

A G E N D A

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1542 | FAX 503 797 1793



METRO

Agenda

MEETING: METRO COUNCIL WORK SESSION MEETING – revised 6/4/04
DATE: June 8, 2004
DAY: Tuesday
TIME: 1:00 PM
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

- | | | | |
|---------|----|--|------------------|
| 1:00 PM | 1. | DISCUSSION OF AGENDA FOR COUNCIL
REGULAR MEETING, JUNE 10, 2004 | |
| 1:15 PM | 2. | FINANCIAL POLICY BRIEFING | Short |
| 1:45 PM | 3. | CAPITAL IMPROVEMENT PROGRAM UPDATE | Feher |
| 2:00 PM | 4. | COMPENSATION PHILOSOPHY | Jordan/
Scott |
| 3:00 PM | 5. | CITIZEN COMMUNICATION | |
| 3:10 PM | 6. | EXECUTIVE SESSION HELD PURSUANT TO
ORS 192.660 (1) (d) FOR THE PURPOSE OF
DELIBERATING WITH PERSONS DESIGNATED
TO CONDUCT LABOR NEGOTIATIONS. | Dull |
| 3:40 PM | 7. | CHIEF OPERATING OFFICER COMMUNICATION | |
| 3:50 PM | 8. | COUNCILOR COMMUNICATION | |

ADJOURN

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| 2:50 PM | 7. | COUNCILOR COMMUNICATION | |

ADJOURN

Agenda Item Number 2.0

FINANCIAL POLICY BRIEFING

Metro Council Work Session
Tuesday, June 8, 2004
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: June 8, 2004 Time: 1:00 p.m. Length: 30 minutes

Presentation Title: Metro Financial Policies

Department: Finance & Administrative Services

Presenters: Bill Stringer, Casey Short

ISSUE & BACKGROUND

Metro operates without a comprehensive set of financial policies to guide the agency's overall financial management. While there are Council-adopted policies governing capital asset management, and a series of Executive Orders that outline policy and procedures in certain areas, adoption of a set of comprehensive policies would both broaden the scope of formal policy direction and identify those policies that are of greatest importance to the agency. Adoption and maintenance of financial policies is a recommended practice of professional organizations in the field of public sector finance, most notably the Government Finance Officers Association and the National Advisory Council on State and Local Budgeting.

This resolution would adopt a set of financial policies for Metro. The policies contained in the resolution were drafted by a group of department finance managers and Financial Planning staff, thoroughly reviewed, discussed, and revised by a committee of finance staff from all major operating departments and Finance & Administrative Services, and presented to the Senior Management team before coming to the Council. Staff has developed these policies with the expectation that their application should not be considered to be required in all cases; rather, the policies will serve as strong guidelines for financial management that may occasionally not be practicable to meet. In those cases, it is further understood that Council should be apprised of exceptions to the policies and advised of the reasons why a policy goal was not achieved.

The policies address six specific areas of financial management as well as a series of general policies. Several of these simply echo federal or state laws and regulations, or establish as policy certain practices that are currently being done. Highlights of the proposed policies include the following:

- The policies will be reviewed annually by the Council and published in the adopted budget.
- The Chief Financial Officer will develop guidelines and procedures in a number of areas, including determination of fund balances appropriate to each major fund, determination of appropriate contingencies to be maintained, and internal controls.
- A definition of a balanced budget, which is one in which current year revenues meet or exceed current year expenditures.
- The justification for a budgeted draw on fund balance in an operating fund will be included in the adopted budget. document
- A study to assess the affordability of any new program will be done before the program is implemented.
- The Council's existing capital asset management policies are incorporated into this document, by reference.
- One-time revenues will be used to pay for one-time costs or add to fund balance.

OPTIONS AVAILABLE

1. Adopt the policies as presented.
2. Amend the policies prior to adoption.
3. Continue to operate without comprehensive financial policies.

IMPLICATIONS AND SUGGESTIONS

If policies are not adopted, there will continue to be a lack of clarity as to how to manage agency financial practices. Lack of adopted financial policies will also jeopardize Metro's ability to receive the Government Finance Officers Association's Distinguished Budget Presentation Award, as a set of adopted financial policies (including a definition of "balanced budget") is a mandatory criterion for the award.

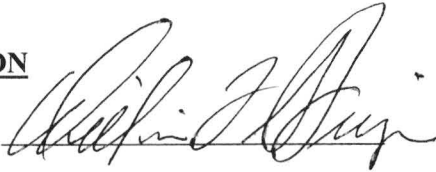
QUESTION(S) PRESENTED FOR CONSIDERATION

Staff is requesting Council adoption, by resolution, of a set of comprehensive financial policies.

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION X Yes No
DRAFT IS ATTACHED X Yes No

SCHEDULE FOR WORK SESSION

Department Director/Head Approval



Chief Operating Officer Approval _____

Agenda Item Number 3.0

CAPITAL IMPROVEMENT PLAN UPDATE

Metro Council Work Session
Tuesday, June 8, 2004
Metro Council Chamber

METRO COUNCIL

Work Session Worksheet

Presentation Date: June 8, 2004

Time:

Length: 15 Minutes

Presentation Title: CIP Update from Approved Budget/Amendments to Approved Budget

Department: Finance and Administrative Services

Presenters: William Stringer, Casey Short, Karen Feher

ISSUE & BACKGROUND

On June 10th Council will be presented with both substantive and technical amendments to the Approved Fiscal Year 2004-05 Budget that will also amend the Capital Improvement Plan. This presentation is to discuss those in advance so Council will have all the information necessary to make decisions on the amendments as presented.

OPTIONS AVAILABLE

The amendments can be approved as presented, amended or declined. If an amendment includes amending the CIP, the action taken on the amendment will be the action taken on the proposal for both the budget and the CIP.

IMPLICATIONS AND SUGGESTIONS

Included with the budget amendments. CIP Sheets for new projects are provided with the applicable amendments.

QUESTION(S) PRESENTED FOR CONSIDERATION

Attached proposed budget and CIP amendments.

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __Yes xNo
DRAFT IS ATTACHED __Yes __No

SCHEDULE FOR WORK SESSION

Department Director/Head Approval _____

Chief Operating Officer Approval _____

M E M O R A N D U M

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1700 | FAX 503 797 1794



METRO

DATE: May 28, 2004
TO: David Bragdon, Council President
FROM: Kathy Rutkowski, Budget Coordinator
RE: FINAL REQUESTED AMENDMENTS TO THE FY 2004-05 BUDGET

Attached are the final amendments to the FY 2004-05 budget requested by departments. These requests do not include amendments initiated by elected officials. The amendments are defined and organized as follows:

1. **Technical amendments:** (green paper) These amendments accommodate minor changes to the budget as a result of updating projections, correcting errors, carrying over funds from the previous fiscal year for uncompleted but approved projects, or recognizing changes in the budget due to other Council action that do not require additional expenditure authority.

There are eight technical amendments to the Approved Budget. Three of the amendments request changes due to final Council action on the excise tax and solid waste rates. Two others request the carry forward of various projects in Regional Parks and Solid Waste & Recycling. Of the remaining three amendments, one recognizes changes in the General Fund beginning fund balance and recalculates the General Fund Recovery Rate Stabilization Reserve, the second moves the FY 2004-05 PERS Reserve currently budgeted in fringe benefits under Personal Services to Contingency in each fund, and the third updates the beginning fund balance in the OCC Project Capital Fund in order to close out the fund in FY 2004-05.

2. **Substantive amendments:** (yellow paper) These amendments request changes to the budget that were not anticipated or incorporated at the time the budget was originally prepared in March or approved in April. There are two requested substantive amendments from departments for projects have recently been approved by either the Metro Council or the MERC Commission.

The first, from the Regional Parks and Greenspaces Department, implements Resolution 04-3461 regarding the Gales Creek Restoration project approved by Council on May 27, 2004. The action would recognize an additional grant from the Oregon Watershed Enhancement Board through Ducks Unlimited as well as transfer the grant funding from the Wetland Reserve Program (USDA) that is currently budgeted in the Regional Parks Operating Fund to the Regional Parks Capital Fund.

The second amendment from MERC, allows the OCC to purchase a Video Display system for the Convention Center. This project will pay for itself in about two years and provide a positive cash flow to OCC of about \$586,000 over the seven-year life of the equipment. This project was approved by the MERC Commission at its meeting on May 26, 2004.

Proposed Amendments

May 28, 2004

Page 2 of 2

Attachments

cc: Councilor Rex Burkholder
Councilor Carl Hosticka
Councilor Susan McLain
Councilor Rod Monroe
Councilor Brian Newman
Councilor Rod Park
Mike Jordan, Chief Operating Officer
Bill Stringer, Chief Financial Officer

**FY 2004-05 Budget
Requested Adjustments to the Approved Budget
May 28, 2004**

Summary of Technical Amendments:

Amendment	Summary of Amendment	Page #
Council 3	Recognizes latest estimate for General Fund beginning fund balance and recalculates the General Fund Recovery Rate Stabilization Reserve	5
General 2	Moves the FY 2004-05 PERS Reserve from fringe benefits under Personal Services to Contingency	8
General 3	Recognizes the two-month implementation delay in the new \$1.50 per ton excise tax levy for Regional Parks	10
General 4	Recognizes the two-month implementation delay in the new \$0.50 per ton excise tax for the Tourism Opportunity and Competitiveness Account	12
Parks 5	Recognizes several carryovers for capital or renewal & replacement projects at various regional parks. <i>CIP sheet included</i>	13
SW&R 10	Carries forward \$124,000 for the installation of diesel particulate filters in part of the CSU fleet.	16
SW&R 11	Recognizes revenue changes resulting from final action on FY 2004-05 solid waste rates taken by Council on May 20, 2004, and from an upward revision in the forecast of Environmental Cleanup Material ("ECM").	14
MERC 4	Update OCC Project Capital Fund Beginning Fund for latest spending projections.	19

Summary of Substantive Amendment:

Amendment	Summary of Amendment	Page #
Parks 6	Fiscal implementation of Gales Creek Restoration project as approved by the Council per Resolution No. 04-3461 adopted by Council on May 27, 2004. Moves project from operating fund to capital fund. <i>CIP sheet included</i>	21
MERC 3	Allows OCC to purchase a Video Display system for the Convention Center as approved by the MERC Commission May 26, 2004. <i>CIP sheet included.</i>	24

Department	#
Council	3

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Bill Stringer, Chief Operating Officer

DRAFTER: Karen Feher, CIP Coordinator
Kathy Rutkowski, Budget Coordinator

DATE: May 19, 2004

PROPOSED AMENDMENT

This amendment requests two actions:

1. Recognizes the latest estimates of fund balance projections for the General Fund beginning fund balance; and
2. Recalculates the General Fund Recovery Rate Stabilization Reserve to reimburse the undesignated fund balance for under-collections in the solid waste per ton excise tax in FY 2000-01.

Action #1: The estimates of beginning fund balance included in the FY 2004-05 budget as approved by the Council April 29, 2004 were based on the Quarterly Report for the 2nd Quarter of FY 2003-04. Since then, Financial Planning has prepared a third quarter report and has updated the General Fund estimates. The first part of this action is to recognize the increase in beginning fund balance estimates for the undesignated and recovery rate stabilization reserves in the General Fund.

