

**MAKING A  
GREAT  
PLACE**



600 NE Grand Ave.  
Portland, Oregon  
97232-2736

.....  
**PUBLIC SERVICE  
EXCELLENCE  
INNOVATION  
RESPECT  
TEAMWORK  
SUSTAINABILITY**  
.....

**ADOPTED BUDGET**  
Summary

**FY 2015-16**

[www.oregonmetro.gov](http://www.oregonmetro.gov)

# MAKING A GREAT PLACE

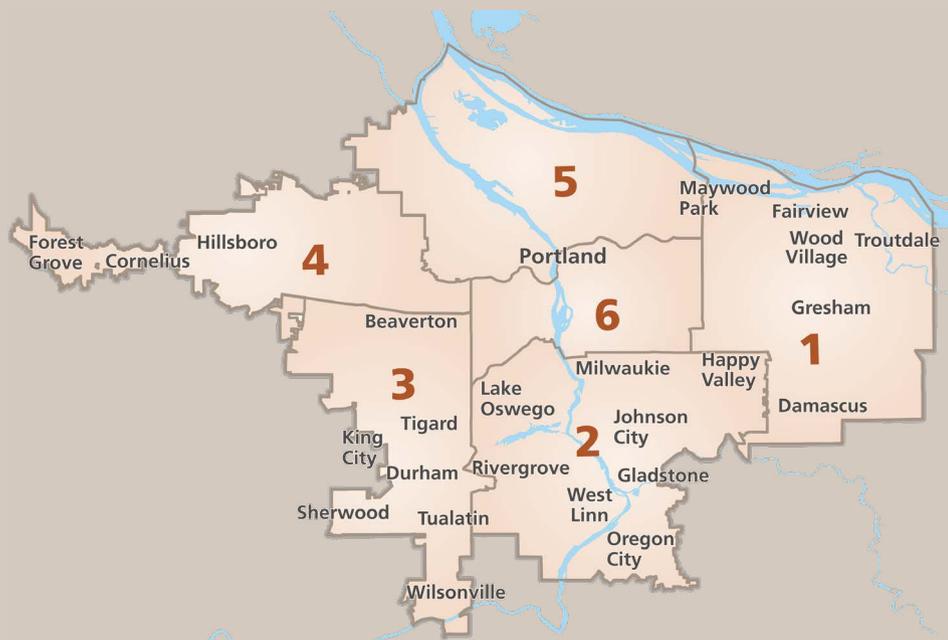


Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to providing services, operating venues and making decisions about how the region grows. Metro works with communities to support a resilient economy, keep nature close by and respond to a changing climate. Together, we're making a great place, now and for generations to come.

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Metro's adopted budget for FY 2015-16 is provided in two volumes. The first volume SUMMARY presents the budget in sections designed to provide an understanding of how the budget is developed, its primary revenues and expenditures, and how these resources are applied to programs and activities. Many readers will find Volume 1 sufficient to gain an understanding of Metro's financial strategies for the coming year. Some readers may require additional detail which can be found in the second volume DETAIL.

## **SUMMARY (VOLUME 1)**

The SUMMARY is organized in the following sections:

### **Budget message**

By law the budget message is given at the time the budget is proposed and identifies any significant changes from one year to the next. The Metro Chief Operating Officer serves as Metro's Budget Officer.

### **What is Metro**

This section provides the reader with an overview of Metro's history, a timeline showing the development of the agency, information regarding Metro's charter, and an overview of the region's economy.

### **Budget summary**

This section provides a comprehensive summary of the budget. It provides information on schedule of appropriations, property tax calculation, budget environment, revenues and expenditures, including trends and fund summaries, and summarizes staffing changes. It also includes the summaries of both the debt and five-year Capital Improvement Plan.

### **Organizational summary**

The organizational summary presents Metro's appropriations units as required by Oregon budget law. Centers and services may be budgeted in a single fund or in several funds, but always by appropriations unit. This section discusses the purpose, organization and accomplishments related to the prior year's objectives. It identifies service level changes in the proposed budget and the new objectives for the upcoming budget year.

## **DETAIL (VOLUME 2)**

Volume 2 provides greater detail about the budget. Readers should consider Volume 2 when looking for additional information about individual aspects of the budget.

### **Fund summaries and detail**

This section presents detailed financial information and analysis for each of Metro's 16 funds, the legal units by which the budget is appropriated. The detail after each fund description contains technical information used by Metro managers to manage their programs. This detail includes current as well as historical line item revenues and line item expenditures required by law.

### **Capital Improvement Plan detail**

Metro's capital budget for fiscal years 2015-16 through 2019-20 is included in the FY 2015-16 budget document. This section presents the department specific project summaries and analysis.

**Debt schedules**

This section contains information about Metro’s outstanding debt obligations. It also provides detailed debt schedules for existing revenue bonds, general obligation bonds, capital leases and other debt.

**Budget and financial structure**

This section describes the budget process at Metro. It reviews the budget calendar and budget development guidelines.

**Appendices**

The appendices include several related documents that are legally required to be included with Metro’s budget document or that provide additional policy background information. These appendices include the charter of limitations on expenditures, the cost allocation for federal grant purposes, budget transfers, excise taxes, GASB 54 fund balance designation, General Fund Reserves detail, limited duration positions, four-year FTE history and personnel changes detail. The glossary, annual contracts list and detailed chart of accounts are located in this section.

April 16, 2015

**To the Metro Council, citizens and regional partners and valued employees:**

I am pleased to present Metro's FY 2015-16 proposed budget.

Metro is well positioned to continue our work to build vibrant communities, protect and enhance the natural environment, support a prosperous economy, and build opportunity for all of the region's residents. In building this budget, I had two major themes in mind.

First, as I wrote last year, the economic recovery is underway and affects both revenue and expenditures. Economic growth leads to increases in revenue that Metro relies on to deliver programs and activities, from solid waste revenues to the construction excise tax to transient lodging taxes to user fees and property taxes. In some areas, such as construction excise tax and transient lodging taxes, that growth is significant. Likewise, the economic recovery has also caused Metro's costs for providing programs and activities to rise as well. In some cases – like in Solid Waste Operations and in the operations of Metro's visitor venues, there is a direct relationship between our growing revenue and our growing costs. For example, more shows at Portland's 5 Theaters for the Arts means both more revenue and also more expenditures on staff, utilities, and food and beverages. In other cases, the cost increase Metro faces stem from the increasing costs of materials, utilities, and labor. In general terms, the revenues to Metro's general fund are not growing as fast as the costs of maintaining our activities and programs in this fund. Therefore, despite economic growth, this proposed budget takes a cautious approach to adding new programs and services to Metro's general fund. For example, there are few recommended new positions in this proposed budget that affect the general fund.

Second, this proposed budget prioritizes investments in Metro's key infrastructure – physical, technological, human, and administrative. Some of these investments – such as the project to repair the Metro Regional Center building envelope and the project to replace the wiring that supports our telecommunications– ensure that we care for our assets. Other investments like the project to transition to electronic documents for the Metro Council and advisory committees modernize our operations, reduce future operational costs, and pursue our sustainability goals. A third category of investments recognize an increase in workload. The program of work at the Oregon Zoo, for example, has grown significantly for a variety of reasons, and the proposed budget is designed to recognize those changes. The proposed budget shifts the Zoo to an enterprise fund, with an allocation of General Fund revenues and includes an allocation of one-time funds designed to help the zoo address high priority operational issues. Additionally, the proposed budget increases funding for the Human Resources Department because of a significant increase in work both in recruiting and in working with supervisors and labor unions. The final category of investments are more traditional – they are designed to generate revenue that will support our programs and activities. One example of this is an increase in FTE for Portland's 5 to enhance the marketing and sponsorship program.

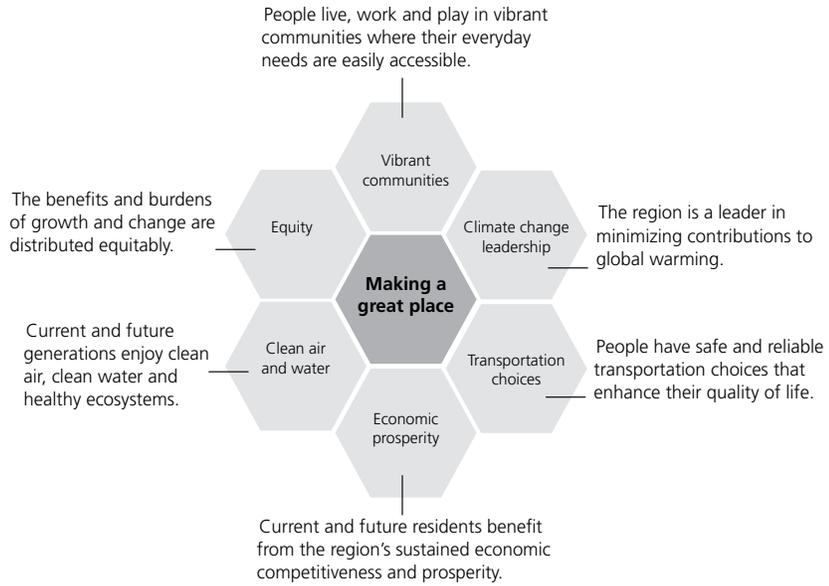
**How the budget proposal was developed**

In three retreats in the winter of 2014-2015, the Metro Council met to provide direction about the Council's strategic priorities for the next three to five years and about the key Council initiatives that would focus their efforts through fiscal year 2015-2016. Based on this direction, I instructed programs to prepare initial budget requests that emphasized these goals and initiatives and; maintained the existing portfolio of Metro's programs and activities; and provided a modest increase of 2.65 percent allocated to departments to cover inflation in their materials and services costs.

**Chief  
Operating  
Officer's  
Budget  
Message**

As we have in the past three years, we used three tools to frame the proposed budget. First, this proposed budget is anchored by the region's six desired outcomes. Developed in a collaborative process and adopted by the Metro Council in 2010, the six outcomes focus on what makes this region a great place. Department's activities and programs are tested against whether they are making these outcomes more likely over time.

## Region's six desired outcomes



Second, the Department Directors and I used the Metro Compass to develop the Budget. The Metro Compass helps us ensure that Metro's programs and activities achieve our vision for the region, deliver on our core mission, and build public trust in Metro.

## Metro Compass



Third and finally, each of Metro's departments has developed a five-year mission critical plan for their operations. These mission-critical plans helped each department look ahead to identify the key opportunities and threats that face the region, Metro, and their programs to ensure we are making decisions today that will be sustainable and strategic for the next three to five years.

### **Strategic Issues in Budget**

The Strategic Issues in this budget are driven by the strategic goals and key initiatives identified by the Metro Council to guide the agency and region towards the six desired regional outcomes. The proposed budget is an important spending plan to implement those goals and initiatives.

### **Strategic Goal #1. Invest in public infrastructure throughout the region**

Metro has long identified increasing the region's ability to invest in critical infrastructure as a key strategic goal. The proposed budget includes programs and specific projects to support Council's work on this goal. First, the proposed budget includes the second year of funding for the Regional Infrastructure Supporting our Economy (RISE) team. This four person team works on projects that cross departments, are a high priority for Metro and have technical, financial, or process complexity. Second, the proposed budget includes funding for both the Southwest Corridor Project and the Powell-Division project. Next, the proposed budget supports the Council's work on federal and state transportation funding.

### **Strategic Goal #2. Set the stage for the future of the region with innovative planning**

Planning for the future is a core mission of Metro, and the proposed budget includes funding for projects that prepare the region for strategic opportunities and threats. The Planning and Development Department budget includes funding to complete the current urban growth management decision, to complete the first-ever regional readiness report card, and to prepare for the 2018 update of the Regional Transportation Plan.

Additionally, the Council has prioritized the "My Place" work program, a project to increase participation in Metro's policy work by connecting policies to real people and real places. The proposed budget includes an increase of \$200,000 in the Planning and Development Department for the "My Place" work program.

The proposed budget for the Planning and Development Department also includes funding for the work Metro does to implement its policies and plans. The budget includes the second year of funding for the Council-initiated Affordable Housing Strategy. The re-tooled Enterprising Places (formerly the Development Opportunity Fund) program is included in the proposed budget at the same level as previous fiscal years, and the department will continue work to support development that increases ridership through the Transit Oriented Development program.

In addition to these projects within Planning and Development, this proposed budget continues to invest in innovative planning for the region's solid waste system through the Solid Waste Roadmap. Increasing competition, changing technology and site specific constraints at Metro's transfer stations also require vigilance, planning and investment. In the upcoming fiscal year, the Metro Council will make major decisions about food waste, the role of public and private waste transfer stations, and the long-term management of material that is truly waste.

### **Strategic Goal #3 Make investments to preserve and enhance the natural environment**

In May 2013, voters of the region approved a 9.6 cents per thousand local option levy to invest in projects and programs to protect our region's water quality and help restore native fish and wildlife habitat. The 2015-16 proposed budget includes further work to accomplish the promises to the voters to:

- Improve water quality in local rivers and streams for salmon and other native fish.
- Restore wildlife habitat, remove invasive weeds, and restore wetlands and floodplains.
- Replace aging restrooms, picnic shelters and playgrounds in Metro's parks.
- Provide nature education programs to school-aged children and visitors.
- Support community partnership projects.

The proposed budget includes restoration and public access projects in our natural areas, capital projects in our developed parks, promised grant programs, and increased staffing to meet levy commitments. In FY 2015-16, Metro will complete the Parks and Natural Areas System Plan for the region. The proposed budget includes additional staffing and materials and services for this project, which will define a vision, strategy and action plan for protecting and enhancing all of the region's natural areas and will be the basis for a discussion of the long-term funding plan for natural areas prior to the expiration of the local option levy.

### **Strategic Goal #4 Invest in efforts to increase high wage jobs**

In addition to the work on RISE, the proposed budget includes projects that address this key strategic goal through our Visitor Venues. As described in the department section, the proposed budget includes a major change in how Metro budgets for the Oregon Zoo. The Zoo is moved into a separate enterprise fund. The General Fund will continue to support the zoo through a transfer of revenues, approximately equal to the amount Metro collects in property taxes through its permanent rate. This change accomplishes two things. First, it increases transparency around the zoo's budget. Second, it ensures that revenues generated at the Zoo are used for capital and programs at the Zoo.

The proposed budget continues our support of construction of a Convention Center Hotel. In addition to supporting Metro's work on the hotel, the Oregon Convention Center budget includes capital projects that will complement the hotel such as reconstruction of the plaza at the corner of Martin Luther King, Jr., Boulevard and Holladay Street. The Expo Center continues work on a long term capital and business plan. The proposed budget includes a second year of use of Metropolitan Tourism Competitiveness Account (MTOCA) for Expo to recognize that Expo faces growing utility costs and receives no other tax subsidy for its operations. Portland's Centers for the Arts also has aging facilities, an older agreement with the City of Portland, changes that affect the community's resident performing arts companies, and the introduction of the Portland Arts Tax.

As with the FY 2014-2015 budget, the proposed budget contains continued participation for Metro in Greater Portland, Inc., the Metropolitan Export Initiative, and four key regional business associations.

### **Strategic Goal #5. Ensure that regional efforts respond to the increasing diversity of the region's residents**

The proposed budget includes funding for the Diversity, Equity and Inclusion team that was formed in Fiscal Year 2014-2015. This work team has three major focus areas. First, the proposed budget funds the critical phase of completing an Equity

Strategy for Metro’s programs and activities. This third year will create a strategy and action plan so all of the region’s residents – including those from disadvantaged communities – live in vibrant communities, have safe and reliable transportation, breath clean air, and have access to quality jobs.

The proposed budget continues Metro’s work to implement the Council-adopted Diversity Action Plan. Building on the success of the last three fiscal years, the budget provides funding for action steps in four core areas: internal awareness, recruitment and retention, procurement, and community engagement. The budget also supports refinement of a plan to address barriers to access to Metro facilities and services in the upcoming year.

**Strategic Goal #6. Increase citizen engagement and involvement throughout the region and with Metro**

The proposed budget invests in improving Metro’s relationships with a diverse range of community leaders and organizations. The majority of Metro’s programs depending on a strong relationship from citizens. Metro’s ability to effectively tell the story of our work – whether it is animal welfare, the benefits of wasting less, the ways we can protect our water quality, or why development connected to transit also protects farms and forests – is critical to our agency’s success. The proposed budget includes investments in making the most of our new website, improving our ability to use and respond to social media, and integration of marketing efforts from the zoo, the visitor venues, MetroPaint, parks, and other Metro efforts.

**SUMMARY OF CHANGES BY DEPARTMENT**

The proposed budget includes the following service level changes:

**Metro Council**

The Metro Council budget includes the Council, the Office of the Chief Operating Officer and Government Affairs and Policy Development. It also includes the Diversity, Equity and Inclusion Team, and RISE, two high-priority initiatives of the agency.

The Metro Council is leading the agency’s economic development actions through the FY 2015-2016 proposed budget. The proposal maintains special appropriations for membership in Greater Portland, the Portland-Vancouver regional economic development partnership collaboratively driving quality economic expansion and job creation.

The proposed budget also funding to automate the Metro Council’s agendas and meetings. This project will reduce the staff workload associated with a manual process, will increase transparency, and works toward Metro’s sustainability goals.

**Office of Metro Auditor**

The Office of the Metro Auditor ensures that Metro and its activities are transparent and accountable to the public. Auditors objectively analyze Metro programs to determine areas where service quality can be improved and efficiencies can be gained. The Metro Auditor selects an external financial auditing firm to audit Metro’s annual financial statements and administers the contract. There are no service level changes proposed for 2015-16.

**Parks and Environmental Services**

Parks and Environmental Services (PES) operates Metro’s parks facilities, including pioneer cemeteries, the Metro Regional Center (MRC) building and solid waste facilities.

Two General Fund projects met the criteria for an allocation of one-time funds: The MRC Building Envelope Repair and Stage one of implementation of the MRC space plan.

This budget reflects the third year of implementation of the Parks and Natural Areas Local Option Levy, with continued investments in facility upgrades and staffing enhancements to fulfill promises made to the voters.

This budget also continues to support the Solid Waste Roadmap project, with some projects coming to completion in the 2015-16 fiscal year.

### **Planning and Development**

The Regional Planning program provides a broad scope of planning services that assure Metro's compliance with federal and state land use and transportation planning requirements and that support other efforts in the Planning and Development department.

Major budget changes for 2015-16 in the planning department are the extension of a Senior Transportation Planner to support the Active Transportation Plan, and a large increase in materials and services for the SW corridor project, Powell/Division corridor project and for kicking of the My Place in the Region rebranding effort.

### **Research Center**

The Research Center supports the Metro Council, Metro staff, external clients and the public by providing accurate and reliable data, information, mapping, forecasting and technical services to support public policy analysis and regulatory compliance. The center coordinates data and research activities with partners in government, academic institutions and the private sector. The regional economic and travel forecasts provided by the Research Center meet federal and state requirements as consistent, accurate and reliable data and forecasting tools in support of regional decision making.

The Research Center's organizational structure and financial model have been examined and revised in recent years, with the most significant changes occurring in FY 14-15. In May 2014, the department implemented a structural reorganization, creating three balanced work units that provide Enterprise, Client, and Modeling Services. The 2015-2016 budget continues that reorganization process.

### **Sustainability Center**

The Sustainability Center contributes directly to the preservation of the region's livability. The Sustainability Center focuses on providing accessible regional natural areas, parks and trails, and maintaining and enhancing environmental quality. It also promotes sustainable resource management through waste reduction initiatives, hands-on interpretive programs, youth and adult education, grants, demonstration projects and volunteer opportunities.

This budget contains the third year of implementation of the Parks and Natural Area Local Option Levy. The budget includes FTE additions for school education assistant positions, an associate management analyst to help implement the Integrated Pest Management (IPM) policy and an increase in a Senior Solid Waste Planner to assist with the Regional Solid Waste Management Plan.

### **Visitor Venues**

Metro's Visitor Venues include the Oregon Convention Center (OCC), Portland's Centers for the Arts (Portland's), Portland Expo Center (Expo) and the Oregon Zoo. Formed in July 2010 to enhance collaboration on operational issues, the venues team actively works toward a common mission of maintaining world-class gathering and entertainment spaces for residents and visitors and creating significant economic impact throughout the region.

In the 2015-16 budget, the Oregon zoo will be moving from the General fund to its own enterprise fund. We believe this will help in transparency and allow the Zoo to better manage and retain its programs over the long run.

OCC is forecasting a record year in event bookings in 2015-16, including the IAAF International Indoor Track and Field Event. The convention center hotel is scheduled to begin construction during 2015-16 and be complete in 2017-18. This should enhance the OCC's marketability to national audiences.

Major budget changes for OCC are funding phase I of the Martin Luther King Jr. Plaza project and the \$3.4 transfer from reserves to fund the convention center hotel development.

Portland's is also scheduled to have a record year, hosting 12 weeks of Broadway in 2015-16 increasing revenue a projected 35%. Portland's presents continues to evolve and is projected to have a positive net in 2015-16.

Portland's is adding one new Operations Engineer Position, and increasing FTE for a current marketing and promotions coordination position.

Expo embarked on a major project to review its business model and to look at reinvesting in the facility. This project will continue into 2015-16. The major budget items for 2015-16 are the addition of 1.0 FTE and the continuation of 280,000 in MTOCA funding that was started in 2014-15.

## **Operational Support**

### **Communications**

Metro's communications department supports the Metro Council and departments in providing public involvement in key agency decisions. Audiences include other government partners, specific advocacy groups, media outlets and the general public.

There is one FTE change reflected in the 2015-16 budget. That change is the conversion of a 1.0 Public Affairs Specialist from limited duration to regular status employee.

### **Finance and Regulatory Services**

Finance and Regulatory Services (FRS) provides financial management, administrative, regulatory and operational services to Metro's elected officials, operating centers and services, employees and the public. In addition, Finance and Regulatory Services licenses small contractors, regulates private solid waste facilities and sets rates for public solid waste disposal facilities.

The proposed budget includes the addition of 2.0 Solid Waste planning FTE and the transfer of payroll FTE from HR to FRS. The proposed budget also continues the work on the Enterprise Resource Planning roadmap project.

### **Human Resources**

Human Resources supports both the operating units and the individuals of the Metro organization, providing strategic leadership, building collaborative relationships, promoting diversity and instilling best human resources management practices.

The proposed budget includes one-time money to work with a consultant to develop a long-term strategic plan regarding employee engagement. Additional money has been added to help address workload demands in the areas of recruitment and hiring.

### **Information Services**

Information Services supports Metro's goals and business processes through the development implementation, support and management of its information systems.

The 2015-16 budget supports updates for an agency wide unified communications system, Council broadcast video system and an intranet refresh.

## **Office of Metro Attorney**

The Office of the Metro Attorney (OMA) provides legal services for the Metro Council, the Metro Auditor, the Chief Operating Officer, all Metro's operating units and commissions. OMA provides review and advice to the Metro Council to support its land use and transportation decisions. Attorneys are assigned to direct due diligence responsibilities for the Natural Areas acquisitions and to advise the Oregon Zoo for land use and development approvals for the Zoo bond measure.

The proposed budget includes the addition of 0.5 FTE attorney to create a full time attorney position.

## **General Expense**

The General Expense category includes non-program revenues such as property tax, excise tax and interest earnings as resources. On the expenditure side, it includes non-operating expenses such as general obligation debt, transfers and, in the General Fund, special appropriations that are not tied to an individual program, service or center. The greatest interest centers on the General Fund which is discussed in detail below.

## **Revenues**

The General Fund includes three important discretionary revenues: property tax, excise tax and interest earnings. These are the resources that the Council can direct by choice to any general purpose. Since 2008, interest earnings have remained at an unprecedented low, effectively removing them from being considered a primary resource. The excise tax on solid waste disposal is established in Metro Code to generate a defined yield and adjusts annually based on a specific consumer price index indicator. The rate is calculated based on tonnage of the prior year. For FY 2015-16 the proposed rate will decrease by 28 cents per ton; excise tax on other Metro facilities and services remains at 7.5 percent. Discretionary excise tax is expected to generate \$17 million, an increase over the current year. Construction excise tax collections have continued to remain strong. The tax was extended by the Metro Council in September of 2014.

Property taxes are levied for both operations (discretionary) and general obligation debt service (dedicated). The operating levy has a permanent rate of .0966 per thousand, about ten cents, and raises \$13 million for discretionary purposes. The Parks and Natural Areas Local Option Levy at .096 per thousand, raises about \$12 million a year. The levy for general obligation debt will be \$38 million, based on debt schedules and cash flow requirements for existing debt. The estimated schedule is based on a not-to-exceed maximum for each issue, consistent with promises made to Metro taxpayers. Combined, the estimated tax rate for an urban Metro resident is 46 cents, or about \$93 for owners of property assessed at \$200,000.

## **Expenditures**

The General Expense spending includes general agency payments for elections, the outside annual audit and, in accordance with the financial policies, the appropriated contingency for the General Fund and the annual contribution to renewal and replacement. A \$500,000 Opportunity fund provides the Council with a modest resource to take advantage of new opportunities that arise which require a partnership match or otherwise leverage existing budgeted funds.

The General Expense category also includes special appropriations. These include payments for previously awarded grants for Nature in Neighborhoods small projects and Community Planning and Development grants; and payments for specific organizational dues and sponsorships such as Rail~Volution, the Regional Arts and Culture Council, Regional Water Consortium and the Lloyd Business Improvement District. The proposed FY 2015-16 budget maintains \$25,000 for regional economic

development membership, \$50,000 for Intertwine organizational support, and \$60,000 to support Greater Portland Pulse, the regional indicators project housed at Portland State University. The annual Metro Tourism Opportunity Competitiveness Account transfer to MERC is continued at \$600,000 and designated for the OCC Plaza and Expo operations.

### **CAPITAL IMPROVEMENT PLAN**

The five-year Capital Improvement Plan identifies all capital projects which exceed \$100,000 and meet the State of Oregon's definition for public improvements. The \$189.5 million CIP spending plan includes 189 projects, about one quarter new capital projects and three quarters scheduled renewal and replacement projects. On a funding basis, it is the reverse – about 82 percent of the spending is related to new capital, led by the Natural Areas and zoo bond projects.

#### **New Capital projects**

The General Fund does not have a reserve for new capital projects, relying on the accumulation of one-time resources from unanticipated revenues or underspending in a prior year to fund the most critical new capital needs. For FY 2015-16 this includes replacing repairing the building envelope at the MRC and several levy projects. The Oregon Zoo Infrastructure and Animal Welfare Bond will begin construction of the Education Center and complete the final phases of the Elephant Lands project.

