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2011-12

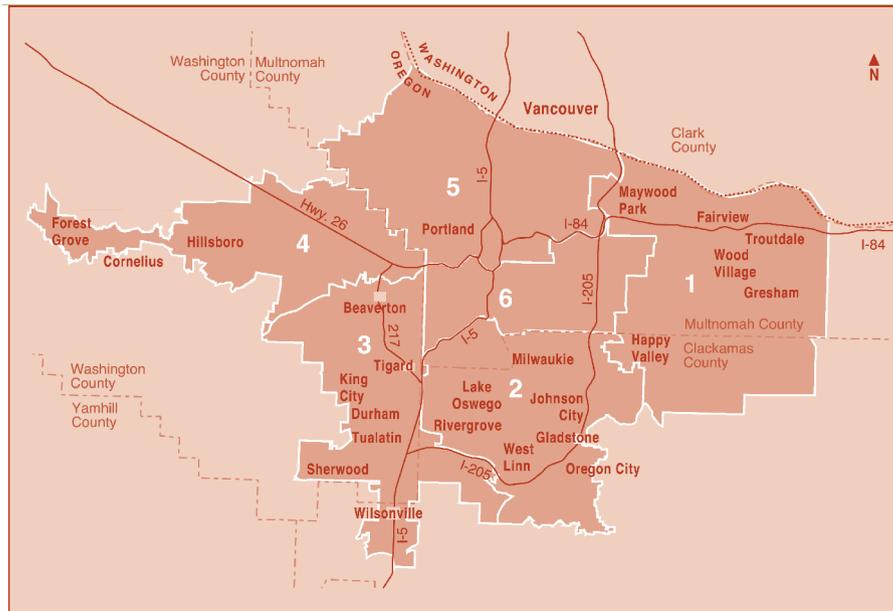
ADOPTED BUDGET Summary



Metro | *Making a great place*

2011-12

ADOPTED BUDGET Summary



Metro **Making a great place**

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy and good transportation choices for people and businesses in our region. Voters have asked Metro to help with the challenges that cross those lines and affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to protecting open space, caring for parks, planning for the best use of land, managing garbage disposal and increasing recycling. Metro oversees world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and the Oregon Convention Center, which benefits the region's economy.

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Adopted Budget Fiscal Year 2011-12

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**GFOA
Distinguished
budget
presentation
award**



The Government Finance Officers Association (GFOA) of the United States and Canada presented a Distinguished Presentation Award to Metro for its annual budget for the fiscal year beginning July 1, 2010.

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

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

FY 2011-12 Adopted Budget

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This guide is intended to assist readers in finding information in the three volumes of the Metro FY 2011-12 Proposed Budget. Information generally is grouped according to the sections identified by tabs or colored dividers in the budget document. In addition, Metro's budget and other financial information are available online at www.oregonmetro.gov.

SUMMARY (VOLUME 1)

The summary presents the entire Metro budget and general information pertinent to the development of the budget.

Budget message

By law the budget message is given at the time the budget is proposed and identifies any significant changes from one year to the next. The Metro Chief Operating Officer serves as Metro's Budget Officer. After the budget is proposed, the Metro Council considers public comment and shapes the final budget to reflect any changes or new priorities. These are described in the Highlights form the FY 2011-12 Proposed to Adopted Budget, which follows the budget message.

What is Metro

This section provides the reader with an overview of Metro's history, a timeline showing the development of the agency, information regarding Metro's charter, and an overview of the region's economy. Also included are maps of Metro's facilities, pioneer cemeteries, regional parks and Open Spaces and Natural areas land acquisitions and target areas.

Budget and financial structure

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

Budget summary

This section provides a comprehensive summary of the detailed information contained in the three budget volumes: Summary, Line Item Detail and Program Budget. It provides information on revenues and expenditures, including trends and fund balances, and summarizes staffing changes in the organization.

Revenue analysis

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

Organizational summary

The organizational summary presents Metro's appropriations units as required by Oregon budget law. In FY 2009-10 centers and services replaced former departments under the Sustainable Metro Initiative, Metro's strategy to align programs and services more effectively and efficiently. In FY 2011-12 Metro presents Visitor Venues as an organizational unit for the first time. Centers and services may be budgeted in one fund only or in several funds, but always by appropriations unit. This section discusses the purpose, organization and accomplishments related to the prior year's objectives. It identifies service level changes in the proposed budget and the new objectives for the upcoming budget year. It also connects specific programs to the program budget volume.

Fund summaries

This section presents summary financial information and analysis for each of Metro's 14 funds, the legal units by which the budget is appropriated. For example the Solid Waste Revenue Fund contains all revenues, other financial resources and expenditures necessary for the operation and maintenance of the region's solid waste disposal and recycling system. This ensures that revenues generated by the solid waste system are used to support that system.

Capital Improvement Plan

Metro's capital budget for fiscal years 2011-12 through 2015-16 is included in the FY 2011-12 budget document. The capital improvement plan is divided into the following sections: Overview, Project Summaries and Analysis, Lists of Unfunded Projects, Current Projects Status Reports and Capital Asset Management Policies.

Debt summary

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

Appendices

The appendices include several related documents that are legally required to be included with Metro's budget document or that provide additional policy background information. These appendices include the FY 2011-12 schedule of appropriations, calculations for property and excise taxes and fringe benefits, budget transfers, limited duration positions, charter of limitations on expenditures, annual contracts list, chart of accounts, compensation salaries and a glossary of technical terms and acronyms used throughout all three documents.

LINE ITEM DETAIL (VOLUME 2)

The line item detail contains technical information used by Metro managers to manage their programs. This detail includes current as well as historical line item revenues and line item expenditures required by law.

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

PROGRAM BUDGET (VOLUME 3)

The FY 2011-12 program budget is organized by the four Metro goals: Great Communities, Healthy Environment, Regional Services and Responsible Operations. Each budget program begins with a visual map showing the main operational area and key projects or activities within the program.

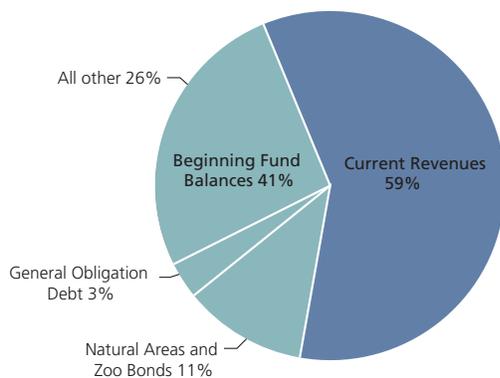
Chief Operating Officer's Budget Message

As presented on April 7, 2011

To the Metro Council, citizens and regional partners and valued employees:

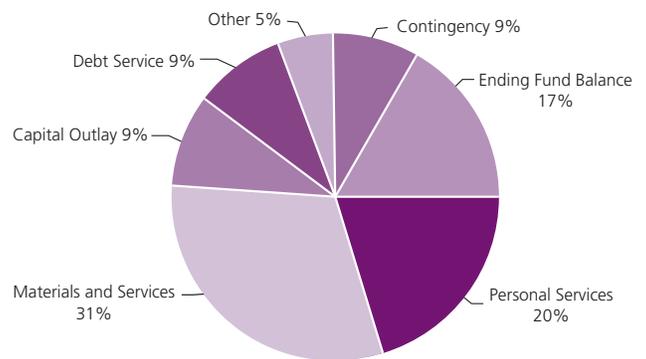
We are pleased to present Metro's Fiscal Year 2011-12 proposed budget. This is the final budget I have prepared, and it will be presented by Dan Cooper, now the acting Chief Operating Officer and Budget Officer. Our challenge this year goes beyond balancing the budget. It sets Metro on a 5-year path to preserve its financial sustainability, to provide the highest public service, to deliver on the promises made to voters and to invest in the region's future. This is the essence of Metro's mission, to preserve and enhance the quality of life and the environment for ourselves and future generations.

FY 2011-12 Resources



Total resources \$389.4 million

FY 2011-12 Requirements



Total requirements \$389.4 million

By law Metro must present a balanced budget. The legal budget, accounting for all resources and all requirements, tops \$389 million, a drop of almost 10 percent. At the operating level we anticipate annual revenues of \$230 million and planned expenditures of \$291 million without contingency, also a decline of about 10 percent. The difference between annual revenues and expenditures is use of fund balance. In all instances the spending of fund balance is intentional, from acquiring and protecting more natural areas to moving forward on construction to improve both the animal welfare and the environmental footprint at the zoo. Delivering on the bond promises is a key priority in this budget. Preserving and maintaining public assets entrusted to Metro through strategic one-time capital expenditures is vital for our visitor venues and sustainability goals. And finally, Metro has chosen to invest in the future of the region through collaborative, multi-year projects aimed directly toward achieving the Council's desired outcomes.

Metro employs just fewer than 750 regular, year-round staff and as many as 1,500 agency employees during the busy season. Labor costs exceed \$79 million, an increase of 2.74 percent over last year despite a net reduction in seven full-time positions. Health care and pension costs are the significant drivers of the increase in personal services. Debt service payments are reduced by \$6.7 million as balances are paid down. While the majority of capital spending continues to be for land acquisition (\$21 million), an additional \$15 million in capital projects provides good jobs in the local economy.

Six desired outcomes

Seeing the budget as an essential investment strategy

This year the Metro Council has engaged regional leaders in significant conversation about the future of the region. The lingering economic downturn has renewed a sense that collaboration and partnerships are essential to regional progress and prosperity. The Council amended the Regional Framework Plan to include six characteristics of a successful region:

- *Vibrant communities* People live, work and play in vibrant communities where their everyday needs are easily accessible.
- *Economic Prosperity* Current and future residents benefit from the region's sustained economic competitiveness and prosperity.
- *Safe and reliable transportation* People have safe and reliable transportation choices that enhance their quality of life.
- *Leadership on climate change* The region is a leader in minimizing contributions to global warming.
- *Clean air and water* Current and future generations enjoy clean air, clean water and healthy ecosystems.
- *Equity* The benefits and burdens of growth and change are distributed equitably.

The FY 2011-12 budget is an essential strategy for achieving these outcomes.

Paying attention to core services

In order to move forward with key investments for the future, Metro must deliver its core services with excellence and efficiency. The Visitor Venues – Oregon Convention Center, Portland Expo Center, the Portland Center for the Performing Arts and the Oregon Zoo, – greet 3.5 million guests annually, a high proportion of regional citizens among them. Add to them the visitors to our public parks, users of the regional solid waste system, community gardeners and paint purchasers, and Metro has 5 million opportunities each year to demonstrate how we operate. To engage the region in our future vision requires that we make the most of each opportunity. In FY 2011-12 we invest \$160 million or 55 percent, more than half of the operating budget, in meeting this daily, operational requirement.

To deliver on the bond promises for Natural Areas acquisition and protection as well as leveraging local projects through local share and capital grants, we will spend \$38 million. Planning, pre-construction and construction activities for infrastructure and animal welfare at the zoo, approved by voters in 2008, will add another \$7.4 million. Capital spending to maintain and refresh our convention and arts facilities, our parks and our buildings adds an additional \$7.3 million investment. Capital spending and capital maintenance account for 16 percent of the operating expenditures, or \$52 million.

Supporting these core services requires an internal structure of transparency, accountability, public review and an efficient engine room. Without this structure Metro cannot deliver on the core services and support investments for the future. Metro's internal structure, from governance to management to business processes, is an efficient 9.5 percent of the budget.

To pay attention to these core services and deliver on the bond promises commits 80 percent of the annual operating expenditures.

Key initiatives

If the direct public service programs, supported by the agency structure, are the daily essence of Metro, the key initiatives are the future. Under the Council's leadership Metro is directing and driving its land use and transportation programs straight at the regional outcomes.

- Integrated corridor planning, the integration of land use and transportation plans for mobility corridors, will stimulate community and economic development.
- The Research Center has developed a Greenhouse Gas Emissions Analysis Toolkit for use in evaluating policy choices and public investments for their effectiveness in reducing greenhouse gases. This and other analytic tools will support land use and transportation planning for climate smart communities.
- The Community Investment Strategy is focused on the 2040 vision of thriving centers and effective corridors. Working as regional partners, public and private, a Community Investment Initiative Leadership Council will craft an integrated federal, state, regional and local investment strategy to close the gap between the region's needs and financial resources.
- A regional parks system planning effort, pairing internal, cross-functional programs and supported by the Community Investment Strategy, will be key to addressing the long-term operational costs of the more than 11,000 acres of natural lands acquired for the region.
- The future of the regional solid waste system must consider new technologies, more active management of what is in the waste stream and greater product stewardship to prevent materials from entering the waste stream. This future will also require Metro to examine the intensifying tension between its environmental sustainability and its financial sustainability.

KEY INITIATIVES:
Corridors
Climate Change
Community
Investment Strategy
Regional Parks
Funding
Solid Waste Road Map

Strategies for balancing the budget – for the long term

Our goal in preparing the FY 2011-12 budget is to plan for the future. Among the lessons of the economic downturn which began in 2007, Metro has seen the value of its disciplined financial policies, its strategic use of fund balance to support multi-year initiatives and its willingness to make difficult choices and take another approach. The FY 2011-12 budget continues this direction, choosing to shift resources toward key initiatives, making some hard choices to refocus current efforts and even increasing some spending now in order avoid higher costs in the future.

Oregon budget law directs the budget officer to highlight significant changes in the proposed budget. The changes reflect Metro's strategy to ride out the downturn without damaging core services and losing momentum. As our region prepares to emerge from the downturn, Metro must maintain focus, care for its public structures, operate with transparency and accountability and continue to anticipate and meet the needs of the region's future.

Labor costs

The most significant budget assumptions are related to labor costs. These assumptions are applied consistently across all programs with differences between and among individual bargaining units and non-represented employee groups. The largest bargaining unit, American Federation of State, County, and Municipal Employees (AFSCME) is currently engaged in bargaining; the current contract expires on June 30, 2011.

In FY 2011-12 Metro 's employer rates for Public Employees Retirement System (PERS) will increase from an average of 3 percent to an average of 8.2 percent. Metro has been preparing for this expected increase and will use a portion of its PERS reserves, accumulated over the last five years, to ease this transition. Operating units will no longer contribute 3 percent to a reserve for future rates, and the accumulated reserves will be used to make the annual debt service for the limited tax obligation bonds, an annual obligation of about \$1.5 million. Accumulated reserves will fund this debt service payment for as many as five years and will position Metro for the next PERS rate period which will begin on July 1, 2013. Beginning July 1, new non-represented employees will be responsible for the 6 percent employee contribution.

More than 20 bills affecting PERS have been introduced at the 2011 legislative session. Depending on the outcome, additional PERS changes may be in Metro's future.

Benefit-eligible employees have been paying a portion of their health benefit costs for a number of years. Recent collectively bargained agreements have designated a specific 94 percent/6 percent cost sharing. Beginning July 1 non-represented employees will move to a 92 percent/8 percent sharing. A cost sharing approach may give additional incentive to benefit plan design changes that reduce costs for both Metro and its employees.

Salary increases for non-represented employees will be limited to an average of 1 percent, applied progressively and paid out as a lump sum. Employees at the lowest salary levels may be eligible for as much as 2.5 percent, while employees at the highest end of the salary plan will be limited to no more than 0.25 percent. Other cost-of-living adjustments will follow collective bargaining agreements.

The proposed budget also includes the following service level changes:

Metro Council

The Metro Council budget includes the Council, the Office of the Chief Operating Officer, Government Affairs and Policy Development and the Community Investment Strategy, the signature initiative of the agency. The proposed budget eliminates the special appropriation for federal lobbying until a formal plan is developed and discontinues a position previously loaned to the Oregon Department of Transportation for the Columbia River Crossing. Individual Councilor budgets remain at \$3,000 annually. In FY 2011-12 the Council will appoint a new Chief Operating Officer, following the departure of Michael Jordan in spring 2011. The Metro Attorney will serve as acting COO until a successor is named later in the year.

The Community Investment Strategy will serve as the focus for many of Metro's top priorities, carrying the vision of thriving centers and effective corridors, supporting and moving forward regional funding for parks and trails and steering Metro's internal and external climate and sustainability objectives.

Office of Metro Auditor

Metro's elected Auditor operates independently and is a link between the public and Metro. The Office of the Metro Auditor conducts performance auditing and oversees the financial auditing of the agency. The Auditor assesses how well Metro services and activities are performing, ensuring accountability and transparency. There are no service level changes for FY 2011-12.

Office of Metro Attorney

In addition to its continuing due diligence responsibilities for the Natural Areas acquisitions, the Office of Metro Attorney is a primary advisor to the Oregon Zoo for the master planning, land use and development approvals for the new bond measure. OMA also provides review and advice to the Metro Council to support its land use and transportation decisions. The Metro Attorney is currently serving as the interim Chief Operating Officer; the Deputy Metro Attorney is serving as the interim Metro Attorney. There are no other service level changes for FY 2011-12.

Visitor Venues

The FY 2011-12 budget presents the Visitor Venues together, unifying the Oregon Convention Center, the Portland Center for Performing Arts, the Portland Expo Center and the Oregon Zoo. A General Manager of Visitor Venues oversees all four venues and reports to Metro's Chief Operating Officer.

Organizationally the Visitor Venues represent 35 percent of the annual operating revenues and 45 percent of the agency's payroll.

The Oregon Zoo will be implementing a new agreement with The Oregon Zoo Foundation to recognize the respective roles and the financial costs related to member admissions, member services and major fundraising campaigns. While the zoo and the foundation provide the majority of support to the zoo's operations, the General Fund funds about 28 percent of the zoo's operating costs. The zoo is considering a fee increase to be implemented later in FY 2011-12.

The Portland Expo Center is completely self-supporting, including the use of annual operating revenues to meet debt service payments for the Exhibit Hall D renovation. The Oregon Convention Center depends on transient lodging tax for 36 percent of its operating revenues; Portland Center for Performing Arts receives a smaller share of transient lodging tax as well as support from the City of Portland, owner of the facilities. Transient lodging tax receipts have begun to recover from the economic slump of the past two years; receipts are expected to be 5 percent higher in the coming year.

The Metro and MERC business services began its merger in FY 2010-11. The FY 2011-12 budget recognizes this steady progression, transferring a number of staff positions to agencywide services resulting in individual cost savings to MERC and to the agency as a whole. Transitions have occurred in Information Services, Human Resources, procurement (FRS) and construction management (PES).

Oregon Convention Center

The Oregon Convention Center will complete construction and begin startup of both the Community Café on the Metro Plaza and the new Convention Center Plaza located across from OCC on Martin Luther King Jr. Boulevard. The business strategy is to focus on customer service and retaining repeat clients. Currently 30 national or regional conventions are booked for FY 2011-12, a decrease of seven.

Portland Center for the Performing Arts

The number of Broadway series' weeks affects every budget year at PCPA. For FY 2011-12 the series is scheduled for 12.5 weeks compared to 13 weeks in FY 2010-11 and nine weeks in FY 2009-10. Broadway and commercial rental rates will increase by 3 percent; user fees for resident tenants will increase by 50 cents per ticket, an increase deferred from last year. A part-time marketing position is increased to full-time with emphasis on enhancing sales and marketing through the website. Exterior renovations at the Arlene Schnitzer Concert Hall will be completed.

Portland Expo Center

The Expo Center has completed its Conditional Use Master Plan and expects its approval in FY 2011-12. Individual space (exhibit hall/meeting room) rental rates will increase by approximately 3 percent, and combined exhibit hall rental fees are proposed to increase by approximately 6 percent. No other service changes are expected.

Oregon Zoo

Guests continue to visit the Oregon Zoo in record numbers, and guest spending is beginning to recover to prerecession levels. A catering position is restored, and a number of new food cart options will be introduced to guests; three premium concerts will be added to the summer lineup. The marketing division is restructured, converting several temporary positions into a permanent position and adding a web content and social media position.

The conservation surcharge continues to support internal conservation programs, and a new education manager position will energize a cross-functional approach to delivering all Metro's education programs. The Sustainable Metro Initiative in 2008 identified the need to consolidate all conservation education at Metro. A proposed plan for consolidating the human and financial resources of education staff at both the Sustainability Center and the Oregon Zoo begins in this budget. The overall vision is to create a regionwide program that creates environmental stewardship in our community through classes, camps, school curriculum and youth leadership programming. By combining the staffs from the Resource Conservation and Recycling programs in the Sustainability Center, zoo and community programs given by parks' naturalists, a framework will be created to provide real behavior change by centering programming at the zoo, which already has an audience of over 1.6 million people and an award-winning youth program. A common classification for educators across all programs is underway. In FY 2011-12 we will undertake a one-to-two year transition to create a unified set of curricula that serves K-12 children in a variety of programs designed to increase environmental awareness and future consumer behaviors and lifestyles. This transition will be led by the Sustainability Center and the Oregon Zoo with staff eventually reporting to the zoo management team, dovetailing with the planning and eventual opening of the new conservation education facility, an important zoo bond project. The new education manager will be responsible for meeting specific benchmarks to achieve the integration and vision during the transition period.

The Veterinary Medical Center will be completed in FY 2011-12. The master plan project will also be completed, producing refined individual project scopes, sequencing and budget estimates. The bond program continues to purchase public engagement support from Metro's communications group. As construction projects proceed, the zoo will encounter more operating challenges, including guest circulation, train circulation and disruption of animals on exhibit. Special temporary exhibits and well-timed openings will be key to maintaining a positive guest experience.

Parks and Environmental Services

Parks and Environmental Services operates Metro's parks facilities, including pioneer cemeteries, the Metro Regional Center building and its associated services, and solid waste facilities. At the Metro Regional Center parking fees will be increased to generate additional revenue to support recent upgrades and maintenance. A cemetery fee proposal will be made when the business plan is completed. PES will implement a Project Management Office for major construction projects, merging former MERC construction staff to form an agency team. A contract analyst is transferred to the procurement section in Finance and Regulatory Services and one finance management analyst position, vacant following a retirement, will not be filled.

The solid waste operations will study alternative uses for methane gas generated at the St. Johns Landfill; the current contract to purchase the collected gas expires in 2012. Capital projects include improvements at Metro Central to increase the capacity to handle commercial and residential organic food waste. Metro collects excise tax on the recovery service and on the sale of paint products and compost bins.

The operations contract for Glendoveer golf course also expires in 2012. A master plan for the site is being completed by the Sustainability Center.

Planning and Development

Planning and Development includes three units: Land Use Planning and Development; Transportation System Planning; and Corridor Planning and Development. Together its programs and projects work with communities throughout the region to boost economic vitality, provide transportation choices and prepare for population growth consistent with shared local and regional aspirations.

The delays in federal reauthorization of transportation funds have significantly reduced federal planning grants and complicated project planning. Some corridor planning work program may proceed at a slower pace that advances projects at the speed with which revenue, including local match, is available. Still, Metro has been awarded a \$2 million multi-year grant from the Federal Transit Administration to study the best ways to improve transit in the Southwest corridor between downtown Portland and Sherwood. The Alternatives Analysis grant is part of the U.S. Department of Transportation's livability initiative. At the same time, grants authorized by the 2009 legislature (HB 2001) are in the second of three years and provide resource to initiate state-mandated greenhouse gas scenarios project in coordination with Metro's Climate Smart Communities activities.

One limited duration planner position related to the Development Opportunity fund ends on June 30, 2011, as planned, and a program analyst for Active Transportation will conclude in February 2012. A limited duration records and information analyst position is eliminated in Planning and Development, but is proposed as an addition to the Records Information Management group unit in Information Services to manage planning records for public access and long-term electronic storage.

Research Center

The Research Center provides accurate and reliable data, information, mapping and technical services to support public policy and regulatory compliance for Metro programs and for the region. The Research Center also supports and complements the Community Investment Strategy initiative by integrating its HB 2001 greenhouse gas research and model enhancement work with the strategy. Data collection, spatial analysis, mapping and visualization, requirements of the HB 2001 scenario planning, are underway.

The proposed budget eliminates two part-time limited duration GIS specialists doing contract work. A limited duration planner for the Greater Portland-Vancouver Indicators project is continued until September 30. Metro will then hand off this project to an outside agency and make a financial contribution to support the ongoing effort. A vacant transportation modeler position is eliminated, allowing grant funds to be applied to other planning functions.

Sustainability Center

The Sustainability Center contributes directly to the region's livability and focuses on providing accessible regional natural areas, parks and trails, and maintaining and enhancing environmental quality. It also promotes sustainable resource management through waste reduction initiatives, hands-on interpretive programs, youth and adult education, grants and demonstration projects and volunteer opportunities.

The proposed budget extends a limited duration planner position for an additional year to continue work on the longer-range financial needs for Metro's growing natural areas land base and The Intertwine. This work is integrally aligned with the Community Investment Strategy and is a key to future resources. A GIS technician will be transferred from the Research Center to the Natural Areas bond program to increase direct mapping support for acquisitions.

The Sustainability Center and the Oregon Zoo will be leading a project to consolidate all conservation education at Metro. The overall vision is to create a region wide program that creates environmental stewardship in our community through classes, camps, school curriculum and youth leadership programming. In FY 2011-12 we will undertake a one-to-two year transition to create a unified set of curricula that serves K-12 children in a variety of programs designed to increase environmental awareness and future consumer behaviors and lifestyles. The program and staff will eventually be located and report to the zoo, dovetailing with the planning and eventual opening of the new conservation education facility, an important zoo bond project.

Nature in Neighborhoods will also undergo an evolution, transitioning from a series of small programs to a more comprehensive way of doing business throughout Metro. Two positions associated with the smaller programs will be eliminated, and the focus will shift to the Community Investment Strategy and corridor projects. Remaining Nature in Neighborhoods staff will be realigned in the Sustainability Center to leverage the previous work of the program and incorporate those principles throughout Metro.

The Resource Conservation and Recycling program will shift its climate change work toward the Climate Smart Communities work managed in Planning and Development. After completing the project objectives established by the Council with the completion of the Climate Prosperity Greenprint and the creation of the greenhouse gas lens and measurement tools, climate change staff is reassigned to the Community Investment Strategy.

Operational support

Communications

Communications provides strategic communications guidance and coordinates a full range of services to advance the region's six desired outcomes, helps Metro programs achieve desired results and supports the effectiveness of the agency.

In FY 2010-11 Communications launched Opt In, an innovative online opinion panel designed to increase diverse, sustained community engagement and provide a cost-effective public opinion research tool. Participating Metro users include Planning and Development and the Sustainability Center. Other users may include the Visitor Venues and Parks and Environmental Services, although any Metro service is eligible to participate. Users fund field surveys through their individual budgets, anticipated to be \$125,000 collectively.

An administrative support position is eliminated in the FY 2011-12 budget. In addition, the integration of the Nature in Neighborhoods program with other Metro programs and projects will change the communication strategy somewhat.

Finance and Regulatory Services

In addition to its portfolio of financial services, risk management and procurement, FRS is responsible responsibility for solid waste regulation, rate setting and financial analysis and modeling for solid waste operations. The proposed budget includes the transfer of two contracts analysts, one from Parks and Environmental Services and one from MERC, into the FRS procurement unit to standardize the contracting business process. This additional effort allows a vacant contracts analyst position to be eliminated. The Risk Management staff, 2.8 FTE, is transferred from the Risk Fund into the FRS General Fund, to simplify cost allocation and limit the Risk Fund to claims-only transactions.

The second phase of the Solid Waste Information System project will be completed into FY 2011-12. This SWIS project will provide a more robust and effective system for collecting and reporting on the more than \$30 million in annual revenues from regional system and excise taxes paid by privately owned solid waste facilities. SWIS will also increase efficiency in monitoring compliance with regulatory requirements of licensees and franchisees and management compliance with the non-financial obligations of the long-term waste disposal contract.

Human Resources

Human Resources supports both the operating units and the individuals of Metro, providing strategic leadership, building collaborative relationships, promoting diversity and instilling best human resources management practices.

To deliver the best and most efficient services, Human Resources has restructured its organization and transferred in a MERC human resources manager. The proposed budget adds a Diversity coordinator, the highest priority of Metro's Diversity Action Plan, to increase recruitment and retention efforts for all Metro programs. A half-time payroll position is eliminated, and a current position is redeployed to assist the benefits section with an emphasis on leave management. The limited duration position for maintaining the Learning Management System becomes a regular position and will provide support in other areas as well. A new limited duration position will focus on updating and upgrading human resources policies for the agency.

Information Services

Keeping pace with technology remains a challenge for Metro. Information Services provides technology-based leadership and solutions to support Metro's goals and business processes through the development, implementation, support and management of key information systems.

The MERC/Metro business practices study has unified the Information Services function under single management. Two positions remain in the MERC Fund to provide exclusive service to the MERC venues while two positions are reclassified and moved to the central Information Services budget to facilitate standardization and strategic planning. A part-time position is eliminated to offset this change. A limited duration records management analyst position is increased from part-time to full-time and transferred from Planning and Development to the Records Information Management group in IS. The position will transfer planning records into TRIM for public access and long term electronic storage.

General Expense

The General Expense category in the General Fund includes non-program revenues such as property tax, excise tax and interest earnings as resources. On the expenditure side, it includes non-operating expenses such as general obligation debt, transfers, and special appropriations that are not tied to an individual program service or center.

Revenues

Interest rates are at a significant low due to the economic climate and the federal monetary policy. In FY 2007-08 all Metro funds earned \$12 million; in FY 2011-12, we expect to earn less than \$1 million. The excise tax may increase annually based on a specific consumer price index and the average tonnage from the previous two years. In 2010 the Council updated the excise tax code and combined the various aspects of the tax into a single rate calculation, increasing stability and predictability. With CPI at record low levels, the excise tax yield for FY 2011-12 increases very modestly (1.59 percent). Because the tonnage period includes the significant declines of the past two years, the rate per ton increases by 86 cents. Excise tax on other Metro facilities and services remains at 7.5 percent. Construction excise tax is projected to increase modestly compared to the recession years but will not recover to prerecession levels for at least two more years.

Property taxes are levied for both operations and general obligation debt service. The operating levy has a permanent rate of .0966, about ten cents. The levy for general obligation debt will decrease from \$39 million to \$28 million, based on debt schedules and cash flow requirements. Despite economic conditions, collections have remained strong and are estimated to be 94 percent. Combined, the estimated tax rate for an urban Metro resident is 32 cents (.3165) per thousand, or about \$48 for owners of property assessed at \$150,000 (approximately \$220,000 market value).

Expenditures

The general expense spending includes general agency payments for elections, the outside annual audit, a minimum \$100 appropriation for Measure 37 claims and, in accordance with the financial policies, the appropriated contingency for the General Fund. A \$500,000 Opportunity fund is also budgeted to provide Council with a modest resource to take advantage of new opportunities that arise which require a partnership match or otherwise leverage existing budgeted funds.

The General Expense category also includes special appropriations. These include payments for previously awarded grants for Nature in Neighborhoods small projects and Construction Excise Tax grants; and payments for specific organizational dues and sponsorships such as Rail-Volution, the Regional Arts and Culture Council and the Lloyd Business Improvement District. The proposed FY 2011-12 budget also includes new payments which recognize a fresh approach to participating in regional programs: \$25,000 for regional economic development membership; an initial \$100,000 for Intertwine organizational support, intended to diminish over three years as the organization becomes more self-supporting; and \$45,000 to support the Greater Portland-Vancouver Indicators project at Portland State University. This approach maintains Metro as an active and collaborative partner, using Metro resources to leverage financial participation from other partners, public and private, to assure a truly regional approach.

CAPITAL IMPROVEMENT PLAN

The 5-year Capital Improvement Plan identifies all capital projects, whether new capital projects or renewal and replacement projects, which exceed \$100,000 and meet the State of Oregon's definition for public improvements. Of the 102 projects identified, 75 percent is for new acquisitions or construction; 23 percent is for renewal and replacement, and 2 percent is for expansion or remodeling. The Capital Improvement Plan now includes a Visitor Venues section, incorporating all MERC venues in the plan. This transition began in FY 2010-11 and will become fully integrated this year.

New capital projects

New capital project spending continues to be dominated by land acquisition and stabilization under the Natural Areas bond measure (48.5 percent of CIP expenditures), new capital projects under the Zoo Infrastructure and Animal Welfare Bond program (23 percent) and, to a lesser extent, new capital projects at solid waste facilities funded by the Solid Waste Revenue Fund capital reserves. In FY 2011-12 natural areas land acquisition and stabilization will continue, although still at a slower pace than in pre-recession years. At the zoo construction of the Veterinary Medical Center and the master plan for the remaining bond projects will be completed. Progress on the remote elephant facility will depend on securing an appropriate site which meets land use conditions. New projects for the solid waste facilities include Phase I (feasibility) for gas-to-energy conversion at the St. Johns Landfill and improvements at Metro Central for the organics/food handling area.

The Solid Waste Fund maintains reasonable reserves for new capital. The MERC Fund, following an intensive study of reserves this year, has identified very modest reserves for either new capital or strategic business opportunities. The Portland Center for Performing Arts has relied on the Friends of PCPA to assist with new capital funding. The General Fund, however, does not have reserves for new capital acquisition in the future. The Oregon Zoo relies on The Oregon Zoo Foundation for new capital funds for small-to-medium projects such as the *Predators of the Serengeti* exhibit completed in 2009. Otherwise the General Fund has relied on voter-approved debt financing for major new capital acquisitions.

Renewal and replacement

The consolidated General Renewal and Replacement Fund provides for scheduled renewal and replacement of assets at the Oregon Zoo, parks facilities and the Metro Regional Headquarters. Established by the Metro Council in FY 2008-09, the fund contains a favorable balance which, when combined with the annual contribution of \$1.5 million, will meet the General Fund needs for the foreseeable future. The annual contribution is increased in FY 2011-12 to recognize the fleet program assumed from Multnomah County in 2010 and the addition of newly completed assets in the zoo and parks programs. The Solid Waste Revenue Fund continues to maintain renewal and replacement reserves, and MERC has designated renewal and replacement reserves in FY 2011-12. The proposed budget also includes funding for the periodic inventory and asset condition evaluation required by the Capital Asset Management Policies.

SOLID WASTE RATES

Under the rate making process implemented last year, the proposed rates and a rate report now accompany the proposed budget, and the Council will also receive a review of the rates prepared by an independent consultant. The public will be able to review the proposed rates, the rate report and the consultant's opinion, and comment to the Council at any public hearing on the budget. If the Council considers and makes changes affecting the Solid Waste Revenue Fund during the budget process, the rate impact will be known immediately. Likewise, if the Council considers changes to the rates, the budget impact will be known immediately. Based on the proposed budget, the anticipated tip fee, including all fees and taxes, will be \$89.53, an increase of \$3.68 over current rates. Tonnage estimates, contract escalators and concerns about increasing fuel prices are the primary factors in the rate increase.

CHARTER LIMITATION ON EXPENDITURES

Metro's charter includes a limitation on expenditures of certain tax revenues imposed and collected by Metro, specifically the general excise tax and the construction excise tax. The general excise tax is a yield-base tax which may increase annually only by the consumer price index. The majority of the excise tax is collected on solid waste activities and is calculated as a per-ton tax. The rate for FY 2011-12 is \$11.80 per ton, an increase of 86 cents. The excise tax on services and product sales provided by Metro facilities remains 7.5 percent. Activities at the Oregon Zoo are specifically exempted by Metro Code; activities at the Portland Center for Performing Arts are excluded by intergovernmental agreement with the City of Portland, owner of the facilities. The expenditure limit for FY 2011-12 is \$19.4 million; budgeted expenditures are \$18.8 million. The proposed budget does not exceed this limitation.

KEYS TO THE FUTURE

The FY 2011-12 budget was undertaken with a clear intention to balance the budget not for one year, but for the future. The economic downturn has lasted already longer than originally thought, and we believe that it will be an additional two years before Metro's revenues return to prerecession growth patterns. The downturn has shed harsh light on areas Metro has been concerned about, thought about, talked about, but not resolved.

The past year the Council and the region have adopted six desired outcomes. The Council and the Senior Leadership Team have engaged employees in recommitting to the values that guide our day-to-day actions and earn the confidence and trust of our partners and citizens.

The proposed budget is based on the Metro's priorities and collaborative initiatives. At the same time it has been developed around four intersecting influences: footprint, focus, employee compact and resources. Each is a key to our future sustainability.

METRO VALUES:

Public Service

Excellence

Innovation

Respect

Teamwork

Sustainability

Footprint

How big is Metro and have we organized ourselves in the best possible way?

The proposed budget eliminates 17 positions, some limited duration and scheduled to end; some, but not all, vacant. The budget proposes to add 10 positions and transfers a number of positions, decreasing the overall footprint by 7 FTE. But the footprint story is not exclusively a count of positions.

The budget reflects the maturing of the Sustainable Metro Initiative, a new approach to structuring Metro's operations that began in 2008. We continue that work in the proposed budget by formalizing our Visitor Venues. United under single management in 2010, this budget presents our Visitor Venues as an organizational unit. Already we are seeing new synergies in marketing strategies, asset sharing and the breadth and capability brought to problem solving.

The MERC/Metro business practices study has brought new consolidation among the business practice groups. A common approach to labor relations, benefits and business processes is honing our efficiency. The MERC reserves study, a key analytical tool for financial stability, is smart thinking in action.

The proposed budget strives to further evolve and integrate the Nature in Neighborhoods mission into Metro's work across program areas and activities. Nature in Neighborhoods becomes a way of doing business for the organization – not an isolated program. By integrating the Nature in Neighborhoods approach into a wider range of Metro activities and programs, we can reduce our footprint while expanding our influence.

Focus

Are we focusing on our priorities, applying our expertise in a way that Metro can make the most significant contributions?

In order to see Metro through the next five years and address financial sustainability, it may be necessary to increase our investment in the short term or decide on new ways of doing business.

The Community Investment Strategy, launched in FY 2010-11, is representative of this new way. The region has limited dollars to invest and these resources should be used strategically to leverage past investments so we can build and maintain the thriving communities our growing population desires. In December 2010 the Metro Council adopted a new regional framework in its capacity ordinance, committing to policy and investment actions that maintain and improve existing communities and protect the urban growth boundary. In addition to specifying the six overall regional outcomes to which Metro and its local government will aspire, the new policies aim to focus public and private investments in city centers, main streets, corridors connecting centers and light rail stations. The new policies will use transportation investments to offer lower-income residents less expensive modes of travel to leave more household income for housing. Finally, new policies will aim to improve the regional economy by ensuring a supply of large sites for industries that need them to prosper.

The Community Investment Strategy is the focal point for Metro's integrated corridor planning, its climate smart communities' work and the integration of green spaces, trails and nature. The FY 2011-12 proposed budget continues to rely heavily on federal transportation dollars for its corridor work. A \$2 million multi-year Alternatives Analysis grant, part of the U.S. Department of Transportation's livability initiative, helps move this work along despite the delay in reauthorization of underlying federal transportation funds.

One of the six desired outcomes is for the region to be a leader in minimizing contributions to global warming. Metro's premier contribution to this effort is the

greenhouse gas modeling work led by the Research Center. Focusing our efforts on modeling, an area where Metro excels, will benefit the region and the state. We will maintain our internal commitment to reducing our footprint in construction, in our operations and in our consumption through sustainable procurement practices.

Metro has served as a catalyst for The Intertwine work. Within Metro and within the proposed budget we continue our important work in land acquisition with the Natural Areas bond program, now at more than 11,000 acres. In conjunction with the Community Investment Strategy we continue to convene and lead discussions about regional parks financing. We are also prepared to make a direct payment of \$100,000 to the new Intertwine organization to support its initial formation and work plan, reducing funding over three years to a membership level consistent with other participating partners. Metro is also ready to transition from a lead agency to a funding partner in the Greater Portland-Vancouver Indicators work. By catalyzing these efforts and promoting shared responsibility among partners of common interest, Metro will maintain our focus while reducing our footprint.

The proposed budget also reflects a small additional investment in conservation education, adding traction to an alignment identified for future development during the Sustainable Metro Initiative. The overall vision is to create a region wide program that creates environmental stewardship in our community. Led by the Sustainability Center and the Oregon Zoo, the consolidation of program will mesh with the construction of the new Conservation Discovery Zone, one of the significant zoo bond projects. By investing now in the consolidation effort, we see the potential for a strengthened program at lower future costs.

Employee Compact

What is Metro's strategy as an employer?

Metro is not alone in struggling to maintain its balance as a responsible employer and as a responsible steward of public resources. We share with other local governments and private employers the desire to hire and retain top flight staff while addressing the accelerating costs of health care and retirement.

The budget is being proposed during a time of collective bargaining at Metro and a legislative session in which multiple bills have been introduced to modify the Public Employees Retirement System (PERS). The outcomes are uncertain. Metro is committed to a fair and responsible total compensation plan, and we recognize that labor costs have been our fastest accelerating cost center for many years. The proposed FY 2011-12 budget includes a longer-term plan to address rising health care costs. Non-represented employees, mostly management employees, currently pay an average of 6 percent of their health care costs; beginning in FY 2011-12 this will increase to 8 percent, increasing by 1 percent a year to 10 percent. New non-represented employees hired after July 1, 2011, will pay the 6 percent employee share of PERS, consistent with some other Metro bargaining unit members. Non-represented employees will receive a progressive, lump sum salary adjustment, awarding a higher percentage to lower paid employees and excluding the highest paid employees from any adjustment. The lump sum payment does not adjust the salary ranges, a key element in managing future costs. Metro is able to do this because our salary ranges still remain competitive with comparable local governments. Changes for represented employees will be addressed through the collective bargaining process.

Resources

Is Metro moving the resource dial?

Resource work is less visible in the proposed budget, but clearly visible in our planning. There are some small, customary fee increases in parking fees and facility rental rates, reflecting the cost of doing business. Solid waste rates are a function of

disposal costs, program costs and tonnage. Excise tax is regulated by formula. We are looking forward to executing a new agreement with The Oregon Zoo Foundation that recognizes the operational cost of an increasing number of members. The cemetery program will bring forward a new business model and fee structure. The budget proposes to reinstate a small fee for household hazardous waste disposal. These are modest operational changes to the resource dial.

But as the recession has pointed out painfully, Metro has a significant, unsustainable resource plan. Metro's sustainability goals emphasize waste prevention – less waste and tonnage in our disposal system – while our financial sustainability depends on more waste in the system. This has to change, and the Solid Waste Road Map project will examine this dilemma and raise broader resource questions in the coming year.

The capacity ordinance, urban and rural reserves and Community Investment Strategy work have given sharp focus to the difficulty Metro and local governments have in funding the front-end policy and infrastructure planning necessary for more innovative public and private investments. As the economic downturn has illustrated, the Construction Excise Tax, one positive resource strategy in this effort, may not be sufficient. The Community Investment Strategy will need to consider how basic regional and local planning is funded in the future.

The voters have asked Metro twice, once in 1995 and again in 2006, to preserve thousands of acres of wildlife habitat, to improve water quality, to provide trail corridors and to preserve access to nature for future generations. Bond funds allow Metro to acquire the land, but there is no identified revenue for sustainable operations and maintenance of these lands and public access parks. Metro is not alone in this dilemma. We are working with our partners to find solutions to fund regional parks and open spaces. This is part of The Intertwine strategy as well as the Community Investment Strategy.

Decisions for the future

As budget officer I am required to bring forward a balanced budget for your consideration. The budget is proposed with a deliberate strategy for the next five years, not a single year. With your guidance and the hard work of the Senior Leadership Team, I have proposed a budget that reflects the highest quality public services, delivers on the bond promises made to the voters, meets our mandated requirements and supports your budget priorities. The budget proposes some new ways of approaching internal programs and some different ways of accomplishing Metro's work by collaborating with external partners. It proposes to limit some labor costs, and it sets in motion the consideration of future resources. The proposed budget remains true to Metro's financial policies, funding prudent operating reserves and applying one-time accumulated reserves to one-time or limited duration projects.

While I will not be with you during the consideration of this proposed budget, I have complete confidence that your deliberations and decisions will be made not for the year, but for the future.

Sincerely,



Michael Jordan

Chief Operating Officer

Highlights from FY 2011-12 Proposed to Adopted Budget

Each year the proposed budget signals the beginning of a dynamic process where citizens review and speak to the elected Metro Council about the proposal. After considering the public's ideas and concerns, the Council shapes the final budget to reflect any changes since the budget was proposed and any new or changed priorities since the Council gave its original guidance to the Budget Officer about developing the budget.

This year an Acting Chief Operating Officer proposed Metro's FY 2011-12 budget on April 7, 2011, to a Council whose membership had changed by three: a new President and two new councilors who had not participated in setting the initial direction for the proposed budget. A divided state legislature was taking up an agenda dominated by serious budget challenges. And the economy continued to tease its observers, offering good news followed by bad news, often in the same week, if not the same day.

Against this backdrop, the Metro Council and staff nonetheless remained focused on its six desired outcomes and true to the financial policies that have sustained the agency through the economic uncertainty.

By the numbers

The adopted budget, accounting for all resources and all requirements, is \$385 million, a decrease from the \$389 million proposed budget primarily due to a technical change in an internal service fund. Operating expenses (excluding contingency) increased from \$291 million to \$297 million. About half of the increase is related to the carry-forward of capital projects begun but not completed in the prior year. Personal services increased by \$700,000 in the benefits category, related to implementing new cost-sharing provisions and eliminating the internal service fund. Total FTE increased by 2.5 which included 1.4 FTE in new grant-funded positions and the extension of one limited duration position for climate change activities. The primary changes are described more completely below.

Councilor Amendments

The Metro Council approved six amendments proposed by its members. The amendments address the six desired regional outcomes, use one-time money for one-time efforts and are intended to inform future budget priorities. The amendments are funded by the General Fund and total \$585,000. They are funded with one-time funding due to structural changes in the Risk Management Fund (\$238,000); redeploying the remaining balance for future election costs set aside in the strategic reserves plan three years ago (\$58,000); and tapping into the FY 2011-12 Opportunity Account for \$289,000, leaving a remaining balance of \$211,000. The Council was very cautious in structuring its amendments to enhance or augment existing work programs, to produce information that would guide Council and stakeholder discussions about future investments and to limit future commitments until funding strategies were clear and reliable.

In summary the amendments include:

- Adding \$170,000 to continue targeted investments through a Development Opportunity Fund, partnering with local jurisdictions and communities. The amendment sets up a clear expectation that projects are intended to enhance or complement existing programs and projects in centers and corridors.
- Adding \$50,000 to implement an eco-efficient business strategy in one or two additional communities where readiness to proceed will be a key determinant in selection.

- Adding \$65,000 for collecting, augmenting and quantifying data related to brownfields; and
- Adding \$65,000 for accumulating, quantifying and organizing data related to small lots and parcels in centers, corridors and employment and industrial areas. Together these two proposals are intended to assist existing staff in producing the current and best available data to aid the Metro Council and stakeholders in indentifying strategies and techniques for overcoming barriers to development. The efforts would focus on the 2040 design types targeted for redevelopment in centers, corridors and employment and industrial areas.
- Adding \$100,000 to initiate planning for a publicly accessible canoe and other motorless watercraft launch on the Tualatin River. The first phase is to conduct the necessary planning and feasibility studies to identify a preferred launch site, to estimate the probable costs for the construction and long-term maintenance and to be positioned to apply for grants and other funding for construction of the launch site.
- Adding \$135,000 to complete a Climate Preparation plan in coordination with state and local partners; provide coordination with external partners as well as within Metro; support other climate change related activities; and prepare recommendations for continuing progress towards regional desired outcome of climate leadership. The amendment funds a 1.0 FTE limited duration staff position (\$110,000) and modest materials and services (\$25,000).

Technical Adjustments

Technical amendments generally reflect changes in currently approved activities that, for a variety of reasons, did not conclude in the prior year as planned. Many technical adjustments reflect the continuation of capital projects delayed by permitting, weather and the availability of construction materials as scheduled. Other non-capital amendments reflect obligations Metro has undertaken contractually for projects or grant awards not yet concluded. Finally, technical amendments may update or correct information that was not available when the budget was proposed. The most significant technical amendments include:

- Implementing the Solid Waste rate ordinance and adding \$445,000 to address rising fuel costs for transporting solid waste from Metro transfer stations to disposal in Arlington. Sharp fuel increases from December to March indicated a need to increase the fuel price assumption in setting the solid waste disposal rates which were proposed in April.
- Adding \$275,000 to recognize additional grant funding from ODOT for HB 2001 climate smart scenarios, including the addition of 1.4 limited duration GIS specialists.
- Carrying forward \$917,000 in all funds for renewal and replacement projects underway but not completed.
- Carrying forward \$1.64 million in new capital projects for MERC venues including the OCC Plaza block development and the Keller Auditorium boiler replacement which must be scheduled around booked events.
- Carrying forward \$127,000 in Development Opportunity Fund projects approved but not yet completed by local partners or vendors.
- Carrying forward \$115,000 for Intertwine activities including final website development for ultimate off-site hosting and final installation of trail signage.
- Recognizing \$642,000 remaining in available but not spent bond proceeds for the Zoo Infrastructure and Animal Welfare projects.

- Carrying forward \$227,000 in agreed upon work for the Community Investment Strategy and Community Investment Initiative.
- Consolidating the General Renewal and Replacement Fund and the Metro Capital Fund into a single General Asset Management Fund. The consolidation of the funds provides greater efficiencies for ongoing management of the General Fund's assets. Within the new fund, separate accounts will allow for the tracking and reporting of renewal and replacement as well as all new capital projects.
- Eliminating \$9.7 million from the Risk Management Fund, an internal service fund, for Health and Welfare premiums paid directly by the operating funds. This is a significant but technical adjustment to reflect direct costs of the operating units, particularly as Metro moves to a different premium cost-sharing strategy with its benefit-eligible employees, and to anticipate requirements of the Health Care Reform Act.

External Review

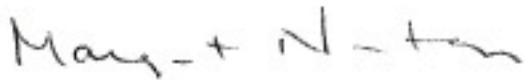
Metro's budget process provides many opportunities for public review. In addition the Tax Supervising and Conservation Commission of Multnomah County conducted a public hearing on June 9, 2011, and certified that Metro has prepared a proper tax levy and budget.

Financial Policies remain a central framework

When the Metro Council adopts the budget, it also reviews and readopts its key financial policies, its capital asset management policies and its investment policies. These policies are the backbone of Metro's financial accountability and transparency. By operating within this framework Metro has demonstrated that it is an admirable steward of the public's financial and physical assets, that it delivers on the promises made to the voters, and that it weighs the risks and benefits of its decisions carefully.

This thoughtful and focused approach has enabled Metro to continue to move itself and the region forward, in spite of the economic climate. We remain mindful that FY 2011-12 will present continuing challenges for performing this budget and for framing the decisions for the next several budgets. At the same time we remain confident that our policy framework and our financial framework work together to produce positive results.

Sincerely,



Margaret Norton

Finance and Regulatory Services Director

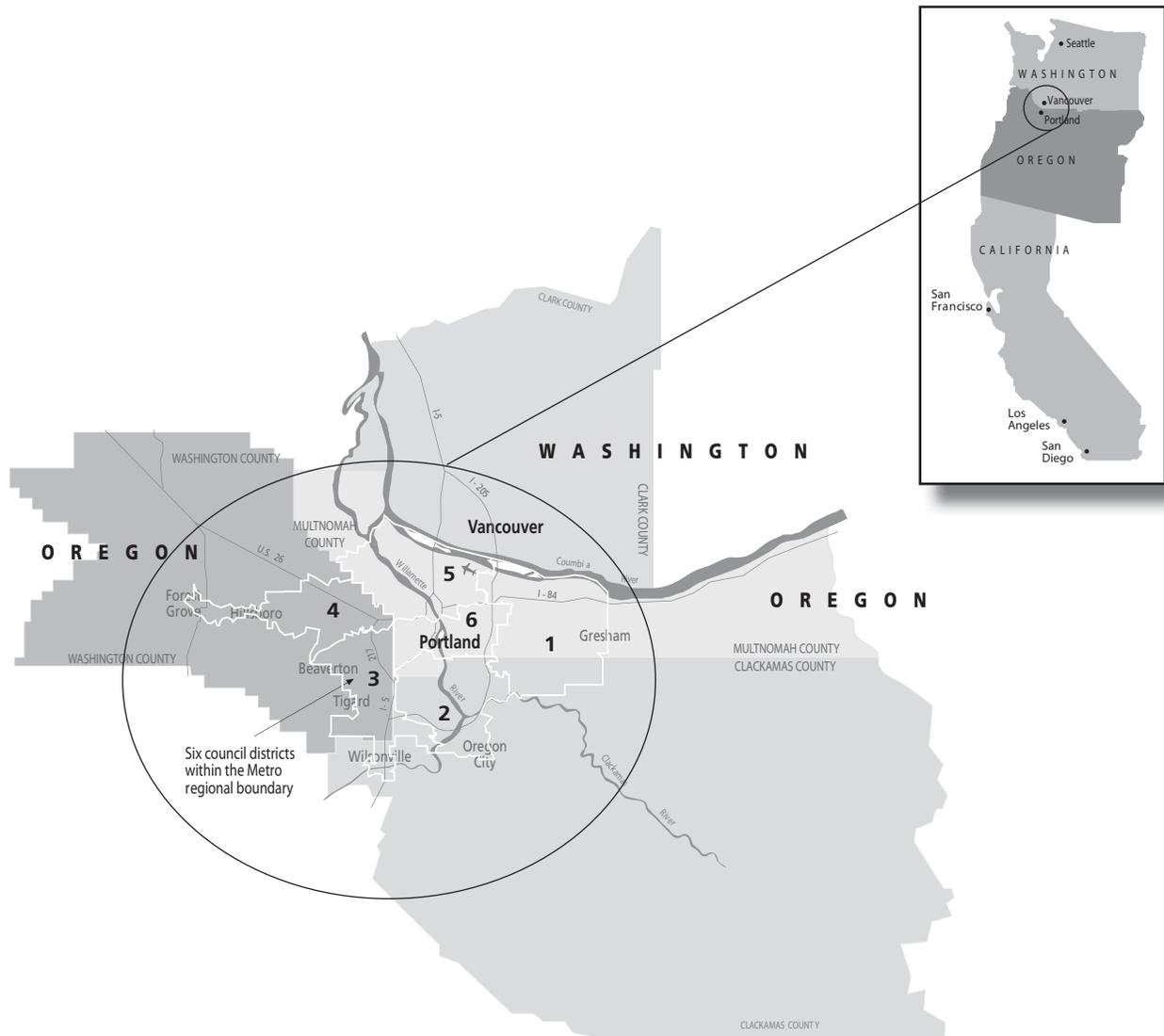
July 1, 2011



What is Metro

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Few metropolitan areas can boast the combined advantages found in the Portland metropolitan area. Thriving communities, cultural amenities, economic vitality, scenic beauty and healthy natural ecosystems make this a great place to live, work and play. For the region's leaders and citizens alike, nurturing this livability is a constant quest. Metro plays a unique and leading role in that effort.

Metro crosses city limits and county lines to make our communities safe, livable and ready for tomorrow. From protecting our region's air, water and natural beauty to supporting neighborhoods, businesses and farms that thrive, Metro makes this a great place. Metro serves more than 1.6 million residents in Clackamas, Multnomah and Washington counties, and the 25 cities in the Portland, Oregon metropolitan area. Metro, the only directly elected regional governing body in the United States, is governed by a president, elected region wide, and six councilors elected by district. Its home rule charter, approved by the voters in 1992 and amended in 2000, grants broad powers, primarily for regional land use and transportation planning, but also for issues of metropolitan concern. The charter also insists that the Metro Council be elected, visible and accountable.

Metro embodies the region's commitment to maintain and enhance the livability and sustainability of the region. A regional approach simply makes sense when it comes to protecting natural areas, caring for parks, planning for the future of our neighborhoods, managing garbage disposal and increasing recycling. Metro manages world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and the Oregon Convention Center, which benefits the region's economy.

HISTORY

Metro was first formed in 1979 when voters approved the merger of the Columbia Region Association of Governments (CRAG) with the Metropolitan Service District. CRAG was responsible for land use and transportation planning, and the Metropolitan Service District provided regional services that included management of the solid waste and operation of the region's zoo. An elected Council and an elected Executive Officer governed the new Metropolitan Service District. The Metro Council had the combined authorities of the two merging agencies and additional powers.

Over the years the Oregon Legislature has assigned additional responsibilities to Metro with concurrence of the jurisdictions within Metro's boundary. In 1980 Metro became responsible for regional solid waste disposal when it took over operation of one existing, publicly owned regional landfill and began construction of a solid waste transfer station. In November 1986 voters approved general obligation bond funding for the Oregon Convention Center, to be built and operated by Metro. In January 1990 Metro assumed management responsibility for the Portland Center for the Performing Arts, Portland Civic Stadium and Portland Memorial Coliseum (though management of the latter two facilities has since returned to the City, which turned them over to private management companies). Metro assumed management responsibility for the Multnomah County parks system and the Portland Expo Center in 1994. Ownership of these facilities was officially transferred to Metro on July 1, 1996.

CHARTER APPROVAL

A significant development in Metro's history occurred with the voter approval of a home rule charter in 1992. Prior to that time Metro was organized under a grant of authority by the Oregon Legislature and the Oregon Revised Statutes. Metro's powers were limited to those expressly granted by the legislature, and any extension of that authority first had to be approved by the legislature.

With the growth of the region however, and Metro's increasingly important role, the region recognized that the power and authority of the regional government should be controlled directly by the voters of the region and not the state. In 1990 the legislature referred a constitutional amendment to the voters to allow the creation of a home rule regional government in the Portland metropolitan area. Voters approved the amendment and a charter committee was formed shortly thereafter. In 1992 Metro's charter was referred to and approved by the voters. Metro thereby achieved the distinction not only of being the nation's only elected regional government (as it had been since 1979), but also the only regional government organized under a home rule charter approved by voters.

In November 2000 voters in the region approved an amendment to the Metro Charter abolishing the position of an elected Executive Officer. On Jan. 6, 2003, a new regionally elected Council President absorbed or delegated the authorities and functions previously vested in the Executive Officer.

REGIONAL LEADERSHIP AND SERVICE

Self-sufficiency

About half of Metro's operating revenues come from fees paid by customers for the use of Metro's facilities or for services such as recycling and solid waste disposal. Other revenues include grants, intergovernmental funds, property taxes for voter-approved bond issues and a small permanent tax base (\$11.4 million), which is allocated annually through the budget process.

Making a great place

Metro has emerged as a leader of regional initiatives — a collaborative partner, facilitator, technical assistance provider, process manager and advocate. For example, Metro's Making a Great Place initiative demonstrates how new and renewed urban centers can integrate housing, shopping, businesses and recreation with pedestrian-friendly streets and easy access to transportation. Metro has also involved regional homebuilders in the Nature in Neighborhoods program, teaching them how to develop projects that minimize water runoff and impacts on natural areas. Metro and its county partners recently reached an historic collaborative agreement to guide the future growth of the region for the next 50 years, setting aside 28,000 acres for future development if needed and protecting 270,000 acres of farms, forests and natural areas.

Metro provides a rich mix of the region's public places where people are invited to gather to enjoy recreation, education and entertainment. The Metro Council-appointed Metro Exposition Recreation Commission (MERC) advises the Metro Council and oversees public assembly facilities including the Oregon Convention Center, Portland Center for the Performing Arts and Portland Expo Center. These venues host hundreds of events each year, drawing millions of people.

Metro every day

Metro policies, programs and services are woven into the fabric of the region's life. They are the common threads that connect neighborhood wetlands, the Portland Expo Center antique shows, penguins at the Oregon Zoo, recycled newspapers, extensive bike paths and live symphony performances at the Arlene Schnitzer Concert Hall.

Additionally, Metro has been a leading player in preserving and expanding the natural areas available to the people of our region. This includes an interconnected system of parks, trails and greenways. Today, Metro's inviting system of regional parks and natural areas includes Smith and Bybee Wetlands Natural Area, a 2,000-acre freshwater wetland in North Portland, and Oxbow Regional Park, a 1,200-acre forested natural area on the Sandy River east of Gresham. In January 2010 Metro

acquired 1,143 acres of forestland in the Chehalem Mountains of the Tualatin Valley – the largest acquisition in the history of the Metro region’s two voter-approved natural area bond measures. The new Chehalem Ridge Natural Area is one of the metropolitan area’s biggest remaining swaths of undeveloped forest. At about the size of Oxbow Regional Park, the property is positioned to protect water quality and wildlife habitat in the Tualatin River Basin and serve as a scenic and recreational resource for the region.

Regional Planning and Stewardship

Metro has a primary responsibility for regional land use and transportation planning. The centerpiece of this responsibility is the 2040 Growth Concept. It guides management of the Urban Growth Boundary, efficient use of land, protection of farmland and natural areas, a balanced transportation system, a healthy economy and diverse housing options. Metro is now engaging regional governments and the public in a process to update the 2040 plan through Making a Great Place.

Green Choices

Metro’s concern for sustainability goes beyond what is integrated in conservation, recycling and regional planning programs. Metro also teaches the community about green choices in building and street design and natural gardening and recycling as ways to improve quality of life and leave a smaller environmental footprint. This is done through partnerships, seminars, publications, demonstration projects, clinics, tours and in-school presentations for teachers and students.

Waste Management and Recycling

Metro manages the region’s solid waste system, which includes a renowned curbside residential recycling program. The agency owns and operates two solid waste and recycling transfer stations, both which have household hazardous waste facilities. Metro also offers a toll-free recycling hotline, which helps people learn to recycle everything from yard debris to old paint.

Metro Charter

A home rule charter defines Metro's structure, assigns its working priorities and grants the power necessary to achieve its priorities. A home-rule charter is a grant of power directly from the citizens of the jurisdiction rather than a grant of power from a legislature or some other body.

The voters of the region approved a home-rule charter for Metro in 1992 and a charter amendment in 2000. Prior to the amendment, Metro was governed by a seven-member Council that was responsible for the policy direction of the organization and for legislative oversight of management activities. A regionally elected Executive Officer was responsible for carrying out the policy directives of the Council, day-to-day management of the organization and recommending policy initiatives to the Council. As a result of the charter amendment, effective Jan. 6, 2003, the Council and Executive offices were consolidated. Under the new structure, the number of districts and the number of Councilors were reduced to six. A regionally elected Council President presides over the Council, sets the policy agenda for the Council and has the authority to appoint all members of Metro committees, commissions and boards. A Chief Operating Officer is appointed by the Council President with Council consent and is responsible for day-to-day management of Metro.

The original Metro charter created the elected position of Metro Auditor. The Metro Auditor is responsible for engaging Metro's independent, outside financial auditor and for conducting performance and management audits of Metro operations and functions.

The home-rule charter sets Metro's working priorities. Metro's primary responsibility under the charter is regional land use planning. To this end, Metro was required to adopt a future vision for the region. The Metro Council adopted the future vision document on June 15, 1995.

State law requires Metro to develop regional land-use goals and objectives. The Metro Council adopted Regional Urban Growth Goals and Objectives (RUGGO) in 1991. RUGGO provided a policy framework for guiding Metro's regional planning program and established a process for coordinating local planning in the region to maintain the region's livability.

In December 1995 the Metro Council adopted the 2040 Growth Concept which encourages compact development near existing or future transit centers to reduce land consumption. The concept encourages preservation of existing neighborhoods and identifies rural reserves as areas not subject to urban growth boundary expansion to serve as buffers between urban areas. The growth concept sets goals for providing permanent open space areas inside the urban growth boundary and recognizes that neighboring cities will grow and that cooperation is necessary to address common issues. On Dec. 11, 1997, the Council adopted the more detailed Regional Framework Plan (incorporating RUGGO), which specifies how the region will implement the 2040 Growth Concept.

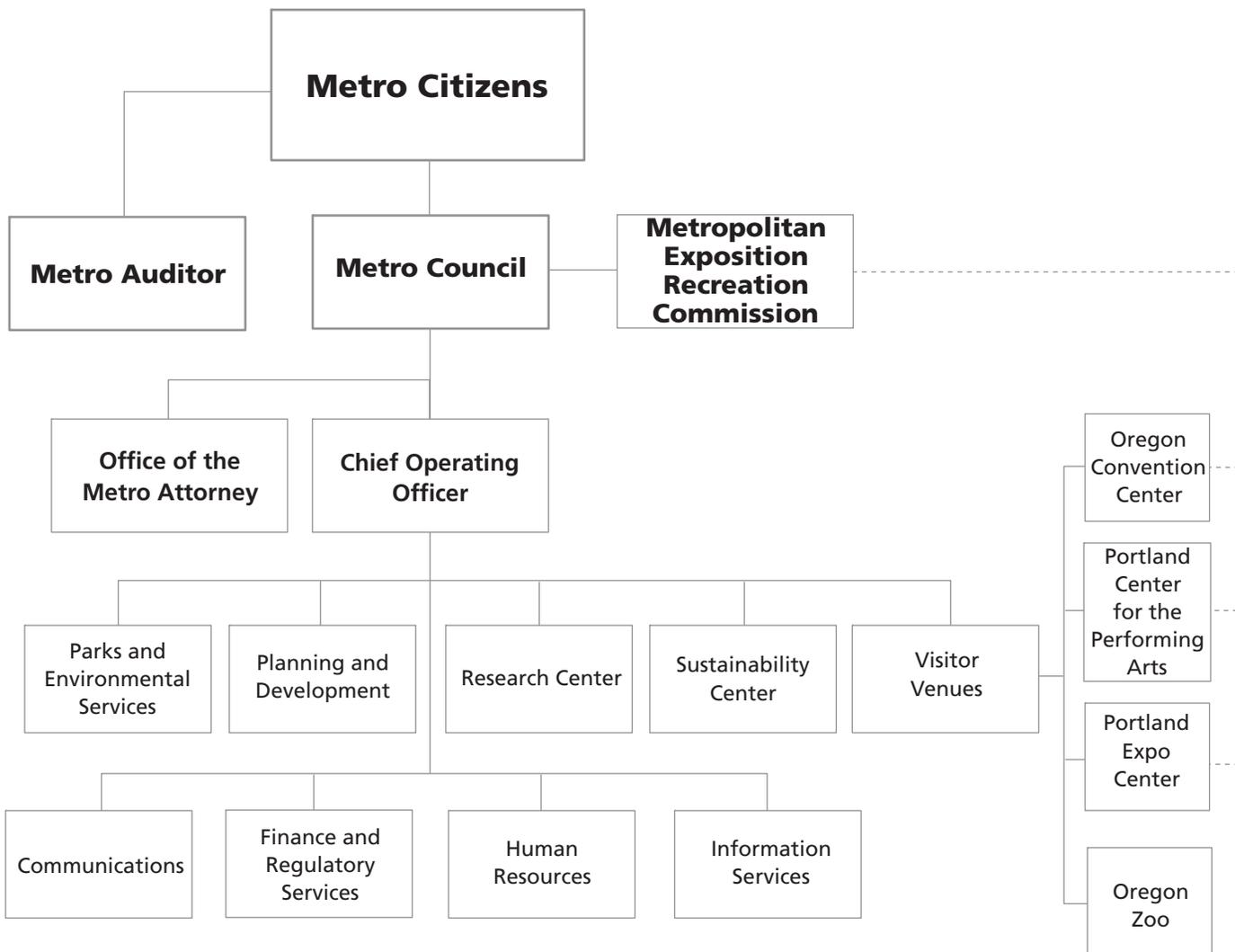
In June 2010 elected leaders from Clackamas, Multnomah and Washington counties and Metro worked together to identify the best places for future growth in the region and the most important lands to protect from development for the next half century. Because of the collaborative work, 266,954 acres of farms, forests and natural areas were set aside as rural reserves and 28,615 acres of land best suited for future urban development were designated as urban. This unprecedented agreement provides certainty for people on both sides of the urban growth boundary.

Although the charter makes regional land use planning Metro's primary responsibility, it also recognizes the significant role Metro has in other regional issues such as solid waste disposal, and the operation and development of regional recreation and visitor facilities such as the Oregon Zoo, the Oregon Convention Center and regional parks and open spaces.

Finally, the charter recognizes that regional government and regional issues evolve over time. The charter grants Metro authority to assume responsibility for issues of metropolitan concern. This allows Metro to work with local jurisdictions as needed to develop common solutions to problems that may exceed local boundaries and may be more difficult to address at the local level.

In addition to defining Metro's structure and priorities, the charter gives Metro the tools necessary to meet its financial resource needs. The charter gives Metro authority to ask voter approval for broad-based revenue sources. These sources include traditional revenues such as property tax, sales tax or income tax. The charter grants Council authority to adopt taxes of limited applicability without a vote of the people. The charter requires the Council to appoint a citizen review committee when it is considering the adoption of a new limited tax. These niche taxes could include a broad list of revenue sources levied on limited activities such as cigarette sales, real estate transfers, hotel/motel occupancy, etc. Expenditures from non-voter approved revenue sources are limited by charter to no more than \$12.5 million per year (in 1992 dollars). This expenditure limitation increases in each subsequent fiscal year by a percentage equal to the rate of increase in the Consumer Price Index (additional information on this charter limitation is available in the *Appendix* of this budget). Metro's FY 2010-11 budget authorizes approximately 95 percent of the expenditure limitation, funded by excise tax and construction excise tax. The charter grants Metro the authority for levying fees and charges for services it provides on an enterprise basis.

Organizational structure



Elected officials	Position	Service began	Current term expires
Tom Hughes	Metro Council President	January 2011	January 2015
Shirley Craddick	Councilor- District 1	January 2011	January 2015
Carlotta Collette	Councilor- District 2	November 2007	January 2015
Carl Hosticka	Councilor- District 3	January 2001	January 2013
Kathryn Harrington	Councilor- District 4	January 2007	January 2015
Rex Burkholder	Councilor- District 5	January 2001	January 2013
Barbara Roberts	Councilor- District 6	February 2011	January 2013
Suzanne Flynn	Metro Auditor	January 2007	January 2015

Organizational Structure

Metro's organizational structure includes three offices (Metro Council, Metro Auditor and Metro Attorney), Visitor Venues (Oregon Convention Center, Portland Expo Center, Portland Center for the Performing Arts and Oregon Zoo) and eight centers and services (Parks and Environmental Services, Planning and Development, Research Center, Sustainability Center, Communications, Finance and Regulatory Services, Human Resources and Information Services).

Office of the Council

The Metro Council is the governing body of Metro. It provides leadership from a regional perspective, reflects an ongoing, innovative planning orientation, and focuses on issues that cross local boundaries and require collaborative solutions.

The Office of the Council consists of the Council President and six Councilors, the Chief Operating Officer, Government Affairs and Policy Development and the Community Investment Strategy. The Council sets the overall policy direction and provides legislative oversight of management activities for the agency. The Council President presides over the Council, sets the policy agenda and has the authority to appoint all members of Metro committees, commissions and boards. The Chief Operating Officer, appointed by the Council President with Council consent, is responsible for the day-to-day management of the organization. The Council Office also provides staffing for the Metro Policy Advisory Committee.

Metro Auditor

The elected Auditor and staff make up the Office of the Metro Auditor. The Auditor is responsible for engaging the external financial auditing firm while focusing staff efforts on performance audits.

Office of Metro Attorney

The Office of Metro Attorney provides legal services to the Council, Chief Operating Officer, Auditor and Metro organizational units. This office includes the due diligence portion of the regional Open Spaces and Natural Areas acquisition programs.

Visitor Venues

A visitor venues group, including the Oregon Convention Center, the Portland Center for the Performing Arts, the Expo Center and the Oregon Zoo, reports to the General Manager of Visitor Venues. Nearly two-thirds of the permanent and part time staff at Metro are in the business of providing direct service to venue customers, and the four visitor venues are similar in the enterprise activities, services, customers and skills needed for success. An executive management team consisting of the four venue directors focuses on how best to apply strategies, resources and staff strengths to benefit all Metro's enterprise venues. The General Manager plays a leadership role in maintaining and improving Metro's relationships with the City of Portland and Multnomah County; non-profit conservation and education groups; and private sector partners in the lodging and rental car industries.

MERC Venues

The Metro Exposition Recreation Commission (MERC) was established in 1987 and provides citizen oversight for the Oregon Convention Center, the Portland Center for the Performing Arts (PCPA) and the Portland Metropolitan Expo Center (Expo). The PCPA was transferred to Metro's management from the City of Portland in 1990 when the Convention Center opened. Management of the Expo Center was transferred to Metro from Multnomah County in January 1994, with ownership of the facility transferred in July 1996. A seven-member commission advises the General Manager and Metro's COO. The commissioners are appointed by Metro to serve four-year terms. While the visitor venues will benefit from guidance from the Metro Exposition Recreation Commission, the commission does not oversee the Oregon Zoo.

Oregon Zoo

The Oregon Zoo contributes significantly to the livability of the Portland metropolitan area and provides important conservation education learning opportunities to people of all ages. The zoo strives to motivate people to care and act on behalf of wildlife by offering opportunities for observation, discovery and engagement. The zoo serves as a regional conservation, education and recreational resource, enhancing the quality of life and assisting in economic development as a tourist attraction and community asset. As the state's top paid attraction, the zoo drew 1,645,843 visitors in FY 2010-11 — the highest figure in the zoo's 123-year history.

Parks and Environmental Services

Parks and Environmental Services manages Metro's parks, natural areas, solid waste facilities and the Metro Regional Center. Parks and natural areas management focuses on the provision of accessible regional open spaces, parks and trails, including Metro's cemeteries, golf course and marine facilities. The service also manages the region's solid waste in an effective, economical and environmentally sound manner, overseeing the operation of two Metro-owned regional solid waste transfer stations, operating two household hazardous waste facilities, managing contracts for the transport and disposal of waste brought to the regional transfer stations and developing the Regional Solid Waste Management Plan.

Planning and Development

Planning and Development facilitates the creation of great places in centers and corridors and throughout the region. It manages the regional urban growth boundary, the primary urban growth management tool mandated by state land-use planning laws. Planning and Development is also responsible for regional transportation planning, which includes preparing the Regional Transportation Plan, securing and allocating federal highway and transit funds for the region and conducting all regional transit and light rail planning under contract with TriMet, the regional transit agency.

Research Center

The Research Center supports the Metro Council, Metro staff, external clients and the public by providing information, mapping and technical services to support public policy and regulatory compliance. The center coordinates data and research activities with government partners, academic institutions and the private sector. In addition, the regional economic and travel forecasts provided by the Research Center meet federal and state requirements for consistent, accurate and reliable data and forecasting tools.

Sustainability Center

The mission of the Sustainability Center is to demonstrate and inspire sustainable stewardship of the region's natural resources. The center focuses on the provision of accessible natural areas, parks and trails and the maintenance and enhancement of environmental quality. It also promotes sustainable management of resources through waste reduction initiatives, youth and adult education and volunteer opportunities, grants and demonstration projects.

Communications

Communications provides communication services to advance Metro Council policy initiatives and Metro organizational unit-led planning and stewardship efforts, public education campaigns, facilities and services. The disciplines represented range from media relations, journalism, marketing, graphic design and web design through event planning and issue management. It also provides support to the Metro Committee for Citizen Involvement.

Finance and Regulatory Services

Finance and Regulatory Services provides financial management services for Metro's elected officials, operating departments, employees and the public. FRS includes Accounting, Budget and Financial Management, Procurement, Risk Management, Solid Waste Compliance and Cleanup and Solid Waste Policy and Compliance. It provides accounting services for the agency; coordinates the preparation, monitoring, and implementation of the agency's annual budget and five-year capital budget; manages debt; performs long-range financial planning; administers Metro's risk management program; coordinates the agency's decentralized purchasing system; manages the Emerging Small Business and Minority- and Women-Owned Business program; regulates solid waste facilities; and directs solid waste rate setting and tax compliance.

Human Resources

Human Resources exists to help its customers fulfill business requirements by positioning Metro's work force for the future. It provides assistance in the areas of recruitment and staff development, classification and compensation, labor and employee relations, benefits administration and manages the agency's Human Resource Information System.

Information Services

Information Services supports Metro's vision, goals and business processes by providing technology based leadership, consulting and direct services. This is accomplished through the support and development of enterprise, operational and custom applications, records management and management of Metro's network infrastructure, as well as development of policies and procedures for access to information within the agency.

METRO ADVISORY COMMITTEES

Metro's charter requires three advisory committees:

Metro Policy Advisory Committee: 24-member committee consisting of representatives of local government and citizens to provide advice and consultation to the Metro Council on the Regional Framework Plan and approval or disapproval of Metro's provision or regulation of a local government service.

Metro Committee for Citizen Involvement: 27-member citizen committee assisting in the development, implementation and evaluation of Metro's citizen involvement activities and advising on ways to involve citizens in regional planning activities.

Metro Exposition Recreation Commission: Made up of seven business and civic leaders committed to the region's cultural and economic vitality, the Metro Exposition and Recreation Commission works to protect the public investment in Metro's visitor venues.

METRO BOND OVERSIGHT COMMITTEES

Both the 2006 Natural Areas Bond and the 2008 Zoo Infrastructure and Animal Welfare Bond programs include an oversight committee requirement. The Natural Areas Program Performance Oversight Committee includes citizens from throughout the region representing the fields of finance, auditing, accounting, real estate, banking, grant making and law. The 15-member committee is charged with providing the Metro Council and the citizens of the region an independent, outside review of the program in order to help Metro achieve the best results for clean water, fish, wildlife and future generations.

The Oregon Zoo Bond Citizens' Oversight Committee was created to provide a third-party review of the voter approved Oregon Zoo Infrastructure and Animal Welfare Bond program to the Metro Council and citizens. The committee looks at how decision-making occurs and how business is conducted, as well as determines whether the program is on the right path in terms of structure, management, expenditures, personnel and achievement of defined goals. Members include professionals with experience in construction, sustainability, animal welfare, labor, finance, public budgeting and auditing, and general business.

Metro milestones

- 1979 ○ Columbia Region Association of Governments combines with the Metropolitan Service District to form Metro. Functions include solid waste and transportation planning, zoo operations and management of the urban growth boundary.
- Joint Policy Advisory Committee on Transportation formed and staffed by Metro's Transportation Planning Department.
- Transfer of the ownership and operation of the Washington Park Zoo to Metro.
- 1980 ○ Solid waste operations (including the management of the St. Johns Landfill) added to Metro's functions.
- 1983 ○ Clackamas Transfer and Recycling Center (now named Metro South Transfer Station) opens.
- 1986 ○ Voters approve \$65 million general obligation bond issue to build the Oregon Convention Center.
- 1987 ○ Metropolitan Exposition Recreation Commission established.
- 1988 ○ Metro assumes responsibility of appointing members of the Portland Metropolitan Area Local Government Boundary Commission.
- 1989 ○ Attendance at the Metro Washington Park Zoo breaks the one million mark.
- 1990 ○ Metro assumes management responsibility for the Portland Center for the Performing Arts, Civic Stadium and Memorial Coliseum.
- Columbia Ridge Landfill opens near Arlington to replace the St. Johns Landfill and serve the Portland metropolitan region.
- Voters approve tax base for the Metro Washington Park Zoo.
- Metro issues \$28.5 million in solid waste revenue bonds to construct the Metro East Transfer Station (now named Metro Central Transfer Station).
- Metro initiates an excise tax on its own enterprise operations.
- Oregon Convention Center opens for business and exceeds projected use and economic projections.
- Voters approve amendment to the Oregon Constitution allowing creation of a home-rule regional government in the Portland metropolitan region and the creation of a charter committee.
- 1991 ○ Metro Central Transfer Station opens.
- 1992 ○ Voters approve a new home-rule charter for Metro, identifying Metro's primary mission, revising Metro's structure, and formally changing the name of the organization from Metropolitan Service District to Metro.
- 1993 ○ Management of the Memorial Coliseum is returned to the City of Portland and subsequently transferred to the management of the Oregon Arena Corporation.
- 1994 ○ Metro assumes management responsibility for the Multnomah County parks system and the Portland Expo Center.
- Region 2040 Concept Plan adopted.
- 1995 ○ New seven-member Metro Council, Executive Officer and Auditor take office under home rule charter.
- Voters approve \$135.6 million general obligation bond measure to acquire and protect open spaces, parks and streams.
- 2040 Growth Concept and Future Vision adopted.
- 1996 ○ Transfer of ownership of the Multnomah County Parks and Portland Expo Center to Metro.

- 1997

 - Voters approve \$28.8 million general obligation bond measure to fund construction of the Great Northwest Project at the Metro Washington Park Zoo.
 - Urban Growth Management Functional Plan adopted.
- 1998

 - Open Spaces bond acquisition: 2,323 acres.
 - Metro Washington Park Zoo renamed the Oregon Zoo.
 - The Washington Park light rail station serving the Oregon Zoo opens.
 - Great Northwest Phase II opens at Oregon Zoo, including new entrance designed with mountain goat exhibit, catering and restaurant facilities and new gift shop.
- 1999

 - Open Spaces bond acquisition: 4,400 acres.
- 2000

 - Voters approve charter amendment eliminating the Executive Officer position, establishing a regionally elected Council President and reducing council districts from seven to six.
 - Steller Cove opens at the Oregon Zoo, setting a new attendance record of 1.2 million visitors.
- 2001

 - The reconstructed Expo Hall D opens, adding 72,000 feet of modern exhibit space, new meeting rooms and a full service commercial kitchen. Expo now offers 330,000 square feet of exhibition space and 3,000 parking spaces on a 60-acre campus.
 - Work on the Oregon Convention Center expansion project begins. The expansion will provide an additional 105,000 square feet of exhibit space, 35,000 square feet of ballroom space and 30,000 square feet of meeting room space.
 - Open Spaces bond acquisition: 6,933 acres.
 - Oregon Zoo achieves record-breaking attendance of more than 1.3 million visitors.
- 2002

 - Election of new Council President reflecting changes to the Charter adopted by the voters in November 2000.
- 2003

 - On Jan. 6, 2003, a new regionally elected Council President absorbs or delegates the authorities and functions previously vested in the Executive Officer.
 - Work on the Oregon Convention Center expansion is completed, opening to the public in April 2003.
 - The state Land Conservation and Development Commission approves the Metro Council's recommendation to bring an additional 18,617 acres into the urban growth boundary.
 - The first endangered California Condors arrive at the Oregon Zoo's Condor Creek Conservation Facility.
- 2004

 - Interstate MAX Yellow Line opens, connecting the Expo Center to the Rose Quarter Transit Station.
 - The first Condor egg is produced at the Oregon Zoo Condor Creek Conservation Facility.
 - Oregon Zoo opens Eagle Canyon Exhibit and the Trillium Creek Family Farm, completing Phase IV of the Great Northwest Project.
- 2005

 - In April 2005 Metro Council creates Nature in Neighborhoods, an initiative to restore and protect regional habitat and greenspaces.
 - Open Spaces bond acquisition: 8,131 acres.
 - Tusko, a 13,500-pound, 33-year-old male Asian elephant arrives to join Packy and Rama in the Oregon Zoo's bull elephant group.

- 2006 ○ Construction Excise Tax collections begins on July 1, 2006.
- Metro awards \$560,000 in Nature in Neighborhoods grants to local organizations for projects to protect fish and wildlife throughout the region.
- Voters approve a \$227.4 million bond measure directing Metro to purchase natural areas, parks and streams.
- 2007 ○ Metro achieves a bond rating of Aaa from Moody's Investors Service as well as a re-affirmation of its AAA rating from Standard & Poor's.
- Metro awards \$420,000 in Nature in Neighborhoods grants.
- Oregon Zoo attendance reaches 1.5 million, representing a 10 percent increase over the previous record, set in FY 2000-01.
- Metro Council enacts the Enhanced Dry Waste Recovery Program, to increase the amount of materials recycled or recovered from construction and demolition projects.
- MetroPaint, the Northwest's only 100 percent recycled latex paint, receives the first recycled paint certification from Green Seal™, an independent environment standards certifying organization.
- Metro, the City of Portland Office of Sustainable Development and Clackamas, Washington and Multnomah counties collaborate to launch a Green Building Hotline to provide information about strategies, resources and financial incentives for green building.
- The household hazardous waste roundups conclude a record year with the total customer count at 12,909 customers.
- The Oregon Legislature approves Senate Bill 1011, enabling Metro and the counties of the region to establish urban and rural reserves that provide greater predictability regarding where future growth may be accommodated and what valuable farm and forestland will be protected.
- 2008 ○ Metro's new online home, www.oregonmetro.gov, provides a fresh look, improved navigation tools and more resources for residents of the region.
- Nature in Neighborhoods program conducts Integrating Habitats design competition with more than 100 teams from around the world submitting designs for homes, residential infill and mixed-use developments with the natural environment in mind.
- Metro adopts a resolution officially recognizing that sustainability will guide all Metro policies and programs.
- Acquisition of approximately 480 acres with Metro's Natural Areas initiative during FY 2007-08, including a first acquisition in the Stafford Basin.
- MetroPaint is named a 2008 Top 10 Green Product by Sustainable Industries business magazine.
- Metro opens Mt. Talbert nature park, which stretches from Portland's Rocky Butte southward to the Clackamas River. Mt. Talbert is the largest of the undeveloped buttes in northern Clackamas County.
- 2008 ○ Metro launches the Sustainable Metro Initiative, a multi-faceted reorganization that aligns Metro with organizational wide values.
- 2009 ○ Metro acquires Peach Cove Fen, a rare type of wetland that includes a shallow lake with a floating peat mat. Peach Cove Fen is the only remaining fen of its kind in the Willamette Valley.
- Metro awards \$250,000 in Nature in Neighborhoods grants to fund 13 projects throughout the region.

2009

Cooper Mountain, a restored 231-acre nature park complete with nature house and three and a half miles of trails, opens to the public.

Metro Council extends the construction excise tax for an additional five years, to provide funding for planning of future expansion areas, future urban reserves and planning that enables redevelopment of centers, corridors and employment areas within the existing Urban Growth Boundary.

Metro teams-up with Portland-based Miller Paint Co. Inc. to carry MetroPaint recycled latex in all of the retailer's 20 Portland-area stores.

Oregon Zoo sets yet another attendance record with more than 1.6 million visitors.

The zoo opens the *Predators of the Serengeti* exhibit, bringing lions back to the zoo.

Metro and its partners launch The Intertwine, complete with logo, phase one web site and widespread regional support.

The Oregon Zoo hosts the Association of Zoos & Aquariums conference with more than 1,700 attendees.

Record attendance at PCPA's Summer Arts on Main series.

Zoo reaches record-breaking attendance of 1,634,978 in FY 2009-10 — the highest figure in the zoo's 123-year history.

Economic impact study show MERC visitor venues have fiscal impact of \$522 million.

2010

Metro collaborates with counties, cities and a wide variety of stakeholders to reach agreements on the Urban and Rural Reserves that protect 270,000 acres of farms, forests and natural areas and provide up to 28,000 land for growth if needed.

Metro completes construction on five transit-oriented development (TOD) projects, totaling 285 housing units and 30,000 square feet of commercial space; initiated construction on one new TOD project and secured funding approval for four new TOD projects; initiated a strategic plan for the TOD program to guide future investments.

Sustainability Center secures a \$1.4 million grant to construct a pedestrian/bike bridge to connect North Portland with Smith and Bybee Wetlands Natural Area.

Metro receives \$200,000 to fund restoration and acquisition of wetlands as part of a consortium award \$1 million North American Wetland Conservation Act grant.

PCPA reduces facility rental rates and user fees for all resident arts companies to provide financial assistance in a challenging economic downturn.

Metro is named the contracted service provider for PaintCare, the paint industry's nonprofit corporation for managing the state's left over paint.

Zoo *Red Ape Reserve* exhibit opens.

Completes 10 natural area acquisitions, with a total of 1,427 acres, including Chehalem ridge and the first-ever acquisitions in Deep Creek and Clackamas River Bluffs target areas.

Completes restoration efforts at 61 natural area sites.

Records nearly 20,000 volunteer hours, a 6 percent increase over last year; number of individuals and groups increased 17 percent, to 520.

2010

Metro serves more than 900,000 people in 1,700 conservation education programs.

Metro provides information on waste reduction and proper waste management to more than 90,000 callers to the Recycling Information Center.

Metro completes more than 3,400 illegal dumping cleanups, including 138 large cleanups and 97 near waterways or other environmentally sensitive areas.

Metro Council approves 17 construction Community Development grants to spur private investment in great communities.

Metro opens Graham Oaks nature park which contains three miles of trails traversing 250 acres of restored oak woodland habitat, a conifer forest, wetlands, five creeks, interpretative plazas and scenic overlooks, a picnic area and the beginning of the regional Tonquin Trail, which will eventually connect Wilsonville, Tualatin and Sherwood.

Reaches record-breaking calendar year attendance of 1,645,843 million guests and record-breaking ZooLights attendance of 141,716.

2011

Metro Council provides leadership in climate change by developing a plan to meet requirements of House Bill 2001 for reducing greenhouse gas emissions.

Metro Council adopts Community Investment Strategy and capacity ordinance to set the stage for meeting the region's 20-year growth needs.

Metro's Visitor Venues compiles and releases visitor venue economic impact report including the Oregon Zoo for the first time, quantifying impact of venues on local economies.

The Portland Expo Center opens West Delta Bar and Grill, providing needed onsite food services to visitors.

Cemetery program reviews 58,000 internment records and develops electronic record keeping system for cemetery program.

Creates a strategic fundraising plan for Lone Fir Cemetery – Block 14 Memorial Park – to honor the Chinese settlers and 19th century mental health patients who endured segregation and discrimination during the early years of the Portland region.

Completes update to the Regional Transportation Plan – an innovative outcomes-based blueprint to guide future planning and investment in the region's transportation system management and operations – along with a freight plan and high capacity transit plan.

Supports development of the region's employment areas with the publication of Eco-Efficient Employment, the third in a series of community Investment Toolkit publications that provide technical assistance to local jurisdictions.

Initiates land use and transportation planning for two new corridor planning projects: the Southwest Corridor and the East Metro Corridor refinement plans.

New Gresham Civic light rail station opens.

Completes first comprehensive regional indicators report, in conjunction with Portland State University, as part of the Greater Portland Pulse project to measure how the region is doing economically, socially and environmentally.

2011 ○

Modernizes Data Resource Center's core service of providing RLIS data to regional decision-makers by launching RLIS Discovery site for anywhere, anytime download of data.

Provides leadership in climate change by developing a climate action framework that integrates climate change adaptation and mitigation strategies at the local and regional levels.

Implements internal sustainability plan to align actions with targets to reduce greenhouse gas emission, water use, toxics and solid waste from its operations.

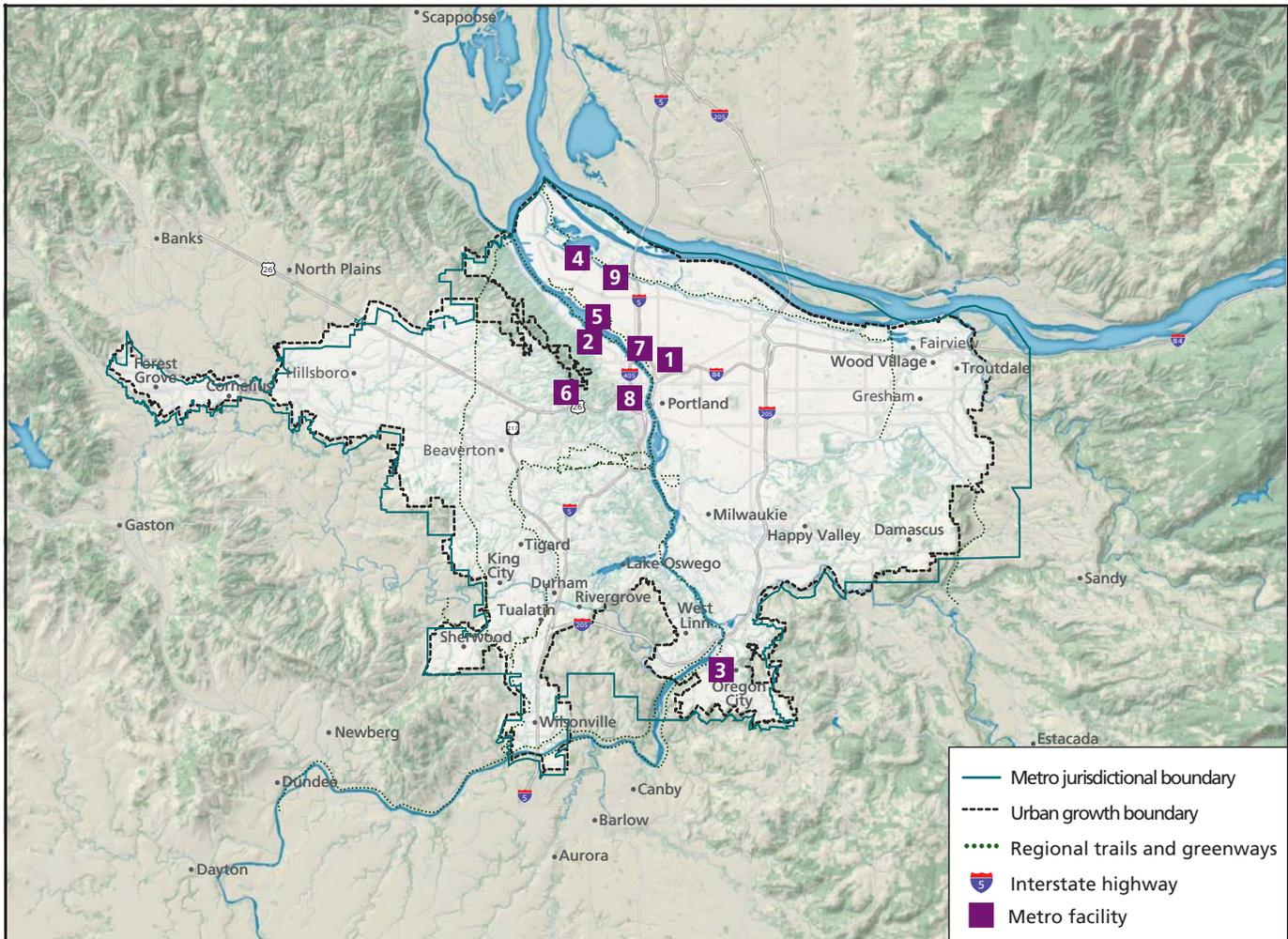
Launches Opt In, an innovative online opinion panel designed to increase diverse, sustained community engagement and provide a cost-effective public opinion research tool.

Implements online employment application system.

**Metro
facilities,
pioneer
cemeteries
and regional
parks**



Metro Facilities



REGIONAL FACILITIES

1. Metro Regional Center

Metro's regional center is located in the heart of Portland. The building serves as administrative headquarters for all Metro operating units.

SOLID WASTE AND RECYCLING FACILITIES

2. Metro Central Transfer Station

3. Metro South Transfer Station

Metro's two transfer stations accept trash and recyclable material from citizens, businesses and commercial waste haulers. Hazardous waste facilities are next to these stations.

4. St. Johns Landfill

Located in north Portland near the confluence of the Columbia and Willamette rivers, the 238-acre St. Johns Landfill is situated in Metro's Smith and Bybee Wetlands Natural Area, the largest protected wetland within an American city. The area is being actively restored — providing habitat for coyotes, great blue herons and painted turtles — while Metro continues to manage and monitor the area for future uses.

5. MetroPaint

MetroPaint is a high quality, affordable, 100 percent recycled latex paint produced in Portland, Oregon, since 1992. Metro manufactures and sells the recycled latex paint in 5-gallon pails and 1-gallon cans at this site and at select Miller Paint Outlets.

VISITOR VENUES

Millions of people have passed through the doors of the Oregon Zoo, Oregon Convention Center, Portland Center for the Performing Arts and Portland Expo Center.

6. Oregon Zoo

Metro owns and operates the Oregon Zoo, where people can get close to many endangered species. The zoo also offers educational programs for visitors and teachers, and has classes for adults, children and families.

7. Oregon Convention Center

With the expansion that was completed in April 2003, the Oregon Convention Center is now the Pacific Northwest's largest convention facility. Since it opened in 1990, more than 7.7 million people have attended its events.

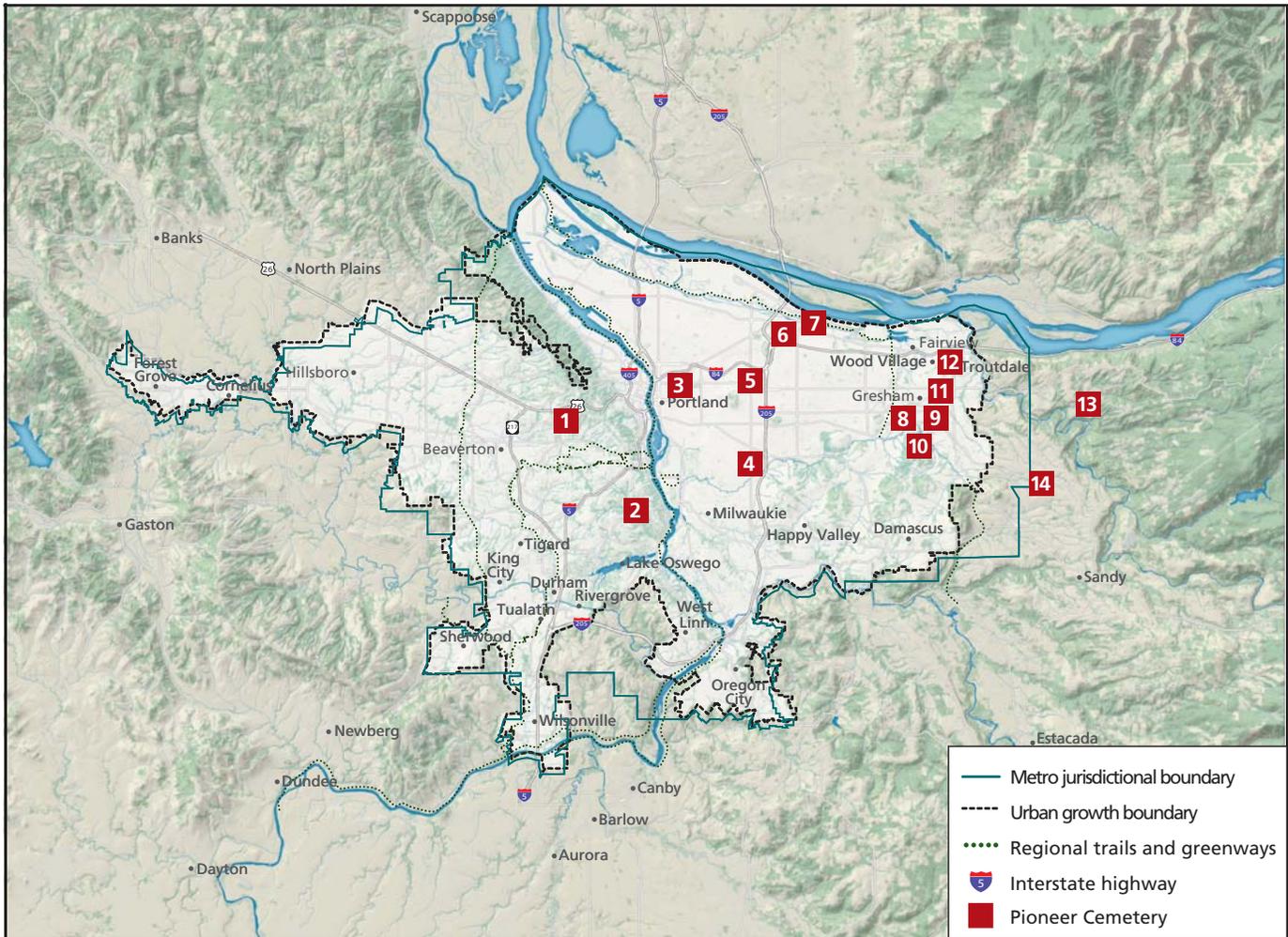
8. Portland Center for the Performing Arts

This leading cultural institution encompasses four acclaimed theaters that include Keller Auditorium, Arlene Schnitzer Concert Hall, and the Newmark Theater, Dolores Winningstad Theater and Brunish Hall, all located in the Antoinette Hatfield Hall.

9. Portland Expo Center

Portland Expo Center is the West Coast's largest public exhibition facility. The center is a public event venue for hobby shows, public exhibitions and community events. The Expo Center has undergone extensive renovation and modernization and is now connected to TriMet's Interstate MAX light-rail system.

Metro pioneer cemeteries



Metro's Parks and Environmental Services manages 14 historic pioneer cemeteries in Multnomah County. The cemeteries not only offer a unique look into the past, but are managed as active facilities.

Most of the pioneer cemeteries managed by Metro were established during the early homesteading period (*circa* 1850-1870). However, some were founded as early as 1837 during the fur trapping and trading period. Family burial plots often became community cemeteries. Community churches also provided burial grounds for their congregation.

Care of pioneer cemeteries became inconsistent, and some were abandoned to revert back to nature. In 1928 the Oregon Legislature mandated the care of 14 pioneer cemeteries to Multnomah County. This was done to assure proper maintenance of the facilities. Now the cemeteries are under Metro's care and fully tended in perpetuity.

1. Jones Cemetery

Founded in 1872, 3.5 acres

2. Grand Army of the Republic Cemetery

Founded in 1872, 2 acres

3. Lone Fir Pioneer Cemetery

Founded in 1855, 30.5 acres

4. Multnomah Park Cemetery

Founded in 1888, 9.25 acres

5. Brainard Cemetery

Founded in 1867, 1.1 acres

6. Columbia Pioneer Cemetery

Founded in 1877, 2.4 acres

7. Powell Grove Cemetery

Founded in 1848, 1 acre

8. White Birch Cemetery

Founded in 1889, .5 acres

9. Escobar Cemetery

Founded in 1908, .66 acres

10. Gresham Pioneer Cemetery

Founded in 1859, 2 acres

11. Mt. View Stark Cemetery

Founded in 1886, .75 acres

12. Douglass Cemetery

Founded in 1866, 9.1 acres

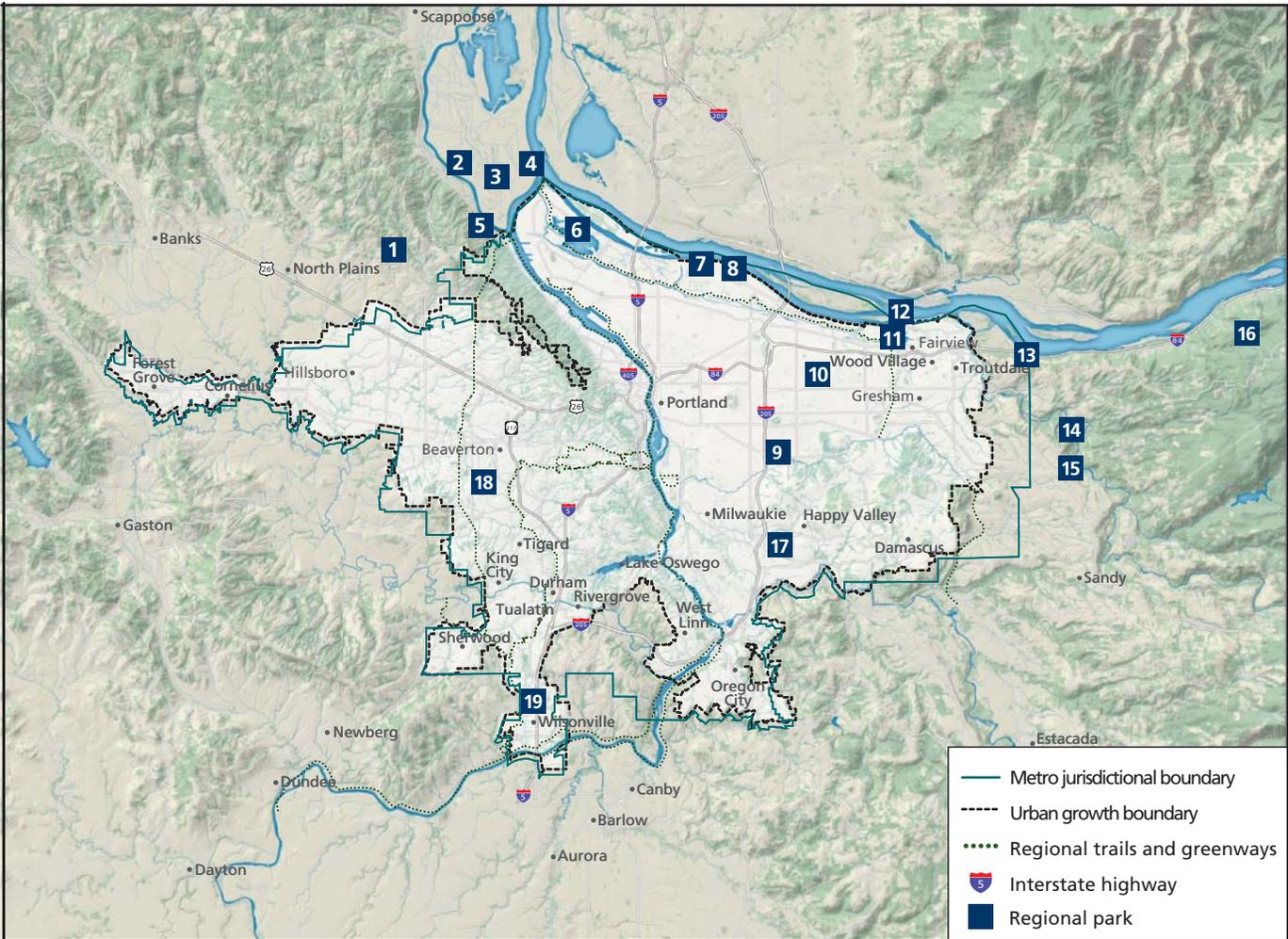
13. Mt. View Corbett Cemetery

Founded in 1888, 2 acres

14. Pleasant Home Cemetery

Founded in 1884, 1.92 acres

Metro regional parks



Metro's regional parks include the largest public boating facility in Oregon, the largest protected wetland within a city in the nation and an ancient forest towering over the wild and scenic Sandy River Gorge.

1. Mason Hill Park, 3 acres

This is the site of a former single room schoolhouse. On top of the picnic shelter at the park rests the original schoolhouse bell. The park is located at the intersection of NW Munson and Johnson Roads in Multnomah County and has a spectacular view looking southwest into the Tualatin River valley.

