Metro Budget

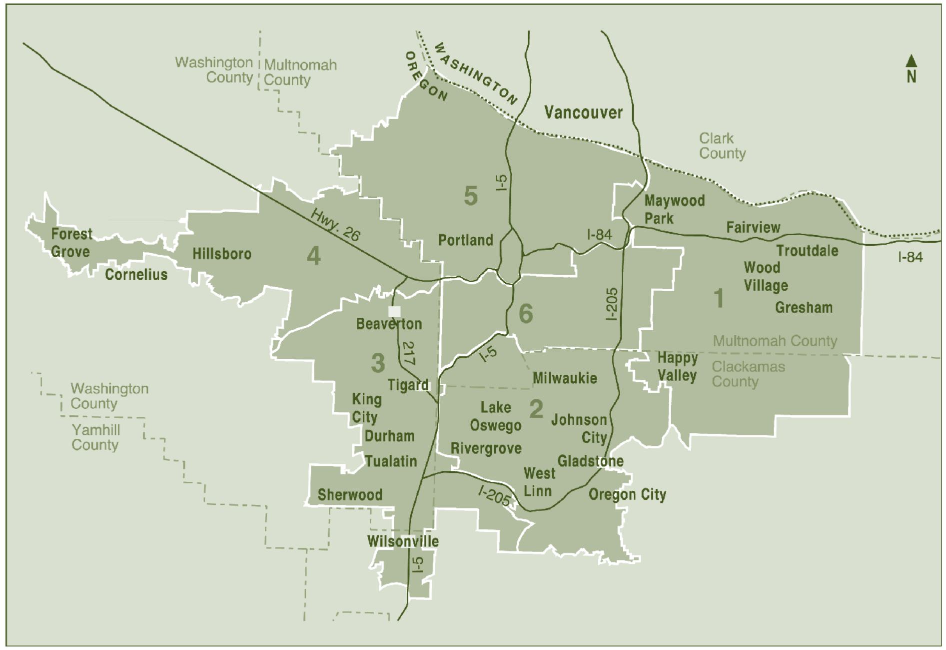
2006-07

Adopted Budget

Volume 1

METRO

PEOPLE PLACES
OPEN SPACES



Metro
People places • open spaces

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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Your Metro representatives

Council President
David Bragdon
(503) 797-1889

District 1
Rod Park
(503) 797-1547

District 2
Brian Newman
(503) 797-1887

Deputy Council President
District 3
Carl Hosticka
(503) 797-1549

District 4
Susan McLain
(503) 797-1553

District 5
Rex Burkholder
(503) 797-1546

District 6
Robert Liberty
(503) 797-1552

Auditor
Alexis Dow, CPA
(503) 797-1891

PDF Users' Guide

This guide is intended to assist readers in finding information in the Adobe Acrobat® Portable Document Format (PDF) version of the FY 2006–07 Metro budget. This PDF has several features to assist readers in locating information quickly including: bookmarks, linked table of contents and searchable text.

Bookmarks

The Bookmarks provided in this document on the left side of the window represent each section of the budget. To navigate using a bookmark:

1. Click the Bookmarks tab on the left side of the window, or choose View> Navigate> Tabs> Bookmark

2. To go to a section by using its bookmark, click the bookmark. If applicable, you can also click the plus sign (+) next to the bookmark to expand the bookmark to display more detailed divisions in each section. Click the minus sign (-) next to the bookmark to hide its contents.

Linked Table of Contents and Pages

Clicking a link in the document will immediately take you to that location within the document. Links within this PDF are identified by a green underline (ex. Budget Summary). Links in this document located in each section's *Table of Contents* will take you to the corresponding page. Links located at the top and bottom of each of these pages will take you back to the *Table of Contents* for that section. To navigate using a link:

1. Select the Hand tool. Or choose View> Toolbars> Basic to display the Hand tool.

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2. Type the words, phrase or partial word you want to locate.
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The FY 2006–07 Metro budget and other financial information are available online at www.metro-region.org (drop-down menu in *quicklinks* in upper left corner of home page>Budget and financial information page with links down left side of page).

METRO

PEOPLE PLACES
OPEN SPACES

METRO
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Adopted Budget
Fiscal Year 2006-07

Prepared by

Finance and Administrative Services Department

Bill Stringer, Chief Financial Officer
Margo Norton, Deputy Chief Financial Officer

Financial Planning Division

Kathy Rutkowski, Budget Coordinator
Karen Feher, Five-Year Capital Budget Coordinator
Brad Stevens, Budget Analyst
Christy Owen, Budget Analyst
Elizabeth Adams, Administrative Assistant
Becca Warner, Administrative Assistant

Property Services Division, Metro Print Shop

Ron Sarver, Printer
John Willworth, Printer

Public Affairs and Government Relations Department

Creative Services Division

Janice Larson, Creative Services Manager
Marlon Warren, Graphic Designer

Department Budget Liaisons

Council Office
Chris Billington

Office of the Auditor
Marybeth Haliski

Office of Metro Attorney
Susan Anderson

Finance and Administrative Services Department
Vacant

Human Resource Department
Ruth Scott

Metropolitan Exposition-Recreation Commission (MERC)
Kathy Taylor, Cynthia Hill

Oregon Zoo
Vacant

Planning Department
Jenny Kirk, Sherrie Blackledge

Public Affairs Department
Kate Marx, Cheryl Grant

Regional Parks and Greenspaces Department
Jeff Tucker, Rachel Fox

Solid Waste and Recycling Department
Doug Anderson, Maria Roberts

Distinguished Budget Presentation Award


GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Metro

Oregon

For the Fiscal Year Beginning

July 1, 2005

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Presentation Award to Metro, Oregon, for its annual budget for the fiscal year beginning July 1, 2005.

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 ninth 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.

Table of Contents

Volume 1

Users' Guide

This guide is intended to assist readers in finding information in the FY 2006–07 Metro 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 is available online at www.metro-region.org (drop-down menu in *quicklinks* in upper left corner of home page>Budget and financial information page with links down left side of page).

Volume 1

Volume 1 presents the entire Metro budget and general information pertinent to the development of the budget. This volume contains summary tables and charts. It also contains a department by department description of major activities and goals for FY 2006–07. Department activities may be budgeted in more than one fund. Volume 1 summarizes the Metro budget by department and by fund.

Table of Contents

This lists the contents of Volume 1 and the page number where specific information can be found.

Users' Guide

This section provides a summary of significant information and where to find it within the budget.

Budget Message – Transmittal Letter

The Metro Council President highlights the issues facing the agency, how this budget addresses those issues and the challenges for the future.

The letter from the Chief Financial Officer addresses significant changes to Metro's budget process, including the development of Council goals and objectives.

Budget Summary

This section presents a "budget-in-brief" by providing a comprehensive summary of detailed information contained elsewhere in both volumes.

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.

Department Summaries

Operationally, Metro is organized into several departments. Most departments include a number of divisions and programs. Departments may be budgeted in one fund only or in several funds. This section discusses each department's purpose, organization, accomplishments, objectives and performance measures, and provides a summary of expenditures by classification, division and fund.

Fund Summaries

Metro's financial operations are segregated into 12 funds. 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. This section presents summary financial information and analysis for each of Metro's funds.

Budget and Financial Structure

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

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.

Capital Budget

Metro's Capital Budget for fiscal years 2006–07 through 2010–11 is included in the FY 2006–07 budget document. The Capital Budget is divided into the following sections: Overview and Summary, Departmental Summary and Analysis, Lists of Unfunded Projects, Current Projects Status Reports, and Supporting Information (pertinent to the review and adoption of the Capital Budget).

Organizational and Regional Profile

This section provides the reader with an overview of Metro's history, including a timeline showing the development of the agency and information regarding Metro's charter.

The regional profile contains maps showing the location of Metro and its facilities, as well as statistical information regarding the region.

Appendices, Volume 1

The Volume 1 appendices include several related documents which are legally required to be included with Metro's budget document or which provide additional policy background information. These appendices include the FY 2006–07 Schedule of Appropriations and Property Tax Calculation.

Volume 2

This volume contains detailed, technical information used primarily by Metro managers to manage their programs. This detail includes current as well as historical line item revenues and line item expenditures.

Table of Contents

This list shows the contents of Volume 2 and the page number where specific information can be found.

Line Item Detail by Fund

This section 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 adopted budget.

Appendices, Volume 2

Volume 2 appendices provide additional information supporting and clarifying other items in the budget. The appendices include items of a technical or clarifying nature used primarily by Metro managers and internal staff. These items include the cost allocation plan, excise tax, and other information.

Budget Message

To the Metro Council, our valued employees and citizens of the region:

I am pleased to present my proposed budget for Metro's 2006–2007 Fiscal Year. The past three years have brought significant changes in the way the Metro Council and this entire agency do business. In addition to the transition to the Council-Manager form of government with a Chief Operating Officer, the Metro Council and its new senior management team have led changes in budgeting processes, developed programmatic initiatives reflected in the budget, and improved the delivery of programs and services to the public. Thanks to these efforts, the Metro Council has vastly improved the agency's financial condition. Three years ago, in transmitting the first budget I submitted as Council President, I noted that the agency's previous practices:

- Had depleted Metro's reserve funds (fund balances),
- Had put the agency on a fiscal trajectory that would have required us to significantly reduce our services to the public,
- Had allowed Metro's administrative costs to continue to rise as a proportion of total expenditures, and
- Had violated bond covenants related to solid waste bonds, resulting in a decrease in the rating on those bonds.

Today, thanks to enhanced fiscal controls, a more streamlined organization, and prudent budgeting on the part of the Council and senior management, we have fundamentally improved this situation. The Metro Council is now recognized for its fiscally sound management practices and efficient delivery of services. The Council, under my leadership, has implemented the following budgetary improvements:

- Despite mandatory increases for health care costs and PERS contributions, management under my guidance has contained discretionary spending.
- Full Time Equivalent (FTE) employment at Metro has decreased from 691.23 to 671.88 since FY 2003–04. Despite the reduction, Metro continues to provide efficient levels of service and has expanded key services in response to public need.
- Metro has consolidated six funds formerly budgeted separately into a General Fund, giving the Council greater flexibility in spending and providing more transparency to the public.
- Beginning with the FY 2002–03 Budget, reserves (fund balances) have remained consistent and healthy.
- Administrative costs allocated to Metro's departments in support of the agency's programs have been held to growth rates below the increase in the overall rate of inflation. This trend, like others, represents a significant improvement from the trends prior to 2003. Allocated costs are now 3.6% of the agency budget, lower than the FY 2005–06 Adopted Budget's 4.2%. As stated previously, these reductions in spending have been achieved while continuing to absorb health care and PERS reserve costs imposed upon us by external factors. These reduced allocations allow departments to expend their resources on programs that serve the public rather than on internal administrative costs.

Not only has Moody's Rating Service restored the AA+ rating of our solid waste bonds, but Standard and Poor's Rating Agency has awarded Metro an AAA rating on its General Obligation Bonds, the only such rating for a municipal agency in Oregon. These upgrades demonstrate that our new fiscal prudence and the strength of our underlying financial structure are now recognized by the rating agencies.

The Metro Council has worked hard to structure its organization, its programs, its budget and its budgeting process to meet the Council's goals. These goals, in turn, reflect the priorities expressed by the citizens who pay our salaries.

Through this budget and through our actions, the Metro Council has repositioned itself as a key participant in regional problem solving. Collaboration has been encouraged both internally and with our outside stakeholders. We have brought together regional leaders to work on challenges like economic development, affordable housing, water quality and natural area preservation, land use planning, and transportation investment.

Internally, we have improved numerous processes to better match resources with public need.

- We have developed a programmatic budget to provide transparency and to create a direct correspondence between Council goals and on-the-ground programs.
- We have consolidated previously earmarked funds to create a General Fund that will allow the Council to allocate resources where they are needed most.
- We have instituted a number of Human Resource programs to provide incentives and training to our employees.
- We are developing performance metrics to evaluate the success or failure of programs in meeting the Council's goals.
- We are reorganizing Metro to centralize administrative tasks in order to enable program departments to concentrate their resources on the programs they operate.
- We have initiated new project management training for key employees with potential for greater collaborative achievement.

A side benefit of this initiative has been to encourage "cross departmental" contributions. Each department within Metro has developed expertise in a variety of areas that could be brought together to produce creative solutions to regional challenges. The programmatic approach has identified opportunities for agency-wide collaboration to address regional issues that previously might have been ignored because they fell between the cracks of a single department's responsibility.

One example of this approach is Metro's new Nature in Neighborhoods Program. The Metro Council has directed staff to work with all residents of our region to keep nature in neighborhoods as the human population grows. This initiative works the way nature does: efficiently, flexibly, and in an integrated fashion. Through education, collaboration, and innovative development practices, the program aims to restore our streams and uplands, protect water quality and natural areas, and ensure a healthy ecosystem and vibrant habitat for wildlife and people. The program is benefiting from the talents of Metro's Parks, Solid Waste, and Planning Departments as well as the Oregon Zoo.

Although Metro's budgeting and financial processes are greatly improved, the future still holds significant fiscal challenges, many of which are outside the control of the Metro Council.

- PERS growth has slowed but still exceeds the rate of inflation.
- Health care costs are expected to continue to rise and no national solution appears imminent.
- The Oregon Convention Center's geographic disadvantages create perennial challenges in an extremely competitive tourism industry, resulting in a continued subsidy gap.
- Capital and operating costs at the Oregon Zoo continue to outpace revenues.

These and other budget issues will continue to test the Metro Council in the coming year and for the foreseeable future. The Council and Metro staff must continue to look for ways to fine-tune the budgeting process to adapt to future challenges.

It is with these achievements and continuing challenges in mind that I present the FY 2006–07 Budget. The budget is not only a financial document; it is a strategic planning blueprint highlighting programmatic initiatives and advances. It builds on where we have been and outlines where we are going. It targets key programs to meet regional needs. With the Council's approval and management's ongoing efforts, we can continue to meet those needs with the level of fiscal responsibility and regional collaboration that our citizens deserve.

Sincerely,

David Bragdon
Metro Council President

Message from the Chief Financial Officer

In the FY 2005–06 Budget, Metro introduced changes in both process and presentation that continue in the FY 2006–07 budget. The changes are designed to achieve two objectives by 2007–08:

1. The Council's strategic planning process, its subsequent statements of objectives, the programmatic character of budget information and the consolidation of budget funds all will serve to assist the Metro Council in aligning its spending with its priorities.
2. The budget will have greater transparency. Emphasizing departmental programs rather than fund types, relating programs directly to Council objectives, and providing measures of success for all programs will contribute a deeper understanding of budget priorities not seen in the presentation of budgeted amounts. Rather than merely presenting fund summaries and line item accounts, the budget becomes a reflection of Council Policy.

For the 2006–07 budget Metro took additional steps toward changing its culture from producing and tracking a budget to a year-round process of financial planning. When fully implemented, the budget will proceed from a starting point of the Council reassessing its strategic plan and articulating its subsequent goals and objectives. The departments will present, modify or suggest new programs to meet these goals by proposing budgetary and programmatic outcomes for the programs using appropriate performance measures. The Council will capture in the budget those current or new programs that best meet its priorities. The cycle will repeat itself in ensuing years. Budgeting becomes an ongoing process of meeting regional needs rather than a legal document.

Many steps have been taken toward accomplishment of these goals:

- For the first time, departments submitted an initial program budget identifying the relationship to Council goals and objectives and expected achievements in the coming fiscal year. This exercise in late 2005 provided the direction for bringing forward the 2006–07 budget. For 2007–08 we anticipate that the budget document itself will include a programmatic presentation.
- In the current year, the Metro General Fund was consolidated to include areas that were previously budgeted separately, moving the agency to a more Metro-wide perspective in making financial decisions while allowing the Council the greatest flexibility in meeting high priority goals. The coming fiscal year will include a comprehensive look at reserve requirements, the results of which will be folded into the Council's annual review and approval of Metro's financial and capital policies. Reserves must address not only current cash flow needs and replacement and renewal requirements, but can also cushion a cyclical downturn. The financial policies provide a standard plan for the overall health and financial strength of Metro and its facilities. For 2007–08 we anticipate that the budget document will reflect the outcome of the reserve analysis.
- Departments are beginning to match performance measures to Council goals and setting relevant measures in place to enable the Metro Council to judge the success of its programs. As preliminary measures are developed, they will be reviewed, refined and developed into appropriate benchmarks.

Increasing transparency and access are part of an ongoing effort to provide Metro's citizens with a greater ability to assess Metro's programs, their strengths and their opportunities to improve based on the adopted performance goals.

William L. Stringer
Chief Financial Officer

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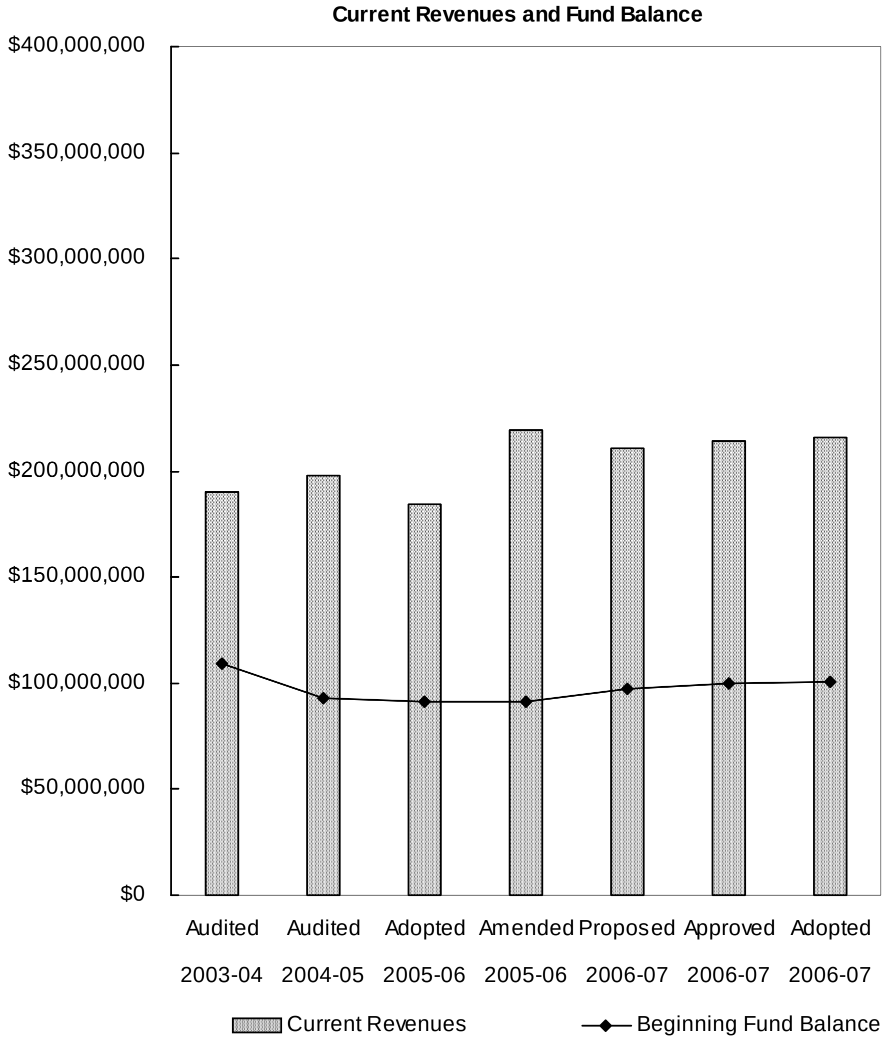
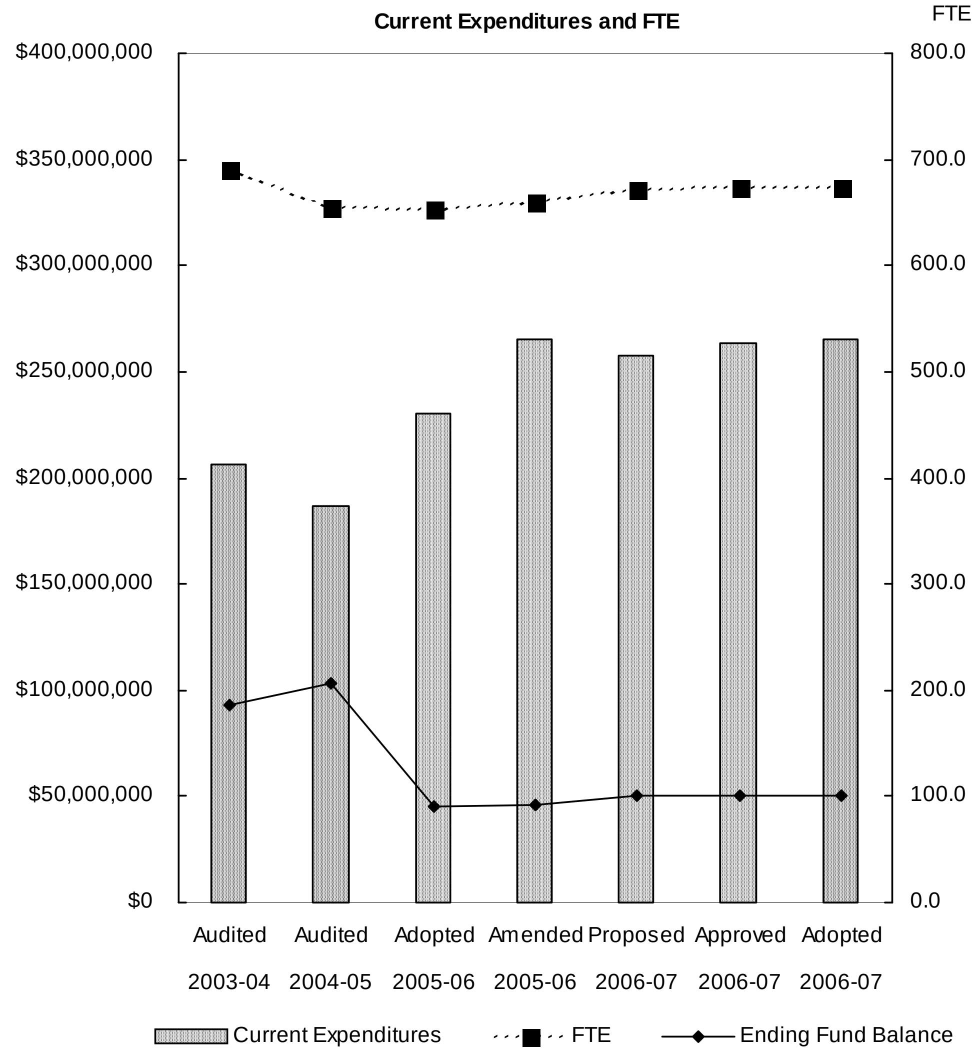
Budget Summary

Budget Summary by Year

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$109,080,078*	*$92,671,027*	*$91,575,340*	*$91,575,340*	*$97,007,476*	*$99,943,434*	*$100,248,759*	*9.47%*
Current Revenues								
Real Property Taxes	26,156,752	26,634,390	27,510,304	27,510,304	28,189,734	28,189,734	28,189,734	2.47%
Excise Tax	10,506,081	13,577,891	12,805,010	12,805,010	16,490,394	16,490,394	16,588,507	29.55%
Other Derived Tax Revenue	33,086	25,270	19,000	19,000	19,000	19,000	19,000	0.00%
Grants	7,430,630	7,130,648	14,054,714	18,070,417	24,742,777	27,155,781	27,155,781	50.28%
Local Government Shared Revenues	8,369,730	8,268,413	8,099,166	8,099,166	9,146,330	9,146,330	9,346,330	15.40%
Contributions from other Governments	1,067,052	947,777	757,000	757,000	1,329,267	1,484,267	1,484,267	96.07%
Enterprise Revenue	97,057,327	100,464,845	101,986,290	102,812,197	105,887,322	105,887,322	105,687,322	2.80%
Interest Earnings	1,120,037	2,035,717	1,892,961	1,892,961	3,317,412	3,317,412	3,317,412	75.25%
Donations	2,976,305	5,357,358	1,658,845	2,345,295	2,321,270	2,661,260	2,661,260	13.47%
Other Misc. Revenue	799,820	684,362	467,212	467,212	322,008	322,008	322,008	(31.08%)
Bond and Loan Proceeds	24,425,431	19,315,005	0	24,313,286	0	0	0	(100.00%)
Interfund Transfers:								
Interfund Reimbursements	5,560,348	6,119,041	6,763,454	6,763,454	6,991,720	7,031,720	7,031,720	3.97%
Internal Service Transfers	1,014,268	726,685	559,740	559,740	704,640	704,640	704,640	25.89%
Interfund Loan	101,248	0	0	1,200,000	0	0	1,550,000	29.17%
Fund Equity Transfers	3,655,578	6,185,780	8,072,052	11,909,644	11,370,125	11,685,494	11,685,494	(1.88%)
Subtotal Current Revenues	**190,273,695**	**197,473,183**	**184,645,748**	**219,524,686**	**210,831,999**	**214,095,362**	**215,743,475**	**(1.72%)**
Total Resources	**$299,353,773**	**$290,144,210**	**$276,221,088**	**$311,100,026**	**$307,839,475**	**$314,038,796**	**$315,992,234**	**1.57%**
Requirements								
Current Expenditures								
Personal Services	$52,418,717	$53,912,100	$58,785,508	$59,168,413	$62,311,427	$62,529,439	$62,340,749	5.36%
Materials and Services	76,965,490	73,122,625	86,724,485	123,183,423	104,434,418	110,122,371	110,447,711	(10.34%)
Capital Outlay	14,157,562	5,193,150	13,117,338	14,361,788	16,196,108	18,609,345	18,259,345	27.14%
Debt Service	52,809,535	41,781,058	23,539,006	24,364,913	24,721,088	24,363,441	24,363,441	(0.01%)
Interfund Transfers:								
Interfund Reimbursements	5,560,348	6,119,042	6,763,455	6,763,455	6,991,721	7,031,721	7,031,721	3.97%
Internal Service Transfers	1,014,268	726,684	559,740	559,740	704,639	704,639	704,639	25.89%
Interfund Loan	101,248	0	0	1,200,000	0	0	1,550,000	29.17%
Fund Equity Transfers	3,655,578	6,185,779	8,072,052	11,909,644	11,370,125	11,685,494	11,685,494	(1.88%)
Contingency	0	0	33,134,462	23,371,500	30,643,659	28,354,407	29,009,694	24.12%
Subtotal Current Expenditures	**206,682,746**	**187,040,439**	**230,696,046**	**264,882,876**	**257,373,185**	**263,400,857**	**265,392,794**	**0.19%**
Ending Fund Balance	*92,671,027*	*103,103,771*	*45,525,042*	*46,217,150*	*50,466,290*	*50,637,939*	*50,599,440*	*9.48%*
Total Requirements	**$299,353,773**	**$290,144,210**	**$276,221,088**	**$311,100,026**	**$307,839,475**	**$314,038,796**	**$315,992,234**	**1.57%**
Full-Time Equivalents (FTE)	691.23	654.50	652.58	660.58	671.88	673.88	673.88	2.01%

Budget Summary by Year

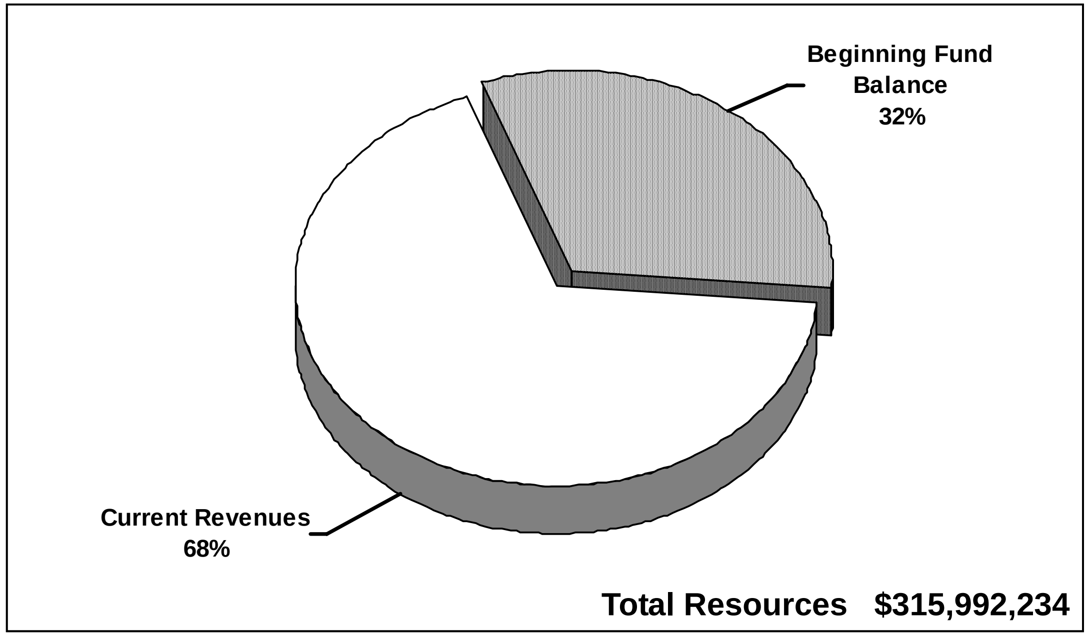




Where the Money Comes From

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., Open Spaces), 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.

FY 2006-07 Total Resources



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 Solid Waste Revenue Fund for operations, debt obligations, capital projects, and other dedicated accounts. These funds account for 38 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 or formal operating agreements. The beginning fund balance also provides cash flow for specific operations until current year revenues are received.

The General Fund accounts for 20 percent of the beginning fund balance and is a combination of restricted and undesignated reserves. Approximately $10.2 million of the General Fund's $20.3 million fund balance is undesignated and may be used for any lawful purpose of the agency.

In total, 90 percent of Metro's beginning fund balance is restricted to the purposes for which the revenues are generated. Metro's beginning fund balance constitutes 32 percent of its total resources.

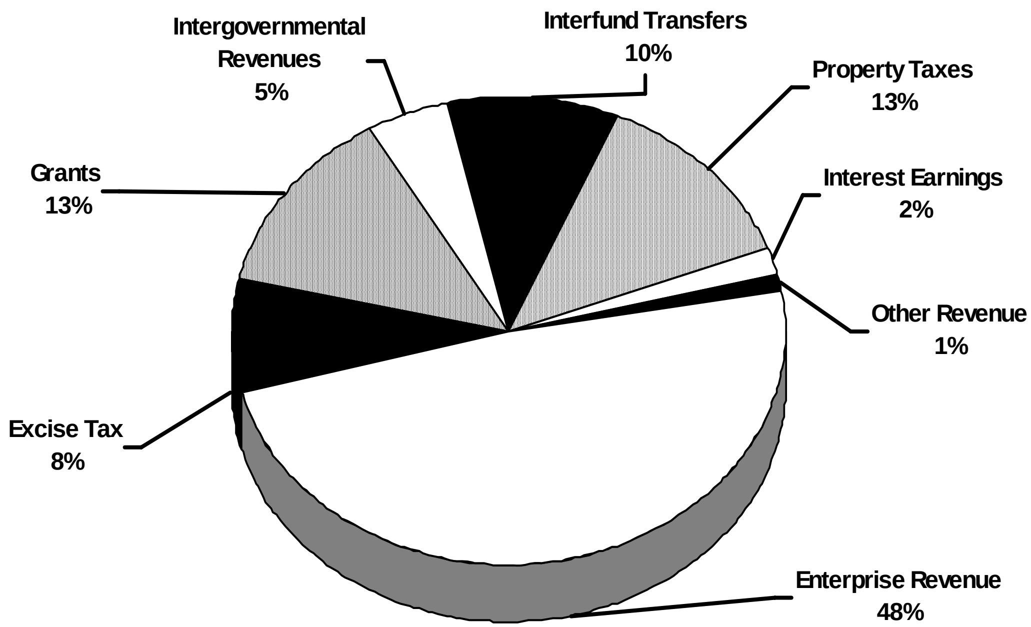
Current Revenues

Current revenues account for 68 percent of Metro's total resources. Metro's enterprise activities provide the largest amount of fee-generated revenues, constituting 48 percent of current revenues. Property tax revenues and grants provide the next largest amounts of total current revenues at 13 percent each. The major elements of current revenues and the percentage of total current revenues they represent include the following:

Enterprise Revenues – 48 percent

Enterprise activities account for the largest piece of current revenues at $105.7 million. Metro's largest enterprise activity is solid waste disposal, generating $53.7 million, which comes from fees charged on solid waste

FY 2006-07 Current Revenues



Total Current Revenues: $215,743,475

Resources	
Beginning Fund Balance	*$100,248,759*
Current Revenues	
Real Property Taxes	$28,189,734
Excise Tax	16,588,507
Other Derived Tax Revenue	19,000
Grants	27,155,781
Local Government Shared Revenues	9,346,330
Contributions from other Governments	1,484,267
Enterprise Revenue	105,687,322
Interest Earnings	3,317,412
Donations	2,661,260
Other Misc. Revenue	322,008
Interfund Transfers:	
Interfund Reimbursements	7,031,720
Internal Service Transfers	704,640
Fund Equity Transfers	11,685,494
Subtotal Current Revenues	**$215,743,475**
Total Resources	**$315,992,234**

deposited at Metro's transfer stations or several other designated solid waste facilities. The MERC facilities (Oregon Convention Center, Portland Center for the Performing Arts, and Portland Metropolitan Exposition Center) provide $26.1 million, the Oregon Zoo generates $14.4 million, and the regional parks another $2.4 million. The Risk Management Fund generates $6.7 million in internal charges for services to Metro departments for health and welfare premium costs. Parking fees, business license fees, and Data Resource Center revenues account for the remainder of enterprise revenues.

Property Taxes – 13 percent

Metro has budgeted to receive $28.2 million in property tax revenues in FY 2006– 07. This includes current year tax receipts for Oregon Zoo operations ($9.4 million) and debt service levies for outstanding general obligation bond issues for the Open Spaces Acquisition Program, the original Oregon Convention Center construction, and the Zoo's Great Northwest Project ($18.0 million). The remainder, approximately $800,000, 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.

Grants – 13 percent

Grants provide $27.2 million to the revenue mix. The grants come mostly from state and federal agencies and are used primarily for planning activities. Metro also receives grants for projects planned in the Regional Parks and Greenspaces Department and the Oregon Zoo.

Interfund Transfers – 10 percent

Metro budgets its resources in separate and distinct funds. Transfers between funds are made to pay for internal services provided by one department to another, and to pay interfund reimbursements (i.e., building management, printing, fleet, etc.) determined by the cost allocation plan. Interfund reimbursements and internal service transfers total $7.7 million in FY 2006– 07. The transfer classification also includes $11.7 million in Fund Equity Transfers (revenue sharing between funds) such as the transfer of excise tax from the General Fund to assist in capital development and renewal and replacement activities in the Metro Capital Fund. Interfund transfers appear as both a resource to the receiving fund and a requirement for the transferring fund in the budget.

Excise Taxes – 8 percent

The Metro excise tax is received from users of Metro facilities and services in accordance with 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 greenspaces activities.

The Metro excise tax is levied as a flat rate per ton on solid waste activities and as a percentage of revenues 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 CPI 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 amount generated on solid waste activities, an additional amount of $3.00 per ton is levied. The per-ton levy amount increases annually based on CPI.

The Metro excise tax is projected to raise $14.6 million from all sources during FY 2006– 07.

On March 23, 2006, the Metro Council adopted Ordinance 06-1115, creating Metro Code Chapter 7.04 for the purpose of establishing a construction excise tax to provide funding for expansion area planning. The tax will be levied on new construction activity at a rate of 0.12 percent of the value of the new construction based on building permits. Jurisdictions agree to collect the Construction Excise Tax (CET) on behalf of Metro beginning July 1, 2006. The tax will sunset when Metro has received $6.3 million. In FY 2006– 07 Metro expects to generate about $2.0 million from this tax.

Intergovernmental Revenues – 5 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 PCPA, 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 and Greenspaces Department.

Interest – 2 percent

Interest earnings are projected at $3.3 million. Interest earned is based upon investing cash balances throughout the year. This revenue source is subject to the current rates earned by investments, estimated at 3.75 percent for FY 2006– 07.

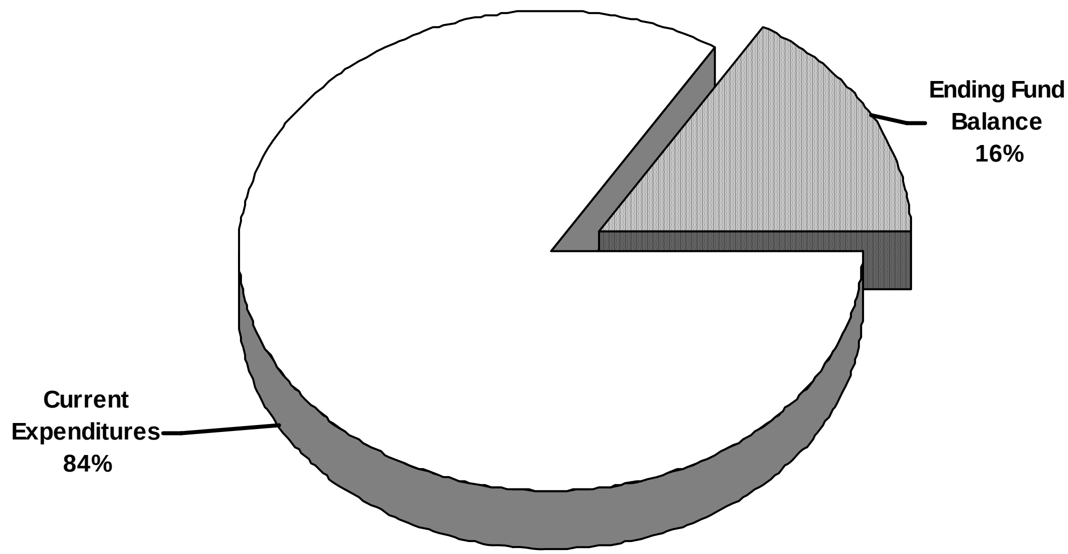
Other Miscellaneous Revenues – 1 percent

In FY 2006– 07, other revenues include $1.14 million in donations to the Zoo, $1.3 million in donations to parks for capital and restoration projects, and $181,000 in donations to MERC.

Where the Money Goes

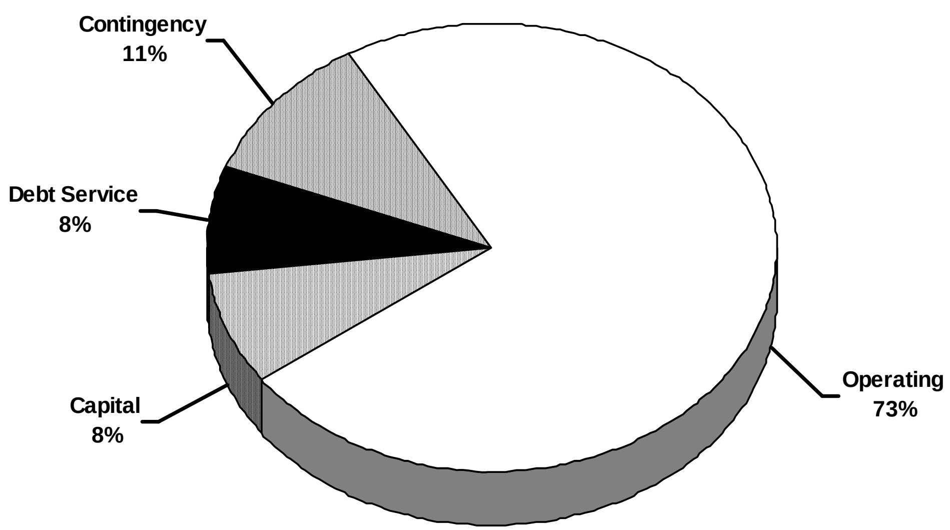
Metro uses its resources for a variety of purposes prescribed by state law and Metro Charter. Ending fund balances are resources that are not spent during the year but carried over to subsequent year(s). They include reserves, monies for cash flow purposes, and bond proceeds that will be spent in ensuing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

FY 2006-07 Total Requirements



Total Requirements: $315,992,234

FY 2006-07 Current Expenditures by Type

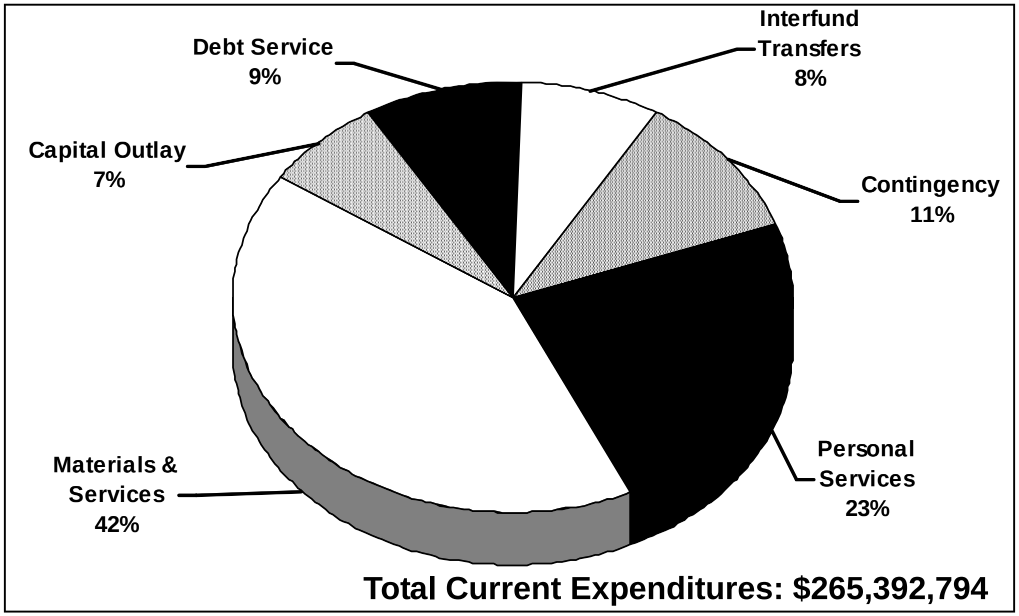


Total Expenditures by Type: $265,392,794

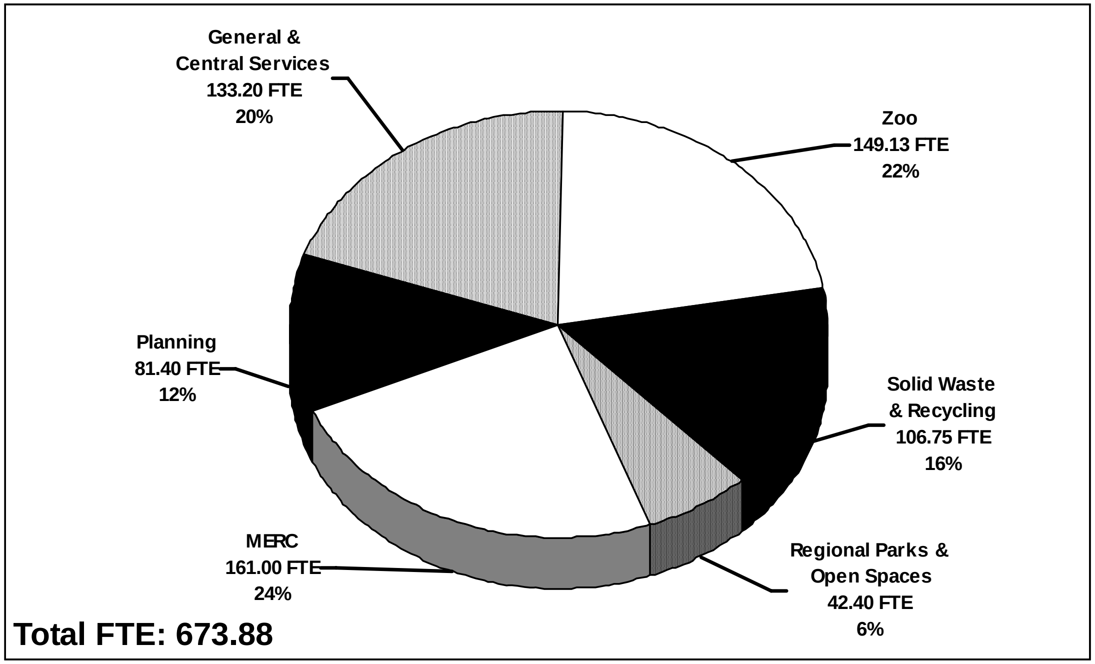
Requirements	
Current Expenditures	
Personal Services	$62,340,749
Materials and Services	110,447,711
Capital Outlay	18,259,345
Debt Service	24,363,441
Interfund Transfers:	
Interfund Reimbursements	7,031,721
Internal Service Transfers	704,639
Fund Equity Transfers	11,685,494
Contingency	29,009,694
Subtotal Current Expenditures	**$265,392,794**
Ending Fund Balance	*50,599,440*
Total Requirements	**$315,992,234**

Metro's total current expenditures are allocated for the specific programs and functions described in the Department Summaries contained in the body of this budget document. Seventy-three percent of current expenditures are in support of the operations of Metro facilities such as the Oregon Zoo, the Oregon Convention Center, the Expo Center, Portland Center for the Performing Arts, Regional Parks and Greenspaces, and solid waste disposal facilities, as well as programs such as waste reduction, recycling information, and regional transportation and growth management planning. Another eight percent each is dedicated to debt service on outstanding general obligation and revenue bonds and for capital outlay and improvements to various facilities. Contingencies for unforeseen needs make up the balance of current expenditures.

FY 2006-07 Total Current Expenditures



FY 2006-07 Total Full-Time Equivalent Positions by Function



Full-time equivalent staff (FTE) totals 673.88 positions for Metro. Two-thirds of these staff work for three departments: the Oregon Zoo, the Metro Exposition-Recreation Commission (MERC), and Solid Waste and Recycling.

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 Department Summaries contained in the body of this budget document. The chart on the previous page and the following explanation give the information by expenditure classification.

Current Expenditures

Current expenditures consist of amounts anticipated to be paid out in the current fiscal year. This includes payments for operations, 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 – 23 percent

Metro plans to spend about $62.3 million for salaries and wages and related expenditures for its employees in FY 2006– 07. The FY 2006– 07 budget includes 673.88 full-time equivalent (FTE) positions. FTE includes regular, benefit-eligible full-time and part-time positions. It does not include temporary, seasonal, or event-related staff. Personal services also include employee-related benefit costs such as health and welfare and pension contributions.

Materials and Services – 42 percent

Metro plans to spend about $110.4 million on materials and services in FY 2006– 07. Large expenditures in this area include solid waste transfer station operations and the transfer of solid waste to the Columbia Ridge Landfill in Gilliam County (about $27.0 million). Materials and services also includes costs for contracted operations of the Oregon Convention Center, the Oregon Zoo, the Portland Center for the Performing Arts, the Expo Center, and the regional parks.

Capital Outlay – 7 percent

Approximately $18.3 million is provided for capital expenditures. These funds provide for major capital improvement projects at various facilities. The largest uses of capital funds are $3.0 million for solid waste facility capital projects, $1.4 million for capital improvements at the Oregon Zoo, $8.7 million in capital development at Metro Regional Parks, and $3.3 million for capital improvements at MERC facilities. Capital expenditures include purchases of land and equipment, improvements to facilities, and other capital related expenditures. Projects that are over $50,000 and have a useful life of more than five years are included in Metro's five-year Capital Budget, updated and adopted annually.

Debt Service – 9 percent

Debt service provides for payments on revenue, general obligation, and full faith and credit bonds sold for the Metro Central transfer station, the Oregon Convention Center, Metro Regional Center, the Open Spaces Acquisition Program, the Expo Center, and the Oregon Zoo. This category also includes payments on outstanding loans to the Oregon Economic and Community Development Department (OECDD). Refer to the Debt Summary portion of this budget for the debt service schedules.

Interfund Transfers – 8 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 (i.e., printing, fleet, etc.) or to share resources between funds. Interfund transfers in FY 2006– 07 total about $21.0 million. Interfund transfers appear as both a resource to the receiving fund and a requirement for the giving fund in the budget.

Contingency – 11 percent

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

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 $50.6 million into FY 2007– 08. In addition to the planned carry-over at the end of FY 2006– 07, Metro will also carry forward unspent contingency funds and any surplus from department operations.

Primary among the planned funds to be carried forward are reserves for specific purposes (solid waste activities and debt reserves) which are generally required by law or formal 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.

Ending fund balance has declined significantly since FY 2003– 04, about 45 percent. This is due primarily to the expenditure of bond proceeds or intergovernmental revenues received for the Open Spaces Acquisition Program and the expansion of the Oregon Convention Center. In addition, there has been a planned spend-down of the undesignated fund balance in the Solid Waste Revenue Fund through a tipping fee subsidy and recognition of potential outstanding environmental liabilities in the Risk Management Fund.

Staff Levels

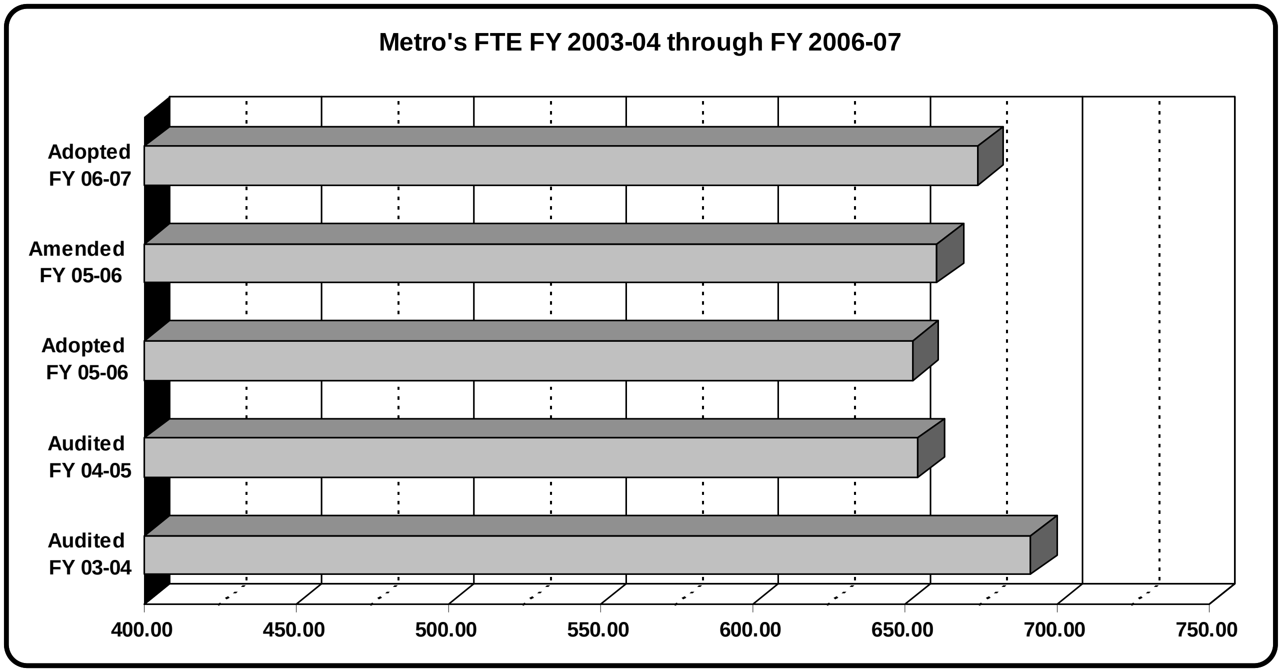
Metro counts regular, benefit-eligible staff positions by FTE (full-time equivalent). One FTE equals one person working full-time for one year (2,080 hours). One FTE most often is one person working full-time, but it may also be two people each working half-time, or some other combination of people whose 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.

For a period of several years prior to FY 2001–02, staff levels for Metro operations remained fairly constant with only minor changes in any one year. Generally, increases were seen in enterprise-related activities such as MERC, Zoo, and Solid Waste & Recycling, while most central service or excise tax funded departments remained relatively constant or decreased. Staff levels for major capital projects for MERC and Regional Parks increased substantially for a period of years reaching a high of 24.10 FTE in FY 2000–01. As the major expansion or acquisition projects were completed, staffing declined to its current level of 1.0 in FY 2006–07.

For several years staff levels changed dramatically. By FY 2005–06 total agency FTE had stabilized. As the economy rebounded and revenues began a consistent but moderate growth, the Council refocused its efforts to constituent outreach and leadership in regional policy making. Unfortunately, departments were still faced with expenditure increases that far out paced the growth in revenues. This often resulted in unavoidable reductions in staff. In response, management began several process redesign initiatives focused on developing efficiencies in central business functions throughout the agency. These initiatives continue into FY 2006–07, however, key decisions to date have resulted in the shifting of staff between departments.

Several other key factors have contributed to the change in FTE over the last several years:

- Spend down and near completion of the 1995 Open Spaces Acquisition bond program
- Opening of the expanded Oregon Convention Center and the subsequent economic impact of world and national events
- Recognition of the fiscal implications of previous spending authorizations.



Open Spaces Acquisition Program

In 1995, the voters of the Metro region approved a $135.6 million Open Spaces, Parks, and Streams bond measure. A majority of the measure provided for the purchase of regionally significant natural and open spaces to ensure preservation of the lands for future generations. By FY 1998–99, a total of 17.25 FTE (including 3.50 FTE in the Office of Metro Attorney) had been added to provide the staffing expertise necessary for a willing seller acquisition program estimated to purchase over 6,000 acres of land. Now in its tenth year, the bond proceeds are almost depleted. Staffing levels have been reduced accordingly in the last several years, down to 1.0 FTE in FY 2006–07.

Expanded Oregon Convention Center

In FY 1999–00, Metro, the City of Portland, Multnomah County, and the local lodging and car rental industries developed a proposal to expand the Oregon Convention Center. Construction began in FY 2000–01 and was completed in the spring of 2003. In anticipation of the grand opening of the expanded facility, approximately 40 FTE were added to the MERC staff in FY 2002–03. During the preparation of the FY 2003–04 budget (fall of 2002), MERC re-evaluated staffing levels needed for the expanded facility, resulting in a reduction of 14.75 FTE. By late spring 2003, it became clear that national and world events, including the terrorist attacks on September 11, 2001, the SARS outbreak, and the economic recession, were having a substantial impact on the region’s convention business. In early FY 2003–04, MERC management took immediate action to recognize the fiscal implications of these events, resulting in the additional reduction of 18 FTE from the Oregon Convention Center. While these actions were taken during FY 2003–04 ,the actual FTE reduction was not reflected in the budget until FY 2004–05.

Fiscal Implication of Previous Spending Authorization (Living Within Our Means)

For a variety of reasons, most of Metro’s operations required the use of fund balance reserves to maintain program levels and balance the budget. In some cases, particularly where reserves were considered too high, there was a planned spend down pattern authorized. However, in others, no plan had been developed. In at least one area, it had been hoped that an additional revenue source would be authorized to help cover the additional unfunded operating needs that had been placed upon it. During preparation of the FY 2003–04 budget, it was decided that the agency must begin to live within its means and reduce its reliance on fund balance reserves. In meeting this goal, almost every department of Metro found it necessary to reduce its staffing levels in FY 2003–04. This policy continued into FY 2004–05; however, reductions in the previous year combined with a new dedicated revenue source for Regional Parks ameliorated the fiscal situation for most departments, with the exception of the Oregon Zoo.

In 1996, the voters of the region approved a general obligation bond measure to construct the Great Northwest Exhibit at the Oregon Zoo. The project is being completed in a series of phases featuring native wildlife exhibits that include forest and waters displays, as well as a new entrance with a restaurant and gift shop adjacent to the light rail station. While the opening of any new exhibit enhances revenue by increasing the attendance to the zoo, each phase of the project also adds additional operating costs. The Oregon Zoo was also chosen to participate in the California Condor Recovery Project. The off-site facility began operations in FY 2003–04 and is not open to the general public. Being chosen to participate in this conservation project is an honor to the Zoo; however, it also comes with additional costs and contributes to the overall operating deficit. In addition, the Zoo has experienced increases in existing operating costs such as utilities, insurance, health care, and retirement benefits that exceed the cost of inflation. Unfortunately, increases in overall operating costs have outpaced the Zoo’s ability to generate additional revenue. The directive to reduce reliance on fund balance reserves and “live within our means” has placed the greatest burden on the Oregon Zoo. To achieve the fiscal results imposed by this directive, the Zoo to reduce approximately 9 FTE in FY 2003–04 and FY 2004–05 and an additional 5 in FY 2005–06. For the most part, the reductions targeted vacant positions. Reductions were made in areas that did not affect the health and welfare of the animals in the Zoo’s care.

Fiscal Year 2006–07 Changes in FTE

The FY 2006–07 budget shows an increase of slightly over 21 FTE from the FY 2005–06 adopted budget. This is the net effect of several department staff level changes. The major changes include:

- The transfer of 4.0 FTE payroll staff from the Accounting division of the Finance & Administrative Services department to the Human Resources department to combine with benefits staff and create a more efficient working unit under common management direction (*business process redesign initiative*).
- The transfer of the Finance Managers from each of four major departments (Oregon Zoo, Planning, Regional Parks, and Solid Waste and Recycling) to the Office of the Chief Financial Officer in the Finance and Administrative Services department to create a more efficient working unit under common management direction (*business process redesign initiative*).
- The addition of 1.0 FTE Contracts Manager in the Finance and Administrative Services department to better coordinate and strengthen the agency's contracting and purchasing functions (*business process redesign initiative*).
- The addition of 1.0 FTE in the Council Office to provide additional administrative support.
- The transfer of 1.0 FTE from the Office of the Chief Financial Officer in the Finance and Administrative Services department to the Council Office to coordinate a newly created leadership and policy development program.
- The addition 1.0 FTE in the Council Office to coordinate the Regional Leadership Initiative begun in FY 2005–06.
- The addition mid-year FY 2005–06 of 2.0 FTE limited duration positions to establish and implement a youth intern program at the Oregon Zoo funded by a two-year Institute of Museum and Library Services grant.
- Addition of 5.0 FTE at the MERC in support of increased operation needs.
- Elimination of 1.0 FTE construction coordinator in the Regional Parks Department.
- Elimination of 0.50 FTE Program Supervisor from the Open Spaces Acquisition program of the Regional Parks Department reflecting the continued reduction in bond proceeds.
- Addition of 2.0 FTE public affairs staff to assist in outreach efforts associated with grant funded transportation planning and corridor planning projects.

Metro FTE - FY 2003-04 through FY 2006-07
(Does not include temporary, seasonal or MERC part-time labor)

DEPARTMENT	Audited FY 03-04	Audited FY 04-05	Adopted FY 05-06	Amended FY 05-06	Adopted FY 06-07	% Change from FY 05-06	% Change from FY 03-04
Office of the Auditor	5.00	5.00	5.00	5.00	5.00	0.00%	0.00%
Office of the Council	17.00	17.00	17.00	19.00	20.00	5.26%	17.65%
Office of Metro Attorney	10.50	10.50	11.00	11.00	11.00	0.00%	4.76%
Finance & Administrative Services	66.35	63.70	62.20	61.20	62.20	1.63%	(6.25%)
Human Resources	9.00	11.00	11.00	11.00	15.00	36.36%	66.67%
Metro E-R Commission	180.25	157.00	156.00	156.00	161.00	3.21%	(10.68%)
Non-Department	0.00	0.00	3.75	3.75	4.00	6.67%	n/a
Oregon Zoo	160.23	151.85	147.13	149.13	149.13	0.00%	(6.93%)
Planning	80.10	73.15	73.60	78.60	81.40	3.56%	1.62%
Public Affairs Department	12.00	15.00	14.55	14.55	16.00	9.97%	33.33%
Regional Parks and Greenspaces	42.10	44.10	45.15	45.15	42.40	(6.09%)	0.71%
Solid Waste & Recycling	108.70	106.20	106.20	106.20	106.75	0.52%	(1.79%)
Totals	691.23	654.50	652.58	660.58	673.88	2.01%	(2.51%)

- The addition mid-year FY 2005–06 of 3.0 FTE grant funded positions to implement new transportation and corridor planning activities.
- The addition mid-year FY 2005–06 of 1.0 FTE to augment the Planning department's efforts in developing and implementing the New Look program.
- The addition of 3.0 FTE for the Transit Oriented Development program contingent upon receipt of grant funds.
- The addition of 1.0 FTE limited duration position in the Planning Department to retain the staff capacity to work on the affordable housing task force project.

Fund Balances

Beginning Fund Balance

Approximately 32 percent ($100.2 million) of Metro's FY 2006–07 total resources comes from beginning fund balances—money carried over from previous fiscal years. The Solid Waste Revenue Fund's beginning fund balance of $37.6 million comprises the largest piece of the beginning fund balance resource. This amount includes $7.0 million in reserves for landfill closure; $6.3 million in the renewal and replacement account; $6.0 million in the General Account for specific capital and debt reserves; $10.6 million in other dedicated accounts for rate stabilization, business assistance, and pension liability; and $7.8 million in undesignated fund balance.

Other major components of beginning fund balance are:

General Fund: $20.3 million.
This is the combined balance for several major operating departments—Oregon Zoo, Planning, and Regional Parks and Greenspaces—as well as all general government and central service functions such as Metro Council, Metro Attorney, Metro Auditor, Finance and Administrative Services, Human Resources, and Public Affairs and Government Relations. It includes several dedicated reserves such as the General Fund Recovery Rate Stabilization Reserve, the PERS Reserve, and a reserve for future debt service on the full faith and credit bonds issued to refinance Metro Regional Center. It also includes reserves for cash flow. Metro has a policy to retain the equivalent of 10 percent of General Fund operating revenues in a reserve to guard against unexpected downturns in evenues and stabilize resulting budget actions.

MERC Operating Fund: $13.2 million.
This is the combined balance for the three facilities (Oregon Convention Center, Expo Center, and Portland Center for the Performing Arts) managed by the Metro Exposition-Recreation Commission.

General Obligation Bond Debt Service Fund: $10.4 million.
This amount is required to pay debt service due early in FY 2006–07 before property tax revenues are received.

Open Spaces Fund: $2.1 million.
This money is bond proceeds carried over from the $135.6 million general obligation bonds authorized by voters in FY 1994–95.

Risk Management Fund: $0.24 million.
This is Metro's self-insurance reserve. This fund previously had a balance of $5.6 million. However, in FY 2003–04 Metro performed an evaluation of its environmental impairment risks. The actuarial study identified a probable environmental exposure of $5.225 million. Generally accepted accounting principles required that, once known, this liability be accrued and expensed. Although this action has reduced the fund balance, the funds remain with Metro, as the liability is an estimate of existing amounts to be paid in the future. The recognition of this liability has reduced the self-insurance reserves for the remaining risk management programs below an acceptable level. A plan to rebuild the reserve to adequate levels over the next three to five years has been implemented.

The remainder of the total fund balance is divided among the other remaining funds and includes a combination of reserves for debt, capital replacement and cash flow.

Unappropriated Ending Fund Balance

The unappropriated ending balance of $50.6 million includes $11.0 million of debt reserves for general obligation bond payments, $18.5 million in reserves for the solid waste operation and $9.9 million for MERC operating reserves. The rest of the ending fund balance consists of debt service reserves for revenue bonds, risk management and general reserves.

METRO

PEOPLE PLACES
OPEN SPACES

Table of Contents
Revenue Analysis

Revenue Analysis

This section presents a consolidated summary of major revenue sources, 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. This section does not address fund balances, which are discussed in the Budget Summary and Fund Summaries .

The table below shows a four-year summary of major revenue sources for all Metro funds. In the narrative that follows, the five largest revenue sources for Metro are described in greater detail. This discussion includes enterprise revenues, property taxes, excise taxes, grants, and intergovernmental revenues. Together, these five sources constitute 97 percent of Metro's current revenues (excluding interfund transfers).

Revenue Summary - All Funds

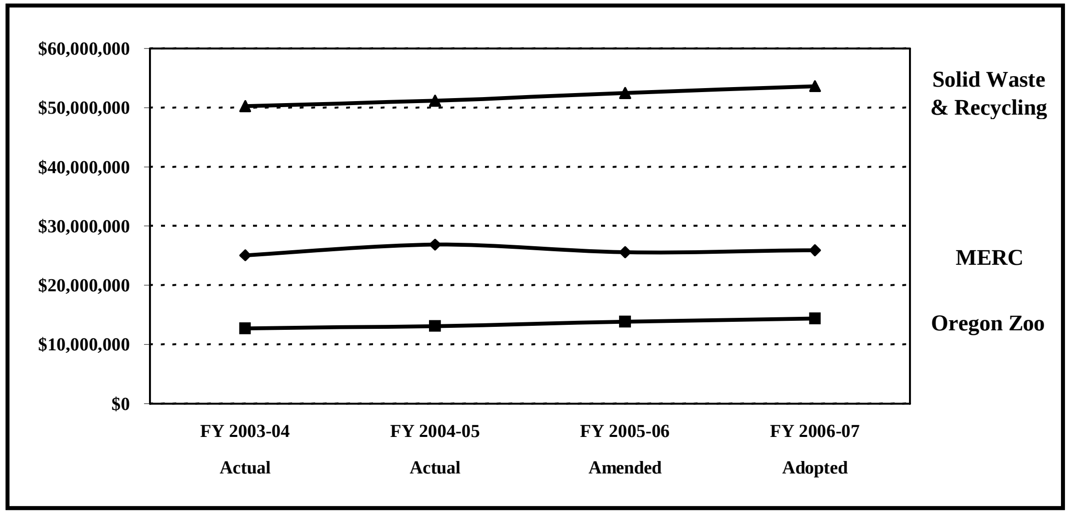
	FY 2003-04 Audited	FY 2004-05 Audited	FY 2005-06 Adopted	FY 2005-06 Amended	FY 2006-07 Proposed	FY 2006-07 Approved	FY 2006-07 Adopted	% Change from Amended FY 2005-06
Current Revenues								
Real Property Taxes	$26,156,752	$26,634,390	$27,510,304	$27,510,304	$28,189,734	$28,189,734	$28,189,734	2.47%
Excise Tax	10,506,081	13,577,891	12,805,010	12,805,010	16,490,394	16,490,394	16,588,507	29.55%
Other Derived Tax Revenue	33,086	25,270	19,000	19,000	19,000	19,000	19,000	0.00%
Grants	7,430,630	7,130,648	14,054,714	18,070,417	24,742,777	27,155,781	27,155,781	50.28%
Local Government Shared Revenues	8,369,730	8,268,413	8,099,166	8,099,166	9,146,330	9,146,330	9,346,330	15.40%
Contributions from Other Governments	1,067,052	947,777	757,000	757,000	1,329,267	1,484,267	1,484,267	96.07%
Enterprise Revenue	97,057,327	100,464,845	101,986,290	102,812,197	105,887,322	105,887,322	105,687,322	2.80%
Interest Earnings	1,120,037	2,035,717	1,892,961	1,892,961	3,317,412	3,317,412	3,317,412	75.25%
Donations	2,976,305	5,357,358	1,658,845	2,345,295	2,321,270	2,661,260	2,661,260	13.47%
Other Misc. Revenue	799,820	684,362	467,212	467,212	322,008	322,008	322,008	(31.08%)
Bond and Loan Proceeds	24,425,431	19,315,005	0	24,313,286	0	0	0	n/a
Subtotal External Current Revenues	*179,942,252*	*184,441,677*	*169,250,502*	*199,091,848*	*191,765,514*	*194,673,508*	*194,771,621*	*(2.17%)*
Interfund Transfers:								
Interfund Reimbursements	5,560,348	6,119,041	6,763,454	6,763,454	6,991,720	7,031,720	7,031,720	3.97%
Internal Service Transfers	1,014,268	726,685	559,740	559,740	704,640	704,640	704,640	25.89%
Interfund Loan	101,248	0	0	1,200,000	0	0	1,550,000	n/a
Fund Equity Transfers	3,655,578	6,185,780	8,072,052	11,909,644	11,370,125	11,685,494	11,685,494	(1.88%)
Subtotal Internal Current Revenues	*10,331,442*	*13,031,506*	*15,395,246*	*20,432,838*	*19,066,485*	*19,421,854*	*20,971,854*	*2.64%*
Total Current Revenues	**$190,273,695**	**$197,473,183**	**$184,645,748**	**$219,524,686**	**$210,831,999**	**$214,095,362**	**$215,743,475**	**(1.72%)**

Enterprise Revenues

Enterprise revenue represents income earned from use of Metro facilities or franchises and the purchase of Metro products and services. Eighty-nine percent of all enterprise revenue is derived from facilities operated or services provided by three departments: MERC, Solid Waste and Recycling, and the Oregon Zoo.

Except for revenue generated at the Portland Center for the Performing Arts and other exemptions specified in Metro Code, all enterprise revenue is subject to Metro's excise tax (see discussion that follows under Tax Revenues). 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).

Key Enterprise Revenues



MERC Enterprise Revenue

Enterprise revenues from MERC-operated facilities account for 24 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. Over 90 percent of MERC enterprise revenue is derived 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. Projected revenue represents a 7.9 percent increase over FY 2003-04 actual revenue primarily due to the opening of the expanded Convention Center in the spring of 2004.

Concessions/Catering—These are revenues generated from food and beverage sales and catered functions. Projections are based upon 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.

Parking—These are fees charged for parking in the lots at the Convention Center and the Expo Center. A new parking structure was built as part of the expansion project and opened in April 2002, a year before construction was completed on the rest of the facility. The opening of the new parking facility resulted in a significant increase in parking revenues.

Reimbursement-Labor—These are charges to renters for the labor cost of staging and staffing events at all three facilities. About 76 percent of these revenues are reimbursements for labor at the Portland Center for the Performing Arts. 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 89 percent of these revenues are recovered at the Oregon Convention Center. 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 nearly 14 percent of Metro's total enterprise revenues. Zoo revenue projections are based on average per capita fees or rates. Actual fees or rates will vary depending on the age of the visitor or the item purchased. In the last several years, the Oregon Zoo has been constructing a major new exhibit—the Great Northwest Project. The exhibit has been opened in phases with Phase IV, the

Enterprise Revenue

Major Sources by Department	Actual FY 2003-04	Actual FY 2004-05	Amended FY 2005-06	Adopted FY 2006-07	% of Department Total	% of Total Enterprise Revenue	% Change from FY 2005-06	% Change from FY 2003-04
MERC								
Rentals	4,999,722	5,368,496	5,256,335	5,394,504	20.82%		2.63%	7.90%
Concessions/Catering	10,973,112	12,484,970	10,349,456	10,719,309	41.37%		3.57%	(2.31%)
Parking	2,412,128	2,234,260	2,384,560	2,390,415	9.23%		0.25%	(0.90%)
Reimbursed Services	2,252,396	2,220,750	2,229,335	2,589,361	9.99%		16.15%	14.96%
Utility Services	2,247,689	2,140,834	2,416,798	2,306,685	8.90%		(4.56%)	2.62%
Other	2,171,536	2,392,283	2,958,593	2,507,792	9.68%		(15.24%)	15.48%
MERC Total	**$25,056,583**	**$26,841,592**	**$25,595,077**	**$25,908,066**	**100.00%**	**24.51%**	**1.22%**	**3.40%**
Oregon Zoo								
Admissions	4,902,553	5,366,526	5,528,605	5,848,186	40.69%		5.78%	19.29%
Food Sales	3,794,073	4,010,989	4,093,953	4,246,698	29.55%		3.73%	11.93%
Retail Sales	1,483,788	1,592,176	1,913,209	1,918,987	13.35%		0.30%	29.33%
Railroad Rides	473,989	470,772	487,442	494,884	3.44%		1.53%	4.41%
Tuition & Lectures	786,944	828,800	812,487	859,875	5.98%		5.83%	9.27%
Other	1,257,405	827,594	1,013,535	1,002,360	6.97%		(1.10%)	(20.28%)
Oregon Zoo Total	**$12,698,752**	**$13,096,857**	**$13,849,231**	**$14,370,990**	**100.00%**	**13.60%**	**3.77%**	**13.17%**
Solid Waste and Recyling								
Disposal Fees	24,466,447	25,640,952	26,321,821	27,901,285	52.01%		6.00%	14.04%
Regional System Fee	21,066,946	20,267,296	19,332,087	19,563,136	36.47%		1.20%	(7.14%)
Transaction Fee	2,254,458	2,722,894	2,846,115	2,780,239	5.18%		(2.31%)	23.32%
Other	2,452,902	2,546,214	3,982,741	3,402,989	6.34%		(14.56%)	38.73%
REM Total	**$50,240,753**	**$51,177,356**	**$52,482,764**	**$53,647,649**	**100.00%**	**50.76%**	**2.22%**	**6.78%**
Other Enterprise Revenue	$9,061,240	$9,349,041	$10,885,125	$11,760,617		11.13%	8.04%	29.79%
Total Enterprise Revenue	***$97,057,327***	***$100,464,845***	***$102,812,197***	***$105,687,322***		***100.00%***	***2.80%***	***8.89%***

Eagle Canyon Exhibit and the Trillium Creek Family Farm, opening in 2004. With the opening of these new exhibits, Zoo attendance has substantially increased over the last four years. Ninety-three percent of the Zoo's enterprise revenues are derived from the following sources:

Admissions—Annual attendance and admission rates are factors that determine the per capita estimate used to calculate admissions revenue. The combination of new exhibit openings and excellent weather resulted in Zoo attendance reaching over 1.36 million in FY 2005–06. The FY 2006–07 budget assumes attendance of 1.33 million visitors.

Food Sales—Revenues from food, beverage and catering sales are included in this category. Projections for regular food and beverage sales are based upon a per capita spending of $2.44 multiplied by the anticipated attendance of 1.33 million. Catering food sales projections of $1.12 million are based on sales and growth patterns from the previous five years.

Retail Sales—These are sales from the Zoo's gift shop and vending machines. Beginning in FY 2003–04, the Zoo began contracting out the operation of the gift shop, resulting in a significant increase in revenues.

Railroad Rides—These are revenues from the sale of rides on the Zoo's railroad and people mover. Projections are based upon per capita spending of $0.40 multiplied by anticipated attendance of 1.33 million.

Tuitions and Lectures—These are for fees received for educational classes and lectures provided by or sponsored by the Oregon Zoo. Revenues are projected based on historical class participation and planned course offerings.

Solid Waste and Recycling Enterprise Revenues

Enterprise revenues from the Solid Waste and Recycling Department (SW&R) account for approximately 51 percent of total Metro enterprise revenues. These revenues are derived from fees and charges for the processing and disposal of solid waste within the region. When waste is delivered to Metro's regional transfer stations, haulers pay a fee called the "tipping fee." This fee covers the cost of processing, transport and disposal of the waste and also includes the Regional System Fee, Metro Excise Tax, a host community fee and Department of Environmental Quality fees. Effective September 1, 2006, the tipping fee is scheduled to decrease to $69.86 per ton.

Disposal Fees—This fee represents the portion of the Metro "tipping fee" that covers the cost of disposing and transporting waste from Metro transfer stations. Tonnage estimates for FY 2006–07 at Metro facilities are expected to be 6.9 percent higher than the FY 2005–06 budget.

Regional System Fees—This fee is charged on a per-ton basis on all waste generated in the region and delivered to a disposal site. This includes waste that is hauled to Metro's transfer stations as well as waste that is disposed of at privately owned regional transfer stations and landfills inside and outside the region. The Regional System Fee recovers the cost of programs such as waste reduction, hazardous waste and a portion of debt service and landfill closure expenses. The fee, currently $14.54, is scheduled to decrease to $13.57 effective September 1, 2006.

Transaction Fee—The transaction fee was instituted in the latter part of FY 1997–98 as a way to capture the cost of processing each load through the system, regardless of the weight. Historically this fee has been charged equally to all customers each time they use Metro disposal facilities. The fee for FY 2006–07 is now a split fee aimed at allocating scalehouse costs appropriately. Automated scale users will pay $3.00 and scalehouse users will pay $8.50 per load.

Other Revenue—Other revenue is derived from a variety of sources, including disposal charges, for items such as tires, refrigeration units, yard debris and household hazardous waste materials; 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 $3.4 million in FY 2006–07.

Other Enterprise Revenues

These revenues are derived from several sources and comprise about 11 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 License Program and the Data Resource Center.

Also included in this category are internal fees charged to departments by Risk Management for the cost of health care provided to employees. The increase from year-to-year is primarily due to the rising cost of health care insurance.

Tax Revenues

Metro's tax revenues are generated from two major sources – property taxes and excise taxes. Together, they constitute almost 23 percent of Metro's total revenues (not including interfund transfers). This percentage actually overstates the tax revenue contribution to current operations because 66 percent of property taxes are dedicated to debt service.

Property Taxes

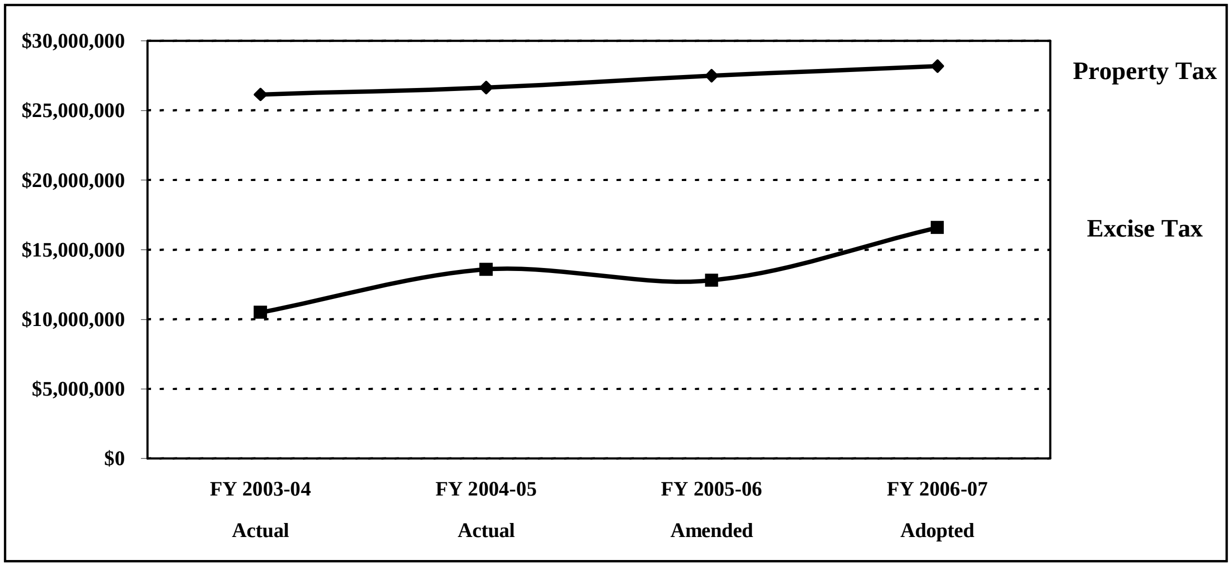
Property taxes are levied by Metro for only two purposes – Zoo operations and debt service payments. In 1990, voters approved a permanent property tax levy for the Oregon Zoo. The Zoo tax levy for operations is subject to the state limitations of Ballot Measures 5 and 50. Ballot Measure 50 allows general government operating levies to increase at 3 percent annually plus an allowance for new construction, while 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 l evied to repay debt on three voter-approved general obligation bond measures (see Section G, 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 FY 2001–02, Metro refinanced the Oregon Convention Center general obligation bonds. The Open Spaces, Parks and Streams bonds were refinanced in November 2002. The callable portions of Oregon Zoo bonds were refunded in 2005. The refinance resulted in large, one-time savings in addition to the ongoing savings from reduced payments.

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 the Planning and Regional Parks departments. Excise tax revenue constitutes Metro's only source of General Fund revenue. .

Prior to FY 2000–01 the excise tax was collected as a percentage of revenues generated regardless of the source. However, in FY 2000–01 the Council amended the method by which excise tax is calculated on solid waste revenues from a percentage of the tipping fee to a flat rate per ton. The rate per ton on solid waste revenues is determined annually during the budget process based on a formula set in the authorizing ordinance. This year's budget includes an excise tax rate of 7.5 percent on all non-solid

Major Tax Revenues



Major Tax Revenues

Major Sources by Department	Actual FY 2003-04	Actual FY 2004-05	Amended FY 2005-06	Adopted FY 2006-07	% of Department Total	% of Total Tax Revenue	% Change from FY 2005-06	% Change from FY 2003-04
Property Taxes								
Major Sources:								
Zoo Tax Base	8,619,927	8,981,252	9,294,893	9,679,131	34.34%		4.13%	12.29%
G.O. Debt Service	17,536,825	17,653,138	18,215,411	18,510,603	65.66%		1.62%	5.55%
Total	**26,156,752**	**26,634,390**	**27,510,304**	**28,189,734**	**100.00%**	**62.95%**	**2.47%**	**7.77%**
Excise Taxes								
Major Sources:								
Construction Excise Tax	0	0	0	2,000,000	12.06%		N/A	N/A
Solid Waste & Recycling Ops	7,854,574	10,794,146	10,155,986	11,819,534	71.25%		16.38%	50.48%
MERC Operations	1,467,456	1,569,214	1,370,857	1,456,989	8.78%		6.28%	(0.71%)
Zoo Operations	954,630	978,285	1,028,663	1,077,824	6.50%		4.78%	12.90%
Other	229,421	236,246	249,505	234,160	1.41%		(6.15%)	2.07%
Total	**10,506,081**	**13,577,891**	**12,805,011**	**16,588,507**	**100.00%**	**37.05%**	**29.55%**	**57.89%**
Total Tax Revenue	***$36,662,833***	***$40,212,281***	***$40,315,315***	***$44,778,241***		***100.00%***	***11.07%***	***22.14%***

waste generated revenues and a flat fee of $8.35 on all solid waste tonnage, including an additional $3.14 per ton dedicated to Regional Parks, a Tourism Opportunity and Competitiveness Account to provide assistance to MERC in marketing the Oregon Convention Center, and a Renewal and Replacement Account for the Oregon Zoo. (For additional discussion on the excise tax, see Where the Money Comes From in Section B, Budget Summary in this document.).

Beginning July 1, 2006, Metro will begin collection of a new Construction Excise Tax (CET). This tax is imposed on new construction within the region, with limited exceptions, and is intended to raise $6.2 million over three years to fund concept planning in the new areas recently brought into the Urban Growth Boundary

Grants and Intergovernmental Revenues

For FY 2006–07, grants and intergovernmental revenue represent over 19 percent of Metro's total revenues (not including interfund transfers). The principal sources for these revenues are state and federal planning grants, support for the 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. The majority of planning grant dollars are for transportation planning purposes. 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.

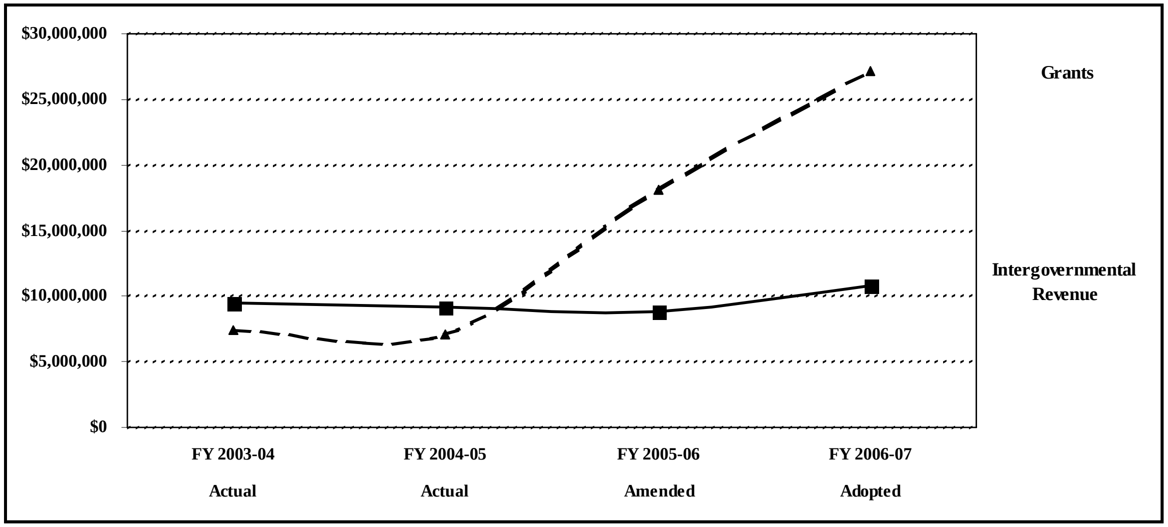
Intergovernmental Revenues

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.