#### **Renewal and replacement**

Renewal and replacement projects are scheduled according to the expected useful life of the asset and its condition. All operating funds make annual contributions for renewal and replacement. This accumulating strategy is intended to smooth out the funding in years when higher cost projects are scheduled. The General Fund contribution in FY 2015-16 will be \$1.7 million. Significant renewal and replacement projects for FY 2015- 16 include an agency-wide Voice Over Internet Protocol phone system, renovations to the entry plazas at the Oregon Convention Center and roof replacements at the Expo Center and Metro Regional Center.

### **CHARTER LIMITATION ON EXPENDITURES**

Metro's charter includes a limitation on expenditures of certain tax revenues imposed and collected by Metro, specifically the general excise tax and the construction excise tax. The general excise tax is a yield-base tax which may increase annually only by the consumer price index. The majority of the excise tax is collected on solid waste activities and is calculated as a per-ton tax. Metro assesses an excise tax on construction permits throughout the region to fund land use planning to make land ready for development. Collections continue to be strong. The expenditure limit for FY 2015-16 is \$21.5 million; budgeted expenditures are \$21 million. The proposed budget does not exceed this limitation.

## Conclusion

Metro's senior leadership has worked hard to ensure this proposed budget will help our agency provide excellent services to the people and communities of the Portland metropolitan region and implements our mission to inspire, teach, engage and invite people to enhance the quality of life and environment for the region's current and future generations.

I look forward to your deliberations.

Sincerely,

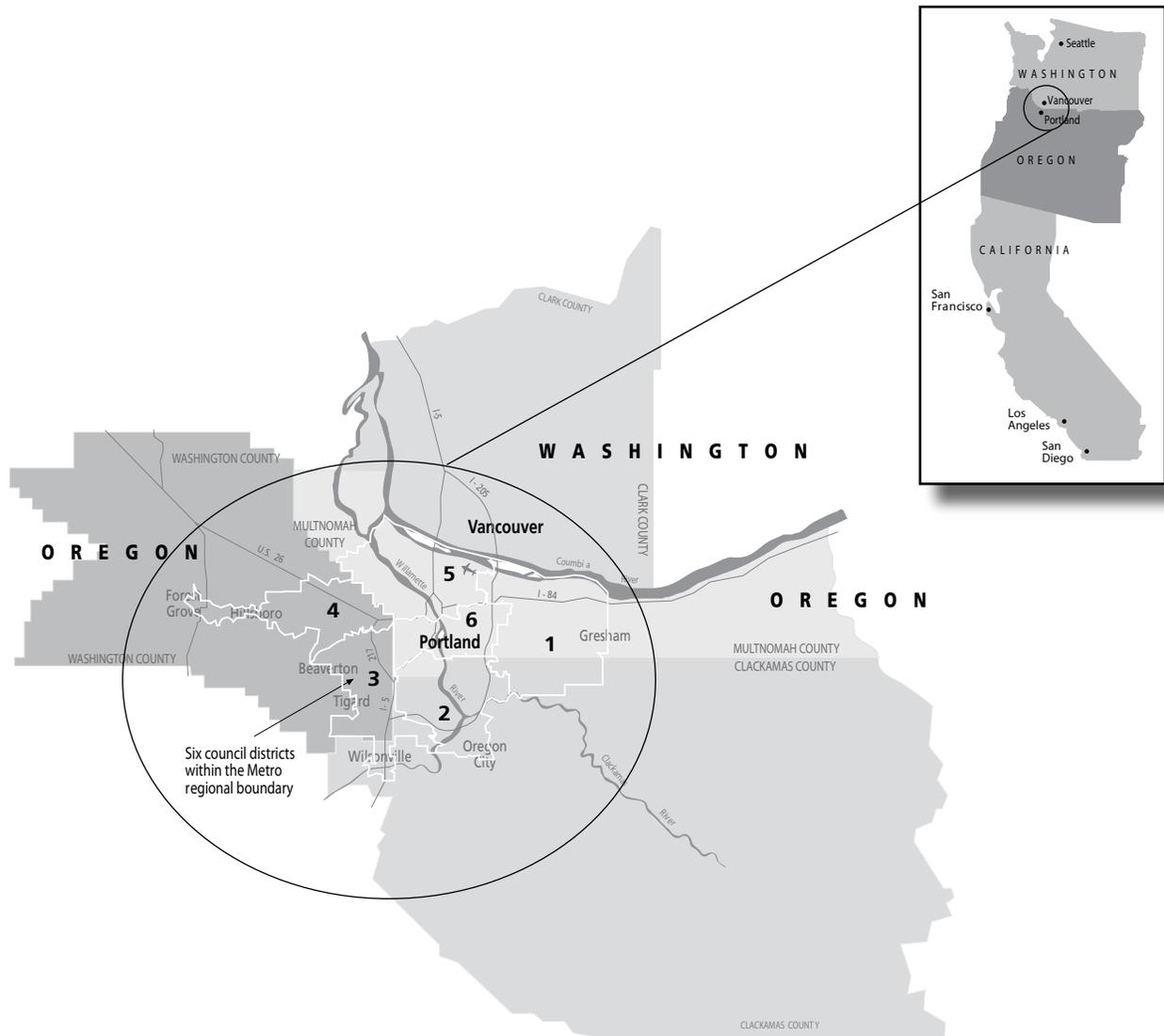
A handwritten signature in cursive script, appearing to read "Martha J. Bennett".

Martha J. Bennett  
Chief Operating Officer.

# What is Metro

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With its thriving communities, cultural amenities, economic vitality, scenic beauty and healthy natural ecosystems, the Portland region has advantages found in few other parts of the world, advantages that make this a great place. For the Portland-area's leaders and residents alike, nurturing this livability is a constant quest. Metro plays a unique and leading role in that effort.

Metro crosses city limits and county lines to make a better, brighter and wilder tomorrow. From protecting our region's air, water and natural beauty to supporting neighborhoods, businesses and farms that thrive, Metro makes this a great place. Metro serves more than 1.6 million residents in Clackamas, Multnomah and Washington counties, and the 25 cities in the Portland metropolitan area. Metro, the only directly elected regional body in the United States, is governed by a president, elected region-wide, and six councilors elected by district. Metro's home rule charter, approved by voters in 1992 and amended in 2000, assigns Metro responsibilities for engaging people in regional land use and transportation planning, and for other issues of metropolitan concern. The charter also reflects Oregon's strong commitment to participatory democracy by requiring that Metro councilors be elected by the people, visible and accountable.

Metro embodies the people of the Portland-area's commitment to maintain and enhance the livability and sustainability of the region. Working together across city and county lines simply makes sense when it comes to protecting natural areas, caring for parks, planning for the future of our neighborhoods, managing garbage disposal and increasing recycling. Metro manages world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and the Oregon Convention Center, which benefits the region's economy.

### **HISTORY**

Metro was first formed in 1979 when voters approved the merger of the Columbia Region Association of Governments with the Metropolitan Service District. Columbia Region Association of Governments was responsible for land use and transportation planning, and the Metropolitan Service District provided regional services that included management of the solid waste and operation of the region's zoo. An elected council and an elected executive officer governed the new Metropolitan Service District. The Metro Council had the combined authorities of the two merging agencies and additional powers.

Since then, the Oregon Legislature, with the concurrence of the cities, counties and other agencies in the region, assigned additional responsibilities to Metro. In 1980 Metro became responsible for regional solid waste disposal when it took over operation of one existing, publicly owned regional landfill and began construction of a solid waste transfer station. In 1986 voters approved general obligation bond funding for the Oregon Convention Center, to be built and operated by Metro. In 1990 Metro assumed management responsibility for the Portland Center for the Performing Arts, Portland Civic Stadium and Portland Memorial Coliseum (Metro no longer manages the stadium or the coliseum. Both are now managed by the City of Portland). Metro assumed management responsibility for the Multnomah County parks system and the Portland Expo Center in 1994. Ownership of these facilities was officially transferred to Metro in 1996.

### **CHARTER APPROVAL**

Metro's home rule charter was approved by voters in 1992. Prior to that, Metro was organized under a grant of authority by the Oregon Legislature and the Oregon Revised Statutes. Metro's powers were limited to those expressly granted by the Legislature, and any extension of that authority first had to be approved by the Legislature.

With the growth of the Portland region, voters were asked whether Metro's power and authority should be controlled directly by the voters of the region and not the state legislature. In 1990 the Legislature referred a constitutional amendment to the voters to allow the creation of a home rule regional government in the Portland metropolitan area. Voters approved the amendment and a charter committee was formed shortly thereafter. In 1992 Metro's charter was referred to and approved by the voters. Metro thereby achieved the distinction not only of being the nation's only elected regional government (as it had been since 1979), but also the only regional government organized under a home rule charter approved by voters.

In 2000 voters in the region approved an amendment to the Metro Charter abolishing the position of an elected executive officer. On Jan. 6, 2003, a new regionally elected Metro Council President absorbed or delegated the authorities and functions previously vested in the executive officer.

## **REGIONAL LEADERSHIP AND SERVICE**

### **Self-sufficiency**

About half of Metro's operating revenues come from fees paid by customers who use Metro's facilities or services such as recycling and solid waste disposal. Other revenues include grants, intergovernmental funds, property taxes for voter-approved bond issues and a small permanent tax base (\$11.7 million), which is allocated annually through the budget process.

### **Projects and programs**

Metro has emerged as a leader of regional initiatives – a collaborative partner, facilitator, technical assistance provider, process manager and advocate. For example, Metro's Making a Great Place initiative demonstrates how new and renewed urban centers can integrate housing, shopping, businesses and recreation with pedestrian-friendly streets and easy access to transportation. Metro has also involved regional homebuilders in the Nature in Neighborhoods program, teaching them how to develop projects that minimize water runoff and negative impacts on natural areas. Metro and its county partners reached an historic collaborative agreement to guide the future growth of the region for the next 50 years, setting aside 28,000 acres for future development if needed and protecting 270,000 acres of farms, forests and natural areas. The Metro-planned Orange Line of the regional light rail system will open in September 2015, including the nation's first transit, pedestrian and transit-only bridge in decades.

Metro provides a rich mix of the region's public places where people are invited to gather to enjoy recreation, education and entertainment. The Metro Council appoints the Metro Exposition Recreation Commission to advise the Council and oversee public assembly facilities including the Oregon Convention Center, Portland's Centers for the Arts and Portland Expo Center. These venues host hundreds of events each year, drawing millions of people and creating tens of millions of dollars of local economic benefit.

### **Metro every day**

Metro policies, programs and services are woven into the fabric of the Portland region's life. They are the common threads that connect neighborhood wetlands, the Portland Expo Center antique shows, penguins at the Oregon Zoo, recycled newspapers, extensive bike paths and live symphony performances at the Arlene Schnitzer Concert Hall.

Additionally, Metro is a leading player in preserving and expanding the natural areas available to the people of the region. This includes an interconnected system of parks, trails and greenways. Metro's inviting system of regional parks and natural areas

includes Smith and Bybee Wetlands Natural Area, a 2,000-acre freshwater wetland in North Portland, and Oxbow Regional Park, a 1,200-acre forested natural area on the Sandy River east of Gresham. Voters recently passed a property tax levy that provides more than \$10 million a year for the next five years to take care of the more than 17,000 acres of parks and natural areas Metro acquired with voter-approved bonds. The levy will support projects that will protect clean air and water and better access to nature for everyone.

### **Regional Planning and Stewardship**

Metro has a primary responsibility for regional land use and transportation planning. The centerpiece of this responsibility is the 2040 Growth Concept. It ensures the region makes the most of its cities and towns and the roads, bridges, sewers, parks and other public structures and systems needed to create a community. The Metro Council currently is weighing whether or not there is a need to expand the region's urban growth boundary to accommodate a growing population. The Council will make that decision after considering efficient use of land, protection of farmland and natural areas, a balanced transportation system, a healthy economy and diverse housing options.

### **Green Choices**

Metro's commitment to sustainability goes beyond its conservation, recycling and regional planning programs. Metro also teaches the community about safe and healthy choices in building and street design and natural gardening and recycling as ways to improve quality of life and leave a legacy for future generations. This is done through partnerships, seminars, publications, demonstration projects, clinics, tours and in-school presentations for teachers and students.

### **Waste Management and Recycling**

Metro manages the region's solid waste system, which includes a renowned curbside residential recycling program. The agency owns and operates two solid waste and recycling transfer stations, which have household hazardous waste facilities. Metro also offers a toll-free recycling hotline, which helps people learn to recycle everything from yard debris to old paint.

# Metro Charter

A home rule charter defines Metro's structure, assigns its working priorities and grants the power necessary to achieve its priorities. A home rule charter is a grant of power directly from the citizens of the jurisdiction rather than a grant of power from a legislature or some other body.

The voters of the region approved a home rule charter for Metro in 1992 and a charter amendment in 2000. Prior to the amendment, Metro was governed by a seven-member Council that was responsible for the policy direction of the organization and for legislative oversight of management activities. A regionally elected Executive Officer was responsible for carrying out the policy directives of the Council, day-to-day management of the organization and recommending policy initiatives to the Council. As a result of the charter amendment, effective Jan. 6, 2003, the Council and Executive offices were consolidated. Under the new structure, the number of districts and the number of Councilors were reduced to six. A regionally elected Council President presides over the Council, sets the policy agenda for the Council and has the authority to appoint all members of Metro committees, commissions and boards. A Chief Operating Officer is appointed by the Council President with Council consent and is responsible for day-to-day management of Metro.

The Metro charter also created the elected position of Metro Auditor. The Metro Auditor is responsible for engaging Metro's independent, outside financial auditor and for conducting performance and management audits of Metro operations and functions.

The home rule charter sets Metro's working priorities. Metro's primary responsibility under the charter is regional land use planning. To this end, Metro was required to adopt a future vision for the region. The Metro Council adopted the future vision document on June 15, 1995.

State law requires Metro to develop regional land-use goals and objectives. The Metro Council adopted Regional Urban Growth Goals and Objectives (RUGGO) in 1991. RUGGO provided a policy framework for guiding Metro's regional planning program and established a process for coordinating local planning in the region to maintain the region's livability.

In December 1995 the Metro Council adopted the 2040 Growth Concept which encourages compact development near existing or future transit centers to reduce land consumption. The concept encourages preservation of existing neighborhoods and identifies rural reserves as areas not subject to urban growth boundary expansion to serve as buffers between urban areas. The growth concept sets goals for providing permanent open space areas inside the urban growth boundary and recognizes that neighboring cities will grow and that cooperation is necessary to address common issues. On Dec. 11, 1997, the Council adopted the more detailed Regional Framework Plan (incorporating RUGGO), which specifies how the region will implement the 2040 Growth Concept.

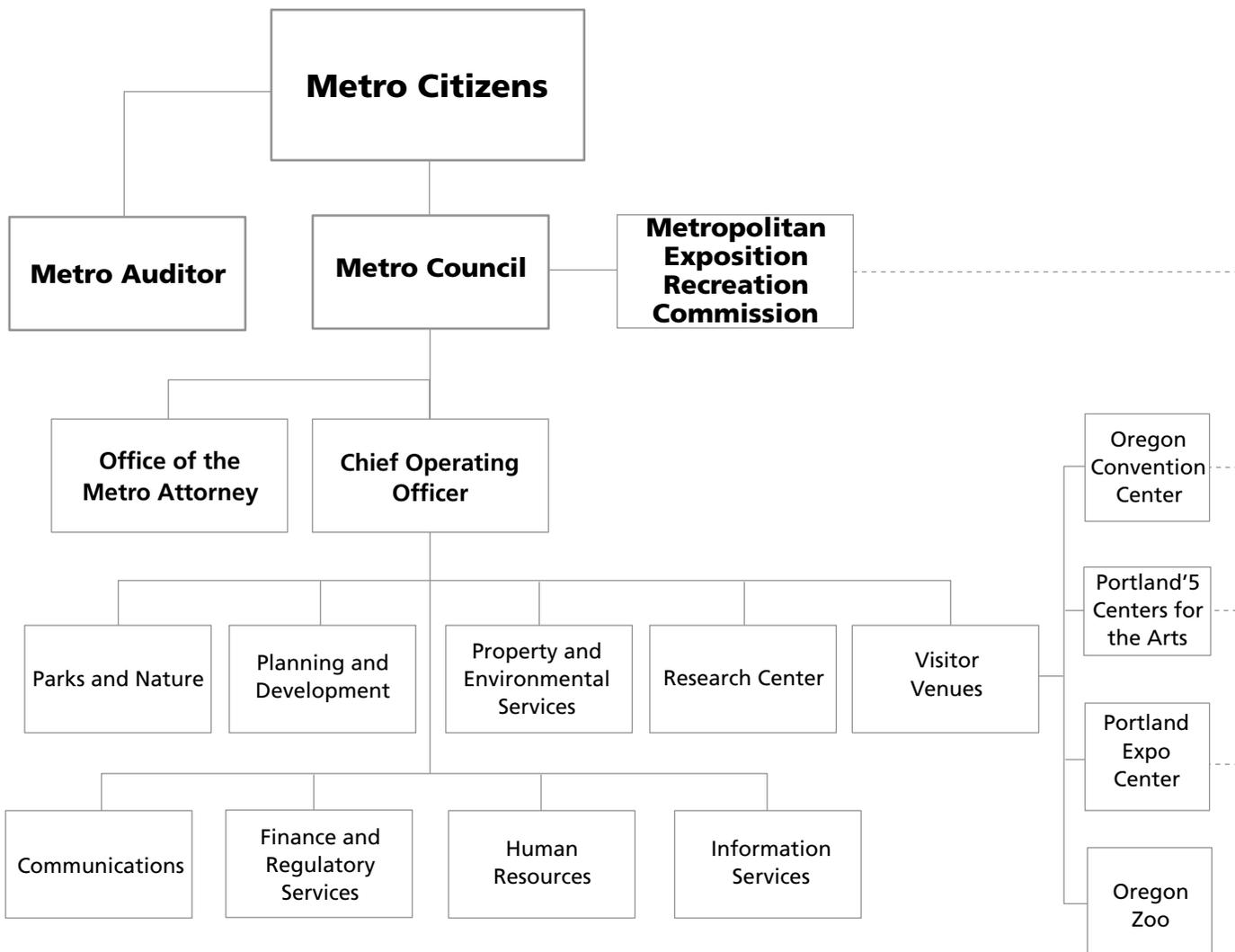
In June 2010 elected leaders from Clackamas, Multnomah and Washington counties and Metro worked together to identify the best places for future growth in the region and the most important lands to protect from development for the next half century. Because of the collaborative work, 266,954 acres of farms, forests and natural areas were set aside as rural reserves and 28,615 acres of land best suited for future urban development were designated as urban. This unprecedented agreement provides certainty for people on both sides of the urban growth boundary.

Although the charter makes regional land use planning Metro's primary responsibility, it also recognizes the significant role Metro has in other regional issues such as solid waste disposal, and the operation and development of regional recreation and visitor facilities such as the Oregon Zoo, the Oregon Convention Center and regional parks and open spaces.

Finally, the charter recognizes that regional government and regional issues evolve over time. The charter grants Metro authority to assume responsibility for issues of metropolitan concern. This allows Metro to work with local jurisdictions as needed to develop common solutions to problems that may exceed local boundaries and may be more difficult to address at the local level.

In addition to defining Metro's structure and priorities, the charter gives Metro the tools necessary to meet its financial resource needs. The charter gives Metro authority to ask voter approval for broad-based revenue sources. These sources include traditional revenues such as property tax, sales tax or income tax. The charter grants Council authority to adopt taxes of limited applicability without a vote of the people. The charter requires the Council to appoint a citizen review committee when it is considering the adoption of a new limited tax. These niche taxes could include a broad list of revenue sources levied on limited activities such as cigarette sales, real estate transfers, hotel/motel occupancy, etc. Expenditures from non-voter approved revenue sources are limited by charter to no more than \$12.5 million per year (in 1992 dollars). This expenditure limitation increases in each subsequent fiscal year by a percentage equal to the rate of increase in the Consumer Price Index (additional information on this charter limitation is available in the *Appendix* of this budget). Metro's FY 2015-16 budget authorizes approximately 97 percent of the expenditure limitation, funded by excise tax and construction excise tax. The charter grants Metro the authority for levying fees and charges for services it provides on an enterprise basis.

## Organizational structure



Elected officials	Position	Service began	Current term expires
Tom Hughes	Metro Council President	January 2011	January 2019
Shirley Craddick	Councilor- District 1	January 2011	January 2019
Carlotta Collette	Councilor- District 2	November 2007	January 2019
Craig Dirksen	Councilor- District 3	January 2013	January 2017
Kathryn Harrington	Councilor- District 4	January 2007	January 2019
Sam Chase	Councilor- District 5	January 2013	January 2017
Bob Stacey	Councilor- District 6	January 2013	January 2017
Brian Evans	Metro Auditor	January 2015	January 2019

Metro's organizational structure includes three offices (Metro Council, Metro Auditor and Metro Attorney), Visitor Venues (Oregon Convention Center, Portland Expo Center, Portland's Centers for the Arts and Oregon Zoo) and eight departments (Parks and Nature, Property and Environmental Services, Planning and Development, Research Center, Communications, Finance and Regulatory Services, Human Resources and Information Services).

## Office of the Council

The Metro Council is the governing body of Metro. It provides leadership from a "common good" perspective, reflects an ongoing, innovative planning orientation, and focuses on issues that cross local boundaries and require collaborative solutions.

The Office of the Council consists of the Council President and six Councilors; the Chief Operating Officer (COO); Government Affairs and Policy Development; Diversity, Equity and Inclusion program; and, the Regional Infrastructure Supporting our Economy (RISE) team. The Council sets overall policy direction and provides legislative oversight of management activities for the agency. The Council President presides over the Council, sets the policy agenda and has the authority to appoint all members of Metro committees, commissions and boards. The Chief Operating Officer, appointed by the Council President with Council consent, is responsible for the day-to-day management of the organization. The Council Office also provides staffing for the Metro Policy Advisory Committee.

## Metro Auditor

The elected Auditor and staff make up the Office of the Metro Auditor. The Auditor is responsible for engaging the external financial auditing firm while focusing staff efforts on performance audits.

## Office of Metro Attorney

The Office of Metro Attorney provides legal services to the Council, Chief Operating Officer, Auditor and Metro departments. This office includes the due diligence portion of the regional Open Spaces and Natural Areas acquisition programs.

## Visitor Venues

A visitor venues group, including the Oregon Convention Center, the Portland's Centers for the Arts, the Portland Expo Center and the Oregon Zoo, reports to the General Manager of Visitor Venues. Nearly half of the permanent and part time staff at Metro are in the business of providing direct service to venue customers, and the four visitor venues are similar in the enterprise activities, services, customers and skills needed for success. An executive management team consisting of the four venue directors focuses on how best to apply strategies, resources and staff strengths to benefit all Metro's enterprise venues. The General Manager plays a leadership role in maintaining and improving Metro's relationships with the City of Portland and Multnomah County; non-profit conservation and education groups; and private sector partners in the lodging and rental car industries.

## MERC Venues

The Metropolitan Exposition Recreation Commission (MERC) was established in 1987 and provides citizen oversight for the Oregon Convention Center, the Portland's Centers for the Arts (Portland's) and the Portland Expo Center (Expo). The management of the Portland's Centers for the Arts was transferred to Metro from the City of Portland in 1990 when the Convention Center opened. Management of the Expo Center was transferred to Metro from Multnomah County in January 1994,

with ownership of the facility transferred in July 1996. The seven-member MERC advises the General Manager and Metro's COO. The commissioners are appointed by Metro to serve four-year terms. The Metropolitan Exposition Recreation Commission does not oversee the Oregon Zoo.

### **Oregon Zoo**

The Oregon Zoo provides important conservation learning opportunities to people of all ages. The zoo strives to motivate people to care and act on behalf of wildlife by offering opportunities for observation, discovery and engagement. The zoo also contributes cutting edge science and research about species conservation and breeding. The zoo supports economic development as a tourist attraction and community asset. As the state's top paid attraction, the zoo draws approximately 1.6 million visitors annually.

### **Parks and Nature**

Parks and Nature focuses on the provision of accessible regional natural areas, parks and trails, including Metro's cemeteries, golf course and marine facilities. The mission of Parks and Nature is to demonstrate and inspire sustainable stewardship of the region's natural resources. The department also focuses on restoring natural areas and on planning, building and maintaining parks and trails.

### **Planning and Development**

Planning and Development facilitates the creation of great places in centers and corridors and throughout the region. It manages the regional urban growth boundary, the primary urban growth management tool mandated by state land-use planning laws. Planning and Development is also responsible for regional transportation planning, which includes preparing the Regional Transportation Plan, securing and allocating federal highway and transit funds for the region and conducting all regional transit and light rail planning under contract with TriMet, the regional transit agency.

### **Property and Environmental Services**

Property and Environmental Services manages Metro's headquarters and many other facilities. Property and Environmental Services also manages the region's solid waste in an effective, economical and environmentally sound manner, overseeing the operation of two Metro-owned regional solid waste transfer stations, operating two household hazardous waste facilities, managing contracts for the transport and disposal of waste brought to the regional transfer stations and developing the Regional Solid Waste Management Plan. Property and Environmental Services also promotes sustainable management of resources through waste reduction initiatives, youth and adult education and volunteer opportunities, grants and demonstration projects.

### **Research Center**

The Research Center supports the Metro Council, Metro staff, external clients and the public by providing information, mapping and technical services to support public policy and regulatory compliance. The center coordinates data and research activities with government partners, academic institutions and the private sector. In addition, the regional economic and travel forecasts provided by the Research Center meet federal and state requirements for consistent, accurate and reliable data and forecasting tools.

## **Communications**

Communications provides public involvement, media relations, marketing, writing, web and design services to advance Metro Council policy initiatives and Metro-department-led planning and stewardship efforts, public education campaigns, facilities and services. The disciplines represented range from media relations, journalism, marketing, graphic design and web design through event planning and issue management. It also provides support to the Metro Public Engagement Review Committee.

## **Finance and Regulatory Services**

Finance and Regulatory Services provides financial management services for Metro's elected officials, operating departments, employees and the public. FRS includes Accounting, Budget and Financial Management, Procurement, Risk Management and Solid Waste Policy and Compliance. It provides accounting services for the agency; coordinates the preparation, monitoring, and implementation of the agency's annual budget and five-year capital budget; manages debt; performs long-range financial planning; administers Metro's risk management program; coordinates the agency's decentralized purchasing system; manages the Emerging Small Business and Minority- and Women-Owned Business program; regulates solid waste facilities; and directs solid waste rate setting and tax compliance.

## **Human Resources**

Human Resources is dedicated to attracting and retaining an effective, engaged work force that reflects the community Metro serves. It provides key services like recruitment and staff development, classification and compensation, labor and employee relations, benefits administration. Human Resources also manages the agency's Human Resource Information System and works directly with the labor unions that represent many Metro employees.

