



PUBLIC SERVICE
EXCELLENCE
INNOVATION
RESPECT
TEAMWORK
SUSTAINABILITY

PROPOSED BUDGET FY 2014-15

Budget Presentation

April 24, 2014

Overview

- Budget resolution
- Budget message
- Budget by the numbers
- MERC
- Office of Metro Auditor
- Moving the budget forward
- Public Hearing

Introduction

Martha Bennett, Chief Operating Officer

Tim Collier, Finance and Regulatory
Services Director

Tim Collier, Finance and Regulatory
Services Director

Suzanne Flynn, CIA, Metro Auditor

Martha Bennett, Chief Operating Officer

required when budget is introduced

Budget message

- Budget Focus

Maintain excellent core services

Strategic direction

Implement Council's key initiatives

Budget message

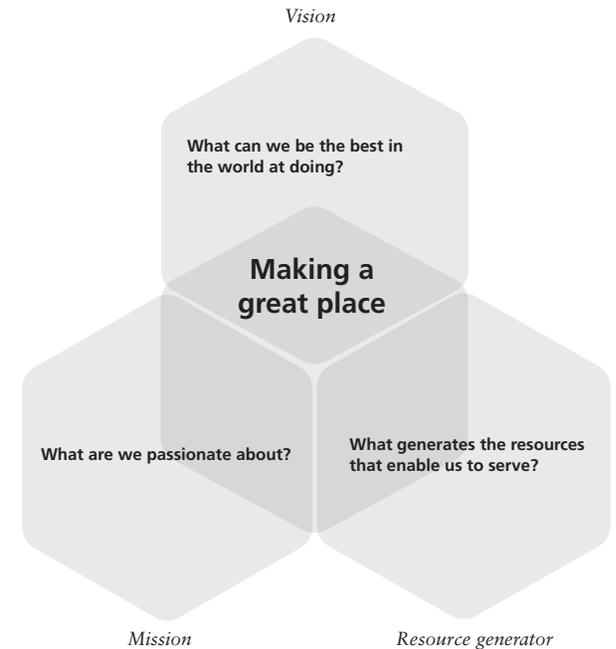
- Core message
 - FY 2014-15 is built on positive signs of economic recovery
 - Council decisions made in the past help set up success in this budget
 - FY 2014-15 sees unique one time funds
 - Conservative approach to spending one time dollars
 - Costs are rising for FY 2015-16

Decision-making tools

- 6 desired regional outcomes

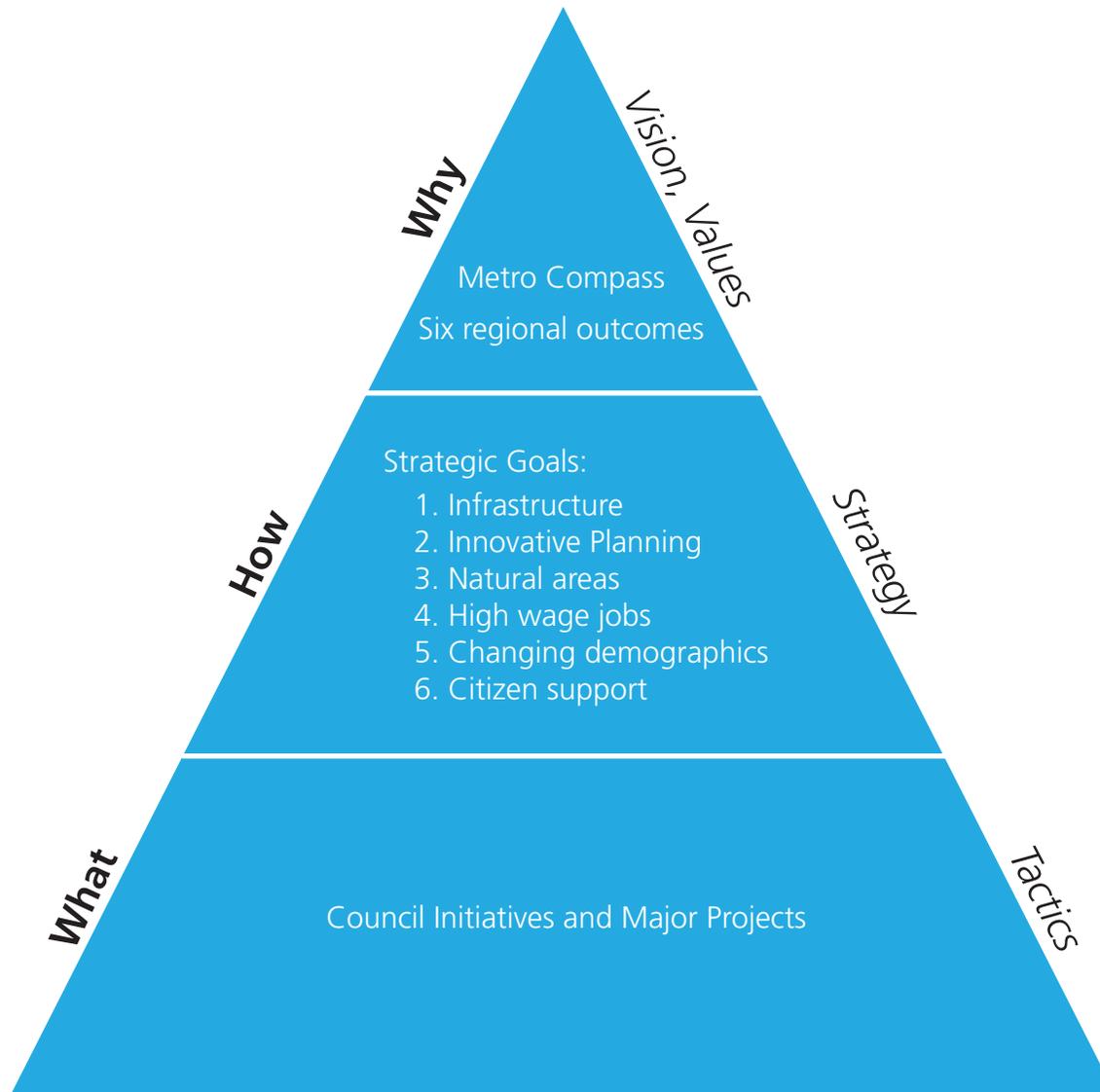


- Metro Compass



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

Decision-making tools



What the budget looks like

	FY 2013-14 Amended Budget	FY 2014-15 Proposed Budget	% Change
Operating Funds			
General Fund	116,800,000	118,300,000	1%
MERC Fund	72,900,000	85,300,000	17%
Parks and Natural Areas Levy Fund	10,200,000	15,300,000	50%
Solid Waste Revenue Fund	93,700,000	101,100,000	8%
<i>Total Operating</i>	\$293,600,000	\$320,100,000	9%
Bond/Capital Funds			
General Assets Management Fund	13,700,000	17,500,000	
Natural Areas Fund	66,300,000	52,900,000	
Open Spaces Fund	600,000	600,000	
Oregon Zoo Infrastructure Bond Fund	66,600,000	38,800,000	
<i>Total Bond/Capital</i>	\$147,100,000	\$109,800,000	(25%)
Debt Service Funds			
General Obligation Bond Debt Service Fund	36,500,000	37,300,000	
General Revenue Bond Fund	2,900,000	3,000,000	
<i>Total Debt Service</i>	\$39,400,000	\$40,300,000	2%
Other Funds			
Cemetery Perpetual Care Fund	400,000	500,000	
Rehabilitation & Enhancement Fund	2,300,000	2,100,000	
Risk Management Fund	4,500,000	4,500,000	
Smith & Bybee Wetlands Fund	3,600,000	3,400,000	
<i>Total Other</i>	\$10,800,000	\$10,600,000	-2%
Total All Funds	\$490,900,000	\$480,800,000	-2%
FTE	761.29	785.25	3%

What the budget delivers

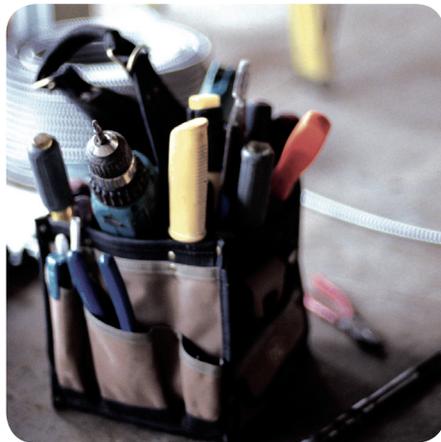
- Strategic goals and key initiatives identified by Council
 - Invest in public infrastructure
 - Set stage for future of region with innovative planning
 - Make investments to preserve and enhance natural environment
 - Invest in effort to increase high wage jobs
 - Respond to increasing diversity of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

What the budget delivers

- Invest in public infrastructure

Regional Infrastructure Supporting our Economy (RISE)