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
ACTION #1				
Resources				
	General Fund	3500	Beginning Fund Balance	
			* Undesignated	\$75,532
			* Recovery Rate Stabilization Reserve	94,521
			Total Increase in Resources	\$170,053
Requirements				
	General Fund	5990	Unappropriated Ending Fund Balance	
			* Undesignated	\$75,532
			* Recovery Rate Stabilization Reserve	94,521
			Total Increase in Requirements	\$170,053

Action #2: During the first year of the per ton excise tax charged on solid waste disposed in the Metro region (FY 2000-01), there was a \$228,707 shortfall in excise tax collections. That shortfall has not yet been netted against the budgeted balance in the Recovery Rate Stabilization Reserve, because it would have produced a negative beginning balance in this account for each year prior to FY 2004-05. Our latest estimates indicate there will be a positive balance to begin the coming year. This amendment is being proposed to recognize the earlier shortfall and true up the Recovery Rate Stabilization Reserve as of July 1, 2004. This action will have the effect of reducing the Recovery Rate Stabilization Reserve and increasing the undesignated fund balance. The net amount of the change is \$153,473, which includes the reduction in the Recovery Rate Stabilization Reserve resulting from Council budget amendment #8 (\$75,234 to support an FTE in Planning, and designated to come from this reserve). Please refer to the attached spreadsheet for detailed calculation of the balances.

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
ACTION #2				
	General Fund	5990	Unappropriated Ending Fund Balance	
			* Undesignated	\$153,473
			* Recovery Rate Stabilization Reserve	(\$153,473)

PROGRAM/STAFFING IMPACTS

If both actions are approved, the projected balances at the end of FY 2004-05 would be:

- Undesignated Balance (including unspent contingency) \$1,402,361 (increase of \$229,005)
- Recovery Rate Stabilization Reserve 412,042 (decrease of \$58,952)

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

n/a

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

n/a

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?
No
- Will this amendment increase/decrease central overhead spending? If so, by how much?

Recovery Rate Stabilization Reserve Balance

Prior Calculation Recovery Rate Stabilization Reserve

Fiscal Year	Balance	Contribution	Expenditure	Cumulative Balance
2001	(228,707)			-
2002	-	64,126		64,126
2003	64,126	357,444	207,748	213,822
2004	213,822	426,927	-	640,749

Amended Calculation Recovery Rate Stabilization Reserve

Fiscal Year	Balance	Contribution	Expenditure	Cumulative Balance
2001	(228,707)			(228,707)
2002	(228,707)	64,126		(164,581)
2003	(164,581)	357,444	207,748	(14,885)
2004	(14,885)	426,927	-	412,042

Department	#
General	2

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Bill Stringer, Chief Financial Officer

DRAFTER: Kathy Rutkowski, Budget Coordinator

DATE: May 10, 2004

PROPOSED AMENDMENT (provide a brief summary of the requested action along with the specific line item affected)

This action will move the FY 2004-05 PERS Reserve currently budgeted in Personal Services under fringe benefits to contingency.

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
Requirements:				
	Building Management Fund	5100	Fringe Benefits	(14,639)
	General Fund	5100	Fringe Benefits	(86,758)
	MERC Operating Fund	5100	Fringe Benefits	(665,417)
	MERC Pooled Capital Fund	5100	Fringe Benefits	(21,123)
	Open Spaces Fund	5100	Fringe Benefits	(24,735)
	Planning Fund	5100	Fringe Benefits	(162,263)
	Regional Parks Fund	5100	Fringe Benefits	(145,716)
	Risk Management Fund	5100	Fringe Benefits	(6,192)
	Support Services Fund	5100	Fringe Benefits	(356,760)
	Solid Waste Revenue Fund	5100	Fringe Benefits	(400,068)
	Zoo Operating Fund	5100	Fringe Benefits	(480,595)
	Zoo Capital Fund	5100	Fringe Benefits	(3,398)
			Total	(\$2,367,664)
	Building Management Fund	5999	Contingency	14,639
	General Fund	5999	Contingency	86,758
	MERC Operating Fund	5999	Contingency	665,417
	MERC Pooled Capital Fund	5999	Contingency	21,123
	Open Spaces Fund	5999	Contingency	24,735
	Planning Fund	5999	Contingency	162,263
	Regional Parks Fund	5999	Contingency	145,716
	Risk Management Fund	5999	Contingency	6,192
	Support Services Fund	5999	Contingency	356,760
	Solid Waste Revenue Fund	5999	Contingency	400,068
	Zoo Operating Fund	5999	Contingency	480,595
	Zoo Capital Fund	5999	Contingency	3,398
			Total	\$2,367,664

PROGRAM/STAFFING IMPACTS

This action will:

1. Maintain the policy direction of the Council to reserve a portion of each department's personal services as a hedge against potential changes in the agency's PERS rate resulting from challenges to the legislative changes;

2. Retain the flexibility of the agency to appropriate the reserve by Council action should such an action be deemed necessary and appropriate; and
3. Facilitate management of the budget throughout the year by financial, operations and line staff.

For two fiscal years, FY 2003-04 and FY 2004-05, the Council has authorized departments to reserve a portion of its personal services as a hedge against potential changes in the agency's PERS rate resulting from court challenges to the changes in the PERS structure enacted by the legislature. The FY 2003-04 PERS reserve has been carried forward and is now reflected in the FY 2004-05 Approved Budget as a designated portion of each fund's contingency. This action would also drop the FY 2004-05 PERS reserve from personal services down to contingency and make the treatment of each year's reserve consistent.

This action would also make it easier for budget management throughout the year and make budget to actual comparisons for FY 2004-05 more reliable. Since the PERS reserve is not an actual expense, during the year managers would need to "remember" each month that a portion of the personal services appropriation authority must be reserved. Financial managers would be constantly explaining why personal services appropriation authority is so much higher than actual expense. This action would bring the budget in personal services consistent with the actual amount available for expenditure while still retaining the reserve requirement in an appropriation category that cannot be spent without Council authority.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

N/A

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

None

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

No

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

No

Department	#
General	3

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Bill Stringer, Chief Financial Officer
Jim Desmond, Regional Parks and Greenspaces Director

DRAFTER: Kathy Rutkowski, Jeff Tucker

DATE May 20, 2004

PROPOSED AMENDMENT (provide a brief summary of the requested action along with the specific line item affected)

This amendment would recognize the changes resulting from a two-month delay in the implementation of the revised excise tax proposal. It also recognizes a slight change in the tonnage forecast from what was used to develop the original budget assumptions last fall.

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
GENERAL FUND				
Resources				
	010 – General Fund	4050	Excise Tax	(\$231,704)
Requirements				
	010 – General Fund	5810	Transfer of Resources to Regional Parks Operating Fund	(\$231,704)
REGIONAL PARKS OPERATING FUND				
Resources				
Regional Parks	160 – Parks Operating	4970	Transfer of Resources from the General Fund (excise tax)	
			✓ Original \$1.00 per ton	\$43,241
			✓ New \$1.50 per ton	(274,945)
			Total Revisions to Resources	(\$231,704)
Requirements				
Regional Parks	160 – Parks Operating	5810	Transfer of Resources to Regional Parks Capital Fund	(\$208,212)
		5990	Unapprop. Balance – Undesignated	(23,492)
			Total Revisions to Requirements	(\$231,704)
REGIONAL PARKS CAPITAL FUND				
Resources				
Regional Parks	360 – Parks Capital	4970	Transfer of Resources from Regional Parks Operating Fund	(\$208,212)
Requirements				
Regional Parks	360 – Parks Capital	5990	Unappropriated Balance	(\$208,212)

PROGRAM/STAFFING IMPACTS

The two-month delay has the following impacts on staffing and projects to be funded with the new excise tax funding:

- ✓ Funds three positions (two existing, one new) out of fund balance for a two-month period. The new position will not be filled until September 1st unless there are bumping issues that would make it advantageous to fill the position earlier.

- ✓ Beginning FY 2006-07, habitat restoration at two sites will need to be stretched out one more year than originally planned.
- ✓ No impact on the construction schedule. Engineering, design and land use approval was not scheduled to begin until the fall of 2004. The staff person who will manage these projects will be busy completing the Cooper Mountain master plan.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

The budget as approved assumes an implementation date of July 1, 2004 for the new excise tax proposal. Council action on May 20, 2004 on Ordinance 04-1048A, established September 1, 2004, as the implementation date for the additional excise tax. This amendment recognizes the impact of the two-month delay.

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

n/a

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

The proposal will use approximately \$23,500 to provide a two-month funding bridge for three positions until such time as the new excise tax levy is implemented.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

No.

Department	#
General	4

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Bill Stringer, Chief Financial Officer

DRAFTER: Kathy Rutkowski, Budget Coordinator

DATE May 20, 2004

PROPOSED AMENDMENT (provide a brief summary of the requested action along with the specific line item affected)

This amendment would recognize the changes resulting from a two-month delay in the implementation of the revised excise tax proposal.

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
GENERAL FUND				
Resources				
	010 – General Fund	4050	Excise Tax	
			✓ New \$0.50 per ton	(\$91,647)
Requirements				
	010 – General Fund	5999	Contingency – Tourism Account	(\$91,647)

PROGRAM/STAFFING IMPACTS

The two-month delay in implementation of the new excise tax levy would reduce the amount available to the Tourism Opportunity & Competitiveness Account by approximately \$92,000.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

The budget as approved assumes an implementation date of July 1, 2004 for the new excise tax proposal. Council action on May 20, 2004 on Ordinance 04-1052, established September 1, 2004, as the implementation date for the additional excise tax. This amendment recognizes the impact of the two-month delay.

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

n/a

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?
No
- Will this amendment increase/decrease central overhead spending? If so, by how much?
No.

Department	#
Parks	5

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Dan Kromer

DRAFTER: Jeff Tucker

DATE May 21, 2004

PROPOSED AMENDMENT (provide a brief summary of the requested action along with the specific line item affected)

Parks Capital Project Carry Forward

This is a technical amendment to carry forward projects that were planned and budgeted for FY 2003-04, but will not be completed until FY 2004-05.

Blue Lake Restroom and Lakefront Improvement - The Blue Lake restroom and lakefront improvement project has been underway during the spring of 2004. The site work has been delayed because of delays in obtaining construction permits. The prefabricated restroom units will now not be delivered and installed until early July, necessitating the carry forward of part of this project's budget to make final payments. There is no change in the overall anticipated cost of this project. The carry forward amount is \$25,000.

Oxbow Park Picnic Shelters - The Oxbow Park picnic shelter project has been delayed slightly because failed holding tank tests have resulted in the need for the contractor to rebuild part of the pre-assembled units. The overall project costs have not changed, but this project will slip into next fiscal year. The carry forward amount is \$30,000.

Oxbow Park Shop Restroom - The rebuild of the Oxbow Park Shop restroom is a renewal & replacement project scheduled for FY 2003-04. Staff was delayed in getting bids out, so work is not scheduled to begin until June 21, 2004. The project is now scheduled to be completed by July 31. The amount of carry forward is \$30,000.

Glendoveer Golf Course Fence Replacement - The Glendoveer Golf Course fence replacement renewal & replacement project was scheduled to be done in FY 2003-04. Bids were opened May 20, 2004, with the project expected to be done from June 14 to July 31. This timing requires that part of the costs be carried into FY 2004-05. This project was originally anticipated to cost \$45,000, but drastic cost increases for steel have significantly increased the cost of this project. The road repair project at Oxbow, scheduled for FY 2003-04, has been postponed to FY 2004-05 to provide the renewal & replacement money for this cost increase. The carry forward amount is \$90,000, and as this project now exceeds the CIP threshold amount, should be added to the CIP. A CIP project sheet is attached.

