

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE)	ORDINANCE NO 05-1074C
ANNUAL BUDGET FOR FISCAL YEAR 2005-)	
06, MAKING APPROPRIATIONS, AND)	
LEVYING AD VALOREM TAXES, AND)	Introduced by
DECLARING AN EMERGENCY)	David Bragdon, Council President

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2005, and ending June 30, 2006; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Ordinance) and considered; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2005-06 Metro Budget," in the total amount of TWO HUNDRED SEVENTY SIX MILLION TWO HUNDRED TWENTY ONE THOUSAND EIGHTY EIGHT (\$276,221,088) DOLLARS, attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per thousand dollars of assessed value for operations and in the amount of EIGHTEEN MILLION EIGHT HUNDRED SEVENTY TWO THOUSAND SEVEN HUNDRED SEVENTY SEVEN (\$18,872,777) DOLLARS for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2005-06. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from the <u>Limitation</u>
Operating Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		\$18,872,777

3. The following funds are hereby consolidated into the General Fund – the Support Services Fund, the Building Management Fund, the Zoo Operating Fund, the Regional Parks Operating Fund, and the Planning Fund. Balances remaining in the funds are consolidated with the General Fund effective July 1, 2005.

4. The Metro Capital Fund is hereby created for the purpose of accounting for major capital improvement and renewal and replacement reserves for Metro facilities. Major revenue sources for the fund include but are not limited to grants, donations, excise tax contributions from the General Fund, and other revenues or contributions identified for capital, capital maintenance or renewal and replacement purpose. In the event of the elimination of this fund, the fund balance shall revert to any fund(s) designated for similar purpose.

5. The following funds are hereby consolidated into the Metro Capital Fund – the Regional Parks Special Accounts Fund, the Regional Parks Capital Fund, and the Zoo Capital Fund. Balances remaining in these funds are consolidated with the Metro Capital Fund effective July 1, 2005.

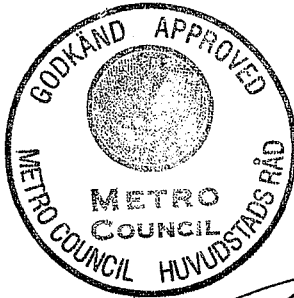
6. The Convention Center Project Capital Fund is hereby eliminated. No balance remains in the fund as of June 30, 2005.

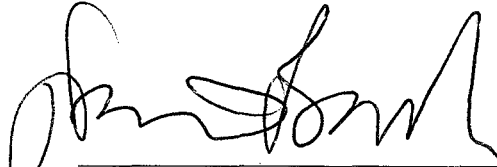
7. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2005, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

8. The Chief Financial Officer shall make the filings as required by ORS 294.555 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

9. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2005, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this 23rd day of June, 2005.





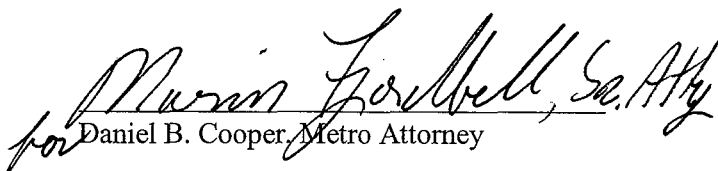
David Bragdon, Council President

ATTEST:

Approved as to Form:



Chris Billington, Recording Secretary



for Daniel B. Cooper, Metro Attorney



**Tax Supervising
& Conservation
Commission**

PO Box 8428
Portland, Oregon
97207-8428

Telephone (503) 988-3054

Fax: (503) 988-3053

E-Mail:
TSCC@co.multnomah.or.us

Web Site:
www.co.multnomah.or.us/orgs/
/tsccl

June 8, 2005

Metro Council
600 NE Grand Avenue
Portland, Oregon 97232

Dear Councilors:

The Tax Supervising and Conservation Commission met on June 8, 2005 to review, discuss and conduct a public hearing on the Metro 2005-06 Budget. This hearing was conducted pursuant to ORS 294.605-705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support efficient and economical administration of the district.

The 2005-06 budget, filed May 11, 2005, is hereby certified by a majority vote of members of the Commission with the following recommendation, which will require a written response.