2. Sauvie Island Boat Ramp, 1 acre

Located on the Multnomah Channel, this one lane ramp offers boarding floats, paved parking, picnic tables and restrooms.

3. Howell Territorial Park, 120 acres

Visit a piece of Oregon history on Sauvie Island. Within this 120-acre park, the region's natural and cultural history come together in one serene, pastoral setting. Attractions include reservable picnic areas, a pioneer orchard, large natural wetlands and an authentically restored farmhouse built in the 1850s.

4. Belle View Point, 10 acres

Located on Sauvie Island at the confluence of the Willamette and Columbia Rivers, this site is considered a wildlife sanctuary accessible only by boat.

5. Multnomah Channel, 11 acres

This 11 acre undeveloped site is located on the northern slope of Forest Park above the community of Linnton.

6. Smith and Bybee Wetlands Natural Area, 2,000 acres

At nearly 2,000 acres, Metro's Smith and Bybee Wetlands Natural Area is the largest protected wetlands within an American city. This beautiful natural area is one of the region's best-kept secrets, hiding in a part of Portland surrounded by port terminals, warehouses and other commercial developments. Most visitors to the natural area are surprised to find beaver, river otter, black-tailed deer, osprey, bald eagles and Western painted turtles living only minutes from downtown Portland.

7. M. James Gleason Memorial Boat Ramp, 6 acres

M. James Gleason Memorial Boat Ramp is a convenient public boat launch on the Columbia River, minutes from downtown Portland. Amenities include launch lanes, boarding docks, restrooms, river maps and a river patrol office.

8. Broughton Beach, 9 acres

Located directly east of the M. James Gleason Memorial Boat Ramp, this area offers beach-related recreational opportunities on the shores of the Columbia River.

9. Beggars-tick Wildlife Area, 20 acres

Named after a species of native sunflower, Beggars-tick Wildlife Refuge is a unique urban park. This 20-acre wetland requires at least two visits to fully appreciate—once in winter and again in summer. It is two completely different experiences. The seasonal changes in animal and plant life are dramatic, and the natural diversity of this park makes each visit a refreshing outing.

10. Glendoveer Golf Course and Fitness Trail, 232 acres

Glendoveer Golf Course provides challenging play for every level with two 18-hole golf courses. There are also tennis courts, a driving range and a restaurant. A two-mile fitness trail along the perimeter of the course draws joggers and walkers to the natural setting.

11. Blue Lake Regional Park, 185 acres

A 64-acre natural lake fed by underground springs, Blue Lake provides opportunities for boating, fishing and swimming. It makes a beautiful backdrop for hundreds of family picnics, community events and special programs throughout the year.

12. Chinook Landing Marine Park, 67 acres

Chinook Landing Marine Park, a 67-acre marine park with six launching lanes on the Columbia River, is the largest public boating facility in Oregon. The park offers picnic and viewing areas, wetland and wildlife habitat, disabled-accessible docks, restrooms and a seasonal river patrol station.

13. Gary and Flagg Islands, 132 acres

These islands are located on the Columbia River just off-shore from the confluence of the Sandy and Columbia Rivers. The islands offer excellent wildlife habitat, especially for migratory birds.

14. Oxbow Regional Park, 1,200 acres

Located within the wild and scenic Sandy River Gorge, Metro's Oxbow Regional Park offers rare access to many of the region's natural wonders while providing a variety of unique recreational opportunities. The river draws swimmers, rafters, kayakers and drift boats carrying anglers. Fifteen miles of trails invite you to explore an ancient forest with centuries-old trees and ridges and ravines carved by volcanic and glacial flows.

15. Indian John Island, 64 acres

This secluded site is considered part of Oxbow Park and located upriver from the park on the Sandy River.

16. Larch Mountain Corridor, 185 acres

This property lines both sides of Larch Mountain Road leading up to the top of the mountain.

17. Mount Talbert Nature Park, 184 acres

Located southeast of I-205 and Sunnyside Road in Clackamas County, this nature park is operated by the North Clackamas Park and Recreation District.

18. Cooper Mountain Nature Park, 256 acres

Located southwest of Beaverton, the Cooper Mountain Nature Park opened in spring 2009, offering parking, restrooms and miles of hiking trails. The site also includes a "nature house" for environmental education.

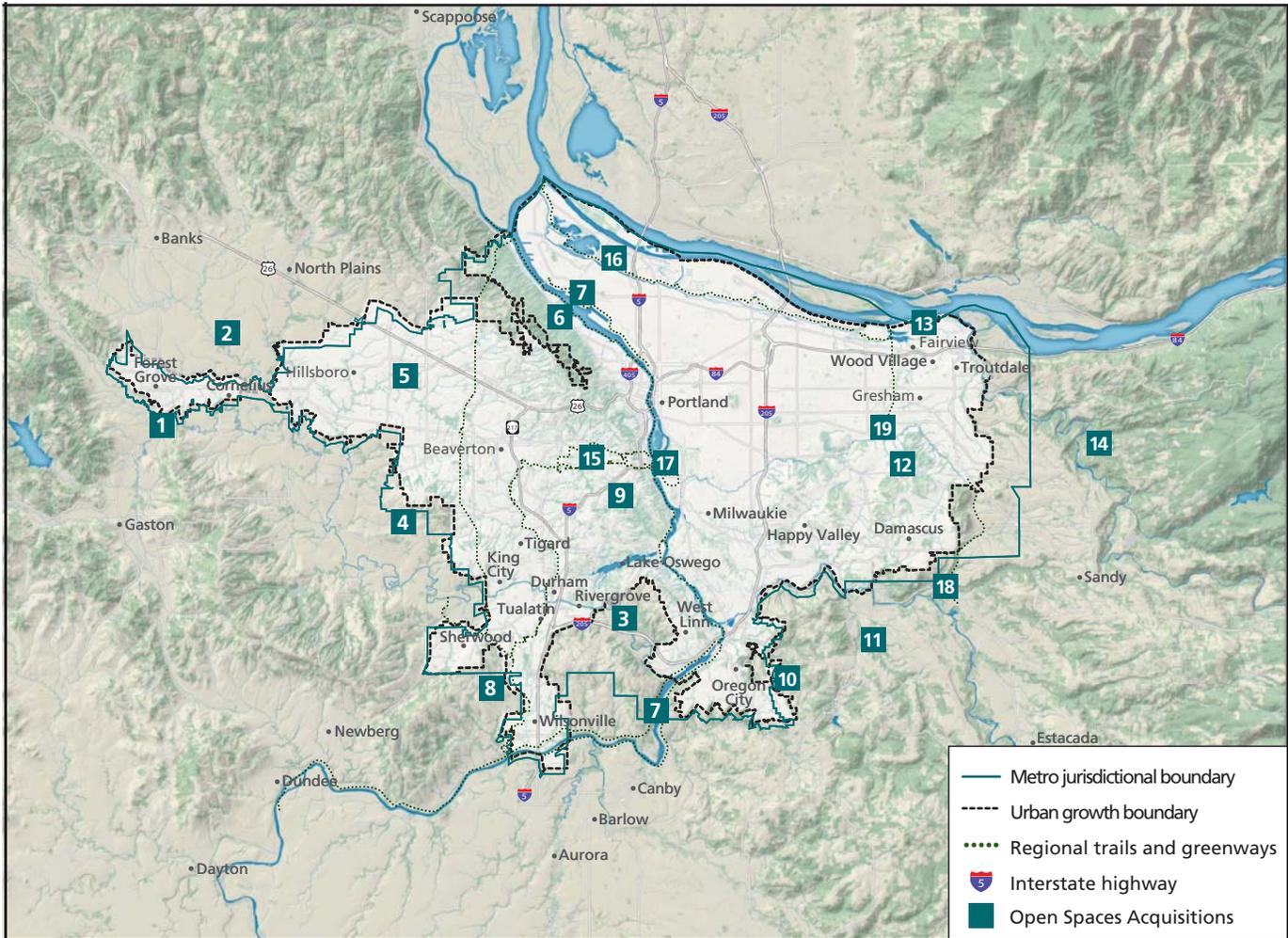
19. Graham Oaks Nature Park, 250 acres

Located west of Wilsonville, the Graham Oaks Nature Park opened in fall 2010, and offers parking, restrooms and trails.

Metro Open Spaces and Natural Areas



Metro 1995 open spaces acquisition



Metro's open spaces, parks and streams bond measure was approved by voters in 1995. The bond measure's primary goal was to purchase natural areas to be held for future use as parks, trails and fish and wildlife habitat. Metro has acquired more than 8,175 acres of land for regional natural areas and regional trails and greenways, in 266 separate property transactions. These properties protect nearly 76 miles of stream and river frontage.

REGIONAL ACQUISITION

1. Gales Creek, 648 acres

Wetlands and riparian forests acquired along Gales Creek south of Forest Grove protect wildlife habitat and water quality near the Tualatin River and connect to other large regional natural areas such as Fernhill Wetlands.

2. Jackson Bottom/McKay and Dairy Creeks, 493 acres

Acquisitions along these tributaries of the Tualatin River support water quality enhancement efforts in the Tualatin Basin and add wildlife habitat to the Jackson Bottom Wetlands Preserve management area.

3. Tualatin River access points, 398 acres

Acquisitions along the Tualatin River provide rare habitat types and at least four future public access points for canoeing, kayaking, fishing, picnicking and wildlife viewing.

4. Cooper Mountain, 256 acres

Oak woodland, dry native prairie, mixed conifer forest and stream and wetland areas provide the backdrop for a public nature park at Cooper Mountain near Beaverton.

5. Rock Creek, 117 acres

A tributary of the Tualatin River, Rock Creek flows through an area of rapid urban growth. Acquisitions protect some of the natural features of the area, provide wildlife habitat, help maintain water quality and offer recreation opportunities.

6. Forest Park buffer/expansion, 865 acres

Acquisition of inholdings and adjacent buffer areas protects the future of Forest Park, a 5,000 acre park in urban Northwest Portland.

7. Willamette River Greenway, 959 acres

Acquisitions from Wilsonville to the Multnomah Channel protect fish and wildlife habitat and provide scenic value and future river access.

8. Tonquin geologic area, 487 acres

This area near Tualatin links to the Tualatin River National Wildlife Refuge and contributes scenic value to the cities of Wilsonville and Tualatin. It also features unique geologic evidence of prehistoric glacial flooding.

9. Tryon Creek linkages, 59 acres

Stream greenways leading to Tryon Creek help protect water quality in the watershed as well as support the integrity of Tryon Creek State Natural Area.

10. Newell Creek Canyon, 280 acres

Newell Creek flows through a forested canyon near Oregon City. Acquisitions include nearly six miles of stream frontage and help protect salmon and trout habitat.

11. Clear Creek Canyon, 520 acres

Acquisitions along this tributary of the Clackamas River support a salmon fishery and provide habitat for more than 100 species of fish and wildlife, including coyotes, cougar, blacktail deer, elk, cutthroat trout, chinook and coho salmon and 76 species of birds.

12. East Buttes/Boring Lava Domes, 856 acres

A group of extinct volcanoes and lava domes in north Clackamas and east Multnomah counties provide unique geographic character to the region, excellent wildlife habitat and panoramic vistas.

13. Columbia River shoreline, 271 acres

Riparian forests and island acquisitions west of the Sandy River improve public access to the Columbia River and preserve remaining undeveloped habitat.

14. Sandy River Gorge, 1,082 acres

Acquisitions along this wild and scenic waterway and its tributaries provide important fish and wildlife habitat and water quality benefits.

REGIONAL TRAILS AND GREENWAYS

15. Fanno Creek Greenway, 39 acres

Acquisitions will help complete the 15 mile regional trail planned from the shores of the Willamette River in Southwest Portland to the confluence of Fanno Creek and the Tualatin River. These properties also provide water quality protection in a highly urbanized area.

16. Peninsula Crossing Trail, 1 acre

Located in North Portland, this 3.5-mile trail connects the Columbia Slough and Smith and Bybee Wetlands Natural Area with the Willamette Greenway. The trail is open for public use.

17. OMSI to Springwater Corridor, 53 acres

Now home to the Springwater on the Willamette Trail, this critical link in the regional trails system is used by more than 400,000 people each year.

18. Clackamas River North Bank Greenway, 608 acres

Acquisition of land along the Clackamas River between Barton and Clackamette parks provides significant habitat restoration opportunities, flood storage, water quality protection and future recreational values.

19. Beaver Creek Canyon, 110 acres

This tributary of the Sandy River offers an important fish and wildlife corridor. The city of Troutdale has also completed several segments of a regional greenway trail in the canyon for hiking and wildlife watching.

In November 2006 voters directed the Metro Council to safeguard water quality, protect fish and wildlife habitat and ensure access to nature for future generations.

The \$227.4 million bond measure voters approved protects natural areas and lands near rivers and streams throughout the metro region, safeguarding the quality of our water while managing the impacts of growth and maintaining the area's quality of life for future generations.

Metro's Natural Areas program is designed to preserve natural areas at the regional, local and neighborhood levels:

Regional natural areas, \$168.4 million

Metro will acquire between 3,500 and 4,500 acres of land in 27 specifically identified target areas to protect and enhance habitat for fish, wildlife and water quality. The target areas emphasize protection of natural area lands now in urban areas or in areas where development is likely to occur. The Natural Areas acquisition program operates entirely on a willing seller basis with property owners. In FY 2009-10 Metro purchased 1,143 acres on Chehalem Ridge, which is the largest property ever purchased by the voter-approved Natural Areas Program.

Local projects, \$44 million

Local cities, counties and park providers in the metro area will complete more than 100 projects that protect water quality, improve parks and natural areas, preserve wildlife habitat and provide greater access to nature for people all over the region.

Nature in Neighborhoods grant program, \$15 million

The Nature in Neighborhoods capital grants program funds projects that preserve or enhance natural features and their ecological functions on public lands in neighborhoods, and help ensure that every community enjoys clean water and nature as an element of its character and livability. Schools, neighborhood associations, community groups and other nonprofit organizations, cities, counties and public park providers started applying for grants in fall 2007.

Natural Areas program cost to property owners

The AAA bond rating Metro received in March 2007 provided the agency with about \$6 million more for land purchases than anticipated when the first Natural Areas program bonds were sold. Additionally, Metro's exceptional AAA rating will save taxpayers nearly \$8 million in interest over the 20-year life of the first issue.

In the first year the Natural Areas program cost property owners approximately 17 cents per \$1,000 of assessed value. For the average homeowner, the total annual cost is likely to be \$30-\$35.

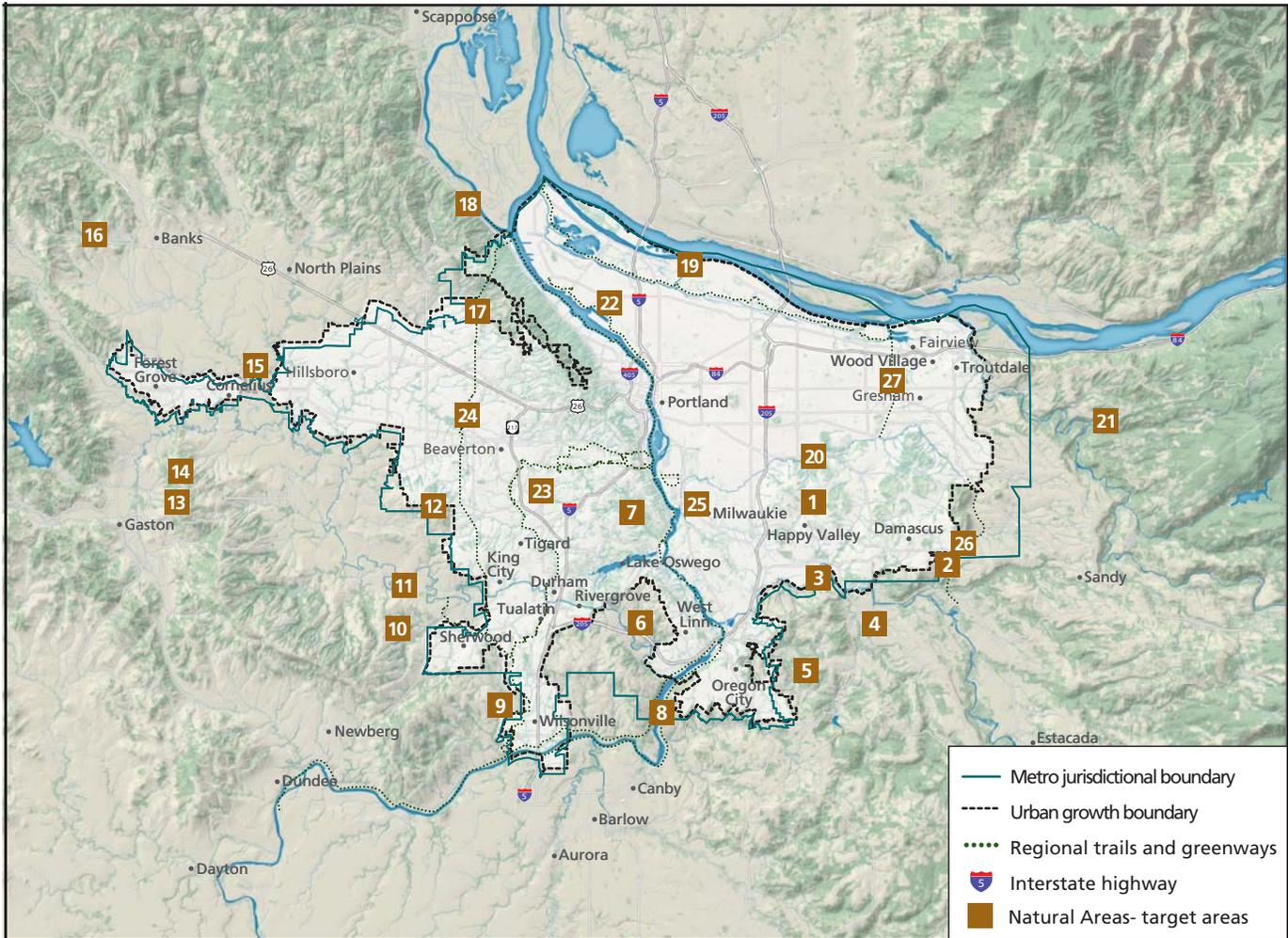
Building on success

The 2006 Natural Areas bond measure continues the work of the \$135.6 million Open Spaces bond measure approved by the region's voters in 1995. The program builds on the accomplishments of the first program which has protected more than 8,000 acres of natural areas and 76 miles of stream and river frontage throughout the region.

Citizen oversight for the benefit of fish, wildlife – and taxpayers

In May 2007 the Metro Council appointed 15 members to the Natural Areas program performance oversight committee. Members are drawn from all areas of the region and from a variety of technical and professional disciplines, including finance, auditing, accounting, real estate, banking and law. Committee members share their expertise to ensure the best results for the region.

Natural Areas - regional target areas



1. East Buttes

A group of extinct volcanoes and lava domes in north Clackamas and east Multnomah counties lends unique geographic character to the region, providing wildlife habitat and panoramic vistas. The area contains some of the largest contiguous wildlife habitat in the region.

2. Deep Creek and Tributaries

Besides offering significant habitat for wildlife and fish, the creeks are also important to water quality as they enter the Clackamas River above municipal water intakes. As the name Deep Creek indicates, areas along the creek are mostly steep and forested with moderate to large Douglas fir, cedar and hardwoods.

3. Clackamas River Bluffs and Greenway

Clackamas River Bluffs represent the last remaining opportunity to protect a large regional park site within this rapidly developing portion of Clackamas County. Uncommon habitat types in this area, resulting from wet and dry conditions in close proximity, create a rich diversity of plant and animal habitats.

4. Clear Creek

Supporting the most abundant salmon populations in the lower Clackamas River, Clear Creek remains a premier large creek in the metropolitan region. Completing key acquisitions in and surrounding Clear Creek public lands will protect the public investment made to date in establishing a significant regional natural area.

5. Abernethy and Newell Creeks

With successful protection of portions of Newell Creek, continued acquisition of undeveloped lands along its lower portion and along Abernethy Creek will expand fish and wildlife habitat critical to the area in and around Oregon City, especially threatened habitat for native steelhead and cutthroat populations.

6. Stafford Basin

Along with providing flood storage, the Stafford Basin floodplains and associated wetlands support considerable numbers of waterfowl and migrating neo-tropical birds.

7. Tryon Creek Linkages

The Tryon Creek Watershed covers more than 4,000 acres, including about 3,000 acres within Portland's city limits. Protecting and restoring the streams that feed into Tryon Creek will benefit water quality as well as support the integrity of the wildlife habitat at Tryon Creek State Natural Area.

8. Willamette Narrows and Canemah Bluff

Descending the Willamette River, this greenway forms the corridor gateway to Willamette Falls, Oregon City and urbanizing areas of the lower Willamette River. Flowing through islands and past steep bluffs, this portion of the river retains a sense of wildness like no other reach of the lower river. The narrows provide high quality wildlife and important fish habitat.

9. Tonquin Geologic Area

Protection of the rocky outcrops that frame these former lake bottoms will provide wildlife habitat of considerable complexity and richness and preserve the area's rare geologic features. Within this area, a 12-mile trail corridor will connect nearby cities and the new town center of Villebois to regionally significant natural areas.

10. Lower Tualatin Headwaters

The headwaters of the lower Tualatin River are located in Washington County and include important tributaries that retain significant value for wildlife and contribute to water quality in the Tualatin River basin. Tributaries include Cedar Creek, Chicken Creek and Baker Creek.

11. Tualatin River Greenway

Providing additional access points along the river and increasing floodplain protection through acquisition and restoration will allow people to use the river and see improvements in wildlife habitat and water quality.

12. Cooper Mountain

Cooper Mountain Natural Area sits on the southwestern slopes of Cooper Mountain, an 800-foot high basalt mound located near the western edge of Beaverton. Restoration projects at the site include the reintroduction of trees and shrubs, enhancement of oak and upland prairie habitat and improved conditions for the endangered pale larkspur and other rare wildflowers.

13. Chehalem Ridgetop to Refuge

The northern end of the Chehalem Mountains provides opportunities for the protection of large, undeveloped tracts of forestland to protect water quality and wildlife connections from this mountain range to area river bottomlands.

14. Wapato Lake

This ancient lakebed historically supported large numbers of waterfowl, including tundra swans. This flood-prone bottomland of the Tualatin River is being considered as a future wildlife refuge that will connect to existing public lands to the north located near Forest Grove and Hillsboro and attract tourists to Washington County.

15. Dairy and McKay Creeks Confluence

The creeks converge at the interface of farmland and the urban growth boundary, forming broad wetlands accessible to a rapidly urbanizing area. Protecting the riparian areas and associated wetlands in the confluence area will contribute significantly to improved water quality in these major tributaries of the Tualatin River.

16. Killin Wetland

One of the largest peat soil wetlands remaining in the Willamette Valley, this wetland supports a rare assemblage of plants and animals. Although much of the wetland is currently in public ownership, acquisition of the remaining portions of the wetland and main tributaries is essential to the long-term protection of this highly valuable fish and wildlife habitat.

17. Rock Creek Headwaters and Greenway

A major tributary of the Tualatin River, upper Rock Creek and its tributaries are under intense development pressure as urban growth expands throughout the watershed. Watershed managers have identified protection of the upper watershed as a high priority for meeting water quality protection goals in the lower watershed.

18. Forest Park Connections

Connecting Forest Park to Rock Creek and the Westside Trail will keep important wildlife corridors intact and provide trail connections between the region's largest urban park and Washington County.

19. Columbia Slough

The Columbia Slough is one of very few areas in North and Northeast Portland with the potential for restoring fish and wildlife habitat. Acquisition along the slough will improve water quality in its critical reaches, provide trail connections to existing recreation areas, secure wildlife corridors and help complete an important section of the 40 Mile Loop.

20. Johnson Creek and Watershed

Johnson Creek remains the most densely urbanized creek in our region. Opportunities remain to acquire tracts within the remaining floodplain, upland habitat areas adjacent to the main stem, and along both Butler and Kelly creeks to protect water quality and connect public holdings with the Damascus Buttes.

21. Sandy River Gorge

The Sandy River cuts a 55-mile serpentine swath from Mt. Hood to the Columbia River. Acquisitions along this wild and scenic waterway and its tributaries will provide important fish and wildlife habitat and water quality benefits.

22. Willamette River Greenway

Acquisition and connections between existing public holdings along the greenway from Wilsonville to the Multnomah Channel will protect fish and wildlife habitat, water quality, scenic resources and improve public access to the river.

23. Fanno Creek Linkages

Additions to this existing west side greenway will extend the corridor from the Tualatin River into a highly urbanized, “walker challenged” area of the city, and further protect water quality in one of our critical regional rivers.

24. Westside Trail

This 24 mile north/south alignment stretches from the Tualatin River in Tigard north through Beaverton, unincorporated Washington and Multnomah counties through Forest Park to the Willamette River. The corridor, located within one mile of over 120,000 residents, and near numerous parks, schools, regional centers and the MAX line, could become a primary Westside recreation and commuter spine.

25. Springwater Corridor

The Springwater Corridor is the major southeast segment of the 40-Mile Loop, which was inspired by John Charles Olmsted’s 1903 plan for a parkway and boulevard loop connecting park sites in the Portland area. Funding will complete the one mile corridor between the existing Springwater on the Willamette Trail and the Three Bridges project at Southeast 19th Avenue in Portland. This will provide the final connection of the Springwater Corridor between downtown Portland east through Milwaukie and Gresham to Boring.

26. Cazadero Trail

The proposed Cazadero Trail route follows the historic Oregon Water Power and Railway Co. rail line, which connected Portland to Cazadero, two miles upriver from Estacada. Enhancement of the corridor for trail use will connect campgrounds, future inter-urban trails and Portland (via the Springwater Corridor) to Mt. Hood and the Pacific Crest Trail.

27. Gresham–Fairview Trail

The Gresham-Fairview Trail will serve as a major north/south connector for cyclists and pedestrians between two regionally significant and heavily used trails: the Springwater Corridor and the 40-Mile Loop (along Marine Drive on the Columbia River).



Regional Economic Conditions

The Portland metropolitan region (the Portland-Beaverton-Vancouver, OR-WA Primary Metropolitan Statistical Area) is home to more than 2.2 million residents (U.S. Census). The “economic region” comprises five counties in Oregon and two in Washington. Multnomah County, the region’s central county, is home to the state’s largest city, Portland, with more than 583,835 residents (Portland State University).

Multnomah is ringed by three suburban counties: Washington and Clackamas in Oregon and Clark in Washington. Washington County is the largest of these and is home to Oregon’s “Silicon Forest.” Since at least 1970, Washington County has surpassed the growth rate of all other counties in the region in terms of population and employment. This growth has been fueled by the county’s successful efforts to attract technology firms (e.g., silicon wafer producers, photovoltaic manufacturers and biotech firms) and the workers and their families who have settled in the county as a result.

Columbia, Yamhill and Skamania are exurban counties with economic, social and transportation systems that are intertwined with the metropolitan region. Significant numbers of workers commute between the exurban, suburban and central counties. Residents from the exurban counties may travel into more centralized locations to enjoy greater entertainment and retail options, while urban residents also may travel to rural points of interest to enjoy recreational opportunities.

State land use laws and Metro’s strong adherence to an urban growth boundary have allowed the region to preserve much of its rich farming history. Clackamas and Washington counties rank fourth and sixth in the state in gross farm and ranch sales and are home to top producers of grass seed, ornamental crops, fruits, nuts and berries. In 2010 Clackamas and Washington counties ranked 2nd and 3rd in the state in overall greenhouse and nursery production. Clackamas County was also the second leading producer of cane berries in the State. Yamhill County led all counties in the state in wine grape production with Washington County growers close behind. Exports are a strong component of the Portland area’s top farm growers, with Canada, China, Mexico and Japan topping the list of top destinations for the region’s agricultural production. (Oregon Department of Agriculture)

The region has seen recent population growth vary from a peak of 2.5 percent in 2001 to a low of 0.9 percent in 2004. Population has shown surprising resilience during the “Great Recession” of 2008-10. Annual regional population growth has remained between 1.7 and 1.9 percent since 2006, above statewide and national averages. The Portland area remains a popular destination for people in search of job opportunities, as well as an attractive location for new business starts. (Census Population Estimates)

Like many metropolitan areas across the nation, the Portland area has seen employment tumble during the recession. Employment has yet to return to pre-recession levels. As of mid-year 2011, the region’s seasonal employment level was 979,600 jobs (Bureau of Labor Statistics). In 2010 the annual unemployment rate in the region was 10.6 percent, compared to state-wide and national rates of 10.8 and 9.7 percent, respectively. The Portland metropolitan area has seen double-digit unemployment since February 2009, reaching a high of 11.4 percent in March 2010. Peak to trough, the region has lost nearly 10 percent of its employment during the recession.

Nationally the pace of job growth appears to be inching ahead in concert with other signs of economic recovery. Consumers are returning to stores and forward looking production indicators point to an upswing in productivity and output. As the U.S. economy recovers, we anticipate the Portland area economy to rebound

as well. During the downturn, waste disposal tonnage figures fell precipitously, but the declines have begun to slow and should level out in FY 2011-12. Studies show a positive correlation between economic activity and waste disposal. In other economic sectors, air and marine cargo shipments through the Port of Portland have been growing steadily since the close of the recession. Marine shipment levels have returned to pre-recession activity levels, but air cargo figures are still below pre-recession shipment levels. Air cargo tonnage estimates have been steadily increasing since the first-half of 2010. (Port of Portland)

Home prices in the Portland area have fallen 27 percent since the onset of the U.S. recession. The Case-Shiller 20 city composite index has shown a double-dip in national home prices, but of late the decline in Portland area housing prices has re-accelerated.

Regional Outlook

Recent employment conditions have been on the upswing since 4th quarter 2010. Most notably, employment growth rates seem to be accelerating with the recovery of the U.S. economy. Our most recent forecast for the Portland-Hillsboro-Vancouver, OR-WA MSA calls for employment to continue growing so long as the recovery maintains momentum, but the regional recovery is expected to be subdued through the end of 2011. The recovery will be uneven across industry sectors. Manufacturing, construction and retail sectors, hardest hit during this recession, will take longer to rebound. Generally, the service sectors will define the shape of this recovery. Regional employment is not expected to return to pre-recession employment levels until mid-year 2014 at the earliest or later in 2015 if the nascent national recovery continues to sputter longer than expected.

The population outlook for the region calls for growth to exceed national and statewide rates for the foreseeable future, fueling the growth expected in the service sector and other non-manufacturing industries. The construction and finance/real estate industries, however, will lag behind, due to the nature of the downturn. Already, we are seeing strength returning to the region's heavy industrial sectors and high-technology sectors including the emerging solar energy production sector. The region's business service sector is rebounding rapidly. The temporary service industry has been sharply increasing employment levels during the early phase of the regional recovery, but growth has begun to moderate in the last couple months. This along with accelerating employment growth seen in manufacturing, in particular, and other professional service industries points to more secure employment which suggests firms in the region are believing in the recovery (despite mixed economic indications of the U.S. economic recovery in recent months) and hiring more permanent staff and production workers.

Economic outlook provided by
Metro's Research Center

Population

Metro includes the urbanized portions of three counties: Clackamas, Multnomah and Washington. Major incorporated cities in the area are Portland, Gresham, Beaverton, Hillsboro, Tigard, Tualatin, Sherwood, Forest Grove, Lake Oswego, Milwaukie and Oregon City.

The City of Portland (population 583,835) is the center of commerce, industry, transportation, finance and service for an immediate metropolitan area of approximately 1.65 million people. Portland is the county seat of Multnomah County, the largest city in Oregon, and the second largest city in the Pacific Northwest.

The Portland-Vancouver Primary Metropolitan Statistical Area (Portland PMSA) includes Multnomah, Washington, Clackamas, Columbia and Yamhill counties in Oregon, and Clark and Skamania counties in Washington. Portland PMSA statistics are included in this section where county statistics cannot be separated.

The Portland metro area is Oregon's largest population center. Multnomah County is Oregon's most populous county, with an estimated 735,334 residents in 2010. Washington County ranks second and Clackamas County ranks third, with populations of 529,710 and 375,992, respectively. The combined population for Metro is estimated to be 1,481,118.

Population State of Oregon, Multnomah, Washington, Clackamas Counties

	Oregon	Multnomah County	Washington County	Clackamas County
2010	3,831,074	735,334	529,710	375,992
2009	3,825,657	726,855	537,318	386,143
2008	3,790,060	714,567	529,216	380,576
2007	3,735,549	699,186	519,794	375,107
2006	3,700,758	687,373	513,181	366,279

Source: U.S. Decennial Census and Intercensal Estimates

Economy and employment

The economy of the Portland metropolitan area is broad and widely diversified. Historically, the two major manufacturing industries locally were forest products and food products processing due to the abundance of forests and agricultural land in the state. Forest and food products manufacturing remain important sectors of the economy; however, growth in manufacturing has diversified to include machinery, electrical and electronic equipment, transportation equipment, primary and fabricated metals and other durable goods.

Portland PMSA top 10 employers by labor force

Company	Service	Number of Employees
State Government	Government	23,900
U.S. Government	Government	17,400
Intel Corporation	Semiconductor integrated circuits	15,636
Providence Health System	Health care services	14,089
Oregon Health & Science University	Education and health care	12,000
Fred Meyer Stores	Grocery/retail	9,858
Legacy Health System	Health Care	9,732
Kaiser Foundation Health Plan of the NW	Health Care	9,039
City of Portland	Government	8,876
Nike, Inc	Sports shoes and apparel	7,000

Source: Seattle-Northwest Securities Corporation

Portland-Vancouver PMSA labor force summary⁽¹⁾

	2010	2009	2008	2007	2006	2010 Change from			
						2009	2008	2007	2006
Civilian labor force	1,189,827	1,175,710	1,171,267	1,144,814	1,124,030	14,117	18,560	45,013	65,797
Unemployment	126,187	125,168	68,322	55,284	56,422	1,019	57,865	70,903	69,765
Percent of labor force	10.6%	10.6%	5.8%	4.8%	5.0%				
TOTAL EMPLOYMENT	1,063,640	1,050,042	1,102,945	1,089,530	1,067,608	13,598	-39,305	-25,890	-3,968

Non-agriculture wage and salary employment⁽²⁾

	2010	2009	2008	2007	2006	2010 Change from			
						2009	2008	2007	2006
Natural resources and mining	1,100	1,200	1,500	1,600	1,700	-100	-400	-500	-600
Construction	44,700	49,200	61,400	66,600	63,200	-4,500	-16,700	-21,900	-18,500
Manufacturing	106,700	108,600	123,300	125,500	126,400	-1,900	-17,300	-18,800	-19,700
Trade, transportation, utilities	186,700	189,600	204,000	213,400	202,600	-2,900	-14,400	-26,700	-15,900
Information	22,300	22,900	24,800	24,800	24,000	-600	-2,500	-2,500	-1,700
Financial activities	61,800	64,200	68,100	70,900	70,600	-2,400	-6,300	-9,100	-8,800
Professional, business services	126,600	124,400	136,100	137,000	134,700	2,200	-9,500	-10,400	-8,100
Educational and health services	139,000	134,900	132,700	131,500	123,200	4,100	6,300	7,500	15,800
Leisure and hospitality	93,900	94,000	99,700	99,400	94,100	-5,800	-5,500	-5,400	-200
Other services	35,000	35,200	37,300	37,000	35,700	-200	-2,300	-2,000	-700
TOTAL PRIVATE	817,800	824,100	888,900	907,700	876,200	-6,300	-71,100	-89,900	-58,400
GOVERNMENT	147,800	148,300	146,600	147,200	138,900	-500	1,200	600	8,900
TOTAL NON-FARM PAY-ROLL EMPLOYMENT	965,600	972,400	1,035,500	1,054,900	1,015,100	-6,800	-69,900	-89,300	-49,500

(1) Civilian labor force includes employed and unemployed individuals 16 years and older by place of residence. Employed includes nonfarm payroll employment, self-employed, unpaid family workers, domestics, agriculture and labor disputants. Data are adjusted for multiple job-holding and commuting.

(2) Nonfarm payroll data are based on the 2002 North American Industry Classification System manual. The data are by place of work. Persons working multiple jobs are counted more than once. The data excludes the self-employed, volunteers, unpaid family workers and domestics.

Source: State of Oregon Employment Department, 2010.

Transportation

The Portland area is a major transportation hub of the Pacific Northwest. Located at the confluence of the Columbia and Willamette rivers, Portland is approximately 110 river miles from the Pacific Ocean at Astoria. Major north-south (I-5) and east-west (I-84) highways connect the area with other major metropolitan areas of the western states. Burlington Northern Santa Fe Railway Company and Union Pacific railroads provide rail freight service to the area and Amtrak provides passenger service. Interstate bus transportation is available through Greyhound, and local bus service is provided by the Tri-County Metropolitan Transportation District (TriMet).

Commercial air transportation is available at Portland International Airport (PDX). PDX, operated by the Port of Portland, is served by 14 scheduled passenger air carriers, three charter services and 11 cargo carriers. The port also operates three general aviation airports in Troutdale, Hillsboro and Mulino.

Higher Education

Institutions of higher learning in Metro's boundaries include independent institutions such as Reed College, Lewis and Clark College, Pacific University, and church-affiliated institutions such as the University of Portland, Warner Pacific College and Columbia Pacific College. Portland State University, which is part of the Oregon University System of Higher Education, and the Oregon Health and Science University are also located in Multnomah County. The University of Oregon maintains an extension center in downtown Portland. Portland Community College, Mt. Hood Community College and Clackamas Community College are part of the state's community college system.

Building Permits

Residential building permits are an indicator of growth within a region. The number and valuation of new single-family and multi-family residential building permits issued throughout the counties are listed below:

Residential building permits by calendar year

2010	New Single Family		New Multi-family			TOTAL
	Number	Construction Cost	Number	Units	Construction Cost	
Multnomah County	521	\$115,174,079	32	714	\$90,417,365	\$205,591,444
Washington County	1,033	247,545,370	26	238	26,850,491	274,395,861
Clackamas County	625	159,045,763	18	40	8,006,271	163,297,223
TOTAL	2,179	\$521,765,212	76	988	\$125,274,127	\$643,284,528
2009	Number	Construction Cost	Number	Units	Construction Cost	TOTAL
Multnomah County	519	\$108,317,996	44	521	\$63,679,249	\$171,997,245
Washington County	871	200,340,443	41	332	35,166,798	235,507,241
Clackamas County	580	160,529,460	6	135	11,653,028	172,182,488
TOTAL	1,970	\$469,187,899	91	988	\$110,499,075	\$579,686,974
2008	Number	Construction Cost	Number	Units	Construction Cost	TOTAL
Multnomah County	790	\$159,532,046	89	2,256	\$419,061,617	\$578,593,663
Washington County	1149	271,075,724	55	589	59,283,603	330,359,627
Clackamas County	865	221,883,976	0	0	0	221,701,203
TOTAL	5,653	\$1,335,078,523	272	3,994	\$430,268,181	\$1,765,346,704

Source: U.S. Census Bureau, 2010

Income

Oregon has had an increase in per capita income each year since 2000 until 2009 when the economic recession caused per capita income to decrease. Statewide personal income growth has slowed recently due to overall economic conditions.

Total personal and per capita income

Source: U.S. Department of Commerce, Bureau of Economic Analysis, 2009

State of Oregon

	Personal Income	Dividends, interest, rent	Per capita income	Per capita dividends, interest, rent
2009	\$138,453,340	\$28,181,017	\$36,191	\$7,366
2008	137,569,686	27,608,084	36,365	7,309
2007	131,277,786	26,969,597	35,143	7,220
2006	122,909,475	23,881,696	33,211	6,453
2005	117,148,817	21,413,596	32,174	5,881

Multnomah County

	Personal Income (billions)	Dividends, interest, rent (billions)	Per capita income	Per capita dividends, interest, rent
2009	\$29,430,654	\$5,766,712	\$40,490	\$7,935
2008	29,372,019	5,750,578	41,222	8,070
2007	28,485,388	5,611,785	40,598	8,026
2006	26,483,785	5,006,940	38,528	7,284
2005	25,436,032	4,558,806	37,798	6,774

Washington County

	Personal Income (billions)	Dividends, interest, rent (billions)	Per capita income	Per capita dividends, interest, rent
2009	\$21,205,286	\$3,635,167	\$39,465	\$6,764
2008	21,185,612	3,678,024	40,188	6,977
2007	19,945,179	3,446,999	38,371	6,631
2006	18,607,666	3,067,346	36,259	5,977
2005	17,337,966	2,569,416	34,626	5,132

Clackamas County

	Personal Income (billions)	Dividends, interest, rent (billions)	Per capita income	Per capita dividends, interest, rent
2009	\$16,853,655	\$3,460,062	\$43,646	\$8,961
2008	17,080,392	3,446,668	44,803	9,041
2007	16,491,610	3,428,178	43,965	9,001
2006	15,371,418	2,972,562	41,377	8,001
2005	14,630,564	2,644,725	39,729	7,182

Agriculture

The Portland metropolitan region lies in one of the most diverse agricultural regions in the United States — the Willamette Valley. More than 170 different crops are grown in the area including grains, grass and legume seed field crops, tree fruits and nuts, berries and small fruits, wines and vegetables. Dairy, beef and poultry are also produced in the region.

Harvested acreage and gross farm sales for all counties

2009	Harvested acreage	Gross Farm Sales (in thousands)		
		Crop sales	Animal product sales	TOTAL GROSS FARM SALES
Multnomah County	9,015	59,344	2,821	62,165
Washington County	84,897	222,372	14,236	236,608
Clackamas County	44,226	254,968	56,821	311,789
TOTAL	138,138	536,684	73,878	610,562
OREGON TOTAL	2,994,468	2,873,222	1,251,824	4,125,046
% of State	4.6%	18.7%	5.9%	14.8%
2008	Harvested acreage	Crop sales	Animal product sales	TOTAL GROSS FARM SALES
Multnomah County	8,467	67,423	2,851	70,274
Washington County	90,404	277,585	19,650	397,235
Clackamas County	43,718	285,018	57,007	342,025
TOTAL	142,589	630,026	79,502	809,534
OREGON TOTAL	3,057,361	3,436,027	1,386,272	4,822,299
% of State	4.6%	18.3%	5.7%	16.8%
2007	Harvested acreage	Crop sales	Animal product sales	TOTAL GROSS FARM SALES
Multnomah County	9,541	79,321	2,855	82,176
Washington County	79,724	330,470	20,837	351,307
Clackamas County	43,284	353,421	56,493	409,914
TOTAL	132,549	763,212	80,185	843,397
OREGON TOTAL	2,902,499	3,520,927	1,372,317	4,893,244
% of State	4.6%	21.7%	5.8%	17.2%

Source: Oregon State University Extension Service's Oregon Agriculture Information Network, Harvested Acreage Summary Report, Gross Farm Sales Reports, <http://oregonstate.edu/oin/>, 2010.

Top 10 crops in Oregon

	Crop Commodity		Crop Commodity
1	Nursery and greenhouse crops	6	Christmas trees
2	Grains	7	Tree fruit and nuts
3	Grass and legumes	8	Vegetables and truck crops
4	Field Crops	9	Other specialty products
5	Greenhouse Crops	10	Small fruit and berries



Budget process	C-3
Budget calendar	C-7
Budget development guidelines	C-8
Financial structure	C-12
Fund structure	C-13
Financial policies	C-16
Capital Asset Management Policies	C-20

Budget and financial structure

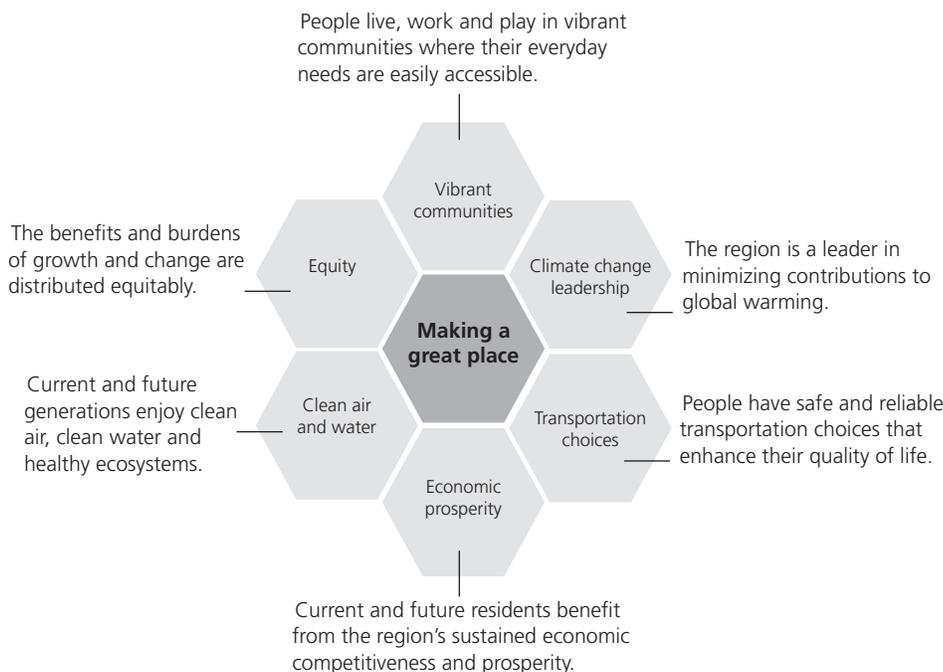




Development of the budget is an important and legally required process. The result is a policy and financial plan covering all of Metro’s programs and services. The budget document presents a strategically focused discussion of goals and objectives, programs and outcomes, and spending priorities within resource constraints. The budget process at Metro includes two concurrent, complementary cycles: (1) the strategic process for evaluating progress and setting future expectations and (2) the development of the final policy and financial document.

THE STRATEGIC BUDGET PROCESS

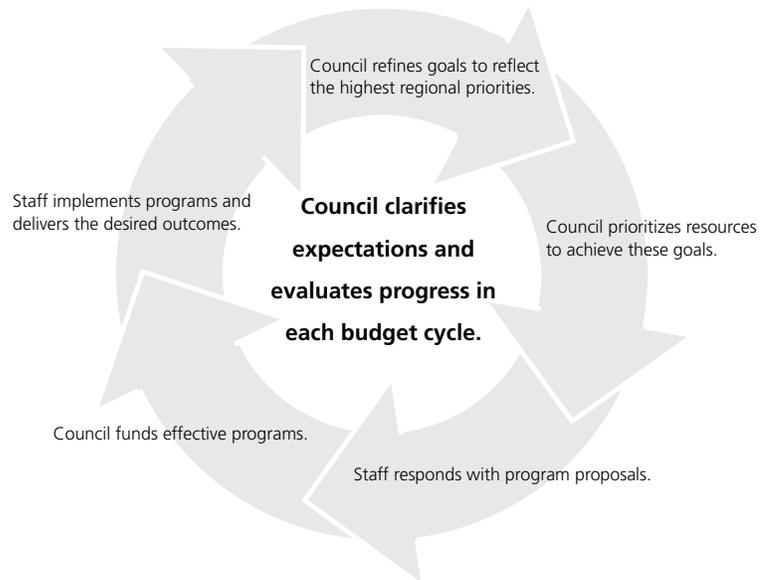
Metro follows a strategic budgeting process that guides not only the development of its annual budget but also provides focus for multi-year funding commitments toward specific objectives. In 2008 under Metro’s leadership, regional leaders agreed on six desired outcomes for communities throughout the region. By embracing measurable outcomes, leaders shifted from talking about abstract concepts like “compact urban form” to focusing on what really matters in the everyday lives of the region’s 1.5 million residents. Identifying regional values ensures decisions are guided by a clear focus. The following six desired outcomes for the region were adopted by the Metro Council in 2010 as part of the region’s growth management policies:



With this regional framework in mind, Metro adopts its agency goals and operates programs and projects that make positive contributions to the regional outcomes. Metro adopts program goals and measures performance, including the internal efficiency and effectiveness of its business practices. During the year the Metro Council reviews quarterly program and financial reports to track performance towards these outcomes. Every fall the Council provides direction to the Budget Officer, increasing focus in particular areas or redirecting efforts to adjust to changing circumstances within the region. The diagram at the top of next page illustrates this year-round dynamic process.

During the year the Metro Council uses quarterly program reports to review the performance and determine if changes are necessary. Each fall Council discusses initiatives or proposals aimed at meeting the strategic goals. These discussions provide direction to the Chief Operating Officer (COO) and operating units in the preparation and formulation of the proposed budget. The diagram on C-4 illustrates this year-round budget process.

Annual strategic budget process



THE BUDGET CYCLE

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

Review of prior year

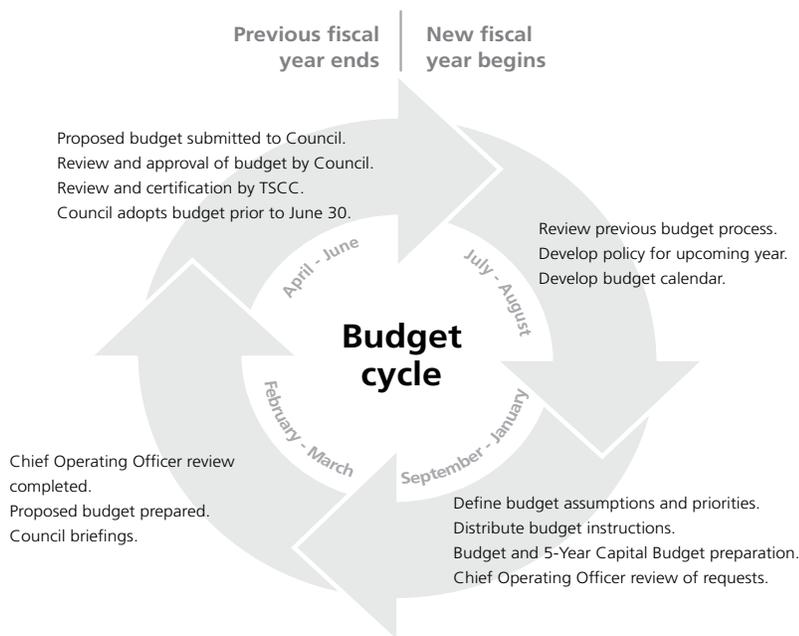
Each fiscal year begins with a review of the previous year's budget cycle to determine areas of success and areas of concern. Staff works to refine the process for the upcoming year. New budget parameters are developed to set out the basic assumptions organizational units should adopt for the preparation of their budgets. These parameters are incorporated with the policies and priorities set by the Metro Council and the Chief Operating Officer.

Budget instructions

The Financial Planning division of Finance and Regulatory Services provides detailed instructions for the preparation of the requested operating and capital budgets. The instructions provide the universal assumptions for increasing or decreasing staff, calculating changes in personnel costs and costing out commonly purchased items such as office furniture and computer software. The instructions also give operating units detailed information for budgeting capital projects already approved in the five-year Capital Improvement Plan, for proposing new capital projects for future years and for undertaking scheduled renewal and replacement projects to safe guard Metro's public assets.

Budget requests

Staff in operating units apply the instructions and assumptions from Financial Planning and the direction received from the COO to forecast their base program activities and financial needs for the next fiscal year. In addition, programs prepare a series of proposals to add, cut or change program activities, functions or funding levels. The base forecasts along with the add, cut or change proposals form the basis of the requested budgets.



Review and analysis resulting in proposed budget

The Financial Planning division reviews, analyzes and consolidates the base budget requests, meeting with each operating unit to verify and refine the requests, as needed. The COO, serving as the agency’s Budget Officer, conducts review meetings to discuss identified issues and program changes. The COO presents preliminary budget information to the Metro Council identifying early issues and revenue constraints, seeking additional guidance on program and policy direction. Following additional review, analysis and discussion and budget modification, the COO holds an all day work session with the Senior Management Team and the Finance Team to discuss the Council’s additional guidance, the operating proposals and budget balancing options. The COO, as Budget Officer, makes the final decisions, and delivers a budget message and proposed budget to the Metro Council and the public.

Review and analysis by the Metro Council resulting in approved budget

The Metro Council, sitting as the Budget Committee, holds a series of public work sessions to review the budget, take program and public testimony, and make any additions, deletions or modifications to the proposed budget. After due consideration, the Metro Council approves a budget and determines the amount required and allowed to be levied from property taxes. The approved budget and tax levy are then submitted to the Multnomah County Tax Supervising and Conservation Commission (TSCC).

Tax Supervising and Conservation Commission review and certification

Oregon law requires local governments to establish a budget committee that reviews the budget and makes decisions regarding the approved budget. For most jurisdictions this committee comprises members of the governing body and an equal number of citizens. In counties where the population is greater than 500,000 (currently Multnomah County and Washington County), a TSCC may be established. Members of this commission are appointed by the governor to supervise local government budgeting and taxing activities. Currently, Multnomah County is the only county with a TSCC. Washington County has chosen to retain its citizen budget committee and implement the alternative publication option now allowed under Oregon Budget Law. Because more than 50 percent of Metro’s total assessed value is within Multnomah County, Metro has chosen submit its budget to the Multnomah County TSCC. After the commission reviews Metro’s budget, it holds a public hearing and asks

for clarification on items within the budget or items affecting the financial health of the organization. Upon completion of the public hearing, the TSCC issues a letter of certification, which becomes part of the official record included with the adoption of the budget.

Metro Council adoption and submission to County Tax Assessors

After receiving certification by the TSCC, the Metro Council makes any necessary and final technical adjustments and adopts the budget prior to June 30, the end of the fiscal year. Legally required documentation to levy property taxes for the ensuing year is filed with each county tax assessor in the region prior to July 15th. The final adopted budget document is prepared, printed and submitted to each of the county tax assessors in the region and to the TSCC.

Changes to the budget after adoption

Oregon Local Budget Law provides several ways for the budget to be changed after adoption. If the government receives additional revenue in the form of grants, donations or bequests, appropriations may be increased through Metro Council action in an amount equal to the additional revenues. If other new revenues are received that were not anticipated at the time that the budget was adopted, the government may prepare a supplemental budget to recognize the additional revenue and increase appropriations. The Council may amend appropriations by ordinance when adjustments within a fund are made between appropriation levels in the budget (e.g., increase in operating expense appropriation and a corresponding decrease in contingency appropriation).

The five-year capital improvement plan

Metro's five-year capital planning process identifies the agency's capital asset needs for projects that cost \$100,000 or more and have a useful life of five years or more. The Metro Council adopted the agency's first capital improvement plan in January 1997. A more complete description of the capital budget process is found in Section H of this document. Metro Council reviews the capital budget concurrently to promote improved coordination between capital spending and the overall budget.

Budget calendar

Budget planning session with Council to discuss strategic direction for FY 2011-12	Oct. 14, 2010
Draft budget assumptions and instructions released to operating units	Nov. 2, 2010
Council reviews budget assumptions for FY 2011-12	Nov. 9, 2010
Financial Planning issues final budget instructions and assumptions	Nov. 12, 2010
Update of renewal & replacement database and base capital improvement plan	By Nov. 26, 2010
Base line budgets, status quo CIP, and five-year forecasts due to Financial Planning	Dec. 4, 2010
Operating Unit add, cut, change proposals due to Financial Planning	Dec. 27, 2010
COO Analysis, review and discussion of department budget requests and add, cut, change proposals	Jan. 3 – Feb 10, 2011
Council reviews base budgets, CIP and five-year forecasts; discusses early identification of issues and revenue sensitivities	Jan. 11, 2011
COO, Sr. Leadership Team and Finance Team all day budget retreat; discussion of budget proposals, balancing options	Jan. 21, 2011
Council work session to review budget balancing options and receive additional direction from Council	Feb. 1, 2011
COO provides final direction on program proposals and makes final budget balancing decisions for proposed budget	Feb. 11, 2011
Final budgets due from operating units	Feb. 18, 2011
Financial Planning produces proposed budget documents (summary budget, program budget, line item detail, five-year capital budget, operating forecasts)	Feb. 21 - March 4, 2011
Prepare Chief Operating Officer Budget Message and presentation	March 2011
Proposed budget released to Council for individual review	March 24, 2011
Chief Operating Officer presents proposed budget; initial public hearing held	April 7, 2011
Council work sessions on budget	April 2011
Additional public hearings held	April 21, April 28 and June 16, 2011
Council public hearing; budget approval and tax levy (Resolution No. 11-4259)	April 28, 2011
Metro submits approved budget to Tax Supervising and Conservation Commission	May 10, 2011
Tax Supervising and Conservation Commission public comment period	May 11–June 8, 2011
Tax Supervising and Conservation Commission public hearing on approved budget	June 9, 2011
Council considers and approves final amendments to budget; public hearing	June 16, 2011
Council budget public hearing; adoption (Ordinance No. 11-1253C)	June 23, 2011

Budget development guidelines

At an early November 2010 Council work session, Financial Planning staff presented for discussion a series of financial assumptions to guide the development of the FY 2011-12 budget. The assumptions included estimates for salary adjustments for various employee groups, fringe benefit costs for health and welfare and the Oregon Public Employee Retirement System (PERS) and a variety of general revenue or global assumptions such as excise tax forecast, renewal and replacement allocations and special appropriations. The council reviewed, discussed and approved the assumptions. The Chief Operating Officer was directed to return to the Council in the event of a significant change to any of the assumptions.

The following financial assumptions were used in the development of the FY 2011-12 budget. When changes to the assumptions evolved during the budget deliberation, they are noted.

MAJOR REVENUE ASSUMPTIONS

Excise tax rate on eligible revenues

7.5 percent rate for all non-solid waste revenues subject to the Metro excise tax. For the FY 2011-12 budget, the CPI factor on base solid waste excise tax revenue is 1.59 percent. The base solid waste excise tax amount for FY 2011-12 is \$11,550,783.

General Fund allocations

Allocations of the General Fund's discretionary resources (operating property tax, excise tax, interest earnings) will be made by the Chief Operating Officer during the course of budget development based on program priorities and Council direction.

Interest

Interest rate for resource calculations for FY 2011-12 will be 0.50 percent.

MAJOR EXPENDITURE ASSUMPTIONS

Gross available hours per year per FTE

A standard 2088 hours is set for non-exempt, hourly employees. Exempt employees (salaried) should be budgeted based on an annual salary. Exempt annual salaries are calculated on a 2080 hour basis.

Salary and wage adjustments

The following assumptions should be used when estimating personal services costs for FY 2011-12. Organizational units will need to forecast salaries and wages for the remainder of FY 2010-11 using the existing approved pay plans. Estimated step increases occurring prior to the end of FY 2010-11 should be folded into the forecast. All assumptions listed below should be applied to the employees' salaries or wages as they will be on June 30, 2011. Human Resources will provide on request a list of all existing employees, their current hourly rate or annual salary and next anniversary date.

Budgeted salaries should reflect base salary without adjustments for FY 2011-12. All FY 2011-12 salary adjustments will be budgeted in one of several adjustment pools.

Elected Officials – No increase for FY 2011-12.

Metro and MERC Non-Represented Employees

Assume 1.0 percent on existing salaries and wages for merit pool (effective July 1, 2011).

Note: The merit pool will be awarded as a lump sum one-time payment for FY 2011-12. The lump sum payment will not increase base salary. The payment will be applied progressively with the lowest salary levels receiving a 2.5 percent payment and the second to highest level receiving a 0.5 percent payment. The Senior Leadership Team chose again to forgo salary adjustments for FY 2011-12.

Metro AFSCME 3580

Assume 1.0 percent cost of living adjustment to wages effective July 1, 2011.

Assume 1.10 percent on existing salaries and wages for step adjustment pool.

Note: Metro and AFSCME 3580 remain in contract negotiations at the time of budget adoption.

LIU Local 483

Assume 1.5 percent cost of living adjustment to wages effective July 1, 2011.

Note: LIU 483 collective bargaining agreement calls for a cost of living adjustment based of no less than 1.5 percent and no greater than 3.25 percent. The CPI indicator for this unit for July 1, 2011 was 1.3 percent.

MERC Represented Groups (all adjustments based on existing collective bargaining agreements)

IUOE 701-1 - Assume 3.00 percent cost of living adjustment to wages effective July 1, 2011.

IUOE 701 – Assume 3.00 percent cost of living adjustment to wages effective July 1, 2011.

AFSCME 3580-1 - Assume 2.50 percent cost of living adjustment to wages effective July 1, 2011.

IATSE B-20 – Assume 2.50 percent cost of living adjustment to wages effective July 1, 2011.

IATSE B28 – Assume 2.50 percent cost of living adjustment to wages effective July 1, 2011.

ILWU 28 – Assume 3.00 percent cost of living adjustment to wages effective July 1, 2011.

Zoo Visitor Services Seasonal

Assume appropriate increases per the Visitor Services pay range effective Jan. 1, 2011. Minimum wage effective Jan. 1, 2011 = \$8.50.

Assume a 1.5 percent cost of living adjustment to the pay plan effective Jan. 1, 2012.

All Other Temporary or MERC Part-Time employees

Assume appropriate increases per existing pay plans.

Fringe rates

Base fringe rates are split into two components – a fixed rate per FTE and a variable rate to be applied to estimated salaries and wages. The variable rate includes all portions of the fringe benefits that are calculated on a straight percentage of salaries/wages – PERS, FICA, TriMet payroll tax, and long-term disability. Some departments have temporary or seasonal employees that, while not eligible for full benefits, receive PERS benefits. For those employees, organizational units should use the PERS eligible temporary variable rates.

The fixed rate per FTE includes all other benefits – health and welfare (medical, dental, vision), life insurance, dependent life insurance, accidental death insurance, worker compensation tax and employee assistance program. There is a fixed component for all temporary or seasonal employees. Although the budget document does not reflect FTE for temporary, seasonal or MERC part-time event related employees, units will need to estimate an associated FTE for the purposes of calculating this portion of the fringe costs.

Fringe benefits also includes the PERS bond recovery rate; the amount that is needed

Fringe Rates for FY 2011-12

Account Number	Base Fringe	Bond
	5100	Recovery* 5190
<i>Variable Fringe Rates: Calculated on eligible salaries/wages</i>		
Regular Employees– with 6 percent PERS pick-up	22.95%	3.0%
Regular Employees– without 6 percent PERS pick-up	16.95%	3.0%
Temporary/Seasonal/MERC PT Employees– PERS eligible	22.55%	3.0%
Temporary/Seasonal/MERC PT Employees– non-PERS eligible	8.35%	
<i>Fixed Fringe Rates: Calculated per FTE</i>		
Regular Employees– All regular employees	\$13,557	
Temporary Employees	\$29	
<i>Planning Department Composite Rate (fixed and variable)</i>		
All salaries and wages	39.2%	3.0%

to pay the debt service on the bonds that were issued to fund Metro’s unfunded actuarial liability with PERS. Organizational units received a reduction in their base variable rate at the time the bonds were issued.

**Note: Beginning in FY 2011-12 the accumulated PERS Reserve will be used to offset all or a portion of the costs of the PERS Bond Recovery rate for a period of three to five years. The rate for FY 2011-12 will be zero.*

New positions

New position requests are not allowed in the base budget request. All new positions must be requested as an add package to a program proposal. The need for a new position should be well documented as to need and anticipated benefit. New positions are to be budgeted at no more than 20 percent above the beginning rate or step. Positions that are budgeted at the beginning rate should allow for a 5 percent increase after successful completion of a six-month probationary period.

Vacant positions

Vacant positions are to be budgeted at no more than 20 percent above the beginning rate or step.

Reclasses

Base budget requests should include only those reclasses approved in the current fiscal year and approved career ladder reclasses for FY 2011-12. General reclasses are not allowed in the base budget request for FY 2011-12. All general reclasses anticipated for FY 2011-12 must be included as an add package to the budget.

Materials and services

Inflation factor = 1.0 percent. The inflation factor should be used when there are no other means to estimate costs.

Contingency

General Fund contingency and reserves will be budgeted in accordance with established policy. The consolidated General Fund will provide for the following:

Contingency equivalent to 4 percent of total operating expenses.

Stabilization Account equivalent to 3 percent of total operating expenses.

Opportunity Account - \$500,000.

For other funds, contingency should be an amount not less than 4 percent of the total of personal services, materials and services and capital outlay. Variations from this amount are allowed based on operational needs. Other reserves should be budgeted in accordance with adopted policies.

Unemployment

Unemployment costs are budgeted in the Risk Management Fund on a retrospective basis. For FY 2011-12 costs reflect actual expenditure incurred in FY 2009-10.

Unemployment expense

Council Office	\$16,094
Metro Auditor's Office	7,230
Office of Metro Attorney	9,860
Communications	5,423
Human Resources	25,175
Information Services	2,341
Planning and Development	11,338
Research Center	2,090
Parks and Environmental Services	119,608
Sustainability Center	11,010
Oregon Zoo	241,839
MERC	125,796
TOTAL UNEMPLOYMENT CHARGES	\$577,804

FUND-BASED BUDGET

Metro's accounts are organized on the basis of funds, where each fund is considered a separate fiscal entity accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Each fund has a specific purpose, with specific revenue sources and uses and is classified according to GASB standards.

BASIS OF ACCOUNTING USED BY METRO FOR BUDGETING

Metro's budget is prepared on the modified accrual basis of accounting. In modified accrual accounting revenues are recognized when they become measurable and available. Measurable means that the dollar value of the revenue is known. Available means that it is collectible within the current period, or soon enough after the end of the current period to pay the liabilities of the current period. Significant revenues that are considered to be measurable and available under the modified accrual basis of accounting are interest earned on temporary investments, property taxes received within approximately 60 days of the end of the fiscal year, excise taxes, cemetery revenue surcharges, grants, local government shared revenues such as hotel/motel taxes, government contributions and charges for services. Expenditures are recognized when the liability is incurred, if measurable, except for interest on long-term debt which is recognized on its due date and certain compensated absences which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

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

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

GENERAL FUND

In accordance with GAAP, the General Fund accounts for all activities not required to be accounted for in another fund. In FY 2005–06 the General Fund was consolidated to conform to Metro’s strategic objectives and includes Metro’s general government activities (including Council and Communications functions, regional transportation and growth planning, regional parks, and operations of the Oregon Zoo), as well as all administrative support functions (such as Finance and Regulatory Services, Human Resources, Information Services, Metro Auditor, Office of Metro Attorney and Metro headquarters building operations). The principal resources of the fund are an excise tax on Metro’s facilities and services levied in accordance with the Metro Code, general property taxes derived from a tax levy approved by voters in May 1990, charges for services provided by the various activities of Metro, intergovernmental revenues in the form of grants and contracts, charges for services provided to Metro functions not accounted for within the General Fund and investment earnings.

ENTERPRISE FUNDS**Solid Waste Revenue Fund**

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

Metropolitan Exposition Recreation Commission Fund

This fund accounts for the revenues and expenditures of the Metropolitan Exposition Recreation Commission (MERC), which includes the Oregon Convention Center, Portland Center for the Performing Arts and the Portland Expo Center. The fund maintains the facilities and administration as divisions within the fund but is appropriated at the following levels: total operating expenditure including capital outlay for all venues, debt service, transfers and contingency. Principal sources of revenues are user fees and charges, food service revenues and hotel/motel tax.

SPECIAL REVENUE FUNDS**Smith and Bybee Wetlands Fund**

This fund accounts for the implementation of the Smith and Bybee Lakes management plan, managed by Metro’s Parks and Environmental Services. A natural Resources Plan for Smith and Bybee Lakes was adopted by the City of Portland and Metro in December 1990. Primary resources are grants and interest.

General Asset Management Fund

This fund accounts for major non-bond funded capital acquisition and construction projects undertaken by General Fund assets of Metro as well as provides for the ongoing and future renewal and replacement needs of Metro’s assets acquired by the General Fund. Included are projects for regional parks and facilities and the Oregon Zoo as well as significant capital expenditures for other non-enterprise related Metro activities. In addition, this fund accounts for designated funds transferred from Multnomah County as of January 1, 1994. The funds are restricted for the construction of a nature center. Major capital project revenue sources include, but are not limited to, grants, donations, contributions from the General Fund and other

revenues and contributions identified for capital purpose. Primary sources of revenue for renewal and replacement are annual scheduled contributions from the General Fund and interest earnings. Expenditures are made in accordance with a 25-year renewal and replacement schedule reviewed and updated on a regular basis, with physical inventory and evaluation at least once every five years. In the CAFR, this fund is consolidated as part of the General Fund to be in compliance with GAAP.

General Revenue Bond Fund

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

Rehabilitation and Enhancement Fund

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

CAPITAL PROJECTS FUNDS

Open Spaces Fund

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

Natural Areas Fund

This fund accounts for the bond proceeds and expenditures related to the Natural Areas general obligation bonds approved by the voters in 2006. Primary sources of revenues include bond proceeds, interest earnings on the bond proceeds and public and private contributions toward the acquisition program. Expenditures are governed by the bond measure and are related to the acquisition of land and the preservation of natural areas.

Oregon Zoo Infrastructure and Animal Welfare Bond Fund

This fund accounts for bond proceeds and expenditures related to the Oregon Zoo general obligation bonds approved by the voters in 2008. Primary sources of revenue include bond proceeds and interest earnings on the bonds. Expenditures are governed by the bond measure and are related to design and construction of capital projects for infrastructure and animal welfare at the Oregon Zoo.

INTERNAL SERVICE FUNDS

Risk Management Fund

This fund accounts for insured, self insured and risk management activities performed for the organizational units within Metro. The fund purchases property and liability insurance and maintains reserves for self insured deductible expenses. Workers' compensation costs are also a combination of purchased and self insurance. In addition, the fund accounts for unemployment insurance. Primary revenues are charges to user funds and interest. Primary expenditures are insurance premiums, claims costs and actuarial evaluations.

DEBT SERVICE FUND

General Obligation Bond Debt Service Fund

This fund accounts for payments of general obligation bond principal and interest to bond holders. The principal source of revenue is property taxes.

PERMANENT FUND

Metro Pioneer Cemetery Perpetual Care Fund

This fund was created in 2003 to provide financial support for the long-term maintenance of the Metro Pioneer Cemeteries after the cemeteries are no longer receiving revenue from grave sales and burial services. The fund will receive revenue from a 15 percent surcharge on grave sales, the maximum allowed under state law. It is anticipated that no expenditures will be made from this fund until grave sites are exhausted at the cemeteries.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF REVIEWING and)	RESOLUTION NO. 11-4275
READOPTING COMPREHENSIVE FINANCIAL)	
POLICIES FOR METRO AND DIRECTING)	Introduced by Dan Cooper, Acting Chief
THEM TO BE PUBLISHED IN THE FY 2011-12)	Operating Office in concurrence with
ADOPTED BUDGET		Council President Hughes

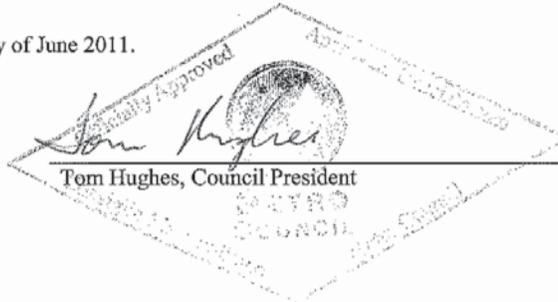
WHEREAS, Metro recognizes the important of comprehensive financial policies to provide a framework for the overall fiscal management of the agency; and

WHEREAS the comprehensive financial policies as first approved by the Metro Council in 2004 and most recently amended and readopted in June 2010 provide as a general principal "Metro's financial policies" shall be reviewed annually by the Council and shall be published in the adopted budget; and

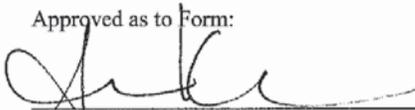
Whereas the Metro Council has reviewed the current policies; now therefore

BE IT RESOLVED that the Metro Council readopts the comprehensive financial policies as shown in Exhibit A of this resolution, entitled "Metro Financial Policies;" and directs that said policies be published in the FY 2011-12 Adopted Budget.

ADOPTED by the Metro Council this 23rd day of June 2011.



Approved as to Form:


 Alison Kean Campbell, Acting Metro Attorney

In 2004 the Metro Council enacted Resolution No. 04-3465, “adopting comprehensive financial policies for Metro.”

Each year as part of the annual budget adoption process the Metro Council reviews the financial policies which provide the framework for the overall fiscal management of the agency. Operating independently of changing circumstances and conditions, these policies are designed to help safeguard Metro’s assets, promote effective and efficient operations and support the achievement of Metro’s strategic goals. Recently the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the Metro Council to make certain policy decisions regarding the use of resources and classifications of fund balance. In June 2010 the Metro Council took action to amend Metro’s Comprehensive Financial Policies to incorporate the GASB Statement No. 54 principles and to re-approve the policies. These changes are reflected in Budget and Financial Planning, section 2.

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

General policies

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

Accounting, auditing and financial reporting

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

Budgeting and financial planning

1. As prescribed in Oregon budget law, total resources shall equal total requirements in each fund, including contingencies and fund balances. However, Metro considers a budget to be balanced whenever budgeted revenues equal or exceed budgeted expenditures. Beginning fund balances shall not be considered as revenue, nor shall contingencies or ending fund balances be considered expenditures, in determining whether a fund is in balance.
2. Metro shall maintain fund balance reserves that are appropriate to the needs of

each fund. Targeted reserve levels shall be established and reviewed annually as part of the budget process. Use of fund balance to support budgeted operations in the General Fund, an operating fund, or a central service fund shall be explained in the annual budget document; such explanation shall describe the nature of the budgeted reduction in fund balance and its expected future impact. Fund balances in excess of future needs shall be evaluated for alternative uses.

- a. The Metro Council delegates to the Chief Operating Officer the authority to assign (and un-assign) additional amounts intended to be used for specific purposes more narrow than the overall purpose of the fund established by Council. A schedule of such assignments shall be included within the adopted budget document.
 - b. Metro considers restricted amounts to have been spent prior to unrestricted (committed, assigned, or unassigned) amounts when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. Within unrestricted amounts, committed amounts are considered to have been spent first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.
 - c. The following information shall be specified by Council in the establishment of Stabilization Arrangements as defined in GASB Statement No. 54: a) the authority for establishing the arrangement (resolution or ordinance), b) the requirements, if any, for additions to the stabilization amount, c) the specific conditions under which stabilization amounts may be spent, and d) the intended stabilization balance.
3. Metro staff shall regularly monitor actual revenues and expenditures and report to Council at least quarterly on how they compare to budgeted amounts, to ensure compliance with the adopted budget. Any significant changes in financial status shall be timely reported to the Council.
 4. Metro shall use its annual budget to identify and report on department or program goals and objectives and measures of performance.
 5. A new program or service shall be evaluated before it is implemented to determine its affordability.
 6. Metro shall authorize grant-funded programs and associated positions for a period not to exceed the length of the grant unless alternative funding can be secured.
 7. Each operating fund will maintain a contingency account to meet unanticipated requirements during the budget year. The amount shall be appropriate for each fund.
 8. Metro shall prepare annually a five-year forecast of revenues, expenditures, other financing sources and uses, and staffing needs for each of its major funds, identifying major anticipated changes and trends, and highlighting significant items which require the attention of the Council.
 9. Metro will annually prepare a cost allocation plan prepared in accordance with applicable federal guidelines to maintain and maximize the recovery of indirect costs from federal grants, and to maintain consistency and equity in the allocation process.

Capital asset management

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

Cash management and investments

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

Debt management

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

Revenues

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

The following policies establish the framework for Metro's overall capital asset

Capital Asset Management Policies

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

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

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

Multi-year planning for renewal and replacement of facilities and their major components;

Annual maintenance plans.

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

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

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

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

4. Capital improvement projects are defined as facility or equipment purchases or construction which results in a capitalized asset costing more than \$100,000 and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of \$100,000 or more that have a useful life of at least five years.¹

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

¹ Effective July 1, 2009, capital asset threshold was increased from \$50,000 to \$100,000 in accordance with Metro Resolution 08-3941A. This reflected a State of Oregon definition of a public improvement project.

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

A foundation step for capital planning is an understanding of the current conditions of Metro facilities. It is expected that Metro departments have a clear, documented process for assessing facility condition at least every five years. The assessment processes may range from formal, contracted engineering studies to in-house methods such as peer reviews. The assessment should identify renewal and replacement projects that should be done within the following five years. The Renewal and Replacement Reserve account should be evaluated and adjusted to reflect the greater of the average renewal and replacement project needs over the coming five years or 2 percent of the current facility replacement value.

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

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

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

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

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

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

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

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

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

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

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

Note: the Capital Asset Management Policies were readopted by the Metro Council on June 17, 2010, and incorporated into the financial policies by reference.

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Budget summary

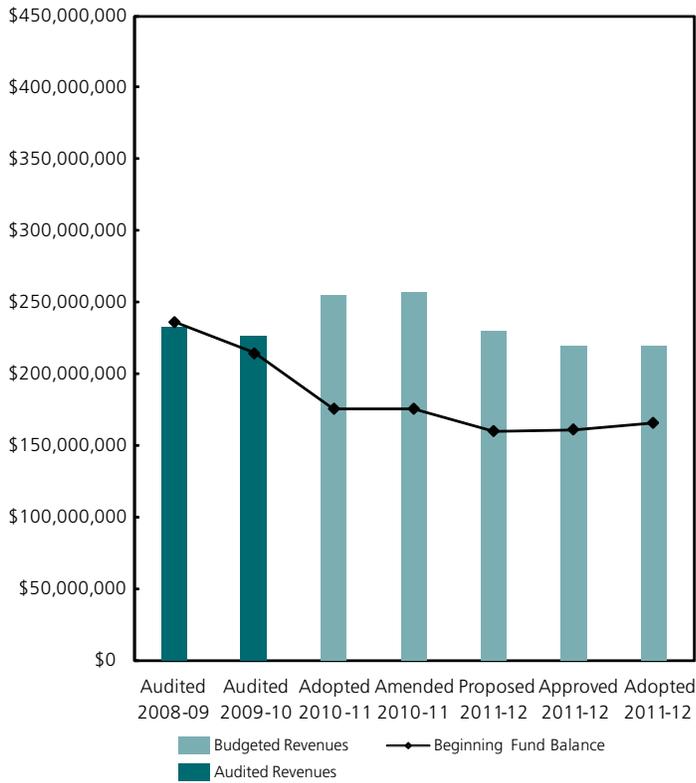


Budget summary by year

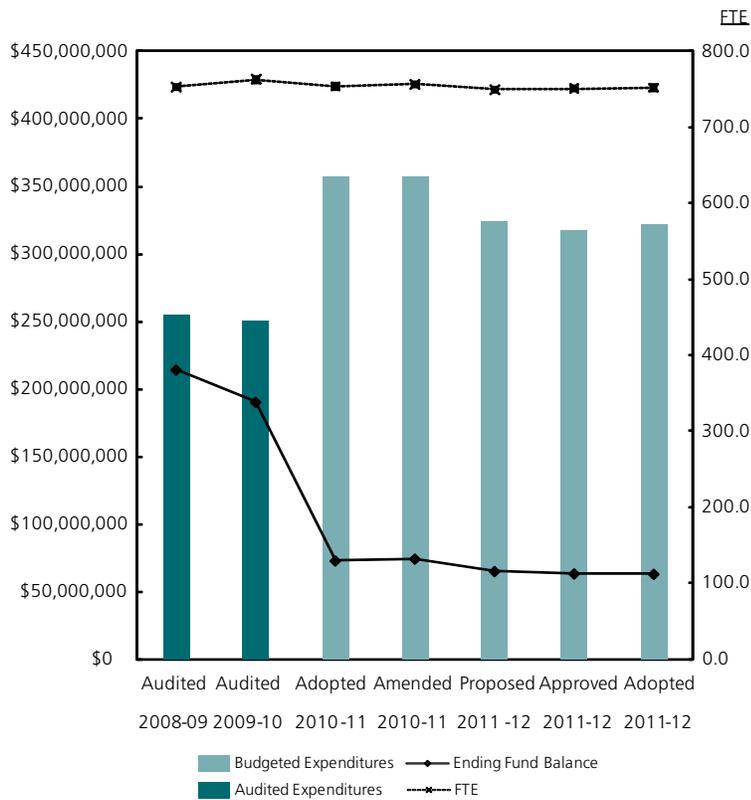
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$236,190,429	\$214,223,352	\$175,322,025	\$175,322,025	\$159,647,197	\$160,779,874	\$165,390,447	(5.66%)
Current Revenues								
Real Property Taxes	44,897,096	51,457,063	48,483,349	48,483,349	39,039,151	39,039,151	39,039,151	(19.48%)
Excise Tax	14,705,646	14,392,093	16,203,937	16,203,937	16,705,765	16,705,765	16,705,765	3.10%
Other Derived Tax Revenue	24,168	25,497	23,300	23,300	25,000	25,000	25,000	7.30%
Grants	14,306,069	13,115,905	14,783,392	14,809,693	12,271,501	12,511,750	12,558,425	(15.20%)
Local Gov't Shared Revenues	11,202,982	10,406,511	11,173,508	11,129,553	11,708,979	11,708,979	11,708,979	5.21%
Contributions from other Gov'ts	1,001,028	2,271,100	2,361,371	2,547,234	3,827,419	3,827,419	3,827,419	50.26%
Enterprise Revenue	109,086,690	109,754,507	118,870,045	120,131,000	120,751,815	109,311,784	109,488,784	(8.86%)
Interest Earnings	6,675,487	2,131,822	1,611,106	1,611,106	825,959	825,959	825,959	(48.73%)
Donations	8,324,043	5,235,274	1,806,930	1,806,930	3,041,100	3,041,100	3,141,100	73.84%
Other Misc. Revenue	2,758,599	2,469,556	2,514,169	2,514,169	302,779	302,779	302,779	(87.96%)
Bond and Loan Proceeds	5,000,000	0	15,000,000	15,000,000	0	0	0	(100.00%)
Interfund Transfers:								
Interfund Reimbursements	7,474,080	7,680,866	8,396,573	8,396,573	9,397,205	9,397,205	9,397,205	11.92%
Internal Service Transfers	944,972	2,723,052	3,122,488	3,122,488	3,000,237	3,000,237	3,000,237	(3.92%)
Fund Equity Transfers	6,014,113	5,175,785	10,765,853	10,937,200	8,816,595	9,684,485	9,724,485	(11.09%)
Contingency	0	0	32,455,006	30,941,273	33,157,377	33,374,168	34,656,569	12.01%
Subtotal Current Revenues	232,414,973	226,839,031	255,116,021	256,716,532	229,713,505	219,381,613	219,745,288	(14.40%)
TOTAL RESOURCES	\$468,605,402	\$441,062,383	\$430,438,046	\$432,038,557	\$389,360,702	\$380,161,487	\$385,135,735	(10.86%)
REQUIREMENTS								
Current Expenditures								
Personal Services	\$70,830,852	\$71,819,988	\$76,661,194	\$76,999,346	\$79,107,224	\$79,681,040	\$79,791,040	3.63%
Materials and Services	92,362,911	95,771,568	122,107,946	123,036,489	119,918,224	110,299,284	111,406,975	(9.45%)
Capital Outlay	31,654,775	22,391,158	62,131,378	62,442,932	35,711,934	36,220,907	38,965,830	(37.60%)
Debt Service	45,100,347	45,182,021	41,954,002	41,954,002	35,261,700	35,261,700	35,261,700	(15.95%)
Interfund Transfers:								
Interfund Reimbursements	7,474,080	7,680,866	8,396,573	8,396,573	9,397,205	9,397,205	9,397,205	11.92%
Internal Service Transfers	944,972	2,723,052	3,122,488	3,122,488	3,000,237	3,000,237	3,000,237	(3.92%)
Fund Equity Transfers	6,014,113	5,175,785	10,765,853	10,937,200	8,816,595	9,684,485	9,724,485	(11.09%)
Contingency	0	0	32,455,006	30,941,273	33,157,377	33,374,168	34,656,569	12.01%
Subtotal Current Expenditures	254,382,050	250,744,438	357,594,440	357,830,303	324,370,496	316,919,026	322,204,041	(9.96%)
<i>Ending Fund Balance</i>	<i>214,223,352</i>	<i>190,317,945</i>	<i>72,843,606</i>	<i>74,208,254</i>	<i>64,990,206</i>	<i>63,242,461</i>	<i>62,931,694</i>	<i>(15.20%)</i>
TOTAL REQUIREMENTS	\$468,605,402	\$441,062,383	\$430,438,046	\$432,038,557	\$389,360,702	\$380,161,487	\$385,135,735	(10.86%)
FULL-TIME EQUIVALENTS	753.06	762.84	753.94	756.60	749.56	751.09	752.09	(0.60%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(4.51)

Budget summary by year

Current revenues and fund balance



Current expenditures and full-time equivalents



Where the money comes from

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

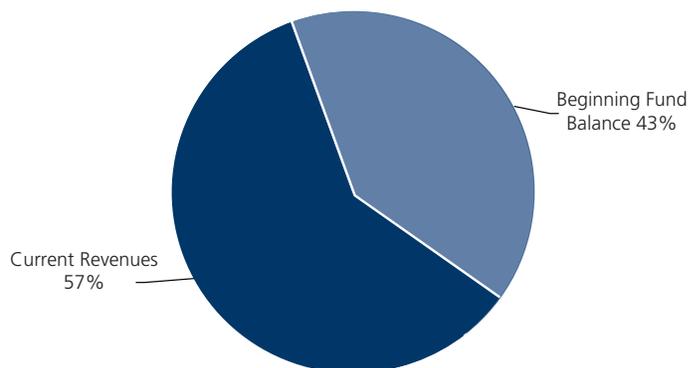
BEGINNING FUND BALANCE

The beginning fund balance for each fund consists of unspent resources carried forward from the previous fiscal year. Primary among these are resources in the Natural Areas Fund for bond proceeds authorized by the voters in November 2006 and issued in spring 2007, and in the Solid Waste Revenue Fund for operations, capital projects and other dedicated accounts. These funds account for 46 percent of the beginning fund balance. Another element of the beginning fund balance includes reserves for specific purposes (e.g., self-insurance, future capital reserves, debt reserves and trust reserves), which are generally required by law, policy or operating agreements. The beginning fund balance also provides cash flow for specific operations until current year revenues are received.

The General Fund's \$25.6 million beginning fund balance accounts for 15.5 percent of the total beginning balances and is a combination of designated and undesignated reserves. Designated reserves include grant funds, construction excise tax for local development grants, Public Employees Retirement System (PERS) reserves and debt service reserves. The Council also designated reserve funds for multi-year Nature in Neighborhoods grants and participation in a development opportunity fund. The FY 2011-12 budget sets aside \$1.8 million for years two and three of a cross functional project called the Community Investment Strategy. Finally, as part of its financial policies, the Council also directed that undesignated reserves be maintained for contingency and stabilization reserves, available for any lawful purpose in the event of sudden and unforeseen revenue drops or unplanned expenditures. For FY 2011-12 about \$6.1 million of the General Fund's beginning fund balance is funding these financial reserves.

Metro's beginning fund balance constitutes 43 percent of its total resources.

FY 2011-12 Total resources



Total resources \$385,135,735

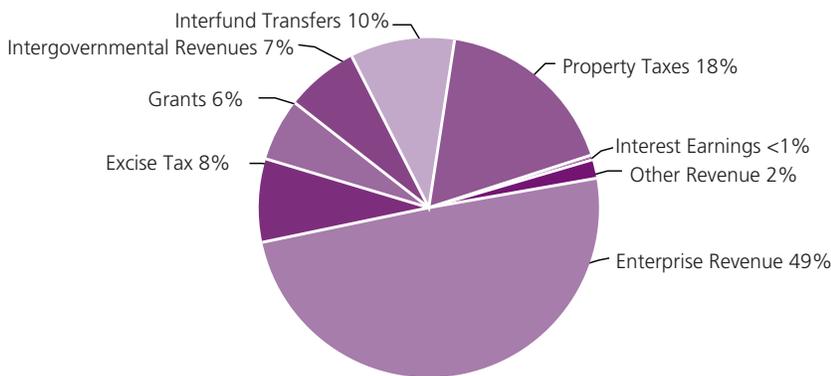
CURRENT REVENUES

Current revenues account for 57 percent of Metro's total resources. Metro's enterprise activities provide the largest amount of fee-generated revenues, constituting 49 percent of current revenues. Property tax revenues provide the next largest amount of total current revenues at 18 percent, followed by interfund transfers at 10 percent, excise tax at 8 percent and intergovernmental revenue at 7 percent. Federal, state and local grants provide 6 percent. The major elements of current revenues and the percentage of total current revenues they represent include the following:

Enterprise revenues– 49 percent

Enterprise activities account for the largest piece of current revenues at \$109.5 million. Metro's largest enterprise activity is solid waste disposal, generating \$54.7 million, which comes from fees charged on solid waste deposited at Metro's transfer stations or several other designated solid waste facilities. This is about a 2.5 percent decrease over the FY 2010-11 budget. Tonnage related disposal fees are anticipated to increase about 2.0 percent. Metro saw a dramatic decline in tonnage in the past several years due to the economic downturn. Forecasts now indicate that the decline has flattened out and will remain at this lower level through the end of FY 2011-12. The Visitor Venues (Oregon Zoo, Oregon Convention Center, Portland Center for the Performing Arts and Portland Expo Center) produce \$49.5 million and regional parks facilities another \$2.8 million. In spite of record attendance at the Oregon Zoo, per capita spending by visitors on food and concessions is just easing up to pre-recession levels. Regional park revenues are projected to increase moderately over FY 2010-11. Glendoveer golf course revenues fell to historic lows in FY 2009-10 and FY 2010-11; revenues in FY 2011-12 are expected to increase slightly. Careful monitoring will be necessary to determine if this is a short term event or an indication of a longer term trend requiring modification to revenue projections. Parking fees, business license fees and Data Resource Center revenues account for the remainder of enterprise revenues.

FY 2011-12 Current revenues



RESOURCES

<i>Beginning Fund Balance</i>	\$165,390,447
Current Revenues	
Real Property Taxes	\$39,039,151
Excise Tax	16,705,765
Other Derived Tax Revenue	25,000
Grants	12,558,425
Local Gov't Shared Revenues	11,708,979
Contributions from other Gov'ts	3,827,419
Enterprise Revenue	109,488,784
Interest Earnings	825,959
Donations	3,141,100
Other Misc. Revenue	302,779
Interfund Transfers:	
Interfund Reimbursements	9,397,205
Internal Service Transfers	3,000,237
Fund Equity Transfers	9,724,485
Subtotal Current Revenues	\$219,745,288
TOTAL RESOURCES	\$385,135,735

Total current revenues \$219,745,288

Property taxes– 18 percent

Metro expects to receive \$39.0 million in property tax revenues in FY 2011-12. This includes current year tax receipts to the General Fund directed toward operations (\$11.4 million) and debt service levies for outstanding general obligation bond issues for the Open Spaces Acquisition program, the original Oregon Convention Center construction, the zoo's Great Northwest project, the Natural Areas program and the Oregon Zoo Infrastructure and Animal Welfare Bond projects (\$26.5 million). The remainder, approximately \$1.1 million, will be received in the form of delinquent property taxes, levied in prior years but received in the current year, and interest and penalties on those late payments.

Interfund Transfers– 10 percent

Metro budgets its resources in separate and distinct funds. Transfers between funds pay for internal services provided directly by one center or service to another or indirectly on a cost-share basis as determined through the indirect cost allocation plan. Interfund reimbursements (indirect services) and internal service transfers (direct services) total \$12.4 million in FY 2011-12. The transfer classification also includes \$9.7 million in Fund Equity Transfers (revenue sharing between funds) such as the transfer of discretionary revenues from the General Fund to assist in capital development and renewal and replacement of General Fund assets. Interfund transfers appear in the budget as both a resource to the receiving fund and a requirement for the transferring fund.

Excise Taxes– 8 percent

The Metro excise tax is paid by 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. It supports the costs of general government activities, such as the Council Office, elections expense and lobbyist functions. The tax also supports various planning, parks and natural areas activities.

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

In addition to the base per-ton tax generated on solid waste activities, an additional per-ton tax has been levied in previous years. The additional levy was set initially at \$3.00 per ton in FY 2004-05 for specified purposes; in FY 2006-07 the dedications were removed from the Metro Code and became subject to the annual budget process. Council implemented an additional change in FY 2010-11, combining the additional tax into a single per-ton base rate. This increases predictability and moderates revenue swings in times of either increasing or decreasing tonnage. The combined base rate is modified by the CPI indicator, not tonnage, in future years; the charter limitation on expenditures does not change. The combined rate results in a flat fee of \$11.80 per ton on solid waste tonnage. The decline in solid waste tonnage, mirroring the economic downturn in construction, has resulted in a lower forecast for general excise tax receipts during FY 2010-11. The FY 2011-12 budget projects a relatively flat tonnage base for the year. The collection of excise tax on revenues generated by the Oregon Zoo was eliminated effective Sept. 1, 2008, a reduction of about \$1.4 million annually.

The Metro excise tax is projected to raise \$15.1 million from these sources during FY 2011-12.

In 2006 the Metro Council adopted a construction excise tax to provide funding for expansion area planning. Effective July 1, 2006, the 0.12 percent tax is levied on building permit values of the new construction. Local jurisdictions collect the tax on behalf of Metro as part of the permit process. In June 2009 the Metro Council extended the tax for an additional five years, until Sept. 30, 2014, to provide funding for planning of future expansion areas, future urban reserves and planning that enables redevelopment of centers, corridors and employment areas within the existing Urban Growth Boundary. The Construction Excise Tax is expected to generate \$1.6 million in FY 2011-12.

Intergovernmental Revenues– 7 percent

Metro receives revenue from both state and local agencies. Among these are hotel/motel tax receipts from Multnomah County, funds from the City of Portland to support the Portland Center for the Performing Arts, state marine fuel tax revenues and a portion of the recreational vehicle registration fees passed through Multnomah County from the State of Oregon to support the regional parks.

Grants– 6 percent

Grants are anticipated to provide \$12.6 million to the revenue mix. The primary planning functions of the agency – Planning and Development and the Research Center – receive approximately \$10.8 million in grant funds, about 86 percent of all grants. These functions rely on federal, state and local grants to fund most of the transportation planning and modeling programs. The delay in the federal reauthorization of transportation funding has placed a portion of these grants funds at risk. However, a \$2 million multi-year grant from the Federal Transit Administration to study the best ways to improve transit in the Southwest corridor between downtown Portland and Sherwood as well as the second year of a three year funding commitment from the State of Oregon related to the study of greenhouse gas emissions will provide substitute or bridge funding until such time as the federal funding is reauthorized. Metro also receives grants for projects planned at regional parks and natural areas, Oregon Zoo and solid waste facilities.

Other miscellaneous revenues– 2 percent

In FY 2011-12 other revenues include \$1.6 million in operating and capital donations to the zoo, \$610,000 in donations and sponsorship revenue to MERC and \$866,000 in donations for the Natural Areas program.

Interest– <1 percent

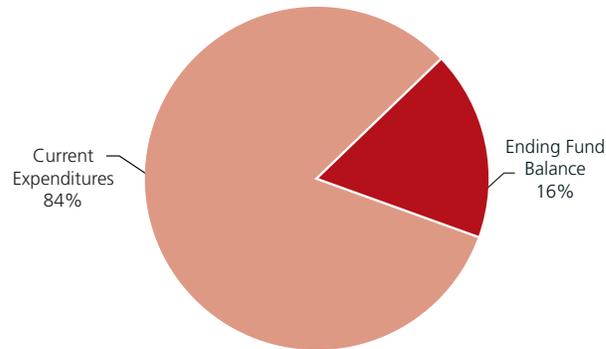
Interest earnings are projected at \$826,000. Interest earned is based upon investing cash balances throughout the year. This revenue source fluctuates by the planned spending of bond proceeds and the current rates earned by investments, estimated at 0.5 percent for FY 2011-12. The earnings rate is considerably lower than prior years' rates due to current market conditions. In FY 2009-10 the most recent audited year, Metro earned \$2.1 million; in FY 2010-11, Metro is estimated to earn about \$1.5 million.

Where the money goes

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

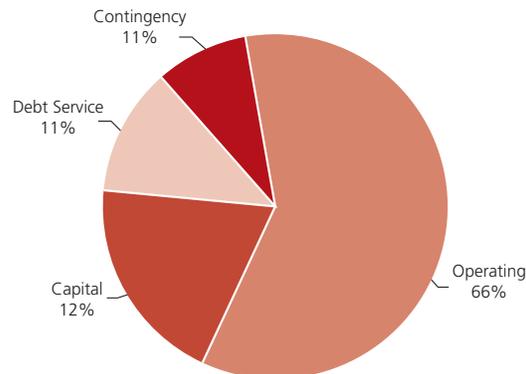
Metro's total current expenditures are allocated for the specific programs and functions described in the Organizational Summary section contained in the body of this budget document. Sixty-six percent of current expenditures support the operations of Metro facilities such as the Oregon Zoo, the Oregon Convention Center, the Portland Expo Center, Portland Center for the Performing Arts, regional park facilities and solid waste disposal facilities, as well as programs such as waste reduction, recycling information and regional transportation and growth management planning. Another 11 percent is dedicated to debt service on outstanding general obligation and revenue bonds, and 12 percent is allocated for capital outlay and improvements to various facilities and acquisition of new natural areas. Contingencies for unforeseen needs, such as unexpected increases in costs or drops in revenue, make up the balance of current expenditures.

FY 2011-12 Total requirements



Total requirements \$385,135,735

FY 2011-12 Current expenditures by purpose

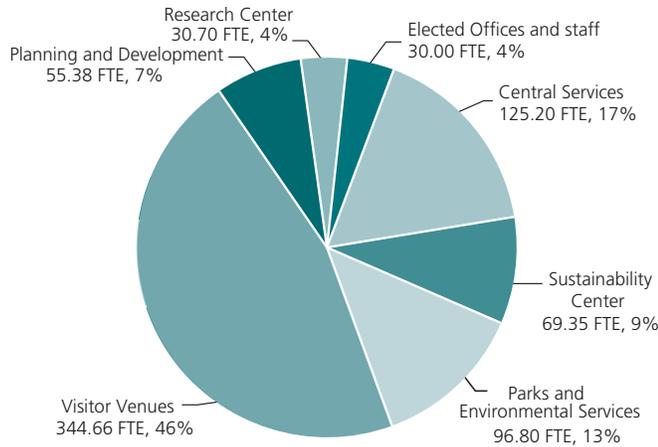


Total expenditures by purpose \$322,204,041

Full-time equivalent staff (FTE) totals 752.09 positions for Metro. Fifty nine percent of these staff work for two organizational units: Visitor Venues (Oregon Convention Center, Portland Center for the Performing Arts, Portland Expo Center and Oregon Zoo) and Parks and Environmental Services.

Metro uses its resources for a variety of programs and functions related to its primary goals. Those programs and functions are explained in detail in the Organizational Summary section contained in the body of this budget document and in the program budget narratives contained in the FY 2011-12 Program Budget. The chart on page D-10 and the following explanation give the information by expenditure classification.

FY 2011-12 FTE positions by function



Total FTE 752.09

CURRENT EXPENDITURES

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

Personal services– 25 percent

Metro plans to spend about \$79.8 million for salaries and wages and related expenditures for its employees in FY 2011-12. Personal services includes employee related benefit costs such as health and welfare and pension contributions. Fringe benefits are about 40 percent of salaries and wages, and 28.5 percent of total personal services costs. For a more detailed discussion of fringe benefits refer to the appendix “Fringe benefit rate calculation.” A ten-year comparison of salaries, wages and benefits is provided later in this section.

The FY 2011-12 budget includes 752.09 full-time equivalent positions, a reduction of 4.51 FTE. “FTE” means regular, benefit-eligible full or part-time positions. While temporary, seasonal and event-related labor costs are reflected in the total personal services expenditures, these employees are not considered as FTE. A discussion of staff levels is provided later in this section.

Materials and Services– 34 percent

Metro plans to spend about \$111.4 million on materials and services in FY 2011-12. Large expenditures in this area include solid waste transfer station operations and the transport of solid waste to the Columbia Ridge Landfill in Gilliam County (about \$27.3 million). Materials and services also include costs for contracted operations of the Oregon Convention Center, the Oregon Zoo, the Portland Center for the Performing Arts, the Portland Expo Center and the regional parks.

Capital outlay– 12 percent

Approximately \$39.0 million is provided for capital expenditures. These funds provide for land acquisitions and major capital improvement projects at various facilities. The largest uses of capital funds are \$20.9 million for land acquisition and capital expenditures related to the Natural Areas program, \$3.7 million for solid waste facility capital projects, \$6.4 million for capital improvements at the Oregon Zoo under the Oregon Zoo Infrastructure and Animal Welfare bond measure and \$3.0 million for capital improvements at MERC facilities. Another \$3.1 million is provided for various renewal and replacement projects at the Oregon Zoo, regional parks or Metro Regional Center including information technology infrastructure. Capital expenditures include purchases of land and equipment, improvements to facilities and other capital related expenditures. Projects costing \$100,000 or more are included in Metro’s capital improvement plan, updated and adopted annually.

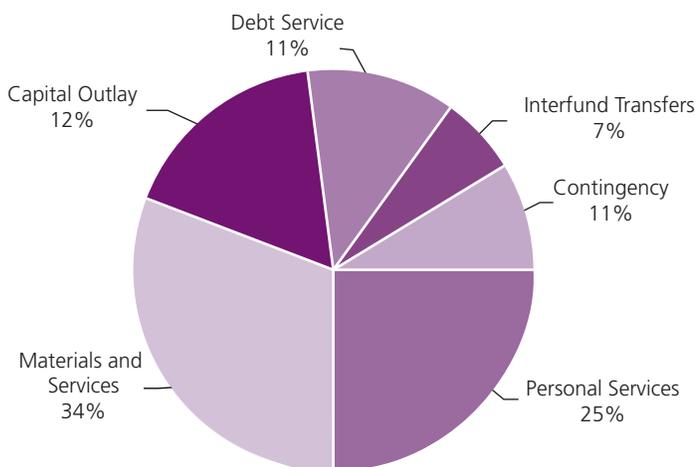
Debt service– 11 percent

Debt service provides for payments on general obligation and full faith and credit bonds sold for the Oregon Convention Center, Metro Regional Center, the Open Spaces Acquisition program, the Natural Areas program, the Expo Center and the Oregon Zoo. Refer to the Debt Summary portion of this budget for the debt service schedules.

Interfund transfers– 7 percent

Metro budgets its resources in separate and distinct funds. Transfers between funds are made to pay for the cost of services provided in one fund for the benefit of another (e.g., payroll, fleet, etc.) or to share resources between funds. Interfund transfers in FY 2011-12 total about \$22.1 million. Interfund transfers appear as both a resource to the receiving fund and a requirement for the transferring fund in the budget. An explanation of all transfers is provided in the appendices.

FY 2011-12 Current expenditures by budget category



REQUIREMENTS

Current Expenditures

Personal Services	\$79,791,040
Materials and Services	111,406,975
Capital Outlay	38,965,830
Debt Service	35,261,700
Interfund Transfers:	
Interfund Reimbursements	9,397,205
Internal Service Transfers	3,000,237
Fund Equity Transfers	9,724,485
Contingency	34,656,569
Subtotal Current Expenditures	\$322,204,041
Ending Fund Balance	62,931,694
TOTAL REQUIREMENTS	\$385,135,735

Total current expenditures \$322,204,041

Contingency– 11 percent

Contingencies in each fund are created to provide for unforeseen requirements such as unexpected increases in costs or drops in revenue. These funds may be spent only after an action of the Metro Council authorizes transferring appropriations from contingency to an expenditure line item.

PROGRAM BUDGET

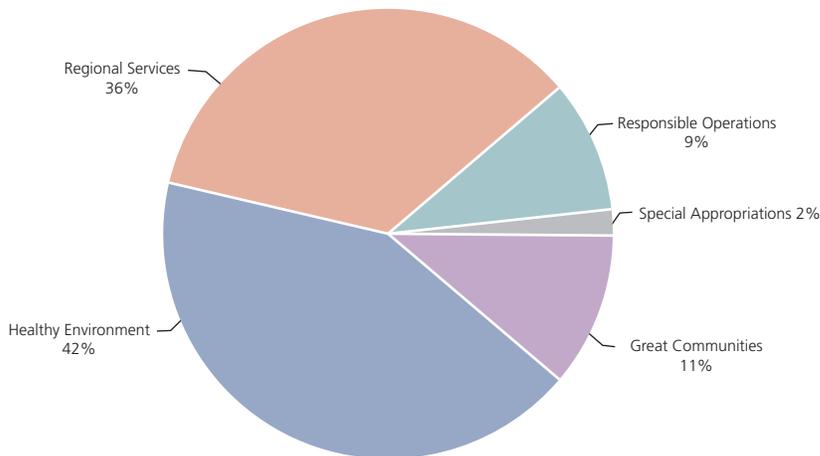
Another way to consider the budget is by program, organized by Metro goals and program performance measures. The detailed program budget can be found in FY 2011-12 Adopted Program Budget.

The four Metro goals – Great Communities, Healthy Environment, Regional Services and Responsible Operations – are an expression of Metro’s strategic intent for the region. In some cases Metro has a direct service aligned with a particular goal; in others, Metro serves as the convener or facilitator, working collaboratively with its local partners and regional residents toward the outcome.

The program budget also includes both agency-wide measures and program specific measures that look at how Metro operates: its business practices, its relationships inside the organization and its relationships within the region.

Metro’s budget and appropriations schedules have been organized under state law by fund, by organizational unit and by specific budget categories of expense. Metro’s goals rise above and cross over fund and organizational unit boundaries. The program budget demonstrates the ways in which our programs interrelate and support Metro’s strategic intent for the region.

FY 2011-12 Program expenditures by Metro goal



Total program expenditures \$252,444,494

The above chart shows the respective operational spending, without contingency, across all goals areas. The program budget which accompanies the budget gives additional detail about the individual goals, the specific programs aligned with those goals and how Metro measures the activities and performance of the individual programs.

Fund balances

BEGINNING FUND BALANCE

Approximately 43 percent (\$165.4 million) of Metro's FY 2011-12 total resources comes from beginning fund balances — money carried over from previous fiscal years.