Additionally, Metro receives intergovernmental revenue from the City of Portland to support the operations at the PCPA. The PCPA is owned by the city but is managed by Metro. Through agreements negotiated in FY 2000–01, the city increased its contributions for operations and capital improvements at PCPA. These contributions have decreased as the backlog of capital improvements has been reduced.

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. The 2003–04 fiscal year included a contribution of $321,000 from TriMet going toward the purchase of land to site the light rail station at the Expo Center.

Grants and Intergovernmental Revenues



Grants and Intergovernmental Revenues

Major Sources by Department	Actual FY 2003-04	Actual FY 2004-05	Amended FY 2005-06	Adopted FY 2006-07	% of Department Total	% of Total Grant & Ingov't Rev	% Change from FY 2005-06	% Change from FY 2003-04
Grants								
Major Sources:								
Planning Grants	6,340,907	6,266,361	16,425,336	21,188,040	78.02%		29.00%	234.15%
Regional Parks Grants	295,090	342,839	984,697	5,419,840	19.96%		450.41%	1736.67%
Other	794,633	521,448	660,384	547,901	2.02%		(17.03%)	(31.05%)
Total	**$7,430,630**	**$7,130,648**	**$18,070,417**	**$27,155,781**	**100.00%**	**71.49%**	**50.28%**	**265.46%**
Intergovernmental Revenues								
Major Sources:								
Hotel/Motel Taxes	7,893,216	7,683,769	7,558,724	8,794,328	81.20%		16.35%	11.42%
City of Portland for PCPA	641,256	900,912	675,500	687,200	6.34%		1.73%	7.16%
TriMet light rail station payments to Expo	321,288	0	0	0	0.00%		N/A	(100.00%)
Support for Parks & Greenspaces	499,102	547,945	577,987	1,265,114	11.68%		118.88%	153.48%
Other	81,920	83,564	43,955	83,955	0.78%		91.00%	2.48%
Total	**$9,436,783**	**$9,216,190**	**$8,856,166**	**$10,830,597**	**100.00%**	**28.51%**	**22.29%**	**14.77%**
Total Grants and Intergovernmental Revenue	***$16,867,412***	***$16,346,838***	***$26,926,583***	***$37,986,378***		***100.00%***	***41.07%***	***125.21%***

METRO

PEOPLE PLACES
OPEN SPACES

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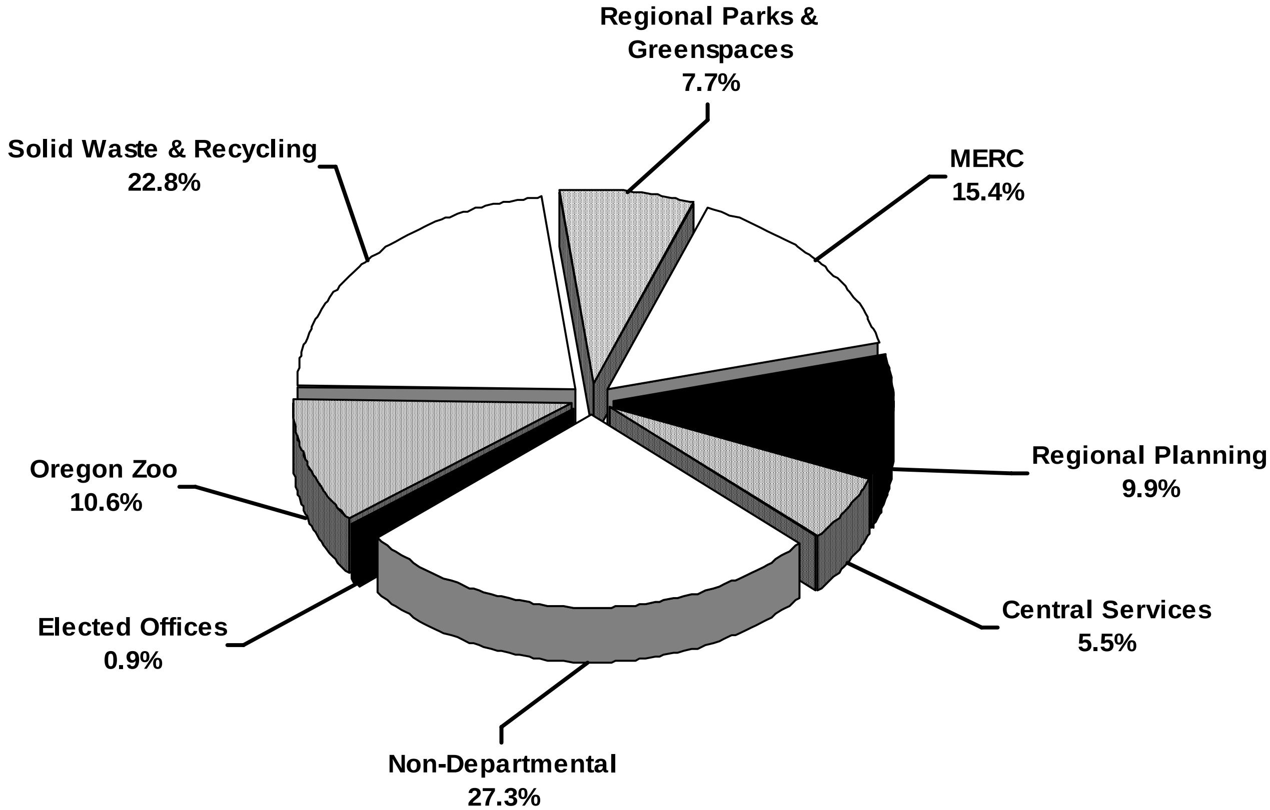
Department Summaries

Summary of All Departments

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$52,418,717	$53,912,100	$58,785,508	$59,168,413	$62,311,426	$62,529,438	$62,340,748	5.36%
Materials and Services	76,965,490	73,122,625	86,724,485	123,183,423	104,434,418	110,122,371	110,447,711	(10.34%)
Capital Outlay	14,157,562	5,193,150	13,117,338	14,361,788	16,196,108	18,609,345	18,259,345	27.14%
Debt Service	52,809,535	41,781,058	23,539,006	24,364,913	24,721,088	24,363,441	24,363,441	(0.01%)
Interfund Reimbursements	5,560,348	6,119,042	6,763,455	6,763,455	6,991,721	7,031,721	7,031,721	3.97%
Internal Service Charges	1,014,268	726,684	559,740	559,740	704,639	704,639	704,639	25.89%
Interfund Loan	101,248	0	0	1,200,000	0	0	1,550,000	29.17%
Fund Equity Transfers	3,655,578	6,185,779	8,072,052	11,909,644	11,370,125	11,685,494	11,685,494	(1.88%)
Totals	**$206,682,746**	**$187,040,439**	**$197,561,584**	**$241,511,376**	**$226,729,525**	**$235,046,449**	**$236,383,099**	**(2.12%)**
Budget by Department								
Office of the Metro Auditor	$570,356	$530,495	$631,742	$631,742	$579,455	$579,455	$342,280	(45.82%)
Office of the Council	1,170,730	1,295,674	1,438,397	1,594,311	1,630,699	1,757,595	1,756,095	10.15%
Office of Metro Attorney	1,193,682	1,176,868	1,470,347	1,470,347	1,473,414	1,473,414	1,473,414	0.21%
Finance & Administrative Services	6,579,658	6,269,710	7,103,301	7,325,337	8,055,952	8,055,952	8,055,952	9.97%
Human Resources	831,246	948,179	1,136,818	1,136,818	1,499,887	1,514,887	1,527,312	34.35%
Metro E-R Commission	34,692,293	32,643,354	36,119,726	36,798,867	34,611,462	36,343,768	36,343,768	(1.24%)
Oregon Zoo	27,671,759	20,932,700	25,007,466	25,926,799	25,089,226	25,339,226	24,989,226	(3.62%)
Planning	8,484,979	8,714,712	13,777,577	17,833,397	21,496,360	23,088,604	23,381,504	31.11%
Public Affairs Department	983,095	1,510,339	2,036,117	2,036,117	1,734,593	1,861,293	1,861,293	(8.59%)
Regional Parks and Greenspaces	9,650,581	9,648,077	10,828,557	11,018,557	16,677,824	18,088,327	18,158,327	64.80%
Solid Waste & Recycling	49,512,869	44,468,315	52,492,328	52,492,328	53,454,769	53,905,380	53,905,380	2.69%
Non-Departmental	65,341,498	58,902,016	45,519,208	83,246,756	60,425,884	63,038,548	64,588,548	(22.41%)
Totals	**$206,682,746**	**$187,040,439**	**$197,561,584**	**$241,511,376**	**$226,729,525**	**$235,046,449**	**$236,383,099**	**(2.12%)**
Contingency	*0*	*0*	*33,134,462*	*23,371,500*	*30,643,659*	*28,354,407*	*29,009,694*	*24.12%*
Ending Fund Balance	*92,671,027*	*103,103,771*	*45,525,042*	*46,217,150*	*50,466,290*	*50,637,939*	*50,599,440*	*9.48%*
Total Budget	**$299,353,773**	**$290,144,209**	**$276,221,088**	**$311,100,026**	**$307,839,474**	**$314,038,795**	**$315,992,233**	**1.57%**
Full-Time Equivalents (FTE)	691.23	654.50	652.58	660.58	671.88	673.88	673.88	2.01%

Summary of All Departments



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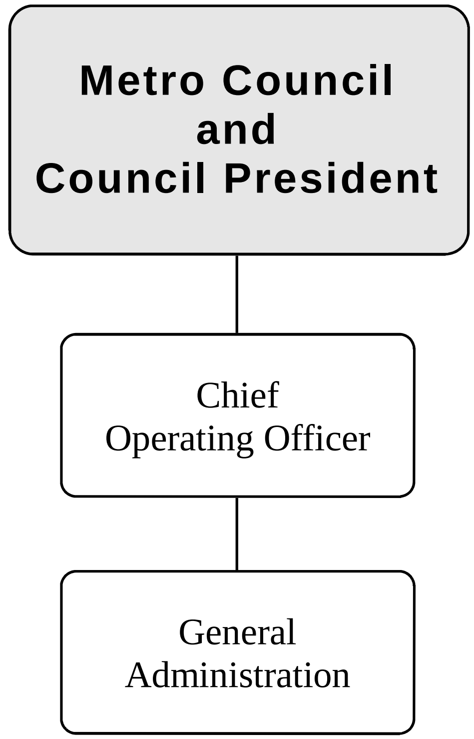

Metro Council
and
Council President
Chief
Operating Officer
General
Administration

Council Office

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$1,096,101	$1,207,989	$1,300,372	$1,427,836	$1,503,999	$1,589,895	$1,589,895	11.35%
Materials and Services	74,629	87,685	138,025	166,475	126,700	167,700	166,200	(0.17%)
Totals	**$1,170,730**	**$1,295,674**	**$1,438,397**	**$1,594,311**	**$1,630,699**	**$1,757,595**	**$1,756,095**	**10.15%**
Budget by Division								
Leadership & Policy Development	$0	$0	$0	$0	$993,338	$1,090,234	$1,088,734	n/a
Council Operations	1,170,730	1,295,674	1,438,397	1,594,311	315,163	315,163	315,163	(80.23%)
Chief Operating Officer	0	0	0	0	223,153	253,153	253,153	n/a
Records & Information Mgmt	0	0	0	0	99,045	99,045	99,045	n/a
Totals	**$1,170,730**	**$1,295,674**	**$1,438,397**	**$1,594,311**	**$1,630,699**	**$1,757,595**	**$1,756,095**	**10.15%**
Budget by Fund								
General Fund	$1,170,730	$1,295,674	$1,438,397	$1,594,311	$1,630,699	$1,757,595	$1,756,095	10.15%
Totals	**$1,170,730**	**$1,295,674**	**$1,438,397**	**$1,594,311**	**$1,630,699**	**$1,757,595**	**$1,756,095**	**10.15%**
Full-Time Equivalents (FTE)	17.00	17.00	17.00	19.00	19.00	20.00	20.00	5.26%

Council Office

Department Purpose

The Metro Council is the governing body of Metro. Its authority is defined in the Metro Charter passed by voters in 1992 and amended in 2000. The Council's authorities include:

- Establishing policies for the agency's programs and functions.
- Developing long-range plans for existing and future agency activities.
- Adopting the annual budget and levying taxes, user charges, and other revenue measures.
- Overseeing the operation of Metro functions and programs to ensure that adopted policies and programs are carried out.

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 budget also includes the Chief Operating Officer (COO), who serves at the pleasure of Council and Council President to enforce Metro ordinances; execute the policies of the Metro Council; provide day-to-day administration of Metro's resources, programs, enterprise businesses, facilities, and workforce; and work with the Council President to prepare a recommended annual budget for Council consideration.

The Council Office staff provides administrative and policy support to the individual Councilors, as well as to the Council as a whole in its role as a legislative body whose procedures and formalities must be carefully conducted under the charter and law. Administrative support provided to the Metro Council, Council President, and Chief Operating Officer includes personnel administration, office/department budgeting and fiscal control, meeting support, calendar and mailing lists maintenance, special projects, distribution of Council agendas and agenda materials, and maintenance and archiving of Council records. Also included is the Council President's policy advisor who coordinates legislative development processes and Council policy development communications. The Metro archives program encompasses a comprehensive records and information management system for the Metro Council Office and the agency as a whole. The Council Office provides policy research and development to support Councilor initiatives and expand current capacities to achieve greater support of policy development. Policy development includes incubating new ideas through research and analysis, advancing policy projects with stakeholders, facilitating discussions between department experts and individual councilors, and convening regional stakeholders for input on new policy concepts. In FY 2005-06 the Council Office added an internship program to enhance the policy research development component of the Office. The Council Office also provides administrative and policy support for the Metro Policy Advisory Committee (MPAC), an advisory group of local officials established by the Metro Charter.

Major accomplishment in FY 2005–06

- Initiated a new look at growth management planning.
- Reorganized the Council Office to enhance policy development.
- Convened quarterly partnership forum with region's mayors.
- Completed history of Metro Council.
- Updated State of Oregon Record Retention Schedule for Metro.
- Implemented Program Budgeting.
- Implemented Regional Leadership Initiative.
- Adopted Nature in Neighborhoods program.
- Completed successful Get Centered! events around the region.
- Completed Waste Reduction Plan for Regional Solid Waste Management Plan.
- Adopted Cooper Mountain Master Plan .
- Implemented Performance Evaluation Program for all agency employees.
- Completed Metro Regional Center's Green Roof Pilot Project.
- Obtained Convention Center Leadership in Energy and Environmental Design (LEED) Certification.
- Facilitated the land transfer associated with the Lone Fir Cemetery Morrison Building Project.

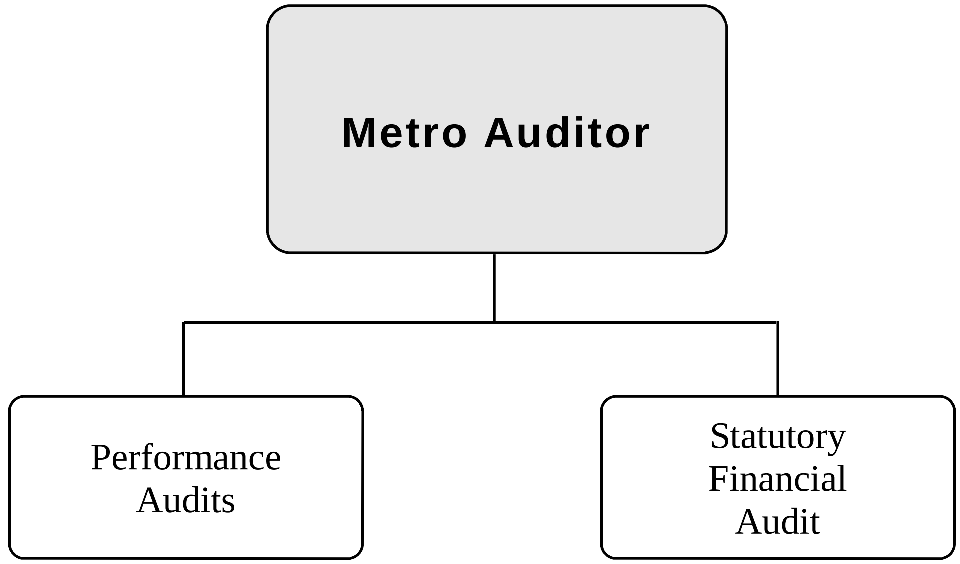
Service Level Changes from FY 2005–06

In FY 2005–06 the Council Office provided an increased level of service in the policy research and development arena by adding a policy development coordinator and three part-time graduate interns. The Council Office continues to enhance this program by moving one FTE from Finance and Administrative Services to the office of the COO in FY 2005–06, and adding 1.0 FTE in FY 2006–07 in order to coordinate the Regional Leadership Initiative and convene stakeholders and constituents. For FY 2006–07 this service level plan includes a minimum of six off-site council meetings (one in each district), staffing for weekly Work Sessions and Regular Council meetings, as well as bi-monthly meetings of MPAC. Staffing for additional public hearings, work sessions, committees, and task forces will continue to be provided with the limited resources in the department and the collaborative support of other agency departments. The Council Office provides ever increasing agency records using web-based technology. The department is working in conjunction with Portland State University to digitize Metro historic and current planning records as well as develop a history of the Metro Council.

Major Objectives for FY 2006–07

The Council Office will continue to support Council activities, many of which will be of a higher profile in the coming year due to the scope of the decisions being made. Issues such as regional solid waste management planning and transportation funding are all expected to maintain a heavy workload and related communications in the year ahead.

Performance Measures	*Council Office*	Actual FY 02–03	Actual FY 03–04	Actual FY 04–05	Target FY 05–06	Target FY 06-07
	1. Percent of responses within 24 hours to citizen requests for Council assistance	97.5%	98%	98%	98%	99%
	2. Speaking engagements and presentations to citizens, agency staff, neighborhood, civic, business, special interest, and other groups by Councilors and Chief Operating Officer	267	315	322	342	385
	3. Metro Council off-site evening meetings held region-wide, increasing visibility and accessibility of Council	9	9	8	13	14
	4. Live broadcast of Metro Council meetings	38	40	40	41	42
	5. Staff training (number of classes, seminars attended by staff)	6	10	12	13	15
	6. Access to Council records via Intranet/Internet	0%	50%	71%	80%	82%
	7. Response to citizen correspondence within 72 hours	80%	85%	88%	90%	92%


Metro Auditor
Performance Audits
Statutory Financial Audit

Office of the Metro Auditor

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$431,355	$395,614	$523,781	$523,781	$545,289	$545,289	$325,199	(37.91%)
Materials and Services	139,001	134,881	107,961	107,961	34,166	34,166	17,081	(84.18%)
Totals	**$570,356**	**$530,495**	**$631,742**	**$631,742**	**$579,455**	**$579,455**	**$342,280**	**(45.82%)**
Budget by Division								
Office of the Auditor	$570,356	$530,495	$631,742	$631,742	$579,455	$579,455	$342,280	(45.82%)
Totals	**$570,356**	**$530,495**	**$631,742**	**$631,742**	**$579,455**	**$579,455**	**$342,280**	**(45.82%)**
Budget by Fund								
General Fund	$570,356	$530,495	$631,742	$631,742	$579,455	$579,455	$342,280	(45.82%)
Totals	**$570,356**	**$530,495**	**$631,742**	**$631,742**	**$579,455**	**$579,455**	**$342,280**	**(45.82%)**
Full-Time Equivalents (FTE)	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00%

Metro Auditor

Office Purpose

The Metro Auditor is a citizen-required function mandated through the Metro Charter.

The Metro Auditor mission is to make government more efficient and to ensure that Metro activities are accountable and transparent to citizens. To accomplish this mission, the Metro Auditor undertakes performance audits that provide Metro with accurate information, unbiased analysis and objective recommendations on how to best use public resources in support of the region's well-being.

The Metro Charter mandates that the Metro Auditor make continuous investigations of Metro operations, including financial transactions, personnel, equipment and facilities, and all other aspects of these operations. The Metro Auditor issues reports to the Metro Council based on the results of these investigations with recommendations for remedial action.

About the Metro Auditor

The Metro Auditor is an elected position and is a citizen-required function mandated through the Metro Charter.

The Metro Auditor is responsible for protecting the public interest by looking at ways to improve the use of public funds and to recommend corrective actions that help ensure resources are used wisely and programs are effective.

The Metro Auditor position was 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 promulgate standards for auditing that include, among others, independence, objectivity, periodic quality control review and ongoing professional education.

The primary role of the Metro Auditor is oversight of both performance and financial audits. State law requires Metro to use an outside CPA firm to audit its annual financial statements. The Metro Auditor administers this contract for financial audit services while focusing staff efforts on performance audits. This is consistent with the Metro Charter mandate for continuous, independent auditing at an appropriate level given Metro's size and complexity.

The Metro Auditor's staff conducts performance audits in accordance with generally accepted government auditing standards. Performance auditing is an effort that may address any of the following concerns:

- Efficient allocation and use of resources.
- Management performance.
- Cost-effectiveness of alternative methods of delivering services and attaining goals.
- Reliability of information provided by management.
- Program administration and organization.
- Results of programs and activities, and their impact on recipients.
- Achievement of program and/or organizational goals and objectives.
- Compliance with applicable laws, rules and other authoritative and relevant standards.

To ensure the objectivity and reliability of its work, the Metro Auditor operates independently of the Council. Operational and control reviews are conducted at the initiative of the Metro Auditor to fulfill the Metro Charter mandate. Topics may be selected in response to specific concerns or requests, and reviews cover the full spectrum of Metro departments and activities. The following factors are considered in selecting projects:

- Level of Council and public interest.
- Relative risk and exposure.
- Service management problems.
- Quality of internal controls.
- Historical problems or concerns.
- Potential to benefit more than one department.

The Metro Auditor serves as an important element of "checks and balances" at Metro. The Metro Auditor provides an unbiased resource for the Council and Council President to ensure the Chief Operating Officer is effectively and efficiently running Metro's day-to-day operations. The Metro Auditor is also an objective resource for the Chief Operating Officer to ensure that individual Metro departments and programs are running efficiently and effectively. Further, the Metro Auditor serves the public by ensuring independent oversight of all aspects of Metro operations.

By promoting more effective operations, the Metro Auditor helps Metro to better leverage Metro's available resources to accomplish its mission.

Major Accomplishments in FY 2005–06

- Reviewed the Regional System Fee Credit program.
- Updated status of audit recommendations.
- Reviewed the Planning Department's management of personal services contracts.
- Evaluated zoo retail operations including contract with Aramark and zoo point-of-sale system.
- Assessed adequacy of MERC facility maintenance efforts .
- Conducted review of business process improvement project .
- Evaluated 2040 performance measures effort.
- Initiated audit plan for next 12 months including interviews with Metro Council, management and interested citizens.
- Managed contract with Grant Thornton LLP to audit Metro's annual financial statements.
- Issued request for proposals for audit services for the three year period beginning May 1, 2006 and selected Pauly, Rogers and Co., P.C. to succeed Grant Thornton LLP as Metro's annual financial statement auditors.
- Created Metro Audit Committee to oversee the independent audit of Metro's financial statements.
- Updated external and internal web pages.
- Published and distributed newsletters.
- Assisted Metro operating departments as they implemented audit recommendations and took other steps to improve management systems and internal controls.

Service Level Changes from FY 2005–06

FY 2006–07 is a transition year for the Metro Auditor position. A new auditor was elected to the position in May 2006 and will take office in January 2007. This is the first time such a transition has occurred. The current incumbent has served three consecutive 4-year terms. As a result of the transition, the Metro Council, at the time the budget was adopted, reduced the discretionary portion of the Metro Auditor's budget by 50 percent; placing the balance into contingency pending a revised spending plan by the new Auditor. In addition, the Council directed the Chief Operating Officer to develop a policy on budgeting for elected offices during an election year. The policy is to apply to all elected offices.

The Adopted Budget includes the full year salary and related fringe benefit costs for the elected auditor. However, all supporting staff and associated materials and services are budgeted at only 50 percent of the full year request (estimated through December 31, 2006). As indicated, the balance has been placed into contingency to be re-budgeted by the Council at the request of the newly elected auditor.

Major Objectives for FY 2006–07

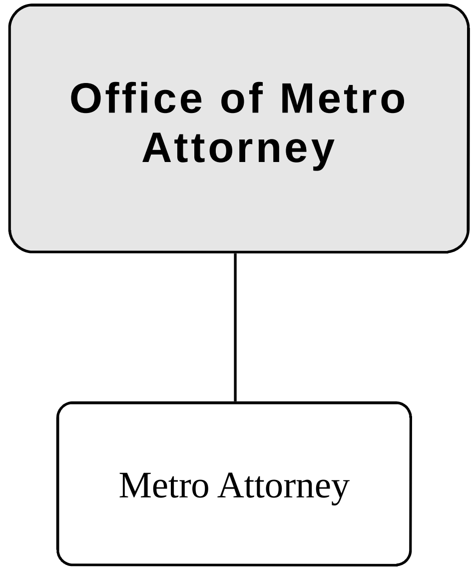
- Evaluate effectiveness of voluntary separation program.
- Review controls over cash collections at selected locations other than Metro Regional Center.
- Compare Metro workers' compensation statistics to similar industries and investigate contributing factors at those operations varying significantly from the norm and evaluate Metro's risk management efforts.
- Evaluate Oregon Zoo food service operation.
- Evaluate impact of business process improvement project on Metro system of internal controls.
- Perform an assessment of disaster recovery risks.
- Undertake other new audits identified in the risk assessment or suggested by Metro Council, such as updating an analysis of Metro's financial trends, studying the effectiveness of the Tourism Opportunity and Competitiveness Account, etc.
- Update status of audit recommendations.
- Manage contract with independent auditor to audit Metro's annual financial statements.
- Coordinate and manage the Metro Audit Committee which oversees the independent audit of Metro's financial statements.

Note: Upon taking office in January 2007 the newly elected Auditor may amend these objectives as part of the rebudgeting effort.

Performance Measures		*Metro Auditor*	Actual FY 02–03	Actual FY 03–04	Actual FY 04–05	Target FY 05–06	Target FY 06–07
	1.	Complete and distribute full audit reports	5	10	6	6	6
	2.	Audit recommendations:					
		• Fully implemented	67%	65%	77%	75%	75%
		• Under way with full implementation anticipated	17%	19%	7%	15%	15%
		TOTAL	84%	84%	89%	90%	90%

METRO

PEOPLE PLACES
OPEN SPACES


Office of Metro Attorney
Metro Attorney

Office of Metro Attorney

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$1,039,992	$1,120,199	$1,290,827	$1,290,827	$1,392,320	$1,392,320	$1,392,320	7.86%
Materials and Services	153,690	56,669	179,520	179,520	81,094	81,094	81,094	(54.83%)
Totals	**$1,193,682**	**$1,176,868**	**$1,470,347**	**$1,470,347**	**$1,473,414**	**$1,473,414**	**$1,473,414**	**0.21%**
Budget by Division								
Office of Metro Attorney	$990,341	$1,027,067	$1,390,347	$1,390,347	$1,448,414	$1,448,414	$1,448,414	4.18%
Open Spaces Due Diligence Program	203,341	149,801	80,000	80,000	25,000	25,000	25,000	(68.75%)
Totals	**$1,193,682**	**$1,176,868**	**$1,470,347**	**$1,470,347**	**$1,473,414**	**$1,473,414**	**$1,473,414**	**0.21%**
Budget by Fund								
General Fund	$990,341	$1,027,067	$1,390,347	$1,390,347	$1,448,414	$1,448,414	$1,448,414	4.18%
Open Spaces	203,341	149,801	80,000	80,000	25,000	25,000	25,000	(68.75%)
Totals	**$1,193,682**	**$1,176,868**	**$1,470,347**	**$1,470,347**	**$1,473,414**	**$1,473,414**	**$1,473,414**	**0.21%**
Full-Time Equivalents (FTE)	10.50	10.50	11.00	11.00	11.00	11.00	11.00	0.00%

Office of Metro Attorney

Office Purpose

The purpose of the Office of Metro Attorney (OMA) is to provide clear and concise legal advice to policymakers 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

The Office of Metro Attorney provides legal services to the entire Metro organization, including all departments, commissions, the Chief Operating Officer, the Council, and the Auditor. These legal services include research, evaluation, analysis, and advice regarding legal issues affecting Metro; review of contracts, requests for proposals and bid documents; negotiations regarding contractual agreements; and advice and assistance on legislative matters.

OMA provides written opinions, reviews ordinances and resolutions, and represents Metro officers and employees. The Metro Attorney may initiate, defend, or appeal litigation on behalf of Metro when requested by the Council, Chief Operating Officer, the Auditor, or any Metro commission.

OMA staff includes the agency's lead attorney (the Metro Attorney); five and one-half FTE senior attorneys; an assistant senior attorney; two paralegals, and one and one-half clerical support positions, who are assigned to provide legal services to the Planning Department, the Solid Waste and Recycling Department, the Regional Parks and Greenspaces Department, the Metropolitan Exposition-Recreation Commission, and the Oregon Zoo, as well as legal work needed by the Council, Chief Operating Officer, Auditor, and Finance and Administrative Services Department.

Consistent with efficient provision of legal services, actual work assignments are often organized on a team basis, and attorneys, paralegals, and clerical staff are given work assignments based on areas of expertise and the varying levels of legal work being generated by the various parts of Metro. Legal work does not flow into the office at a "steady state" rate or in relatively the same ratio per operating departments. OMA places all of its resources at the disposal of the entire agency on an as-needed basis.

Major accomplishment in FY 2005-06

- Successfully defended, or enabled Metro to settle, all legal claims.
- Obtained favorable rulings from Oregon Court of Appeals on Title 4 litigation of 2003 Urban Growth Boundary (UGB) decision.
- Obtained ruling dismissing complaint in *Sheldon v. Metro* ($2.5 million inverse condemnation claim).
- Assisted Council in completing periodic review of UGB (industrial lands).
- Assisted Human Resources department on avoiding any new employee litigation for positions reporting to the Chief Operating Officer (COO).
- Worked closely with the Council and Planning staff to provide legal advice and help draft the new Title 13 of the Urban Growth Management Functional Plan (UGMFP), entitled Nature in Neighborhoods. This program also included amendments to the Regional Framework Plan, to other titles of the UGMFP, and the development of a model ordinance for adoption by local governments.
- Provided legal services supporting Metro's acquisition and co-ownership with municipalities of joint development sites in urban centers. Provided legal services supporting the Transit Oriented Development (TOD) program's entry into, and fulfillment of, development agreements providing for transit oriented development in urban centers.
- Provided legal services needed to enable Metro Council to achieve policy and administrative goals.

Service Level Changes from FY 2005–06

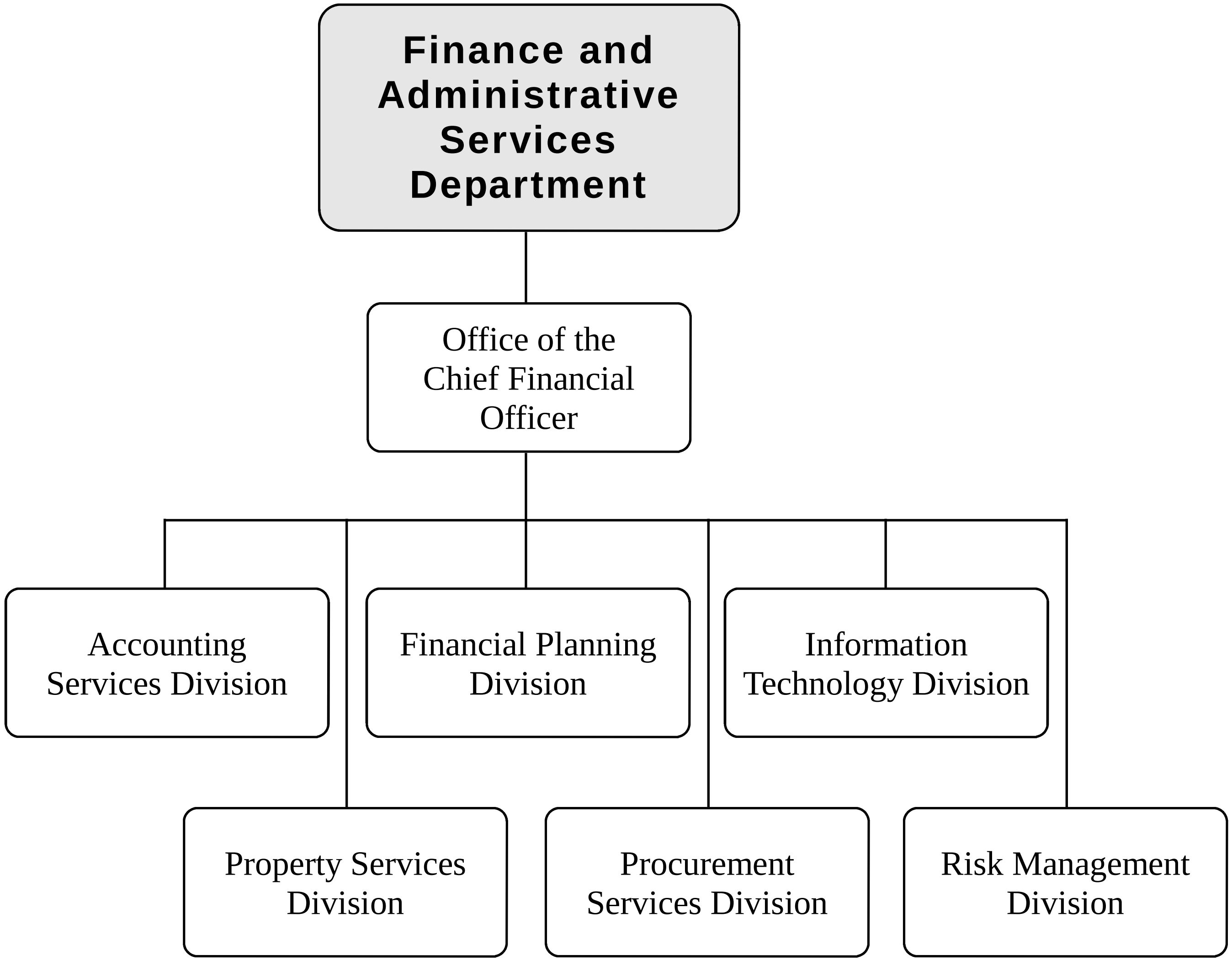
OMA staff changes are as follows:

- Increased a part-time attorney to full-time.
- Decreased a clerical administrative support position to 0.5 FTE.

Major Objectives for FY 2006–07

- Provide all legal services needed to enable Metro Council to achieve Council established goals.
- Successful completion of all other duties as assigned.

Performance Measures		*Office of Metro Attorney*	Actual FY 02–03	Actual FY 03–04	Actual FY 04–05	Target FY 05–06	Target FY 06–07
	1.	Contract documents reviewed and completed	310	240	118	218	150
	2.	Legislative documents completed and/or reviewed	95	117	94	98	100


Finance and Administrative Services Department
Office of the Chief Financial Officer
Accounting Services Division
Financial Planning Division
Information Technology Division
Property Services Division
Procurement Services Division
Risk Management Division

Finance & Administrative Services Department

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$4,681,766	$4,484,738	$4,959,658	$4,887,694	$5,482,565	$5,482,565	$5,482,565	12.17%
Materials and Services	1,616,359	1,658,829	1,872,643	1,861,643	2,017,387	2,017,387	2,017,387	8.37%
Capital Outlay	246,913	126,143	271,000	576,000	556,000	556,000	556,000	(3.47%)
Debt Service	34,620	0	0	0	0	0	0	0.00%
Totals	**$6,579,658**	**$6,269,710**	**$7,103,301**	**$7,325,337**	**$8,055,952**	**$8,055,952**	**$8,055,952**	**9.97%**
Budget by Division								
Office of the Chief Financial Officer	$144,938	$261,080	$405,319	$333,355	$885,946	$885,946	$885,946	165.77%
Office of the Director	16,897	0	0	0	0	0	0	0.00%
Accounting Services	1,705,855	1,726,772	1,819,610	1,819,610	1,540,349	1,540,349	1,540,349	(15.35%)
Contract Services	340,971	320,487	334,163	334,163	444,804	444,804	444,804	33.11%
Financial Planning	428,569	410,597	377,188	377,188	394,789	394,789	394,789	4.67%
Information Technology	2,183,909	2,044,483	2,491,428	2,552,428	2,909,607	2,909,607	2,909,607	13.99%
Property Services	1,369,587	1,371,669	1,532,090	1,765,090	1,733,006	1,733,006	1,733,006	(1.82%)
Risk Management	388,932	134,622	143,503	143,503	147,451	147,451	147,451	2.75%
Totals	**$6,579,658**	**$6,269,710**	**$7,103,301**	**$7,325,337**	**$8,055,952**	**$8,055,952**	**$8,055,952**	**9.97%**
Budget by Fund								
General Fund	$6,190,726	$6,135,088	$6,959,798	$7,181,834	$7,357,501	$7,357,501	$7,357,501	2.45%
Metro Capital Fund	$0	$0	$0	$0	$551,000	$551,000	$551,000	n/a
Risk Management	388,932	134,622	143,503	143,503	147,451	147,451	147,451	2.75%
Totals	**$6,579,658**	**$6,269,710**	**$7,103,301**	**$7,325,337**	**$8,055,952**	**$8,055,952**	**$8,055,952**	**9.97%**
Full-Time Equivalents (FTE)	66.35	63.70	62.20	61.20	62.20	62.20	62.20	1.63%

Finance and Administrative Services Department

Department Purpose

The Finance and Administrative Services Department provides financial management and administrative and building services to Metro's elected officials, operating departments, employees, and the public. The department is guided by the mission: *We provide essential services in support of our customers.*

About the Department

The Finance and Administrative Services Department (FAS) includes the Office of the Chief Financial Officer (CFO), Accounting Services, Financial Planning, Information Technology, Property Services, Procurement Services, and Risk Management. The department 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; facilitates the Metro Council's strategic planning efforts and project prioritization; performs long-range financial planning; administers Metro's Risk Management program; manages Metro's headquarters building; coordinates the agency's decentralized procurement system; manages the Emerging Small Business and Minority- and Women-Owned Business program; and provides information technology services for Metro's operations.

The primary funding source for FAS is received from transfers from departments to FAS to pay for their portion of FAS services throughout the year. The amount transferred to the General and Risk Management Funds from each department is determined through Metro's indirect cost allocation plan.

Office of the Chief Financial Officer

The Office of the Chief Financial Officer (CFO) supervises FAS department operations, provides strategic direction to business services functions for all departments, advises the Metro Council and Chief Operating Officer on large capital projects funding practices and financial policies, and administers the FAS department budget.

Beginning FY 2006–07, the finance managers from Regional Planning, Regional Parks and Greenspaces, the Oregon Zoo, and Solid Waste and Recycling will be relocated to the Office of the CFO. This shift is a result of the Business Design Team recommendations.

Accounting Services Division

The Accounting Services Division performs the essential business processes required for Metro to carry out its programs and activities. Financial transactions are grouped into the following programs:

- *Accounts Payable* processes expenditure transactions and issues payments to providers of goods and services.
- *Accounts Receivable* processes revenue transactions, including recording cash receipts and invoicing customers, and performs credit management and collection activities. This program manages Metro's Contractor's Business License Program (CBL). The CBL provides contractors within the region a contractor's license that is recognized by most cities and the three counties in the district. This one-stop licensing saves contractors both time and money.

  Beginning July 1, 2006, Accounts Receivable will be responsible for the collection of Metro's new Construction Excise Tax (CET). This tax is imposed on new construction within the region, with limited exceptions, and is intended to raise $6.2 million over three years to fund concept planning in the new areas recently brought into the Urban Growth Boundary.
- *Investments* manages and invests cash balances in accordance with state law and Metro policy. This includes the daily management of an investment portfolio in excess of $100 million.
- *Financial Reporting and Control* maintains internal controls over financial transactions and generates required and requested financial reports, including the Comprehensive Annual Financial Report (CAFR). Monthly and ad hoc financial reports are generated for the agency and issued by this program. Fixed asset accounting is part of this program's responsibilities. This program coordinates with the Auditor's Office and the contracted outside auditor to conduct Metro's annual financial audit.

Financial Planning Division

The Financial Planning Division provides financial services to Metro including:

- *Budget Preparation and Monitoring* includes the preparation, analysis, and implementation of the agency-wide budget. The division advises departments and elected officials to ensure that the legal requirements associated with the budget are met and maintained.
- *Capital Improvement Planning* involves the coordination, preparation, implementation, and monitoring of the agency's annual five-year capital budget. This process provides fiscal oversight for capital projects and long-term planning for operational impacts.
- *Long Range Financial Planning* helps departments anticipate fiscal requirements and develop procedures that will allow for maximum return and efficiency in the use of funds. The program ensures compliance with laws and procedures that affect the agency's financial condition.
- *Debt Management* involves the development of debt issuance strategies and analysis, administration of the debt payment process, and ongoing compliance with bond covenants.

Information Technology Division

The Information Technology Division is organized into five programs that contribute to a successful agency-wide approach to information resource management. The functions of this division are:

- *Enterprise Application Services* provides technical development and maintenance support for all enterprise applications with a primary focus on PeopleSoft financial and human resource systems. This program includes database administration, system performance management, application portfolio management, PeopleSoft desktop training, Unix server administration, and data management.
- *Desktop Support Services* provides hardware and software installation and troubleshooting to all desktop and workstation users, managed through the Help Desk function. The program works closely with other departments to analyze hardware and software configurations and provide advice on long-term desktop purchase strategies. The program installs new systems and with Procurement Services, coordinates all new desktop hardware and software purchasing. Desktop Support Services maintains an Information Technology website to provide self-service advice to a variety of users.
- *System and Network Services* plans, implements, and manages network upgrades to enable Metro to take advantage of current and emerging information technologies. It ensures that all hardware components of the network are integrated and working efficiently. System and Network Services tests new information technology products with the goal of improving network, server, and desktop computer performance.
- *Department Applications* works in conjunction with Metro departments to assist in upgrades and maintenance for department-specific applications and on the interfaces with other Metro systems that share data and information. Staff consults with departments on options to enhance software applications. This team conducts limited software development to accomplish the enhancements and performs programming maintenance to those systems to minimize disruption to daily operations.
- *Web Services* is responsible for supporting Metro's internet presence. Activities including updating Metro's web page to include interactive elements such as constituent-accessible Metro libraries and information tables. Web Services is responsible for the installation of a distributed content management system to support stronger, streamlined information flow from departments to the Metro web pages; application development for the Metro website in other tools, including bulletin boards and automated job applications; and traffic analysis of Metro, MERC, and Zoo web pages.

Property Services Division

The Property Services Division manages Metro Regional Center, including the attached parking garage. The division provides security services and mailing/copy services for Metro departments. Division funding is primarily from departmental allocations to the General Fund, with additional revenue from building leases and parking fees.

- *Building Management* manages the physical operation of Metro Regional Center. Services include space planning, remodeling, maintenance, building security, life safety, front desk reception, local area network wiring, and management of the employee garage and attached parking structure. This program operates out of the General Fund and collects funds for debt service payments on the bonds issued to finance the building.

- *Support Services* provides additional support for building operations. This section is responsible for telephone maintenance and operation of Metro's small fleet of leased vehicles.
- *Office Services* runs the mailroom, provides interoffice and intergovernmental mail delivery, distributes U.S. Mail, and operates the central copy center for large print and copy jobs.

Procurement Services Division

The Procurement Services Division provides business services listed below:

- *Contract Services* provides support for Metro's decentralized, competitive procurement processes and contract development functions. This program applies rules, regulations, and limitations established in state law and Metro Code. Primary responsibilities consist of encouraging a competitive process that supports openness and impartiality. *Contract Services* reviews and monitors department contracts, amendments, and requests for bids and proposals pursuant to Metro Code and state and federal regulations.
- *Purchasing Services* operates the Purchasing Management Information System to ensure compliance with purchasing rules and coordinates the purchase of products and services used throughout Metro. This program administers Metro's purchasing card program.
- *Minority/Women-Owned/Emerging Small Business Enterprise Programs*. Metro Code establishes programs that encourage Metro use of minority- and women-owned businesses and emerging small businesses by creating the maximum possible opportunity for such businesses to compete for and participate in Metro contracting activities. It is the policy of Metro to provide equal opportunity to all persons to access and participate in all projects, programs, and services of Metro.

Risk Management Division

The Risk Management Division administers the Risk Management Fund. The fund contains revenues and expenditures related to the administration of Metro's Risk Management program, including employee fringe benefits and unemployment insurance which are managed by the Human Resource Department. Three programs are administered by Finance and Administrative Services within the Risk Management Fund:

- *Liability/Property*—Responsible for the liability self-insurance program, the emergency management program, property insurance and self-insured claims, and employee bonding.
- *Workers' Compensation*—Responsible for workers' safety and administration of workers' compensation claims.
- *Environmental Impairment Liability*—Maintains reserves to fund pollution-related losses. No claims are expected or budgeted.

Major accomplishment in FY 2005-06

The Finance and Administrative Services Department has accomplished the following initiatives in FY 2005-06:

- Received AAA rating from Standard and Poor's rating service for general obligation bonds.
- Received Government Finance Officers Association Distinguished Budget Presentation Award.
- Received Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.
- Implemented PeopleSoft version 8.4 upgrade of financial applications.
- Implemented programmatic budgeting concepts and continued program design of Strategic Programmatic and Performance Budgeting.
- Concluded Business Design Team process and developed central service consolidation plan based on the Team reports.
- Consolidated six separate funds into the General Fund.

- Saved approximately $300,000 per year by financing PERS unfunded actuarial liability.
- Completed the agency change from the paper-based timekeeping business process to the electronic KRONOS computer timekeeping software.
- Hired 1.0 FTE Deputy Director to the Chief Financial Officer in conjunction with the recommendations of the Business Design Team.
- Completed Green Roof Project at the Metro Regional Center (MRC).
- Implemented centralized printer model for the MRC.
- Completed day-care kitchen remodel and various remodeling projects at the MRC.
- Improved sprinkler system at the MRC to bring into compliance with building code.

Service Level Changes from FY 2005–06

The following are service level changes for the FY 2006–07 Budget:

- Transfers department finance managers (4.0 FTE) from departments into the Office of the CFO to provide a centralized approach to financial management within Metro.
- Adds 1.0 FTE Systems Analyst I in the Enterprise Applications program of the Information Technology Division. The additional FTE will provide support for new systems software that impacts the daily operations of the Metro Regional District.
- Increases Materials and Services for the Information Technology Division by $136,482 to provide server warrantee replacements, implement new time-keeping software, and to support the new records management software.
- Authorizes the 1.0 FTE Contracts Manager in the Procurement Services Division. The position is currently vacant and the Business Design Team has recommended that the position be filled in FY 2006–07.
- Shifts Payroll program from the Accounting Services Division of FAS. For FY 2006–07 to the Human Resources Department. Payroll will become a function of the Benefits and Compensation program. All costs associated with personnel services and material services have been transferred into the Human Resources Department budget.

Major Objectives for FY 2006–07

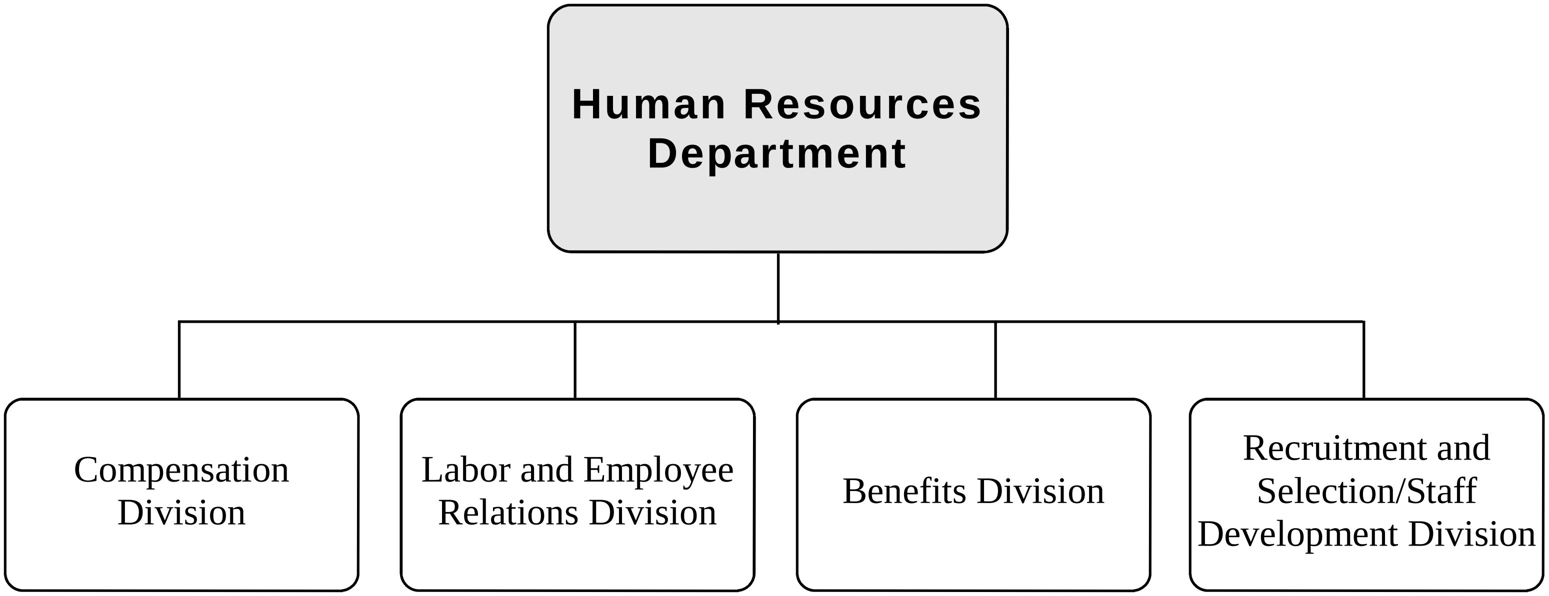
The following are identified as major objectives for the Finance and Administrative Services Department:

- Continue implementation of the central services consolidation and centralization plan.
- Enhance strategic programmatic and performance budgeting, focusing on performance measurement and financial projections.
- Develop an enhanced accounting report system for managers to use with their department operations.
- Refine and enhance agency financial policies.
- Foster stronger customer contact with departments we serve.
- Study feasibility of implementing a central budget and fixed asset software.
- Continue enhancement of existing financial software.
- Continue capital upgrades at MRC, including planters, telephone system upgrades, and interior upgrades.
- Begin implementation of energy management system.

Performance Measures		***Finance and Administrative Services Department***	**Actual FY 02–03**	**Actual FY 03–04**	**Actual FY 04–05**	**Target FY 05–06**	**Target FY 06–07**
	1.	Variance between excise tax forecast and actual receipts (percentage of actual receipts above or below forecast)	2.56%	4.85%	1.39%	+/- 5.0%	+/- 5.0%
	2.	Receive Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award	Yes	Yes	Yes	Yes	Yes
	3.	Receive GFOA Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes	Yes	Yes
	4.	Total risk management expenses as percentage of operating budget	0.58%	0.83%	0.84%	<100%	<100%
	5.	Percent of time that PeopleSoft financial and HR modules are available to users between 8 a.m. and 5 p.m.	99.04%	99%	99%	99%	99%
	6.	Number of high and immediate priority user calls to the Help Desk that receive response within four hours	97.82%	99%	99.93%	99%	99%
	7.	Percent of time that e-mail is available to users between 8 a.m. and 5 p.m.	99.90%	99.90%	99.92%	99.90%	99.90%
	8.	Percent of time network file service is available to users between 8 a.m. and 5 p.m.	99.90%	99.90%	99.95%	99.90%	99.90%

METRO

PEOPLE PLACES
OPEN SPACES


Human Resources Department
Compensation Division
Labor and Employee Relations Division
Benefits Division
Recruitment and Selection/Staff Development Division

Human Resource Department

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$735,602	$826,878	$935,348	$935,348	$1,241,360	$1,241,360	$1,241,360	32.72%
Materials and Services	95,644	121,301	201,470	201,470	258,527	273,527	285,952	41.93%
Totals	**$831,246**	**$948,179**	**$1,136,818**	**$1,136,818**	**$1,499,887**	**$1,514,887**	**$1,527,312**	**34.35%**
Budget by Division								
Human Resources	$831,246	$948,179	$1,136,818	$1,136,818	$1,499,887	$1,514,887	$1,527,312	34.35%
Totals	**$831,246**	**$948,179**	**$1,136,818**	**$1,136,818**	**$1,499,887**	**$1,514,887**	**$1,527,312**	**34.35%**
Budget by Fund								
General Fund	$831,246	$948,179	$1,136,818	$1,136,818	$1,499,887	$1,514,887	$1,527,312	34.35%
Totals	**$831,246**	**$948,179**	**$1,136,818**	**$1,136,818**	**$1,499,887**	**$1,514,887**	**$1,527,312**	**34.35%**
Full-Time Equivalents (FTE)	9.00	11.00	11.00	11.00	15.00	15.00	15.00	36.36%

Human Resources Department

Department Purpose

The Human Resources Department (HR) works in partnership with customers to provide knowledge, advice, and support.

About the Department

The department consists of a Director and four secondary programs that are funded through the General Fund. The department's primary funding source is transfers from Metro departments for paying their share of business and other services. The amount transferred from each department is determined through the agency's indirect cost allocation plan. The four secondary programs within Human Resources are:

Compensation

Compensation staff administer Council's classification, pay, health and welfare, and unemployment policies; ensure the integrity of classification and compensation practices and salary plans; and process reclassification reviews and assist with comprehensive classification and compensation studies to ensure that Metro remains competitive in the labor market. Staff administer the agency's health and welfare benefits, the unemployment compensation process, and the employee Wellness program.

Labor and Employee Relations

Labor and Employee Relations staff represent Council and department directors in labor negotiations and on the Joint Labor Management Committee regarding hours, wages, benefits, and working conditions, interpret the terms of labor agreements and personnel policies and Metro Code, and assist Council in developing long-range personnel policy.

Organizational Development

Organizational Development staff conduct employee orientation, provide career development services to the workforce, develop and deliver employment-related training, provide teambuilding, facilitation, and dispute resolution services to managers and employees, and administer the Employee Service Award program.

Recruitment and Retention

Recruitment and Retention staff work to attract and retain an exceptionally competent, productive, and motivated workforce. Recruitment and Retention staff perform processes that meet the spirit and intent of employment law by completing application screening promptly and efficiently; counseling and training managers and non-managers on effective selection practices; designing and developing programs and processes, including affirmative action planning, which help position Metro's workforce for the future, and providing reporting mechanisms by which managers can chart progress and hold themselves accountable.

Major accomplishment in FY 2005–06

- Co-chaired the Joint Labor Management Committee on Health and Welfare.
- Co-chaired the Joint Labor Management Committee on Bonus Time.
- Completed implementation of process improvements identified by key users of HR services.
- Completed a classification and compensation study of Laborers International Union (LIU), Local 483, positions at Metro.
- Negotiated the LIU contract.
- Completed a classification and compensation study of International Alliance of Theatrical State Employees (IATSE), Local 28, positions at MERC.
- Implemented PeopleSoft capabilities for tracking and reporting total compensation.
- Upgraded Human Resources Information System (HRIS) modules consistent with migration of PeopleSoft versions to next levels.
- Communicated total compensation to employees.
- Implemented the Metro Voluntary Separation Program.
- Completed several senior-level recruitments in Finance and Administrative Services , Parks, Planning, the Zoo, and MERC.

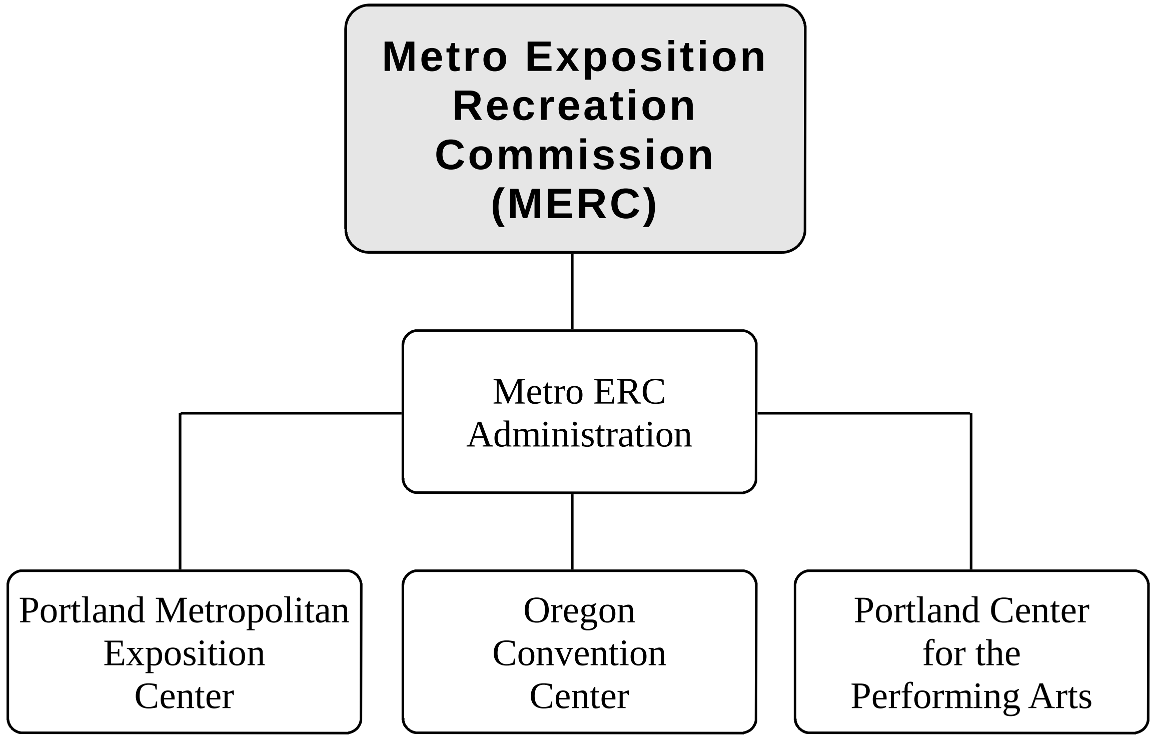
Service Level Changes from FY 2005–06

There are no proposed changes in service level.

Major Objectives for FY 2006–07

- Negotiate the AFSCME Contract.
- Implement eBenefits and ePerformance modules of PeopleSoft.
- Complete at least 50 percent of the Personnel Policy Renewal Project.
- Complete a classification and compensation study of AFSCME positions at Metro.
- Complete a classification study of Metro non-represented positions.
- Complete Affirmative Action Plan updates for Metro and MERC.
- Conduct employee job satisfaction survey, compile results, engage decision-makers, and implement initiatives that strengthen satisfaction among high-performing employees.
- Add Recruitment and Selection, Family Medical Leave Act (FMLA), and Americans with Disabilities Act (ADA) training modules to the Supervisor Academy.

Performance Measures		*Human Resources Department*	Actual FY 02–03	Actual FY 03–04	Actual FY 04–05	Target FY 05–06	Target FY 06–07
	1.	Survey respondents rating HR services as good or excellent	98%	100%	98%	98%	100%
	2.	Minimum qualification screening completed within 3-day goal	99%	99%	98%	100%	100%
	3.	Personnel actions processed without error	98%	100%	98%	98%	100%
	4.	New supervisors receiving management orientation within one year of employment	100%	100%	100%	100%	100%
	5.	New employees attending new employee orientation within three months of hire date	96%	95%	95%	95%	100%



Metro Exposition Recreation Commission (MERC)
Metro ERC Administration
Portland Metropolitan Exposition Center
Oregon Convention Center
Portland Center for the Performing Arts

Metro Exposition-Recreation Commission

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$13,191,435	$13,628,055	$14,970,506	$14,989,256	$15,553,961	$15,558,177	$15,558,177	3.80%
Materials and Services	17,232,782	16,686,564	16,153,246	16,888,637	16,513,917	16,636,417	16,636,417	(1.49%)
Capital Outlay	3,118,795	1,100,234	3,758,072	3,683,072	1,314,238	3,277,475	3,277,475	(11.01%)
Debt Service	1,149,281	1,228,500	1,237,902	1,237,902	1,229,346	871,699	871,699	(29.58%)
Totals	**$34,692,293**	**$32,643,354**	**$36,119,726**	**$36,798,867**	**$34,611,462**	**$36,343,768**	**$36,343,768**	**(1.24%)**
Budget by Division								
MERC Administration	$1,073,208	$1,234,291	$1,354,495	$1,354,495	$1,686,694	$1,759,194	$1,759,194	29.88%
Oregon Convention Center	20,290,550	18,563,409	17,747,167	18,157,558	18,444,325	18,494,325	18,494,325	1.85%
Portland Center for the Performing Arts	6,402,212	6,551,627	7,519,991	7,719,991	7,688,011	7,688,011	7,688,011	(0.41%)
Exposition Center	5,054,932	4,767,429	5,171,527	5,171,527	5,250,104	4,892,457	4,892,457	(5.40%)
Pooled Capital	1,871,391	1,526,597	4,326,546	4,395,296	1,542,328	3,509,781	3,509,781	(20.15%)
Totals	**$34,692,293**	**$32,643,354**	**$36,119,726**	**$36,798,867**	**$34,611,462**	**$36,343,768**	**$36,343,768**	**(1.24%)**
Budget by Fund								
MERC Operating Fund	$29,877,743	$29,908,248	$30,578,046	$31,188,437	$31,858,687	$31,981,187	$31,981,187	2.54%
Oregon Convention Center Project Capital Fund	1,814,417	0	0	0	0	0	0	0.00%
MERC Pooled Capital Fund	1,871,391	1,526,597	4,326,546	4,395,296	1,542,328	3,509,781	3,509,781	(20.15%)
General Revenue Bond Fund (Hall D Expansion)	1,128,742	1,208,508	1,215,134	1,215,134	1,210,447	852,800	852,800	(29.82%)
Totals	**$34,692,293**	**$32,643,354**	**$36,119,726**	**$36,798,867**	**$34,611,462**	**$36,343,768**	**$36,343,768**	**(1.24%)**
Full-Time Equivalents (FTE)	180.25	157.00	156.00	156.00	161.00	161.00	161.00	3.21%

Metro Exposition Recreation Commission (MERC)

Commission Purpose

The Metro Exposition Recreation Commission (MERC) works to promote the livability and economic vitality of the Portland metropolitan area through sound stewardship, expert management, and creative development of regional public event venues.

The Commission, through its staff, manages convention, exhibition, and performing arts facilities, including the Oregon Convention Center (OCC), the Portland Center for the Performing Arts (PCPA), and the Portland Metropolitan Exposition Center (Expo Center). These venues attract over two million visitors annually to international, national, and regional events.

MERC Strategic Goals

- Maximize economic impact for the metropolitan region and the state of Oregon.
- Provide and operate venues to foster a diverse range of performing arts, convention, and trade and exhibition events.
- Achieve financial stability through responsible policies and prudent practices.
- Advocate for enhancing public support of regional trade facilities, the arts, and tourism.
- Efficiently operate and maintain facilities in premier condition.
- Be a productive part of Metro.
- Recruit and employ a quality-motivated workforce that provides superior facility management and customer service and reflects the diversity of the metropolitan region.

MERC has developed strategic goals to advance its mission and to ensure the organization manages these public venues for the highest and best uses and delivers quality services to those who pass through its doors.

About the Organization

MERC is both a public commission of Metro and a public asset management agency. The Commission consists of seven members who share a commitment to promoting the region as a visitor destination and protecting the public investment in these important regional venues that it manages.

MERC has a solid reputation for expertise in public assembly facility management, quality customer service, and responsible administrative service. As an organization, MERC is structured into four business units—Administration, OCC, PCPA, and Expo Center—that each contribute to MERC's overall mission.

In managing these public venues, MERC is in a unique position because the ownership of the facilities varies. OCC and Expo are owned by Metro. PCPA is owned by the City of Portland but managed by MERC under an agreement with the city. Ultimately, the public owns all the facilities, and MERC strives to operate them in a prudent business-centric manner that serves the public interest.

MERC Operations

MERC is primarily funded through its enterprise operations and industry tax subsidies. MERC receives no property tax support for operations. Approximately 74 percent of MERC's funding is generated through revenues from fees and services for facility rental, event services, parking, and food and catering business. The remaining 26 percent comes from lodging industry tax subsidy, government contributions, donations, and investment earnings. MERC budgets its operations in the MERC Operating Fund, and capital and non-recurring repair and maintenance are budgeted in the MERC Pooled Capital Fund.

The majority of subsidy funding comes from hotel/motel and car rental taxes levied in Multnomah County and from the Visitor Development Initiative (VDI), a complex public/private funding mechanism established to make visitor improvements to the city. The Visitor Development Initiative (VDI) provided financing for the OCC expansion project and a host of other visitor improvement projects with no public property taxes.

Long term fiscal vitality remains of paramount importance to MERC. The last several years were marked by economic downturns from a national recession and social and political impacts from the war on terrorism. As a result, tourism and business spending hit historic lows from 2001 through 2003, which directly affected our convention, consumer trade, and entertainment business. The economy is recovering, with very strong event spending the last two years. The 2003 Convention Center expansion has generated additional business. Convention business, which is booked years in advance is starting to increase due to the economic recovery and people traveling again. MERC continues to address these challenges.

Administration

The Administration unit provides leadership, policy direction, and centralized administrative and fiscal services that support the business operations of the venues under its management authority, which include strategic planning, accounting, financial management and reporting, capital asset development, purchasing, contract administration, information system management, human resources, and public relations. The Administration unit also implements commission policies that set both tone and direction for the organization. Administration also assumes primary responsibility for coordinating interactions and communications with Metro as MERC's oversight authority, as well as other public agencies and industry partners.

Oregon Convention Center

The Oregon Convention Center serves as a significant economic generator for the region and the State of Oregon by attracting out-of-town visitors. In the past three years, OCC has generated approximately $1.3 billion in economic activity for the region. The convention center's policies and management philosophy are tailored to ensure that generating national convention business remains its primary objective. To achieve this, the center must maintain sufficient operating revenues to responsibly manage the facility and maintain it in a first-class condition.

The Oregon Convention Center is now the largest convention center in the Pacific Northwest. The center completed an expansion in spring 2003 that increased the building's size by approximately 80 percent, adding 407,000 sq. ft. to the original 500,000 sq. ft. facility. The center now offers 255,000 square feet of exhibit space, two grand ballrooms, 50 meeting rooms; an 800-space covered parking garage, 20 loading bays, retail spaces, generous lobby and pre-function spaces, and full-service kitchen facilities capable of serving 10,000 meals. The center also provides in-house event services, routine maintenance, event set-up and teardown, and housekeeping functions. Parking and food and beverage management services are provided by outside contractors.

OCC is a national convention center that hosts many domestic and international conventions and shows each year. The facility, with its flexible space, is also home to local meetings, food functions, and consumer shows. OCC competes with other convention centers in the western United States, including Denver, Phoenix, Salt Lake City, San Diego, and Seattle. The growth in the quantity and size of trade shows and conventions has driven demand for more exhibit and meeting space at convention centers throughout the United States. There is also demand for enhanced technology infrastructure and services. OCC's main competitors have either completed or are planning expansions, or they are building new facilities to meet this growth.

Portland's tourism infrastructure has undergone significant expansion in its hotel room inventory, airport facilities, and mass transit. The region has enhanced these community assets to remain competitive and capture its share of the convention market. Lloyd District improvements, retail and transportation services, and a 20-year district development plan make the convention center's location appealing. The convention center's expansion is also a crucial piece in the Lloyd District renovation and boosting Portland's viability as a tourist and convention destination.

Even with the expanded convention center, Portland remains at a distinct competitive disadvantage when battling for citywide conventions because it lacks sufficient hotel inventory or a headquarters hotel on the eastside near the convention center. The Portland Development Commission (PDC) has put the headquarters hotel development as a priority. PDC has selected Ashforth Pacific and Garfield Traub as the project developer. This action moves the headquarters hotel development process forward and is an essential piece of the puzzle needed to maximize convention business for Portland.

The pressing issue for OCC in the future is sustainable operational support for the expanded facility. Convention centers are traditionally operated as "loss leaders" for community economic development and tax generation, and OCC is no exception. Operating subsidies, usually from lodging tax, are provided to cover the full cost of bringing in economic-generating conventions and trade shows to a region. The larger the convention center, the larger the operating cost and greater the need for subsidy support.

OCC's funding landscape has been dramatically altered by the VDI, which enabled the expansion project to go forward. The VDI has provided a total of $8.84 million to OCC for operational support for fiscal years 2001 through 2006. This was intended to recognize the impact of the expansion project—including down-time during construction, ramping up to full occupancy, and the necessary operational support for a much larger facility.

The VDI agreement suspended enhanced operational support for OCC after 2005–06. However, it contains a mechanism for Metro to request continued operating support for OCC beyond 2006, but such support is not guaranteed. Additionally, it is subject to both political discussion and dispute resolution processes. The community's support for a long-term, sustainable operating subsidy for OCC will be a significant factor in its continuing success. The OCC 2006–07 budget includes a one-year $300 thousand request of the VDI support.

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 may flourish.

PCPA is comprised of three buildings with four theaters: the Arlene Schnitzer Concert Hall (historic 1928 vaudeville/movie house, restored in 1984), Keller Auditorium (formerly the "Civic" Auditorium, built in 1917 and modernized in 1968), and the Newmark and Dolores Winningstad Theaters (housed in the New Theater Building, built and opened in 1987). Brunish Hall, a previously unfinished space in the New Theater Building, was completed and opened in 2000.

PCPA facilities are used predominantly by a diverse group of arts and entertainment organizations, consisting of commercial promoters, non-profit arts presenters and producers, and resident companies—the primary tenants who produce theater, symphony, ballet, opera, and children's programming. Portland Center Stage, a long term resident company, is moving into their own theater in September 2006. This vacancy is being booked with a variety of entertainment events and acts. No significant financial impact is anticipated due to this change.

Since 2000, PCPA has implemented a series of revenue development and cost-cutting measures that have stabilized funding for operations and working capital requirements and allowed a moderate growth in its fund balance. These results, combined with the additional funding from the VDI have allowed the center to break even. However, the cost of maintaining the facilities is a constant concern.

PCPA funding from the VDI is dependent on the amount of visitor lodging taxes collected. Tax collections are increasing in FY 2005–06. PCPA budgeted $500,000 VDI support in FY 2006–07.

Portland Expo Center

The Portland Expo Center is a multi-purpose facility that has served for more than 30 years as the region's primary destination for consumer shows and public events. Since 1996, the Expo Center has been evolving into a fully modern exhibition complex that has included significant capital improvements and the addition of two new exhibition halls. The 52-acre campus includes a complex of three connected buildings comprising nearly 333,000 square feet of exhibit space, 11 meeting rooms, a full-service kitchen, and parking for 2,200 vehicles.

The Expo Center's mission is to provide superior exhibition spaces for events that appeal to the general public. The center hosts consumer, trade, and special interest events, and its roster includes agricultural shows, antique and collectible shows, auto, recreational vehicle, and motorcycle shows, boat shows, dances, home and garden shows, recreational equipment shows and similar events. The Expo Center hosts approximately 100 events that attract in excess of 500,000 visitors each year.

The Portland Expo Center faces the same challenges as the other MERC venues--rising costs, a need to generate new and repeat event business, and a need to maintain the strategic fund balance goal. The Expo Center also has the additional challenge of funding a $1.2 million annual debt service payment for the reconstruction of Exhibit Hall D.

MERC Pooled Capital

The MERC Pooled Capital Fund accounts for MERC's capital projects and renovation and replacement of its extensive infrastructure. This allows for capital costs to be consolidated and one-time capital asset project expenditures to be separated from normal operating expenses. This fund separation also permits a more accurate reflection of operating results within the MERC Operating Fund, while more closely tracking the connection between resources dedicated for capital and replacement/renovation expenditures.

Major Accomplishments in FY 2005–06

Administration

- Implemented event management accounting system to allow event based analyses and management information for improved decision making.
- Developed the 2006–07 budget in Event Business Management System (EBMS)
- The Oregon Convention Center funding gap document was developed and shared with regional stakeholders.
- Developing a Portland Center for the Performing Arts funding gap document.
- Developing a MERC Strategic Plan for 2007–2011.

OCC

- Renovated the HVAC system to eliminate CFC green-house producing refrigerant gases, and install new controls and adding variable speed drives to improve energy efficiencies of the system, save on utility bills and enable better climate management of the entire venue. This will also bring the HVAC system in the original portion of the building up to performance levels and standards of the expanded building.
- Replace all restroom sinks, urinals and toilets with more energy efficient models to lower water bills and improve the restroom facilities.

  We will also add automatic lighting to strategic areas and utility closets to conserve energy.
- Achieve a LEED-EB rating for the entire facility by fiscal year end by making the improvements outlined above.
- Achieved contract and performance measures with national sales, marketing and convention services contract.

PCPA

- Hosted Disney's *The Lion King*, which played to almost 69,000 people over a six-week period.
- Installed new carpet and a boiler system at the Arlene Schnitzer Concert Hall.
- Remodeled the west entry at the Arlene Schnitzer Concert Hall to prevent trucks from damaging the marquee that projects out over the street.
- Installed new HVAC controls at Keller Auditorium.
- Installed exterior box office windows and electronic marquees at Keller Auditorium.

Expo Center

- Assessed the long-term practicality of the Tri-Met Event Fare Program
- Executed a market assessment/Phase III feasibility study
- Executed a Pre-Sales Sponsorship Assets Assessment Agreement
- Secured an electrical master permit
- Installed a permanent electrical distribution grid in Exhibit Hall C
- Replaced Exhibit Hall A lobby roof
- Initiated a food waste recovery program

Service Level Changes from FY 2005-06

OCC

- Three new positions will be added to allow for better customer service and facility management. The night cleaning crew was laid off in fiscal year 2003/04 due to budget constraints. Adding two new Utility Workers, shifting staff from swing shift to graveyard (3 Utility Workers and Supervisor) will permit OCC to maintain the building properly. This new shift will allow for major maintenance to take place that is now not being provided and increase the life of carpets, restrooms and equipment as well as allow set-up crews to concentrate on taking care of the customers' needs full time.
- Adding a full time Sales Manager will increase customer service levels to current clients and allow for more sales activities to help fill up the expanded space. Currently four sales managers handle 550 events annually, which has reduced customer service performance and created minimal time to market and pursue new clients. The new position will allow more time for marketing and sales and attention to customer service, which should increase OCC revenues in all areas from new business.

PCPA

- Revenues and associated expenses will drop compared to last year which ran the mega-hit Lion King.
- Portland Center Stage leaves for its new facility which frees up space in the Newmark Theater and Brunish Hall for other outside rentals. It is anticipated that the theater will be booked with a variety of commercial and local acts and events.
- Two staff positions added to handle increased workload of multiple bookings in Newmark Theater as the result of Portland Center Stages exodus.
- Add one full-time Building Maintenance position to supervise the routine and preventative maintenance at PCPA's three buildings.

Major Objectives for FY 2006–07

Administration

- Continue development and implementation of critical financial management policies, procedures, and processes.
- Continue and expand implementation of Event Business Management System.
- Develop long-term stability funding strategy for OCC and PCPA as the Visitor Development Initiative is re-examined going forward.
- Develop performance standards based on industry benchmarks.
- Update pay for performance program to retain and motivate quality workforce.
- Optimize business processes and procedures relative to Metro support service levels.
- Begin implementation of new strategic plan.

OCC

- Continue to strive for creating new business opportunities and develop new clients to push OCC into a financially stable position.
- Work towards making the Headquarters Hotel a reality for the future benefit of the Convention Center.
- Provide better information about our industry and its benefits to the region through public relations opportunities and planned programs.
- Increase customer service levels throughout the OCC organization in all areas for our clients and our internal customers.

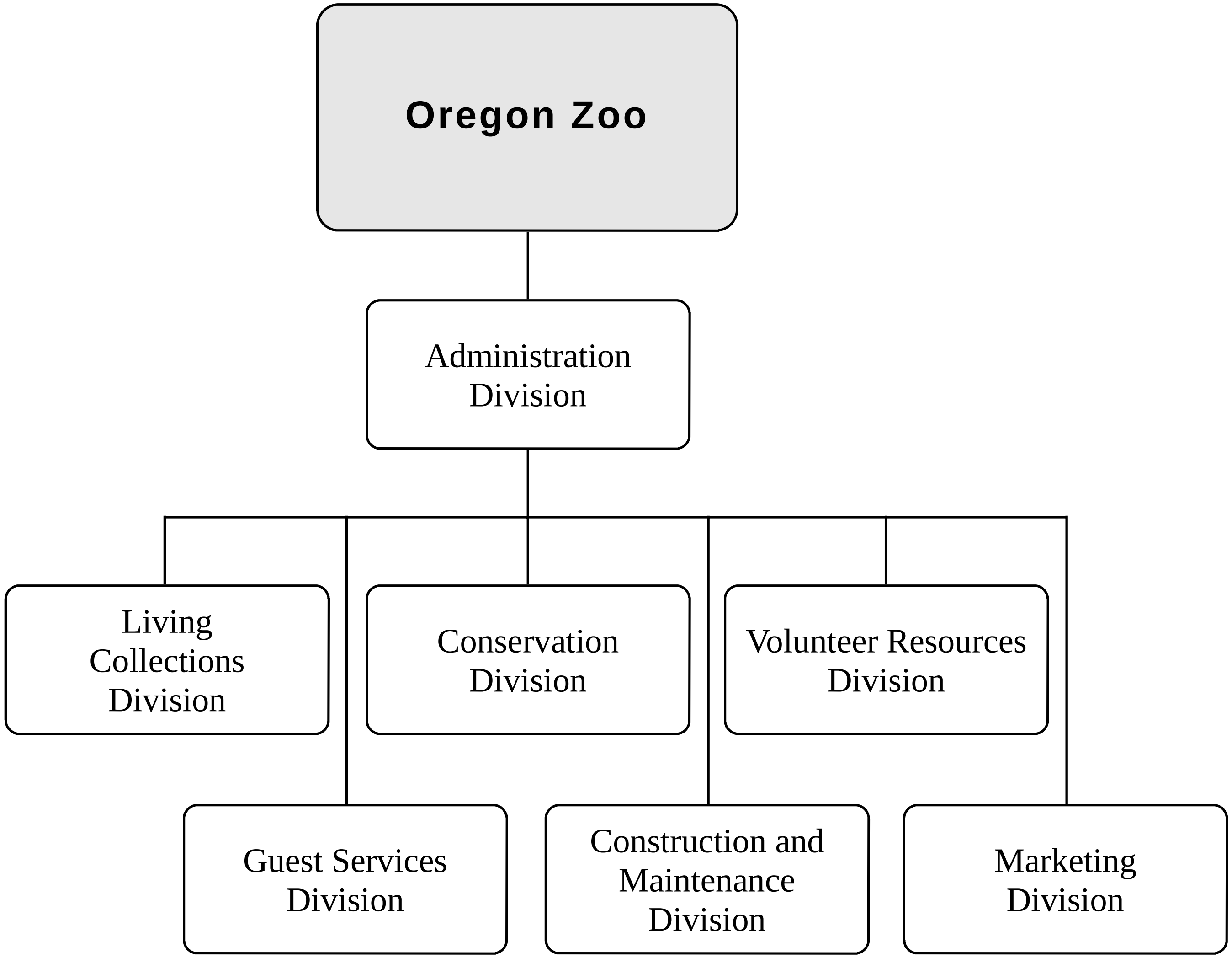
PCPA

- Fill Newmark Theater and Brunish Hall dates vacated by Portland Center Stage
- Lease office space vacated by Portland Center Stage
- Realign maintenance personnel tasks with focus on building maintenance versus capital projects.

Expo

- Develop an enhanced on-line service order capable website
- Develop a revenue producing website banner program
- Execute a marketing consultant service agreement
- Determine the need and/or subsequent installation of a Wi-Fi system

Performance Measures	***Metro Exposition-Recreation Commission***	**Actual FY 02–03**	**Actual FY 03–04**	**Actual FY 04–05**	**Target FY 05–06**	**Target FY 06–07**
Oregon Convention Center	1. Number of events, conventions/trade shows	66	91	93	85	90
	2. Estimated economic impact in metropolitan region	$380.1 million	$481.5 million	$420.9 million	$455 million	$500 million
	3. Attendance	577,328	668,911	700,360	630,000	700,000
	4. Occupancy rate (75% is considered maximum)	55%	37%	48%	39%	50%
	5. Food and beverage margin	13%	23%	29%	27%	23%
Expo Center	1. Number of events					
	a. Consumer/public shows	69	58	54	65	55
	b. Convention/trade/miscellaneous	33	34	46	35	50
	2. Attendance at events					
	a. Consumer/public shows	511,429	475,086	436,166	500,000	452,646
	b. Convention/trade/miscellaneous	22,938	26,584	33,777	25,000	35,508
	3. Food and beverage margin	8%	18%	36%	23%	24%
Portland Center for the Performing Arts	1. Number of performances	902	978	937	909	934
	2. Attendance at events	947,338	900,000	797,752	920,000	910,000
	3. Total weeks of Broadway	12.5	10	7	11	9
	4. Total commercial shows	90	99	84	90	100
	5. Food and beverage margin	10%	11%	-1%	19%	5%


Oregon Zoo
Administration Division
Living Collections Division
Conservation Division
Volunteer Resources Division
Guest Services Division
Construction and Maintenance Division
Marketing Division

Oregon Zoo

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$12,150,255	$12,304,726	$12,897,953	$12,992,836	$13,486,295	$13,486,295	$13,486,295	3.80%
Materials and Services	7,595,828	7,465,072	8,517,683	8,517,683	9,129,897	9,129,897	9,129,897	7.19%
Capital Outlay	3,605,492	742,661	3,188,766	4,013,216	2,065,870	2,315,870	1,965,870	(51.02%)
Debt Service\Capital Leases	4,320,184	420,241	403,064	403,064	407,164	407,164	407,164	1.02%
Totals	**$27,671,759**	**$20,932,700**	**$25,007,466**	**$25,926,799**	**$25,089,226**	**$25,339,226**	**$24,989,226**	**(3.62%)**

Budget by Division								
Administration	$4,705,787	$1,029,721	$1,402,673	$1,402,673	$1,698,133	$1,698,133	$1,698,133	21.06%
Conservation	$1,327,577	$1,419,813	$1,426,400	$1,499,283	$1,621,903	$1,621,903	$1,621,903	8.18%
Construction/Maint.	7,208,518	4,757,290	7,974,346	8,698,596	6,195,437	6,445,437	6,095,437	(29.93%)
Design Services	511,700	467,236	0	0	0	0	0	0.00%
Guest Services	7,481,237	6,686,368	8,048,941	8,160,941	9,114,742	9,114,742	9,114,742	11.69%
Living Collections	4,821,036	4,851,897	4,975,238	4,985,438	5,234,455	5,234,455	5,234,455	4.99%
Marketing	1,615,904	1,720,375	833,113	833,113	851,132	851,132	851,132	2.16%
Volunteer Resources	0	0	346,755	346,755	373,424	373,424	373,424	7.69%
Totals	**$27,671,759**	**$20,932,700**	**$25,007,466**	**$25,926,799**	**$25,089,226**	**$25,339,226**	**$24,989,226**	**(3.62%)**

Budget by Fund								
General Fund	$19,739,343	$19,767,526	$21,625,057	$21,874,390	$22,708,631	$22,708,631	$22,708,631	3.81%
Metro Capital Fund	3,612,232	744,933	2,796,279	3,466,279	1,782,561	2,032,561	1,682,561	(51.46%)
General Revenue Bond Fund (Washington Park Parking Lot)	4,320,184	420,241	586,130	586,130	598,034	598,034	598,034	2.03%
Totals	**$27,671,759**	**$20,932,700**	**$25,007,466**	**$25,926,799**	**$25,089,226**	**$25,339,226**	**$24,989,226**	**(3.62%)**
Full-Time Equivalents (FTE)	160.23	151.85	147.13	149.13	149.13	149.13	149.13	0.00%

Oregon Zoo

Department Purpose

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

About the Department

The Oregon Zoo contributes significantly to the livability of the Portland metropolitan area. The Zoo is an important conservation education asset, providing learning opportunities to 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 recreational 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 1,330,000 visitors in FY 2006–07, providing fun, affordable, and safe entertainment for families.

