

MINUTES OF THE COUNCIL BUDGET WORK SESSION

February 26, 1994

Room 370

Councilors Present: Presiding Officer Judy Wyers, Deputy Presiding Officer Ed Washington, Richard Devlin, Jim Gardner, Mike Gates, Sandi Hansen, Jon Kvistad, Ruth McFarland, Rod Monroe, Terry Moore and George Van Bergen

Councilors Absent: Roger Buchanan and Susan McLain

Also Present: Metro staff Don Carlson, Casey Short, Gail Ryder, John Houser, Cathy Thomas, Judy Shioishi, Merrie Waylett, and Jennifer Sims. Gordon Oliver, The Oregonian, and Rick Hohnbaum, Metro Council candidate

Presiding Officer Wyers called the work session to order at 9:04 a.m.

I. General Budget Overview

Specific Budget Presentations

- o General Government/Support Service Functions (Review of Appropriate Funds and Identification of Major Issues/Changes)

Don Carlson, Council Administrator, gave the General Budget Overview (supporting narrative and tables in Exhibits A-F attached to these minutes for reference with other tables referred to in these minutes). He discussed new revenue funds due to Multnomah County's transfer to Metro of their parks system. He discussed the "base" and proposed budgets (see narrative for Exhibit A-2). He said the actual dollar difference between the base and the proposed budget was \$695,000, or the difference between whether a 6 percent or a 7 percent excise tax was imposed as well as possible local government dues. He also discussed disbursement of COLAs, merit increases and other personnel-related expenditures. He noted Councilor Monroe had asked that staff review the Metropolitan Exposition-Recreation Commission's (MERC) personnel rules which are administered separately from Metro's personnel rules. He discussed fund balances and other revenue sources.

Councilors present discussed whether or not local government dues would be possible to achieve in FY 1994-95.

Mr. Carlson discussed various and miscellaneous expenditures. He noted the cost of paying for Metro Regional Center would increase 91 percent from last year because bond proceeds would no longer be used to pay for debt service on the building. He explained this was the first year that all operating and debt service costs for the building would be paid for out of current income.

Councilor Van Bergen asked if contingency amounts given were realistic. Mr. Carlson said the Budget Committee would revisit contingency amounts in more detail during the budget process.

Councilor Washington and Mr. Carlson discussed how policy was set for various funds.

Councilor Van Bergen said the Unappropriated Balance could be used to reduce the excise tax rate. Mr. Carlson said an exception was that enterprise revenue had to be dedicated to specific programs.

Mr. Carlson gave an overview of General Fund, Exhibit B. He discussed differences between the 6 and 7 percent excise tax. He said the 7 percent excise tax would sunset September 1, 1994. He said the FY 1994-95 Proposed Budget was based on a 7 percent excise tax and therefore an ordinance would be necessary to amend the Metro Code to set that rate for the full fiscal year. He said the Council would have to decide that issue by June 2. Councilor Monroe said a 7 percent excise tax could be set on solid waste functions and operations only. He said a case could be made for that arrangement if it would replace another, broad-based "niche" tax.

COUNCIL BUDGET WORK SESSION

February 26, 1994

Page 2

Councilors and staff discussed how the cost allocation plan worked. Councilor Van Bergen suggested that different departments have different rates for the cost allocation plan. Mr. Carlson said the cost allocation plan was based on departmental use. Councilor Van Bergen said a great deal of discretion was used with regard to the cost allocation plan. Councilor McFarland noted departments estimated the cost of the services they provided to the agency as a whole. Presiding Officer Wyers suggested using a legal billing or similar system to ascertain costs.

Jennifer Sims, Director of Finance & Management Information, discussed the cost allocation plan. She said some costs were very objective and easy to determine, such as the amount of copies the Print Shop provided. She said the cost of other services could be difficult to ascertain and used her position as an example. She said on a given day, she could provide work for one department or issue and said on another, she could do the same for ten different departments or issues. She said in her case, it would be difficult to allocate the costs of her services.

Councilor Washington asked how other governments dealt with cost allocation issues. Ms. Sims said all governments had the same difficulties with the issues. Ms. Sims said the "add back" package provided by Executive Officer Cusma at the February 24 Council meeting included a direct billing system to replace the current retroactive system of telling departments what they owed. Mr. Carlson said that proposal would be discussed during the budget process.

Mr. Carlson said the Office of Governmental Relations had been moved to the Support Services fund, but noted that all the former costs for that function (\$183,000) were allocated directly to the General Fund.

Presiding Officer Wyers asked if any planning functions could be moved to the Support Services fund. Mr. Carlson discussed that and other options. He said the Office for Metro Citizen Involvement (MCCI) could be moved to the Support Services fund because MCCI was a general agency function. He noted the Council Department carried a \$17,500 expenditure for publication of meeting notices and said that cost could be allocated to the agency as a whole. He said all such options would be reviewed during Council discussion of excise tax issues.

Mr. Carlson discussed election costs and details related to same.

Presiding Officer Wyers asked if an excise tax would be imposed on parks revenue. Mr. Carlson said the Council had to amend the Metro Code to include new facilities such as the parks and the Expo Center. Councilor Monroe said it was inconsistent to charge excise tax for Zoo ticket revenues and not on golf tickets for Glendoveer Golf Course. Casey Short, Senior Council Analyst, explained that the consolidation agreement with the City of Portland for regional recreational facilities prohibited the collection of excise tax on their revenues, but that the agreement for Multnomah County's parks did not.

Mr. Carlson gave an overview of Support Service Fund, Exhibit C. He noted increases in the allocation of costs to the Planning Fund and said those increases were based on the increased use of Support Services by the Planning Department.

Councilor Van Bergen said because of the Charter, funding planning was now mandatory, although no direction had been given on how much revenue should be devoted to planning functions.

Mr. Carlson noted the Graphics Division would be placed in the newly-proposed General Services Department under the Support Services Fund and said two remaining Public Affairs Department staff members would be folded into the newly-created Department of Public & Government Relations. Those present discussed public

COUNCIL BUDGET WORK SESSION

February 26, 1994

Page 3

affairs functions. Mr. Carlson noted the auditor's report would be completed in time for the Budget Committee to make recommendations on funding for public affairs functions. Councilor Monroe discussed the auditor's response to dissolving the Public Affairs Department.

Mr. Carlson reviewed Building Management Fund, Exhibit D. He stated the budget was based on staff's assumption at this time that Metro Center would provide no revenue and would be "moth balled." He said the proposed budget did not assume other options for the building. Councilor Monroe said Doug Butler, Acting Director of Regional Facilities, was working on obtaining a single tenant to occupy the entire building.

Mr. Carlson reviewed Risk Management Fund, Exhibit E.

There was no discussion on Exhibit E.

Mr. Carlson reviewed General Revenue Bond Fund, Exhibit F. He said a debt service reserve had to be carried forward every year, but that otherwise, capital expenditures in this fund had been completed.

Presiding Officer Wyers recessed the work session at 11:20 a.m.

The work session reconvened at 11:28 a.m.

2. Solid Waste Programs

(Review of Solid Waste Funds and Identification of Major Issues/Changes)

John Houser, Senior Council Analyst, reviewed Solid Waste Revenue Fund, Exhibit I. He said the fund was \$29 million less than last year because expenditures were less than expected and because the St. Johns Landfill (SJL) closure account continued to decrease as it was spent on closure activities. He said solid waste revenues were \$1.6 million more than previously expected. He said personal services were increasing per Mr. Carlson's discussion earlier on COLAs, but said he had noticed higher than expected increases and planned to investigate that issue further. Councilor Monroe asked how having a 6 percent excise tax would affect the Solid Waste Department budget. Mr. Houser said a lower rate would impact enterprise revenues, but would not impact programs.

Mr. Houser discussed new refuse disposal charges based on new programs. He discussed changes in the yard debris disposal fee and said he would investigate those changes further. He said pass-through debt costs had dropped because they were tied to the now-defunct Metro/Riedel Composter Facility.

Councilor Moore asked if the charge for household hazardous waste (HHW) had increased. Mr. Houser said a new fee would begin July 1, 1994. Councilor Washington asked if there had been an increase in revenue via fines/forfeits from the Multnomah County illegal dumping program. Mr. Houser said there had been small increases, but planned to ask if and when revenues would substantially increase.

Mr. Houser discussed expected solid waste revenues for FY 1994-95 and the rate stabilization program.

Presiding Officer Wyers said Solid Waste Department staff should provide good justification for that program. Mr. Houser discussed the rebate proposal.

Mr. Houser gave tonnage estimates for FY 1994-95 and discussed other items as proposed by staff.

Councilor Monroe asked about "put or pay." Councilor McFarland noted Metro lost \$503,000 in tipping revenues last year and said it was time to exercise flow control.

COUNCIL BUDGET WORK SESSION

February 26, 1994

Page 4

Presiding Officer Wyers said Executive Officer Cusma had told her the proposed budget was based on Metro amending its contract with Oregon Waste Systems (OWS) and asked Mr. Houser to thoroughly research that issue.

Mr. Houser discussed the shift from local to regional recycling programs. Presiding Officer Wyers asked why both could not stay intact since local jurisdictions had ample funds for their programs. Mr. Houser said he would investigate those issues also.

Mr. Houser discussed the Recycling Information Center's (RIC) budget now housed under the Solid Waste Department. Mr. Houser finished his presentation and the Council agreed with and supported Mr. Houser's budget analysis to-date.

Councilor Devlin noted there had been no reductions in solid waste engineering support for three years and asked when those reductions might happen. Mr. Houser said closure of the St. Johns Landfill (SJL) was at peak effort and said there would be no reductions this year, but that administrative staff had stated that Metro staff in the field reduced the need for contract expenditures, avoided disagreement with the Department of Environmental Quality (DEQ) and justified Metro's point of view on closure activities. Mr. Houser said he would investigate those issues further.

Mr. Houser said three divisions would have significant changes in emphasis and/or staff and said he would determine exactly what projects staff would be working on. Presiding Officer Wyers asked how much more should be spent on data gathering.

Presiding Officer Wyers recessed the work session at 11:21 a.m.

The work session reconvened at 11:44 a.m.

3. Planning Programs

(Review of Planning Fund and Identification of Major Issues/ Changes)

Gail Ryder, Senior Council Analyst, reviewed the Planning Fund and identified major issues/changes (Planning Fund, Exhibit K). Ms. Ryder gave projections based on a 6 percent, or base, budget. Councilor Kvistad asked how much more in funds Metro would have if governmental dues could be counted on. Ms. Ryder said \$600,000, with most dues revenues appropriated back to the Data Resource Center (DRC). Ms. Ryder said the addback(s) package would put the excise tax at 7 percent.

Councilor Moore asked why the LCDC grant for a bike/pedestrian program was not included in the proposed budget. Ms. Ryder said she would investigate that issue.

Presiding Officer Wyers asked Ms. Ryder to attach dollar amounts to specific programs so that the Council could see the budget impact of each addition/deletion. Ms. Ryder said she had a listing on same and would provide that to the Council.

Ms. Ryder discussed how local governments felt about paying dues to Metro. She said local jurisdictions were tying the issue to Council salaries and the new building. Councilor Monroe said it was not fair to charge some governments and not others if the dues were voluntary and said also it was difficult to attach specific prices to services provided. Councilor Devlin said the dues could be restructured to pay for the costs of local governmental coordination activities such as the Metro Policy Advisory Committee (MPAC) and the Transportation Policy Alternatives Committee (TPAC). He said the dues could be less, but could be made to

COUNCIL BUDGET WORK SESSION

February 26, 1994

Page 5

pay for more specific purposes. He said any revenues left over could be devoted to planning, rather than making planning functions a priority in the overall budget.

Councilor Washington said the definition of "timely," as referenced in the Charter, varied. He said his interpretation of timely for planning functions was to phase them in. Councilor Monroe said the Charter contained definite dates that projects/programs should be completed by. He said other items were at the discretion of the Planning and Budget Committees and the full Council. Presiding Officer Wyers said the range of compliance should be considered also. She said Metro could do a minimum and a maximum for certain projects based on budget constraints. Councilor Gardner noted the dates contained in the Charter were the latest dates by which projects had to be completed. He said adopting projects by the latest possible date was not timely action.

The Council discussed planning and Charter issues further. Councilor Kvistad said the Regional Land Information System (RLIS) should not be cut at all because it was a source of enterprise revenue and that data bases should be maintained. He concurred with Councilor Devlin on his assessment of the budget. He said planning functions could be funded more, but said other areas would have to be cut back.

Councilor Moore asked what RLIS staff did with the funds for marketing the Council allocated last year.

