A G E N D A

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METRO

Agenda

MEETING:	METRO COUNCIL REGULAR MEETING
DATE:	September 9, 2004
DAY:	Thursday
TIME:	2:00 PM
PLACE:	Metro Council Chamber

CALL TO ORDER AND ROLL CALL

1. INTRODUCTIONS

2. CITIZEN COMMUNICATIONS

3. OREGON CONVENTION CENTER BUSINESS UPDATE Trotter/Williams

4. FOURTH QUARTER FINANCIALS

5. CONSENT AGENDA

5.1 Consideration of Minutes for the August 19, 2004 Metro Council Regular Meeting.

6. ORDINANCES – SECOND READING

6.1 **Ordinance No. 04-1057**, For the purpose of amending Metro Code Chapter 5.02 to authorize the Chief Operating Officer to designate certain recyclable materials that can be accepted without charge at Metro transfer stations and to delay repeal of certain payment exemptions for acceptance and collection of household hazardous wastes. Monroe

6.2 **Ordinance No. 04-1058**, For the Purpose of Amending the Putrescible Solid Waste Tonnage Acceptance Limit in Solid Waste Facility Franchise No. F-005-03 Issue to Willamette Resources, Inc. Monroe

7. CHIEF OPERATING OFFICER COMMUNICATION

8. COUNCILOR COMMUNICATION

ADJOURN

Television schedule for September 9, 2004 Metro Council meeting

Clackamas, Multnomah and Washington counties, and Vancouver, Wash. Channel 11 -- Community Access Network www.yourtvtv.org -- (503) 629-8534 Thursday, September 9 at 2 p.m. (live)	**Washington County** Channel 30 -- TVTV www.yourtvtv.org -- (503) 629-8534 Saturday, September 11 at 11 p.m. Sunday, September 12 at 11 p.m. Tuesday, September 14 at 6 a.m. Wednesday, September 15 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.pcatv.org -- (503) 288-1515 Sunday, September 12 at 8:30 p.m. Monday, September 13 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, (503) 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 e-mail, fax or mail or in person to the Clerk of the Council. For additional information about testifying before the Metro Council please go to the Metro website www.metro-region.org and click on public comment opportunities. For assistance per the American Disabilities Act (ADA), dial TDD 797-1804 or 797-1540 (Council Office).

Agenda Item Number 5.1

Consideration of Minutes of the August 19, 2004 Regular Council meeting.

Metro Council Meeting
Thursday, September 9, 2004
Metro Council Chamber

MINUTES OF THE METRO COUNCIL MEETING

Thursday, August 19, 2004
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Rod Monroe, Carl Hosticka (by phone), Rod Park, Brian Newman

Councilors Absent: Rex Burkholder (excused)

Council President Bragdon convened the Regular Council Meeting at 2:01 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

There were none.

3. TRANSITION SAVINGS AND COSTS

Alexis Dow, Metro Auditor, said she was presenting the results on the Transition Savings and Costs. This audit was completed the end of June 2004. She spoke to the history of the transition. The change eliminated the Office of the Executive Officer and reduced districts to six. There was a promise that Metro would save the voters money by making this transition. She spoke to other benefits in making this transition. She then spoke to the purpose of the audit (a copy of the power point presentation is included in the meeting record). The bottom line was that significant savings were promised and occurred.

4. CONSENT AGENDA

4.1 Consideration of minutes of the August 5, 2004 Regular Council Meetings.

4.2 **Resolution No. 04-3484** – removed from the consent agenda.

4.3 **Resolution No. 04-3485**, For the Purpose of Considering an Amendment to Metro Contract No. 925630, for the Demolition of Structures at the St. Johns Landfill *(Contract Review Board).*

4.4 **Resolution No. 04-3486**, For the Purpose of Confirming the reappointment of James Allberg and Eric Johansen to the Investment Advisory Board.

4.5 **Resolution No. 04-3469A,** For the Purpose of Approving Updated Bylaws for the Transportation Policy Alternatives Committee (TPAC) that formalizes new Technical Subcommittees.

Motion:	Councilor Newman moved to adopt the meeting minutes of the August 5, 2004, Regular Metro Council and Resolution Nos. 04-3485, 04-3486, 04-3469A.

Vote:	Councilors Monroe, Park, Newman, Hosticka and Council President Bragdon voted in support of the motion. The vote was 5 aye, the motion passed; Councilor McLain was absent from the vote.

5. ORDINANCES – FIRST READING

5.1 **Ordinance No. 04-1057**, For the purpose of amending Metro Code Chapter 5.02 to authorize the Chief Operating Officer to designate certain recyclable materials that can be accepted without charge at Metro transfer stations and to delay repeal of certain payment exemptions for acceptance and collection of household hazardous wastes.

Council President Bragdon assigned Ordinance No. 04-1057 to Council.

5.2 **Ordinance No. 04-1058**, For the Purpose of Amending the Putrescible Solid Waste Tonnage Acceptance Limit in Solid Waste Facility Franchise No. F-005-03 Issue to Willamette Resources, Inc.

Council President Bragdon assigned Ordinance No. 04-1058 to Council.

6. ORDINANCES – SECOND READING

6.1 **Ordinance No. 04-1055**, For the Purpose of Amending the Regional Solid Waste Management Plan to impose a Moratorium until December 31, 2005, on applications for and authorizations of new solid waste transfer stations within the Metro Region; and Declaring an Emergency.

Motion:	Councilor Hosticka moved to adopt Ordinance No. 04-1055.
Seconded:	Councilor Newman seconded the motion

Councilor Hosticka explained the ordinance and why he recommended taking this action. This would give Metro time to complete our strategic plan. He urged support.

Council President Bragdon opened a public hearing on Ordinance No. 04-1055. No one came forward. Council President Bragdon closed the public hearing.

Councilor Park said we currently had one active application. He assumed this policy wouldn't be retroactive to this application. Mike Hoglund, Solid Waste and Recycling Director, said that the moratorium did not apply to the application they had received prior to this action.

Councilor Hosticka urged support.

Vote:	Councilors Park, Hosticka, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 5 aye, the motion passed, Councilor McLain was absent from the vote.

6.2 **Ordinance No. 04-1056**, For the Purpose of Amending Metro Code Chapter 5.01 to impose a Moratorium until December 31, 2005, on applications for and authorizations of new solid waste transfer stations within the Metro Region; and Declaring an Emergency.

Motion:	Councilor Hosticka moved to adopt Ordinance No. 04-1056.
Seconded:	Councilor Newman seconded the motion

Councilor Hosticka said this ordinance dealt with the same issue that the previous ordinance did. He urged support.

Council President Bragdon opened a public hearing on Ordinance No. 04-1056. No one came forward. Council President Bragdon closed the public hearing.

Vote:	Councilors Park, Hosticka, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 5 aye, the motion passed, Councilor McLain was absent from the vote.

7. RESOLUTIONS

7.1 **Resolution No. 04-3483**, For the purpose of authorizing the Chief Operating Officer to issue a non-system license to Portland International Airport (Port of Portland) for delivery of source separated food waste to the Nature's Needs facility for composting.

Motion:	Councilor Monroe moved to adopt Resolution No. 04-3483.
Seconded:	Councilor Newman seconded the motion

Councilor Monroe said approval of this resolution would allow the Chief Operating Officer (COO) to issue a non-system license (NSL) to Portland International Airport to annually deliver a maximum of 100 tons of source-separated, pre-consumer vegetative food waste to the Nature's Needs facility in North Plains. Changes to Code Chapter 5.05 by the Council in October last year required putrescible source-separated recyclable materials go to a facility designated to accept such waste and required all generators and haulers of such material to obtain a NSL. The Airport was already delivering this waste to Nature's Needs but had applied for a NSL due to the changes in Metro's code. Because Nature's Needs was a composting facility, not a general-purpose landfill, the NSL would not affect Metro's obligations under its disposal contract, nor would Metro fees and taxes be due on such waste.

Since the COO has determined that the proposed license satisfied the requirements of Metro code, Councilor Monroe urge adoption of this resolution.

Vote:	Councilors Park, Hosticka, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 5 aye, the motion passed, Councilor McLain was absent from the vote.

Council President Bragdon turned the gavel over to Deputy Council President Newman.

7.2 **Resolution No. 04-3488**, For the Purpose of Creating and Appointing Members To the Fish and Wildlife Habitat Program Implementation Work Group.

Motion:	Council President Bragdon moved to adopt Resolution No. 04-3488.
Seconded:	Councilor Hosticka seconded the motion

Council President Bragdon said we were at a stage with the Goal 5 program where the Council has adopted an Economic Social Environmental Energy (ESEE) framework for analysis. We were at the development of a program stage. One of the things that we wanted to do at this stage was go and get some outside expertise from people who dealt with permitting and regulation on either side of the permit counter. Particularly, we wanted to consult with our colleagues in local government as well as those who went through the development process at the neighborhood level and on behalf of the development community. What this resolution would do was create a work group that would help staff vet varies proposals under the Goal 5 program and evaluate their practicability and how they would apply in various situations on the ground. They would look at application on the ground. He had appointed a variety of people to this group. He noted the chair's credential, Pam Wiley. She had been on the Land Conservation and Development Commission at the time the Goal 5 rule was developed. She also previously worked at Division of State Lands. She was highly respected expert on natural resources. Since leaving the Commission she had been a consultant in the natural resource area working on problems such as the restoration at Ross Island where she earned a lot of respect from the environmental community as well as the Pamplin Corporation. He urged an aye vote.

Deputy Council President Newman opened a public hearing.

Bonnie McKnight, Citywide Land Use, clarified she was here to speak to Resolution No. 04-3489. She was very supportive of Metro looking at Goal 5. She felt Ms. Robinson would reflect some of the statements she wanted to make.

Linda Robinson, 1115 NE 135th Ave, Portland OR 97230 commented on the representation on that group. She had concerns that there be someone on the work group with enforcement experience. A copy of her written testimony was included in the meeting record. She also noted that there was no representation of watershed groups. She would like to see someone who represented that area. She also suggested neighborhood folks familiar with land use issues and who often deal with those in their neighborhoods be represented. She supported Resolution No. 04-3489. She provided written testimony (a copy of which is included in the record).

Deputy Council President Newman closed the public hearing.

Councilor Hosticka said he thought this was a good committee but that we needed to be clear about their charge. His understanding was that their primary responsibility was to determine whether anything that was developed in the way of a program could actually be implemented and what some of the problems by implementing varies proposals might be. It wasn't a policy development committee.

Council President Bragdon responded that this was not a policy development group. It was a technical working group of limited duration. He also felt that with regards to Ms. Robinson suggestions, his answer partly addressed this concern. They had gotten people involved with enforcement on this work group. In terms of neighborhood groups, this was a technical advisory group. He explained the delays in firming up the list. He said Councilor Hosticka was right. It was a technical group.

Councilor Park asked Council President Bragdon who on the committee had expertise in the non-regulatory efforts?

Council President Bragdon said this group was focusing on regulatory aspects. As the Council had said we wanted a lot of emphasis on the non-regulatory as well. He thought the staff was putting together another work group for non-regulatory matters, which would involve watershed councils, SOLV and voluntary groups. He hadn't seen the list yet. He assumed that group would be forth coming to Council in September.

Councilor Park said if Metro proceeded with some type of regulatory program, this technical group would help them see how it worked on the ground.

Council President Bragdon said the staff had come up with scope and charge. The work group would be working with Ms. Wiley, the staff and the Council in terms of honing the mission of this group. He commended those who were serving on the work group and urged support.

Vote:	Councilors Park, Hosticka, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 5 aye, the motion passed, Councilor McLain was absent from the vote.

7.3 **Resolution No. 04-3489**, For the Purpose of Clarifying that Metro's Goal 5 Fish and Wildlife Habitat Protection Program Shall not Restrict Currently Allowed Uses of Developed Residential Property and Shall Focus Homeowner-Related Efforts on Education and Stewardship Incentive Programs.

Motion:	Councilor Bragdon moved to adopt Resolution No. 04-3489.
Seconded:	Councilor Park seconded the motion

Council President Bragdon said this resolution was an attempt to clarify some of the misunderstanding that may be present with regard to different measure possible under the Goal 5 program related to developed residential property that was already occupied and used and enjoyed by people who often were great stewards of the landscape themselves. There had been some misimpression that the Metro Council would be considering restriction on normal every day activities such as gardening or building swing sets or having a dog run in the back yard. He didn't think that had ever been this Council's intention or would ever be likely to be Council's intention. In light of this misinformation, he thought it would be useful for Council to declare on the record in clear terms that this was not their intention. That type of approach was something they were ruling out. At the same time, this resolution was not a final land use action. It still gave time to hone the program and give Metro discretion to weigh a lot of the different approaches. One of the approaches they emphasized again in this resolution was emphasis in residential areas on enlisting stewardship efforts and voluntary efforts and incentives. This made a statement of what the values of some of those tools were and were not. He urged an aye vote.

Deputy Council President Newman opened a public hearing.

Bonnie McKnight, 1617 NE 140th, Portland OR said she coordinated the citywide land use group, she was land use chair and co-chair of her neighborhood association in the Russell Neighborhood. She felt the language appeared to be a bit more limiting than Council had intended. She had sent letters to each of the Councilors suggesting some amendments, not to change anything but to clarify things. They would be focusing their efforts, as land use people and neighborhood association people within the city in the next three or four months to attempt to find some better ways to deal with pre-protection issues mostly because their tree canapé was disappearing and it was hard to get back in most of our lifetimes. They didn't want anything around Goal 5 to inhibit those opportunities. The local jurisdictions would make the political decisions. She didn't think the Council intended to but they wanted to be sure the language was clear. What Metro was saying was no action of theirs would restrict or change anything but local jurisdictions would go through another deliberative process to come up with what they wished to do around some of these issues. Councilor Monroe said when we completed our work on Goal 5 any local jurisdiction would be free to exceed what Metro recommended. He thanked her for her good work. Ms. McKnight said that was exactly the clarification she wanted for the record. This was a minimum standard and not the top.

Linda Robinson, 1115 NE 135th Ave, Portland, OR 97230 said she wanted to talk about the process and the interaction with the group that was working on this with the other groups that already existed and the working group that would deal with non-regulatory group dealing with the stewardship and education part. Her concern was that if a regulatory group was looking at the program separately from a non-regulatory group, the program was being developed in isolation without input from the other groups as to how workable the program might be. She felt there should be some interaction among the groups.

Donna Matrazzo, Audubon Society of Portland, 5151 Cornell, Portland OR 97210 read her letter (a copy of which is included in the record).

Meryl Redisch, Executive Director, Audubon Society of Portland, 5151 Cornell Portland OR 97210 read her letter (a copy of which is included in the record).

Jill Fuglister, Executive Director, Coalition for a Livable Future, 310 SW 4th Suite 613, Portland OR 97204 spoke to her concerns (a copy of her letter is included in the record).

Carol Chesarek, 12200 NW Germantown, Portland, OR 97231 said she supported Metro's efforts (a copy of her testimony is included in the record).

Deputy Council President Newman closed the public hearing.

Motion to amend:	Council President Bragdon moved to amend Resolution No. 04-3489 to change the language in the first "resolve' to strike the words "seek a land use permit" and substitute the words "obtain a local land use decision".
Seconded:	Councilor McLain seconded the motion

Council President Bragdon said they had discussed this on Tuesday at the work session and asked their counsel's office for clarification. It came to Council's attention that land use permit was a vague term, it meant different things in different jurisdictions and didn't get to the point that they were trying to get at, the more uniform term would be a local land use decision which signified the types of things they were talking about that were actually subject to approval by the governing body of a local jurisdiction. It was a more uniform term and that was why he recommended changing the language accordingly.

Councilor Park asked if this term that Council President Bragdon was suggesting was definable, usable and appealable for those who may disagree with whatever action was taken?

Dan Cooper, Metro Attorney, said it was appealable.

Vote to amend:	Councilors Park, Hosticka, McLain, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

Councilor McLain said this resolution was necessary to pass in its present form. If there were things that they discussed and discovered, they could amend this as they amend their program. It was important to give a clear signal to homeowners that they believe the activities they do in their own space and their own backyard, on their own property were not things that they were trying in a single family dwelling setting to change. If they could plant something today, they could plant it tomorrow. If they were not change the status of land use decision in their jurisdiction, Metro was respecting that local jurisdiction's status quo. This was taking away 85% of the complaints that they had heard that weren't clearly aligned with what Metro was looking at in the way of a program. She felt this resolution clarified for the public what they could and couldn't do. She supported the resolution.

Council Park said he thought this clarified some of the concerns that the local citizens had. He noted the tree-cutting incident in Wood Village because they didn't trust government. They were trying to give citizens as much time possible to get involved in the process. People who were involved fairly significantly, such as Mayor Dave Fuller, were still confused about the activities they could do in their own backyard. The Metro Council continued to work towards a fair approach to protecting fish and wildlife habitat areas in our region. They were working to balance rights and responsibilities of property owned by public and private sectors. They were also balancing urban density and citizens' need for green areas. Although citizens, businesses and community organizations often disagreed on the level of urban density versus the level of green areas and the protection and regulation needed to accomplish that balance. We all agreed on one thing, there was of value to the region to maintain a balance. A combination of healthy streams and natural habitat areas and development was what created and maintained our region's value.

The controversy arose when we discussed imposing regulations on property owners or businesses for either purpose. But could we have an effective program based only on incentives and voluntary compliance? Councilor Park would like the Council to consider this option and he could point to a successful statewide example of just such an effort in his industry, agriculture.

In 1993, Senate Bill 1010 was passed as a cooperative measure when the state and the agriculture industry recognized the need for a program to address water quality issues. There were now 39 locally driven, basin-specific processes now covered the entire state. All the plans were outcome based and provide flexibility so landowners could develop their own solutions to water quality problems. All indications were that this program had been a stunning success. Farmers and ranchers initially wary of government intrusion had led the way, with support from the State Department of Agriculture. The agricultural community contributed their expertise, knowledge of local issues, and incentive to protect their property and industry. The State has provided educational outreach, technical assistance and incentives. The main reason for success, it had been built from the ground up – local advisory committees developed plans and Area Rules to be adopted by the State. Landowners were involved in identifying and addressing problems and had flexibility to find a solution that achieved the desired outcome. He would like us to look at the voluntary programs that might be borrowed from other areas. We would have to have a regulatory backstop. He thought that if you gave citizens the right goals with the right tools that Metro would get 90 to 95% of what they were really trying to accomplish rather than the command and control, which he felt was not working well in some areas of the region right now. He felt that we needed to focus on the outcomes, not how we got there. People didn't want to be told what to do but they would like to know what the right things were to do. He thought that people would do them given the choices. He urged the Metro Council to work with citizens and businesses to develop a balanced program that protected valuable habitat resource areas while respecting the rights and the values of property owners.

Councilor Hosticka said he found it the most difficult thing for him to consider. He agreed with many of the councilors' comments about the importance of incentives and education. He felt this resolution went to far in saying the public was going to give up all its options in terms of protecting potentially what were public resources with water and wildlife. Although most would do the right thing if they were given the chance, he believed that there were still some individuals who would do the wrong thing regardless of what they think the impact on the public would be. We did need to reserve some right and some ability to hold them accountable. He wouldn't be able to support this resolution in its current form.

Councilor Newman said he would be supporting this resolution. He thanked Council President Bragdon for bringing it forward, particularly the amendment, which clarified some confusion he had. They had received a number of emails and phone calls expressing concerns particularly with some misinformation out there. They all agreed that they never intended this program to preclude people from gardening, pruning, building decks or sheds or dog runs. They were concerned about subdividing that property and new homes or new construction that might happen on larger lots. He thought this particular resolution sent that message. It was also important to note that they were not amending any Goal 5 program because Metro didn't have a Goal 5 program yet to amend. All this resolution did was signal Metro's intent that it was not Metro's intent to create some dogmatic or bureaucratic apparatus that most homeowners who truly did want to do the right thing had to navigate and make their life more difficult. He thought this particular resolution as amended didn't relate to specific land use permits but was a bit broader to land use decisions and gave Metro some flexibility as they got through the program phase to look at some of the concerns about major grading or vegetation removal that might be of concern to the people who testified today. He felt that this resolution was a step in the right direction and sent an important message. He felt if we waited too much longer, we could threaten the entire program. They didn't want to do this. He was concerned that the whole process would be slowed down and precluded Metro from even adopting a basic Goal 5 program.

Council President Bragdon closed by saying that most Oregonians wanted to do the right thing and that government ought to encourage them and help them do the right thing. Unfortunately some of this has actually scared people into doing the wrong thing. He hoped with passage of this resolution those anxieties would be calmed and Metro could move on toward developing a truly effective program. He recommended an aye vote.

Vote:	Councilors Park, McLain, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 5aye/1 nay, the motion passed with Councilor Hosticka voting no.

7.4 **Resolution No. 04-3490**, For the Purpose of Obtaining the Approval of the Metro Council to End Pursuit of Certain Accounts Receivable in an Amount Exceeding $10,000.

Motion:	Councilor McLain moved to adopt Resolution No. 04-3490.
Seconded:	Councilor Monroe seconded the motion

Councilor McLain introduced the resolution. This allowed the COO to enter into a settlement where we would gather at least two thirds of the debt. There was no budget impact for this year. She said Exhibit A laid out the settlement agreement.

Vote:	Councilors Park, Hosticka, McLain, Monroe, Newman and Council President

	Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

7.5 **Resolution No. 04-3491**, For the Purpose of Confirming the appointments of Thanh Q. Vu and Jill Zanger to the Greenspaces Policy Advisory Committee (GPAC).

Motion:	Councilor McLain moved to adopt Resolution No. 04-3491.
Seconded:	Councilor Hosticka seconded the motion

Councilor McLain said they had two more wonderful volunteers to sit on GPAC. She spoke to their qualifications. She urged support.

Vote:	Councilors Park, Hosticka, McLain, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

4.2 **Resolution No. 04-3484**, For the Purpose of authorizing the Chief Operating Officer to issue a non-system license to Newberg Garbage Service, Inc., for delivery of solid waste to the Newberg Transfer Station.

Motion:	Councilor McLain moved to adopt Resolution No. 04-3484.
Seconded:	Councilor Monroe seconded the motion.

Councilor McLain asked that staff come forward and explain what this resolution did. She also had questions in relationship to some of the other facilities that Metro had similar or different agreements with in our region.

Steve Kraten, Solid Waste and Recycling Department, explained that this was a situation where we had a garbage hauling company that had acquired a new franchise area that was within the Metro boundary in the City of Sherwood. They also owned the Newberg Transfer Station. They were talking about 160 tons annually. This waste from their collections routes would be putrescible and non-putrescible waste. The waste would be transferred from the Newberg Transfer Station to the Riverbend Landfill, which was a Waste Management disposal site. The license as written was specific in that it can only be transferred to that landfill. He said there was a representative from Newberg Garbage in the audience.

Councilor McLain asked where the waste had been going previously. Mr. Kraten said it was previously going to Pride Disposal.

Councilor McLain said the route had both dry and wet waste. Were these routes separated or would the new vendor be taking over existing routes and existing conditions? Mr. Kraten responded the majority of the waste was residential waste that would be picked up in packer trucks. There would be an occasional drop box loads that might contain dry waste. There was some recovery done at the transfer station on those loads.

Councilor McLain asked if the land use came from Yamhill County? Mr. Kraten said that was correct. Councilor McLain asked if there was any waste that would have gone to someone other than Pride, for example, the dry waste going to Lakeside? Mr. Kraten said he did not know the answer to the question but suggested the representative from the company could answer that question.

Mike McCullough, Controller for the Newberg Garbage and Recycling Service, explained the reason for the application was the assumption by Newberg Garbage Service of an existing franchise area in the city of Sherwood, which involved the application of a non-system license. The waste that had been picked up there previously by Pride included 80 residential customers on the southwest corner of the city of Sherwood. The occasional waste would be someone ordering a drop box to clean out a garage or a barn. It was not a sustained flow. It was an occasional use of generating dry waste. He did not know the answer to where that waste would have gone, more than likely it would have gone through the Pride facility on the Tualatin Sherwood Highway. The customers will continue to receive the service. The only difference was that waste of those 80 customers and an occasional container of dry waste would come through the transfer site and go to Riverbend. As he understood, Pride Disposal had arrangements through the Council that allowed some diversion of that waste.

