

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE FY)	ORDINANCE NO. 05-1078
2004-05 BUDGET AND APPROPRIATIONS)	Introduced by Mike Jordan, Chief Operating
SCHEDULE TRANSFERRING \$1,466,000 FROM)	Officer, with the concurrence of Council
THE SOLID WASTE & RECYCLING)	President Bragdon
OPERATING FUND CONTINGENCY,)	
INCREASING OPERATING EXPENDITURES IN)	
THE SOLID WASTE & RECYCLING)	
OPERATING FUND BY \$1,466,000 IN)	
EXPENSES RELATED TO INCREASED)	
TONNAGE AND DECLARING AN)	
EMERGENCY)	

WHEREAS, the Metro Council has reviewed and considered the need to transfer appropriations with the FY 2004-05 Budget; and

WHEREAS, Oregon Budget Law ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction; and

WHEREAS, the need for the transfer of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

That the FY 2004-05 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of transferring \$1,466,000 from contingency to operating expenditures and interfund transfer in the Solid Waste & Recycling Operating Fund for expenses associated with an additional tonnage and increasing interfund transfers to the Rehabilitation and Enhancement Fund.

ADOPTED by the Metro Council this 5th day of May, 2005.



[Signature]
David Bragdon, Council President

Attest:

[Signature]
Christina Billington, Recording Secretary

Approved as to Form:

[Signature]
Daniel B. Cooper, Metro Attorney

Exhibit A
Ordinance No. 05-1078

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
Solid Waste Revenue Func							
<i>Operating Account</i>							
Total Personal Services		106.20	\$8,585,228	0.00	\$0	106.20	\$8,585,228
<u>Materials & Services</u>							
GOODS	Goods						
5201	Office Supplies		197,373		0		197,373
5205	Operating Supplies		617,462		0		617,462
5210	Subscriptions and Dues		42,093		0		42,093
5214	Fuels and Lubricants		1,263,378		530,000		1,793,378
5215	Maintenance & Repairs Supplies		208,300		0		208,300
SVCS	Services						
5240	Contracted Professional Svcs		2,474,697		0		2,474,697
5251	Utility Services		163,375		0		163,375
5260	Maintenance & Repair Services		275,600		0		275,600
5265	Rentals		185,726		0		185,726
5280	Other Purchased Services		586,348		0		586,348
5290	Operations Contracts		24,403,422		902,000		25,305,422
IGEXP	Intergov't Expenditures						
5300	Payments to Other Agencies		563,721		22,000		585,721
5310	Taxes (Non-Payroll)		350		0		350
5315	Grants to Other Governments		1,424,516		0		1,424,516
OTHEXP	Other Expenditures						
5445	Grants & Loans		266,000		0		266,000
5450	Travel		55,039		0		55,039
5455	Staff Development		81,936		0		81,936
5480	Fee Reimburssments		600,000		0		600,000
Total Materials & Services			\$33,409,336		\$1,454,000		\$34,863,336
TOTAL REQUIREMENTS		106.20	\$41,994,564	0.00	\$1,454,000	106.20	\$43,448,564

Exhibit A
Ordinance No. 05-1078

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
Solid Waste Revenue Fund							
<i>General Expenses</i>							
<u>Interfund Transfers</u>							
INDTE	Interfund Reimbursements						
5800	Transfer for Indirect Costs						
	* to Building Mgmt Fund		356,520		0		356,520
	* to Support Services Fund		2,933,411		0		2,933,411
	* to General Fund		116,171		0		116,171
	* to Risk Mgmt Fund-Liability		103,754		0		103,754
	* to Risk Mgmt Fund-Worker Comp		58,314		0		58,314
INTCH	Internal Service Transfers						
5820	Transfer for Direct Costs						
	* to Planning Fund		339,349		0		339,349
	* to Support Services Fund		3,150		0		3,150
EQTCH	Fund Equity Transfers						
5810	Transfer of Resources						
	* to Rehab. & Enhancement Fund		398,185		12,000		410,185
Total Interfund Transfers			\$4,308,854		\$12,000		\$4,320,854
<u>Contingency and Ending Balance</u>							
CONT	Contingency						
5999	Contingency						
	* Operating Account (Operating Contingency)		2,000,000		(1,466,000)		534,000
	* Landfill Closure Account		6,368,316		0		6,368,316
	* Renewal & Replacement Account		4,516,881		0		4,516,881
	* Prior year PERS Reserve		410,103		0		410,103
	* Current Year PERS Reserve		400,068		0		400,068
UNAPP	Unappropriated Fund Balance						
5990	Unappropriated Fund Balance						
	* Debt Service Account (Metro Central)		1,217,881		0		1,217,881
	* General Account (Working Capital)		5,759,668		0		5,759,668
	* General Account (Rate Stabilization)		2,260,166		0		2,260,166
	* General Account (Capital Reserve)		2,871,280		0		2,871,280
	* General Account (Debt Service Accrual)		2,339,065		0		2,339,065
Total Contingency and Ending Balance			\$28,143,428		(\$1,466,000)		\$26,677,428
TOTAL REQUIREMENTS		106.20	\$79,803,958	0.00	\$0	106.20	\$79,803,958