Ms. Ryder asked the Council for direction on the budget process. Councilor Monroe said she should give the Council the best understanding of how to fund all programs at varying levels. He said the Council needed complete information on the impact of whatever cuts might be made. Councilors and staff discussed the issues further.

4. Zoo Programs

(Review of Zoo Funds and Identification of Major Issues/Changes)

Casey Short, Senior Council Analyst, reviewed Zoo funds and identified major issues/changes.

Mr. Short referred to Zoo Operating Fund, Exhibit G, and said revenues and expenditures would be similar to last year. Councilors and staff discussed the Zoo's contract with Friends of the Zoo (FOZ). Mr. Short said he would examine the cost-effectiveness of the contract. Presiding Officer Wyers asked Mr. Short to investigate whether or not the products FOZ sold competed with products sold at the Zoo. Mr. Short noted the Zoo also had to produce \$2 million for its share of Westside light rail (LRT).

Mr. Short referred to Zoo Capital Fund, Exhibit H. Councilor Kvistad said he had just discovered Metro could use \$20 million of the Greenspaces bond measure for the Oregon Exhibit at the Zoo. Councilors and staff discussed that option. Mr. Short noted the Zoo Master Plan for the Oregon Exhibit asked for \$32 million, or \$12 million more than what the bond measure would ask for. Presiding Officer Wyers asked for information on how, or if, OMSI's departure had affected the Zoo's ticket revenues.

Mr. Short referred to and explained MERC Administration Fund, Exhibit P, and Spectator Facilities, Exhibit R. He discussed the financial status of the Portland Center for the Performing Arts (PCPA) and said there was some hopes for some Multnomah County hotel/motel tax revenues. Councilor Hansen said the hotel industry had to be convinced that was an appropriate use of tax dollars. Presiding Officer Wyers said the Council should determine needs and then communicate those needs very clearly.

Councilor Devlin asked if the increase in PCPA rental fees had helped. Mr. Short said they had, but were really inflationary adjustments of 3 to 4 percent. Presiding Officer Wyers asked the Budget Committee to

COUNCIL BUDGET WORK SESSION

February 26, 1994

Page 6

discuss these and other regional recreational facilities issues. Those present discussed the Regional Arts Fund Task Force's recommendation. Councilors as a whole discussed how to fund regional recreational facilities. Councilor Monroe suggested he and Councilor Hansen and other interested staff meet to develop a policy statement on the latter issue. Councilor Hansen said that could be done at or by the full Council. Those present discussed the issues further. Those present asked Mr. Short to schedule a meeting with Metropolitan Exposition-Recreation Commission (MERC) representatives on the issues at a Regional Facilities Committee meeting. Presiding Officer Wyers said the Council would have to decide which facility should receive the hotel/motel tax, also.

Mr. Short explained the OCC Operating Fund, Exhibit Q, and the Coliseum Operating Fund, Exhibit V.

Presiding Officer Wyers recessed the work session at 2:50 p.m.

The work session reconvened at 2:58 p.m.

Mr. Short explained the Regional Parks and Expo Fund, Exhibit L. He discussed the add back package as proposed by the Executive Officer and said the fund structure for facilities newly transferred to Metro was complex and difficult to track.

Councilor Monroe asked about revenues from Glendoveer Golf Course. Those present discussed the lack of revenue sources to run the facilities in question over a long period of time. They also discussed what facilities Metro could impose excise taxes on if necessary. Councilor McFarland noted excise taxes could not be collected from Portland-owned facilities, or not until Phase II of the Consolidation Agreement was effective. Those present discussed the issues further.

Mr. Short reviewed trust fund issues.

Councilor Devlin noted Smith & Bybee Lakes were not listed in the Proposed Budget as a regional facility and asked that be corrected before the end of the budget process.

Discussion of Proposed Budget

Directions for Budget Committee

Councilor Monroe asked Councilors present what issues the Budget Committee should focus on during the budget process. Councilor Moore asked the Budget Committee to explore government mandates, support, deadlines and Charter issues. She said it should be determined what was necessary to fulfill regional commitments and the framework process and said cuts could then be made at the general level. She said Metro had to start selling the concept of growth management.

Councilor Devlin said support service funds should not be categorized as general government funds. He said support services expenditures should be looked at carefully, but said Metro's financial management and personnel systems had improved. He said the Budget Committee could also evaluate the Council Department and Executive Management's expenditures. Councilor Gardner concurred with Councilor Moore's comments. He said the Charter stated Metro's primary mandate was planning. Councilor Monroe said his personal priority was to place planning functions at the top of the list. He said the proposed budget as submitted placed planning at the bottom. He said he planned to review support services and general government services for possible savings. Councilor Gates said the Council had to keep searching for an alternative source of funding. Councilor Moore said the Council did not have a full discussion on the Tax Study Committee's report as

COUNCIL BUDGET WORK SESSION

February 26, 1994

Page 7

submitted. Councilor Monroe said once the Budget process was completed, and it was known how much money Metro needed, the Council could discuss the report.

The Council as a whole discussed tax revenue options as provided in the Tax Study Committee's report. Councilor Gardner said after the Budget process was completed, total funding sources and costs would be known and funds could be allocated towards planning needs. He said a new tax could not be imposed in the two weeks before the Council's final decision on the budget. Councilor Monroe said he had held approximately 30 briefings in different neighborhoods with citizens, business leaders, and government officials about a possible tax. He said because of those discussions, he realized that government dues was still a viable option. Councilor Gardner said MPAC had stated collecting dues was no longer a viable option.

Councilors present discussed revenue issues further. Councilor Devlin said even if dues were viable, they were not a major part of the solution, that local governments were waiting to see if Metro could come up with another revenue source, and that did they did not want Metro to impose a new tax because local governments wanted to try to impose real estate transfer taxes themselves. Councilor Gates said the MCCI could provide input on those issues also.

All items on the agenda having been attended to, Presiding Officer Wyers adjourned the work session at 3:45 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paulette Allen", with a long, sweeping horizontal line extending to the right.

Paulette Allen
Clerk of the Council
BUDWS057.94

TOTAL METRO BUDGET

(by fund)

FUND	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 BASE BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE BASE	% CHANGE PROPOSED
General *	5,244,871	5,815,414	5,798,767	6,493,430	-2.0%	9.8%
Support Service *	5,992,132	6,802,526	7,595,910	7,624,111	11.7%	12.1%
Building Management	1,658,170	2,578,974	3,094,357	3,094,357	20.0%	20.0%
Risk Management	6,418,113	7,310,864	7,652,149	7,652,149	4.7%	4.7%
General Revenue Bond	16,323,325	5,180,925	3,517,075	3,517,075	-32.1%	-32.1%
Zoo Operating *	17,666,518	19,202,118	18,005,644	17,952,991	-6.2%	-6.5%
Zoo Capital	3,642,931	3,645,279	1,314,067	1,314,067	-62.9%	-62.9%
Solid Waste Revenue *	112,682,621	85,657,467	87,173,217	86,701,333	1.8%	1.2%
Rehab and Enhancement	2,763,038	2,844,201	2,770,923	2,770,923	-2.6%	-2.6%
Planning *	6,714,314	12,966,929	10,799,189	11,929,541	-16.7%	-8.0%
Regional Parks & Expo *		5,368,400	5,683,825	5,735,018	5.9%	6.8%
S & B Lakes Trust	2,078,968	2,842,764	3,505,754	3,505,754	23.3%	23.3%
Metro Greenspaces		1,000,000	1,000,000	1,000,000	0.0%	0.0%
Regional Parks Trust **			378,319	378,319	N.A.	N.A.
MERC Administration	747,620	627,740	640,112	640,112	2.0%	2.0%
DCC Operating	16,777,899	17,060,052	19,676,577	19,676,577	15.3%	15.3%
DCC Capital	4,834,241	2,700,000	1,419,255	1,419,255	-47.4%	-47.4%
DCC Debt	7,339,140	8,299,354	8,434,904	8,434,904	1.6%	1.6%
DCC Renew & Replace		705,000	2,115,000	2,115,000	200.0%	200.0%
Spec. Facilities Operating	11,426,171	9,891,491	8,060,759	8,060,759	-18.5%	-18.5%
Museum Operating	10,944,332	1,000,000	180,000	180,000	N.A.	N.A.
A Capital ***	18,528				N.A.	N.A.
Revenue Bond ***		1,158,760			N.A.	N.A.
TOTAL	233,372,832	202,658,277	198,815,823	200,185,556	-7.6%	-7.2%

- * Funds affected by Base Budget
- ** New Funds
- *** Eliminated Funds

TOTAL METRO BUDGET
(by category of revenue and expenditure)

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 BASE BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE BASE BUDGET	% CHANGE PROPOSED BUDGET
RESOURCES						
Fund Balance	79,891,767	67,143,658	64,504,298	64,504,299	-3.9%	-3.9%
Grants	3,422,635	11,073,070	9,477,345	9,476,845	-14.4%	-14.4%
Property Taxes	11,115,246	10,663,487	10,417,612	10,417,612	-2.3%	-2.3%
Excise Tax	4,527,103	5,256,914	4,908,767	5,603,430	-6.6%	6.6%
Enterprise Revenue	85,793,396	77,241,174	79,956,868	79,375,477	3.5%	2.8%
Intergov't Transfers	3,823,297	5,189,259	5,062,279	5,062,279	-2.4%	-2.4%
Donations & Bequests	422,536	1,937,500	2,021,600	2,021,600	4.3%	4.3%
Local Dues	583,847	597,563	0	600,000	N/A	0.4%
Bond Proceeds*	25,900,757	1,919,419	1,919,419	1,919,419	0.0%	0.0%
Interest	3,021,752	3,252,774	1,968,563	1,968,564	-39.5%	-39.5%
Interfund Transfers	11,818,269	15,517,380	16,534,430	17,201,926	6.6%	10.9%
Other	2,952,327	2,866,079	2,044,642	2,044,244	-28.7%	-28.7%
TOTAL RESOURCES	233,372,932	202,688,377	198,815,823	200,195,695	-1.9%	-1.2%
REQUIREMENTS						
Personal Services	29,328,799	32,631,980	33,437,040	34,148,256	2.5%	4.6%
Materials & Services	69,654,935	80,683,978	74,624,471	74,865,961	-7.5%	-7.2%
Capital Outlay	15,644,816	11,756,221	7,336,933	7,381,139	-37.6%	-37.2%
Debt Service	34,198,475	11,009,121	10,265,177	10,265,177	-6.8%	-6.8%
Transfers	11,819,644	15,550,895	16,534,410	17,201,906	6.3%	10.6%
Support Services	5,585,722	6,467,839	6,940,391	6,968,592	7.3%	7.7%
Building Management	1,011,651	1,269,507	2,425,672	2,429,048	91.1%	91.3%
Risk Management	1,470,203	1,535,645	698,030	698,030	-54.5%	-54.5%
Other	3,752,068	6,277,904	6,470,317	7,106,236	3.1%	13.2%
Contingency	0	10,120,416	11,785,377	11,833,581	16.5%	16.9%
Unappropriated Balance	72,726,263	40,905,666	44,832,415	44,499,675	9.6%	8.8%
TOTAL REQUIREMENTS	233,372,932	202,688,377	198,815,823	200,195,695	-1.9%	-1.2%
TOTAL FYE	612.66	782.64	786.98	784.71	-1.5%	0.4%

* FY 92-93 technically not bond proceeds to be spent on Metro project. These are bond receipts passed through agency for composter project financing.

TOTAL BASE AND PROPOSED FY 94-95 BUDGET

Major Changes/Issues

- **Fund Structure.** The Proposed Budget contains 21 separate funds to budget and account for Metro functions and programs. The proposed new and eliminated funds are as follows:

NEW FUND

Regional Parks Trust Fund

ELIMINATED FUND

Zoo Revenue Bond Fund

In addition, the Coliseum Operating Fund is effectively eliminated reflecting the decision to transfer the facility back to the City of Portland for operation by the Oregon Arena Corporation.

- Both the Base and Proposed Budgets are slightly reduced from the current year. In the Base Budget 10 Funds increase, 9 decrease and 1 remains the same. In the Proposed Budget 11 Funds increase, 8 decrease and 1 remains the same.
- The Base Budget affects only 6 Funds. For the General Fund the issue is primarily a revenue matter -- 6% or 7% Excise Tax rate. For the Planning Fund, the Regional Parks/Expo Fund and the Support Service Fund the issue is primarily and expenditure matter -- type and level of programs to be provided. For the Zoo Operating Fund and the Solid Waste Revenue Fund the issue is the amount of revenue available to the Fund. At a lower Excise Tax rate more revenue stays in each of these funds.
- Total Enterprise Revenues are slightly increased from the current year reflecting a slightly increased amount of solid waste anticipated at Metro facilities.
- Total annual Debt Service payments are reduced which reflects the recent refunding of Metro debt.
- Transfers to the Building Management Fund are increased substantially to reflect conservative estimates for lease income at the Metro Center Building and full payment of the debt service costs of the Metro Regional Center Building out of current income.
- Transfers to the Risk Management Fund are substantially reduced which reflects the advice of our actuary that the our environmental impairment reserves are adequate.
- Total Contingencies are increased by approximately 17% and Total Unappropriated Balances are increased by approximately 9%.