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
REGIONAL PARKS OPERATING FUND				
Resources				
	160 – Parks Operating	3500	Beginning Fund Balance	\$120,000
Requirements				
	160 – Parks Operating	5820	Transfer to Parks Capital Fund	\$120,000

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
OPEN SPACES FUND				
Resources				
	350 – Open Spaces	3500	Beginning Fund Balance	\$55,000
Requirements				
	350 – Open Spaces	5820	Transfer to Parks Capital Fund (local share transfer)	\$55,000
REGIONAL PARKS CAPITAL FUND				
Resources				
	360 – Parks Capital	4980	Transfer from Parks Operating Fund	\$120,000
		4980	Transfer from Open Spaces Fund	\$55,000
Requirements				
	360 – Parks Capital	5261	Renewal & Replacement – CIP	\$90,000
		5260	Renewal & Replacement – Non-CIP	\$30,000
		5725	Capital Outlay – Building & Related CIP	\$55,000

PROGRAM/STAFFING IMPACTS

None. These projects will continue to be completed with existing, budgeted staff.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

n/a

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

No reductions or changes in budget or program areas are necessary to accommodate this amendment.

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

This amendment recognizes underspending in FY 2003-04 on these projects and forwards the budget to FY 2004-05. Any fund balance draw is in relation to this underspending.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

This amendment will have no impact on central overhead spending.

Capital Project Request - Project Detail

Project Title:	Glendoveer Golf Course Fence Repair				Fund:	Regional Parks Capital Fund				
Project Status:	Incomplete	Funding Status:	Funded	FY First	2004-05	Department	Regional Parks and Greenspaces			
Project	TEMP191	Active:		Dept.	9	Facility:		Division		
Source Of	Actual Bid	Source		Start	6/04	Date:	5/24/2004			
Type of Project:	Replacement	Request	Initial	Completion	7/04	Prepared	Jeff Tucker			
Project Estimates		Actual	Budget/Es	Prior						
Capital Cost:		Expend	2003-2004	Years	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Total
Construction		\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	\$90,000
Total:		\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	\$90,000
Funding Source:										
Excise Tax		\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	\$90,000
Total:		\$0	\$0	\$0	\$90,000	\$0	\$0	\$0	\$0	\$90,000
Annual Operating Budget										

Project Description / Justification:	Estimated Useful Life	20	First Full Fiscal Year of	2004-05
Renewal and replacement project to repair perimeter fence at Glendoveer Golf Course.				

Department	#
SW&R	10

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Mike Hoglund, Director

DRAFTER: Jim Watkins, E&ES Manager

DATE May 21, 2004

PROPOSED AMENDMENT: CONTRACT CARRYOVER

Diesel Particulate Filters

\$124,000

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
Resources				
SW&R	Solid Waste Revenue Fund - Operating Account	3500	Beginning Fund Balance	\$124,000
Requirements				
SW&R	Solid Waste Revenue Fund – Operating Account	5290	Operations Contracts	\$124,000

PROGRAM/STAFFING IMPACTS

None.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT

The FY 2003-04 Adopted Budget includes \$124,000 for the installation of diesel particulate filters in part of the CSU fleet. The filters trap diesel particulates that have been identified as a major toxic pollutant. These funds were not expended because the original contractor decided to retool their manufacturing operation and could not provide the filter as required. As a result, CSU, our transport contractor, contracted with a new firm that will make an initial delivery in June 2004. Once the filter is approved by Metro, the remaining filters will be purchased in FY 2004-05.

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

None

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?

No effect.

- Will this amendment increase/decrease central overhead spending? If so, by how much?

No effect.

Department	#
SW&R	11

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Douglas Anderson

DRAFTER: Douglas Anderson

DATE June 10, 2004

PROPOSED AMENDMENT: REVENUE CHANGES

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
Resources				
SW&R	Solid Waste Revenue Fund	4300	Disposal Fees	\$665,988
SW&R	Solid Waste Revenue Fund	4305	Regional System Fee	<\$1,039,219>
SW&R	Solid Waste Revenue Fund	4330	Transaction Fee	\$412,426
			Total Resources	\$39,195
Requirements				
SW&R	SW Revenue Fund – Operating Account	5990	Ending Fund Balance	\$39,195
			Total Requirements	\$39,195

PROGRAM/STAFFING IMPACTS – None.

EXPLANATION OF PROPOSED AMENDMENT

This amendment reflects two changes that affect revenue: (1) the final action on FY 2004-05 solid waste rates taken by Council on May 20, 2004; and (2) an upward revision in the forecast of Environmental Cleanup Material ("ECM").

On May 20, the Council increased the disposal and transaction fees at Metro transfer stations; decreased the Regional System Fee; and delayed implementation of the rates until September 1. As a result of these actions, disposal and transaction fee revenues are projected to increase by \$665,988 and \$412,426, respectively; and Regional System Fee revenue is projected to decline by \$1,151,469.

The increase in ECM (from 90,600 to 135,500 tons, reflecting recent trends in mitigation projects) is projected to increase Regional System Fee revenue by \$112,250. This will partially offset the effect of the rate actions, for a net decline of \$1,039,219 in Regional System Fee revenue.

The total difference between the increase in ECM revenue and the changes due to the rate actions is \$39,195, which will increase the ending fund balance.

This amendment has no effect on expenditures.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT. Not necessary for technical adjustments.

FUNDING IMPACTS – None.

EFFECT ON KEY BUDGET ISSUES

- **Will this amendment change the fund balance draw? If so, which fund(s) and by how much?**

Yes. This amendment will increase the SW Revenue Fund balance by \$39,165.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

No effect.

- **What is the effect of this amendment on the debt service coverage ratio (bond covenant)?**

The mild increase in revenue will raise the coverage ratio by about 1 point, from 142% to 143%, well above the 110% requirement.

Department	#
MERC	4

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Mark Williams

DRAFTER: Kathy Taylor/Karen Feher

DATE May 27, 2004

PROPOSED AMENDMENT The current budget for FY 2003-04 anticipated that the entire fund balance of the Convention Center Capital Fund would be spent by the end of FY 2003-04. \$350,000 was placed in the FY 2004-05 budget due to a higher than expected beginning Fund Balance. This action was to provide budget appropriation to move any balance remaining in this fund to the MERC Pooled Capital Fund. The money came originally from the Oregon Convention Center in the MERC Operating Fund and will be reserved in the MERC Pooled Capital Fund for the Oregon Convention Center improvements. In reviewing the current fund balance in the Convention Center Capital Fund, the \$350,000 appears low. This budget amendment adds \$35,000 to insure adequate appropriation to bring this fund to zero at the beginning of FY 2004-05.

These transferred funds will be placed in an OCIP Insurance Reserve for OCC Expansion in the MERC Pooled Capital Fund. A total of \$450,000 is held in this reserve.

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
OCC PROJECT CAPITAL FUND				
Resources				
	559 – OCC Project Cap	3500	Beginning Fund Balance	\$35,000
Requirements				
	559 – OCC Project Cap	5810	Transfer to MERC Pooled Capital	\$35,000
MERC POOLED CAPITAL FUND				
Resources				
	850 – MERC Pooled OCC	4970	Transfer from OCC Project Capital	\$35,000
Requirements				
	850 – MERC Pooled OCC	5990	Unappropriated Fund Balance	\$35,000

PROGRAM/STAFFING IMPACTS

None.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

N/A

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

None

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?

No.

- Will this amendment increase/decrease central overhead spending? If so, by how much?

No.

Department	#
Parks	6

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR Jim Morgan

DRAFTER: Jeff Tucker

DATE May 27, 2004

PROPOSED AMENDMENT (provide a brief summary of the requested action along with the specific line item affected)

Gales Creek/Tualatin River Confluence Habitat Restoration Project

The approved FY 2004-05 Parks Operating Fund budget includes a \$216,872 grant from the US Department of Agriculture (Wetland Reserve Program) and \$216,872 in associated expenditures, toward the completion of the restoration project on the property known as the Lovejoy property, near the confluence of the Tualatin River and Gales Creek. On May 27, Council gave the Chief Operating Officer the authority to enter into agreements with the USDA to accept this grant. Part of this amendment moves this project from the Parks Operating Fund to the Parks Capital Fund.

The Council action on May 27 also provided the authority to the Chief Operating Officer to enter into an agreement with Ducks Unlimited to partner with Metro on this project. Ducks Unlimited is bringing to the partnership \$150,868, approximately \$117,000 in a grant from the Oregon Watershed Enhancement Board, and \$34,000 of their own money and in-kind services as match. The OWEB grant and the Ducks Unlimited match will be spent directly by Ducks Unlimited, in accordance with the restoration plans developed by Metro.

Even though the money does not come directly to Metro, Metro nevertheless needs to record the transaction in its General Ledger. This budget amendment recognizes the grant from OWEB to Ducks Unlimited as "Indirect State Grant" revenue and the Ducks Unlimited matching contribution as a donation from a private organization. The budget amendment also shows an expenditure of \$150,868 that will be recorded as a journal entry at the completion of the project.

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
REGIONAL PARKS OPERATING FUND				
Resources				
	160 – Parks Operating	4110	Direct Federal Grants	(\$216,872)
Requirements				
	160 – Parks Operating	5250	Contracted Property Services	(\$216,872)
REGIONAL PARKS CAPITAL FUND				
Resources				
	360 – Parks Capital	4100	Direct Federal Grant	\$216,872
		4115	Indirect State Grant	116,877
		4750	Donations	33,991
			Total Resources	\$367,740
Requirements				
	360 – Parks Capital	5715	Improvements other than buildings	\$367,740

PROGRAM/STAFFING IMPACTS

None. This project will continue to be completed with existing, budgeted staff.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

This project was approved by Council on May 27, 2004. This amendment recognizes the financial contribution being made by Ducks Unlimited to the project and allows the improvements to be recorded in Metro's General Ledger.

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

No reductions or changes in budget or program areas are necessary to accommodate this amendment.

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

This amendment will not draw down fund balance.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

This amendment will have no impact on central overhead spending.

Capital Project Request - Project Detail

Project Title:	Gales Creek/Tualatin River Confluence Project				Fund:	Regional Parks Capital Fund				
Project Status:	Incomplete	Funding Status:	Funded	FY First	2004-05	Department	Regional Parks and Greenspaces			
Project	TEMP193	Active:		Dept.	10	Facility:		Division		
Source Of	Preliminary	Source		Start	7/04	Date:	5/24/2004			
Type of Project:	New	Request	Initial	Completion	6/05	Prepared	Jeff Tucker			
Project Estimates		Actual	Budget/Es	Prior						
Capital Cost:		Expend	2003-2004	Years	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Total
Restoration		\$0	\$0	\$0	\$367,740	\$0	\$0	\$0	\$0	\$367,740
Total:		\$0	\$0	\$0	\$367,740	\$0	\$0	\$0	\$0	\$367,740
Funding Source:										
Grants		\$0	\$0	\$0	\$333,749	\$0	\$0	\$0	\$0	\$333,749
Donations		\$0	\$0	\$0	\$33,991	\$0	\$0	\$0	\$0	\$33,991
Total:		\$0	\$0	\$0	\$367,740	\$0	\$0	\$0	\$0	\$367,740
Annual Operating Budget										
Annual Expenditures										
Other Costs					\$40,173	\$33,525	\$12,260	\$10,000	\$10,000	\$105,958
Subtotal, Expenditures:					\$40,173	\$33,525	\$12,260	\$10,000	\$10,000	\$105,958
Net Operating Contribution (Cost):					(\$40,173)	(\$33,525)	(\$12,260)	(\$10,000)	(\$10,000)	(\$105,958)
Project Description / Justification:				Estimated Useful Life	0	First Full Fiscal Year of	2005-06			

The Gales Creek/Tualatin River Confluence restoration project includes restoring approximately 245 acres of metro flood plain property to historical vegetation communities and former flood plain functions. Current agricultural practices sever the flood storage capabilities, increase soil erosion potential, and possibly entraps migrating salmonids. This project is funded by a combination of federal and state grants as well as a donation from Ducks Unlimited. It will be managed by Ducks Unlimited. The first two years of maintenance will also be performed by Ducks Unlimited as part of the grant.

