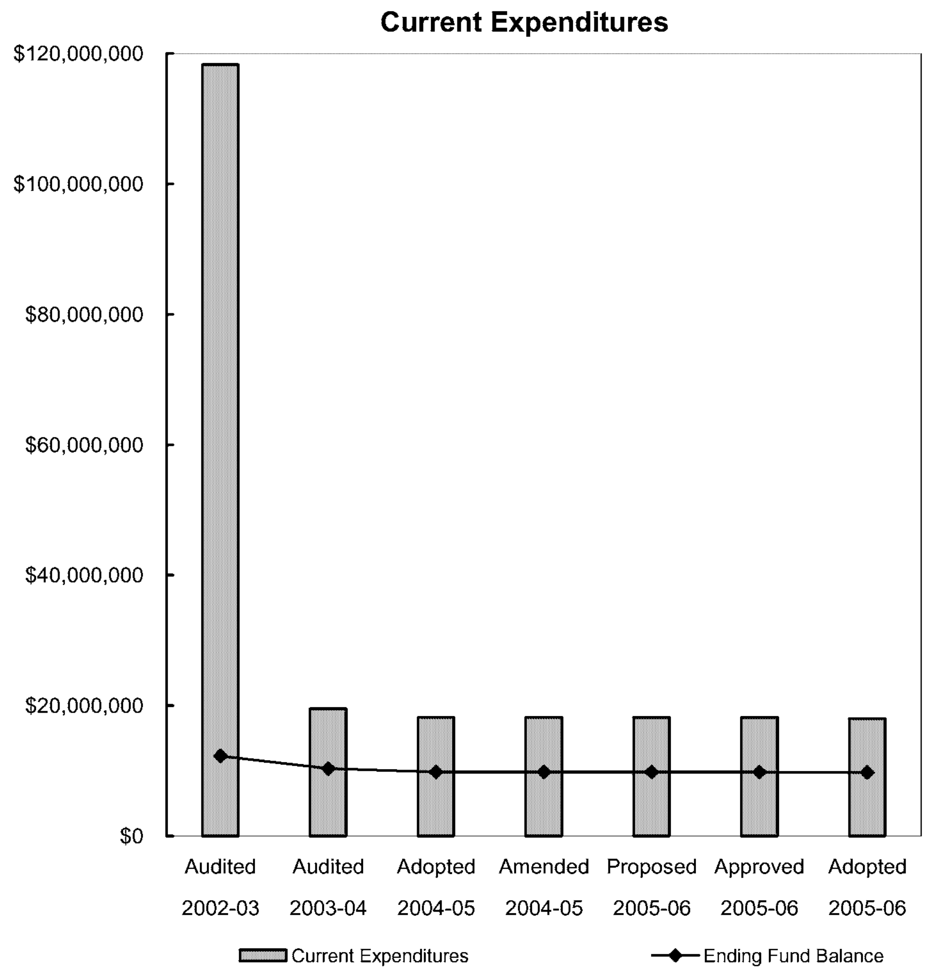
General Obligation Bond Debt Service Fund

General Obligation Bond Debt Service Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$13,094,846*	*$12,292,783*	*$10,308,427*	*$10,308,427*	*$9,749,221*	*$9,749,221*	*$9,519,754*	*(7.65%)*
Current Revenues								
Real Property Taxes	16,494,258	17,536,825	17,480,653	17,480,653	18,215,411	18,215,411	18,215,411	4.20%
Interest Earnings	283,378	46,749	200,000	200,000	50,000	50,000	50,000	(75.00%)
Bond and Loan Proceeds	100,681,603	0	0	0	0	0	0	0.00%
Subtotal Current Revenues	**117,459,239**	**17,583,574**	**17,680,653**	**17,680,653**	**18,265,411**	**18,265,411**	**18,265,411**	**3.31%**
Total Resources	**$130,554,085**	**$29,876,357**	**$27,989,080**	**$27,989,080**	**$28,014,632**	**$28,014,632**	**$27,785,165**	**(0.73%)**
Requirements								
Current Expenditures								
Materials and Services	$363,546	$0	$0	$0	$0	$0	$0	0.00%
Debt Service	117,897,756	19,548,224	18,174,887	18,174,887	18,185,488	18,185,488	18,039,363	(0.75%)
Subtotal Current Expenditures	**118,261,302**	**19,548,224**	**18,174,887**	**18,174,887**	**18,185,488**	**18,185,488**	**18,039,363**	**(0.75%)**
Ending Fund Balance	*12,292,783*	*10,328,133*	*9,814,193*	*9,814,193*	*9,829,144*	*9,829,144*	*9,745,802*	*(0.70%)*
Total Requirements	**$130,554,085**	**$29,876,357**	**$27,989,080**	**$27,989,080**	**$28,014,632**	**$28,014,632**	**$27,785,165**	**(0.73%)**
Full-Time Equivalents (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

General Obligation Bond Debt Service Fund





General Obligation Bond Debt Service Fund

The General Obligation Bond Debt Service Fund receives property tax revenue from voter-approved levies and pays principal and interest due holders of Metro's outstanding general obligation bonds. The fund contains debt service payments for each of Metro's existing general obligation bond series.

The Convention Center Project Debt Service Account pays the principal and interest due on the 2001 Series A general obligation refunding bonds (Oregon Convention Center project). In FY 2005–06, $5,316,664 is due.

In July 2001, Metro refinanced the 1992 Series A Convention Center refunding bonds, saving approximately $4.2 million in interest payments over the next 10 years.

In November 2002, Metro refinanced the 1995 Series A and C Open Spaces, Parks, and Streams bonds. The refinancing resulted in a net present value savings of $6.1 million. In FY 2005–06, total due is $10,454,214, which includes debt service on the 1995 Series B bonds.

In May 2005, Metro refinanced the callable portion of the 1996 Series A Oregon Project general obligation bonds, resulting in net present value savings of $1,427,412. In FY 2005–06, total due is $2,268,485, including debt service on the new 2005 Series and the remaining uncallable portion of the 1996 Series A bonds.

Current Revenues

Property Taxes

Property taxes are levied to meet the outstanding requirements of the general obligation bonds. The levy amount is the amount needed to pay debt obligations after consideration of all other resources and assuming a 94 percent collection rate. The significant reduction in property taxes from FY 2001–02 to FY 2002–03 is the result of the refinancing of the Convention Center bonds. The refinancing significantly reduced cash flow requirements and increased beginning fund balance, resulting in a one-time reduction in the property tax levy. Although property taxes increased in FY 2003–04, there was also a one-time reduction due to the Open Spaces refinancing in 2002. In FY 2004–05, current year property taxes were approximately $17.5 million, below the estimated future year average of $18.2 million. With the refinancing of the Oregon Zoo bonds, property tax levies should begin to level out on an annual basis.

Interest

Interest is earned on the average cash balance of the fund. Earnings are based on the current rates of Metro's investment portfolio. In FY 1999–00, Metro implemented Rule #31 of the Governmental Accounting Standards Board (GASB 31), which required that interest earnings be adjusted to reflect market value of investments. As a result, interest earnings will be less predictable and result in greater variability from year to year. Expected interest earnings rate is expected to average approximately 2.5 percent.

Current Expenditures

Debt Service

Principal and interest payments on the outstanding general obligation bonds are based on the actual debt service schedules for each issue. Debt service payments are made semi-annually.

Fund Balance

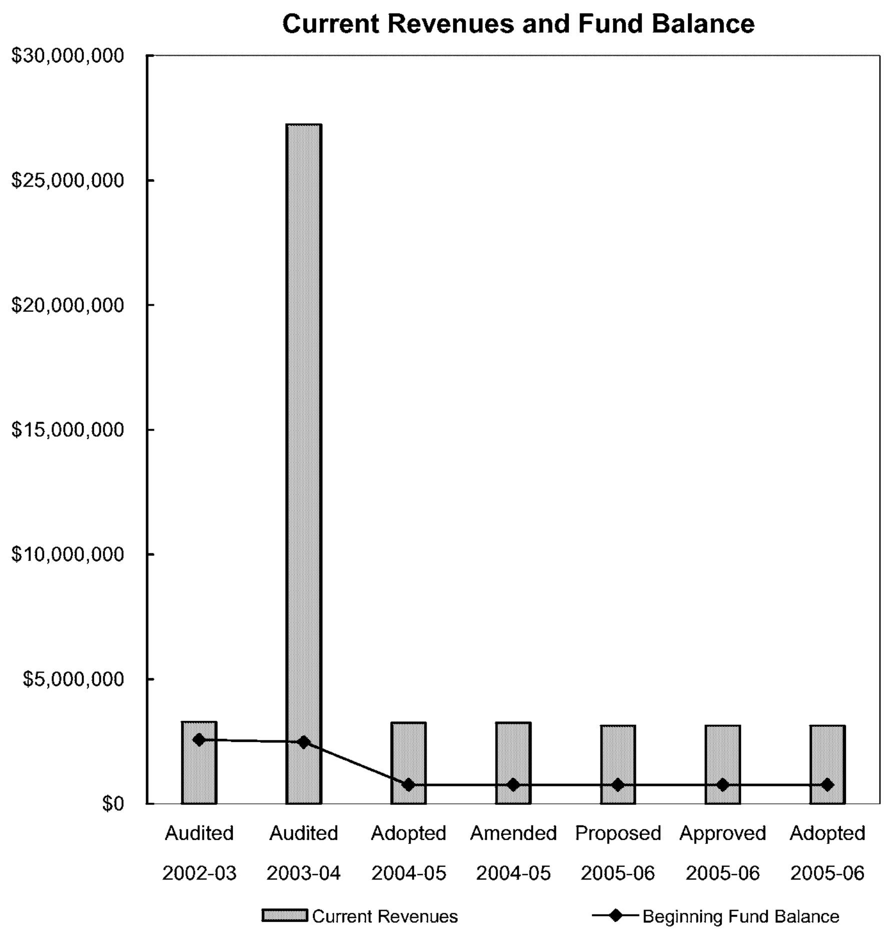
All of Metro's existing general obligation bonds have payments due early in the fiscal year, before property tax payments are received. All accounts, therefore, have ending fund balances of sufficient size to carry funds over to the following fiscal year to make the first debt service payment. Ending balances will be adjusted over time to meet the requirements of debt obligations. Cash flow requirements for the Convention Center, Open Spaces bonds and Zoo bonds have been reduced significantly due to refinancing. This results in a reduction of 21 percent in the ending balance requirement for the fund since FY 2002–03.

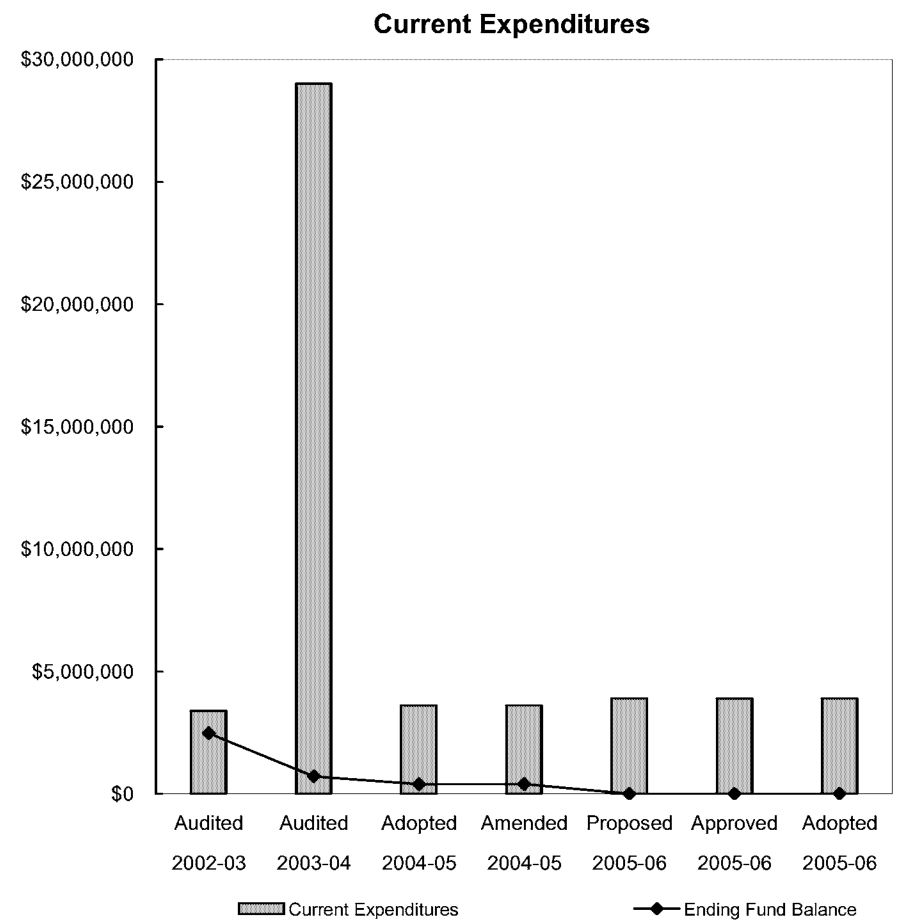
General Revenue Bond Fund

General Revenue Bond Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$2,574,920*	*$2,482,220*	*$764,968*	*$764,968*	*$767,989*	*$767,989*	*$767,989*	*0.39%*
Current Revenues								
Grants	28,039	(542)	0	0	0	0	0	0.00%
Interest Earnings	43,847	11,672	9,614	9,614	4,500	4,500	4,500	(53.19%)
Bond and Loan Proceeds	0	24,425,431	0	0	0	0	0	0.00%
Interfund Transfers:								
Fund Equity Transfers	3,217,588	2,806,244	3,236,064	3,236,064	3,132,012	3,132,012	3,132,012	(3.22%)
Subtotal Current Revenues	**3,289,474**	**27,242,805**	**3,245,678**	**3,245,678**	**3,136,512**	**3,136,512**	**3,136,512**	**(3.36%)**
Total Resources	**$5,864,394**	**$29,725,025**	**$4,010,646**	**$4,010,646**	**$3,904,501**	**$3,904,501**	**$3,904,501**	**(2.65%)**
Requirements								
Current Expenditures								
Capital Outlay	$28,842	$0	$178,988	$178,988	$183,066	$183,066	$183,066	2.28%
Debt Service	3,293,329	29,006,268	3,139,064	3,139,064	3,132,012	3,132,012	3,132,012	(0.22%)
Interfund Transfers:								
Fund Equity Transfers	60,003	0	0	0	585,000	585,000	585,000	0.00%
Contingency	0	0	300,000	300,000	0	0	0	(100.00%)
Subtotal Current Expenditures	**3,382,174**	**29,006,268**	**3,618,052**	**3,618,052**	**3,900,078**	**3,900,078**	**3,900,078**	**7.79%**
Ending Fund Balance	*2,482,220*	*718,757*	*392,594*	*392,594*	*4,423*	*4,423*	*4,423*	*(98.87%)*
Total Requirements	**$5,864,394**	**$29,725,025**	**$4,010,646**	**$4,010,646**	**$3,904,501**	**$3,904,501**	**$3,904,501**	**(2.65%)**
Full-Time Equivalents (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

General Revenue Bond Fund





General Revenue Bond Fund

The General Revenue Bond Fund was established to account for bond proceeds used to construct Metro Regional Center and the assessments against Metro departments to pay debt service on those bonds. In FY 1995–96, the fund was expanded to include loan proceeds for the Washington Park parking lot renovation and a contribution to Tri-Met for the Zoo light rail station. In FY 1999–00 the fund was amended to include loan proceeds from the Oregon Economic and Community Development Department (OECDD) used to replace Hall D at the Expo Center. In the future, this financing method and fund could be used to pay for other general purpose capital items. The General Revenue Bond Fund contains the following accounts:

Construction Account—This account tracked resources and expenditures associated with the Metro Regional Center construction project. The residual funding was used as matching funds for a grant received to purchase and install audio/visual production equipment for the Council Chamber. This project was completed in FY 2002–03. The small balance remaining in the account will be used to offset debt service requirements from the departments.

Project Account—This account was created in FY 1995–96 to provide for expenditures related to the Washington Park parking lot renovation and the contribution to Tri-Met for the Zoo light rail station. Beginning in FY 1999–00 it was used to account for expenses associated with the Hall D Replacement Project.

Debt Service Account—This account is used to pay principal and interest due on the outstanding revenue bonds and the OECDD loan. In FY 2003–04, the Metro Regional Center general revenue bonds and Washington Park parking lot OECDD loans were refinanced with full faith and credit bonds. The refinancing resulted in a net present value savings of almost $2.5 million, or 10 percent. Debt service on the Metro Regional Center bonds is paid from assessments allocated to the operations and activities of Metro that use the Metro Regional Center, and from fees and charges for the use of the attached parking structure. Debt service on the outstanding obligation for the Washington Park parking lot is paid by Zoo revenues. Debt service for the OECDD loan for the replacement of Hall D is paid by Expo Center revenues.

Renewal and Replacement Account—This account was established to provide for the renewal and replacement needs of Metro Regional Center headquarters building. Seed funding for the account was provided from reimbursed costs associated with the original Metro Regional Center general revenue bond issue in 1991. Through FY 2003–04, interest earnings on the balance in the account have been the primary source of revenue. Beginning in FY 2004–05, annual renewal and replacement contributions will be made in conformance with the Metro Council's adopted Capital Asset Management Policies. Transfers out of this fund to Building Management will be made as projects are identified and authorized in the budget. In FY 2005–06, this account is transferred to the Metro Capital Fund.

Debt Reserve Account—The general revenue bonds issued to construct Metro Regional Center required the establishment of a debt reserve equal to the maximum annual debt service on the outstanding bonds. This reserve was initially funded with revenue bond proceeds. Interest earned on the reserve was released from the account on an annual basis and used to offset debt service payments. In FY 2003–04, the general revenue bonds were refunded with the issuance of full faith and credit bonds. A debt reserve was no longer required and the proceeds in this account were used to pay down the outstanding bonds prior to refunding.

Current Revenues

Grants—In FY 2001–02 and FY 2002–03, grants were received from the Mt. Hood Cable Regulatory Commission to upgrade the video production equipment in the Council Chamber. The project was completed in FY 2002–03.

Bond and Loan Proceeds—In FY 2003–04 Metro refinanced the Metro Regional Center revenue bonds and the Washington Park parking lot OECDD loans. Proceeds from this refinancing are recorded in full in FY 2003–04.

Interest Earnings – Interest is earned on the unused portion of the fund balance. Earnings are based on the current rates of Metro's average investment portfolio. For FY 2005–06, average interest rates were assumed at 2.5 percent.

Interfund Transfers—Debt service on the full faith and credit bonds for Metro Regional Center is paid from assessments allocated to the operations and activities of Metro that use Metro Regional Center, and fees and charges for the use of the attached parking structure. The fees, charges, and assessments are collected within General Fund and are transferred to the General Revenue Bond Fund for payment of debt service. Debt service for the Washington Park parking lot obligations is repaid with Zoo revenues transferred from the Zoo Operating Department. Debt service on the OECDD loan for Hall D is repaid by Expo revenues transferred from the MERC Operating Fund.

Current Expenditures

Capital Outlay—Capital outlay requirements in this fund are dependent on anticipated projects and vary from year to year. In prior years, capital outlay was budgeted primarily for the Hall D Replacement Project. Since FY 2004–05, an amount has been carried forward and budgeted for completion of the auxiliary lot at the Washington Park parking lot.

Debt Service—This category contains principal and interest due on the outstanding full faith and credit bonds and the OECDD loans. Debt service payments are made semi-annually and are tied to the debt service schedule. The Metro Regional Center revenue bonds and the Washington Park parking lot OECDD loans were refinanced in FY 2003–04. The full faith and credit refinancing bonds will be repaid over 20 years and will fully mature in 2022. A final loan payment for the OECDD parking lot loan was made in FY 2004–05. The loan for Hall D will be repaid over 25 years and be retired in 2025.

***Interfund Transfers*—**A renewal and replacement account has been established for future capital needs of Metro Regional Center. In prior years, funds were transferred to the former Building Management Fund to pay for renewal and replacement projects authorized in the Capital Budget. In FY 2005–06, the balance in the renewal and replacement account is being transferred to the Metro Capital Fund to establish a new Metro Regional Center Renewal and Replacement account.

Contingency—The fund is now primarily a debt service fund. Since debt costs can be easily estimated based on debt service schedules, no contingency is provided for the fund.

Fund Balance

The former Metro Regional Center general revenue bonds required a debt reserve in an amount equal to the maximum annual debt service on the outstanding bonds. This amount was held in fund balance (under the General Expenses category) on an annual basis. In FY 2003–04, the bonds were refinanced with full faith and credit bonds, no longer requiring the retention of a debt reserve. The existing debt reserve was used to buy down the outstanding debt at the time it was refinanced. In addition, the unexpended portion of the renewal and replacement account is being transferred to the newly created Metro Capital Fund. All that remains in the fund balance is a small amount in the debt service account.

METRO

PEOPLE PLACES
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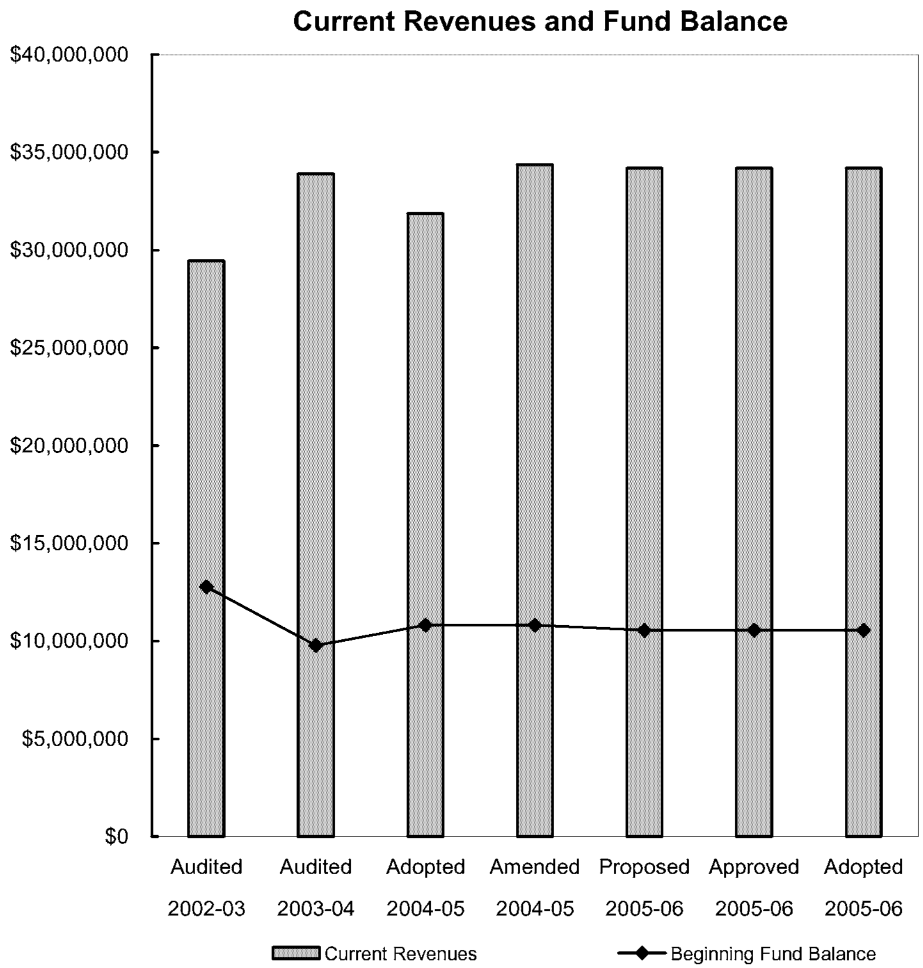
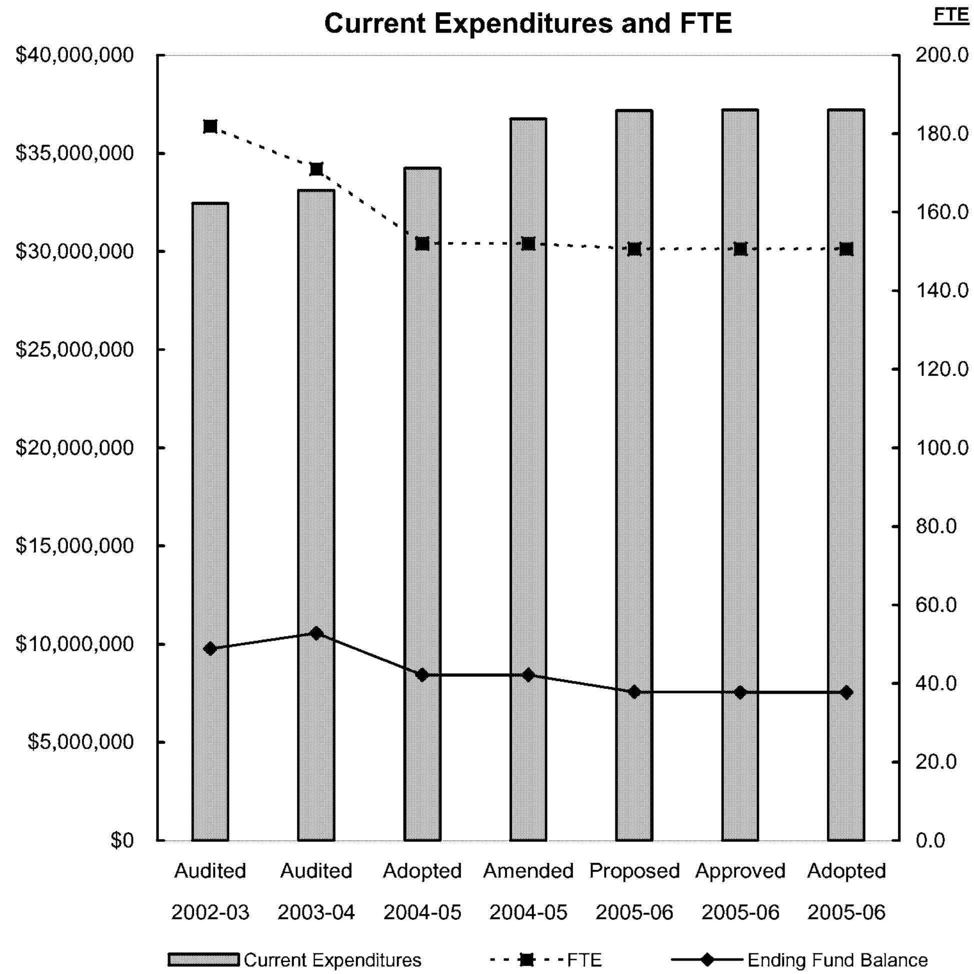
MERC Operating Fund

MERC Operating Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$12,769,627*	*$9,771,540*	*$10,806,745*	*$10,806,745*	*$10,552,328*	*$10,552,328*	*$10,552,328*	*(2.35%)*
Current Revenues								
Grants	0	11,204	0	0	0	0	0	0.00%
Local Government Shared Revenues	8,157,148	7,893,216	7,000,663	7,000,663	7,602,679	7,602,679	7,602,679	8.60%
Contributions from other Governments	310,861	320,628	331,128	331,128	337,750	337,750	337,750	2.00%
Enterprise Revenue	20,519,717	25,056,583	23,593,490	26,093,490	25,595,077	25,595,077	25,595,077	(1.91%)
Interest Earnings	168,752	51,969	69,503	69,503	167,168	167,168	167,168	140.52%
Donations	1,590	62,660	263,500	263,500	109,000	109,000	109,000	(58.63%)
Other Misc. Revenue	170,734	393,900	80,000	80,000	195,000	195,000	195,000	143.75%
Interfund Transfers:								
Internal Service Transfers	66,011	0	0	0	0	0	0	0.00%
Fund Equity Transfers	50,000	98,577	536,129	536,129	192,943	192,943	192,943	(64.01%)
Subtotal Current Revenues	**29,444,813**	**33,888,738**	**31,874,413**	**34,374,413**	**34,199,617**	**34,199,617**	**34,199,617**	**(0.51%)**
Total Resources	**$42,214,440**	**$43,660,278**	**$42,681,158**	**$45,181,158**	**$44,751,945**	**$44,751,945**	**$44,751,945**	**(0.95%)**
Requirements								
Current Expenditures								
Personal Services	$11,997,165	$12,647,237	$13,030,447	$13,330,447	$14,402,032	$14,402,032	$14,402,032	8.04%
Materials and Services	15,817,776	17,209,967	15,053,931	17,253,931	16,125,246	16,153,246	16,153,246	(6.38%)
Debt Service	25,042	20,539	22,809	22,809	22,768	22,768	22,768	(0.18%)
Interfund Transfers:								
Interfund Reimbursements	1,698,426	1,921,831	2,161,931	2,161,931	2,196,245	2,196,245	2,196,245	1.59%
Internal Service Transfers	0	0	0	0	72,677	72,677	72,677	0.00%
Fund Equity Transfers	2,904,491	1,304,404	1,504,614	1,504,614	1,312,771	1,312,771	1,312,771	(12.75%)
Contingency	0	0	2,479,849	2,479,849	3,048,401	3,048,401	3,048,401	22.93%
Subtotal Current Expenditures	**32,442,900**	**33,103,978**	**34,253,581**	**36,753,581**	**37,180,140**	**37,208,140**	**37,208,140**	**1.24%**
Ending Fund Balance	*9,771,540*	*10,556,300*	*8,427,577*	*8,427,577*	*7,571,805*	*7,543,805*	*7,543,805*	*(10.49%)*
Total Requirements	**$42,214,440**	**$43,660,278**	**$42,681,158**	**$45,181,158**	**$44,751,945**	**$44,751,945**	**$44,751,945**	**(0.95%)**
Full-Time Equivalents (FTE)	181.91	171.05	152.05	152.05	150.65	150.65	150.65	(0.92%)

MERC Operating Fund





MERC Operating Fund

This fund contains the operating revenues and expenditures of the facilities managed by the Metro Exposition-Recreation Commission (MERC). The Commission through its staff manages the Oregon Convention Center (OCC) and the Portland Metropolitan Exposition Center (Expo), both of which are owned by Metro. The Commission also manages the Portland Center for the Performing Arts (PCPA) through an intergovernmental agreement with the City of Portland, which owns this facility.

Current Revenues

Local Government Shared Revenues—The revenues recorded in this classification are the transient lodging taxes and auto rental taxes forwarded by Multnomah County to support operations of the Oregon Convention Center and the Portland Center for the Performing Arts. This source of revenue is expected to grow approximately 6 percent, an indication of the improving economy's impact on the travel industry.

Contributions from other Governments—These revenues represent a contribution from the City of Portland to support the operations of the PCPA.

Enterprise Revenues—MERC charges various fees for the use of its facilities. They include rental fees, user fees, concession revenues, catering, parking, and other enterprise activities. These revenues had shown consistent overall gains for the combined facilities up until FY 1999–00. The decreases in FY 2000–01 and FY 2001–02 were the result of the transfer of Civic Stadium back to the City of Portland and the impact of the construction of the expanded facility at OCC. With the opening of the expanded OCC facility, enterprise revenues grew in FY 2004–05. A decline of 1.91 percent is expected for FY 2005–06, as convention bookings are low for the coming year. As conventions book three to ten years out, this decline is directly related to the September 11th event.

Interest—Interest is calculated on the fund balance. The anticipated interest earnings are 2.5 percent in FY 2005–06.

Donations and Bequests—In past years, donations received for capital improvements were placed in this fund. Beginning in FY 2001–02, these donations are recorded in the MERC Pooled Capital Fund to better match the contributions with the projects that they fund. A new category in Fiscal Year 2004–05 is Sponsorship Revenue, to record the expected business developed from naming rights.

Interfund Transfers—This category consists of transfers into this fund from various other funds. In FY 2005–06, the General Fund will provide up to $192,943 to allow MERC to remain in compliance with the Visitor Development Initiative agreement on central services charges.

Current Expenditures

Personal Services—The increase in this classification is a result of FY 2005–06 cost increases in both PERS costs and healthcare, as well as normal COLA/merit pay.

Materials and Services—This category includes spending for goods and services required to operate and market the facilities. The major expenditures in this category are for food service contracts, utilities, marketing services, and facility maintenance expenses. These decreases in FY 2005–06 are due to continued tightening of expenditures, as well as the expected lower convention bookings.

Capital Outlay—All capital projects are in the MERC Pooled Capital Fund. This allows the department to track operational costs from year to year without the fluctuations associated with capital projects.

Debt Service—This category is the debt service for a Local Improvement District (LID) assessment from the City of Portland. The LID was levied against the OCC for the Steel Bridge Pedestrian Walkway project.

Interfund Transfers—In FY 2005–06, this fund contains three interfund transfers. Transfers to the General, Support Services, and Risk Management Funds are for central service charges as allocated through the cost allocation plan. The transfer to the General Revenue Bond Fund is for principal and interest payments on the Oregon Economic and Community Development Department's (OECDD) loan that provided financing for the Expo Center Hall D replacement. The transfer to the MERC Pooled Capital

Fund is for capital improvements for the facilities. The modest increase in support charges is primarily the result of increases to personal services from merit/COLA increases and rising PERS and healthcare costs.

Fund Balance

The beginning fund balance represents funds carried over from the previous year. These funds are used to maintain cash flow at the beginning of the fiscal year, preserve operating flexibility, and provide cash reserves in the event of unexpected business downturns. The beginning fund balance is projected to be $10.8 million. Even after the budget tightening measures, MERC will still draw the ending fund balance down to $10.4 million.

METRO

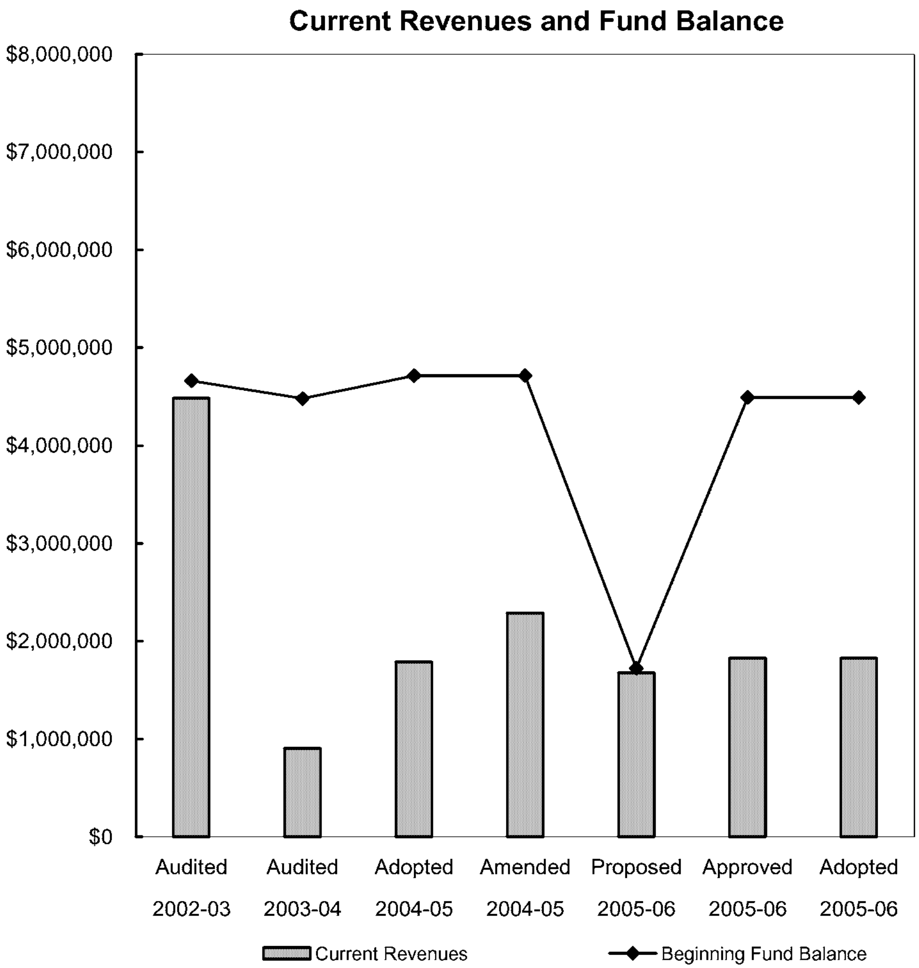
PEOPLE PLACES
OPEN SPACES

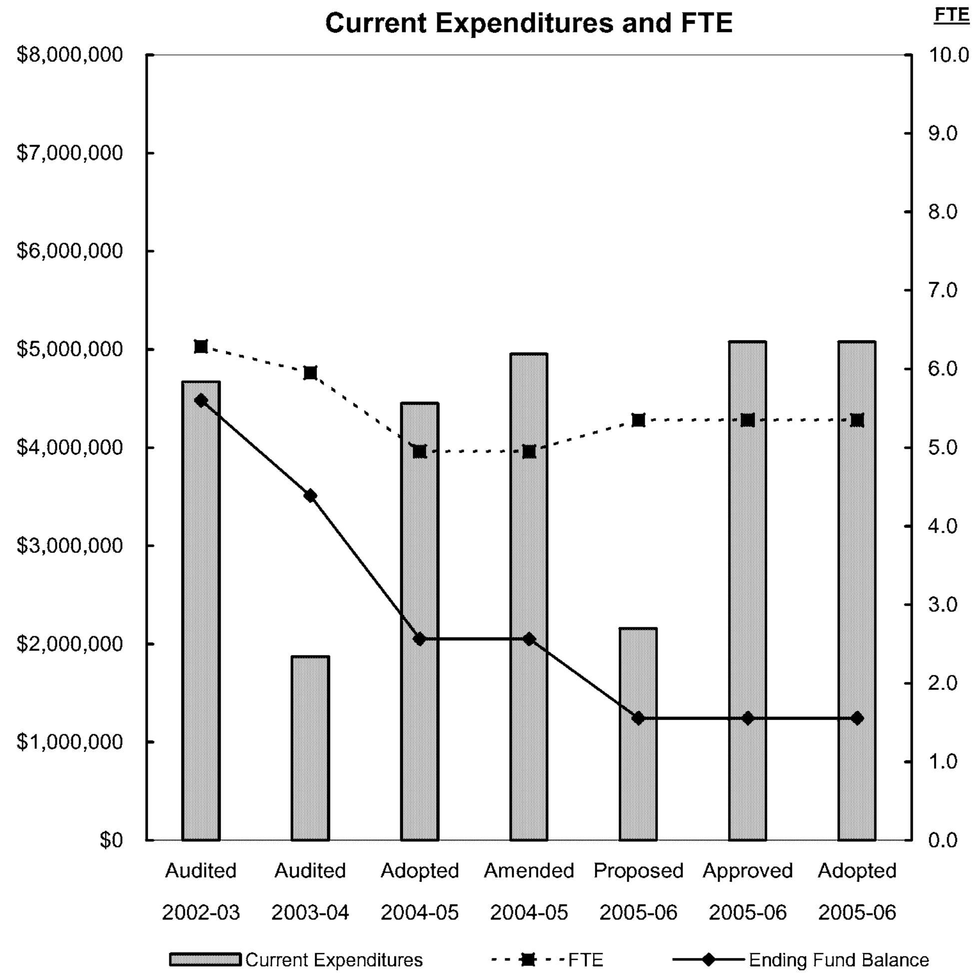
MERC
Pooled Capital
Fund

MERC Pooled Capital Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$4,663,986*	*$4,479,447*	*$4,714,622*	*$4,714,622*	*$1,723,717*	*$4,491,841*	*$4,491,841*	*(4.73%)*
Current Revenues								
Grants	18,500	0	0	0	0	0	0	0.00%
Local Government Shared Revenues	169,704	0	0	0	0	0	0	0.00%
Contributions from other Governments	2,400,803	641,916	321,484	321,484	337,750	337,750	337,750	5.06%
Interest Earnings	78,651	51,031	67,779	67,779	31,102	31,102	31,102	(54.11%)
Donations	0	0	715,775	715,775	575,000	575,000	575,000	(19.67%)
Other Misc. Revenue	12,607	34,018	0	0	0	150,000	150,000	0.00%
Interfund Transfers:								
Fund Equity Transfers	1,804,489	175,662	681,106	1,185,106	733,845	733,845	733,845	(38.08%)
Subtotal Current Revenues	**4,484,754**	**902,628**	**1,786,144**	**2,290,144**	**1,677,697**	**1,827,697**	**1,827,697**	**(20.19%)**
Total Resources	**$9,148,740**	**$5,382,075**	**$6,500,766**	**$7,004,766**	**$3,401,414**	**$6,319,538**	**$6,319,538**	**(9.78%)**
Requirements								
Current Expenditures								
Personal Services	$504,516	$447,437	$406,287	$406,287	$568,474	$568,474	$568,474	39.92%
Materials and Services	31,158	1,177	10,000	10,000	0	0	0	(100.00%)
Capital Outlay	4,133,619	1,422,777	3,142,350	3,796,350	1,372,845	3,758,072	3,758,072	(1.01%)
Interfund Transfers:								
Fund Equity Transfers	0	0	354,000	354,000	0	0	0	(100.00%)
Contingency	0	0	537,581	387,581	218,339	751,236	751,236	93.83%
Subtotal Current Expenditures	**4,669,293**	**1,871,391**	**4,450,218**	**4,954,218**	**2,159,658**	**5,077,782**	**5,077,782**	**2.49%**
Ending Fund Balance	*4,479,447*	*3,510,684*	*2,050,548*	*2,050,548*	*1,241,756*	*1,241,756*	*1,241,756*	*(39.44%)*
Total Requirements	**$9,148,740**	**$5,382,075**	**$6,500,766**	**$7,004,766**	**$3,401,414**	**$6,319,538**	**$6,319,538**	**(9.78%)**
Full-Time Equivalents (FTE)	6.29	5.95	4.95	4.95	5.35	5.35	5.35	8.08%

MERC Pooled Capital Fund





MERC Pooled Capital Fund

The MERC Pooled Capital Fund accounts for MERC's capital projects and renovation and replacement of its extensive infrastructure. This allows for capital and infrastructure renovation and replacement costs to be captured in one place, and to segregate normal operating expenditures from special one-time project expenditures. This permits more accurate reflection of operating results within the MERC Operating Fund, while more closely tracking the connection between revenues dedicated for capital and replacement/renovation expenditures.

The fund receives direct transfers from the MERC facilities (Oregon Convention Center [OCC], Portland Center for the Performing Arts, and the Portland Metropolitan Exposition Center) that are responsible for the particular projects. Each facility records revenues, interest earnings, transfers and expenses separately.

The current focus is being placed on updating the Portland Center for the Performing Arts (PCPA) and two large OCC projects. The OCC projects are making the old section of the building LEED-EB-compliant[1] and replacing the failing Audio Video Head Room. LEED-EB is the voluntary effort to make the old part of the building compliant with the Green Building Rating System, consistent with the expanded portions of OCC. This project is the first of the projects approved by Metro Council to be paid for by the Metro Tourism and Competitiveness funding ($0.50 per ton excise tax deduction).

Current Revenues

Contributions from other Governments—The revenue in this classification is a contribution from the City of Portland to support the capital needs of PCPA.

Donations—This reflects the reimbursement of expenditures for work done on PCPA facilities. These funds are held by the Oregon Community Foundation.

Transfer of Resources—The individual facilities provide funding from operations to support their capital maintenance and improvement. In addition, the budget anticipates the transfer of the $0.50 per ton excise tax levied on solid waste tonnage per Metro Ordinance 04-1052, dedicated to improving OCC's competitiveness. The projects funded from this source require Metro Council pre-approval. The conditions of this funding source were established by Metro Resolution 04-3494A.

Current Expenditures

Personal Services—The expenditures in this classification are for the staff that coordinate and oversee the projects that are expensed in this fund.

Capital Outlay—The majority of the projects in this category are related to PCPA and OCC. Beginning in FY 2001–02, MERC budgeted all of the capital projects that are included in the Capital Budget in this fund. This was done to better track the expenditures in conjunction with the revenues dedicated for these projects. Please refer to the Capital Budget section of this document for details of capital projects.

Contingency—This provides a contingency for unexpected capital needs and the PERS Reserve. (For an explanation of the PERS Reserve, see *Where the Money Goes* in Section B, Budget Summary of this document.)

Fund Balance

Fund balance is the carry-forward of funding for planned capital projects.

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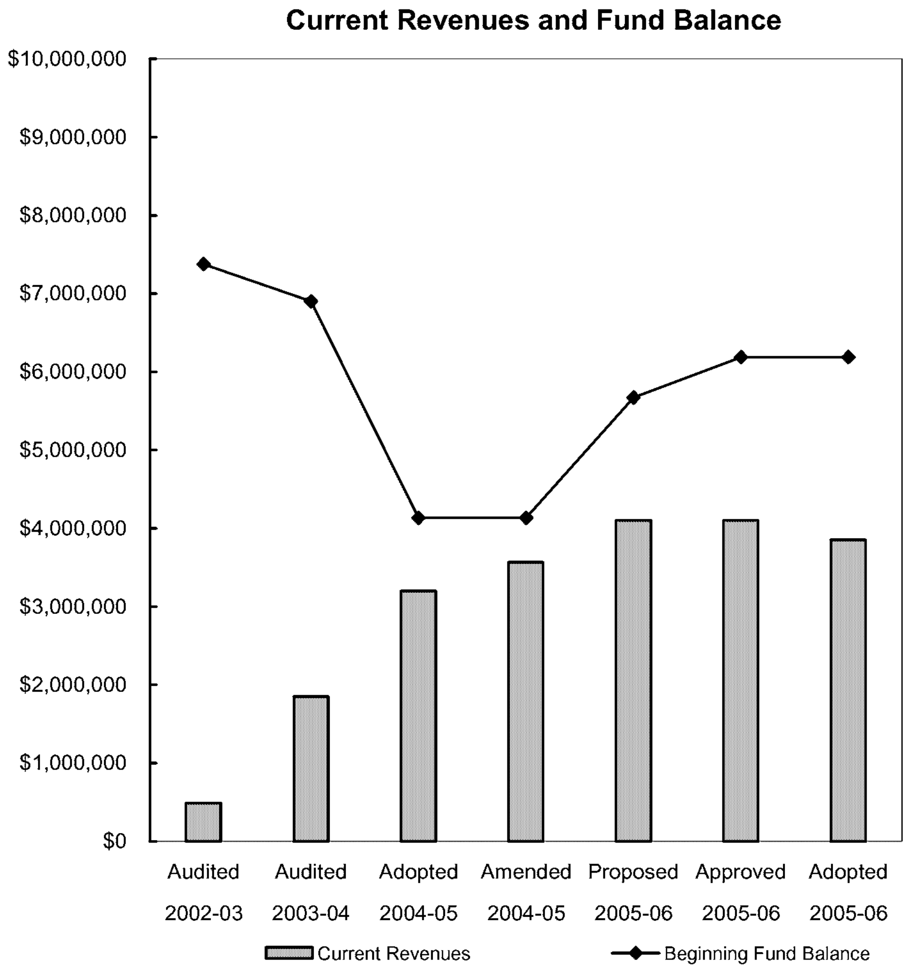
[1] *LEED-EB*: Leadership in Energy and Environmental Design-Existing Building

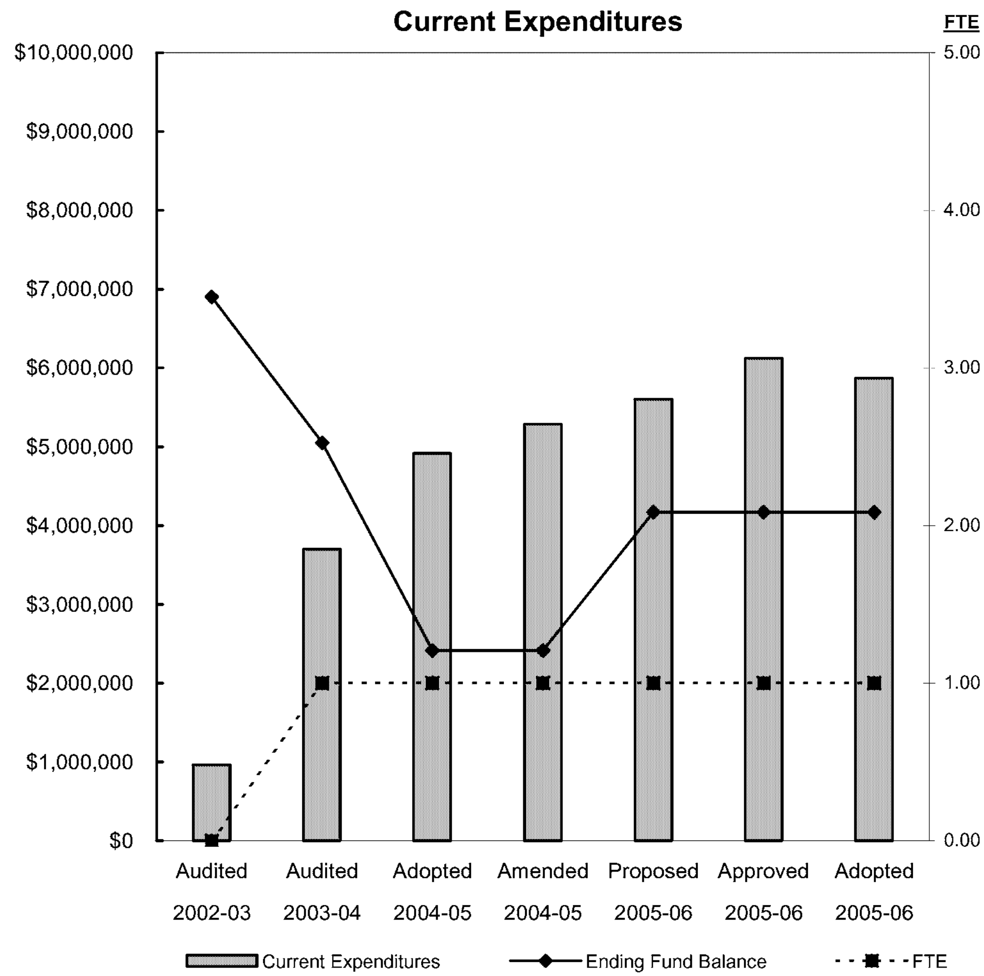
Metro Capital Fund

Metro Capital Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$7,376,098*	*$6,900,613*	*$4,132,858*	*$4,132,858*	*$5,670,380*	*$6,190,380*	*$6,190,380*	*49.78%*
Current Revenues								
Grants	20,000	135,000	300,000	633,749	60,000	60,000	60,000	(90.53%)
Enterprise Revenue	10,792	175	0	0	0	0	0	0.00%
Interest Earnings	99,748	84,698	61,993	61,993	139,059	139,059	139,059	124.31%
Donations	355,609	1,628,235	1,100,000	1,133,991	0	0	0	(100.00%)
Other Misc. Revenue	0	3,114	0	0	0	0	0	0.00%
Interfund Transfers:								
Internal Service Transfers	0	0	245,000	245,000	45,000	45,000	45,000	(81.63%)
Fund Equity Transfers	0	0	1,489,822	1,489,822	3,856,830	3,856,830	3,606,830	142.10%
Subtotal Current Revenues	**486,149**	**1,851,222**	**3,196,815**	**3,564,555**	**4,100,889**	**4,100,889**	**3,850,889**	**8.03%**
Total Resources	**$7,862,247**	**$8,751,835**	**$7,329,673**	**$7,697,413**	**$9,771,269**	**$10,291,269**	**$10,041,269**	**30.45%**
Requirements								
Current Expenditures								
Personal Services	$0	$96,063	$71,083	$71,083	$76,279	$76,279	$76,279	7.31%
Materials and Services	311	0	620,225	620,225	500,000	500,000	500,000	(19.38%)
Capital Outlay	938,862	3,516,169	3,661,500	4,029,240	3,807,500	4,327,500	4,077,500	1.20%
Interfund Transfers:								
Internal Service Transfers	22,461	0	0	0	0	0	0	0.00%
Fund Equity Transfers	0	89,438	0	0	500	500	500	0.00%
Contingency	0	0	564,148	564,148	1,217,152	1,217,152	1,217,152	115.75%
Subtotal Current Expenditures	**961,634**	**3,701,670**	**4,916,956**	**5,284,696**	**5,601,431**	**6,121,431**	**5,871,431**	**11.10%**
Ending Fund Balance	*6,900,613*	*5,050,165*	*2,412,717*	*2,412,717*	*4,169,838*	*4,169,838*	*4,169,838*	*72.83%*
Total Requirements	**$7,862,247**	**$8,751,835**	**$7,329,673**	**$7,697,413**	**$9,771,269**	**$10,291,269**	**$10,041,269**	**30.45%**
Full-Time Equivalents (FTE)	0.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00%

Metro Capital Fund





Metro Capital Fund

The Metro Capital Fund was created in FY 2005–06, as part of the fund consolidation that occurred with the implementation of the Strategic Budgeting Initiative. The fund consolidates the Regional Parks Capital Fund, the Regional Parks Special Accounts Fund, and the Zoo Capital Fund into this consolidated capital fund. In addition, several renewal and replacement reserves formerly held in various other funds are transferred to this new fund to create dedicated reserves.

The Metro Capital Fund is structured into ten capital project, renewal and replacement, or special project accounts. The following is a brief description of each account and where it was formerly budgeted.

- *Oregon Zoo Capital Projects Account*—provides for major capital projects of the Oregon Zoo (formerly budgeted in the Zoo Capital Fund).
- *Regional Parks Capital Projects Account*—provides for major capital projects of the Regional Parks facilities (formerly budgeted in the Regional Parks Capital Fund).
- *General Renewal and Replacement Account*—to provide for a general renewal and replacement account available for all Metro facilities at the Council's discretion (new in FY 2005–06).
- *Information Technology Renewal and Replacement Account*—provided for the replacement of Metro's general information technology infrastructure and enterprise systems (transferred from and budgeted in the former Support Services Fund).
- *Metro Regional Center Renewal and Replacement Account*—provides for the renewal and replacement for major items of Metro Regional Center, Metro's primary office building (transferred from and formerly budgeted in the General Revenue Bond Fund).
- *Regional Parks Renewal and Replacement Account*—provides for the renewal and replacement of existing regional parks facilities (formerly budgeted in the Regional Parks Capital Fund).
- *Regional Parks Capital Blue Lake Special Account*—a special account transferred from Multnomah County at the time of the transfer of parks facilities and operations to Metro. The account was initially dedicated to the development of a concert stage at the park; however, that project has since been deemed infeasible. The account is now identified to be used for the development of a water play structure (formerly budgeted in the Regional Parks Special Accounts Fund).
- *Regional Parks Capital Oxbow Park Nature Center Account*—a special account transferred from Multnomah County at the time of the transfer of parks facilities and operations to Metro. The account is dedicated to the development of a nature center at Oxbow Regional Parks (formerly budgeted in the Regional Parks Special Accounts Fund).
- *Regional Parks Capital Tibbets Flower Account*—a special account transferred from Multnomah County at the time of the transfer of parks facilities and operations to Metro. The account was created through a bequest to place flowers on the Tibbets family gravesites on certain days (formerly budgeted in the Regional Parks Special Accounts Fund; the balance of this account is transferred to a special account in the General Fund effective July 1, 2005).
- *Regional Parks Capital Farmer Family Account*—a special account transferred from Multnomah County at the time of the transfer of parks facilities and operations to Metro. The account was created through a bequest to provide for the perpetual maintenance of the Farmer family gravesites (formerly budgeted in the Regional Parks Special Accounts Fund; the account includes historical information only; the balance of this account was transferred to the Pioneer Cemetery Perpetual Care Fund in FY 2003–04).

The full purpose of this fund is still evolving. Additional accounts may be added as other capital expenditures are consolidated into this fund.

Current Revenues

Grants—In FY 2005–06, only a small grant, of approximately $60,000, is anticipated from the Oregon State Marine Board for the M. James Gleason Boat Ramp project. Grants received are project specific. In FY 2004–05, the amended budget anticipated the receipt of grants from a variety of sources to support specific capital projects at Gleason Boat Ramp and Blue Lake Regional Parks, as well as major restoration at the Gales Creek/ Tualatin River Confluence open space site.

Interest Earnings—Interest is earned on the unused portion of the fund balance. Earnings are based on the current rates of Metro's average investment portfolio. For FY 2005–06 an interest rate of 2.5 percent was assumed for the budget.

Interfund Transfers—Interfund transfers are received for a variety of purposes. Some of these transfers are one-time in nature with the creation of the fund. Others will be ongoing, although the amount may vary from year-to-year based on need.