Development of a transportation and policy package



What the budget delivers

- Set the stage for the future of the region

Urban Growth Report

Regional Transportation Plan and Active
Transportation Plan

Climate Smart Communities

Solid Waste Roadmap



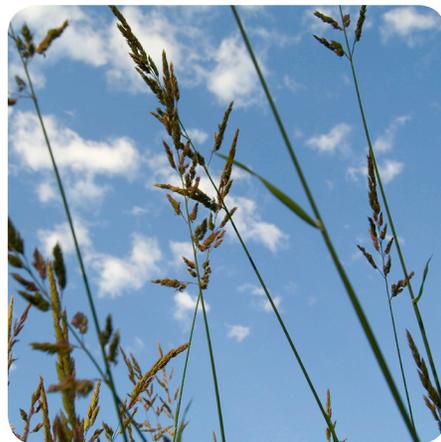
What the budget delivers

- **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



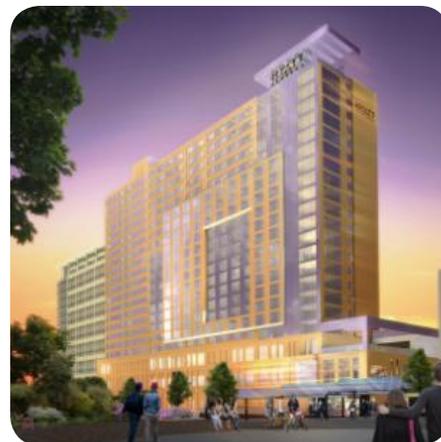
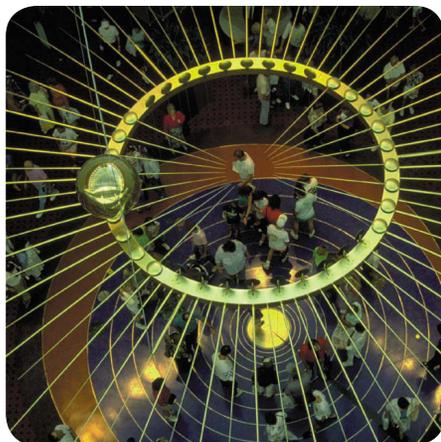
What the budget delivers

- Invest in effort to increase high wage jobs

Convention Center Hotel Project

Portland Expo Center Long-range Planning

Special appropriations for Metro Export Initiative,
Greater Portland Inc.



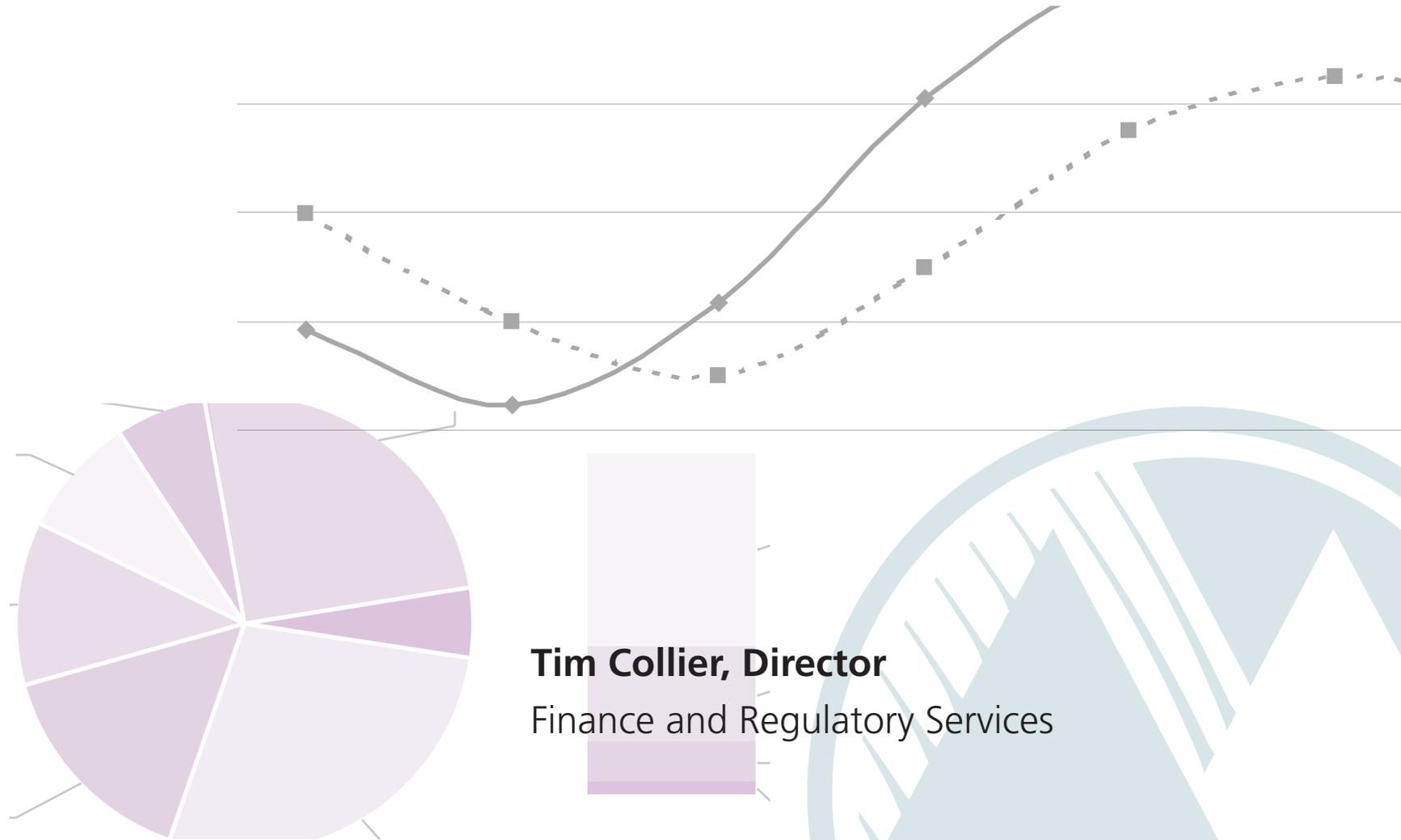
What the budget delivers

- **Respond to increasing diversity of the region's residents**
 - Continued implementation of Diversity Action Plan
 - Continued priority on Equity Strategy and Action Plan
 - Continuing outreach to diverse communities from a limited duration project to a regular, ongoing Metro program

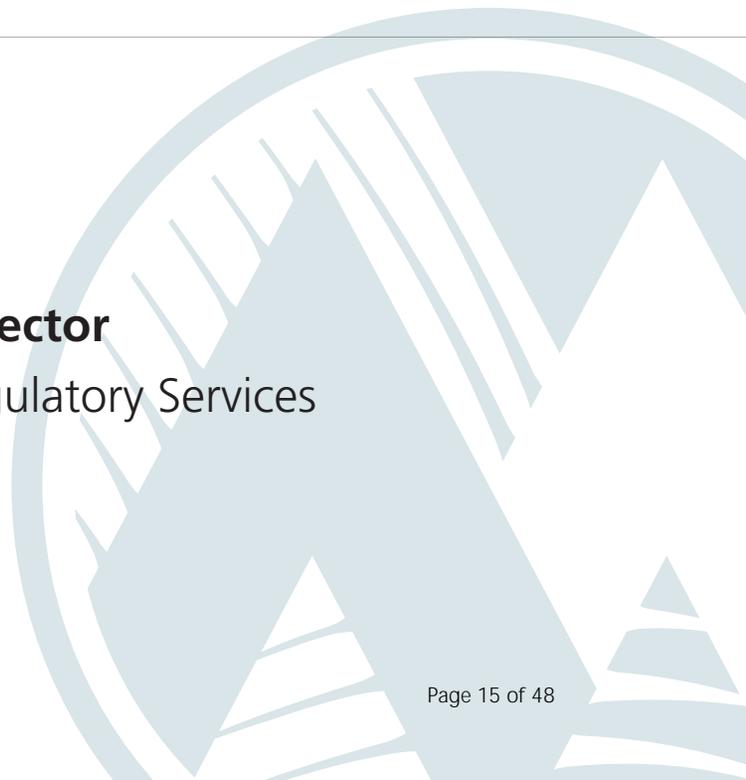
What the budget delivers

- **Increase citizen involvement and engagement**
 - Improving ability to use social media
 - Integration of marketing efforts across all venues
 - Utilizing Public Engagement Review Committee

