



METRO

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

Memorandum

Date: August 29, 1991
To: Finance Committee
From: Jennifer Sims, ^{JS} Director
Finance and Management Information
Re: Update Report on Finance and Management Information
Department

Accounting

- **Audit**
The FY 1990-91 for MERC and Metro is in progress. Auditors are on site as of today. Work expected to be completed in mid-to-late October. There appear to be no major audit issues at this time. This is the first year of full operations with MERC. Some issues may emerge relating to MERC.
- **MERC**
There are continuing minor problems with coordination. We are proceeding to automate as much of the MERC accounting function as possible. We believe this will bring significant efficiencies to their operation.
- **Financial Reports**
The financial reports continue to be issued in a timely manner. Departments have requested several improvements to make reports more user friendly. This work is the Department's top priority and is in progress.
- **Three new positions**
Three females; one Asian minority, one CPA hired.

Information Systems

- **Acquisitions/installments/moves**
This time of year is especially busy with new fiscal year purchases. We are also actively involved in procurement and installation of the new STRAP network. Internal moves and relocation of the Transportation Department are taking a lot of staff resources.

- Upgrade A-Series, financial system
The budget provides for enhancing the hardware and software capability of the financial system. This is being coordinated with UNISYS, the vendor of the A-Series equipment. We expect to complete this upgrade by Thanksgiving.
- Data Processing Plan
The Information Systems User Group is working with the division to update the plan to have a complete final plan for the FY 1992-93 budget process.
- Two new positions
Two males, one black minority hired.

Risk Management

- Program and procedures
The new Risk Manager is conducting a complete review of the existing policies, program and procedures, and will be implementing changes as needed. He has completed a tour of all facilities. He's been impressed with our departments' attentiveness to safety issues and willingness to participate in risk management strategies.
- Two new positions
One male and one female hired.

Office Services

- Service Improvements
The addition of the courier/print shop assistant has greatly improved efficiencies of the print shop, mail room service and courier capability throughout the organization. Within one month of his hiring, this new employee was able to fill in for two weeks while the lead printer was on vacation.
- One new position
One male hired.

Finance

- Budget Process/Quarterly Reports
Department staff are working with the department heads and Council staff to make improvements in the process responding to Council needs and concerns.

- **Five-Year Financial Plans**
Meetings have been conducted with all departments. A report will be provided to the committee in accordance with the budget note prior to September 30, 1991.
- **IAB appointment**
Roger Meier has resigned from the Investment Advisory Board. A solicitation for appointees will be circulated. Your suggestions are encouraged.
- **Consulting services**
The Finance Division has been requested to participate in a variety of projects by the operating departments. The services range from providing financial analyses to participation in the issuance of debt and identifying and seeking new funding sources. A list of the financial consulting projects is provided below for your information.

Consulting Projects

- . Upgrade Solid Waste System Bond Rating
- . Washington County Transfer Station
- . Methane Gas Project
- . Recycling Markets Development Loan Program
- . Office Headquarters
- . Blazer Arena
- . End of the Oregon Trail
- . PCPA Stadium Funding
- . OCC Expansion
- . Arts 2000
- . Zoo Funding
- . Zoo LRT Stop Funding
- . Greenspaces
- . Charter Committee

Finance Committee
August 29, 1991
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- Two new positions
One male, one female hired.

JS:rs
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METRO

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

Memorandum

DATE: September 23, 1991
TO: Distribution List
FROM: Christopher Scherer, Financial Planning Manager
RE: FIVE-YEAR FINANCIAL PLAN SCHEDULE AND HISTORICAL INFORMATION

Attached are 1.) a draft schedule for preparation of the five-year financial plans, and 2.) preliminary historical financial information from the most recent three fiscal years. Please review this information and contact me or Kathy Rutkowski with your comments.

We will be submitting the schedule for preparation of the five-year plans for review and approval by the Executive Officer and the Council during the next two weeks. The information, therefore, is subject to modification. Historical data for FY 1990-91 will remain preliminary until our audit has been completed. We will forward our final version to you when it becomes available.

CS:rs
Attachment

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Distribution:

Dick Engstrom
Andy Cotugno
Sherry Sheng
Dan Cooper

Don Carlson
Jennifer Sims
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Vicki Rocker

Bob Martin
Richard Carson
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DRAFT

Five-Year Financial Plan

Schedule

August 1 - August 23	Departments meet with Financial Planning to develop approach to plan
August 15 - September 30	Departments identify key strategic issues
September 1 - October 11	Financial Planning prepares historical information for department analysis
October 14 - October 25	Departments meet with Executive Officer and Council standing committees to discuss issues related to historical information
September 3 - November 15	Departments develop five-year program description
November 18 - November 29	Departments meet with Executive Officer and Council standing committees to discuss issues related to five-year program description
December 2 - January 13	Financial Planning and departments develop draft five-year financial plans for each department
January 15 - January 25	Departments and Financial Planning meet with Executive Officer and Council standing committees to discuss draft plans
January 27 - February 25	Finalization of five-year financial plans

Three Year History for development of five year financial plans

Historical information has been constructed to reflect current fund/department/division structure to the maximum extent possible. FY 1990-91 historical figures are subject to final reconciliation of financial audit. Information was taken from on-line information system.

	FY 1988-89		FY 1989-90		FY 1990-91	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
GENERAL FUND						
Council						
Personal Services	6.66	270,068	7.30	298,372	8.50	359,997
Materials & Services		76,713		144,550		246,028
Capital Outlay		4,829		1,767		14,656
Subtotal	6.66	351,610	7.30	444,689	8.50	620,681
Executive Management						
Personal Services	6.60	310,650	8.85	433,923	7.50	348,419
Materials & Services		64,429		53,044		86,614
Capital Outlay		4,823		4,949		4,150
Subtotal	6.60	379,902	8.85	491,916	7.50	439,183
Office of Government Relations						
Personal Services	0.00	0	0.00	0	0.00	0
Materials & Services		0		0		0
Capital Outlay		0		0		0
Subtotal	0.00	0	0.00	0	0.00	0
Regional Facilities						
Personal Services	0.00	0	0.00	0	1.30	82,974
Materials & Services		0		0		45,364
Capital Outlay		0		0		0
Subtotal	0.00	0	0.00	0	1.30	128,338
General Expenses						
Interfund Transfers						
Indirect/Direct support		43,461		55,559		458,801
Transportation excise		0		0		319,111
Planning excise		0		0		491,681
Support Service fund blance		0		0		224,000
Other transfers		50,709		37,612		0
Contingency						
Subtotal		94,170		93,171		1,493,593
Unappropriated Balance		147,375		532,548		
Total General Fund Requirements	13.26	973,057	16.15	1,562,324	17.30	2,681,795

All three years of history Includes Office of Gov't Relations. Regional Facilities division budgeted in FY 1990-91 as part of Executive Management reflected under Regional Facilities Department

Newly created division in FY 1991-92

Includes the Regional Facilities division budgeted in Executive Management

FY 1988-89 and FY 1989-90 support transfers does not include transfers to the Support Service Fund

Three Year History for development of five year financial plans

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	FY 1988-89		FY 1989-90		FY 1990-91	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
SUPPORT SERVICES FUND						
Finance and Management Information						
Personal Services	20.63	747,482	23.75	907,749	31.70	1,268,501
Materials & Services		677,279		715,937		748,489
Capital Outlay		25,799		55,641		52,196
Subtotal	20.63	1,450,560	23.75	1,679,327	31.70	2,069,186
Regional Facilities						
Personal Services	3.20	149,114	3.20	157,938	4.50	261,386
Materials & Services		44,865		33,619		129,698
Capital Outlay		0		7,797		3,520
Subtotal	3.20	193,979	3.20	199,354	4.50	394,604
Personnel						
Personal Services	3.80	167,877	4.05	174,219	8.75	310,509
Materials & Services		29,104		19,105		31,223
Capital Outlay		0		3,737		7,916
Subtotal	3.80	196,981	4.05	197,061	8.75	349,648
Office of General Counsel						
Personal Services	4.40	199,764	4.25	236,931	5.00	257,029
Materials & Services		9,046		22,419		1,609
Capital Outlay		6,237		612		6,903
Subtotal	4.40	215,047	4.25	259,962	5.00	265,541
Public Affairs						
Personal Services	11.25	372,240	10.75	413,559	12.75	532,777
Materials & Services		67,473		65,925		72,249
Capital Outlay		6,546		4,530		12,960
Subtotal	11.25	446,259	10.75	484,014	12.75	617,986
General Expenses						
Interfund Transfers		148,846		166,678		257,762
Contingency		0		0		0
Subtotal		148,846		166,678		257,762
Unappropriated Balance		504,728		0		0
Total Support Services Fund Requirements	43.28	3,156,400	46.00	2,986,396	62.70	3,954,727

Includes Facilities Management now budgeted in Regional Facilities beginning FY 1991-92

Includes Construction and Contracts formally budgeted in Finance & Administration, now budgeted in Regional Facilities beginning FY 1991-92

Three Year History for development of five year financial plans

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	FY 1988-89		FY 1989-90		FY 1990-91	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
BUILDING MANAGEMENT FUND						
Metro Center Account						
Personal Services	1.83	55,996	1.83	51,612	2.10	58,995
Materials & Services		440,909		456,881		624,447
Capital Outlay		23,242		28,849		28,829
Subtotal	1.83	520,147	1.83	537,342	2.10	712,271
Metro Headquarters Project						
Personal Services	0.00	0	0.00	0	0.00	0
Materials & Services		0		0		0
Capital Outlay		0		0		0
Subtotal	0.00	0	0.00	0	0.00	0
General Expenses						
Contingency		0		0		0
Interfund Transfers		0		0		0
Subtotal		0		0		0
Unappropriated Balance		0		0		0
Total Building Management Fund Requirements	1.83	520,147	1.83	537,342	2.10	712,271
INSURANCE FUND						
Personal Services		0		0		0
Materials & Services		242,544		253,127		858,315
Capital Outlay		0		0		0
Contingency		0		0		0
Unappropriated Balance		1,296,920		3,098,316		0
Total Insurance Fund Requirements	0.00	1,539,464	0.00	3,351,443	0.00	858,315
ZOO OPERATING FUND						
Administration						
Personal Services	9.25	354,009	9.75	408,370	16.90	597,832
Materials & Services		148,135		202,741		134,556
Capital Outlay		12,959		3,993		6,363
Subtotal	9.25	515,103	9.75	615,104	16.90	738,751

Three Year History for development of five year financial plans

Historical information has been constructed to reflect current fund/department/division structure to the maximum extent possible. FY 1990-91 historical figures are subject to final reconciliation of financial audit. Information was taken from on-line information system.

	FY 1988-89		FY 1989-91		FY 1990-91	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Animal Management						
Personal Services	38.60	1,350,986	40.20	1,515,374	42.41	1,641,825
Materials & Services		295,430		274,961		345,044
Capital Outlay		21,881		14,266		4,296
Subtotal	38.60	1,668,297	40.20	1,804,601	42.41	1,991,165
Facilities Management						
Personal Services	33.78	1,104,077	36.20	1,254,007	37.84	1,311,046
Materials & Services		1,001,170		1,181,222		1,195,687
Capital Outlay		308,172		295,496		257,908
Subtotal	33.78	2,413,419	36.20	2,730,725	37.84	2,764,641
Education Services						
Personal Services	18.00	443,158	18.79	537,799	19.85	601,710
Materials & Services		96,812		134,711		161,821
Capital Outlay		15,281		13,607		15,777
Subtotal	18.00	555,251	18.79	686,117	19.85	779,308
Marketing						
Personal Services	3.85	126,738	4.00	150,922	4.00	166,027
Materials & Services		172,698		203,864		306,208
Capital Outlay		3,458		3,598		5,611
Subtotal	3.85	302,894	4.00	358,384	4.00	477,846
Visitor Services						
Personal Services	59.96	968,733	58.35	1,121,771	58.45	1,052,236
Materials & Services		796,848		1,009,180		918,770
Capital Outlay		22,019		44,227		49,683
Subtotal	59.96	1,787,600	58.35	2,175,178	58.45	2,020,689
General Expenses						
Interfund Transfers						
Indirect transfers		987,487		874,675		744,932
Transfer to Zoo Capital		1,987,662		1,809,794		0
Contingency		0		0		0
Subtotal		2,975,149		2,684,469		744,932
Unappropriated Balance		2,241,563		2,341,734		0
Total Zoo Operating Fund Requirements	163.44	12,459,276	167.29	13,396,312	179.45	9,517,332

Three Year History for development of five year financial plans

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	FY 1988-89		FY 1989-90		FY 1990-91	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
ZOO CAPITAL FUND						
Personal Services	1.00	52,976	1.50	63,383	1.50	85,550
Materials & Services		0		937		1,758
Capital Outlay						3,538,428
General Capital		1,976		0		
Alaska Exhibit		650		263		
Administration Building		33,863		0		
Misc. Exhibit Improvements		10,385		39,261		
Update Master Plan		0		0		
Africa-Phase 1 and 2		1,477,573		17,675		
Africa Rainforest		468,712		1,299,556		
Center for Species Survival		0		0		
Africafe Basement		95,116		188,786		
Mini Train/Trolley		0		0		
Elephant Barn Improvement		0		0		
Contingency		0		0		0
Unappropriated Balance		4,861,711		5,686,827		0
Total Zoo Capital Fund Requirements	1.00	7,002,962	1.50	7,296,688	1.50	3,625,736
SOLID WASTE REVENUE FUND						
Administration						
Personal Services	7.50	266,545	9.00	292,022	8.50	327,843
Materials & Services		26,812		36,426		119,980
Subtotal	0.00	293,357	0.00	328,448	0.00	447,823
Budget and Finance						
Personal Services	1.99	93,305	6.00	287,898	6.00	300,263
Materials & Services		0		133,279		153,899
Subtotal	0.00	93,305	0.00	421,177	0.00	454,162
Operations						
Personal Services	16.09	504,438	16.09	453,160	27.75	792,378
Materials & Services		6,668,635		14,461,933		27,046,280
Subtotal	0.00	7,173,073	0.00	14,915,093	0.00	27,838,658
Engineering & Analysis						
Personal Services	7.25	300,324	8.00	375,795	8.50	429,515
Materials & Services		731,756		670,977		427,982
Subtotal	0.00	1,032,080	0.00	1,046,772	0.00	857,497

Division created mid-year FY 1988-89 with personal services only

Three Year History for development of five year financial plans

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	FY 1988-89		FY 1989-90		FY 1990-91	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Waste Reduction						
Personal Services	9.65	255,534	14.00	520,723	15.00	609,498
Materials & Services		758,880		1,045,444		2,626,217
Subtotal	0.00	1,014,414	0.00	1,566,167	0.00	3,235,715
Debt Service Account						
Debt Service		683,918		650,277		1,359,423
Subtotal		683,918		650,277		1,359,423
Landfill Closure Account						
Materials & Services		0		0		0
Capital Outlay		0		0		2,618,497
Subtotal		0		0		2,618,497
Construction Account						
Personal Services	0.00	0	0.00	0	0.00	44,235
Capital Outlay		0		0		9,780,589
Subtotal	0.00	0	0.00	0	0.00	9,824,824
Renewal and Replacement Account						
Capital Outlay		0		0		0
Subtotal		0		0		0
General Account						
Materials & Services		0		196,075		0
Capital Outlay						5,412,176
General Capital		95,024		72,490		
Metro South		0		982,370		
Metro Central		0		15,850		
St. Johns Landfill		1,340,380		1,459,743		
Riedel Composter		0		0		
Subtotal		1,435,404		2,726,528		5,412,176
Master Project Account						
Debt Service		0		0		1,326,454
Subtotal		0		0		1,326,454

FY 88-89 and FY 89-90 debt service for DEQ loans

For FY 1988-89 and 1989-90 the general account is made up of capital outlay expenditures of the Operating Fund and expenditures of the Solid Waste Capital Fund

Three Year History for development of five year financial plans

Historical information has been constructed to reflect current fund/department/division structure to the maximum extent possible. FY 1990-91 historical figures are subject to final reconciliation of financial audit. Information was taken from on-line information system.

	FY 1988-89		FY 1989-91		FY 1990-91	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
General Expenses						
Interfund Transfers						
Indirect/direct support		1,909,607		3,236,846		2,029,528
Planning & Development		491,648		864,368		753,054
Transportation		0		0		157,943
Smith & Bybee Lakes		0		0		15,049
Rehabilitation & Enhancement		344,964		314,503		140,102
CCP Debt Service		0		0		10,716
Contingency		0		0		0
Subtotal		2,746,219		4,415,717		3,106,392
Unappropriated Balance						
Operating Account		6,227,167		2,649,958		
St. Johns Reserve		12,943,704		26,220,270		
Capital Fund		1,434,424		3,275,783		
Subtotal		20,605,295		32,146,011		0
Total Solid Waste Revenue Fund Requirements	0.00	35,077,065	0.00	58,216,190	0.00	56,481,621

TRANSPORTATION PLANNING FUND

Personal Services	22.60	862,376	27.10	990,018	30.50	1,250,435
Materials & Services		159,550		220,076		502,145
Capital Outlay		96,739		64,202		92,401
Interfund Transfers						
Indirect/Direct Transfers		429,121		478,186		398,513
Other Transfers		0		16,030		266,291
Contingency		0		0		0
Unappropriated Balance		0		0		0
Total Transportation Planning Fund Requirements	22.60	1,547,786	27.10	1,768,512	30.50	2,509,785

FY 1988-89 and FY 1989-90 reflects the Transportation Departments costs of the Planning Fund

PLANNING & DEVELOPMENT FUND

Land Use Planning						
Personal Services	10.00	394,305	13.75	588,130	9.50	469,857
Materials & Services		58,071		269,818		236,801
Capital Outlay		69,367		30,528		9,763
Subtotal	10.00	521,743	13.75	888,476	9.50	716,421

FY 88-89 and 89-90 reflect all P&D costs including Solid Waste Planning, FY 90-91 reflects costs for land use and environmental planning

Three Year History for development of five year financial plans

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	FY 1988-89		FY 1989-91		FY 1990-91	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Environmental Planning						
Personal Services	0.00	0	0.00	0	0.00	0
Materials & Services		0		0		0
Capital Outlay		0		0		0
Subtotal	0.00	0	0.00	0	0.00	0
Urban Services						
Personal Services	0.00	0	0.00	0	8.50	382,427
Materials & Services		0		0		278,960
Capital Outlay		0		0		9,890
Subtotal	0.00	0	0.00	0	8.50	671,277
General Expenses						
Interfund Transfers						
Indirect/Direct Transfers		184,550		281,445		308,836
Other Transfers		0		0		0
Contingency		0		0		0
Subtotal		184,550		281,445		308,836
Unappropriated Balance		0		0		0
Total Planning & Develop. Fund Requirements	10.00	706,293	13.75	1,169,921	18.00	1,696,534
TOTAL ALL DEPARTMENTS	255.41	62,982,450	273.62	90,285,128	311.55	82,038,116

FINANCIAL ANALYSIS OF REGIONAL FACILITIES

SPECTATOR FACILITIES OPERATING FUND:

MEMORIAL COLISEUM

PORTLAND CENTER FOR THE PERFORMING ARTS

CIVIC STADIUM

Prepared for:

Regional Facilities Finance Subcommittee

Submitted by: Finance and Management
Information Department
October 1991

INTRODUCTION

The Regional Facilities Finance Subcommittee has asked for a report on the financial information related to the facilities accounted for in the Spectator Facilities Operating Fund (the Memorial Coliseum, the Portland Center for the Performing Arts (PCPA), and the Civic Stadium). The report shows the historical revenues, expenses, and capital outlays for FY 1990-91 (the first year of the Fund), budgeted revenues, expenses, and capital outlays for FY 1991-92, and a projection of revenues, expenses and capital outlays through FY 1999-2000. The purpose of the report is to:

1. Determine the fiscal year during which all reserves in the Spectator Facilities Operating Fund are depleted.
2. Determine the annual shortfall in revenues resulting from the operations of the PCPA and the Civic Stadium.
3. Determine the annual shortfall in funding for capital outlays in the PCPA and Civic Stadium.
4. Examine various financing scenarios for operating and capital shortfalls.
5. Examine the financial implications of certain policy decisions regarding discounts to nonprofit tenants.