The Zoo contributes to the conservation of wildlife through direct field work and by educating the public regarding conservation; researching and improving husbandry techniques, exhibit environments, animal management, and captive propagation; and cooperating with American Zoo and Aquarium Association (AZA) Species Survival Plans and other conservation efforts to house and breed endangered and threatened species.

In FY 2006–07 the Zoo expects to continue to maintain the high attendance levels achieved in the previous three fiscal years. A new exhibit, Cascade Canyon Trail, is scheduled to open in the summer of 2006. This continuation of the Great Northwest project will showcase American black bear, bobcat, and cougar.

The Oregon Zoo is budgeted in two funds, the Metro General Fund and the Metro Capital Fund. It is organized into divisions including Living Collections, Conservation, Volunteer Resources, Guest Services, Construction and Maintenance, Marketing, and Administration.

Living Collections Division

The Living Collections Division maintains, propagates, studies, and exhibits a healthy representative collection of exotic, native, and domestic animals and plants. The animal collection currently exceeds 1,500 specimens. Programs include animal acquisition, animal care, veterinary services, and horticultural. Staff includes the office of the Zoo's Deputy Director of Living Collections.

High priority is given to breeding endangered and threatened species and participation in cooperative breeding programs with other accredited North American zoos. Special expertise is required to initiate breeding programs, make the best use of the Zoo's collection of endangered and threatened species, comply with government regulations relating to acquisition, exhibition and disposition of endangered species, and to exhibit exotic and native wildlife. Standards for animal care continue to improve as new exhibits come on-line, incorporating the latest advances in husbandry and exhibit techniques, specifically building naturalistic exhibits with appropriate holding areas. An increased emphasis is being placed on species conservation through the development of self-sustaining captive populations.

The division serves in a regional capacity providing information and expertise in areas of animal care and local conservation to help promote Metro's goal of ensuring the region's wildlife and people thrive in a healthy urban ecosystem. The Horticulture section was incorporated into the Living Collections division several years ago to help with overall conservation initiatives and better integrate landscape features into animal exhibits.

During FY 2006–07 emphasis will continue on training selected animals within the collection to improve animal care and facilitate animal transfers to other zoos or new exhibits. The Zoo's animal collection will change with the acquisition of cougar and American black bear for the new Cascades Canyon exhibit of the Great Northwest. Ocelots will also be acquired for a new exhibit next to the Amazon Flooded Forest.

Conservation Division

The Conservation Division plays a central role in motivating the community to act on behalf of wildlife by providing opportunities for observation, discovery, and enjoyment. Programs and materials produced by the division contribute to public understanding and direct action concerning issues related to wildlife and healthy ecosystems. The Zoo has a national reputation for award-winning educational public programs that attract tourists from across the country and contribute to the region’s economy. Grants from the Bureau of Land Management (BLM) continue to fund the Urban Nature Overnights (UNO), a program for at-risk youth. Zoo Animal Presenters (ZAP), a grant-funded program for underserved teens in the community, is progressing into its eighth year. It trains teens to be zoo ambassadors in their communities. Institute of Museum and Library Science (IMLS) funding contributes to the support of the UNO and ZAP programs. A new IMLS initiative funds mentors for youth in a school-to-work program. Services to schools include Head Start outreach programs, “Discover Birds!” assemblies, classroom learning kits, and curricula available to over 95,528 school group visitors. Camps, classes, bird shows, Behind the Scenes Encounters, and overnights successfully reach targeted audiences of children, adults, and families. These activities make a positive contribution to the financial strength of the Zoo. Division staff organize the Keeper Talks and Lecture Series, and participates in planning exhibits and interpretation.

The division identifies and implements *in situ* and *ex situ* wildlife conservation and research activities that contribute to the Zoo’s conservation mission. Conservation Division staff monitor conservation and research activities conducted by animal keepers, students, research associates, visiting scientists, interns, and volunteers for the purpose of ensuring compliance with the Zoo’s animal welfare policy and with animal welfare guidelines, laws, and regulations. Our efforts include participation in conservation recovery programs, including California Condor, Oregon Silverspot Butterfly, Western Pond Turtle, and Columbia Basin Pygmy Rabbits. We have many partnerships such as the Washington Department of Fish and Wildlife (WDFW), Zoos and Aquarium Alliance, and Nature in Neighborhood program.

Volunteer Resources Division

In Metro’s mission to “create livable communities”, the Zoo’s Volunteer Resources Division plays a key role as a valuable resource for the administrative, educational, and cultural programs and projects of the Zoo. The Zoo’s volunteer program has a national reputation for excellence, safety, and unique and different work opportunities. During 2005 more than 2,000 volunteers contributed 143,500 hours, the equivalent of almost 69 full-time equivalents (FTEs), to the operation of 50 major programs and 47 different events and activities. Zoo visitors are provided with a variety of shows, demonstrations, activities, and talks by staff and trained volunteers. Volunteers are involved in educational outreach programs such as Head Start and Nursing Home ZooMobiles, and in a Discover Birds Show that served more than 57,000 guests in Oregon and Southwest Washington. In 2005 the Zoo sponsored about 120 adult intern students who helped with the care and feeding of animals, the research projects of the Conservation Division, the Zoo’s web site, the Marketing Division of the Zoo, and a variety of administrative functions. In 2005, 325 youth, a record number, participated in the ZooTeen volunteer program. ZooTeens, entering grades 9-12, work during the summer at Zoo animal petting areas, Steller Cove tide pool, and the Kongo ranger station. Over 125 youth interns worked during the school year and often received school credit or fulfilled school-to-work requirements. The Trillium Creek Family Farm youth volunteers provide animal care and manage the farm for visitors year round.

During 2005 the Volunteer Resources Division recruited and trained over 200 community volunteers as ZooAmbassadors to help with the Butterfly and Lorikeet exhibits. These individuals committed to helping all summer long. Many other groups, including corporate and organized youth groups, help on a one day basis with gardening, cleanup, and event activities.

Guest Services Division

Guest Services provide the major revenue-generating activities of the Zoo, operating all food service facilities, an in-house catering program, gate admissions, simulated motion theatre, public event coordination including a summer concert series and winterlights festival, security, safety, and on-grounds shuttle. Guest Services is responsible for operating and maintaining the Zoo's railway and equipment, which includes 2.56 miles of railway track and a fleet of vehicles.

In FY 2006–07, Guest Services will continue to increase services and revenues. The Zoo looks forward to offering visitors up-close experiences with

tropical butterflies, and giraffe feeding opportunities in the summer of 2006. Because of a reliance on a large number of temporary and part-time workers, staff is committed to recruiting a diverse, flexible, and highly qualified work force, emphasizing and improving its ongoing training program, and
improving financial performance.

Zoo events, attendance, and support are encouraged by marketing efforts through media campaigns, group sales, special events, animal shows, outreach programs, advertising, and general promotional efforts. In FY 2006-07 efforts will include publicity to generate attendance, and working collaboratively with other divisions and sponsors for successful events. Guest Services will effectively and efficiently coordinate the many activities that could compete for resources, and will continue to rely upon the efforts of the volunteer force to interact with guests at exhibit openings and public events.

Construction and Maintenance Division

The Construction and Maintenance Division provides exhibit construction, project management, and rehabilitation and repair of the Zoo's facilities, including 38 buildings and exhibits and 341,000 square feet of roads and pathways on 64 acres. During FY 2006-07 staff will finish the construction of the Great Northwest project including exhibits and interpretives for cougar, black bear, and bobcat. Implementing the capital renewal/replacement plan will continue in an effort to extend the useful life of existing buildings and improve the visitor experience and animal environments. Major projects include renovating exhibits in the primate building to feature ocelots and Burmese python.

Exhibit staff plan and design exhibit interpretives and graphics to maintain the Zoo's visual consistency and provide interpretive materials such as signs, print materials, and graphics. For FY 2006-07 the focus will be on designing exhibit improvements and updating collection information and conservation messages. Utilizing varying modalities to deliver messages and engage zoo visitors will be explored.

Marketing Division

Zoo attendance and support are encouraged by the Marketing Division's advertising and media campaigns, group sales efforts, and general promotional efforts. The division also maintains the zoo's external and internal web sites and offers graphic design, photography, videography, and marketing research services to other zoo divisions. In FY 2006-07 efforts will include publicity for the new Cougar Crossing exhibit in the fall and the Black Bear Ridge exhibit in the spring.

Administration Division

The Administration Division includes the office of the director and the budget and finance function for the Zoo. The division is responsible for overall leadership of Zoo programs, including the implementation of fiscal policy. In addition, the Zoo director serves as the executive director of the Oregon Zoo Foundation.

In the 2006-07 fiscal year, this division will continue to establish new community and regional partnerships to promote the Zoo, lead the development function by increasing contributed funds, monitor the budget, evaluate the cost/benefit ratio of programs and events, and maintain excellent cash controls.

Major Accomplishments in FY 2005-06

In FY 2005-06, the Zoo accomplished the following:

- Completed construction of the second phase of the California Condor off-site breeding facility.
- Selected a new admission ticketing system.
- Continued the Zoo's conservation efforts.

Service Level Changes from FY 2006-07

- Through a mid-year budget amendment in FY 2005-06, 2.00 FTE were added to the Zoo's Conservation Division. These limited duration, grant-funded program assistants are overseeing the operation of the Trillium Creek Family Farm youth intern program. These positions are limited to the two-year duration of the program's grant funding.
- To better reflect the organizational structure of the department, custodial staff was moved from the Construction and Maintenance Division

to the Guest Services Division. This change resulted in a shift of 7.00 FTE.

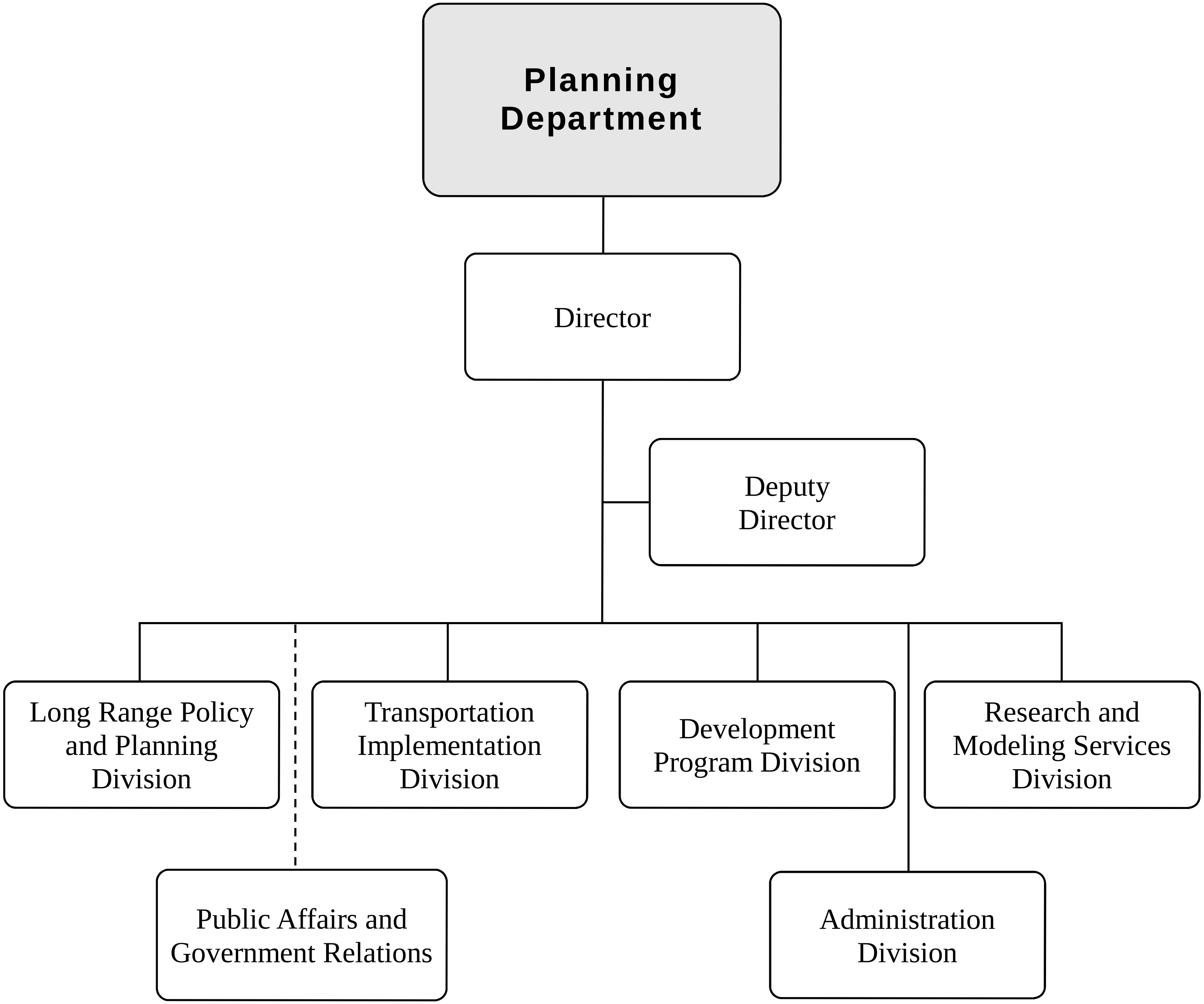
- One Security Officer was reduced from full-time to part-time. This change resulted in a reduction of 0.50 FTE.
- One limited duration Administrative Assistant was added to the Living Collections Division. This grant-funded position will act as a plant registrar for the Zoo. The position is limited to the duration of the grant funding for the program. The net impact is an increase of 1.00 FTE.
- One new Service Supervisor II was added to the Living Collections Division. In coordination with the General Curator, the new Elephant Program Supervisor leads the maintenance and implementation of the Oregon Zoo's Elephant Management Plan, including strategic planning around elephant breeding efforts, associated outreach planning, and financial impact analysis.

Major Objectives for FY 2006–07

In FY 2006–07 the Zoo will:

- Reach attendance of over 1,330,000
- Complete construction of the Cascade Canyon Trail, including American black bear, bobcat, and cougar exhibits
- Continue the Zoo's conservation efforts
- Begin development of a new master plan

Performance Measures		***Oregon Zoo***	**Actual FY 02–03**	**Actual FY 03–04**	**Actual FY 04–05**	**Target FY 05–06**	**Target FY 06–07**
	1.	Annual attendance	1,293,597	1,318,458	1,336,287	1,310,000	1,330,000
	2.	FTE/1,000 visitors	0.13	0.12	0.11	0.11	0.11
	3.	Property taxes as percent of operating revenue	39%	38%	38%	38%	38%
	4.	Fundraising as percent of total revenue	5.6%	3.3%	5.3%	3.9%	3.9%


Planning Department
Director
Deputy Director
Long Range Policy and Planning Division
Transportation Implementation Division
Development Program Division
Research and Modeling Services Division
Public Affairs and Government Relations
Administration Division

Planning Department

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$6,562,649	$6,429,860	$7,072,948	$7,286,720	$7,832,374	$7,911,618	$7,943,018	9.01%
Materials and Services	1,833,466	2,284,852	6,672,629	10,514,677	13,663,986	15,176,986	15,438,486	46.83%
Capital Outlay	44,652	0	32,000	32,000	0	0	0	(100.00%)
Debt Service	44,212	0	0	0	0	0	0	0.00%
Totals	**$8,484,979**	**$8,714,712**	**$13,777,577**	**$17,833,397**	**$21,496,360**	**$23,088,604**	**$23,381,504**	**31.11%**
Budget by Division								
Planning	$8,484,979	$8,714,712	$13,777,577	$17,833,397	$21,496,360	$23,088,604	$23,381,504	31.11%
Totals	**$8,484,979**	**$8,714,712**	**$13,777,577**	**$17,833,397**	**$21,496,360**	**$23,088,604**	**$23,381,504**	**31.11%**
Budget by Fund								
General Fund	$8,484,979	$8,714,712	$13,777,577	$17,833,397	$21,496,360	$23,088,604	$23,381,504	31.11%
Totals	**$8,484,979**	**$8,714,712**	**$13,777,577**	**$17,833,397**	**$21,496,360**	**$23,088,604**	**$23,381,504**	**31.11%**
Full-Time Equivalents (FTE)	80.10	73.15	73.60	78.60	80.40	81.40	81.40	3.56%

Planning Department

Department Purpose

The Planning Department's mission includes supporting Metro Council decision-making in maintaining a regional consensus on growth management that preserves and enhances the livability of the region and promotes livable communities. The Metro Charter directs growth management to be the primary function of Metro and requires Metro to coordinate land use planning within the region. To that end, the Metro Planning Department's current mission focuses work activities on implementation of the regional planning vision contained within the 2040 Growth Concept (2040) and defined within the Regional Framework Plan, the Urban Growth Management Functional Plan (Functional Plan) and the Regional Transportation Plan (RTP).

The 2040 Growth Concept implementation will be achieved through maintaining an urban growth boundary (UGB) that maximizes efficiencies and limits impacts on natural resources and farmland. This will be achieved through protection of natural habitat and water quality within the UGB, assisting local governments and agencies to foster appropriate development within 2040 design types, and by developing a truly multi-modal transportation system consistent with underlying 2040 development patterns.

Metro, through the Planning Department, is the designated Metropolitan Planning Organization (MPO) for the Portland metropolitan area. It maintains the RTP in compliance with requirements established in the Transportation Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) , the Land Conservation and Development Commission's (LCDC) Transportation Planning Rule, the Metro Charter, and the Regional 2040 Growth Concept. Additionally, it addresses transportation funding issues through programming of federal transportation funds through the Metropolitan Transportation Improvement Program (MTIP).

About the Department

The Planning Department includes five divisions: Long Range Policy & Planning, Transportation Implementation, Development Program Division, Research & Modeling Services, and Administration with Public Outreach support through the Public Affairs Department.

Long Range Policy & Planning Division

The Long Range Policy & Planning Division consists of two sections; Regional Transportation Planning and Long Range Planning. In prior years the division was made up of three sections. The activities listed in the new Long Range Planning Section are a merger of the former Long Range Planning Section activities and the Community Development Section planning projects.

- *Regional Transportation Planning Section* – The Regional Transportation Planning Section's activities are intended to meet the requirements and objectives of the federal SAFETEA-LU, the state's Transportation Planning Rule, and the federal Clean Air Act Amendments. This is accomplished through the following programs:
  - *Regional Transportation Plan* – The plan provides the region with a comprehensive policy and investment plan for long-range improvements to the region's transportation system. In early FY 2005–06, activities included the kickoff of a major, two-year update and continue through December 2007 to ensure the plan adequately reflects changing population, travel, and economic trends, including federal, state, and regional planning requirements. Metro's Livable Streets Program provides design guidelines for implementing the RTP with transportation improvements that complement 2040 land uses and leverage redevelopment and infill. The program also includes the new Green Streets element, which promotes sustainable practices of managing storm water runoff in the public right-of-way.
  - *Metropolitan Planning Organization Program* – Metro is designated by the federal government as the Metropolitan Planning Organization (MPO) for the Portland region, and thus responsible

for demonstrating ongoing compliance with federal transportation planning and air quality regulations. In this role, Metro works closely with the other five MPOs in the state through the Oregon MPO Consortium to develop common solutions and strategies for meeting federal mandates. Metro also completes the annual Unified Planning Work Program (UPWP) and federal self-certification, and coordinates conformity with the federal Clean Air Act for major projects and amendments to the RTP and MTIP.

  - *Metropolitan Transportation Improvement Program* – The MTIP prioritizes and allocates available funds to projects in the RTP. This year's update will emphasize 2040 implementation using policies and project evaluation criteria from the 2001–02 MTIP. The MTIP is also used to promote Metro's Livable Streets Program with threshold design criteria for regional funding and demonstration projects that promote design innovations.

- *Long Range Planning Section* — The Long Range Planning Section supports the Metro Council in its role as regional convener and problem-solver for issues of metropolitan area concern. The program areas in this section include:

  - *The New Look at Regional Choices* – The 2040 Growth Concept was originally adopted in 1995 with the requirement that the concept be updated every 10 years. In 2005 review of the 2040 Growth Concept began, and it will continue into FY 2006–07. The review will provide the information to assist Metro Council and regional decision makers in determining how the growth concept can be updated to better support development within the urban areas, how to create great communities in newly developing urban areas, and how to improve the process for transitioning new land to future urban uses while still protecting rural and agricultural uses. Activities include assisting local jurisdictions in the development of concept plans for areas brought into the urban growth boundary in 2002, 2004, and 2005, and providing the analysis and stakeholder engagement necessary to develop a legislative agenda for 2007 to support updates to the 2040 Growth Concept.

  - *Economic Development Program* – The Economic Development Program coordinates with other agencies and jurisdictions to develop a regional economic development strategy consistent with the regional growth concept. In addition to participation on regional committees, Metro contributes its data and technical resources. Activities include making land use data available through Metro's Regional Land Information System (RLIS) to the development community. The program also includes coordination and technical assistance to identify brownfield sites, assess the extent of their environmental issues, and to assist local jurisdictions to make redevelopment a possibility with the financial help of a federal grant.

  - *Functional Plan and Framework Plan Compliance and Update* – The Regional Framework Plan policies direct the regional vision while the requirements in the functional plan implement that vision. This program area updates these policies and requirements as needed, based on experience of effectiveness and efficiency in the past and to support the 2040 Growth Concept. Activities include assisting local jurisdictions to establish habitat friendly development practices and to update their existing environmental programs to comply with the new Title 13 for fish and wildlife habitat protection. Other updates and revisions will be implemented as directed by Metro Council and the Metro Policy Advisory Committee (MPAC). As part of this review, this program area submits an annual report on local jurisdiction compliance to the Functional Plan.

  - *Urban Growth Boundary Administration* – The Long Range Planning Section is responsible for conducting the analysis required by State legislation and Metro's Charter to amend the Urban Growth Boundary (UGB). This includes management of an administrative process for relatively small areas that qualify for a major or minor amendment on an annual basis. Every five years, Metro is required by state legislation to complete a review of the adequacy of the land inside the UGB to meet a 20-year land supply need, to evaluate alternative land areas and efficiency measures to meet the 20-year need, and to take action to meet these needs. Following upon the direction in the New Look at the 2040 Growth Concept, this section will start the analysis that is required as part of the five-year cycle as well as managing annual amendments.

  - *Performance Measures* – This activity complies with State and Metro requirements to report on performance for meeting the

fundamental goals of the regional growth concept. The requirements include producing a report every other year. The focus of this
program area will be on improving the accessibility of the data for analysis, highlighting key findings, particularly as it relates to economic indicators and other indicators necessary to support the review of the 2040 Growth Concept, and not on report production.

- *Coordination and Committee Support* – Activities in this program area support Metro Council participation on regional committees such as the Regional Water Supply Consortium, the Regional Emergency Management Group (REMG), the Bi-State Housing Committee, and other committees that are developing and implementing program areas of regional concern. This also includes the staffing and coordination for MPAC and its technical counterpart, Metro Technical Advisory Committee (MTAC).
- *Measure 37 Support* – This program area implements the recommendations of the Measure 37 Task Force that was appointed by Metro Council in 2005 to identify how to implement the property rights initiative that was passed by the voters in 2004. Until Metro Council provides additional direction, this program area includes staff support to evaluate Measure 37 claims filed against Metro.
- *Housing Program* – The Metro Council appointed Housing Choices Task Force recommended a number of actions for Metro and other agencies and jurisdictions to take to increase the supply of well-located affordable housing in the region and to improve methods for assessing progress in maintaining this supply. This program area will implement one or two of the most popular recommendations in this fiscal year and develop a schedule for implementing additional recommendations over time.

Transportation Implementation Division

The Transportation Implementation Division is responsible for five main programmatic areas; 1) High Capacity Transit Implementation including alternatives analysis, federal environmental impact statements, and project funding; 2) Project development for multi-modal Corridor Refinement Plans identified in the RTP; 3) Transportation Revenue Development including legislative and public/private initiatives at the regional, state, and federal levels; 4) Metro's freight planning efforts, including the Regional Freight Plan and coordination with private, local, state, and federal partners on projects and policies; and 5) the Regional Travel Options (RTO) Program.

FY 2006–07 work in the major programmatic areas is outlined below:

- *High Capacity Transit Implementation*
  - *Lake Oswego to Portland Transit Project Draft Environmental Impact Statement (DEIS)* – This Federal Transit Administration (FTA) and locally-funded project will build on the federal Alternatives Analysis (AA) from FY 2005–06. The DEIS will evaluate the alternatives advanced from the AA and will prepare a full range of environmental and transportation analyses including impacts to the natural and built environment, air and water quality impacts, and highway and transit-related transportation impacts. The DEIS will include public outreach activities funded in the Planning Department budget, but performed by staff in the Public Affairs and Governmental Relations Department.
  - *Eastside Transit Project Environmental Analysis* – This FTA and locally-funded project will build upon the federal Alternatives Analysis completed in FY 2005–06. The federal environmental review for this project will be either a Documented Categorical Exclusion (DCE) or an Environmental Assessment (EA), both of which are more streamlined than a DEIS. The DCE or EA will evaluate the alternative(s) advanced from the AA and will prepare a full range of environmental and transportation analyses including impacts to the natural and built environment, air and water quality impacts, and highway and transit-related transportation impacts. The environmental process will include public outreach activities funded in the Planning Department budget, but performed by staff in the Public Affairs and Governmental Relations Department.
  - *Milwaukie Light Rail Transit Project Supplemental Draft Environmental Impact Statement* – This FTA and locally funded project will commence Phase 2 of the Locally Preferred Alternative (LPA) for the South Corridor Light Rail Transit (LRT) Project by updating the FTA-sponsored *South Corridor Supplemental Environmental*

Impact Statement to reflect changes in the proposed rail alignment and to add five years to the forecast year. Potential alignment modifications would require revisions to the LPA. The SDEIS will include the full range of transportation and environmental impact analyses as well as initiating a Biological Assessment for a new Willamette River light rail bridge. The environmental process will include public outreach activities funded in the Planning Department budget, but performed by staff in the Public Affairs and Governmental Relations Department.

- *Light Rail and Streetcar System Plan* – This FTA grant-funded project would provide a framework for the phasing and implementation of future light rail and streetcar transit investments in the region. The effort would dovetail with the Regional Transportation Plan update, and would be a regional effort led by Metro in close coordination with TriMet and Portland Streetcar Inc.
- *Economic Development Impacts of Streetcar Study* – This FTA grant-funded study would build on work completed in FY 2005–06 in support of the Eastside and Portland to Lake Oswego transit projects that analyzed available data and development trends and recommended that a more rigorous model of the relationship between streetcar and development be prepared. This effort would develop a model for forecasting development patterns in response to the implementation of streetcar lines that could be used as a national model for the FTA's Small Starts program.
- *Travel Demand Forecasting Refinements for Streetcar Projects* – This FTA-funded project would build on work done in FY 2005–06 to develop model refinements to better forecast ridership on streetcar as differentiated from bus and light rail. Initial data review and model refinements helped provide accurate forecasts for both federal alternatives analyses completed in FY 2005–06. In order to fully capture the unique trip-making patterns of streetcar users, additional survey work and quantitative analysis is required. FTA as a model for the emerging Small Starts program would use this methodology.
- *Columbia Crossing Project Alternatives Analysis and Draft Environmental Impact Statement* – This project, led by Washington State Department of Transportation (WSDOT) and Oregon Department of Transportation (ODOT) is evaluating alternatives for improving transit, highway, and freight access across the Columbia River on I-5. Metro's participation is funded through an intergovernmental agreement with WSDOT. Metro would provide a variety of services to the project including project review and decision making as MPO for the Portland region, FTA coordination, travel demand forecasting, review of land use forecasts, issues and assumptions, development of project funding scenarios, day-to day project committee support, and congestion pricing and tolling technical review.
- *Bi-State Coordination Committee* – The federally mandated coordination activity between the adjoining Metropolitan Planning Organizations (Metro on the Oregon side and the Regional Transportation Council [RTC] of Southwest Washington on the Washington side of the Columbia River/State line) is achieved through this committee. Partners include representatives of Metro and the RTC as well as ODOT, WSDOT, the cities of Portland and Vancouver, Ports of Portland and Vancouver, Clark County and Multnomah County, Clark County Public Transportation Benefit Area (C-Tran), and TriMet. Committee work focuses on transportation issues in the bi-state area and associated land use, economic development, and environmental justice issues. It is anticipated that coordination opportunities related to the Columbia River Crossing, federal funding coordination, Metro's New Look with Clark County Plan, truck and heavy rail freight issues, potential impacts of land use on transportation investments, and transportation demand management measures will be topics for coordination in FY 2006–07.

• *Project Development*

- *Next Corridor* – The Section's planning priorities for the Transportation Policy Alternatives Committee (TPAC)/Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council are revisiting the 18 refinement plans identified in the RTP. The Metro Council recently approved a five-year work program. Plans involve a multi-modal assessment of transportation needs and projects to serve key regional land uses. In 2007 the work is likely to include support of ODOT public-private partnership priorities on I-205 as well as an analysis of tolling networks, as well as leadership of either the Powell/Foster and East Multnomah County I-84 to US 26

Connector, or the a 20-year system plan for high-capacity transit.

  - *Sunrise Corridor Draft and Final Environmental Impact Statements* – Metro is providing support to this project, led by Clackamas County and ODOT. Metro's participation is funded through an intergovernmental agreement and includes freight, pricing and tolling analysis, travel demand forecasts, development of transit and highway alternatives, financial analysis, land use coordination, and support of project committees.
  - *I-5/Highway 99W Connector - RTP Amendment and Draft Environmental Impact Statement* – Washington County is leading this project with the participation of Metro and ODOT, all three of which are the project sponsors. Metro's participation is funded through an intergovernmental agreement and Metro work elements include travel demand forecasts, participation in the development of transit and highway alternatives (including an alternative that identifies the best mix of transit, Transportation Systems Management (TSM), and road improvements short of an expressway), and alternatives that include consideration of freight and pricing/tolling issues and opportunities. In addition, land use coordination, RTP amendment/refinement, and support of project committees will be provided.

- *Transportation Revenue Development* — Transportation Revenue Development identifies and secures funding for implementation of RTP projects. Current emphasis is on working with the Transportation Investment Task Force to evaluate a potential 2008 regional ballot measure for transportation projects, securing FTA New Starts funding, tracking the 2006 federal appropriations process, and working with the 2007 session of the state legislature to develop funding sources.
- *Regional Freight Program* — This program meets federal and state objectives to plan for goods-movement needs and documents freight project priorities. Activities include updating the regional freight network, projects and policies in the RTP, coordinating local, state, and federal planning efforts, and pursuit of public/private funding opportunities. Major emphasis in FY 2006–07 will include completion, with the Port of Portland, of the regional freight Data Collection Study and associated enhancements to Metro's truck forecasting model, and leading a regional freight plan. The regional freight plan, which is being coordinated with the RTP, will include a multi-modal needs assessment, revisions to policies and networks, identification and prioritization of projects, and financing strategies. It will be completed in collaboration with the regional freight committee, comprised of jurisdictional staff, and a new policy advisory committee, which will include representation by private sector shippers and carriers. Metro will also continue to participate in other planning efforts and funding programs to ensure that key regional freight policies and priorities are considered.
- *Regional Travel Options Program* — RTO manages the region's programs, which seek to reduce reliance on the automobile. It includes the following main activities:
  - Leadership of the RTO Subcommittee, which focuses on the ongoing development and evaluation of transportation demand management programs and policies in the Metro region.
  - Marketing the use of transportation options through existing and expanded partnerships.
  - Management of the regional rideshare program which markets and provides carpool matching and vanpool services.
  - Monitoring the work of five Transportation Management Areas (TMA) within the region.
  - Management of a grant program, which allocates funds competitively to promising transportation demand management (TDM) programs and projects.

Development Program Division

The Development Program Division is responsible for three programmatic areas; the Transit Oriented Development (TOD) program, the Centers Implementation program, and the Get Centered! initiative. The overall goal of the TOD and Centers Implementation programs is to increase transit and pedestrian trips through higher density, mixed-use development. Pioneering development projects are implemented in order to provide examples of compact, mixed-use development and to stimulate other investors to redevelop nearby properties. Green building approaches are also demonstrated. These compact, relatively dense, mixed-use, mixed-income developments concentrate retail, housing, and jobs in pedestrian-scaled urban environments, increase non-auto use (transit, biking, walking), and decrease regional congestion and air pollution. Get Centered! is a multi-year campaign to spur investment and build downtowns and main streets, creating great places to live, work, and play. Get Centered! is an education and advocacy program providing place-making workshops, tours of successful projects, a brown bag series, and project case studies. These events build awareness and increase understanding of the challenges of mixed-use development.

Research and Modeling Services Division

The Research and Modeling Services Division consists of two sections, the Transportation Research & Modeling Services (TRMS) Section and the Data Resource Center (DRC).

- *Transportation Research & Modeling Services Section* **—** The purpose of this section is to collect and analyze transportation related data, use the data to develop and maintain modeling tools for estimating travel flows and emissions, and use the modeling tools in project analysis. Programs under this section include:
  - *Data Collection and System Monitoring* – The data collection element maintains and updates an inventory of transportation-related data necessary to benchmark characteristics of the transportation system. Information is compiled from regional data sources and national reports.
  - *Research & Model Development* – The focus of this program is to develop and maintain transportation modeling and emission estimation tools. The analysis tools must be kept current to ensure their sensitivity to land use and transportation policy guidelines.
  - *Model Application* – The transportation models and emission estimation tools are used extensively in project analysis. The tools are used to estimate multi-modal travel flows and the corresponding emission impacts given a defined set of land use and infrastructure assumptions. Clients for this program include the divisions within the Planning Department and the local governments and regional agencies in this region.

    The program is very important because results from travel-demand models are used extensively in the analysis of transportation policy and investment. In addition, federal and state legislation specify procedures that require a high degree of modeling proficiency. Key stakeholders include Metro, ODOT, the Port of Portland, cities and counties of the region, and private sector clients.
- *Data Resource Center* — The DRC serves a multi-faceted role within the agency and throughout the community. Within the agency the DRC contributes to the success of analysis and projects undertaken by Planning, Solid Waste and Recycling, and Regional Parks and Open Spaces. The DRC provides state-of-the-art mapping and spatial analysis, regional economic and demographic forecasting, land use and vacant land studies, and sophisticated urban economic analysis.
  - *Urban Growth Modeling, Simulation and Analysis* – The DRC has developed a state-of-the-art land use simulation model, MetroScope. This decision-support tool is linked to the Travel Forecasting Model, making it possible to produce and analyze alternative growth scenarios. It saw its first application producing alternate growth scenarios for the Periodic Review work program. MetroScope may also be used to prepare Transportation Analysis Zone (TAZ) level growth forecasts, which are used by Travel Forecasting.
  - *Model Development* – Responsible for development and maintenance of the regional population and employment forecast model and the growth-simulation model, MetroScope.
  - *Forecasting* – The DRC is responsible for providing forecasts of population and employment. This model is an econometric representation of the regional economy and is used for mid-range (5-10 years) and long-range (10-30 years) forecasts.
  - *Client Services* – Provides technical assistance and Geographical Information Systems (GIS) products and services to internal Metro programs, jurisdictions, TriMet, ODOT, and Storefront customers (private-sector businesses and the general public). The DRC Storefront provides services and products to subscribers and non-subscribers. Subscribers include local jurisdictions that have entered into intergovernmental agreements with Metro. Non-subscribers are

primarily business and citizen users.

  - *Performance Measures* – Databases are maintained and statistics provided for monitoring the performance of Metro's policies and growth management programs. In the coming fiscal year the DRC will take a more active role in producing performance measures of growth management and housing policies. An update schedule and reporting cycle will be developed for an agreed list of measures.

Administration Division

The Administration Division provides for overall department management, including budget, Unified Planning Work Program (UPWP), contracts, grants, and personnel. The division provides staff support for the Metro Council, JPACT, TPAC, and the Metro Technical Advisory Committee (MTAC). In addition, this division provides support for several other transportation committees and steering groups funded through grants.

Public Outreach Support from the Public Affairs Department

The Public Outreach Division is responsible for developing and coordinating communications and public outreach programs to ensure a healthy dialog with the community on regional planning issues and policies. This includes public participation support for long-range, natural resource, and community and transportation planning projects and programs such as the MTIP, Corridor Studies, the RTP, Fish and Wildlife Habitat, Periodic Review, and special study areas. It also includes the development of comprehensive communication tools including collateral materials, technical summary reports, newsletters, internet web information, surveys, and other targeted materials.

Major Accomplishments in FY 2005–06

Long Range Policy & Planning

- Partnered with Public Affairs staff to develop and implement appropriate communication tools to engage stakeholders in the review of the 2040 Growth Concept.
- Completed the scoping phase of the Review of the 2040 Growth Concept (New Look), developed a work plan for the review with the involvement of Council Liaisons, and initiated the first steps of the evaluation of the agricultural and urban needs leading to a revised implementation strategy to direct future growth.
- Completed public review of economic and demographic forecasts, taking into account the changing nature of our economy and population.
- Metro Council adoption of a publicly supported Regional Fish and Wildlife Habitat Program that relies on voluntary and regulatory elements and initiation of efforts to support green development practices, habitat stewardship, and restoration and monitoring of habitat conditions.
- Submitted to the Department of Land Conservation and Development (DLCD) for acknowledgement the Regional Fish and Wildlife Habitat Program for satisfaction of State Land Use Goals five and six.
- Completed the Damascus Concept Planning and produced a publicly supported vision for the future of the Damascus area.
- Provided technical assistance on concept planning to those jurisdictions responsible for concept planning for new urban areas.
- Received approval by resolution of the revised Regional Framework Plan for the purpose of considering the framework plan policies in the review of the 2040 Growth Concept.
- Assisted local jurisdictions in implementing, as well as complying with, the Functional Plan.
- Received approval by resolution of the Community Economic Development Strategy (CEDS), reflecting Metro participation with regional partners on coordinating a regional economic development strategy.
- Implemented the highest priority tasks to support regional economic development strategy, including making land use data available to the development community via the website, and taking a leadership role in inventorying brownfield sites with an EPA brownfields grant application.
- Supported the technical and policy review of the 2035 MetroScope allocation of population and jobs, and used this review to identify areas for policy consideration in the review of the 2040 Growth Concept.

- Completed research on redevelopment opportunities along 2040 corridors and presented study recommendations to Metro Council for consideration.
- Completed the work with the Housing Choices Task Force to develop recommendations for increasing the supply of affordable housing in the region, methods of measuring progress in meeting affordable housing needs, and brought the recommendations to the Metro Council for consideration.
- Participated in the Regional Water Providers Consortium and engaged this group in issues relating to future growth.
- Participated in REMG and furthered the regional cooperation for emergency planning.
- Updated Regional Performance Measures format, focusing on comparative indicators with other urban areas.
- Completed the work of the Measure 37 Task Force and presented the Task Force recommendations to Council for consideration.
- Published the recently adopted 2004 RTP.
- Published the adopted 2004–07 MTIP.
- Allocated $53 million in federal funds for 2006–09 to a broad array of multi-modal transportation projects and programs.
- Initiated Phase I of the MTIP database restructuring.
- Completed actions necessary to respond to federal recommendations and corrective actions identified in the 2004 Triennial Review.
- Completed the Damascus Concept Planning Plan.

Transportation Implementation

- Completed the Eastside Transit Project Alternatives Analysis and the selection of a locally preferred alternative. This project included an innovative approach to forecast the development impacts of a streetcar project and an improved travel demand forecasting method for the streetcar mode.
- Completed the Portland to Lake Oswego Transit and Trail Alternatives Analysis, with the locally preferred alternative to be selected by the Metro Council in early FY 2006-07. This project also used innovative development forecasting and streetcar ridership forecasting tools.
- Provided input to the FTA regarding the proposed rules for the Small Starts program and revisions to the New Starts program.
- Prepared the *Cost of Congestion* report in partnership with the Portland Business Alliance, which quantified the real dollar cost of congestion on people and freight in the region.
- Completed work on New Starts materials that were submitted to FTA to advance the I-205/Portland Mall LRT Project into final design.
- Initiated the *Supplemental Draft Environmental Impact Statement* for Phase 2 of the South Corridor LRT Project, which would connect the Portland Mall to downtown Milwaukie over a new Willamette River transit bridge.
- Revised the corridor priorities for the region and initiated the next multi-modal corridor refinement plan.
- Continued to support TriMet in the preparation of FTA New Starts reports for the South Corridor LRT and Wilsonville-to-Beaverton Commuter Rail projects.
- Completed the Highway 217 Corridor Study and received endorsement of the recommendations by JPACT and the Metro Council.
- Facilitated the Bi-State Committee in cooperation with the Southwest Washington Regional Transportation Council (RTC), focusing on transportation issues in the I-5 and I-205 crossing of the Columbia River and associated land use, economic development, and environmental justice issues.
- Supported ODOT's I-5 Columbia River Crossing Study through FTA coordination, land use analysis, preparation of travel-demand forecasts, project management coordination, and committee support.
- Continued to support the Willamette Shoreline Consortium with technical analysis, management of the right-of-way, and coordination of intergovernmental agreements.
- Completed transition of the RTO program management functions from

TriMet to Metro, and began implementation of the RTO strategic plan.

- Established a private sector stakeholder committee for the regional freight plan.
- Obtained a Transportation Growth Management (TGM) grant and commenced a regional freight plan.
- Implemented initial revisions to the regional truck model for use with the regional freight and transportation planning processes.

Development Program Division

- Successfully completed the first year of the Get Centered! program, with over 1,000 attendees at the kickoff event, five local events, and a series of nine brown-bag lunches.
- Nearly completed construction on *The Crossings,* a five story mixed-use project with a rain garden plaza located at the MAX station in Gresham's new civic neighborhood.
- Completed construction on *Flint Studios*, an infill office and residential mixed-use project located in northeast Portland.
- Started construction on *North Main Village* apartments and rain garden, with framing completed on the large four story mixed-use building located on Main Street in the heart of historic downtown Milwaukie. This is the first project resulting from the policy action in 2004 to expand the TOD Program into regional and town centers.
- Completed design development activities on *The Rocket*, a four-story mixed-use project on E. Burnside at 11th Avenue.
- Initiated new *Partnership for the Arts* program.
- Acquired the former *Olson Brothers Texaco* site and residual right of way parcels using an innovative time-payment financing approach, after executing an intergovernmental agreement with the City of Milwaukie.
- Executed an intergovernmental agreement to secure project funding for expansion of the *Beaverton Round* project to include redevelopment of the former Westgate Regal Cinema site.
- Executed three party development agreement and started construction on fountain and south plaza improvements at the *Beaverton Round.*
- Negotiated joint development agreement and selected development team for the *Gresham Civic Station & Plaza*, which will be a transit station with integrated development, and a plaza faced by retail, housing, and office uses.
- Initiated new TOD/Centers implementation project on the Westside near light rail.
- Collaborated with the Portland Development Commission (PDC) and TriMet on restructuring of the development program for the *Killingsworth Station* mixed-use project.

Research & Modeling Services

- Developed creative and effective Web outreach tools in support of Metro's natural resource protection (Goal 5) program, including the development of Web tools to enable property owners, interested citizens, and jurisdictional partners to query for specific property locations to see how protection and restoration options being considered might affect those properties.
- Completed forecast of population/employment for bi-state region to 2030, including completion of the 2030 forecast of population and employment and its distribution to TAZ's by MetroScope. This is a primary data input to the transport model.
- Updated population by census tract and block group to the current year from 2000, and updated employment to mapped locations for current year.
- Distributed quarterly updates of the data sets in RLIS to the user base of 165 subscribers, generating $120,000 (est.) for a profit of $70,000.
- Provided research and GIS mapping services to the New Look project.
- Developed a web-browser-based computer application that converted the grant billing system from legacy software to a system with expanded capabilities and useable by multiple staff members.
- Began development of a website for the requirements in Title 13 for habitat restoration, enhancement, and monitoring. This site is a clearinghouse that enables members of the Regional Environmental

Information Network (REIN) to post information directly to the site. This self-managing feature requires minimal Metro staff efforts to keep the information up to date.

- Provided research and information for Measure 37 monitoring and the value capture proposal of Councilor Liberty.
- Maintained the annual purchase of aerial photography. Resale of the imagery in hardcopy and digital forms, including a joint e-commerce marketing contract with a national provider of aerial photos, for projected sales of $70,000 for the combination of distribution channels.
- Completed population synthesis, activity generation, and first stage tour mode choice model using Transportation Simulation (TRANSIMS) models.
- Completed Metro's participation in the United States Department of Transportation (USDOT) TRANSIMS Research Project. This work will provide the foundation for the growth of a new modeling paradigm in the United States.
- Evaluated the results of a pilot travel behavior survey conducted in the third and fourth quarters of FY 2004–05. Based on the findings, the most effective survey design and implementation procedures were determined. If funds are secured, a survey embodying the recommendations will commence in FY 2006–07.
- Served on a panel providing oversight to the regional freight data collection project.
- Coordinated with the Portland State University Intelligent Transportation Society (ITS) Laboratory to conduct flow research using the ODOT flow monitoring sensors.
- Updated the regional freight model using the data derived from the freight data collection project.
- Completed the transition to the new Visum/Vissim transportation modeling software distributed by PTV America. The software greatly enhances the analytical capabilities employed in project evaluation. This software was distributed to all the modeling agencies in the region.
- Updated the modeling network to ensure that it incorporated all the current assumptions regarding infrastructure development.
- Continued to maintain professional involvement in statewide and national endeavors. Staff served on the Oregon Modeling Steering Committee (chair), several Transportation Research Board committees, and several national panels.
- Collected and compiled regional transportation system monitoring data (vehicle and truck counts, transit patronage, travel costs by mode, and parking costs). In addition, data were assembled from reports that compare statistics from cities throughout the nation. Support was provided to the Metro Performance Measure program.
- Provided transportation model application support to multiple projects (e.g., South Corridor, Eastside Streetcar, Highway 217, I-5—99W Connector, Sunrise Corridor, Damascus Concept Plan, RTP, the New Look at 2040, MTIP air quality conformity, Columbia River Crossing). In addition, forecast data and modeling assistance was given to the cities, counties, and regional agencies in this area.

Service Level Changes from FY 2005–06

The Planning Department's base budget for FY 2006–07 is balanced. The department budget has increased its staffing over last year. The materials and services budget has been increased by approximately 95 percent from the previous year. The FY 2006–07 budget includes a base level General Fund support increase of 2.5 percent for the Planning Department from the current year. Salary and fringe increased 13.5 percent primarily due to staff increases and step and cost of living increases, as well as additional increases in overhead costs of approximately 9 percent, for a total increase to the department of 22.5 percent. The general funds are used to pay for growth management planning, approximately one-third of the DRC services costs, some of the administrative costs, some of the overhead costs, and to provide some of the matching funds to programs and projects funded through grants. The Planning Department also relies upon grants for the Transportation programs. The Department continues to fund miscellaneous materials, services, and administrative support with resources from grants that met grant eligibility requirements rather than use excise tax. The effect, however, is to transfer a greater cost burden to grant funds.

The base proposed budget includes funding new positions with grants in Regional Transportation Planning section (2.0 FTE), Corridors section (2.0 FTE) and Public Involvement (1.5 FTE). Additional positions in the Data Resource Center funded with excise tax include a conversion of 0.6 FTE limited duration position to a 1.0 FTE regular permanent and an addition of a 0.5 FTE position.

The Long Range Planning section includes an additional 1.0 FTE funded by new excise tax funds, shifts 1.0 FTE from Finance and Administrative Services to Planning, and adds a 1.0 FTE limited dureation position for housing work which is funded with a one-time source. If new revenue sources are identified, the TOD/Centers programs will expand its project by 3.0 FTE.

The Planning Department continues to be challenged by inadequate and unstable funding. Eventually this can lead to compromised products and services that could lead to noncompliance with federal, state and local laws and regulations.

Major Objectives for FY 2006–07

Long Range Policy & Planning

- Support concept planning for additional new urban areas in coordination with local jurisdiction partners.
- Provide support for a major Metro Council review of the 2040 Growth Concept Review (New Look).
- Reach regional agreement on a vision for future growth in the region, including identification of necessary legislative changes related to achieve the vision.
- Identify new tools and policies that can be implemented to support great communities.
- Provide technical assistance necessary to develop concept plans for the largest of the new urban areas and continue to provide technical assistance on the remaining plans.
- Receive and administer the Brownfields EPA grant and map Brownfields sites.
- Increase use of mapping tools for development applications.
- Reach regional agreement on definitions for future employment land needs as the starting point for the next Urban Growth Report.
- Identify and resolve issues necessary to support improvements in the number of jurisdictions in compliance with the Functional Plan.
- Provide timely, efficient, and cost effective processing of UGB amendment applications.
- Incorporate policy recommendations and successful legislative and other changes from the New Look into revised UGB expansion process.
- Produce performance measures reports to support the New Look program.
- Update the Regional Emergency Response Plan regularly as indicated by the Regional Emergency Response Group.
- Participate in the Regional Water Providers Consortium and integrate their planning with the New Look.
- Support Metro's role as regional problem solver by developing timely and appropriate agenda materials for MTAC, MPAC, and other regional bodies.
- Process Measure 37 claims as required by Metro code and implement other recommendations from the Measure 37 Task Force as directed by Metro Council.
- Implement the Housing Choices Task Force recommendations as directed by the Metro Council.
- Provide technical assistance to local jurisdictions to implement the habitat friendly code changes and other requirements from the Regional Fish and Wildlife Habitat Program.
- Provide technical support for ongoing JPACT and Metro Council

discussion of a regional transportation funding measure.

- Complete final adoption of the 2006–09 MTIP, including demonstration of air quality conformity.
- Complete first phase of MTIP database restructuring.
- Initiate a major update to the RTP, to be completed in December 2007.
- Initiate the Priorities 2008–11 update to the MTIP.
- Continue Metro's involvement with the Oregon MPO Consortium.
- Publish the "Wildlife Crossings" guidebook as an addition to the Livable Streets series.
- Form a Congestion Management Steering Committee to respond to federal requests for expanding Metro's activities in congestion management.
- Initiate project administration of MTIP planning activities on a pilot basis, in response to ODOT request.

Transportation Implementation

- Complete New Starts application materials that would result in a Full Funding Grant Agreement with FTA for the Wilsonville-to-Beaverton Commuter Rail Project.
- Complete work on New Starts materials to be submitted to FTA, which advance the I-205/Portland Mall LRT Project into final design, which will result in a Full Funding Grant Agreement for the project.
- Initiate the Supplemental Draft Environmental Impact Statement for Phase 2 of the South Corridor LRT Project, which would connect the Portland Mall to downtown Milwaukie over a new Willamette River transit bridge.
- Successfully complete Alternatives Analysis and initiate the National Environmental Protection Act (NEPA) federal environmental review process for the Eastside Transit Project and the Portland-to-Lake Oswego Transit Project, begun in FY 2004–05.
- Continue to coordinate regional freight planning efforts with those at the state and intrastate level through participation in the Oregon Freight Advisory Committee and the West Coast Corridor Coalition.
- Continue support to TriMet for the preparation of FTA New Starts reports for the South Corridor LRT and Wilsonville-to-Beaverton Commuter Rail projects.
- With ODOT, commence the I-205 corridor plan.
- Initiate next corridor study either as a stand-alone or in conjunction with the RTP.
- Support ODOT's I-5 Columbia River Crossing Study through land use analysis, development, and analysis of travel-demand forecasts and project management coordination.
- Continue supporting Willamette Shoreline Consortium with technical analysis, management of the right-of-way, and coordination of intergovernmental agreements.
- Complete analysis of data from the Regional Freight Data Collection study and implement final changes to Metro's truck model.
- Complete the preliminary recommendations of the regional freight plan.
- Complete the first phase of transition activities called for in the RTO Strategic Plan.
- Continue implementation of the RTO strategic plan and complete first year of a regional travel options marketing and advertising campaign.

Development Program Division

- Complete pre-development activities and begin construction on the Gresham Civic Station & Plaza.
- Complete pre-development activities and begin construction on the Civic NW site.
- Complete construction and the Leadership in Energy and Environmental Design (LEED) certification application for *The Rocket* mixed-use development.

- Complete feasibility study for air rights development above the Metro central parking structure.
- Complete development concept and select development team for the *Olson Brothers Texaco* site.
- Complete development offering for parcel and select developer for the *Beaverton Round II,* on the former Westgate Regal Cinema site.
- Start construction on *Central Point II*, a mixed-use housing and retail project in downtown Gresham.
- Begin solicitation for development proposals for *Hillsboro Central.*
- Continue the *Get Centered!* initiative by offering local events and the brown-bag lunch series.

Research & Modeling Services

- Go live with the Title 13 website, REIN, in July enabling members of the Regional Environmental Information Network to enter their restoration projects on the map and, via linked text pages, provide information about the project.
- Make MetroScope available as an open-source product to other regions and research institutions.
- Develop a new set of aerial photography in July 2006 and distribute in December.
- Continue to collect transportation related data and perform a system monitoring function.
- Continue to conduct research, develop, maintain, and enhance the modeling tools.

Performance Measures	***Planning Department***	**Actual FY 03-04**	**Actual FY 04-05**	**Actual FY 05-06**	**Target FY 06-07**
Regional Transportation Planning	1. Update the RTP to reinforce Region 2040 and meet state and federal requirements.	N/A	N/A	25%	75%
	2. Complete federal reviews to secure ongoing federal transportation dollars.	N/A	N/A	100%	0%
	3. Adopt an MTIP that focuses development in 2040 priority areas and meets state and federal requirements.	N/A	N/A	25%	100%
	4. Monitor implementation of the RTP to determine effectiveness in meeting Region 2040 objectives.	N/A	N/A	25%	50%
	5. Complete Regional Freight Plan	N/A	N/A	10%	25%
Long Range Policy and Planning	1. Complete concept planning for New Urban Areas	N/A	N/A	25%	50%
	2. Identify new approaches to implement the 2040 Growth Concept through the New Look Process	N/A	N/A	25%	50%
	3. Implement the Habitat Protection Program at the local level	N/A	N/A	100%	0%
	4. Implement regional housing affordability policies	N/A	N/A	80%	100%
	5. Support implementation of Metro's Functional Plan and Framework Plan policies	N/A	N/A	30%	100%

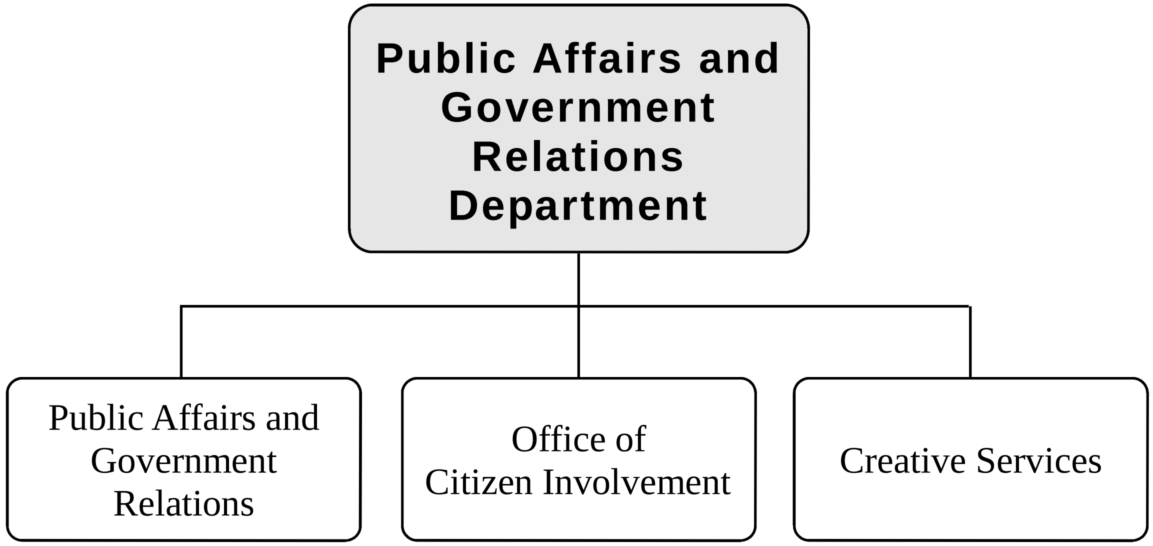
Performance Measures	*Planning Department*	Actual FY 03-04	Actual FY 04-05	Actual FY 05-06	Target FY 06-07
Corridor Planning	1. Complete planning, EIS for Milwaukie LRT.	N/A	N/A	5%	50%
	2. Adopt LPA and funding plan for transit element of Columbia River Crossing.	N/A	N/A	30%	50%
	3. Complete one multi-modal corridor plan every 2 ½ years.	N/A	N/A	100%	50%
	4. Adopt state legislative proposal by December 2006.	N/A	N/A	0%	100%
	5. Adopt federal appropriation priorities by February each year.	N/A	N/A	100%	100%
	6. Lead Eastside Transit AA & NEPA	N/A	N/A	50%	90%
	7. Lead the Portland to Lake Oswego Transit AA	N/A	N/A	30%	100%
Regional Travel Options	1. Increase percentage of work trips made by non-SOV modes.	31%	33%	35%	37%
	2. Increase share of non-commute, non-SOV trips in targeted residential areas.	N/A	N/A	N/A	Est. Base Increase
	3. Increase public awareness of travel options, continuing the regional marketing campaign.	N/A	N/A	N/A	Est. Base Increase
	4. Increase the number of local trips made by non-SOV modes.	N/A	N/A	N/A	Est. Base Increase
	5. Increase ridesharing: self-sustaining vanpools and quality carpool matches.	N/A	N/A	0%	25%
Transit-Oriented Development/ Centers	1. Increase daily transit ridership (Cumulative daily trips).	N/A	N/A	1,509	1,740
	2. Increase housing units constructed/under construction (Cumulative).	N/A	N/A	1,469	1,886
	3. Increase transit-oriented retail & office space (Cumulative, sf).	N/A	N/A	520,000	542,000
	4. Get Centered! event attendance.	N/A	N/A	1,008	250
	5. New relationships developed with public and private sector.	N/A	N/A	13	10

Performance Measures		*Planning Department*	Actual FY 03-04	Actual FY 04-05	Actual FY 05-06	Target FY 06-07
Research and Modeling Services	1.	TRMS Client Satisfaction Survey. Comprehensive Rating: 1 is poor, 3 is average, 5 is excellent.	N/A	N/A	N/A	4.0
	2.	Storefront sales target- $500,000	N/A	N/A	$567,597	$425,000
	3.	Fulfill contractual obligations.	N/A	N/A	100%	100%
	4.	DRC Client Satisfaction Survey.	N/A	N/A	100%	100%
	5.	Annually update critical databases.	N/A	N/A	100%	100%

NOTE: N/A signifies that this measure was not tracked at this time and data is not available, or the project has been completed.

METRO

PEOPLE PLACES
OPEN SPACES


Public Affairs and Government Relations Department
Public Affairs and Government Relations
Office of Citizen Involvement
Creative Services

Public Affairs & Government Relations Department

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$871,086	$1,345,916	$1,366,363	$1,366,363	$1,519,996	$1,526,696	$1,526,696	11.73%
Materials and Services	112,009	164,423	669,754	669,754	214,597	334,597	334,597	(50.04%)
Totals	**$983,095**	**$1,510,339**	**$2,036,117**	**$2,036,117**	**$1,734,593**	**$1,861,293**	**$1,861,293**	**(8.59%)**
Budget by Division								
Public Affairs & Gov't Relations	$446,207	$595,872	$654,201	$654,201	$769,189	$795,889	$795,889	21.66%
Creative Services	505,880	536,864	564,879	564,879	494,832	594,832	594,832	5.30%
Office of Citizen Involvement	31,008	377,603	817,037	817,037	470,572	470,572	470,572	(42.41%)
Totals	**$983,095**	**$1,510,339**	**$2,036,117**	**$2,036,117**	**$1,734,593**	**$1,861,293**	**$1,861,293**	**(8.59%)**
Budget by Fund								
General Fund	$983,095	$1,510,339	$2,036,117	$2,036,117	$1,734,593	$1,861,293	$1,861,293	(8.59%)
Totals	**$983,095**	**$1,510,339**	**$2,036,117**	**$2,036,117**	**$1,734,593**	**$1,861,293**	**$1,861,293**	**(8.59%)**
Full-Time Equivalents (FTE)	12.00	15.00	14.55	14.55	16.00	16.00	16.00	9.97%

Public Affairs and Government Relations Department

Department Purpose

The purpose of the Public Affairs and Government Relations (PAGR) department is to provide direct service to the Council, Chief Operating Officer (COO), and Chief Financial Officer (CFO) in pursuit of the Council objective "Communicate effectively and develop constructive relationships with both internal and external audiences." Primary functions of the central service group are to:

- Identify and implement the systems and processes that most effectively and efficiently use communications resources, centralized and in departments, as a management tool for achieving business objectives.
- Promote a positive Metro profile externally.
- Promote individual motivation and organizational change using communications that build morale, model desired culture, and support change.
- Track emerging political issues and anticipate change in social and political environments and advise Council, COO, and CFO on opportunities and challenges.
- Identify opportunities for reinforcing stakeholder relationships, reaching out to new citizens and stakeholder entrants.
- Improve communications methods and develop positive branding.
- Manage crises to protect position, retain citizen and stakeholder support, protect the public interest, and maintain public health and safety.
- Redirect resources from subgroups and department maintenance to Council priorities.
- To introduce and enforce quality control systems for all Metro communications activities.

About the Department

The centralized public affairs group delivers service and distributes functional responsibilities through five budget programs: Community Relations, Identity Management, Policy Communications, Workforce Communications, and the Office of Citizen Involvement. Competencies available to support Council objectives and department projects include meeting and event management, media relations, communications planning, regional coordination of legislative initiatives, government relations, website management, graphic design and production, project-driven citizen involvement, public opinion research, writing and editing, committee management, and agency-wide quality control for Council-centered communications and public information.

Community Relations

Community Relations functions are the shared responsibility of four public affairs coordinators and one legislative affairs manager, each assigned lead for specific projects; each responsible for highest quality delivery of basic competencies demanded by the project communication plans.

The Community Relations program budget supports government, media, and stakeholder relations functions. Cross department coordination by a central staff ensures consistent and sustained messaging, synchronized and strategic timing of events and meetings, leveraging of media coverage, and advancement of the Council leadership and legislative agenda. Council- and department-led projects each have a communications plan owned by PAGR staff who are responsible for successful delivery of plan requirements. Standard deliverables include Councilor newsletters and personal web communications; media releases and pitches; strategic communications with elected officials, staffing Councilors, and executives at events and meetings; communications resource allocation plans; talking points; computer-aided presentations; and rapid-response support.

Identity Management

Identity Management functions are the shared responsibility of five creative services staff comprising graphic design and web system management expertise, delivering in-house services at an average cost 35% lower than outsourcing the same functions.

The Identity Management program budget supports project branding and quality management of all creative communications products. Identity Management work is reserved for PAGR staff with competencies in design, web system architecture, information graphics, and electronic display system management. Communication products meet high and consistent standards for utility and effectiveness, message impact, language consistency, and visual appeal.

Policy Communications

The Policy Communications program budget provides support for the Metro Council's policy entrepreneur and analysis projects. Working in coordination with the Council, COO, and Council policy coordinator, PAGR staff provide political and communication advice and support to leverage policy-making activities for the best outcome.

Workforce Communications

The Workforce Communications program budget provides support for Metro executives and management initiatives to support culture change and performance goals. Standard deliverables include management circulars, coordination of employee events and meetings, and senior management staff initiative communications.

Metro Office of Citizen Involvement (OCI)

The OCI represents Metro Council's commitment to early, frequent, and effective citizen involvement in policy development processes managed by operating departments. The OCI staff serves as on-staff consultants to project managers, ensuring that best practices for citizen involvement are incorporated in project work plans. A centralized staff ensures that costs are spread among departments and projects for better annual planning and administration of labor-intensive citizen involvement investments.

The OCI staff supports the Metro Committee for Citizen Involvement (MCCI) which advises Council and staff on how to engage citizens productively and effectively. MCCI members represent local communities and citizen involvement committees for cities and counties, and they review and provide recommendations for all public involvement plans.

Major accomplishments in FY 2005–06

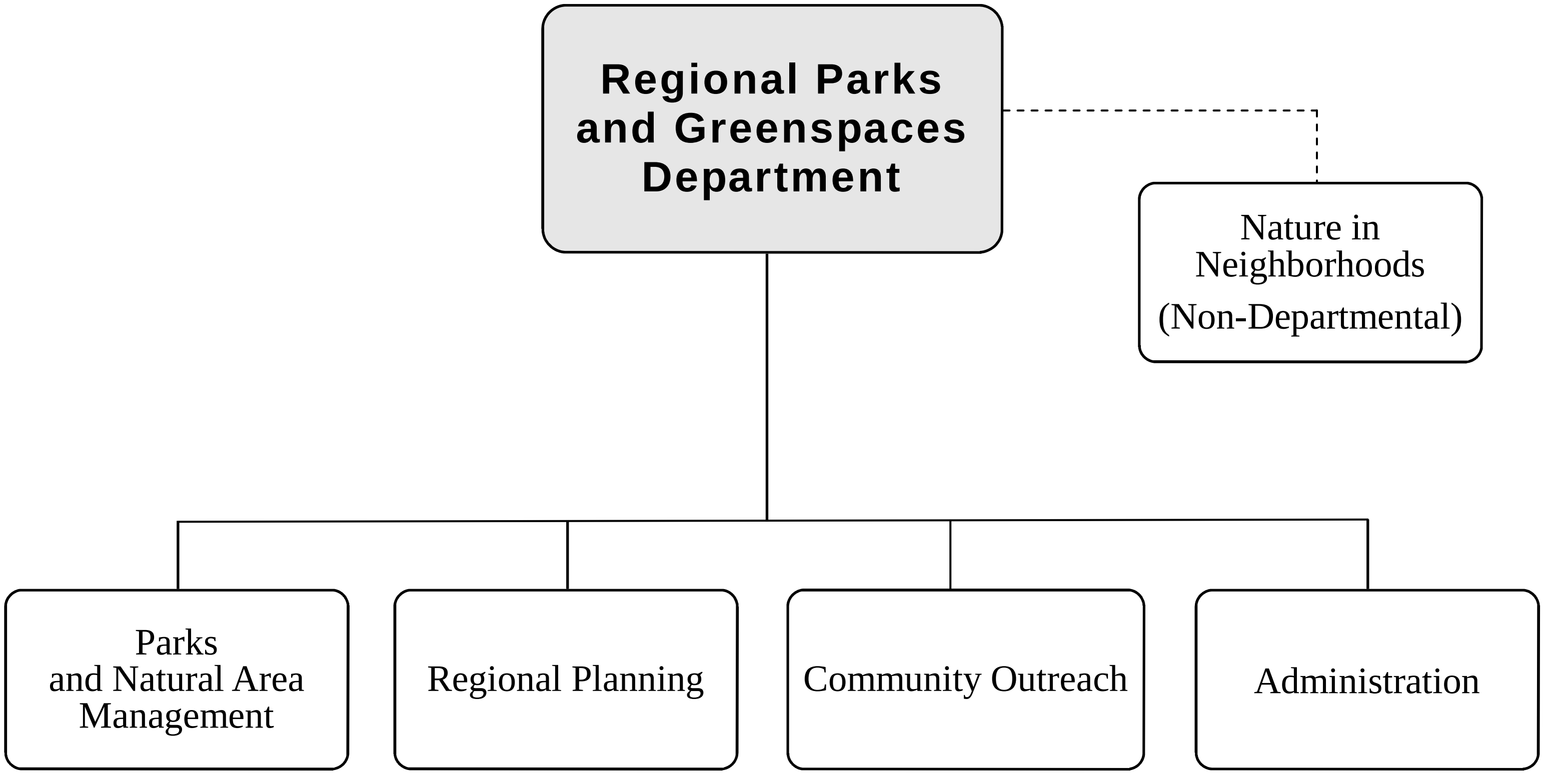
- Launched regional leadership forums.
- Built and launched major interactive web tools for support of mission-critical projects.
- Advocated successfully for and against state legislation that did not align with Metro Council policy and political positions.
- Established and populated three project advisory committees.
- Increased earned print media coverage by 20% over previous year.
- Branded Nature in Neighborhoods and the New Look.
- Managed successful roll outs of mission-critical policy and public opinion studies.

Service Level Changes from FY 2005–06

An increase in the budget was approved to support one-time contracted service to augment legislative affairs efforts, targeted for transportation funding coalition building and case-making support.

Major Objectives for FY 2006–07

- Complete actions on Business Design Team recommendations for a functional review that better aligns communications functions with Council priorities.
- Implement and enforce branding standards to better support clear and explicit business objectives.
- Continue to develop workforce communications that support culture change.


Regional Parks and Greenspaces Department
Nature in Neighborhoods (Non-Departmental)
Parks and Natural Area Management
Regional Planning
Community Outreach
Administration

Regional Parks and Greenspaces Department

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$3,466,669	$3,748,966	$4,003,548	$4,003,548	$3,842,311	$3,857,780	$3,857,780	(3.64%)
Materials and Services	2,667,487	3,724,050	4,436,509	4,436,509	3,689,513	4,984,547	5,054,547	13.93%
Capital Outlay	3,516,425	2,175,061	2,388,500	2,578,500	9,146,000	9,246,000	9,246,000	258.58%
Totals	**$9,650,581**	**$9,648,077**	**$10,828,557**	**$11,018,557**	**$16,677,824**	**$18,088,327**	**$18,158,327**	**64.80%**
Budget by Division								
Administration (beginning FY 2005-06)	$0	$0	$623,048	$623,048	$558,108	$558,875	$558,875	(10.30%)
Community Involvement	0	0	775,505	775,505	631,480	631,480	631,480	(18.57%)
Parks & Natural Areas	0	261,855	3,292,960	3,292,960	3,303,072	3,303,072	3,303,072	0.31%
Planning & Development	0	254,084	2,024,219	2,024,219	9,411,098	9,735,317	9,805,317	384.40%
Science & Stewardship	722,397	880,665	1,281,367	1,471,367	936,605	2,022,122	2,022,122	37.43%
Regional Parks (prior to FY 2005-06)	5,757,658	6,271,557	0	0	0	0	0	0.00%
Open Spaces Acquisition	3,170,526	1,979,916	2,831,458	2,831,458	1,837,461	1,837,461	1,837,461	(35.11%)
Totals	**$9,650,581**	**$9,648,077**	**$10,828,557**	**$11,018,557**	**$16,677,824**	**$18,088,327**	**$18,158,327**	**64.80%**
Budget by Fund								
General Fund	$5,757,658	$6,271,557	$6,389,599	$6,389,599	$5,579,363	$6,944,866	$7,014,866	9.79%
Metro Capital Fund	0	515,939	1,607,500	1,607,500	9,261,000	9,261,000	9,261,000	476.11%
Open Spaces Fund	3,170,526	1,979,916	2,831,458	2,831,458	1,837,461	1,837,461	1,837,461	(35.11%)
Smith & Bybee Lakes Fund	722,397	880,665	0	190,000	0	45,000	45,000	(76.32%)
Totals	**$9,650,581**	**$9,648,077**	**$10,828,557**	**$11,018,557**	**$16,677,824**	**$18,088,327**	**$18,158,327**	**64.80%**
Full-Time Equivalents (FTE)	42.10	44.10	45.15	45.15	42.40	42.40	42.40	(6.09%)

Regional Parks and Greenspaces Department

Department Purpose

The department's primary purpose is to work cooperatively with our partners to develop and maintain a regional system of interconnected natural areas, parks, trails, and greenways for wildlife and people that:

- Contributes to the region's quality of life and economic prosperity.
- Balances human use with the need to protect habitat diversity.
- Is managed in a manner that sustains natural systems over time.
- Provides educational opportunities throughout the region that inspire stewardship of natural resources.
- Provides recreational opportunities integrating nature and cultural resources.
- Is accessible and responsive to diverse human and wildlife populations.
- Is assembled and managed through a cooperative process involving citizens, governments, and private interests.
- Is maintained and operated in a manner that is fiscally responsible.
- Reflects leadership in regional protection of natural systems.
- Complements the Region 2040 Concept Plan.
- Is consistent with the Regional Framework Plan.

Primary policy direction is provided by the Regional Framework Plan, the Metropolitan Greenspaces Master Plan, Regional Urban Growth Goals and Objectives (RUGGO), the Region 2040 Growth Concept, and the Open Spaces, Parks, and Streams bond measure legal requirements/ covenants.

About the Department

The Regional Parks and Greenspaces Department contributes directly to the preservation of the region's livability and supports the goals and objectives developed by the Metro Council. Department programs focus on the provision of accessible regional open spaces, parks, and trails, and the maintenance and enhancement of environmental quality. The department implements elements of the 2040 Growth Concept related to open spaces, parks, trails, and stream corridors through (1) the acquisition of open space, trail, and greenway corridors; (2) development of programs and plans related to the implementation of the Regional Framework Plan; and (3) management of more than 12,000 acres of regional parks and natural areas.

The department actively pursues partnerships with other park and natural area providers, state and federal natural resource management agencies, nonprofit and citizen groups, and a variety of recipients of restoration and education grants. The department provides and promotes natural history interpretive programs, hands-on stewardship activities, and outdoor recreation opportunities. It also develops management/master plans for Metro sites that strive to involve stakeholders and leverage limited financial resources.

The work of the department is divided into three primary areas.

Parks Facilities and Property Management

The purpose of Parks Facilities and Property Management is to provide efficient and cost effective management for the day-to-day operations, visitor service, maintenance, adjacent landowner issues and concern resolution, and enforcement of Metro Title 10 regulations for the protection of existing regional parks, cemeteries, golf courses, marine facilities, wildlife and natural areas, and the day-to-day management of rental home properties and agricultural and commercial leases.

Planning and Construction

The purpose of these programs is to enhance Metro Regional Parks and Greenspaces facilities and properties through investments in park improvements in compliance with adopted master plans. The effort is to design, obtain land use approvals and building permits, and construct four new natural area sites for public use as the significant work products of this program. In addition, other projects at Metro's parks and natural areas will be undertaken as funding allows or as partners step forward with projects on properties owned by Metro and managed in partnership with other agencies or non-profit organizations. The program also includes construction management for major maintenance and renewal/replacement projects.

Natural Resources Stewardship

The purpose of this program area is to engage local governments, natural resource agencies and groups, citizens, and volunteers in a cooperative effort to establish an interconnected, regional system of parks, natural areas, trails, and greenways for fish, wildlife, and people. Metro staff coordinates natural resource protection and management through a variety of programs to integrate lands into the system. Natural resources management with emphasis on restoration of Metro-owned properties forms the core of this regional stewardship effort.

The Metro Charter (1992) authorizes Metro to acquire, develop, maintain, and operate a system of parks, open space, and recreational facilities of metropolitan concern. The Metropolitan Greenspaces Master Plan (1992) also describes a vision for a cooperative regional system of parks, natural areas, trails, and greenways for fish, wildlife, and people. The policy guidelines for implementing this vision are described in the Regional Framework Plan (1997) and are the guiding principles for the Natural Resource Stewardship program.

Major Accomplishments in FY 2005–06

- Operated and maintained parks, natural areas, and recreation facilities at FY 2004–05 levels, and provided direct services to more than 1.2 million visitors
- Acquired 44 acres of open space in compliance with adopted refinement plans (as of June 5, 2006).
- Led extensive restoration projects in Gales Creek, Clear Creek, Killin Wetland, and Graham Oaks.
- Continued design and engineering at Mt. Talbert Natural Area.
- Began restoration of Mt. Talbert Natural Area.
- Initiated design, engineering, and land use approval for the Cooper Mountain Natural Area Development project.
- Completed the Smith and Bybee Lakes Trail Feasibility Study formally adopted by the Council.
- Completed facility improvements at Blue Lake Regional Park by upgrading the water system and installing a water playground at the park for children.
- Established a native plant materials facility to provide scarce plant species for Metro's restoration efforts.
- Initiated preliminary trail planning for the Graham Oaks Natural Area.
- Initiated development of a region-wide 2006 Natural Areas acquisition bond measure.
- Received Council approval of Greenspaces Policy Advisory Committee's (GPAC) vision of a multi-state proposal for the long-term sustainability of the region and its natural and cultural systems.
- Began the conceptual design of a Golf Learning Center at Blue Lake Park.
- Acquired the Morrison property adjacent to Lone Fir Cemetery and began a public process to develop a memorial to Chinese immigrants and a long-range plan for the stewardship of Lone Fir Cemetery.
- Reached an estimated 13,000 people through education programs offered at the various facilities. These included school field trips, Oxbow campfire program, *GreenScene* natural history interpretive programs, and our roving naturalist program.
- Completed the final phase of the Greenspaces Grants program.
- Achieved attendance of more than 12,000 people at the Salmon Festival at Oxbow Park and Blue Lake's 4th-of-July celebration.

- Received 20,000 hours of donated time and talent from approximately 1,000 volunteers (calendar year 2005), participating in activities at a variety of Metro properties including parks, natural areas, and historic pioneer cemeteries (valued at $351,000).
- Participated in, and contributed to, agency-wide programmatic budgeting.
- Completed a variety of deferred capital maintenance projects.

Service Level Changes from FY 2005–06

The FY 2006-07 budget maintains the service levels from FY 2005–06. There were also some structural changes made within the budget.

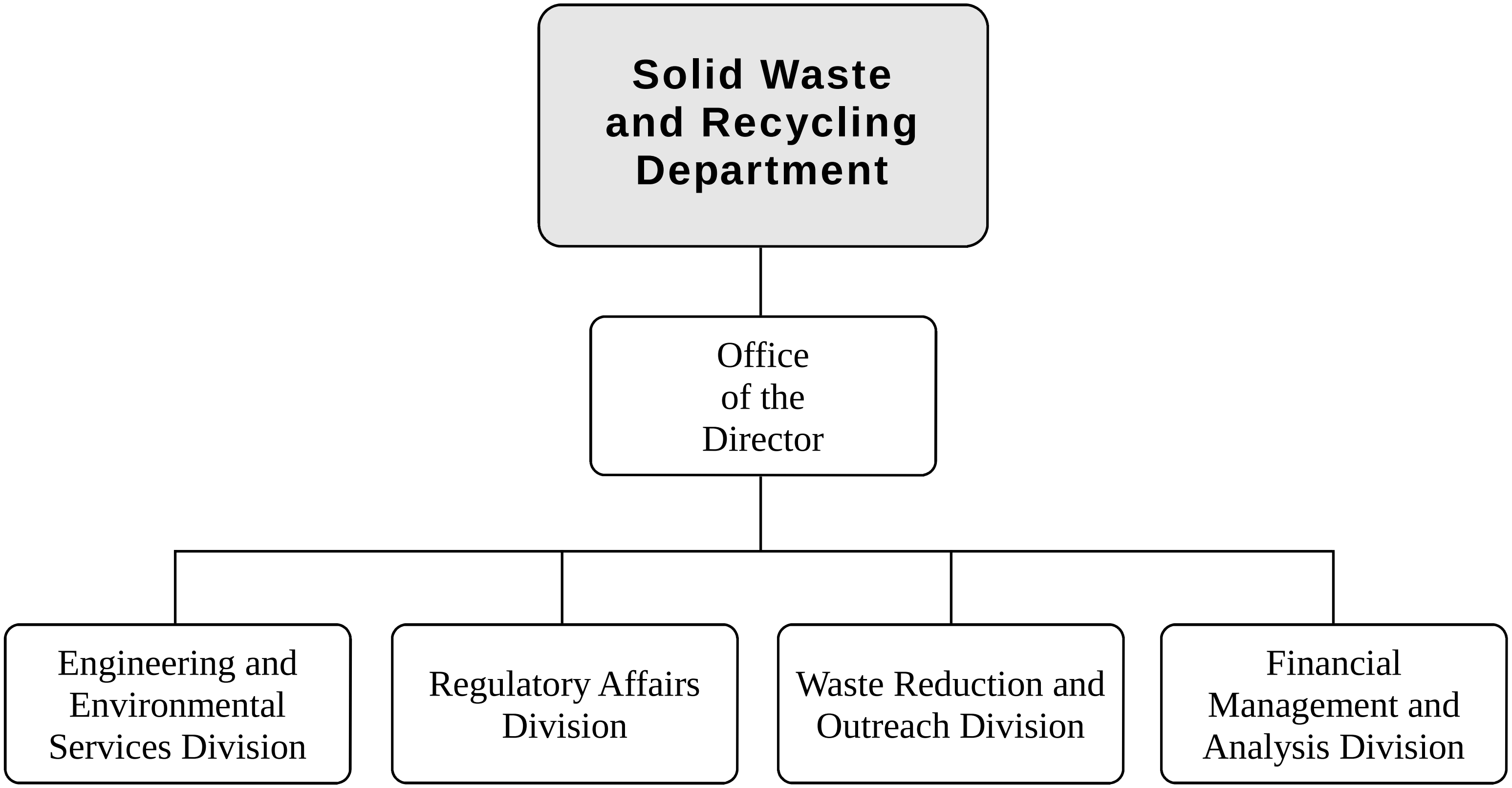
- *Renewal & Replacement Support* – The FY 2006–07 budget represents a small decrease in renewal and replacement projects and contributions to the renewal and replacement reserve, from $350,000 in projects in FY 2005–06 to $337,900 in this budget year. This continued reduction from $500,000 in FY 2004–05 was made to provide additional support to building and restoring the four new regional natural areas.
- *Development of new regional parks* – The increased excise tax support provided in FY 2004–05 allows for the department to begin development of new regional parks. In the FY 2006–07 budget, construction of the first phase of the Mt. Talbert Natural Area has been budgeted, along with the first phase of construction for the Cooper Mountain Natural Area. There is also budget to continue restoration efforts at the Graham Oaks Natural Area in Wilsonville.

  Prepare for a new ballot measure in November 2006 – The FY 2006–07 budget anticipates an election in November 2006 for the acquisition of open space properties. In accordance with recommendations from the Tax Supervising and Conservation Commission (TSCC), the budget does not include expenditures related to the issuance of General Obligation Bonds and the beginning of this new program.

Major Objectives for FY 2006–07

- Begin land acquisition program upon passage of ballot measure package in November 2006.
- Complete design and engineering at the Mt. Talbert Natural Area, and begin construction.
- Begin the first phase of construction at Cooper Mountain Natural Area near Beaverton.
- Continue habitat restoration and trail planning at Graham Oaks Natural Area in Wilsonville.
- Begin habitat restoration at Multnomah Channel.
- Complete a variety of deferred Renewal and Replacement (capital maintenance) projects.
- Complete the conceptual design of the Golf Learning Center at Blue Lake Park.
- Begin operation of Water Playground at Blue Lake Park.
- Complete design and engineering for Phase II of the M. James Gleason Boat Ramp project.
- Complete the first phase of a major restoration project at the confluence of Gales Creek and the Tualatin River.
- Provide natural resource stewardship services on approximately 7,500 acres located in 14 target areas spread across the tri-county Metropolitan region.
- Continue to provide natural history, environmental education, and special events at locations throughout the region.
- Initiate Tonquin Trail master planning.
- Finalize Smith and Bybee Trail alignment.
- Update strategic planning goals for the department.
- Identify long term funding options for regional system development and management.