As part of the agreement, Metro is financial responsible for preparation of the site (disc, mowing, spraying) and maintenance of optimal growing conditions (mowing, spraying) after the initial project implementation. These costs are shown in the annual operating budget impact section.

Department	#
MERC	3

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Mark Williams

DRAFTER: Karen Feher/Jeff Blosser/Kathy Taylor

DATE: April 29, 2004

PROPOSED AMENDMENT BUDGET This amendment is to allow OCC to purchase a Video Display system for the Convention Center. Anticipated revenues from the system are \$85,500 to \$139,500 per year. Additional costs will be about \$12,000 beginning about one year after installation. This project will pay for itself in about two years and provide a positive cash flow to OCC of \$586,250 over the seven-year life of the equipment. This action also amends the Capital Improvement Plan, adding this project

DEPARTMENT(S)		FUND(S)		LINE ITEMS	
		Acct #	Account Title	Amount	
MERC POOLED CAPITAL FUND					
Resource:	MERC Pooled Capital Fund	4970	Transfer of Resources from OCC Ops	\$178,750	
	MERC Pooled Capital Fund	4760	Sponsorship	\$88,000	
Requirements:	MERC Pooled Capital Fund	5745	Equipment and Vehicles (CIP)	\$266,750	
MERC OPERATING FUND					
Resource:	MERC Operating Fund	4760	Sponsorship Revenue	\$95,000	
Requirements:	MERC Operating Fund	5810	Transfer of Resources to MERC Pooled Capital Fund	\$178,750	
	MERC Operating Fund	5900	Unappropriated Fund Balance	(\$83,750)	

PROGRAM/STAFFING IMPACTS This project can be handled within existing staff.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT THIS The video system will provide the Oregon Convention Center with a first-class video display system to utilize for way-finding, event advertising, product advertising, tourism related commercial space and enhanced sponsorship packages. Located in 40 screens in 12 different locations throughout the OCC common areas, this system will add to the experience of the attendee with a variety of important informational needs.

This project has a two-year payback and will contribute much needed positive net revenue for OCC.

OPTIONS FOR FUNDING THIS AMENDMENT – OCC will transfer the funds necessary to fund this project and will recoup the investment in about two years.

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?** This amendment will be a draw on fund balance of \$83,750 that will be substantially recovered by the end of the second year.
- **Will this amendment increase/decrease central overhead spending? If so, by how much?** NA

Capital Project Request - Project Detail

Project Title: OCC - Video Signage System

Fund: MERC Pooled Capital Fund

Project Status: Incomplete **Funding Status:** Funded
Commission

FY First Authorized: 2004-05 **Department:** Metro Exposition-Recreation

Project Number: TEMP198 **Active:** **Dept. Priority:** 3 **Facility:** Oregon Convention Center **Division:** Oregon Convention Center

Source Of Preliminary **Source:** **Start Date:** 7/04 **Date:** 5/25/2004

Type of Project: New **Request** Initial **Completion Date:** 8/04 **Prepared By:** Cynthia Hill

Project Estimates

Capital Cost:	Actual Expend	Budget/Es 2003-2004	Prior Years	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Total
Equipment/Furnishings	\$0	\$0	\$0	\$266,750	\$0	\$0	\$0	\$0	\$266,750
Total:	\$0	\$0	\$0	\$266,750	\$0	\$0	\$0	\$0	\$266,750

Funding Source:

Fund Balance - Capital Reserve	\$0	\$0	\$0	\$178,750	\$0	\$0	\$0	\$0	\$178,750
Donations - MERC	\$0	\$0	\$0	\$88,000	\$0	\$0	\$0	\$0	\$88,000
Total:	\$0	\$0	\$0	\$266,750	\$0	\$0	\$0	\$0	\$266,750

Annual Operating Budget Impact:

Annual Revenues	\$85,500	\$90,000	\$117,000	\$126,000	\$139,500	\$558,000
Annual Expenditures						
Materials and Services	\$0	\$12,000	\$12,000	\$12,000	\$12,000	\$48,000
Subtotal, Expenditures:	\$0	\$12,000	\$12,000	\$12,000	\$12,000	\$48,000
Net Operating Contribution (Cost):	\$85,500	\$78,000	\$105,000	\$114,000	\$127,500	\$510,000

Project Description / Justification: **Estimated Useful Life** 7 **First Full Fiscal Year of Operation:** 2004-05

This video system will provide the Oregon Convention Center with a first-class video display system to utilize the way-finding, event advertising, product advertising, tourism related commercial space and enhanced sponsorship packages. The system is 40 screens in 12 different locations through out the OCC common areas. This system will add to the experience of the attendee with a variety of important informational needs. This system is also expected to be a feature that will make OCC more attractive to event schedulers.

Agenda Item Number 4.0

COMPENSATION PHILOSOPHY

Metro Council Work Session
Tuesday, June 8, 2004
Metro Council Chamber

*****Instructions for completing form*****

METRO COUNCIL

Work Session Worksheet

Presentation Date: June 8, 2004 Time: 2:00pm

Length: 1 hour

Presentation Title: Compensation Philosophy

Department: Human Resources

Presenters: Michael Jordan & Ruth Scott

ISSUE & BACKGROUND

On July 1, 2003, Metro implemented the results of a classification & compensation study of non-represented positions. As part of the implementation, Metro human resources took the following steps:

1. set non-represented salary range midpoints to market median salary (based on published survey data);
2. limited base pay to the range midpoint (manages base pay to market);
3. limited merit awards to a total of 3%; applied to base pay (up to the midpoint) or as a one-time bonus when salary is at midpoint or higher (bonus cannot exceed the maximum);
4. revised the spread of salary ranges (minimum to maximum) to 30% for administrative, 35% for professional/technical, and 40% for supervisory/management/executive, and"
5. limited the recommended increase to non-represented salary ranges 516, 517, 518, & 519.

Metro Council charged the Human Resources Department with the following:

- a. **Total Compensation** - survey other public entities regarding total compensation/total reward and develop a compensation strategy for Council's consideration
- b. **Merit-based Performance Evaluation Program** - develop and implement a merit-based Performance Evaluation Program for represented and non-represented employees
- c. **Classification Descriptions** - review and consolidate classification descriptions and align classifications regardless of represented or non-represented status
- d. **Classification/Reclassification System** - design a new system for classifying new positions and reclassifying existing positions

OPTIONS AVAILABLE (List the options available for any actions that may need to be taken, indicating the pros and cons of each. Cost estimates should be included for each option, where applicable.)

See attached

IMPLICATIONS AND SUGGESTIONS (Please state your departmental suggestions(s) AND the reason(s) for the suggested action. Also include anticipated problems, which will be encountered: a) if the suggestions is implemented, and b) if the suggestion is not implemented.)

See attached

QUESTION(S) PRESENTED FOR CONSIDERATION (Please state clearly your request of the Metro Council. In other words, what do you hope to obtain from the Metro Council. If more than one question, please number them.)

See attached

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION X Yes ☐ No ☒
DRAFT IS ATTACHED ☐ Yes ☒ No

SCHEDULE FOR WORK SESSION (Please initial as appropriate indicating that the material for presentation has been reviewed and is ready for consideration by the Council).

Department Director/Head Approval _____

Chief Operating Officer Approval _____

METRO COUNCIL

Work Session Worksheet

Presentation Date:

Time:

Length:

Presentation Title:

Department:

Presenters:

ISSUE & BACKGROUND

OPTIONS AVAILABLE

IMPLICATIONS AND SUGGESTIONS

QUESTION(S) PRESENTED FOR CONSIDERATION

LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION __Yes __No
DRAFT IS ATTACHED __Yes __No

SCHEDULE FOR WORK SESSION

Department Director/Head Approval _____

Chief Operating Officer Approval _____

Total Compensation

In July, 2003, Council asked the Human Resources department to survey other public sector agencies regarding total compensation and develop a compensation strategy for Council's consideration.

We surveyed:

Cities:

Beaverton
Corvallis
Gresham
Eugene
Portland
Salem
Wilsonville

Counties:

Clackamas
Multnomah
Washington

TriMet
Port of Portland

Of the twelve surveys sent, nine responded.

We asked:

1. Does your agency have a written compensation philosophy statement or policy?
2. Do you use total compensation or some modified version of total compensation (e.g., include benefits but nothing else) when establishing salary ranges?
3. What things do you include in "total compensation?"
4. How do your salary ranges compare to the market?
5. What is your practice for placing new employees in a salary range and how do you advance current employees through the salary range?
6. How do you communicate the value of total compensation to employees?

We learned:

A majority of those responding indicated they have a formal, written compensation philosophy or at least a policy statement that governs their practice. Others have an informal operational practice that was similar to the two formal policies we received a copy of (State of Oregon and Port of Portland).

The policies follow these themes:

- a. salary ranges are competitive with the market, enabling the agency to recruit and retain a qualified workforce;
- b. salaries maintain internal equity – appropriate for the level of work being performed;
- c. encourage a high level of performance among employees, and
- d. are responsive to financial conditions of the agency; maintaining the ability to limit salary awards employees when necessary.

Specifically we learned:

1. The majority of the agencies do not use total compensation when establishing their salary ranges. The majority use direct compensation (only salary).
2. Agencies would include things like: PERS, medical, dental, vision benefits, disability, life insurance, paid time off, and training in a “total compensation” calculation. Respondents say they tend to include the value of PERS and benefits during salary negotiations (whether with prospective employees or unions.)
3. When establishing salary ranges, all agencies said that they peg their salary range midpoint to the market, using “median” market data. This means that the agency’s midpoint will be placed where 50% of the market earns more and 50% of the market earns less.
4. Almost all respondents hire new employees at the beginning of the salary range. Almost all advance non-represented employees based on performance and they move represented employees through salary ranges based on criteria negotiated as part of a collective bargaining agreement.
5. About half of the respondents do not communicate the total value of compensation to employees other than by the accumulated totals included on an employee’s pay stub. The remaining half prepare a separate document that outlines the value of all forms of compensation and communicate it to the employee annually, at the end of the calendar year or on the employee’s anniversary date.

Recommendations

1. Adopt a compensation practice statement (draft):

Metro's Compensation Practice

- Metro is the leader in providing the highest quality of services that enhance the livability of the region. Metro's ability to deliver progressive, efficient, high quality services depends on the skill and knowledge of our employees. Our compensation practice is designed to attract, retain, and reward the great people necessary to achieve our goals. Salaries will be competitive; neither leading nor lagging those of our competitors and our compensation practices will be flexible and fiscally prudent.
2. Continue the practice of setting non-represented salary range midpoints to the market median. This ensures that our salaries will be competitive and will not lead or lag the market.
 3. Continue the practice of limiting non-represented base pay to the salary range midpoint.
 4. Continue the practice of awarding an annual, one-time bonus that does not increase base pay, to non-represented employees whose wage is at or above the salary range midpoint
 5. Communicate total compensation to employees in a separate document issued at the end of each calendar year. Include PERS, health & welfare, paid leave, Metro-sponsored training, and life & disability insurance. Begin December 31, 2004.
 6. Complete the design, development, and implementation of a Performance Evaluation Process for all Metro employees, including full and part-time represented and non-represented staff. Tie this program to merit pay for non-represented employees. Continue discussions with AFSCME and LIU regarding performance-based merit pay.
 7. Complete At Will Employment Agreements for all Director I's and Director II's by June 30, 2004.
 8. Complete the redesign of the classification/reclassification process by the end of FY 04-05.