FINANCIAL ANALYSIS OF REGIONAL FACILITIES

EXECUTIVE SUMMARY

**Unmet Requirements (Annual Averages)
FY 1992-93 through FY 1999-2000
(in thousands)
Constant Dollars**

Facility	Operating shortfall	R&Rs	Enhanc.	Total w/ R&Rs	Total w/ improve.
Civic Stadium	\$176	\$96	\$331	\$272	\$603
PCPA	\$440	\$260	\$413	\$700	\$1,113
Total	\$616	\$356	\$744	\$972	\$1,716

**Unmet Requirements
Specimen Year: FY 1994-95
(in thousands)
Constant Dollars**

Facility	Operating shortfall	R&Rs	Enhanc.	Total w/ R&Rs	Total w/ improve.
Civic Stadium	\$160	\$90	\$510	\$250	\$760
PCPA	\$420	\$280	\$520	\$700	\$1,220
Total	\$580	\$370	\$1030	\$950	\$1,980

1. The finances related to the Memorial Coliseum cannot be accurately projected because of the uncertainties surrounding the future mangement of the Coliseum as it relates to the Portland Trailblazer arena proposal.
2. Expenditures are projected to exceed revenues for the Civic Stadium and the Portland Center for the Performing Arts (PCPA) in each year of the projection period. The average loss for FY 1992-93 through FY 1999-2000 is projected to be approximately \$272,000 for the Stadium and \$700,000 for the PCPA.

3. The combined average operational loss for FY 1992-93 through FY 1999-2000 for the Stadium and the PCPA is projected to be \$ 972,000.
4. The balance in the Spectator Facilities Operating Fund at the beginning of FY 1990-91 was \$2,615,000. During FY 1990-91, operation of the Coliseum, Stadium, and PCPA is estimated to result in an additional deposit to the Fund of approximately \$748,000. Operations during FY 1991-92 are budgeted to result in a negative deposit of approximately \$160,000. Because of the continued losses in the operation of the Stadium and the PCPA, the Fund balance is projected to become negative beginning in early FY 1995-96.
5. Revenue bonds sufficient to finance improvements for the Stadium and the PCPA would total \$7,341,000 over the ten-year projection period. The maximum debt service during that period would be \$1,054,000.
6. General obligation bonds to accomplish the same objectives would total \$6,513,000, with maximum debt service of \$906,000.
7. Estimated annual losses associated with extending a 25% discount to nonprofit organizations using the PCPA would be \$252,000. It is estimated that increases in PCPA use resulting from the discount could increase revenues ranging from \$0 to \$36,000. This would result in net losses ranging from \$216,000 to \$252,000.

MEMORIAL COLISEUM

Historically, operation of the enterprises associated with the Memorial Coliseum has resulted in a positive contribution to fund balance. This positive contribution has been used as for future capital improvements to the Coliseum facilities and to cover shortfalls resulting from the operation of other Spectator Facilities Fund enterprises. In spring, 1991, the Portland Trailblazers proposed constructing a new arena on the Memorial Coliseum site to be used as the future home for the Trailblazers and to present certain medium and large spectator events. The Trailblazers currently propose to operate the Coliseum jointly with the new arena and share net revenues with the "public" according to a specific formula. Regardless of the ultimate resolution the Coliseum situation, construction of the new arena will cause in significant changes to the finances of the Memorial Coliseum. Because the future management arrangement for the Coliseum is not currently known and there is no way to accurately project finances, we have assumed for the purposes of this analysis that there will be no net revenues (revenues minus expenses) for the period after FY 1991-92. This assumption can be adjusted as more information becomes available. Exhibit 1 shows the Memorial Coliseum financial results for FY 1990-91 and FY 1991-92.

Revenues

Estimated revenues for FY 1990-91 total \$10,997,210. This amount is reported to be one of the highest ever totals for Coliseum operations and is attributable to the high number of larger concerts booked into the Coliseum during the fiscal year. There is no assurance that the number such bookings will continue in the future.

Revenues for FY 1991-92 are budgeted at \$10,731,000. The budget for FY 1991-92 is lower than the previous fiscal year's results because the MERC staff believes that the FY 1990-91 activity level may not be duplicated during FY 1991-92.

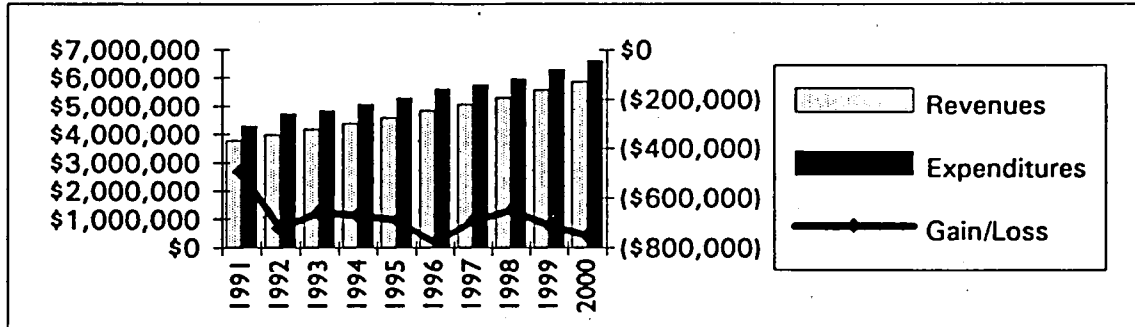
Expenses

Estimated expenses for FY 1990-91 total \$9,368,642. Budgeted expenses for FY 1991-92 total \$9,822,791. Increases in the transfer to the Insurance Fund reflect the build up of reserves required for Metro's self-insurance program.

Capital Outlays

Capital outlays during FY 1990-91 were \$200,381. For FY 1991-92 capital outlays are budgeted at \$132,400.

PORTLAND CENTER FOR THE PERFORMING ARTS



PCPA Financial Forecast

The Portland Center for the Performing Arts consists of four facilities; the Winningstad Theater, Intermediate Theater, Arlene Schnitzer Concert Hall, and the Civic Auditorium. Since its inception, operations of the facilities have not produced sufficient cash flow to pay expenses and capital outlays. Exhibit 2 shows the historical, budget, and projected financial results of the PCPA for FY 1990-91 through FY 1999-2000

Revenues

Estimated revenues for FY 1990-91 total \$3,836,009, slightly less than the annual budget of \$3,896,141. The budget for FY 1991-92 is \$3,991,000. As indicated by the budgeted amount, MERC staff assumes only minor revenue increases during FY 1991-92. Revenues are projected to increase 5% per year from the base of FY 1990-91 with the exception of interest income which is to remain constant throughout the projection period.

Expenses

Estimated expenses for FY 1990-91 are \$4,046,044, considerably less than the budget of \$4,539,000. Budgeted expenses for FY 1991-92 total \$4,577,423. Expenses are projected to increase at 5% per year with the exception of Insurance Fund transfers. Projected Insurance Fund transfers are derived from information supplied to Metro by its insurance consultants and reflect the build up of reserves associated with Metro's self-insurance program.

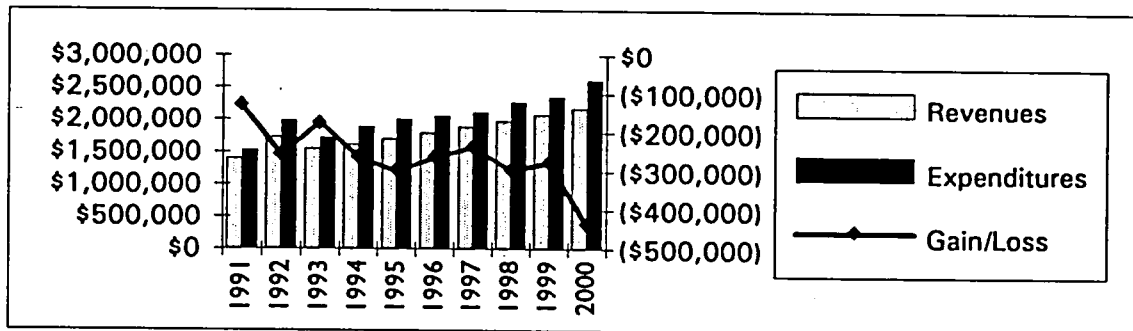
Capital Outlays

Capital outlays were \$302,981 in FY 1990-91 and are budgeted at \$136,150 for FY 1991-92. Projected capital outlays include amounts for renewal and replacements not enhancements or improvements. In addition to the projected renewals and replacements, capital improvements and enhancements have been projected. These capital projects are not included on Exhibit 2 and are discussed elsewhere in this report.

Gains and Losses

For FY 1990-91, operation of the PCPA areestimated to result in a loss of \$513,016. This compares to a budgeted loss of approximately \$956,000. The budgeted loss for FY 1991-92 is approximately \$722,573. The average annual loss during the projection period (FY 1992-93 to FY 1999-2000) is \$702,000.

CIVIC STADIUM



Civic Stadium Financial Forecast

The Civic Stadium is Portland's primary outdoor sports spectator facility. Historically, operation of the Stadium has not produced sufficient revenues to pay for expenditures. Exhibit 3 shows the historical, budgeted, and projected financial results for the Stadium for FY 1990-91 through FY 1999-2000.

Revenues

Estimated revenues for FY 1990-91 total \$1,388,099, somewhat less than the annual budget of \$1,643,425. Budgeted revenues for FY 1991-92 are \$1,725,000. Revenues are projected to increase at 5% per year on the basis of FY 1990-91 with the exception of interest income which is projected to remain constant throughout the projection period. Merchandising revenues are expected to increase in FY 1991-92 because of the addition of concerts. These revenues are projected to increase 5% per year on the basis of the FY 1991-92 budget.

Expenses

Estimated expenses for FY 1990-91 total \$1,538,765, somewhat less than the annual budget of \$1,667,141. Expenses are budgeted at \$1,771,612. Expenses are projected to increase at 5% per year with the exception of Insurance Fund transfers. Projected Insurance Fund transfers are derived from information supplied to Metro by its insurance consultants and reflect the build up of reserves associated with Metro's self-insurance program.

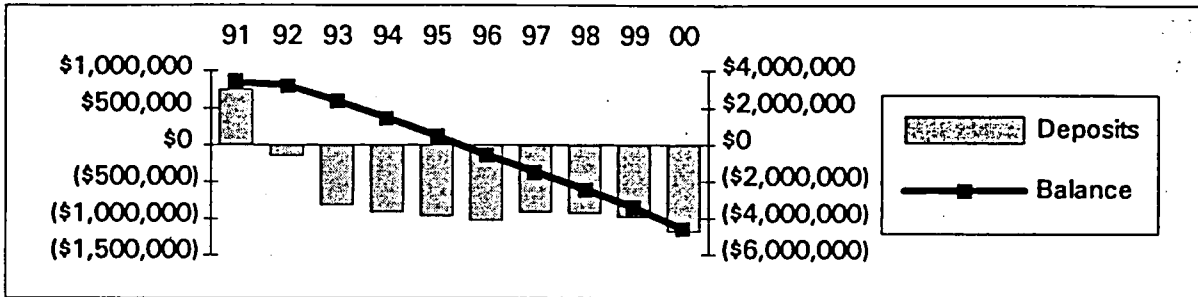
Capital Outlays

Capital outlays for the Stadium during FY 1990-91 were \$19,703 versus a budget of \$21,700. Capital outlays for FY 1991-92 are budgeted at \$11,200. Projected capital outlays include amounts for renewal and replacements, not enhancements or improvements. In addition to the projected renewals and replacements, capital improvements and enhancements have been projected. These capital projects are not included in Exhibit 3 and are discussed elsewhere in this report.

Gains and Losses

In FY 1990-91, operation of the Civic Stadium is estimated to result in a loss of \$170,369 after payment of expenses and capital outlays. The budgeted loss for FY 1991-92 is approximately \$214,099. The average loss during the projection period (FY 1992-93 through FY 1999-2000) is \$272,000.

EFFECT ON FUND BALANCE



Fund Deposits and Balance

The finances of the Coliseum, PCPA, and Stadium are accounted for in the Spectator Facilities Operating Fund. Exhibit 4 shows the combined effect of these finances on balances in the Fund. The Fund balance was established by Metro and the City of Portland to be \$2,615,000 at the beginning of FY 1990-91. Operation of the spectator facilities during FY 1990-91 are estimated to result in a deposit to the Spectator Operating Facilities Fund of \$748,183, increasing the end of year Fund balance to \$3,363,163. The budgeted deposit to Fund balance for FY 1991-92 is a negative \$160,463 resulting a reduction of Fund balance to \$3,202,270.

At the projected rate of revenues and expenses for the Coliseum, PCPA, and Stadium, it is estimated that the Fund would show a negative balance at the beginning of FY 1995-96 and continuing through the projection period.

FINANCING OF CAPITAL OUTLAYS

Certain portions of the unmet financial requirements of the facilities could be financed through the issuance of tax-exempt bonds. Application of the proceeds of tax-exempt bonds are limited to capital expenditures. To maintain tax-exempt status all proceeds must be spent in three years. Therefore, any bonding program to finance the estimated capital outlays during the projection period (10 years) would require three separate issuances.

Revenue Bonds

Revenue bonds require security in the form of a regular, predictable flow of revenue that is dedicated by ordinance to the repayment of debt service. Typically revenue bond ordinances require that net revenue be a certain increment (ranging from 10% to 30%) in excess of the debt service (referred to as debt service coverage). Revenue

bonds are usually additionally secured by a debt service reserve account maintain at a balance equal to one year's debt service. Interest rates on revenue bonds are usually higher than rates for general obligation bonds because of the generally more volatile source of repayment. Metro is authorized to issue revenue bonds without specific voter approval.

Exhibit 5 shows the financing plan for revenue bonds to fund required capital improvements and enhancements to the Stadium and the PCPA for the period FY 1992-93 through FY 1999-2000. Bonds totalling \$7,341,000 would be issued during this period resulting in a maximum debt service of \$1,055,000.

General Obligation Bonds

General obligation bonds are secured by the authority and the obligation of the issuer to levy taxes sufficient to pay debt service. Because the source of the repayment is predictable and entirely in control of the issuer, these bonds usually sell at lower interest rates and do not require debt service coverage or a debt service reserve. Prior to issuance of these bonds and the establishment of the required tax levy Metro must obtain specific voter approval.

Exhibit 5 shows the financing plan for general obligation bonds to fund required capital improvements and enhancements to the Stadium and the PCPA for the period FY 1992-93 through FY 1999-2000. Bonds totalling \$6,513,000 would be during this period resulting in a maximum debt service of \$906,000.

DISCOUNT TO NONPROFIT GROUPS

It has been recommended that nonprofit groups making use of the PCPA be granted a 25% discount on rental and user fees. According to the MERC staff, nonprofit groups comprise 58% of the PCPA operating activity. On this basis, it is estimated that revenue from building rentals and user fees would be decreased by approximately \$142,000 and \$110,000 respectively after granting of the recommended discount.

It has been suggested that extending a discount to nonprofit groups would lead to an increase in use of and the number of performances at the PCPA. In consideration of the capacity limits at each of the facility and the type of nonprofit promoters and presenters currently operating in the Portland metropolitan area that might be in a position to increase their activity, it was assumed that the minimum increase in the number of performances could be 0, and the maximum increase could be 25. Assuming rental of \$2,100 per performance and attendance of 1,000 people per

performance, the increase in rentals would range from \$0 to \$11,000 and the increase in user fees would range from \$0 to \$25,000.

The policy of offering nonprofit groups a 25% discount would therefore result in a net loss in rental revenue of \$131,000 to \$142,000 and user fee revenue of \$85,000 to \$110,000 for a total net loss of \$216,000 to \$252,000. All amounts used above are in 1991 dollars.

Appendix

Capital outlays have been divided into two components: outlays required each year to maintain the facility in servicable condition (renewals and replacements); and outlays required to improve or enhance the facility to adapt to innovations or user demands(improvements and enhancements). Included as Appendixes A, B, and C are detailed projections of the capital outlays for the Coliseum, PCPA, and the Stadium.

Exhibit 1

Revenues and Expenses
 Memorial Coliseum
 Metropolitan Service District

This information has been prepared on the basis of Metro's unaudited year-to-date financial reports. The amounts are subject to change and such change could be material.

Revenues (a)	Historical	Budget	Projected							
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Rental	1,329,435	1,581,700	Assuming no net revenues after FY 1991-92							
Reimbursements	836,013	761,000								
Concessions/Catering	5,010,822	4,600,000								
Parking	1,438,135	1,675,000								
Merchandising	544,818	475,000								
User's Fees	1,323,301	950,000								
Sales Commissions	114,838	120,000								
Other	176,466	210,000								
Interest income	223,382	358,300								
	10,997,210	10,731,000								
Operating Expenses			Assuming no net revenues after FY 1991-92							
Personal Services	3,253,051	3,541,001								
Materials & Services	5,545,642	5,563,392								
Interfund transfers										
Support Service Fund	169,406	251,708								
Insurance Fund	60,327	165,093								
MERC Mgt. Pool	340,216	301,597								
	9,368,642	9,822,791								
Net revenues	1,628,568	908,209								
Capital outlays	200,381	132,400								
Deposit to fund balance	1,428,187	775,809								

a. Interest income is earned on deposits for advance ticket sales.

Exhibit 2

Revenues and Expenses
Portland Center for the Performing Arts
Metropolitan Service District

This information has been prepared on the basis of Metro's unaudited year-to-date financial reports. The amounts are subject to change and such change could be material.