Performance Measures		*Regional Parks and Greenspaces Department*	Actual FY 02–03	Actual FY 03–04	Actual FY 04–05	Target FY 05–06	Target FY 06–07
Parks Facilities and Property Management	1.	Total acres managed	12,035	12,123	12,223	12,323	12,423
	2.	Number of visitors at Blue Lake, Oxbow Park, and Chinook Landing	713,276	728,910	721,800	722,000	725,000
	3.	Number of nine-hole rounds played at Glendoveer Golf Course	165,858	160,149	160,000	165,000	160,000
	4.	Lake House event rentals	72	61	65	67	70
	5.	Number of special use permits	24	22	20	20	20
	6.	House rental vacancy days	90	80	150	150	150
	7.	Number of interments (cemetery)	198	193	180	180	180
Natural Resources Stewardship	1.	Percentage of four new sites under restoration	0%	6%	10%	15%	25%
	2.	Management plans completed	0%	0%	6%	13%	18%
	3.	Leveraged for restoration	$330,000	$475,000	$1,200,000	$570,000	$800,000
	4.	Number of trail projects initiated	NA	NA	NA	NA	2
	5.	Number of participants in interpretive and education programs (quality)	10,706	13,000	11,000	13,000	13,000
	6.	Contact hours of participants in interpretive and education programs (quantity)	51,254	60,000	55,000	60,000	60,000
	7.	Education and interpretive programs delivered in Washington and Clackamas counties	NA	50	70	80	80
	8.	Number of volunteers	1,478	1,575	1,421	1,450	1,450
	9.	Number of volunteer hours	14,312	20,100	30,519	30,000	30,000
	10.	Number of acres acquired	168.05	87.72	100	100	100


Solid Waste and Recycling Department
Office of the Director
Engineering and Environmental Services Division
Regulatory Affairs Division
Waste Reduction and Outreach Division
Financial Management and Analysis Division

Solid Waste & Recycling Department

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$8,191,808	$8,419,159	$9,147,404	$9,147,404	$9,483,385	$9,483,385	$9,483,385	3.67%
Materials and Services	33,540,105	33,665,092	37,771,061	37,771,061	38,704,371	39,054,982	39,054,982	3.40%
Capital Outlay	3,625,285	1,049,051	3,229,000	3,229,000	2,919,000	3,019,000	3,019,000	(6.50%)
Debt Service	4,155,671	1,335,013	2,344,863	2,344,863	2,348,013	2,348,013	2,348,013	0.13%
Totals	**$49,512,869**	**$44,468,315**	**$52,492,328**	**$52,492,328**	**$53,454,769**	**$53,905,380**	**$53,905,380**	**2.69%**
Budget by Division								
Office of the Director	$1,579,115	$1,848,883	$2,174,284	$2,174,284	$2,237,477	$2,197,477	$2,197,477	1.07%
Environmental & Engineering Services	40,071,405	36,055,002	42,484,864	42,484,864	43,248,129	43,348,129	43,348,129	2.03%
Waste Reduction, Planning & Outreach	3,957,162	3,974,431	4,944,928	4,944,928	5,111,797	5,502,408	5,502,408	11.27%
Financial Management & Analysis Division	3,057,899	1,787,278	1,921,972	1,921,972	1,783,907	1,783,907	1,783,907	(7.18%)
Regulatory Affairs	847,289	802,721	966,280	966,280	1,073,459	1,073,459	1,073,459	11.09%
Totals	**$49,512,869**	**$44,468,315**	**$52,492,328**	**$52,492,328**	**$53,454,769**	**$53,905,380**	**$53,905,380**	**2.69%**
Budget by Fund								
Solid Waste Revenue Fund	$49,181,057	$44,001,246	$51,898,192	$51,898,192	$52,920,896	$53,371,507	$53,371,507	2.84%
Rehabilitation & Enhancement Fund	331,813	467,069	594,136	594,136	533,873	533,873	533,873	(10.14%)
Totals	**$49,512,869**	**$44,468,315**	**$52,492,328**	**$52,492,328**	**$53,454,769**	**$53,905,380**	**$53,905,380**	**2.69%**
Full-Time Equivalents (FTE)	108.70	106.20	106.20	106.20	106.75	106.75	106.75	0.52%

Solid Waste and Recycling Department

Department Purpose

The primary purpose of the department is to contribute to livability and conservation of the Metro region's environmental resources by taking actions that reduce and manage the region's solid waste in an effective, economical, and environmentally sound manner.

There are two complementary elements of the department's mission:

- *Waste Reduction*, with the goal of reducing the amount and toxicity of solid waste generated and disposed.
- *Solid Waste Disposal*, with the goal of ensuring environmentally sound and cost-efficient disposal of waste that cannot be prevented or recovered.

About the Department

Program Structure

To carry out its mission, the department owns and manages two transfer stations and two hazardous waste facilities; contracts for disposal of solid waste and hazardous waste, develops and administers a solid waste management plan for the region, regulates private solid waste facilities, maintains and monitors the region's largest inactive solid waste landfill, and promotes the sustainable management of resources through education, grants, and targeted waste reduction activities.

Resources and Expenses

The Solid Waste and Recycling Department operates as an enterprise activity with two enterprise funds: the Solid Waste Revenue Fund and the Rehabilitation and Enhancement Fund. The primary fund is the Solid Waste Revenue Fund with about $94 million in annual resources and a budget of about $76 million. The operating budget is about $55 million of the $76 million annual appropriation. Over 90 percent of the department's current resources are derived from user fees on solid waste (the remainder is miscellaneous revenue such as product sales and interest on the fund balance). The department receives no funding from the General Fund.

Major Accomplishments in FY 2005–06

- Launched a Disposal System Planning project to examine alternatives to Metro's ownership of Metro South and Metro Central transfer stations.
- Completed the Interim Waste Reduction Plan portion of the Regional Solid Waste Management Plan (RSWMP) update project. The plan was discussed at public hearings before the Metro Council and scheduled for final action by Metro and the Department of Environmental Quality (DEQ) early in FY 2006–07.
- Developed a decision matrix framework—a comprehensive policy decision tool—with potential applications to a broad range of planning and policy projects. Used the tool with Councilors and stakeholders to analyze options for increasing dry waste recovery in the region.
- Convened the Rate Policy Subcommittee of the Solid Waste Advisory Committee (SWAC) to develop policies that affect decisions on Metro's solid waste rates. The work of the subcommittee was recommended on to the Rate Review Committee and Council, who adopted the recommendations as part of the annual rate ordinance.
- Granted a franchise to Columbia Environmental, a new Local Transfer Station in east Portland. The franchise incorporated new policy elements regarding material recovery and system finance.
- Successfully re-bid the hazardous waste disposal contract leading to $280,000 in savings, even after taking into account an expected increase in volume.
- Followed-up on the successful move of the latex paint operation by implementing a marketing strategy that focused on: (a) increasing customer awareness in North and Northeast Portland, (b) increasing sales of one-gallon can products, (c) increasing feedstock to produce more white and other popular colors, and (d) marketing of surplus colors to exporters and other large buyers.

- Completed several initiatives developed specifically in response to the Council's Goals and Objectives:
    - Environmental Health Goal 2.4 (Metro is a model for green business practices): Fully implemented sustainable business practices into the transfer station operations contract, including purchasing green power and new initiatives in material recovery. Installed diesel filters on waste transport trucks.
    - Critical Success Factor 3.1 (Lead regional problem-solving and regional initiatives): Developed goals and operating practices to increase the sustainability of the solid waste system, developed in conjunction with a broad constituency of solid waste interests.
    - Critical Success Factor 3.4 (Communicate effectively and develop constructive relationships with internal and external audiences): Enhanced Metro's ability to provide service to residents for whom English is a second language by adding three bilingual FTE to Metro Recycling Information and increasing advertising and outreach to Hispanics.
    - Environmental Health Goal 2.4 (Metro is a model for green business practices): Designed and installed a green roof on MRC that will help reduce storm water runoff and save energy costs.

Service Level Changes from FY 2005–06

The increases in service levels identified below are funded by offsetting decreases in service levels of other projects and activities (also identified below), together with cost savings achieved in other programs of the department. Also provided in this section are the reasons for no change in service levels in key program areas—most notably, Disposal Services.

Disposal Services Program (Engineering and Environmental Services Division)

No significant change in current service levels. Because the outcomes of the Disposal System Planning project were unknown as the budget was developed, the FY 2006–07 Disposal Services program budget maintains current service levels. Substantive discussions with Council on the disposal system are targeted to continue through the Spring of 2006. If a decision involving major change is made, the transition to the new system would likely occur beyond FY 2006–07.

Solid Waste Reduction Program (Waste Reduction and Outreach Division)

Key shifts of service levels are planned for the Waste Reduction program during FY 2006–07. Based on Council directives at the end of FY 2005–06, the program will focus on waste streams with the greatest remaining opportunity for recovery. The following changes are expected to begin about mid-year.

Increased emphasis on:

- Construction and demolition recovery through new waste processing requirements ("Mandatory MRFing").
- Multi-family participation and diversion through significant increases in outreach efforts and grants, if implementation is feasible in FY 2006–07.

Decreases:

- Elimination of the competitive grants element (FY 2005–06: $80,000) of the Partnership Plan Activity, based on under-performance and the recommendation of a committee convened pursuant to Budget Note 10 of the FY 2005–06 budget.

The other major activities remain on-track:

- Business recycling. The "Recycle at Work" technical assistance program remains at the FY 2005–06 level of $600,000.
- Business organics recovery. Progress will continue with staff efforts to bring businesses into the program. The capital grants program continues at the FY 2005–06 level of $250,000.

Hazardous Waste Reduction Program (Engineering and Environmental Services Division)

Conversion of one contract employee to a permanent Metro employee allows reassignment to key functions where reliability is especially important. The conversion is fiscally neutral and improves the overall efficiency of the operation.

Waste Reduction Education and Outreach Program (Waste Reduction and Outreach Division)

- Additional resources in Adult Education will be invested in the following three areas, totaling about $75,000. These funds will come from a portion of the estimated $280,000 in savings from the new hazardous waste disposal contract.
    - Lawn care – A small increase in Metro funds (up from $15,000 to $30,000) will be used to bring pilot studies to completion. The project manager has also applied for a U.S. Environmental Protection Agency (EPA) grant to supplement project activities. A more regional program is targeted for roll-out starting in FY 2007-08. The preliminarily estimated program cost is about $100,000 per year.
    - Techniques gardens – Selection of sites and initial design on landscaping for Metro facilities (i.e., “walk the talk”) is planned in this fiscal year. The target is to open one facility or site per year at approximately $50,000 per year for up to five years, starting FY 2006-07.
    - TOTS (Take on Toxics) — A program designed to minimize children’s exposure to toxic chemicals in home, day-care, and school environments ($15,000 per year). Pilot programs were completed in FY 2005-06, and full implementation will begin in FY 2006-07 at a number of day care facilities across the region.
- Nature in Neighborhoods (NIN) — In FY 2005-06, the Waste Reduction, Education and Outreach Program supported NIN with a “residential new construction” project to encourage builders to adopt natural gardening and other environmentally friendly landscaping techniques. In FY 2006-07 the same dollar level of support ($48,000) will be provided for efforts addressed at commercial property owners. While it represents no change in current service levels, the department stands ready to increase support of (and integration of solid waste education programs with) NIN as needs arise.
- Private Facility Regulation Program (Regulatory Affairs Division) — The increasing need for inspections and other fieldwork will be met. However, the work will be done by shifting workloads of current staff in other programs, not through new FTE.

  The addition of a new working supervisor will address work load efficiency and span-of-control issues that have arisen with the significant growth of regulatory and enforcement actions in recent years.
- Illegal Dumping Program (Regulatory Affairs Division) There are no significant changes to the Illegal Dumping Program service levels, although the department expects new demands as the Nature in Neighborhoods grant program rolls out. The department also anticipates being integrated more deeply into NIN-related restoration efforts in environmentally sensitive and habitat areas. As in FY 2005-06, these needs have not been fully identified, but the department stands ready to address them through intra-year budget amendments, as suggested by Budget Note 11 to the FY 2005-06 budget.

Major Objectives for FY 2006-07

- Disposal System Planning—finalize decisions on the regional disposal system and Metro’s role(s), and launch the implementation phase.
- Regional Solid Waste Management Plan—adoption by Council and acceptance by DEQ.
- Dry Waste Recovery—implement a program targeting recovery from dry waste, and phase out recovery credits against the Regional System Fee and excise tax.
- Nature in Neighborhoods—develop and integrate key programs such as Adult Education, Hazardous Waste Reduction and Illegal Disposal.

- Latex Paint Business Plan—continue to implement the plan, emphasizing growth in latex paint recovery and sales; and continuous efficiency improvement in operations.
- St. Johns Landfill Perimeter Dike—obtain another round of federal funding.
- Decision Matrix Model (developed in FY 2005–06 and applied toward dry waste recovery programs)—broaden its use to other strategic issues within the department and the agency.
- Help lead the agency to implement a program-based budget.

Performance Measures	***Solid Waste and Recycling Department***	**Actual FY 02–03**	**Actual FY 03–04**	**Actual FY 04–05**	**Target FY 05–06**	**Target FY 06–07**
Waste Reduction and Outreach	1. Calls to Recycling Information Center (RIC) and hits on website	N/A	126,245	126,949	110,000	110,000
	2. Students reached in elementary and secondary school presentations	37,478	41,055	44,314	30,000	30,000
	3. Regional recovery rate	N/A	50.93%	52.95%	56.0%	56.5%
Regulatory Affairs	1 Number of facility inspections *Reduction in FY 05–06 Target due to paternity leave of inspector*	221	369	404	380	380
	2. Percent of formal enforcement actions upheld on appeal to hearings officer	100%	No Appeals Filed	No Appeals Filed	100%	100%
	3. Percent of illegal dumpsites where action was taken within two days of discovery *Reduction in FY 05–06 Target due to transition to Metro-supervised work crews rather than Multnomah Co.-supervised work crews*	98.1%	98.5%	94.9%	85%	85%

Performance Measures		Solid Waste and Recycling Department *continued*	Actual FY 02–03	Actual FY 03–04	Actual FY 04–05	Target FY 05–06	Target FY 06–07
Engineering and Environmental Services	1.	Completed Project Costs are no greater than 110% of CIP Cost Estimates	N/A	N/A	101%	110%	110%
	2.	Compliance with permits/energy contract	N/A	100%	94.4%	100%	100%
	3.	Hazardous waste net cost per pound	$0.90	$0.72	$0.87	$0.89	$0.89
	4.	Injury and illness rate for engineering and environmental services staff at Metro transfer stations and hazardous waste facilities (in FY 2003–04, the reporting was changed from quantitative to percentage)	Data not available	2.6%	2.68%	15%	15%
	5.	Customer satisfaction with facility staff					
		• *Scalehouse*	86%	88.2%	N/A	90%	90%
		• *Hazardous Waste*	97%	98.3%	98.1%	95%	95%
	6.	Percent increase in latex paint sales revenue	51%	18.95%	7.85%	14%	14%
	7.	Net cost per incoming paint gallon	N/A	N/A	$1.83	$0.78	$0.78

Solid Waste Revenue Tons[1	**Actual FY 02–03**	**Actual FY 03–04**	**Actual FY 04–05**	**Projected** [2] **FY 05–06**	**Forecast** [3] **FY 05–06**	**Forecast FY 06–07**
Metro Facilities	577,780	572,744	582,568	604,935	572,886	624,403
Non-Metro Facilities	628,973	673,500	730,127	750,901	732,311	795,764
Total	1,206,753	1,246,244	1,312,695	1,355,836	1,305,197	1,420,167
Forecasts for Budget	1,203,826	1,207,606	1,226,706	1,305,197	- - -	- - -
Percentage Change	0.2%	3.2%	7.0%	3.9%	- - -	- - -

(1) *Includes yard debris at Metro facilities for which fees were charged. Excludes Petroleum Contaminated Soils (PCS) and other environmental cleanup material (ECU) at all facilities. PCS and ECU are not subject to full Metro fees.*
(2) *Projected based on data through December 2005.*
(3) *FY 05–06 forecast for the Budget.*

Non-departmental Summary

Non-Departmental Summary

Budget by Classification	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	% Change from Amended FY 2005-06
Personal Services	$0	$0	$316,800	$316,800	$427,571	$454,058	$454,058	43.33%
Materials and Services	11,904,490	7,073,207	10,003,984	41,868,033	20,000,263	22,231,071	22,231,071	(46.90%)
Capital Outlay	0	0	250,000	250,000	195,000	195,000	195,000	(22.00%)
Debt Service	43,105,566	38,797,303	19,553,177	20,379,084	20,736,565	20,736,565	20,736,565	1.75%
Interfund Reimbursements	5,560,348	6,119,042	6,763,455	6,763,455	6,991,721	7,031,721	7,031,721	3.97%
Internal Service Charges	1,014,268	726,684	559,740	559,740	704,639	704,639	704,639	25.89%
Interfund Loan	101,248	0	0	1,200,000	0	0	1,550,000	29.17%
Fund Equity Transfers	3,655,578	6,185,779	8,072,052	11,909,644	11,370,125	11,685,494	11,685,494	(1.88%)
Totals	**$65,341,498**	**$58,902,016**	**$45,519,208**	**$83,246,756**	**$60,425,884**	**$63,038,548**	**$64,588,548**	**(22.41%)**

Budget by Fund								
Convention Center Project Capital Fund	$0	$278,259	$0	$0	$0	$0	$0	0.00%
General Fund	2,705,938	4,832,159	8,934,887	42,824,843	18,551,538	21,481,184	23,031,184	(46.22%)
General Obligation Bond Debt Service Fund	19,548,224	37,469,704	18,039,363	18,039,363	18,035,603	18,035,603	18,035,603	(0.02%)
General Revenue Bond Fund	23,557,342	1,510,314	2,098,814	2,098,814	1,502,064	1,502,064	1,502,064	(28.43%)
MERC Operating Fund	3,226,235	3,477,159	3,581,693	5,871,073	6,440,713	6,083,731	6,083,731	3.62%
MERC Pooled Capital	0	0	0	61,160	76,196	76,196	76,196	24.58%
Metro Capital Fund	89,438	0	250,500	441,134	206,955	206,955	206,955	(53.09%)
Open Spaces Fund	672,705	578,236	368,077	426,562	464,797	464,797	464,797	8.96%
Rehabilitation & Enhancement Fund	23,923	26,630	29,101	29,101	30,015	30,015	30,015	3.14%
Risk Management Fund	11,632,945	6,755,748	7,809,139	7,841,523	8,714,134	8,714,134	8,714,134	11.13%
Smith & Bybee Lakes Fund	48,803	0	21,700	21,700	20,000	20,000	20,000	(7.83%)
Solid Waste Revenue Fund	3,835,945	3,973,807	4,385,934	5,591,483	6,383,869	6,423,869	6,423,869	14.89%
Totals	**$65,341,498**	**$58,902,016**	**$45,519,208**	**$83,246,756**	**$60,425,884**	**$63,038,548**	**$64,588,548**	**(22.41%)**
Full-Time Equivalents (FTE)	0.00	0.00	3.75	3.75	4.00	4.00	4.00	6.67%

Non-departmental Summary

The expenditures listed in the non-departmental summary are non-operating expenses such as general obligation debt service and interfund transfers. Non-departmental expenditures also include items (such as special appropriations) that cannot be easily tied to the program of any single department or office. It also includes costs (such as election expenses) that do not occur every year.

Highlights of the FY 2006–07 non-departmental budget are:

- Debt service on general obligation bonds totaling $18.0 million.
- $7.0 million in Interfund Reimbursements for agency-wide central service functions such as accounting, legal services, risk management, and Metro Regional Center management.
- Transfer of $4.2 million to the Pension Obligation Account of the General Fund to provide for a possible lump-sum contribution to the Oregon Public Employees Retirement System to buy down an unfunded actuarial liability.
- Transfer of $2.93 million in excise tax from the General Fund to the Metro Capital Fund to support capital and renewal and replacement needs of the Oregon Zoo and the Regional Parks and Greenspaces Department, and to the Metro Exposition-Recreation Commission to support the activities and operations of the Oregon Convention Center.
- 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 Operating Fund to the General Revenue Bond Fund for debt service on outstanding full faith and credit bonds.
- Transfer of $425,000 in contributions to various renewal and replacement accounts in the Metro Capital Fund.
- Transfer of approximately $439,000 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 $550,000 from various operating funds to support capital needs of the facilities.
- Transfer of $475,000 to Risk Management Fund to re-establish reserves for worker’s compensation program.
- General Fund Special Appropriations
    - $300,000 for primary election costs for the Council President, Auditor, and three Council seats.
    - $150,000 for public notice requirements under voter-approved ballot measures or required by Metro Code.
    - $25,000 for contribution to the Regional Arts and Culture Council.
    - $15,750 for water consortium dues.
    - $115,000 for Metro’s outside financial audit contract.
    - $13,750 for Lloyd District Business Improvement District payment.
    - $35,000 for general Metro sponsorship account.
    - $125,000 for further research and development of the Fair Growth and Farmland tax on UGB expansion areas.
    - $2.0 million derived from the new construction excise tax to provide grants to local governments for concept planning.
- *Nature in Neighborhoods*: This section also includes the Nature in Neighborhoods project team, a multi-discipline, cross-departmental team of staff brought together to implement the Council’s *Nature in Neighborhoods Initiative*.

  Nature in Neighborhoods is a regional habitat protection, restoration, and greenspaces initiative designed to inspire, strengthen, coordinate, and focus the activities of individuals and organizations with a role and stake in the region’s fish and wildlife habitat, natural beauty, clean air and water, and outdoor recreational opportunities. Metro plays a lead role in Nature in Neighborhoods, but recognizes that the protection and restoration of fish and wildlife habitat and the integration of greenspaces into the urban environment is a task of scope and magnitude beyond the reach of any one organization; it will take the coordinated and strategic action of many.

Metro will provide overall leadership and coordination to the initiative, providing a range of resources and expertise to partner organizations and the region's residents. Metro's roles will include convening, coordinating, communicating, educating, assisting, providing incentives, building capacity, focusing and leveraging the talents, skills, resources, and concerted action of Metro departments and partner organizations.

The initiative is supported by a interdisciplinary Nature in Neighborhoods staff team. Staff total 4.0 FTE for a total cost of $454,058. An additional $1,479,990 is set aside for materials and services and restoration grant projects, bringing the total budget commitment for Nature in Neighborhoods to $1,934,048. Nature in Neighborhoods was funded through the reallocation of existing Metro resources. Additionally, resources available in Metro's Planning Department, Regional Parks and Greenspaces Department, Oregon Zoo, Solid Waste and Recycling Department, and Public Affairs and Government Relations Departments are coordinated in support of Nature in Neighborhoods.

Metro will work with its public, nonprofit, and private partners to implement a comprehensive communications strategy that supports and integrates the program elements and elevates the level of awareness, understanding, and commitment behind the initiative.

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Fund Summaries

Summary of All Funds

	General Fund	General Obligation Bond Debt Service Fund	General Revenue Bond Fund	MERC Operating Fund	MERC Pooled Capital Fund	Metro Capital Fund	Open Spaces Fund
Resources							
Beginning Fund Balance	*$20,290,724*	*$10,374,854*	*$188,410*	*$13,194,318*	*$3,711,004*	*$6,851,970*	*$2,101,946*
Current Revenues							
Real Property Taxes	9,679,131	18,510,603	0	0	0	0	0
Excise Tax	16,588,507	0	0	0	0	0	0
Other Derived Tax Revenue	0	0	0	0	0	0	0
Grants	22,731,548	0	0	0	0	4,209,233	200,000
Local Government Shared Revenues	508,047	0	0	8,838,283	0	0	0
Contributions from other Government:	165,300	0	0	687,200	0	631,767	0
Enterprise Revenue	19,418,979	0	0	25,908,066	0	0	25,000
Interest Earnings	692,412	100,000	6,900	355,642	75,003	131,084	112,470
Donations	1,259,990	0	0	181,270	0	1,220,000	0
Other Misc. Revenue	232,008	0	0	75,000	0	0	0
Interfund Transfers:							
Interfund Reimbursements	5,703,720	0	0	0	0	0	0
Internal Service Transfers	602,520	0	0	0	0	72,105	0
Fund Equity Transfers	4,180,667	0	2,762,028	0	1,748,367	2,080,725	0
Subtotal Current Revenues	81,762,829	18,610,603	2,768,928	36,045,461	1,823,370	8,344,914	337,470
Total Resources	**$102,053,553**	**$28,985,457**	**$2,957,338**	**$49,239,779**	**$5,534,374**	**$15,196,884**	**$2,439,416**
Requirements							
Current Expenditures							
Personal Services	$36,944,377	$0	$0	$15,335,871	$222,306	$107,561	$99,798
Materials and Services	44,157,114	0	0	16,626,417	10,000	590,000	1,287,663
Capital Outlay	305,000	0	190,870	0	3,277,475	10,992,000	475,000
Debt Service	1,198,898	18,035,603	2,762,028	18,899	0	0	0
Interfund Transfers:							
Interfund Reimbursements	598,915	0	0	2,290,633	0	0	329,564
Internal Service Transfers	0	0	0	73,584	0	0	72,105
Fund Equity Transfers	5,674,777	0	0	3,719,514	76,196	11,955	63,128
Contingency	7,689,075	0	0	1,270,104	742,926	2,617,030	112,158
Subtotal Current Expenditures	98,118,156	18,035,603	2,952,898	39,335,022	4,328,903	14,318,546	2,439,416
Ending Fund Balance	*3,935,397*	*10,949,854*	*4,440*	*9,904,757*	*1,205,471*	*878,338*	*0*
Total Requirements	**$102,053,553**	**$28,985,457**	**$2,957,338**	**$49,239,779**	**$5,534,374**	**$15,196,884**	**$2,439,416**
Full-Time Equivalents (FTE)	402.33	0.00	0.00	159.00	2.00	1.00	1.00

Summary of All Funds

	Pioneer Cemetery Perpetual Care Fund	Rehab. & Enhancement Fund	Risk Management Fund	Smith & Bybee Lakes Fund	Solid Waste Revenue Fund	Total
Resources						
Beginning Fund Balance	*$173,588*	*$1,832,900*	*$244,911*	*$3,680,250*	*$37,603,884*	*$100,248,759*
Current Revenues						
Real Property Taxes	0	0	0	0	0	28,189,734
Excise Tax	0	0	0	0	0	16,588,507
Other Derived Tax Revenue	19,000	0	0	0	0	19,000
Grants	0	0	15,000	0	0	27,155,781
Local Government Shared Revenues	0	0	0	0	0	9,346,330
Contributions from other Governments	0	0	0	0	0	1,484,267
Enterprise Revenue	0	0	6,685,928	1,700	53,647,649	105,687,322
Interest Earnings	4,340	68,734	241,069	138,009	1,391,749	3,317,412
Donations	0	0	0	0	0	2,661,260
Other Misc. Revenue	0	0	0	0	15,000	322,008
Interfund Transfers:						
Interfund Reimbursements	0	0	1,328,000	0	0	7,031,720
Internal Service Transfers	0	0	0	0	30,015	704,640
Fund Equity Transfers	0	438,707	475,000	0	0	11,685,494
Subtotal Current Revenues	23,340	507,441	8,744,997	139,709	56,634,413	215,743,475
Total Resources	**$196,928**	**$2,340,341**	**$8,989,908**	**$3,819,959**	**$94,238,297**	**$315,992,234**
Requirements						
Current Expenditures						
Personal Services	$0	$0	$147,451	$0	$9,483,385	$62,340,749
Materials and Services	0	533,873	8,676,535	45,000	38,521,109	110,447,711
Capital Outlay	0	0	0	0	3,019,000	18,259,345
Debt Service	0	0	0	0	2,348,013	24,363,441
Interfund Transfers:						
Interfund Reimbursements	0	0	0	0	3,812,609	7,031,721
Internal Service Transfers	0	30,015	0	20,000	508,935	704,639
Fund Equity Transfers	0	0	37,599	0	2,102,325	11,685,494
Contingency	0	300,000	128,323	200,000	15,950,078	29,009,694
Subtotal Current Expenditures	0	863,888	8,989,908	265,000	75,745,454	265,392,794
Ending Fund Balance	*196,928*	*1,476,453*	*0*	*3,554,959*	*18,492,843*	*50,599,440*
Total Requirements	**$196,928**	**$2,340,341**	**$8,989,908**	**$3,819,959**	**$94,238,297**	**$315,992,234**
Full-Time Equivalents (FTE)	0.00	0.00	1.80	0.00	106.75	673.88

METRO

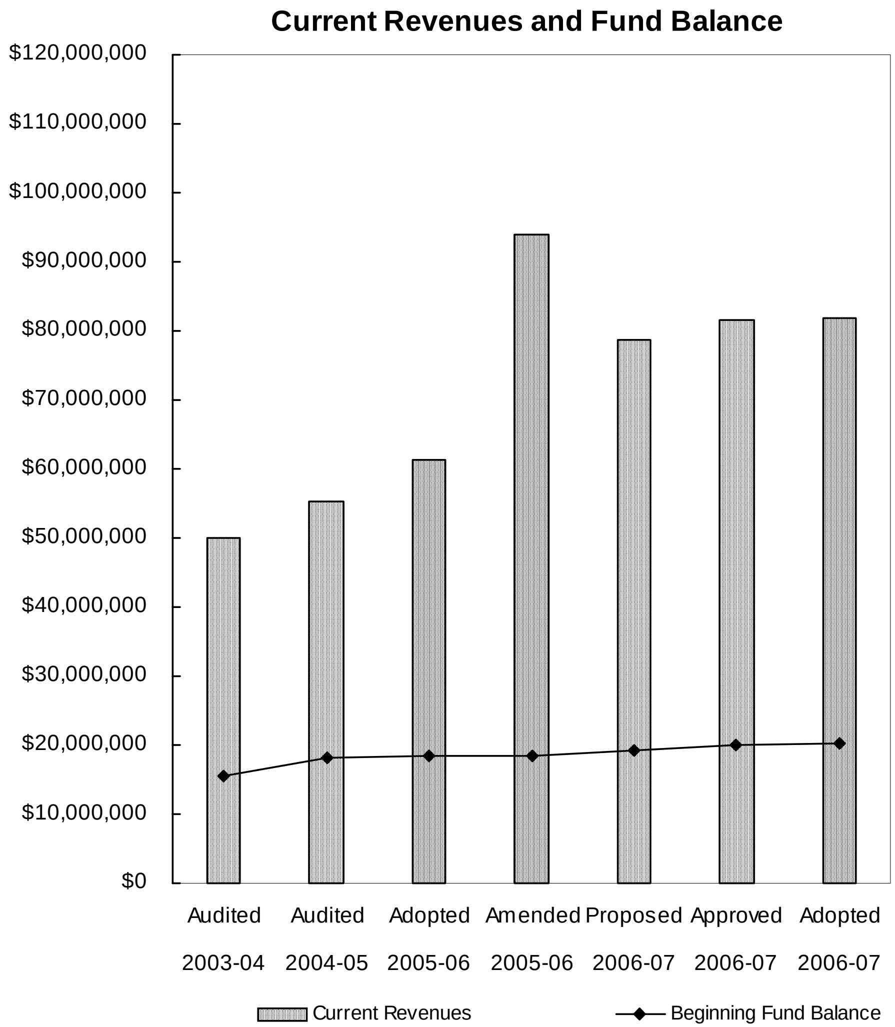
PEOPLE PLACES
OPEN SPACES

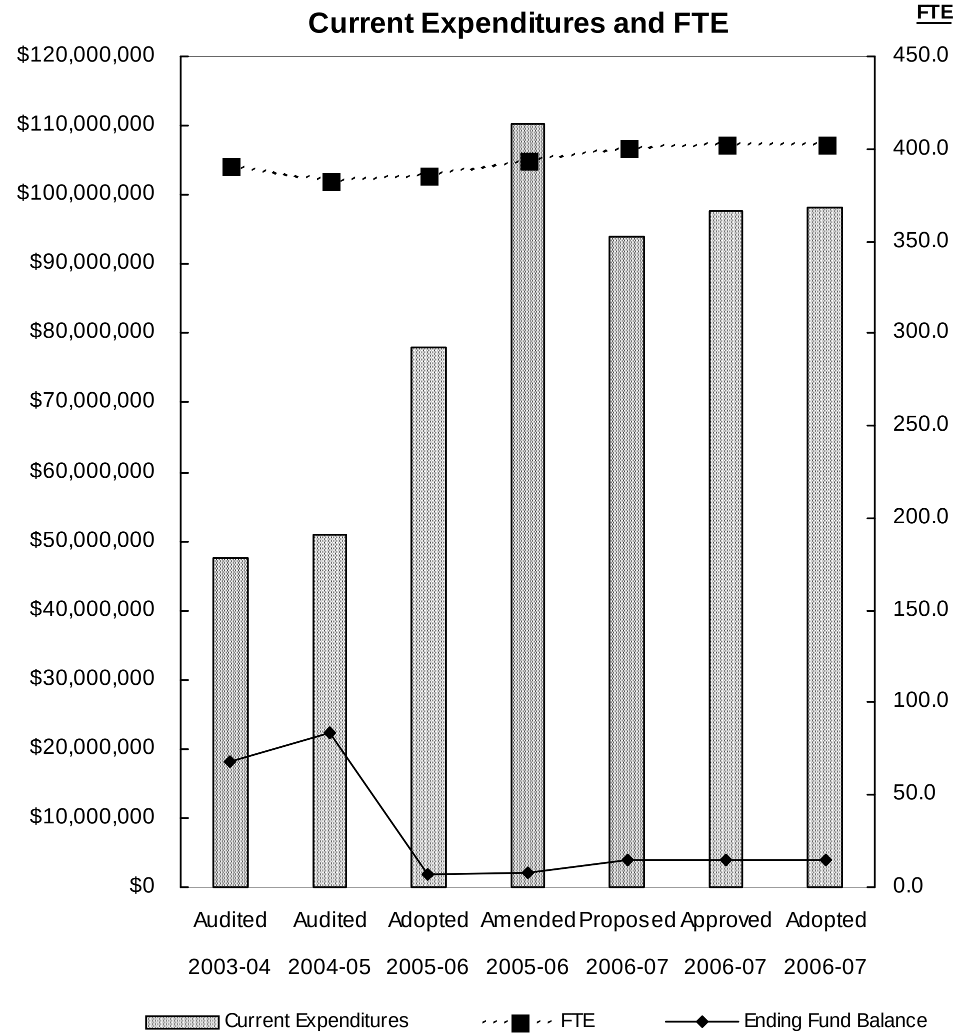
General Fund

General Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$15,441,073*	*$18,132,915*	*$18,449,436*	*$18,449,436*	*$19,214,191*	*$19,985,399*	*$20,290,724*	*9.98%*
Current Revenues								
Real Property Taxes	8,619,927	8,981,252	9,294,893	9,294,893	9,679,131	9,679,131	9,679,131	4.13%
Excise Tax	10,506,081	13,577,891	12,805,010	12,805,010	16,490,394	16,490,394	16,588,507	29.55%
Grants	6,787,083	6,579,172	13,784,714	17,800,417	20,318,544	22,731,548	22,731,548	27.70%
Local Government Shared Revenues	476,514	540,690	496,487	496,487	508,047	508,047	508,047	2.33%
Contributions from other Governments	41,508	36,865	81,500	81,500	10,300	165,300	165,300	102.82%
Enterprise Revenue	16,701,350	16,973,747	17,599,574	18,425,481	19,418,979	19,418,979	19,418,979	5.39%
Interest Earnings	259,033	466,613	329,419	329,419	692,412	692,412	692,412	110.19%
Donations	1,082,891	2,565,733	974,845	1,151,295	920,000	1,259,990	1,259,990	9.44%
Other Misc. Revenue	182,690	243,151	107,212	107,212	232,008	232,008	232,008	116.40%
Bond and Loan Proceeds	0	0	0	24,313,286	0	0	0	(100.00%)
Interfund Transfers:								
Interfund Reimbursements	4,560,346	4,791,043	5,435,454	5,435,454	5,663,720	5,703,720	5,703,720	4.94%
Internal Service Transfers	896,331	453,989	485,639	485,639	602,520	602,520	602,520	24.07%
Fund Equity Transfers	2,500	0	500	3,326,984	4,180,667	4,180,667	4,180,667	25.66%
Subtotal Current Revenues	**50,116,254**	**55,210,146**	**61,395,247**	**94,053,077**	**78,716,722**	**81,664,716**	**81,762,829**	**(13.07%)**
Total Resources	**$65,557,327**	**$73,343,061**	**$79,844,683**	**$112,502,513**	**$97,930,913**	**$101,650,115**	**$102,053,553**	**(9.29%)**
Requirements								
Current Expenditures								
Personal Services	$29,949,556	$31,147,348	$34,290,207	$34,632,362	$36,919,271	$37,133,067	$36,944,377	6.68%
Materials and Services	13,540,931	15,002,288	22,943,190	58,666,737	38,661,932	43,831,774	44,157,114	(24.73%)
Capital Outlay	1,420,700	185,745	663,700	1,145,150	205,000	305,000	305,000	(73.37%)
Debt Service	78,832	0	0	825,907	1,198,898	1,198,898	1,198,898	45.16%
Interfund Transfers:								
Interfund Reimbursements	377,221	626,769	630,383	630,383	598,915	598,915	598,915	(4.99%)
Internal Service Transfers	62,658	12,000	25,000	25,000	0	0	0	(100.00%)
Interfund Loan	101,248	0	0	1,200,000	0	0	1,550,000	29.17%
Fund Equity Transfers	1,893,266	4,058,646	5,767,859	5,767,859	5,002,426	5,674,777	5,674,777	(1.61%)
Contingency	0	0	13,571,915	7,475,686	11,350,575	8,933,788	7,689,075	2.85%
Subtotal Current Expenditures	**47,424,412**	**51,032,796**	**77,892,254**	**110,369,084**	**93,937,017**	**97,676,219**	**98,118,156**	**(11.10%)**
Ending Fund Balance	*18,132,915*	*22,310,264*	*1,952,429*	*2,133,429*	*3,993,896*	*3,973,896*	*3,935,397*	*84.46%*
Total Requirements	**$65,557,327**	**$73,343,061**	**$79,844,683**	**$112,502,513**	**$97,930,913**	**$101,650,115**	**$102,053,553**	**(9.29%)**
Full-Time Equivalents (FTE)	391.03	383.25	386.08	394.08	400.33	402.33	402.33	2.09%

General Fund





General Fund

Historically, the General Fund has included only the costs of the general government functions of the elected Metro Council and Council President, their staffs, the Public Affairs Department, and non-departmental special appropriations, such as election expenses and public notices required under the provisions of ballot measure 56.

During FY 2004–05, Metro initiated a multi-year Strategic Budgeting Initiative to identify important regional goals and to create strategies to address them. The Initiative requires fundamental cultural changes to the budgeting process. The Metro Council spent over forty hours in a series of retreats, developing and prioritizing goals and objectives. These goals and objectives provide strategic direction to the departments and a framework for program development. Departments were instructed to determine outcomes for proposed programs and provide measures to demonstrate progress toward those outcomes.

Commencing in FY 2005–06, Metro launched major changes to its budget process, beginning the transformation from an organizational-based budget to a multi-year program-based budget that is closely tied to Metro Council's strategic goals and objectives. This transformation is expected to take several years to complete. In order to provide the decision makers increased fiscal flexibility in the allocation of resources to the highest priority programs the number of funds was reduced from 20 to 12 by consolidating all funds that did not have legal or strategic constraints.

In FY 2005–06, the Zoo Operating Fund, Regional Parks Operating Fund, Planning Fund, Support Services Fund, and Building Management Fund were consolidated into the General Fund. The expanded General Fund now includes the operating costs of the Council Office, Office of Metro Attorney, Office of Metro Auditor, Finance and Administrative Services, Human Resources, Oregon Zoo, Planning, Public Affairs and Government Relations, and the Regional Parks and Greenspaces, as well as non-departmental special appropriations including the newly created Nature in Neighborhoods project team. For further information and discussion on each department see the *Department Summary* section.

Current Revenues

Property Taxes—Property tax revenues are received from a tax levy approved by voters in May 1990. It is anticipated that Metro will receive 94 percent of the property tax levied and approximately $282,000 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 2006–07 budget includes an excise tax rate of 7.5 percent on all non-solid waste generated revenues and a flat fee of $8.35 on all solid waste tonnage. The general excise tax is expected to generate approximately $14.6 million.

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 will sunset when a total of $6.3 million has been collected. The Construction Excise Tax is expected to generate about $2 million in FY 2006–07.

Grants—The Planning Department receives approximately $21.2 million in grant funds, approximately 93 percent of all grants. The department relies on federal, state, and local grants to fund most of its transportation planning programs. The Regional Parks and Greenspaces Department receives about $1.2 million in grants primarily for restoration projects on Metro-owned natural areas, and the Oregon Zoo receives about $261,000 in grants. Grants at the Oregon Zoo are received in support of 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 (RVs), county marine fuel taxes, and payments from other governmental agencies for services provided by the Regional Parks and Greenspaces Department. In FY 2006–07, revenues received from RV registration fees are expected to increase slightly based on projections from the State of Oregon.

Enterprise Revenues—These are revenues derived from the income producing activities of the General Fund such as the Oregon Zoo and

Regional Parks. 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 Planning Department. Most revenue estimates at the Oregon Zoo are based upon per capita revenue projections combined with an estimated attendance of 1.33 million. Revenues at Regional Parks are estimated based on a three-year rolling average. Over 86 percent of all enterprise revenues are generated at either the Oregon Zoo or Regional Parks and are heavily dependent on weather conditions. The remaining 14 percent is generated through rental income and parking fees at Metro Regional Center and the adjoining parking structure, and contracts and sales through the Data Resource Center. For further discussion on enterprise revenues see the *Revenue Analysis* section of the FY 2006–07 Adopted Budget.

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 2006–76, the budget assumes an interest rate of 3.75 percent.

Donations—This category includes contributions from individuals and organizations in support of general operations or specific projects. Anticipated revenues in FY 2006–07 include $920,000 from the Oregon Zoo Foundation and $300,000 in donations for restoration projects on Metro open space property.

Interfund Transfers—Metro's central services, such as Finance and Administrative Services, Building Management, Human Resources, Metro Attorney, Creative Services division of Public Affairs and Government Relations Department, and Metro Auditor, are budgeted in the General Fund. Costs of these services are allocated to operating departments through an approved cost allocation plan. Approximately $5.7 million in reimbursements is received from operating departments that are budgeted outside of the General Fund. In addition, the Planning Department charges for services and maintenance associated with the Data Resource Center, and the Metro Attorney's office charges for additional services requested by departments when the scope of work is either above or outside the planned work program. The budget also provides for about $4.2 million in resource transfers to fund a contribution to the Oregon Public Employee Retirement System should the Metro Council choose to buy down potential outstanding liability.

Current Expenditures

Personal Services—This category includes salary, wage and fringe benefits for the 402.33 FTE that reside in the various departments of the General Fund. Overall FTE have increased by 14.75 since the FY 2005–06 Adopted Budget, primarily in grant-funded areas. See the *Staff Levels* discussion in the *Budget Summary* section for further discussion on specific programmatic changes. Irrespective of staff level shifts, all departments have experienced increases in fringe benefits particularly in the areas of health and welfare and pension costs. Metro's per capita cap on health and welfare increased 10 percent in FY 2005–06 and another 5 percent in FY 2006–07, and its employer contribution to the Oregon Public Employees Retirement System increased 4.7 percent. Metro staff and management are actively working on proposals to contain future years' costs in these areas.

Materials and Services—Expenditures in this category for basic operations, maintenance, and administration have remained relatively flat. Costs associated with restoration projects will fluctuate from year to year based on available funding, and are anticipated to increase about $475,000 in FY 2006–07. Planning Department expenditures are closely tied to the level of grants received. Around 94 percent of Planning Department costs, about $14.5 million, is for contracted professional services, TOD land purchases, or pass-through of grant funds to other governments. The FY 2005–06 Amended Budget includes a one-time payment to the Oregon Public Employees Retirement System. The Metro Council adopted a supplemental budget in September 2005 authorizing the issuance of limited tax pension obligation bonds to buy down Metro's outstanding unfunded actuarial liability with PERS.

Capital Outlay—All major capital projects and most renewal and replacement projects have been moved to the Metro Capital Fund. The remaining expenses are in two departments–Regional Parks for purchase of land options leading up to the natural areas bond measure on the ballot in November 2006 and the Oregon Zoo for the purchase of equipment, vehicles, and other fixed assets.

Transfers—There are three types of transfers from the General Fund: (1) interfund reimbursements for risk management services, (2) fund equity transfers of resources, and (3) an interfund loan to the Solid Waste Department. Transfers of resources account for almost 73 percent of expenditures in this category. There are several distinct reasons for the these transfers including:

- The transfer of $925,000 in renewal and replacement reserves to the new Metro Capital Fund.
- The transfer of approximately $1.9 million to the General Revenue Bond Fund for debt service.
- The transfer of $1.1 million in excise tax to the Regional Parks capital account in the Metro Capital Fund to provide funding for the development of four new regional park facilities as well as provide renewal and replacement funding for existing facilities.
- The transfer of $1.32 million in excise tax to the Metro Exposition-Recreation Commission provided to the Oregon Convention Center under the Metro Tourism Opportunity and Competitiveness Account. The amount carried over from FY 2005–06 is $672,000.

Contingency—A contingency is provided to meet unforeseen needs throughout the year. Expenditures from contingency may only be made through Council adoption of an ordinance amending the budget. To maintain maximum flexibility for the Metro Council, all but a few specific dedicated reserves are budgeted in contingency. 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 by the Tax Supervising and Conservation Commission. The FY 2006–07 contingency is made up of two accounts: (1) a general contingency and reserve that can be used for any lawful purpose approved by the Council and (2) the Metro Tourism Opportunity and Competitiveness Account dedicated to the marketing of the Oregon Convention Center.

Fund Balance

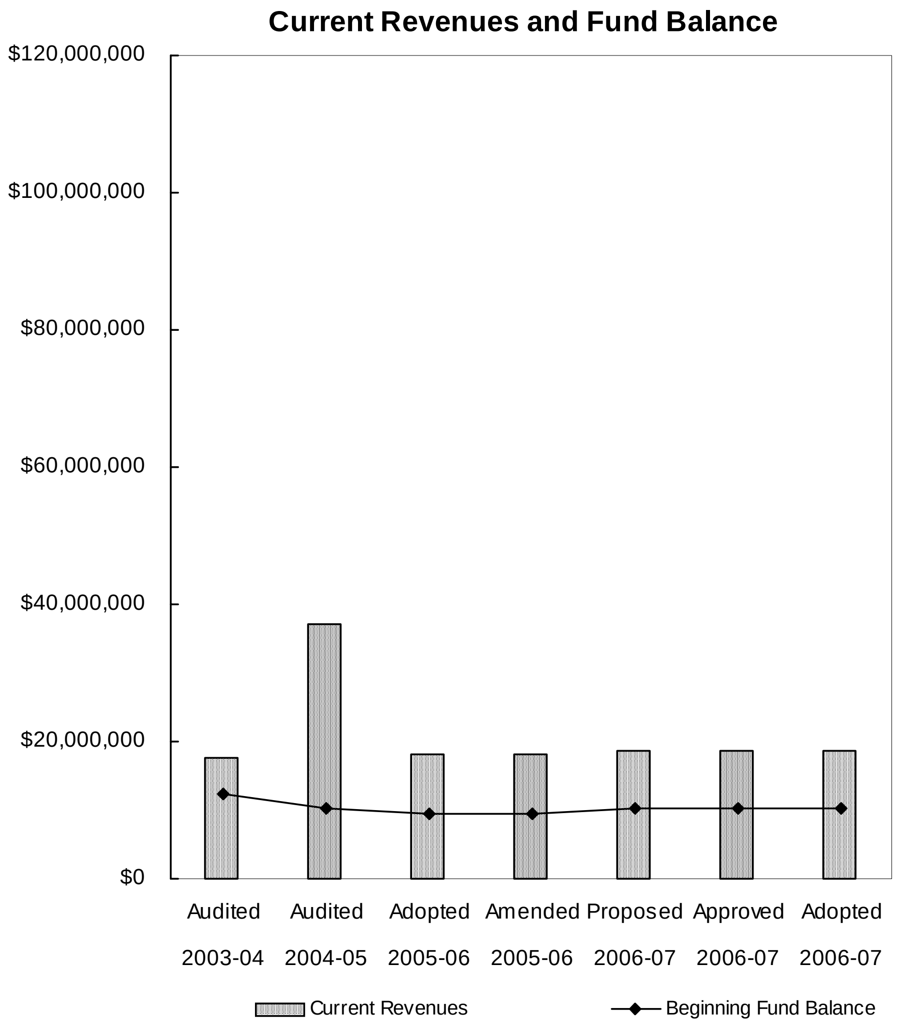
Metro policy is to retain the equivalent of 10 percent of General Fund operating revenues in a reserve to guard against unexpected downturns in revenues and stabilize resulting budget actions. While this reserve is reflected in the ending fund balance at year-end, it is budgeted under contingency to provide maximum flexibility to the Council to meet unforeseen needs. The budgeted ending fund balance includes two dedicated reserves—the General Fund Recovery Rate Stabilization Reserve and a reserve for future debt service on the full faith and credit bonds issued to finance Metro Regional Center. The General Fund Recovery Rate Stabilization Reserve accumulates excise tax earned on solid waste tonnage in excess of the base amount allowed under the excise tax authorization ordinance. Use of these funds is guided by the excise tax ordinance and can only be appropriated by specific Council action during the annual budget development process. During the FY 2005–06 budget process, Council appropriated $1.25 million of this reserve to the Nature in Neighborhoods Initiative, leaving an estimated balance of approximately $83,000. At year-end, all reserves plus unexpended contingency are carried forward to the next year.

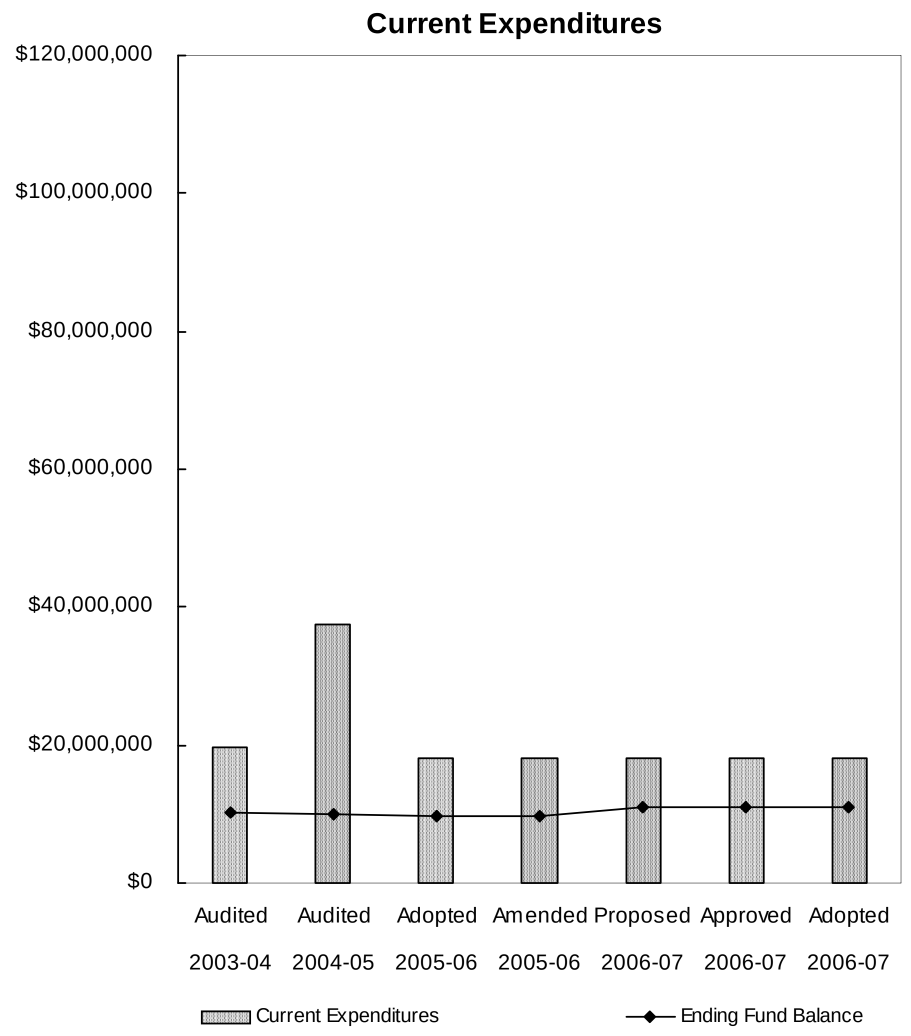
General Obligation Bond Debt Service Fund

General Obligation Bond Debt Service Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$12,292,783*	*$10,328,133*	*$9,519,754*	*$9,519,754*	*$10,374,854*	*$10,374,854*	*$10,374,854*	*8.98%*
Current Revenues								
Real Property Taxes	17,536,825	17,653,138	18,215,411	18,215,411	18,510,603	18,510,603	18,510,603	1.62%
Interest Earnings	46,749	177,871	50,000	50,000	100,000	100,000	100,000	100.00%
Bond and Loan Proceeds	0	19,315,005	0	0	0	0	0	0.00%
Subtotal Current Revenues	**17,583,574**	**37,146,014**	**18,265,411**	**18,265,411**	**18,610,603**	**18,610,603**	**18,610,603**	**1.89%**
Total Resources	**$29,876,357**	**$47,474,147**	**$27,785,165**	**$27,785,165**	**$28,985,457**	**$28,985,457**	**$28,985,457**	**4.32%**
Requirements								
Current Expenditures								
Materials and Services	$0	$182,715	$0	$0	$0	$0	$0	0.00%
Debt Service	19,548,224	37,286,989	18,039,363	18,039,363	18,035,603	18,035,603	18,035,603	(0.02%)
Subtotal Current Expenditures	**19,548,224**	**37,469,704**	**18,039,363**	**18,039,363**	**18,035,603**	**18,035,603**	**18,035,603**	**(0.02%)**
Ending Fund Balance	*10,328,133*	*10,004,443*	*9,745,802*	*9,745,802*	*10,949,854*	*10,949,854*	*10,949,854*	*12.35%*
Total Requirements	**$29,876,357**	**$47,474,147**	**$27,785,165**	**$27,785,165**	**$28,985,457**	**$28,985,457**	**$28,985,457**	**4.32%**
Full-Time Equivalents (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

General Obligation Bond Debt Service Fund





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 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 FY 2006–07, $5,343,864 is due.

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 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 2006–07, total due is $10,430,214, which includes debt service on the 1995 Series B bonds.

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 2006–07, total due is $2,268,485, including debt service on the new 2005 Series and the remaining uncallable portion of the 1996 Series A bonds.

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. Earnings are based on the current rates of Metro's investment portfolio. In FY 1999–00, Metro implemented Rule #31 of the Governmental Accounting Standards Board (GASB 31), which required that interest earnings be adjusted to reflect market value of investments. As a result, interest earnings will be less predictable and result in greater variability from year to year. Expected interest earnings rate is expected to average approximately 3.75 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

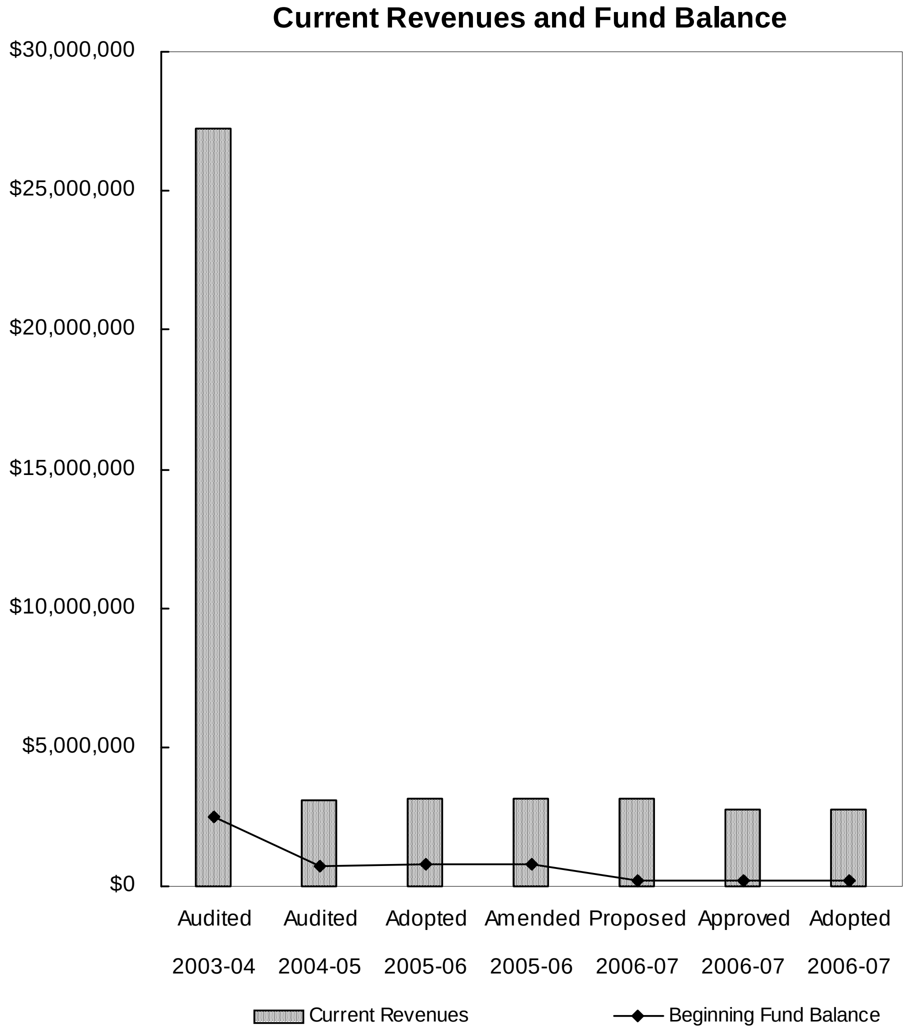
All of Metro's existing general obligation bonds have payments due early in the fiscal year, before property tax payments are received. All accounts, therefore, have ending fund balances of sufficient size to carry funds over to the following fiscal year to make the first debt service payment. Ending balances are adjusted over time to meet the requirements of debt obligations. The increase in fund balance is an attempt to generate cash flow for a potential bond measure on the ballot for November 2006. A court ruling has indicated that the practice of levying for future cash flow needs is not allowed under current budget law. While this ruling does not impact existing bond levies, it has a significant impact on future bond measures. Anticipating the fiscal impact of this ruling, revenues generated in excess of actual need will be reserved to provide for cash flow should the general obligation bond measure on the ballot in November 2006 be successful. If the measure is not successful, excess cash will be used to offset future property tax levies.

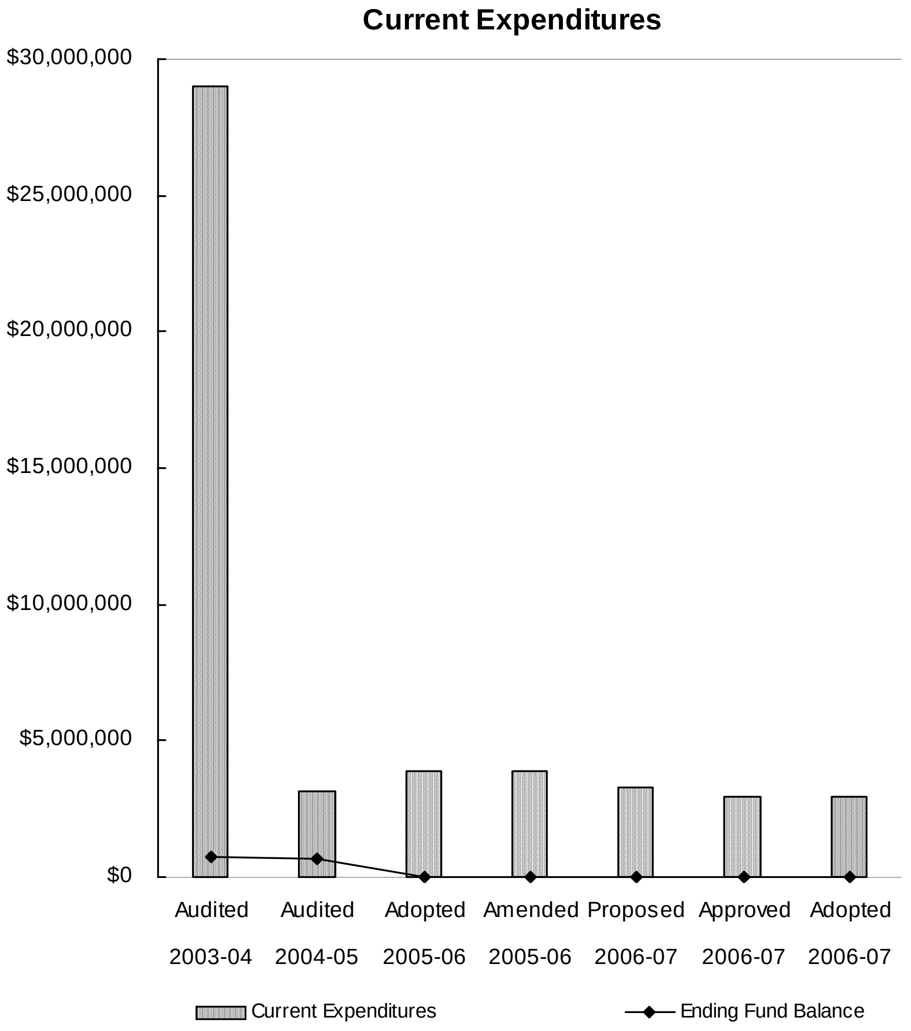
General Revenue Bond Fund

General Revenue Bond Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$2,482,220*	*$718,757*	*$767,989*	*$767,989*	*$188,410*	*$188,410*	*$188,410*	*(75.47%)*
Current Revenues								
Grants	(542)	0	0	0	0	0	0	0.00%
Interest Earnings	11,672	14,630	4,500	4,500	6,900	6,900	6,900	53.33%
Bond and Loan Proceeds	24,425,431	0	0	0	0	0	0	0.00%
Interfund Transfers:								
Fund Equity Transfers	2,806,244	3,064,064	3,132,012	3,132,012	3,119,675	2,762,028	2,762,028	(11.81%)
Subtotal Current Revenues	**27,242,805**	**3,078,694**	**3,136,512**	**3,136,512**	**3,126,575**	**2,768,928**	**2,768,928**	**(11.72%)**
Total Resources	**$29,725,025**	**$3,797,451**	**$3,904,501**	**$3,904,501**	**$3,314,985**	**$2,957,338**	**$2,957,338**	**(24.26%)**
Requirements								
Current Expenditures								
Capital Outlay	$0	$0	$183,066	$183,066	$190,870	$190,870	$190,870	4.26%
Debt Service	29,006,268	3,139,063	3,132,012	3,132,012	3,119,675	2,762,028	2,762,028	(11.81%)
Interfund Transfers:								
Fund Equity Transfers	0	0	585,000	585,000	0	0	0	(100.00%)
Subtotal Current Expenditures	**29,006,268**	**3,139,063**	**3,900,078**	**3,900,078**	**3,310,545**	**2,952,898**	**2,952,898**	**(24.29%)**
Ending Fund Balance	*718,757*	*658,388*	*4,423*	*4,423*	*4,440*	*4,440*	*4,440*	*0.38%*
Total Requirements	**$29,725,025**	**$3,797,451**	**$3,904,501**	**$3,904,501**	**$3,314,985**	**$2,957,338**	**$2,957,338**	**(24.26%)**
Full-Time Equivalents (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

General Revenue Bond Fund





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 departments 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 Tri-Met for the Zoo light rail station. In FY 1999–00 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 Expo Center. In the future, this financing method and fund could be used to pay for other general purpose capital items. The General Revenue Bond Fund contains the following accounts:

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 Tri-Met for the Zoo light rail station. Beginning in FY 1999–00 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 will be paid by Expo Center revenues.

Renewal and Replacement Account—This account was established to provide for the renewal and replacement needs of Metro Regional Center headquarters building. Seed funding for the account was provided from reimbursed costs associated with the original Metro Regional Center general revenue bond issue in 1991. Through FY 2003–04, interest earnings on the balance in the account have been the primary source of revenue. Beginning in FY 2004–05, annual renewal and replacement contributions were made in conformance with the Metro Council’s adopted Capital Asset Management Policies. Transfers out of this fund to Building Management were made as projects are identified and authorized in the budget. In FY 2005–06, this account was transferred to the Metro Capital Fund.

Debt Reserve Account—The general revenue bonds issued to construct Metro Regional Center required the establishment of a debt reserve equal to the maximum annual debt service on the outstanding bonds. This reserve was initially funded with revenue bond proceeds. Interest earned on the reserve was released from the account on an annual basis and used to offset debt service payments. In FY 2003–04, the general revenue bonds were refunded with the issuance of full faith and credit bonds. A debt reserve was no longer required and the proceeds in this account were used to pay down the outstanding bonds prior to refunding.

Current Revenues

Bond and Loan Proceeds—In FY 2003–04 Metro refinanced the Metro Regional Center revenue bonds and the Washington Park parking lot OECDD loans. Proceeds from this refinancing are recorded in full in FY 2003–04.

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 2006–07, average interest rates were assumed at 3.75 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 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 with Zoo revenues transferred from the Zoo Operating Department. Debt service on the obligations for Hall D is repaid by Expo revenues transferred from the MERC Operating Fund.

Current Expenditures

Capital Outlay—Capital outlay requirements in this fund are dependent on anticipated projects and vary from year to year. In prior years, capital outlay was budgeted primarily for the Hall D Replacement Project. A small amount continues to be carried forward and budgeted for completion of the auxiliary lot at the Washington Park parking lot.

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. A final loan payment for the OECDD parking lot loan was made in FY 2004–05. The 2006 series full faith and credit bonds will be repaid over 18 ½ years, the remaining life of the former OECDD loan, and will retire in 2024.

Interfund Transfers—A renewal and replacement account has been established for future capital needs of Metro Regional Center. In prior years, funds were transferred to the former Building Management Fund to pay for renewal and replacement projects authorized in the Capital Budget. In FY 2005–06, the balance in the renewal and replacement account was transferred to the Metro Capital Fund to establish a new Metro Regional Center Renewal and Replacement account.

Contingency—The fund is now primarily a debt service fund. Since debt costs can be easily estimated based on debt service schedules, no contingency is provided for the fund.

Fund Balance

The former Metro Regional Center general revenue bonds required a debt reserve in an amount equal to the maximum annual debt service on the outstanding bonds. This amount was held in fund balance (under the General Expenses category) on an annual basis. In FY 2003–04, the bonds were refinanced with full faith and credit bonds, no longer requiring the retention of a debt reserve. The existing debt reserve was used to buy down the outstanding debt at the time it was refinanced. In addition, the unexpended portion of the renewal and replacement account is being transferred to the newly created Metro Capital Fund. All that remains in the fund balance is a small amount in the debt service account and the amount that is carried forward for the Washington Park Parking Lot project.

METRO

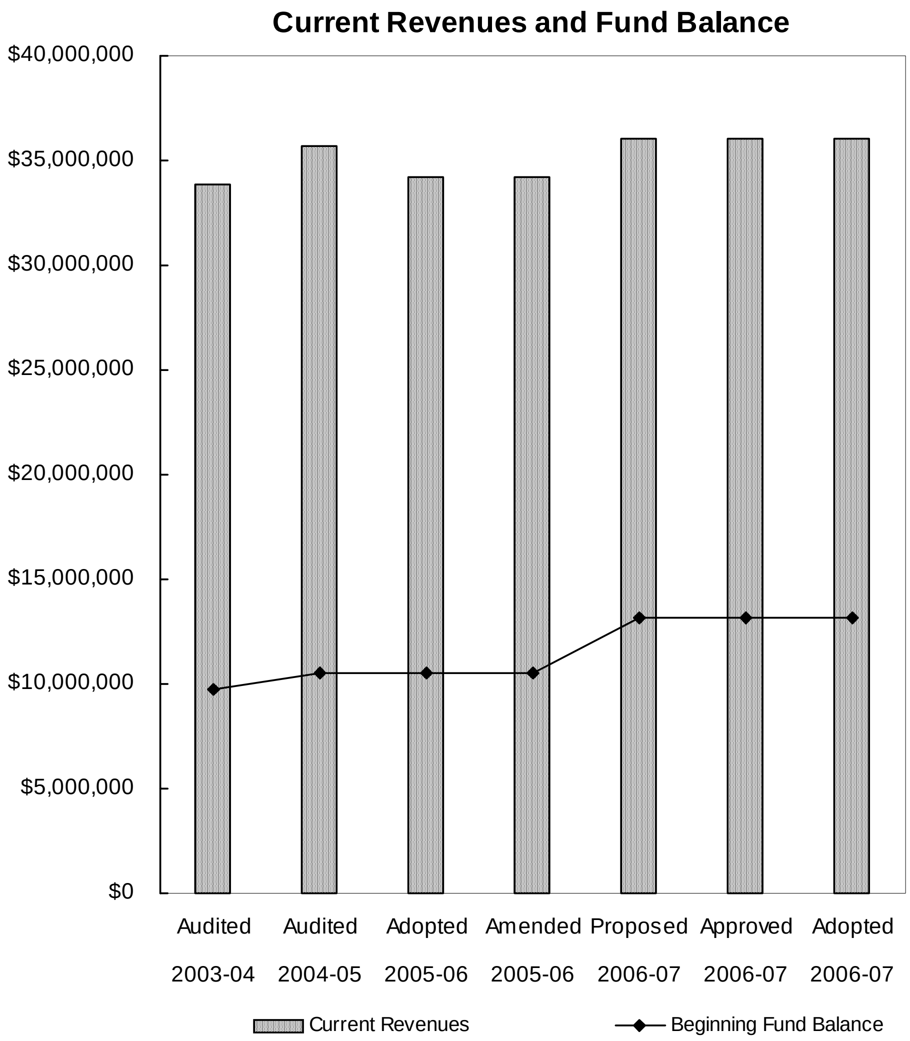
PEOPLE PLACES
OPEN SPACES

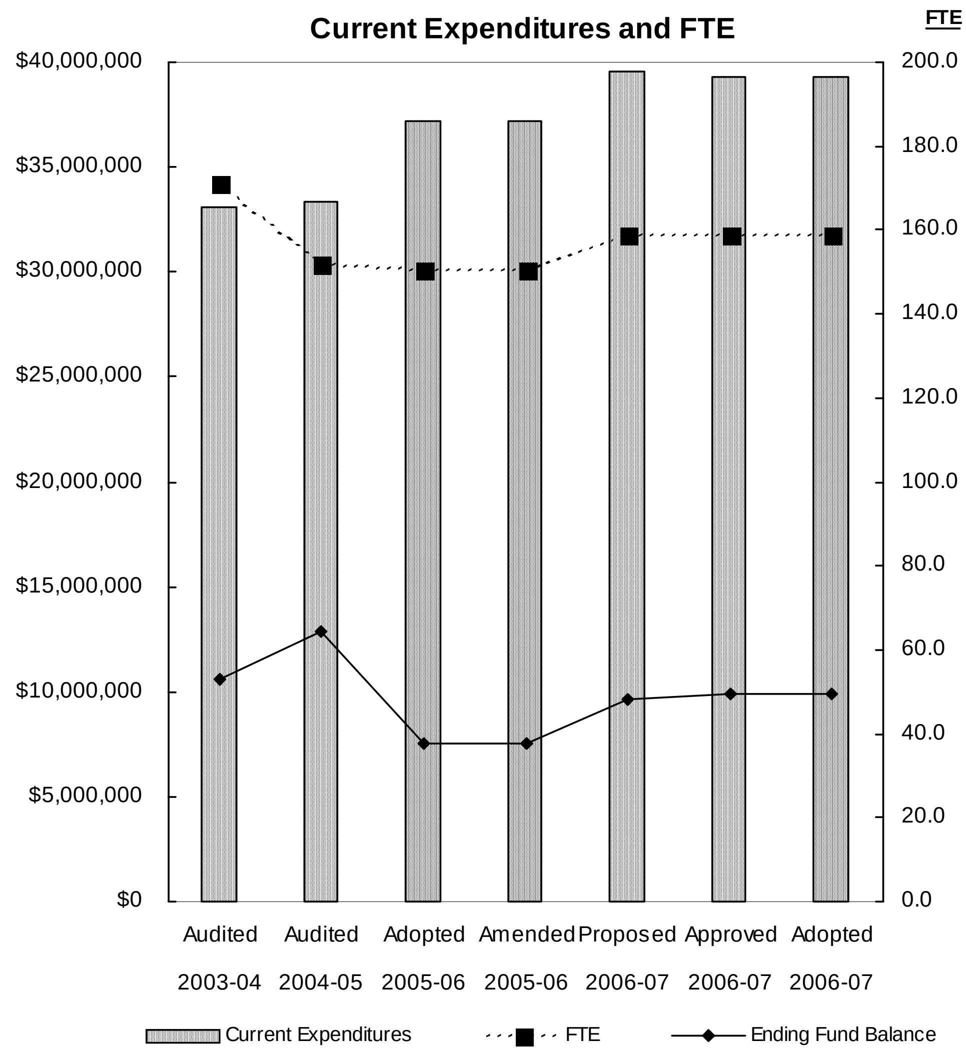
MERC Operating Fund

MERC Operating Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$9,771,540*	*$10,556,300*	*$10,552,328*	*$10,552,328*	*$13,194,318*	*$13,194,318*	*$13,194,318*	*25.04%*
Current Revenues								
Grants	11,204	22,992	0	0	0	0	0	0.00%
Local Government Shared Revenues	7,893,216	7,727,723	7,602,679	7,602,679	8,638,283	8,638,283	8,838,283	16.25%
Contributions from other Governments	320,628	575,456	337,750	337,750	687,200	687,200	687,200	103.46%
Enterprise Revenue	25,056,583	26,841,592	25,595,077	25,595,077	26,108,066	26,108,066	25,908,066	1.22%
Interest Earnings	51,969	207,271	167,168	167,168	355,642	355,642	355,642	112.75%
Donations	62,660	184,369	109,000	109,000	181,270	181,270	181,270	66.30%
Other Misc. Revenue	393,900	31,822	195,000	195,000	75,000	75,000	75,000	(61.54%)
Interfund Transfers:								
Fund Equity Transfers	98,577	89,268	192,943	192,943	0	0	0	(100.00%)
Subtotal Current Revenues	**33,888,738**	**35,680,494**	**34,199,617**	**34,199,617**	**36,045,461**	**36,045,461**	**36,045,461**	**5.40%**
Total Resources	**$43,660,278**	**$46,236,794**	**$44,751,945**	**$44,751,945**	**$49,239,779**	**$49,239,779**	**$49,239,779**	**10.03%**
Requirements								
Current Expenditures								
Personal Services	$12,647,237	$13,201,692	$14,402,032	$14,402,032	$15,335,871	$15,335,871	$15,335,871	6.48%
Materials and Services	17,209,967	16,686,564	16,153,246	16,763,637	16,503,917	16,626,417	16,626,417	(0.82%)
Debt Service	20,539	19,992	22,768	22,768	18,899	18,899	18,899	(16.99%)
Interfund Transfers:								
Interfund Reimbursements	1,921,831	1,996,573	2,196,245	2,196,245	2,290,633	2,290,633	2,290,633	4.30%
Internal Service Transfers	0	0	72,677	72,677	73,584	73,584	73,584	1.25%
Fund Equity Transfers	1,304,404	1,480,586	1,312,771	3,602,151	4,076,496	3,719,514	3,719,514	3.26%
Contingency	0	0	3,048,401	148,630	1,270,104	1,270,104	1,270,104	754.54%
Subtotal Current Expenditures	**33,103,978**	**33,385,407**	**37,208,140**	**37,208,140**	**39,569,504**	**39,335,022**	**39,335,022**	**5.72%**
Ending Fund Balance	*10,556,300*	*12,851,387*	*7,543,805*	*7,543,805*	*9,670,275*	*9,904,757*	*9,904,757*	*31.30%*
Total Requirements	**$43,660,278**	**$46,236,794**	**$44,751,945**	**$44,751,945**	**$49,239,779**	**$49,239,779**	**$49,239,779**	**10.03%**
Full-Time Equivalents (FTE)	171.05	152.05	150.65	150.65	159.00	159.00	159.00	5.54%

MERC Operating Fund





MERC Operating Fund

This fund contains the operating revenues and expenditures of the facilities managed by the Metro Exposition-Recreation Commission (MERC). The Commission through its staff manages the Oregon Convention Center (OCC) and the Portland Metropolitan Exposition Center (Expo), both of which are owned by Metro. The Commission also manages the Portland Center for the Performing Arts (PCPA) through an intergovernmental agreement with the City of Portland, which owns this facility.

Current Revenues

Local Government Shared Revenues—The revenues recorded in this classification are the transient lodging taxes and auto rental taxes forwarded by Multnomah County to support operations of the Oregon Convention Center and the Portland Center for the Performing Arts. This source of revenue is expected to grow approximately 16 percent, an indication of the improving economy's impact on the travel industry.

Contributions from other Governments—These revenues represent a contribution from the City of Portland to support the operations of the PCPA. In prior fiscal years this amount was split and budgeted equally in MERC Pooled Capital Fund as well as MERC Operating Fund. This consolidation of the funding is directly related to shifting 3.35 FTE from MERC Pooled Capital Fund to the MERC Operating Fund.

Enterprise Revenues—MERC charges various fees for the use of its facilities. They include rental fees, concession revenues, catering, parking, and other enterprise activities. With the opening of the expanded OCC facility, enterprise revenues grew in FY 2004–05. FY 2005–06 experienced a decline in enterprise revenue. Although OCC had fewer booked conventions, PCPA had a very strong year of Broadway productions. FY 2006–07 projects a slight increase as the economy continues to improve.

Interest—Interest is calculated on the fund balance. The anticipated interest earnings are 3.75 percent in FY 2006–07.

Donations and Bequests—In past years, donations received for capital improvements were placed in this fund that are now recorded in the MERC Pooled Capital Fund to better match the contributions with the projects that they fund.

Interfund Transfers—This category consists of transfers into this fund from various other funds.

Current Expenditures

Personal Services—The increase in this classification is a result of the addition of 8.35 FTE to this fund in FY 2006–07. Of the increase, 3.35 FTE are the result of moving PCPA staff from MERC Pooled Capital Fund to MERC Operating Fund. OCC is adding three new positions; 2.0 FTE to add back a night time cleaning crew and one additional sales position. OCC is eliminating 1.0 FTE grounds maintenance staff. PCPA is adding 3.0 FTE. One FTE will focus on building maintenance, one on facility operations, and one will provide sales coordination to market the vacant spot created by the departure of Center Stage .

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 be about the same as FY 2005–06.

Capital Outlay—All capital projects are in the MERC Pooled Capital Fund. This allows the department to track operational costs from year to year without the fluctuations associated with capital projects.

Debt Service—This category is the debt service for a Local Improvement District (LID) assessment from the City of Portland. The LID was levied against the OCC for the Steel Bridge Pedestrian Walkway project.

Interfund Transfers—In FY 2006–07, this fund contains three interfund transfers. Transfers to the General, Support Services, and Risk Management Funds are for central service charges as allocated through the cost allocation plan. The transfer to the General Revenue Bond Fund is for principal and interest payments on Oregon Local Governments Full Faith and Credit bonds that refunded the Oregon Economic and Community

Development Department's (OECDD) loan, which provided financing for the Expo Center Hall D replacement. The transfer to the MERC Pooled Capital Fund is for capital improvements for the facilities.

Fund Balance

The beginning fund balance represents funds carried over from the previous year. These funds are used to maintain cash flow at the beginning of the fiscal year, preserve operating flexibility, and provide cash reserves in the event of unexpected business downturns. The beginning fund balance is projected to be $13.2 million. MERC is expecting to draw the ending fund balance down to $11.2 million only if the PERS reserve is transferred. Fund Balance will remain the same if that transfer is not made.