Budget by the numbers



Tim Collier, Director
Finance and Regulatory Services



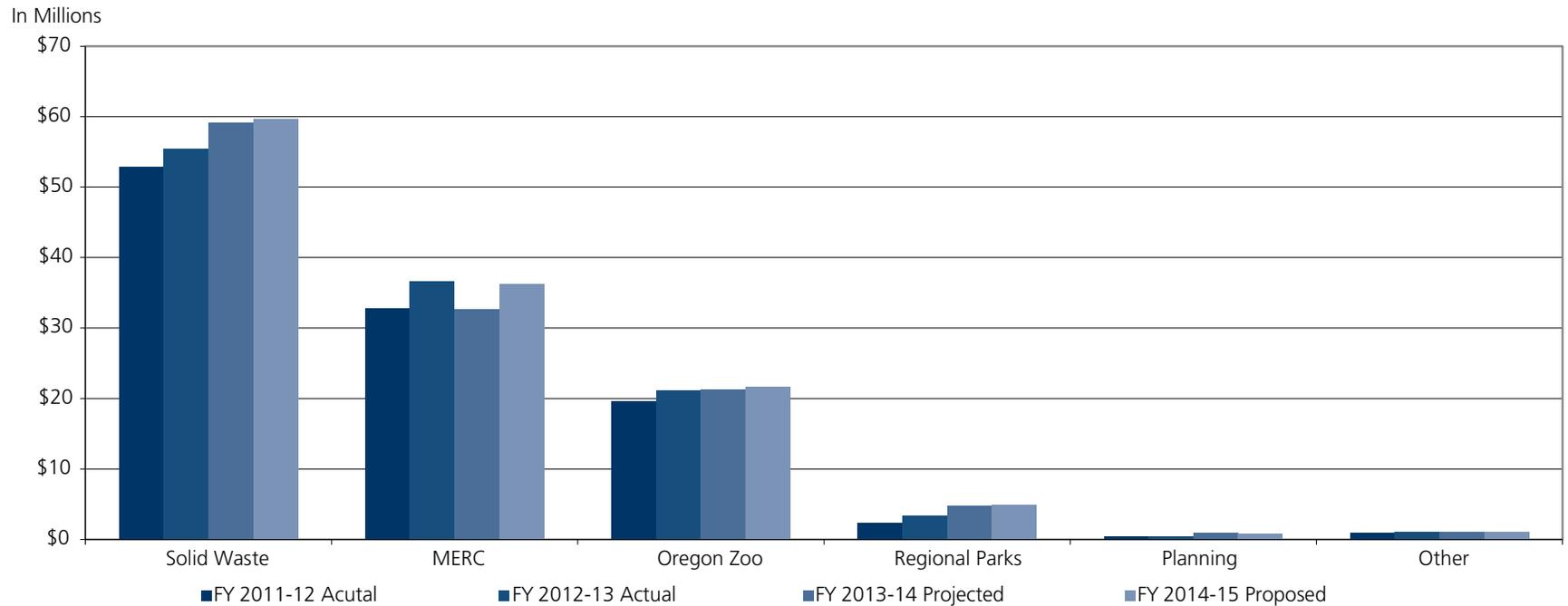
The "Legal" Budget

	FY 13-14 Amended Budget	FY 14-15 Proposed Budget	Budget % Change
Total Budget <i>(all resources and requirements)</i>	\$491 million	\$481 million	(2%)
Current Revenues	224 million	237 million	6
Current Expenditures	314 million	329 million	5
Wages and benefits	84.1 million	85.7 million	2
Full-time positions	761.29 FTE	785.25 FTE	23.96 FTE

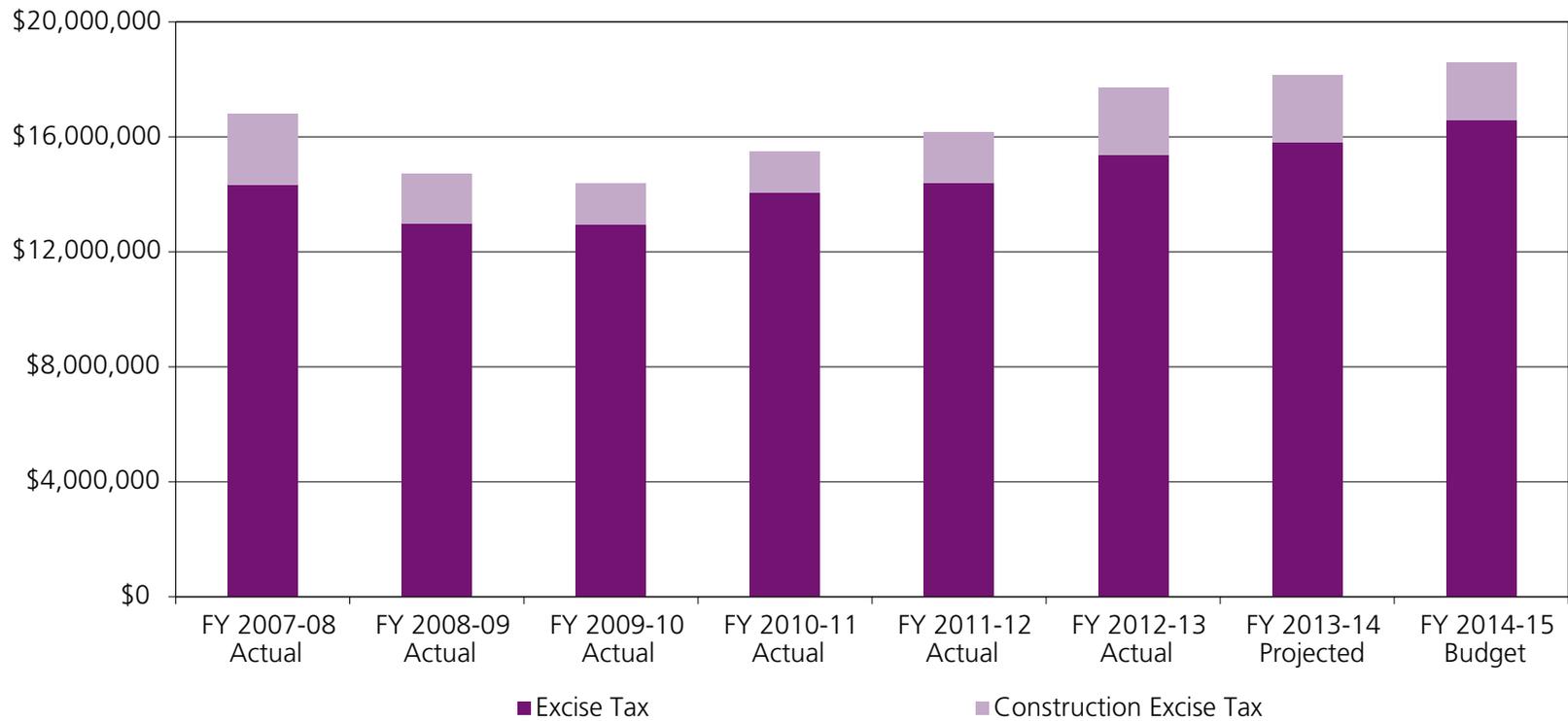
Budget by fund

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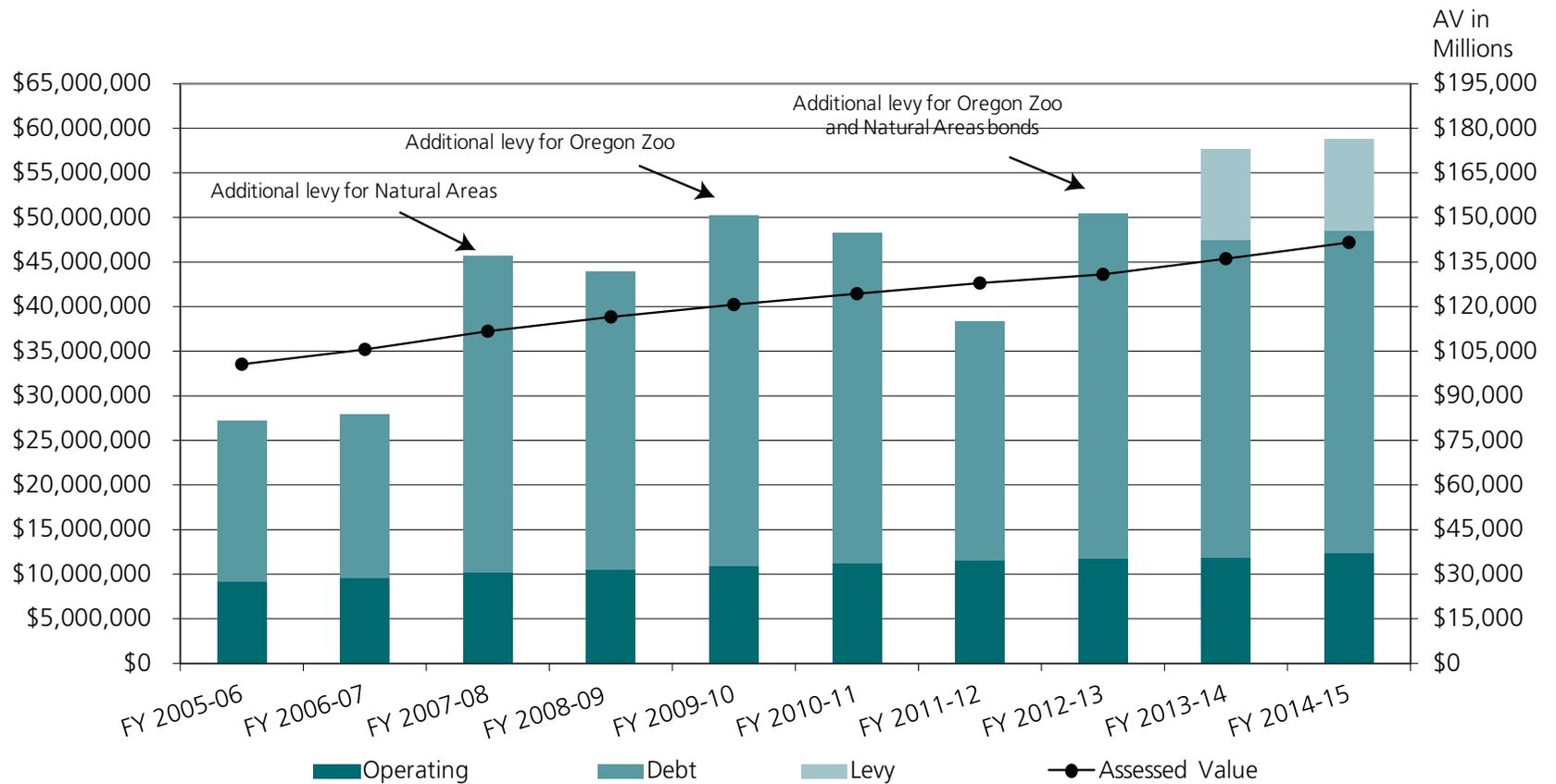
Enterprise revenue