Recommendation – Expenditures exceeded appropriations

The audit for the year ending June 30, 2004 notes:

“Expenditures ...exceeded appropriations in the Risk Management Fund where a liability for environmental impairment exposures were calculated and recorded for the first time.”

Local Budget Law does not allow the expenditure of monies beyond legal authority. We understand that the error occurred in the first year recording the liability; however, care should be taken that an overexpenditure does not occur in the future.

For 2005-06, estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with Local Budget Law. The budget estimates and levy amounts, as shown in the approved budget, are attached.

Please file a complete copy of the adopted budget with the Commission within 15 days of adoption.


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

Yours very truly,
TAX SUPERVISING & CONSERVATION COMMISSION


Lynn McNamara, Commissioner


Carol Samuels, Commissioner


Richard Anderson, Commissioner


Kirk Hall, Commissioner


Elizabeth C. Hengeveld, Commissioner

Commissioners
Lynn McNamara
Richard Anderson
Kirk Hall
Carol Samuels
Elizabeth Hengeveld

	Budget Estimates	Unappropriated Portion
General Fund	\$79,565,542	\$2,952,429
General Obligation Bond Debt Service Fund	28,014,632	9,829,144
General Revenue Bond Fund	3,904,501	4,423
Metro Capital Fund	10,291,269	4,169,838
MERC Operating Fund	44,751,945	7,543,805
MERC Pooled Capital Fund	6,319,538	1,241,756
Open Spaces Fund	3,864,281	116,252
Pioneer Cemetery Perpetual Care Fund	155,473	155,473
Rehabilitation & Enhancement Fund	2,328,207	1,458,970
Risk Management Fund	7,985,221	0
Smith & Bybee Lakes Trust Fund	3,701,950	3,680,250
Solid Waste Revenue Fund	86,475,071	16,042,260
Convention Center Project Capital Fund	0	0
Total Budget Estimates	\$277,357,630	\$47,194,600

Tax Levy:

Permanent Rate - Operating	\$ 0.0966
Debt Service - Not Subject to Limit	\$ 18,872,777

**METRO**

June 9, 2005

Mr. Tom Linhares
Tax Supervising & Conservation Commission
PO Box 8428
Portland, OR 97207-8428

Response to TSCC Recommendation

Mr. Linhares:

The review performed by TSCC of Metro's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004 and the reports of Metro's independent auditors noted:

"Expenditures...exceeded appropriations in the Risk Management Fund where a liability for environmental impairment exposures were calculated and recorded for the first time."

The TSCC review noted "Local Budget Law does not allow the expenditure of monies beyond legal authority. We understand that the error occurred in the first year of recording the liability; however, care should be taken that an over-expenditure does not occur in the future."

Metro knows and understands the requirements of Local Budget Law. The environmental impairment item that resulted in the over-expenditure noted is based upon engineering estimates of the liability that exists at Metro facilities. Unfortunately, these estimates were not finalized and known until after the fiscal year had ended, but under accounting principles were required to be accrued back to the fiscal year ended June 30, 2005. Part of the estimation process also involved ensuring portions of the liability were not being double-counted in the solid waste landfill post-closure liability. The Risk Management Fund accounts for all such incurred risks, which may not result in cash outlays until future periods.

General Accepted Accounting Principles (GAAP) directs that any reasonably probable expense must be accounted as a liability. Both workers compensation and general liability were currently expensed; however, the environmental liability was not. The actuarial study indicated that a probable environmental exposure of \$5,225,000 exists, based on the real property owned by Metro. Given the GAAP principle, this was listed as a liability. Although expensed as a liability, the funds, of course, remain with Metro as the liability is a "probable" expense, not an actual expense.

TSCC

June 9, 2005

Page 2

As this was the first time Metro had been able to estimate these liabilities, and to the best of our knowledge the current liabilities are now identified and recorded, I do not expect such over-expenditure for this liability to occur in future years.

Sincerely,

A handwritten signature in cursive script, appearing to read "William Stinger".

William Stinger
Chief Financial Officer
Metro



METRO

Metro Budget

Adopted Budget

Volume 1

PLEASE NOTE: This document (as part of Exhibit A) was too large to scan in its entirety. To view the document, please CONTACT THE METRO ARCHIVIST.