EXHIBIT B

GENERAL FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 BASE BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE BASE BUDGET	% CHANGE PROPOSED BUDGET
RESOURCES						
Und Balance	676,575	608,500	850,000	850,000	39.7%	39.7%
Excise Tax	4,527,103	5,256,914	4,908,767	5,603,430	-6.6%	6.6%
Interest	37,145	50,000	40,000	40,000	-20.0%	-20.0%
Other	4,048	0	0	0	N/A	N/A
TOTAL RESOURCES	6,244,871	5,915,414	5,798,767	6,493,430	-2.0%	9.6%
REQUIREMENTS						
Personal Services	1,083,510	1,397,961	1,399,079	1,399,079	0.1%	0.1%
Materials & Services	623,718	545,028	515,165	515,165	-5.5%	-5.5%
Capital Outlay	14,378	4,000	27,719	27,719	593.0%	593.0%
Transfers	2,870,207	3,273,270	3,303,847	3,999,349	0.9%	22.2%
Support Services	595,209	598,647	733,820	733,313	22.6%	22.5%
Building Management	155,444	222,373	409,612	394,827	84.2%	77.6%
Planning	1,910,188	1,780,738	1,539,290	2,298,891	-7.9%	29.1%
Parks/Greenspaces	-	646,672	496,135	547,328	-23.3%	-15.4%
Other	209,366	24,840	24,990	24,990	0.6%	0.6%
Contingency	0	427,500	552,957	552,118	29.3%	29.2%
Unappropriated Balance	753,060	267,865	0	0	N/A	N/A
TOTAL REQUIREMENTS	6,244,871	5,915,414	5,798,767	6,493,430	-2.0%	9.6%
TOTAL FTE	18.00	18	18.8	18.8	3.7%	3.7%

BASE / PROPOSED FY 94-95 GENERAL FUND

Major Changes/issues

REVENUE

- **Significant increase in the projected Fund Balance** from current fiscal year. While this is positive news it's important to monitor this estimate as we proceed with the budget deliberations to assure its accuracy and reliability.
- **Excise Tax rate varies -- Base at 6%/Proposed at 7%**. The current Excise Tax rate is at 7% with a sunset provision effective on September 1, 1994 moving it to 6%. The Base Budget estimate assumes a 6% rate effective on August 4, 1994. The Proposed Budget estimate assumes a 7% rate for the entire fiscal year. For the latter to happen, an ordinance to continue the rate at 7% must be passed by the Council no later than June 2, 1994 (last regular meeting in May). Based on estimates each one percent of excise tax raises approximately \$800,000. The users of Metro facilities and services account for the following approximate proportions of Excise Tax receipts: Solid Waste, 85%; Zoo, 8%; Convention Center, 4%; Expo, 2%; and Others, 1%.

EXPENDITURES

- **A revised department/program structure**. Both the Base and Proposed Budgets provide for a significantly revised organizational arrangement in the General Fund. A summary of the major expenditures is as follows:

PROGRAM / DEPT.	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 BASE	FY 94-95 PROPOSED BUDGET
COUNCIL	1,040,782	1,132,211	1,132,184	1,132,184
FTE	10.0	10.0	10.0	10.0
EXEC. MGMT.	419,528	422,780	435,027	435,027
FTE	5.0	5.0	5.5	5.5
AUDITOR	0	0	79,752	79,752
FTE	0	0	1.0	1.0
GOVT. RELATIONS	161,294	141,988	0	0
FTE	1.75	1.0	0	0
ELECTIONS	(117,692)*	250,000	150,000	150,000
SPECIAL APPROP.	0	0	145,000**	145,000**
DISCRETIONARY				
TRANSFER	2,275,152	2,497,410	2,368,976***	3,078,478***

Footnotes on next page.

Footnotes:

- *Included in the Council Dept. Budget.*
- *Proposed Contract with Metro Arts Commission to Start Implementation of Regional Cultural Funding Task Force recommendations.*
- *Includes a transfer of approximately \$232,000 to the Support Service Fund for Govt. Relations functions formerly budgeted in the General Fund (\$183,000) and portions of the Metro Center Costs for the Zoo, MERC and Parks reallocated to the General Fund (\$49,000).*
- Potential to shift additional agency-wide costs to the Support Services Fund for inclusion in the Cost Allocation Plan. The Base and Proposed Budgets move the Office of Governmental Relations to the Support Service Fund for combination with programs of the Public Affairs Department to create a new department. Both Budgets continue to rely on Excise Tax revenue to fund the activity. Election costs for the elected officials are proposed to be continued in the General Fund and General Fund resources are proposed to be used to pay for allocable costs for the Metro Center Building for the Zoo, MERC facilities and Parks/Expo. These costs add up to approximately \$382,000. Not all of it would be a saving of General Fund resources since part of these costs are allocable to the General Fund. Finally, it is important to balance such efforts with an understanding of the impact on the operating funds. Each increase in central service costs can divert resources away from direct program expenditures or cause a need to increase revenue in the operating fund.
- Sufficiency of budgeted election costs. If the Council decides to place a Greenspaces funding measure (or any other measure) on the ballot in FY 1994-95, there does not appear to be sufficient resources budgeted to the pay for these costs. The Finance Office has estimated that a measure on the September 1994 ballot (vote by mail election) would cost approximately \$150,000. Costs for such an election (a measure for a specific program or purpose) would not be eligible for inclusion in the Cost Allocation Plan.

EXHIBIT C

SUPPORT SERVICE FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 BASE BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE BASE BUDGET	% CHANGE PROPOSED BUDGET
RESOURCES						
Fund Balance	168,136	133,936	380,519	380,519	184.1%	184.1%
Enterprise Revenue	162,260	200,760	275,000	275,000	37.0%	37.0%
Interfund Transfers	5,585,772	6,467,839	6,940,391	6,968,592	7.3%	7.7%
General Government	595,208	598,647	733,820	733,313	22.6%	22.6%
Zoo	704,298	1,048,727	1,196,364	1,167,187	14.1%	11.3%
Solid Waste	2,613,326	2,597,346	2,438,088	2,364,458	-6.1%	-9.0%
Planning	808,680	1,005,862	1,348,360	1,484,103	34.1%	47.6%
Parks/Expo		370,564	338,390	343,629	-8.7%	-7.2%
MERC	864,260	846,703	885,369	876,702	4.6%	3.4%
Interest	50,967	0	0	0	N/A	N/A
Other	25,007	0	0	0	N/A	N/A
TOTAL RESOURCES	8,992,132	8,992,628	7,695,919	7,624,111	11.7%	12.1%
REQUIREMENTS						
Personal Services	3,862,842	4,430,098	4,510,156	4,510,156	1.8%	1.8%
Materials & Services	1,306,983	1,281,985	1,421,470	1,456,470	10.9%	13.6%
Capital Outlay	168,170	94,166	7,600	40,390	-91.9%	-57.1%
Transfers	437,492	579,671	988,019	948,430	70.4%	63.6%
Building Management	390,765	507,283	937,159	897,570	84.7%	76.9%
Risk Management	46,727	72,388	50,860	50,860	-29.7%	-29.7%
Contingency	0	285,039	261,040	261,040	-1.5%	-1.5%
Unappropriated Balance	216,645	161,666	407,625	407,625	168.9%	168.9%
TOTAL REQUIREMENTS	6,992,132	6,992,628	7,695,919	7,624,111	11.7%	12.1%
TOTAL FTE	83.8	84.72	78.7	78.7	-7.1%	-7.1%

BASE AND PROPOSED FY 94-95 SUPPORT SERVICE FUND

Major Changes/Issues

REVENUE

- **Basis for transfers.** This is an internal service fund which primarily receives revenue from other operating funds based on a Cost Allocation Plan (pages A-14 and A-15 in Budget). There are basically two kinds of resources transferred into the fund. **Indirect** transfers are calculated based on a historical record of actual use of goods and services. **Direct** transfers are those items of a sufficient size and clarity of purpose that they are allocated to a specific identified program or fund. An example of a direct transfer is the allocation of costs for the governmental affairs program to the General Fund (\$183,287).

The major increases in indirect support service costs from the current year are to the Planning Fund (48% in the Proposed Budget); the OCC Operating Fund (37%); and the Spectator Facilities Fund (12%). Most of the other funds experience a decrease. It should be noted that a portion of the Planning Fund indirect costs are paid for by the General Fund because the overhead rate charged to federal grants has been set at 36% rather than the actual needed rate of 42%.

The Executive Officer has suggested changing the support service fund revenue system from a historically based plan to a direct charge plan. The most recent Add Package includes \$293,660 for a "Prudent Management Reserve" and \$50,000 for a "Direct Billing System". Both costs are proposed to be born by the General Fund.

EXPENDITURES

- **Increase in fund expenditures as overall agency expenditures and FTE level off.** The expenditures in this fund have increased substantially over the past few years as Metro has grown to assume additional responsibilities and continue to grow as total Metro expenditures and FTE stabilize as indicated below:

<i>FUND/TOTAL EXPENDITURE</i>	<i>FY 90-91 ACTUAL</i>	<i>FY 91-92 ACTUAL</i>	<i>FY 92-93 ACTUAL BUDGET</i>	<i>FY 94-95 ADOPTED</i>	<i>FY 94-95 PROPOSED BUDGET</i>
SUPPORT SERVICES	4,119,919	6,420,092	6,992,132	6,802,525	7,624,111
FTE	65.40	78.60	83.60	84.72	78.70
ALL METRO	218,914,764	275,137,745	233,372,931	202,658,277	200,195,695
FTE	701.00	788.82	812.66	762.04	764.71

- Substantially revised department/program structure. Both the Base and Proposed Budgets provide for a substantial change in organization as shown in the following summary of direct fund expenditures:

PROGRAM / DEPT.	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 BASE	FY 94-95 PROPOSED BUDGET
FM&I	2,953,498	3,111,784	2,821,471	2,832,701
FTE	43.75	45.4	42.0	42.0
General Services -Regional Facilities	771,567	868,184	1,657,654	1,710,614
FTE	10.70	10.00	16.15	16.15
Personnel	516,617	601,177	606,802	606,802
FTE	10.30	11.30	10.30	10.30
General Counsel	407,474	460,091	477,723	481,323
FTE	6.00	6.00	6.00	6.00
Public Affairs	688,839	764,033	0	0
FTE	12.60	12.00	0.00	0.00
Public & Government Relations	0	0	376,576	376,576
FTE	0.00	0.00	4.25	4.25
Total Budget Expenditures	5,337,995	5,806,249	5,939,226	6,007,016
FTE	63.35	64.72	78.70	78.70

- Impact of proposed organizational changes. The Base and Proposed Budgets substantially alter the current work program provided by the Public Affairs Department. It is important to understand what services/functions will be retained and/or eliminated. What services/functions will be shifted to the operating departments. The Base and Proposed Budgets transfer services/functions to a new General Services Department. Is this reorganization desirable, or would some other reorganization be more cost effective?