## **Information Services**

Information Services supports Metro's vision, goals and business processes by providing technology based leadership, consulting and direct services. This is accomplished through the support and development of enterprise, operational and custom applications, records management and management of Metro's network infrastructure, as well as development of policies and procedures for access to information within the agency.

## **METRO ADVISORY COMMITTEES**

Metro's charter requires three advisory committees:

**Metro Policy Advisory Committee:** A committee consisting of representatives of local government and citizens to provide advice and consultation to the Metro Council on the Regional Framework Plan and approval or disapproval of Metro's provision or regulation of a local government service.

**Metro Committee for Citizen Involvement:** A citizen committee assisting in the development, implementation and evaluation of Metro's citizen involvement activities and advising on ways to involve citizens in regional planning activities.

**Metropolitain Exposition Recreation Commission:** Made up of business and civic leaders committed to the region's cultural and economic vitality, the Metro Exposition and Recreation Commission works to protect the public investment in Metro's visitor venues.

## **METRO BOND OVERSIGHT COMMITTEES**

Both the 2006 Natural Areas Bond and the 2008 Oregon Zoo Infrastructure and Animal Welfare Bond programs include an oversight committee requirement. The Natural Areas Program Performance Oversight Committee includes citizens from throughout the region representing the fields of finance, auditing, accounting, real estate, banking, grant making and law. The 15-member committee is charged with providing the Metro Council and the citizens of the region an independent, outside review of the program in order to help Metro achieve the best results for clean water, fish, wildlife and future generations.

The Oregon Zoo Bond Citizens' Oversight Committee was created to provide a third-party review of the voter approved Oregon Zoo Infrastructure and Animal Welfare Bond program to the Metro Council and citizens. The committee looks at how decision-making occurs and how business is conducted, as well as determines whether the program is on the right path in terms of structure, management, expenditures, personnel and achievement of defined goals. Members include professionals with experience in construction, sustainability, animal welfare, labor, finance, public budgeting and auditing, and general business.

## Metro milestones

- 1979 ○ Columbia Region Association of Governments combines with the Metropolitan Service District to form Metro. Functions include solid waste and transportation planning, zoo operations and management of the urban growth boundary.
- Joint Policy Advisory Committee on Transportation formed and staffed by Metro's Transportation Planning Department.
- Transfer of the ownership and operation of the Washington Park Zoo to Metro.
- 1980 ○ Solid waste operations (including the management of the St. Johns Landfill) added to Metro's functions.
- 1983 ○ Clackamas Transfer and Recycling Center (now named Metro South Transfer Station) opens.
- 1986 ○ Voters approve \$65 million general obligation bond issue to build the Oregon Convention Center.
- 1987 ○ Metropolitan Exposition Recreation Commission established.
- 1988 ○ Metro assumes responsibility of appointing members of the Portland Metropolitan Area Local Government Boundary Commission.
- 1989 ○ Attendance at the Metro Washington Park Zoo breaks the one million mark.
- 1990 ○ Metro assumes management responsibility for the Portland Center for the Performing Arts, Civic Stadium and Memorial Coliseum.
- Columbia Ridge Landfill opens near Arlington to replace the St. Johns Landfill and serve the Portland metropolitan region.
- Voters approve tax base for the Metro Washington Park Zoo.
- Metro issues \$28.5 million in solid waste revenue bonds to construct the Metro East Transfer Station (now named Metro Central Transfer Station).
- Metro initiates an excise tax on its own enterprise operations.
- Oregon Convention Center opens for business and exceeds projected use and economic projections.
- Voters approve amendment to the Oregon Constitution allowing creation of a home-rule regional government in the Portland metropolitan region and the creation of a charter committee.
- 1991 ○ Metro Central Transfer Station opens.
- 1992 ○ Voters approve a new home-rule charter for Metro, identifying Metro's primary mission, revising Metro's structure, and formally changing the name of the organization from Metropolitan Service District to Metro.
- 1993 ○ Management of the Memorial Coliseum is returned to the City of Portland and subsequently transferred to the management of the Oregon Arena Corporation.
- 1994 ○ Metro assumes management responsibility for the Multnomah County parks system and the Portland Expo Center.
- Region 2040 Concept Plan adopted.
- 1995 ○ New seven-member Metro Council, Executive Officer and Auditor take office under home rule charter.
- Voters approve \$135.6 million general obligation bond measure to acquire and protect open spaces, parks and streams.
- 2040 Growth Concept and Future Vision adopted.
- 1996 ○ Transfer of ownership of the Multnomah County Parks and Portland Expo Center to Metro.



- 2009 ○ Cooper Mountain, a restored 231-acre nature park complete with nature house and three and a half miles of trails, opens to the public.
- Metro Council extends the construction excise tax for an additional five years, to provide funding for planning of future expansion areas, future urban reserves and planning that enables redevelopment of centers, corridors and employment areas within the existing Urban Growth Boundary.
- The zoo opens the *Predators of the Serengeti* exhibit, bringing lions back to the zoo.
- 2010 ○ Metro collaborates with counties, cities and a wide variety of stakeholders to reach agreements on the Urban and Rural Reserves that protect 270,000 acres of farms, forests and natural areas and provide up to 28,000 land for growth if needed.
- Zoo *Red Ape Reserve* exhibit opens.
- Metro opens Graham Oaks nature park which contains three miles of trails traversing 250 acres of restored oak woodland habitat, a conifer forest, wetlands, five creeks, interpretative plazas and scenic overlooks, a picnic area and the beginning of the regional Tonquin Trail, which will eventually connect Wilsonville, Tualatin and Sherwood.
- 2011 ○ Metro Council adopts Community Investment Strategy and capacity ordinance to set the stage for meeting the region's 20-year growth needs.
- The Portland Expo Center opens West Delta Bar and Grill, providing needed onsite food services to visitors.
- 2012 ○ Oregon Zoo opens new Veterinary Medical Center in January. The center is the first major new facility to be completed with funding from the community-supported Oregon Zoo Bond.
- The Oregon Convention Center's outdoor plaza opens between Grand Avenue and Martin Luther King Jr. Boulevard, providing an open space for outdoor events in the Lloyd District.
- The Oregon Zoo was granted a conditional use approval for its elephant habitat, releasing \$58 million in bonds for construction activity.
- Metro's AAA bond rating was reaffirmed and the regional government was issued \$140 million of general obligation bonds, receiving a \$25 million premium.
- 2013 ○ Flamingo Aviary opens at the Oregon Zoo.
- Voters in the Metro region approve the five-year Parks and Natural Areas Local Option Levy. This levy is directed toward operating and maintaining regional parks and more than 16,000 acres of natural areas held by Metro, including streams, river frontages, wetlands, prairies, forests and more.
- 2014 ○ Condors of the Columbia exhibit opens at the Oregon Zoo.
- Metro Council approves the Development and Financing Agreement on the planned Oregon Convention Center Headquarters Hotel.
- The Oregon Convention Center achieves LEED Platinum Certification. It is the first convention center in the US to reach that level.
- Metro implements the Unclaimed Burial Spaces strategy to clarify ownership, eliminate risks, improve customer service, and create available inventory in Metro's historic cemeteries.



# Budget summary

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Metro continues to benefit from the economic recovery. All of Metro's operating funds are projected to do well in the fiscal 2015-16 budget year.

An important tool for building Metro's budget is the five-year forecast, primarily for the General Fund. The other primary operating funds, Metropolitan Exposition Recreation Commission (MERC) Fund and the Solid Waste Revenue Fund, are assessed slightly differently. The MERC Fund has a shorter focus, but with an emphasis on long-term capital requirements. The Solid Waste Revenue Fund is assessed based on how future expenditures and tonnage forecasts will impact the overall rate. Each budget cycle begins with a review of how the funds are performing, what factors affect the funds in the same way and become the global assumptions, and what factors are related to the nature of the operations and need individual assumptions. FY 2015-16 will see the addition of the Oregon Zoo Operating Fund. This fund's long range view is similar to the way we approach the MERC fund.

### **Global labor assumptions**

Most labor costs affect the primary funds in the same way. There are some differences in individual collective bargaining agreements, which are implemented and carried throughout the forecast period; benefit costs follow the same assumptions.

The current Public Employee Retirement System (PERS) sets rates for a two-year period, beginning in July 2015, with July 2017 as the next rate adjustment date. To help mitigate the expected future increases, Metro established a PERS reserve, funded by capturing a temporary rate decrease from prior periods. These reserves, pooled from all operating funds, are being applied over the next four years. The July 2015 increase is expected to be 1.4 percent and that has been factored into the forecasts.

Metro has also implemented a specific cost sharing formula for its health insurance programs: non-represented and most represented employees pay an 8 percent share. This change is intended to influence the design of future benefit plans where cost savings can be shared. Nevertheless, health insurance costs continue to rise over the forecast period.

### **Global operating assumptions**

The principles of Metro's financial policies are followed throughout the five-year forecasts. Limited duration positions have been eliminated as scheduled; no additional positions are included. A factor for historic under spending is included in the forecast. In the absence of contractual escalators tied to specific indices, general inflationary increases are modest and uniform. Each operating fund must budget for prudent contingency and stabilization reserves. Annual renewal and replacement contributions are required, reflecting Metro's commitment to care for its assets.

### **Unique operating assumptions**

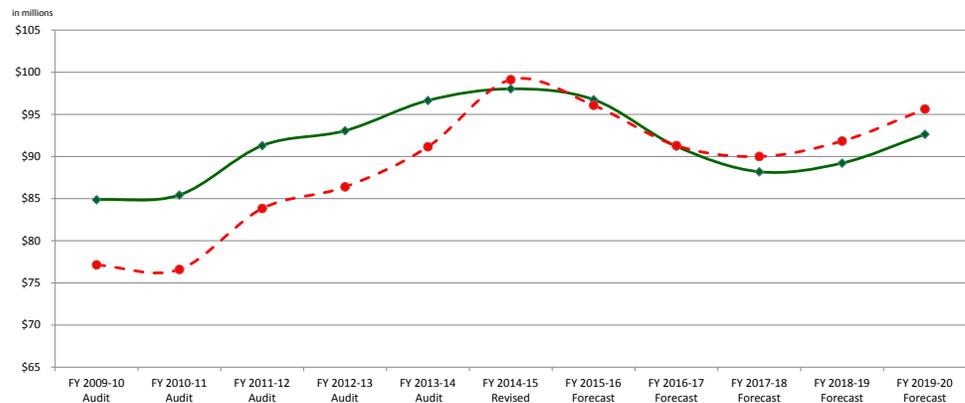
Each fund also has assumptions unique to its operations. Factors such as general and specialized taxes, federal and state grant funding, tonnage or attendance-driven enterprise activity impact the funds differently. Interest earnings calculations remain historically low and are applied uniformly. The visitor venues are more sensitive to utility costs, food and beverage margins or per capita spending. Planning and Development is experiencing constraints tied to uncertainties in funding at the national level. The unique assumptions are addressed in the individual forecasts.

### **Understanding the importance of the forecasts**

The purpose of the forecasts is not to display a balanced budget in all future years. The purpose is to identify vulnerabilities, highlight trends and provide a line of sight to guide decision-making. The forecasts serve as an early warning system and

confirm that without continued strategic decision making, the current plan will not be sustainable. The five-year forecast keeps us focused on how decisions today set the path for future choices.

### General Fund five-year forecast



### General Fund

The General Fund has more complex challenges because of its mix of enterprise, grant and general governance activities. The developed parks and new natural areas coming into the parks system have become less dependent on general support, with the passage of the five-year Parks and Natural Areas Local Option Levy in May 2013. Planning and Development is heavily reliant on federal transportation funding for general transportation system planning and for specific project planning, both areas where federal support has flattened or modestly increased. The Council has committed significant one-time general resources to complete the important policy framework for the 2040 Growth Concept, the plan intended to guide growth and development over 50 years.

This budget shows the addition of several FTE through levy-related increases and the shift of limited duration positions to regular status. Those limited duration positions that are for project-specific work, both grant funded positions and those funded with special one-time discretionary resources, are concluded when they expire in the forecast.

The General Fund includes three important discretionary revenues for FY 2015-16: property tax (\$14 million), general excise tax (\$17 million) and interest earnings. These are the resources that the Council can direct by choice to any general purpose. Throughout the forecast period property taxes maintain their solid collection rate and continue to grow at a modest rate as the housing industry continues its recovery. Excise tax is established in Metro code and grows at the rate of the Consumer Price Index. Over the forecast period excise tax does grow modestly. Interest earnings, once a significant discretionary revenue source, continue to be constrained by the low market rates. The General Fund also includes the construction excise tax, which is expected to increase over the forecast period. The construction excise tax is a dedicated tax used to provide funding for planning of future expansion areas, future urban reserves and planning that enables redevelopment of centers, corridors and employment areas within the existing Urban Growth Boundary.

Enterprise revenues in the General Fund are generated by parks programs. Parks revenues are projected to grow at a small but steady rate over the forecast period. Revenues at the Glendoveer Golf Course are expected to increase slowly. Metro will continue to make new capital investments at the site.

Federal transportation funding is expected to increase modestly. Discretionary federal funding for general system planning, the Regional Transportation Plan and the Metropolitan Transportation Improvement Program has not increased. The forecast reflects only those resources that are committed.

The forecast illustrates the application of one-time resources accumulated in one year to one-time spending, usually in a later year. Earlier multi-year special allocations were committed to urban and rural reserves and climate change start up; current multi-year allocations include programs such as Metro Export Initiative and the Greater Portland Pulse. For the General Fund the five-year forecast reminds us of the need to be proactive, not reactive, to challenges that we see in the future years. Combined, the steps taken over the last several years continue to make the five-year gap manageable. However, the forecast does suggest that additional adjustments will be required in future years. Unique to the General Fund is Metro's charter limitation, a limit on excise tax spending, adjusted annually by the Consumer Price Index. This limit includes spending of both general excise tax as well as construction excise tax. The budget and the forecast years do not exceed the spending limit.

### **Metropolitan Exposition Recreation Commission Fund**

The MERC Fund continues to rebound. The Oregon Convention Center projects a record number of conventions and Portland's Centers for the Arts will have 12 weeks of Broadway in FY 2015-16. Transient lodging tax continues at high levels and shows modest growth throughout the forecast.

Revenues throughout the forecast reflect only those bookings that are confirmed. Food and beverage margins are based on current performance and maintained throughout. Revenues and expenditures directly related to event activity rise and fall with bookings. Fixed costs, facility maintenance and capital improvements require operational support from public resources, primarily transient lodging taxes. The Oregon Convention Center has \$3.4 million budgeted for development costs for the Convention Center Hotel, projected to begin construction in FY 2015-16.

The Portland Expo Center continues to face challenges on the expenditure side over the long-term. A project to complete a detailed review of options for the future was started in 2014-15 and will continue into the 2015-16 fiscal year.

### **Solid Waste Revenue Fund**

The Council sets rates to fund the current expenditures of the Solid Waste Revenue Fund, balancing the public's interest in its facilities with the pocketbook issues of its ratepayers. Tonnage is projected to increase at a modest rate over the forecast. Rates will rise modestly over the next five year period, as tonnage continues to increase. Metro has been able to accumulate sufficient resources to fund future capital improvements without impacting rates. In FY 2015-16 it is anticipated that reserves will not be used and rates will increase only slightly. Reserves are sufficient to weather a downturn in any given year with rates being adjusted to compensate in future budget years. The Solid Waste Roadmap project continues to examine how changes in the waste stream, increased residential organics diversion and new technology approaches to handling the waste fit into the regional system.

**Oregon Zoo Operating Fund**

FY 2015-16 is the first year of moving the Oregon Zoo from a General fund sub-fund to its own enterprise fund. The zoo continues to experience record attendance which will remain high over the forecast period despite on-site construction throughout. Per capita spending will improve modestly, and the zoo forecasts a small fee increase to be implemented in 2015. Fall 2015 will also bring the opening of the Elephant Lands exhibit, which is projected to be a major driver of attendance increases. The Oregon Zoo is becoming increasingly, but not entirely, able to meet its direct operating costs.

# Adopting Resolution

## BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE ANNUAL	)	RESOLUTION NO 15-4612
BUDGET FOR FISCAL YEAR 2015-16, MAKING	)	
APPROPRIATIONS, LEVYING AD VALOREM	)	Introduced by Martha Bennett, Chief
TAXES, AND AUTHORIZING AN INTERFUND	)	Operating Officer, with the concurrence of
LOAN	)	Council President Tom Hughes

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2015, and ending June 30, 2016; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Resolution) and considered; now, therefore,

### BE IT RESOLVED,

1. The "Fiscal Year 2015-16 Metro Budget," in the total amount of SIX HUNDRED ELEVEN MILLION FOUR HUNDRED NINETY THREE THOUSAND EIGHT HUNDRED TWENTY SIX DOLLARS (\$611,493,826), attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Resolution, at the rate of \$0.0966 per ONE THOUSAND DOLLARS (\$1,000) of assessed value for operating rate levy; at the rate of \$0.0960 per ONE THOUSAND DOLLARS (\$1,000) of assessed values for local option rate levy and in the amount of TWENTY NINE MILLION SIX HUNDRED FIFTY NINE THOUSAND SEVENTY FOUR DOLLARS (\$29,659,074) for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2015-16. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

### SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from the <u>Limitation</u>
Operating Tax Rate Levy	\$0.0966/\$1,000	
Local Option Tax Rate Levy	\$0.0960/\$1,000	
General Obligation Bond Levy		\$29,659,074

3. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Resolution, and hereby appropriates funds for the fiscal year beginning July 1, 2015, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

## Adopting Resolution

4. The Oregon Zoo Operating Fund is hereby established. Major sources of revenue will be enterprise revenues generated by the Oregon Zoo and contribution from Metro's General Fund. In the event this fund is eliminated any remaining fund balance will be returned to the General Fund.

5. The Oregon Zoo Capital Asset Management Fund is hereby established. Major sources of revenue will be capital donations and grant funds. This fund may also receive contributions from the Oregon Zoo Operating Fund or Metro's General Fund. In the event this fund is eliminated any remaining fund balance will be returned to the Oregon Zoo Operating Fund, or in the absence of that fund, the General Fund.

6. An interfund loan from the Solid Waste Revenue Fund to the Oregon Zoo Capital Asset Management Fund is hereby reauthorized. The loan was originally authorized in FY 2014-15 for an amount not to exceed \$3.5 million. The first installment of the loan in the amount of \$1.5 million was made January 1, 2015 leaving the balance of the loan to be made in FY 2015-16. The loan will be made to fund two large capital projects at the Oregon Zoo. The loan, including interest at a rate equal to the average yield on Metro's pooled investments, will be repaid from Oregon Zoo operating revenues. Repayment for both installments of the loan will be made over a period not to exceed ten years beginning FY 2014-15. Annual interest only payments will be made until such time as the Oregon Zoo's commitment to debt service on the FY 2013 Full Faith & Credit bonds expires on 8/1/2016. Thereafter, annual principal payments will be due no later than June 30<sup>th</sup> of each fiscal year.

7. The Chief Operating Officer shall make the filings as required by ORS 294.458 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

ADOPTED by the Metro Council on this 18<sup>th</sup> day of June 2015



APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to be "Alison Kean", written over a horizontal line.

Alison Kean, Metro Attorney

# Schedule of Appropriations

	Adopted Budget
<b>GENERAL FUND</b>	
Council	4,965,840
Office of the Auditor	771,000
Office of Metro Attorney	2,391,040
Information Services	4,530,996
Communications	3,059,613
Finance and Regulatory Services	4,921,912
Human Resources	2,731,331
Property and Environmental Services	2,709,192
Parks and Nature	9,938,198
Planning and Development	18,184,820
Research Center	4,633,285
Special Appropriations	4,743,062
Non-Departmental	
Debt Service	1,861,882
Interfund Transfers	19,934,904
Contingency	3,971,542
<i>Total Appropriations</i>	89,348,617
Unappropriated Balance	16,309,150
<b>Total Fund Requirements</b>	<b>\$105,657,767</b>
<b>CEMETERY PERPETUAL CARE FUND</b>	
Unappropriated Balance	577,666
<b>Total Fund Requirements</b>	<b>\$577,666</b>
<b>COMMUNITY ENHANCEMENT FUND</b>	
Property and Environmental Services	1,325,952
Non-Departmental	
Interfund Transfers	60,514
Contingency	340,000
<i>Total Appropriations</i>	1,726,466
Unappropriated Balance	1,008,036
<b>Total Fund Requirements</b>	<b>\$2,734,502</b>
<b>GENERAL ASSET MANAGEMENT FUND</b>	
Asset Management Program	3,309,310
Non-Departmental	
Interfund Transfers	1,311,500
Contingency	2,317,468
<i>Total Appropriations</i>	6,938,278
<b>Total Fund Requirements</b>	<b>\$6,938,278</b>
<b>GENERAL OBLIGATION DEBT SERVICE FUND</b>	
Non-Departmental	
Debt Service	29,901,625
<i>Total Appropriations</i>	29,901,625
Unappropriated Balance	44,200
<b>Total Fund Requirements</b>	<b>\$29,945,825</b>
<b>GENERAL REVENUE BOND FUND</b>	
Bond Accounts	73,410,000
Bond Account	
Debt Service	5,450,544
Interfund Transfers	265,000
<i>Total Appropriations</i>	79,125,544
Unappropriated Balance	9,506,487
<b>Total Fund Requirements</b>	<b>\$88,632,031</b>
<b>MERC FUND</b>	
MERC	57,906,623
Non-Departmental	
Interfund Transfers	9,001,335
Contingency	23,949,245
<i>Total Appropriations</i>	90,857,203
<b>Total Fund Requirements</b>	<b>\$90,857,203</b>
<b>NATURAL AREAS FUND</b>	
Parks and Nature	30,573,251
Non-Departmental	
Interfund Transfers	1,752,724
Contingency	10,000,000
<i>Total Appropriations</i>	42,325,975
Unappropriated Balance	3,101,335
<b>Total Fund Requirements</b>	<b>\$45,427,310</b>

<b>OPEN SPACES FUND</b>	
Parks and Nature	391,986
	<i>Total Appropriations</i>
	391,986
<b>Total Fund Requirements</b>	<b>\$391,986</b>
<b>OREGON ZOO CAPITAL ASSET MANAGEMENT FUND</b>	
Visitor Venues - Oregon Zoo	6,076,314
Non-Departmental	
Interfund Transfers	198,400
Contingency	260,809
	<i>Total Appropriations</i>
	6,535,523
Unappropriated Balance	602,500
<b>Total Fund Requirements</b>	<b>\$7,138,023</b>
<b>OREGON ZOO INFRASTRUCTURE/ANIMAL WELFARE FUND</b>	
Visitor Venues - Oregon Zoo	19,838,503
Non-Departmental	
Interfund Transfers	704,656
Contingency	3,968,000
	<i>Total Appropriations</i>
	24,511,159
Unappropriated Balance	36,796,453
<b>Total Fund Requirements</b>	<b>\$61,307,612</b>
<b>OREGON ZOO OPERATING FUND</b>	
Visitor Venues - Oregon Zoo	34,523,282
Non-Departmental	
Interfund Transfers	3,917,588
Contingency	950,000
	<i>Total Appropriations</i>
	39,390,870
<b>Total Fund Requirements</b>	<b>\$39,390,870</b>
<b>PARKS AND NATURAL AREAS LOCAL OPTION LEVY FUND</b>	
Parks and Nature	11,880,354
Visitor Venues - Oregon Zoo	-
Property and Environmental Services	-
Special Appropriations	1,500,000
Non-Departmental	
Interfund Transfers	3,950,019
Contingency	782,839
	<i>Total Appropriations</i>
	18,113,212
<b>Total Fund Requirements</b>	<b>\$18,113,212</b>
<b>RISK MANAGEMENT</b>	
Finance and Regulatory Services	2,049,980
Non-Departmental	
Interfund Transfers	324,892
Contingency	500,000
	<i>Total Appropriations</i>
	2,874,872
Unappropriated Balance	1,101,850
<b>Total Fund Requirements</b>	<b>\$3,976,722</b>
<b>SMITH AND BYBEE WETLANDS FUND</b>	
Parks and Nature	300,000
Non-Departmental	
Interfund Transfers	127,114
Contingency	1,000,000
	<i>Total Appropriations</i>
	1,427,114
Unappropriated Balance	1,752,279
<b>Total Fund Requirements</b>	<b>\$3,179,393</b>
<b>SOLID WASTE FUND</b>	
Property and Environmental Services	60,834,416
Finance and Regulatory Services	582,014
Non-Departmental	
Interfund Transfers	7,804,021
Contingency	16,028,619
	<i>Total Appropriations</i>
	85,249,070
Unappropriated Balance	21,976,356
<b>Total Fund Requirements</b>	<b>\$107,225,426</b>
<b>Total Appropriations</b>	<b>518,717,514</b>
<b>Total Unappropriated Balance</b>	<b>92,776,312</b>
<b>TOTAL BUDGET</b>	<b>\$611,493,826</b>

# Property Tax Levy

## Permanent Tax Rate Levy Calculation

FY 2014-15 Assessed Value	\$142,461,651,630
Assessed Value Increase:	
Within 3% Statutory allowable	4,273,849,549
Estimate for new construction @ 1.5%	2,136,924,774
<b>ESTIMATED FY 2015-16 ASSESSED VALUE</b>	<b>\$148,872,425,953</b>
Tax Rate=	\$0.0966 /\$1000
<b>FY 2015-16 TAX RATE LEVY</b>	<b>\$14,381,076</b>
(estimated assessed value x tax rate)	
Less: Loss due to Measure 5 compression	(\$400,000)
Estimated uncollectable @ 5.5%	(\$768,959)
<b>ESTIMATED TAXES TO BE RECEIVED</b>	<b>\$13,212,117</b>
(based on 94.5% collectable rate)	

## Local Option Rate Levy Calculation

FY 2014-15 Assessed Value	\$149,658,475,167
Assessed Value Increase:	
Within 3% Statutory allowable	4,489,754,255
Estimate for new construction @ 1.5%	2,244,877,128
<b>ESTIMATED FY 2015-16 ASSESSED VALUE</b>	<b>\$156,393,106,550</b>
Tax Rate=	\$0.0960 /\$1000
<b>FY 2015-16 TAX RATE LEVY</b>	<b>\$15,013,738</b>
(estimated assessed value x tax rate)	
Less: Loss due to Measure 5 compression	(\$2,400,000)
Estimated uncollectable @ 5.5%	(\$693,756)
<b>ESTIMATED TAXES TO BE RECEIVED</b>	<b>\$11,919,982</b>
(based on 94.5% collectable rate)	

