MAKING A GREAT PLACE

Metro

PUBLIC SERVICE
EXCELLENCE
INNOVATION
RESPECT
TEAMWORK
SUSTAINABILITY

PROPOSED BUDGET FY 2015-16

Budget Presentation

April 16, 2015

Overview

• Budget resolution	Introduction
• Budget message	Martha Bennett, Chief Operating Officer
• Budget by the numbers	Tim Collier, CPA, Finance and Regulatory Services Director
• MERC	Tim Collier, CPA, Finance and Regulatory Services Director
• Office of Metro Auditor	Brian Evans, CIA, Metro Auditor
• Moving the budget forward	Martha Bennett, Chief Operating Officer
• Public Hearing	required when budget is introduced

Budget message

- Budget Focus

  Maintain excellent core services

  Strategic direction

  Implement Council's key initiatives

  Invest in agency infrastructure

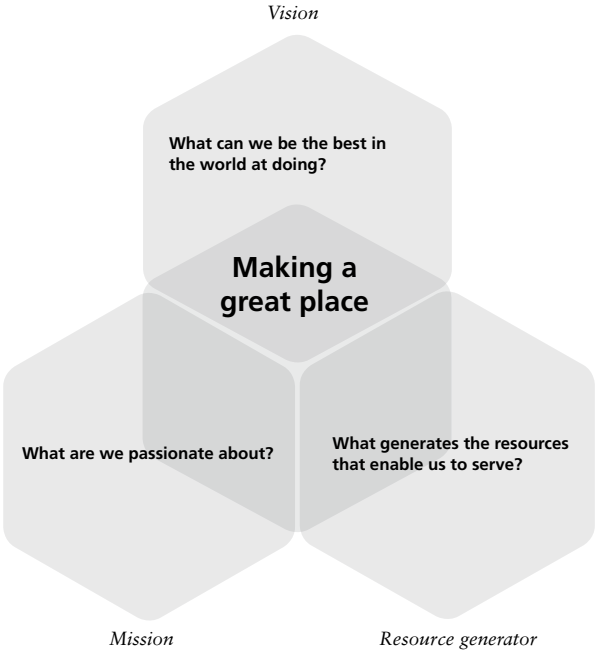
Budget message

- Core message
  - FY 2015-16 continues to implement Council initiatives
  - Council decisions made in the past help set up success in this budget
  - Spending of one time dollars focusses on investment
  - Continued investment in developing Equity and Diversity strategic plans
  - Costs are rising for FY 2016-17

Decision-making tools

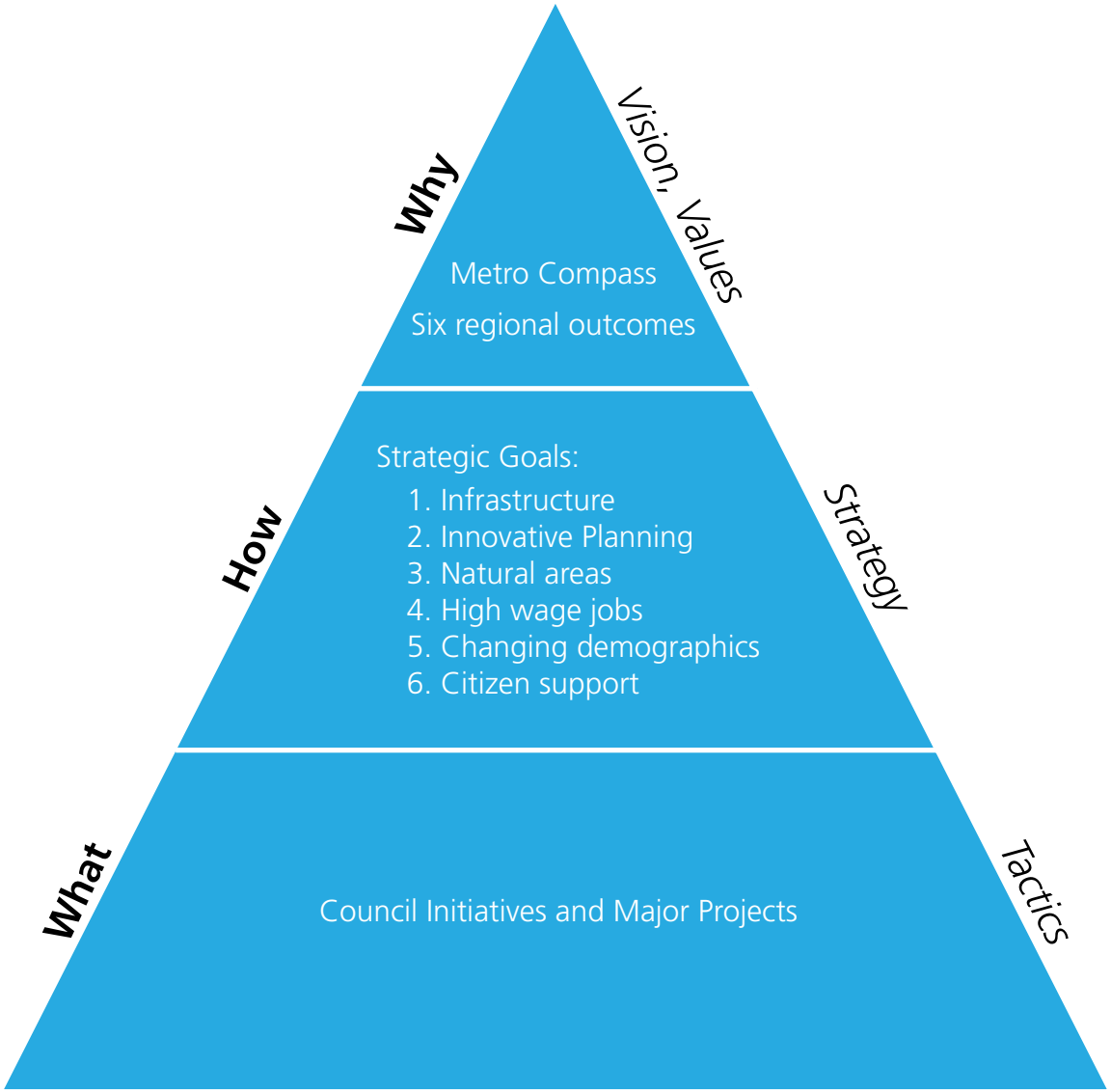
- 6 desired regional outcomes

- Metro Compass



- Guidance from Council work session
- Department mission-critical plans

Decision-making tools



What the budget looks like

	FY 2014-15 Amended Budget	FY 2015-16 Proposed Budget	% Change
Operating Funds	$337,400,000	$356,600,000	6%
Bond/Capital Funds	$110,600,000	$120,900,000	9%
Debt Service Funds	$40,300,000	$118,500,000	2%
Other Funds	$10,600,000	$10,500,000	(1%)
Total All Funds	**$498,900,000**	**$606,500,000**	**22%**
FTE	**805.75**	**836.70**	**4%**

What the budget delivers

- Strategic goals and key initiatives identified by Council
  - Invest in public infrastructure
  - Set stage for future of region with innovative planning
  - Increased investment at Oregon Zoo
  - Make investments to preserve and enhance natural environment
  - Invest in effort to increase high wage jobs
  - Respond to increasing diversity of the region's residents
  - Increase citizen involvement and engagement

What the budget delivers

- **Invest in public infrastructure**
  - Investment in Metro Regional Center
  - Continued investment in Regional Infrastructure Supporting our Economy (RISE)
  - Investment in Technology Infrastructure
  - Continued investment in the Oregon Zoo

What the budget delivers

- **Set the stage for the future of the region**
  - Urban Growth Boundary Decision
  - Regional Transportation Plan and Active Transportation Plan
  - Solid Waste Roadmap

What the budget delivers

- **Make investments to preserve and enhance natural environment**
  - Deliver on Parks and Natural Areas Local Option Levy
  - Parks and Natural Areas System Plan
  - Deliver on Natural Areas Bond Promises