One-time transfers include the transfer of several existing renewal and replacement reserves to create dedicated accounts within the fund. These include the transfer of the Information Technology and Metro Regional Center renewal and replacement reserves as well as the transfer of approximately $1.032 million in dedicated reserves received from Multnomah County at the time of the parks consolidation with Metro. This reserve is dedicated to renewal and replacement or capital development of the parks facilities formerly owned by Multnomah County.

Ongoing transfers include annual contributions to the Metro Regional Center renewal and replacement account, a contribution to establish the general Metro renewal and replacement account, and excise tax contributions to support the development of four new regional park facilities as well as provide an annual contribution to the Regional Parks renewal and replacement account.

The fund also receives other minor project-specific transfers from various funds.

Current Expenditures

Personal Services—In FY 2005–06, a project manager will oversee the construction of the California Condor facility and the Introduction to the Forest phase of the Great Northwest project at the Oregon Zoo.

Materials and Services—Expenditures in this category reflect potential renewal and replacement projects that do not meet the threshold of major capital improvement and which, by definition, are considered capital maintenance.

Capital Outlay—This category represents capital construction projects approved in Metro's Capital Budget. All capital projects that are over $50,000 and have a useful life of more than five years are included in the Capital Budget. Projects for Regional Parks in FY 2005–06 include M. James Gleason Boat Ramp Improvements, development of a water play area at Blue Lake Park, and design, engineering, and construction for Mt. Talbert and Cooper Mountain Park open space sites. Projects for the Oregon Zoo include the Introduction to the Forest phase of the Great Northwest project, continued expansion or completion of the California Condor breeding facility and exhibit, and the purchase of an admission ticketing system upgrade.

Interfund Transfers—This is a one-time transfer of the balance of the Tibbets flower account to a special account in the General Fund. This account is not considered capital in nature and does not belong in the consolidated Metro Capital fund.

Contingency—A contingency is provided to meet unforeseen needs throughout the year. Expenditures from contingency may only be made through Council adoption of an ordinance amending the budget. Any transfer from contingency throughout the year that would exceed a cumulative amount greater than 15 percent of expenditures requires a full supplemental budget amendment, including public review by the Tax Supervising and Conservation Commission.

Fund Balance

The fund balance includes a variety of dedicated reserves associated with the accounts established at the time the fund was created. Balances in the fund will fluctuate based on project needs.

METRO

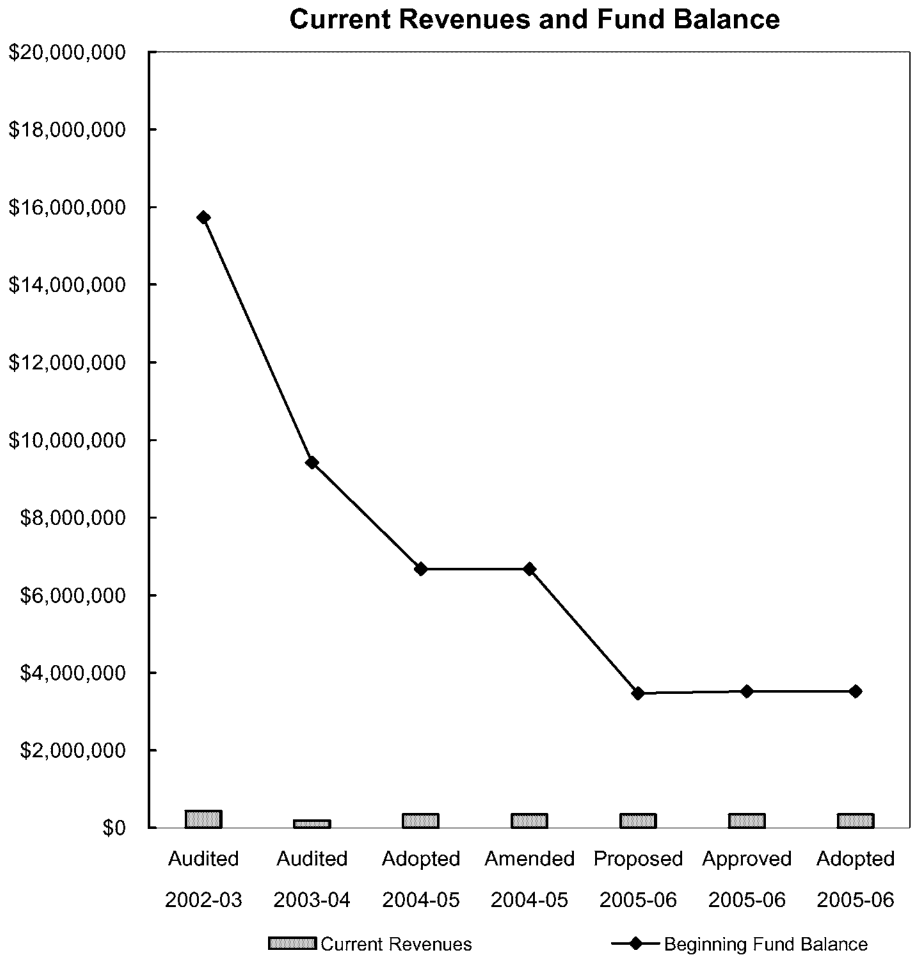
PEOPLE PLACES
OPEN SPACES

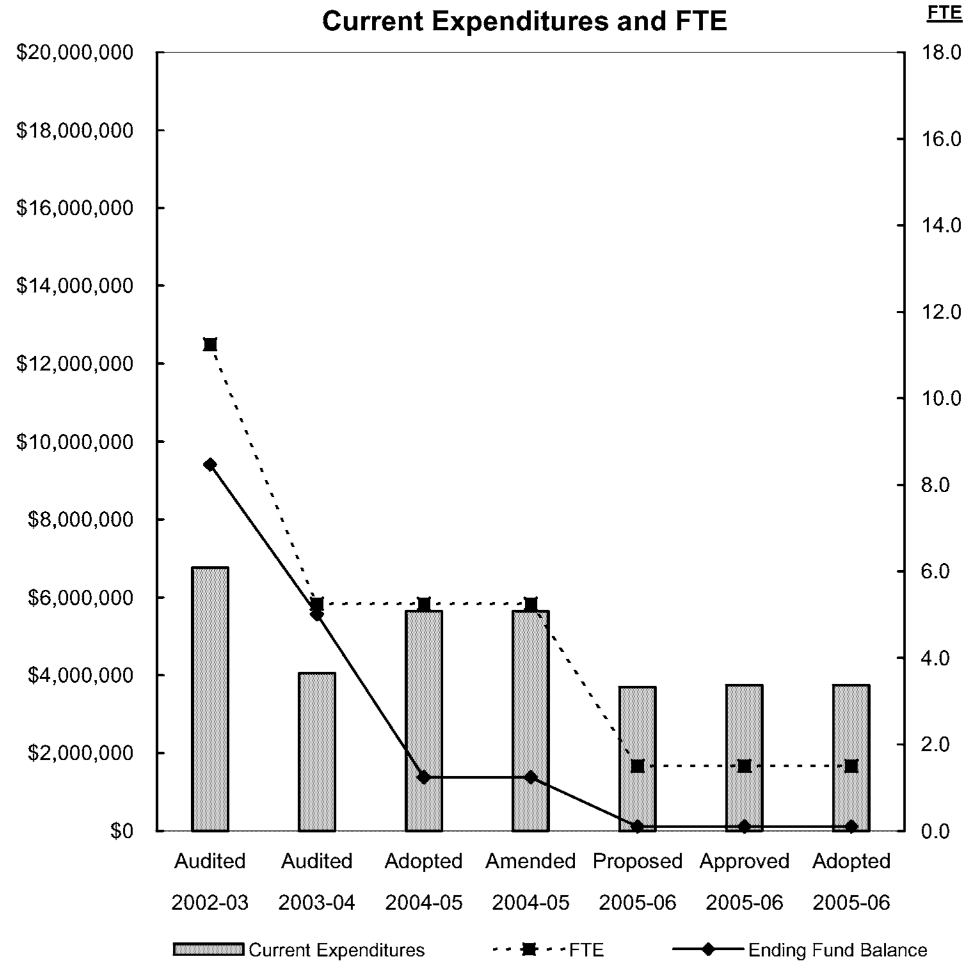
Open Spaces Fund

Open Spaces Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$15,737,419*	*$9,415,427*	*$6,678,356*	*$6,678,356*	*$3,471,281*	*$3,521,281*	*$3,521,281*	*(47.27%)*
Current Revenues								
Grants	141,000	14,875	200,000	200,000	200,000	200,000	200,000	0.00%
Contributions from other Governments	100	0	0	0	0	0	0	0.00%
Enterprise Revenue	54,140	65,423	55,000	55,000	55,000	55,000	55,000	0.00%
Interest Earnings	232,374	56,622	91,600	91,600	88,000	88,000	88,000	(3.93%)
Donations	142	0	0	0	0	0	0	0.00%
Other Misc. Revenue	13,959	54,502	0	0	0	0	0	0.00%
Interfund Transfers:								
Internal Service Transfers	0	4,658	0	0	0	0	0	0.00%
Subtotal Current Revenues	**441,715**	**196,080**	**346,600**	**346,600**	**343,000**	**343,000**	**343,000**	**(1.04%)**
Total Resources	**$16,179,134**	**$9,611,507**	**$7,024,956**	**$7,024,956**	**$3,814,281**	**$3,864,281**	**$3,864,281**	**(44.99%)**
Requirements								
Current Expenditures								
Personal Services	$862,889	$491,857	$494,137	$494,137	$157,609	$157,609	$157,609	(68.10%)
Materials and Services	1,940,483	999,634	1,270,395	1,270,395	1,497,849	1,547,849	1,547,849	21.84%
Capital Outlay	3,452,746	1,882,376	3,096,940	3,096,940	1,206,000	1,206,000	1,206,000	(61.06%)
Interfund Transfers:								
Interfund Reimbursements	398,351	260,471	256,204	256,204	316,281	316,281	316,281	23.45%
Internal Service Transfers	109,238	409,734	352,545	352,545	51,796	51,796	51,796	(85.31%)
Fund Equity Transfers	0	2,500	0	0	0	0	0	0.00%
Contingency	0	0	174,735	174,735	468,494	468,494	468,494	168.12%
Subtotal Current Expenditures	**6,763,707**	**4,046,572**	**5,644,956**	**5,644,956**	**3,698,029**	**3,748,029**	**3,748,029**	**(33.60%)**
Ending Fund Balance	*9,415,427*	*5,564,935*	*1,380,000*	*1,380,000*	*116,252*	*116,252*	*116,252*	*(91.58%)*
Total Requirements	**$16,179,134**	**$9,611,507**	**$7,024,956**	**$7,024,956**	**$3,814,281**	**$3,864,281**	**$3,864,281**	**(44.99%)**
Full-Time Equivalents (FTE)	11.25	5.25	5.25	5.25	1.50	1.50	1.50	(71.43%)

Open Spaces Fund





Open Spaces Fund

In July 1992, Metro adopted the Metropolitan Greenspaces Master Plan. Among other strategies, the master plan calls for the acquisition of regionally significant open spaces. The Open Spaces Fund is used to account for bond proceeds and expenditures related to the Open Spaces, Parks, and Streams 1995 general obligation bonds.

The fund includes the Open Spaces Acquisition Program managed by the Regional Parks and Greenspaces Department. Historically, the fund also managed and paid for the Due Diligence Program. As purchases have waned, the Due Diligence Program switched emphasis to "owned" land agency-wide. As a result, the Due Diligence Program has been fully absorbed in the Metro Attorney Office and costs allocated agency-wide as appropriate.

The funds are being used to purchase regionally significant open spaces in 14 target areas, six regional trails and greenway areas, construct two regional trails, and fund approximately 90 local government parks projects through the local greenspaces project element of the bond measure.

Through June 2005, Metro had acquired 8,131 acres of regionally significant land in 262 separate "willing seller" property transactions. This represents 136 percent of the original goal of 6,000 acres.

As the acquisition program nears completion, staff have been reduced or transferred to the Regional Parks Operating department for long-term maintenance of the properties. It is anticipated that FY 2005–06 will be the last full year for the Acquisition Program.

Current Revenues

Enterprise Revenue—The department contracts with other jurisdictions to provide real estate services. Revenue generated funds a portion of the salary of one real estate negotiator.

Grants—Grants have been received for various stabilization projects. In FY 2005–06, the department anticipates a grant from the National Fish and Wildlife Foundation for stabilization activities.

Interest Earnings—Interest is earned on the unexpended balance of bond proceeds and other resources. Bond proceeds are invested in compliance with bond and arbitrage requirements. Interest earnings are declining as the balance of bond proceeds is expended.

Current Expenditures

Personal Services—This category includes salaries and benefits for 1.50 FTE, a reduction of 3.75. The 1.50 Due Diligence staff formerly budgeted in this fund has been transferred to the Office of the Metro Attorney in the General Fund. FY 2005–06 is assumed to be the last year of staffing for this fund.

Materials and Services—The Open Spaces, Parks, and Streams bond measure included $25 million for local jurisdiction projects. These "local share" contributions are reflected in the budget as materials and services. About nine percent of the FY 2005–06 budget in this category is for remaining payments of local share bond proceeds to other jurisdictions. Local share contributions are made on a reimbursement basis. The remaining funds are budgeted for completion of the acquisition and stabilization process (i.e., appraisals, environmental consultants, surveys, engineering studies, etc.).

Capital Outlay—The FY 2005–06 capital outlay budget reflects the remaining amount available for the purchase of land.

Interfund Transfers—Expenditures in this category include transfers to the General and Risk Management funds for central services, rent and insurance costs incurred on behalf of the Open Spaces Program. These charges are allocated based on the federally approved central services cost allocation plan. This category also includes about $20,000 of Multnomah County local share bond proceeds transferred to the Regional Parks Capital Account in the Metro Capital Fund. Under the intergovernmental agreement with Multnomah County transferring the regional parks to Metro completed in March 1996, Metro assumed management responsibility for the Multnomah County open spaces local share proceeds; these transfers support such projects. There is also a transfer to the Planning Fund for mapping services provided by the Data Resource Center in the Planning Department.

Contingency—Contingency funds are provided to meet unforeseen needs or other emergencies throughout the fiscal year. The Metro Council must authorize appropriation and expenditure of contingency via ordinance.

Fund Balance

The fund balance represents unexpended bond proceeds plus interest earned. The balance has decreased as the program goals are achieved. The Council, through resolution, set aside a minimum of $1.5 million of the regional funds as a reserve for future site stabilization costs, legal liabilities, or other similar unforeseen expenses related to acquisition. Expenditures from this reserve began in FY 2004–05. The fund balance will gradually decline as these funds are expended.

METRO

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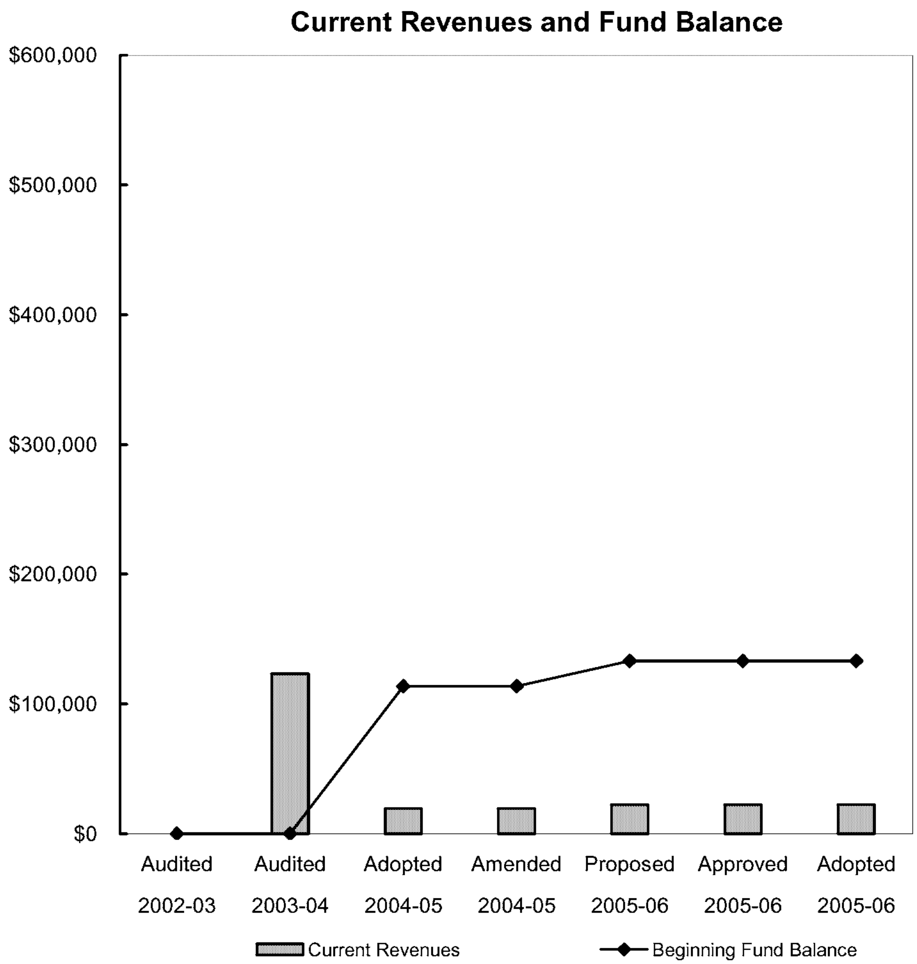
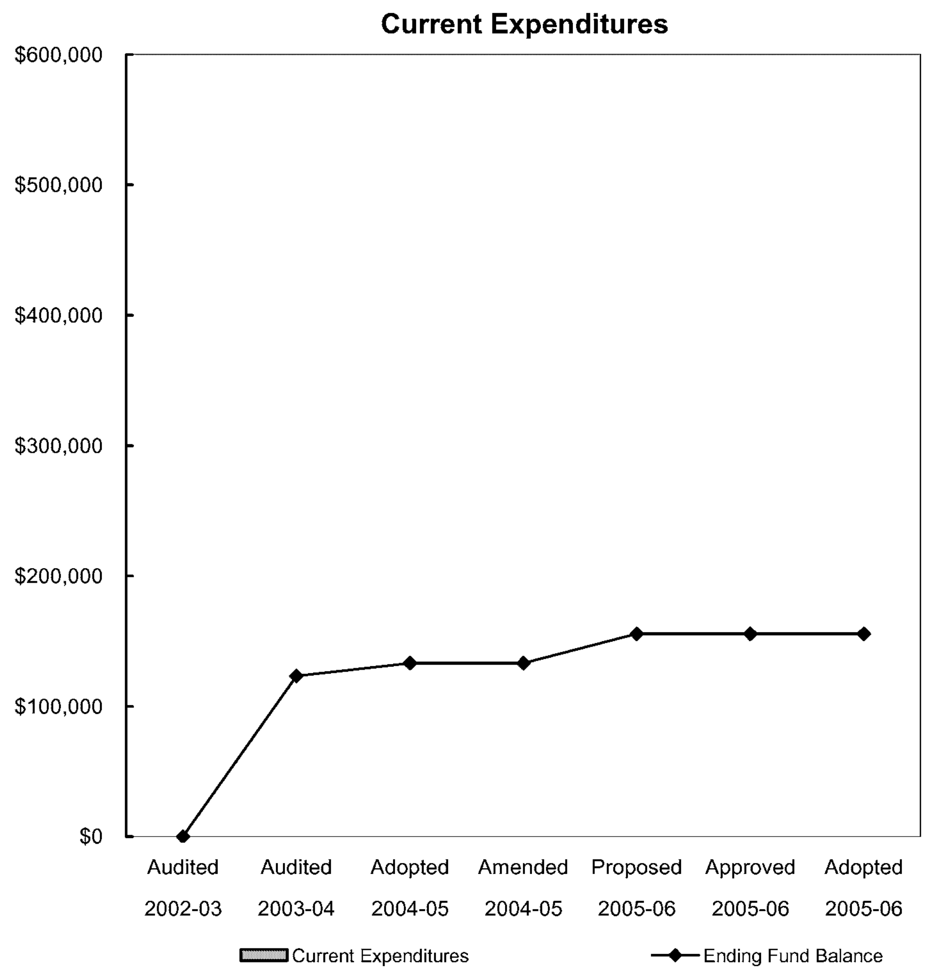
Pioneer Cemetery Perpetual Care Fund

Pioneer Cemetery Perpetual Care Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$0*	*$0*	*$113,583*	*$113,583*	*$133,173*	*$133,173*	*$133,173*	*17.25%*
Current Revenues								
Other Derived Tax Revenue	0	33,086	18,090	18,090	19,000	19,000	19,000	5.03%
Interest Earnings	0	760	1,500	1,500	3,300	3,300	3,300	120.00%
Interfund Transfers:								
Fund Equity Transfers	0	89,438	0	0	0	0	0	0.00%
Subtotal Current Revenues	**0**	**123,284**	**19,590**	**19,590**	**22,300**	**22,300**	**22,300**	**13.83%**
Total Resources	**$0**	**$123,284**	**$133,173**	**$133,173**	**$155,473**	**$155,473**	**$155,473**	**16.75%**
Requirements								
Ending Fund Balance	*0*	*123,284*	*133,173*	*133,173*	*155,473*	*155,473*	*155,473*	*16.75%*
Total Requirements	**$0**	**$123,284**	**$133,173**	**$133,173**	**$155,473**	**$155,473**	**$155,473**	**16.75%**
Full-Time Equivalents (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

Pioneer Cemetery Perpetual Care Fund





Pioneer Cemetery Perpetual Care Fund

The Pioneer Cemetery Perpetual Care Fund was created in FY 2003–04 to provide financial support for the long-term maintenance of the Metro Pioneer Cemeteries after the cemeteries are no longer receiving revenue from grave sales and burial services. The fund receives revenue from a 15 percent surcharge on grave sales. No expenditures are anticipated from this fund until grave sites are exhausted at the cemeteries. Current estimates indicate that all grave sites will be sold around the year 2058.

The fund was seeded with a transfer of the Willamina Farmer Family account from the Regional Parks Specials Accounts Fund. This account was a bequest from the family to provide for the long-term maintenance and upkeep of the Farmer Family plot and the Pioneer Cemeteries.

Current Revenues

Other Derived Tax Revenue—a 15 percent surcharge is added to every grave sale to provide a contribution to the long-term perpetual care of the plot.

Interest Earning—Interest will be earned on the balance of the fund. Interest is projected at 2.5 percent of the cash balance.

Fund Balance

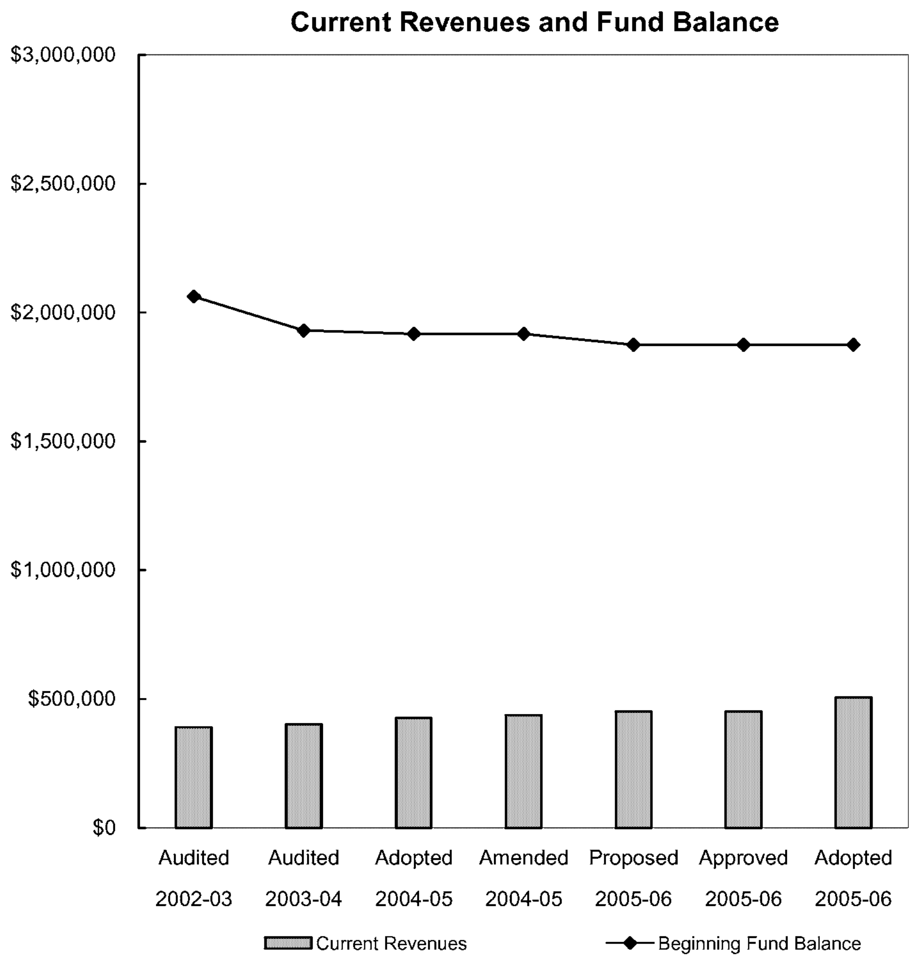
No expenditures are planned from this fund until such time as the department runs out of grave sites to sell. The fund balance will continue to grow annually with additional contributions from grave sales and interest earnings.

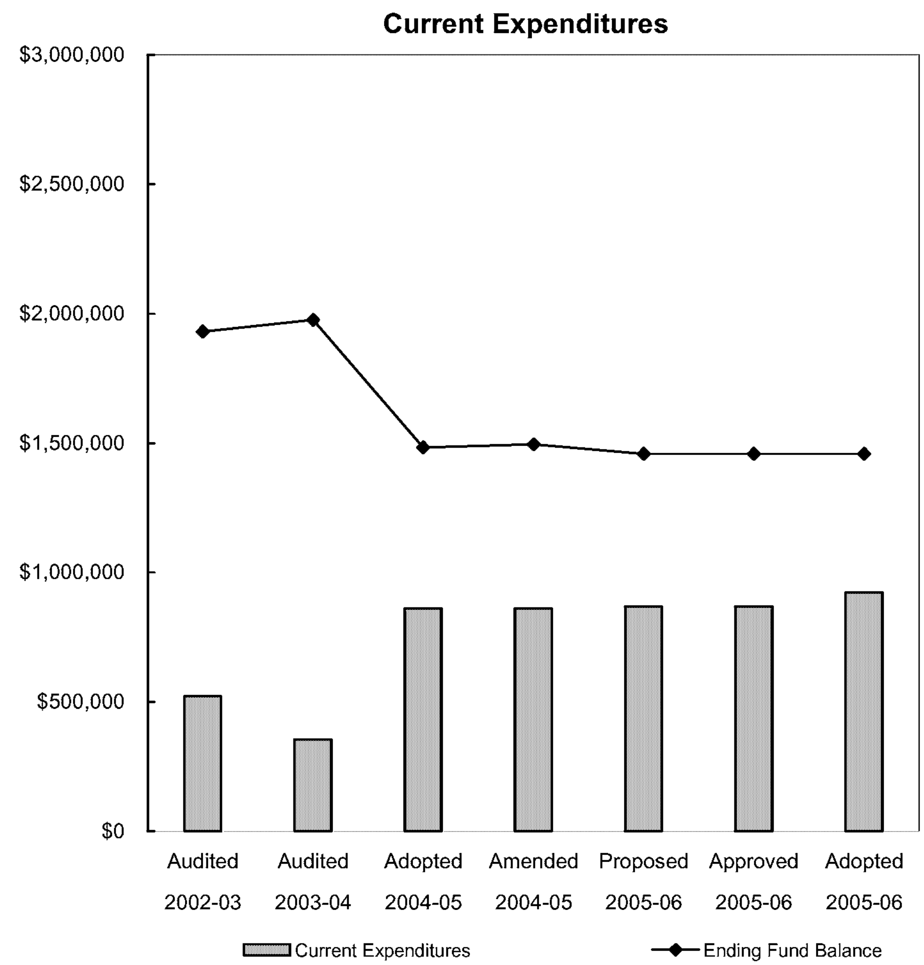
Rehabilitation and Enhancement Fund

Rehabilitation and Enhancement Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$2,062,061*	*$1,930,442*	*$1,916,992*	*$1,916,992*	*$1,875,400*	*$1,875,400*	*$1,875,400*	*(2.17%)*
Current Revenues								
Enterprise Revenue	0	11,000	0	0	0	0	54,000	0.00%
Interest Earnings	37,856	24,517	28,590	28,590	46,885	46,885	46,885	63.99%
Interfund Transfers:								
Fund Equity Transfers	353,165	365,970	398,185	410,185	405,922	405,922	405,922	(1.04%)
Subtotal Current Revenues	**391,021**	**401,487**	**426,775**	**438,775**	**452,807**	**452,807**	**506,807**	**15.50%**
Total Resources	**$2,453,082**	**$2,331,929**	**$2,343,767**	**$2,355,767**	**$2,328,207**	**$2,328,207**	**$2,382,207**	**1.12%**
Requirements								
Current Expenditures								
Materials and Services	$508,182	$331,813	$534,151	$534,151	$540,136	$540,136	$594,136	11.23%
Interfund Transfers:								
Internal Service Transfers	14,458	23,923	26,630	26,630	29,101	29,101	29,101	9.28%
Contingency	0	0	300,000	300,000	300,000	300,000	300,000	0.00%
Subtotal Current Expenditures	**522,640**	**355,736**	**860,781**	**860,781**	**869,237**	**869,237**	**923,237**	**7.26%**
Ending Fund Balance	*1,930,442*	*1,976,194*	*1,482,986*	*1,494,986*	*1,458,970*	*1,458,970*	*1,458,970*	*(2.41%)*
Total Requirements	**$2,453,082**	**$2,331,929**	**$2,343,767**	**$2,355,767**	**$2,328,207**	**$2,328,207**	**$2,382,207**	**1.12%**
Full-Time Equivalents (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

Rehabilitation and Enhancement Fund





Rehabilitation and Enhancement Fund

The Rehabilitation and Enhancement Fund was established to comply with Senate Bill 662, enacted by the Oregon Legislature in 1985. The fund accounts for rehabilitation and enhancement fees ($0.50 per ton of solid waste material processed) collected at the Metro Central, Metro South, and Forest Grove transfer stations. Funds are used for community enhancement projects in the vicinity of each of these solid waste facilities, including administration of the enhancement program.

There are four established community enhancement programs.

North Portland Community Enhancement Program—Assists the North Portland Community Enhancement Committee in selecting and funding projects to rehabilitate and enhance North Portland areas surrounding the St. Johns Landfill. Because the landfill no longer generates fees, revenue for this program comes from interest earnings on the fund balance for this account. On a one-time basis, a portion of the St. Johns Landfill gas recovery revenue is being dedicated to this program. This dedication is to offset the impact of low interest earnings and allow the committee to formulate a long range spending plan for these funds during FY 2005-06.

Oregon City Community Enhancement Program—Receives funds from community enhancement fees at Metro South Station in Oregon City. Funds are paid to Oregon City on a quarterly basis and are used for local community enhancement projects.

Metro Central Community Enhancement Program—Receives funds from community enhancement fees at Metro Central Station. Funds are used for community enhancement projects in the vicinity of Metro Central Station in Northwest Portland, as recommended by a seven-member citizen committee.

Forest Grove Community Enhancement Program—Receives fees collected at a privately owned transfer station in Forest Grove. Funds are paid to the City of Forest Grove on a quarterly basis and are used for local community enhancement projects.

Current Revenues

Charges for Services—For the first time, $54,000 of revenue generated from gas recovery at the St. Johns Landfill is dedicated to grants provided by the North Portland Enhancement Committee.

Interest—This represents interest earned on the fund balances designated for the North Portland Community Enhancement and Metro Central Enhancement Accounts. Expected increased interest earnings improve funds available for the North Portland Community Enhancement grants.

Interfund Transfers—These funds are the community enhancement fees collected at the solid waste facilities and transferred from the Solid Waste Revenue Fund. The full amount of fees collected at these facilities for the fiscal year is transferred to this fund. Transfers vary from year to year depending upon the solid waste tonnage received at the facilities.

Current Expenditures

Materials and Services—About 64 percent of the materials and services expenditures in this fund is for grants and contractual services. The North Portland and Metro Central community enhancement committees administer programs through grants and contracts with community organizations and others. The remaining 36 percent of expenditures are direct payments to Oregon City and Forest Grove.

Contingency—Of the $300,000 budgeted in FY 2005–06, $200,000 is allocated for the North Portland Community Enhancement Program, which has consistently maintained a higher contingency to provide greater flexibility to finance projects during the fiscal year. The Metro Council through ordinance must authorize use of contingency funds.

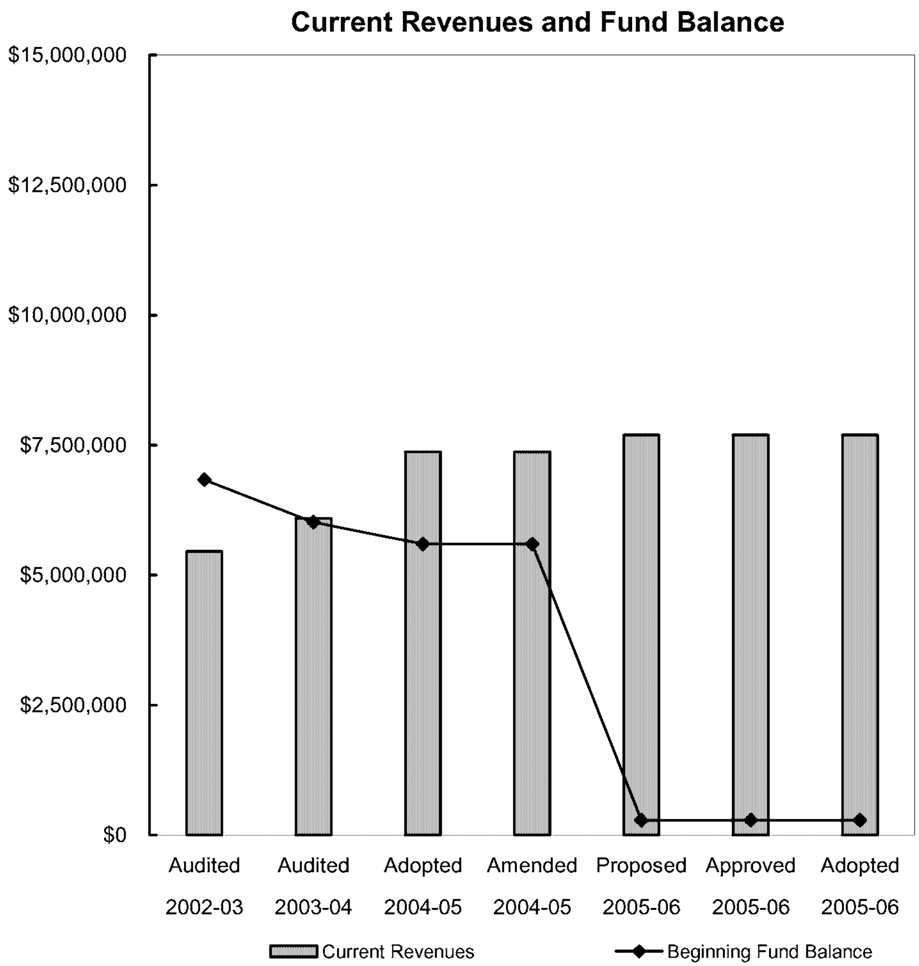
Interfund Transfers—This represents funds transferred to the Solid Waste Revenue Fund for personal services costs associated with employee staffing of the North Portland and Metro Central community enhancement committees. This staff support comes from the Solid Waste and Recycling Department.

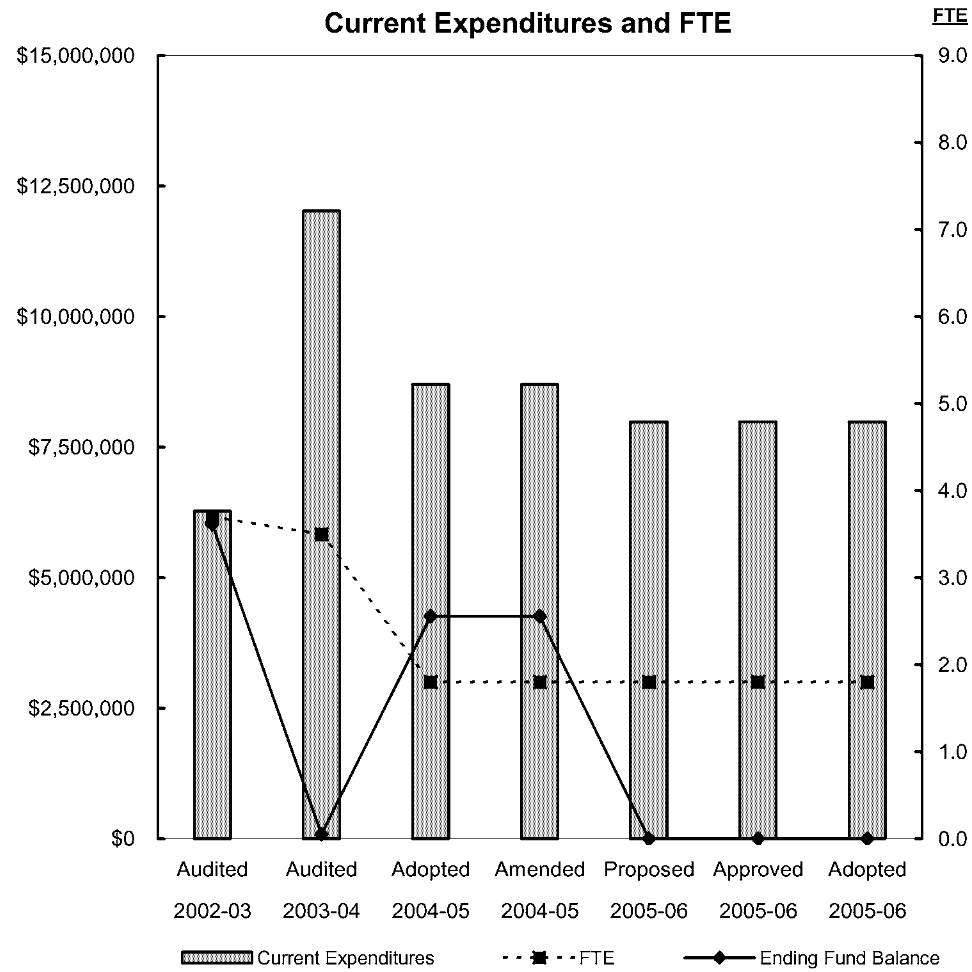
Risk Management Fund

Risk Management Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$6,835,805*	*$6,018,564*	*$5,596,030*	*$5,596,030*	*$286,451*	*$286,451*	*$286,451*	*(94.88%)*
Current Revenues								
Grants	0	0	10,000	10,000	10,000	10,000	10,000	0.00%
Enterprise Revenue	4,594,946	4,980,192	5,901,190	5,901,190	6,198,175	6,198,175	6,198,175	5.03%
Interest Earnings	136,428	87,105	100,912	100,912	162,595	162,595	162,595	61.13%
Other Misc. Revenue	31,752	21,947	0	0	0	0	0	0.00%
Interfund Transfers:								
Interfund Reimbursements	694,017	1,000,002	1,327,998	1,327,998	1,328,000	1,328,000	1,328,000	0.00%
Internal Service Transfers	0	0	25,000	25,000	0	0	0	(100.00%)
Subtotal Current Revenues	**5,457,143**	**6,089,246**	**7,365,100**	**7,365,100**	**7,698,770**	**7,698,770**	**7,698,770**	**4.53%**
Total Resources	**$12,292,948**	**$12,107,810**	**$12,961,130**	**$12,961,130**	**$7,985,221**	**$7,985,221**	**$7,985,221**	**(38.39%)**
Requirements								
Current Expenditures								
Personal Services	$292,343	$388,932	$127,500	$127,500	$143,503	$143,503	$143,503	12.55%
Materials and Services	5,982,041	11,632,945	8,038,881	8,038,881	7,809,139	7,809,139	7,809,139	(2.86%)
Contingency	0	0	534,547	534,547	32,579	32,579	32,579	(93.91%)
Subtotal Current Expenditures	**6,274,384**	**12,021,877**	**8,700,928**	**8,700,928**	**7,985,221**	**7,985,221**	**7,985,221**	**(8.23%)**
Ending Fund Balance	*6,018,564*	*85,933*	*4,260,202*	*4,260,202*	*0*	*0*	*0*	*(100.00%)*
Total Requirements	**$12,292,948**	**$12,107,810**	**$12,961,130**	**$12,961,130**	**$7,985,221**	**$7,985,221**	**$7,985,221**	**(38.39%)**
Full-Time Equivalents (FTE)	3.70	3.50	1.80	1.80	1.80	1.80	1.80	0.00%

Risk Management Fund





Risk Management Fund

This fund accounts for the revenues and expenditures related to administration of Metro's Risk Management Self-Insurance Program and Employee Health and Wellness Program. Costs are allocated through the cost allocation plan to all departments based on past claims experience and exposure. The fund is managed by the Finance and Administrative Services Department.

Current Revenues

Grants—A grant of $10,000 is provided to pay for modifications to work sites for injured employees. Grant reimbursement is available from the State of Oregon Workers' Compensation Division.

Enterprise Revenues—The enterprise revenues include internal charges for service to departments for insurance premiums related to unemployment and health and welfare. The increase in employee health insurance is lower than market trends, due to a negotiated cap on Metro's obligation for insurance costs.

Interest on Investments—Interest on investments is forecast at approximately $163,000 for this fiscal year. The interest is earned on the fund's reserves. The interest is earned on the funds reserves, including those reserves that have been expensed for probable environmental exposure. The environmental exposure expense is explained in greater detail in the *Fund Balance* section of this page.

Interfund Transfers—These transfers represent payments from other Metro departments for their allocated shares of the costs of the Risk Management Program. The increases in each of the last two years are in response to increased costs of insurance and the reduction of investment earnings.

Current Expenditures

Personal Services—Management of the health and welfare program was transferred to the Human Resources Department beginning in FY 2004–05. Two staff associated with this program have been transferred to this department in the General Fund. All other costs associated with the program remain in the Risk Management Fund. Costs associated with the department's PERS Reserve have been transferred to Contingency. (For an explanation of the PERS Reserve, see *Where the Money Goes* in the Budget Summary section of this document.)

Materials and Services—This classification includes the costs for the Health and Wellness, Liability/Property, Workers' Compensation and Unemployment programs. Each of these areas has experienced an increase in costs over the past several years.

Fund Balance

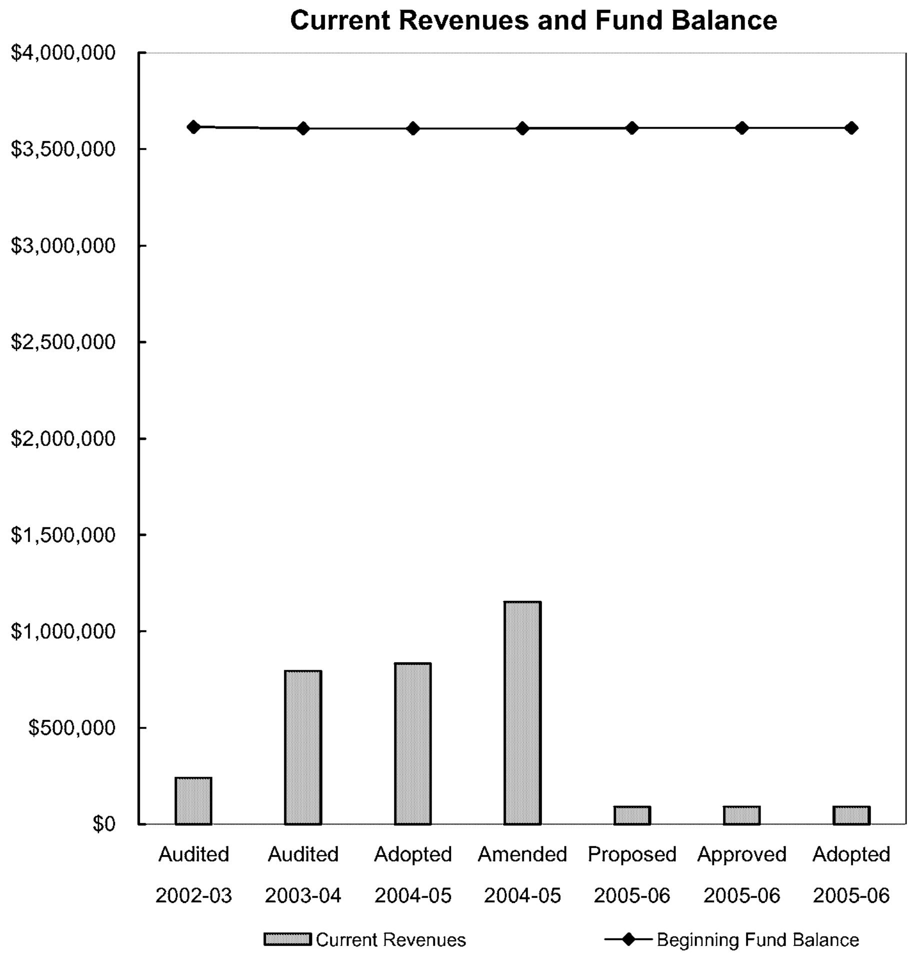
This fund previously had a balance of $5.6 million. However, in FY 2003–04 Metro performed an evaluation of its environmental impairment risks. The actuarial study identified a probable environmental exposure of $5.225 million. Generally accepted accounting principles required that, once known, this liability be expensed. Although this action has reduced the fund balance, the funds remain with Metro, as the liability is a "probable" expense not an actual expense. The recognition of this liability has reduced the self-insurance reserves for the remaining risk management programs (Workers' Compensation and General Liability) below an acceptable level. A plan to rebuild the reserve to adequate levels over the next three to five years was immediately implemented.

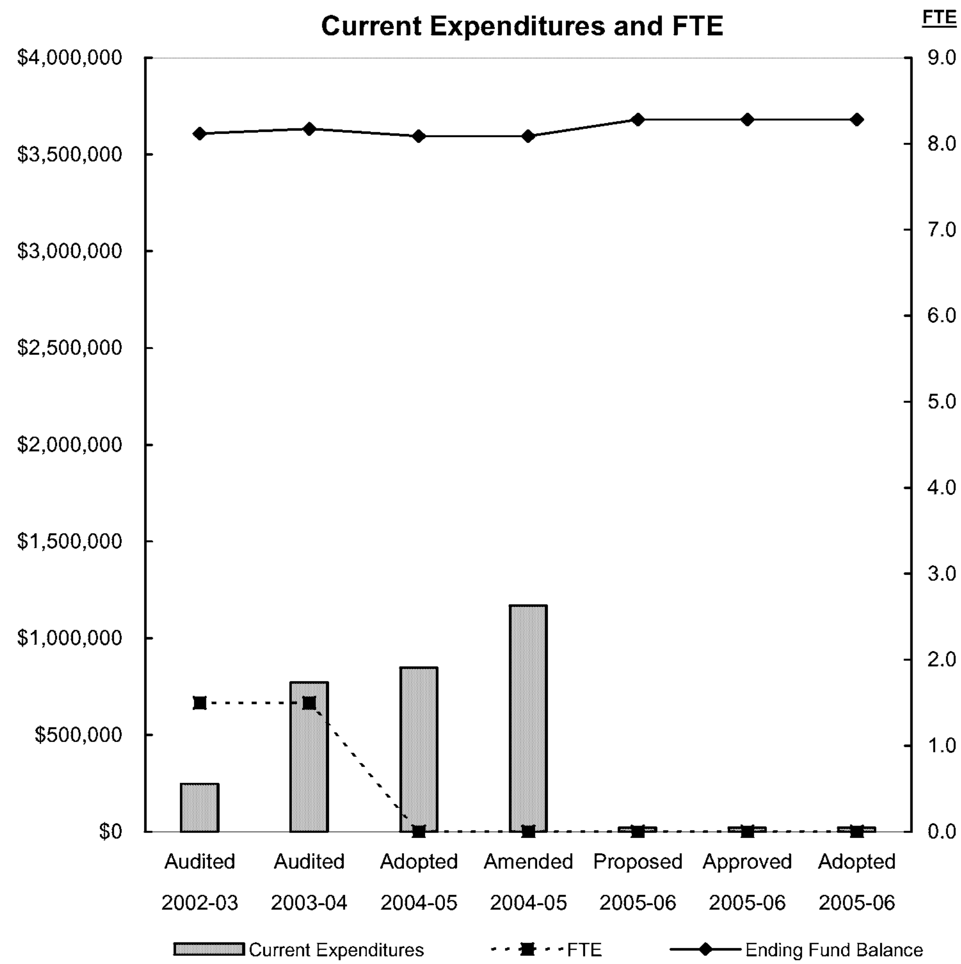
Smith and Bybee Lakes Fund

Smith and Bybee Lakes Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$3,614,913*	*$3,607,896*	*$3,607,895*	*$3,607,895*	*$3,610,000*	*$3,610,000*	*$3,610,000*	*0.06%*
Current Revenues								
Grants	0	400,620	261,902	261,902	0	0	0	(100.00%)
Contributions from other Governments	10,000	63,000	60,000	60,000	0	0	0	(100.00%)
Enterprise Revenue	1,880	1,852	1,800	1,800	1,700	1,700	1,700	(5.56%)
Interest Earnings	64,486	45,024	54,118	54,118	90,250	90,250	90,250	66.77%
Donations	0	77,853	190,000	510,000	0	0	0	(100.00%)
Interfund Transfers:								
Internal Service Transfers	56,703	89,356	265,749	265,749	0	0	0	(100.00%)
Fund Equity Transfers	107,505	117,187	0	0	0	0	0	0.00%
Subtotal Current Revenues	**240,574**	**794,892**	**833,569**	**1,153,569**	**91,950**	**91,950**	**91,950**	**(92.03%)**
Total Resources	**$3,855,487**	**$4,402,788**	**$4,441,464**	**$4,761,464**	**$3,701,950**	**$3,701,950**	**$3,701,950**	**(22.25%)**
Requirements								
Current Expenditures								
Personal Services	$104,221	$109,067	$0	$0	$0	$0	$0	0.00%
Materials and Services	22,772	19,093	20,148	20,148	0	0	0	(100.00%)
Capital Outlay	71,064	594,237	801,349	1,121,349	0	0	0	(100.00%)
Interfund Transfers:								
Interfund Reimbursements	39,534	38,803	0	0	0	0	0	0.00%
Internal Service Transfers	10,000	10,000	25,000	25,000	21,700	21,700	21,700	(13.20%)
Contingency	0	0	822	822	0	0	0	(100.00%)
Subtotal Current Expenditures	**247,591**	**771,200**	**847,319**	**1,167,319**	**21,700**	**21,700**	**21,700**	**(98.14%)**
Ending Fund Balance	*3,607,896*	*3,631,588*	*3,594,145*	*3,594,145*	*3,680,250*	*3,680,250*	*3,680,250*	*2.40%*
Total Requirements	**$3,855,487**	**$4,402,788**	**$4,441,464**	**$4,761,464**	**$3,701,950**	**$3,701,950**	**$3,701,950**	**(22.25%)**
Full-Time Equivalents (FTE)	1.50	1.50	0.00	0.00	0.00	0.00	0.00	0.00%

Smith and Bybee Lakes Fund





Smith and Bybee Lakes Fund

This fund was established as a dedicated endowment fund for development and management of the Smith and Bybee Lakes Natural Area as required by the Smith and Bybee Lakes Natural Resource Management Plan. The plan was adopted by the City of Portland, Port of Portland, and Metro Council in 1990. The plan, along with the St. Johns Landfill closure and purchase assurance agreement, designated Metro as the lead agency establishing and managing the fund and implementing the plan.

The plan calls for Smith and Bybee Lakes to be managed as environmental and recreational resources for the region. The lakes are to be preserved in a manner faithful to their original condition as historical remnants of the Columbia River riparian and wetland system.

The fund is managed by the Regional Parks and Greenspaces Department.

Current Revenues

Enterprise Revenues—The fund receives a small amount from fees collected from educational program users at the Wildlife Area.

Interest Earnings—Interest is earned on the unused portion of the fund balance. Earnings are based on the current rates of Metro's average investment portfolio. For FY 2005–06, the budget assumes an interest rate of 2.5 percent.

Current Expenditures

Personal Services—Program staff have been transferred to the Regional Parks Operating Department. Staff will still manage the Smith and Bybee Lakes, but in a more cost effective manner.

Materials and Services—Expenditures in this category depend on the special nature of projects to be completed under the Smith and Bybee Lakes Management Plan. No expenditures are anticipated.

Capital Outlay—Capital expenditures for the program are tied to the goals of the management plan. Major capital projects are budgeted in accordance with the adopted Capital Budget. In FY 2005–06, the department does not anticipate any capital improvements.

Transfers—Previously, the fund had paid a share of Metro's central administrative services. These costs have been transferred to the operating department, along with the staff. In FY 2005–06, the fund reimburses the Regional Parks Operating Department for costs associated with management and oversight of the natural areas.

Fund Balance

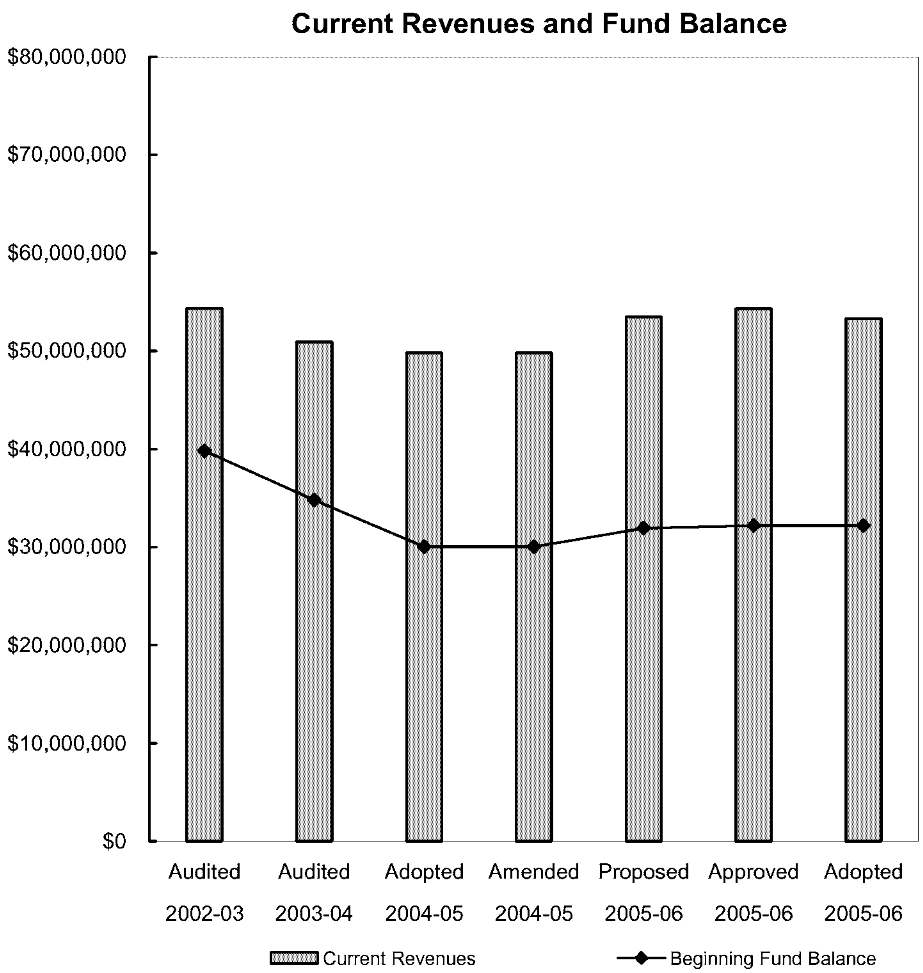
Other than interest earnings, the fund has no continuous source of funding. The fund was established as an endowment fund to enable the development and management of the Smith and Bybee Lakes Natural Area. However, it was known at the time of the development of the management plan that the existing fund balance would be insufficient to fully fund all current and long-term needs. The fund balance has been stable for several years and will show fluctuations depending on specific program needs. The transfer of operations staff to the Parks Operating Fund in FY 2004–05 was intended to preserve the fund balance for restoration and enhancement of the natural area.