METRO

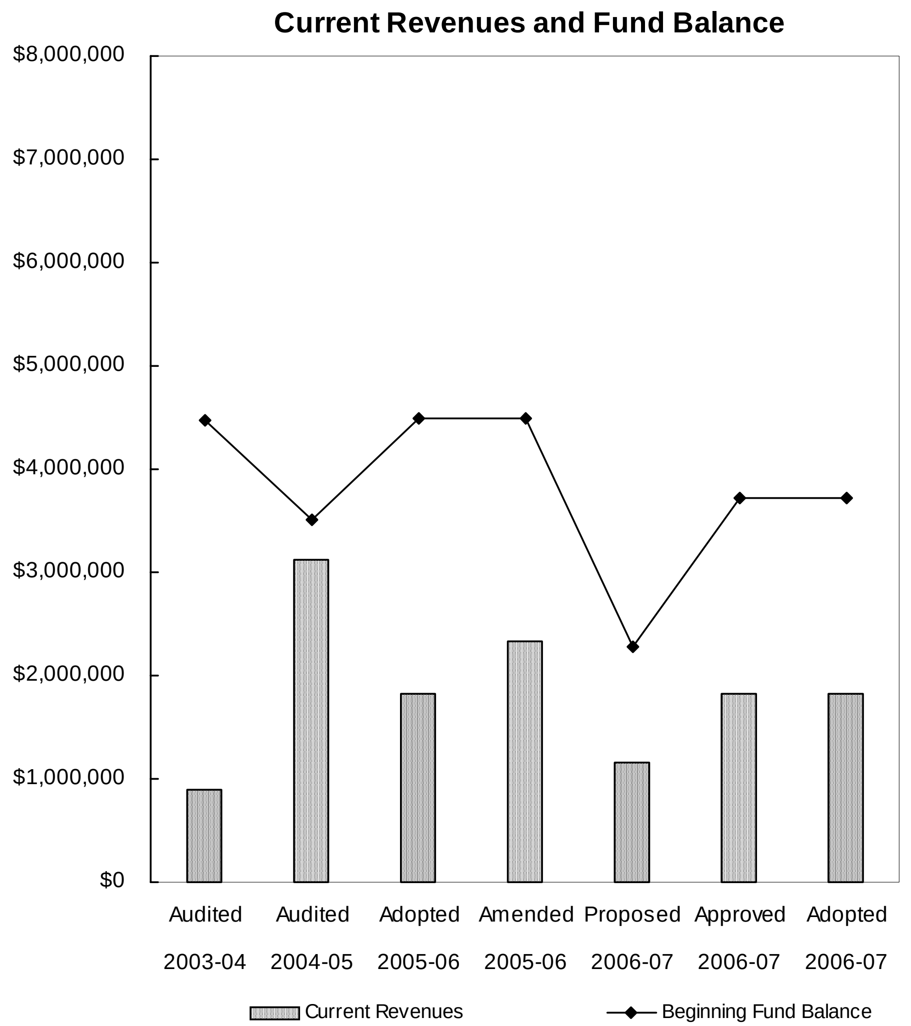
PEOPLE PLACES
OPEN SPACES

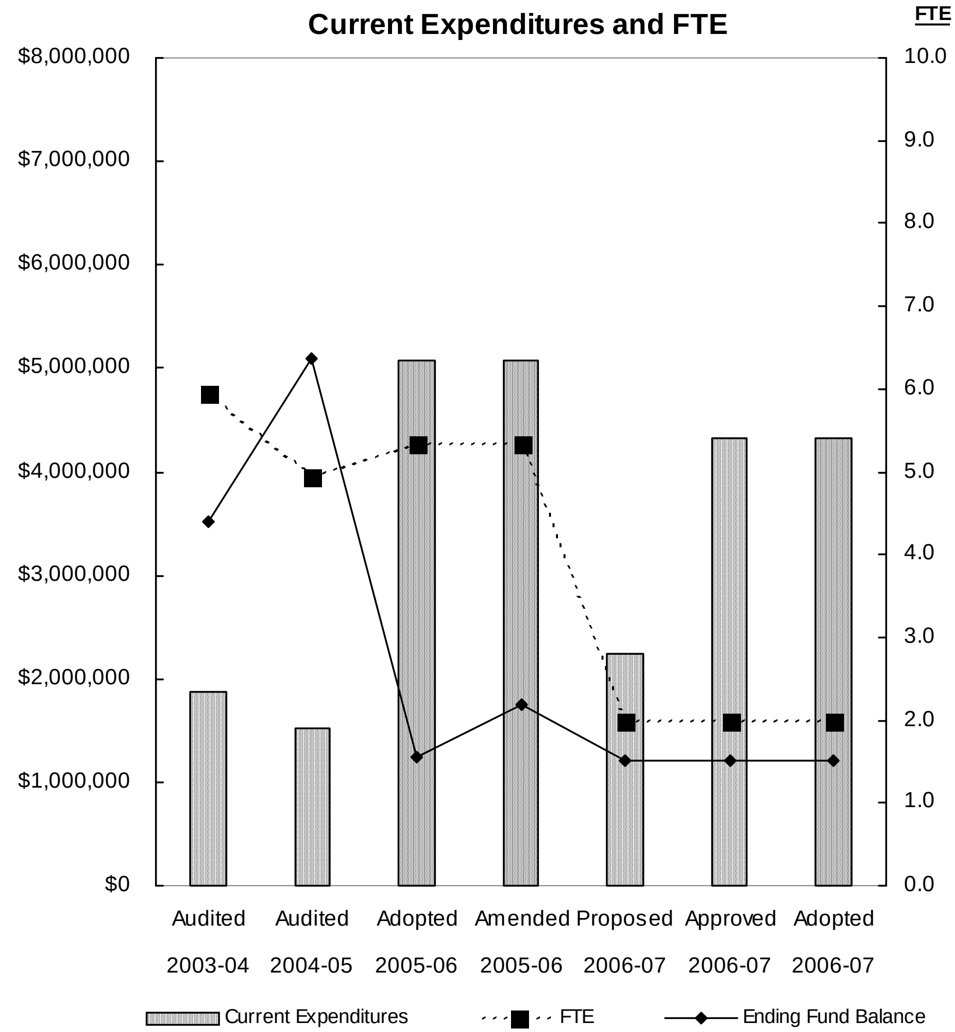
MERC
Pooled Capital
Fund

MERC Pooled Capital Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$4,479,447*	*$3,510,684*	*$4,491,841*	*$4,491,841*	*$2,286,865*	*$3,711,004*	*$3,711,004*	*(17.38%)*
Current Revenues								
Grants	0	6,398	0	0	0	0	0	0.00%
Contributions from other Governments	641,916	325,456	337,750	337,750	0	0	0	(100.00%)
Interest Earnings	51,031	70,833	31,102	31,102	75,003	75,003	75,003	141.15%
Donations	0	1,536,207	575,000	575,000	0	0	0	(100.00%)
Other Misc. Revenue	34,018	122,603	150,000	150,000	0	0	0	(100.00%)
Interfund Transfers:								
Fund Equity Transfers	175,662	1,054,337	733,845	1,244,953	1,075,351	1,748,367	1,748,367	40.44%
Subtotal Current Revenues	**902,628**	**3,115,834**	**1,827,697**	**2,338,805**	**1,150,354**	**1,823,370**	**1,823,370**	**(22.04%)**
Total Resources	**$5,382,075**	**$6,626,517**	**$6,319,538**	**$6,830,646**	**$3,437,219**	**$5,534,374**	**$5,534,374**	**(18.98%)**
Requirements								
Current Expenditures								
Personal Services	$447,437	$426,364	$568,474	$587,224	$218,090	$222,306	$222,306	(62.14%)
Materials and Services	1,177	0	0	125,000	10,000	10,000	10,000	(92.00%)
Capital Outlay	1,422,777	1,100,234	3,758,072	3,683,072	1,314,238	3,277,475	3,277,475	(11.01%)
Interfund Transfers:								
Fund Equity Transfers	0	0	0	61,160	76,196	76,196	76,196	24.58%
Contingency	0	0	751,236	621,326	615,391	742,926	742,926	19.57%
Subtotal Current Expenditures	**1,871,391**	**1,526,597**	**5,077,782**	**5,077,782**	**2,233,915**	**4,328,903**	**4,328,903**	**(14.75%)**
Ending Fund Balance	*3,510,684*	*5,099,920*	*1,241,756*	*1,752,864*	*1,203,304*	*1,205,471*	*1,205,471*	*(31.23%)*
Total Requirements	**$5,382,075**	**$6,626,518**	**$6,319,538**	**$6,830,646**	**$3,437,219**	**$5,534,374**	**$5,534,374**	**(18.98%)**
Full-Time Equivalents (FTE)	5.95	4.95	5.35	5.35	2.00	2.00	2.00	(62.62%)

MERC Pooled Capital Fund





MERC Pooled Capital Fund

The MERC Pooled Capital Fund accounts for MERC's capital projects and renovation and replacement of its extensive infrastructure. This allows for capital and infrastructure renovation and replacement costs to be captured in one place, and to segregate normal operating expenditures from special one-time project expenditures. This permits a more accurate reflection of operating results within the MERC Operating Fund, while more closely tracking the connection between revenues dedicated for capital and replacement/renovation expenditures.

The fund receives direct transfers from the MERC facilities (Oregon Convention Center [OCC], Portland Center for the Performing Arts [PCPA], and the Portland Metropolitan Exposition Center [EXPO Center]) that are responsible for the particular projects. Each facility records revenues, interest earnings, transfers, and expenditures separately.

The current focus is being placed on maintenance of PCPA and numerous OCC projects. The two OCC projects consist of achieving LEED-EB(1) compliance in the old section of the building and replacing the failing Audio Video Head Room. LEED-EB is the voluntary effort to make the old part of the building compliant with the Green Building Rating System, consistent with the expanded portions of OCC. This was the first project to be approved by Metro Council to be paid by the Metro Tourism and Competitiveness Opportunity Account ($0.50 per ton excise tax dedication).

Current Revenues

Contributions from other Governments—The revenue in this classification was a contribution from the City of Portland to support the capital needs of PCPA and was formerly used to fund the FTE budgeted in this fund. The full City of Portland contribution is now budgeted in the MERC Operating Fund.

Donations—Historically this has been the reimbursement by the Oregon Community Foundation of expenditures for work done on PCPA facilities .

Transfer of Resources—The individual facilities provide funding from operations to support their capital maintenance and improvement. In addition, the budget anticipates the transfer of a portion of the per ton excise tax levied on solid waste tonnage per Metro Ordinance 04-1052, dedicated to improving OCC's competitiveness. The projects funded from this source require Metro Council pre-approval. The conditions of this funding source were established by Metro Resolution 04-3494A.

Current Expenditures

Personal Services—The expenditures in this classification are for the staff that coordinates and oversees the projects that are expensed in this fund. In previous years PCPA budgeted 3.35 Operating FTE for maintenance services. In this budget staff is consistently accounting for all facilities in the MERC Operating Fund by transferring the 3.35 FTE to the Operating Fund. Still budgeted in this fund are the Construction Manager and the Construction Coordinator, whose costs are allocated to the facilities based upon usage.

Capital Outlay—Capital Outlay for MERC Pooled Capital is predominantly made up of several large projects carried forward from FY 2005–06, $900,000 for the OCC Headroom Project, an OCC placeholder for a to-be-determined project funded by the Metro Tourism and Competitiveness Opportunity Account (MTOCA), and numerous smaller projects. PCPA has one $100,000 project to replace lighting at the Arlene Schnitzer Concert Hall (ASCH) and carried forward a feasibility study for a remodel of the West entrance of that hall. A study of the existing Phase 3 strategies for the EXPO Center will be completed in FY 2006–07.

Contingency—This provides a contingency for unexpected capital needs and the PERS Reserve. (For an explanation of the PERS Reserve, see *Where the Money Goes* in Section B, Budget Summary of this document.)

Fund Balance

Fund balance is the carry-forward of funding for planned capital projects.

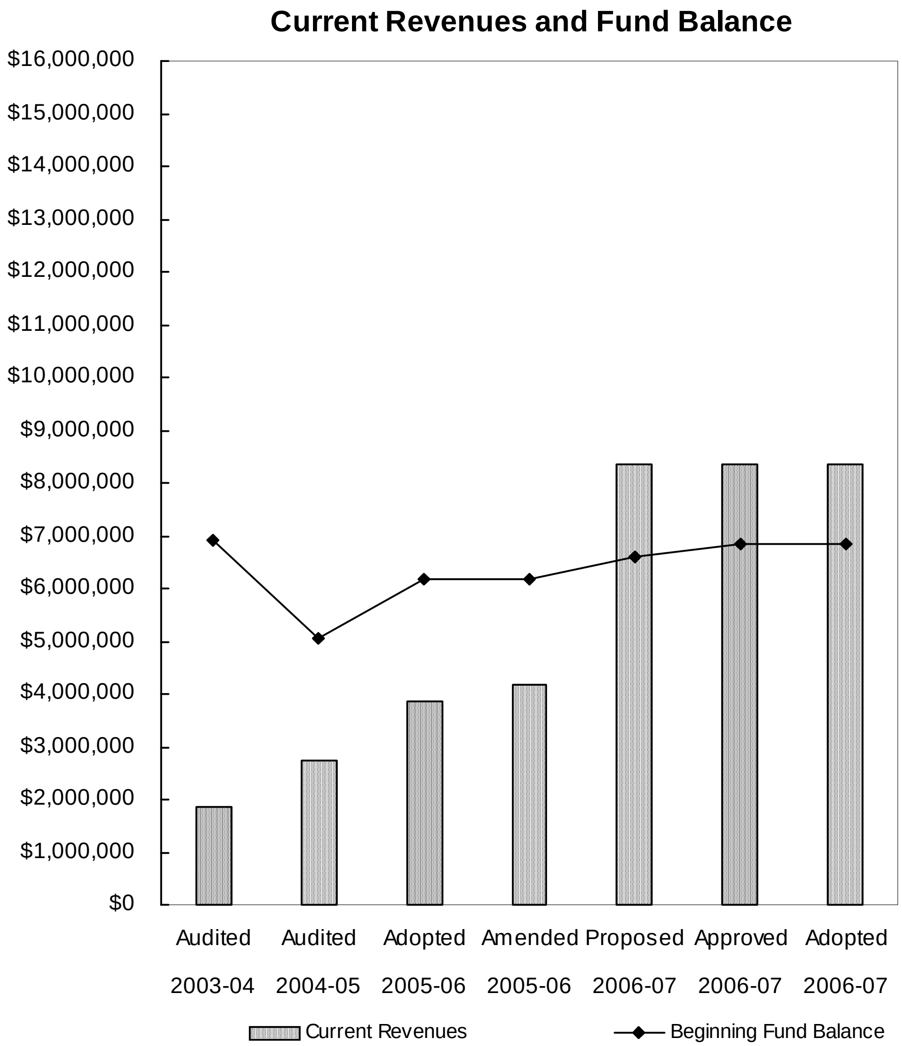
(1) *LEED-EB*: Leadership in Energy and Environmental Design-Existing Building

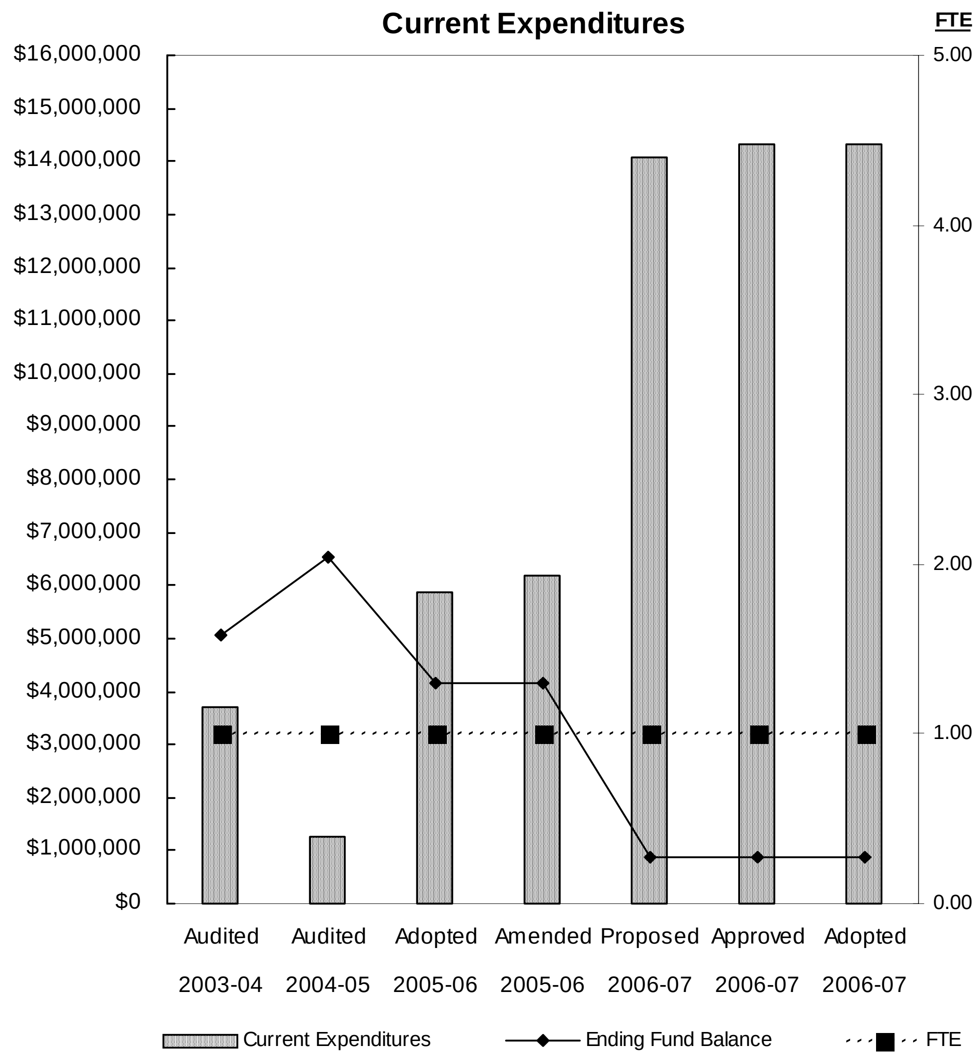
Metro Capital Fund

Metro Capital Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$6,900,613*	*$5,050,165*	*$6,190,380*	*$6,190,380*	*$6,601,970*	*$6,851,970*	*$6,851,970*	*10.69%*
Current Revenues								
Grants	135,000	213,205	60,000	60,000	4,209,233	4,209,233	4,209,233	6915.39%
Contributions from other Governments	0	0	0	0	631,767	631,767	631,767	0.00%
Enterprise Revenue	175	0	0	0	0	0	0	0.00%
Interest Earnings	84,698	116,179	139,059	139,059	131,084	131,084	131,084	(5.73%)
Donations	1,628,235	739,849	0	320,000	1,220,000	1,220,000	1,220,000	281.25%
Other Misc. Revenue	3,114	0	0	0	0	0	0	0.00%
Interfund Transfers:								
Internal Service Transfers	0	55,554	45,000	45,000	72,105	72,105	72,105	60.23%
Fund Equity Transfers	0	1,609,822	3,606,830	3,606,830	2,080,725	2,080,725	2,080,725	(42.31%)
Subtotal Current Revenues	**1,851,222**	**2,734,609**	**3,850,889**	**4,170,889**	**8,344,914**	**8,344,914**	**8,344,914**	**100.08%**
Total Resources	**$8,751,835**	**$7,784,774**	**$10,041,269**	**$10,361,269**	**$14,946,884**	**$15,196,884**	**$15,196,884**	**46.67%**
Requirements								
Current Expenditures								
Personal Services	$96,063	$61,874	$76,279	$98,279	$107,561	$107,561	$107,561	9.44%
Materials and Services	0	279,949	500,000	500,000	590,000	590,000	590,000	18.00%
Capital Outlay	3,516,169	919,049	4,077,500	4,725,500	11,092,000	11,342,000	10,992,000	132.61%
Interfund Transfers:								
Fund Equity Transfers	89,438	0	500	191,134	11,955	11,955	11,955	(93.75%)
Contingency	0	0	1,217,152	676,518	2,267,030	2,267,030	2,617,030	286.84%
Subtotal Current Expenditures	**3,701,670**	**1,260,872**	**5,871,431**	**6,191,431**	**14,068,546**	**14,318,546**	**14,318,546**	**131.26%**
Ending Fund Balance	*5,050,165*	*6,523,902*	*4,169,838*	*4,169,838*	*878,338*	*878,338*	*878,338*	*(78.94%)*
Total Requirements	**$8,751,835**	**$7,784,774**	**$10,041,269**	**$10,361,269**	**$14,946,884**	**$15,196,884**	**$15,196,884**	**46.67%**
Full-Time Equivalents (FTE)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00%

Metro Capital Fund





Metro Capital Fund

The Metro Capital Fund was created in FY 2005–06, as part of the fund consolidation that occurred with the implementation of the Strategic Budgeting Initiative. The fund consolidates the Regional Parks Capital Fund, the Regional Parks Special Accounts Fund, and the Zoo Capital Fund into this consolidated capital fund. In addition, several renewal and replacement reserves formerly held in various other funds are transferred to this new fund to create dedicated reserves.

The Metro Capital Fund is structured into eleven capital project, renewal and replacement, or special project accounts. The following is a brief description of each account and where it was formerly budgeted.

- *Oregon Zoo Capital Projects Account*—provides for major capital projects of the Oregon Zoo (formerly budgeted in the Zoo Capital Fund).
- *Regional Parks Capital Projects Account*—provides for major capital projects of the Regional Parks facilities (formerly budgeted in the Regional Parks Capital Fund).
- *General Renewal and Replacement Account*—to provide for a general renewal and replacement account available for all Metro facilities at the Council's discretion (new in FY 2005–06).
- *Information Technology Renewal and Replacement Account*—provides for the replacement of Metro's general information technology infrastructure and enterprise systems (transferred from and formerly budgeted in the Support Services Fund).
- *Oregon Zoo Renewal and Replacement Account*—Provides for the renewal and replacement of the Oregon Zoo facility (newly established for FY 2006-07).
- *Metro Regional Center Renewal and Replacement Account*—provides for the renewal and replacement for major items of Metro Regional Center, Metro's primary office building (transferred from and formerly budgeted in the General Revenue Bond Fund).
- *Regional Parks Renewal and Replacement Account*—provides for the renewal and replacement of existing regional parks facilities (formerly budgeted in the Regional Parks Capital Fund).
- *Regional Parks Capital Blue Lake Special Account*—a special account transferred from Multnomah County at the time of the transfer of parks facilities and operations to Metro. The account was initially dedicated to the development of a concert stage at the park; however, that project has since been deemed infeasible. The account is now identified to be used for the development of a water play structure (formerly budgeted in the Regional Parks Special Accounts Fund).
- *Regional Parks Capital Oxbow Park Nature Center Account*—a special account transferred from Multnomah County at the time of the transfer of parks facilities and operations to Metro. The account is dedicated to the development of a nature center at Oxbow Regional Parks (formerly budgeted in the Regional Parks Special Accounts Fund).
- *Regional Parks Capital Tibbets Flower Account*—a special account transferred from Multnomah County at the time of the transfer of parks facilities and operations to Metro. The account was created through a bequest to place flowers on the Tibbets family gravesites on certain days (formerly budgeted in the Regional Parks Special Accounts Fund; the balance of this account is transferred to a special account in the General Fund effective July 1, 2005).
- *Regional Parks Capital Farmer Family Account*—a special account transferred from Multnomah County at the time of the transfer of parks facilities and operations to Metro. The account was created through a bequest to provide for the perpetual maintenance of the Farmer family gravesites (formerly budgeted in the Regional Parks Special Accounts Fund; the account includes historical information only; the balance of this account was transferred to the Pioneer Cemetery Perpetual Care Fund in FY 2003–04).

The full purpose of this fund is still evolving. Additional accounts may be added as other capital expenditures are consolidated into this fund.

Current Revenues

Grants—In FY 2006–07 approximately $4.2 million is anticipated from an MTIP grant to fund the three bridges on the Spring Water Trail. This project is managed by the City of Portland. Grants received are project specific.

Government Contributions—These revenues represent contributions from various governments to support a particular capital project. This year's budget includes $453,7967 in contributions from the City of Portland to support the Three Bridges at Springwater Project and $147,000 for the Lone Fir Cemetery property redevelopment. There is also a $28,000 contribution from Milwaukie for the Three Bridges Project.

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 2006–07 an interest rate of 3.75 percent was assumed for the budget.

Donations—This category is donations to either support a particular project or support the capital needs of a specific department. Regional Parks anticipates raising $1.0 million in corporate donations for the Golf Course at Blue Lake Park. The remaining $200,000 in this category is a general support from the Friends of the Zoo for zoo for capital projects

Interfund Transfers—Interfund transfers are received for a variety of purposes. Some of these transfers are one-time in nature with the creation of the fund. Others will be ongoing, although the amount may vary from year-to-year based on need.

One-time transfers include the FY 2005-06 transfer of several existing renewal and replacement reserves to create dedicated accounts within the fund. These include the transfer of the Information Technology and Metro Regional Center renewal and replacement reserves as well as the transfer of approximately $1.032 million in dedicated reserves received from Multnomah County at the time of the parks consolidation with Metro. This reserve is dedicated to renewal and replacement or capital development of the parks facilities formerly owned by Multnomah County.

Ongoing transfers include annual contributions to the Metro Regional Center renewal and replacement account, a contribution to establish the general Metro renewal and replacement account, and excise tax contributions to support the development of four new regional park facilities as well as provide an annual contribution to the Regional Parks renewal and replacement account.

The fund also receives other minor, project-specific transfers from various funds.

Current Expenditures

Personal Services—In FY 2006–07, a project manager will oversee various projects and finish the Introduction to the Forest phase of the Great Northwest project at the Oregon Zoo.

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.

Capital Outlay—This category represents capital construction projects approved in Metro's Capital Budget. All capital projects that are over $50,000 and have a useful life of more than five years are included in the Capital Budget. Projects for Regional Parks in FY 2006–07 include M. James Gleason Boat Ramp Improvements, development of a water play area at Blue Lake Park, and design, engineering, and construction for Mt. Talbert and Cooper Mountain Park open space sites. Projects for the Oregon Zoo include the completion of the Forest phase of the Great Northwest project, upgrades to the Primate Building, beginning the Lion Exhibit design, continued expansion or completion of the California Condor breeding facility and exhibit, and the purchase of an admission ticketing system upgrade, and replacement of fluorescent light fixtures.

Interfund Transfers—This is a one-time transfer to the pension obligation account of the General Fund. This action transfers the PERS reserve accumulated over four years and will be made only if the Metro Council chooses to make another contribution to PERS to buy down estimated unfunded actuarial liabilities.

Contingency—A contingency is provided to meet unforeseen needs throughout the year. Expenditures from contingency may only be made through Council adoption of 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 by the Tax Supervising and Conservation Commission.

Fund Balance

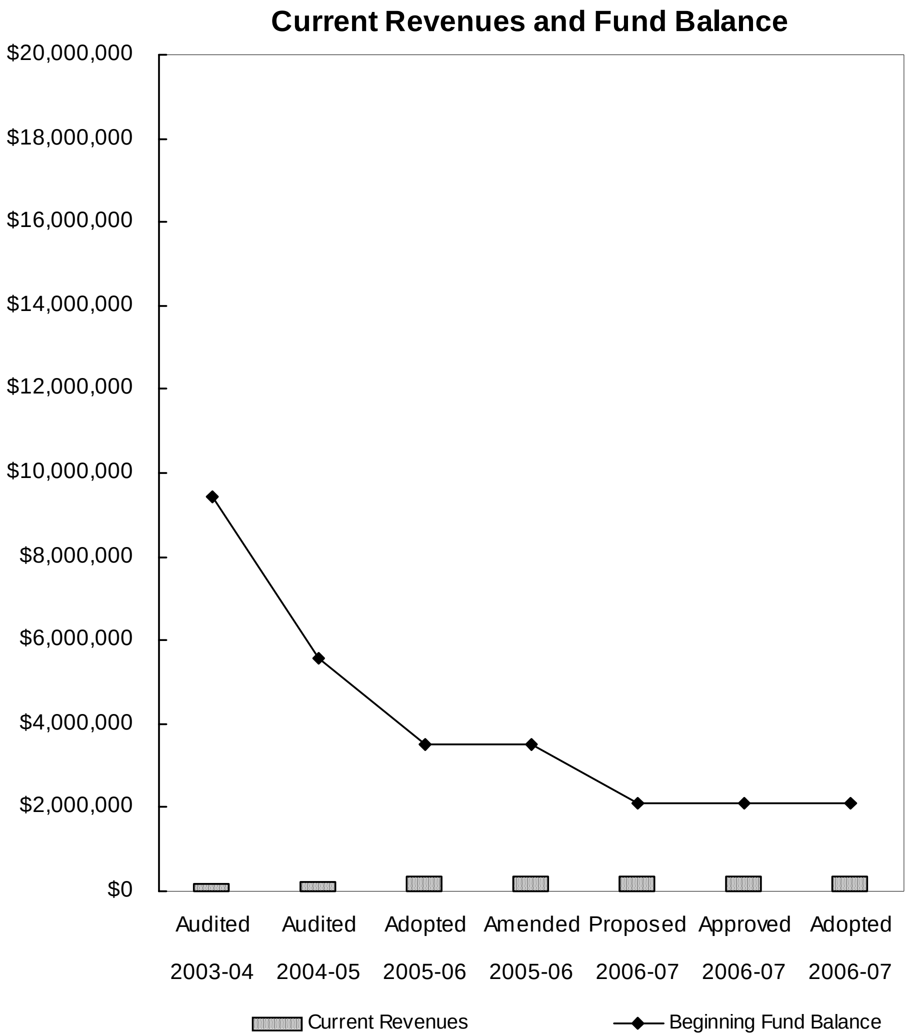
The fund balance includes a variety of dedicated reserves associated with the accounts established at the time the fund was created. Balances in the fund will fluctuate based on project needs.

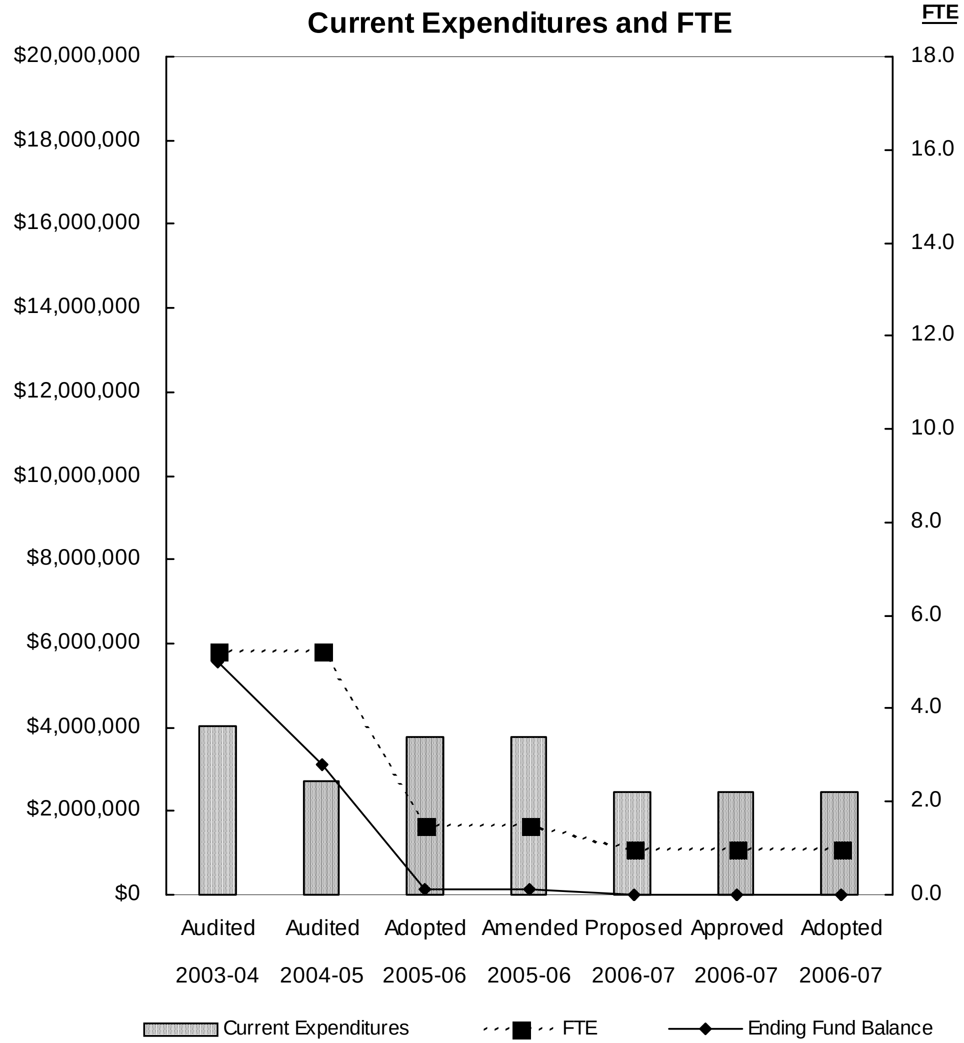
Open Spaces Fund

Open Spaces Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$9,415,427*	*$5,564,935*	*$3,521,281*	*$3,521,281*	*$2,101,946*	*$2,101,946*	*$2,101,946*	*(40.31%)*
Current Revenues								
Grants	14,875	0	200,000	200,000	200,000	200,000	200,000	0.00%
Enterprise Revenue	65,423	32,055	55,000	55,000	25,000	25,000	25,000	(54.55%)
Interest Earnings	56,622	87,280	88,000	88,000	112,470	112,470	112,470	27.81%
Donations	0	10,000	0	0	0	0	0	0.00%
Other Misc. Revenue	54,502	100,730	0	0	0	0	0	0.00%
Interfund Transfers:								
Internal Service Transfers	4,658	0	0	0	0	0	0	0.00%
Subtotal Current Revenues	**196,080**	**230,065**	**343,000**	**343,000**	**337,470**	**337,470**	**337,470**	**(1.61%)**
Total Resources	**$9,611,507**	**$5,795,000**	**$3,864,281**	**$3,864,281**	**$2,439,416**	**$2,439,416**	**$2,439,416**	**(36.87%)**
Requirements								
Current Expenditures								
Personal Services	$491,857	$521,042	$157,609	$157,609	$99,798	$99,798	$99,798	(36.68%)
Materials and Services	999,634	544,779	1,547,849	1,547,849	1,287,663	1,287,663	1,287,663	(16.81%)
Capital Outlay	1,882,376	1,063,896	1,206,000	1,206,000	475,000	475,000	475,000	(60.61%)
Interfund Transfers:								
Interfund Reimbursements	260,471	232,383	316,281	316,281	329,564	329,564	329,564	4.20%
Internal Service Transfers	409,734	345,853	51,796	51,796	72,105	72,105	72,105	39.21%
Fund Equity Transfers	2,500	0	0	58,485	63,128	63,128	63,128	7.94%
Contingency	0	0	468,494	410,009	112,158	112,158	112,158	(72.64%)
Subtotal Current Expenditures	**4,046,572**	**2,707,953**	**3,748,029**	**3,748,029**	**2,439,416**	**2,439,416**	**2,439,416**	**(34.91%)**
Ending Fund Balance	*5,564,935*	*3,087,047*	*116,252*	*116,252*	*0*	*0*	*0*	*(100.00%)*
Total Requirements	**$9,611,507**	**$5,795,000**	**$3,864,281**	**$3,864,281**	**$2,439,416**	**$2,439,416**	**$2,439,416**	**(36.87%)**
Full-Time Equivalents (FTE)	5.25	5.25	1.50	1.50	1.00	1.00	1.00	(33.33%)

Open Spaces Fund





Open Spaces Fund

In July 1992, Metro adopted the Metropolitan Greenspaces Master Plan. Among other strategies, the master plan calls for the acquisition of regionally significant open spaces. The Open Spaces Fund is 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 Regional Parks and Greenspaces Department. Historically, the fund also managed and paid for the Due Diligence Program. As purchases have waned, the Due Diligence Program switched emphasis to "owned" land agency-wide. As a result, the Due Diligence Program has been fully absorbed in the Metro Attorney Office and costs allocated agency-wide as appropriate.

The funds are being used to purchase regionally significant open spaces in 14 target areas, 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 nears completion, staff have been reduced or transferred to the Regional Parks Operating department for long-term maintenance of the properties.

Current Revenues

Enterprise Revenue—The department contracts with other jurisdictions to provide real estate services. Revenue generated funds a portion of the salary of one real estate negotiator.

Grants—Grants have been received for various stabilization projects. In FY 2006–07, the department anticipates a grant from the National Fish and Wildlife Foundation for stabilization activities.

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 are declining as the balance of bond proceeds is expended.

Current Expenditures

Personal Services—This category includes salaries and benefits for 1.00 FTE, a reduction of 0.50. The 1.50 Due Diligence staff formerly budgeted in this fund was transferred to the Office of the Metro Attorney in the General Fund in FY 2005–06.

Materials and Services—The majority of funds are budgeted for completion of stabilization projects on lands purchased under the bond measure.

Capital Outlay—The FY 2006–07 capital outlay budget reflects the remaining amount available for the purchase of land.

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 Open Spaces Program. These charges are allocated based on an approved central services cost allocation plan. This category also includes about $72,000 of Multnomah County local share bond proceeds transferred to the Regional Parks Capital Account in the Metro Capital Fund. Under the intergovernmental agreement with Multnomah County transferring the regional parks to Metro completed in March 1996, Metro assumed management responsibility for the Multnomah County open spaces local share proceeds; these transfers support such projects. There is also a transfer to the Planning Fund for mapping services provided by the Data Resource Center in the Planning Department.

Contingency—Contingency funds are provided to meet unforeseen needs or other emergencies throughout the fiscal year. The Metro Council must authorize appropriation and expenditure of contingency via ordinance.

Fund Balance

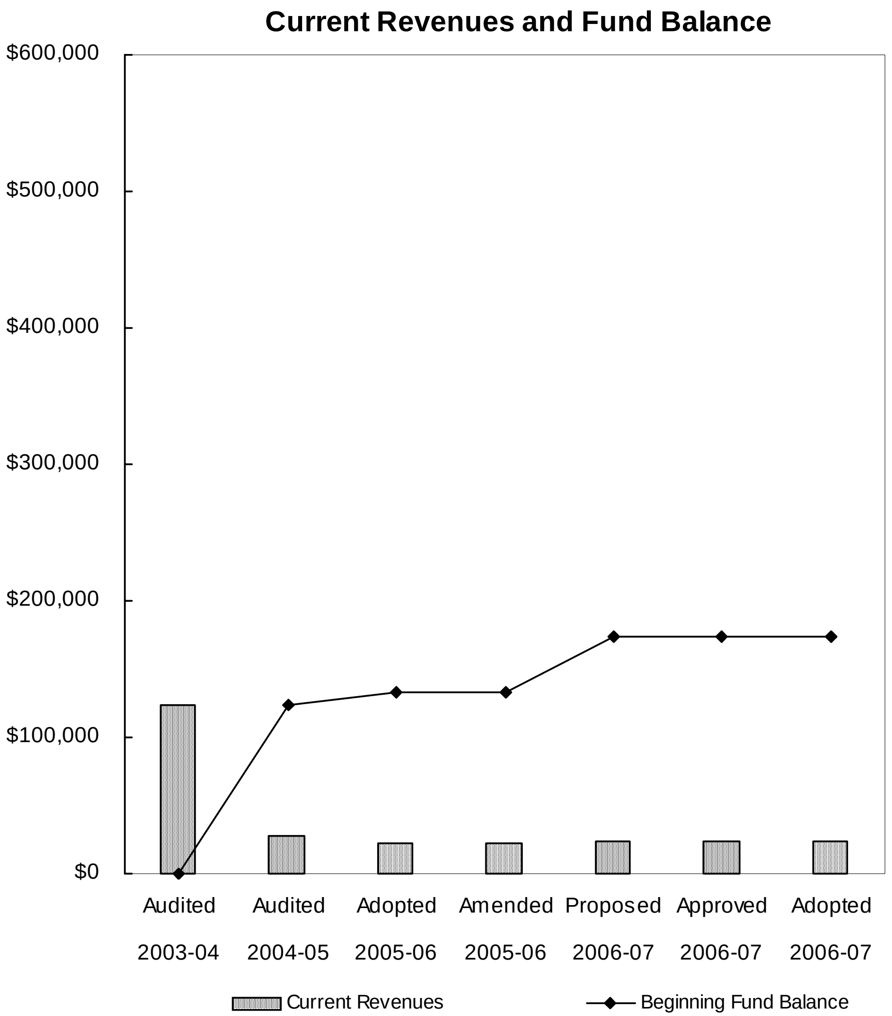
The fund balance represents unexpended bond proceeds plus interest earned. The balance has decreased as the program goals are achieved. The Council, through resolution, set aside a minimum of $1.5 million of the regional funds as a reserve for future site stabilization costs, legal liabilities, or other similar unforeseen expenses related to acquisition. Expenditures from this reserve began in FY 2004–05. The fund balance has gradually declined as these funds were expended.

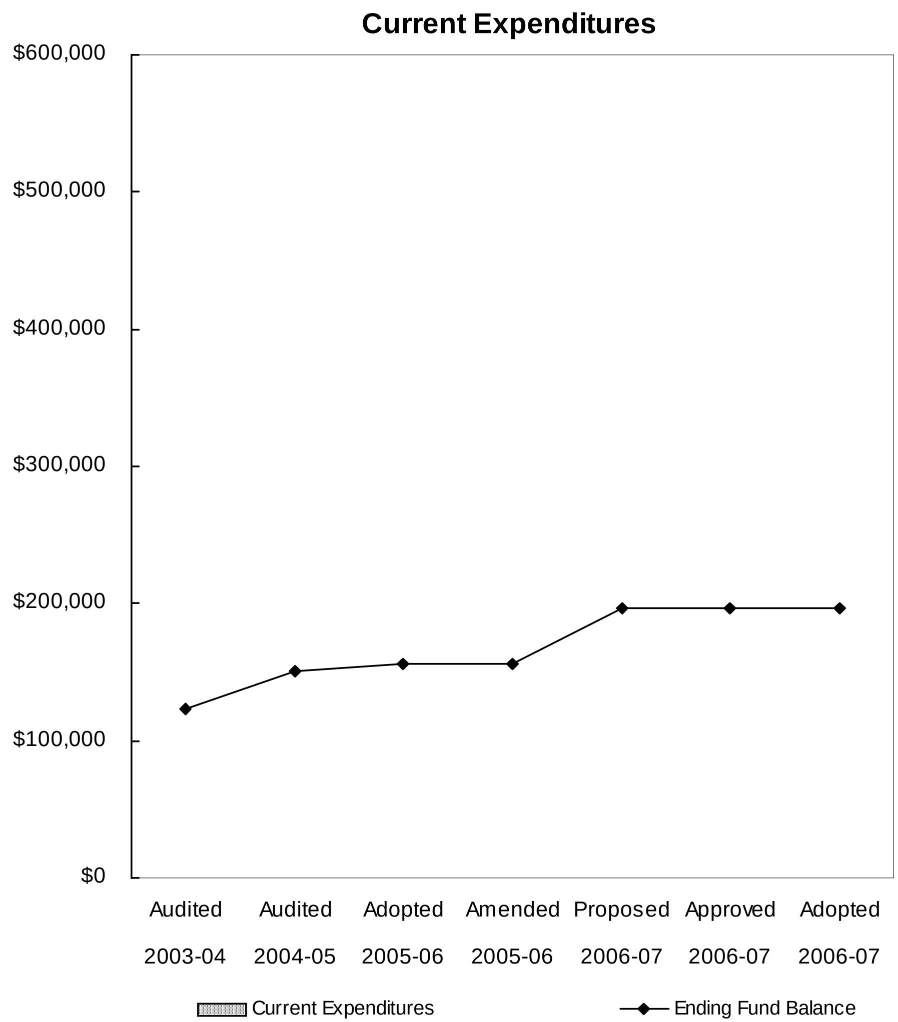
Pioneer Cemetery Perpetual Care Fund

Pioneer Cemetery Perpetual Care Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$0*	*$123,284*	*$133,173*	*$133,173*	*$173,588*	*$173,588*	*$173,588*	*30.35%*
Current Revenues								
Other Derived Tax Revenue	33,086	25,270	19,000	19,000	19,000	19,000	19,000	0.00%
Interest Earnings	760	2,734	3,300	3,300	4,340	4,340	4,340	31.52%
Interfund Transfers:								
Fund Equity Transfers	89,438	0	0	0	0	0	0	0.00%
Subtotal Current Revenues	**123,284**	**28,004**	**22,300**	**22,300**	**23,340**	**23,340**	**23,340**	**4.66%**
Total Resources	**$123,284**	**$151,288**	**$155,473**	**$155,473**	**$196,928**	**$196,928**	**$196,928**	**26.66%**
Requirements								
Ending Fund Balance	*123,284*	*151,288*	*155,473*	*155,473*	*196,928*	*196,928*	*196,928*	*26.66%*
Total Requirements	**$123,284**	**$151,288**	**$155,473**	**$155,473**	**$196,928**	**$196,928**	**$196,928**	**26.66%**
Full-Time Equivalents (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

Pioneer Cemetery Perpetual Care Fund





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 receives revenue from a 15 percent surcharge on grave sales. No expenditures are anticipated from this fund until grave sites are exhausted at the cemeteries. Current estimates indicate that all grave sites will be sold around the year 2058.

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.

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.

Interest Earning—Interest will be earned on the balance of the fund. Interest is projected at 3.75 percent of the cash balance.

Fund Balance

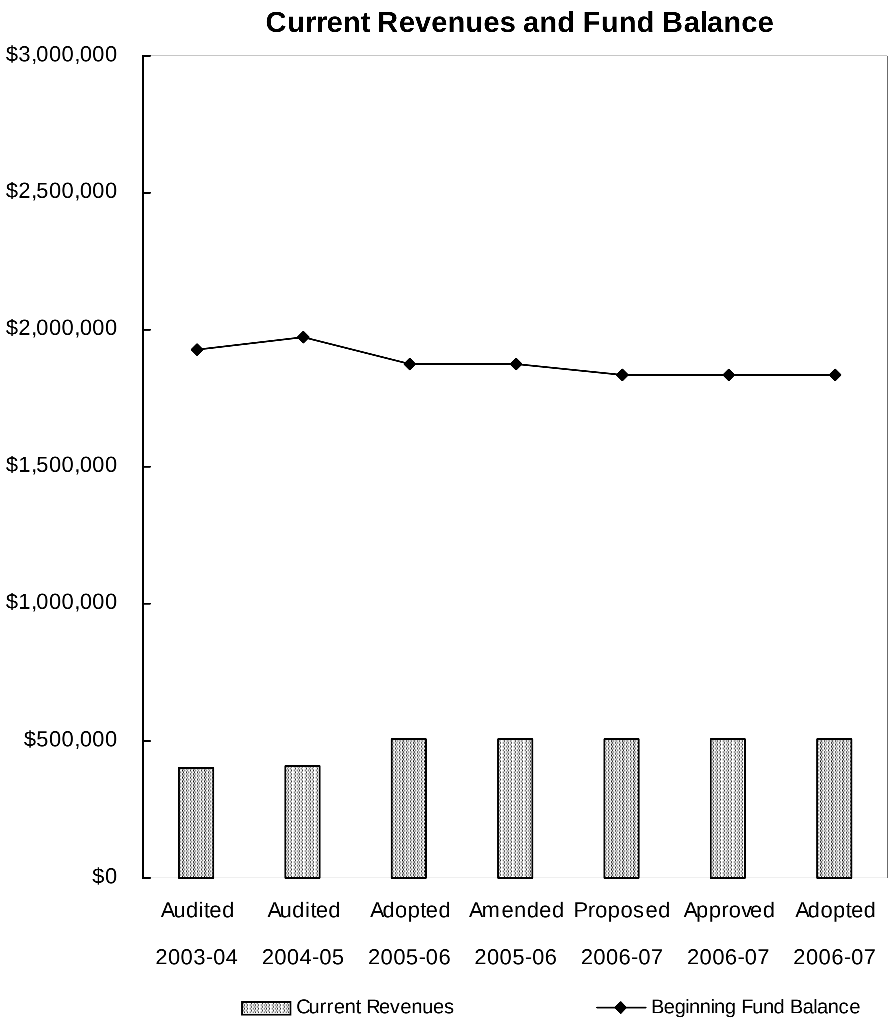
No expenditures are planned from this fund until such time as the department runs out of grave sites to sell. The fund balance will continue to grow annually with additional contributions from grave sales and interest earnings.

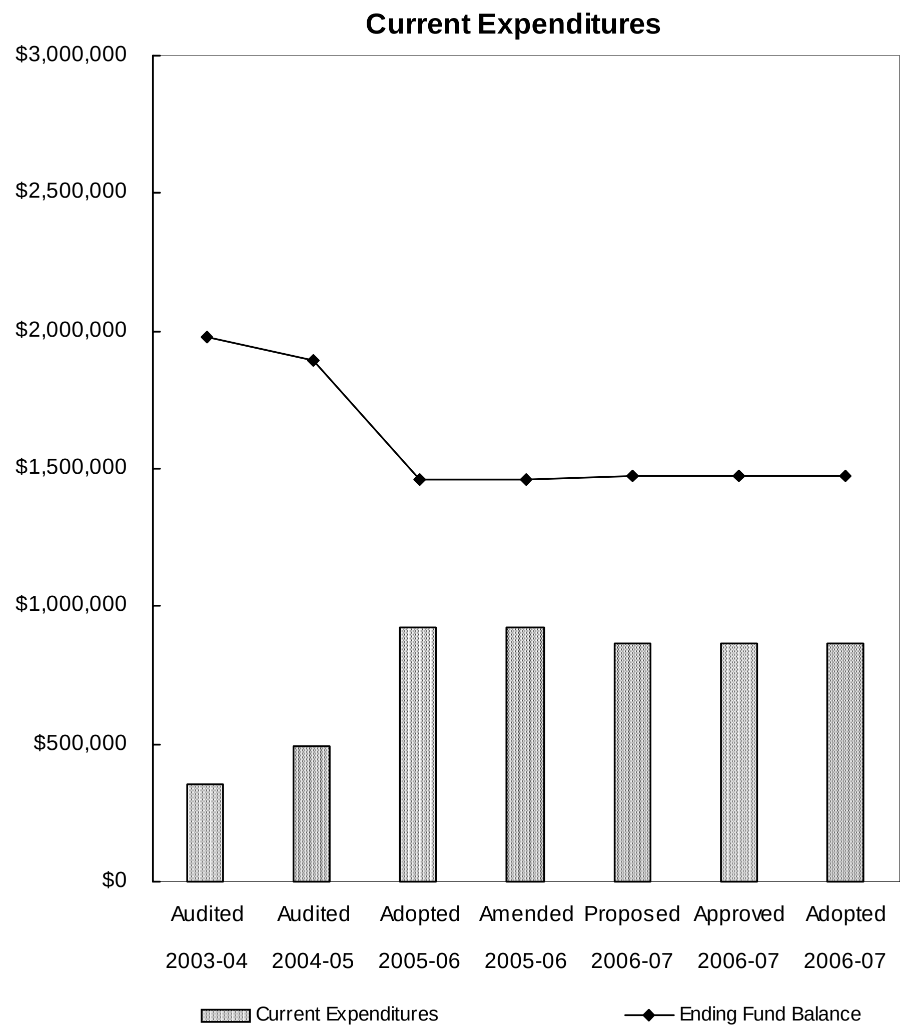
Rehabilitation and Enhancement Fund

Rehabilitation and Enhancement Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$1,930,442*	*$1,976,193*	*$1,875,400*	*$1,875,400*	*$1,832,900*	*$1,832,900*	*$1,832,900*	*(2.27%)*
Current Revenues								
Enterprise Revenue	11,000	0	54,000	54,000	0	0	0	(100.00%)
Interest Earnings	24,517	39,236	46,885	46,885	68,734	68,734	68,734	46.60%
Interfund Transfers:								
Fund Equity Transfers	365,970	368,289	405,922	405,922	438,707	438,707	438,707	8.08%
Subtotal Current Revenues	**401,487**	**407,525**	**506,807**	**506,807**	**507,441**	**507,441**	**507,441**	**0.13%**
Total Resources	**$2,331,929**	**$2,383,718**	**$2,382,207**	**$2,382,207**	**$2,340,341**	**$2,340,341**	**$2,340,341**	**(1.76%)**
Requirements								
Current Expenditures								
Materials and Services	$331,813	$467,069	$594,136	$594,136	$533,873	$533,873	$533,873	(10.14%)
Interfund Transfers:								
Internal Service Transfers	23,923	26,630	29,101	29,101	30,015	30,015	30,015	3.14%
Contingency	0	0	300,000	300,000	300,000	300,000	300,000	0.00%
Subtotal Current Expenditures	**355,736**	**493,699**	**923,237**	**923,237**	**863,888**	**863,888**	**863,888**	**(6.43%)**
Ending Fund Balance	*1,976,194*	*1,890,019*	*1,458,970*	*1,458,970*	*1,476,453*	*1,476,453*	*1,476,453*	*1.20%*
Total Requirements	**$2,331,929**	**$2,383,718**	**$2,382,207**	**$2,382,207**	**$2,340,341**	**$2,340,341**	**$2,340,341**	**(1.76%)**
Full-Time Equivalents (FTE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

Rehabilitation and Enhancement Fund





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, including administration of the enhancement program.

There are four established community enhancement programs.

North Portland Community Enhancement Program—Assists the North Portland Community Enhancement Committee in selecting and funding 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 continue the policy of spending only anticipated interest earnings. Anticipated earnings over the budgeted amount will be maintained to enable the committee to fund more grants during periods of lower interest yields.

Oregon City Community Enhancement Program—Receives funds from community enhancement fees at Metro South Station in Oregon City. Funds are paid to Oregon City on a quarterly basis and are used for local community enhancement projects.

Metro Central Community Enhancement Program—Receives funds from community enhancement fees at Metro Central Station. Funds 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—Receives fees collected at a privately owned transfer station in Forest Grove. Funds are paid to the City of Forest Grove on a quarterly basis and are used for local community enhancement projects.

Current Revenues

Charges for Services—In FY 2005-06, for the first time, $54,000 of revenue generated from gas recovery at the St. Johns Landfill was dedicated to grants provided by the North Portland Enhancement Committee. It was a one-time dedication to make up for low interest earnings in the North Portland Community Enhancement Program.

Interest—This represents interest earned on the fund balances designated for the North Portland Community Enhancement and Metro Central Enhancement Accounts. The expected increase in interest earnings increases funds available for the North Portland Community Enhancement grants.

Interfund Transfers—These funds are the community enhancement fees collected at the solid waste facilities. The full amount of fees collected at these facilities for the fiscal year is transferred to this fund via the Solid Waste Revenue Fund. Transfers vary from year to year depending upon the solid waste tonnage received at the facilities.

Current Expenditures

Materials and Services—About 57 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. The remaining 43 percent of expenditures are direct payments to Oregon City and Forest Grove.

Contingency—Of the $300,000 budgeted in FY 2006–07, $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 use of contingency funds.

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. This staff support comes from the Solid Waste and Recycling Department.

METRO

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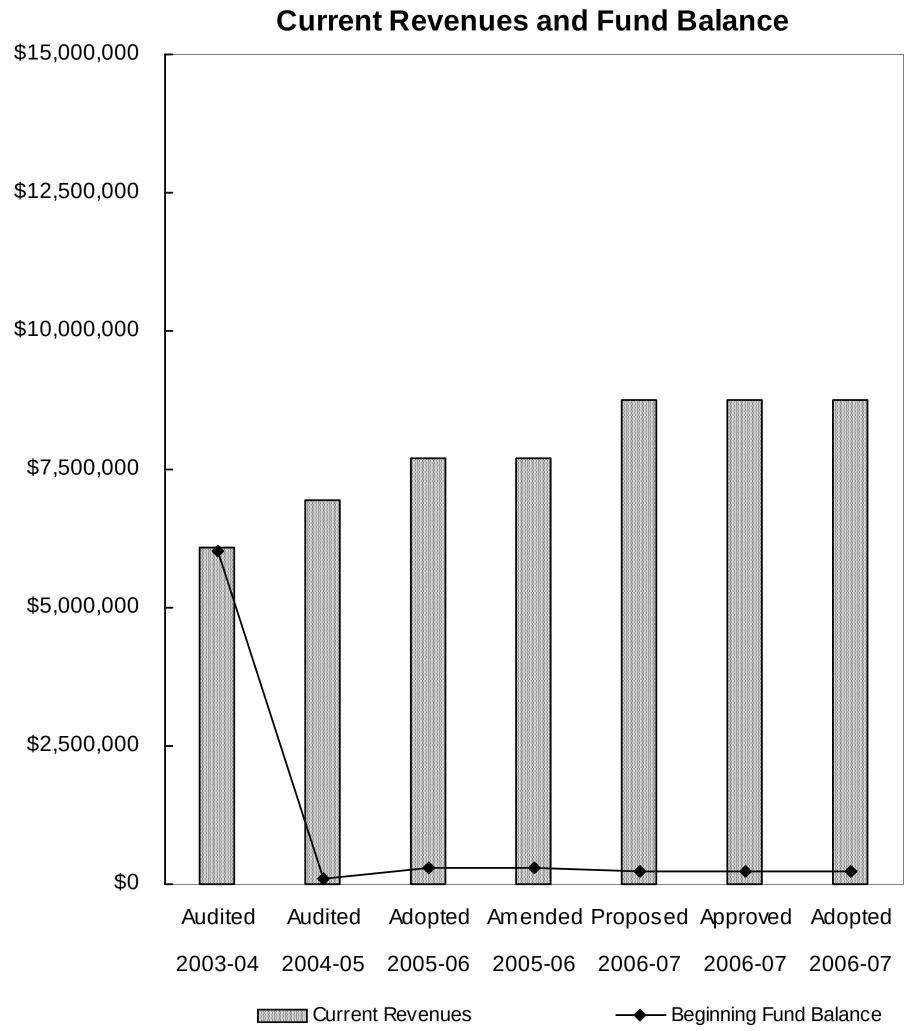
OPEN SPACES

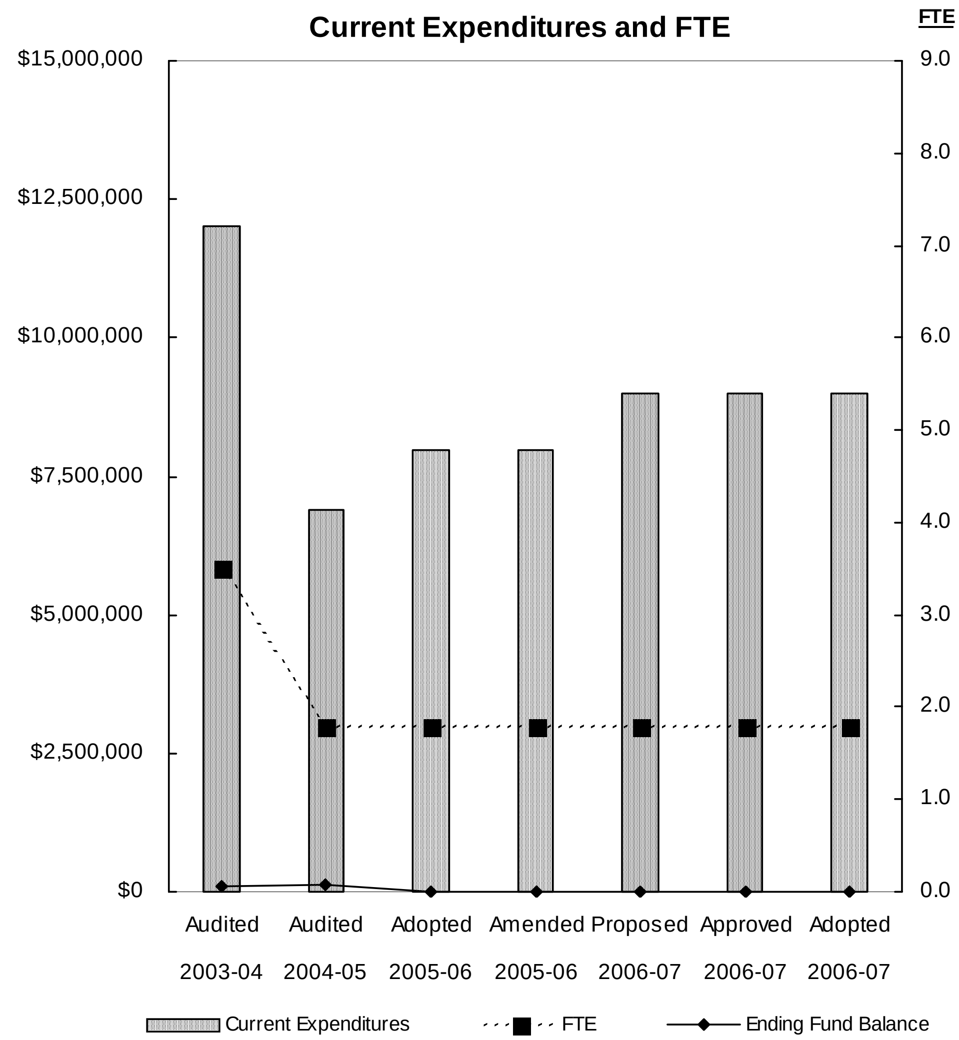
Risk Management Fund

Risk Management Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$6,018,564*	*$85,933*	*$286,451*	*$286,451*	*$244,911*	*$244,911*	*$244,911*	*(14.50%)*
Current Revenues								
Grants	0	44,636	10,000	10,000	15,000	15,000	15,000	50.00%
Enterprise Revenue	4,980,192	5,438,747	6,198,175	6,198,175	6,685,928	6,685,928	6,685,928	7.87%
Interest Earnings	87,105	120,880	162,595	162,595	241,069	241,069	241,069	48.26%
Other Misc. Revenue	21,947	8,847	0	0	0	0	0	0.00%
Interfund Transfers:								
Interfund Reimbursements	1,000,002	1,327,998	1,328,000	1,328,000	1,328,000	1,328,000	1,328,000	0.00%
Subtotal Current Revenues	**6,089,246**	**6,941,108**	**7,698,770**	**7,698,770**	**8,744,997**	**8,744,997**	**8,744,997**	**13.59%**
Total Resources	**$12,107,810**	**$7,027,041**	**$7,985,221**	**$7,985,221**	**$8,989,908**	**$8,989,908**	**$8,989,908**	**12.58%**
Requirements								
Current Expenditures								
Personal Services	$388,932	$134,622	$143,503	$143,503	$147,451	$147,451	$147,451	2.75%
Materials and Services	11,632,945	6,755,748	7,809,139	7,809,139	8,676,535	8,676,535	8,676,535	11.11%
Interfund Transfers:								
Fund Equity Transfers	0	0	0	32,384	37,599	37,599	37,599	16.10%
Contingency	0	0	32,579	195	128,323	128,323	128,323	65706.67%
Subtotal Current Expenditures	**12,021,877**	**6,890,370**	**7,985,221**	**7,985,221**	**8,989,908**	**8,989,908**	**8,989,908**	**12.58%**
Ending Fund Balance	*85,933*	*136,671*	*0*	*0*	*0*	*0*	*0*	*0.00%*
Total Requirements	**$12,107,810**	**$7,027,041**	**$7,985,221**	**$7,985,221**	**$8,989,908**	**$8,989,908**	**$8,989,908**	**12.58%**
Full-Time Equivalents (FTE)	3.50	1.80	1.80	1.80	1.80	1.80	1.80	0.00%

Risk Management Fund





Risk Management Fund

This fund accounts for the revenues and expenditures related to administration of Metro's Risk Management Self-Insurance Program and Employee Health and Wellness Program. Costs are allocated through the cost allocation plan to all departments based on past claims experience and exposure. The fund is managed by the Finance and Administrative Services Department.

Current Revenues

Grants—A grant of $15,000 is provided to pay for modifications to work sites for injured employees. Grant reimbursement is available from the State of Oregon Workers' Compensation Division.

Enterprise Revenues—The enterprise revenues include internal charges for service to departments for insurance premiums related to unemployment and health and welfare. The increase in employee health insurance is lower than market trends due to a negotiated cap on Metro's obligation for insurance costs.

Interest on Investments—Interest on investments is forecast at $241,069 for FY 2006–07. The interest is earned on the fund's reserves. The interest is earned on the funds reserves, including those reserves that have been expensed for probable environmental exposure. The environmental exposure expense is explained in greater detail in the *Fund Balance* section of this page.

Interfund Transfers—These transfers represent payments from other Metro departments for their allocated shares of the costs of the Risk Management Program. In the FY 2006–07 budget, an additional one-time transfer of $475,000 will be made from the General Fund, Open Spaces Fund, and Solid Waste Fund into the Risk Management Fund. These funds are to begin replenishing risk reserves to an acceptable level.

Current Expenditures

Personal Services—Costs associated with the Risk Management Fund include personnel costs for 1.8 FTE.

Materials and Services—This classification includes the costs for the Health and Wellness, Liability/Property, Workers' Compensation and Unemployment programs. Each area has experienced an increase in costs over the past several years.

Fund Balance

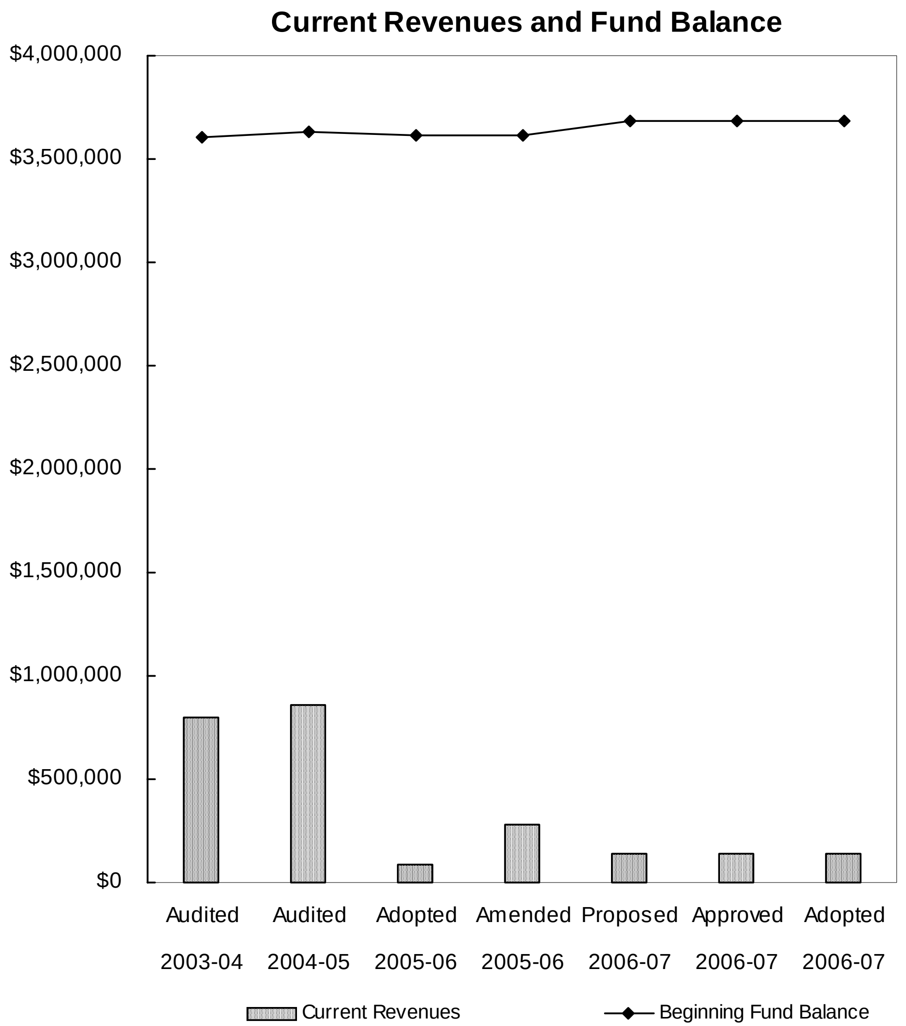
This fund previously had a balance of $5.6 million. However, in FY 2003–04 Metro performed an evaluation of its environmental impairment risks. The actuarial study identified a probable environmental exposure of $5.225 million. Generally accepted accounting principles required that once known, this liability be expensed. Although this action has reduced the fund balance the funds remain with Metro since the liability is a "probable" expense and not an actual expense. The recognition of this liability has reduced the self-insurance reserves for the remaining risk management programs.

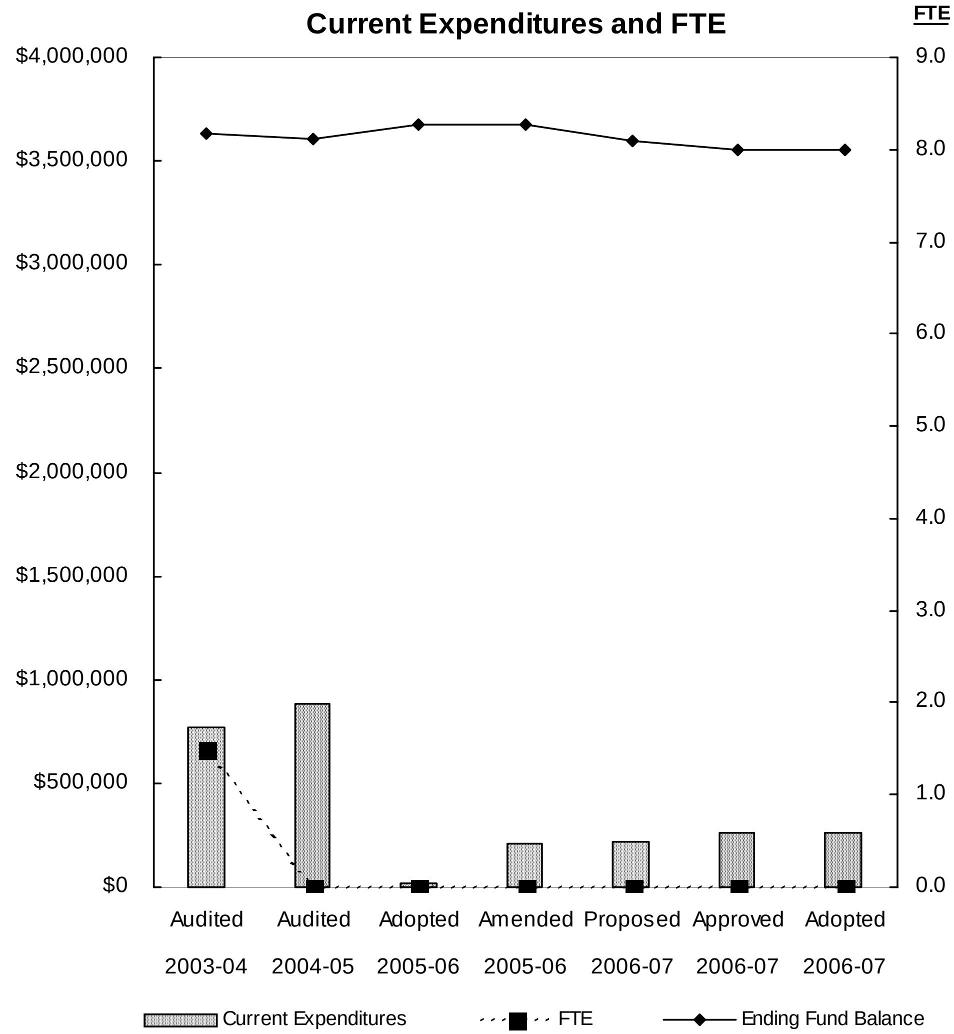
Smith and Bybee Lakes Fund

Smith and Bybee Lakes Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$3,607,896*	*$3,631,588*	*$3,610,000*	*$3,610,000*	*$3,680,250*	*$3,680,250*	*$3,680,250*	*1.95%*
Current Revenues								
Grants	400,620	261,901	0	0	0	0	0	0.00%
Contributions from other Gov'ts	63,000	10,000	0	0	0	0	0	0.00%
Enterprise Revenue	1,852	1,349	1,700	1,700	1,700	1,700	1,700	0.00%
Interest Earnings	45,024	70,875	90,250	90,250	138,009	138,009	138,009	52.92%
Donations	77,853	321,200	0	190,000	0	0	0	(100.00%)
Interfund Transfers:								
Internal Service Transfers	89,356	190,512	0	0	0	0	0	0.00%
Fund Equity Transfers	117,187	0	0	0	0	0	0	0.00%
Subtotal Current Revenues	**794,892**	**855,837**	**91,950**	**281,950**	**139,709**	**139,709**	**139,709**	**(50.45%)**
Total Resources	**$4,402,788**	**$4,487,425**	**$3,701,950**	**$3,891,950**	**$3,819,959**	**$3,819,959**	**$3,819,959**	**(1.85%)**
Requirements								
Current Expenditures								
Personal Services	$109,067	$0	$0	$0	$0	$0	$0	0.00%
Materials and Services	19,093	5,490	0	0	0	45,000	45,000	0.00%
Capital Outlay	594,237	875,175	0	190,000	0	0	0	(100.00%)
Interfund Transfers:								
Interfund Reimbursements	38,803	0	0	0	0	0	0	0.00%
Internal Service Transfers	10,000	0	21,700	21,700	20,000	20,000	20,000	(7.83%)
Contingency	0	0	0	0	200,000	200,000	200,000	0.00%
Subtotal Current Expenditures	**771,200**	**880,665**	**21,700**	**211,700**	**220,000**	**265,000**	**265,000**	**25.18%**
Ending Fund Balance	*3,631,588*	*3,606,760*	*3,680,250*	*3,680,250*	*3,599,959*	*3,554,959*	*3,554,959*	*(3.40%)*
Total Requirements	**$4,402,788**	**$4,487,425**	**$3,701,950**	**$3,891,950**	**$3,819,959**	**$3,819,959**	**$3,819,959**	**(1.85%)**
Full-Time Equivalents (FTE)	1.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00%

Smith and Bybee Lakes Fund





Smith and Bybee Lakes Fund

This fund was established as a dedicated endowment fund for development and management of the Smith and Bybee Lakes Natural Area as required by the Smith and Bybee Lakes 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 Lakes 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 the Regional Parks and Greenspaces Department.

Current Revenues

Enterprise Revenues—The fund receives a small amount from fees collected from educational program users at the Wildlife Area.

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 2006–07 the budget assumes an interest rate of 3.75 percent.

Current Expenditures

Personal Services—Program staff have been transferred to the Regional Parks Operating Department. Staff will still manage the Smith and Bybee Lakes, but in a more cost effective manner.

Materials and Services—Expenditures in this category depend on the special nature of projects to be completed under the Smith and Bybee Lakes Management Plan. The budget provides for one small restoration project.

Capital Outlay—Capital expenditures for the program are tied to the goals of the management plan. Major capital projects are budgeted in accordance with the adopted Capital Budget. In FY 2006–07 the department does not anticipate any capital improvements.

Transfers—Previously, the fund had paid a share of Metro's central administrative services. These costs have been transferred to the operating department, along with the staff. In FY 2006–07 the fund reimburses the Regional Parks Operating Department for costs associated with management and oversight of the natural areas.

Fund Balance

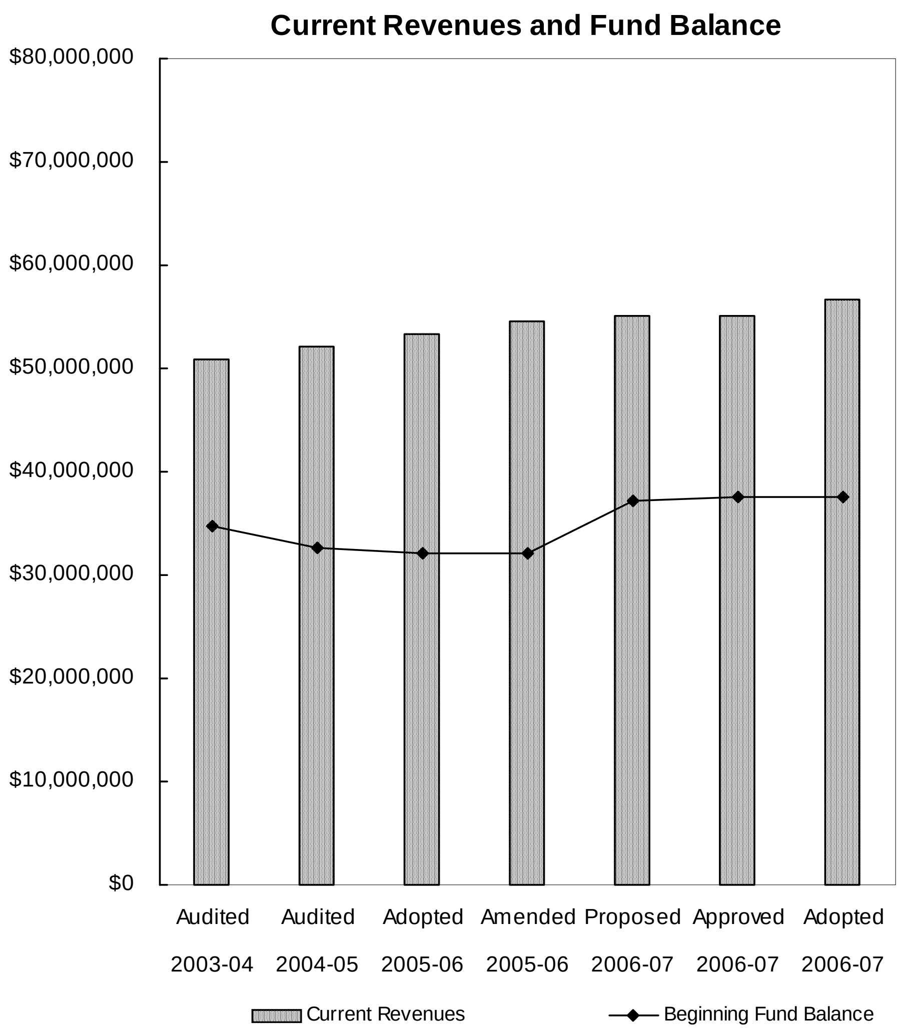
Other than interest earnings, the fund has no continuous source of funding. The fund was established as an endowment fund to enable the development and management of the Smith and Bybee Lakes Natural Area. However, it was known at the time of the development of the management plan that the existing fund balance would be insufficient to fully fund all current and long-term needs. The fund balance has been stable for several years and will show fluctuations depending on specific program needs. The transfer of operations staff to the Parks Operating Fund in FY 2004–05 was intended to preserve the fund balance for restoration and enhancement of the natural area.

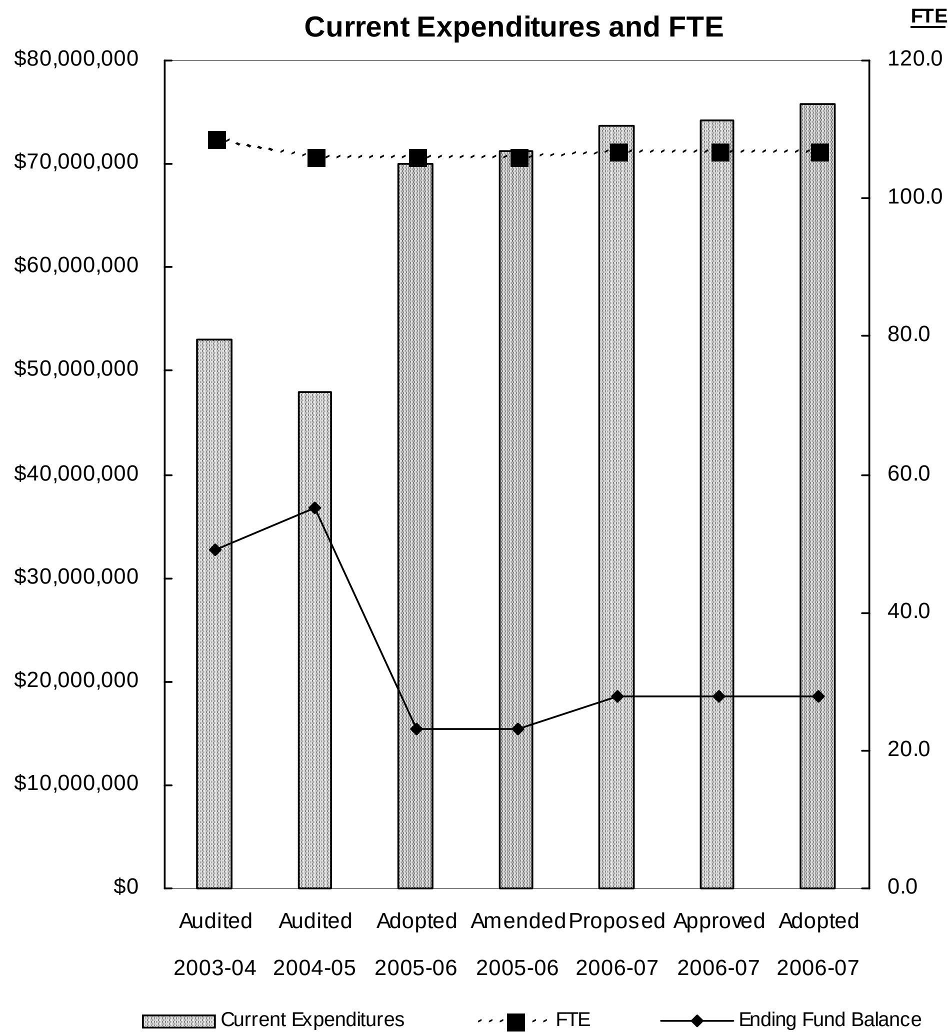
Solid Waste Revenue Fund

Solid Waste Revenue Fund Summary

	Audited FY 2003-04	Audited FY 2004-05	Adopted FY 2005-06	Amended FY 2005-06	Proposed FY 2006-07	Approved FY 2006-07	Adopted FY 2006-07	Change from FY 2005-06 Amended
Resources								
Beginning Fund Balance	*$34,800,955*	*$32,716,644*	*$32,177,307*	*$32,177,307*	*$37,113,273*	*$37,603,884*	*$37,603,884*	*16.86%*
Current Revenues								
Grants	82,389	2,344	0	0	0	0	0	0.00%
Enterprise Revenue	50,240,753	51,177,356	52,482,764	52,482,764	53,647,649	53,647,649	53,647,649	2.22%
Interest Earnings	374,728	658,552	780,683	780,683	1,391,749	1,391,749	1,391,749	78.27%
Other Misc. Revenue	109,649	177,209	15,000	15,000	15,000	15,000	15,000	0.00%
Interfund Transfers:								
Internal Service Transfers	23,923	26,630	29,101	29,101	30,015	30,015	30,015	3.14%
Interfund Loan	101,248	0	0	1,200,000	0	0	1,550,000	29.17%
Subtotal Current Revenues	**50,932,691**	**52,042,091**	**53,307,548**	**54,507,548**	**55,084,413**	**55,084,413**	**56,634,413**	**3.90%**
Total Resources	**$85,733,646**	**$84,758,735**	**$85,484,855**	**$86,684,855**	**$92,197,686**	**$92,688,297**	**$94,238,297**	**8.71%**
Requirements								
Current Expenditures								
Personal Services	$8,191,808	$8,419,159	$9,147,404	$9,147,404	$9,483,385	$9,483,385	$9,483,385	3.67%
Materials and Services	33,208,293	33,198,023	37,176,925	37,176,925	38,170,498	38,521,109	38,521,109	3.62%
Capital Outlay	3,625,285	1,049,051	3,229,000	3,229,000	2,919,000	3,019,000	3,019,000	(6.50%)
Debt Service	4,155,671	1,335,013	2,344,863	2,344,863	2,348,013	2,348,013	2,348,013	0.13%
Interfund Transfers:								
Interfund Reimbursements	2,962,022	3,263,317	3,620,546	3,620,546	3,772,609	3,812,609	3,812,609	5.30%
Internal Service Transfers	507,953	342,201	359,466	359,466	508,935	508,935	508,935	41.58%
Fund Equity Transfers	365,970	368,288	405,922	1,611,471	2,102,325	2,102,325	2,102,325	30.46%
Contingency	0	0	13,744,685	13,739,136	14,400,078	14,400,078	15,950,078	16.09%
Subtotal Current Expenditures	**53,017,002**	**47,975,053**	**70,028,811**	**71,228,811**	**73,704,843**	**74,195,454**	**75,745,454**	**6.34%**
Ending Fund Balance	*32,716,644*	*36,783,682*	*15,456,044*	*15,456,044*	*18,492,843*	*18,492,843*	*18,492,843*	*19.65%*
Total Requirements	**$85,733,646**	**$84,758,735**	**$85,484,855**	**$86,684,855**	**$92,197,686**	**$92,688,297**	**$94,238,297**	**8.71%**
Full-Time Equivalents (FTE)	108.70	106.20	106.20	106.20	106.75	106.75	106.75	0.52%

Solid Waste Revenue Fund





Solid Waste Revenue Fund

Department Purpose

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 disposal system.

Metro Ordinance 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. The budget for this fund follows this account structure.

The primary sources of enterprise revenue for the fund are fees and charges on landfill waste. More than 92 percent of the fund's current revenues consists of these fees and charges. Solid waste fees are variable because they are directly proportional to solid waste tonnage, which is influenced by economic activity and waste recovery efforts. The population and economic development within the region in recent years has resulted, for the most part, in a steady growth of waste generation. Based on recent trends, revenue tonnage is expected to continue at a slow increase in the future.

About 38.5 percent of current expenditures (including contingency) is linked to solid waste tonnage at Metro facilities. In FY 2006-07, $28.8 million will be spent on processing waste at Metro's two transfer stations and the transportation and processing of approximately 624,000 tons of waste, including yard debris and food waste. Fee reimbursements are included in the FY 2006–07 budget to continue the regional system fee credit program. Through this performance-based credit program, a portion of the regional system fee paid by a facility may be credited to that facility, depending on the facility's waste recovery rate. Direct operating costs not related to tonnage are increasing about $0.8 million from FY 2005–06, to $18.8 million.

About $2.9 million of total current expenditures will be spent on capital projects, as scheduled in Metro's Capital Budget. No one project dominates this fiscal year's capital expenditures. The largest projects are expected replacement and rebuilding of compactors and a revamping of the woodlines at Metro Central and South.

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 a flat fee (the Transaction Fee) charged for each transaction at Metro transfer stations.

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. This budget includes a $0.60 decrease in the Metro Tonnage Charge and a $0.97 reduction in the Regional System Fee, for a total decrease in the Metro Tip Fee of $1.55

The Transaction Fee was introduced in 1998. Prior to that, scalehouse costs were recovered through the Metro tip fee. Metro incurs nearly the same scalehouse costs regardless of the size of the load delivered to a Metro transfer station. To encourage deli-very of larger, more efficient loads, and to reflect a pricing strategy that is closer to the cost of service than a flat tip fee, a transaction charge of $5 per transaction was established in FY 1998–99, increased to $6 in FY 2002–03, and increased to $7.50 effective FY 2004–05. In this budget a split fee based on customer classes is adopted that more accurately reflects the scalehouse costs and usage. The Transaction Fee for staffed scalehouse users increases to $8.50. For automated scale users, the charge is reduced to $3.00 per transaction.

A new latex paint facility at the Metro South transfer station began operations in August 1999, allowing latex paint to be recovered and repackaged for resale. This facility was moved off site in the spring of 2005. Revenues are expected to continue to increase by having more product and new marketing initiatives, increasing product sales from $790,000 to $932,000. The program accepts paint from both inside and outside the Metro region.