9. Consolidate existing classification descriptions where appropriate. Complete by end of FY 05-06.
10. Revise salary ranges 516, 517, 518, & 519 according to recommendations received by KPMG during the implementation of the non-represented classification/compensation study implemented on July 1, 2003 (see attached Exhibit "A").

Exhibit "A"

Background

As part of the classification/compensation study of non-represented positions conducted and implemented in 2003, KPMG (the study consultants) compiled wage data from local and regional published wage surveys. KPMG found:

1. Wages paid by Metro at lower-level salary ranges were slightly higher than the median
2. Wages paid by Metro at executive-level salary ranges (516, 517, 518 & 519) were significantly lower than the median.

KPMG recommended that Metro:

1. Revise the non-represented pay plan and align the range midpoints to the median of the comparable wage data.
2. Limit base pay to the salary range midpoint.
3. Revise the spread of salary ranges (minimum to maximum) to 30% for Administrative positions, 35% for Professional/Technical positions, and 40% for Supervisory/Management/Executive positions.
4. Increase executive salary ranges 516, 517, 518, & 519 to reflect the median of the comparable wage (the current salary appears as the top salary in each range below, KPMG's recommended rate appears as the bottom salary in each range below):

<u>Salary Range</u>	<u>Classification</u>	<u>Minimum Salary</u>	<u>Midpoint Salary</u>	<u>Maximum Salary</u>
516	Veterinarian I Manager II	66,700	80,100	93,600
		73,400	88,140	102,880
517	Program Director I Legal Counsel II	73,400	88,100	102,900
		89,000	106,650	124,300
518	Program Director II Director I	80,700	97,000	113,200
		97,600	119,450	141,290
519	Director II	89,000	106,600	124,300
		109,000	133,780	158,560

Human Resources recommends that Council approve implementing the remaining revisions to salary ranges 516, 517, 518, & 519 in order to align wages to the market median and maintain a competitive pay structure.

Associated Cost:

1. Spread throughout salary ranges 516, 517, 518, & 519 are 9 employees whose current salary would be below the minimum of the revised salary ranges. Assuming 3% as the highest possible merit award, the following applies in each scenario:
 - If ranges are increased - \$45K to base pay to bring employees to minimum
 - If ranges are not increased - \$1K to base pay, \$22K to bonus
2. Salary Range 516 includes 16 employees in the Manager II and Veterinarian II classifications. Assuming 3% as the highest possible merit award, the following applies in each scenario:
 - If range is increased - \$25K to base pay, \$15K to bonus
 - If range is not increased - \$3K to base pay, \$37K to bonus
3. Salary Range 517 includes 7 employees in the Program Director I and Legal Counsel II classifications. Assuming 3% as the highest possible merit award, the following applies:
 - If range is increased - \$15K to base pay
 - If range is not increased - \$2K to base pay, \$13K to bonus
4. Salary Range 518 includes 4 employees in the Program Director II and Director I classifications. Assuming 3% as the highest possible merit award, the following applies:
 - If range is increased - \$13K to base pay
 - If range is not increased - \$13K to bonus
5. Salary Range 519 includes 5 employees in the Director II classification. Assuming 3% as the highest possible merit award, the following applies:
 - If range is increased - \$16K to base pay
 - If range is not increased - \$8K to base pay, \$8K to bonus

060804c-01

A G E N D A

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METRO

Agenda

MEETING: METRO COUNCIL REGULAR MEETING
DATE: June 10, 2004
DAY: Thursday
TIME: 2:00 PM
PLACE: Metro Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATIONS

3. CONSENT AGENDA

3.1 Consideration of Minutes for the June 3, 2004 Metro Council Regular Meeting.

3.2 **Resolution N. 04-3460**, For the Purpose of Appointing David Bikman as an at-large member of the Metro Committee for Citizen Involvement (MCCI), accepting the Multnomah County Office of Citizen Involvement nomination of Jeannie (J.C.) Kizak to MCCI, and appointing Kate Schiele from an at-large position to a District 2 position on MCCI.

3.3 **Resolution No. 04-3463**, For the Purpose of Accepting the May 18, 2004 Primary Election Abstract of Votes for Metro.

3.4 **Resolution No. 04-3464**, For the Purpose of Appointing the Following Members and Alternates to the Metro Policy Advisory Committee (MPAC), Ted Wheeler as Multnomah County Citizen Member; Dresden Gregory, Washington County Citizen Alternate; Wilda Parks, Clackamas County Citizen Member; and Ed Gronke, Clackamas County Citizen Alternate.

4. ORDINANCES - SECOND READING

4.1 **Ordinance No. 04-1040A**, For the Purpose of Amending the Metro Urban Growth Boundary, The Regional Framework Plan and the Metro Code to Increase the Capacity of the Boundary to Accommodate Growth in Industrial Employment. Park

- 4.2 **Ordinance No. 04-1041**, For the Purpose of Amending Metro's Regional Framework Plan to Better Protect the Region's Farm and Forest Land Industries and Land Base; and Declaring an Emergency. Hosticka
- 4.3 **Ordinance No. 04-1044A**, For the Purpose of Adopting the Annual Budget For Fiscal Year 2004-05, Making Appropriations, and Levying Ad Valorem Taxes, and Declaring an Emergency (*Technical Amendments*) Newman
- 4.4 **Ordinance No. 04-1053**, For the purpose of Amending the FY 2003-04 Budget and Appropriations Schedule by transferring \$250,256 from Contingency to Operating Expenses in the Zoo Operating Fund to allow the Zoo to recognize the cost associated with the Simulator and Butterfly exhibits; and declaring an emergency. Park
5. **RESOLUTIONS**
- 5.1 **Resolution No. 04-3450**, For the Purpose of Revising the Transportation Planning Public Involvement Policy to update the policy and to consolidate Metro and Local Government Standards. Burkholder
- 5.2 **Resolution No. 04-3462**, For the Purpose of Approving the Wilsonville Tract Master Plan and Natural Resources Management Plan. Hosticka
6. **CHIEF OPERATING OFFICER COMMUNICATION**
7. **COUNCILOR COMMUNICATION**

ADJOURN

Television schedule for June 10, 2004 Metro Council meeting

Clackamas, Multnomah and Washington counties, and Vancouver, Wash. Channel 11 -- Community Access Network www.yourtvvtv.org -- (503) 629-8534 Thursday, May 13 at 2 p.m. (live)	Washington County Channel 30 -- TVTV www.yourtvvtv.org -- (503) 629-8534 Saturday, June 12 at 11 p.m. Sunday, June 13 at 11 p.m. Tuesday, June 15 at 6 a.m. Wednesday, June 16 at 4 p.m.
Oregon City, Gladstone Channel 28 -- Willamette Falls Television www.wftvaccess.com -- (503) 650-0275 Call or visit website for program times.	West Linn Channel 30 -- Willamette Falls Television www.wftvaccess.com -- (503) 650-0275 Call or visit website for program times.
Portland Channel 30 (CityNet 30) -- Portland Community Media www.pcmv.org -- (503) 288-1515 Sunday, June 14 at 8:30 p.m. Monday, June 15 at 2 p.m.	

PLEASE NOTE: Show times are tentative and in some cases the entire meeting may not be shown due to length. Call or check your community access station web site to confirm program times.

Agenda items may not be considered in the exact order. For questions about the agenda, call Clerk of the Council, Chris Billington, 797-1542. Public Hearings are held on all ordinances second read and on resolutions upon request of the public. Documents for the record must be submitted to the Clerk of the Council to be considered included in the decision record. Documents can be submitted by email, fax or mail or in person to the Clerk of the Council. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office)

060804-02

M E M O R A N D U M

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1700 | FAX 503 797 1794



METRO

DATE: May 28, 2004
TO: David Bragdon, Council President
FROM: Kathy Rutkowski, ^{VR}Budget Coordinator
RE: FINAL REQUESTED AMENDMENTS TO THE FY 2004-05 BUDGET

Attached are the final amendments to the FY 2004-05 budget requested by departments. These requests do not include amendments initiated by elected officials. The amendments are defined and organized as follows:

1. **Technical amendments:** (green paper) These amendments accommodate minor changes to the budget as a result of updating projections, correcting errors, carrying over funds from the previous fiscal year for uncompleted but approved projects, or recognizing changes in the budget due to other Council action that do not require additional expenditure authority.

There are eight technical amendments to the Approved Budget. Three of the amendments request changes due to final Council action on the excise tax and solid waste rates. Two others request the carry forward of various projects in Regional Parks and Solid Waste & Recycling. Of the remaining three amendments, one recognizes changes in the General Fund beginning fund balance and recalculates the General Fund Recovery Rate Stabilization Reserve, the second moves the FY 2004-05 PERS Reserve currently budgeted in fringe benefits under Personal Services to Contingency in each fund, and the third updates the beginning fund balance in the OCC Project Capital Fund in order to close out the fund in FY 2004-05.

2. **Substantive amendments:** (yellow paper) These amendments request changes to the budget that were not anticipated or incorporated at the time the budget was originally prepared in March or approved in April. There are two requested substantive amendments from departments for projects have recently been approved by either the Metro Council or the MERC Commission.

The first, from the Regional Parks and Greenspaces Department, implements Resolution 04-3461 regarding the Gales Creek Restoration project approved by Council on May 27, 2004. The action would recognize an additional grant from the Oregon Watershed Enhancement Board through Ducks Unlimited as well as transfer the grant funding from the Wetland Reserve Program (USDA) that is currently budgeted in the Regional Parks Operating Fund to the Regional Parks Capital Fund.

The second amendment from MERC, allows the OCC to purchase a Video Display system for the Convention Center. This project will pay for itself in about two years and provide a positive cash flow to OCC of about \$586,000 over the seven-year life of the equipment. This project was approved by the MERC Commission at its meeting on May 26, 2004.

Proposed Amendments
May 28, 2004
Page 2 of 2

Attachments

cc: Councilor Rex Burkholder
Councilor Carl Hosticka
Councilor Susan McLain
Councilor Rod Monroe
Councilor Brian Newman
Councilor Rod Park
Mike Jordan, Chief Operating Officer
Bill Stringer, Chief Financial Officer

**FY 2004-05 Budget
Requested Adjustments to the Approved Budget
May 28, 2004**

Summary of Technical Amendments:

Amendment	Summary of Amendment	Page #
Council 3	Recognizes latest estimate for General Fund beginning fund balance and recalculates the General Fund Recovery Rate Stabilization Reserve	5
General 2	Moves the FY 2004-05 PERS Reserve from fringe benefits under Personal Services to Contingency	8
General 3	Recognizes the two-month implementation delay in the new \$1.50 per ton excise tax levy for Regional Parks	10
General 4	Recognizes the two-month implementation delay in the new \$0.50 per ton excise tax for the Tourism Opportunity and Competitiveness Account	12
Parks 5	Recognizes several carryovers for capital or renewal & replacement projects at various regional parks. CIP sheet included	13
SW&R 10	Carries forward \$124,000 for the installation of diesel particulate filters in part of the CSU fleet.	16
SW&R 11	Recognizes revenue changes resulting from final action on FY 2004-05 solid waste rates taken by Council on May 20, 2004, and from an upward revision in the forecast of Environmental Cleanup Material ("ECM").	14
MERC 4	Update OCC Project Capital Fund Beginning Fund for latest spending projections.	19

Summary of Substantive Amendment:

Amendment	Summary of Amendment	Page #
Parks 6	Fiscal implementation of Gales Creek Restoration project as approved by the Council per Resolution No. 04-3461 adopted by Council on May 27, 2004. Moves project from operating fund to capital fund. CIP sheet included	21
MERC 3	Allows OCC to purchase a Video Display system for the Convention Center as approved by the MERC Commission May 26, 2004. CIP sheet included.	24

Department	#
Council	3

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Bill Stringer, Chief Operating Officer

DRAFTER: Karen Feher, CIP Coordinator
Kathy Rutkowski, Budget Coordinator

DATE: May 19, 2004

PROPOSED AMENDMENT

This amendment requests two actions:

1. Recognizes the latest estimates of fund balance projections for the General Fund beginning fund balance; and
2. Recalculates the General Fund Recovery Rate Stabilization Reserve to reimburse the undesignated fund balance for under-collections in the solid waste per ton excise tax in FY 2000-01.