What the budget delivers

- **Invest in effort to increase high wage jobs**
  - Convention Center Hotel Project
  - Portland Expo Center Long-range Planning
  - Special appropriations for Greater Portland Inc., Metro Export Initiative and special planning projects to support jobs

What the budget delivers

- **Respond to increasing diversity of the region's residents**
  - Continued implementation of Diversity Action Plan
  - Continued development and implementation of Equity Strategy and Action Plan
  - Continuing outreach to diverse communities

What the budget delivers

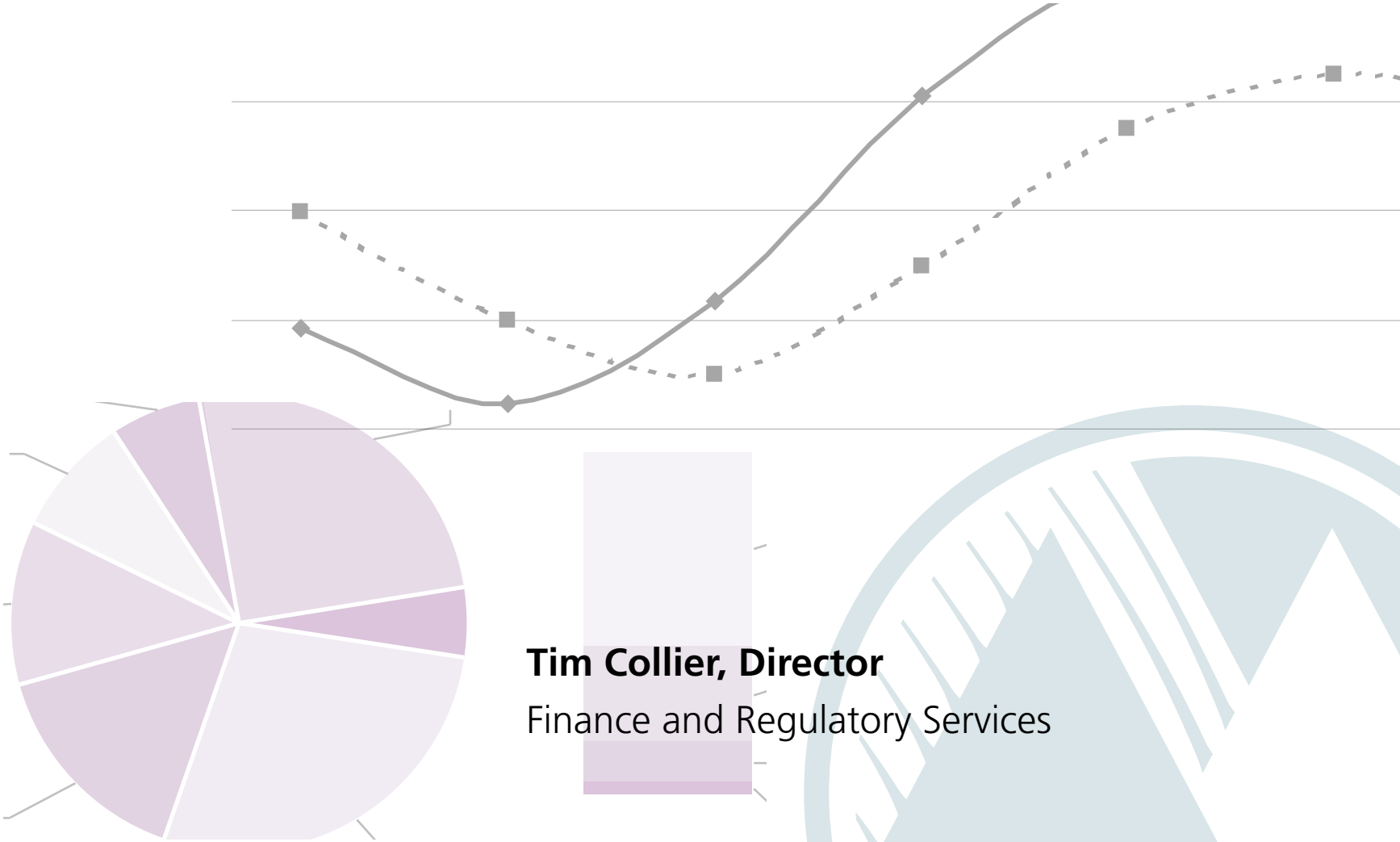
- **Increase public awareness and engagement**

  Improving internal coordination to leverage agency outreach and engagement efforts

  Improving agency approach for engaging diverse audiences

2015-16 Proposed Budget

Budget by the numbers



Tim Collier, Director

Finance and Regulatory Services

Metro

FY 2015-16 Budget Document

Major changes to the FY 2015-16 budget document

- Inserted line item detail by department
- Oregon Zoo budgeted as an enterprise fund
- Oregon Zoo Capital Fund budgeted separately

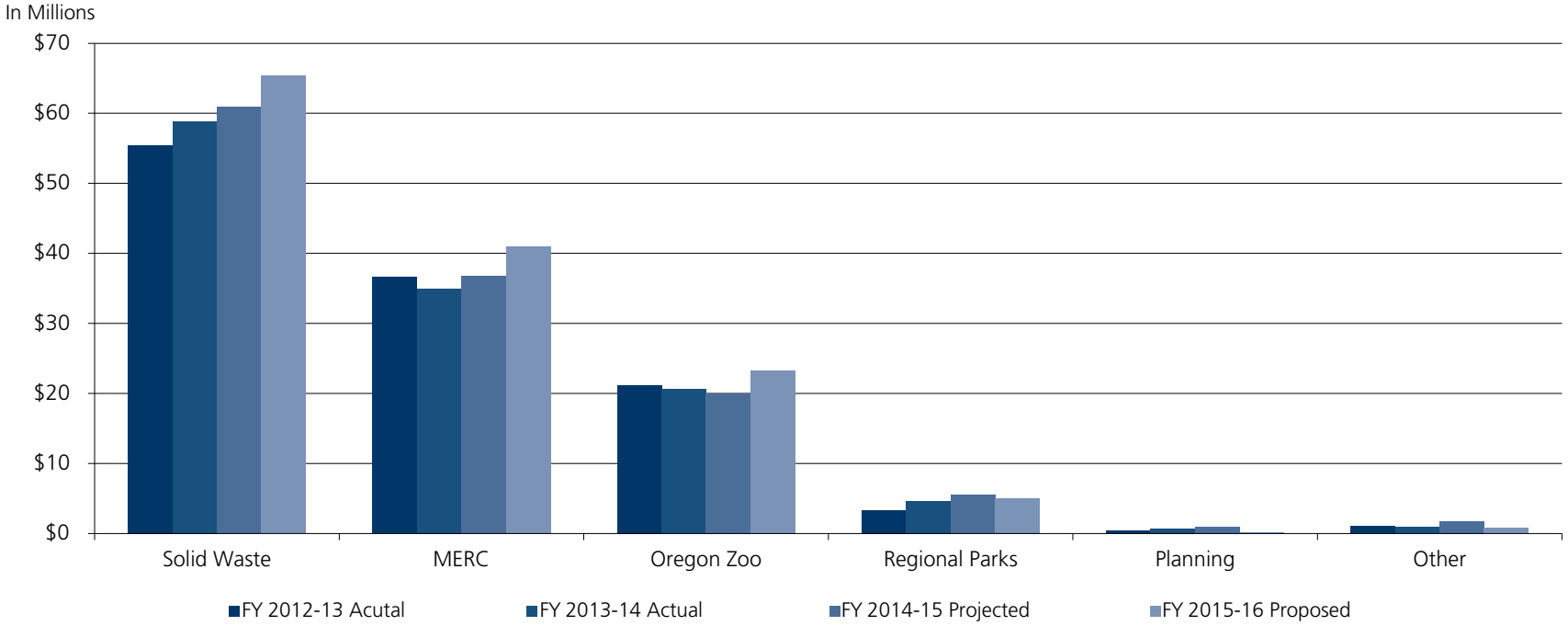
The "Legal" Budget

	FY 14-15 Amended Budget	FY 15-16 Proposed Budget	Budget % Change
Total Budget *(all resources and requirements)*	$499 million	$606 million	21%
Current Revenues	237 million	369 million	56%
Current Expenditures	334 million	400 million	20%
Wages and benefits	86.7 million	95.1 million	10%
Full-time positions	805.75 FTE	836.70 FTE	30.95 FTE