2005-06



METRO

PEOPLE PLACES
OPEN SPACES

Metro Budget

Adopted Budget

Volume 2

PLEASE NOTE: This document (as part of Exhibit A) was too large to scan in its ENTIRETY. To view THE document, please contact the METRO Archivist.

2005-06

Exhibit B - Ordinance 05-1074C

Budget Summary by Year

(full budget document to be printed after adoption)

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

**Exhibit C to Ordinance 05-1074C
FY 2005-06 SCHEDULE OF APPROPRIATIONS**

	Adopted Budget
GENERAL FUND	
Council Office	
Operating Expenses (PS & M&S)	1,438,397
<u>Subtotal</u>	<u>1,438,397</u>
Finance & Administrative Services	
Operating Expenses (PS & M&S)	6,688,798
Capital Outlay	271,000
<u>Subtotal</u>	<u>6,959,798</u>
Human Resources	
Operating Expenses (PS & M&S)	1,136,818
<u>Subtotal</u>	<u>1,136,818</u>
Metro Auditor	
Operating Expenses (PS & M&S)	631,742
<u>Subtotal</u>	<u>631,742</u>
Office of Metro Attorney	
Operating Expenses (PS & M&S)	1,390,347
<u>Subtotal</u>	<u>1,390,347</u>
Oregon Zoo	
Operating Expenses (PS & M&S)	21,339,357
Capital Outlay	285,700
<u>Subtotal</u>	<u>21,625,057</u>
Planning	
Operating Expenses (PS & M&S)	14,552,926
Capital Outlay	32,000
<u>Subtotal</u>	<u>14,584,926</u>
Public Affairs & Government Relations	
Operating Expenses (PS & M&S)	1,228,768
<u>Subtotal</u>	<u>1,228,768</u>
Regional Parks & Greenspaces	
Operating Expenses (PS & M&S)	6,314,599
Capital Outlay	75,000
<u>Subtotal</u>	<u>6,389,599</u>
Non-Departmental	
Operating Expenses (PS & M&S)	2,511,645
<u>Subtotal</u>	<u>2,511,645</u>
General Expenses	
Interfund Transfers	6,423,242
Contingency	13,571,915
<u>Subtotal</u>	<u>19,995,157</u>
Unappropriated Balance	1,952,429
Total Fund Requirements	<u>\$79,844,683</u>
GENERAL OBLIGATION BOND DEBT SERVICE FUND	
Debt Service	\$18,039,363
Unappropriated Balance	9,745,802
Total Fund Requirements	<u>\$27,785,165</u>

**Exhibit C to Ordinance 05-1074C
FY 2005-06 SCHEDULE OF APPROPRIATIONS**

	Adopted Budget
GENERAL REVENUE BOND FUND	
Project Account	
Capital Outlay - Washington Park Parking Lot	183,066
Subtotal	183,066
Debt Service Account	
Debt Service - Metro Regional Center	1,513,814
Debt Service - Expo Center Hall D	1,215,134
Debt Service - Washington Park Parking Lot	403,064
Subtotal	3,132,012
General Expenses	
Interfund Transfers	585,000
Subtotal	585,000
Unappropriated Balance	4,423
Total Fund Requirements	\$3,904,501
MERC OPERATING FUND	
Operating Expenses (PS & M&S)	\$30,555,278
Debt Service	22,768
Interfund Transfers	3,581,693
Contingency	3,048,401
Unappropriated Balance	7,543,805
Total Fund Requirements	\$44,751,945
MERC POOLED CAPITAL FUND	
Operating Expenses (PS & M&S)	\$568,474
Capital Outlay	3,758,072
Contingency	751,236
Unappropriated Balance	1,241,756
Total Fund Requirements	\$6,319,538
METRO CAPITAL FUND	
Operating Expenses (PS & M&S)	\$576,279
Capital Outlay	4,077,500
Interfund Transfers	500
Contingency	1,217,152
Unappropriated Balance	4,169,838
Total Fund Requirements	\$10,041,269
OPEN SPACES FUND	
Operating Expenses (PS & M&S)	\$1,705,458
Capital Outlay	1,206,000
Interfund Transfers	368,077
Contingency	468,494
Unappropriated Balance	116,252
Total Fund Requirements	\$3,864,281
PIONEER CEMETERY PERPETUAL CARE FUND	
Unappropriated Balance	\$155,473
Total Fund Requirements	\$155,473