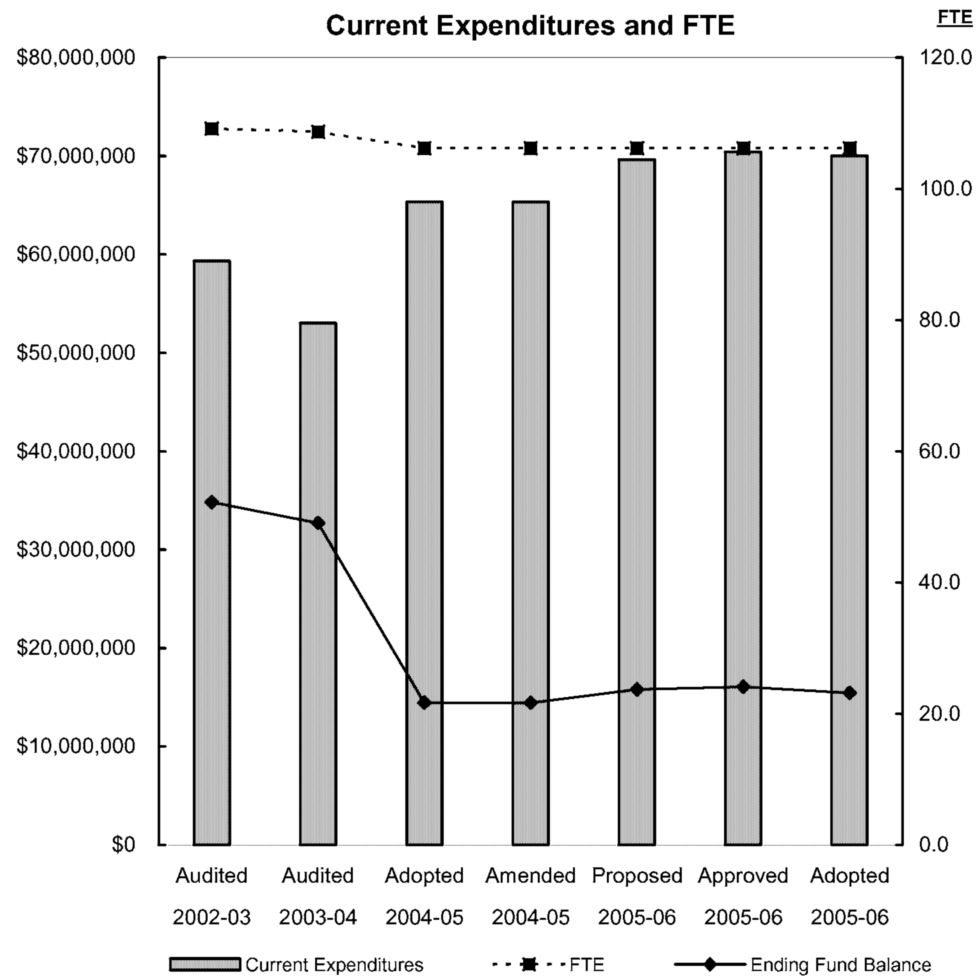
Solid Waste Revenue Fund

Solid Waste Revenue Fund Summary

	Audited FY 2002-03	Audited FY 2003-04	Adopted FY 2004-05	Amended FY 2004-05	Proposed FY 2005-06	Approved FY 2005-06	Adopted FY 2005-06	Change from FY 2004-05 Amended
Resources								
Beginning Fund Balance	*$39,823,811*	*$34,800,955*	*$30,014,392*	*$30,014,392*	*$31,927,307*	*$32,177,307*	*$32,177,307*	*7.21%*
Current Revenues								
Grants	78,922	82,389	0	0	0	0	0	0.00%
Enterprise Revenue	48,353,528	50,240,753	48,964,852	48,964,852	52,322,254	53,122,980	52,482,764	7.18%
Interest Earnings	674,554	374,728	433,084	433,084	780,683	780,683	780,683	80.26%
Other Misc. Revenue	87,781	109,649	365,000	365,000	365,000	365,000	15,000	(95.89%)
Bond and Loan Proceeds	5,011,984	0	0	0	0	0	0	0.00%
Interfund Transfers:								
Internal Service Transfers	14,458	23,923	26,630	26,630	29,101	29,101	29,101	9.28%
Interfund Loan	103,898	101,248	0	0	0	0	0	0.00%
Subtotal Current Revenues	**54,325,125**	**50,932,691**	**49,789,566**	**49,789,566**	**53,497,038**	**54,297,764**	**53,307,548**	**7.07%**
Total Resources	**$94,148,936**	**$85,733,646**	**$79,803,958**	**$79,803,958**	**$85,424,345**	**$86,475,071**	**$85,484,855**	**7.12%**
Requirements								
Current Expenditures								
Personal Services	$8,049,413	$8,191,808	$8,585,228	$8,585,228	$9,147,404	$9,147,404	$9,147,404	6.55%
Materials and Services	34,619,325	33,208,293	34,288,136	35,742,136	36,626,199	37,176,925	37,176,925	4.01%
Capital Outlay	1,910,208	3,625,285	2,876,900	2,876,900	2,979,000	3,229,000	3,229,000	12.24%
Debt Service	10,850,948	4,155,671	1,601,412	1,601,412	2,694,863	2,694,863	2,344,863	46.42%
Interfund Transfers:								
Interfund Reimbursements	2,970,879	2,962,022	3,568,170	3,568,170	3,620,546	3,620,546	3,620,546	1.47%
Internal Service Transfers	594,043	507,953	342,499	342,499	359,466	359,466	359,466	4.95%
Fund Equity Transfers	353,165	365,970	398,185	410,185	405,922	405,922	405,922	(1.04%)
Contingency	0	0	13,695,368	12,229,368	13,798,685	13,798,685	13,744,685	12.39%
Subtotal Current Expenditures	**59,347,981**	**53,017,002**	**65,355,898**	**65,355,898**	**69,632,085**	**70,432,811**	**70,028,811**	**7.15%**
Ending Fund Balance	*34,800,955*	*32,716,644*	*14,448,060*	*14,448,060*	*15,792,260*	*16,042,260*	*15,456,044*	*6.98%*
Total Requirements	**$94,148,936**	**$85,733,646**	**$79,803,958**	**$79,803,958**	**$85,424,345**	**$86,475,071**	**$85,484,855**	**7.12%**
Full-Time Equivalents (FTE)	109.15	108.70	106.20	106.20	106.20	106.20	106.20	0.00%

Solid Waste Revenue Fund





Solid Waste Revenue Fund

The Solid Waste Revenue Fund is an enterprise fund established to account for Metro revenues and expenses related to the operation and management of the region's solid waste disposal system.

Metro Ordinance 89-319, known as the Master Bond Ordinance and adopted in 1989, placed restrictions on the uses of this fund as a condition of issuing $28 million in revenue bonds to finance major capital components of Metro's solid waste system. The ordinance set up the following accounts within the fund to facilitate compliance with bond covenants: operating, debt service, debt service reserve, landfill closure, construction, renewal and replacement, and general account. In FY 1999–00 the department added the Recycling Business Assistance Account. The budget for this fund follows this account structure.

The primary sources of enterprise revenue for the fund are fees and charges on landfill waste. More than 98 percent of the fund's current revenues consists of these fees and charges. Solid waste fees are variable because they are directly proportional to solid waste tonnage, which is influenced by economic activity and waste recovery efforts. The population and economic development within the region in recent years has resulted, for the most part, in a steady growth of waste generation. Based on recent trends, revenue tonnage is expected to continue at a slow increase in the future.

About 38.9 percent of current expenditures (including contingency) is linked to solid waste tonnage at Metro facilities. In FY 2005–06, $27.3 million will be spent on processing waste at Metro's two transfer stations and transporting and processing of approximately 599,259 tons of waste, including yard debris and food waste. Fee reimbursements are included in the FY 2005–06 budget to continue the regional system fee credit program. Through this performance-based credit program, a portion of the regional system fee paid by a facility may be credited to that facility, depending on the facility's waste recovery rate. Direct operating costs not related to tonnage are increasing about $0.8 million from FY 2004–05, to $17.8 million.

About $2.8 million of total current expenditures will be spent on capital projects, as scheduled in Metro's Capital Budget. No one project dominates this fiscal year's capital expenditures. The largest projects are expected replacement and rebuilding of compactors and a revamping of the woodlines at Metro Central and South.

Current Revenues

Enterprise Revenues

Metro's solid waste system is funded largely through three types of user fees: the regional system fee, the Metro tip fee, and a flat fee charged for each transaction at Metro transfer stations. The regional system fee is imposed on all waste generated in the Metro region and ultimately disposed of for a fee. The Metro tip fee is a user charge collected only at Metro transfer stations.

This budget includes a $0.45 increase in the Metro tip fee and a $0.55 reduction in the regional system fee.

Prior to 1998, scalehouse costs were recovered through the Metro tip fee. Metro incurs nearly the same scalehouse costs regardless of the size of the load delivered to a Metro transfer station. To encourage delivery of larger, more efficient loads, and to reflect a pricing strategy that is closer to the cost of service than a flat tip fee, a transaction charge of $5 per transaction was established in FY 1998–99, increased to $6 in FY 2002–03, and increased to $7.50 effective FY 2004–05. The transaction fee remains at $7.50 this year.

A new latex paint facility at the Metro South transfer station began operations in August 1999, allowing latex paint to be recovered and repackaged into consumer-size (five-gallon) packages for resale. This facility was moved offsite in the spring of 2005. Revenues are expected to increase from having more product and new marketing initiatives, increasing product sales from $610,000 to $790,000. The program accepts paint from both inside and outside the Metro region.

Total enterprise revenues are projected to grow 7.3 percent. This is due to increased tonnage and increases in fuel costs. The Metro region has both Metro-owned and non-Metro disposal facilities. During FY 2001–02, private local transfer station capacity was increased to provide better access to transfer services in the region and greater potential for material recovery. Non-Metro tonnage is expected to grow faster than Metro tonnage.

Interest

Interest earnings were calculated using the current rates of Metro's average investment portfolio. Anticipated rates of 2.5 percent, an increase over FY 2004–05, are expected to produce $348,000 in additional revenue.

Current Expenditures

Personal Services

At 106.20 FTE, there is no change from the prior year. Personal services increase 6.55 percent from normal merit increases, as well as continued increases in PERS and health costs.

Materials and Services

Materials and Services are budgeted to increase by approximately $1.4 million from the current fiscal year. This increase is predominantly the result of projected higher disposal costs from contract and fuel cost increases.

Capital Outlay

This category includes the purchase of equipment and capital improvements at Metro solid waste facilities. Capital improvements are scheduled in Metro's FY 2005–06 through FY 2009–10 Capital Budget.

Capital expenditures are segregated into three categories of expenditure. The Solid Waste General Account expenditures are typically new capital assets intended to improve the efficiency and effectiveness of Metro's two transfer stations. Projects for FY 2005–06 include wood processing improvements to both stations, a high capacity baler for Metro South, and continued modifications to the Hazardous Waste Facilities.

The projects in the Renewal and Replacement account are to realize the optimal life span of capital assets. FY 2005–06 projects are eliminated by work on the compactors and improvements to the woodline at Metro Central. The projects funded by the Landfill Closure are limited to projects needed to close the St. Johns Landfill. Projects for FY 2005–06 are predominantly established, ongoing projects.

Debt Service

The debt service category includes the necessary payments for the Solid Waste and Recycling Department's bonded debt. The pass-through debt for the Reidel Compost Bonds has been eliminated. The bank holding the letter of credit securing the bonds declined to renew it; therefore, the bonds were called and paid off in FY 2004–05.

Transfers

Transfers to other funds include internal service charges for central services and for Geographic Information System (GIS) services provided by the Planning Department.

Contingency

The operating contingency, designed to meet short-term, unanticipated needs, is funded to cover tonnage-related costs based on possible increases in tonnage at Metro facilities and other unanticipated costs. For FY 2005–06 the operating contingency, which represents 14.5 percent of total contingency, is budgeted at $2.0 million. The remaining 85.5 percent in contingency consists of restricted funds representing projected ending balances in the Renewal and Replacement and the St. Johns Landfill accounts and the $1.2 million PERS Reserve. (For an explanation of the PERS Reserve, see *Where the Money Goes* in the Budget Summary section of this document.)

Fund Balance

The unappropriated ending fund balance consists of designated and restricted funds. Approximately 23 percent of the ending fund balance is reserved for rate stabilization. The Rate Stabilization Account was created in FY 1994–95 to minimize fluctuations in what otherwise might be required in disposal rates. In FY 2009, the solid waste bonds will be paid off. This payoff will result in a $2.85 decrease to the Metro tip fee. Council decided to pay some expenditures out of this reserve to begin a slow decline in rate, rather than having the full reduction happen with the bond payout.

Over 37 percent of the balance is designated as working capital to meet cash flow needs. Twenty-three percent is restricted to prepaid debt service and debt service reserves. The capital reserve account represents 12 percent of the total fund balance. This account was created in FY 1996–97 to set aside funds for capital improvements.

METRO

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Budget and Financial Structure

METRO

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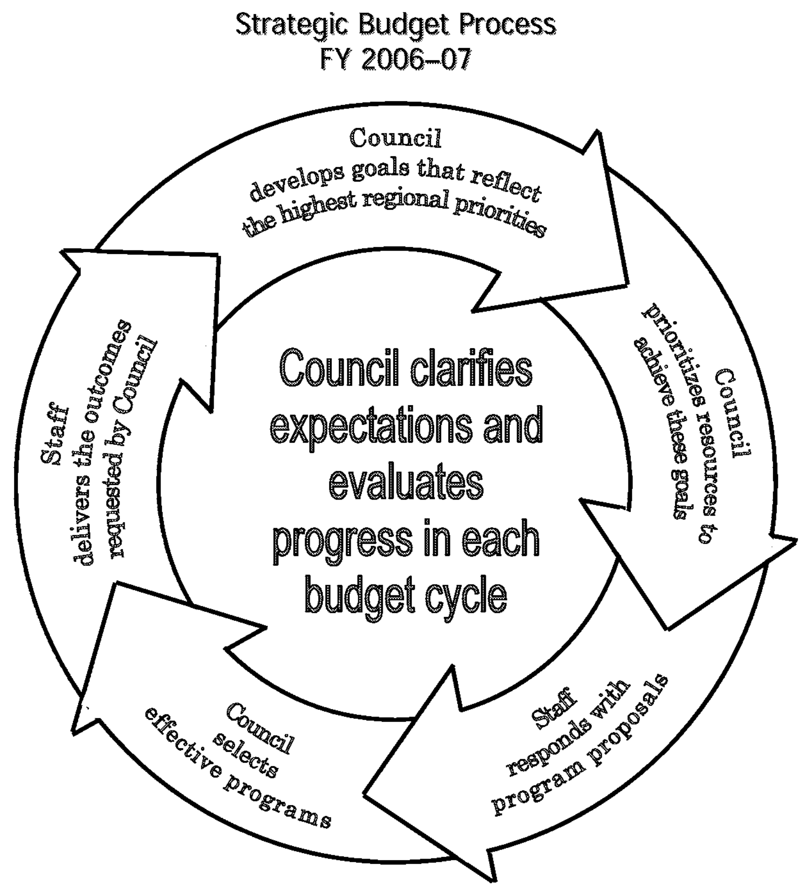
Budget Process

Historically, Metro's budget process has been focused on the development of an annual budget document with little or no long-term strategic direction. Policies and decisions were made with short-term objectives without significant regard for future considerations.



During FY 2004–05, Metro initiated a multi-year Strategic Budgeting Initiative to identify important regional goals and create strategies to address them. The Initiative requires fundamental cultural changes to the budgeting process. Chief among them is a recognition that budgeting is a year-round process that requires the development of clear strategic goals, identification of programs and outcomes to implement those goals, and proper measurements to assess the effectiveness of the programs in reaching the desired outcomes—a cycle that repeats itself in ensuing years. Budgeting becomes an ongoing process rather than a document.

While the development of the budget document is still an important and legally required process resulting in a final product that is a policy and financial plan covering all of Metro's program and services, it is the end result of a much broader more strategic-focused discussion on goals and objectives, programs and outcomes, and spending priorities within resource constraints. The budget process includes two concurrent, complimentary cycles: (1) the strategic process of clarification of expectations and evaluating progress and (2) the development of the final policy and financial plan document

The Strategic Budget Process

Commencing with the FY 2005–06 budget, Metro launched major changes to its budget process, beginning the transformation from an organizational-based budget to a multi-year program-based budget that is closely tied to Metro Council's strategic goals and objectives. This transformation is expected to take several years to complete.

During the first year, Metro Council spent over forty hours in a series of retreats, developing and prioritizing goals and objectives. These goals and objectives provide strategic direction to the departments and a framework for program development. Departments were instructed to determine outcomes for proposed programs and provide measures to demonstrate progress toward those outcomes. The above diagram illustrates this year-round budget process.

At the same time, several other major changes were either made or begun. The number of funds was reduced from 20 to 12 by consolidating all funds that did not have legal or strategic constraints, in order to increase fiscal flexibility for decision-makers. In addition, an agency-wide team composed of operating departments and central services representatives was initiated to find agency administrative efficiencies. This group, called the Business Design Team, is tasked with reviewing agency administrative processes with the aim of identifying and eliminating redundancy. This process is also a multi-year process, expected to be completed prior to the FY 2006–07 budget development.

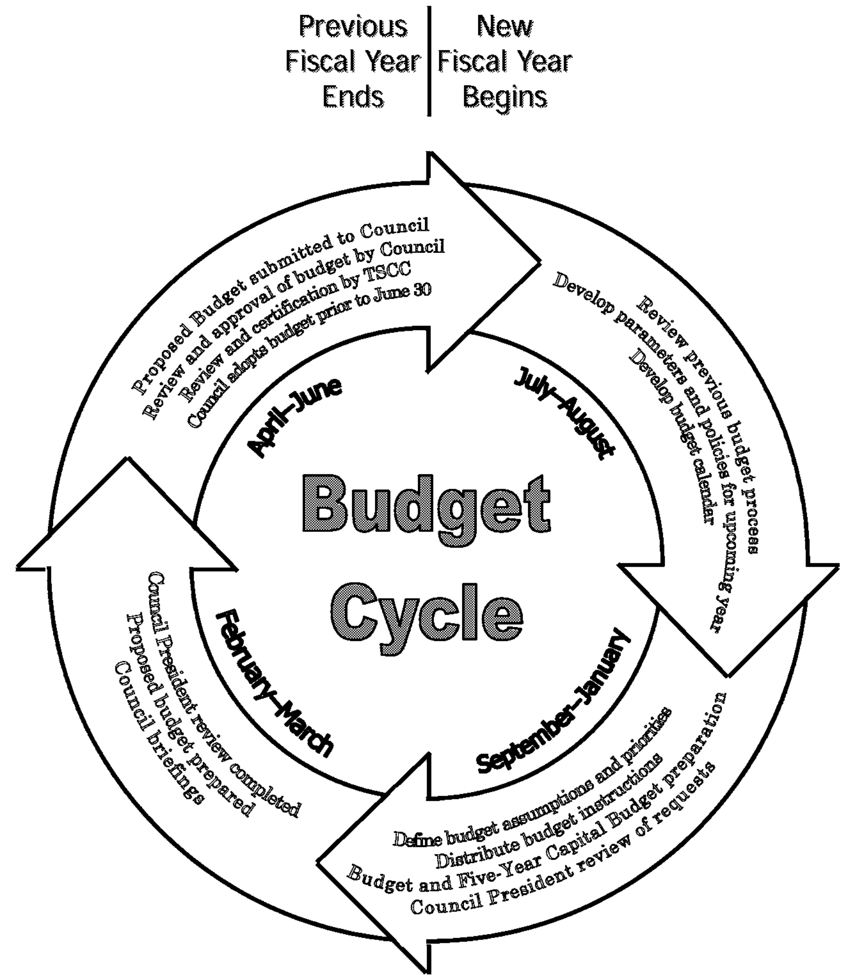
The Budget Cycle

The budget cycle focuses on the development of an annual budget document that incorporates the Council's strategic direction into a comprehensive policy and financial plan for all metro programs and services. It is a process designed to meet the expectations of the general public and Metro Council and Management, as well as the legal requirements of Oregon Budget Law.

Review of Prior Year—Each fiscal year begins with a review of the previous year's budget cycle, determining what was successful and where there were problems. Then staff works to refine the process for the next year. New budget parameters are developed which set out the basic assumptions that departments should follow when putting their budgets together. These parameters, along with the policies and priorities set by the Council President, the Council, and the Chief Operating Officer, are incorporated into the budget instructions.

Budget Instructions—The Financial Planning Division of the Finance and Administrative Services Department provides departments detailed instructions for preparing their budgets and submitting them for review by the Council President, Chief Operating Officer, and staff. The instructions provide directions for increasing or decreasing staff, calculating changes in personnel costs, and list costs for commonly purchased items such as office furniture and computer software. They also give departments detailed information regarding the correct way to budget for capital outlay and incorporating capital projects from the Five-Year Capital Budget into the budget.

Department Requests—Departmental staff review the instructions and assumptions from Financial Planning and Council, and forecast their program activities and financial needs for the next fiscal year. These forecasts form the basis of the departments' budget requests.



Review and Analysis by the Chief Operating Officer—After departments submit their budgets, they are reviewed by the staff in Financial Planning. Upon the completion of the analysis, the Financial Planning staff reviews the results with each department, as well as the Council President, Chief Operating Officer, and Chief Financial Officer. The Council President and Chief Operating Officer meet with department and Finance and Administrative Services staff to discuss identified issues and program changes. The Council President and Chief Operating Officer consider

Council priorities and actions required to balance the budget. The Council President makes the final decisions, which form the base upon which the proposed budget document is prepared and submitted to the Council for review.

Review and Analysis by the Metro Council—The Council, sitting as the Budget Committee, meets with the departments and analysts from Financial Planning to review the budget and make any changes, additions, or deletions. Meetings are open to the public, and public comment is accepted. Upon acceptance by the Council, the approved budget document is prepared and is submitted to the Tax Supervising and Conservation Commission.

Tax Supervising and Conservation Commission (TSCC) Review and Certification—In Oregon, state law requires each local government to establish a budget committee that reviews the budget and makes decisions regarding the budget. For most jurisdictions, this committee is made up of members of the governing body and an equal number of citizens. This law, however, does not apply in counties where the population exceeds 500,000. In counties where the population is greater than 500,000 (currently only Multnomah County), a Tax Supervising and Conservation Commission must be established. Members of this commission are appointed by the governor to supervise local government budgeting and taxing activities. Because more than 50 percent of Metro's total assessed value is within Multnomah County, Metro must submit its budget to the TSCC. After the commission reviews Metro's budget, it holds a public hearing and asks for clarification on items within the budget or items affecting the financial health of the organization. After the public hearing, the TSCC submits a letter of certification to the local government, and it becomes part of the official record included in the adoption of the budget.

Council Adoption and Submission to County Tax Assessors—After receiving certification by the TSCC, the Council makes any necessary technical adjustments and adopts the budget prior to June 30, the end of the fiscal year. The final adopted budget document is prepared, printed, and submitted to each of the county tax assessors in the region and to TSCC, prior to July 15th.

Changes to the Budget after Adoption—Oregon Local Budget Law provides several ways for the budget to be changed after adoption. If the government receives additional revenues in the form of a grant, donation, or bequest, appropriations may be increased through Council action in an amount equal to the additional revenues. If other new revenues are received that were not anticipated at the time that the budget was adopted, the government may prepare a supplemental budget to recognize the additional revenue and increase appropriations. Appropriations may be adjusted via action by the Council when adjustments within a fund are to be made between appropriation levels in the budget (e.g., increase in Personal Services appropriations and a corresponding decrease in Capital Outlay or Contingency appropriations).

The Five-Year Capital Budget—Metro's five-year capital planning process identifies the agency's capital asset needs for projects which cost $50,000 or more and have a useful life of five years or more. The Council adopted the agency's first Capital Budget (formerly known as the Capital Improvement Plan or CIP) in January 1997. A more thorough description of the Capital Budget process is found in section H of this document. Beginning in FY 2004–05, the Capital Budget has been included as part of the budget, with Council review of the Capital Budget taking place concurrently rather than several months prior to budget review. This promoted improved coordination between capital spending and the overall budget.

Budget Calendar

Milestone	Date
Council conducts retreats to establish agency goals and objectives	August–September 2004
Council adopts budget assumptions for FY 2005–06 (Resolution No. 04-3496)	October 28, 2004
Financial Planning issues budget instructions for central service departments to prepare current service level budget requests	November 2004
Financial Planning issues budget instructions for operating departments	November 10, 2004
Operating Departments submit budget requests to Financial Planning	January 7, 2005
Council President and COO meet with departments to review requests	February 3–18, 2005
Council President meets with Councilors to discuss preliminary decisions	February 2005
Council President makes final decisions on proposed budget	March 3, 2005
Budget briefings with Council: discussion of issues, prioritizing, and long-range financial picture	April 2005
Proposed budget submitted to Metro Council, initial public hearing held	April 7, 2005
Council work sessions on budget	April 2005
Additional public hearings held	April 14 & 28, 2005
Council approves budget, public hearing (Resolution No. 05-3579)	May 5, 2005
Metro submits approved budget to Tax Supervising and Conservation Commission	May 16, 2005
Tax Supervising and Conservation Commission public comment period	May 17–June 7, 2005
Tax Supervising and Conservation Commission public hearing on approved budget	June 8, 2005
Council public hearing, budget adoption (Ordinance No. 05-1074)	June 23, 2005

Budget Development Guidelines

Budget development is an intensive process involving the entire organization from the Council President, Councilors, and Chief Operating Officer to department directors, managers, and staff. The final product is a policy and financial plan covering all of Metro's programs and services.

The FY 2005–06 budget was the third budget developed under Metro's new governance structure, and the second overseen by the Council President throughout the entire process. The first step in the process was a briefing for Council on budget assumptions, such as interest rates, pension contribution increases, and cost of living adjustments. The Council then adopted a resolution, in October, directing staff to include its assumptions in preparing the FY 2005–06 budget. Significant among these were directions to continue a reserve for potential increases in PERS pension costs pending an Oregon Supreme Court decision on challenges to 2003 legislative changes to the pension system.

Budget Assumptions

The Financial Planning Division develops specific guidelines for departments to use in developing their initial budget requests. These guidelines formed the bases for initial cost estimates. Departments used the following assumptions to develop their requests:

Personal Services

- Gross available hours per year per FTE—2080 hours for exempt employees; 2088 for non-exempt employees.

Metro Non-Represented Employees (except MERC)

- Assumed 4.5 percent adjustment pool, which includes both cost of living adjustment and merit/step increases.

Metro AFSCME 3580

- Assumed 2.5 percent adjustment pool for step increases.
- Assumed 2.5 percent adjustment pool for COLA.

All Other Employee or Labor Groups

- Assumed 2.5 percent cost of living adjustment to wages and wage ranges effective July 1, 2005.
- Appropriate increases according to existing collective bargaining agreement.

Zoo Visitor Services Seasonal

- Assumed appropriate increase per the Visitor Services pay range based on Oregon minimum wage.

New and/or vacant positions were budgeted at no more than 20 percent above the beginning rate or step. Positions that were budgeted at the beginning rate allowed for a 5 percent increase after successful completion of a six-month probationary period.

Fringe Rates were calculated on an individual department basis, based on actual fringe benefits provided to existing employees. Fringe benefit rates and components are shown in the appendices of the budget document.

Materials & Services

Increases in these costs as a result of inflationary factors were limited to 2.5 percent, unless otherwise justified.

Overhead Transfers

In preparing budget requests, departments used preliminary overhead allocations provided by the Financial Planning Division to budget transfer amounts. These allocations were determined based on Council direction where applicable (primarily for the total allocation for Risk Management), and on a preliminary cost allocation plan based on central service departments' revised current service level budgets. Central services transfers for FY 2005–06 were adjusted to reflect the Council President's approval of the central services department budgets, and the actual run of the cost allocation plan with the latest service level allocation basis.

Contingency

Departments were instructed to budget contingency funds in an amount not less than 4 percent of the total of Personal Services, Materials and Services, and Capital Outlay. Departments varied from this amount based on their needs.

Excise Tax Rate

An excise tax rate of 7.5 percent was used for all non-solid waste revenues subject to the Metro excise tax. Excise tax on solid waste revenues was calculated per Ordinance No. 00-857B to generate a base excise tax amount of $6,338,740. In addition, an extra $1.00 per ton levy dedicated to Regional Parks was continued, and an additional $2.00 per ton was levied effective September 1, 2004. This $2.00 per ton was dedicated to Regional Parks ($1.50) and a Tourism Opportunity and Competitiveness account in the General Fund contingency ($0.50) to promote the Oregon Convention Center. Upon the September 1 effective date, the excise tax rate for solid waste will be $8.33 per ton.

Excise Tax Revenue Allocation Estimates

Several departments receive a portion of Metro excise tax revenues in the form of transfers from the General Fund. All department budgets were prepared following excise tax targets established by the Council President. Excise tax targets for FY 2005–06 assumed a 2 percent increase over FY 2004–05 allocations (i.e., not including the $3.00 per ton that is dedicated as noted in the preceding paragraph). Adjustments during the budget review process raised or lowered excise tax allocations based on need.

Other

Interest rate for revenue calculations equals 2.5 percent.

Financial Structure

Fund-Based Budget

Metro's accounts are organized on the basis of funds, each of which is considered a separate fiscal entity accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Each fund has a specific purpose, with specific revenue sources and uses. The fund structure was modified in FY 2001–02 to be in accordance with GASB Statement 34.

Basis of Accounting Used by Metro for Budgeting

Metro's budget is prepared on the modified accrual basis of accounting. In modified accrual, revenues are recognized when they become measurable and available. Measurable means that the dollar value of the revenue is known. Available means that it is collectible within the current period, or soon enough after the end of the current period to pay liabilities of the current period. Significant revenues that are considered to be measurable and available under the modified accrual basis of accounting are interest earned on temporary investments and property taxes received within approximately 60 days of the end of the fiscal year. Expenditures are recognized when the liability is incurred, if measurable, except for interest on long-term debt which is recognized on its due date.

The Comprehensive Annual Financial Report (CAFR) shows the status of Metro's finances in accordance with "generally accepted accounting principles" (GAAP). In many cases, this conforms with the way Metro prepares its budget. Major exceptions are as follow:

- Central services costs incurred by funds are recorded as direct expenses on a GAAP basis, whereas these amounts are reflected as operating transfers on a budget basis.
- Depreciation and amortization expenses are recorded on a GAAP basis. The budget basis does not reflect these items.
- Reductions to certain liabilities on a GAAP basis are recorded as expenditures on a budget basis.
- Certain funds are aggregated and reported as fund components on a GAAP basis and are reported as separate funds on a budget basis.

The Comprehensive Annual Financial Reports shows fund expenditures and expenses, as well as revenues, on both a GAAP basis and budget basis for comparison purposes.

Fund Structure

General Fund

In accordance with generally accepted accounting principles, the *General Fund* accounts for all activities not required to be accounted for in another fund. For fiscal year 2005–06, Metro's fund structure has been simplified to conform to Metro's strategic objectives. Those functions now accounted for in the General Fund include Metro's general government activities (including Council and Public Affairs functions, regional transportation and growth planning, regional parks, and operations of the Oregon Zoo), as well as all administrative support functions (such as Finance, Human Resources, Metro Auditor, Metro Attorney, and Metro headquarters building operations). The principal resources of the fund are an excise tax on Metro's facilities and services levied in accordance with the Metro Code, property taxes derived from a tax base approved by voters on May 15, 1990, charges for services provided by the various activities of Metro, intergovernmental revenues in the form of grants and contracts, charges for services provided to Metro functions not accounted for within the General Fund, and investment earnings.

Enterprise Funds

Primary Government—Metro

Solid Waste Revenue Fund—This fund accounts for revenues and expenditures for the implementation, administration, and enforcement of Metro's Solid Waste Management Plan. The primary revenue source is from fees collected for the disposal of solid waste. This fund also accounts for Metro South transfer station and Metro Central transfer station solid waste transfer and recycling facilities, and the closed St. Johns Landfill.

Component Unit—Metro ERC

MERC Operating Fund—This fund accounts for the revenues and expenditures of the Metro Exposition-Recreation Commission (MERC), which includes the Oregon Convention Center, Portland Center for the Performing Arts, Expo Center, and MERC Administration. The fund maintains the facilities and administration as divisions within the fund but is appropriated at the following levels: operating expenditures, debt service, transfers, and contingency. Capital expenditures for MERC are all budgeted in the MERC Pooled Capital Fund. Principal sources of revenues are user fees and charges, food service revenues, and hotel/motel tax.

MERC Pooled Capital Fund—The MERC Pooled Capital Fund contains the budget for capital projects at the MERC facilities. Like the MERC Operating Fund, this fund is appropriated at the level of expenditure categories (operating expenditures, capital outlay, transfers, and contingency), but is managed to ensure that facility-specific resources are spent at the proper facility. The fund includes appropriations for staff who work on capital projects, as well as for the projects themselves. Principal revenue sources include hotel/motel tax receipts and other intergovernmental revenues, and transfers from the MERC Operating Fund.

Special Revenue Funds

Primary Government—Metro

Smith and Bybee Lakes Fund—This fund accounts for the implementation of the Smith and Bybee Lakes Management Plan, managed by Metro's Regional Parks and Greenspaces Department. A Natural Resources Plan for Smith and Bybee Lakes was adopted by the City of Portland and Metro on December 13, 1990. Primary resources are grants and interest.

General Revenue Bond Fund—General revenue bonds and other financing proceeds are accounted for in this fund. To date this fund has been used for construction of the Metro Regional Center, the Washington Park parking lot renovation, contribution to TriMet for the Zoo light rail station, and for the construction of the Expo Center Hall D replacement. This fund also accounts for the payments on outstanding debt associated with these projects. The principal sources of revenue are charges against departments for debt service, interest earnings, and loan proceeds. In the CAFR, this fund is segregated and then combined with another applicable fund for proper GAAP classification within the General Fund (Zoo and Building Management), and an Enterprise Fund (Component Unit–MERC) on a GAAP basis.

Capital Projects Funds

Primary Government—Metro

Open Spaces Fund—This fund accounts for the bond proceeds and expenditures related to the Open Spaces, Parks and Streams general obligation bonds approved by the voters in 1995. Primary sources of revenues include interest earnings on the bond proceeds and public and private contributions toward the acquisition program. Expenditures are governed by the bond measure and are related to the acquisition of land and the establishment of trails.

Metro Capital Fund—This fund accounts for major capital acquisition and construction projects, including renewal and replacement activities, undertaken by Metro. Included in this fund are projects for the Regional Parks and Greenspaces Department and facilities and the Oregon Zoo, as well as significant capital expenditures for other Metro activities. In addition, this fund accounts for designated funds transferred from Multnomah County as of January 1, 1994. The funds are dedicated to construction of a nature center and a concert stage. Major revenue sources for the fund include, but are not limited to, grants, donations, excise tax contributions from the General Fund, and other revenues or contributions identified for capital purpose.

Internal Service Funds

Primary Government—Metro

Risk Management Fund—This fund accounts for risk management and self-insurance programs performed for the organizational units within Metro, including employee health insurance expenditures. Primary revenues are charges to user funds and interest. Primary expenditures are insurance premiums, claims costs, and studies related to insurance issues.

Debt Service Fund

Primary Government—Metro

General Obligation Bond Debt Service Fund—This fund accounts for payments of general obligation bond principal and interest to bond holders. The principal source of revenue is property taxes.

Private-Purpose Trust Fund

Rehabilitation and Enhancement Fund—This fund accounts for funds received and expenditures for rehabilitation and enhancement of the area in and around the solid waste transfer facilities and St. Johns Landfill. Primary resources are rehabilitation and enhancement fees and interest. Expenditures are for planning and implementation of rehabilitation and enhancement programs in the area.

Permanent Fund

Primary Government—Metro

Metro Pioneer Cemetery Perpetual Care Fund—This fund was created in 2003 to provide financial support for the long-term maintenance of the Metro Pioneer Cemeteries after the cemeteries are no longer receiving revenue from grave sales and burial services. The fund will receive revenue from a 15 percent surcharge on grave sales. It is anticipated that no expenditures will be made from this fund until grave sites are exhausted at the cemeteries, currently estimated to be around the year 2058.

Financial Policies

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING COMPREHENSIVE FINANCIAL POLICIES FOR METRO	))))	RESOLUTION NO. 04-3465 Introduced by Mike Jordan, Chief Operating Officer, with the concurrence of the Council President

WHEREAS, Metro recognizes the importance of comprehensive financial policies to provide a framework for the overall fiscal management of the agency; and

WHEREAS, the Government Finance Officers Association (GFOA) and the National Advisory Council on State and Local Budgeting (NACSLB) recommend the establishment and adoption of financial policies as a key budget and financial management practice; and

WHEREAS, Metro's Financial Planning division working in conjunction with the Finance Advisory Strategy Team under the guidance of the Chief Financial Officer developed a set of comprehensive financial policies for consideration of the Metro Council; and

WHEREAS, these comprehensive financial policies were reviewed by the Senior Management Team and the Chief Operating Officer; and

WHEREAS, Resolution No. 84-444, "Adopting Long-Range Financial Policies for the Metropolitan Service District" (Attachment 1) was adopted January 26, 1984, has become outdated and should be rescinded; now therefore

BE IT RESOLVED that the Metro Council adopts Exhibit A of this resolution, entitled "Metro Financial Policies," and rescinds Resolution No. 84-444.

ADOPTED by the Metro Council this 17th day of June, 2004

David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

APPROVATO APPROVED METRO COUNCIL CONSIGLIO METROPOLITANO

In 2004, the Metro Council voted unanimously in favor of Resolution No. 04-3465, "adopting comprehensive financial policies for Metro." The policies contained in this resolution are included below, in their entirety.

Metro Financial Policies

Metro's financial policies, set forth below, provide the framework for the overall fiscal management of the agency. Operating independently of changing circumstances and conditions, these policies are designed to help safeguard Metro's assets, promote effective and efficient operations, and support the achievement of Metro's strategic goals.

These policies establish basic principles to guide Metro's elected officials and staff in carrying out their financial duties and fiduciary responsibilities. The Chief Financial Officer shall establish procedures to implement the policies established in this document.

General Policies

1. Metro's Financial Policies shall be reviewed annually by the Council and shall be published in the adopted budget.
2. Metro shall prepare its annual budget and Comprehensive Annual Financial Report consistent with accepted public finance professional standards.
3. The Chief Financial Officer shall establish and maintain appropriate financial and internal control procedures to assure the integrity of Metro's finances.
4. Metro shall comply with all applicable state and federal laws and regulations concerning financial management and reporting, budgeting, and debt administration.

Accounting, Auditing and Financial Reporting

1. Metro shall annually prepare and publish a Comprehensive Annual Financial Report including financial statements and notes prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.
2. Metro shall maintain its accounting records on a basis of accounting consistent with the annual budget ordinance.
3. Metro shall have an independent financial and grant compliance audit performed annually in accordance with generally accepted auditing standards.

Budgeting and Financial Planning

1. As prescribed in Oregon budget law, total resources shall equal total requirements in each fund, including contingencies and fund balances. However, Metro considers a budget to be balanced whenever budgeted revenues equal or exceed budgeted expenditures. Beginning fund balances shall not be considered as revenue, nor shall contingencies or ending fund balances be considered expenditures, in determining whether a fund is in balance.
2. Metro shall maintain fund balance reserves that are appropriate to the needs of each fund. Targeted reserve levels shall be established and reviewed annually as part of the budget process. Use of fund balance to support budgeted operations in the General Fund, an operating fund, or a central service fund shall be explained in the annual budget document; such explanation shall describe the nature of the budgeted reduction in fund balance and its expected future impact. Fund balances in excess of future needs shall be evaluated for alternative uses.
3. Metro staff shall regularly monitor actual revenues and expenditures and report to Council at least quarterly on how they compare to budgeted amounts, to ensure compliance with the adopted budget. Any significant changes in financial status shall be timely reported to the Council.
4. Metro shall use its annual budget to identify and report on department or program goals and objectives and measures of performance.
5. A new program or service shall be evaluated before it is implemented to determine its affordability.
6. Metro shall authorize grant-funded programs and associated positions for a period not to exceed the length of the grant unless alternative funding can be secured.

7. Each operating fund will maintain a contingency account to meet unanticipated requirements during the budget year. The amount shall be appropriate for each fund.
8. Metro shall prepare annually a five-year forecast of revenues, expenditures, other financing sources and uses, and staffing needs for each of its major funds, identifying major anticipated changes and trends, and highlighting significant items which require the attention of the Council.
9. Metro will annually prepare a cost allocation plan prepared in accordance with applicable federal guidelines to maintain and maximize the recovery of indirect costs from federal grants, and to maintain consistency and equity in the allocation process.

Capital Asset Management

1. Metro shall budget for the adequate maintenance of capital equipment and facilities and for their orderly replacement, consistent with longer-term planning for the management of capital assets.
2. The Council's previously-adopted policies governing capital asset management are incorporated by reference into these policies.

Cash Management and Investments

1. Metro shall maintain an investment policy in the Metro Code, which shall be subject to annual review and readoption.
2. Metro shall schedule disbursements, collections and deposits of all funds to ensure maximum cash availability and investment potential.
3. Metro shall manage its investment portfolio with the objectives of safety of principal as the highest priority, liquidity adequate to needs as the second highest priority, and yield from investments as its third highest priority.

Debt Management

1. Metro shall issue long-term debt only to finance capital improvements, including land acquisition, that cannot be readily financed from current revenues, or to reduce the cost of long-term financial obligations.
2. Metro will not use short-term borrowing to finance operating needs unless specifically authorized by the Council.
3. Metro shall repay all debt issued within a period not to exceed the expected useful life of the improvements financed by the debt.
4. Metro shall fully disclose financial and pertinent credit information as it relates to Metro's outstanding securities.
5. Metro shall strive to obtain the highest credit ratings to ensure that borrowing costs are minimized and Metro's access to credit is preserved.
6. Equipment and vehicles should be financed using the least costly method, including comparison to direct cash expenditure. This applies to purchase using operating leases, capital leases, bank financing, company financing or any other purchase programs.

Revenues

1. Metro shall estimate revenues through an objective, analytical process.
2. Metro shall strive to maintain a diversified and balanced revenue system to protect it from short-term fluctuations in any one revenue source.
3. One-time revenues shall be used to support one-time expenditures or increase fund balance.
4. Metro shall pursue appropriate grant opportunities; however, before accepting any grant, Metro will consider the current and future implications of either accepting or rejecting it. The Chief Financial Officer may establish criteria to be used in evaluating the potential implications of accepting grants.

Capital Asset Management Policies

The following policies establish the framework for Metro's overall capital asset planning and management. They provide guidance for current practices and a framework for evaluation of proposals for future projects. These policies also seek to improve Metro's financial stability by providing a consistent approach to fiscal strategy. Adopted financial policies show the credit rating industry and prospective investors (bond buyers) the agency's commitment to sound financial management and fiscal integrity. Adherence to adopted policies ensures the integrity and clarity of the financial planning process and can lead to improvement in bond ratings and lower cost of capital.

1. Metro shall operate and maintain its physical assets in a manner that protects the public investment and ensures achievement of their maximum useful life.

   Ensuring the maximum useful life for public assets is a primary agency responsibility. Establishing clear policies and procedures for monitoring, maintaining, repairing and replacing essential components of facilities is central to good management practices. It is expected that each Metro department will have written policies and procedures that address:

   - Multi-year planning for renewal and replacement of facilities and their major components;
   - Annual maintenance plans.

2. Metro shall establish a Renewal & Replacement Reserve account for each operating fund responsible for major capital assets.

   Ensuring that the public receives the maximum benefit for their investments in major facilities and equipment requires an ongoing financial commitment. A Renewal & Replacement Reserve should initially be established based on the value of the asset and consideration of known best asset management practices. Periodic condition assessments should identify both upcoming renewal and replacement projects and the need to adjust reserves to support future projects. If resources are not sufficient to fully fund the Reserve without program impacts, the Council will be consider alternatives during the annual budget process. Establishing and funding the Reserve demonstrates Metro's ongoing capacity and commitment to these public investments.

3. Metro shall prepare, adopt and update at least annually a five-year Capital Improvement Plan (CIP). The Plan will identify and set priorities for all major capital assets to be acquired or constructed by Metro. The first year of the adopted CIP shall be included in the Proposed Budget.

   The primary method for Metro departments to fulfill the need for multi-year planning is the Capital Improvement Planning process. The CIP allows a comprehensive look at Metro's capital needs for both new facilities and renewal and replacement of existing ones, and allows the Council to make the necessary decisions to ensure financial resources match forecasted needs.

4. Capital improvement projects are defined as facility or equipment purchases or construction which results in a capitalized asset costing more than $50,000 and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of $50,000 or more that have a useful life of at least five years.

   A clear threshold ensures that the major needs are identified and incorporated in financial plans.

5. An assessment of each Metro facility will be conducted at least every five years. The report shall identify repairs needed in the coming five years to ensure the maximum useful life of the asset. This information shall be the basis for capital improvement planning for existing facilities and in determining the adequacy of the existing Renewal & Replacement Reserves.

   A foundation step for capital planning is an understanding of the current conditions of Metro facilities. It is expected that Metro departments have a clear, documented process for assessing facility condition at least every five years. The assessment processes may range from formal, contracted engineering studies to in-house methods such as peer reviews. The assessment should identify renewal and replacement projects that should be done within the following five years. The Renewal

& Replacement Reserve account should be evaluated and adjusted to reflect the greater of the average renewal & replacement project needs over the coming five years or 2% of the current facility replacement value.

6. The Capital Improvement Plan will identify adequate funding to support repair and replacement of deteriorating capital assets and avoid a significant unfunded liability from deferred maintenance.

   Using the information provided by facility assessments, Metro departments should use the CIP process to identify the resources necessary to keep facilities in an adequate state of repair. In situations where financial resources force choices between programs and facility repair, the annual budget process should highlight these policy choices for Council action.

7. A five-year forecast of revenues and expenditures will be prepared in conjunction with the capital budgeting process. The forecast will include a discussion of major trends affecting Agency operations, incorporate the operating and capital impact of new projects, and determine available capacity to fully fund the Renewal & Replacement Reserve.

   Incorporation of capital needs into agency five-year forecasts ensures that problem areas are identified early enough that action can be taken to ensure both the maintenance of Metro facilities and integrity of Metro services.

8. To the extent possible, improvement projects and major equipment purchases will be funded on a pay-as-you-go basis from existing or foreseeable revenue sources. Fund Balances above established reserve requirements may be used for one-time expenditures such as capital equipment or financing of capital improvements.

   Preparing a CIP and incorporating it into five-year forecasts enables Metro to plan needed capital spending within foreseeable revenues. This minimizes the more costly use of debt for capital financing and ensures renewal and replacement of facility components takes place without undue financial hardship to operations.

9. Debt (including capital leases) may only be used to finance capital, including land acquisition, not ongoing operations. Projects that are financed through debt must have a useful service life at least equal to the debt repayment period.

   Because interest costs impact taxpayers and customers, debt financing should be utilized only for the creation or full replacement of major capital assets.

10. When choosing funding sources for capital items, every effort should be made to fund enterprise projects either with revenue bonds or self-liquidating general obligation bonds. For the purpose of funding non-enterprise projects other legally permissible funding sources, such as systems development charges should be considered.

11. Acquisition or construction of new facilities shall be done in accordance with Council adopted facility and/or master plans. Prior to approving the acquisition or construction of a new asset, Council shall be presented with an estimate of the full cost to operate and maintain the facility through its useful life and the plan for meeting these costs. At the time of approval, Council will determine and establish the Renewal & Replacement Reserve policy for the asset to ensure resources are adequate to meet future major maintenance needs.

    New Metro facilities should be planned within the overall business and service objectives of the agency. To ensure that the public gains the maximum utility from the new facility or capital asset, Metro should identify the full cost of building and operating the facility throughout its useful life. Resources generated from its operation or other sources should be identified to meet these needs.

Debt Summary

Debt Summary

Metro uses long- and short-term debt to finance capital projects and some capital equipment. As of July 1, 2005, Metro has eight debt issues, one energy conservation loan, one loan, and one long-term installment contract outstanding. On the following pages, the Debt Summary, Outstanding, and Planned Debt Issues tables summarize Metro's debt by type and issue as of July 1, 2005.

Metro has a relatively low level of outstanding debt when compared to other jurisdictions. The Debt Ratios table (also on the following pages) shows Metro's level of outstanding debt on a per capita basis and as compared to the estimated Real Market Value of the Metro region. There are currently no plans to issue additional debt during FY 2005–06.

Periodically, Metro will refund bond issues to take advantage of lower interest rates. Metro currently has five refunding bond issues outstanding. The net present value of the savings from refunding is calculated when the new bonds are issued and is included on the debt service schedules later in this section.

General Obligation Debt—$143,000,238 outstanding

Metro's Charter and state law require Metro to obtain voter approval prior to issuing any general obligation bonds. To date, voters have approved three general obligation bond issues: $65,000,000 for the Oregon Convention Center issued in 1987 and refunded in 1992 and 2001; $135,600,000 for Open Spaces, Parks and Streams issued in three series in 1995, with two of the three series refunded in 2002; and $28,800,000 for improvements to the Oregon Zoo issued in 1996 and refunded in 2005.

State law establishes a limit of 10 percent of Real Market Value on Metro's total general obligation indebtedness. Metro's general obligation debt is 0.09 percent, only 1/108 of the allowable limit. The Metro Debt Limitation Comparison table (on subsequent pages) shows a comparison of Metro's outstanding general obligation bonds to the statutory debt limit.

Full Faith & Credit Bonds—$23,420,000 outstanding

Metro issued full faith & credit refunding bonds in 2003, refunding obligations for Metro Regional Center construction and loans to the Oregon Zoo. The Metro Regional Center obligation had been a General Revenue Bond issued in 1993, backed by assessments to Metro departments occupying Metro's headquarters building. The Zoo obligations had been loans from the Oregon Economic & Community Development Department issued in 1995 and 1996 to pay Metro's share of Westside MAX light rail construction and reconfiguration of the Washington Park parking lot used by Zoo patrons. These loans were paid from Zoo revenues.

The Full Faith & Credit bonds are backed by a broader pledge of Metro revenues, including property taxes used to support Zoo operations, and excise taxes levied on users of certain Metro services. It is planned and expected that the prior funding sources will continue to be used to pay debt service on the Full Faith & Credit bonds, but the additional backing from other Metro revenues provides greater security for bondholders.

Revenue Bonds—$6,646,223 outstanding

Metro uses revenue bonds to pay for capital projects and equipment for enterprise activities on an as-needed basis. Debt service on revenue bonds is paid from revenues generated by the particular enterprise activity being financed; there is no recourse to property taxes to pay for these bonds.

In 1990, Metro issued $28,500,000 in revenue bonds to pay for construction of the Metro Central solid waste transfer station. A portion of that issue was refunded in 1993, and again in 2003. Debt service on these bonds is paid from the revenues of the solid waste system, primarily tipping fees and the regional system fee.

Other Debt—$14,702,735 outstanding

In 1993, Metro entered into an energy services agreement with Pacific Power and Light Company to finance various energy conservation measures in the Metro Regional Center, then under construction. The loan and repayment amounts were sized based on the projected savings from these conservation measures. Loan payments are billed monthly on Metro's electric bill.

In 2000, Metro received a loan from the Oregon Economic and Community Development Department, Special Public Works Fund, to pay for reconstruction of Hall D at the Portland Expo Center. The loan consists of $13,618,000 for construction of the new building and an additional $2,013,000 for necessary infrastructure improvements. Debt service is paid from Expo Center revenues.

In 2002, the City of Portland made a Local Improvement District assessment on the Oregon Convention Center for the construction of a pedestrian walkway across the Willamette River. MERC has chosen to repay the assessment over time through a 20-year installment contract with the city. Contract payments are made from Oregon Convention Center revenues.

Project Bonds—$5,000,000

In 1990, Metro issued a project bond. This bond provided conduit financing for Riedel Environmental Technologies, Inc., for a share of the cost of a composter Riedel built in North Portland. Under the terms of this financing, Metro obtained $5 million for Riedel, and Riedel was solely responsible for payment of debt service. Should Riedel fail to pay debt service, payment would be made by a letter of credit provided by U.S. Bank. Metro had no obligation to make payments on this debt. The composter closed in 1993, and Riedel went out of business shortly thereafter. Debt service payments were made by North Union Corporation, Riedel's successor.

The bonds were secured by an irrevocable letter of credit issued by U.S. Bank. This letter of credit was secured by a letter of credit drawn on the National Australia Bank Limited. The National Australia Bank Limited provided notice that it would not renew the letter of credit issued in favor of U.S. Bank. U.S. Bank notified the Trustee of the bonds (The Bank of New York Trust Company) that it would not renew the letter of credit issued in favor of Riedel Oregon Compost Company, Inc. These events triggered a formal Event of Default under the Reimbursement Agreement under which the U.S. Bank Letter of Credit was issued. The Trustee effected a mandatory tender for repurchase of the bonds.

The Trustee drew on the Letter of Credit for the mandatory purchase of the bonds. The redemption was made effective June 1, 2005.

Outstanding Debt Issues

Issue	Original Amount	Original Issue Date	Principal Outstanding	Final Maturity	Source of Payment
GENERAL OBLIGATION BONDS					
General Obligation Refunding Bonds					
Oregon Convention Center					
2001 Series A	$47,095,000	06/15/2001	$35,535,000	01/01/2013	Property Taxes
Open Spaces, Parks, and Streams					
2002 Series	$92,045,000	10/30/2002	$85,175,000	09/01/2015	Property Taxes
Metro Washington Park Zoo Oregon Project					
2005 Series	$18,085,000	05/12/2005	$18,085,000	01/15/2017	Property Taxes
General Obligation Bonds					
Open Spaces, Parks, and Streams					
1995 Series B	$5,219,923	09/29/1995	$1,585,238	09/01/2010	Property Taxes
Metro Washington Park Zoo Oregon Project					
1996 Series A	$28,800,000	11/01/1996	$2,620,000	01/15/2017	Property Taxes
TOTAL GENERAL OBLIGATION BONDS OUTSTANDING			**$143,000,238**		
FULL FAITH AND CREDIT BONDS					
Full Faith & Credit Refunding Bonds					
2003 Series	$24,435,000	10/16/2003	$23,420,000	08/01/2022	General Revenues
TOTAL FULL FAITH & CREDIT BONDS OUTSTANDING			**$23,420,000**		
REVENUE BONDS					
Waste Disposal System Revenue Bonds					
Metro Central Transfer Station					
1990 Series A	$28,500,000	03/01/1990	$1,721,223	07/01/2007	Solid Waste Revenues
Waste Disposal System Revenue Refunding Bonds					
Metro Central Transfer Station					
2003 Series	$4,990,000	05/27/2003	$4,925,000	07/01/2009	Solid Waste Revenues
TOTAL REVENUE BONDS OUTSTANDING			**$6,646,223**		

Outstanding Debt Issues, *continued*

Issue	Original Amount	Original Issue Date	Principal Outstanding	Final Maturity	Source of Payment
OTHER DEBT (Loans Outstanding)					
Pacific Power Finanswer					
1993	$293,672	04/23/1993	$82,550	04/23/2008	Department Revenues
Oregon Economic and Community Development Department SPWF Loan					
Expo Center Hall D Replacement					
2000 Series A	$15,631,000	04/12/2000	$14,445,436	12/01/2024	Expo Center Revenues
City of Portland, Local Improvement District Installment Contracts					
OCC, Steel Bridge	$205,588	01/13/2002	$174,749	01/13/2022	OCC Revenues
TOTAL OTHER DEBT OUTSTANDING			**$14,702,735**		
GRAND TOTAL – METRO DEBT OUTSTANDING			**$187,769,196**		

Metro Debt Ratios

Metro Debt Ratios

as of July 1, 2005

FY 2005-06 Estimated Real Market Value $155,071,526,415
2004 Estimated Population 1,390,139 (Source: Metro Data Resource Center)

	Metro		
	Debt Outstanding	Debt Per Capita	Debt as % of Real Market Value
General Obligation Debt	$143,000,238	$102.87	0.09%
Full Faith & Credit Bonds	$23,420,000	$16.85	0.02%
Revenue Bonds	$6,646,223	$4.78	0.00%
Other Debt	$14,702,735	$10.58	0.01%
Total Metro Debt	$187,769,196	$135.07	0.12%

as of June 30, 2006

FY 2006-07 Estimated Real Market Value $164,375,818,000
2005 Estimated Population 1,410,949 (Estimated growth rate of 1.3%. Source: Metro Data Resource Center)

	Metro		
	Debt Outstanding & Planned	Debt Per Capita	Debt as % of Real Market Value
General Obligation Debt	$131,647,201	$93.30	0.08%
Full Faith & Credit Bonds	$22,295,000	$15.80	0.01%
Revenue Bonds	$5,829,940	$4.13	0.00%
Other Debt	$14,243,731	$10.10	0.01%
Total Metro Debt	$174,015,871	$123.33	0.11%

Metro Debt Limitation Comparison

Metro Debt Limitation Comparison

Statutory General Obligation Bond Limit – 10% of Real Market Value

FY 2005-06 Estimated Real Market Value*	*$155,071,526,415*
Times General Obligation Debt Limit Percentage	10%
Statutory General Obligation Bond Limit	$15,507,152,641
Less General Obligation Debt Outstanding	$143,000,238
General Obligation Bond Limit Remaining	$15,364,152,403
Metro's General Obligation Debt Percentage	0.09%

* FY 2004-05 Real Market Value of $146,293,892,844 plus 6% growth

General Obligation Refunding Bonds

Oregon Convention Center
2001 Series A
Semi-Annual Debt Service Schedule

The Oregon Convention Center general obligation bonds were issued in 1987 for the construction of the Oregon Convention Center facility. The project opened for business in September 1990. Refunding bonds dated March 15, 1992, were issued for $65,760,000 in order to refund the $61,855,000 balance of the original issue. This bond issue was again refunded in 2001, resulting in a net present value savings of $4,370,954.57.