Councilor McLain said the reason she asked those questions was that they were reviewing and looking over our Regional Solid Waste Management Plan and talking about the value of waste sheds and where our waste went and how many travel miles were put on the waste. If we were going to change or get new relationships, it was important that we look at it in the context of the whole system. Second, we had other relationships like this and she wanted some examples of other types of businesses that would have the same type of relationship with us that were inside the Metro boundary.

Dan Cooper, Metro Attorney, said the assignment of a franchise that involved these 80 customers also involved some other customers outside of our boundary as well. Mr. Kraten said Crown Point was the entity that Mr. Cooper was referring to.

Councilor McLain said she would be supporting this resolution. She noted that we couldn't take these for granted because it was part of an overall system. She would be asking Mr. Hoglund about the relationship between this facility and other parts of the system.

Vote:	Councilors Park, Hosticka, McLain, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

8. CHIEF OPERATING OFFICER COMMUNICATION

There were none.

9. COUNCILOR COMMUNICATION

Council President Bragdon recognized Beth Leverett, a fine member of our staff who was leaving the Council Office.

Council President Bragdon said Council wouldn't be meeting the next two weeks. The next meeting will be September 9, 2004.

10. ADJOURN

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 3:08p.m.

Prepared by

Chris Billington
Clerk of the Council

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF AUGUST 19, 2004

Item	Topic	Doc Date	Document Description	Doc. Number
4.5	Resolution	8/19/2004	Resolution No. 04-3469A, For the Purpose of Approving Updated Bylaws for the Transportation Policy Alternatives Committee (TPAC) that formalize new Technical Subcommittees.	081904c-01
7.2	Exhibit A	8/19/2004	Resolution No. 04-3488 Exhibit A	081904c-02
3	Power Point Presentation	June 2004	Transition Savings and Costs	081904c-03
7.3	Letter	8/19/2004	To: Metro Council From: Jill Fuglister, Coalition for Livable Future Re: Goal 5 program and land use permits language in Resolution No. 04-3489	081904c-04
7.3	Letter	8/19/2004	To: Metro Council From: Donna Matrazzo, Urban Conservation, Audubon Society of Portland Re: Goal 5 program and opposing existing language in Resolution No. 04-3489	081904c-05
7.3	Letter	8/19/2004	To: Metro Council From: Meryl Redisch, Executive Director Audubon Society of Portland Re: supporting both regulations and incentive programs for Goal 5 and expressing concern about the language in Resolution No. 04-3489	081904c-06
7.3	Candidate Incentives	February 2002	To: Metro Council From: Meryl Redisch, Executive Director Audubon Society of Portland Re: Incentives of Natural Area Protection prepared by EcoNorthwest/DHM	081904c-07
7.3	Testimony	8/19/2004	To: Metro Council From: Carol Chesarek Re: suggested language and clarification for Resolution No. 04-3489	081904c-08
7.2 & 7.3	Fax	8/19/2004	To: Metro Council From: John Gibbon, Attorney at Law Re: Comments on Resolutions No. 04-3489 and 3488	081904c-09
7.2 & 7.3	Email	8/19/2004	To: Metro Council From: Linda Robinson Re: recommended changes to Resolution No. 04-3488 an d3489	081904c-10
7.3	Letter	8/19/2004	To: Metro Council From: Ron Carley Re: development and language in Resolution No. 04-3489	081904c-11
7.3	Email	8/19/2004	To: Metro Council From: Mike Houck Re: comments on Resolution No. 04-3489	081904c-12

Agenda Item Number 6.1

Ordinance No. 04-1057, For the Purpose of Amending Metro Code Chapter 5.02 to authorize the Chief Operating Officer to designate certain recyclable materials that can be accepted without charge at Metro transfer stations and to delay repeal of certain payment exemptions for acceptance and collection of household hazardous wastes.

Second Reading

Metro Council Meeting
Thursday, September 9, 2004
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02 TO AUTHORIZE THE CHIEF OPERATING OFFICER TO DESIGNATE CERTAIN RECYCLABLE MATERIALS THAT CAN BE ACCEPTED WITHOUT CHARGE AT METRO TRANSFER STATIONS AND TO DELAY REPEAL OF CERTAIN PAYMENT EXEMPTIONS FOR ACCEPTANCE AND COLLECTION OF HOUSEHOLD HAZARDOUS WASTES	)))))))))	ORDINANCE NO. 04-1057 Introduced by Chief Operating Officer Michael J. Jordan, with the concurrence of Council President David Bragdon

WHEREAS, Metro's solid waste policy encourages both the source-separation of recyclable materials and the safe management of household hazardous wastes; and,

WHEREAS, the Metro Code currently provides that loads of source-separated recyclables delivered to the Metro Central and Metro South transfer stations are subject to a minimum load charge; and,

WHEREAS, because source-separated recyclables have market value, the Metro Solid Waste Code should encourage a fee structure at the Metro facilities that provides incentives for the delivery to the facilities of such loads; and,

WHEREAS, it is the policy of the Metro Council that any loads received at the Metro Central or Metro South transfer stations that are comprised entirely of source-separated recyclable materials for which economic markets exist should be exempt from any disposal charges; and,

WHEREAS, in 2001 Metro Council adopted Metro Ordinance No. 01-907A, "For the purpose amending Metro Code Chapter 5.02 to modify the charges for household hazardous waste accepted at Metro facilities and Metro collection events," and thereby determined that for a period of three years there should be no charge for household hazardous waste accepted at Metro Hazardous Waste Facilities or at household hazardous waste collection events in a container of less that ten gallons capacity to allow for safe management of such hazardous products from residences in the Metro region; and,

WHEREAS, the household hazardous waste fee exemption adopted in Ordinance No 01-907A is scheduled to expire on December 31, 2004; and,

WHEREAS, the process for update of the Regional Solid Waste Management Plan may identify new policies for household hazardous wastes that will affect the collection of fees, but such Plan update process will not be complete until late 2005; and,

WHEREAS, the timing for expiration of the current household hazardous waste exemption should match the time frame for the Regional Solid Waste Management Plan process; and,

WHREAS, extending the household hazardous waste fee exemption for two years will enable the solid waste policy planning process to consider any appropriate adjustments to the fee; now therefore,

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Metro Code Section 5.02.026 is amended to read as follows:

5.02.026 Source Separated Recyclable Disposal Charge Credit

Notwithstanding the provisions of Metro Code Section 5.02.025, Non-commercial customers at Metro South Station or Metro Central Station who dispose of source-separated recyclable material as defined in ORS 459.005 shall receive a disposal charge credit in the amount of $3 for disposing of fewer than 100 pounds of recyclables and in the amount of $6 for 100 pounds or more of recyclables. Notwithstanding the provisions of this section, the Chief Operating Officer may designate source-separated recyclable materials that may be accepted from customers at no charge.

SECTION 2. Metro Code Section 5.02.027 is amended to read as follows:

5.02.027 Charges for Management of Household Hazardous Wastes

(a) There is hereby established a Household Hazardous Waste Management Charge that shall be collected on all household hazardous waste accepted at Metro Hazardous Waste Facilities and at household hazardous waste collection events. Such Household Hazardous Waste Management Charge shall be in lieu of all other base disposal charges, user fees, regional transfer charges, rehabilitation and enhancement fees, and certification non-compliance fees that may be required by this chapter.

(b) The Household Hazardous Waste Management Charge shall be $5.00 for the first 35 gallons of household hazardous waste that is delivered in a single transaction in containers of 10 gallons capacity or less and $5.00 for each additional 35 gallons (or portion thereof) of household hazardous waste that is delivered in the same transaction in containers of 10 gallons capacity or less.

(c) The Household Hazardous Waste Management Charge shall be $5.00 for a quantity of household hazardous waste that is delivered in a single transaction in containers greater than 10 gallons capacity, together with an additional charge for the contents of each container as follows:

(1) $5.00 for up to 25 gallons of household hazardous waste;

(2) $10.00 for more than 25 gallons of household hazardous waste.

(d) Each of the above charges may be waived by the Director of the Regional Environmental Management Department.

(e) Notwithstanding subsections (b) and (c) of this section, there shall be no charge for household hazardous waste accepted at Metro Hazardous Waste Facilities or household hazardous waste collection events in a container of less than 10 gallons capacity. The provisions of this sub-section (e) are repealed December 31, 2006.

ADOPTED by the Metro Council this ____ day of ____________________ , 2004.

____
David Bragdon, Council President

Attest:

____
Christina Billington, Recording Secretary

Approved as to Form:

____
Daniel B. Cooper, Metro Attorney

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STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 04-1057 FOR THE PURPOSE OF AMENDING METRO CODE CHAPTER 5.02 TO AUTHORIZE THE CHIEF OPERATING OFFICER TO DESIGNATE CERTAIN RECYCLABLE MATERIALS THAT CAN BE ACCEPTED WITHOUT CHARGE AT METRO TRANSFER STATIONS AND TO DELAY REPEAL OF CERTAIN PAYMENT EXEMPTIONS FOR ACCEPTANCE AND COLLECTION OF HOUSEHOLD HAZARDOUS WASTES

July 19, 2004 Prepared by: Jim Quinn and Penny Erickson

BACKGROUND

This ordinance consists of two solid waste fee-related matters.

Recyclable Materials
The DEQ-issued solid waste permits for Metro South and Metro Central transfer stations require provision of public recycling depots. The recycling depots Metro provides are set up to accept source-separated materials for which economic markets exist.*

Current practice at Metro facilities is to accept source-separated loads free of charge. Metro Code, however, requires that loads of source-separated recyclables delivered to the Metro's transfer stations be subject to a minimum load charge.

Because source-separated recyclables have market value, and because Metro's solid waste policies encourage source-separation, it is reasonable for the Code to provide incentives for the delivery of such loads.

This ordinance modifies the Metro Code to conform to current practice, allowing Metro to accept at no charge any loads received at the Metro Central or Metro South transfer stations that are comprised entirely of designated source-separated recyclable materials.

Household Hazardous Waste Fee
Between 1993 and 2001, Metro collected a fee of $5 for each 35 gallons of household hazardous waste (HHW) brought to the permanent collection facilities at Metro Central and Metro South. This fee covered only a small portion of the cost of managing the waste. No fee was collected from customers bringing waste to the local HHW collection events.

In 2001, Metro Council adopted Metro Ordinance No. 01-907A, "for the purpose amending Metro Code Chapter 5.02 to modify the charges for household hazardous waste accepted at Metro facilities and Metro collection events," which established that for a period of three years there would be no charge for household hazardous waste accepted at Metro's Hazardous Waste Facilities and collection events, except for containers greater than 10 gallons capacity. This fee waiver was intended to help reduce stockpiles of HHW still held by residents of the Metro region, in order to reduce the risks to the environment and public health.

---

* i.e., cost to recycle is no greater than cost to dispose

The HHW fee exemption is scheduled to expire on December 31, 2004. There are arguments both for and against reinstating the fee. However, as the sunset date for the fee waiver approaches, the Solid Waste and Recycling Department is examining variety of long-term policy issues, due to the need to update the Regional Solid Waste Management Plan (RSWMP).

The RSWMP update process may identify new policies for household hazardous wastes that will affect the collection of fees. In late 2005, when the Plan update is complete, any budgetary implications relating to fees can be taken into account as the budget for the following year is developed. This ordinance extends the timing for expiration of the current fee exemption to December 31, 2006, in order to match the time frame for the RSWMP update process.

ANALYSIS/INFORMATION

1. **Known Opposition**
   None

2. **Legal Antecedents**
   Ordinance No. 01-970A

3. **Anticipated Effects**
   Adoption of Ordinance No. 04-1057 is not expected to have a substantial impact on recyclables delivered to Metro's transfer stations or on HHW customers or loads.

4. **Budget Impacts**
   Source-separated loads -- Since allowing source separated loads at no charge is the current practice, no budget impacts are anticipated.

   HHW fee waiver extension -- Prior to the 2001 HHW fee waiver, Metro's HHW program was collecting about $40,000 annually from household customer at the facilities. Passage of this ordinance would eliminate this revenue from the hazardous waste program budget for an additional two years.

RECOMMENDED ACTION

The Chief Operating Officer recommends approval of Ordinance No. 04-1057.

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Agenda Item Number 6.2

Ordinance No. 04-1058, For the purpose of Amending the Putrescible Solid Waste tonnage acceptance limit in Solid Waste Facility Franchise No. F-005-03 Issue to Willamette Resources, Inc.

Second Reading

Metro Council Meeting
Thursday, September 9, 2004
Metro Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE PUTRESCIBLE SOLID WASTE TONNAGE ACCEPTANCE LIMIT IN SOLID WASTE FACILITY FRANCHISE NO. F-005-03 ISSUED TO WILLAMETTE RESOURCES, INC.	)))))	Ordinance No. 04-1058 Introduced by Councilor Carl Hosticka

WHEREAS, Metro Solid Waste Facility Franchise No. F-005-03 was issued to Willamette Resources, Inc., ("WRI") on December 30, 2003; and,

WHEREAS, Section 4.2 of Franchise No. F-005-03 includes a 65,000 ton limit on the amount of putrescible solid waste that WRI may accept in a single fiscal year; and,

WHEREAS, Metro Code Section 5.01.131(c) provides that the Metro Chief Operating Officer ("COO") may authorize a one-time, two-years-long, five percent increase in a franchisee's tonnage limitation under certain conditions related to the franchisee's service area; and,

WHEREAS, the COO has determined that, due to the technical requirements of Metro Code Section 5.01.131(c), WRI is not eligible to receive the five percent administrative increase in its tonnage limitation; and,

WHEREAS, the COO has granted administrative five percent tonnage limitation increases to the operators of other franchised local transfer station pursuant to Metro Code Section 5.01.131(c); now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

SECTION 1. The Metro Council finds that, with respect to WRI's request for a one-time, two-years-long, five percent increase in its putrescible waste tonnage authorization, the application of Metro Code Section 5.01.131(c) results in inequities between local transfer stations that the Council did not intend to occur when Section 5.01.131 was adopted in 2001.

SECTION 2. Section 4.2 of Metro Solid Waste Facility Franchise No. F-005-03 issued to Willamette Resources, Inc., is repealed and shall be replaced with the following:

4.2	**Limit on waste accepted**	In each of Metro fiscal years 2004-05 and 2005-06, the Franchisee shall accept no more than 68,250 tons of putrescible waste generated or originating inside the Metro region. In each Metro fiscal year subsequent to fiscal year 2005-06, the Franchisee shall accept no more than 65,000 tons of putrescible waste generated or originating inside the Metro region. The Franchisee shall not be eligible for an increase in this tonnage authorization pursuant to Metro Code Section 5.01.131(c) in fiscal years 2004-05 and 2005-06.

ADOPTED by the Metro Council this _____ day of ______________ 2004.

David Bragdon, Council President

ATTEST:	Approved as to Form:
Christina Billington, Recording Secretary	Daniel B. Cooper, Metro Attorney

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600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1650 | FAX 503 797 1795

METRO

AMENDMENT #1 (F-005-04)
TO
SOLID WASTE FACILITY FRANCHISE
Number F-005-03

Issued in accordance with the provisions of Metro Code Chapter 5.01

FRANCHISEE: Willamette Resources, Inc. 10295 SW Ridder Road Wilsonville, Oregon 97070 Tel. 503-570-0626 FAX 503-570-0523 Contact: Mike Huycke, General Manager	**FACILITY NAME AND LOCATION:** Willamette Resources, Inc. 10295 SW Ridder Road Wilsonville, Oregon 97070 Tel. 503-570-0626 FAX 503-570-0523 Contact: Mike Huycke, General Manager
OPERATOR: Willamette Resources, Inc. 10295 SW Ridder Road Wilsonville, Oregon 97070 Tel. 503-570-0626 FAX 503-570-0523 Contact: Mike Huycke, General Manager	**PROPERTY OWNER:** Willamette Resources, Inc. 10295 SW Ridder Road Wilsonville, Oregon 97070 Tel. 503-570-0626 FAX 503-570-0523 Contact: Mike Huycke, General Manager

In accordance with Metro Ordinance No. 04-1058, Solid Waste Facility Franchise Number F-005-03, section 4.2 of the franchise is amended to read as follows:

4.2	**Limit on waste accepted**	In each of the Metro fiscal years 2004-05 and 2005-06, the Franchisee shall accept no more than 68,250 tons of putrescible waste generated or originating inside the Metro region. In each Metro fiscal year subsequent to fiscal year 2005-06, the Franchisee shall accept no more than 65,000 tons of putrescible waste generated or originating inside the Metro region. The Franchisee shall not be eligible for an increase in this tonnage authorization pursuant to Metro Code Section 5.01.131(c) in fiscal years 2004-05 and 2005-06. The 68,250 tonnage limit shall revert back to 65,000 tons on July 1, 2006.

The above amendment shall be effective upon the date signed by the Metro Chief Operating Officer, and shall remain in effect until the expiration of this franchise.

Metro:	**Waste Management of Oregon, Inc.:**
______________________________	______________________________
Signature	Signature
Michael Jordan, Chief Operating Officer	______________________________
Print name and title	Print name and title
______________________________	______________________________
Date	Date

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STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 04-1058, FOR THE PURPOSE OF AMENDING THE PUTRESCIBLE SOLID WASTE TONNAGE ACCEPTANCE LIMIT IN SOLID WASTE FACILITY FRANCHISE NO. F-005-03 ISSUED TO WILLAMETTE RESOURCES, INC.

Date: August 5, 2004 Prepared by: Bill Metzler and Roy Brower

BACKGROUND

This report recommends that the 65,000 putrescible solid waste tonnage limit at Willamette Resources, Inc., ("WRI") be increased by five percent to 68,250 tons in each of Metro fiscal years 2004-05 and 2005-06. This represents 3,250 tons of putrescible solid waste that will be diverted from Metro transfer stations per each fiscal year.

Section 4.2 of Franchise No. F-005-03 issued to WRI includes a 65,000-ton limit on the amount of putrescible solid waste that WRI may accept in a single fiscal year. Metro Code Section 5.01.131(c) provides that the Metro Chief Operating Officer ("COO") may authorize a one-time, two-year long, five percent increase in a franchisee's tonnage limitation under certain conditions related to the franchisee's service area.

The COO has determined that, due to the technical requirements of Metro Code Section 5.01.131(c), WRI is not eligible to receive the five percent administrative increase in its tonnage limitation. The COO has granted five percent tonnage limitation increases to the operators of other franchised local transfer stations pursuant to Metro Code Section 5.01.131(c).

The Metro Council finds that, with respect to WRI's request for a one-time, two-year long, five percent increase in its putrescible waste tonnage authorization, the application of Metro Code Section 5.01.131(c) results in inequities between local transfer stations that the Council did not intend to occur when Section 5.01.131 was adopted in 2001. The Council finds that it is inequitable that WRI is not eligible to receive the five-percent increase when other local transfer stations are eligible to receive it, and that this result was not intended when the Metro Code provisions for transfer station service areas were adopted.

ANALYSIS/INFORMATION

1. **Known Opposition**. There is no known opposition.

2. **Legal Antecedents**. Metro Code Chapter 5.01, "Solid Waste Facility Regulation," and Solid Waste Facility Franchise No. F-005-03 issued to Willamette Resources, Inc.

3. **Anticipated Effects**. Ordinance No. 04-1058 will amend the Solid Waste Facility Franchise No. F-005-03 issued to Willamette Resources, Inc., to increase, by five percent, the putrescible solid waste tonnage acceptance limit from 65,000 tons per year to 68,250 tons in each of Metro fiscal years 2004-05 and 2005-06. The tonnage limit reverts back to 65,000 tons on July 1, 2006. Staff assumes that the 3,250 additional tons of putrescible solid waste that will be granted to WRI will be diverted

from Metro South and disposed at the Riverbend Landfill under authority of an existing Metro Non-System License (NSL N-005-02).

4. **Budget Impacts**. The diversion of 3,250 tons of putrescible solid waste from Metro South to WRI for disposal at the Riverbend Landfill will result in the following:

   - A reduction in Metro's Solid Waste Revenue Fund's gross revenues of $154,000, which will be offset by a reduction in expenditures of $127,000 – that is, Metro will not have to pay for transfer, transport, and disposal of the wastes. However, some fixed costs may not be covered when transfer station tonnage flows decline. In addition, the average contract price for station operation increases when tonnage declines. These effects net out to $27,000 in costs that will still have to be recovered from other sources.

   - There will be no impact on disposal costs or Metro's disposal contract with Waste Management assuming that all putrescible wastes diverted from Metro transfer stations to WRI are disposed at the Riverbend Landfill.

   - There will be no impacts on Metro's assessment of Regional System Fees or Excise Taxes on putrescible solid waste disposed of from the region.

   - A decrease in Community Enhancement Fees collected by Metro. Metro will no longer collect the per-ton fees distributed to local communities' funds on tons diverted to WRI. This could amount to $1,625 per year.

RECOMMENDED ACTION

The Chief Operating Officer recommends approval of Ordinance No. 04-1058.

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FISCAL YEAR 2003-04

Quarterly Report
Fourth Quarter

April through June 2004

Prepared by the Financial Planning Division of the
Finance and Administrative Services Department

METRO

PEOPLE PLACES
OPEN SPACES

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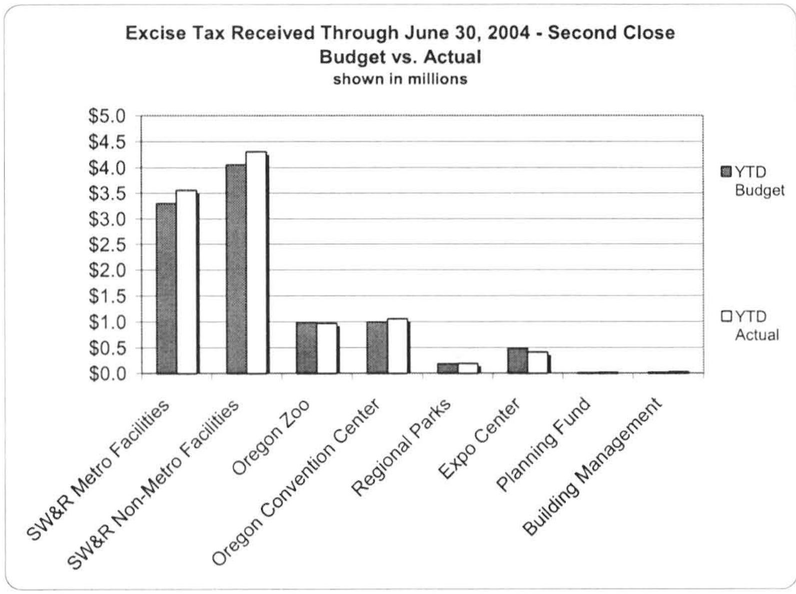
TRANSMITTAL LETTER

September 9, 2004

The Honorable David Bragdon
Metro Council President
600 NE Grand Avenue
Portland, OR 97232

Dear Council President Bragdon:

I am pleased to present Metro's Quarterly Financial Report for the fourth quarter of the 2003-04 fiscal year. The report summarizes the year's revenue and expenditure performance for each fund through the second accounting close, which includes transactions posted through August 13th. While there will be some adjustments through the audit period, these figures largely represent the year's final numbers.