**Exhibit C to Ordinance 05-1074C
FY 2005-06 SCHEDULE OF APPROPRIATIONS**

	Adopted Budget
REHABILITATION & ENHANCEMENT FUND	
Operating Expenses (PS & M&S)	\$594,136
Interfund Transfers	29,101
Contingency	300,000
Unappropriated Balance	1,458,970
Total Fund Requirements	\$2,382,207
RISK MANAGEMENT FUND	
Operating Expenses (PS & M&S)	\$7,952,642
Contingency	32,579
Total Fund Requirements	\$7,985,221
SMITH AND BYBEE LAKES FUND	
Interfund Transfers	21,700
Unappropriated Balance	3,680,250
Total Fund Requirements	\$3,701,950
SOLID WASTE REVENUE FUND	
Operating Account	
Operating Expenses (PS & M&S)	\$45,752,929
<u>Subtotal</u>	<u>45,752,929</u>
Debt Service Account	
Debt Service	2,344,863
<u>Subtotal</u>	<u>2,344,863</u>
Landfill Closure Account	
Materials & Services	321,400
Capital Outlay	384,000
<u>Subtotal</u>	<u>705,400</u>
Renewal and Replacement Account	
Capital Outlay	1,896,000
<u>Subtotal</u>	<u>1,896,000</u>
General Account	
Capital Outlay	949,000
<u>Subtotal</u>	<u>949,000</u>
Master Project Account	
Debt Service	0
<u>Subtotal</u>	<u>0</u>
Recycling Business Assistance Account	
Materials & Services	250,000
<u>Subtotal</u>	<u>250,000</u>
General Expenses	
Interfund Transfers	4,385,934
Contingency	13,744,685
<u>Subtotal</u>	<u>18,130,619</u>
Unappropriated Balance	15,456,044
Total Fund Requirements	\$85,484,855
TOTAL BUDGET	\$276,221,088

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE) ANNUAL BUDGET FOR FISCAL YEAR 2005-) 06, MAKING APPROPRIATIONS, AND) LEVYING AD VALOREM TAXES, AND) DECLARING AN EMERGENCY)	ORDINANCE NO 05-1074 <u>B</u> Introduced by David Bragdon, Council President
---	--

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2005, and ending June 30, 2006; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Ordinance) and considered; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2005-06 Metro Budget," in the total amount of TWO HUNDRED SEVENTY ~~SEVEN~~ MILLION ~~SEVEN-THREE~~ HUNDRED ~~EIGHTY-TWO~~FIFTY SEVEN THOUSAND ~~FIVE-SIX~~ HUNDRED ~~TWENTY-SIX~~THIRTY (\$~~270,782,526~~277,357,630) DOLLARS, attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per thousand dollars of assessed value for operations and in the amount of EIGHTEEN MILLION EIGHT HUNDRES SEVENTY TWO THOUSAND SEVEN HUNDRED SEVENTY SEVEN (\$18,872,777) DOLLARS for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2005-06. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from the <u>Limitation</u>
Operating Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		\$18,872,777

3. The following funds are hereby consolidated into the General Fund – the Support Services Fund, the Building Management Fund, the Zoo Operating Fund, the Regional Parks Operating Fund, and the Planning Fund. Balances remaining in the funds are consolidated with the General Fund effective July 1, 2005.

4. The Metro Capital Fund is hereby created for the purpose of accounting for major capital improvement and renewal and replacement reserves for Metro facilities. Major revenue sources for the fund include but are not limited to grants, donations, excise tax contributions from the General Fund, and other revenues or contributions identified for capital, capital maintenance or renewal and replacement purpose. In the event of the elimination of this fund, the fund balance shall revert to any fund(s) designated for similar purpose.