Amount Issued:	$47,095,000	Ratings	
Issue Date:	06/15/2001	Moody's:	Aa1
Original Issue True Interest Rate (TIC):	4.323%	Standard & Poor's:	AA+
		Principal Outstanding as of July 1, 2005:	$35,535,000

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Total F/Y Debt Service
7-1-05	4.000%		810,831.88	810,831.88	
1-1-06	4.000%	3,695,000.00	810,831.88	4,505,831.88	5,316,663.76
7-1-06	4.000%		736,931.88	736,931.88	
1-1-07	4.250%	3,870,000.00	736,931.88	4,606,931.88	5,343,863.76
7-1-07	4.250%		654,694.38	654,694.38	
1-1-08	4.375%	4,065,000.00	654,694.38	4,719,694.38	5,374,388.76
7-1-08	4.375%		565,772.50	565,772.50	
1-1-09	5.000%	4,270,000.00	565,772.50	4,835,772.50	5,401,545.00
7-1-09	5.000%		459,022.50	459,022.50	
1-1-10	5.000%	4,525,000.00	459,022.50	4,984,022.50	5,443,045.00
7-1-10	5.000%		345,897.50	345,897.50	
1-1-11	4.300%	4,785,000.00	345,897.50	5,130,897.50	5,476,795.00
7-1-11	4.300%		243,020.00	243,020.00	
1-1-12	4.400%	5,035,000.00	243,020.00	5,278,020.00	5,521,040.00
7-1-12	4.400%		132,250.00	132,250.00	
1-1-13	5.000%	5,290,000.00	132,250.00	5,422,250.00	5,554,500.00
Total		$35,535,000.00	$7,896,841.28	$43,431,841.28	$43,431,841.28

General Obligation Bonds

Open Spaces, Parks, and Streams
2002 Refunding and 1995 Series B
Semi-Annual Debt Service Schedule

The Open Spaces, Parks and Streams general obligation bonds were authorized by the voters on May 16, 1995. The original bonds were issued in three series between September 1 and October 15, 1995, to facilitate compliance with federal regulations regarding expenditures and investment of bond proceeds. Bond proceeds are used to purchase regionally significant open spaces and to provide funds for local governments to purchase, construct, and improve local parks. Series A and C of the original bonds were refunded in 2002 resulting in a net present value savings of $6,104,077.

	Refunding	Series B
Amount Issued:	$92,045,000	$5,219,923
Issue Date:	10-30-02	9-29-95
Original Issue True Interest Cost (TIC):	3.696%	5.259%

Ratings	Refunding	Series B
Moody's:	Aa1	Aa1
Standard & Poor's:	AA+	AA+
Principal Outstanding as of July 1, 2005:	$85,175,000	$1,585,238

Payment Due	Refunding Interest Rate	Refunding Principal Due	Refunding Interest Due	Series B Interest Rate	Series B Principal Due	Series B Interest Due	Total Principal Due	Total Interest Due	Total Debt Service	Fiscal Year Debt Service
9-1-05	4.000%	5,795,000.00	2,136,556.25	5.000%	308,037.24	193,962.76	6,103,037.24	2,330,519.01	8,433,556.25	
3-1-06			2,020,656.25					2,020,656.25	2,020,656.25	10,454,212.50
9-1-06	5.000%	6,040,000.00	2,020,656.25	5.100%	288,945.00	211,055.00	6,328,945.00	2,231,711.25	8,560,656.25	
3-1-07			1,869,656.25					1,869,656.25	1,869,656.25	10,430,312.50
9-1-07	5.000%	6,350,000.00	1,869,656.25	5.200%	271,585.00	228,415.00	6,621,585.00	2,098,071.25	8,719,656.25	
3-1-08			1,710,906.25					1,710,906.25	1,710,906.25	10,430,562.50
9-1-08	5.000%	6,685,000.00	1,710,906.25	5.300%	254,775.00	245,225.00	6,939,775.00	1,956,131.25	8,895,906.25	
3-1-09			1,543,781.25					1,543,781.25	1,543,781.25	10,439,687.50
9-1-09	5.000%	7,030,000.00	1,543,781.25	5.400%	238,540.00	261,460.00	7,268,540.00	1,805,241.25	9,073,781.25	
3-1-10			1,368,031.25					1,368,031.25	1,368,031.25	10,441,812.50
9-1-10	5.000%	7,395,000.00	1,368,031.25	5.500%	223,355.82	277,644.18	7,618,355.82	1,645,675.43	9,264,031.25	
3-1-11			1,183,156.25					1,183,156.25	1,183,156.25	10,447,187.50
9-1-11	5.000%	8,265,000.00	1,183,156.25				8,265,000.00	1,183,156.25	9,448,156.25	
3-1-12			976,531.25					976,531.25	976,531.25	10,424,687.50
9-1-12	5.000%	8,690,000.00	976,531.25				8,690,000.00	976,531.25	9,666,531.25	
3-1-13			759,281.25					759,281.25	759,281.25	10,425,812.50
9-1-13	5.250%	9,140,000.00	759,281.25				9,140,000.00	759,281.25	9,899,281.25	
3-1-14			519,356.25					519,356.25	519,356.25	10,418,637.50
9-1-14	5.250%	9,630,000.00	519,356.25				9,630,000.00	519,356.25	10,149,356.25	
3-1-15			266,568.75					266,568.75	266,568.75	10,415,925.00
9-1-15	5.250%	10,155,000.00	266,568.75				10,155,000.00	266,568.75	10,421,568.75	10,421,568.75
Totals		$85,175,000.00	$26,572,406.25		$1,585,238.06	$1,417,761.94	$86,760,238.06	$27,990,168.19	$114,750,406.25	$114,750,406.25

General Obligation Bonds

Metro Washington Park Zoo Oregon Project
1996 Series A and 2005 Series
Semi-Annual Debt Service Schedule

The Oregon Zoo (formerly the Metro Washington Park Zoo) Oregon Project bonds were authorized by voters on September 17, 1996. The original general obligation bonds were issued November 1, 1996. Bond proceeds were used to fund a variety of improvements, new exhibits, and support facilities at the Oregon Zoo. The callable portion of the 1996 Series A bonds were refunded in 2005, resulting in a net present value savings of $1,427,412.

	1996 Series A	2005 Series
Amount Issued:	$28,800,000	$18,085,000
Issue Date:	11-1-96	5-12-05
Original Issue True Interest Cost (TIC):	5.312%	3.689%

Ratings as of Date of Issuance	1996 Series A	2005 Series
Moody's:	Aa1	Aa1
Standard & Poor's:	AA+	AAA
Principal Outstanding as of July 1, 2005:	$2,620,000	$18,085,000

	1996 Series A			2005 Series (Refunding)			Combined Total			
Payment Due	Interest Rate	Principal Due	Interest Due	Interest Rate	Principal Due	Interest Due	Principal Due	Interest Due	Total Debt Service	Fiscal Year Debt Service
7-15-05		0.00	78,600.00		0.00	144,221.88	0.00	222,821.88	222,821.88	
1-15-06	6.000%	1,275,000.00	78,600.00	3.000%	280,000.00	412,062.50	1,555,000.00	490,662.50	2,045,662.50	2,268,484.38
7-15-06		0.00	40,350.00		0.00	407,862.50	0.00	448,212.50	448,212.50	
1-15-07	6.000%	1,345,000.00	40,350.00	3.000%	20,000.00	407,862.50	1,365,000.00	448,212.50	1,813,212.50	2,261,425.00
7-15-07		0.00	0.00		0.00	407,562.50	0.00	407,562.50	407,562.50	
1-15-08		0.00	0.00	3.000%	1,435,000.00	407,562.50	1,435,000.00	407,562.50	1,842,562.50	2,250,125.00
7-15-08		0.00	0.00		0.00	386,037.50	0.00	386,037.50	386,037.50	
1-15-09		0.00	0.00	5.000%	1,480,000.00	386,037.50	1,480,000.00	386,037.50	1,866,037.50	2,252,075.00
7-15-09		0.00	0.00		0.00	349,037.50	0.00	349,037.50	349,037.50	
1-15-10		0.00	0.00	3.500%	1,555,000.00	349,037.50	1,555,000.00	349,037.50	1,904,037.50	2,253,075.00
7-15-10		0.00	0.00		0.00	321,825.00	0.00	321,825.00	321,825.00	
1-15-11		0.00	0.00	5.000%	1,620,000.00	321,825.00	1,620,000.00	321,825.00	1,941,825.00	2,263,650.00
7-15-11		0.00	0.00		0.00	281,325.00	0.00	281,325.00	281,325.00	
1-15-12		0.00	0.00	5.000%	1,710,000.00	281,325.00	1,710,000.00	281,325.00	1,991,325.00	2,272,650.00
7-15-12		0.00	0.00		0.00	238,575.00	0.00	238,575.00	238,575.00	
1-15-13		0.00	0.00	5.000%	1,795,000.00	238,575.00	1,795,000.00	238,575.00	2,033,575.00	2,272,150.00
7-15-13		0.00	0.00		0.00	193,700.00	0.00	193,700.00	193,700.00	
1-15-14		0.00	0.00	5.000%	1,890,000.00	193,700.00	1,890,000.00	193,700.00	2,083,700.00	2,277,400.00
7-15-14		0.00	0.00		0.00	146,450.00	0.00	146,450.00	146,450.00	
1-15-15		0.00	0.00	5.000%	1,995,000.00	146,450.00	1,995,000.00	146,450.00	2,141,450.00	2,287,900.00
7-15-15		0.00	0.00		0.00	96,575.00	0.00	96,575.00	96,575.00	
1-15-16		0.00	0.00	5.000%	2,095,000.00	96,575.00	2,095,000.00	96,575.00	2,191,575.00	2,288,150.00
7-15-16		0.00	0.00		0.00	44,200.00	0.00	44,200.00	44,200.00	
1-15-17		0.00	0.00	4.000%	2,210,000.00	44,200.00	2,210,000.00	44,200.00	2,254,200.00	2,298,400.00
Totals		$2,620,000.00	$237,900.00		$18,085,000.00	$6,302,584.38	$20,705,000.00	$6,540,484.38	$27,245,484.38	$27,245,484.38

Waste Disposal System Refunding Bonds

Metro Central Transfer Station Project
1990 Series A and 2003 Series
Semi-Annual Debt Service Schedule

The Waste Disposal System revenue bonds were issued in 1990 to build the Metro Central solid waste transfer station. Debt service on the bonds is paid from solid waste revenues (primarily the solid waste tipping fee). Refunding bonds were issued August 15, 1993, for $12,895,000 in order to refund $11,370,000 par value of the original bonds. The net present value savings was $668,200. Bonds from both series with maturity dates of July 1, 2003, January 1, 2004, and July 1, 2004 were defeased on February 28, 2003 to ensure compliance with debt coverage ratios. Refunding bonds for the remaining 1993 Series A bonds were issued on May 27, 2003 at a par value of $4,990,000, to take advantage of lower interest rates. These bonds produced net present value savings of $1,106,626. In addition, the 2003 Series used debt service reserves to buy down principal and interest payments; the term was also shortened, with the 2003 Series scheduled to be retired in 2009, two years earlier than the 1993 Series. Finally, Metro insured the 2003 Series bonds to receive AAA ratings. The underlying ratings are A from Standard and Poor's and A2 from Moody's.

	1990	2003
Amount Issued:	$28,500,000	$4,990,000
Issue Date:	3-1-90	5-27-03
Original Issue Net Interest Cost (NIC):	8.09%	
Original Issue True Interest Cost (TIC):		2.381%

	Ratings
Moody's:	A2
Standard & Poor's:	A

*The 2003 Series bonds are insured to produce Aaa/AAA ratings.

	1990	2003
Principal Outstanding as of July 1, 2005:	$1,721,223	$4,925,000

Payment Due	1990 Series A Interest Rate	1990 Series A Principal Due	1990 Series A Interest Due	2003 Series Interest Rate	2003 Series Principal Due	2003 Series Interest Due	Total Principal Due	Total Interest Due	Total Debt Service	Total F/Y Debt Service
7-1-05	7.05%	370,819.20	699,180.80 (a)	2.00%	90,000.00	57,881.25	460,819.20	757,062.05	1,217,881.25	
1-1-06	7.10%	355,464.70	714,535.30 (a)			56,981.25	355,464.70	771,516.55	1,126,981.25	2,344,862.50
7-1-06	7.10%	343,277.40	726,722.60 (a)	2.00%	95,000.00	56,981.25	438,277.40	783,703.85	1,221,981.25	
1-1-07	7.10%	331,518.10	738,481.90 (a)			56,031.25	331,518.10	794,513.15	1,126,031.25	2,348,012.50
7-1-07	7.10%	320,144.00	749,856.00 (a)	2.00%	155,000.00	56,031.25	475,144.00	805,887.25	1,281,031.25	
1-1-08		0.00	0.00			54,481.25	0.00	54,481.25	54,481.25	1,335,512.50
7-1-08		0.00	0.00	2.25%	2,265,000.00	54,481.25	2,265,000.00	54,481.25	2,319,481.25	
1-1-09		0.00	0.00			29,000.00	0.00	29,000.00	29,000.00	2,348,481.25
7-1-09		0.00	0.00	2.50%	2,320,000.00	29,000.00	2,320,000.00	29,000.00	2,349,000.00	2,349,000.00
Totals		$1,721,223.40	$3,628,776.60		$4,925,000.00	$450,868.75	$6,646,223.40	$4,079,645.35	$10,725,868.75	$10,725,868.75

(a) Sold as Capital Accumulator Serial Bonds (Zero-Coupon) with accreted interest paid only at maturity.

Full Faith and Credit Refunding Bonds

2003 Series—Semi-Annual Debt Service Schedule

Full faith and credit bonds were issued in October 2003 to refund outstanding obligations for Metro Regional Center (MRC) acquisition and construction, and for loans from the Oregon Economic and Community Development Department's (OECDD) Special Public Works Fund to the Oregon Zoo for Metro's share of Light Rail station construction and Washington Park parking lot improvements. Bonds to finance Metro Regional Center were originally issued in 1991, and refunded in 1993, as revenue bonds to be paid by assessments to Metro departments. The OECDD loans were issued in two series, in 1995 and 1996, to coincide with construction schedules for the Light Rail and parking lot improvements projects. These loans were paid from Zoo revenues. The 2003 refunding broadened the pool of available funds to back payment of the obligations, by pledging Metro's general revenues including excise taxes and Metro's permanent rate property tax levy, which is used to support Zoo operations. Debt service payments will continue to be made from the same sources as before, but the full faith and credit pledge strengthens the security for bondholders. The refunding bonds produced net present value savings of $2,462,082.

Amount Issued:	$24,435,000		Ratings
Issue Date:	10-16-03	Moody's:	Aa2
Original Issue True Interest Cost (TIC):	3.793%	Standard & Poor's:	AA+
		Principal Outstanding as of July 1, 2005:	$23,420,000

Payment Due	MRC Principal Due	MRC Interest Due	Zoo Principal Due	Zoo Interest Due	TOTAL Principal Due	TOTAL Interest Due	Total Debt Service	Total F/Y Debt Service
8-1-05	835,000	343,581.87	290,000	57,981.88	1,125,000	401,563.75	1,526,563.75	
2-1-06		335,231.87		55,081.88	0	390,313.75	390,313.75	1,916,877.50
8-1-06	840,000	335,231.87	300,000	55,081.88	1,140,000	390,313.75	1,530,313.75	
2-1-07		326,831.87		52,081.88	0	378,913.75	378,913.75	1,909,227.50
8-1-07	865,000	326,831.87	305,000	52,081.88	1,170,000	378,913.75	1,548,913.75	
2-1-08		315,478.75		48,078.75	0	363,557.50	363,557.50	1,912,471.25
8-1-08	885,000	315,478.75	310,000	48,078.75	1,195,000	363,557.50	1,558,557.50	
2-1-09		303,863.13		44,010.00	0	347,873.13	347,873.13	1,906,430.63
8-1-09	905,000	303,863.13	320,000	44,010.00	1,225,000	347,873.13	1,572,873.13	
2-1-10		291,985.00		39,810.00	0	331,795.00	331,795.00	1,904,668.13
8-1-10	935,000	291,985.00	330,000	39,810.00	1,265,000	331,795.00	1,596,795.00	
2-1-11		277,960.00		34,860.00	0	312,820.00	312,820.00	1,909,615.00
8-1-11	960,000	277,960.00	340,000	34,860.00	1,300,000	312,820.00	1,612,820.00	
2-1-12		262,960.00		29,547.50	0	292,507.50	292,507.50	1,905,327.50
8-1-12	990,000	262,960.00	350,000	29,547.50	1,340,000	292,507.50	1,632,507.50	
2-1-13		246,625.00		23,772.50	0	270,397.50	270,397.50	1,902,905.00
8-1-13	1,025,000	246,625.00	360,000	23,772.50	1,385,000	270,397.50	1,655,397.50	
2-1-14		228,687.50		17,472.50	0	246,160.00	246,160.00	1,901,557.50
8-1-14	1,060,000	228,687.50	380,000	17,472.50	1,440,000	246,160.00	1,686,160.00	
2-1-15		209,607.50		10,632.50	0	220,240.00	220,240.00	1,906,400.00
8-1-15	1,090,000	209,607.50	395,000	10,632.50	1,485,000	220,240.00	1,705,240.00	
2-1-16		189,442.50		3,325.00	0	192,767.50	192,767.50	1,898,007.50
8-1-16	1,150,000	189,442.50	175,000	3,325.00	1,325,000	192,767.50	1,517,767.50	
2-1-17		167,592.50			0	167,592.50	167,592.50	1,685,360.00
8-1-17	1,210,000	167,592.50			1,210,000	167,592.50	1,377,592.50	
2-1-18		143,392.50			0	143,392.50	143,392.50	1,520,985.00
8-1-18	1,255,000	143,392.50			1,255,000	143,392.50	1,398,392.50	
2-1-19		118,292.50			0	118,292.50	118,292.50	1,516,685.00
8-1-19	1,305,000	118,292.50			1,305,000	118,292.50	1,423,292.50	
2-1-20		91,540.00			0	91,540.00	91,540.00	1,514,832.50
8-1-20	1,360,000	91,540.00			1,360,000	91,540.00	1,451,540.00	
2-1-21		62,980.00			0	62,980.00	62,980.00	1,514,520.00
8-1-21	1,420,000	62,980.00			1,420,000	62,980.00	1,482,980.00	
2-1-22		32,450.00			0	32,450.00	32,450.00	1,515,430.00
8-1-22	1,475,000	32,450.00			1,475,000	32,450.00	1,507,450.00	1,507,450.00
Total	$19,565,000	$7,553,423.11	$3,855,000	$775,326.90	$23,420,000	$8,328,750.01	$31,748,750.01	$31,748,750.01

Oregon Economic and Community Development Department SPWF Loan

Expo Center Hall D Replacement
2000 Series A

Metro obtained a loan from the Oregon Bond Bank through the Oregon Economic Development Department (OEDD) Special Public Works Fund (SPWF) to pay for the construction of a new building to replace the existing Hall D at the Expo Center. The loan is divided into two parts with the first being used to finance the construction of the Hall D replacement. The second part of the loan is for infrastructure improvements associated with the new building. The loan is to be repaid from the operating revenues of the Expo Center.

	Facility	Infrastructure
Amount Issued:	$13,618,000	$2,013,000
Issue Date:	4-12-00	4-12-00
Original Issue True Interest Cost (TIC):	5.524%	5.2445%

Ratings
Not Rated

	Facility	Infrastructure
Principal Outstanding as of July 1, 2005:	$12,578,680	$1,866,756

Payment Due	Interest Rate	Facility Principal Due	Facility Interest Due	Interest Rate	Infrastructure Principal Due	Infrastructure Interest Due	Total Principal Due	Total Interest Due	Total Debt Service
12-1-05	5.250%	366,490.00	691,786.77	5.250%	54,180.00	102,677.08	420,670.00	794,463.85	1,215,133.85
12-1-06	5.250%	383,405.00	672,546.05	5.250%	54,663.00	99,832.63	438,068.00	772,378.68	1,210,446.68
12-1-07	5.250%	405,421.00	652,417.28	5.250%	60,170.00	96,962.83	465,591.00	749,380.11	1,214,971.11
12-1-08	5.250%	422,544.00	631,132.68	5.250%	60,704.00	93,803.90	483,248.00	724,936.58	1,208,184.58
12-1-09	5.250%	449,777.00	608,949.12	5.250%	66,266.00	90,616.94	516,043.00	699,566.06	1,215,609.06
12-1-10	5.375%	472,128.00	585,335.83	5.375%	71,858.00	87,137.98	543,986.00	672,473.81	1,216,459.81
12-1-11	5.500%	494,662.00	559,958.95	5.500%	72,497.00	83,275.61	567,159.00	643,234.56	1,210,393.56
12-1-12	5.500%	522,394.00	532,752.54	5.500%	78,185.00	79,288.27	600,579.00	612,040.81	1,212,619.81
12-1-13	5.500%	550,275.00	504,020.87	5.500%	83,911.00	74,988.10	634,186.00	579,008.97	1,213,194.97
12-1-14	5.500%	583,316.00	473,755.74	5.500%	84,677.00	70,372.99	667,993.00	544,128.73	1,212,121.73
12-1-15	5.500%	616,524.00	441,673.36	5.500%	90,484.00	65,715.76	707,008.00	507,389.12	1,214,397.12
12-1-16	5.500%	649,907.00	407,764.54	5.500%	96,335.00	60,739.14	746,242.00	468,503.68	1,214,745.68
12-1-17	5.500%	683,477.00	372,019.66	5.500%	102,234.00	55,440.71	785,711.00	427,460.37	1,213,171.37
12-1-18	5.500%	722,244.00	334,428.42	5.500%	108,182.00	49,817.84	830,426.00	384,246.26	1,214,672.26
12-1-19	5.500%	761,217.00	294,705.00	5.500%	114,183.00	43,867.83	875,400.00	338,572.83	1,213,972.83
12-1-20	5.625%	805,410.00	252,838.07	5.625%	120,237.00	37,587.77	925,647.00	290,425.84	1,216,072.84
12-1-21	5.625%	849,934.00	207,533.76	5.625%	126,375.00	30,824.44	976,309.00	238,358.20	1,214,667.20
12-1-22	5.625%	894,711.00	159,724.97	5.625%	132,578.00	23,715.84	1,027,289.00	183,440.81	1,210,729.81
12-1-23	5.625%	944,757.00	109,397.48	5.625%	138,848.00	16,258.33	1,083,605.00	125,655.81	1,209,260.81
12-1-24	5.625%	1,000,087.00	56,254.89	5.625%	150,189.00	8,448.13	1,150,276.00	64,703.02	1,214,979.02
Totals		$12,578,680.00	$8,548,995.98		$1,866,756.00	$1,271,372.12	$14,445,436.00	$9,820,368.10	$24,265,804.10

Local Improvement District Installment Contract

Oregon Convention Center
Steel Bridge LID Assessment Installment Contract

The City of Portland has made a local improvement district assessment on the Oregon Convention Center for the construction of a pedestrian walkway across the Willamette River. MERC has chosen to repay the assessment through a 20-year installment contract at a rate of 5.32%.

Amount Issued:	$205,588	Installment Period:	20 years
Issue Date:	01/13/2002	Payment Frequency:	Semi-Annual
Interest Rate:	5.32%		
		Principal Outstanding as of July 1, 2005:	$174,749

Payment Due	Interest Rate	Principal Due	Interest Due	Trans. Fee	Total Debt Service	Total F/Y Debt Service
7/13/05	5.32%	5,139.69	4,648.34	3.00	9,791.03	
1/13/06	5.32%	5,139.69	4,511.62	3.00	9,654.31	19,445.34
7/13/06	5.32%	5,139.69	4,374.91	3.00	9,517.60	
1/13/07	5.32%	5,139.69	4,238.19	3.00	9,380.88	18,898.48
7/13/07	5.32%	5,139.69	4,101.48	3.00	9,244.17	
1/13/08	5.32%	5,139.69	3,964.76	3.00	9,107.45	18,351.62
7/13/08	5.32%	5,139.69	3,828.04	3.00	8,970.73	
1/13/09	5.32%	5,139.69	3,691.33	3.00	8,834.02	17,804.75
7/13/09	5.32%	5,139.69	3,554.61	3.00	8,697.30	
1/13/10	5.32%	5,139.69	3,417.90	3.00	8,560.59	17,257.89
7/13/10	5.32%	5,139.69	3,281.18	3.00	8,423.87	
1/13/11	5.32%	5,139.69	3,144.47	3.00	8,287.16	16,711.03
7/13/11	5.32%	5,139.69	3,007.75	3.00	8,150.44	
1/13/12	5.32%	5,139.69	2,871.03	3.00	8,013.72	16,164.16
7/13/12	5.32%	5,139.69	2,734.32	3.00	7,877.01	
1/13/13	5.32%	5,139.69	2,597.60	3.00	7,740.29	15,617.30
7/13/13	5.32%	5,139.69	2,460.89	3.00	7,603.58	
1/13/14	5.32%	5,139.69	2,324.17	3.00	7,466.86	15,070.44
7/13/14	5.32%	5,139.69	2,187.46	3.00	7,330.15	
1/13/15	5.32%	5,139.69	2,050.74	3.00	7,193.43	14,523.58
7/13/15	5.32%	5,139.69	1,914.02	3.00	7,056.71	
1/13/16	5.32%	5,139.69	1,777.31	3.00	6,920.00	13,976.71
7/13/16	5.32%	5,139.69	1,640.59	3.00	6,783.28	
1/13/17	5.32%	5,139.69	1,503.88	3.00	6,646.57	13,429.85
7/13/17	5.32%	5,139.69	1,367.16	3.00	6,509.85	
1/13/18	5.32%	5,139.69	1,230.44	3.00	6,373.13	12,882.98
7/13/18	5.32%	5,139.69	1,093.73	3.00	6,236.42	
1/13/19	5.32%	5,139.69	957.01	3.00	6,099.70	12,336.12
7/13/19	5.32%	5,139.69	820.30	3.00	5,962.99	
1/13/20	5.32%	5,139.69	683.58	3.00	5,826.27	11,789.26
7/13/20	5.32%	5,139.69	546.87	3.00	5,689.56	
1/13/21	5.32%	5,139.69	410.15	3.00	5,552.84	11,242.40
7/13/21	5.32%	5,139.69	273.43	3.00	5,416.12	
1/13/22	5.32%	5,139.69	136.72	3.00	5,279.41	10,695.53
Total		$174,749.46	$81,345.98	$102.00	$256,197.44	$256,197.44

Pacific Power and Light Finanswer Loan

Metro Regional Center Energy Conservation Loan

In 1993 Metro entered into an energy services agreement with Pacific Power and Light to finance various energy conservation measures in the Metro Regional Center. Payments due on the loan are billed as part of Metro's monthly electric utility bill.

Amount Issued:	$293,672		Ratings
Issue Date:	4-23-93		Not Rated
Original Issue True Interest Rate (TIC):	6.230%		
		Principal Outstanding as of July 1, 2005:	$82,550

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service
FY 2005-06	6.23%	28,054.77	4,429.33	32,484.10
FY 2006-07	6.23%	27,603.20	2,777.45	30,380.65
FY 2007-08	6.23%	26,891.56	795.69	27,687.25
Total		$82,549.53	$8,002.47	$90,552.00

METRO

PEOPLE PLACES
OPEN SPACES

Five-Year Capital Budget

Capital Budget
FY 2005–06
through
FY 2009–10

METRO
PEOPLE PLACES • OPEN SPACES

Prepared by

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User's Guide and Calendar

This section describes the capital budgeting process, as well as the structure of this portion of the budget document and the calendar established to prepare the agency's Five-Year Capital Budget.

Overview of Process

Metro's capital budgeting process involves the four phases described below and detailed in the accompanying calendar.

Phase 1: Departmental Submissions. The foundation for the Capital Budget is the departments' capital project requests. To develop these requests, departments inventory existing capital assets, prepare a status report on current capital projects, and assess future capital needs. The capital project requests, status report, list of unfunded projects, and major assets inventory comprise a department's Capital Budget.

Phase 2: Financial Forecasts. The departments and the Financial Planning Division prepare five-year financial forecasts that are used to evaluate the departments' funding capacity for the capital projects requested.

Phase 3: Chief Operating Officer Review and Capital Budget Development. After the departments submit these project requests, the information is reviewed by the Chief Operating Officer. This includes:

- Technical review by Financial Planning of projects submitted by departments, including an assessment of Metro's capacity to fund the requested projects based on the five-year forecasts.
- Review of projects by the Chief Operating Officer.
- Presentation of recommended projects to the Council President for final decision and inclusion in the proposed Capital Budget.

Phase 4: Council Review and Capital Budget Adoption. The Metro Council reviews the proposed capital projects and acts on the proposed Capital Budget following a public hearing. Projects for FY 2005–06 are included in the proposed budget.

Because appropriations for projects are included in the annual budget, capital projects included in the first year of the Capital Budget are reviewed as the Council considers the proposed budget.

Overview of Document

This section contains Metro's plan for fiscal years 2005–06 through 2009–10. It also includes estimates for any project costs incurred prior to FY 2005–06. The document is divided into the following sections:

Capital Budget Overview and Summary. This section presents summary information on capital project funding sources and uses.

Departmental Summary and Analysis. The departmental summary and analysis of the department's funding capacity for the requested capital projects are found in this section.

Lists of Unfunded Projects. Those projects that were not included in the Plan for lack of funding, insufficient details, or further needs assessment are presented in this section. Departments may request that these projects be included in future plans as funding becomes available or project scope is further defined.

Current Projects Status Reports. This section presents information on the status of capital projects which were authorized previously and scheduled for completion by the end of FY 2004–05.

Supporting Information. Included in this section is information pertinent to the review and adoption of the Capital Budget.

Previously, the major capital assets inventories and project details were included in this document. To conserve resources, this information is now available upon request. In addition, the project detail sheets, including detailed descriptions of each capital project, are now available upon request in a database.

Metro Capital Budget Calendar

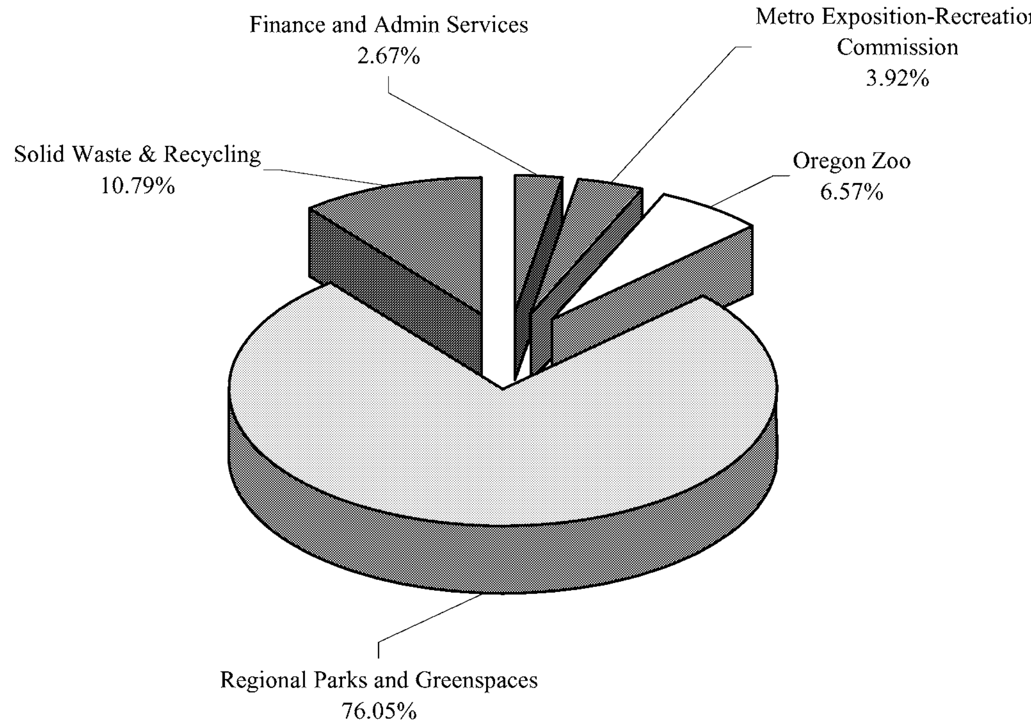
Key Tasks	***Task Completion***
• Financial Planning issues Capital Budget Manual	October 15
• Departments submit Capital Project Requests, Current Projects Status Reports, and List of Unfunded Projects	December 10
• Financial Planning Division of Finance and Administrative Services Department completes evaluation of departmental requests and prepares financial projections	December–January
• Chief Operating Officer and Council President review and discussion	January
• Council President finalizes recommended capital projects	February
• Proposed Capital Budget document forwarded to Council	March
• Information Technology Steering Committee Review	March
• Budget review meetings	April
• Council holds public hearing and adopts Capital Budget	June
• Adopted first year projects incorporated into FY 2005–06 adopted budget	June

Overview and Summary

Capital projects are defined in the Capital Budget (formerly known as the Capital Improvement Plan, or CIP) as any physical asset acquired or constructed by Metro with a total capital cost of $50,000 or more and a useful life of at least five years. The Capital Budget for FY 2005–06 through FY 2009–10 includes 95 capital projects at a total cost of about $122.1 million. The capital costs of these projects by fiscal year are presented by department in the summary table below. The shaded line shows costs for the five years of this Capital Budget. The "Total" column represents the total project costs, including actual spending through FY 2003–04 and the FY 2004–05 budget.

This year's Capital Budget is about two and one half times the prior year Capital Budget. This increase comes from the addition of a Regional Parks $75 million project to purchase new Open Spaces properties. In prior years, the Capital Budget has been dominated by three large projects that are now winding down. Those projects are the Oregon Convention Center Expansion, the Zoo's Great Northwest Project, and the original Open Spaces'

Percentage of Project Cost by Department



Project Cost Summary by Department/All Funds

Department	Total # of Projects	Prior Years	FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	Total
Finance and Admin Services	11	2,328,523	408,000	811,500	796,000	380,000	871,000	5,595,023
Metro Exposition-Rec. Comm.	26	971,702	3,487,572	790,000	325,000	130,000	50,000	5,754,274
Oregon Zoo	10	6,596,376	3,103,066	1,190,000	635,000	3,100,000	-	14,624,442
Regional Parks and Greenspaces	16	130,687,073	3,424,985	9,697,849	26,935,430	26,640,402	26,185,000	223,570,739
Solid Waste and Recycling	32	1,354,880	2,825,000	2,067,800	3,095,900	2,778,000	2,411,000	14,532,580
Total Metro	95	141,938,554	13,248,623	14,557,149	31,787,330	33,028,402	29,517,000	264,077,058

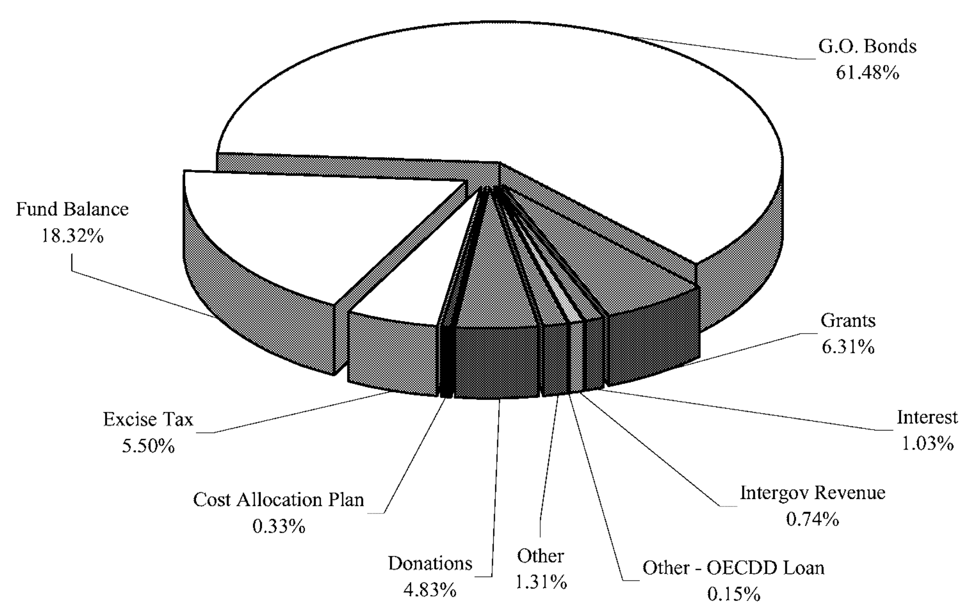
Total FY 2005–2006 through FY 2009–2010	122,138,504	Total Number of Projects	95

land acquisition project. The balance of this Capital Budget is mainly comprised of regular renewal and replacement projects and the planned Regional Parks' development of certain of the properties acquired by the Open Spaces bond measure.

The overall number of projects is one less than last year's Capital Budget. Of the 95 projects in the Capital Budget, only 11 are new. With the exception of Regional Parks, this is indicative of the low funding for discretionary projects. Five of the new projects are Regional Parks projects.

Overall, the majority of the capital project expenditures during the five years are from three Metro departments: Regional Parks and Greenspaces at 76.05 percent, Solid Waste and Recycling at 10.7 percent, and the Oregon Zoo at 6.57 percent.

Major Funding Source Summary



Sources of Funds

The financing sources for these capital projects vary by project and by department.

The Solid Waste and Recycling Department generally relies on Fund Balance or Capital Reserve accounts. Funding for their projects is included in the rate-setting process.

MERC and Zoo projects have typically been funded from Fund Balance and donations. MERC, in this Capital Budget, is funding many of PCPA's projects from Naming Rights sales. These funds are held in trust by the Oregon Community Foundation, as stipulated by the donors, and are transferred as needed. They therefore appear as donations. In addition, MERC now has the dedication of $.50 per ton of excise tax generated on Solid Waste to aid in funding those capital projects that will make them more competitive. The Zoo also has an active fundraising arm in the Oregon Zoo Foundation and is relying on their fundraising efforts for over 67 percent of their capital projects funding needs.

Regional Parks and Greenspaces non-land expenditures are predominantly funded by grants (42 percent) and excise tax (33 percent). The land purchases and some major improvements were funded by general obligation bonds. This Capital Budget anticipates expending renewal and replacement funds set aside from the "dollar per ton" dedicated excise tax and developing new parks from an additional $1.50 per ton dedicated excise tax.

The Information Technology division of Finance and Administrative Services relies on the central services allocation of costs to the operating departments to fund its projects. Property Services proposes to utilize capital reserves and allocations for its projects. This department implemented in FY 2004–05 a renewal and replacement contribution that will even out the funding of projects for both Information Technology and Property Services projects.

1. **General Obligation (GO) Bond.** This is the anticipated funding source for the new Open Spaces Bond Measure. Metro plans on putting this measure on the ballot in FY 2006–07 and to begin expenditures in the year following.

Major Funding Source Summary/All Funds

Source of Funds	Prior Years	FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	Total
Donations	2,187,291	1,302,867	1,000,000	500,000	3,100,000	-	8,090,158
Capital Lease	1,263,341	-	-	-	-	-	1,263,341
Cost Allocation Plan	249,000	81,000	101,000	86,000	36,000	99,000	652,000
Excise Tax	234,357	1,933,830	1,672,500	985,000	940,402	1,185,000	6,951,089
Fund Balance and Reserves	3,322,750	7,136,550	4,205,800	4,519,330	3,367,000	3,151,000	25,702,430
G.O. Bonds	111,089,185	20,000	70,000	25,000,000	25,000,000	25,000,000	186,179,185
Grants	662,687	970,310	5,711,898	500,000	525,000	-	8,369,895
Interest	17,646,328	1,256,000	-	-	-	-	18,902,328
Intergovernment Revenue	630,474	250,000	653,451	-	-	-	1,533,925
Other - OECDD Loan	4,380,283	183,066	-	-	-	-	4,563,349
Other	272,858	115,000	1,142,500	197,000	60,000	82,000	1,869,358
Total Metro	141,938,554	13,248,623	14,557,149	31,787,330	33,028,402	29,517,000	264,077,058

2. **Fund Balance.** The second largest source of funds for capital projects, about 18 percent of total funds, is fund balance. Departments' fund balances, in the form of reserves or unrestricted funds, represent Metro's major source of pay-as-you-go financing. This financing technique is particularly well-suited for small- to medium-sized projects with a useful life of less than 20 years.

   Because fund balance is used for operating as well as capital purposes and can be affected by fluctuations in operating revenues and expenditures, Financial Planning staff and departments prepared projections of fund balance available for capital projects for the five years spanning the Capital Budget. In the *Project Detail Section,* departmental summaries show projections for those operating funds which will finance capital projects in whole or in part.

3. **Grants.** Grants comprise about 6 percent of total funding for capital projects and are tied directly to specific projects. Regional Parks and Greenspaces Department has the majority of grants. These include Metropolitan Transportation Improvement Program (MTIP) grant allocations, State Marine Board, and Oregon Department of Fish and Wildlife grants.

4. **Excise Tax.** This category is general fund excise tax allocated for department use. In FY 2004–05, Council adopted an additional levy of $1.50 per solid waste disposed ton of garbage for the benefit of Regional Parks for a total of $2.50 per ton and $.50 to aid MERC in pursuing marketing opportunities for Oregon Convention Center.

5. **Donations.** The majority of the donations are in the Zoo and MERC Capital Budget submissions. Phase V of the Great Northwest, the Lion Exhibit, and the California Condor Captive Breeding Facility at the Oregon Zoo are expected to be funded through donations from individual and group fund raising efforts. Five of the MERC projects for the Portland Center for the Performing Arts (PCPA) are funded by donations (already sold Naming Rights).

6. **Other.** Other financing sources represent about 1.3 percent of total funds allocated to capital projects. This includes the financing of certain types of capital items using capital leases. To qualify for capital lease financing, equipment must have a unit cost greater than $10,000 (except when purchasing as a component of a larger system) and an expected life greater than three years. The term of the lease may not exceed the life of the equipment.

7. **Interest.** This category is generally interest earned on bond proceeds and includes a large amount of interest for the Open Spaces Project and the Great Northwest Project. Interest can also be earnings on specified reserves for a project. This source makes up about 1 percent of overall project funding.
8. **Intergovernmental.** Intergovernmental revenues are contributions from other governmental units in the region or State of Oregon.
9. **Cost Allocation Plan.** This funding source is for central services projects, whose funding is derived from allocation to the operating departments. The category represents less than 1 percent of project funding. The Fiscal Year 2004–05 budget instituted a contribution to Renewal and Replacement for both the Information Technology agency needs and the Metro Regional Center. This action smooths out department contributions for needed renewal and replacement.

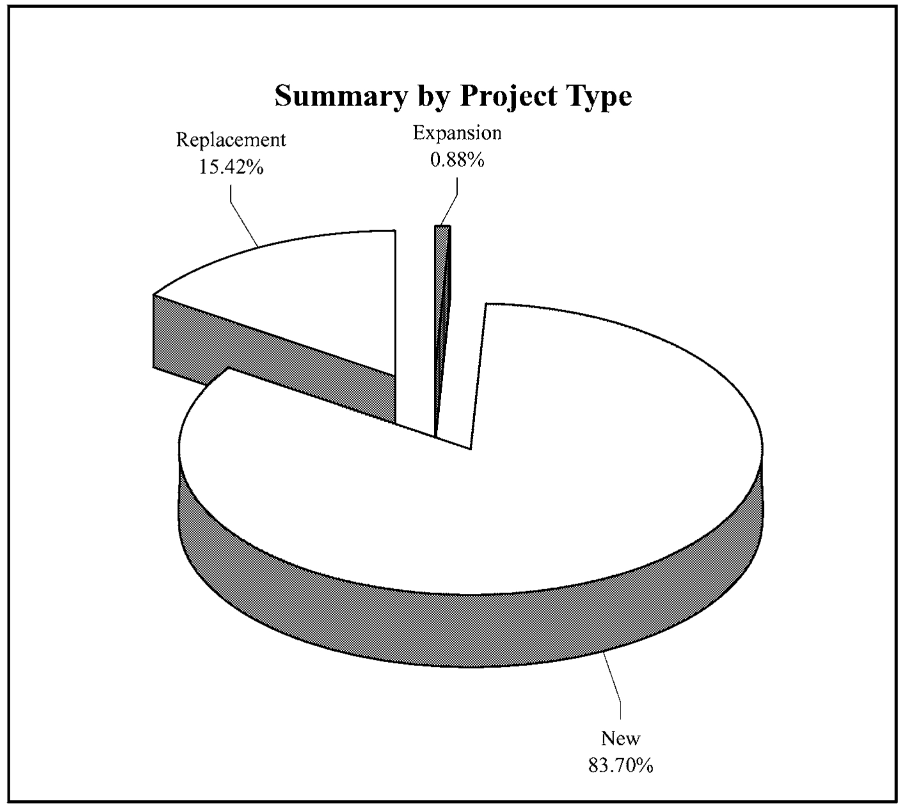
Uses of Funds

Capital projects in the Capital Budget consist of facilities (purchase, construction, or improvements), land acquisitions, and equipment purchases of $50,000 or more. As shown on the "Summary by Project Type" chart; of the 95 projects, 84 percent are new construction or acquisition, 1 percent are expansion or remodeling projects, and 15 percent are replacement projects.

Facilities. About 29 percent of total funds is allocated to a variety of facility projects. These projects include the replacement, renovation, expansion or new construction of buildings, exhibits, roadways, trails, and other infrastructure. As with other capital projects, these capital assets must have a minimum useful life of five years to be considered. This eliminates routine maintenance and repair projects, which are treated as operating expenses. Regional Parks and Greenspaces projects account for about 47 percent of the total projects in this category, followed by the Oregon Zoo at 22 percent, and the Solid Waste and Recycling at 21 percent.

Equipment. About 9 percent of funds for capital projects is allocated to stand-alone equipment and furnishings. As with other capital projects, equipment can only qualify for Capital Budget consideration if it costs $50,000 or more and has a useful life of five years or more. Equipment required for new facilities is reflected in the costs of those facilities. About 54 percent of the equipment category relates to Solid Waste and Recycling improvements. Information Technology projects are the next highest, at about 22 percent, and MERC projects total 17 percent.

Land. The remaining 62 percent of total funds in the Capital Budget is allocated to land acquisition or improvements. This $76.2 million amount is for Open Spaces Acquisition in the Regional Parks and Greenspaces Department. This program is financed with general obligation bonds that were approved by the Council and voters in FY 1994–95 and are scheduled to be complete in FY 2005–06, and a $75 million proposed general obligation bond issue in FY 2006–07.



Summary by Project Type

Department	Total # of Projects	Prior Years	FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	Total
Expansion	5	252,000	255,000	19,000	106,000	-	690,000	1,322,000
New	37	136,158,420	8,974,845	11,308,849	28,655,330	26,786,402	26,501,000	238,384,846
Replacement	53	5,528,134	4,018,778	3,229,300	3,026,000	6,242,000	2,326,000	24,370,212
Total Metro	95	141,938,554	13,248,623	14,557,149	31,787,330	33,028,402	29,517,000	264,077,058

Annual Operating Budget Impact Summary

Each department also projected the net impact on operating costs resulting from each capital project. The impact is shown in 2004 dollars for the first full year of operation after completion of the project. The table below is a summary by major budget category for all projects in the Capital Budget.

The chart labeled "Annual Net Operating Impact by Project" lists the projects with operating impact by department. Only three projects are expected to produce positive cash flows—two in Regional Parks, and one Zoo project. Those are the Blue Lake Water System Upgrade, the Golf Course at Blue Lake Park, and the Zoo Lion Exhibit. Metro, overall, will have an additional cost of $288,000 to $641,308 per year from these projects. The projects adding the most to operating costs are the California Condor Captive Breeding Facility, the Mt. Talbert Development, the Cooper Mountain Park Development, and the St. Johns Landfill Leachate Pretreatment. Two projects show zero impact, but are listed as their proposed resources are expected to cover any new costs.

Annual Operating Budget Impact Summary

Revenue and Cost By Major Budget Category	FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	Total
Revenues	-	9,000	69,000	84,000	1,045,054	1,207,054
Expenditures						
Personal Services	143,000	154,500	284,171	418,097	491,502	1,491,270
Materials and Services	135,000	186,775	214,461	462,468	1,014,522	2,013,226
Capital Outlay	10,000	10,000	10,000	10,000	10,000	50,000
Other Costs	-	7,000	92,565	150,393	170,338	420,296
Total Expenditures	288,000	358,275	601,197	1,040,958	1,686,362	3,974,792
Net Contribution (Cost)	(288,000)	(349,275)	(532,197)	(956,958)	(641,308)	(2,767,738)

Annual Net Operating Impact by Project

Project	FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010
MERC					
Keller Auditorium - Portico Upgrades	-	(7,500)	(7,500)	(7,500)	(7,500)
Total MERC	**-**	**(7,500)**	**(7,500)**	**(7,500)**	**(7,500)**
Oregon Zoo					
Lion Exhibit	-	-	-	10,000	56,000
Calif Condor Captive Breeding Facility	(183,000)	(187,000)	(191,000)	(196,000)	(200,000)
Introduction to the Forest (GNWV)	(5,000)	(20,000)	(20,000)	(20,000)	(20,000)
Total Zoo	**(188,000)**	**(207,000)**	**(211,000)**	**(206,000)**	**(164,000)**
Regional Parks and Greenspaces					
M James Gleason Boat Ramp Phase I & II	-	-	(33,427)	(33,427)	(33,427)
Multnomah Channel Basin Reconnect	-	(2,000)	(2,000)	(2,000)	(2,000)
Golf Course at Blue Lake Park	-	-	-	(206,477)	94,038
Mt Talbert Development	-	-	(164,760)	(168,489)	(172,307)
Gales Creek/Tualatin River Confluence	-	(33,525)	(12,260)	(10,000)	(10,000)
Blue Lake Water System Upgrad - Phase 1	-	750	750	750	750
M James Gleason Boat Ramp Phase III & IV	-	-	-	-	(17,500)
Trolley Trail Engr & Const Phase I	-	-	-	-	-
Water Play Area Blue Lake	-	-	-	-	-
Cooper Mountain Park Development	-	-	-	(221,815)	(227,362)
Total RP&G	**-**	**(34,775)**	**(211,697)**	**(641,458)**	**(367,808)**
Solid Waste and Recycling					
St Johns Landfill Leachate Pretreatment	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Metro C/S Modification of Hax Waste Fac.	-	-	(2,000)	(2,000)	(2,000)
Total SW&R	**(100,000)**	**(100,000)**	**(102,000)**	**(102,000)**	**(102,000)**
TOTAL METRO	**(288,000)**	**(349,275)**	**(532,197)**	**(956,958)**	**(641,308)**

Capital Budget Department Summaries

Department Summary and Analysis

The following is an overview of the Five-Year Capital Budget departmental submissions and the narrative discussing relevant issues relating to each department's requests.

The following categories and charts are provided to give an overview and significant information regarding each Capital Budget submittal.

Total Projects Summary—By Year. Each department section begins with a complete listing, in priority order, of the projects contained in the current Capital Budget. This chart shows the expected expenditures by year. The shaded section under the chart shows the total number of projects and their expected cost during the five-year budgeting period.

Overview of Projects. This narrative addresses significant issues regarding each department's Capital Budget submission. The overview includes information on:

- The status of projects budgeted in the current fiscal year.
- New projects.
- Changes in timing and scope of projects previously listed.
- Unfunded projects.

Project Funding. This section of the narrative discusses the sources of funding for the various projects and any overriding funding issues that may exist. This section refers to the *Major Funding Source Detail* chart provided for each department.

Operational Impact. This section of the narrative discusses the change in operational costs as a result of the projects and refers to the *Cumulative Net Impact on Operating Costs* chart if there is an operating impact.

Five-Year Financial Forecast. A *Five-Year Financial Forecast* chart is included at the end of the narrative for operating departments. This forecast reflects the ending fund balance for a five-year period. This is a summary of a detailed five-year financial forecast that includes all expected revenues and expenditures overlaid with the capital projects and the resulting impact on ending fund balance. A discussion of the adequacy of funding as demonstrated in this financial forecast is included in the narrative. This portion of the narrative discusses that five-year outlook and its adequacy to fund the included projects.

Finance and Administrative Services Department

Total Projects Summary - By Year

Finance										
Project No.	**Priority**		**Prior Years**	**2005-2006**	**2006-2007**	**2007-2008**	**2008-2009**	**2009-2010**	**Total**
		All Funds							
IT1	3	Replace/Acquire Desktop Computers	$378,659	$90,000	$90,000	$90,000	$90,000	$90,000	$828,659
		Total - All Funds	**$378,659**	**$90,000**	**$90,000**	**$90,000**	**$90,000**	**$90,000**	**$828,659**
		Planning Fund							
94403/94404	5	Regional Land Information System (RLIS)	$736,025	$0	$20,000	$70,000	$35,000	$25,000	$886,025
new	6	Travel Forecasting System Computer Replacement	$727,666	$0	$122,500	$127,000	$25,000	$57,000	$1,059,166
		Total - Planning Fund	**$1,463,691**	**$0**	**$142,500**	**$197,000**	**$60,000**	**$82,000**	**$1,945,191**
		Support Services Fund							
56110	1	Server Management	$233,965	$140,000	$136,000	$168,000	$119,000	$90,000	$886,965
56120	2	Upgrade Network Infrastructure	$198,208	$30,000	$25,000	$55,000	$25,000	$55,000	$388,208
65612	4	Upgrade of Business Enterprise Software (PeopleSoft)	$0	$63,000	$0	$50,000	$0	$63,000	$176,000
		Total - Support Services Fund	**$432,173**	**$233,000**	**$161,000**	**$273,000**	**$144,000**	**$208,000**	**$1,451,173**
		SW Renewal & Replacement Account							
76921/76953	5	Replace Computer Network Components	$0	$67,000	$67,000	$0	$0	$0	$134,000
		Total - SW Renewal & Replacement Account	**$0**	**$67,000**	**$67,000**	**$0**	**$0**	**$0**	**$134,000**
		Building Management Fund							
TEMP109	2	Metro Regional Center Roof Replacement	$0	$0	$0	$0	$0	$455,000	$455,000
56180	3	Carpet Replacement	$0	$0	$250,000	$200,000	$50,000	$0	$500,000
		Total - Building Management Fund	**$0**	**$0**	**$250,000**	**$200,000**	**$50,000**	**$455,000**	**$955,000**
		Support Services Fund							
56130	1	Copier Replacement in Print Shop	$0	$0	$65,000	$0	$0	$0	$65,000
56131	4	Satellite copier replacement	$54,000	$18,000	$36,000	$36,000	$36,000	$36,000	$216,000
		Total - Support Services Fund	**$54,000**	**$18,000**	**$101,000**	**$36,000**	**$36,000**	**$36,000**	**$281,000**
		Total - Finance	**$2,328,523**	**$408,000**	**$811,500**	**$796,000**	**$380,000**	**$871,000**	**$5,595,023**

Total FY 2005-2006 through FY 2009-2010	$3,266,500
Total # of Projects	11

Finance and Administrative Services Department

The Property Services division of the Finance and Administrative Services Department (FAS) is responsible for the operations and maintenance of the Metro Regional Center, the attached parking garage, and the operation of the print shop at Metro. The Information Technology division of FAS manages the information technology infrastructure and services of the agency. All projects throughout the agency related to information technology, regardless of funding source, are grouped in this section.