Revenues (a)	Estimated	Budget	Projected							
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Rental	1,027,168	980,000	1,132,000	1,189,000	1,249,000	1,311,000	1,377,000	1,445,000	1,518,000	1,593,000
Reimbursements	1,247,589	1,304,000	1,375,000	1,444,000	1,516,000	1,592,000	1,672,000	1,755,000	1,843,000	1,935,000
Concessions/Catering	151,801	165,000	167,000	176,000	185,000	194,000	203,000	214,000	224,000	235,000
Merchandising	40,535	75,000	45,000	47,000	49,000	52,000	54,000	57,000	60,000	63,000
User's Fees	766,869	750,000	845,000	888,000	932,000	979,000	1,028,000	1,079,000	1,133,000	1,190,000
Sales Commissions	311,635	550,000	344,000	361,000	379,000	398,000	418,000	439,000	460,000	483,000
Other	201,174	125,000	222,000	233,000	245,000	257,000	270,000	283,000	297,000	312,000
Interest income (b)	89,238	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
	3,836,009	3,991,000	4,172,000	4,380,000	4,597,000	4,825,000	5,064,000	5,314,000	5,577,000	5,853,000
Operating Expenses (c)										
Personal Services	2,664,661	3,207,808	2,938,000	3,085,000	3,239,000	3,401,000	3,571,000	3,749,000	3,937,000	4,134,000
Materials & Services	1,036,839	941,400	1,143,000	1,200,000	1,260,000	1,323,000	1,389,000	1,459,000	1,532,000	1,608,000
Interfund transfers										
Support Service Fund	98,099	145,807	161,000	169,000	177,000	186,000	195,000	205,000	215,000	226,000
Insurance Fund (d)	37,122	101,833	114,000	117,000	121,000	100,000	106,000	115,000	125,000	135,000
MERC Mgt. Pool	209,323	180,575	199,000	209,000	219,000	230,000	242,000	254,000	267,000	280,000
	4,046,044	4,577,423	4,555,000	4,780,000	5,016,000	5,240,000	5,503,000	5,782,000	6,076,000	6,383,000
Net revenues	(210,035)	(586,423)	(383,000)	(400,000)	(419,000)	(415,000)	(439,000)	(468,000)	(499,000)	(530,000)
Capital outlays (e)	302,981	136,150	278,000	273,000	271,000	364,000	255,000	183,000	214,000	225,000
Deposit to fund balance	(513,016)	(722,573)	(661,000)	(673,000)	(690,000)	(779,000)	(694,000)	(651,000)	(713,000)	(755,000)

- a. Assuming 5% inflation. Projections are based on estimated FY 1990-91 results.
- b. Interest income is earned on deposits for advance ticket sales. Assuming no change in size of deposit or interest rate.
- c. Assuming 5% inflation. Projections are based on estimated FY 1990-91 results.
- d. Amounts for insurance reflect actual projections by Risk Management Division.
- e. Capital outlays include projected renewal and replacement expenditures, not projected enhancement and improvement costs.

Exhibit 3

This information has been prepared on the basis of Metro's unaudited year-to-date financial reports. The amounts are subject to change and such change could be material.

Revenues and Expenses
Civic Stadium
Metropolitan Service District

Revenues	Estimated 1990-91	Budget 1991-92	Projected							
			1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
Rental	151,829	185,000	167,000	176,000	185,000	194,000	203,000	214,000	224,000	236,000
Reimbursements	75,589	90,000	83,000	88,000	92,000	96,000	101,000	106,000	112,000	117,000
Concessions/Catering	966,439	1,200,000	1,065,000	1,119,000	1,175,000	1,233,000	1,295,000	1,360,000	1,428,000	1,499,000
Merchandising	335	40,000	44,000	46,000	49,000	51,000	54,000	56,000	59,000	62,000
User's Fees	119,242	170,000	131,000	138,000	145,000	152,000	160,000	168,000	176,000	185,000
Sales Commissions	26,627	20,000	29,000	31,000	32,000	34,000	36,000	37,000	39,000	41,000
Other	17,766	20,000	20,000	21,000	22,000	23,000	24,000	25,000	26,000	28,000
Interest income	30,272	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
	1,388,099	1,767,000	1,581,000	1,661,000	1,742,000	1,825,000	1,915,000	2,008,000	2,106,000	2,210,000
Operating Expenses										
Personal Services	412,210	607,148	454,000	477,000	501,000	526,000	552,000	580,000	609,000	639,000
Concessions/Catering	698,961	836,020	771,000	809,000	850,000	892,000	937,000	984,000	1,033,000	1,084,000
Other Materials & Serv.	267,648	328,444	295,000	310,000	325,000	342,000	359,000	377,000	395,000	415,000
Interfund transfers										
Support Service Fund	44,599	66,126	49,000	52,000	54,000	57,000	60,000	63,000	66,000	69,000
Insurance Fund	17,373	47,548	54,000	54,000	57,000	47,000	49,000	54,000	58,000	63,000
MERC Mgt. Pool	97,974	84,613	108,000	113,000	119,000	125,000	131,000	138,000	145,000	152,000
	1,538,765	1,969,899	1,731,000	1,815,000	1,906,000	1,989,000	2,088,000	2,196,000	2,306,000	2,422,000
Net revenues	(150,666)	(202,899)	(150,000)	(154,000)	(164,000)	(164,000)	(173,000)	(188,000)	(200,000)	(212,000)
Capital outlays (e)	19,703	11,200	11,000	93,000	122,000	91,000	54,000	101,000	74,000	222,000
Deposit to fund balance	(170,369)	(214,099)	(161,000)	(247,000)	(286,000)	(255,000)	(227,000)	(289,000)	(274,000)	(434,000)

- a. Assuming 5% inflation. Projections are based on estimated FY 1990-91 results.
- b. Interest income is earned on deposits for advance ticket sales. Assuming no change in size of deposit or interest rate.
- c. Assuming 5% inflation. Projections are based on estimated FY 1990-91 results.
- d. Amounts for insurance reflect actual projections by Risk Management Division.
- e. Capital outlays include projected renewal and replacement expenditures, not projected enhancement and improvement costs.

Exhibit 4

Effect on Fund Balance
Spectator Facilities
Metropolitan Service District

This information has been prepared on the basis of Metro's unaudited year-to-date financial reports. The amounts are subject to change and such change could be material.

	Estimated 1990-91	Budget 1991-92	Projected								
			1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	
Revenue											
Memorial Coliseum	10,997,210	10,731,000	Assuming no net revenues after construction of new arena begins								
PCPA	3,836,009	3,991,000	4,172,000	4,380,000	4,597,000	4,825,000	5,064,000	5,314,000	5,577,000	5,853,000	
Civic Stadium	1,388,099	1,767,000	1,581,000	1,661,000	1,742,000	1,825,000	1,915,000	2,008,000	2,106,000	2,210,000	
Total [A]	16,221,318	16,489,000	5,753,000	6,041,000	6,339,000	6,650,000	6,979,000	7,322,000	7,683,000	8,063,000	
Expenses											
Memorial Coliseum	9,368,642	9,822,791	Assuming no net revenues after construction of new arena begins								
PCPA	4,046,044	4,577,423	4,555,000	4,780,000	5,016,000	5,240,000	5,503,000	5,782,000	6,076,000	6,383,000	
Civic Stadium	1,538,765	1,969,899	1,731,000	1,815,000	1,906,000	1,989,000	2,088,000	2,196,000	2,306,000	2,422,000	
Total [B]	14,953,451	16,370,113	6,286,000	6,595,000	6,922,000	7,229,000	7,591,000	7,978,000	8,382,000	8,805,000	
Net revenues [A]-[B]=[C]	1,267,867	118,887	(533,000)	(554,000)	(583,000)	(579,000)	(612,000)	(656,000)	(699,000)	(742,000)	
Capital outlays [D]	519,684	279,350	289,000	366,000	393,000	455,000	309,000	284,000	288,000	447,000	
Deposit to fund balance [C]-[D]	748,183	(160,463)	(822,000)	(920,000)	(976,000)	(1,034,000)	(921,000)	(940,000)	(987,000)	(1,189,000)	
Fund balance (1)	3,363,183	3,202,720	2,380,720	1,460,720	484,720	(549,280)	(1,470,280)	(2,410,280)	(3,397,280)	(4,586,280)	

(1) Beginning balance in FY 1989-90 was \$2,615,000.

Exhibit 5

Financing Plan for Capital Improvements
Spectator Facilities
Metropolitan Service District

This information has been prepared on the basis of Metro's unaudited year-to-date financial reports. The amounts are subject to change and such change could be material.

	Revenue Bonds				General Obligation Bonds			
	Three year periods			Total	Three year periods			Total
	1	2	3		1	2	3	
Sources								
Bonds	4,859,000	858,000	1,624,000	7,341,000	4,261,000	794,000	1,458,000	6,513,000
Interest income								
PCPA projects	284,000	6,000	0	290,000	284,000	6,000	0	290,000
Civic Stadium projects	135,000	22,000	140,000	297,000	135,000	22,000	140,000	297,000
Reserve Account deposits	147,000	26,000	49,000	222,000				
Total sources	5,425,000	912,000	1,813,000	8,150,000	4,680,000	822,000	1,598,000	7,100,000
Uses								
Project costs								
PCPA	3,470,000	61,000	0	3,531,000	3,470,000	61,000	0	3,531,000
Civic Stadium	1,160,000	711,000	1,548,000	3,419,000	1,160,000	711,000	1,548,000	3,419,000
Reserve Account deposit	698,000	123,000	233,000	1,054,000				
Issuance costs	97,000	17,000	32,000	146,000	50,000	50,000	50,000	150,000
Total uses	5,425,000	912,000	1,813,000	8,150,000	4,680,000	822,000	1,598,000	7,100,000
Annual Debt Service	698,000	123,000	233,000	1,055,000	593,000	110,000	203,000	906,000
Assumptions								
Interest rate								
Short term			6.20%				5.50%	
Long term			7.00%				6.30%	
Bond amortization			7.20%				6.50%	
Amortization period			10 years				10 years	
Issuance costs			2.00%				2.00%	

Appendix A

Required Capital Outlays
Memorial Coliseum

	FY 91-92	FY 92-93	FY 93-94	FY 94-95	FY 95-96	FY 96-97	FY 97-98	FY 98-99	FY 99-00	Total
Renewals and replacements										
Electrical, mechanical, plumbing	15,000	25,000	15,000	10,000	15,000	25,000	15,000	15,000	25,000	160,000
Parking lot resurface		100,000	100,000	50,000	50,000	50,000	100,000	50,000	50,000	550,000
Assembly hall wall panel renovation		3,000	5,000		5,000		5,000		5,000	23,000
Top coat roof		10,000			20,000			15,000		45,000
Facia replacement		5,000		12,000		5,000	5,000	5,000		32,000
General door replacement	3,000	10,000	25,000		10,000		10,000			58,000
Exterior landscaping and walkways		10,000		10,000		10,000		10,000		40,000
Meeting room remodel		30,000		20,000	20,000	20,000		20,000		110,000
Restroom refurbish	10,000	5,000		10,000		10,000		5,000		40,000
Graphics and signage		10,000	5,000	5,000	20,000	5,000				45,000
Dressing room remodel		12,000		15,000		15,000		10,000		52,000
Hockey dasher replacement						10,000				10,000
P S Fuel tank	11,000									11,000
Chiller overhaul			25,000		25,000		25,000			75,000
Arena portable chair replacement		10,000	10,000	20,000	10,000		10,000		10,000	70,000
Rolling door replacement	10,000	10,000	10,000			15,000				45,000
Upgrade hall sound system		10,000	10,000			10,000				30,000
Exterior railing modification		30,000								30,000
Engine room retrofit		10,000		10,000	20,000		10,000			50,000
Basketball floor				80,000						80,000
Portable riser renovation	10,000	5,000	10,000		10,000		10,000		10,000	55,000
Telephone system interface		50,000			20,000					70,000
Floor scrubber		22,000					25,000			47,000
Forklift		19,000			20,000					39,000
Divider drape and steel					10,000		5,000	5,000		20,000
Arena sidesteel renovation					5,000		5,000			10,000
Emergency generator		30,000								30,000
Integrated computer system					5,000			5,000		10,000
General use tables and chairs	40,000	20,000	100,000	10,000	20,000		10,000		10,000	210,000
Vinyl sign making machine				25,000						25,000
Adjustable podium		4,000			5,000		5,000			14,000
Column elevator replacement	30,000									30,000
Communication radios	4,000				10,000			5,000		19,000
Call sequencer	3,000				5,000					8,000
Total	136,000	440,000	315,000	277,000	305,000	175,000	240,000	145,000	110,000	2,143,000

Appendix B

Required Capital Outlays
Portland Center for the Performing Arts

	FY 91-92	FY 92-93	FY 93-94	FY 94-95	FY 95-96	FY 96-97	FY 97-98	FY 98-99	FY 99-00	Total
Renewals and replacements										
Dressing Room Renovation, CA	5,000	5,000	5,000	10,000		15,000				
Hallway Carpeting, CA			12,000	13,000	60,000	30,000				
Control Booth, CA	30,000									
Stage Dimmers, CA	50,000	50,000	100,000	50,000						
Luminaries, CA	24,000					25,000				30,000
Video Monitoring System, CA		43,000					10,000			
Exterior Painting, CA		24,000	24,000					50,000		
Reupholster Seating, CA		40,000	60,000	80,000						
Elect., Mech., Plumbing, CA	10,000	15,000	10,000	15,000	15,000	10,000	20,000	20,000	20,000	20,000
Top Coat Roof, CA					20,000					20,000
Energy Retrofit, CA		10,000		10,000		10,000				
General Remodel, CA	10,000	10,000				20,000			50,000	
Sound System Upgrade, CA	18,000				50,000				25,000	
Reel-to-reel Tape Machine, CA					5,000					5,000
Lighting Board, CA	35,000									
Asbestos Abatement, CA							50,000			
Carpet Cleaner, CA					5,000					5,000
Stage Drapes, CA					20,000					25,000
Revamp Front of House Light Syste	25,000									
Front House Furniture, CA								20,000		
Restroom Remodel, CA	5,000				20,000					10,000
Front House Drapes, CA	25,000					25,000				
Hallway Carpeting, ASCH				25,000		30,000				
Elect., Mech., Plumbing, ASCH	10,000	10,000	10,000		15,000	15,000	10,000	10,000	15,000	15,000
Top Coat Roof, ASCH					20,000					20,000
Energy Retrofit, ASCH	10,000									
Flooring Replacement, ASCH								15,000		
General Remodel, ASCH		20,000					25,000			
General Remodel, NTB					25,000			15,000		
Energy Retrofit, NTB	5,000			20,000						
Elect., Mech., Plumbing, NTB	10,000	15,000	15,000		10,000	10,000	15,000	15,000	15,000	15,000
Integrated Computer System, NTB					15,000				20,000	
Top Coat Roof, NTB		10,000			5,000					5,000
Total	272,000	252,000	236,000	223,000	285,000	190,000	130,000	145,000	145,000	170,000

Appendix B (page 2)

Required Capital Outlays
Portland Center for the Performing Arts

	FY 91-92	FY 92-93	FY 93-94	FY 94-95	FY 95-96	FY 96-97	FY 97-98	FY 98-99	FY 99-00	Total
Improvements/enhancements										
Reroof, CA		150,000								150,000
Replace Lobby Carpet, CA			50,000							50,000
Graphics and Signage, CA				300,000						300,000
Accoustical Remodel, ASCH		100,000								100,000
Redesign Seating, ASCH		1,500,000								1,500,000
Redesign Stage, NTB			100,000							100,000
Complete Rehearsal Hall, NTB				800,000						800,000
Redesign Winningstad Theatre, NTB			200,000							200,000
Stage Material, All			50,000			50,000				100,000
Total	0	1,750,000	400,000	1,100,000	0	50,000	0	0	0	3,300,000
Combined totals	272,000	2,002,000	636,000	1,323,000	285,000	240,000	130,000	145,000	145,000	3,470,000

CA = Civic Auditorium
ASCH = Arlene Schnitzer Hall
NTB = New Theater Building

Appendix C

Required Capital Outlays
Civic Stadium

	FY 91-92	FY 92-93	FY 93-94	FY 94-95	FY 95-96	FY 96-97	FY 97-98	FY 98-99	FY 99-00	Total
Renewals and replacements										
Elect., Mech., Plumbing				25,000		30,000			35,000	90,000
Roadway Resurface	15,000						15,000			30,000
Renovation of East Bleachers	10,000									10,000
Concrete Resurfacing			10,000					25,000		35,000
Field Tarps		9,000		10,000		11,000		12,000		42,000
Integrated Computer System							10,000			10,000
Track Resurfacing				15,000			15,000		15,000	45,000
Portable Chair Replacement				30,000		30,000				60,000
Bleacher Replacement		85,000			100,000					185,000
Box Seat Revisions	30,000							35,000		65,000
Total	55,000	94,000	10,000	80,000	100,000	71,000	40,000	72,000	50,000	572,000
Improvements/enhancements										
Replace Turf and Track (required)									1,000,000	1,000,000
Replace Outfield Bleachers				500,000						500,000
Field Exit Stairway			85,000							85,000
Elevator to Pressbox		90,000								90,000
Dressing Room Remodel			60,000							60,000
Concession/Catering Equipment/Remodel			100,000					50,000		150,000
Remodel/Add Restrooms					200,000					200,000
Vehicle Replacement (95/96 required)		50,000			60,000					110,000
Replace Scoreboard					225,000					225,000
Augment Sound System			130,000							130,000
General Remodel					100,000					100,000
Total	0	140,000	375,000	500,000	585,000	0	0	50,000	1,000,000	2,650,000

ESTIMATED ANNUAL AMOUNT OF REVENUE RAISED
PER 1% WITHIN METRO BOUNDARIES

1. Admissions Tax **\$90,000 - 850,000**

Breakdown by Facilities/Events:

Performing Arts	\$90,000
Memorial Coliseum	225,000
Movie Ticket Sales	205,000
Video Cassette Rentals	230,000
Other Ticketed Events	100,000

2. Hotel/Motel Tax **\$1.5 million**

By County:

Clackamas	\$120,000
Multnomah	1,200,000
Washington	200,000

3. Food & Beverage Tax **\$10-11 million**

4. Income Tax (1%) **\$190 million**
(.01% rate) **\$1.9 million**

.01% Rate by County:

Clackamas	\$450,000
Multnomah	950,000
Washington	500,000

5. General Obligation Bonds (capital projects only)

Each \$.01 per \$1000 assessed market value = \$4.1 million bond issue

SUMMARY OF REQUIREMENTS

Regional Facilities

Projected Fiscal Year 1994-95

All amounts in thousands

This information has been prepared on the basis of Metro's unaudited year-to-date financial reports. The amounts are subject to change and such change could be material.

	UNMET REQUIREMENTS				
	Operating shortfall	Capital Outlays		Total	
		Renewals and replacements	Enhancement	R&R's Only	With Enhancements
Portland Center for the Performing Arts	420	280	520	700	1,220
Civic Stadium	160	90	510	250	760
Subtotal	580	370	1,030	950	1,980
Oregon Convention Center		SEE NOTE BELOW			
Memorial Coliseum	80	350	480	430	910
Arts Plan 2000 +	3,500			3,500	3,500
Total (with Arts Plan 2000 +)	4,160	720	1,510	4,880	6,390
Total (without Arts Plan 2000 +)	660	720	1,510	1,380	2,890

NOTE: Metro does not have a sufficient financial history of the operation of the Convention Center to develop a credible projection of operating results through FY 1994-95. For the nine months that the Convention Center operated during FY 1990-91, the operation resulted in a shortfall of approximately \$2.1 million. Hotel/motel tax revenues received by MERC for FY 1990-91 total approximately \$3.3 million.