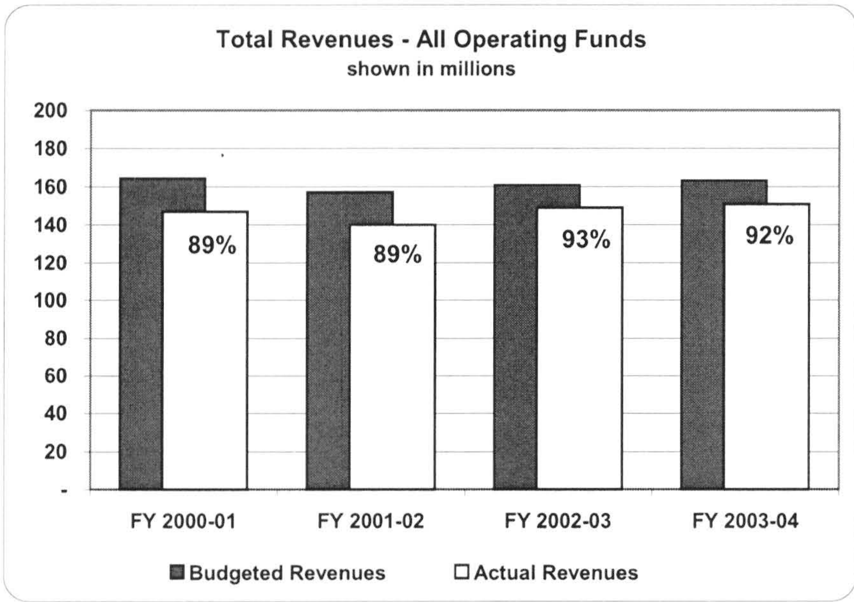


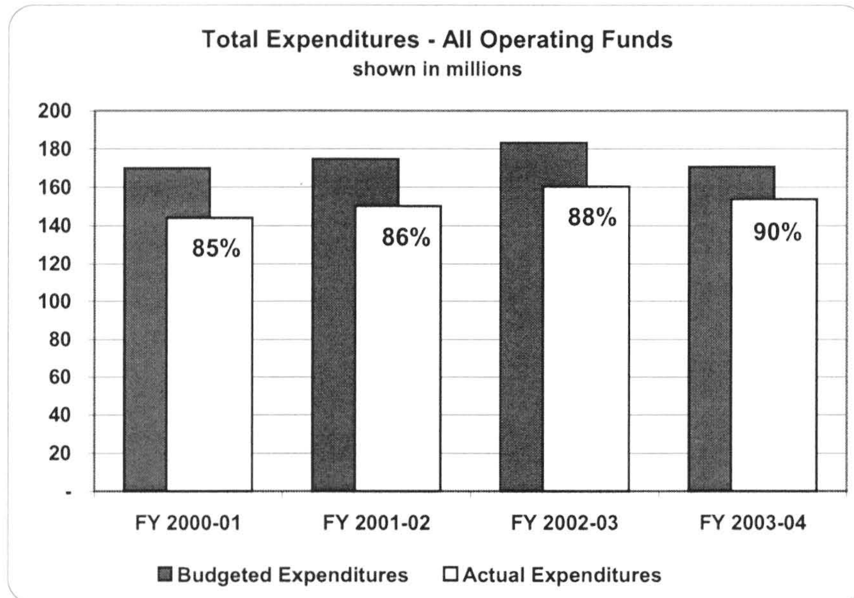
Excise Tax

Overall excise tax revenue received through the end of the fourth quarter totaled $10.5 million, which is 4.9 percent above budget. While Solid Waste & Recycling, the Oregon Convention Center, Planning, Regional Parks and Building Management exceeded projections, the Zoo and Expo Center fell short. Total excise tax revenue was $490,000 more than budgeted, with the discretionary amount falling about $5,000 short of budget. The surplus was generated from solid waste receipts, which will result in a $462,000 contribution to the Recovery Rate Stabilization Reserve and additional revenue to Regional Parks of some $33,000.

Overview of Operating Funds

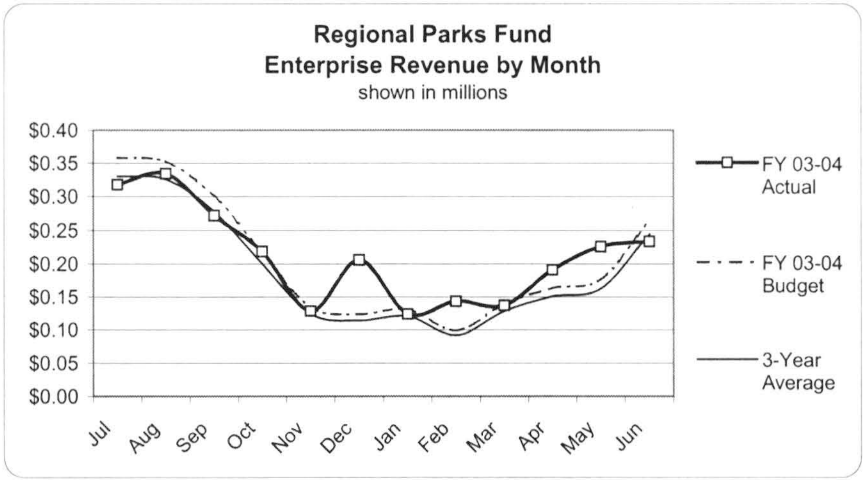
Total revenue received for all of the operating funds through year-end was $151 million, against a budget of $163 million. The principal shortfall was in the Planning Fund, where actual grant revenue was $8.1 million short of budget. Expenditures of $153 million were $17 million below budget. Planning Fund expenditures were at only 59% of budget, as a result of the grant revenue; other major funds ranged from 92% to 96% expenditure rates. Internal service funds expended between 83% and 88% of budget. The overall expenditure rate of 90% is higher than usual, which is largely due to debt service payments in the Solid Waste Revenue Fund that were $2.3 million above budget due to timing of payments on defeased and refunded debt. The expenditure rate was 88.7% after adjusting for this anomaly.

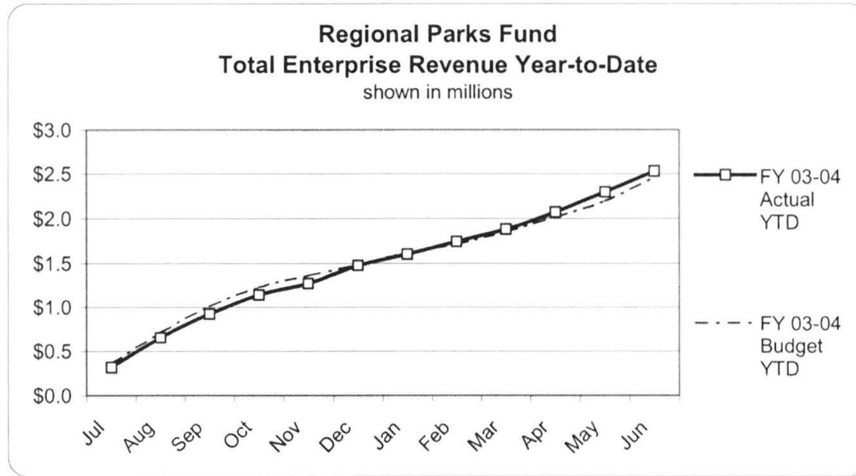




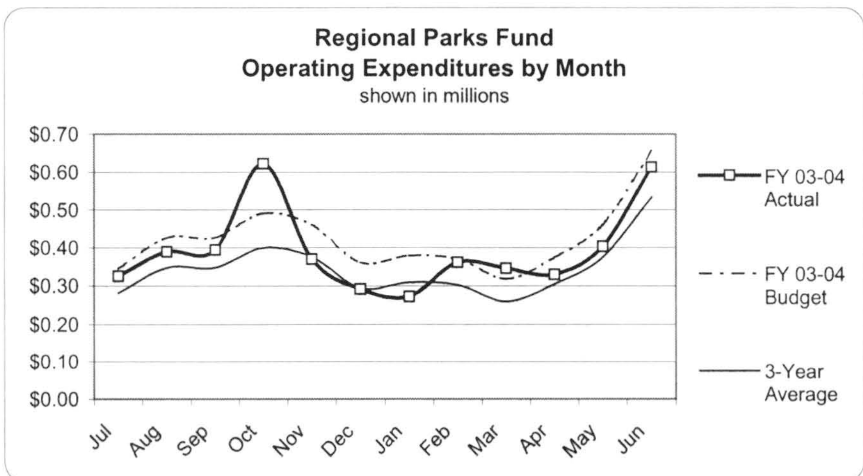
Regional Parks Fund

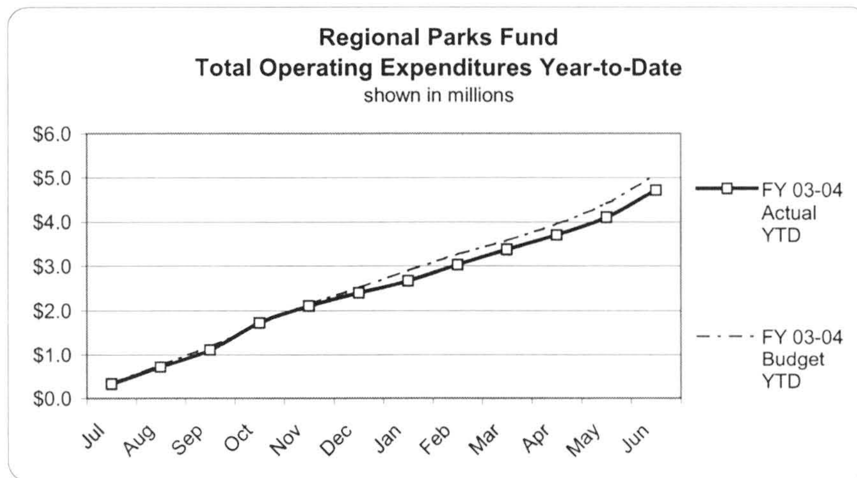
Regional Parks had a good fourth quarter, especially in April and May, finishing the year with enterprise revenues two percent above budget, after the third quarter projection had anticipated being one to two percent below.





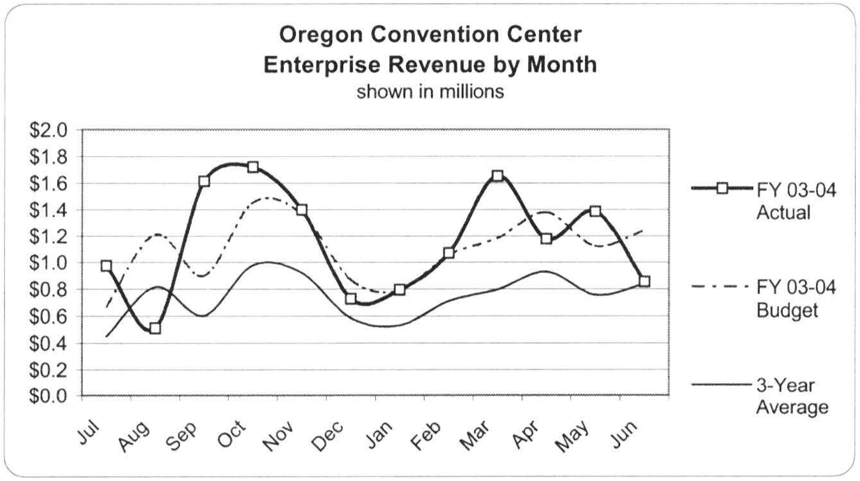
Parks operating expenditures were 94% of budget. The spike in spending for the month of October is from the payment of property taxes on rental properties. In past years these taxes had been paid in both October and November.

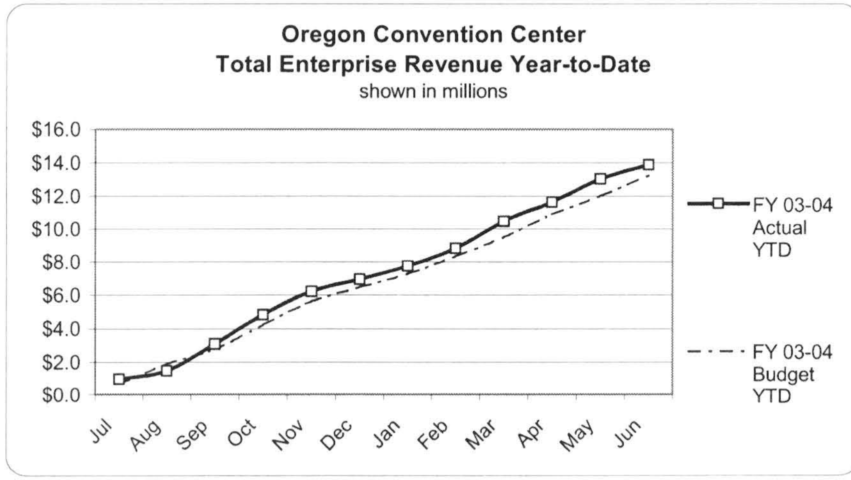




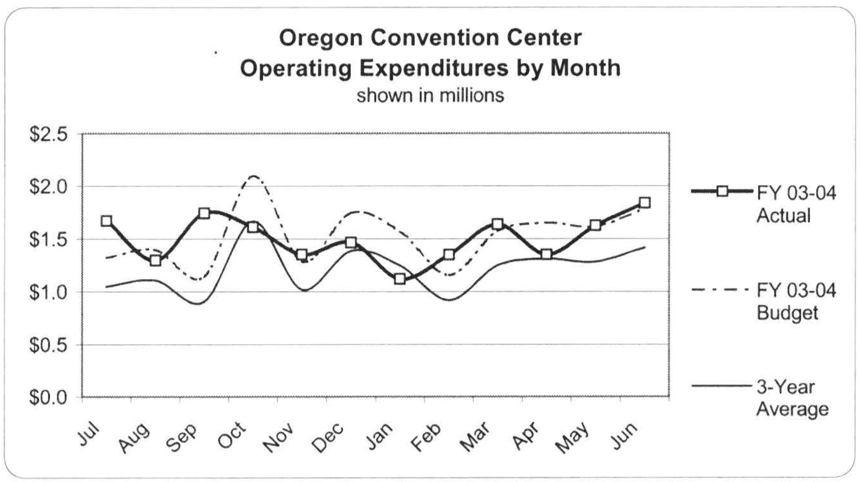
Oregon Convention Center

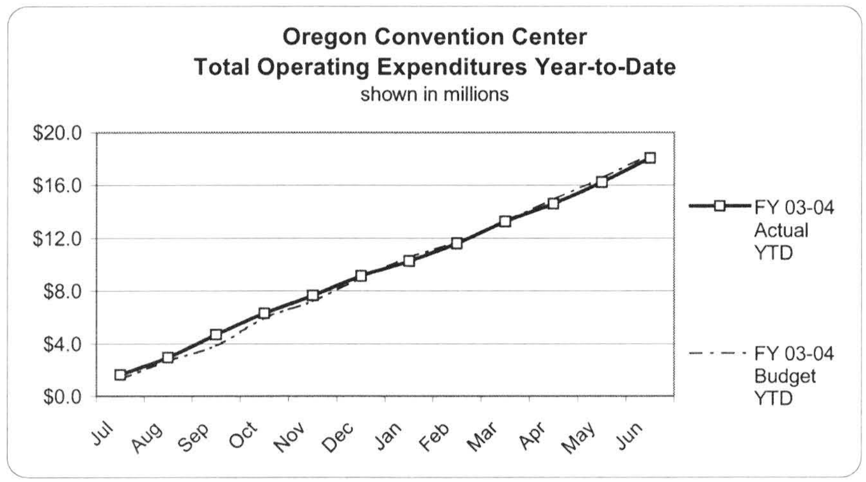
Despite a slow start to the year, which resulted in budget cuts in anticipation of a poor year, the Oregon Convention Center exceeded its budgeted enterprise revenues by 5%, or $650,000.





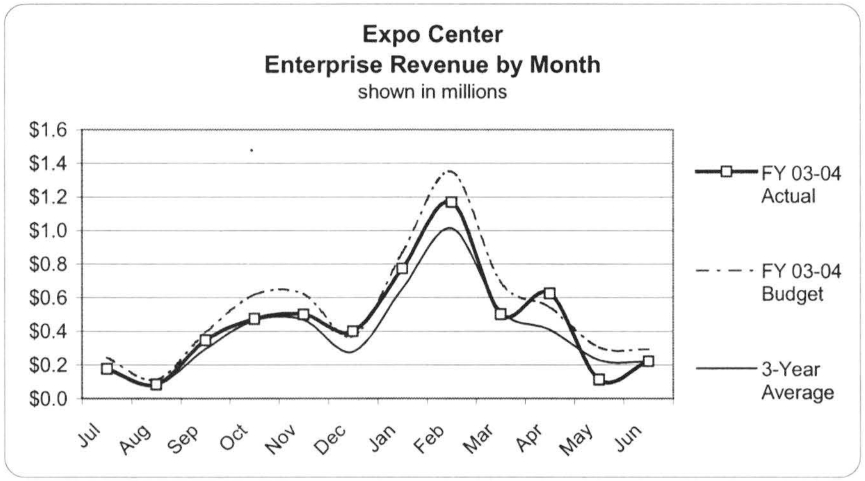
Operating expenditures of $18.0 million were at 99% of budget in 2003-04.

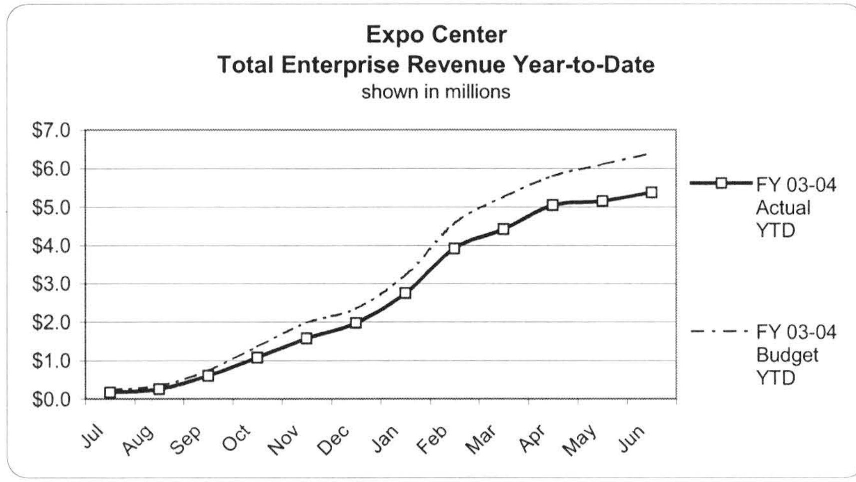




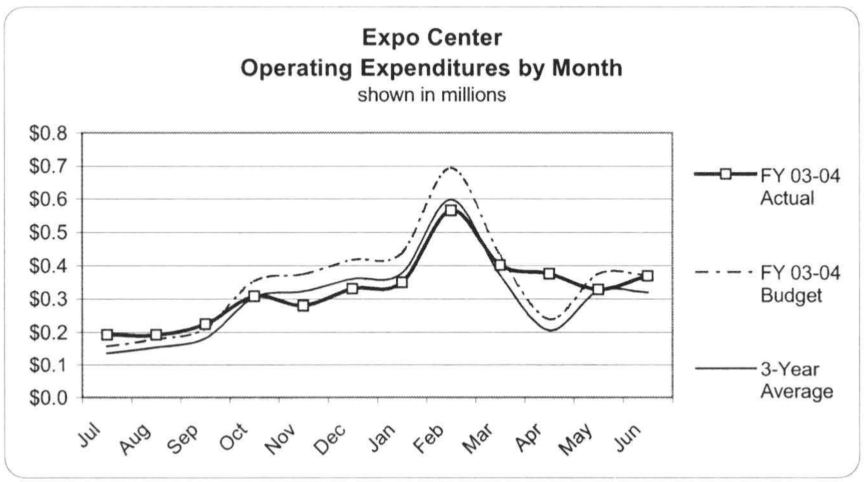
Expo Center

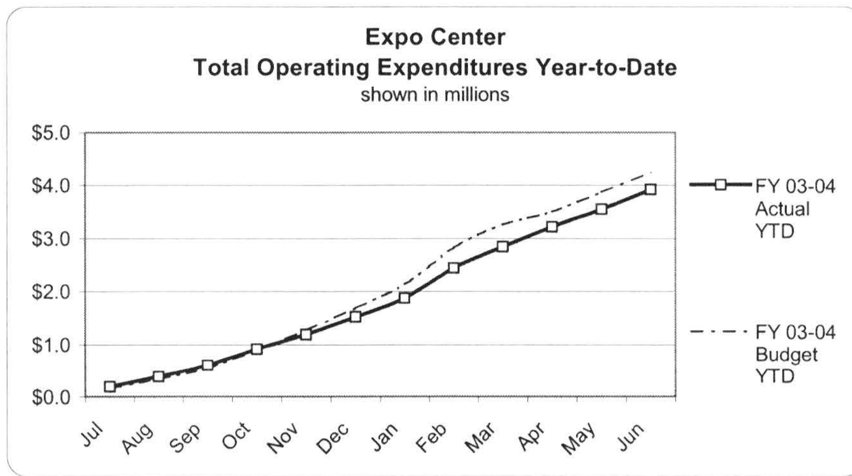
Enterprise revenues for the Expo Center amounted to $5.37 million, which is 84% of budget.





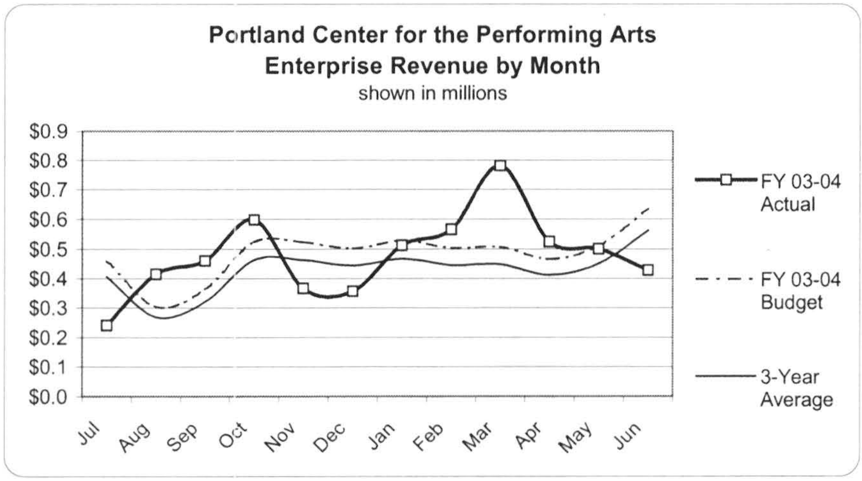
In light of the reduction in enterprise revenues, the Expo Center implemented cost containment measures that kept operating expenditures to 92% of budget. Despite the slow revenue year, Expo was within $75,000 of breaking even at second close.