Overview of Projects

Property Services Division

Included in the Property Services division FY 2005–06 through FY 2009–10 Capital Budget are four projects. The first of these four projects is the replacement of the roof on the Metro Regional Center. The existing roof is currently twelve years into an estimated twenty-year service life, with replacement anticipated in 2013. Although this project is technically outside of the five-year window for the Capital Budget, it is included because of its high cost and the need to begin reserving funds for completion.

The second capital project in the Property Services division, also relating to the Metro Regional Center, is for carpet replacement. The existing carpet has been in place since 1993, and is showing signs of wear in the higher traffic areas. This project is scheduled for completion over a three-year period, with one floor of the building being completed in each year. The timing for this project has changed from last year's Capital Budget, with the project now beginning one year later, in FY 2006–07. Both the carpet and roof replacement projects will be funded out of a Renewal and Replacement Reserve for the Metro Regional Center. Contributions to this reserve are made annually and are funded through allocations charged to the departments occupying the building.

Copier replacement, both within the print shop and throughout the departments, is an ongoing project representing the replacement of equipment that is at the end of its useful life. Replacement of these copiers is funded through the allocation of charges to the departments using print shop services. This year's Capital Budget includes the replacement of one print shop copier in FY 2006–07.

The Property Services division Capital Budget includes the ongoing replacement of satellite copiers. These copiers are located throughout the Metro Regional Center and are used by all of the departments in the building. As these copiers are replaced, they are being replaced with new machines that are able to print, fax, and scan, in addition to copy. These copiers operate at a much lower cost-per-page than the printers currently being used in the departments. Historically, under the copier replacement schedule, two copiers are purchased each year.

The Capital Budget for the Property Services division includes two unfunded projects: Air Rights Housing Project Over the Metro Parking Garage and Signs for Metro Regional Center. Currently, no funding has been identified for the completion of these projects.

Information Technology Division

Two projects are related to maintenance of the network: Upgrade Network Infrastructure and Server Management. Both projects enable the Department to maintain the computer infrastructure used by the entire agency by upgrading or replacing equipment and software. These changes are necessary to meet agency performance demands for daily operations.

The PeopleSoft financial and human resource systems are upgraded periodically as new versions of the software are released. This Capital Budget includes periodic software upgrades enabling these systems to work more efficiently and to stay current with technology advancements in this area.

This year's Capital Budget includes replacement of computer network components at some of the Solid Waste facilities. This network serves the Metro South and Metro Central Solid Waste Transfer Stations. Funding for this project is out of the Solid Waste Renewal and Replacement Account.

Two other projects call for planned upgrades to both the Regional Land Information System (RLIS) and the Travel Forecasting System. These projects are budgeted in the Planning Fund.

The remaining project, Replace/Acquire Desktop Computers, is a continuation of reporting the replacement costs of the agency for desktop computers. The annual amounts included for this project represent an average of the actual past expenditures for all desktop systems. Costs are budgeted throughout the agency, but all of the purchases are coordinated through the Information Technology Division.

The Capital Budget includes nine projects on the unfunded list for the Information Technology division. Six of the nine projects provide for new or greatly expanded information technology applications. Two projects provide for the upgrade or replacement of the Oregon Zoo's outdated network equipment and infrastructure. The final project provides for the replacement of the specialized HVAC system in the Metro Regional Center's main computer room. The projects included on this list have been recognized as of benefit to the agency; however, funding has not yet been identified.

Major Changes from Prior Fiscal Year's Capital Budget

Property Services Division

The timing for two projects has been changed in the Property Services Capital Budget. The first project, Carpet Replacement at the Metro Regional Center, has been delayed one year. The timing of this project may change again as the condition of the carpet is reassessed as part of next year's Capital Budgeting process. The second change was in the timing of the purchase of a satellite copier. One of the department printers, scheduled to be replaced with a multifunction satellite copier, was failing. Through a mid-year amendment to the Capital Budget, this copier was purchased one year early.

Information Technology Division

This year's Capital Budget for the Information Technology division includes one additional project. The replacement of computer network components at some of the Solid Waste facilities had been in the Capital Budget under the Solid Waste and Recycling Department but was moved to the Information Technology division to allow for better coordination of the project.

All other projects are of an ongoing or recurring nature. Replacement or upgrade of information technology hardware is proposed according to the existing replacement schedule, usually 3–5 years. Each year, as the projects are updated, costs may increase or decrease depending on the replacement cycle.

Project Funding

The FY 2004–05 budget established, for the first time, a reserve for Metro Regional Center renewal and replacement projects. Contributions to this reserve (estimated at $97,000 annually) are made based on projected needs and are funded through allocations charged to the departments occupying the building. Both capital projects for the Metro Regional Center, Roof Replacement and Carpet Replacement, are funded out of this reserve.

A renewal and replacement reserve was also established for information technology projects. The reserve was seeded with discretionary fund balance that has accumulated over a period of years from the Contractor's License program. Annual contributions to the reserve are made from allocations to departments through the cost allocation plan (estimated at $150,000 annually), and from profits of the Contractor's License program (annual estimate of $50,000). Ongoing replacement projects approved in the Five-Year Capital Budget will be funded from this reserve.

Operational Impact

No operational impact has been estimated for any of the projects in the Finance and Administrative Services Department Capital Budget.

Major Funding Source Detail

Finance						
Major Funding Source Category	Prior Years	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Fund Balance - Capital Reserve	$404,324	$90,000	$90,000	$90,000	$90,000	$90,000
Fund Balance - Renewal and Replacement	$139,000	$237,000	$478,000	$423,000	$194,000	$600,000
Other	$272,858	$0	$142,500	$197,000	$60,000	$82,000
Other - Cost Allocation Plan	$249,000	$81,000	$101,000	$86,000	$36,000	$99,000
Other Capital Lease	$1,263,341	$0	$0	$0	$0	$0
Total - Finance	**$2,328,523**	**$408,000**	**$811,500**	**$796,000**	**$380,000**	**$871,000**

METRO

PEOPLE PLACES
OPEN SPACES

Metro Exposition-Recreation Commission

Total Projects Summary - By Year

Metro Exposition-Recreation Commission

Project No.	Priority		Prior Years	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	Total
		MERC Pooled Capital Fund							
57900	0	Event Management Software	$200,000	$44,000	$0	$0	$0	$0	$244,000
		Total - MERC Pooled Capital Fund	**$200,000**	**$44,000**	**$0**	**$0**	**$0**	**$0**	**$244,000**
		MERC Pooled Capital Fund							
57300	1	ASCH - West Entry Remodel	$0	$200,000	$0	$0	$0	$0	$200,000
57420	4	ASCH - Carpet	$120,000	$180,000	$0	$0	$0	$0	$300,000
TEMP199	4	ASCH - Boiler	$0	$80,000	$0	$0	$0	$0	$80,000
57310	10	ASCH - Main Street Project Design & Feasibility	$0	$75,000	$0	$0	$0	$0	$75,000
TEMP115	11	ASCH - Dressing Tower Elevator	$0	$0	$100,000	$0	$0	$0	$100,000
TEMP32	17	ASCH - Fore Stage Lift Replacement	$0	$0	$0	$0	$80,000	$0	$80,000
		Total - MERC Pooled Capital Fund	**$120,000**	**$535,000**	**$100,000**	**$0**	**$80,000**	**$0**	**$835,000**
		MERC Pooled Capital Fund							
57110	1	Keller Auditorium - Portico Upgrades	$7,756	$102,244	$0	$0	$0	$0	$110,000
57430	1	Keller - Ladders	$35,000	$40,000	$0	$0	$0	$0	$75,000
57112	2	Keller - Chiller Replacement	$0	$250,000	$0	$0	$0	$0	$250,000
57108	3	Keller - Lobbies Upgrade	$370,846	$45,525	$0	$0	$0	$0	$416,371
57115	3	Keller Auditorium - HVAC Control Replacement	$66,128	$42,253	$0	$0	$0	$0	$108,381
		Total - MERC Pooled Capital Fund	**$479,730**	**$480,022**	**$0**	**$0**	**$0**	**$0**	**$959,752**
		MERC Pooled Capital Fund							
TEMP43	7	NTB - Stage Floor Replacement (Newmark Theatre)	$0	$100,000	$0	$0	$0	$0	$100,000
57165	9	NTB (Winningstad) - Replace Seat Risers	$0	$100,000	$0	$0	$0	$0	$100,000
		Total - MERC Pooled Capital Fund	**$0**	**$200,000**	**$0**	**$0**	**$0**	**$0**	**$200,000**
		MERC Pooled Capital Fund							
57627	0	OCC - OCIP Insurance Reserve for OCC Expansion	$50,000	$50,000	$0	$0	$0	$0	$100,000
57780	1	OCC - Leed Certification	$30,000	$813,000	$0	$0	$0	$0	$843,000
TEMP113	2	OCC - Garbage Compactors	$0	$150,000	$0	$0	$0	$0	$150,000
57622	5	OCC - Lobby Signage and Way Finding Kiosks	$7,450	$85,550	$0	$0	$0	$0	$93,000
TEMP214	6	OCC - Replace Audio Visual Equipment	$0	$95,000	$350,000	$0	$0	$0	$445,000
TEMP222	8	OCC - Audiovisual Equipment Head Room	$0	$985,000	$0	$0	$0	$0	$985,000
TEMP112	12	OCC - Six Foot Round Tables	$0	$0	$100,000	$0	$0	$0	$100,000
TEMP165	13	OCC - Replace Glass in Exterior Canopies in MLK & Holl	$0	$0	$65,000	$0	$0	$0	$65,000
TEMP218	14	OCC - Replace Wall Coverings in all Meeting Rooms	$0	$0	$125,000	$0	$0	$0	$125,000
TEMP213	15	OCC - Replace 8' and 6' Tables in Inventory	$0	$0	$0	$125,000	$0	$0	$125,000
TEMP166	16	OCC - Resurface Exhibit Hall Moveable Partitions	$0	$0	$0	$150,000	$0	$0	$150,000
		Total - MERC Pooled Capital Fund	**$87,450**	**$2,178,550**	**$640,000**	**$275,000**	**$0**	**$0**	**$3,181,000**
		MERC Pooled Capital Fund							
57025	3	Expo - Parking Lot Maintenance	$84,522	$50,000	$50,000	$50,000	$50,000	$50,000	$334,522
		Total - MERC Pooled Capital Fund	**$84,522**	**$50,000**	**$50,000**	**$50,000**	**$50,000**	**$50,000**	**$334,522**
		Total - Metro Exposition-Recreation Commission	**$971,702**	**$3,487,572**	**$790,000**	**$325,000**	**$130,000**	**$50,000**	**$5,754,274**

Total FY 2005-2006 through FY 2009-2010	$4,782,572
Total # of Projects	26

Metro Exposition-Recreation Commission

The Metropolitan Exposition-Recreation Commission (MERC) manages the operations of the Oregon Convention Center (OCC) and the Portland Exposition Center (Expo) for Metro. The Portland Center for the Performing Arts (PCPA) is managed by Metro, through an intergovernmental agreement with the City of Portland, which owns this facility. The PCPA facilities are: Arlene Schnitzer Concert Hall (ASCH); Keller Auditorium; and New Theatre Building (NTB), which houses the Winningstad and Newmark theaters.

Overview of Projects

This review is broken down by the three major operating centers, PCPA, OCC, and Expo. PCPA is further broken down by the three facilities it manages.

Portland Center for the Performing Arts

- ***Arlene Schnitzer Concert Hall***

  FY 2004–05 Capital Budget Projects

  Four projects originally scheduled to be complete by the end of FY 2004–05 have been delayed, and therefore, the projects are being carried forward into FY 2005–06. They are:

  - West Entry Remodel.
  - Main Street Tent—The scope of this project was also changed from prior years, and currently only the design is budgeted.
  - Carpeting project.
  - Boiler.

  The Sound System Replacement project was canceled. There is a $1 million unfunded project to replace the entire sound system (ASCH-Electro-Acoustical Sound Enhancements).

  FY 2005–06 Capital Budget

  In addition to the above four projects carried into the current Capital Budget, two existing projects, Dressing Tower Elevator and Fore Stage Lift Replacement, remained the same as the previous Capital Budget.

- ***Keller Auditorium***

  FY 2004–05 Capital Budget Projects

  Of the five projects originally scheduled for completion in FY 2004–05, four have been carried forward to FY 2005–06. They are:

  - Portico Upgrades.
  - Lobbies Upgrade.
  - HVAC Control Replacement.
  - Chiller Replacement.

  The Pit Lifting project scheduled for FY 2004–05 completion was canceled, as unnecessary. Two additional projects scheduled for later years were also canceled: the Upgrade of the Fire Alarm System was deemed unnecessary; and repairs were done to the roof, extending its useful life beyond this Capital Budget timeframe.

  FY 2005–06 Capital Budget

  The new capital budget lists only one project for the Keller—the Ladders; this is a new project for the Capital Budget. Originally, it was under the $50,000 limit, but the scope of work has expanded the project to a total of $75,000, with a portion of that project being completed in FY 2004–05.

- ***New Theatre Building***

  FY 2004–05 Capital Budget Projects

  - The replacement of the Seating Risers at the Winningstad is delayed into FY 2005–06.
  - The Interior Painting project is canceled. The painting will be completed over time as maintenance.

FY 2005–06 Capital Budget

Projects listed in the capital budget are the Seating Risers, as mentioned above, and the Stage Floor Replacement as currently listed in the capital budget.

Oregon Convention Center

FY 2004–05 Capital Budget Projects

- Several projects are being completed as anticipated; they are OCC Expansion, Sound Proofing in Oregon Ballroom, and Video Signage System.
- The Replacement of the Glass in Exterior Canopies is delayed one year to FY 2006–07.
- The approved Leadership in Energy and Environmental Design (LEED) Certification projects, funded by the Tourism and Competitiveness Operating Account (MTOCA) is carried forward to FY 2005–06. In addition, the last of the OCC Expansion insurance reserve is not expected to be expended until FY 2005–06.
- One project, Canvas Tents for $60,000 in FY 2004–05, is not an approved project in the current Capital Budget.

FY 2005–06 Capital Budget

- The Capital Budget contains three new projects: Lobby Signage and Way Finding Kiosks, the Replacement of 8-foot and 6-foot tables, and the Audio Visual Equipment Head Room (needed because the equipment is failing). MERC hopes to fund the Audio Visual Equipment Head Room project from the $.50 per ton excise tax, but since that needs prior Metro approval, has listed the funding source as Fund Balance. If the request for excise tax is denied, it will fund this project with a loan of Expo's Fund Balance.
- The Garbage Compactor project is increased by $80,000 due to actual bids and some additional design needs.
- All other projects are as listed in prior year Capital Budget

Portland Exposition Center

FY 2004–05 Capital Budget Projects

- The In-House Electrical Project was canceled as infeasible.

FY 2005–06 Capital Budget

- The only scheduled project for Expo is the ongoing repair of the Parking Lot.

Operational Impact

MERC Capital Budget submission indicates there is very little operational impact from the projects. Most projects are replacements of existing equipment but should produce some efficiency.

Project Funding

The five-year forecast provided by MERC indicates adequate funding to fund the capital projects, in part by utilizing funding raised in naming rights and proposing to use the per ton allocation of excise tax. Indications are that this five-year period virtually depletes available funding for the projects and provides no contributions to renewal and replacement reserves. The department is actively pursuing developing funding sources to make up for these shortfalls in on-going funding.

Cumulative Net Impact on Operating Costs

Metro Exposition-Recreation Commission					
Annual Net Impact on Operating Costs	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Personal Services	$0	$7,500	$7,500	$7,500	$7,500
Total Expenditures	**$0**	**$7,500**	**$7,500**	**$7,500**	**$7,500**
Net Contribution (Cost) Metro Exposition-Recreation Commission	**$0**	**($7,500)**	**($7,500)**	**($7,500)**	**($7,500)**

Major Funding Source Detail

Metro Exposition-Recreation Commission						
Major Funding Source Category	Prior Years	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Fund Balance - Capital Reserve	$461,972	$2,039,550	$790,000	$325,000	$130,000	$50,000
Donations	$42,756	$305,022	$0	$0	$0	$0
Donations - MERC	$0	$80,000	$0	$0	$0	$0
Other - City of Portland	$436,974	$250,000	$0	$0	$0	$0
Excise Tax	$30,000	$813,000	$0	$0	$0	$0
Total - Metro Exposition-Recreation Commission	**$971,702**	**$3,487,572**	**$790,000**	**$325,000**	**$130,000**	**$50,000**

5 Year Financial Forecast Total MERC
as of February 2005

MERC Operating Fund	2004-05		Projections				
	Adopted	Est. Actual	2005-06	2006-07	2007-08	2008-09	2009-10
Estimated Beginning Fund Balance	***$10,806,745***	***$10,527,791***	***$10,552,328***	***$10,592,599***	***$9,806,241***	***$8,704,392***	***$7,273,245***
Projected Operating Revenues	$31,874,413	$34,849,208	$34,188,803	$34,678,973	$35,685,347	$36,723,908	$37,795,812
Less Operating Expenditures	($31,773,732)	($33,567,184)	($34,148,532)	($35,465,330)	($36,787,196)	($38,155,055)	($39,597,160)
Ending Fund Balance Prior to CIP	$10,907,426	$11,809,815	$10,592,599	$9,806,241	$8,704,392	$7,273,245	$5,471,897
Proposed Capital Projects	$0	$0	$0	$0	$0	$0	$0
Ending Fund Balance After CIP	***$10,907,426***	***$11,809,815***	***$10,592,599***	***$9,806,241***	***$8,704,392***	***$7,273,245***	***$5,471,897***

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

5 Year Financial Forecast OCC Only
as of February 2005

MERC Operating Fund	2004-05		Projections				
	Adopted	Est. Actual	2005-06	2006-07	2007-08	2008-09	2009-10
Estimated Beginning Fund Balance	***$4,328,256***	***$4,736,133***	***$4,620,751***	***$4,128,139***	***$2,940,636***	***$1,624,292***	***$171,062***
Projected Operating Revenues	$18,371,785	$20,665,192	$19,330,705	$19,453,691	$20,080,629	$20,730,271	$21,403,534
Less Operating Expenditures	($18,487,167)	($20,280,619)	($19,823,317)	($20,641,194)	($21,396,974)	($22,183,500)	($23,002,126)
Ending Fund Balance Prior to CIP	$4,212,874	$5,120,706	$4,128,139	$2,940,636	$1,624,292	$171,062	($1,427,530)
Proposed Capital Projects	$0	$0	$0	$0	$0	$0	$0
Ending Fund Balance After CIP	***$4,212,874***	***$5,120,706***	***$4,128,139***	***$2,940,636***	***$1,624,292***	***$171,062***	***($1,427,530)***

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

5 Year Financial Forecast Expo Only
as of February 2005

MERC Operating Fund	2004-05 Adopted	2004-05 Est. Actual	Projections 2005-06	2006-07	2007-08	2008-09	2009-10
Estimated Beginning Fund Balance	***$3,204,397***	***$2,539,442***	***$2,615,582***	***$2,708,516***	***$2,802,016***	***$2,877,192***	***$2,942,780***
Projected Operating Revenues	$5,773,321	$5,817,276	$5,729,735	$5,871,880	$6,017,578	$6,166,918	$6,319,992
Less Operating Expenditures	($5,698,306)	($5,698,306)	($5,636,801)	($5,778,380)	($5,942,401)	($6,101,330)	($6,280,952)
Ending Fund Balance Prior to CIP	$3,279,412	$2,658,412	$2,708,516	$2,802,016	$2,877,192	$2,942,780	$2,981,820
Proposed Capital Projects	$0	$0	$0	$0	$0	$0	$0
Ending Fund Balance After CIP	***$3,279,412***	***$2,658,412***	***$2,708,516***	***$2,802,016***	***$2,877,192***	***$2,942,780***	***$2,981,820***

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

5 Year Financial Forecast PCPA Only
as of February, 2005

MERC Operating Fund	2004-05 Adopted	2004-05 Est. Actual	Projections 2005-06	2006-07	2007-08	2008-09	2009-10
Estimated Beginning Fund Balance	***$3,219,962***	***$3,198,086***	***$3,189,107***	***$3,569,307***	***$3,811,515***	***$3,876,126***	***$3,748,025***
Projected Operating Revenues	$7,556,727	$8,194,160	$9,106,283	$9,333,940	$9,567,289	$9,806,471	$10,051,633
Less Operating Expenditures	($7,565,706)	($7,565,706)	($8,726,083)	($9,091,732)	($9,502,678)	($9,934,572)	($10,388,564)
Ending Fund Balance Prior to CIP	$3,210,983	$3,826,540	$3,569,307	$3,811,515	$3,876,126	$3,748,025	$3,411,094
Proposed Capital Projects	$0	$0	$0	$0	$0	$0	$0
Ending Fund Balance After CIP	***$3,210,983***	***$3,826,540***	***$3,569,307***	***$3,811,515***	***$3,876,126***	***$3,748,025***	***$3,411,094***

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

METRO

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Oregon Zoo

Total Projects Summary - By Year

Oregon Zoo

Project No.	Priority		Prior Years	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	Total
		General Revenue Bond Fund (Zoo)							
TEMP188	5	Washington Park Parking Lot Renovation	$4,380,283	$183,066	$0	$0	$0	$0	$4,563,349
		Total - General Revenue Bond Fund (Zoo)	**$4,380,283**	**$183,066**	**$0**	**$0**	**$0**	**$0**	**$4,563,349**
		Zoo Capital Projects Fund							
51215I	1	Introduction to the Forest (GNW V)	$200,000	$2,000,000	$0	$0	$0	$0	$2,200,000
ZOO2	2	Lion Exhibit	$0	$0	$0	$0	$2,600,000	$0	$2,600,000
ZOO5	3	Primate Building	$724,414	$0	$0	$500,000	$500,000	$0	$1,724,414
ZCON	4	California Condor Breeding Facility & Exhibit	$1,291,679	$520,000	$1,000,000	$0	$0	$0	$2,811,679
TEMP122	6	Admission Ticketing System Upgrade	$0	$200,000	$0	$0	$0	$0	$200,000
TEMP15	7	Steller Cove Upgrades	$0	$0	$100,000	$0	$0	$0	$100,000
TEMP13	8	Administration Building Upgrades	$0	$0	$0	$135,000	$0	$0	$135,000
		Total - Zoo Capital Projects Fund	**$2,216,093**	**$2,720,000**	**$1,100,000**	**$635,000**	**$3,100,000**	**$0**	**$9,771,093**
		Zoo Operating Fund							
TEMP204	2	Stormwater Handling System	$0	$200,000	$0	$0	$0	$0	$200,000
TEMP92	9	Elevator Replacements	$0	$0	$90,000	$0	$0	$0	$90,000
		Total - Zoo Operating Fund	**$0**	**$200,000**	**$90,000**	**$0**	**$0**	**$0**	**$290,000**
		Total - Oregon Zoo	**$6,596,376**	**$3,103,066**	**$1,190,000**	**$635,000**	**$3,100,000**	**$0**	**$14,624,442**

Total FY 2005-2006 through FY 2009-2010	$8,028,066
Total # of Projects	10

Oregon Zoo

There is a wide variety of capital projects for the Oregon Zoo in this Capital Budget. There is a mix of new facility construction projects, like Phase V of the Great Northwest Project, and renewal and replacement projects, such as the upgrades to Steller Cove. The preceding summary table lists each capital project by fiscal year.

Overview of Projects

In September 1996, the voters of the region approved a $28.8 million bond measure to build the Great Northwest Exhibit (formerly called the Oregon Project). Interest on bond proceeds, donations, and a transfer from the Zoo Operating supplied additional funding for a total exhibit cost of $37.7 million. Construction of the Exhibit was divided into five phases. The first major phase of the project opened in September 1998, with the new entrance facilities and the mountain goat exhibit. Other phases include Steller Cove, Eagle Canyon, and the Trillium Creek Family Farm. This year's Capital Budget includes the construction of Great Northwest project's Phase V, "Introduction to the Forest—Cascade Canyon Trail," which is scheduled to be completed in the summer of 2006.

Other projects are planned to rehabilitate and upgrade existing facilities, such as the Primate Facility, Steller Cove, and the Administration Building. New projects include a Lion Exhibit and the Condor Creek Conservation Facility and an on-site Condor Exhibit. There is also an elevator replacement project to maintain the facilities and ensure employee safety, and a project to upgrade the Zoo's admission ticketing system.

A parking lot improvement project is included, using funds remaining from the parking lot remodel that was done in conjunction with Westside MAX tunnel and the opening of the Great Northwest. The Washington Park parking lot renovation was completed several years ago; the residual funding is available for debt reduction or parking lot improvements.

Four capital projects were included in the Zoo budget for the 2004–05 fiscal year, two in the original Adopted Capital budget, and two more were added midyear through amendments. The first of the four projects, the Washington Park Parking Lot Renovation, awaits land use permitting approval and is being carried over into the current year Capital Budget. The majority of work on the second project, Phase V of the Great Northwest Exhibit, is also being carried over into the current year. One of the projects added midyear, funded through a grant from the Environmental Protection Agency, was for the development of storm-water handling systems at the Zoo. This project was also carried over into the current fiscal year. The final project included in last year's Capital Budget was to refurbish the Tree Tops Area. This project was originally in the Five-Year Capital Budget for FY 2005–06, but was scaled back and moved ahead one year to address maintenance concerns and guest safety issues. All of the work on this project was completed last fiscal year.

The list of unfunded projects at the Oregon Zoo includes a total of eleven projects. See the Unfunded List for details.

Major Changes from the Prior Fiscal Year's Capital Budget

Three projects, the Insect Zoo, the Cascade Grill and Sunset Room Remodel, and the AfriCafe Terrace Permanent Cover, included in last year's Capital Budget, have been moved to the unfunded list due to priority setting and a shortage of funds.

Project Funding

Six out of the nine projects in the Zoo Five-Year Capital Budget are to be paid for with fund balance. Based on the financial projections, the fund balance in the Zoo Capital and General Revenue Bond funds are adequate to finance these capital projects. This was achieved by moving many projects to the unfunded list. The remaining three projects are to be funded through donations. Funding for future renewal and replacement needs remains problematic, requiring additional revenue beyond what is anticipated in the five-year projection.

Operational Impact

The department has estimated the ongoing operational impact for three of the nine projects included in the current Five-Year Capital Budget.

Cumulative Net Impact on Operating Costs

Oregon Zoo

Annual Net Impact on Operating Costs	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Revenues	$0	$0	$0	$15,000	$150,000
Personal Services	$133,000	$137,000	$141,000	$146,000	$214,000
Materials and Services	$55,000	$70,000	$70,000	$75,000	$100,000
Total Expenditures	**$188,000**	**$207,000**	**$211,000**	**$221,000**	**$314,000**
Net Contribution (Cost) Oregon Zoo	**($188,000)**	**($207,000)**	**($211,000)**	**($206,000)**	**($164,000)**

Major Funding Source Detail

Oregon Zoo

Major Funding Source Category	Prior Years	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Donations	$1,211,679	$820,000	$1,000,000	$500,000	$3,100,000	$0
Fund Balance - Capital Reserve	$924,414	$1,850,000	$190,000	$135,000	$0	$0
Grants	$80,000	$200,000	$0	$0	$0	$0
Other	$4,380,283	$183,066	$0	$0	$0	$0
Other - Interest Earnings	$0	$50,000	$0	$0	$0	$0
Total - Oregon Zoo	**$6,596,376**	**$3,103,066**	**$1,190,000**	**$635,000**	**$3,100,000**	**$0**

Five-Year Financial Forecast
as of December 2004

Zoo Operating Fund	2004-05 Adopted	2004-05 Est. Actual	Projections 2005-06	2006-07	2007-08	2008-09	2009-10
Estimated Beginning Fund Balance	***$6,005,062***	***$6,303,383***	***$6,811,011***	***$6,165,321***	***$5,331,504***	***$4,365,385***	***$3,162,332***
Projected Current Revenues	$24,038,921	$24,038,921	$24,301,692	$24,667,000	$25,231,000	$25,807,000	$26,390,000
Less Operating Expenditures	($25,561,888)	($23,531,293)	($24,747,382)	($25,410,817)	($26,197,119)	($27,010,053)	($27,856,130)
Ending Fund Balance Prior to CIP	$4,482,095	$6,811,011	$6,365,321	$5,421,504	$4,365,385	$3,162,332	$1,696,203
Proposed Capital Projects	$0	$0	($200,000)	($90,000)	$0	$0	$0
Ending Fund Balance After CIP	***$4,482,095***	***$6,811,011***	***$6,165,321***	***$5,331,504***	***$4,365,385***	***$3,162,332***	***$1,696,203***
Ending Fund Balance Breakdown							
Reserves	$3,280,595	$3,280,148	$5,130,148	$5,130,148	$5,130,148	$5,130,148	$5,130,148
Unrestricted Fund Balance	$1,201,500	$3,530,863	$1,035,173	$201,356	($764,763)	($1,967,816)	($3,433,945)

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

Five-Year Financial Forecast
as of December, 2004

Zoo Capital Fund	2004-05 Adopted	2004-05 Estimated	Projections 2005-06	2006-07	2007-08	2008-09	2009-10
Estimated Beginning Fund Balance	***$3,698,288***	***$4,640,828***	***$4,959,357***	***$2,270,511***	***$2,144,089***	***$1,975,913***	***$1,933,814***
Projected Revenues	$1,155,474	$1,217,612	$110,984	$1,057,000	$554,000	$3,149,000	$48,000
Less Operating Expenditures	($571,083)	($71,083)	($79,830)	($83,422)	($87,176)	($91,099)	($95,198)
Ending Fund Balance Prior to CIP	$4,282,679	$5,787,357	$4,990,511	$3,244,089	$2,610,913	$5,033,814	$1,886,616
Proposed Capital Projects	($3,000,000)	($828,000)	($2,720,000)	($1,100,000)	($635,000)	($3,100,000)	$0
Ending Fund Balance After CIP	***$1,282,679***	***$4,959,357***	***$2,270,511***	***$2,144,089***	***$1,975,913***	***$1,933,814***	***$1,886,616***

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

METRO

PEOPLE PLACES
OPEN SPACES

Planning Department

Planning Department

The Planning Department serves as the metropolitan region's transportation planning organization and is responsible for urban growth management and land use planning. The Technical Service division of the department consists of two sections—Travel Forecasting and the Data Resource Center.

The work performed by the Travel Forecasting Section provides the base data used by Metro and local jurisdictions in the region for developing transportation alternatives. The department uses a sophisticated system of interconnected servers and workstations for the development and application of travel demand forecasting models. In FY 2001–02, the department replaced the existing computer system with a new, more powerful modeling system called TRANsportation SIMulationS (TRANSIMS). This travel modeling system requires very large amounts of processing power. The financing mechanism for the project was a three-year internal loan from a Metro department. The department plans to replace components of this system every year, with a replacement schedule ranging from two to three years, depending on the component. Historically, large capital computer purchases for the Planning Department have been financed with three-year capital leases or loans. However, beginning in FY 2003–04, the department is attempting to fund a capital replacement reserve. The reserve, if fully funded, would finance the component purchases, with the department replenishing the reserve over the life of the equipment. Debt or reserve payments are allocated to users and individual projects through a billing system. Approximately 9 percent of the annual payments are funded with excise tax.

The Data Resource Center operates a network of computers to provide the forecasting, mapping and decision-making tools needed for Metro departments, local governments and private-sector subscribers. The Regional Land Information System (RLIS) is the heart of the planning and mapping services provided by Metro. This technology supports the enterprise applications of the Geographic Information System (GIS). To keep up with the demand for sophisticated land-use planning tools, the department replaces portions of the RLIS system each year. The replacement schedule covers GIS work stations, plotters, specialized printers, etc., and may include some network infrastructure items as needed to support high end data exchanges between the Data Resource Center and Metro partners. All costs are allocated to the users and contracting agencies through a billing system. Historically, approximately 31 percent is funded with excise tax.

All computer projects are included in a consolidated information technology proposal. Refer to Finance and Administrative Services section for detail of the projects.

Due to budgeting constraints, no replacements are planned for FY 2005–06. A review of the replacement schedule and a condition assessment of existing equipment indicates the extension of the replacement schedule should not result in unacceptable performance.

Regional Parks and Greenspaces Department

Total Projects Summary - By Year

Regional Parks and Greenspaces

Project No.	Priority		Prior Years	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	Total
		Open Spaces Fund							
TEMP4	1	Open Spaces Land Acquisition	$129,393,784	$1,206,000	$0	$0	$0	$0	$130,599,784
TEMP98	2	Open Spaces Land Acquisition - Second Phase	$0	$0	$0	$25,000,000	$25,000,000	$25,000,000	$75,000,000
		Total - Open Spaces Fund	**$129,393,784**	**$1,206,000**	**$0**	**$25,000,000**	**$25,000,000**	**$25,000,000**	**$205,599,784**
		Regional Parks Capital Fund							
TEMP187	1	Mt. Talbert Development	$150,000	$687,500	$762,500	$50,000	$50,000	$0	$1,700,000
TEMP185	2	Cooper Mountain Park Development	$0	$150,000	$795,000	$705,000	$150,000	$100,000	$1,900,000
TEMP184	3	Graham Oaks Nature Area Development	$0	$150,000	$115,000	$230,000	$740,402	$785,000	$2,020,402
70170	4	M. James Gleason Boat Ramp Renovation Phase I & II	$1,072,362	$80,000	$800,000	$15,000	$0	$0	$1,967,362
TEMP206	5	Golf Course at Blue Lake Park	$14,570	$50,000	$1,500,000	$935,430	$0	$0	$2,500,000
70162	6	Water Play Area - Blue Lake Park	$2,000	$140,000	$0	$0	$0	$0	$142,000
TEMP99	7	Trolley Trail Engineering & Construction - Phase I	$0	$0	$1,015,959	$0	$0	$0	$1,015,959
70393	8	Three Bridges on the Springwater	$0	$0	$4,691,000	$0	$0	$0	$4,691,000
TEMP205	9	Blue Lake Water System Upgrade - Phase I	$30,000	$60,000	$0	$0	$0	$0	$90,000
TEMP186	10	Willamette Cove Park Development	$0	$0	$0	$0	$0	$300,000	$300,000
TEMP147	11	M. James Gleason Boat Ramp - Phase III & IV	$0	$0	$0	$0	$700,000	$0	$700,000
		Total - Regional Parks Capital Fund	**$1,268,932**	**$1,317,500**	**$9,679,459**	**$1,935,430**	**$1,640,402**	**$1,185,000**	**$17,026,723**
		Regional Parks Fund							
70451	1	Gales Creek/Tualatin River Confluence Project	$24,357	$454,785	$18,390	$0	$0	$0	$497,532
TEMP224	2	Multnomah Channel Basin Reconnection Project	$0	$378,700	$0	$0	$0	$0	$378,700
71822	3	Salmon Habitat Improvement - Smith & Bybee Lakes Wild	$0	$68,000	$0	$0	$0	$0	$68,000
		Total - Regional Parks Fund	**$24,357**	**$901,485**	**$18,390**	**$0**	**$0**	**$0**	**$944,232**
		Total - Regional Parks and Greenspaces	**$130,687,073**	**$3,424,985**	**$9,697,849**	**$26,935,430**	**$26,640,402**	**$26,185,000**	**$223,570,739**

Total FY 2005-2006 through FY 2009-2010	$92,883,666
Total # of Projects	16

Regional Parks and Greenspaces Department

The goal of the Regional Parks and Greenspaces Department is to establish and maintain a regional system of interconnected natural areas, parks, trails and greenways. Specific facilities (not including properties acquired under the Open Spaces Program) include:

<u>Regional Parks and Facilities</u>

- Mason Hill
- Sauvie Island Boat Ramp
- Howell Territorial Park
- M. James Gleason Boat Ramp
- Broughton Beach
- Glendoveer Golf Course
- Blue Lake Regional Park
- Oxbow Regional Park
- Chinook Landing Marine Park

<u>Natural Areas</u>

- Bell View Point
- Beggar's-tick
- Gary and Flagg Island
- Indian John Island
- Larch Mountain Corridor
- Smith and Bybee Lakes

The department also maintains 14 pioneer cemeteries.

Overview of Projects

Active Capital Budget

The FY 2005–06 through FY 2009–10 Regional Parks capital budget includes 16 projects—5 new and 11 continued from the current capital budget. The new projects in the five-year planning horizon include:

- A second phase of open space acquisitions estimated to begin in FY 2007–08.
- Construction of a golf learning center at Blue Lake Regional Park to begin in FY 2005–06.
- Phase I upgrade of the water system at Blue Lake to begin at the end of FY 2004–05.
- Multnomah Channel Basin reconnection project to begin in FY 2005–06.
- Willamette Cove Park development estimated to begin in FY 2009–10.

Eleven other projects were previously included in the Capital Budget. The Cooper Mountain Park and the Graham Oaks Nature Area development projects are the only previously budgeted projects with first year spending in FY 2005–06. The department is scheduled to begin design and engineering on the Cooper Mountain Park development project next year. Restoration of the Graham Oaks Nature Area is also scheduled to begin next year. Of the remaining nine projects, six have spending planned in FY 2005–06: the original open space land acquisition project, Mt. Talbert Park development, M. James Gleason boat ramp renovations phases I and II, the water play area at Blue Lake Park, the Gales Creek/Tualatin River confluence restoration project, and the Salmon habitat improvement at Smith and Bybee Lakes.

The construction timeframe for a majority of the projects continued from the current capital budget has been modified. As part of the FY 2004–05 budget, the Council approved an increase in the solid waste excise tax of $1.50 per ton to fund the development of four new park sites from purchased open space property. The initial proposal and current capital budget assumed an additional excise tax levy of $1.00 per ton in FY 2005–06. It has since been determined that the additional $1.00 per ton tax will not be levied. A revised capital proposal was prepared folding in the new funding level and Council direction. The revised proposal shifted the construction schedule of three of the projects:

- Mt. Talbert development—construction has been extended one year with completion now anticipated in FY 2006–07.
- Cooper Mountain development—the project has been accelerated one year with design and engineering now scheduled to begin in FY 2005–06.

- Graham Oaks Nature Area development—project has been delayed one year. Restoration will begin in FY 2005–06 with design and engineering now anticipated for FY 2007–08.

Four other projects—the Blue Lake water play area, the Trolley Trail, Three Bridges on the Springwater, and the Gales Creek/Tualatin River confluence restoration project—have each been carried over one year.

In addition to timing changes, five projects reflect significant cost increases. Based on full engineering specifications, the M. James Gleason boat ramp renovation phases I and II has increased approximately $296,000 (about 18.0 percent). Grants from the Oregon State Marine Board are expected to pick up the majority of the cost increase. Also, the cost of the Gales Creek/Tualatin River confluence restoration project has increased 35 percent, or about $130,000. Because of an unexpected delay, the department missed the planting season necessary to restore the site to historical vegetation. As a result, the department must re-prepare the site (mowing, spraying, etc.) for planting. The grants will pay for only one cycle of site preparation. Consequently, the majority of the new costs, about $98,000, will be borne by excise tax. Finally, restoration projects on three of the four new park sites are now included in the overall project costs. Restoration costs include $175,000 for the Mt. Talbert park, $250,000 for Cooper Mountain park, and $415,000 for the Graham Oaks Nature Area park. The inclusion of restoration projects increases the total costs for all three projects by $840,000 (17.5 percent), from $4.78 million to $5.62 million. Restoration costs will be funded from the additional $1.50 per ton on solid waste excise tax levy.

Current Projects Status

Seven projects included in the current capital budget are expected to be completed in FY 2004–05. Four of the projects were completed by the end of December 2004—the Blue Lake lakefront enhancements, the Oxbow Park picnic shelters and restrooms, Glendoveer Golf Course fence repairs, and the Clackamas River Fish Channel restoration project. In addition, the majority of the Smith and Bybee Lakes facility improvements are complete leaving only installation of final landscaping to be done by spring 2005. Two other projects—road resurfacing at various park facilities and salmon habitat improvement at Smith and Bybee Lakes—will begin in the third quarter of FY 2004–05. A final project—a land donation from the Wetlands Conservancy—was added to the capital budget in May and will be completed in June.

Unfunded Projects

Six projects are included on the department's unfunded list. All projects on the list have been identified as important to the mission of the department but are of lower priority than those listed in the active capital budget. Unfunded projects include improvements to Blue Lake and Howell Territorial parks as well as the development of a nature center at Oxbow Park. Two projects were removed from the unfunded list. The Blue Lake Park eastside wetlands enhancements have been deemed infeasible. Also, the Council has given tentative approval for a second phase of open space land acquisition. This project is now an active capital project.

Project Funding

The department has prepared five-year projections for both the operating and capital funds.

The capital fund is used to track revenues and expenses related to major capital projects, and to manage renewal and replacement as required under the capital asset management policies. The projections reflect that all major capital projects are fully funded through the five-year planning window. Approximately 40 percent of capital funding is derived from a portion of the excise tax generated from an additional $1.50 per ton levy on solid waste implemented in the FY 2004–05 budget, or from previously existing excise tax levies dedicated to regional parks. The remaining 60 percent of the funding is from outside sources such as grants and donations, or dedicated reserves originally received from Multnomah County.

The operating fund accounts for revenues and expenses related to the operations of all regional parks and open spaces, as well as major restoration projects included in the capital budget that are not determined by accounting definition to be capital outlay. The department has folded into the forecast most, but not all, of the operational impacts of the proposed capital projects. The forecast includes operating costs for the two new park sites scheduled to open during the five-year planning window. It assumes, however, that costs associated with Mt. Talbert (approximately $120,000 annually, not including renewal and replacement) are funded through an intergovernmental agreement with a local park provider. The forecast also assumes the continuation of PERS related costs, including the PERS reserve, throughout the five years. It does not include approximately $23,000 in net new operating costs for projects such as M. James Gleason Boat Ramp renovations, the water play area at Blue Lake, and various restoration projects. It also does not include operations of the Blue Lake Golf Center estimated to begin in FY 2008–09. However, based on operating cost estimates included in the capital budget submittal, the project is expected to generate sufficient revenue to fully fund all related operations after the first year.

Previous operating and capital project projections assumed the levy of an additional $1.00 per ton on solid waste beginning in FY 2005–06. It has subsequently been determined that the additional tax will not be levied. Even with a scaled back new expenditure proposal, a reorganization to gain efficiencies in operations, and the assumption of outside operating funding for at least one of the two new park sites scheduled to be opened during the forecast period, the elimination of approximately $1.3 million annually in excise tax revenue has serious consequences for the department. Where previous projections reflected a sufficiency of funding for an extended period, new projections show a continued draw on ending reserves to maintain operations. Within a five-year period, unrestricted reserves are reduced from approximately $1.0 million down to approximately $261,000.

Operational Impact

The department has done a very good job of including operating costs for projects. Operating costs include a component for renewal and replacement where appropriate. All estimates appear to be reasonable in nature and scope.

The new Open Space Acquisition phase II project does not include an estimate for operating costs. It is likely that the department will begin incurring operating costs for landbanking types of activities within two to three years from the start of acquisition. However, this project is just in the early stages of discussion. As details of the request are determined it is expected that future operating costs will be estimated and reflected in the capital budget.

Cumulative Net Impact on Operating Costs

Regional Parks and Greenspaces					
Annual Net Impact on Operating Costs	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Revenues	$0	$9,000	$69,000	$69,000	$895,054
Personal Services	$0	$0	$125,671	$254,597	$260,002
Materials and Services	$0	$36,775	$64,461	$307,468	$834,522
Renewal and Replacement	$0	$7,000	$90,565	$148,393	$168,338
Total Expenditures	**$0**	**$43,775**	**$280,697**	**$710,458**	**$1,262,862**
Net Contribution (Cost) Regional Parks and Greenspaces	**$0**	**($34,775)**	**($211,697)**	**($641,458)**	**($367,808)**

Major Funding Source Detail

Regional Parks and Greenspaces						
Major Funding Source Category	Prior Years	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Donations	$932,856	$97,845	$0	$0	$0	$0
Excise Tax	$204,357	$1,120,830	$1,672,500	$985,000	$940,402	$1,185,000
Fund Balance - Capital Reserve	$68,160	$95,000	$500,000	$450,430	$0	$0
Fund Balance - Renewal and Replacement	$0	$0	$90,000	$0	$175,000	$0
G.O. Bonds - Local Share	$489,185	$20,000	$70,000	$0	$0	$0
G.O. Bonds - Open Spaces	$110,600,000	$0	$0	$25,000,000	$25,000,000	$25,000,000
Grants	$141,100	$508,310	$18,390	$500,000	$0	$0
Grants - MTIP	$0	$0	$5,053,508	$0	$0	$0
Grants - OR Fish & Wildlife	$40,000	$138,000	$0	$0	$0	$0
Grants - State Marine Board	$371,587	$60,000	$640,000	$0	$525,000	$0
Grants / Donations	$0	$64,000	$0	$0	$0	$0
Interest on Bond	$17,646,328	$1,206,000	$0	$0	$0	$0
Milwaukie	$0	$0	$28,000	$0	$0	$0
Multnomah County	$120,000	$0	$0	$0	$0	$0
NCPRD	$0	$0	$171,684	$0	$0	$0
Other	$0	$0	$1,000,000	$0	$0	$0
Other - Transfer	$0	$115,000	$0	$0	$0	$0
Other Gov Cont	$73,500	$0	$0	$0	$0	$0
Portland	$0	$0	$453,767	$0	$0	$0
Total - Regional Parks and Greenspaces	**$130,687,073**	**$3,424,985**	**$9,697,849**	**$26,935,430**	**$26,640,402**	**$26,185,000**

5-Year Financial Forecast
as of February 2005

Regional Parks Operating Fund	FY 2004-05		Requested	Projections			
	Adopted	Est. Actual	2005-06	2006-07	2007-08	2008-09	2009-10
Estimated Beginning Fund Balance	***$3,478,901***	***$3,478,901***	***$3,212,580***	***$3,070,183***	***$2,499,505***	***$2,004,503***	***$1,832,161***
Projected Operating Revenues	$9,102,497	$7,515,579	$7,690,868	$6,793,989	$7,052,798	$7,312,717	$7,436,163
Less Operating Expenditures	($9,853,451)	($7,781,900)	($7,833,265)	($7,364,667)	($7,547,800)	($7,485,059)	($7,737,157)
Ending Fund Balance Prior to CIP	$2,727,947	$3,212,580	$3,070,183	$2,499,505	$2,004,503	$1,832,161	$1,531,167
Proposed Capital Projects	$0	$0	$0	$0	$0	$0	$0
Ending Fund Balance After CIP	***$2,727,947***	***$3,212,580***	***$3,070,183***	***$2,499,505***	***$2,004,503***	***$1,832,161***	***$1,531,167***
Ending Fund Balance Breakdown							
Reserves	$1,993,660	$2,255,328	$2,205,328	$1,705,328	$1,269,898	$1,269,898	$1,269,898
Unrestricted Fund Balance	$734,287	$957,252	$864,855	$794,177	$734,605	$562,263	$261,269

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

5-Year Financial Forecast
as of February 2005

Regional Parks Capital Fund	FY 2004-05		Requested	Projections			
	Adopted	Est. Actual	2005-06	2006-07	2007-08	2008-09	2009-10
Estimated Beginning Fund Balance	***$0***	***$0***	***$823,322***	***$813,972***	***$366,288***	***$417,562***	***$391,664***
Projected Operating Revenues	$2,472,562	$2,472,562	$1,598,150	$9,587,775	$2,342,704	$1,795,504	$1,376,252
Less Operating Expenditures	($678,500)	($620,000)	($500,000)	($546,000)	($486,000)	($451,000)	($506,000)
Ending Fund Balance Prior to CIP	$1,794,062	$1,852,562	$1,921,472	$9,855,747	$2,222,992	$1,762,066	$1,261,916
Proposed Capital Projects	($1,029,240)	($1,029,240)	($1,107,500)	($9,489,459)	($1,805,430)	($1,370,402)	($1,035,000)
Ending Fund Balance After CIP	***$764,822***	***$823,322***	***$813,972***	***$366,288***	***$417,562***	***$391,664***	***$226,916***
Ending Fund Balance Breakdown							
Reserves	$764,822	$823,322	$813,972	$366,288	$417,562	$391,664	$226,916
Unrestricted Fund Balance	$0	$0	$0	$0	$0	$0	$0

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

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Solid Waste and Recycling Department

Total Projects Summary - By Year

Solid Waste and Recycling

Project No.	Priority		Prior Years	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	Total
		Solid Waste General Account							
76947	1	Metro C/S - Modifications to Haz Waste Facility	$197,000	$150,000	$0	$0	$0	$0	$347,000
76928	2	Metro South- Latex Building/Public Area Lunch Room Con	$5,000	$55,000	$0	$0	$0	$0	$60,000
76954	3	Metro Central - Woodroom Improvements	$30,000	$216,000	$0	$0	$0	$0	$246,000
TEMP207	4	Metro South - Wood Staging Structure	$0	$60,000	$420,000	$0	$0	$0	$480,000
76929	5	Metro South - Install High Capacity Baler	$0	$255,000	$375,000	$0	$0	$0	$630,000
76955	6	Metro Central - Office Addition	$0	$0	$19,000	$106,000	$0	$0	$125,000
76963	7	Metro Central - Seismic Cleanup	$0	$0	$25,000	$175,000	$0	$0	$200,000
TEMP78	8	Metro Central - Chimney Removal	$0	$0	$165,000	$10,000	$0	$0	$175,000
76931	9	Metro South - Wood Processing Capacity	$0	$0	$60,000	$595,000	$150,000	$0	$805,000
TEMP173	10	Metro Central - Install New Scale at Scalehouse "C"	$0	$0	$25,000	$100,000	$0	$0	$125,000
TEMP103	11	Metro South- Installation of Compactor for Public Unloadin	$0	$0	$0	$200,000	$680,000	$0	$880,000
TEMP80	12	Metro Central - Rainwater Harvesting	$0	$0	$0	$0	$0	$310,000	$310,000
TEMP175	13	Future Master Facility Plan Improvements	$0	$0	$0	$0	$0	$690,000	$690,000
		Total - Solid Waste General Account	**$232,000**	**$736,000**	**$1,089,000**	**$1,186,000**	**$830,000**	**$1,000,000**	**$5,073,000**
		Solid Waste Landfill Closure							
76987	1	St. John's - Leachate Pretreatment	$342,290	$50,000	$0	$0	$0	$0	$392,290
76984	2	St. John's - Groundwater Monitoring Wells	$0	$200,000	$10,800	$0	$0	$0	$210,800
76986	3	St John's - Perimeter Dike Stabilization and Seepage Con	$3,309	$60,000	$211,000	$442,000	$6,000	$6,000	$728,309
76982	4	St. John's - Re-establish Proper Drainage	$576,339	$5,000	$5,000	$5,000	$252,000	$5,000	$848,339
TEMP101	5	St. John's - Landfill Bridge Repairs	$0	$30,000	$120,000	$0	$0	$0	$150,000
TEMP158	6	St. John's - Landfill Remediation	$0	$0	$0	$500,000	$500,000	$500,000	$1,500,000
76985	7	St. John's - Native Vegetation on the Cover Cap	$110,942	$15,000	$10,000	$15,000	$10,000	$0	$160,942
		Total - Solid Waste Landfill Closure	**$1,032,880**	**$360,000**	**$356,800**	**$962,000**	**$768,000**	**$511,000**	**$3,990,680**
		SW Renewal & Replacement Account							
76961	1	Metro Central - Rebuild Compactor No. 2	$40,000	$360,000	$0	$0	$0	$0	$400,000
76962	2	Metro Central - Replace Compactor #2 Feed Conveyor	$25,000	$360,000	$0	$0	$0	$0	$385,000
76945	3	Metro Central - Replace Compactor #3 Feed Conveyor	$25,000	$359,000	$0	$0	$0	$0	$384,000
76944	4	Metro Central - Woodline	$0	$400,000	$472,000	$0	$0	$0	$872,000
76930	5	Metro South - Install Sidewalk on Washington Street	$0	$250,000	$0	$0	$0	$0	$250,000
TEMP153	6	Metro South - Compactor Replacement	$0	$0	$150,000	$750,000	$750,000	$0	$1,650,000
TEMP178	7	Metro South - Repair Commercial Tip Floor	$0	$0	$0	$197,900	$0	$0	$197,900
TEMP155	8	Metro Central-HHW- Ventilation System Replacement	$0	$0	$0	$0	$100,000	$0	$100,000
TEMP157	9	Metro South-Replace Dust Suppression System Compon	$0	$0	$0	$0	$50,000	$0	$50,000
TEMP156	10	Metro South- Replace Ventilation System Components	$0	$0	$0	$0	$100,000	$0	$100,000
TEMP152	11	Metro Central - Truckwash	$0	$0	$0	$0	$30,000	$150,000	$180,000
TEMP208	12	Metro Central - Compactor Replacement	$0	$0	$0	$0	$150,000	$750,000	$900,000
		Total - SW Renewal & Replacement Account	**$90,000**	**$1,729,000**	**$622,000**	**$947,900**	**$1,180,000**	**$900,000**	**$5,468,900**
		Total - Solid Waste and Recycling	**$1,354,880**	**$2,825,000**	**$2,067,800**	**$3,095,900**	**$2,778,000**	**$2,411,000**	**$14,532,580**

Total FY 2005-2006 through FY 2009-2010	$13,177,700
Total # of Projects	32

Solid Waste and Recycling Department

The Solid Waste and Recycling Department (SW&R) is responsible for regional solid waste management. The primary goals of the department are:

- Reduce the toxicity and amount of solid waste generated and disposed.
- Develop an efficient, economical, and environmentally sound solid waste disposal system.

In carrying out these responsibilities, the department operates Metro's two transfer stations and two hazardous waste facilities, maintains two closed landfills, arranges for disposal at landfills and other facilities, develops and administers a solid waste management plan for the region as part of Metro's planning responsibilities, and promotes waste reduction and recycling activities.

The projects included in the plan are shown in the summary table on the preceding page. These projects are grouped into the three restricted accounts available within the Solid Waste Revenue Fund to finance capital projects: General Account Capital Reserve, Renewal and Replacement Account, and St. Johns Landfill Closure Account.

Overview of Projects

General Account

The projects to be financed through the General Account Capital Reserve are typically new capital assets designed to increase the efficiency and effectiveness of Metro's two transfer stations: Metro Central and Metro South. The majority of these projects have been outlined in detail in a Master Facility Plan for the transfer stations, originally completed in April 1998, and updated early in fiscal year 2001–02. The Master Facility Plan and this capital budget are based on the following goals:

- Improve waste recovery and recycling.
- Reduce traffic congestion and improve site safety.
- Maximize station efficiencies.
- Improve facilities for Metro and station operator personnel.

One new project has been added to this Solid Waste Account—a proposed Wood Staging Structure for Metro South. This is the first of several projects to improve wood processing at Metro South, providing a covered area for wood processing.

- *General Account Major Changes from Prior Fiscal Year's Capital Budget*

The timing of many projects has been adjusted in this capital budget. Four projects have been moved out one year:

- Metro South—Latex Bldg/Public Area—FY 04–05 to FY 05–06.
- Metro Central—Office Addition—FY 05–06 to FY 06–07.
- Metro Central—Woodroom Improvements—FY 04–05 to FY 05–06.
- Metro Central—Chimney Removal—FY 06–07 to FY 07–09.
- Metro South—Install Compactor for Public—FY 07–08 to FY 08–09.

Two projects have been moved out two years:

- Metro Central—Seismic Cleanup—FY 05–06 to FY 07–08.
- Metro South—Wood Processing Facility—FY 05–06 to FY 07–08.

These timing changes are the result of staging projects differently and current year project delays pushing projects out to later dates. The relocation of the Metro South Latex Paint Facility will be complete in FY 2004–05, but much later than anticipated, causing most of the delays in other projects. The cost of this move came in higher than anticipated due to City of Portland requirements, as well as some changes to the original bid. The installation of a high capacity baler at Metro South timing has remained substantially the same, but the project cost has reduced $145,000.