## General Obligation Bond Debt Service Calculation

<b>FY 2015-16 REQUIREMENTS</b>	
07/15/15 Oregon Zoo-Oregon Project (2005 Series)	\$96,575
12/01/15 Natural Areas (2007 Series)	\$248,625
12/01/15 Natural Areas (2012A Series)	\$1,476,225
12/01/15 Zoo Infrastructure (2012A Series)	\$1,134,163
12/01/15 Natural Areas (2014 Series)	\$1,125,225
01/15/16 Oregon Zoo-Oregon Project (2005 Series)	\$2,191,575
06/01/16 Natural Areas (2007 Series)	\$5,098,625
06/01/16 Natural Areas (2012A Series)	\$3,706,225
06/01/16 Zoo Infrastructure (2012A Series)	\$3,134,162
06/01/16 Natural Areas (2014 Series)	\$11,690,225
07/15/16 Oregon Zoo-Oregon Project (2005 Series)	\$44,200
<b>TOTAL REQUIREMENTS</b>	<b>\$29,945,825</b>
Sources available for cash flow:	
Fund balance	\$1,193,000
Prior years taxes to be rec'd in FY 2015-16	700,000
Interest earned, FY 2015-16	25,000
Total non-tax sources available in FY 2015-16	\$1,918,000
Tax resources required to balance	\$28,027,825
Levy (assume 94.5% collectable rate)	\$29,659,074
Estimated FY 2015-16 Assessed Value	\$148,872,425,953
Levy rate per \$1,000 of Assessed Value	\$0.1992
On \$100,000 of assessed property value	\$19.92
<b>FY 2015-16 GO DEBT TAX LEVY AMOUNT</b>	<b>\$29,659,074</b>

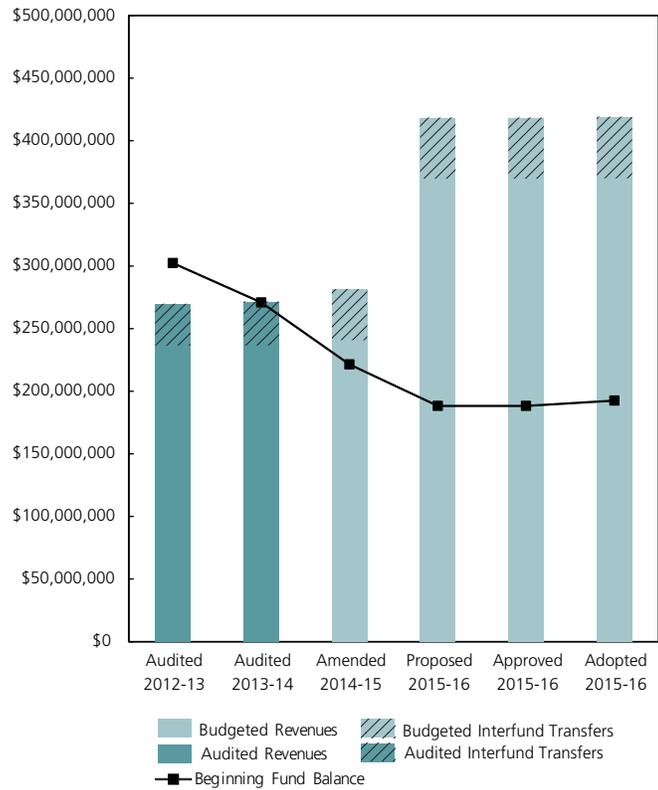


## Budget summary by year

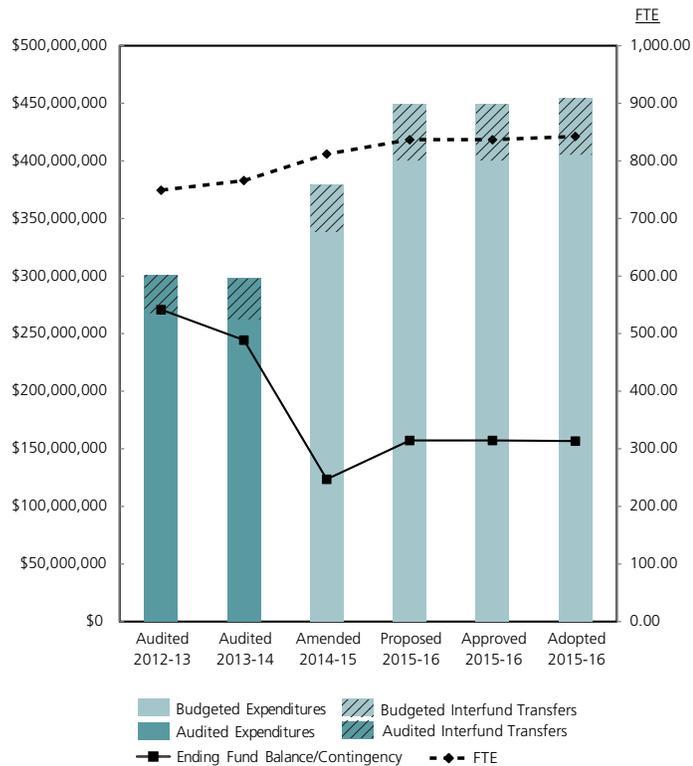
	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	Change From 2014-15
<b>RESOURCES</b>							
Beginning Fund Balance	302,267,337	270,798,054	221,363,195	188,214,353	188,214,353	192,552,003	(14.97%)
<b>Current Revenues</b>							
Excise Tax	15,357,261	16,002,790	16,597,648	17,367,350	17,367,350	17,367,350	4.64%
Construction Excise Tax	2,349,487	2,537,894	2,000,000	2,475,000	2,475,000	2,475,000	23.75%
Real Property Taxes	51,517,060	59,245,166	60,039,021	54,407,424	54,407,424	54,407,424	(9.38%)
Other Tax Revenues	28,792	49,581	40,000	50,000	50,000	50,000	25.00%
Interest Earnings	985,975	1,619,111	1,151,647	1,545,039	1,545,039	1,545,039	34.16%
Grants	10,990,550	9,527,318	11,438,470	21,774,276	21,774,276	21,774,982	90.36%
Local Government Shared Revenues	15,019,185	16,370,050	14,280,785	14,937,140	14,937,140	14,937,140	4.60%
Contributions from Governments	3,803,556	3,789,794	3,849,193	3,875,098	3,875,098	3,875,098	0.67%
Licenses and Permits	375,160	369,855	380,000	380,000	380,000	380,000	0.00%
Charges for Services	118,143,005	120,619,348	127,016,857	135,717,198	135,717,198	136,055,198	6.85%
Contributions from Private Sources	2,775,604	2,989,785	2,249,622	1,357,773	1,357,773	1,357,773	(39.64%)
Internal Charges for Services	530,292	419,536	317,509	272,284	272,284	272,284	(14.24%)
Miscellaneous Revenue	1,041,723	639,915	992,320	3,041,162	3,041,162	3,091,868	206.47%
Other Financing Sources	13,131,753	1,800,316	-	-	-	-	0.00%
Bond Proceeds	42,577	-	-	112,000,000	112,000,000	112,000,000	n/a
<b>Subtotal Current Revenues</b>	<b>236,091,980</b>	<b>235,980,459</b>	<b>240,353,072</b>	<b>369,199,744</b>	<b>369,199,744</b>	<b>369,589,156</b>	<b>53.61%</b>
<b>Interfund Transfers</b>							
Internal Service Transfers	3,780,834	3,507,438	2,259,646	4,924,719	4,924,719	5,123,119	117.94%
Interfund Reimbursements	12,535,326	12,398,211	14,125,785	15,935,080	15,935,080	15,935,080	12.81%
Interfund Loans	-	2,361,980	3,472,940	1,933,577	1,933,577	1,933,577	(44.32%)
Fund Equity Transfers	17,084,227	17,125,884	21,071,608	26,280,891	26,280,891	26,360,891	24.72%
<b>Subtotal Interfund Transfers</b>	<b>33,400,387</b>	<b>35,393,513</b>	<b>40,929,979</b>	<b>49,074,267</b>	<b>49,074,267</b>	<b>49,352,667</b>	<b>19.90%</b>
<b>TOTAL RESOURCES</b>	<b>\$571,759,704</b>	<b>\$542,172,026</b>	<b>\$502,646,246</b>	<b>\$606,488,364</b>	<b>\$606,488,364</b>	<b>\$611,493,826</b>	<b>20.66%</b>
<b>REQUIREMENTS</b>							
<b>Current Expenditures</b>							
Personnel Services	75,457,497	77,453,540	87,057,148	95,128,052	95,128,052	95,596,989	9.27%
Materials and Services	99,065,662	103,802,766	134,379,308	206,404,553	206,404,553	208,053,727	53.60%
Capital Outlay	25,753,073	40,159,489	74,694,906	61,307,858	61,307,858	64,431,558	(17.92%)
Debt Service	67,285,032	40,937,067	41,971,000	37,214,051	37,214,051	37,214,051	(11.33%)
<b>Subtotal Current Expenditures</b>	<b>267,561,264</b>	<b>262,352,862</b>	<b>338,102,362</b>	<b>400,054,514</b>	<b>400,054,514</b>	<b>405,296,325</b>	<b>18.32%</b>
<b>Interfund Transfers</b>							
Internal Service Transfers	3,780,834	3,507,438	2,259,646	4,924,719	4,924,719	5,123,119	117.94%
Interfund Reimbursements	12,535,326	12,398,211	14,125,785	15,935,080	15,935,080	15,935,080	12.81%
Fund Equity Transfers	17,084,227	17,125,884	21,071,608	26,280,891	26,280,891	26,360,891	24.72%
Interfund Loans	-	2,361,980	3,472,940	1,933,577	1,933,577	1,933,577	(44.32%)
<b>Subtotal Interfund Transfers</b>	<b>33,400,387</b>	<b>35,393,513</b>	<b>40,929,979</b>	<b>49,074,267</b>	<b>49,074,267</b>	<b>49,352,667</b>	<b>19.90%</b>
Contingency	-	-	72,916,493	64,504,087	64,504,087	64,068,522	(11.54%)
Unappropriated Fund Balance	270,798,054	244,425,650	50,697,412	92,855,496	92,855,496	92,776,312	83.16%
<b>Subtotal Contingency/Ending Balance</b>	<b>270,798,054</b>	<b>244,425,650</b>	<b>123,613,905</b>	<b>157,359,583</b>	<b>157,359,583</b>	<b>156,844,834</b>	<b>27.30%</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$571,759,705</b>	<b>\$542,172,026</b>	<b>\$502,646,246</b>	<b>\$606,488,364</b>	<b>\$606,488,364</b>	<b>\$611,493,826</b>	<b>20.66%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>749.14</b>	<b>765.79</b>	<b>811.80</b>	<b>836.70</b>	<b>836.70</b>	<b>842.35</b>	<b>3.76%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>30.55</b>

# Budget summary by year

## Current revenues and fund balance



## Current expenditures and full-time equivalents



# Where the money comes from

Resources to meet Metro’s obligations and needs are derived from three primary sources: beginning fund balance, current revenues and interfund transfers. Beginning fund balance consists of resources carried forward from previous fiscal years, including proceeds from voter-approved bonds (e.g., Natural Areas and Oregon Zoo Infrastructure and Animal Welfare), reserves for specific purposes (e.g., self insurance, debt reserves) and monies used for cash flow. Current revenues are those earned from Metro operations or taxes levied during the fiscal year. The principal sources of current revenues are user fees and charges from individuals and organizations that pay to use Metro facilities or buy its services. Interfund transfers are payments from one fund to another fund usually for services rendered.

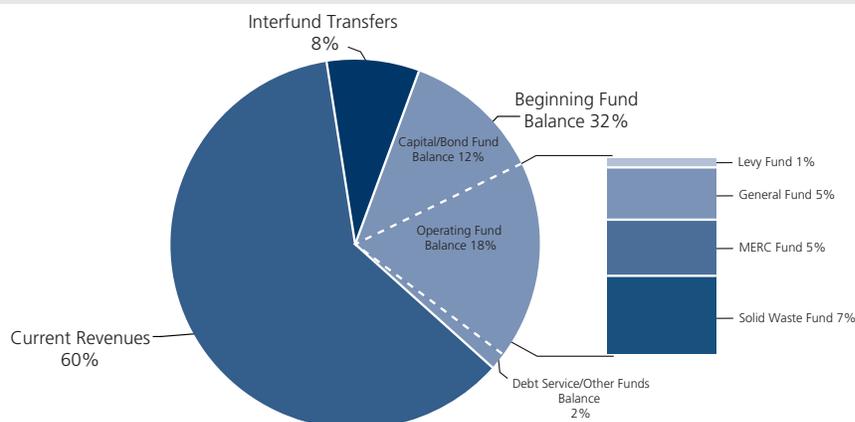
## BEGINNING FUND BALANCE

Metro’s beginning fund balance constitutes 32 percent of its total resources.

The beginning fund balance for each fund consists of unspent resources carried forward from the previous fiscal year. Primary among these are unspent bond proceeds, fees collected in prior years in the Solid Waste Revenue Fund for operations, capital projects and other dedicated accounts. Another element of the beginning fund balance includes reserves for specific purposes (e.g., self-insurance, future capital reserves, debt reserves and trust reserves), which are generally required by law, policy or operating agreements. The beginning fund balance also provides cash flow for specific operations until current year revenues are received.

The General Fund’s \$28.3 million beginning fund balance accounts for 14.8 percent of the total beginning balances and is a combination of designated and undesignated reserves. Designated reserves include grant funds, construction excise tax for local development grants, Public Employees Retirement System (PERS) reserves and debt service reserves. The Council also designated reserve funds for multi-year projects such the RISE program, Regional Infrastructure Supporting Our Economy. Finally, as part of its financial policies, the Council also directed that undesignated reserves be maintained for contingency and stabilization reserves, available for any lawful purpose in the event of sudden and unforeseen revenue drops or unplanned expenditures. For FY 2015-16 about \$4.5 million of the General Fund’s beginning fund balance is funding these financial reserves.

### FY 2015-16 Total resources



Total resources \$611,493,826

## CURRENT REVENUES

Current revenues account for 60 percent of Metro's total resources. The major elements of current revenues and the percentage of total current revenues they represent include the following:

### Enterprise revenues– 37 percent

Enterprise activities generate the largest piece of current revenues at \$136.0 million. Metro's largest enterprise activity is solid waste disposal, generating \$64.3 million, which comes from fees charged on solid waste deposited at Metro's transfer stations or several other designated solid waste facilities. This is about a 5.0 percent increase from the FY 2014-15 budget.

The per ton solid waste fee is expected to increase slightly in FY 2015-16 from \$93.33 per ton to \$94.98 per ton, an increase of about 1.8 percent. After five years of decline, tonnage has stabilized and begun to rebound at Metro stations. Current projections expect tonnage to be about 10 percent greater in FY 2014-15, than budgeted. This trend is expected to continue through FY 2015-16. Overall, the FY 2015-16 budget expects an average increase in regional tonnage of 6.5 percent.

The Visitor Venues (Oregon Zoo, Oregon Convention Center, Portland's Centers for the Arts and Portland Expo Center) produce \$64.4 million, about 11 percent above the current year. The Oregon Zoo is showing revenue growth of about 7.5 percent. Construction on major exhibits was expected to dampen attendance. The budget assumed attendance of 1.575 million in FY 2014-15. With the opening of the Elephant Lands exhibit in fall 2015 attendance is expected to rebound to 1.7 million in FY 2015-16. The budget also assumes a fee increase effective January 2016. The Oregon Convention Center (OCC) relies on convention bookings made years in advance. Budgeted revenue is about 7.5 percent greater than last year. The budget assumes 45 bookings for FY 2015-16, five more than historical averages. The Portland Expo Center (Expo) is reflecting a 2 percent increase from FY 2014-15. There is a modest increase in both the number of events and in attendance. Revenues generated at the Portland's Centers for the Arts (Portland's) are up about 32 percent. This reflects a record 12 weeks of Broadway, including 7 weeks which are mega Broadway shows.

## FY 2015-16 Current revenues

### RESOURCES

Beginning Fund Balance \$192,552,003

#### Current Revenues

Real Property Taxes	54,407,424
Excise Tax	17,367,350
Construction Excise Tax	2,475,000
Other Derived Tax Revenue	50,000
Grants	21,774,982
Local Gov't Shared Revenues	14,937,140
Contributions from other Gov'ts	3,875,098
Enterprise Revenue	136,055,198
Bond Proceeds	112,000,000
Interest Earnings	1,545,039
Donations	1,357,773
Other Misc. Revenue	3,744,152

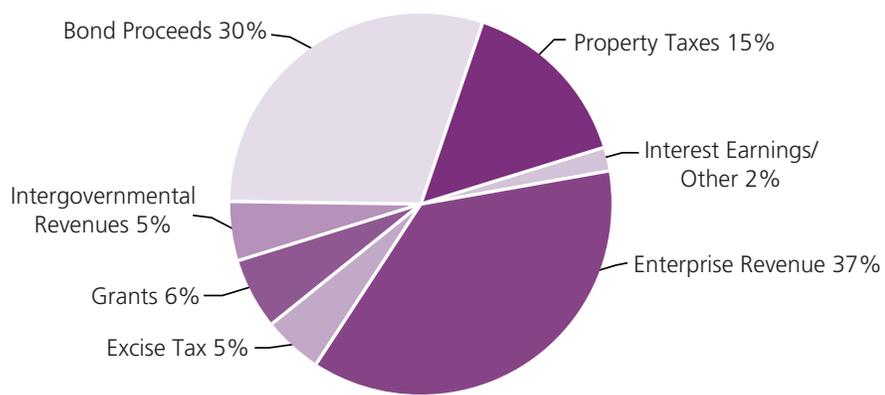
**Subtotal Current Revenues** 369,589,156

#### Interfund Transfers:

Interfund Reimbursements	15,935,080
Internal Service Transfers	5,123,119
Interfund Loan	1,933,577
Fund Equity Transfers	26,360,891

**Subtotal Interfund Transfers** 49,352,667

**TOTAL RESOURCES** \$611,493,826



Total current revenues \$369,589,156

Regional parks facilities generate another \$5.4 million in fees and services, an increase of about 3.6 percent. This reflects modest increases in almost all facility revenues. Parking fees, business license fees and Data Resource Center revenues account for the remainder of enterprise revenues.

### **Property taxes– 15 percent**

Metro expects to receive \$54.4 million in property tax revenues in FY 2015-16. This includes current year tax receipts to the General Fund directed toward operations (\$13.2 million), debt service levies for outstanding general obligation bond issues for the Open Spaces Acquisition program, the original OCC construction, the zoo's Great Northwest project, the Natural Areas program and the Oregon Zoo Infrastructure and Animal Welfare bond projects (\$28.0 million), and the third year of a five-year local option levy for natural areas operations (\$11.9 million). The remainder, approximately \$1.3 million, will be received in the form of delinquent property taxes, levied in prior years but received in the current year, and interest and penalties on those late payments.

### **Excise taxes– 5 percent**

The tax is recorded as revenue in the General Fund. It supports the costs of general government activities, such as the Council Office and elections expense. The tax also supports various planning, parks and venue activities.

The Metro excise tax is levied as a flat rate per-ton tax on solid waste disposal and as a percentage of all other authorized sales and services. The Metro excise tax is estimated to raise \$17.4 million in FY 2015-16. By Metro Code, the amount of the per-ton tax may be increased annually based on the Consumer Price Index. The flat-rate per-ton tax was consolidated into a single yield-based tax in FY 2010-11, folding in a number of individual per-ton rates which had been imposed at different times. The single rate approach increases predictability and moderates revenue swings in times of either increasing or decreasing tonnage. The consolidation did not change the charter limitation on expenditures. The consolidated rate for FY 2015-16 will be \$11.48 per ton, a decrease of 28 cents, effective July 1st. The rate for all other authorized revenues, currently 7.5 percent, does not change unless amended by the Metro Council. The Council has exempted the Oregon Zoo from excise tax; the intergovernmental agreement between Metro and the City of Portland exempts the Portland's Centers for the Arts from the tax.

In 2006 Metro also enacted a construction excise tax to fund land use planning to make land ready for development throughout the region. A 0.12 percent tax is assessed on construction permits issued by local cities and counties in the Metro region. In 2009 the tax was extended for an additional five years, through September 2014, to provide funding for planning of future expansion areas, future urban reserves and planning that enables redevelopment of centers, corridors and employment areas within the existing Urban Growth Boundary. Proceeds from the tax fell sharply during the recession and began rebounding in 2011. The Council reauthorized the excise tax in June 2014 extending the tax through December 2020. The tax is expected to generate \$2.3 million in FY 2015-16.

### **Intergovernmental revenues– 5 percent**

Metro receives revenue from both state and local agencies. Among these are transient lodging tax receipts from Multnomah County, funds from the City of Portland to support the Portland's Centers for the Arts, state marine fuel tax revenues and a portion of the recreational vehicle registration fees passed through Multnomah County from the State of Oregon to support the regional parks. It also receives an

allocation from the Visitor Development Fund created as a cooperative agreement between Metro, Multnomah County, the City of Portland and the hotel and car rental industries to cooperatively support and market various visitor facilities and amenities in the region. Transient Lodging Tax receipts are projected to increase 3 percent in FY 2015-16. The request to the Visitor Development Fund has increased by 15 percent.

#### **Grants– 6 percent**

Grants are anticipated to provide \$21.8 million to the revenue mix. The primary planning functions of the agency—Planning and Development and the Research Center—receive approximately \$10.8 million in grant funds. These functions rely on federal, state and local grants to fund most of the transportation planning and modeling programs. Planning grants are anticipated to increase about 13 percent due mostly to increased corridor planning projects such as South West Corridor and Division/Powell corridor. Also in FY 2015-16, Metro anticipates the receipt of a one-time \$10 million grant from the State of Oregon lottery funds for the construction of the OCC Hotel project. Metro also receives grants for projects planned at regional parks and natural areas, Oregon Zoo, MERC venues and solid waste facilities. Non-planning grant funds are project specific and will vary from year to year.

#### **Bond Proceeds– 30 percent**

In spring 2016 Metro intends to use the remaining \$40 million under the Oregon Zoo infrastructure general obligation bond authorization. Also, by the end of 2015, Metro plans to issue revenue bonds for the OCC Hotel Project in an amount sufficient to net \$60 million after financing costs and capitalized interest. The amount of the revenue bond issues is estimated to be \$72 million.

#### **Other miscellaneous revenues/Interest Earnings– 2 percent**

In FY 2015-16 other revenues include \$1.4 million in donations; \$1.5 million in projected interest earnings and about \$3.7 million in a variety of other miscellaneous revenue categories.

#### **INTERFUND TRANSFERS**

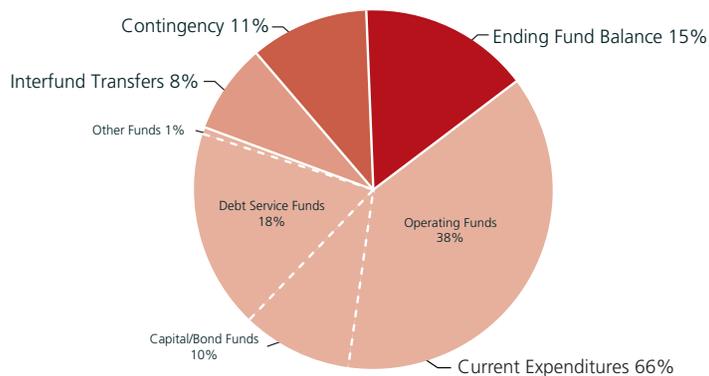
The final 8 percent of total resources comes from interfund transfers. Metro budgets its resources in separate and distinct funds. Transfers between funds pay for internal services provided directly by one department to another or indirectly on a cost-share basis as determined through the indirect cost allocation plan. Interfund reimbursements (indirect services) and internal service transfers (direct services) total \$21.0 million in FY 2015-16. The transfer classification also includes \$26.4 million in Fund Equity Transfers (revenue sharing between funds) such as the transfer of discretionary revenues from the General Fund to provide for Oregon Zoo operations and to assist in capital development and renewal and replacement of General Fund assets. Also included in FY 2015-16 is a one-time interfund loan from the Solid Waste Revenue Fund to the Oregon Zoo Capital Asset Management Fund. The loan was first authorized in FY 2014-15 to fund two large capital renovation projects at the Oregon Zoo. Only a portion of the loan was used in FY 2014-15.

## Where the money goes

Metro uses its resources for a variety of purposes prescribed by state law and Metro Charter. Ending fund balances are resources that are not spent during the year but carried over to subsequent year(s). They include reserves, monies for cash flow purposes and bond proceeds that will be spent in ensuing years for capital projects. Resources to be spent during the year can be categorized in one of several current expenditure categories.

Metro's total current expenditures are allocated for the specific programs and functions described in the Organizational Summary section contained in the body of this budget document. 57 percent of current expenditures support the operations of Metro facilities such as the Oregon Zoo, OCC, Expo, Portland's, regional park facilities and solid waste disposal facilities, as well as programs such as waste reduction, recycling information and regional transportation and growth management planning. Another 27 percent is dedicated to debt service on outstanding general obligation and full faith and credit bonds, and 15 percent is allocated for capital outlay and improvements to various facilities and acquisition of new natural areas. The final 1 percent is allocated for specific requirements such as cemetery perpetual care, risk management, community enhancement and the Smith and Bybee Wetlands. Interfund transfers between funds and contingencies for unforeseen needs, such as unexpected increases in costs or drops in revenue, make up the balance of Metro expenditure requirements.

### FY 2015-16 Total requirements



Total requirements \$611,493,826

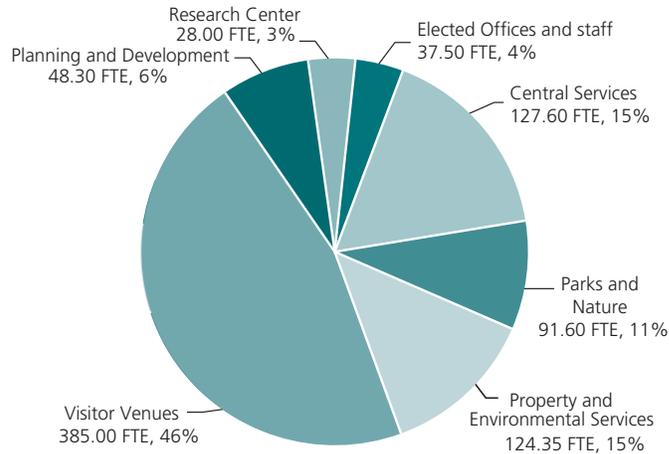
### CURRENT EXPENDITURES

Current expenditures consist of amounts to be paid out in the current fiscal year by categories defined in budget law. This includes payments for operations, debt service, capital improvements and acquisitions. The major elements of current expenditures and the percentage of total current expenditures they represent include the following:

#### Personnel services– 24 percent

Metro plans to spend about \$95.6 million for salaries and wages and related expenditures for its employees in FY 2015-16. Personnel services includes employee-related benefit costs such as health and welfare and pension contributions. Fringe benefits are about 42 percent of salaries and wages, and 30 percent of total personnel services costs. For a more detailed discussion of fringe benefits refer to the appendix "Fringe benefit rate calculation." A 10-year comparison of salaries, wages and benefits is provided later in this section.