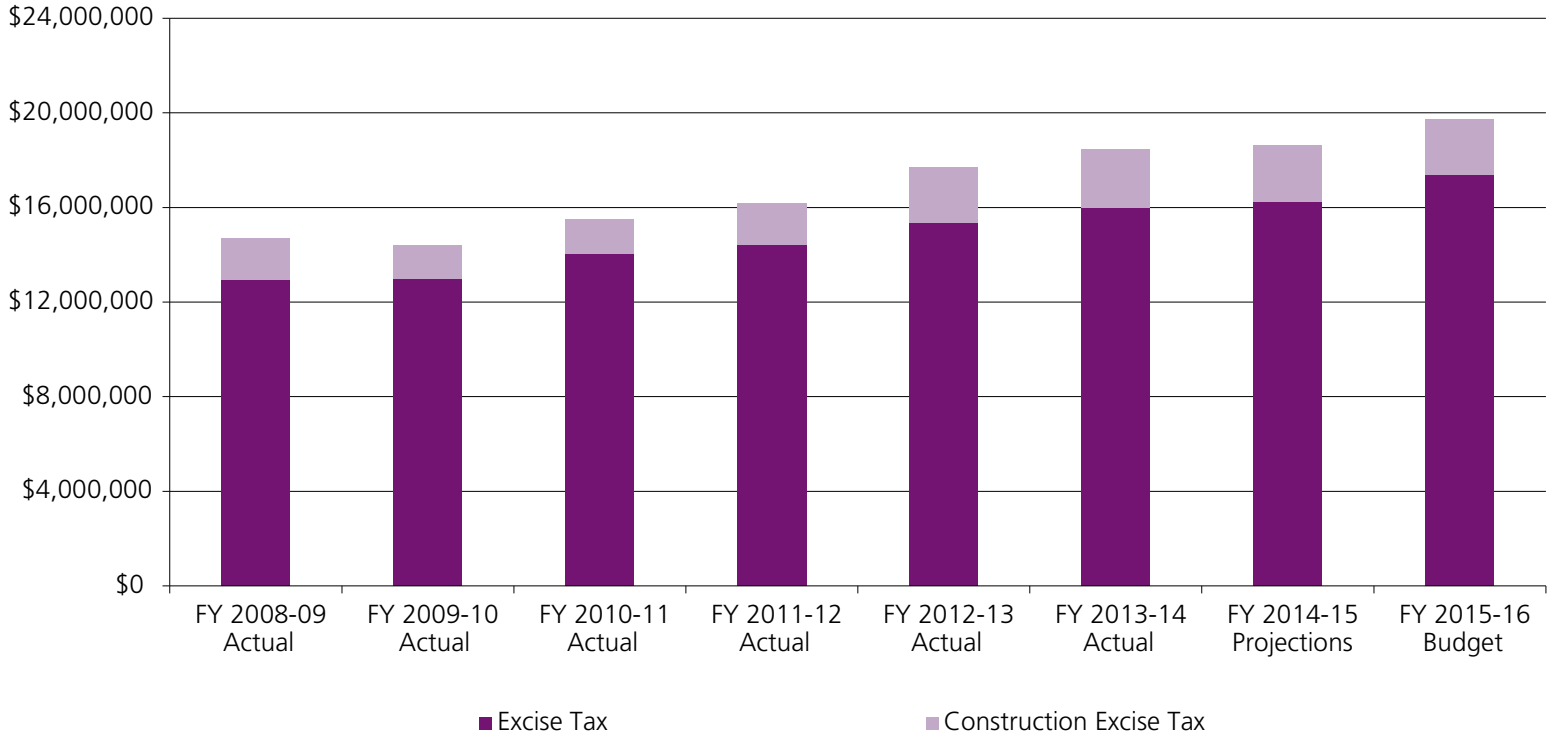
Budget by fund

	FY 2014-15 Amended Budget	FY 2015-16 Proposed Budget	% Change
Operating Funds			
General Fund	$99,300,000	$105,000,000	6%
MERC Fund	86,300,000	88,100,000	2%
Oregon Zoo Operating Fund	34,700,000	39,400,000	14%
Parks and Natural Areas Levy Fund	15,400,000	17,300,000	12%
Solid Waste Revenue Fund	101,700,000	106,800,000	5%
Total Operating	$337,400,000	$356,600,000	6%
Bond/Capital Funds			
General Assets Management Fund	9,500,000	6,700,000	(29%)
Natural Areas Fund	52,900,000	45,400,000	(14%)
Open Spaces Fund	600,000	400,000	(33%)
Oregon Zoo Capital Asset Management Fund	8,800,000	7,100,000	(19%)
Oregon Zoo Infrastructure Bond Fund	38,800,000	61,300,000	58%
Total Bond/Capital	$110,600,000	$120,900,000	9%
Debt Service Funds			
General Obligation Bond Debt Service Fund	37,300,000	29,900,000	
General Revenue Bond Fund	3,000,000	88,600,000	
Total Debt Service	$40,300,000	$118,500,000	2%
Other Funds			
Cemetery Perpetual Care Fund	500,000	600,000	
Rehabilitation & Enhancement Fund	2,100,000	2,700,000	
Risk Management Fund	4,500,000	4,000,000	
Smith & Bybee Wetlands Fund	3,500,000	3,200,000	
Total Other	$10,600,000	$10,500,000	(1%)
Total All Funds	**$498,900,000**	**$606,500,000**	**22%**
FTE	**805.75**	**836.70**	**4%**