Landfill Closure

The St. Johns Landfill Account is restricted to financing capital projects needed to close the St. Johns Landfill. The projects in the capital budget represent a series of improvements that are needed to minimize erosion damage, provide wastewater pretreatment, repair the cover systems, and provide adequate facilities for staff.

There are no new projects in the Landfill Closure capital budget. The cost of the Leachate Pretreatment was reduced from $525,000 to $392,000.

Three projects have changes to their scheduling:

- Ground Water Monitoring Wells—FY 04–05 to FY 05–06.
- Perimeter Dike Stabilization—FY 05–06 to FY 06–07.
- St Johns Landfill Remediation—FY 06–07 to FY 07–08.

The delays in this account are due to uncertain needs. The preliminary closure permit from DEQ has been received, but later than expected, pushing some projects out. Metro and DEQ have signed a consent order in compliance with Oregon environmental cleanup rules for the St Johns Landfill. This consent order requires that Metro implement a Remedial Investigation (RI) and Feasibility Study (FS). The RI and FS, which will be completed over the next several years, are the first step in the ten-year closure of the St. Johns Landfill.

Renewal and Replacement Account

The projects financed through the Renewal and Replacement Account are replacements of equipment and rehabilitation of facilities needed to realize the optimal lifespan of capital components. Under bond covenants, Metro is required to maintain adequate reserves to finance capital asset replacements. Every three years, the department contracts with an engineering firm to assess the condition of equipment and facilities and calculate annual contribution amounts to the Renewal and Replacement Account. The latest study was completed December 2001, and this capital budget reflects the findings of that study. A new plan will be completed by Spring 2005. The bonds are paid off in FY 2009–10. Prior to the pay-off of the bonds that require this account, the department will re-evaluate its renewal and replacement policies and procedures.

- *Renewal and Replacement Major Changes from Prior Fiscal Year's Capital Budget*

One new project, the need for compactor replacements at Metro Central, has been added. The two compactors at Metro Central were installed in late 2000 and early 2001. Staff estimates that they will be at the end of their useful life in 2010 and 2011. The conversion of the mechanical room at Metro South to lockers was completed in FY 2004–05.

Two projects have been delayed from the prior year capital budget submission:

- Metro South—Install Sidewalk on Washington Street—FY 05–06.
- Metro Central—New Scale at Scalehouse C—FY 06–07 to FY 07–08 (This project's expected cost was also reduced $150,000).
- Metro Central—Rain Water Harvesting—FY 06–07 to FY 09–10.

The project identified as "Future Renewal and Replacement Needs" was eliminated.

Project Funding

The financing for Solid Waste projects is derived from a combination of tip fee contributions and capital reserves. Current projects show that a combination of fund balance and rate support is available to finance all the department's capital projects.

Operational Impact

The capital budget submission does not include a complete discussion or display of potential operating impact of the proposed projects. The Solid Waste and Recycling Department consistently completes feasibility studies prior to design and construction of any project. Operating impact analysis will be more formally included in their future Capital Budget submissions. The department provided some operational information (displayed in the following table).

Operating Cost Information on Solid Waste CIP Projects

		Operating Labor	Operating Supplies /Utilities	Maintenance	R&R	Other
Solid Waste General Account						
76947	MC/S Modifiy HHW Facility	No Change		No change	$2,000	Reduce Repetetive Stress Injuries
76928	Metro Central Woodroom Imp.	No Change		No change	No Change	Could help increase materil recovery by 1%
Temp 207	MS Wood Staging Structure	No Change		Insignificant	$4,000	Will contribute to site safey and increased material recovery.
76931	Metro South Wood Processing	*No Increase to Metro, cost to contractor is offset by increased revenue and will vary depending on contractor operating plans.*	*$30,000 increase in electric cost to station operator, no added cost to Metro*	*$25,000 average annual maintenance cost to station operator, no cost increase to Metro*	$8,000	Note that O&M costs will be borne by Metro's Transfer Station Operator and will be paid for with avoided cost payments for material recovery. Will result in an immediate increase in revenue to our operator of $6,000 per month soley from increased market value ground wood and transport cost savings at current recovery levels. A 5% - 10% increase in recovery of wood and yard debris is also anticipated.
76929	*Metro South High Capacity Baler*	*No Increase to Metro.*	*$5,000 added electrical cost to station operator, no added cost to Metro.*	*$5,000 per year estimated added maintenance cost to operator. No added cost to Metro.*	*$6,000*	*Metro's transfer station operator will realize an increase in revenue of from $20-$25,000 for material currently recovered(OCC) and will be able to add to the number of materials recovered.*
76955	*Metro Central Office Addn*	*None*	*Negligable*	*None*	*$1,000*	
Temp 103	*Metro South- Install Compactor for Public Unloading Area*	*No increase to Metro*	*$15,000 per year electrical cost increase to transfer station operator.*	*$15,000 per year in added maintenance.*	*$40,000*	*The transfer station operator will offset cost increases with operating cost savings from elimination of transporting waste to the main transfe building. Estimated savings for eliminating this are betwee $1.00 and $1.25 per ton or $50-75,000 per year.*
Temp 80	*Metro Central - Rainwater Harvesting*	*None*	*Reduce Water Cost by $1,000 per month*	*None*	*None*	
Solid Waste Landfill Closure						
76984	*Groundwater Monitoring Wells*	*None*	*None*	*None*	*None*	*Increase in Lab Costs of from $0 to $30,000 per year depending on outcome of RIFS. This project is a result of added data required by DEQ as part of the RIFS.*
76986	*Perimeter Dike Stabilization and Seepage Containment*	*None*	*None*	*None*	*None*	*Regulatory Requirement*
76982	*Re-establish Proper Drainage*	*None*	*None*	*None*	*None*	*Regulatory Requirement*

Cumulative Net Impact on Operating Costs

Solid Waste and Recycling

Annual Net Impact on Operating Costs	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Personal Services	$10,000	$10,000	$10,000	$10,000	$10,000
Materials and Services	$80,000	$80,000	$80,000	$80,000	$80,000
Capital Outlay	$10,000	$10,000	$10,000	$10,000	$10,000
Renewal and Replacement	$0	$0	$2,000	$2,000	$2,000
Total Expenditures	**$100,000**	**$100,000**	**$102,000**	**$102,000**	**$102,000**
Net Contribution (Cost) Solid Waste and Recycling	**($100,000)**	**($100,000)**	**($102,000)**	**($102,000)**	**($102,000)**

Major Funding Source Detail

Solid Waste and Recycling

Major Funding Source Category	Prior Years	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Fund Balance - Capital Reserve	$232,000	$736,000	$1,089,000	$1,186,000	$830,000	$1,000,000
Fund Balance - Landfill Closure	$1,002,880	$360,000	$356,800	$962,000	$868,000	$511,000
Fund Balance - Renewal and Replacement	$90,000	$1,729,000	$622,000	$947,900	$1,080,000	$900,000
Grants	$30,000	$0	$0	$0	$0	$0
Total - Solid Waste and Recycling	**$1,354,880**	**$2,825,000**	**$2,067,800**	**$3,095,900**	**$2,778,000**	**$2,411,000**

Five-Year Financial Forecast
as of February 2005

Solid Waste Revenue Fund	2004-05		Projections				
	Adopted	Est. Actuals	2005-06	2006-07	2007-08	2008-09	2009-10
Estimated Beginning Fund Balance	***$30,014,392***	***$32,716,644***	***$31,927,307***	***$29,588,134***	***$29,276,334***	***$29,789,827***	***$26,918,344***
Projected Operating Revenues	$49,789,566	$50,718,313	$53,497,038	$56,121,461	$59,265,937	$58,982,537	$61,270,929
Less Operating Expenditures	(49,646,530)	(48,818,651)	($53,194,211)	($54,298,461)	($55,656,544)	($59,076,020)	($61,241,577)
Ending Fund Balance Prior to CIP	$30,157,428	$34,616,306	$32,230,134	$31,411,134	$32,885,727	$29,696,344	$26,947,696
Proposed Capital Projects	($2,014,000)	($2,689,000)	($2,642,000)	($2,134,800)	($3,095,900)	($2,778,000)	($2,411,000)
Ending Fund Balance after CIP	***$28,143,428***	***$31,927,306***	***$29,588,134***	***$29,276,334***	***$29,789,827***	***$26,918,344***	***$24,536,696***
Ending Fund Balance Breakdown							
Debt Service Reserve	$3,556,946	$3,615,918	$3,615,918	$3,615,918	$4,654,368	$2,349,000	$0
Renewal & Replacement Reserve	$4,516,881	5,298,717	4,407,887	4,422,536	4,177,388	3,692,731	3,474,664
Capital Reserve	$2,871,280	2,569,362	1,833,362	1,200,000	1,200,000	1,200,000	1,200,000
Rate Stabilization	$2,503,234	6,542,346	6,130,501	6,130,501	6,130,501	6,130,501	6,130,501
Working Capital	$8,169,771	6,558,687	6,970,533	7,402,748	7,856,573	8,333,090	8,833,433
Reserves (Metro Central)	$0	0	0	0	0	0	0
Business Assistance Account	$0	700,000	450,000	450,000	450,000	450,000	450,000
Landfill Closure	$6,525,316	6,642,276	6,179,933	6,054,631	5,320,997	4,763,022	4,448,098
Remaining Fund Balance	$0	$0	$0	($0)	($0)	$0	$0

NOTE: This forecast is used for determining funding capacity of requested capital improvement projects only.

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Unfunded Projects

Projects included on these lists are those projects which were deemed worthy of future consideration but were not included in the Five-Year Capital Budget for one of the following reasons: (1) sufficient funds are not available to finance the project, (2) scope of the project requires further definition, or (3) alternatives need to be explored. As funds become available or projects are refined, departments may request their inclusion.

Key To Unfunded Lists

Project Title—Name given to project by the department.

Type—Indicates whether project is a "New" capital asset, or an "Expansion" or "Replacement" of an existing asset.

Prepared By—Department staff person preparing report.

Department Priority—Indicates whether the project is a "High," "Medium," or "Low" priority relative to other projects.

Estimated Project Cost—Preliminary estimate of capital costs for the project expressed in 2004 dollars. A blank field here means the cost is unknown.

List of Unfunded Projects

Department

Project Title	Type	Prepared By	Dept Priority	Estimated Cost
Finance				
Zoo Network Infrastructure Upgrade	Expansion	David Biedermann	High	$233,000
Zoo Network Equipment Replacement	New	David Biedermann	High	$120,000
Connect PeopleSoft Accounts Payable and TRIM	New	David Biedermann	Medium	$100,000
Webcasting of Public Meetings (primarily Metro Council)	New	David Biedermann	Medium	$100,000
Eagle Salmon Infrastructure	New	David Biedermann	Medium	$116,000
Zoo food cart network integration for central cash management	New	David Biedermann	Medium	$100,000
Signs on Metro Regional Center	New	Brian Phillips	Medium	$65,000
Develop Enterprise Business Applications Software	Expansion	David Biederman	Low	$434,333
Air Rights (Housing) Project over Metro Parking Garage (no cost to Metro)	New	Brian Phillips	Low	$25,000,000
Zoo Point of Sales System	Expansion	David Biedermann	Low	$200,000
Replace main computer room specialized HVAC systems	Replacement	David Biedermann	Low	$25,000
Department Total				**$26,493,333**
Metro Exposition-Recreation Commission				
OCC-Install Electronic Locking System in Meeting & Ballrooms	New	Pam Krecklow	High	$300,000
ASCH - Main Street Project Construction	New	Cynthia Hill	High	$425,000
OCC-Air Wall Upgrade in Hall's A,B & C	Replacement	Cynthia Hill	High	$200,000
Expo - South Property Development	New	Marilyn Shaw	High	$1,934,127
Keller - Ceiling and Wall Painting	Replacement	Pam Krecklow	High	$300,000
Keller Auditorium - Rehearsal Hall Modernization	Replacement	Pam Krecklow	High	$700,000
OCC-Chiller Room Ventilation	New	Pam Krecklow	High	$90,000
OCC-Volume Air Handler Upgrade	Replacement	Pam Krecklow	High	$80,000
OCC - Construction of Headquarter Hotel Connection	New	Cynthia Hill	High	$900,000
OCC - Rework Oregon Ballroom Capabilities	Replacement	Cynthia Hill	High	$1,500,000
OCC-Finish Meeting Rooms	Replacement	Pam Krecklow	High	$250,000
OCC - Cover the Plaza on MILK and Holladay	New	Cynthia Hill	High	$5,000,000
OCC-Ops Office/Meeting Space	Replacement	Cynthia Hill	High	$1,000,000
Expo-Replacement of Hall's A,B & C	New	Pam Krecklow	High	$38,082,629
ASCH - Electro-Acoustical Sound Enhancements	New	Marilyn Shaw	Medium	$1,000,000
Department Total				**$51,761,756**

List of Unfunded Projects, continued

Department

Project Title	Type	Prepared By	Dept Priority	Estimated Cost
Oregon Zoo				
Asphalt Roads Path Repair and Replacement	Replacement	Sarah Chisholm	High	$200,000
Asia Exhibit	New	Sarah Chisholm	High	$45,000,000
Elephant Walls/Structural Upgrades	Replacement	Sarah Chisholm	Low	$100,000
BearWalk Café Restroom Upgrades	Replacement	Sarah Chisholm	Medium	$50,000
Insect Zoo	Replacement	Sarah Chisholm	Medium	$125,000
Wolf Yard Renovations	Replacement	Sarah Chisholm	Low	$75,000
Masai Hut and Pygmy Goat Barn	Replacement	Sarah Chisholm	Low	$70,000
AfriCafe Terrace Permanent Cover	New	Sarah Chisholm	Low	$100,000
Elephant Museum renovation	New	Sarah Chisholm	Low	$100,000
Musk Ox Fencing	Replacement	Sarah Chisholm	Low	$83,500
Cascade Grill and Sunset Room Remodel	New	Sarah Chisholm	Low	$100,000
Department Total				**$46,003,500**
Regional Parks and Greenspaces				
Blue Lake Park Improvements Phase 1	New	Heather Nelson Kent	High	$8,900,000
Blue Lake Park Improvements Phase 2	New	Heather Nelson Kent	Medium	$3,000,000
Oxbow Park - Diack Environmental Education Center	New	Heather Nelson Kent	Medium	$1,767,645
Howell Territorial Park - Phase I and II Improvements	Expansion	Heather Nelson Kent	Low	$1,075,000
Howell Territorial Park - Wildlife Interpretive Trail	New	Heather Nelson Kent	Low	$172,000
Oxbow Park Capital Improvements	Expansion	Heather Nelson Kent	Low	$3,400,000
Department Total				**$18,314,645**
Grand Total Unfunded Projects				**$142,573,234**

Current Projects Status Reports

The *Current Projects Status Report* is used to report on the progress toward completion of existing projects and to assist with preparing the Capital Budget. Included are previously approved projects that were expected to be completed by the end of FY 2004–05. Status reports are grouped by department.

Key to Status Reports

Project Title. Title by which the project was referenced in the last budget.

FY First Authorized. The fiscal year in which funds were first appropriated for the project.

Project Status. The status of the project is identified by the following: *Completed, Incomplete, Canceled*.

Completion Date. The actual completion date for projects designated as *Completed*, or the expected completion date for projects designated as *Incomplete*. The date listed for canceled projects is the original date projected for completion.

Original Cost Estimate. Estimate of total project costs when the project was first authorized.

Revised Cost Estimate. The most recent estimate of total project costs. If blank, unchanged.

Expenditures. The total funds expended for the project as of June 30, 2004.

Current Projects Status Report

Department

Project ID	Project Title	FY First Authorized	Project Status	Completion Date	Original Cost Estimate	Revised Cost Estimate	Actual Expend.
Metro Exposition-Recreation Commission							
TEMP136	Keller - Pit Lifting System	2002-03	Canceled	06/30/2005	100,000		-
57151	NTB - Restaurant & Lobby Bar	2004-05	Incomplete	07/30/2004	85,000	215,000	-
TEMP201	NTB - Restaurant Kitchen	2003-04	Canceled	11/30/2004	80,000		-
TEMP45	NTB - Sound System Replacement (Newmark and Winningstad)	2001-02	Canceled	06/30/2005	75,000	35,000	-
TEMP74	NTB - Roof Repair	2002-03	Canceled	09/15/2004	80,000	10,000	-
57600	Oregon Convention Center - Expansion	1999-00	Complete	06/01/2005	115,000,000	-	-
57740	OCC - Video Signage System	2004-05	Complete	08/30/2004	266,750		-
57750	OCC - Canvas Tents	2004-05	Incomplete	06/30/2005	60,000		-
57760	OCC - Replace Sound Proofing in Oregon Ballroom	2004-05	Incomplete	Ongoing	55,000		-
Temp183	Expo - In-House Electrical	2004-05	Canceled	06/30/2005	750,000		-
Oregon Zoo							
51110	Great Northwest Project	1998-99	Incomplete	03/31/2005	35,600,000	37,657,987	35,254,615
TEMP188	Washington Park Parking Lot Renovation	NA	Incomplete	06/30/2005	5,000,000		4,201,295
ZAR16	Refurbish Tree Tops Area	1998-99	Incomplete	06/30/2005	400,000	100,000	-
Regional Parks and Greenspaces							
70167	Blue Lake Park - Lakefront Enhancement	2003-04	Complete	08/31/2004	348,311		-
70180	Oxbow Park - Picnic Shelters & Restrooms	2002-03	Complete	07/31/2004	410,000		-
70344	Clackamas River Fish Channel	2004-05	Complete	06/30/2005	1,200,000		-
70832	Glendoveer Golf Course Fence Repair	2004-05	Complete	12/31/2004	90,000		-
70833	Road Resurfacing	2004-05	Complete	06/30/2005	255,000		-
71780	Smith & Bybee Lakes Facility Improvements	2000-01	Complete	03/31/2005	355,800	815,250	-
71845	Smith & Bybee Wetlands Land Donation	2004-05	Complete	06/30/2005	320,000		-
Solid Waste and Recycling							
76924	Metro South - Northern Tip Floor Renovation	1998/99	Complete	08/01/2004	875,000	1,064,600	-

METRO

PEOPLE PLACES
OPEN SPACES

Five-Year Capital Budget Supporting Information

Capital Asset Management Policies

During the Council's FY 2000–01 budget review process, concern was raised about the lack of comprehensive agency asset management policies. In response to this concern, the Presiding Officer established a Systems Performance Task Force to review the differing departmental approaches to capital asset management and make recommendations to the Council. The major finding of the task force was a need to have capital management polices for three principal reasons:

- to provide a general framework for capital asset management
- to provide minimum standards and requirements related to capital asset management for all Metro departments
- to have established written policies against which the Council can review the capital asset management programs of individual departments; these policies also require additional fiscal information be included in the capital improvement plan and the budget that will give the Council a clearer picture of the total capital needs of the agency

On October 18, 2001 via Resolution No. 01-3113, Council approved the Metro Capital Asset Management Policies as follows. During FY 2002–03, operating procedures are being developed by a joint effort of Agency finance and facility staff to ensure consistent application of these policies.

Capital Asset Management Policies

The following policies establish the framework for Metro's overall capital asset planning and management. They provide guidance for current practices and a framework for evaluation of proposals for future projects. These policies also seek to improve Metro's financial stability by providing a consistent approach to fiscal strategy. Adopted financial policies show the credit rating industry and prospective investors (bond buyers) the agency's commitment to sound financial management and fiscal integrity. Adherence to adopted policies ensures the integrity and clarity of the financial planning process and can lead to improvement in bond ratings and lower cost of capital.

1. Metro shall operate and maintain its physical assets in a manner that protects the public investment and ensures achievement of their maximum useful life.

   Ensuring the maximum useful life for public assets is a primary agency responsibility. Establishing clear policies and procedures for monitoring, maintaining, repairing and replacing essential components of facilities is central to good management practices. It is expected that each Metro department will have written policies and procedures that address:

   - *Multi-year planning for renewal and replacement of facilities and their major components;*
   - *Annual maintenance plans.*

2. Metro shall establish a Renewal and Replacement Reserve account for each operating fund responsible for major capital assets.

   Ensuring that the public receives the maximum benefit for their investments in major facilities and equipment requires an ongoing financial commitment. A Renewal and Replacement Reserve should initially be established based on the value of the asset and consideration of known best asset management practices. Periodic condition assessments should identify both upcoming renewal and replacement projects and the need to adjust reserves to support future projects. If resources are not sufficient to fully fund the Reserve without program impacts, the Council will be consider alternatives during the annual budget process. Establishing and funding the Reserve demonstrates Metro's ongoing capacity and commitment to these public investments.

3. Metro shall prepare, adopt and update at least annually a five-year Capital Improvement Plan (CIP). The Plan will identify and set priorities for all major capital assets to be acquired or constructed by Metro. The first year of the adopted CIP shall be included in the Proposed Budget.

The primary method for Metro departments to fulfill the need for multi-year planning is the Capital Improvement Planning process. The CIP allows a comprehensive look at Metro's capital needs for both new facilities and renewal and replacement of existing ones, and allows the Council to make the necessary decisions to ensure financial resources match forecasted needs.

4. Capital improvement projects are defined as facility or equipment purchases or construction which results in a capitalized asset costing more than $50,000 and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of $50,000 or more that have a useful life of at least five years.

   A clear threshold ensures that the major needs are identified and incorporated in financial plans.

5. An assessment of each Metro facility will be conducted at least every five years. The report shall identify repairs needed in the coming five years to ensure the maximum useful life of the asset. This information shall be the basis for capital improvement planning for existing facilities and in determining the adequacy of the existing Renewal and Replacement Reserves.

   A foundation step for capital planning is an understanding of the current conditions of Metro facilities. It is expected that Metro departments have a clear, documented process for assessing facility condition at least every five years. The assessment processes may range from formal, contracted engineering studies to in-house methods such as peer reviews. The assessment should identify renewal and replacement projects that should be done within the following five years. The Renewal and Replacement Reserve account should be evaluated and adjusted to reflect the greater of the average renewal and replacement project needs over the coming five years or 2% of the current facility replacement value.

6. The Capital Improvement Plan will identify adequate funding to support repair and replacement of deteriorating capital assets and avoid a significant unfunded liability from deferred maintenance.

   Using the information provided by facility assessments, Metro departments should use the CIP process to identify the resources necessary to keep facilities in an adequate state of repair. In situations where financial resources force choices between programs and facility repair, the annual budget process should highlight these policy choices for Council action.

7. A five-year forecast of revenues and expenditures will be prepared in conjunction with the capital budgeting process. The forecast will include a discussion of major trends affecting agency operations, incorporate the operating and capital impact of new projects, and determine available capacity to fully fund the Renewal and Replacement Reserve.

   Incorporation of capital needs into Agency five-year forecasts ensures that problem areas are identified early enough that action can be taken to ensure both the maintenance of Metro facilities and integrity of Metro services.

8. To the extent possible, improvement projects and major equipment purchases will be funded on a pay-as-you-go basis from existing or foreseeable revenue sources. Fund Balances above established reserve requirements may be used for one-time expenditures such as capital equipment or financing of capital improvements.

   Preparing a CIP and incorporating it into five-year forecasts enables Metro to plan needed capital spending within foreseeable revenues. This minimizes the more costly use of debt for capital financing and ensures renewal and replacement of facility components takes place without undue financial hardship to operations.

9. Debt (including capital leases) may only be used to finance capital, including land acquisition, not ongoing operations. Projects that are financed through debt must have a useful service life at least equal to the debt repayment period.

   Because interest costs impact taxpayers and customers, debt financing should be utilized only for the creation or full replacement of major capital assets.

10. When choosing funding sources for capital items, every effort should be made to fund enterprise projects either with revenue bonds or self-liquidating general obligation bonds. For the purpose of funding non-enterprise projects other legally permissible funding sources, such as systems development charges should be considered.

11. Acquisition or construction of new facilities shall be done in accordance with Council adopted facility and/or master plans. Prior to approving the acquisition or construction of a new asset, Council shall be presented with an estimate of the full cost to operate and maintain the facility through its useful life and the plan for meeting these costs. At the time of approval, Council will determine and establish the Renewal and Replacement Reserve policy for the asset to ensure resources are adequate to meet future major maintenance needs.

    New Metro facilities should be planned within the overall business and service objectives of the agency. To ensure that the public gains the maximum utility from the new facility or capital asset, Metro should identify the full cost of building and operating the facility throughout its useful life. Resources generated from its operation or other sources should be identified to meet these needs.

Note: Beginning with fiscal year 2005–06, the Capital Improvement Plan (CIP) is referred to as the Five-Year Capital Budget.

Executive Order No. 82 and Project Manual

EXECUTIVE ORDER No. 82

EFFECTIVE DATE:
November 12, 2002

SUBJECT:
PROJECT MANAGEMENT

PURPOSE

Metro has an excellent record of completing major capital projects on time, within budget, and meeting or exceeding the public's expectations. This Executive Order is intended to build on that record of success.

The Project Management Executive Order describes the high-level requirements for planning, communicating, managing, and evaluating capital projects. It does not describe the operational-level requirements for successfully completing a project.

The Order's requirements are generic and will need to be the separately published Project Management Manual. The Manual is dynamic and should be revised and clarified based on experience.

SCOPE

The Order and the Manual establish mandatory requirements for capital projects as defined by the Metro Capital Improvement Plan Manual[1]:

> "A capital project is any physical asset acquired, constructed or financed by Metro with a total capital cost of $50,000 or more and a useful life of at least 5 years."

From time to time, the Chief Operating Officer or Department Director may require that the Manual's methodology be used for selected complex or high-interest non-capital projects. The Manual should be considered a useful source of information for anyone involved in a major project.

PROJECT CATEGORIES

For planning and management purposes, capital projects are classified according to their significance.

1. Major projects. Major projects have high visibility, significant risks, or have a total cost of $1 million and greater.
2. Minor Projects. Minor projects are all other capital projects. Sometimes a group of *related* minor projects have an aggregate cost exceeding $1 million and should be managed together as major project.
3. Non-capital Projects. As the Project Management Manual is refined through experience, the Chief Operating Officer may require the Manual's planning methodology be used for selected non-capital projects.

PLANNING REQUIREMENTS

1. Strategic Analysis

A Strategic Analysis is required for *all* capital projects.

The department proposing a capital project shall submit a Strategic Analysis to the Financial Planning Division when it submits its initial request to include a project in Metro's Capital Improvement Plan (CIP)[2]. A Strategic Analysis contains the elements described in the Capital Project Management Manual.

The Council approves the project for planning purposes when it adopts the CIP. The approval allows the department to request expenditure authority, usually through the annual budget process, for planning, analysis, and preliminary engineering.

2. Conceptual Project Management Plan

A Conceptual Project Management Plan is required for *major* capital projects. It should be submitted via the Chief Financial Officer and

[1] *Metro Capital Improvement Plan Manual* (July, 2002). If the definition of a capital project is changed in subsequent versions of the Capital Improvement Plan Manual, the new definition will govern the applicability of these capital project management requirements.

[2] Refer to the current version of the annual *Metro Capital Improvement Plan Manual* for instructions on the CIP* process.

Metro Attorney to the Chief Operating Officer for approval according to the schedule in the Strategic Analysis. The larger and more complex the project, the earlier it should be submitted. In any case it must precede substantial commitments to the capital phases of the project. For example, the Plan should be approved before soliciting a construction contract, acquiring real property, or issuing debt financing. In no case should it be submitted later than the department's first annual budget request for the capital phase of the project.

A Conceptual Project Management Plan builds on the Strategic Analysis. It contains all of the major elements of an Implementation Workplan but with less detail. The usual elements are described in the Capital Project Management Manual.

3. Implementation Workplan

An Implementation Workplan is required for *all* capital projects. For major projects, it should be submitted with the department's first annual budget request for the capital phases of the project. For minor projects the Workplan should be submitted and approved by the department director one to six months before beginning construction. The larger or more complex the project, the earlier the Implementation Workplan should be submitted. The complexity and detail in the Workplan should be commensurate with the cost, complexity, and risk of the project.

An Implementation Workplan builds on the Strategic Analysis and the Conceptual Project Management Plan, if one was required. The usual elements are described in the Capital Project Management Manual.

TRAINING AND EVALUATION

Project management is a trainable skill that uses well-accepted and tested techniques, processes, and tools. It is different from the skill required to manage on-going operations. Metro has an obligation to train and learn from a cadre of skilled and experienced project managers.

The Chief Operating Officer shall appoint a Project Management Training Team with responsibilities that include:

- Identification of project manager qualifications
- Development of a project manager training program
- Establishment of project managers forum where Metro project managers can assist and learn from each other.

ORDERED by the Executive Officer this 12th day of November, 2002.

Mike Burton
Executive Officer

* Note: Beginning with fiscal year 2005–06, the Capital Improvement Plan (CIP) is referred to as the Five-Year Capital Budget.

Capital Project Management Manual

November 8, 2002
(updated October 2004)

I. OVERVIEW

Purpose. Metro has an excellent record of completing major capital projects on time, within budget, and meeting or exceeding the public's expectations. The Executive Officer has published the Capital Project Management Manual and tools to build on that record of success.

The Project Management Manual describes the high-level requirements for planning, communicating, managing, and evaluating capital projects. It does not describe the operational-level requirements for successfully completing a project.

The Manual's requirements are generic and will need to be adapted to accommodate the unique characteristics of particular projects. The Manual is dynamic and should be revised and clarified based on experience. That said, the Manual's requirements are not optional. They must be used as the basic template to plan and manage capital projects.

Applicability. The Manual's requirements are mandatory for capital projects as defined by the Metro Capital Improvement Plan Manual:

> "A capital project is any physical asset acquired, constructed, or financed by Metro with a total capital cost of $50,000 or more and a useful life of at least 5 years."

From time to time, the Chief Operating Officer or Department Director may require that the Manual's methodology be used for selected complex or high-interest non-capital projects. The Manual should be considered a useful source of information for anyone involved in a major project.

Project Categories. For planning and management purposes, capital projects are classified according to their significance.

1. Major projects. Major projects have high-visibility, significant risks, or have a total cost of $1 million and greater.
2. Minor projects. Minor projects are all other capital projects. Sometimes a group of *related* minor projects have an aggregate cost exceeding $1 million and should be managed together as a major project.

II. PLANNING REQUIREMENTS

1. Strategic Analysis

A Strategic Analysis is required for *all* capital projects.

The department proposing a capital project shall submit a Strategic Analysis to the Financial Planning Division when it submits its initial request to include a project in Metro's Capital Improvement Plan (CIP). A Strategic Analysis contains the following elements:

a. Purpose. Succinctly state the project's purpose. What need does it fulfill; what mandate or policy does it satisfy? The purpose should normally be stated in one or two simple declarative sentences.

b. Scope and schedule. List the major phases and deliverables including a discussion of siting options and issues if relevant. Describe the proposed scheduled for phase and deliverable. For major projects ($1 million or greater), indicate when the Conceptual Project Management Plan (see following section) will be submitted to the Chief Operating Officer for approval.

c. Management. Describe in general terms the organization, roles, and responsibilities of the management team.

d. Stakeholders. Identify the stakeholders and their interests in the project. If their positions are known, do they support or oppose the project? Describe their issues.

e. Risks. Identify the major risks, if any, of not undertaking the project. Describe generally how the risks will be managed or mitigated.

f. Cost. How much will the project cost? Describe the budget and financing. Include an estimate of future operational and maintenance costs in accordance with the same general methodology as Metro's Capital Asset Management policies.

g. Environmental sustainability. Describe opportunities, costs, and benefits for the project to support and promote environmental stewardship.

h. Regulatory requirements. List the major regulatory requirements for the project (e.g., land use and environmental approvals).

The Council approves the project for planning purposes when it adopts the CIP. The approval allows the department to request expenditure authority, usually through the annual budget process, for planning, analysis, and preliminary engineering.

2. Conceptual Project Management Plan

A Conceptual Project Management Plan is required for *major* capital projects. It should be submitted via the Chief Financial Officer and Metro Attorney to the Chief Operating Officer for approval according to the schedule in the Strategic Analysis. The larger and more complex the project, the earlier it should be submitted. In any case, it must precede substantial commitments to the capital phases of the project. For example, the Plan should be approved before soliciting a construction contract, acquiring real property, or issuing debt financing. In no case should it be submitted later than the department's first annual budget request for the capital phase of the project.

A Conceptual Project Management Plan builds on the Strategic Analysis. It contains all of the major elements of an Implementation Workplan but with less detail. The usual elements are:

a. Purpose. Restate the purpose statement from the Strategic Analysis. If the project purpose has changed, explain how and why.

b. Scope and schedule. Describe the project phases and deliverables and the schedule for each. Identify the critical paths. Include a conceptual architectural design.

c. Siting. If siting is a relevant factor, describe the siting options and process for selection.

d. Contract approach. Describe the project's contracting methodology (e.g., design/bid, bid/build, or construction manager/general contractor [CMGC]). How will contractors be selected (RFQ, RFB, RFP)?

e. Management and decision making. Describe the organization, roles, responsibilities, and qualifications of the management team. Who has authority to make and approve decisions during the project, including changes? What resources will the management team need to successfully complete the project? Consider training and technology needs.

f. Stakeholders. Identify the stakeholders and their interests in the project. If their positions are known, do they support or oppose the project? What is the plan to build stakeholder support?

g. Cost. How much will the project cost? Describe the budget and financing. Include an estimate of future operational and maintenance costs in accordance with the same general methodology as Metro's Capital Asset Management policies. Costs include hard and soft costs, art, internal Metro labor and overhead, consulting, communications, insurance, financing, environmental sustainability, furnishings, etc. Include a reasonable contingency, normally at least 10 percent of the total project cost. The cost estimate must be validated by independent review.

h. Financing. In collaboration with the Financial Planning Division, describe the financing plan. Estimate payments and cash flow during the project.

i. Financial management and reporting. In collaboration with the Accounting Division, describe generally how finances will be managed, tracked, and reported.

j. Risk management and safety. Identify the major risks to the project, including environmental risks. Describe generally how the risks will be managed, mitigated, and insured. Describe generally the safety plan.

k. Quality management. Describe generally how the quality of the project will be assured. Include a plan to solicit quality criteria (performance standards) from interested stakeholders. When selected, the criteria need to be stated in concrete and measurable terms (e.g., time, cost, specifications, performance, etc.). For projects over $10 million, identify, at least by qualifications, the members of an independent project oversight committee.

l. Environmental sustainability. Describe opportunities, costs, and benefits for the project to support and promote environmental stewardship. Consider LEED certification standards.

m. Regulatory requirements. Describe generally the plan and schedule to obtain the necessary major regulatory approvals required for the project (e.g., land use and environmental approvals).

n. Workforce diversity. Describe generally the plan to encourage workforce diversity including subcontractors.

o. Communications. Describe generally the plan to communicate with stakeholders including, as appropriate, the Metro Council, Chief Operating Officer, Department Director, regulatory agencies, contributors, the public, contractors, and the workforce. Include milestone celebrations.

p. Art. Describe generally the plan to comply with legal requirements to include art in the project.

3. Implementation Workplan

An Implementation Workplan is required for *all* capital projects. For major projects, it should be submitted with the department's first annual budget request for the capital phases of the project. For minor projects the Workplan should be submitted and approved by the department director one to six months before beginning construction. The larger or more complex the project, the earlier the Implementation Workplan should be submitted. The complexity and detail in the Workplan should be commensurate with the cost, complexity, and risk of the project.

An Implementation Workplan builds on the Strategic Analysis and the Conceptual Project Management Plan, if one was required. The usual elements are:

a. Purpose. Restate the purpose statement from the Strategic Analysis. If the project purpose has changed, explain how and why.

b. Scope and schedule. Describe in detail the project phases and deliverables and the schedule for each. Identify the critical paths.

c. Siting. If siting is a relevant factor, describe the siting options and process for selection including public input.

d. Contracts. Describe the nature and status of the project's major contracts. Identify the major contractors (e.g., architect, general contractor, etc.) if they have been selected.

e. Management. Identify by name the members of the project team. Describe the team's organization, roles, responsibilities, and authority. Who has authority to approve and accept what aspects of the project, including changes? Does the team have the resources and support it needs to deliver the project on time and within budget?

f. Stakeholders. Identify the stakeholders and their interests in the project. What is the plan to build and maintain stakeholder support?

g. Cost. How much will the project cost? Describe the budget and financing. Include an estimate of future operational and maintenance costs in accordance with the same general methodology as Metro's Capital Asset Management policies. Costs include hard and soft costs, art, internal Metro labor and overhead, consulting, communications, insurance, financing, environmental sustainability, furnishings, etc. Include a reasonable contingency, normally at least 10 percent of the total project cost. Explain any significant changes in estimated costs over time. What are the risks that project costs will increase, and how will those risks be managed?

h. Financing. In collaboration with the Financial Planning Division, describe the financing plan.

i. Financial management and reporting. In collaboration with the Accounting Division, describe the project's financial management and reporting requirements, including invoice approval and processing.

j. Risk management and safety. Identify the major risks to the project, including environmental risks. Describe how the risks will be managed, mitigated, and insured. Include a process to rapidly identify, assess, and manage unanticipated risks and crises. Describe the project safety plan.

k. Quality management. Describe how the quality of the project will be assured. List the project's quality criteria (performance standards). They must be stated in concrete and measurable terms (e.g., time, cost, specifications, performance, etc.). Who will evaluate the project's performance? At what points will evaluation occur? To whom will it be reported? Projects over $10 million require an independent project oversight committee. Identify the members and their charge.

l. Environmental sustainability. Describe the environmental stewardship features of the project. What are the costs and benefits? Will the project qualify for LEED or other green building certification? If not, why not?

m. Regulatory requirements. In collaboration with the Office of the Metro Attorney, describe the status of the major regulatory approvals (e.g., land use and environmental) that are required for the project. Describe the plan and schedule to obtain final approval.

n. Workforce diversity. Describe workforce diversity plan, including subcontractors.

o. Communications. Describe the plan to communicate with stakeholders including, as appropriate, the Metro Council, Chief Operating Officer, Department Director, regulatory agencies, contributors, the public, contractors, and the workforce. Include milestone celebrations. Enlist the support of the Communications Team if necessary.

p. Art. Describe the plan to comply with legal requirements to include art in the project.

q. Evaluation and closeout. Describe generally the plan to evaluate and close out the project.

r. Operations plan. After completion, describe in general terms the operations plan.

Capital Project Management Manual—Appendix 1

ELEMENTS OF PLANS DESCRIBED

1. Scope and schedule
2. Contracts
3. Management
4. Financial management
5. Reporting and documentation
6. Risk management and safety
7. Quality management
8. Environmental sustainability
9. Workforce diversity
10. Communications
11. Art
12. Claims, closeout, and evaluations

Capital Project Management Manual—Appendix 2

TOOL KIT

1. Strategic Analysis Form
2. Conceptual Analysis Form
3. Implementation Analysis Form
4. Monthly Report Form
5. Evaluation Form

TRAINING AND EVALUATION

Project management is a trainable skill that uses well-accepted and tested techniques, processes, and tools. It is different from the skill required to manage on-going operations. Metro has an obligation to train and learn from a cadre of skilled and experienced project managers.

The Chief Operating Officer shall appoint a Project Management Training Team with responsibilities that include:

- Identification of project manager qualifications
- Development of a project manager training program
- Establishment of project managers forum where Metro project managers can assist and learn from each other

Glossary

Five-Year Capital Budget—The Capital Budget is a long-range plan prepared annually to identify the capital projects to be funded over a five-year period. It identifies each planned project, the year in which it will be started or acquired, the amount to be expended on the project each year and the proposed method of financing these expenditures. The Capital Budget is reviewed and approved by the Executive Officer and the Council. Projects approved for the first year of the plan become part of the agency's budget for the ensuing year, where they may be modified. Projects in years two through five of the plan are subject to revision in subsequent Capital Budgets.

Capital Project—A capital project is any physical asset acquired, constructed, or financed by Metro, with a total capital cost of $50,000 or more and a useful life of at least five years. It can include land, facilities, trails, roads, other infrastructure, major equipment and parts thereof. It can include replacement and renewal projects as well as new acquisitions and construction projects.

Acquisition or construction of a capital project may be staged over several years. All elements of the original project are included in the total project costs even if individual elements do not meet the cost and useful life criteria. For example, the acquisition of a computer system may involve the purchase of individual workstations over several years, each of which cost less than $50,000 each and have a useful life of less than five years. The project cost of the computer system includes the acquisition of all individual workstations originally planned as part of the system.

Capital Budget Document—The official document presenting Metro's five-year capital budget. This document is included in the Budget document and contains information on Metro's capital funding capacity, unfunded capital needs, and a status report on current capital projects. Along with the annual operating budget document, the capital budget document is presented to the Council by the Council President for its consideration and adoption. Appropriations for capital projects continue to be made through the annual budget.

Prior Capital Budget—The capital budget for FY 2004–05 through FY 2008–09 adopted by the Metro Council on June 17, 2004.

Note: Beginning with fiscal year 2005–06, the Capital Improvement Plan (CIP) is referred to as the Five-Year Capital Budget.

Adopting Resolution

I HEREBY CERTIFY THAT THE FOREGOING IS A COMPLETE AND EXACT COPY OF THE ORIGINAL THEREOF

Rebecca Shoemaker

METRO COUNCIL ARCHIVIST

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE CAPITAL BUDGET FOR FISCAL YEARS 2005-06 THROUGH 2009-10	)))	RESOLUTION NO. 05-3568 Introduced by David Bragdon, Council President

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

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

WHEREAS, Metro's Council President has directed the preparation of a Capital Budget for fiscal years 2005-06 through 2009-10 that projects Metro major capital spending needs over the next five years, assesses the impact of capital projects on the forecasted financial condition of Metro funds, and assesses the impact on operating costs;

WHEREAS, The Metro Council has reviewed the FY 2005-06 through FY 2009-10 Capital Budget; and

WHEREAS, The Council has conducted a public hearing on the FY 2005-06 through FY 2009-10 Capital Budget; now, therefore

BE IT RESOLVED,

1. That the FY 2005-06 through 2009-10 Capital Budget, included as Exhibit A to this Resolution, on file at the Metro offices, is hereby adopted.

2. That the Metro Council President is requested to include the FY 2005-06 capital projects from the FY 2005-06 through 2009-10 Capital Budget in the FY 2005-06 budget.

ADOPTED by the Metro Council this 23rd day of June, 2005.

David Bragdon, Council President

Approved as to Form:

for Daniel B. Cooper, General Counsel

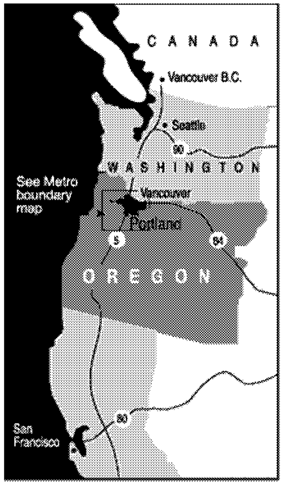
Marvin Fjordbeck Sr. Atty

GODKÄND APPROVED METRO COUNCIL HUVUDSTADS RÅD

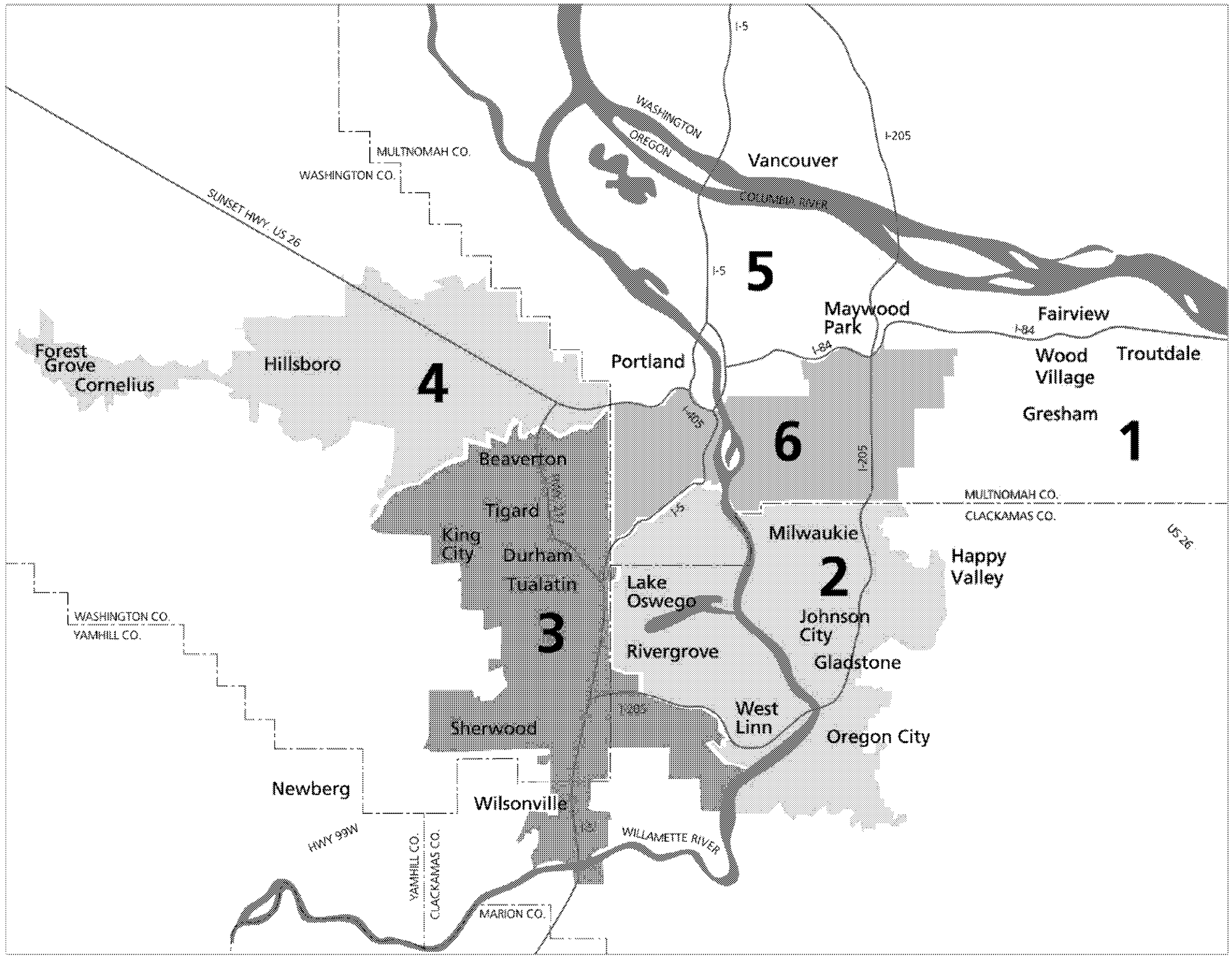
METRO

PEOPLE PLACES
OPEN SPACES

Table of Contents Organizational and Regional Profile



West Coast Vicinity



What is Metro?

Introduction

Metro, the nation's only elected regional government, is responsible for a broad range of services. According to Metro's Charter, approved by voters in 1992 and amended in 2000, Metro has primary responsibility for regional land-use and transportation planning, and is further empowered to address any other issue of metropolitan concern. This grant of authority clearly underscores the Portland metropolitan region's commitment to maintain and enhance the livability of the region.

Metro covers approximately 460 square miles of the urban portions of Clackamas, Multnomah and Washington counties in northwestern Oregon. There are 25 cities in the Metro service area, including Portland, Gresham, Beaverton, Hillsboro, Milwaukie, Lake Oswego and Oregon City.

History

Metro was formed in 1979, when voters approved the merger of a council of governments (Columbia Region Association of Governments—CRAG) that had land-use and transportation planning responsibilities with the Metropolitan Service District, which had been created to provide regional services that included the solid waste management plan and operation of a metropolitan zoo. The new Metropolitan Service District (MSD) was governed by an elected Council and an elected Executive Officer. It had the combined authority of the two predecessor agencies and other additional powers.

Over the years, additional responsibilities have been assigned to Metro by the state Legislature with concurrence of the jurisdictions within Metro's boundaries. In 1980, Metro became responsible for regional solid waste disposal when it took over operation of the one existing, publicly owned regional landfill and began construction of a solid waste transfer station. In November 1986, voters approved general obligation bond funding for the Oregon Convention Center, built and operated by Metro. In January 1990, Metro assumed management responsibility for the Portland Center for the Performing Arts, Portland Civic Stadium and Portland Memorial Coliseum (though management of the latter two facilities has since returned to the City, which turned them over to private management companies). Finally, in 1994, Metro assumed management responsibility for the Multnomah County parks system and the Portland Metropolitan Exposition Center (Expo Center). Ownership of these facilities was transferred to Metro on July 1, 1996.

In November of 2000, voters in the region approved an amendment to the Metro Charter abolishing the position of Executive Officer. On January 6, 2003, a new regionally elected Council President absorbed and/or delegated the authorities and functions previously vested in the Executive Officer.

Regional Planning Functions

Throughout Metro's history, its responsibility for regional planning has grown. Metro has long had an important coordination role in regional transportation planning. Metro is the federally-designated metropolitan planning organization, responsible for the allocation of federal transportation funds to projects in the region. The region's success in attracting federal funding for highway and transit projects is due, in large part, to Metro's role in building and maintaining regional consensus on projects to be funded and ensuring that funding is allocated to high-priority projects.

In connection with its responsibility for transportation planning, Metro has developed a regional data center to forecast transportation and land-use needs. All local jurisdictions now rely on and contribute to this data center, eliminating duplication between governments and allowing jurisdictions in the region to focus their resources on policy issues.

With the adoption of the nation's first state-wide land-use planning law (Senate Bill 100) in 1973, local governments were required to prepare comprehensive land-use plans. Metro (as CRAG) was the agency responsible for establishing and maintaining an urban growth boundary (UGB) for the Portland region. Through the enforcement of the UGB pursuant to Oregon's land-use laws, the region has maintained its unique character and is now a national model for urban growth management planning.

Metro's current role in regional land-use planning and growth management is an outgrowth of its role in establishing the urban growth boundary, transportation planning and data management. Local jurisdictions and the region's voters have recognized the value of a coordinated approach to land-use and livability issues, and have assigned that responsibility to Metro.

Charter Approval

A significant development in Metro's history occurred with the approval by the voters in 1992 of a home-rule Charter. Prior to that time, Metro was organized under a grant of authority by the Oregon Legislature and the Oregon Revised Statutes. Metro's powers were limited to those expressly granted by the Legislature, and any extension of those powers had to first be approved by the Legislature.

With the growth in the region, however, and Metro's increasingly important role, the region recognized that the power and authority of the regional government should be controlled directly by the voters of the region and not by the state Legislature. Accordingly, in 1990, the Legislature referred a constitutional amendment to the voters to allow the creation of a home-rule regional government in the Portland metropolitan area. Voters approved that amendment, and a charter committee was formed shortly thereafter. In 1992, a Charter for Metro was referred to voters, who approved it. Metro thereby achieved the distinction not only of being the nation's only elected regional government (as it had been since 1979), but also the only one organized under a home-rule Charter approved by voters.

Metro Milestones

1979

Columbia Region Association of Governments (CRAG) combined with the Metropolitan Service District to form Metro. Functions include solid waste and transportation planning, the zoo and managing the urban growth boundary.

Joint Policy Advisory Committee on Transportation (JPACT) formed and staffed by Metro's Transportation Planning Department.

Transfer of the ownership and operation of the Washington Park Zoo to Metro.

1980

Solid waste operations (including the management of the St. Johns Landfill) added to Metro's functions.

1983

Clackamas Transfer and Recycling Center (now named Metro South Transfer Station) opens.

1986

Voters approve $65 million general obligation bond issue to build the Oregon Convention Center.

1987

Metropolitan Exposition-Recreation Commission established.

1988

Metro assumes responsibility of appointing members of the Portland Metropolitan Area Local Government Boundary Commission.

1989

Attendance at the Metro Washington Park Zoo breaks the one million mark.

1990

Metro assumes management responsibility for the Portland Center for the Performing Arts, Civic Stadium and Memorial Coliseum.

Columbia Ridge Landfill opens near Arlington, Oregon, to replace the St. Johns Landfill and serve the Portland metropolitan region.

Metro issues $28.5 million in solid waste revenue bonds to construct the Metro East Transfer Station (now named Metro Central Transfer Station).

Voters approve tax base for the Metro Washington Park Zoo.

Metro initiates an excise tax on its own enterprise operations.

Oregon Convention Center opens for business and exceeds projected use and economic projections.

Voters approve an amendment to the Oregon Constitution allowing the creation of a home-rule regional government in the Portland metropolitan region and calling for the creation of a charter committee.

1991

Metro Central Transfer Station opens.

St. Johns Landfill closes as a general purpose landfill.

1992

Voters approve a new home-rule charter for Metro, identifying Metro's primary mission, revising Metro's structure, and formally changing the name of the organization from Metropolitan Service District to Metro.

1993

Management of the Memorial Coliseum is returned to the City of Portland and subsequently transferred to the management of the Oregon Arena Corporation.

1994

Metro assumes management responsibility for the Multnomah County parks system and the Portland Metropolitan Exposition Center (Expo Center).

Region 2040 concept plan adopted.

1995

New seven-member Metro Council takes office under home rule charter, along with a new Executive Officer and Metro's first elected Auditor.

Voters approve $135.6 million general obligation bond measure to acquire and protect open spaces, parks and streams.

Future Vision adopted.

2040 Growth Concept adopted.

1996

Transfer of ownership of the Multnomah County Parks and Expo Center to Metro.

Voters approve $28.8 million general obligation bond measure to fund construction of the Great Northwest Project at the Metro Washington Park Zoo.

Urban Growth Management Functional Plan adopted.

1997

Expo Hall E is completed at the Expo Center in time to host the traveling exhibition of the Smithsonian's 150th anniversary celebration in April/May 1997.

Through May 31, 1997, acquisition of 2,323 acres of open spaces with the 1995 bond measure proceeds.

Regional Framework Plan adopted, December 1997.

Phase I of Great Northwest Project completed, consisting of new classrooms and Wildlife Garden Way (return loop from Africa Exhibit).

1998

Through May 31, 1998, acquisition of 3,413 acres of open spaces with the 1995 bond measure proceeds.

Metro Washington Park Zoo renamed the Oregon Zoo.

The Washington Park light rail station serving the Oregon Zoo opens.

Great Northwest Phase II opens at Oregon Zoo, including new entrance designed with mountain goat exhibit, catering and restaurant facilities, and new gift shop.

1999

Acquisition totals more than 4,400 acres of open spaces with the 1995 bond measure proceeds.

2000

Voters approve charter amendment eliminating the Executive Officer position, establishing a regionally elected Council President and reducing council districts from seven to six.

Steller Cove opens at the Oregon Zoo, completing Phase III of the Great Northwest Project, and a new attendance record is set at 1.2 million visitors.

2001

The reconstructed Expo Hall D opens. The new hall adds 72,000 feet of modern exhibit space, new meeting rooms, and a full service commercial kitchen to the Expo Center package. Expo Center now offers 330,000 square feet of exhibition space and 3,000 parking spaces on a 60-acre campus.

Work on the Oregon Convention Center expansion project begins. The expansion will provide an additional 105,000 square feet of exhibit space, 35,000 square feet of ballroom space, and 30,000 square feet of meeting room space.

Through June 15, 2001, acquisition of 6,933 acres of open spaces with the 1995 bond measure proceeds.

Oregon Zoo achieves record-breaking attendance of over 1.3 million visitors.

2002

Election of new Council President reflecting changes to the Charter adopted by the voters in November 2000.

Opening of new Oregon Convention Center underground parking facility in April 2002.

Acquisition of 7,767 acres of open spaces through May 15, 2002.

2003

On January 6, 2003, a new regionally elected Council President absorbed and/or delegated the authorities and functions previously vested in the Executive Officer.

Work on the Oregon Convention Center expansion is completed, opening to the public in April 2003.

The Metro Council approves advancing light rail projects along the I-205 corridor and from Milwaukie to downtown Portland as the next additions to the region's light rail system.

The state Land Conservation and Development Commission approves the Metro Council's recommendation to bring an additional 18,617 acres into the urban growth boundary.

Acquisition of 7,935 acres of open spaces through June 1, 2003.

The first endangered California Condors arrive at the Oregon Zoo's Condor Creek Conservation Facility.

2004

On May 1, 2004, the Interstate MAX Yellow Line opens, connecting the Expo Center to the Rose Quarter Transit Station.