Solid Waste Revenue Fund– \$39.9 million

The Solid Waste Revenue Fund's beginning fund balance of \$39.9 million comprises the largest piece of the beginning fund balance resource. This amount includes \$5.1 million in reserves for landfill closure; \$8.7 million in the Renewal and Replacement Account; \$5.8 million for capital reserves; \$7.2 million in other dedicated accounts for rate stabilization and pension liability, \$5.2 million for environmental impairment; and \$7.8 million in undesignated fund balance.

Natural Areas Fund– \$36.7 million

The Natural Areas Fund's beginning fund balance of \$36.7 million comprises the second largest piece of the beginning fund balance resource. In November 2006 the voters of the Metro region approved a \$227.4 million general obligation bond measure. In April 2007 Metro issued the first series of bonds under this authorization for \$125.4 million.

General Fund– \$25.6 million

This is the combined balance for several major operating areas — Oregon Zoo, Parks and Environmental Services, Planning and Development and Research Center — as well as all general government and central service functions such as Metro Council, Metro Auditor, Metro Attorney, Communications, Finance and Regulatory Services, Human Resources and Information Services. It includes several dedicated reserves such as the General Fund Recovery Rate Stabilization Reserve, the PERS Reserve for pension liability and a reserve for future debt service on the full faith and credit bonds issued to refinance the Metro Regional Center. It also includes reserves for cash flow and fund stabilization. In January 2007 Metro performed a comprehensive review of fund balance needs in the General Fund. Based on this historical analysis, the “adequate reserves” financial policies call for a minimum of 7 percent of operating expenditures to be set aside in either a contingency or stabilization reserve to guard against unexpected downturns in revenues and stabilize resulting budget actions. The 7 percent target provides a 90 percent confidence level that revenues might dip below this amount only once in a ten-year period. If Metro taps into reserves as a reaction to an economic downturn, then in accordance with the “pay ourselves first” financial policy, these reserves will be replenished before developing spending plans in the subsequent year.

MERC Fund– \$24.6 million

This is the combined operating and capital balance for the three facilities (Oregon Convention Center, Expo Center and Portland Center for the Performing Arts) managed by MERC. In FY 2010-11 Metro and MERC initiated a similar reserve study for the MERC Fund, resulting in reserving recommendations for the budget. Operating contingency and stabilization reserves are sized by venue, recognizing the differences in lines of business. Accumulation reserves for renewal and replacement provide a firm five-year plan and will be the basis for continuing refinement work to move toward the 15-year plan that has served the General Fund well. Additional reserves for new capital and business strategy have been identified for all three venues.

General Obligation Bond Debt Service Fund– \$13.2 million

This amount is required to pay debt service due early in FY 2011-12 before property tax revenues are received.

Oregon Zoo Infrastructure and Animal Welfare Fund – \$9.6 million

In November 2008 the voters of the Metro region approved a \$125 million general obligation bond measure for Oregon Zoo infrastructure and projects related to animal welfare. A \$5 million bond was issued under this authorization in December 2008 and another \$15 million was issued in August 2010. The fund balance reflects the unspent balance of these proceeds.

General Asset Management Fund– \$6.9 million

The General Asset Management Fund provides long term funding for the future renewal and replacement of the General Fund's assets as well as dedicated funding for specific non-bond funded capital projects for Metro's General Fund facilities. The renewal and replacement account is managed to provide a positive balance for a minimum of 15 years. The 20 year asset plan is reviewed annually with a full inventory every five years. Capital projects are funded as resources become available.

Remaining Funds– \$9.0 million

The remainder of the total beginning fund balance is divided among Metro's six other funds and includes a combination of reserves for debt, future long-term maintenance needs and funds held in trust.

ENDING FUND BALANCES

Ending fund balances in one fiscal year become the beginning fund balances of the next fiscal year. Metro plans to carry forward \$63.0 million into FY 2012-13. In addition to the planned carry-over at the end of FY 2011-12, Metro will also carry forward unspent contingency funds and any surplus from operations.

Primary among the planned funds to be carried forward are bond proceeds received in FY 2006–07 for the voter approved Natural Areas acquisition program, bond proceeds received in 2010 for voter approved Oregon Zoo infrastructure projects and reserves for specific purposes (solid waste activities and debt reserves) which are generally required by law, policy or operating agreement. In addition, planned ending balances also include funds to be carried over to provide cash flow for specific operations so that they can operate early in the next fiscal year even though their primary current revenues may not be received until later in that fiscal year.

Salaries, wages and benefits

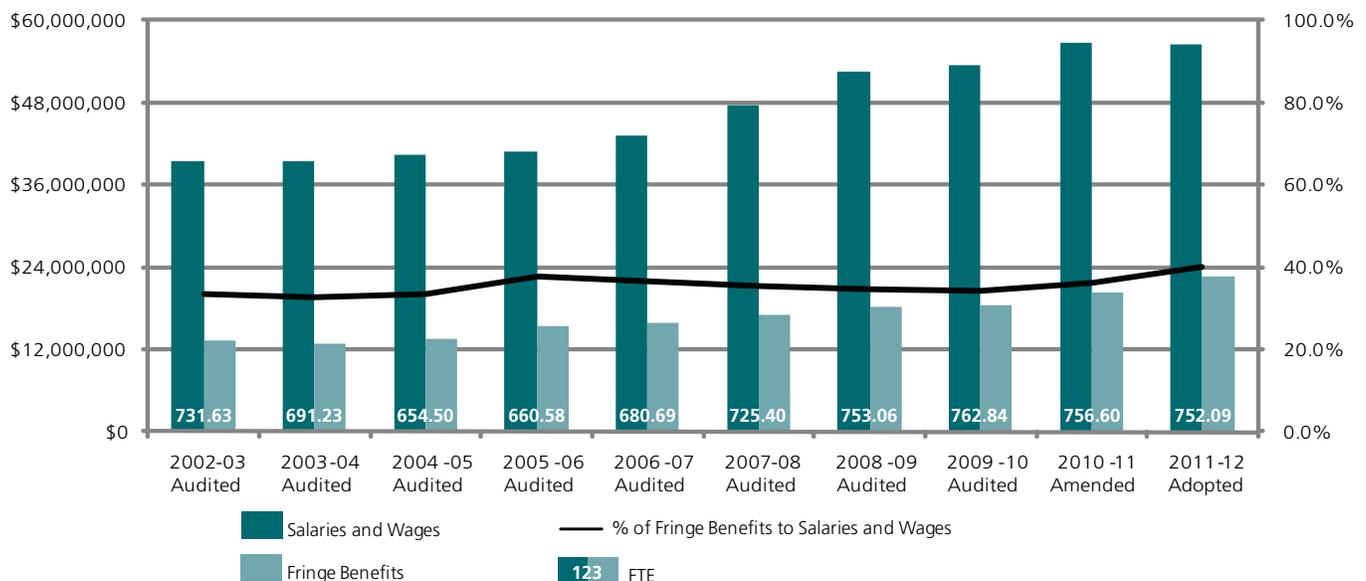
Over the ten-year period authorized FTE has risen by approximately 20, mostly in enterprise or visitor venue areas such as the Oregon Convention Center, the Oregon Zoo and solid waste or hazardous waste disposal facilities. Decreases in FTE between FY 2002-03 through FY 2004-05 were in response to economic fluctuations seen as a result of world events like the World Trade Center terrorist attack of 9/11 and the fear of the SARS epidemic. As the economy began to stabilize and recover, the visitor venues once again began to grow. The reduction in FTE seen in FY 2010-11 and FY 2011-12 is again in response to the current economic situation.

Salaries are a reflection of authorized FTE and will be adjusted based on cost of living, step increase or merit awards, and other collective bargaining factors. Metro remains engaged in bargaining with its largest unit (AFSCME 3580); other units have agreements already in place for FY 2011-12. The budget establishes a progressive salary adjustment for non-represented employees, ranging from 2.5 percent for the least compensated employees and comparable to similar positions in represented positions, down to 0.5 percent for upper level professional staff. Executive staff earning more than \$125,000 will not receive a salary adjustment. Metro’s salary plan remains competitive in the market although there may be slight adjustments to salary ranges for specific classifications.

The table below provides a ten-year comparison of salaries, benefits and authorized FTE.

Fringe benefits include components such as payroll taxes, pension contribution and health and welfare premiums. Overall costs are driven primarily by two factors – pension contributions and health and welfare. The Oregon PERS system was negatively impacted by investment losses during 2008 and 2009. The PERS rate will see a significant rate increase of 5.2 percent effective July 1, 2011. Anticipating this outcome, the Metro Council decided in FY 2009-10 to reserve for two years the 3.0 percent rate reduction of the current actuarial period as a hedge against future rate increases. This reserve is now being used to reduce PERS related costs associated with the outstanding pension liability bonds, resulting in a 3 percent offset to the rate increase for FY 2011-12.

FY 2011-12 Comparison of salaries and wages



Metro provides medical, dental and vision coverage on behalf of its employees. Prior to FY 2011-12, the agency's cost was subject to a cap set by the Metro Council for non-represented employees and through collective bargaining for represented employees. Monthly premium costs above the cap were paid by the employee. Historically, the cap increased approximately 5 percent annually. However, collective bargaining agreements negotiated a 10 percent cap increase from FY 2008-09 through FY 2010-11. Beginning in FY 2011-12 Metro has moved to a cost sharing plan whereby the agency picks up a set percentage amount of the premium based on an employee's health and welfare elections. For FY 2011-12 non-represented employees will be on a 92 percent employer share and 8 percent employee share while most collective bargaining agreements will be on a 94 percent/6 percent cost sharing plan. As an agency, the budget assumes its total health and welfare costs will increase approximately 10 percent over the current year. Actual costs are dependent on provider proposals received each spring, which are reviewed by the agency's Joint Labor Management Committee on health care.

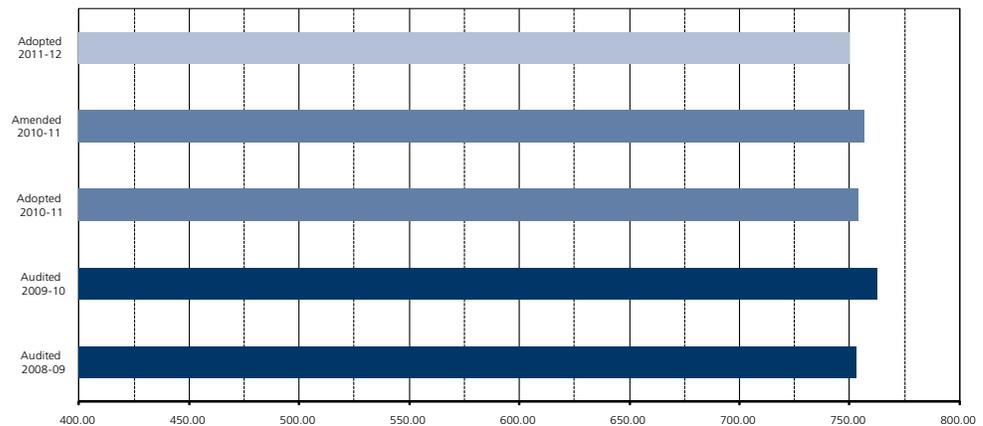
Additional discussion on staffing levels is provided later in this section. The appendices provide more detailed discussion on fringe benefit components.

Staff levels

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

Between FY 2008-09 and FY 2009-10, staffing levels initially increased by 10 FTE, 1.3 percent. In response to the economic downturn, staff levels have decreased in each of the last two fiscal years to a level just slightly below FY 2008-09.

Historic staffing levels - overall



Historic staffing levels by service

	Audited FY 08-09	Audited FY 09-10	Adopted FY 10-11	Amended FY 10-11	Adopted FY 11-12	% Change from FY 10-11	% Change from FY 08-09
Office of the Metro Auditor	6.00	6.00	6.00	6.00	6.00	0.00%	0.00%
Office of the Council	24.83	26.90	24.50	25.25	24.00	(4.95%)	(3.34%)
Office of Metro Attorney	15.50	15.50	15.50	15.50	15.50	0.00%	0.00%
Communications	22.25	21.00	22.00	22.00	21.00	(4.55%)	(5.62%)
Finance and Regulatory Services	41.70	44.70	43.70	43.70	43.70	0.00%	4.80%
Human Resources	15.00	16.00	16.50	16.50	19.00	15.15%	26.67%
Information Services	22.50	24.50	23.50	23.50	26.00	10.64%	15.56%
Planning & Development	54.15	57.60	56.30	57.20	55.38	(3.18%)	2.27%
Parks & Environmental Services	112.80	104.55	97.55	98.55	96.80	(1.78%)	(14.18%)
Research Center	29.50	31.18	31.91	32.67	30.70	(6.03%)	4.07%
Sustainability Center	61.85	62.93	71.50	69.75	69.35	(0.57%)	12.13%
Visitor Venues	346.98	351.98	344.98	345.98	344.66	(0.38%)	(0.67%)
TOTAL	753.06	762.84	753.94	756.60	752.09	(0.60%)	(0.13%)

Several key factors have contributed to the overall change in FTE during this period:

Economy

Several years of economic recovery clearly had a positive impact on Metro's operations. Initially, even with the economic downturn, Metro continued to grow. Metro's revenue sources are more diverse than other local agencies, which are more dependent on one or two primary sources of revenue like property tax or business

income tax, which contract sharply in downturns. People stayed closer to home to take advantage of the local entertainment and visitor attractions in and around the metro region, resulting in record attendance at the Oregon Zoo and the Portland Center for Performing Arts. The Oregon Convention Center, which books major conventions years in advance, continued to do well. As operations increased, the Council authorized additional staff to meet service demands and expectations. However, as the economic downturn persists, Metro is not immune to its effects. Guests continue to visit the Oregon Zoo in record numbers, but they spend less on food and other concessions, producing flat revenue. The MERC venues have also noticed a decrease in days-per-event and the selection of less costly menus for events that previously selected the premium menus. The FY 2010-11 and FY 2011-12 budgets recognize the persisting economic impact on revenues, eliminating several positions and redirecting other staffing resources to the Metro Council's highest priorities.

Bond Program

In November 2008 the voters of the Metro region authorized the sale of \$125.0 million in general obligation bonds for a variety of capital projects all related to the Oregon Zoo infrastructure or animal welfare. With the approval of the bond measure, the Metro Council approved the addition of three new positions to support the intense demands of the new 10 to 12 year capital program. In addition, several existing positions were transferred in whole or part from the zoo's operating department or existing Capital Fund to provide administrative and other support to the program.

Implementation of the Sustainable Metro Initiative

In fall 2008 Metro began a major new effort called the Sustainable Metro Initiative (SMI). The goal of the effort was to advance Metro's mission of protecting and enhancing the regional's environment and quality of life by transforming Metro into a modern, mission driven organization equipped to fulfill the promise as the leader in regional conservation and civic innovation. The approach reoriented Metro's management structure by core competencies and functions to align programs with desired regional outcomes. The agency was structured around two broad areas of focus: strategy and services. The new structure promotes collaboration and efficiency among programs with common goals, improves financial transparency and provides for a more strategic approach to solving regional problems and leading regional initiatives. While SMI did not increase the overall agency FTE, it did change the distribution of FTE by service, most notably between Parks and Environmental Services and Sustainability Center.

The Sustainable Metro Initiative included a major reorganization of Metro departments and functions resulting in the shifting of staff and responsibilities between organizational areas. Where distinct budget sections could be identified they were moved along with the prior year historic data to the new organizational unit under SMI. As a result, not all staff changes resulting from SMI show as shifts between FY 2008-09 and FY 2009-10.

In addition to merging the Visitor Venues under a single General Manager, the FY 2011-12 budget reflects continued consolidation of business services arising from the MERC/Metro Business Practices review. The Metro and MERC business services began its merger in FY 2010-11. The FY 2011-12 budget recognizes this steady progression, transferring a number of staff positions to agency-wide services resulting in individual cost savings to MERC and to the agency as a whole. Transitions have occurred in Information Services, Human Resources, procurement (Finance and Regulatory Services) and construction management (Parks and Environmental Services).

New positions in FY 2011-12

The FY 2011-12 budget shows an decrease of 4.51 FTE from the amended FY 2010-11 budget. The changes can be divided into four categories:

- FTE changes approved during FY 2010-11.
- Changes in FTE to increase or decrease existing FTE.
- Positions eliminated during the preparation of the FY 2011-12 budget.
- New position requests.

The following tables provide a summary of FTE changes by organizational unit.

Full-time equivalent changes by organizational unit

	FY 2010-11 Amended FTE	FY 2011-12 Changes					Total FTE Change	FY 2011-12 Adopted FTE
		Approved in FY 2010-11	Changes in FTE	Transfer Positions	Eliminated Positions	New Positions		
Office of Metro Auditor	6.00	-	-	-	-	-	-	6.00
Council Office	25.25	-	-	-	(1.25)	-	(1.25)	24.00
Office of Metro Attorney	15.50	-	-	-	-	-	-	15.50
Communications	22.00	-	-	-	(1.00)	-	(1.00)	21.00
Finance and Regulatory Services	43.70	-	-	1.00	(1.00)	-	-	43.70
Human Resources	16.50	-	-	1.00	(1.50)	3.00	2.50	19.00
Information Services	23.50	-	-	2.00	(0.50)	1.00	2.50	26.00
Planning and Development	57.20	-	-	-	(1.82)	-	(1.82)	55.38
Parks and Environmental Services	98.55	-	-	0.25	(2.00)	-	(1.75)	96.80
Research Center	32.67	(0.03)	-	(1.00)	(2.34)	1.40	(1.97)	30.70
Sustainability Center	69.75	(0.15)	(0.25)	1.00	(1.00)	-	(.40)	69.35
Visitor Venues	345.98	-	-	(4.25)	(3.17)	6.10	(1.32)	344.53
TOTAL	756.60	(0.18)	(0.25)	-	(15.58)	11.50	(4.51)	752.09

The FY 2011-12 budget continues the reorganizational efforts begun in fall 2008 under SMI. During FY 2010-11 the MERC venues of Oregon Convention Center, the Portland Center for the Performing Arts and the Portland Expo Center were combined with the Oregon Zoo to create a single organization of Visitor Venues. The consolidation provided an opportunity to review core business services provided at MERC facilities and integrate those services more fully with all other Metro services. As a result, six positions have been transferred in whole or part from the MERC Administration division to various Metro central services such as Finance and Regulatory Services, Human Resources and Information Services.

Labor costs for salaries, wages and benefits such as pension and health insurance continue to rise while revenues to the General Fund and the visitor venues remain flat or have begun to experience declines. To avoid unsustainable use of reserves the agency has made selective reductions in staffing levels through the consolidating functions or refocusing staff efforts.

The following FTE changes are made in the FY 2011-12 Adopted Budget:

Action - Eliminated Positions	FTE
Columbia River Crossing Director	(1.00)
Associate Public Affairs Specialist - Community Investment Strategy	(0.25)
Administrative Specialist IV	(1.00)
Associate Management Analyst - Procurement	(1.00)
Payroll Technician	(0.50)
LD Administrative Assistant II - Learning Management System (converted to regular status)	(1.00)
Technical Specialist	(0.50)
LD Records and Information Analyst	(0.50)
LD Assistant Regional Planner	(1.00)
LD Program Analyst IV (effective 2/12/12)	(0.32)
Assistant Management Analyst	(1.00)
Program Supervisor I	(1.00)
Assistant Transportation Modeler	(1.00)
GIS Technician	(0.67)
GIS Technician	(0.67)
Senior Regional Planner - Nature in Neighborhood (job share)	(1.00)
Program Supervisor II - Marketing	(1.00)
LD Program Analyst IV (effective 10/31/11)	(0.67)
Maintenance Supervisor	(1.00)
Manager I - Construction (effective 12/31/11)	(0.50)
TOTAL	(15.58)

Action - New Positions	FTE
Program Analyst IV - Diversity Manager	1.00
LD Program Analyst III - procedure/policy development (duration through 6/30/12)	1.00
Administrative Assistant II - Learning Management System (converted from LD)	1.00
LD Records and Information Analyst - (duration through 6/30/12)	1.00
LD Associate GIS Specialist - (duration through 6/30/12, climate smart scenarios)	1.00
LD Assistant GIS Specialist - (duration through 6/30/12, climate smart scenarios)	0.40
Service Supervisor II - catering (reinstatement of position)	1.00
Senior Public Affairs Specialist - marketing	1.00
Web content and social media specialist	0.50
Manager II - education	1.00
Program Assistant I - volunteer resources	0.60
Marketing Promotions Coordinator	1.00
Utility Lead	1.00
TOTAL	11.50

Action - Misc. Actions	FTE
Program Supervisor II - reduce to 75 percent time	(0.25)
TOTAL	(0.25)

In addition, the following limited duration positions received extended assignment durations:

Action - Limited Duration Extensions	FTE
Principal Regional Planner - Intertwine (extend through 6/30/12)	1.00
Associate Planner Position - HB 2001 (extend through 6/30/12)	1.00
Principal Regional Planner - Regional Indicators (extend through 9/30/12; 80% time)	0.20
Senior Regional Planner - Climate Change (extend through 6/30/12)	1.00
TOTAL	3.20

The preceding actions can also be summarized by organizational unit:

	FTE Change from 2010-11
Communications	
Eliminate Administrative Specialist IV	(1.00)
<i>Subtotal</i>	<u>(1.00)</u>
Council	
Eliminate Columbia River Crossing Director	(1.00)
Eliminate Associate Public Affairs Specialist - Community Investment Strategy	(0.25)
<i>Subtotal</i>	<u>(1.25)</u>
Finance and Regulatory Services	
Eliminate Associate Management Analyst - Procurement	(1.00)
Transfer Senior Management Analyst from Parks & Environmental Services	1.00
Transfer Associate Management Analyst from Visitor Venues - Administration	1.00
Transfer Senior Solid Waste Planner to Parks & Environmental Services	(1.00)
<i>Subtotal</i>	<u>0.00</u>
Human Resources	
Eliminate Payroll Technician	(0.50)
Eliminate LD Administrative Assistant II - Learning Management System (converted to regular status)	(1.00)
Add Program Analyst IV - Diversity Manager	1.00
Add LD Program Analyst III - procedure/policy development (duration through 6/30/12)	1.00
Add Administrative Assistant II - Learning Management System (converted from LD)	1.00
Transfer Program Analyst V from Visitor Venues - Administration	1.00
<i>Subtotal</i>	<u>2.50</u>
Information Services	
Eliminate Technical Specialist	(0.50)
Add LD Records and Information Analyst - (duration through 6/30/12)	1.00
Transfer Manager 1 From Visitor Venues - Administration	1.00
Transfer Manager 1 From Visitor Venues - Administration	1.00
<i>Subtotal</i>	<u>2.50</u>
Parks and Environmental Services	
Eliminate Assistant Management Analyst	(1.00)
Eliminate Program Supervisor I	(1.00)
Transfer Senior Management Analyst to Finance & Regulatory Services	(1.00)
Transfer Senior Solid Waste Planner from Finance & Regulatory Services	1.00
Transfer Program Director to Visitor Venues - Administration	(0.30)
Transfer Assistant Management Analyst from Visitor Venues - Administration	0.40
Transfer Manager 1 from Visitor Venues - Administration	0.15
<i>Subtotal</i>	<u>(1.75)</u>
Planning & Development	
Eliminate Records and Information Analyst	(0.50)
Eliminate LD Assistant Regional Planner	(1.00)
Eliminate LD Program Analyst IV (effective 2/12/12)	(0.32)
<i>Subtotal</i>	<u>(1.82)</u>
Research Center	
Eliminate Assistant Transportation Modeler	(1.00)
Eliminate GIS Technician	(0.67)
Eliminate GIS Technician	(0.67)
Add LD Associate GIS Specialist - (Climate smart scenarios, duration through 6/30/12)	1.00
Add LD Assistant GIS Specialist - (Climate smart scenarios, duration through 6/30/12)	0.40
Extend Associate Planner Position - HB 2001 (extend through 6/30/12)	0.57
Extend Principal Regional Planner - Regional Indicators (extend through 9/30/12; 80% time)	(0.60)
Transfer Senior GIS Specialist to Sustainability Center	(1.00)
<i>Subtotal</i>	<u>(1.97)</u>

	FTE Change from 2010-11
Sustainability Center	
Extend LD Senior Regional Planner - Climate Change (extend through 6/30/12)	1.00
Eliminate Senior Regional Planner - Nature in Neighborhood (job share)	(1.00)
Reduce Program Supervisor II - reduce to 75 percent time	(0.25)
Extend Principal Regional Planner - Intertwine (extend through 6/30/12)	1.00
Transfer Senior GIS Specialist from Research Center	1.00
Transfer Associate Planner Position to Research Center	(0.15)
<i>Subtotal</i>	<u>1.60</u>
Visitor Venues	
<i>Oregon Zoo</i>	
Eliminate LD Program Analyst IV (effective 10/31/11)	(0.67)
Eliminate Program Supervisor II - Marketing	(1.00)
Add Service Supervisor II - catering (reinstatement of position)	1.00
Add Senior Public Affairs Specialist - marketing	1.00
Add Web content and social media specialist	0.50
Add Manager II - education	1.00
Add Program Assistant I - volunteer resources	0.60
Transfer Director from Visitor Venues - Administration	0.25
Transfer Program Analyst II from Visitor Venues - Administration	0.15
<i>Subtotal</i>	<u>2.83</u>
<i>Administration</i>	
Eliminate Manager I - Construction (effective 12/31/11)	(0.50)
Transfer Associate Management Analyst to Finance & Regulatory Services	(1.00)
Transfer Program Analyst V to Human Resources	(1.00)
Transfer Manager 1 To Information Services	(1.00)
Transfer Manager 1 To Information Services	(1.00)
Transfer Program Director from Parks & Environmental Services	0.30
Transfer Assistant Management Analyst to Parks & Environmental Services	(0.40)
Transfer Manager 1 to Parks & Environmental Services	(0.15)
Transfer Director to Visitor Venues - Zoo	(0.25)
Transfer Program Analyst II to Visitor Venues - Zoo	(0.15)
<i>Subtotal</i>	<u>(5.15)</u>
<i>Portland Center for the Performing Arts</i>	
Eliminate Maintenance Supervisor	(1.00)
Add Marketing Promotions Coordinator	1.00
Add Utility Lead	1.00
<i>Subtotal</i>	<u>1.00</u>
<hr/>	
Total FTE Changes (including limited duration extensions)	(2.51)



Revenue analysis

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Revenue summary, all sources

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2010-11 FY 2011-12	Change from Amended
CURRENT REVENUES								
Real Property Taxes	\$44,897,096	\$51,457,063	\$48,483,349	\$48,483,349	\$39,039,151	\$39,039,151	\$39,039,151	(19.48%)
Excise Tax	\$14,705,646	\$14,392,093	\$16,203,937	\$16,203,937	\$16,705,765	\$16,705,765	\$16,705,765	3.10%
Other Derived Tax Revenue	\$24,168	\$25,497	\$23,300	\$23,300	\$25,000	\$25,000	\$25,000	7.30%
Grants	\$14,306,069	\$13,115,905	\$14,783,392	\$14,809,693	\$12,271,501	\$12,511,750	\$12,558,425	(15.20%)
Local Government Shared Revenues	11,202,982	10,406,511	11,173,508	11,129,553	11,708,979	11,708,979	11,708,979	5.21%
Contributions from Other Governments	1,001,028	2,271,100	2,361,371	2,547,234	3,827,419	3,827,419	3,827,419	50.26%
Enterprise Revenue	109,086,690	109,754,507	118,870,045	120,131,000	120,751,815	109,311,784	109,488,784	(8.86%)
Interest Earnings	6,675,487	2,131,822	1,611,106	1,611,106	825,959	825,959	825,959	(48.73%)
Donations	8,324,043	5,235,274	1,806,930	1,806,930	3,041,100	3,041,100	3,141,100	73.84%
Other Misc. Revenue	2,758,599	2,469,556	2,514,169	2,514,169	302,779	302,779	302,779	(87.96%)
Bond and Loan Proceeds	5,000,000	0	15,000,000	15,000,000	0	0	0	(100.00%)
Subtotal External Current Revenues	217,981,808	211,259,328	232,831,107	234,260,271	208,499,468	197,299,686	197,623,361	(15.64%)
INTERFUND TRANSFERS								
Interfund Reimbursements	7,474,080	7,680,866	8,396,573	8,396,573	9,397,205	9,397,205	9,397,205	11.92%
Internal Service Transfers	944,972	2,723,052	3,122,488	3,122,488	3,000,237	3,000,237	3,000,237	(3.92%)
Fund Equity Transfers	6,014,113	5,175,785	10,765,853	10,937,200	8,816,595	9,684,485	9,724,485	(11.09%)
Subtotal Internal Current Revenues	14,433,165	15,579,703	22,284,914	22,456,261	21,214,037	22,081,927	22,121,927	(1.49%)
TOTAL CURRENT REVENUES	\$232,414,973	\$226,839,031	\$255,116,021	\$256,716,532	\$229,713,505	\$219,381,613	\$219,745,288	(14.40%)

This section presents a consolidated summary of major operating revenues, a description of each source, underlying assumptions for revenue estimates and recent trends. Tables showing estimated or actual revenues for each major source for the last four fiscal years supplement this discussion. The five largest revenue sources (enterprise revenues, property taxes, excise taxes, grants and intergovernmental revenues) constitute 98 percent of Metro's current revenues (excluding interfund transfers) and are described in greater detail. Operating revenues are augmented by fund balances, which are addressed in the Budget Summary and Fund Summaries sections in this document.

Enterprise revenue

	Actual FY 2008-09	Actual FY 2009-10	Amended FY 2010-11	Adopted FY 2011-12	% of Department Total	% of Total Enterprise Revenue	% Change from FY 2010-11	% Change from FY 2008-09
MERC								
Rentals	7,428,389	6,970,751	7,420,586	7,333,144	23.72%		(1.18%)	(1.28%)
Concessions and Catering	11,562,004	\$12,564,711	\$13,030,716	11,912,662	41.66%		(8.58%)	3.03%
Parking	2,538,446	\$2,469,064	\$2,882,854	2,874,555	9.22%		(0.29%)	13.24%
Reimbursed Services	3,042,169	\$3,192,995	\$3,174,967	3,173,161	10.15%		(0.06%)	4.31%
Utility Services	1,368,285	\$1,586,568	\$1,598,360	1,578,500	5.11%		(1.24%)	15.36%
Other	3,779,197	\$2,727,747	\$3,170,730	3,410,727	10.14%		7.57%	(9.75%)
TOTAL MERC	29,718,490	29,511,836	31,278,213	30,282,749	100.00%	27.66%	(3.18%)	1.90%
OREGON ZOO								
Admissions	6,809,675	7,055,522	7,751,800	7,798,000	40.81%		0.60%	14.51%
Food Sales	5,357,828	5,048,000	5,454,700	5,376,000	28.72%		(1.44%)	0.34%
Retail Sales	2,279,919	2,202,173	2,272,000	2,258,000	11.96%		(0.62%)	(0.96%)
Railroad Rides	973,132	969,245	960,000	960,000	5.05%		0.00%	(1.35%)
Tuition and Lectures	1,081,230	1,135,720	1,111,955	1,208,887	5.85%		8.72%	11.81%
Exhibit Shows	522,144	232,634	636,400	702,500	3.35%		10.39%	34.54%
Other	890,649	818,638	808,726	882,000	4.26%		9.06%	(0.97%)
TOTAL OREGON ZOO	17,914,577	17,461,932	18,995,581	19,185,387	100.00%	17.52%	1.00%	7.09%
SOLID WASTE AND RECYCLING								
Disposal Fees	25,210,217	25,121,689	28,514,495	27,416,784	50.87%		(2.56%)	6.17%
Regional System Fee	19,056,487	19,725,884	19,715,106	19,579,416	35.17%		0.16%	5.25%
Transaction Fee	2,370,538	2,455,749	2,800,076	2,972,225	4.99%		(1.79%)	26.14%
Other	3,724,558	3,512,882	5,027,919	4,716,037	8.97%		(6.20%)	9.83%
TOTAL SOLID WASTE AND RECYCLING	50,361,800	50,816,204	56,057,596	54,684,462	100.00%	49.95%	(2.45%)	8.58%
Other Enterprise Revenue	11,094,186	11,965,053	13,799,610	5,336,186		4.87%	(61.33%)	(51.90%)
TOTAL ENTERPRISE REVENUE	\$109,089,053	\$109,755,025	\$120,131,000	\$109,488,784		100.00%	(8.86%)	0.37%

Enterprise revenue represents income earned from use of Metro facilities or franchises and the purchase of Metro products and services. Ninety-five percent of all enterprise revenue is derived from facilities operated or services provided by three operating areas: the Metropolitan Exposition Recreation Commission (MERC), Solid Waste operations and the Oregon Zoo.

With certain exceptions, all enterprise revenue is subject to Metro’s excise tax (see discussion that follows under Tax Revenues). Revenue generated at the Oregon Zoo and the Portland Center for the Performing Arts as well as other specific items detailed in Metro Code are exempt. Revenue projections are initially calculated based on gross revenues prior to the application of the excise tax; however, the budget document reflects revenues net of the excise tax (gross projections less excise tax).

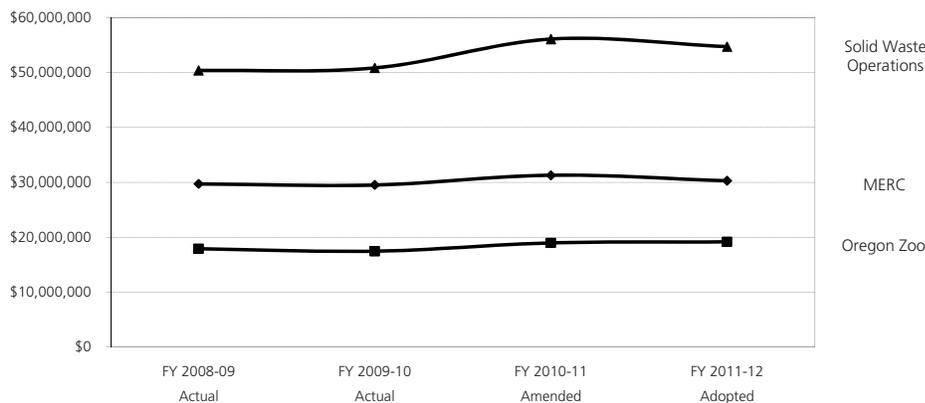
MERC ENTERPRISE REVENUE

Enterprise revenues from MERC-operated facilities account for 28 percent of total Metro enterprise revenues. MERC facilities include the Metropolitan Exposition Center (Expo Center), the Oregon Convention Center and the Portland Center for the Performing Arts (PCPA). Approximately 90 percent of MERC enterprise revenue derives from the following sources:

Rental

This is the combined total of revenue generated for license agreements for temporary leasing of space within the facilities and revenue generated from equipment rental charged back to clients. Revenue represents a 1 percent decrease from FY 2010-11 budgeted figures. OCC expects a 3.7 percent decrease in revenue, with 30 conventions booked for the year, down 7 from the prior year. Expo’s rental revenues are budgeted to increase 4.7 percent, which includes a 3 percent rate increase. Rental revenue at PCPA is projected to be flat, even though a decrease from 12.5 to 13 weeks of Broadway, the addition of two new art organizations bringing their seasons to PCPA and a rental rate increase of 3 percent. While these PCPA changes will result in an increase over FY 2010-11 actual revenues, those actual figures were less than budget by approximately 17 percent because the opera and the ballet each cut one production, and one full week of Broadway was cancelled.

Enterprise revenue



Concessions/Catering

These are revenues generated from food and beverage sales and catered functions. Projections are based on projected attendance and historical sales. Concession and catering revenue is largely dependent on the number of convention bookings at the Oregon Convention Center and can fluctuate from one year to the next. Concessions and catering revenues were up in FY 2010-11 due to stronger than expected convention attendance and spending. While FY 2010-11 experienced strong convention bookings, FY 2011-12 will have 7 fewer conventions. Total revenues in this category are projected to be down 8.6 percent in FY 2011-12.

Parking

These are fees charged for parking in the lots at the Oregon Convention Center and the Expo Center. Parking revenues are budgeted to be about the same as those budgeted in FY 2010-11.

Reimbursement Services

These are charges to renters for the labor cost of staging and staffing events at all three facilities. About 69 percent of these revenues are reimbursements for labor at PCPA. Projections for this facility are based upon projected wage and fringe rates and the number of events to be held.

Utility Services

This category represents revenue received from contractors to cover the cost of a variety of utility services, such as electrical, telephone, air, water, gas, etc., used for business and show purposes. Approximately 86 percent of these costs are recovered at the Oregon Convention Center. Overall budgeted utility revenues are down just slightly from FY 2010-11; projections are based on the number of events to be held and the anticipated fees charged by the utility providers.

ZOO ENTERPRISE REVENUE

Enterprise revenues from the Oregon Zoo account for almost 18 percent of Metro's total enterprise revenues. The majority of the Oregon Zoo's revenue forecasts are based on average per capita spending or fees charged for services. Annual attendance increased substantially in previous years, reaching 1.6 million, but has remained relatively flat over the last year due to a weak economy. Spending recovered only slightly in FY 2010-11, leading to total budgeted enterprise revenues only 1 percent higher for FY 2011-12. The following categories represent 90 percent of the zoo's annual enterprise revenues:

Admissions

Annual attendance forecasts and admission rates determine the admissions revenue estimate. Attendance is forecasted to be 1.6 million visitors in FY 2011-12, with no change in general admission rates. Admission revenue is budgeted at \$5.4 million for general admission, \$1.2 million for membership sales and \$1.2 million for concerts.

Food Sales

This category includes revenues from food, beverage and catering sales. Food and beverage sales are budgeted at \$4.2 million, based on per capita spending of \$2.61 multiplied by the anticipated attendance of 1.6 million. This budget is slightly lower than the previous year due to lower than anticipated spending resulting from the weak economy. Catering food sales projections of \$1.2 million are based on sales and growth patterns from previous years.

Retail Sales

These are sales from the zoo gift shop and vending machines. The zoo forecasts revenues of \$2.3 million from retail sales in FY 2011-12.

Railroad Rides

These are revenues from visitors paying to experience the zoo's train ride; revenue projections are based on per capita spending of \$0.60, for a total of \$960,000, the same as budgeted in FY 2010-11.

Tuitions and Lectures

This category includes fees for educational classes and lectures provided by or sponsored by the zoo. Revenues are forecasted based on historical class participation and planned course offerings. Tuition and lecture revenue has remained relatively flat over the past few years and this budget of \$1.2 million reflects a very slight increase from FY 2010-11.

Exhibit and Shows

This revenue is received from special zoo temporary exhibits and shows. Many of the exhibits are transient and offered for only one or two summers. Revenue projections are based on previous temporary exhibit revenue experiences and fluctuate depending on planned offerings. During FY 2011-12 the zoo forecasted \$0.7 million, a slight increase from the previous year, which includes simulator revenue throughout the year, dinosaur revenue through September and a temporary butterfly exhibit beginning in spring 2012.

SOLID WASTE AND RECYCLING ENTERPRISE REVENUES (in Parks and Environmental Services)

Enterprise revenues from the solid waste operations in Parks and Environmental Services (PES) account for approximately 50 percent of total Metro enterprise revenues. These revenues are derived from charges for the processing and disposal of solid waste within the region. Haulers pay a "tip fee" to dispose of waste at a solid waste facility. At Metro's transfer stations, the tip fee covers the cost of processing, transport and disposal of the waste; general and administrative costs; Metro's Regional System Fee (see below); Metro Excise Tax; a host community fee; and Department of Environmental Quality fees. Effective Aug 1, 2011, Metro's tip fee increases by \$3.68 to \$89.53 per ton.

Tonnage Charge

This fee represents the portion of the Metro tip fee that covers the cost of disposing and transporting waste from Metro transfer stations. Solid waste generation declined significantly during the economic downturn. The decline has flattened out, and the tonnage forecast for FY 2011-12 remains at about the same level as the actual tonnage in FY 2010-11, but lower than the amount budgeted for that period. Solid waste enterprise revenues are projected to decrease by about 2.5 percent (\$1.4 million) from the FY 2010-11 budget. By FY 2012-13 Metro expects to see a modest uptick in tonnage.

Regional System Fee

This fee is charged on a per-ton basis on all waste generated in the region and disposed of at a disposal site. This includes waste that is delivered to Metro's transfer stations, privately owned regional transfer stations, municipal waste-incinerators and landfills. The Regional System Fee recovers the cost of programs such as waste reduction, hazardous waste and a portion of landfill closure expenses. Debt service obligations have now been completed. The fee, currently \$16.72, is scheduled to increase to \$17.64 effective Aug. 1, 2011.

Transaction Fee

Transaction fees recover the cost of processing each load at Metro transfer stations, regardless of the weight. Users of the automated scales pay \$3.00 per load, unchanged from last year, and users of the staffed scales will pay \$12.00 per load beginning Aug. 1, 2011, up from \$11.00. The difference in fees reflects the difference in cost to serve each of these user groups.

Other Revenue

Other revenue derives from a variety of sources, including disposal charges for items such as tires, refrigeration units, yard debris and hazardous waste; community enhancement fees charged on each ton of waste accepted at Metro Central, Metro South and the Forest Grove transfer stations; and special assessment fees required by the Oregon Department of Environmental Quality. These other revenues will generate approximately \$4.7 million in FY 2011-12. Beginning on Aug. 1, 2011, Metro will reinstate a fee for household hazardous waste. The average household will pay \$5.00 per load to dispose of hazardous waste.

OTHER ENTERPRISE REVENUES

These revenues are derived from several sources and comprise about 5 percent of total enterprise revenues. Revenues include fees charged at Metro's regional parks, parking fees charged at Metro Regional Center and revenue generated by the regional Contractor's Business License and the Data Resource Center.

In FY 2011-12 Metro will change the way it accounts for the costs of employee health insurance. Previously, departments were charged a flat cost per covered employee each month. That revenue was then transferred to the Risk Management Fund classified as enterprise revenue, with insurance costs paid out of that fund. In FY 2011-12 actual insurance costs will be paid directly out of employees' home departments. This will result in a decrease of more than \$9 million in agency enterprise revenues in the FY 2011-12 budget as compared to FY 2010-11.

TAX REVENUE

Metro’s tax revenues are generated from two major sources: property taxes and excise taxes. Together, they constitute 28 percent of Metro’s total revenues (not including interfund transfers). This percentage overstates the tax revenue contribution to current operations because 70 percent of property taxes are dedicated to debt service.

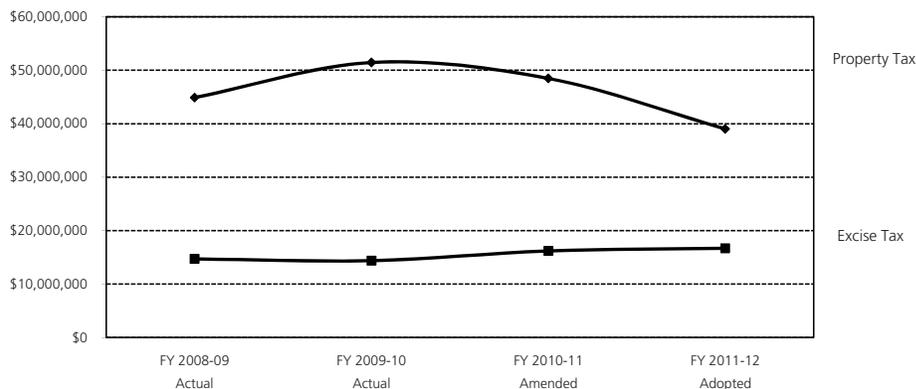
PROPERTY TAXES

Property taxes are levied by Metro for only two purposes: operations and debt service payments. In 1990 voters approved a permanent property tax levy for Oregon Zoo operations. The tax levy for operations is subject to the state limitations of Ballot Measures 5 and 50. Ballot Measure 50 removed any specific dedication of the tax to the Oregon Zoo. It converted all property tax levies for operations to a permanent tax rate applied to assessed value. The rate cannot be changed. The measure also restricts the increase in assessed value to 3 percent annually plus an allowance for new construction. Ballot Measure 5 limits total general government levies to no more than \$10.00 per thousand of assessed value.

By law, general obligation debt must be approved by voters. Property taxes for debt service are levied to repay debt on five voter-approved general obligation bond measures (see Section I, Debt Summary, in this document for more information). Property taxes levied for general obligation debt are exempt from the limitations of Ballot Measures 5 and 50. In November 2006 the voters of the Metro region approved a \$227.4 million general obligation bond measure for the new Natural Areas program. The first series under this authorization – \$124,295,000 – was issued in April 2007. Metro anticipated issuing an additional series of bonds under this authorization in spring 2010, but the real estate downturn has slowed expenditures and delayed the need for new funding.

The Oregon Zoo Infrastructure and Animal Welfare Bond program represents the capital planning and construction activities funded by the November 2008 general obligation bond authority. Bond proceeds will finance multiple capital projects within the zoo’s existing campus, as well as fund improvements for an off-site elephant facility. Metro issued two series bonds totaling \$20 million to fund master planning activities, as well as construction projects for the Veterinary Medical Center, penguin filtration system update and storm water management.

Tax revenue



Tax revenue

	Actual FY 2008-09	Actual FY 2009-10	Amended FY 2010-11	Adopted FY 2011-12	% of Category Total	% of Total Tax Revenue	% Change from FY 2010-11	% Change from FY 2008-09
PROPERTY TAXES								
Operations	\$10,755,647	\$11,232,027	\$11,294,190	\$11,767,309	30.14%		4.19%	9.41%
G.O. Debt Service	34,141,449	40,225,036	37,189,159	27,271,842	69.86%		(26.67%)	(20.12%)
TOTAL PROPERTY TAXES	44,897,096	51,457,063	48,483,349	39,039,151	100.00%	70.03%	(19.48%)	(13.05%)
EXCISE TAXES								
Construction Excise Tax	1,734,579	1,427,730	1,300,000	1,605,000	9.61%		23.46%	(7.47%)
Solid Waste and Recycling Operations	10,646,097	11,110,695	12,663,730	13,117,976	78.52%		3.59%	23.22%
MERC Operations	1,595,867	1,608,290	1,755,079	1,694,279	10.14%		(3.46%)	6.17%
Zoo Operations	468,626	0	0	0	0.00%		N/A	(100.00%)
Other	260,477	245,373	485,128	288,510	1.73%		(40.53%)	10.76%
TOTAL EXCISE TAXES	14,705,646	14,392,088	16,203,937	16,705,765	100.00%	29.97%	3.10%	13.60%
TOTAL TAX REVENUE	\$59,602,742	\$65,849,151	\$64,687,286	\$55,744,916		100.00%	(13.82%)	(6.47%)

EXCISE TAXES

Metro imposes a tax on users of facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by Metro. Excise tax revenues support the costs of the Council Office and programs that are unable to generate sufficient own-source revenue. It is a key revenue source supporting Planning and Development and Metro's regional parks. Non-solid waste generated revenues are charged an excise tax rate of 7.5 percent. The FY 2008-09 budget implemented a recommendation of the recent Oregon Zoo Future Vision Committee and exempted the Oregon Zoo from the payment of the Metro excise tax effective Sept. 1, 2008.

The rate per ton on solid waste revenues is determined annually during the budget process based on a formula set in the authorizing ordinance. In addition to the base per ton amount generated on solid waste activities, an additional per ton amount is levied. The additional levy was initially set at \$3.00 per ton in FY 2004-05 and increased annually based on Consumer Price Index. The FY 2010-11 budget combined the additional tax with the base tax, altering the method of calculation for the additional tax. The combined rate will result in a flat fee of \$11.80 per ton on solid waste tonnage in FY 2011-12, up from \$10.94. (For additional discussion on the excise tax, see "Where the money comes from" in Section D, Budget Summary, in this document).

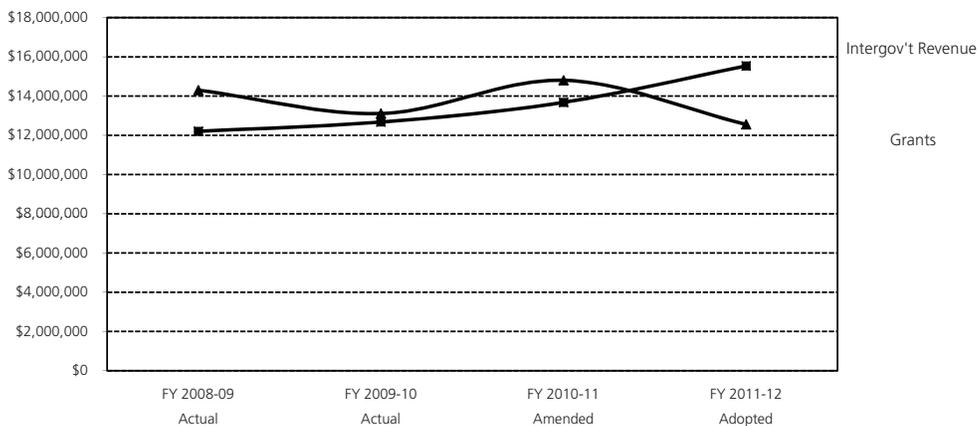
Excise tax revenue dropped nearly 10 percent in FY 2008-09, due to both the end of excise taxes collections at the zoo and the significant drop in tonnage at solid waste facilities. Collections in FY 2009-10 dropped another 2 percent. While excise taxes increased in FY 2010-11, much of the increase is due to the change in the tax calculation, as noted above.

Beginning July 1, 2006, Metro began collection of a new Construction Excise Tax (CET). This tax is imposed on new construction within the region, with limited exceptions, and was established to raise \$6.3 million over three years to fund concept planning in the new areas recently brought into the Urban Growth Boundary. In June 2009, the Metro Council voted to extend the CET through Sept. 30, 2014, to provide funding for planning of future expansion areas, future urban reserves and planning that enables redevelopment of centers, corridors and employment areas within the existing Urban Growth Boundary. The Construction Excise Tax is expected to generate \$1.6 million in FY 2011-12.

Intergovernmental agreements and grant revenue

	Actual FY 2008-09	Actual FY 2009-10	Amended FY 2010-11	Adopted FY 2011-12	% of Category Total	Grant and Gov't Revenue	% Change from FY 2010-11	% Change from FY 2008-09
GRANTS								
Planning Grants	\$11,225,062	\$10,961,508	\$11,068,732	\$11,380,355	90.62%		2.82%	1.38%
Regional Parks Grants	906,038	428,563	1,395,792	473,401	3.77%		(66.08%)	(47.75%)
Solid Waste Grants	2,387	4,093	1,411,752	317,660	2.53%		(77.50%)	13207.92%
Capital Grants	1,915,019	1,226,124	49,500	63,334	0.50%		27.95%	(96.69%)
Other	257,563	495,617	883,917	323,675	2.58%		(63.38%)	25.67%
TOTAL GRANTS	14,306,069	13,115,905	14,809,693	12,558,425	100.00%	44.70%	(15.20%)	(12.22%)
INTERGOVERNMENTAL REVENUES								
Hotel/Motel Taxes	10,658,553	9,897,188	10,558,553	11,155,335	71.80%		5.65%	4.66%
City of Portland for PCPA	734,709	766,100	756,907	784,320	5.05%		3.62%	6.75%
Support for Regional Parks and Greenspaces	484,446	499,590	571,000	553,644	3.56%		(3.04%)	14.28%
Planning	0	1,500,000	1,500,000	2,888,500	18.59%		92.57%	N/A
Other	326,302	14,733	290,327	154,599	1.00%		(46.75%)	(52.62%)
TOTAL INTERGOVERNMENTAL REVENUES	12,204,010	12,677,611	13,676,787	15,536,398	100.00%	55.30%	13.60%	27.31%
TOTAL GRANTS AND INTERGOVERNMENTAL	\$26,510,079	\$25,793,516	\$28,486,480	\$28,094,823		100.00%	(1.37%)	5.98%

Intergovernmental and grant revenue



Inter- governmental and grant revenue

For FY 2011-12 grants and intergovernmental revenue represent 14 percent of Metro's total revenues (not including interfund transfers). The principal sources for these revenues are state and federal planning grants, support for PCPA from the City of Portland and Multnomah County's pass-through of hotel/motel taxes.

Grants

Most of Metro's grant revenues support planning activities, with the majority funding transportation planning. Because Metro is the designated agency for regional transportation planning under the Federal Transportation Efficiency Act of the 21st Century, it receives a significant amount of federal grant dollars. In addition, Metro receives grants from the state, the local transit agency (TriMet) and other local governments within the region. Planning grants fluctuate from year to year based on approved projects. A delay in the federal reauthorization of transportation funding has placed a portion of these grants funds at risk. A \$2 million multi-year grant from the Federal Transit Administration to improve transit in the Southwest corridor as well as the second year of a three year funding commitment from the State of Oregon related to the study of green house gas emissions will provide substitute or bridge funding until such time as the federal funding is reauthorized. Metro also receives grants for projects planned at regional parks and natural areas, the Oregon Zoo and solid waste facilities.

Intergovernmental Revenues

Intergovernmental revenues include contributions from other governments to support Metro programs and capital projects and revenues received from other governments and shared with Metro on a formula basis. The largest shared operating revenue program is the hotel/motel occupancy tax levied by Multnomah County. Multnomah County passes through to Metro almost all of its 3 percent hotel/motel tax to support the operations of the Oregon Convention Center and the Portland Center for the Performing Arts. After dropping at the start of the economic downturn, occupancy rates are expected to rise by 6 percent in FY 2011-12, with budgeted revenue up 6 percent as well.

Additionally, Metro receives intergovernmental revenue from the City of Portland to support the operations at the Portland Center for the Performing Arts, owned by the city but managed by Metro. Through agreements negotiated in FY 2000-01, the city annually adjusts its contributions for operations and capital improvements at PCPA by CPI.

The other principal sources of shared revenues for Metro are registration fees for recreational vehicles and marine fuel taxes. Projections for these sources are based on estimates received from the State of Oregon and Multnomah County.



Organizational summary

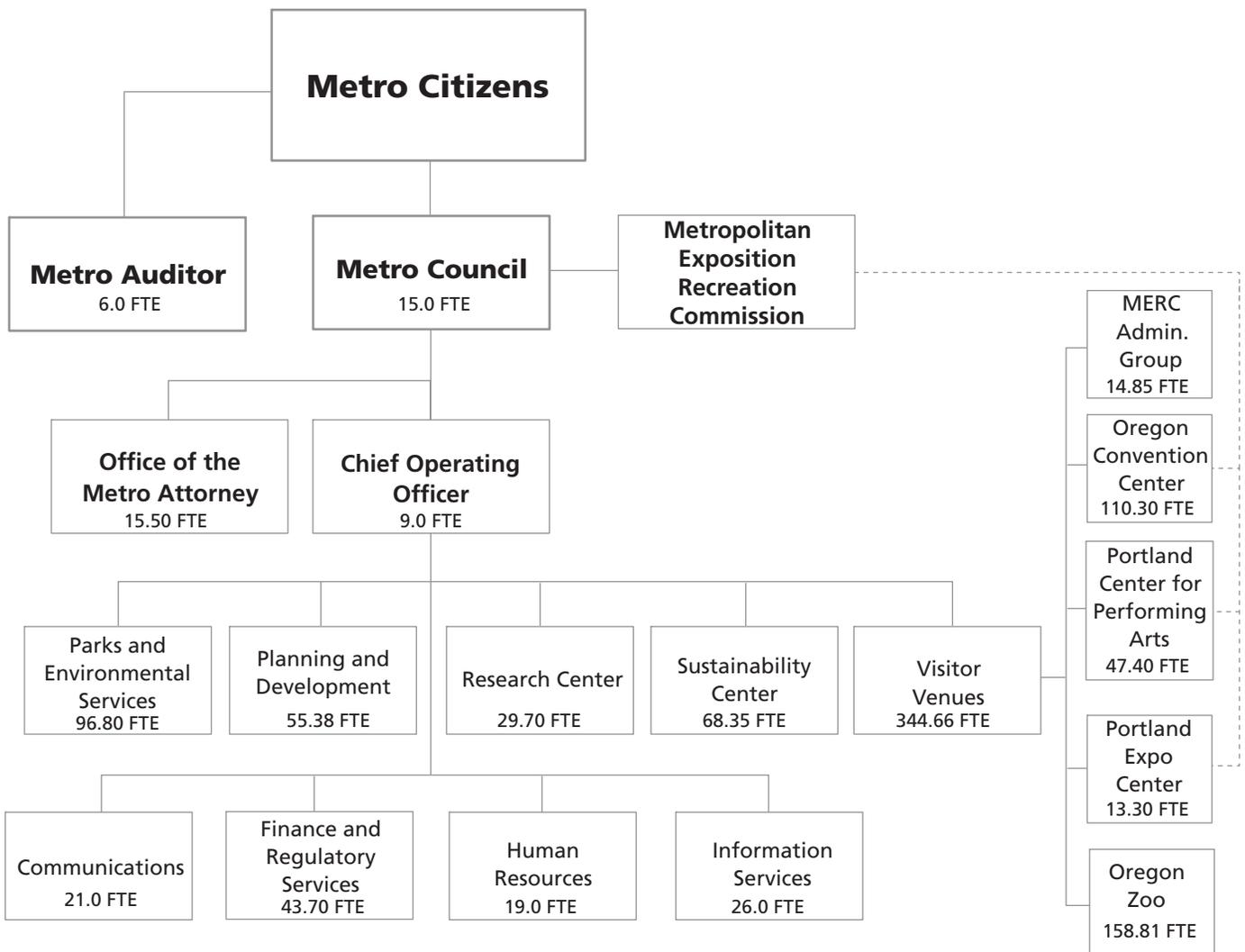
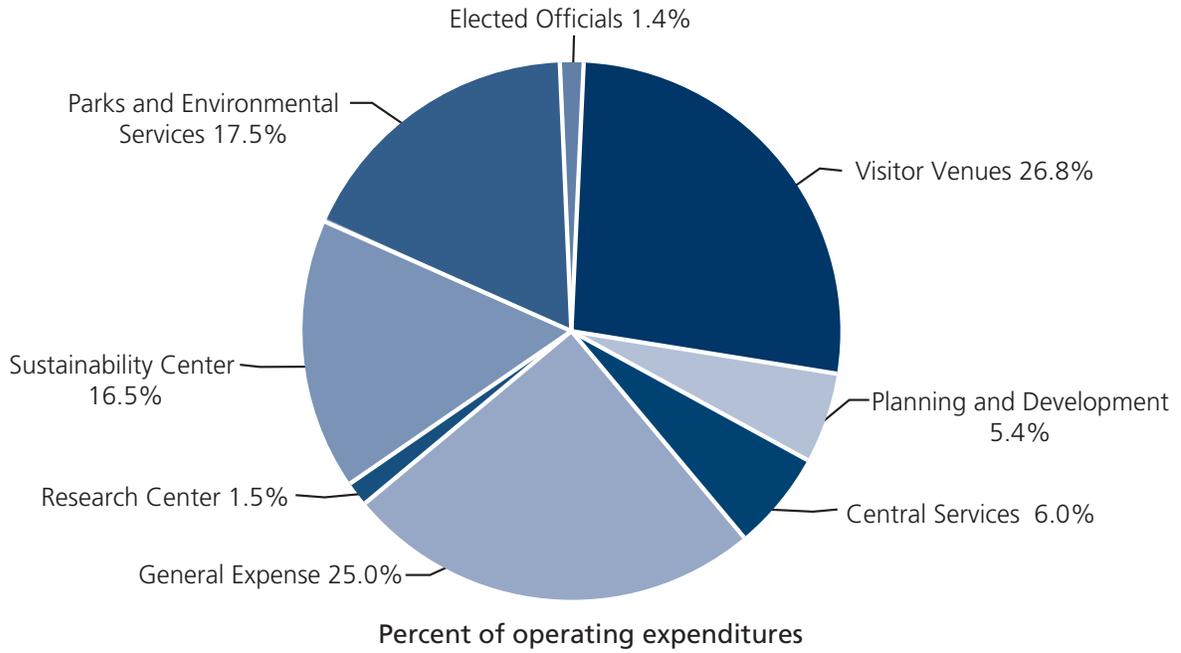
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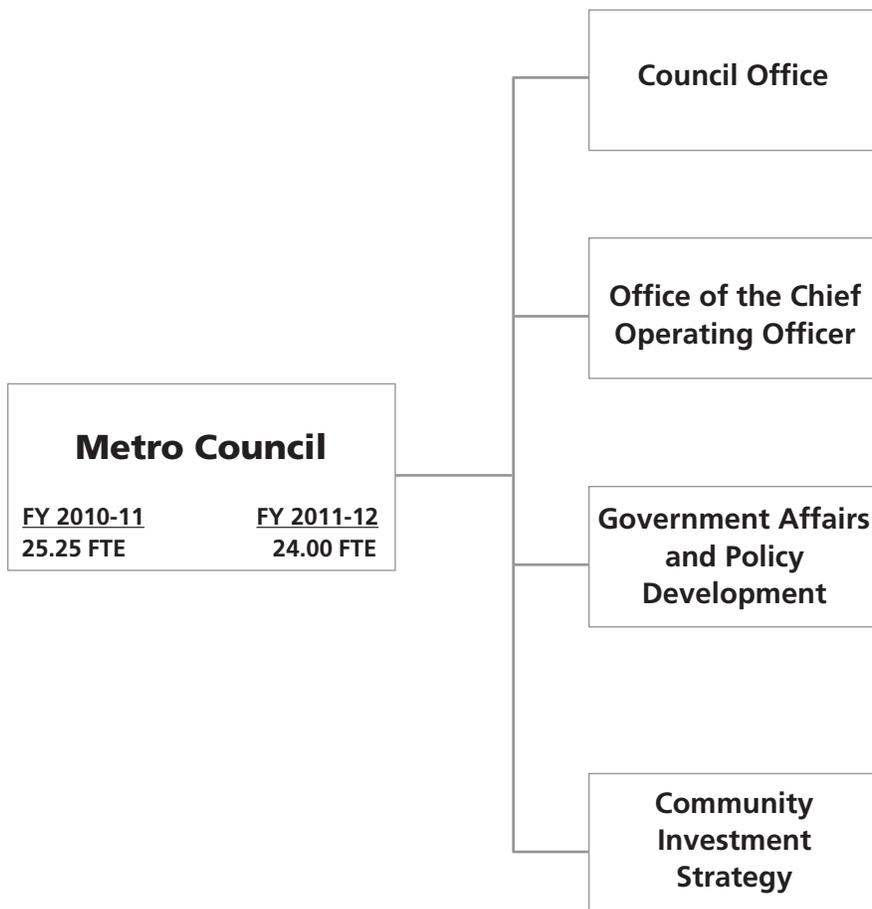
Organizational summary

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$70,830,852	\$71,819,988	\$76,661,194	\$76,999,346	\$79,107,224	\$79,681,040	\$79,791,040	3.63%
Materials and Services	92,362,911	95,771,568	122,107,946	123,036,489	119,918,224	110,299,284	111,406,975	(9.45%)
Capital Outlay	31,654,775	22,391,158	62,131,378	62,442,932	35,711,934	36,220,907	38,965,830	(37.60%)
Debt Service	45,100,347	45,182,021	41,954,002	41,954,002	35,261,700	35,261,700	35,261,700	(15.95%)
Interfund Reimbursements	7,474,080	7,680,866	8,396,573	8,396,573	9,397,205	9,397,205	9,397,205	11.92%
Internal Service Charges	944,972	2,723,052	3,122,488	3,122,488	3,000,237	3,000,237	3,000,237	(3.92%)
Fund Equity Transfers	6,014,113	5,175,785	10,765,853	10,937,200	8,816,595	9,684,485	9,724,485	(11.09%)
TOTAL	\$254,382,050	\$250,744,438	\$325,139,434	\$326,889,030	\$291,213,119	\$283,544,858	\$287,547,472	(12.04%)
BUDGET BY ORGANIZATION								
Office of the Metro Auditor	\$585,153	\$613,329	\$671,433	\$672,078	\$682,852	\$686,452	\$686,452	2.14%
Office of the Council	2,728,158	3,130,039	3,496,913	3,701,124	3,453,150	3,579,550	3,694,550	(0.18%)
Office of Metro Attorney	1,918,222	1,888,831	2,012,886	2,013,825	2,058,585	2,067,885	2,067,885	2.68%
Communications	2,137,051	2,180,092	2,514,675	2,515,796	2,477,736	2,392,835	2,392,835	(4.89%)
Finance and Regulatory Services	4,640,680	5,219,271	6,557,034	6,562,954	6,529,498	6,555,718	6,555,718	(0.11%)
Human Resources	1,644,682	1,715,911	1,836,807	1,842,888	2,227,761	2,279,161	2,304,161	25.03%
Information Services	3,061,806	3,172,218	4,214,382	4,214,596	4,142,344	4,263,523	4,357,360	3.39%
Planning & Development	9,954,814	10,816,845	15,414,229	15,562,488	15,794,751	16,074,641	16,469,641	5.83%
Parks & Environmental Services	53,239,108	47,075,651	52,931,163	52,908,272	50,871,323	51,629,854	51,796,854	(2.10%)
Research Center	3,477,779	4,258,776	4,631,745	4,672,052	4,271,670	4,400,666	4,400,666	(5.81%)
Sustainability Center	32,929,094	30,659,249	61,305,104	61,148,558	47,908,555	48,158,065	48,443,065	(20.78%)
Visitor Venues	75,436,807	70,399,539	89,474,727	90,824,716	77,970,126	78,189,500	81,071,277	(10.74%)
General Expense	62,628,696	69,614,687	80,078,336	80,249,683	72,824,768	63,267,008	63,307,008	(21.11%)
TOTAL	\$254,382,050	\$250,744,438	\$325,139,434	\$326,889,030	\$291,213,119	\$283,544,858	\$287,547,472	(12.04%)
Contingency	0	0	32,455,006	30,941,273	33,157,377	33,374,168	34,656,569	12.01%
Unappropriated Balance	214,223,352	190,317,945	72,843,606	74,208,254	64,990,206	63,242,461	62,931,694	(15.20%)
TOTAL BUDGET	\$468,605,402	\$441,062,383	\$430,438,046	\$432,038,557	\$389,360,702	\$380,161,487	\$385,135,735	(10.86%)
FULL-TIME EQUIVALENTS	753.06	762.84	753.94	756.60	749.56	751.09	752.09	(0.60%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(4.51)

Organizational summary







Summary of Metro Council

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$2,561,046	\$2,984,924	\$2,646,386	\$2,832,249	\$2,806,518	\$2,820,918	\$2,820,918	(0.40%)
Materials and Services	167,112	145,115	850,527	868,875	646,632	758,632	873,632	0.55%
TOTAL	\$2,728,158	\$3,130,039	\$3,496,913	\$3,701,124	\$3,453,150	\$3,579,550	\$3,694,550	(0.18%)
BUDGET BY FUND								
General Fund	\$2,728,158	\$3,130,039	\$3,496,913	\$3,701,124	\$3,453,150	\$3,579,550	\$3,694,550	(0.18%)
TOTAL	\$2,728,158	\$3,130,039	\$3,496,913	\$3,701,124	\$3,453,150	\$3,579,550	\$3,694,550	(0.18%)
FULL-TIME EQUIVALENTS (FTE)	24.83	26.90	24.50	25.25	24.00	24.00	24.00	(4.95%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(1.25)

The Metro Council budget includes four programs: Council Office, Office of the Chief Operating Officer, Government Affairs and Policy Development, and the Community Investment Strategy.

ABOUT THE METRO COUNCIL

Council Office

The Metro Council is the governing body of Metro. Council authority is defined in the Metro Charter, enacted by voters in 1992 and amended in 2000. The Council provides regional governance and leadership through ongoing, innovative planning, focusing on issues that cross local boundaries and require collaborative solutions. It provides oversight to attain the regional goals of guiding growth and creating livable communities, and works to promote economic, cultural and environmental balance. The Council develops long range plans for existing and future Metro activities. It assures the financial integrity of Metro through adoption of the budget and levying of taxes, user charges and other revenue measures. The Council consists of seven elected officials: six councilors elected from distinct geographic districts and one council president elected from the metropolitan region at large. The Council Office also includes administrative and policy support to these Councilors as individuals, as well as to the Council as a whole in its role as a legislative body whose procedures and formalities are conducted under the charter and law.

Office of the Chief Operating Officer

The Chief Operating Officer serves at the pleasure of Council to enforce Metro ordinances; execute the policies of the Metro Council; provide day-to-day management of Metro's resources, programs, enterprise businesses, facilities and workforce; and prepare the proposed budget for Council consideration.

Government Affairs and Policy Development

The Government Affairs and Policy Development program supports current Council and agency objectives, and reviews and advises Council on emerging policies and initiatives. This program also provides strategic analysis, assistance to technical programs, regional engagement strategies and implementation that best leverage agency and regional outcomes.

Community Investment Strategy

This program is working to create implementation tools to build out the 2040 vision of thriving centers and effective corridors. The Community Investment Initiative, the external arm of the Community Investment Strategy, is made up of a Leadership Council, business leaders, community nonprofit representatives, educators and former elected officials. The Leadership Council is charged with looking at strategies for economic growth. The Leadership Council and Metro staff will work together to craft an integrated federal, state, regional and local investment strategy to help close the gap between the region's needs and its financial means.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

- Legislative agenda: Developed and executed the 2011 legislative agenda.
- Community Investment Strategy: Managed the incorporation of a strategy within the Capacity Ordinance, adopted by Council in 2010, and developed a legislative agenda for the 2011 session.
- Community Investment Strategy: Facilitated the development of the Community Investment Initiative Leadership Council.

- Began work with the Senior Leadership Team and Council to analyze the need for a more robust federal presence.
- Directed the execution of requirements from House Bill 2001 for greenhouse gas scenario planning.
- Columbia River Crossing: Provided assistance to the Columbia River Crossing project to ensure conditions of approval adopted by the Metro Council are fully complied with by the project.
- Housing: Provided leadership in developing a regional consortium and submission of a grant application to the federal Department of Housing and Urban Development to develop a regional strategy for affordable housing and equity.
- Portland International Airport: Participated in the joint Port of Portland/City of Portland process to develop a master plan for the Portland International Airport.
- Hwy I-5/99W: Provided leadership in drawing a conclusion to the I-5/Hwy 99W corridor study.
- Global warming: Provided leadership through the Oregon Global Warming Commission, Land Use and Transportation Committee in advancing Metro's climate change interests.

SERVICE LEVEL CHANGES FROM FY 2010-11

The Columbia River Crossing director position, provided by contract with Oregon Department of Transportation, is eliminated. An untapped allocation for federal lobbying is eliminated until a complete agenda is developed.

MAJOR OBJECTIVES FOR FY 2011-12

- Assimilate new members of Council.
- Develop a federal agenda.
- Create district-based stakeholder outreach plans.
- Develop innovative communication and project tools for agency.

PROGRAMS FOR FY 2011-12

Great Communities

Community Investment Strategy– This program is working to create implementation tools to build out the 2040 vision of thriving centers and effective corridors.

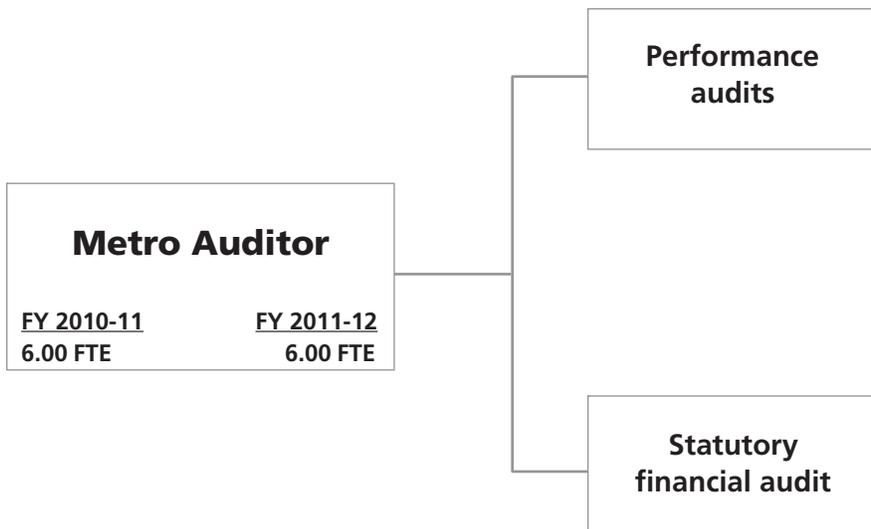
Responsible Operations

Council Office– The Metro Council provides regional governance in the fulfillment of its stated mission. Councilors are supported in their work through policy development, operational efficiencies and district outreach efforts.

Office of the Chief Operating Officer– The Chief Operating Officer manages the agency for the Council and plans for agency support to implement regional programs and initiatives. The Chief Operating Officer enforces Metro ordinances; executes the policies of the Metro Council; and administers Metro's resources, programs, facilities and staff.

Government Affairs and Policy Development– This program provides strategic analysis, assistance to technical programs, and regional engagement strategies and implementation that best leverage agency and regional outcomes.

Metro Auditor



Summary of Metro Auditor

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$552,706	\$595,350	\$632,082	\$632,082	\$641,308	\$644,908	\$644,908	2.03%
Materials and Services	32,447	17,979	39,351	39,996	41,544	41,544	41,544	3.87%
TOTAL	\$585,153	\$613,329	\$671,433	\$672,078	\$682,852	\$686,452	\$686,452	2.14%
BUDGET BY FUND								
General Fund	\$585,153	\$613,329	\$671,433	\$672,078	\$682,852	\$686,452	\$686,452	2.14%
TOTAL	\$585,153	\$613,329	\$671,433	\$672,078	\$682,852	\$686,452	\$686,452	2.14%
FULL-TIME EQUIVALENTS (FTE)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

The mission of the Auditor's Office is to ensure that Metro is accountable to the public, ensure that Metro activities are transparent and improve the efficiency, effectiveness and quality of Metro services and activities.

ABOUT THE METRO AUDITOR

The Metro Auditor is an elected position created as part of the home rule charter approved by voters in 1992. The Metro Auditor is elected region-wide and must possess professional certification as a licensed Certified Public Accountant or a Certified Internal Auditor. Both professions adhere to audit standards that include, among others, independence, objectivity, periodic quality control review and ongoing professional education. The Metro Charter mandates that the Auditor make continuous investigations of Metro operations, including financial transactions, personnel, equipment and facilities and all other aspects of these operations. The Auditor issues reports to the Council based on the results of these investigations and makes recommendations for improvement.

The primary role of the Metro Auditor is oversight of both performance and financial audits. State law requires Metro to use an outside Certified Public Accounting firm to audit its annual financial statements. The Metro Auditor engages the external financial auditing firm and administers the contract. Metro Auditor staff work on performance audits, in accordance with generally accepted government auditing standards.

Annually, the Metro Auditor decides which audits will be conducted in the next fiscal year. Topics may be selected in response to specific concerns or requests, and reviews cover the full spectrum of Metro organizational units and activities. The following factors are considered in selecting projects:

- Potential for savings or improvement.
- Level of Council and public interest.
- Potential for loss or risk of loss.
- Quality of internal controls.
- Historical problems or concerns.
- Audit staff resources.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

Created a series of articles on ethics.

Designed and implemented a survey of local officials to provide input on audit selection.

Completed three follow-up audits:

- Transit Oriented Development Program Audit Follow-up.
- Fleet Management Audit Follow-up.
- Waste Reduction and Outreach Audit Follow-up.

Completed four audits:

- Payroll and Benefit Programs.
- Leave Management.
- Public Engagement.
- Administration of Large Contracts.

SERVICE LEVEL CHANGES FROM FY 2010-11

None.

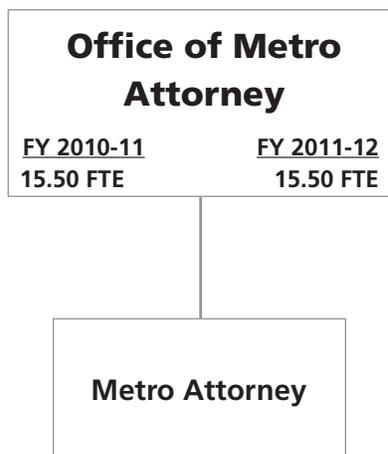
MAJOR OBJECTIVES FOR FY 2011-12

- Complete audits of Metro high risk areas.

PROGRAMS FOR FY 2011-12

Responsible Operations

Office of Metro Auditor – The Office conducts performance auditing according to auditing standards and assesses how well Metro services and activities are performing.



Summary of the Office of Metro Attorney

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$1,862,602	\$1,834,865	\$1,951,684	\$1,951,684	\$1,994,409	\$2,003,709	\$2,003,709	2.67%
Materials and Services	55,620	53,966	61,202	62,141	64,176	64,176	64,176	3.27%
TOTAL	\$1,918,222	\$1,888,831	\$2,012,886	\$2,013,825	\$2,058,585	\$2,067,885	\$2,067,885	2.68%
BUDGET BY FUND								
General Fund	\$1,918,222	\$1,888,831	\$2,012,886	\$2,013,825	\$2,058,585	\$2,067,885	\$2,067,885	2.68%
TOTAL	\$1,918,222	\$1,888,831	\$2,012,886	\$2,013,825	\$2,058,585	\$2,067,885	\$2,067,885	2.68%
FULL-TIME EQUIVALENTS (FTE)	15.50	15.50	15.50	15.50	15.50	15.50	15.50	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

The Office of Metro Attorney is created in the Metro Code pursuant to the Metro Charter. The Metro Code states that the Metro Attorney has full charge and control of all legal business of all operating units and commissions of Metro where legal services are required. The duties and responsibilities of the Office of Metro Attorney are to provide clear and concise legal advice to policy makers in making informed decisions in the public interest; to ensure to the maximum extent possible that Metro's written documents are clear and precise statements in order to avoid misunderstandings and possible litigation; to represent Metro, both formally and informally, consistent with the goals of Metro and in a manner that represents a responsible contribution to the administration of the courts and the justice system; and to fully comply with the highest professional and ethical standards of the Oregon State Bar, the Oregon Supreme Court and the legal profession.

ABOUT THE OFFICE OF METRO ATTORNEY

The Office of Metro Attorney provides legal services to the entire Metro organization, including all centers and services, commissions, the Chief Operating Officer, the Council and the Auditor. These legal services include research, evaluation, analysis and advice regarding legal issues facing Metro.

The Office of Metro Attorney provides written opinions, drafts contracts and intergovernmental agreements, reviews ordinances and resolutions, offers assistance on legislative matters, and provides other legal advice to Metro officers and employees. The Metro Attorney may initiate, defend or appeal litigation on behalf of Metro when requested by the Metro Council, Chief Operating Officer, the Auditor or any Metro commission.

The Office of Metro Attorney staff includes the agency's lead attorney (the Metro Attorney); a Deputy Metro Attorney; five and one-half full-time equivalent (FTE) senior attorneys; two FTE assistant attorneys; two paralegals; and four legal secretaries/administrative assistants, who provide ongoing legal services to:

Metro Council	Metro Auditor
Visitor Venues	Chief Operating Officer
Communications	Research Center
Human Resources	Sustainability Center
Planning and Development	Information Services
Parks and Environmental Services	Finance and Regulatory Services

The Office of Metro Attorney also provides legal services in furtherance of Metro bond measures passed by the voters of the Metro area, including the Natural Areas Acquisition bond measure in May 2006 and the Oregon Zoo bond measure in November 2008.

Consistent with the efficient provision of legal services, actual work assignments are often organized on a team basis. Attorneys, paralegals and clerical staff are given work assignments based on areas of expertise and the varying levels of legal work being generated by Metro programs. Legal work does not flow into the office at a "steady state" or in relatively the same ratio per operating program.

Metro's lawyers are expected to fill the legal needs of Metro for general legal work including all agency contracts, employment and Metro Council policy development matters. Litigation is generally handled in-house for purpose of discovery and possible settlement discussions or motion for summary judgment purposes. Land use litigation is handled in-house exclusively.

Use of outside counsel is generally reserved for specialization-driven needs. Examples

are Bond Counsel, special tax counsel related to tax-exempt bonds, complex litigation where cases have high probability of going to a jury trial or other cases where in-house resources require the engagement of outside counsel.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

The office has achieved the following significant results:

- Provided legal services for Metro’s Natural Areas program, including numerous purchases.
- Provided legal services needed for creation and implementation of the Oregon Zoo bond measure including sale of an initial series of debt and work to obtain development approvals for construction of a first phase, including a new veterinary center.
- Provided legal services and advice to the Chief Operating Officer and the Metro Council in creating and implementing the Sustainable Metro Initiative. This included extensive legal review and effort to insure that all staff reassignments and restructuring were accomplished with acceptable levels of legal risk as MERC staff were integrated in the over all Metro Management Team.
- Provided legal services related to the Metro Council’s efforts to develop the region as a “greatest place,” including review and advice on the urban and rural reserve process and the adoption of the 2010 Urban Growth Report.
- Provided legal services and advice to the Chief Operating Officer and the Metro Council in defending the extension of the Construction Excise Tax.
- Provided legal services and advice to the Chief Operating Officer and the Metro Council in assessing regional infrastructure needs and identifying legally feasible methods of financing.
- Provided legal services needed for all transit oriented development/urban centers transactions.
- Provided legal services needed to enable Metro Council to achieve policy and administrative goals.
- Provided legal services needed to analyze the legality and feasibility of continued efforts to provide operating support for the Oregon Convention Center.

SERVICE LEVEL CHANGES FROM FY 2010-11

None.

MAJOR OBJECTIVES FOR FY 2011-12

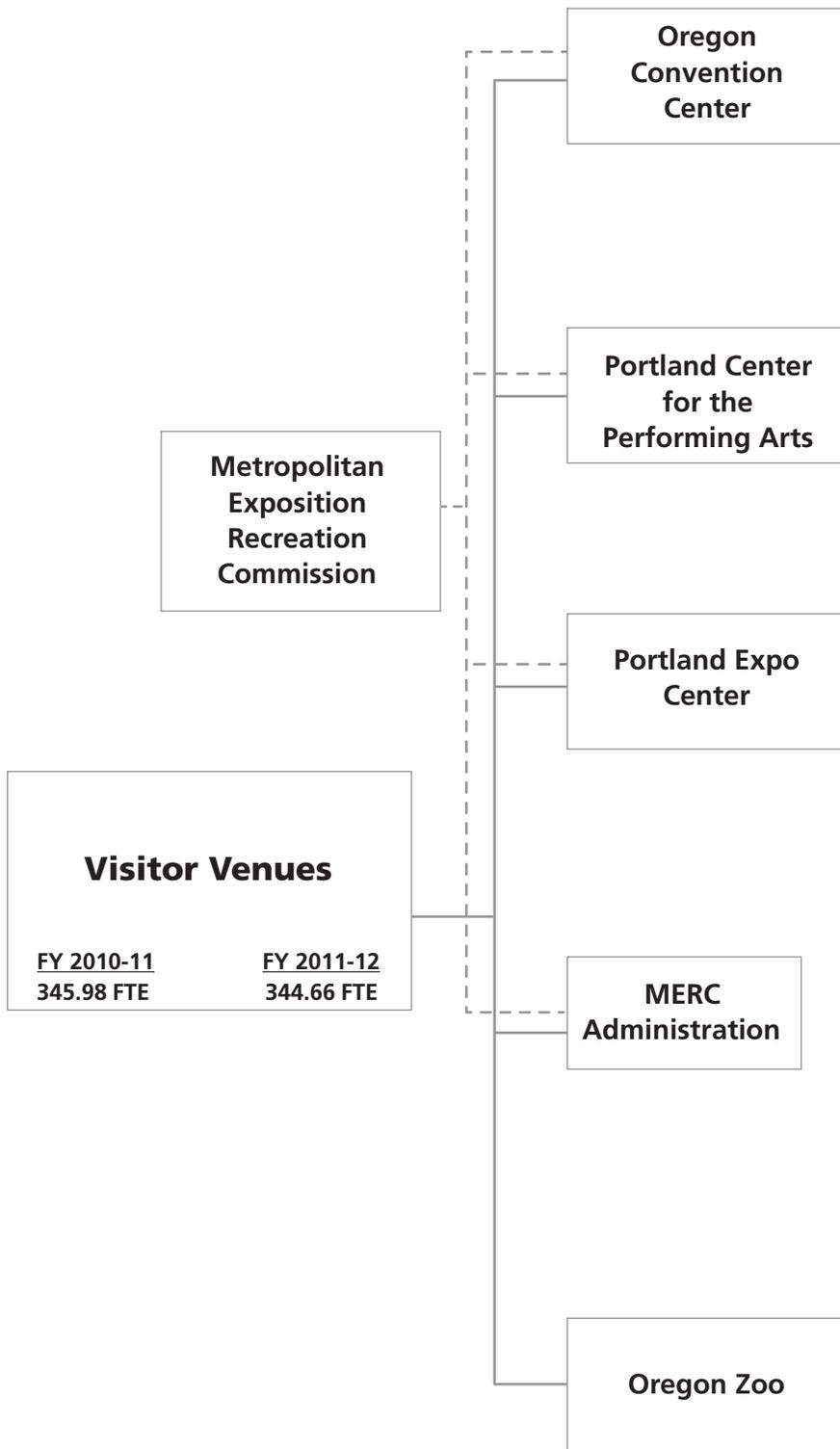
- Provide all legal services needed to enable Metro Council to achieve Council established goals.
- Complete successfully all other duties as assigned.

PROGRAMS FOR FY 2011-12

Responsible Operations

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

Visitor Venues



Summary of Visitor Venues

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$33,379,369	\$32,713,014	\$34,840,366	\$34,904,366	\$35,545,525	\$35,764,907	\$35,764,907	2.47%
Materials and Services	30,920,687	30,086,723	31,669,160	32,763,595	31,714,767	31,639,767	31,993,274	(2.35%)
Capital Outlay	9,524,883	5,870,989	21,371,399	21,562,953	9,116,794	9,191,786	11,720,056	(45.65%)
Debt Service	1,611,868	1,728,813	1,593,802	1,593,802	1,593,040	1,593,040	1,593,040	(0.05%)
TOTAL	\$75,436,807	\$70,399,539	\$89,474,727	\$90,824,716	\$77,970,126	\$78,189,500	\$81,071,277	(10.74%)
BUDGET BY FUND								
General Fund	\$26,051,845	\$24,694,668	\$27,204,192	\$27,224,181	\$28,390,577	\$28,526,231	\$28,526,231	4.78%
General Asset Management Fund	8,021,088	3,315,228	1,432,144	1,432,144	2,088,697	2,088,689	2,334,793	
General Revenue Bond Fund	1,594,320	1,592,451	1,812,892	1,812,892	1,809,861	1,809,861	1,809,861	(0.17%)
MERC Fund	38,992,330	39,317,691	43,669,107	44,999,107	39,234,494	39,346,004	41,339,877	(8.13%)
Oregon Zoo Infrastructure & Animal We	777,224	1,479,501	15,356,392	15,356,392	6,446,497	6,418,715	7,060,515	(54.02%)
TOTAL	\$75,436,807	\$70,399,539	\$89,474,727	\$90,824,716	\$77,970,126	\$78,189,500	\$81,071,277	(10.74%)
FULL-TIME EQUIVALENTS (FTE)	346.98	351.98	344.98	345.98	344.53	344.66	344.66	(0.38%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(1.32)

Metro's Visitor Venues include the Oregon Convention Center (OCC), Portland Center for the Performing Arts (PCPA), Portland Metropolitan Exposition Center (Expo) and Oregon Zoo. Formed in July 2010 to enhance collaboration on operational issues, the team actively works towards a common mission of maintaining world-class gathering and entertainment spaces for residents and visitors.

Through its Metropolitan Exposition Recreation Commission (MERC), Metro benefits from business and community leaders whose expertise and guidance set the strategic business direction for three of the venues: OCC, Expo and PCPA. Commission members are nominated by Clackamas, Multnomah and Washington counties and the City of Portland and appointed by the Metro Council to serve four-year terms.

The Oregon Zoo also benefits from a key public/private partnership through The Oregon Zoo Foundation (OZF), also composed of business and community leaders. The OZF's mission is to foster community pride and involvement in the Oregon Zoo and to secure financial support for the zoo's conservation, education and animal welfare programs.

ABOUT THE VENUES

The Metro visitor venues vary in building type, history, business focus and client mix:

- OCC is designed to maximize the economic benefits for the state and region by attracting out-of-town visitors to conventions and local residents to special events and trade shows.
- PCPA is the cultural hub for the metropolitan region, hosting a variety of performances and entertainment events in its multiple theatres.
- Expo is the region's primary destination for public events and consumer shows, some of which have been held there for 50 years.
- Oregon Zoo is the state's most popular paid attraction whose mission is to inspire visitors to learn about endangered species protection and take action toward native habitat restoration.

Combined, the venues hosted more than 1,500 events/performances in FY 2010-11 that attracted more than 1.7 million people and offered a wide range of experiences for visitors and residents – contributing to the quality of life for the region and beyond. Direct and induced spending generated from venue business totaled \$680 million throughout the tri-county region, and 6,680 jobs were created and/or sustained. State and local transient lodging and business income taxes totaling \$23 million were produced as well.

A General Manager of Visitor Venues leads the MERC venues and the Oregon Zoo, reporting to Metro's Chief Operating Officer. Until July 2010 the MERC venues were supported by its own separate business administration unit providing accounting, financial management and reporting, capital asset maintenance and development, purchasing, contract administration, information system management, human resources and communication services. During FY 2010-11 management of the unit transferred from the General Manager to corresponding organizational units within Metro, following best practices recommendations from FY 2009-10.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

- First Visitor Venue Economic Impact Report for all four venues.
- Continued process improvement project for Event Business Management System (EBMS).
- Secured new operating agreement with The Oregon Zoo Foundation.
- Completed MERC Fund reserves study and recommended designation of specific reserves in FY 2011-12.
- Secured, through RFP process, a new sponsorship and pourage rights contract with Pepsi for all MERC venues; the contract began in March 2011.

SERVICE LEVEL CHANGES FROM FY 2010-11

- The transition of the MERC business management unit to corresponding organizational units within Metro has generated savings. Three positions (Human Resources Manager, Information Technology Manager and Procurement Analyst) previously serving only MERC venues are now generalized and will serve the entire agency. Although MERC venues will pay a proportionate cost of the positions, it will be less than the full costs previously paid.
- MERC capital construction positions have been transferred to Parks and Environmental Services to join a new project management office. This reorganization will generate a net savings of 1.10 FTE for the MERC venues. In December 2011 one position will be eliminated, leaving 1.90 FTE from the new project management office directly charged to the venues.
- Oregon Zoo Conservation Education program is in the process of a reorganization to better meet the needs of Conservation Education throughout Metro. This reorganization includes an increase of a 1.0 FTE Education Manager position. In addition, the operating budget for Zoo Visitor Experience program was increased to support the addition of three premium concerts; a 1.0 FTE catering position was added to replace the position that was temporarily removed in the FY 2010-11 budget; a reclassification of the Deputy Director of Business Operations to a Program Director position; the reduction of a 0.63 FTE Associate Public Affairs Specialist, three part-time temporary positions, reclassification of a Program Supervisor position and the addition of a Web Content and Social Media position due to the restructuring of the Marketing department; and the reclassification of a number of positions in various departments to more appropriately reflect the program needs and position duties. The Zoo Infrastructure and Animal Welfare Bond program FTE decreased 0.92 to reflect the planned completion of the comprehensive capital master planning activities.

MAJOR OBJECTIVES FOR FY 2011-12

- Continue development and implementation of critical financial and administrative management policies, procedures and processes resulting from the MERC/Metro Business Practices Study.
- Emphasize training and business process improvement, especially for users of EBMS.
- Develop performance standards based on industry benchmarks.
- Complete First Opportunity Target Area (FOTA) assessment and present policy recommendations to Council and Commission.

- Conduct needs/strengths assessment of venue communications, marketing, web/social media and public relations functions; implement visitor venue marketing and communications plan; identify functional teams and prepare recommendations for FY 2012-13 resource reallocation.
- Develop strategic business plan in coordination with MERC Commission.
- Complete master planning for Oregon Zoo bond projects and oversee land use approvals.
- Examine the financial operating model for Expo Center and the Oregon Convention Center with an eye to the long-term financial sustainability of the current business models (with or without a convention center hotel).
- Integrate a long-term solution to the budget gap created by the reduction in transient lodging taxes received by PCPA.
- Continue the zoo's successful conservation and education programs and efforts, including leveraging other Metro resources and activities.
- Engage the City of Portland, neighboring zoo institutions and other stakeholders in land-use discussions and processes for the zoo campus. The land-use review must be finalized prior to completing the majority of bond funded capital improvements.
- Develop a comprehensive capital master plan for the bond program including refined project scopes, sequencing, and budget estimates, as well as sustainability initiatives and infrastructure improvements.
- Install a new Point-of-Sale (POS) system for food services at the zoo.

Summary of the Oregon Convention Center

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$8,313,525	\$8,422,408	\$8,923,956	\$8,923,956	\$9,118,406	\$9,184,586	\$9,184,586	2.18%
Materials and Services	13,498,610	13,853,656	13,353,035	14,564,672	13,161,063	13,086,063	13,263,063	(9.64%)
Capital Outlay	671,604	1,153,733	3,738,105	3,656,468	726,000	801,000	2,089,366	(80.14%)
Debt Service	17,548	136,362	0	0	0	0	0	0.00%
TOTAL	\$22,501,287	\$23,566,159	\$26,015,096	\$27,145,096	\$23,005,469	\$23,071,649	\$24,537,015	(15.25%)
BUDGET BY FUND								
MERC Fund	22,501,287	23,566,159	26,015,096	27,145,096	23,005,469	23,071,649	24,537,015	(15.25%)
TOTAL	\$22,501,287	\$23,566,159	\$26,015,096	\$27,145,096	\$23,005,469	\$23,071,649	\$24,537,015	(15.25%)
FULL-TIME EQUIVALENTS (FTE)	110.30	112.30	110.30	110.30	110.30	110.30	110.30	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

The Oregon Convention Center serves as a significant economic activity generator for the region and state by attracting out-of-town visitors to national conventions, tradeshows, meetings and special events.

ABOUT THE OREGON CONVENTION CENTER

OCC is the largest convention center in the Pacific Northwest. The 2003 building expansion nearly doubled the size by adding 407,000 square feet to the original 500,000 square feet. The center offers 255,000 square feet of exhibit space, two grand ballrooms sized at 34,500 and 25,200 square feet respectively, 50 meeting rooms, an 820-space covered parking garage, 21 loading bays, food and beverage concession spaces, generous lobby and pre-function areas, and full-service kitchen facilities capable of serving up to 10,000 meals. OCC added Stir Bistro & Lounge in 2009 to offer higher quality, innovative and local food and beverage options to customers and the public. OCC staff provide event services including maintenance, event set-up and tear down and housekeeping functions. Outside contractors provide parking and food and beverage management services.

From 2002 through 2010, OCC generated more than \$4.0 billion in regional economic activity. Its booking policies and management philosophy reflect the national convention business as its primary objective. To achieve this, the center must maintain sufficient operating revenues to manage the facility's first-class condition and adequately fund and support sales and marketing efforts. The Oregon Convention Center hosts approximately 500-600 events and nearly 600,000 visitors annually.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

- Replaced the kitchen cooking equipment with state of the art Rational ovens, new ceiling tiles and new refrigeration units to improve efficiencies and enhance performance and customer service satisfaction levels. Project funded from the capital investment dollars obtained as part of the new food service agreement with ARAMARK/Giacometti Partners.
- Finished several major capital projects in FY 2010-11 in addition to the kitchen upgrades including small wares purchases, parking equipment, additional equipment and upgrades, automatic hand dryer installation in all OCC restrooms, major lighting fixture replacement in the exhibit halls and lobby spaces that will save OCC more than \$100,000 per year, complete renovation and retrofit of the movable air walls for the ABC Meeting Rooms, Oregon Ballroom and Exhibit Hall A/A1 for customer service and safety improvements and purchased three new electric fork lifts replacing the gasoline propelled fork lifts.
- During the OCC all staff winter retreat, staff performed community outreach with the Sunshine Division to help complete 2,500 dinner boxes delivered each Christmas to needy families.
- Completed the annual economic and fiscal impact study for OCC.

SERVICE LEVEL CHANGES FROM FY 2010-11

- No increases in FTE with more emphasis on customer service and retaining repeat clients and helping to increase attendance to the consumer shows.
- Thirty national/regional conventions are booked for FY 2011-12, reflecting a decrease of seven from FY 2010-11.

MAJOR OBJECTIVES FOR FY 2011-12

- Increase recycling diversion rates with a goal of 65 percent for FY 2011-12.
- Finish new kitchen improvements to improve OCC's food and beverage capacity for all functions.
- Complete construction, open and operate the Hoyt Street Café project on the Metro Plaza through ARAMARK to help train and engage disadvantaged people who want to enter the food and beverage business.
- Continue the commissioning of all OCC systems for LEED certification and for efficiencies of operations to make sure everything is running according to system specifications and maximum efficiencies to save money and energy.
- Complete construction, open and operate the new Convention Center Plaza located across from OCC on Martin Luther King Jr. Boulevard by September 2011.

PROGRAMS FOR FY 2011-12

Regional Services

Conventions, Trade and Consumer Shows – The Oregon Convention Center and the Portland Expo Center attract visitors to international, national and regional events that contribute to the livability of this region.



Summary of Portland Center for the Performing Arts

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$5,352,701	\$5,096,747	\$5,606,405	\$5,606,405	\$5,605,736	\$5,634,176	\$5,634,176	(0.01%)
Materials and Services	3,678,659	4,096,194	3,617,627	3,575,153	3,770,199	3,770,199	3,885,706	5.46%
Capital Outlay	233,647	273,303	767,000	1,009,474	350,000	350,000	575,000	(65.33%)
TOTAL	\$9,265,007	\$9,466,244	\$9,991,032	\$10,191,032	\$9,725,935	\$9,754,375	\$10,094,882	(4.56%)
BUDGET BY FUND								
MERC Fund	9,265,007	9,466,244	9,991,032	10,191,032	9,725,935	9,754,375	10,094,882	(4.56%)
TOTAL	\$9,265,007	\$9,466,244	\$9,991,032	\$10,191,032	\$9,725,935	\$9,754,375	\$10,094,882	(4.56%)
FULL-TIME EQUIVALENTS (FTE)	46.40	46.40	46.40	46.40	47.40	47.40	47.40	2.16%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								1.00

Portland Center for the Performing Arts (PCPA) provides superior, responsibly managed performance spaces that foster an environment in which diverse performing arts, events and audiences flourish.

ABOUT PORTLAND CENTER FOR THE PERFORMING ARTS

PCPA is a cultural center for the region and the hub of downtown Portland's thriving Broadway Cultural District. The center draws roughly one million visitors each year to enjoy world class performance arts and entertainment, contributing to a vibrant and culturally rich region.

This leading cultural institution encompasses three venues: the Keller Auditorium (built in 1917 and modernized in 1968), Arlene Schnitzer Concert Hall (a historic 1928 vaudeville and movie house, restored in 1984), and Antoinette Hatfield Hall (built in 1989), which includes the Newmark Theatre, Dolores Winningstad Theatre and Brunish Hall.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

- Major repairs to the exterior of the Arlene Schnitzer Concert Hall began. This project will span two fiscal years, and benefitted from a favorable bidding climate.
- Completed schematic design development for improvements to the Arlene Schnitzer Concert Hall and the conceptual design for a new adjacent iconic structure on Main Street.
- Performed customer experience audit of Keller Auditorium in collaboration with Portland Opera and began implementing measures to enhance the customer experience there and in the other PCPA venues.
- Completed annual economic and fiscal impact study for PCPA.
- Participated in International Association of Assembly Managers performing arts center operations benchmark study.
- Second year of lowered facility rental rates and user fees for all resident arts companies to provide financial assistance in a challenging economic downturn.
- Implemented new computer software to effectively schedule admissions and operations staff.
- Collaborated with Handmade Northwest to create an artists market during the annual Summer Arts on Main series.
- PCPA volunteers introduced brown bag lunches featuring performances by our resident companies and local non-profits.
- Remodeled two Keller concession areas for greater efficiency, aesthetics and increased points of sales.
- Produced five art exhibits in the Artbar Gallery that included collaborations with Blue Sky Gallery, Regional Arts and Culture Council, Portland Open Studios and Stumptown Comics Fest.
- Noteworthy capital projects included replacement of the chiller at Hatfield Hall and Arlene Schnitzer Concert Hall roof repairs.
- RFP for new ticketing services issued.

SERVICE LEVEL CHANGES FROM FY 2010-11

- The number of Broadway series' weeks affect every budget year at PCPA. For FY 2011-12 the series is scheduled for 12.5 weeks compared to 13 weeks in FY 2010-11 and nine weeks in FY 2009-10. The Broadway Series is an important source of revenue for PCPA but also increases expenses in utilities and event labor. Some dates opened up by the ballet and opera increase the opportunity to book more commercial shows which will have a positive financial impact on PCPA.
- The part-time Marketing and Promotions Coordinator II position increases to full time with an emphasis on enhancing sales, marketing through the website web-design. Forty hours of part time custodial labor is reduced to provide a Utility lead position on the graveyard shift and the Maintenance and Construction Supervisor position is eliminated. Staffing levels increased by 1.00 FTE overall.
- Broadway and commercial rental rates will increase by 3 percent; user fees for resident tenants will increase by \$0.50 per ticket.

MAJOR OBJECTIVES FOR FY 2011-12

- Complete building maintenance repair project to preserve the exterior on the Arlene Schnitzer Concert Hall.
- A drop in transient lodging tax in FY 2009-10 created a significant revenue challenge that needs to be addressed in FY 2011-12 with a long term plan for increasing revenue.
- Work with the PCPA Foundation to launch fundraising plan for the Schnitzer/Main Street Project.
- Begin re-branding exercise for PCPA via logo and website redesign and possible launch of a membership program. This initiative will elevate the PCPA brand so it can be leveraged for naming, sponsorship and other fundraising campaigns.

PROGRAMS FOR FY 2011-12

Regional Services

Performing Arts, Arts and Culture – Portland Center for the Performing Arts is the hub of downtown Portland's thriving Broadway Cultural District. The center draws roughly one million visitors each year to enjoy world class performance arts and entertainment, contributing to a vibrant and culturally rich region.



Summary of the Portland Metropolitan Exposition Center

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$1,483,747	\$1,373,102	\$1,501,164	\$1,501,164	\$1,527,826	\$1,535,806	\$1,535,806	1.78%
Materials and Services	2,626,521	2,346,555	2,904,065	2,873,348	2,692,241	2,692,241	2,753,241	(6.30%)
Capital Outlay	173,682	145,933	492,000	522,717	275,000	275,000	300,000	(47.39%)
Debt Service	1,192,231	1,188,631	1,189,132	1,189,132	1,188,632	1,188,632	1,188,632	(0.04%)
TOTAL	\$5,476,181	\$5,054,221	\$6,086,361	\$6,086,361	\$5,683,699	\$5,691,679	\$5,777,679	(6.62%)
BUDGET BY FUND								
General Revenue Bond Fund	1,192,231	1,188,631	1,189,132	1,189,132	1,188,632	1,188,632	1,188,632	(0.04%)
MERC Fund	4,283,950	3,865,590	4,897,229	4,897,229	4,495,067	4,503,047	4,589,047	(8.21%)
TOTAL	\$5,476,181	\$5,054,221	\$6,086,361	\$6,086,361	\$5,683,699	\$5,691,679	\$5,777,679	(6.62%)
FULL-TIME EQUIVALENTS (FTE)	13.30	13.30	13.30	13.30	13.30	13.30	13.30	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

Expo is a multi-purpose facility that has become the region's primary destination for consumer public shows, trade shows and special feature events.

ABOUT THE PORTLAND METROPOLITAN EXPOSITION CENTER

Significant upgrades and renovations updated the complex into a modern facility offering two column-free exhibition halls. The 52-acre campus includes five connected buildings comprising nearly 333,000 square feet of exhibit space, ten meeting rooms, a full service commercial kitchen, parking for 2,500 vehicles and a convenient connection to TriMet's Interstate MAX light rail line. Expo is host to approximately 100 events and 450,000 visitors each year and stands out as a premiere facility of its kind on the West Coast.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

- Submitted an Expo Center Conditional Use Master Plan for review and received approval from the City of Portland, Bureau of Development Services.
- Remodeled and converted Meeting Room D-103 into the "West Delta Bar & Grill."
- Completed annual economic and fiscal impact study for the Portland Expo Center.
- Developed an Expo Marketing Team including Gard Communications and OakTree Digital companies.
- Completed capital projects including the installation of seismic gas valves, replacement of Halls D and E HVAC controllers, replacement of Hall D support lighting controls and replacement of the venue's Fire Alarm Control Panel.

SERVICE LEVEL CHANGES FROM FY 2010-11

Individual space (exhibit hall/meeting room) rental rates will increase by approximately 3 percent and combined exhibit hall rental fees will increase by approximately 6 percent. No other service changes are expected.

MAJOR OBJECTIVES FOR FY 2011-12

- Continue participation in the Columbia River Crossing planning project in partnership with Metro staff.
- Complete roll-out and implementation of the Expo Marketing Team plan developed in FY 2010-11.
- Complete capital projects including a Hall E structural issue remedy, the purchase of two portable bleacher units, replacement of Hall E lobby carpet and as needed parking lot asphalt maintenance/removal and/or replacement.

PROGRAMS FOR FY 2011-12

Regional Services

Conventions, Trade and Consumer Shows – The Oregon Convention Center and the Portland Metropolitan Exposition Center attract visitors to international, national and regional events that contribute to the livability of this region.