Total enterprise revenues are projected to grow 2.2 percent. This is due to increased tonnage and increases in fuel costs. The Metro region has both Metro-owned and non-Metro disposal facilities. During FY 2001–02, private local transfer station capacity was increased to provide better access to transfer services in the region and greater potential for material recovery. Non-Metro tonnage is expected to grow faster than Metro tonnage. In FY 2005–06 the Metro Council approved a franchise for Columbia Environment. This facility is not expected to be in operation until 2007.

Interest

Interest earnings were calculated using the current rate of return on Metro's investment portfolio. Anticipated rates of 3.75 percent, an increase over FY 2005–06, are budgeted to produce $611,066 in additional revenue.

Current Expenditures

Personal Services

The 106.75 FTE represents a net 0.55 increase from the prior year. One Latex Paint Technician is being converted from a contracted position; a Program Supervisor II is being added to the Regulatory Affairs Division; an Associate Planner will be reduced by 0.45 and the remaining 0.55 will be reallocated to administrative support for the department; and the Finance Manager will be transferred to Finance and Administrative Services. Personal services increase 3.67 percent as a result of normal merit increases and continued increases in PERS and health costs.

Materials and Services

Materials and Services are budgeted to increase by approximately $1.3 million from the current fiscal year. This increase is predominantly the result of projected higher disposal costs from contractual inflation commitments and fuel cost increases.

Capital Outlay

This category includes the purchase of equipment and capital improvements at Metro solid waste facilities. Capital improvements are scheduled in Metro's FY 2006–07 through FY 2010–11 Capital Budget.

Capital expenditures are segregated into three categories of expenditure. 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 2006–07 include wood processing improvements to both stations; office improvements at Metro Central; and two seismic projects, one to stabilize the structure and one to remove a chimney.

The projects in the Renewal and Replacement account are to realize the optimal life span of capital assets. FY 2006–07 projects are work on the compactors and improvements to the woodline at Metro Central.

The projects funded by the Landfill Closure are limited to projects needed to close the St. Johns Landfill. Projects for FY 2006–07 are predominantly established, ongoing projects including monitoring groundwater and perimeter stabilization.

Debt Service

The debt service category includes the necessary payments for the Solid Waste and Recycling Department's bonded debt.

Transfers

Transfers to other funds include internal service charges for central services and for Geographic Information System (GIS) services provided by the Planning Department.

Contingency

The operating contingency, designed to meet short-term, unanticipated needs, is funded to cover tonnage-related costs based on possible increases in tonnage at Metro facilities and other unanticipated costs. For FY 2006–07 the operating contingency, which represents 22.3 percent of total contingency, is budgeted at $3.5 million. This amount is up $1.5 million to allow an additional payment of up to that amount to PERS to reduce future PERS rates. The remaining 77.7 percent in contingency consists of restricted funds representing projected ending balances in the Renewal and Replacement and the St. Johns Landfill accounts.

Fund Balance

The unappropriated ending fund balance consists of designated and restricted funds. Approximately 37 percent of the ending fund balance is reserved for rate stabilization.

In FY 2009-10 the solid waste bonds will be paid off. Based on the current rate structure, this payoff will result in a $2.61 decrease to the Metro Tip Fee. The Metro Council decided to pay some of the debt service owed on the bonds out of these reserves. This continues a slow decline in the solid waste rate, initiated in FY2005-06, rather than having the full reduction happen with the bond payout.

Over 31 percent of the balance is available as working capital to meet cash flow needs. Twenty percent is restricted to prepaid debt service and debt service reserves. The capital reserve account represents 12 percent of the total fund balance. .

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Budget and Financial Structure

METRO

PEOPLE PLACES
OPEN SPACES

Budget Process

The FY 2005-06 budget expanded upon the Strategic Budgeting Initiative that Metro began in FY 2004-05. This initiative allows Metro to adopt a budget that identifies important regional goals and strategies for achievement. FY 2006-07 builds on the changes made to the budget process in the past two years. The budget cycle has a long-term strategic focus for programs and services that Metro provides.

Development of the budget document is an important and legally required process. The result is a final product to be used as a policy and financial plan covering all of Metro's programs and services. The budget is a strategic-focused discussion of goals and objectives, programs and outcomes, and spending priorities within resource constraints. The budget process at Metro includes two concurrent, complimentary cycles: (1) the strategic process for clarification of expectations and evaluation of progress and (2) the development of the final policy and financial document

The Strategic Budget Process

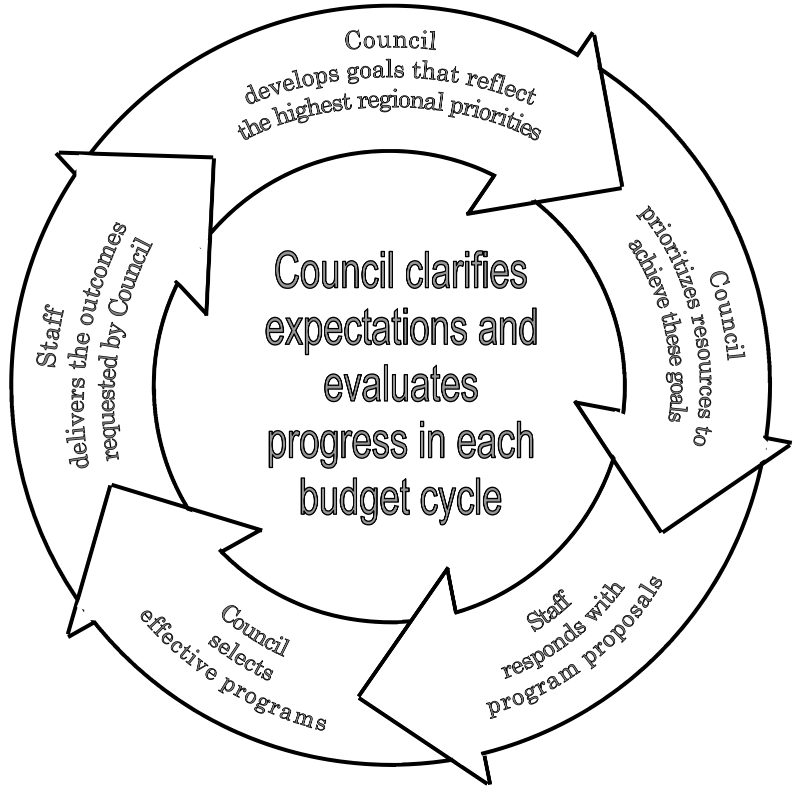
Building on the FY 2005–06 budget, Metro continues to implement changes in the budget process. Metro has moved forward with a program-based budget that is closely tied to Metro Council's strategic goals and objective. The FY 2006-07 budget is an expansion of the FY 2005-06 budget.

The Metro Council has adopted a set of strategic goals for the organization. These goals and objectives provide strategic direction to the departments and a framework for program development. Departments are instructed to determine outcomes for proposed programs and to provide performance measures to progress toward those outcomes. The diagram (above right) illustrates this year-round 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.

Strategic Budget Process
FY 2006–07



It is a process designed to meet the expectations of the general public, the Metro Council, and the legal 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 departments should adopt for the preparation of their budgets. These parameters are incorporated with the policies and priorities set by the Metro Council President, the Metro Council, and the Chief Operating Officer.

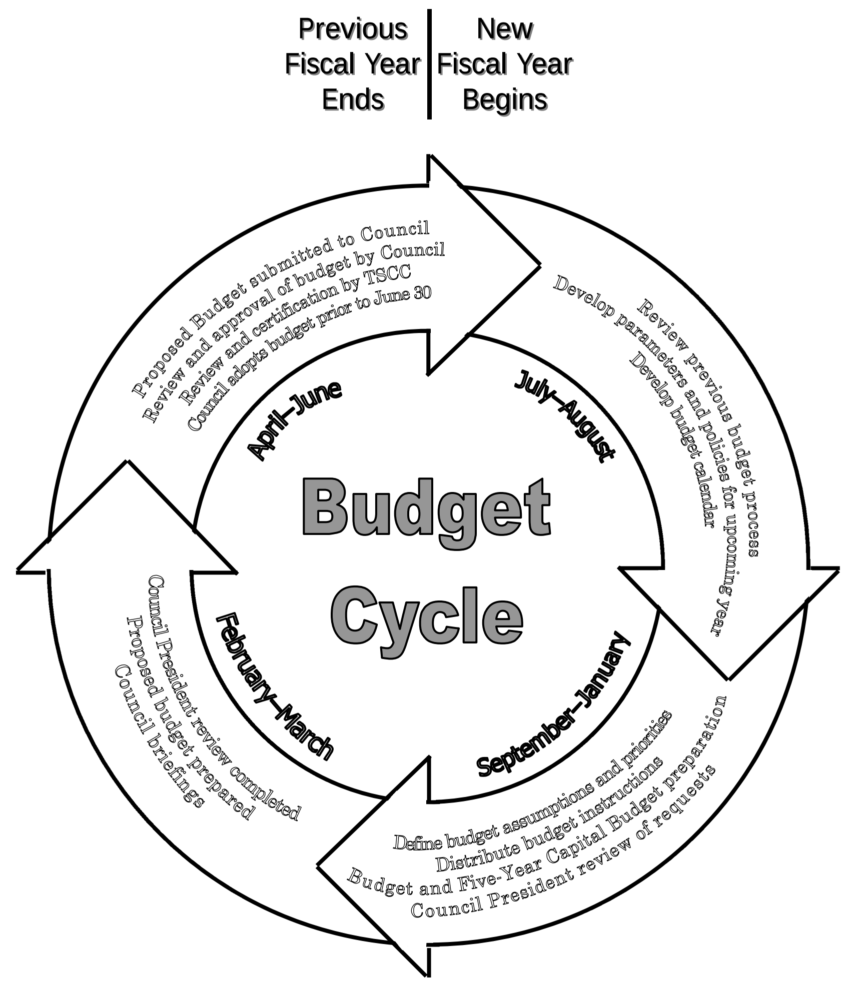
Budget Instructions—The Financial Planning Division of the Finance and Administrative Services Department provides detailed instructions to departments for the preparation of the departments' requested operating and capital budgets. The instructions provide directions for increasing or decreasing staff, calculating changes in personnel costs, and list costs for commonly purchased items such as office furniture and computer software. The instructions also give departments detailed information regarding the correct way to budget for capital outlay and incorporating capital projects from the Five-Year Capital Budget into the budget.

Department Requests—Departmental staff review the instructions and assumptions from Financial Planning and Metro Council, and forecast their program activities and financial needs for the next fiscal year. These forecasts form the basis of the departments' requested budget.

Review and Analysis by the Chief Operating Officer—The Financial Planning Department reviews the requested budgets. Upon the completion of the analysis the Financial Planning staff reviews the budgets with each department, the Metro Council President, Chief Operating Officer, and Chief Financial Officer. The Metro Council President and Chief Operating Officer meet with department and Finance and Administrative Services staff to discuss identified issues and program changes. The Metro Council President and Chief Operating Officer consider Metro Council priorities and actions required to balance the budget. The Metro Council President makes the final decisions to form the base of the proposed budget document for the Metro Council to review.

Review and Analysis by the Metro Council—The Metro Council, sitting as the Budget Committee, meets with the departments' financial planning staff to review the budget and make any additions or deletions to the Proposed Budget Document. Meetings are open to the public where public comment is accepted. Upon acceptance by the Metro Council, the Approved Budget Document is prepared and is submitted to the Tax Supervising and Conservation Commission (TSCC).

Tax Supervising and Conservation Commission (TSCC) Review and Certification—State law in Oregon requires each local government to establish a budget committee that reviews the budget and makes decisions regarding the Approved Budget. For most jurisdictions this committee is comprised of members of the governing body and an equal number of



citizens. This law does not apply to counties where the population exceeds 500,000. In counties where the population is greater than 500,000 (currently Multnomah County), a TSCC must be established. Members of this commission are appointed by the governor to supervise local government budgeting and taxing activities. Because more than 50 percent of Metro's total assessed value is within Multnomah County, Metro must submit its budget to the 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 submits a letter of certification to the local government, and it 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 technical adjustments and adopts the budget prior to June 30, the end of the fiscal year. The final adopted budget document is prepared, printed, and submitted to each of the county tax assessors in the region and to the TSCC prior to July 15th.

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 revenues in the form of a grant, donation, or bequest, 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. Appropriations may be adjusted via action by the Metro Council when adjustments within a fund are made between appropriation levels in the budget (e.g., increase in Personal Services appropriations and a corresponding decrease in Capital Outlay or Contingency appropriations).

The Five-Year Capital Budget—Metro's five-year capital planning process identifies the agency's capital asset needs for projects which cost $50,000 or more and have a useful life of five years or more. The Metro Council adopted the agency's first Capital Budget (formerly known as the Capital Improvement Plan or CIP) in January 1997. A more thorough description of the Capital Budget process is found in Section H of this document. Beginning in FY 2004–05, the Capital Budget has been included as part of the budget, with Metro Council review of the Capital Budget taking place concurrently rather than several months prior to budget review. This promotes improved coordination between capital spending and the overall budget.

Budget Calendar

Milestone	Date
Council conducts retreats to establish agency goals and objectives	August–September 2005
Department preliminary Program Budgets due to Financial Planning	October 2005
Council adopts budget assumptions for FY 2006–07 (Resolution No. 05-3496)	October 27, 2005
Council work session to discuss Program proposals	November–December 2005
Financial Planning issues budget instructions	November 7, 2005
Five-Year Capitol Budget and Operations forecasts due to Financial Planning	December 9, 2005
Department budget requests submitted to Financial Planning	December 23, 2005
Council President and COO meet with departments to review requests	January 3–February 2, 2006
MERC budget due to Financial Planning	February 2, 2006
Council President makes final decisions on proposed budget	February 3, 2006
Budget briefings with Council: discussion of issues, prioritizing, and long-range financial picture	March 2006
Metro Council President presents Proposed Budget; initial public hearings held	March 16, 2006
Council work sessions on budget	March and April 2006
Additional public hearings held	March 30, April 27 and May 4, 2006
Council approves budget, public hearing (Resolution No. 06-3670)	May 4, 2006
Metro submits approved budget to Tax Supervising and Conservation Commission	May 15, 2006
Tax Supervising and Conservation Commission public comment period	May 16–June 14, 2006
Tax Supervising and Conservation Commission public hearing on approved budget	June 14, 2006
Council public hearing, budget adoption (Ordinance No. 06-1113)	June 22, 2006

Budget Development Guidelines

Budget development is an intensive process involving the entire organization from the Metro Council President, Councilors, and Chief Operating Officer to department directors, managers, and staff. The final product is a policy and financial plan covering all of Metro's programs and services.

The FY 2006–07 budget is the third overseen by the Metro Council President throughout the entire process. The first step in the process is a briefing for Metro Council on budget assumptions including interest rates, pension contribution increases, and cost of living adjustments. The Metro Council then adopted a resolution in October, directing staff to include its assumptions in the preparation of the FY 2006–07 budget. Significant among these were directions to continue a reserve for potential increases in PERS pension costs pending an Oregon Supreme Court decision on challenges to 2003 legislative changes to the pension system.

Budget Assumptions

The Financial Planning Division develops specific guidelines for departments to use in developing their initial budget requests. These guidelines formed the bases for initial cost estimates. Departments used the following assumptions to develop their requested budget:

Personal Services

- Gross available hours per year per FTE—2080 hours for exempt employees; 2088 for non-exempt employees

Metro Non-Represented Employees (except MERC)

- Assumed 6.0 percent adjustment pool

Metro AFSCME 3580

- Assumed 3.0 percent adjustment pool for step increases
- Assumed 2.5 percent adjustment pool for COLA

All Other Employee or Labor Groups

- Assumed 2.5 percent cost of living adjustment to wages and wage ranges effective July 1, 2006
- Appropriate increases according to existing collective bargaining agreement

Zoo Visitor Services Seasonal

- Assumed appropriate increase per the Visitor Services pay range based on Oregon minimum wage

New and/or vacant positions were budgeted at no more than 20 percent above the beginning rate or step. Positions that were budgeted at the beginning rate allowed for a 5 percent increase after successful completion of a six-month probationary period.

Fringe rates are split into two components – a fixed rate per FTE and a variable rate 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. The variable rate also includes the PERS Bond Recovery rate; the amount that is needed to pay the debt service on the bonds that were issued to fund Metro's unfunded actuarial liability with PERS. The fixed rate per FTE includes all other benefits – health & welfare (medical, dental, vision), life insurance, dependent life insurance, accidental death insurance, worker compensation tax, employee assistance program and TriMet passport program.

Materials & Services

Increases in these costs as a result of inflationary factors were limited to 2.5 percent unless otherwise justified.

Overhead Transfers

In preparing budget requests, departments used preliminary overhead allocations equivalent to a 5.0 percent increase over the FY 2005-06 budget. Following Metro Council President review and final approval of central service department budgets, budgeted allocations were reduced to a 4.2 percent increase over FY 2005–06.

Contingency

Departments were instructed to budget contingency funds in an amount not less than 4 percent of the total of Personal Services, Materials and Services, and Capital Outlay. Departments varied from this amount based on individual department needs.

Excise Tax Rate

An excise tax rate of 7.5 percent was used for all non-solid waste revenues subject to the Metro excise tax. Excise tax on solid waste revenues was calculated per Ordinance No. 00-857B to generate a base excise tax amount of $6,497,209. An additional $3.00 per ton, adjusted by inflation, is also levied to provide assistance to Regional Parks and to establish a Tourism Opportunity and Competitiveness Account to promote the Oregon Convention Center

Excise Tax Revenue Allocation Estimates

Several departments receive a portion of Metro excise tax revenues in the form of transfers from the General Fund. All department budgets were prepared following excise tax targets established by the Metro Council President.

Excise tax targets for FY 2006–07 assumed a 2.5 percent increase over FY 2005–06 allocations (i.e., not including the $3.00 per ton that is discussed in the preceding paragraph). Adjustments during the budget review process raised or lowered excise tax allocations based on need.

Other

Interest rate for revenue calculations equals 3.75 percent.

Financial Structure

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 and property taxes received within approximately 60 days of the end of the fiscal year. Expenditures are recognized when the liability is incurred, if measurable, except for interest on long-term debt which is recognized on its due date.

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 follow:

- 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 Reports shows fund expenditures and expenses, as well as revenues, on both a GAAP basis and budget basis for comparison purposes.

Fund Structure

General Fund

In accordance with generally accepted accounting principles, the *General Fund* accounts for all activities not required to be accounted for in another fund. In FY 2005–06, Metro's fund structure was simplified to conform to Metro's strategic objectives. Those functions now accounted for in the General Fund include Metro's general government activities (including Council and Public Affairs functions, regional transportation and growth planning, regional parks, and operations of the Oregon Zoo), as well as all administrative support functions (such as Finance, Human Resources, Metro Auditor, 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, property taxes derived from a tax base approved by voters on May 15, 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

Primary Government—Metro

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 Metro South transfer station and Metro Central transfer station solid waste transfer and recycling facilities, and the closed St. Johns Landfill.

Component Unit—Metro ERC

MERC Operating Fund—This fund accounts for the revenues and expenditures of the Metro Exposition-Recreation Commission (MERC), which includes the Oregon Convention Center, Portland Center for the Performing Arts, Expo Center, and MERC Administration. The fund maintains the facilities and administration as divisions within the fund but is appropriated at the following levels: operating expenditures, debt service, transfers, and contingency. Capital expenditures for MERC are all budgeted in the MERC Pooled Capital Fund. Principal sources of revenues are user fees and charges, food service revenues, and hotel/motel tax.

MERC Pooled Capital Fund—The MERC Pooled Capital Fund contains the budget for capital projects at the MERC facilities. Like the MERC Operating Fund, this fund is appropriated at the level of expenditure categories (operating expenditures, capital outlay, transfers, and contingency), but is managed to ensure that facility-specific resources are spent at the proper facility. The fund includes appropriations for staff who work on capital projects, as well as for the projects themselves. Principal revenue sources include hotel/motel tax receipts and other intergovernmental revenues, and transfers from the MERC Operating Fund.

Special Revenue Funds

Primary Government—Metro

Smith and Bybee Lakes Fund—This fund accounts for the implementation of the Smith and Bybee Lakes Management Plan, managed by Metro's Regional Parks and Greenspaces Department. A Natural Resources Plan for Smith and Bybee Lakes was adopted by the City of Portland and Metro on December 13, 1990. Primary resources are grants and interest.

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 against departments 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 (Component Unit–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

Primary Government—Metro

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 revenues 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.

Metro Capital Fund—This fund accounts for major capital acquisition and construction projects, including renewal and replacement activities, undertaken by Metro. Included in this fund are projects for the Regional Parks and Greenspaces Department and facilities and the Oregon Zoo, as well as significant capital expenditures for other Metro activities. In addition, this fund accounts for designated funds transferred from Multnomah County as of January 1, 1994. The funds are dedicated to construction of a nature center and a concert stage. Major revenue sources for the fund include, but are not limited to, grants, donations, excise tax contributions from the General Fund, and other revenues or contributions identified for capital purpose.

Internal Service Funds

Primary Government—Metro

Risk Management Fund—This fund accounts for risk management and self-insurance programs performed for the organizational units within Metro, including employee health insurance expenditures. Primary revenues are charges to user funds and interest. Primary expenditures are insurance premiums, claims costs, and studies related to insurance issues.

Debt Service Fund

Primary Government—Metro

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

Primary Government—Metro

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. It is anticipated that no expenditures will be made from this fund until grave sites are exhausted at the cemeteries, currently estimated to be around the year 2058.

Financial Policies

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING COMPREHENSIVE FINANCIAL POLICIES FOR METRO	))))	RESOLUTION NO. 04-3465 Introduced by Mike Jordan, Chief Operating Officer, with the concurrence of the Council President

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

WHEREAS, the Government Finance Officers Association (GFOA) and the National Advisory Council on State and Local Budgeting (NACSLB) recommend the establishment and adoption of financial policies as a key budget and financial management practice; and

WHEREAS, Metro's Financial Planning division working in conjunction with the Finance Advisory Strategy Team under the guidance of the Chief Financial Officer developed a set of comprehensive financial policies for consideration of the Metro Council; and

WHEREAS, these comprehensive financial policies were reviewed by the Senior Management Team and the Chief Operating Officer; and

WHEREAS, Resolution No. 84-444, "Adopting Long-Range Financial Policies for the Metropolitan Service District" (Attachment 1) was adopted January 26, 1984, has become outdated and should be rescinded; now therefore

BE IT RESOLVED that the Metro Council adopts Exhibit A of this resolution, entitled "Metro Financial Policies," and rescinds Resolution No. 84-444.

ADOPTED by the Metro Council this 17th day of June, 2004

David Bragdon, Council President

APPROVATO APPROVED METRO COUNCIL CONSIGLIO METROPOLITANO

Approved as to Form:

Daniel B. Cooper, Metro Attorney

In 2004, the Metro Council voted unanimously in favor of Resolution No. 04-3465, "adopting comprehensive financial policies for Metro." The policies contained in this resolution are included below, in their entirety.

Metro Financial Policies

Metro's financial policies, set forth below, 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.

These 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.
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. 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.

Capital Asset Management Policies

The following policies establish the framework for Metro's overall capital asset 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 their investments in major facilities and equipment requires an ongoing financial commitment. A Renewal & 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 $50,000 and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of $50,000 or more that have a useful life of at least five years.

   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 & Replacement Reserve account should be evaluated and adjusted to reflect the greater of the average renewal & replacement project needs over the coming five years or 2% 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.

Debt Summary

Debt Summary

Metro uses long- and short-term debt to finance capital projects and some capital equipment. As of July 1, 2006, Metro has ten debt issues, one energy conservation loan, and one long-term installment contract outstanding. On the following pages, the Debt Summary, Outstanding Debt, and Planned Debt tables summarize Metro's debt by type and issue as of July 1, 2006.

Metro has a relatively low level of outstanding debt when compared to other jurisdictions. The Debt Ratios table (also on the following pages) 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.

The Metro Council has placed a $227.4 million general obligation debt issue on the ballot in November 2006. If successful, debt will likely be issued in the spring of 2007.

Periodically, Metro will refund bond issues to take advantage of lower interest rates. Metro currently has six 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.

General Obligation Debt—$131,647,201 outstanding

Metro's Charter and state law require Metro to obtain voter approval prior to issuing any general obligation bonds. To date, voters have approved three general obligation bond issues: $65,000,000 for the Oregon Convention Center issued in 1987 and refunded in 1992 and 2001; $135,600,000 for Open Spaces, Parks and Streams issued in three series in 1995, with two of the three series refunded in 2002; and $28,800,000 for improvements to the Oregon Zoo issued in 1996 and refunded in 2005.

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 the allowable limit. The Metro Debt Limitation Comparison table (on subsequent pages) shows a comparison of Metro's outstanding general obligation bonds to the statutory debt limit.

Full Faith & Credit Bonds—$36,995,000 outstanding

Metro issued full faith & 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 had been loans from the Oregon Economic & 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 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 (OEDD) Special Public Works Fund (SPWF) loan. 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. The loan was paid from Metro Expo Center revenues.

The Full Faith & Credit bonds are backed by a broader pledge of Metro revenues, including property taxes used to support Zoo operations, and excise taxes levied on users of certain Metro services. It is planned and expected that the prior funding sources will continue to be used to pay debt service on the Full Faith & Credit bonds, but the additional backing from other Metro revenues provides greater security for bondholders.

Pension Obligation Bonds—$24,290,000 outstanding

In the fall of 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 departments in exchange for a lower pension cost.

Revenue Bonds—$5,829,940 outstanding

Metro uses revenue bonds to pay for capital projects and equipment for enterprise activities on an as-needed basis. Debt service on revenue bonds is paid from revenues generated by the particular enterprise activity being financed; there is no recourse to property taxes to pay for these bonds.

In 1990, Metro issued $28,500,000 in revenue bonds to pay for construction of the Metro Central solid waste transfer station. A portion of that issue was refunded in 1993, and again in 2003. Debt service on these bonds is paid from the revenues of the solid waste system, primarily tipping fees and the regional system fee.

Other Debt—$218,965 outstanding

In 1993, Metro entered into an energy services agreement with Pacific Power and Light Company to finance various energy conservation measures in the Metro Regional Center, then under construction. The loan and repayment amounts were sized based on the projected savings from these conservation measures. Loan payments are billed monthly on Metro's electric bill.

In 2000, Metro received a loan from the Oregon Economic and Community Development Department, Special Public Works Fund, to pay for reconstruction of Hall D at the Portland Expo Center. The loan consisted of $13,618,000 for construction of the new building and an additional $2,013,000 for necessary infrastructure improvements. Debt service was paid from Expo Center revenues. This loan was fully refunded in 2006 with the issuance of the Full Faith and Credit bonds, 2006 Series.

In 2002, the City of Portland made a Local Improvement District assessment on the Oregon Convention Center for the construction of a pedestrian walkway across the Willamette River. MERC has chosen to repay the assessment over time through a 20-year installment contract with the city. Contract payments are made from Oregon Convention Center revenues.

Outstanding Debt Issues

Issue	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	6/15/2001	$31,840,000	1/1/2013	Property Taxes
Open Spaces, Parks, and Streams					
2002 Series	$92,045,000	10/30/2002	$79,380,000	9/1/2015	Property Taxes
Metro Washington Park Zoo Oregon Project					
2005 Series	$18,085,000	5/12/2005	$17,805,000	1/15/2017	Property Taxes
General Obligation Bonds					
Open Spaces, Parks, and Streams					
1995 Series B	$5,219,923	9/29/1995	$1,277,201	9/1/2010	Property Taxes
Metro Washington Park Zoo Oregon Project					
1996 Series A	$28,800,000	11/1/1996	$1,345,000	1/15/2007	Property Taxes
TOTAL GENERAL OBLIGATION BONDS OUTSTANDING			**$131,647,201**		
FULL FAITH AND CREDIT BONDS					
Full Faith & Credit Refunding Bonds					
2003 Series	$24,435,000	10/16/2003	$22,295,000	8/1/2022	General Revenues
Full Faith & Credit Refunding Bonds					
2006 Series	$14,700,000	4/20/2006	$14,700,000	12/1/2024	Expo Center Revenues
TOTAL FULL FAITH & CREDIT BONDS OUTSTANDING			**$36,995,000**		
PENSION OBLIGATION BONDS					
Limited Tax Pension Obligation Bonds					
Series 2005	$24,290,000	9/13/2005	$24,290,000	6/1/2017	Department Assessments
TOTAL PENSION OBLIGATION BONDS OUTSTANDING			**$24,290,000**		

Outstanding Debt Issues, *continued*

Issue	Original Amount	Original Issue Date	Principal Outstanding	Final Maturity	Source of Payment
REVENUE BONDS					
Waste Disposal System Revenue Bonds					
Metro Central Transfer Station					
1990 Series A	$28,500,000	3/1/1990	$994,940	7/1/2007	Solid Waste Revenues
Waste Disposal System Revenue Refunding Bonds					
Metro Central Transfer Station					
2003 Series	$4,990,000	5/27/2003	$4,835,000	7/1/2009	Solid Waste Revenues
TOTAL REVENUE BONDS OUTSTANDING			**$5,829,940**		
OTHER DEBT					
Pacific Power Finanswer					
1993	$293,672	4/23/1993	$54,495	4/23/2008	Department Revenues
City of Portland, Local Improvement District Installment Contracts					
OCC, Steel Bridge	$205,588	1/13/2002	$164,470	1/13/2022	OCC Revenues
TOTAL OTHER DEBT OUTSTANDING			**$218,965**		
GRAND TOTAL – METRO DEBT OUTSTANDING			**$198,981,105**		

Metro Debt Ratios

Metro Debt Ratios

as of July 1, 2006

FY 2006-07 Estimated Real Market Value $166,093,903,155
2005 Estimated Population 1,388,231 (Estimated growth rate of 1.0%. Source: Metro Data Resource Center)

	Metro		
	Debt Outstanding	Debt Per Capita	Debt as % of Real Market Value
General Obligation Debt	$131,647,201	$94.83	0.08%
Full Faith & Credit Bonds	$36,995,000	$26.65	0.02%
Pension Obligation Bonds	$24,290,000	$17.50	0.01%
Revenue Bonds	$5,829,940	$4.20	0.00%
Other Debt	$218,965	$0.16	0.00%
Total Metro Debt	$198,981,105	$143.33	0.12%

as of June 30, 2007

FY 2007-08 Estimated Real Market Value $176,059,537,344
2006 Estimated Population 1,402,113 (Estimated growth rate of 1.0%. Source: Metro Data Resource Center)

	Metro		
	Debt Outstanding & Planned	Debt Per Capita	Debt as % of Real Market Value
General Obligation Debt	$120,083,256	$85.64	0.07%
Full Faith & Credit Bonds	$35,725,000	$25.48	0.02%
Pension Obligation Bonds	$24,290,000	$17.32	0.01%
Revenue Bonds	$5,060,144	$3.61	0.00%
Other Debt	$181,082	$0.13	0.00%
Total Metro Debt	$185,339,482	$132.19	0.11%

Metro Debt Limitation Comparison

Metro Debt Limitation Comparison

Statutory General Obligation Bond Limit – 10% of Real Market Value

FY 2006-07 Estimated Real Market Value*	*$166,093,903,155*
Times General Obligation Debt Limit Percentage	10%
Statutory General Obligation Bond Limit	$16,609,390,316
Less General Obligation Debt Outstanding	$131,647,201
General Obligation Bond Limit Remaining	$16,477,743,115
Metro's General Obligation Debt Percentage	0.08%

* FY 2005-06 Real Market Value of $156,692,361,468 plus 6% growth

General Obligation Refunding Bonds

Oregon Convention Center
2001 Series A
Semi-Annual Debt Service Schedule

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.

Amount Issued:	$47,095,000	Ratings as of Date of Issuance	
Issue Date:	6/15/2001	Moody's:	Aa1
Original Issue True Interest Rate (TIC):	4.323%	Standard & Poor's:	AA+
		Principal Outstanding as of July 1, 2006:	$31,840,000

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Total F/Y Debt Service
7-1-06	4.000%		736,931.88	736,931.88	
1-1-07	4.250%	3,870,000.00	736,931.88	4,606,931.88	5,343,863.76
7-1-07	4.250%		654,694.38	654,694.38	
1-1-08	4.375%	4,065,000.00	654,694.38	4,719,694.38	5,374,388.76
7-1-08	4.375%		565,772.50	565,772.50	
1-1-09	5.000%	4,270,000.00	565,772.50	4,835,772.50	5,401,545.00
7-1-09	5.000%		459,022.50	459,022.50	
1-1-10	5.000%	4,525,000.00	459,022.50	4,984,022.50	5,443,045.00
7-1-10	5.000%		345,897.50	345,897.50	
1-1-11	4.300%	4,785,000.00	345,897.50	5,130,897.50	5,476,795.00
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		$31,840,000.00	$6,275,177.52	$38,115,177.52	$38,115,177.52

General Obligation Bonds

Open Spaces, Parks, and Streams
2002 Refunding and 1995 Series B
Semi-Annual Debt Service Schedule

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 September 1 and October 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.

	Refunding	Series B
Amount Issued:	$92,045,000	$5,219,923
Issue Date:	10-30-02	9-29-95
Original Issue True Interest Cost (TIC):	3.696%	5.259%

Ratings as of Date of Issuance	Refunding	Series B
Moody's:	Aa1	Aa1
Standard & Poor's:	AA+	AA+
Principal Outstanding as of July 1, 2006:	$79,380,000	$1,277,201

Payment Due	Refunding Interest Rate	Refunding Principal Due	Refunding Interest Due	Series B Interest Rate	Series B Principal Due	Series B Interest Due	Total Principal Due	Total Interest Due	Total Debt Service	Fiscal Year Debt Service
9-1-06	5.000%	6,040,000.00	2,020,656.25	5.100%	288,945.00	211,055.00	6,328,945.00	2,231,711.25	8,560,656.25	
3-1-07			1,869,656.25					1,869,656.25	1,869,656.25	10,430,312.50
9-1-07	5.000%	6,350,000.00	1,869,656.25	5.200%	271,585.00	228,415.00	6,621,585.00	2,098,071.25	8,719,656.25	
3-1-08			1,710,906.25					1,710,906.25	1,710,906.25	10,430,562.50
9-1-08	5.000%	6,685,000.00	1,710,906.25	5.300%	254,775.00	245,225.00	6,939,775.00	1,956,131.25	8,895,906.25	
3-1-09			1,543,781.25					1,543,781.25	1,543,781.25	10,439,687.50
9-1-09	5.000%	7,030,000.00	1,543,781.25	5.400%	238,540.00	261,460.00	7,268,540.00	1,805,241.25	9,073,781.25	
3-1-10			1,368,031.25					1,368,031.25	1,368,031.25	10,441,812.50
9-1-10	5.000%	7,395,000.00	1,368,031.25	5.500%	223,355.82	277,644.18	7,618,355.82	1,645,675.43	9,264,031.25	
3-1-11			1,183,156.25					1,183,156.25	1,183,156.25	10,447,187.50
9-1-11	5.000%	8,265,000.00	1,183,156.25				8,265,000.00	1,183,156.25	9,448,156.25	
3-1-12			976,531.25					976,531.25	976,531.25	10,424,687.50
9-1-12	5.000%	8,690,000.00	976,531.25				8,690,000.00	976,531.25	9,666,531.25	
3-1-13			759,281.25					759,281.25	759,281.25	10,425,812.50
9-1-13	5.250%	9,140,000.00	759,281.25				9,140,000.00	759,281.25	9,899,281.25	
3-1-14			519,356.25					519,356.25	519,356.25	10,418,637.50
9-1-14	5.250%	9,630,000.00	519,356.25				9,630,000.00	519,356.25	10,149,356.25	
3-1-15			266,568.75					266,568.75	266,568.75	10,415,925.00
9-1-15	5.250%	10,155,000.00	266,568.75				10,155,000.00	266,568.75	10,421,568.75	10,421,568.75
Totals		$79,380,000.00	$22,415,193.75		$1,277,200.82	$1,223,799.18	$80,657,200.82	$23,638,992.93	$104,296,193.75	$104,296,193.75

General Obligation Bonds

Metro Washington Park Zoo Oregon Project
1996 Series A and 2005 Series
Semi-Annual Debt Service Schedule

The Oregon Zoo (formerly the Metro Washington Park Zoo) Oregon Project bonds were authorized by voters on September 17, 1996. The original general obligation bonds were issued November 1, 1996. Bond proceeds were used to fund a variety of improvements, new exhibits, and support facilities at the Oregon Zoo.

	1996 Series A	2005 Series
Amount Issued:	$28,800,000	$18,085,000
Issue Date:	11-1-96	5-12-05
Original Issue True Interest Cost (TIC):	5.312%	3.689%

Ratings as of Date of Issuance	1996 Series A	2005 Series
Moody's:	Aa1	Aa1
Standard & Poor's:	AA+	AAA
Principal Outstanding as of July 1, 2006:	$1,345,000	$17,805,000

	1996 Series A			2005 Series (Refunding)			Combined Total			
Payment Due	Interest Rate	Principal Due	Interest Due	Interest Rate	Principal Due	Interest Due	Principal Due	Interest Due	Total Debt Service	Fiscal Year Debt Service
7-15-06		0.00	40,350.00		0.00	407,862.50	0.00	448,212.50	448,212.50	
1-15-07	6.000%	1,345,000.00	40,350.00	3.000%	20,000.00	407,862.50	1,365,000.00	448,212.50	1,813,212.50	2,261,425.00
7-15-07		0.00	0.00		0.00	407,562.50	0.00	407,562.50	407,562.50	
1-15-08		0.00	0.00	3.000%	1,435,000.00	407,562.50	1,435,000.00	407,562.50	1,842,562.50	2,250,125.00
7-15-08		0.00	0.00		0.00	386,037.50	0.00	386,037.50	386,037.50	
1-15-09		0.00	0.00	5.000%	1,480,000.00	386,037.50	1,480,000.00	386,037.50	1,866,037.50	2,252,075.00
7-15-09		0.00	0.00		0.00	349,037.50	0.00	349,037.50	349,037.50	
1-15-10		0.00	0.00	3.500%	1,555,000.00	349,037.50	1,555,000.00	349,037.50	1,904,037.50	2,253,075.00
7-15-10		0.00	0.00		0.00	321,825.00	0.00	321,825.00	321,825.00	
1-15-11		0.00	0.00	5.000%	1,620,000.00	321,825.00	1,620,000.00	321,825.00	1,941,825.00	2,263,650.00
7-15-11		0.00	0.00		0.00	281,325.00	0.00	281,325.00	281,325.00	
1-15-12		0.00	0.00	5.000%	1,710,000.00	281,325.00	1,710,000.00	281,325.00	1,991,325.00	2,272,650.00
7-15-12		0.00	0.00		0.00	238,575.00	0.00	238,575.00	238,575.00	
1-15-13		0.00	0.00	5.000%	1,795,000.00	238,575.00	1,795,000.00	238,575.00	2,033,575.00	2,272,150.00
7-15-13		0.00	0.00		0.00	193,700.00	0.00	193,700.00	193,700.00	
1-15-14		0.00	0.00	5.000%	1,890,000.00	193,700.00	1,890,000.00	193,700.00	2,083,700.00	2,277,400.00
7-15-14		0.00	0.00		0.00	146,450.00	0.00	146,450.00	146,450.00	
1-15-15		0.00	0.00	5.000%	1,995,000.00	146,450.00	1,995,000.00	146,450.00	2,141,450.00	2,287,900.00
7-15-15		0.00	0.00		0.00	96,575.00	0.00	96,575.00	96,575.00	
1-15-16		0.00	0.00	5.000%	2,095,000.00	96,575.00	2,095,000.00	96,575.00	2,191,575.00	2,288,150.00
7-15-16		0.00	0.00		0.00	44,200.00	0.00	44,200.00	44,200.00	
1-15-17		0.00	0.00	4.000%	2,210,000.00	44,200.00	2,210,000.00	44,200.00	2,254,200.00	2,298,400.00
Totals		$1,345,000.00	$80,700.00		$17,805,000.00	$5,746,300.00	$19,150,000.00	$5,827,000.00	$24,977,000.00	$24,977,000.00

Pension Obligation Bonds

Metro Limited Tax Pension Obligation Bonds
Series 2005
Semi-Annual Debt Service Schedule

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 September 13, 2005. Debt service will be repaid through assessments on departments in exchange for a lower pension cost. The underlying Moody's rating is A3. The issue was insured to receive a Aaa rating.

Amount Issued:	$24,290,000		Ratings
Issue Date:	9/13/2005	underlying Moody's:	A3
Original Issue True Interest Rate (TIC):	5.0420%	Insured to:	Aaa
		Principal Outstanding as of July 1, 2005:	$24,290,000

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Total FY Debt Service
6-1-06		0	825,907.27	825,907.27	825,907.27
12-1-06		0	599,448.83	599,448.83	
6-1-07		0	599,448.83	599,448.83	1,198,897.66
12-1-07		0	599,448.83	599,448.83	
6-1-08	4.328%	160,000	599,448.83	759,448.83	1,358,897.66
12-1-08		0	595,986.43	595,986.43	
6-1-09	4.379%	220,000	595,986.43	815,986.43	1,411,972.86
12-1-09		0	591,169.53	591,169.53	
6-1-10	4.437%	290,000	591,169.53	881,169.53	1,472,339.06
12-1-10		0	584,735.88	584,735.88	
6-1-11	4.516%	360,000	584,735.88	944,735.88	1,529,471.76
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		$24,290,000.00	$19,676,757.99	$43,966,757.99	$43,966,757.99

Waste Disposal System Refunding Bonds

Metro Central Transfer Station Project
1990 Series A and 2003 Series
Semi-Annual Debt Service Schedule

The Waste Disposal System revenue bonds were issued in 1990 to build the Metro Central solid waste transfer station. Debt service on the bonds is paid from solid waste revenues (primarily the solid waste tipping fee). Refunding bonds were issued August 15, 1993, for $12,895,000 in order to refund $11,370,000 par value of the original bonds. The net present value savings was $668,200. Bonds from both series with maturity dates of July 1, 2003, January 1, 2004, and July 1, 2004 were defeased on February 28, 2003 to ensure compliance with debt coverage ratios. Refunding bonds for the remaining 1993 Series A bonds were issued on May 27, 2003 at a par value of $4,990,000, to take advantage of lower interest rates. These bonds produced net present value savings of $1,106,626. In addition, the 2003 Series used debt service reserves to buy down principal and interest payments; the term was also shortened, with the 2003 Series scheduled to be retired in 2009, two years earlier than the 1993 Series. Finally, Metro insured the 2003 Series bonds to receive AAA ratings. The underlying ratings are A from Standard and Poor's and A2 from Moody's.

	1990	2003
Amount Issued:	$28,500,000	$4,990,000
Issue Date:	3-1-90	5-27-03
Original Issue Net Interest Cost (NIC):	8.09%	
Original Issue True Interest Cost (TIC):		2.381%

	Ratings
Moody's:	A2
Standard & Poor's:	A

*The 2003 Series bonds are insured to produce Aaa/AAA ratings.

	1990	2003
Principal Outstanding as of July 1, 2006:	$994,940	$4,835,000

Payment Due	1990 Series A Interest Rate	1990 Series A Principal Due	1990 Series A Interest Due		2003 Series Interest Rate	2003 Series Principal Due	2003 Series Interest Due	Total Principal Due	Total Interest Due	Total Debt Service	Total F/Y Debt Service
7-1-06	7.10%	343,277.40	726,722.60	(a)	2.00%	95,000.00	56,981.25	438,277.40	783,703.85	1,221,981.25	
1-1-07	7.10%	331,518.10	738,481.90	(a)			56,031.25	331,518.10	794,513.15	1,126,031.25	2,348,012.50
7-1-07	7.10%	320,144.00	749,856.00	(a)	2.00%	155,000.00	56,031.25	475,144.00	805,887.25	1,281,031.25	
1-1-08		0.00	0.00				54,481.25	0.00	54,481.25	54,481.25	1,335,512.50
7-1-08		0.00	0.00		2.25%	2,265,000.00	54,481.25	2,265,000.00	54,481.25	2,319,481.25	
1-1-09		0.00	0.00				29,000.00	0.00	29,000.00	29,000.00	2,348,481.25
7-1-09		0.00	0.00		2.50%	2,320,000.00	29,000.00	2,320,000.00	29,000.00	2,349,000.00	2,349,000.00
Totals		$994,939.50	$2,215,060.50			$4,835,000.00	$336,006.25	$5,829,939.50	$2,551,066.75	$8,381,006.25	$8,381,006.25

(a) Sold as Capital Accumulator Serial Bonds (Zero-Coupon) with accreted interest paid only at maturity.

Full Faith and Credit Refunding Bonds

2003 Series—Semi-Annual Debt Service Schedule

Full faith and credit bonds were issued in October 2003 to refund outstanding obligations for Metro Regional Center (MRC) 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 departments. 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 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, which is used to support Zoo operations. Debt service payments will continue to be made from the same sources as before, but the full faith and credit pledge

Amount Issued: $24,435,000
Issue Date: 10-16-03
Original Issue True Interest Cost (TIC): 3.793%

Ratings as of Date of Issance
Moody's: Aa2
Standard & Poor's: AA+

Principal Outstanding as of July 1, 2006: $22,295,000

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
8-1-06	2.000%	840,000	335,231.87	300,000	55,081.88	1,140,000	390,313.75	1,530,313.75	
2-1-07			326,831.87		52,081.88	0	378,913.75	378,913.75	1,909,227.50
8-1-07	2.625%	865,000	326,831.87	305,000	52,081.88	1,170,000	378,913.75	1,548,913.75	
2-1-08			315,478.75		48,078.75	0	363,557.50	363,557.50	1,912,471.25
8-1-08	2.625%	885,000	315,478.75	310,000	48,078.75	1,195,000	363,557.50	1,558,557.50	
2-1-09			303,863.13		44,010.00	0	347,873.13	347,873.13	1,906,430.63
8-1-09	2.625%	905,000	303,863.13	320,000	44,010.00	1,225,000	347,873.13	1,572,873.13	
2-1-10			291,985.00		39,810.00	0	331,795.00	331,795.00	1,904,668.13
8-1-10	3.000%	935,000	291,985.00	330,000	39,810.00	1,265,000	331,795.00	1,596,795.00	
2-1-11			277,960.00		34,860.00	0	312,820.00	312,820.00	1,909,615.00
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		$18,730,000	$6,874,609.37	$3,565,000	$662,263.14	$22,295,000	$7,536,872.51	$29,831,872.51	$29,831,872.51

Metro Full Faith and Credit Refunding Bonds

2006 Series Expo Center Hall D Replacement Semi-Annual Debt Service Schedule

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 obliga-

Amount Issued:	$14,700,000		Ratings
Issue Date:	4/20/2006	underlying Moody's:	A2
Original Issue True Interest Rate (TIC):	4.3278%	Insured to:	Aaa
		Principal Outstanding as of July 1, 2006:	$14,700,000

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Total FY Debt Service	Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service	Total FY Debt Service
12-1-06	4.00%	130,000.00	399,783.63	529,783.63		12-1-15	4.25%	765,000.00	218,715.63	983,715.63	
6-1-07			323,015.63	323,015.63	852,799.26	6-1-16			202,459.38	202,459.38	1,186,175.01
12-1-07	4.00%	555,000.00	323,015.63	878,015.63		12-1-16	4.38%	795,000.00	202,459.38	997,459.38	
6-1-08			311,915.63	311,915.63	1,189,931.26	6-1-17			185,068.75	185,068.75	1,182,528.13
12-1-08	4.00%	580,000.00	311,915.63	891,915.63		12-1-17	5.00%	830,000.00	185,068.75	1,015,068.75	
6-1-09			300,315.63	300,315.63	1,192,231.26	6-1-18			164,318.75	164,318.75	1,179,387.50
12-1-09	4.00%	600,000.00	300,315.63	900,315.63		12-1-18	5.00%	870,000.00	164,318.75	1,034,318.75	
6-1-10			288,315.63	288,315.63	1,188,631.26	6-1-19			142,568.75	142,568.75	1,176,887.50
12-1-10	4.00%	625,000.00	288,315.63	913,315.63		12-1-19	5.00%	915,000.00	142,568.75	1,057,568.75	
6-1-11			275,815.63	275,815.63	1,189,131.26	6-1-20			119,693.75	119,693.75	1,177,262.50
12-1-11	4.00%	650,000.00	275,815.63	925,815.63		12-1-20	5.00%	960,000.00	119,693.75	1,079,693.75	
6-1-12			262,815.63	262,815.63	1,188,631.26	6-1-21			95,693.75	95,693.75	1,175,387.50
12-1-12	4.00%	675,000.00	262,815.63	937,815.63		12-1-21	4.25%	1,010,000.00	95,693.75	1,105,693.75	
6-1-13			249,315.63	249,315.63	1,187,131.26	6-1-22			74,231.25	74,231.25	1,179,925.00
12-1-13	4.25%	705,000.00	249,315.63	954,315.63		12-1-22	4.25%	1,055,000.00	74,231.25	1,129,231.25	
6-1-14			234,334.38	234,334.38	1,188,650.01	6-1-23			51,812.50	51,812.50	1,181,043.75
12-1-14	4.25%	735,000.00	234,334.38	969,334.38		12-1-23	5.00%	1,095,000.00	51,812.50	1,146,812.50	
6-1-15			218,715.63	218,715.63	1,188,050.01	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		$14,700,000.00	$7,449,471.23	$22,149,471.23	$22,149,471.23

Local Improvement District Installment Contract

Oregon Convention Center Steel Bridge LID Assessment Installment Contract

The City of Portland has made a local improvement district assessment on the Oregon Convention Center for the construction of a pedestrian walkway across the Willamette River. MERC has chosen to repay the assessment through a 20-year installment contract at a rate of 5.32%.

Amount Issued:	$205,588	Installment Period:	20 years
Issue Date:	1/13/2002	Payment Frequency:	Semi-Annual
Interest Rate:	5.32%		
		Principal Outstanding as of July 1, 2006:	$164,470

Payment Due	Interest Rate	Principal Due	Interest Due	Trans. Fee	Total Debt Service	Total F/Y Debt Service	Payment Due	Interest Rate	Principal Due	Interest Due	Trans. Fee	Total Debt Service	Total F/Y Debt Service
7/13/06	5.32%	5,139.69	4,374.91	3.00	9,517.60		7/13/14	5.32%	5,139.69	2,187.46	3.00	7,330.15	
1/13/07	5.32%	5,139.69	4,238.19	3.00	9,380.88	18,898.48	1/13/15	5.32%	5,139.69	2,050.74	3.00	7,193.43	14,523.58
7/13/07	5.32%	5,139.69	4,101.48	3.00	9,244.17		7/13/15	5.32%	5,139.69	1,914.02	3.00	7,056.71	
1/13/08	5.32%	5,139.69	3,964.76	3.00	9,107.45	18,351.62	1/13/16	5.32%	5,139.69	1,777.31	3.00	6,920.00	13,976.71
7/13/08	5.32%	5,139.69	3,828.04	3.00	8,970.73		7/13/16	5.32%	5,139.69	1,640.59	3.00	6,783.28	
1/13/09	5.32%	5,139.69	3,691.33	3.00	8,834.02	17,804.75	1/13/17	5.32%	5,139.69	1,503.88	3.00	6,646.57	13,429.85
7/13/09	5.32%	5,139.69	3,554.61	3.00	8,697.30		7/13/17	5.32%	5,139.69	1,367.16	3.00	6,509.85	
1/13/10	5.32%	5,139.69	3,417.90	3.00	8,560.59	17,257.89	1/13/18	5.32%	5,139.69	1,230.44	3.00	6,373.13	12,882.98
7/13/10	5.32%	5,139.69	3,281.18	3.00	8,423.87		7/13/18	5.32%	5,139.69	1,093.73	3.00	6,236.42	
1/13/11	5.32%	5,139.69	3,144.47	3.00	8,287.16	16,711.03	1/13/19	5.32%	5,139.69	957.01	3.00	6,099.70	12,336.12
7/13/11	5.32%	5,139.69	3,007.75	3.00	8,150.44		7/13/19	5.32%	5,139.69	820.30	3.00	5,962.99	
1/13/12	5.32%	5,139.69	2,871.03	3.00	8,013.72	16,164.16	1/13/20	5.32%	5,139.69	683.58	3.00	5,826.27	11,789.26
7/13/12	5.32%	5,139.69	2,734.32	3.00	7,877.01		7/13/20	5.32%	5,139.69	546.87	3.00	5,689.56	
1/13/13	5.32%	5,139.69	2,597.60	3.00	7,740.29	15,617.30	1/13/21	5.32%	5,139.69	410.15	3.00	5,552.84	11,242.40
7/13/13	5.32%	5,139.69	2,460.89	3.00	7,603.58		7/13/21	5.32%	5,139.69	273.43	3.00	5,416.12	
1/13/14	5.32%	5,139.69	2,324.17	3.00	7,466.86	15,070.44	1/13/22	5.32%	5,139.69	136.72	3.00	5,279.41	10,695.53
							Total		$164,470.08	$72,186.02	$96.00	$236,752.10	$236,752.10

Pacific Power and Light Finanswer Loan

Metro Regional Center
Energy Conservation Loan

In 1993 Metro entered into an energy services agreement with Pacific Power and Light to finance various energy conservation measures in the Metro Regional Center. Payments due on the loan are billed as part of Metro's monthly electric utility bill.

Amount Issued:	$293,672	Ratings as of Date of Issuance
Issue Date:	4-23-93	Not Rated
Original Issue True Interest Rate (TIC):	6.230%	
Principal Outstanding as of July 1, 2006:	$54,495	

Payment Due	Interest Rate	Principal Due	Interest Due	Total Debt Service
FY 2006-07	6.23%	27,603.20	2,777.45	30,380.65
FY 2007-08	6.23%	26,891.56	795.69	27,687.25
Total		$54,494.76	$3,573.14	$58,067.90

Summary of Planned Debt

The Metro Council has submitted to the voters a general obligation bond measure in the amount of $227.4 million to fund natural area acquisition and water quality measures. The bond measure will be on the November 6, 2006 ballot. If successful, Metro intends to issue debt in the early Spring of 2007.

METRO

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Five-Year Capital Budget

Capital Budget
FY 2006–07
through
FY 2010–11

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Prepared by

Finance and Administrative Services Department

William Stringer, Chief Financial Officer

Financial Planning Division

Karen Feher, Capital Budget Coordinator
Kathy Rutkowski, Budget Coordinator

Property Services Division, Metro Print Shop

Ron Sarver, Printer
John Willworth, Printer

Department Capital Budget Liaisons

Finance and Administrative Services Department
David Biedermann, Information Technology Director
Brian Phillips, Property Services

Oregon Zoo
Brad Stevens, Budget Analyst

Planning
Jenny Kirk, Planning Finance Manager

Regional Parks and Greenspaces Department
Jeff Tucker, Regional Parks and Greenspaces Finance Manager

Solid Waste and Recycling Department
Chuck Geyer, Principal Solid Waste Planner
Paul Ehinger, Engineering and Technical Support Section Manager

User's Guide and Capital Budget Calendar

This section describes the capital budgeting process, as well as the structure of this portion of the budget document and the calendar established to prepare the agency's Capital Budget.

Overview of Process

Metro's Capital Budget process involves the four phases described below and detailed in the accompanying Capital Budget calendar.

Phase 1: Departmental Submissions. The foundation for the Capital Budget is the departments' capital project requests. To develop these requests, departments 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 a department's Capital Budget submission.

Phase 2: Financial Forecasts. The departments and the Financial Planning Division prepare five-year financial forecasts that are used to evaluate the departments' funding capacity for the capital projects requested.

Phase 3: Chief Operating Officer Review and Capital Budget Development. After the departments submit these project requests, the information is reviewed by the Chief Operating Officer. This includes:

- Technical review by Financial Planning of projects submitted by departments, including an assessment of Metro's capacity to fund the requested projects based on the five-year forecasts.
- Review of projects by the Chief Operating Officer.
- Presentation to the President of the Council of recommended projects for final decision and inclusion in the proposed Capital Budget.

Phase 4: Council Review and Capital Budget Adoption. The Metro Council reviews the proposed capital projects and acts on the proposed Capital Budget following a public hearing. Projects in the Capital Budget for FY 2006–07 are included in the proposed budget.

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 Capital Budget section contains Metro's plan for fiscal years 2006–07 through 2010–11. It also includes estimates for any project costs incurred pre-FY 2006–07. The document is divided into the following sections:

Capital Budget Overview and Summary. This section presents summary information on capital project funding sources and uses.

Departmental Summary and Analysis. The departmental summary and analysis of the department's funding capacity for the requested capital projects are found in this section.

Lists of Unfunded Projects. Those projects that were not included in the Plan for lack of funding, insufficient details, or further needs assessment are presented in this section. Departments 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 authorized previously and scheduled for completion by the end of FY 2005–06.

Appendices. Included in this section is information pertinent to the review and adoption of the Capital Budget.

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.

Metro Capital Budget Calendar

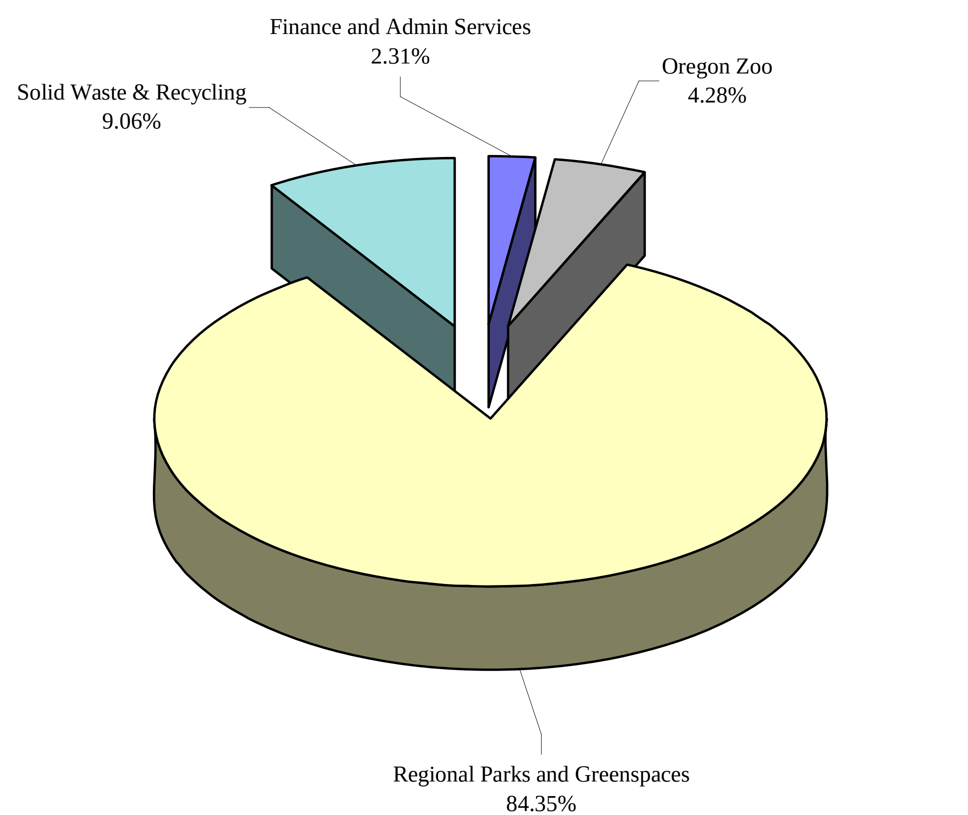
Key Tasks	***Task Completion***
• Financial Planning issues Capital Budget Manual	October 15
• Departments submit Capital Project Requests, Current Projects Status Reports, and List of Unfunded Projects	December 9
• Financial Planning Division of Finance and Administrative Services Department completes evaluation of departmental requests and prepares financial projections	December—January
• Chief Operating Officer and Council President review and discussion	January
• Council President finalizes recommended capital projects	February
• Proposed Capital Budget document forwarded to Council	March
• Information Technology Steering Committee Review	March
• Budget review meetings	April
• Council holds public hearing and adopts Capital Budget	June
• Adopted first year projects incorporated into FY 2006-07 adopted budget	June

Overview and Summary

Capital projects are defined in the Capital Budget as any physical asset acquired or constructed by Metro with a total capital cost of $50,000 or more and a useful life of at least five years. The Capital Budget for FY 2006-07 through FY 2010-11 includes 70 capital projects at a total cost of about $144.0 million. The capital costs of these projects by fiscal year are presented by department in the summary table below. The shaded line shows costs for the five years of this Capital Budget. The "Total" column represents the total project costs, including spending and budget in prior years.

This year's Capital Budget has a net increase of 17.9 percent over the prior year Capital Budget. This increase comes primarily from the $105 million increase to a Regional Parks project to purchase new Open Spaces properties. This Capital Budget does not include Metro Exposition-Recreation Commission (MERC) projects. The previous fiscal year MERC projects totaled approximately $4.8 million. The balance of this Capital Budget is mainly comprised of regular renewal and replacement projects and the planned Regional Parks' development of certain of the properties acquired by the Open Spaces bond measure.

Percentage of Project Cost by Department



Project Cost Summary by Department/All Funds

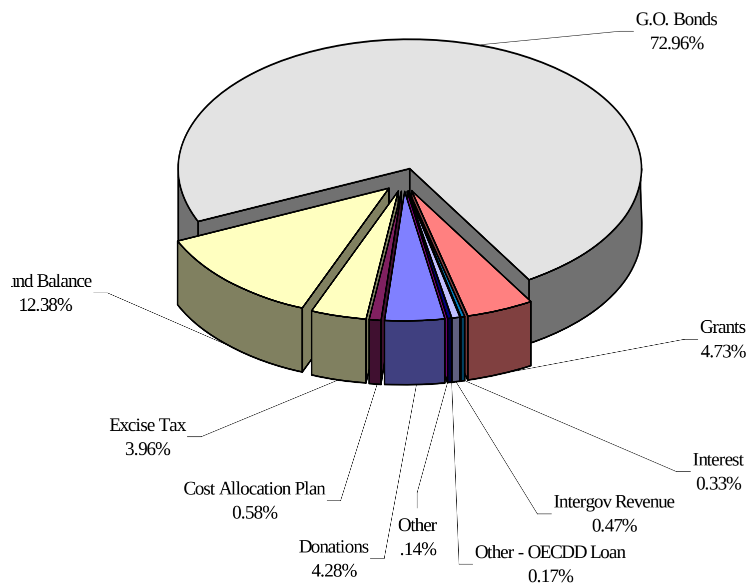
Department	Total # of Projects	Prior Years	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	Total
Finance and Admin Services	12	2,168,005	741,000	737,500	511,500	1,061,000	275,000	5,494,005
Oregon Zoo	11	9,387,123	1,335,870	1,935,000	2,900,000	-	-	15,557,993
Regional Parks and Greenspaces	18	130,683,361	10,947,707	27,622,660	25,940,402	26,885,000	30,075,000	252,154,130
Solid Waste and Recycling	29	1,633,122	2,909,000	2,634,700	2,823,000	2,411,000	2,265,000	14,675,822
Total Metro	70	143,871,611	15,933,577	32,929,860	32,174,902	30,357,000	32,615,000	287,881,950

Total FY 2006-07 through FY 2010-11	144,010,339	Total Number of Projects	70

The overall number of projects is thirteen less than last year's Capital Budget, seventeen of last year's projects were MERC projects. Of the seventy projects in the Capital Budget, eleven are new. Five of the new projects are Finance and Administrative Services projects, two are from the Oregon Zoo, three from Regional Parks, and one from Solid Waste and Recycling.

Overall, the majority of the capital project expenditures during the five years are from three Metro departments: Regional Parks and Greenspaces at 84.35 percent, Solid Waste and Recycling at 9.06 percent, and the Oregon Zoo at 4.28 percent. The new Open Spaces Bond Measure distorts the project activity. Without this project, the percentages would be: Regional Parks, 48.78 percent; Solid Waste and Recycling, 29.64 percent; the Oregon Zoo, 14.02 percent; and Finance and Administrative Services, 7.56 percent.

Major Funding Source Summary



Sources of Funds

The financing sources for these capital projects vary by project and by department.

Solid Waste and Recycling generally relies on Fund Balance or Capital Reserve accounts. Funding for their projects is included in the rate setting process.

Zoo projects have typically been funded from Fund Balance and donations. The Zoo has an active fundraising arm in the Oregon Zoo Foundation and is relying on their fundraising efforts for almost 77 percent of their capital projects funding needs. Eighteen percent of their funding is from Fund Balance.

Regional Parks and Greenspaces non-land expenditures are predominantly funded by an expected general obligation bond (87 percent), grants (6 percent), and excise tax (5 percent). The land purchases and some major improvements will be funded by general obligation bonds. This Capital Budget anticipates expending renewal and replacement funds set aside from the "dollar per ton" dedicated excise tax and developing new parks from an additional "$1.50" per ton excise tax.

The Information Technology division of Finance and Administrative Services relies on the central services allocation of costs to the operating departments to fund its projects. Property Services proposes to utilize capital reserves and allocations for its projects. This department implemented a renewal and replacement contribution in FY 2004-05 that evens out the funding of projects for both Information Technology and Property Services projects.

1. **General Obligation (GO) Bond.** This is the anticipated funding source for the new Open Spaces Bond Measure. Metro plans on putting this measure on the ballot in FY 2006-07.
2. **Fund Balance.** The second largest source of funds for capital projects, about 12 percent of total funds, is fund balance. Departments' fund balances, in the form of reserves or unrestricted funds, represent Metro's major source of pay-as-you-go financing. This financing technique is particularly well-suited for small-to medium-sized projects with a useful life of less than 20 years.

Major Funding Source Summary/All Funds

Source of Funds	Prior Years	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	Total
Donations	2,962,380	1,570,000	1,700,000	2,900,000	-	-	9,132,380
Capital Lease	769,427	-	-	-	-	-	769,427
Cost Allocation Plan	716,558	203,000	140,500	168,500	220,000	103,000	1,551,558
Excise Tax	532,804	2,510,000	985,000	940,402	1,185,000	75,000	6,228,206
Fund Balance and Reserves	5,233,775	4,996,595	3,907,360	3,138,000	3,411,000	2,380,000	23,066,730
G.O. Bonds	111,109,185	72,105	25,000,000	25,000,000	25,000,000	30,000,000	216,181,290
Grants	1,274,297	5,149,240	1,140,000	-	525,000	-	8,088,537
Interest	16,869,284	475,000	-	-	-	-	17,344,284
Intergovernment Revenue	193,500	681,767	-	-	-	-	875,267
Other - OECDD Loan	4,201,295	238,066	-	-	-	-	4,439,361
Other	9,106	37,804	57,000	28,000	16,000	57,000	204,910
Total Metro	143,871,611	15,933,577	32,929,860	32,174,902	30,357,000	32,615,000	287,881,950

Because fund balance is used for operating as well as capital purposes and can be affected by fluctuations in operating revenues and expenditures, Financial Planning staff and departments prepared projections of fund balance available for capital projects for the five years spanning the Capital Budget. In the *Department Summary and Analysis Section*, departmental summaries show projections for those operating funds which will finance capital projects in whole or in part.

3. **Donations.** The majority of the donations are in the Zoo's Capital Budget submission. Phase V of the Great Northwest, the Lion Exhibit, and the California Condor Captive Breeding Facility at the Oregon Zoo are expected to be funded through donations from individual and group fund raising efforts.

4. **Grants.** Grants comprise about 5.0 percent of total funding for capital projects and are tied directly to specific projects. Regional Parks and Greenspaces Department has the majority of grants; these include Metropolitan Transportation Improvement Program (MTIP) and State Marine Board grant allocations.

5. **Excise Tax.** This category is general fund excise tax allocated for department use. In FY 2004-05, Council adopted an additional levy of $1.50 per solid waste disposed ton of garbage for the benefit of Regional Parks for a total of $2.50 per ton and $.50 to aid MERC in pursuing marketing opportunities for Oregon Convention Center. The FY 2006-07 amount is $3.14 per ton and allocated for the use of Regional Parks, MERC, and the Oregon Zoo.

6. **Cost Allocation Plan.** This funding source is for central services projects, whose funding is derived from allocation to the operating departments. The category represents less than 1 percent of project funding. The Fiscal Year 2004-05 budget instituted a contribution to Renewal and Replacement for both the Information Technology agency needs and the Metro Regional Center. This action smoothes out department contributions for needed renewal and replacement.

7. **Intergovernmental.** Intergovernmental revenues are contributions from other governmental units in the region or the State of Oregon.

8. **Interest.** This category is generally interest earned on bond proceeds and includes a large amount of interest for the Open Spaces Project and the Great Northwest Project. Interest can also be earnings on specified reserves for a project. This source makes up about 0.3 percent of overall project funding.

9. **Other.** Other financing sources represent about 0.31 percent of total funds allocated to capital projects. This includes the financing of certain types of capital items using capital leases. To qualify for capital lease financing, equipment must have a unit cost greater than $10,000 (except when purchasing as a component of a larger system) and an expected life greater than three years. The term of the lease may not exceed the life of the equipment.

Uses of Funds

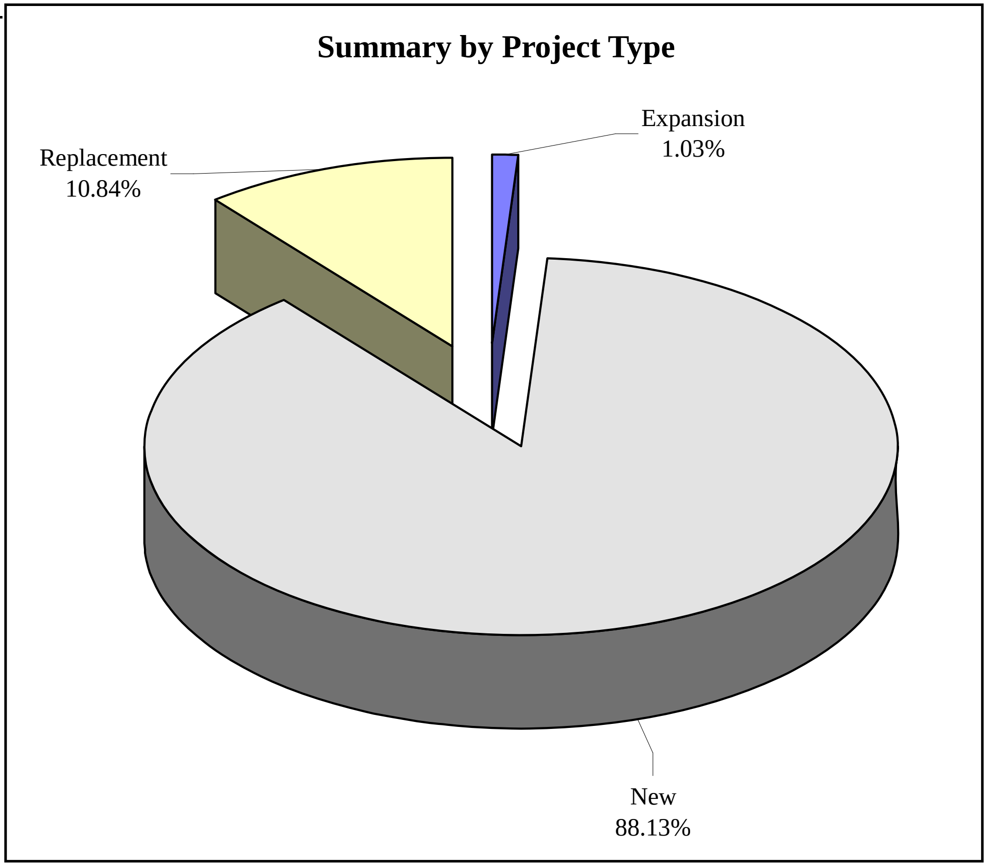
Capital projects in the Capital Budget consist of facilities (purchase, construction, or improvements), land acquisitions, and equipment purchases of $50,000 or more. Of the 70 projects, 88 percent are new construction or acquisition, one percent are expansion or remodeling projects, and 11 percent are replacement projects. The "Summary by Project Type" chart displayed here demonstrates this use distribution.

Facilities. About 20 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 to be considered. This eliminates routine maintenance and repair projects, which are treated as operating expenses. Regional Parks and Greenspaces projects account for about 51 percent of the total projects in this category, followed by Solid Waste and Recycling at 26 percent, and the Oregon Zoo at 20 percent.

Equipment. About six percent of funds for capital projects is allocated to stand-alone equipment and furnishings. As with other capital projects, equipment can only qualify for Capital Budget consideration if it costs $50,000 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. About 66 percent of the equipment category relates to Solid Waste and Recycling improvements. Information Technology projects are the next highest at about 28 percent.

Land. The remaining 73 percent of total funds in the Capital Budget is allocated to land acquisition or improvements. This $105.5 million amount is for Open Spaces acquisition in the Regional Parks and Greenspaces Department. This program is financed with general obligation bonds that were approved by the Council and voters in FY 1994-95 and are scheduled to be complete in FY 2006-07, and a proposed general obligation bond issue in FY 2006-07.

Restoration. A small amount of Regional Parks Capital Budget is devoted to restoration, which is usually grant funded. This accounts for approximately one percent of the total.



Summary by Project Type

Department	Total # of Projects	Prior Years	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	Total
Expansion	4	290,064	453,756	26,000	-	-	1,000,000	1,769,820
New	32	138,279,959	12,682,821	30,180,560	26,781,402	27,191,000	30,085,000	265,200,742
Replacement	34	5,301,588	2,797,000	2,723,300	5,393,500	3,166,000	1,530,000	20,911,388
Total Metro	70	143,871,611	15,933,577	32,929,860	32,174,902	30,357,000	32,615,000	287,881,950

Annual Operating Budget Impact Summary

Each department also projected the net impact on operating costs resulting from each capital project. The impact is shown in 2005 dollars for the first full year of operation after completion of the project. The table below is a summary by major budget category for all projects in the Capital Budget.

The chart labeled "Annual Net Operating Impact by Project" lists the projects with operating impact by department. Only three projects are expected to produce positive cash flows, two in Regional Parks and one at the Oregon Zoo. Those are the Blue Lake Park concession building renovations, the Golf Course at Blue Lake Park, and the fluorescent light fixture replacement at the Zoo. Metro, overall, will have an additional cost of $220,525 to $1,332,439 per year from these projects. The projects adding the most to operating costs are the Regional Parks Cooper Mountain Natural Area, the Graham Oaks Nature Area Development, the Mt. Talbert Development Open Spaces-Phase II, and the California Condor Captive Breeding Facility.

Annual Operating Budget Impact Summary

Revenue and Cost By Major Budget Category	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011	Total
Revenues	-	12,000	72,000	1,048,054	1,153,528	2,285,582
Expenditures						
Personal Services	137,000	225,663	398,445	472,232	614,298	1,847,638
Materials and Services	83,525	201,718	533,550	1,334,711	1,587,155	3,740,659
Renewal and Replacement	-	54,265	146,393	156,838	286,514	644,010
Total Expenditures	220,525	481,646	1,078,388	1,963,781	2,487,967	6,232,307
Net Contribution (Cost)	(220,525)	(469,646)	(1,006,388)	(915,727)	(1,334,439)	(3,946,725)

Annual Net Operating Impact by Project

Annual Net Impact on Operating Costs	FY 2006-2007	FY 2007-2008	FY 2008-2009	FY 2009-2010	FY 2010-2011
Finance					
Develop Enterprise Business Applications Software	-	(39,000)	(39,000)	(40,000)	(40,000)
Emergency Generator	-	-	(1,500)	(1,500)	(1,500)
Total Finance	**-**	**(39,000)**	**(40,500)**	**(41,500)**	**(41,500)**
Oregon Zoo					
California Condor Breeding Facility & Exhibit	(187,000)	(191,000)	(196,000)	(200,000)	(200,000)
Fluorescent Light Fixture Replacement	-	18,000	18,000	18,000	18,000
Introduction to the Forest (GNW V)	-	(28,000)	(28,000)	(28,000)	(28,000)
Lion Exhibit	-	-	-	56,000	56,000
Total Oregon Zoo	**(187,000)**	**(201,000)**	**(206,000)**	**(154,000)**	**(154,000)**
Regional Parks and Greenspaces					
Blue Lake Park Concession Building Renovations	-	12,000	12,000	12,000	12,000
Cooper Mountain Natural Area Development	-	-	(221,815)	(227,362)	(234,798)
Gales Creek/Tualatin River Confluence Project	(33,525)	(12,260)	(10,000)	(10,000)	-
Golf Course at Blue Lake Park	-	-	(206,477)	19,381	85,636
Graham Oaks Nature Area Development	-	-	-	-	(238,058)
Mulnomah Channel Basin Reconnection Project	-	(2,000)	(2,000)	(2,000)	(2,000)
M. James Gleason Boat Ramp - Phase III & IV	-	-	-	-	(17,500)
M. James Gleason Boat Ramp Renovation Phase I & II	-	-	(33,427)	(33,427)	(33,427)
Mt. Talbert Development	-	(162,247)	(166,611)	(171,097)	(177,290)
Open Spaces Land Acquisition - Second Phase	-	(61,139)	(126,558)	(294,722)	(474,502)
Total Regional Parks and Greenspaces	**(33,525)**	**(225,646)**	**(754,888)**	**(707,227)**	**(1,079,939)**
Solid Waste and Recycling					
Metro Central - Office Addition	-	-	(1,000)	(1,000)	(1,000)
Metro South - Install High Capacity Baler	-	-	-	-	(6,000)
Metro South - Wood Processing Capacity	-	-	-	(8,000)	(8,000)
Metro South - Wood Staging Structure	-	(4,000)	(4,000)	(4,000)	(4,000)
Metro South- Install Compactor for Public Unloading Area	-	-	-	-	(40,000)
Total Solid Waste and Recycling	**-**	**(4,000)**	**(5,000)**	**(13,000)**	**(59,000)**
Total Metro	**(220,525)**	**(469,646)**	**(1,006,388)**	**(915,727)**	**(1,334,439)**

Capital Budget Department Summaries

Department Summary and Analysis

The following is an overview of the Five-Year Capital Budget departmental submissions and the narrative discussing relevant issues relating to each department's requests.

The following categories and charts are provided to give an overview and significant information regarding each Capital Budget submittal.

Total Projects Summary—By Year. Each department section begins with a complete listing, in priority order, of the projects contained in the current Capital Budget. This chart shows the expected expenditures by year. The shaded section under the chart shows the total number of projects and their expected cost during the five-year budgeting period.

Overview of Projects. This narrative addresses significant issues regarding each department's Capital Budget submission. The overview includes information on:

- The status of projects budgeted in the current fiscal year.
- New projects that are in the Capital Budget proposal.
- Changes in timing and scope of projects previously listed.
- Unfunded projects.

Project Funding. This section of the narrative discusses the sources of funding for the various projects and any overriding funding issues that may exist. This section refers to the *Major Funding Source Detail* chart provided for each department.

Operational Impact. This section of the narrative discusses the change in operational costs as a result of the proposed projects and refers to the *Cumulative Net Impact on Operating Costs* chart if there is an operating impact.

Five-Year Financial Forecast. A *Five-Year Financial Forecast* chart is included at the end of the narrative for operating departments. This forecast reflects the ending fund balance for a five-year period. This is a summary of a detailed five-year financial forecast that includes all expected revenues and expenditures overlaid with the capital projects and the resulting impact on ending fund balance. A discussion of the adequacy of funding as demonstrated in this financial forecast is included in the narrative. This portion of the narrative discusses that five-year outlook and its adequacy to fund the proposed projects.

Finance and Administrative Services Department

Total Projects Summary By Year-Finance

Project No.	Priority		Prior Years	FY2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total
All Funds									
IT1	1	Replace/Acquire Desktop Computers	397,193	90,000	90,000	90,000	90,000	90,000	847,193
		Total - All Funds	**397,193**	**90,000**	**90,000**	**90,000**	**90,000**	**90,000**	**847,193**
Building Management Fund									
01505	1	Rebuild Metro Regional Center planters	-	65,000	-	-	-	-	65,000
56190	2	Emergency Generator	-	-	370,000	-	-	-	370,000
TEMP109	3	Metro Regional Center Roof Replacement	-	-	-	-	455,000	-	455,000
56180	4	Carpet Replacement	-	-	50,000	200,000	250,000	-	500,000
01500	5	Replace Metro Regional Center telephone system	-	65,000	-	-	-	-	65,000
		Total - Building Management Fund	**-**	**130,000**	**420,000**	**200,000**	**705,000**	**-**	**1,455,000**
Planning Fund									
94403/94404	1	Regional Land Information System (RLIS)	706,025	30,000	57,000	28,000	16,000	57,000	894,025
		Total - Planning Fund	**706,025**	**30,000**	**57,000**	**28,000**	**16,000**	**57,000**	**894,025**
Support Services Fund									
56110	1	Server Management	359,165	136,000	78,000	156,000	144,000	53,000	926,165
56120	3	Upgrade Network Infrastructure	352,558	25,000	30,000	25,000	30,000	25,000	487,558
65612	4	Upgrade of Business Enterprise Software (PeopleSoft)	63,000	67,000	62,500	12,500	76,000	50,000	331,000
56135	5	Develop Enterprise Business Applications Software	290,064	193,000	-	-	-	-	483,064
		Total - Support Services Fund	**1,064,787**	**421,000**	**170,500**	**193,500**	**250,000**	**128,000**	**2,227,787**
SW Renewal & Replacement Account									
76921/76953	1	Replace Computer Network Components	-	70,000	-	-	-	-	70,000
		Total - SW Renewal & Replacement Account	**-**	**70,000**	**-**	**-**	**-**	**-**	**70,000**
		Total - Finance	**2,168,005**	**741,000**	**737,500**	**511,500**	**1,061,000**	**275,000**	**5,494,005**

Total FY 2006-07 through FY 2010-11 **3,326,000**

Total Number of Projects **12**

Finance and Administrative Services Department

Finance and Administrative Services (FAS) has two divisions that generate Capital projects: Property Services and Information Technology. The Property Services division of the Finance and Administrative Services Department is responsible for the operations and maintenance of the Metro Regional Center (MRC), the attached parking garage, and the operation of the print shop at Metro. The Information Technology division of FAS manages the information technology infrastructure and services of the agency. All projects throughout the agency related to information technology, regardless of funding source, are grouped in this section.

Overview of Projects

Property Services Division

There are three new projects identified in the FY 2006–07 Property Service Capital Budget. The new projects are:

- Rebuild Metro Regional Center planters.
- Replace Metro Regional Center Telephone System Project.
- The purchase and installation of an Emergency Generator Project.

The Rebuild Metro Center Planters Project and the replacement of the telephone system at the MRC are scheduled to begin in FY 2006–07 and each cost $65,000. The Emergency Generator Project is anticipated to cost $370,000 ($10,000 for a comprehensive electrical feasibility study and $360,000 for the purchase and installation of the generator). This project is currently scheduled for FY 2007–08 to allow for a full need and feasibility study. The previously scheduled projects include the Metro Regional Center Roof Replacement Project and the Carpet Replacement Project. These projects are scheduled to commence in FY 2007–08 and be completed by 2011.

The first capital project in the Property Services Division is the Rebuild Metro Regional Center Planters Project. This project is estimated to cost $65,000 and have a useful life of 20 years. There is deterioration occurring in the existing structure and the irrigation system needs to be replaced. At present, there is ongoing water damage to the Human Resource Department and the Data Resource Center (DRC) located at the front of the MRC. The soil and drainage system is failing to drain quickly and this increases the weight on the existing structure, which pushes against the MRC and will eventually cause more leaks and future damage. This will take one year to complete. No additional operating impact is anticipated for this capital project.

The second new project in the FY 2006–07 Capital Budget is the Replace Metro Regional Center Telephone Systems Project. The present system at the MRC will be outdated and past its useful life by 2010. The new system has an estimated life of 15 years and will cost $65,000.

The third new project is the purchase and installation of an emergency generator at the Metro Regional Center. The MRC is without a backup power source. In the event of an emergency there would be no way to coordinate solid waste disposal, transportation routing (if the bridges are down), or to continue financial operations. Metro carries the regional responsibility for solid waste removal should a natural disaster or similar incident occur in the Portland Metro area, solid waste removal and transportation operations will need to continue. The generator will provide Metro with the ability to continue service despite an unforeseen emergency or incident. Of the total cost, $10,000 is identified for an electrical engineering consultant to conduct a feasibility study. The estimated useful life for the generator is 40 years.

