



METRO

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

Memorandum

DATE: July 21, 1992

TO: Ken Gervais, Senior Management Analyst, Office of Government Relations

FROM: Jennifer Sims, Director of Finance and Management Information

RE: Proposed Charter Language on Finance

Based on your cursory briefing on the proposed charter language for finance, I have a few issues and questions:

1. Are the excise tax spending ratios intended as a proportion of total dollars spent? Total dollars levied? or something else?
2. What if the overhead category is underspent, pushing up the percentage spent on planning? Is that a charter violation?
3. There is no provision for contingency and unappropriated balance. Currently 13.6% of the General Fund is in these categories. This is necessary for prudent management. How will these needs be provided for in the ratios?
4. On what basis will the \$6 million cap be increased? The level of excise tax funding needs to be linked to the activity level and needs of the organization.
5. What funding source is envisioned for Metro's known short-term needs if niche taxes are limited to \$1 million? As presented in Councilor Gardner's testimony to the Committee, PCPA, Zoo, Planning, Arts, and Greenspaces will require much more than \$1 million annually within five years.
6. At the current level of excise tax funding a 37% cut would be needed to keep general government overhead at 30% of the levied amount. How will this be accomplished when new costs are contemplated such as an auditor?

These are just a few quick thoughts. I am sure my list will grow after I sleep on it. I have attached a summary showing how the local government dues are budgeted for FY 1992-93.

JS:kc
Attachment

c:\wp51\karen\js-memos\kgervais.js

Local Government Dues -- FY 1992-93 General Expenditures

| | | |
|----|---------------------------------|-------------------------|
| | Grant Match | \$106,793 |
| * | RLIS Data Development | 275,727 |
| ** | Project Studies | 79,450 |
| | General Materials/Services | 11,065 |
| | Growth Management - Region 2040 | <u>108,122</u> |
| | TOTAL DUES | <u>\$581,157</u> |

* Of the \$275,727 RLIS/Data, \$67,200 is data assistance to the jurisdictions.

** Project Studies:

| | |
|--------------------------------|----------|
| Tech. Asst. - Port of Portland | \$ 3,200 |
| Region 2040 Ph II | 37,500 |
| Regional HCT | 38,750 |