Summary of MERC Administration

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$2,357,684	\$1,907,883	\$1,958,151	\$1,958,151	\$1,424,703	\$1,433,613	\$1,433,613	(27.24%)
Materials and Services	426,801	410,021	705,599	705,599	583,320	583,320	583,320	(17.33%)
Capital Outlay	157,601	101,794	102,000	102,000	0	0	102,000	(100.00%)
TOTAL	\$2,942,086	\$2,419,698	\$2,765,750	\$2,765,750	\$2,008,023	\$2,016,933	\$2,118,933	(27.40%)
BUDGET BY FUND								
MERC Fund	2,942,086	2,419,698	2,765,750	2,765,750	2,008,023	2,016,933	2,118,933	(27.40%)
TOTAL	\$2,942,086	\$2,419,698	\$2,765,750	\$2,765,750	\$2,008,023	\$2,016,933	\$2,118,933	(27.40%)
FULL-TIME EQUIVALENTS (FTE)	21.00	22.00	20.00	20.00	14.85	14.85	14.85	(25.75%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(5.15)

The MERC Administration group continues its consolidation with the Metro business practice lines. All units began reporting to Metro managers on July 1, 2010. The budget for FY 2011-12 continues the migration. MERC staff providing service exclusively to the MERC venues remains in the MERC Fund; MERC staff providing service to other areas in addition to the MERC venues has been moved into Metro service areas and has become part of cost allocation plan.

SERVICE LEVEL CHANGES FROM FY 2010-11

- The General Manager for Visitor Venues has been allocated to MERC Venues and the Oregon Zoo; administrative support has been allocated similarly.
- A procurement analyst and a Human Resources manager have been transferred to Finance and Regulatory Services and Human Resources, respectively, and are included in the cost allocation plan.
- Two information systems positions have been transferred to Information Services, reclassified and included in the cost allocation plan; two information systems positions remain in the MERC Fund.
- Three MERC construction positions have been transferred to Parks and Environmental Services to join a new project management office. This reorganization will generate a net savings of 1.10 FTE for the MERC venues. In December 2011 one position will be eliminated leaving 1.90 FTE from the new project management office directly charged to the venues.

Summary of the Oregon Zoo

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$15,871,712	\$15,912,874	\$16,850,690	\$16,914,690	\$17,868,854	\$17,976,726	\$17,976,726	5.64%
Materials and Services	10,690,096	9,380,297	11,088,834	11,044,823	11,507,944	11,507,944	11,507,944	4.19%
Capital Outlay	8,288,349	4,196,226	16,272,294	16,272,294	7,765,794	7,765,786	8,653,690	(52.28%)
Debt Service	402,089	403,820	404,670	404,670	404,408	404,408	404,408	(0.06%)
TOTAL	\$35,252,246	\$29,893,217	\$44,616,488	\$44,636,477	\$37,547,000	\$37,654,864	\$38,542,768	(15.88%)
BUDGET BY FUND								
General Fund	\$26,051,845	\$24,694,668	\$27,204,192	\$27,224,181	\$28,390,577	\$28,526,231	\$28,526,231	4.28%
General Asset Management Fund	\$8,021,088	\$3,315,228	\$1,432,144	\$1,432,144	\$2,088,697	\$2,088,689	\$2,334,793	45.84%
General Revenue Bond Fund	402,089	403,820	623,760	623,760	621,229	621,229	621,229	(0.41%)
Oregon Zoo Infrastructure & Anima	777,224	1,479,501	15,356,392	15,356,392	6,446,497	6,418,715	7,060,515	(58.02%)
TOTAL	\$35,252,246	\$29,893,217	\$44,616,488	\$44,636,477	\$37,547,000	\$37,654,864	\$38,542,768	(15.88%)
FULL-TIME EQUIVALENTS (FTE)	155.98	157.98	154.98	155.98	158.68	158.81	158.81	1.73%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								2.83

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

ABOUT THE OREGON ZOO

The Oregon Zoo contributes significantly to the livability of the Portland metropolitan area. The zoo is an important conservation education asset, providing learning opportunities for people of all ages. The zoo strives to motivate people to care and act on behalf of wildlife by providing opportunities for observation, discovery and engagement. The zoo serves as a regional conservation, education and recreation resource, enhancing the quality of life and assisting in economic development as a tourist attraction and community asset. As the top paid attraction in the state, the zoo is expected to draw more than 1.6 million visitors in FY 2011-12, providing fun, affordable and safe entertainment for families.

The zoo contributes to wildlife conservation through camps, classes and lectures, as well as direct conservation field work. Conservation education programs include summer camp, ZooSnooze and "Wild Life Live" shows. The zoo researches and shares techniques for improving animal husbandry, exhibit environments, animal management and captive propagation. The zoo also cooperates with The Association of Zoos & Aquariums' Species Survival Plans and other conservation efforts to house and breed endangered and threatened species.

In November 2008 Metro region voters approved a \$125 million bond measure authorizing Metro to issue general obligation bonds to protect animal health and safety and to conserve and recycle water. The bonds will finance multiple capital projects within the zoo's existing campus and are planned to fund the capital improvements for a remote elephant center. Major projects or initiatives underway include the completion of the Veterinary Medical Center, Land-Use Activities, completion of the Program Master Planning for Bond Project Scope and Sequencing and the Waste and Storm Water Master Planning.

The Oregon Zoo activity is budgeted in three funds: the General Fund, the General Asset Management Fund and the Oregon Zoo Infrastructure and Animal Welfare Bond Fund. It is organized into divisions, including Living Collections, Conservation, Volunteer Resources, Guest Services, Facilities Management, Marketing, Administration and bond program.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

- Opened the *Red Ape Reserve* exhibit in summer 2010.
- Operated a successful temporary dinosaur exhibit during the 2010 summer season.
- Following recommendations from the MERC/Metro Business Practices study the zoo implemented EBMS software for event scheduling to better align and share resources with MERC.
- Continued the zoo's successful conservation and education programs and efforts that included working with Metro Educators to create a common vision and program.
- Completed the overall planning for the bond funded capital projects.

- Began the engagement with the City of Portland, neighboring zoo institutions and other stakeholders in land-use discussions and processes for the zoo campus.
- Substantially completed the bond funded master planning process that includes project scoping and sequencing and budget estimates.
- Made significant progress on the construction of the Veterinary Medical Center.
- Completed the Penguin Water Filtration Upgrade project and the Water Main Pressure Reducing and Double Check Assembly Replacement project.
- Served more than 900,000 people in 1,700 conservation education programs, including ZooCamp for more than 4,800 children.
- Reached record-breaking calendar year attendance of 1,645,843 million guests and record-breaking ZooLights attendance of 141,716.

SERVICE LEVEL CHANGES FROM FY 2010-11

The operating budget for the Zoo Visitor Experience program includes an increase of materials and services to support the addition of three premium concerts; an addition of a 1.0 FTE catering position to replace the position that was temporarily removed in the FY 2010-11 budget; a reclassification of the Deputy Director of Business Operations to a Program Director position; the reduction of a 0.63 FTE Associate Public Affairs Specialist and three part-time temporary positions, reclassification of a Program Supervisor position and the addition of a Web Content and Social Media position due to the restructuring of the Marketing department; and the reclassification of a number of positions in various departments to more appropriately reflect the program needs and position duties. In addition, 0.25 FTE was added for the General Manager of Visitor Venues and 0.15 FTE for a Program Analyst II position to support the General Manager.

The conservation surcharge continues to support internal conservation programs, and a new Education Manager position will energize a cross-functional approach to delivering all Metro's education programs. The Sustainable Metro Initiative in 2008 identified the need to consolidate all conservation education at Metro. A plan for consolidating the human and financial resources of Education staff at both the Sustainability Center and the Oregon Zoo begins in this budget. The overall vision is to create a region wide program that creates environmental stewardship in our community through classes, camps, school curriculum and youth leadership programming. By combining the staffs from the Resource Conservation and Recycling programs in the Sustainability Center, the zoo and community programs given by parks' naturalists, a framework will be created to provide real behavior change by centering programming at the zoo, which already has an audience of more than 1.6 million people and an award winning youth program. A common classification for educators across all programs is underway. In FY 2011-12 we will undertake a one-to-two year transition to create a unified set of curricula that serves K-12 children in a variety of programs designed to increase environmental awareness and future consumer behaviors and lifestyles. This transition will be led by the Sustainability Center and the Oregon Zoo with staff eventually reporting to the zoo management team, dovetailing with the planning and eventual opening of the new Conservation Education facility, an important zoo bond project. The new Education Manager will be responsible for meeting specific benchmarks to achieve the integration and vision during the transition period.

The Zoo Infrastructure and Animal Welfare Bond program decreased 0.92 FTE to reflect the planned completion of the comprehensive capital master planning activities. The bond program will have 5.58 FTE in FY 2011-12. In addition, 1.0 FTE Program Supervisor II was reclassified to a Manager II position in FY 2010-11.

MAJOR OBJECTIVES FOR FY 2011-12

In FY 2011-12 the zoo will:

- Install a new point-of-sale system.
- Successfully market and operate a temporary dinosaur exhibit for summer 2011 and open a temporary butterfly exhibit in spring 2012.
- Continue the zoo's successful conservation and education programs and efforts, including leveraging other Metro resources and activities.
- Complete the master planning process for the bond funded capital projects including refining project scopes, sequencing and budget estimates.
- Develop a comprehensive capital master plan for the bond program including refined project scopes, sequencing, and budget estimates, as well as sustainability initiatives and infrastructure improvements.
- Engage the City of Portland, neighboring zoo institutions and other stakeholders in land-use discussions and processes for the zoo campus. The land-use review must be finalized prior to completing the majority of bond funded capital improvements.
- Finalize the land-use review process with the City of Portland.
- Complete the Veterinary Medical Center.

PROGRAMS FOR FY 2011-12

Healthy Environment

Zoo Conservation Education – The Zoo Conservation Education program identifies and implements *in situ* and *ex situ* wildlife conservation through direct fieldwork, research, improved animal husbandry techniques and captive propagation. In addition to cooperating with Association of Zoos & Aquariums and the Northwest Zoo & Aquarium Alliance, the zoo participates in species survival plans and partners with several other conservation groups to conserve endangered and threatened species in our care and in nature.

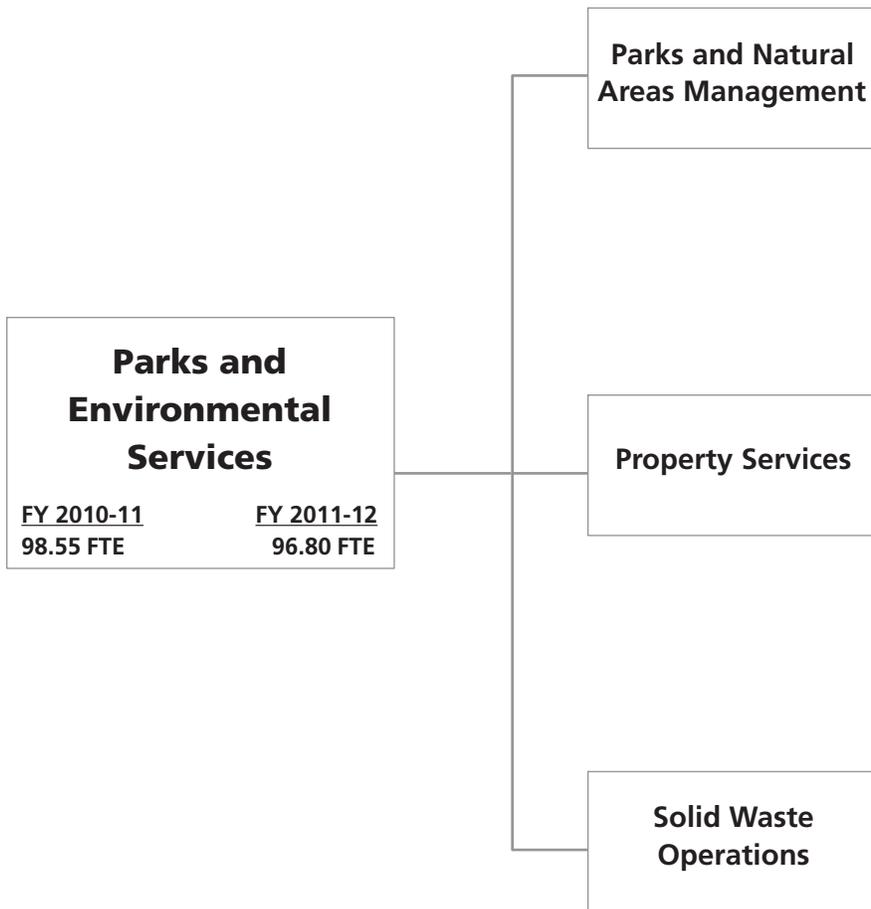
The education aspect of this program provides learning opportunities for people of all ages and cultures. The zoo develops leaders and community relationships, encourages growth and inspires change through vital and dynamic volunteer opportunities. Zoo programs and materials increase the public's understanding of conservation issues and the need for direct action related to clean air and water, the management of resources for future generations and improving access to nature.

Regional Services

Zoo Infrastructure and Animal Welfare Bond Program – The Zoo Infrastructure and Animal Welfare Bond program (A Better Zoo program) represents the capital planning and construction activities funded by the November 2008 general obligation bond authority. Bond proceeds will finance master planning and land use approval activities, multiple capital projects within the zoo’s existing campus, as well as potentially fund capital improvements for a remote elephant center. The program includes 5.58 FTE to administer upcoming projects. Initial projects include comprehensive capital master planning, zoo campus land-use activities, replacing the zoo’s veterinary medical center and quarantine facilities, upgrading the penguin exhibit filtration system, replacing the zoo’s main water backflow and pressure reducing valve, planning work and design of the elephant on-site exhibit expansion and planning work for the possible development of a remote elephant center.

Zoo Visitor Experience – The Zoo Visitor Experience program represents the primary activities that occur at the zoo campus. Supporting the zoo’s mission, the zoo provides guests the opportunity for observation, discovery and engagement of animals in naturalistic environments. To meet guest expectations, provide positive experiences, and to generate enterprise revenues, the zoo provides many services and activities, such as admissions, food services, campus security, facility management, public events, cafeteria venues, marketing and the zoo railway.

Parks and Environmental Services



Summary of Parks and Environmental Services

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$9,409,656	\$8,885,024	\$9,325,883	\$9,401,483	\$9,710,882	\$9,768,962	\$9,768,962	3.91%
Materials and Services	35,089,491	35,143,322	38,487,542	38,269,051	36,953,262	37,351,099	37,362,099	(2.37%)
Capital Outlay	4,042,480	3,047,305	5,117,738	5,237,738	4,207,179	4,509,793	4,665,793	(10.92%)
Debt Service	4,697,481	0	0	0	0	0	0	0.00%
TOTAL	\$53,239,108	\$47,075,651	\$52,931,163	\$52,908,272	\$50,871,323	\$51,629,854	\$51,796,854	(2.10%)
BUDGET BY FUND								
General Fund	\$5,057,180	\$6,568,190	\$6,942,305	\$6,919,414	\$6,459,391	\$6,482,041	\$6,493,041	(6.16%)
General Asset Management Fund	3,039,798	3,224,531	1,390,860	1,390,860	1,721,912	1,897,737	2,053,737	
Smith & Bybee Lakes Fund	0	38,014	130,000	130,000	65,000	65,000	65,000	(50.00%)
Solid Waste Revenue Fund	45,142,130	37,244,916	44,467,998	44,467,998	42,625,020	43,185,076	43,185,076	(2.89%)
TOTAL	\$53,239,108	\$47,075,651	\$52,931,163	\$52,908,272	\$50,871,323	\$51,629,854	\$51,796,854	(2.10%)
FULL-TIME EQUIVALENTS (FTE)	112.80	104.55	97.55	98.55	96.80	96.80	96.80	(1.78%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(1.75)

Parks and Environmental Services' primary purpose is to operate Metro's parks, historic pioneer cemeteries, solid waste facilities and the Metro Regional Center building and associated services efficiently and sustainably.

ABOUT PARKS AND ENVIRONMENTAL SERVICES

Parks and Environmental Services contributes directly to the preservation of the region's livability and supports the goals and objectives developed by the Metro Council by providing for the safe, efficient and effective disposal of solid and household hazardous waste, and by providing places for the residents of the region to hike, fish, picnic, birdwatch, golf, swim and play while engaging in their natural surroundings. Parks and Environmental Services is divided into three budgetary programs: Parks Management, Property Services and Solid Waste Operations.

To carry out its strategies to provide safe and enjoyable places for the public to engage in nature-based recreational activities, Parks and Environmental Services maintains and operates, either directly or through service contracts, Oxbow Regional Park, Blue Lake Regional Park, Howell Territorial Park, Chinook Landing Marine Park, M. James Gleason Boat Ramp, Sauvie Island Boat Ramp, Smith and Bybee Wetlands Nature Park, Mt. Talbert Nature Park, Cooper Mountain Nature Park, Graham Oaks Nature Park, multiple residential and agricultural leases on Metro natural areas, and Glendoveer Golf Course. In addition, 14 pioneer cemeteries are actively managed and maintained for the use of residents in the region.

To carry out its strategies for the environmentally sound disposal of waste, Parks and Environmental Services manages two transfer stations and two hazardous waste processing facilities, a latex paint recycling and reuse facility, contracts for disposal of solid waste and hazardous waste and monitors the region's two largest inactive landfills (St. Johns Landfill and Killingsworth Fast Disposal Landfill).

Property Services (Building and Security Services and Office Services) provides efficient and effective customer-driven services in support of operating units to successfully achieve their business goals. Property Services also provides centralized Metro Fleet services.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

Completed:

- Begin operations of the Graham Oaks Nature Park near Wilsonville.
- Complete Irving Street parking garage renovation.
- Implement PaintCare contract at the Metro Latex Paint facility.

In Process:

- Implement audit recommendations for Metro's fleet.
- Rebuild Blue Lake Park sewage pumps.
- Make necessary repairs at Metro Central Transfer Station to accommodate the organics transfer operation.

Cemetery program:

Reviewed 58,000 interment records and began creating an electronic tracking system for associated record-keeping; digitized two dozen interment books dating from the 1890s to the 1920s and prepared a preservation plan for the books; convened community stakeholders and created a strategic communications and fundraising plan for Metro's Lone Fir Cemetery – Block 14 Memorial Park to honor the Chinese settlers and 19th century mental health patients who endured segregation and discrimination during the founding years of the Portland region.

Parks program:

Completed several small capital projects, including completion of the final three shelter roofs at Blue Lake Park and construction of the Brainard cemetery retaining wall; welcomed more than 1.2 million visitors and operated and maintained parks, natural areas and recreation facilities.

Property Services:

Completed repairs to the Irving Street Garage and reopened for full business in November; conducted overhaul of fleet management including altering contract with Multnomah County and implementing new fleet management software.

Solid Waste Operations:

Implemented contract with PaintCare for recycling the majority of latex paint in the State of Oregon and continued an exclusive agreement with Miller Paint to sell Metro's recycled latex paint; completed renovation of compactors at the Metro South Transfer Station; set all-time records for the percentage of materials recovered from the waste at Metro's transfer stations; completed a project to provide increased natural lighting at Metro South transfer station; installed improved heating and ventilation equipment at Metro South Hazardous Waste that will reduce energy consumption.

SERVICE LEVEL CHANGES FROM FY 2010-11

Parks and Environmental Services includes few enhancements or changes from FY 2010-11 service levels.

- PES Financial services eliminates one position and transfers one position to Procurement Services in Finance and Regulatory Services.
- A principal planner is assigned to PES to lead the Solid Waste Road Map Project.
- The new Property and Project Management Office integrates the MERC construction group under single management and a position is eliminated at Dec. 31, 2011 (0.5 FTE).

The Property Services program incorporates the following change:

- Parking fee increases will generate additional revenue to support current parking upgrades and maintenance.

The Solid Waste Operations program incorporates the following changes:

- Metro will study alternative uses for methane gas generated at the St. Johns Landfill.
- Metro will design and implement improvements in stormwater collection and treatment and more energy-efficient lighting at the Metro Central Transfer Station.
- The reinstated household hazardous waste fee will generate additional revenue to support the hazardous waste disposal at the transfer stations.

MAJOR OBJECTIVES FOR FY 2011-12

- Implement a Property and Project Management Office as part of Parks and Environmental Services.
- Install new signage at multiple Pioneer Cemeteries.
- Replace roof on the Howell-Bybee historical house.
- Replace 280 feet of wooden dock boat concessions at Blue Lake Park.
- Complete improvements at Metro Central to increase the capacity to handle commercial organic food waste and add capability to handle residential food waste.

- Negotiate an extension of the contract with PaintCare until the completion of the program pilot phase.

PROGRAMS FOR FY 2011-12

Great Communities

Parks and Property Management – The purpose of the Parks and Property Management program is to provide efficient and cost effective management of regional parks including visitor service, maintenance and resolution of adjacent land owners’ issues and concerns. The program is also responsible for the enforcement of Metro Title 10 regulations for the protection of existing regional parks, cemeteries, golf courses, marine facilities and the day-to-day management of rental home properties and agricultural and commercial leases. Parks and Property Management staff are also responsible for managing residential and agricultural leases on Metro natural areas property.

Environmental Health

Solid Waste Operations – The Solid Waste Operations program includes three specific service areas:

Disposal Services– The primary purpose of this service area is to provide comprehensive solid waste disposal services to commercial haulers and the public. Metro’s two transfer stations are managed within this service area.

Hazardous Waste Reduction– This service area contributes toward reducing the toxicity of the waste stream and reducing the amount of hazardous materials that enters the environment. To achieve these goals, this service area collects hazardous wastes from households and small commercial generators, recovers latex paint, fuels, and other materials and disposes of hazardous waste in an environmentally sound manner.

Landfill Stewardship– This service area provides effective stewardship of the region’s two largest inactive solid waste landfills. It ensures compliance with all federal, state and local regulations applicable to landfill closure operations and post-closure requirements. Within this service area, commercial quantities of landfill gas (methane) are recovered and sold to an end-user.

Responsible Operations

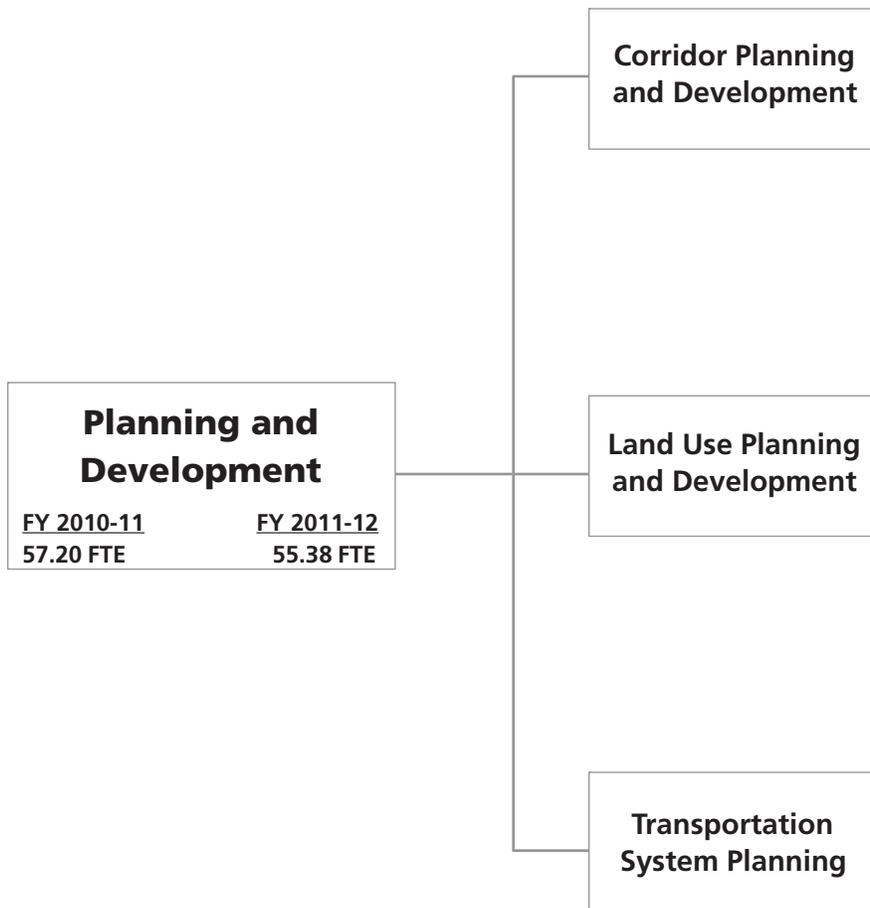
Property Services – Property Services provides efficient and effective customer-driven services in support of operating units to achieve their business goals successfully. The program maintains safe and healthy operations within the Metro Regional Center and Irving Street Parking Structure. The Property Services budget program includes two services: building and security services and office services.

Building and Security Services – manages the physical operations of the Metro Regional Center for employees, centers, services, tenants and visitors. Services include construction management, space planning and remodeling, maintenance and janitorial services, telecommunications support, fleet vehicle operations and employee and visitor parking. Integration of sustainable features and management practices remains a priority. It also provides security operations, access control, fire protection and emergency response. This section provides centralized mail and courier service to all facilities and serves as central receiving for deliveries to the Metro Regional Center.

Office Services – receives Metro visitors and provides information to Metro’s constituents. Office services operates Metro’s retail store for park passes, maps and publications. It also provides fleet reservations.



Planning and Development



Summary of Planning and Development

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$5,699,845	\$5,765,741	\$6,087,179	\$6,174,185	\$6,336,181	\$6,369,409	\$6,369,409	3.16%
Materials and Services	3,656,244	5,051,104	9,327,050	9,388,303	9,458,570	9,705,232	10,100,232	7.58%
Debt Service	598,725	0	0	0	0	0	0	0.00%
TOTAL	\$9,954,814	\$10,816,845	\$15,414,229	\$15,562,488	\$15,794,751	\$16,074,641	\$16,469,641	5.83%
BUDGET BY FUND								
General Fund	\$9,954,814	\$10,816,845	\$15,414,229	\$15,562,488	\$15,794,751	\$16,074,641	\$16,469,641	5.83%
TOTAL	\$9,954,814	\$10,816,845	\$15,414,229	\$15,562,488	\$15,794,751	\$16,074,641	\$16,469,641	5.83%
FULL-TIME EQUIVALENTS (FTE)	54.15	57.60	56.30	57.20	55.38	55.38	55.38	(3.18%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(1.82)

Planning and Development works with communities throughout the region to boost economic vitality, provide transportation choices and prepare for population growth consistent with shared local and regional aspirations. These efforts are guided by the 2040 Growth Concept and the Metro Council's adopted six desired regional outcomes: vibrant communities, economic prosperity, safe and reliable transportation, clean air and water, climate change leadership and equity. Planning and Development staffs the Joint Policy Advisory Committee on Transportation and the Metropolitan Policy Advisory Committee and their related technical committees. It also performs all the federally mandated functions required of a Metropolitan Planning Organization (MPO).

ABOUT PLANNING AND DEVELOPMENT

Using collaborative approaches, the department helps leverage public and private sector investments to meet local and regional aspirations by:

- Developing policies and programs that guide regional and local land use and transportation planning.
- Providing technical assistance, education and outreach to facilitate implementation.
- Distributing transportation project funding.
- Financing transit oriented development projects and activities in centers and corridors.
- Advancing high capacity transit and multimodal transportation projects.

Planning and Development has three divisions:

- **Corridor Planning and Development** – advancing federally funded public transit projects such as light rail, commuter rail and streetcar through planning and environmental phases of development; and completion of integrated land use and transportation plans for mobility corridors including actions intended to stimulate community and economic development.
- **Land Use Planning and Development** – implementing the Region 2040 Growth Concept through policy development, direct investment, education and technical assistance programs, monitoring local compliance with the region's adopted policies and other outcomes-based, performance-based growth management activities.
- **Transportation System Planning** – including all functions critical to Metro's role as the federally designated Metropolitan Planning Organization, such as gaining regional consensus on transportation funding priorities, developing and implementing the 20-year Regional Transportation Plan and leading the Transportation System Management and Operations program to make the most efficient use of our existing infrastructure.

Planning and Development carries out its responsibilities through significant engagement with cities and counties, the Oregon Department of Transportation, the Department of Land Conservation and Development and other state agencies, TriMet, the Port of Portland, the development community, non-government advocacy and professional organizations and the public.

Planning and Development supports elected and appointed officials on the Metropolitan Policy Advisory Committee (MPAC) and the Joint Policy Advisory Committee on Transportation (JPACT). Staff also supports each group's technical advisory group – the Metropolitan Technical Advisory Committee (MTAC) and the Transportation Policy Advisory Committee (TPAC), and supports the Transit Oriented Development (TOD) Steering Committee.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

Planning and Development accomplishments in FY 2010-11 included a wide range of activities that support Metro goals.

- Heightened efforts to inspire local jurisdictions to implement policies and tools that increase capacity and create vibrant communities in centers and corridors by:
 - Partnering with PSU on research to support analysis of traffic impacts of mixed use development.
 - Initiating a broad, collaborative approach to consider the social equity effects of growth through collaboration with members of a regional housing and equity consortium and renewed efforts to map areas with more and fewer opportunities as well as housing needs.
 - Completing walkability audits in partnership with Hillsboro, Beaverton and Portland to develop recommendations that could enhance pedestrian movement and spur private investment.
 - Helping local communities identify investments that support redevelopment by identifying key public infrastructure needs in the region and illustrating the potential redevelopment effects of these investments using envision tools and pro-forma calculations.
 - Drive Less/Save More Marketing Campaign- Promoting linking trips and reducing auto use (ongoing): Achieved a market penetration rate of more than 33 percent, with half of respondents reporting taking action to reduce their single-person car trips.
- Better aligned funding, land supply and investment decisions into a performance based, outcome-oriented framework by:
 - Supporting Council in refining Urban and Rural Reserves designations, (originally adopted by Council in June 2010) in response to LCDC decisions, in collaboration with counties, cities and a wide variety of stakeholders.
 - Completing an update to the Regional Transportation Plan (Council adopted in June 2010): an innovative outcomes-based blueprint to guide future planning and investment in the region's transportation system management and operations, an updated freight plan and a high capacity transit plan.
- Provided an outcomes-based assessment of growth management options to support the Council's upcoming decisions to resolve the capacity gap identified in the Urban Growth Report by:
 - Developing the 2010 Community Investment Strategy, including adoption of the Capacity Ordinance that set the stage for meeting the region's 20 year growth needs.
 - Continuing refining performance indicators and a performance measurement system to assess existing and future investment and growth management decisions. Implementation includes the analysis of growth decisions in the 2010 capacity ordinance, the updated State of the Centers and the Greater Portland-Vancouver Regional Indicators project (led by the Research Center).
 - Assisting communities in their comprehensive plan processes by providing review of growth assumptions and providing access to regional data.
- Worked with Government Affairs and Policy Development staff to provide leadership to develop a regional transportation finance strategy to include state, federal and regional funding to address significant gaps in the region's transportation and other infrastructure by:

- Metropolitan Transportation Improvement Program (MTIP): Initiating new process to guide project selection decisions consistent with the policy direction of the RTP.
- Allocating Federal Economic Stimulus dollars.
- Provided technical assistance to communities to address financial and regulatory barriers and promote sustainability in centers, corridors and employment areas, consistent with local aspirations and the region's 2040 Growth Concept.
 - Documented new trends and opportunities for the region's employment areas with the publication of Eco-Efficient Employment, the third in a series of Community Investment Toolkit publications, and offered technical assistance to local jurisdictions and the development community to implement the concepts.
 - Completed the second of two EPA grants to provide funding for assessments of brownfield sites and promote site clean-up and redevelopment opportunities in centers and corridors in partnership with local governments and private property owners.
- Completed intergovernmental agreements with local jurisdictions to authorize funding for community development and planning grants, monitor and assist in these efforts that lead to on-the-ground development by:
 - Participating in concept planning efforts around the region, which are supported by the Construction Excise Tax, to make the areas brought into the urban growth boundary ready for development.
 - Continuing implementation of the second round of Construction Excise Tax funding for Community Planning and Development Grants, as awarded by council in 2010, within the limitations of a pending court appeal.
- Initiated land use and transportation planning for the Southwest Corridor and the East Metro Corridor refinement plans by establishing scopes and budgets and initiate work.
 - Establishing scopes and budgets and initiated work on East Metro Connections and Southwest Corridor Refinement Plans.
- With TriMet, secured a Record of Decision for the Milwaukie to Portland Light Rail Project and successfully enter the Final Design phase of the FTA New Starts process.
 - Completed the Milwaukie Light Rail Final Environmental Impact Statement, obtained Record of Decision for project and supported TriMet's successful Final Design Application.
- Published Draft Environmental Impact Statement for the Lake Oswego to Portland Transit project, with project advisory committees and partners, developed Locally Preferred Alternative and commenced local approval process. Final selection is expected in early summer.
- With project partners, continued to advance the Columbia River Crossing project highway and light rail components through Preliminary Engineering, Final Environmental Impact Statement and the FTA New Starts process.
- Completed the TOD Program Strategic Plan to guide future program investments.
- Completed designs for construction of the new Gresham Civic light rail station, which opened in December 2010.

- Implemented three new Transit Oriented Development projects to advance program goals to encourage and catalyze development along transit and in centers.
 - Started construction on two new Transit Oriented Development (TOD) projects and secured approval on three new TOD projects.
 - Selected a developer for the 4th and Main site in partnership with the City of Hillsboro.
- Continued to implement Development Opportunity Fund projects to support on the ground implementation of the 2040 framework plan by funding two types of initiatives: 1) innovative green demonstration projects, and 2) pre-development studies with local governments on opportunity sites.
 - Advanced Development Opportunity Fund projects (ongoing) and started development feasibility studies on publicly owned sites in Tigard, Oregon City and Gresham.
 - Completed construction on one Urban Living Infrastructure project in Gresham, totaling 4,000 square feet of commercial space.
- Provided technical and financial assistance to communities to complete concept plans for 2,000–3,000 acres and adopt them into local comprehensive plans; continue support for planning more than 12,000 acres in the Damascus area. This is an on going project.
- Implemented regional freight plan priorities through coordination with federal, state and local freight planning efforts, including the Regional Flexible Funds Task Force.

SERVICE LEVEL CHANGES FROM FY 2010-11

Planning and Development is aligning efforts to support four of the agency's key collaborative initiatives in FY 2011-12, as described in more detail below. Additional program and project efforts will focus on catalyzing development in the region's downtowns, main streets, station communities and industrial and employment areas. In many cases, support for these major initiatives will be a re-orientation of existing activities rather than a complete redeployment of resources.

Congress has delayed approval of a new six-year surface transportation authorization bill, reducing the money available for core Portland metropolitan area transportation planning functions. At the same time, demands for transportation planning services are increasing. Therefore, in this budget, several core programs are scaled back or have extended timelines to cope with the shortfall in the near term, with the assumption that reauthorization will occur in FY 2011-12, and programs will be backfilled and restored. These include slowing the pace of local implementation of the newly adopted Regional Transportation Plan for up to three years, streamlining the cooperative project development program that Metro and ODOT recently initiated by eliminating duplicative administrative responsibilities.

The delays in federal reauthorization of transportation funds have significantly reduced federal planning grants, complicated project planning, and compromised our ability to respond to federal, regional and state transportation requirements. Some Corridor Planning work will proceed at a slower pace that advances projects at the speed with which revenue, including local match, is available. For example, Metro has been awarded a \$2 million multi-year grant from the Federal Transit Administration to study the best ways to improve transit in the Southwest corridor between downtown Portland and Sherwood. The Alternatives Analysis grant is part of the U.S. Department of Transportation's livability initiative. At the same time grants authorized by the 2009 legislature (HB 2001) are in the second of three years and provide resources to initiate state-mandated greenhouse gas scenarios project in coordination with Metro's Climate Smart Communities activities.

Specific service level changes for FY 2011-12 are:

- Eliminate 1.0 FTE limited duration Assistant Regional Planner for Development Opportunity Fund (June 2011). Existing staff will manage open contracts funded by the Development Opportunity Fund last year and seek additional projects with new development opportunity funding authorized for FY 2011-12.
- Eliminate 0.32 limited duration FTE Program Analyst IV for Active Transportation (February 2012).
- Eliminate 0.5 FTE limited duration Records and Information Analyst; the position is transferred to Information Services and increased to full-time with a focus on planning records.

MAJOR OBJECTIVES FOR FY 2011-12

As noted above, Planning and Development will support the alignment of local and regional actions that leverage private investment to create the vibrant and prosperous communities envisioned in the 2040 Growth Concept. As such, we will:

- Initiate the 2013-15 Regional Flexible Funds allocation and update to the Metropolitan Transportation Improvement Program (MTIP), including consultation with a Regional Flexible Fund Task Force and Environmental Justice Working Group.
- Initiate state-mandated greenhouse gas scenarios project in coordination with Metro's Climate Smart Communities programs.
- Support the Metro Council decision on growth management strategies, including an urban growth boundary decision, to meet 20-year needs consistent with the Community Investment Strategy.
- Refine estimates of funding and investment needs to implement local aspirations consistent with regional aspirations and the region 2040 Growth Concept, and utilize these estimates when supporting the Community Investment Initiative.
- Support local jurisdictions to complete the concept planning process using construction excise tax funding and manage the award of grant funds.
- In collaboration with other regional stakeholders, develop an approach that maps opportunities in the region for use in guiding local and regional investment and policy direction and planning for housing needs.
- Complete the Best Practices in Transportation Design project, an MTIP-funded activity that will update the region's "Livable Streets" and "Green Streets" design guidelines and promote multi-modal design in the region.
- Provide leadership to develop a regional transportation finance strategy to include state, federal and regional funding to address significant gaps in the region's transportation and other infrastructure.
- Provide technical assistance to communities to address financial and regulatory barriers and promote sustainability in downtowns, main streets, station areas, and employment areas, consistent with local aspirations and the region's 2040 Growth Concept. The Council provided additional funding to implement an eco-efficient business strategy in one or two additional communities.
- Document barriers and identify solutions for Metro Council, Community Investment Initiative Leadership Committee and other stakeholders to consider that would support land readiness in the region's centers, corridors and employment areas. The Council provided additional funding to collect, augment and assess data related to brownfields and small parcels.

- Complete intergovernmental agreements with local jurisdictions to authorize funding for community development and planning grants, monitor and assist in these efforts that lead to on-the-ground development, within the limitations of the court appeal.
- Complete the East Metro Connection plan and community investment strategy and commence endorsement by partner jurisdictions.
- Substantially complete Phase 1 of the Southwest Corridor Plan with significant progress towards a community investment strategy in that area.
- Integrate land use and transportation planning for two new corridor planning projects: the Southwest Corridor and the East Metro Connections refinement plans and complete major milestones leading to identifying key local and regional investment needs.
- Support project partners in completion of project refinement and, as appropriate, the adoption of the Locally Preferred Alternative for the Lake Oswego to Portland Transit Corridor.
- With project partners, continue to advance the Columbia River Crossing project highway and light rail components through Preliminary Engineering, Final Environmental Impact Statement and the FTA New Starts process.
- Implement Transit Oriented Development Program Strategic Plan to guide future program investments and revise Work Plan to reflect Strategic Plan recommendations.
- Implement three to five new Transit Oriented Development projects to advance program goals to encourage and catalyze development along transit and in centers.
- Continue work on Development Opportunity Fund projects to support on the ground activities of the 2040 framework plan by partnering with local jurisdictions to implement projects that enhance opportunities for investment in downtowns, main streets, and station areas.

PROGRAMS FOR FY 2011-12

Great Communities

Corridor Planning and Development – This program includes three major focus areas: transit project planning, multimodal corridor planning and freight planning. Ultimately, all of the projects developed by this program – transit, multimodal, and freight – result in jobs within the region, either through capital construction or through jobs that are created in station areas and in well functioning multimodal corridors with strong land use planning. Freight planning and projects are critical for commerce in the region and are dependent on access to well-functioning transportation facilities.

Land Use Planning and Development – The Land Use Planning and Development program includes a variety of land use planning activities that support the Metro Council and regional partners in implementing the Region 2040 vision. This program comprises three areas: Long Range Land Use Planning, Periodic Planning and the Development Center.

Long Range Land Use Planning – This division is responsible for development of long-range strategies to implement the 2040 vision and accomplish desired regional outcomes, including the outcomes-based Urban Growth Report. Division staff are also responsible for land monitoring, management and performance activities and technical assistance that implement the Council’s adopted policies in the Framework Plan, respond to Oregon statutes and support Council in revising

Metro policies to respond to new needs for regional growth management. The Brownfields grant program is also housed in this division. Long Range Land Use Planning staff will be very involved in Metro's work to address regional investment needs and climate change and to integrate land use planning with transportation planning.

Development Center – This center supports and fosters 2040 Growth Concept sustainable and innovative development patterns and practices throughout the region via technical assistance, financial incentives and education/outreach.

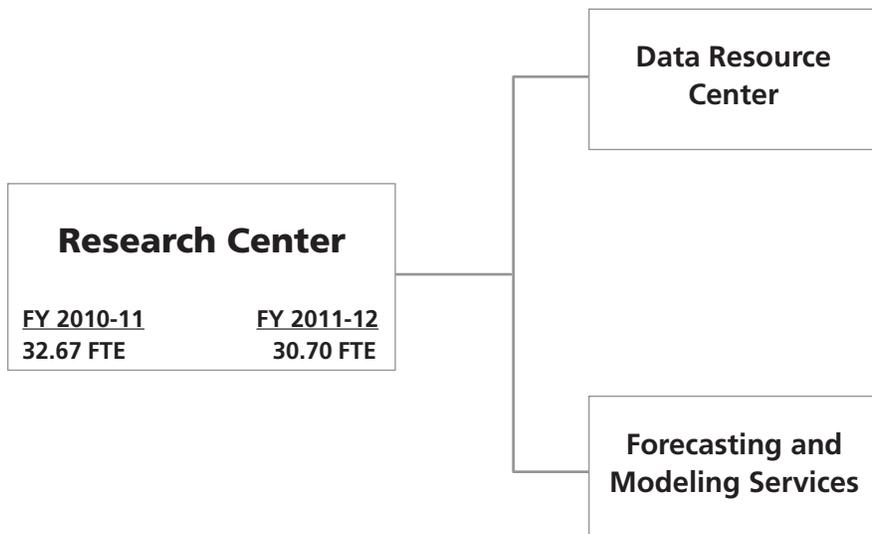
Periodic Planning – This division has focused on the Urban and Rural Reserves program and is transitioning to implementation efforts in concert with the Long Range Land Use Planning group.

Transportation System Planning – The Transportation System Planning program provides a broad scope of transportation planning services that assures Metro's compliance with state and federal regulations and support other planning efforts in Planning and Development. The program has the following operational areas: Regional Transportation Plan, Metropolitan Transportation Improvement Program, and the Transportation System Management and Operations program that includes the Regional Travel Options and Regional Mobility activities.

In FY 2010-11 the Transportation System Planning program took on the new Climate Smart Communities project. This work is in response to new state legislation (HB 2001) requiring Metro to develop a series of regional growth strategies that address the challenges of climate change. This work will continue into 2012, and largely draws from existing Metro staff currently assigned to the Regional Transportation Plan during the three-year Climate Change timeline.



Research Center



Summary of the Research Center

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$2,877,435	\$3,243,570	\$3,425,572	\$3,501,866	\$3,269,336	\$3,398,332	\$3,398,332	(2.96%)
Materials and Services	600,344	1,015,206	1,206,173	1,170,186	1,002,334	1,002,334	1,002,334	(14.34%)
TOTAL	\$3,477,779	\$4,258,776	\$4,631,745	\$4,672,052	\$4,271,670	\$4,400,666	\$4,400,666	(5.81%)
BUDGET BY FUND								
General Fund	\$3,477,779	\$4,258,776	\$4,631,745	\$4,672,052	\$4,271,670	\$4,400,666	\$4,400,666	(5.81%)
TOTAL	\$3,477,779	\$4,258,776	\$4,631,745	\$4,672,052	\$4,271,670	\$4,400,666	\$4,400,666	(5.81%)
FULL-TIME EQUIVALENTS (FTE)	29.50	31.18	31.91	32.67	29.30	30.70	30.70	(6.03%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(1.97)

The Research Center supports the Metro Council, Metro staff, external clients and the public by providing accurate and reliable data, information, mapping, forecasting, and technical services to support public policy analysis and regulatory compliance. The center coordinates data and research activities with local government partners, academic institutions and the private sector. In addition, the regional economic and travel forecasts provided by the Research Center meet federal and state requirements for consistent, accurate and reliable data and forecasting tools.

ABOUT THE RESEARCH CENTER

The Research Center is responsible for the following major functional areas:

- Monitor and forecast travel patterns, land use, economic and demographic trends.
- Maintain current models, develop new models and conduct research relating to economic, land use and travel forecasting.
- Develop and maintain consistent agency-wide technical and analytical procedures for select areas of interest (e.g., Greenhouse Gas Emissions and Social Equity).
- Provide transportation, economic and land-use modeling services to clients.
- Research and develop new land use metrics and performance indicators.
- Collect and maintain data for the Regional Land Information System (RLIS).
- Provide support for Metro programs and projects, providing information, research and Geographic Information Systems (GIS) mapping.
- Provide services to local governments, business and the public, including maps, aerial photos, GIS products and general research services.

The Research Center has developed intergovernmental agreements or working relationships with a number of local governments and agencies such as TriMet, Oregon Department of Transportation (ODOT), the Port of Portland, Regional Transportation Council of SW Washington, Portland State University, and the Oregon Transportation Research and Education Consortium. These relationships foster consistent use of data, collaboration on projects of mutual interest and cost efficiencies for key regional products such as aerial photos of the Portland metropolitan region.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

- Implemented greenhouse gas analysis for Metro projects, programs and activities through the use of the Climate Procedures Manual by completing the development of and training for the “Metro Greenhouse Gas Emissions Analysis Toolkit” for the use in evaluating policy choices and public investments for their effectiveness in reducing greenhouse gases at the plan, program, project, activity and facility analysis level.
- Finished first comprehensive regional indicators report in conjunction with PSU and local partners, defined methodology, finalized indicators and desired outcomes or trends and distribute results. Indicators measure progress consistent with Metro Council Goals and through a triple-bottom line sustainability “lens” by developing a draft set of regional indicators and commensurate data and analysis in partnership with PSU as part of the Greater Portland-Vancouver Indicators Project, now called Greater Portland Pulse.
- Residential and non-residential economic feasibility and modeling analysis completed as part of the urban and rural reserves report.

The Research Center had other major accomplishments in FY 2010-11:

- Collaborated with Mid-Willamette Valley Council of Governments on the open source translation of MetroScope to the Salem-Keizer Metropolitan Planning Organization planning area.
- Completed analysis and mapping for Urban and Rural Reserves.
- Provided GIS support to the Bi-State Trails Program.
- Launched GIS consultation for The Intertwine – a multi-year project.
- Enabled end products/services to bring the RLIS dataset in line with industry standards, and positioned the Data Resource Center to better utilize modern web and database technologies.
- Coordinated consortium purchase of accurate stream locations, two-foot contours, and building footprints using the LiDAR imagery as the primary source.
- Supported Council reapportionment decision making.

Data Resource Center:

- Continued GIS support for The Intertwine and completed GIS work for Making the Greatest Place.
- Published building footprint and regional trails data to RLIS Live.
- Developed web services to enhance efficiency in data sharing and maintenance.
- Began scoping new vacant lands inventory project.
- Maintained streets and other map information for emergency service providers.
- Improved coordination with the State of Oregon Geospatial Enterprise Office.
- Began scoping the Regional Parks System inventory project.
- Launched the RLIS Discovery site, a first step in modernizing DRC core services.
- Made 2010 aerial photos available for peer review via web service.
- Completed the first draft of a multi-modal transportation data inventory.

Modeling and Forecasting Division

Transportation Research and Modeling Services:

- Commenced the data collection for the 2011 household travel behavior survey.
- Established the viability of the dynamic traffic assignment software as an analytical tool.
- Implemented noteworthy demand model improvements: including the integration of transit traveler's perception of time at various stop types and in an array of vehicle types, the introduction of a park and ride lot choice model, implemented a Portland ground access travel demand module, and completed the bike model pathfinding integration into a standard software environment.
- Completed a variety of model maintenance activities including a refinement of the transportation analysis zone system and an update to a 2010 base year and a revised 2035 forecast.
- Provided modeling assistance on several regional projects including the East Metro study, the SW Corridor study, the Columbia River Crossing and the ODOT Congestion Pricing project.

Economic and Land Use Forecasting

- Commenced the development of the 2010-2045 Transportation Analysis Zone (TAZ) level forecast allocation for the upcoming RTP update and corridor projects.

- Commenced an update of the non-residential redevelopment and infill study.
- Assist land use planning in analyzing large lot industrial land supply and availability.
- Developing land use sketch tool using Envision Tomorrow and home-grown household assignment model to be operated with ODOT's greenhouse gas model estimation tool (GreenStep) to forecast Portland area GhG emissions.
- Commenced research and MetroScope land use model maintenance and updates.
- Completed MetroScope alternative land use scenario modeling for the 2010 UGR.
- Completed technical reports for the 2010 UGR (housing needs analysis, residential UGR, employment UGR reports).
- Completed CRC land use induced growth scenario modeling and forecasting.

SERVICE LEVEL CHANGES FROM FY 2010-11

Research Center staff support on the Community Investment Strategy – This involves integrating the HB 2001 Greenhouse Gas research and model enhancement project work with the Community Investment Strategy related to data collection, spatial analysis, mapping and visualization.

- Eliminates 1.0 FTE Associate Transportation Modeler (unfunded).
- Continues Regional Principal Planner for Regional Indicators until September 30, 2011; transitions program to outside host.
- Eliminates two part-time GIS Technicians (.67 FTE each) following completion of contracted work.
- Continue 1.0 FTE limited duration Associate Regional Planner and add 1.4 FTE limited duration GIS specialists for Climate Smart Initiative (GhG grant funded).
- Reduces 1.0 Senior GIS Specialist and reclassify two part-time GIS specialists; no net change in FTE.
- Transfers 1.0 FTE Senior GIS Specialist to Sustainability Center for Natural Areas support.

MAJOR OBJECTIVES FOR FY 2011-12

- Implement greenhouse gas analysis for Metro projects, programs and activities through the use of the Climate Procedures Manual.
- Complete development of Metro-wide equity analysis procedures manual and training.
- Finish first comprehensive regional indicators (Greater Portland Vancouver Indicators, now Greater Portland Pulse) report in conjunction with PSU and local partners, define methodology, finalize indicators and desired outcomes or trends and distribute results. Indicators will measure progress consistent with Metro Council Goals and through a triple-bottom line sustainability “lens.”
- Transfer Greater Portland Pulse program maintenance to the Institute for Metropolitan Studies at PSU; participate in data collection, maintenance and reporting.
- Complete economic feasibility and modeling analysis effort to determine the likely amount of residential and non-residential development in the new urban reserves.

Data Resource Center:

- Update the Regional Parks System inventory.
- Fulfill the needs of Metro Planning and Development, including 2040 Concept and Title Map updates.
- Fulfill the needs of Metro Sustainability Center including The Intertwine, trails improvement and parks inventory update.
- Continue modernizing DRC core services.

Modeling and Forecasting

Transportation Research and Modeling Services:

- Use modeling tools to support HB 2001 GhG scenario planning work.
- Continue enhancement of the dynamic tour based model being developed in partnership with Portland State University.
- Conclude the data collection element of the travel behavior survey. Analysis of the information will begin.
- Begin research regarding an improvement of the tools to estimate pedestrian travel.
- Provide service to clients in the form of modeling and data support to the SW Corridor Study, E. Metro Study, New Starts Before and After Studies required by FTA, Columbia River Crossing Study and miscellaneous data requests.

Economic and Land Use Forecasting

- Complete full implementation of a new residential refill filter to better estimate redevelopment and infill of existing residential properties.
- Progress research on the following topics: development of a new non-residential refill filter, updating neighborhood scores, recoding MetroScope to accommodate new employment use/development categories, updating parts of the model parameters/assumptions as Census 2010 data get released.
- Complete 2010-2045 Regional Transportation Analysis Zone land use forecast allocation for Metro, local government and agency purposes.
- Develop an interim regional forecast to calibrate actual regional employment and household growth in light of the 2008-2010 recession.

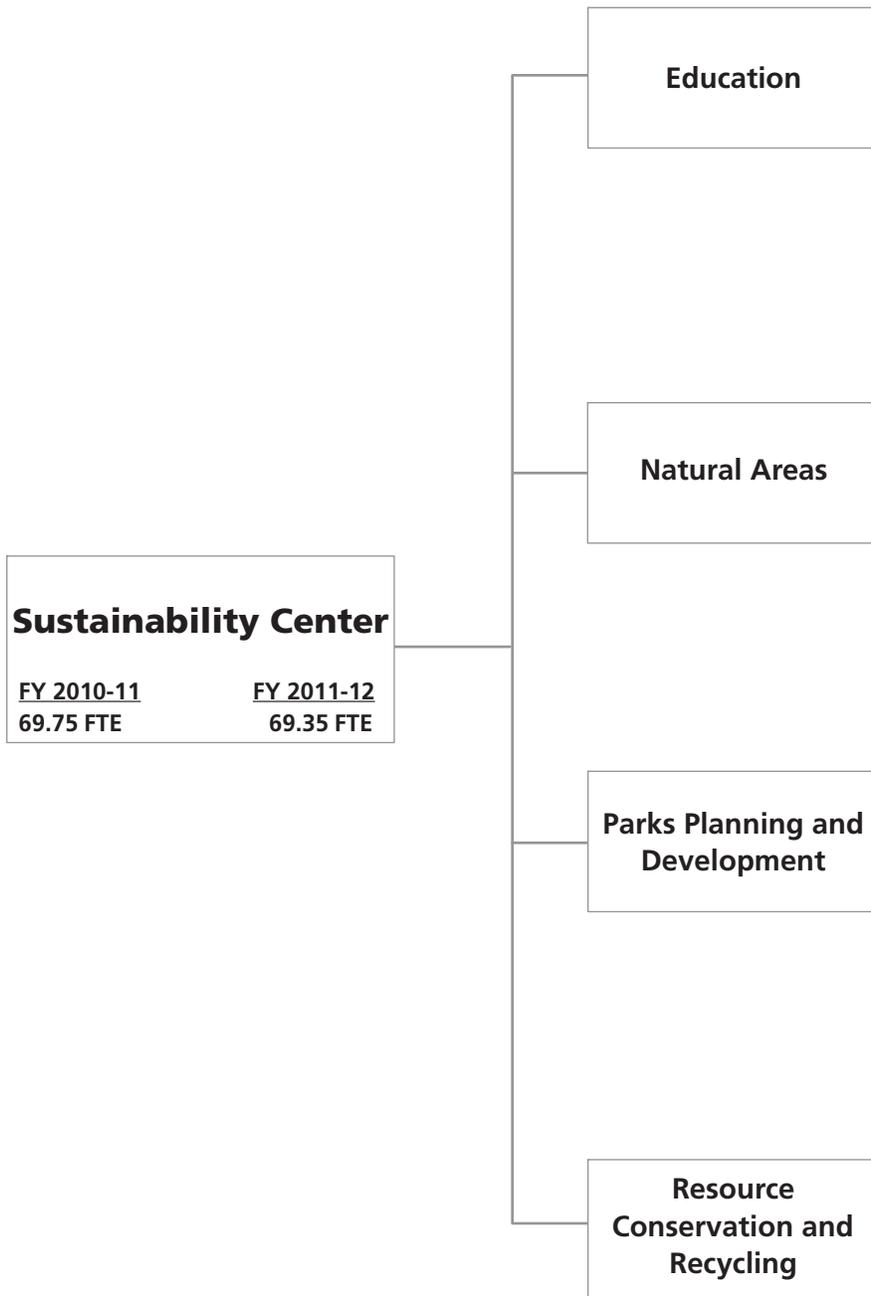
PROGRAMS FOR FY 2011-12

Great Communities

Data Resource Center – The Data Resource Center is Metro’s source for Geographic Information System data. Data Resource Center staff employ this information to provide spatial analysis and mapping products for internal and external clients.

Forecasting and Modeling Services – As a result of the Sustainable Metro Initiative reorganization, the Transportation Research and Modeling Services division combined with the Economic and Land Use Forecasting division to create the new Forecasting and Modeling Services division within the Research Center. This program provides support to Metro’s operating units and regional partners by providing economic, land use allocation and travel demand forecasts to policy officials to assist in regional decision making. The DRC provides a Regional Land Information System (RLIS) and associated services that are agile enough to adapt to the evolving needs of our clients.

Sustainability Center



Summary of the Sustainability Center

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$5,463,469	\$6,076,351	\$7,196,119	\$7,045,508	\$7,298,318	\$7,339,328	\$7,449,328	5.73%
Materials and Services	9,848,564	11,471,106	20,284,264	20,278,329	19,334,361	19,517,361	19,692,361	(2.89%)
Capital Outlay	17,617,061	13,111,792	33,824,721	33,824,721	21,275,876	21,301,376	21,301,376	(37.02%)
TOTAL	\$32,929,094	\$30,659,249	\$61,305,104	\$61,148,558	\$47,908,555	\$48,158,065	\$48,443,065	(20.78%)
BUDGET BY FUND								
General Fund	\$3,271,576	\$3,389,725	\$5,470,794	\$5,314,248	\$4,542,707	\$4,759,777	\$5,014,777	(5.64%)
Natural Areas Fund	23,660,391	20,263,215	46,703,288	46,703,288	34,650,957	34,659,897	34,659,897	(25.79%)
Open Spaces Fund	7,017	19,526	622,131	622,131	336,876	336,876	336,876	(45.85%)
Rehabilitation & Enhancement Fund	416,683	359,013	409,639	409,639	336,903	336,903	336,903	(17.76%)
Solid Waste Revenue Fund	5,573,427	6,627,770	8,099,252	8,099,252	8,041,112	8,064,612	8,094,612	(0.06%)
TOTAL	\$32,929,094	\$30,659,249	\$61,305,104	\$61,148,558	\$47,908,555	\$48,158,065	\$48,443,065	(20.78%)
FULL-TIME EQUIVALENTS (FTE)	61.85	62.93	71.50	69.75	68.35	68.35	69.35	(0.57%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(0.40)

Metro's Sustainability Center aims to demonstrate and inspire sustainable stewardship of the region's natural resources. The center has several strategies for accomplishing this mission:

- Work with partners to develop and support a regional system of interconnected natural areas, parks, trails and greenways for wildlife and people.
- Work with local governments and other partners to plan and implement waste prevention and recycling programs.
- Provide educational and volunteer opportunities throughout the region that inspire waste and toxics reduction, and understanding and stewardship of natural resources.
- Purchase, restore and enhance habitats and natural areas throughout the region identified in the 1995 and 2006 Open Spaces and Natural Areas bond measures.
- Balance human use with habitat protection through thoughtful natural area, trail and park planning.
- Make Metro's facilities and operations more sustainable.

ABOUT THE SUSTAINABILITY CENTER

The Sustainability Center contributes directly to the preservation of the region's livability and supports the goals and objectives developed by the Metro Council, including Making a Great Place. The Sustainability Center focuses on providing accessible regional natural areas, parks and trails, and maintaining and enhancing environmental quality. It also promotes sustainable resource management through waste reduction initiatives, hands-on interpretive programs, youth and adult education, grants, demonstration projects and volunteer opportunities.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

Completed:

- Initiate management planning at Chehalem Ridge Natural Area.
- Open Graham Oaks Nature Park to the public and develop on-site programming for environmental education and site stewardship.
- Develop The Intertwine branding products; complete Intertwine regional signage plan.
- Complete a regional conservation framework with partners.
- Initiate strategic planning process for the new unified education division.
- Integrate regional park system and Nature in Neighborhoods efforts into the Community Investment Strategy.
- Frame options for long-term service delivery of regional park services.
- Complete the Smith and Bybee Natural Resources Management Plan.
- Complete design of the North Portland bridge connection to the Smith and Bybee Wetlands Natural Area.
- Develop a climate action framework to integrate climate change adaptation and mitigation strategies at the local and regional levels.
- Implement key projects of Metro's sustainability plan, which include improving energy efficiency at Metro facilities.

In Process:

- Continue to implement 2006 Natural Areas bond with acquisition in all target areas.
- Implement major oak restoration initiative with funding support from the Oregon Watershed Enhancement Board.
- Finish the Tonquin Regional Trail Master Plan.
- Work with local partners to define specific funding priorities for the Community Investment Strategy.
- Launch the federally-funded effort to develop master plans for the Westside Trail and for Scouter Mountain Trail.
- Complete key decision-making on Metro's role in expanding the regional food waste recycling program.
- Work closely with other stakeholders to develop product stewardship initiatives for consideration by the 2011 Oregon Legislature.
- Implement the second and larger phase of the regional effort to reduce diesel particulate emissions for the solid waste collection fleet.
- Develop new performance measures for solid waste reduction strategies, programs and projects.
- Complete Phase 2 of The Intertwine website and map.

Other major accomplishments:

- Completed an energy audit and implemented water conservation measures at the Metro Regional Center as part of the Sustainability Plan.
- Provided information on waste reduction and proper waste management to approximately 90,000 callers to the Recycling Information Center.
- Implemented Metro's internal sustainability plan, which identifies and prioritizes actions Metro can take to meet adopted goals to reduce greenhouse gas emissions, water use, toxics and solid waste from its operations, as well as maintain healthy and productive habitat on its properties.
- In collaboration with local governments, revised the goals, objectives, strategies and targets of the Recycle at Work program, the primary program for delivering waste reduction technical assistance services to the region's businesses.
- Worked with Council to develop Metro's state legislative priorities in the areas of product stewardship, bottle bill modernization, toxics reduction and energy policy.
- Implemented a new partnership between Metro's Natural Gardening Program and Oregon State University (OSU) Community Extension and Urban Horticulture, through which OSU took on primary responsibility for delivering the program's retail-level education and outreach.
- Assisted the University of Oregon in completing its Climate Change Adaptation Planning Framework for the Lower Willamette Region and staff began incorporating its findings into Metro's work.
- Worked with the regional Climate Prosperity work group, of which Metro is a key member, to complete the Greenprint, a roadmap to elevate and prioritize public policy initiatives in the areas of economic development and climate change.
- Continued implementing the natural areas bond measure by acquiring an additional 1,500 acres, guided by established refinement plans and acquisition strategies; brought total acquisitions to 2,300 acres.
- Distributed funds and provided support to several local share projects.

- Issued six Nature in Neighborhoods capital grants totalling \$1,423,818.
- Issued 11 Nature in Neighborhoods restoration and enhancement grants totaling \$170,000.
- Provided scientific guidance on regional conservation issues, including Metro's urban and rural reserves process, Tualatin Basin Water Supply Project, Lower Columbia Salmon Recovery Plan, West Hayden Island Technical Advisory Pool and Tualatin National Wildlife Refuge Management Plan.
- Recorded nearly 20,000 volunteer hours, a 6 percent increase over last year; number of individuals and groups volunteering with Metro increased 17 percent, to 520.
- Increased total attendance in education and interpretive programs by 19 percent, to 11,700; total contact hours increased 7 percent, to 69,750.
- Began second phase of a collaborative project with local governments, the Oregon Department of Environmental Quality and solid waste haulers to reduce environmental and human health impacts from diesel emissions by retrofitting solid waste collection vehicles.
- Provided 149 schools with waste reduction presentations designed to be integrated into science and social studies curricula, reaching approximately 48,000 students.

SERVICE LEVEL CHANGES FROM FY 2010-11

Education – The Sustainable Metro Initiative in 2008 identified the need to consolidate all conservation education at Metro, utilizing the human and financial resources of the Resource Conservation and Recycling programs in the Sustainability Center, youth programs at the Oregon Zoo and community programs given by parks' naturalists. A common classification for educators across all programs is underway. In FY 2011-12 Metro will undertake a one-to-two year transition to create a unified set of curricula that serves K-12 children in a variety of programs designed to increase environmental awareness and future consumer behaviors and lifestyles. This transition will be led by the Sustainability Center and the Oregon Zoo, dovetailing with the planning and eventual opening of the new Conservation Education facility, an important zoo bond project.

Natural Areas – There is a major change in the Nature in Neighborhoods program. The program is transitioning from a series of small programs to a more comprehensive way of doing business throughout Metro. This shift will result in a decrease of 2.0 FTE working on the program as more narrowly defined, and in the elimination of a management layer, but with an overall increased effort through the Community Investment Strategy and Corridors projects. Metro will leverage existing relationships around sustainable development practices and natural gardening through partnerships with other agencies and non-profits. The remaining Nature in Neighborhoods staff will be realigned in the Sustainability Center to leverage the previous work of the program and incorporate those principles throughout Metro.

Parks Planning and Development – The FY 2011-12 budget continues the work on the longer-range financial needs for Metro's growing natural area land base and The Intertwine system. This is supported by research and mapping analysis, but also by close work with regional partners to explore options for operational needs and on-the-ground organization. This work will be integrally aligned with the Community Investment Strategy, and work programs and outreach efforts are mutually supportive. The budget continues consultant support for a small master planning process for Glendoveer Golf Course in anticipation of the operations contract ending in December 2012 and the need to develop a new request for proposals for future

operations. The budget also includes \$100,000 for a feasibility study and initial planning process for a publicly accessible canoe and motorless watercraft launch on the Tualatin River.

MAJOR OBJECTIVES FOR FY 2011-12

- Continue to implement 2006 Natural Areas bond with acquisition in all target areas.
- Continue to leverage restoration of natural areas with funding support from the Oregon Watershed Enhancement Board.
- Integrate Nature in Neighborhoods principles across entire Metro organization.
- Develop strategy for funding of regional parks, natural areas and trails.
- Work with local government partners to implement new food waste initiatives.
- Plan and begin implementation of the full integration of all of Metro's youth conservation programs across zoo, Metro regional parks, and solid waste and climate change issues.

PROGRAMS FOR FY 2011-12

Great Communities

Parks Planning and Development – This program enhances Metro parks facilities and properties by investing in improvements in compliance with adopted master plans. The program focuses on feasibility and alignment study, master planning, design development and construction of multi-modal trails that are part of the Greenspaces Regional Trails Plan and the Regional Trails component of the Regional Transportation Plan. The program also oversees The Intertwine, a regional effort to establish an interconnected and cooperative multi-agency system of natural areas, parks, trails and greenways for fish, wildlife habitat and people.

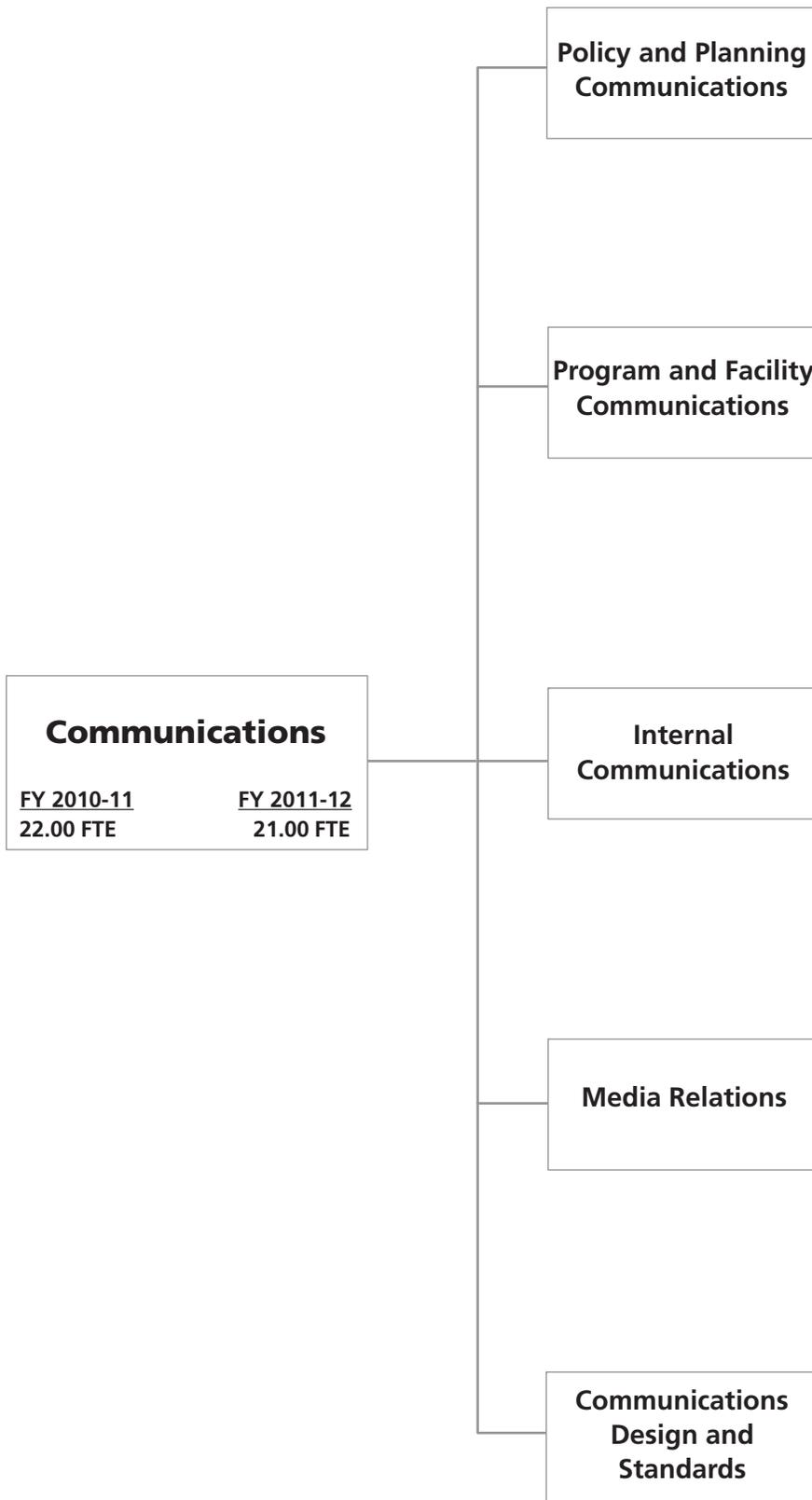
Healthy Environment

Education – This program provides education and interpretive services that engage and inspire citizens to expand stewardship in the region. Educators focusing on Metro parks and natural areas, along with youth educators focusing on recycling and solid waste reduction (including the Outdoor School program) will be combined with youth conservation education programs at the Oregon Zoo. This merger and coordination of education programs will better serve the public, build Metro's capacity for youth education, and maximize the talents and knowledge of existing staff.

Natural Areas – This program protects, restores and manages natural areas throughout the region. To this end, staff implements and administers the \$227.4 million natural areas bond measure passed by voters in November 2006. This includes the acquisition of regionally significant natural areas in identified target areas to protect lands around local rivers and streams, preserve significant fish and wildlife habitat, enhance trails and wildlife corridors and connect urban areas with nature. This program also includes a local share component, where cities, counties and park districts within Metro's jurisdiction will complete more than 100 locally significant projects, and a capital grants component that will fund neighborhood projects that enhance natural features and their ecological functions on public lands. Science and stewardship activities within this program focus on the preservation, restoration and enhancement of natural area habitats for fish and wildlife, including the use of volunteers who assist with stewardship of natural areas. Some Nature in Neighborhoods initiatives are also included in this program.

Resource Conservation and Recycling – The Resource Conservation and Recycling division advances the region’s efforts to reduce greenhouse gas emissions, conserve natural resources and protect the environment and human health. RCR’s two primary programs – waste reduction and internal sustainability – engage in a range of complex policies and programs with extensive arrays of stakeholders. In FY 2011-12 both will continue to implement new strategic action plans completed in FY 2010-11, which enable better prioritization of resources, clearer identification of roles relative to those of partners and a sharper focus on key strategies and actions.





Summary of Communications

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$2,052,073	\$2,011,809	\$2,220,057	\$2,220,057	\$2,235,916	\$2,248,516	\$2,248,516	1.28%
Materials and Services	84,978	168,283	294,618	295,739	241,820	144,319	144,319	(51.20%)
TOTAL	\$2,137,051	\$2,180,092	\$2,514,675	\$2,515,796	\$2,477,736	\$2,392,835	\$2,392,835	(4.89%)
BUDGET BY FUND								
General Fund	\$2,137,051	\$2,180,092	\$2,514,675	\$2,515,796	\$2,477,736	\$2,392,835	\$2,392,835	(4.89%)
TOTAL	\$2,137,051	\$2,180,092	\$2,514,675	\$2,515,796	\$2,477,736	\$2,392,835	\$2,392,835	(4.89%)
FULL-TIME EQUIVALENTS (FTE)	22.25	21.00	22.00	22.00	21.00	21.00	21.00	(4.55%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(1.00)

Communications provides strategic communications guidance and coordinates a full range of services to advance the region's six desired outcomes, helps Metro programs achieve desired results and supports the effectiveness of the agency.

ABOUT COMMUNICATIONS

Understanding Metro's target audiences and developing and executing cost-effective, equitable and efficient strategies to inform, engage and motivate them are at the center of Communications' mission. As a team of writing, design, editorial, public engagement and web experts, Communications works with Metro leadership, managers and staff to tell the stories of Metro's partnerships with local governments, public and private regional leaders, customers and employees and to find creative ways to let residents of the region offer their opinions about public priorities.

By working across operating units Communications helps create cost savings and efficiencies. Using state of the art tools like Opt In, the flexible service contracts, integrated marketing plans, integrated web strategies and newsfeed helps Metro make the most of what we have.

The ultimate goal of Communications' work is to build trust with voters and residents of the region.

Communications is organized into five focus areas:

- Policy and Planning.
- Programs and Facilities.
- Internal Communications.
- Media Relations.
- Design and Standards.

The disciplines represented in the services range from media relations, public involvement, journalism, marketing, graphic design and web design through event planning, issue management, stakeholder analysis and advocacy.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

- Improved and expanded use of new media to improve transparency and public engagement by expanding Metro News, launching the "Connect with Metro" web page portal, and improved RSS feeds, digest and social media tools. Staff also developed regular analytic reports for newsfeeds and a framework for providing meaningful metrics for the website and media channels.
- Continued to build a regional case for the need for additional investment in building compact urban communities to make the most of our existing cities and neighborhoods, protect farm and forestland, and provide good jobs now and in the future with the following accomplishments:
 - Providing public and stakeholder involvement for the urban and rural reserves process, Chief Operating Officer's recommendations, the Community Investment Strategy, Climate Smart Communities and several transit, parks and other projects.

- Improved outreach to the environmental justice community and created a Diversity Action Plan subcommittee on community involvement.
- Awarded a grant to develop and distribute bike and walk maps and information about Metro's sustainable living programs to western Washington County communities with a focus on Latino families.

Additionally, accomplishments furthered the objective of developing broad regional support for Metro's legislative agenda; passed legislation to further implement regional growth management initiatives.

- Implemented recommendations from the Metro Auditor's transparency and engagement performance audit including:
 - Coordination and launch of Opt In – an innovative new online opinion panel designed to increase diverse, sustained community engagement and provide a cost-effective public opinion research tool.
 - Established and implemented public involvement and stakeholder engagement plans for the Oregon Zoo bond program and projects as well as the associated zoo master plan and parking discussion with facility neighbors.
 - Launched a communications initiative to raise public awareness about the voter-approved Natural Areas program.
- Completed a joint marketing plan for Metro's sustainable living programs to improve coordination and leverage resources among programs aimed at consumer and business audiences. Staff also initiated a joint marketing plan for Metro's parks, natural areas and related stewardship programs.

SERVICE LEVEL CHANGES FROM FY 2010-11

Reduces communications support by 1.0 FTE.

MAJOR OBJECTIVES FOR FY 2011-12

- Implement a new Metro-wide website content management system. Develop plan and requirements for updated Metro website.
- Implement social media recommendations from joint marketing plans for sustainable living programs and parks, natural areas and stewardship programs.
- Develop participation in and build support for the Community Investment Strategy through engaging key stakeholders, including community leaders and state legislators.
- Engage decision makers in developing preferred land use and transportation scenarios that will meet state targets for reduction of greenhouse gas emissions and support community aspirations.
- Successfully engage stakeholders in East Metro Connections Plan and Southwest Corridor Plan to identify local needs that can be supported by regional policies and investments.
- Successfully engage partners, neighbors, stakeholders, members and the public about the zoo master plan and bond projects.
- Build relationships with business and community organizations that represent diverse and underserved populations.
- Implement reorganization of Metropolitan Committee for Citizen Involvement.
- Implement recommendations from joint marketing plans for sustainable living programs and parks, natural areas and stewardship programs.
- Develop recommendations for streamlining marketing and community relations efforts across Metro and visitor venues.

PROGRAMS FOR FY 2011-12

Responsible Operations

Communications serves Metro through five areas:

Policy and Planning– This section raises the visibility and profile of Council efforts to inspire and engage community leaders about regional issues through innovative engagement tools such as an online opinion panel, meetings, community events, media outreach, publications and web sites. The program builds relationships with regional opinion leaders and decision makers and ensures outreach to a diverse representation of the region’s residents. The work supports the Community Investment Strategy, integrated transportation corridor planning, climate change adaptation and mitigation, park and trail site planning, the Regional Transportation Plan, MTIP and regional flexible fund allocation, urban growth management decisions, Nature in Neighborhoods low impact development practices, active transportation, the Oregon Zoo master plan and other Council policy work.

Program and Facility– This section is responsible for providing marketing and community relations support to a variety of Metro programs, services and facilities, including: parks; transfer stations; household hazardous waste collection programs; RID patrol; Natural Areas acquisition, restoration, volunteer and grants programs; and the Community Enhancement grants program. This work group also supports marketing campaigns aimed at waste reduction, natural gardening, toxics reduction, MetroPaint, recycling and environmental education and regional travel options.

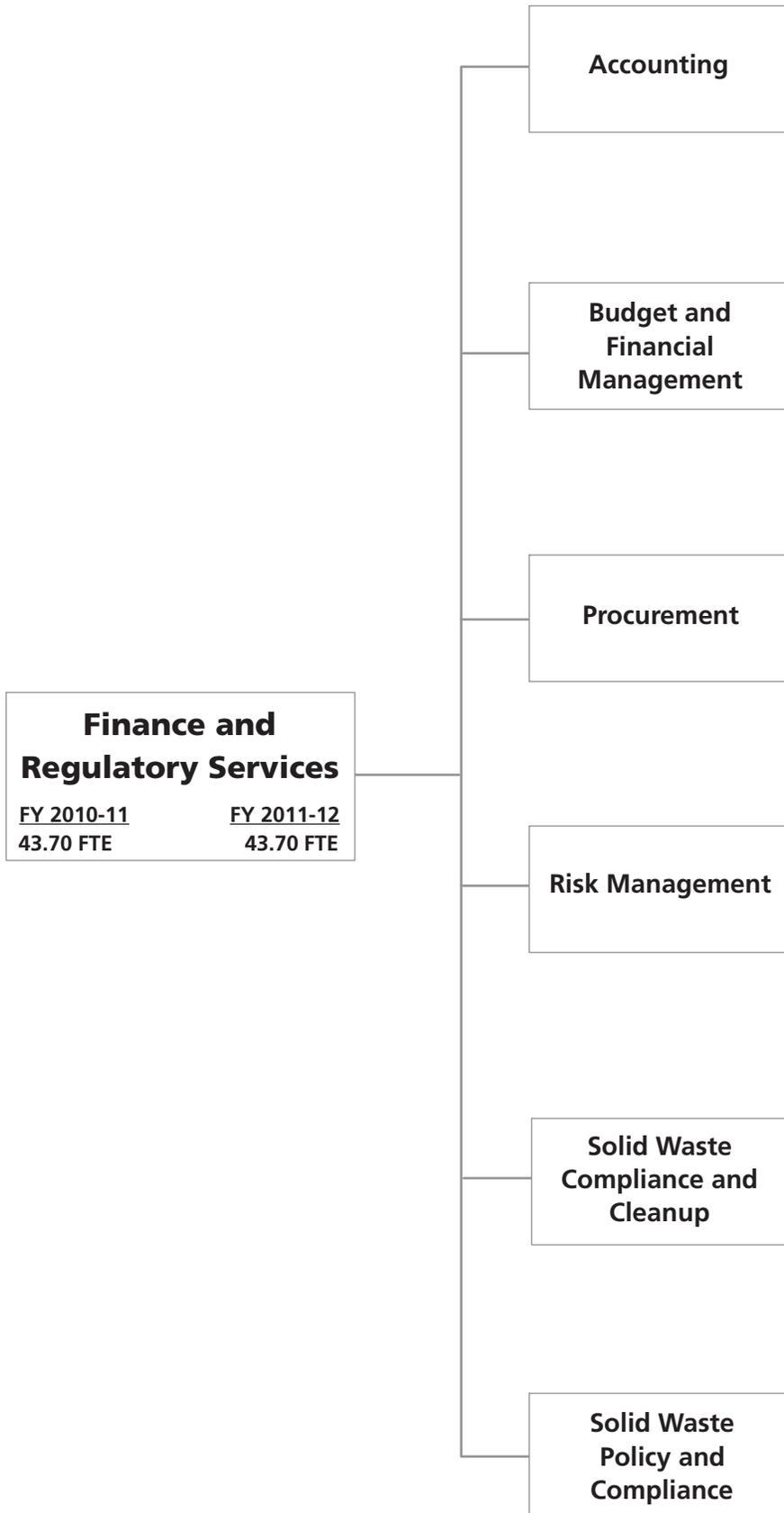
Internal Communications– This section is responsible for assisting with workforce communications regarding management practices and policies, the Regional Leadership Initiative, human resources, employee benefits, information services, contact and mailing management and other internal agency matters.

Media Relations– The media team is responsible for managing proactive and reactive work with regional news media and for assisting all Metro employees and Councilors with media relations.

Communication Design and Standards– The communications design and standards team supports the Sustainable Metro Initiative in providing strategic communication services, resources and tools in a cost effective way. Through the consistent application of best practices for design and editing, the team maximizes and leverages limited resources of staff time and money. A consistent voice, look and message across web, video social media, print and interpretive products reinforces the Metro identity to the public and helps build trust between the agency and the public it serves.



Finance and Regulatory Services



Summary of Finance and Regulatory Services

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$3,739,793	\$4,050,310	\$4,523,947	\$4,523,947	\$4,699,993	\$4,726,213	\$4,726,213	4.47%
Materials and Services	900,887	1,168,961	1,283,087	1,289,007	1,254,505	1,254,505	1,254,505	(2.68%)
Capital Outlay	0	0	750,000	750,000	575,000	575,000	575,000	(23.33%)
TOTAL	\$4,640,680	\$5,219,271	\$6,557,034	\$6,562,954	\$6,529,498	\$6,555,718	\$6,555,718	(0.11%)
BUDGET BY FUND								
General Fund	\$3,239,962	\$2,907,839	\$3,358,417	\$3,364,337	\$3,851,688	\$3,870,708	\$3,870,708	15.05%
Risk Management Fund	163,677	255,546	267,152	267,152	0	0	0	(100.00%)
Solid Waste Revenue Fund	1,237,041	2,055,886	2,931,465	2,931,465	2,677,810	2,685,010	2,685,010	(8.41%)
TOTAL	\$4,640,680	\$5,219,271	\$6,557,034	\$6,562,954	\$6,529,498	\$6,555,718	\$6,555,718	(0.11%)
FULL-TIME EQUIVALENTS (FTE)	41.70	44.70	43.70	43.70	43.70	43.70	43.70	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

Finance and Regulatory Services (FRS) provides financial management, administrative, regulatory and operational services to Metro's elected officials, operating centers and services, employees and the public. In addition, Finance and Regulatory Services licenses small contractors, regulates private solid waste facilities and sets rates for public solid waste disposal facilities. The operation is guided by its mission: to provide essential services in support of its customers.

ABOUT FINANCE AND REGULATORY SERVICES

Finance and Regulatory Services provides the primary business services for the agency and oversight of the regional solid waste system. FRS provides accountability in revenue collection and expenditure processing, cash management and financial reporting. FRS coordinates the preparation, adoption and execution of the agency's annual budget and capital improvement plan, including debt management and long-range financial planning. FRS administers Metro's Risk Management program and coordinates the agency's decentralized procurement system, overseeing Metro's contracting and managing the minority, women and emerging small business (MWESB) activities. FRS also regulates private solid waste facilities to protect the public and the environment. FRS directs solid waste rate setting, monitors tax compliance and authorizes solid waste facilities, cleans up illegal disposal sites, and investigates Metro Code violations related to solid waste. In FY 2011-12, FRS will continue to integrate MERC3 business functions within its operations. Finance and Regulatory Services is funded by transfers from the operating centers and programs, offset by earned revenues for licensing. Each Metro operating center is assessed for central services based on Metro's federally approved indirect cost allocation plan. Risk management assessments are based on claims history and actuarial standards. Solid waste rate setting and regulation are directly funded by solid waste revenues.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

- Steered and protected Metro's financial position through the third year of revenue decline and economic uncertainty.
- Implemented the Governmental Accounting Standards Board (GASB) Statements No. 54 (Fund Balance Reporting and Governmental Fund Type Definitions) and No. 56 (Codification of Accounting and Financial Reporting Guidance), and received an unqualified audit opinion.
- Completed internal control reviews over benefits and payroll processes, procurement processes and issued recommendations for improvement.
- Conducted biennial actuarial studies of Risk Management Fund and Other Post Employment Benefits (GASB 45).
- Established service level agreements with MERC venues for accounting and procurement services including standard turnaround times for statements, contracts, purchases and inquiries.
- Performed a systematic analysis of the MERC Fund balance, establishing for the first time the types of financial reserves and funding targets needed to support and protect MERC's mission. The MERC Commission and Metro Council adopted the recommendations.
- Received Council approval for changes to Metro Code for sustainable procurement practices.

- Completed the design phase of the software system supporting solid waste fee and tax collections project, including a structural analysis of the current system, major changes to the underlying business processes and specification of the application software and data base structure.

SERVICE LEVEL CHANGES FROM FY 2010-11

The FY 2011-12 budget eliminates one analyst position in Procurement, a reduction that is mitigated in part by assigning duties to other positions. Manager and lead positions may absorb additional daily tasks. During this past fiscal year, two additional FTE were transferred to Procurement Services from other parts of the organization. A procurement coordinator position was established to serve as a section lead, and the procurement analyst from MERC was added to the FRS team.

Staff in the Risk Management Fund (2.8 FTE) was transferred to the General Fund. This effectively separates the service aspect of the program from the purchased insurance coverage and self insurance claims. The cost of both services and claims is recovered by assessments to services and centers. A Senior Solid Waste planner was transferred to the Office of the Parks and Environmental Services Director for the duration of the Solid Waste Roadmap project.

The substantial upgrade of the Solid Waste Information System that began in FY 2010-11 will be completed in FY 2011-12. A joint capital project of FRS and Information Services, this project will implement a state of the art system of data collection and reporting to support Metro's responsibility to collect more than \$30 million annually in regional system fees and excise taxes from privately owned solid waste facilities, monitor compliance with regulatory requirements of licensees and franchisees and manage compliance with the non-financial obligations of the long-term waste disposal contract.

MAJOR OBJECTIVES FOR FY 2011-12

- Execute sound budget plan that balances the agency's footprint, focus and resources over the next five years while maintaining sustainable financial policies.
- Update portions of Metro's solid waste code to implement solid waste roadmap projects and address policy issues prior to Council consideration of 2013 licenses, franchises and facility agreements.
- Implement new GASB policies for Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, and Statement No. 61, The Financial Reporting Entity: Omnibus; and achieve unqualified audit.
- Complete integration of MERC accounting processes within Metro operations, creating one source of record for financial data and identifying and implementing efficiencies in processes.
- Pilot moving Metro's solid waste enforcement hearings process from a contract hearings officer to the state Office of Administrative Hearings to determine whether this improves legal due process and public confidence in the enforcement hearing process.
- Update the GASB Statement No. 49 Pollution Remediation Obligation liability estimates.
- Continue implementation of new sustainable procurement policy that aligns with Council's sustainability goals.
- Standardize and automate contracting practices agency-wide and strengthen contract management practices.
- Complete, test and implement the application software and data warehouses for the solid waste of fee and tax collection system.

- Complete the public processes on fee and tax exemptions directed by Council during the FY 2010-11 rate policy review, and report back to the Council on findings and recommendations.

PROGRAMS FOR FY 2011-12

Healthy Environment

Solid Waste Compliance and Cleanup – The Solid Waste Compliance and Cleanup program works to minimize and mitigate impacts to the public and the environment from improper management of solid waste within the Metro region. The program ensures that private solid waste facilities meet regulatory, operational, environmental and financial assurance standards. The program also cleans up and investigates illegal disposal sites and prosecutes persons illegally disposing waste. The program monitors and enforces compliance with Metro Code, administrative rules, Metro-granted authorizations (solid waste licenses and franchises) and flow control instruments (non-system licenses and designated facility agreements).

Responsible Operations

Finance and Regulatory Services comprises four different areas:

Financial Services– Financial Services joins the forces of the accounting and financial planning groups to assure the highest accountability for financial and operational performance. The group is responsible for processing and reporting all financial transactions, revenue collection, investment and debt management. Operational and capital budgeting and oversight ensures maximum efficiency in the use of funds and compliance with laws and policies that affect the agency’s financial condition. Other services include the management of the Contractor’s Business License program and collection of the Construction Excise Tax.

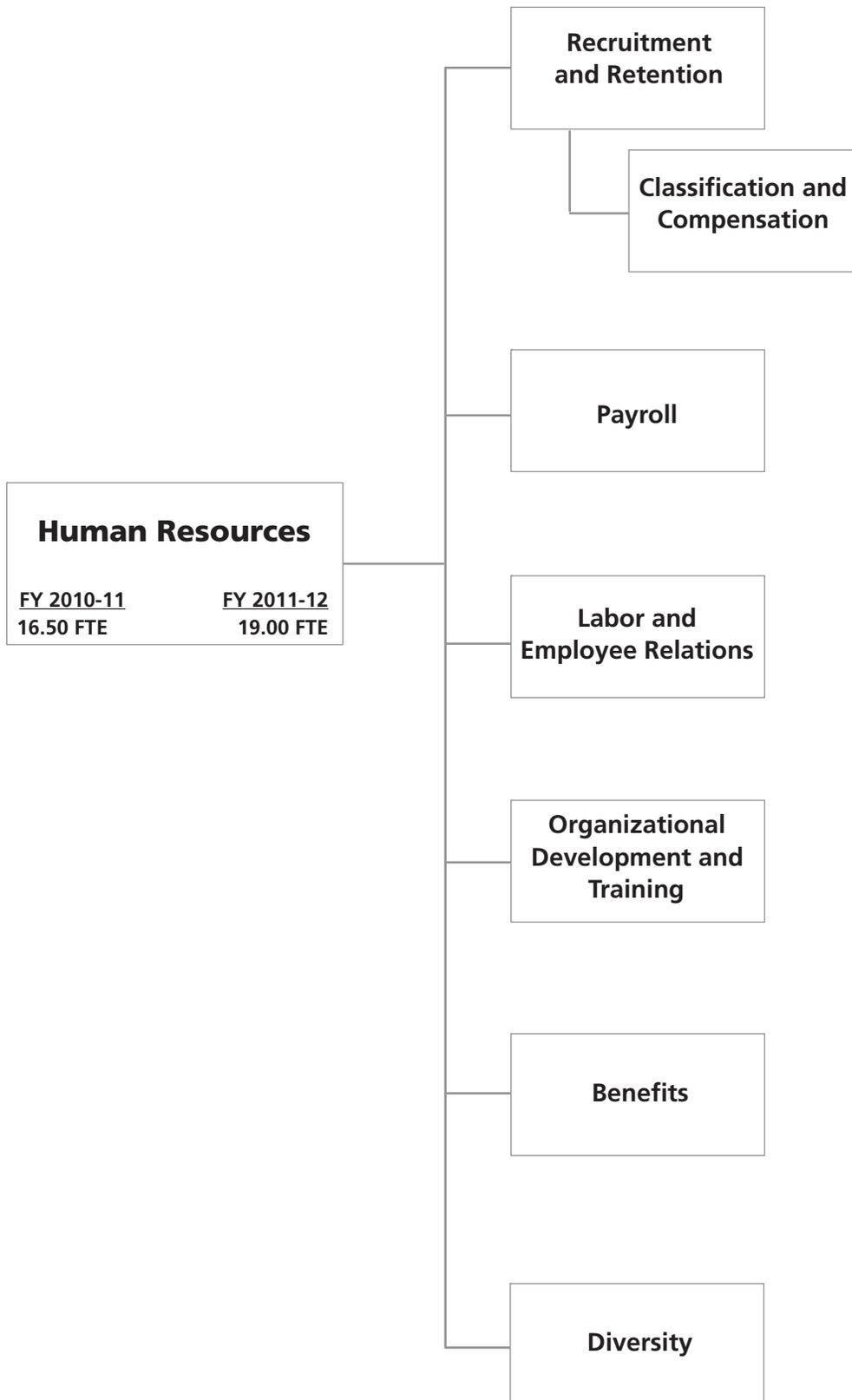
Solid Waste Policy and Compliance– Analysts monitor and audit solid waste system facilities assuring that Metro collects all applicable tax and fee revenues and regulated facilities remain in compliance with tonnage-related limits and requirements. The group manages comprehensive disposal system databases which are critical for forecasting, planning, program and policy evaluation and rate setting. Analysts perform due diligence over payments on the major solid waste operating contracts and ensure compliance with the non-operating provisions of the major contracts. In addition, the unit assists other Metro programs with ongoing financial analysis, decision analysis and modeling.

Procurement Services– Procurement Services oversees the contracting and purchasing activities of Metro’s operating centers to assure compliance with state and federal regulations and Metro Code and to encourage a competitive process that supports openness and impartiality. Metro Code establishes policies that encourage use of MWESB by creating the maximum possible opportunity for such businesses to compete for and participate in Metro contracting activities. In early FY 2010-11 Metro adopted new code requirements for sustainable procurement practices.

Risk Management– Risk Management is responsible for Metro’s workers’ compensation and safety program, general liability and property claims. The Risk Management Fund is managed to meet actuarial standards, relying on both purchased insurance and self-insured risk management techniques. The Risk Management Fund also includes the unemployment insurance program that is managed by Human Resources.



Human Resources



Summary of Human Resources

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$1,341,289	\$1,418,105	\$1,505,090	\$1,505,090	\$1,868,526	\$1,879,926	\$1,879,926	24.90%
Materials and Services	303,393	297,806	331,717	337,798	359,235	399,235	424,235	25.59%
TOTAL	\$1,644,682	\$1,715,911	\$1,836,807	\$1,842,888	\$2,227,761	\$2,279,161	\$2,304,161	25.03%
BUDGET BY FUND								
General Fund	\$1,644,682	\$1,715,911	\$1,836,807	\$1,842,888	\$2,227,761	\$2,279,161	\$2,304,161	25.03%
TOTAL	\$1,644,682	\$1,715,911	\$1,836,807	\$1,842,888	\$2,227,761	\$2,279,161	\$2,304,161	25.03%
FULL-TIME EQUIVALENTS (FTE)	15.00	16.00	16.50	16.50	19.00	19.00	19.00	15.15%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								2.50

Human Resources serves as a strategic partner to the organization as a whole, to its operating centers and to individuals within the organization. Human Resources' mission is to provide creative leadership and consistent and sustainable management systems to support programs and services which carry out the goals and mission of Metro Council. Human Resources is committed to providing strategic leadership, building collaborative relationships, promoting diversity and operating in a professional, efficient and effective manner.

ABOUT THE SERVICE

Human Resources is responsible for the following core service areas: classification and compensation, recruitment and retention, payroll, labor and employee relations, organizational development and training, benefits and diversity.

Classification and Compensation

Classification and compensation staff develops, implements and administers Metro's classification and compensation systems. Staff also maintains the Human Resources Information System (HRIS) and the integrity of the data base.

Recruitment and Retention

Recruitment and retention staff works to attract, select and retain an exceptionally competent, productive, diverse and motivated workforce. Staff administers the employee service awards and conducts new employee orientation. They work closely with the Diversity Action Team to carry out the organization's goals of retaining a diverse workforce.

Payroll

Payroll staff processes all payroll for the organization and develops and maintains payroll policies and procedures in accordance with state and federal law. In addition staff have responsibility for the timekeeping system.

Labor and Employee Relations

Labor and employee relations staff represents Council and management in labor negotiations. Staff conducts training and employment related investigations and advises managers on ways to reduce employment risk. Staff also provides consultation and dispute resolution services to managers and employees and acts as a liaison between labor and management.

Organizational Development and Training

Organization development staff leads and/or provides support to organization change initiatives in order to achieve business goals. Staff provides assistance in change management, team building, group facilitation, process improvement, leadership and management development, and staff development. Staff maintains the Metro Learning Center, the on-line learning management application.

Benefits

Benefits staff administers and monitors the following programs: Metro's health and welfare benefits, wellness, Family Medical Leave, Americans with Disabilities Act, COBRA benefits continuation and unemployment.

Diversity

Diversity staff is responsible for the development, implementation and communication of diversity programs in support of Metro's values, goals and diversity action plan.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

- Implemented results of LIU classification and compensation study and negotiations in June 2010.
- Integrated more fully the organization's values and competencies into the culture of the organization.
- Continued study and implementation of results related to the MERC/Metro best practices study. Established a more integrated approach to collective bargaining and are in the process of standardizing the approach to the way the health insurance premiums are addressed by Metro and MERC employees.
- Continued to develop the use and integration of a on-line learning management system at all locations. Classes have been developed on use of procurement cards, public records law and organizational values.
- Continued developing a set of personnel policies and procedures consistent with goals of Metro, federal and state law and best business practices. This project is progressing steadily with ongoing work on developing policies and procedures that apply to both MERC and Metro.
- Began updating new employee orientation with the focus on moving to a more comprehensive on-boarding program.
- Began implementing recommendations from the Metro Auditor's review of the payroll/benefit processes. A fit gap analysis of the current processes versus functionality of systems has been completed and recommendations are being implemented.
- Finalized implementation of an online application system.
- Engaged in negotiations with AFSCME 3580.
- Worked with the Office of Metro Attorney to implement background checks for finalists to positions.
- Implemented a management development program in support of the Regional Leadership Initiative.

Benefits

- Completed RFP process and successfully transitioned to a new benefitsbroker.
- Completed RFP process and successfully transitioned to a new flexible spending account administrator.
- Transitioned to a no cost EAP program.
- Commenced work on refining the FMLA tracking procedures.
- Completed refinement of PERS best practices as a result of internal audit conducted in the previous year.

Classification and compensation

- Completed the classification analysis and market survey for educational classification series.

Labor and Employee Relations

- Successfully bargained four successor collective bargaining agreements. (LIUNA 483, AFSCME 3580-1, IATSE B-20 and IATSE 28)

Recruitment and Retention

- Successfully launched an online applicant tracking system.

- Developed recommendations to provide consistency in the management of temporary employees across the agency.

Training

- Completed an RFP for training and consulting services to meet increasing demands for services.
- Introduced online courses on computer software applications.
- Developed and delivered online training courses in organizational values, procurement practices and public records retention.
- Delivered training in difficult conversations, management competencies and communication styles for team building.

General

- Completed a two year follow up sightline survey on employee satisfaction.
- Administered a cultural assessment survey in conjunction with the Diversity Action Team.
- Worked with IS to implement a PeopleSoft upgrade.

SERVICE LEVEL CHANGES FROM FY 2010-11

- Eliminated a 0.5 FTE payroll technician.
- Changed reporting relationship of HR manager in MERC to become part of HR department.
- Redeployed a position to work more closely with benefits on leave management.
- Added a 1.0 FTE agency-wide diversity coordinator.
- Converted a 1.0 FTE limited duration administrative position to regular status to provide support to the Learning Management System and other HR support.
- Added a 1.0 FTE limited duration HR analyst to develop HR policies and procedures.

MAJOR OBJECTIVES FOR FY 2011-12

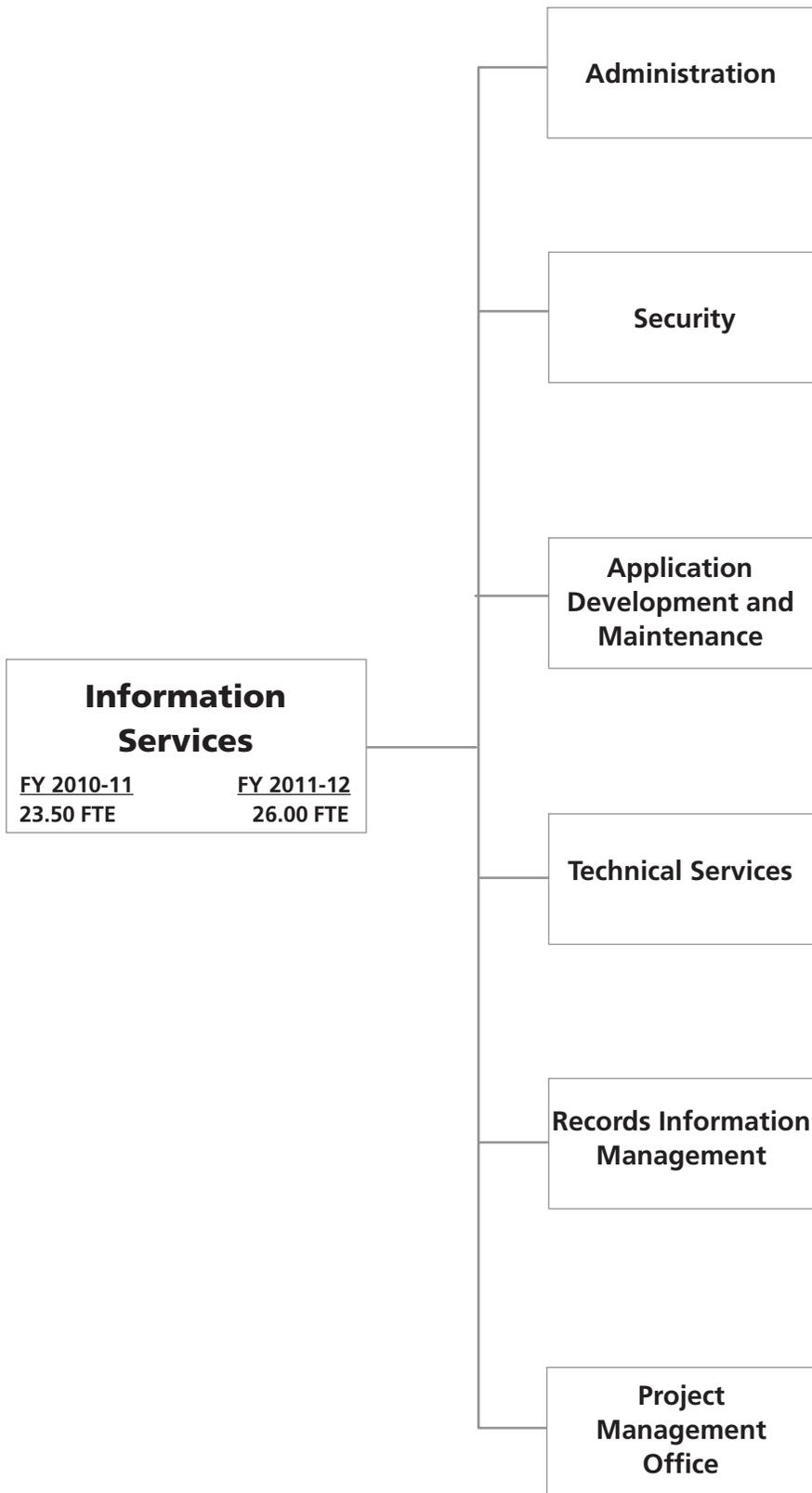
- Conclude AFSCME-3580 collective bargaining negotiations.
- Negotiate the IUOE 701-1, ILWU 28 and IUOE 701 successor collective bargaining agreements.
- Continue review and implementation of cost containment measures for health insurance.
- Continue review of best practices for common personnel policy and procedure with MERC and Metro.
- Develop additional on line courses including ones on ethics, new employee orientation and sustainability.
- Develop and deliver additional management training and employee development courses.
- Refine the new employee orientation program.
- Increase diversity outreach in the recruitment process.
- Develop a standardized classification specification template for integration of both MERC and Metro classifications.
- Update and refine recruitment manual and offer training for hiring managers.
- Develop new protocol for providing HR services to the visitor venues.
- Implement a Kronos leave management program.

PROGRAMS FOR FY 2011-12

Responsible Operations

Human Resources – Human Resources is responsible for seven core service areas: classification and compensation, recruitment and retention, payroll, labor and employee relations, organization development and training, benefits and diversity.

Information Services



Summary of Information Services

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Personal Services	\$1,891,569	\$2,240,925	\$2,306,829	\$2,306,829	\$2,700,312	\$2,715,912	\$2,715,912	17.73%
Materials and Services	699,886	570,221	840,033	840,247	904,947	904,659	937,843	11.62%
Capital Outlay	470,351	361,072	1,067,520	1,067,520	537,085	642,952	703,605	(34.09%)
TOTAL	\$3,061,806	\$3,172,218	\$4,214,382	\$4,214,596	\$4,142,344	\$4,263,523	\$4,357,360	3.39%
BUDGET BY FUND								
General Fund	\$2,586,531	\$2,780,349	\$3,058,380	\$3,058,594	\$3,572,787	\$3,588,387	\$3,618,387	18.30%
General Asset Management Fund	475,275	391,869	1,156,002	1,156,002	569,557	675,136	738,973	(36.08%)
TOTAL	\$3,061,806	\$3,172,218	\$4,214,382	\$4,214,596	\$4,142,344	\$4,263,523	\$4,357,360	3.39%
FULL-TIME EQUIVALENTS (FTE)	22.50	24.50	23.50	23.50	26.00	26.00	26.00	10.64%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								2.50

Information Services provides technology-based leadership and solutions to support Metro's goals and business through the development, implementation, support and management of information systems.

ABOUT INFORMATION SERVICES

Information Services delivers technology infrastructure and communications, collaboration, database, web development and hosting, application, and records information management as well as hardware and software support. The service comprises six sections, including Administration, Security, Application Development and Maintenance, Technical Services, Records Information Management and the Project Management Office. Information Services serves as a centralized area for the development and support of applications, desktop and software purchasing and network infrastructure. These offerings provide Metro staff, stakeholders and the public high availability of systems and appropriate access to Metro information. Information Services promotes the effective and efficient use of technological resources and looks toward future technologies to provide even greater returns on investment with an emphasis on accessibility and collaboration.