## FY 2015-16 FTE positions by function



**Total FTE 842.35**

The FY 2015-16 budget includes 842.35 full-time equivalent positions, an increase of 30.55 FTE. “FTE” means regular, benefit-eligible full or part-time positions. While temporary, seasonal and event-related labor costs are reflected in the total personnel services expenditures, these employees are not considered as FTE. A discussion of staff levels is provided later in this section.

### **Materials and services– 51 percent**

Metro plans to spend about \$208.0 million on materials and services in FY 2015-16. Large expenditures in this area include a \$73.4 million transfer to escrow for the Oregon Convention Center Hotel Project and about \$33 million for solid waste transfer station operations and the transport of solid waste to the Columbia Ridge Landfill in Gilliam County. Materials and services at the visitor venues (OCC, Oregon Zoo, Expo and Portland’s) also include \$43.0 million for operations.

### **Capital outlay–16 percent**

Approximately \$64.4 million is provided for capital expenditures. These funds provide for land acquisitions and major capital improvement projects at various facilities. The largest uses of capital funds are \$20 million for land acquisition and capital expenditures related to the Natural Areas program, \$18.8 million for capital improvements at the Oregon Zoo under the Oregon Zoo Infrastructure and Animal Welfare bond measure, \$8.4 million for capital improvements at MERC facilities and \$3.0 million for solid waste facility capital projects. Another \$2.3 million is provided for various renewal and replacement projects at the regional parks or Metro Regional Center, including information technology infrastructure, and \$4.4 million in new non-bond related capital projects at the Oregon Zoo. Capital expenditures include purchases of land and equipment, improvements to facilities and other capital related expenditures. Projects costing \$100,000 or more are included in Metro’s capital improvement plan, updated and adopted annually.

### **Debt service– 9 percent**

Debt service provides for payments on general obligation and full faith and credit bonds sold for OCC, Metro Regional Center, the Natural Areas program, Expo and the Oregon Zoo. FY 2015-16 also includes the first year of debt service for the Oregon Convention Center Hotel Project revenue bonds. A more detailed discussion of outstanding debt is provided later in this section.

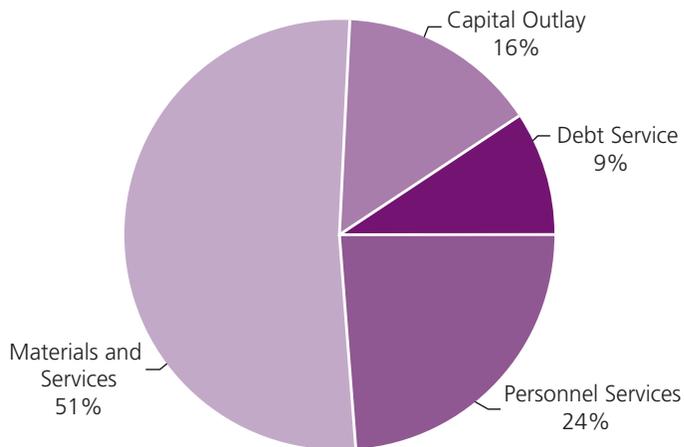
## INTERFUND TRANSFERS

Metro budgets its resources in separate and distinct funds. Transfers between funds are made to pay for the cost of services provided in one fund for the benefit of another (e.g., payroll, fleet, etc.) or to share resources between funds. Interfund transfers in FY 2015-16 total about \$49.4 million. Interfund transfers appear as both a resource to the receiving fund and a requirement for the transferring fund in the budget. An explanation of all transfers is provided in the appendices of the detail budget volume.

## CONTINGENCY

Contingencies in each fund are created to provide for unforeseen requirements such as unexpected increases in costs or drops in revenue. These funds may be spent only after an action of the Metro Council authorizes transferring appropriations from contingency to an expenditure line item.

### FY 2015-16 Current expenditures by budget category



#### REQUIREMENTS

##### Current Expenditures

Personnel Services	\$95,596,989
Materials and Services	\$208,053,727
Capital Outlay	\$64,431,558
Debt Service	\$37,214,051
<b>Subtotal Current Expenditures</b>	<b>\$405,296,325</b>

##### Interfund Transfers:

Interfund Reimbursements	\$15,935,080
Internal Service Transfers	\$5,123,119
Interfund Loan	\$1,933,577
Fund Equity Transfers	\$26,360,891
<b>Subtotal Interfund Transfers</b>	<b>\$49,352,667</b>

Contingency	\$64,068,522
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<i>Ending Fund Balance</i>	\$92,776,312
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<b>TOTAL REQUIREMENTS</b>	<b>\$611,493,826</b>
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Total current expenditures \$405,296,325



**Fund  
Summary  
Highlights**



## FY 2015-16 Fund Summary by Category

	Operating Funds	Capital / Bond Funds	Debt Service Funds	Other Funds	Total
<b>RESOURCES</b>					
Beginning Fund Balance	\$109,628,050	\$74,078,314	\$1,199,487	\$7,646,152	\$192,552,003
<b>Current Revenues</b>					
Excise Tax	17,367,350	0	0	0	17,367,350
Construction Excise Tax	2,475,000	0	0	0	2,475,000
Real Property Taxes	25,679,599	0	28,727,825	0	54,407,424
Other Tax Revenues	0	0	0	50,000	50,000
Interest Earnings	666,970	528,016	300,000	50,053	1,545,039
Grants	11,542,732	182,250	10,000,000	50,000	21,774,982
Local Government Shared Revenues	14,937,140	0	0	0	14,937,140
Contributions from Governments	3,875,098	0	0	0	3,875,098
Licenses and Permits	380,000	0	0	0	380,000
Charges for Services	134,994,145	0	0	1,061,053	136,055,198
Contributions from Private Sources	1,357,773	0	0	0	1,357,773
Internal Charges for Services	16,718	0	0	255,566	272,284
Miscellaneous Revenue	2,581,868	500,000	0	10,000	3,091,868
Bond Proceeds	0	40,000,000	72,000,000	0	112,000,000
<b>Subtotal Current Revenues</b>	<b>215,874,393</b>	<b>41,210,266</b>	<b>111,027,825</b>	<b>1,476,672</b>	<b>369,589,156</b>
<b>Interfund Transfers:</b>					
Internal Service Transfers	4,820,821	231,908	0	70,390	5,123,119
Interfund Reimbursements	14,660,011	0	0	1,275,069	15,935,080
Interfund Loans	205,577	1,728,000	0	0	1,933,577
Fund Equity Transfers	16,055,626	3,954,721	6,350,544	0	26,360,891
<b>Subtotal Interfund Transfers</b>	<b>35,742,035</b>	<b>5,914,629</b>	<b>6,350,544</b>	<b>1,345,459</b>	<b>49,352,667</b>
<b>TOTAL RESOURCES</b>	<b>\$361,244,478</b>	<b>\$121,203,209</b>	<b>\$118,577,856</b>	<b>\$10,468,283</b>	<b>\$611,493,826</b>
<b>REQUIREMENTS</b>					
<b>Current Expenditures:</b>					
Personnel Services	92,453,963	3,143,026	0	0	95,596,989
Materials and Services	122,370,819	8,646,976	73,410,000	3,625,932	208,053,727
Capital Outlay	15,982,196	48,399,362	0	50,000	64,431,558
Debt Service	1,861,882	0	35,352,169	0	37,214,051
<b>Subtotal Current Expenditures</b>	<b>232,668,860</b>	<b>60,189,364</b>	<b>108,762,169</b>	<b>3,675,932</b>	<b>405,296,325</b>
<b>Interfund Transfers:</b>					
Internal Service Transfers	4,387,852	547,639	0	187,628	5,123,119
Interfund Reimbursements	13,826,939	2,108,141	0	0	15,935,080
Fund Equity Transfers	24,459,499	1,311,500	265,000	324,892	26,360,891
Interfund Loans	1,933,577	0	0	0	1,933,577
<b>Subtotal Interfund Transfers</b>	<b>44,607,867</b>	<b>3,967,280</b>	<b>265,000</b>	<b>512,520</b>	<b>49,352,667</b>
Contingency	45,682,245	16,546,277	0	1,840,000	64,068,522
Unappropriated Fund Balance	38,285,506	40,500,288	9,550,687	4,439,831	92,776,312
<b>Subtotal Contingency/Ending Balance</b>	<b>83,967,751</b>	<b>57,046,565</b>	<b>9,550,687</b>	<b>6,279,831</b>	<b>156,844,834</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$361,244,478</b>	<b>\$121,203,209</b>	<b>\$118,577,856</b>	<b>\$10,468,283</b>	<b>\$611,493,826</b>
<b>Full-Time Equivalent (FTE)</b>	<b>816.10</b>	<b>26.25</b>	<b>0.00</b>	<b>0.00</b>	<b>842.35</b>

## Operating Funds

The operating funds include the General Fund, MERC Fund, Oregon Zoo Operating Fund, Solid Waste Revenue Fund and the Parks and Natural Areas Local Option Levy Fund. A more detailed presentation of the operating funds follows this section.

- The Oregon Zoo is now budgeted as an enterprise fund separate from the General Fund. For purposes of the budget document historical data is presented with the Oregon Zoo Operating Fund. All internal non-budgetary transfers between the Oregon Zoo and the General Fund are now reflected historically as budgetary interfund transfers. Refer to the table in the appendices for a summary of these transaction changes.
- Property taxes reflect Metro's permanent operating rate of \$0.0966/\$1,000 of assessed value and year three of the five-year local option levy rate of \$0.0960/\$1,000 of assessed value. Both levies assume a 4.5 percent increase in assessed value and a 94.5 percent collectible rate.
- Local Government Shared Revenues include a 3 percent increase in transient lodging tax and 15 percent increase in the Visitor Development Fund allocation. Both sources provide funding for MERC facilities and operations.
- Enterprise revenues include an 8 percent increase in solid waste revenues; 7.5 percent increase in revenues generated at the Oregon Zoo; and a 13 percent increase at MERC, primarily at Oregon Convention Center and Portland's Centers for the Arts revenues.
- Personnel services reflect a net increase of 30.35 FTE primarily in the Oregon Zoo Operating Fund (13.0 FTE); Solid Waste Revenue Fund (5.95 FTE); Parks and Natural Areas Levy Fund (2.9 FTE) and the MERC Fund (4.0 FTE). It also includes salary adjustment increases for COLA, merit and step for the remaining staff as specified in collective bargaining agreements.
- Contingencies are replenished following Council approved financial policies.

## Capital/Bond Funds

The capital/bond funds include the General Asset Management Fund, Natural Areas Fund, Open Spaces Fund, Oregon Zoo Capital Asset Management Fund and Oregon Zoo Infrastructure and Animal Welfare Fund.

- The Oregon Zoo Capital Account, formerly budgeted in the General Asset Management Fund, is now budgeted as a separate Oregon Zoo Capital Asset Management Fund and includes the Oregon Zoo's renewal and replacement account.
- The Open Spaces Fund, Natural Areas Fund and Oregon Zoo Infrastructure and Animal Welfare Fund are funded through the sale of general obligation bonds following voter authorization in 1995, 2006 and 2008, respectively.
- In May 2012 Metro issued an additional \$75 million in bonds for the Natural Areas program and \$65 million for zoo infrastructure projects resulting in a tripling in the amount available for beginning fund balance. FY 2015-16 represents a 27 percent reduction in beginning fund balance as the bond funds are spent down.
- The Oregon Zoo intends to issue the remaining \$40 million Oregon Zoo Infrastructure authorization in spring 2016.

- Significant project expenditures in FY 2015-16 include:
  - \$11.3 million for the Conservation Education facility at the Oregon Zoo.
  - \$5 million for the completion of the elephant habitat and related infrastructure at the Oregon Zoo.
  - \$20 million for land acquisition under the Natural Areas program.
  - \$5 million for local share payments under the Natural Areas program.
  - \$4.4 million at the Oregon Zoo for major non-bond funded capital projects such as the zoo train renovation, Steller Cove renovation and the remote elephant center.

#### **Debt Service Funds**

The debt service funds include the General Revenue Bond Fund and the General Obligation Bond Debt Service Fund. Property taxes provide for debt service payments on the outstanding general obligation bonds.

In FY 2015-16 the General Revenue Bond Fund includes the Oregon Convention Center Hotel Project. The project includes one-time expenditures for financing costs and payment to escrow of approximately \$73.4 million. The fund will return to a debt service only fund in FY 2016-17.

#### **Other Funds**

The other funds include Cemetery Perpetual Care Fund, Community Enhancement Fund, Risk Management Fund and Smith and Bybee Wetlands Fund.

## FY 2015-16 General Fund Summary

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	Change From 2014-15
<b>RESOURCES</b>							
Beginning Fund Balance	31,796,742	33,583,482	29,642,971	28,312,773	28,312,773	28,403,273	(4.49%)
<b>Current Revenues</b>							
Excise Tax	15,357,261	16,002,790	16,597,648	17,367,350	17,367,350	17,367,350	4.64%
Construction Excise Tax	2,349,487	2,537,894	2,000,000	2,475,000	2,475,000	2,475,000	23.75%
Real Property Taxes	12,057,676	12,390,523	12,740,971	13,512,117	13,512,117	13,512,117	6.05%
Other Tax Revenues	113	-	-	-	-	-	0.00%
Interest Earnings	115,406	219,942	301,000	225,000	225,000	225,000	(25.25%)
Grants	8,839,033	7,355,576	10,431,630	11,294,336	11,294,336	11,295,042	8.27%
Local Government Shared Revenues	555,198	621,111	754,287	805,000	805,000	805,000	6.72%
Contributions from Governments	2,924,250	2,975,000	3,017,288	3,021,148	3,021,148	3,021,148	0.13%
Licenses and Permits	375,160	369,855	380,000	380,000	380,000	380,000	0.00%
Charges for Services	4,575,668	6,286,129	7,380,983	6,007,961	6,007,961	6,345,961	(18.60%)
Contributions from Private Sources	3,461	38,200	102	-	-	-	(100.00%)
Internal Charges for Services	-	-	-	16,718	16,718	16,718	n/a
Miscellaneous Revenue	345,396	219,536	645,778	2,278,685	2,278,685	2,329,391	252.86%
Other Financing Sources	12,230	11,257	-	-	-	-	0.00%
<b>Subtotal Current Revenues</b>	<b>47,510,338</b>	<b>49,027,813</b>	<b>54,249,687</b>	<b>57,383,315</b>	<b>57,383,315</b>	<b>57,772,727</b>	<b>5.78%</b>
<b>Interfund Transfers</b>							
Internal Service Transfers	2,469,591	1,903,088	2,011,703	4,109,027	4,109,027	4,307,427	104.26%
Interfund Reimbursements	11,008,356	11,404,601	12,946,169	14,660,011	14,660,011	14,660,011	13.24%
Interfund Loans	-	442,064	228,800	189,437	189,437	189,437	(17.20%)
Fund Equity Transfers	271,557	281,742	1,145,706	324,892	324,892	324,892	(71.64%)
<b>Subtotal Interfund Transfers</b>	<b>13,749,504</b>	<b>14,031,495</b>	<b>16,332,378</b>	<b>19,283,367</b>	<b>19,283,367</b>	<b>19,481,767</b>	<b>18.07%</b>
<b>TOTAL RESOURCES</b>	<b>\$93,056,584</b>	<b>\$96,642,790</b>	<b>\$100,225,036</b>	<b>\$104,979,455</b>	<b>\$104,979,455</b>	<b>\$105,657,767</b>	<b>4.74%</b>
<b>REQUIREMENTS</b>							
<b>Current Expenditures</b>							
Personnel Services	30,364,481	29,733,747	33,390,791	35,715,452	35,715,452	35,925,077	6.96%
Materials and Services	11,902,807	14,810,534	25,753,605	26,914,730	26,914,730	27,416,062	4.51%
Capital Outlay	192,885	464,703	203,650	239,150	239,150	239,150	17.43%
Debt Service	1,654,289	1,720,071	1,786,381	1,861,882	1,861,882	1,861,882	4.23%
<b>Subtotal Current Expenditures</b>	<b>44,114,462</b>	<b>46,729,055</b>	<b>61,134,427</b>	<b>64,731,214</b>	<b>64,731,214</b>	<b>65,442,171</b>	<b>5.88%</b>
<b>Interfund Transfers</b>							
Internal Service Transfers	-	-	-	194,000	194,000	194,000	n/a
Interfund Reimbursements	220,622	140,532	312,334	374,341	374,341	374,341	19.85%
Fund Equity Transfers	15,138,018	15,270,261	18,140,251	19,286,563	19,286,563	19,366,563	6.32%
Interfund Loans	-	1,919,916	-	-	-	-	0.00%
<b>Subtotal Interfund Transfers</b>	<b>15,358,640</b>	<b>17,330,709</b>	<b>18,452,585</b>	<b>19,854,904</b>	<b>19,854,904</b>	<b>19,934,904</b>	<b>7.60%</b>
Contingency	-	-	1,727,818	4,208,707	4,208,707	3,971,542	143.59%
Unappropriated Fund Balance	33,583,482	32,583,026	18,910,206	16,184,630	16,184,630	16,309,150	(14.41%)
<b>Subtotal Contingency/Ending Balance</b>	<b>33,583,482</b>	<b>32,583,026</b>	<b>20,638,024</b>	<b>20,393,337</b>	<b>20,393,337</b>	<b>20,280,692</b>	<b>(1.19%)</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$93,056,584</b>	<b>\$96,642,790</b>	<b>\$100,225,036</b>	<b>\$104,979,455</b>	<b>\$104,979,455</b>	<b>\$105,657,767</b>	<b>4.74%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>293.69</b>	<b>290.24</b>	<b>291.55</b>	<b>293.35</b>	<b>293.35</b>	<b>296.05</b>	<b>1.54%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>4.50</b>

## FY 2015-16 MERC Fund Summary

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	Change From 2014-15
<b>RESOURCES</b>							
Beginning Fund Balance	26,161,716	30,414,365	34,325,365	30,353,460	30,353,460	33,134,960	(11.57%)
<b>Current Revenues</b>							
Interest Earnings	99,479	173,347	57,750	91,000	91,000	91,000	57.58%
Grants	422,145	454,755	70,000	-	-	-	(100.00%)
Local Government Shared Revenues	14,463,987	15,748,940	13,526,498	14,132,140	14,132,140	14,132,140	4.48%
Contributions from Governments	798,035	814,794	831,905	853,950	853,950	853,950	2.65%
Charges for Services	36,603,298	34,926,508	36,301,250	41,037,043	41,037,043	41,037,043	13.05%
Contributions from Private Sources	75,000	85,000	-	387,501	387,501	387,501	n/a
Miscellaneous Revenue	125,800	106,187	84,542	95,477	95,477	95,477	12.93%
Other Financing Sources	-	5,190	-	-	-	-	0.00%
<b>Subtotal Current Revenues</b>	<b>52,587,744</b>	<b>52,314,721</b>	<b>50,871,945</b>	<b>56,597,111</b>	<b>56,597,111</b>	<b>56,597,111</b>	<b>11.25%</b>
<b>Interfund Transfers</b>							
Interfund Loans	-	1,919,916	-	-	-	-	0.00%
Fund Equity Transfers	568,633	418,633	1,137,263	1,125,132	1,125,132	1,125,132	(1.07%)
<b>Subtotal Interfund Transfers</b>	<b>568,633</b>	<b>2,338,549</b>	<b>1,137,263</b>	<b>1,125,132</b>	<b>1,125,132</b>	<b>1,125,132</b>	<b>(1.07%)</b>
<b>TOTAL RESOURCES</b>	<b>\$79,318,093</b>	<b>\$85,067,635</b>	<b>\$86,334,573</b>	<b>\$88,075,703</b>	<b>\$88,075,703</b>	<b>\$90,857,203</b>	<b>2.02%</b>
<b>REQUIREMENTS</b>							
<b>Current Expenditures</b>							
Personnel Services	16,558,158	16,296,492	18,432,052	19,860,619	19,860,619	19,860,619	7.75%
Materials and Services	24,997,904	27,003,957	26,760,980	29,144,404	29,144,404	29,652,204	8.91%
Capital Outlay	2,798,718	4,618,230	7,244,300	6,120,100	6,120,100	8,393,800	(15.52%)
<b>Subtotal Current Expenditures</b>	<b>44,354,781</b>	<b>47,918,679</b>	<b>52,437,332</b>	<b>55,125,123</b>	<b>55,125,123</b>	<b>57,906,623</b>	<b>5.13%</b>
<b>Interfund Transfers</b>							
Internal Service Transfers	134,090	142,347	135,954	69,345	69,345	69,345	(48.99%)
Interfund Reimbursements	3,227,725	3,315,935	3,675,213	4,156,377	4,156,377	4,156,377	13.09%
Fund Equity Transfers	1,187,132	1,188,651	1,640,051	4,586,176	4,586,176	4,586,176	179.64%
Interfund Loans	-	442,064	228,800	189,437	189,437	189,437	(17.20%)
<b>Subtotal Interfund Transfers</b>	<b>4,548,947</b>	<b>5,088,997</b>	<b>5,680,018</b>	<b>9,001,335</b>	<b>9,001,335</b>	<b>9,001,335</b>	<b>58.47%</b>
Contingency	-	-	28,217,223	23,949,245	23,949,245	23,949,245	(15.13%)
Unappropriated Fund Balance	30,414,365	32,059,959	-	-	-	-	-
<b>Subtotal Contingency/Ending Balance</b>	<b>30,414,365</b>	<b>32,059,959</b>	<b>28,217,223</b>	<b>23,949,245</b>	<b>23,949,245</b>	<b>23,949,245</b>	<b>(15.13%)</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$79,318,093</b>	<b>\$85,067,635</b>	<b>\$86,334,573</b>	<b>\$88,075,703</b>	<b>\$88,075,703</b>	<b>\$90,857,203</b>	<b>2.02%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>181.50</b>	<b>175.50</b>	<b>182.35</b>	<b>186.35</b>	<b>186.35</b>	<b>186.35</b>	<b>2.19%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>4.00</b>

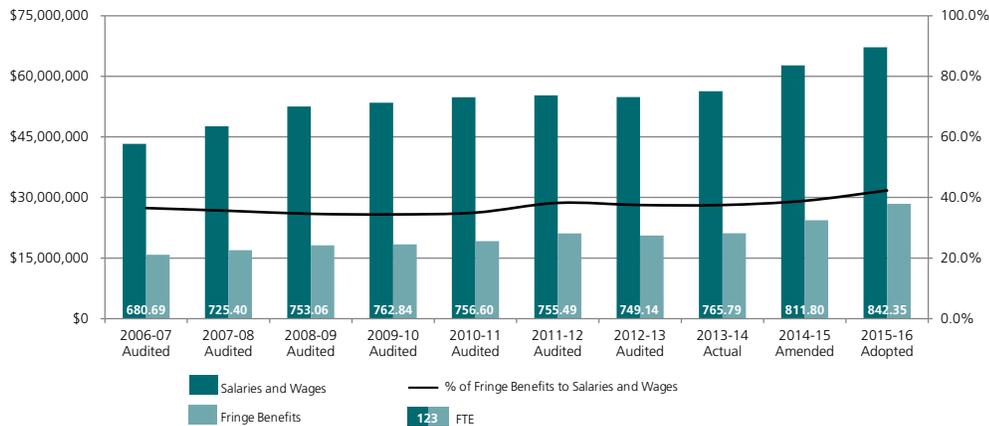
## FY 2015-16 Oregon Zoo Operating Fund Summary

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	Change From 2014-15
<b>RESOURCES</b>							
Beginning Fund Balance	-	-	-	-	-	-	0.00%
<b>Current Revenues</b>							
Grants	181,405	128,028	202,690	182,690	182,690	182,690	(9.87%)
Charges for Services	21,195,457	20,586,582	21,700,178	23,328,428	23,328,428	23,328,428	7.50%
Contributions from Private Sources	685,945	292,904	284,520	970,272	970,272	970,272	241.02%
Miscellaneous Revenue	122,588	75,694	230,000	80,000	80,000	80,000	(65.22%)
Other Financing Sources	1,000	48,506	-	-	-	-	0.00%
<b>Subtotal Current Revenues</b>	<b>22,186,395</b>	<b>21,131,713</b>	<b>22,417,388</b>	<b>24,561,390</b>	<b>24,561,390</b>	<b>24,561,390</b>	<b>9.56%</b>
<b>Interfund Transfers</b>							
Internal Service Transfers	1,216,671	1,344,678	123,343	452,880	452,880	452,880	267.17%
Fund Equity Transfers	10,539,620	11,163,043	12,213,370	14,376,600	14,376,600	14,376,600	17.71%
<b>Subtotal Interfund Transfers</b>	<b>11,756,291</b>	<b>12,507,721</b>	<b>12,336,713</b>	<b>14,829,480</b>	<b>14,829,480</b>	<b>14,829,480</b>	<b>20.21%</b>
<b>TOTAL RESOURCES</b>	<b>\$33,942,686</b>	<b>\$33,639,434</b>	<b>\$34,754,101</b>	<b>\$39,390,870</b>	<b>\$39,390,870</b>	<b>\$39,390,870</b>	<b>13.34%</b>
<b>REQUIREMENTS</b>							
<b>Current Expenditures</b>							
Personnel Services	17,604,959	18,090,174	18,894,580	21,131,303	21,131,303	21,131,303	11.84%
Materials and Services	12,894,083	12,191,427	12,115,161	13,371,979	13,371,979	13,371,979	10.37%
Capital Outlay	226,510	35,106	-	20,000	20,000	20,000	n/a
<b>Subtotal Current Expenditures</b>	<b>30,725,552</b>	<b>30,316,706</b>	<b>31,009,741</b>	<b>34,523,282</b>	<b>34,523,282</b>	<b>34,523,282</b>	<b>11.33%</b>
<b>Interfund Transfers</b>							
Internal Service Transfers	62,613	144,659	126,613	135,164	135,164	135,164	6.75%
Interfund Reimbursements	2,751,201	2,792,839	3,004,007	3,362,634	3,362,634	3,362,634	11.94%
Fund Equity Transfers	403,320	385,230	597,600	403,650	403,650	403,650	(32.45%)
Interfund Loans	-	-	16,140	16,140	16,140	16,140	0.00%
<b>Subtotal Interfund Transfers</b>	<b>3,217,134</b>	<b>3,322,728</b>	<b>3,744,360</b>	<b>3,917,588</b>	<b>3,917,588</b>	<b>3,917,588</b>	<b>4.63%</b>
Contingency	-	-	-	950,000	950,000	950,000	n/a
<b>Subtotal Contingency/Ending Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>950,000</b>	<b>950,000</b>	<b>950,000</b>	<b>n/a</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$33,942,686</b>	<b>\$33,639,434</b>	<b>\$34,754,101</b>	<b>\$39,390,870</b>	<b>\$39,390,870</b>	<b>\$39,390,870</b>	<b>13.34%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>163.70</b>	<b>167.60</b>	<b>179.65</b>	<b>192.60</b>	<b>192.60</b>	<b>192.65</b>	
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>13.00</b>