5. The following funds are hereby consolidated into the Metro Capital Fund – the Regional Parks Special Accounts Fund, the Regional Parks Capital Fund, and the Zoo Capital Fund. Balances remaining in these funds are consolidated with the Metro Capital Fund effective July 1, 2005.

6. The Convention Center Project Capital Fund is hereby eliminated. No balance remains in the fund as of June 30, 2005.

7. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2005, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

8. The Chief Financial Officer shall make the filings as required by ORS 294.555 and ORS 310.060, or as requested by the Assessor’s Office of Clackamas, Multnomah, and Washington Counties.

9. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2005, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this 23rd day of June, 2005.

David Bragdon, Council President

ATTEST:

Approved as to Form:

Chris Billington, Recording Secretary

Daniel B. Cooper, Metro Attorney

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE) ANNUAL BUDGET FOR FISCAL YEAR 2005-) 06, MAKING APPROPRIATIONS, AND) LEVYING AD VALOREM TAXES, AND) DECLARING AN EMERGENCY)	ORDINANCE NO 05-1074A Introduced by David Bragdon, Council President
---	--

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2005, and ending June 30, 2006; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Ordinance) and considered; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2005-06 Metro Budget," in the total amount of TWO HUNDRED SEVENTY MILLION SEVEN HUNDRED EIGHTY TWO THOUSAND FIVE HUNDRED TWENTY SIX (\$270,782,526) DOLLARS, attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per thousand dollars of assessed value for operations and in the amount of EIGHTEEN MILLION EIGHT HUNDRES SEVENTY TWO THOUSAND SEVEN HUNDRED SEVENTY SEVEN (\$18,872,777) DOLLARS for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2005-06. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from the <u>Limitation</u>
Operating Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		\$18,872,777

3. The following funds are hereby consolidated into the General Fund – the Support Services Fund, the Building Management Fund, the Zoo Operating Fund, the Regional Parks Operating Fund, and the Planning. Balances remaining in the funds are consolidated with the General Fund effective July 1, 2005.

4. The Metro Capital Fund is hereby created for the purpose of accounting for major capital improvement and renewal and replacement reserves for Metro facilities. Major revenue sources for the fund include but are not limited to grants, donations, excise tax contributions from the General Fund, and other revenues or contributions identified for capital purpose. In the event of the elimination of this fund, the fund balance shall revert to any fund(s) designated for similar purpose.

5. The following funds are hereby consolidated into the Metro Capital Fund – the Regional Parks Special Accounts Fund, the Regional Parks Capital Fund, and the Zoo Capital Fund. Balances remaining in these funds are consolidated with the Metro Capital Fund effective July 1, 2005.

6. The Convention Center Project Capital Fund is hereby eliminated. No balance remains in the fund as of June 30, 2005.

7. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2005, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

8. The Chief Financial Officer shall make the filings as required by ORS 294.555 and ORS 310.060, or as requested by the Assessor’s Office of Clackamas, Multnomah, and Washington Counties.

9. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2005, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this _____ day of June, 2005.

David Bragdon, Council President

ATTEST:

Approved as to Form:

Chris Billington, Recording Secretary

Daniel B. Cooper, Metro Attorney

M:\Asd\Finance\Confidential\Budget\FY04-05\Budord\Adoption\Ordinance 04-1044B.Doc

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE)	ORDINANCE NO 05-1074
ANNUAL BUDGET FOR FISCAL YEAR 2005-)	
06, MAKING APPROPRIATIONS, AND)	
LEVYING AD VALOREM TAXES, AND)	Introduced by
DECLARING AN EMERGENCY)	David Bragdon, Council President

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2005, and ending June 30, 2006; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Ordinance) and considered; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The "Fiscal Year 2005-06 Metro Budget," in the total amount of TWO HUNDRED SEVENTY MILLION SEVEN HUNDRED EIGHTY TWO THOUSAND FIVE HUNDRED TWENTY SIX (\$270,782,526) DOLLARS, attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Ordinance, at the rate of \$0.0966 per thousand dollars of assessed value for operations and in the amount of EIGHTEEN MILLION EIGHT HUNDRES SEVENTY TWO THOUSAND SEVEN HUNDRED SEVENTY SEVEN (\$18,872,777) DOLLARS for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2005-06. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from the <u>Limitation</u>
Operating Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		\$18,872,777

3. The following funds are hereby consolidated into the General Fund – the Support Services Fund, the Building Management Fund, the Zoo Operating Fund, the Regional Parks Operating Fund, and the Planning. Balances remaining in the funds are consolidated with the General Fund effective July 1, 2005.