Action #1: The estimates of beginning fund balance included in the FY 2004-05 budget as approved by the Council April 29, 2004 were based on the Quarterly Report for the 2nd Quarter of FY 2003-04. Since then, Financial Planning has prepared a third quarter report and has updated the General Fund estimates. The first part of this action is to recognize the increase in beginning fund balance estimates for the undesignated and recovery rate stabilization reserves in the General Fund.

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
ACTION #1				
Resources				
	General Fund	3500	Beginning Fund Balance	
			* Undesignated	\$75,532
			* Recovery Rate Stabilization Reserve	94,521
			Total Increase in Resources	\$170,053
Requirements				
	General Fund	5990	Unappropriated Ending Fund Balance	
			* Undesignated	\$75,532
			* Recovery Rate Stabilization Reserve	94,521
			Total Increase in Requirements	\$170,053

Action #2: During the first year of the per ton excise tax charged on solid waste disposed in the Metro region (FY 2000-01), there was a \$228,707 shortfall in excise tax collections. That shortfall has not yet been netted against the budgeted balance in the Recovery Rate Stabilization Reserve, because it would have produced a negative beginning balance in this account for each year prior to FY 2004-05. Our latest estimates indicate there will be a positive balance to begin the coming year. This amendment is being proposed to recognize the earlier shortfall and true up the Recovery Rate Stabilization Reserve as of July 1, 2004. This action will have the effect of reducing the Recovery Rate Stabilization Reserve and increasing the undesignated fund balance. The net amount of the change is \$153,473, which includes the reduction in the Recovery Rate Stabilization Reserve resulting from Council budget amendment #8 (\$75,234 to support an FTE in Planning, and designated to come from this reserve). Please refer to the attached spreadsheet for detailed calculation of the balances.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		Acct #	Account Title	Amount
ACTION #2				
	General Fund	5990	Unappropriated Ending Fund Balance	
			* Undesignated	\$153,473
			* Recovery Rate Stabilization Reserve	(\$153,473)

PROGRAM/STAFFING IMPACTS

If both actions are approved, the projected balances at the end of FY 2004-05 would be:

- Undesignated Balance (including unspent contingency) \$1,402,361 (increase of \$229,005)
- Recovery Rate Stabilization Reserve 412,042 (decrease of \$58,952)

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

n/a

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

n/a

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?

No

- Will this amendment increase/decrease central overhead spending? If so, by how much?

Recovery Rate Stabilization Reserve Balance

Prior Calculation Recovery Rate Stabilization Reserve

Fiscal Year	Balance	Contribution	Expenditure	Cumulative Balance
2001	(228,707)			-
2002	-	64,126		64,126
2003	64,126	357,444	207,748	213,822
2004	213,822	426,927	-	640,749

Amended Calculation Recovery Rate Stabilization Reserve

Fiscal Year	Balance	Contribution	Expenditure	Cumulative Balance
2001	(228,707)			(228,707)
2002	(228,707)	64,126		(164,581)
2003	(164,581)	357,444	207,748	(14,885)
2004	(14,885)	426,927	-	412,042

Department	#
General	2

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Bill Stringer, Chief Financial Officer

DRAFTER: Kathy Rutkowski, Budget Coordinator

DATE: May 10, 2004

PROPOSED AMENDMENT (provide a brief summary of the requested action along with the specific line item affected)

This action will move the FY 2004-05 PERS Reserve currently budgeted in Personal Services under fringe benefits to contingency.

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
Requirements:				
	Building Management Fund	5100	Fringe Benefits	(14,639)
	General Fund	5100	Fringe Benefits	(86,758)
	MERC Operating Fund	5100	Fringe Benefits	(665,417)
	MERC Pooled Capital Fund	5100	Fringe Benefits	(21,123)
	Open Spaces Fund	5100	Fringe Benefits	(24,735)
	Planning Fund	5100	Fringe Benefits	(162,263)
	Regional Parks Fund	5100	Fringe Benefits	(145,716)
	Risk Management Fund	5100	Fringe Benefits	(6,192)
	Support Services Fund	5100	Fringe Benefits	(356,760)
	Solid Waste Revenue Fund	5100	Fringe Benefits	(400,068)
	Zoo Operating Fund	5100	Fringe Benefits	(480,595)
	Zoo Capital Fund	5100	Fringe Benefits	(3,398)
			Total	(\$2,367,664)
	Building Management Fund	5999	Contingency	14,639
	General Fund	5999	Contingency	86,758
	MERC Operating Fund	5999	Contingency	665,417
	MERC Pooled Capital Fund	5999	Contingency	21,123
	Open Spaces Fund	5999	Contingency	24,735
	Planning Fund	5999	Contingency	162,263
	Regional Parks Fund	5999	Contingency	145,716
	Risk Management Fund	5999	Contingency	6,192
	Support Services Fund	5999	Contingency	356,760
	Solid Waste Revenue Fund	5999	Contingency	400,068
	Zoo Operating Fund	5999	Contingency	480,595
	Zoo Capital Fund	5999	Contingency	3,398
			Total	\$2,367,664

PROGRAM/STAFFING IMPACTS

This action will:

1. Maintain the policy direction of the Council to reserve a portion of each department's personal services as a hedge against potential changes in the agency's PERS rate resulting from challenges to the legislative changes;

2. Retain the flexibility of the agency to appropriate the reserve by Council action should such an action be deemed necessary and appropriate; and
3. Facilitate management of the budget throughout the year by financial, operations and line staff.

For two fiscal years, FY 2003-04 and FY 2004-05, the Council has authorized departments to reserve a portion of its personal services as a hedge against potential changes in the agency's PERS rate resulting from court challenges to the changes in the PERS structure enacted by the legislature. The FY 2003-04 PERS reserve has been carried forward and is now reflected in the FY 2004-05 Approved Budget as a designated portion of each fund's contingency. This action would also drop the FY 2004-05 PERS reserve from personal services down to contingency and make the treatment of each year's reserve consistent.

This action would also make it easier for budget management throughout the year and make budget to actual comparisons for FY 2004-05 more reliable. Since the PERS reserve is not an actual expense, during the year managers would need to "remember" each month that a portion of the personal services appropriation authority must be reserved. Financial managers would be constantly explaining why personal services appropriation authority is so much higher than actual expense. This action would bring the budget in personal services consistent with the actual amount available for expenditure while still retaining the reserve requirement in an appropriation category that cannot be spent without Council authority.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

N/A

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

None

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?

No

- Will this amendment increase/decrease central overhead spending? If so, by how much?

No

Department	#
General	3

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Bill Stringer, Chief Financial Officer
Jim Desmond, Regional Parks and Greenspaces Director

DRAFTER: Kathy Rutkowski, Jeff Tucker

DATE May 20, 2004

PROPOSED AMENDMENT (provide a brief summary of the requested action along with the specific line item affected)

This amendment would recognize the changes resulting from a two-month delay in the implementation of the revised excise tax proposal. It also recognizes a slight change in the tonnage forecast from what was used to develop the original budget assumptions last fall.

DEPARTMENT(S)	FUND(S)	LINE ITEMS		
		Acct #	Account Title	Amount
GENERAL FUND				
Resources				
	010 – General Fund	4050	Excise Tax	(\$231,704)
Requirements				
	010 – General Fund	5810	Transfer of Resources to Regional Parks Operating Fund	(\$231,704)
REGIONAL PARKS OPERATING FUND				
Resources				
Regional Parks	160 – Parks Operating	4970	Transfer of Resources from the General Fund (excise tax)	
			✓ Original \$1.00 per ton	\$43,241
			✓ New \$1.50 per ton	(274,945)
			Total Revisions to Resources	(\$231,704)
Requirements				
Regional Parks	160 – Parks Operating	5810	Transfer of Resources to Regional Parks Capital Fund	(\$208,212)
		5990	Unapprop. Balance – Undesignated	(23,492)
			Total Revisions to Requirements	(\$231,704)
REGIONAL PARKS CAPITAL FUND				
Resources				
Regional Parks	360 – Parks Capital	4970	Transfer of Resources from Regional Parks Operating Fund	(\$208,212)
Requirements				
Regional Parks	360 – Parks Capital	5990	Unappropriated Balance	(\$208,212)

PROGRAM/STAFFING IMPACTS

The two-month delay has the following impacts on staffing and projects to be funded with the new excise tax funding:

- ✓ Funds three positions (two existing, one new) out of fund balance for a two-month period. The new position will not be filled until September 1st unless there are bumping issues that would make it advantageous to fill the position earlier.

- ✓ Beginning FY 2006-07, habitat restoration at two sites will need to be stretched out one more year than originally planned.
- ✓ No impact on the construction schedule. Engineering, design and land use approval was not scheduled to begin until the fall of 2004. The staff person who will manage these projects will be busy completing the Cooper Mountain master plan.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

The budget as approved assumes an implementation date of July 1, 2004 for the new excise tax proposal. Council action on May 20, 2004 on Ordinance 04-1048A, established September 1, 2004, as the implementation date for the additional excise tax. This amendment recognizes the impact of the two-month delay.

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

n/a

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

The proposal will use approximately \$23,500 to provide a two-month funding bridge for three positions until such time as the new excise tax levy is implemented.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

No.

Department	#
General	4

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Bill Stringer, Chief Financial Officer

DRAFTER: Kathy Rutkowski, Budget Coordinator

DATE May 20, 2004

PROPOSED AMENDMENT (provide a brief summary of the requested action along with the specific line item affected)

This amendment would recognize the changes resulting from a two-month delay in the implementation of the revised excise tax proposal.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
GENERAL FUND				
<i>Resources</i>				
	010 – General Fund	4050	Excise Tax	
			✓ New \$0.50 per ton	(\$91,647)
<i>Requirements</i>				
	010 – General Fund	5999	Contingency – Tourism Account	(\$91,647)

PROGRAM/STAFFING IMPACTS

The two-month delay in implementation of the new excise tax levy would reduce the amount available to the Tourism Opportunity & Competitiveness Account by approximately \$92,000.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

The budget as approved assumes an implementation date of July 1, 2004 for the new excise tax proposal. Council action on May 20, 2004 on Ordinance 04-1052, established September 1, 2004, as the implementation date for the additional excise tax. This amendment recognizes the impact of the two-month delay.

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

n/a

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?
No
- Will this amendment increase/decrease central overhead spending? If so, by how much?
No.

Department	#
Parks	5

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Dan Kromer

DRAFTER: Jeff Tucker

DATE May 21, 2004

PROPOSED AMENDMENT (provide a brief summary of the requested action along with the specific line item affected)

Parks Capital Project Carry Forward

This is a technical amendment to carry forward projects that were planned and budgeted for FY 2003-04, but will not be completed until FY 2004-05.

Blue Lake Restroom and Lakefront Improvement - The Blue Lake restroom and lakefront improvement project has been underway during the spring of 2004. The site work has been delayed because of delays in obtaining construction permits. The prefabricated restroom units will now not be delivered and installed until early July, necessitating the carry forward of part of this project's budget to make final payments. There is no change in the overall anticipated cost of this project. The carry forward amount is \$25,000.