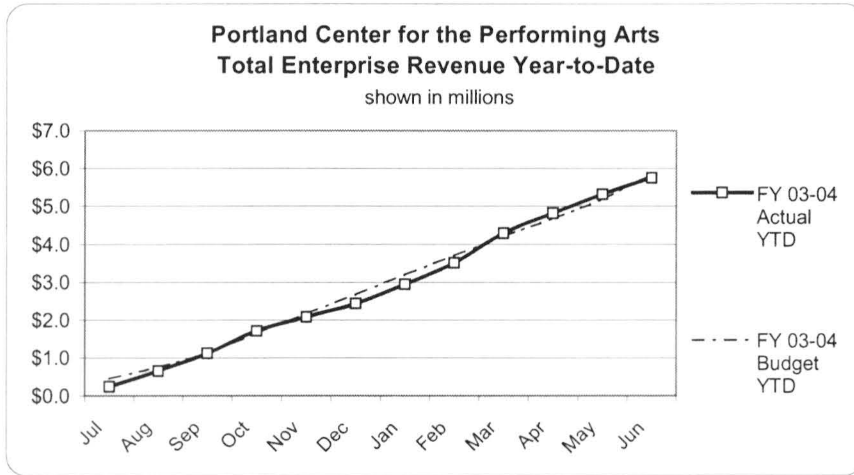




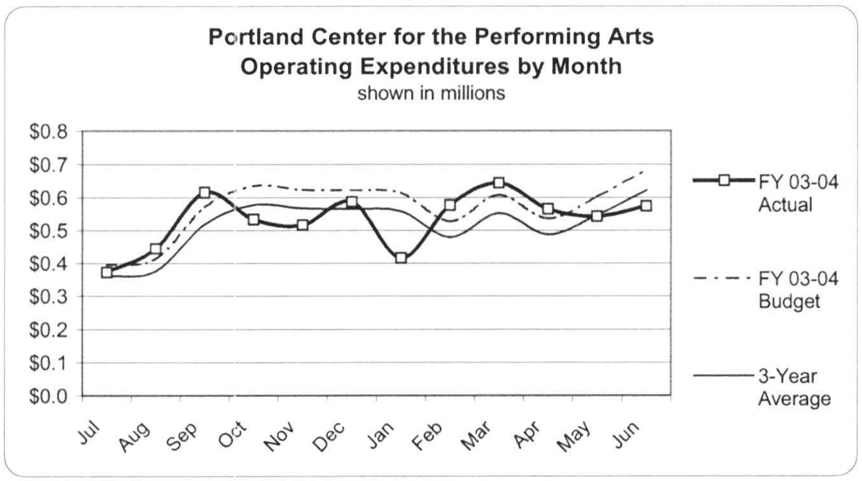
Portland Center for the Performing Arts

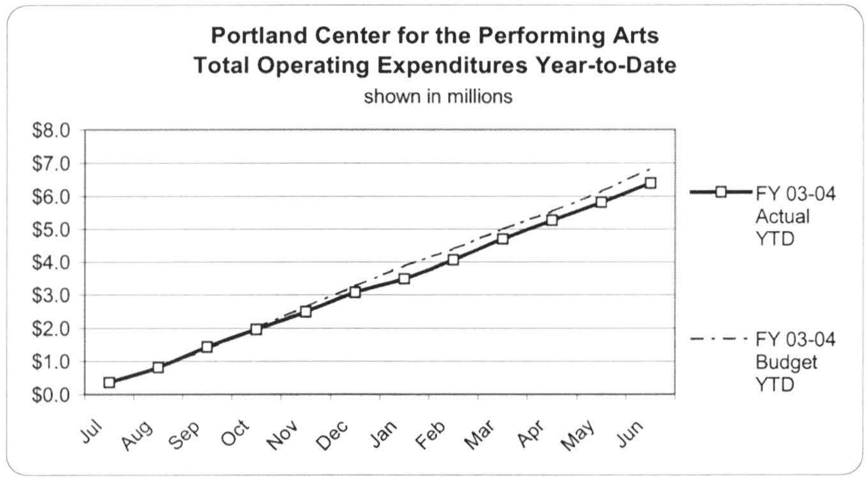
The Portland Center for the Performing Arts (PCPA) finished the year with enterprise revenues at 99% of budget.





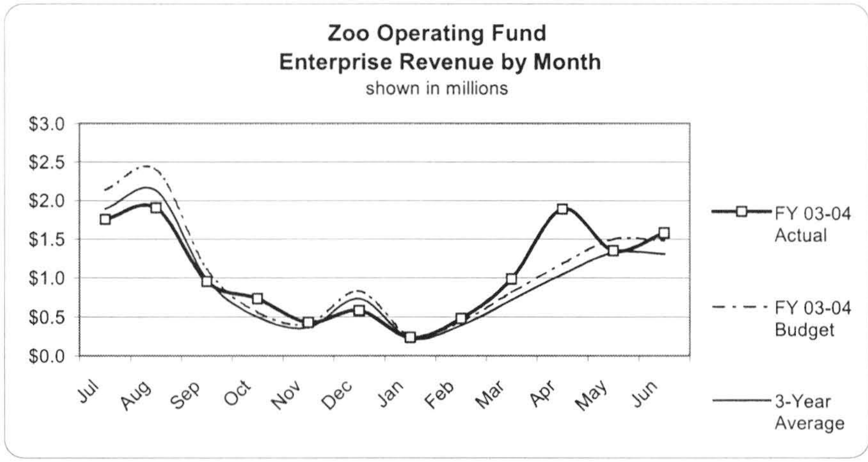
Operating expenditures at PCPA came to 94% of budget. The combination of healthy revenues and reduced spending resulted in a fund balance increase of some $470,000.

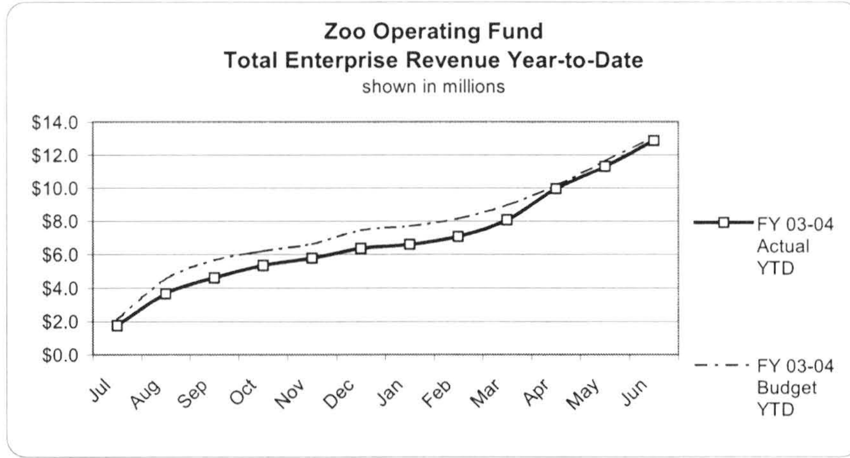




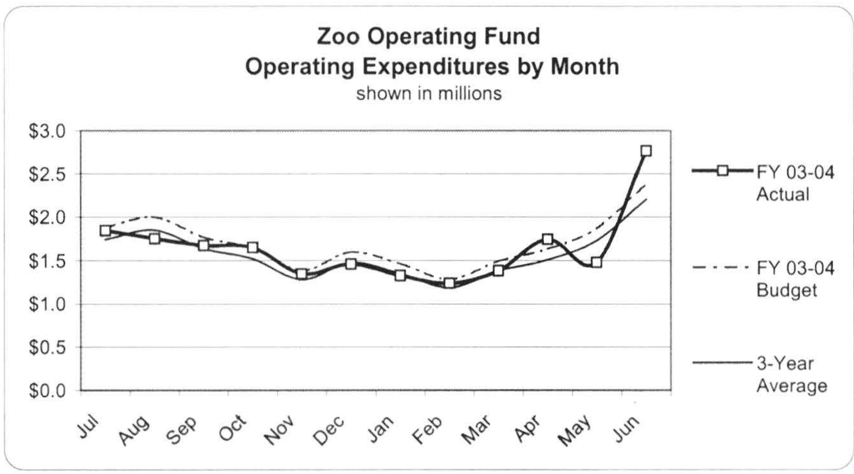
Zoo Operating Fund

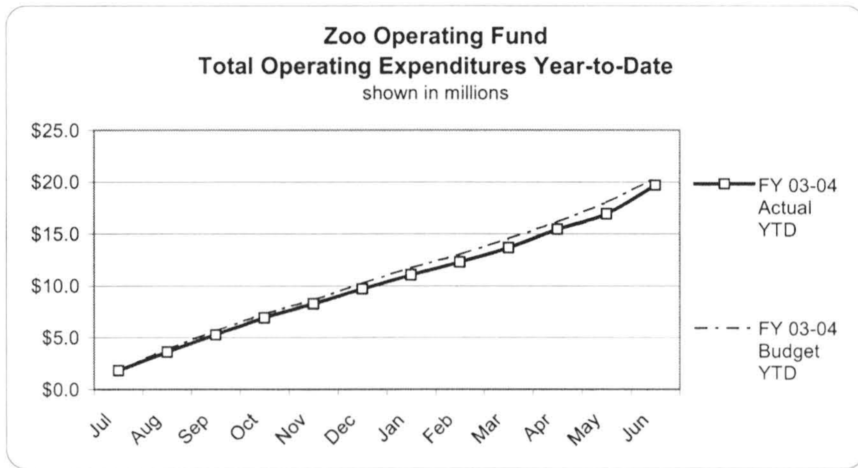
Zoo enterprise revenues were 98% of budget, with good third and fourth quarters largely offsetting a lackluster first quarter. The revenue spike in April is the result of recognizing previous income from the Simulator and Winged Wonder attractions.





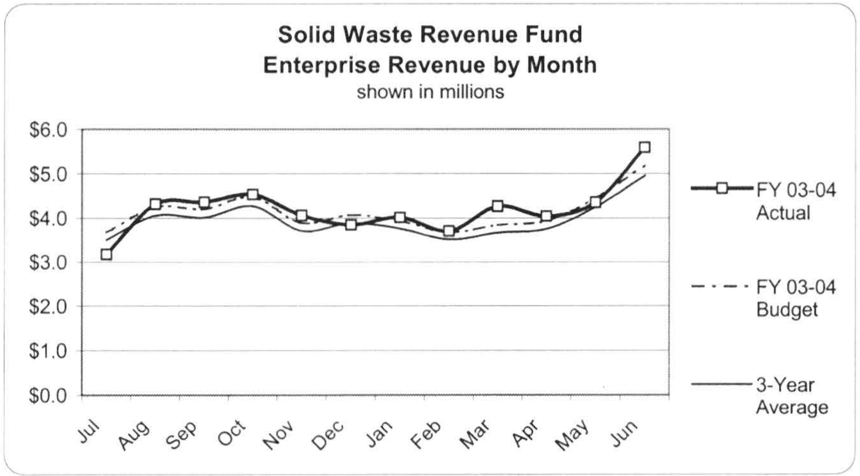
Zoo spending through second close was 94% of budget for operating expenditures, and 91% overall.

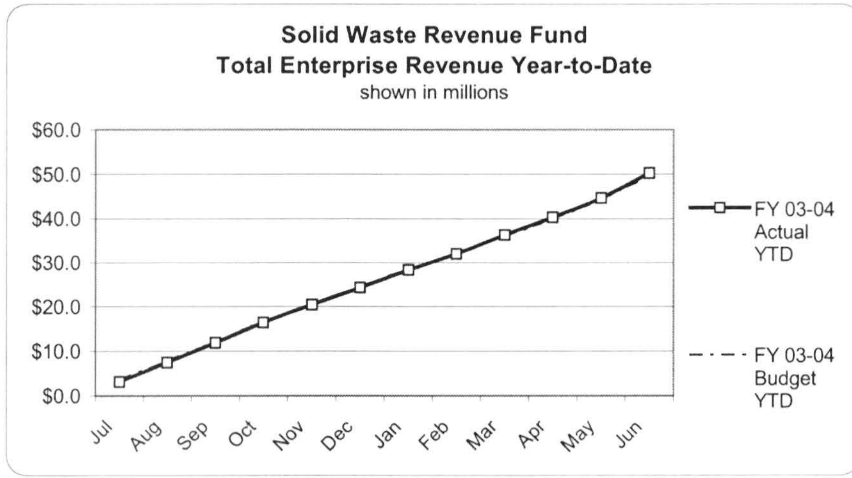




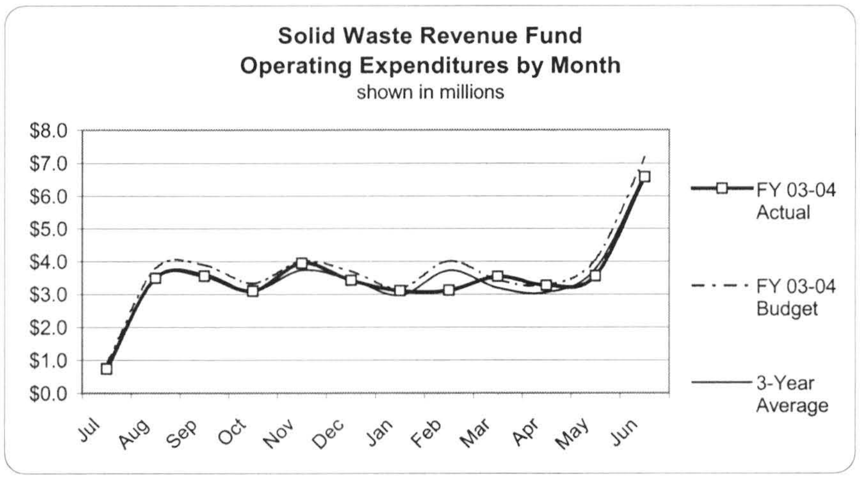
Solid Waste Revenue Fund

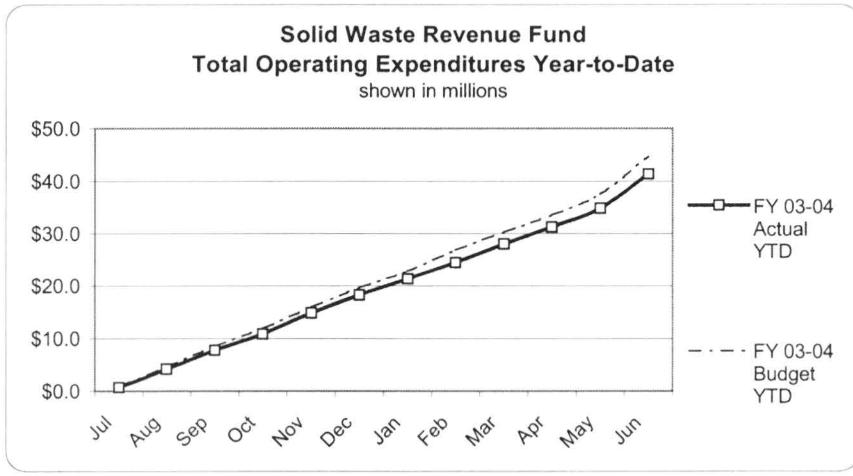
Enterprise revenue was 101% of budget through second close. The shift in market share to non-Metro facilities continued in FY 2003-04, increasing 2% to 54.4%.





Operating expenditures were 92% of budget for the year.





Any comments or suggestions on how this summary, or the document in general, could be improved would be very welcome. Please do not hesitate to contact me with any questions or concerns.

Sincerely,

William L. Stringer
Chief Financial Officer & Director, Finance & Administrative Services Department

OPERATING FUNDS

Operating funds are those funds that contain the revenues and expenditures associated with Metro services. As a general rule, they are the funds where personal services expenditures are charged. Contained within this section is a budget-to-actual summary providing information regarding each fund's activity through the end of the second close of the fourth quarter, FY 2003-04. Also included is the same information for the corresponding period for last fiscal year. Along with the numerical information there is a brief explanation, by classification, of the revenues and expenditures in each fund.

The funds have been grouped by type: general government, enterprise, or internal service to provide for a better understanding of the different operations at Metro. The general government funds are the General, Planning, and Regional Parks funds. The enterprise funds include MERC Operating, Solid Waste Revenue, and Zoo Operating funds. The internal service funds are the Building Management, Risk Management, and Support Services funds.

General Fund

The General Fund was established to track revenues and expenditures for all general government functions. This includes the Metro Council and Public Affairs Department. The General Fund is supported by an excise tax on the purchase of Metro goods and services. Outlined below is an explanation of the activities in the General Fund through the second close of the fourth quarter, FY 2003-04.

Revenues

Excise Tax – A tax upon the purchase of Metro goods and services. At 105 percent, the taxes received through the end of the fiscal year were above budget. Additional information regarding this tax is available in the Excise Tax section of this document, beginning on page 44.

Interfund Transfers In – Transfers come from departments for allocated costs in the Council Office. In the current fiscal year, these costs include the salary for the Chief Operating Officer and the Archives program. The total transfers are determined through the cost allocation plan. All costs will be reconciled back to actual expenses during the final audit process.

Expenditures

Council Office –The Council Office was at 87 percent of budget through the end of the fiscal year. Year-to-date spending on materials and services was at 62 percent of budget.

Public Affairs Department – Through the end of the fiscal year, the Public Affairs Department was at 66 percent of budget. Savings were the result of a vacancy in the department for the first two months of the year, one of the Public Affairs staff on loan to the Planning Department, and significant under-spending on materials and services. Spending on materials and services was at 37 percent of budget through the end of the fiscal year.

Special Appropriations – Budgeted expenditures in this category include a $150,000 special appropriation for election costs, $150,000 for public notice costs required by ballot measure or Metro code, $15,000 for Water Consortium dues, and a $25,000 contribution to the Regional Arts & Culture Council (RACC). Actual expenditures through the end of the fiscal year totaled $284,069 consisting of $15,611 in Water Consortium dues, a $25,000 contribution to RACC, $152,251 for election costs, and $91,207 for public notice costs.

Interfund Transfers Out – This category includes transfers to the central service funds to pay for services allocated through the cost allocation plan. Central service transfers are made monthly, quarterly, or semi-annually depending on the type. All costs will be reconciled back to actual expenses during the final audit process. Also included in this category are monthly transfers of excise tax to various operating funds. The General Fund is monitored to ensure there is sufficient cash balance before excise tax transfers are made. Through the end of the fiscal year, transfers out were at 96% of budget.

General Fund

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$1,277,550		$1,648,753	129%	$979,000		$1,288,482	132%
Current Revenues								
Metro Excise Tax	10,019,954	3,187,399	10,509,601	105%	9,577,258	2,851,115	9,821,761	103%
Enterprise Revenue	0	0	70	0%	0	679	673	0%
Grant Revenue	0	10,000	10,000	0%	0	0	0	0%
Earnings on Investments	25,000	4,051	20,161	81%	15,000	(4,479)	21,920	146%
Other Miscellaneous Revenue	0	23	9,400	0%	0	18	224	0%
Interfund Transfers In	248,114	62,011	248,113	100%	984,589	248,785	984,589	100%
Subtotal Current Revenues	**10,293,068**	**3,263,484**	**10,797,345**	**105%**	**10,576,847**	**3,096,118**	**10,829,167**	**102%**
Total Resources	**$11,570,618**	**$3,263,484**	**$12,446,097**	**108%**	**$11,555,847**	**$3,096,118**	**$12,117,649**	**105%**
Requirements								
Operating Expenditures								
Council Office	$1,400,107	$336,524	$1,218,756	87%	$1,996,314	$304,558	$1,676,141	84%
Public Affairs Department	652,445	136,958	429,188	66%	460,058	135,204	356,796	78%
Special Appropriations	340,000	185,135	284,069	84%	713,000	216,666	524,577	74%
Subtotal Operating Expenditures	2,392,552	658,617	1,932,014	81%	3,169,372	656,428	2,557,515	81%
Non-Operating Expenditures								
Interfund Transfers Out	8,041,194	1,847,367	7,679,705	96%	7,954,020	1,995,934	7,717,220	97%
Contingency	443,930	0	0	0%	200,000	0	0	0%
Subtotal Non-Operating Expenditures	8,485,124	1,847,367	7,679,705	91%	8,154,020	1,995,934	7,717,220	95%
Subtotal Current Expenditures	**$10,877,676**	**$2,505,984**	**$9,611,719**	**88%**	**$11,323,392**	**$2,652,362**	**$10,274,735**	**91%**
Unappropriated Balance	692,942		2,834,379		232,455		1,842,914	
Total Requirements	**$11,570,618**		**$12,446,097**		**$11,555,847**		**$12,117,649**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Planning Fund

The Planning Fund was established to track the revenues and expenditures associated with the Transportation and Growth Management activities. As outlined in the Metro Charter, growth management and land-use planning are the primary missions of the agency. The information outlined below provides an explanation of the activities in the Planning Fund through the second close of the fourth quarter of FY 2003-04.

Revenues

Grants – The majority of funding comes from federal, state, and local grants. Funds are received on a reimbursement basis and typically lag one to two months behind expenditures. Revenues are recorded when invoices based on the prior month's expenditure reports are issued. Grant revenues through the fourth quarter remain about the same as in previous years. Since the adoption of the budget, several areas, such as the Transit Oriented Development program, South Corridor final environmental impact statement, and the Willamette Shoreline planning program, have seen significant changes due to project delays. Changes in these four areas have resulted in a reduction of anticipated grant revenue of over 45 percent or approximately $5.8 million. Grant revenues are subject to change pending the final grant reconciliation and billing done as part of the year-end closing process.

Local Government Shared Revenues – Represents fees received for boundary mapping services provided by the department.

Enterprise Revenue – This category primarily includes revenues generated through the Data Resource Center. Revenues are the result of contracts with private entities, local jurisdictions and storefront sales. Most of the contracts are invoiced quarterly. Revenues received through the fourth quarter are at 89 percent of budget, much higher than this time last year. Significant revenues include approximately $240,000 in contract revenues from various jurisdictions or special districts, about $105,00 in sales from RLIS Lite, $165,000 in receipts from the aerial photo consortium, and about $53,000 in other product sales including $33,000 in storefront products.

Interfund Transfers – Includes transfers of excise tax from the General Fund as well as transfers for direct services from other Metro departments. Excise tax transfers are received monthly providing the General Fund cash flow permits. Direct transfers are made as expenses are incurred. Transfers will be adjusted as part of the final audit and reconciliation process.

Expenditures

Personal Services - Expenditures are as expected through the end of the year at 90 percent. Actual expenditures do not include the PERS reserve that will fall to fund balance. If fully funded, the reserve would be approximately $328,000 at year-end. For Planning, the PERS reserve will be reconciled to available eligible funding sources during the year-end closing process.

Materials & Services – The majority budgeted for this expenditure category is tied to the purchase of TOD lands ($4.55 million) or the direct receipt of grant funds. TOD land purchases are made as appropriate lands become available. Three TOD purchases for $420,000 have been made during the year. The majority of other expenses are tied to grant funds such as the Highway 217, South Corridor and Damascus projects, and are as expected.

Debt Service - Debt service payments are for capital leases of computer equipment and are paid in accordance with the approved schedule. The final payment on the outstanding capital lease was made in February 2004.

Capital Outlay (CIP) – Capital expenditures are for the completion of the TRANSIMS computer purchase originally authorized in FY 2001-02.

Interfund Transfers Out – This category includes transfers to the central service funds to pay for services allocated through the cost allocation plan, as well as the final installment on repayment of an interfund loan from Solid Waste and Recycling. Central service transfers will be adjusted to actual costs as part of the final cost allocation plan run during the financial audit.

Planning Fund

As of June, 30 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$654,431		$1,950,893	298%	$655,143		$1,999,360	305%
Current Revenues								
Grants	12,895,064	1,642,281	4,836,408	38%	15,114,738	2,237,461	5,642,421	37%
Local Gov't Shared Revenue	0	6,170	18,920	0%	0	3,650	13,635	0%
Enterprise Revenue	543,480	152,865	483,706	89%	502,570	(64,460)	357,142	71%
Earnings on Investments	0	11,940	44,818	0%	0	(4,443)	53,098	0%
Other Miscellaneous Revenue	14,536	1,591	2,126	15%	14,536	60	417	3%
Interfund Transfers In	4,643,456	1,086,913	4,494,110	97%	4,822,312	1,192,980	4,794,197	99%
Subtotal Current Revenues	**18,096,536**	**2,901,761**	**9,880,089**	**55%**	**20,454,156**	**3,365,249**	**10,860,909**	**53%**
Total Resources	**$18,750,967**	**$2,901,761**	**$11,830,982**	**63%**	**$21,109,299**	**$3,365,249**	**$12,860,269**	**61%**
Requirements								
Operating Expenditures								
Personal Services	$7,262,224	$1,621,487	$6,563,189	90%	$6,677,575	$1,595,081	$6,382,522	96%
Materials and Services	8,561,505	987,290	1,820,942	21%	11,204,773	1,124,832	2,379,632	21%
Subtotal Operating Expenditures	15,823,729	2,608,777	8,384,131	53%	17,882,348	2,719,913	8,762,154	49%
Non-Operating Expenditures								
Debt Service	44,212	0	44,212	100%	40,773	0	40,772	100%
Capital Outlay Projects (CIP)	54,200	0	44,653	82%	72,000	97	97	0%
Interfund Transfers Out	2,437,286	557,929	2,432,434	100%	2,711,625	633,716	2,709,423	100%
Contingency	301,540	0	0	0%	402,553	0	0	0%
Subtotal Non-Operating Expenditures	2,837,238	557,929	2,521,298	89%	3,226,951	633,813	2,750,292	85%
Subtotal Current Expenditures	**$18,660,967**	**$3,166,706**	**$10,905,430**	**58%**	**$21,109,299**	**$3,353,725**	**$11,512,446**	**55%**
Unappropriated Balance	90,000		925,552		0		1,347,824	
Total Requirements	**$18,750,967**		**$11,830,982**		**$21,109,299**		**$12,860,269**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Regional Parks Fund

The Regional Parks Fund was established to track the revenues and expenditures related to the operations of the parks, golf course, marine facilities, pioneer cemeteries and open spaces managed by Metro. The information listed below provides an explanation of the activities in this fund through the second close of the fourth quarter of FY 2003-04.