**Exhibit A
Ordinance No. 05-1078**

ACCT	DESCRIPTION	Current		Revision		Amended	
		FTE	Amount	FTE	Amount	FTE	Amount
Rehabilitation & Enhancement Fun							
<i><u>Resources</u></i>							
NORTH PORTLAND ENHANCEMENT ACCOUNT							
<i>BEGBAL</i>	<i>Beginning Fund Balance</i>						
	* Prior year ending balance		1,684,634		0		1,684,634
<i>INTRST</i>	<i>Interest Earnings</i>						
4700	Interest on Investments		25,105		0		25,105
METRO CENTRAL ENHANCEMENT ACCOUNT							
<i>BEGBAL</i>	<i>Beginning Fund Balance</i>						
	* Prior year ending balance		232,358		0		232,358
<i>INTRST</i>	<i>Interest Earnings</i>						
4700	Interest on Investments		3,485		0		3,485
<i>EQTREV</i>	<i>Fund Equity Transfers</i>						
4970	Transfer of Resources						
	* from SW Revenue Fund		144,426		12,000		156,426
FOREST GROVE ACCOUNT							
<i>EQTREV</i>	<i>Fund Equity Transfers</i>						
4970	Transfer of Resources						
	* from SW Revenue Fund		95,585		0		95,585
OREGON CITY ACCOUNT							
<i>EQTREV</i>	<i>Fund Equity Transfers</i>						
4970	Transfer of Resources						
	* from SW Revenue Fund		158,174		0		158,174
TOTAL RESOURCES			\$2,343,767		\$12,000		\$2,355,767
Total Materials & Services			\$534,151		\$0		\$534,151
Total Interfund Transfer:			\$26,630		\$0		\$26,630
<i><u>Contingency and Ending Balance</u></i>							
<i>CONT</i>	<i>Contingency</i>						
5999	Contingency						
	* North Portland		200,000		0		200,000
	* Metro South		25,000		0		25,000
	* Metro Central		50,000		0		50,000
	* Forest Grove		25,000		0		25,000
<i>UNAPP</i>	<i>Unappropriated Fund Balance</i>						
5990	Unappropriated Fund Balance						
	* North Portland		1,461,495		0		1,461,495
	* Metro Central		21,491		12,000		33,491
Total Contingency and Ending Balanc			\$1,782,986		\$12,000		\$1,794,986
TOTAL REQUIREMENTS			\$2,343,767		\$12,000		\$2,355,767

Exhibit B
Ordinance No. 05-1078
FY 2004-05 SCHEDULE OF APPROPRIATIONS

	<u>Current Appropriation</u>	<u>Revision</u>	<u>Amended Appropriation</u>
REHABILITATION & ENHANCEMENT FUND			
Operating Expenses (PS & M&S)	\$534,151	\$0	\$534,151
Interfund Transfers	26,630	0	26,630
Contingency	300,000	0	300,000
Unappropriated Balance	1,482,986	12,000	1,494,986
Total Fund Requirements	\$2,343,767	\$12,000	\$2,355,767
SOLID WASTE REVENUE FUND			
Operating Account			
Operating Expenses (PS & M&S)	\$41,994,564	\$1,454,000	\$43,448,564
Subtotal	41,994,564	1,454,000	43,448,564
Debt Service Account			
Debt Service	1,251,412	0	1,251,412
Subtotal	1,251,412	0	1,251,412
Landfill Closure Account			
Materials & Services	178,800	0	178,800
Capital Outlay	401,900	0	401,900
Subtotal	580,700	0	580,700
Renewal and Replacement Account			
Capital Outlay	1,514,000	0	1,514,000
Subtotal	1,514,000	0	1,514,000
General Account			
Capital Outlay	961,000	0	961,000
Subtotal	961,000	0	961,000
Master Project Account			
Debt Service	350,000	0	350,000
Subtotal	350,000	0	350,000
Recycling Business Assistance Account			
Materials & Services	700,000	0	700,000
Subtotal	700,000	0	700,000

