

BEFORE THE METRO COUNCIL

AN ORDINANCE AMENDING THE FY 1998-99)	ORDINANCE NO. 99-802
BUDGET AND APPROPRIATIONS)	
SCHEDULE IN THE PLANNING FUND)	
TRANSFERRING APPROPRIATIONS FROM)	Introduced by Mike Burton,
CAPITAL OUTLAY TO MATERIALS AND)	Executive Officer
SERVICES FOR THE TRANSIT ORIENTED)	
DEVELOPMENT PROGRAM; AND)	
DECLARING AN EMERGENCY)	

WHEREAS, The Metro Council has reviewed and considered the need to transfer appropriations with the FY 1998-99 Budget; and

WHEREAS, The need for a transfer of appropriation has been justified; and

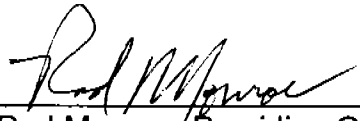
WHEREAS, Adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 1998-99 Budget and Schedule of Appropriations for Planning Fund are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of transferring \$3,861,000 from Capital Outlay to Materials and Services in the Transportation Department.

2. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this 27th day of May, 1999.



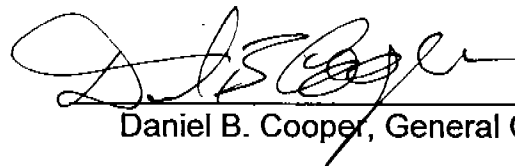
Rod Monroe, Presiding Officer

ATTEST:

Approved as to Form:



Recording Secretary



Daniel B. Cooper, General Counsel

**Exhibit A
Ordinance No. 99-802**

Planning Fund

ACCT	DESCRIPTION	Current Budget		Revision		Revised Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
Transportation							
Total Personal Services		56.05	\$3,914,573	0.00	\$0	56.05	\$3,914,573
<i>Materials & Services</i>							
<i>GOODS</i>	<i>Goods</i>						
5201	Office Supplies		168,127		0		168,127
5205	Operating Supplies		16,800		0		16,800
5210	Subscriptions and Dues		36,547		0		36,547
<i>SVCS</i>	<i>Services</i>						
5240	Contracted Professional Svcs		2,373,200		0		2,373,200
5251	Utility Services		11,474		0		11,474
5260	Maintenance & Repair Services		37,100		0		37,100
5265	Rentals		26,800		0		26,800
5280	Other Purchased Services		582,625		0		582,625
<i>IGEXP</i>	<i>Intergov't Expenditures</i>						
5300	Payments to Other Agencies		6,106,209		0		6,106,209
<i>OTHEXP</i>	<i>Other Expenditures</i>						
5440	Program Expenditures		0		3,861,000		3,861,000
5450	Travel		62,338		0		62,338
5455	Training and Conference Fees		28,920		0		28,920
5490	Miscellaneous Expenditures		0		0		0
Total Materials & Services			\$9,450,140		\$3,861,000		\$13,311,140
Total Debt Service			\$2,123,500		\$0		\$2,123,500
<i>Capital Outlay</i>							
<i>CAPNON</i>	<i>Capital Outlay (Non-CIP Projects)</i>						
5750	Office Furn & Equip (non-CIP)		69,775		0		69,775
<i>CAPCIP</i>	<i>Capital Outlay (CIP Projects)</i>						
5705	Land (CIP)		3,861,000		(3,861,000)		0
Total Capital Outlay			\$3,930,775		(\$3,861,000)		\$69,775
TOTAL REQUIREMENTS		56.05	\$19,418,988	0.00	\$0	56.05	\$19,418,988

