



METRO

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

Memorandum

Chris

DATE: August 6, 1992

TO: Betsy Bergstein, Senior Management Analyst, Office of Government Relations

FROM: Jennifer Sims, Director of Finance and Management Information

RE: General Review of Charter (Finance)

I have conducted a cursory review of the Finance chapter in the final charter document. I have made the following observations:

Section 10. General Authority

Grants broad authority to raise revenues, including certificates of participation.

COMMENTS: Provides adequate authority. Adds certificates of participation not now allowed.

Section 11. Voter Approval of Certain Taxes

Requires voter approval of new payroll, property, income, or sales taxes. Excludes user charge, service fee, franchise fee, approval charges for franchise, license or permit, and benefit assessment against property.

COMMENTS: Reasonable and expected in post Measure 5 environment.

Section 12. Voter Approval of General Obligation Bond

Requires vote

COMMENTS: Currently required.

Section 13. Prior Consultation for Tax Imposition

Requires tax study committee advice before imposing new tax without vote.

COMMENTS: New requirement, could be very helpful.

Section 14. Limitation on Expenditures of Certain Tax Revenues

Limits tax and earned interest spending to \$12.5 million per year, plus CPI increases. Excludes voter approved taxes, payroll tax, and tax increment financing.

COMMITTEES
GOVT
CHARTER --
FINANCING
12/90

Betsy Bergstein
August 6, 1992
Page 2

COMMENTS: Current expenditure level under this cap is \$4.5 million. The limit is adequate for known needs in the short term. It is likely to be problematic in future years as functions and needs change.

Section 15. Limitations on Amount of User Charges
Concession receipts may be used to reduce related costs; otherwise, charges for goods and services may not exceed actual costs.

COMMENTS: Further analysis of the impact of this section is needed. This may be very limiting.

General Comments: While the provisions of the Finance Chapter are restrictive and potentially burdensome, they will allow Metro to raise adequate resources for at least the next three to five years. Of greater concern to me is the addition of numerous requirements that will prove costly with no identified additional resources. These include the following: an apportionment commission, an elected auditor, paid council, Metro Policy Advisory Committee, a citizen involvement office and a citizen involvement committee, preparation of a "future vision," and preparation of a regional framework plan.

JS:kc/rs
chrtrev.js