Administration and Security

These two sections include the Office of the Director and the Security Systems Analyst. Together, they are responsible for the development of data and technology-related policies and procedures in the agency. The Administration section is responsible for development of medium and long-range strategic planning in the area of information technology. Administration also provides for overall policy, office and personnel management, development and implementation of the annual budget and purchasing and contract management.

Application Development and Maintenance

This section is responsible for the development, enhancement and maintenance of applications used agency-wide within Metro as well as specific applications necessary to support business processes unique to each center or service. This includes PeopleSoft HR and Payroll, PeopleSoft Finance, EBMS (event management systems for MERC), KRONOS timekeeping, Celayix time scheduling, SharePoint development and deployment, the Gateway Zoo ticketing system, Micros Point of Sale systems, TRIM records management, CM Tool web content management system and web tools and infrastructure. Application development and maintenance also provides professional database management throughout the agency, including the RLIS and GIS databases, secure backups, performance monitoring and log management. In addition, this section assists in support for unique applications by developing custom software in support of specific program needs that cannot be met through purchase of commercial software.

Technical Services

Technical Services is responsible for all systems infrastructure, including hardware, software and communication transport necessary to maintain an efficient and effective computer network. This includes desktop support and maintenance of all productivity tools for computer users such as e-mail, calendaring, file services, Voice Over Internet Provider telephony, desktop spreadsheet and word processing. This section develops and maintains Metro's core network ensuring standardization, interoperability and scalability. Technical Services manages all of the technical infrastructure and support requirements from the desktop through the network to the application being accessed by the user.

Records Information Management

This section provides for agency policies, procedures and practice of professional management of information. This includes the management from the time records are received or created through their processing, distribution, use and placement in a storage or retrieval system until their eventual destruction or permanent retention.

Project Management Office

The Project Management Office is responsible for new project intake, scoping and resource utilization on projects, training, developing and employing project management standards for IS as well as responsibility for customer interface and user groups and standards committees.

PROGRESS ON FY 2010-11 OBJECTIVES AND OTHER MAJOR ACCOMPLISHMENTS

- Successfully completed SharePoint pilot projects, including Zoo Bond project site and Quarterly Management Report process.
- Successfully completed redesign and upgrade of zoo network infrastructure.
- Continued work on the policy revision for network access and use.
- Successfully completed unification of Metro and MERC network infrastructure.
- Successfully completed migration of MERC servers to virtualized environments and new attached storage.
- Successfully completed agency-wide study and standardization standards for a single web platform.
- Successfully completed EBMS event system management upgrade.
- Successfully completed business process review and implementation of audit recommendations in Human Resources.
- Successfully completed PeopleSoft HRMS upgrade to 9.1.
- Successfully completed TRIM (records management software) upgrade.
- Successfully completed VOIP implementation pilot at Blue Lake Park.
- Completed transition to new provider for off-site records management.

SERVICE LEVEL CHANGES FROM FY 2010-11

The MERC/Metro best practices study has resulted in new challenges and opportunities for Information Services. Two of four MERC IT personnel have been reclassified and moved to the IS budget to facilitate standardization and strategic planning; the other two positions remain dedicated to on-site MERC support and remain in the MERC Fund. One 0.5 FTE position was eliminated to offset this change.

A limited duration Records Information Management position has been increased from 0.5 to 1.0 FTE and moved from Planning and Development to Information Services for one year. This position will be responsible for transferring planning records into TRIM for public access and long-term electronic storage.

MAJOR OBJECTIVES FOR FY 2011-12

- Complete build out for SharePoint pilot project workspaces.
- Install and configure SharePoint/TRIM integration tool.
- Continue standardization and enhancement of network infrastructure.
- Complete taxonomy plan to create electronic filing schema.

- Complete policy revision for network access and use.
- Complete high speed wide area network expansion to the zoo.
- Begin business process redesign for finance systems.

PROGRAMS FOR FY 2011-12

Responsible Operations

Information Services delivers technology infrastructure and communications, database, application, and records information management as well as hardware and software support. The service comprises six sections, including Administration, Security, Application Development and Maintenance, Technical Services, Records Information Management and the Project Management Office. Information Services serves as a centralized area for the development and support of applications, desktop and software purchasing and network infrastructure. These offerings provide Metro staff, stakeholders and the public high availability of systems and appropriate access to Metro information. Information Services promotes the effective and efficient use of technological resources and looks toward future technologies to provide even greater returns on investment with an emphasis on accessibility and collaboration.



**General
expense
summary**



Summary of General Expense

	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	% Change from Amended FY 2010-11
BUDGET BY CLASSIFICATION								
Materials and Services	10,003,258	10,581,776	17,433,222	17,433,222	17,942,071	7,516,421	7,516,421	(56.88%)
Debt Service	38,192,273	43,453,208	40,360,200	40,360,200	33,668,660	33,668,660	33,668,660	(16.58%)
Interfund Reimbursements	7,474,080	7,680,866	8,396,573	8,396,573	9,397,205	9,397,205	9,397,205	11.92%
Internal Service Charges	944,972	2,723,052	3,122,488	3,122,488	3,000,237	3,000,237	3,000,237	(3.92%)
Fund Equity Transfers	6,014,113	5,175,785	10,765,853	10,937,200	8,816,595	9,684,485	9,724,485	(11.09%)
TOTAL	\$62,628,696	\$69,614,687	\$80,078,336	\$80,249,683	\$72,824,768	\$63,267,008	\$63,307,008	(21.11%)
BUDGET BY FUND								
General Fund	\$8,603,540	\$6,401,714	\$11,044,763	\$11,069,763	\$10,958,934	\$11,098,934	\$11,138,934	0.62%
General Asset Management Fund	97,174	100,000	128,000	128,000	100,000	100,000	100,000	(21.88%)
General Obligation Bond Debt Service F	35,275,958	40,480,021	37,325,783	37,325,783	30,579,525	30,579,525	30,579,525	(18.07%)
General Revenue Bond Fund	1,504,342	1,500,848	1,504,945	1,504,945	1,500,920	1,500,920	1,500,920	(0.27%)
MERC Fund	3,551,450	3,495,476	3,681,630	3,801,630	6,142,766	6,142,766	6,142,766	61.58%
Natural Areas Fund	1,067,158	1,379,974	1,502,241	1,502,241	1,773,222	1,773,222	1,773,222	18.04%
Oregon Zoo Infrastructure & Animal We	0	0	294,915	294,915	364,209	364,209	364,209	23.50%
Rehabilitation & Enhancement Fund	30,085	32,662	32,962	32,962	33,287	33,287	33,287	0.99%
Risk Management Fund	7,960,889	9,679,707	17,456,485	17,456,485	13,270,916	3,573,156	3,573,156	(79.53%)
Smith & Bybee Lakes Fund	0	169,078	111,379	111,379	112,251	112,251	112,251	0.78%
Solid Waste Revenue Fund	4,538,100	6,375,207	6,995,233	7,021,580	7,988,738	7,988,738	7,988,738	13.77%
TOTAL	\$62,628,696	\$69,614,687	\$80,078,336	\$80,249,683	\$72,824,768	\$63,267,008	\$63,307,008	(21.11%)
FULL-TIME EQUIVALENTS (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

The expenditures listed in the general expense summary are non-operating expenses such as general obligation debt service and interfund transfers. Expenditures also include items such as special appropriations that cannot be easily tied to a single program, center or service. General Expense also includes costs such as election expenses that do not occur every year.

Highlights of the FY 2011-12 general expense budget are:

- Debt service on general obligation bonds totaling \$30.6 million.
- Debt service on pension obligation bonds of \$1.6 million.
- Interfund reimbursements of \$9.5 million for agency-wide central service functions such as accounting, legal services, risk management and Metro Regional Center management.
- Consolidation of \$3.17 million in PERS Reserve balances from individual funds to the General Fund for the pension obligation bond debt service.
- Transfer of \$1.5 million from the General Fund to the General Asset Management Fund to support renewal and replacement needs of the General Fund centers and services.
- Transfer of \$1.9 million from the General Fund to the General Revenue Bond Fund to fund debt service payments on the Metro Regional Center and Washington Park Parking Lot bonds.
- Transfer of \$1.2 million from the MERC Fund to the General Revenue Bond Fund for debt service on outstanding bonds.
- Transfer of \$480,000 from the General Fund to MERC to support projects at the Oregon Convention Center designed to increase the competitiveness of the facility.
- Transfers of \$495,000 for services provided by Data Resource Center to other Metro centers and services.
- Transfer of \$148,500 from the General Fund to the Solid Waste Revenue Fund to support the agency-wide Sustainability program.
- Transfer of \$349,000 from the Solid Waste Revenue Fund to the Rehabilitation and Enhancement Fund for dedicated enhancement fees received through the Solid Waste disposal fee.
- Transfer of \$1.11 million from the Solid Waste Revenue Fund to the General Fund for budget, finance and administrative support provided by Parks and Environmental Services and the Sustainability Center.
- Transfer of \$338,500 from the Natural Areas Fund to the General Fund for budget, finance and administrative support provided by Parks and Environmental Services and the Sustainability Center.
- Payments of approximately \$10.4 million to various providers for the cost of Metro's health and welfare program for all regular benefit eligible employees.
- Payments of approximately \$1.6 million for claims from Metro's Risk Management liability, property and workers' compensation programs.
- Payments of approximately \$727,000 in purchased insurance for Metro's Risk Management liability, property and workers' compensation programs.

General Fund special appropriations

- \$3.6 million for Construction Excise Tax grants to local governments for concept planning.
- \$298,500 in awarded Nature in Neighborhoods community grants not yet completed.
- \$147,000 for the TriMet passport program, Metro's primary employee commute option strategy.
- \$130,725 for Metro's required outside financial audit.
- \$75,000 for election expenses.
- \$50,000 for public notice requirements under voter-approved ballot measures or required by Metro Code.
- \$40,000 for general agency dues for Regional Water Consortium, Lloyd Business District and Portland Regional Partners for Business.
- \$25,000 to the Regional Arts and Culture Council.
- \$25,250 for general Metro sponsorship account.

The following new designated contributions are also included:

- \$100,000 to The Intertwine Alliance.
- \$45,000 for nine months of the Greater Portland-Vancouver Indicators project, now named Greater Portland Pulse.
- \$25,000 for the Regional Economic Development organization.

Fund Summaries

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Summary of all funds

	General Fund	General Asset Management Fund	General Obligation Bond Debt Service Fund	General Revenue Bond Fund	MERC Fund	Natural Areas Fund	Open Spaces Fund
RESOURCES							
<i>Beginning Fund Balance</i>	\$25,619,555	\$6,689,948	\$13,226,000	\$220,991	\$24,590,569	\$36,715,000	\$335,200
Current Revenues							
Real Property Taxes	11,767,309	0	27,271,842	0	0	0	0
Excise Tax	16,705,765	0	0	0	0	0	0
Other Derived Tax Revenue	0	0	0	0	0	0	0
Grants	12,080,756	63,334	0	0	46,675	0	0
Local Gov't Shared Revenues	553,644	0	0	0	11,155,335	0	0
Contributions from other Gov'ts	3,024,060	0	19,039	0	784,320	0	0
Enterprise Revenue	23,943,766	0	0	0	30,282,749	0	0
Interest Earnings	107,000	33,298	100,000	1,106	122,806	183,575	1,676
Donations	1,065,100	600,000	0	0	610,000	866,000	0
Other Misc. Revenue	138,689	0	0	0	131,090	0	0
Interfund Transfers:							
Interfund Reimbursements	7,640,708	0	0	0	0	0	0
Internal Service Transfers	2,904,264	0	0	0	0	0	0
Fund Equity Transfers	3,720,765	1,752,505	0	3,093,960	591,510	8,940	0
Subtotal Current Revenues	83,651,826	2,449,137	27,390,881	3,095,066	43,724,485	1,058,515	1,676
TOTAL RESOURCES	\$109,271,381	\$9,139,085	\$40,616,881	\$3,316,057	\$68,315,054	\$37,773,515	\$336,876
REQUIREMENTS							
Current Expenditures							
Personal Services	\$50,041,154	\$0	\$0	\$0	\$17,788,181	\$1,570,897	\$0
Materials and Services	34,073,835	1,005,061	0	0	20,485,330	12,150,000	0
Capital Outlay	25,500	4,222,442	0	216,821	3,066,366	20,939,000	336,876
Debt Service	1,588,215	0	30,579,525	3,093,960	0	0	0
Interfund Transfers:							
Interfund Reimbursements	727,260	0	0	0	2,906,621	1,249,115	0
Internal Service Transfers	0	0	0	0	77,884	477,107	0
Fund Equity Transfers	4,222,304	0	0	0	3,158,261	47,000	0
Contingency	3,929,617	3,911,582	0	0	7,633,716	1,340,396	0
Subtotal Current Expenditures	94,607,885	9,139,085	30,579,525	3,310,781	55,116,359	37,773,515	336,876
<i>Ending Fund Balance</i>	<i>14,663,496</i>	<i>0</i>	<i>10,037,356</i>	<i>5,276</i>	<i>13,198,695</i>	<i>0</i>	<i>0</i>
TOTAL REQUIREMENTS	\$109,271,381	\$9,139,085	\$40,616,881	\$3,316,057	\$68,315,054	\$37,773,515	\$336,876
FULL-TIME EQUIVALENTS	452.46	0.00	0.00	0.00	185.85	14.90	0.00

Summary of all funds, *continued*

	Oregon Zoo Infrastructure & Animal Welfare Fund	Pioneer Cemetery Perpetual Care Fund	Rehab. & Enhancement Fund	Risk Management Fund	Smith & Bybee Lakes Fund	Solid Waste Revenue Fund	Total
RESOURCES							
<i>Beginning Fund Balance</i>	\$9,649,239	\$350,700	\$1,897,631	\$2,364,250	\$3,817,257	\$39,914,107	\$165,390,447
Current Revenues							
Real Property Taxes	0	0	0	0	0	0	39,039,151
Excise Tax	0	0	0	0	0	0	16,705,765
Other Derived Tax Revenue	0	25,000	0	0	0	0	25,000
Grants	0	0	0	50,000	0	317,660	12,558,425
Local Gov't Shared Revenues	0	0	0	0	0	0	11,708,979
Contributions from other Gov'ts	0	0	0	0	0	0	3,827,419
Enterprise Revenue	0	0	0	577,807	0	54,684,462	109,488,784
Interest Earnings	24,648	1,750	9,488	25,000	19,086	196,526	825,959
Donations	0	0	0	0	0	0	3,141,100
Other Misc. Revenue	0	0	0	0	0	33,000	302,779
Interfund Transfers:							
Interfund Reimbursements	0	0	0	1,756,497	0	0	9,397,205
Internal Service Transfers	0	0	0	62,686	0	33,287	3,000,237
Fund Equity Transfers	3,350	0	348,867	0	0	204,588	9,724,485
Subtotal Current Revenues	27,998	26,750	358,355	2,471,990	19,086	55,469,523	219,745,288
TOTAL RESOURCES	\$9,677,237	\$377,450	\$2,255,986	\$4,836,240	\$3,836,343	\$95,383,630	\$385,135,735
REQUIREMENTS							
Current Expenditures							
Personal Services	\$627,690	\$0	\$0	\$0	\$0	\$9,763,118	\$79,791,040
Materials and Services	0	0	336,903	2,815,266	65,000	40,475,580	111,406,975
Capital Outlay	6,432,825	0	0	0	0	3,726,000	38,965,830
Debt Service	0	0	0	0	0	0	35,261,700
Interfund Transfers:							
Interfund Reimbursements	150,973	0	0	0	0	4,363,236	9,397,205
Internal Service Transfers	188,236	0	33,287	0	112,251	2,111,472	3,000,237
Fund Equity Transfers	25,000	0	0	757,890	0	1,514,030	9,724,485
Contingency	2,252,513	0	300,000	500,000	200,000	14,588,745	34,656,569
Subtotal Current Expenditures	9,677,237	0	670,190	4,073,156	377,251	76,542,181	322,204,041
<i>Ending Fund Balance</i>	0	377,450	1,585,796	763,084	3,459,092	18,841,449	62,931,694
TOTAL REQUIREMENTS	\$9,677,237	\$377,450	\$2,255,986	\$4,836,240	\$3,836,343	\$95,383,630	\$385,135,735
FULL-TIME EQUIVALENTS	5.33	0.00	0.00	0.00	0.00	93.55	752.09



**General
Fund**

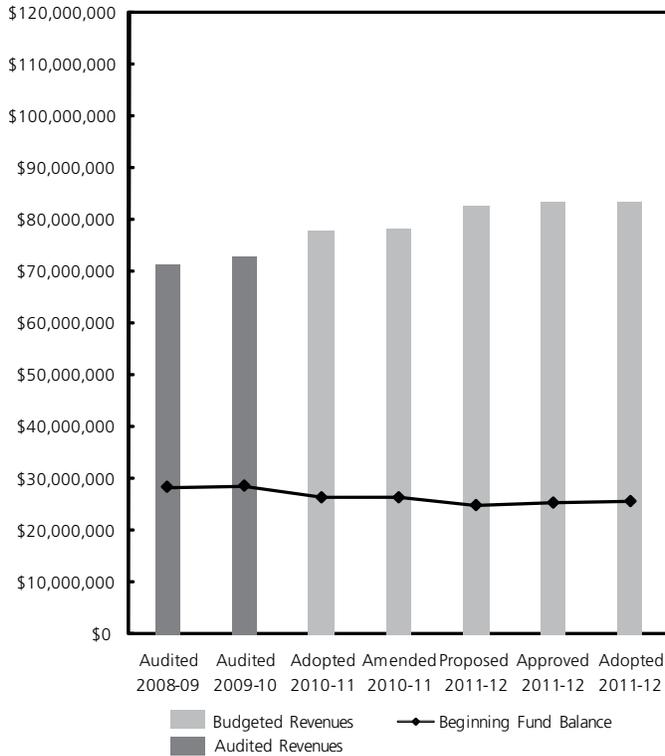


General Fund

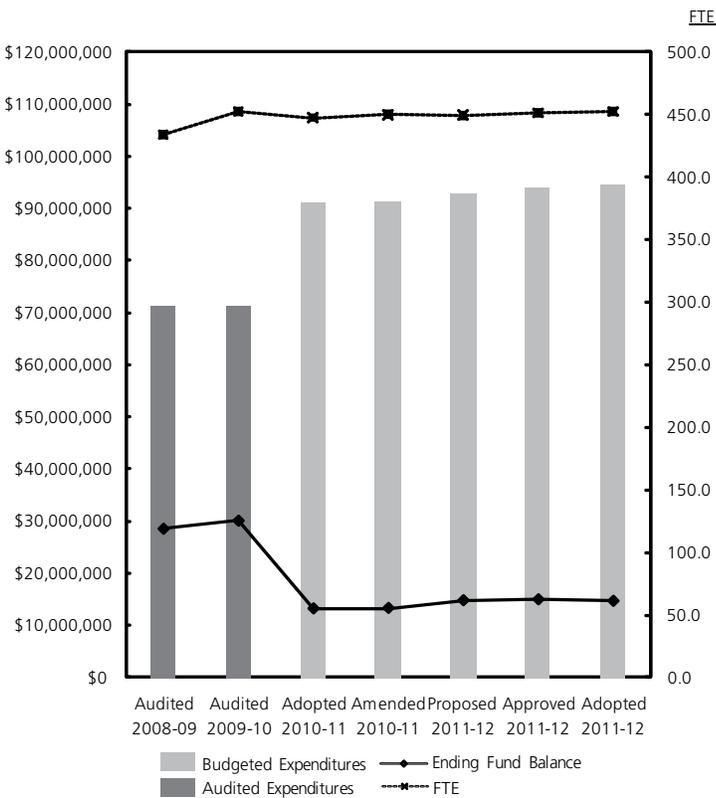
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$28,386,763	\$28,627,795	\$26,354,341	\$26,354,341	\$24,851,393	\$25,333,555	\$25,619,555	(2.79%)
Current Revenues								
Real Property Taxes	10,755,647	11,232,027	11,294,190	11,294,190	11,767,309	11,767,309	11,767,309	4.19%
Excise Tax	14,705,646	14,392,093	16,203,937	16,203,937	16,705,765	16,705,765	16,705,765	3.10%
Grants	11,791,588	11,299,557	11,705,714	11,705,714	11,903,841	12,080,756	12,080,756	3.20%
Local Gov't Shared Revenues	500,473	509,323	571,000	571,000	553,644	553,644	553,644	(3.04%)
Contributions from other Gov'ts	266,319	1,505,000	1,604,464	1,790,327	3,024,060	3,024,060	3,024,060	68.91%
Enterprise Revenue	22,009,056	21,263,900	23,323,913	23,323,913	23,893,766	23,943,766	23,943,766	2.66%
Interest Earnings	853,452	220,523	235,000	235,000	107,000	107,000	107,000	(54.47%)
Donations	1,241,569	1,245,662	1,054,600	1,054,600	1,065,100	1,065,100	1,065,100	1.00%
Other Misc. Revenue	2,377,196	1,935,746	1,552,972	1,552,972	138,689	138,689	138,689	(91.07%)
Interfund Transfers:								
Interfund Reimbursements	6,076,258	6,580,770	7,271,150	7,271,150	7,640,708	7,640,708	7,640,708	5.08%
Internal Service Transfers	823,147	2,628,680	3,028,854	3,028,854	2,904,264	2,904,264	2,904,264	(4.11%)
Fund Equity Transfers	97,174	100,000	128,000	274,347	3,172,805	3,720,765	3,720,765	1256.23%
Subtotal Current Revenues	71,497,525	72,913,281	77,973,794	78,306,004	82,876,951	83,651,826	83,651,826	6.83%
TOTAL RESOURCES	\$99,884,288	\$101,541,076	\$104,328,135	\$104,660,345	\$107,728,344	\$108,985,381	\$109,271,381	4.41%
REQUIREMENTS								
Current Expenditures								
Personal Services	\$42,233,652	\$44,517,228	\$47,184,737	\$47,510,894	\$49,506,136	\$49,931,154	\$50,041,154	5.33%
Materials and Services	21,769,021	21,288,597	34,629,776	34,431,868	32,878,674	33,352,835	34,073,835	(1.04%)
Capital Outlay	93,924	40,838	0	120,000	0	25,500	25,500	(78.75%)
Debt Service	2,010,698	1,472,339	1,529,472	1,529,472	1,588,215	1,588,215	1,588,215	3.84%
Interfund Transfers:								
Interfund Reimbursements	672,186	445,013	476,219	476,219	727,260	727,260	727,260	52.72%
Internal Service Transfers	91,740	0	0	0	0	0	0	0.00%
Fund Equity Transfers	4,385,272	3,582,293	3,837,335	3,862,335	4,042,304	4,182,304	4,222,304	9.32%
Contingency	0	0	3,478,646	3,441,260	4,212,000	4,218,206	3,929,617	14.19%
Subtotal Current Expenditures	71,256,493	71,346,308	91,136,185	91,372,048	92,954,589	94,025,474	94,607,885	3.54%
<i>Ending Fund Balance</i>	<i>28,627,795</i>	<i>30,194,768</i>	<i>13,191,950</i>	<i>13,288,297</i>	<i>14,773,755</i>	<i>14,959,907</i>	<i>14,663,496</i>	<i>10.35%</i>
TOTAL REQUIREMENTS	\$99,884,288	\$101,541,076	\$104,328,135	\$104,660,345	\$107,728,344	\$108,985,381	\$109,271,381	4.41%
FULL-TIME EQUIVALENTS	434.23	452.59	447.64	450.15	449.68	451.46	452.46	0.51%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								2.31

General Fund

Current revenues and fund balance



Current expenditures and full time equivalents



General Fund

The General Fund includes the operating costs of the Council Office, Office of Metro Auditor, Office of Metro Attorney, Oregon Zoo, Parks and Environmental Services, Planning and Development, Research Center, Sustainability Center, Communications, Finance and Regulatory Services, Human Resources, Information Services and special appropriations.

CURRENT REVENUES

Property taxes

Metro receives property tax revenues from a tax levy originally approved by voters in May 1990. Ballot Measure 50, approved by the voters in May 1997, converted the tax levy to a general operating permanent rate levy. Metro's permanent rate is \$0.0966 per \$1,000 of assessed value and cannot be increased even by the voters. Metro expects to receive 94 percent of the property tax levied and approximately \$343,000 in delinquent taxes.

Excise tax

The primary general government source of revenue for the General Fund is an excise tax on the purchase of Metro goods and services. The FY 2011-12 budget includes an excise tax rate of 7.5 percent on non-solid waste tonnage related revenues and a flat fee of \$11.80 on solid waste tonnage. The collection of excise tax on revenues generated by the Oregon Zoo was eliminated effective Sept. 1, 2008, a reduction of about \$1.4 million annually. Beginning in FY 2009-10 a decline in solid waste tonnage, mirroring the economic downturn in construction, resulted in a lower forecast for general excise tax receipts; this tonnage decline continues into FY 2011-12, with a projected decrease in tonnage of 5.6 percent compared to budgeted figures for FY 2010-11.

Historically the flat per-ton fee on solid waste tonnage had been in the form of two parts, a "base tax" and an "additional tax." In 2010 the Council updated the excise tax code and combined the various aspects of the tax into a single rate calculation, increasing stability and predictability. With Consumer Price Index at record low levels, the excise tax yield for FY 2011-12 increases very modestly (1.59 percent).

In March 2006 the Metro Council established a Construction Excise Tax to provide funding for regional and local planning that is required to make land ready for development after its inclusion in the urban growth boundary. The tax was initially intended to sunset when a total of \$6.3 million had been collected. This milestone was achieved during FY 2009-10. In June 2009 the Metro Council approved an ordinance extending the Construction Excise Tax for an additional five years until September 2014, to provide funding for planning of future expansion areas, future urban reserves and planning that enables redevelopment of centers, corridors and employment areas within the existing Urban Growth Boundary. The Construction Excise Tax is expected to generate about \$1.6 million in FY 2011-12.

Grants

The primary planning functions of the agency – Planning and Development and the Research Center – receive approximately \$10.8 million in grant funds, about 89 percent of all General Fund grants. These functions rely on federal, state and local grants to fund most of the transportation planning and modeling programs. The delay in the federal reauthorization of transportation funding has placed a portion of these grants funds at risk. However, a \$2 million multi-year grant from the Federal Transit Administration to study the best ways to improve transit in the Southwest corridor between downtown Portland and Sherwood as well as the second year of a three year

funding commitment from the State of Oregon related to the study of greenhouse gas emissions will provide substitute or bridge funding until such time as the federal funding is reauthorized. The Sustainability Center receives about \$473,000 in grants, primarily for restoration projects on Metro-owned natural areas. The Oregon Zoo receives about \$227,000 to support conservation projects performed in cooperation with other jurisdictions. Grant funding fluctuates annually based on project need.

Intergovernmental revenues

This category includes local government shared revenues derived from registration fees for recreational vehicles, county marine fuel taxes and payments from other governmental agencies for services provided by Parks and Environmental Services. This category also includes governmental contributions to Metro programs and projects. In FY 2011-12 marine fuel taxes are expected to decrease by more than 20 percent, based on projections, while other shared revenues increase slightly due to contributions from local government partners for federal grant matching funds. In FY 2011-12 a \$2.9 million contribution from TriMet, the region's mass transportation agency, is anticipated for the Transit Oriented Development program.

Enterprise revenues

These are revenues derived from the income producing activities of the General Fund such as the Oregon Zoo and Parks and Environmental Services. They include admission fees, parking fees, food and beverage sales, gift shop sales, train rides, education fees, rental income, greens fees at Glendoveer Golf Course and sales and contracted services generated through the Data Resource Center of the Research Center. Approximately 92 percent of all General Fund enterprise revenues is generated at either the Oregon Zoo or regional parks and is heavily dependent on weather conditions. The remaining 8 percent is generated through parking fees at Metro Regional Center and the adjoining parking structure and contracts and sales through the Data Resource Center. Most revenue estimates at the Oregon Zoo are based upon per capita revenue projections combined with estimated attendance figures. Revenues at Metro's regional parks are estimated based on a three-year rolling average and local trends and conditions.

Budgeted enterprise revenues in FY 2011-12 are up 2.7 percent, about \$620,000, from FY 2010-11, with increases split fairly evenly across programs. The Oregon Zoo has experienced record-breaking attendance the last several years; the budget again projects an annual attendance of 1.6 million. Budgeted per capita spending remains mostly flat, with slight increases in revenue from concerts, special exhibits and lectures. Most enterprise revenues at Metro's regional parks are expected to remain fairly stable with respect to FY 2010-11. Grave sale revenues at pioneer cemeteries, budgeted 23 percent higher than the prior year, reflect an anticipated fee increase to be determined at the completion of the business plan in fall 2011. Monthly parking fees at Metro Regional Center and the attached public garage will increase by \$10 on August 1.

Interest earnings

Interest is earned on the unspent portion of the fund balance. Earnings are based on the current rate of Metro's average investment portfolio. In FY 2011-12 the budget assumes that an interest rate of 0.5 percent will generate about \$107,000 for the General Fund.

Donations

This category includes contributions from individuals and organizations in support of general operations or specific projects. Anticipated revenues in FY 2011-12 include \$1.0 million from The Oregon Zoo Foundation for zoo operations and a transfer from the *Predators of the Serengeti* reserve. The Oregon Zoo Foundation holds a permanent reserve dedicated to the support of the *Predators of the Serengeti* exhibit. Contributions will be made from earnings on the reserve.

Interfund transfers

Metro's central services, including the Office of the Chief Operating Officer, Finance and Regulatory Services, Metro Regional Center Property and Office Services, Human Resources, Information Services, Metro Attorney, Communication Design and Standards and Metro Auditor, are budgeted in the General Fund. Costs of these services are allocated to operating units through an approved cost allocation plan. Operating units that are budgeted outside the General Fund transfer approximately \$7.6 million in reimbursements. In addition, the Research Center charges for services and maintenance associated with the Data Resource Center; Parks and Environmental Services and the Sustainability Center pay the majority of the charges. Also, finance and administrative staff of Parks and Environmental Services and Sustainability Center are consolidated into one working group in Parks and Environmental Services. Costs are allocated to the various programs of the Sustainability Center.

FY 2011-12 also includes two one-time transfers. All PERS Reserves formally accumulated in individual funds are being consolidated in the General Fund. Also, approximately \$548,000 is transferred from the Risk Management Fund to partially offset cost increases in health benefits (approximately \$600 per FTE) and staffing costs.

CURRENT EXPENDITURES

Personal services

This category includes salary, wage and fringe benefits for the 452.46 Full-Time Equivalents (FTE) in the various organizational units of the General Fund. Overall General Fund FTE increased by 2.31 from the FY 2010-11 Amended Budget. A detailed discussion of staff changes can be found in the budget summary. In addition to staffing changes, all organizational units have experienced increases in personal services costs related to salary increases, pension and health and welfare costs. The budget assumptions reviewed by Council included a variety of anticipated salary adjustments for cost of living, merit pay, annual step and other possible changes related to collective bargaining and classification studies. Also, the budget provides for a 5.2 percent increase in employer pension contributions based on the latest Oregon Public Employees Retirement System (PERS) actuarial study and a 10 percent increase in Metro's contribution to health and welfare premiums. A more detailed explanation of fringe benefits is included in the appendices. A ten-year comparison of salary and benefit costs is included in the budget summary.

Materials and services

Expenditures in this category have decreased approximately 1.0 percent from FY 2010-11. Budgeted Payments to Other Agencies decrease in Parks and Environmental Services due to the change to in-house fleet management, rather than contracting with Multnomah County. Contracted Professional Services are down in the Sustainability Center due to a decrease in projects being carried forward from the prior year and fewer grant related projects. In addition, budgeted Construction Excise Tax grants are down from FY 2010-11 as the first CET grants are completed.

Planning related expenditures are closely tied to grant funding. About 85 percent of Planning and Development and Research Center materials and services costs, about \$9.3 million, are for contracted professional services, transit oriented development land purchases or pass-through of grant funds to other governments.

Capital outlay

All major capital projects and renewal and replacement projects are budgeted in the General Asset Management Fund.

Debt service

In fall 2005 Metro joined with a pool of other local governments in Oregon to issue limited tax pension obligation bonds to fund its share of the unfunded actuarial liability of Oregon PERS. Metro's share of the total principal will be repaid over a period of 22 years through assessments on operating units in exchange for a lower pension cost. Annual principal and interest costs has been funded through assessments to centers and services based on eligible salary and are paid through the general expense section of the General Fund. For FY 2011-12 debt payments will be funded from reserves accumulated for future pension liability. Additional explanation is provided under the section on Fund Balance below.

Transfers

There are two types of transfers from the General Fund: (1) interfund reimbursements for risk management services, and (2) fund equity transfers of resources. Transfers of resources account for almost 85 percent of expenditures in this category including:

- The transfer of approximately \$1.5 million in annual renewal and replacement contributions to the General Asset Management Fund.
- The transfer of approximately \$1.9 million to the General Revenue Bond Fund for debt service.
- The transfer of \$480,000 from the Metro Tourism Opportunity and Competitiveness Account to the Oregon Convention Center.

Contingency

A contingency provides for unforeseen needs throughout the year. Expenditures from contingency may be made only when Council adopts an ordinance amending the budget. Any transfer from contingency that would exceed a cumulative amount greater than 15 percent of expenditures requires a full supplemental budget amendment. The FY 2011-12 contingency is made up of two types: (1) a general contingency and reserve to provide for unforeseen events through the year, and (2) specific amounts set aside for future needs designated through Council action. Contingency and reserves are budgeted in accordance with Council approved financial policies.

FUND BALANCE

The fund balance of the General Fund is the combined balance for several major operating units — Oregon Zoo, Planning and Development, Research Center, Sustainability Center and Parks and Environmental Services — as well as all general government and central service functions such as Metro Council, Metro Attorney, Metro Auditor, Finance and Regulatory Services, Human Resources, Information Services and Communications. It includes several dedicated reserves such as a reserve for future debt service on the full faith and credit bonds for the Metro Regional Center and the PERS Reserve for pension liability (see additional discussion on PERS Reserve below). Fund balance also includes reserves for cash flow and fund stabilization. Metro performed a comprehensive review of fund balance needs in

the General Fund. Based on this analysis, approved policies call for a minimum of 7 percent of operating revenues to be set aside in either a contingency or stabilization reserve to guard against unexpected downturns in revenues and to stabilize resulting budget action. The target was set to provide a 90 percent confidence level that revenues might dip below this amount only once in a 10 year period.

PERS Reserve

An actuarial study for the July 2009 rate period reduced Metro's rates by three percent because it reflected only the period prior to the economic downturn. Metro wisely recognized that the rates would be returning and increasing to even higher levels in July 2011, possibly by as much as 6 percent. Instead of spending the short-term rate savings, Metro has continued to add three percent to its PERS reserve for the past two years.

As anticipated, the next PERS actuarial study increased Metro's rates by an average of 5.2 percent, effective July 1, 2011. The budget mitigates this rate increase by applying the accumulated PERS reserves to the annual debt service associated with the outstanding pension liability bonds, about \$1.6 million per year. The estimated balance of all PERS reserves at the beginning of FY 2011-12 is about \$7.9 million. The accumulated reserves will be transferred from each of the contributing funds into the General Fund reserves, earmarked for PERS debt repayment over the next three to five years, depending on the next actuarial evaluation. The PERS reserve balance at the end of FY 2011-12 is estimated to be \$6.24 million and will gradually decrease over the next five years.

**General
Asset
Management
Fund**

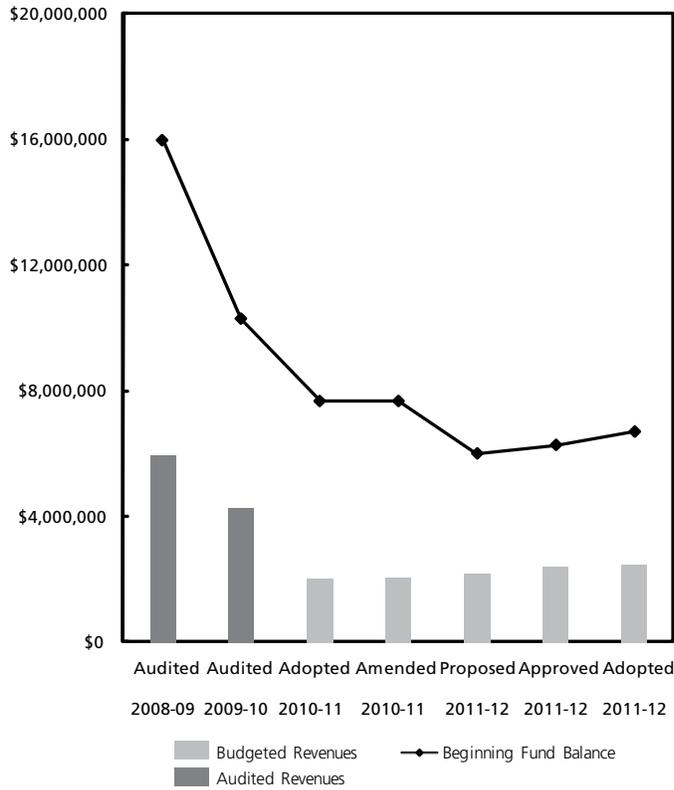


General Asset Management Fund

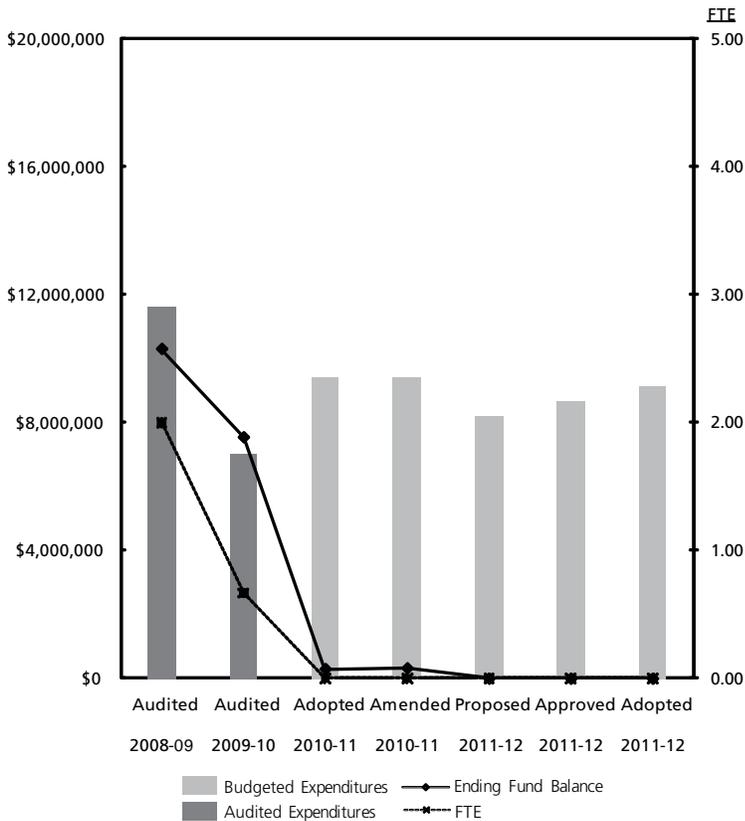
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$15,989,020	\$10,293,940	\$7,664,516	\$7,664,516	\$5,992,492	\$6,264,007	\$6,689,948	(12.72%)
Current Revenues								
Grants	1,915,019	1,226,124	49,500	49,500	0	63,334	63,334	27.95%
Interest Earnings	428,579	86,638	62,677	62,677	33,298	33,298	33,298	(46.87%)
Donations	1,910,627	1,572,705	136,830	136,830	600,000	600,000	600,000	338.50%
Other Misc. Revenue	2,571	10,268	500,000	500,000	0	0	0	(100.00%)
Interfund Transfers:								
Fund Equity Transfers	1,681,459	1,378,233	1,282,635	1,307,635	1,572,505	1,712,505	1,752,505	34.02%
Subtotal Current Revenues	5,938,255	4,273,968	2,031,642	2,056,642	2,205,803	2,409,137	2,449,137	19.08%
TOTAL RESOURCES	\$21,927,275	\$14,567,908	\$9,696,158	\$9,721,158	\$8,198,295	\$8,673,144	\$9,139,085	(5.99%)
REQUIREMENTS								
Current Expenditures								
Personal Services	\$105,147	\$84,449	\$0	\$0	\$0	\$0	\$0	0.00%
Materials and Services	501,349	842,370	881,657	881,657	995,954	1,001,877	1,005,061	14.00%
Capital Outlay	10,929,665	6,004,809	3,097,349	3,097,349	3,484,212	3,759,685	4,222,442	36.32%
Interfund Transfers:								
Fund Equity Transfers	97,174	100,000	128,000	128,000	0	0	0	(100.00%)
Contingency	0	0	5,289,152	5,289,152	3,718,129	3,911,582	3,911,582	(26.05%)
Subtotal Current Expenditures	11,633,335	7,031,628	9,396,158	9,396,158	8,198,295	8,673,144	9,139,085	(2.74%)
<i>Ending Fund Balance</i>	<i>10,293,940</i>	<i>7,536,280</i>	<i>300,000</i>	<i>325,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(100.00%)</i>
TOTAL REQUIREMENTS	\$21,927,275	\$14,567,908	\$9,696,158	\$9,721,158	\$8,198,295	\$8,673,144	\$9,139,085	(5.99%)
FULL-TIME EQUIVALENTS	2.00	0.67	0.00	0.00	0.00	0.00	0.00	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

General Asset Management Fund

Current revenues and fund balance



Current expenditures



General Asset Management Fund

The General Asset Management Fund is new in FY 2011-12 and combines the former Metro Capital Fund and the General Renewal and Replacement Fund. This fund accounts for major non-bond funded capital acquisition and construction projects and provides for the ongoing and future renewal and replacement of Metro's General Fund assets. General Fund assets include the Oregon Zoo, regional parks and natural areas, Metro Regional Center and information technology infrastructure.

With the approval of the Oregon Zoo Infrastructure and Animal Welfare general obligation bonds in 2008, almost all large capital projects are now funded and managed through separate bond funds. What remains are a myriad of numerous smaller projects that are often a combination of renewal and replacement and new capital. Maintaining separate budgetary funds often made management of these projects difficult and inefficient. The consolidation into one fund provides greater efficiencies for ongoing management of assets. Within the fund, separate accounts will be maintained for new capital projects and renewal and replacement projects in order to track spending by purpose.

NEW PROJECT ACCOUNT

The capital portion of this fund is renamed "New Project Account" and is structured into five sections:

- Information Services Capital Projects
- Oregon Zoo Capital Projects Account
- Regional Parks Capital Projects Account
- All other Capital

This category includes new capital projects for the Metro Regional Center.

- Regional Parks Capital Oxbow Park Nature Center Account

Metro received dedicated funds from Multnomah County when it accepted the transfer of park facilities and operations. The account is dedicated to the development of a nature center at Oxbow Regional Park.

RENEWAL AND REPLACEMENT ACCOUNT

The General Renewal and Replacement Fund was established in FY 2008-09 to provide for Metro's General Fund assets. Initially it was included as an account in the Metro Capital Fund. Previously, renewal and replacement was budgeted in a variety of places for specific dedicated purposes. For comparative purposes all prior years have been included.

In FY 2007-08 Metro undertook a comprehensive review of General Fund reserve needs. The analysis included a preliminary study of renewal and replacement requirements of Metro's existing general assets. The preliminary study, based on historical accounting data, estimated the financial investment necessary — both one-time and ongoing — to provide fully for current and future needs of existing assets. The preliminary study estimated the financial investment necessary to catch up and then to contribute annually to care for these assets. In the FY 2007-08 budget the Metro Council directed \$5.7 million in general reserves to meet the catch-up requirement and \$1.1 million for the annual contribution, to be reviewed annually. The budget also appropriated \$100,000 for an engineering firm to perform a detailed inventory and asset condition assessment which confirmed the preliminary study and assisted Metro in developing a 25-year renewal and replacement schedule. The schedule is maintained and updated annually, taking into consideration the addition or disposal of assets, any changing conditions and the need to adjust the annual contribution. At least once every five years an independent assessment will be

performed, in accordance with the capital asset management policies. The FY 2011-12 includes resources for the next evaluation.

All renewal and replacement projects greater than \$100,000 are listed individually in the capital improvement plan. All other projects less than \$100,000 are aggregated as a single renewal and replacement project within each service or center. Although the General Fund renewal and replacement account is now contained within the General Asset Management Fund, records are maintained separately from new capital projects and are additionally reported by major area (Information Services, Oregon Zoo, Parks, Metro Regional Center and Metro Fleet).

CURRENT REVENUES

Interest earnings

Interest is earned on the unused portion of the fund balance. Earnings are based on the current rates of Metro's average investment portfolio. For FY 2011-12 an interest rate of 0.5 percent will produce \$33,298, a decline of \$29,379 from the previous year.

Grants

This category includes grants associated with specific new capital or renewal and replacement projects. In FY 2011-12 \$63,000 is from the Energy Trust and related to the upgrade of the Variable Air Volume controllers at the Metro Regional Center.

Donations

This category includes donations either to support a particular project or support the capital needs of a specific department. Last year The Oregon Zoo Foundation raised \$450,000 for veterinary medical equipment to be purchased in FY 2011-12. The foundation has also committed to raise \$600,000 in FY 2011-12 to fund the aviary marsh mesh project.

Interfund transfers

Interfund transfers for the New Projects Accounts are received for a variety of purposes. Some of these transfers are one-time in nature, others will be ongoing, although the amount may vary from year-to-year based on need. The \$140,000 in FY 2011-12 is a transfer from the Risk Management Fund to the Regional Parks account for an insurance loss.

Annual ongoing contributions to the renewal and replacement reserve are necessary to meet scheduled requirements. The General Fund contributes approximately \$1.5 million from a variety of sources, an increase of about \$215,000 from FY 2010-11. Of this, \$100,000 is a scheduled increase to cover overall increase in costs and additions of assets. An increase of \$115,000 is a result of transferring fleet management from Multnomah County to Metro. Annual contributions are intended to be relatively constant but are adjusted periodically to recognize new assets when they are put into service. Expenditures in the Information Services area for assets supported by funds other than the General Fund are direct transfers from the supporting fund and total about \$64,000.

CURRENT EXPENDITURES

Materials and services

Expenditures in this category reflect potential renewal and replacement projects that do not meet the threshold of major capital improvement and which, by definition, are considered capital maintenance. These projects are aggregated by organizational unit and included in the renewal and replacement schedule. Capital maintenance projects costing more than \$100,000 are called out separately in the capital improvement plan.

Capital outlay

This category represents capital and renewal and replacement projects approved in Metro's capital budget. Projects costing more than \$100,000 are included in the capital improvement plan. All other projects are aggregated by organizational unit into one general renewal and replacement project. For additional information see the FY 2011-12 Capital Improvement Plan section of this budget document.

Contingency

A contingency provides for unforeseen needs throughout the year. Expenditures from contingency may be made only when Council adopts an ordinance amending the budget. Any transfer from contingency throughout the year that would exceed a cumulative amount greater than 15 percent of expenditures requires a full supplemental budget amendment. A large contingency is maintained for renewal and replacement in the event that a planned project is accelerated or a future project becomes necessary earlier due to a failing component.

FUND BALANCE

This represents the balance of a variety of dedicated reserves associated with new capital projects and the general renewal and replacement reserve. The reserve amount will fluctuate from year to year based on project needs. The current financial plan for renewal and replacement provides for a positive balance in the reserve for the next 15 years. The schedule of needs and financial plan will be reviewed annually, updated at least every five years and adjusted accordingly.

**General
Obligation
Bond Debt
Service
Fund**

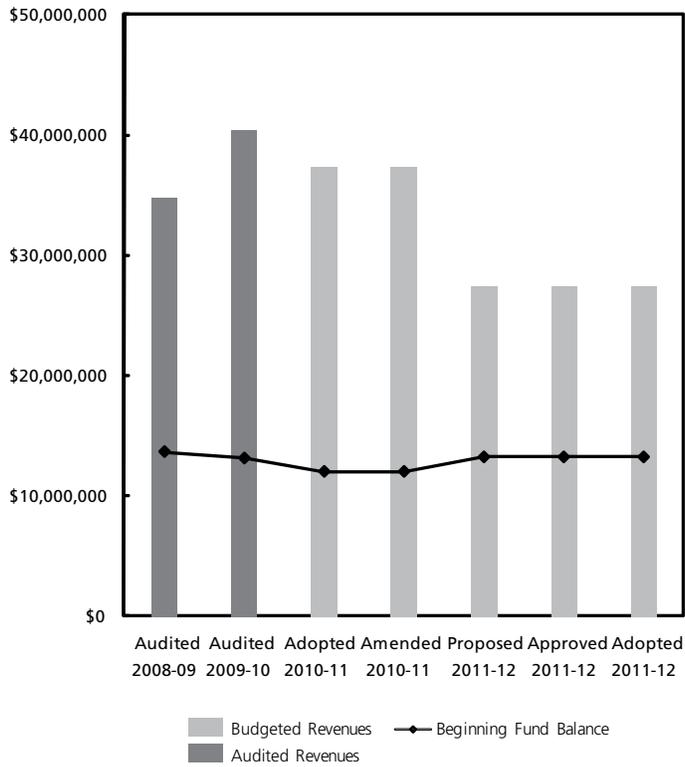


General Obligation Bond Debt Service Fund

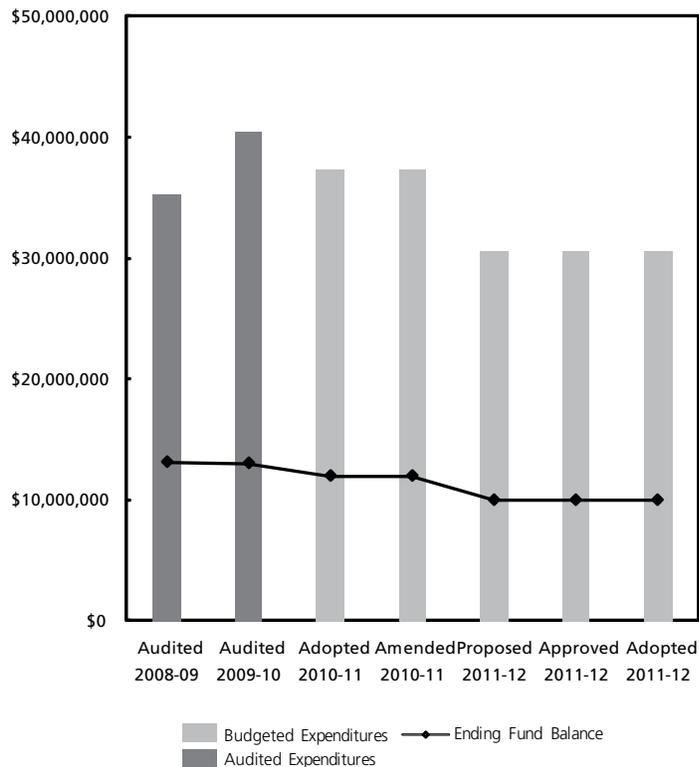
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$13,661,489	\$13,133,831	\$12,045,000	\$12,045,000	\$13,226,000	\$13,226,000	\$13,226,000	9.80%
Current Revenues								
Real Property Taxes	34,141,449	40,225,036	37,189,159	37,189,159	27,271,842	27,271,842	27,271,842	(26.67%)
Contributions from other Gov'ts	0	0	0	0	19,039	19,039	19,039	0.00%
Interest Earnings	606,851	162,612	100,000	100,000	100,000	100,000	100,000	0.00%
Subtotal Current Revenues	34,748,300	40,387,648	37,289,159	37,289,159	27,390,881	27,390,881	27,390,881	(26.54%)
TOTAL RESOURCES	\$48,409,789	\$53,521,479	\$49,334,159	\$49,334,159	\$40,616,881	\$40,616,881	\$40,616,881	(17.67%)
REQUIREMENTS								
Current Expenditures								
Debt Service	\$35,275,958	\$40,480,021	\$37,325,783	\$37,325,783	\$30,579,525	\$30,579,525	\$30,579,525	(18.07%)
Subtotal Current Expenditures	35,275,958	40,480,021	37,325,783	37,325,783	30,579,525	30,579,525	30,579,525	(18.07%)
<i>Ending Fund Balance</i>	<i>13,133,831</i>	<i>13,041,458</i>	<i>12,008,376</i>	<i>12,008,376</i>	<i>10,037,356</i>	<i>10,037,356</i>	<i>10,037,356</i>	<i>(16.41%)</i>
TOTAL REQUIREMENTS	\$48,409,789	\$53,521,479	\$49,334,159	\$49,334,159	\$40,616,881	\$40,616,881	\$40,616,881	(17.67%)
FULL-TIME EQUIVALENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

General Obligation Bond Debt Service Fund

Current revenues and fund balance



Current expenditures



General Obligation Bond Debt Service Fund

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

The Convention Center Project Debt Service Account pays the principal and interest due on the 2001 Series A general obligation refunding bonds (Oregon Convention Center project). In July 2001 Metro refinanced the 1992 Series A Convention Center refunding bonds, saving approximately \$4.2 million in interest payments over the next 10 years. In FY 2011-12 \$5,521,040 is due.

In November 2002 Metro refinanced the 1995 Series A and C Open Spaces, Parks and Streams bonds. The refinancing resulted in a net present value savings of \$6.1 million. In FY 2011-12 the total due is \$10,424,688.

In May 2005 Metro refinanced the callable portion of the 1996 Series A Oregon Project general obligation bonds, resulting in net present value savings of \$1,427,412. In FY 2011-12 the total due is \$2,272,650.

In November 2006 the voters approved the \$227.4 million Natural Areas general obligation bonds. The first series under this authorization was issued in April 2006. \$8,141,750 is due in FY 2011-12.

In November 2008 the voters approved a \$125 million bond measure for Oregon Zoo infrastructure and projects related to animal welfare. A small \$5 million two-year privately placed bond was paid off in full on the call date in June 2010. Another \$15 million privately placed bond was issued in August 2010, the majority of which has already been paid. Debt service of \$4,219,397 will repay this issue in FY 2011-12.

CURRENT REVENUES

Property taxes

Property taxes are levied to meet the outstanding requirements of the general obligation bonds. The levy amount is the amount needed to pay debt obligations assuming a 94 percent collection rate.

Interest

Interest is earned on the average cash balance of the fund, based on the current rates of Metro's investment portfolio. Under Governmental Accounting Standards Board Statement No. 31, interest earnings are adjusted to reflect market value of investments. As a result, interest earnings are less predictable and result in greater variability from year to year. The average interest earnings rate for FY 2011-12 is expected to fall to 0.5 percent.

CURRENT EXPENDITURES

Debt service

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

FUND BALANCE

All of Metro's existing general obligation bonds have payments due early in the fiscal year, before property tax payments are received. All accounts, therefore, have ending fund balances of sufficient size to carry funds over to the following fiscal year to make the first debt service payment. Ending balances are adjusted over time to meet the requirements of debt obligations.

**General
Revenue
Bond Fund**

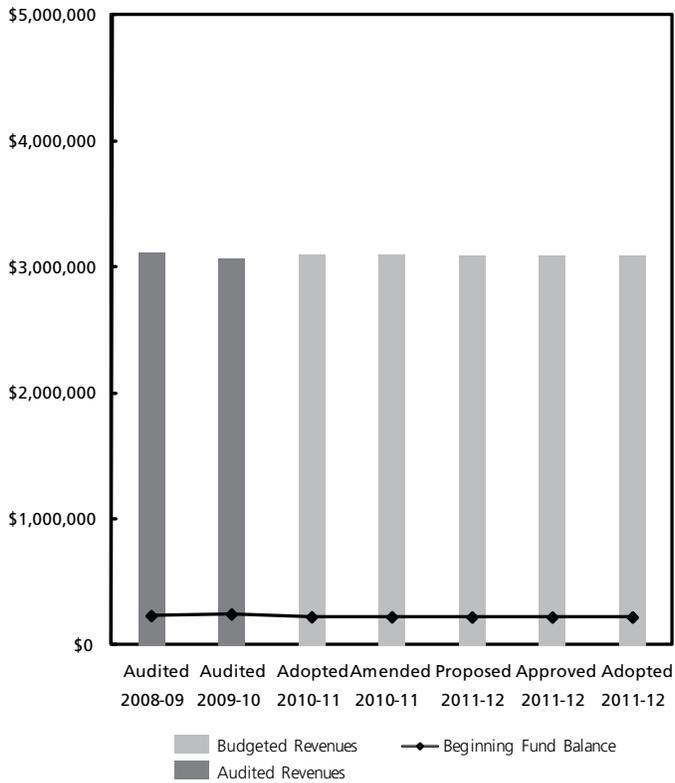


General Revenue Bond Fund

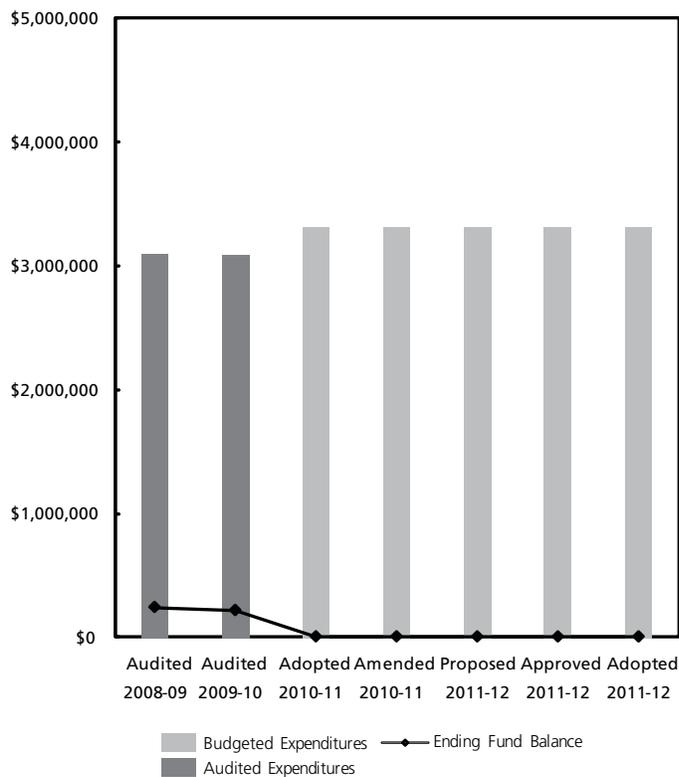
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$232,441	\$244,668	\$222,567	\$222,567	\$220,991	\$220,991	\$220,991	(0.71%)
Current Revenues								
Interest Earnings	12,226	2,245	2,300	2,300	1,106	1,106	1,106	(51.91%)
Interfund Transfers:								
Fund Equity Transfers	3,098,663	3,066,300	3,098,747	3,098,747	3,093,960	3,093,960	3,093,960	(0.15%)
Subtotal Current Revenues	3,110,889	3,068,545	3,101,047	3,101,047	3,095,066	3,095,066	3,095,066	(0.19%)
TOTAL RESOURCES	\$3,343,330	\$3,313,213	\$3,323,614	\$3,323,614	\$3,316,057	\$3,316,057	\$3,316,057	(0.23%)
REQUIREMENTS								
Current Expenditures								
Capital Outlay	0	0	219,090	219,090	216,821	216,821	216,821	(1.04%)
Debt Service	3,098,662	3,093,299	3,098,747	3,098,747	3,093,960	3,093,960	3,093,960	(0.15%)
Subtotal Current Expenditures	3,098,662	3,093,299	3,317,837	3,317,837	3,310,781	3,310,781	3,310,781	(0.21%)
<i>Ending Fund Balance</i>	244,668	219,914	5,777	5,777	5,276	5,276	5,276	(8.67%)
TOTAL REQUIREMENTS	\$3,343,330	\$3,313,213	\$3,323,614	\$3,323,614	\$3,316,057	\$3,316,057	\$3,316,057	(0.23%)
FULL-TIME EQUIVALENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

General Revenue Bond Fund

Current revenues and fund balance



Current expenditures



General Revenue Bond Fund

The General Revenue Bond Fund was established to account for bond proceeds used to construct Metro Regional Center and the assessments against Metro centers and services to pay debt service on those bonds. In FY 1995–96 the fund was expanded to include loan proceeds for the Washington Park parking lot renovation and a contribution to TriMet for the Oregon Zoo light rail station. In FY 1999–2000 the fund was again amended to include loan proceeds from the Oregon Economic and Community Development Department (OECDD) used to replace Hall D at the Portland Expo Center (Expo). In the future, this financing method and fund could be used to pay for other general purpose capital items.

Project account

This account was created in FY 1995–96 to provide for expenditures related to the Washington Park parking lot renovation and the contribution to TriMet for the zoo light rail station. Beginning in FY 1999–2000 it was also used to account for expenses associated with the Hall D Replacement Project.

Debt service account

This account is used to pay principal and interest due on the outstanding debt. In FY 2003–04 the Metro Regional Center general revenue bonds and Washington Park parking lot OECDD loans were refinanced with full faith and credit bonds. The refinancing resulted in a net present value savings of almost \$2.5 million, or 10 percent. Debt service on the Metro Regional Center bonds is paid from assessments allocated to the operations and activities of Metro that use the Metro Regional Center and from fees and charges for the use of the attached parking structure. Debt service on the outstanding obligation for the Washington Park parking lot is paid by zoo revenues. In April 2006 Metro issued full faith and credit bonds to refund the outstanding OECDD loan for the replacement of Hall D at the Expo Center. The refinancing resulted in a net present value savings of almost \$759,000 or 5.05 percent. Debt service on these refunding bonds is paid by Expo revenues.

CURRENT REVENUES

Interest earnings

Interest is earned on the unused portion of the fund balance. Earnings are based on the current rates of Metro’s average investment portfolio. For FY 2011-12 average interest rates are assumed at 0.5 percent.

Interfund transfers

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

CURRENT EXPENDITURES

Capital outlay

Capital outlay requirements in this fund are dependent on anticipated projects and vary from year to year. A small amount continues to be carried forward and budgeted every year for completion of the auxiliary lot at the Washington Park parking lot, should the permitting issues resolve.

Debt service

This category contains principal and interest due on the outstanding full faith and credit bonds. Debt service payments are made semi-annually and are tied to the debt service schedule. The Metro Regional Center revenue bonds and the Washington Park parking lot OECDD loans were refinanced in FY 2003–04. The 2003 series full faith and credit refinancing bonds will be repaid over 20 years and will fully mature in 2022. The 2006 series full faith and credit bonds will be repaid over 18.5 years, the remaining life of the former OECDD loan, and will retire in 2024.

FUND BALANCE

The fund balance contains a small amount in the debt service account and the amount that is carried forward for the Washington Park parking lot project.



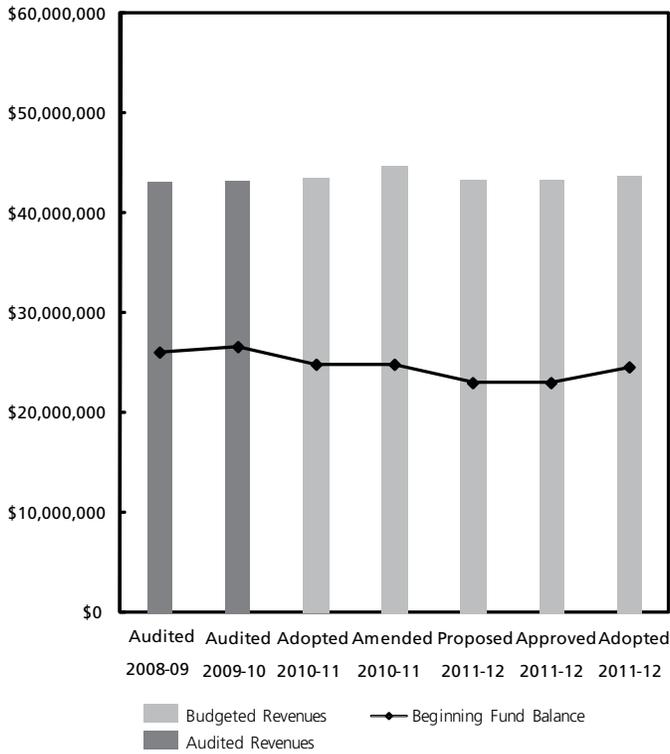
**Metropolitan
Exposition
Recreation
Commission
Fund**



Metropolitan Exposition Recreation Commission Fund

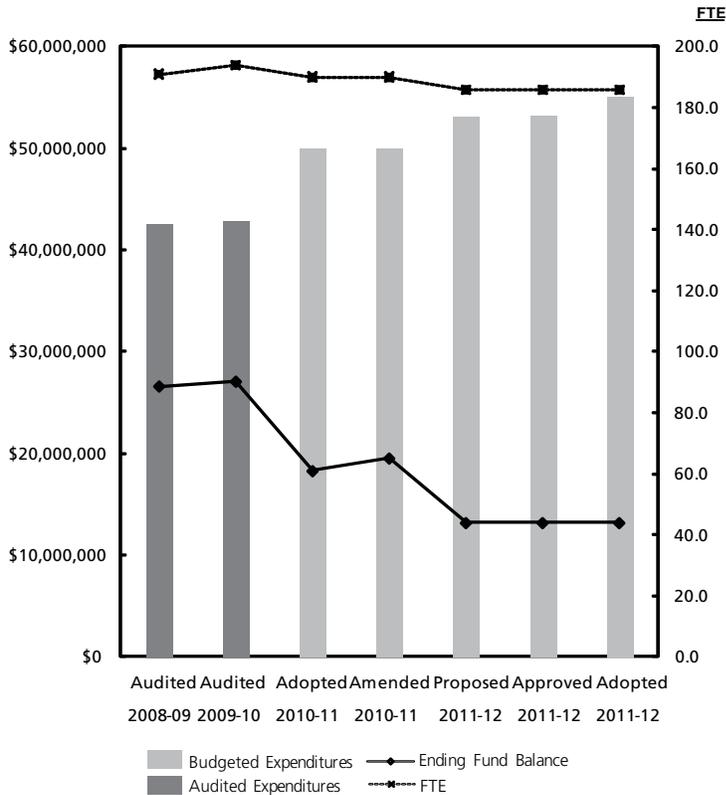
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$26,070,021	\$26,619,235	\$24,850,944	\$24,850,944	\$23,014,203	\$23,014,203	\$24,590,569	(1.05%)
Current Revenues								
Grants	8,075	190,976	653,216	679,517	0	0	46,675	(93.13%)
Local Gov't Shared Revenues	10,702,509	9,897,188	10,602,508	10,558,553	11,155,335	11,155,335	11,155,335	5.65%
Contributions from other Gov'ts	734,709	766,100	756,907	756,907	784,320	784,320	784,320	3.62%
Enterprise Revenue	29,718,490	29,511,836	30,017,258	31,278,213	30,105,749	30,105,749	30,282,749	(3.18%)
Interest Earnings	556,704	170,773	235,523	235,523	122,806	122,806	122,806	(47.86%)
Donations	450,742	2,376,370	585,500	585,500	510,000	510,000	610,000	4.18%
Other Misc. Revenue	163,682	182,973	123,197	123,197	131,090	131,090	131,090	6.41%
Interfund Transfers:								
Fund Equity Transfers	758,083	187,252	475,000	475,000	480,000	591,510	591,510	24.53%
Subtotal Current Revenues	43,092,994	43,283,468	43,449,109	44,692,410	43,289,300	43,400,810	43,724,485	(2.17%)
TOTAL RESOURCES	\$69,163,015	\$69,902,703	\$68,300,053	\$69,543,354	\$66,303,503	\$66,415,013	\$68,315,054	(1.77%)
REQUIREMENTS								
Current Expenditures								
Personal Services	\$17,507,657	\$16,800,140	\$17,989,676	\$17,989,676	\$17,676,671	\$17,788,181	\$17,788,181	(1.12%)
Materials and Services	20,230,591	20,706,426	20,580,326	21,718,772	20,206,823	20,131,823	20,485,330	(5.68%)
Capital Outlay	1,236,534	1,674,763	5,099,105	5,290,659	1,351,000	1,426,000	3,066,366	(42.04%)
Debt Service	17,548	136,362	0	0	0	0	0	0.00%
Interfund Transfers:								
Interfund Reimbursements	2,359,218	2,318,844	2,492,498	2,492,498	2,906,621	2,906,621	2,906,621	16.61%
Internal Service Transfers	0	0	0	0	77,884	77,884	77,884	0.00%
Fund Equity Transfers	1,192,232	1,176,632	1,189,132	1,309,132	3,158,261	3,158,261	3,158,261	141.25%
Contingency	0	0	2,652,773	1,202,773	7,727,548	7,727,548	7,633,716	534.68%
Subtotal Current Expenditures	42,543,780	42,813,167	50,003,510	50,003,510	53,104,808	53,216,318	55,116,359	10.22%
<i>Ending Fund Balance</i>	26,619,235	27,089,536	18,296,543	19,539,844	13,198,695	13,198,695	13,198,695	(32.45%)
TOTAL REQUIREMENTS	\$69,163,015	\$69,902,703	\$68,300,053	\$69,543,354	\$66,303,503	\$66,415,013	\$68,315,054	(1.77%)
FULL-TIME EQUIVALENTS	191.00	194.00	190.00	190.00	185.85	185.85	185.85	(2.18%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(4.15)

Current revenues and fund balance



Metropolitan Exposition Recreation Commission Fund

Current expenditures and full-time equivalents



Metropolitan Exposition Recreation Commission Fund

The Metropolitan Exposition Recreation Commission (MERC) Fund includes three major visitor venues: Oregon Convention Center (OCC) and the Portland Metropolitan Exposition Center (Expo), both of which are owned by Metro, and Portland Center for the Performing Arts (PCPA) operated by Metro through an intergovernmental agreement with the City of Portland, which owns these facilities. Beginning in FY 2007–08 the MERC Pooled Capital Fund was absorbed into the MERC Operating Fund to create the MERC Fund. The venues are overseen by the Metropolitan Exposition Recreation Commission, a commission appointed by the Metro Council.

CURRENT REVENUES

Local government shared revenues

The revenues recorded in this classification are the transient lodging taxes and auto rental taxes collected by Multnomah County to support operations of OCC and PCPA. This source of revenue is expected to increase by approximately 5 percent, an indication of the improvement of the overall economy and the travel industry. The request for visitor development funding for OCC operating support is \$960,000, the same as FY 2010-11.

Contributions from other governments

These revenues represent a contribution from the City of Portland to support the operations of the PCPA. The contribution is based on the prior year's actual receipts increased or decreased by Consumer Price Index.

Enterprise revenues

MERC charges various fees for the use of its facilities, including rental fees, concession revenues, catering, parking and other enterprise activities. Enterprise revenue is projected to increase a modest 0.3 percent. This increase is the net result of a decline in OCC revenues based upon lower conventions and an increase in the rental rates at both PCPA and Expo.

Interest

Interest is calculated on the fund balance. The anticipated interest earnings are 0.5 percent in FY 2011-12 and will generate \$122,806, a decline from FY 2010-11 expected earnings of \$235,523.

Donations and bequests

In the past donations received for capital improvements were recorded in the MERC Pooled Capital Fund to match the contributions with the capital projects that they fund. In FY 2007–08 the MERC Pooled Capital Fund was merged with the MERC Operating Fund. Donations are expected to be \$610,000 in FY 2011-12, a 4 percent increase from FY 2010-11. Donations are predominantly from the Friends of PCPA, and the amount is generally based upon the request from the PCPA Foundation.

Interfund transfers

This category includes approximately \$592,000 provided to the OCC from General Fund revenues under the Metro Tourism Opportunity and Competitiveness Account for specific capital projects.

CURRENT EXPENDITURES

Personal services

The decrease in this classification is a result of the transfer of four FTE in administrative positions to Metro and a PCPA marketing position increased from part time to full time.

Materials and services

This category includes spending for goods and services required to operate and market the facilities. The major expenditures in this category are for food service contracts, utilities, marketing services and facility maintenance expenses. Expenditures are expected to fall about 5.7 percent from the FY 2010-11 budget, demonstrating efficiencies in line with the tight economy.

Capital outlay

Overall spending on capital projects is decreasing about 42 percent as reserves restricted to capital outlay were expended in the prior budgeted year. Food and beverage capital investments at all three facilities in FY 2010-11 are either complete or being completed in FY 2011-12. Funding for these projects was generated from the new food and beverage contract. OCC has budgeted numerous equipment purchases as well as several revenue generating projects. Several projects originally thought to be completed in FY 2010-11 are carried forward including the Sizzler Block Project Construction, Kitchen Remodel, Hand Dryers and Signage Upgrade. PCPA plans lighting upgrades, completion of the Arlene Schnitzer roof and adding new HVAC controls at both the Arlene Schnitzer and Hatfield concert halls. The completion of the Keller Auditorium Boiler replacement is carried forward from FY 2010-11. Expo plans to begin portable bleacher replacement, replacing two per year over a four year period, and replacing carpets in Hall E.

Debt service

This category previously included debt service for a Local Improvement District (LID) assessment from the City of Portland for the Steel Bridge Pedestrian Walkway project. The debt was defeased in FY 2009-10.

Interfund transfers

In FY 2011-12 this fund contains four interfund transfers. Transfers to the General Fund are for central service charges as allocated through the cost allocation plan. Transfers to the Risk Management Fund represent MERC's costs associated with property, liability and workers' compensation insurance, claims and reserves. The transfer to the General Revenue Bond Fund is for principal and interest payments for debt service for the Expo Center Hall D replacement. A one-time transfer of the approximately \$2.0 million to Metro's General Fund consolidates PERS reserves from all funds to facilitate central management of these funds.

Contingency

A contingency provides for unforeseen needs throughout the year. Expenditures from contingency may be made only when Council adopts an ordinance amending the budget. Any transfer from contingency throughout the year that would exceed a cumulative amount greater than 15 percent of expenditures requires a full supplemental budget amendment, including public review.

FUND BALANCE

As part of the FY 2011-12 budget development the MERC Commission reviewed a MERC Fund Reserves study prepared collaboratively by MERC and Finance and Regulatory Services. The study considered the historical performance of the MERC fund, its performance during historical ups and downs in the business cycle and the need for designated renewal and replacement reserves and annual contributions for the protection of its assets. As with the General Fund reserves study performed several years ago, the assumptions for the renewal and replacement reserve requirements are preliminary, based on the best data available, and will be reviewed again after the FY 2011-12 inventory and condition assessment. The MERC Commission recommended, and the Metro Council approved, the designation of 2-year contingency reserves (contingency and stabilization) and accumulation reserves (renewal and replacement and new capital or business opportunity).

The beginning fund balance, projected to be \$24.6 million, represents funds carried over from the previous year, including both the contingency and accumulation reserves described above. An ending balance of \$20.8 million, including unspent contingency, reflects the transfer of the PERS reserves to a central fund and the designated spending of some reserves restricted for capital improvements.

Natural Areas Fund

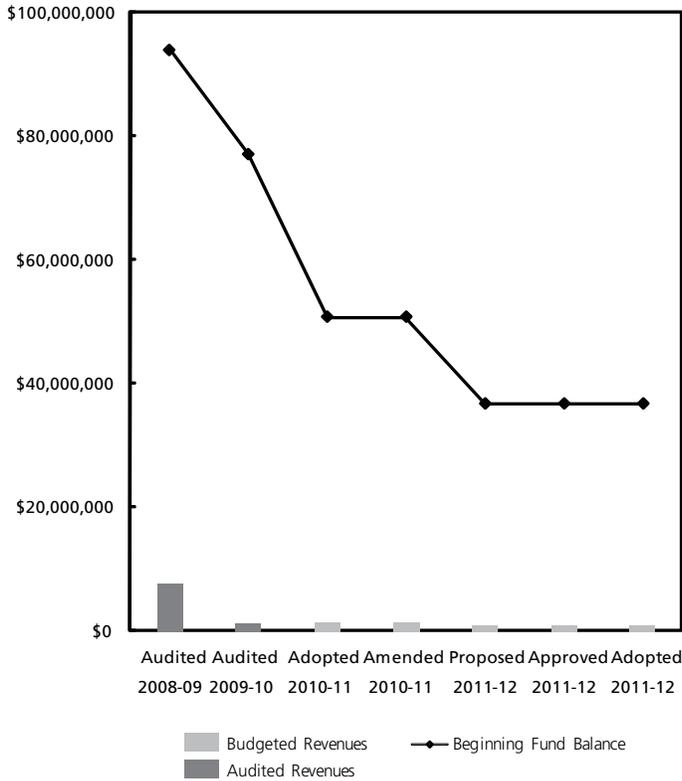


Natural Areas Fund

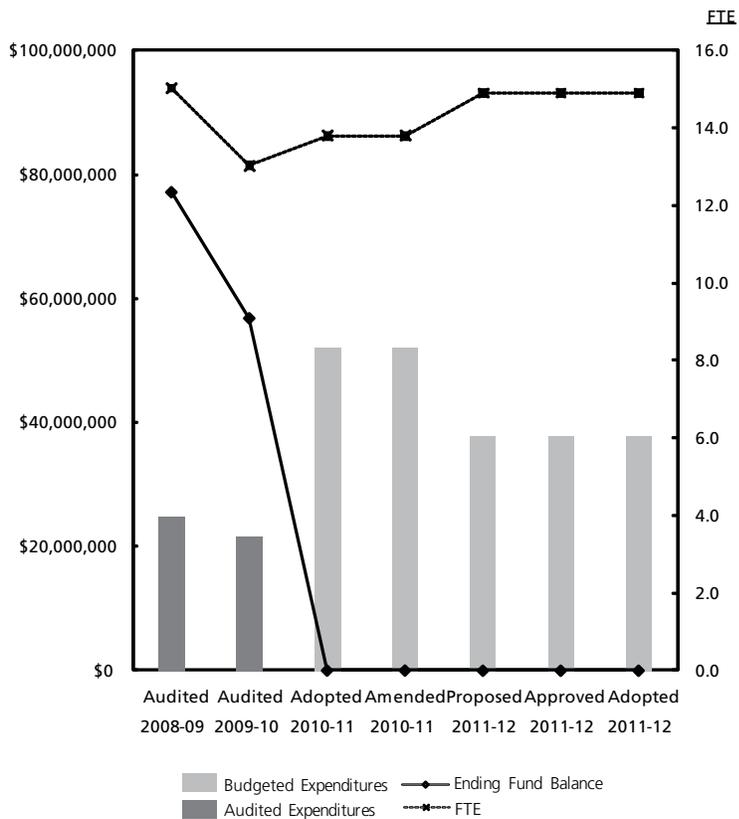
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$93,975,794	\$77,109,207	\$50,775,000	\$50,775,000	\$36,715,000	\$36,715,000	\$36,715,000	(27.69%)
Current Revenues								
Grants	526,680	322,479	913,210	913,210	0	0	0	(100.00%)
Interest Earnings	2,538,906	940,859	505,750	505,750	183,575	183,575	183,575	(63.70%)
Donations	4,695,376	0	30,000	30,000	866,000	866,000	866,000	2786.67%
Other Misc. Revenue	100,000	63,251	0	0	0	0	0	0.00%
Interfund Transfers:								
Fund Equity Transfers	0	0	0	0	0	8,940	8,940	0.00%
Subtotal Current Revenues	7,860,962	1,326,589	1,448,960	1,448,960	1,049,575	1,058,515	1,058,515	(26.95%)
TOTAL RESOURCES	\$101,836,756	\$78,435,796	\$52,223,960	\$52,223,960	\$37,764,575	\$37,773,515	\$37,773,515	(27.67%)
REQUIREMENTS								
Current Expenditures								
Personal Services	\$1,353,545	\$1,240,997	\$1,350,698	\$1,350,698	\$1,561,957	\$1,570,897	\$1,570,897	16.30%
Materials and Services	4,704,762	5,937,117	12,150,000	12,150,000	12,150,000	12,150,000	12,150,000	0.00%
Capital Outlay	17,602,084	13,085,101	33,202,590	33,202,590	20,939,000	20,939,000	20,939,000	(36.94%)
Interfund Transfers:								
Interfund Reimbursements	969,315	826,712	883,646	883,646	1,249,115	1,249,115	1,249,115	41.36%
Internal Service Transfers	97,843	553,262	618,595	618,595	477,107	477,107	477,107	(22.87%)
Fund Equity Transfers	0	0	0	0	47,000	47,000	47,000	0.00%
Contingency	0	0	3,988,905	3,988,905	1,340,396	1,340,396	1,340,396	(66.40%)
Subtotal Current Expenditures	24,727,549	21,643,189	52,194,434	52,194,434	37,764,575	37,773,515	37,773,515	(27.63%)
<i>Ending Fund Balance</i>	<i>77,109,207</i>	<i>56,792,607</i>	<i>29,526</i>	<i>29,526</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(100.00%)</i>
TOTAL REQUIREMENTS	\$101,836,756	\$78,435,796	\$52,223,960	\$52,223,960	\$37,764,575	\$37,773,515	\$37,773,515	(27.67%)
FULL-TIME EQUIVALENTS	15.03	13.03	13.80	13.80	14.90	14.90	14.90	7.97%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								1.10

Natural Areas Fund

Current revenues and fund balance



Current expenditures and full-time equivalents



Natural Areas Fund

In November 2006 the voters of the Metro region authorized the sale of \$227.4 million in general obligation bonds for the purpose of preserving natural areas and stream frontages, maintaining and improving water quality and protecting fish and wildlife habitat. The \$227.4 million total voter authorization included three elements:

- \$168.4 million regional component to purchase regionally significant natural areas in 27 target areas.
- \$44 million local share component to be provided directly to local cities, counties and park providers to allow flexibility for each community to meet its own needs and offer citizens improved access to nature in neighborhoods.
- \$15 million Nature in Neighborhoods Capital Grant program to complement the regional and local share portions of the 2006 bond measure by providing opportunities for the community to actively protect fish and wildlife habitat and water quality near where people live and work.

The first series of bonds under the 2006 authorization was issued in April 2007 for \$124,295,000. The agency is currently reevaluating program needs under this authorization. The Natural Areas Fund is used to account for proceeds and expenditures related to the Natural Areas general obligation bonds.

CURRENT REVENUES

Grants

No grants are expected in FY 2011-12.

Interest earnings

Interest of \$183,675 will be earned on the unexpended balance of bond proceeds and other resources. Bond proceeds are invested in compliance with bond and arbitrage requirements.

CURRENT EXPENDITURES

Personal services

This category includes salaries and benefits for 14.90 FTE, an increase of 1.10 FTE, to implement the goals of the Natural Areas program as approved by the voters in November 2006. The 1.00 FTE increase is for a GIS specialist needed to support property acquisitions, transferred from the Research Center. A small increase of 0.10 FTE in a Program Supervisor II reflects expected staff usage. With the approval of the bond measure the Metro Council approved the addition of 13 new positions to support the acquisition, stabilization, local share and community grant elements of the program. Several of those positions related to financial and administrative support are now budgeted in a support pool in Parks and Environmental Services. In addition, portions of several existing positions were transferred from Parks and Environmental Services, the Sustainability Center and the former Open Spaces program to provide other expertise to the program. Legal and due diligence staff associated with the program are budgeted in the Office of Metro Attorney in the General Fund.

Materials and services

Funds are budgeted for local share payments to other jurisdictions and community grants. Professional and property services related to land acquisition are now budgeted under capital outlay.

Capital outlay

The capital outlay budget provides for the acquisition of land and the capital improvements of several existing properties as authorized under the bond measure. All contracted and property related services such as appraisals formerly budgeted under materials and services are now budgeted under capital outlay. There are planned expenditures for the 40-mile loop trail construction at Blue Lake Park. Federal funds pay for 89 percent of this project. The entire amount of \$939,000 is included here to allow Metro to book the asset when work is completed by Oregon Department of Transportation. The Natural Areas program is a willing seller program. Actual expenditures are dependent on available property. The budget allows the flexibility to meet a more aggressive acquisition goal should the opportunities arise.

Interfund transfers

Expenditures in this category include transfers to the General and Risk Management funds for central services, rent and insurance costs incurred on behalf of the Natural Areas program. These charges are allocated based on an approved central services cost allocation plan. There is also a transfer to the Research Center for mapping services provided by the Data Resource Center, as well as transfers for administrative and financial support provided by Parks and Environmental Services.

Contingency

Contingency funds are provided to meet unforeseen needs throughout the year. The Metro Council may, through budget amendment, move up to 15 percent of the value of the fund's appropriations from contingency. Any amount above that requires a full supplemental budget action. Because of the willing seller nature of the program, the Natural Areas Fund includes a contingency level that is significantly higher than would normally be budgeted. The balance of bond proceeds carried over from previous years and not needed to fund current year expenditures is placed in contingency.

FUND BALANCE

The fund balance represents unexpended bond proceeds plus interest earned. The balance will decrease as the program goals are achieved.



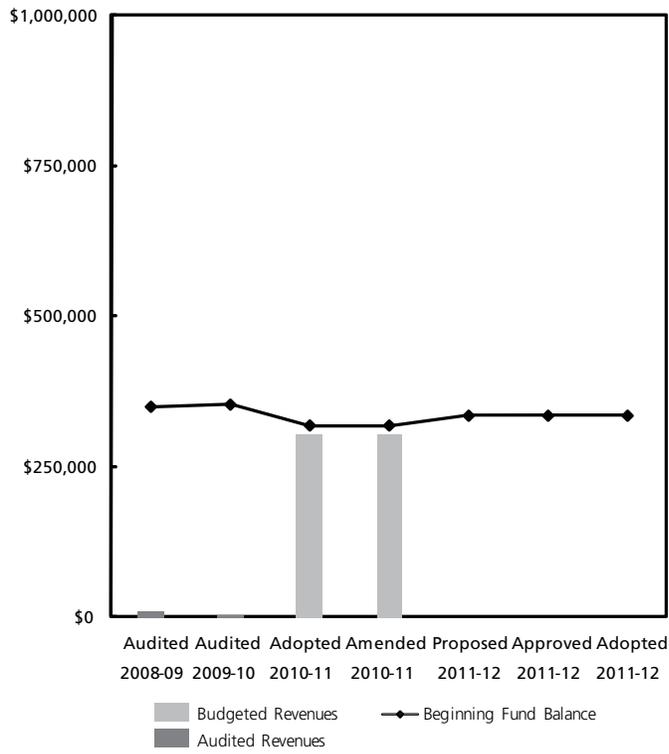
**Open
Spaces
Fund**



Open Spaces Fund

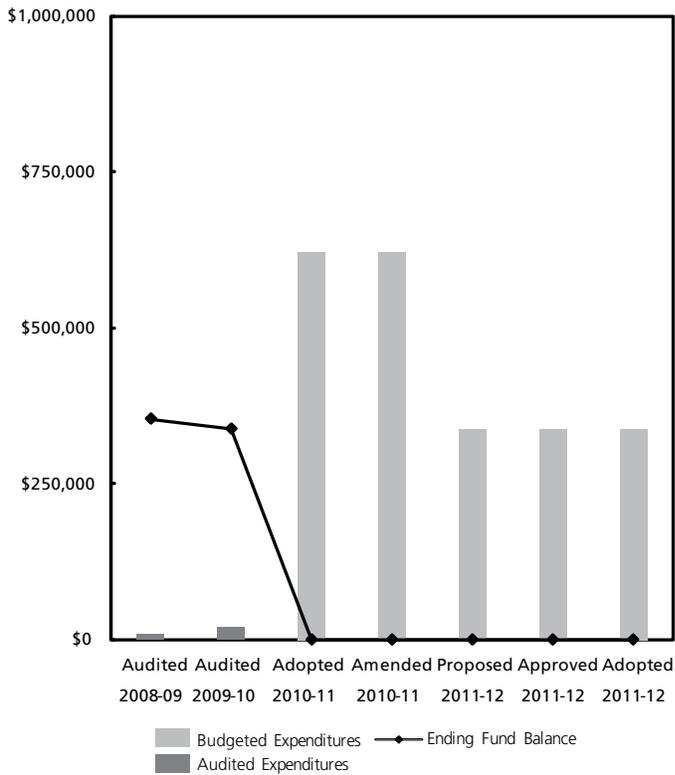
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$350,070	\$353,637	\$318,942	\$318,942	\$335,200	\$335,200	\$335,200	5.10%
Current Revenues								
Interest Earnings	10,584	3,395	3,189	3,189	1,676	1,676	1,676	(47.44%)
Other Misc. Revenue	0	0	300,000	300,000	0	0	0	(100.00%)
Subtotal Current Revenues	10,584	3,395	303,189	303,189	1,676	1,676	1,676	(99.45%)
TOTAL RESOURCES	\$360,654	\$357,032	\$622,131	\$622,131	\$336,876	\$336,876	\$336,876	(45.85%)
REQUIREMENTS								
Current Expenditures								
Personal Services	\$372	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Materials and Services	1,555	4,500	0	0	0	0	0	0.00%
Capital Outlay	5,090	15,026	622,131	622,131	336,876	336,876	336,876	(45.85%)
Subtotal Current Expenditures	7,017	19,526	622,131	622,131	336,876	336,876	336,876	(45.85%)
<i>Ending Fund Balance</i>	<i>353,637</i>	<i>337,506</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0.00%</i>
TOTAL REQUIREMENTS	\$360,654	\$357,032	\$622,131	\$622,131	\$336,876	\$336,876	\$336,876	(45.85%)
FULL-TIME EQUIVALENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

Current revenues and fund balance



Open Spaces Fund

Current expenditures



Open Spaces Fund

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

The fund includes the Open Spaces Acquisition program managed by the Sustainability Center. Historically the fund also managed and paid for the Due Diligence program. As purchases waned, the Due Diligence program switched emphasis to “owned” land agency-wide. As a result, the Due Diligence program was fully absorbed in the Office of Metro Attorney and costs allocated agency-wide as appropriate.

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

As the acquisition program funded by this bond measure neared completion, staff were reduced or transferred to Parks and Environmental Services or the Sustainability Center for long-term maintenance of the properties.

CURRENT REVENUES

Interest earnings

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

Sale of fixed assets

During FY 2010-11 Metro planned to sell a portion of a property purchased under the Open Spaces land acquisition program although the sale has not yet concluded. Proceeds from the sale will be returned to the program for reinvestment in property.

CURRENT EXPENDITURES

Personal services

Historically this category included salary and benefits for staff hired to carry out the goals of the bond measure; as bond proceeds declined, staff was reduced or transferred to operations and maintenance.

Materials and services

Funds previously budgeted for completion of stabilization projects on lands purchased under the bond measure are now budgeted under capital outlay.

Capital outlay

The capital outlay appropriation reflects the final remaining amount available for the purchase of land.

FUND BALANCE

The fund balance represents unexpended bond proceeds plus interest earned. The balance has decreased as the program goals are achieved.

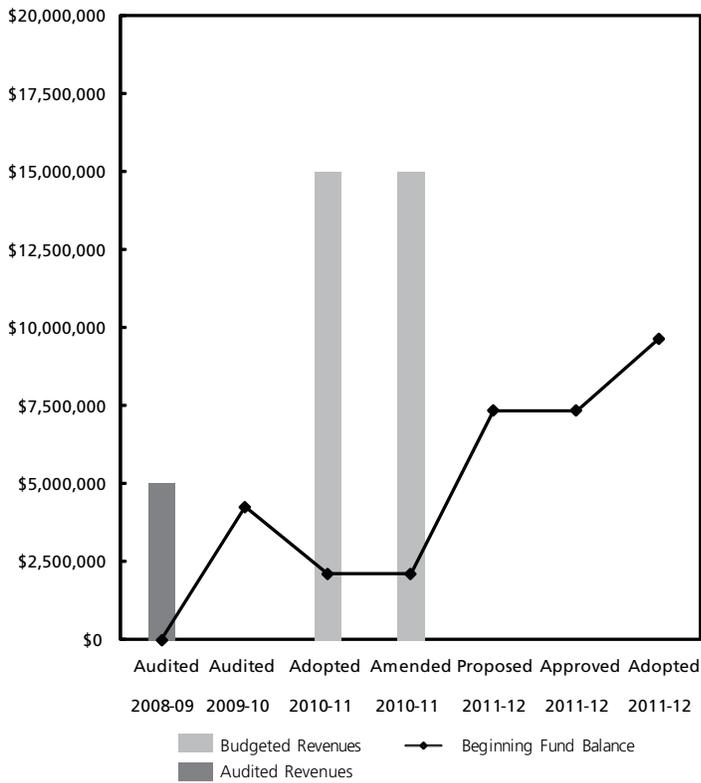
**Oregon Zoo
Infrastructure
and Animal
Welfare
Bond Fund**



Oregon Zoo Infrastructure and Animal Welfare Bond Fund

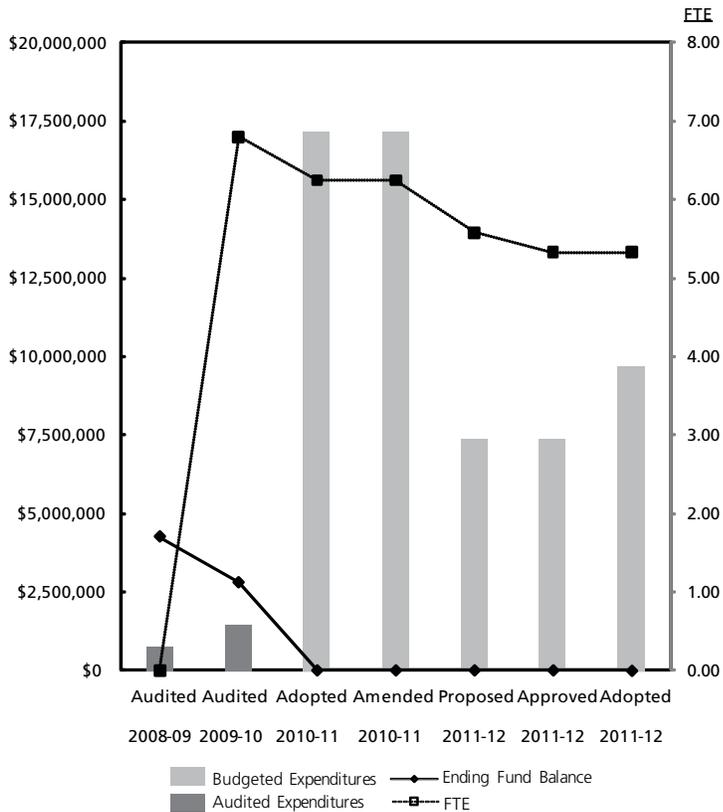
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$0	\$4,260,056	\$2,121,338	\$2,121,338	\$7,356,973	\$7,356,973	\$9,649,239	354.87%
Current Revenues								
Interest Earnings	37,280	26,399	21,213	21,213	24,648	24,648	24,648	16.19%
Bond and Loan Proceeds	5,000,000	0	15,000,000	15,000,000	0	0	0	(100.00%)
Interfund Transfers:								
Fund Equity Transfers	0	0	0	0	0	3,350	3,350	0.00%
Subtotal Current Revenues	5,037,280	26,399	15,021,213	15,021,213	24,648	27,998	27,998	(99.81%)
TOTAL RESOURCES	\$5,037,280	\$4,286,455	\$17,142,551	\$17,142,551	\$7,381,621	\$7,384,971	\$9,677,237	(43.55%)
REQUIREMENTS								
Current Expenditures								
Personal Services	\$101,178	\$457,335	\$659,562	\$659,562	\$655,472	\$627,690	\$627,690	(4.83%)
Materials and Services	0	809	0	0	0	0	0	0.00%
Capital Outlay	676,046	1,021,357	14,696,830	14,696,830	5,791,025	5,791,025	6,432,825	(56.23%)
Interfund Transfers:								
Interfund Reimbursements	0	0	190,278	190,278	150,973	150,973	150,973	(20.66%)
Internal Service Transfers	0	0	104,637	104,637	188,236	188,236	188,236	79.89%
Fund Equity Transfers	0	0	0	0	25,000	25,000	25,000	0.00%
Contingency	0	0	1,476,683	1,476,683	556,559	587,691	2,252,513	52.54%
Subtotal Current Expenditures	777,224	1,479,501	17,127,990	17,127,990	7,367,265	7,370,615	9,677,237	(43.50%)
<i>Ending Fund Balance</i>	<i>4,260,056</i>	<i>2,806,954</i>	<i>14,561</i>	<i>14,561</i>	<i>14,356</i>	<i>14,356</i>	<i>0</i>	<i>(100.00%)</i>
TOTAL REQUIREMENTS	\$5,037,280	\$4,286,455	\$17,142,551	\$17,142,551	\$7,381,621	\$7,384,971	\$9,677,237	(43.55%)
FULL-TIME EQUIVALENTS	0.00	6.80	6.25	6.25	5.58	5.33	5.33	(14.72%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(0.92)

Current revenues and fund balance



Oregon Zoo Infrastructure and Animal Welfare Bond Fund

Current expenditures and full-time equivalents



Oregon Zoo Infrastructure and Animal Welfare Bond Fund

In November 2008 the voters of the Metro region authorized the sale of \$125.0 million in general obligation bonds for Oregon Zoo infrastructure and projects related to animal welfare. A small bond of \$5 million was issued in December 2008 under this authorization; another small issue of \$15 million was issued in December 2010. As project planning, design and permitting progresses, additional bonds under this authorization will be issued.

CURRENT REVENUES

Interest earnings

Interest of approximately \$25,000 will be earned on the unexpended balance of bond proceeds and other resources. Bond proceeds are invested in compliance with bond and arbitrage requirements.

Interfund transfers

A transfer from the Health and Welfare account of the Risk Management Fund, equivalent to approximately \$600 per FTE, is provided to help partially offset the cost increase in health benefits.

CURRENT EXPENDITURES

Personal services

This category includes salaries and benefits for 5.33 FTE to implement the Oregon Zoo Bond program. A full-time limited duration position is expected to be eliminated at the end of October 2011, resulting in a 0.67 FTE reduction. Also, 0.25 FTE is transferred back to operations as that portion the work product is completed.

Capital outlay

The capital outlay budget provides for preliminary master planning, land use and permitting costs for all projects, as well as initial construction costs for several projects including the veterinary hospital, improving on-site elephant facilities, more humane enclosures for apes and monkeys and the penguin filtration system.

Interfund Transfers

This category includes charges from the General or Risk Management funds for services received such as legal, payroll, accounting, human resources, finance and communications. In FY 2011-12 the bond fund will also transfer funds to Communications to assist with public involvement and the land use process.

Contingency

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

FUND BALANCE

The fund balance represents unexpended bond proceeds plus interest earned. The balance will decrease as the program goals are achieved.

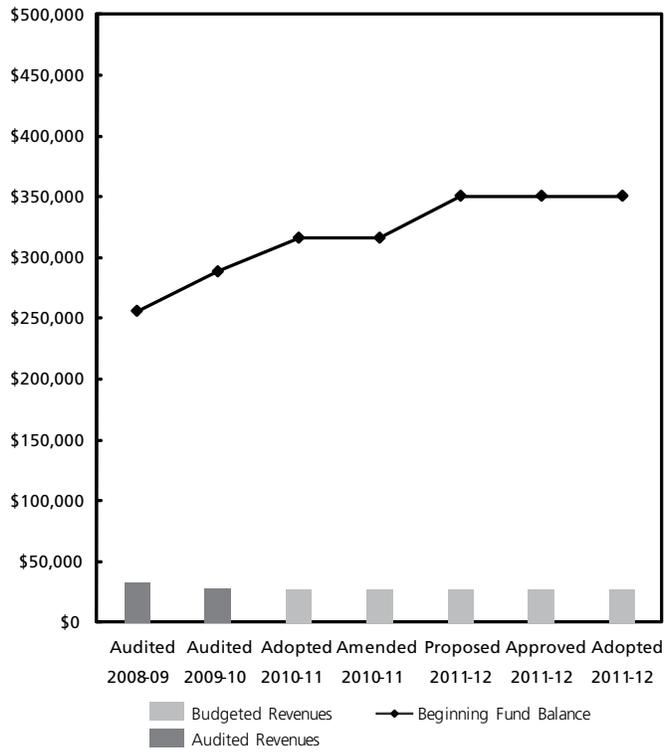
**Pioneer
Cemetery
Perpetual
Care Fund**



Pioneer Cemetery Perpetual Care Fund

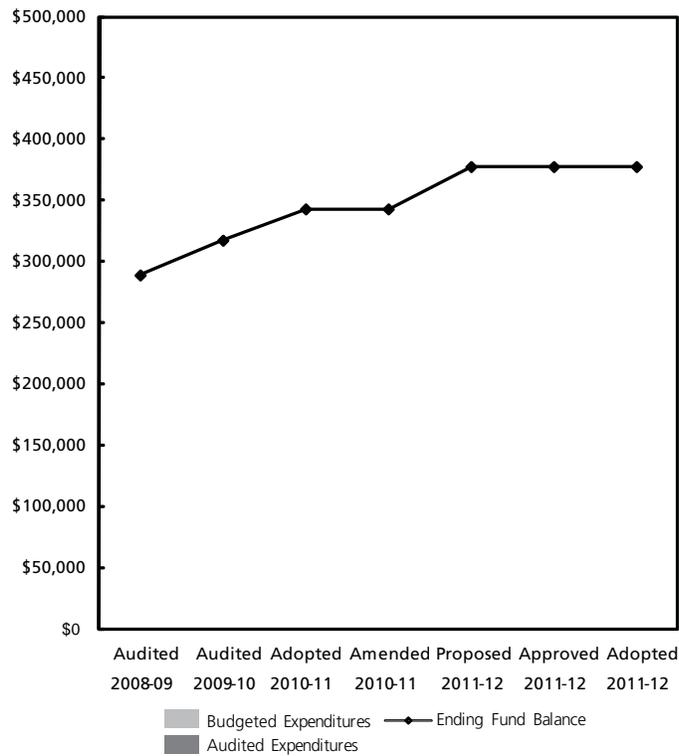
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$256,340	\$288,683	\$316,297	\$316,297	\$350,700	\$350,700	\$350,700	10.88%
Current Revenues								
Other Derived Tax Revenue	24,168	25,497	23,300	23,300	25,000	25,000	25,000	7.30%
Interest Earnings	8,175	2,978	3,163	3,163	1,750	1,750	1,750	(44.67%)
Interfund Transfers:								
Subtotal Current Revenues	32,343	28,475	26,463	26,463	26,750	26,750	26,750	1.08%
TOTAL RESOURCES	\$288,683	\$317,158	\$342,760	\$342,760	\$377,450	\$377,450	\$377,450	10.12%
REQUIREMENTS								
<i>Ending Fund Balance</i>	\$288,683	\$317,158	\$342,760	\$342,760	\$377,450	\$377,450	\$377,450	10.12%
TOTAL REQUIREMENTS	\$288,683	\$317,158	\$342,760	\$342,760	\$377,450	\$377,450	\$377,450	10.12%
FULL-TIME EQUIVALENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

Current revenues and fund balance



Pioneer Cemetery Perpetual Care Fund

Current expenditures



Pioneer Cemetery Perpetual Care Fund

The Pioneer Cemetery Perpetual Care Fund was created in FY 2003–04 to provide financial support for the long-term maintenance of the Metro Pioneer Cemeteries after the cemeteries are no longer receiving revenue from grave sales and burial services. The fund was seeded with a transfer of the Willamina Farmer Family account from the Regional Parks Specials Accounts Fund. This account was a bequest from the family to provide for the long-term maintenance and upkeep of the Farmer Family plot and the Pioneer Cemeteries.

Resolution 08-3943, adopted May 15, 2008, clarified the fund as a permanent fund, restricting the use of the principal. The fund receives revenue from a 15 percent surcharge on grave sales, the maximum amount allowed by state law. No expenditures are anticipated from this fund until grave sites are exhausted at the cemeteries.

A recent review of the cemetery sites shows fewer burial plots remaining than originally thought. The Metro Council will consider pricing strategies and other revenue options in FY 2011-12.

CURRENT REVENUES

Other derived tax revenue

A 15 percent surcharge is added to every grave sale to provide a contribution to the long-term perpetual care of the plot. Revenues have not been increasing significantly because of the temporary suspension of grave sales at Lone Fir and Multnomah cemeteries.

Interest earnings

Interest will be earned on the balance of the fund. Interest is projected at 0.5 percent of the cash balance.