Exhibit B
Ordinance 99-802
FY 1998-99 SCHEDULE OF APPROPRIATIONS

	Current Budget	Revision	Revised Budget
PLANNING FUND			
Transportation Planning			
Personal Services	\$3,914,573	\$0	\$3,914,573
Materials & Services	9,450,140	3,861,000	13,311,140
Debt Service	2,123,500	0	2,123,500
Capital Outlay	3,930,775	(3,861,000)	69,775
Subtotal	<u>19,418,988</u>	<u>0</u>	<u>19,418,988</u>
Growth Management Services			
Personal Services	2,515,946	0	2,515,946
Materials & Services	1,770,099	0	1,770,099
Debt Service	96,007	0	96,007
Capital Outlay	54,164	0	54,164
Subtotal	<u>4,436,216</u>	<u>0</u>	<u>4,436,216</u>
General Expenses			
Interfund Transfers	2,282,136	0	2,282,136
Contingency	368,122	0	368,122
Subtotal	<u>2,650,258</u>	<u>0</u>	<u>2,650,258</u>
Total Fund Requirements	<u>\$26,505,462</u>	<u>\$0</u>	<u>\$26,505,462</u>

TRANSPORTATION PLANNING COMMITTEE REPORT

CONSIDERATION OF ORDINANCE NO. 99-802, FOR THE PURPOSE OF AMENDING THE FY 1998-99 BUDGET AND APPROPRIATIONS SCHEDULE IN THE PLANNING FUND TRANSFERRING APPROPRIATIONS FROM CAPITAL OUTLAY TO MATERIALS AND SERVICES FOR THE TRANSIT ORIENTED DEVELOPMENT PROGRAM; AND DECLARING AN EMERGENCY

Date: May 19, 1999

Presented by: Councilor Bragdon

Committee Recommendation: At its May 18 meeting, the Committee considered Ordinance No. 99-802 and voted unanimously to send the resolution to the Council with a do pass recommendation. Voting in favor: Councilors Atherton and Bragdon and Chair Kvistad.

Committee Issues/Discussion: Kathy Rutkowski, Financial Planning Budget Coordinator, presented the staff report. She noted that the purpose of the resolution was to make a minor technical change in the Transportation Department budget for the current fiscal year. She explained that Metro's outside financial auditor had recommended that the land purchases made through the department's transit oriented development (TOD) program should be considered as inventory rather than as capital assets of the agency. This was based on their conclusion that the land purchased under this program was only held for a short period of time prior to its resale and therefore was not a long-term asset of Metro.

Rutkowski indicated that, to comply with this recommendation, the proposed ordinance would transfer the funds budgeted for land purchases from the capital outlay portion of the budget. This budget amendment would not change the amount allocated for such land purchases.

The committee had no questions related to the ordinance.

STAFF REPORT

CONSIDERATION OF ORDINANCE 99-802 AMENDING THE FY 1998-99 BUDGET AND APPROPRIATIONS SCHEDULE IN THE PLANNING FUND TRANSFERRING APPROPRIATIONS FROM CAPITAL OUTLAY TO MATERIALS AND SERVICES FOR THE TRANSIT ORIENTED DEVELOPMENT PROGRAM; AND DECLARING AN EMERGENCY.

Date: March 31, 1999

Presented by: Kathy Rutkowski

FACTUAL BACKGROUND AND ANALYSIS

The Transit Oriented Development Program encourages private sector construction of high-density housing and mixed-use projects that support increased transit use. The program provides for the purchase of lands near light rail stations to be re-sold through development agreements with private partners. The FY 1998-99 budget includes approximately \$3.8 million in land purchases under capital outlay.

During the FY 1997-98 year end financial audit, the independent auditors determined that the lands purchased under the TOD program should be considered a materials and services expense rather than a capital expense. Under the TOD program, lands purchased are to be re-sold in a relatively short time period and are never intended to be used or developed for Metro functions. The lands, therefore, are considered to be inventory and not a capital asset of the agency. The auditors required the re-coding of the land purchases from capital outlay to materials and services.

The auditor's opinion rendered at the end of FY 1997-98 applies to the current fiscal year and all subsequent fiscal years. Because expenditures are compared to appropriation authority to ensure that an over-expenditure under Oregon Budget Law does not occur, it is necessary to move the appropriation authority currently budgeted under capital outlay to materials and services. This action requests the transfer of \$3,861,000 from capital outlay in the Transportation Department to materials and services.

The FY 1999-00 budget currently being reviewed by the Council reflects the proper budgeting of these expenditures under the auditor's opinion.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Ordinance No. 99-802

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