Revenues

Grants – Significant grant revenues included in the budget are $230,000 from the State Marine Board for capital improvements at the M. James Gleason Boat Ramp, $295,803 in U.S. Fish & Wildlife Service grants for Greenspaces grants program and $146,000 from the State of Oregon for improvements at Oxbow and Blue Lake Parks. Grant billings are complete for FY 2003-04. Significant grant receipts include $127,681 from U.S. Fish & Wildlife for greenspaces education grants; $53,050 from the Oregon Watershed Enhancement Board for the Clackamas River – Phase 2 restoration project (Knotweed Project); $49,658 from The Oregon State Marine Board for sanitation stations at Chinook and Gleason Boat Ramps; and $35,476 from The Oregon Parks and Recreation Department for the Oxbow restroom construction project. The Gleason Boat Ramp improvements project will not begin until summer of 2004. Grant billings for improvement projects at Oxbow and Blue Lake Parks will be made as the projects progress.

Intergovernmental Revenues – The funds received are Metro's share of the revenues received by the State from the registration fees for recreational vehicles and County marine fuel taxes. Year-to-date actuals include year-end accruals for both revenue sources. Recreation vehicle registration fees are higher than projected. Marine fuel tax receipts are higher than last year's receipts but lower than original estimates received from the state. The amount Metro receives is a flat rate per gallon of gas not a percentage of the retail price. Higher gas prices do not necessarily translate into fuel tax receipts if actual consumption is down.

Enterprise Revenues – Represents revenues received for the use of Metro Regional Parks and golf course. At year-end, overall enterprise revenues were better than expected. This is due in large part to one-time unexpected revenues that made up for the reductions from budget in Glendoveer revenues and special permits and program fees. Without these two revenues, enterprise revenues would have been 3 percent below budget.

Contributions and Donations – For FY 2003-04, contributions and donations include the recognition of GSR improvements to Glendoveer Golf Course from FY 2000-01 of approximately $325,000; $15,000 for the Cooper Mountain Master Plan; $5,800 for the Tonquin Trail feasibility study; and $10,300 for Howell Territorial Park operations support. The FY 2004-05 support for Howell Territorial Park was inadvertently coded to FY 2003-04 and will be adjusted to its proper fiscal year.

Interfund Transfers In – Interfund transfers received include excise tax revenue from the General Fund and transfers from the Open Spaces Fund for former Multnomah County local share projects managed by the Regional Parks Department. Excise tax transfers are made on a monthly basis, as cash flow in the General Fund permits. Through the fourth quarter the department has received 100 percent of budgeted excise tax transfers from the General Fund. Transfers from the Open Spaces Fund are made on a reimbursement basis. Several local share projects were carried forward to FY 2004-05 resulting in reduced transfers in FY 2003-04.

Expenditures

Personal Services – Total personal service expenditures at the end of the fiscal year are at 98 percent of total budget. In the last couple of years, as the constraints on the agency have become much greater, the Regional Parks Department has budgeted its personal services much tighter, reducing the percentage of underspending.

Materials and Services – At year-end, materials and services are at 86 percent of budget. The majority of underspending falls into two areas – restoration projects and CIP maintenance projects.

The department applied for and anticipated the receipt of grant funds for a large restoration project. The grant was awarded but not received until FY 2004-05. Also, as part of the FY 2004-05 budget process, the department requested the carry forward of $90,000 in CIP maintenance projects to FY 2004-05.

Capital Outlay (Non CIP) – The expenditures in this classification were for the purchase of a tractor in the Natural Resources program and for the purchase of a niche wall for Douglass Cemetery.

Capital Outlay (CIP) – The Parks & Greenspaces Department manages Multnomah County's portion of the Local Share Funding approved by the Open Spaces Ballot Measure. Funding for capital projects is derived partially from local share and partially from grants. Planned projects included improvements at Oxbow Park, M. James Gleason Boat Ramp and Blue Lake Lakefront. The Gleason Boat Ramp project has been delayed to the summer of 2004. The Oxbow Park and Blue Lake Lakefront projects were completed by year-end except for final punch-list tasks.

Interfund Transfers Out – Interfund transfer expense primarily represents transfers to central service funds for allocated costs as well as a transfer of excise tax to the Smith and Bybee Lakes Fund. Through the fourth quarter 100 percent of central service transfers have been made, however, all costs will be reconciled back to actual expenses during the audit process.

Regional Parks Fund

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$3,158,426	(2,372)	$3,596,811	114%	$3,565,847		$3,422,429	96%
Current Revenues								
Grants	698,353	211,456	295,090	42%	752,500	369,240	546,144	73%
Intergovernmental Revenues	414,361	179,315	457,594	110%	380,800	105,910	370,531	97%
Enterprise Revenues	2,458,663	642,011	2,515,441	102%	2,181,508	568,029	2,387,121	109%
Earnings on Investments	58,998	11,199	47,777	81%	51,930	(5,412)	61,405	118%
Contributions and Donations	277,640	355,781	380,456	137%	646,651	47,204	447,467	69%
Other Miscellaneous Revenues	11,500	9,640	29,639	258%	500	6,047	15,592	3118%
Interfund Transfers In	3,168,349	1,026,704	3,023,049	95%	3,268,824	744,523	2,456,878	75%
Subtotal Current Revenues	**7,087,864**	**2,436,106**	**6,749,046**	**95%**	**7,282,713**	**1,835,540**	**6,285,138**	**86%**
Total Resources	**$10,246,290**	**$2,433,733**	**$10,345,858**	**101%**	**$10,848,560**	**$1,835,540**	**$9,707,567**	**89%**
Requirements								
Operating Expenditures								
Personal Services	$3,063,164	$778,570	$2,999,424	98%	$2,957,227	$798,462	$2,954,041	100%
Materials and Services	2,003,468	567,070	1,717,768	86%	2,474,875	582,449	1,840,045	74%
Capital Outlay Projects (non-CIP)	26,400	(78,199)	48,668	184%	18,500	0	18,111	98%
Subtotal Operating Expenditures	5,093,032	1,267,441	4,765,860	94%	5,450,602	1,380,911	4,812,197	88%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	1,073,311	724,919	926,344	86%	1,195,541	4,097	364,209	30%
Interfund Transfers Out	1,294,707	318,737	1,212,829	94%	1,239,703	307,357	1,223,675	99%
Contingency	86,390	0	0	0%	218,819	0	0	0%
Subtotal Non-Operating Expenditures	2,454,408	1,043,656	2,139,173	87%	2,654,063	311,454	1,587,884	60%
Subtotal Current Expenditures	**$7,547,440**	**$2,311,097**	**$6,905,034**	**91%**	**$8,104,665**	**$1,692,365**	**$6,400,081**	**79%**
Unappropriated Balance	2,698,850		3,440,824		2,743,895		3,307,486	
Total Requirements	**$10,246,290**		**$10,345,858**		**$10,848,560**		**$9,707,567**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

MERC Operating Fund

The MERC Operating Fund contains the operating revenues and expenditures for the facilities managed by the Metro Exposition-Recreation Commission (MERC). These facilities include the Oregon Convention Center (OCC), the Portland Metropolitan Exposition Center (Expo), and the Portland Center for the Performing Arts (PCPA). The fund also includes MERC Administration. The information outlined below provides an explanation of the activities in this fund through the end of FY 2003-04 based on second close financial information. MERC's overall results were not as good as budgeted. This is the result of the stressed lodging industry and convention business. MERC adjusted its FY 2003-04 budget, cutting costs to match lower revenue projections.

Revenues

Intergovernmental Revenue –The FY 03-04 Budget includes $8.0 million in Multnomah County Lodging Tax, with $6.2 million for Convention Center operations (including $1 million in VDI subsidy and $350,000 for OCC marketing) and $1.8 million for PCPA (including $500,000 VDI subsidy). As of second close, $4.9 million of the Lodging Tax has been received from Multnomah County, with additional payments expected. The VDI subsidy and marketing funds have not been received. These funds are generally received at the end of the fiscal year. It is unknown whether VDI support will be available for PCPA. The City of Portland has agreed to cover any VDI shortfall, for this year only, if these funds are unavailable from the Visitor Development Trust funds.

Enterprise Revenue – This classification consists of revenue that is received for the services provided by the different facilities. The $25.1 million received for the year is 98 percent of budget.

Expo Center – Enterprise revenue of about 84 percent of budget, lower than was expected due to the poor economy. Expo expected revenue to be about 13 percent less than budgeted. This shortfall is from fewer than expected events coupled with reduced attendance and reduced food service revenue.

Oregon Convention Center – At about 105 percent of budget, enterprise revenues are up 39 percent from the prior year.

Portland Center for the Performing Arts – Operating revenues are 99 percent of budget and 6.5 percent over prior year actuals.

Contributions and Donations – Included in this classification are contributions from the City of Portland to support the operation of PCPA for $325,000. These funds were received in the fourth quarter. In addition, a contribution of over $500,000 was booked from the City of Portland to backfill for Visitor Development funding not provided in this fiscal year. These funds have not actually been received, but have been booked by PCPA as a receivable.

Expenditures

Expo Center – Operating revenues of $5.4 million (84 percent of budget) coupled with operating expenditures of $3.9 million (92 percent of budget), transfers of $1.2 million for debt service and $200,000 for support service resulted in a $74,000 decline in fund balance. Management at the Expo Center had hoped to break even at year-end by offsetting lower than expected revenues with cost controls.

Oregon Convention Center – Operating revenues of $13.9 million (105 percent of budget) plus hotel/motel receipts of $3.8 million are offset by total expenditures of $19.4 million. The resulting $1.7 million decrease in fund balance will be improved with final hotel/motel tax receipts, and will produce an increase in the fund balance. This improvement is the result of cost containment measures implemented early in the year and revenue generation that was consistently stronger than expected.

Portland Center for the Performing Arts – PCPA had total expenditures of $7.4 million, about 94 percent of budget (including support of MERC administration, but not including contingency). With over $7.8 million in total revenues, PCPA second close figures show an increase in the fund balance for the year of $474,000.

MERC Administration – Expenditures of $1.1 million, 95 percent of budget, are lower than expected from vacancies and M&S savings.

Interfund Transfers Out – Expenditures are as expected.

Debt Service – Expenditures are as expected.

MERC Operating Fund

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$9,986,094	2,863	$9,771,540	98%	$13,596,822		$12,769,627	94%
Current Revenues								
Intergovernmental Revenue	7,988,680	1,494,478	4,895,529	61%	8,016,509	2,709,696	6,251,232	78%
Enterprise Revenue	25,461,276	5,848,542	25,052,084	98%	21,383,358	5,444,194	20,519,255	96%
Earnings on Investments	206,281	20,605	51,969	25%	165,426	(6,979)	168,752	102%
Contributions and Donations	324,635	862,832	889,782	274%	315,180	312,361	312,451	99%
Other Miscellaneous Revenue	100,000	349,665	346,685	347%	77,000	115,706	171,514	223%
Interfund Transfers In	173,939	0	0	0%	110,000	12,497	116,011	105%
Subtotal Current Revenues	**34,254,811**	**8,576,123**	**31,236,050**	**91%**	**30,067,473**	**8,587,475**	**27,539,214**	**92%**
Total Resources	**$44,240,905**	**$8,578,987**	**$41,007,590**	**93%**	**$43,664,295**	**$8,587,475**	**$40,308,841**	**92%**
Requirements								
Operating Expenditures								
Expo Center	$4,238,676	$1,073,449	$3,915,130	92%	$4,315,069	$845,010	$3,926,885	91%
Oregon Convention Center	18,318,119	4,812,269	18,049,112	99%	16,747,889	4,440,109	16,491,291	98%
Portland Center for the Performing Arts	6,828,639	1,681,851	6,387,762	94%	5,986,915	1,681,523	6,269,017	105%
MERC Administration	1,134,664	323,139	1,073,208	95%	1,194,340	344,961	1,104,152	92%
Subtotal Operating Expenditures	30,520,098	7,890,708	29,425,212	96%	28,244,213	7,311,603	27,791,346	98%
Non-Operating Expenditures								
Debt Service	22,809	0	20,539	90%	310,694	2,372	32,078	10%
Interfund Transfers Out	3,694,943	688,800	3,357,025	91%	5,533,294	457,034	4,732,642	86%
Contingency	1,222,561	0	0	0%	483,769	0	0	0%
Subtotal Non-Operating Expenditures	4,940,313	688,800	3,377,564	68%	6,327,757	459,406	4,764,720	75%
Subtotal Current Expenditures	**$35,460,411**	**$8,579,508**	**$32,802,776**	**93%**	**$34,571,970**	**$7,771,008**	**$32,556,066**	**94%**
Unappropriated Balance	8,780,494		8,204,814		9,092,325		7,752,775	
Total Requirements	**$44,240,905**		**$41,007,590**		**$43,664,295**		**$40,308,841**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Expo Center

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$2,774,973		$2,602,491	94%	$2,973,760		$2,823,974	95%
Current Revenues								
Enterprise Revenue	6,394,466	956,423	5,373,436	84%	5,635,927	735,930	5,142,125	91%
Earnings on Investments	52,269	2,491	17,390	33%	35,000	(3,664)	45,312	129%
Other Miscellaneous Revenue	0	33,356	3,556	0%	0	(208)	(1,519)	0%
Interfund Transfers In	(153,647)	(30,116)	(134,290)	87%	(134,910)	(33,887)	(135,072)	100%
Subtotal Current Revenues	**6,293,088**	**962,154**	**5,260,092**	**84%**	**5,536,017**	**698,170**	**5,050,845**	**91%**
Total Resources	**$9,068,061**	**$962,154**	**$7,862,583**	**87%**	**$8,509,777**	**$698,170**	**$7,874,820**	**93%**
Requirements								
Operating Expenditures								
Personal Services	1,301,286	272,612	1,183,009	91%	1,239,841	264,864	1,189,725	96%
Materials and Services	2,937,390	800,837	2,732,121	93%	3,075,228	580,146	2,737,161	89%
Subtotal Operating Expenditures	4,238,676	1,073,449	3,915,130	92%	4,315,069	845,010	3,926,885	91%
Non-Operating Expenditures								
Interfund Transfers Out	1,451,631	123,606	1,419,517	98%	1,418,615	60,165	1,361,825	96%
Contingency	169,632	0	0	0%	171,786	0	0	0%
Subtotal Non-Operating Expenditures	1,621,263	123,606	1,419,517	88%	1,590,401	60,165	1,361,825	86%
Subtotal Current Expenditures	**$5,859,939**	**$1,197,054**	**$5,334,647**	**91%**	**$5,905,470**	**$905,175**	**$5,288,710**	**90%**
Unappropriated Balance	3,208,122		2,527,936		2,604,307		2,586,110	
Total Requirements	**$9,068,061**		**$7,862,583**		**$8,509,777**		**$7,874,820**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Oregon Convention Center

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$4,485,334		$4,143,194	92%	$8,327,383		$7,534,093	90%
Current Revenues								
Intergovernmental Revenue	6,250,134	1,165,693	3,818,512	61%	6,189,319	2,400,102	5,162,500	83%
Enterprise Revenue	13,243,027	3,421,842	13,894,143	105%	10,729,731	3,188,636	9,966,980	93%
Earnings on Investments	102,000	6,118	6,928	7%	99,845	5,775	106,751	107%
Contributions and Donations	0	11,204	16,154	0%	0	0	0	0%
Other Miscellaneous Revenue	100,000	202,532	208,002	208%	77,000	23,428	34,736	45%
Interfund Transfers In	(396,751)	(111,859)	(498,792)	126%	(490,443)	(137,451)	(484,270)	99%
Subtotal Current Revenues	**19,298,410**	**4,695,530**	**17,444,947**	**90%**	**16,605,452**	**5,480,489**	**14,786,697**	**89%**
Total Resources	**$23,783,744**	**$4,695,530**	**$21,588,141**	**91%**	**$24,932,835**	**$5,480,489**	**$22,320,790**	**90%**
Requirements								
Operating Expenditures								
Personal Services	7,808,193	1,642,079	6,756,278	87%	6,883,244	1,720,991	6,089,678	88%
Materials and Services	10,509,926	3,170,190	11,292,834	107%	9,864,645	2,719,118	10,401,613	105%
Subtotal Operating Expenditures	18,318,119	4,812,269	18,049,112	99%	16,747,889	4,440,109	16,491,291	98%
Non-Operating Expenditures								
Debt Service	22,809	0	20,539	90%	213,043	852	26,237	12%
Interfund Transfers Out	1,570,801	397,073	1,264,997	81%	3,475,843	237,160	2,731,981	79%
Contingency	734,127	0	0	0%	3,273	0	0	0%
Subtotal Non-Operating Expenditures	2,327,737	397,073	1,285,536	55%	3,692,159	238,012	2,758,218	75%
Subtotal Current Expenditures	**$20,645,856**	**$5,209,342**	**$19,334,648**	**94%**	**$20,440,048**	**$4,678,122**	**$19,249,509**	**94%**
Unappropriated Balance	3,137,888		2,253,493		4,492,787		3,071,281	
Total Requirements	**$23,783,744**		**$21,588,141**		**$24,932,835**		**$22,320,790**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Portland Center for the Performing Arts

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$2,572,341		$2,866,612	111%	$2,164,804		$2,274,701	105%
Current Revenues								
Intergovernmental Revenue	1,738,546	328,785	1,077,016	62%	1,827,190	309,594	1,088,732	60%
Enterprise Revenue	5,819,783	1,462,558	5,754,061	99%	5,017,700	1,516,773	5,401,089	108%
Earnings on Investments	48,940	11,046	24,355	50%	30,581	(8,621)	13,343	44%
Contributions and Donations	324,635	851,628	873,628	269%	315,180	312,361	312,451	99%
Other Miscellaneous Revenue	0	110,129	131,478	0%	0	92,384	138,019	0%
Interfund Transfers In	(373,143)	(73,138)	(326,132)	87%	(378,498)	(94,628)	(378,498)	100%
Subtotal Current Revenues	**7,558,761**	**2,691,008**	**7,534,407**	**100%**	**6,812,153**	**2,127,863**	**6,575,136**	**97%**
Total Resources	**$10,131,102**	**$2,691,008**	**$10,401,019**	**103%**	**$8,976,957**	**$2,127,863**	**$8,849,837**	**99%**
Requirements								
Operating Expenditures								
Personal Services	4,326,018	894,142	3,885,948	90%	3,741,150	1,071,640	4,026,586	108%
Materials and Services	2,502,621	787,709	2,501,814	100%	2,245,765	609,882	2,242,431	100%
Subtotal Operating Expenditures	6,828,639	1,681,851	6,387,762	94%	5,986,915	1,681,523	6,269,017	105%
Non-Operating Expenditures								
Debt Service	0	0	0	0%	97,651	1,519	5,841	6%
Interfund Transfers Out	672,511	168,121	672,511	100%	638,836	159,709	638,836	100%
Contingency	273,418	0	0	0%	260,121	0	0	0%
Subtotal Non-Operating Expenditures	945,929	168,121	672,511	71%	996,608	161,228	644,677	65%
Subtotal Current Expenditures	**$7,774,568**	**$1,849,972**	**$7,060,273**	**91%**	**$6,983,523**	**$1,842,751**	**$6,913,694**	**99%**
Unappropriated Balance	2,356,534		3,340,746		1,993,434		1,936,142	
Total Requirements	**$10,131,102**		**$10,401,019**		**$8,976,957**		**$8,849,837**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Solid Waste Revenue Fund

The Solid Waste Revenue Fund was established to track revenues and expenditures associated with the collection, recovery, and disposal of waste within the Metro boundary. The Solid Waste and Recycling department manages this fund. The information listed below provides an explanation of the activities in this fund through the second close of the fourth quarter FY 2003-04.

Revenues

Enterprise Revenue – Enterprise revenues for the 2003-04 fiscal year are higher than the prior fiscal year. The shift in market share was expected to slow, however, an additional 1.9 percent of the solid waste disposed of within the region moved from Metro to non-Metro facilities. In fiscal year 2002-03 the split was 47.55 percent of the waste going to Metro facilities and 52.45 percent non-Metro facilities. This fiscal year the split is 45.59 percent Metro and 54.41 percent non-Metro. Though tonnage growth to Metro facilities is flat, an increase in transaction fee revenue with no increase in the transaction fee itself indicates Metro facilities are receiving a greater number of smaller loads. Of note, in this category is a 39 percent increase in latex paint sales from $442,650 to $614,306.

Miscellaneous Revenue – This classification mainly includes pass-through debt service receipts, cash overages and shortages, and fines. There are significant changes from FY 2002-03.

Interfund Transfers In – Budgeted Interfund Transfers are for direct costs related to the Rehabilitation and Enhancement Fund, and for repayment of an interfund loan to the Planning Fund.

Expenditures

Personal Services – These expenditures are as expected at 94.3 percent of budget.

Materials and Services – These expenditures are as expected through the fourth quarter at 92.9 percent of budget. Actual expenses declined about $1.4 million due to a $611,000 reduction in the operating contract, plus $226,000 in lower expenditures on grants, $217,000 from stockpiling of latex paint inventory, $124,000 reductions in contracted professional services, miscellaneous reductions of $338,000, and a $213,000 reduction in bad debt expense. These reductions were offset by various inflationary increases of about $300,000 in other accounts.

Capital Outlay (Non CIP) – Expenditures in this classification are for minor repairs to Solid Waste and Recycling facilities as well as the purchase of equipment for use by the department. Expenditures are as expected.

Debt Service – Funds are for the repayment of the bonds sold to finance the construction of the Metro Central Transfer Station and the Riedel Compost Facility. The amount is considerably higher than budget due to the defeasance completed in February and refunding completed in May but funded July 1, 2003.

Capital Outlay (CIP) – Capital project expenditures are as expected, and higher than the prior year. Two larger projects started in the 2002-03 fiscal year were completed in the first and second quarters. Those are the Metro South – Northern Tip Floor Renovation totaling almost $1 million and the Metro Central – Replace Metal Roof and Ventilation System at almost $1.8 million. The Northern Tip Floor Renovation did not have expenditures in FY 2002-03 as expected. The department amended the budget to provide the $450,000 that should have been carried forward from FY 2003-04. The latex paint relocation did not occur this year as lease negotiations took longer.

Interfund Transfers Out – The planned transfers to central service funds for allocated costs are within expectations for the year.

Contingency – The department amended the current budget to transfer $450,000 from Contingency to Capital Outlay (CIP).