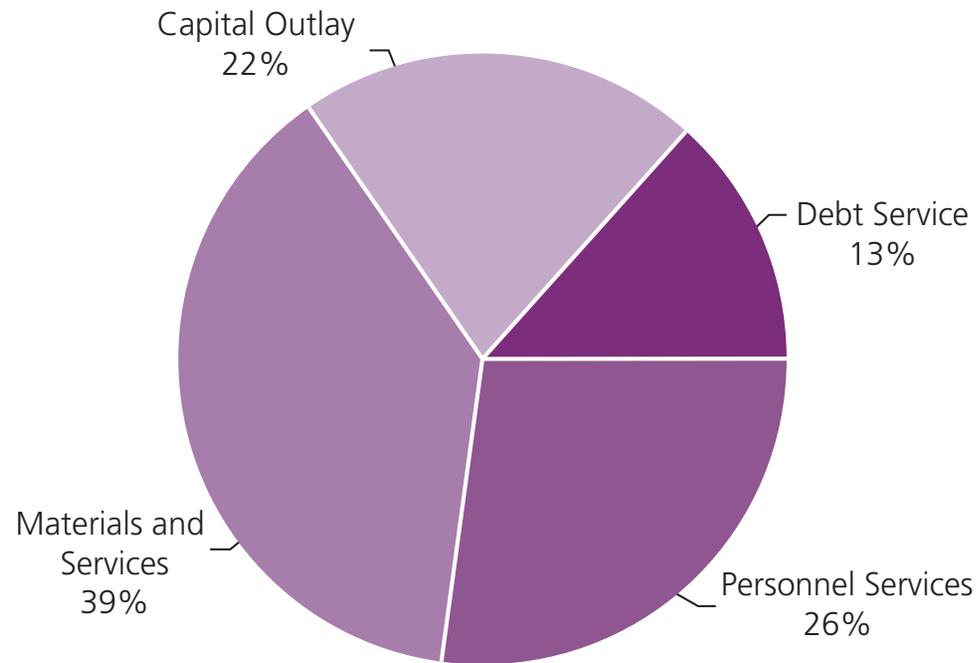
Excise tax



Property tax

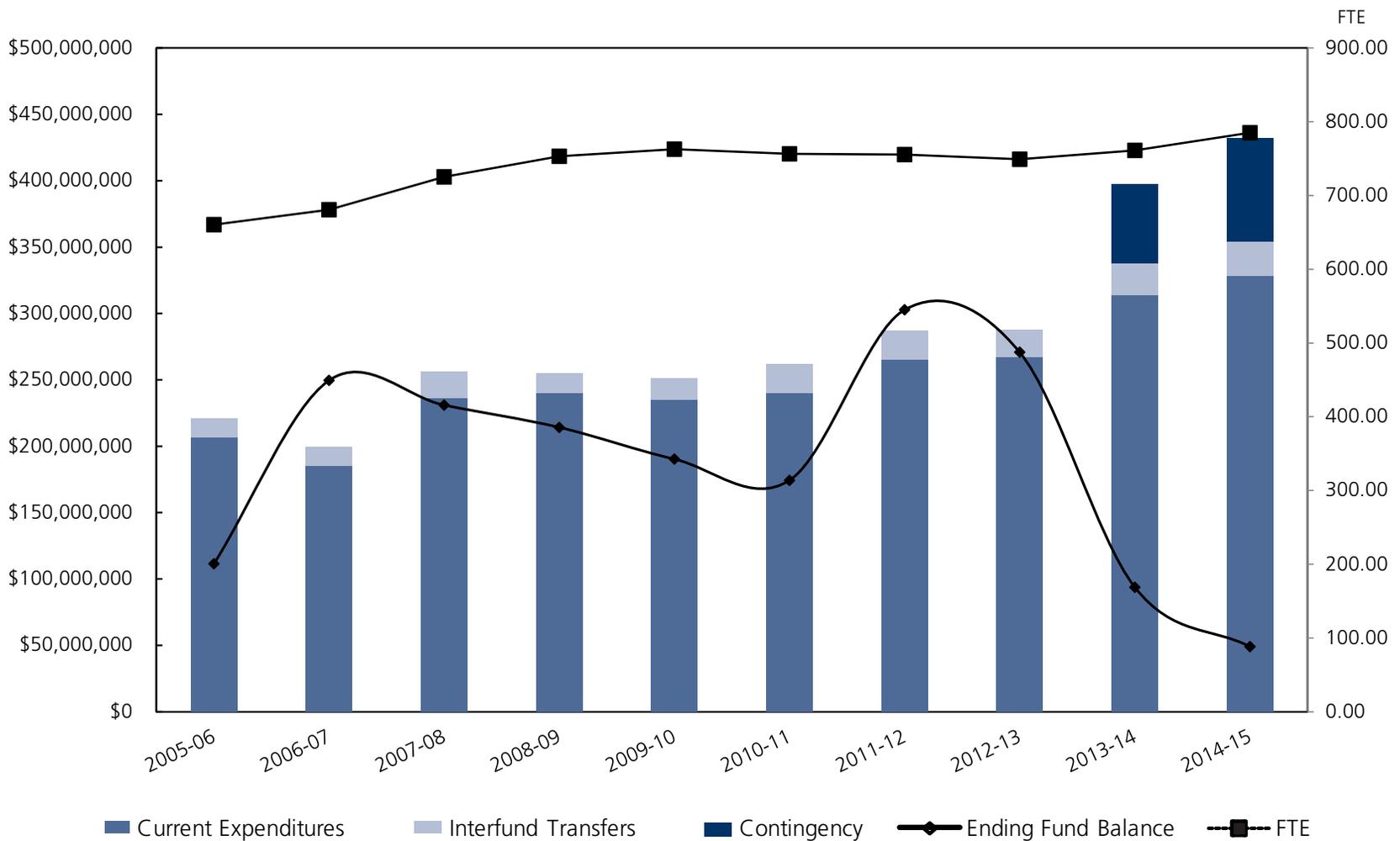


Category of Expense

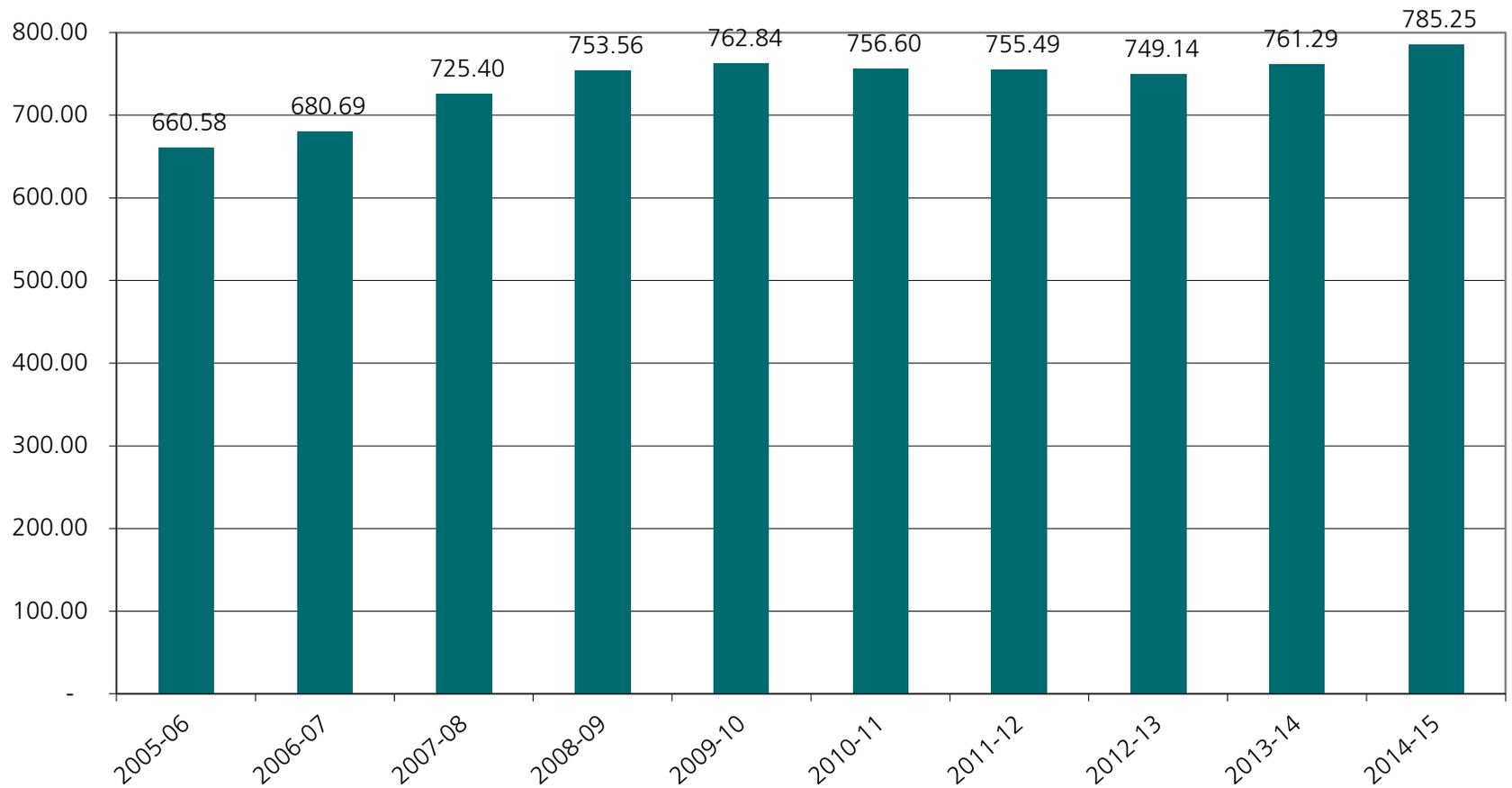


Total current expenditures: \$328,773,203

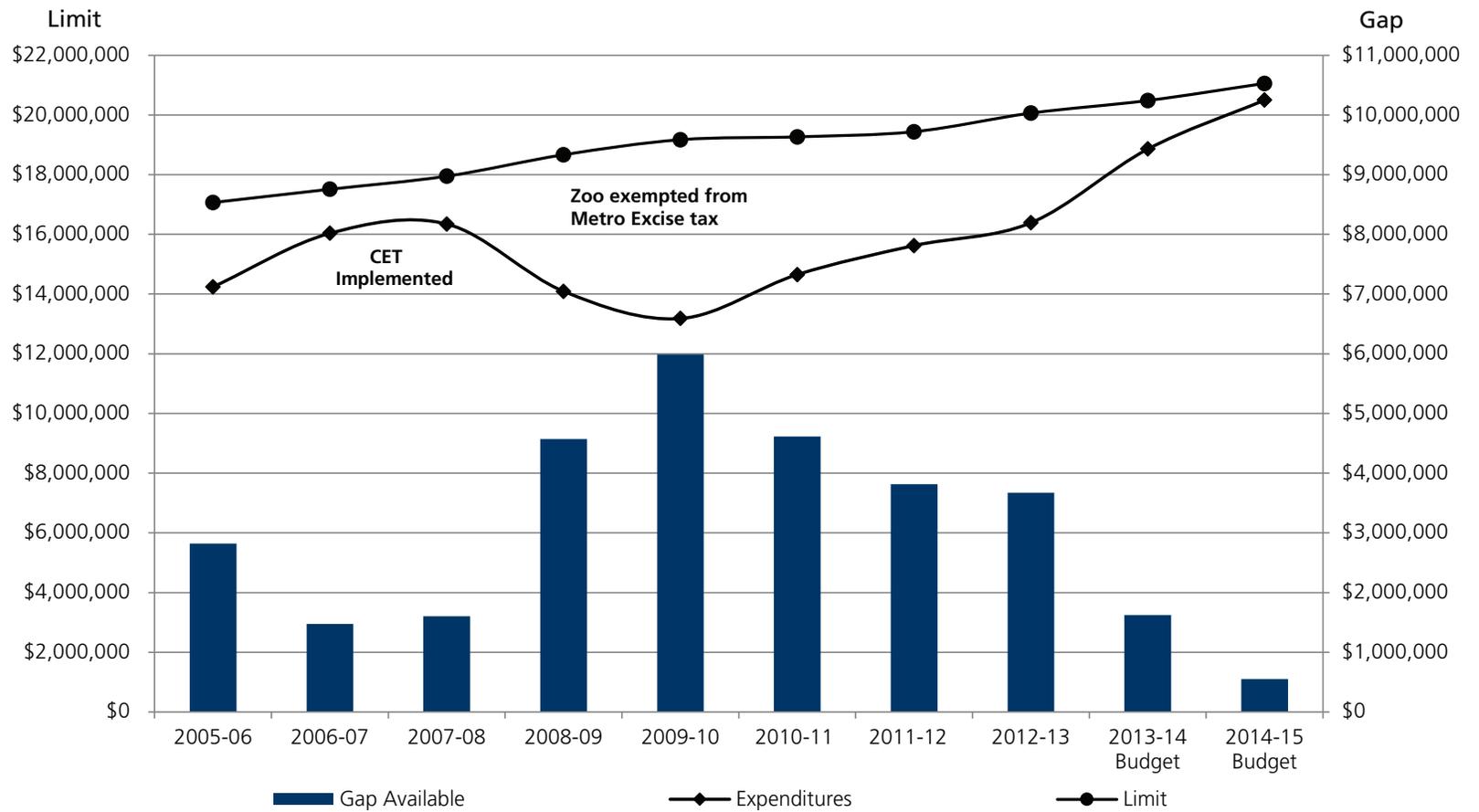
10-year expenditure history



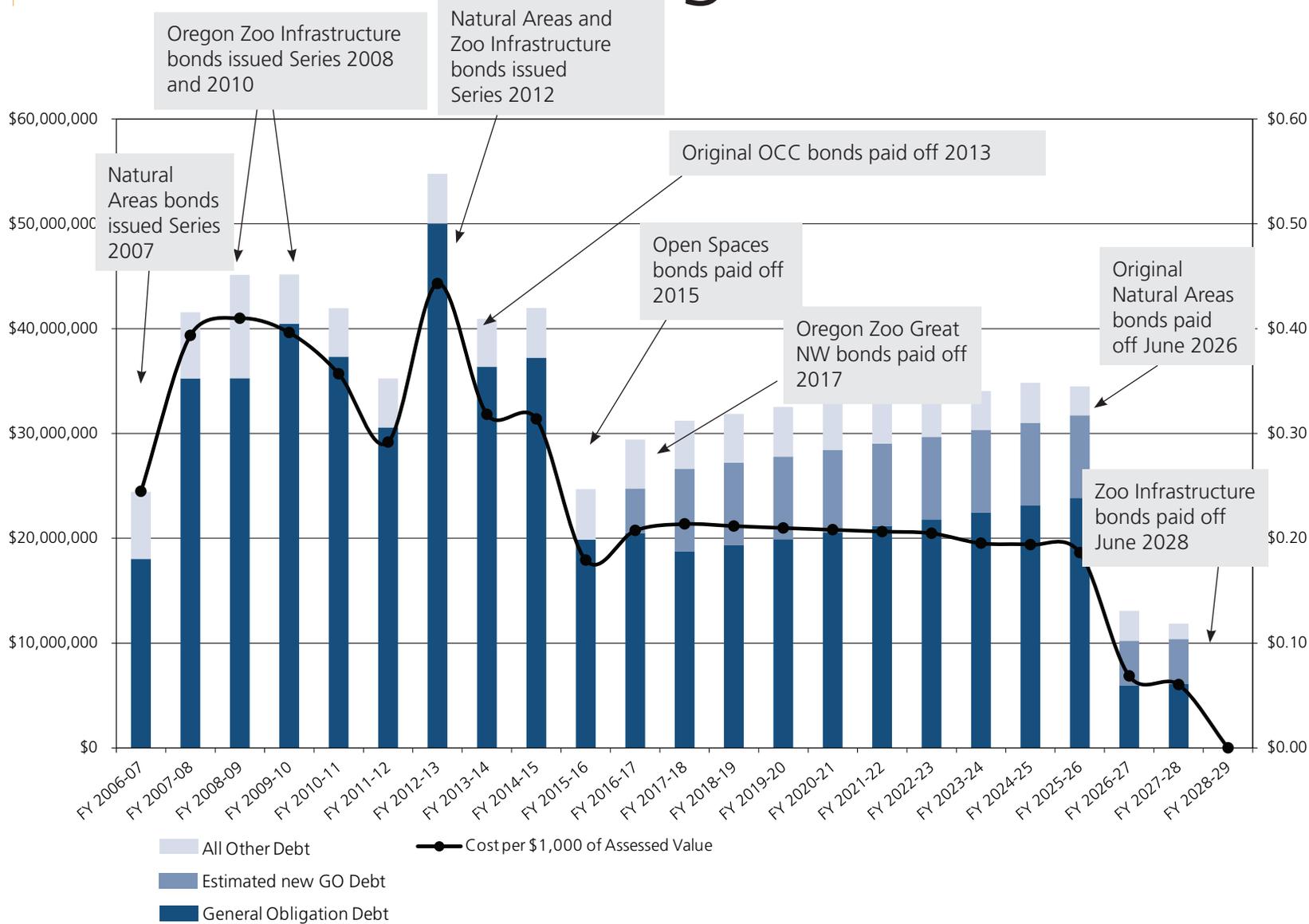
10-year total agency FTE history



Charter Limitation on expenditures



Debt service obligations



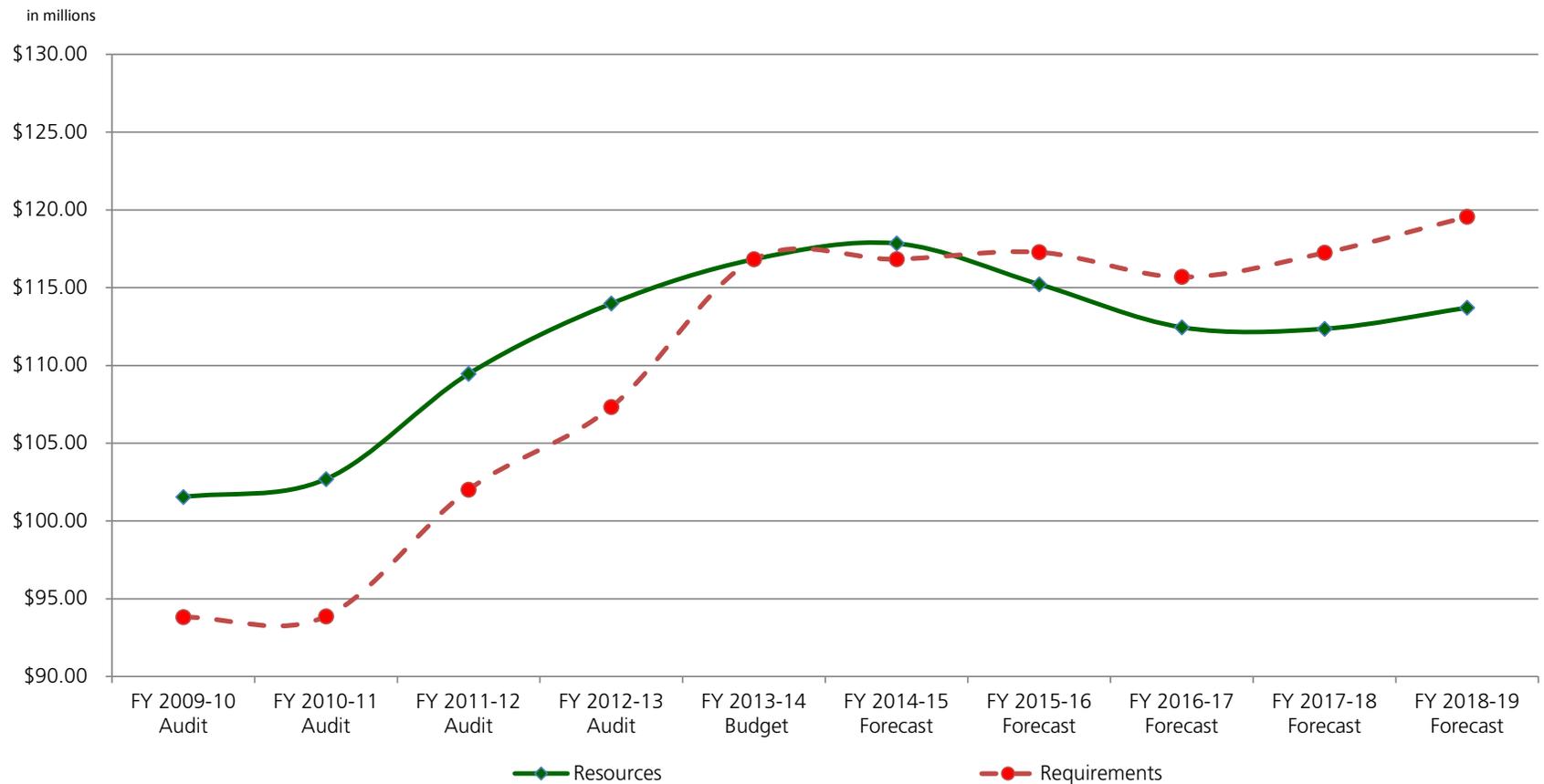
Property tax levy

	Principal	Interest	Fiscal Year Debt Service