DEFINITIONS:

Operating shortfall - The amounts shown in this category are equal to projected revenues less expenses.

Renewal and replacements - The amount of capital outlays required to maintain the facility in reasonably servicable condition.

Enhancements - The amount of capital outlays required to upgrade the facility to a higher standard of servcability or quality.

SOURCES AND METHODOLOGY:

Oregon Convention Center - Metro year-end FY 1990-91 financial data (unaudited results)

Memorial Coliseum - Analysis prepared for the Arena Task Force (Impacts of a Second Arena on the Memorial Coliseum, Event Mix # 2), dated June 26, 1991.

Portland Center for the Performing Arts - Projected on the basis of Metro year-end FY 1990-91 financial data for (unaudited results). Assuming revenues and expenses increase at 5% per year.

Civic Stadium - Projected on the basis of Metro year-end FY 1990-91 financial data for (Unaudited results). Assuming revenues and expenses increase at 5% per year.

Arts Plan 2000 + - Preliminary amount projected by the Wolf Organization and indicated in the Consultant's Report.

Renewal and replacements and enhancements - Source: MERC Capital Outlay Program. Methodology: The amounts shown represent the average projected outlay for the period FY 1992-93 through FY 1999-2000 plus 15% contingency.

OTHER:

Ending Fund balance: Operation of the Coliseum, PCPA, and the Stadium during FY 1990-91 is estimated, on the basis of unaudited data, to result in a deposit to fund balance (gain) of approximately \$530,000 leaving a total fund balance of \$3.1 million.

Revenue Bonds: Maximum Annual Debt Service for a series of revenue bonds to finance required enhancements for the facilities would total \$1.1 million if the Coliseum is not included and \$1.6 million if the Coliseum is included.

Don Carlson



METRO

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

Memorandum

DATE: November 1, 1991

TO: Support Service Departments

FROM: Jennifer Sims, Director of Finance and Management Information

REGARDING: FY 1992-93 SUPPORT SERVICE WORKSHOP

During the preparation of last fiscal year's budget, the Support Service Departments presented a workshop for the operating departments to hear and discuss the proposed service levels. We received considerable positive feedback about the meeting. As a result we have incorporated this workshop into the FY 1992-93 budget preparation plan.

The Support Service Workshop is scheduled for Thursday, December 5, 1991, at 10:00 a.m., in the Council Chamber. Support Service Departments are asked to prepare an overview presentation of your preliminary FY 1992-93 budget request highlighting new programs, additional staff requests and service levels proposed. Detailed expenditure requests for FY 1992-93 will not be needed; however, departments should be prepared to discuss their general level of increase/decrease from FY 1991-92 and the general classification level of any new staff requests (i.e., clerical, mid-to-high professional, etc.). A preliminary agenda of the meeting is attached. Please keep your presentation within the timeframe allowed for your department.

Kathy Rutkowski will be preparing preliminary overhead transfer amounts for presentation at this meeting. She will be contacting each department to discuss general expenditure level requests. I ask your cooperation in this matter. The preliminary overhead transfer amounts will be represented as one number for each support fund (Support Service, Building, Insurance) and will not, until presentation of the proposed budget, be separated out by Department.

Please be prepared to present your preliminary work programs and service levels at the Support Service Workshop. Contact Rooney Strom at extension 307 by December 2, 1991 to confirm your attendance.

KTR:
kr:budget:bud92-93>manual:workshop.mmo

cc: Financial Management Team



METRO

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

Agenda

MEETING: SUPPORT SERVICE WORKSHOP/
FY 1992-93 Budget
DATE: December 5, 1991
DAY: Thursday
TIME: 10:00 a.m.
PLACE: Council Chambers

10:00	INTRODUCTION	(5 min.)
10:05	Office of General Counsel	(10 min.)
10:15	Public Affairs	(15 min.)
10:30	Personnel	(15 min.)
10:45	Regional Facilities: <ul style="list-style-type: none">. Procurement. Construction/Code Support. Facilities Management. Building Management	(30 min.)
11:15	Finance and Management Information <ul style="list-style-type: none">. Accounting. Office Services. Information Services. Finance. Risk Management	(35 min.)
11:50	General discussion/feedback	(10 min.)
12:00 p.m.	ADJOURN	



METRO

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

Memorandum

DATE: November 27, 1991
TO: John Houser, Council Analyst
FROM: *PJ* Pam Juett, Finance & Management Information
RE: Excise Taxes and User Fees on Out-of-District Solid Waste

In response to the questions in your memo, I have prepared the following. If you need any additional information, or clarification, please let me know.

1. *Can you provide an estimate of the amount of excise taxes owed since the inception of the tax on out-of-district waste deposited at the Forest Grove Transfer Station?*

Excise taxes owed since inception of the tax on out-of-district waste are approximately \$15,902.07.

How much of this amount has been paid?

Approximately \$9,587.71 has been paid.

Approximately how much out-of-district waste has been deposited at the station during this period?

Approximate gross revenue on out-of-district waste at Forest Grove Transfer Station is \$339,742.70.

Detail

Approximately \$6,314.36 in excise taxes have not been paid. Most of this is by Swatco, but a small portion is from other uncollectible expenses. This amount includes several months when Forest Grove did not charge excise tax on out-of-district waste because of the confusion surrounding the new tax structure.

A summary of the Forest Grove out-of-district waste is attached, derived from Forest Grove Excise Tax forms. These figures are unaudited figures, and should not be taken as final. The first three months of the tax reports do not contain a breakdown of in-district/out-of-district waste, so gross revenues are the average of the other nine months figures.

2. *Can you provide copies of any correspondence between Metro and the station operator and out-of-district haulers concerning the collection of excise taxes?*

Attached are copies of correspondence regarding the question of a tax on out-of-district waste.

- a. Letter dated 10/8/90 from Mr. Calcagno to Bob Ricks with attachments:
 - 8/25/90 letter from John Trout to Ambrose Calcagno
 - 9/5/90 letter from Dan Cooper to Rod Adams
 - 6/19/90 memo from Dan Cooper to Neil Saling
- b. Letter dated 10/24/90 from Bob Ricks to Mr. Calcagno
- c. Letter dated 1/14/91 from Dan Cooper to Rod Adams

Detail

I spoke with Leslie Calcagno approximately 11/19 regarding the issue of Swatco non-payment of excise taxes when it first came up. Her response was that there were about four other haulers besides Swatco bringing in out-of-district waste that would eventually be deposited at Riverbend Landfill which was also out-of-district. These were:

- a. Valley West - 60% was from outside
- b. Nehalem Valley
- c. Some Cornelius loads
- d. Some Forest Grove Disposal loads

These four facilities have been paying excise tax since last July 1990, and Leslie would pull the past bills if necessary.

For the most part, Swatco is the only hauler that has not been paying excise tax on waste generated out-of-district.

Attached are copies of Forest Grove Excise Tax forms, and billing statements sent from Forest Grove to Swatco. Swatco pays the Forest Grove statement, less the excise tax amount. Forest Grove then writes off the uncollected charges in item 11 on the User Fee and Excise Tax report as an allowable deduction.

3. *Can you estimate the amount of excise taxes and user fees that Metro collects on an annual basis from out-of-district*

waste deposited at its own transfer facilities and at franchised facilities?

Metro Transfer Facilities - Approximately \$19,449 in excise tax is received annually on out-of-district waste.

Detail

The Finance and Management Information Division does not administer the portion of the excise tax involving our own transfer facilities. This is done in Solid Waste. I contacted Roosevelt Carter who gave me the following information. Metro South received about 3,500 tons of out-of-district waste through August. Based on this, he estimates that 5,550 tons are received per year. Total revenue at a rate of \$66.75 is \$370,463. At the tax rate of 5.25% this would equal approximately \$19,449 in excise tax.

Franchised Facilities - It is estimated that approximately \$10,189 in excise fees and \$33,546 in user fees is collected annually on out-of-district waste.

Detail

Regarding other franchised facilities that we receive reports from, the excise tax forms do not require that the facility identify waste by category of in-district or out-of-district. However, I called each of the facilities currently sending in excise tax forms, and based on their response came up with the estimate. Only three facilities had any of out-of district waste.

- a. Hillsboro Garbage Reload - They have one route which is partially out-of-district. Approximately 5% was non-district waste for which they paid excise tax. The waste ends up at the Arlington site. It would be hard for them to calculate what portion was out-of-district.
- b. Oregon Processing and Recovery - All they collect are recyclable materials which are not taxed. The materials come from Portland (95%), and Vancouver (5%). However, in the processing of the recyclable materials, they do generate some

residual waste which goes to Hillsboro Landfill or Arlington. They do pay excise tax on this waste.

- c. Forest Grove estimated that 7% of their waste was out-of-district.

Have any out-of-district haulers using Metro or franchised facilities refused to pay the excise tax, and, if so, what amount of taxes due are delinquent for these haulers?

There have been no other reports of facilities not paying excise taxes other than Forest Grove.

4. *Could you provide a copy of Metro's procedures for the collection of delinquent debts owed to the agency?*

Attached is a copy of the Excise Tax procedures. Page 16 and 17 contain the procedures for deficiency determination. Also attached is a copy of Ordinance 90-333A. Section 7.01.090 contains the references to deficiency determination.

Detail

The excise tax is subject to review for three years. I have made a recommendation that an audit be conducted on Forest Grove for the fiscal year 1990-91. Forest Grove has been listing the uncollected excise tax as an allowable deduction on line 11 of the report form, and for the most part, has provided documentation in the form of statements to Swatco for the uncollected portion. As yet, no deficiency determination has been made on the uncollected excise tax.

:pj

10158T

cc: Jennifer Sims
Chris Scherer
Roosevelt Carter
Bob Ricks

EXCISE TAX PROCEDURES

November 29, 1990

- d. Reviewed by: refer to Section C - Review of User Fee and Excise Tax Reports.
- e. Make a copy of the check to attached to the back of the report. Give the original "User Fee and Excise Tax Report" to the Administrative Assistant for review.
- f. Send a copy of the report to Solid Waste for their records and verification of columns (a) tons, yards, vehicles, and (d) rate. If tonnage reports are attached to the User Fee and Excise Tax Report, send them to Solid Waste.
- g. Solid Waste Department staff will perform a desk audit and analysis of tonnage information and report significant concerns or variances to the Accounting section for a potential audit.

C. REVIEW OF USER FEE AND EXCISE TAX REPORTS

Review of the "User Fee and Excise Tax Report" requires systematically verifying the information on the reports. The amount required to be paid should be determined on the basis of the facts contained in the report, and upon the basis of any information possessed or that may come into possession of the evaluator. (Including the excise tax rate provided for in the Annual Budget Ordinance.)

1. The Administrative Assistant will review the User Fee and Excise Tax Report to determine that the instructions on the back of the form have been correctly followed, that the calculations are mathematically correct, and that the report is filed on a timely basis.
 - a. If the report is correctly and timely filed, the Administrative Assistant will initial the report in the lower lefthand corner and file it in the site file.
 - b. If it is determined that there is an overpayment a notice of overpayment (E-161) letter should be sent to the operator. An overpayment may be applied against any underpayment for a subsequent period or periods, against penalties and interest on the underpayments, or as a credit against future monthly reports. (Credits can be reported on Line 14 - Other Allowable Deductions.)
 - c. A claim for a refund must be submitted in writing stating the specific reason for the claim and filed within three (3) years from the date of payment to Metro.

2. User Fee and Excise Tax Reports, and payments must be received from all registered non-Metro sites postmarked on or before the last day of the month in which they are due to avoid delinquent charges.

REGISTERED non-Metro sites and project numbers as of July 1, 1990:

Hillsboro Landfill - 13107
Riverbend Landfill - 13103
Forest Grove - 13103
East County Landfill - 13105
Lakeside Reclamation - 13106
Hillsboro Transfer - 13102
Marion County - 13108

- a. A Notice of Delinquency (E-158) letter should be mailed to any operator who has not been granted an extension of time to file, and fails to remit any tax imposed by Ordinance No. 90-333A, prior to becoming delinquent. Letters should be sent within ten (10) days after the first day of the next month following the due date.
- b. Associate Management Analyst, in the Finance Section, should be notified prior to mailing notice of delinquency letters so he can be prepared for questions or calls. The Administrative Assistant will work with the Associate Management Analyst on further collection efforts. (Refer to Ordinance No. 90-333A.)

D. EXTENSION OF TIME TO FILE

An extension of time to file monthly "User Fee and Excise Tax Reports" may be granted by the Executive Officer for good cause. Extensions must be approved in advance and are good for one month only. Interest of 1/25 percent (1.25 percent) will be charged for the one-month period or fraction thereof, however, the penalty charge will be waived for the month of extension.

E. DEFICIENCY DETERMINATION

If it is determined that the User Fee and Excise Tax Report is incorrect and additional user fees and/or taxes are owing, the amount shall be due and payable immediately upon service of notice.

1. The Administrative Assistant will fill out and mail a Notice of Deficiency Determination (E-160) letter to the site. Notice is complete at the time of deposit in the U.S. mail.
2. Overpayments, if any, may be used to offset deficiencies.

3. Notice of Deficiency Determination notice may be mailed up to three (3) years after the last day of the month in which the report is due.
4. In the case of fraud, refusal to collect and evasion, refer to Ordinance No. 90-333A.

F. PENALTIES AND INTEREST

The Metro Code does not address the question of interest and penalties on User Fees. The following procedures relate to excise tax only.

1. An operator who has not been granted an extension of time for remittance of tax due; and who fails to remit the monthly User Fee and Excise Tax Report and payment before they become delinquent will be assessed a penalty of 10 percent for the first month and interest of 1.25 percent per month on the delinquent excise tax. The assessment will be the same whether the delinquency is one (1) day or twenty-nine (29) days.
2. However, if the monthly payment is thirty (30) or more days late, an additional penalty of 15 percent and interest will be assessed. Penalties and interest assessed during the initial delinquency period are added to the tax owed; this combined amount is used to calculate the second penalty and interest assessment. As long as the delinquency continues, previously assessed penalties and interest are added to the balance owed and used to calculate the subsequent amounts assessed. (Refer to example.)

FGEXCISE.XLS

Forest Grove/Outside Metro Waste Summary							
			Adjusted **				
Excise Report	Gross Revenue	Enhancement	Gross Revenue	Excise	Excise	Uncollectable	
Month 1990-91	from Outside	& DEQ fee	from Outside	Owed	Paid	charge/Excise	
	Metro	reduction	Metro			not paid	
July	19664.45	*Estimate		936.40	340.54	595.86	
August	19664.45	*Estimate		936.40	not charged	936.40	
September	19664.45	*Estimate		936.40	not charged	936.40	
October	18948.50	445.31	18503.19	881.10	881.10	0.00	
November	19510.01	435.17	19074.84	908.33	612.61	295.72	
December	16289.77	365.88	15923.89	758.28	437.11	321.17	
January	19771.08	426.13	19344.95	921.19	669.81	251.38	
February	17620.87	379.62	17241.25	821.01	531.22	289.79	
March	19499.66	414.45	19085.21	908.82	646.63	262.19	
April	22000.10	465.87	21534.23	1025.44	722.88	302.56	
May	21972.78	462.32	21510.46	1024.31	726.33	297.98	
June	21367.29	443.84	20923.45	996.35	672.98	323.37	
1991-92							
July	25657.15	508.39	25148.76	1197.56	885.24	312.32	
August	26043.92	487.00	25556.92	1217.00	832.48	384.52	
September	25250.55	467.96	24782.59	1180.12	765.44	414.68	
October	26817.67	497.21	26320.46	1253.36	863.34	390.02	
Totals	339742.70			15902.07	9587.71	6314.36	
*Estimate. No distinction made between Metro/non Metro waste.							
* Figures derived from average of 9 months that data is available.							
**Adjusted for DEQ & Enhancement fees on tons, not on vehicles or yards.							



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

RECEIVED

THOMPSON, ADAMS DeBAST & RAY

September 5, 1990

Mr. Rod Adams
Thompson Adams DeBast et al.
Hall Street Station
4500 S.W. Hall Boulevard
Beaverton, OR 97005

Dear Rod:

Re: Metro Excise Tax

This letter is to confirm our conversation in which we discussed the fact that the Metro excise tax (Metro Code Chapter 7.01) is imposed on all users of any District facility including solid waste facilities and franchised solid waste transfer stations such as the Forest Grove Transfer Station.

The language of the Ordinance imposing the excise tax is all encompassing and obligates any operator of a District facility to collect the tax from any user of the facility unless a specific exemption provided for in the Code is applicable. There is no exemption for solid waste haulers who collect solid waste entirely outside of the District's boundaries and bring it inside the District to use a facility franchised by the District.

Please feel free to contact me if you have any further questions in this regard.

Yours very truly,

Daniel B. Cooper,
General Counsel

gl
1211

cc: Bob Martin
Neil Saling

- Executive Officer
Cusma
- Metro Council
- Mike Ragsdale
Siding Officer
District 1
- Gary Hansen
Deputy Presiding
Officer
District 12
- Vernice Bauer
District 2
- Gardner
District 3
- David Devlin
District 4
- DeJardin
District 5
- George Van Bergen
District 6
- McFarland
District 7
- Wyers
District 8
- Collier
District 9
- Buchanan
District 10
- Knowles
District 11

SWATCO
Sanitary Service, Inc.

P.O. Box 196
Banks, Oregon 97106

297-2983

2312600
2613

August 25, 1990

A. C. Trucking
P.O. Box 8
Forest Grove, OR 97116

Dear Ambrose;

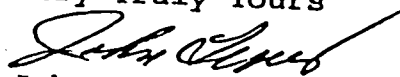
Enclosed find our check # 5053 in the amount of \$ 6628.04 for July, 1990 disposal fee's.

This check does not include fees for .05% METRO excise tax. As you know, or may not know, (I will give you benefit of doubt) METRO'S excise tax is only applicable to waste generated within METRO'S boundaries, the same as applies to other METRO Fee's. Since SWATCO operates totally outside of METRO, the .05% excise tax is an inappropriate charge.

I have however, included the .50¢ per ton DEQ Fees which by notation on our billing was inadvertently not charged, and by my calculations should be the same amount as the Forest Grove enhancement fee which is also calculated at .50¢ per ton.

Should you have any questions with respect to our position on this matter, do not hesitate to contact me at 231-2613 or Bob Martin, METRO'S Solid Waste Director at 221-0611.

Very Truly Yours



John Trout

SWATCO Sanitary Service, Inc.

MEX1 METRO LETTER ON QUANDARY

10/08/90 (MEX)

FOREST GROVE TRANSFER STATION
1525 B STREET
FOREST GROVE, OR 97116

METRO
2000 S W FIRST AVENUE
PORTLAND, OR 97201-5398

ATTENTION: ROBERT S. RICKS
SENIOR MANAGEMENT ANALYST

REGARDING VARYING CHARGEABLE 5% EXCISE TAX ON TONNAGE RECEIVED, WE
ARE IN A QUANDARY.