4. The Metro Capital Fund is hereby created for the purpose of accounting for major capital improvement and renewal and replacement reserves for Metro facilities. Major revenue sources for the fund include but are not limited to grants, donations, excise tax contributions from the General Fund, and other revenues or contributions identified for capital purpose. In the event of the elimination of this fund, the fund balance shall revert to any fund(s) designated for similar purpose.

5. The following funds are hereby consolidated into the Metro Capital Fund – the Regional Parks Special Accounts Fund, the Regional Parks Capital Fund, and the Zoo Capital Fund. Balances remaining in these funds are consolidated with the Metro Capital Fund effective July 1, 2005.

6. The Convention Center Project Capital Fund is hereby eliminated. No balance remains in the fund as of June 30, 2005.

7. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Ordinance, and hereby appropriates funds for the fiscal year beginning July 1, 2005, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

8. The Chief Financial Officer shall make the filings as required by ORS 294.555 and ORS 310.060, or as requested by the Assessor’s Office of Clackamas, Multnomah, and Washington Counties.

9. This Ordinance being necessary for the health, safety, or welfare of the Metro area, for the reason that the new fiscal year begins July 1, 2005, and Oregon Budget Law requires the adoption of a budget prior to the beginning of the fiscal year, an emergency is declared to exist and the Ordinance takes effect upon passage.

ADOPTED by the Metro Council on this _____ day of June, 2005.

David Bragdon, Council President

ATTEST:

Approved as to Form:

Chris Billington, Recording Secretary

Daniel B. Cooper, Metro Attorney

M:\Asd\Finance\Confidential\Budget\FY04-05\Budord\Adoption\Ordinance 04-1044B.Doc

STAFF REPORT

CONSIDERATION OF ORDINANCE NO. 05-1074 ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2005-06, MAKING APPROPRIATIONS AND LEVYING AD VALOREM TAXES, AND DECLARING AN EMERGENCY

Date: March 15, 2005

Presented by: David Bragdon
Council President

BACKGROUND

I am forwarding to the Council for consideration and approval my proposed budget for fiscal year 2005-06.

Council action, through Ordinance No. 05-1074 is the final step in the process for the adoption of Metro's operating financial plan for the forthcoming fiscal year. Final action by the Council to adopt this plan must be completed by June 30, 2005.

Once the budget plan for fiscal year 2005-06 is adopted by the Council, the number of funds and their total dollar amount and the maximum tax levy cannot be amended without review and certification by the Tax Supervising and Conservation Commission. Adjustments, if any, by the Council to increase the level of expenditures in a fund are limited to no more than 10 percent of the total value of any fund's expenditures in the period between Council approval in early May and adoption in June.

Exhibits B and C of the Ordinance will be available at the public hearing on April 7, 2005.

ANALYSIS/INFORMATION

1. **Known Opposition** – Council hearings will be held on the Proposed Budget during the month of April 2005. Several opportunities for public comments will be provided. Opposition to any portion of the budget will be identified during that time.
2. **Legal Antecedents** – The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its approved budget to the Tax Supervising and Conservation Commission by May 15, 2005. The Commission will conduct a hearing during June 2005 for the purpose of receiving information from the public regarding the Council's approved budget. Following the hearing, the Commission will certify the budget to the Council for adoption and may provide recommendations to the Council regarding any aspect of the budget.
3. **Anticipated Effects** – Adoption of this ordinance will put into effect the annual FY 2005-06 budget, effective July 1, 2005.
4. **Budget Impacts** – The total amount of the proposed FY 2005-06 annual budget is \$270,782,526 and 649.99 FTE.

RECOMMENDED ACTION

The Council President recommends adoption of Ordinance No. 05-1074.

M:\Asd\Finance\Confidential\Budget\FY05-06\Budord\Adoption\Staff Report For Adoption Ordinance.Doc