General Obligation Refunding Bonds			
Metro Washington Park Zoo Oregon Project 2005 Series	1,995,000	292,900	2,287,900
Open Spaces, Parks, and Streams 2012B Series	9,535,000	476,750	10,011,750
General Obligation Bonds			
Natural Areas 2007 Series	4,620,000	3,519,750	8,139,750
Natural Areas 2012A Series	5,350,000	3,219,950	8,569,950
Oregon Zoo Infrastructure 2012A Series	5,670,000	2,551,825	8,221,825
Full Faith & Credit Refunding Bonds			
2006 Series	735,000	453,050	1,188,050
2013 Series	1,595,000	170,393	1,765,393
Limited Tax Pension Obligation Bonds, Series 2005	710,000	1,076,381	1,786,381
TOTAL FY 2014-15 DEBT SERVICE PAYMENTS	\$30,210,000	\$11,760,999	\$41,970,999

Property Taxes	FY 2013-14 Amended Budget	FY 2014-15 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)	28¢	27¢
Average homeowner (\$200,000 assessed value) (\$250,000 market value)	\$95	\$93

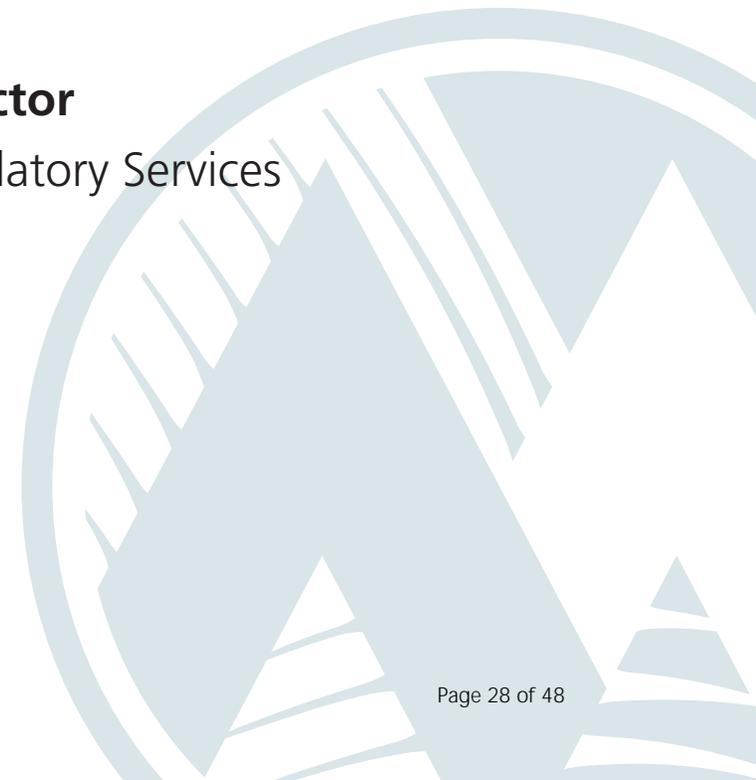
General Fund

Five-year forecast Oct 2013



MERC

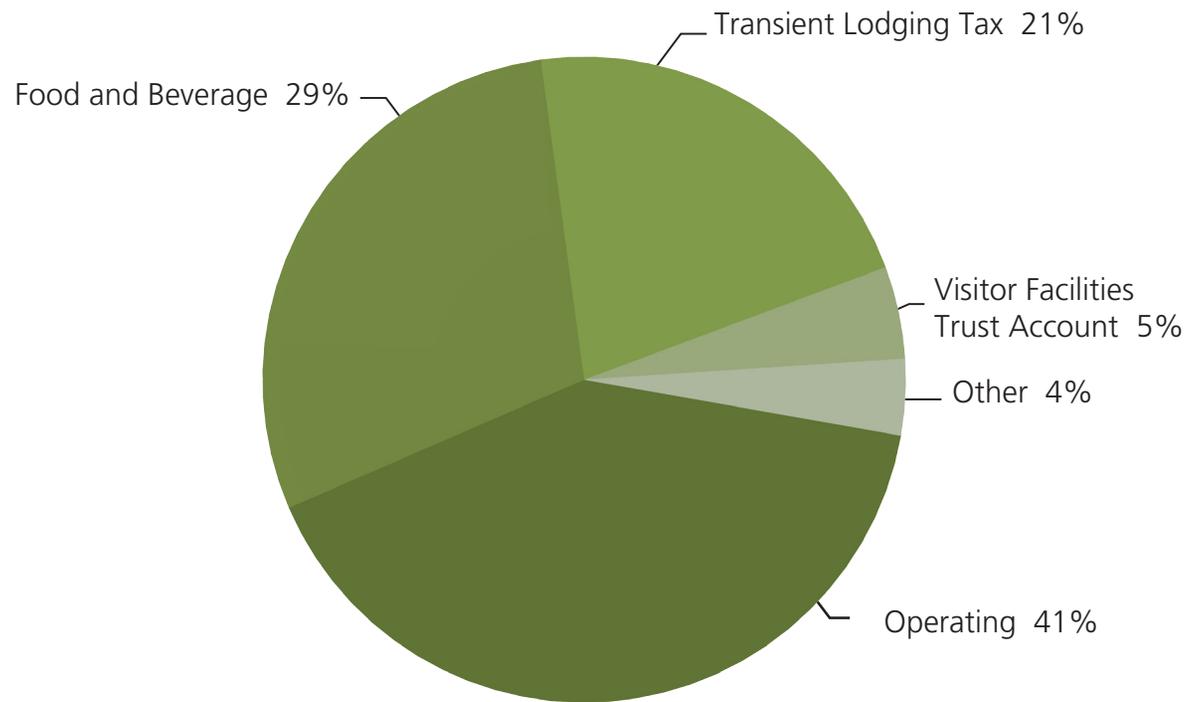
Tim Collier, Director
Finance and Regulatory Services