## FY 2015-16 Solid Waste Fund Summary

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	Change From 2014-15
<b>RESOURCES</b>							
Beginning Fund Balance	39,731,933	39,971,367	41,611,366	41,994,747	41,994,747	42,393,597	0.92%
<b>Current Revenues</b>							
Interest Earnings	131,819	243,299	202,976	314,960	314,960	314,960	55.17%
Grants	74,284	80,000	-	-	-	-	0.00%
Contributions from Governments	13,325	-	-	-	-	-	0.00%
Charges for Services	55,456,192	58,486,676	61,267,282	64,282,713	64,282,713	64,282,713	4.92%
Miscellaneous Revenue	39,167	29,703	27,000	77,000	77,000	77,000	185.19%
Other Financing Sources	637	51,139	-	-	-	-	0.00%
<b>Subtotal Current Revenues</b>	<b>55,715,423</b>	<b>58,890,817</b>	<b>61,497,258</b>	<b>64,674,673</b>	<b>64,674,673</b>	<b>64,674,673</b>	<b>5.17%</b>
<b>Interfund Transfers</b>							
Internal Service Transfers	33,465	75,504	58,951	60,514	60,514	60,514	2.65%
Interfund Loans	-	-	16,140	16,140	16,140	16,140	0.00%
Fund Equity Transfers	112,131	88,226	139,777	80,502	80,502	80,502	(42.41%)
<b>Subtotal Interfund Transfers</b>	<b>145,596</b>	<b>163,730</b>	<b>214,868</b>	<b>157,156</b>	<b>157,156</b>	<b>157,156</b>	<b>(26.86%)</b>
<b>TOTAL RESOURCES</b>	<b>\$95,592,952</b>	<b>\$99,025,914</b>	<b>\$103,323,492</b>	<b>\$106,826,576</b>	<b>\$106,826,576</b>	<b>\$107,225,426</b>	<b>3.39%</b>
<b>REQUIREMENTS</b>							
<b>Current Expenditures</b>							
Personnel Services	9,003,050	9,827,902	11,073,187	12,164,269	12,164,269	12,367,973	9.85%
Materials and Services	38,076,830	39,263,110	45,078,110	45,458,332	45,458,332	45,857,182	0.84%
Capital Outlay	712,448	371,138	3,150,700	3,191,275	3,191,275	3,191,275	1.29%
<b>Subtotal Current Expenditures</b>	<b>47,792,329</b>	<b>49,462,150</b>	<b>59,301,997</b>	<b>60,813,876</b>	<b>60,813,876</b>	<b>61,416,430</b>	<b>2.55%</b>
<b>Interfund Transfers</b>							
Internal Service Transfers	2,990,598	1,863,929	469,686	712,884	712,884	712,884	51.78%
Interfund Reimbursements	4,754,458	4,580,512	4,899,722	5,260,027	5,260,027	5,260,027	7.35%
Fund Equity Transfers	84,200	-	301,000	103,110	103,110	103,110	(65.74%)
Interfund Loans	-	-	3,228,000	1,728,000	1,728,000	1,728,000	(46.47%)
<b>Subtotal Interfund Transfers</b>	<b>7,829,256</b>	<b>6,444,441</b>	<b>8,898,408</b>	<b>7,804,021</b>	<b>7,804,021</b>	<b>7,804,021</b>	<b>(12.30%)</b>
Contingency	-	-	14,254,160	16,028,619	16,028,619	16,028,619	12.45%
Unappropriated Fund Balance	39,971,367	43,119,323	20,868,927	22,180,060	22,180,060	21,976,356	6.28%
<b>Subtotal Contingency/Ending Balance</b>	<b>39,971,367</b>	<b>43,119,323</b>	<b>35,123,087</b>	<b>38,208,679</b>	<b>38,208,679</b>	<b>38,004,975</b>	<b>8.79%</b>
<b>TOTAL REQUIREMENTS</b>	<b>\$95,592,952</b>	<b>\$99,025,914</b>	<b>\$103,323,492</b>	<b>\$106,826,576</b>	<b>\$106,826,576</b>	<b>\$107,225,426</b>	<b>3.39%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>91.05</b>	<b>90.75</b>	<b>101.30</b>	<b>105.35</b>	<b>105.35</b>	<b>107.25</b>	
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>5.95</b>

## FY 2015-16 Comparison of salaries and wages



## Salaries, wages and benefits

Over the 10-year period authorized FTE has risen by approximately 162 FTE. About 50 percent of the increase is attributable to the addition of the Natural Areas bond program authorized by the voters in 2006, the Oregon Zoo Infrastructure and Animal Welfare bond program authorized by the voters in 2008, the Parks and Natural Areas Local Option Levy approved in May 2013, and the reclassification of stagehands in 2007 from non-FTE-event related staff to regular FTE staff. Many of the remaining increases are the result of additions for specific projects such as the RISE program, Active Transportation, Greenhouse Gas scenarios, Diversity, Equity and Inclusion program, internal training and the web redesign project. In addition, as the economy has improved, the visitor venues that reduced staff during the recession are now needing to reinstate positions to meet increased visitor demand. Finally, the Oregon Zoo has been closely examining the use of temporary staffing levels for several years. Where it is apparent that temporary staff are being used on a consistent basis, those staff are converted to regular FTE. The positions are a combination of limited duration and regular status.

Salaries are a reflection of authorized FTE and are adjusted based on cost of living, step increase or merit awards and other collective bargaining factors. Metro has eight collective bargaining units. AFSCME 3580 and LIUNA 483, the two largest collective bargaining units representing approximately 55 percent of all regular positions and 83 percent of represented regular position have agreements in place through June 30, 2017. In addition, LIUNA 483 now represents all temporary or seasonal concessions employees at the Oregon Zoo. Both agreements provide for cost of living adjustments with set minimums and maximums as determined by CPI. The budget provides for a cost of living adjustment for regular employees ranging from 2.0 percent to 2.55 percent depending on bargaining unit, and a merit for non-represented employees of 2.0 percent. Represented employees are also eligible for step increases based on longevity as determined by each collective bargaining agreement. Metro's salary plan remains competitive in the market although there may be slight adjustments to salary ranges for specific classifications.

Fringe benefits include components such as payroll taxes, pension contribution and health and welfare premiums. Overall costs are driven primarily by two factors: pension contributions and health and welfare premiums. The PERS rate saw a significant increase of 5.2 percent effective July 1, 2011, and projected additional similar increases in future years. Anticipating this outcome, the Metro Council decided in FY 2009-10 to reserve for two years the 3 percent rate reduction of that actuarial period as a hedge against future rate increases. In addition, legislative changes after

the FY 2013-14 budget was prepared reduced Metro's employer PERS rate by 4.4 percent. This reduction was also reserved. This PERS reserve is now being used to partially offset PERS related costs for the next four to five years, resulting in a 1.5 percent offset in FY 2015-16.

The PERS rate is divided into two components – the employer rate and the employee contribution. The employer rate is determined through actuarial studies performed every two years. The employee pick-up rate is set at 6 percent. For years, Metro paid the employee contribution on behalf of the employee, except for one collective bargaining group, which opted to receive the salary increase. Beginning July 1, 2011, all newly hired non-represented employees began paying their own PERS employee contributions. Beginning July 1, 2012, all newly hired AFSCME employees began paying their own PERS employee contributions. As of July 1, 2014, almost all newly hired employees are now paying their own PERS employee contributions.

Metro provides medical, dental and vision coverage on behalf of its employees. Prior to FY 2011-12 the agency's cost was subject to a cap set by the Metro Council for non-represented employees and through collective bargaining for represented employees. Monthly premium costs above the cap were paid by the employee. Historically, the cap increased approximately 5 percent annually. However, collective bargaining agreements negotiated a 10 percent cap increase from FY 2008-09 through FY 2010-11. Beginning in FY 2011-12 Metro moved to a cost sharing plan where the agency picks up a set percentage amount of the premium based on an employee's health and welfare elections. Non-represented employees and most represented employees receive a 92 percent employer share and 8 percent employee share; a few represented employees still receive a 94 percent/6 percent cost sharing plan.

The FY 2015-16 budget assumes an 8 percent increase in health care premiums over the current year. Actual costs will depend on provider proposals received each spring, which are reviewed by the agency's Joint Labor Management Committee on health care, and the enrollment choices made by Metro employees.

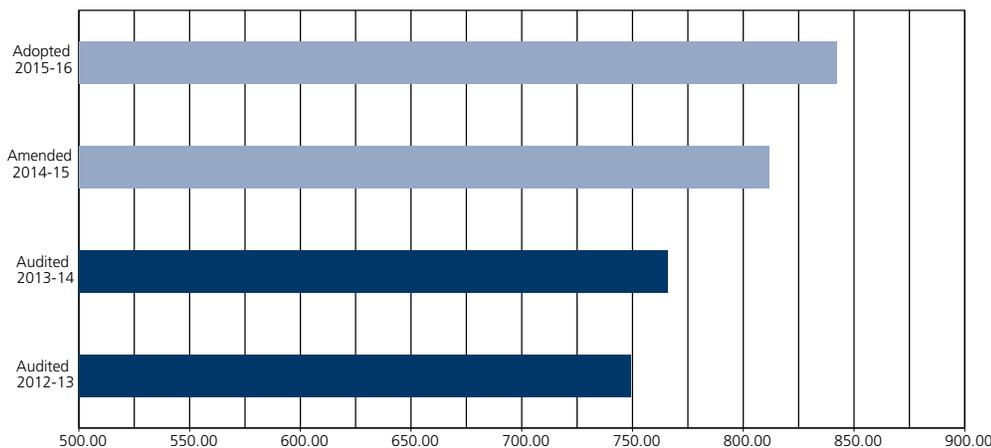
The appendices in the Detail volume provide more discussion on fringe benefit components.

# Staff levels

Metro counts regular, benefit-eligible staff positions by full-time equivalent (FTE). One FTE equals one person working full-time for one year (2,080 hours). One FTE most often is one person working full-time, but it may also be two people each working half-time, or some other combination of people whose total work time does not exceed 2,080 hours. Temporary, seasonal and MERC event-related positions are not included in the FTE chart.

Staffing levels since the beginning of the recession gradually decreased, with the greatest change happening in FY 2012-13. Prior year staffing changes by service area reflect the continuing consolidation and realignment arising from an agency reorganization. The majority of the changes were in place in FY 2009-10. Since then change continued with the consolidation of the MERC business functions into Human Resources, Information Services and Finance and Regulatory Services, and the consolidation of Parks and Natural Areas Education staff transferring from the Sustainability Center to the Oregon Zoo. FY 2013-14 reflected the first year of a five year local option levy. Approximately 34 FTE have been added to the levy fund since the first year.

## Historic staffing levels - overall



## Historic staffing levels by service

<i>Visitor Venues</i>	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Change From FY 2014-15	Change From FY 2012-13
Communications	23.13	22.25	25.00	24.00	(1.00)	0.87
Council	26.39	26.69	30.00	31.50	1.50	5.11
Finance and Regulatory Services	45.87	48.50	42.00	40.30	(1.70)	(5.57)
Human Resources	17.75	17.75	19.00	19.80	0.80	2.05
Information Services	25.50	27.50	27.50	27.50	-	2.00
Non-Departmental	1.00	1.00	0.00	0.00	-	(1.00)
Office of Metro Attorney	14.50	15.00	15.50	16.00	0.50	1.50
Office of the Auditor	6.00	6.00	6.00	6.00	-	-
Parks and Nature	70.95	85.65	86.85	91.60	4.75	20.65
Planning and Development Department	46.80	45.40	47.15	48.30	1.15	1.50
Property and Environmental Services	92.30	92.95	114.80	124.35	9.55	32.05
Research Center	29.25	26.75	28.50	28.00	(0.50)	(1.25)
Visitor Venues	349.70	350.35	369.50	385.00	15.50	35.30
<b>TOTAL BUDGET</b>	<b>749.14</b>	<b>765.79</b>	<b>811.80</b>	<b>842.35</b>	<b>30.55</b>	<b>93.21</b>

<i>Visitor Venues</i>	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Change From FY 2014-15	Change From FY 2012-13
Expo Center	13.30	12.30	14.80	15.80	1.00	2.50
MERC Administration	11.50	6.50	6.00	6.50	0.50	(5.00)
Oregon Convention Center	110.30	112.30	114.65	114.65	-	4.35
Oregon Zoo	168.20	174.85	187.15	198.65	11.50	30.45
Portland's 5 Centers for the Arts	46.40	44.40	46.90	49.40	2.50	3.00
<b>Total Visitor Venue FTE</b>	<b>349.70</b>	<b>350.35</b>	<b>369.50</b>	<b>385.00</b>	<b>15.50</b>	<b>35.30</b>

### Staffing changes for FY 2015-16

The FY 2015-16 budget increases the number of authorized positions by a net 30.55 FTE. Two-thirds of the total FTE increase is seen in the visitor venues, particularly the Oregon Zoo, and the Parks and Nature department in the Parks and Natural Areas Local Option Levy.

The Visitor Venues (Oregon Zoo, Oregon Convention Center, Expo Center and Portland's Centers for the Arts) are adding a net 15.5 new FTE. For several years the Oregon Zoo has been reviewing temporary staff usage. Where it is apparent that temporary staff are being used on a regular full-time basis, a regular benefit eligible position is requested instead. In FY 2015-16 the Oregon Zoo has requested the addition of 4.7 regular FTE with commensurate reductions in temporary help. In addition, the Oregon Zoo added 7.50 regular FTE, mostly in the areas of Living Collections and Facilities Management to better manage the animal collection and exhibit structures. A shared position is transferred back to MERC Administration for a reduction of 0.50 FTE. Additional staffing is being added at Portland's and Expo to increase service levels. An additional 5.85 FTE is added to the Parks and Natural Areas Local Option Levy to provide additional support for natural areas restoration and park management. The remaining new positions are added in high other priorities such as pest management, solid waste regulation, human resources and Council.

A detailed list of all position changes is provided in the appendices of the Detail Volume of the Adopted Budget.

### Full-time equivalent changes by organizational unit

	FY 2015-16 Changes							FY 2015-16 Proposed FTE
	FY 2014-15 Amended FTE	Misc. Changes in FTE	Transferred Positions	Eliminated LD Positions	New LD Positions	New Regular Positions	Total FTE Change	
Office of the Auditor	6.00	-	-	-	-	-	-	6.00
Council	30.00	-	1.00	(0.50)	-	1.00	1.50	31.50
Office of Metro Attorney	15.50	-	-	-	0.50	-	0.50	16.00
Communications	25.00		(1.00)				(1.00)	24.00
Finance and Regulatory Services	42.00		(1.70)				(1.70)	40.30
Human Resources	19.00	0.10	(0.30)			1.00	0.80	19.80
Information Services	27.50						-	27.50
Parks and Nature	86.85				4.75		4.75	91.60
Planning and Development	47.15	(0.30)		(0.35)		1.80	1.15	48.30
Property and Environmental Services	114.80	0.15	2.00		0.60	6.80	9.55	124.35
Research Center	28.50					(0.50)	(0.50)	28.00
Visitor Venues	369.50	1.90	-	-	2.10	11.50	15.50	385.00
<b>TOTAL</b>	<b>811.80</b>	<b>1.85</b>	<b>-</b>	<b>(0.85)</b>	<b>7.95</b>	<b>21.60</b>	<b>30.55</b>	<b>842.35</b>

# Debt Summary





Metro uses long and short-term debt to finance capital projects and some capital equipment. The following pages provide a summary of Metro's overall debt level as well as an explanation of Metro's outstanding debt by type and issue.

In November 2014 Moody's Investors Services and Standard & Poor's reaffirmed Metro's Aaa/AAA ("double triple A") underlying general obligation bond rating, the highest rating available. Metro was one of only two local governments in Oregon to obtain the double triple A rating in 2007 and has maintained its rating through the recession because of the strength of its fund balance and financial policies. The value of the high grade rating was confirmed in the successful 2014 bond sale which netted Metro both a favorable interest rate and high yield premiums. In January 2013 Standard & Poor's awarded Metro a AAA rating for its Full Faith and Credit obligation issue, reaffirming Metro's strong financial practices.

### **SUMMARY OF OVERALL DEBT**

Metro has a relatively low level of outstanding debt. As of July 1, 2015, Metro will have seven debt issues outstanding, totaling \$223,625,000. Metro has authorized but unissued debt remaining from the 2006 Natural Areas measure and the 2008 Oregon Zoo Infrastructure and Animal Welfare measure.

The graphs and charts on the following pages summarize Metro's total outstanding debt by fiscal year as well as total debt as a percentage of real market value and assessed value. In addition, the Debt Ratios table shows Metro's level of outstanding debt on a per capita basis and as compared to the estimated real market value of the Metro region. With the passage of Ballot Measure 50 in May 1997, assessed values were rolled back to FY 1994-95 levels less 10 percent and capped at no more than a 3 percent annual increase with exceptions for new construction. In the first 15 years following passage of the measure, real market values rose significantly faster than assessed values. As the economy stuttered, real market value decreased by almost 17 percent between 2009 and 2013. As a result the ratio of assessed value to real market value rose from 53 percent in 2009 to 71 percent in 2014 (see chart on page B-37). With the economy gaining strength real market values are again on the rise. New construction is also on the rise allowing for an average growth in assessed values greater than the 3 percent annual limit allowed under Ballot Measure 50. Bonded debt is not subject to compression under Oregon's property tax laws.

Periodically Metro will refund bond issues to take advantage of lower interest rates. Metro currently has five refunding bond issues outstanding. The net present value of the savings from refunding is calculated when the new bonds are issued and is included on the debt service schedules in the detail volume of the budget.

### **General Obligation Debt: \$182,305,000 outstanding**

Metro's Charter and Oregon state law require Metro to obtain voter approval prior to issuing any general obligation bonds. Voters have approved five general obligation bond issues: \$65 million for the Oregon Convention Center issued in 1987, refunded in 1992 and 2001, and retired in January 2013; \$135.6 million for Open Spaces, Parks and Streams issued in three series in 1995, with two of the three series refunded in 2002 and again in 2012, and fully retired in June 2015; \$28.8 million for improvements to the Oregon Zoo issued in 1996 and refunded in 2005; \$227.4 million for Natural Areas, the first series of which was issued in April 2007 and partially refunded in 2014, and a second series issued in 2012; and \$125.0 million for Oregon Zoo infrastructure and projects related to animal welfare, for which three issues were placed in December 2008, August 2010 and May 2012.

State law establishes a limit of 10 percent of real market value on Metro's total general obligation indebtedness. Metro's general obligation debt is 0.10 percent of real market value. The Metro Debt Limitation Comparison table (page B-42) shows a comparison of Metro's outstanding general obligation bonds to the statutory debt limit.

### **Full Faith and Credit Bonds: \$20,345,000 outstanding**

Metro issued full faith and credit refunding bonds in 2003, refunding obligations for Metro Regional Center construction and loans to the Oregon Zoo. The Metro Regional Center obligation had been a General Revenue Bond issued in 1993, backed by assessments to Metro departments occupying Metro's headquarters building. The zoo obligations were loans from the Oregon Economic and Community Development Department issued in 1995 and 1996 to pay Metro's share of Westside MAX light rail construction and reconfiguration of the Washington Park parking lot used by zoo patrons. These loans were to be repaid from zoo revenues. In February 2013 the callable portion of these bonds was refunded, receiving a net present value savings of 10.1 percent.

In April 2006 Metro joined with two other Oregon local governments to issue full faith and credit refunding bonds to refund the outstanding obligation remaining on an Oregon Economic Development Department, Special Public Works Fund loan. In April 2000 Metro obtained a loan from the Oregon Bond Bank through the Oregon Economic Development Department, Special Public Works Fund to pay for the construction of a new building to replace the existing Hall D at Expo. The loan was divided into two parts with the first being used to finance the construction of the Hall D replacement. The second part of the loan was for infrastructure improvements associated with the new building. The loan was paid from Expo revenues.

The full faith and credit bonds are backed by a broader pledge of Metro revenues, including property taxes used to support operations and excise taxes levied on users of certain Metro services. The prior funding sources will continue to be used to pay debt service on the full faith and credit bonds, but the additional backing from other Metro revenues provides greater security for bondholders.

### **Pension Obligation Bonds: \$20,975,000 outstanding**

In fall 2005 Metro joined with a pool of other local governments in the State of Oregon to issue limited tax pension obligation bonds to fund its share of the Oregon Public Employees Retirement System unfunded actuarial liability. Metro's share of the total principal will be repaid over a period of 22 years through assessments on operating units in exchange for a lower pension cost.

### **PLANNED DEBT**

In May 2012 Metro issued the latest series of general obligation bonds under both the 2006 Natural Areas authorization and the 2008 Oregon Zoo Infrastructure and Animal Welfare authorization. The total new debt issued was \$140 million: \$75 million for Natural Areas and \$65 million for Oregon Zoo Infrastructure. With this issuance, there is a balance remaining on the Natural Areas authorization of \$28.105 million and on the Oregon Zoo Infrastructure authorization of \$40 million.

Metro currently plans to issue the \$40 million remaining on the Oregon Zoo Infrastructure authorization in the Spring of 2016. Staff will continually monitor the Natural Areas program needs with current plans to issue the remaining authorization sometime between Spring 2018 and Spring 2019.

In addition, Metro has negotiated with a developer to construct a 600 room hotel adjacent to the Oregon Convention Center. Metro will issue revenue bonds backed by the site specific transient lodging tax in fall 2015. The size of the bonds will be sufficient to obtain net proceeds of \$60 million after financing costs, debt reserve and capitalized interest.

## Outstanding debt issues

	Original Amount	Original Issue Date	Principal Outstanding	Final Maturity	Source of Payment
<b>GENERAL OBLIGATION BONDS</b>					
General Obligation Refunding Bonds					
Metro Washington Park Zoo Oregon Project 2005 Series	18,085,000	5/12/05	4,305,000	1/15/2017	Property Taxes
Natural Areas 2014 Series	57,955,000	11/5/14	57,765,000	6/1/2020	Property Taxes
General Obligation Bonds					
Natural Areas 2007 Series	124,295,000	4/3/07	9,945,000	6/1/2017	Property Taxes
Natural Areas 2012A Series	75,000,000	5/23/12	60,960,000	6/1/2026	Property Taxes
Oregon Zoo Infrastructure 2012A Series	65,000,000	5/23/12	49,330,000	6/1/2028	Property Taxes
<b>TOTAL GENERAL OBLIGATION BONDS OUTSTANDING</b>			<b>\$182,305,000</b>		
<b>FULL FAITH AND CREDIT BONDS</b>					
Full Faith and Credit Refunding Bonds					
2006 Series	14,700,000	4/20/06	9,445,000	12/1/2024	General Revenues
2013 Series	12,600,000	2/26/13	10,900,000	8/1/2022	General Revenues
<b>TOTAL FULL FAITH &amp; CREDIT BONDS OUTSTANDING</b>			<b>\$20,345,000</b>		
<b>PENSION OBLIGATION BONDS</b>					
Limited Tax Pension Obligation Bonds					
Series 2005	\$24,290,000	9/23/05	\$20,975,000	6/1/2028	Department Assessments
<b>TOTAL PENSION OBLIGATION BONDS OUTSTANDING</b>			<b>\$20,975,000</b>		
<b>GRAND TOTAL – METRO DEBT OUTSTANDING</b>			<b>\$223,625,000</b>		

## Comparison of Assessed Value to Real Market Value

Year ending June 30,	Assessed Value	Change in Assessed Value	% Change in Assessed Value	Real Market Value	Change in Real Market Value	% Change in Real Market Value	Ratio Assessed Value to Real Market Value	M5: Loss due to Compression	% Change in Loss due to Compression
(1) 1997	77,721,485,259	-----	-----	77,721,485,259	-----	-----	100.0%		
1998	66,711,834,456	(11,009,650,803)	(14.2%)	87,320,546,481	9,599,061,222	12.4%	76.4%		
1999	71,935,532,500	5,223,698,044	7.8%	94,157,744,893	6,837,198,412	7.8%	76.4%		
2000	76,258,210,803	4,322,678,303	6.0%	105,147,450,817	10,989,705,924	11.7%	72.5%		
2001	81,009,866,113	4,751,655,310	6.2%	113,011,064,594	7,863,613,777	7.5%	71.7%		
2002	86,489,564,017	5,479,697,904	6.8%	123,050,948,638	10,039,884,044	8.9%	70.3%		
2003	89,837,920,089	3,348,356,072	3.9%	128,542,544,330	5,491,595,692	4.5%	69.9%		
2004	92,737,859,477	2,899,939,388	3.2%	138,455,070,187	9,912,525,857	7.7%	67.0%		
2005	96,486,155,140	3,748,295,663	4.0%	146,360,729,671	7,905,659,484	5.7%	65.9%		
2006	100,603,570,790	4,117,415,650	4.3%	156,692,361,468	10,331,631,797	7.1%	64.2%		
2007	105,614,559,121	5,010,988,331	5.0%	181,787,247,525	25,094,886,057	16.0%	58.1%	103,618	-----
2008	111,760,381,863	6,145,822,742	5.8%	207,455,843,980	25,668,596,455	14.1%	53.9%	106,945	3.2%
2009	116,514,323,505	4,753,941,642	4.3%	218,478,090,509	11,022,246,529	5.3%	53.3%	122,926	14.9%
2010	120,667,474,935	4,153,151,430	3.6%	208,123,520,973	(10,354,569,536)	(4.7%)	58.0%	135,553	10.3%
2011	124,354,465,812	3,686,990,877	3.1%	196,930,643,603	(11,192,877,370)	(5.4%)	63.1%	161,385	19.1%
2012	127,913,281,573	3,558,815,761	2.9%	186,113,692,723	(10,816,950,880)	(5.5%)	68.7%	223,065	38.2%
2013	130,835,372,208	2,922,090,635	2.3%	182,115,877,804	(3,997,814,919)	(2.1%)	71.8%	295,537	32.5%
(2) 2014	136,104,534,535	5,269,162,327	4.0%	191,403,168,645	9,287,290,841	5.1%	71.1%	3,155,397	967.7%
2015	142,461,651,630	6,357,117,095	4.7%	211,844,217,262	20,441,048,617	10.7%	67.2%	2,934,009	(7.0%)
(3) 2016	148,872,425,953	6,410,774,323	4.5%	222,436,428,125	10,592,210,863	5.0%	66.9%	2,800,000	(4.6%)

- (1) The passage of ballot measure 50 converted the State of Oregon from a levy based to a rate based property tax system with reductions in assessed values.
- (2) Dramatic increase in compression is due to first year of 5-year Natural Areas local option levy
- (3) Estimate for FY 2015-16 budget.