EXHIBIT D

BUILDING MANAGEMENT FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 BASE BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE BASE BUDGET	% CHANGE PROPOSED BUDGET
RESOURCES						
Balance	185,748	294,449	274,718	274,718	-6.7%	-6.7%
Prize Revenue	439,199	1,015,018	393,967	390,591	-61.2%	-61.5%
Fund Transfers	1,011,651	1,289,507	2,425,672	2,429,048	91.1%	91.3%
General Government	155,444	222,373	409,612	394,827	84.2%	77.6%
Support Services	390,765	507,283	937,159	897,570	84.7%	76.9%
Solid Waste	232,122	194,199	427,520	409,639	120.1%	110.9%
Planning	227,678	275,152	502,807	575,042	82.7%	109.0%
Fairs/Expo	0	30,000	94,238	96,497	214.1%	221.7%
BERC	5,742	40,500	54,336	55,473	34.2%	37.0%
Rest	21,572	0	0	0	N/A	N/A
TOTAL RESOURCES	1,658,170	2,678,974	3,094,367	3,094,367	20.0%	20.0%
REQUIREMENTS						
General Services	100,335	182,246	240,181	240,181	31.8%	31.8%
Supplies & Services	774,593	1,098,670	975,999	975,999	-11.2%	-11.2%
Capital Outlay	51,553	50,000	60,000	60,000	20.0%	20.0%
Utilities	230,183	1,178,058	1,428,958	1,428,958	21.3%	21.3%
Gen'l Rev Fund MRC Debt	0	662,432	1,143,952	1,143,952	72.7%	72.7%
Gen'l Rev Fund Parking Debt	230,183	515,626	285,006	285,006	-44.7%	-44.7%
Emergency	0	70,000	70,000	70,000	0.0%	0.0%
Appropriated Balance	501,506	0	319,219	319,219	N/A	N/A
TOTAL REQUIREMENTS	1,658,170	2,678,974	3,094,367	3,094,367	20.0%	20.0%
ALPHA	3.1	4.2	4.8	4.8	37.0%	37.0%

PROPOSED FY 94-95 BUILDING MANAGEMENT FUND

Major Changes/Issues

REVENUE

- Substantially different revenue pattern to current year. The projected enterprise revenue is substantially reduced from the current year budget. This reflects a more conservative assumptions on the ability to lease space at the Metro Center Building. Conversely, the interfund transfers are substantially increased. This reflects the reduction in potential enterprise revenue and the payment of the entire debt service expense for the Metro Regional Center out of current income.
- Subsidy of the Metro Parking Structure. The Proposed Budget includes potential transfers from the General Fund (\$54,336) and the OCC Operating Fund (\$54,336). These resources will be used to make up any difference between anticipated parking fee income and parking facility operating costs.

EXPENDITURES

- Similar program structure. The Proposed Budget continues the current programs and the direct program costs are as follows:

PROGRAM / DEPT.	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET
Metro Center	683,799	589,336	394,173
FTE	1.45	0.1	0.8
Metro Regional Center	165,278	621,910	807,915
FTE	145.00	3.85	4.25
Parking Structure	77,404	97,512	74,092
FTE	0.20	0.10	0.45
Total Direct Expenditures	926,481	1,308,758	1,276,180
FTE	146.65	4.05	5.50

- Full payment of Metro Center Debt Service out of current income. This is the first year in which the entire debt service costs for the Metro Regional Center (\$1,492,958) are paid out of current resources. Last year approximately \$750,000 were paid out of bond proceeds.

RISK MANAGEMENT FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 BASE BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE BASE BUDGET	% CHANGE PROPOSED BUDGET
RESOURCES						
Fund Balance	4,663,045	5,485,219	6,674,119	6,674,119	21.7%	21.7%
Interest	257,200	290,000	260,000	260,000	-10.3%	-10.3%
Interfund Transfers	1,470,203	1,535,645	698,030	698,030	-54.5%	-54.5%
General Gov't	9,366	24,840	25,010	25,010	0.7%	0.7%
Support Services	46,727	72,388	50,860	50,860	-29.7%	-29.7%
Zoo	344,289	381,194	177,479	177,479	-53.4%	-53.4%
Solid Waste	507,210	607,894	83,069	83,069	-86.3%	-86.3%
Planning	25,426	42,053	34,050	34,050	-19.0%	-19.0%
Parks/Expo	0	78,000	90,859	90,859	16.5%	16.5%
MERC	537,185	329,276	236,703	236,703	-28.1%	-28.1%
Other	27,665	0	20,000	20,000	N/A	N/A
TOTAL RESOURCES	6,418,113	7,310,864	7,662,149	7,662,149	4.7%	4.7%
REQUIREMENTS						
Personal Services	167,692	226,161	263,816	263,816	17.2%	17.2%
Materials & Services	648,947	1,306,595	1,106,216	1,106,216	-15.4%	-15.4%
Capital Outlay	0	3,900	20,000	20,000	412.8%	412.8%
Contingency	0	200,000	200,000	200,000	0.0%	0.0%
Unappropriated Balance	5,611,474	5,575,218	6,063,119	6,063,119	8.8%	8.8%
TOTAL REQUIREMENTS	6,418,113	7,310,864	7,662,149	7,662,149	4.7%	4.7%
TOTAL FYE	3.07	4.08	4.38	4.38	7.4%	7.4%

GENERAL REVENUE BOND FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 BASE BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE BASE BUDGET	% CHANGE PROPOSED BUDGET
RESOURCES						
Fund Balance	15,409,034	3,916,683	2,018,983	2,018,983	-48.5%	-48.5%
Interest	377,880	86,184	69,134	69,134	-19.8%	-19.8%
Interfund Transfers	230,183	1,178,058	1,428,958	1,428,958	21.3%	21.3%
Other	308,228	0	0	0	N/A	N/A
TOTAL RESOURCES	16,323,325	5,180,925	3,517,075	3,517,075	-32.1%	-32.1%
REQUIREMENTS						
Personal Services	193,212	68,704	0	0	-100.0%	-100.0%
Materials & Services	136,143	145,740	0	0	-100.0%	-100.0%
Capital Outlay	10,616,954	913,009	0	0	-100.0%	-100.0%
Debt Service	1,618,859	1,494,332	1,492,958	1,492,958	-0.1%	-0.1%
Contingency	0	400,339	218,412	218,412	-45.4%	-45.4%
Unappropriated Balance	3,759,157	2,158,801	1,805,706	1,805,706	-16.4%	-16.4%
TOTAL REQUIREMENTS	16,323,325	5,180,925	3,517,075	3,517,075	-32.1%	-32.1%
TOTAL FTE	2.88	1.08	0	0	-100.0%	-100.0%

ZOO OPERATING FUND

	<i>FY 92-93 ACTUAL</i>	<i>FY 93-94 ADOPTED BUDGET</i>	<i>FY 94-95 PROPOSED BUDGET</i>	<i>% CHANGE</i>
RESOURCES				
Fund Balance	5,558,568	5,711,864	4,601,830	-19.4%
Grants	29,804	120,000	110,000	-8.3%
Property Taxes	5,467,336	5,708,807	5,875,560	2.9%
Enterprise Revenue	6,078,324	6,899,690	6,707,536	-2.8%
Donations & Bequests	271,937	485,000	521,600	7.5%
Interest	230,268	228,475	138,055	-39.6%
Other	30,281	48,282	51,063	5.8%
TOTAL RESOURCES	17,666,518	19,202,118	18,005,644	-6.2%
REQUIREMENTS				
Personal Services	6,331,203	7,376,103	7,698,488	4.4%
Materials & Services	3,724,513	4,372,729	4,433,901	1.4%
Capital Outlay	591,201	777,281	564,570	-27.4%
Transfers	1,048,587	1,863,921	1,373,843	-26.3%
Support Services	704,298	1,048,727	1,196,364	14.1%
Zoo Capital	0	434,000	0	-100.0%
Other	344,289	381,194	177,479	-53.4%
Contingency	0	598,222	562,832	-5.9%
Unappropriated Balance	5,971,014	4,213,862	3,372,010	-20.0%
TOTAL REQUIREMENTS	17,666,518	19,202,118	18,005,644	-6.2%
TOTAL FTE		154.62	156.44	2.0%

Casey Short

PROPOSED FY 94-95 ZOO OPERATING FUND BUDGET

Major Changes/Issues

Overview

The fund balance is declining, with a projected operating loss of \$1.2 million in 1994-95. This follows a budgeted loss of some \$1.5 million in 93-94, for an erosion of 43.5% of the reserve funds in two years. The Council was advised last year that the Zoo expected to lose money until the 1997 opening of Westside Light Rail, but the context of Zoo finances should be set at the start of a discussion of its budget.

Resources

Net operating revenues are static, at 99.36% of 1993-94 budget, with the major revenue categories showing little projected change. Factors to be considered are the disruption of the parking lot and Canyon Road due to construction, the recent admission fee increase being in effect for the full year, introduction of small new exhibits but no major ones.

Expenditures

Total operating expenditures show a slight (2.2%) reduction from 93-94, from \$14.39 million to \$14.07 million. Included in the 1993-94 total, however, was a one-time transfer of \$434,000 to the Capital Fund to help pay for design work on the Oregon Exhibit. Without this expense, the 94-95 expenditures show a small increase of \$114,000.

Personal Services shows an increase of 4.4%, with an increase of 4 FTE (2%). Materials & Services increases only 1.4%, and Capital Outlay is down 27%. Excluding last year's transfer to the Capital Fund, the interfund transfer total is down 3.9%, with a 50% decrease in insurance costs outweighing a 14% increase to Support Services.

Issues

- In light of the proposed \$1.2 million shortfall and projected continuing losses, should the Zoo freeze budgeted FTE, as was done in 1991-92?
- Is the Zoo losing revenue through its current contract with the Friends of the Zoo?

ZOO CAPITAL FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
RESOURCES				
Fund Balance	3,262,825	2,655,076	686,492	-74.1%
Donations & Bequests	149,099	350,000	500,000	42.9%
Interest	131,007	106,203	20,595	-80.6%
Interfund Transfer	0	434,000	0	-100.0%
Other	0	0	107,000	n/a
TOTAL RESOURCES	3,542,931	3,545,279	1,314,087	-62.9%
REQUIREMENTS				
Personal Services	59,956	88,949	15,300	-82.8%
Materials & Services	1,324	0	0	0.0%
Capital Outlay	932,640	3,199,000	1,148,787	-64.1%
Contingency	0	150,000	150,000	0.0%
Unappropriated Balance	2,549,011	107,330	0	-100.0%
TOTAL REQUIREMENTS	3,542,931	3,545,279	1,314,087	-62.9%
TOTAL FTE		1	0.17	-83.0%

Casey Short

PROPOSED FY 94-95 ZOO CAPITAL FUND BUDGET

Major Changes/Issues

Resources

Capital Fund revenues are down 63%, reflecting the spending down of dedicated capital resources. The fund balance is down 74%, while donations are budgeted to increase from \$350,000 to \$500,000 to support design of the Oregon Exhibit.

Expenditures

The only major project in this Fund for 94-95 is design work on the Oregon Exhibit, accounting for 88% of total expenditures (excluding contingency). There is some money budgeted to complete three other current projects (Research Building remodel, elephant yard improvements, and the People Mover trolley), but aside from work on the Oregon Exhibit, the Capital Fund will be virtually exhausted in the coming year. Capital improvements will have to be funded from the Operating Fund until additional capital funds are secured.

Issues

There are two issues in this Fund. The first concerns the budget for donations and bequests, and is simply a question of whether it is realistic to expect \$500,000 to support work on the Oregon Exhibit.

The other issue is the major issue at the Zoo, tied to the long-range financial concerns. What is the future of the Oregon Exhibit, and how is it going to be financed? If we spend a million dollars to plan this major new attraction, what will be the result of this expenditure? What is its status? Will the plans incorporated in the Master Plan need to be scaled back to meet the June 1997 deadline for completion or to recognize a shortage of funds?