MERC Fund Summary

	FY 2013-14 Amended Budget	FY 2014-15 Proposed Budget	% Change
Total Budget			
	\$72,925,142	\$85,323,573	17%
Current Budget			
Revenues	48,713,585	52,009,208	7%
Expenses	53,753,007	56,506,350	5%
<i>Net Operations</i>	(5,039,422)	(4,497,142)	(11%)
Personnel Summary			
Wages & Benefits	\$17,741,183	\$18,432,052	4%
Full-time positions	174.50	182.35	5%

Current Resources

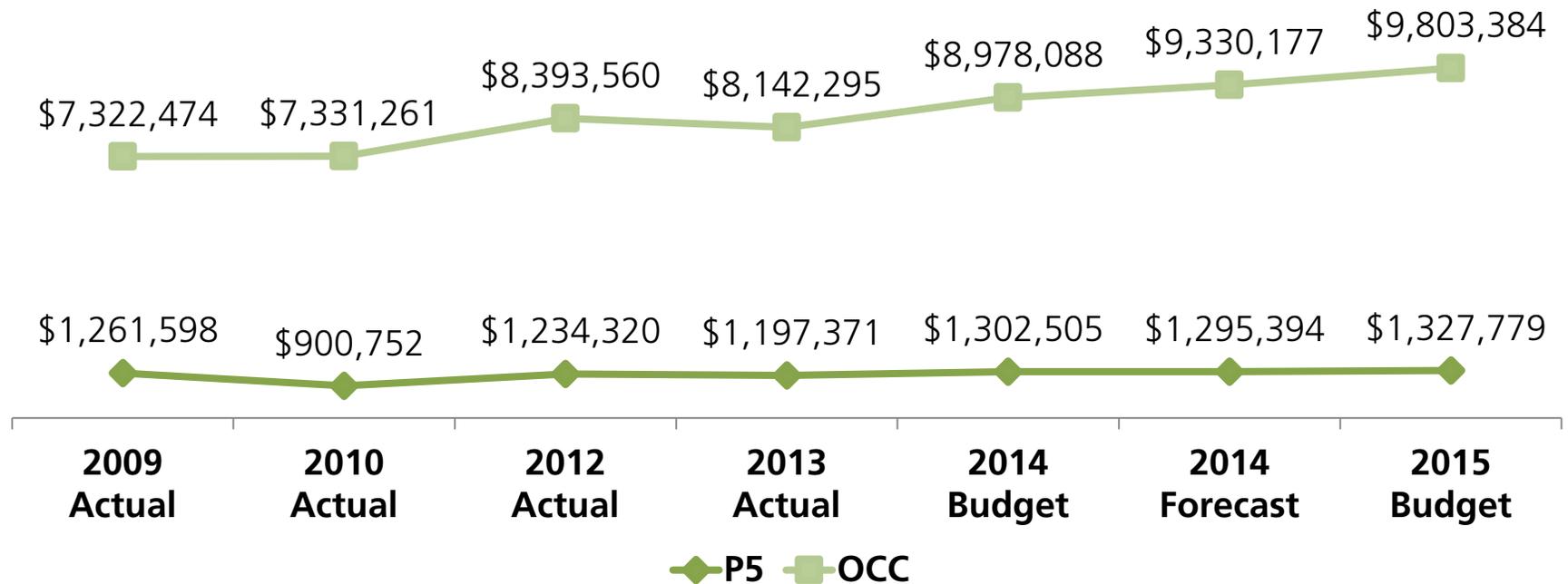


Total current resources: \$52,009,208

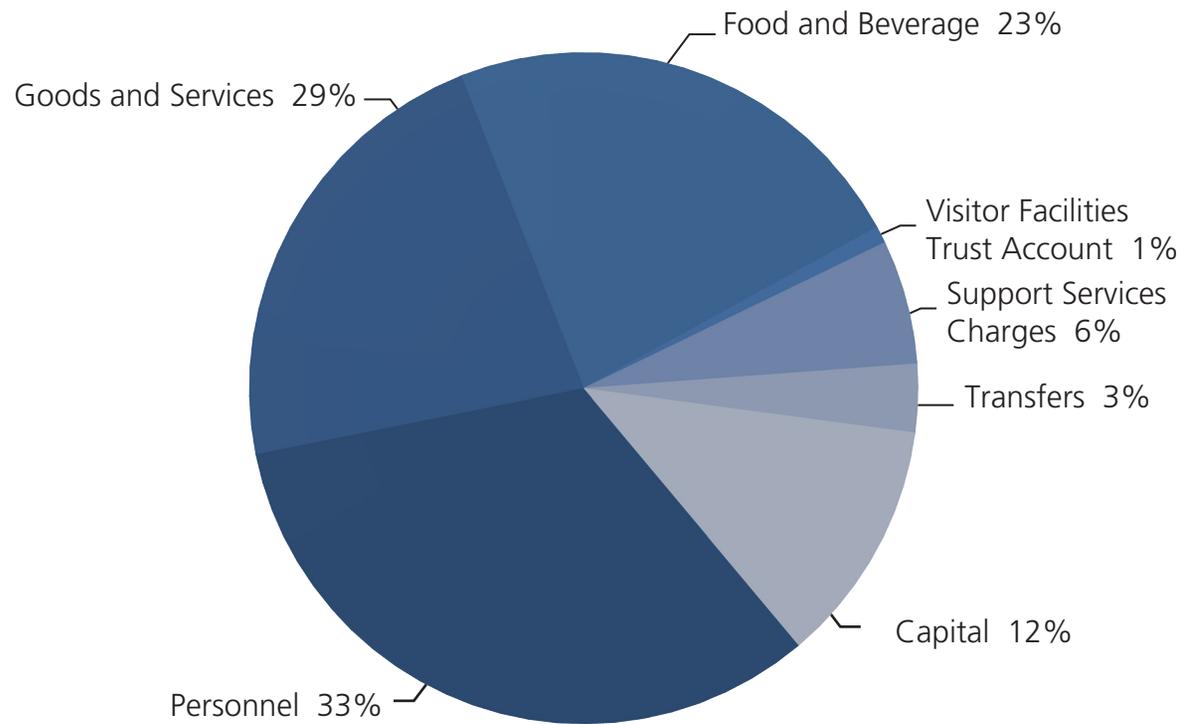
Transient Lodging Tax (TLT)

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: \$56,506,350

Venue Summary

	FY 2013-14 Amended Budget	FY 2014-15 Proposed Budget	% Change	% Total
Venue Total Budget				
OCC	\$40,952,306	\$48,953,128	20%	57%
Portland'5	19,397,304	21,963,279	13%	26%
Expo	10,138,514	10,820,702	7%	13%
Admin	2,307,018	3,586,464	55%	4%
<i>Total</i>	\$72,925,142	\$85,323,573	17%	100%
Venue Full Time Positions				
OCC	111.30	114.65	3%	63%
Portland'5	44.40	46.90	6%	26%
Expo	12.30	14.80	20%	8%
Admin	6.50	6.00	(8%)	3%
<i>Total</i>	174.50	182.35	4%	100%

OCC Budget Highlights

	FY 2013-14 Amended Budget	FY 2014-15 Proposed Budget	% Change
Revenues			
Beginning Fund Balance	\$10,467,977	\$16,415,732	57%
Food & Beverage	8,300,000	11,002,827	33%
Lodging Tax	8,978,088	9,803,384	9%
Charges for Services	7,749,264	9,446,977	22%
Visitor Development	2,770,519	1,744,952	(37%)
Other	2,686,458	539,256	(80%)
<i>Total</i>	\$40,952,306	\$48,953,128	20%
Expenditures			
Food & Beverage	\$7,050,225	\$9,363,294	33%
Personnel	9,674,777	9,969,814	3%
Materials & Services	9,351,393	7,752,570	(17%)
Capital	2,731,540	4,193,000	54%
Other	2,664,069	2,698,655	1%
Visitor Development	1,330,719	463,702	(65%)
<i>Total</i>	\$40,952,306	\$48,953,128	20%