Oxbow Park Picnic Shelters - The Oxbow Park picnic shelter project has been delayed slightly because failed holding tank tests have resulted in the need for the contractor to rebuild part of the pre-assembled units. The overall project costs have not changed, but this project will slip into next fiscal year. The carry forward amount is \$30,000.

Oxbow Park Shop Restroom - The rebuild of the Oxbow Park Shop restroom is a renewal & replacement project scheduled for FY 2003-04. Staff was delayed in getting bids out, so work is not scheduled to begin until June 21, 2004. The project is now scheduled to be completed by July 31. The amount of carry forward is \$30,000.

Glendoveer Golf Course Fence Replacement - The Glendoveer Golf Course fence replacement renewal & replacement project was scheduled to be done in FY 2003-04. Bids were opened May 20, 2004, with the project expected to be done from June 14 to July 31. This timing requires that part of the costs be carried into FY 2004-05. This project was originally anticipated to cost \$45,000, but drastic cost increases for steel have significantly increased the cost of this project. The road repair project at Oxbow, scheduled for FY 2003-04, has been postponed to FY 2004-05 to provide the renewal & replacement money for this cost increase. The carry forward amount is \$90,000, and as this project now exceeds the CIP threshold amount, should be added to the CIP. A CIP project sheet is attached.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
REGIONAL PARKS OPERATING FUND				
Resources				
	160 – Parks Operating	3500	Beginning Fund Balance	\$120,000
Requirements				
	160 – Parks Operating	5820	Transfer to Parks Capital Fund	\$120,000

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
OPEN SPACES FUND				
Resources				
	350 – Open Spaces	3500	Beginning Fund Balance	\$55,000
Requirements				
	350 – Open Spaces	5820	Transfer to Parks Capital Fund (local share transfer)	\$55,000
REGIONAL PARKS CAPITAL FUND				
Resources				
	360 – Parks Capital	4980	Transfer from Parks Operating Fund	\$120,000
		4980	Transfer from Open Spaces Fund	\$55,000
Requirements				
	360 – Parks Capital	5261	Renewal & Replacement – CIP	\$90,000
		5260	Renewal & Replacement – Non-CIP	\$30,000
		5725	Capital Outlay – Building & Related CIP	\$55,000

PROGRAM/STAFFING IMPACTS

None. These projects will continue to be completed with existing, budgeted staff.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

n/a

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

No reductions or changes in budget or program areas are necessary to accommodate this amendment.

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?

This amendment recognizes underspending in FY 2003-04 on these projects and forwards the budget to FY 2004-05. Any fund balance draw is in relation to this underspending.

- Will this amendment increase/decrease central overhead spending? If so, by how much?

This amendment will have no impact on central overhead spending.

Capital Project Request - Project Detail

Project Title: Glendoveer Golf Course Fence Repair				Fund: Regional Parks Capital Fund							
Project Status: Incomplete		Funding Status: Funded		FY First		2004-05		Department		Regional Parks and Greenspaces	
Project		TEMP191		Active:		Dept. 9		Facility:		Division	
Source Of		Actual Bid		Source		Start		6/04		Date: 5/24/2004	
Type of Project:		Replacement		Request		Initial		Completion		7/04	
Prepared		Jeff Tucker									
Project Estimates		Actual		Budget/Es		Prior					
Capital Cost:		Expend		2003-2004		Years		2004-2005		2005-2006	
								2006-2007		2007-2008	
										2008-2009	
										Total	
Construction		\$0		\$0		\$0		\$90,000		\$0	
		\$0		\$0		\$0		\$90,000		\$0	
Total:		\$0		\$0		\$0		\$90,000		\$0	
Funding Source:											
Excise Tax		\$0		\$0		\$0		\$90,000		\$0	
		\$0		\$0		\$0		\$90,000		\$0	
Total:		\$0		\$0		\$0		\$90,000		\$0	
Annual Operating Budget											

Project Description / Justification:	Estimated Useful Life	20	First Full Fiscal Year of	2004-05
Renewal and replacement project to repair perimeter fence at Glendoveer Golf Course.				

Department	#
SW&R	10

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Mike Hoglund, Director

DRAFTER: Jim Watkins, E&ES Manager

DATE May 21, 2004

PROPOSED AMENDMENT: CONTRACT CARRYOVER

Diesel Particulate Filters

\$124,000

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		Acct #	Account Title	Amount
Resources				
SW&R	Solid Waste Revenue Fund - Operating Account	3500	Beginning Fund Balance	\$124,000
Requirements				
SW&R	Solid Waste Revenue Fund – Operating Account	5290	Operations Contracts	\$124,000

PROGRAM/STAFFING IMPACTS

None.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT

The FY 2003-04 Adopted Budget includes \$124,000 for the installation of diesel particulate filters in part of the CSU fleet. The filters trap diesel particulates that have been identified as a major toxic pollutant. These funds were not expended because the original contractor decided to retool their manufacturing operation and could not provide the filter as required. As a result, CSU, our transport contractor, contracted with a new firm that will make an initial delivery in June 2004. Once the filter is approved by Metro, the remaining filters will be purchased in FY 2004-05.

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

None

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?

No effect.

- Will this amendment increase/decrease central overhead spending? If so, by how much?

No effect.

Department	#
SW&R	11

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Douglas Anderson

DRAFTER: Douglas Anderson

DATE June 10, 2004

PROPOSED AMENDMENT: REVENUE CHANGES

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
<i>Resources</i>				
SW&R	Solid Waste Revenue Fund	4300	Disposal Fees	\$665,988
SW&R	Solid Waste Revenue Fund	4305	Regional System Fee	<\$1,039,219>
SW&R	Solid Waste Revenue Fund	4330	Transaction Fee	\$412,426
			<i>Total Resources</i>	<i>\$39,195</i>
<i>Requirements</i>				
SW&R	SW Revenue Fund – Operating Account	5990	Ending Fund Balance	\$39,195
			<i>Total Requirements</i>	<i>\$39,195</i>

PROGRAM/STAFFING IMPACTS – None.

EXPLANATION OF PROPOSED AMENDMENT

This amendment reflects two changes that affect revenue: (1) the final action on FY 2004-05 solid waste rates taken by Council on May 20, 2004; and (2) an upward revision in the forecast of Environmental Cleanup Material ("ECM").

On May 20, the Council increased the disposal and transaction fees at Metro transfer stations; decreased the Regional System Fee; and delayed implementation of the rates until September 1. As a result of these actions, disposal and transaction fee revenues are projected to increase by \$665,988 and \$412,426, respectively; and Regional System Fee revenue is projected to decline by \$1,151,469.

The increase in ECM (from 90,600 to 135,500 tons, reflecting recent trends in mitigation projects) is projected to increase Regional System Fee revenue by \$112,250. This will partially offset the effect of the rate actions, for a net decline of \$1,039,219 in Regional System Fee revenue.

The total difference between the increase in ECM revenue and the changes due to the rate actions is \$39,195, which will increase the ending fund balance.

This amendment has no effect on expenditures.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT. Not necessary for technical adjustments.

FUNDING IMPACTS – None.

EFFECT ON KEY BUDGET ISSUES

- **Will this amendment change the fund balance draw? If so, which fund(s) and by how much?**
Yes. This amendment will increase the SW Revenue Fund balance by \$39,165.
- **Will this amendment increase/decrease central overhead spending? If so, by how much?**
No effect.
- **What is the effect of this amendment on the debt service coverage ratio (bond covenant)?**
The mild increase in revenue will raise the coverage ratio by about 1 point, from 142% to 143%, well above the 110% requirement.

Department	#
MERC	4

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Mark Williams

DRAFTER: Kathy Taylor/Karen Feher

DATE May 27, 2004

PROPOSED AMENDMENT The current budget for FY 2003-04 anticipated that the entire fund balance of the Convention Center Capital Fund would be spent by the end of FY 2003-04. \$350,000 was placed in the FY 2004-05 budget due to a higher than expected beginning Fund Balance. This action was to provide budget appropriation to move any balance remaining in this fund to the MERC Pooled Capital Fund. The money came originally from the Oregon Convention Center in the MERC Operating Fund and will be reserved in the MERC Pooled Capital Fund for the Oregon Convention Center improvements. In reviewing the current fund balance in the Convention Center Capital Fund, the \$350,000 appears low. This budget amendment adds \$35,000 to insure adequate appropriation to bring this fund to zero at the beginning of FY 2004-05.

These transferred funds will be placed in an OCIP Insurance Reserve for OCC Expansion in the MERC Pooled Capital Fund. A total of \$450,000 is held in this reserve.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
OCC PROJECT CAPITAL FUND				
Resources				
	559 – OCC Project Cap	3500	Beginning Fund Balance	\$35,000
Requirements				
	559 – OCC Project Cap	5810	Transfer to MERC Pooled Capital	\$35,000
MERC POOLED CAPITAL FUND				
Resources				
	850 – MERC Pooled OCC	4970	Transfer from OCC Project Capital	\$35,000
Requirements				
	850 – MERC Pooled OCC	5990	Unappropriated Fund Balance	\$35,000

PROGRAM/STAFFING IMPACTS

None.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

N/A

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

None

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

No.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

No.

Department	#
Parks	6

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR Jim Morgan

DRAFTER: Jeff Tucker

DATE May 27, 2004

PROPOSED AMENDMENT (provide a brief summary of the requested action along with the specific line item affected)

Gales Creek/Tualatin River Confluence Habitat Restoration Project

The approved FY 2004-05 Parks Operating Fund budget includes a \$216,872 grant from the US Department of Agriculture (Wetland Reserve Program) and \$216,872 in associated expenditures, toward the completion of the restoration project on the property known as the Lovejoy property, near the confluence of the Tualatin River and Gales Creek. On May 27, Council gave the Chief Operating Officer the authority to enter into agreements with the USDA to accept this grant. Part of this amendment moves this project from the Parks Operating Fund to the Parks Capital Fund.

The Council action on May 27 also provided the authority to the Chief Operating Officer to enter into an agreement with Ducks Unlimited to partner with Metro on this project. Ducks Unlimited is bringing to the partnership \$150,868, approximately \$117,000 in a grant from the Oregon Watershed Enhancement Board, and \$34,000 of their own money and in-kind services as match. The OWEB grant and the Ducks Unlimited match will be spent directly by Ducks Unlimited, in accordance with the restoration plans developed by Metro.

Even though the money does not come directly to Metro, Metro nevertheless needs to record the transaction in its General Ledger. This budget amendment recognizes the grant from OWEB to Ducks Unlimited as "Indirect State Grant" revenue and the Ducks Unlimited matching contribution as a donation from a private organization. The budget amendment also shows an expenditure of \$150,868 that will be recorded as a journal entry at the completion of the project.

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
REGIONAL PARKS OPERATING FUND				
Resources				
	160 – Parks Operating	4110	Direct Federal Grants	(\$216,872)
Requirements				
	160 – Parks Operating	5250	Contracted Property Services	(\$216,872)
REGIONAL PARKS CAPITAL FUND				
Resources				
	360 – Parks Capital	4100	Direct Federal Grant	\$216,872
		4115	Indirect State Grant	116,877
		4750	Donations	33,991
			<i>Total Resources</i>	\$367,740
Requirements				
	360 – Parks Capital	5715	Improvements other than buildings	\$367,740

PROGRAM/STAFFING IMPACTS

None. This project will continue to be completed with existing, budgeted staff.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT (not necessary for technical adjustments)

This project was approved by Council on May 27, 2004. This amendment recognizes the financial contribution being made by Ducks Unlimited to the project and allows the improvements to be recorded in Metro's General Ledger.

OPTIONS FOR FUNDING THIS AMENDMENT – What reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment?