SOLID WASTE REVENUE FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
RESOURCES				
Fund Balance	28,115,582	25,465,337	26,596,332	4.4%
Grants	244,899	200,000	0	0.0%
Property Taxes	0	0	0	0.0%
Excise Tax	0	0	0	0.0%
Enterprise Revenue	55,385,647	54,021,768	55,973,307	3.6%
Intergovernmental Transfer	0	0	0	0.0%
Donations & Bequests	0	0	0	0.0%
Dues	0	0	0	0.0%
Bond Proceeds	25,900,757	1,919,419	1,919,419	0.0%
Interest	1,008,193	1,700,000	735,015	-56.8%
Interfund Transfers	19,038	0	0	0.0%
Other	2,208,505	2,350,963	1,477,280	-37.2%
TOTAL RESOURCES	112,882,621	85,657,487	86,701,333	1.2%
REQUIREMENTS				
Personal Services	4,089,883	5,133,714	5,617,633	9.4%
Materials & Services	45,026,244	51,795,617	49,746,066	-4.0%
Capital Outlay	1,680,796	2,730,610	2,311,670	-15.3%
Debt Service	28,655,215	3,823,536	3,229,579	-15.5%
Transfers	3,999,023	4,167,887	3,582,991	-14.0%
Contingency	0	6,027,571	8,297,521	37.7%
Unappropriated Balance	29,431,460	11,978,552	13,915,873	16.2%
TOTAL REQUIREMENTS	112,882,621	85,657,487	86,701,333	1.2%
TOTAL FTE	103.33	104.3	102.85	-1.5%

SOLID WASTE REVENUE FUND RESOURCES

RESOURCES	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
Fund Balances	28,115,582	25,465,337	26,596,332	4.4%
St. Johns Closure	18,652,164	13,031,671	11,114,745	-14.7%
Renewal & Replacement	1,291,571	1,527,571	2,197,541	43.9%
Metro Central Construction	1,190,976	130,000	0	-100.0%
Metro Central Reserve	2,842,218	2,842,218	2,912,948	2.5%
Metro Central Debt	1,082,006	1,377,439	1,469,033	5.6%
General Account	3,056,647	6,556,438	8,902,065	35.8%
Grants	244,899	200,000	0	-100.0%
Refuse Disposal Charges	404,381	330,026	1,072,298	224.9%
Disposal Fees	25,267,146	24,490,577	25,883,606	5.7%
User Fees	23,177,763	22,704,075	23,536,566	3.7%
Regional Transfer Charge	6,027,871	5,800,631	4,762,806	-17.9%
Rehab & Enhancement	204,811	166,225	171,859	3.4%
Host Fees	184,325	259,398	264,040	1.8%
Tire Disposal Fee	25,003	54,195	53,695	-.9%
Yard Debris Disposal Fee	79,332	162,105	80,306	-50.5%
Franchise Fees	2,429	2,502	2,629	5.1%
DEQ Fees	884,711	861,482	743,197	-13.7%
Refrigeration Disposal Fee	12,586	52,034	29,827	-42.7%
HHW Disposal Fees	0	0	115,675	
Fines and Forfeits	1,929	25,000	25,000	.0%
Interest	1,008,193	1,700,000	735,015	-56.8%
Finance Charge	33,651	100,000	103,000	3.0%
Pass Through Debt	25,900,757	933,013	350,000	-62.5%
Miscellaneous Revenue	1,191,660	213,000	103,000	-51.6%
Revenue Bond Proceeds	0	1,919,419	1,919,419	.0%
Other	115,582	218,468	153,063	-29.9%
TOTAL	112,882,621	85,657,467	86,701,333	1.2%

PROPOSED FY 94-95 SOLID WASTE REVENUE FUND BUDGET

Major Policy Issues

The following are major policy issues identified during a preliminary review of programs funded through the Solid Waste Revenue Fund.

REVENUE ISSUES:

Solid Waste Disposal Rates

- Maintaining the current \$75/ton fee, with changes in component fees
- Rate buy-down in future years through creation of a rate stabilization account
- Changes in the self-haul rate (minimum rate increases from \$19 to \$25, with a 25% rebate for a covered load)
- Need for other fees (tire disposal, refrigeration) to cover program costs

Pelletizer at Metro Central

- Council policy related to potential Metro purchase
- Will economic and operational data be available should Metro have to make a purchase decision in October, when the operating contract could be rebid
- Purchase options

Tonnage Estimates

- Tonnage estimates in the proposed budget appear to be lower than the estimates for tonnage during the current fiscal year

Contingency/Unappropriated Balance

- Total of all contingency/unappropriated balance accounts proposed to increase by \$4.2 million (22%)
- Creation and Purpose of a Rate Stabilization Account

EXPENDITURE ISSUES

Operations Contracts At Metro Central and Metro South

- Both operating contracts are subject to rebid or extension during FY 94-95
- Proposed budget assumes that operating costs will remain the same at both facilities
- Staff Exploring Several Options Including:
 - Rebidding One or Both Contracts
 - Rebidding Both Facilities as a Single Bid
 - Negotiating Changes in Existing Contracts

Potential Shift of Waste From Metro South to Metro Central

- Operations and transportation costs in the budget does not reflect any shift in waste from Metro South to Metro Central
- Staff has indicated that it is working on a plan to divert between 60-70,000 tons/yr. from Metro South to Metro Central

Oregon Waste Systems Contract Amendment

- Budget does not reflect any fiscal impact for any amendment that might be approved

Existing Programs

- Shift in Emphasis of Regional and Local Recycling Programs from residential to commercial, construction demolition and yard debris programs
- Administration of RIC/Recycling Education Programs
- Proposed Renewal of Enforcement Contract with Multnomah County Sheriffs Office and the Council's need for information on costs and benefits of existing program

New Programs

- Budget Proposes a Collection and Disposal Program for CEG Wastes That would cost \$632,000, but be self-supporting. Little information is provided concerning size, scope or purpose of program

- Initial Implementation of New Strategies Related to Organic Wastes. Council has not yet approved the specifics of this program.
- HHW Collection System in the eastern and western portions of the watershed. Metro approved plans call for the establishment of some type of mobile collection capacity in these areas. The proposed budget calls for the continuation of the present program of periodic one-day collection events

Challenge Grants

- Budget Proposes increase of \$100,000 (from current \$350,000 to \$450,000). Council may wish to address need and purpose of increase and whether increased funds should or designated for specific purposes.

Staffing

- Council may wish to give direction concerning maximum or acceptable levels of salary increase for rep and non-rep employees. In a small number of cases, increases in proposed budget appear to be more than 10% greater than the amount in the 93-94 approved budget.
- Several department divisions appear to be shifting or expanding the focus of their work. For example, waste reduction activities are shifting from residential to commercial, additional engineering and monitoring resources are being directed to the St. Johns Landfill, and the planning and technical services division appears to be expanding its data gathering and analysis capacity. A budgetary review of the apparent reallocation of staff in these divisions may be appropriate.

St. John's Landfill

- Actual Annual Contribution to Closure Account appears to be \$100,000 than originally estimated
- Status of ongoing negotiations with DEQ regarding the closure plan and their potential impact on closure costs
- Status of the Tri-State contract which was bid at about \$3 million less than the estimated cost for the work

SOLID WASTE DEPARTMENT

(by Division)

RESOURCES	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
Administration	507,175	606,538	645,471	6.4%
Budget & Finance	1,229,111	1,445,177	1,469,475	1.7%
Operations	37,858,243	40,754,652	42,532,899	4.4%
Engineering	712,321	875,613	943,156	7.7%
Waste Reduction	1,798,176	1,461,137	1,775,365	21.5%
Planning & Technical Srvcs	518,708	861,438	905,467	5.1%
RIC & Education	500,558	577,276	591,366	2.4%
TOTAL	43,124,292	46,581,831	48,863,199	4.9%

REHABILITATION AND ENHANCEMENT FUND

	<i>FY 92-93 ACTUAL</i>	<i>FY 93-94 ADOPTED BUDGET</i>	<i>FY 94-95 PROPOSED BUDGET</i>	<i>% CHANGE</i>
RESOURCES				
Fund Balance	1,999,232	2,328,577	2,279,524	-2.1%
Grants	0	0	0	0.0%
Property Taxes	0	0	0	0.0%
Excise Tax	0	0	0	0.0%
Enterprise Revenue	0	0	0	0.0%
Intergovernmental Transfer	0	0	0	0.0%
Donations & Bequests	0	0	0	0.0%
Dues	0	0	0	0.0%
Bond Proceeds	0	0	0	0.0%
Interest	120,029	90,001	55,500	-38.3%
Interfund Transfers	464,065	425,623	435,889	2.4%
Other	0	0	0	0.0%
TOTAL RESOURCES	2,583,326	2,844,201	2,770,913	-2.6%
REQUIREMENTS				
Personal Services	0	0	0	0.0%
Materials & Services	376,381	686,918	918,637	33.7%
Capital Outlay	0	0	0	0.0%
Debt Service	0	0	0	0.0%
Transfers	19,038	39,048	42,253	8.2%
Contingency	0	419,533	150,000	-64.2%
Unappropriated Balance	2,367,619	1,698,702	1,660,033	-2.3%
TOTAL REQUIREMENTS	2,763,038	2,844,201	2,770,923	-2.6%
TOTAL FTE	0	0	0	0.0%

EXHIBIT K

PLANNING FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 BASE BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE BASE BUDGET	% CHANGE PROPOSED BUDGET
RESOURCES						
Fund Balance	176,517	335,000	92,663	92,663	-72.34%	-72.34%
Grants	3,147,932	9,555,470	8,408,662	8,408,162	-12.00%	-12.01%
Excise Tax	1,910,189	1,786,271	1,639,290	2,298,891	-8.23%	28.70%
Enterprise Revenue	644,692	247,500	268,374	214,500	8.43%	-13.33%
Donations & Bequests	1,500	50,000	0	0	-100.00%	-100.00%
Dues	583,847	597,563	0	600,000	-100.00%	0.41%
Interest	0	15,000	0	0	-100.00%	-100.00%
Interfund Transfers	249,646	324,125	340,200	265,325	4.96%	-18.14%
Other	991	56,000	50,000	50,000	-10.71%	-10.71%
TOTAL RESOURCES	6,714,314	12,995,829	10,799,189	11,929,541	-16.72%	-6.00%
REQUIREMENTS						
Personal Services	3,010,355	3,980,685	3,381,835	4,057,769	-15.04%	1.94%
Materials & Services	2,330,836	6,923,002	5,185,336	5,391,501	-25.10%	-22.12%
Capital Outlay	51,732	39,500	0	11,000	-100.00%	-72.15%
Transfers	1,061,684	1,437,567	1,885,217	2,093,185	31.14%	45.61%
Support Services	808,680	1,005,862	1,348,360	1,484,103	34.06%	47.55%
Building Management	227,578	275,152	502,807	575,042	82.74%	108.99%
Risk Management	25,426	156,553	34,050	34,050	-78.25%	-78.25%
Contingency	0	485,175	346,801	376,076	-28.62%	-22.49%
Unappropriated Balance	259,707	101,000	0	0	-100.00%	-100.00%
TOTAL REQUIREMENTS	6,714,314	12,995,829	10,799,189	11,929,541	-16.72%	-6.00%
TOTAL FTE	62.85	71.7	68.8	62.8	-31.94%	-3.00%

PROPOSED FY 94-95 PLANNING FUND

Major Changes / Issues

REVENUE

- **Significant decrease in revenue.** Revenues for the base budget, which anticipates a 6% excise tax level and no local government dues, is nearly 17% below FY 93-94 adopted budget. The proposed budget, which anticipates a 7% excise tax and full participation for a voluntary local government dues assessment, is 8% below FY 93-94.
- **Upcoming budget amendment.** The department is about to receive or has received a significant increase in federal grant money that is over what was anticipated for FY 93-94. This money is for high capacity transit. A budget amendment will be before the Council shortly requesting personal services increases that total \$57,344. Remaining parts of the request are unknown at this time because the amendment is in the process of being prepared. The staff increases are reflected in the base and proposed budgets. Under the amendment two existing Senior Regional Planners (Meyer and Whitehall-Baziuk) become Program Supervisors and an existing Management Technician position, now vacant, is upgraded to Assistant Management Analyst level. Also, an Associate Transportation Planner, two Assistant Transportation Planners, and a Secretary are added for the remainder of the fiscal year for a collective total of 1.0 FTE.

EXPENDITURES

- **Reductions in staff.** Significant reductions in staff are anticipated in the base budget which reduces the staff by nearly 22% or 15.6 FTE. These reductions include: Administration Section, 1.7 FTE; Data Resource Center Section, 5.5 FTE; Travel Forecasting, 3 FTE; Transportation Planning Section, 1 FTE; and Growth Management Section, 9 FTE. Only the High Capacity Transit Section has an increase of 4 FTE. The proposed budget restores all but 2.6 FTE but redistributes staff assignments. The following table details the change in funding and staffing levels under all three scenarios:

<u>DIVISION/Section</u>	<u>FY 93-94</u>	<u>Base Budget</u>	<u>Proposed Budget</u>
Administration	\$521,310 <i>9.7 FTE</i>	\$1,010,459 <i>8.0 FTE</i>	\$1,112,356 <i>11.0 FTE</i>
TECHNICAL SERVICES:			
Data Resource Center	1,345,600 <i>14.5 FTE</i>	859,200 <i>9.0 FTE</i>	1,093,999 <i>11.0 FTE</i>
Travel Forecasting	1,928,983 <i>11.0 FTE</i>	1,152,670 <i>8.0 FTE</i>	1,315,087 <i>10.0 FTE</i>
TRANSPORTATION:			
Transportation Planning	1,865,786 <i>8.0 FTE</i>	1,393,970 <i>7.0 FTE</i>	1,500,987 <i>8.0 FTE</i>
High Capacity Transit	3,404,400 <i>10.5 FTE</i>	4,351,890 <i>14.5 FTE</i>	4,362,115 <i>14.5 FTE</i>
GROWTH MANAGEMENT:			
	3,900,849 <i>15.0 FTE</i>	2,031,000 <i>6.0 FTE</i>	2,545,000 <i>11.0 FTE</i>
Total	\$12,966,929 <i>71.1 FTE</i>	\$10,799,189 <i>55.5 FTE</i>	\$11,929,544 <i>68.5 FTE</i>

