

BEFORE THE METRO COUNCIL

TRANSFERRING \$250,000 FROM THE) RESOLUTION NO. 05-3594A
BALANCE OF THE FY 2004-05 RECOVERY)
RATE STABILIZATION RESERVE TO A) Introduced by David Bragdon
GENERAL FUND RESERVE FOR RENEWAL)
AND REPLACEMENT)
)

WHEREAS, the Metro Council has reviewed and considered the need to transfer reserves from the Recovery Rates Stabilization Reserve to a reserve for agency renewal and replacement needs; and

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

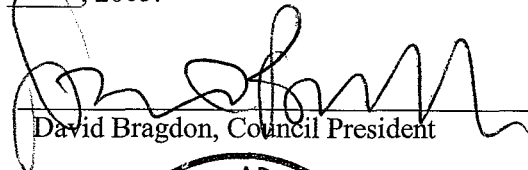
WHEREAS, adequate funds exist for other identified needs; and

WHEREAS, the balance of the Recovery Rate Stabilization Reserve in the General Fund is expected to reach \$1.5 million at the end of FY 2004-05, and such reserve funds have not been designated for any alternative use; now therefore

BE IT RESOLVED that the Metro Council:

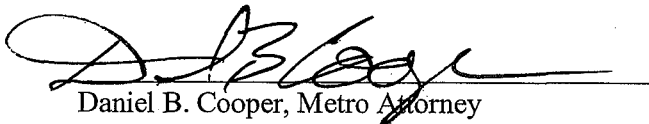
Hereby transfers \$250,000 from the Recovery Rate Stabilization Reserve to a General Fund Reserve for agency renewal and replacement.

ADOPTED by the Metro Council this 9th day of June, 2005.



David Bragdon, Council President

Approved as to Form:



Daniel B. Cooper, Metro Attorney



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

David Bragdon, Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

NOTE: THIS IS ALREADY REFLECTED IN THE APPROVED FY 2005-06 BUDGET SO DOES NOT REQUIRE A COUNCIL AMENDMENT TO THE FY 2005-06 BUDGET.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 05-3594, TRANSFERRING \$500,000 FROM THE BALANCE OF THE FY 2004-05 RECOVERY RATE STABILIZATION RESERVE TO A GENERAL FUND RESERVE FOR RENEWAL AND REPLACEMENT

Date: May 25, 2005

Prepared by: David Bragdon

BACKGROUND

Recovery Rate Stabilization Reserve:

It is expected there will be an additional one million one hundred thousand dollars contributed to the Recovery Rate Stabilization Reserve in FY 2004-05. This contribution is mandated by Metro Code Section 7.01.028. Section 7.01.028(a) on Budgeting of Excess Revenue states:

(a) Such excess net excise tax revenue shall first be placed in a Recovery Rate Stabilization Reserve established in the Metro General fund. The amount of excess net excise tax revenues in such account shall not exceed an amount equal to 10 percent of the total amount of excise tax collected under Metro Code Section 7.01.020(c) during the period of the two (2) most recent Metro fiscal years. The budgeting or expenditure of all such funds within this account shall be subject to review and approval by the Metro Council.

The current account balance is \$443,712. As of March 31 the FY 2004-05 contribution is projected to be \$1,106,678 and would bring the balance to \$1,546,934.

The Metro Code provides that, if the maximum permitted balance in the Recovery Rate Stabilization Reserve is reached, additional excess funds are to provide additional solid waste recovery tax credits. The Solid Waste Department is currently fully funding solid waste tax credit program in both the current fiscal year and in Fiscal Year 2005-06.

This resolution will transfer \$500,000 from the Recovery Rate Stabilization Reserve account to a renewal and replacement reserve account in the General Fund. The FY 2005-06 Approved Budget transfers these funds to the General Fund Capital Fund Renewal and Replacement Reserve.

Due to increasing costs and declining resources, Metro Departments that operate region-wide facilities have been unable to consistently maintain renewal and replacement funding to maintain those facilities. This action will provide some much needed relief for those departments and aid Metro in fulfilling its responsibility to maintain those publicly owned facilities. Departments may request these funds through the established Capital Budget process.

This action will leave approximately one million dollars in this account for future needs stemming from under collection of excise tax or funding needs for solid waste recovery efforts.

ANALYSIS/INFORMATION

- 1. Known Opposition:** None known
- 2. Legal Antecedents:** Section 7.01.028(a) allows the Metro Council to budget these funds as it determines appropriate.
- 3. Anticipated Effects:** This resolution transfers \$500,000 from the Recovery Rate Stabilization Reserve to a General Fund renewal and replacement reserve.

4. Budget Impacts: This \$500,000 is already budgeted in the Approved FY 2005-06 Budget as a transfer to the General Fund Capital Fund Renewal and Replacement Reserve.

RECOMMENDED ACTION

The Council President recommends adoption of Resolution No. 05-3594.