No reductions or changes in budget or program areas are necessary to accommodate this amendment.

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?**

This amendment will not draw down fund balance.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

This amendment will have no impact on central overhead spending.

Capital Project Request - Project Detail

Project Title: Gales Creek/Tualatin River Confluence Project				Fund: Regional Parks Capital Fund							
Project Status: Incomplete		Funding Status: Funded		FY First		2004-05		Department		Regional Parks and Greenspaces	
Project		TEMP193		Active:		Dept. 10		Facility:		Division	
Source Of		Preliminary		Source		Start		7/04		Date: 5/24/2004	
Type of Project: New		Request		Initial		Completion		6/05		Prepared Jeff Tucker	
Project Estimates		Actual		Budget/Es		Prior					
Capital Cost:		Expend		2003-2004		Years		2004-2005		2005-2006	
								2006-2007		2007-2008	
										2008-2009	
										Total	
Restoration		\$0		\$0		\$0		\$367,740		\$0	
Total:		\$0		\$0		\$0		\$367,740		\$0	
Funding Source:											
Grants		\$0		\$0		\$0		\$333,749		\$0	
Donations		\$0		\$0		\$0		\$33,991		\$0	
Total:		\$0		\$0		\$0		\$367,740		\$0	
Annual Operating Budget											
Annual Expenditures											
Other Costs								\$40,173		\$33,525	
										\$12,260	
										\$10,000	
										\$10,000	
Subtotal, Expenditures:										\$105,958	
Net Operating Contribution (Cost):										(\$105,958)	
Project Description / Justification:				Estimated Useful Life				0			
				First Full Fiscal Year of				2005-06			

The Gales Creek/Tualatin River Confluence restoration project includes restoring approximately 245 acres of metro flood plain property to historical vegetation communities and former flood plain functions. Current agricultural practices sever the flood storage capabilities, increase soil erosion potential, and possibly entraps migrating salmonids. This project is funded by a combination of federal and state grants as well as a donation from Ducks Unlimited. It will be managed by Ducks Unlimited. The first two years of maintenance will also be performed by Ducks Unlimited as part of the grant.

As part of the agreement, Metro is financial responsible for preparation of the site (disc, mowing, spraying) and maintenance of optimal growing conditions (mowing, spraying) after the initial project implementation. These costs are shown in the annual operating budget impact section.

Department	#
MERC	3

AMENDMENT TO FY 2004-05 APPROVED BUDGET

SPONSOR: Mark Williams

DRAFTER: Karen Feher/Jeff Blosser/Kathy Taylor

DATE: April 29, 2004

PROPOSED AMENDMENT BUDGET This amendment is to allow OCC to purchase a Video Display system for the Convention Center. Anticipated revenues from the system are \$85,500 to \$139,500 per year. Additional costs will be about \$12,000 beginning about one year after installation. This project will pay for itself in about two years and provide a positive cash flow to OCC of \$586,250 over the seven-year life of the equipment. This action also amends the Capital Improvement Plan, adding this project

DEPARTMENT(S)		FUND(S)	LINE ITEMS		
			Acct #	Account Title	Amount
MERC POOLED CAPITAL FUND					
Resource:	MERC Pooled Capital Fund	4970	Transfer of Resources from OCC Ops		\$178,750
	MERC Pooled Capital Fund	4760	Sponsorship		\$88,000
Requirements:	MERC Pooled Capital Fund	5745	Equipment and Vehicles (CIP)		\$266,750
MERC OPERATING FUND					
Resource:	MERC Operating Fund	4760	Sponsorship Revenue		\$95,000
Requirements:	MERC Operating Fund	5810	Transfer of Resources to MERC Pooled Capital Fund		\$178,750
	MERC Operating Fund	5900	Unappropriated Fund Balance		(\$83,750)

PROGRAM/STAFFING IMPACTS This project can be handled within existing staff.

ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT THIS The video system will provide the Oregon Convention Center with a first-class video display system to utilize for way-finding, event advertising, product advertising, tourism related commercial space and enhanced sponsorship packages. Located in 40 screens in 12 different locations throughout the OCC common areas, this system will add to the experience of the attendee with a variety of important informational needs.

This project has a two-year payback and will contribute much needed positive net revenue for OCC.

OPTIONS FOR FUNDING THIS AMENDMENT – OCC will transfer the funds necessary to fund this project and will recoup the investment in about two years.

EFFECT ON KEY BUDGET ISSUES – Provide a brief response to each of the following questions

- **Will this amendment increase/decrease fund balance draw? If so, which fund(s) and by how much?** This amendment will be a draw on fund balance of \$83,750 that will be substantially recovered by the end of the second year.
- **Will this amendment increase/decrease central overhead spending? If so, by how much?** NA

Capital Project Request - Project Detail

Project Title: OCC - Video Signage System

Fund: MERC Pooled Capital Fund

Project Status: Incomplete **Funding Status:** Funded **FY First Authorized:** 2004-05 **Department:** Metro Exposition-Recreation Commission

Project Number: TEMP198 **Active:** **Dept. Priority:** 3 **Facility:** Oregon Convention Center **Division:** Oregon Convention Center

Source Of Preliminary **Source:** **Start Date:** 7/04 **Date:** 5/25/2004

Type of Project: New **Request** Initial **Completion Date:** 8/04 **Prepared By:** Cynthia Hill

Project Estimates	Actual	Budget/Es	Prior						
Capital Cost:	Expend	2003-2004	Years	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	Total
Equipment/Furnishings	\$0	\$0	\$0	\$266,750	\$0	\$0	\$0	\$0	\$266,750
Total:	\$0	\$0	\$0	\$266,750	\$0	\$0	\$0	\$0	\$266,750

Funding Source:

Fund Balance - Capital Reserve	\$0	\$0	\$0	\$178,750	\$0	\$0	\$0	\$0	\$178,750
Donations - MERC	\$0	\$0	\$0	\$88,000	\$0	\$0	\$0	\$0	\$88,000
Total:	\$0	\$0	\$0	\$266,750	\$0	\$0	\$0	\$0	\$266,750

Annual Operating Budget Impact:

Annual Revenues	\$85,500	\$90,000	\$117,000	\$126,000	\$139,500	\$558,000
Annual Expenditures						
Materials and Services	\$0	\$12,000	\$12,000	\$12,000	\$12,000	\$48,000
Subtotal, Expenditures:	\$0	\$12,000	\$12,000	\$12,000	\$12,000	\$48,000
Net Operating Contribution (Cost):	\$85,500	\$78,000	\$105,000	\$114,000	\$127,500	\$510,000

Project Description / Justification: **Estimated Useful Life** 7 **First Full Fiscal Year of Operation:** 2004-05

This video system will provide the Oregon Convention Center with a first-class video display system to utilize the way-finding, event advertising, product advertising, tourism related commercial space and enhanced sponsorship packages. The system is 40 screens in 12 different locations through out the OCC common areas. This system will add to the experience of the attendee with a variety of important informational needs. This system is also expected to be a feature that will make OCC more attractive to event schedulers.

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Department	#
SW&R	1

AMENDMENT TO FY 2004-05 BUDGET

PRESENTER Councilor Rod Monroe

DRAFTER: SW&R Department

DATE June 10, 2004

PROPOSED AMENDMENT: INCREASE APPROPRIATION

Neighborhood Cleanup Grants

\$31,000

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
<i>Requirements</i>				
SW&R	SW Revenue Fund – Operating Account	5315	Grants to Other Governments	\$31,000
SW&R	SW Revenue Fund – Operating Account	5990	Ending Fund Balance	<\$31,000>

PROGRAM/STAFFING IMPACTS

No significant effects.

EXPLANATION OF PROPOSED AMENDMENT

This amendment restores program funding to the FY 03-04 level of expenditure. The program was budgeted at \$75,000 in FY 02-03 and 03-04. The FY 04-05 proposed budget is \$40,000. This year, grants are projected to total \$71,000. This \$31,000 amendment makes up the difference between the proposed FY 04-05 budget and expected demand, for a total FY 04-05 program budget of \$71,000.

FUNDING IMPACTS – As this expenditure would be funded from the undesignated fund balance, no reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment.

EFFECT ON KEY BUDGET ISSUES

- **Will this amendment change the fund balance draw? If so, which fund(s) and by how much?**

Yes. Revenue to cover this amendment will decrease the SW Revenue Fund balance by \$31,000.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

No significant effects.

- **What is the effect of this amendment on the debt service coverage ratio (bond covenant)?**

This draw on the fund balance would result in a decline in the Debt Service Coverage covenant of the bonds from 142% to 140%, still well above the 110% requirement.

The combined effect of this amendment and Amendment #2 (\$150,000 increase to Regional System Fee credits) is a decline in the Debt Service Coverage to 134%.

Department	#
SW&R	2

AMENDMENT TO FY 2004-05 BUDGET

PRESENTER Councilor Rod Monroe

DRAFTER: SW&R Department

DATE June 10, 2004

PROPOSED AMENDMENT: INCREASE APPROPRIATION

Regional System Fee Credit Program

\$150,000

<u>DEPARTMENT(S)</u>	<u>FUND(S)</u>	<u>LINE ITEMS</u>		
		<i>Acct #</i>	<i>Account Title</i>	<i>Amount</i>
<i>Requirements</i>				
SW&R	SW Revenue Fund – Operating Account	5480	Fee Reimbursements	\$150,000
SW&R	SW Revenue Fund – Operating Account	5990	Ending Fund Balance	<\$150,000>

PROGRAM/STAFFING IMPACTS

No significant impacts.

EXPLANATION AND ARGUMENTS IN FAVOR OF PROPOSED AMENDMENT

This amendment increases FY 04-05 funding for the Regional System Fee Credit Program to a level which, when combined with the FY 04-05 solid waste rates, maintains Metro's historical commitment to the program and its objectives.

In FY 02-03, the Council adopted a policy to boost the regional recovery rate by providing economic support for post-collection material recovery. This economic support has been in the form of credits against fees that are due on waste that must be landfilled after recyclable materials have been recovered. Historically, the Council has budgeted \$900,000 per year for this purpose. This year, the total credit authorization is \$1,175,000.

The FY 04-05 proposed RSF credit budget was designed to maintain the historical level of support for the program. The size of the of the proposed FY 04-05 budget—\$450,000—was based on certain assumptions about the FY 04-05 solid waste rates (tip fee and Regional System Fee). On May 4, the Council amended those rates, and subsequently adopted them on May 20. SW&R staff have estimated that the amended rates provide an economic benefit of approximately \$300,000 to the material recovery industry as a whole, compared with the current (FY 03-04) rates. When combined with the proposed budget, this means that Metro's effective support for material recovery would be \$750,000 in FY 04-05. This amendment increases the FY 04-05 proposed credit budget by the \$150,000 that is needed to bring the total support up to its historical level.

FUNDING IMPACTS – As this expenditure would be funded from the undesignated fund balance, no reductions, credits, changes, or adjustments in other budget/program areas will be necessary to accommodate this amendment.

EFFECT ON KEY BUDGET ISSUES

- **Will this amendment change the fund balance draw? If so, which fund(s) and by how much?**

Yes. Revenue to cover this amendment will decrease the SW Revenue Fund balance by \$150,000.

- **Will this amendment increase/decrease central overhead spending? If so, by how much?**

No significant effects.

- **What is the effect of this amendment on the debt service coverage ratio (bond covenant)?**

This draw on the fund balance would result in a decline in the Debt Service Coverage covenant of the bonds from 142% to 136%, still above the 110% requirement.

The combined effect of this amendment and Amendment #1 (\$31,000 increase to Neighborhood Cleanup Grants) is a decline in the Debt Service Coverage to 134%.