Portland'5 Budget Highlights

	FY 2013-14 Amended Budget	FY 2014-15 Proposed Budget	% Change
Revenues			
Beginning Fund Balance	\$7,971,363	\$9,820,156	23%
Charges for Services	6,969,394	7,454,065	7%
Food & Beverage	1,911,562	2,225,102	16%
Lodging Tax	1,302,505	1,327,779	2%
City of Portland	816,020	831,905	2%
Visitor Development	650,383	650,383	0%
Other	(223,923)	(346,111)	55%
<i>Total</i>	\$19,397,304	\$21,963,279	13%
Expenditures			
Personnel	5,623,884	5,996,451	7%
Materials & Services	2,821,985	2,827,238	0%
Food & Beverage	1,647,214	1,857,227	13%
Capital	916,000	1,653,000	80%
Other	1,145,036	1,318,646	15%
Contingency/Reserves	7,243,185	8,310,717	15%
<i>Total</i>	\$19,397,304	\$21,963,279	13%

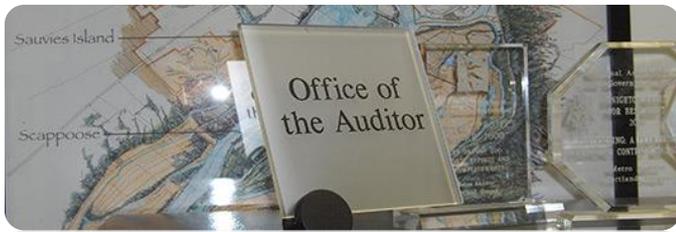
Expo Budget Highlights

	FY 2013-14 Amended Budget	FY 2014-15 Proposed Budget	% Change
Revenues			
Beginning Fund Balance	\$3,831,492	\$4,035,353	5%
Charges for Services	4,052,104	4,197,279	4%
Food & Beverage	1,868,163	1,975,000	6%
Other	516,755	613,070	19%
<i>Total</i>	\$10,268,514	\$10,820,702	5%
Expenditures			
Personnel	\$1,655,148	\$1,721,145	4%
Materials & Services	1,305,721	1,383,262	6%
Food & Beverage	1,502,265	1,651,281	10%
Capital	1,169,003	667,500	(43%)
Other	1,540,973	1,599,717	4%
Contingency/Reserves	3,095,404	3,757,797	21%
<i>Total</i>	\$10,268,514	\$10,780,702	5%



Office of the Metro Auditor

FY 2014-15 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 2013-14

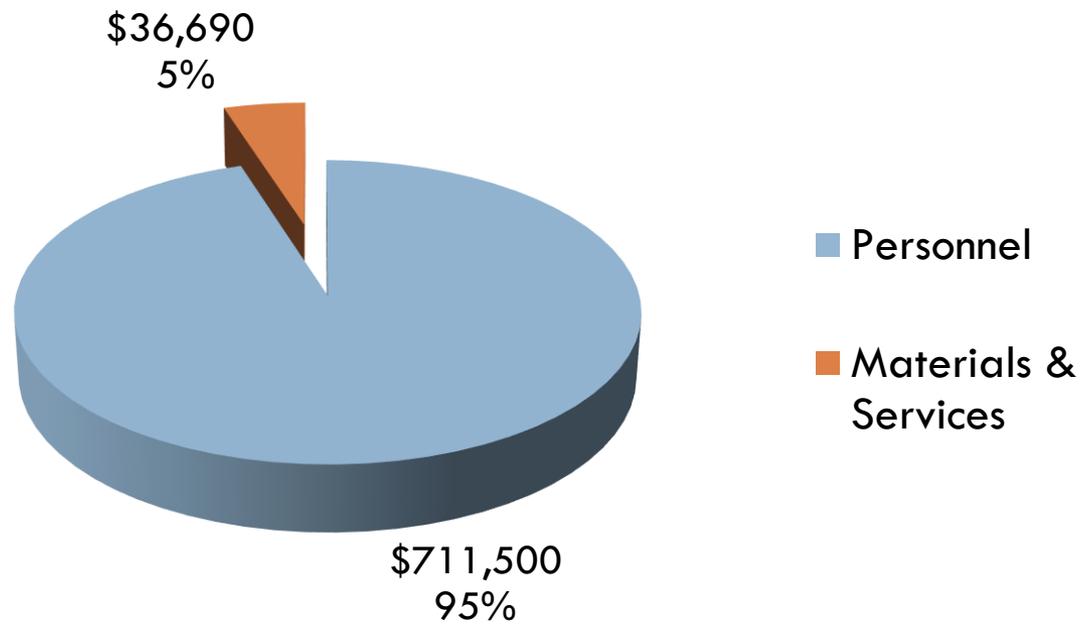
- Audits completed
 - IT Software Controls Follow-up (July 2013)
 - Organic Waste Program (October 2013)
 - MWESB Procurement (March 2014)
 - Leave Management Follow-up (April 2014)
 - Opt In (June 2014)
 - Financial Condition (June 2014)
 - Sponsorships (June 2014)

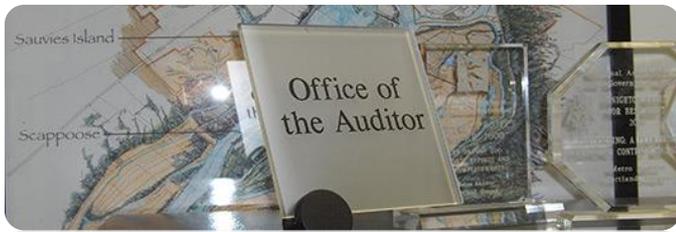
Accomplishments FY 2013-14

- Received bronze award for audit from a small audit shop (Assoc. of Local Government Auditors)
- Completed 7 audits
- Managed 28 reports on the Ethics Line to date
- Administered contract with external auditor Moss Adams



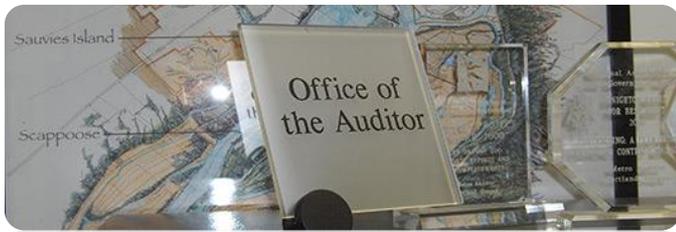
Proposed Budget FY 2014-15





Comparison to Previous Years

	FY13 Actual	FY14 Amended	FY15 Proposed
Personnel	\$624,133	\$689,411	\$711,500
Materials & Services	\$31,375	\$35,971	\$36,690
TOTAL	\$655,508	\$725,382	\$748,190

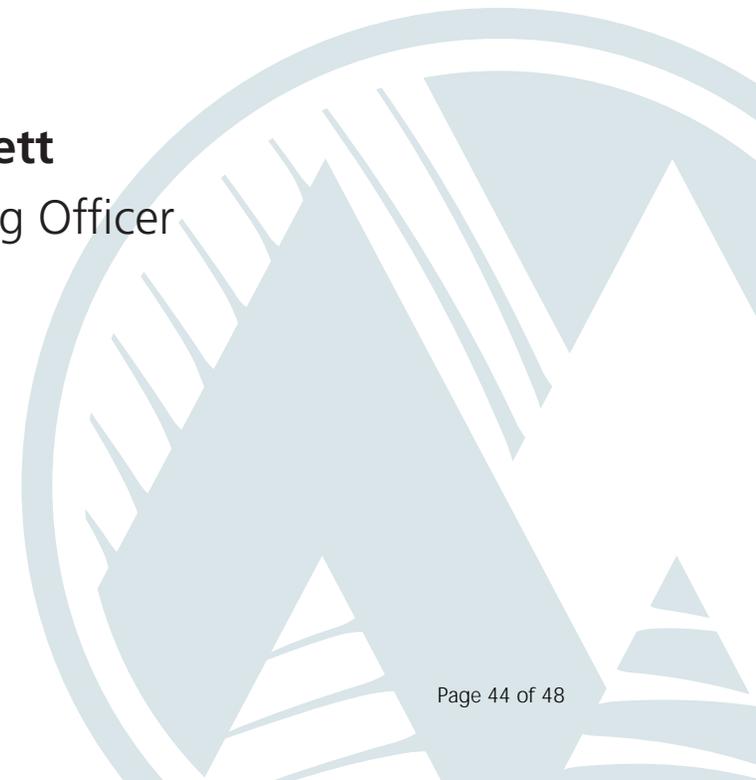


Upcoming Audits:

- Recycling Hotline
- Small Asset Management

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 a slow yet improving economy?

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 24	Budget introduced	*
	April 29	Council worksession on proposed budget	
May	May 8	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 5	TSCC review and hearing	*
	June 12	Final amendments	*
	June 19	Budget adoption	*
July	July 1	New budget begins	
	July 15	Tax levy submitted to counties	

Acknowledgements

Thanks to:

Senior Leadership Team

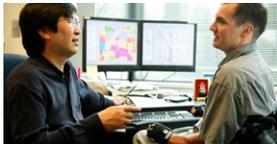
Finance Team

Program Managers and Analysts

Cover Design

Creative Services

Thank you



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

www.oregonmetro.gov/budget