The Carpet Replacement Project has been set back another year and is now scheduled to begin in FY 2007–08. The Carpet Replacement Project is scheduled for completion over a three-year period, with one floor of the building scheduled in each year. The total cost will be $500,000, and the expected useful life for the carpet is ten years. In addition, the MRC Roof Replacement Project has been rescheduled to begin in FY 2009–10. The cost for the replacement of the roof at the MRC is $455,000 and it will have a useful life of 20 years.

The Telephone Replacement Project and Carpet and Roof Replacement Projects will be funded out of a Renewal and Replacement Reserve for the MRC. Contributions to this reserve are made annually and are funded through allocations charged to the departments that occupy the building.

The Capital Budget for the Property Services Division also includes two unfunded projects: Air Rights Housing Project Over the Metro Parking Garage and Signs for Metro Regional Center. Currently, no funding has been identified for the completion of these projects. The department has identified the Signs for the Metro Regional Center as medium on the department's priority list and the Air Rights Housing Project as low in the priority list.

Information Technology Division

For the Information Technology Division, there are six existing projects and one new project identified in the FY 2006-07 Capital Budget.

For FY 2006-07 Information Technology identified one new project and that is the Develop Enterprise Business Applications Project, which includes $150,000 for budget module software and $43,000 for an asset management module. The project, recommended by the Business Design Team, will be completed in FY 2006-07 upon the selection and implementation of a software provider. This project will be funded out of the Information Technology Renewal and Replacement fund.

Three projects are related to maintenance of the network: Upgrade Network Infrastructure, Upgrade of Business Enterprise Software, and Server Management. These projects enable the department to maintain the computer infrastructure used by the entire agency by upgrading or replacing equipment and software. These changes are necessary to meet agency performance demands for daily operations.

The PeopleSoft financial and human resource systems are upgraded periodically as new versions of the software are released. This Capital Budget includes periodic software including E-performance and E-benefits upgrades, enabling these systems to work more efficiently and to stay current with technology advancements in this area. This upgrade package is scheduled for FY 2006-07. It is anticipated that the cost of the upgrades to PeopleSoft may change in future years depending upon vendor agreements and service provided by Oracle.

The FY 2006-07 Capital Budget includes the second phase of the replacement of computer network components at some of the Solid Waste facilities. This network serves the Metro South and Metro Central Solid Waste Transfer Stations. Funding for this project is out of the Solid Waste Renewal and Replacement Account in the amount of $70,000.

A planned upgrade to the Regional Land Information System (RLIS) is budgeted in the Planning Fund. The RLIS project is will require $188,000 over the next five years for software and upgrades.

The remaining project, Replace/Acquire Desktop Computers, is a continuation of reporting the replacement costs of the agency for desktop computers. The annual amounts included for this project represent a three-year replacement cycle for all desktop systems. Costs are budgeted throughout the agency, but all of the purchases are coordinated through the Information Technology Division. Ninety thousand dollars is budgeted in FY 2006-07 for the Replace/Acquire Desktop Computers Project.

The Capital Budget also includes seven projects on the unfunded list for the Information Technology Division. Five of the nine projects provide for new or greatly expanded information technology applications. Four projects provide for the upgrade or replacement of the Oregon Zoo's outdated network equipment and infrastructure, a new Point of Sale system, and cash management system. The projects at the Oregon Zoo have been identified as high priority. The projects on the unfunded list have been recognized as a benefit to the agency; however, funding sources have not been identified.

Major Changes from Prior Fiscal Year's Capital Budget

Property Services Division

There are three new projects identified in the Property Services Division Capital Budget. The Rebuild Metro Regional Center Planters, the Replace Telephones, and the Emergency Generator at the Metro Regional Center Projects are identified in the Capital Budget; they are scheduled to begin FY 2006-07. The timing for two previously identified projects has been changed in the Property Services Capital Budget. The first project, Carpet Replacement at the Metro Regional Center, has been delayed another year and is scheduled to occur in FY 2007-08. The timing of this project may change again as the condition of the carpet is reassessed as part of next year's Capital Budgeting process. The second change is in the timing of the Metro Center Roof Replacement Project. This project has been rescheduled to begin in FY 2008-09. Both projects have been rescheduled to allow for the fund to accumulate the appropriate balance to pay for the identified projects.

Information Technology Division

The FY 2006-07 Capital Budget for the Information Technology Division includes one additional project. The Develop Enterprise Business Applications Software Project is a new project in the FY 2006-07 Capital Budget. This project has been identified as a useful tool in the development of the Metro Budget and will be funded with Information and Technology renewal and replacement funds.

All other projects are of an ongoing or recurring nature. Replacement or periodic upgrades of information technology hardware are proposed according to the existing replacement schedule, usually 3 – 5 years. Each year, as the projects are updated, costs may increase or decrease depending on the replacement cycle.

Project Funding

Contributions to the Building Management reserve ($97,000 annually) are made based on projected needs and are funded through allocations charged to the departments occupying the building. All capital projects for the Metro Regional Center are funded out of this reserve. The costs for the Emergency Generator Project are expected to be split between the Building Management Fund and the Solid Waste Revenue Fund. In FY 2006-07 staff recommends the contribution increase in the amount of $36,000 to fund the copier replacement program in the Capital Budget. Presently, these funds are allocated in the Office Service portion of the Cost Allocation Plan and they will be classified as a capital project beginning in FY 2006-07. Furthermore, it is anticipated that the contribution to the Building Management Fund will be reduced back to its original level of $97,000 in 2010 after the completion of the Carpet and Roof Replacement projects.

A renewal and replacement reserve was also established for information technology projects. The reserve was seeded with discretionary fund balance that has accumulated over a period of years from the Contractor's License program. Annual contributions to the reserve are made from allocations to departments through the cost allocation plan (estimated at $150,000 annually), and from profits of the Contractor's License program (annual estimate of $50,000). Ongoing replacement projects approved in the Five-Year Capital Budget will be funded from this reserve. At present, Staff does not recommend increasing the contribution to the Information Technology renewal and replacement fund.

Operational Impact

There is a possible impact to the Information Technology Department's Operation Budget with the addition of budget and asset management software. This project is also funded with one-time money, and the ongoing maintenance will be absorbed in the Cost Allocation Plan in the future. Without a formal Request for Proposal (RFP) it is difficult to anticipate the ongoing maintenance costs, however, vendors have indicated that the cost will be from $7,000-$15,000.

Major Funding Source Detail– Finance

Category	Prior Years	FY2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total
Fund Balance- Capitol Reserve	610,637	413,000	460,000	90,000	90,000	90,000	1,753,637
Fund Balance- Renewal and Replacement	62,277	95,000	80,000	225,000	735,000	25,000	1,222,277
Other	9,106	30,000	57,000	28,000	16,000	57,000	197,106
Other- Cost Allocation Plan	716,558	203,000	140,500	168,500	220,000	103,000	1,551,558
Other- Capital Lease	769,427	-	-	-	-	-	769,427
Total - Finance	**2,168,005**	**741,000**	**737,500**	**511,500**	**1,061,000**	**275,000**	**5,494,005**

Cumulative Net Impact on Operating Costs– Finance

Annual Net Impact on Operating Costs	FY 2007-08	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Materials and Services	-	39,000	40,500	41,500	41,500
Total Expenditures	**-**	**39,000**	**40,500**	**41,500**	**41,500**
Net Contribution (Cost) Finance	**-**	**(39,000)**	**(40,500)**	**(41,500)**	**(41,500)**

Oregon Zoo

Total Projects Summary By Year– Oregon Zoo

Project No.	Priority		Prior Years	FY2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total
Zoo General Revenue Bond Fund									
TEMP188	1	Washington Park Parking Lot Renovation	4,201,295	190,870	-	-	-	-	4,392,165
		Total - Zoo General Revenue Bond Fund	**4,201,295**	**190,870**	**-**	**-**	**-**	**-**	**4,392,165**
Zoo Capitol Projects Fund									
512151	1	Introduction to the Forest	2,579,735	550,000	-	-	-	-	3,129,735
ZOO5	2	Primate Building	874,414	150,000	500,000	300,000	-	-	1,824,414
ZCM02		Admission Ticketing System Upgrade	-	200,000	-	-	-	-	200,000
ZOO2		Lion Exhibit	-	50,000	200,000	2,600,000	-	-	2,850,000
ZCON	3	California Condor breeding Facility & Exhibit	1,531,679	-	1,000,000	-	-	-	2,531,679
TEMP15		Steller Cove Upgrades	-	-	100,000	-	-	-	100,000
TEMP13		Administration Buidling Upgrades	-	-	135,000	-	-	-	135,000
ZAH02	4	Animal Hospital X-Ray Machine	-	70,000	-	-	-	-	70,000
TEMP238	5	Flourescent Light Fixture Replacement	-	55,000	-	-	-	-	55,000
		Total - Zoo Capitol Projects Fund	**4,985,828**	**1,075,000**	**1,935,000**	**2,900,000**	**-**	**-**	**10,895,828**
Zoo Operating Fund									
94403/94404	1	Stormwater Handling System	200,000	70,000	-	-	-	-	270,000
		Total - Zoo Operating Fund	**200,000**	**70,000**	**-**	**-**	**-**	**-**	**270,000**
		Total -Oregon Zoo	**9,387,123**	**1,335,870**	**1,935,000**	**2,900,000**	**-**	**-**	**15,557,993**

Total FY 2006-07 through FY 2010-11 **6,170,870**

Total Number of Projects **11**

Oregon Zoo

There are a variety of capital projects for the Oregon Zoo in this Capital Budget. There are new facility construction projects and renewal and replacement projects, such as the Primate Building. The preceding summary table lists each capital project by fiscal year.

Overview of Projects

***Budgeted Projects*:**

- The Zoo has two new projects in the Capital Budget for the year. The first project is to replace the outdated X-Ray Machine currently being used in the Zoo facility. The second new project is the replacement of the Oregon Zoo's fluorescent light fixtures with new energy-efficient units.
- Introduction to the Forest (GNW V) — this project was originally expected to be completed by the end of FY 2005–06. Due to funding constraints, $550,000 of the project has been delayed to FY 2006–07.
- Primate Building — scheduling has changed somewhat. In last year's Capital Budget it was intended work would not commence until FY 2007–08 and be spread over two years. This Capital Budget assumes some work beginning in FY 2006–07 and continuing over the following two years.
- The Admission Ticketing System Upgrade Project, included in last year's Capital Budget, has been moved to FY 2006–07.
- Stormwater Handling System Project — increased in scope by $70,000 and is still fully grant-funded. No estimate has been made on the amount that will be saved in sewer bill to the Zoo, but there are expected savings.
- Lion Exhibit — fundraising continues on this project. It was expected to be completed in FY 2005–06 but is delayed to future years. Design is expected to take place in FY 2006–07 with construction commencing in FY 2007–08 and the majority of the construction completed in FY 2008–09. The cost for the project has also increased $650,000.
- The California Condor Breeding Facility & Exhibit project has completed the first phase by establishing the Breeding Facility. The second phase, the exhibit for the public of a non-breeding pair, has been delayed to FY 2007–08. About $200,000 has been raised so far for the second phase
- Steller Cover Upgrades are delayed on year to FY 2007–08.
- Administration Building Upgrades are still expected to be completed in FY 2007–08.

Unfunded Projects:

- There are no changes in the unfunded projects from last year's Capital Budget

Major Changes from the Prior Fiscal Year's Capital Budget

The majority of changes from last years Capital Budget are changes in timing of projects. Most projects depend upon fund raising and are often constrained by the success of those efforts.

Project Funding

Seventy-five percent of the projects are funded by donations and are dependent upon the success of the fund raising efforts. The Friends of the Zoo have been quite successful at raising funds, making this a more dependable source of funding than for other departments. Some grant funding has been applied for and received. The Zoo's projects are mostly expended out of the Zoo Capital Fund. The fund balance projections for the next five years demonstrate adequate funding, though fund balance declines significantly and no new source is apparent.

Operational Impact

Several Projects proposed or in-process have operational impact. Please refer to the table in the Overview and Summary on page H-10 for the details of the impact. The projects with operational impact are:

- Introduction to the Forest (GNW V) with a $28,000 annual operating cost
- The Lion Exhibit is expected to contribute to operations $56,000 a year by generating $150,000 in revenues offset by $94,000 in costs beginning in FY 2009–2010
- California Condor Breeding Facility has a cost of approximately $200,000 a year

Major Funding Source Detail– Oregon Zoo

Category	Prior Years	FY2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total
Donations	1,999,679	270,000	1,700,000	2,900,000	-	-	6,869,679
Fund Balance- Capital Reserve	2,856,149	750,000	235,000	-	-	-	3,841,149
Grants	280,000	70,000	-	-	-	-	350,000
Other	4,201,295	245,870	-	-	-	-	4,447,165
Other- Interest Earnings	50,000	-	-	-	-	-	50,000
Total - Oregon Zoo	**9,387,123**	**1,335,870**	**1,935,000**	**2,900,000**	**-**	**-**	**15,557,993**

Cumulative Net Impact on Operating Costs– Oregon Zoo

Annual Net Impact on Operating Costs	FY 2007-08	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Revenues	-	-	-	150,000	150,000
Personal Services	137,000	141,000	146,000	214,000	214,000
Materials and Services	50,000	60,000	60,000	90,000	90,000
Total Expenditures	**187,000**	**201,000**	**206,000**	**304,000**	**304,000**
Net Contribution (Cost) Oregon Zoo	**(187,000)**	**(201,000)**	**(206,000)**	**(154,000)**	**(154,000)**

5-Year Financial Forecast
Oregon Zoo– Operating Fund

Oregon Zoo Operating Fund	Adopted FY 2005-06	Projected FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Estimated Beginning Fund Balance	***6,811,010***	***7,721,377***	***7,705,937***	***8,215,774***	***8,543,073***	***8,663,463***	***8,547,957***
Projected Current Revenues	24,635,415	24,796,698	25,365,117	25,831,000	26,450,000	27,077,000	27,711,000
Less Operating Expenditures	(24,685,930)	(24,612,138)	(24,785,279)	(25,503,701)	(26,329,611)	(27,192,506)	(28,091,789)
Ending Fund Balance *Prior* to CIP	**6,760,492**	**7,905,937**	**8,285,774**	**8,543,073**	**8,663,463**	**8,547,957**	**8,167,168**
Proposed Capitol Projects	(200,000)	(200,000)	(70,000)	-	-	-	-
Ending Fund Balance *After* CIP	**6,560,492**	**7,705,937**	**8,215,774**	**8,543,073**	**8,663,463**	**8,547,957**	**8,167,168**
Ending Fund Balance Breakdown							
Reserves	5,755,636	5,758,553	6,326,881	6,913,552	7,523,592	8,158,094	8,818,208
Unrestricted Fund Balance	804,856	1,947,384	1,888,893	1,629,522	1,139,871	389,863	(651,040)

5-Year Financial Forecast
Oregon Zoo– Capital Fund

Oregon Zoo Capital Fund	Adopted FY 2005-06	Projected FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Estimated Beginning Fund Balance	***4,959,358***	***4,780,014***	***1,994,719***	***1,242,573***	***973,341***	***924,779***	***869,626***
Projected Current Revenues	110,984	430,984	400,000	1,747,000	2,937,000	35,000	33,000
Less Operating Expenditures	(576,279)	(98,279)	(77,146)	(81,232)	(85,562)	(90,152)	(95,018)
Ending Fund Balance *Prior* to CIP	**4,494,063**	**5,112,719**	**2,317,573**	**2,908,341**	**3,824,779**	**869,627**	**807,608**
Proposed Capitol Projects	(2,720,000)	(3,118,000)	(1,075,000)	(1,935,000)	(2,900,000)	-	-
Ending Fund Balance *After* CIP	**1,774,063**	**1,994,719**	**1,242,573**	**973,341**	**924,779**	**869,627**	**807,608**

NOTE: These forecasts are used for determining funding capacity of requested capitol improvement projects only.

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Planning Department

Planning Department

The Planning Department serves as the metropolitan region's transportation planning organization and is responsible for urban growth management and land-use planning. The Technical Service division of the department consists of two sections – Travel Forecasting and the Data Resource Center.

The work performed by the Travel Forecasting Section provides the base data used by Metro and local jurisdictions in the region for developing transportation alternatives. The department uses a sophisticated system of interconnected servers and workstations for the development and application of travel demand forecasting models. In FY 2001–02 the department replaced the existing computer system with a new, more powerful modeling system called TRANsportation SIMulationS (TRANSIMS). This travel modeling system requires very large amounts of processing power. The financing mechanism for the project was a three-year internal loan from a Metro department. The department plans to replace components of this system every year, with a replacement schedule ranging from two to three years, depending on the component. Historically, large capital computer purchases for the Planning Department have been financed with three-year capital leases or loans. Debt payments are allocated to users and individual projects through a billing system. Approximately 9 percent of the annual payments are funded with excise tax.

The Data Resource Center operates a network of computers to provide the forecasting, mapping and decision-making tools needed for Metro departments, 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 department replaces portions of the RLIS system each year. The replacement schedule covers GIS work stations, plotters, specialized printers, etc., and may include some network infrastructure items as needed to support high end data exchanges between the Data Resource Center and Metro partners. All costs are allocated to the users and contracting agencies through a billing system. Historically, approximately 31 percent is funded with excise tax.

All computer projects are included in a consolidated Information Technology proposal. Refer to Finance and Administrative Services section for detail of the projects.

Regional Parks and Greenspaces Department

Total Projects Summary By Year– Regional Parks and Greenspaces

Project No.	Priority		Prior Years	FY2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total
Open Spaces Fund									
TEMP4	1	Open Spaces Land Acquisition	128,566,740	475,000	-	-	-	-	129,041,740
TEMP98	2	Open Spaces Land Acquisition Phase II	-	-	25,000,000	25,000,000	25,000,000	30,000,000	105,000,000
		Total - Open Spaces Fund	**128,566,740**	**475,000**	**25,000,000**	**25,000,000**	**25,000,000**	**30,000,000**	**234,041,740**
Regional Parks Capital Fund									
70160	1	Golf Course at Blue Lake Park	64,570	1,500,000	982,660	-	-	-	2,547,230
70393	2	Three Bridges on the Springwater	-	4,691,000	-	-	-	-	4,691,000
70470	3	Mt. Talbert Development	120,547	1,450,000	50,000	50,000	-	-	1,670,547
70460	4	Cooper Mountain Natural Areas Development	150,000	945,000	705,000	150,000	100,000	75,000	2,125,000
CEM101	5	Lone Fir Cemetary Morrison Property Site	-	150,000	-	-	-	-	150,000
70480	6	Graham Oaks Natural Area Development	150,000	115,000	230,000	740,402	785,000	-	2,020,402
70170	7	M. James Gleason Boat Ramp Renovation Phase I & II	1,152,362	160,000	655,000	-	-	-	1,967,362
TEMP147	8	M. James Gleason Boat Ramp Renovation PhaseIII & IV	-	-	-	-	700,000	-	700,000
TEMP186	9	Willamette Cove Park Development	-	-	-	-	300,000	-	300,000
		Total - Regional Parks Capital Fund	**1,637,479**	**9,011,000**	**2,622,660**	**940,402**	**1,885,000**	**75,000**	**16,171,541**
Regional Parks Fund									
70451	1	Gales Creek/Tualatin River Confluence Project	479,142	18,390	-	-	-	-	497,532
70326	2	Multnomah Channel Basin Reconnection Project	-	404,400	-	-	-	-	404,400
70361	2	Clear Creek Side Channel Project	-	300,000	-	-	-	-	300,000
70317	3	Gotter Prairie Restoration Phase II	-	160,756	-	-	-	-	160,756
70452	4	Gales Creek (Epler) Riparian Enhancement	-	50,000	-	-	-	-	50,000
70319	5	Tualatin River (Munger) Ripariam Enhancement	-	333,161	-	-	-	-	333,161
		Total - Regional Parks Fund	**479,142**	**1,266,707**	**-**	**-**	**-**	**-**	**1,745,849**
General Fund									
76921/76953	1	Blue Lake Park Concession Building Renovations	-	195,000	-	-	-	-	195,000
		Total - General Fund	**-**	**195,000**	**-**	**-**	**-**	**-**	**195,000**
		Total - Regional Parks and Greenspaces	**130,683,361**	**10,947,707**	**27,622,660**	**25,940,402**	**26,885,000**	**30,075,000**	**252,154,130**

Total FY 2006-07 through FY 2010-11 **121,470,769**

Total Number of Projects **18**

Regional Parks and Greenspaces Department

The goal of the Regional Parks & Greenspaces Department is to establish and maintain a regional system of interconnected natural areas, parks, trails, and greenways. Specific facilities (not including properties acquired under the Open Spaces Program) include:

Regional Parks and Facilities

- Mason Hill
- Sauvie Island Boat Ramp
- Howell Territorial Park
- M. James Gleason Boat Ramp
- Broughton Beach
- Glendoveer Golf Course
- Blue Lake Regional Park
- Oxbow Regional Park
- Chinook Landing Marine Park

Natural Areas

- Bell View Point
- Beggar's-tick
- Gary and Flagg Island
- Indian John Island
- Larch Mountain Corridor
- Smith and Bybee Lakes

The department also maintains 14 pioneer cemeteries.

Overview of Projects

Active Capital Budget

The FY 2006–07 through FY 2010–11 Regional Parks capital budget includes 17 projects – six new and eleven continued from the current capital budget.

The new Capital projects include:

- Redevelopment of the Morrison property directly adjacent to the Lone Fir Cemetery. The City of Portland has committed funding to initially stabilize the site. A plan will be developed for future building on the site.
- A renewal and replacement project to provide necessary repairs to the Blue Lake Park Concession Building. The building has not been usable for several years due to deferred maintenance. In FY 2005–06, the Council approved $250,000 in general renewal and replacement funding to be used for any Metro facility at the Council's discretion. As part of the capital budget process, departments bid for this funding by submitting projects for consideration. The Metro Council has approved this project for financing.
- Four restoration and enhancement projects on Metro-owned natural areas designed to return the land to a more natural environment.

Eleven projects were previously included in the Capital Budget. There are only a few significant changes in the capital budget from previous years. The Cooper Mountain Park Development project reflects a 12 percent increase in total project costs ($225,000) indicating updated master planning information. The Open Spaces Land Acquisition General Obligation Bond Phase II project shows another year of costs resulting in a 40 percent increase in total project costs over the previous five-year planning window.

One project included in the previous capital budget for expenditure in FY 2006–07 – the Trolley Trail Engineering and Construction Phase I – has been cancelled. Ownership of the property has been transferred to the North Clackamas Parks & Recreation District. As the property is no longer a Metro asset, it does not belong in the capital budget.

The capital development costs of the four new park sites will be moved to and funded by bond proceeds should the bond measure on the November 2006 ballot be successful. Although this capital budget still proposes that the projects be funded from the original funding source – $1.50 per ton excise tax on solid waste – the timing of two of the projects has been slightly delayed to accommodate the possible change in funding source. Construction on the Mt. Talbert Development and Cooper Mountain Park Development originally planned for FY 2005–06 has been delayed to the fourth quarter of FY 2006–07.

There are no significant changes in the other projects continued over from the previous year's capital budget.

Current Projects Status

Three projects included in the current capital budget are expected to be completed in FY 2005–06. They include the Blue Lake Water System Upgrade Phase I, the Blue Lake Water Play Area, and the Salmon habitat improvement at the Smith & Bybee Lakes Wildlife area.

Unfunded Projects

Six projects are included on the department's unfunded list. All projects on the list have been identified as important to the mission of the department but are of lower priority than those listed in the active capital budget. Unfunded projects include improvements to Blue Lake and Howell Territorial Parks as well as the development of a nature center at Oxbow Park.

Project Funding

The department has prepared five-year projections for both the operating and capital budgets.

The capital budget is used to track revenues and expenses related to major capital projects, and to manage renewal and replacement as required under the capital asset management policies. The projections reflect that all major capital projects are fully funded through the five-year planning window. Approximately 39 percent of capital funding is derived from a portion of the excise tax generated from an additional $1.50 per ton levy on solid waste implemented in the FY 2004–05 budget, or from previously existing excise tax levies dedicated to regional parks. The remaining 61 percent of the funding is from outside sources such as grants and donations, or dedicated reserves originally received from Multnomah County.

The operating budget accounts for revenues and expenses related to the operations of all regional parks and open spaces, as well as major restoration projects included in the capital budget that are not determined by accounting definition to be capital outlay. The department has folded into the forecast most, but not all, of the operational impacts of the proposed capital projects. The forecast includes operating costs for the new park sites scheduled to open during the five-year planning window as well as the land stewardship costs associated with lands purchased under the Open Spaces Acquisition Phase II general obligation bond measure scheduled for the ballot in November 2006. It assumes, however, that the operating costs associated with Mt. Talbert (approximately $130,000 annually not including renewal & replacement) are funded through an intergovernmental agreement with a local park provider. The forecast also assumes the continuation of PERS-related costs, including the PERS reserve, throughout the five years. It does not include approximately $33,000 in net new operating costs for projects such as M. James Gleason Boat Ramp renovation. It also does not include operations of the Blue Lake Golf Center estimated to begin in FY 2008–09. However, based on operating cost estimates included in the capital budget submittal, the project is expected to generate sufficient revenue to fully fund all related operations after the first year.

Operating costs are rising much faster than associated revenues. The addition of the stewardship costs of the new lands purchased under the proposed bond measure has only exacerbated the situation. While the opening of the Golf Center at Blue Lake Park may ultimately provide some net operating revenue, it will be far from sufficient to cover the operating loss. Initial operating forecasts prepared two years ago reflected a sufficiency of funding for an extended period. However, those projections were based on an additional excise tax levy of $2.50 per ton on solid waste. The reduction of that levy to $1.50 per ton combined with the continued capital expenditures and added land stewardship costs under the proposed new bond measure results in a continued draw on ending reserves to maintain operations.

While the capital portion of the budget may be fully funded, there is considerable concern about the ability of the department to sustain operations of the existing and proposed facilities.

Operational Impact

The department has done a very good job of including operating costs for projects. Operating costs include a component for renewal and replacement where appropriate. All estimates appear to be reasonable in nature and scope.

Major Funding Source Detail– Regional Parks and Greenspaces

Category	Prior Years	FY2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total
Donations	962,701	-	-	-	-	-	962,701
Donations- Regional Parks	-	1,000,000	-	-	-	-	1,000,000
Excise Tax	532,804	2,510,000	985,000	940,402	1,185,000	75,000	6,228,206
Fund Balance- Capital Reserve	101,590	741,700	497,660	-	-	-	1,340,950
Fund Balance- Renewal and Replacement	-	87,895	-	-	175,000	-	262,895
G.O. Bonds- Local Share	509,185	72,105	-	-	-	-	581,290
G.O. Bonds- Open Spaces	110,600,000	-	25,000,000	25,000,000	25,000,000	30,000,000	215,600,000
Grants	492,710	870,007	500,000	-	-	-	1,862,717
Grants- MTIP	-	4,209,233	-	-	-	-	4,209,233
Grants- Oregon Fish & Wildlife	40,000	-	-	-	-	-	40,000
Grants- State Marine Board	431,587	-	640,000	-	525,000	-	1,596,587
Interest on Bond	16,819,284	475,000	-	-	-	-	17,294,284
Milwaukie	-	28,000	-	-	-	-	28,000
Multnomah County	120,000	-	-	-	-	-	120,000
Other- City of Portland	-	150,000	-	-	-	-	150,000
Other- Donation	-	300,000	-	-	-	-	300,000
Other Government	73,500	50,000	-	-	-	-	123,500
Portland	-	453,767	-	-	-	-	453,767
Total - Regional Parks and Greenspaces	**130,683,361**	**10,947,707**	**27,622,660**	**25,940,402**	**26,885,000**	**30,075,000**	**252,154,130**

Cumulative Net Impact on Operating Costs– Regional Parks and Greenspaces

Annual Net Impact on Operating Costs	FY 2007-08	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Revenues	-	12,000	72,000	898,054	1,003,528
Personal Services	-	84,663	252,445	258,232	400,298
Materials and Services	33,525	102,718	433,050	1,203,211	1,455,655
Renewal and Replacement	-	50,265	141,393	143,838	227,514
Total Expenditures	**33,525**	**237,646**	**826,888**	**1,605,281**	**2,083,467**
Net Contribution (Cost) Regional Parks and Greenspaces	**(33,525)**	**(225,646)**	**(754,888)**	**(707,227)**	**(1,079,939)**

5-Year Financial Forecast
Regional Parks and Greenspaces– Operating Fund

Regional Parks and Greenspaces Operating Fund	Adopted FY 2005-06	Projected FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Estimated Beginning Fund Balance	***3,073,467***	***3,073,467***	***1,828,594***	***1,301,321***	***1,467,136***	***1,270,841***	***862,255***
Projected Current Revenues	7,776,405	6,537,027	8,458,518	6,942,794	7,216,024	7,371,333	7,664,300
Less Operating Expenditures	(10,990,966)	(7,999,400)	(9,209,118)	(6,776,978)	(7,412,319)	(7,779,919)	(8,345,673)
Ending Fund Balance *Prior* to CIP	**(141,094)**	**1,611,094**	**1,077,994**	**1,467,137**	**1,270,841**	**862,255**	**180,882**
Proposed Capitol Projects	(75,000)	-	-	-	-	-	-
Ending Fund Balance *After* CIP	**(216,094)**	**1,611,094**	**1,077,994**	**1,467,137**	**1,270,841**	**862,255**	**180,882**
Ending Fund Balance Breakdown							
Reserves	-	-	-	-	-	-	-
Unrestricted Fund Balance	(216,094)	1,611,094	1,077,994	1,467,137	1,270,841	862,255	180,882

5-Year Financial Forecast
Regional Parks and Greenspaces– Capital Fund

Regional Parks and Greenspaces Capital Fund	Adopted FY 2005-06	Projected FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Estimated Beginning Fund Balance	***823,322***	***1,326,266***	***3,224,332***	***992,951***	***381,557***	***391,167***	***415,921***
Projected Current Revenues	2,580,810	2,566,260	7,029,619	1,606,266	1,671,012	1,390,754	806,125
Less Operating Expenditures	(907,000)	(418,194)	(590,000)	(380,000)	(451,000)	(281,000)	(256,000)
Ending Fund Balance *Prior* to CIP	**2,497,132**	**3,474,332**	**9,663,951**	**2,219,217**	**1,601,569**	**1,500,921**	**966,046**
Proposed Capitol Projects	(1,107,500)	(250,000)	(8,671,000)	(1,837,660)	(1,210,402)	(1,085,000)	(700,000)
Ending Fund Balance *After* CIP	**1,389,632**	**3,224,332**	**992,951**	**381,557**	**391,167**	**415,921**	**266,046**
Ending Fund Balance Breakdown							
Reserves	538,716	1,530,057	482,660	373,979	383,589	408,343	258,468
Unrestricted Fund Balance	850,916	1,694,275	510,291	7,578	7,578	7,578	7,578

NOTE: These forecasts are used for determining funding capacity of requested capitol improvement projects only.

Solid Waste and Recycling Department

Total Projects Summary By Year– Solid Waste and Recycling

Project No.	Priority		Prior Years	FY2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total
Solid Waste General Account									
76954	1	Metro Central- Woodroom Improvements	196,000	50,000	-	-	-	-	246,000
76932	2	Metro South- Wood Stagng Structure	60,000	420,000	-	-	-	-	480,000
76955	3	Metro Central- Office Addition	-	100,000	26,000	-	-	-	126,000
76963	4	Metro Central- Seismic Clean-up	-	175,000	25,000	-	-	-	200,000
76964	5	Metro Central- Chimney Removal	-	165,000	10,000	-	-	-	175,000
76931	6	Metro South- Wood Processing Capacity	12,000	60,000	595,000	150,000	-	-	817,000
76929	7	Metro South- Installtion of High Capacity Baler	-	-	255,000	375,000	-	-	630,000
TEMP173	8	Metro Central- Installion of New Scale at Scalehouse C	-	-	25,000	100,000	-	-	125,000
TEMP103	9	Metro South- Installation of Public Compactor	-	-	-	200,000	680,000	-	880,000
TEMP080	10	Metro Central- Rainwater Harvesting	-	-	-	-	310,000	-	310,000
76930	11	Metro South- Installation of Sidewalk on Washington St.	20,000	230,000	-	-	-	-	250,000
TEMP0175	12	Future Master Facility Plan Improvements	-	-	-	-	-	1,000,000	1,000,000
		Total - Solid Waste and Recycling Fund	**288,000**	**1,200,000**	**936,000**	**825,000**	**990,000**	**1,000,000**	**5,239,000**
St. Johns Solid Waste Landfill Closure									
76984	1	Groundwater Monitoring Wells	-	200,000	10,800	-	-	-	210,800
76986	2	Perimeter Dike Stabilization and Seepage	33,309	300,000	600,000	6,000	6,000	-	945,309
76982	3	Re-establish Proper Drainage	599,005	5,000	5,000	252,000	5,000	5,000	871,005
76988	4	Landfill Bridge Repairs	-	30,000	120,000	-	-	-	150,000
TEMP158	5	Landfill Remediation	-	-	-	500,000	500,000	500,000	1,500,000
76985	6	Native Vegetation on Cover Cap	110,945	10,000	15,000	10,000	10,000	10,000	165,945
		Total - Solid Waste and Recycling Fund	**743,259**	**545,000**	**750,800**	**768,000**	**521,000**	**515,000**	**3,843,059**
Solid Waste Renewal and Replacement Account									
76961	1	Metro Central- Rebuild Compactor #2	160,000	200,000	-	-	-	-	360,000
76944	2	Metro Central- Woodline	50,000	764,000	-	-	-	-	814,000
76945	3	Metro Central- Replace Compactor #3 Feed Conveyor	391,866	50,000	-	-	-	-	441,866
76933	4	Metro South- Compactor Replacement	-	150,000	750,000	750,000	-	-	1,650,000
TEMP227	5	Metro Central- Replace Oil/Water Separator	-	-	-	50,000	-	-	50,000
TEMP178	6	Metro South- Repair Commercial Tip Floor	-	-	197,900	-	-	-	197,900
TEMP155	7	Metro Central- HHW Replace Ventilation System	-	-	-	100,000	-	-	100,000
TEMP157	8	Metro South- Replace Dust Suppression System	-	-	-	50,000	-	-	50,000
TEMP156	9	Metro South- Replace Ventilation System Components	-	-	-	100,000	-	-	100,000
TEMP152	10	Metro Central- Truckwash	-	-	-	30,000	150,000	-	180,000
TEMP208	11	Metro Central- Compactor Replacement	-	-	-	150,000	750,000	750,000	1,650,000
		Total - Solid Waste Renewal and Replacement Account	**601,866**	**1,164,000**	**947,900**	**1,230,000**	**900,000**	**750,000**	**5,593,766**
		Total - Solid Waste and Recycling	**1,633,125**	**2,909,000**	**2,634,700**	**2,823,000**	**2,411,000**	**2,265,000**	**14,675,825**

Total FY 2006-07 through FY 2010-11 **13,042,700**

Total Number of Projects **29**

Solid Waste and Recycling Department

The Solid Waste & Recycling Department (SW&R) is responsible for regional solid waste management. The primary goals of the department are:

- Reduce the toxicity and amount of solid waste generated and disposed.
- Develop an efficient, economical, and environmentally sound solid waste disposal system.

In carrying out these responsibilities, the department operates Metro's two transfer stations and two hazardous waste facilities, maintains two closed landfills, arranges for disposal at landfills and other facilities, develops and administers a solid waste management plan for the region as part of Metro's planning responsibilities, and promotes waste reduction and recycling activities.

The projects included in the plan are shown in the summary table on the preceding page. These projects are grouped into the three restricted accounts available within the Solid Waste Revenue Fund to finance capital projects: General Account Capital Reserve, Renewal and Replacement Account, and St. Johns Landfill Closure Account.

Overview of Projects

General Account

The projects to be financed through the General Account Capital Reserve 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 early in FY 2001–02. This plan is due to be updated in FY 2006–07. 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

General Account Major Changes from Prior Fiscal Year's Capital Budget

Modifications to Hazardous Waste Facility were completed during FY 2005–06. The Metro South, Latex Building/Public Area Lunch Room project was canceled as unneeded. The Metro South Install Sidewalk on Washington Street project was erroneously listed under Renewal and Replacement last year and is moved to the General Account.

The timing of several projects that were in the prior year's Capital Budget, have been adjusted in this Capital Budget. Four projects have been moved out:

- Metro Central – Woodroom Improvements FY 2005–06 to FY 2007–08
- Metro South – Install High Capacity Baler FY 2005-06 to FY 2007–08
- Metro South – Sidewalk on Washington St FY 2005-06 to FY 2006–07
- Metro South – Install Compactor for Public FY 2007-08 to FY 2009–10

Several other small timing changes were made. These timing changes are the result of staging projects differently and current year project delays pushing projects out to later dates.

Renewal and Replacement Account

The projects financed through the Renewal and Replacement Account are replacements of equipment and rehabilitation of facilities needed to realize the optimal lifespan of capital components. Under bond covenants, Metro is required to maintain adequate reserves to finance capital asset replacements. Every three years, the department 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 April 2005 and this capital budget reflects the findings of that study. The bonds are paid off in FY 2009–10. Prior to the pay-off of the bonds that require this account, the department will re-evaluate its renewal and replacement policies and procedures.

Renewal and Replacement Major Changes from Prior Fiscal Year's Capital Budget

Renewal and replacement has one new project at Metro Central to replace oil/water separator that is expected to reach its useful life in FY 2007–08. The Metro Central compactor replacement project increased $750,000, as an additional compactor replacement is scheduled in FY 2010–11. The installation of the sidewalk on Washington Street is delayed one year and moved to the General Account. The replacement of Compactor #2 Feed Conveyer at Metro Central is canceled as unneeded upon inspection by a design firm.

Landfill Closure

The St. Johns Landfill Account is restricted to financing capital projects needed to close the St. Johns Landfill. The projects in the capital budget represent a series of improvements that are needed to minimize erosion damage, restore native vegetation, provide wastewater pre-treatment, repair the cover and dike systems, and provide adequate facilities for staff.

There are no new projects in the Landfill Closure capital budget. The Leachate Pretreatment project is now complete. There has been some minor rescheduling amongst the remaining six Landfill Closure accounts.

Project Funding

The financing for Solid Waste projects is derived from a combination of tip fee contributions and capital reserves. Current projects show that a combination of fund balance and rate support is available to finance all the department's capital projects.

Operational Impact

Many of these projects have operational impact, however those impacts are not absorbed by Metro but rather by the contracted operator of the facilities. The only operational impacts to Metro are generally renewal and replacement issues. Most of the changes made are to increase recovery so financial impact is not the only consideration. At the time the operating contracts are renegotiated, competitive bids are made to Metro based on the expected cost to operate the facilities so cost savings can come at this time. The Solid Waste and Recycling Department consistently completes feasibility studies prior to design and construction of any project.

Major Funding Source Detail– Solid Waste and Recycling

Category	Prior Years	FY2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	Total
Fund Balance- Capital Reserve	288,000	1,200,000	936,000	825,000	990,000	1,000,000	5,239,000
Fund Balance- Landfill Closure	713,256	545,000	750,800	768,000	521,000	515,000	3,813,056
Fund Balance- Renewal and Replacement	601,866	1,164,000	947,900	1,230,000	900,000	750,000	5,593,766
Grants	30,000	-	-	-	-	-	30,000
Total - Solid Waste and Recycling	**1,633,122**	**2,909,000**	**2,634,700**	**2,823,000**	**2,411,000**	**2,265,000**	**14,675,822**

Cumulative Net Impact on Operating Costs– Solid Waste and Recycling

Annual Net Impact on Operating Costs	FY 2007-08	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Renewal and Replacement	-	4,000	5,000	13,000	59,000
Total Expenditures	**-**	**4,000**	**5,000**	**13,000**	**59,000**
Net Contribution (Cost) Solid Waste and Recycling	**-**	**(4,000)**	**(5,000)**	**(13,000)**	**(59,000)**

5-Year Financial Forecast
Solid Waste and Recycling– RevenueFund

Solid Waste and Recycling	Adopted			Projected			
Revenue Fund	FY 2005-06	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Estimated Beginning Fund Balance	***32,177,307***	***36,783,681***	***37,603,884***	***34,442,921***	***33,373,954***	***29,678,080***	***26,433,690***
Projected Current Revenues	53,307,548	54,608,262	56,634,413	55,080,645	55,317,789	57,365,778	59,790,598
Less Operating Expenditures	(53,392,126)	(52,179,059)	(56,886,376)	(53,514,912)	(56,190,663)	(58,199,168)	(58,051,058)
Ending Fund Balance *Prior* to CIP	**32,092,729**	**39,212,884**	**37,351,921**	**36,008,654**	**32,501,080**	**28,844,690**	**28,173,230**
Proposed Capitol Projects	(2,892,000)	(1,609,000)	(2,909,000)	(2,634,700)	(2,823,000)	(2,411,000)	(2,265,000)
Ending Fund Balance *After* CIP	**29,200,729**	**37,603,884**	**34,442,921**	**33,373,954**	**29,678,080**	**26,433,690**	**25,908,230**
Ending Fund Balance Breakdown							
Debt Service Reserve	3,615,918	3,615,918	3,674,968	4,713,418	2,349,000	-	-
Renewal and Replacement Reserve	4,407,887	6,300,604	5,963,827	5,832,972	5,413,792	5,307,558	5,851,289
Capital Reserve	1,833,362	2,400,000	2,136,000	1,625,000	1,725,000	1,996,074	1,200,000
Rate Stabilization	5,547,096	10,647,623	10,472,207	9,453,716	8,928,712	8,132,641	8,132,641
Working Capital	6,009,668	5,759,668	5,759,668	5,759,668	5,759,668	5,759,668	5,759,668
Metro Central Reserves	1,210,865	1,210,865	-	-	-	-	-
Business Assistance Account	450,000	700,000	-	-	-	-	-
Landfill Closure	6,125,933	6,969,206	6,436,251	5,989,180	5,501,908	5,237,749	4,964,632
Remaining Fund Balance	-	-	-	-	-	-	-

NOTE: These forecasts are used for determining funding capacity of requested capitol improvement projects only.

Unfunded Projects

Projects included on these lists are those projects which were deemed worthy of future consideration but were not included in the Five-Year Capital Budget 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, departments may request their inclusion.

Key To Unfunded Lists

Project Title – Name given to project by the department.

Type – Indicates whether project is a “New” capital asset, or an “Expansion” or “Replacement” of an existing asset.

Prepared By – Department staff person preparing report.

Department Priority – Indicates whether the project is a “High,” “Medium,” or “Low” priority relative to other projects.

Estimated Project Cost – Preliminary estimate of capital costs for the project expressed in 2004 dollars. A blank field here means the cost is unknown.

List of Unfunded Projects

Project ID	Project Title	Type	Prepared By	Department Priority	Estimated Cost
Finance					
TEMP131	Zoo Network Equipment Replacement	New	David Biederman	High	$120,000
TEMP129	Zoo Network Infrastructure Upgrade	Expansion	David Biederman	High	$233,000
TEMP126	Connect PeopleSoft Accounts Payable and TRIM	New	David Biederman	Medium	$100,000
TEMP130	Eagle Salmon Infrastructure	New	David Biederman	Medium	$116,000
TEMP151	Signs on Metro Regional Center	New	Brian Phillips	Medium	$65,000
TEMP127	Webcasting of Public Meetings (primarily Metro Council)	New	David Biederman	Medium	$100,000
TEMP132	Zoo food cart network integration for central cash management	New	David Biederman	Medium	$100,000
TEMP51	Air Rights (Housing) Project over Metro Parking Garage	New	Brian Phillips	Low	$25,000,000
TEM133	Zoo Point of Sales System	Expansion	David Biederman	Low	$200,000
	Finance Department Total				$26,034,000
Oregon Zoo					
TEMP19	Asphalt Roads Path Repair and Replacement	Replacement	Sarah Chisholm	High	$200,000
TEMP86	BearWalk Café Restroom Upgrades	Replacement	Sarah Chisholm	Medium	$50,000
TEMP11	Elephant Walls/Structural Upgrades	Replacement	Sarah Chisholm	Medium	$100,000
Z004	Insect Zoo	Replacement	Sarah Chisholm	Medium	$125,000
TEMP121	AfriCafe Terrace Permanent Cover	New	Sarah Chisholm	Low	$100,000
TEMP123	Cascade Grill and Sunset Room Remodel	New	Sarah Chisholm	Low	$100,000
TEMP120	Elephant Museum renovation	New	Sarah Chisholm	Low	$100,000
TEMP92	Elevator Replacements	Replacement	Sarah Chisholm		$90,000
TEMP18	Masai Hut and Pygmy Goat Barn	Replacement	Sarah Chisholm	Low	$70,000
ZOO6	Musk Ox Fencing	Replacement	Sarah Chisholm	Low	$83,500
TEMP10	Wolf Yard Renovations	Replacement	Sarah Chisholm	Low	$75,000
	Oregon Zoo Total				$1,093,500
Regional Parks and Greenspaces					
TEMP66	Blue Lake Park Improvements Phase 1	New	Heather Nelson Kent	High	$8,900,000
TEMP67	Blue Lake Park Improvements Phase 2	New	Heather Nelson Kent	Medium	$3,000,000
71772	Oxbow Park - Diack Environmental Education Center	New	Heather Nelson Kent	Medium	$1,767,645
54030	Howell Territorial Park - Phase I and II Improvements	Expansion	Heather Nelson Kent	Low	$1,075,000
70270	Howell Territorial Park - Wildlife Interpretive Trail	New	Heather Nelson Kent	Low	$172,000
TEMP68	Oxbow Park Capital Improvements	Expansion	Heather Nelson Kent	Low	$3,400,000
	Regional Parks and Greenspaces Total				$18,314,645

Current Projects Status Reports

The *Current Projects Status Report* is used to report on the progress toward completion of existing projects and to assist with preparing the Capital Budget. Included are previously approved projects that were expected to be completed by the end of FY 2005–06. Status reports are grouped by department.

Key to Status Reports

Project Title. Title by which the project was referenced in the last budget.

FY 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: *Completed*, *Incomplete*, *Canceled*.

Completion Date. The actual completion date for projects designated as *Completed*, or the expected completion date for projects designated as *Incomplete*. The date listed for canceled projects is the original date projected for completion.

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. If blank, unchanged.

Expenditures. The total funds expended for the project as of June 30, 2005.

Current Project Status

Project ID	Project Title	FY First Authorized	Project Status	Completion Date	Original Cost Estimate	Revised Cost Estimate	Actual Expenditures
Finance							
56131	Satellite copier replacement	2004-05	Complete	Ongoing	-		32,170
56137	Upgrade Desktop Operating Systems and Office Software	1998-99	Canceled	6/30/2006	190,000	-	-
65110	Copier Replacement	2005-06	Incomplete	6/30/2006	135,000		
Regional Parks and Greenspaces							
70162	Water Play Area - Blue Lake Park	2004-05	Complete	6/30/2006	140,000	-	190,000
70225	Blue Lake Water System Upgrade - Phase I	2004-05	Complete	6/30/2006	90,000	-	90,000
71822	Salmon Habitat Improvement - Smith & Bybee Lakes	2004-05	Complete	6/30/2006	68,000	-	68,000
Solid Waste and Recycling							
76928	Metro South- Latex Building/Public Area Lunch Room Conversion	2002-03	Canceled	6/30/2006	50,000	-	67
76947	Metro C/S - Modifications to Haz Waste Facility	1997/98	Complete	11/21/2005	230,000	467,000	66,441
76962	Metro Central - Replace Compactor #2 Feed Conveyor	1998-99	Canceled	6/30/2006	385,000	-	17,311
76987	St. John's - Leachate Pretreatment	2001-02	Complete	1/30/2006	1,250,000	524,074	295,150

Five-Year Capital Budget Supporting Information

Capital Asset Management Policies

During the Council's FY 2000–01 budget review process, concern was raised about the lack of comprehensive agency asset management policies. In response to this concern, the Presiding Officer established a Systems Performance Task Force to review the differing departmental approaches to capital asset management and make recommendations to the Council. The major finding of the task force was a need to have capital management polices 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 improvement plan and the budget that will give the Council a clearer picture of the total capital needs of the agency

On October 18, 2001 via Resolution No. 01-3113, Council approved the Metro Capital Asset Management Policies as follows. During FY 2002–03, operating procedures are being developed by a joint effort of Agency finance and facility staff to ensure consistent application of these policies.

Capital Asset Management Policies

The following policies establish the framework for Metro's overall capital asset 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 & Replacement Reserve account for each operating fund responsible for major capital assets.

   Ensuring that the public receives the maximum benefit for their investments in major facilities and equipment requires an ongoing financial commitment. A Renewal & 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 $50,000 and having a useful (depreciable life) of five years or more. Also included are major maintenance projects of $50,000 or more that have a useful life of at least five years.

   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 & 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 & Replacement Reserve account should be evaluated and adjusted to reflect the greater of the average renewal & replacement project needs over the coming five years or 2% 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 & 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 & 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: Beginning with fiscal year 2005-06, the Capital Improvement Plan (CIP) is referred to as the Five-Year Capital Budget.

Executive Order No. 82 and Project Manual

EXECUTIVE ORDER No. 82

EFFECTIVE DATE: November 12, 2002

SUBJECT: PROJECT MANAGEMENT

PURPOSE

Metro has an excellent record of completing major capital projects on time, within budget, and meeting or exceeding the public's expectations. This Executive Order is intended to build on that record of success.

The Project Management Executive Order describes the high-level requirements for planning, communicating, managing, and evaluating capital projects. It does not describe the operational-level requirements for successfully completing a project.

The Order's requirements are generic and will need to be the separately published Project Management Manual. The Manual is dynamic and should be revised and clarified based on experience.

SCOPE

The Order and the Manual establish mandatory requirements for capital projects as defined by the Metro Capital Improvement Plan Manual[1]:

> "A capital project is any physical asset acquired, constructed or financed by Metro with a total capital cost of $50,000 or more and a useful life of at least 5 years."

From time to time, the Chief Operating Officer or Department Director may require that the Manual's methodology be used for selected complex or high-interest non-capital projects. The Manual should be considered a useful source of information for anyone involved in a major project.

PROJECT CATEGORIES

For planning and management purposes, capital projects are classified according to their significance.

1. Major projects**—** Major projects have high visibility, significant risks, or have a total cost of $1 million and greater.
2. Minor Projects**—** Minor projects are all other capital projects. Sometimes a group of *related* minor projects have an aggregate cost exceeding $1 million and should be managed together as major project.
3. Non-capital Projects**—** As the Project Management Manual is refined through experience, the Chief Operating Officer may require the Manual's planning methodology be used for selected non-capital projects.

PLANNING REQUIREMENTS

1. *Strategic Analysis*

A Strategic Analysis is required for *all* capital projects.

The department proposing a capital project shall submit a Strategic Analysis to the Financial Planning Division when it submits its initial request to include a project in Metro's Capital Improvement Plan (CIP)[2]. A Strategic Analysis contains the elements described in the Capital Project Management Manual.

The Council approves the project for planning purposes when it adopts the CIP. The approval allows the department to request expenditure authority, usually through the annual budget process, for planning, analysis, and preliminary engineering.

[1] *Metro Capital Improvement Plan Manual* (July, 2002). If the definition of a capital project is changed in subsequent versions of the Capital Improvement Plan Manual, the new definition will govern the applicability of these capital project management requirements.

[2] Refer to the current version of the annual *Metro Capital Improvement Plan Manual* for instructions on the CIP* process.

2. *Conceptual Project Management Plan*

A Conceptual Project Management Plan is required for *major* capital projects. It should be submitted via the Chief Financial Officer and Metro Attorney to the Chief Operating Officer for approval according to the schedule in the Strategic Analysis. The larger and more complex the project, the earlier it should be submitted. In any case it must precede substantial commitments to the capital phases of the project. For example, the Plan should be approved before soliciting a construction contract, acquiring real property, or issuing debt financing. In no case should it be submitted later than the department's first annual budget request for the capital phase of the project.

A Conceptual Project Management Plan builds on the Strategic Analysis. It contains all of the major elements of an Implementation Workplan but with less detail. The usual elements are described in the Capital Project Management Manual.

3. *Implementation Workplan*

An Implementation Workplan is required for *all* capital projects. For major projects, it should be submitted with the department's first annual budget request for the capital phases of the project. For minor projects the Workplan should be submitted and approved by the department director one to six months before beginning construction. The larger or more complex the project, the earlier the Implementation Workplan should be submitted. The complexity and detail in the Workplan should be commensurate with the cost, complexity, and risk of the project.

An Implementation Workplan builds on the Strategic Analysis and the Conceptual Project Management Plan, if one was required. The usual elements are described in the Capital Project Management Manual.

TRAINING AND EVALUATION

Project management is a trainable skill that uses well-accepted and tested techniques, processes, and tools. It is different from the skill required to manage on-going operations. Metro has an obligation to train and learn from a cadre of skilled and experienced project managers.

The Chief Operating Officer shall appoint a Project Management Training Team with responsibilities that include:

- Identification of project manager qualifications
- Development of a project manager training program
- Establishment of project managers forum where Metro project managers can assist and learn from each other.

ORDERED by the Executive Officer this 12th day of November, 2002.

Mike Burton
Executive Officer

* Note: Beginning with fiscal year 2005-06, the Capital Improvement Plan (CIP) is referred to as the Five-Year Capital Budget.

Capital Project Management Manual

November 8, 2002
(updated October 2004)

I. OVERVIEW

Purpose. Metro has an excellent record of completing major capital projects on time, within budget, and meeting or exceeding the public's expectations. The Executive Officer has published the Capital Project Management Manual and tools to build on that record of success.

The Project Management Manual describes the high-level requirements for planning, communicating, managing, and evaluating capital projects. It does not describe the operational-level requirements for successfully completing a project.

The Manual's requirements are generic and will need to be adapted to accommodate the unique characteristics of particular projects. The Manual is dynamic and should be revised and clarified based on experience. That said, the Manual's requirements are not optional. They must be used as the basic template to plan and manage capital projects.

Applicability. The Manual's requirements are mandatory for capital projects as defined by the Metro Capital Improvement Plan Manual:

> "A capital project is any physical asset acquired, constructed, or financed by Metro with a total capital cost of $50,000 or more and a useful life of at least 5 years."

From time to time, the Chief Operating Officer or Department Director may require that the Manual's methodology be used for selected complex or high-interest non-capital projects. The Manual should be considered a useful source of information for anyone involved in a major project.

Project Categories. For planning and management purposes, capital projects are classified according to their significance.

1. Major projects. Major projects have high-visibility, significant risks, or have a total cost of $1 million and greater.
2. Minor projects. Minor projects are all other capital projects. Sometimes a group of *related* minor projects have an aggregate cost exceeding $1 million and should be managed together as a major project.

II. PLANNING REQUIREMENTS

1. *Strategic Analysis*

A Strategic Analysis is required for *all* capital projects.

The department proposing a capital project shall submit a Strategic Analysis to the Financial Planning Division when it submits its initial request to include a project in Metro's Capital Improvement Plan (CIP). A Strategic Analysis contains the following elements:

a. Purpose. Succinctly state the project's purpose. What need does it fulfill; what mandate or policy does it satisfy? The purpose should normally be stated in one or two simple declarative sentences.

b. Scope and schedule. List the major phases and deliverables including a discussion of siting options and issues if relevant. Describe the proposed scheduled for phase and deliverable. For major projects ($1 million or greater), indicate when the Conceptual Project Management Plan (see following section) will be submitted to the Chief Operating Officer for approval.

c. Management. Describe in general terms the organization, roles, and responsibilities of the management team.

d. Stakeholders. Identify the stakeholders and their interests in the project. If their positions are known, do they support or oppose the project? Describe their issues.

e. Risks. Identify the major risks, if any, of not undertaking the project. Describe generally how the risks will be managed or mitigated.

f. Cost. How much will the project cost? Describe the budget and financing. Include an estimate of future operational and maintenance costs in accordance with the same general methodology as Metro's Capital Asset Management policies.

g. Environmental sustainability. Describe opportunities, costs, and benefits for the project to support and promote environmental stewardship.

h. Regulatory requirements. List the major regulatory requirements for the project (e.g., land use and environmental approvals).

The Council approves the project for planning purposes when it adopts the CIP. The approval allows the department to request expenditure authority, usually through the annual budget process, for planning, analysis, and preliminary engineering.

2. *Conceptual Project Management Plan*

A Conceptual Project Management Plan is required for *major* capital projects. It should be submitted via the Chief Financial Officer and Metro Attorney to the Chief Operating Officer for approval according to the schedule in the Strategic Analysis. The larger and more complex the project, the earlier it should be submitted. In any case, it must precede substantial commitments to the capital phases of the project. For example, the Plan should be approved before soliciting a construction contract, acquiring real property, or issuing debt financing. In no case should it be submitted later than the department's first annual budget request for the capital phase of the project.

A Conceptual Project Management Plan builds on the Strategic Analysis. It contains all of the major elements of an Implementation Workplan but with less detail. The usual elements are:

a. Purpose. Restate the purpose statement from the Strategic Analysis. If the project purpose has changed, explain how and why.

b. Scope and schedule. Describe the project phases and deliverables and the schedule for each. Identify the critical paths. Include a conceptual architectural design.

c. Siting. If siting is a relevant factor, describe the siting options and process for selection.

d. Contract approach. Describe the project's contracting methodology (e.g., design/bid, bid/build, or construction manager/general contractor [CMGC]). How will contractors be selected (RFQ, RFB, RFP)?

e. Management and decision making. Describe the organization, roles, responsibilities, and qualifications of the management team. Who has authority to make and approve decisions during the project, including changes? What resources will the management team need to successfully complete the project? Consider training and technology needs.

f. Stakeholders. Identify the stakeholders and their interests in the project. If their positions are known, do they support or oppose the project? What is the plan to build stakeholder support?

g. Cost. How much will the project cost? Describe the budget and financing. Include an estimate of future operational and maintenance costs in accordance with the same general methodology as Metro's Capital Asset Management policies. Costs include hard and soft costs, art, internal Metro labor and overhead, consulting, communications, insurance, financing, environmental sustainability, furnishings, etc. Include a reasonable contingency, normally at least 10 percent of the total project cost. The cost estimate must be validated by independent review.

h. Financing. In collaboration with the Financial Planning Division, describe the financing plan. Estimate payments and cash flow during the project.

i. Financial management and reporting. In collaboration with the Accounting Division, describe generally how finances will be managed, tracked, and reported.

j. Risk management and safety. Identify the major risks to the project, including environmental risks. Describe generally how the risks will be managed, mitigated, and insured. Describe generally the safety plan.

k. Quality management. Describe generally how the quality of the project will be assured. Include a plan to solicit quality criteria (performance standards) from interested stakeholders. When selected, the criteria need to be stated in concrete and measurable terms (e.g., time, cost, specifications, performance, etc.). For projects over $10 million, identify, at least by qualifications, the members of an independent project oversight committee.

l. Environmental sustainability. Describe opportunities, costs, and benefits for the project to support and promote environmental stewardship. Consider LEED certification standards.

m. Regulatory requirements. Describe generally the plan and schedule to obtain the necessary major regulatory approvals required for the project (e.g., land use and environmental approvals).

n. Workforce diversity. Describe generally the plan to encourage workforce diversity including subcontractors.

o. Communications. Describe generally the plan to communicate with stakeholders including, as appropriate, the Metro Council, Chief Operating Officer, Department Director, regulatory agencies, contributors, the public, contractors, and the workforce. Include milestone celebrations.

p. Art. Describe generally the plan to comply with legal requirements to include art in the project.

3. *Implementation Workplan*

An Implementation Workplan is required for *all* capital projects. For major projects, it should be submitted with the department's first annual budget request for the capital phases of the project. For minor projects the Workplan should be submitted and approved by the department director one to six months before beginning construction. The larger or more complex the project, the earlier the Implementation Workplan should be submitted. The complexity and detail in the Workplan should be commensurate with the cost, complexity, and risk of the project.

An Implementation Workplan builds on the Strategic Analysis and the Conceptual Project Management Plan, if one was required. The usual elements are:

a. Purpose. Restate the purpose statement from the Strategic Analysis. If the project purpose has changed, explain how and why.

b. Scope and schedule. Describe in detail the project phases and deliverables and the schedule for each. Identify the critical paths.

c. Siting. If siting is a relevant factor, describe the siting options and process for selection including public input.

d. Contracts. Describe the nature and status of the project's major contracts. Identify the major contractors (e.g., architect, general contractor, etc.) if they have been selected.

e. Management. Identify by name the members of the project team. Describe the team's organization, roles, responsibilities, and authority. Who has authority to approve and accept what aspects of the project, including changes? Does the team have the resources and support it needs to deliver the project on time and within budget?

f. Stakeholders. Identify the stakeholders and their interests in the project. What is the plan to build and maintain stakeholder support?

g. Cost. How much will the project cost? Describe the budget and financing. Include an estimate of future operational and maintenance costs in accordance with the same general methodology as Metro's Capital Asset Management policies. Costs include hard and soft costs, art, internal Metro labor and overhead, consulting, communications, insurance, financing, environmental sustainability, furnishings, etc. Include a reasonable contingency, normally at least 10 percent of the total project cost. Explain any significant changes in estimated costs over time. What are the risks that project costs will increase, and how will those risks be managed?

h. Financing. In collaboration with the Financial Planning Division, describe the financing plan.

i. Financial management and reporting. In collaboration with the Accounting Division, describe the project's financial management and reporting requirements, including invoice approval and processing.

j. Risk management and safety. Identify the major risks to the project, including environmental risks. Describe how the risks will be managed, mitigated, and insured. Include a process to rapidly identify, assess, and manage unanticipated risks and crises. Describe the project safety plan.

k. Quality management. Describe how the quality of the project will be assured. List the project's quality criteria (performance standards). They must be stated in concrete and measurable terms (e.g., time, cost, specifications, performance, etc.). Who will evaluate the project's performance? At what points will evaluation occur? To whom will it be reported? Projects over $10 million require an independent project oversight committee. Identify the members and their charge.

l. Environmental sustainability. Describe the environmental stewardship features of the project. What are the costs and benefits? Will the project qualify for LEED or other green building certification? If not, why not?

m. Regulatory requirements. In collaboration with the Office of the Metro Attorney, describe the status of the major regulatory approvals (e.g., land use and environmental) that are required for the project. Describe the plan and schedule to obtain final approval.

n. Workforce diversity. Describe workforce diversity plan, including subcontractors.

o. Communications. Describe the plan to communicate with stakeholders including, as appropriate, the Metro Council, Chief Operating Officer, Department Director, regulatory agencies, contributors, the public, contractors, and the workforce. Include milestone celebrations. Enlist the support of the Communications Team if necessary.

p. Art. Describe the plan to comply with legal requirements to include art in the project.

q. Evaluation and closeout. Describe generally the plan to evaluate and close out the project.

r. Operations plan. After completion, describe in general terms the operations plan.

Capital Project Management Manual – Appendix 1

ELEMENTS OF PLANS DESCRIBED

1. Scope and schedule
2. Contracts
3. Management
4. Financial management
5. Reporting and documentation
6. Risk management and safety
7. Quality management
8. Environmental sustainability
9. Workforce diversity
10. Communications
11. Art
12. Claims, closeout, and evaluations

Capital Project Management Manual – Appendix 2

TOOL KIT

1. Strategic Analysis Form
2. Conceptual Analysis Form
3. Implementation Analysis Form
4. Monthly Report Form
5. Evaluation Form

Capital Project Management Manual – Appendix 3

TRAINING AND EVALUATION

Project management is a trainable skill that uses well-accepted and tested techniques, processes, and tools. It is different from the skill required to manage on-going operations. Metro has an obligation to train and learn from a cadre of skilled and experienced project managers.

The Chief Operating Officer shall appoint a Project Management Training Team with responsibilities that include:

- Identification of project manager qualifications
- Development of a project manager training program
- Establishment of project managers forum where Metro project managers can assist and learn from each other

Glossary

Five-Year Capital Budget – The Capital Budget is a long-range plan prepared annually to identify the capital projects to be funded over a five-year period. It identifies each planned project, the year in which it will be started or acquired, the amount to be expended on the project each year and the proposed method of financing these expenditures. The Capital Budget is reviewed and approved by the Executive Officer and the Council. Projects approved for the first year of the plan become part of the agency's budget for the ensuing year, where they may be modified. Projects in years two through five of the plan are subject to revision in subsequent Capital Budgets.

Capital Project – A capital project is any physical asset acquired, constructed, or financed by Metro, with a total capital cost of $50,000 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 replacement and renewal projects as well as new acquisitions and construction projects.

Acquisition or construction of a capital project may be staged over several years. All elements of the original project are included in the total project costs even if individual elements do not meet the cost and useful life criteria. For example, the acquisition of a computer system may involve the purchase of individual workstations over several years, each of which cost less than $50,000 each and have a useful life of less than five years. The project cost of the computer system includes the acquisition of all individual workstations originally planned as part of the system.

Capital Budget Document – The official document presenting Metro's five-year capital budget. This document is included in the Budget document and contains information on Metro's capital funding capacity, unfunded capital needs, and a status report on current capital projects. Along with the annual operating budget document, the capital budget document is presented to the Council by the Council President for its consideration and adoption. Appropriations for capital projects continue to be made through the annual budget.

Prior Capital Budget – The capital budget for FY 2005–06 through FY 2009–10 adopted by the Metro Council on June 23, 2005.

Adopting Resolution

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE CAPITAL BUDGET FOR FISCAL YEARS 2006-07 THROUGH 2010-11	)))	RESOLUTION NO. 06-3696A Introduced by David Bragdon, Council President

WHEREAS, Metro recognizes the need to prepare a long-range plan estimating the timing, scale and cost of its major capital projects & equipment purchases;

WHEREAS, Metro departments have inventoried existing major capital assets, prepared status reports on current capital projects and assessed future capital needs;

WHEREAS, Metro's Council President has directed the preparation of a Capital Budget for fiscal years 2006-07 through 2010-11 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;

WHEREAS, the Metro Council has reviewed the FY 2006-07 through FY 2010-11 Capital Budget; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2006-07 through FY 2010-11 Capital Budget; now, therefore

BE IT RESOLVED that the Metro Council hereby authorizes the following:

1. That the FY 2006-07 through FY 2010-11 Capital Budget, included as Exhibit A to this Resolution and summarized on Exhibit B, on file at the Metro offices, is hereby adopted.

2. That the Metro Council President is requested to include the FY 2006-07 capital projects from the FY 2006-07 through FY 2010-11 Capital Budget in the FY 2006-07 budget.

ADOPTED by the Metro Council this 22nd day of June 2006.

David Bragdon, Metro Council President

Approved as to Form:

Daniel B. Cooper, Metro Attorney

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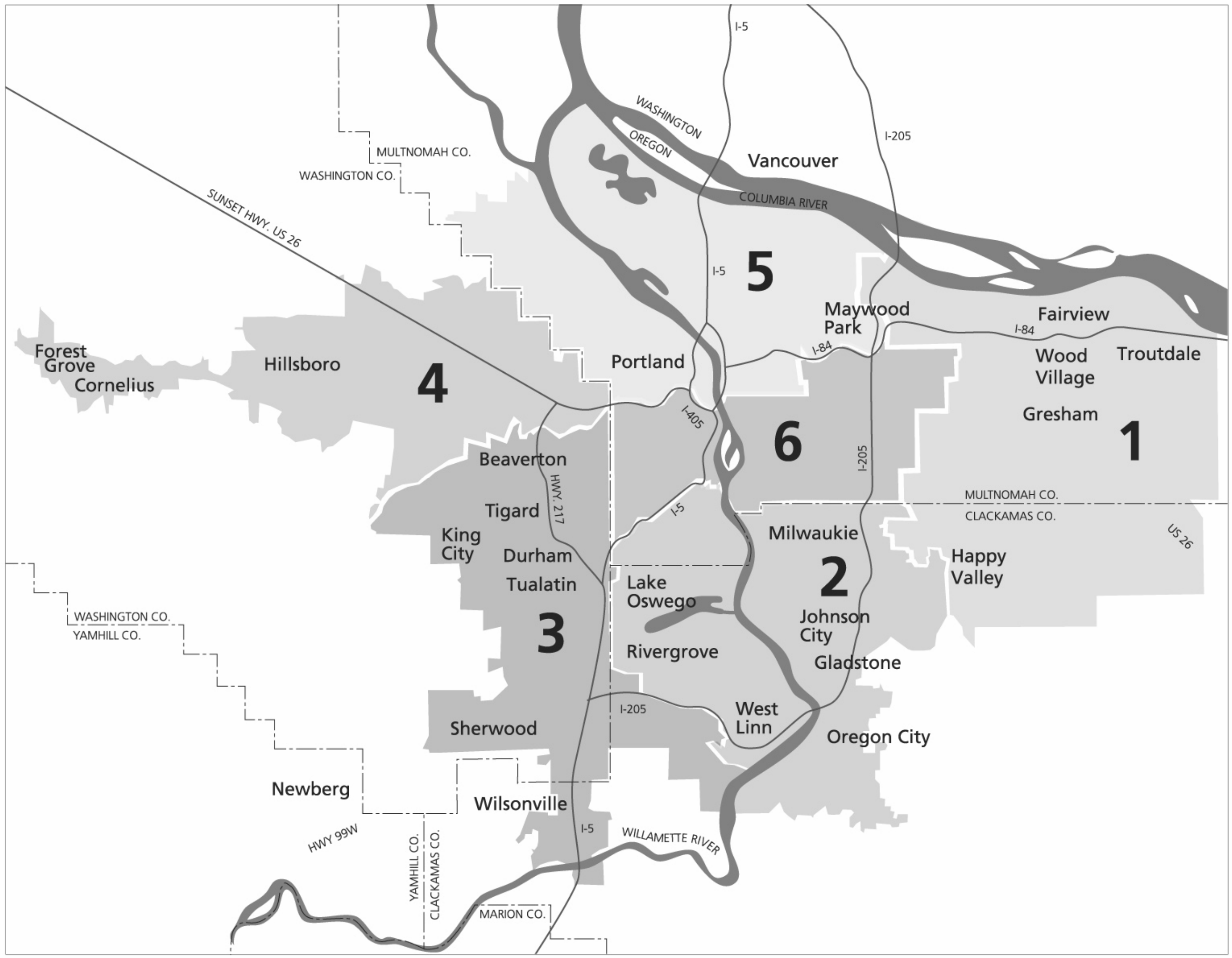
METRO

PEOPLE PLACES
OPEN SPACES

Table of Contents Organizational and Regional Profile

West Coast Vicinity



What is Metro?

Introduction

Metro, the nation's only elected regional government, is responsible for a broad range of services. According to Metro's Charter, approved by voters in 1992 and amended in 2000, Metro has primary responsibility for regional land-use and transportation planning, and is further empowered to address any other issue of metropolitan concern. This grant of authority clearly underscores the Portland metropolitan region's commitment to maintain and enhance the livability of the region.

Metro covers approximately 460 square miles of the urban portions of Clackamas, Multnomah and Washington counties in northwestern Oregon. There are 25 cities in the Metro service area, including Portland, Gresham, Beaverton, Hillsboro, Milwaukie, Lake Oswego and Oregon City.

History

Metro was formed in 1979 when voters approved the merger of the Columbia Region Association of Governments (CRAG) with the Metropolitan Service District (MSD). CRAG was responsible for land-use and transportation planning and MSD provided regional services that included the solid waste management and operation of a metropolitan zoo. The new Metropolitan Service District was governed by an elected Council and an elected Executive Officer. The Metro Council had the combined authority of the two merging agencies and other additional powers.

Over the years additional responsibilities have been assigned to Metro by the State Legislature 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 Metropolitan Exposition Center (Expo Center) in 1994. Ownership of these facilities was officially transferred to Metro on July 1, 1996.

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

Regional Planning Functions

Responsibility for regional planning for Metro has grown over the years. Metro has long had an important coordination role in regional transportation planning. Metro is the federally-designated metropolitan planning organization that is responsible for the allocation of federal transportation funds to projects located in the region. The region's success in attracting federal funding for highway and transit projects is in large part due to Metro's role in building and maintaining regional consensus on projects and ensuring that funding is allocated to high-priority projects.

In connection with the responsibility for transportation planning, Metro has developed a regional data center to forecast transportation and land-use needs. All local jurisdictions now rely on and contribute to this data center. This eliminates duplicative efforts between governments and allows jurisdictions in the region to focus on policy issues.

With the adoption of the nation's first state-wide land-use planning law (Senate Bill 100) in 1973, local governments were required to prepare comprehensive land-use plans. Metro (then CRAG) was the agency responsible for establishing and maintaining an urban growth boundary (UGB) for the Portland region. Through the enforcement of the UGB the region has maintained its unique character and is now a national model for urban growth management planning.

Metro's current role in regional land-use planning and growth management is an outgrowth of its role in establishing the urban growth boundary, transportation planning and data management. Local jurisdictions and the region's voters have recognized the value of a coordinated approach to land-use and livability issues, and have assigned that responsibility to Metro.

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 a Charter for Metro 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 one organized under a home-rule Charter approved by voters.

Metro Milestones

1979

Columbia Region Association of Governments (CRAG) combined 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 (JPACT) 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, Oregon, to replace the St. Johns Landfill and serve the Portland metropolitan region.

Metro issues $28.5 million in solid waste revenue bonds to construct the Metro East Transfer Station (now named Metro Central Transfer Station).

Voters approve tax base for the Metro Washington Park Zoo.

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 an amendment to the Oregon Constitution allowing the creation of a home-rule regional government in the Portland metropolitan region and calling for the creation of a charter committee.

1991

Metro Central Transfer Station opens.

St. Johns Landfill closes as a general purpose landfill.

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 Metropolitan Exposition Center (Expo Center).

Region 2040 concept plan adopted.

1995

New seven-member Metro Council takes office under home rule charter, along with a new Executive Officer and Metro's first elected Auditor.

Voters approve $135.6 million general obligation bond measure to acquire and protect open spaces, parks and streams.

Future Vision adopted.

2040 Growth Concept adopted.

1996

Transfer of ownership of the Multnomah County Parks and Expo Center to Metro.

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.

1997

Expo Hall E is completed at the Expo Center in time to host the traveling exhibition of the Smithsonian's 150th anniversary celebration in April/May 1997.

Through May 31, 1997, acquisition of 2,323 acres of open spaces with the 1995 bond measure proceeds.

Regional Framework Plan adopted, December 1997.

Phase I of Great Northwest Project completed, consisting of new classrooms and Wildlife Garden Way (return loop from Africa Exhibit).

1998

Through May 31, 1998, acquisition of 3,413 acres of open spaces with the 1995 bond measure proceeds.

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

Acquisition totals more than 4,400 acres of open spaces with the 1995 bond measure proceeds.

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, completing Phase III of the Great Northwest Project, and a new attendance record is set at 1.2 million visitors.

2001

The reconstructed Expo Hall D opens. The new hall adds 72,000 feet of modern exhibit space, new meeting rooms, and a full service commercial kitchen to the Expo Center package. Expo Center 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.

Through June 15, 2001, acquisition of 6,933 acres of open spaces with the 1995 bond measure proceeds.

Oregon Zoo achieves record-breaking attendance of over 1.3 million visitors.

2002

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

Opening of new Oregon Convention Center underground parking facility in April 2002.

Acquisition of 7,767 acres of open spaces through May 15, 2002.

2003

On January 6, 2003, a new regionally elected Council President absorbed and/or delegated 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 Metro Council approves advancing light rail projects along the I-205 corridor and from Milwaukie to downtown Portland as the next additions to the region's light rail system.

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.

Acquisition of 7,935 acres of open spaces through June 1, 2003.

The first endangered California Condors arrive at the Oregon Zoo's Condor Creek Conservation Facility.

2004

On May 1, 2004, the 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.

Acquisition of 8,015 acres of Open Spaces with the 1995 bond proceeds through April 1, 2004.

Oregon Zoo opens Eagle Canyon Exhibit in May 2004 and the Trillium Creek Family Farm in July 2004, 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. Metro is drawing from resources throughout the agency to lead this innovative approach to conservation.

Acquisition of 8,131 acres of open spaces through June 1, 2005.

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

Acquisition of 8,173 acres of open spaces through July 1.

Referral of 2006 Natural Areas Bond Measure to the voters in the November 2006 general election.

The 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 setting the overall policy direction for 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 January 6, 2003, the Council and Executive offices were consolidated. Under the new structure, the number of districts and the number of Councilors was 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 the day-to-day management of the organization.

The original Metro charter created the elected position of Metro Auditor. The Metro Auditor is responsible for managing the contract with Metro's independent, outside financial auditor and for conducting performance or 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 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 provides a policy framework for guiding Metro's regional planning program and establishes a process for coordinating local planning in the region to maintain the region's livability.

In December 1995, the Metro Council adopted a 2040 growth concept. The growth concept encourages compact development near existing or future transit centers to reduce land consumption and the need to convert rural land to urban uses. 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—such as Sandy, Canby and North Plains—will grow and that cooperation is necessary to address common issues. On December 11, 1997, the Council adopted the more detailed Regional Framework Plan, which specifies how the region will implement the 2040 growth concept.

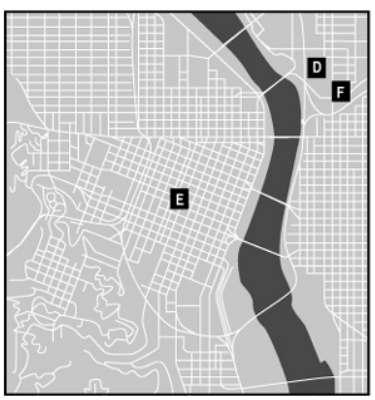
Although the Charter makes regional land-use planning Metro's primary responsibility, it also recognizes the significant role Metro has played and will continue to play in other regional issues such as solid waste disposal, and the operation and development of regional recreation and entertainment facilities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

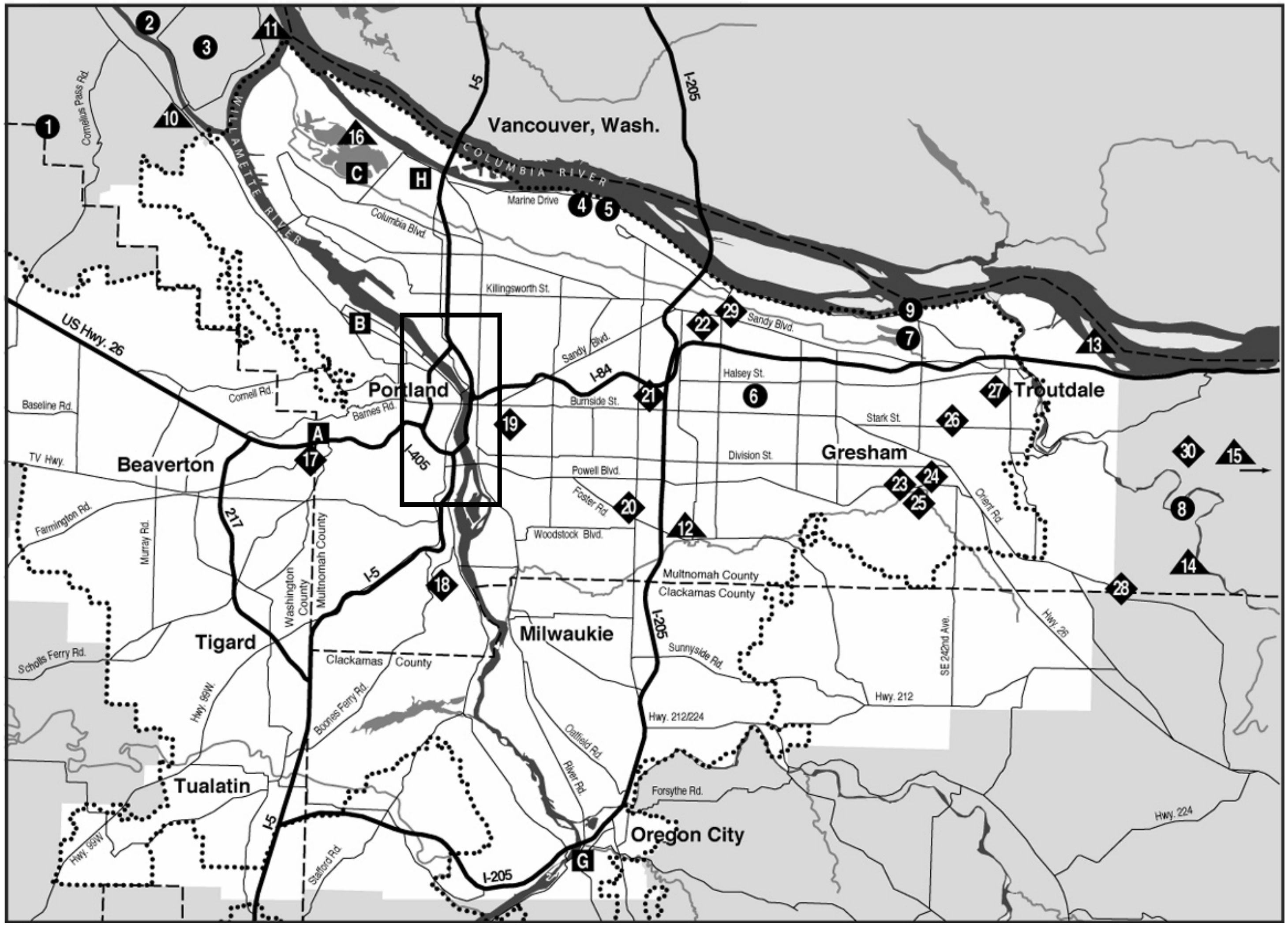
Finally, the Charter recognizes that regional government and regional issues evolve over time. The Charter grants Metro authority to assume responsibility for issues of metropolitan concern. This allows Metro to work with local jurisdictions as needed to develop common solutions to problems that may exceed local boundaries which 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 the 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 authority to the Council to adopt taxes of limited applicability without a vote of the people. A citizens' review committee, called a Tax Study Committee, reviews the adoption of limited taxation. 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 Volume 2 of this budget). Metro's only revenue sources that currently fall under this limitation are the Metro excise tax and the construction excise tax, which totals approximately eight-tenths of the limit. The Charter grants Metro the authority for levying fees and charges for services it provides on an enterprise basis.