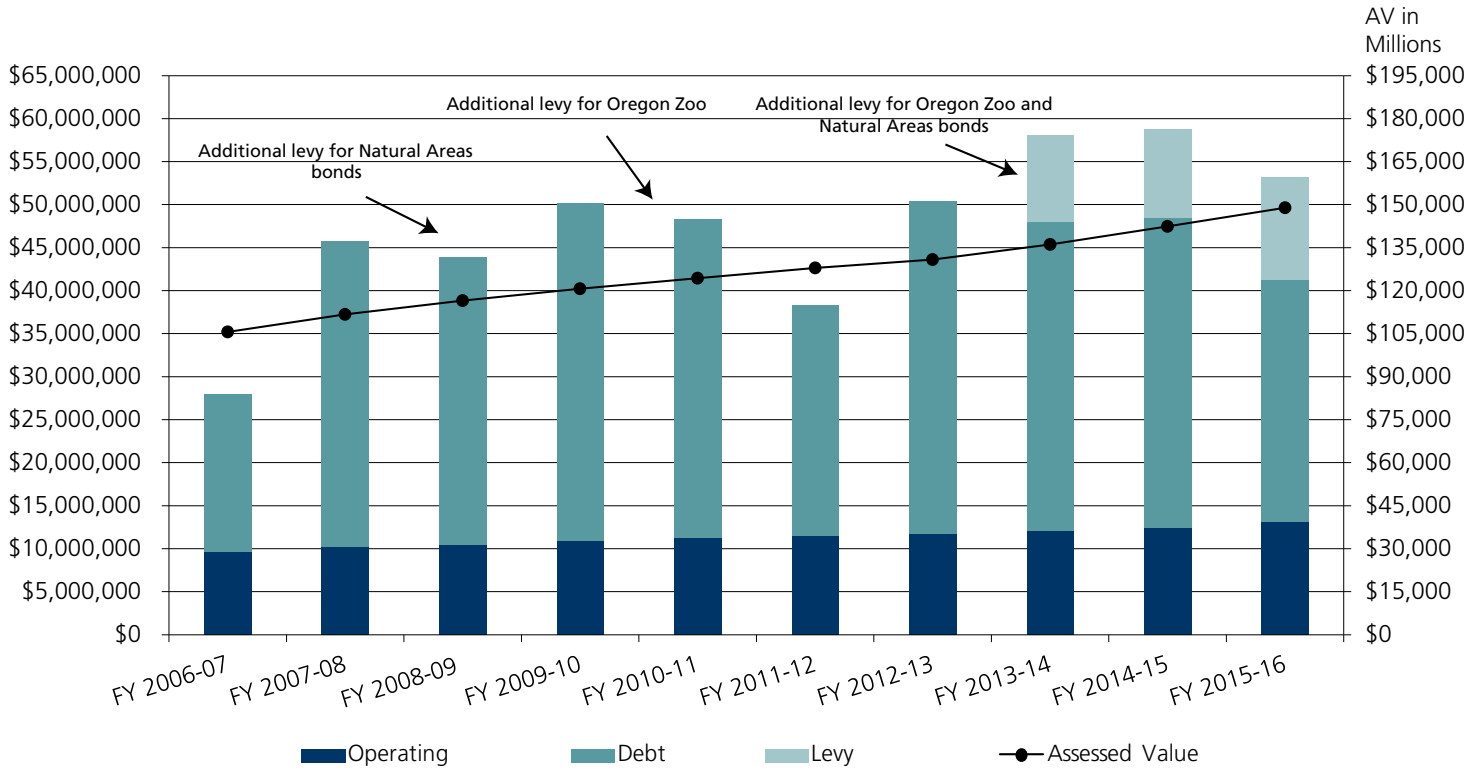
Enterprise revenue



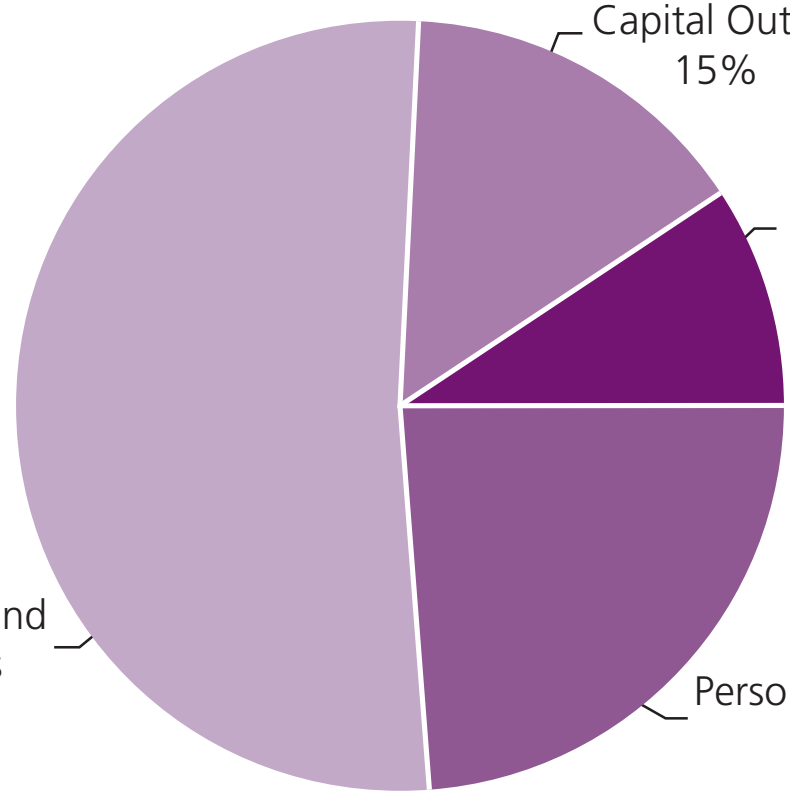
Excise tax


$24,000,000
$20,000,000
$16,000,000
$12,000,000
$8,000,000
$4,000,000
$0
FY 2008-09 Actual
FY 2009-10 Actual
FY 2010-11 Actual
FY 2011-12 Actual
FY 2012-13 Actual
FY 2013-14 Actual
FY 2014-15 Projections
FY 2015-16 Budget
Excise Tax
Construction Excise Tax