## Debt ratios as of July 1, 2015

FY 2015-16 Estimated Real Market Value                      \$222,436,428,125  
 2015 Estimated Population    1,734,943

	Debt Outstanding	Debt per Capita	Debt as % of Real Market Value
General Obligation Debt	\$182,305,000	\$105.08	0.08%
Full Faith and Credit Bonds	20,345,000	11.73	0.01%
Pension Obligation Bonds	20,975,000	12.09	0.01%
<b>TOTAL METRO DEBT</b>	<b>\$223,625,000</b>	<b>\$128.89</b>	<b>0.10%</b>

## Debt ratios as of June 30, 2016

FY 2015-16 Estimated Real Market Value                      \$222,436,428,125  
 2015 Estimated Population    1,734,943

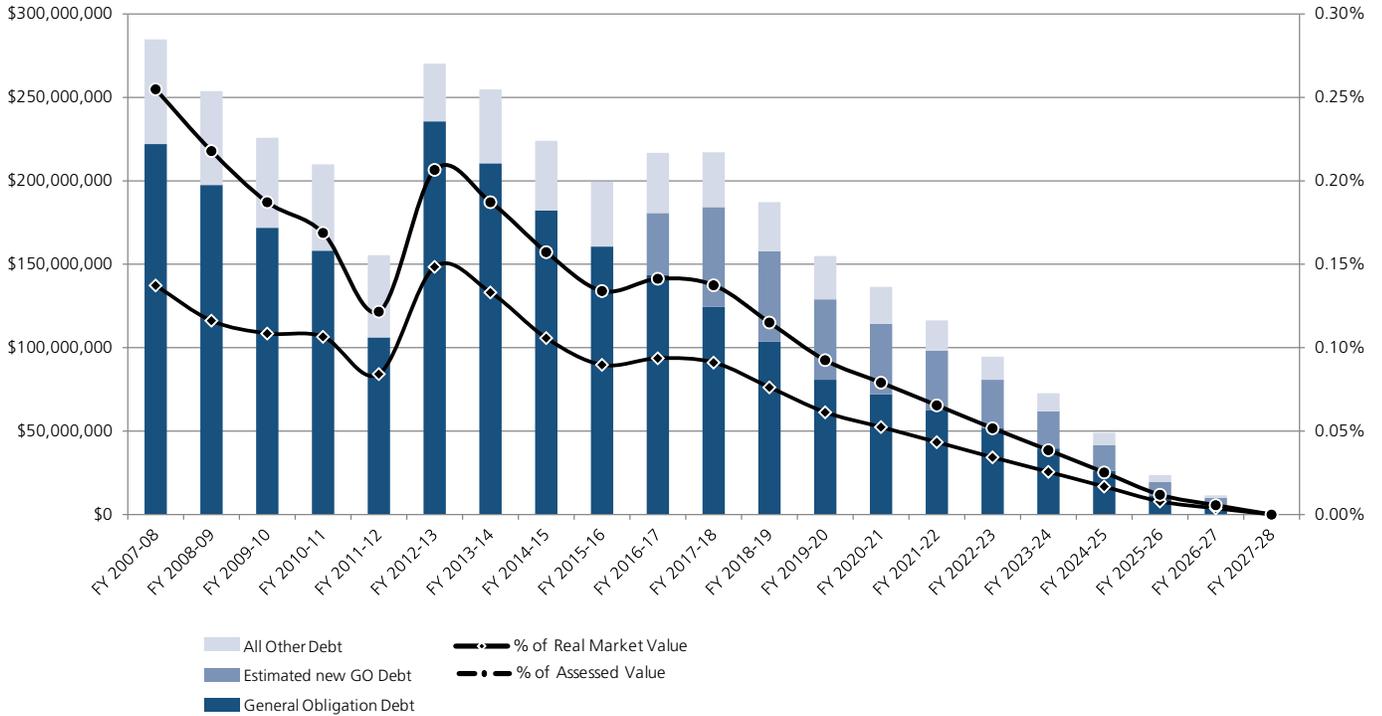
	Debt Outstanding	Debt per Capita	Debt as % of Real Market Value
General Obligation Debt	\$160,565,000	92.55	0.07%
Full Faith & Credit Bonds	\$17,970,000	10.36	0.01%
Pension Obligation Bonds	\$20,155,000	11.62	0.01%
<b>TOTAL METRO DEBT</b>	<b>\$198,690,000</b>	<b>\$114.52</b>	<b>0.09%</b>

## Debt limitation comparison

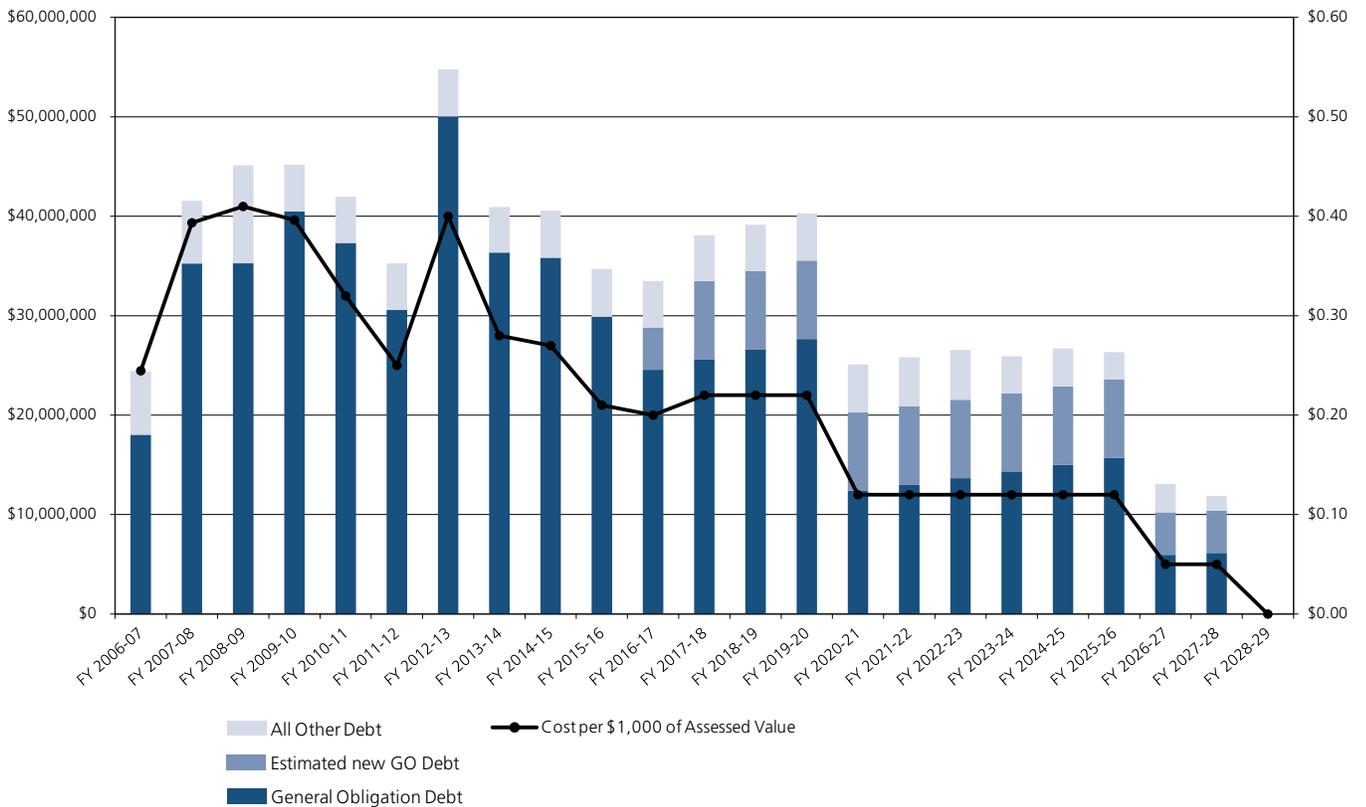
Statutory general obligation bond limit – 10 percent of Real Market Value

FY 2015-16 Estimated Real Market Value	222,436,428,125
General Obligation Debt Limit Percentage	10%
Statutory General Obligation Bond Limit	\$22,243,642,813
Less General Obligation Debt Outstanding	\$182,305,000
General Obligation Bond Limit Remaining	\$22,061,337,813
Metro's General Obligation Debt Percentage	0.08%

## Outstanding debt by fiscal year



## Debt service payments by fiscal year



## FY 2015-16 Summary of debt service payments

	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
<b>TOTAL FY 2015-16 DEBT SERVICE PAYMENTS</b>	<b>\$24,935,000</b>	<b>\$12,279,050</b>	<b>\$37,214,050</b>

**Capital  
Improvement  
Plan  
Summary**





A capital project is defined in Metro’s capital improvement plan (CIP) as any physical asset acquired or constructed by Metro with a total capital cost of \$100,000 or more and a useful life of at least five years. The CIP for the next five years, FY 2015-16 through FY 2019-20, includes 205 projects with anticipated new spending of \$189.9 million.

Each year, departments assess the condition of existing capital assets, the status of current capital projects and future capital needs. The Chief Operating Officer reviews budget requests and includes selected projects in the proposed budget. The Metro Council reviews and acts on the proposed CIP following a public hearing. The Council adopts the five-year plan in its entirety and makes appropriations for the first year through budget adoption. Changes to the plan require Council action by resolution or ordinance, depending on the circumstance.

### Five-year CIP Summary: FY 2015-16 through FY 2019-20

The summary table below presents the capital costs of projects by fiscal year, by operating unit. The “Total” column represents the overall project costs, including expenditures in prior years. As in recent years, bond-funded projects dominate this year’s CIP.

### Total projects costs by organization unit

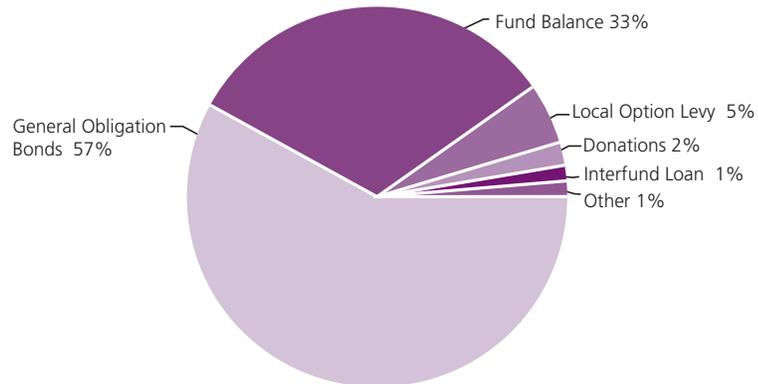
	Total Projects	Prior Years	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Five-Year Total	Total
Finance and Regulatory Services	1	50,000	100,000	0	0	0	0	100,000	150,000
Information Services	14	205,000	1,243,087	382,662	631,016	915,769	659,189	3,831,723	4,036,723
Property and Environmental Services	40	1,725,000	4,906,498	4,722,191	6,703,722	5,159,839	1,855,814	23,348,064	25,073,064
Parks and Nature	44	106,472,100	24,817,986	16,061,918	10,389,249	12,407,000	4,097,757	67,773,910	174,246,010
Visitor Venues- MERC	79	1,339,296	8,516,704	5,359,578	6,615,507	3,543,630	7,383,015	31,418,434	32,757,730
Visitor Venues- Oregon Zoo	26	57,582,878	24,420,043	7,907,086	16,011,166	3,753,728	11,394,351	63,486,375	121,069,253
<b>TOTAL</b>	<b>204</b>	<b>167,374,274</b>	<b>64,004,319</b>	<b>34,433,435</b>	<b>40,350,660</b>	<b>25,779,966</b>	<b>25,390,126</b>	<b>189,958,506</b>	<b>357,332,780</b>

Property and Environmental Services spending includes solid waste and the Metro Regional Center. Parks and Nature includes General Fund spending for regional parks projects, bond funding for land purchases and natural area projects funded by the Parks and Natural Areas Local Option Levy. Projects at the Oregon Zoo reflect expenditures in the zoo bond program approved by voters in 2008 as well as other capital and renewal and replacement projects. MERC includes capital projects for the Oregon Convention Center, Portland’s 5 Centers for Arts and the Portland Expo Center. Most Information Services projects fund network infrastructure and agency software; Finance and Regulatory Services projects in this year’s CIP fund projects related to solid waste responsibilities of Finance and Regulatory Services.

## SOURCES OF FUNDS

Expected spending for the next five years is \$189.9 million, funded as follows:

### Major funding sources



### General Obligation Bonds

The Natural Areas and Oregon Zoo Infrastructure and Animal Welfare bond proceeds provide 57 percent of funding for CIP projects.

### Fund balance

The second largest source of funds for capital projects, at 33 percent of total funds, is fund balance. Metro uses an accumulating strategy for its renewal and replacement funding, resulting in a more predictable and level annual contribution, no matter what projects start in any given year. The Solid Waste Revenue Fund employed this technique as a condition of its now retired bond financing for the transfer stations and continues to do so. The General Fund established its General Renewal and Replacement Fund (now housed in the General Asset Management Fund) in 2008, fueled by a \$5.7 million initial contribution. In 2011 the MERC Fund also designated dedicated renewal and replacement funding for each of its venues. This financing technique is particularly well suited for small- to medium-sized projects. Fund Balance, including the Reserve for One-Time Expenditures, also supports new capital projects.

### Local Option Levy

The Parks and Natural Areas Local Option Levy will make up about 5.2 percent of funding for CIP projects. All local option levy funding in the CIP will support capital and renewal and replacement projects at Metro's parks and natural areas.

### Donations

Donations account for 2 percent of the total, vary annually and this year reflect contributions from the Oregon Zoo Foundation, targeted to specific projects.

### Interfund Loans and Other

An interfund loan from the Solid Waste Fund in FY 2014-15 provided funding for two projects at the zoo: the Steller Cove Renovation and the Zoo Train Renovation. The loan will be repaid with interest by the zoo over 10 years. Other funding, at about 1.4 percent of the total, consists primarily of projects funded by Metro's catering contractor as well as projects scheduled for future years that do not yet have an identified funding source. Should these future projects remain an agency priority, a funding source will be identified.

Additional detail about CIP projects and their funding can be found in the Detail Budget volume.

# Financial Policies





BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE	)	RESOLUTION NO. 15-4632
CAPITAL IMPROVEMENT PLAN FOR FISCAL	)	Introduced by Martha Bennett, Chief
YEARS 2015-16 THROUGH 2019-20, APPROVING	)	Operating Officer, in concurrence with
THE METROPOLITAN TOURISM OPPORTUNITY	)	Council President Tom Hughes
COMPETITIVENESS ACCOUNT PROJECTS AND	)	
RE-ADOPTING METRO’S FINANCIAL POLICIES	)	

WHEREAS, Metro recognizes the need to prepare a long-range plan estimating the timing, scale and cost of its major capital projects and equipment purchases; and

WHEREAS, Metro’s Chief Operating Officer has directed the preparation of a Capital Improvement Plan for fiscal years 2015-16 through 2019-20 that projects Metro’s major capital spending needs over the next five years;

WHEREAS, the Metro Council has reviewed the FY 2015-16 through FY 2019-20 Capital Improvement Plan; and

WHEREAS, the Metro Council has conducted a public hearing on the FY 2015-16 budget including the FY 2015-16 through FY 2019-20 Capital Improvement Plan; and

WHEREAS, the Metro Council annually reviews and readopts its Comprehensive Financial Policies including the Capital Asset Management Policies; and

WHEREAS, the Metro Council annually approves funding from the Metropolitan Tourism Opportunity Competitiveness Account (MTOCA); now therefore

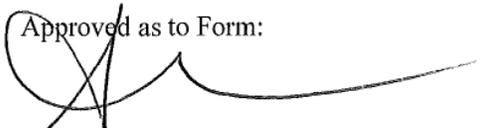
BE IT RESOLVED that the Metro Council hereby authorizes the following:

1. That the FY 2015-16 through FY 2019-20 Capital Improvement Plan (CIP), summarized in Exhibit A, is hereby adopted.
2. That the FY 2015-16 capital projects from the FY 2015-16 through FY 2019-20 Capital Improvement Plan be included and appropriated in the FY 2015-16 budget.
3. That the Comprehensive Financial Policies, including the Capital Asset Management Policies, included as Exhibit B to this Resolution, are re-adopted and will be published in the FY 2015-16 budget.
4. That MTOCA funding for the Oregon Convention Center and the Expo Center for FY 2015-16 is approved.

ADOPTED by the Metro Council this 18th day of June 2018.

  
 \_\_\_\_\_  
 Tom Hughes, Metro Council President



Approved as to Form:  
  
 \_\_\_\_\_  
 Alison R. Kean, Metro Attorney

# Financial policies

In 2004 the Metro Council enacted Resolution No. 04-3465, “adopting comprehensive financial policies for Metro.”

Metro’s financial policies are reviewed annually and approved by the Metro Council for inclusion in the adopted budget. The financial policies are the cornerstone of Metro’s financial planning and financial management. Budget decisions are framed in relation to the policies; exceptions, usually related to fund balance, are disclosed in the budget message; and quarterly reporting on financial performance provides transparency and accountability. In May 2012 Metro’s highest grade bond ratings were confirmed by Standard & Poor’s and Moody’s Investors Services. Both rating agencies cited Metro’s strong financial policies and its commitment to following them.

Operating independently of changing circumstances and conditions, these policies are designed to help safeguard Metro’s assets, promote effective and efficient operations and support the achievement of Metro’s strategic goals. Recently the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the Metro Council to make certain policy decisions regarding the use of resources and classifications of fund balance. In June 2010 the Metro Council took action to amend Metro’s Comprehensive Financial Policies to incorporate the GASB Statement No. 54 principles and to re-approve the policies. These changes are reflected in Budget and Financial Planning, section 2.

These financial policies establish basic principles to guide Metro’s elected officials and staff in carrying out their financial duties and fiduciary responsibilities. The Chief Financial Officer shall establish procedures to implement the policies established in this document.

## General policies

1. Metro’s financial policies shall be reviewed annually by the Council and shall be published in the adopted budget.
2. Metro shall prepare its annual budget and Comprehensive Annual Financial Report consistent with accepted public finance professional standards.
3. The Chief Financial Officer shall establish and maintain appropriate financial and internal control procedures to assure the integrity of Metro’s finances.
4. Metro shall comply with all applicable state and federal laws and regulations concerning financial management and reporting, budgeting and debt administration.

## Accounting, auditing and financial reporting

1. Metro shall annually prepare and publish a Comprehensive Annual Financial Report including financial statements and notes prepared in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board.
2. Metro shall maintain its accounting records on a basis of accounting consistent with the annual budget ordinance.
3. Metro shall have an independent financial and grant compliance audit performed annually in accordance with generally accepted auditing standards.

## Budgeting and financial planning

1. As prescribed in Oregon budget law, total resources shall equal total requirements in each fund, including contingencies and fund balances. However, Metro considers a budget to be balanced whenever budgeted revenues equal or

exceed budgeted expenditures. Beginning fund balances shall not be considered as revenue, nor shall contingencies or ending fund balances be considered expenditures, in determining whether a fund is in balance.

2. Metro shall maintain fund balance reserves that are appropriate to the needs of each fund. Targeted reserve levels shall be established and reviewed annually as part of the budget process. Use of fund balance to support budgeted operations in the General Fund, an operating fund, or a central service fund shall be explained in the annual budget document; such explanation shall describe the nature of the budgeted reduction in fund balance and its expected future impact. Fund balances in excess of future needs shall be evaluated for alternative uses.
  - a. The Metro Council delegates to the Chief Operating Officer the authority to assign (and un-assign) additional amounts intended to be used for specific purposes more narrow than the overall purpose of the fund established by Council. A schedule of such assignments shall be included within the adopted budget document.
  - b. Metro considers restricted amounts to have been spent prior to unrestricted (committed, assigned, or unassigned) amounts when an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available. Within unrestricted amounts, committed amounts are considered to have been spent first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.
  - c. The following information shall be specified by Council in the establishment of Stabilization Arrangements as defined in GASB Statement No. 54: a) the authority for establishing the arrangement (resolution or ordinance), b) the requirements, if any, for additions to the stabilization amount, c) the specific conditions under which stabilization amounts may be spent, and d) the intended stabilization balance.
3. Metro staff shall regularly monitor actual revenues and expenditures and report to Council at least quarterly on how they compare to budgeted amounts, to ensure compliance with the adopted budget. Any significant changes in financial status shall be timely reported to the Council.
4. Metro shall use its annual budget to identify and report on department or program goals and objectives and measures of performance.
5. A new program or service shall be evaluated before it is implemented to determine its affordability.
6. Metro shall authorize grant-funded programs and associated positions for a period not to exceed the length of the grant unless alternative funding can be secured.
7. Each operating fund will maintain a contingency account to meet unanticipated requirements during the budget year. The amount shall be appropriate for each fund.
8. Metro shall prepare annually a five-year forecast of revenues, expenditures, other financing sources and uses, and staffing needs for each of its major funds, identifying major anticipated changes and trends, and highlighting significant items which require the attention of the Council.
9. Metro will annually prepare a cost allocation plan prepared in accordance with applicable federal guidelines to maintain and maximize the recovery of indirect costs from federal grants, and to maintain consistency and equity in the allocation process.

### **Capital asset management**

1. Metro shall budget for the adequate maintenance of capital equipment and facilities and for their orderly replacement, consistent with longer-term planning for the management of capital assets.
2. The Council's previously-adopted policies governing capital asset management are incorporated by reference into these policies.

### **Cash management and investments**

1. Metro shall maintain an investment policy in the Metro Code, which shall be subject to annual review and re-adoption.
2. Metro shall schedule disbursements, collections and deposits of all funds to ensure maximum cash availability and investment potential.
3. Metro shall manage its investment portfolio with the objectives of safety of principal as the highest priority, liquidity adequate to needs as the second highest priority and yield from investments as its third highest priority.

### **Debt management**

1. Metro shall issue long-term debt only to finance capital improvements, including land acquisition, that cannot be readily financed from current revenues, or to reduce the cost of long-term financial obligations.
2. Metro will not use short-term borrowing to finance operating needs unless specifically authorized by the Council.
3. Metro shall repay all debt issued within a period not to exceed the expected useful life of the improvements financed by the debt.
4. Metro shall fully disclose financial and pertinent credit information as it relates to Metro's outstanding securities.
5. Metro shall strive to obtain the highest credit ratings to ensure that borrowing costs are minimized and Metro's access to credit is preserved.
6. Equipment and vehicles should be financed using the least costly method, including comparison to direct cash expenditure. This applies to purchase using operating leases, capital leases, bank financing, company financing or any other purchase programs.

### **Revenues**

1. Metro shall estimate revenues through an objective, analytical process.
2. Metro shall strive to maintain a diversified and balanced revenue system to protect it from short-term fluctuations in any one revenue source.
3. One-time revenues shall be used to support one-time expenditures or increase fund balance.
4. Metro shall pursue appropriate grant opportunities; however, before accepting any grant, Metro will consider the current and future implications of either accepting or rejecting it. The Chief Financial Officer may establish criteria to be used in evaluating the potential implications of accepting grants.

The following policies establish the framework for Metro’s overall capital asset planning and management. They provide guidance for current practices and a framework for evaluation of proposals for future projects. These policies also seek to improve Metro’s financial stability by providing a consistent approach to fiscal strategy. Adopted financial policies show the credit rating industry and prospective investors (bond buyers) the agency’s commitment to sound financial management and fiscal integrity. Adherence to adopted policies ensures the integrity and clarity of the financial planning process and can lead to improvement in bond ratings and lower cost of capital.

### Section 1: Purpose

- 1.1 The Capital Asset Management Policies establish the framework for Metro’s overall capital asset planning and management. They provide guidance for current practices and a framework for evaluation of proposals for future projects. These policies also seek to improve Metro’s financial stability by providing a consistent approach to fiscal strategy. Metro’s adopted financial policies show the credit rating industry and prospective investors (bond buyers) the agency’s commitment to sound financial management and fiscal integrity. Adherence to adopted policies ensures the integrity and clarity of the financial planning process and can lead to improvement in bond ratings and lower cost of capital.
- 1.2 The capital asset planning process applies to projects of \$50,000 or more and having a useful life of at least five years. These projects include capital maintenance tasks that increase the life of the asset on assets with values of \$50,000 or more. In addition, the planning process includes information technology items over \$50,000 that may have a useful life of less than five years.
- 1.3 Metro’s Capital Asset Management Policy shall be governed by the following principles:
  - 1.3.1 Metro shall operate and maintain its physical assets in a manner that protects the public investment and ensures achievement of their maximum useful life. Ensuring the maximum useful life for public assets is a primary agency responsibility. Establishing clear policies and procedures for monitoring, maintaining, repairing and replacing essential components of facilities is central to good management practices.
  - 1.3.2 Metro shall prepare, adopt and update at least annually a five-year Capital Improvement Plan (CIP). The Plan will identify and set priorities for all major capital assets to be acquired or constructed by Metro.
  - 1.3.3 Metro shall establish a Renewal and Replacement Reserve account for each operating fund responsible for major capital assets. Renewal and Replacement includes any activity that serves to extend the useful life or increase the efficiency of an existing asset, while retaining its original use. Ensuring that the public receives the maximum benefit for its investments in major facilities and equipment requires an ongoing financial commitment.
  - 1.3.4 Capital and renewal and replacement projects shall support Metro’s MWESB procurement goals, including the Sheltered Market and FOTA program and the goals of Metro’s Diversity Action Plan.