The first Condor egg is produced at the Oregon Zoo Condor Creek Conservation Facility.

Acquisition of 8,015 acres of Open Spaces with the 1995 bond proceeds through April 1, 2004.

Oregon Zoo opens Eagle Canyon Exhibit in May 2004 and the Trillium Creek Family Farm in July 2004, completing Phase IV of the Great Northwest Project.

2005

In April 2005, Metro Council creates Nature in Neighborhoods, an initiative to restore and protect regional habitat and greenspaces. Metro is drawing from resources throughout the agency to lead this innovative approach to conservation.

Acquisition of 8,131 acres of open spaces through June 1, 2005.

Tusko, a 13,500-pound, 33-year-old male Asian elephant arrives to join Packy and Rama in the Oregon Zoo's bull elephant group.

The Metro Charter

A home-rule Charter defines Metro's structure, assigns its working priorities and grants the power necessary to achieve those priorities. A home-rule Charter is a grant of power directly from the citizens of the jurisdiction rather than a grant of power from a legislature or some other body.

The voters of the region approved a home-rule charter for Metro in 1992, and a charter amendment in 2000. Prior to the amendment, Metro was governed by a seven-member Council, which was responsible for setting the overall policy direction for the organization and for legislative oversight of management activities. A regionally elected Executive Officer was responsible for carrying out the policy directives of the Council, day-to-day management of the organization and recommending policy initiatives to the Council. As a result of the charter amendment, effective January 6, 2003, the Council and Executive offices were consolidated. Under the new structure, the number of districts and the number of Councilors was reduced to six. A regionally elected Council President presides over the Council, sets the policy agenda for the Council, and has the authority to appoint all members of Metro committees, commissions, and boards. A Chief Operating Officer, appointed by the Council President with Council consent, is responsible for the day-to-day management of the organization.

The original Metro charter created the position of Metro Auditor. The Auditor, elected region-wide, is responsible for managing the contract with Metro's independent, outside financial auditor and for conducting performance or management audits of Metro operations and functions.

The home-rule Charter sets Metro's working priorities. Metro's primary responsibility under the Charter is regional land-use planning. To this end, Metro was required to adopt a future vision for the region. The Metro Council adopted the future vision document June 15, 1995.

State law requires Metro to develop regional land-use goals and objectives. In 1991, the Metro Council adopted Regional Urban Growth Goals and Objectives (RUGGOs). RUGGOs provide a policy framework for guiding Metro's regional planning program and establish a process for coordinating local planning in the region to maintain the region's livability.

In December 1995, the Metro Council adopted a 2040 growth concept. In general, the growth concept encourages compact development near existing or future transit centers to reduce land consumption and the need to convert rural land to urban uses. It encourages preservation of existing neighborhoods. It also identifies rural reserves as areas not subject to urban growth boundary expansion to serve as buffers between urban areas. The growth concept also sets goals for providing permanent open space areas inside the urban growth boundary and recognizes that neighboring cities—such as Sandy, Canby and North Plains—will grow and that cooperation is necessary to address common issues. On December 11, 1997, the Council adopted the more detailed Regional Framework Plan, which specifies how the region will implement the 2040 growth concept.

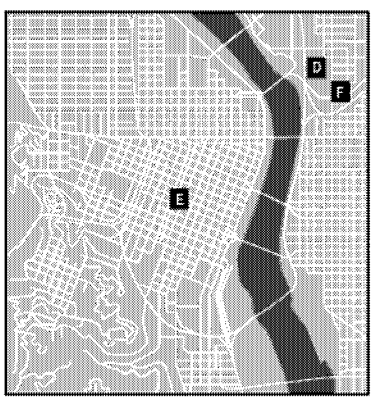
Although the Charter makes regional land-use planning Metro's primary responsibility, it also recognizes the significant role Metro has played and will continue to play in other regional issues such as solid waste disposal, and the operation and development of regional recreation and entertainment facilities such as the Oregon Zoo, the Oregon Convention Center, and regional parks and open spaces.

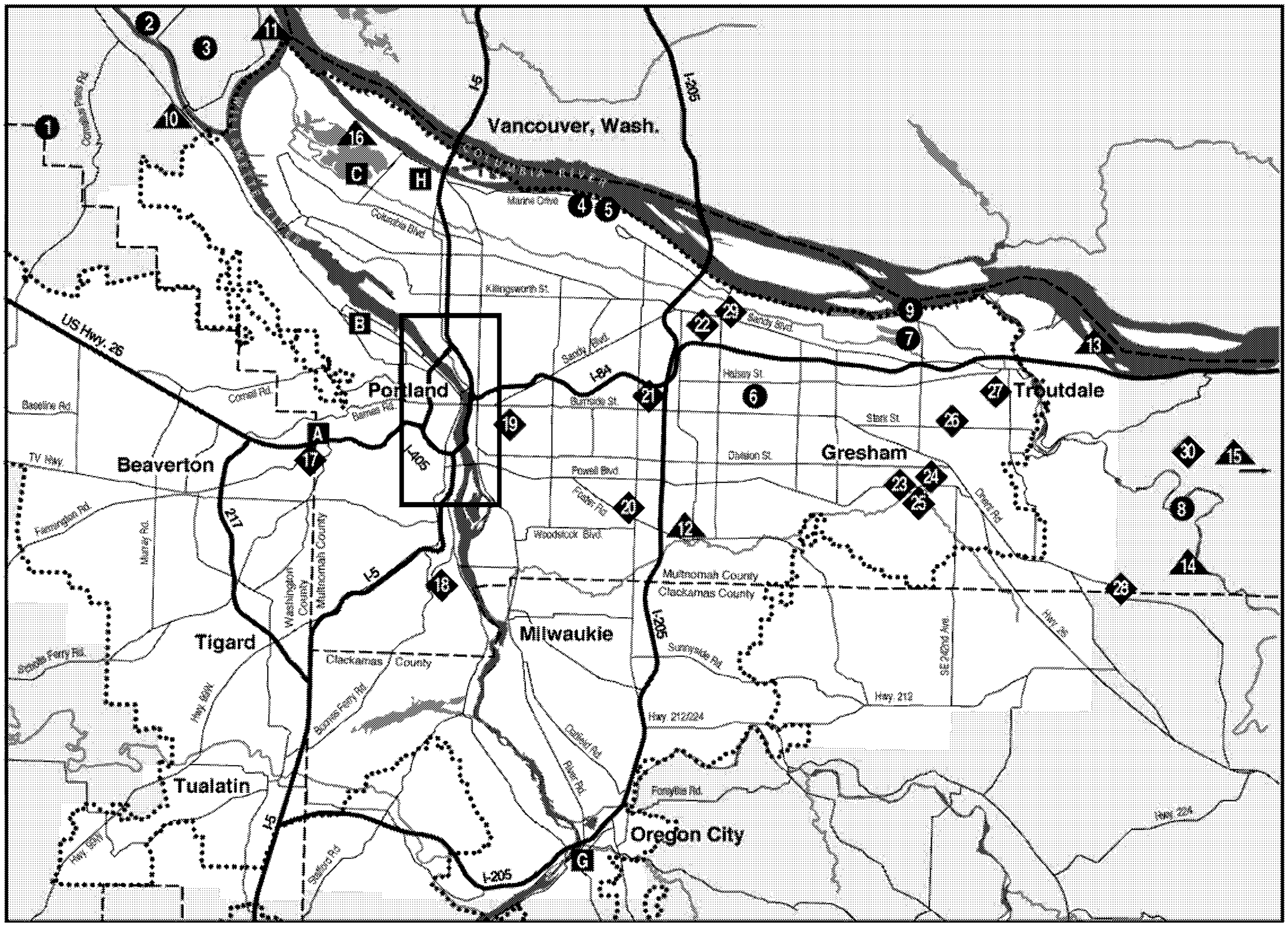
Finally, the Charter recognizes that regional government and regional issues evolve over time. The Charter grants Metro authority to assume responsibility for issues of metropolitan concern. This authority will allow Metro to work with local jurisdictions as needed to develop common solutions to problems that may exceed local boundaries and which may, therefore, be difficult to address at the local level.

In addition to defining Metro's structure and priorities, the Charter gives Metro the tools necessary to meet its financial resource needs. The Charter gives Metro the authority to ask voter approval for broad-based revenue sources. These sources include traditional revenues such as property tax, sales tax, or income tax. In addition, the Charter also grants authority to the Council to adopt taxes of limited applicability without a vote of the people, but only after review by a citizens' review committee, called a Tax Study Committee. These niche taxes could include a broad list of revenue sources levied on limited activities such as cigarette sales, real estate transfers, hotel/motel occupancy, etc. Expenditures from non-voter approved revenue sources are limited by Charter to no more than $12.5 million per year (in 1992 dollars). This expenditure limitation increases in each subsequent fiscal year by a percentage equal to the rate of increase in the Consumer Price Index (additional information on this Charter Limitation is available in the Appendix of Volume 2 of this budget). Metro's only revenue source that currently falls under this limitation is its excise tax, which totals approximately seven-tenths of the limit. The Charter also grants Metro authority for levying fees and charges for services it provides on an enterprise basis.

Metro Facilities, Natural Areas, and Cemeteries

Area of Inset

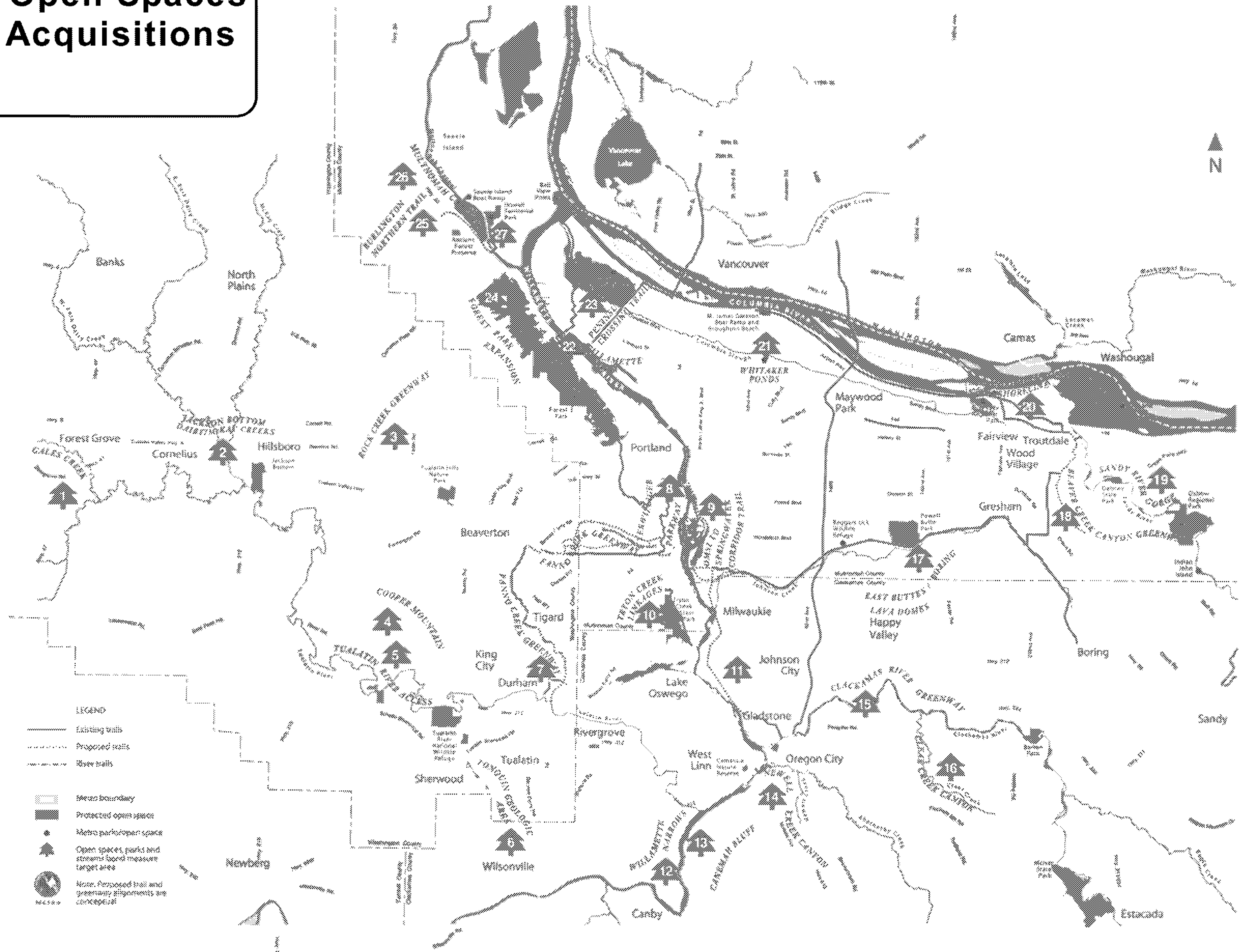




Metro Facilities, Natural Areas, and Cemeteries

■ Metro Facilities	● Regional Parks Facilities	▲ Natural Areas	◆ Cemeteries
A. *Oregon Zoo* 4001 SW Canyon Rd. Portland, OR 97221	1. *Mason Hill* 3 acres	10. *Multnomah Channel* 11 acres	17. *Jones* 2.5 acres
B. *Metro Central Transfer Station* 6161 NW 61st Avenue Portland, OR 97210	2. *Sauvie Island Boat Ramp* 1 acre	11. *Bell View Point* 10 acres	18. *Grand Army of the Republic* 1 acre
C. *St. Johns Landfill* 9363 N. Columbia Blvd. Portland, OR 97232	3. *Howell Territorial Park* 101 acres	12. *Beggar's-tick Wildlife Area* 20 acres	19. *Lone Fir* 30.5 acres
D. *Oregon Convention Center* 777 NE Martin Luther King Jr. Blvd. Portland, OR 97232	4. *M. James Gleason Boat Ramp* 6 acres	13. *Gary and Flagg Islands* 132 acres	20. *Multnomah Park* 9.3 acres
E. *Portland Center for the Performing Arts** 1111 SW Broadway Portland, OR 97205	5. *Broughton Beach* 9 acres	14. *Indian John Island* 64 acres	21. *Brainard* 1.1 acres
F. *Metro Regional Center* 600 NE Grand Avenue Portland, OR 97232	6. *Glendoveer Golf Course and Fitness Trail* 232 acres	15. *Larch Mountain Corridor* 185 acres	22. *Columbia Pioneer* 2.4 acres
G. *Metro South Transfer Station* 2001 Washington Street Oregon City, OR 97045	7. *Blue Lake Regional Park* 185 acres	16. *Smith and Bybee Lakes* 2,000 acres	23. *White Birch* 0.5 acres
H. *Expo Center* 2060 N. Marine Drive Portland, OR 97217	8. *Oxbow Regional Park* 1,200 acres		24. *Escobar* 0.5 acres
* Owned by the City of Portland, managed by Metro	9. *Chinook Landing Marine Park* 67 acres		25. *Gresham Pioneer* 2 acres
			26. *Mt. View Stark* 0.8 acres
			27. *Douglass* 9.1 acres
			28. *Pleasant Home* 2 acres
			29. *Powell Grove* 1 acre
			30. *Mt. View Corbett* 2 acres

Metro Open Spaces Land Acquisitions



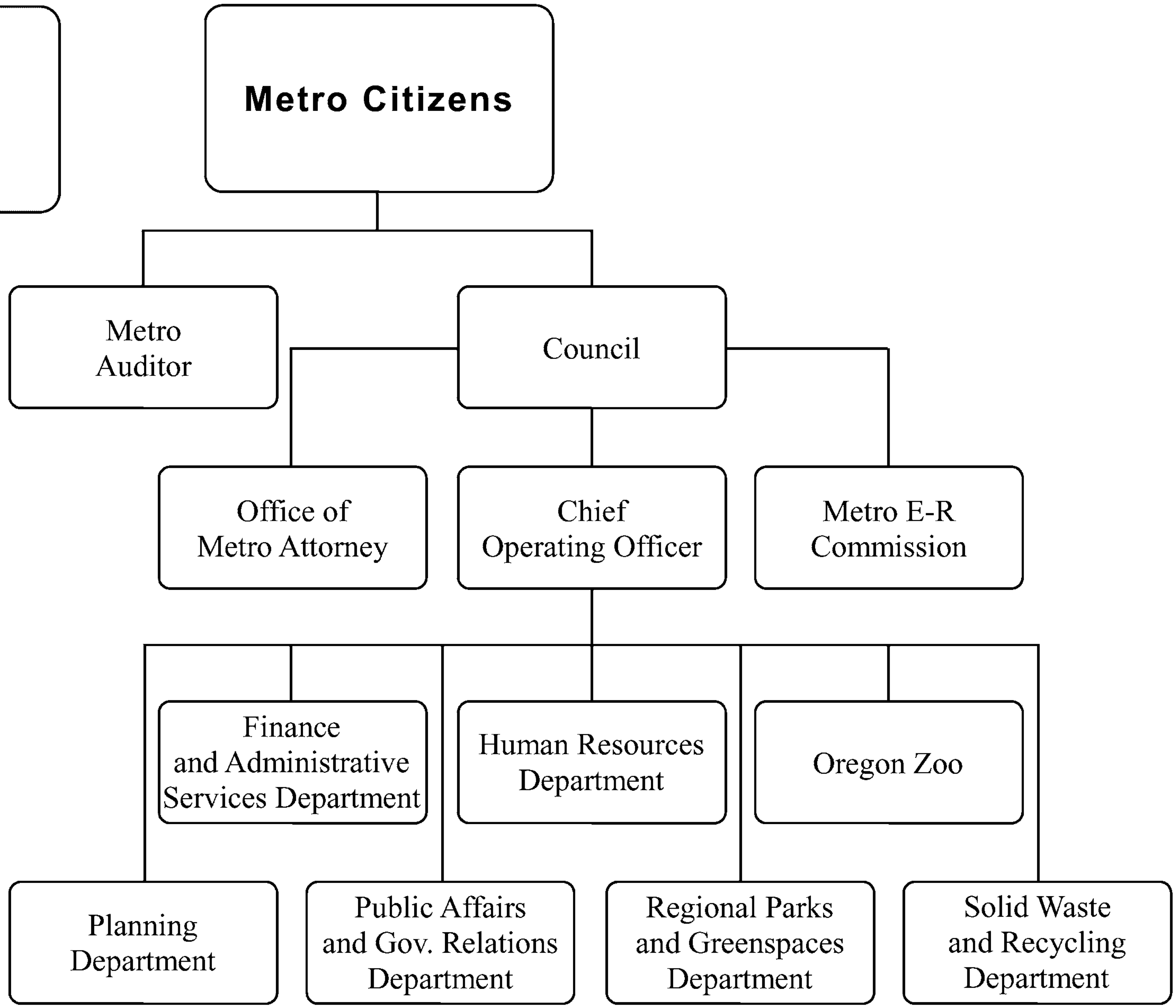
Metro Open Spaces Land Acquisitions

Open spaces acquired as of June 1, 2005

1. Gales Creek .... 606 acres
2. Jackson Bottom/Dairy/McKay Creeks .... 493 acres
3. Rock Creek Greenway .... 117 acres
4. Cooper Mountain .... 256 acres
5. Tualatin River Access .... 398 acres
6. Tonquin Geologic Area .... 487 acres
7. Fanno Creek Greenway .... 39 acres
8. Terwilliger Parkway/Marquam Woods .... 19 acres
9. OMSI to Springwater Corridor Trail .... 53 acres
10. Tryon Creek Linkages .... 58 acres
11. Trolley Trail (Milwaukie to Gladstone) .... 20 acres
12. Willamette Narrows .... 472 acres
13. Canemah Bluff .... 134 acres
14. Newell Creek Canyon .... 280 acres
15. Clackamas River Greenway .... 608 acres
16. Clear Creek Canyon .... 520 acres
17. East Buttes/Boring Lava Domes .... 856 acres
18. Beaver Creek Canyon Greenway .... 110 acres
19. Sandy River Gorge .... 1,082 acres
20. Columbia River Shoreline .... 271 acres
21. Whitaker Ponds .... 5 acres
22. Willamette Cove .... 27 acres
23. Peninsula Crossing Trail .... 1 acre
24. Forest Park Expansion .... 864 acres
25. Burlington Northern Trail .... 2 acres
26. Multnomah Channel .... 326 acres
27. Multnomah County Local Share .... 27 acres

TOTAL .... 8,131 acres

Organization Structure



Organization Structure

Department Structure

Metro's organizational structure includes three offices (Metro Council, Metro Auditor, and Metro Attorney), one commission (Metropolitan Exposition-Recreation Commission), and seven departments (Finance and Administrative Services, Human Resources, Oregon Zoo, Planning, Public Affairs and Government Relations, Regional Parks and Greenspaces, Solid Waste and Recycling).

Office of the Council

The Metro Council is the governing body of Metro. It provides leadership from a regional perspective, reflects an ongoing innovative planning orientation, and focuses on issues that cross local boundaries and require collaborative solutions.

The Office of the Council consists of the Council President and six Councilors, the Chief Operating Officer, and their staffs. The Council sets the overall policy direction and provides legislative oversight of management activities for the agency. The Council President presides over the Council, sets the policy agenda, and has the authority to appoint all members of Metro committees, commissions, and boards. The Chief Operating Officer, appointed by the Council President with Council consent, is responsible for the day-to-day management of the organization. The Council Office also provides staffing for the Metro Policy Advisory Committee.

Metro Auditor

The elected Auditor and her staff make up the office of the Metro Auditor. The Auditor is responsible for managing the annual outside financial audit and conducting performance and management audits of agency programs and operations.

Office of Metro Attorney

The Office of Metro Attorney provides legal services to the Council, Chief Operating Officer, Auditor, and to Metro departments. This office also includes the due diligence portion of the regional Open Spaces Acquisition program.

Metropolitan Exposition-Recreation Commission (MERC)

The Metropolitan Exposition-Recreation Commission, established in 1987, is the operating arm for Metro's trade and spectator facilities, including the Oregon Convention Center, the Portland Metropolitan Exposition Center (Expo Center), and the Portland Center for the Performing Arts (PCPA). The PCPA was transferred to Metro's management from the City of Portland in 1990, when the Convention Center opened. Management of the Expo Center was transferred to Metro from Multnomah County in January 1994, with ownership of the facility transferred in July 1996. A seven-member commission oversees MERC's operations. The commissioners are appointed by Metro to serve four-year terms. The Metro Council approves the commission's budget.

Finance and Administrative Services Department

The Finance and Administrative Services Department (FAS) provides financial management services for Metro's elected officials, operating departments, employees, and the public. The department includes the Office of the Chief Financial Officer (CFO), Accounting Services, Financial Planning, Information Technology, Purchasing and Contract Services, and Risk Management divisions. The department provides accounting services for the agency; coordinates the preparation, monitoring, and implementation of the agency's annual budget and five-year capital budget; manages debt; performs long-range financial planning; administers Metro's risk management program; coordinates the agency's decentralized purchasing system; manages the Emerging Small Business and Minority- and Women-Owned Business program; and provides information technology services for Metro's operations.

Human Resources Department

The Human Resources Department exists to help its customers fulfill business requirements by positioning Metro's work force for the future. The department provides assistance in the areas of recruitment and staff development, classification and compensation, labor and employee relations, benefits administration, and manages the agency's Human Resource Information System.

Oregon Zoo

The Oregon Zoo celebrated its 100th anniversary in 1987, and is the number-one paid attraction in Oregon. Over one million visitors to the Oregon Zoo each year help support the facility through paid admissions, Zoo memberships, train tickets, gift shop and food service purchases, and donations. Over sixty percent of Zoo revenue is from non-tax sources. The Zoo provides visitors a unique educational and recreational opportunity to experience wildlife in a naturalistic setting by "inspiring our community to create a better future for wildlife." In November 1996, voters approved a $28.8 million bond measure for the Zoo to begin work on the Great Northwest Project. The new entrance and Mountain Goat exhibit opened in September 1998, and the Steller Cove Marine Exhibit opened in July 2000. These new facilities have stimulated record attendance levels the last five years, with FY 2003–04 attendance exceeding 1.3 million visitors; current projections for FY 2005–06 are for 1.31 million visitors.

Planning Department

The mission of the Planning Department is to plan for and seek to implement a model land-use and transportation program to address the needs of the region and to protect its livability, especially in the areas of regional transportation, air and water quality, and land use. Through the Planning Department, Metro manages the regional urban growth boundary, the primary urban growth management tool mandated by state land-use planning laws. The department maintains a Data Resource Center and develops estimates of regional population and employment growth patterns in support of the agency functions and the planning efforts of local governments. The department is also responsible for regional transportation planning, which includes preparing the Regional Transportation Plan, securing and allocating federal highway and transit funds for the region, and conducting all regional transit and light rail planning under contract with TriMet, the regional transit agency.

Public Affairs and Government Relations Department

The Public Affairs and Government Relations Department supports the development and implementation of the Metro Council's policies through its public involvement, community outreach, and government relations activities. The department, led by the Director of Public Affairs and Government Relations, coordinates Metro-wide communications and government relations plans, working closely with all Metro departments. The department staff also provides support to the Metro Committee for Citizen Involvement (MCCI).

Regional Parks and Greenspaces Department

The Regional Parks and Greenspaces Department was created in January 1994 with the transfer of parks functions from Multnomah County. The department provides both an operational arm and a planning function to protect and care for the public's investment in park land and facilities. The department operates 16 regional parks and natural areas, as well as 14 pioneer cemeteries. Passage of the Open Spaces Program bond measure in 1995 added a significant component to the department's responsibilities. These components include acquisition of land for use as parks, open spaces, and trails, and maintenance or site stabilization of purchased lands. Since the passage of the Open Spaces Program bond measure, over 8,131 acres of open space have been acquired. In FY 2004–05, the department initiated a capital program to develop four of the acquired sites into regional parks open to the public.

Solid Waste and Recycling Department

The Solid Waste and Recycling Department provides services that reduce and manage the region's solid waste in an effective, economical, and environmentally sound manner. Specifically, the department oversees the operation of two Metro-owned regional solid waste transfer stations; operates two hazardous waste facilities; manages contracts for the transport and disposal of waste brought to the regional transfer stations; develops the Regional Solid Waste Management Plan; franchises and licenses privately owned and operated solid waste disposal sites; manages the now closed St. Johns Landfill; operates the Metro Recycling Information hotline; develops programs to encourage waste prevention, recycling, composting, and natural gardening; and cleans up illegal dump sites.

Metro Advisory Committees

There are two advisory committees required by Metro's charter.

Metro Policy Advisory Committee—24-member committee consisting of representatives of local government and citizens to provide advice and consultation to the Metro Council on the Regional Framework Plan and approval or disapproval of Metro's provision or regulation of a local government service.

Metro Committee for Citizen Involvement—27-member citizen committee assisting in the development, implementation, and evaluation of Metro's citizen involvement activities and advising on the best ways to involve citizens in the regional planning activities.

Elected Officials	**Position**	**Service Began**	**Current Term Expires**
Alexis Dow, CPA	Metro Auditor	Jan. 1995	Jan. 2007
Elected Council Members			
David Bragdon	Council President	Jan. 1999	Jan. 2007
Rod Park	District 1	Jan. 1999	Jan. 2007
Brian Newman	District 2	Jan. 2003	Jan. 2007
Carl Hosticka	District 3	Jan. 2001	Jan. 2009
Susan McLain	District 4	Jan. 1991	Jan. 2007
Rex Burkholder Deputy Council President	District 5	Jan. 2001	Jan. 2009
Robert Liberty	District 6	Jan. 2005	Jan. 2009

Economy and Growth

The metropolitan region served by Metro covers 25 incorporated cities and includes the urban portions of three Oregon counties. Metro is at the heart of Oregon's largest population center with nearly 1.4 million residents. In addition, the metropolitan region provides job opportunities for a workforce of more than 800,000 within the tri-county area. This region supports a range of diversified industries within its borders. A key pillar of the region's economic success has been its investment in transportation infrastructure which serves as a regional hub for domestic and international trade. The region enjoys, by virtue of its location at the confluence of two major river systems, tremendous competitive advantage in exporting large volumes of freight from inland sources to foreign markets abroad. Imports of goods such as cars and electronic/computer products are also important regional trade components. Portland is a key origin and destination point for ocean-going vessels moving freight between the west coast and Asian Pacific Rim trading partners. The Portland area's strengths have been built around its water—the Columbia River and Willamette River—but it is now diversifying and creating other strengths.

The region has historically enjoyed above average economic and population growth trends. The strong historical growth rates in the region's employment and population have propelled the citizens and leaders of the region to plan for this growth and to provide stewardship of the region's valuable resources. This commitment towards both growth and economic sustainability for regional resources is a key component of the region's economic advantage. It is this advance planning and creativity which has encouraged the growth in high-technology in the Portland economy. The region's reputation and commitment as a livable place helps set the stage for the region's economic vitality and its ability to attract and maintain strong industries. Metro, as the agency charged with preserving and sustaining the conditions that foster a healthy economy, has as its primary mission the task of preserving the region's quality of life and planning for regional growth including transportation. Metro is poised to set an example for other areas of the country, showing how a directly elected regional government can help maintain a healthy economy while preserving the livability its residents cherish.

Regional Population Trends

Nearly 1.4 million people live inside today's Metro boundary. This represents 38.2 percent of the population in the State of Oregon. An additional half million residents in southwest Washington state (especially Clark county) and a portion of the upper Willamette Valley are economically intertwined with the metropolitan economy and depend on this region for jobs, financial and business services, as well as many other social services and amenities.

As an indication of the region's economic strength, diversity and vitality, population growth from 1990 to 2000 inside the Metro boundary increased 23.9 percent, exceeding the growth rate for both the state of Oregon (20.4 percent) and the nation (13 percent) for the same period. Net migration to the region accounted for over two-thirds of that population growth in the decade of the 1990s.

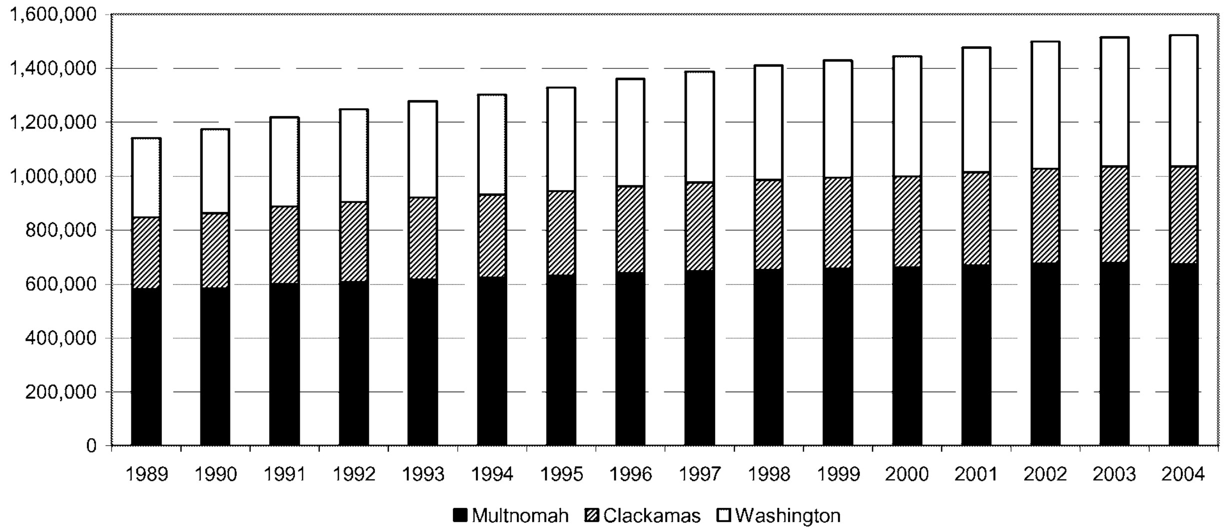
The region's growth through the 1990s was primarily attributable to its strong economy and its attractive quality of life. People moved here and stayed here for job opportunities and to enjoy the amenities of urban life while maintaining ready access to the region's diverse natural attractions. It is quality of life that is one of Metro's core values and is in our mission statement. This is exemplified by many of Metro's transportation investment decisions and its commitment to a regional growth strategy aimed at preserving and enhancing the region's many attributes.

Much has been noted of Metro's urban growth boundary (UGB)—an invisible line that girds the greater-Portland metropolitan area. This line focuses Metro's urban growth strategy, which is aimed at concentrating regional population and economic growth where public investment and infrastructure already exists. The UGB attempts to maximize the returns of investments made by both public and private concerns.

Metro recently completed an update to its statutorily required periodic review (similar to a comprehensive plan update required of cities), which included a regional assessment of future economic and population growth. This regional economic and population assessment indicated a continuation of relatively vibrant demographic growth to go along with a comparatively robust economic outlook (over the long run—25 years). Population growth

Population Estimates by County

1989 through 2004



Year	Multnomah County	Clackamas County	Washington County
1989	581,000	265,500	295,000
1990	583,887	278,850	311,554
1991	598,286	288,877	330,646
1992	606,968	296,624	344,283
1993	616,719	303,344	357,789
1994	622,642	309,257	370,423
1995	629,617	314,922	384,335
1996	639,587	322,376	398,289
1997	647,083	328,898	411,112
1998	652,416	332,942	423,985
1999	657,740	335,891	435,602
2000	660,486	338,391	445,342
2001	668,650	345,439	462,630
2002	675,066	352,408	472,139
2003	677,772	357,350	480,118
2004	672,161	363,276	488,253

Source: U.S. Census

in the greater Portland-Vancouver Primary Metropolitan Statistical Area (PMSA, which includes Multnomah, Clackamas, Washington, Yamhill, and Clark counties) is projected to increase at an average annual rate of 1.6 percent per year, or a 58 percent increase, between the years 2000 and 2030 (*Economic Report to the Metro Council*, September 2002).

Local Labor Force and Unemployment

Through much of the 1990s, population growth and the resulting increase in the labor force produced an unprecedented and sustained expansion in the regional economy. Employment opportunities more than kept pace with the growing number of workers. However, job growth during the last several years has not kept pace with population trends, due to the U.S. recession that began in 2000 and slower industry growth in construction and high-tech in the Metro area. Unemployment rates in the region have increased, but fortunately have not approached the widespread unemployment experienced by this region in the early 1980s. The economic downturn in the region has been uneven, with the worst impacts being felt by the region's durable goods sector.

Unemployment rates briefly topped 9 percent in the Portland-Vancouver PMSA in early 2002, but have been on the decline since then. Currently, unemployment rates have fallen below 6.5 percent and show a declining trend as economic conditions in the region begin to improve. The service and retail sectors were the first to show improvement, but the industrial sectors, in particular high-tech, are also beginning to rebound. Additionally, the construction sector is performing extremely well, adding 2,000 jobs in April 2005 alone.

Business Diversity

A major contributing factor to the region's past economic health is the diversity of its businesses. The recession of the early 1980s illustrated that Oregon's economic dependence on the extraction of natural resources, particularly wood products, was a fundamental weakness. In the ensuing years, the state and the region successfully diversified their economic bases, expanding in other industries such as high-technology, trade, warehousing, transportation, and financial services.

Over the last 20 years, the region, in particular, broadened its manufacturing base, focusing on metals, high-tech machinery, and semiconductors. Employment in manufacturing, construction, and mining is now proportionately higher in the region than in the United States as a whole. This has had its upside as evidenced in the 1990s, but also a downside with this latest economic downturn. However, economic conditions in the region, as they have been on a national basis, are showing definite signs of emerging economic upturn.

The high-tech industry in the region is led by a diverse group of multinational corporations that manufacture a wide range of computer-related products, including microprocessors, silicon memory chips, computer equipment, and office-related equipment. A significant portion of the region's high-tech employers have located their manufacturing divisions here, as well as shifting a sizable number of research and development divisions to their Portland regional offices.

Regional Income

The compound annual rate of change in total personal income for the Portland PMSA (1990–2000) averaged 6.9 percent per year, 6.2 percent for the state of Oregon, and 5.4 percent for the nation. The annual rate of change in per capita income for the Portland PMSA during the same period was 4.4 percent, compared with 4.3 percent for the state of Oregon and 4.4 percent for the nation as a whole. During the last recession, the change in personal income growth in Oregon dropped to 2.5 percent in 2001. In 2002, the state's personal income rose 3.3 percent. The official Oregon state economic forecast predicts personal income growth to rebound to pre-recession levels by 2005.

Regional Employment Trends

The major employers within the Metro region reflect the diversity of the region's economic base. Fortune 1000 corporations operating within the Metro region include NIKE, Inc.; Louisiana Pacific Corp.; Precision Castparts; StanCorp Financial; and Hollywood Entertainment. Fortune 1000 directories rank companies by annual sales, except for utilities and banks, which are ranked by assets.

The presence of these largest employers (see Tables 1 and 2) highlights two features of the Metro region economy, namely an emphasis on private-, rather than public-, sector employment and broad diversity among companies and industries. The combination of these features, plus an established role as a warehousing distribution center, has emerged as a regional asset.

Table 1
Top Manufacturing Employers in the Portland Metropolitan Area

Employer	Product or Service	2005 Estimated Employment
Intel Corporation	Manufactures computer components	15,500
Nike, Inc.	Sports shoes and apparel	5,742
Freightliner Corporation	Heavy duty trucks	3,100
PCC Structurals Inc.	Structural investment castings	2,213
Precision Castparts Corporation	Metal fabrication and machining	2,110
Tektronix, Inc.	Electronic instruments	2,100
Hewlett-Packard Co.	Computer printers	2,000
TriQuint Semiconductor	Semiconductors	1,500
The Boeing Company	Aircraft parts	1,485
Gunderson Inc.	Railroad freight cars, marine barges	1,300

Source: The Business Journal, NW Resources.

Wage and salary employment growth in the region through the 1990s averaged 2.95 percent per year and since 1972 average 2.98 percent per year. This represents a significantly faster growth rate as compared to the U.S. averages of 1.9 and 2.1 percent, respectively, for the same time periods. The region's economy demonstrated significant resiliency and adaptability despite having had to climb out of a deeper economic recession in 1980 and 1982 in order to forge faster job growth than the United States.

During the last 20 years, the Portland region has transformed itself from a resource-based economy to a knowledge-driven economy. Many of the region's top employers hail from the high-technology sector and have become market leaders in their own niche. This has helped the Portland economy to propel ahead in key growth and manufacturing sectors.

Table 2
Top Non-Manufacturing Employers in the Portland Metropolitan Area

Employer	Product or Service	2005 Estimated Employment
Providence St. Vincent Medical Ctr.	Hospitals & clinics	13,753
Legacy Health Services	Hospitals & health services	7,907
Kaiser Foundation Health Plan of the NW	Hospital & clinics	7,433
Fred Meyer, Inc. (Kroger, Inc.)	Grocery & retail variety chain	5,300
Safeway	Grocery chain	5,282
Wells Fargo	Financial services	4,155
U.S. Bank	Financial institution	4,000
Shari's Restaurants	Restaurant chain	3,725
SW Washington Medical Center	Full service medical center	3,200
United Parcel Service	Small package transport	2,800

Source: The Business Journal, NW Resources.

The region's cluster of high-technology companies in 2000 employed 59,900 in the Portland-Vancouver PMSA, as compared to 40,300 in 1990, for an increase of 48.6 percent in the decade. In comparison, total nonfarm wage and salary employment grew only 33.3 percent over the same time span. During the last recession in Oregon, the region's high-tech employers have decidedly scaled back their workforce in an effort to cut costs. However, growth is beginning to return as the technology sector rebounds.

In recent years, there has also been a transformation occurring in the agricultural sector of the region's economy. In the late 1990s, nursery and grass seed growers in the region have emerged as one of the top grossing in sales for agricultural sectors in Oregon. Nursery growers in the region export the plants and stock throughout the United States and now represent a key employment cluster for the region.

Transportation and Distribution

The Metro region is a leading warehousing and distribution center for the Pacific Northwest, serving a market area of approximately seven million people. The region uses marine, air, rail, and road networks to capitalize on its location to serve a wide and growing variety of markets.

The geographical heart of the region is the confluence of the Columbia and Willamette rivers, which makes it a natural transportation center. Transportation networks have long focused on this area as a destination for waterborne commerce from eastern Oregon and Washington, and as the distribution center for the products of the rich agricultural lands of the Willamette River valley. From its rudimentary beginnings, the region has capitalized on its location as the head of deep water navigation on the Columbia River system to give it an economic base as a port for the shipment of freight. The Columbia River channel is maintained at a depth of 40 feet from the harbor at Portland downstream 110 miles to the Pacific Ocean. Recent court rulings have cleared the way for the Army Corp of Engineers to dredge the Columbia River to 44 feet to accommodate newer and larger ocean-going freight vessels. The metropolitan area is a port of call for 16 regularly scheduled major steamship lines serving world trade routes.

In terms of tonnage of total waterborne commerce, the Port of Portland is ranked as the third largest volume port on the West Coast, after Long Beach and Los Angeles. In 2004, 12.6 million short tons of cargo moved through the port facilities. Cargo shipments in 2004 represent a sharp increase (17.8 percent) over total shipments in 2002 (10.7 million short tons).

Upstream from Portland, the Columbia provides the only water route through the Cascade Mountains to the productive Inland Empire of eastern Oregon and Washington, and including northern Idaho. Slack-water barge access to these lands is made possible by a series of locks in the network of federal hydroelectric dams on the lower Columbia River and its largest tributary, the Snake River.

Air traffic through Portland International Airport (PDX) complements the waterborne transportation that established the region. PDX handled 12.4 million passengers and 265,626 tons of air cargo in 2004, with growth forecast at nearly 27 million passengers by the year 2020. PDX provides service from 31 carriers, with more than 500 passenger flights daily.

The Port of Portland manages the airport, and in 1996 embarked on an ambitious ten-year, $1 billion expansion and remodeling effort that will produce an additional terminal building, greatly increased parking capacity, and a doubling of roadway access to the main terminal building. Construction on the light rail link to the airport, Air MAX, was completed in September 2001. Many workers employed near the airport use Air MAX to commute between home and work, while air travelers are finding the light rail line to be another convenient means of traveling to or from the airport.

Ground transportation in the region features three major railroads and four interstate freeways. The railroads add to the region's freight-handling capacity and also serve passenger traffic with regular Amtrak routes through Portland's Union Station. The region's highway system includes Interstate 5, the north-south link connecting the Pacific Coast of the United States from San Diego to the Canadian border, and Interstate 84, the major east-west corridor whose western terminus is in Portland. Interstate 205 and Interstate 405 serve as beltways.

Public transportation is provided by the Tri-County Metropolitan Transit District, known as TriMet, which serves bus and light rail passengers throughout the region. The light rail system (MAX, short for Metropolitan Area Express) opened for service in 1986, with a 15-mile line linking downtown Portland and the City of Gresham, to the east. In 1998, TriMet completed construction of a second link in the system that extended light rail twelve miles west to the City of Hillsboro and its burgeoning high-tech industry. The line (Air MAX) from the Gateway Transit Center to the airport opened in Fall 2001, and construction on an Interstate Avenue MAX line from downtown to the Expo Center was completed and opened in May of 2004.

Trade

The Portland region has long been a center of trading activity for Oregon and the Pacific Northwest. In recent years, the region has become a warehousing and distribution center for the western United States and has steadily expanded its role in international trade. The Metro region is a focal point of import and export trade for Oregon, southwestern and eastern Washington, and a large portion of the inland United States. International trade continues to grow as the region takes advantage of its location on the Pacific Rim and the deep channel port on the Columbia River to attract trading partners in east Asia and the Pacific. Principal commodities exported are grains, forest products, processed foods, scrap metal, and aluminum products; major imports include automobiles, iron and steel products, ores, consumer goods, and petroleum products. High-tech electronic goods are becoming a greater part of the region's trade, in imports as well as exports.

The Port of Portland reports that the value of marine shipments passing through Portland in 2004 was well over $11.8 billion. Air freight represents a significant portion of our region's trade. The region's trade routes also include rail and interstate freeways, for which Portland is a major western hub.

Commercial and Industrial Activity

In the five years preceding the last recession in the state, retail sales in the region expanded at a compounded annual rate of growth of 13.45 percent. However, recent sales have stagnated with the downturn in the regional economy, but growth is anticipated to rebound with the U.S. recovery now well underway. The per capita number of retailers in the Portland area is generally lower than other comparable metropolitan areas giving local retailers a higher proportion of potential shoppers than is the norm in other west coast cities.

Portland once had one of the nation's healthiest and most attractive office markets, but with the recent downturn in economic activity, commercial and industrial real estate activities have stagnated. Vacancy rates in certain submarkets of the region have reached double-digit, but are now beginning to recede. Again, as the nation recovers, so has the Portland region—albeit at a slower pace than the U.S. as a whole. The momentum of commercial activity appears to be on the upswing as low interest rates, combined with an improving regional economy, have started to spur more real estate construction, particularly in the Portland downtown/south-waterfront area.

Residential Building Activity and Assessed Value

Residential home construction mirrored the growth of industrial construction. Population growth and in-migration to the region has helped sustained demand for new home construction, with single family building permits authorizing the construction of about 11,200 houses in 2004 (for the Portland-Vancouver PMSA). Multi-family construction has also been strong, as over 4,600 units were permitted (for the Portland-Vancouver PMSA) during the same period. Despite a weak regional economy during 2001–03, home construction remained at, or near, pre-recession levels.

Table 3
Portland PMSA Building Activity[1]

Calendar Year	Single Family Units	Valuation (thousands)	Multiple Family Units	Valuation (thousands)
2000	9,979	$1,423,657	3,614	$243,465
2001	9,650	1,624,247	2,550	261,140
2002	7,293	1,373,847	3,274	264,296
2003	7,195	1,423,899	4,661	365,895
2004[2]	7,908	1,628,326	2,457	300,886

1. New construction only.
2. U.S. Census Bureau figures for 2004 with estimates for December 2004 included.

Source: *Census Bureau Center for Population Research and Census, Portland State University; U.S. Census Bureau.*

Residential home construction continues to remain relatively robust as historically low interest rates continue to prop up home sales and new home construction despite slower economic growth. New forms of interest-only mortgages have helped attract new first-home buyers. Also, the collapse of the U.S. stock market as a result has made real estate investment a much more attractive investment option for many investors. Residential home construction may see a dip as interest rates rise, but faster regional economic growth will eventually offset the higher interest rates as more income is pumped back into future homebuyers. Home ownership has never been higher in the region, and continued interest in owning homes is expected.

Total assessed realty values in the region reflect the growth in population and the region's growing popularity as a place to live. Property values grew strongly during the 1990s. Growth rates ranged from a high of 19.3 percent to a low of 7.8 percent, with seven of the nine years between 1991–2000 having double-digit increases. Total market value of real property in the region stood at $141 billion in 2003–04.

Tourism

Tourism is Oregon's third largest industry, and the metropolitan area is the most popular of Oregon's visitor destinations. The single most visited attraction in the state, Multnomah Falls, is just east of Portland, and the most popular paid attraction, the Oregon Zoo, is located in Portland. The region also serves as a central embarkation point for visitors to travel west to the Pacific Ocean or east to the Cascade Mountains. Portland itself is home to numerous cultural and visitor attractions that include the International Rose Test Gardens, World Forestry Center, and Japanese Gardens neighboring the Zoo in Washington Park, Oregon Museum of Science and Industry, Oregon Historical Society, the new classical Chinese Garden, as well as its art museum, symphony, opera, ballet, and numerous high quality theater organizations. The Portland Rose Festival, Portland's premier civic celebration, takes place each June and lasts 25 days. The Rose Festival attracts more than two million visitors each year who attend such signature events as the Grand Floral Parade and the carnival at Waterfront Park. The Rose Festival Airshow is another popular Festival event. Other regional festivals held in Portland include the Waterfront Blues Festival and the Oregon Brewers' Festival.

Metro's Oregon Convention Center (OCC) added to the region's inventory of visitor attractions when it opened for business in 1990. The Convention Center was built to bolster the region's economy by capturing a share of the rapidly growing convention and tourism market, and its success has exceeded expectations. The facility includes 500,000 square feet of exhibit halls, meeting rooms, and ballroom space, and is located near downtown on the MAX light rail line. The OCC's $116 million expansion project opened its doors in 2003. The project added another 150,000 square feet of new exhibit space, a ballroom, and meeting rooms. Over 614,000 convention delegates attended conventions at the Oregon Convention Center in 2004, contributing to a healthy hospitality industry.

Extended Outlook for the State

Oregon's economic forecast for 2005 anticipates the job recovery to continue its strong upward trajectory. Prior to 2004, Oregon lost over 40,000 nonfarm jobs in the preceding three years. According to the most recent forecast (May 2005) from the State of Oregon's Office of Economic Analysis (OEA), the general outlook for 2005 calls for total nonfarm employment to rise 2.9 percent over a year ago. As the economy heats up, the U.S. Federal Reserve has flatly stated that interest rates will continue to rise this year in order to stave off inflation and federal tax cuts will be phasing out. Job growth is expected to moderate in subsequent years as the effects of monetary and fiscal stimulus play themselves out.

Oregon's labor market information is showing fewer signs of economic malaise as the demand for new workers has begun to exhibit stronger demand in a wide range of industry sectors. Unemployment rates across the state fell to their lowest levels since 2001—the start of the recession in the State. Signs of employment growth are emerging in manufacturing and business services. Rebounding economic conditions in the United States are beginning to help boost the recovery in the region.

As the Oregon economy became more industrially diverse, per capita income and wages grew faster than the nation as a whole. Although the Oregon economy is projected to grow faster than the nation in 2004, per capita income and average wages are still below the national average. The Portland-Vancouver area, being a metropolitan area, has per capita income and wage rates comparable to the U.S. averages.

Key factors that will fuel the state's long-term growth are:

- *Recovery in the semiconductor industry:* Increasing demand for computers and communications equipment and an increase in orders will eliminate the excess capacity in the industry. The needs of the Internet should fuel greater demand. The strength in the industry will allow previously announced investment plans by major companies to be carried out in the 2005–2007 period.
- *Export growth and rising commodity prices:* Global recovery of economies will increase demand for Oregon finished goods and commodities. Rising commodity prices will benefit agriculture and timber producers in the state.
- *Continued strength in domestic markets:* A return to economic growth in California and other major domestic markets will fuel demand for Oregon products.
- *Business cost advantages:* The Oregon economy will benefit from a comprehensive energy plan. If the plan can assure business of an abundant, reliable, and relatively inexpensive supply of electricity, the state (and Pacific Northwest) will continue to have a relative energy advantage over other regions. If recent price hike proposals for electricity and natural gas surpass those for other parts of the country, Oregon could lose this price advantage. Equally important is an educated workforce that contributes to productivity.
- *Environmental Issues:* Salmon protection measures, Portland Super Fund, and other issues could change the economic landscape.
- *Affordable Housing:* If Oregon can maintain a relative cost advantage in housing over California and Washington state, this factor will be attractive for households and firms looking for a competitive housing market for its employees.
- *Biotechnology and Nanotechnology:* Both the City of Portland and the State have launched funding plans to attract and promote the biotechnology sector, which is seen by many as the next growth industry.
- *Sustainable Development:* Centered in the Portland area, this movement in building practices is spreading throughout the U.S. The number of new jobs associated with the movement is uncertain, but it may allow gains in market share for Oregon construction and consulting firms.
- *Quality of Life:* Oregon will continue to attract financially secure retirees. Companies that place a high premium on quality of life will desire to locate in Oregon.

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Appendices
Volume 1

METRO

PEOPLE PLACES
OPEN SPACES

Adopting Ordinance

I HEREBY CERTIFY THAT THE FOREGOING IS A COMPLETE AND EXACT COPY OF THE ORIGINAL THEREOE

Rebecca Shoemaker
METRO COUNCIL ARCHIVIST

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2005-06, MAKING APPROPRIATIONS, AND LEVYING AD VALOREM TAXES, AND DECLARING AN EMERGENCY	)))))	ORDINANCE NO 05-1074C Introduced by David Bragdon, Council President

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, 2005, and ending June 30, 2006; 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 2005-06 Metro Budget," in the total amount of TWO HUNDRED SEVENTY SIX MILLION TWO HUNDRED TWENTY ONE THOUSAND EIGHTY EIGHT ($276,221,088) DOLLARS, 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 thousand dollars of assessed value for operations and in the amount of EIGHTEEN MILLION EIGHT HUNDRED SEVENTY TWO THOUSAND SEVEN HUNDRED SEVENTY SEVEN ($18,872,777) DOLLARS for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2005-06. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government Limitation	Excluded from the Limitation
Operating Tax Rate Levy	$0.0966/$1,000	
General Obligation Bond Levy		$18,872,777

3. The following funds are hereby consolidated into the General Fund – the Support Services Fund, the Building Management Fund, the Zoo Operating Fund, the Regional Parks Operating Fund, and the Planning Fund. Balances remaining in the funds are consolidated with the General Fund effective July 1, 2005.

4. The Metro Capital Fund is hereby created for the purpose of accounting for major capital improvement and renewal and replacement reserves for Metro facilities. Major revenue sources for the fund include but are not limited to grants, donations, excise tax contributions from the General Fund, and other revenues or contributions identified for capital, capital maintenance or renewal and replacement purpose. In the event of the elimination of this fund, the fund balance shall revert to any fund(s) designated for similar purpose.

5. The following funds are hereby consolidated into the Metro Capital Fund – the Regional Parks Special Accounts Fund, the Regional Parks Capital Fund, and the Zoo Capital Fund. Balances remaining in these funds are consolidated with the Metro Capital Fund effective July 1, 2005.

6. The Convention Center Project Capital Fund is hereby eliminated. No balance remains in the fund as of June 30, 2005.

7. 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, 2005, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

8. The Chief Financial Officer shall make the filings as required by ORS 294.555 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

9. 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, 2005, 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 23rd day of June, 2005.