Property tax

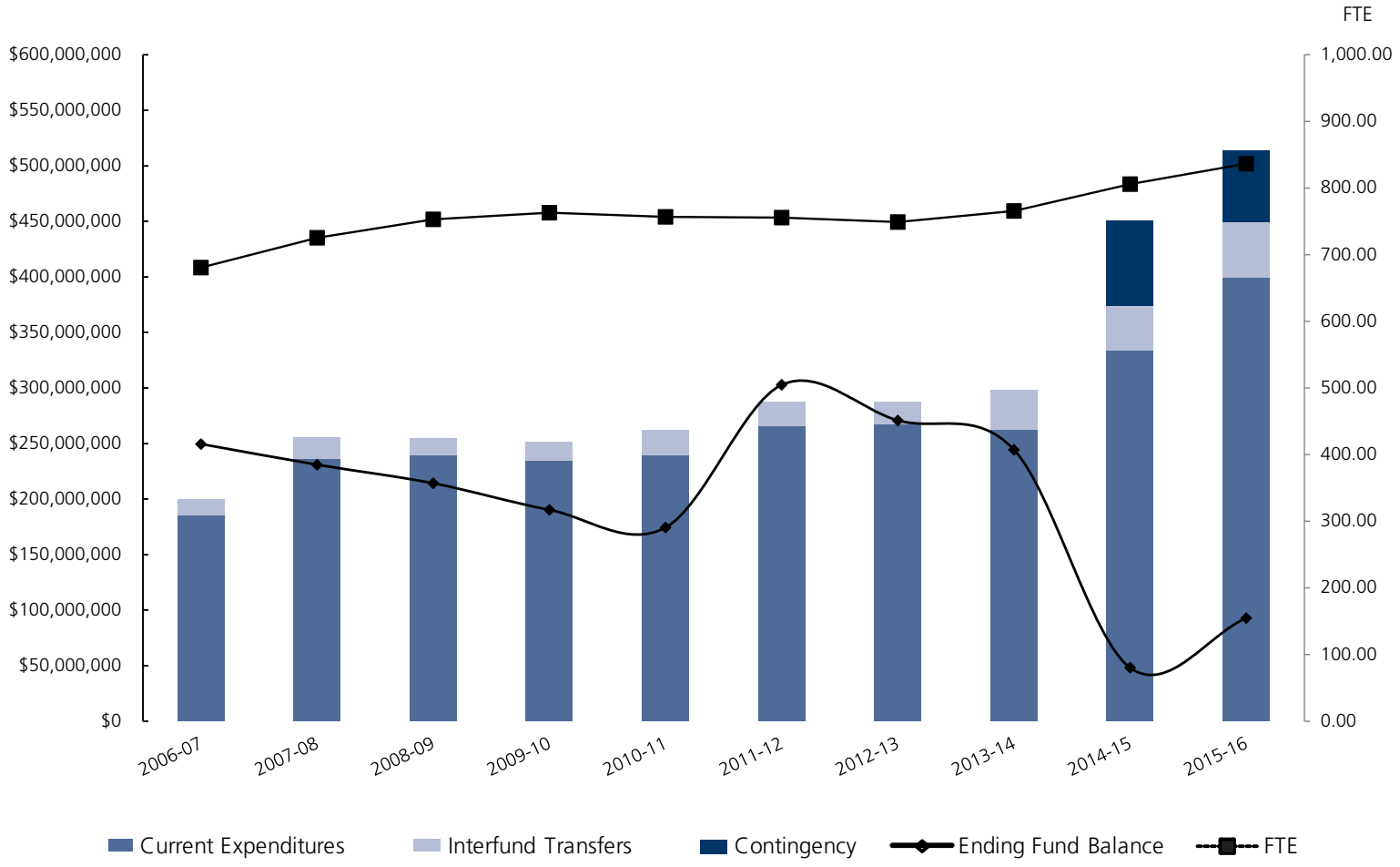


Category of Expense

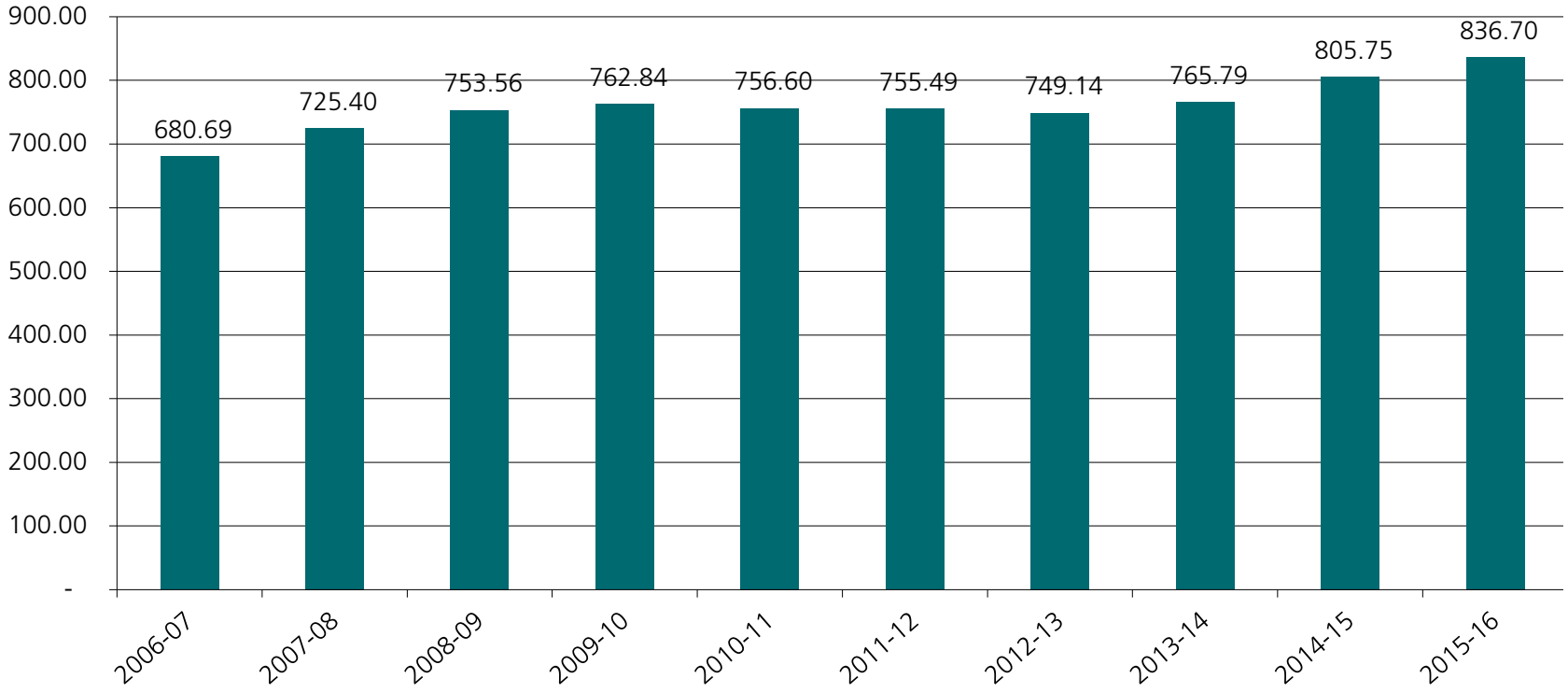


Total current expenditures: $400,054,514

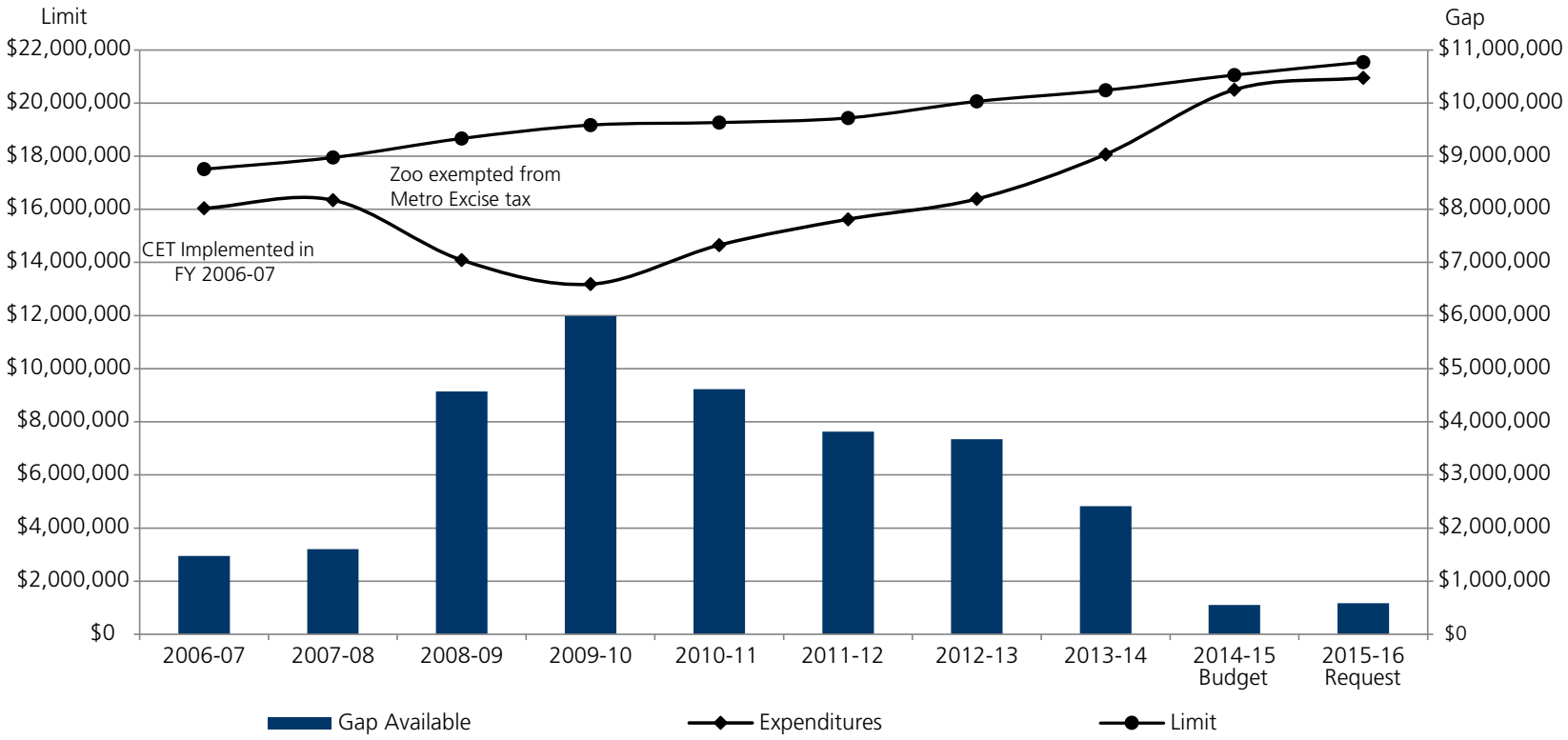
10-year expenditure history



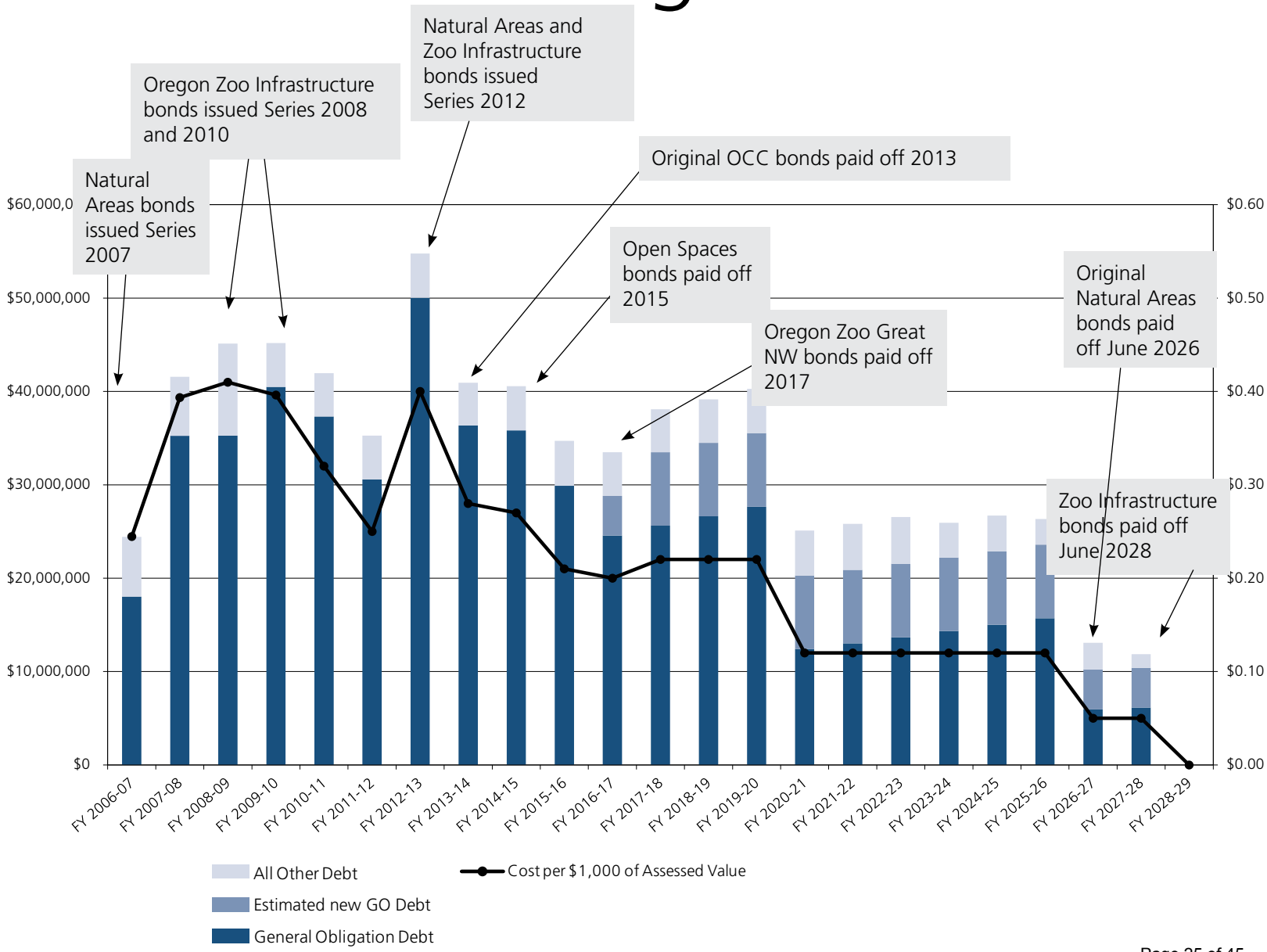
10-year total agency FTE history



Charter Limitation on expenditures



Debt service obligations

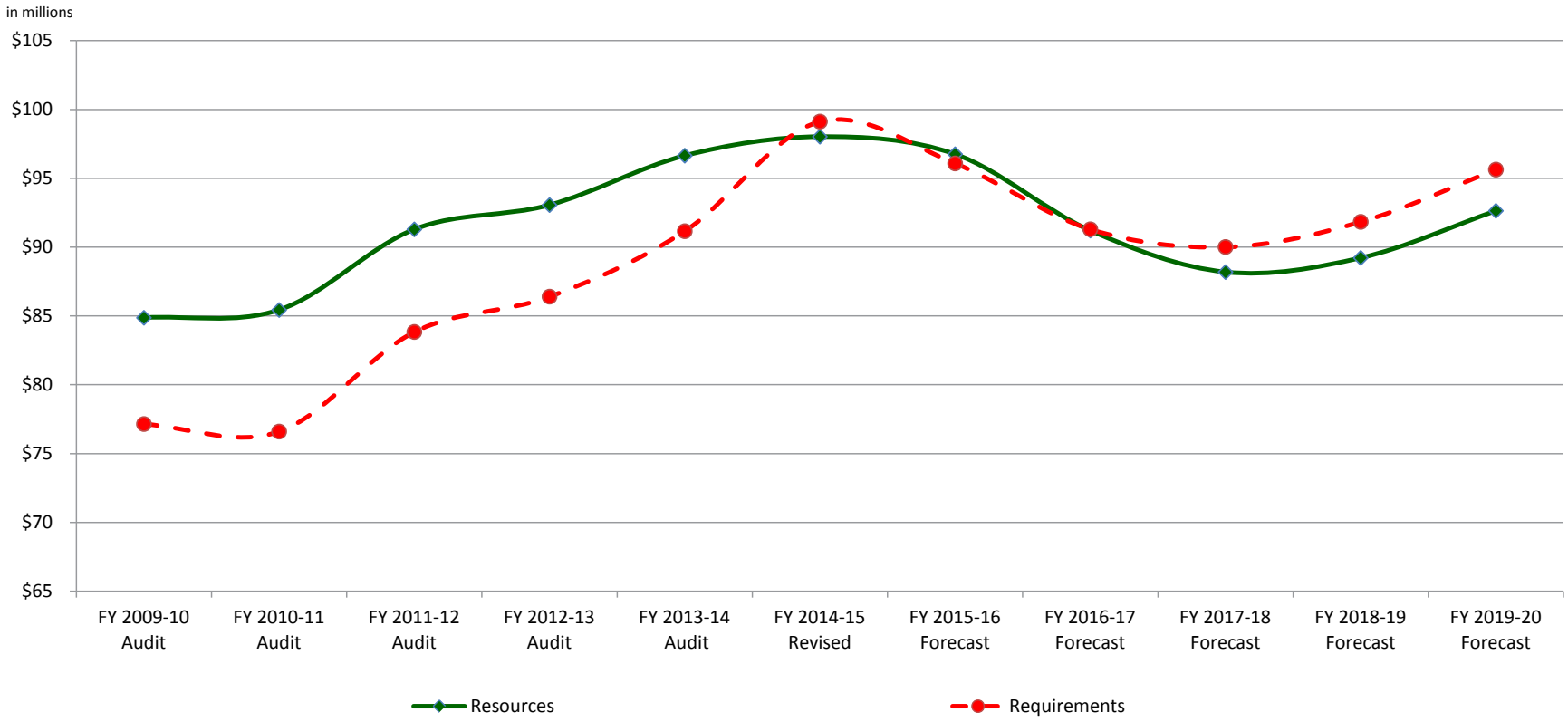


Property tax levy

	Principal	Interest	Fiscal Year Debt Service
General Obligation Refunding Bonds			
Metro Washington Park Zoo Oregon Project 2005 Series	2,095,000	193,150	2,288,150
Natural Areas 2014 Series	10,565,000	2,250,450	12,815,450
General Obligation Bonds			
Natural Areas 2007 Series	4,850,000	497,250	5,347,250
Natural Areas 2012A Series	2,230,000	2,952,450	5,182,450
Oregon Zoo Infrastructure 2012A Series	2,000,000	2,268,325	4,268,325
Full Faith & Credit Refunding Bonds			
2006 Series	765,000	421,175	1,186,175
2013 Series	1,610,000	154,368	1,764,368
Limited Tax Pension Obligation Bonds, Series 2005	820,000	1,041,882	1,861,882
Revenue Bonds			
OCC Hotel Project, Series 2015 (estimate only)	0	2,500,000	2,500,000
TOTAL FY 2015-16 DEBT SERVICE PAYMENTS	**$24,935,000**	**$12,279,050**	**$37,214,050**

Property Taxes	FY 2014-15 Amended Budget	FY 2015-16 Proposed Budget
Permanent Operating Rate *(per thousand)*	9.66¢	9.66¢
Parks and Natural Areas Local Option Levy *(per thousand)*	9.60¢	9.60¢
Debt service *(per thousand)*	27¢	20¢
Average homeowner ($200,000 assessed value) ($250,000 market value)	$93	$79