- **Further impact on Administration Section:**
 - ➔ Contract development will be slow
 - ➔ Contract compliance reviews less frequent
 - ➔ Billings will be delayed and reports not filed in a timely manner
 - ➔ Secretary support service will be inadequate
 - ➔ Federal lobbying efforts will need contractual support
 - ➔ There is a one-third reduction in personal computer support services, software and supplies.
- **Further impact on Data Resource Center Section:**
 - ➔ Elimination of \$15,000 for aerial photography
 - ➔ No FTE remaining for RLIS maintenance which will result in RLIS rapidly falling behind the pace of development and becoming outdated
 - ➔ Socio-economic databases and publishing reports documenting growth trends and providing research services reduced significantly
 - ➔ \$45,000 for collection of building permit and land development records eliminated
 - ➔ \$12,500 for the annual household survey used to update the key census variables eliminated and Annual Household Survey will not be conducted

Staffing reassignments of existing staff to manage annual updates of basic items

- DRC counter support eliminated affecting services to local jurisdictions, ODOT, and Greenspaces
- Local jurisdictions billed for costs of all services
- Severe restrictions to necessary new programming needs (e.g., 2040 Phase II, the earthquake preparedness project, and transportation surveys and LRT station area planning for the Westside)
- Loss of ability to operate Metro econometric model and its application for planning, economic development and analysis
- Restriction on ability to produce forecasts and growth simulations
- No computer upgrades

- Further impact on Travel Forecasting Section:

- Credibility of model may be in jeopardy if completion of analysis of household activity data take 3-4 years
- Restrictions in implementation of an enhanced regional count program
- Loss of material and services funds contributing toward purchase of an ARC/INFO and GRID license
- Restricts local government users use of PI or Section 8 funds and local match for STP funds

- Further impact on Transportation Planning Section:

- Restriction in ability to provide ODOT and local jurisdictions essential funding information to better schedule project implementation activities
- Restriction in providing comprehensive public involvement activities and improved public responsiveness
- Relinquishing Transportation Improvement Program coordination with Metro area jurisdictions responsibilities to ODOT
- Restricts ability to provide coordination between ODOT and local jurisdictions for development of safety, bridge and pavement management systems

- Further impact on High Capacity Transit Section:

- Reduces dues, software, travel and training

- Further impact on Growth Management Section:

- Reduction in management and coordination abilities
- Section Manager is upgraded to Senior Manager level
- Reduction in staff support for Future Vision effort, particularly public involvement
- Severe restriction in Urban Reserves program

- ➔ Only minimal activity to coordinate housing density with UGB and Urban Reserves program that will not lead to the adoption of the housing density element of the Regional Framework Plan
 - ➔ Eliminates Water Supply Sources program completely
 - ➔ Water Quality Planning reduced to bare legal minimum
 - ➔ Elimination of Water Resource Policy Advisory Committee because of inability of staff response
 - ➔ Reduces support development of a computerized regional emergency resources system and integration into Metro's RLIS database
- **Proposed budget:** The proposed budget anticipates excise tax revenue at a 7% level and full receipt of a voluntary local government dues assessment. While the excise tax level is fully within the control of the Council, local government dues are not. If the reaction at JPACT and MPAC is any indication of the sentiment of the local jurisdictions, full participation is very uncertain. There continues to be issues raised by some of the smaller jurisdictions, the City of Gresham, Clackamas and Washington County representatives linking this decision to the Council's decisions regarding the new and old building and Councilor salaries. Also strongly referenced is the belief that last year's participation was meant to be a "one-time" event. Also strongly noted is the fear that if the local jurisdictions continue to agree for "yet one more year" that Metro will never seek a stable source of funding for planning.

Attached is a table that illustrates by program the amount of discretionary excise tax (at 7% level) and voluntary local government dues, with full participation, added back under the proposed budget.

- **Decision (Add) Packages:** Four decision add packages were presented by the Executive Officer at the last Council meeting that are to be considered with the proposed budget. The four packages collectively need an additional \$340,000 of excise tax revenue. This could be accomplished by raising the excise tax by 0.49%. The four decision packages are in descending order of priority as follows:
 - ➔ Restoration of 2.0 FTE in Data Resource Center for RLIS Maintenance (\$120,000)
 - ➔ Restoration of 1.0 FTE in Data Resource Center for Data Services and Maintenance; research services for planning and transportation programs and socio-economic database maintenance (\$85,000)
 - ➔ Addition of 1.0 FTE to Travel Forecasting Section for Survey and Research; household activity data (\$70,000)
 - ➔ Addition of 1.0 FTE Assistant Regional Planner in Growth Management Section for Emergency Management freeing existing staff for work on Charter

implementation assignments (\$85,000)

- **Funding level dilemma:** Under the 1992 Metro Charter, planning is the primary focus of Metro as an agency. New requirements were placed on this agency to carry out this mandate - all anticipating receipt of a new revenue source to provide a stable source of funding for planning. In my opinion, the base budget, with it's 22% reduction in staff and 17% reduction in funding, does not come even close to accommodating the needs anticipated by the Charter. The proposed budget provides more assistance, with an 8% funding reduction over current levels.

Whether the proposed budget adequately addresses the requirements of the Charter is open to question. The Charter states: "The Council **shall** (emphasis added) appropriate funds sufficient to assure **timely** (emphasis added) completion of those (planning) functions." Largely these are questions of timing and degree but I anticipate a strong argument that the proposed budget level is not sufficient to the requirements. Here are some of the questions you should consider as you deliberate on the adequacy of funding for the Planning Department at a 7% excise tax and full dues level:

- ➔ At what point in time should the individual components of the Regional Framework Plan, which must be adopted by Dec. 31, 1997, be completed? This fiscal year? Next?
- ➔ How much "local government coordination" is adequate? Or, how do we mandate the changes in comprehensive plans for local governments, that will be part of the regional framework plan, without greater staff support at Metro to extensively examine current comprehensive plans?
- ➔ Are we paying enough attention to "public involvement" needs identified under ISTEA? For Future Vision and Region 2040? And if not, can we afford to?
- ➔ Are we coordinating enough with Clark County, Washington? What about the high speed rail issue?
- ➔ Are resources adequate to complete the Region 2040 decision package at the level discussed at the Saturday work session last month?

As you direct your analysts to recommend cuts to "down-size" this agency, you may want to give special guidance regarding the Planning Fund. If down-sizing this department is appropriate in your mind, then a characterization of what level of down-sizing is what is needed today.

A final issue for the budget process is the proposed add packages in the budget. There are four "restore packages" totalling \$40,000 in the Fund's budget, which represent the difference between the "base" and "proposed" budgets. There are also five "add" or "decision" packages totalling \$189,000, representing additions above the proposed budget. These will be determined in the budget process.

PLANNING FUND ADD-BACKS UNDER PROPOSED BUDGET

Section	Program	Amount	Sub-Total
ADMINISTRATION	Mgmt. & Coordination	\$92,000	\$101,897
	PC Support	\$5,000	
	Federal Lobbyist	\$15,000	
	Other Requirements	(\$10,103)	
DATA RESOURCE CENTER	Database Maintenance	\$90,375	\$354,875
	Forecasts & Modeling	\$81,500	
	RLIS Maintenance & Dev.	\$28,725	
	RLIS Support	\$86,250	
	Mgmt. & Coordination	\$68,025	
TRAVEL FORECASTING	Surveys & Research	\$20,330	\$109,419
	Trans. System Monitoring	\$40,000	
	Model Refinements	\$9,950	
	Technical Assistance	\$38,439	
	Materials & Services	\$700	
TRANSPORTATION PLANNING	Regional Transportation Plan	\$7,000	\$169,185
	Transp. Improvement Plan	\$65,000	
	Urban Arterial	\$12,000	
	Congestion Management	\$18,000	
	Willamette Crossing	\$35,000	
	Transportation Demand Mgmt.	\$2,670	
	Air Quality	\$2,000	
	Mgmt. Plan Coordination	\$17,400	
	Materials & Services	\$10,115	
HIGH CAPACITY TRANSIT	Materials & Services	\$10,225	\$10,225
GROWTH MANAGEMENT	2040 Phase II	\$6,000	\$514,000
	Future Vision	\$88,000	
	Urban Reserves	\$89,000	
	UGB Administration	(\$6,000)	
	Housing Density	\$189,000	
	Mgmt. & Coordination	\$81,000	
	Water Supply	\$52,000	
	Emergency Management	\$15,000	
TOTAL		\$1,259,601	\$1,259,601

REGIONAL PARKS AND EXPO FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
RESOURCES				
Fund Balance		187,372	329,965	78.1%
Grants		1,057,600	873,683	-17.4%
Enterprise Revenue		2,902,298	3,396,990	17.0%
Intergov'tl Transfer		169,259	416,300	146.0%
Donations & Bequests		5,500	0	-100.0%
Interest		41,151	26,726	-35.1%
Interfund Transfer		779,872	525,524	-32.6%
Other		225,348	114,637	-49.1%
TOTAL RESOURCES	0	5,368,400	5,683,825	5.9%
REQUIREMENTS				
Personal Services		1,978,484	2,152,822	8.8%
Materials & Services		2,495,947	2,182,921	-12.5%
Capital Outlay		233,415	517,236	121.6%
Transfers	0	548,554	612,737	11.7%
Support Services		370,554	338,390	-8.7%
Building Management		30,000	94,238	214.1%
MERC Administration		70,000	73,500	5.0%
Other		78,000	106,609	36.7%
Contingency		112,000	165,097	47.4%
Unappropriated Balance		0	53,012	n/a
TOTAL REQUIREMENTS	0	5,368,400	5,683,825	5.9%
TOTAL FTE		51.65	55.3	7.1%

Casey Short

PROPOSED FY 94-95 REGIONAL PARKS AND EXPO FUND

Major Changes/Issues

Overview

The major change is the existence of this Fund and the Regional Parks and Greenspaces Department, effective January 1, 1994. For purposes of this discussion, I will separate the activities of this department from Expo Center operations, which are managed by MERC. I also use the base budget numbers, rather than the proposed budget. The difference is \$40,020.

REGIONAL PARKS & GREENSPACES

Resources

Total resources are \$4.1 million, a 7.4% increase over 93-94. This includes a \$400,000 "Expo subsidy," which is listed in the Department's budget submittal but does not track through the Expo budget.

Other significant revenue points:

- Transfer of \$466,000 from the Multnomah County Natural Areas Fund (\$0 in 93-94). This is itemized as enterprise revenue because it's listed as "contract revenue."
- Enterprise revenues increase 21.2%, from \$1.56 million to \$1.89 million. This figure includes the \$466,000 transfer noted above; without this transfer, enterprise revenues show a decrease of 8.6%.
- Intergovernmental revenues increase from \$169,000 to \$416,000, almost exclusively from an increase in R.V. registration fee revenue that passes through Multnomah County.
- Grant revenues are down, reflecting expenditures of U.S. Fish & Wildlife grants from prior years.
- Interfund transfers are down, as the General Fund transfer is reduced by \$150,000 and a \$114,000 transfer from the Planning Fund is not continued.

Overall, it is difficult to track the revenues generated by the Multnomah County facilities, separate from revenues generated by (or dedicated to) the Greenspaces program. I will request clarification of this revenue split from the Department in the course of the budget process.

Expenditures

Operating expenditures increase marginally (1.8%), without including transfers and contingency. Personal Services increases 3.8%; Materials & Services is down \$300,000 (15%), while Capital Outlay increases \$300,000 (470%). A comparison of interfund transfers would be misleading at this point because transfers are budgeted at the Fund level, not by

program, and because there is not enough history to draw valid conclusions. The major readily identifiable change in expenditures is some \$300,000 set aside for land purchases, using money from the Natural Areas Trust Fund.

EXPO CENTER

Resources

Budgeted resources show an increase of \$33,000 (2.1%), to total \$1.58 million. No fund balance is separated for Expo, so I can't tell how much money is carried over from the County. There are also no interest earnings budgeted. The three major revenue categories of rental, concessions, and parking show significant increases (an aggregate increase of \$163,000, or 12%), while the "other" category decreases 54.5%. Some further justification of the shifts in revenues will be requested.

Expenditures

Personal Services increases \$113,000 (30%), with an increase from 8.5 to 11.7 FTE (38%). Materials & Services decreases slightly, and Capital decreases 10%. Total operating expenditures increase 7.1%.

Beyond the basic numbers, there are several questions that arise regarding where the Expo money goes. The issue of fund balance and interest earnings has already been raised. In addition, there is a discrepancy in budgeted figures for Unappropriated Balance: MERC's budget worksheets for Expo show an unappropriated balance of \$155,715, while the proposed budget has only \$55,715 in that category for the entire Fund.