Solid Waste Revenue Fund

As of June 30, 2004

	Adopted Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$31,239,138		$34,800,955	111%	$38,081,459		$39,823,811	105%
Current Revenues								
Grants	0	981	82,389	0%	100,000	12,298	78,922	79%
Enterprise Revenue	49,596,153	13,991,659	50,240,753	101%	49,507,131	13,480,268	48,353,526	98%
Earnings on Investments	678,896	74,867	374,728	55%	752,300	(57,864)	674,554	90%
Bond and Loan Proceeds	0	0	0	0%	0	5,011,985	5,011,985	0%
Other Miscellaneous Revenue	365,000	5,626	109,650	30%	365,000	23,527	87,781	24%
Interfund Transfers In	130,023	125,171	125,171	96%	141,418	118,356	118,356	84%
Subtotal Current Revenues	**50,770,072**	**14,198,304**	**50,932,692**	**100%**	**50,865,849**	**18,588,569**	**54,325,124**	**107%**
Total Resources	**$82,009,210**	**$14,198,304**	**$85,733,647**	**105%**	**$88,947,308**	**$18,588,569**	**$94,148,935**	**106%**
Requirements								
Operating Expenditures								
Personal Services	$8,680,433	$2,097,936	$8,191,808	94%	$8,256,217	$2,011,098	$8,049,414	97%
Materials and Services	36,059,674	11,304,964	33,208,293	92%	38,083,939	11,468,529	34,406,662	90%
Capital Outlay Projects (non-CIP)	261,600	163,840	226,129	86%	499,000	82,054	201,928	40%
Subtotal Operating Expenditures	45,001,707	13,566,740	41,626,230	92%	46,839,156	13,561,681	42,658,004	91%
Non-Operating Expenditures								
Debt Service	1,861,426	15,361	4,155,671	223%	6,513,951	4,784,567	10,850,948	167%
Capital Outlay Projects (CIP)	5,010,600	59,456	3,399,156	68%	7,094,607	509,116	1,708,280	24%
Interfund Transfers Out	4,209,801	1,001,450	4,100,248	97%	4,210,036	970,391	3,963,306	94%
Contingency	10,908,338	0	0	0%	8,606,622	0	0	0%
Subtotal Non-Operating Expenditures	21,990,165	1,076,266	11,655,076	53%	26,425,216	6,264,074	16,522,534	63%
Subtotal Current Expenditures	**$66,991,872**	**$14,643,006**	**$53,281,305**	**80%**	**$73,264,372**	**$19,825,755**	**$59,180,538**	**81%**
Unappropriated Balance	15,017,338		32,452,341		15,682,936		34,968,397	
Total Requirements	**$82,009,210**		**$85,733,647**		**$88,947,308**		**$94,148,935**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Zoo Operating Fund

The Zoo posted revenues that exceeded expenditures by $351,000 on attendance of 1,318,458. Revenues were $780,000 short of budget, with spending some $1.3 million below the amended budget. However, unrestricted ending balance will be less than the prior year by $200,000, because $550,000 of the fund balance is set aside as a PERS reserve.

Revenues

Real Property Taxes – Revenues from Metro's voter-approved permanent rate levy. Revenues for the year are 2% below budget ($165,000) through second close. Based on prior years' activity, the total shortfall should be about $120,000 by final close.

Grants – Grants totaled $136,000, exceeding the prior year by $34,000. Nothing was budgeted in this category.

Enterprise Revenues – Revenues received from admissions, catering, concessions, and other enterprise activities. Most major revenue categories fell short of budget, though all except Catering improved from the prior year:

	Budget	Actual	% of Budget
Admissions	$ 5,217,365	5,055,522	96.9%
Concessions	2,787,209	2,746,040	98.5%
Catering	1,227,907	1,048,033	85.4%
Railroad	510,000	473,989	92.9%
Retail	1,938,372	1,483,788	76.4%
Education	899,649	786,944	87.5%
Other	533,523	1,257,405	236.0%
Total	**$13,114,025**	**$12,851,721**	**98.0%**

"Other" includes Simulator and Winged Wonders, previously recorded under Donations. The total for these two attractions was $830,000, which included $292,000 from prior years. Retail revenue fell short of expectations, but the Aramark guarantee produced an increase of $76,000 to Zoo revenues.

Donations – Donations are at 60% of budget, adjusted to reduce the total by $640,000 for the recognition of Simulator and Winged Wonders revenue as Zoo revenue. With this adjustment, this category slightly exceeded budget.

<u>NOTE</u>: The changes in recording Simulator and Winged Wonders revenues and expenditures affects the Zoo's bottom line only by the amount of excise tax levied. This amount was $62,280, an increase to the General Fund and decrease to the Zoo.

Expenditures

Personal Services – Personal Services expenditures were 92% of budget, an underspending of nearly $1 million. Of this amount, $550,000 is required for the PERS reserve; net underspending was $428,000.

Materials & Services – Materials & Services shows 100% spending, which includes an increase of $250,000 authorized by budget amendment for expenditures related to the Simulator and Winged Wonders. The most significant item is Utilities, which exceeded budget by $96,000 (5%). While electricity and natural gas were under budget by a combined $135,000, the year's cost for water/sewer was $1,084,000, which exceeded budget by $221,000, or 25%. Spending for Capital Maintenance was 21% ($74,000) under budget.

Capital Outlay – Spending was only 33% of budget. The Zoo limited spending in its efforts to balance its budget.

Interfund Transfers Out – This category represents transfers for central services and debt service. Central service transfers are shown at 100% of budget, but will be adjusted downward to reflect actual spending. The transfer to the General Revenue Bond Fund is $168,000 less than budget, the result of the October refunding of the OECDD loans. This one-time savings increases the Zoo's fund balance.

Zoo Operating Fund

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$5,202,233		$5,902,062	113%	$6,314,624		$6,543,031	104%
Current Revenues								
Real Property Taxes	8,822,490	520,330	8,575,403	97%	8,493,666	511,415	8,328,773	98%
Grants	0	91,124	136,086	0%	56,000	30,063	102,092	182%
Enterprise Revenue	13,114,025	4,814,886	12,851,721	98%	12,343,488	3,457,054	11,454,576	93%
Earnings on Investments	104,045	29,842	97,725	94%	92,469	(6,886)	139,127	150%
Contributions and Donations	1,232,000	(39,015)	743,943	60%	1,288,000	396,051	1,197,224	93%
Other Miscellaneous Revenue	29,756	25,793	117,175	394%	26,756	18,676	58,032	217%
Subtotal Current Revenues	**23,302,316**	**5,442,959**	**22,522,054**	**97%**	**22,300,379**	**4,406,372**	**21,279,823**	**95%**
Total Resources	**$28,504,549**	**$5,442,959**	**$28,424,117**	**100%**	**$28,615,003**	**$4,406,372**	**$27,822,854**	**97%**
Requirements								
Operating Expenditures								
Personal Services	$13,032,647	$3,117,674	$12,054,192	92%	$12,837,648	$3,172,117	$12,229,008	95%
Materials and Services	7,602,026	2,868,201	7,595,828	100%	7,559,649	2,073,825	6,817,697	90%
Capital Outlay Projects (non-CIP)	268,600	17,478	87,998	33%	474,200	257,860	333,316	70%
Subtotal Operating Expenditures	20,903,273	6,003,353	19,738,019	94%	20,871,497	5,503,802	19,380,021	93%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	0	1,309	1,325	0%	150,000	1,280	140,090	93%
Interfund Transfers Out	2,600,295	541,247	2,431,748	94%	2,619,680	547,681	2,613,939	100%
Contingency	749,744	0	0	0%	990,681	0	0	0%
Subtotal Non-Operating Expenditures	3,350,039	542,556	2,433,073	73%	3,760,361	548,961	2,754,029	73%
Subtotal Current Expenditures	**$24,253,312**	**$6,545,909**	**$22,171,091**	**91%**	**$24,631,858**	**$6,052,763**	**$22,134,050**	**90%**
Unappropriated Balance	4,251,237		6,253,025		3,983,145		5,688,804	
Total Requirements	**$28,504,549**		**$28,424,117**		**$28,615,003**		**$27,822,854**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Building Management Fund

The Building Management Fund was established to track the revenues and expenditures related to the operations of the Metro Regional Center and attached parking structure. This fund is an internal service fund and as such receives transfers from other portions of the agency as its primary revenue source. The information listed below provides an explanation of the activities in this fund through the second close of the fourth quarter, FY 2003-04.

Revenues

Enterprise Revenues – These revenues are received from parking fees and rental income. Through the end of November 2003, the parking structure at the Metro Regional Center had been managed by MERC. Under the agreement, MERC collected all of the parking fees and paid rent monthly to Metro. Under a new agreement, Metro receives all of the parking revenues and pays MERC to administer a contract for third party management of the parking structure.

Interfund Transfers In – This category includes indirect transfers for operations and debt service related to the Metro Regional Center. Transfers are made semi-annually for debt service and quarterly for operations. All costs will be reconciled back to actual expenses during the final audit process.

Expenditures

Personal Services – Expenditures are as anticipated through the end of the fiscal year.

Materials and Services – Expenditures in this category provide for operations of Metro Regional Center and include utilities, repairs and cleaning services. Expenditures are as anticipated through the end of the fiscal year.

Capital Outlay – This classification includes appropriations for minor repair and remodeling for Metro Regional Center and acquisition of building maintenance equipment. None of this money was needed in the 2003-04 fiscal year.

Interfund Transfers Out – These transfers are made to the General Revenue Bond Fund to cover the debt service requirements for the Metro Regional Center and attached parking structure. In October 2003, this debt was refinanced with Full Faith & Credit refunding bonds. As a result of the refinancing, interfund transfers out are only 80 percent of budget, a savings of nearly $345,000.

Building Management Fund

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$1,541,439		$1,570,356	102%	$1,516,205		$1,504,368	99%
Current Revenues								
Enterprise Revenue	562,556	231,095	516,650	92%	528,526	160,449	576,956	109%
Earnings on Investments	30,000	5,213	24,024	80%	22,762	(3,375)	26,188	115%
Other Miscellaneous Revenue	0	(55)	0	0%	0	15,007	15,035	0%
Interfund Transfers In	2,209,499	84,490	2,159,499	98%	2,276,618	212,872	2,220,799	98%
Subtotal Current Revenues	**2,802,055**	**320,743**	**2,700,173**	**96%**	**2,827,906**	**384,953**	**2,838,978**	**100%**
Total Resources	**$4,343,494**	**$320,743**	**$4,270,528**	**98%**	**$4,344,111**	**$384,953**	**$4,343,346**	**100%**
Requirements								
Operating Expenditures								
Personal Services	$306,549	$69,682	$274,944	90%	$278,942	$57,154	$254,659	91%
Materials and Services	596,510	157,134	525,243	88%	615,760	166,390	537,955	87%
Capital Outlay	15,000	0	0	0%	138,150	13,223	59,266	43%
Subtotal Operating Expenditures	918,059	226,816	800,187	87%	1,032,852	236,767	851,881	82%
Non-Operating Expenditures								
Interfund Transfers Out	1,755,696	0	1,410,730	80%	1,715,506	0	1,715,505	100%
Contingency	40,000	0	0	0%	40,000	0	0	0%
Subtotal Non-Operating Expenditures	1,795,696	0	1,410,730	79%	1,755,506	0	1,715,505	98%
Subtotal Current Expenditures	**$2,713,755**	**$226,816**	**$2,210,917**	**81%**	**$2,788,358**	**$236,767**	**$2,567,386**	**92%**
Unappropriated Balance	1,629,739		2,059,611		1,555,753		1,775,960	
Total Requirements	**$4,343,494**		**$4,270,528**		**$4,344,111**		**$4,343,346**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Risk Management Fund

The Risk Management Fund was established to track the revenues and expenditures of insurance related activities at Metro. This fund is an internal service fund and as such receives transfers from other portions of the agency as its primary revenue source. The information listed below provides an explanation of the activities through the second close of the fourth quarter FY 2003-04.

Revenues

Grants – The $10,000 grant budgeted for this fund is from the State of Oregon to assist with certain Worker's Compensation claims for injured employees. No grant funds were requested in FY 2003-04.

Enterprise Revenues – Payments from departments for unemployment and health and welfare insurance. Departments pay these charges as a part of the fringe benefits paid per employee.

Interfund Transfers In – Interfund transfers include costs associated with the liability, property and workers compensation programs that are allocated through the cost allocation plan. Transfers are made on a quarterly basis.

Expenditures

Personal Services – The expenditures in this classification are for the staff that administers the Risk Management programs. Expenses for the fiscal year exceeded budget expectations due to staff resignations and resulting vacation payout and settlement, as well as unexpected legal costs charged directly to the fund. Altogether the fund has overspent its personal services category. Underspending in materials and services has offset the unexpected costs.

Materials and Services – Included in this classification are the payments of insurance premiums and other costs associated with the Risk Management functions of the agency overall. Major expenses through the fourth quarter included the purchase of liquor liability and property insurance, premium payments for the health and welfare program, and claims paid for unemployment, workers compensation, liability and property programs. Expenses are as expected through the end of the fiscal year.

Risk Management Fund

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$6,442,134		$6,018,564	93%	$7,153,523		$6,835,805	96%
Current Revenues								
Grants	10,000	0	0	0%	10,000	0	0	0%
Enterprise Revenue	5,312,168	1,269,708	4,980,192	94%	5,131,533	1,621,113	4,449,982	87%
Earnings on Investments	140,000	15,046	87,105	62%	100,000	(9,571)	136,428	136%
Other Miscellaneous Revenue	0	5,236	21,947	0%	405,000	3,169	11,642	3%
Interfund Transfers In	1,000,000	249,990	1,000,002	100%	694,017	173,496	694,017	100%
Subtotal Current Revenues	**6,462,168**	**1,539,980**	**6,089,246**	**94%**	**6,340,550**	**1,788,207**	**5,292,069**	**83%**
Total Resources	**$12,904,302**	**$1,539,980**	**$12,107,810**	**94%**	**$13,494,073**	**$1,788,207**	**$12,127,874**	**90%**
Requirements								
Operating Expenditures								
Personal Services	$303,521	$68,490	$388,932	128%	$308,290	$73,157	$292,343	95%
Materials and Services	7,318,836	1,558,340	6,328,479	86%	7,521,188	2,006,158	5,816,967	77%
Subtotal Operating Expenditures	7,622,357	1,626,830	6,717,411	88%	7,829,478	2,079,314	6,109,310	78%
Non-Operating Expenditures								
Contingency	500,000	0	0	0%	500,000	0	0	0%
Subtotal Non-Operating Expenditures	500,000	0	0	0%	500,000	0	0	0%
Subtotal Current Expenditures	**$8,122,357**	**$1,626,830**	**$6,717,411**	**83%**	**$8,329,478**	**$2,079,314**	**$6,109,310**	**73%**
Unappropriated Balance	4,781,945		5,390,399		5,164,595		6,018,564	
Total Requirements	**$12,904,302**		**$12,107,810**		**$13,494,073**		**$12,127,874**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Support Services Fund

The Support Services Fund is an internal service fund established to track the revenues and expenditures of the departments and programs that provide services to the entire agency. As an internal service fund, transfers from other funds, as determined through the cost allocation plan, support the activities in this fund. The information outlined below provides an explanation of the activities in this fund through the second close of the fourth quarter FY 2003-04.

Revenues

Enterprise Revenue – This revenue is received from the Contractors Business License program. Revenues for this program are at 93 percent of budget through the end of the fiscal year.

Interfund Transfers In – Transfers from other funds to support the activities in this fund. The total amount is determined through the cost allocation plan. All costs will be reconciled back to actual expenses during the final audit process.

Expenditures

Finance and Administrative Services – This department includes the Accounting, Financial Planning, Risk Management, Contract Services and Information Technology divisions. In the second quarter the Property Services division was moved from the Office of the Council to the Finance and Administrative Services department. Expenditures for this department were lower than expected through the end of the fiscal year.

Finance and Administrative Services – Information Technology Division – This division manages Information Technology services throughout Metro. Personal services costs were in line at slightly under 93 percent while materials and services expenses were at 82 percent of budget. Overall, IT expenses were as expected through the end of the fiscal year.

Human Resources – This department provides human resource services for the entire agency. Expenditures for this department were as expected through the end of the fiscal year.

Public Affairs – Creative Services – This division of the Public Affairs department provides communications products and tools to the agency. Expenditures were as expected through the end of the fiscal year.

Office of the Metro Attorney – This department provides legal counsel to the Metro Council and all departments within the agency. Expenditures in this department were as expected through the end of the fiscal year.

Office of the Auditor – This office provides auditing services to the agency. An amendment was passed in July of the 2003-04 fiscal year transferring $47,000 from contingency to materials & services in the Office of the Auditor for work carried over from the 2002-03 fiscal year. Expenditures in this department were as expected through the end of the fiscal year.

Debt Service – The debt service payments are for capital leases on computer equipment in the Information Technology division.

Capital Outlay (CIP) – Capital expenditures in this fund include $49,686 in the Property Services division for the purchase of new equipment in the print shop and $175,698 for network and enterprise application software upgrades in the Information Technology division. The 2004-05 budget included a technical amendment to carry over $50,000 of remaining appropriation into the next fiscal year for completion of work on the PeopleSoft software upgrade.

Interfund Transfers Out – These include transfers for indirect costs as allocated through the cost allocation plan for the Support Services departments' use of Building Management and Risk Management services. All costs will be reconciled back to actual expenses during the final audit process.

Support Services Fund

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$678,272		$772,198	114%	$1,114,549		$1,023,045	92%
Current Revenues								
Enterprise Revenue	432,000	110,998	402,658	93%	572,091	134,044	432,333	76%
Earnings on Investments	12,960	6,937	24,527	189%	12,555	(4,288)	31,833	254%
Other Miscellaneous Revenue	0	4,579	24,344	0%	0	790	3,071	0%
Interfund Transfers In	9,687,849	2,367,194	9,468,779	98%	9,475,383	2,312,830	9,251,326	98%
Subtotal Current Revenues	**10,132,809**	**2,489,708**	**9,925,308**	**98%**	**10,060,029**	**2,443,376**	**9,731,063**	**97%**
Total Resources	**$10,811,081**	**$2,489,708**	**$10,697,507**	**99%**	**$11,174,578**	**$2,443,376**	**$10,754,108**	**96%**
Requirements								
Operating Expenditures								
Finance and Administrative Services	$3,683,245	$1,037,469	$3,147,203	85%	$3,567,835	$1,100,000	$3,371,969	95%
Finance and Administrative Services - IT	2,186,329	481,430	1,973,589	90%	2,607,013	455,167	2,227,791	85%
Human Resources	953,682	214,421	831,247	87%	935,620	227,610	807,166	86%
Public Affairs - Creative Services	538,375	139,653	505,880	94%	577,672	146,140	564,626	98%
Office of the Metro Attorney	1,153,083	251,728	990,341	86%	1,228,910	314,052	1,138,362	93%
Office of the Auditor	654,940	139,868	570,356	87%	678,792	167,710	630,095	93%
Subtotal Operating Expenditures	9,169,654	2,264,569	8,018,616	87%	9,595,842	2,410,679	8,740,009	91%
Non-Operating Expenditures								
Debt Service	34,620	0	34,620	100%	38,060	0	38,059	100%
Capital Outlay Projects (CIP)	280,000	8,671	225,633	81%	180,000	39,989	139,603	78%
Interfund Transfers Out	756,557	38,279	706,557	93%	668,900	88,109	668,900	100%
Contingency	418,276	0	0	0%	471,628	0	0	0%
Subtotal Non-Operating Expenditures	1,489,453	46,950	966,810	65%	1,358,588	128,098	846,563	62%
Subtotal Current Expenditures	**$10,659,107**	**$2,311,519**	**$8,985,426**	**84%**	**$10,954,430**	**$2,538,777**	**$9,586,571**	**88%**
Unappropriated Balance	151,974		1,712,080		220,148		1,167,537	
Total Requirements	**$10,811,081**		**$10,697,507**		**$11,174,578**		**$10,754,108**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

CAPITAL FUNDS

Capital Funds

There are four capital funds included in this section: the Open Spaces Fund, the Zoo Capital Fund, the Convention Center Project Capital Fund and the MERC Pooled Capital Fund. Each of these funds was established to track the revenues and expenditures related to major capital projects or capital improvements at Metro facilities.

- Open Spaces Fund – open spaces land purchases
- Zoo Capital Fund – Great Northwest Project, as well as other Zoo capital projects
- Convention Center Capital Fund – original construction of OCC and the expansion project
- MERC Pooled Capital Fund – major capital renewal and replacement needs for all the MERC facilities

Open Spaces Fund

This fund is used to account for bond proceeds and expenditures related to the open spaces, parks and streams bonds. The information outlined below provides an explanation of the activities in this fund through the second close of the fourth quarter of FY 2003-04.

Revenues

Interest Earnings – The interest earned on the remaining bond proceeds provides a portion of the resources that support the open spaces program. Metro's average yield for the fiscal year was 1.24 percent. The budget assumed a 2 percent interest rate.

Enterprise Revenue – This represents revenue received from other jurisdictions for providing real estate services. The department currently has contracts with the City of Gresham, Tualatin Hills Parks and Recreation District, the State of Oregon and the City of Portland Parks and Recreation Bureau. The revenue generated from the contracts funds the salary of one real estate negotiator.

Grants – The budget anticipated contributions from the National Fish & Wildlife Foundation for stabilization projects on Open Spaces properties. No grants have been received to date. Through the fourth quarter one grant was received from The Oregon Department of Fish and Wildlife.

Miscellaneous Revenues – This represents the sale of an easement on the Mt. Talbert property.

Interfund Transfers In – Reimbursements from the Regional Parks Fund for stabilization assistance on Howell Territorial Park lands.

Expenditures

Personal Services – Expenditures in this classification are for the staffing that is required for the open space acquisition services, including the due diligence staff. Expenditures are as expected through the fiscal year with no unusual events.

Materials and Services – The major expenditures in this classification, payments of local share funds to local jurisdictions, are paid as requests are received for reimbursement. The majority of under spending on materials and services is in this area of expense. The FY 2003-04 budget estimate was prepared at the end of December 2002 based on information known at that time. However, FY 2002-03 year-end reimbursement requests were much higher than usual resulting in less carryover to FY 2003-04. At the end of FY 2003-04 there is approximately $284,000 remaining (not including Multnomah County local share managed by Metro). Other major projects are property related such as appraisals, environmental consultants and stabilization.

Capital Outlay (CIP) – Expenditures are for the purchase of land. Actual expenditures are subject to negotiations with landowners. During FY 2003-04, 87.72 acres were purchased in four separate transactions.

Interfund Transfers Out – Transfers out of the Open Spaces Fund include expenditures for Multnomah County local share projects and for central services. Local share transfers are made quarterly as expenses are incurred. Several Multnomah County local share projects were carried over to FY 2004-05 resulting in significant under spending in this category in FY 2003-04. Central service transfers are made monthly, quarterly, or semi-annually depending on type. Central Service transfers will be reconciled to actual costs during the financial audit and are subject to change.

Open Spaces Fund

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$10,851,057		$9,415,427	87%	$15,152,519		$15,737,420	104%
Current Revenues								
Grants	200,000	14,875	14,875	7%	0	0	141,000	0%
Enterprise Revenue	0	38,440	65,423	0%	0	21,136	54,140	0%
Earnings on Investments	85,000	10,510	56,622	67%	127,500	29,446	232,375	182%
Donations	0	0	0	0%	0	142	142	0%
Other Miscellaneous Revenues	0	53,202	54,502	0%	0	11,184	13,959	0%
Interfund Transfers In	0	0	4,657	0%	0	0	0	0%
Subtotal Current Revenues	**285,000**	**117,027**	**196,080**	**69%**	**127,500**	**42,008**	**441,715**	**346%**
Total Resources	**$11,136,057**	**$117,027**	**$9,611,507**	**86%**	**$15,280,019**	**$42,008**	**$16,179,135**	**106%**
Requirements								
Operating Expenditures								
Personal Services	$520,617	$131,697	$491,856	94%	$978,179	$175,905	$862,888	88%
Materials and Services	2,112,643	420,846	998,985	47%	4,480,082	455,820	1,940,484	43%
Subtotal Operating Expenditures	2,633,260	552,543	1,490,841	57%	5,458,261	631,726	2,803,373	51%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	5,137,300	835,046	1,882,376	37%	6,880,000	1,217,939	3,452,084	50%
Interfund Transfers Out	1,009,078	426,898	670,188	66%	1,218,408	151,884	518,867	43%
Contingency	250,000	0	0	0%	223,350	0	0	0%
Subtotal Non-Operating Expenditures	6,396,378	1,261,945	2,552,564	40%	8,321,758	1,369,823	3,970,951	48%
Subtotal Current Expenditures	**$9,029,638**	**$1,814,488**	**$4,043,405**	**45%**	**$13,780,019**	**$2,001,549**	**$6,774,324**	**49%**
Unappropriated Balance	2,106,419		5,568,102		1,500,000		9,404,811	
Total Requirements	**$11,136,057**		**$9,611,507**		**$15,280,019**		**$16,179,135**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Zoo Capital Fund

This fund is used to account for expenditures related to capital projects at the Oregon Zoo. The information outlined below provides an explanation of the activities in this fund through second close of FY 2003-04.