1. ATTACHED LETTER FROM SWATCO DATED 8/25/90: CONFIRMING THIS
INFORMATION WITH PHIL NORTH BY PHONE, WE DID CHARGE 5% ON TONS
RECEIVED FROM OUTSIDE THE METRO-AREA.
2. ATTACHED METRO LETTER AND MEMO FROM DANIEL B. COOPER DATED
9/5/90: DEFINES ALL SOLID WASTE RECEIVED AT A METRO OPERATED
OR FRANCHISED FACILITY TRANSFER STATION IS APPLICABLE TO 5% TAX.
3. METRO USER FEE AND EXCISE TAX REPORT FORM LINE #1 THRU #9: STATES
METRO DISTRICT WASTE ONLY! (EXCLUDE ANY NON-METRO WASTE)

JULY WE CHARGED TRANSFER USERS BASED ON #3 AND OUR UNDERSTANDING -
CHARGED ALL 5% EXCISE TAX.

AUGUST WE CHARGED 5% EXCISE TAX ON ONLY METRO TONS AND WROTE OFF
EXCISE TAX ON PRESUMED OVERCHARGE FOR JULY.

SEPTEMBER WE CHARGED 5% AGAIN ON ONLY INSIDE METRO.

OCTOBER WE ARE CHARGING 5% ON ALL TONS ACCORDING TO #2 MEMO - HOWEVER -
THIS CONTRADICTS #3 METRO USER FEE REPORT.

IS THERE A CHANCE THAT THE METRO REPORT #3 CAN BE REVISED TO AGREE
WITH #2 INSTRUCTIONS ON COLLECTION METHOD ON TONS RECEIVED?

IF WE COULD PLEASE HAVE THIS BEFORE OUR NEXT REPORT IS DO?

REGARDS,


AMBROSE CALCAGNO JR.

ACJR/lrc
FILE



METRO

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

Memorandum

RECEIVED

Date: June 19, 1990

To: Neil Saling, Acting Director, Finance & Administration

From: Daniel B. Cooper, General Counsel /s/

Regarding: EXCISE TAX

You have asked this Office to advise you regarding what revenues received by solid waste disposal franchisees and similar facilities are subject to the requirements of Metro Code Chapter 7.01 providing for the imposition, collection and payment of excise taxes.

Section 7.01.020 of the Metro Code imposes the tax on persons who are operators of District facilities. An operator of a District facility is defined by Section 7.01.010(e) as being "a person who receives compensation from any source arising out of the use of a District facility." District Facilities are defined by Section 7.01.010(c) as including any solid waste transfer, processing, disposal or recycling center owned, operated or financed by or for the District, all solid waste facilities subject to the issuance of a franchise pursuant to Metro Code Chapter 5.01, or any other facility, function, service...provided by the District.

Certain privately owned and operated solid waste transfer or disposal facilities such as the Forest Grove Transfer Station are operated pursuant to a franchise issued under Metro Code Chapter 5.01. Other facilities located outside of the District such as the Lakeside Reclamation Limited Purpose Landfill, and the Hillsboro Landfill are authorized to receive solid waste generated within the District pursuant to agreements which obligate those landfill operators to collect and pay certain fees imposed by Metro including the excise tax. The amount of tax imposed is either 6 percent of the payment charged by the operator for use of the District Facility as established by Section 7.01.020(a) or such lower percentage amount as may be specifically provided by the Council in the annual budget ordinance pursuant to the provisions of Section 7.01.020(b). The Metro Council has developed its budget which it anticipates adopting on June 28, 1990, on assumptions that the excise tax

rate will be 5 percent. The Council is expected to adopt the 5 percent rate on June 28, 1990. If it does not do so the rate will be 6 percent.

Is the User Fee established by Section 5.02.045 of the Metro Code and which is required to be paid by all franchised solid waste disposal facilities pursuant to Section 5.01.150 a portion of the base on which the excise tax must be computed or is it to be excluded for excise tax purposes?

Metro Code Section 5.01.150(b) provides:

"User Fees shall be in addition to any other fee, tax or charged imposed upon a processing facility, transfer station, resource recovery facility or disposal site."

For this reason I conclude that the User Fee established by Section 5.02.040 (which will be \$7 effective July 1, 1990) is excluded from the base of compensation or payments to solid waste disposal franchise operators and is not subject to the excise tax. This exclusion applies to all facilities obligated to collect and pay to Metro the User Fee including franchise operators and the two limited purpose landfills noted above (Lakeside and Hillsboro).

In addition, the Forest Grove Transfer Station pursuant to the terms of its franchise is obligated to collect and pay to Metro a 50¢ per ton surcharge for the Forest Grove Enhancement Fund. This fee is similarly excluded from the base which is subject to excise tax. The amount of the fee is not compensation to the operator, but is rather a pass-through charge imposed by the Metropolitan Service District on top of the rate collected by the franchised operator. In addition, the State of Oregon, acting by and through the Department of Environmental Quality, requires all disposal sites to collect and pay to the State a 50¢ per ton charge on all solid waste disposed of in the state. This tax is also not compensation to the operator of the solid waste disposal facility and is therefore not part of the base upon which the excise tax must be computed.

The Metro Council has the power to amend the Excise Tax Code to specifically include the User Fee and the Forest Grove excise tax in the Lease, however, the preset provisions of the Metro Code act to exclude such items from the tax at this time.

Memorandum
June 19, 1990
Page 3

Please let me know if you have any further questions in this regard.

DBC/gl
1133

cc: Rena Cusma
Bob Martin
Don Carlson

bc: Rod Adams, Attorney, Beaverton ✓
Bill Scheiderich, Beaverton City Attorney's Office



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1646
Fax 241-7417

FILE

October 24, 1990

Mr. Ambrose Calcagno, Jr.
Forest Grove Transfer Station
P. O. Box 8
Forest Grove, OR 97116

Dear Mr. Calcagno:

A question was raised concerning the applicability of the Excise Tax to waste crossing Metro boundaries. The enclosed letter from Metro's General Counsel, Daniel B. Cooper, to Rod Adams makes it clear that waste handled at any District facility is subject to the tax, independent of the source of the waste. Facilities that are not within the District report only waste generated within the District.

The wording on the back of the User Fee and Excise Tax Report giving instructions for lines 1 through 9 has been updated to help reduce this confusion. New forms are enclosed.

Sincerely,

Robert S. Ricks
Senior Management Analyst

srs
90136

Enclosures

Executive Officer
Rena Cusma
Metro Council
Tanya Collier
Presiding Officer
District 9
Gary Hansen
Deputy Presiding
Officer
District 12
David Saucy
District 1
Lawrence Bauer
District 2
Jim Gardner
District 3
Richard Devlin
District 4
Tom DeJardin
District 5
George Van Bergen
District 6
Ruth McFarland
District 7
Judy Wyers
District 8
Roger Buchanan
District 10
David Knowles
District 11



METRO

2000 SW First Avenue
Portland, OR 97201-5398
(503) 221-1616
Fax 241-7417

1/14/91

January 14, 1991

Rodney C. Adams
Thompson, Adams et al
4500 S. W. Hall Boulevard
Beaverton, OR 97005

Dear Rod:

Re: Forest Grove Transfer Station/Metro Excise Tax

In the spirit of cooperation, and not in the role of communicating Metro's official position on the current situation regarding the Forest Grove Transfer Station's inability to collect the Metro excise tax from certain haulers whose wasteload originates outside the District boundaries, I thought I would share with you and your client my thinking about this matter.

My understanding is that two haulers who utilize the transfer station have refused to pay that portion of the billings they receive from the transfer station which is attributable to the Metro excise tax.

The operator of the transfer station is attempting to persuade the haulers to make the payment voluntarily. The haulers are refusing to do so, and people are now looking to my Office to resolve the question of who needs to file a lawsuit against who first.

In general, Metro Code Chapter 7.01 imposes upon the "operator," in this case the transfer station franchisee, the obligation to collect the excise tax at the same time as payment is collected from every user of his facilities. Failure to collect the tax leaves the operator vulnerable to an assessment of the tax amount by the Metro Executive Officer and the imposition of penalties and interest and ultimately legal action by Metro to collect the delinquent amount. It is my belief that if this matter remains outstanding, Metro will ultimately need to follow the procedures outlined in the Metro Code to collect the delinquent amount from the franchisee.

However, if pursuant to Section 7.01.030(b) the operator determines that what he has received from the hauler is not full payment of the compensation owed for using the system

Executive Officer
Rena Cusma

Metro Council

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Presiding Officer
District 9

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Rodney C. Adams
Page 2
January 14, 1991

and a flat out refusal to pay the amount apportioned to the tax, but is rather a partial payment of the total amount owed including taxes, and remits to Metro the portion of the excise tax attributable to the payment that has been received, then no delinquency on the part of the operator would exist. The transfer station operator would then be in compliance with the provision of the Metro Code and not be subject to legal action by Metro to enforce the requirement for the payment of penalties and interest payments on the amount due.

However, of course, this would leave the transfer station operator short in his own cash account by the amount paid to Metro as the excise tax attributable to the payment actually received from the delinquent hauler.

Perhaps you would like to discuss this matter with your client, and you and I can have a further discussion, if you desire, before those employees of the Executive Officer who are assigned the duty of collecting excise taxes begin to take more vigorous action to collect this amount.

Yours very truly,

Daniel B. Cooper,
General Counsel

gl
1307

cc: Jennifer Sims
Bob Ricks ✓




METRO

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

Memorandum

DATE: November 27, 1991

TO: Metro Council Finance Committee

FROM: Jennifer Sims, Director of Finance and Management Information 

RE: First Quarter Program Progress Report FY 1991-92

The attached first quarter report for the Finance and Management Information department is organized by the five department divisions:

- . Accounting
- . Finance
- . Risk Management
- . Information Systems
- . Office Services

A major departmentwide effort was devoted to filling ten newly authorized positions, procuring needed equipment and furniture, and reorganizing office space. All new positions were filled by August 5, 1991, and the department remains fully staffed. A three-to-six month training period is in progress.

Participation in agencywide Strategic Planning and development of the department's 5-Year Financial Plan were also initiated this quarter.

JS:rs
Attc.

1135

cc: Rena Cusma, Executive Director

FINANCE AND MANAGEMENT INFO: ACCOUNTING
FY 91-92 QUARTERLY REPORT

I. OVERVIEW

The goals of the Accounting Division for FY 1992 are to provide timely and accurate recording of Metro's financial activities and provide necessary financial reports to help others manage the financial affairs of Metro. Specific goals for FY 1992 include the timely completion of the FY 1991 annual financial report and audit, documenting systems and preparing a procedures manual, and further integrate MERC processing activities.

As of September 30, 1991, the goals do not require modification. All tasks remain achievable and are primarily on schedule. The financial audit work of Metro has proceeded much more efficiently than the prior year and was at the scheduled pace. The portion of the audit related to MERC financial activity has experienced significant delays due to reconciliation problems between the MERC maintained general ledger and Metro's financial records, as well as MERC maintained account balances.

II. SUMMARY OF COMPLETED WORK

With the additional staffing resources approved in FY 92, all audit workpapers for Metro's financial report were completed on schedule. As the quarter ended, the Accounting Division had substantially completed the first draft of Metro's annual financial report with the exception of the MERC related financial data, which was not yet available from MERC staff.

Daily activities were completed on schedule. The RFP for consultant assistance on procedure manual development was scheduled for the second quarter and is still on schedule. The continued integration of MERC financial activity processing is on going and awaits observations and recommendations from the audit management letter and performance audit results.

All other tasks are on schedule. New projects not identified in the budget notebook are primarily related to PERS implementation and other benefits. Discussions are being held with Personnel to determine task delegation and resource requirements.

FINANCE AND MANAGEMENT INFO: ACCOUNTING
FY 91-92 QUARTERLY REPORT

III. DEPARTMENT REVENUE AND EXPENDITURES

Category	Budget	Actual YTD	% Left	Comments
Personal Services	\$647,314	151,325	77%	Have not used temporary services at this point, but expectation is this will be necessary in future periods due to payroll processing time-frames. Pay increases which are retroactive are also forthcoming.
Materials & Services	153,691	39,937	73%	Spending rate was expected to be higher in early part of year due to audit fees and staff start up.
Capital Outlay	<u>11,172</u>	<u>7,838</u>	30%	On target. Additional items remain to be purchased.
TOTAL	\$812,177	199,100	76%	

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
<u>DAILY OPERATIONS PROGRAM</u>		
<u>Accounts Receivable:</u>		
1. Process SW Billings	Ongoing	Issued 1400 statements containing 85,500 transactions.
2. Record cash receipts from District programs	Ongoing	Processed 1700 cash receipt transactions. Processed 356 miscellaneous invoices.
3. Integrate MERC invoice & cash receipt system into central system	Pending audit completion	Pending completion of audit.
<u>Accounts Payable</u>		
1. Process invoices/payable authorizations & issue an average of 400 checks	Ongoing	Issued 4,894 checks, representing 6,124 vouchers and 113,420 transactions. Completed 342 journal entries - 3100 transactions.
2. Issue IRS 1099 forms	January 31, 1991	Not due this quarter.
3. Prepare petty cash reconciliation report	Ongoing	Completed as scheduled.
4. Assist in making debt service payments for OCC & SW bonds	Ongoing	Completed as scheduled.
5. Integrate MERC accounts payable function in central system	Ongoing	Pending completion of audit.

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
<u>Payroll:</u>		
1. Process payroll including checks to 1200 employees	Ongoing	Issued 8,921 checks, representing 18,900 transactions.
2. Issue 25+ payroll reports	Ongoing	Completed.
3. Issue 1200+ IRS W-2 forms	January 31, 1992	Due January 31, 1992 - volume increased to 2,000 annually.
<u>Finance Reports:</u>		
1. Issue printed financial reports to user departments	Ongoing	Issued reports as requested by departments.
2. Participate in improving usefulness of reports	Ongoing	Participating with Financial Report task force to improve reporting and more closely match reports to user needs. Four meetings held during quarter.
3. Expand on-line access to financial management system	Ongoing	
4. Coordinate automation of MERC accounting system	Pending completion of audit	Pending audit completion.
<u>DIVISION MANAGEMENT:</u>		
1. Develop a written procedures manual	RFP in November, 1991	Pending completion of audit.

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
1. Prepare audit work papers & financial statements	Complete by mid-October	On schedule, with exception of MERC financial information. See comments above.
2. Assist in completion of Financial Audit	Complete by mid-October	Same as above
3. Complete three audits of District Franchises	Scheduled for Second through Fourth quarters	Not scheduled this quarter
4. Complete four surprise audits at Metro facilities	Scheduled for Second through Fourth quarters	Not scheduled this quarter
5. Maintain periodic inventory of Metro's fixed assets	Scheduled for Second through Fourth quarters	Not scheduled this quarter

PERSONNEL DIVISION

FIVE YEAR PLAN - PHASE II

(Presented 12/5/91)

DEPARTMENT MISSION STATEMENT

Under the direction of the Executive Officer, the Personnel Division is responsible for all human resources activities of the agency; including, but not limited to, classification and compensation, recruitment and selection, benefits administration, labor relations and collective bargaining, Affirmative Action and EEO Compliance, and training. Responsibilities include administration of Section 2.02 of the Metro Code and Applicable Executive Orders; administration of the Metro ERC personnel functions; interpretation of and monitoring for compliance with State and Federal Laws, rules and regulations related to human resources issues; design and implementation of personnel policies, rules, and procedures; and design and implementation of pro-active human resources programs to address agency needs.

DESCRIPTION OF CURRENT PROGRAMS

1. PERSONNEL ADMINISTRATION

Under the direction of the Personnel Manager, the administrative program consists of the personnel oversight activities for the agency. Included in this program are: agency-wide receptionist activities, room scheduling, and automobile reservations; personnel/payroll record processing functions, personnel records maintenance; policy and procedure development and implementation; and administration of Metro ERC personnel functions. The Personnel Manager provides direction and management of the full scope of human resources functions consistent with Metro Code, Executive Orders, Metro ERC Personnel Policies, collective bargaining agreements, applicable Federal and State laws, rules and regulations including; recruitment and selection, classification and compensation, benefits administration, labor relations and collective bargaining, discipline and discharge activities, training, Affirmative Action and Equal Employment Opportunity programs; personnel records management; review, analysis, and revision of Section 2.02 of the Metro Code and Metro ERC Personnel Policies, rules, and procedures; coordination of legal issues with General Counsel; presentation of Ordinances, Resolutions, and Staff Reports to Council for action; preparation and presentation of annual budget documents, 5-year plan documents, quarterly reports, and other documents or reports as directed to the Executive Officer and the Council.

2. EMPLOYMENT (RECRUITMENT AND SELECTION)

The Employment Program is responsible for the effective administration of all agency employment functions; including outreach recruitment and advertising to enhance the agency's Affirmative Action plan and the American with Disabilities Act, design and administration of effective, valid and job related selection tools and methodologies, and timely and accurate employment records maintenance. Ongoing activities include the coordination of Metro and Metro ERC employment functions, design and implementation of accurate job announcements for all positions to be filled based on documented duties and responsibilities and required knowledge, skills, and abilities; participation in active outreach programs to ensure that member of protected classes are encouraged to apply for Metro and Metro ERC positions; evaluation of advertising strategies and place appropriate advertisements of positions; participation in special recruitment efforts, job fairs, career days and other related activities; participation with other public employers in joint recruitment efforts to assist in Affirmative Action efforts; design and implementation of selection and recruitment process tools, monitor and assist departments with application, screening, and interview processes.

3. BENEFITS ADMINISTRATION

The Benefits Administration Program administers direct and indirect financial benefits to employees; including health, dental, and vision insurance, life, long term disability, and accidental death and dismemberment insurances, dependent care assistance and 401(k) programs, and the 11% and PERS retirement programs for Metro and Metro ERC. The program is responsible for reviewing, analyzing, and making recommendations for negotiating and monitoring provider contracts, providing employee information and assistance, analyzing the adequacy of current programs and making recommendations for enhanced levels of service, and administering the Employee Assistance Program. Major ongoing functions include maintenance, review, and recommendation for revision of the comprehensive health and welfare program for employees; preparation of Ordinances, Resolutions, and Staff Reports as needed for Council Action; design, implementation, and presentation of the New Employee Orientation Program for Metro and Metro ERC employees; monitoring of tuition reimbursement programs to ensure proper expenditure of funds and consistent application throughout the agency; development and presentation of RFPs and coordination with vendors, agents, and brokers of record; monitoring and conducting discrimination testing to assure compliance with requirements specified under IRS tax codes, such as Section 129 and 401(k) plans; conducting open enrollment activities and health and benefits fairs.