GODKÄND APPROVED METRO COUNCIL HUVUDSTADSRÅD METRO COUNCIL

David Bragdon, Council President

ATTEST:

Chris Billington, Recording Secretary

Approved as to Form:

for Marvin Fjordbeck, Sr. Atty
Daniel B. Cooper, Metro Attorney

Schedule of Appropriations

GENERAL FUND	
Council Office	
Operating Expenses (PS & M&S)	1,438,397
Subtotal	1,438,397
Finance & Administrative Services	
Operating Expenses (PS & M&S)	6,688,798
Capital Outlay	271,000
Subtotal	6,959,798
Human Resources	
Operating Expenses (PS & M&S)	1,136,818
Subtotal	1,136,818
Metro Auditor	
Operating Expenses (PS & M&S)	631,742
Subtotal	631,742
Office of Metro Attorney	
Operating Expenses (PS & M&S)	1,390,347
Subtotal	1,390,347
Oregon Zoo	
Operating Expenses (PS & M&S)	21,339,357
Capital Outlay	285,700
Subtotal	21,625,057
Planning	
Operating Expenses (PS & M&S)	14,552,926
Capital Outlay	32,000
Subtotal	14,584,926
Public Affairs & Government Relations	
Operating Expenses (PS & M&S)	1,228,768
Subtotal	1,228,768

GENERAL FUND (continued)	
Regional Parks & Greenspaces	
Operating Expenses (PS & M&S)	6,314,599
Capital Outlay	75,000
Subtotal	6,389,599
Non-Departmental	
Operating Expenses (PS & M&S)	2,511,645
Subtotal	2,511,645
General Expenses	
Interfund Transfers	6,423,242
Contingency	13,571,915
Subtotal	19,995,157
Unappropriated Balance	1,952,429
Total Fund Requirements	**$79,844,683**

GENERAL OBLIGATION BOND DEBT SERVICE FUND	
Debt Service	$18,039,363
Unappropriated Balance	9,745,802
Total Fund Requirements	**$27,785,165**

GENERAL REVENUE BOND FUND	
Project Account	
Capital Outlay - Washington Park Parking Lot	183,066
Subtotal	183,066
Debt Service Account	
Debt Service - Metro Regional Center	1,513,814
Debt Service - Expo Center Hall D	1,215,134
Debt Service - Washington Park Parking Lot	403,064
Subtotal	3,132,012

GENERAL REVENUE BOND FUND (continued)	
General Expenses	
Interfund Transfers	585,000
Subtotal	585,000
Unappropriated Balance	4,423
Total Fund Requirements	**$3,904,501**

MERC OPERATING FUND	
Operating Expenses (PS & M&S)	$30,555,278
Debt Service	22,768
Interfund Transfers	3,581,693
Contingency	3,048,401
Unappropriated Balance	7,543,805
Total Fund Requirements	**$44,751,945**

MERC POOLED CAPITAL FUND	
Operating Expenses (PS & M&S)	$568,474
Capital Outlay	3,758,072
Contingency	751,236
Unappropriated Balance	1,241,756
Total Fund Requirements	**$6,319,538**

METRO CAPITAL FUND	
Operating Expenses (PS & M&S)	$576,279
Capital Outlay	4,077,500
Interfund Transfers	500
Contingency	1,217,152
Unappropriated Balance	4,169,838
Total Fund Requirements	**$10,041,269**

OPEN SPACES FUND	
Operating Expenses (PS & M&S)	$1,705,458
Capital Outlay	1,206,000
Interfund Transfers	368,077
Contingency	468,494
Unappropriated Balance	116,252
Total Fund Requirements	**$3,864,281**

PIONEER CEMETERY PERPETUAL CARE FUND	
Unappropriated Balance	$155,473
Total Fund Requirements	**$155,473**

REHABILITATION & ENHANCEMENT FUND	
Operating Expenses (PS & M&S)	$594,136
Interfund Transfers	29,101
Contingency	300,000
Unappropriated Balance	1,458,970
Total Fund Requirements	**$2,382,207**

RISK MANAGEMENT FUND	
Operating Expenses (PS & M&S)	$7,952,642
Contingency	32,579
Total Fund Requirements	**$7,985,221**

SMITH AND BYBEE LAKES FUND	
Interfund Transfers	21,700
Unappropriated Balance	3,680,250
Total Fund Requirements	**$3,701,950**

SOLID WASTE REVENUE FUND	
Operating Account	
Operating Expenses (PS & M&S)	$45,752,929
Subtotal	45,752,929
Debt Service Account	
Debt Service	2,344,863
Subtotal	2,344,863
Landfill Closure Account	
Materials & Services	321,400
Capital Outlay	384,000
Subtotal	705,400
Renewal and Replacement Account	
Capital Outlay	1,896,000
Subtotal	1,896,000

SOLID WASTE REVENUE FUND (continued)	
General Account	
Capital Outlay	949,000
Subtotal	949,000
Recycling Business Assistance Account	
Materials & Services	250,000
Subtotal	250,000
General Expenses	
Interfund Transfers	4,385,934
Contingency	13,744,685
Subtotal	18,130,619
Unappropriated Balance	15,456,044
Total Fund Requirements	**$85,484,855**
TOTAL BUDGET	**$276,221,088**

Property Tax Calculation

FY 2005-06 PROPERTY TAX CALCULATIONS

Tax Rate Levy

FY 2004-05 Assessed Value	$96,486,155,140	
Assessed Value Increase:		
Statutory 3% allowable	$2,894,584,654	
Estimated FY 2005-06 Assessed Value	$99,380,739,794	
Tax Rate	$0.0966	/$1000
FY 2005-06 Tax Rate Levy	**$9,600,179**	
(estimated assessed value x tax rate)		
Estimated Taxes to be Received	$9,024,168	
(based on 94% collectable rate)		

General Obligation Bond Debt Service:

FY 2005-06 Requirements:	
7/1/05 payment (OCC)	$810,832
7/15/05 payment (Zoo)	222,822
9/1/05 payment (Open Spaces)	8,433,557
1/1/06 payment (OCC)	4,505,832
1/15/06 payment (Zoo)	2,045,663
3/1/06 payment (Open Spaces)	2,020,657
7/1/06 payment (OCC cash flow)	736,932
7/15/06 payment (Zoo cash flow)	448,213
9/1/06 payment (Open Spaces cash flov	8,560,657
Total Requirements	$27,785,165
Sources available for cash flow:	
Fund balance	$9,519,754
Prior years taxes	475,000
Interest earned, FY 2005-06	50,000
Total non-tax sources	$10,044,754
Tax resources required	$17,740,411
Levy (assume 94% collectable rate)	$18,872,777
Estimated FY 2005-06 Assessed Value	$99,380,739,794
Levy rate per $1000	$0.189903768
On $100,000 property	$19.00
FY 2005-06 Tax Levy Amount	**$18,872,777**

Budget Notes

The Council included the following notes in the Adopted Budget. They provide additional policy direction to staff in carrying out the programs or functions of the agency.

Council/Public Affairs and Government Relations

Budget Note 1: Functional Review

Under the direction of the Chief Operating Officer and Chief Financial Officer, management has undertaken a functional review of all business services with the goal of identifying efficiencies in the delivery of those services and reducing overall costs. This review will recognize and be responsive to Councilors' needs for press relations, writing skills, constituent relations, and other public affairs support.

Budget Note 2: Sponsorship Criteria

The Chief Operating Officer will develop criteria and policies to guide the awarding of sponsorships by all departments of Metro.

Budget Note 3: Council Review and Authorization of Grant Applications

Council and the Office of the Metro Attorney will develop a process requiring notice to the Council and the opportunity for Council review and action prior to the submission of any grant application, not explicitly previously authorized, that will commit more than $50,000 in funds or personnel time (about 0.5 FTE).

Budget Note 4: Council Support Staff

The Chief Operating Officer, in cooperation with the Council, is directed to investigate and recommend action to increase the support for Council. This may take the form of staff to provide support, direction and oversight of Council Assistants, more training of staff, or contracting with outside resources. Up to $100,000 has been reserved in contingency for implementation of any action recommended by the Chief Operating Officer and approved by the Council.

Metro Exposition-Recreation Commission

Budget Note 5: Visitor Development Agreement

FY 2005–06 is the last year under the existing Visitor Development Agreement that limits Metro central service charges to the Oregon Convention Center (attachment G of the Visitor Development Agreement). Although not required under the agreement, Metro has implemented an annual calculation method for determining the limitation and necessary subsidy to the Oregon Convention Center for central service charges and has, as a result, exceeded its obligation under this agreement.

Budget Note 6: Metro Tourism Opportunity and Competitiveness Account

An excise tax amount equivalent to $0.50 per ton on solid waste is placed into a Tourism Opportunity and Competitiveness Account. Any new projects proposed to be funded from this account require Council approval through resolution prior to the transfer of funds to the appropriate MERC account. Funding for projects approved through previous resolution may be transferred without additional resolution approval.

Metro Auditor

Budget Note 7: External Financial Audit Contract

The Metro Auditor, acting as project manager of the external financial audit contract, will cooperate and coordinate with the Council, the Chief Operating Officer and the Chief Financial Officer in the selection and execution of the external financial audit contract. An amount equal to $94,095 will be moved from the Metro Auditor's budget to the Special Appropriations section of the General Fund where it is designated to allow the Auditor to pay for the external financial audit contract in the Auditor's role as project manager. In addition, $20,000 will be moved from General Fund Contingency for this same purpose to ensure adequate funding of this important task.

Oregon Zoo

Budget Note 8: Oregon Zoo Foundation Contributions

All contributions from the Oregon Zoo Foundation, net of applicable excise tax, shall be used for duly authorized Oregon Zoo expenditures. This includes enterprise revenues, grants, donations and bequests, or any other form of contribution.

Planning Department

Budget Note 9: Scoping for Regional Transportation Plan Update

As part of the work of determining the scope of the next update of the Regional Transportation Plan, the staff working with the Council and interested parties will explore fundamental questions of how transportation issues are defined and expressed and how other approaches (such as an integrated, comparative analysis of alternate investments in several corridors and modes) might improve upon the current corridor-based planning approach in implementing the 2040 Growth Concept and Regional Framework Plan.

Solid Waste and Recycling Department

Budget Note 10: Commercial Waste Competitive Grants

Councilor McLain, Metro Staff, and the Solid Waste Advisory Committee (SWAC) will establish a task force to review the competitive grant portion of the Year 16 Waste Reduction Initiatives with the goal of developing a competitive grant process that is easy to administer and easy to use for businesses and local partners. The focus of this competitive grant process should be on business and commercial recycling.

Budget Note 11: Illegal Dumping Abatement Activities

During FY 2005–06, Council will develop a complementary package of illegal dumping abatement activities to support the *Nature in Neighborhoods* restoration grant program. The complementary package could include, but not be limited to, participation by the Solid Waste and Recycling Department through the addition of an extra half of a clean-up crew, surveillance equipment, clean-up vehicles and equipment, access restrictions at clean-up sites, education and outreach programs, and an education/outreach specialist position. These additional efforts would be focused on habitat areas and other sites targeted by the *Nature in Neighborhoods* grant restoration program. The complementary package would be developed in conjunction with the *Nature in Neighborhoods* grant restoration program and may result in a budget amendment in FY 2005–06.

General Fund

Budget Note 12: General Renewal and Replacement Account

The Adopted Budget establishes a general Metro Renewal and Replacement Account to be funded from sources identified and deemed appropriate by the Council President and Council. Funding for projects from this account will be requested and evaluated as part of the annual five-year capital budget process and may be appropriated at the discretion of the Council. Unappropriated amounts will carryover into subsequent fiscal years and may be expended by future Council action.

Glossary

Accrual Basis of Accounting—Accounting method in which revenue is recognized when it is earned, regardless of when cash is received; expenses are recognized when the associated liability is incurred, regardless of when cash is paid.

Ad Valorem Tax—A tax based on the assessed value of taxable property.

Advance Disposal Fee—A fee on a product that is intended to capture the cost of waste disposal of that product.

AFSCME—American Federation of State, County, and Municipal Employees, an organized labor bargaining unit.

Airport Light Rail/AirMAX—A light rail line from the Gateway Transit Center to the Portland International Airport.

Appropriation—Authorization granted by the Metro Council to spend money. Metro appropriates expenditure authority in each fund by category (operating expenditures, capital outlay, etc.).

Arbitrage—Interest earned from the proceeds of bond issues in which the rate of interest earned is greater than the interest rate owed on the bonds.

Arbitrage Rebate—Money owed to the Internal Revenue Service from interest earnings on bond proceeds that exceed the interest (bond yield) owed on the bonds.

Assessed Value—The value set by the county assessor on real and personal taxable property as a basis for levying taxes.

Ballot Measure 5—Amendment to the Oregon Constitution approved by the voters in 1990, which limits property tax rates. This is now Article XI, Section 11(b) of the Oregon Constitution.

Ballot Measure 47—An initiative Constitutional amendment approved by voters in November 1996. Ballot Measure 47 rolled back property taxes on individual properties to the lesser of the FY 1994–95 tax or the FY 1995–96 tax less 10 percent, whichever was less. The measure allowed increases of no more than 3 percent per year in property tax bills in ensuing years and limited fee increases without voter approval. Ballot Measure 47 was to take effect in FY 1997–98, but was repealed in May 1997 by Ballot Measure 50.

Ballot Measure 50—A Constitutional amendment referred to the voters by the Legislature in May 1997. Ballot Measure 50 repealed and replaced Ballot Measure 47. Ballot Measure 50 rolled assessed values back to FY 1994–95 levels less 10 percent and allows them to increase no more than 3 percent per year. Existing operating tax levies (including tax bases and levies approved in November 1996) were reduced by a statewide average of 17 percent and were converted to rate-based levies. Ballot Measure 50 took effect in FY 1997–98.

Beginning Fund Balance—Net resources (cash and non-cash) available in a fund at the beginning of a fiscal year, carried over from the prior fiscal year.

Bonds—A written promise to pay a sum of money at a future date, with interest paid at an agreed rate on a set schedule. Bonds are typically used by governments to finance long-term capital improvements.

Budget—A plan for receiving and spending money in a fiscal year. The budget is the financial plan for Metro's allocation of resources to provide services, accomplish Metro's objectives and perform activities.

Budget Calendar—The schedule of key dates and major events in the budget process.

Budget Committee—The Metro Council sits as a special committee under Oregon Budget Law to review the Council President's proposed budget and to adopt the budget for the following fiscal year.

Budget Phases—Metro's annual budget is developed in four phases, as follows:

> *Requested:* Requests from departments for the following year's budget.
>
> *Proposed:* The Council President's recommended budget, which is reviewed by the Council Budget Committee.
>
> *Approved:* The budget as approved by the Council that is forwarded to the Multnomah County Tax Supervising and Conservation Commission for its certification.

Adopted: The budget as adopted by the Council in the annual budget ordinance, following certification by the Tax Supervising and Conservation Commission.

Business Development Grants—Matching grants administered by the Solid Waste and Recycling Department to promote business development of new products using materials recovered from the local waste stream.

CAFR—See *Comprehensive Annual Financial Report.*

Capital Budget—A plan for capital expenditures to be made each year over a five-year period that sets forth each capital project anticipated in that period and that identifies the expected beginning and ending date for each project, the amount to be spent each year, the method of financing the projects and estimated impact of projects on operating budgets.

Capital Fund—See *Fund.*

Capital Improvement Plan (CIP)—See *Capital Budget.*

Capital Outlay—A major expenditure category that includes appropriations for the purchase or improvement of land and buildings, and for furniture and equipment with a cost of more than $5,000 and a useful life of one or more years.

Capital Project—Land, facilities, equipment, or any other capital asset acquired or constructed by Metro costing $50,000 or more and having a useful life of five years or more.

Cash Basis of Accounting—Accounting method under which transactions are recognized when cash changes hands.

Central Services—Services provided internally to Metro departments by a Metro department or departments. These are primarily business services, such as accounting, risk management, information services, human resources, and legal services.

Challenge Grants—Grants to local jurisdictions to support their waste reduction programs to help meet state and regional waste reduction goals.

Chart of Accounts—A coding framework that categorizes various financial information into a logical structure which is the basis and foundation for all financial reporting within the agency.

Commission—An appointed body established in the Metro Code responsible for daily operations of a Metro operation or operations.

Compensation Plan—A listing of all Metro position classifications, their classification number and the rates of pay authorized. The document is updated annually and adopted by the Council.

Component Unit—Legally separate organization for which elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's statements to be misleading or incomplete, in accordance with GASB Statements 14 and 39.

Comprehensive Annual Financial Report (CAFR)—The official public record of Metro's financial condition and results of operations, prepared at the close of each fiscal year, subject to audit.

Compression—The effect produced if the combined (and otherwise authorized) property tax rates of all non-school jurisdictions in a taxing area exceed the limit of $10 tax per $1000 in assessed value, as required by the Oregon Constitution since the passage of Ballot Measure 5. The result of such an excess is proportionally to reduce each general government jurisdiction's rate so the total rate does not exceed $10.

Concept Plan—See *Region 2040.*

Conditionally Exempt Generators—Commercial hazardous waste generators producing limited amounts of hazardous materials.

Contingency—A major expenditure category that includes appropriations set aside for unforeseen expenses. The Council must approve, by ordinance, any transfers from a contingency account to an expenditure account.

Contract—An agreement in writing between two parties where there is an exchange of goods or services. A contract is enforceable by law.

Cost Allocation Plan—A document prepared each fiscal year that identifies costs for central services and assigns them to operating units based on the best estimate of use or benefit received. The plan is used in preparing the annual budget to determine the amount of interfund transfers for the central service funds.

Data Resource Center (DRC)—The division of Metro's Planning Department that supplies economic and demographic information for Metro's planning functions, and that manages the Regional Land Information System (RLIS).

DBE—Disadvantaged Business Enterprise—Metro Code specifies Metro's Disadvantaged Business Program requirements for federally funded contracts.

Debt Service—1) Payment of principal and interest on bonds, interest-bearing warrants, and short-term notes; 2) A major expenditure category that includes all categories of debt service payments.

Department—A functional unit of Metro.

DEQ—The state of Oregon's Department of Environmental Quality, which regulates Metro's solid waste disposal system and aspects of Metro planning operations such as air quality and water quality.

Direct Costs—The amount of charges to a department for specific services provided by another department.

Dry Waste—Non-putrescible (does not decay) waste, including demolition debris.

Employee Fidelity Coverage—Insurance covering loss in the event of theft by an employee.

Ending Fund Balance—Unspent and unobligated net resources at the end of a fiscal year. Usually generated by cash reserves and underspending of appropriations.

Enhancement Grants—Grants for community projects made to local communities that contain major solid waste disposal facilities. There are four such grant programs (for Forest Grove, Metro Central, Metro South, and St. Johns), funded out of the Rehabilitation and Enhancement Fund by a surcharge of $0.50 per ton on waste deposited at the facility.

Enterprise Activity—Business conducted by Metro in which a customer pays a fee or charge for a service or product.

Enterprise Revenues—Revenues earned through the sale of Metro goods or services, including admission fees, building rentals, food, and drink at Metro facilities, etc.

ESB—Emerging Small Business. Metro Code requires an attempt to solicit quotes from an Emerging Small Business for all purchases over $5,000.

ETAC—Economic Technical Advisory Committee. A volunteer committee appointed to review and make recommendations about economic considerations in Metro's proposed regional fish and wildlife habitat protection plan and the trade-offs between economics and natural resources for the region.

Excise Tax—A tax that is paid by users of Metro facilities for the privilege of the use of the facilities, equipment, systems, or services owned, licensed, franchised, or operated by Metro. For additional information, see Volume 2 Appendices, Excise Tax and History.

Expenditure—The actual outlay of, or obligation to pay, cash.

Expo—Portland Metropolitan Exposition Center. The Expo Center, located at 2060 N. Marine Drive in Portland, consists of 300,000 square feet of flat floor space in four adjacent buildings for public exhibits and shows.

Ex Situ Research—Research conducted on wildlife that are not in their native range.

Finanswer Loan—See *PP&L Finanswer Loan.*

Fiscal Year—Metro's annual budget and accounting period, from July 1 through June 30.

Fringe Benefits—Non-salary employee benefits provided in accordance with state and federal law, union contracts, and/or Council policy. Such benefits for regular employees include: pension plans (including Social Security); medical, dental, vision and life insurance; vacation, holiday, and sick leave; workers' compensation and unemployment insurance. Temporary employees receive only those benefits mandated by law, such as Social Security, workers' compensation, and unemployment insurance.

FTE—See *Full-time Equivalent.*

Full-time Equivalent (FTE)—The ratio of time expended in any position to that of a full-time position. One person working full-time for one year is one FTE.

Fund—An independent fiscal and accounting entity with a self-balancing set of accounts that is segregated for the purpose of carrying on specific activities or attaining certain objectives.

Metro maintains several types of funds, including:

> *General:* Revenues may be spent for any legitimate Metro purpose.
>
> *Enterprise:* A fiscal and budgeting entity that accounts for a specific Metro operation that earns a substantial portion of its money through enterprise activities. Examples of Metro enterprise funds are the Solid Waste Revenue Fund and the Zoo Operating Fund.
>
> *Special Revenue:* Resources are restricted to expenditures for specific purposes, generally in support of the department that manages the fund.
>
> *Capital Projects:* Dedicated to acquisition, construction, or improvement of the fixed assets managed by a particular department.
>
> *Internal Service:* Accounts for the financing of goods or services provided by a central service department, with revenues coming from benefiting departments on a cost-reimbursement basis.
>
> *Debt Service:* Dedicated to paying debt service obligations.
>
> *Trust:* Expenditures are dedicated to a specified purpose, as stipulated by the entity or entities that provided money to establish the fund.

Fund Balance—The difference between a fund's assets and its liabilities; a fund's net resources.

GAAP—Generally Accepted Accounting Principles.

GASB—Governmental Accounting Standards Board.

General Fund—See description under *Fund.*

General Obligation Bonds—Bonds that are backed by the full faith and credit of the issuing government. General obligation bonds must be approved by the voters, and are paid through property taxes.

Grant—A contribution of assets by one entity to another. Grants are generally designated for a specific expenditure or project.

Greenspaces—Open areas, usually in public ownership, that are available for public use. While mostly undeveloped or developed only minimally, greenspaces may include parks, cemeteries, natural areas, and golf courses.

Greenspaces Master Plan—The Council-adopted document that establishes policies and lays out long-range plans and goals for Metro's program of acquiring, preserving, and developing open spaces for public use and protection of wildlife habitat.

Growth Concept—See *Region 2040.*

Household Hazardous Waste—Any discarded chemical materials or products that are or may be hazardous or toxic to the public or the environment and are commonly used in or around households.

IGA—See *Intergovernmental Agreement.*

Indirect Costs—The central overhead costs (i.e., payroll, accounts payable, legal counsel) necessary for the operation of a department or execution of a grant and not directly attributable to a specific function or grant. These costs are computed and charged to the appropriate department or grant based on a cost allocation plan.

In Situ Research—Research conducted with wildlife in their native range.

Interfund Transfer—1) An amount of money distributed from one fund to finance activities in another fund. The most common types of interfund transfers are for central services, payment for specific services performed, or for general financial support. 2) A major expenditure category that accounts for all movement of money from one fund to another.

Intergovernmental Agreement (IGA)—A signed agreement between two or more units of government, and approved by their governing bodies, that provides for the exchange of goods or services between the governments.

Intergovernmental Revenue—Funds received from a unit of government other than Metro in support of a Metro activity.

Interstate MAX—A light rail line from the Rose Quarter to the Columbia River along Interstate Avenue that is currently under construction.

Job Share—A budgeted full-time position shared by two people who together work 40 hours per week.

JPACT—Joint Policy Advisory Committee on Transportation. This committee consists of elected and appointed officials from jurisdictions throughout the region who are charged with developing and approving regional transportation plans.

Latex Processing Facility—The part of a solid waste transfer station that treats, recycles, and disposes of latex paint.

LEED (Leadership in Energy and Environmental Design)—A Green Building Rating System; a voluntary, consensus-based national standard for developing high-performance, sustainable buildings; developed by U.S. Green Building Council, representing all segments of the building industry.

Line Item—An object of expenditure (see *Chart of Accounts*).

Line Item Budget—The traditional form of government budgeting in which proposed expenditures are based on individual objects of expenditure within a fund or department.

Major Expenditure Category—One of six classifications of spending, including personal services, materials and services, debt service, capital outlay, interfund transfers, and contingency.

Master Plan—A comprehensive plan for a program or facility that establishes policies and goals for the program or facility, for a period of five years or longer.

Material Recovery Facility (MRF)—A waste facility that receives commingled loads of waste and sorts them into recyclable and non-recyclable components.

Materials and Services—A major expenditure category that includes contractual and other services, materials, supplies, and other charges.

MAX—Metropolitan Area Express. The region's light rail mass transit system.

MBE—Minority Business Enterprise. Metro Code requires an attempt to solicit quotes from a Minority Owned Business for all purchases over $5,000.

Measure 5, Measure 47, Measure 50—See *Ballot Measure*.

MERC—Metropolitan Exposition-Recreation Commission, consisting of an appointed seven-member board and its staff, which is responsible for daily operations of the Oregon Convention Center, Portland Center for the Performing Arts, and Expo Center.

Metro Central—Metro's solid waste transfer station at 6161 NW 61st Avenue, Portland.

Metro Recycling Information Center—The clearinghouse for waste reduction, recycling, and solid waste disposal information in the region.

Metro Regional Center—Metro's governmental headquarters, located at 600 NE Grand Avenue, Portland.

Metro South—Metro's solid waste transfer station at 2001 Washington St., Oregon City.

MIS—Management information system (see *PeopleSoft*).

Modified Accrual Basis of Accounting—The accrual basis of accounting adapted to the governmental fund type under which revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are generally recognized when the related fund liability is incurred.

Nature in Neighborhoods Initiative—A regional habitat protection, restoration, and greenspaces program that inspires, strengthens, coordinates, and focuses the activities of individuals and organizations with a stake in the region's fish and wildlife habitat, natural beauty, clean air and water, and outdoor recreation.

Nature in Neighborhoods Project Team—An interdisciplinary, multi-department team of staff assigned to implement the Nature in Neighborhoods Initiative.

OCC—Oregon Convention Center.

ODOT—Oregon Department of Transportation.

OECDD—Oregon Economic and Community Development Department, which invests lottery, federal, and other funds to help communities and regions build a healthy business climate that stimulates employment, enhances quality of life and sustains Oregon's long-term prosperity.

One-time Revenue—A source of funding that cannot reasonably be expected to recur. Examples include single-purpose grants, use of reserves, and proceeds from the sale of property or other assets.

Open Spaces—Undeveloped land, preserved for its natural, environmental, or recreational benefits.

Open Spaces Acquisition Program—Metro's program of acquiring and preserving open spaces and natural areas. The program is administered by the Regional Parks and Greenspaces Department, and funded through the Open Spaces Fund.

Open Spaces Acquisition Work Plan—The plan guiding the work of the Open Spaces Acquisition Division of the Regional Parks and Greenspaces Department, which establishes the division's development of refinement plans and acquisition of open spaces.

Open Spaces Bond Measure—The Metro bond measure approved by the voters in 1995, authorizing $135.6 million for public acquisition of open spaces and natural areas in and near the Metro region.

Pass-through—Money given by a government or organization to another government or organization with a requirement that it be given to a third government or organization.

PCPA—Portland Center for the Performing Arts, which consists of three buildings and the four performance venues they house. The facilities are Keller Auditorium, Arlene Schnitzer Concert Hall, and the New Theater Building (containing the Newmark Theater and Dolores Winningstad Theater).

PeopleSoft—Metro's management information system software which provides centralized accounting, payroll, human resource, and budgeting information.

Performance Audit—Investigation of a program, operation, or department that is designed to determine whether the subject of the audit is properly, efficiently, and effectively managed. Metro's elected Auditor is responsible for conducting performance audits for Metro.

Performance Measures—Objective standards for determining work loads, effectiveness, and efficiency of Metro departments and programs.

PERS—Public employees retirement system. The retirement benefit package offered by most public jurisdictions in the state.

PERS Reserve—An amount set aside for potential future pension cost liabilities. In the spring of 2003, the Oregon legislature enacted sweeping changes to the public employees retirement system (PERS). All changes were legally challenged. The reserve is equal to the difference between the PERS rate prior to the changes and the PERS rate after the changes—approximately 6.65 percent of salaries and wages.

Population and Employment Allocations—Estimates of the number of residents and the number of jobs projected for each jurisdiction in the region in a given year.

Position—A budgeted authorization for employment, which can be full-time or part-time. One position may be budgeted as any fraction of an FTE but cannot be budgeted in excess of one FTE.

Post-closure Activities—The planning, execution, and environmental monitoring of activities associated with the closure of the St. Johns landfill.

PP&L Finanswer Loan—A special loan offered by Pacific Power & Light Co. to help finance energy conservation measures. Used by Metro to pay for energy conservation measures in the construction of Metro Regional Center.

Preliminary Audit Plan—The Metro Auditor's work plan periodically developed, reviewed, and updated to guide future audit work.

Program—Related activities and projects that seek to accomplish a specific objective. Programs are budgeted at the department level.

Program Budget—A plan for expenditure of money that is based on objectives and the cost to realize those objectives, rather than on individual line items.

Public Employees Retirement System—See *PERS*.

Rate Stabilization Reserve—A reserved fund balance established to stabilize solid waste rates from unanticipated fluctuations.

Recovery Rate—The percent of solid waste that is recovered from the total municipal solid waste stream.

Recycling Information Center—See *Metro Recycling Information Center.*

Refinement Plan—One of several plans of the Open Spaces Acquisition Division of the Regional Parks and Greenspaces Department that identifies specific parcels of land to be acquired within a larger target area.

Region—The area inside Metro's boundary.

Region 2040—Metro's growth management planning document that establishes policies to manage regional growth over a 50-year period and to guide development of the Regional Framework Plan. Also known as 2040 Growth Concept, Concept Plan, and 2040 Concept Plan.

Regional Framework Plan—The growth management planning document mandated in the 1992 Metro Charter that is to prescribe guidelines to be observed by local governments in establishing their local land-use plans in conformance with regional goals. The plan was adopted by the Council in 1997.

Regional Land Information System (RLIS)—Metro's computerized mapping system, which has the capability to apply demographic, topographic, land-use, infrastructure, and other information in map form.

Regional Solid Waste Management Plan (RSWMP)—A policy and planning document adopted by the Metro Council in ordinance form that establishes policies for managing the disposal of solid waste from the region.

Regional Solid Waste Reduction Plan—The 10-year plan established to comply with state mandated waste recovery goals.

Regional Transportation Plan (RTP)—The plan required by the federal government, in order to receive federal transportation funds, that includes regional transportation policies and goals as well as a list of major transportation projects contemplated for a six-year period. This plan is required to be approved by the Joint Policy Advisory Committee on Transportation and the Metro Council.

Regional Urban Growth Goals and Objectives (RUGGO)—A policy and planning document approved by the Metro Council in ordinance form that establishes policies to guide growth management planning in the region.

Requirements—Total budgeted expenditures (including contingency) plus the amount of unappropriated balance.

Resources—All financial assets of a fund, including anticipated revenues plus cash available at the start of the fiscal year.

Restoration/Education Grants—Grants administered by the Regional Parks and Greenspaces Department for funding projects of public education on natural resource preservation or in support of restoring land to its natural state.

Revenue—Assets earned or received by a Metro fund during a fiscal year.

RIC—See *Metro Recycling Information Center.*

St. Johns Landfill—A 238-acre parcel of land in North Portland used as the region's principal general purpose landfill for more than fifty years until its closure in 1991. Metro manages activity at the facility, which primarily consists of implementing an approved closure plan.

Satellite Collection Events—Temporary household hazardous waste collection activities at sites remote from permanent household hazardous waste facilities.

Smith and Bybee Lakes Natural Area—The area including Smith and Bybee Lakes and surrounding property in North Portland that is managed as an environmental and recreational resource for the region.

Solid Waste Information System (SWIS)—The data base maintained by Metro staff providing statistical analyses of the region's solid waste generation, recovery, and disposal characteristics.

Special Revenue Fund—A fund used to account for the proceeds of specific revenue sources (other than expendable trust or capital projects) that are legally restricted to expenditure for specified purposes.

Supplemental Budget—A change to an adopted budget that is undertaken during the fiscal year a budget is in effect as defined by Oregon local budget law. A supplemental budget is required if resources greater than those identified in the budget are to be used, or if additional expenditures greater than the amount in contingency, or greater than 15 percent of total appropriations are required. A supplemental budget that is greater than 10 percent of appropriated expenditures requires TSCC review and certification, and Council adoption by ordinance. A supplemental budget less than 10 percent of appropriated expenditures requires Council adoption.

SWIS—See *Solid Waste Information System.*

Target Area—An area containing regionally significant open spaces that are to be preserved through public acquisition.

Tax Base—Property taxes dedicated to the annual financial support of a government or a government operation, authorized by voter approval.

Tax Supervising and Conservation Commission (TSCC)—Review body composed of citizens appointed by the governor, whose charge under state law is to review the budgets of all jurisdictions headquartered in Multnomah County and determine whether they comply with Oregon's local government budget law. The TSCC reviews the approved budget and supplemental budgets of Metro prior to Council adoption, in order to certify compliance.

Transfer—See *Interfund Transfer*.

Transfer Station—A facility that receives solid waste from commercial haulers and private citizens and ships the material to an appropriate disposal facility.

Transit-Oriented Development (TOD)—Development of property near major transit stations that supports reduced dependence on automobile use by mixing housing, retail, and commercial activity with access to transit.

TSCC—See *Tax Supervising and Conservation Commission*.

Unappropriated Balance—A line item in the budget that represents amounts set aside to be carried over to the following fiscal year. Unappropriated balances may not be spent in the current fiscal year.

Urban Growth Boundary (UGB)—A line delineating the area within the Metro region that may be developed at urban density levels.

WBE—Women Owned Business Enterprise. Metro Code requires an attempt to solicit quotes from a Women Owned Business for all purchases over $5,000.

Waste Characterization Studies—Studies conducted to determine the content of solid waste generated in the region.

Westside Light Rail—A light rail line, an extension of MAX, connecting downtown Portland with Hillsboro.

Willing Seller—A land owner who freely agrees to sell land to Metro for its Open Spaces Acquisition program.

Acronyms

The following are acronyms, abbreviations, and phrases commonly used by Metro staff.

A/P.................... Accounts Payable

A/R.................... Accounts Receivable

AA...................... Alternatives Analysis

AA/EEO .... Affirmative Action/Equal Employment Opportunity

AABGA .... American Association of Botanical Gardens & Arboreta

AAZK................ American Association of Zoo Keepers

ABS .... Automatic Block Signal

ACAT................ Accounting/Contract Advisory Team

ACHP .... Advisory Council for Historic Preservation

ACORN .... Association of Community Organizations for Reform Now

ADA .... Americans with Disabilities Act

ADA .... Aquatic Diversity Area

ADT .... Average Daily Traffic

AFSCME .... American Federation of State, County and Municipal Employees

AGR .... Annual Growth Rate

AHTAC .... Affordable Housing Technical Advisory Committee

AIA .... American Institute of Architects

AICPA .... American Institute of CPAs

AIGA .... American Institute of Graphic Artists

ANSI .... American National Standards Institute

AOR .... Association of Oregon Recyclers

AORTA .... Association of Oregon Rail & Transit Advocates

APE .... Area of Potential Effect

APTA .... American Public Transit Association

AQMA .... Air Quality Maintenance Area

ASA .... Archeologically Sensitive Area

ASAE .... American Society of Association Executives

ASCH .... Arlene Schnitzer Concert Hall

ASCP .... Arterial Street Classification Policy

ASD .... Administrative Services Department

ASP .... Application Service Provider

ATAFY .... American Theatre Arts for Youth

ATMS .... Advanced Traffic Management System

ATS .... Automatic Train Stop

AWD................. Average Weekday

AWT .... Average Wait Time

AZA .... American Zoo and Aquarium Association

AZAD .... Association for Zoo and Aquarium Docents

AZH .... Association of Zoological Horticulture

AZMA .... Aquarium and Zoo Maintenance Association

BAC................... Budget Advisory Committee

BETC .... Business Energy Tax Credit

BFI .... Browning-Ferris Industries

Big Look .... 2040 Growth Concept Review

BLM .... Bureau of Land Management (U.S.)

BMP .... Best Management Practice

BNSF .... Burlington Northern Santa Fe (railroad)

BOB .... Bureau of Buildings (City of Portland)

BOEC .... Bureau of Emergency Communications (City of Portland)

BOLI .... Bureau of Labor and Industries

BOM .... Bureau of Maintenance (City of Portland)

BOP .... Birds of Prey

BOP .... Bureau of Planning (City of Portland)

BRAG .... Business Recognition Aware Group

Btu .... British Thermal Unit

CAA .... Clean Air Act

CAAA .... Clean Air Act Amendments (of 1990)

CAC .... Citizen Advisory Committee

CAD .... Computer Aided Dispatch

CADD .... Computer Assisted Design and Drafting

CAFR .... Comprehensive Annual Financial Report

CB .... Five-Year Capital Budget (formerly known as Capital Improvement Plan, or CIP)

CBD .... Central Business District

CCC .... Clackamas Community College

CCTMP .... Central City Transportation Management Plan

CDBG .... Community Development Block Grant

CDCs .... Community Development Corporations

CDE .... Columbia Dance Ensemble

CEG .... Conditionally Exempt (hazardous waste) Generator

CEI .... Cost Effectiveness Index

CEIC .... Central Eastside Industrial Council

CEQ .... Council on Environmental Quality

CERCLIS .... Comprehensive Environmental Response, Compensation and Liability Information System

CESSE .... Council of Engineering and Scientific Society Executives

CFO .... Chief Financial Officer

CFR .... Code of Federal Regulations

CIP .... Capital Improvement Plan (currently known as Five-Year Capital Budget)

CMAQ .... Congestion Mitigation Air Quality Program

CMS .... Congestion Management System

CO .... Carbon Monoxide

COBRA .... Consolidated Omnibus Budget Reconciliation Act

COE .... Corps of Engineer (United States Army)

COG .... Council of Governments

COLA .... Cost of Living Adjustment

COM .... Council Operations Manager

COO .... Chief Operating Officer

CP .... Council President

CPI .... Consumer Price Index

CPO .... Community Planning Organization

CRAG .... Columbia Region Association of Governments

CRC .... Clackamas Regional Center

CRD .... Columbia River Datum

CREEC .... Commercial Real Estate Economic Coalition

CRLF .... Columbia Ridge Landfill

CS .... Civic Stadium

CSO .... Combined Sewer Overflows

CSS .... Center for Species Survival

CSWSC .... Columbia Slough Watershed Council

CTAP .... Commercial Technical Assistance Program

CTC .... Clackamas Town Center

CTPP .... Census Transportation Planning Package

C-Tran .... Clark County Public Transportation Benefit Area Authority

CWA .... Clean Water Act

CY .... Calendar Year

dB .... Decibel

dBA .... A sound level (dB = sound; A = weighting scale)

DBE .... Disadvantaged Business Enterprise

DCMS .... Distributed Content Management System (web term)

DEIS .... Draft Environmental Impact Statement

DEM .... Digital Elevation Model

DEQ .... Department of Environmental Quality

DLCD .... Department of Land Conservation and Development (Oregon)

DOE .... Determination of Eligibility

DOGAMI .... Department of Geology and Mineral Industries (Oregon)

DOI .... Department of the Interior

DOT .... Department of Transportation

DRC .... Data Resource Center

DSD .... Disposal System Development

DSL .... Division of State Lands (Oregon)

EA .... Environmental Assessment

ECO .... Employee Commute Options

ECSI .... Environmental Clean-up Site Information

EEAO .... Environmental Educators Association of Oregon

EEO .... Equal Employment Opportunity

EIS .... Environmental Impact Statement

EMIS .... Environmental Monitoring Information System

EMME/2 .... A transportation modeling program

EMSWCD .... East Multnomah Soil and Water Conservation District

ENACT .... Environmental Action Team

EO .... Executive Office

EO .... Executive Order

EPA .... Environmental Protection Agency

EPO .... Exclusive Provider Organization (re health benefits)

EQC .... Environmental Quality Commission (Oregon)

ERISA .... Employee Retirement Income Security Act (of 1974)

ERP .... Enterprise Resource Planning

ERP ....Expert Review Panel

ESA ....Endangered Species Act

ESB ....Emerging Small Business

ESEE................Economic, Social, Environmental, and Energy

ESRI.................Environmental Systems Research Institute

ESU ....Evolutionarily Significant Unit (used in conjunction with fisheries)

ETAC................Economic Technical Advisory Committee (a Metro committee)

FAA..................Federal Aviation Administration

FAR..................Floor area ratio

FAS ....Finance and Administrative Services Department

FBF ....Fiber Based Fuels

FEIS.................Final Environmental Impact Statement

FEMA ....Federal Emergency Management Agency

FFGA ....Full Funding Grant Agreement

FGTS................Forest Grove Transfer Station

FHPM ....Federal Aid Highway Program Manual

FHWA ....Federal Highway Administration

FINDS..............Facility Index Notification System

FIRM................Flood Insurance Rate Maps

FLSA ....Fair Labor Standards Act

FMLA...............Family Medical Leave Act

FMZ ....Fire Management Zone

FOSBL ....Friends of Smith and Bybee Lakes

FOTA ....First Opportunity Target Area

FOZ..................Friends of the Zoo (currently known as Oregon Zoo Foundation)

FRG ....Fully Regulated (hazardous Waste) Generator

FS.....................Financial Statements

FS.....................Financial System

FSA ....Flexible Spending Arrangement (re health benefits)

FSTX................Fastixx

FTA ....Federal Transit Administration (formerly UMTA, Urban Mass Transit Administration)

FTE ....Full-Time Equivalent

Functional Plan Urban Growth Management Functional Plan

FVC..................Future Vision Commission

FWPCA............Federal Water Pollution Control Act

FWS ....Fish and Wildlife Service (United States)

FY.....................Fiscal Year

FYB ....Fiscal Year Budget

GAAP ....Generally Accepted Accounting Principles

GASB ....Governmental Accounting Standards Board

GFOA...............Government Finance Officers Association

GIS ....Geographical Information System

GM ....Growth Management Services Department

GMA.................Growth Management Act (State of Washington)

GNW ....Great Northwest (Oregon Zoo exhibit)

Goal 5 TAC.......Goal 5 Technical Advisory Committee

GPAC ....Greenspaces Policy Advisory Committee

GPS ....Global Positioning System

GTAC ....Greenspaces Technical Advisory Committee

GW.....................GroupWise

GWEB ....Governor's Watershed Enhancement Board

HAZTAC...........Hazardous (materials) Technical Advisory Committee

HC ....Hydrocarbons

HCD ....Housing and Community Development (City of Portland)

HCT...................High Capacity Transit

HHW (or H2W) Household Hazardous Waste

HMO ....Health Maintenance Organization

HOV ....High Occupancy Vehicle

HPMS...............Highway Performance Monitoring System

HR ....Human Resources Department

HRIS ....Human Resources Information System

HRMS ....Human Resources Management System

HTAC ....Affordable Housing Technical Advisory Committee

IACVB..............International Association of Convention and Visitor Bureaus

IAMM...............International Association of Assembly Managers

IATSE ....International Alliance of Theatrical State Employees

IBNR ....Incurred But Not Reported (re health benefits)

IFB ....Invitation for Bid

IFMA................International Facility Management Association

IGA ....Intergovernmental Agreement

ILink ....InfoLink (not an acronym)

IMLS................Institute of Museum and Library Science

IMS ....Information Management Services (a division of ASD)

IMS ....Information Management System

INTIX...............International Ticketing Association

IOS....................Interim Operable Segment

IPA ....Independent Practice Association (re health benefits)

IRC....................Intergovernmental Resource Center (replaced by Southwest Washington RTC)

IRIS...................Integrated Road Information System

IS.......................Information Systems

ISEPP ....Institute for Science, Engineering and Public Policy

ISTEA ....Intermodal Surface Transportation Efficiency Act

IT.......................Information Technology

ITIS...................Integrated Transportation Information System (ODOT)

ITS ....Intelligent Transportation Society

ITSC..................Information Technology Steering Committee

IUOE................International Union of Operating Engineers

IVHS ....Intelligent Vehicle Highway Society of America (now known as ITS)

JLMC...............Joint Labor/Management Committee

JPACT ....Joint Policy Advisory Committee on Transportation

KFD ....Killingsworth Fast Disposal (Landfill)

KW ....Kilowatt

KWH ....Kilowatt Hour

LCD .... Land Conservation and Development

LCDC .... Land Conservation and Development Commission

LCOG .... Lane County Council of Governments

LEED .... Leadership in Energy and Environmental Design *(see Glossary)*

LEM .... Location Efficient Montage (Sept. 2000, now called TEAM)

LIU .... Laborers International Union

LOA .... Leave of Absence

LOS .... Level of Service

LPA .... Locally Preferred Alternative

LPS .... Locally Preferred Strategy

LRS .... Linear Referencing System

LRT .... Light Rail Transit

LRV .... Light Rail Vehicle

LUBA .... Land Use Board of Appeals

LUFO .... Land Use Final Order

LUST .... Leaking Underground Storage Tank

LWCFA .... Land and Water Conservation Fund Act

LWOP .... Leave Without Pay

MAC .... Multnomah Athletic Club

MACMED .... Metro Advisory Committee for Mitigating Earthquake Damages

MADGIS .... Metro Area Disaster Geographic Information System

MAGIC .... Metro Area Geographic Information Consortium

M&S .... Materials and Services

MAX .... Metropolitan Area eXpress (regional commuter-rail transit system)

MBE .... Minority Business Enterprises

MBO .... Management by Objectives

MCCI .... Metro Committee for Citizen Involvement

MCS .... Metro Central (transfer) Station

MERC .... Metropolitan Exposition-Recreation Commission

MGD .... Millions of Gallons per Day

MHCC .... Mt. Hood Community College

MHRC .... Metropolitan Human Rights Commission

MIS .... Major Investment Study

MIS .... Management Information System

MMP .... Milwaukie Market Place

MOA .... Memorandum of Agreement

MOS .... Minimum Operable Segment

MOU .... Memorandum of Understanding

MPAC .... Metro Policy Advisory Committee

MPI .... Meeting Planners International

MPO .... Metropolitan Planning Organization

MRC .... Metro Regional Center

MRC .... Milwaukie Regional Center

MRF .... Material Recovery (or Recycling) Facility

MRI .... Metro Recycling Information (see also RIC)

MSA .... Metropolitan Statistical Area

MSS .... Metro South (transfer) Station

MSW..................Municipal Solid Waste

MTAC................Metro Technical Advisory Committee

MTIP.................Metropolitan Transportation Improvement Program

MTOCA............Tourism Opportunity and Competitiveness Account

MTP...................Metropolitan Transportation Plan (Clark County, WA)

MWVCOG.........Mid-Willamette Valley Council of Governments

MYS...................Metropolitan Youth Symphony

NAAQS.............National Ambient Air Quality Standards

NAC...................Noise Abatement Criteria

NCPRD ....North Clackamas Parks and Recreation District

NEPA ....National Environmental Protection Act

NHDB ....Natural Heritage Database (Oregon)

NHPA...............National Historic Preservation Act

NHS...................National Highway System

NIN....................Nature in Neighborhoods

NMFS................National Marine Fisheries Service

NMHC..............Non-methane Hydrocarbons

NMK..................Newmark Theatre

NOI....................Notice of Intent

NOVAA ....Northwest Oregon Volunteer Administrators Association

NPDES.............National Pollutant Discharge Elimination System

NPEC ....North Portland Enhancement Committee

NPS ....National Park Service

NR or NRHP.....National Register of Historic Places

NRC...................National Recycling Coalition

NRCS ....Natural Resources Conservation Service (part of US Dept. of Agriculture)

NTB..................New Theatre Building

NWBCA ....Northwest Business Committee for the Arts

OA ....Office of the Auditor

OAC ....Oregon Arena Corporation

OAHP...............Office of Archaeology and Historic Preservation (State of Washington)

OAN ....Oregon Association of Nurserymen

OAR ....Oregon Administrative Rule

OBT...................Oregon Ballet Theatre

OCC ....Oregon Convention Center

OCT...................Oregon Childrens Theatre

OCVSN ....Oregon Convention Visitor Services Network

OD.....................Organizational Development

ODA ....Oregon Department of Agriculture

ODFW..............Oregon Department of Fish and Wildlife

ODOE ....Oregon Department of Energy

ODOT...............Oregon Department of Transportation

ODS...................Oregon Dental Service

OEC ....Oregon Environmental Council

OEM..................Oregon Emergency Management (Office of)

OEP...................Office of Environment and Planning

OGC ....Office of General Counsel

OHSU...............Oregon Health Sciences University

OIT .... Oregon Institute of Technology

OLA .... Oregon Lodging Association

OLCC .... Oregon Liquor Control Commission

OMA .... Office of Metro Attorney

OMFOA .... Oregon Municipal Finance Officers Association

OMSC .... Oregon Modeling Steering Committee

OMSI .... Oregon Museum of Science and Industry

ORBIT .... Oregon Road Base Information Team

ORBITS .... Oregon Road Base Information Technical Subcommittee

OrRS .... Oregon Recycling Systems

ORS .... Oregon Revised Statutes

ORSRS .... Oregon Recycling Systems Recovery System

OSC .... Oregon Soil Corporation

OSCAR .... Outstanding Service to Customers is Always Rewarded

OSCPA .... Oregon Society of CPAs

OSHA .... Occupational Safety and Health Administration

OSHD .... Oregon State Highway Division

OSO .... Oregon Symphony Orchestra

OSTA .... Oregon Science Teachers Association

OT .... Overtime

OTC .... Oregon Transportation Commission

OTIA .... Oregon Transportation Investment Act of 2001

OTRAN .... Oregon Transportation Reform Advocates Network

OTP .... Oregon Transportation Plan

OWS .... Oregon Waste Systems

OZF .... Oregon Zoo Foundation

PA .... Payment Authorization

PA .... Personnel Action (form)

PA&GR .... Public Affairs and Government Relations Department

PA&L .... Portland Arts and Lectures

P&R .... Park and Ride

PCA .... Property Classification for Assessment (as in tax assessment)

PCC .... Portland Community College

PCF .... Portland Celebrity Forum

PCMA .... Professional Convention Management Association

PCPA .... Portland Center for the Performing Arts

PCS .... Petroleum Contaminate Soils

PCS .... Portland Center Stage

PDC .... Portland Development Commission

PDOT .... Portland Department of Transportation

PE/DEIS .... Preliminary Engineering/Draft Environmental Impact Statement

PE/FEIS .... Preliminary Engineering/Final Environmental Impact Statement

PERS .... Public Employees Retirement System

PFP .... Pay for Performance

PFP .... Public Facilities Planning

PGE .... Portland General Electric

PHC .... Portland Habitation Center

PI.......................Public Involvement

PIPG.................Public Involvement Planning Guide

PIPO.................Public Involvement Plan Outline

PIR....................Portland International Raceway

PMAR...............Portland Metropolitan Association of Realtors

PMG.................Project Management Group

PMSA...............Primary Metropolitan Statistical Area

PNDVA............Pacific Northwest Docent and Volunteer Association

POA..................Portland Opera Association

POS..................Point of Service (Plan) (re health benefits)

POSA................Portland Oregon Sports Authority

POVA...............Portland Oregon Visitors Association

PPM..................Parts Per Million

PPO..................Preferred Provider Organization (re health benefits)

PPS...................Portland Public Schools

PPV..................Peak Particle Velocity

PR.....................Payroll

PS......................PeopleSoft

PS&E................Plan, Specification and Estimate

PSU...................Portland State University

PTC...................Portland Traction Company (railroad)

PUC..................Public Utilities Commission

PYP...................Portland Youth Philharmonic (orchestra)

RA.....................Recycle America (materials recovery facility)

RACC...............Regional Arts and Cultural Council

RBAT...............Regional Business Alliance for Transportation

RCP..................Reinforced Concrete Pipe

RCRA...............Resource Conservation and Recovery Act (of 1976)

RCRIS..............Resource Conservation and Recovery Information System

RCW.................Revised Code of Washington (State)

REHM..............Relative Earthquake Hazard Map

RELM..............Real Estate Location Model

REM.................Regional Environmental Management Department

REMAC...........Regional Environmental Management Advisory Committee

REMG..............Regional Emergency Management Group

REMPAC.........Regional Emergency Management Policy Advisory Committee

REMTEC.........Regional Emergency Management Technical Committee

RFB..................Request for Bid

RFI...................Request for Information

RFP..................Regional Framework Plan

RFP..................Request for Proposals

RFQ.................Request for Qualifications

RFQ.................Request for Quotes

RIC...................Recycling Information Center

RLIS.................Regional Land Information System

RMS.................Root Mean Square

ROD.................Record of Decision

ROW.................Right-of-Way

RPAC................Regional Policy Advisory Committee

RPAG................Regional Parks and Greenspaces Dept.

RPGAC.............Regional Parks and Greenspaces Advisory Committee

RRC...................Rate Review Committee

RSF...................Regional System Fee (credit program)

RSWMP............Regional Solid Waste Management Plan

RTC...................Regional Transportation Council (of southwest Washington; formerly IRC)

RTO...................Regional Travel Options

RTP...................Regional Transportation Plan

RUGGOs...........Regional Urban Growth Goals and Objectives

RWPC...............Regional Water Providers Consortium

RWSP................Regional Water Supply Plan

SCBA................Self-Contained Breathing Apparatus

SCS....................Soil Conservation Service

SDEIS...............Supplemental Draft Environmental Impact Statement

SEE...................Social, Economic and Environmental

SEPA.................State Environmental Policy Act (State of Washington)

SHPO................State Historic Preservation Officer

SIP.....................State Implementation Plan (State [Air Quality] Implementation Plan)

SJL or ***SJLF***......St. Johns Landfill

SKATS..............Salem-Keizer Area Transportation Study

SMART............South Metro Area Rapid Transit (Wilsonville)

SOLV................Stop Oregon Litter and Vandalism

SOV..................Single Occupancy Vehicle

SPR...................State Planning and Research

SPRR.................Southern Pacific Railroad

SQC...................Small Quantity (waste) Generator

SRO...................Single Room Occupancy

SSA....................Social Security Administration

SSP....................Species Survival Plan

STAMINA.........Standard Method of Noise Analysis

STIP..................State Transportation Improvement Program

STP....................Surface Transportation Program

STS....................Sandy Transfer Station

STS....................Specialty Transport Services

SWAC...............Solid Waste Advisory Committee

SWAG..............Southwest Washington Association of Governments

SWANA............Solid Waste Association of North America

SW&R..............Solid Waste & Recycling Department

SWAR...............Solid Waste and Recycling Department

SWINE.............Solid Waste Interagency Network of Enforcement

SWIS.................Solid Waste Information System

SWRTC............Southwest Washington Regional Transportation Council

TA......................Target Areas (re Open Spaces Acquisitions)

TA......................Technical Advisory (FHWA)

TA......................Travel Authorization

TAC...................Technical Advisory Committee

TAG...................Taxon Advisory Group

TAZ .... Transportation Analysis Zone

TC .... Transit Center

TCLA .... Tri-County Lodging Association

TCM .... Transportation Control Measure

TCP .... Technical Core Personnel (relating to InfoLink)

TCSP .... Transportation and Community and System Preservation (an FHWA pilot program)

TDM .... Transportation Demand Management

TDP .... Transit Development Plan

TEA-21 .... Transportation Equity Act of the 21st Century

TES .... Traction Electrification System

TGM .... Transportation Growth Management

THPRD .... Tualatin Hills Parks and Recreation District

TIGER .... Topologically Integrated Geographically Encoded Reference

TIP .... Transportation Improvement Program

TM .... Track Mile

TMA .... Transportation Management Area

TMAC .... Transportation Management Advisory Committee

TMDL .... Total Maximum Daily Load

TMIP .... Transportation Model Improvement Program

TNC .... The Nature Conservancy

TOD .... Transit Oriented Development

TPA .... Third Party Administrator (re health benefits)

TPAC .... Transportation Policy Alternatives Committee

TPL .... Trust for Public Land, The

TPR .... Transportation Planning Rule

TRANSIMS ...... TRANsportation SIMulationS

TRB .... Transportation Research Board

TRIM .... Tower Records and Information Management

TriMet .... Tri-County Metropolitan Transportation District

TRIS .... Tone Release Inventory System

TRO .... Traffic Relief Options

TSCC .... Tax Supervising and Conservation Commission

TSM .... Transportation Systems Management

TSP .... Total Suspended Particulates

TSP .... Transportation System Plan

TSS .... Total Suspended Solids

TTI .... Texas Transportation Institute

TVEDC .... Tualatin Valley Economic Development Council

TVF&R .... Tualatin Valley Fire and Rescue

TWC .... The Wetlands Conservancy

TWC .... Train Wayside Communication (system)

UCR .... Usual, Customary and Reasonable (charges, re health benefits)

UGA .... Urban Growth Area

UGB .... Urban Growth Boundary

UGMFP .... Urban Growth Management Functional Plan

UMTA .... Urban Mass Transit Administration (now FTA)

UNO .... Urban Nature Overnights (Oregon Zoo)

UP or UPRR ..... Union Pacific Railroad

UPS .... United Parcel Service

UPWP .... Unified Planning Work Program (federal designation for UWP)

UR .... Utilization Review (re health benefits)

URISA .... Urban and Regional Information Systems Association

URM .... Unreinforced Masonry Buildings

USACOE .... United States Army Corps of Engineers (also under COE)

USC .... United States Code

USCG .... United States Coast Guard

USCOE .... U. S. Army Corps of Engineers

USDI .... United States Department of the Interior

USDOT .... United States Department of Transportation

USFS .... United States Forest Service

USFWS .... United States Fish and Wildlife Service

USGS .... United States Geological Survey

USPS .... United States Postal Service

UST .... Underground Storage Tank

UWP .... Unified Work Program (UPWP federal designation)—Transportation

UZA .... Urbanized Area

V/C .... Volume to Capacity (ratio)

VA .... Veterans' Administration

VAST .... Visitor Animal Studies Team

VdB .... Vibration Decibels

VDF .... Visitor Development Fund

VDI .... Visitor Development Initiative

VE .... Value Engineering

VHT .... Vehicle Hours Traveled

VLA .... Vacant Land Atlas

VMT .... Vehicle Miles Traveled

VSA .... Visitor Studies Association

VSP .... Vision Services Plan

VTC .... Vancouver Traction Company

WAC .... Washington Administration Code

WACC .... Washington County Coordinating Committee

WBE .... Women Owned Business Enterprise

WCCCA .... Washington County Consolidated Communications Agency

WET II .... Wetlands Evaluation Technique

WFW .... Washington (Department of) Fish and Wildlife

WMO .... Waste Management of Oregon

WREAC .... Waste Reduction Education Advisory Committee

WRI .... Willamette Resources, Inc.

WRPAC .... Water Resources Policy Advisory Committee

WSDOT .... Washington State Department of Transportation

ZAP .... Zoo Animal Presenters

METRO

PEOPLE PLACES
OPEN SPACES