FUND BALANCE

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

**Rehabilitation
and
Enhancement
Fund**

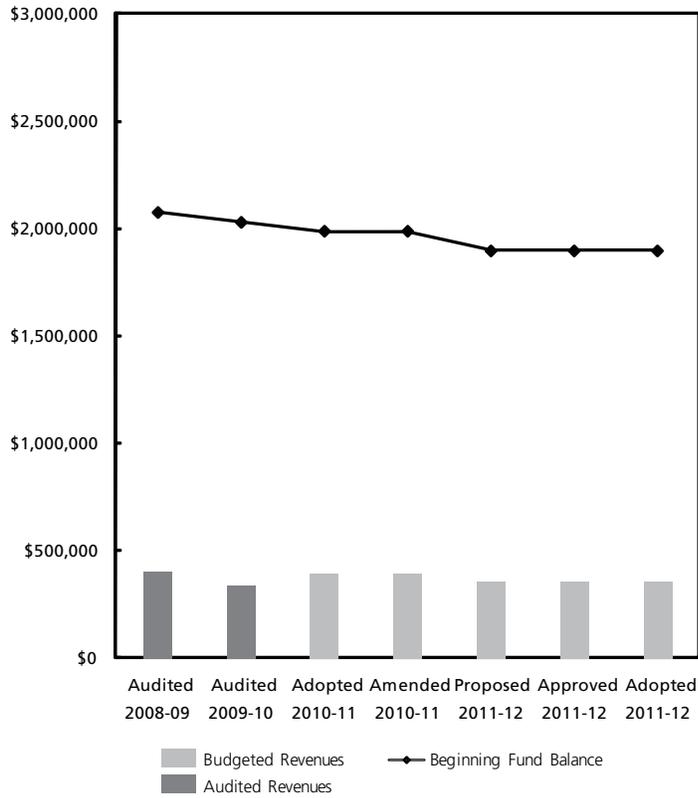


Rehabilitation and Enhancement Fund

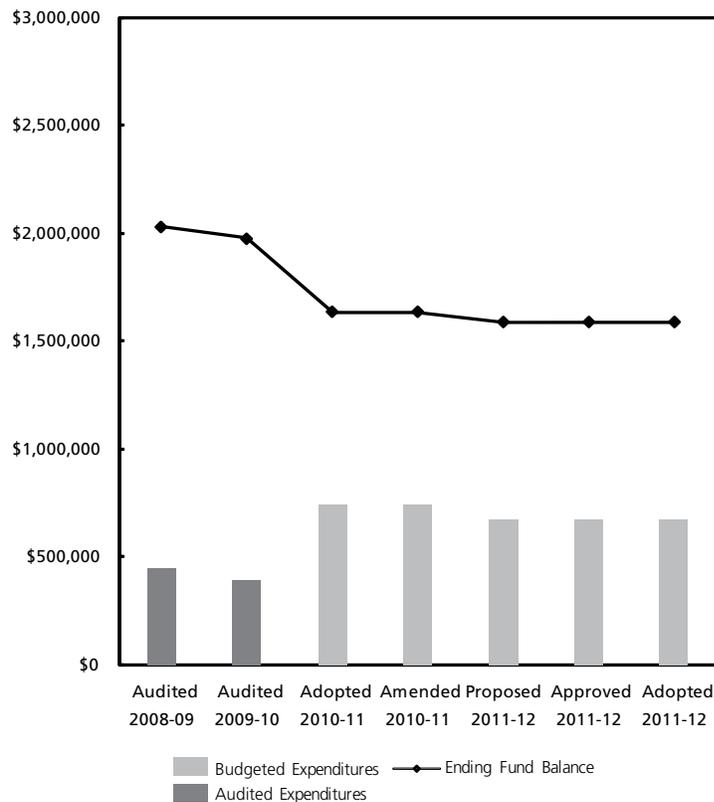
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$2,074,726	\$2,029,329	\$1,988,304	\$1,988,304	\$1,897,631	\$1,897,631	\$1,897,631	(4.56%)
Current Revenues								
Interest Earnings	61,936	19,672	19,883	19,883	9,488	9,488	9,488	(52.28%)
Interfund Transfers:								
Fund Equity Transfers	339,435	316,860	367,984	367,984	348,867	348,867	348,867	(5.20%)
Subtotal Current Revenues	401,371	336,532	387,867	387,867	358,355	358,355	358,355	(7.61%)
TOTAL RESOURCES	\$2,476,097	\$2,365,861	\$2,376,171	\$2,376,171	\$2,255,986	\$2,255,986	\$2,255,986	(5.06%)
REQUIREMENTS								
Current Expenditures								
Materials and Services	\$416,683	\$359,013	\$409,639	\$409,639	\$336,903	\$336,903	\$336,903	(17.76%)
Interfund Transfers:								
Internal Service Transfers	30,085	32,662	32,962	32,962	33,287	33,287	33,287	0.99%
Contingency	0	0	300,000	300,000	300,000	300,000	300,000	0.00%
Subtotal Current Expenditures	446,768	391,675	742,601	742,601	670,190	670,190	670,190	(9.75%)
<i>Ending Fund Balance</i>	<i>2,029,329</i>	<i>1,974,186</i>	<i>1,633,570</i>	<i>1,633,570</i>	<i>1,585,796</i>	<i>1,585,796</i>	<i>1,585,796</i>	(2.92%)
TOTAL REQUIREMENTS	\$2,476,097	\$2,365,861	\$2,376,171	\$2,376,171	\$2,255,986	\$2,255,986	\$2,255,986	(5.06%)
FULL-TIME EQUIVALENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

Rehabilitation and Enhancement Fund

Current revenues and fund balance



Current expenditures



Rehabilitation and Enhancement Fund

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

North Portland Community Enhancement Program: The North Portland Community Enhancement Committee solicits and recommends projects to rehabilitate and enhance North Portland areas surrounding the St. Johns Landfill. Because the landfill no longer generates fees, revenue for this program comes from interest earnings on the fund balance for this account. On a one-time basis, a portion of the St. Johns Landfill gas recovery revenue was dedicated to this program in FY 2005–06. This dedication was to offset the impact of low interest earnings and allow the committee to formulate a long range spending plan for these funds during FY 2005–06. The committee decided to generally continue the policy of spending only anticipated interest earnings. Anticipated earnings more than the budgeted amount will be occasionally maintained to enable the committee to fund more grants during periods of lower interest yields. This year is anticipated to have a lower interest yield, therefore the recommended expected spending of \$16,450 is about \$8,200 more than anticipated interest earnings.

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

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

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

CURRENT REVENUES

Interest

This represents interest earned on the fund balances designated for the North Portland Community Enhancement and Metro Central Enhancement accounts.

Interfund transfers

These funds are the community enhancement fees collected at the solid waste facilities and transferred from the Solid Waste Revenue Fund. Transfers vary from year to year depending upon the solid waste tonnage received.

CURRENT EXPENDITURES

Materials and services

About 45 percent of the materials and services expenditures in this fund is for grants and contractual services. The North Portland and Metro Central Community Enhancement Committees administer programs through grants and contracts with community organizations and others. Most of the remaining expenditures are direct payments to Oregon City and Forest Grove.

Interfund transfers

This represents funds transferred to the Solid Waste Revenue Fund for personal services costs associated with employee staffing of the North Portland and Metro Central Community Enhancement committees.

Contingency

Of the \$300,000 budgeted in FY 2011-12, \$200,000 is allocated for the North Portland Community Enhancement program, which has consistently maintained a higher contingency to provide greater flexibility to finance projects during the fiscal year. The Metro Council, through ordinance, must authorize any use of contingency funds.



**Risk
Management
Fund**

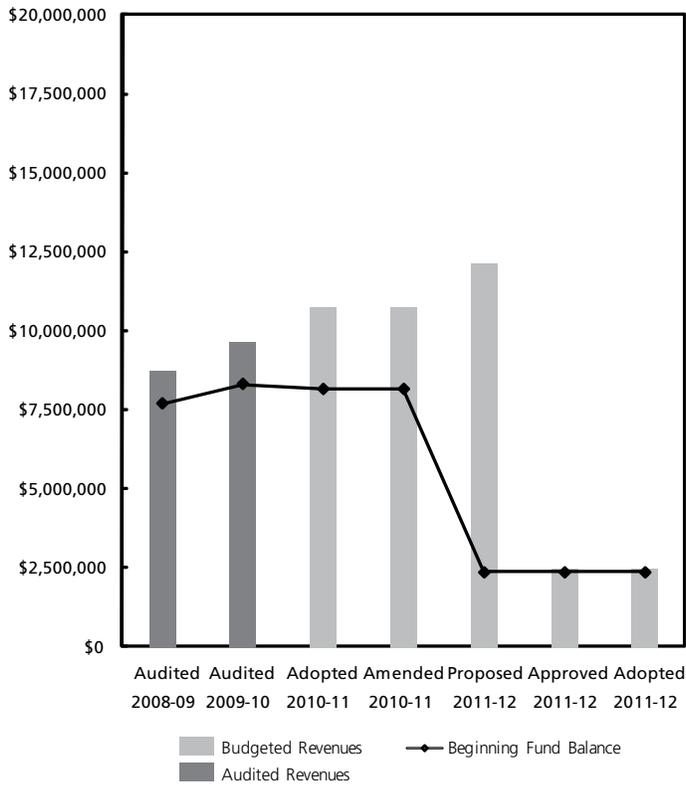


Risk Management Fund

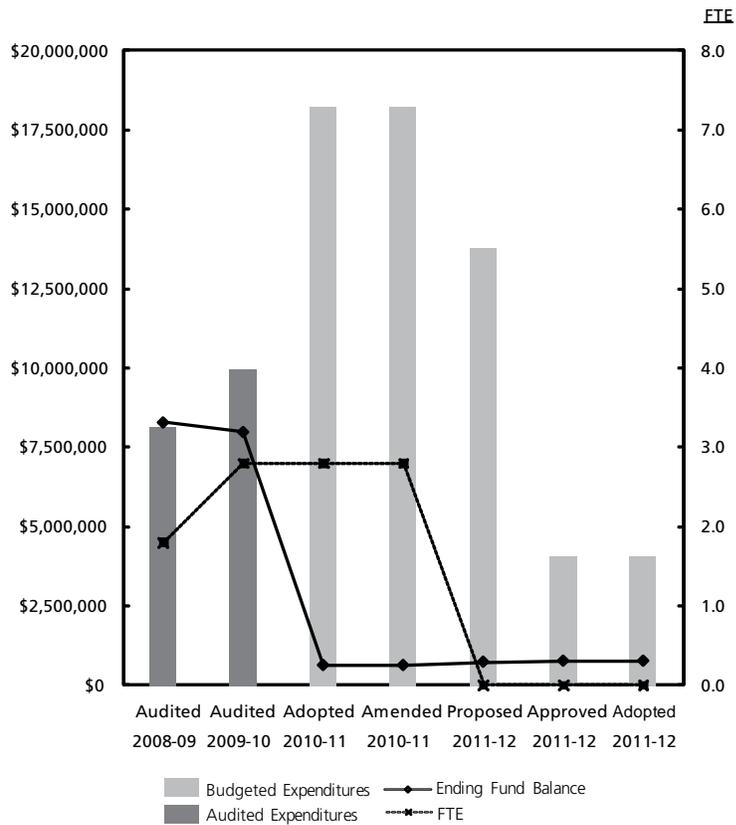
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$7,687,255	\$8,301,172	\$8,142,227	\$8,142,227	\$2,364,250	\$2,364,250	\$2,364,250	(70.96%)
Current Revenues								
Grants	62,320	72,676	50,000	50,000	50,000	50,000	50,000	0.00%
Enterprise Revenue	6,996,780	8,162,567	9,470,278	9,470,278	10,243,471	577,807	577,807	(93.90%)
Interest Earnings	281,032	87,473	25,000	25,000	25,000	25,000	25,000	0.00%
Other Misc. Revenue	529	147,798	5,000	5,000	0	0	0	(100.00%)
Interfund Transfers:								
Interfund Reimbursements	1,397,822	1,100,096	1,125,423	1,125,423	1,756,497	1,756,497	1,756,497	56.07%
Internal Service Transfers	0	61,710	60,672	60,672	62,686	62,686	62,686	3.32%
Subtotal Current Revenues	8,738,483	9,632,320	10,736,373	10,736,373	12,137,654	2,471,990	2,471,990	(76.98%)
TOTAL RESOURCES	\$16,425,738	\$17,933,492	\$18,878,600	\$18,878,600	\$14,501,904	\$4,836,240	\$4,836,240	(74.38%)
REQUIREMENTS								
Current Expenditures								
Personal Services	\$163,677	\$255,546	\$267,152	\$267,152	\$0	\$0	\$0	(100.00%)
Materials and Services	7,960,889	9,679,707	12,231,485	12,231,485	13,240,916	2,815,266	2,815,266	(76.98%)
Interfund Transfers:								
Fund Equity Transfers	0	0	5,225,000	5,225,000	30,000	757,890	757,890	(85.49%)
Contingency	0	0	528,084	528,084	500,000	500,000	500,000	(5.32%)
Subtotal Current Expenditures	8,124,566	9,935,253	18,251,721	18,251,721	13,770,916	4,073,156	4,073,156	(77.68%)
<i>Ending Fund Balance</i>	<i>8,301,172</i>	<i>7,998,239</i>	<i>626,879</i>	<i>626,879</i>	<i>730,988</i>	<i>763,084</i>	<i>763,084</i>	<i>21.73%</i>
TOTAL REQUIREMENTS	\$16,425,738	\$17,933,492	\$18,878,600	\$18,878,600	\$14,501,904	\$4,836,240	\$4,836,240	(74.38%)
FULL-TIME EQUIVALENTS	1.80	2.80	2.80	2.80	0.00	0.00	0.00	(100.00%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(2.80)

Risk Management Fund

Current revenues and fund balance



Current expenditures and full-time equivalents



Risk Management Fund

This fund accounts for the revenues and expenditures related to administration of Metro's Risk Management program including employer insurance. Costs are assessed to all centers and services based on past claims experience and exposure. The fund is managed by Finance and Regulatory Services.

CURRENT REVENUES

Grants

Grant reimbursement is available from the State of Oregon Workers' Compensation Division for wage subsidies and work site modification. The amount of grant revenue depends on the number of qualifying injured workers.

Enterprise revenues

Enterprise revenues include internal charges for service to organizational units for insurance premiums related to unemployment. In FY 2011-12 Metro will change the way it accounts for the costs of employee health insurance. Previously, departments were charged a flat cost per covered employee each month. That revenue was then transferred to the Risk Management Fund, with insurance premiums paid out of the Risk Management Fund. Results of a recent evaluation found this to be an inefficient system that was also likely to be incompatible with certain provisions of the new federal health care act. In FY 2011-12 actual insurance costs will be paid directly out of employees' home departments. This will result in a decrease of more than \$9 million in enterprise revenues to the Risk Management Fund in FY 2011-12 compared to FY 2010-11.

Interest on investments

Interest on investments is forecast at \$25,000 for FY 2011-12.

Interfund transfers

On the revenue side, these transfers represent payments from other Metro programs for their assessed costs of the Risk Management program. In FY 2007-08 Risk Management increased its resources and reserves, changing the assessment method to (1) more accurately transfer insurance costs to the programs utilizing the different lines of insurance and (2) increase resources for total claims costs to ensure funding in accordance with the most recent actuarial report. Claim costs can vary significantly from year to year. In summer 2010 Metro received its latest scheduled independent actuarial report; Metro's Risk Management Fund exceeds the 85 percent confidence goal recommended by the actuary.

CURRENT EXPENDITURES

Personal services

Personal services costs associated with 2.8 FTE move to the General Fund in FY 2011-12. These costs will still be funded through the agency-wide Cost Allocation Plan.

Materials and services

This classification includes the costs for the Liability/Property, Workers' Compensation and Unemployment programs. Each area has experienced an increase in costs over the past several years. In previous years, Health and Welfare premium costs have been charged on a per-FTE basis to departments, with that revenue transferred to the Risk Management Fund and actual premium costs paid out of the fund. Beginning in FY 2011-12, health insurance premiums will be paid directly out of organizational budgets, resulting in a reduction of \$9 million from the Risk Management Fund's materials and services expenditures.

Interfund transfers

During FY 2011-12 the PERS reserve for pension liability, accumulated over the past several years, will be transferred to the General Fund. In addition, a total of \$450,000 will be transferred from the Risk Management Fund's opt out balances to multiple funds to offset \$600 per FTE in health insurance premiums (see Fund Balance, below for more detail).

FUND BALANCE

The Risk Management Fund is required to operate on an actuarially sound basis. Generally accepted accounting principles require that exposure liabilities, once known, be expensed. Although this action reduces the available fund balance, the funds remain with Metro since the liability is "probable" and not yet actually spent. In addition to the available fund balance, the Risk Management Fund in recent years has held \$5.225 million already expensed for probable pollution remediation liability, based on a FY 2003-04 independent evaluation. In FY 2009-10, with the implementation of GASB Statement No. 49 *Accounting and Financial Reporting for Pollution Remediation Obligations*, Metro changed its policy such that funding for pollution remediation obligations are to be maintained in the fund where the liability resides, rather than defaulting to the Risk Management Fund. In FY 2010-11, \$5.225 million held in the Risk Management Fund as an environmental liability was transferred to the Solid Waste Fund, where the money originated. Metro's pollution remediation obligations, as determined by a 2009 actuarial study, are now reflected directly in the Solid Waste and MERC Funds.

In addition, approximately \$533,000 has been expensed for the probable final costs of worker compensation, general liability and property claims. This will be reviewed at the end of FY 2011-12, using a recommended two year actuarial cycle.

In FY 2006-07 Metro expanded the opportunity for represented employees to "opt out" of Metro's health insurance program under certain restrictive conditions. Savings are to be used toward health insurance and wellness costs and are collected in the Risk Management Fund balance. In FY 2011-12 a portion of the opt out balance (\$600 per benefit eligible employee) will be spent to buy down Metro's share of employee health insurance costs. Because, as noted above, health insurance premiums will be paid directly out of organizational budgets, rather than via the Risk Management Fund, this \$600 per employee will be transferred from the Risk Management Fund to the home fund of each Metro employee.



**Smith and
Bybee
Wetlands
Fund**

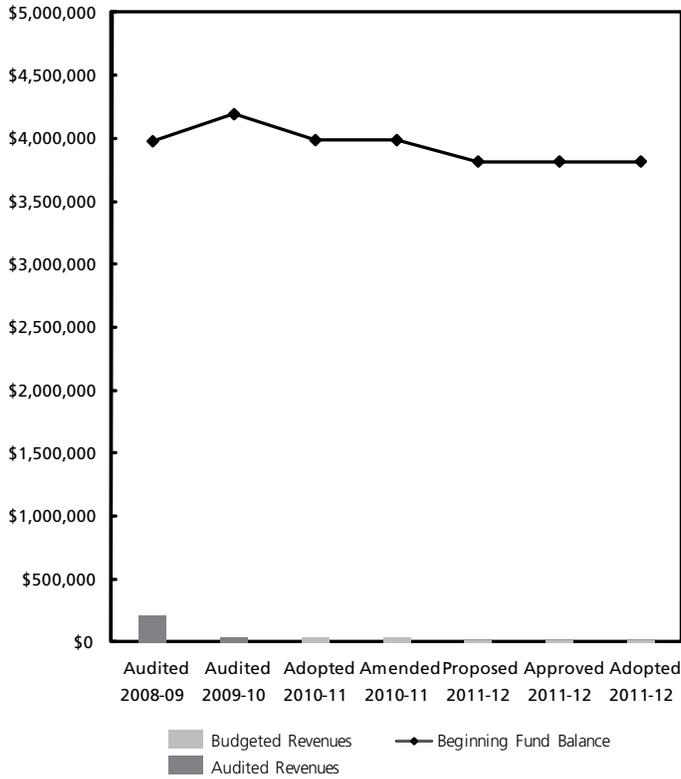


Smith and Bybee Wetlands Fund

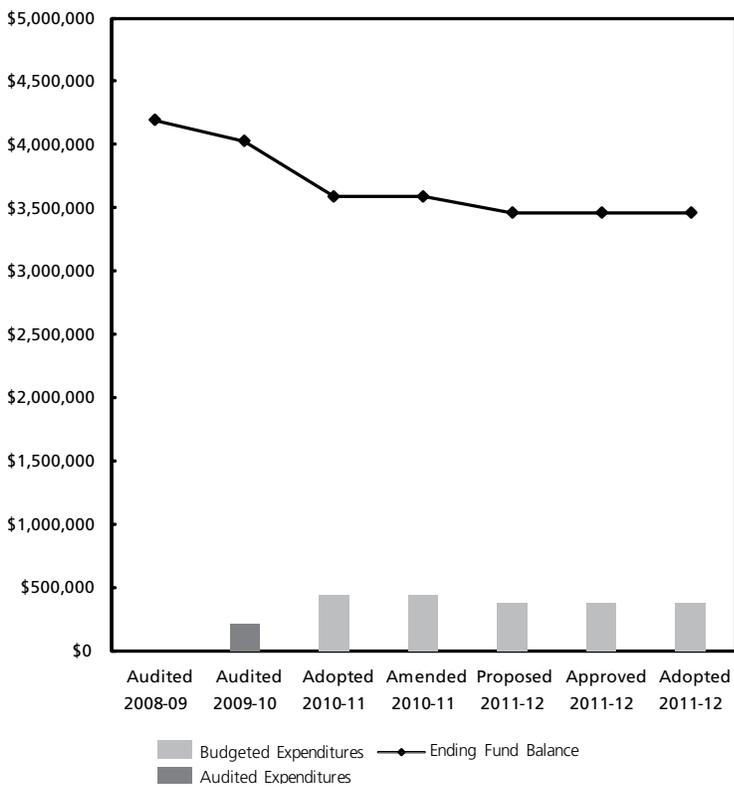
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$3,977,928	\$4,192,361	\$3,987,047	\$3,987,047	\$3,817,257	\$3,817,257	\$3,817,257	(4.26%)
Current Revenues								
Enterprise Revenue	564	0	1,000	1,000	0	0	0	(100.00%)
Interest Earnings	122,129	41,156	39,870	39,870	19,086	19,086	19,086	(52.13%)
Interfund Transfers:								
Internal Service Transfers	91,740	0	0	0	0	0	0	0.00%
Subtotal Current Revenues	214,433	41,156	40,870	40,870	19,086	19,086	19,086	(53.30%)
TOTAL RESOURCES	\$4,192,361	\$4,233,517	\$4,027,917	\$4,027,917	\$3,836,343	\$3,836,343	\$3,836,343	(4.76%)
REQUIREMENTS								
Current Expenditures								
Materials and Services	\$0	\$38,014	\$130,000	\$130,000	\$65,000	\$65,000	\$65,000	(50.00%)
Interfund Transfers:								
Internal Service Transfers	0	169,078	111,379	111,379	112,251	112,251	112,251	0.78%
Contingency	0	0	200,000	200,000	200,000	200,000	200,000	0.00%
Subtotal Current Expenditures	0	207,092	441,379	441,379	377,251	377,251	377,251	(14.53%)
<i>Ending Fund Balance</i>	<i>4,192,361</i>	<i>4,026,425</i>	<i>3,586,538</i>	<i>3,586,538</i>	<i>3,459,092</i>	<i>3,459,092</i>	<i>3,459,092</i>	<i>(3.55%)</i>
TOTAL REQUIREMENTS	\$4,192,361	\$4,233,517	\$4,027,917	\$4,027,917	\$3,836,343	\$3,836,343	\$3,836,343	(4.76%)
FULL-TIME EQUIVALENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								0.00

Smith and Bybee Wetlands Fund

Current revenues and fund balance



Current expenditures



Smith and Bybee Wetlands Fund

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

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

The fund is managed by Parks and Environmental Services.

CURRENT REVENUES

Interest earnings

Interest is earned on the unused portion of the fund balance. Earnings are based on the current rates of Metro's average investment portfolio. For FY 2011-12 the budget assumes an interest rate of 0.5 percent and will generate approximately \$19,000 in earnings.

CURRENT EXPENDITURES

Materials and services

Expenditures in this category depend on the special nature of projects to be completed under the management plan. Several small projects are anticipated for FY 2011-12.

Transfers

The fund reimburses Parks and Environmental Services and the Sustainability Center for costs associated with management and oversight of the natural areas including a small portion of an environmental educator and a natural resource scientist.

FUND BALANCE

Other than interest earnings, the fund has no continuous source of funding. The fund was established as an endowment fund to enable the development and management of the Smith and Bybee Wetlands Natural Area. However, when the management plan was developed, it was known that the existing fund balance would be insufficient to fund fully all current and long-term needs. The fund balance has been relatively stable for several years and will show fluctuations depending on specific program needs.

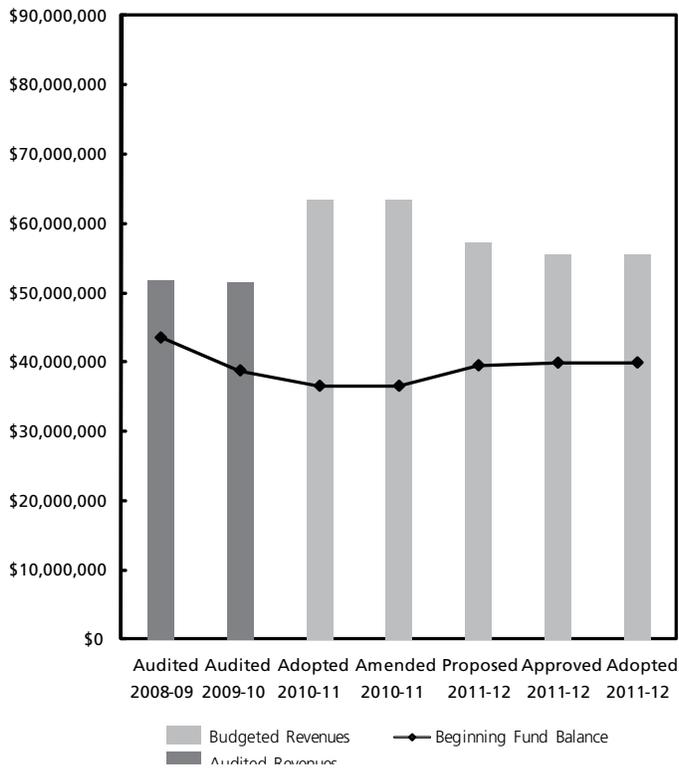
**Solid
Waste
Revenue
Fund**



Solid Waste Revenue Fund

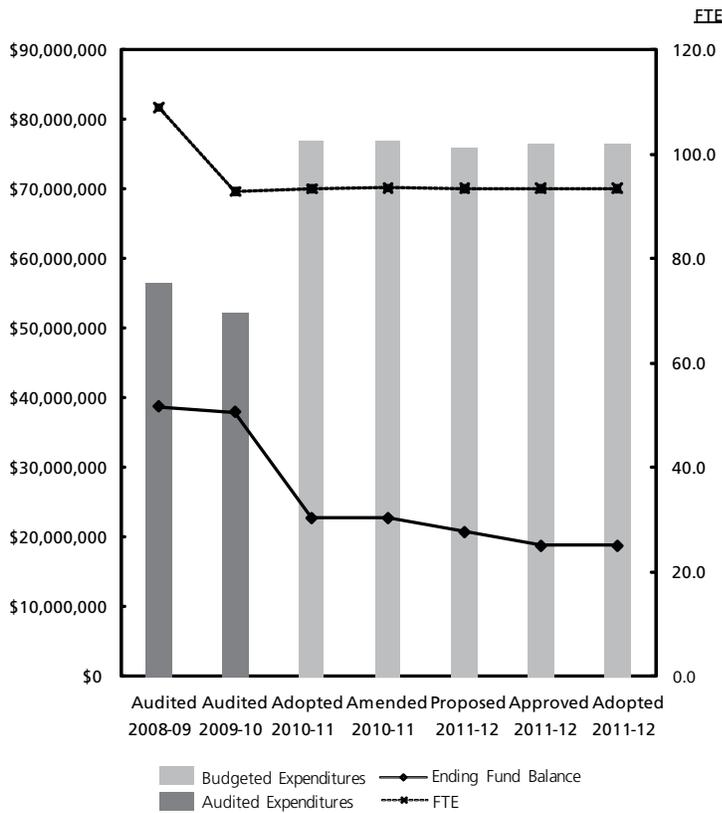
	Audited FY 2008-09	Audited FY 2009-10	Adopted FY 2010-11	Amended FY 2010-11	Proposed FY 2011-12	Approved FY 2011-12	Adopted FY 2011-12	Change from FY 2010-11 Amended
RESOURCES								
<i>Beginning Fund Balance</i>	\$43,528,582	\$38,769,438	\$36,535,502	\$36,535,502	\$39,505,107	\$39,884,107	\$39,914,107	9.25%
Current Revenues								
Grants	2,387	4,093	1,411,752	1,411,752	317,660	317,660	317,660	(77.50%)
Enterprise Revenue	50,361,800	50,816,204	56,057,596	56,057,596	56,508,829	54,684,462	54,684,462	(2.45%)
Interest Earnings	1,157,633	367,099	357,538	357,538	196,526	196,526	196,526	(45.03%)
Donations	25,729	40,537	0	0	0	0	0	0.00%
Other Misc. Revenue	114,621	129,520	33,000	33,000	33,000	33,000	33,000	0.00%
Interfund Transfers:								
Internal Service Transfers	30,085	32,662	32,962	32,962	33,287	33,287	33,287	0.99%
Fund Equity Transfers	39,299	127,140	5,413,487	5,413,487	148,458	204,588	204,588	(96.22%)
Subtotal Current Revenues	51,731,554	51,517,255	63,306,335	63,306,335	57,237,760	55,469,523	55,469,523	(12.38%)
TOTAL RESOURCES	\$95,260,136	\$90,286,693	\$99,841,837	\$99,841,837	\$96,742,867	\$95,353,630	\$95,383,630	(4.47%)
REQUIREMENTS								
Current Expenditures								
Personal Services	\$9,365,624	\$8,464,293	\$9,209,369	\$9,221,364	\$9,706,988	\$9,763,118	\$9,763,118	5.87%
Materials and Services	36,778,061	36,915,015	41,095,063	41,083,068	40,043,954	40,445,580	40,475,580	(1.48%)
Capital Outlay	1,111,432	549,264	5,194,283	5,194,283	3,593,000	3,726,000	3,726,000	(28.27%)
Debt Service	4,697,481	0	0	0	0	0	0	0.00%
Interfund Transfers:								
Interfund Reimbursements	3,473,361	4,090,297	4,353,932	4,353,932	4,363,236	4,363,236	4,363,236	0.21%
Internal Service Transfers	725,304	1,968,050	2,254,915	2,254,915	2,111,472	2,111,472	2,111,472	(6.36%)
Fund Equity Transfers	339,435	316,860	386,386	412,733	1,514,030	1,514,030	1,514,030	266.83%
Contingency	0	0	14,540,763	14,514,416	14,602,745	14,588,745	14,588,745	0.51%
Subtotal Current Expenditures	56,490,698	52,303,779	77,034,711	77,034,711	75,935,425	76,512,181	76,542,181	(0.64%)
<i>Ending Fund Balance</i>	<i>38,769,438</i>	<i>37,982,914</i>	<i>22,807,126</i>	<i>22,807,126</i>	<i>20,807,442</i>	<i>18,841,449</i>	<i>18,841,449</i>	<i>(17.39%)</i>
TOTAL REQUIREMENTS	\$95,260,136	\$90,286,693	\$99,841,837	\$99,841,837	\$96,742,867	\$95,353,630	\$95,383,630	(4.47%)
FULL-TIME EQUIVALENTS	109.00	92.95	93.45	93.60	93.55	93.55	93.55	(0.05%)
FTE CHANGE FROM FY 2010-11 AMENDED BUDGET								(0.05)

Current revenues and fund balance



Solid Waste Revenue Fund

Current expenditures and full-time equivalents



Solid Waste Revenue Fund

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

Metro Ordinance No. 89-319, known as the Master Bond Ordinance and adopted in 1989, placed restrictions on the uses of this fund as a condition of issuing \$28 million in revenue bonds to finance major capital components of Metro's solid waste system. The ordinance set up the following accounts within the fund to facilitate compliance with bond covenants: operating, debt service, debt service reserve, landfill closure, construction, renewal and replacement and general account. Although the bonds were defeased in December 2008, Metro continues to use the account system set up in the Master Bond Ordinance for its budget.

Almost 90 percent of the fund's current revenues consist of fees and charges. Solid waste revenue varies with solid waste tonnage, which in turn is influenced by economic activity and waste recovery efforts. Solid waste generation has declined significantly during the economic downturn. The decline has flattened out, and the tonnage forecast for FY 2011-12 remains at about the same level as the actual tonnage in FY 2010-11, but lower than the amount budgeted for that period. By FY 2012-13 Metro expects to see a return of moderate tonnage growth.

In FY 2011-12 \$29.3 million is budgeted for processing, transporting and landfilling solid waste, a 1.4 percent decrease from the previous year. This represents nearly half (47 percent) of the fund's planned expenditures, excluding contingency.

About \$3.7 million of total current expenditures will be spent on capital projects, as scheduled in Metro's capital budget. The largest project in this fiscal year's capital expenditures is the landfill remediation project at St. Johns Landfill that will start in FY 2011-12 and is expected to continue into FY 2012-13. The next largest project is an expenditure in FY 2011-12 of about \$575,000 to complete and implement the Solid Waste Information System (SWIS) for tonnage data collection and reporting, completing the project at a total cost of \$825,000.

CURRENT REVENUES

Enterprise revenues

Metro's solid waste system is funded largely through three types of user fees: the Regional System Fee, the Metro Tip Fee and transaction fees. The Regional System Fee is imposed on all waste generated in the Metro region and ultimately disposed of for a fee. The Metro Tip Fee is a user charge collected only at Metro transfer stations and includes the Regional System Fee. The Transaction Fee is a flat fee charged on each load of solid waste accepted at the Metro Transfer stations to cover costs that do not vary with the load size, such as scalehouse expenses. In FY 2006-07 Metro implemented a split transaction fee based on two customer classes to allocate scalehouse costs more accurately among users. The transaction fee at the staffed scales (scalehouses) will increase by \$1.00 to \$12.00 per transaction. At the automated scales, the charge will remain \$3.00 per transaction. The rates for FY 2011-12 include a \$0.92 increase in the Regional System Fee to \$17.64 per ton and a \$3.68 increase in the Metro Tip Fee to \$89.53 per ton.

Enterprise revenues include \$1.1 million in service fee revenue from the implementation of the product stewardship law in Oregon, down \$192,000 from FY 2010-11. Metro is a contracted service provider for PaintCare, the paint industry's nonprofit corporation for managing the state's left over paint. The budget includes a new fee for household hazardous waste disposed at the transfer stations. The average household hazardous waste load will cost \$5.00 to dispose. Cleanup events around the region will remain free.

Total enterprise revenues are projected to decrease by about 2.5 percent (\$1.4 million) from the FY 2010-11 budget.

Interest

Interest earnings were calculated using the current rate of return on Metro's investment portfolio and are expected to produce \$196,500, a decrease of \$61,000.

CURRENT EXPENDITURES

Personal services

The 93.55 FTE budgeted total represents a 0.05 FTE decrease from the prior fiscal year. This decrease is the net impact of program reorganization strategies. A limited duration position (0.15 FTE) for the Metro Climate Initiatives expired in June 2011. The position, shared with the Research Center, has been transferred fully to the Research Center in FY 2011-12 to continue greenhouse gas work under House Bill 2001. The FY 2011-12 budget adds a 0.10 FTE as a result of reorganization of functions within the Property and Project Management Program.

Materials and services

Materials and services are budgeted to decrease by approximately 1.5 percent (\$607,500) from the FY 2010-11 budget. This decrease is primarily due to lower operating costs related to the solid waste tonnage disposal operation. The FY 2011-12 forecast for tonnage delivered to Metro facilities is 6.5 percent below the FY 2010-11 budget forecast. The reduction in tonnage disposal costs is partially offset by cost-of-living increases in the contracts for processing, transporting and landfilling solid waste.

The FY 2011-12 budget continues FY 2010-11 changes to the Hazardous Waste program, both the collection program and the Metro Paint recycling facility, to implement the Oregon PaintCare program.

Capital outlay

This category mainly includes the purchase of equipment and capital improvements at Metro solid waste facilities. Capital improvements are scheduled in Metro's capital improvement plan.

Capital expenditures are segregated into three categories. The Solid Waste General Account expenditures are typically new capital assets intended to improve the efficiency and effectiveness of Metro's two transfer stations. Projects for FY 2011-12 at Metro Central include improvements to the organics/food handling area and to the stormwater system and the addition of a tarping station. Projects at Metro South include completion of a new access lane and improvements to the lighting. Both Metro South and Central are extending the canopy cover in the household hazardous waste areas. The General Account also includes the SWIS database project for tonnage data collection and reporting.

Projects in the Renewal and Replacement Account are undertaken to realize the optimal life span of capital assets. FY 2011-12 projects at Metro Central include an emergency generator, new roll-up doors and replacement of the household hazardous waste building roof. Projects at Metro South include lighting replacement. Both Metro Central and South plan to replace the current radiation detection system. Renewal and Replacement funding also covers the vehicle and equipment needs of the enforcement division.

The projects funded or identified in the Landfill Closure Account are limited to projects needed to close St. Johns Landfill or implement post-closure monitoring. Projects for FY 2011-12 are mostly established, ongoing projects including perimeter stabilization and landfill remediation.

Debt service

The debt service category previously included the necessary payments for the Solid Waste and Recycling's bonded debt which was defeased in December 2008.

Transfers

Transfers to other funds include internal service charges for central services and for Geographic Information System services provided by the Research Center. Since the implementation of the Sustainable Metro Initiative in the FY 2009-10 budget, this category also includes direct cost transfers for solid waste activities provided by other Metro services or centers. A one-time transfer of approximately \$1.1 million to the General Fund consolidates PERS Reserves from all funds to facilitate central management of these funds.

Contingency

The operating contingency is funded to cover unanticipated cost spikes or tonnage (revenue) losses. For FY 2011-12 the operating contingency, which represents 13.7 percent of total contingency, is budgeted at \$2.0 million. The remaining 86.3 percent in contingency consists of restricted funds in the Renewal and Replacement and St. Johns Landfill accounts.

FUND BALANCE

The unappropriated ending fund balance of \$18.8 million consists of designated and restricted funds. Approximately 43 percent of the balance is reserved for rate stabilization and available as working capital to meet cash flow needs. The capital reserve account represents 29 percent of the total fund balance. In addition, 28 percent of the ending balance is reserved for probable Environmental Impairment Liability. This was a new reserve in the FY 2010-11 Solid Waste Revenue Fund budget. The reserve was previously included in the Risk Management Fund and transferred to the Solid Waste Revenue Fund to comply with the new GASB Statement No. 49.

Capital Improvement Plan

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Capital Improvement Plan

Fiscal Year 2011-12 through FY 2015-16

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OVERVIEW OF PROCESS

Metro's capital budget process involves four phases described below and in the accompanying capital budget calendar.

Phase 1– Capital requests

The foundation for the capital improvement plan (CIP) is the capital project requests from operating units. To develop these requests, centers and services inventory existing capital assets, prepare a status report on current capital projects and assess future capital needs. The capital project requests, status report, list of unfunded projects and major assets inventory comprise the capital budget submission.

Phase 2– Financial forecasts

In conjunction with the program budget, operating programs and the financial planning division prepare five-year financial forecasts that are used to evaluate each program's funding capacity for operating needs and the capital projects requested.

Phase 3– Chief Operating Officer review, capital budget development

After the centers and services submit project requests, the financial planning division makes a technical review, including an assessment of Metro's capacity to fund the requested projects based on five-year forecasts. The Chief Operating Officer reviews and includes selected projects in the proposed budget.

Phase 4– Council review and capital budget adoption

The Metro Council reviews the proposed capital projects and acts on the proposed CIP following a public hearing. The Council adopts the five year plan in its entirety and makes appropriations for the first year through budget adoption. Changes to the plan require Council action by resolution or ordinance, depending on the circumstance.

Because appropriations for projects are included in the annual budget, capital projects included in the first year of the capital budget are reviewed as the Council considers the proposed budget.

OVERVIEW OF DOCUMENT

This section contains Metro’s plan for FY 2011-12 through FY 2015-16. It also includes summaries for any project costs incurred prior to FY 2011-12. The document is divided into the following sections:

Overview

This section presents an overview of the capital budget including summary information on sources of capital project funding and uses.

Organizational unit summaries and analysis

Organized by center or service, this section identifies all capital projects and analyzes the funding capacity.

Lists of unfunded projects

Projects that were not included in the budget for lack of funding, insufficient details or further needs assessment are presented in this section. Centers and services may request that these projects be included in future plans as funding becomes available or project scope is further defined.

Current projects status reports

This section presents information on the status of capital projects which were previously authorized and scheduled for completion by the end of FY 2010-11.

Capital Asset Management Policies

In 2001 Metro Council adopted the Capital Asset Management Policies. These are reviewed annually as part of the budget process. In June 2008 the Metro Council increased the capital project threshold to \$100,000, consistent with the state’s definition of “public improvement.”

Project detail sheets available

Previously, the major capital assets inventories and project details were included in this document. To conserve resources, this information is now available upon request. In addition, the project detail sheets, including detailed descriptions of each capital project, are now available in a database.

CAPITAL BUDGET CALENDAR

Key Tasks	Task Completion
Financial Planning division issues capital budget instructions	October
Organizational units submit capital project requests, current projects status reports and list of unfunded projects	December
Financial Planning division completes evaluation of organizational units requests and prepares financial projections	December–February
Chief Operating Officer review and discussion	February
Proposed capital budget document forwarded to Council	April
Budget review meetings	April
Council holds public hearing and adopts capital budget	June
Adopted first year projects incorporated into FY 2011-12 adopted budget	June

Adopting Resolution

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE)	RESOLUTION NO. 11-4274
CAPITAL IMPROVEMENT PLAN FOR FISCAL)	Introduced by Dan Cooper, Acting
YEARS 2011-12 THROUGH 2015-16)	Chief Operating Officer with
)	concurrence of the Council President

WHEREAS, Metro recognizes the need to prepare a long-range plan estimating the timing, scale and cost of its major capital projects and equipment purchases; and

WHEREAS, Metro centers and services have inventoried existing major capital assets, prepared status reports on current capital projects and assessed future capital needs; and

WHEREAS, Metro’s Chief Operating Officer has directed the preparation of a Capital Improvement Plan for fiscal years 2011-12 through 2015-16 that projects Metro’s major capital spending needs over the next five years, assesses the impact of capital projects on the forecasted financial condition of Metro funds, and assesses the impact on operating costs; and

WHEREAS, the Metro Council has reviewed the FY 2011-12 through FY 2015-16 Capital Improvement Plan; and

WHEREAS, the Metro Council approves the projects funded by the Tourism Opportunity and Competitiveness Account (MTOCA); and

WHEREAS, there are three projects scheduled from MTOCA included in FY 2011-12 ; and

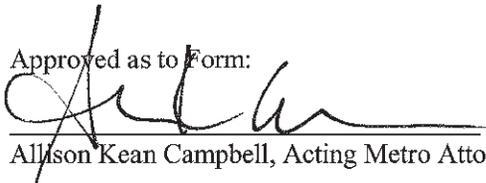
WHEREAS, the Metro Council has conducted a public hearing on the FY 2011-12 budget including the FY 2011-12 through FY 2015-16 Capital Improvement Plan; now therefore

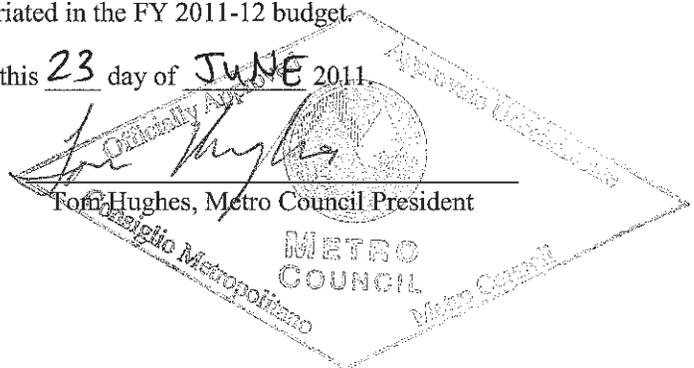
BE IT RESOLVED that the Metro Council hereby authorizes the following:

1. That the FY 2011-12 through FY 2015-16 Capital Improvement Plan, summarized on Exhibit A, is hereby adopted.
2. That the projects listed with MTOCA funding in FY 2011-12 are approved.
3. That the FY 2011-12 capital projects from the FY 2011-12 through FY 2015-16 Capital Improvement Plan be included and appropriated in the FY 2011-12 budget.

ADOPTED by the Metro Council this 23 day of JUNE 2011.

Approved as to Form:


 Allison Kean Campbell, Acting Metro Attorney





A capital project is defined in the capital improvement plan (CIP) as any physical asset acquired or constructed by Metro with a total capital cost of \$100,000 or more and a useful life of at least five years. The CIP for FY 2011-12 through FY 2015-16 includes 119 capital projects at a total cost of about \$295.2 million.

During FY 2008-09 Metro reorganized. Like functions were consolidated, producing efficiencies in operations and creating centers of operations rather than departments. The following crosswalk relates the former capital budget organization to the new organization and programs:

Former Department	New Organization Unit	Program
Finance/Metro Regional Center	Parks and Environmental Services	Property Services
Information Technology	Information Services	Information Services
Visitor Venues	Oregon Convention Center	Convention, Trade and Consumer Shows
	Oregon Zoo	Zoo Visitor Experience
	Oregon Zoo	Zoo Infrastructure and Animal Welfare Bond
	Portland Center for the Performing Arts	Performing Arts, Arts and Culture
	Portland Expo Center	Convention, Trade and Consumer Shows
Planning	Research Center	Research Center
Regional Parks and Greenspaces	Parks and Environmental Services	Parks and Natural Areas Management
	Sustainability Center	Natural Areas
	Sustainability Center	Parks Planning and Development
Solid Waste and Recycling	Parks and Environmental Services	Solid Waste Operations
	Sustainability Center	Resource Conservation and Recycling

In FY 2010-11 Metropolitan Exposition Recreation Commission (MERC) capital projects were included in the CIP to increase transparency and accountability. This CIP includes full reporting for Visitor Venues-MERC projects including current project status reports and unfunded projects that were not available in the previous year. The MERC venues are now combined with the Oregon Zoo in the Visitor Venues organizational unit. This year's CIP begins the transition to this new organizational structure.

During FY 2010-11 numerous projects were completed or near completion by fiscal year end. The zoo completed the finishing touches to the *Red Ape Reserve*. The zoo bond completed the penguin filtration replacement as well as the water main replacement. Information Services finished combining the MERC and Metro internet domains for more efficient communications and finished the upgrade to Metro's enterprise productivity platform that moved Metro from Groupwise to Outlook, provided for ongoing licensing upgrades to office software and installed SharePoint for more efficient workgroup activities. MERC completed reroofing of the Arlene Schnitzer concert hall. Parks and Environmental Services substantially completed Graham Oaks Nature Park; the repairs to the parking structure and the new conference room for Council are complete.

Some of the Zoo Bond projects do not yet appear in the CIP because construction will not begin for more than five years. The Natural Areas acquisitions slowed down in the sixth year. This reflects the spending down of the proceeds from the first bond issue; spending will resume at higher levels when the remaining bonds are sold.

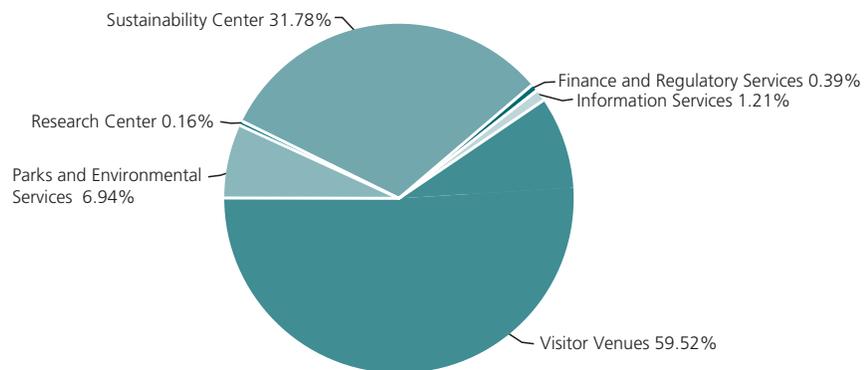
Caring for Metro's current assets is an absolute priority. At the Council's direction Metro has moved carefully and deliberately to evaluate and fund the renewal and replacement requirements for the major operating funds. Significant new capital acquisition and construction have relied on bonded debt financing. The General Fund does not have a new capital project reserve at this time, making decisions about smaller capital acquisitions and construction projects in the range of \$1 million to \$10 million more difficult.

Projects costs by organization unit

	Total Projects	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	TOTAL	
Finance	3	285,000	705,000	-	40,000	30,000	30,000	1,090,000	
Information Services	4	1,137,787	818,973	431,400	232,638	496,437	493,485	3,610,720	
Visitor Venues-MERC	46	874,360	2,495,366	4,045,000	3,890,000	5,030,000	1,930,000	18,264,726	
Visitor Venues-Oregon Zoo	25	9,303,185	10,432,940	29,414,564	33,047,713	17,427,472	13,940,520	113,566,394	
Parks and Environmental Services	36	5,118,261	4,322,737	5,984,593	2,767,058	717,460	386,412	19,296,521	
Research Center	2	961,192	77,000	91,200	57,000	44,000	63,000	1,293,392	
Sustainability Center	3	73,105,909	21,039,000	21,292,644	20,937,532	1,685,259	-	138,060,344	
TOTAL	119	90,785,694	39,891,016	61,259,401	60,971,941	25,430,628	16,843,417	295,182,097	
FIVE YEAR TOTAL, FY 2011-12 through FY 2015-16			\$204,396,403						

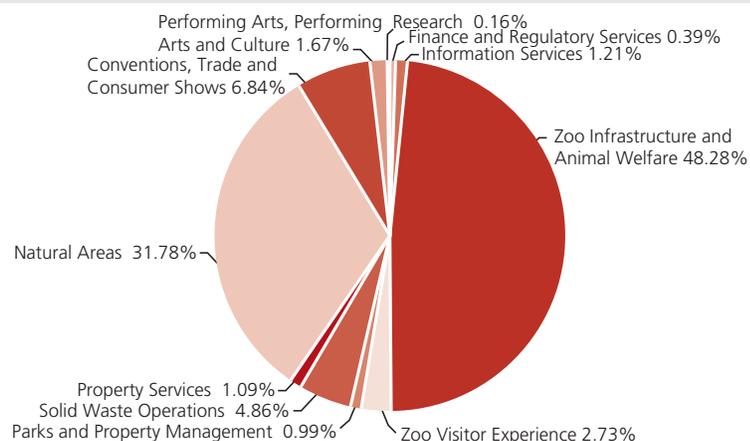
The summary table above presents the capital projects by organizational unit by year. The “Total” column represents all project costs, including expenditures in all prior years. This year’s CIP is dominated by bond funded projects and renewal projects.

Projects costs by organizational unit



The Sustainability Center includes funding for land purchases and trail construction at Blue Lake. Parks and Environmental Services includes the solid waste operations, parks renewal projects and projects for the Metro Regional Center. The Oregon Zoo projects reflect passage of the bond measure and include the expected construction of two of the approved projects. MERC includes capital projects for the Oregon Convention Center, Portland Center for the Performing Arts and the Expo Center.

Capital expenditures by budget program



The chart above shows the percent of expenditures by program. The largest two programs, Natural Areas and the Zoo Infrastructure and Animal Welfare, are the programs expending bond proceeds. The next highest expenditures are in the Convention, Trade and Consumer Shows, Visitor Venues-MERC projects that include replacement and upgrades. Next is the Solid Waste Operations program, which

includes new Solid Waste projects, landfill remediation and renewal and replacement projects. Zoo Visitor Experience and Information Services projects are predominantly renewal and replacement projects.

SOURCES OF FUNDS

Overview

The funding for these capital projects varies by project and center.

The Solid Waste Information System project consolidates various databases used in the solid waste operations of Metro. This consolidation is expected to bring efficiencies in data analysis, tax collection and reporting for the solid waste system including both Metro operations and private facilities. This project is located in Finance and Regulatory Services, which manages rate setting and data collection and maintaining for the regional solid waste system, and is funded by Solid Waste Fund capital reserves.

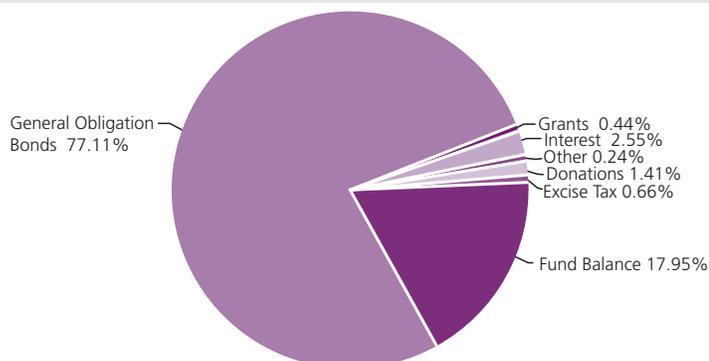
Information Services projects in this capital budget consist predominantly of renewal and replacement for existing equipment and software funded by the General Asset Management Fund, Renewal and Replacement Account reserves and contributions.

Most of the Visitor Venue-MERC projects are focused on keeping the MERC facilities in top condition to insure their competitive edge as well as meeting their responsibility to care for the public's assets. During FY 2010-11 MERC adopted a new reserve policy that segregated existing fund balance into various reserves including renewal and replacement. This segregation allows MERC facilities to plan projects more consistently with dependable funding. Metro provides funding in the form of the Metro Tourism Opportunity Competitive Account (MTOCA) for projects that help the convention center maintain its competitive edge. Portland Center for the Performing Arts' projects are funded by accumulated renewal and replacement reserves, funds awarded by the Friends of the Performing Arts Center and support from the City of Portland, which owns the buildings.

Visitor Venues-Oregon Zoo new capital projects are primarily funded by the Oregon Zoo Infrastructure and Animal Welfare Bond. The Veterinary Medical Center will be completed in FY 2011-12, improving health care for the animals. New equipment provided by The Oregon Zoo Foundation completes this important project. The Oregon Zoo Foundation is also funding a renovation of the Aviary Marsh Mesh exhibit. All renewal and replacement projects are funded by Renewal and Replacement Account balance in the the General Asset Management Fund, and the allocated contributions to that fund. Several small capital expenditures, funded by fund balance and donations, will increase zoo revenues.

Care for many of Metro's facilities is now consolidated in Parks and Environmental Services including all existing parks, the Metro Regional Center and the Solid Waste Operations. Parks and Metro Regional Center projects are renewal and replacement

Major funding sources



Major funding sources

	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	TOTAL
Donations	\$622,360	\$1,562,066	\$140,000	\$210,000	\$975,000	\$0	\$3,509,426
Excise Tax	90,000	455,000	0	600,000	300,000	0	\$1,445,000
Fund Balance and Reserves	6,215,396	8,436,023	10,835,557	7,074,031	5,826,369	3,780,417	\$42,167,793
General Obligation Bonds	81,654,918	28,300,937	44,993,232	53,030,910	18,285,259	13,000,000	\$239,265,256
Grants	1,241,828	898,990	0	0	0	0	\$2,140,818
Interest	0	0	5,199,412	0	0	0	\$5,199,412
Other	961,192	238,000	91,200	57,000	44,000	63,000	\$1,454,392
TOTAL	\$90,785,694	\$39,891,016	\$61,259,401	\$60,971,941	\$25,430,628	\$16,843,417	\$295,182,097

in nature and are funded by the Renewal and Replacement Account balance, grants from partner governments and allocated contributions to that fund. Solid Waste Operations generally relies on fund balance or capital reserve accounts. Funding for these projects is considered when setting the disposal rate. These reserves are kept in three accounts: General Account for new projects; Renewal and Replacement for replacement of existing equipment and facilities; and Landfill Closure for projects associated with the closed St. Johns Landfill. In addition, the U.S. Army Corps of Engineers is supporting the landfill dike stabilization.

The Research Center equipment is funded by fund balance, grant allocations and enterprise revenues.

The Sustainability Center performs the planning and development of new parks projects as well as purchasing land from the proceeds of the Natural Areas Bond.

General Obligation Bonds

The Natural Areas and Oregon Zoo Infrastructure and Animal Welfare bond proceeds provide for 77.1 percent of the funding for CIP projects.

Fund balance

The second largest source of funds for capital projects, about 17.6 percent of total funds, is fund balance. This funding source has increased as a percentage of the total with the establishment of a General Fund Renewal and Replacement account. Fueled by a \$5.7 million transfer in FY 2007-08, the budget now provides for a level annual contribution for all General Fund centers and services, no matter what projects start in any given year. This financing technique is particularly well suited for small-to medium-sized projects with a useful life of less than 20 years. This source of funding is increased further by MERC's establishment of a dedicated renewal and replacement reserve in 2011.

Excise tax

General Fund excise tax, about 0.66 percent of total funding, is tax allocated for capital use through the annual budget process. Expenditures include general renewal and replacement, parks facilities and capital projects at MERC aimed at maintaining competitive advantage at the Oregon Convention Center.

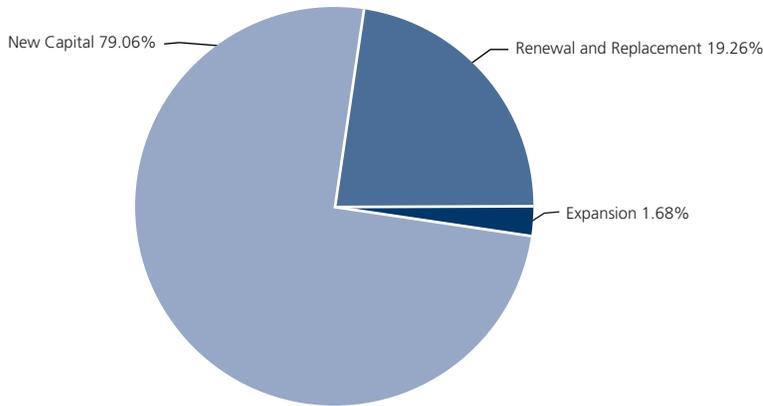
Grants

Grants comprise about 0.44 percent of total funding for capital projects, funding part of the 40 mile loop project at Blue Lake and the dike stabilization at St. Johns Landfill.

Interest

This category comprises mainly interest earned on bond proceeds from Natural Areas. Interest can also be earnings on specified reserves for a project. This source makes up about 2.5 percent of overall project funding.

Funding by project type



Funding by project type

	Total Projects	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	TOTAL
Expansion	6	507,934	421,366	2,003,851	1,000,000	-	-	\$3,933,151
New Capital	31	84,148,021	31,138,347	50,345,644	52,733,910	16,988,259	10,400,000	245,754,181
Renewal and Replacement	82	6,129,739	8,331,303	8,909,906	7,238,031	8,442,369	6,443,417	45,494,765
TOTAL	119	90,785,694	\$39,891,016	\$61,259,401	\$60,971,941	\$25,430,628	\$16,843,417	\$295,182,097
FIVE YEAR TOTAL, FY 2011-12 through FY 2015-16					\$204,396,403			

Donations

This category comprises mainly donations by The Oregon Zoo Foundation and the PCPA Foundation providing 1.4 percent of overall funding.

Other

Other financing sources represent 0.2 percent of the total funds allocated to capital projects.

USES OF FUNDS

Capital projects in the capital budget consist of facilities (purchase, construction or improvements), land acquisitions and equipment purchases of \$100,000 or more. Of the 119 projects, 79.1 percent of expenditures are for new acquisition or construction. About 2 percent is for expansion or remodeling projects and 19.3 percent is for renewal and replacement projects.

Facilities

About 61 percent of total funds is allocated to a variety of facility projects. These projects include the replacement, renovation, expansion or new construction of buildings, exhibits, roadways, trails and other infrastructure. As with other capital projects, these capital assets must have a minimum useful life of five years. This eliminates routine maintenance and repair projects, which are treated as operating expenses. The zoo's projects account for about 81 percent of the total projects in this category, followed by Parks and Environmental Services at 9 percent, MERC at 9 percent and Sustainability Center projects at 1 percent.

Equipment

About 8 percent of funds for capital projects are allocated to stand-alone equipment and furnishings. As with other capital projects, equipment can only qualify for capital budget consideration if it costs \$100,000 or more and has a useful life of five

years or more. Equipment required for new facilities is reflected in the costs of those facilities. MERC's projects are the highest at about 42 percent. Next highest at about 18 percent of the equipment category are the needs of solid waste operations in Parks and Environmental Services, followed by the the Oregon Zoo at 17 percent and by the Information Services at 16 percent. Finance's Solid Waste Information System project comprises 5 percent; the Research Center 3 percent. Smaller capital items such as vehicles and grounds equipment are usually included in renewal and replacement.

Land

The remaining \$63.9 million (31 percent) is allocated to land acquisition or improvements and is funded by Natural Areas bond proceeds and managed by the Sustainability Center.

Restoration

A small amount of the zoo's capital budget is devoted to restoration, which is usually restoration of interpretive artwork.

ANNUAL OPERATING BUDGET IMPACT SUMMARY

Each program estimates the net impact on operating costs resulting from each capital project. The impact is shown in 2010 dollars for the first full year of operation following completion of the project. The first table below is a summary of operating impacts by major budget category for all projects in the capital budget.

The second chart lists the projects with operating impact by operating center. Several small projects are expected to produce positive cash flows at the Oregon Zoo by increasing attendance. Metro, overall, will have a negative net contribution to operations of \$271,659 to \$295,180 per year from the cost increase to operations as a result of the additional natural area acquisitions and the new Natural Areas Information System and additional parks expenses.

Annual operating budget impact

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	TOTAL
Revenues	0	215,270	221,728	228,380	235,231	900,609
Expenditures						
Personal Services	0	19,570	20,157	20,761	21,385	81,873
Materials and Services	0	459,359	472,839	486,725	501,026	1,919,949
Renewal and Replacement	0	8,000	8,000	8,000	8,000	32,000
TOTAL EXPENDITURES	0	486,929	500,996	515,486	530,411	2,033,822
NET CONTRIBUTION (Cost)	0	(271,659)	(279,268)	(287,106)	(295,180)	(1,133,213)

Annual net operating impact by project

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	TOTAL
OREGON ZOO						
Zoo Capital Projects under \$100,000	0	166,376	171,368	176,509	181,803	696,056
TOTAL OREGON ZOO	0	166,376	171,368	176,509	181,803	696,056
SUSTAINABILITY CENTER						
Natural Area Acquisition	0	(420,035)	(432,636)	(445,615)	(458,983)	(1,757,269)
Natural Area's Information system	0	(10,000)	(10,000)	(10,000)	(10,000)	(40,000)
40-Mile Loop Trail Construction at Blue Lake Park	0	(8,000)	(8,000)	(8,000)	(8,000)	(32,000)
TOTAL SUSTAINABILITY CENTER	0	(438,035)	(450,636)	(463,615)	(476,983)	(1,829,269)
TOTAL	\$0	(\$271,659)	(\$279,268)	(\$287,106)	(\$295,180)	(\$1,133,213)

Organizational unit summaries and analysis

This section contains the project summaries for each service or center. In addition, the section analyzes the operational capacity to fund both the capital costs and the operating costs for the long term.

Total projects summary by year

Each section begins with a complete listing, in priority order, of the projects contained in the current capital budget. The chart shows the expected expenditures by year, the total of all years including prior years and the five-year total.

Overview of projects

The narrative addresses significant issues regarding each unit's capital budget. The overview includes information about:

- New projects that are in the capital budget proposal.
- Changes in timing and scope of projects previously listed.

Current project status

The status of projects that were expected to complete in the prior fiscal year.

Project funding

This section of the narrative discusses the sources of funding for the various projects and any significant funding issues.

Operational impact

The narrative discusses the change in operational costs as a result of the projects and refers to the Cumulative Net Impact on Operating Costs chart if there is an operating impact.

The contribution to the General Fund Renewal and Replacement Account increases by the Consumer Price Index each fiscal year for the existing assets. When new assets are added, the contribution also increases. The increase for FY 2011-12 is \$233,000: \$100,000 for general new asset replacement needs, \$115,000 for PES fleet management and \$8,000 for Parks and Environmental Services rental houses.

Unfunded projects

Projects included on these lists are those projects which were deemed worthy of future consideration but were not included in the CIP for one of the following reasons: (1) funds not identified to finance the project, (2) scope of the project requires further definition or (3) alternatives need to be explored. As funds become available or projects are refined, programs may request their inclusion.



**Finance and
Regulatory
Services**



Total projects summary by year

	ID	Priority	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
GENERAL RENEWAL AND REPLACEMENT FUND									
Inventory R&R and Assets	Temp516	1	0	100,000	0	0	0	0	100,000
TOTAL GENERAL RENEWAL AND REPLACEMENT FUND			0	100,000	0	0	0	0	100,000
SOLID WASTE GENERAL ACCOUNT									
Solid Waste Information System (SWIS)	65720	1	250,000	575,000	0	0	0	0	825,000
TOTAL SOLID WASTE GENERAL ACCOUNT			250,000	575,000	0	0	0	0	825,000
SOLID WASTE RENEWAL AND REPLACEMENT ACCOUNT									
Enforcement Vehicle Replacement	76856	1	35,000	30,000	0	40,000	30,000	30,000	165,000
TOTAL SOLID WASTE RENEWAL AND REPLACEMENT ACCOUNT			35,000	30,000	0	40,000	30,000	30,000	165,000
TOTAL FINANCE AND REGULATORY SERVICES			285,000	705,000	0	40,000	30,000	30,000	1,090,000
FIVE YEAR TOTAL, FY 2011-12 THROUGH FY 2015-16			805,000	Total Number of Projects 3					

Major funding sources

	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Fund Balance	285,000	705,000	0	40,000	30,000	30,000
Total - Finance and Regulatory Services	285,000	705,000	0	40,000	30,000	30,000

Finance and Regulatory Services' responsibilities include management of the solid waste rate setting, regional solid waste enforcement efforts and management of the General Asset Management Fund. Projects in this CIP relate to each of those responsibilities.

OVERVIEW OF PROJECTS

The FY 2011-12 through FY 2015-16 CIP includes a project for each of the above areas of responsibility. The Solid Waste Information System (SWIS) project to streamline the data gathering function of the solid waste disposal system is in its third year, and completion is planned in the coming fiscal year. The enforcement division of Finance and Regulatory Services created a replacement schedule for vehicles and the schedule is reflected in the project with that name. Finance and Regulatory Services manages the General Asset Management Fund. A regular inventory of the projects to be funded from this source is required by Metro policy and is scheduled for FY 2011-12. The last inventory of this nature was completed in FY 2007-08.

CURRENT PROJECT STATUS

Phase I (scoping) of the SWIS project is complete.

PROJECT FUNDING

The SWIS project is funded by the Solid Waste and Recycling General Account. Projects financed through this account are typically new capital assets designed to increase the efficiency and effectiveness of Metro's solid waste disposal system. The enforcement vehicles are funded by the Solid Waste and Recycling Renewal and Replacement Account as the purchases replace existing equipment. The inventory project is funded from the General Fund Renewal and Replacement account.

OPERATIONAL IMPACT

No specific operational impact is expected from the SWIS project; efficiencies are expected from the project, but they have not been quantified. Staff will be able to direct more time to analysis and less time to data management. The enforcement vehicle replacement should have some small efficiency from the newer vehicles. The inventory project may result in the need for additional funding if the condition of assets necessitates earlier replacement, or if undisclosed assets funded by this source are discovered.

UNFUNDED PROJECTS

None.



Information Services



Total projects summary by year

	ID	Priority	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
ALL FUNDS									
Replace/Acquire Desktop Computers	IT1	1	709,202	80,000	80,000	80,000	80,000	80,000	1,109,202
TOTAL ALL FUNDS			709,202	80,000	80,000	80,000	80,000	80,000	1,109,202
GENERAL FUND RENEWAL AND REPLACEMENT									
Information Technology R&R Projects	TEMP311	1	180,415	606,073	212,647	152,638	272,079	269,954	1,693,806
Net Appliance Alex File Server	1515	2	0	132,900	0	0	0	143,531	276,431
Upgrade of Business Enterprise Software (PeopleSoft)	65612	3	248,170	0	138,753	0	144,358	0	531,281
TOTAL GENERAL FUND RENEWAL AND REPLACEMENT			428,585	738,973	351,400	152,638	416,437	413,485	2,501,518
TOTAL INFORMATION SERVICES			1,137,787	818,973	431,400	232,638	496,437	493,485	3,610,720
FIVE YEAR TOTAL, FY 2011-12 THROUGH FY 2015-16			2,472,933	Total Number of Projects 4					

Major funding sources

	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Fund Balance	1,137,787	818,873	431,400	232,638	496,437	493,485
Total - Information Services	1,137,787	818,873	431,400	232,638	496,437	493,485

Most Information Services projects, regardless of funding source, are included in this section, with the exception of the Research Center projects, which are described under that center but funded through Information Services; the Solid Waste Information System project, which is listed in Finance and Regulatory Services; and a number of Visitor Venue-MERC projects.

OVERVIEW OF PROJECTS

The FY 2011-12 through FY 2015-16 Information Services capital budget contains four projects which are scheduled renewal and replacement projects.

Renewal and replacement projects support preservation of Metro's various technology systems and include upgrades to business and planning software.

The Replace/Acquire Desktop Computers project, a non-capital project, is an information item to keep the Metro Council informed of the cost of the desktop computers used by all Metro programs except the MERC venues.

CURRENT PROJECT STATUS

Three projects were completed by the end of FY 2010-11: integration of the Metro/MERC domains; evaluation of the current enterprise business application; and the three year replacement of the enterprise productivity platform upgrade and licensing, completed a year earlier than expected.

Metro is currently discussing the future location of its server room. The "net appliance Alex file server" will be delayed until that decision is made.

PROJECT FUNDING

The financing for projects is derived from a combination of costs allocated to Metro programs and transfers from several enterprise revenue sources to fund the General Fund Renewal and Replacement account.

OPERATIONAL IMPACT

The operational impact for most of these projects is the ongoing cost to fund renewal and replacement.

UNFUNDED PROJECTS

With the implementation of the renewal and replacement program, Information Services has no identified unfunded projects. Projects previously listed were the normal replacement of equipment or software.



Visitor Venues





Metro's Visitor Venues include the Oregon Convention Center (OCC), Portland Center for the Performing Arts (PCPA), Portland Metropolitan Expo Center (Expo) and the Oregon Zoo. The Visitor Venues structure was formed in 2010 to enhance collaboration on operational issues, working toward a common mission of maintaining world-class gathering and entertainment spaces for residents and visitors.

Through its Metropolitan Exposition Recreation Commission (MERC), Metro benefits from business and community leaders whose expertise and guidance set the strategic business direction for three of the venues: OCC, PCPA and Expo. Commission members are nominated by Clackamas, Multnomah and Washington counties and the City of Portland and appointed by the Metro Council to serve four-year terms.

The Oregon Zoo also benefits from a key public/private partnership through The Oregon Zoo Foundation (OZF), also composed of business and community leaders. The OZF's mission is to foster community pride and involvement in the Oregon Zoo and to secure financial support for the zoo's conservation, education and animal welfare programs.

The Metro visitor venues vary in building type, history, business focus and client mix:

- OCC is designed to maximize the economic benefits for the state and region by attracting out-of-town visitors to conventions and local residents to special events and trade shows.
- PCPA is the cultural hub for the metropolitan region hosting a variety of performances and entertainment events in its multiple theatres.
- Expo Center is the region's primary destination for public events and consumer shows, some of which have been held there for 50 years.
- Oregon Zoo is the state's most popular paid attraction whose mission is to inspire visitors to learn about endangered species protection and take action towards native habitat restoration.

This CIP begins the transition to the consolidated Visitor Venues structure. For ease in understanding, the previous year's structure is repeated in this year's CIP under the Visitor Venues umbrella. Next fiscal year each venue will be broken out with an overview for the combined venues.

Visitor Venues-MERC Total projects summary by year

	ID	Priority	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
CONVENTIONS TRADE AND CONSUMER SHOWS									
Admin - Technology	TEMP576	1	-	102,000	-	-	-	-	102,000
Expo - Structural Issue Hall E	R-6	1	-	100,000	-	-	-	-	100,000
Expo - Parking Lot Asphalt Maint/Replace	17	2	-	50,000	50,000	50,000	50,000	50,000	250,000
Expo - Portable Bleacher Replacement	R-7	3	-	80,000	80,000	80,000	80,000	80,000	400,000
Expo - Group of Lighting	TEMP526	4	-	-	25,000	-	-	200,000	225,000
Expo - Meridian Phone System	TEMP536	5	-	-	-	-	-	100,000	100,000
OCC - Kitchen Remodel	92	1	364,634	160,366	-	-	-	-	525,000
OCC - Electrical Sub Meeting	N-1	2	-	200,000	-	-	-	-	200,000
OCC - Permanent Automatic AV Screens in all Meeting Rooms	N-7	3	-	195,000	-	-	-	-	195,000
OCC - Small Wares Purchase	92B	4	83,000	217,000	-	-	-	-	300,000
OCC - Roof Replacement - Original Building	TEMP474	5	-	-	1,800,000	-	-	-	1,800,000
OCC - Oregon Ballroom Renovation	TEMP538	6	-	-	1,000,000	-	-	-	1,000,000
OCC - Replace Tile Floors in All Restrooms - Original Building	TEMP494	7	-	-	300,000	-	-	-	300,000
OCC - Sizzler Block Plaza Const. Project	136	8	145,000	515,000	-	-	-	-	660,000
OCC - Replace Meeting Room Chairs - 3000	TEMP546	9	-	-	-	400,000	-	-	400,000
OCC - Carpet Replacement	TEMP496	10	-	-	-	1,700,000	-	-	1,700,000
OCC - Change Out Radio System to Digital per FCC	TEMP497	11	-	-	-	250,000	-	-	250,000
OCC - Purchase AV Equipment	TEMP498	12	-	-	-	100,000	-	-	100,000
OCC - Hand Dryers	95	13	90,000	60,000	-	-	-	-	150,000
OCC - Dragon Café Brew Pub Construction	TEMP473	14	-	-	-	600,000	-	-	600,000
OCC - Signage Upgrade	102	15	-	161,000	-	-	-	-	161,000
OCC - Replace 2 (of 3) Boilers	TEMP500	16	-	-	-	-	425,000	-	425,000
OCC - LEED Project Work for Re-Certification	14	17	-	-	-	-	300,000	-	300,000
OCC - Bleacher Replacement	TEMP487	18	-	-	-	-	2,000,000	-	2,000,000
OCC - Replace 2 (of 4) Chiller Units	TEMP492	19	-	-	-	-	550,000	-	550,000
OCC - Concrete Polishing	TEMP495	20	-	-	-	-	375,000	-	375,000
OCC - Replace Folding Padded Chairs	TEMP547	21	-	-	-	-	-	400,000	400,000
OCC - Elevator 18 - Car & Rail Rework	TEMP499	22	-	-	-	-	-	850,000	850,000
OCC - Coffee Retail Renovations	162A	23	-	150,000	-	-	-	-	150,000
OCC - Skyview Terrace Tasting Kitchen	TEMP574	24	-	100,000	-	-	-	-	100,000
TOTAL CONVENTIONS TRADE AND CONSUMER SHOWS			682,634	2,090,366	3,255,000	3,180,000	3,780,000	1,680,000	14,668,000
PERFORMING ARTS, ARTS AND CULTURE									
PCPA - ASCH Roof	139	1	100,000	75,000	-	-	-	-	175,000
PCPA - ASCH & AHH HVAC Controls Replacement	TEMP549	2	-	130,000	-	-	-	-	130,000
PCPA - Newmark Dimmer System	138	3	-	-	140,000	-	-	-	140,000
PCPA - Keller Roof	TEMP554	4	-	-	500,000	-	-	-	500,000
PCPA - Keller Stage Floor	TEMP417	5	-	-	150,000	-	-	-	150,000
PCPA - ASCH Cooling Tower	TEMP418	6	-	-	-	110,000	-	-	110,000
PCPA - Newmark Stage Floor	TEMP420	7	-	-	-	100,000	-	-	100,000
PCPA - Keller - Fore Stage Lift	TEMP557	8	-	-	-	500,000	-	-	500,000
PCPA - AHH Boiler	Temp563	9	-	-	-	-	150,000	-	150,000
PCPA - Keller AV-flat screens, FOH/BOH camera feed	Temp564	10	-	-	-	-	100,000	-	100,000
PCPA - Keller Dimmer System	TEMP421	11	-	-	-	-	275,000	-	275,000
PCPA - AHH Passenger Elevators	TEMP423	12	-	-	-	-	300,000	-	300,000
PCPA - ASCH Passenger Elevators	TEMP424	13	-	-	-	-	300,000	-	300,000
PCPA - Theatrical Lighting	TEMP565	14	-	100,000	-	-	125,000	-	225,000
PCPA - AHH Roof	Temp568	15	-	-	-	-	-	250,000	250,000
PCPA - Keller Auditorium Boiler Replace	140	16	91,726	100,000	-	-	-	-	191,726
TOTAL PERFORMING ARTS, ARTS AND CULTURE			191,726	405,000	790,000	710,000	1,250,000	250,000	3,596,726
TOTAL METRO EXPOSITION-RECREATION COMMISSION			874,360	2,495,366	4,045,000	3,890,000	5,030,000	1,930,000	18,264,726
FIVE YEAR TOTAL, FY 2011-12 THROUGH FY 2015-16			17,390,366		Total number of Projects 46				

Visitor Venues-MERC Major funding sources

	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Fund Balance	145,000	867,000	0	0	0	0
Fund Balance - Renewal and Replacement	0	535,000	3,905,000	3,080,000	3,755,000	1,930,000
F&B Contract Investment Fund	447,634	377,366	0	0	0	0
MTOCA	90,000	455,000	0	600,000	300,000	0
TLT Reserves	0	161,000	0	0	0	0
Donations-MERC	159,226	100,000	0	0	0	0
Friends of PCPA	0	0	140,000	210,000	975,000	0
Grants	32,500	0	0	0	0	0
Total - MERC Venues	874,360	2,495,366	4,045,000	3,890,000	5,030,000	1,930,000

All projects for the properties that MERC manages are included in this section. Those properties include OCC and Expo, both owned by Metro, and PCPA, owned by the City of Portland and managed by Metro. For several years MERC provided its capital information separately. In FY 2010-11 MERC projects became part of the CIP.

OVERVIEW OF PROJECTS

The FY 2011-12 through FY 2015-16 MERC capital budget contains 46 projects listed by venue. The five Expo projects are all renewal and replacement projects including beginning the replacement of the portable bleachers that will continue over a five year period.

OCC's 24 projects are mainly renewal and replacement projects. Projects costing \$1 million or more include: replacing the roof on the original part of the building (\$1.8 million); renovating the Oregon Ballroom (\$1 million); carpet replacement (\$1.7 million) and bleacher replacements (\$2 million). Several projects are aimed at revenue building. Those projects are putting permanent automatic AV screens in all meeting rooms, building a café and brew pub and insuring re-certification of OCC's LEED status.

All of PCPA's 16 projects are renewal and replacement projects; the largest, the \$500,000 roof replacement for Keller Auditorium planned for FY 2012-13.

CURRENT PROJECT STATUS

MERC had numerous projects scheduled for completion in FY 2010-11. Expo completed the construction of the West Delta Bar & Grill by converting meeting room space using funding from concessions with ARAMARK. OCC completed the repair and retrofit of its airwalls, parking management system upgrade, Leg up program (a cooperative effort with ARAMARK to develop talent in the catering business), lighting retrofits, installation of high speed hand dryers and the replacement of VAV controllers and CO₂ sensors. These last three projects support OCC's LEED Silver certification. PCPA finished food and beverage capital investments using ARAMARK funding, the Hatfield chiller replacement and the reroofing of the Arlene Schnitzer Concert Hall.

Some of the projects initially scheduled for completion are carried forward to FY 2011-12. OCC encountered unexpected sub-soil problems with the Sizzler Block Plaza construction project and carried that project forward. It is likely the project will also require a budget increase in FY 2011-12 to complete the project. Several other projects experienced delays and will be completed in FY 2011-12. Those were the signage update, the small wares purchase and the kitchen remodel. PCPA carried forward the Keller auditorium boiler replacement.

PROJECT FUNDING

Funding for MERC projects is derived from a combination of sources. Kitchen upgrades for all three facilities are funded through the concessions contract with ARAMARK. Expo's other projects are predominantly funded by operations. OCC's projects are funded from reserves generated from operations, Metro General Fund allocation to the Metro Tourism Opportunity Competitiveness Account and Transient Lodging Tax dedicated to capital improvements. Fundraising by the Friends of the Performing Arts Center provide the additional capital funding for PCPA. In FY 2010-11 MERC performed a reserves study and has designated a portion of the reserves for renewal and replacement of existing facilities.

UNFUNDED PROJECTS

Expo and OCC identify numerous projects that currently do not have a funding source. The largest of these are the \$1.3 million remodel of the old operations office to provide additional rentable space and a cover over the MLK Plaza at a cost of \$5 million.

Total projects summary by year

	ID	Priority	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
ZOO INFRASTRUCTURE AND ANIMAL WELFARE									
Construction Bond Issuance	ZIA001	1	149,682	0	500,000	0	0	0	649,682
Veterinary Hospital	ZIP001	2	6,154,494	3,100,000	0	0	0	0	9,254,494
Zoo Infrastructure and Animal Welfare Master Planning	ZIP011	3	1,351,665	600,000	0	0	0	0	1,951,665
Improving Elephant On Site Facilities	ZIP002	4	42,843	3,147,647	21,800,000	18,593,378	0	0	43,583,868
Conservation Education Facility	ZIP006	5	8,893	0	1,900,000	5,100,000	3,300,000	0	10,308,893
Plan District - Land Use	ZIP051	6	247,791	150,000	0	0	0	0	397,791
More Humane Enclosures for Apes & Monkeys	ZIP005	7	1,500	0	0	0	1,800,000	3,600,000	5,401,500
Upgrading Zoo Facilities to Save Water and Energy	ZII001	8	546,776	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	6,046,776
Elephant Offsite Facility	ZIP003	9	39,678	0	3,600,000	3,600,000	0	0	7,239,678
Polar Bear Space Renovation	ZIP004	10	1,500	0	0	3,700,000	10,100,000	6,400,000	20,201,500
Hippo Water Filtration	ZIP009	11	4,187	0	0	0	300,000	1,500,000	1,804,187
Condor Exhibit	ZIP007	12	0	0	0	0	0	400,000	400,000
TOTAL ZOO INFRASTRUCTURE AND ANIMAL WELFARE			8,549,009	8,097,647	28,900,000	32,093,378	16,600,000	13,000,000	107,240,034
GENERAL FUND RENEWAL AND REPLACEMENT									
Zoo Renewal and Replacement Projects	ZOO26	1	580,809	695,622	409,754	847,428	515,334	700,411	3,749,358
Zoo Railroad Track Replacement	ZR19	2	45,254	23,080	23,541	24,012	24,492	24,982	165,361
Perimeter USDA Fence	ZOO24	3	57,305	58,451	59,620	60,813	62,029	63,270	361,488
Zoo Parking Lot Replacement	ZR17	4	20,808	21,224	21,649	22,082	22,523	22,974	131,260
750 kw Generator	TEMP363	5	0	152,623	0	0	0	0	152,623
Roof Replacement Africafe	TEMP365	6	0	128,593	0	0	0	0	128,593
Commissary Elevator	TEMP577	7	0	100,000	0	0	0	0	100,000
Railroad roundhouse Roof	TEMP515	8	0	0	0	0	0	128,883	128,883
Swamp Building & Aviary Roof Replacement	TEMP573	9	0	0	0	0	102,584	0	102,584
Penguinarium Interpretive Graphics	TEMP377	10	0	0	0	0	100,510	0	100,510
TOTAL GENERAL FUND RENEWAL AND REPLACEMENT			704,176	1,179,593	514,564	954,335	827,472	940,520	5,120,660
ZOO CAPITAL PROJECTS FUND									
Veterinary Medical Equipment	TEMP542	1	0	450,000	0	0	0	0	450,000
Aviary Marsh Mesh	TEMP541	2	0	600,000	0	0	0	0	600,000
Zoo Capital Projects under \$100,000	TEMP540	3	50,000	105,700	0	0	0	0	155,700
TOTAL ZOO CAPITAL PROJECTS FUND			50,000	1,155,700	0	0	0	0	1,205,700
TOTAL OREGON ZOO			9,303,185	10,432,940	29,414,564	33,047,713	17,427,472	13,940,520	113,566,394
FIVE YEAR TOTAL, FY 2011-12 THROUGH FY 2015-16			104,263,209	Total number of Projects 25					

Major funding sources

	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
GO Bonds Zoo	8,549,009	8,097,647	28,900,000	32,093,378	16,600,000	13,000,000
Donations	12,500	1,084,700	0	0	0	0
Fund Balance - Renewal and Replacement	704,176	1,179,593	514,564	954,335	827,472	940,520
Fund Balance	37,500	71,000	0	0	0	0
Total - Oregon Zoo	9,303,185	10,432,940	29,414,564	33,047,713	17,427,472	13,940,520

Annual net impact on operating costs

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	TOTAL
OREGON ZOO						
Zoo Capital Projects under \$100,000	0	166,376	171,368	176,509	181,803	696,056
TOTAL OREGON ZOO	0	166,376	171,368	176,509	181,803	696,056

The FY 2011-12 through FY 2015-16 Oregon Zoo capital budget includes 25 projects. Twelve projects are related to the Zoo Infrastructure and Animal Welfare Bond measure. Ten projects are regular renewal and replacement for the zoo, and three are new capital projects.

OVERVIEW OF PROJECTS

The Oregon Zoo Infrastructure and Animal Welfare Bond project costs are preliminary and will be refined after completion of a capital master planning effort currently underway and expected to be completed in September 2011. Funding for all bond projects in FY 2011-12 is adjusted from the prior year to demonstrate what is now expected to be expended in the five-year time period. Previously the projects had been listed at the original target cost estimates. As the Capital Construction Master Planning process continues, all bond-related project target budgets will be adjusted to the most current estimates. Adjustments to the scope of all projects will continue as design is completed.

Zoo Infrastructure and Animal Welfare Master Planning (\$1,951,665): This project will clarify and refine bond project scopes, sequencing, shared infrastructure, physical access to construction areas, staging and sustainability initiatives needed to successfully complete the bond program. The effort is underway and estimated to conclude in FY 2011-12 with a master plan document.

Plan District - Land Use Planning (\$397,791): The zoo's current conditional use permit and master plan will expire soon. The zoo is engaging the City of Portland and other stakeholders in a discussion of future land use, which may take the form of a Plan District instead of a conditional use master plan. Regardless of the land use method ultimately chosen, the costs for the public involvement process, the land use approval process and the development approval process will be substantial.

Construction Bond Issuance (\$649,682): The bond program paid issuance costs of \$150,00 for two small issues: \$5 million in 2008 and \$15 million in 2010. A large issue is expected late this fiscal year or early next.

Veterinary Medical Center (\$9,254,494): The new Veterinary Medical Center will correct the deficiencies in the current aging facility. Medical center enclosures are being designed for ease of cleaning and disinfecting, reducing stress for animals, improving options for environmental enrichment and providing safe and efficient means to handle animals for medical treatments. The air from the animal holding areas will be isolated from other areas so zoo staff can safely quarantine and hold sick animals while reducing the risk of transmitting diseases to other animals and medical center personnel. Animal health and safety will be improved by replacing the zoo's aging and substandard veterinary and animal quarantine buildings with facilities that meet standards set by the Association of Zoos & Aquariums.

Upgrading Zoo Facilities to Save Water and Energy (\$6,046,776): An external consultant firm surveyed the entire zoo campus to support comprehensive campus-wide waste and storm water master planning. The zoo is currently completing a waste and storm water master plan that defines existing waste and storm water conditions on the zoo campus, defines drainage basins and proposes water management options. In addition, the zoo will undertake a major rebuilding of the water distribution system and installation of central plant piping systems. Leaking pipes will be replaced and drainage systems will be re-plumbed. Finally, a combination of solar panels, microturbines and absorption processes will generate energy on-site. Buildings will be designed to capture solar warmth, natural light and natural ventilation. The goal will be to produce substantial energy on-site. The refined scope, timing and costs

associated with the waste and storm water, fresh water system rebuilding and energy generation projects will be a deliverable of the capital construction master planning effort.

Elephants On-Site Exhibit (\$43,583,868): The exhibit area will increase from 1.5 acres to approximately 6 acres. The space will be naturalized to include watering holes, shade structures, large trees and boulders, with a thicket of bamboo as a backdrop. The elephant barn will be replaced with a larger building featuring two communal rooms, several other rooms and upgraded conditions for elephants. The refined scope, timing and costs associated with the on-site elephant exhibit will be a deliverable of the capital construction master planning effort.

More Humane Enclosures for Apes and Monkeys (\$5,401,500): The rebuilt exhibit will provide expanded homes for primates and allow for the addition of smaller mammals and birds. Enlarged indoor and outdoor areas will give chimpanzees, mandrills and other monkeys and apes a sustainable and enriching environment. The new exhibit will be able to add new, younger chimps to an aging population. The refined scope, timing and costs associated with the primate exhibit will be a deliverable of the capital construction master planning effort.

Conservation Education Facility (\$10,308,893): This project will provide a dedicated space for the conservation education opportunities at the zoo. It will provide spaces for classes, camps, exhibits, presentations and hands-on learning for children, families and adults. There will be space for traveling and temporary exhibits. An Insect Zoo and Butterfly Lab will provide hands-on learning. The refined scope, timing and costs associated with this project will be a deliverable of the capital construction master planning effort. The zoo budgeted additional consultant assistance for planning this project in the next few years.

Elephant Off-site Facility (\$7,239,678): The zoo is currently identifying the site and facility needs for an off-site elephant facility. The timing of this project remains dependant on the identification and acquisition of a suitable site and a financial plan for meeting operating costs.

Polar Bear Space Renovation (\$20,201,500): The world's largest land predators, polar bears need space, and this renovation will offer them not only more room, but also a safer and more natural habitat to explore. The refined scope, timing and costs associated with this project will be a deliverable of the capital construction master planning effort. The zoo budgeted additional consultant assistance for planning this project in the next few years.

Hippo Water Filtration (\$1,804,187): The 2008 bond measure called for an improved hippopotamus exhibit with a water filtration system. As designers and staff have considered the cost of equipment, the energy necessary to operate it and the challenges of managing these large, complex animals, they are instead considering focusing the zoo's African habitat improvements on rhinoceroses.

Condor Exhibit (\$400,000): The Oregon Zoo is planning an exhibit that will allow the public to view non-releasable, non-breeding condors and learn more about these iconic birds that once flew over the Columbia River Gorge.

FY 2011-12 to 2015-16 Zoo Renewal and Replacement Projects (Five-year total of \$4,416,484): Five years of renewal and replacement projects include ten projects of more than \$100,000 that are listed in the project summary.

Two new capital projects are planned for FY 2011-12. The Oregon Zoo Foundation has raised \$450,000 for new equipment for the Veterinary Hospital. The foundation has also committed to raising the \$600,000 for the replacement of the mesh in the

Aviary Marsh exhibit. Several projects of less than \$100,000 are expected to increase safety in animal handling for both the animals and the keepers by use of squeeze transfer crates. Other projects less than \$100,000 will purchase food carts expected to generate additional revenue.

CURRENT PROJECTS STATUS

The zoo completed the *Red Ape Reserve* exhibit in FY 2010-11 and numerous renewal and replacement projects. The zoo bond projects, as indicated above, are still primarily in the master planning process. Two zoo bond projects were expected to be completed, the water main replacement and the replacement of the penguin filtration system; both are delayed to early FY 2011-12. The replacement of the “750kw Generator” is delayed to FY 2011-12 to coincide with the completion of the Veterinary Medical Center.

PROJECT FUNDING

Of the \$104.3 million in zoo projects in the FY 2011-12 through FY 2015-16 CIP, \$98.7 million (95 percent) is funded from the Oregon Zoo Infrastructure and Animal Welfare Bond. The General Asset Management Fund provides \$4.4 million (10 percent). New capital projects are mostly funded by donations.

OPERATIONAL IMPACT

The zoo capital projects less than \$100,000 are expected to raise an estimated \$166,000 to \$182,000 in net revenues over the five year period by increasing attendance as well as additional food and beverage revenues.

UNFUNDED PROJECTS

With the passage of the Oregon Zoo Infrastructure and Animal Welfare Bond and the establishment of a fully funded General Renewal and Replacement account, the zoo does not have high priority unfunded projects at this time. The master planning process may identify future projects to complement the bond projects.



Parks and Environmental Services



Total projects summary by year

	Project No.	Priority	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
PARKS GENERAL FUND RENEWAL AND REPLACEMENT									
Regional Parks Renewal and Replacement	TEMP321	1	356,113	613,931	91,391	81,545	185,809	64,302	1,393,091
M. James Gleason - Parking Lot Repaving	70190	2	0	337,500	0	0	0	0	337,500
Blue Lake Wetland, Pathway, Trail	70234	3	0	195,595	0	0	0	0	195,595
Oxbow Park Hardened River Access	TEMP378	4	0	0	0	0	303,253	0	303,253
Chinook Landing Boarding Dock (500ft) & Steel Pilings	TEMP513	5	0	0	0	0	0	140,599	140,599
TOTAL GENERAL FUND RENEWAL AND REPLACEMENT			356,113	1,147,026	91,391	81,545	489,062	204,901	2,370,038
MRC GENERAL FUND RENEWAL AND REPLACEMENT									
Carpet Replacement	56180	1	110,556	186,288	0	0	0	0	296,844
PES - Fleet	70001	2	29,850	367,769	165,816	110,366	155,398	111,511	940,710
Council Chamber Audio/Visual Upgrades	01500	3	143,300	0	140,851	0	0	0	284,151
Metro Regional Center Roof Replacement	TEMP109	4	0	0	0	512,404	0	0	512,404
Renewal and Replacement Property Services	TEMP308	5	102,011	224,374	20,535	104,743	0	0	451,663
MRC VAV Box Controllers	TEMP575	6	0	128,280	0	0	0	0	128,280
TOTAL GENERAL FUND RENEWAL AND REPLACEMENT			385,717	906,711	327,202	727,513	155,398	111,511	2,614,052
SOLID WASTE GENERAL ACCOUNT									
Metro Central Organics/Food Handling Area Improvem	76872	1	50,000	300,000	0	0	0	0	350,000
Metro Central Storm Water Improvements	76873	2	50,000	150,000	0	0	0	0	200,000
Metro South Transfer Station - Access Lane	76851	3	25,000	80,000	0	0	0	0	105,000
Metro South HHW - Extend Canopy	TEMP268	4	0	100,000	0	0	0	0	100,000
Metro Central - Tarping Station	76979	5	0	200,000	0	0	0	0	200,000
Metro South - Natural Lighting Improvements	76845	6	50,000	75,000	0	0	0	0	125,000
Expansion of MCS-HHW facility	TEMP330	7	0	0	863,000	0	0	0	863,000
Future Master Facility Plan Improvements	TEMP175	8	0	0	1,000,000	1,000,000	0	0	2,000,000
Reader Board at MSS entrance	TEMP328	9	0	0	0	200,000	0	0	200,000
Improvements to Metro South truck entrance/exit	76840	10	0	0	100,000	0	0	0	100,000
St. Johns Landfill-Gas to Energy Conversion	76997	11	0	150,000	1,150,000	0	0	0	1,300,000
TOTAL SOLID WASTE GENERAL ACCOUNT			175,000	1,055,000	3,113,000	1,200,000	-	-	5,543,000
SOLID WASTE LANDFILL CLOSURE									
St John's - Perimeter Dike Stabilization and Seepage Cc	76986	1	2,424,066	6,000	3,000	3,000	3,000	0	2,439,066
St. John's - Re-establish Proper Drainage	76982	2	621,365	5,000	0	0	0	0	626,365
St. John's - Landfill Remediation	TEMP158	3	1,000,000	1,000,000	1,000,000	0	0	0	3,000,000
TOTAL SOLID WASTE LANDFILL CLOSURE			4,045,431	1,011,000	1,003,000	3,000	3,000	-	6,065,431
SOLID WASTE RENEWAL AND REPLACEMENT ACCOUNT									
SW Renewal and Replacement Acct Non CIP	TEMP358	1	0	40,000	100,000	60,000	70,000	70,000	340,000
Metro Central HHW - Roof replacement	76876	2	50,000	135,000	0	0	0	0	185,000
Metro Central - Scalehouse "C" Scale Replacement	76877	3	106,000	28,000	0	0	0	0	134,000
Metro South Transfer Station Bays -1 & 2 Ventilation S	TEMP384	4	0	0	110,000	0	0	0	110,000
Metro South Transfer Station - Roof replacement	TEMP345	5	0	0	335,000	0	0	0	335,000
Metro Central - Replace Slow Speed Shredder	TEMP343	6	0	0	600,000	0	0	0	600,000
Metro Central Standby Power Generator	TEMP307	7	0	0	135,000	0	0	0	135,000
Metro Central - Replace metal wall system	TEMP259	8	0	0	170,000	0	0	0	170,000
Metro Central - Baler Conveyor	TEMP262	9	0	0	0	220,000	0	0	220,000
Metro Central Station - High Speed Shredder Replacerr	TEMP344	10	0	0	0	300,000	0	0	300,000
Metro South - Modify Entry Way to Operations Bld.	76842	11	0	0	0	175,000	0	0	175,000
TOTAL SOLID WASTE RENEWAL AND REPLACEMENT ACCOUNT			156,000	203,000	1,450,000	755,000	70,000	70,000	2,704,000
TOTAL PARKS AND ENVIRONMENTAL SERVICES			5,118,261	4,322,737	5,984,593	2,767,058	717,460	386,412	19,296,521
FIVE YEAR TOTAL, FY 2011-12 THROUGH FY 2015-16			14,178,260		Total number of Projects 36				

Major funding sources

	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Fund Balance - Renewal and Replacement	754,530	2,178,457	1,868,593	1,564,058	714,460	386,412
Donations	3,000	0	0	0	0	0
Fund Balance - Capital Reserve	200,077	1,070,000	3,113,000	1,200,000	0	0
Grants	1,209,328	63,280	0	0	0	0
Fund Balance - Landfill Closure	2,951,326	1,011,000	1,003,000	3,000	3,000	0
Total - Parks and Environmental Services	5,118,261	4,322,737	5,984,593	2,767,058	717,460	386,412

OVERVIEW OF PROJECTS

Of the 11 projects for Parks and Property Management and Property Services, all are scheduled renewal and replacement projects. The largest projects are the scheduled fleet purchases and the repaving of the M. James Gleason parking lot.

Projects for the Solid Waste Operating program fall into three categories:

General Account

Projects financed through the Solid Waste and Recycling General Account are typically new capital assets designed to increase the efficiency and effectiveness of Metro's two transfer stations: Metro Central and Metro South. The majority of these projects are outlined in detail in a Master Facility Plan for the transfer stations, originally completed in April 1998 and updated in FY 2008-09. The Master Facility Plan and this capital budget are based on the following goals:

- Improve waste recovery and recycling.
- Reduce traffic congestion and improve site safety.
- Maximize station efficiencies.
- Improve facilities for Metro and station operator personnel.

There are currently 11 approved projects, three of which are new. The largest General Account project planned for FY 2011-12 is the Metro Central Organics/Food Handling Area Improvements carried forward from FY 2010-11. The largest project over the five years is the St. Johns Landfill gas to energy project; a feasibility study will be done in FY 2011-12.

Renewal and Replacement Account

Projects financed through the Renewal and Replacement Account are replacements of equipment and rehabilitation of facilities necessary to realize the optimal lifespan of capital components. Every three years the program contracts with an engineering firm to assess the condition of equipment and facilities and calculate annual contribution amounts to the Renewal and Replacement Account. The latest study was completed in 2008 and a new study is planned for FY 2011-12; the capital budget for FY 2012-13 will reflect the findings of the study. During FY 2011-12 Solid Waste Operations will review renewal and replacement procedures to determine if they will be combined with the other renewal and replacement program that funds General Fund asset renewal and replacement.

Of the 11 projects in the capital budget, none are new; only three projects are scheduled for FY 2011-12.

Landfill Closure

The St. Johns Landfill Account is restricted to financing capital projects needed to close the St. Johns Landfill and maintain post-closure performance standards. The projects in the capital budget represent a series of improvements that are needed to minimize erosion damage, restore native vegetation, provide wastewater pretreatment, repair the landfill cover and dike systems and provide adequate facilities for staff.

CURRENT PROJECTS STATUS

One project in Parks and Property Management, improvements to the M. James Gleason Boat Ramp, was substantially complete in FY 2009-10. A small amount was carried forward to FY 2010-11 and the project is now complete.

Some renewal and replacement projects that were scheduled to be completed in FY 2010-11 are carried forward as the parking garage took more resources than expected in time and dollars.

Of the 12 Solid Waste Operations projects planned for FY 2010-11, two are complete, four were expected to be completed by year end, three are ongoing projects at the landfill and the balance will be carried forward into FY 2011-12 or later.

MAJOR FUNDING SOURCES

Most capital projects associated with Parks and Property Management have been funded by dedicated funding sources. Of the projects included from FY 2011-12 through FY 2015-16, all are funded by the General Fund Renewal and Replacement account.

Primary financing for Solid Waste Operations projects is derived from reserves established for the purpose indicated.

OPERATIONAL IMPACT

Operating costs include a component for renewal and replacement where appropriate.

UNFUNDED PROJECTS

Seven projects are on the unfunded list. All projects have been identified as important to the mission of Parks and Environmental Services but are of lower priority than those listed in the active capital budget. These projects include improvements at Blue Lake and the development of a nature center at Oxbow Park. Five Solid Waste Operations projects on the unfunded list are awaiting further study.

**Research
Center**



Total projects summary by year

	Project No.	Priority	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
Regional Land Information System (RLIS)	94403	1	\$854,616	\$27,000	\$23,000	\$32,000	\$19,000	\$38,000	\$993,616
Transportation Modeling Services Cluster Upgrade	43990	2	\$106,576	\$50,000	\$68,200	\$25,000	\$25,000	\$25,000	\$299,776
TOTAL GENERAL FUND			\$961,192	\$77,000	\$91,200	\$57,000	\$44,000	\$63,000	\$1,293,392
TOTAL RESEARCH CENTER			\$961,192	\$77,000	\$91,200	\$57,000	\$44,000	\$63,000	\$1,293,392
FIVE YEAR TOTAL, FY 2011-12 THROUGH FY 2015-16			332,200	Total number of Projects 2					

Major funding resources

	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Other	961,192	77,000	91,200	57,000	44,000	63,000
Total - Research Center	961,192	77,000	91,200	57,000	44,000	63,000

The Research Center provides accurate and reliable data, information, mapping, forecasting, and technical services to support public policy analysis and regulatory compliance. The Research Center consists of two sections: Forecasting and Modeling Services and the Data Resource Center.

The work performed by the Transportation Research and Modeling Services (TRMS) provides the base data used by Metro and local jurisdictions in the region to develop transportation alternatives. It uses a sophisticated system of interconnected servers and workstations for the development and application of travel demand forecasting models. In FY 2001–02 TRMS replaced its existing computer system with a new, more powerful modeling system called Transportation Simulations. This travel modeling system requires very large amounts of processing power. The initial financing mechanism for the project was a three-year internal loan from another Metro fund. TRMS replaces components of this system every year, with a replacement schedule ranging from two to three years, depending on the component. Approximately 9 percent of the annual payment is funded with General Fund revenues.

The Data Resource Center operates a network of computers to provide forecasting, mapping and decision-making tools needed by Metro programs, local governments and private-sector subscribers. The Regional Land Information System (RLIS) is the heart of the planning and mapping services provided by Metro. This technology supports the enterprise applications of the Geographic Information System (GIS). To keep up with the demand for sophisticated land-use planning tools, the center replaces portions of the RLIS system each year. The replacement schedule covers GIS work stations, plotters and specialized printers, and may include some network infrastructure items as needed to support high end data exchanges between the Data Resource Center and Metro partners. Historically, approximately 31 percent of Data Resource Center work is funded with General Fund revenues. The remainder is billed to users and contracting agencies.

OVERVIEW OF PROJECTS

Both projects in this center are regular replacement of equipment and software to complete the center's mission.

PROJECT FUNDING

Project funding is from the General Fund and allocations to users of the services both inside and outside of Metro.



Sustainability Center



Total projects summary by year

	Project No.	Priority	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
NATURAL AREAS FUND									
Natural Areas Acquisition	TEMP98	1	72,905,909	20,000,000	21,292,644	20,937,532	1,685,259	0	136,821,344
Natural Areas Information system	52004	2	200,000	100,000	0	0	0	0	300,000
TOTAL NATURAL AREAS FUND			73,105,909	20,100,000	21,292,644	20,937,532	1,685,259	0	137,121,344
NATURAL AREAS FUND									
40-Mile Loop Trail Construction	71730	1	0	939,000	0	0	0	0	939,000
TOTAL NATURAL AREAS FUND			0	939,000	0	0	0	0	939,000
TOTAL SUSTAINABILITY CENTER			73,105,909	21,039,000	21,292,644	20,937,532	1,685,259	0	138,060,344
FIVE YEAR TOTAL, FY 2011-12 THROUGH FY 2015-16			64,954,435		Total number of Projects 3				

Major funding sources

	Prior Years	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
G.O. Bonds - Open Spaces	73,105,909	20,203,290	16,093,232	20,937,532	1,685,259	0
Interest on Bond	0	0	5,199,412	0	0	0
Grants	0	835,710	0	0	0	0
Total - Sustainability Center	73,105,909	21,039,000	21,292,644	20,937,532	1,685,259	0

Annual net impact on operating costs

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Materials and Services		(430,035)	(442,636)	(455,615)	(468,983)
Renewal and Replacement		(8,000)	(8,000)	(8,000)	(8,000)
Total Sustainability Center	0	(438,035)	(450,636)	(463,615)	(476,983)

The Sustainability Center capital projects include the acquisition of natural areas and the planning and development of new facilities for the parks system.

OVERVIEW OF PROJECTS

This capital plan includes the acquisition of natural areas and planning and supervision of the construction of a segment of the 40-mile Loop Trail at Blue Lake Park. The Sustainability Center plans to acquire a database to document property information called the Natural Areas Information System.

CURRENT PROJECT STATUS

The Sustainability Center project planned for FY 2010-11, Graham Oaks Nature Park, is substantially complete.

PROJECT FUNDING

The land purchases in this fund are funded by the Natural Areas Fund. The trail construction is funded by an Oregon Department of Transportation grant. Metro supervises this project but all funding is paid directly from the Oregon Department of Transportation.

OPERATIONAL IMPACT

Operating costs include a component for renewal and replacement where appropriate and the expected operating costs of the new parks.

UNFUNDED PROJECTS

There are currently two unfunded projects for this center, the Smith and Bybee South Shore Trail and Bridge and the Nature and Golf Learning Center at Blue Lake Park.



Unfunded projects

Projects included on these lists are those projects which were deemed worthy of future consideration but were not included in the CIP for one of the following reasons:

(1) sufficient funds are not available to finance the project, (2) scope of the project requires further definition or (3) alternatives need to be explored. As funds become available or projects are refined, operating units may request their inclusion.

Key To Unfunded Lists

Project Title: Name given to project.

Type: Indicates whether project is a *New* capital asset, an *Expansion* or *Replacement* of an existing asset.

Priority: Indicates whether the project is a *High* or *Medium* priority relative to other projects.

Estimated Project Cost: Preliminary estimate of capital costs for the project expressed in 2010 dollars. A blank field here means the cost is unknown.