4. LABOR RELATIONS

The Labor Relations Program is responsible for all collective bargaining contract negotiation, contract administration, grievance handling, and mediation and arbitration activities for Metro and Metro ERC. In addition, this program provides advice to managers and supervisors, coordinates suitable activities with the appropriate unions, designs and conducts labor relations training seminars, and represents Metro and Metro ERC in all union related activities. Major ongoing functions include; serves as Chief Negotiator for all labor contracts, defines contract issues, writes contract language, trains management bargaining team members, evaluates requested contract amendments and recommending action, briefs the Executive Officer on collective bargaining, and prepares Ordinances, Resolutions, and Staff Reports as needed for Council action; handles and processes grievances through mediation; assists legal counsel in grievance arbitration; assists managers and supervisors with discipline and discharge issues; designs and conducts collective bargaining and contract administration training; maintains a harmonious relationship with all labor union representatives; assists in development and implementation of applicable personnel policies and procedures.

5. CLASSIFICATION/COMPENSATION/TRAINING

This program is responsible for the development and maintenance of a valid job-related classification system and compensation system, review, analysis, and recommendations for salaries, wages, and pay plans, implementation of agency-wide training program, and the management of the agency's Affirmative Action program and Americans with Disabilities Act which involves coordination with the Employment Program. Major tasks include; maintenance, review, and revision of the classification plan and the compensation plan to assure that job descriptions accurately reflect the nature of work, the essential functions of the position, the knowledge, skills and abilities required, and to ensure salaries and wages are internally consistent and are competitive in the marketplace; evaluation of existing positions singly or in job families to determine appropriate classifications; conduct salary surveys of comparable jurisdictions and markets to determine appropriate salary and wage levels; perform point factor analysis of job descriptions to determine appropriate classification and pay levels; preparation of appropriate Ordinances, Resolutions, and Staff Reports as needed for Council Action; preparation and filing of EEO-4 and Affirmative Action reports; oversight of Employment activities to ensure consistency with Affirmative Action and ADA goals.

DESCRIPTION OF PLANNED PROGRAMS

New Projects Included in Financial Projections

1. ANNUAL STUDY for any of the following program areas; benefits, classification/compensation, collective bargaining issues, ADA, Affirmative Action Issues, recruitment and retention.
2. ESTABLISH A 1:100, personnel staff:employee ratio, to be carried forward each year.
3. PERSONNEL RECORDS PROGRAM

The Personnel Records Program will be responsible to establish and implement program maintenance of all personnel and department files; assure personnel file compliance with collective bargaining agreements, Metro Code, and Metro ERC Personnel Policies, and applicable Federal and State statutes; coordinate statistical report data with Data Processing; Establish topical, chronological, and numerical file system in the department; assure compliance with Oregon Archival statutes and OARs; coordinate microfilming of old personnel files, recruitment files, collective bargaining agreements, and classification and compensation plans; coordinate record archiving with relevant jurisdictions, e.g. State of Oregon, City of Portland, etc.; gather data and prepare report notification and information for COBRA letters, REA notification, 401(k) and Section 129 test preparation; assist in data collection and gathering for benefit cost containment and collective bargaining; assist with benefit fair and open enrollment.

4. TRAINING PROGRAM

The Training Program is responsible for agency-wide education, training, and development. The program will provide a resource to managers relative to available training and development for specific departments at Metro and Metro ERC; coordinate and schedule training for departmental needs; monitor, verify, and authorize tuition reimbursements to ensure proper expenditure of funds and consistent application throughout the agency; provide information and assistance for educational development of staff; develop and monitor education and training programs; analyze current programs and make recommendations for enhanced levels of training and development; develop and present RFPs and coordinate with education/training providers; maintain accurate staff training records; participate with other public employers and jurisdictions in joint training efforts when applicable; maintain up-to-date training information and programs; remain current on Affirmative Action and ADA issues relative to training needs.

ASSUMPTIONS IN THIS PLAN

1. Proposed Program 1 to be funded yearly based on type of study necessitated.
2. The rate of demand for support services provided by Personnel is in direct proportion to the growth rate ratio of other departments at Metro and Metro ERC.
3. The Council approves and funds proposed Program 3.
4. The Council approves and funds proposed Program 4.

STRATEGIC ISSUES OR OTHER FACTORS THAT COULD EFFECT THE PLAN

INTERNAL

1. Types of studies may be necessitated by collective bargaining, grievance resolutions, benefits committees, or other needs as they arise.
2. The growth rate of other departments depends on various funding and program resources for each department at Metro and Metro ERC.
3. None
4. None

EXTERNAL

1. Types of studies may be necessitated by increased costs of health and welfare packages, market stance of salaries and wages, and other issues that may arise.
2. The growth rate of other departments may depend on the Trailblazer transition with Metro ERC, mergers with other public jurisdictions and/or entities, and legislative or other mandates in specific program areas.
3. None
4. None

FINANCE AND MANAGEMENT INFORMATION: FINANCIAL PLANNING
FY 1991-92 QUARTERLY REPORT

I. OVERVIEW

Annual Goals

1. Implement debt management program.
2. Manage bond financings as necessary.
3. Participate in key financial planning decisions.
4. Provide service to departments in all areas of financial planning.
5. Continue to serve lead role in annual budget development.
6. Maintain and improve ongoing compliance-level functions: investment management, credit management, collections.

III. SUMMARY OF COMPLETED WORK

1. Solid Waste Revenue Bond debt management report completed.
2. Financings for Headquarters Project and Washington County Transfer Station under way.
3. Participation on Staff Advisory Committee to Arena Task Force, End of the Oregon Trail work group, Regional Facilities Finance Subcommittee, regional funding work group.
4. Development of Five-Year Financial Plans.
5. FY 1992-93 budget manual.
6. General Revenue Bond Master Ordinance (Headquarters Building).
7. Financial Report Revision Task Force.

III. DEPARTMENT REVENUE AND EXPENDITURES

Category	Budget	Actual YTD	% Left	Comments
Personal Services	\$326,947	\$ 90,692	72.26	
Materials & Services	147,976	38,396	71.09	
Capital Outlay	<u>13,398</u>	<u>0</u>	100.00	Amount targeted for purchase of computer equipment.
TOTAL	\$488,321	\$129,088		

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
<p><u>BUDGET DEVELOPMENT & MONITORING:</u></p> <ol style="list-style-type: none"> 1. Annual budget development 2. Audit assistance 3. Amendments during year 4. Budget analyses <p><u>FINANCIAL PLANNING PROGRAM:</u></p> <ol style="list-style-type: none"> 1. Development of Five Year Financial Plans 	<p>September 30 Jan.-Feb., '92</p>	<ul style="list-style-type: none"> ● Budget preparation schedule for FY 92-93. Budget manual to be revised for October. ● Preparation of final cost allocation & indirect cost plans. Determination of support transfers. ● Preparation of information & schedules on all FY 90-91 budget amendments. ● Adoption of two amendments to the FY 91-92 budget. ● Department assistance on budget analyses. ● STRAP computer project assistance. ● PERS implementation impact. ● Management group benefit pkg. <ul style="list-style-type: none"> ● Progress report to Finance committee. ● Communications with all Departments on plan schedule, content, format, procedures.

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
2. Bond financings	November 7, November 20, December 20, 1992	<ul style="list-style-type: none"> ● Headquarters Project draft ordinance complete. ● Rating agency meeting Oct. 23, 1991. ● Financing on schedule.
3. Development of funding source for light rail match		<ul style="list-style-type: none"> ● Evaluating plan to charge for parking at Zoo.
4. Development of funding for a Washington County transfer station	March, 1992	<ul style="list-style-type: none"> ● RFF for transfer station issued. ● Preliminary planning for issuance of private activity bonds by Metro in March, 1992.
5. Financial issues related to Smith & Bybee Lakes, Greenspaces, and Recycling Loan programs	Ongoing	<ul style="list-style-type: none"> ● No issues related to Smith & Bybee. ● Initial planning for Greenspaces including research on funding. ● Preliminary meetings with Solid Waste and PDC on Recycling Loan program.
6. Metro Headquarters finance and analysis	See above	<ul style="list-style-type: none"> ● Financial analysis of Headquarters Building Purchase and Renovation issued August 13, 1991. ● See above for information on bond issuance.
7. Department coordination and support	Monthly	<ul style="list-style-type: none"> ● Conducted three Financial Management Team meetings

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
<p><u>INVESTMENTS, DEBT, CREDIT, AND COLLECTIONS MANAGEMENT:</u></p> <ol style="list-style-type: none"> 1. Management of Metro debt and compliance with bond ordinance and covenants 2. Management of Metro credit and collection program 3. Investments and cash management 4. Collect excise taxes from franchises 	<p>September 30 and ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>July</p> <p>Ongoing</p>	<ul style="list-style-type: none"> ● Report on FY 1990-91 compliance with bond ordinance issued. ● Analysis of Metro's credit & collection procedures initiated. ● Audit assistance in determining bad debt allowances. ● Increased numbers of eligible financing institutions. ● Investment Advisory Board quarterly meeting. ● New excise tax forms distributed at beginning of fiscal year. ● Excise taxes collected for the quarter total \$936,450.

FINANCE AND MANAGEMENT INFORMATION: RISK MANAGEMENT/INSURANCE FUND
FY 91-92 QUARTERLY REPORT

I. OVERVIEW

The insurance fund summary of goals are as follows:

Goal #1 - Development of a Risk Management Division.

Goal #2 - Evaluation of Metro's insurance program.

Goal #3 - Institute an agency-wide safety and training program.

II. SUMMARY OF COMPLETED WORK

Goal #1 Activities:

This quarter the Risk Management Division of Finance and Management Information was created. The division consists a Risk Manager, Scott Moss; a Risk Analyst, Cameron Williams; and an Administrative Secretary, Karen Christofferson. The division has established internal systems for operation, such as a filing system and a claims data base. The division has also developed work plans along with goals and objectives. Future projects include the development of risk management policies and procedures in a Risk Management Manual.

Goal #2 Activities:

The activities this quarter included the following:

- . Reviewed insurance policies
- . Audited all open workers' compensation and liability claims
- . Visual inspection of all Metro facilities
- . Revised financial recording of risk to conform to GASB
- . Analyzed past claims for common trends
- . Reviewed fidelity and crime bonds
- . Developed standard insurance requirements for contracts

Future projects include evaluating the financial consequences of the implementation of full self-insurance workers' compensation and liability program as recommended by the actuary.

Goal #3 Activities:

A draft of an agency-wide Accident Prevention and Loss Control Program has been developed and is now in the review process. A supervisory and safety committee training manual is currently being developed. Training will commence with the completion of these programs.

III. DEPARTMENT REVENUE AND EXPENDITURES

Category	Budget	Actual YTD	% Left	Comments
Personal Services	\$ 125,923	20,983	83	
Materials & Services	947,290	166,260	82	Insurance and claims are paid from Materials and Services
Capital Outlay	16,220	7,000	57	
Contingency	483,284	0	100	
Unappropriated Balance	<u>4,026,941</u>	<u>0</u>	<u>100</u>	
TOTAL	\$5,599,658	194,243	97	

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
1. Number of workers' compensation, liability, automobile and property claims by department:	Ongoing	See attached charts
2. Accident prevention and loss control program development	December 31, 1991	Draft developed and in review process.
3. Locations inspected for property and liability losses	Ongoing	Visited all locations. Boilers at Zoo inspected.
4. Develop standard insurance requirements for all contracts and RFP/B's	September 30, 1991	Developed standard insurance language and provided to Contracts and Procurement.
5. Review insurance programs to assure appropriate coverage at a reasonable price	January 1, 1992 June 30, 1992	Reviewed all insurance policies.
6. Safety training provided	Ongoing	Developing supervisory and safety committee training manual. No training provided this quarter.
7. Other special projects	Ongoing	<ul style="list-style-type: none"> - Developed data base to record workers' compensation. - Provided quarterly report to department heads on liability and worker's compensation claims. - Organized Risk Management office and filing system.

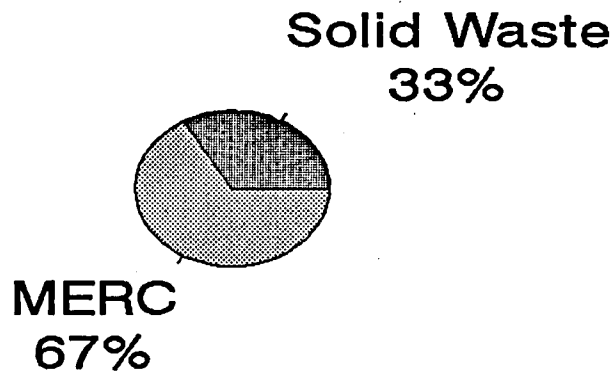
Risk Management (cont'd.)

October 31, 1991

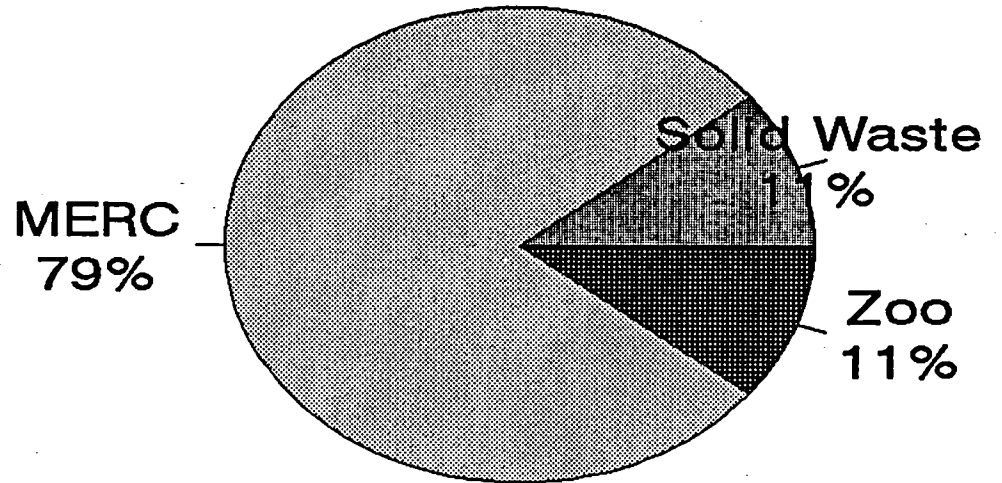
Projects and Major Ongoing Work	Key Dates	Progress This Quarter
Other special projects (cont'd.)		<ul style="list-style-type: none"> - Reviewed past claims to determine loss trends. - Responded to OSHA citation for asbestos at the Zoo.

Liability

Proportional Pie Charts



First Quarter of FY 1991-92

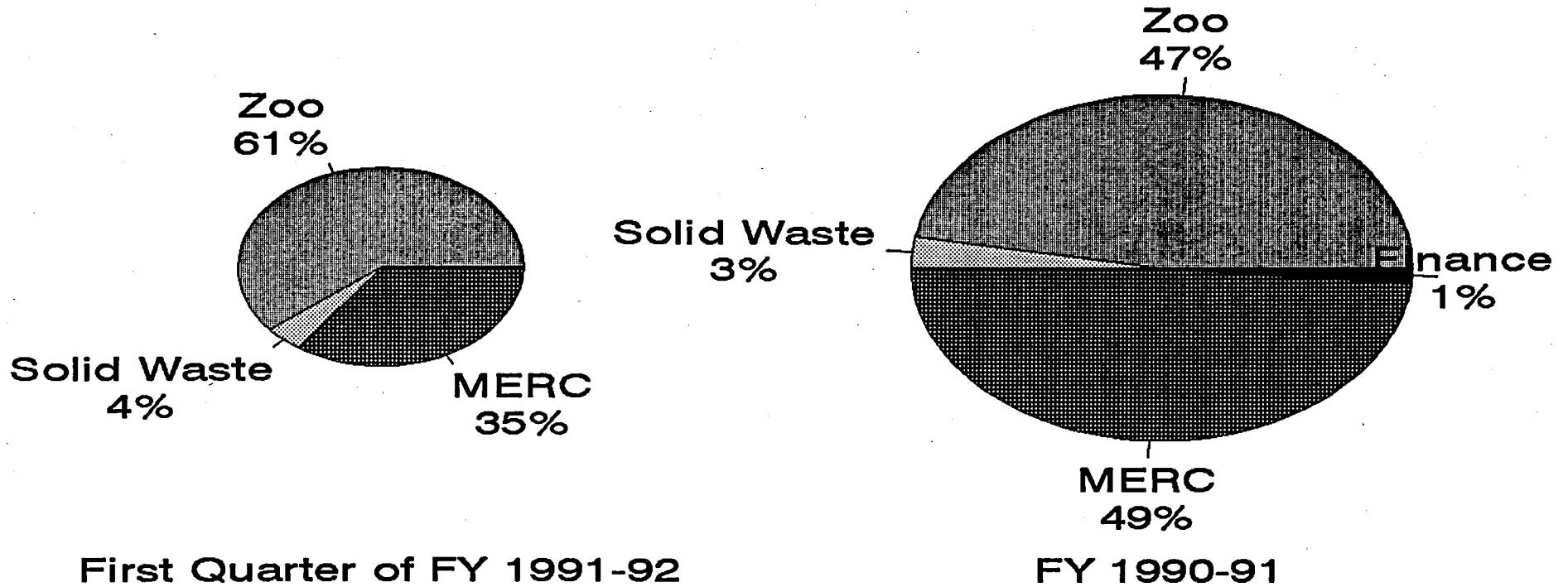


FY 1990-91

Department	1st Qtr	FY 1990-91
Solid Waste	1	3
MERC	2	22
Zoo	0	3

Workers' Compensation

Proportional Pie Charts



Dept.	1st Qtr	FY 1990-91
Solid Waste	1	2
MERC	8	34
Zoo	14	33
Finance	0	1
Total	23	70

FINANCE AND MANAGEMENT INFORMATION: INFORMATION SYSTEMS
FY 91-92 QUARTERLY REPORT

I. OVERVIEW

To provide operations support for the central financial information system and back-up processing for the SUN networks. To upgrade the A-Series hardware to increase its speed and capacity. To provide technical support and planning for personal computers. To provide planning for future networks. To maintain and financial information system software and develop new applications.

The planning, evaluation and implementation efforts related to STRAP consumed huge quantities of resources which affected Personal computer support, network planning and A-Series upgrades. Providing on-call technical support to the personal computers has prevented any preventive maintenance program.

II. SUMMARY OF COMPLETED WORK

Diagnostic tools for evaluation of A-Series performance is installed and operational. Special PERS reports needed by July 15 were completed ahead of schedule. Billing on SUN project was completed to initial specifications. New Specifications were defined and contracted. Several updates to the Financial Information System have been received from the vendor, installed and tested by staff. Programming of Grant Billing reports have been completed. Planning for A-Series upgrade is in progress for completion 2nd quarter.