Issues

The Fund and management structures established to assimilate the Multnomah County facilities contain a number of administrative problems that need to be worked out. It is awkward to split the management of this Fund between MERC and the Regional Parks and Expo Department, as shown in the discrepancy in the unappropriated balance figures. It would also be helpful to have clearer documentation of the sources of funds, between the Multnomah County facilities and programs and the Greenspaces programs. This issue was alluded to at the Regional Facilities Committee's briefing from the Department, where Councilors questioned the emphasis on the programs of the facilities in Multnomah County. Also, it should be determined whether the significant shifts in major revenue sources are attributable to normal fluctuations resulting from the transfer of programs from Multnomah County, or are some of these sources actually volatile?

The principal issue, however, is the question of finding funds for greenspaces acquisition and ongoing operations for the parks and open spaces. Work is actively proceeding on this question, and a determination of whether - and when - to put forth a bond measure should be made late this fiscal year or early in 94-95.

SMITH & BYBEE LAKES TRUST FUND

	<i>FY 92-93 ACTUAL</i>	<i>FY 93-94 ADOPTED BUDGET</i>	<i>FY 94-95 PROPOSED BUDGET</i>	<i>% CHANGE</i>
RESOURCES				
Fund Balance	1,987,040	1,289,064	3,328,952	158.2%
Grants	0	140,000	65,000	-53.6%
Intergov'tl Transfers	0	1,300,000	0	-100.0%
Donations & Bequests	0	47,000	0	-100.0%
Interest	76,800	48,000	87,201	81.7%
Interfund Transfer	15,045	18,700	24,601	31.6%
Other	83	0	0	0.0%
TOTAL RESOURCES	2,078,968	2,842,764	3,506,754	23.3%
REQUIREMENTS				
Personal Services	56,665	65,623	82,652	-83.6%
Materials & Services	71,415	504,950	161,230	-68.1%
Capital Outlay	313,289	450,000	221,000	-50.9%
Transfers	5,000	18,700	25,429	36.0%
Contingency	0	80,000	13,717	-82.9%
Unappropriated Balance	1,632,599	1,723,491	3,001,726	74.2%
TOTAL REQUIREMENTS	2,078,968	2,842,764	3,506,754	23.3%
TOTAL FTE		1	1.5	50.0%

Casey Short

SMITH & BYBEE LAKES TRUST FUND

Major Changes/Issues

Resources

The fund balance increases by \$2 million over 93-94 budget, and \$1.7 million over the actual 93-94 fund balance. The increase is \$1.6 million over the budgeted 93-94 ending fund balance. Other revenues decrease from 93-94, most notably \$1.3 million budgeted in 93-94 as "contract services (intergovernmental agreement)."

Expenditures

Personal Services increases with the requested addition of a half-time management intern at a cost of \$10,700. Materials & Services decreases 68%, with the reduction of Miscellaneous Professional Services from 485,000 to \$140,000. Capital Outlay decreases 50% to \$221,000. Contingency is down 83% from \$80,000 to \$13,700, and the unappropriated balance is budgeted at \$3 million.

Issues

There are no significant issues. Some line item changes will need further explanation, and the question of adding the half-time position will need to be discussed.

METROPOLITAN GREENSPACES FUND

	<i>FY 92-93 ACTUAL</i>	<i>FY 93-94 ADOPTED BUDGET</i>	<i>FY 94-95 PROPOSED BUDGET</i>	<i>% CHANGE</i>
RESOURCES				
Donations & Bequests	0	1,000,000	1,000,000	0.00%
TOTAL RESOURCES	0	1,000,000	1,000,000	0.00%
REQUIREMENTS				
Capital Outlay	0	1,000,000	1,000,000	0.00%
TOTAL REQUIREMENTS	0	1,000,000	1,000,000	0.00%
TOTAL FTE		0	0	0.00%

Casey Short

PROPOSED FY 94-95 METROPOLITAN GREENSPACES FUND

Major Changes/Issues

This Fund was created in FY 1991-92 for acquisition of open spaces using money raised through a bond measure or major capital contributions. It has not yet received such funds, but is being held in case such funds are raised. Budgeted appropriation is \$1 million, dependent on funding.

REGIONAL PARKS TRUST FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
RESOURCES				
Fund Balance			297,518	
Interest			10,803	
Other			70,000	
TOTAL RESOURCES	0	0	378,319	
REQUIREMENTS				
Personal Services	0		0	
Materials & Services			65,988	
Capital Outlay			0	
Transfers			3,960	
Unappropriated Balance			308,371	
TOTAL REQUIREMENTS	0	0	378,319	
TOTAL FTE		0	0	

Casey Short

PROPOSED FY 94-95 REGIONAL PARKS TRUST FUND BUDGET

Major Changes/Issues

This new Fund comes over from Multnomah County with the transfer of the parks. It contains four accounts dedicated to specific programs. Budgeted expenditures from the accounts are quite small, and there are no issues to raise. A discussion of the specifics of the Fund will be included in staff's Phase I review.

MERC ADMINISTRATION FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
RESOURCES				
Fund Balance	0	0	0	
Interest	7,419	8,000	6,500	-18.8%
Interfund Transfer	739,868	619,740	633,612	2.2%
Other	333	0	0	
TOTAL RESOURCES	747,620	627,740	640,112	2.0%
REQUIREMENTS				
Personal Services	738,602	500,240	487,462	-2.6%
Materials & Services	9,018	47,500	112,650	137.2%
Capital Outlay	0	0	0	
Contingency	0	80,000	40,000	-50.0%
Unappropriated Balance	0	0	0	
TOTAL REQUIREMENTS	747,620	627,740	640,112	2.0%
TOTAL FTE		8.8	7.8	-11.8%

PROPOSED FY 94-95 MERC ADMINISTRATION FUND BUDGET

Major Changes/Issues

Resources

Funding for the MERC Administration Fund comes almost exclusively from transfers from other MERC Funds. Total resources increase slightly (2%), with increases in transfer amounts coming from the Convention Center (10.3%) and Expo (5.0%), and a decrease from Spectator Facilities (-9.2%).

Consistent with a Budget Note in the 93-94 budget, MERC has developed a methodology for calculating the transfers to this Fund. The exception is the Expo transfer, which has no history on which to base a transfer amount. Expo's transfer was simply increased 5% over 93-94, with the expectation that a basis for the transfer will be included in 1995-96.

Expenditures

Total budgeted expenditures increase 2% above 1993-94, including contingency. Without contingency, the increase is 9.6%.

Personal Services expenditures are reduced 2.5%, reflecting the elimination of one Accountant position. Total FTE are reduced from 8.5 to 7.5. The 94-95 personnel budget for this Fund represents considerable stability in comparison with the prior year, when the structure of MERC's administrative operation was in flux, awaiting a new General Manager.

Materials & Services increase 137%, from \$47,500 to \$112,650. MERC explains this increase by saying this is a more realistic calculation of these costs than in prior years. This explanation is plausible on its face, though we should see some corresponding reductions in relevant expenditures in the constituent Funds.

Contingency is budgeted at \$40,000, a 50% reduction from 93-94. The 93-94 amount, however, included \$10,000 for the original contingency amount plus \$70,000 from Expo. The Expo amount was placed in Contingency because the transfer of the facility was not complete when the budget was adopted. Since there has never been an expenditure from this Fund's contingency, the \$40,000 amount may be subject to reduction.

OCC OPERATING FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
RESOURCES				
Fund Balance	6,469,663	6,795,416	8,202,133	20.7%
Enterprise Revenue	6,223,946	6,269,636	7,008,787	11.8%
Interest	260,993	275,000	285,657	3.9%
Intergov't Transfer - Hotel tax	3,823,297	3,720,000	4,180,000	12.4%
TOTAL RESOURCES	16,777,899	17,060,052	19,676,577	15.3%
REQUIREMENTS				
Personal Services	2,672,238	3,126,813	3,584,037	14.6%
Materials & Services	4,990,939	6,142,647	5,980,334	-2.6%
Capital Outlay	187,168	248,000	370,000	49.2%
Transfers	753,222	1,170,142	2,459,830	110.2%
Support Services	316,726	452,806	515,428	13.8%
Building Management	0	40,500	64,336	34.2%
MERC Administration	232,036	313,361	345,511	10.3%
OCC Renewal/Replacement	0	178,000	1,400,000	686.5%
Other	185,486	185,486	144,555	-22.1%
Contingency	0	500,000	475,000	-5.0%
Unappropriated Balance	8,174,332	6,872,450	6,807,376	15.9%
TOTAL REQUIREMENTS	16,777,899	17,060,052	19,676,577	15.3%
TOTAL FTE		80.3	87.33	7.9%

Casey Short

PROPOSED FY 94-95
OREGON CONVENTION CENTER OPERATING FUND BUDGET

Major Changes/Issues

Resources

Budgeted resources are projected to increase 15.3% over 1993-94, but this amount of increase is misleading. The actual beginning fund balance in 1993-94 was \$8.17 million, some \$1.4 million higher than the budgeted figure.

Enterprise revenues are budgeted at 11.8% over 93-94 budgeted figures, and 12.6% over 92-93 actuals. We can expect the current year's earned revenues to be higher than budgeted, but the increase in such income is declining as the facility approaches capacity.

Hotel/motel tax revenues are projected at \$4.18 million, a 12.4% increase over 93-94 budget and a 9.3% increase over 92-93 actuals. The figure for 94-95 does not include the proposed diversion of \$600,000 in hotel/motel taxes to support the PCPA. If this reallocation is approved, we would see the OCC revenue figure decreased by this amount.

Expenditures

Personal Services shows an increase of 14.6%, with an FTE increase of 7.1 positions (7.9%). The only issue here would be whether increases in staff continue to be justified in light of the flattening of revenues.

Materials & Services shows a 2.6% decrease over the amount in the 93-94 amended budget. However, the current year's budget for this category includes the one-time payment of \$722,000 for the Convention Center Local Improvement District, which Council approved in October, 1993. Deducting this payment from the 93-94 budget shows an increase of 10.3% for next year.

Capital Outlay increases 49%, from \$248,000 to \$370,000. Some justification for this increase will be requested.

Transfers show a 110% increase. The principal cause is a requested transfer of \$1.4 million to the OCC Renewal & Replacement Fund, in an effort to get that reserve up to the target level of \$2.5 million as soon as possible. The increase of 13.8% in the Support Services transfer is large, and there is also an increase in the Building Management transfer related to Metro Regional Center garage use.

The Unappropriated Balance establishes a new "Business Stabilization & Facilities Planning Account" of \$4.2 million, which is intended as a reserve against economic downturns.

Overall, the 94-95 budget shows a net loss of \$1.4 million in this Fund, which is, coincidentally, equal to the transfer to Renewal and Replacement. The Fund has no short-term problems, and management is prudently setting money aside for reserves. The long term picture is not quite so rosy, and will require careful oversight to ensure continued financial health.