Exhibit B
Ordinance No. 05-1078
FY 2004-05 SCHEDULE OF APPROPRIATIONS

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Amended</u> <u>Appropriation</u>
SOLID WASTE REVENUE FUND (continued)			
General Expenses			
Interfund Transfers	4,308,854	12,000	4,320,854
Contingency	13,695,368	(1,466,000)	12,229,368
Subtotal	18,004,222	(1,454,000)	16,550,222
Unappropriated Balance	14,448,060	0	14,448,060
Total Fund Requirements	\$79,803,958	\$0	\$79,803,958

All other appropriations remain as previously adopted

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 05-1078, FOR THE PURPOSE OF AMENDING THE FY 2004-05 BUDGET AND APPROPRIATIONS SCHEDULE TRANSFERRING \$1,466,000 FROM THE SOLID WASTE & RECYCLING OPERATING FUND CONTINGENCY, INCREASING OPERATING EXPENDITURES IN THE SOLID WASTE & RECYCLING OPERATING FUND BY \$1,466,000, IN EXPENSES RELATED TO INCREASED TONNAGE AND DECLARING AN EMERGENCY

Date: April 21, 2005

Prepared by: Douglas Anderson

BACKGROUND

A combination of more tonnage and higher prices has pushed Metro's disposal costs above the FY 2004-05 budget by \$1,466,000 for the fiscal year. In order to cover the higher contract costs, appropriation authority must be transferred from the solid waste contingency to the solid waste operating account. There are no further fiscal implications for the solid waste fund or fund balances, as the revenue to pay for these costs has (or will) be collected from user charges (tip and transaction fee revenue).

The reasons for the cost changes are identified in the remainder of this section. Upon request, the department can provide its full analysis of the budget amendment.

Tonnage. The transfer stations are on track to receive about 25,000 more tons than projected for the budget. Increased tonnage means the department incurs more costs for transfer, transport, disposal, and related expenses. There are two main reasons for the increase in tonnage:

1. *Private facility closure.* Rivergate Reclamation (a private material recovery facility) ceased operations last fall, resulting in a return of about 10,000 tons to Metro Central this fiscal year.
2. *More tonnage generated.* The economic recovery has generated an additional 15,000 tons of waste to the transfer stations, mostly construction and demolition debris.

Additional tonnage accounts for \$821,000 of this budget amendment. The source of funds to cover these costs is transaction fee and disposal charge revenue paid by persons delivering the additional tonnage to the transfer stations.

Prices. Two price assumptions underlying the budget have changed materially:

1. *Fuel.* Although the department budgeted generously for diesel costs, surging fuel prices have made an additional appropriation of \$488,000 necessary to cover costs.
2. *Operations.* The new contract that took effect in April 2005 increased the cost of operating the transfer stations by \$147,000 this fiscal year.

Higher prices account for \$645,000 of this budget amendment. The source of funds to cover these costs is extra transaction fee revenue generated by a significant increase in the number of transactions above budget projections, and extra Regional System Fee revenue collected from the 25,000 additional tons.

ANALYSIS/INFORMATION

- 1. Known Opposition:** None known
- 2. Legal Antecedents:** ORS 294.450 provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction.
- 3. Anticipated Effects:** This action allows the department to pay for transferring, transporting and disposing of 25,000 tons of additional solid waste; and to cover price increases in transfer station operations and fuel.
- 4. Budget Impacts:** This action does not increase total appropriations for the FY 2004-05 budget in the Solid Waste & Recycling Fund. This amendment allows the transfer of \$1,466,000 in current appropriation authority from the Operating Contingency to the Operating Account, Materials and Services category, as described in Exhibit B: Schedule of Appropriations.

RECOMMENDED ACTION

The Chief Operating Officer recommends adoption of Ordinance No. 05-1078.