General Fund
Five-year forecast Oct 2014



MERC

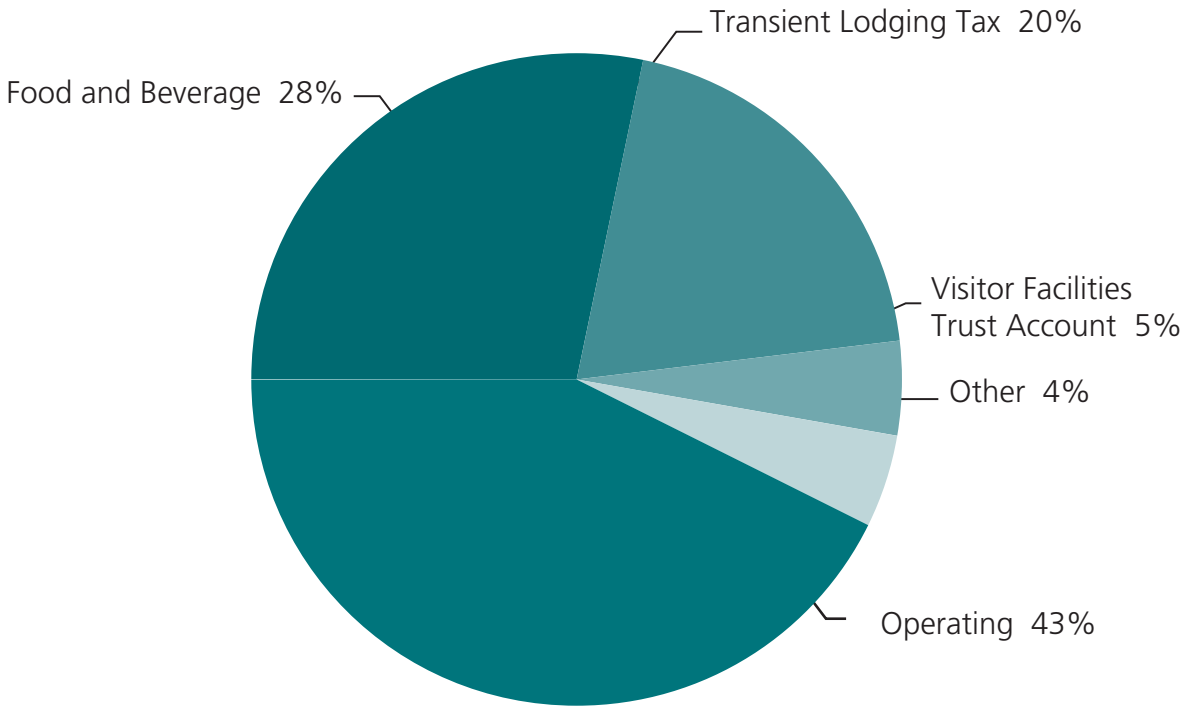
Tim Collier, Director

Finance and Regulatory Services

MERC Fund Summary

	FY 2014-15 Amended Budget	FY 2015-16 Proposed Budget	% Change
Total Budget			
	$86,334,573	$88,075,703	2%
Current Budget			
Revenues	52,009,208	57,722,243	11%
Expenses	58,117,350	64,126,458	10%
Net Operations	($6,108,142)	($6,404,215)	5%
Personnel Summary			
Wages & Benefits	$18,432,052	$19,860,619	7.8%
Full-time positions	182.35	186.35	2.2%