SPECTATOR FACILITIES OPERATING FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
RESOURCES				
Fund Balance	4,901,496	3,867,491	2,689,598	-30.5%
Enterprise Revenue	6,138,191	5,870,000	5,260,778	-10.4%
Interest	186,484	154,000	110,383	-28.3%
Interfund Transfer	200,000	0	0	0.0%
TOTAL RESOURCES	11,426,171	9,891,491	8,060,759	-18.6%
REQUIREMENTS				
Personal Services	3,846,579	4,043,979	3,965,886	-1.9%
Materials & Services	2,065,068	2,297,150	1,766,059	-23.1%
Capital Outlay	384,242	530,000	250,000	-52.8%
Transfers	608,977	668,157	626,980	-6.2%
Support Svcs	212,616	290,186	320,231	10.4%
Building Management	0	0	0	0.0%
MERC Administration	239,532	236,389	214,601	-9.2%
Other	156,829	141,582	92,148	-34.9%
Contingency	0	305,037	182,000	-40.3%
Unappropriated Balance	4,521,305	2,047,168	1,269,834	-38.0%
TOTAL REQUIREMENTS	11,426,171	9,891,491	8,060,759	-18.6%
TOTAL FTE		129.25	128.72	-2.0%

CIVIC STADIUM

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE BUDGET
RESOURCES				
Fund Balance	1,633,832	1,392,296	893,230	35.8%
Enterprise Revenue	1,766,930	2,320,000	1,610,720	30.6%
Interest	72,837	50,000	35,383	29.2%
TOTAL RESOURCES	3,473,599	3,762,296	2,539,333	-32.8%
REQUIREMENTS				
Personal Services	537,014	654,861	587,478	10.3%
Materials & Services	1,096,325	1,399,435	1,032,479	26.2%
Capital Outlay	76,884	350,000	250,000	28.6%
Transfers	156,475	230,130	145,757	36.7%
Support Svcs		97,416	74,207	23.8%
Building Management		0	0	
MERC Administration		87,647	50,295	42.6%
Other		45,067	21,255	52.8%
Contingency	0	100,000	82,000	18.0%
Unappropriated Balance	1,606,901	1,027,870	441,669	57.0%
TOTAL REQUIREMENTS	3,473,599	3,762,296	2,539,333	-32.8%
TOTAL FTE		20.28	16.88	-21.7%

PERFORMING ARTS CENTER

	FY92-93 ACTUAL	FY93-94 ADOPTED BUDGET	FY94-95 PROPOSED BUDGET	% CHANGE BUDGET
RESOURCES				
Fund Balance	3,267,664	2,475,491	1,796,368	27.4%
Enterprise Revenue	4,371,261	3,550,000	3,650,058	2.8%
Interfund Transfer	200,000	0	0	
Interest	113,647	104,000	75,000	27.9%
TOTAL RESOURCES	7,952,572	6,129,491	5,521,426	-9.9%
REQUIREMENTS				
Personal Services	3,309,565	3,389,118	3,378,408	0.3%
Materials & Services	968,743	897,715	733,630	18.3%
Capital Outlay	307,358	180,000	0	100.0%
Transfers	452,502	452,893	476,164	5.1%
Support Svcs		192,770	242,422	25.8%
Building Management		0	0	
MERC Administration		163,608	164,306	0.4%
Other		96,515	69,436	28.1%
Contingency	0	205,037	100,000	61.2%
Unappropriated Balance	2,914,404	1,004,728	833,224	17.1%
TOTAL REQUIREMENTS	7,952,572	6,129,491	5,521,426	-9.9%
TOTAL FTE		108.97	110.84	1.7%

PROPOSED FY 94-95 SPECTATOR FACILITIES OPERATING FUND BUDGET

Major Changes/Issues

Resources

The Fund Balance continues to shrink. The reduction is \$1.2 million (30.5%) from budgeted 93-94 beginning balance, and \$1.8 million (40.5%) from the actual balance. Enterprise revenue at the Fund level is also down 10% from budget. Total resources are down next year 18.5% from budget.

CIVIC STADIUM - The loss of the Portland Beavers AAA baseball franchise has cut into the 1993-94 revenue stream and significantly affects projected 94-95 revenues. Current year's revenues will be down from budget (by an amount not yet determined), and next year's projections show reductions in the 30% range from 93-94 budget. These projections for 94-95 are based on the assumption that AAA baseball will be back in the spring of 1995, so the absence of baseball would make the revenue picture even worse.

PCPA - Enterprise revenues hold steady with 93-94 budget. The revenue problem at PCPA is that enterprise revenue cannot support the operations, and the fund balance declines. Even with mid-year reductions this year, PCPA will run \$1.3 million in the red.

Expenditures

Operating expenditures show a reduction of 12.3%, from \$7.54 million to \$6.61 million. Personal Services reductions are small (1.9%), with large reductions in Materials & Services (23%) and Capital Outlay (52.8%). Overall, the interfund transfers are down 6%, even with a 10% increase in the transfer to Support Services.

CIVIC STADIUM - All expenditure categories are down, ranging from a 10% decrease in Personal Services to a 37% decrease in Interfund Transfers. These reductions reflect the loss of AAA baseball, and as noted above, will be even greater if AAA baseball does not return in 1995.

Even with the reductions, half the fund balance allocated to Civic Stadium will be used in 94-95. The apparent conclusion here is that another year of status quo operations would exhaust the available resources. MERC management has advised the Regional Facilities Committee that a decision on AAA baseball will be made by the end of March, and MERC will return to the Council for further guidance on Stadium operations if there is not a commitment from the owner of the Calgary baseball team.

PCPA - Noteworthy changes in expenditures include:

Personal Services expenditures are static, and FTE's increase slightly (addition of 7 FTE in part-time staff offset reductions of 5 FTE in full-time).

The 18% decrease in Materials & Services is principally in the area of marketing and promotional activities.

No capital outlay is budgeted.

Interfund transfers increase 5%, including a 26% increase to Support Services.

ISSUES

The ongoing problem of funding the PCPA has now extended to Civic Stadium, with the loss of baseball. At current expenditure levels, the Spectator Facilities Fund will be exhausted by the end of 1995-96 (if not sooner). MERC is working to find additional revenues through a concert series at the Stadium and a number of alternatives

at PCPA identified in its business planning process. It is apparent, though, that these efforts won't be enough to sustain the facilities: a source of subsidy must be found.

There is a proposal being discussed which would culminate in Multnomah County amending its hotel/motel tax ordinance to allow \$600,000 to be dedicated to PCPA operations for three years. This money, in conjunction with parallel efforts to reduce the annual PCPA deficit to that \$600,000 amount beginning in 1995-96, is needed for PCPA, but there are still details to be worked out with the proposal. Among those are the questions of subsidy for the Stadium (or for making hotel tax funds available for the MERC system as a whole), and a potential restriction on transfer payments that is in the current proposal.

Civic Stadium is aging, and serious thought must be given to the question of how long it can stay open. Even if baseball returns, or another way is found to make ends meet, the \$1.3 million cost of replacing the artificial surface in the next few years now appears to be beyond MERC's or Metro's means.

In addition to the broader issues, there are a couple of short-term budget issues for 1994-95:

- Is it prudent to eliminate the capital budget for PCPA?
- Is it acceptable to concentrate the PCPA cuts on promotions and marketing? (Many of these cuts are being implemented in the current fiscal year.)
- Revenue projections and the capital budget at the Stadium are based on the presence of AAA baseball in 1995. Should the budget be based on such an uncertainty?

OCC RENEWAL AND REPLACEMENT FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
RESOURCES				
Fund Balance		0	690,000	N/A
Interest		27,000	25,000	-7.4%
Interfund Transfer		678,000	1,400,000	108.5%
TOTAL RESOURCES	0	705,000	2,115,000	200.0%
REQUIREMENTS				
Unappropriated Balance		705,000	2,115,000	200.0%
TOTAL REQUIREMENTS	0	705,000	2,115,000	200.0%
TOTAL FTE		0	0	

Casey Short

PROPOSED FY 94-95 OCC RENEWAL & REPLACEMENT FUND

Major Changes/Issues

Resources

The budgeted resources for this Fund increase 200% over 93-94, reflecting a large contribution of \$1.4 million from the Convention Center Operating Fund, and the carryover of existing funds from the current year.

Requirements

This Fund is a reserve for major capital replacement and improvements at the Convention Center. It is not going to be needed for this purpose in 1994-95, so all the money sits in the Unappropriated Balance.

Issues

None.

OCC PROJECT CAPITAL FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
RESOURCES				
Fund Balance	4,522,822	2,640,000	1,371,260	-48.1%
Interest	154,044	60,000	47,895	-20.0%
Other	157,375	0	0	0.0%
TOTAL RESOURCES	4,834,241	2,700,000	1,419,255	-47.4%
REQUIREMENTS				
Personal Services	32,760	33,240	37,694	13.4%
Materials & Services	1,341,102	39,500	22,500	-43.0%
Capital Outlay	562,623	1,483,340	689,351	-53.5%
Transfers	93,094	605,920	49,710	-91.8%
Support Services	84,406	103,712	49,710	-62.1%
Building Management	7,117	0	0	0.0%
OCC Renewal/Replacement	0	500,000	0	-100.0%
Other	1,572	2,208	0	-100.0%
Contingency	0	0	100,000	n/a
Unappropriated Balance	2,804,662	538,000	520,000	-3.3%
TOTAL REQUIREMENTS	4,834,241	2,700,000	1,419,255	-47.4%
TOTAL FTE		0.5	0.5	0.0%

Casey Short

PROPOSED FY 94-95 CONVENTION CENTER PROJECT CAPITAL FUND

Major Changes/Issues

Resources

This Fund contains residual money from the bond issue and other funding sources used to pay for construction of the Convention Center. Resources consist solely of the fund balance and interest, and the Fund gets smaller every year as the money is used for eligible capital projects. Total resources are down 47%, reflecting expenditures on projects in 1993-94.

Expenditures

Personal Services is up 13%, although it covers the same FTE as last year. Materials & Services is reduced 43%, as some of the relevant expenditures were made on specific projects last year. The reduction also marks the change from Regional Facilities Department management to MERC management of the Fund, as MERC is not including many of the small line item costs here.

Capital Outlay is down 53.5%, reflecting the smaller fund balance which results from completion of certain purchases and projects. Interfund transfers are down 92%, with the major change being the elimination of a \$500,000 transfer to the OCC Renewal & Replacement Fund. This transfer was made as part of the complicated multi-Fund transfer to pay the Local Improvement District assessment early in FY 93-94.

The Fund includes a contingency of \$100,000, and an unappropriated balance of \$520,000, the latter being a reserve for a future arbitrage payment.

Issues

There are two issues with this Fund. The first concerns the LID payment made in 1993-94. Putting it as simply as I can, the OCC Operating Fund made the full payment of \$722,000, with the Capital Fund then transferring \$500,000 to the Renewal & Replacement Fund in an effort to partially cover the budgeted transfer to the R&R Fund. The difference of \$222,000 could probably be reimbursed to the Operating Fund with the money remaining in this Fund. The reason to do this would be to preserve flexibility, as the Capital Fund is restricted to certain expenditures, and the Operating Fund is more open.

The second issue is somewhat related. This Fund continues to have transfers to Support Services assessed, in amounts of \$66,000 in 93-94 and \$49,000 in 94-95. The sooner this Fund is spent out, leaving only the arbitrage reserve, the less it will have to pay out in transfers, resulting in bond proceeds going more directly for the purposes intended.

OCC PROJECT DEBT SERVICE FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
RESOURCES				
Fund Balance	1,594,247	3,304,674	2,959,694	-10.4%
Property Taxes	5,847,910	4,954,680	5,425,210	9.5%
Other	29,561	0	0	
Interest	67,422	40,000	50,000	25.0%
TOTAL RESOURCES	7,339,140	8,299,354	8,434,904	1.6%
REQUIREMENTS				
Personal Services	0	0	0	
Materials & Services	0	0	0	
Capital Outlay	0	0	0	
Debt Service	3,924,401	5,530,803	5,542,640	0.2%
Unappropriated Balance	3,414,739	2,768,551	2,892,264	4.5%
TOTAL REQUIREMENTS	7,339,140	8,299,354	8,434,904	1.6%
TOTAL FTE		0	0	0.0%

Casey Short

PROPOSED FY 94-95 CONVENTION CENTER DEBT SERVICE FUND

Major Changes/Issues

Resources

Fund balance decreases 10%, from \$3.3 million to \$2.96 million. Property taxes increase 9.5%, from \$4.95 million to \$5.42 million.

Expenditures

The debt service payment is in accordance with the debt service schedule, and unappropriated balance must equal or exceed the payment scheduled for July 1. Fluctuations are small, reflecting marginal changes in interest earnings and property tax collections.

Issues

There are no real issues with this Fund. The only question I would raise is why the property tax levy is increasing \$470,000 over the prior year.

Casey Short

PROPOSED FY 94-95 COLISEUM OPERATING FUND BUDGET

Major Changes/Issues

Discussion

This Fund was created in 1993-94 to settle any outstanding liabilities from Metro's operation of Memorial Coliseum prior to its returning to City of Portland responsibility. Metro and the City agreed to reserve \$300,000 of Coliseum funds to pay such claims. Following closure of all outstanding claims, any remaining funds will be paid to the City.

Estimated beginning fund balance is \$180,000, which is appropriated in the Insurance line item.

There are a few questions to ask about the nature of settled and outstanding claims against this Fund, but there are no major issues for the Council to consider.

COLISEUM OPERATING FUND

	FY 92-93 ACTUAL	FY 93-94 ADOPTED BUDGET	FY 94-95 PROPOSED BUDGET	% CHANGE
RESOURCES				
Fund Balance	0	1,000,000	180,000	-82.0%
Enterprise Revenue	10,883,397	0	0	
Interest	60,935	0	0	
TOTAL RESOURCES	10,944,332	1,000,000	180,000	-82.0%
REQUIREMENTS				
Personal Services	3,092,967	0	0	
Materials & Services	6,327,756	1,000,000	180,000	-82.0%
Capital Outlay	72,542	0	0	
Transfers	693,137	0	0	
Support Svcs	251,513			
MERC Administration	268,300			
Other	173,324			
Contingency	0	0	0	
Unappropriated Balance	757,930	0	0	
TOTAL REQUIREMENTS	10,944,332	1,000,000	180,000	-82.0%
TOTAL FTE		0	0	