



# METRO

2000 S.W. First Avenue  
Portland, OR 97201-5398  
503/221-1646

# Memorandum

DATE: May 7, 1992

TO: Jennifer Sims, Director of Finance and Management Information

FROM: Christopher Scherer, Financial Planning Manager

RE: METRO FUNDING REQUIREMENTS

At your request, I have prepared this memorandum summarizing certain unfunded Metro future requirements including (1) funding of the future revenue shortfall in MERC-managed spectator facilities, (2) funding of projected revenue shortfalls at the Metro Washington Park Zoo, and (3) funding of projected shortfalls in Metro's planning functions.

### Spectator Facilities

As you know, we prepared an analysis of spectator facilities funding requirements for the Regional Facilities Study. The analysis indicated that operation of the PCPA and Civic Stadium will result in annual deficits that will eventually deplete the fund balance that exists in the Spectator Facilities Fund. This analysis has been updated to include the proposed FY 1992-93 MERC budget. Below are results for FY 1995-96 (the fiscal year during which the existing fund balance will be depleted):

	PCPA	Stadium	
Revenues	\$4,945,000	\$1,961,000	\$6,906,000
Expenses	5,557,000	2,257,000	7,814,000
Capital outlays	330,000	82,000	412,000
Net Revenues	(\$942,000)	(\$378,000)	(\$1,320,000)

The projected average annual revenue shortfall for FY 1992-93 through FY 1999-2000 for these two spectator facilities is \$1,680,000.

### Metro Washington Park Zoo

In the recently completed five-year financial plan, FY 1995-96 earned revenues in the Zoo Operating Fund, including the approved property tax levy, are projected to total \$14,088,000. Expenses for the same year, not counting unappropriated fund balance are projected to total \$15,663,640, resulting in a shortfall for the year of \$1,575,640. Although sufficient fund balance exists to cover that fiscal year's shortfall, it is projected that the shortfall will increase each year resulting in an annual deficit beginning in either FY 1996-97 or 1997-98. For planning purposes it is reasonable to

*Governments  
CHARTER  
COPRESS.*

Jennifer Sims

May 7, 1992

Page 2

assume that the Zoo will need an additional revenue source of approximately \$2,000,000 beginning in FY 1997-98.

### **Planning Functions**

In FY 1995-96, the last year of the five-year financial plan, excise tax requirements are estimated at approximately \$9.2 million. This assumes growth as reported in General Fund programs, Planning and Development programs, and Transportation Planning programs. FY 1992-93 projections of excise tax receipts at a rate of 6.0% total \$4,807,405. If tax receipts grow at 5.0% per year, FY 1995-96 collections would total approximately \$5.6 million, indicating that competition for excise tax resources will intensify in future years. The planning costs projected to be funded by excise tax in FY 1995-96 total approximately \$2.6 million.

In addition, the Planning and Development five-year financial plan for FY 1995-96 included "unfunded" programs totaling \$4,339,000. As estimated in the plan, then, planning programs not funded by governmental dues, grants, and donations are projected to cost \$6,953,000.

\* \* \* \* \*

Let me know if you need anything else.

in the past, the Office has been able to provide legal support for the District, as a whole, and the Solid Waste Department with the existing capacity, the continued implementation of existing programs combined with the fact that the staff that had in the past been utilized to initiate the program is now directed toward initiating new programs, while the Solid Waste Department has hired additional staff to maintain the previously developed programs, results in an increased demand in the legal services area. In order to provide a continuing level of support to the other non-solid waste departments of the District, at the same level as has been provided in the past both for maintenance and policy development, it will be necessary to expand the capacity of the Office of General Counsel so that the increased demand of the Solid Waste Department can be met without depleting resources that are available and necessary to meet the existing non-expanding demand from other departments.

The other areas in which considerable legal capacity will be needed for next year, which are anticipated to be a high priority of the Office, will be the Tri-Met Merger Study and the Charter Commission effort.

While the Charter Commission will have independent staff to assist it in drafting a Charter, the Office of General Counsel anticipates the need to make a considerable effort to monitor and work with the Charter Commission through its process in order to both provide information regarding legal issues that have in the past impacted the District, as well as providing guidance on the impact of proposed policy decisions being made by the Charter Commission.

The second area in which the Office of General Counsel anticipates spending considerable time as a result of policy initiatives of the Council and Executive Officer is the Tri-Met Merger Study.

The goal of maintaining the Office of General Counsel at a staffing level of meeting the legal needs of the District is to avoid litigation as much as possible by providing preventative law services to the entire District. A second goal is to meet the need for litigation services where litigation is unnecessary.

The proposal to add an additional attorney to the Office, while resulting in an increase in the total proposed budget for the Office, has also been reflected by a change in the proposed allocation formula from that utilized last year in

*- Metro  
Greenspaces  
Plan,  
- RUGGO  
implementation  
actions  
- Urban resources  
designation  
- legis mandates*