Revenues

Grants and Donations – Grant and donation revenue received in the fourth quarter included $125,000 from Weyerhaeuser for the Great Northwest. For the year, donations totaled $466,000 for the Condor project, including $200,000 from the Murdock Foundation and $80,000 from the U.S. Department of Fish & Wildlife.

Contributions – The $928,766 is the donation of the first phase of the Condor offsite breeding facility from the Oregon Zoo Foundation. The receipt of the asset, and the corresponding expenditures, were booked in the third quarter.

Expenditures

Personal Services – Spending was for temporary employees working on construction of artificial rockwork and trees in the Eagle Canyon exhibit.

Capital Outlay (CIP) – In the quarter, expenditures for the Great NW came to just over $1 million, with $735,000 for the Family Farm. For the year, spending for the Great NW was $2.5 million. Condor Recovery Project spending totaled $1 million.

Zoo Capital Fund

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$6,110,661		$6,407,568	105%	$5,581,045		$6,880,060	123%
Current Revenues								
Grants	0	266,190	834,469	0%	0	20,522	194,333	0%
Earnings on Investments	122,213	15,342	79,143	65%	83,715	(11,497)	90,781	108%
Contributions and Donations	2,000,000	0	928,766	46%	500,000	0	181,256	36%
Miscellaneous Revenue	0	3,115	3,115	0%	0	0	0	0%
Subtotal Current Revenues	**2,122,213**	**284,646**	**1,845,493**	**87%**	**583,715**	**9,025**	**466,370**	**80%**
Total Resources	**$8,232,874**	**$284,646**	**$8,253,061**	**100%**	**$6,164,760**	**$9,025**	**$7,346,431**	**119%**
Requirements								
Operating Expenditures								
Personal Services	$96,819	$2,701	$96,064	99%	$0	$0	$0	0%
Subtotal Operating Expenditures	96,819	2,701	96,064	99%	0	0	0	0%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	4,742,862	1,134,381	3,516,169	74%	1,407,000	649,490	938,863	67%
Contingency	500,000	0	0	0%	500,000	0	0	0%
Subtotal Non-Operating Expenditures	5,242,862	1,134,381	3,516,169	67%	1,907,000	649,490	938,863	49%
Subtotal Current Expenditures	**$5,339,681**	**$1,137,082**	**$3,612,232**	**68%**	**$1,907,000**	**$649,490**	**$938,863**	**49%**
Unappropriated Balance	2,893,193		4,640,828		4,257,760		6,407,568	
Total Requirements	**$8,232,874**		**$8,253,061**		**$6,164,760**		**$7,346,431**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

Convention Center Project Capital Fund

This fund is used to account for revenues and expenditures related to the expansion of the Oregon Convention Center. The information outlined below provides an explanation of the activities in this fund through the second close of the fourth quarter FY 2003-04. This project finished on schedule and opened April 2003.

Revenues

Interest Earnings – The interest earned on the revenue received from various sources. The interest generated will be used to support the project.

Interfund Transfers In – This category is a budgeted transfer from the MERC operating fund, OCC. This transfer will not be made.

Expenditures

Personal Services – Expenditures are for the construction management and administrative staff associated with the project. Expenses are higher than originally anticipated and required a $70,000 budget amendment to move appropriation from capital outlay to personal services. All Convention Center Project Capital staff was gone by the end of the second quarter.

Materials and Services – These are planned expenditures in support of the project that are not classified as capital outlay.

Capital Outlay (CIP) – The final projects were completed by the end of the third quarter. Invoices were still being paid through the end of the fiscal year.

Unappropriated Fund Balance – A small balance of about $350,000 was to be reserved into FY 2004-05 for possible insurance claims. The actual balance available within the reserve is about $275,000 as some of the claims were settled earlier than anticipated. This balance is to be transferred to the MERC Pooled Capital Fund in July 1, 2004. Any future expenditures will be paid from the Pooled Capital Fund allowing the Project Capital Fund to be closed.

Convention Center Project Capital Fund

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$1,564,870		$1,939,119	124%	$58,612,069		$45,769,532	78%
Current Revenues								
Insurance Recovery Revenue	0	0	0	0%	0	750,000	750,000	0%
Donations & Bequests	0	0	124,666	0%	0	750,000	750,000	0%
Earnings on Investments	130	549	26,128	20098%	252,863	(76,950)	478,199	189%
Interfund Transfers In	260,000	0	0	0%	740,000	0	21,138	3%
Subtotal Current Revenues	**260,130**	**549**	**150,794**	**58%**	**992,863**	**1,423,050**	**1,999,337**	**201%**
Total Resources	**$1,825,000**	**$549**	**$2,089,913**	**115%**	**$59,604,932**	**$1,423,050**	**$47,768,869**	**80%**
Requirements								
Operating Expenditures								
Personal Services	$116,300	$0	$96,761	83%	$451,893	$109,250	$447,227	99%
Materials and Services	2,300	20,835	21,638	941%	22,700	880	5,740	25%
Subtotal Operating Expenditures	118,600	20,835	118,399	100%	474,593	110,130	452,967	95%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	1,706,400	205,897	1,696,019	99%	58,928,202	6,115,666	44,283,732	75%
Subtotal Non-Operating Expenditures	1,706,400	205,897	1,696,019	99%	59,130,339	6,144,822	44,466,370	75%
Subtotal Current Expenditures	**$1,825,000**	**$226,732**	**$1,814,417**	**99%**	**$59,604,932**	**$6,254,952**	**$44,919,337**	**75%**
Unappropriated Balance	0		275,496		0		2,849,532	
Total Requirements	**$1,825,000**		**$2,089,913**		**$59,604,932**		**$47,768,869**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

MERC Pooled Capital Fund

This is a reserve fund for future major capital renewal and replacement needs for all the MERC facilities. The MERC Pooled Capital Fund budgets and accounts for those projects authorized and funded through MERC's capital planning process that identifies the mission, direction, and future facility needs of all MERC facilities. The information outlined below provides an explanation of the activities in this fund through the second close of the fourth quarter of FY 2003-04.

Revenues

Contributions from Other Governments – The revenues in this classification consist of contributions from the City of Portland to support the capital needs of PCPA. The budget included a payment from TriMet to Expo for the Max station, which was received in the prior year. Therefore, receipts in this category are lower than budget while beginning fund balance is higher than budget.

Donations – Donations are draws on the funds held by the Oregon Community Trust Fund. This organization holds dedicated donations until needed for capital improvements. All of the approximately $3 million held by the trust are dedicated to PCPA from the sale of naming rights. None of the money was drawn in this fiscal year.

Other Miscellaneous Revenue – Energy lighting rebates at PCPA, in conjunction with a theatrical lighting project.

Interfund Transfers In – These are transfers from the three MERC facilities to cover planned capital improvements.

Expenditures

Personal Services – Expenditures in this classification are for staffing required to manage the capital projects. Expenses in this category are 91 percent of budget, as expected.

Materials and Services – These expenditures represent renewal and replacement projects that are not classified as capital outlay. There was very little of this in FY 2003-04.

Capital Outlay (non-CIP) – These are small projects the facilities completed during the year and include $113,000 at OCC, $86,000 at Expo and $250,000 at PCPA. Expenditures are lower than budgeted as some of the non-CIP projects were charged to CIP account codes. Additionally, about $100,000 was carried over for projects to be completed in the following fiscal year.

Capital Outlay (CIP) – The majority of the projects budgeted in this classification are for PCPA. Delays in projects are the result of scheduling issues at the PCPA. Projects at the PCPA totaling $1,125,000 were carried over to FY 2003-04. Two major projects, the lobby upgrades at the Keller Auditorium and the Canopy and Walkway for TriMet were substantially completed at the end of the fiscal year. Two projects, substituted for delayed projects, were completed without amending the CIP, but with Commission approval. Those projects were the $191,021 spent for the PCPA Theatrical Lighting project and the Keller Light Dimming System ($109,956). The CIP coordinator has reviewed the requirements for amending the CIP with MERC staff so Council will be apprised of CIP changes in the future. The department carried forward $1,160,000 in projects to FY 2004-05.

MERC Pooled Capital Fund

As of June 30, 2004

	Amended Budget 2003-04	Actuals Qtr 4 2003-04	Actuals YTD* 2003-04	YTD as % Budget 2003-04	Amended Budget 2002-03	Actuals Qtr 4 2002-03	Actuals YTD 2002-03	YTD as % Budget 2002-03
Resources								
Beginning Fund Balance	$2,017,297		$4,479,447	222%	$3,947,279		$4,663,986	118%
Current Revenues								
Grant Revenue	0	0	0	0%	0	300	18,500	0%
Contributions from Governments	3,208,931	653,720	653,720	20%	815,180	2,400,803	2,400,803	295%
Earnings on Investments	98,220	8,120	51,031	52%	26,630	(7,154)	78,651	295%
Donations	527,520	0	0	0%	822,421	0	0	0%
Other Miscellaneous Revenue	0	0	34,018	0%	0	0	12,607	0%
Interfund Transfers In	253,580	175,662	175,662	69%	1,886,278	0	1,804,489	96%
Subtotal Current Revenues	**4,088,251**	**837,502**	**914,431**	**22%**	**3,550,509**	**2,393,949**	**4,315,049**	**122%**
Total Resources	**$6,105,548**	**$837,502**	**$5,393,878**	**88%**	**$7,497,788**	**$2,393,949**	**$8,979,035**	**120%**
Requirements								
Operating Expenditures								
Personal Services	$493,048	$202,486	$447,437	91%	$446,456	$32,123	$376,069	84%
Materials and Services	35,000	0	1,177	3%	100,000	20,371	31,158	31%
Capital Outlay Projects (non-CIP)	449,580	34,466	108,113	24%	280,000	235,731	426,498	152%
Subtotal Operating Expenditures	977,628	236,952	556,727	57%	826,456	288,225	833,725	101%
Non-Operating Expenditures								
Capital Outlay Projects (CIP)	1,940,000	226,256	1,311,478	68%	6,486,702	3,306,130	3,660,159	56%
Contingency	750,000	0	0	0%	178,630	0	0	0%
Subtotal Non-Operating Expenditures	2,690,000	226,256	1,311,478	49%	6,665,332	3,306,130	3,660,159	55%
Subtotal Current Expenditures	**$3,667,628**	**$463,208**	**$1,868,205**	**51%**	**$7,491,788**	**$3,594,355**	**$4,493,884**	**60%**
Unappropriated Balance	2,437,920		3,525,673		6,000		4,485,151	
Total Requirements	**$6,105,548**		**$5,393,878**		**$7,497,788**		**$8,979,035**	

*** YTD actuals are based on unaudited second close numbers and may not match final audited numbers**

EXCISE TAX

Excise Tax Overview

Metro's excise tax is received from users of Metro facilities and services in accordance with the Metro Charter and Metro Code. The tax is recorded as revenue in the General Fund. This tax supports the general government activities of Metro, and also supports activities in the Planning and Regional Parks Departments via transfers from the General Fund. The FY 2003-04 budget was adopted assuming an excise tax rate of 7.5 percent on all authorized revenues with the exception of solid waste revenues, which are calculated on a per ton rate. The per ton rate for FY 2003-04 is $6.32 per ton. This per ton rate includes approximately $1.01 per ton dedicated to Regional Parks that generated about $1,261,405 through the second close of the fourth quarter, a $33,491 increase over budget.

Excise tax receipts exceeded budget for the fiscal year. The increase, however, was from Solid Waste, and expenditure of excise taxes derived from solid waste activities is limited by Code. Third quarter projections indicated a shortfall in unrestricted excise tax of $71,000; the actual shortfall is only $5,362. The reduction is the result of better than projected results for the Zoo and Building Management, which included $62,280 from the Zoo's Simulator and Winged Wonders that weren't anticipated in the third quarter projection.

The table on page 48 is a summary of the General Fund through the end of the fiscal year. The actual beginning fund balance was about $370,000 higher than budgeted; $270,000 of the increase is unrestricted and $100,000 is in the Solid Waste Recovery Rate Stabilization Reserve. Excise tax revenues are about $489,647 higher than projected at the end of the year. $33,492 is the additional due to Regional Parks on the per ton allocation as actual tonnage is higher than the tonnage budgeted. $461,518 of the additional excise tax is dedicated to the Solid Waste Recovery Rate Stabilization Reserve (RRSR). The net result is a $5,362 under-collection of excise tax available for unrestricted General Fund use.

All operating expenses are underspent as follows as of FY 2003-04 second close:

Council Office	$181,351
Public Affairs	$223,257
Special Appropriations	$ 55,931

Transfers, both in and out, have been adjusted for the final cost allocation plan. The amount needed for the lobbyist contract is $27,245 less than expected and $33,492 more will be provided to Regional Parks on the $1.00 per ton allocation.

The net result from additional resources and underspending is an increase of $1.3 million above budget in General Fund ending fund balance. Though not in effect until July 1, 2004, Council Amendment Number 3 to the approved budget is reflected in the table. This amendment moved $228,707 (the shortfall in general excise tax collections in the first year of the per ton excise tax) from the RRSR portion of the fund balance to the undesignated portion of the fund balance resulting in a RRSR fund balance of $446,633. The remaining fund balance is made up of a PERS reserve of $61,105, a $50,000 carryover of funding for strategic planning, and an undesignated reserve of $1,995,177.

Excise Tax Year-to-Date

Year End – Second Close:

The excise taxes received through the second close of the fourth quarter are higher than budgeted by about 4.9 percent as a result of higher than budgeted Solid Waste receipts. However, year-end actuals indicate excise taxes available for spending were 0.05 percent ($5,362) below budget. Solid Waste & Recycling, the Oregon Convention Center, Planning, Building Management and Regional Parks generated more tax than budgeted; the Zoo and Expo Center had shortfalls.

- *Solid Waste and Recycling* – Actual excise tax came in higher than the budget resulting in an additional contribution to the General Fund Recovery Rate Stabilization Reserve on an annual basis of about $461,518 after transferring an additional $33,492 to Parks generated from more tons than expected.
- *Oregon Zoo* – The excise tax received from Zoo operations is about 1.7 percent lower than anticipated, reflecting the overall shortfall in enterprise revenue. This is an improvement from the third quarter, predominantly from booking Butterfly Exhibit and Simulator revenues not previously booked.
- *Oregon Convention Center* – The Convention Center is ahead of budget by 6.5 percent. September through March were very good months for the OCC, and the rest of the year tracked near budget.
- *Regional Parks* – The excise tax received through the fiscal year is better than expected.
- *Expo Center* – The receipts are about 16.1 percent lower than what was anticipated through year-end. The current economic environment is having a negative impact on this operation.
- *Planning Department* – The excise tax received from the Planning Department is higher than budgeted, as Data Resource Center sales are well above budget through year-end.
- *Building Management* – Revenue from employee parking, Metro Regional Center building leases, and public parking revenue originally expected to be booked by OCC, resulted in excise tax generation well above expectation.

Actual Receipts through Year-End: This chart represents actual excise tax receipts through June 30, 2004 – Second Close.

Actual Excise Tax Received
Through June 30, 2004 (Second Close 8-16-04)

Facility/Function	FY 2003-04 Budget	FY 2003-04 Actual	Difference	% Difference
SW&R Metro Facilities	3,302,236	3,553,085	250,849	7.60%
SW&R Non Metro Facilities	4,057,328	4,301,489	244,161	6.02%
Oregon Zoo	983,552	966,103	(17,449)	-1.77%
Oregon Convention Center	993,527	1,058,495	64,968	6.54%
Regional Parks	183,112	189,266	6,154	3.36%
Expo Center	479,585	402,405	(77,180)	-16.09%
Planning Fund	7,725	13,111	5,386	69.72%
Building Management	12,889	25,648	12,759	98.99%
Total YTD	**$ 10,019,954**	**$ 10,509,602**	**$ 489,648**	**4.89%**
Excise Tax Reserve	0	461,518	461,518	
SW Tonnage Adjust for Parks		33,492	33,492	
Net Available Excise Tax	**$ 10,019,954**	**$ 10,014,592**	**$ (5,362)**	**-0.05%**

GENERAL FUND
through June 30, 2004 - Second Close with Adjustments

	Amended Budget	Estimated Actuals	*$ Change from Budget*	*% Change*
RESOURCES				
Beginning Fund Balance				
Undesignated Carryover	*956,000*	*1,225,302* [1]	*269,302*	*28.17%*
Project Carryover	212,550	212,550	-	*0.00%*
Rate Stabilization Reserve	109,000	210,901	*101,901*	*93.49%*
Total Beginning Fund Balance	1,277,550	1,648,753	*371,203*	*29.06%*
Current Revenues				
Excise Taxes	10,019,954	10,509,601 [2]	*489,647*	*4.89%*
Grants	-	10,000	*10,000*	*n/a*
Interest	25,000	20,161 [3]	*(4,839)*	*-19.36%*
Miscellaneous	-	9,470	*9,470*	*n/a*
Transfers In	248,114	229,047 [4]	*(19,067)*	*-7.68%*
Subtotal Current Revenues	10,293,068	10,778,279	*485,211*	*4.71%*
TOTAL RESOURCES	11,570,618	12,427,032	*856,414*	*7.40%*
REQUIREMENTS				
Operating Expenditures				
Council Office	1,400,107	1,218,756 [5]	*(181,351)*	*-12.95%*
Public Affairs Department	652,445	429,188 [5]	*(223,257)*	*-34.22%*
Special Appropriations	340,000	284,069 [6]	*(55,931)*	*-16.45%*
Subtotal Operating Expenditures	2,392,552	1,932,013	*(460,539)*	*-19.25%*
Non-Operating Expenditures				
Central Service Transfers	966,406	836,431 [7]	*(129,975)*	*-13.45%*
Excise Tax Transfers	7,074,788	7,105,673 [8]	*30,885*	*0.44%*
Subtotal Non-Operating Expenditures	8,041,194	7,942,104	*(99,090)*	*-1.23%*
Total Expenditures	10,433,746	9,874,117	*(559,629)*	*-5.36%*
Ending Fund Balance (Incl. Budgeted contingency)				
Rate Stabilization Reserve	*109,000*	*446,633* (9)	*337,633*	*309.76%*
Undesignated Reserve	*1,027,872*	*1,995,177*	*967,305*	*94.11%*
PERS Reserve	-	*61,105*	*61,105*	*n/a*
Project Carryforward	-	*50,000* (10)	*50,000*	*n/a*
TOTAL REQUIREMENTS	11,570,618	12,427,032	*856,414*	*7.40%*

(1) Beginning fund balance has been adjusted to reflect the final audited FY 2003-04 ending fund balance.

(2) Actual excise tax receipts as of FY 2004 second close. Excise tax generated from solid waste are higher than budgeted contributing $461,518 to the Recovery Rate Stabilization Reserve (RRSR) and an addition $33,492 to Parks. Non-solid waste generated excise tax was under budget by $5,362. On July 1, 2004, per Council Amendment #3 to the approved budget, $228,707 is transferred from the RRSR to the undesignated ending reserve.

(3) Actual Interest Income as of second close.

(4) Transfers adjusted for the final run of the cost allocation plan.

(5) Operating Expenditures are as of FY 2003-04 second close.

(6) Actual expense as of FY 2004 second close for all Special Appropriations.

(7) Transfers adjusted for the final run of cost allocation plan.

(8) Adjusted for actual Solid Waste Tonnage increase over budgeted tonnage. Includes anticipated excise tax transfers made after the second close.

(9) Adjusted for actual Solid Waste Tonnage increase over budgeted tonnage.

(10) $50,000 carried forward for Strategic Planning.

SPENDING vs APPROPRIATIONS

This section provides a comparison of the appropriation level with the actual spending through the end of the second close of the fourth quarter FY 2003-04. The appropriation level is the legal expenditure limit as prescribed in Oregon Budget Law. When expenditures are audited at the end of the fiscal year, compliance with this level of appropriations is one of the primary criteria audited.

All appropriations were within authorized levels. Debt service appropriations were exceeded as a result of refunding bonds, which is permitted under budget law.

FY 2003-2004
Budget Appropriations vs Expenditures
As of June 30, 2004

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Building Manangement Fund					
Operating Expenses (PS & M&S)	$903,059	$903,059	$800,187	88.61%	$102,872
Capital Outlay	15,000	15,000	0	0.00%	15,000
Interfund Transfers	1,755,696	1,755,696	1,410,730	80.35%	344,966
Contingency	40,000	40,000	0	0.00%	40,000
Unappropriated Balance	1,629,739	1,629,739	0	0.00%	1,629,739
Total Fund Requirements	**$4,343,494**	**$4,343,494**	**$2,210,917**	**50.90%**	**$2,132,577**
Convention Center Capital Fund					
Operating Expenses (PS & M&S)	$48,600	$118,600	$118,399	99.83%	$201
Capital Outlay	1,776,400	1,706,400	1,696,019	99.39%	10,381
Total Fund Requirements	**$1,825,000**	**$1,825,000**	**$1,814,417**	**99.42%**	**$10,583**
General Fund					
Council Office/Public Affairs					
Operating Expenses (PS & M&S)	$1,996,482	$2,052,552	$1,647,945	80.29%	$404,607
	1,996,482	2,052,552	1,647,945	80.29%	404,607
Special Appropriations					
Materials & Services	340,000	340,000	284,069	83.55%	55,931
	340,000	340,000	284,069	83.55%	55,931
General Expenses					
Interfund Transfers	8,041,194	8,041,194	7,679,705	95.50%	361,489
Contingency	500,000	443,930	0	0.00%	443,930
	8,541,194	8,485,124	7,679,705	90.51%	805,419
Unappropriated Balance	692,942	692,942	0	0.00%	692,942
Total Fund Requirements	**$11,570,618**	**$11,570,618**	**$9,611,719**	**83.07%**	**$1,958,899**

FY 2003-2004
Budget Appropriations vs Expenditures
As of June 30, 2004

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
General Obligation Debt Service Fund					
Materials & Services	0	0	650	0.00%	($650)
Debt Service	$19,548,227	$19,548,227	$19,548,224	100.00%	3
Unappropriated Balance	9,805,643	9,805,643	0	0.00%	9,805,643
Total Fund Requirements	**$29,353,870**	**$29,353,870**	**$19,548,874**	**66.60%**	**$9,804,996**
General Revenue Bond Fund					
Project Account					
Capital Outlay - Washington Park Parking Lot	175,281	175,281	0	0.00%	175,281
	175,281	175,281	0	0.00%	175,281
Debt Service Account					
Materials & Services - Metro Regional Center	0	0	174,224	0.00%	(174,224)
Debt Service - Metro Regional Center	1,785,696	1,785,696	27,436,530	1536.46%	(25,650,834)
Debt Service - Expo Center Hall D	1,128,742	1,128,742	1,128,742	100.00%	0
Debt Service - Washington Park Parking Lot	435,319	435,319	266,771	61.28%	168,548
	3,349,757	3,349,757	29,006,267	865.92%	(25,656,510)
General Expenses					
Contingency	300,000	300,000	0	0.00%	300,000
	300,000	300,000	0	0.00%	300,000
Unappropriated Balance	1,950,000	1,950,000	0	0.00%	1,950,000
Total Fund Requirements	**$5,775,038**	**$5,775,038**	**$29,006,267**	**502.27%**	**($23,231,229)**
MERC Operating Fund					
Operating Expenses (PS & M&S)	$30,520,098	$30,520,098	$29,425,212	96.41%	$1,094,886
Debt Service	22,809	22,809	20,539	90.05%	2,270
Interfund Transfers	3,694,943	3,694,943	3,357,025	90.85%	337,918
Contingency	1,222,561	1,222,561	0	0.00%	1,222,561
Unappropriated Balance	8,780,494	8,780,494	0	0.00%	8,780,494
Total Fund Requirements	**$44,240,905**	**$44,240,905**	**$32,802,776**	**74.15%**	**$11,438,129**