Metro Facilities, Natural Areas, and Cemeteries

Area of Inset

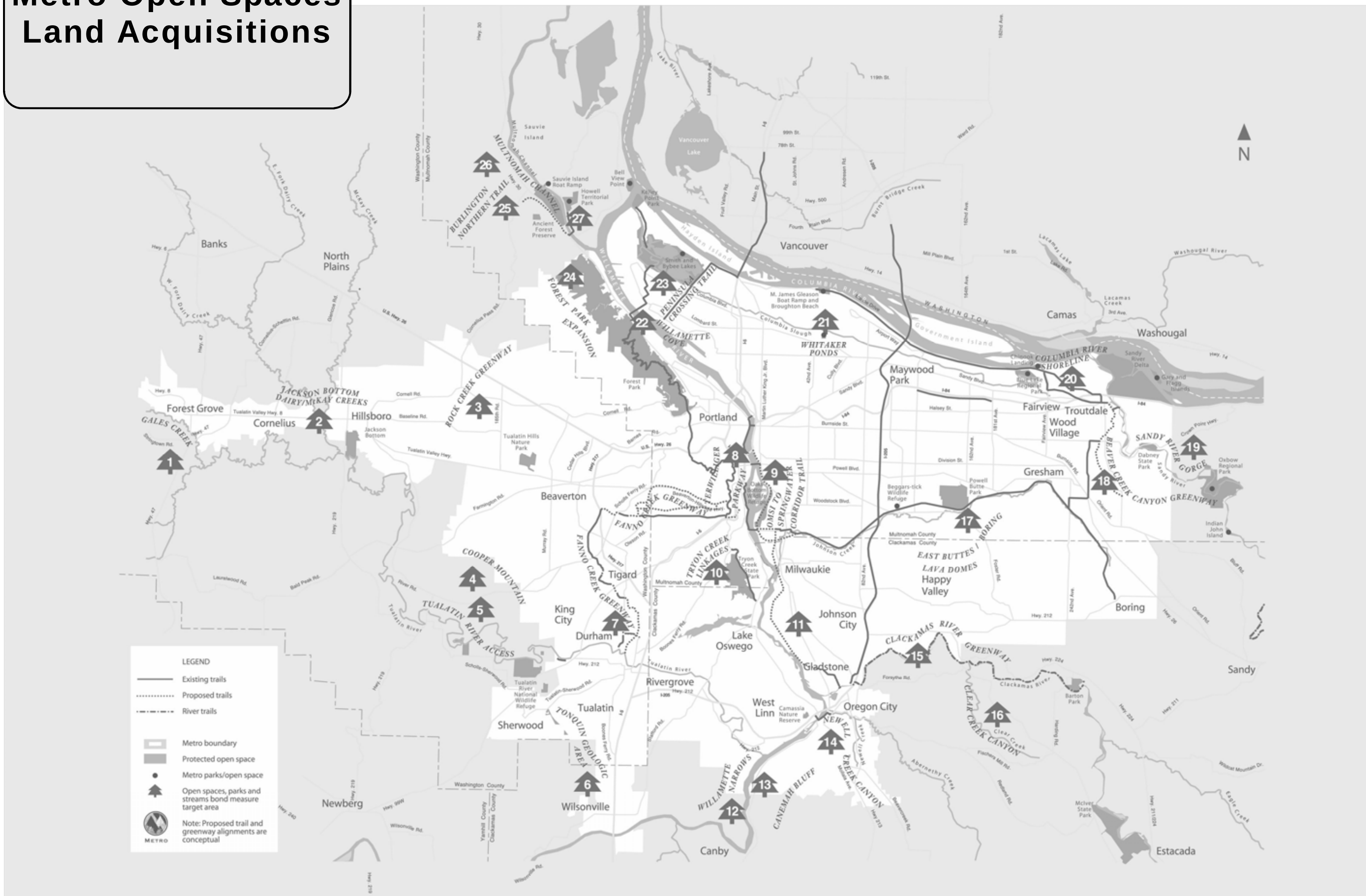




Metro Facilities, Natural Areas, and Cemeteries

■ Metro Facilities	● Regional Parks Facilities	▲ Natural Areas	◆ Cemeteries
A. *Oregon Zoo* 4001 SW Canyon Rd. Portland, OR 97221 B. *Metro Central Transfer Station* 6161 NW 61st Avenue Portland, OR 97210 C. *St. Johns Landfill* 9363 N. Columbia Blvd. Portland, OR 97232 D. *Oregon Convention Center* 777 NE Martin Luther King Jr. Blvd. Portland, OR 97232 E. *Portland Center for the Performing Arts** 1111 SW Broadway Portland, OR 97205 F. *Metro Regional Center* 600 NE Grand Avenue Portland, OR 97232 G. *Metro South Transfer Station* 2001 Washington Street Oregon City, OR 97045 H. *Expo Center* 2060 N. Marine Drive Portland, OR 97217 * Owned by the City of Portland, managed by Metro	1. *Mason Hill* 3 acres 2. *Sauvie Island Boat Ramp* 1 acre 3. *Howell Territorial Park* 101 acres 4. *M. James Gleason Boat Ramp* 6 acres 5. *Broughton Beach* 9 acres 6. *Glendoveer Golf Course and Fitness Trail* 232 acres 7. *Blue Lake Regional Park* 185 acres 8. *Oxbow Regional Park* 1,200 acres 9. *Chinook Landing Marine Park* 67 acres	10. *Multnomah Channel* 11 acres 11. *Bell View Point* 10 acres 12. *Beggar's-tick Wildlife Area* 20 acres 13. *Gary and Flagg Islands* 132 acres 14. *Indian John Island* 64 acres 15. *Larch Mountain Corridor* 185 acres 16. *Smith and Bybee Lakes* 2,000 acres	17. *Jones* 2.5 acres 18. *Grand Army of the Republic* 1 acre 19. *Lone Fir* 30.5 acres 20. *Multnomah Park* 9.3 acres 21. *Brainard* 1.1 acres 22. *Columbia Pioneer* 2.4 acres 23. *White Birch* 0.5 acres 24. *Escobar* 0.5 acres 25. *Gresham Pioneer* 2 acres 26. *Mt. View Stark* 0.8 acres 27. *Douglass* 9.1 acres 28. *Pleasant Home* 2 acres 29. *Powell Grove* 1 acre 30. *Mt. View Corbett* 2 acres

Metro Open Spaces Land Acquisitions



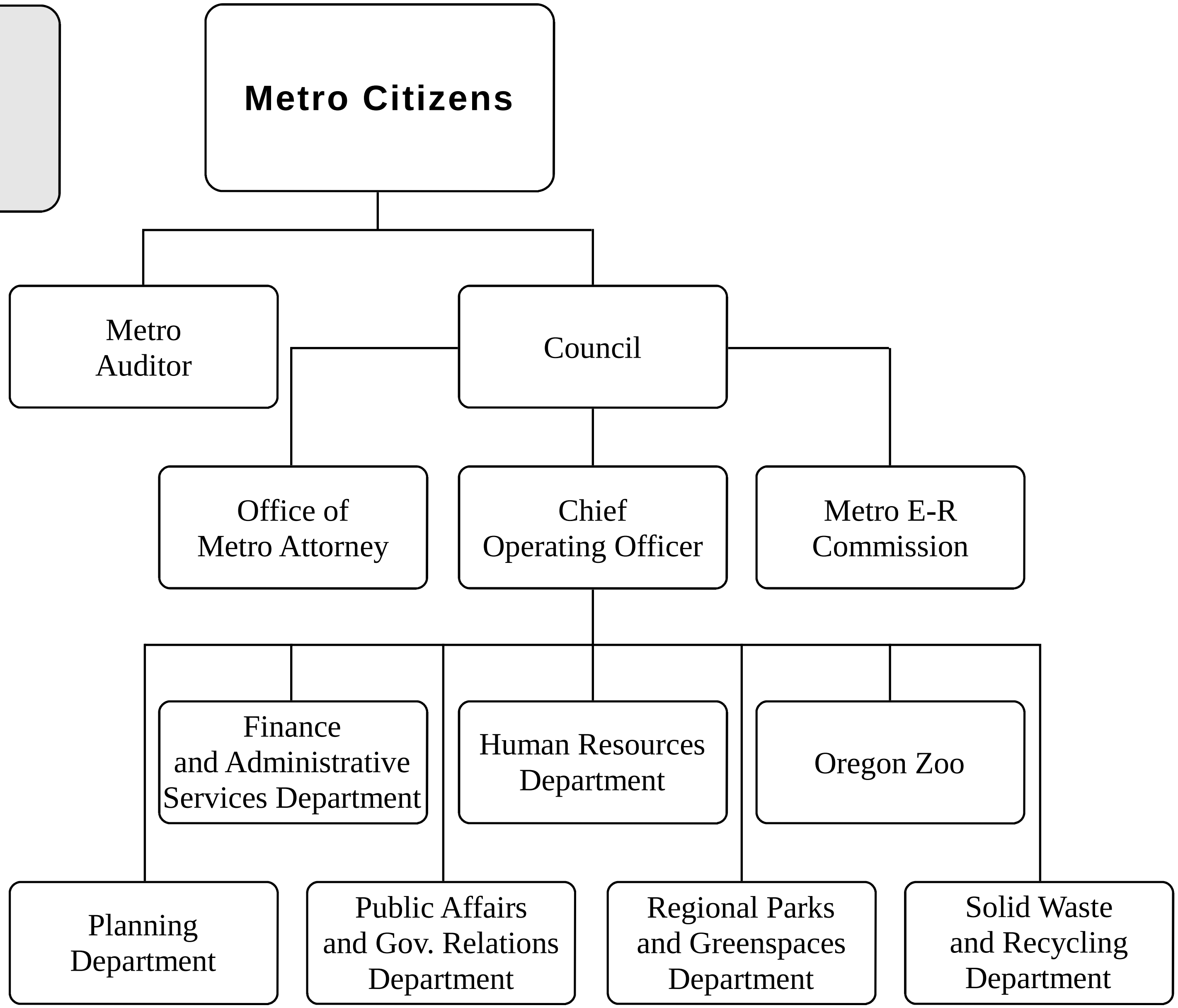
Metro Open Spaces Land Acquisitions

Open spaces acquired as of June 1, 2006

1. Gales Creek .... 648 acres
2. Jackson Bottom/Dairy/McKay Creeks .... 493 acres
3. Rock Creek Greenway .... 117 acres
4. Cooper Mountain .... 256 acres
5. Tualatin River Access .... 398 acres
6. Tonquin Geologic Area .... 487 acres
7. Fanno Creek Greenway .... 39 acres
8. Terwilliger Parkway/Marquam Woods .... 19 acres
9. OMSI to Springwater Corridor Trail .... 53 acres
10. Tryon Creek Linkages .... 58 acres
11. Trolley Trail (Milwaukie to Gladstone) .... 20 acres
12. Willamette Narrows .... 472 acres
13. Canemah Bluff .... 134 acres
14. Newell Creek Canyon .... 280 acres
15. Clackamas River Greenway .... 608 acres
16. Clear Creek Canyon .... 520 acres
17. East Buttes/Boring Lava Domes .... 856 acres
18. Beaver Creek Canyon Greenway .... 110 acres
19. Sandy River Gorge .... 1,082 acres
20. Columbia River Shoreline .... 271 acres
21. Whitaker Ponds .... 5 acres
22. Willamette Cove .... 27 acres
23. Peninsula Crossing Trail .... 1 acre
24. Forest Park Expansion .... 864 acres
25. Burlington Northern Trail .... 2 acres
26. Multnomah Channel .... 326 acres
27. Multnomah County Local Share .... 27 acres

TOTAL .... 8,173 acres

Organization Structure



Organization Structure

Department Structure

Metro's organizational structure includes three offices (Metro Council, Metro Auditor, and Metro Attorney), one commission (Metropolitan Exposition-Recreation Commission), and seven departments (Finance and Administrative Services, Human Resources, Oregon Zoo, Planning, Public Affairs and Government Relations, Regional Parks and Greenspaces, Solid Waste and Recycling).

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, and staff. 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 managing the annual outside financial audit and conducting performance and management audits of agency programs and operations.

Office of Metro Attorney

The Office of Metro Attorney provides legal services to the Council, Chief Operating Officer, Auditor, and Metro departments. This office includes the due diligence portion of the regional Open Spaces Acquisition program.

Metropolitan Exposition-Recreation Commission (MERC)

The Metropolitan Exposition-Recreation Commission was established in 1987 and is the operating arm for Metro's trade and spectator facilities. These facilities include the Oregon Convention Center, the Portland Metropolitan Exposition Center (Expo Center), and the Portland Center for the Performing Arts (PCPA). 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 oversees MERC's operations. The commissioners are appointed by Metro to serve four-year terms. The Metro Council approves the commission's budget.

Finance and Administrative Services Department

The Finance and Administrative Services Department (FAS) provides financial management services for Metro's elected officials, operating departments, employees, and the public. The department includes the Office of the Chief Financial Officer (CFO), Accounting Services, Financial Planning, Information Technology, Purchasing and Contract Services, and Risk Management divisions. The department 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; and provides information technology services for Metro's operations.

Human Resources Department

The Human Resources Department exists to help its customers fulfill business requirements by positioning Metro's work force for the future. The department 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.

Oregon Zoo

The Oregon Zoo celebrated its 100th anniversary in 1987, and is the number-one paid attraction in Oregon. Over one million visitors to the Oregon Zoo each year help support the facility through paid admissions, Zoo memberships, train tickets, gift shop and food service purchases, and donations. Over sixty percent of Zoo revenue is from non-tax sources. The Zoo provides visitors a unique educational and recreational opportunity to experience wildlife in a naturalistic setting by "inspiring our community to create a better future for wildlife." In November 1996, voters approved a $28.8 million bond measure for the Zoo to begin work on the Great Northwest Project. The new entrance and Mountain Goat exhibit opened in September 1998, and the Steller Cove Marine Exhibit opened in July 2000. The final phase of the Cascade Canyon exhibit will open in two phases during FY 2006-07. These new facilities have stimulated record attendance levels the last five years, with FY 2003–04 attendance exceeding 1.3 million visitors; current projections for FY 2006–07 are for 1.33 million visitors.

Planning Department

The mission of the Planning Department is to plan for and seek to implement a model land-use and transportation program to address the needs of the region and to protect its livability, especially in the areas of regional transportation, air and water quality, and land use. Through the Planning Department, Metro manages the regional urban growth boundary, the primary urban growth management tool mandated by state land-use planning laws. The department maintains a Data Resource Center and develops estimates of regional population and employment growth patterns in support of the agency functions and the planning efforts of local governments. The department 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.

Public Affairs and Government Relations Department

The Public Affairs and Government Relations Department supports the development and implementation of the Metro Council's policies through its public involvement, community outreach, and government relations activities. The department, led by the Director of Public Affairs and Government Relations, coordinates Metro-wide communications and government relations plans, working closely with all Metro departments. The department staff also provides support to the Metro Committee for Citizen Involvement (MCCI).

Regional Parks and Greenspaces Department

The Regional Parks and Greenspaces Department was created in January 1994 with the transfer of parks functions from Multnomah County. The department provides both an operational arm and a planning function to protect and care for the public's investment in park land and facilities. The department operates 16 regional parks and natural areas, as well as 14 pioneer cemeteries. Passage of the Open Spaces Program bond measure in 1995 added a significant component to the department's responsibilities. These components include acquisition of land for use as parks, open spaces, and trails, and maintenance or site stabilization of purchased lands. Since the passage of the Open Spaces Program bond measure, over 8,173 acres of open space have been acquired. In FY 2006–07, the department continues to develop four of the acquired sites into regional parks open to the public.

Solid Waste and Recycling Department

The Solid Waste and Recycling Department provides services that reduce and manage the region's solid waste in an effective, economical, and environmentally sound manner. Specifically, the department oversees the operation of two Metro-owned regional solid waste transfer stations; operates two hazardous waste facilities; manages contracts for the transport and disposal of waste brought to the regional transfer stations; develops the Regional Solid Waste Management Plan; franchises and licenses privately owned and operated solid waste disposal sites; manages the now closed St. Johns Landfill; operates the Metro Recycling Information hotline; develops programs to encourage waste prevention, recycling, composting, and natural gardening; and cleans up illegal dump sites.

Metro Advisory Committees

There are two advisory committees required by Metro's charter.

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 the best ways to involve citizens in the regional planning activities.

Elected Officials	**Position**	**Service Began**	**Current Term Expires**
Alexis Dow, CPA	Metro Auditor	Jan. 1995	Jan. 2007
Elected Council Members			
David Bragdon	Council President	Jan. 1999	Jan. 2007
Rod Park	District 1	Jan. 1999	Jan. 2007
Brian Newman	District 2	Jan. 2003	Jan. 2007
Carl Hosticka	District 3	Jan. 2001	Jan. 2009
Susan McLain	District 4	Jan. 1991	Jan. 2007
Rex Burkholder	District 5	Jan. 2001	Jan. 2009
Robert Liberty	District 6	Jan. 2005	Jan. 2009

Economy and Growth

The metropolitan region served by Metro covers 25 incorporated cities and includes the urban portions of three Oregon counties. Metro is at the heart of Oregon's largest population center with nearly 1.4 million residents in the Urban Growth Boundary and over 1.5 million residents in the tri-county vicinity (Multnomah, Clackamas, and Washington counties in Oregon). The metropolitan region provides job opportunities for a workforce of more than 800,000 within the tri-county area. This region supports a range of diversified industries within its borders. A key pillar of the region's economic success has been its investment in transportation infrastructure which serves as a regional hub for domestic and international trade. The region enjoys, by virtue of its location at the confluence of two major river systems, a tremendous competitive advantage in exporting large volumes of freight from inland sources to foreign markets abroad. Imports of goods such as cars and electronic/computer products are important regional trade components. Portland is a key origin and destination point for ocean-going vessels moving freight between the west coast and Asian Pacific Rim trading partners. The recent decision to dredge the Columbia River to a depth of 44 feet will allow post-Panamax container vessels to call on the Port of Portland. Efficiency gains from being able to serve these next generation high volume cargo ships should help boost the Port's standing in world-wide shipping and freight handling competition. The Portland area's strengths have been built around its water—the Columbia River and Willamette River—but it is now diversifying and creating other strengths.

The region has historically enjoyed above average economic and population growth trends. The strong historical growth rates in the region's employment and population have propelled the citizens and leaders of the region to plan for this growth and to provide stewardship of the region's valuable resources. This commitment towards both growth and economic sustainability for regional resources is a key component of the region's economic advantage. It is this advanced planning and creativity which has encouraged the growth in high-technology in the Portland economy. The region's reputation and commitment as a livable place helps set the stage for the region's economic vitality and its ability to attract and maintain strong industries. Metro, as the agency charged with preserving and sustaining the conditions to foster a healthy economy, has as its primary mission the task of preserving the region's quality of life and planning for regional growth. Metro is poised to set an example for other areas of the country by showing how a directly elected regional government can help maintain a healthy economy while preserving the livability its residents cherish.

Regional Population Trends

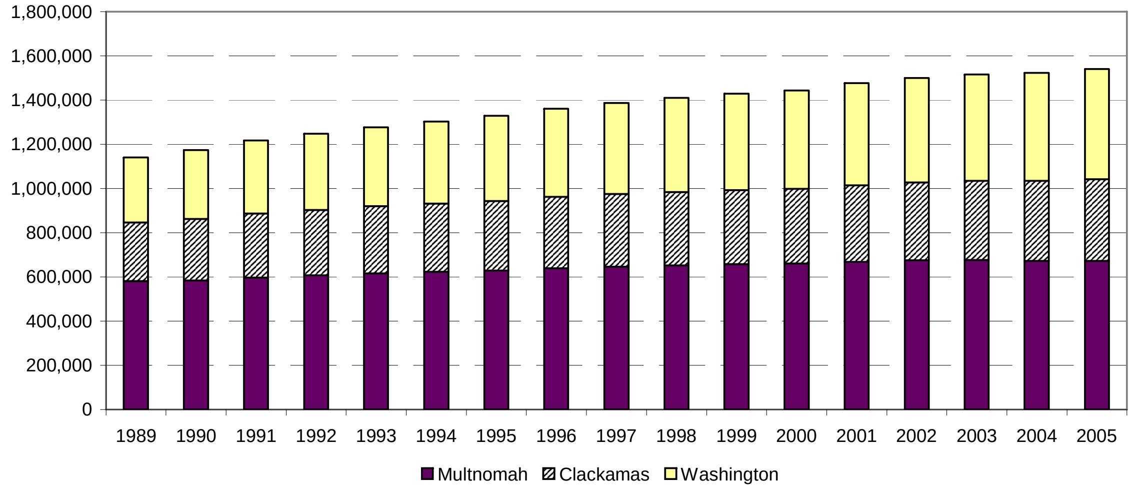
Nearly 1.4 million people live inside today's Metro boundary. This represents 38.2 percent of the population in the State of Oregon. An additional half million residents in southwest Washington state (especially Clark county) and a portion of the upper Willamette Valley are economically intertwined with the metropolitan economy and depend on this region for jobs, financial and business services, as well as many other social services and amenities.

As an indication of the region's economic strength, diversity and vitality, population growth from 1990 to 2004 inside the Metro boundary increased 28.3 percent. This exceedes the growth rate for both the state of Oregon (26.4 percent) and the nation (18 percent) during the same period. Net migration to the Metro region accounted for over two-thirds of the population growth from 1990 to 2004.

The region's growth through the 1990's was primarily attributable to its strong economy and its attractive quality of life. People moved here and stayed here for job opportunities and to enjoy the amenities of urban life while maintaining ready access to the region's diverse natural attractions. It is the quality of life that is one of Metro's core values and is in our mission statement. This is exemplified by many of Metro's transportation investment decisions and its commitment to a regional growth strategy aimed at preserving and enhancing the region's many attributes.

Much has been noted of Metro's urban growth boundary (UGB)—an Invisible line that girds the greater-Portland metropolitan area. This line focuses Metro's urban growth strategy, which is aimed at concentrating regional population and economic growth where public investments and infrastructures presently exists. The UGB attempts to maximize the return on investments made by both public and private concerns.

Population Estimates by County
1989 through 2005



Year	Multnomah County	Clackamas County	Washington County
1989	581,000	265,500	295,000
1990	583,887	278,850	311,554
1991	598,286	288,877	330,646
1992	606,968	296,624	344,283
1993	616,719	303,344	357,789
1994	622,642	309,257	370,423
1995	629,617	314,922	384,335
1996	639,587	322,376	398,289
1997	647,083	328,898	411,112
1998	652,416	332,942	423,985
1999	657,740	335,891	435,602
2000	660,486	338,391	445,342
2001	668,650	345,439	462,630
2002	675,066	352,408	472,139
2003	677,772	357,350	480,118
2004	672,161	363,276	488,253
2005	672,906	368,470	499,794

Source: U.S. Census

As recently as 2004, Metro completed an update to its statutorily required periodic review (similar to a comprehensive plan update required of cities), which included a regional assessment of future economic and population growth. This regional economic and population assessment indicated a continuation of relatively vibrant demographic growth to go along with a comparatively robust long-run economic outlook. Population growth in the greater Portland-Vancouver Primary Metropolitan Statistical Area (PMSA, which includes Multnomah, Clackamas, Washington, Yamhill, and Clark counties) is projected to increase at an average annual rate of 1.6 percent per year, or a 44 percent increase, between the years 2005 and 2030 (*Economic Report to the Metro Council*, September 2002).

Local Labor Force and Unemployment

Through much of the 1990s, population growth and the resulting increase in the labor force produced an unprecedented and sustained expansion in the regional economy. Employment opportunities kept pace with the growing number of workers. However, job growth between 2000 and 2003 has not kept pace with regional population growth, due to the U.S. recession that began in 2000 and slower industry growth in the construction and high-tech fields in the Metro area. Unemployment rates in the region during this period increased sharply, but fortunately have not declined as much nor has been as widespread as the unemployment experienced during the early 1980's. The economic downturn in the region has been uneven, with the worst impacts being felt by the region's durable goods sector.

Unemployment rates briefly topped 9.2 percent in the Portland-Vancouver PMSA in mid-2003, but have been on the decline since then. As of April 2006, unemployment rates have fallen to 5.2 percent and have been in decline as the regional economic conditions rebound. The metropolitan unemployment rate now stands just a hair above pre-recession unemployment rates by a small margin. Stronger than expected population growth (1.7 percent APR in 2000-2005) helped boost labor force levels higher during the regional recession while job levels decreased. Now, current employment estimates for the PMSA indicate that non-farm employment levels have rebounded and now surpass pre-recession employment levels for the region as a whole. Faster job growth over population growth in the last couple of years has helped trim unemployment rates and allowed more eligible workers find employment opportunities.

Business Diversity

A major contributing factor to the region's past economic health is the diversity of businesses in the region. The recession in the early 1980's illustrated that Oregon's economic dependence on the extraction of natural resources, particularly wood products, was a fundamental weakness. In the ensuing years the state and the region successfully diversified their economic bases by expanding the economy into other industries such as high-technology, trade, warehousing, transportation, and financial services.

Over the last 20 years, the region broadened its manufacturing base by focusing on high-tech equipment and semiconductor development. Employment in manufacturing, construction, and mining is now proportionately higher in the region than in the United States as a whole. This has had its upside as evidenced in the 1990's, but also a downside with this recent economic downturn. However, economic conditions in the region are much improved.

The high-tech industry in the region is led by a diverse group of multinational corporations that manufacture a wide range of computer-related products including: microprocessors, silicon memory chips, computer equipment, and office-related equipment. A significant portion of the region's high-tech employers have located their manufacturing divisions here, as well as shifting a sizable number of research and development divisions to regional offices located in the Portland area.

As the region's economy has become more diversified, employment growth in the computer semiconductor and electronics manufacturing industry has increased more rapidly than for other manufacturers and most other industries in the region. The rebounding high-technology industry is keeping pace with the employment growth in business services and has even outpaced retail sector employment growth – two industry sectors that have shown strong growth rates in the past.

After three successive years of lackluster growth between 2000 and 2003, the construction employment sector has shown the largest rate of growth since early 2004. Residential home construction and specialty construction have posted growth rates above 20 percent and 16 percent respectively since early March 2003 when the region began its current economic recovery.

Regional Income

The compound annual rate of change in total personal income for the Portland PMSA (1990–2000) averaged 6.9 percent per year, 6.2 percent for the state of Oregon, and 5.4 percent for the nation. The annual rate of change in per capita income for the Portland PMSA during the same period was 4.4 percent, compared with 4.3 percent for the state of Oregon and 4.4 percent for the nation as a whole. During the last recession personal income growth in Oregon dropped to 2.5 percent in 2001. In 2002, the state's personal income rose 3.3 percent. Statewide personal income growth rebounded in 2004 and posted 6.5 percent nominal growth last year (2005). In 2006, the nominal personal income is anticipated to post a rate of increase of 6.5 percent and the U.S. rate is expected to be 6.1 percent.

Total personal income in the region is projected to reach nearly $80 billion in 2006. Strong employment growth projected in 2006 is expected to push nominal personal income growth up to 7.3 percent, as compared to 6.2

Table 1
Top Manufacturing Employers in the Portland Metropolitan Area

Employer	Product or Service	2005 Estimated Employment
Intel Corporation	Manufactures computer components	15,500
Nike, Inc.	Sports shoes and apparel	5,742
Freightliner Corporation	Heavy duty trucks	3,100
PCC Structurals Inc.	Structural investment castings	2,213
Precision Castparts Corporation	Metal fabrication and machining	2,110
Tektronix, Inc.	Electronic instruments	2,100
Hewlett-Packard Co.	Computer printers	2,000
TriQuint Semiconductor	Semiconductors	1,500
The Boeing Company	Aircraft parts	1,485
Gunderson Inc.	Railroad freight cars, marine barges	1,300

Source: The Business Journal, NW Resources.

percent expected for 2005. Regional personal income is expected to moderate and settle into a near term average nominal growth rate of 6.5 percent APR in the foreseeable future. Relatively strong employment trends aid in bolstering nominal wage disbursement growth. Transfer payments have in the past boosted personal income growth in the region. In the future as the baby boom generation reaches retirement age, transfer payments to retirees will continue to add significantly to personal income growth in the region.

Table 2
Top Non-Manufacturing Employers in the Portland Metropolitan Area

Employer	Product or Service	2005 Estimated Employment
Providence St. Vincent Medical Ctr.	Hospitals & clinics	13,753
Legacy Health Services	Hospitals & health services	7,907
Kaiser Foundation Health Plan of the NW	Hospital & clinics	7,433
Fred Meyer, Inc. (Kroger, Inc.)	Grocery & retail variety chain	5,300
Safeway	Grocery chain	5,282
Wells Fargo	Financial services	4,155
U.S. Bank	Financial institution	4,000
Shari's Restaurants	Restaurant chain	3,725
SW Washington Medical Center	Full service medical center	3,200
United Parcel Service	Small package transport	2,800

Source: The Business Journal, NW Resources.

Regional Employment Trends

The major employers within the Metro region reflect the diversity of the region's economic base. Fortune 1000 corporations operating within the Metro region include: NIKE, Louisiana Pacific Corp., Precision Castparts, StanCorp Financial, Hollywood Entertainment, Boeing Corp., and Intel. Fortune 1000 directories rank companies by annual sales with the exception of utilities and banks, which are ranked by assets.

The presence of these largest employers (see Tables 1 and 2) highlights two features of the Metro region economy: 1) an emphasis on private-sector rather than public-sector employment and 2) a broad diversity among companies and industries. The combination of these features, plus an established role as a warehousing distribution center, has emerged as a regional asset.

Wage and salary employment growth in the region through the 1990s averaged 2.95 percent per year and since 1972 average 2.98 percent per year. This represents a significantly faster growth rate than the U.S. averages of 1.9 and 2.1 percent respectively for the same time periods. The region's economy demonstrates significant resiliency and adaptability despite having to climb out of a deeper economic recession in 1980 and 1982 in order to forge faster job growth than the United States.

During the last 25 years the Portland region has transformed itself from a resource-based economy into a knowledge-driven economy. Many of the region's top employers hail from the high-technology sector and have become market leaders in their own niche. This has helped to propel the Portland economy ahead in key growth and manufacturing sectors.

The region's cluster of high-technology companies in 2000 employed 59,900 in the Portland-Vancouver PMSA, as compared to 40,300 in 1990, for an increase of 48.6 percent in the decade. By comparison, the total non-farm wage and salary employment grew only 33.3 percent over the same time span. During the last recession in Oregon the region's high-tech employers have decidedly scaled back their workforce in an effort to cut costs. However, growth is beginning to return as the technology sector rebounds from this setback.

In recent years there has also been a transformation occurring in the agricultural sector of the region's economy. Beginning in the late 1990s, the nursery and grass seed growers in the region have emerged as one of the top grossing in sales for agricultural sectors in Oregon. Nursery growers in the region export the plants and stock throughout the United States and now represent a key employment cluster for the region.

Transportation and Distribution

The Metro region is a leading warehousing and distribution center for the Pacific Northwest, serving a market area of approximately seven million people. The region uses marine, air, rail, and road networks to capitalize on its location to serve a wide and growing variety of markets.

The geographical heart of the region is the confluence of the Columbia and Willamette rivers, making the region a natural transportation center. Transportation networks have long focused on this area as a destination for water-borne commerce from eastern Oregon and Washington and as the distribution center for the products of the rich agricultural lands of the Willamette River valley. From its rudimentary beginnings, the region has capitalized on its location as the head of deep water navigation on the Columbia River system to give it an economic base as a port for the shipment of freight. The Columbia River channel is maintained at a depth of 40 feet from the harbor at Portland downstream 110 miles to the Pacific Ocean. Recent court rulings have cleared the way for the Army Corp of Engineers to dredge the Columbia River to 44 feet to accommodate newer and larger ocean-going freight vessels.

Eight container carriers have operations within the Port of Portland: China Shipping, COSCO Container Lines, CP Ships/Hapag-Lloyd, Hanjin Shipping, K Line, CSAV Norasia, Yang Ming Line and Zim. Zim recently began service to Portland in May 2006. The Port of Portland had strong volume growth in 2004, but shippers concluded that the Portland and Columbia/Snake river system continued to represent and underserved market. Portland has an outstanding intermodal service and infrastructure to attract shippers to call on Portland. The Port of Portland had 684 calls by ocean going vessels in 2005, down from 773 calls in 2004. The Port received a high of 1,024 calls by ocean going vessels in 1994.

In terms of tonnage of total waterborne commerce, the Port of Portland is ranked as the third largest volume port on the West Coast, after Long Beach-Los Angeles and Puget Sound. In 2005, 11.6 million short tons of cargo moved through the port facilities, down 8.2 percent from the previous year. Breakbulk tonnage edged higher in 2005 to 986,229 tons, an increase of 10.5 percent from a year ago. Grain and mineral tonnage changed very little as compared to a year ago, -1.6 percent and +2.1 percent, respectively. The number of automobiles shipped through Port facilities was off 1 percent from 2004, but 2005 total number of automobile units of 354,976 is still higher than pre-recession level of 308,813 autos in 1999.

Upstream from Portland, the Columbia provides the only water route through the Cascade Mountains to the productive Inland Empire of eastern Oregon and Washington, and northern Idaho. Slack-water barge access to these lands is made possible by a series of locks in the network of federal hydroelectric dams on the lower Columbia River and its largest tributary, the Snake River.

Air traffic through Portland International Airport (PDX) complements the waterborne transportation that established the region. PDX handled 13.8 million passengers and 275,798 tons of air cargo in 2005 with growth forecast at nearly 27 million passengers by the year 2020. Passenger traffic rose 6.5% over 2004 and air cargo volumes rose 3.8 percent above 2004. PDX provides service from 20 carriers with more than 500 passenger flights daily.

The Port of Portland manages the airport and in 1996 embarked on an ambitious ten-year $1 billion expansion and remodeling effort that will produce an additional terminal building, greatly increasing the parking capacity, and a doubling of roadway access to the main terminal building. Construction on the light rail link to the airport, Air MAX, was completed in September 2001. Many workers employed near the airport use Air MAX to commute between home and work, while air travelers are finding the light rail line to be another convenient means of traveling to or from the airport.

The Port plans to let out a contract to construct a second parking garage with the capacity to accommodate 3,500 more parking spaces for airport travelers. Work for this $120 million project is slated to begin October 2006.

Ground transportation in the region features three major railroads and four interstate freeways. The railroads add to the region’s freight-handling capacity and also serve passenger traffic with regular Amtrak routes through Portland's Union Station. The region's highway system includes I-5, the north-south link connecting the Pacific Coast of the United States from San Diego to the Canadian border, and Interstate 84, the major east-west corridor whose western terminus is in Portland. Interstate 205 and Interstate 405 serve as beltways.

Public transportation is provided by the Tri-County Metropolitan Transit District, known as TriMet, which serves bus and light rail passengers throughout the region. The light rail system (MAX, short for Metropolitan Area Express) opened for service in 1986, with a 15-mile eastbound line linking downtown Portland and the City of Gresham. In 1998, TriMet completed construction of a second link in the system that extended light rail twelve miles west to the City of Hillsboro and its burgeoning high-tech industry. The Air MAX from the Gateway Transit Center to the airport opened in Fall 2001 and construction on an Interstate Avenue MAX line from downtown to the Expo Center was completed and opened in May of 2004.

Table 3
Portland PMSA Building Activity(1)

Calendar Year	Single Family Units	Valuation (thousands)	Multiple Family Units	Valuation (thousands)
2000	9,979	$1,423,657	3,614	$243,465
2001	9,650	1,624,247	2,550	261,140
2002	7,293	1,373,847	3,274	264,296
2003	7,195	1,423,899	4,661	365,895
2004(2)	7,908	1,628,326	2,457	300,886

1. New construction only.
2. U.S. Census Bureau figures for 2004 with estimates for December 2004 included.

Source: Census Bureau Center for Population Research and Census, Portland State University; U.S. Census Bureau.

Trade

The Portland region has long been a center of trading activity for Oregon and the Pacific Northwest. In recent years the region has become a warehousing and distribution center for the western United States and has steadily expanded its role in international trade. The Metro region is a focal point of import and export trade for Oregon, southwestern and eastern Washington, and a large portion of the inland United States. International trade continues to grow as the region takes advantage of its location on the Pacific Rim and the deep channel port on the Columbia River to attract trading partners in east Asia and the Pacific. Principal commodities exported are grains, forest products, processed foods, scrap metal, and aluminum products; major imports include automobiles, iron and steel products, ores, consumer goods, and petroleum products. High-tech electronic goods are becoming a greater part of the region's trade as imports as well as exports.

The Port of Portland reports that the value of marine shipments passing through Portland in 2004 was well over $11.8 billion. Air freight represents a significant portion of our region's trade. The region's trade routes also include rail and interstate freeways for which Portland is a major western hub.

Commercial and Industrial Activity

In the five years preceding the last recession in the state retail sales in the region expanded at a compounded annual rate of growth of 13.45 percent. Recent sales have stagnated with the downturn in the regional economy, but growth is anticipated to rebound with the U.S. recovery now well underway. The per capita number of retailers in the Portland area is generally lower than other comparable metropolitan areas, giving local retailers a higher proportion of potential shoppers than is the norm in other west coast cities.

Portland once had one of the nation's healthiest and most attractive office markets, but with the recent downturn in economic activity, commercial and industrial real estate activities have stagnated. Vacancy rates in certain submarkets of the region have reached double-digits, but are now beginning to recede. As the nation recovers, so has the Portland region—albeit at a slower pace than the U.S. as a whole. The momentum of commercial activity appears to be on the upswing as low interest rates, combined with an improving regional economy, have started to spur more real estate construction, particularly in the Portland downtown/south-waterfront area.

Residential Building Activity and Assessed Value

Rising interest rates this year are having a dampening effect on residential construction. Nevertheless, prior to the Federal Reserve tightening monetary policy, residential home construction mirrored the growth of industrial and commercial construction in the region. Population growth and in-migration to the region had helped sustained demand for new home construction, with single family building permits authorizing the construction of about 11,200 houses in 2004 (for the Portland-Vancouver PMSA). Multi-family construction has also been strong as over 4,600 units were permitted for the Portland-Vancouver PMSA during the same period. Despite a weak regional economy during 2001–03, home construction remained at or near pre-recession levels.

Prospects for a continuous growth trend in residential home construction may be coming to a close this year. Higher interest and mortgage rates are beginning to squeeze new home buyers. Previously, new forms of interest-only mortgages have helped attract new first-time home buyers, but the interest rate risk is turning away home buyers of all sorts. The 30 year conventional mortgage rate now stands about 6.6 percent, up from a low of 5 percent in the middle of 2003. Projected tighter monetary policy is likely to push home mortgage rates even higher than what they are today.

Residential home construction may see a dip as interest rates rise, but faster regional economic growth will eventually offset the higher interest rates as more income is pumped back into the hands of future homebuyers. Home ownership has never been higher in the region and the continued interest in owning homes is expected.

Total assessed realty values in the region reflect the growth in population and the region's growing popularity as a place to live. Property values grew strongly during the 1990s. Growth rates ranged from a high of 19.3 percent to a low of 7.8 percent, with seven of the nine years between 1991–2000 having double-digit increases. Total market value of real property in the region stood at $141 billion in 2003–04.

Tourism

Tourism is Oregon's third largest industry, and the metropolitan area is the most popular of Oregon's visitor destinations. Multnomah Falls is the single most visited attraction in the state and is just east of Portland. The most popular paid attraction, the Oregon Zoo, is located in Portland. The region also serves as a central embarkation point for visitors to travel west to the Pacific Ocean or east to the Cascade Mountains. Portland is home to numerous cultural and visitor attractions including: the International Rose Test Gardens, World Forestry Center, and Japanese Gardens neighboring the Zoo in Washington Park, Oregon Museum of Science and Industry, Oregon Historical Society, the new classical Chinese Garden, the Portland Art Museum, symphony, opera, ballet, and numerous high quality theater organizations. The Portland Rose Festival is Portland's premier civic celebration and it takes place each June and lasts for 25 days. The Rose Festival attracts more than two million visitors each year who attend such signature events as the Grand Floral Parade and the carnival at Waterfront Park. The Rose Festival Airshow is another popular Festival event. Other regional festivals held in Portland include the Waterfront Blues Festival and the Oregon Brewers' Festival.

Metro's Oregon Convention Center (OCC) added to the region's inventory of visitor attractions when it opened for business in 1990. The Convention Center was built to bolster the region's economy by capturing a share of the rapidly growing convention and tourism market, and its success has exceeded expectations. The facility includes 500,000 square feet of exhibit halls, meeting rooms, and ballroom space, and is located near downtown on the MAX light rail line. The OCC's $116 million expansion project opened its doors in 2003. The project added 150,000 square feet of new exhibit space, a ballroom, and meeting rooms to the existing structure. Over 614,000 convention delegates attended conventions at the Oregon Convention Center in 2004, contributing to a healthy hospitality industry.

Extended Outlook for the State

Oregon's economic forecast for 2006 anticipates the job recovery to continue its strong upward trajectory. Prior to 2004, Oregon lost over 40,000 nonfarm jobs in the preceding three years. According to the most recent forecast (June 2006) from the State of Oregon's Office of Economic Analysis (OEA), the general outlook for 2006 calls for total non-farm employment to rise 3.1 percent over a year ago. As the economy heats up, the U.S. Federal Reserve has flatly stated that interest rates will continue to rise this year in order to stave off inflation and federal tax cuts will be phasing out. Job growth is expected to moderate in subsequent years as the effects of monetary and fiscal stimulus play themselves out.

Oregon's labor market information is showing fewer signs of economic malaise as the demand for new workers has begun to exhibit stronger growth in a wide range of industry sectors. Unemployment rates across the state fell to their lowest levels since 2001—the start of the recession in the state. Signs of employment growth are emerging in manufacturing and business services. Rebounding economic conditions in the United States are beginning to help boost the recovery in the region.

As the Oregon economy has become more industrially diverse, the per capita income and wages have grown faster than the nation as a whole. Although the Oregon economy is projected to grow faster than the nation in 2004, per capita income and average wages are still below the national average. The Portland-Vancouver area, being a metropolitan area, has per capita income and wage rates comparable to the U.S. averages.

Key factors that will fuel the state's long-term growth are:

- *Recovery and exceptional growth in the semiconductor industry:* Increasing demand for computers and communications equipment and an increase in orders will eliminate the excess capacity in the industry. The needs of the Internet should fuel greater demand. The strength in the industry will allow previously announced investment plans by major companies to be carried out in the 2005–2007 period.
- *Export growth and rising commodity prices:* Global recovery of economies will increase demand for Oregon finished goods and commodities. Rising commodity prices will benefit agriculture and timber producers in the state.
- *Continued strength in domestic markets:* A return to economic growth in California and other major domestic markets will fuel demand for Oregon products.
- *Business cost advantages:* The Oregon economy will benefit from a comprehensive energy plan. If the plan can assure business of an abundant, reliable, and relatively inexpensive supply of electricity, the state (and Pacific Northwest) will continue to have a relative energy advantage over other regions. If recent price hike proposals for electricity and natural gas surpass those for other parts of the country, Oregon could lose this price advantage. Equally important is an educated workforce that contributes to productivity.
- *Environmental Issues:* Salmon protection measures, Portland Super Fund, and other clean up issues could change the economic landscape.
- *Affordable Housing:* If Oregon can maintain a relative cost advantage in housing over California and Washington state, this factor will be attractive for households and firms looking for a competitive housing market for its employees.
- *Biotechnology and Nanotechnology:* Both the City of Portland and the State have launched funding plans to attract and promote the biotechnology sector, which is seen by many as the next growth industry.
- *Sustainable Development:* Centered in the Portland area, this movement in building practices is spreading throughout the U.S. The number of new jobs associated with the movement is uncertain, but it may allow gains in market share for Oregon construction and consulting firms.
- *Quality of Life:* Oregon will continue to attract financially secure retirees. Companies that place a high premium on quality of life will desire to locate in Oregon.

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Appendices
Volume 1

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Adopting Ordinance

I HEREBY CERTIFY THAT THE FOREGOING IS A COMPLETE AND EXACT COPY OF THE ORIGINAL THEREOF

Rebecca V. Shoemaker
METRO COUNCIL ARCHIVIST

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2006-07 MAKING APPROPRIATIONS, AND LEVYING AD VALOREM TAXES, AND DECLARING AN EMERGENCY	)))))	ORDINANCE NO 06-1113B Introduced by David Bragdon, Council President

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2006, and ending June 30, 2007; 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 2006-07 Metro Budget," in the total amount of THREE HUNDRED FIFTEEN MILLION NINE HUNDRED NINETY TWO THOUSAND TWO HUNDRED THIRTY FOUR DOLLARS ($315,992,234), 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 NINETEEN MILLION ONE HUNDRED EIGHTY SIX THOUSAND EIGHT HUNDRED ELEVEN DOLLARS ($19,186,811) for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2006-07. 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 Limitation	Excluded from the Limitation
Operating Tax Rate Levy	$0.0966/$1,000	
General Obligation Bond Levy		$19,186,811

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, 2006, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

Ordinance No. 06-1113A Page 1 of 2

4. An interfund loan from the General Fund to the Solid Waste Revenue Fund in an amount not to exceed $1.55 million is hereby authorized. The loan will be made to fund the Solid Waste & Recycling Department's share of the cash contribution to the Public Employee Retirement System (PERS) for the purpose of buying down the unfunded actuarial liability. The loan is necessary to avoid a violation of existing bond covenants on rate coverage. The loan will be repaid, with interest, from solid waste system revenues no later than June 30, 2008. Interest will be charged on the loan at a rate equal to the average yield on Metro's pooled investments.

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

6. 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, 2006, 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 22nd day of June, 2006.

Approved Metro Council

David Bragdon, Council President

ATTEST:

Chris Billington, Recording Secretary

Approved as to Form:

Daniel B. Cooper, Metro Attorney

Ordinance No. 06-1113B Page 2 of 2

Schedule of Appropriations

GENERAL FUND	
Council Office	
Operating Expenses (PS & M&S)	1,756,095
Subtotal	1,756,095
Finance & Administrative Services	
Operating Expenses (PS & M&S)	7,352,501
Capital Outlay	5,000
Subtotal	7,357,501
Human Resources	
Operating Expenses (PS & M&S)	1,527,312
Subtotal	1,527,312
Metro Auditor	
Operating Expenses (PS & M&S)	342,280
Subtotal	342,280
Office of Metro Attorney	
Operating Expenses (PS & M&S)	1,448,414
Subtotal	1,448,414
Oregon Zoo	
Operating Expenses (PS & M&S)	22,508,631
Capital Outlay	200,000
Subtotal	22,708,631
Planning	
Operating Expenses (PS & M&S)	23,852,076
Subtotal	23,852,076
Public Affairs & Government Relations	
Operating Expenses (PS & M&S)	1,390,721
Subtotal	1,390,721
Regional Parks & Greenspaces	
Operating Expenses (PS & M&S)	6,914,866
Capital Outlay	100,000
Subtotal	7,014,866
Non-Departmental	
Operating Expenses (PS & M&S)	14,008,594
Debt Service	1,198,898
Subtotal	15,207,492

GENERAL FUND (continued)	
General Expenses	
Interfund Transfers	7,823,692
Contingency	7,689,075
Subtotal	15,512,767
Unappropriated Balance	3,935,397
Total Fund Requirements	**$102,053,553**

GENERAL OBLIGATION BOND DEBT SERVICE FUND	
Debt Service	18,035,603
Unappropriated Balance	10,949,854
Total Fund Requirements	**$28,985,457**

GENERAL REVENUE BOND FUND	
Project Account	
Capital Outlay - Washington Park Parking Lot	190,870
Subtotal	190,870
Debt Service Account	
Debt Service - Metro Regional Center	1,502,064
Debt Service - Expo Center Hall D	852,800
Debt Service - Washington Park Parking Lot	407,164
Subtotal	2,762,028
Unappropriated Balance	4,440
Total Fund Requirements	**$2,957,338**

MERC OPERATING FUND	
Operating Expenses (PS & M&S)	31,962,288
Debt Service	18,899
Interfund Transfers	6,083,731
Contingency	1,270,104
Unappropriated Balance	9,904,757
Total Fund Requirements	**$49,239,779**

MERC POOLED CAPITAL FUND

Operating Expenses (PS & M&S)	232,306
Capital Outlay	3,277,475
Interfund Transfers	76,196
Contingency	742,926
Unappropriated Balance	1,205,471
Total Fund Requirements	**$5,534,374**

METRO CAPITAL FUND

Operating Expenses (PS & M&S)	697,561
Capital Outlay	10,992,000
Interfund Transfers	11,955
Contingency	2,617,030
Unappropriated Balance	878,338
Total Fund Requirements	**$15,196,884**

OPEN SPACES FUND

Operating Expenses (PS & M&S)	1,387,461
Capital Outlay	475,000
Interfund Transfers	464,797
Contingency	112,158
Total Fund Requirements	**$2,439,416**

PIONEER CEMETERY PERPETUAL CARE FUND

Unappropriated Balance	196,928
Total Fund Requirements	**$196,928**

REHABILITATION & ENHANCEMENT FUND

Operating Expenses (PS & M&S)	533,873
Interfund Transfers	30,015
Contingency	300,000
Unappropriated Balance	1,476,453
Total Fund Requirements	**$2,340,341**

RISK MANAGEMENT FUND

Operating Expenses (PS & M&S)	8,823,986
Interfund Transfers	37,599
Contingency	128,323
Total Fund Requirements	**$8,989,908**

SMITH AND BYBEE LAKES FUND

Operating Expenses (PS & M&S)	45,000
Interfund Transfers	20,000
Contingency	200,000
Unappropriated Balance	3,554,959
Total Fund Requirements	**$3,819,959**

SOLID WASTE REVENUE FUND

Operating Account	
Operating Expenses (PS & M&S)	47,685,894
Subtotal	47,685,894
Debt Service Account	
Debt Service	2,348,013
Subtotal	2,348,013
Landfill Closure Account	
Materials & Services	318,600
Capital Outlay	545,000
Subtotal	863,600
Renewal and Replacement Account	
Capital Outlay	1,264,000
Subtotal	1,264,000
General Account	
Capital Outlay	1,210,000
Subtotal	1,210,000
General Expenses	
Interfund Transfers	6,423,869
Contingency	15,950,078
Subtotal	22,373,947
Unappropriated Balance	18,492,843
Total Fund Requirements	**$94,238,297**

TOTAL BUDGET	**$315,992,234**

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Property Tax Calculation

FY 2006-07 Property Tax Calculations

Tax Rate Levy

FY 2005-06 Assessed Value	$100,603,570,790	
Assessed Value Increase:		
Statutory 3% allowable	$3,018,107,124	
Estimate for new construction @1%	$1,006,035,708	
Estimated FY 2006-07 Assessed Value	$104,627,713,622	
Tax Rate	$0.0966	/$1000
FY 2006-07 Tax Rate Levy	**$10,107,037**	
(estimated assessed value x tax rate)		
Less: Loss due to M5 compression	($110,000)	
Estimated Taxes to be Received	**$9,397,215**	
(based on 94% collectable rate)		

General Obligation Bond Debt Service

FY 2006-07 Requirements:	
7/1/06 payment (OCC)	$736,932
7/15/06 payment (Zoo)	448,213
9/1/06 payment (Open Spaces)	8,560,656
1/1/07 payment (OCC)	4,606,932
1/15/07 payment (Zoo)	1,869,657
3/1/07 payment (Open Spaces)	1,813,213
Total Requirements	$18,035,603
Tax resources required	$18,035,603
Levy (assume 94% collectable rate)	$19,186,811
Estimated FY 2006-07 Assessed Value	$104,627,713,622
Levy rate per $1000	$0.183381729
On $100,000 property	$18.30
FY 2006-07 Tax Levy Amount	**$19,186,811**

Budget Notes

The Council approved the following note in the Adopted Budget. It provides additional policy direction to staff in carrying out the programs or functions of the agency.

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Budget Note 1: Health Care Premiums

It is the intention of the Metro Council, provided that AFSCME 3580 or any other Metro/MERC labor union joins non-represented employees in tiered rate pricing for health insurance premiums, that any savings accruing to Metro generated from such a pricing program will be made available for Health and Welfare programming or expenses in the FY 2007–08 budget year.

Glossary

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.

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—American Federation of State, County, and Municipal Employees, an organized labor bargaining unit.

Airport Light Rail/AirMAX—A light rail line from the Gateway Transit Center to the Portland International Airport.

Appropriation—Authorization granted by the Metro Council to spend money. Metro appropriates expenditure authority in each fund by category (operating expenditures, capital outlay, etc.).

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 the 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 47—An initiative Constitutional amendment approved by voters in November 1996. Ballot Measure 47 rolled back property taxes on individual properties to the lesser of 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.

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 Council President'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 Council President's recommended budget, which is reviewed by the Council Budget Committee.
>
> *Approved:* The budget 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.

Business Development Grants—Matching grants administered by the Solid Waste and Recycling Department to promote business development of new products using materials recovered from the local waste stream.

CAFR—See *Comprehensive Annual Financial Report*.

Capital Budget—A plan for capital expenditures to be made each year over a five-year period that sets forth each capital project anticipated in that period and that identifies the expected beginning and ending date for each project, the amount to be spent each year, the method of financing the projects and estimated impact of projects on operating budgets.

Capital Fund—See *Fund*.

Capital Improvement Plan (CIP)—See *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—Land, facilities, equipment, or any other capital asset acquired or constructed by Metro costing $50,000 or more and having a useful life of five years or more.

Cash Basis of Accounting—Accounting method under which transactions are recognized when cash changes hands.

Central Services—Services provided internally to Metro departments by a Metro department or departments. These are primarily business services, such as accounting, risk management, information services, human resources, and legal services.

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.

Commission—An appointed body established in the Metro Code responsible for daily operations of a Metro operation or operations.

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 proportionally to reduce each general government jurisdiction's rate so the total rate does not exceed $10.

Concept Plan—See *Region 2040*.

Conditionally Exempt Generators—Commercial hazardous waste generators producing limited amounts of hazardous materials.

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.

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.

Data Resource Center (DRC)—The division of Metro's Planning Department that supplies economic and demographic information for Metro's planning functions, and that manages the Regional Land Information System (RLIS).

DBE—Disadvantaged Business Enterprise—Metro Code specifies Metro's Disadvantaged Business Program requirements for federally funded contracts.

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.

Department—A functional unit of Metro.

DEQ—The state of Oregon's Department of Environmental Quality, which regulates Metro's solid waste disposal system and aspects of Metro planning operations such as air quality and water quality.

Direct Costs—The amount of charges to a department for specific services provided by another department.

Dry Waste—Non-putrescible (does not decay) waste, including demolition debris.

Employee Fidelity Coverage—Insurance covering loss in the event of theft by an employee.

Ending Fund Balance—Unspent and unobligated net resources at the end of a fiscal year. Usually generated by cash reserves and underspending 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.

ESB—Emerging Small Business. Metro Code requires an attempt to solicit quotes from an Emerging Small Business for all purchases over $5,000.

ETAC—Economic Technical Advisory Committee. A volunteer committee appointed to review and make recommendations about economic considerations in Metro's proposed regional fish and wildlife habitat protection plan and the trade-offs between economics and natural resources for the region.

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 Volume 2 Appendices, Excise Tax and History.

Expenditure—The actual outlay of, or obligation to pay, cash.

Expo—Portland Metropolitan Exposition Center. The Expo Center, located at 2060 N. Marine Drive in Portland, consists of 300,000 square feet of flat floor space in four adjacent buildings for public exhibits and shows.

Ex Situ Research—Research conducted on wildlife that are not in their native range.

Finanswer Loan—See *PP&L Finanswer Loan*.

Fiscal Year—Metro's annual budget and accounting period, from July 1 through June 30.

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 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.

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.

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. Examples of Metro enterprise funds are the Solid Waste Revenue Fund and the Zoo Operating 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 departments 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.

GAAP—Generally Accepted Accounting Principles.

GASB—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.

Grant—A contribution of assets by one entity to another. Grants are generally designated for a specific expenditure or project.

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 *Region 2040*.

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.

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 their 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.

Interstate MAX—A light rail line from the Rose Quarter to the Columbia River along Interstate Avenue that is currently under construction.

Job Share—A budgeted full-time position shared by two people who together work 40 hours per week.

JPACT—Joint Policy Advisory Committee on Transportation. This committee consists of elected and appointed officials from jurisdictions throughout the region who are charged with developing and approving regional transportation plans.

Latex Processing Facility—The part of a solid waste transfer station that treats, recycles, and disposes of latex paint.

LEED (Leadership in Energy and Environmental Design)—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.

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.

Major Expenditure Category—One of six classifications of spending, including personal services, materials and services, debt service, capital outlay, interfund transfers, and contingency.

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—Metropolitan Area Express. The region's light rail mass transit system.

MBE—Minority Business Enterprise. Metro Code requires an attempt to solicit quotes from a Minority Owned Business for all purchases over $5,000.

Measure 5, Measure 47, Measure 50—See *Ballot Measure*.

MERC—Metropolitan Exposition-Recreation Commission, consisting of 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 Expo Center.

Metro Central—Metro's solid waste transfer station at 6161 NW 61st Avenue, Portland.

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.

Metro South—Metro's solid waste transfer station at 2001 Washington St., Oregon City.

MIS—Management information system (see *PeopleSoft*).

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.

Nature in Neighborhoods Initiative—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.

Nature in Neighborhoods Project Team—An interdisciplinary, multi-department team of staff assigned to implement the Nature in Neighborhoods Initiative.

OCC—Oregon Convention Center.

ODOT—Oregon Department of Transportation.

OECDD—Oregon Economic and Community Development Department, which 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.

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 Acquisition Program—Metro’s program of acquiring and preserving open spaces and natural areas. The program is administered by the Regional Parks and Greenspaces Department, and funded through the Open Spaces Fund.

Open Spaces Acquisition Work Plan—The plan guiding the work of the Open Spaces Acquisition Division of the Regional Parks and Greenspaces Department, which establishes the division’s development of refinement plans and acquisition of open spaces.

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.

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—Portland Center for the Performing Arts, which consists of three buildings and the four performance venues they house. The facilities are Keller Auditorium, Arlene Schnitzer Concert Hall, and the New Theater Building (containing the Newmark Theater and Dolores Winningstad Theater).

PeopleSoft—Metro’s management information system 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—Public employees retirement system. The retirement benefit package offered by most public jurisdictions in the state.

PERS Reserve—An amount set aside for potential future pension cost liabilities. In the spring of 2003, the Oregon legislature enacted sweeping changes to the public employees retirement system (PERS). All changes were legally challenged. The reserve is equal to the difference between the PERS rate prior to the changes and the PERS rate after the changes—approximately 6.65 percent of salaries and wages.

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.

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.

PP&L Finanswer Loan—A special loan offered by Pacific Power & Light Co. to help finance energy conservation measures. Used by Metro to pay for energy conservation measures in the construction of Metro Regional Center.

Preliminary Audit Plan—The Metro Auditor's work plan periodically developed, reviewed, and updated to guide future audit work.

Program—Related activities and projects that seek to accomplish a specific objective. Programs are budgeted at the department level.

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.

Public Employees Retirement System—See *PERS*.

Rate Stabilization Reserve—A reserved fund balance established to stabilize solid waste rates from unanticipated fluctuations.

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 Open Spaces Acquisition Division of the Regional Parks and Greenspaces Department 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. Also known as 2040 Growth Concept, Concept Plan, and 2040 Concept Plan.

Regional Framework Plan—The growth management planning document mandated in the 1992 Metro Charter that is to prescribe 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 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 is required to be approved by the Joint Policy Advisory Committee on Transportation and the Metro Council.

Regional Urban Growth Goals and Objectives (RUGGO)—A policy and planning document approved by the Metro Council in ordinance form that establishes policies to guide growth management planning in the region.

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 Regional Parks and Greenspaces Department 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.

RIC—See *Metro Recycling Information Center*.

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.

Smith and Bybee Lakes 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 (SWIS)—The data base maintained by Metro staff providing statistical analyses of the region's solid waste generation, recovery, and disposal characteristics.

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.

SWIS—See *Solid Waste Information System*.

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.

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.

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.

Urban Growth Boundary (UGB)—A line delineating the area within the Metro region that may be developed at urban density levels.

WBE—Women Owned Business Enterprise. Metro Code requires an attempt to solicit quotes from a Women Owned Business for all purchases over $5,000.

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.

Willing Seller—A land owner who freely agrees to sell land to Metro for its Open Spaces Acquisition program.

Acronyms

The following are acronyms, abbreviations, and phrases commonly used by Metro staff.

2040 .... 2040 Growth Concept

A/P .... Accounts Payable

A/R .... Accounts Receivable

AA .... Alternatives Analysis

AA/EEO .... Affirmative Action/Equal Employment Opportunity

AABGA .... American Association of Botanical Gardens & Arboreta

AAZK .... American Association of Zoo Keepers

ABS .... Automatic Block Signal

ACAT .... Accounting/Contract Advisory Team

ACHP .... Advisory Council for Historic Preservation

ACORN .... Association of Community Organizations for Reform Now

ADA .... Americans with Disabilities Act

ADA .... Aquatic Diversity Area

ADT .... Average Daily Traffic

AFSCME .... American Federation of State, County and Municipal Employees

AGR .... Annual Growth Rate

AHTAC .... Affordable Housing Technical Advisory Committee

AIA .... American Institute of Architects

AICPA .... American Institute of CPAs

AIGA .... American Institute of Graphic Artists

ANSI .... American National Standards Institute

AOR .... Association of Oregon Recyclers

AORTA .... Association of Oregon Rail & Transit Advocates

APE .... Area of Potential Effect

APTA .... American Public Transit Association

AQMA .... Air Quality Maintenance Area

ASA .... Archeologically Sensitive Area

ASAE .... American Society of Association Executives

ASCH .... Arlene Schnitzer Concert Hall

ASCP .... Arterial Street Classification Policy

ASD .... Administrative Services Department

ASP .... Application Service Provider

ATAFY .... American Theatre Arts for Youth

ATMS .... Advanced Traffic Management System

ATS .... Automatic Train Stop

AWD .... Average Weekday

AWT .... Average Wait Time

AZA .... American Zoo and Aquarium Association

AZAD .... Association for Zoo and Aquarium Docents

AZH .... Association of Zoological Horticulture

AZMA .... Aquarium and Zoo Maintenance Association

BAC .... Budget Advisory Committee

BETC .... Business Energy Tax Credit

BFI .... Browning-Ferris Industries

Big Look .... 2040 Growth Concept Review

BLM .... Bureau of Land Management (U.S.)

BMP .... Best Management Practice

BNSF .... Burlington Northern Santa Fe (railroad)

BOB .... Bureau of Buildings (City of Portland)

BOEC .... Bureau of Emergency Communications (City of Portland)

BOLI .... Bureau of Labor and Industries

BOM .... Bureau of Maintenance (City of Portland)

BOP .... Birds of Prey

BOP .... Bureau of Planning (City of Portland)

BRAG .... Business Recognition Aware Group

Btu .... British Thermal Unit

CAA .... Clean Air Act

CAAA .... Clean Air Act Amendments (of 1990)

CAC .... Citizen Advisory Committee

CAD .... Computer Aided Dispatch

CADD .... Computer Assisted Design and Drafting

CAFR .... Comprehensive Annual Financial Report

CB .... Five-Year Capital Budget (formerly known as Capital Improvement Plan, or CIP)

CBD .... Central Business District

CCC .... Clackamas Community College

CCTMP .... Central City Transportation Management Plan

CDBG .... Community Development Block Grant

CDCs .... Community Development Corporations

CDE .... Columbia Dance Ensemble

CEDS .... Community Economic Development Strategy

CEG .... Conditionally Exempt (hazardous waste) Generator

CEI .... Cost Effectiveness Index

CEIC .... Central Eastside Industrial Council

CEQ .... Council on Environmental Quality

CERCLIS .... Comprehensive Environmental Response, Compensation and Liability Information System

CESSE .... Council of Engineering and Scientific Society Executives

CET .... Construction Excise Tax

CFO .... Chief Financial Officer

CFR .... Code of Federal Regulations

CIP .... Capital Improvement Plan (currently known as Five-Year Capital Budget)

CMAQ .... Congestion Mitigation Air Quality Program

CMS .... Congestion Management System

CO .... Carbon Monoxide

COBRA .... Consolidated Omnibus Budget Reconciliation Act

COE .... Corps of Engineer (United States Army)

COG .... Council of Governments

COLA .... Cost of Living Adjustment

COM .... Council Operations Manager

COO .... Chief Operating Officer

CP......................Council President

CPI....................Consumer Price Index

CPO...................Community Planning Organization

CRAG................Columbia Region Association of Governments

CRC...................Clackamas Regional Center

CRD...................Columbia River Datum

CREEC.............Commercial Real Estate Economic Coalition

CRLF.................Columbia Ridge Landfill

CS......................Civic Stadium

CSO...................Combined Sewer Overflows

CSS....................Center for Species Survival

CSWSC.............Columbia Slough Watershed Council

CTAP................Commercial Technical Assistance Program

CTC...................Clackamas Town Center

CTPP.................Census Transportation Planning Package

C-Tran..............Clark County Public Transportation Benefit Area Authority

CWA..................Clean Water Act

CY......................Calendar Year

dB......................Decibel

dBA....................A sound level (dB = sound; A = weighting scale)

DBE...................Disadvantaged Business Enterprise

DCE...................Documented Categorical Exclusion

DCMS................Distributed Content Management System (web term)

DEIS..................Draft Environmental Impact Statement

DEM..................Digital Elevation Model

DEQ..................Department of Environmental Quality

DLCD................Department of Land Conservation and Development (Oregon)

DOE..................Determination of Eligibility

DOGAMI..........Department of Geology and Mineral Industries (Oregon)

DOI...................Department of the Interior

DOT..................Department of Transportation

DRC..................Data Resource Center

DSD...................Disposal System Development

DSL...................Division of State Lands (Oregon)

DTM..................Digital Terrain Model

EA.....................Environmental Assessment

EBMS................Event Business Management System

ECO..................Employee Commute Options

ECSI..................Environmental Clean-up Site Information

EEAO................Environmental Educators Association of Oregon

EEO..................Equal Employment Opportunity

EIS....................Environmental Impact Statement

EMIS.................Environmental Monitoring Information System

EMME/2...........A transportation modeling program

EMSWCD.........East Multnomah Soil and Water Conservation District

ENACT.............Environmental Action Team

EO.....................Executive Office

EO.....................Executive Order

EPA .... Environmental Protection Agency

EPO .... Exclusive Provider Organization (re health benefits)

EQC .... Environmental Quality Commission (Oregon)

ERISA .... Employee Retirement Income Security Act (of 1974)

ERP .... Enterprise Resource Planning

ERP .... Expert Review Panel

ESA .... Endangered Species Act

ESB .... Emerging Small Business

ESEE .... Economic, Social, Environmental, and Energy

ESRI .... Environmental Systems Research Institute

ESU .... Evolutionarily Significant Unit (used in conjunction with fisheries)

ETAC .... Economic Technical Advisory Committee (a Metro committee)

FAA .... Federal Aviation Administration

FAR .... Floor area ratio

FAS .... Finance and Administrative Services Department

FBF .... Fiber Based Fuels

FEIS .... Final Environmental Impact Statement

FEMA .... Federal Emergency Management Agency

FFGA .... Full Funding Grant Agreement

FGTS .... Forest Grove Transfer Station

FHPM .... Federal Aid Highway Program Manual

FHWA .... Federal Highway Administration

FINDS .... Facility Index Notification System

FIRM .... Flood Insurance Rate Maps

FLSA .... Fair Labor Standards Act

FMLA .... Family Medical Leave Act

FMZ .... Fire Management Zone

FOSBL .... Friends of Smith and Bybee Lakes

FOTA .... First Opportunity Target Area

FOZ .... Friends of the Zoo (currently known as Oregon Zoo Foundation)

FRG .... Fully Regulated (hazardous Waste) Generator

FS .... Financial Statements

FS .... Financial System

FSA .... Flexible Spending Arrangement (re health benefits)

FSTX .... Fastixx

FTA .... Federal Transit Administration (formerly UMTA, Urban Mass Transit Administration)

FTE .... Full-Time Equivalent

Functional Plan Urban Growth Management Functional Plan

FVC .... Future Vision Commission

FWPCA .... Federal Water Pollution Control Act

FWS .... Fish and Wildlife Service (United States)

FY .... Fiscal Year

FYB .... Fiscal Year Budget

GAAP .... Generally Accepted Accounting Principles

GASB .... Governmental Accounting Standards Board

GFOA .... Government Finance Officers Association

GIS .... Geographical Information System

GM .... Growth Management Services Department

GMA .... Growth Management Act (State of Washington)

GNW .... Great Northwest (Oregon Zoo exhibit)

Goal 5 TAC .... Goal 5 Technical Advisory Committee

GPAC .... Greenspaces Policy Advisory Committee

GPS .... Global Positioning System

GTAC .... Greenspaces Technical Advisory Committee

GW .... GroupWise

GWEB .... Governor's Watershed Enhancement Board

HAZTAC .... Hazardous (materials) Technical Advisory Committee

HC .... Hydrocarbons

HCD .... Housing and Community Development (City of Portland)

HCT .... High Capacity Transit

HHW (or H2W) Household Hazardous Waste

HMO .... Health Maintenance Organization

HOV .... High Occupancy Vehicle

HPMS .... Highway Performance Monitoring System

HR .... Human Resources Department

HRIS .... Human Resources Information System

HRMS .... Human Resources Management System

HTAC .... Affordable Housing Technical Advisory Committee

IACVB .... International Association of Convention and Visitor Bureaus

IAMM .... International Association of Assembly Managers

IATSE .... International Alliance of Theatrical State Employees

IBNR .... Incurred But Not Reported (re health benefits)

IFB .... Invitation for Bid

IFMA .... International Facility Management Association

IGA .... Intergovernmental Agreement

ILink .... InfoLink (not an acronym)

IMLS .... Institute of Museum and Library Science

IMS .... Information Management Services (a division of ASD)

IMS .... Information Management System

INTIX .... International Ticketing Association

IOS .... Interim Operable Segment

IPA .... Independent Practice Association (re health benefits)

IRC .... Intergovernmental Resource Center (replaced by Southwest Washington RTC)

IRIS .... Integrated Road Information System

IS .... Information Systems

ISEPP .... Institute for Science, Engineering and Public Policy

ISTEA .... Intermodal Surface Transportation Efficiency Act

IT .... Information Technology

ITIS .... Integrated Transportation Information System (ODOT)

ITS .... Intelligent Transportation Society

ITSC .... Information Technology Steering Committee

IUOE .... International Union of Operating Engineers

IVHS .... Intelligent Vehicle Highway Society of America (now known as ITS)

JLMC ....Joint Labor/Management Committee

JPACT...............Joint Policy Advisory Committee on Transportation

KFD...................Killingsworth Fast Disposal (Landfill)

KW.....................Kilowatt

KWH..................Kilowatt Hour

LCD...................Land Conservation and Development

LCDC ....Land Conservation and Development Commission

LCOG................Lane County Council of Governments

LEED ....Leadership in Energy and Environmental Design *(see Glossary)*

LEM ....Location Efficient Montage (Sept. 2000, now called TEAM)

LIU....................Laborers International Union

LOA...................Leave of Absence

LOS ....Level of Service

LPA ....Locally Preferred Alternative

LPS....................Locally Preferred Strategy

LRS....................Linear Referencing System

LRT ....Light Rail Transit

LRV ....Light Rail Vehicle

LUBA ....Land Use Board of Appeals

LUFO ....Land Use Final Order

LUST ....Leaking Underground Storage Tank

LWCFA ....Land and Water Conservation Fund Act

LWOP................Leave Without Pay

MAC .... Multnomah Athletic Club

MACMED .... Metro Advisory Committee for Mitigating Earthquake Damages

MADGIS.......... Metro Area Disaster Geographic Information System

MAGIC .... Metro Area Geographic Information Consortium

M&S .... Materials and Services

MAX .... Metropolitan Area eXpress (regional commuter-rail transit system)

MBE .... Minority Business Enterprises

MBO .... Management by Objectives

MCCI .... Metro Committee for Citizen Involvement

MCS.................. Metro Central (transfer) Station

MERC............... Metropolitan Exposition-Recreation Commission

MGD .... Millions of Gallons per Day

MHCC .... Mt. Hood Community College

MHRC .... Metropolitan Human Rights Commission

MIS .... Major Investment Study

MIS .... Management Information System

MMP................. Milwaukie Market Place

MOA .... Memorandum of Agreement

MOS.................. Minimum Operable Segment

MOU .... Memorandum of Understanding

MPAC .... Metro Policy Advisory Committee

MPI................... Meeting Planners International

MPO .... Metropolitan Planning Organization

MRC .... Metro Regional Center

MRC .... Milwaukie Regional Center

MRF .... Material Recovery (or Recycling) Facility

MRI .... Metro Recycling Information (see also RIC)

MSA .... Metropolitan Statistical Area

MSS .... Metro South (transfer) Station

MSW .... Municipal Solid Waste

MTAC .... Metro Technical Advisory Committee

MTIP .... Metropolitan Transportation Improvement Program

MTOCA .... Tourism Opportunity and Competitiveness Account

MTP .... Metropolitan Transportation Plan (Clark County, WA)

MWVCOG .... Mid-Willamette Valley Council of Governments

MYS .... Metropolitan Youth Symphony

NAAQS .... National Ambient Air Quality Standards

NAC .... Noise Abatement Criteria

NCPRD .... North Clackamas Parks and Recreation District

NEPA .... National Environmental Protection Act

NGO .... Non-Government Organization

NHDB .... Natural Heritage Database (Oregon)

NHPA .... National Historic Preservation Act

NHS .... National Highway System

NIN .... Nature in Neighborhoods

NMFS .... National Marine Fisheries Service

NMHC .... Non-methane Hydrocarbons

NMK .... Newmark Theatre

NOI .... Notice of Intent

NOVAA .... Northwest Oregon Volunteer Administrators Association

NPDES .... National Pollutant Discharge Elimination System

NPEC .... North Portland Enhancement Committee

NPS .... National Park Service

NR or NRHP .... National Register of Historic Places

NRC .... National Recycling Coalition

NRCS .... Natural Resources Conservation Service (part of US Dept. of Agriculture)

NTB .... New Theatre Building

NWBCA .... Northwest Business Committee for the Arts

OA .... Office of the Auditor

OAC .... Oregon Arena Corporation

OAHP .... Office of Archaeology and Historic Preservation (State of Washington)

OAN .... Oregon Association of Nurserymen

OAR .... Oregon Administrative Rule

OBT .... Oregon Ballet Theatre

OCC .... Oregon Convention Center

OCI .... Office of Citizen Involvement

OCT .... Oregon Children’s Theatre

OCVSN .... Oregon Convention Visitor Services Network

OD .... Organizational Development

ODA .... Oregon Department of Agriculture

ODFW .... Oregon Department of Fish and Wildlife

ODOE................Oregon Department of Energy
ODOT................Oregon Department of Transportation
ODS...................Oregon Dental Service
OEC...................Oregon Environmental Council
OEM..................Oregon Emergency Management (Office of)
OEP...................Office of Environment and Planning
OGC...................Office of General Counsel
OHSU................Oregon Health Sciences University
OIT....................Oregon Institute of Technology
OLA...................Oregon Lodging Association
OLCC................Oregon Liquor Control Commission
OMA..................Office of Metro Attorney
OMFOA............Oregon Municipal Finance Officers Association
OMSC................Oregon Modeling Steering Committee
OMSI.................Oregon Museum of Science and Industry
ORBIT...............Oregon Road Base Information Team
ORBITS............Oregon Road Base Information Technical Subcommittee
OrRS..................Oregon Recycling Systems
ORS...................Oregon Revised Statutes
ORSRS.............Oregon Recycling Systems Recovery System
OSC...................Oregon Soil Corporation
OSCAR.............Outstanding Service to Customers is Always Rewarded
OSCPA.............Oregon Society of CPAs
OSHA................Occupational Safety and Health Administration
OSHD................Oregon State Highway Division
OSO...................Oregon Symphony Orchestra
OSTA................Oregon Science Teachers Association
OT.....................Overtime
OTC...................Oregon Transportation Commission
OTIA.................Oregon Transportation Investment Act of 2001
OTRAN.............Oregon Transportation Reform Advocates Network
OTP...................Oregon Transportation Plan
OWS..................Oregon Waste Systems
OZF...................Oregon Zoo Foundation
PA......................Payment Authorization
PA......................Personnel Action (form)
PAGR................Public Affairs and Government Relations Department
PA&L................Portland Arts and Lectures
P&R..................Park and Ride
PCA...................Property Classification for Assessment (as in tax assessment)
PCC...................Portland Community College
PCF...................Portland Celebrity Forum
PCMA...............Professional Convention Management Association
PCPA................Portland Center for the Performing Arts
PCS...................Petroleum Contaminate Soils
PCS...................Portland Center Stage
PDC...................Portland Development Commission
PDOT................Portland Department of Transportation

PE/DEIS .... Preliminary Engineering/Draft Environmental Impact Statement

PE/FEIS .... Preliminary Engineering/Final Environmental Impact Statement

PERS .... Public Employees Retirement System

PFP .... Pay for Performance

PFP .... Public Facilities Planning

PGE .... Portland General Electric

PHC .... Portland Habitation Center

PI .... Public Involvement

PIPG .... Public Involvement Planning Guide

PIPO .... Public Involvement Plan Outline

PIR .... Portland International Raceway

PMAR .... Portland Metropolitan Association of Realtors

PMG .... Project Management Group

PMSA .... Primary Metropolitan Statistical Area

PNDVA .... Pacific Northwest Docent and Volunteer Association

POA .... Portland Opera Association

POS .... Point of Service (Plan) (re health benefits)

POSA .... Portland Oregon Sports Authority

POVA .... Portland Oregon Visitors Association

PPM .... Parts Per Million

PPO .... Preferred Provider Organization (re health benefits)

PPS .... Portland Public Schools

PPV .... Peak Particle Velocity

PR .... Payroll

PS .... PeopleSoft

PS&E .... Plan, Specification and Estimate

PSU .... Portland State University

PTC .... Portland Traction Company (railroad)

PUC .... Public Utilities Commission

PYP .... Portland Youth Philharmonic (orchestra)

RA .... Recycle America (materials recovery facility)

RACC .... Regional Arts and Cultural Council

RBAT .... Regional Business Alliance for Transportation

RCP .... Reinforced Concrete Pipe

RCRA .... Resource Conservation and Recovery Act (of 1976)

RCRIS .... Resource Conservation and Recovery Information System

RCW .... Revised Code of Washington (State)

REHM .... Relative Earthquake Hazard Map

REIN .... Regional Environmental Information Network

RELM .... Real Estate Location Model

REM .... Regional Environmental Management Department

REMAC .... Regional Environmental Management Advisory Committee

REMG .... Regional Emergency Management Group

REMPAC .... Regional Emergency Management Policy Advisory Committee

REMTEC .... Regional Emergency Management Technical Committee

RFB .... Request for Bid

RFI ....Request for Information

RFP ....Regional Framework Plan

RFP ....Request for Proposals

RFQ...................Request for Qualifications

RFQ...................Request for Quotes

RIC ....Recycling Information Center

RLIS ....Regional Land Information System

RMS...................Root Mean Square

ROD...................Record of Decision

ROW..................Right-of-Way

RPAC.................Regional Policy Advisory Committee

RPAG ....Regional Parks and Greenspaces Dept.

RPGAC.............Regional Parks and Greenspaces Advisory Committee

RRC...................Rate Review Committee

RSF ....Regional System Fee (credit program)

RSWMP............Regional Solid Waste Management Plan

RTC ....Regional Transportation Council (of southwest Washington; formerly IRC)

RTO...................Regional Travel Options

RTP ....Regional Transportation Plan

RUGGOs ....Regional Urban Growth Goals and Objectives

RWPC................Regional Water Providers Consortium

RWSP ....Regional Water Supply Plan

SAFETEA-LU ..Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users

SCBA ....Self-Contained Breathing Apparatus

SCS....................Soil Conservation Service

SDEIS ....Supplemental Draft Environmental Impact Statement

SEE ....Social, Economic and Environmental

SEPA.................State Environmental Policy Act (State of Washington)

SHPO ....State Historic Preservation Officer

SIP ....State Implementation Plan (State [Air Quality] Implementation Plan)

SJL or ***SJLF*** .....St. Johns Landfill

SKATS ....Salem-Keizer Area Transportation Study

SMART ....South Metro Area Rapid Transit (Wilsonville)

SOLV ....Stop Oregon Litter and Vandalism

SOV...................Single Occupancy Vehicle

SPR ....State Planning and Research

SPRR.................Southern Pacific Railroad

SQC...................Small Quantity (waste) Generator

SRO ....Single Room Occupancy

SSA....................Social Security Administration

SSP....................Species Survival Plan

STAMINA.........Standard Method of Noise Analysis

STIP..................State Transportation Improvement Program

STP....................Surface Transportation Program

STS....................Sandy Transfer Station

STS....................Specialty Transport Services

SWAC................Solid Waste Advisory Committee

SWAG................Southwest Washington Association of Governments

SWANA............Solid Waste Association of North America

SW&R...............Solid Waste & Recycling Department

SWAR................Solid Waste and Recycling Department

SWINE.............Solid Waste Interagency Network of Enforcement

SWIS.................Solid Waste Information System

SWRTC............Southwest Washington Regional Transportation Council

TA......................Target Areas (re Open Spaces Acquisitions)

TA......................Technical Advisory (FHWA)

TA......................Travel Authorization

TAC...................Technical Advisory Committee

TAG...................Taxon Advisory Group

TAZ...................Transportation Analysis Zone

TC......................Transit Center

TCLA.................Tri-County Lodging Association

TCM..................Transportation Control Measure

TCP...................Technical Core Personnel (relating to InfoLink)

TCSP.................Transportation and Community and System Preservation (an FHWA pilot program)

TDM..................Transportation Demand Management

TDP...................Transit Development Plan

TEA-21.............Transportation Equity Act of the 21st Century

TES....................Traction Electrification System

TGM..................Transportation Growth Management

THPRD............Tualatin Hills Parks and Recreation District

TIGER.............Topologically Integrated Geographically Encoded Reference

TIP....................Transportation Improvement Program

TM.....................Track Mile

TMA..................Transportation Management Area

TMAC..............Transportation Management Advisory Committee

TMDL..............Total Maximum Daily Load

TMIP................Transportation Model Improvement Program

TNC...................The Nature Conservancy

TOD..................Transit Oriented Development

TOTS................Take on Toxics

TPA...................Third Party Administrator (re health benefits)

TPAC................Transportation Policy Alternatives Committee

TPL...................Trust for Public Land, The

TPR...................Transportation Planning Rule

TRANSIMS......TRANsportation SIMulationS

TRB...................Transportation Research Board

TRIM................Tower Records and Information Management

TriMet..............Tri-County Metropolitan Transportation District

TRIS..................Tone Release Inventory System

TRO...................Traffic Relief Options

TSCC................Tax Supervising and Conservation Commission

TSM..................Transportation Systems Management

TSP....................Total Suspended Particulates

TSP....................Transportation System Plan

TSS ....Total Suspended Solids

TTI.....................Texas Transportation Institute

TVEDC.............Tualatin Valley Economic Development Council

TVF&R ....Tualatin Valley Fire and Rescue

TWC ....The Wetlands Conservancy

TWC ....Train Wayside Communication (system)

UCR...................Usual, Customary and Reasonable (charges, re health benefits)

UGA...................Urban Growth Area

UGB...................Urban Growth Boundary

UGMFP............Urban Growth Management Functional Plan

UMTA ....Urban Mass Transit Administration (now FTA)

UNO ....Urban Nature Overnights (Oregon Zoo)

UP or UPRR .....Union Pacific Railroad

UPS ....United Parcel Service

UPWP................Unified Planning Work Program (federal designation for UWP)

UR ....Utilization Review (re health benefits)

URISA ....Urban and Regional Information Systems Association

URM..................Unreinforced Masonry Buildings

USACOE...........United States Army Corps of Engineers (also under COE)

USC ....United States Code

USCG ....United States Coast Guard

USCOE.............U. S. Army Corps of Engineers

USDI ....United States Department of the Interior

USDOT ....United States Department of Transportation

USFS.................United States Forest Service

USFWS ....United States Fish and Wildlife Service

USGS ....United States Geological Survey

USPS.................United States Postal Service

UST ....Underground Storage Tank

UWP..................Unified Work Program (UPWP federal designation)—Transportation

UZA...................Urbanized Area

V/C ....Volume to Capacity (ratio)

VA ....Veterans' Administration

VAST.................Visitor Animal Studies Team

VdB ....Vibration Decibels

VDF ....Visitor Development Fund

VDI....................Visitor Development Initiative

VE ....Value Engineering

VHT ....Vehicle Hours Traveled

VLA...................Vacant Land Atlas

VMT..................Vehicle Miles Traveled

VSA ....Visitor Studies Association

VSP ....Vision Services Plan

VTC...................Vancouver Traction Company

WAC..................Washington Administration Code

WACC...............Washington County Coordinating Committee

WBE..................Women Owned Business Enterprise

WCCCA............Washington County Consolidated Communications Agency

WET II.............Wetlands Evaluation Technique

WFW.................Washington (Department of) Fish and Wildlife

WMO.................Waste Management of Oregon

WREAC............Waste Reduction Education Advisory Committee

WRI...................Willamette Resources, Inc.

WRPAC............Water Resources Policy Advisory Committee

WSDOT............Washington State Department of Transportation

ZAP...................Zoo Animal Presenters

METRO

PEOPLE PLACES
OPEN SPACES