Project Title	Type	Priority	Estimated Cost	
Metro Exposition-Recreation Commission				
Convention Trade and Consumer Shows				
TEMP505	Expo - American Lincoln	New	Medium	35,000
TEMP510	Expo - Covered/Enclosed Exhibit Hall Connector	New	Medium	TBD
TEMP506	Expo - Full Site Electronic Way Finding	New	Medium	300,000
TEMP504	Expo - Hall E Tower Paint	Replacement	Medium	TBD
TEMP509	Expo - North Walkway Canopy & Electronic Sign	New	Medium	TBD
TEMP508	Expo - Replace/Renovate Halls A, B, & C	Replacement	Medium	TBD
TEMP511	Expo - SE Meeting Rooms	Replacement	Medium	TBD
TEMP503	Expo - South Access Drive Repair	Replacement	Medium	TBD
TEMP507	Expo - SW Parking Lot & South Access Drive Realignment	Expansion	Medium	TBD
TEMP470	OCC - Construct Operations Office & Add Additional Conference/Meeting Space	New	Medium	1,350,000
TEMP501	OCC - Cover MLK Plaza with Glass Canopy	New	Medium	5,000,000
TEMP475	OCC - Elevator #3 Hydraulic Cylinder Replacement	Replacement	Medium	250,000
TEMP481	OCC - HVAC Unit for Capital Projects Office	New	Medium	12,000
TEMP493	OCC - Install Electronic Swipe Locking System for Meeting & Ballrooms	New	Medium	300,000
TEMP479	OCC - Public Circulation Furniture (Lobby Area)	Replacement	Medium	250,000
TEMP486	OCC - Renovate Skyview Terrace & VIP B Suite	Replacement	Medium	250,000
TEMP485	OCC - Retro-Commissioning (RXC) - Year 3 of 3	New	Medium	65,000
TEMP489	OCC - Upgrade Meeting Rooms & Ballroom signage to Video Screens	New	Medium	250,000
Total Metro Exposition-Recreation Commission			8,062,000	
PARKS AND ENVIRONMENTAL SERVICES				
Parks and Natural Areas Management				
TEMP66	Blue Lake Park Improvements Phase 1	New	Medium	8,900,000
TEMP67	Blue Lake Park Improvements Phase 2	New	Medium	3,000,000
71772	Oxbow Park - Diack Environmental Education Center	New	Medium	1,767,645
Total Parks and Natural Areas Management			13,667,645	
Solid Waste Operations				
76929	Metro South - Install High Capacity Baler	New	Medium	791,000
TEMP340	Wash - Vacuum Trucks for Transfer Stations	New	High	260,000
76931	Metro South - Wood Processing Capacity	New	Medium	804,000
76932	Metro South - Wood Staging Structure	New	Medium	480,000
Temp103	Metro South - Installation of Compactor for Public Unloading Area	New	Medium	880,000
Total Solid Waste Operations			3,215,000	
SUSTAINABILITY CENTER				
Parks Planning and Development				
GF201	Nature and Golf Learning Center at Blue Lake Park	New	High	11,097,888
TEMP186	Willamette Cove Nature Park	New	Medium	300,000
TEMP298	Smith and Bybee South Shore Trail and Bridge	New	High	1,323,750
Total Parks Planning and Development			12,721,638	
GRAND TOTAL UNFUNDED			\$37,666,283	

Current project status reports

The Current Projects Status Report is used to report on the progress toward completion of existing projects and to assist in preparing the capital budget. Included are previously approved projects that were expected to be completed by the end of FY 2010-11. Status reports are grouped by operating unit.

Key to status reports

Project Title: Title by which the project was referenced in the last budget.

Year First Authorized: The fiscal year in which funds were first appropriated for the project.

Project Status: The status of the project is identified by the following: Incomplete, carried forward, complete, canceled or unfunded.

Completion Date: The original expected completion date for projects.

Original Cost Estimate: Estimate of total project costs when the project was first authorized.

Revised Cost Estimate: The most recent estimate of total project costs.

Expenditures: The total funds expended for the project if completed or canceled.

		Year First Authorized	Project Status	Completion Date	Original Cost Estimate	Revised Cost Estimate	Actual Expenditures as of June 30, 2011
FINANCE AND REGULATORY SERVICES							
Solid Waste Operations							
65720	Solid Waste Information System (SWIS)	2010-11	Carried Forward	6/30/12	1,250,000	825,000	-
INFORMATION SERVICES							
Information Services							
1524	Domain Integration	2010-11	Complete	12/31/10	100,000	Unchanged	92,170
56135	Develop Enterprise Business Applications Software	1998-99	Complete	6/30/12	193,000	50,000	38,150
1515	Net Appliance Alex File Server	2008-09	Carried Forward	6/30/12	132,600	Unchanged	-
Metro Exposition-Recreation Commission							
Convention Trade and Consumer Shows							
TEMP398	Expo - Food & Beverage Upgrades	2010-11	Complete	2/28/11	339,200	Unchanged	139,862
102	OCC - Signage Upgrade	2010-11	Carried Forward	6/30/12	150,000	Unchanged	250
135	OCC - Parking Management System and Equipment Replacem	2010-11	Complete	6/30/11	130,000	Unchanged	116,350
136	OCC - Sizzler Block Plaza Construction Project	2010-11	Carried Forward	6/30/12	660,000	Unchanged	210,671
90	OCC - Removable Airwall Repair and Retrofit	2009-10	Complete	6/30/11	495,000	560,000	320,086
92	OCC - Kitchen Remodel	2009-10	Carried Forward	6/30/12	1,000,000	Unchanged	364,634
92B	OCC - Small Wares Purchase	2010-11	Carried Forward	6/30/12	300,000	160,000	81,643
92C	OCC - Kitchen Remodel - Equipment Purchase & Install	2009-10	Carried Forward	6/30/12	100,000	Unchanged	411,972
92E	OCC - Leg Up Program Store Project	2010-11	Complete	6/30/11	150,000	Unchanged	176,594
93	OCC - VAV Controllers and CO2 Sensors on AHYs LEED	2010-11	Complete	6/30/11	105,000	Unchanged	69,264
94	OCC - Lighting Retrofit	2009-10	Complete	6/30/11	751,645	Unchanged	761,982
95	OCC - Hand Dryers	2009-10	Complete	6/30/12	150,000	Unchanged	153,169
Performing Arts, Arts and Culture							
139	PCPA Arlene Schnitzer Concert Hall Roof	2010-11	Complete	11/30/10	100,000	Unchanged	97,884
137	PCPA Hatfield Chiller Replacement	2010-11	Complete	6/30/11	289,000	Unchanged	312,538
140	PCPA - Keller Auditorium Boiler Replacement	2010-11	Carried Forward	6/30/12	100,000	Unchanged	98,382
TEMP410	PCPA - Food & Beverage Capital Investment	2009-10	Complete	6/30/11	325,000	Unchanged	287,227
OREGON ZOO							
Zoo Visitor Experience							
ZI251	Water Main Replacement	2010-11	Complete	7/31/11	300,000	Unchanged	243,000
ZIP008	Penguin Filtration System Replacement	2009-10	Incomplete	10/31/11	2,100,000	Unchanged	943,007
TEMP363	750 kw Generator	2008-09	Carried Forward	6/30/12	149,630	Unchanged	-
ZPR12	Red Ape Reserve "Orangutan"	2007-08	Complete	6/30/11	1,800,000	3,603,953	3,603,953
ZVS03	Zoo Micros POS System	2008-09	Incomplete	7/31/11	183,600	130,000	114,314

		Year First Authorized	Project Status	Completion Date	Original Cost Estimate	Revised Cost Estimate	Actual Expenditures as of June 30, 2011
PARKS AND ENVIRONMENTAL SERVICES							
<i>Parks and Natural Areas Management</i>							
70171	M. James Gleason Boat Ramp Renovation Phase III & IV	2008-09	Complete	12/31/10	1,200,000	1,599,500	1,583,958
CEM151	Brainard Retaining Wall	2008-09	Carried Forward	6/30/13	76,500	Unchanged	13,579
<i>Property Services</i>							
1301	Parking Structure Waterproofing	2007-08	Complete	12/31/10	350,000	1,160,000	1,179,663
1510	Council/COO Building Space Remodel	2007-08	Complete	6/30/11	242,983	Unchanged	237,770
<i>Solid Waste Operations</i>							
76840	Improvements to Metro South truck entrance/exit	2010-11	Carried Forward	6/30/12	110,000	Unchanged	-
76841	Metro South- Replace Ventilation System Components	2010-11	Complete	12/31/10	100,000	Unchanged	105,533
76873	Metro Central Storm Water Improvements	2010-11	Carried Forward	6/30/12	200,000	150,000	-
76877	Metro Central - Scalehouse "C" Scale Replacement	2010-11	Carried Forward	6/30/12	100,000	130,000	98,465
76933	Metro South - Compactor Replacement	2010-11	Complete	11/30/10	300,000	Unchanged	229,439
76959	Metro Central Organics/Food Handling	2010-11	Carried Forward	6/30/12	350,000	Unchanged	-
76851	Metro South Transfer Station - Access Lane	2010-11	Carried Forward	12/31/11	50,000	100,000	4,500
76876	Metro Central HHW - Roof Replacement	2010-11	Carried Forward	10/31/11	150,000	185,000	11,200
SUSTAINABILITY CENTER							
<i>Parks Planning and Development</i>							
70463	Graham Oaks Nature Park	2008-09	Incomplete	8/15/11	3,420,898	2,900,000	2,891,000

Capital Asset Management Policies

In FY 2000–01 the Metro Council raised concerns about the lack of comprehensive agency asset management policies. The Presiding Officer established a Systems Performance Task Force to review the differing departmental approaches to capital asset management and make recommendations. The major finding of the task force was a need to have capital management policies for three principal reasons:

- To provide a general framework for capital asset management.
- To provide minimum standards and requirements related to capital asset management for all Metro departments.
- To have established written policies against which the Council can review the capital asset management programs of individual departments; these policies also require additional fiscal information be included in the capital budget and the budget that will give the Council a clearer picture of the total capital needs of the agency.

In 2001 via Resolution No. 01-3113, Council approved the Metro Capital Asset Management Policies. During FY 2002–03, operating procedures were developed to ensure consistent application of these policies.

The policies are reviewed and affirmed annually by the Metro Council as part of the budget adoption process.

CAPITAL ASSET MANAGEMENT POLICIES

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

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

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

Multi-year planning for renewal and replacement of facilities and their major components.

Annual maintenance plans.

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

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

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

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

4. Capital improvement projects are defined as facility or equipment purchases or construction which results in a capitalized asset costing more than \$100,000* and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of \$100,000 or more that have a useful life of at least five years. (*Effective July 1, 2009, per Resolution 08-3941A)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Debt Summary

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Metro uses long and short-term debt to finance capital projects and some capital equipment. The following pages provide a summary of Metro's overall debt level as well as an explanation of Metro's outstanding debt by type and issue.

In March 2007 Metro was awarded underlying Aaa/AAA ("double triple") ratings for its general obligation debt issues by Moody's Investors Services and Standard & Poor's Ratings Services, the highest ratings available.

SUMMARY OF OVERALL DEBT

Metro has a relatively low level of outstanding debt. As of July 1, 2011, Metro has eight debt issues outstanding, totaling \$209,850,000. In November 2006 Metro received authorization from the voters to issue \$227.4 million in general obligation bonds for the acquisition of natural areas. The first series of bonds under this authorization was issued in April 2007. In addition, in November 2008 Metro received authorization from the voters to issue \$125.0 million in general obligation bonds for Oregon Zoo infrastructure and projects related to animal welfare. A small \$5 million bond was issued under this authorization in December 2008. An additional \$15 million bond under the Oregon Zoo authorization was issued in August 2010. The agency is currently evaluating short and long-term needs under these bond authorizations.

The graphs and charts on the following pages summarize Metro's total outstanding debt by fiscal year as well as total debt as a percentage of real market value and assessed value. In addition, the Debt Ratios table shows Metro's level of outstanding debt on a per capita basis and as compared to the estimated real market value of the Metro region. With the passage of Ballot Measure 50 in May 1997, assessed values were rolled back to FY 1994-95 levels less 10 percent and capped at no more than a 3 percent annual increase with exceptions for new constructions. In the 15 years since passage of the measure, real market values have usually risen significantly faster than assessed values. In the past few years as the economy has stuttered, the ratio of assessed value to real market value has risen from 54 percent from 68.5 percent (see chart on page F-5).

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

Metro will also defease or pay off bonds if financial circumstances warrant such an action. In July 2009 the long term installment contract with the City of Portland for the Steel Bridge Local Improvement District was paid in full, funded through Oregon Convention Center revenues. In June 2010 the outstanding \$5 million 2008 Oregon Zoo Infrastructure Bonds were called and paid off as planned.

General Obligation Debt: \$158,080,000 outstanding

Metro's Charter and Oregon state law require Metro to obtain voter approval prior to issuing any general obligation bonds. To date, voters have approved five general obligation bond issues: \$65 million for the Oregon Convention Center issued in 1987, refunded in 1992 and 2001; \$135.6 million for Open Spaces, Parks and Streams issued in three series in 1995, with two of the three series refunded in 2002; \$28.8 million for improvements to the Oregon Zoo issued in 1996 and refunded in 2005; \$227.4 million for Natural Areas, the first series of which was issued in April 2007; and \$125.0 million for Oregon Zoo infrastructure and projects related to animal welfare, for which two small issues of \$5 million and \$15 million were placed in December 2008 and August 2010, respectively.

State law establishes a limit of 10 percent of real market value on Metro's total general obligation indebtedness. Metro's general obligation debt is 0.08 percent of real market value. The Metro Debt Limitation Comparison table (page F-6) shows a comparison of Metro's outstanding general obligation bonds to the statutory debt limit.

Full Faith and Credit Bonds: \$28,500,000 outstanding

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

In April 2006 Metro joined with two other Oregon local governments to issue full faith and credit refunding bonds to refund the outstanding obligation remaining on an Oregon Economic Development Department, Special Public Works Fund loan. In April 2000 Metro obtained a loan from the Oregon Bond Bank through the Oregon Economic Development Department, Special Public Works Fund to pay for the construction of a new building to replace the existing Hall D at the Portland Expo Center. The loan was divided into two parts with the first being used to finance the construction of the Hall D replacement. The second part of the loan was for infrastructure improvements associated with the new building. The loan was paid from Metro Expo Center revenues.

The full faith and credit bonds are backed by a broader pledge of Metro revenues, including property taxes used to support operations, and excise taxes levied on users of certain Metro services. The prior funding sources will continue to be used to pay debt service on the full faith and credit bonds, but the additional backing from other Metro revenues provides greater security for bondholders.

Pension Obligation Bonds: \$23,260,000 outstanding

In fall 2005 Metro joined with a pool of other local governments in the State of Oregon to issue limited tax pension obligation bonds to fund its share of the Oregon Public Employees Retirement System unfunded actuarial liability. Metro's share of the total principal will be repaid over a period of 22 years through assessments on operating units in exchange for a lower pension cost.

PLANNED DEBT

In November 2006 voters of the Metro region approved a \$227.4 million general obligation bond measure for natural areas. In April 2007 the first series of bonds under the authorization was issued for \$124,295,000. The agency is currently re-evaluating program needs under this authorization. Current forecasts estimate the balance of the authorization to be issued in 2013.

Metro has also recently received authorization for a \$125 million in general obligation bonds for the Oregon Zoo. A small \$5 million bond was issued under this authorization in December 2008. Another small bond issuance of \$15 million was issued in August 2010. Further bonds issues will be determined based on completion of land use approvals and program needs. Current forecasts estimate half of the remaining balance, approximately \$50 million, will be issued in Spring 2012.

Outstanding debt issues

	Original Amount	Original Issue Date	Principal Outstanding	Final Maturity	Source of Payment
GENERAL OBLIGATION BONDS					
General Obligation Refunding Bonds					
Oregon Convention Center 2001 Series A	\$47,095,000	6/15/01	\$10,325,000	1/1/2013	Property Taxes
Open Spaces, Parks, and Streams 2002 Series	92,045,000	10/30/02	45,880,000	9/1/2015	Property Taxes
Metro Washington Park Zoo Oregon Project 2005 Series	18,085,000	5/12/05	11,695,000	1/15/2017	Property Taxes
General Obligation Bonds					
Natural Areas 2007 Series	124,295,000	4/3/07	86,015,000	6/1/2026	Property Taxes
Oregon Zoo Infrastructure & Animal Welfare 2010 Series	15,000,000	8/5/10	4,165,000	6/1/2012	Property Taxes
TOTAL GENERAL OBLIGATION BONDS OUTSTANDING			\$158,080,000		
FULL FAITH AND CREDIT BONDS					
Full Faith and Credit Refunding Bonds					
2003 Series	\$24,435,000	10/16/03	\$16,300,000	8/1/2022	General Revenues
2006 Series	14,700,000	4/20/06	12,210,000	12/1/2024	General Revenues
TOTAL FULL FAITH & CREDIT BONDS OUTSTANDING			\$28,510,000		
PENSION OBLIGATION BONDS					
Limited Tax Pension Obligation Bonds					
Series 2005	\$24,290,000	9/13/05	\$23,260,000	6/1/2028	Department Assessments
TOTAL PENSION OBLIGATION BONDS OUTSTANDING			\$23,260,000		
GRAND TOTAL – METRO DEBT OUTSTANDING			\$209,850,000		

Comparison of Assessed Value to Real Market Value

	Year ending June 30,	Assessed Value	Change in Assessed Value	% Change in Assessed Value	Real Market Value	Change in Real Market Value	% Change in Real Market Value	Ratio Assessed Value to Real Market Value
(1)	1997	77,721,485,259	-----	-----	77,721,485,259	-----	-----	100.0%
	1998	66,711,834,456	(11,009,650,803)	(14.2%)	87,320,546,481	9,599,061,222	12.4%	76.4%
	1999	71,935,532,500	5,223,698,044	7.8%	94,157,744,893	6,837,198,412	7.8%	76.4%
	2000	76,258,210,803	4,322,678,303	6.0%	105,147,450,817	10,989,705,924	11.7%	72.5%
	2001	81,009,866,113	4,751,655,310	6.2%	113,011,064,594	7,863,613,777	7.5%	71.7%
	2002	86,489,564,017	5,479,697,904	6.8%	123,050,948,638	10,039,884,044	8.9%	70.3%
	2003	89,837,920,089	3,348,356,072	3.9%	128,542,544,330	5,491,595,692	4.5%	69.9%
	2004	92,737,859,477	2,899,939,388	3.2%	138,455,070,187	9,912,525,857	7.7%	67.0%
	2005	96,486,155,140	3,748,295,663	4.0%	146,360,729,671	7,905,659,484	5.7%	65.9%
	2006	100,603,570,790	4,117,415,650	4.3%	156,692,361,468	10,331,631,797	7.1%	64.2%
	2007	105,614,559,121	5,010,988,331	5.0%	181,787,247,525	25,094,886,057	16.0%	58.1%
	2008	111,760,381,863	6,145,822,742	5.8%	207,455,843,980	25,668,596,455	14.1%	53.9%
	2009	116,514,323,505	4,753,941,642	4.3%	218,478,090,509	11,022,246,529	5.3%	53.3%
	2010	120,667,474,935	4,153,151,430	3.6%	208,123,520,973	(10,354,569,536)	(4.7%)	58.0%
	2011	124,354,465,812	3,686,990,877	3.1%	196,930,643,603	(11,192,877,370)	(5.4%)	63.1%
(2)	2012	128,085,099,786	3,730,633,974	3.0%	187,084,111,423	(9,846,532,180)	(5.0%)	68.5%

(1) The passage of ballot measure 50 converted the State of Oregon from a levy based to a rate based property tax system with reductions in assessed values.

(2) FY 2011-12 values will be based on values as of January 1, 2011. Estimate assumes the allowed 3% statutory increase in assessed values and an estimated 5% decrease in real market value.

Debt ratios as of July 1, 2011

FY 2011-12 Estimated Real Market Value \$187,084,111,422
 2011 Estimated Population 1,660,980

	Debt Outstanding	Debt per Capita	Debt as % of Real Market Value
General Obligation Debt	\$158,080,000	\$95.17	0.08%
Full Faith and Credit Bonds	28,510,000	17.16	0.02%
Pension Obligation Bonds	23,260,000	14.00	0.01%
TOTAL METRO DEBT	\$209,850,000	\$126.34	0.11%

Debt ratios as of June 30, 2012

FY 2011-12 Estimated Real Market Value \$187,084,111,422
 2011 Estimated Population 1,660,980

	Debt Outstanding	Debt per Capita	Debt as % of Real Market Value
General Obligation Debt	\$134,835,000	81.18	0.07%
Full Faith & Credit Bonds	\$26,560,000	15.99	0.01%
Pension Obligation Bonds	\$22,825,000	13.74	0.01%
TOTAL METRO DEBT	\$184,220,000	\$110.91	0.10%

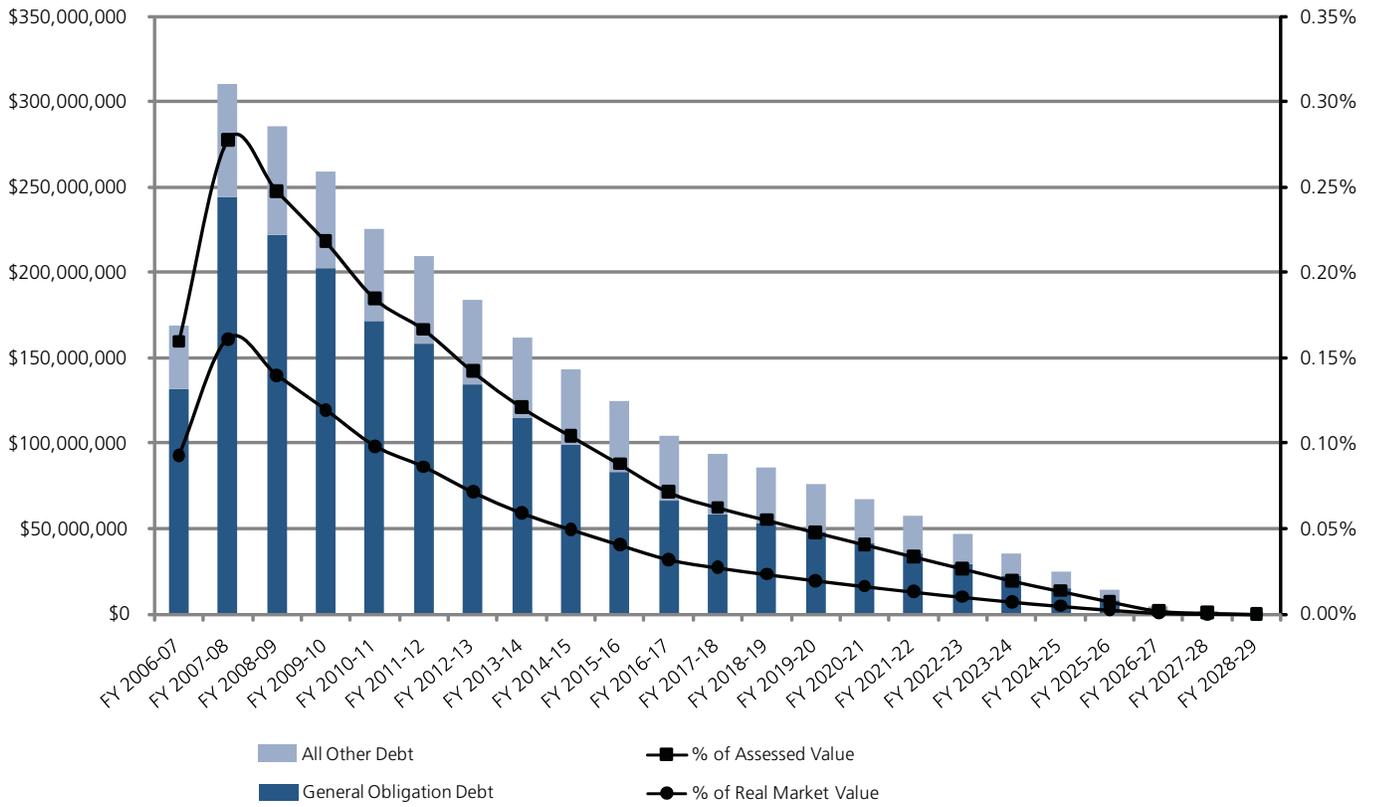
Debt limitation comparison

Statutory general obligation bond limit – 10 percent of Real Market Value

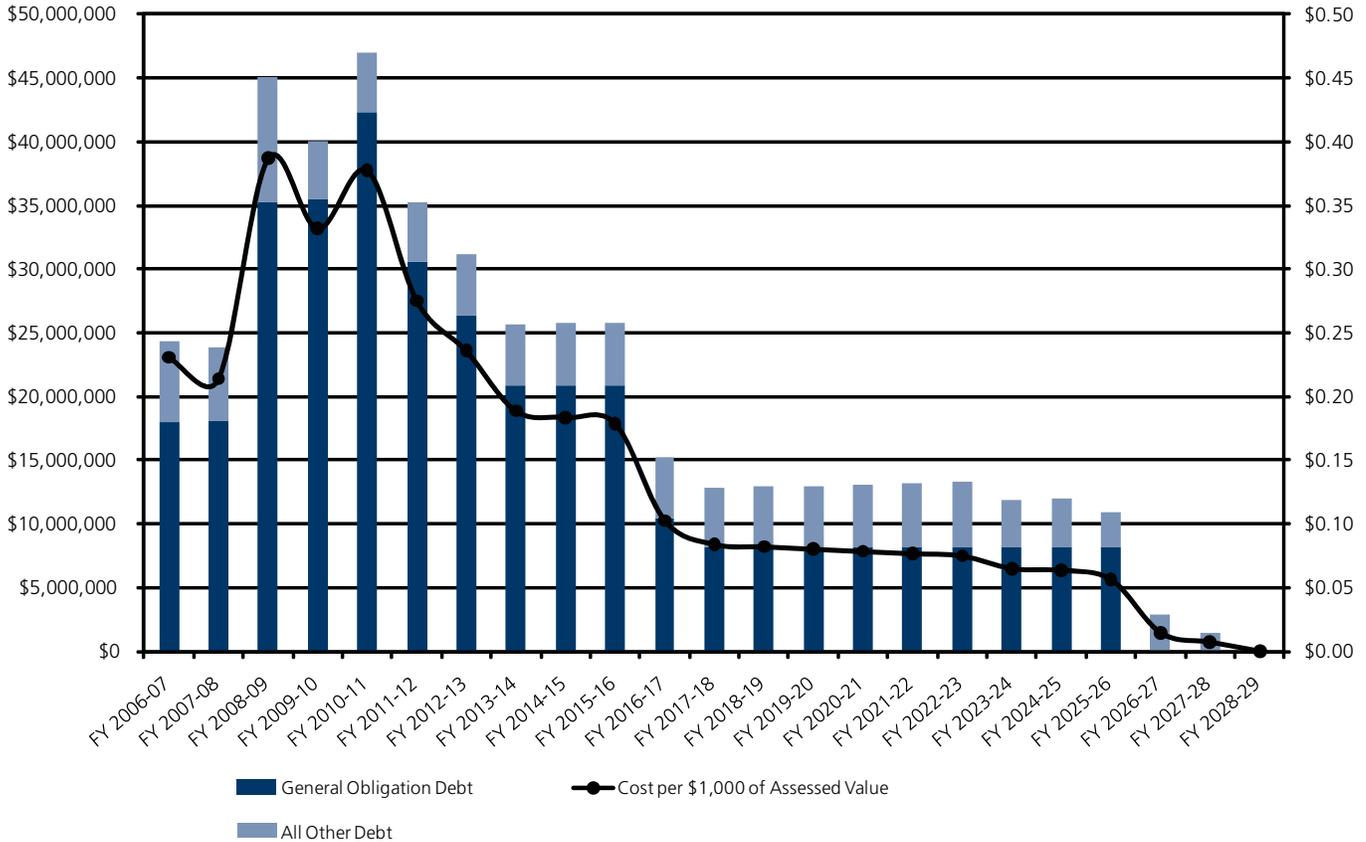
FY 2011-12 Estimated Real Market Value*	187,084,111,422
General Obligation Debt Limit Percentage	10%
Statutory General Obligation Bond Limit	\$18,708,411,142
Less General Obligation Debt Outstanding	\$158,080,000
General Obligation Bond Limit Remaining	\$18,550,331,142
Metro's General Obligation Debt Percentage	0.08%

* Unchanged from FY 2009-10 values due to current economic and market conditions.

Outstanding debt by fiscal year (not including authorized but unissued debt)



Debt service payments by fiscal year (not including authorized but unissued debt)



FY 2011-12 Summary of debt service payments

	Principal	Interest	Fiscal Year Debt Service
General Obligation Refunding Bonds			
Oregon Convention Center, 2001 Series A	\$5,035,000	\$486,040	\$5,521,040
Open Spaces, Parks, and Streams, 2002 Series	8,265,000	2,159,688	10,424,688
Metro Washington Park Zoo Oregon Project, 2005 Series	1,710,000	562,650	2,272,650
General Obligation Bonds			
Natural Areas, Series 2007	4,070,000	4,071,750	8,141,750
Oregon Zoo Infrastructure & Animal Welfare, 2010 Series	4,165,000	54,396	4,219,396
Full Faith & Credit Refunding Bonds			
2003 Series	1,300,000	605,328	1,905,328
2006 Series	650,000	538,631	1,188,631
Limited Tax Pension Obligation Bonds, Series 2005	435,000	1,153,214	1,588,214
TOTAL FY 2011-12 DEBT SERVICE PAYMENTS	\$25,630,000	\$9,631,697	\$35,261,697

Debt schedules





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

General Obligation Refunding Bonds, Oregon Convention Center, 2001 Series A

Amount issued	\$47,095,000
Issue date	June 15, 2001
Original issue True Interest Rate (TIC)	4.323%
Ratings as of date of issuance	
Moody's	Aa1
Standard & Poor's	AA+
Principal outstanding balance as of July 1, 2011	\$10,325,000

Semi-annual debt service schedule

Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Total F/Y Debt Service
7-1-11	4.300%		243,020.00	243,020.00	
1-1-12	4.400%	5,035,000.00	243,020.00	5,278,020.00	5,521,040.00
7-1-12	4.400%		132,250.00	132,250.00	
1-1-13	5.000%	5,290,000.00	132,250.00	5,422,250.00	5,554,500.00
Total		\$10,325,000.00	\$750,540.00	\$11,075,540.00	\$11,075,540.00

**General
Obligation
Bonds, Open
Spaces,
Parks and
Streams,
2002
refunding**

The Open Spaces, Parks and Streams general obligation bonds were authorized by the voters on May 16, 1995. The original bonds were issued in three series between Sept. 1 and Oct. 15, 1995, to facilitate compliance with federal regulations regarding expenditures and investment of bond proceeds. Bond proceeds are used to purchase regionally significant open spaces and to provide funds for local governments to purchase, construct and improve local parks. Series A and C of the original bonds were refunded in 2002 resulting in a net present value savings of \$6,104,077. The last payment on the Series B bonds was made on Sept. 1, 2010.

	2002 Refunding
Amount issued	\$92,045,000
Issue date	Oct. 30, 2002
Original issue True Interest Rate (TIC)	3.696%
Ratings as of date of issuance	
Moody's	Aa1
Standard & Poor's	AA+
Principal outstanding balance as of July 1, 2011	\$45,880,000

Semi-annual debt service schedule

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Fiscal Year Debt Service
9-1-11	5.000%	8,265,000.00	1,183,156.25	9,448,156.25	
3-1-12			976,531.25	976,531.25	10,424,687.50
9-1-12	5.000%	8,690,000.00	976,531.25	9,666,531.25	
3-1-13			759,281.25	759,281.25	10,425,812.50
9-1-13	5.250%	9,140,000.00	759,281.25	9,899,281.25	
3-1-14			519,356.25	519,356.25	10,418,637.50
9-1-14	5.250%	9,630,000.00	519,356.25	10,149,356.25	
3-1-15			266,568.75	266,568.75	10,415,925.00
9-1-15	5.250%	10,155,000.00	266,568.75	10,421,568.75	10,421,568.75
Totals		\$45,880,000.00	\$6,226,631.25	\$52,106,631.25	\$52,106,631.25

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

**General
Obligation
Bonds,
Metro
Washington
Park Zoo
Oregon
Project,
2005 Series**

Amount issued	\$18,085,000
Issue date	May 12, 2005
Original issue True Interest Rate (TIC)	3.689%
Ratings as of date of issuance	
Moody's	Aa1
Standard & Poor's	AAA
Principal outstanding balance as of July 1, 2011	\$11,695,650

Semi-annual debt service schedule

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Total F/Y Debt Service
7-15-11		0.00	281,325.00	281,325.00	
1-15-12	5.000%	1,710,000.00	281,325.00	1,991,325.00	2,272,650.00
7-15-12		0.00	238,575.00	238,575.00	
1-15-13	5.000%	1,795,000.00	238,575.00	2,033,575.00	2,272,150.00
7-15-13		0.00	193,700.00	193,700.00	
1-15-14	5.000%	1,890,000.00	193,700.00	2,083,700.00	2,277,400.00
7-15-14		0.00	146,450.00	146,450.00	
1-15-15	5.000%	1,995,000.00	146,450.00	2,141,450.00	2,287,900.00
7-15-15		0.00	96,575.00	96,575.00	
1-15-16	5.000%	2,095,000.00	96,575.00	2,191,575.00	2,288,150.00
7-15-16		0.00	44,200.00	44,200.00	
1-15-17	4.000%	2,210,000.00	44,200.00	2,254,200.00	2,298,400.00
Total		\$11,695,000.00	\$2,001,650.00	\$13,696,650.00	\$13,696,650.00

General Obligation Bonds, Natural Areas, 2007 Series

In November 2006 the region's voters approved Measure 26-80, a \$227.4 million bond measure that directed Metro to acquire natural areas, parks and streams to protect open spaces and water quality, enhance the region's network of trails, and provide greater access to nature. The first series of bonds for \$124,295,000 was issued April 3, 2007. The remaining portion of the bond authorization will be issued as program needs require. Debt service will be paid from property taxes assessed on real property within the Metro region.

Amount issued	\$124,295,000
Issue date	April 3, 2007
Original issue True Interest Rate (TIC)	4.0759%
Ratings as of date of issuance	
Moody's	Aaa
Standard & Poor's	AAA
Principal outstanding balance as of July 1, 2011	\$86,015,000

Semi-annual debt service schedule

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Total FY Debt Service
12/1/2011	-	-	2,035,875.00	2,035,875.00	
6/1/2012	4.00%	4,070,000	2,035,875.00	6,105,875.00	8,141,750.00
12/1/2012	-	-	1,954,475.00	1,954,475.00	
6/1/2013	4.00%	4,230,000	1,954,475.00	6,184,475.00	8,138,950.00
12/1/2013	-	-	1,869,875.00	1,869,875.00	
6/1/2014	5.00%	4,400,000	1,869,875.00	6,269,875.00	8,139,750.00
12/1/2014	-	-	1,759,875.00	1,759,875.00	
6/1/2015	5.00%	4,620,000	1,759,875.00	6,379,875.00	8,139,750.00
12/1/2015	-	-	1,644,375.00	1,644,375.00	
6/1/2016	5.00%	4,850,000	1,644,375.00	6,494,375.00	8,138,750.00
12/1/2016	-	-	1,523,125.00	1,523,125.00	
6/1/2017	5.00%	5,095,000	1,523,125.00	6,618,125.00	8,141,250.00
12/1/2017	-	-	1,395,750.00	1,395,750.00	
6/1/2018	5.00%	5,350,000	1,395,750.00	6,745,750.00	8,141,500.00
12/1/2018	-	-	1,262,000.00	1,262,000.00	
6/1/2019	5.00%	5,615,000	1,262,000.00	6,877,000.00	8,139,000.00
12/1/2019	-	-	1,121,625.00	1,121,625.00	
6/1/2020	5.00%	5,895,000	1,121,625.00	7,016,625.00	8,138,250.00
12/1/2020	-	-	974,250.00	974,250.00	
6/1/2021	5.00%	6,190,000	974,250.00	7,164,250.00	8,138,500.00
12/1/2021	-	-	819,500.00	819,500.00	
6/1/2022	5.00%	6,500,000	819,500.00	7,319,500.00	8,139,000.00
12/1/2022	-	-	657,000.00	657,000.00	
6/1/2023	4.50%	6,825,000	657,000.00	7,482,000.00	8,139,000.00
12/1/2023	-	-	503,437.50	503,437.50	
6/1/2024	4.50%	7,130,000	503,437.50	7,633,437.50	8,136,875.00
12/1/2024	-	-	343,012.50	343,012.50	
6/1/2025	4.50%	7,455,000	343,012.50	7,798,012.50	8,141,025.00
12/1/2025	-	-	175,275.00	175,275.00	
6/1/2026	4.50%	7,790,000	175,275.00	7,965,275.00	8,140,550.00
Total		\$86,015,000	\$36,078,900	\$122,093,900	\$122,093,900

In November 2008 the region's voters approved Measure 26-96, a \$125 million general obligation bond measure that directed Metro to fund Oregon Zoo capital projects to protect animal health and safety, conserve and recycle water and to improve access to conservation education. The first series of bonds was issued December 2008 and repaid in June 2010. A second series of bonds was issued on August 5, 2010, in the form of a two-year private placement with Wells Fargo for \$15 million. The bonds were issued as taxable Build America Bonds (BABs).

General Obligation Bonds, Oregon Zoo Infrastructure and Animal Welfare Bonds, Series 2010

Amount issued	\$15,000,000
Issue date	August 2010
Original issue True Interest Rate (TIC)	.08491%
Ratings as of date of issuance	
Moody's	Aaa
Standard & Poor's	AAA
Principal outstanding balance as of July 1, 2011	\$4,165,000

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Total FY Debt Service
12/1/2011		-	27,198.07	27,198.07	
6/1/2012	1.31%	4,165,000.00	27,198.07	4,192,198.07	4,219,396.14
Total		\$4,165,000.00	\$54,396.14	\$4,219,396.14	\$4,219,396.14

Full Faith and Credit Refunding Bonds, 2003 Series

Full faith and credit bonds were issued in October 2003 to refund outstanding obligations for Metro Regional Center acquisition and construction, and for loans from the Oregon Economic and Community Development Department's (OECDD) Special Public Works Fund to the Oregon Zoo for Metro's share of light rail station construction and Washington Park parking lot improvements. Bonds to finance Metro Regional Center were originally issued in 1991, and refunded in 1993, as revenue bonds to be paid by assessments to Metro operating units. The OECDD loans were issued in two series, in 1995 and 1996, to coincide with construction schedules for the light rail and parking lot improvements projects. These loans were to be paid from zoo revenues. The 2003 refunding broadened the pool of available funds to back payment of the obligations, by pledging Metro's general revenues including excise taxes and Metro's permanent rate property tax levy. Debt service payments will continue to be made from the same sources as before, but the full faith and credit pledge strengthens the security for bondholders. The refunding bonds produced net present value savings of \$2,462,082.

Amount issued	\$24,435,000
Issue date	Oct. 16, 2003
Original issue True Interest Rate (TIC)	3.793%
Ratings as of date of issuance	
Moody's	Aa2
Standard & Poor's	AA+
Principal outstanding balance as of July 1, 2011	\$16,300,000

Semi-annual debt service schedule

Payment Due	Interest Rate	MRC Principal Due	MRC Interest Due	Zoo Principal Due	Zoo Interest Due	TOTAL Principal Due	TOTAL Interest Due	Total Debt Service	Total F/Y Debt Service
8-1-11	3.125%	960,000	277,960.00	340,000	34,860.00	1,300,000	312,820.00	1,612,820.00	
2-1-12			262,960.00		29,547.50	0	292,507.50	292,507.50	1,905,327.50
8-1-12	3.300%	990,000	262,960.00	350,000	29,547.50	1,340,000	292,507.50	1,632,507.50	
2-1-13			246,625.00		23,772.50	0	270,397.50	270,397.50	1,902,905.00
8-1-13	3.500%	1,025,000	246,625.00	360,000	23,772.50	1,385,000	270,397.50	1,655,397.50	
2-1-14			228,687.50		17,472.50	0	246,160.00	246,160.00	1,901,557.50
8-1-14	3.600%	1,060,000	228,687.50	380,000	17,472.50	1,440,000	246,160.00	1,686,160.00	
2-1-15			209,607.50		10,632.50	0	220,240.00	220,240.00	1,906,400.00
8-1-15	3.700%	1,090,000	209,607.50	395,000	10,632.50	1,485,000	220,240.00	1,705,240.00	
2-1-16			189,442.50		3,325.00	0	192,767.50	192,767.50	1,898,007.50
8-1-16	3.800%	1,150,000	189,442.50	175,000	3,325.00	1,325,000	192,767.50	1,517,767.50	
2-1-17			167,592.50			0	167,592.50	167,592.50	1,685,360.00
8-1-17	4.000%	1,210,000	167,592.50			1,210,000	167,592.50	1,377,592.50	
2-1-18			143,392.50			0	143,392.50	143,392.50	1,520,985.00
8-1-18	4.000%	1,255,000	143,392.50			1,255,000	143,392.50	1,398,392.50	
2-1-19			118,292.50			0	118,292.50	118,292.50	1,516,685.00
8-1-19	4.100%	1,305,000	118,292.50			1,305,000	118,292.50	1,423,292.50	
2-1-20			91,540.00			0	91,540.00	91,540.00	1,514,832.50
8-1-20	4.200%	1,360,000	91,540.00			1,360,000	91,540.00	1,451,540.00	
2-1-21			62,980.00			0	62,980.00	62,980.00	1,514,520.00
8-1-21	4.300%	1,420,000	62,980.00			1,420,000	62,980.00	1,482,980.00	
2-1-22			32,450.00			0	32,450.00	32,450.00	1,515,430.00
8-1-22	4.400%	1,475,000	32,450.00			1,475,000	32,450.00	1,507,450.00	1,507,450.00
Total		\$14,300,000	\$3,785,100.00	\$2,000,000	\$204,360.00	\$16,300,000	\$3,989,460.00	\$20,289,460.00	\$20,289,460.00

Full Faith and Credit Refunding Bonds, 2006 Series

In April 2000 Metro obtained a loan from the Oregon Bond Bank through the Oregon Economic Development Department (OEDD) Special Public Works Fund (SPWF) to pay for the construction of a new building to replace the existing Hall D at the Expo Center. The loan was divided into two parts with the first being used to finance the construction of the Hall D replacement. The second part of the loan was for infrastructure improvements associated with the new building. In April 2006 Metro joined with two other Oregon local governments to issue full faith and credit refunding bonds to refund the outstanding obligation remaining on the loan. The refunding realized a net present value savings of \$758,683, 5.05 percent of refunding proceeds. Payments are made from ongoing Expo revenues.

Amount issued	\$14,700,000
Issue date	April 20, 2006
Original Issue True Interest Rate (TIC)	4.3278%
Ratings as of date of issuance	
Moody's	A2
Insured to:	Aaa
Principal Outstanding Balance as of July 1, 2011	\$12,210,000

Semi-annual debt service schedule

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Total FY Debt Service
12-1-11	4.00%	650,000.00	275,815.63	925,815.63	
6-1-12			262,815.63	262,815.63	1,188,631.26
12-1-12	4.00%	675,000.00	262,815.63	937,815.63	
6-1-13			249,315.63	249,315.63	1,187,131.26
12-1-13	4.25%	705,000.00	249,315.63	954,315.63	
6-1-14			234,334.38	234,334.38	1,188,650.01
12-1-14	4.25%	735,000.00	234,334.38	969,334.38	
6-1-15			218,715.63	218,715.63	1,188,050.01
12-1-15	4.25%	765,000.00	218,715.63	983,715.63	
6-1-16			202,459.38	202,459.38	1,186,175.01
12-1-16	4.38%	795,000.00	202,459.38	997,459.38	
6-1-17			185,068.75	185,068.75	1,182,528.13
12-1-17	5.00%	830,000.00	185,068.75	1,015,068.75	
6-1-18			164,318.75	164,318.75	1,179,387.50
12-1-18	5.00%	870,000.00	164,318.75	1,034,318.75	
6-1-19			142,568.75	142,568.75	1,176,887.50
12-1-19	5.00%	915,000.00	142,568.75	1,057,568.75	
6-1-20			119,693.75	119,693.75	1,177,262.50
12-1-20	5.00%	960,000.00	119,693.75	1,079,693.75	
6-1-21			95,693.75	95,693.75	1,175,387.50
12-1-21	4.25%	1,010,000.00	95,693.75	1,105,693.75	
6-1-22			74,231.25	74,231.25	1,179,925.00
12-1-22	4.25%	1,055,000.00	74,231.25	1,129,231.25	
6-1-23			51,812.50	51,812.50	1,181,043.75
12-1-23	5.00%	1,095,000.00	51,812.50	1,146,812.50	
6-1-24			24,437.50	24,437.50	1,171,250.00
12-1-24	4.25%	1,150,000.00	24,437.50	1,174,437.50	1,174,437.50
Total		\$12,210,000.00	\$4,326,746.93	\$16,536,746.93	\$16,536,746.93

Limited Tax Pension Obligation Bonds, 2005 Series

Metro joined in a pool with other local governments in the State of Oregon to issue limited tax pension bonds to fund its share of the Oregon Public Employee Retirement System unfunded actuarial liability. The taxable bonds were issued on Sept. 13, 2005. Debt service will be repaid through assessments on operating units in exchange for a lower pension cost. The underlying Moody's rating is A3. The issue was insured to receive an Aaa rating.

Amount Issued	\$24,290,000
Issue date	Sept. 13, 2005
Original issue True Interest Rate (TIC)	5.0420%
Ratings as of date of issuance	
Moody's	A3
Insured to	Aaa
Principal outstanding balance as of July 1, 2011	\$23,620,000

Semi-annual debt service schedule

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Total FY Debt Service
12-1-11		0	576,607.08	576,607.08	
6-1-12	5.500%	435,000	576,607.08	1,011,607.08	1,588,214.16
12-1-12		0	564,644.58	564,644.58	
6-1-13	4.613%	525,000	564,644.58	1,089,644.58	1,654,289.16
12-1-13		0	552,535.45	552,535.45	
6-1-14	4.665%	615,000	552,535.45	1,167,535.45	1,720,070.90
12-1-14		0	538,190.58	538,190.58	
6-1-15	4.859%	710,000	538,190.58	1,248,190.58	1,786,381.16
12-1-15		0	520,941.13	520,941.13	
6-1-16	4.859%	820,000	520,941.13	1,340,941.13	1,861,882.26
12-1-16		0	501,019.23	501,019.23	
6-1-17	4.859%	930,000	501,019.23	1,431,019.23	1,932,038.46
12-1-17		0	478,424.88	478,424.88	
6-1-18	4.859%	1,055,000	478,424.88	1,533,424.88	2,011,849.76
12-1-18		0	452,793.65	452,793.65	
6-1-19	4.859%	1,185,000	452,793.65	1,637,793.65	2,090,587.30
12-1-19		0	424,004.08	424,004.08	
6-1-20	4.859%	1,325,000	424,004.08	1,749,004.08	2,173,008.16
12-1-20		0	391,813.20	391,813.20	
6-1-21	5.004%	1,480,000	391,813.20	1,871,813.20	2,263,626.40
12-1-21		0	354,783.60	354,783.60	
6-1-22	5.004%	1,645,000	354,783.60	1,999,783.60	2,354,567.20
12-1-22		0	313,625.70	313,625.70	
6-1-23	5.004%	1,820,000	313,625.70	2,133,625.70	2,447,251.40
12-1-23		0	268,089.30	268,089.30	
6-1-24	5.004%	2,010,000	268,089.30	2,278,089.30	2,546,178.60
12-1-24		0	217,799.10	217,799.10	
6-1-25	5.004%	2,210,000	217,799.10	2,427,799.10	2,645,598.20
12-1-25		0	162,504.90	162,504.90	
6-1-26	5.004%	2,430,000	162,504.90	2,592,504.90	2,755,009.80
12-1-26		0	101,706.30	101,706.30	
6-1-27	5.004%	2,660,000	101,706.30	2,761,706.30	2,863,412.60
12-1-27		0	35,153.10	35,153.10	
6-1-28	5.004%	1,405,000	35,153.10	1,440,153.10	1,475,306.20
Total		\$23,260,000.00	\$12,909,271.72	\$36,169,271.72	\$36,169,271.72

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BEFORE THE METRO COUNCIL

ADOPTING THE ANNUAL BUDGET FOR) ORDINANCE NO. 11-1253C
 FISCAL YEAR 2011-12, MAKING)
 APPROPRIATIONS, LEVYING AD VALOREM) Introduced by Dan Cooper, Acting Chief
 TAXES, AUTHORIZING AN INTERFUND LOAN) Operating Officer, with the concurrence of
 AND DECLARING AN EMERGENCY) Council President Tom Hughes

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, 2011, and ending June 30, 2012; 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 2011-12 Metro Budget," in the total amount of THREE HUNDRED EIGHTY FIVE MILLION ONE HUNDRED THIRTY FIVE THOUSAND SEVEN HUNDRED THIRTY FIVE \$385,135,735, 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 ONE THOUSAND DOLLARS (\$1,000) of assessed value for operations and in the amount of TWENTY EIGHT MILLION ONE HUNDRED SIXTY ONE THOUSAND FIVE HUNDRED THIRTY FOUR DOLLARS (\$28,161,534) for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2011-12. 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 <u>the Limitation</u>
Operating Tax Rate Levy	\$0.0966/\$1,000	
General Obligation Bond Levy		\$28,161,534

3. 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, 2011, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

Adopting ordinance, *continued*

4. An interfund loan from the Solid Waste Revenue Fund to the MERC Fund in an amount not to exceed \$2.5 million is hereby authorized. The loan will be made to provide short-term financing of the Eastside Streetcar Local Improvement District assessment on the Oregon Convention Center. The loan, including interest at a rate equal to the average yield on Metro's pooled investments, will be repaid from Oregon Convention Center revenues and/or reserves.

5. The General Asset Management Fund is hereby created for the purpose of managing the assets of Metro's General Fund facilities including but not limited to the Oregon Zoo, Regional Parks and Natural Areas, Metro Regional Center, and information technology infrastructure. Major revenue sources for the fund include but are not limited to grants, donations, General Fund contributions, 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 funds(s) designated for similar purpose.

6. The following funds are hereby consolidated into the General Asset Management Fund – the Metro Capital Fund and the Renewal and Replacement Fund. Balances remaining in these funds are consolidated with the General Asset Management Fund effective July 1, 2011.

7. The Chief Operating 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.

8. 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, 2011, 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 2011.



ATTEST:

For 
Anthony Andersen, Recording Secretary

Approved as to Form:


Alison Kean Campbell, Acting Metro Attorney

Schedule of appropriations

	Adopted Budget
GENERAL FUND	
Communications	2,392,835
Council Office	3,694,550
Finance & Regulatory Services	3,870,708
Human Resources	2,304,161
Information Services	3,618,387
Metro Auditor	686,452
Office of Metro Attorney	2,067,885
Oregon Zoo	28,526,231
Parks & Environmental Services	6,493,041
Planning and Development	16,469,641
Research Center	4,400,666
Sustainability Center	5,014,777
Former ORS 197.352 Claims & Judgments	100
Special Appropriations	4,601,055
Non-Departmental	
Debt Service	1,588,215
Interfund Transfers	4,949,564
Contingency	3,929,617
Unappropriated Balance	14,663,496
Total Fund Requirements	\$109,271,381
GENERAL ASSET MANAGEMENT FUND	
Asset Management Program	5,227,503
Non-Departmental	
Contingency	3,911,582
Total Fund Requirements	\$9,139,085
GENERAL OBLIGATION BOND DEBT SERVICE FUND	
Debt Service	30,579,525
Unappropriated Balance	10,037,356
Total Fund Requirements	\$40,616,881
GENERAL REVENUE BOND FUND	
Project Account	
Capital Outlay - Washington Park Parking Lot	216,821
Subtotal	216,821
Debt Service Account	
Debt Service - Metro Regional Center	1,500,920
Debt Service - Expo Center Hall D	1,188,632
Debt Service - Washington Park Parking Lot	404,408
Subtotal	3,093,960
Unappropriated Balance	5,276
Total Fund Requirements	\$3,316,057
MERC FUND	
MERC	41,339,877
Non-Departmental	
Interfund Transfers	6,142,766
Contingency	7,633,716
Unappropriated Balance	13,198,695
Total Fund Requirements	\$68,315,054

Schedule of appropriations, *continued*

	Adopted Budget
NATURAL AREAS FUND	
Sustainability Center	34,659,897
Non-Departmental	
Interfund Transfers	1,773,222
Contingency	1,340,396
Total Fund Requirements	\$37,773,515
OPEN SPACES FUND	
Sustainability Center	336,876
Total Fund Requirements	\$336,876
OREGON ZOO INFRASTRUCTURE AND ANIMAL WELFARE FUND	
Oregon Zoo	7,060,515
Non-Departmental	
Interfund Transfers	364,209
Contingency	2,252,513
Total Fund Requirements	\$9,677,237
PIONEER CEMETERY PERPETUAL CARE FUND	
Unappropriated Balance	377,450
Total Fund Requirements	\$377,450
REHABILITATION & ENHANCEMENT FUND	
Sustainability Center	336,903
Non-Departmental	
Interfund Transfers	33,287
Contingency	300,000
Unappropriated Balance	1,585,796
Total Fund Requirements	\$2,255,986
RISK MANAGEMENT FUND	
Finance & Regulatory Services	2,815,266
Non-Departmental	
Interfund Transfers	757,890
Contingency	500,000
Unappropriated Balance	763,084
Total Fund Requirements	\$4,836,240
SMITH AND BYBEE LAKES FUND	
Parks & Environmental Services	65,000
Non-Departmental	
Interfund Transfers	112,251
Contingency	200,000
Unappropriated Balance	3,459,092
Total Fund Requirements	\$3,836,343

Schedule of appropriations, *continued*

	Adopted Budget
SOLID WASTE REVENUE FUND	
Operating Account	
Finance & Regulatory Services	2,110,010
Sustainability Center	8,094,612
Parks & Environmental Services	39,835,576
Subtotal	<u>50,040,198</u>
Landfill Closure Account	
Parks & Environmental Services	1,209,500
Subtotal	<u>1,209,500</u>
Renewal and Replacement Account	
Parks & Environmental Services	865,000
Subtotal	<u>865,000</u>
General Account	
Parks & Environmental Services	1,850,000
Subtotal	<u>1,850,000</u>
General Expenses	
Interfund Transfers	7,988,738
Contingency	14,588,745
Subtotal	<u>22,577,483</u>
Unappropriated Balance	18,841,449
Total Fund Requirements	<u>\$95,383,630</u>
TOTAL BUDGET	<u>\$385,135,735</u>



Property tax levy

Tax Rate Levy

FY 2010-11 ASSESSED VALUE **\$124,354,465,812**

Assessed Value Increase:

Statutory 3% allowable	3,730,633,974
Estimate for new construction @ 0.0%	0

ESTIMATED FY 2011-12 ASSESSED VALUE **\$128,085,099,786**

Tax Rate= \$0.0966 /\$1000

FY 2011-12 TAX RATE LEVY **\$12,373,020**
(estimated assessed value x tax rate)

Less: Loss due to Measure 5 compression (\$177,500)
Comcast appeal (\$42,000)

ESTIMATED TAXES TO BE RECEIVED **\$11,424,309**

(based on 94.0% collectable rate)

General Obligation Bond Debt Service

FY 2011-12 REQUIREMENTS

07/01/11 payment (Oregon Convention Center)	\$243,020
07/15/11 payment (Oregon Zoo)	\$281,325
9/01/11 payment (Open Spaces)	\$9,448,156
12/01/11 payment (Natural Areas)	\$2,035,875
12/01/11 payment (Zoo Infrastructure)	\$27,199
01/01/12 payment (Oregon Convention Center)	\$5,278,020
01/15/12 payment (Oregon Zoo)	\$1,991,325
03/01/12 payment (Open Spaces)	\$976,532
06/01/12 payment (Natural Areas)	\$6,105,875
06/01/12 payment (Zoo Infrastructure)	\$4,192,198
07/01/12 payment (Oregon Conv Center-cash flow)	\$132,250
07/15/12 payment (Oregon Zoo-cash flow)	\$238,575
09/01/12 payment (Open Spaces-cash flow)	\$9,666,531
TOTAL REQUIREMENTS	\$40,616,881

Sources available for cash flow:

Fund balance	\$13,226,000
Prior years taxes	800,000
Government contribution	19,039
Interest earned, FY 2011-12	100,000
Total non-tax sources	\$14,145,039

Tax resources required	\$26,471,842
Levy (assume 94.0% collectable rate)	\$28,161,534

Estimated FY 2011-12 Assessed Value	\$128,085,099,786
Levy rate per \$1000	\$0.2199
On \$100,000 property	\$21.99

FY 2011-12 TAX LEVY AMOUNT **\$28,161,534**

FY 2011-12 budget transfers

Interfund transfers are a significant part of the annual budget. Generally, transfers are made between funds when the revenue is received in one fund for an expenditure that occurs in another fund. Another primary reason for transfers is for a fund to pay for services provided by another fund (for example, the Solid Waste Revenue Fund transfers money to the Risk Management Fund for insurance coverage).

A transfer is an expenditure to the fund that is transferring the money out or buying services. A transfer is a resource to the fund that is receiving the money or selling the services. For every expenditure transfer there is a corresponding resource transfer. (For example, the expenditure of “Transfer to Risk Management Fund” in the Solid Waste Revenue Fund would show as a resource “Transfer from Solid Waste Revenue Fund” in the Risk Management Fund.) The corresponding transfers must show the same dollar amount. Since the internal transfers are complex and can be difficult to understand and trace through the budget document, the following explanation is provided for each transfer, by fund.

From (Expenditures)	To (Resources)	Type	\$ Amount	Purpose
General Fund	Risk Management Fund	Indirect	\$727,260	Charges for insurance premiums, reserves and related costs associated with the agency's liability, property, safety and workers' compensation programs.
	General Revenue Bond Fund (Debt Service Account)	Resource	\$1,905,328	Charges for debt service payments on Metro Regional Center and the parking structure. Charges are included in each department's indirect transfer to the General Fund and passed through to the General Revenue Bond Fund when debt service payments are due. Also includes transfer from the Oregon Zoo to repay debt issued to reconfigure parking lot and contribute to light rail station.
	MERC Fund	Resource	\$480,000	Transfer from the Metro Tourism Opportunity and Competitiveness Account designed to assist the Oregon Convention Center's competitiveness in the pursuit of convention from outside the region.
	General Asset Management Fund	Resource	\$1,688,518	Annual renewal and replacement contribution to provide for General Fund assets including Metro Regional Center, Oregon Zoo, Parks and Environmental Services, and Information Services.
	Solid Waste Revenue Fund	Resource	\$148,458	Transfer to support agency Sustainability program.
MERC Fund	General Fund	Indirect	\$2,164,856	Charges for services provided, including but not limited to, accounting, human resources, legal and information services support. Also includes a share of the Chief Operating Officer program.
	Risk Management Fund	Indirect	\$741,765	Charges for insurance premiums, reserves and related costs associated with the agency's liability, property, safety and workers' compensation programs.
	General Fund	Direct	\$77,884	Charges for services provided by Office of COO not included in the indirect pool.
	General Revenue Bond Fund (Debt Service Account)	Resource	\$1,188,632	Transfer from Expo Center operations to pay debt service on outstanding revenue bonds issued to refund the OECDL loan for the Expo Center Hall D construction.
	General Asset Management Fund	Resource	\$10,824	Transfer from PCPA for replacement of Kronos timekeeping system components.
	General Fund	Resource	\$1,958,805	Transfer of PERS Reserve to the General Fund.

FY 2011-12 Budget transfers, *continued*

From (Expenditures)	To (Resources)	Type	\$ Amount	Purpose
Natural Areas Fund	General Fund	Indirect	\$1,241,830	Charges for services provided, including but not limited to, accounting, human resources, legal and information services support. Also includes charges for office and shared space, such as conference rooms, as well as a share of the Chief Operating Officer program.
	Risk Management Fund	Indirect	\$7,285	Charges for insurance premiums, reserves and related costs associated with the agency's liability, property, safety and workers' compensation programs.
	General Fund	Direct	\$52,431	Charges for services provided by Finance and Communications not included in the indirect pool.
	General Fund (Data Resource Center)	Direct	\$86,123	Charges for services provided by the Data Resource Center relate to the acquisition of natural areas.
	General Fund (Parks and Environmental Services)	Direct	\$338,553	Charges for services provided by finance and administration staff of the Sustainability Center and Parks and Environmental Services
	General Fund	Resource	\$47,000	Transfer of PERS Reserve to the General Fund.
Rehabilitation and Enhancement Fund	Solid Waste Revenue Fund	Direct	\$33,287	Charges for Sustainability Center staff support to the various advisory committees.
Risk Management Fund	General Fund	Resource	\$30,000	Transfer of PERS Reserve to the General Fund.
	General Fund	Resource	\$277,890	Transfer to move personal services costs formerly housed in Risk Fund to the General Fund.
	General Fund	Resource	\$270,070	Transfer from Opt Out balance to offset cost of health insurance premium by \$600 per FTE.
	MERC Fund	Resource	\$111,510	Transfer from Opt Out balance to offset cost of health insurance premium by \$600 per FTE.
	Natural Areas Fund	Resource	\$8,940	Transfer from Opt Out balance to offset cost of health insurance premium by \$600 per FTE.
	Oregon Zoo Infrastructure and Animal Welfare Fund	Resource	\$3,350	Transfer from Opt Out balance to offset cost of health insurance premium by \$600 per FTE.
	Solid Waste Revenue Fund	Resource	\$56,130	Transfer from Opt Out balance to offset cost of health insurance premium by \$600 per FTE.
Smith and Bybee Wetlands Fund	General Fund (Parks and Environmental Services)	Direct	\$112,251	Charges for Parks staff managing operations and providing education at Smith and Bybee Lakes.
Solid Waste Revenue Fund	General Fund	Indirect	\$4,085,081	Charges for services provided, including but not limited to, accounting, human resources, legal and information services support. Also includes charges for office and shared space, such as conference rooms, as well as a share of the Chief Operating Officer program.
	Risk Management Fund	Indirect	\$278,155	Charges for insurance premiums, reserves and related costs associated with the agency's liability, property and workers' compensation programs.
	Risk Management Fund	Direct	\$62,686	Charges for safety staff housed in Risk Management.
	General Fund (Planning and Data Resource Center)	Direct	\$409,710	Charges for services provided by the Data Resource Center and travel forecasting section of Planning. Includes a fee for maintaining databases.
	General Fund (Parks and Environmental Services)	Direct	\$3,647	Charges for service incurred on behalf of and directly related to solid waste issues.
	General Fund	Direct	\$486,306	Charges for services provided by Finance and Communications not included in the indirect pool.
	General Fund	Direct	\$1,114,870	Charges for services provided by finance and administration staff of the Sustainability Center and Parks and Environmental Services

FY 2011-12 Budget transfers, *continued*

From (Expenditures)	To (Resources)	Type	\$ Amount	Purpose
	General Fund	Direct	\$34,253	Sustainability Center Education/Climate Change
	Rehabilitation and Enhancement Fund	Resource	\$348,867	Fee collected on each ton of solid waste dedicated to rehabilitation and enhancement of the areas affected by the solid waste facilities.
	General Asset Management Fund	Resource	\$53,163	Annual renewal and replacement contribution to provide for cop machines housed in the Solid Waste area.
	General Fund	Resource	\$1,112,000	Transfer of PERS Reserve to General Fund.

Chapter III Section 10 of the Metro Charter authorizes Metro to levy and collect taxes except as prohibited by law or restricted by the Charter. The Metro Code Chapter 7.01.020 imposes a tax on each user for the privilege of using the facilities, equipment, systems, functions, services or improvements owned, operated, franchised or provided by Metro. Certain exemptions to the tax are specified in Section 7.01.050 of the Code. The tax is not applied to the Portland Center for the Performing Arts under terms of the Consolidation Agreement with the City of Portland, nor to the Oregon Zoo operations by Council action.

The excise tax is Metro's primary General Fund revenue source. It supports the Council Office and transfers of indirect costs of associated central services. The tax also supports various planning, parks facility activities and MERC marketing efforts. The excise tax rate for FY 2011-12 will be 7.5 percent for all facilities subject to the excise tax with the exception of solid waste facilities. The excise tax rate on solid waste will be \$11.80 per ton.

Almost 87 percent of all excise tax is generated on solid waste revenue. To increase revenue predictability, the Council changed the method by which the solid waste excise tax is calculated from a percentage of the tipping fee to a per-ton fee in 2000. For budgeting purposes, the revenue raised increases at the same rate as the Consumer Price Index. The Council may exceed the Consumer Price Index limitation if additional resources are deemed necessary during the budget review and adoption process.

In addition to the base rate set in 2000, the Metro Council at one time adopted a series of dedicated per-ton taxes. These included a \$1.00 per ton tax in FY 2003-03 for regional parks, increased to \$2.50 per ton in 2004. Also in 2004 the Council approved an additional \$0.50 per ton tax to establish a Tourism Opportunity and Competitiveness Account to provide marketing assistance for the Oregon Convention Center. In FY 2006-07 the dedications were removed from Metro Code and became subject to the annual budget process.

The FY 2010-11 budget implemented an additional code change that combined the "additional tax" into a single per-ton base rate. This increases predictability and moderates revenue swings in times of either increasing or decreasing tonnage. The combined base rate will be modified by the CPI indicator, not tonnage, in future years; the charter limitation on expenditures is unaffected by this change.

History of Excise Tax Collections

EXCISE TAX RATE: 7.50%*	Actual FY 2004-05	Actual FY 2005-06	Actual FY 2006-07	Actual FY 2007-08	Actual FY 2008-09	Actual FY 2009-10	Budgeted FY 2010-11	Budgeted FY 2011-12
Oregon Zoo**	\$978,285	\$1,079,554	\$1,168,953	\$1,131,278	\$468,626	\$0	\$0	\$0
Planning	14,532	16,719	15,909	16,800	13,051	15,190	4,830	4,830
Parks and Enviro Svcs - Gen Fund****	221,714	239,583	248,628	228,419	247,286	230,182	283,048	283,680
Portland Expo Center	425,423	404,403	413,543	437,126	421,091	386,499	441,301	462,314
Oregon Convention Center	1,143,791	996,113	1,183,805	1,084,166	1,174,776	1,221,797	1,313,778	1,231,965
Solid Waste - Metro Facilities***	4,700,086	4,923,062	5,072,874	4,624,732	4,573,655	4,755,699	5,625,990	5,654,396
Solid Waste - Non-Metro Facilities	6,094,060	6,583,818	6,731,009	7,154,676	6,072,442	6,354,996	7,234,990	7,463,580
TOTAL EXCISE TAX EARNED	\$13,577,891	\$14,243,252	\$14,834,721	\$14,677,197	\$12,970,927	\$12,964,363	\$14,903,937	\$15,100,765

* In December 2000, the Council converted the excise tax levied on solid waste activities from 8.5% to a per ton rate. The per ton rate is set annually during the budget process. The FY 2011-12 budget excise tax rate is \$11.80 per ton.

** The budget reflects the Oregon Zoo Operations exemption from excise tax effective September 1, 2008.

***Beginning in FY 2010-11 Solid Waste - Metro Facilities includes excise tax at 7.5% on product sales of paint and compost bins.

****Regional Parks and Greenspaces and Building Management, previously listed separately are combined to form Parks and Environmental Svcs - General Fund.

GASB 54 Fund balance delegation

Governmental Accounting Standards Board Statement 54 introduces a restructuring and redefinition of fund balance components for governmental fund types. Enterprise funds such as the Solid Waste and MERC fund are not included. The statement is intended to improve the usefulness of the amount reported in fund balance by providing more structured classification. To improve the reporting of fund balance, a hierarchy of fund balance classifications has been created based primarily on the extent to which governments are bound by constraints on resources reported in the funds. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

The hierarchy of five possible classifications of fund balance is:

- Nonspendable - balances in permanent funds and inventories that are permanently precluded from conversion to cash.
- Restricted - constrained to a specific purpose by enabling legislation, external parties or constitutional provisions.
- Committed - constraints imposed by the government using the highest level of decision-making authority.
- Assigned - amounts intended for a specific purpose by a government's management.
- Unassigned - amounts available for any purpose.

Estimated July 1, 2011 fund balance designations are:

Fund	FY 2011-12 DESIGNATIONS				
	Non-spendable	Restricted	Committed	Assigned	Unassigned
General Fund	\$0	\$3,290,434	\$3,173,715	\$0	\$19,155,406
General Obligation Bond Debt Service Fund	0	13,226,000	0	0	0
General Revenue Bond Fund	0	0	0	220,991	0
General Asset Management Fund	0	749,802	0	5,940,146	0
Natural Areas Fund	0	36,715,000	0	0	0
Open Spaces Fund	0	335,200	0	0	0
Oregon Zoo Infrastructure & Animal Welfare Fund	0	9,649,239	0	0	0
Pioneer Cemetery Perpetual Care Fund	350,700	0	0	0	0
Rehab. And Enhancement Fund	0	1,897,631	0	0	0
Smith and Bybee Wetlands Fund	0	3,817,257	0	0	0
TOTAL FUND BALANCE DESIGNATIONS	\$350,700	\$69,680,563	\$3,173,715	\$6,161,137	\$19,155,406

Limited duration positions

Positions approved by the Metro Council for specific projects funded by non-recurring or one-time sources of revenues are authorized for limited duration time periods only. Unless specifically re-authorized by the Council during a budget action the position is eliminated at the end of the authorized duration. The following changes are proposed for FY 2011-12:

Position	Pos # Department	Duration	FTE	Program/Project
<u>Duration Expired during FY 2010-11</u>				
CRC Project Director	491 Council Office	2/12/2011	1.00	Columbia River Crossing
Assistant Regional Planner	1116 Planning & Development	6/30/2011	1.00	Development Opportunity Fund
GIS Technician	1141 Research Center	6/30/2011	0.67	DAS Contract
GIS Technician	1142 Research Center	6/30/2011	0.67	DAS Contract
<u>Duration Expires during FY 2011-12</u>				
Program Analyst IV	1115 Council Office	2/9/2012	0.58	Active Transportation
Principal Regional Planner	1131 Research Center	9/30/2011	0.20	Regional Indicators; 80% time
Program Analyst IV	1126 Oregon Zoo	10/31/2011	0.33	Master planning, Zoo Bond
<u>Duration Extended</u>				
Principal Regional Planner	1120 Sustainability Center	6/30/2012	1.00	to complete Intertwine work
Associate Regional Planner	1145 Research Center	6/30/2012	1.00	HB 2001
Records and Information Analyst ⁽¹⁾	1138 Information Services	6/30/2012	1.00	Focus on planning records
Senior Regional Planner/Program Analyst III	1129 Sustainability	6/30/2012	1.00	Climate Change
<u>Position Eliminated</u>				
Associate Public Affairs Specialist	1139 Council Office	6/30/2012	0.50	Community Investment Strategy
<u>Position Reprogrammed to Different Purpose</u>				
Program Analyst to	1134 Council Office	12/31/2012	1.00	Community Investment Strategy
Policy Advisor I	1134 Council Office - COO	6/30/2012	1.00	Special projects
<u>Continued without Change</u>				
Policy Advisor II ⁽²⁾	1078 Council Office	6/30/2013	1.00	Community Investment Strategy
Program Analyst II	1117 Council Office	6/30/2013	1.00	Community Investment Strategy
GIS Specialist	1140 Research Center	6/30/2012	0.60	Community Investment Strategy
Assistant Public Affairs Specialist	1124 Planning & Development	6/30/2013	1.00	Regional Transportation Options
Sr. Public Affairs Specialist	1079 Communications	6/30/2012	1.00	Oregon Zoo bond program
<u>New Limited Duration Positions</u>				
Program Analyst III	new Human Resources	6/30/2012	1.00	Procedure/policy development
Associate GIS Specialist	new Research Center	6/30/2012	1.00	Climate Smart Scenarios
Assistant GIS Specialist	1140 Research Center	6/30/2012	0.40	Climate Smart Scenarios
<u>Converted to Regular Status</u>				
Administrative Assistant II	1133 Human Resources	n/a	1.00	Learning Management System

⁽¹⁾ Position was increased from part-time to full-time and transferred from Planning & Development to Information Services. Duration is authorized for one-year with continuation to be evaluated during the FY 2012-13 budget process.

⁽²⁾ Ordinance 10-1249, adopted by the Council 11/18/10, converted this position from limited duration to regular status. With the resignation of the incumbent from this position in January 2011, the Chief Operating Officer recommended it be converted back to limited duration status for the remainder of the authorized duration.

In addition, Metro has received authorization from the voters of the region for two longer-term general obligation capital programs – the Natural Areas program approved in November 2006 and the Oregon Zoo Infrastructure and Animal Welfare program approved in November 2008. With the approval of the bond programs, the Council authorized the addition of a number of positions specifically funded by bond proceeds. All bond funded positions are authorized for the duration of the program – both estimated to be 8 to 10 years – and are evaluated annually during the budget process for continued need. The following positions were authorized for bond programs:

<i>Position</i>	<i>Pos # Department</i>	<i>Duration</i>	<i>FTE Program/Project</i>
Program Analyst III	1127 Oregon Zoo	program duration	1.00 Oregon Zoo bond program
Assistant Management Analyst	1137 Oregon Zoo	program duration	1.00 Oregon Zoo bond program
Program Director	1125 Oregon Zoo	program duration	1.00 Oregon Zoo bond program
Sr. Public Affairs Specialist	275 Communications	program duration	1.00 Natural Areas bond program
Legal Counsel II	1023 Office of Metro Attorney	program duration	1.00 Natural Areas bond program
Legal Secretary	1024 Office of Metro Attorney	program duration	1.00 Natural Areas bond program
Paralegal II	1025 Office of Metro Attorney	program duration	1.00 Natural Areas bond program
Legal Counsel II	1066 Office of Metro Attorney	program duration	1.00 Natural Areas bond program
Principal Regional Planner	1026 Parks & Environmental Services	program duration	1.00 Natural Areas bond program
Property Management Technician	1034 Parks & Environmental Services	program duration	1.00 Natural Areas bond program
Natural Resource Technician	1036 Parks & Environmental Services	program duration	1.00 Natural Areas bond program
Senior GIS Specialist	1031 Research Center	program duration	1.00 Natural Areas bond program
Program Director	1022 Sustainability	program duration	1.00 Natural Areas bond program
Real Estate Negotiator	1027 Sustainability	program duration	1.00 Natural Areas bond program
Real Estate Negotiator	1028 Sustainability	program duration	1.00 Natural Areas bond program
Real Estate Negotiator	1029 Sustainability	program duration	1.00 Natural Areas bond program
Senior Management Analyst	1032 Sustainability	program duration	1.00 Natural Areas bond program
Associate Natural Resource Sci	1033 Sustainability	program duration	1.00 Natural Areas bond program
Program Assistant III	1035 Sustainability	program duration	1.00 Natural Areas bond program
Natural Resource Technician	1132 Sustainability	program duration	1.00 Natural Areas bond program
Assistant Regional Planner	1103 Sustainability	program duration	1.00 Natural Areas bond program

Charter limitation on expenditures

In November 1992 the voters of the region approved a charter for Metro. Section 14 of the Charter places limitations on the expenditures of certain tax revenues as follows:

Section 14. Limitations on Expenditures of Certain Tax Revenues

1. Generally, except as provided in this section, for the first fiscal year after this charter takes effect Metro may make no more than \$12,500,000 in expenditures on a cash basis from taxes imposed and received by Metro and interest and other earnings on those taxes. This expenditure limitation increases in each subsequent fiscal year by a percentage equal to (a) the rate of increase in the Consumer Price Index, All Items, for Portland-Vancouver (All Urban Consumers) as determined by the appropriate federal agency or (b) the most nearly equivalent index as determined by the council if the index described in (a) is discontinued.
2. Exclusions from limitation. This section does not apply to (a) taxes approved by the voters of Metro for the Metropolitan Service District and interest and other earnings on those taxes, (b) payroll taxes specified in section 11 of this charter, and (c) tax increment financing charges on property.

The following table reflects the dollar limitation on expenditures from these tax revenues for each fiscal year. The Consumer Price Index (CPI) is calculated using the latest calendar year-end data available at budget adoption time and comparing that with the prior year. Data is from the U.S. Department of Labor, Bureau of Labor Statistics.

The Consumer Price Index for All Urban Consumers, Portland-Salem Consolidated Metropolitan Statistical Area now stands at 219.2 on the 1982–84=100 reference base.

Fiscal Year	CPI Prior Year End	% Change	Limit
1993–94	140.90	---	\$12,500,000
1994–95	145.80	3.50%	12,938,000
1995–96	150.10	2.90	13,313,000
1996–97	153.90	2.50	13,646,000
1997–98	160.00	4.00	14,192,000
1998–99	165.50	3.40	14,675,000
1999–00	168.10	1.60	14,910,000
2000–01	174.40	3.70	15,462,000
2001–02	179.50	2.90	15,910,000
2002–03	183.60	2.30	16,276,000
2003–04	184.00	0.20	16,309,000
2004–05	186.50	1.40	16,537,000
2005–06	192.50	3.20	17,066,000
2006–07	197.50	2.60	17,510,000
2007–08	202.50	2.50	17,948,000
2008–09	210.50	4.00	18,666,000
2009–10	216.20	2.70	19,170,000
2010–11	217.20	0.50	19,266,000
2011–12	219.20	0.90	19,439,000

Fringe benefit rate calculation

The base fringe rate calculation is split into two components: a fixed rate per FTE and a variable rate to be applied to estimated salaries and wages. The variable rate includes all portions of the fringe benefits that are calculated on a straight percentage of salaries/wages — Oregon Public Employees Retirement System (PERS), FICA, TriMet payroll tax and long-term disability. The fixed rate per FTE includes all other benefits—health and welfare (medical, dental, vision), life insurance, dependent life insurance, accidental death insurance, worker compensation tax and the employee assistance program. All benefits are explained in detail below.

There is an additional variable rate fringe component called “PERS Bond Recovery.” In FY 2005–06 Metro financed its unfunded liability with the PERS through the issuance of pension obligation bonds. Metro received a 4.04 percent reduction in its direct pension costs to PERS, substituting an annual debt service payment on the outstanding pension bonds. The funding to pay the debt costs is recovered from all centers and services in lieu of higher direct pension costs. The PERS Bond Recovery rate is applied against estimated salaries to recover the amount needed to fund the annual debt service payments. The rate will vary from year to year depending on the annual debt payments and the estimated salaries.

For a period of years, Metro contributed between 3 percent and 6 percent to a PERS reserve. The contributions were initially made during a time of uncertainty regarding court challenges to legislative changes made to the PERS system. Actuarial changes are made to the PERS employer rate every two years. The studies use past data to determine future contributions. The actuarial evaluation done in December 2008 calculated a reduction of approximately 3 percent to Metro’s PERS employer rate at a time of significant economic downturn. It was known at the time that the employer rate would increase about 6 percent in the next actuarial study. Metro chose to contribute the 3 percent reduction to a reserve to offset future costs in lieu of immediately reallocating resources. Beginning in FY 2011-12 the accumulated PERS Reserve will be used to offset all or a portion of the costs of the PERS Bond Recovery rate for a period of three to five years.

Explanation of individual benefits

FICA (Social Security tax): The total tax rate is 15.30 percent of salary with half paid by the employer and half paid by the employee. The employer-paid tax is included in the benefit rate calculation. The tax is divided into two components: Medicare at 1.45 percent of salary and Old Age, Survivor and Disability Insurance at 6.20 percent of salary.

TriMet Payroll Tax: Tax charged on all salaries and wages paid to TriMet, the local mass transit provider. The tax is calculated at 0.7018 percent of salary.

Long-Term Disability: Benefit paid to employees in the event of qualified non-work related injury or illness. Benefit is calculated at 0.39 percent of eligible salaries and wages.

Pension: Metro’s pension is provided through PERS. PERS contribution rates are divided into two components: employee contribution and employer contribution. For most pension eligible employees, Metro has paid the employee contribution on behalf of the employee since the 1980s, except for one collective bargaining group which opted at the time to receive the salary increase and forgo the 6 percent employee pick-up. The employee contribution rate, known as the employee pick-up, is set at 6 percent and does not vary from year to year. The employer rate is subject to actuarial evaluation every two years and will vary based on the results. Metro’s programs employ a number of temporary, seasonal or event-related part-time employees. While these employees may not be benefit eligible under Metro regulations, they may be PERS eligible if they meet certain criteria.

For FY 2011-12 Metro's average composite employer rate is estimated at 8.20 percent. Beginning July 1, 2011, newly hired non-represented employees will pay the 6 percent employee's portion.

PERS Bond Recovery Rate: Percent applied against pension eligible salaries to fund the annual debt service payments on the pension obligation bonds. The rate will vary from year to year depending on annual debt service payments and the estimated salaries. Historically, it has ranged from 3.0 percent to 3.2 percent. Beginning in FY 2011-12 the accumulated PERS Reserve will be used to offset all or a portion of the costs of the PERS Bond Recovery rate for a period of three to five years. The rate for FY 2011-12 will be zero.

Worker Compensation Tax: State tax calculated at \$0.014 per hour worked.

Life Insurance: Benefit paid on behalf of all regular employees. Calculated at \$0.14 per \$1,000 of eligible salary up to a maximum of \$50,000.

Accidental Death Insurance: Benefit paid on behalf of all regular employees. Calculated at \$0.025 per \$1,000 of eligible salary up to a maximum of \$50,000.

Dependent Life Insurance: Benefit paid on behalf of all regular employees. Calculated at \$0.35 per employee per month.

TriMet Passport Program: Benefit paid on behalf of regular employees. Provides annual pass for use on mass transit system. Participating agencies must meet certain criteria for eligibility for the program. Annual pass costs are based on facility location, participation rates and access to mass transit. The Metropolitan Exposition Recreation Commission contracts with TriMet for a similar program at OCC. PCPA offers a different program. In FY 2010-11 the TriMet Passport program went from being part of the Fixed Fringe Cost to the Cost Allocation Plan.

Health and Welfare Program: Costs paid by Metro on behalf of the employee for medical, dental and vision coverage. Historically, the cost was subject to a monthly cap set by the Metro Council for non-represented employees and through collective bargaining for represented employees. Beginning July 1, 2011, Metro is shifting to a more defined cost sharing for health and welfare premiums. Non-represented employees will move to a 92 percent employer/8 percent employee sharing plan, moving to a 90 percent/10 percent plan within three years. The LIUNA 483 bargaining agreement currently calls for a 94 percent/6 percent cost sharing plan starting July 1, 2011. AFSCME, Metro's largest collective bargaining unit, is currently in negotiations for a new contract to be effective July 1, 2011. The FY 2011-12 budget assumes that overall Metro's total health and welfare contribution will average \$1,118 per month per FTE, a 10 percent increase over the current year monthly cap. As in prior years, "opt out" reserves accumulated from employees choosing not to participate in Metro's program will offset the health and welfare charges to organization units by \$600 per full-time employee.

Variable rate components

	Regular employees with pick-up	Regular employees without pick-up	Pension eligible temporary/seasonal employees	Non-pension eligible temporary/seasonal employees
FICA	7.65%	7.65%	7.65%	7.65%
TriMet Payroll Tax	0.70%	0.70%	0.70%	0.70%
Long Term Disability	0.39%	0.39%	0.00%	0.00%
Pension (PERS) Employee Pick-up	6.00%	0.00%	6.00%	0.00%
Pension (PERS)- Employer Rate	8.20%	8.20%	3.00%	0.00%
TOTAL VARIABLE RATE COMPONENT	22.94%	16.94%	17.35%	8.35%
PERS BOND RECOVERY RATE				
PERS Bond recovery rate	3.00%	3.00%	3.00%	0.00%
PERS Reserve offset	(3.00%)	(3.00%)	(3.00%)	0.00%
TOTAL PERS BOND RECOVERY RATE	0.00%	0.00%	0.00%	0.00%

Fixed rate components (annual cost)

	Regular benefit eligible employees	Temporary/seasonal employees
Worker Comp Tax	\$29	\$29
Life Insurance	\$90	\$0
Accidental Death Insurance	\$18	\$0
Dependent Life Insurance	\$4	\$0
Health and Welfare *	\$13,416	\$0
TOTAL FIXED RATE COMPONENT	\$13,557	\$29

* Note: All departments will receive a subsidy from the Risk Management Health & Welfare Account equivalent to \$600 per FTE to partially offset cost increases in health benefits.

Cost allocation plan for federal grant purposes

Metro's cost allocation plan serves two purposes:

It allocates the costs of Metro's central services to the departments that use or benefit from them;

In accordance with federal guidelines and regulations, it determines the overhead rates that may be charged to federal grants.

Services allocated under the plan include Communication Planning and Design (Creative Services), Human Resources, Information Services, the Office of the Auditor, the Office of Metro Attorney, the Office of the Chief Operating Officer, Metro Regional Center Property Services, Metro's internal sustainability program, and the General and Risk fund divisions of Finance and Regulatory Services.

Cost allocation plan for federal grant purposes

DESCRIPTION	Planning General Govt Regional Parks	Solid Waste	Zoo Operations	MERC Operations	Zoo Bond	Natural Areas Bond	TOTAL ALLOCATED COSTS	Direct Costs	Disallowed Costs	TOTAL COSTS
General Fund - Allocation of Specific Costs										
Council Office										
Chief Operating Officer	\$116,975	\$205,844	\$101,447	\$155,527	\$2,650	\$13,295	\$595,738	\$0	\$0	\$595,738
Records Information Management	106,169	156,285	23,879	23,004	355	2,063	311,754	0	0	311,754
Non-Dept Special Appropriations	81,358	56,982	59,688	29,604	506	6,796	234,933	0	0	234,933
Subtotal Specific Costs - General Fund	304,502	419,111	185,013	208,134	3,511	22,154	1,142,426	0	0	1,142,426
Allocation of Pooled Costs	34,899	29,655	19,329	17,106	1,181	6,885	109,055	0	0	109,055
TOTAL GENERAL FUND TRANSFERS	\$339,402	\$448,766	\$204,342	\$225,240	\$4,691	\$29,040	\$1,251,481	\$0	\$0	\$1,251,481
Support Services Fund - Allocation of Specific Costs										
Finance & Regulatory Services										
Accounting	260,157	\$397,386	\$212,889	\$297,409	\$5,086	\$29,570	\$1,202,496	\$0	\$0	\$1,202,496
Financial Planning	64,699	113,852	56,110	86,021	1,465	7,354	329,501	453,905	0	783,406
Director's Office	82,432	145,057	71,489	109,599	1,867	9,369	419,812	0	0	419,812
Office Services	110,791	14,927	5	18	0	2,245	127,985	0	39,974	167,959
Property Services	109,179	25,029	41	662	0	11,116	146,028	0	0	146,028
Contract Services	155,417	220,934	91,963	55,081	5,575	43,333	572,302	0	0	572,302
Sustainability	0	0	0	0	0	0	0	79,820	135,727	215,547
Information Technology	982,665	736,069	629,244	350,403	16,617	49,776	2,764,775	0	286,605	3,051,380
Human Resources	584,813	332,020	634,039	421,435	11,041	38,101	2,021,449	0	0	2,021,449
Office of Metro Attorney	765,117	434,256	144,752	206,789	82,715	434,256	2,067,885	0	0	2,067,885
Auditor's Office	135,981	207,709	111,274	155,452	2,658	15,456	628,530	0	0	628,530
Communications										
Creative Services	302,339	232,028	0	0	0	98,436	632,804	0	0	632,804
General Expenses	(20,060)	(16,968)	(11,003)	(9,692)	(651)	(3,803)	(62,176)	0	0	(62,176)
Subtotal Specific Costs - Supp. Svcs. Fund	\$3,533,530	\$2,842,299	\$1,940,803	\$1,673,177	\$126,373	\$735,209	\$10,851,392	\$533,725	\$462,306	\$11,847,422
Allocation of Pooled Costs										
Support Services	375,427	\$319,015	\$207,932	\$184,011	\$12,702	\$74,068	\$1,173,155	\$0	\$48,869	\$1,222,025
Building Mgmt - Regional Center	159,743	135,740	88,474	78,296	5,405	31,516	499,173	0	237,115	736,288
Risk Mgmt - Liability/Property	12,304	10,455	6,815	6,031	416	2,427	38,448	0	0	38,448
Risk Mgmt - Workers' Comp	9,452	8,032	5,235	4,633	320	1,865	29,538	0	0	29,538
Subtotal Pooled Costs - Supp. Svcs. Fund	\$556,926	\$473,242	\$308,455	\$272,971	\$18,843	\$109,876	\$1,740,314	\$0	\$285,984	\$2,026,298
SUPPORT SERVICES FUND TRANSFER	\$4,090,455	\$3,315,542	\$2,249,259	\$1,946,148	\$145,216	\$845,085	\$12,591,705	\$533,725	\$748,290	\$13,873,721
BLDG MGMT TRANSFER - Regional Center	770,698	\$157,334	\$0	\$0	\$0	\$52,097	\$980,129	\$0	\$465,577	\$1,445,706
RISK MGMT TRANSFER - Liability/Property	141,325	122,449	164,743	461,781	954	3,663	894,915	0	0	894,915
RISK MGMT TRANSFER - Workers' Comp	69,640	155,746	283,742	280,052	1,081	3,628	793,889	63,046	0	856,935
TOTAL TRANSFERS	\$5,411,520	\$4,199,837	\$2,902,085	\$2,913,221	\$151,943	\$933,513	\$16,512,120	\$596,771	\$1,213,867	\$18,322,758
TOTAL DEPARTMENT DIRECT COSTS <i>(Total Personal Services)</i>	\$19,529,733	\$10,796,086	\$17,349,036	\$17,788,181	\$627,690	\$1,891,166	\$67,981,892			
CENTRAL SERVICE COST RATE	27.71%	38.90%	16.73%	16.38%	24.21%	49.36%	24.29%			
DISALLOWED (not included in above)	643,879	\$292,448	\$128,580	\$103,048	\$2,915	\$42,998	\$1,213,867			



The following list contains all known, existing or anticipated contracts for FY 2010-11 with a total value of \$50,000 or more. This list has been prepared in accordance with Metro Code Section 2.04.028:

Contracts

2.04.028 Council Information Reports

(a) Prior to adoption of the annual budget, the Chief Operating Officer shall provide the Council with a list of proposed contracts and proposed applications of Metro for grant funding over \$50,000 to be entered into or sought during the next fiscal year. Following the adoption of the annual budget, if the Chief Operating Officer proposes (1) to enter into a contract that will commit Metro to the expenditure of appropriations not provided for in the current fiscal year budget in an amount greater than \$50,000 that the Council has not considered during the annual budget process; or (2) to seek any individual grant funding in an amount greater than \$50,000 that the Council has not considered during the annual budget process, the Chief Operating Officer shall inform the Council President in writing of such contract or grant proposal.

The contracts are organized by organization and/or division. All contracts have been classified into one or more of the following types:

IGA: Intergovernmental agreement;
PS: Personal Services;
REV: Revenue;

PROC: Procurement
PUB: Public contract;
G&S: Goods and Services

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2011-12 Amount
COMMUNICATIONS						
929872	City of Portland	quick copy and digital printing services, 1 year amendment	IGA	07/01/11 - 06/30/12	500,000	150,000
New	TBD, various	web design and development services	PS	09/01/11 - 08/31/13	400,000	250,000
New	TBD, various	professional communications services	PS	11/01/11 - 10/31/13	400,000	200,000
New	TBD, various	multicultural communications services	PS	01/01/12 - 12/31/13	400,000	200,000
New	TBD, various	public opinion research	PS	01/01/12 - 12/31/13	750,000	200,000
FINANCE AND REGULATORY SERVICES - Financial Services						
New	To be determined	Financial Advisor	PS	09/15/11 - 09/14/14	300,000	100,000
New	Lloyd District TMA	11-12 MRC TriMet Passes	IGA	09/01/11 - 08/31/12	104,000	104,000
New	Lloyd District TMA	11-12 Offsite TriMet Passes	IGA	09/01/11 - 08/31/12	50,000	50,000
New	To be determined	Metro Asset Inventory	PS	08/01/11 - 01/31/12	170,000	170,000
FINANCE AND REGULATORY SERVICES - Solid Waste Compliance and Cleanup						
929804	Multnomah County	Investigative Services - One year extension	IGA	07/01/11 - 06/30/12	257,570	128,785
929803	Multnomah County	Inmate Work Crews Cleanup - One year extension	IGA	07/01/11 - 06/30/12	430,612	207,477
929805	City of Tigard	Tigard Officer Illegal Dumping - One year extension	IGA	07/01/11 - 06/30/12	435,918	223,738

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2011-12 Amount
FINANCE AND REGULATORY SERVICES - Risk Management						
New	To be determined	Insurance broker services (agent of record)	PS	02/01/12 - 01/31/17	200,000	40,000
New	To be determined	Liability adjusting claims services	PS	09/01/11 - 08/30/16	50,000	10,000
INFORMATION SERVICES						
New	To be determined	Network Services	PS	7/1/2011 - 10/14/13	100,000	50,000
OREGON ZOO- Bond						
New	To be determined	Veterinary Hospital Furniture Stage and Installation	PUB	07/01/11 - 12/31/11	60,000	60,000
New	To be determined	Consulting - Design Conservation Discovery Zone	PS	04/01/12 - 03/31/14	1,000,000	250,000
New	To be determined	Archeological services	PUB	01/01/12 - 06/30/13	100,000	50,000
New	To be determined	Elephant, Train, Road Design	PS	08/01/11 - 06/30/14	5,600,000	2,500,000
New	To be determined, multiple	Elephant, Train, Road General Contractor	PUB	08/01/11 - 06/30/14	40,000,000	2,500,000
New	To be determined	Elephant Offsite - Design	PS	09/01/11 - 06/30/13	700,000	500,000
New	To be determined, multiple	On-Call Geotechnical Services	PS	07/01/11 - 06/30/14	200,000	80,000
New	To be determined	On-Call Arborist Services	PUB	07/01/11 - 06/30/14	200,000	40,000
New	To be determined	On-Call Abatement Services	PS	07/01/11 - 06/30/14	100,000	20,000
New	To be determined, multiple	On-Call Inspection Services	PS	07/01/11 - 06/30/14	200,000	50,000
New	To be determined	On-Call Printing Services	PS	07/01/11 - 06/30/14	100,000	30,000
New	To be determined	On-Call Interpretive Design Services	PS	07/01/11 - 06/30/14	200,000	50,000
OREGON ZOO- Living Collections						
New	To be determined - multiple	Animal feed for herbivore, omnivore, waterfowl, polar bear	G&S	07/01/11 - 06/30/14	240,000	80,000
New	To be determined	Feeder Animals	G&S	07/01/11 - 06/30/14	300,000	100,000
New	To be determined - multiple	Formulated Carnivore Diet	G&S	07/01/11 - 06/30/14	225,000	75,000
New	To be determined	Feeder Insects	G&S	07/01/11 - 06/30/14	90,000	30,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2011-12 Amount
OREGON ZOO- Facilities Management						
New	To be determined - multiple	Telecommunications services	PUB	07/01/11 - 06/30/14	400,000	125,000
New	To be determined	Electrical Controls Services	PUB	07/01/11 - 06/30/14	250,000	75,000
New	To be determined - multiple	Aviary Exhibit	PUB	08/01/11 - 06/30/12	1,600,000	1,600,000
New	To be determined - multiple	Salt Supply for pools	G&S	07/01/11 - 07/31/13	90,000	25,000
New	To be determined	Treetops Structure Renewal	PUB	08/01/11 - 06/30/12	75,000	75,000
New	To be determined	Generator - Veterinary Hospital	G&S	07/01/11 - 07/31/12	250,000	250,000
New	To be determined - multiple	Roof replacements/repairs, various	PUB	07/01/11 - 06/30/12	300,000	300,000
New	To be determined, multiple	Rockwork as needed	PUB	09/01/11 - 12/31/13	150,000	50,000
New	To be determined	Misc Pool Coatings	PUB	09/01/11 - 12/31/12	70,000	70,000
New	To be determined	Vehicle Batteries	G&S	07/01/11 - 06/30/14	150,000	50,000
New	To be determined	Electrical Repairs as needed	PUB	07/01/11 - 06/30/14	100,000	30,000
New	To be determined	Miscellaneous fencing repairs	PUB	07/01/11 - 06/30/14	250,000	90,000
New	To be determined	Miscellaneous plumbing repairs	PUB	07/01/11 - 06/30/14	75,000	25,000
New	To be determined	Arborist	PUB	07/01/11 - 06/30/14	200,000	50,000
New	To be determined - multiple	Miscellaneous painting	PUB	08/01/11 - 06/30/14	200,000	50,000
New	To be determined	Miscellaneous HVAC services	PUB	07/01/11 - 06/30/13	150,000	50,000
New	To be determined	Miscellaneous elevator update	PUB	07/01/11 - 06/30/12	90,000	90,000
New	To be determined	Miscellaneous concrete repairs	PUB	07/01/11 - 06/30/14	100,000	25,000
New	To be determined	Acrylic & glass polishing	PUB	07/01/11 - 06/30/14	100,000	25,000
New	To be determined - Multiple	Turf Renovation	PUB	08/01/11 - 08/30/14	100,000	25,000
New	To be determined - multiple	Architectural & Engineering Svcs	PS	07/01/11 - 06/30/14	450,000	150,000
New	To be determined	Drawing Svcs - Copying and Scanning	PS	08/01/11 - 08/30/14	60,000	20,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2011-12 Amount
OREGON ZOO- Facilities Management, <i>continued</i>						
New	To be determined	Warehouse lease	PUB	07/01/11 - 06/30/14	100,000	35,000
New	To be determined - multiple	Vehicle parts and repairs	PUB	07/01/11 - 06/30/14	100,000	30,000
New	To be determined - multiple	Railroad specialty supplies and repairs	PUB	07/01/11 - 06/30/14	200,000	65,000
OREGON ZOO- Marketing						
New	To be determined - multiple	Advertising Agency to produce and place print, radio and TV advertising	PS	07/01/11 - 06/30/14	1,500,000	300,000
New	To be determined	Concert Promotion	PS	10/01/11 - 09/30/14	4,000,000	1,300,000
New	To be determined	Gate Surveys	PS	07/01/11 - 06/30/14	75,000	25,000
OREGON ZOO- Conservation						
New	To be determined	Online event registration	PS	07/01/11 - 06/30/12	60,000	60,000
OREGON ZOO- Guest services						
New	To be determined	Provide food service pizza	G&S	07/01/11 - 06/30/14	150,000	50,000
New	To be determined - multiple	Specialty desserts for resale	G&S	08/01/11 - 07/31/14	75,000	25,000
New	To be determined - multiple	Provide specialty meats	G&S	07/01/11 - 06/30/14	300,000	100,000
New	To be determined - Multiple	Fire systems	PUB	08/01/11 - 08/30/12	100,000	40,000
New	To be determined - multiple	Provide catering foods	G&S	07/01/11 - 06/30/14	240,000	80,000
New	To be determined - multiple	Equipment rental	PUB	07/01/11 - 06/30/14	60,000	20,000
New	To be determined	Linen rental	PUB	11/01/11 - 10/31/14	165,000	55,000
New	To be determined	Shuttle bus service	PUB	08/01/11 - 10/01/14	600,000	200,000
New	To be determined - multiple	Restaurant supplies	G&S	07/01/11 - 06/30/14	135,000	45,000
New	To be determined - multiple	Supply custom printed food service paper items	G&S	07/01/11 - 06/30/14	300,000	100,000
New	To be determined	Assorted contracts to supply merchandise for resale for food service	G&S	07/01/11 - 06/30/14	300,000	100,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2011-12 Amount
OREGON ZOO- Guest services, <i>continued</i>						
New	To be determined - multiple	Temporary Lease Exhibits	PUB	07/01/11 - 06/30/14	1,500,000	500,000
New	To be determined	Provide printed zoo maps	G&S	03/01/12 - 03/01/15	75,000	25,000
New	To be determined - multiple	Provide zoo uniforms	G&S	07/01/11 - 06/30/14	300,000	100,000
New	To be determined	Point-of-sale ticketing system	PUB	07/01/11 - 06/30/14	300,000	100,000
New	To be determined - multiple	Beer and Wine for concerts	G&S	01/01/12 - 12/31/14	900,000	200,000
PARKS AND ENVIRONMENTAL SERVICES - Solid Waste Operations: Operating account						
New	TBD	MSS Feasibility Study	PS	09/30/11 - 10/01/12	250,000	175,000
New	TBD	MCS- Commercial Organics	PUB	01/01/12 - 12/31/14	4,500,000	550,000
New	TBD	MCS- Residential Organics	PUB	04/01/12 - 03/31/14	4,500,000	280,000
New	TBD	SW Roadmap Modeling	PS	07/01/11 - 06/30/12	100,000	100,000
New	TBD	SW Roadmap Outreach	PS	07/01/11 - 06/30/12	50,000	50,000
New	TBD	Financial Consulting Services	PS	07/01/11 - 06/30/12	125,000	125,000
New	TBD	Wastewater disposal	PUB	10/01/11 - 09/30/12	69,000	51,750
New	TBD	Supply steel drums	PROC	06/01/12 - 05/31/14	265,800	8,610
New	Mt. Hood Community College	College internship program	IGA	07/01/11 - 06/30/12	56,076	56,076
New	DePaul Industries	Latex paint processing support	PS	07/01/11 - 06/30/12	424,750	424,750
New	TBD	Supply Absorbent, towels, etc.	PROC	09/21/11 - 09/20/13	79,544	39,772
New	TBD	Pickup and dispose of ammunition	PUB	07/15/11 - 07/14/13	55,000	25,209
New	TBD	Personal Protective Equipment	PROC	11/02/11 - 11/30/13	220,000	64,167

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2011-12 Amount
PARKS AND ENVIRONMENTAL SERVICES - Solid Waste Operations: General account						
New	TBD	Metro Central Lighting Upgrade to LED	PUB	07/01/11 - 06/30/12	60,000	60,000
New	TBD	Metro Central HHW - Extend Canopy	PUB	07/01/11 - 06/30/12	75,000	75,000
New	TBD	Metro Central Rainwater Reuse	PUB	07/01/11 - 06/30/12	75,000	75,000
New	TBD	Metro Central Organics/Food Handling Area Improvements	PUB	07/01/11 - 06/30/13	350,000	300,000
New	TBD	Metro Central Storm Water Improvements	PUB	07/01/11 - 06/30/13	200,000	150,000
New	TBD	Metro South Transfer Station - Access Lane	PUB	07/01/11 - 06/30/13	105,000	80,000
New	TBD	Metro South HHW - Extend Canopy	PUB	07/01/11 - 06/30/12	100,000	100,000
New	TBD	Metro Central - Tarping Station	PUB	07/01/11 - 06/30/12	200,000	200,000
New	TBD	Metro South - Natural Lighting Improvements	PUB	07/01/11 - 06/30/13	125,000	75,000
New	TBD	St. Johns Landfill-Gas to Energy Conversion	PUB	07/01/11 - 06/30/13	1,300,000	150,000
PARKS AND ENVIRONMENTAL SERVICES - Solid Waste Operations: Closure account						
New	TBD	Landfill Remediation	PUB	07/01/11 - 06/30/12	1,000,000	1,000,000
PARKS AND ENVIRONMENTAL SERVICES - Solid Waste Operations: Renewal and replacement account						
New	TBD	Metro South - Camera Replacement	PUB	07/01/11 - 06/30/12	75,000	75,000
New	TBD	Metro South - Radiation Detection Sys.	PUB	07/01/11 - 06/30/12	90,000	90,000
New	TBD	Metro Central - Radiation Detection System	PUB	07/01/11 - 06/30/12	90,000	90,000
New	TBD	Replace ticket/automation boxes at Transfer Stations	PUB	07/01/11 - 06/30/12	52,000	52,000
New	TBD	Metro Central Transfer station - Emergency Generator	PUB	07/01/11 - 06/30/12	80,000	80,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2011-12 Amount
PARKS AND ENVIRONMENTAL SERVICES - Solid Waste Operations: Renewal and replacement account, continued						
New	TBD	Metro Central - Roll-up Doors	PUB	07/01/11 - 06/30/12	65,000	65,000
New	TBD	Metro Central - HHW Fire Alarm System	PUB	07/01/11 - 06/30/12	50,000	50,000
New	TBD	Metro South - Replace lighting over pit	PUB	07/01/11 - 06/30/12	55,000	55,000
New	TBD	Metro Central HHW - Roof replacement	PUB	07/01/11 - 06/30/13	185,000	135,000
New	TBD	Unanticipated extraordinary repair/replacement of capital assets	PUB	07/01/10 - 06/30/11	100,000	100,000
PARKS AND ENVIRONMENTAL SERVICES - Property Stewardship: Metro Regional Center - Renewal & Replacement						
New	TBD	MRC Carpet	PUB	07/01/11 - 06/30/12	186,288	186,288
New	TBD	Front Plaza - Planters	PUB	07/01/11 - 06/30/12	90,000	90,000
New	TBD	Blue Lake Wetland Pathway Trail	PUB	07/01/11 - 06/30/12	195,595	195,595
New	TBD	Fleet PES	PUB	07/01/11 - 06/30/12	361,925	361,925
New	TBD	Chinook Landing - Transient Floats, Gangway, Piles	PUB	07/01/11 - 06/30/13	89,897	44,949
New	TBD	Blue Lake - Signage	PUB	07/01/11 - 06/30/12	86,595	86,595
New	TBD	Blue Lake - Wood Dock	PUB	07/01/11 - 06/30/12	60,616	60,616
New	TBD	Gleason - Asphalt Parking Lot	PUB	07/01/11 - 06/30/12	337,500	337,500
New	TBD	Oxbow - Concrete Boat Ramp	PUB	07/01/11 - 06/30/12	54,121	54,121
PLANNING & DEVELOPMENT - Administration						
New	ODOT, PL/STP/Support	General Planning funds for transportation projects	IGA, REV	07/01/11 - 06/30/12	4,224,276	4,224,276
New	ODOT, Sec. 5303	General Planning funds for transportation projects	IGA, REV	07/01/11 - 06/30/12	648,253	648,253
New	TriMet	General Planning funds for transportation projects	IGA, REV	07/01/11 - 06/30/12	225,000	225,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2011-12 Amount
PLANNING & DEVELOPMENT - Transportation System Planning						
New	To be determined	Evaluation of the RTO program	PS/IGA	03/01/12 - 12/31/12	50,000	50,000
New	To be determined	Various Contracts for Individualized Marketing Project (to be determined through the RTO solicitation process)	PS/IGA	07/01/11 - 06/30/12	100,000	100,000
New	To be determined	Contracts/Grants to carry out Regional Travel Options strategic plan goals including Transportation Management Associations (TMAs) (Grants to be determined through the RTO GRANT solicitation process)	PS/IGA, GRANT, EXP	07/01/11 - 06/30/13	850,000	500,000
New	ODOT	Rideshare Reward Program Revenue	IGA, REV	07/01/11 - 06/30/12	80,000	80,000
New	ODOT	Additional Funding for RTO GRANT Program	IGA, REV	07/01/11 - 06/30/12	84,000	84,000
PLANNING & DEVELOPMENT - Land Use Planning & Development						
New	To be determined	Various Agreements Focused on 2040 Implementation and Technical Assistance in Local Jurisdictions	PS/IGA	07/01/11 - 06/30/12	160,000	160,000
New	To be determined	Various TOD Program Purchases	PS/IGA	07/01/11 - 06/30/12	5,450,000	5,450,000
New	To be determined	Various Consultant Contracts for TOD Policy Development and Purchases	PS	07/01/11 - 06/30/12	160,000	160,000
New	To be determined	Various Agreements to Support Sustainable Development Initiatives in Partnership with Local Jurisdictions	IGA	07/01/11 - 06/30/12	100,000	100,000
New	To be determined	Construction Excise Tax Grant Awards	GRANT, EXP	07/01/11 - 06/30/12	3,500,000	1,750,000

Contract number	Vendor	Description	Type	Duration	Contract Total	FY 2011-12 Amount
PLANNING & DEVELOPMENT - Corridor Planning & Development						
New	To be determined	Various Consultant Contracts for Southwest Corridor Refinement Plan - Analysis & Design	PS	07/01/11 - 06/30/12	750,000	750,000
New	To be determined	Various IGAs for Regional Partners Assistance with Southwest Corridor Refinement Plan	IGA	07/01/11 - 06/30/12	200,000	200,000
New	To be determined	East Metro Corridor Refinement Plan - Transportation Analysis & Design	PS	07/01/11 - 06/30/12	100,000	100,000
New	To be determined	Streetcar Technical Methods (Lake Oswego) Station Area Planning & Community Access	PS	07/01/11 - 06/30/12	60,000	60,000
New	To be determined	Various Funding Sources for Southwest Corridor and East Metro Corridor Refinement Plans	GRANT/ IGA, REV	07/01/11 - 06/30/12	2,476,000	2,476,000
RESEARCH CENTER - Modeling & Forecasting Services						
New	To be determined	Modeling Services	PS	07/01/11 - 06/30/12	50,000	50,000
New	To be determined	Pedestrian Modeling Tool	IGA	07/01/11 - 06/30/12	100,000	100,000
SUSTAINABILITY CENTER - Land Conservation: Science and Stewardship - Operating Account						
New	TBD	Vegetation Management	PUB	TBD - TBD	574,862	574,862
SUSTAINABILITY CENTER - Land Conservation: Nature in Neighborhoods: Operating Account						
New	TBD	Nature in Neighborhoods project	PS	07/01/11 - 06/30/12	76,537	76,537
SUSTAINABILITY CENTER - Land Conservation: Natural Areas Fund						
New	TBD	Nature in Neighborhoods Capital Grants	PS/IGA	TBD - TBD	2,150,000	2,150,000
New	TBD	Local Share	IGA	TBD - TBD	10,000,000	10,000,000
New	TBD-- multiple	Natural Areas Appraisers	PS	04/01/12 - 03/13/17	1,000,000	200,000
New	TBD-- multiple	Natural Areas Environmental Assessors	PS	04/01/12 - 03/13/17	1,000,000	200,000
New	TBD-- multiple	Natural Areas Surveyors	PS	04/01/12 - 03/13/17	500,000	100,000



The objectives of Metro’s chart of accounts are to:

1. Conform to generally accepted accounting principles (GAAP) and Governmental Accounting Auditing and Financial Reporting (GAAFR) standards.
2. Establish concise account chartfields that will be consistent in all funds and departments.
3. Permit full grant and project accounting.
4. Meet specific accounting and reporting needs of all Metro departments.
5. Allow “roll-up” to higher summary levels for managerial analysis and public review.