FY 2003-2004
Budget Appropriations vs Expenditures
As of June 30, 2004

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
MERC Pooled Capital Fund					
Operating Expenses (PS & M&S)	$528,048	$528,048	$448,614	84.96%	$79,434
Capital Outlay	2,389,580	2,389,580	1,419,591	59.41%	969,989
Contingency	750,000	750,000	0	0.00%	750,000
Unappropriated Balance	2,437,920	2,437,920	0	0.00%	2,437,920
Total Fund Requirements	**$6,105,548**	**$6,105,548**	**$1,868,205**	**30.60%**	**$4,237,343**
Open Spaces Fund					
Operating Expenses (PS & M&S)	$2,633,260	$2,633,260	$1,490,841	56.62%	$1,142,419
Capital Outlay	5,137,300	5,137,300	1,882,376	36.64%	3,254,924
Interfund Transfers	1,009,078	1,009,078	670,188	66.42%	338,890
Contingency	250,000	250,000	0	0.00%	250,000
Unappropriated Balance	2,106,419	2,106,419	0	0.00%	2,106,419
Total Fund Requirements	**$11,136,057**	**$11,136,057**	**$4,043,405**	**36.31%**	**$7,092,652**
Pioneer Cemetery Perpetual Care Fund					
Unappropriated Balance	$113,583	$113,583	$0	0.00%	$113,583
Total Fund Requirements	**$113,583**	**$113,583**	**$0**	**0.00%**	**$113,583**
Planning Fund					
Operating Expenses (PS & M&S)	$15,755,770	$15,823,729	$8,384,131	52.98%	$7,439,598
Debt Service	44,212	44,212	44,212	100.00%	0
Capital Outlay	54,200	54,200	44,653	82.39%	9,547
Interfund Transfers	2,437,286	2,437,286	2,432,434	99.80%	4,852
Contingency	369,499	301,540	0	0.00%	301,540
Unappropriated Balance	90,000	90,000	0	0.00%	0
Total Fund Requirements	**$18,750,967**	**$18,750,967**	**$10,905,430**	**58.16%**	**$7,755,537**

FY 2003-2004
Budget Appropriations vs Expenditures
As of June 30, 2004

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Regional Parks Fund					
Operating Expenses (PS & M&S)	$5,066,632	$5,066,632	$4,717,192	93.10%	$349,440
Capital Outlay	924,711	1,099,711	975,012	88.66%	124,699
Interfund Transfers	1,294,707	1,294,707	1,212,829	93.68%	81,878
Contingency	261,390	86,390	0	0.00%	86,390
Unappropriated Balance	2,698,850	2,698,850	0	0.00%	2,698,850
Total Fund Requirements	**$10,246,290**	**$10,246,290**	**$6,905,034**	**67.39%**	**$3,341,257**
Regional Parks Special Accounts Fund					
Operating Expenses (PS & M&S)	$100	$100	$0	0.00%	$100
Interfund Transfers	93,993	93,993	89,438	95.15%	4,555
Unappropriated Balance	354,450	354,450	0	0.00%	354,450
Total Fund Requirements	**$448,543**	**$448,543**	**$89,438**	**19.94%**	**$359,105**
Rehabilitation & Enhancement Fund					
Materials & Services	$533,952	$533,952	$331,813	62.14%	$202,139
Interfund Transfers	23,923	23,923	23,923	100.00%	0
Contingency	300,000	300,000	0	0.00%	300,000
Unappropriated Balance	1,599,670	1,599,670	0	0.00%	1,599,670
Total Fund Requirements	**$2,457,545**	**$2,457,545**	**$355,736**	**14.48%**	**$2,101,809**
Risk Management Fund					
Operating Expenses (PS & M&S)	$7,622,357	$7,622,357	$6,717,411	88.13%	$904,946
Contingency	500,000	500,000	0	0.00%	500,000
Unappropriated Balance	4,781,945	4,781,945	0	0.00%	4,781,945
Total Fund Requirements	**$12,904,302**	**$12,904,302**	**$6,717,411**	**52.06%**	**$6,186,891**
Smith and Bybee Lakes Fund					
Operating Expenses (PS & M&S)	$231,470	$231,470	$128,159	55.37%	$103,311
Capital Outlay	1,100,070	1,100,070	594,237	54.02%	505,833
Interfund Transfers	52,412	52,412	52,412	100.00%	0
Contingency	9,817	9,817	0	0.00%	9,817
Unappropriated Balance	3,591,272	3,591,272	0	0.00%	3,591,272
Total Fund Requirements	**$4,985,041**	**$4,985,041**	**$774,809**	**15.54%**	**$4,210,232**

FY 2003-2004
Budget Appropriations vs Expenditures
As of June 30, 2004

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Solid Waste Revenue Fund					
Operating Account					
Operating Expenses (PS & M&S)	$43,847,707	$43,847,707	$41,332,936	94.26%	$2,514,771
	43,847,707	43,847,707	41,332,936	94.26%	2,514,771
Debt Service Account					
Materials & Services	0	0	0	0.00%	0
Debt Service	1,511,426	1,511,426	4,097,282	271.09%	(2,585,856)
	1,511,426	1,511,426	4,097,282	271.09%	(2,585,856)
Landfill Closure Account					
Materials & Services	192,400	192,400	67,165	34.91%	125,235
Capital Outlay	1,008,200	1,008,200	717,972	71.21%	290,228
	1,200,600	1,200,600	785,137	65.40%	415,463
Renewal and Replacement Account					
Capital Outlay	2,899,000	2,899,000	1,789,615	61.73%	1,109,385
	2,899,000	2,899,000	1,789,615	61.73%	1,109,385
General Account					
Capital Outlay	915,000	1,365,000	1,117,697	81.88%	247,303
	915,000	1,365,000	1,117,697	81.88%	247,303
Master Project Account					
Debt Service	350,000	350,000	58,390	16.68%	291,610
	350,000	350,000	58,390	16.68%	291,610
Recycling Business Assistance Account					
Materials & Services	700,000	700,000	0	0.00%	700,000
	700,000	700,000	0	0.00%	700,000
General Expenses					
Interfund Transfers	4,209,801	4,209,801	4,100,248	97.40%	109,553
Contingency	11,358,338	10,908,338	0	0.00%	10,908,338
	15,568,139	15,118,139	4,100,248	27.12%	11,017,891
Unappropriated Balance	15,017,338	15,017,338	0	0.00%	15,017,338
Total Fund Requirements	**$82,009,210**	**$82,009,210**	**$53,281,305**	**64.97%**	**$28,727,905**

FY 2003-2004
Budget Appropriations vs Expenditures
As of June 30, 2004

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Support Services Fund					
Finance Department					
Operating Expenses (PS & M&S)	$2,552,507	$2,552,507	$2,279,361	89.30%	$273,146
	2,552,507	2,552,507	2,279,361	89.30%	273,146
Business Support Department					
Operating Expenses (PS & M&S)	4,241,749	4,241,749	3,651,398	86.08%	590,351
Debt Service	34,620	34,620	34,620	100.00%	0
Capital Outlay	309,000	309,000	246,913	79.91%	62,087
	4,585,369	4,585,369	3,932,931	85.77%	652,438
Public Affairs - Creative Services					
Operating Expenses (PS & M&S)	538,375	538,375	505,880	93.96%	32,495
	538,375	538,375	505,880	93.96%	32,495
Office of Metro Attorney					
Operating Expenses (PS & M&S)	1,153,083	1,153,083	990,341	85.89%	162,742
	1,153,083	1,153,083	990,341	85.89%	162,742
Office of the Auditor					
Operating Expenses (PS & M&S)	607,940	654,940	570,356	87.09%	84,584
	607,940	654,940	570,356	87.09%	84,584
General Expenses					
Interfund Transfers	756,557	756,557	706,557	93.39%	50,000
Contingency	465,276	418,276	0	0.00%	418,276
	1,221,833	1,174,833	706,557	60.14%	468,276
Unappropriated Balance	151,974	151,974	0		
Total Fund Requirements	**$10,811,081**	**$10,811,081**	**$8,985,426**	**83.11%**	**$1,673,681**

FY 2003-2004
Budget Appropriations vs Expenditures
As of June 30, 2004

	Adopted Budget	Amended Budget	Year to Date Expenditures	% Expended	Balance Remaining
Zoo Capital Fund					
Operating Expenses (PS & M&S)	$61,819	$96,819	$96,064	99.22%	$755
Capital Outlay	4,777,862	4,742,862	3,516,169	74.14%	1,226,693
Contingency	500,000	500,000	0	0.00%	500,000
Unappropriated Balance	2,893,193	2,893,193	0	0.00%	2,893,193
Total Fund Requirements	**$8,232,874**	**$8,232,874**	**$3,612,232**	**43.88%**	**$4,620,642**
Zoo Operating Fund					
Operating Expenses (PS & M&S)	$20,384,417	$20,634,673	$19,650,020	95.23%	$984,653
Capital Outlay	268,600	268,600	89,323	33.25%	179,277
Interfund Transfers	2,600,295	2,600,295	2,431,748	93.52%	168,547
Contingency	1,000,000	749,744	0	0.00%	749,744
Unappropriated Balance	4,251,237	4,251,237	0	0.00%	4,251,237
Total Fund Requirements	**$28,504,549**	**$28,504,549**	**$22,171,091**	**77.78%**	**$6,333,458**
Total Budget	**$293,814,515**	**$293,814,515**	**$214,704,492**	**73.07%**	**$78,868,049**

CAPITAL IMPROVEMENT PROJECTS UPDATE

Status of CIP Projects in the FY 2003-04 Budget

The purpose of the attached report is to provide an update on the progress of the FY 2003-04 budgeted CIP projects. The report is laid out as follows:

Project: This column is includes the Project Title and a short description of the project. The projects are listed by the fund they are budgeted in.

FY 2003-04 Adopted Budget: The amount in the FY 2003-04 budget for this project.

Comments: The current status and or progress on each project.

Total Project Expected Cost: The total expected cost of the project including past expenditures and future expenditures as well as the listed budget amount. For ongoing projects this is the total expected to be spent over as many year as the project has existed.

If Complete Total Project Cost: The actual cost of the completed project. This field only includes an amount if the project is complete. For ongoing projects, this is the total actual expenditures spent over as many years as the project has existed. This years spending is in comments section.

Project Completion Year: The year the project completion date as listed in the Adopted CIP. Changes to this completion date are included in the comments

Finance and Administrative Services

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Business Services					
Copier Replacement in Print Shop Replacement of existing duplicators in the Print Shop on a regular renewal and replacement schedule.	$50,000	Copier purchased. ($34,720)	$115,000	$99,720	Ongoing
Information Technology					
Replace/Acquire Desktop Computers (All Funds) This project represents all desktop computer hardware replacement by coordinating computer replacement through the IT Department, ensuring replacement on a regular schedule.	$150,000	Annual replacement cost. Total agency cost for FY 2003-04 = $147,938.	$1,037,937	$1,035,875	Ongoing
Server Management (Support Services Fund) This is regular renewal and replacement of servers as needed.	$120,000	Complete for current year. ($107,174)	$942,965	$930,139	Ongoing
PeopleSoft Database Conversion (Support Services Fund) This project represents the completion of the conversion to a more widely supported database product to support the PeopleSoft financial and human resources systems	$50,000	Completed end of year last fiscal year. ($68,127)	$212,338	$230,465	FY 2003-04

Finance and Administrative Services

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
<u>Information Technology (continued)</u>					
Upgrade Network Infrastructure (Support Services Fund)					
Scheduled technical upgrade required of network equipment due to technology improvements and increasing data demand.	$25,000	Complete for current year. ($21,559)	$413,208	$409,767	Ongoing
Travel Forecasting System Computer (Planning and Support Services Fund)					
Final funding for the equipment used by the Travel Forecasting Section of the Planning Department.	$89,200	Completed for current fiscal year. ($89,212)	$1,049,666	$1,049,678	Ongoing
Total Business Support Department	$484,200		$3,771,114	$3,755,644	

Metropolitan Exposition and Recreation Commission (MERC)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Convention Center Project Capital Fund					
OCC - Oregon Convention Center Expansion Add to existing exhibit hall space, meeting rooms, and ballroom space in addition to parking for 1,200 cars, loading docks, and lobby/prefunction space.	$1,825,000	Project complete. Overall project, with the additional projects to upgrade the current facility was expected to be about $118,000,000. Costs ended up to be about $117,400,000. In addition they were able to do more than was originally in the scope of work due to efficiencies.	$115,000,000	$114,043,000	FY 2003-04
Subtotal this Fund	$1,825,000		$115,000,000	$114,043,000	
MERC Pooled Capital Fund					
PCPA-ASCH - West Entry Remodel Remodel design of West Entry to accommodate heavy commercial usage of theatre and related need for truck and bus parking.	$200,000	This project was to be started late in the third quarter but instead was carried forward to FY 2004-05.	$200,000		FY 2003-04
PCPA-ASCH - Main Street Tents Tents for use when PCPA closes down Main Street for revenue generation.	$200,000	This project to be carried forward to FY 2004-05 due to design issues with the City of Portland.	$200,000		FY 2003-04
PCPA-NTB - Stage Floor Replacement Replacement of stage floor that has reached the end of its useful life.	$100,000	This project moved to FY 2005-06.	$100,000		FY 2003-04
PCPA-Keller Auditorium - Exterior Signage Improvements to Keller Auditorium exterior and signage	$110,000	This project started late in the third quarter and only $7,756 has been spent to date. The name of the project is changed to Portico Upgrades.	$110,000		FY 2003-04
PCPA-Keller Auditorium - Lobbies Upgrade Full remodel of lobbies including carpet, furniture, lighting, renovation of concession stands and all finishes	$400,000	This project was substantially completed this fiscal year. An additional $40,000 will be expended in FY 2004-05. $355,815 has been spent to date.	$600,000		FY 2004-05

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
PCPA-Keller Auditorium - HVAC Control Replacement Replacement of HVAC controls.	$110,000	Project delayed and carried forward to FY 2004-05. $1,689 spent to date.	$110,000		FY 2003-04
PCPA-Winningstad - Replace Seat Risers Replacement of seat risers in the Winningstad Theater	$50,000	This project is moved to FY 2004-05 due to project priorities.	$50,000		FY 2003-04
PCPA-All Theaters - Power Distribution Panels Installation of power distribution panels.	$55,000	Complete	$50,000	$59,511	FY 2003-04
EXPO - Canopy and Walkway for Tri-Met Station Construction of a walkway from Tri-Met Station to Expo entrance.	$675,000	This project is complete and substantially under budget. Tri Met is responsible for reimbursing MERC for this project.	$675,000	$321,349	FY 2003-04
EXPO - Parking Lot Maintenance Renewal and replacement of the parking lot.	$40,000	This ongoing project complete for this fiscal year. ($34,700 spent)	$193,000	$187,700	Ongoing
PCPA - Theatrical Lighting Project		This project is complete and was not in the CIP. It however was four separate projects for four locations that were budgeted under the same project code, so technically this was not a CIP project.		$191,021	FY 2003-04
Keller - House Light Dimming System		This project is complete and was not in the CIP. This was an error in data entry in the database and was intended to be in the CIP but was overlooked.	$80,000	$116,135	FY 2003-04
Subtotal this Fund	$1,940,000		$2,368,000	$875,716	
Total MERC	$3,765,000		$117,368,000	$114,918,716	

Regional Parks and Greenspaces

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Open Spaces Fund					
Open Spaces Land Acquisition Continuation of land acquisition by Metro which is financed by the Open Spaces bond proceeds.	$5,137,300	Anticipate carryover of approximately $3.1 million for land acquisition. FY 2004-05 is expected to be the final year of acquisition but program is willing seller based. Funds will continue to carry forward until spent.	$128,408,995		FY 2004-05
Subtotal this fund	$5,137,300		$128,408,995	$0	
Regional Parks Fund					
M. James Gleason Boat Ramp Renovation Complete upgrade and renovation of boat ramp facility contingent upon receipt of over $2 million in grants from Oregon State Marine Board.	$300,000	Land use permitting expected to be completed this fiscal year. Phase 1 construction delayed until the summer of 2004. Phase 2 expected to be complete in FY2006-07	$1,671,542		FY 2006-07
Blue Lake Park - Lakefront Enhancement Phase 1 of the Lakefront Enhancement includes the demolition and land preparation of the old Swim Center building at Blue Lake Park.	$188,311	Design and engineering is completed. Construction is in progress and expected to be completed by August 2004.	$348,311		FY 2004-05
Oxbow Park - Picnic Shelters & Restrooms Public use improvements at Oxbow Park. Includes replacing two picnic shelters and adding one picnic shelters and one restroom.	$410,000	Construction is in progress and expected to be completed by August of 2004.	$410,000		FY 2004-05
Subtotal this fund	$898,311		$2,429,853	$0	

Regional Parks and Greenspaces (continued)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
<u>Smith and Bybee Lakes Trust Fund</u>					
Dam Removal Removal of the present dam that only allows water to flow out of the lakes and construction of a water control structure in the North Slough to return the lakes to a tidal freshwater marsh.	$438,500	This project is complete and was funded by outside sources. Project costs over budget will not impact fund balance.	$438,500	$590,770	FY 2003-04
Facility Improvements Construction of improvements including relocation of parking lot, construction of an entry road, and a boat launch.	$661,570	Design, engineering and permitting is complete. Construction began in June 2004 with completion anticipated by February 2005.	$701,220		FY 2004-05
Subtotal this fund	$1,100,070		$1,139,720	$590,770	
Total Regional Parks & Greenspaces	$7,135,681		$131,978,568	$590,770	

Solid Waste and Recycling

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Solid Waste Revenue Fund					
General Account					
Metro South - Northern Tip Floor Renovation This is an extension at the north end of the transfer building in the area currently occupied by the recycling drop boxes. The 32 x 150 foot extension will provide additional space on the north side for commercial vehicle maneuvering and floor sorting.	$544,000	Project is complete. This project was combined with a Baler project as it was more efficient to complete the Baler portion with this renovation. In addition the renovation project came in somewhat higher than original estimate. Total new cost was expected to be $1,064,600.	$1,064,600	$1,094,169	FY 2003-04
Metro South - Relocate Latex Paint Operations Project to move the Latex Paint operation out of Metro South to increase facility size to meet demand and for safety reasons.	$225,000	The lease has been negotiated but too late in the year to get much past design. This project has been carried forward to FY 2004-05. $39,826 has been spent to date. The project is out to bid.	$250,000		FY 2003-04
Metro South - Latex Building/Public Area Lunch Room This project replaces two previous projects to construct a Maintenance Facility and Office and Facilities improvements and is made possible by relocating the Latex Paint Operation saving approximately $470,000 in the combined projects.	$50,000	This will be delayed to FY 2004-05 as this project needs the Latex Paint Operations to be moved prior to beginning.	$60,000		FY 2003-04
Metro Central - Office Addition Expand office building to provide space for on-site safety or training meetings for 90+ personnel. The addition will also include new restrooms and two new offices.	$11,000	This project design was completed in the fourth quarter. Construction was originally scheduled for FY 2004-05.	$125,000		FY 2004-05

Solid Waste and Recycling (continued)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Metro Central - Woodroom Improvements The increasing volume of wood and yard waste creates a need for additional storage and processing space within the wood processing area.	$20,000	This project design was completed in the fourth quarter as anticipated	$236,000		FY 2004-05
Subtotal-General Account	$850,000		$1,735,600	$1,094,169	
Renewal and Replacement Account					
Metro South - Convert Mechanical Room to Lockers This project is to provide adequate locker facilities for operations contractor's personnel working on the floor of the facilities.	$357,000	This project design was be completed in March but is only now 75% complete and expected to be completed by September. $7,658 has been spent to date on this project.	$392,000		FY 2003-04
Metro Central - Replace Metal Roof and Ventilation System Replace a portion of the roof and associated ventilation system at Metro Central transfer station that was scheduled to reach the end of its useful life in 2001.	$2,372,000	This project is complete.	$2,822,000	$1,860,931	FY 2003-04
Subtotal- Renewal & Replacement	$2,729,000		$3,214,000	$1,860,931	
Landfill Closure Account *St. Johns Landfill - Maintenance Building* Construction of a maintenance building for equipment and vehicles used in ongoing maintenance and monitoring of St. Johns Landfill.	$233,600	This project was completed in August. The project was completed for less than expected.	$552,675	$440,277	FY 2003-04

Solid Waste and Recycling (continued)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
St. Johns Landfill - Re-establish Drainage The landfill top must be sloped to drain rainwater off the cover. Differential settlement of the waste is interfering with proper drainage.	$550,000	The greater part of the work on this project is complete, however, the City of Portland requires three year follow up on vegetation coverage so there will be some ongoing expenditures.	$896,000	$516,857	Ongoing
St. Johns Landfill - Leachate Pretreatment Over time the concentration of prohibited substances has been increasing in leachate from St Johns Landfill. It is likely that steps will be needed to correct the contamination.	$150,000	Phase I of this project is complete.	$450,000	$232,963	FY 2003-04
St. Johns - Groundwater Monitoring Wells Installation of four wells to monitor the progress achieved in cleaning up this closed landfill site	$43,000	DEQ investigation and Feasibility Study has increased the estimate for this project to $280,000. This will be updated in the upcoming CIP.	$53,800		FY 2004-05
St. Johns Landfill - Native Vegetation as a Cover Crop Five-year experiment to test if native vegetation can be used on the cover cap to prevent erosion damage and improve water quality. It will also provide an open meadow habitat.	$5,000	Ongoing, expenditures for FY 2004 are $13,190.	$177,100		FY 2004-05
Subtotal-Landfill Closure Account	$981,600		$2,129,575	$1,190,097	
Total Solid Waste and Recycling	$4,560,600		$7,079,175	$4,145,197	

Oregon Zoo

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Zoo Capital Fund					
Great Northwest Project					
Construct new exhibits, replace outdated facilities and create new entranceway to feature native animals, improve conditions for existing animal collections, improve visitor access and enhance the Zoo's self-sufficiency. The project is financed through a $28.8 million bond measure approved by voters in September 1996, interest earnings, donations, and fund balance.	$5,137,300	Eagle Canyon and Family Farm; opened on schedule in Spring, 2004. Final phases, Intro to Forest and Remote Forest are scheduled for completion in the summer of 2005 and 2006, respectively. Expected completion is moved to FY 2005-06.	$37,436,049		FY 2004-05
California Condor Captive Breeding Facility					
Construction of mesh pens with appropriate nesting and rearing areas for the production of California Condors.	$2,000,000	Approximately $1 million spent to date, further work on hold pending receipt of funding to complete Phase I ($800,000).	$2,000,000		FY 2003-04
Modular Education Classrooms					
Modular Education classrooms to be placed in Tiger Terrace Plaza. Needed due to increased demand for camps and classes.	$70,000	Project indefinitely delayed due to other priorities for funding.	$70,000		FY 2003-04
Subtotal this fund	$7,207,300		$39,506,049	$0	

Oregon Zoo (continued)

Project	FY 2003-04 Adopted Budget	Comments	Total Project Expected Cost	If Complete Total Project Cost	Project Completion Year
Zoo Operating Fund					
Penguin Filtration Replacement Replace aging filtration system for Penguin building.	$60,000	Project was for water conservation, to avoid regular (approx. weekly) draining and refilling of pool - not an animal welfare project. This project deferred due to other priorities, particularly boiler replacement in Primate building.	$60,000		FY 2003-04
BearWalk Café Restroom Upgrades Renewal and replacement upgrades to restrooms at BearWalk Café.	$50,000	This project is being deferred to be done in conjunction with Primate building remodel	$50,000		FY 2003-04
Generator Replacement Replace generator used by Construction & Maintenance. Current generator is at the end of its useful life.	$30,000	Completed in FY 2002-03	$30,000	$37,891	FY 2003-04
Subtotal this fund	$140,000		$140,000	$37,891	
Total Oregon Zoo	$7,347,300		$39,646,049	$37,891	