III. DEPARTMENT REVENUE AND EXPENDITURES

Category	Budget	Actual YTD	% Left	Comments
Personal Services	\$508,323	\$114,030	77.71%	On track.
Materials & Services	\$396,174	\$71,224	82.02%	Some contracts and payments have not started.
Capital Outlay	<u>\$15,700</u>	<u>\$4,600</u>	39.80%	
TOTAL	\$920,197	\$189,855	78.65%	

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
System Operations Section		
<u>A-Series Operations</u>		
1. Expansion of software diagnostic tools and documentation of system performance.		Installed and operational.
2. Operating the A-Series including the back-up program.	On-going.	Planning is complete for moving off-site storage from local bank to formal data storage site.
3. Upgrade of existing A-Series from an A-4 to an A-6.	1/1/92	Several planning meetings have been held. Scope of contract determined.
4. Installation and configuration of new software packages and software upgrades.	On-going.	Maintenance upgrade ordered and received. It will be applied as part of the hardware upgrade.
<u>UNIX System Support</u>		
1. Upgrade the operating system software for HP and Sun computer systems.		All systems operating at current release.
<u>Trouble Shooting</u>		
1. Diagnose and fix system problems.	On-Going.	No down time this quarter due to system problems.

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
<p>Network and Personal Computers Section</p> <p><u>Agency Communications Network</u></p> <ol style="list-style-type: none"> 1. Implement and maintain the STRAP Network. 2. Relocate Transportation Dept. 3. Provide technical assistance for the operation of existing and planned personal computers and local area networks. 4. Implement a preventive maintenance program for personal computer systems and networks. <p><u>Trouble Shooting</u></p> <ol style="list-style-type: none"> 1. Diagnose and fix Personal computer and network problems. 	<p>On-going.</p> <p>On-going.</p>	<p>RFP evaluation completed. Planning and design completed. Implementation planned for 2nd quarter. Maintenance for STRAP is not currently funded.</p> <p>Completed. Excellent planning and preparation resulted in minimum down time of systems. When the users were unpacked, their computer systems were operational.</p> <p>We receive 25-50 calls per week. Many are handled during the phone call and most are processed on day they are received.</p> <p>Draft of checklist has been completed and reviewed. STRAP planning and service calls have consumed the resources needed for this effort.</p> <p>Solid Waste network has had several calls this quarter. Several personal computer problems coordinated with vendors under warranty.</p>

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
<p>Applications Section</p> <p><u>A-Series Projects</u></p> <ol style="list-style-type: none"> 1. Development of new reports for the financial management system: data bases, models, programs and other special projects. 2. Implement and test changes distributed by software vendors. 3. Upgrade the Grant Billing System. 4. Automate the MERC Accounting System. 5. Develop Plan for relocation of computer systems and networks to new headquarters building. <p><u>UNIX Systems Projects</u></p> <ol style="list-style-type: none"> 1. System Accounting for SUN and HP Systems. 		<p>PERS report needed by July 15 was completed early. Several working sessions with Accounting and Reporting Task Force have defined new reports needed to meet management needs.</p> <p>Installed two fixes to outstanding problems.</p> <p>Generated set of reports. Transportation Department have defined some additional needs which are being evaluated to generate a scope of work.</p> <p>MERC staff is connected to the A-Series and all who have requested security have been completed. We have had several meetings with MERC and with Accounting to identify problems and resolve them.</p> <p>No activity this quarter other than including future movement of systems as part of STRAP planning.</p> <p>Completed. Changes in requirements will result in additional effort in 2nd quarter.</p>

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
<p><u>Network and Personal Computer Projects</u></p> <p>1. Network Mailing List.</p> <p><u>Trouble Shooting</u></p> <p>1. Diagnose and fix application software problems.</p> <p><u>Administration</u></p> <p>1. Update of the long term Data Processing Plan.</p> <p>2. Conduct User Group Meetings.</p>		<p>Several meetings and an evaluation of a software available for networks have been completed. This may become part of available STRAP software.</p> <p>Completed documentation on several applications software problems and worked with software vendor to resolve. Several changes to Work Flow Language files to accommodate operation needs.</p> <p>Completion of Data Flows document. Several Standards were developed through dialogue with User Groups. Completed review of several regional long term data processing plans for format ideas.</p> <p>Several meetings were held during the quarter.</p>

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
3. Develop and maintain a Data Processing Disaster Plan.		Accounts Payable and Accounts Receivable plans are completed. Payroll plan is still in development. We had one hardware failure during payroll processing during the quarter which we recovered from with less than two hours delay in delivery of checks.

FINANCE AND MANAGEMENT INFORMATION: OFFICE SERVICES
FY 1991-92 QUARTERLY REPORT

I. OVERVIEW

To provide centralized support services to Metro as an agency and individual departments in the area of centralized printing services, satellite copier and fax capabilities, daily pick-up and delivery of U.S. mail, and daily courier service needed to remote Metro sites. Office management is provided for in the group maintenance of equipment in the area of copiers, faxes, IBM Selectric typewriters, contracting for common services such as travel, and intercity delivery. To organize and maintain an archive retrieval system, and provide for microfilming of Metro records.

II. SUMMARY OF COMPLETED WORK

Print Shop/Mail Room Operation

One additional staff person hired at the start of this fiscal year as a print shop/courier technician, is currently splitting time between courier and print shop duties. Regular courier route to the Zoo continued with expansion of courier service to include regular U.S. mail pick-up and delivery, eliminating contracted services and speeding up the distribution of daily U.S. mail; and the addition of a regular delivery route between Metro Center and Metro Central Transfer Station. Print shop operation continues, as well as satellite copier maintenance and supply. Copy cards were installed on four satellite copy machines, eliminating the time consuming compilation of copy data by department. A good quality used three-hole drill press was located and purchased with a warranty at a cost savings of \$605 under budget.

Central Office Services

Request for proposals was finalized for the designated travel agent for Metro, and the selection and contracting with Azumano Travel Service completed. Implementation of the fax plan was accomplished with the installation of five new fax machines located throughout Metro Center. Plan included modifications to allow long distance fax charge backs directly to departments, eliminating labor intensive manual tracking. Request for quotes was issued to obtain quantity discount prices on letterhead and envelope stocks. Began organizing space requirements for Finance Division and coordinated ordering of office panels for Finance and Management Information and Transportation Departments. Developed letter of agreement with Charter Committee to provide certain office services.

Archive/Microfilm Services

Received new microfilm reader/printer and received training on capabilities and use. Activity in this area has been light, as the transfer of responsibilities from Building Management to Office Services is proceeding as the quarter ended.

III. DEPARTMENT REVENUE AND EXPENDITURES

Category	Budget	Actual YTD	% Left	Comments
Personal Services	\$112,711	\$23,581	79.08	
Materials & Services	259,579	31,009	85.82	
Capital Outlay	<u>14,000</u>	<u>3,895</u>	73.14	Expenditure was for 3-hole paper drill. Remaining planned purchases in progress.
TOTAL	\$386,790	\$58,485	83.38	

OFFICE SERVICES

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
<p>1. Print Shop Operation - Provide centralized copy printing service to all Metro departments and satellite copier service at Metro Center.</p>	<p>Ongoing August, 1991 July, 1991 Ongoing</p>	<p>-1.5 million copies were made in Print Shop. 400,000 copies made on satellite copiers . -Purchased and installed three-hole drill press. -Copy cards installed on four satellite copiers. -Maintained and stocked supplies to copiers and fax machines.</p>
<p>2. Mail Room/Courier Service - Provide mail and courier service to Metro Center Departments.</p>	<p>July, 1991 July, 1991 Ongoing September, 1991 September, 1991</p>	<p>-Interviewed, hired and trained Print Shop/Courier technician. -Extended one year contract with City of Portland for intercity delivery service. -Courier route to Zoo was continued one time per day. -Courier service was expanded to include service between Metro Center and Metro Central Transfer Station one time per day. -Instituted regular pick-up and delivery of U.S. mail with two trips per day.</p>
<p>3. Central Office Services</p>	<p>August, 1991 July-August, 1991 September, 1991 September, 1991</p>	<p>-Selected and contracted with Azumano Travel as designated travel agent for Metro. -Implemented FAX plan. -Sent out Request for Quotes for agency letterhead and envelopes. -Facilitated space planning and panel order for Finance and Management Information, and panel order for Transportation Department.</p>

OFFICE SERVICES

Projects and Major Ongoing Work	Key Dates	Progress This Quarter
4. Manage archive records storage and microfilming for Metro facilities.	August, 1991 August, 1991	-Completed Letter of agreement with Charter Committee. -Participated in microfilm reader/copier training.

Finance & Management Information Department
 Financial Planning Division
 Phase 2 - Five Year Financial Plans

Key Issues of Each Fiscal Year	
FY 1993-94	FY 1994-95

Program Description

Budget Preparation & Managing

Provide central coordination for the preparation, monitoring and implementation of the organization's annual budget and budget amendments. Includes preparation of cost allocation plan, federal indirect cost rate proposal and excise tax forecasts. Provide training and assistance to other departments in the preparation and monitoring of their budgets. Ensure conformance to established procedures and compliance with Federal, State and Local requirements

- Addition of .50 FTE
 Issues effecting program:
 • growth and diversity of department functions
 • complexity of cost allocation/changes in federal regulations related to indirect plans
 • increased requests for training and assistance
 • Increased requirement for analysis and forecasting of excise tax

- No additional staff
 Issues effecting program:
 • growth and diversity of department functions
 • complexity of cost allocation/changes in federal regulations related to indirect plans
 • increased requests for training and assistance
 • Increased requirement for analysis and forecasting of excise tax

Financial Planning

Provide financial planning, analysis and modeling for all areas of the organization. Includes debt related projects; annual five year financial plan updates; active participation in funding identification and implementation; tax coordination planning activities

- Addition of .25 FTE
 Issues effecting program:
 • annual update of five year financial plans
 • Additional debt related planning issues (unknown)
 • Financial planning related to funding identification for Zoo and Performing Arts facilities

- No additional staff
 Issues effecting program:
 • annual update of five year financial plans
 • Additional debt related planning issues
 • Financial planning related to funding identification for other Metro needs

Credit Management

Manage the organization's credit functions including review and approval of credit customers; monitoring of accounts receivable; and collection of past due accounts. Functions currently performed only for Solid Waste credit customers.

- No additional staff
 - Review and update credit and collection policies as needed
 Issues effecting program:
 • Increase in Solid Waste customers and accounts
 • Potential increase in responsibilities related to other departments other than Solid Waste (i.e. excise tax collections, MERC Accounts Receivable collections)

- No additional staff
 - Review and update credit and collection policies as needed
 Issues effecting program:
 • Increase in Solid Waste customers and accounts
 • Potential increase in responsibilities related to other departments other than Solid Waste (i.e. excise tax collections, MERC Accounts Receivable collections)

Finance & Management Information Department
 Financial Planning Division
 Phase 2 - Five Year Financial Plans

Key Issues of Each Fiscal Year

FY 1995-96

Program Description

Budget Preparation & Managing

Provide central coordination for the preparation, monitoring and implementation of the organization's annual budget and budget amendments. Includes preparation of cost allocation plan, federal indirect cost rate proposal and excise tax forecasts. Provide training and assistance to other departments in the preparation and monitoring of their budgets. Ensure conformance to established procedures and compliance with Federal, State and Local requirements

- Addition of .25 FTE
- Issues effecting program:
 - growth and diversity of department functions
 - complexity of cost allocation/changes in federal regulations related to indirect plans
 - increased requests for training and assistance
 - Increased requirement for analysis and forecasting of excise tax

Financial Planning

Provide financial planning, analysis and modeling for all areas of the organization. Includes debt related projects; annual five year financial plan updates; active participation in funding identification and implementation; tax coordination planning activities

- Addition of .75 FTE
- Issues effecting program:
 - annual update of five year financial plans
 - Additional debt related planning issues
 - Financial planning related to funding identification for other Metro needs

Credit Management

Manage the organization's credit functions including review and approval of credit customers; monitoring of accounts receivable; and collection of past due accounts. Functions currently performed only for Solid Waste credit customers.

- No additional staff
- Review and update credit and collection policies as needed
- Issues effecting program:
 - Increase in Solid Waste customers and accounts
 - Potential increase in responsibilities related to other departments other than Solid Waste (i.e. excise tax collections, MERC Accounts Receivable collections)

Finance & Management Information Department

Financial Planning Division

Phase 2 - Five Year Financial Plans

Program Description	Key Issues of Each Fiscal Year	
	FY 1991-92	FY 1992-93
Budget Preparation & Managing		
Provide central coordination for the preparation, monitoring and implementation of the organization's annual budget and budget amendments. Includes preparation of cost allocation plan, federal indirect cost rate proposal and excise tax forecasts. Provide training and assistance to other departments in the preparation and monitoring of their budgets. Ensure conformance to established procedures and compliance with Federal, State and Local requirements	<ul style="list-style-type: none"> - Addition of .50 FTE for budget assistance - Continuation of current program with emphasis on analysis, training and assistance 	<ul style="list-style-type: none"> - No additional staff - Funding for centralized budget preparation and monitoring module <p>Issues effecting program:</p> <ul style="list-style-type: none"> • Growth and diversity of department functions • Complexity of cost allocation/changes in federal regulations related to indirect plans • Increased requests for training and assistance • Increased requirement for analysis and forecasting of excise tax
Financial Planning		
Provide financial planning, analysis and modeling for all areas of the organization. Includes debt related projects; annual five year financial plan updates; active participation in funding identification and implementation; tax coordination planning activities	<ul style="list-style-type: none"> - Addition of 1.0 FTE Management Analyst Supervisor - Development of initial five-year financial plans for all departments - Financial Planning for Metro Headquarters project and issuance of bonds - Financial assistance to regional facilities study - Financial assistance to Trailblazer proposal - Financial assistance to Charter Committee - Financial Planning for Washington County Transfer Stations 	<ul style="list-style-type: none"> - No additional staff <p>Issues effecting program:</p> <ul style="list-style-type: none"> • Continued analysis on Measure 5 impact • Annual update of five year financial plans • Additional debt related planning issues (Washington County Transfer Station, Greenspaces, End of the OregonTrail) • Continued analysis and assistance on Blazer proposal • Financial planning related to funding identification for Zoo and Performing Arts facilities
Credit Management		
Manage the organization's credit functions including review and approval of credit customers; monitoring of accounts receivable; and collection of past due accounts. Functions currently performed only for Solid Waste credit customers.	<ul style="list-style-type: none"> - No additional staff - Develop credit policies - Update collection policies and procedures - Revise credit application 	<ul style="list-style-type: none"> - No additional staff - Review and update credit and collection policies as needed <p>Issues effecting program:</p> <ul style="list-style-type: none"> • Increase in Solid Waste customers and accounts • Potential increase in responsibilities related to other departments other than Solid Waste (i.e. excise tax collections, MERC Accounts Receivable collections)

Finance & Management Information Department
 Financial Planning Division
 Phase 2 – Five Year Financial Plans

Program Description	Key Issues of Each Fiscal Year	
	FY 1991-92	FY 1992-93
<p>Investment and Cash Management</p> <p>Manage Metro's cash management program and investment portfolio in compliance with federal, state and local regulations.</p>	<ul style="list-style-type: none"> - No additional staff - Continuation of current program at current levels 	<ul style="list-style-type: none"> - No additional staff - Review and revise investment policies <p>Issues effecting program:</p> <ul style="list-style-type: none"> • implementation of revised policies • Management of more accounts as a result of debt issuaces
<p>Debt Management</p> <p>Manage the agency's debt to ensure compliance with all regulations and covenants</p>	<ul style="list-style-type: none"> - Addition of .50 FTE for debt management - Develop procedures for monitoring flow of funds in compliance with master bond ordinances - Management of addition bond issue related to Headquarters Project 	<ul style="list-style-type: none"> - No additional staff <p>Issues effecting program:</p> <ul style="list-style-type: none"> • Potential issues of more and different type of financings • Additional reconciliation and review related to more financings • Potential change in rules related to bonds

Finance & Management Information Department
 Financial Planning Division
 Phase 2 - Five Year Financial Plans

Key Issues of Each Fiscal Year	
FY 1993-94	FY 1994-95

Program Description

Investment and Cash Management

Manage Metro's cash management program and investment portfolio in compliance with federal, state and local regulations.

- No additional staff
 Issues effecting program:
 • Management of more accounts as a result of debt issuances
 • Increase in accounts payable resulting in greater cash management control

- No additional staff
 - Review and revise investment policies
 Issues effecting program:
 • Management of more accounts as a result of debt issuances
 • Increase in accounts payable resulting in greater cash management control

Debt Management

Manage the agency's debt to ensure compliance with all regulations and covenants

- Addition of .25 FTE
 Issues effecting program:
 • Potential issues of more and different type of financings
 • Additional reconciliation and review related to more financings
 • Improved management of arbitrage rebate functions

- No additional staff
 Issues effecting program:
 • Potential issues of more and different type of financings
 • Additional reconciliation and review related to more financings

Finance & Management Information Department
Financial Planning Division
Phase 2 - Five Year Financial Plans

Key Issues of Each Fiscal Year

FY 1995-96

Program Description

Investment and Cash Management

Manage Metro's cash management program and investment portfolio in compliance with federal, state and local regulations.

- No additional staff
- Issues effecting program:
 - Management of more accounts as a result of debt issuances
 - Increase in accounts payable resulting in greater cash management control
 - implementation of revised policies

Debt Management

Manage the agency's debt to ensure compliance with all regulations and covenants

- No additional staff
- Issues effecting program:
 - Potential issues of more and different type of financings
 - Additional reconciliation and review related to more financings

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF APPROVING) RESOLUTION NO. 84-444
LONG-RANGE FINANCIAL POLICIES)
FOR THE METROPOLITAN SERVICE) Introduced by the
DISTRICT) Executive Officer

WHEREAS, The Metropolitan Service District relies on a variety of revenue sources to conduct its business; and

WHEREAS, The Metropolitan Service District over the past five years has demonstrated its ability to carry out its assigned responsibilities; and

WHEREAS, The expiration of a three-year serial levy and changes in state laws will alter the revenue sources for the Metropolitan Service District; and

WHEREAS, A set of financial policies and principles has been developed to be used as a guide for reaching financial stability for the Metropolitan Service District; now, therefore,

BE IT RESOLVED,

That the Council adopts the financial principles and policies contained in Exhibit A attached.

ADOPTED by the Council of the Metropolitan Service District this 26th day of January, 1984.

Conroy K. Kookpatrick
Presiding Officer

DC/gl
0512C/366
01/05/84

EXHIBIT A

To assist in the achievement of the broad goal of providing financial stability for Metro, the following general principles are adopted:

1. Each functional area shall have identified sources of revenue;
2. Each functional area shall prepare a five-year financial plan; and
3. Any new functions assumed by Metro shall have a source of funding.

To aid decision making in each of the functional areas, the following policies are adopted:

General Government/Mandated Services

1. General government and mandated services shall have an external source of revenue to cover their direct costs and to pay their share of support services.
2. When specific funds are identified for general government and mandated services, interfund transfers shall no longer be used to support these activities.
3. The support services functions of the General fund shall be totally financed from all Operating funds on the basis of actual use.

Local Assistance and Coordination

1. Local assistance activities carried out by Metro shall be funded by the jurisdictions and organizations using those services.
2. Metro shall annually review and develop a local assistance program in conjunction with local government users.

Zoo Operations

1. The Zoo shall rely on the property tax for a portion of its revenues.
2. Approximately 50 percent non-tax revenues shall be maintained for funding Zoo operations.