The chart of accounts is currently made up of the following chartfield components: Account, Fund, Department, Program, Class and ProjectID and when placed together are referred to as a chartfield combination. For budgetary compliance reporting, the Fund, Department, Program and Account chartfields are required. The remainder (Class and ProjectID) are used for internal management reporting needs.

Only definitions for the Account chartfield (and specifically, only the budgeted resources/revenues and uses/expenditures) are presented below. Fund definitions can be found in the adopted budget document fund narratives, as can many of the departmental definitions.

The chart of accounts presented below conforms to the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34 and subsequent pronouncements.

ACCOUNT CHARTFIELD

The various account chartfields are presented below and are identifiable as a four digit number beginning with the digit 4 for revenues (or resources) and 5 for expenditures (or uses). Reporting roll-up relationships are represented on tree structures contained in Metro’s PeopleSoft financial management system; trees are structured to conform to the presentation (order) required by GAAP. The order of appearance of the account chartfields below is based upon their order of presentation for budget purposes, which generally follows a numerical sequence.

RESOURCES

GENERAL REVENUES

All revenues are general revenues unless they are required to be reported as program revenues (see category below). All taxes, even those levied for a specific purpose, are general revenues.

General Property Taxes: General property taxes are ad valorem taxes levied on an assessed valuation of real and/or personal property. The distinguishing characteristics of general property taxes are that the revenues are (1) derived from taxes, (2) levied by the government reporting entity and (3) assessed on the general property.

4010 Real Property Taxes–Current Year: Revenues received from ad valorem taxes assessed on real property within the Metro area, which is collected by the counties and remitted to Metro. This account reflects the collections assessed for the current fiscal year.

4015 Real Property Taxes–Prior Year: Revenues received from ad valorem taxes assessed on real property within the Metro area, which is collected by the counties and remitted to Metro. This account reflects the collections on prior year assessments.

4018 Payments In Lieu of Property Taxes: Revenues received from the counties in lieu of property taxes (for example, Western Oregon Timber Tax, etc.).

4019 Interest and Penalties–Real Property Taxes: Interest earned on property tax receipts while in the county’s treasury and remitted to Metro, as well as interest and penalties assessed to the taxpayer which are remitted to Metro.

Excise Taxes

4050 Excise Tax: Taxes imposed on Metro services and Metro-related revenues as defined in Metro Code to fund general government functions as prescribed.

4051 Excise Tax Rebates: A contra revenue account to segregate amounts collected on excise tax that are rebated to the taxpayer in accordance with any Metro Code approved rebate criteria. The balance of this account reduces the total reported for Excise Tax revenue in Metro’s financial reports.

4055 Construction Excise Tax: An excise tax imposed on construction within the district as defined in Metro code.

4056 Construction Excise Tax Administration: Metro retains 2.5 percent of Construction Excise Tax collections to pay for administering the collections and grants.

Other Derived Tax Revenues

4060 Cemetery Revenue Surcharge: Amount assessed on cemetery revenues to provide funding for perpetual care of Metro’s Pioneer Cemeteries.

Local Government Shared Revenues

4130 Hotel/Motel Tax: Revenue received through the City of Portland from Multnomah County based upon the agreed upon percentage of transient lodging taxes collected.

4132 Vehicle Rental Tax: This account records the amounts received as intergovernmental shared revenues from the Multnomah County Vehicle Rental Tax, a portion of which is shared by the County under the terms of an intergovernmental agreement—the Visitor Development Initiative (VDI).

4135 Marine Board Fuel Tax: Tax revenues from the State of Oregon and Multnomah County from sales of marine fuel.

4139 Other Local Government Shared Revenue: Miscellaneous other tax revenue shared by another government with Metro.

4140 Local Government Service Fees: Revenues received from local governments for services provided under contract, such as Data Resource Center services.

PROGRAM REVENUES

Program revenues derive directly from the program itself or from parties outside Metro’s taxpayers or citizenry, as a whole; and they reduce the net cost of the function to be financed from Metro’s general revenues. This classification includes three categories of revenue: charges for services, program-specific operating grants and contributions and program-specific capital grants and contributions.

Program Operating Grants and Contributions: This revenue category includes program-specific operating grants and contributions.

Intergovernmental Revenue: Revenues from other governments in the form of grants, entitlements, shared revenues or payments in lieu of taxes. The grant revenues identified below must be analyzed closely to determine the appropriate classification of the revenue. Federal Grants consist of grant funds provided by the

federal government, whereas State and Local Grants are funds provided by those respective jurisdictions from their own funds. Operating grants are contributions from another government to be used or expended for a specified purpose or activity. Capital grants are restricted by the grantor for the acquisition and/ or construction of fixed assets. A grant may be received either directly from the granting government or indirectly as a pass-through from another government. Departments are cautioned to determine if money received from state or local governments is actually federal grant funds being passed through or used to fund the activity. Categorical grants are grants received from agencies whose programs are listed in the Catalogue of Federal Domestic Assistance (CFDA).

Grants

4100 Federal Grants–Direct

4105 Federal Grants–Indirect

4110 State Grants–Direct

4115 State Grants–Indirect

4120 Local Grants–Direct

4125 Local Grants–Indirect

4129 Intra-Metro Grants

Contributions From Other Governments

4145 Government Contributions: Funds provided to Metro by other governments not associated with grant, tax and other sources and used for operating purposes.

Contributions and Donations/Private Sources

4750 Donations and Bequests: Special gifts or bequests given in support of Metro functions and activities, including funds received to sponsor Metro events (e.g., Oregon Zoo concerts).

Program Capital Grants and Contributions: This revenue category includes program-specific capital grants and contributions.

4108 Federal Capital Grants: Direct funds provided to Metro by the federal government for specific capital outlay expenditures.

4109 Federal Capital Grants–Indirect: Funds provided to Metro by a federal government grant program and passed through another governmental entity to Metro as a sub recipient that are restricted for capital purposes.

4118 State Capital Grants: Provided by a state agency grant program restricted for capital purposes.

4128 Local Capital Grants: Provided by a local government or other entity under a grant agreement that restrict the use to capital purposes.

4755 Capital Donations and Contributions: Donations and contributions provided for specific capital projects.

Charges for Services: Revenues derived from services performed by Metro for other individuals or entities for which there is a fee or assessed charge.

Governmental Fees

4200 Urban Growth Boundary Fees: Non-refundable fees paid by applicants for processing Urban Growth Boundary (UGB) amendments.

4210 Documents and Publications: Sale of maps, reports and other documents.

4220 Conferences and Workshops: Fees received for Metro-sponsored conferences, workshops and seminars.

4230 Product Sales: Revenues derived from various work products produced by Metro to specific customer specifications, such as census data, maps, and reports, etc.

Solid Waste Fees and Charges

4300 Disposal Fees: Fees charged customers at Metro solid waste disposal sites to cover the costs of disposal.

4301 Disposal Fees–Direct Haul: Fees charged to customers who are authorized by Metro to haul waste directly to a Metro designated disposal site.

4302 Disposal Fees–Unspecified: Revenues received from disposal charges where the components of the fee have not been designated by Council action in the rate-setting process.

4305 Regional System Fee: Fees charged to customers at Metro solid waste disposal sites to cover the costs of administering the Solid Waste program. This fee may also be assessed at non-Metro operated sites on waste generated within Metro’s boundaries.

4310 Metro Facility Fee: Fees charged customers at Metro disposal sites to cover the cost of the Metro disposal system such as capital items directly related to these facilities.

4315 Regional Transfer Charge: Fees charged customers at Metro solid waste disposal sites to cover the cost of operating the transfer station system. This fee may also be assessed at non-Metro operated sites on waste generated within Metro’s boundaries.

4325 Rehabilitation and Enhancement Fee: Fees required by state law (or Metro Code) to be collected to rehabilitate and enhance the areas surrounding the landfill or other disposal site.

4330 Transaction Fee–Manual: A fee assessed at Metro’s disposal facilities on a per transaction basis when using a “manual” transaction processing methodology at the scalehouse.

4331 Transaction Fee–Automation: A fee assessed at Metro’s disposal facilities on a per transaction basis when using an “automated scale” transaction processing methodology at the scalehouse.

4333 Uncovered Surcharge: A fee charged transfer station customers for arriving at scalehouse with an uncovered load.

4335 Host Fee: Fees assessed per Metro Code at non-Metro disposal facilities and remitted to Metro for pass-through to entities in the area where disposal facilities are sited.

4340 Tire Disposal Fee: Fees assessed for disposal of tires at Metro transfer station facilities.

4342 Organics Fee: Fees assessed for disposal of organic wastes at Metro transfer stations.

4345 Yard Debris Disposal Fee: Fees assessed for disposal of yard debris at Metro transfer station facilities.

4346 Curbside Yard Debris Fee: Fees collected for curbside yard debris; a subcategory of 4345.

4350 Orphan Site Account Fee: Fees collected to pay off debt incurred by the State of Oregon to clean up orphaned waste sites (assessed only on landfill waste).

4355 Department of Environmental Quality Promotion Fee: Fees collected to fund state-wide promotion of recycling by the State of Oregon’s Department of Environmental Quality (assessed on waste disposed at all sites).

4360 Refrigeration Unit Disposal Fee: Fees collected at Metro facilities for disposal of refrigeration units.

4365 Household Hazardous Waste Disposal Fee: Fees charged for the disposal of household hazardous waste at Metro facilities.

4368 Paint Recycling Fees: Fees charged to customers for recycling paint.

4369 PaintCare Revenue: Revenues received under the state's PaintCare program as stipulated in the contractual agreements for recycled paint processing.

4370 Conditionally Exempt Generator Fees: Revenues received for hazardous waste disposal from entities that generate small quantities of such waste as defined by Metro policy.

4400 Salvage Revenue: Revenue received from the sale of recyclable material.

4410 Franchise Fees: Fees assessed to Metro Council authorized franchised disposal site operators.

Culture and Recreation Fees

4160 Boat Ramp Use Permits: Revenues derived from permits for use of Metro boat ramps.

4165 Boat Launch Fees: Revenues derived from services provided for boat launches at marine facilities.

4500 Admissions Fees: Fees charged for admittance to Metro facilities and/or events.

4501 Conservation Surcharge: A Metro Council authorized surcharge on Oregon Zoo admission that is dedicated for payment (grant) to third parties in support of wildlife conservation efforts.

4502 Admission-Memberships: Fees charged for admittance to Metro facilities that represent amounts from those who have purchased "memberships" that provide for reduced rates.

4503 Admission-Special Concerts: Fees charged for admittance to Metro facilities that present special concerts where the concert admission is outside of the regular admission fee for the facility.

4510 Rentals: Revenue received from the rental of strollers, wheelchairs and other conveyances; from temporary rental of building facilities (not those under longer term sublease arrangements); rental of building office space; and rental of equipment, such as audio-visual devices, recorders, speakers, microphones, etc.

4511 Rental Refunds: A contra revenue account to reflect refunds of rental fees to reflect net rental income in combination with account 4510.

4550 Food Service Revenue: Revenue received from food sales in concession activities.

4551 Food Catering Revenue: Revenues generated through food service catering not associated with food revenues generated through contracted services.

4560 Retail Sales: Revenue received from the sale of retail (non-food) goods (for example, zoo gift shop items).

4570 Merchandising: Sale of souvenirs, novelty items, programs related to trade, exhibit and other spectator events, but unrelated to facility specific gift shop revenue.

4575 Advertising Revenue: Revenue received from customers for placement of advertising of Metro activities.

4580 Utility Services Revenue: Revenue received from contractors to cover the cost of electric power for lighting or other utility services used in Metro facilities

for show purposes, for electrical and other utility-related services provided to customers in the ordinary course of business, including telephone services or equipment, supplying air, water or gas, supplying labor to provide other utility services in connection with activities or events, supplying audio/visual utility services, supplying lighting equipment and services and for supplying utility services not specifically identified in the account series noted above.

4581 Utility Services Revenue–Contra: A contra revenue account to segregate refunds or other reductions in utility service revenue authorized by facility management, and when netted with account 4580 reflects net utility services revenue.

4590 Commissions: Commissions received on box office ticket sales.

4635 Exhibit Shows: Revenue received for providing traveling or other zoo related exhibits.

4640 Railroad Rides: Admission/ticket revenue for the zoo railroad ride.

4645 Reimbursed Services: Amounts received from outside entities under contractual agreement to pay for specific labor and other charges associated with an event.

4646 Reimbursed Services–Contra: A contra revenue account to segregate amounts returned to outside entities as agreed to by facility management against prior charges under contractual agreement to pay for specific labor and other charges associated with an event.

4647 Reimbursed Services Contract: Amounts received in reimbursement for services provided to the customer by a party with which Metro has contracted to provide the service on Metro's behalf.

4760: Sponsorship Revenue: Revenues received from entities that receive contractual rights for associating their names with Metro activities.

Other Fees and Charges

4150 Contractors' Business License: Revenues from businesses that must be licensed before doing business within Metro's jurisdiction according to the requirements of the "passport" contractor licensing program.

4180 Contract and Professional Services: Revenues derived for services performed by Metro under contract, not identified in another object code category (for example, transportation studies).

4280 Grave Openings: Revenue from the public for services performed.

4285 Grave Sales: Revenue received from the public for cemetery plots.

4420 Natural Gas Recovery Revenue: Revenue generated from sales of natural gas produced by the St. Johns Landfill.

4450 Insurance Recovery Revenue: Amounts received upon settlement of insurance claims.

4600 Administrative Fee: Fees received for managing activities or events for the benefit of others.

4610 Contract Revenue: Share of revenue received from operations contracts, and concessions such as golf courses, under contract.

4620 Parking Fees: Revenues generated from parking fees charged for public and employee parking at Metro facilities.

4630 Tuition and Lectures: Fees received for classes and lectures sponsored by Metro organizations.

4650 Miscellaneous Charges for Services: Miscellaneous other revenues received for services not described previously.

4651 Miscellaneous Charges for Services–Contra: A contra account for management’s use to segregate refunds of previously billed or received miscellaneous other revenues for which management desires such identification.

Internal Charge for Services

4455 Insurance Premiums–Unemployment: Amounts charged, due to and earned by the Risk Management Fund for insurance services provided to Metro’s operating units to cover unemployment claims.

4460 Insurance Premiums–Health and Welfare: Amounts charged, due to and earned by the Risk Management Fund for insurance services provided to Metro’s operating units for employee related health benefits.

4670 Charges for Services: Charges for services provided by one Metro department (fund) to another, such as conference room rentals, etc.

Miscellaneous Other Revenues

4142 Intergovernmental Miscellaneous Revenue: Revenues received from other governments that are service related and not associated with grant programs or on-going revenue sharing arrangements.

4170 Fines and Forfeits: Includes monies derived from fines and penalties imposed for the violation of lawful administrative rules, ordinances and/or regulations. Forfeits include monies derived from confiscating deposits held as performance guarantees.

4800 Cash Over and Short: Amounts deposited in bank in excess of/under sales revenue recorded (usually resulting from error). This account is specifically used for management analysis purposes.

4805 Other Financing Transactions: Revenues derived from financing customers over periods of time, such as finance charges, credit card fees, etc.

4808 Loan Principal Receipts: Amounts received that are in repayment of principal on loans issued by Metro to other parties (e.g., TOD program loans). On a budgetary basis these are reflected as revenues and reclassified on a GAAP basis as a reduction of the corresponding loan receivable.

4809 Loan Interest Receipts: Amounts received that are in payment of interest on loans issued by Metro to other parties (e.g., TOD program loans).

4810 Sale of Fixed Assets: Proceeds from the sale of Metro capital assets (also referred to as “fixed assets”).

4811 Gain (loss) - Sale of Capital Assets; Amounts received in excess or below the book value of a capital asset. This account is used for GAAP based reporting.

4812 Gain (loss) – Asset Transfers; the net gain or loss in excess or below the book value of capital assets transferred between funds for GAAP based reporting.

4815 Pass Through Debt Service Receipts: Amounts received under contract from third parties to pay off debt incurred on their behalf (conduit debt).

4820 Program Income: Revenues derived from specified program sources that must be counted against revenues from grant sources.

4890 Other Miscellaneous Revenue: Revenue for which no other account exists should be coded to this account.

4891 Refunds and Reimbursements: Amounts received as refunds or reimbursements for amounts previously paid or damages incurred for non-recurring events.

4895 Other Special Items: Infrequent and non-recurring revenues that meet the definition of a “special item” under GASB requirements. Accounting Services determines this classification of revenue on a case-by-case basis.

4898 Extraordinary Items: Amounts received that are both infrequent in occurrence and not subject to management’s control, as provided in Finance Accounting Standards Board (FASB) Statement 5.

Interest and Other Earnings on Investments

Interest on Investments

4700 Interest on Investments: Interest earned on investments made with cash balances in excess of immediate needs. Interest is allocated to each fund based upon its respective average periodic cash balance.

Change in Investment Value

4710 Change in Investment Value: Earnings, other than interest, from investments. This category includes gains and/or losses on the sale of investments (the difference between financial inflows and the carrying value of the disposed investments).

4719 Unrealized Gain/Loss–Fair Market Value Adjustment: Adjustment to investment value to reflect market value at period end as required by GASB Statement 31. This unrealized gain or loss is reversed in a subsequent period as Metro’s investment policy requires investments to be held to maturity.

OTHER FINANCING SOURCES–BOND AND LOAN PROCEEDS

Bond and Loan Proceeds

4900 General Obligation Bond Proceeds: Financial resources provided by the issuance of general obligation bonds.

4905 Revenue Bond Proceeds: Financial resources provided by the issuance of revenue bonds (bonds which are payable from specified revenue).

4910 State Bond Bank Proceeds: Financial resources provided by bonds issued by the State which are benefiting Metro programs.

4915 Premium on Bond Sales: Proceeds in excess of the par value of the bonds sold.

4920 Loan Proceeds: Proceeds from loans provided by other entities.

4925 Capital Lease Obligation Proceeds: Proceeds from capital leases entered into for the financing of the acquisition of assets. (Capital leases are, in essence, financing arrangements as opposed to operating leases, which convey no ownership interest in the underlying asset and, therefore, would constitute rent. Operating lease payments should be coded to account 5510).

4930 Bond Anticipation Note Proceeds: Proceeds of notes issued in anticipation of bond sale proceeds, to be repaid by those bonds.

INTERFUND TRANSFERS

Interfund Loans

4960 Interfund Loan–Principal: Transfers received for repayment of interfund loan principal.

4965 Interfund Loan–Interest: Transfers received in payment of interest on interfund loans.

Internal Service Transfers

4980 Transfer of Direct Costs: Resources received for services provided to another fiscal entity (fund), the services of which can be specifically identified and billed to the benefiting entity (fund).

Interfund Reimbursements

4975 Transfer of Indirect Costs (Reimbursements): Transfers received for services provided which have been allocated based upon an approved cost allocation plan. The allocation of incidental costs, such as overhead, should be treated as a reimbursement rather than as interfund services provided or used.

Fund Equity Transfers

4970 Transfer of Resources: Transfers of resources from one fund to another which are not based upon a cost allocation plan or any expectation of a payment for services provided; rather this transfer represents the transfer of a resource for another use.

4985 Residual Equity Transfer: Non-recurring or non-routine transfers of equity between funds, including transfers of residual balances of discontinued funds.

Intrafund Clearing Accounts

4899 Subfund Eliminations Account: Amounts are recorded here when a “subfund” is used and the overall result for the fund-level financial statements is required to net to zero but for which management desires an “in and out” to be reflected within each subfund.

4990 Intrafund Clearing Transfer: Amounts transferred from one related subfund to another for internal management purposes, but for which a zero net result is required at the fund-level financial statements.

4991 Intrafund Clearing Transfer–Resources: Amounts transferred from one related subfund to another for internal management purposes and related to resources, but for which an elimination will be made upon consolidation of the subfunds into the overall fund-level financial statements.

4992 Intrafund Clearing–Indirect: Amounts transferred from one related subfund to another for internal management purposes and related to indirect costs incurred in one subfund and “charged” to another subfund, but for which an elimination will be made upon consolidation of the subfunds into the overall fund-level financial statements.

4993 Intrafund Clearing–Direct: Amounts transferred from one related subfund to another for internal management purposes and related to direct costs incurred in one subfund and “charged” to another subfund, but for which an elimination will be made upon consolidation of the subfunds into the overall fund-level financial statements.

4994 Intrafund Clearing–Loan: Amounts transferred from one related subfund to another for internal management purposes and related to loan amounts between subfunds, but for which an elimination will be made upon consolidation of the subfunds into the overall fund-level financial statements.

USES

Department Expenditures: A budgetary appropriation category that combines the totals of Operating Expenditures and Capital Outlay.

Operating Expenditures: Operating Expenditures is an accumulation of all expenditures in the Personal Services and Materials and Services budgetary categories shown below.

Personal Services

Salaries and Wages

5000 Salaries–Elected Officials: Salaries paid to elected officials of the district.

5010 Salaries–Regular Employees (full-time, Exempt): Salaries paid to exempt employees who are full-time.

5015 Wages–Regular Employees (full-time, Non-exempt): Wages paid to hourly (non-exempt) employees who work a full-time schedule.

5020 Salaries–Regular Employees (part-time, Exempt): Salaries paid to exempt employees who work less than a full-time schedule.

5025 Wages–Regular Employees (part-time, Non-exempt): Wages paid to hourly (non-exempt) employees who work less than a full-time schedule.

5030 Wages–Temporary Employees: Wages paid to employees who are hired on a temporary basis.

5031 Salaries–Temporary Employees: paid to employees who are hired on a temporary basis.

5040 Seasonal Employees: Wages paid to temporary, seasonal employees who do not receive benefits.

5043 Non-reimbursable Labor: Wages paid to employees whose costs are not reimbursable by event promoters.

5045 Reimbursable Labor: Wages paid to employees whose costs are reimbursable by event promoters.

5080 Overtime: Wages paid for overtime work performed.

5085 Premium Pay (MERC only): Wages paid to MERC employees, over and above regular wages, for working specific shifts or events.

5086 Mobile Communications Allowance: Amounts paid to employees for providing mobile communications equipment for Metro related work.

5089 Merit/Bonus Pay: Remuneration paid to staff for performance as either a merit or bonus amount in accordance with policy.

Fringe Benefits

5100 Fringe Benefits: Fringe benefit expenditures for employees, including health insurance, retirement, etc. This account represents the overall rollup of all fringe accounts for FY 2011-12 and forward.

5110 Fringe Benefits – Payroll Taxes: Expenditures for FICA, TriMet and other payroll related taxes computed and paid on staff salaries and wages. This account is used for FY 2011-12 and forward (previously distinguished by Class chartfield).

5120 Fringe Benefits - Retirement: Expenditures for retirement plan contributions made by Metro for its employees based upon the rules of coverage for those plans. This account includes PERS and any other Metro sponsored retirement plan. This account is used for FY 2011-12 and forward (previously distinguished by Class chartfield).

5130 Fringe Benefits – Health & Welfare: Expenditures for Metro paid premiums on health and welfare insurance coverage. This account is used for FY 2011-12 and forward (previously distinguished by Class chartfield).

5140 Fringe Benefits – Unemployment: Expenditures made by Metro for unemployment insurance coverage to state approved insurance coverage sources that fund payments as required by law to former Metro employees. This account is used for FY 2011-12 and forward (previously distinguished by Class chartfield).

5150 Fringe Benefits – Other Benefits: Expenditures made by Metro for any other fringe benefits of Metro employees not accounted for in another fringe benefit account. This account is used for FY 2011-12 and forward (previously distinguished by Class chartfield).

5190 Pension Obligation Bonds Contribution: Amounts assessed to departments for their share of debt service on the Pension Obligation Bonds (budgetary basis account). Amounts in this account are reclassified to interfund transfers for GAAP reporting purposes.

5195 Fringe Benefits – Insurance Opt Out: Expenditures made in the form of additional salary or wage payments to employees that opt out of Metro provided health insurance coverage due to their coverage under another plan (e.g., the plan of a spouse or domestic partner). This account is used for FY 2011-12 and forward (previously distinguished by Class chartfield).

Materials and Services: Goods include articles and commodities that are consumed or significantly altered when used and have a per unit cost generally less than \$5,000. Goods are identified in the accounts by type as outlined below.

Supplies

5201 Office Supplies: Pencils, forms, note pads, staples, small office equipment and other consumable office supplies with a unit cost of less than \$5,000, including personal computers.

5205 Operating Supplies: Operating supplies includes landscape, custodial, veterinarian and medical supplies, graphic and reprographic supplies and other supplies used for operating activities.

5210: Subscriptions and Dues: Subscriptions to professional periodicals, papers, newsletters and dues to professional organizations for which Metro gains benefit through publications, seminars, professional exchanges and related activities. This account also includes agency memberships.

5213 Fuels–Waste Transport: Expenditures for the purchase and use of fuels by Metro’s waste transport contractor.

5214 Fuels and Lubricants: Diesel, gasoline, oil, propane and other related goods.

5215 Maintenance and Repair Supplies: Building materials and supplies; paints and painting supplies; steel, iron, and other metals; plumbing supplies; electrical supplies; motor vehicle repair materials and supplies; replacement parts and other related items which generally cost less than \$500 per unit.

5219 Purchasing Card Expenditures: Optional account for use of tracking purchases made through this method where details are not desired. In accordance with purchasing procedures, this is the default account where all charges will reside should the holder not submit receipts and other required documentation (for other classification) on a timely basis.

Merchandise for Resale

Goods purchased solely for resale as defined below.

5220 Food: Food items purchased for resale to customers, such as soft drinks, hot dogs, french fries, etc.

5225 Retail: Goods purchased for resale to customers which are non-food, such as postcards, puzzles, souvenirs, film, etc.

Services: Services that by their nature can be performed only by persons or firms with specialized skills and knowledge. The primary reason for the purchase is the service provided, such as architects, engineers, auditors, physicians, attorneys and consultants. Expenditures included in this category are those which are not capitalized as a cost of a fixed asset.

5240 Contracted Professional Services: Includes services such as fees paid for audit or other accounting services, attorneys for legal services rendered, professional fees paid to firms for promotion and/or public relations (marketing) services provided under contract and fees paid to management consulting firms for services rendered. The account may be used in combination with the appropriate classification chartfield (e.g., Legal, Printing, Auditing, etc.) to identify more detailed professional services expenditures.

5245 Marketing: Significant professional services expenditures made under contract with marketing agencies. This account is intended to segregate significant contractual amounts for this service (e.g., POVA) from those coded to account 5240, which is used in combination with the appropriate Classification chartfield (e.g., Promotion, Advertising, etc.) to identify more detailed marketing type expenditures.

5246 Sponsorship Expenditures: Expenditures made which associate Metro's or MERC's name (or any of its operations or programs) with support of another entity, activity or event that is independent of Metro/MERC, and for which Metro derives an indirect or direct public benefit that supports Metro's goals and objectives. The expenditures made may leverage other dollars in achieving these goals and objectives and increase the visibility and public awareness of Metro and/or its programs and to build relationships. These expenditures do NOT include grants, which require a formal award process. Nor does this account include dues or memberships paid to other organizations. (Grants, dues, and memberships have their own account chartfields found elsewhere.)

5247 Visitor Development Expenditures: Expenditures made to develop increased visitors to Metro facilities and the region.

5250 Contracted Property Services: Services purchased to operate, repair, maintain and rent property owned or used by Metro. These services are those performed by other than Metro employees. The primary reason for the purchase is the service provided. The expenditures reflected here are not capitalized as costs to capital assets, i.e., costs for renovation and/or remodeling are not included here, but should be reflected in a capital outlay account.

5251 Utility Services: Utility Services includes charges for the use of electrical energy provided by the utility vendor, for telephone services, for the use of water and sewer services, natural gas provided by the vendor, purchase of fuel used to heat buildings and charges for solid waste pick up/disposal provided by non-Metro personnel.

5255 Cleaning Services: Charges for services purchased to clean buildings and grounds (apart from services provided by Metro employees).

5260 Maintenance and Repair Services: Expenditures for repair and maintenance services not provided directly by Metro personnel. These expenditures include contracts and agreements covering the upkeep of buildings; expenditures under contract or agreement for the upkeep of grounds, vehicles, equipment, and railroad facilities, and expenditures incurred by MERC resulting from exhibitor actions which are not reimbursed.

5265 Rentals: Charges for renting equipment, on a short-term basis, the intent of which is not to acquire the asset, land or building, or lease payments made under a lease agreement where there is no evidence of future ownership of the property.

5270 Insurance: Expenditures for all types of insurance coverage, including property, liability and fidelity. Additional accounts for benefit-related premiums are:

5271 Insurance–Benefit Plans

5272 Kaiser HMO

5273 Other medical providers

5274 Dental insurance

5275 Long-term disability insurance

5276 Group term life insurance

5280 Other Purchased Services: Amounts paid for services rendered by firms or personnel who are not employees of Metro. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided, advertising, printing services, typesetting and repro-graphic services, delivery services and expenditures for services provided by temporary help services where the individual assigned is not an employee of Metro (e.g., DePaul Industries, Galt Foundation, etc.).

5281 Other Purchased Services–Reimbursed: Services contracted out by Metro on behalf of the customer, for which the customer pays Metro reimbursement.

5290 Operations Contracts: Expenditures for services provided under contract to perform operational services at Metro. Examples include solid waste disposal facilities, expenditures for transporting solid waste between facilities under contract, fees paid to non-Metro solid waste facilities for disposal of solid waste, charges incurred for the disposal of special or hazardous waste as part of Metro’s solid waste system, expenditures to contractors for performance of services related to concession sales and/or catering for Metro facilities and operations, and for expenditures to contractors for services provided in managing Metro-owned or operated parking facilities.

5291 Food and Beverage Services: A subdivision of account 5290 to specifically account for operations contracts that provide food and beverage services to Metro’s customers under contract with Metro or MERC.

5292 Parking Services: A subdivision of account 5290 to specifically account for operations contracts entered into for management of Metro or MERC parking facilities.

5293 Disposal Fees–Landfill: Expenditures for disposal of waste under Metro’s contract with the Gilliam County landfill.

5294 Special Waste Disposal Fees: Expenditures for services provided other entities for disposal of special waste.

5295 Waste Transport: Expenditures for transporting waste from Metro’s transfer stations to other disposal sites under contractual agreement.

5296 Transfer Station Operations: Expenditures for contracted operations of Metro’s solid waste transfer stations.

Capital Maintenance

5261 Capital Maintenance–CIP: Expenditures for repair and maintenance services not provided directly by Metro personnel which are of such significant dollar size to meet the established thresholds for inclusion in Metro’s Capital Improvement Planning (CIP) process. The costs are those not to be capitalized to a fixed (capital) asset due to Metro’s capitalization policies under GAAP.

5262 Capital Maintenance–Non-CIP: Expenditures for repair and maintenance services not provided directly by Metro personnel which are not of such significant dollar size to meet the established thresholds for inclusion in Metro’s Capital Improvement Planning (CIP) process. The costs are those not to be capitalized to a fixed (capital) asset due to Metro’s capitalization policies under GAAP.

Intergovernmental Expenditures: Includes expenditures made by one level or unit of government to another government in support of government activities, administered by the recipient unit. This category includes non-payroll related taxes assessed on, and paid by, Metro.

5300 Payments to Other Agencies: Charges and amounts paid or payable to other governmental agencies for fees or other contributions.

5305 Election Expense: Expenditures made to the various counties for the cost of elections attributable to Metro issues/candidates.

5310 Taxes (Non-payroll): Expenditures for real property taxes on realty not used for Metro’s governmental purposes (for example, subleased property), and federal arbitrage rebate on bonds.

5315 Grants to Other Governments: Payments to and expenditures incurred by other governmental entities under grant agreements.

5318 Contributions to Other Governments: Expenditures made for goods, services or other items, including capital items, that are or will be fully used or owned by a government other than Metro. This includes transfers of assets to other governments.

5320 Government Assessments: Payments made to other governments based upon assessments received, (e.g., Local Improvement District).

Internal Charges for Services

5400 Charges for Services: Services performed by one Metro department for another.

5405 Payment in Lieu of Rent: Expenditures for internal Metro department use of internally managed facilities.

5410 Employer Premium Assessment: Charges for workers’ compensation, health and other insurance premiums assessed to operating units of Metro and owed to the Risk Management Fund for services and coverage provided.

Other Expenditures

5440 Program Purchases: Amounts expended in accordance with a program’s specific or grant guidelines for goods or property consumed or used in the program (e.g., transit oriented development redevelopment property purchases).

5445 Grants and Loans: Amounts provided to non-governmental entities for program purposes. On a GAAP full-accrual basis, amounts reflected here representing loans are subsequently reclassified as loans receivable for financial statement presentation.

5446 Intra-Metro Grants: Expenditures by one fund to another fund for grants provided for specific purposes (see account 4129 for the corresponding revenue account in the receiving fund.)

5450 Travel: Expenditures for transportation, meals, hotel and other expenses associated with staff travel for Metro. Payments for per diem in lieu of reimbursements for meals also are charged here.

5455 Staff Development: Registration fees for conferences, classes and seminars attended by Metro staff; books and other training materials provided are included here.

5470 Council Costs: Expenditures made by Councilors in the course of performing their official duties, including expenditures for attendance at Metro-related meetings as allowed per Council resolution or ordinance and annual expense accounts to cover Council business-related costs incurred by each Councilor.

5475 Claims Paid (Self Insurance): Expenditures for insurable losses incurred by Metro and paid from the Risk Management Fund.

5476 Actuarial Claims Expense: Expenses determined by actuarial estimates reflecting incurred but not reported (IBNR) claims and reserves in accordance with GASB Statement 10 requirements.

5477 Casualty and Other Loss: Expenditures made, or loss in value, from casualty losses.

5479 Claims (former ORS 197.352): Expenditures for claims under the requirements of ORS 197.352 as authorized by Metro Council action.

5480 Fee Reimbursements: Reimbursements to non-Metro disposal facilities based on the recovery rate achieved by the facility.

5490 Miscellaneous Other Charges: Expenditures that are not defined elsewhere in the chart of accounts or may include minor amounts of expenditures of those other categories if the amount is not significant enough to warrant separate classification.

GAAP Accounts

5500 Other GAAP Accounts–Depreciation: An expense that represents the usage of Metro-owned capital assets in providing services and the allocation of the assets cost to its period of use.

5510 Other GAAP Accounts–Amortization: An expense that represents the usage of Metro-owned intangible assets in providing services and the allocation of the assets cost to its period of use or benefit.

5520 Other GAAP Accounts–Bad Debt Expense: An expense that represents the amount determined by either specific identification or a formulaic estimate based upon an analysis of accounts receivable history and written off as the amount estimated to be uncollected. Such amounts will generally have been submitted to Metro’s designated collection agency for further action.

5560 Internal Service Eliminations: Account used to track amounts that are eliminated on a consolidated government-wide GAAP basis due to the reflection of these amounts in the expenses of the business-type or governmental-type activities, as appropriate.

5590 Solid Waste Transfer Station Operations: A GAAP account used to reclassify budgetary materials and services expenditures in various organizational units and accounts to this classification for GAAP based financial statement reporting. This account is not to be used for expenditures charged on a budgetary basis.

Debt Service Expenditures: Budgetary accounts which reflect interest and principal payments on long-term debt.

Capital Lease Payments

5600 Capital Lease Payments–Principal: Principal amounts paid on capital lease obligations. A capital lease is a lease the substance of which is a financing arrangement leading to ownership of the asset. (FASB 13 requirements.) If the arrangement is solely rent payments with no future ownership, the amounts should be coded to rentals or operating lease accounts.

5605 Capital Lease Payments Interest: Amounts paid for interest on leases noted above.

Loan Payments

5610 Loan Payments–Principal: Payments which reduce the outstanding principal balances of loans.

5615 Loan Payments Interest: Payments of interest on outstanding principal balances on loans.

General Obligation Bond Payments

5620 General Obligation Bond–Principal: Payments which reduce the outstanding principal balance of bonds which are backed by the full faith and credit of Metro and which have been authorized by the voters.

5625 General Obligation Bond–Interest: Payments of interest on the outstanding principal balance of bonds which are backed by the full faith and credit of Metro and which have been authorized by the voters.

Revenue Bond Payments

5630 Revenue Bond–Principal: Payments which reduce the outstanding principal balance of bonds which are backed or secured by a revenue source or sources as identified in the bond covenant.

5635 Revenue Bond–Interest: Payments of interest on the outstanding principal balance of bonds which are backed or secured by a revenue source or as identified in the bond covenant.

Other Debt Payments

5650 Defeasance Payments to Escrow Agent: Payments made to trustees and escrow agents to defease an outstanding bond issue.

Capital Outlay: Expenditures for acquiring or adding to fixed (capital) assets (cost greater than or equal to capital threshold in accordance with Capital Asset Management Policy). Acquisitions and construction are coded by the type of asset as identified below.

5700	Land
5710	Improvements Other than Buildings
5715	Intangibles – Non-depreciable
5720	Buildings and Related
5730	Exhibits and Related
5740	Equipment
5745	Vehicles
5750	Office Furniture and Equipment
5760	Railroad Equipment and Facilities
5770	Leasehold Improvements

5780	Final Cover - Landfill
5788	Art and Collections
5790	Intangible Assets

INTERFUND TRANSFERS (see GASB Codification Section 1800.102)

Reciprocal Interfund Activity: These accounts are the internal counterpart to exchange and exchange-like transactions and include:

Internal Service Transfers

5820 Transfer of Direct Costs: A payment for services provided to a funding source by another funding source, which services can be specifically identified and billed to the recipient entity.

Interfund Loans

5860 Interfund Loan–Principal: A transfer to another fund in repayment of an interfund loan’s principal balance.

5865 Interfund Loan–Interest: A transfer to another fund in payment of interest on an interfund loan.

Non-Reciprocal Interfund Activity: These accounts are the internal counterpart to non-exchange transactions and include:

Interfund Reimbursements

5800: Transfer for Indirect Costs (Reimbursements): Transfers made by the benefiting funding source for services provided by the recipient funding source which are allocated based upon an approved cost allocation plan. The allocation of incidental costs, such as overhead, should be treated as a reimbursement.

Fund Equity Transfers

5810 Transfer of Resources: Transfers of resources from one fund to another which are not based upon a cost allocation plan or any expectation of a payment for services provided; rather, this transfer represents the transfer of a resource for another use.

5830 Residual Equity Transfer: Non-recurring or non-routine transfers of equity between funds, including transfers of residual balances of discontinued funds.

Intrafund Clearing Accounts

5891 Intrafund Clearing–Resources: Amounts transferred from one related subfund to another for internal management purposes and related to resources – but for which an elimination will be made upon consolidation of the subfunds into the overall fund-level financial statements.

5892 Intrafund Clearing–Indirect: Amounts transferred from one related subfund to another for internal management purposes and related to indirect costs – but for which an elimination will be made upon consolidation of the subfunds into the overall fund-level financial statements.

5893 Intrafund Clearing–Direct: Amounts transferred from one related subfund to another for internal management purposes and related to direct costs – but for which an elimination will be made upon consolidation of the subfunds into the overall fund-level financial statements.

5894 Intrafund Clearing–Loan: Amounts transferred from one related subfund to another for internal management purposes and related to a intra-subfund “loan” – but for which an elimination will be made upon consolidation of the subfunds into the overall fund-level financial statements.

Contingency

5999 Contingency: A budgetary account from which Council approved appropriation transfers may be made to any of the expenditure accounts noted above. No actual amounts are expended in this account.

Unappropriated

5990 Unappropriated Fund Balance: Funds reserved for future purposes and not available for spending in the current fiscal year. Purposes include designated capital projects, renewal and replacement and debt service.

FUNDS—BUDGETARY BASIS

- 010 General Fund
- 251 General Obligation Bond Debt Service Fund
- 300 General Asset Management Fund
- 325 General Asset Management Fund-Zoo New Project Account
- 360 General Asset Management Fund-Regional Parks New Project Account
- 611 General Asset Management Fund-Renewal and Replacement Account
- 612 General Asset Management Fund-General New Project Account
- 765 General Asset Management Fund-Oxbow Park Project Account
- 350 Open Spaces Fund
- 351 Natural Areas Fund
- 413 General Revenue Bond Fund
- 531 Solid Waste Revenue Fund
- 555 MERC Fund
- 615 Risk Management Fund
- 740 Cemetery Perpetual Care Fund
- 761 Smith and Bybee Wetlands Fund
- 768 St. Johns Rehabilitation and Enhancement Fund

Compensation Plans



FY 2011-12 Non-represented employee pay schedules, full-time positions

Pay Range	Job Code	Job Classification	Minimum Rate	1st Quartile	Midpoint / 2nd Quartile	3rd Quartile	Maximum Rate	
529	1120	Administrative Assistant I *	16.73 34,802	17.99 37,412	19.24 40,022	20.49 42,632	21.76 45,242	Hourly Annual
530		Vacant Range	17.67 36,744	19.13 39,785	20.59 42,827	22.05 45,868	23.51 48,909	Hourly Annual
531	1130	Administrative Assistant II *	18.91 39,332	20.47 42,578	22.04 45,825	23.60 49,071	25.15 52,317	Hourly Annual
532		Vacant Range	20.23 42,083	21.90 45,555	23.57 49,027	25.24 52,501	26.91 55,973	Hourly Annual
533	1140 1245	Administrative Assistant III * Legal Secretary *	21.57 44,865	23.51 48,909	25.46 52,954	27.40 56,997	29.35 61,042	Hourly Annual
534	1250 1210 1300	Paralegal I * Program Analyst I Service Supervisor I	23.30 48,467	25.39 52,824	27.49 57,181	29.59 61,538	31.68 65,895	Hourly Annual
535	1170 1520 1252 1220 1310	Policy Analyst Event Coordinator Paralegal II * Program Analyst II Service Supervisor II	25.16 52,339	27.43 57,051	29.69 61,764	31.96 66,477	34.23 71,190	Hourly Annual
536		Vacant Range	55,812	61,257	66,704	72,150	77,597	Annual
537	1230 1360 1320	Program Analyst III Program Supervisor I Service Supervisor III	60,838	66,769	72,701	78,633	84,564	Annual
538	1401 1405 1240 1370	Council Operations Coordinator Deputy Conservation Manager Program Analyst IV Program Supervisor II	66,305	72,776	79,247	85,718	92,188	Annual
539	1201 1202 1242 1330	Budget Coordinator Capital Projects Coordinator Program Analyst V Service Supervisor IV	71,384	78,880	86,375	93,872	101,367	Annual
540	1410 1580	Manager I Veterinarian I	77,801	85,976	94,151	102,326	110,501	Annual
54A	1415	Transit Project Manager I	81,691	90,276	98,859	107,443	116,026	Annual
541	1270 1420 1423	Legal Counsel I Manager II Policy Advisor I	85,577	94,572	103,566	112,561	121,556	Annual
542	1640 1425 1590	Legal Counsel II Transit Project Manager II Veterinarian II	92,998	103,458	113,920	124,382	134,842	Annual
543	1702 1725	Program Director Transit Program Director I	102,294	113,802	125,309	136,817	148,323	Annual
544	1451 1495 1728	Deputy Director Deputy Metro Attorney Transit Program Director II	112,519	125,180	137,841	150,502	163,164	Annual
545	1461 1463	Director Policy Advisor II	123,771	137,698	151,626	165,553	179,480	Annual
546	1481 1482	Deputy Chief Operating Officer General Manager, Visitor Venues	136,148	151,468	166,612	182,107	197,428	Annual

* These classifications are non-exempt. Hourly rates are calculated based on a 2080 hour work year.

Effective: 07/01/2011
Revised: 07/01/2011 (no COLA)

FY 2011-12* AFSCME 3580 employee pay schedule, full-time positions

* Collective bargaining has not been completed as of the publication date. The Compensation plan below is the most recently approved plan.

Pay Range	Job Code	Job Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
01N	6012*	Office Assistant	11.61	12.17	12.77	13.43	14.08	14.77	15.51
	6003*	Visitor Services Worker III							
02N		Open	12.17	12.77	13.43	14.08	14.77	15.51	16.28
03N	0050*	Printing/Mail Services Clerk	12.77	13.43	14.08	14.77	15.51	16.28	17.08
04N	0037*	Accounting Technician I	13.43	14.08	14.77	15.51	16.28	17.08	17.94
05N	6005*	Administrative Specialist I	14.08	14.77	15.51	16.28	17.08	17.94	18.82
06N	0040*	Program Assistant I	14.77	15.51	16.28	17.08	17.94	18.82	19.74
	6026*	Safety and Security Officer							
	0013*	Scalehouse Technician							
07N	0038*	Accounting Technician II	15.51	16.28	17.08	17.94	18.82	19.74	20.76
	0006*	Food Service/Retail Specialist							
	0012*	Latex Retail Technician							
	6020*	Payroll Technician							
	0330*	Planning Technician							
08N	6006*	Administrative Specialist II	16.28	17.08	17.94	18.82	19.74	20.76	21.76
	0015*	Building Service Worker							
	0051*	Printing/Mail Services Lead							
09N	6007*	Administrative Specialist III	17.08	17.94	18.82	19.74	20.76	21.76	22.87
	0014*	Lead Scalehouse Technician							
	0042*	Program Assistant II							
10N	0036*	Accounting Specialist	17.94	18.82	19.74	20.76	21.76	22.87	23.97
	6018*	Payroll Specialist							
	0005*	Storekeeper							
11N	6034*	Property Management Technician	18.82	19.74	20.76	21.76	22.87	23.97	25.16
11E	6030	Zoo Registrar	39,322.25	41,259.79	43,311.54	45,444.78	47,726.24	50,069.32	52,580.58
12N	6001*	Accountant I	19.74	20.76	21.76	22.87	23.97	25.16	26.47
	6031	Assistant Visual Communication Designer							
	6016*	GIS Technician							
	0055*	Landfill & Environmental Technician							
	0052*	Latex Operations Technician							
	0053*	SW&R Facilities Maintenance Technician							
13N	6008*	Administrative Specialist IV	20.76	21.76	22.87	23.97	25.16	26.47	27.76
	0331*	Hazardous Waste Technician							
	6024*	Program Assistant III							
	0057*	Technical Specialist I							
13E	6008	Administrative Specialist IV	43,311.54	45,444.78	47,726.24	50,069.32	52,580.58	55,235.45	57,952.50
	6024	Program Assistant III							
	0639	Video and Photography Technician							
14N	0016*	Building Service Technician	21.76	22.87	23.97	25.16	26.47	27.76	29.14
	0059*	Technical Specialist II							
	0058*	Volunteer Coordinator I							
14E	0333	Assistant Management Analyst	45,444.78	47,726.24	50,069.32	52,580.58	55,235.45	57,952.50	60,836.57
	0338	Assistant Public Affairs Specialist							
	6032	Associate Visual Communication Designer							
	0056	Records & Information Analyst							
15N	0063*	Latex Operations Specialist	22.87	23.97	25.16	26.47	27.76	29.14	30.60
15E	6002	Accountant II	47,726.24	50,069.32	52,580.58	55,235.45	57,952.50	60,836.57	63,899.23
	0062	Systems Administrator I							
	0061	Systems Analyst I							

FY 2011-12 AFSCME 3580 employee pay schedule, full-time positions, *continued*

Pay Range	Job Code	Job Classification	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7
16N	0332*	Hazardous Waste Specialist	23.97	25.16	26.47	27.76	29.14	30.60	32.11
	0064*	Landfill & Environmental Specialist							
16E	6004	Accountant III	50,069.32	52,580.58	55,235.45	57,952.50	60,836.57	63,899.23	67,047.68
	0306	Assistant Engineer							
	6009	Assistant GIS Specialist							
	6000	Assistant Natural Resource Scientist							
	0354	Assistant Regional Planner							
	0343	Assistant Solid Waste Planner							
	6011	Assistant Transportation Modeler							
	0348	Assistant Transportation Planner							
	0334	Associate Management Analyst							
	0339	Associate Public Affairs Specialist							
	6033	Senior Visual Communication Designer							
	0065	Volunteer Coordinator II							
17E	0067	Systems Administrator II	52,580.58	55,235.45	57,952.50	60,836.57	63,899.23	67,047.68	70,397.82
	0066	Systems Analyst II							
18E	0307	Associate Engineer	55,235.45	57,952.50	60,836.57	63,899.23	67,047.68	70,397.82	73,891.64
	6013	Associate GIS Specialist							
	6014	Associate Natural Resource Scientist							
	0355	Associate Regional Planner							
	0344	Associate Solid Waste Planner							
	6015	Associate Transportation Modeler							
	0349	Associate Transportation Planner							
	6025	Property Management Specialist							
	0335	Senior Management Analyst							
19E	6017	Investment Coordinator	57,952.50	60,836.57	63,899.23	67,047.68	70,397.82	73,891.64	77,586.95
	0340	Senior Public Affairs Specialist							
20E	0476	Construction Coordinator	60,836.57	63,899.23	67,047.68	70,397.82	73,891.64	77,586.95	81,425.66
	0365	Real Estate Negotiator							
	0070	Systems Administrator III							
	0069	Systems Analyst III							
	0068	Web Master							
21E	6035	Lead Real Estate Negotiator	63,899.23	67,047.68	70,397.82	73,891.64	77,586.95	81,425.66	85,488.55
	0308	Senior Engineer							
	6027	Senior GIS Specialist							
	6028	Senior Natural Resource Scientist							
	0356	Senior Regional Planner							
	0345	Senior Solid Waste Planner							
	6029	Senior Transportation Modeler							
	0350	Senior Transportation Planner							
22E	6021	Principal GIS Specialist	67,047.68	70,397.82	73,891.64	77,586.95	81,425.66	85,488.55	89,745.35
	6022	Principal Natural Resource Scientist							
	0357	Principal Regional Planner							
	0346	Principal Solid Waste Planner							
	6023	Principal Transportation Modeler							
	0351	Principal Transportation Planner							
	0072	Systems Administrator IV							
	0071	Systems Analyst IV							
	0077	Transportation Engineer							

* Non-exempt classification
 Employees in this class are eligible to receive overtime compensation

Effective: 07/01/2010-06/30/2011

Revised: 07/01/2010

COLA: 1.5% (07/01/2010)

Note: Updated pay schedule unavailable at time of publication due to on-going contract negotiations

FY 2011-12 Elected official pay schedule

Job Code Office	Annual Salary
0998 Council President	114,468
0997 Councilor	38,156
0999 Auditor	91,574

FY 2011-12 Visitor service worker pay schedule, seasonal pay ranges (hourly rates)

Job Code Classification	Beginning Rate	Maximum Rate
0001* Visitor Services Worker 1	8.50	11.00
0002* Visitor Services Worker 2	8.50	12.50
0003* Visitor Services Worker 3	8.50	13.50

FY 2011-12 Positions not in classification system pay schedule

Pay Range	Job Code Job Classification	Minimum Rate	1st Quartile	Midpoint / 2nd Quartile	3rd Quartile	Maximum Rate
201	4300 Auditor's Administrative Assistant 1480 Chief Operating Officer 1490 Metro Attorney 3100 Senior Management Auditor 3105 Principal Management Auditor					

Note: Grade 201 is an open range

FY 2011-12 LIU, Local 483 Regular employees

Pay Range	Job Code	Job Classification	Entry Rate (Step 1)	Six Months (Step 2)	18 Months (step 3)	30 Months (Step 4)	42 Months (Step 5)
305	0461*	Stationmaster **	13.03	13.85	14.73	15.66	16.63
310	0444*	Custodian ** #	13.68	14.54	15.47	16.44	17.46
310	0019*	Typist-Receptionist **	13.68	14.54	15.47	16.44	17.46
315	N/A	Vacant Range	14.37	15.28	16.24	17.26	18.34
320	0035*	Cash Office Clerk	15.09	16.04	17.05	18.12	19.25
325	3021*	Admissions Lead **	15.84	16.85	17.90	19.03	20.21
325	3020*	Clerk/Stenographer	15.84	16.85	17.90	19.03	20.21
325	0451*	Lead Cash Office Clerk	15.84	16.85	17.90	19.03	20.21
330	N/A	Vacant Range	16.63	17.68	18.79	19.98	21.22
335	N/A	Vacant Range	17.46	18.56	19.74	20.99	22.28
340	0465*	Gardener ** #	18.34	19.49	20.72	22.03	23.40
340	0445*	Maintenance Worker 1 ** #	18.34	19.49	20.72	22.03	23.40
340	0533*	Nutrition Technician I ** #	18.34	19.49	20.72	22.03	23.40
345	0470*	Animal Keeper ** #	19.25	20.47	21.76	23.13	24.57
345	0452*	Natural Resource Tech ** #	19.25	20.47	21.76	23.13	24.57
345	0450*	Park Ranger ** #	19.25	20.47	21.76	23.13	24.57
350	0449*	Exhibits Technician II ** #	20.21	21.49	22.84	24.28	25.80
350	0446*	Maintenance Worker 2 ** #	20.21	21.49	22.84	24.28	25.80
350	0536*	Veterinary Technician ** #	20.21	21.49	22.84	24.28	25.80
355	0535*	Nutrition Technician II ** #	21.22	22.56	23.98	25.50	27.08
360	0468*	Arborist ** #	22.28	23.68	25.18	26.77	28.43
360	0448*	Maintenance Tech ** #	22.28	23.68	25.18	26.77	28.43
360	0447*	Maintenance Worker 3 ** #	22.28	23.68	25.18	26.77	28.43
360	3023*	Natural Resource Tech Lead ** #	22.28	23.68	25.18	26.77	28.43
360	3450*	Park Ranger Lead ** #	22.28	23.68	25.18	26.77	28.43
360	0471*	Senior Animal Keeper ** #	22.28	23.68	25.18	26.77	28.43
360	0467*	Senior Gardener ** #	22.28	23.68	25.18	26.77	28.43
360	0478*	Work Center Coordinator #	22.28	23.68	25.18	26.77	28.43
365	0455*	Maintenance Lead ** #	23.40	24.87	26.43	28.11	29.85
365	0456*	Master Mechanic ** #	23.40	24.87	26.43	28.11	29.85
370	3024*	Electrician I	24.57	26.12	27.76	29.52	31.35
370	0454*	Exhibits Tech Lead ** #	24.57	26.12	27.76	29.52	31.35
375	N/A	Vacant Range	25.80	27.43	29.15	30.99	32.92
380	0457*	Electrician II ** #	27.08	28.80	30.61	32.53	34.56
385	3456	Project Coordinator #	59,164.58	62,893.18	66,857.48	71,078.93	75,493.24

* Non-exempt

** Includes 3 cents for uniform laundering

Includes 5 cents for book allowance

Effective: 07/01/2011-06/30/2012

Revised: 07/05/2011

COLA: 1.5% (07/01/2011)

FY 2011-12 LIU, Local 483 Temporary employees

Pay Range	Job Code Job Classification	Hourly Rate
403	4431* Litter Patrol ** #	9.25
404	4432* Lead Litter Patrol ** #	10.08
405	4008* Ticket Seller **	10.87
410	4430* Laborer ** #	11.03
413	4010* Lead Laborer ** #	12.14
415	4461* Stationmaster **	13.03
420	4444* Custodian ** #	13.68
420	4019* Typist-Receptionist **	13.68
425	N/A Vacant Range	14.37
430	4035* Cash Office Clerk	15.09
435	4002* Admissions Lead**	15.84
435	4020* Clerk/Stenographer	15.84
435	4001* Lead Cash Office Clerk	15.84
440	N/A Vacant Range	16.63
445	N/A Vacant Range	17.46
450	4465* Gardener ** #	18.34
450	4445* Maintenance Worker 1 ** #	18.34
450	4535* Nutrition Technician I ** #	18.34
455	4470* Animal Keeper ** #	19.25
455	4003* Natural Resources Technician ** #	19.25
455	4450* Park Ranger ** #	19.25
460	4449* Exhibit Technician II ** #	20.21
460	4446* Maintenance Worker 2 ** #	20.21
460	4536* Veterinary Technician ** #	20.21
465	4004* Nutrition Tech II** #	21.22
470	4468* Arborist ** #	22.28
470	4447* Maintenance Worker 3 ** #	22.28
470	4448* Maintenance Technician ** #	22.28
470	4006* Natural Resources Tech Lead** #	22.28
470	4005* Park Ranger Lead ** #	22.28
470	4471* Senior Animal Keeper ** #	22.28
470	4467* Senior Gardener ** #	22.28
470	4478* Work Center Coordinator #	22.28
475	4455* Maintenance Lead ** #	23.40
475	4456* Master Mechanic ** #	23.40
480	4011* Electrician I ** #	24.57
480	4007* Exhibits Tech Lead** #	24.57
485	N/A Vacant Range	25.80
490	4457* Electrician II ** #	27.08
495	4009 Project Coordinator#	59,164.58

* Non-exempt

** Includes 3 cents for uniform laundering

Includes 5 cents for book allowance

Effective: 07/01/2011-06/30/2012

Revised: 07/05/2011

COLA: 1.5% (07/01/2011)

FY 2011-12 MERC, Non-Represented employee pay schedule, full-time, non-exempt

Pay Range	Job Code Job Classification	Minimum Rate	2nd Quartile	Midpoint	3rd Quartile	Maximum Rate
210	Open	11.50	12.36	13.22	14.08	14.95
211	8015 Accounting Technician I 8010 Secretary	12.65	13.59	14.54	15.49	16.44
212	8494 EXPO Center Utility Lead	13.90	14.94	15.99	17.03	18.07
213	8005 Marketing & Promotions Coor II 8046 Administrative Assistant 8023 Box Office Coordinator	14.93	16.24	17.55	18.85	20.16
214	8045 Executive Assistant 8128 Services Sales Coordinator I	16.37	17.80	19.23	20.66	22.09
215	8016 Administrative Technician 8510 Audio visual Technician 8004 Painter	18.31	19.91	22.51	23.12	24.72
216	8250 Telecom and Information Systems Technician	20.03	22.04	24.04	26.04	28.04
217	Open	22.44	24.68	26.92	29.17	31.41

Effective: 07/01/2011
Revised: 07/05/2011

FY 2011-12 MERC, Non-Represented employee pay schedule, full-time, exempt

Pay Range	Job Code Job Classification	Minimum Rate	2nd Quartile	Midpoint	3rd Quartile	Maximum Rate
320	open	33,333	36,667	40,000	43,333	46,667
321	8511 Audio Visual Technician Lead 8125 Volunteer Services Coordinator	38,000	41,800	45,600	49,400	53,200
322	8350 Account Executive 8370 Admissions Staffing Manager 8481 Assistant Ticket Services Manager 8180 Event Manager 8402 Graphic Designer 8035 Sales Manager 8507 Services Sales Coordinator II 8245 Setup & Operations Supervisor 8024 Sustainability Coordinator	42,367	47,134	51,900	56,666	61,433
323	8317 Assistant Operations Manager-Expo Center 8509 Audio Visual Supervisor 8210 Facility Maint & Construction Supervisor 8215 Senior Event Manager 8185 Senior Set-up Supervisor - OCC 8410 Stage Supervisor 8480 Ticket Services Manager	48,163	53,582	59,000	64,418	69,837
324	8318 Assistant Operations Manager - OCC 8314 Assistant Operations Manager - PCPA 8220 Assistant Event Services Manager 8026 Chief Engineer 8028 Marketing & Web Services Manager 8162 Operations Manager - Housekeeping & Setup 8515 Security Manager 8234 Ticketing & Parking Services Manager	54,694	60,847	67,000	73,153	79,306
325	8302 Director of Event Services 8303 Director of Sales and Marketing 8205 Events Services Manager - PCPA 8164 Operations Manager - Expo Center 8163 Operations Manager - Technical Services 8027 Public Affairs Manager 8034 Sales & Booking Manager - PCPA 8057 Sales & Events Manager	62,400	70,200	78,000	85,800	93,600
326	8306 Director of Operations 8165 Operations Manager - PCPA	72,400	81,450	90,500	99,550	108,600
327	8039 Assistant Executive Director - PCPA 8307 Assistant Executive Director -OCC 8602 Director of Business and Community Development	84,000	94,500	105,000	115,500	126,000
328	8295 Director - Expo Center 8304 Deputy General Manager	97,600	109,800	122,000	134,200	146,400
329	8475 Executive Director - OCC 8110 Executive Director - PCPA	113,600	127,800	142,000	156,200	170,400

Effective: 07/01/2011
Revised: 07/05/2011

FY 2011-12 MERC, Non-Represented employee pay schedule, part-time

Pay Range	Job Code	Position	Entry Rate	1 Year Rate	2 Year Rate
120	8285	Custodian	11.36	11.69	12.02
	8030	Event Receptionist			
121		Open	12.50	12.86	13.22
122	8040	Administrative Assistant - PT	13.75	14.15	14.54
	8120	Medical Specialist			
123	8639	Marketing & Promotions Coordinator I	15.41	15.85	16.30
124	8150	Audio Visual Production Assistant	17.26	17.75	18.25
	8140	Ticket Services Supervisor			
	8375	Volunteer Services Coordinator			
125	8200	House/Event Manager	19.33	19.88	20.43
	8008	Telecom & Information Systems Technician			

Effective: 07/01/2011
 Revised: 07/05/2011

FY 2011-12 MERC, IATSE Local B-20 employee pay schedule

Pay Range	Job Code	Classification	Hourly Rate
815	8065	Show Seller *	14.97
820	8075	Ticket Seller	13.15
825	8255	Stagedoor Attendant	12.48
855	8090	Admissions Lead	15.85
862	8262	Lead Stagedoor Attendant **	16.28
865	8070	Usher	11.97
865	8080	Gate Attendant	11.97
865	8265	Elevator Operator	11.97
865	8270	Checkroom Attendant	11.97

Effective: 07/01/2011
 Revised: 07/05/2011
 COLA: 29 cents (07/01/2011)

FY 2011-12 MERC, IATSE Local B-20 temporary employee pay schedule

Pay Range	Job Code	Classification	Hourly Rate
815	8066	Show Seller * - Temp	14.97
820	8076	Ticket Seller - Temp	13.15
825	8330	Stagedoor Attendant - Temp	12.48
855	8355	Admissions Lead - Temp	15.85
865	8271	Checkroom Attendant - Temp	11.97
865	8325	Gate Attendant - Temp	11.97
865	8540	Usher - Temp	11.97
865	8555	Elevator Operator - Temp	11.97

Effective: 07/01/2011
 Revised: 07/05/2011
 COLA: 29 cents (07/01/2011)

FY 2011-12 MERC, IATSE Local 28 employee pay schedule

Salary Range	Job Code	Job Classification	Hourly Rate
910	8440	Department Head Stagehand - Carpentry	24.48
910	8445	Department Head Stagehand - Electrician	24.48
910	8455	Department Head Stagehand - Flyrail	24.48
910	8430	Department Head Stagehand - General	24.48
910	8435	Department Head Stagehand - Properties	24.48
910	8450	Department Head Stagehand - Sound	24.48
911	8446	Riggers	33.50
912	8432	Department Head Stagehand - Recording Rt	29.13
913	8452	Truck Loaders	27.46
914	8447	Ground Rigger	25.49
915	8442	Grip Recording	25.00
917	8437	Grips - Extra People	21.04

Effective: 07/01/2011
 Revised: 07/05/2011
 COLA: 2.5% (07/01/2011)

FY 2011-12 MERC, IUOE Local 701 employee pay schedule

Pay Range	Job Code	Job Classification	Step 1	Step 2	Step 3
172	8196	Apprentice Operating Engineer	24.54	26.02	27.45
176	8420	Apprentice Electrician	26.96	28.56	30.11
170	8195	Operating Engineer	28.87		
147	8505	Operating Engineer (part time)	28.87		
171	8160	Lead Operating Engineer	31.75		
173	8240	Electrician	31.71		
175	8390	Lead Electrician	34.89		

Effective: 07/01/2011-06/30/2012
 Revised: 07/01/2011
 COLA: 3.0% (07/01/2011)

FY 2011-12 MERC, IUOE Local 701-1 employee pay schedule

Pay Range	Job Code	Job Classification	Step 1	Step 2
110	8610	Event Custodian	13.07	14.76
130	8632	Utility Maintenance Technician	17.55	19.16
134	8636	Utility Lead	19.36	20.27

Effective: 07/01/2011 - 06/30/2012
 Revised: 07/01/2011
 COLA: 2.0% (07/01/2011)

FY 2011-12 MERC, AFSCME Local 3580-1 utility workers employee pay schedule

Pay Range	Job Code Classification	Prob Step	Reg Step
970	8485 Event Custodian	12.71	14.38
951	8190 Utility Worker I	14.87	16.76
952	8500 Utility Worker II	16.08	18.11
849	8170 Utility Maintenance Technician *	17.10	18.64
941	8490 Utility Grounds Maintenance *	17.46	19.86
961	8495 Utility Lead *	18.85	19.73
950	8175 Utility Maintenance	19.46	21.94
962	8300 Utility Maintenance Specialist **	20.67	22.64
972	8385 Utility Maintenance Lead *	22.28	23.49

Effective: 07/01/2011
 Revised: 07/05/2011
 COLA: 2.5% (07/01/2011)



2040: See *Metro 2040 Growth Concept*.

AA: Affirmative Action.

Accrual Basis of Accounting: Accounting method in which revenue is recognized when it is earned, regardless of when cash is received; expenses are recognized when the associated liability is incurred, regardless of when cash is paid.

ADA: Americans with Disabilities Act.

Ad Valorem Tax: A tax based on the assessed value of taxable property.

Advance Disposal Fee: A fee on a product that is intended to capture the cost of waste disposal of that product.

AFSCME: See *American Federation of State, County, and Municipal Employees*.

American Federation of State, County, and Municipal Employees (AFSCME): An organized labor bargaining unit.

Appropriation: The legal spending authority approved by Metro Council to fund Metro activities. Can be changed only by the action of the Council and in some instances are further restricted by Oregon budget law.

Arbitrage: Interest earned from the proceeds of bond issues in which the rate of interest earned is greater than the interest rate owed on the bonds.

Arbitrage Rebate: Money owed to the Internal Revenue Service from interest earnings on bond proceeds that exceed the interest (bond yield) owed on the bonds.

Assessed Value: The value set by a county assessor on real and personal taxable property as a basis for levying taxes.

Ballot Measure 5: Amendment to the Oregon Constitution approved by the voters in 1990, which limits property tax rates. This is now Article XI, Section 11(b) of the Oregon Constitution.

Ballot Measure 37: Constitutional amendment approved by voters in November 2004. Measure 37 requires that governments pay owners, or waive enforcement by repealing, changing or not applying restrictions, when certain land use restrictions reduce owners' property value.

Ballot Measure 47: Constitutional amendment approved by voters in November 1996. Ballot Measure 47 rolled back property taxes on individual properties to either the FY 1994–95 tax or the FY 1995–96 tax less 10 percent, whichever was less. The measure allowed increases of no more than 3 percent per year in property tax bills in ensuing years and limited fee increases without voter approval. Ballot Measure 47 was to take effect in FY 1997–98, but was repealed in May 1997 by Ballot Measure 50.

Ballot Measure 50: A Constitutional amendment referred to the voters by the Legislature in May 1997. Ballot Measure 50 repealed and replaced Ballot Measure 47. Ballot Measure 50 rolled assessed values back to FY 1994–95 levels less 10 percent and allows them to increase no more than 3 percent per year. Existing operating tax levies (including tax bases and levies approved in November 1996) were reduced by a statewide average of 17 percent and were converted to rate-based levies. Ballot Measure 50 took effect in FY 1997–98.

Beginning Fund Balance: Net resources (cash and non-cash) available in a fund at the beginning of a fiscal year, carried over from the prior fiscal year.

Bonds: A written promise to pay a sum of money at a future date, with interest paid at an agreed rate on a set schedule. Bonds are typically used by governments to finance long-term capital improvements.

Brownfield: An urban development site that has been previously built on or environmentally contaminated and is currently unusable or abandoned.

Budget: A plan for receiving and spending money in a fiscal year. The budget is the financial plan for Metro's allocation of resources to provide services, accomplish Metro's objectives and perform activities.

Budget Calendar: The schedule of key dates and major events in the budget process.

Budget Committee: The Metro Council sits as a special committee under Oregon Budget Law to review the Chief Operating Officer's proposed budget and to adopt the budget for the following fiscal year.

Budget Phases: Metro's annual budget is developed in four phases, as follows:

Requested: Requests from departments for the following year's budget.

Proposed: The Chief Operating Officer's recommended budget, which is reviewed by the Council Budget Committee.

Approved: The budget and tax levy as approved by the Council that is forwarded to the Multnomah County Tax Supervising and Conservation Commission for its certification.

Adopted: The budget as adopted by the Council in the annual budget ordinance, following certification by the Tax Supervising and Conservation Commission.

Budget Program: A portfolio of products, services, funding and performance measures that links to Council goals within a performance-based program budget. A performance-based program budget links funding to agency results affecting external audiences. Metro budget programs include varying levels of programs, projects and operations.

Budget Program Performance Measures: Designed to measure the effectiveness of Metro budget programs. These outcome-based measures should specifically track Metro's efforts relative to achieving regional goals. Budget program performance measures provide feedback for strategic guidance in aligning budget programs with regional goals. Regularly provided to Council in the quarterly management report.

Capacity ordinance: Every five years Metro Council must examine the capacity of the region to accommodate the next 20 years' growth and, if found lacking, a plan for achieving it.

CAFR: See *Comprehensive Annual Financial Report*.

Capital Budget: See *Five-Year Capital Budget*.

Capital Budget Document: The official document presenting Metro's Five-Year Capital Budget. The document is included in the agency budget document and contains information on Metro's capital funding capacity, unfunded capital needs and a status report on current capital projects. The capital budget and the annual operating budget document are presented to the Council by the Chief Operating Officer for its consideration and adoption.

Capital Improvement Plan (CIP): See *Five-Year Capital Budget*.

Capital Outlay: A major expenditure category that includes appropriations for the purchase or improvement of land and buildings, and for furniture and equipment with a cost of more than \$5,000 and a useful life of one or more years.

Capital Project: A capital project is any physical asset acquired, constructed or financed by Metro, with a total capital cost of \$100,000 or more and a useful life

of at least five years. It can include land, facilities, trails, roads, other infrastructure, major equipment and parts thereof. It can include renewal and replacement projects as well as new acquisitions and construction projects. Acquisition or construction of a capital project may be staged over several years.

Cash Basis of Accounting: Accounting method under which transactions are recognized when cash changes hands.

Centers and Services: Work units organized to serve budget programs and/or provide internal services (formerly referred to “as departments”).

Central Services: Services provided internally to Metro departments by another Metro department or departments. These are primarily business services, such as accounting, risk management, information services, human resources and legal services.

CET: See *Construction Excise Tax*.

CFO: Chief Financial Officer.

Challenge Grants: Grants to local jurisdictions to support their waste reduction programs to help meet state and regional waste reduction goals.

Chart of Accounts: A coding framework that categorizes various financial information into a logical structure which is the basis and foundation for all financial reporting within the agency.

CII: See *Community Investment Initiative*

CIP: Capital Improvement Plan, See *Five-Year Capital Budget*.

CIS: See *Community Investment Strategy*

CMS: Congestion Management Study.

COLA: Cost of Living Adjustment.

Commission: An appointed body established in the Metro Code responsible for daily operations of a Metro operation (specifically MERC).

The Community Investment Initiative (CII): A component of the CIS, is an external engagement effort to develop and sustain a coalition of public sector, private sector and community leaders that advocate for the implementation of an integrated investment strategy for this region. At the core of the CII is the Leadership Council, composed of respected regional leaders who will spearhead the work of developing actionable recommendations for an investment strategy.

Community Investment Strategy (CIS): Existing local, state, and federal revenue sources to pay for infrastructure (e.g. roads, parks, public plazas, transit systems, school and other public facilities, etc.) are forecast to provide about half of the region’s investment needs, creating an infrastructure finance gap of \$15-\$20 billion over the next 30 years. The Community Investment Strategy will identify methods to close the gap between the region’s investment needs and its financial means. It is aimed both at maintaining existing infrastructure and community assets and at supporting targeted new investments to accommodate anticipated population and employment growth. It will help the region invest existing dollars strategically; to focus its investments for maximum impact; to increase the level of overall investment; and to deploy our region’s public resources in a way that supports private investment.

Compensation Plan: A listing of all Metro position classifications, their classification number and the rates of pay authorized. The document is updated annually and adopted by the Council.

Component Unit: Legally separate organization for which elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's statements to be misleading or incomplete, in accordance with GASB Statements 14 and 39.

Comprehensive Annual Financial Report (CAFR): The official public record of Metro's financial condition and results of operations, prepared at the close of each fiscal year, subject to audit.

Compression: The effect produced if the combined (and otherwise authorized) property tax rates of all non-school jurisdictions in a taxing area exceed the limit of \$10 tax per \$1000 in assessed value, as required by the Oregon Constitution since the passage of Ballot Measure 5. The result of such an excess is reduced proportionally to each general government jurisdiction's rate so the total rate does not exceed \$10.

Concept Plan: See *Metro Region 2040 Growth Concept*.

Connecting Green: Connecting Green was the initial effort to create this country's best parks and trails system. Guided by a vision of making parks, trails and natural spaces as important to our core infrastructure as roads, power, sewage and schools, the effort plans to deliver a healthier, happier population, sustainable, vibrant metropolitan expansion and a cleaner, richer ecosystem. Renamed "The Intertwine" in FY 2009-10.

Construction Excise Tax (CET): Effective July 1, 2006, Metro imposed a 0.12 percent Construction Excise Tax on eligible construction throughout the region to fund concept planning for areas brought into the Urban Growth Boundary in 2002 and 2004. All jurisdictions issuing permits have signed intergovernmental agreements to collect the tax on Metro's behalf. The CET was extended for five years in 2009.

Contingency: A major expenditure category that includes appropriations set aside for unforeseen expenses. The Council must approve, by ordinance, any transfers from a contingency account to an expenditure account.

Contract: An agreement in writing between two parties where there is an exchange of goods or services. A contract is enforceable by law.

COO: Chief Operating Officer.

Cost Allocation Plan: A document prepared each fiscal year that identifies costs for central services and assigns them to operating units based on the best estimate of use or benefit received. The plan is used in preparing the annual budget to determine the amount of interfund transfers for the central service funds.

CPI: Consumer Price Index.

CRAG: Columbia Region Association of Governments.

Data Resource Center (DRC): The division of Metro's Research Center that supplies economic and demographic information for Metro's planning functions, and that manages the Regional Land Information System (RLIS).

DBE: See *Disadvantaged Business Enterprise*.

Debt Service: 1. Payment of principal and interest on bonds, interest-bearing warrants and short-term notes; 2. A major expenditure category that includes all categories of debt service payments.

DEIS: Draft Environmental Impact Statement.

Department: A functional unit of Metro, now referred to as centers or services.

Department of Environmental Quality–Oregon (DEQ): The Oregon Department of Environmental Quality, a state agency, which regulates Metro's solid waste disposal system and aspects of Metro planning operations such as air quality and water quality.

DEQ: See *Department of Environmental Quality*.

Direct Costs: The amount of charges to a department for specific services provided by another department.

Disadvantaged Business Enterprise (DBE): A for-profit, small business concern (a), that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged or, in which 51 percent of the stock is owned by one or more such individual; and (b), whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

DRC: See *Data Resource Center*.

Dry Waste: Non-putrescible (does not decay) waste, including demolition debris.

EBMS: See *Event Business Management System*

EEO: Equal Employment Opportunity.

EJ: See *Environmental Justice*

Emerging Small Business (ESB): There are two tiers for certification as an ESB in the State of Oregon: 1. Tier 1 program participation is restricted to Oregon-based firms with 20 or fewer employees whose average annual gross receipts over the last three years have not exceeded \$1.5 million for construction firms and \$600,000 for non-construction related firms. Tier 2 program participation is restricted to Oregon-based firms with 30 or fewer employees whose average annual gross receipts over the last three years have not exceeded \$3 million for construction firms and \$1 million for non-construction related firms. An ESB must be properly licensed, legally registered and an independently-owned Oregon firm.

Ending Fund Balance: Unspent and unobligated net resources at the end of a fiscal year. Usually generated by cash reserves and under-spending of appropriations.

Enhancement Grants: Grants for community projects made to local communities that contain major solid waste disposal facilities. There are four such grant programs (for Forest Grove, Metro Central, Metro South and St. Johns), funded out of the Rehabilitation and Enhancement Fund by a surcharge of \$0.50 per ton on waste deposited at the facility.

Enterprise Activity: Business conducted by Metro in which a customer pays a fee or charge for a service or product.

Enterprise Revenues: Revenues earned through the sale of Metro goods or services, including admission fees, building rentals, food and drink at Metro facilities, etc.

Environmental Justice (EJ): describes populations of people protected under Title VI of the Civil Rights Act of 1964 prohibiting discrimination based on race, income, or national origin. The Environmental Protection Agency (EPA) describes Environmental Justice as “the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to development, implementation, and enforcement of environmental laws, regulations, and policies.” EJ also includes “underserved” groups, particularly the elderly, persons with disabilities, children and any other population of people whose needs have not been traditionally met or considered in the planning process.

EPA: Environmental Protection Agency (Federal agency).

ESB: See *Emerging Small Business*.

Event Business Management System (EBMS): an integrated software for event based programs.

Excise Tax: A tax that is paid by users of Metro facilities for the privilege of the use of the facilities, equipment, systems, or services owned, licensed, franchised or operated by Metro. For additional information, see Appendices, Excise Tax.

Expenditure: The actual outlay of, or obligation to pay, cash.

Expo: *Portland Metropolitan Exposition Center; The Expo Center;* located at 2060 North Marine Drive in Portland, consists of 333,000 square feet of flat floor space in four adjacent buildings for public exhibits and shows.

Expo Center: See *Expo*.

Ex Situ research: Research conducted on wildlife that is not in its native range.

FRS: Finance and Regulatory Services.

Fiscal Year: Metro's annual budget and accounting period, from July 1 through June 30.

Five-Year Capital Budget: a long-range plan prepared annually to identify capital projects to be funded over a five-year period. The five-year capital budget identifies each project, the year in which it will be started or acquired, the yearly expenditures of the project and proposed method of financing. The capital budget is reviewed and approved by the Chief Operating Officer and the Metro Council. Projects approved for the first year of the plan become part of Metro's budget for the ensuing year and may be modified in subsequent years.

FMLA: Family Medical Leave Act.

Fringe Benefits: Non-salary employee benefits provided in accordance with state and federal law, union contracts and/or Council policy. Such benefits for regular employees include pension plans (including PERS and Social Security); medical, dental, vision and life insurance; vacation, holiday and sick leave; workers' compensation and unemployment insurance. Temporary employees receive only those benefits mandated by law, such as Social Security, workers' compensation and unemployment insurance.

FTA: Federal Transit Administration (formerly UMTA, Urban Mass Transit Administration).

FTE: See *Full-time Equivalent*.

Full-time Equivalent (FTE): The ratio of time expended in any position to that of a full-time position. One person working full-time for one year is one FTE.

Functional Plan: Urban Growth Management Functional Plan.

Fund: An independent fiscal and accounting entity with a self-balancing set of accounts that is segregated for the purpose of carrying on specific activities or attaining certain objectives. Metro maintains several types of funds, including:

General: Revenues may be spent for any legitimate Metro purpose.

Enterprise: A fiscal and budgeting entity that accounts for a specific Metro operation that earns a substantial portion of its money through enterprise activities. An example of a Metro enterprise fund is the Solid Waste Revenue Fund.

Special Revenue: Resources are restricted to expenditures for specific purposes, generally in support of the department that manages the fund.

Capital Projects: Dedicated to acquisition, construction or improvement of the fixed assets managed by a particular department.

Internal Service: Accounts for the financing of goods or services provided by a central service department, with revenues coming from benefiting units on a cost-reimbursement basis.

Debt Service: Dedicated to paying debt service obligations.

Trust: Expenditures are dedicated to a specified purpose, as stipulated by the entity or entities that provided money to establish the fund.

Fund Balance: The difference between a fund's assets and its liabilities; a fund's net resources.

Future Vision: Non-regulatory conceptual statement providing a standard against which to judge progress toward maintaining a livable region. To be updated by July 1, 2010.

FY: Fiscal Year.

GAAP: See *Generally Accepted Accounting Principles*.

GASB: See *Governmental Accounting Standards Board*.

General Fund: See description under *Fund*.

General Obligation Bonds: Bonds that are backed by the full faith and credit of the issuing government. General obligation bonds must be approved by the voters, and are paid through property taxes.

General Renewal and Replacement Fund: The General Renewal and Replacement Fund was created as a separate fund in FY 2008-09 to provide for Metro's general assets including the Oregon Zoo, Regional Parks, Metro Regional Center and Information Services.

Generally Accepted Accounting Principles (GAAP): A standard established by the Accounting Practices Board of the American Institute of Certified Public Accountants. These rules, conventions and procedures define accepted accounting practices.

GFOA: Government Finance Officers Association.

GIS: Geographical Information System.

Governmental Accounting Standards Board (GASB): A private, non-profit organization established in 1984; responsible for setting generally accepted accounting principals for state and local governments.

GPAC: Greenspaces Policy Advisory Committee.

Grant: A contribution of assets by one entity to another. Grants are generally designated for a specific expenditure or project.

Greater Portland Pulse: Greater Portland Pulse is a joint Metro/Portland State University collaborative effort to establish, maintain and utilize a common set of regional performance indicators and data that tracks the interconnected social equity, economic and environmental objectives for Clackamas, Washington, and Multnomah Counties in Oregon and Clark County, Washington. The indicators are intended to guide policy and resource decisions across nine key community livability categories including the economy, education, access to culture, civic engagement, health and safety, access and mobility, housing, and the environment (all within an equity framework).

Greater Portland Vancouver Indicators (GPVI): See *Greater Portland Pulse*

Greenhouse gases: Gases in an atmosphere that absorb and emit radiation within the thermal infrared range.

Greenspaces: Open areas, usually in public ownership, that are available for public use. While mostly undeveloped or developed only minimally, greenspaces may include parks, cemeteries, natural areas and golf courses.

Greenspaces Master Plan: The Council-adopted document that establishes policies and lays out long-range plans and goals for Metro's program of acquiring, preserving and developing open spaces for public use and protection of wildlife habitat.

Growth Concept: See *Metro 2040 Growth Concept*.

HCT: See *High Capacity Transit*.

HCTF: See *Housing Choice Task Force*.

High Capacity Transit (HCT): High capacity transit includes any form of public transit that has an exclusive right of way, a non-exclusive right of way or a possible combination of both. High capacity transit includes options such as light rail, commuter rail and bus rapid transit; these and others will be examined as part of the High Capacity Transit System Plan.

Household Hazardous Waste: Any discarded chemical materials or products that are or may be hazardous or toxic to the public or the environment and are commonly used in or around households.

Housing Choice Task Force (HCTF): Directed by the Metro Council to consider financial, physical, market, political and regulatory barriers to increasing particularly affordable workforce housing supply in various communities and 2040 centers and corridors.

HR: Human Resources.

IATSE: See *International Alliance of Theatrical State Employees*.

International Alliance of Theatrical State Employees (IATSE): An organized labor bargaining unit.

IGA: See *Intergovernmental Agreement*.

Indirect Costs: The central overhead costs (i.e., payroll, accounts payable, legal counsel) necessary for the operation of a department or execution of a grant and not directly attributable to a specific function or grant. These costs are computed and charged to the appropriate department or grant based on a cost allocation plan.

In Situ research: Research conducted with wildlife in its native range.

Interfund Transfer: 1. An amount of money distributed from one fund to finance activities in another fund. The most common types of interfund transfers are for central services, payment for specific services performed or for general financial support. 2. A major expenditure category that accounts for all movement of money from one fund to another.

Intergovernmental Agreement (IGA): A signed agreement between two or more units of government, and approved by their governing bodies, that provides for the exchange of goods or services between the governments.

Intergovernmental Revenue: Funds received from a unit of government other than Metro in support of a Metro activity.

The Intertwine: A network of integrated parks, trails and natural areas. The Intertwine provides opportunities to preserve natural areas, open spaces, water and wildlife habitat.

IT: Information Technology.

IS: Information Services.

Joint Policy Advisory Committee on Transportation (JPACT): This committee consists of elected and appointed officials from jurisdictions throughout the region who are charged with developing and approving regional transportation plans.

JPACT: See *Joint Policy Advisory Committee on Transportation*.

KFD: Killingsworth Fast Disposal (landfill site).

Latex Processing Facility: The part of a solid waste transfer station that treats, recycles and disposes of latex paint.

Leadership in Energy and Environmental Design (LEED): A Green Building Rating System; a voluntary, consensus-based national standard for developing high-performance, sustainable buildings; developed by U.S. Green Building Council, representing all segments of the building industry.

LEED: See *Leadership in Energy and Environmental Design*.

Line Item: An object of expenditure. See *Chart of Accounts*.

Line Item Budget: The traditional form of government budgeting in which proposed expenditures are based on individual objects of expenditure within a fund or department.

LIU: Laborers International Union.

M & S: See *Materials and Services*.

Major Expenditure Category: One of six classifications of spending, including personal services, materials and services, debt service, capital outlay, interfund transfers, and contingency.

Making the Greatest Place: A comprehensive effort the Metro Council has undertaken, in collaboration with local governments and the private sector, to implement the region's more effective long-range growth management plan, the 2040 Growth Concept. The effort is focused on generating new, more efficient ways to manage the region's land and transportation infrastructure and leverage market forces to create better urban areas.

Master Plan: A comprehensive plan for a program or facility that establishes policies and goals for the program or facility, for a period of five years or longer.

Material Recovery Facility (MRF): A waste facility that receives commingled loads of waste and sorts them into recyclable and non-recyclable components.

Materials and Services: A major expenditure category that includes contractual and other services, materials, supplies and other charges.

MAX: TriMet's Light Rail system, Metropolitan Area Express, connects Portland, Gresham, Beaverton, Hillsboro, Clackamas and the Portland Airport.

MBE: See *Minority Business Enterprise*.

MCCI: Metro Committee for Citizen Involvement.

Minority Business Enterprise (MBE): A business concern 1. that is at least 51 percent owned by one or more minority individuals, or, in the case of a publicly owned business, at least 51 percent of the stock is owned by one or more minority individuals; and 2. whose daily business operations are managed and directed by one or more of the minority owners.

Measure 5, Measure 37, Measure 47, Measure 50: See *Ballot Measures*.

MERC: See *Metropolitan Exposition Recreation Commission*.

Metropolitan Exposition Recreation Commission (MERC): An appointed seven-member board and its staff, which is responsible for daily operations of the Oregon Convention Center, Portland Center for the Performing Arts and the Portland Expo Center.

Metro 2040 Growth Concept: Defines regional growth and development in the Portland Metropolitan region. The growth concept was adopted in the Region 2040 planning and public involvement process in December 1995.

Metro Central: Metro's solid waste transfer station at 6161 NW 61st Avenue, Portland.

MetroPaint: A high quality, affordable, 100 percent recycled latex paint produced in Portland, Oregon, since 1992. Metro produces and sells recycled latex paint in 5-gallon pails and 1-gallon cans.

Metro Recycling Information Center: The clearinghouse for waste reduction, recycling and solid waste disposal information in the region.

Metro Regional Center: Metro's governmental headquarters, located at 600 NE Grand Avenue, Portland.

MetroScope: MetroScope is a set of decision support tools used by Metro and the City of Portland to model changes in measures of economic, demographic, land use and transportation activity. MetroScope comprises four models and a set of GIS (geographic information system) tools that keep track of the location of development activities and produce visual representations (maps) from the models' output.

Metro South: Metro's solid waste transfer station at 2001 Washington St., Oregon City.

Modified Accrual Basis of Accounting: The accrual basis of accounting adapted to the governmental fund type under which revenues are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are generally recognized when the related fund liability is incurred.

MPAC: Metro Policy Advisory Committee.

MPO: Metropolitan Planning Organization.

MRF: See *Material Recovery Facility*.

MTAC: Metro Technical Advisory Committee.

MTIP: Metropolitan Transportation Improvement Program.

MTOCA: Metropolitan Tourism Opportunity and Competitiveness Account.

MTP: Metropolitan Transportation Plan (Clark County, Washington).

Natural Areas Program (2006): Program designed to conserve a regional system that protects the very best remaining fish and wildlife habitats, lands around local rivers and streams that are important to water quality and natural areas threatened by urban development. It establishes target areas for protection by incorporating some of the target areas established in the 1995 open spaces, parks and streams bond measure and adding new areas that have been recognized as priorities during the past decade.

Natural Areas Bond Measure: A voter-approved bond measure passed in November 2006. The \$227.4 million bond measure protects natural areas and lands near rivers and streams throughout the metro region, safeguarding the quality of our water while managing the impacts of growth and maintaining the area's quality of life for future generations.

Nature in Neighborhoods: A regional habitat protection, restoration and greenspaces program that inspires, strengthens, coordinates and focuses the activities of individuals and organizations with a stake in the region's fish and wildlife habitat, natural beauty, clean air and water and outdoor recreation.

New Look at Regional Choices: See *Making the Greatest Place*.

OCC: See *Oregon Convention Center*.

OCI: Office of Citizen Involvement (located within Communications service of Metro).

ODOT: See *Oregon Department of Transportation*.

OECD: See *Oregon Economic and Community Development Department*.

OMA: Office of Metro Attorney.

One-time Revenue: A source of funding that cannot reasonably be expected to recur. Examples include single-purpose grants, use of reserves and proceeds from the sale of property or other assets.

Open Spaces: Undeveloped land, preserved for its natural, environmental or recreational benefits.

Open Spaces Bond Measure: The Metro bond measure approved by the voters in 1995, authorizing \$135.6 million for public acquisition of open spaces and natural areas in and near the Metro region.

Open Spaces Program: Metro's program of acquiring and preserving open spaces and natural areas. The program is administered by the Sustainability Center and funded by bond proceeds through the Open Spaces Fund.

Oregon Convention Center (OCC): The Oregon Convention Center, located at 777 N.E. Martin Luther King Jr. Boulevard in Portland, consists of 50 meeting rooms and 255,000 square feet of exhibition space.

Oregon Department of Transportation (ODOT): A department of the Oregon state government responsible for systems and transportation.

Oregon Economic and Community Development Department (OECDD): Invests lottery, federal and other funds to help communities and regions build a healthy business climate that stimulates employment, enhances quality of life and sustains Oregon's long-term prosperity.

ORS: Oregon Revised Statute.

PaintCare: A non-profit corporation established by the paint industry to manage leftover paint, as mandated by HB3037, which became law in July of 2009. PaintCare contracts with local governments, paint retail stores, and waste contractors to collect, transport and process all of the leftover paint generated in the state.

Pass-through: Money given by a government or organization to another government or organization with a requirement that it be given to a third government or organization.

PCPA: See *Portland Center for the Performing Arts*.

PDC: Portland Development Commission.

PeopleSoft: Metro's enterprise software which provides centralized accounting, payroll, human resource and budgeting information.

Performance Audit: Investigation of a program, operation or department that is designed to determine whether the subject of the audit is properly, efficiently and effectively managed. Metro's elected Auditor is responsible for conducting performance audits for Metro.

Performance Measures: Objective standards for determining work loads, effectiveness and efficiency of Metro departments and programs.

PERS: See *Public Employees Retirement System*.

PERS Reserve: An amount set aside for potential future pension cost liabilities.

Population and Employment Allocations: Estimates of the number of residents and the number of jobs projected for each jurisdiction in the region in a given year.

Portland Metropolitan Exposition Center: See *Expo*.

Portland Center for the Performing Arts (PCPA): This leading cultural institution encompasses four acclaimed theaters that include Keller Auditorium, Arlene Schnitzer Concert Hall, and the Newmark Theater, Dolores Winningstad Theater and Brunish Hall, all located in the Antoinette Hatfield Hall.

Position: A budgeted authorization for employment, which can be full-time or part-time. One position may be budgeted as any fraction of an FTE but cannot be budgeted in excess of one FTE.

Post-closure Activities: The planning, execution and environmental monitoring of activities associated with the closure of the St. Johns Landfill.

Preliminary Audit Plan: The Metro Auditor's work plan periodically developed, reviewed and updated to guide future audit work.

Program: Defined as either a group of related projects managed in a coordinated way or a distinct set of offerings targeted at a specific audience to yield a specific outcome (such as the Drive Less/Save More program). Multiple programs can roll up to a budget program to align with Council goals. Programs are based upon outcomes of offerings, target audience and delivery method, and do not have a defined life. All programs will have defined goals and performance measures to track progress toward the defined goal.

Program Budget: A plan for expenditure of money that is based on objectives and the cost to realize those objectives, rather than on individual line items.

Program Performance Measures: Quantifiable effectiveness measures of the impact of specific Metro efforts towards achieving program goals. These should be available on a quarterly basis.

Project: A temporary endeavor to create a unique work product, service or result.

Public Employees Retirement System (PERS): The retirement benefit package offered by most public jurisdictions in the state.

Putrescible waste: Solid waste containing organic matter having the tendency to decompose, form malodorous by-products and attract vectors; also referred to as "wet waste."

Quarterly Financial Report: Companion to the quarterly management report, this report fulfills a financial policy direction found in the Metro's adopted financial policies by monitoring and reporting revenues and expenditures.

Quarterly Management Report: Companion to the quarterly financial report, this report gives Council provides the Metro Council with highlights of budgetary programs and project performance.

Rate Stabilization Reserve: A reserved fund balance established to stabilize solid waste rates from unanticipated fluctuations.

Records and Information Management (RIM): Provides for Metro's professional management of information from the time records are received or created through their processing, distribution, use and placement in a storage or retrieval system until their eventual destruction or permanent archival retention.

Recovery Rate: The percent of solid waste that is recovered from the total municipal solid waste stream.

Recycling Information Center: See *Metro Recycling Information Center*.

Refinement Plan: One of several plans of the Natural Areas Acquisition division of the Sustainability Center that identifies specific parcels of land to be acquired within a larger target area.

Region: The area inside Metro's boundary.

Region 2040: Metro's growth management planning document that establishes policies to manage regional growth over a 50-year period and to guide development of the Regional Framework Plan. See *Metro 2040 Growth Concept*.

Regional Framework Plan: The growth management planning document mandated in the 1992 Metro Charter that prescribe's guidelines to be observed by local governments in establishing their local land-use plans in conformance with regional goals. The plan was adopted by the Council in 1997.

Regional Land Information System (RLIS): Metro's computerized mapping system, which has the capability to apply demographic, topographic, land-use, infrastructure and other information in map form.

Regional Solid Waste Management Plan (RSWMP): A policy and planning document adopted by the Metro Council in ordinance form that establishes policies for managing the disposal of solid waste from the region.

Regional Solid Waste Reduction Plan: The 10-year plan established to comply with state mandated waste recovery goals.

Regional System Fee (RSF): Solid waste revenue raised from all customers system wide to fund regional solid waste programs. Rate is set annually and adopted by ordinance.

Regional Transportation Plan (RTP): The plan required by the federal government, in order to receive federal transportation funds, that includes regional transportation policies and goals as well as a list of major transportation projects contemplated for a six-year period. This plan must be approved by the Joint Policy Advisory Committee on Transportation and the Metro Council.

Regional Travel Options (RTO): Promotes and supports the transportation choices available in the region to reduce the number of drive-alone trips. Reducing the number of vehicles on the road cuts vehicle emissions, decreases congestion, extends the life cycle of existing roadways and promotes a healthier community.

Regional Urban Growth Goals and Objectives: A policy and planning document approved by the Metro Council in ordinance form that establishes policies to guide growth management planning in the region.

REIN: Regional Environmental Information Network.

Requirements: Total budgeted expenditures (including contingency) plus the amount of unappropriated balance.

Resources: All financial assets of a fund, including anticipated revenues plus cash available at the start of the fiscal year.

Restoration/Education Grants: Grants administered by the Sustainability Center for funding projects of public education on natural resource preservation or in support of restoring land to its natural state.

Revenue: Assets earned or received by a Metro fund during a fiscal year.

RFB: Request for Bid.

RFP: Request for Proposal.

RFQ: Request for Qualifications.

RIC: See *Metro Recycling Information Center*.

RIM: See *Records and Information Management*.

RLIS: See *Regional Land Information System*.

RSF: See *Regional System Fee (credit program)*.

RSWMP: See *Regional Solid Waste Management Plan*.

RTC: Regional Transportation Council (of southwest Washington, formerly IRC).

RTO: See *Regional Travel Options*.

RTP: See *Regional Transportation Plan*.

SAFETEA-LU: See *Safe, Accountable, Flexible, Efficient Transportation Equity Act*.

Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA-LU):

Authorizes the Federal surface transportation programs for highways, highway safety, and transit for a 5-year period; now expired and awaiting federal reauthorization.

St. Johns Landfill: A 238-acre parcel of land in North Portland used as the region's principal general purpose landfill for more than fifty years until its closure in 1991. Metro manages activity at the facility, which primarily consists of implementing an approved closure plan.

Satellite Collection Events: Temporary household hazardous waste collection activities at sites remote from permanent household hazardous waste facilities.

SMI: See *Sustainable Metro Initiative*.

Smith and Bybee Wetlands Natural Area: The area including Smith and Bybee Lakes and surrounding property in North Portland that is managed as an environmental and recreational resource for the region.

Solid Waste Information System: The data base maintained by Metro staff providing statistical analyses of the region's solid waste generation, recovery and disposal characteristics.

SOV: Single Occupancy Vehicle.

Special Revenue Fund: A fund used to account for the proceeds of specific revenue sources (other than expendable trust or capital projects) that are legally restricted to expenditure for specified purposes.

Supplemental Budget: A change to an adopted budget that is undertaken during the fiscal year a budget is in effect, as defined by Oregon local budget law. A supplemental budget is required if resources greater than those identified in the budget are to be used, or if additional expenditures greater than the amount in contingency, or greater than 15 percent of total appropriations are required. A supplemental budget that is greater than 10 percent of appropriated expenditures requires TSCC review and certification, and Council adoption by ordinance. A supplemental budget less than 10 percent of appropriated expenditures requires Council adoption.

Sustainable Metro Initiative: An ongoing continuous improvement effort to provide regional services efficiently and effectively by aligning Metro's business processes, management structure and core competencies with desired outcomes; providing opportunities for employees to succeed across the organization; and operating transparently.

Sustainability: Using, developing and protecting resources in a manner that enables people to meet current needs while ensuring that future generations can also meet their needs, from the joint perspective of environmental, economic and community objectives.

Target Area: An area containing regionally significant open spaces that are to be preserved through public acquisition.

Tax Base: Property taxes dedicated to the annual financial support of a government or a government operation, authorized by voter approval.

Tax Supervising and Conservation Commission (TSCC): Review body composed of citizens appointed by the governor, whose charge under state law is to review the budgets of all jurisdictions headquartered in Multnomah County and determine whether they comply with Oregon's local government budget law. The TSCC reviews the approved budget and supplemental budgets of Metro prior to Council adoption, in order to certify compliance.

TOD: See *Transit-Oriented Development*.

TPAC: Transportation Policy Alternatives Committee.

Transfer: See *Interfund Transfer*.

Transfer Station: A facility that receives solid waste from commercial haulers and private citizens and ships the material to an appropriate disposal facility.

Transit Oriented Development (TOD): Development of property near major transit stations that supports reduced dependence on automobile use by mixing housing, retail and commercial activity with access to transit.

TRIM: Tower Records and Information Management.

TriMet: Provides public transportation in the Portland, Oregon, metropolitan area, including most of Clackamas, Multnomah and Washington counties.

Triple Bottom Line Sustainability: Triple Bottom Line Sustainability means using, developing and protecting resources in a manner that enables people to meet current needs and provides that future generations can also meet future needs, from the joint perspective of environmental, economic and community objectives.

TSCC: See *Tax Supervising and Conservation Commission*.

Unappropriated Balance: A line item in the budget that represents amounts set aside to be carried over to the following fiscal year. Unappropriated balances may not be spent in the current fiscal year.

UGA: Urban Growth Area.

UGB: See *Urban Growth Boundary*.

UPWP: Unified Planning Work Program.

Urban Growth Boundary (UGB): A line delineating the area within the Metro region that may be developed at urban density levels.

VDI: See *Visitor Development Initiative*.

Visitor Development Initiative (VDI): The initiative to fund the expansion of the Oregon Convention Center, and capital improvements to the Portland Center for the Performing Arts and PGE Park (Civic Stadium).

VMT: See *Vehicle Miles Traveled*.

Vehicle Miles Traveled (VMT): A measure of the number of miles that residential vehicles are driven.

WBE: See *Women-Owned Business Enterprise*.

Women Owned Business Enterprise (WBE): A woman-owned business enterprise as defined by the State of Oregon is a proprietorship, partnership, corporation or joint-venture that is 51 percent owned, operated and controlled by United States citizens that are female. The female owner must not be inextricably associated nor dependent upon a non-disadvantaged firm(s) or individual(s), interest must have managerial and operational control over all aspects of the business and must have made a real and substantial contribution of capital or expertise to the business, which is commensurate with their ownership interest.

Waste Characterization Studies: Studies conducted to determine the content of solid waste generated in the region.

Westside Light Rail: A light rail line, an extension of MAX, connecting downtown Portland with Hillsboro. See *MAX*.

Willing Seller: A land owner who freely agrees to sell land to Metro for its Natural Areas Acquisition program.

Workforce and Organizational Development: Improvement efforts regarding staff skills, organizational structure and management practices (such as through the Sustainable Metro Initiative).

WSDOT: Washington State Department of Transportation.