Current Resources

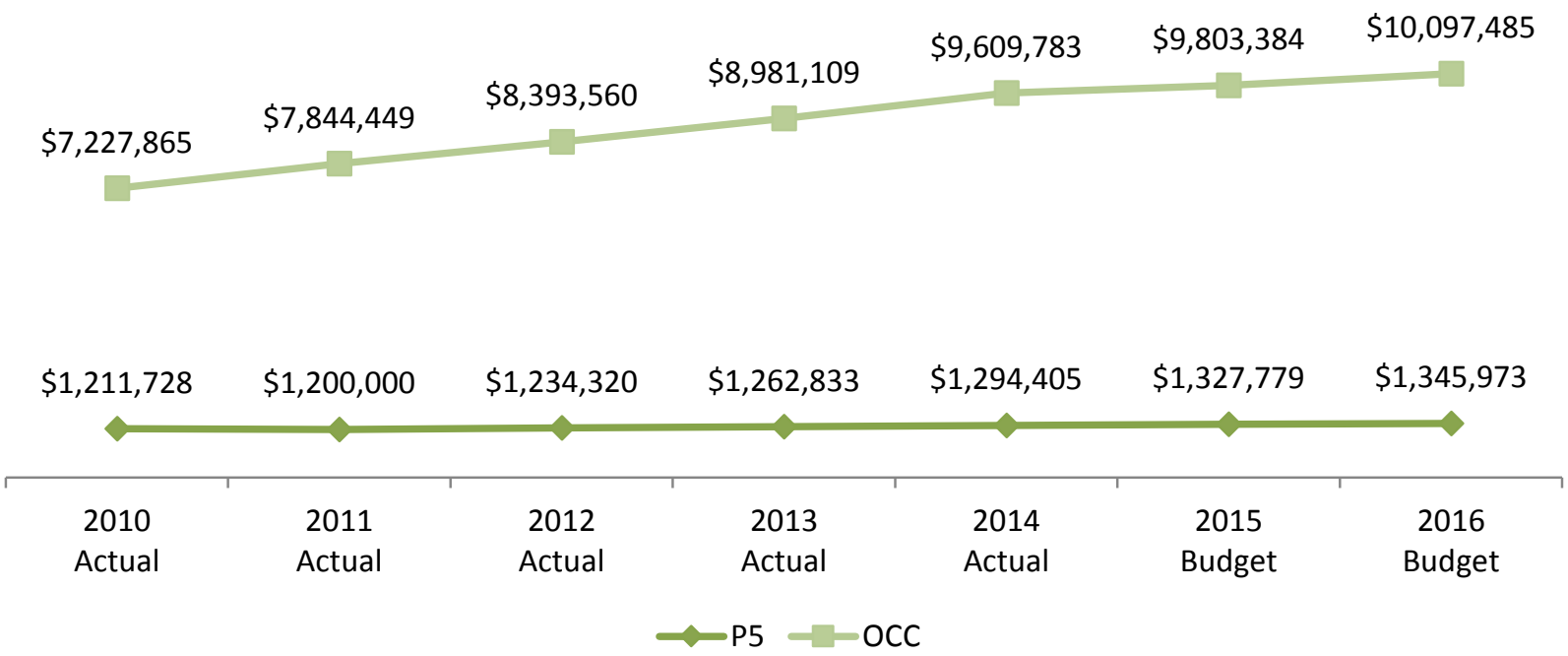


Total current resources: $57,722,243

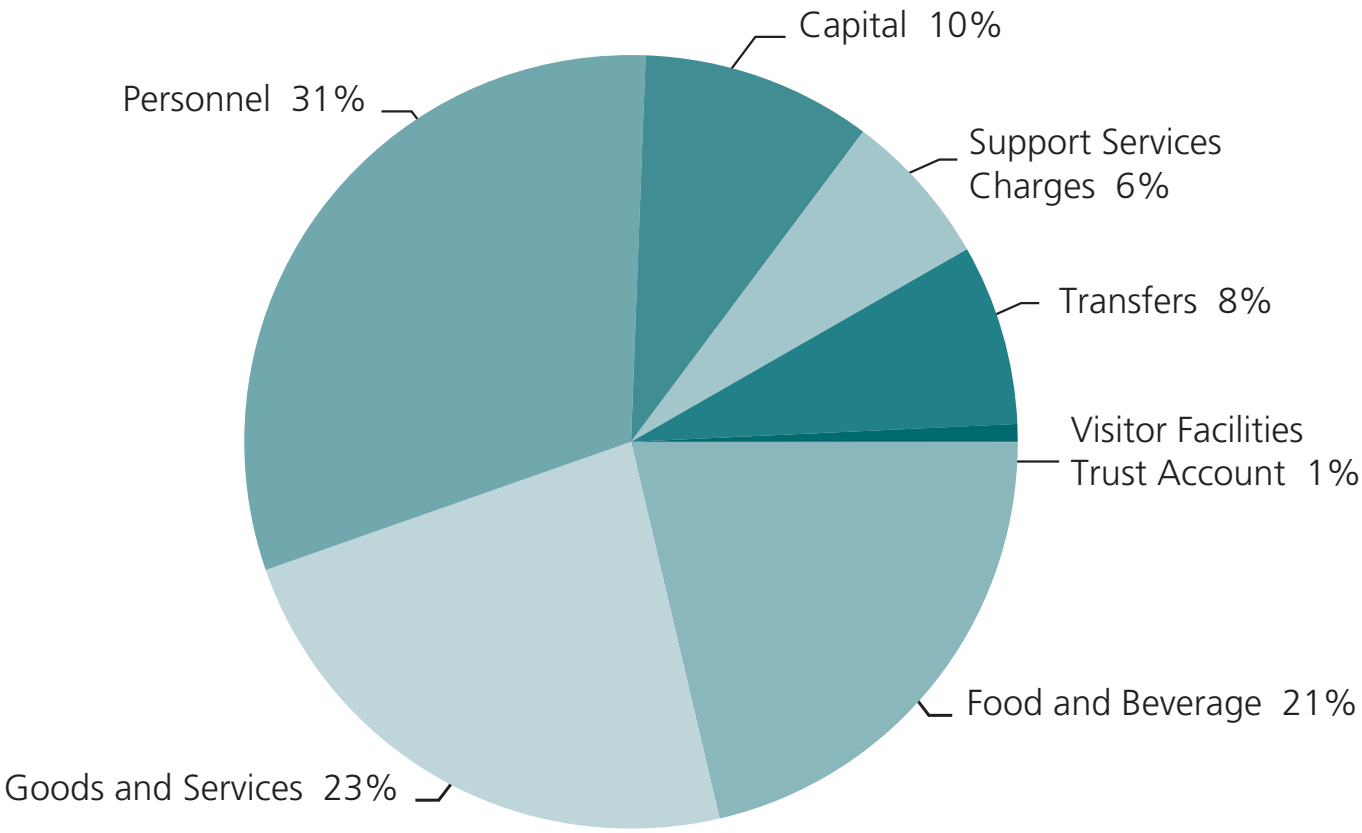
Transient Lodging Tax (TLT)

The total TLT forecast of $11.1 million, is an increase of 8% over the FY 2014 Budget.

TLT has grown at a Compounded Annual Growth Rate (CAGR) of 3% since 2007.



Current Expenditures



Total current expenditures: $64,126,458

Venue Summary

	FY 2014-15 Amended Budget	FY 2015-16 Proposed Budget	% Change	% Total
Venue Total Budget				
OCC	$49,193,128	$49,151,950	0%	56%
Portland'5	22,369,779	24,175,990	8%	27%
Expo	11,185,202	9,946,780	(11%)	11%
Admin	3,586,464	4,800,983	34%	5%
Total	$86,334,573	$88,075,703	2%	100%
Venue Full Time Positions				
OCC	114.65	114.65	0%	62%
Portland'5	46.90	49.40	5%	27%
Expo	14.80	15.80	7%	8%
Admin	6.00	6.50	8%	3%
Total	182.35	186.35	2%	100%

Office of the Metro Auditor

FY 2015-16 Proposed Budget

Mission

- Ensure that Metro is accountable to the public
- Ensure that Metro activities are transparent
- Improve the efficiency, effectiveness and quality of Metro services and activities

Accomplishments FY 2014-15

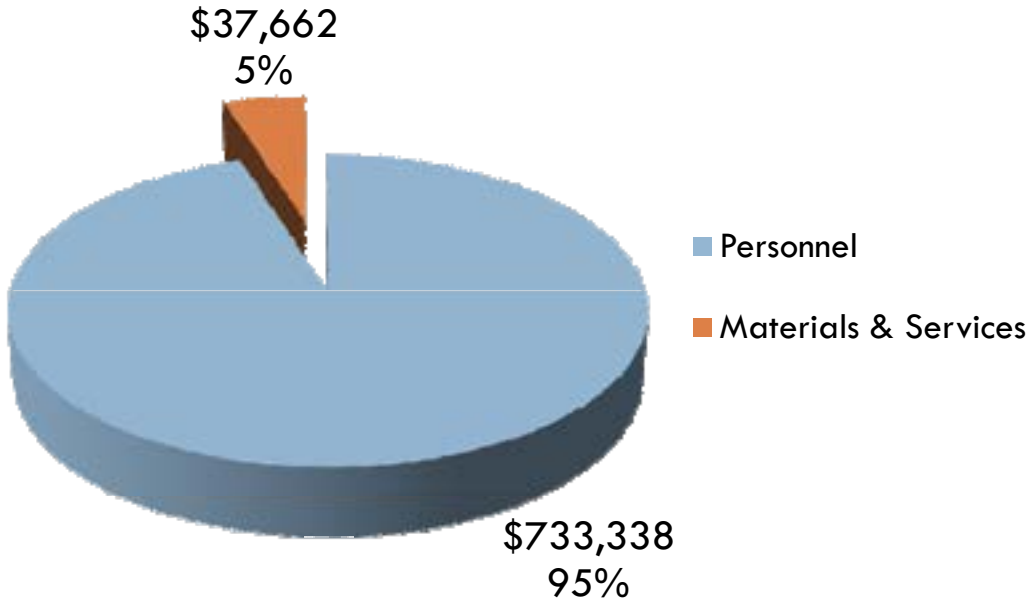
Audits completed

- Recycling Hotline (September 2014)
- Asset Management (October 2014)
- Accountability Hotline Case #129 (October 2014)
- Employee Paid PERS Contributions (October 2014)
- Budget Process (December 2014)
- Budget Performance Measures (December 2014)
- Accountability Hotline Case #139 (January 2014)
- Natural Areas Maintenance Follow-up (March 2015)

Accomplishments FY 2014-15

- Competed 8 audits
- Managed 47 reports on the Accountability Hotline
- Administered contract with external auditor Moss Adams
- Completed Request for Proposal for external auditor for FY2015-2017
- Transitioned office to new Metro Auditor

Proposed FY2015-16 Budget



Comparison to Previous Years

	FY2013-14 Actual	FY2014-15 Amended	FY2015-16 Proposed
Personnel	$628,970	$711,500	$733,338
Materials & Services	$37,477	$36,690	$37,662
TOTAL	$666,447	$748,190	$771,000

Upcoming Audits:

- Nature in Neighborhoods
- Community Planning and Development Grants

Moving the budget forward

Martha Bennett
Chief Operating Officer

Moving the budget forward

- Approving, and ultimately adopting a balanced budget now becomes the Council's challenge

  Does the budget move Metro and the region in the right direction?

  Does the budget strike the right balance in responding to both program needs and ensuring funding for future years?

  Does the budget reflect your guidance?

  Does the budget continue to maintain the confidence of Metro's citizens?

Next important dates

			Public Hearing
April	April 16	Budget introduced	*
	April 21	Council worksession on proposed budget	
	April 28	Council worksession on proposed budget	
May	May 7	Public Hearing Resolution to approve budget, set tax levy, forward budget to TSCC Budget ordinance continued to June	*
	May 15	Budget documents to TSCC	
June	June 4	TSCC review and hearing	*
	June 11	Final amendments	*
	June 18	Budget adoption	*
July	July 1	New budget begins	
	July 15	Tax levy submitted to counties	

Acknowledgements

Thanks to:

Finance Team
Program Managers and Analysts
Senior Leadership Team
Cover Design
Creative Services

Thank you

To view Metro's budget and the budget message in its entirety please visit:

www.oregonmetro.gov/budget

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