3. The Council shall annually review admission fees to assist in meeting Objective 2 above.
4. The Council shall develop a policy of maintaining a proper balance between funds used for animal and non-animal capital improvements and the use of private versus public funds.
5. As indicated in the adopted Master Plan, the priority for capital investments shall be the completion of the Zoo's development and the replacement of non-standard exhibits.
6. It shall be the policy of the Council to provide special benefits to residents of the region who pay taxes to help support the Zoo.

Solid Waste Operations

1. As part of the development of a five year financial plan, a set of financial policies shall be prepared for adoption by the Council prior to the beginning of the rate review process in September 1984 and shall address disposal rates, regional transfer charges, convenience charges, user fees and other appropriate issues.

0512C/366
1/26/84

STAFF REPORT

Agenda Item No. 7.1

Meeting Date January 26, 1984

CONSIDERATION OF RESOLUTION NO. 84-444 FOR THE
PURPOSE OF APPROVING LONG-RANGE FINANCIAL
POLICIES FOR METRO.

Date: January 17, 1984

Presented by: R. Gustafson

FACTUAL BACKGROUND AND ANALYSIS

The attached memorandum from the Executive Officer to the Council outlines proposed long-range financial policies for Metro.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 84-444 for the purpose of approving long-range financial policies for the Metropolitan Service District.

COMMITTEE CONSIDERATION AND RECOMMENDATION

On January 16, 1984, the Council Coordinating Committee unanimously recommended adoption of Resolution No. 84-444, as amended. The attached resolution reflects amendments recommended by the Committee.

0591C/373
ef



Memo

METROPOLITAN SERVICE DISTRICT 527 S.W. HALL ST., PORTLAND, OREGON 97201 503 221-1646
Providing Zoo, Transportation, Solid Waste and other Regional Services

Date: January 3, 1984
To: Metro Council
From: Rick Gustafson, Executive Officer
Regarding: Long-Range Financial Policies for Metro

INTRODUCTION

This memo provides a financial blueprint for building a stable, adequate funding base for Metro.

It contains general principles and specific policies which can serve as a guide for making decisions on the elements of Metro's financial structure and sources of funding.

It is a synthesis of the issues, information and financial policies outlined in a series of memos to the Council over the past five months. The memos include:

- "Future Funding--Background Information on Metro Financial Situation," July 26, 1983.
- "The General Fund--Its Relationship to Other Funds and Functions Provided," July 26, 1983.
- "Long-Range Financial Policies for Metro," September 7, 1983.
- "Five-Year Projections for the General Fund," September 8, 1983
- "Preliminary Five-Year Projections for Zoo Operating Fund," September 28, 1983.

This memo also includes background on the current sources of funding for the organization, the system used to support the General fund and the status of Metro's four Operating funds: Zoo, Solid Waste, Planning and General.

BACKGROUND

In 1977 the Oregon Legislature passed HB 2070 which authorized a popular vote in the tri-county area on the merger of the Metropolitan Service District and the Columbia Region Association of Governments. The bill also provided for a directly elected Council and Executive Officer. While the

enabling legislation authorized a property and/or income tax levy and user fees, it did not provide a specific source of revenue for a General fund within the regional government.

When the voters approved the merger, and Metro began operations in 1979, a General fund was established and funded primarily by a system of justified interfund transfers from the other Operating funds. The funds reflect Metro's organizational structure.

This chart (Figure 1) shows the current relationship between the funds:

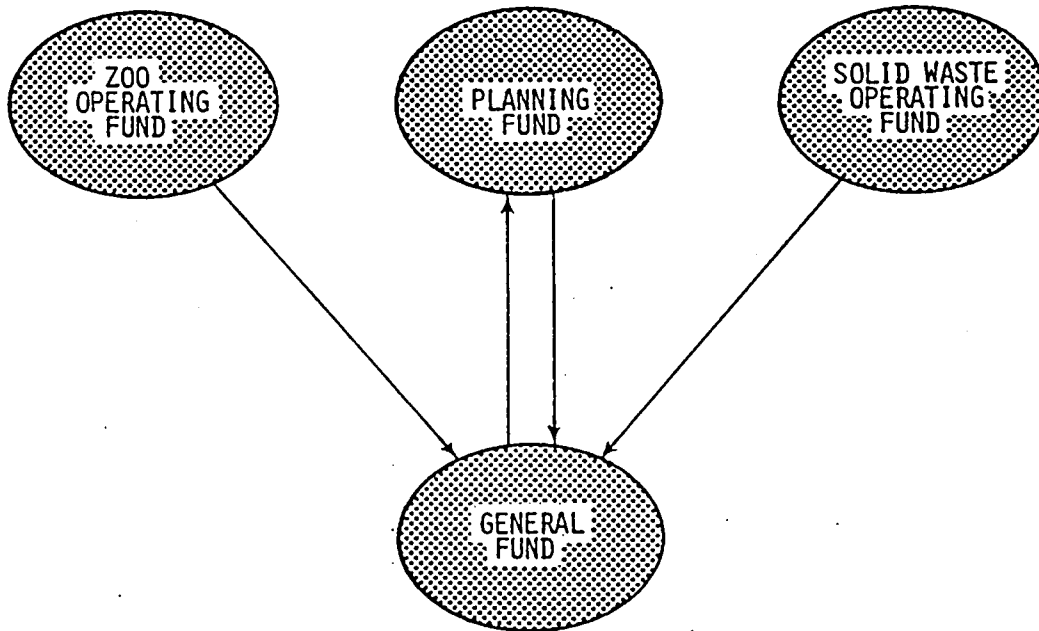


Figure 1

The Zoo and Solid Waste Operating funds receive all of their revenue from external sources, i.e., enterprise funds, special fees, donations (and in the case of the Zoo, property taxes). The Planning fund receives the majority of its revenue from federal and state grants, plus a small portion (about 10 percent) transferred from the General fund.

The General fund receives 70 percent of its revenue as transfers from the other three funds and the balance from local government dues. During the first five years of its existence, Metro was able to carry out its responsibilities with the Operating funds and system of interfund transfers described above. However, two important changes will soon occur:

1) The three-year serial levy that provides half of the Zoo's operating revenue expires June 30, 1984, and 2) the state law requiring local governments to pay the per capita dues assessment to Metro expires June 30, 1985. This chart (Figure 2) depicts the impact of those revenue losses on the four Operating funds.

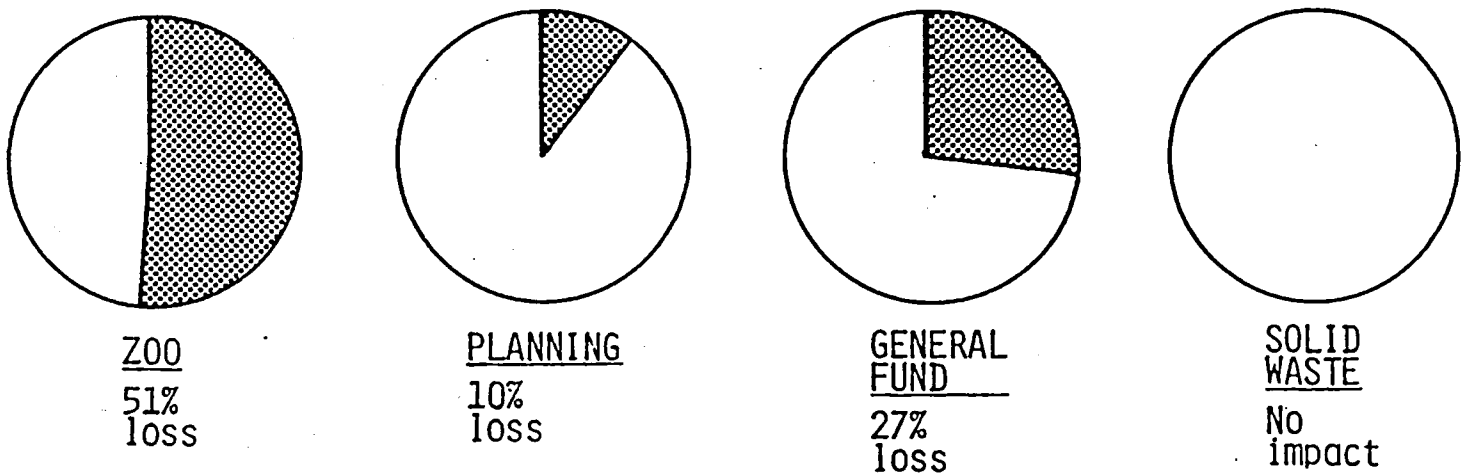


Figure 2

The 10 percent loss in the Planning fund does not include the reduction in federal or state grants that would result from diminished local matching funds.

In preparing to deal with the potential loss of those revenue sources, the Metro Council needs to establish a long-range financial policy for this organization. That policy should meet Metro's assigned responsibilities and also prepare the organization for changes that are expected to occur in the future.

FINANCIAL PRINCIPLES AND POLICIES

Over the past five years Metro has demonstrated its ability to effectively operate and improve the Zoo, has shifted from only planning a solid waste system to operating solid waste facilities, and has maintained a mechanism for providing services and coordinating certain planning and funding activities for local governments, primarily in transportation.

To assist the Council achieve the broad goal of providing financial stability for Metro, the following general principles are recommended:

1. Each functional area must have identified sources of revenue;
2. Each functional area must prepare a five-year financial plan; and
3. Any new functions assumed by Metro must have a source of funding.

The functional activities of Metro vary both in the nature of their services and in the source of their revenue. Therefore, the following policies are recommended to the Council to aid decision-making in each of the functional areas:

General Government/Mandated Services

1. General government and mandated services should have an external source of revenue to cover their direct costs and to pay their share of support services.
2. When specific funds are identified for general government and mandated services, interfund transfers should no longer be used to support these activities.
3. The support services functions of the General fund should be totally financed from all Operating funds on the basis of actual use.

Local Assistance and Coordination

1. Local assistance activities carried out by Metro should be funded by the jurisdictions and organizations using those services.
2. Metro should annually review and develop a local assistance program in conjunction with local government users.

Zoo Operations

1. The Zoo should rely on the property tax for a portion of its revenues.

2. A ratio of approximately 50 percent tax and 50 percent non-tax revenues should be maintained for funding Zoo operations.
3. The Council should annually review admission fees to assist in meeting Objective 2 above.
4. The Council should develop a policy of maintaining a proper balance between funds used for animal and non-animal capital improvements.
5. The priority for capital investments should be the completion of the Zoo's development and the replacement of non-standard exhibits.

Solid Waste Operations

1. A set of financial policies should be prepared for adoption by the Metro Council prior to the beginning of the rate review process in September 1984, and should address disposal rates, regional transfer charges, convenience charges, user fees and other appropriate issues.
2. A five-year financial plan should be prepared for Council consideration.

REVISED ORGANIZATIONAL STRUCTURE

The application of the functional area financial policies produces structural changes in the Metro organization. The Zoo and Solid Waste funds remain in their current form. The other two funds change. The Planning fund becomes a Local Assistance fund. The General fund becomes divided into two distinct parts: 1) general government and mandated services, and 2) support services. Support services are provided to all four functional areas, including general government and mandated services and each of the four functional areas pays for support services on the basis of use.

Each functional area fund has its own source of revenue. When a dedicated tax source is secured for the general government and mandated services activities, the interfund transfer system ends to financially support those activities. The chart on the next page (Figure 3) depicts the new organization and funding structure.

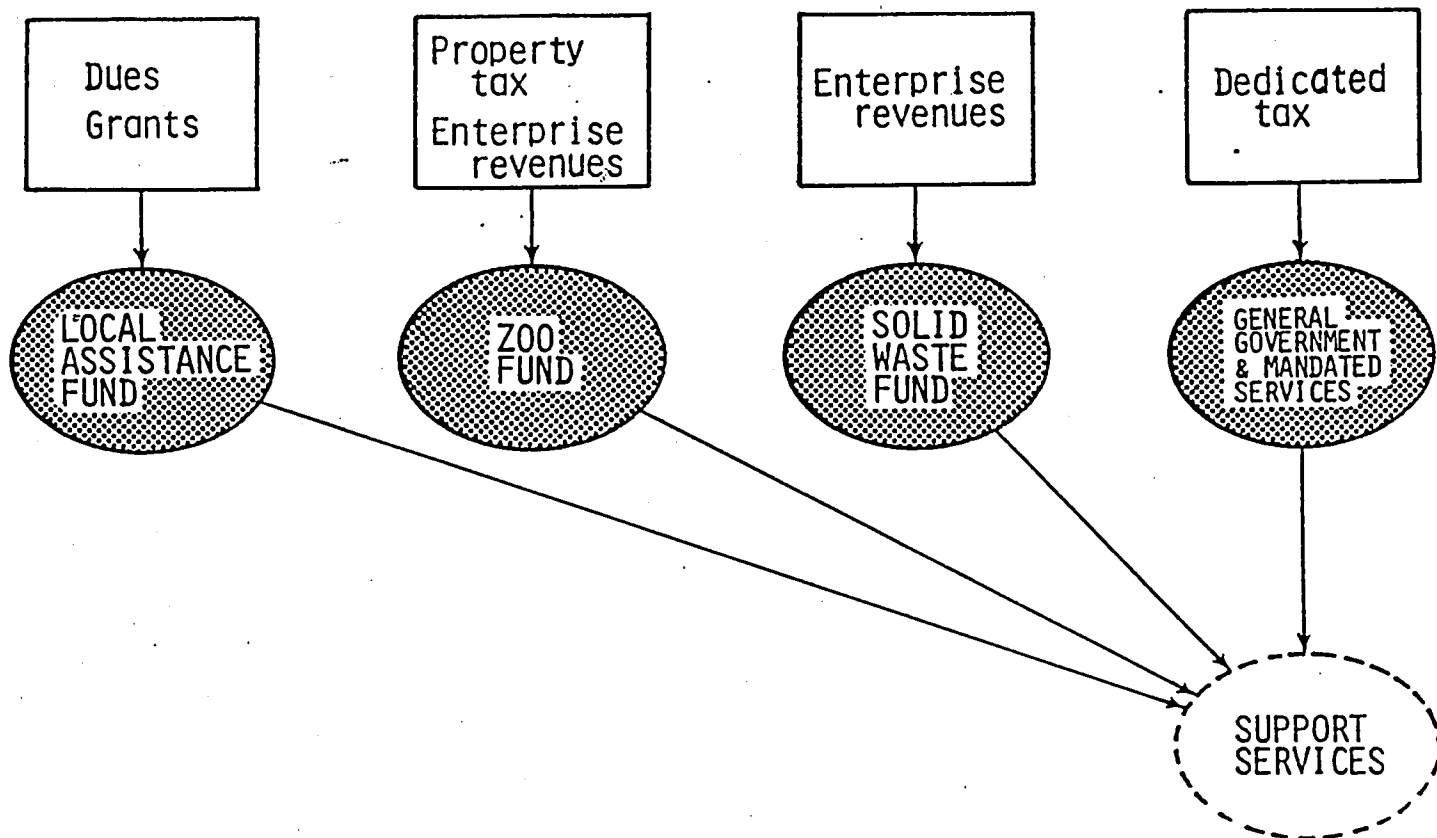


Figure 3

STRATEGY

When MSD and CRAG were merged, there was a change in organizational structure, but not in the source of funding. In crafting the merger bill in 1977 the Legislature concentrated on the organizational issue. It is now time to focus on Metro's financial structure.

The purpose of this long-range financial strategy is to articulate a set of financial policies that reflect Metro's organizational structure and responsibilities.

Implementation of the financial strategy requires the following actions by the Council:

- By February 1984 complete work on a combined operations and capital three-year serial levy request for the Zoo to be submitted to the voters in May 1984.
- By July 1984 commence a process to seek legislative authorization to revise Metro's tax authority to seek a revenue source for general government and mandated services.

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- By September 1984 adopt a five-year financial plan and a set of financial policies for the Solid Waste Department.
- By January 1985 seek agreement with local governments for funding a local assistance and coordination program.

RECOMMENDATION

Council should implement the strategy outlined in this memo in order to provide a stable funding base for Metro in the future.

That can be achieved by renewing the three-year Zoo serial levy, seeking a revenue source for the general government and mandated services fund, reaching agreement with local governments to fund the local assistance program and continuing to emphasize efficiency and economy in the internal structure and management of the organization.

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DRAFT

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ESTABLISHING)
A SCHEDULE AND PROCESS FOR)
COUNCIL CONSIDERATION OF THE FY)
1992-93 PROPOSED BUDGET)

RESOLUTION NO. 91-____
INTRODUCED BY THE
FINANCE COMMITTEE

WHEREAS, The Finance Committee has reviewed the schedule and process used by the Metro Council for adoption of the FY 1991-92 Budget;

WHEREAS, The Finance Committee has determined additional time is needed by the Metro Council to adequately review and consider the FY 1992-93 Proposed Budget; now, therefore,

BE IT RESOLVED,

1. That the Metro Council approves the schedule for Council receipt and consideration of the FY 1992-93 Proposed Budget as shown on Exhibit A, attached hereto.

2. That the Metro Council approves the process for considering and disposing of the FY 1992-93 Proposed Budget as described in Exhibit B, attached hereto.

ADOPTED by the Council of the Metropolitan Service District
this ____ day of _____, 1991.

Tanya Collier, Presiding Officer

DRAFT

EXHIBIT A

**GENERAL SCHEDULE FOR COUNCIL CONSIDERATION
OF FY 1992-93 PROPOSED BUDGET**

<u>DATE</u>	<u>EVENT</u>
March 2, 1992	Executive Officer submits FY 1992-93 Proposed Budget and Supporting Materials to Council
March 9 - April 28, 1992	Budget Committee deliberations on FY 1992-93 Proposed Budget.
April 30, 1992	Budget Committee recommendations released to Metro Council
May 7, 1992	Council consideration and approval of FY 1992-93 Budget (Special Council Meeting)
May 15, 1992	Filing of FY 1992-93 Approved Budget with Tax Supervising and Conservation Commission
June 25, 1992	Council adoption of FY 1992-93 Budget

EXHIBIT B

GENERAL PROCESS FOR COUNCIL CONSIDERATION
OF THE FY 1992-93 PROPOSED BUDGET

1. The Finance Committee shall be convened as the Budget Committee to deliberate on the FY 1992-93 Proposed Budget. The Budget Committee shall solicit public input and conduct public meetings on the Proposed Budget and make recommendations on the Proposed Budget for Council consideration.

2. The Budget Committee will take the following steps in deliberating on the Budget:

- Phase I - Each department will present its budget request at a joint meeting of the Budget Committee and the appropriate Council Standing Committee. Council staff will present its analysis and questions on the department budget request.
- Phase II - The Budget Committee will hear department responses to questions and issues raised on budget requests in Phase I. Members of the public will be given an opportunity to comment on the department budget requests. Councilors or Council Committees may comment on the Proposed Budget.
- Phase III - The Budget Committee will receive recommendations from Council staff, the Executive Officer, Councilors or Council Committees on the budget requests and adopt recommendations for presentation to the Council.

3. Except in an emergency, the Council will not consider for approval any budget request at its May 7, 1992 meeting that has not been initially presented at the Budget Committee during its deliberations on the budget.