- 1.3.5 To the extent possible, improvement projects and major equipment purchases will be funded on a pay-as-you-go basis from existing or foreseeable revenue sources. Fund Balances above established reserve requirements may be used for one-time expenditures such as capital equipment or financing of capital improvements. Debt financing should be utilized only for new projects or complete replacement of major capital assets.
- 1.3.6 Capital and renewal and replacement projects should support implementation of Metro's Sustainability Plan.
- 1.3.7 Projects shall be analyzed in light of environmental, regulatory, economic, historical and cultural perspectives, as well as the capacity of the infrastructure and the availability of resources for ongoing maintenance needs.
- 1.3.8 All approved capital projects shall be consistent with relevant goals and strategic plans as adopted by departments, the Metropolitan Exposition-Recreation Commission ("MERC"), or the Metro Council.
- 1.3.9 A financial feasibility analysis shall be performed before any capital project, regardless of cost, is submitted to the Metro Council, MERC Commission, Chief Operating Officer, or General Manager of Visitor Venues for approval. The financial feasibility analysis shall include an analysis of the financial impact on the operating fund balance, return on investment, the availability and feasibility of funding sources, and cost estimates for the capital project. The analysis shall also identify the financial impact of the following requirements:
  - 1.3.9.1 Any public art funding requirements imposed by the Metro Code, the facility's owner, or any other applicable law;
  - 1.3.9.2 All required licenses, permits, certificates, design approval documents, and similar documents required by any authority; and
  - 1.3.9.3 Any contractual or legal requirements that apply to the proposed capital project.
- 1.3.10 In the capital project planning and review process, the Metro Council, MERC Commission, Chief Operating Officer, and General Manager shall be guided by the following financing principles:
  - 1.3.10.1 Funds shall be expended only on capital projects that meet identified strategic priorities.
  - 1.3.10.2 Funds shall be expended only on capital projects for which an analysis of funding options has been conducted. This analysis shall include evaluation of all funding options (donations, revenue generation by the project, intrafund transfers, proposed borrowing), and an analysis of the capital project's strategic priority, useful life, revenue sources, and repayment options.
  - 1.3.10.3 Funds shall be expended only on new projects that include identified and protected funding sources for a renewal and replacement reserve to ensure that the value of the capital asset can be maintained.
  - 1.3.10.4 Funds shall be expended only on projects for which a funding source for operational requirements has been identified.

- 1.3.10.5 Metro's Adopted Budget should include undesignated contingency funds to permit MERC and other departments with capital project responsibilities to respond to unexpected events or opportunities.

## **Section 2: Definitions**

- 2.1 Capital asset – An item permanent in nature with future service capacity and used in operations, having an initial useful life of over one year, tangible or intangible, and held for purposes other than investment or resale with a cost (or fair market value if donated) equal to or greater than the capitalization threshold established for the asset category included later in this policy.
- 2.2 Capital maintenance – Expenditures for repair and maintenance services not provided directly by Metro personnel. These costs are relatively minor alterations, ordinary and routine repair or effort necessary to preserve or repair an asset due to normal wear and tear so that it achieves its initial planned useful life. While not capitalized, significant capital maintenance projects (those with costs equal to or greater than \$50,000) must be included in the CIP and obtain Council authorization.
- 2.3 Total cost accounting – An analysis that includes the total initial acquisition cost of an asset as well as all operating costs for the expected useful life of the asset.
- 2.4 Renewal and replacement – Construction, reconstruction or major renovation on capital assets. Renewal and replacement does not include relatively minor alteration, ordinary repair or maintenance necessary to preserve or repair an asset.
- 2.5 Return on investment (ROI) – A calculation of the financial gains or benefits that can be expected from a project. ROI is represented as a ratio of the expected financial gains (benefits) of a project divided by its total costs.

## **Section 3: New Capital Projects**

- 3.1 All new capital projects over \$50,000 must be approved as part of the annual budget process. New project requests must comply with any other applicable Metro program or process requirements, including all Construction Project Management Office requirements and Metro's Green Building Policy.
- 3.2 New projects over \$50,000 identified during the course of the fiscal year require approval as follows:
  - 3.2.1 If the project does not require additional budgetary authority, the project may be approved by the Chief Operating Officer, or their designee;
  - 3.2.2 If the project requires additional budgetary authority, the project must be approved by the Metro Council.
  - 3.2.3 For Capital projects with a total anticipated cost of less than \$100,000 at the MERC venues, the General Manager of Visitor Venues may approve the project if sufficient budgetary authority is available.
  - 3.2.4 Any capital project at the MERC venues with a total anticipated cost of \$100,000 or more also requires approval by the MERC Commission.
- 3.3 Emergency capital projects may be approved as follows:
  - 3.3.1 The Chief Operating Office or their designee may approve capital projects with a total anticipated cost of \$50,000 or more.

- 3.3.2 The MERC Commission delegates to the General Manager or their designee the authority to approve capital projects with a total anticipated cost of \$100,000 or more.
- 3.3.3 In the event an emergency capital project is approved, that approval shall be reported as follows:
  - 3.3.3.1 The Chief Operating Officer shall report the approval to the Metro Council.
  - 3.3.3.2 The General Manager shall report the approval to the MERC Commission at the next regular Commission Meeting.

#### **Section 4: Renewal and Replacement**

- 4.1 The intent of Renewal and Replacement reserves is to ensure that sufficient resources are available for capital maintenance or replacement so that Metro's capital assets meet or exceed their estimated useful life. The Renewal and Replacement Reserve for each operating fund with major capital assets should initially be established based on the value of the asset and consideration of known best asset management practices.
- 4.2 General Guidelines – Renewal and replacement reserves and projects should be managed according to the following guidelines:
  - 4.2.1 Renewal and replacement reserves are not intended to fund major capital assets such as building replacements or significant structural upgrades.
  - 4.2.2 Renewal and replacement reserves are not intended to fund routine maintenance activities. Routine maintenance should be included in facility operating budgets. If routine maintenance costs for an asset are increasing, renewal and replacement projects may be moved forward in the schedule if the project can be shown to reduce operating and/or maintenance costs.
  - 4.2.3 Facility managers should perform annual facility assessments to review renewal and replacement schedules.
  - 4.2.4 All renewal and replacement projects should incorporate sustainability features that support Metro's sustainability goals, support adopted policies such as the Green Building Policy and Sustainable Procurement Policy and be evaluated on a total cost accounting basis relative to less sustainable options.
  - 4.2.5 New capital projects should be added to renewal and replacement lists upon completion. Asset replacement costs shall initially be based on original asset costs. In future revisions, replacement costs shall be based on acquiring a new asset of equal utility. Increased sustainability features such as efficiency improvements or design changes (e.g. green roof vs. traditional roof design) are not increases in asset utility. Increased estimated replacement costs based on new or improved sustainability features shall be considered in the budget process.
  - 4.2.6 On an annual basis, the Finance and Regulatory Services Director shall determine the minimum asset value for projects to be included in renewal and replacement reserves.
  - 4.2.7 For General Fund assets, the renewal and replacement reserves should be managed to ensure sufficient funding is available to complete all projects for the next 10 years. Enterprise fund renewal and replacement accounts should be managed to ensure that annual contributions are sufficient to fund renewal and replacement projects on an ongoing basis.

- 4.3 Budget Process – During the annual budget process, Department Directors shall submit a list of proposed renewal and replacement projects as part of the annual budget process. The renewal and replacement project lists shall include:
- 4.3.1 Cost estimates for all renewal and replacement projects (including projects carried forward from the prior year) that can be reasonably expected to be completed in the following fiscal year.
  - 4.3.2 Cost estimates for design and/or engineering work necessary to develop the scope and cost of construction project estimates for future renewal and replacement projects.
  - 4.3.3 Any projects with cost estimates above previous replacement cost estimates based on the inclusion of sustainability features in the project design that increase the initial cost of the project.
- 4.4 Renewal and replacement projects shall be included in aggregate in the Capital Improvement Plan for the Proposed Budget for Council Review.
- 4.5 Capital Asset Advisory Committee
- 4.5.1 The Capital Asset Advisory Committee is responsible for providing recommendations to the Director of Finance and Regulatory Services and the Financial Planning Division on the ongoing management of the renewal and replacement reserves for each major fund. The Advisory Committee shall be composed of the following positions (or Designee):
    - Capital Budget Coordinator, Finance and Regulatory Services (Chair)
    - Finance Manager, Oregon Zoo
    - Finance Manager, MERC Venues
    - Finance Manager, Parks and Environmental Services (PES)/ Sustainability Center
    - Program Director, Parks and Property Stewardship (PES)
    - Program Director, Solid Waste Operations (PES)
    - Program Director, Natural Areas Program (Sustainability Center)
    - Deputy Director, Oregon Zoo Operations
    - cPMO Manager, Agency Construction Projects
    - Director, Information Services Department
  - 4.5.2 The Committee’s responsibilities shall include:
    - 4.5.2.1 Reviewing project lists, changes to project lists and requests for unfunded sustainability improvements to existing projects not already approved by a Budget Committee or other formal advisory group.
    - 4.5.2.2 Providing a recommended renewal and replacement list to the Finance and Regulatory Services Director for inclusion in the Proposed Budget.
    - 4.5.2.3 Providing an annual recommendation to the Finance and Regulatory Services Director for the minimum asset value for the following year.
    - 4.5.2.4 Reviewing the Capital Asset Management Policies annually.

## **Section 5: Capital Improvement Plan (CIP)**

- 5.1 Metro will prepare, adopt and update at least annually a five-year Capital Improvement Plan (CIP). The plan will identify and set priorities for all major capital assets to be acquired or constructed by Metro. The first year of the adopted CIP shall be included in the Proposed Budget. The CIP includes all Capital and Renewal and Replacement projects with a budget of \$100,000 or more.
- 5.2 Updates to the CIP may be made at any point during the fiscal year. Updates are required under the following circumstances:
  - 5.2.1 New projects (over \$100,000) that are identified during the fiscal year and need to be initiated prior to the next fiscal year;
  - 5.2.2 Actual or anticipated expenses for projects included in the current year adopted budget increase more than 20% above the original project budget if the original budget amount is less than or equal to \$1,000,000 or 10% if the original budget amount is greater than \$1,000,000 ;
  - 5.2.3 Actual or anticipated expenses for projects included in the current year adopted budget require an increase in budget appropriation, regardless of the amount of increase above the original project budget.

## **Section 6: Sustainability**

- 6.1 All project proposals for new capital projects and renewal and replacement projects shall describe how the project supports Metro's Sustainability Plan in its efforts to reduce the environmental impact of Metro operations. When assessing capital or renewal and replacement projects for funding or prioritization, the following sustainability criteria should be applied:
  - 6.1.1 Use total cost of ownership to create project budget projections that consider the costs of operating the asset for its entire useful life, not just the initial costs.
  - 6.1.2 Utilize the prioritization criteria in Metro's Sustainability Plan:
    - 6.1.2.1 Strong impacts on Metro's sustainability goals (greenhouse gas emissions, toxics, waste, water quality and habitat)
    - 6.1.2.2 Provide a strong foundation for future sustainable operations work
    - 6.1.2.3 Leverage other investments (internal or external)
    - 6.1.2.4 Present a strong return on investment (ROI)
    - 6.1.2.5 Reduce operations and maintenance costs over time
    - 6.1.2.6 Provide strong public visibility and/or public education opportunity
    - 6.1.2.7 Support the region's economy
  - 6.1.3 Support the requirements and preferred qualifications of Metro's Green Building and Sustainable Procurement administrative procedures.
  - 6.1.4 Prioritize projects that, through their implementation, support Metro's MWESB procurement goals, including the Sheltered Market and FOTA programs and related goals of Metro's Diversity Action Plan.
  - 6.1.5 Consider economic benefits or return on investment (i.e. simple payback) on projects that have a financial benefit to Metro over the life of the investment.

- 6.2 Capital and renewal and replacement projects should be incorporated into the site-specific work plans developed for each facility that indicate how the Sustainability Plan will be implemented.

**Section 7: Reporting**

- 7.1 Capital project budget and actual reporting and status reports shall be provided as follows:
  - 7.1.1 Departments shall report to the Chief Operating Officer or designee quarterly;
  - 7.1.2 The General Manager shall report to the MERC Commission quarterly;
  - 7.1.3 The Director of Finance and Regulatory Services shall report to the Metro Council twice annually.



# Organizational summary

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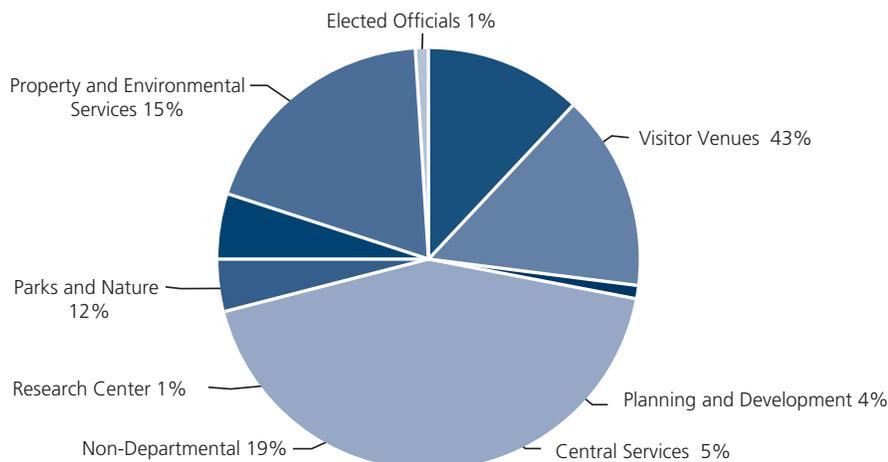
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## Organizational summary

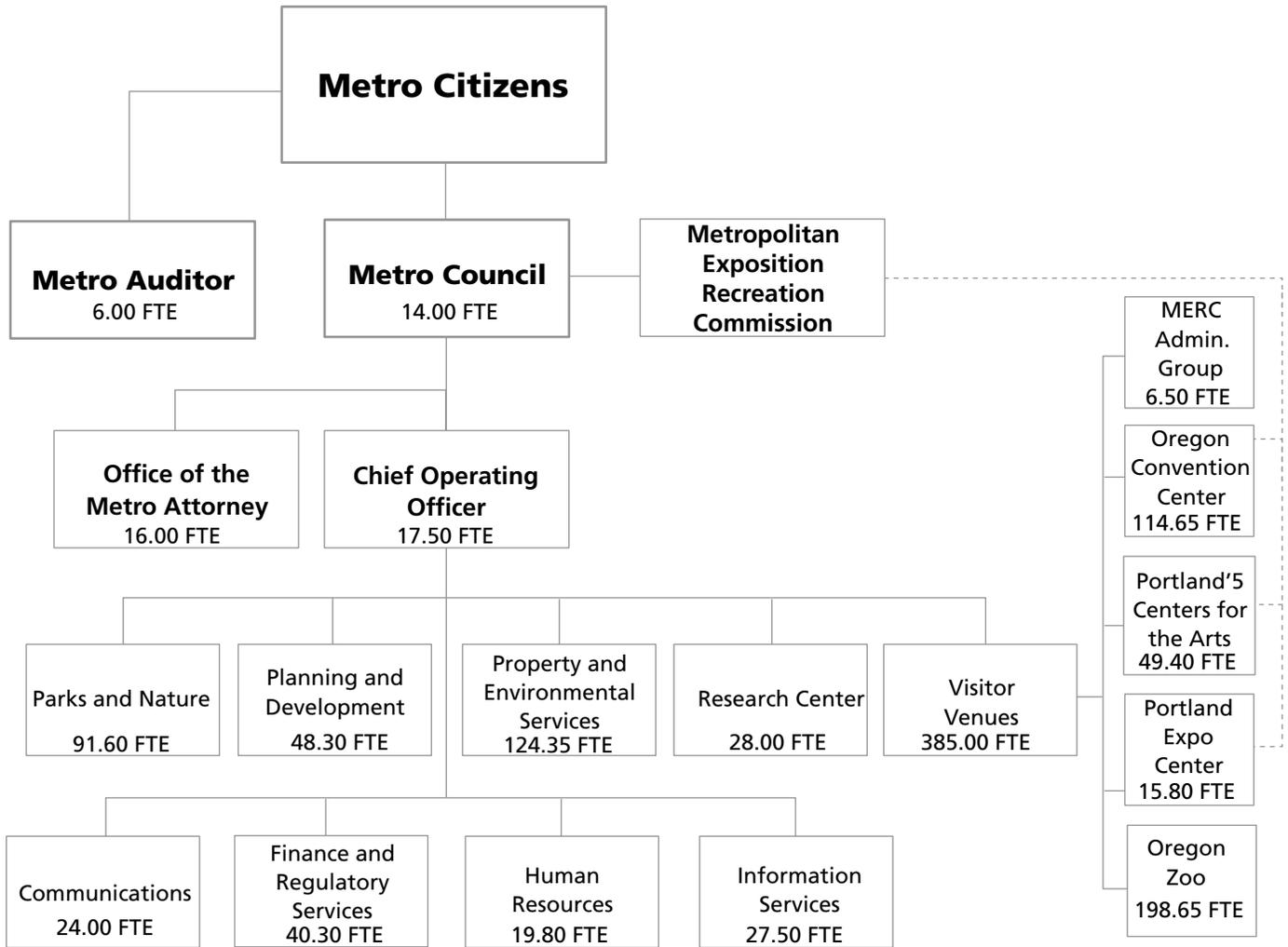
	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	75,457,497	77,453,540	87,057,148	95,128,052	95,128,052	95,596,989	9.81%
Materials and Services	99,065,661	103,802,766	134,379,308	206,404,553	206,404,553	208,053,727	54.83%
Capital Outlay	25,753,073	40,159,489	74,694,906	61,307,858	61,307,858	64,431,558	(13.74%)
Debt Service	67,285,032	40,937,067	41,971,000	37,214,051	37,214,051	37,214,051	(11.33%)
Internal Service Transfers	3,780,834	3,507,438	2,259,646	4,924,719	4,924,719	5,123,119	126.72%
Interfund Reimbursements	12,535,326	12,398,211	14,125,785	15,935,080	15,935,080	15,935,080	12.81%
Fund Equity Transfers	17,084,227	17,125,884	21,071,608	26,280,891	26,280,891	26,360,891	25.10%
Interfund Loans	-	2,361,980	3,472,940	1,933,577	1,933,577	1,933,577	(44.32%)
<b>TOTAL</b>	<b>\$300,961,651</b>	<b>\$297,746,376</b>	<b>\$379,032,341</b>	<b>\$449,128,781</b>	<b>\$449,128,781</b>	<b>\$454,648,992</b>	<b>19.95%</b>
<b>BUDGET BY ORGANIZATION</b>							
Communications	2,547,339	2,559,293	3,095,395	3,059,613	3,059,613	3,059,613	(1.16%)
Council	3,585,722	3,452,019	4,876,688	4,900,340	4,900,340	4,965,840	1.83%
Finance and Regulatory Services	6,089,993	6,757,068	7,822,826	7,553,906	7,553,906	7,553,906	(3.44%)
Human Resources	2,034,937	2,204,921	2,553,482	2,706,331	2,706,331	2,731,331	6.96%
Information Services	3,693,842	4,153,816	5,032,932	5,534,934	5,534,934	5,534,934	9.97%
Non-Departmental	87,151,841	77,449,773	86,499,620	87,004,836	87,004,836	87,359,236	0.99%
Office of Metro Attorney	1,786,305	1,908,695	2,202,018	2,391,040	2,391,040	2,391,040	8.58%
Office of the Auditor	655,508	666,447	748,190	771,000	771,000	771,000	3.05%
Parks and Nature	32,033,704	29,838,398	58,053,189	52,483,803	52,483,803	53,603,803	(7.66%)
Planning and Development	7,419,602	8,074,889	15,094,485	18,083,408	18,083,408	18,184,820	20.47%
Property and Environmental Services	62,877,164	52,520,005	64,147,776	67,043,237	67,043,237	68,015,636	6.03%
Research Center	3,792,545	3,180,306	4,635,779	4,533,285	4,533,285	4,633,285	(0.05%)
Visitor Venues - Expo Center	5,982,173	6,778,015	6,975,739	6,962,948	6,962,948	7,425,048	6.44%
Visitor Venues - MERC Administration	1,394,222	1,255,803	1,326,848	1,310,546	1,310,546	1,310,546	(1.23%)
Visitor Venues - Oregon Convention Center	27,862,935	30,169,359	32,582,380	108,400,299	108,400,299	110,004,199	237.62%
Visitor Venues - Oregon Zoo	41,751,237	55,873,416	70,644,578	60,841,749	60,841,749	60,841,749	(13.88%)
Visitor Venues - Portland's 5 Centers for the Arts	10,302,582	10,904,152	12,740,416	15,547,506	15,547,506	16,263,006	27.65%
<b>TOTAL</b>	<b>\$300,961,651</b>	<b>\$297,746,376</b>	<b>\$379,032,341</b>	<b>\$449,128,781</b>	<b>\$449,128,781</b>	<b>\$454,648,992</b>	<b>19.95%</b>
Contingency	-	-	72,916,493	64,504,087	64,504,087	64,068,522	(12.13%)
Unappropriated Fund Balance	270,798,054	244,425,650	50,697,412	92,855,496	92,855,496	92,776,312	83.00%
<b>TOTAL BUDGET</b>	<b>\$571,759,705</b>	<b>\$542,172,026</b>	<b>\$502,646,246</b>	<b>\$606,488,364</b>	<b>\$606,488,364</b>	<b>\$611,493,826</b>	<b>21.65%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>749.14</b>	<b>765.79</b>	<b>811.80</b>	<b>836.70</b>	<b>836.70</b>	<b>842.35</b>	<b>3.76%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>30.55</b>

## Organizational summary



Total expenditures: \$449,128,781

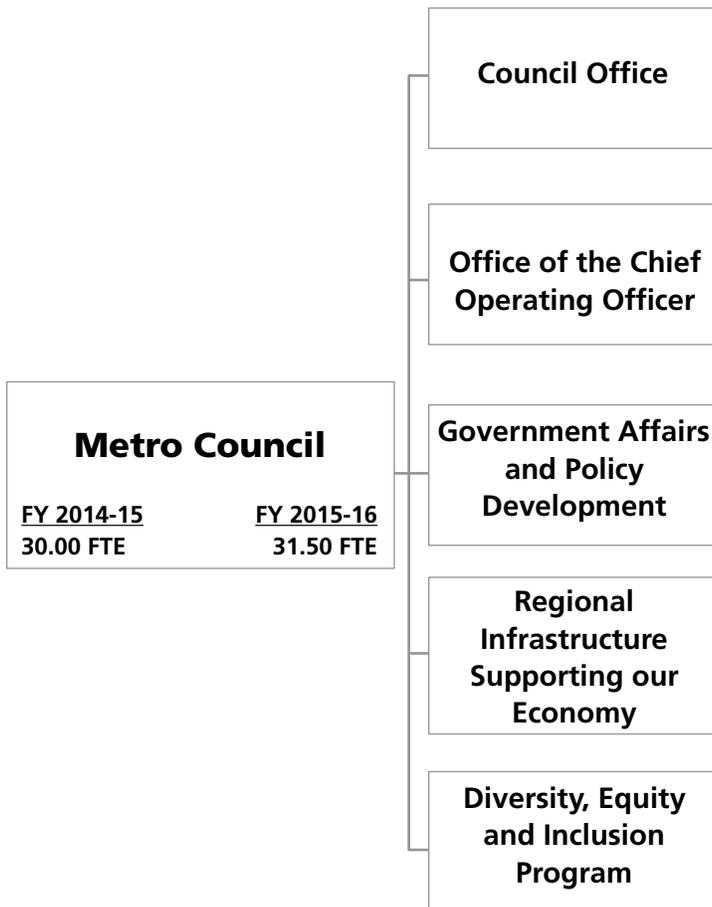
# Organizational Chart



FY 2014-15 Total FTE – 811.80

FY 2015-16 Total FTE – 842.35





## Summary of Metro Council

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	3,196,573	2,929,990	3,499,306	3,924,529	3,924,529	3,924,529	12.15%
Materials and Services	389,148	522,029	1,377,382	975,811	975,811	1,041,311	(24.40%)
<b>TOTAL</b>	<b>\$3,585,722</b>	<b>\$3,452,019</b>	<b>\$4,876,688</b>	<b>\$4,900,340</b>	<b>\$4,900,340</b>	<b>\$4,965,840</b>	<b>1.83%</b>
<b>BUDGET BY FUND</b>							
General Fund	3,585,722	3,452,019	4,876,688	4,900,340	4,900,340	4,965,840	1.83%
<b>TOTAL</b>	<b>\$3,585,722</b>	<b>\$3,452,019</b>	<b>\$4,876,688</b>	<b>\$4,900,340</b>	<b>\$4,900,340</b>	<b>\$4,965,840</b>	<b>1.83%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>26.39</b>	<b>26.69</b>	<b>30.00</b>	<b>31.50</b>	<b>31.50</b>	<b>31.50</b>	<b>5.00%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>1.50</b>

The Metro Council consists of seven elected officials who provide regional governance and leadership by fulfilling Metro’s mission of crossing city limits and county lines to work with communities to create a vibrant and sustainable region for all. As the governing body of Metro, the Council develops long range plans for existing and future Metro activities, and assures the financial integrity of the agency.

## MAJOR PROGRAMS

**Council Office** – The Council Office includes the seven councilors and policy and administrative staff that support the councilors as individuals as well as the Council as a whole in its role as a legislative body. Professional staff acts as a liaison between the councilors and Metro staff and external partners and stakeholders. An internship program provides learning and mentoring opportunities, as well as supporting the councilors and professional staff with research, analysis and operational support.

**Office of the Chief Operating Officer** – The Chief Operating Officer (COO) serves at the pleasure of the Council and provides leadership and management authority to agency staff by implementing the Council’s policy directives, goals and objectives. The COO and Deputy COO enforce Metro ordinances, provide day-to-day management of Metro’s resources, programs, enterprise businesses, facilities and workforce and prepare the proposed budget for Council consideration.

**Government Affairs and Policy Development** – This program supports current Council and agency objectives through policy development, strategic analysis and intergovernmental relations, as well as advises the Council on emerging policies and initiatives.

**Regional Infrastructure Supporting our Economy (RISE)** – Supports Metro departments and partner organizations in securing funds for implementation of targeted projects.

**Diversity, Equity and Inclusion Program** – Metro created the Diversity, Equity and Inclusion (DEI) program in September 2014 to better coordinate its efforts to cultivate diversity, advance equity and practice inclusion. The DEI team aligns ongoing work in the Diversity Action Plan, Equity Strategy, and inclusive public involvement practices to achieve equitable outcomes and strengthen relationships with diverse communities.

## SIGNIFICANT CHANGES FOR THE BUDGET

- Transferred Program Analyst II position in the Diversity, Equity and Inclusion program from current FTE, which is scheduled to revert to a 0.5 FTE position in FY 2015-16, into a vacant new FTE approved by Council in FY 2014-15 and not yet filled; remaining 0.5 vacant FTE will remain unfilled for the time being.
- Added funding for purchase and implementation of a software system for managing legislative documents including meeting packets, audio and video files from meetings and other materials.

## PERFORMANCE MEASURES

Level of satisfaction through staff questionnaire, “I am proud to work for Metro.”

12/13	13/14	14/15	15/16	16/17	17/18	18/19
78.2%	81%	82.5%	84%	85%	86%	86%

Timeliness and quality of service from Council Office and Office of the COO through staff questionnaire (including access to councilors, COO and DCOO, diversity program manager, legislative process and public meetings)

12/13	13/14	14/15	15/16	16/17	17/18	18/19
60%	65%	69%	71%	74%	77%	79%

Metro is taking sufficient action to address and manage diversity according to two separate surveys.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
36%	49%	49%	53%	55%	57%	58%

### PROGRESS ON FY 2014-15 KEY OBJECTIVES

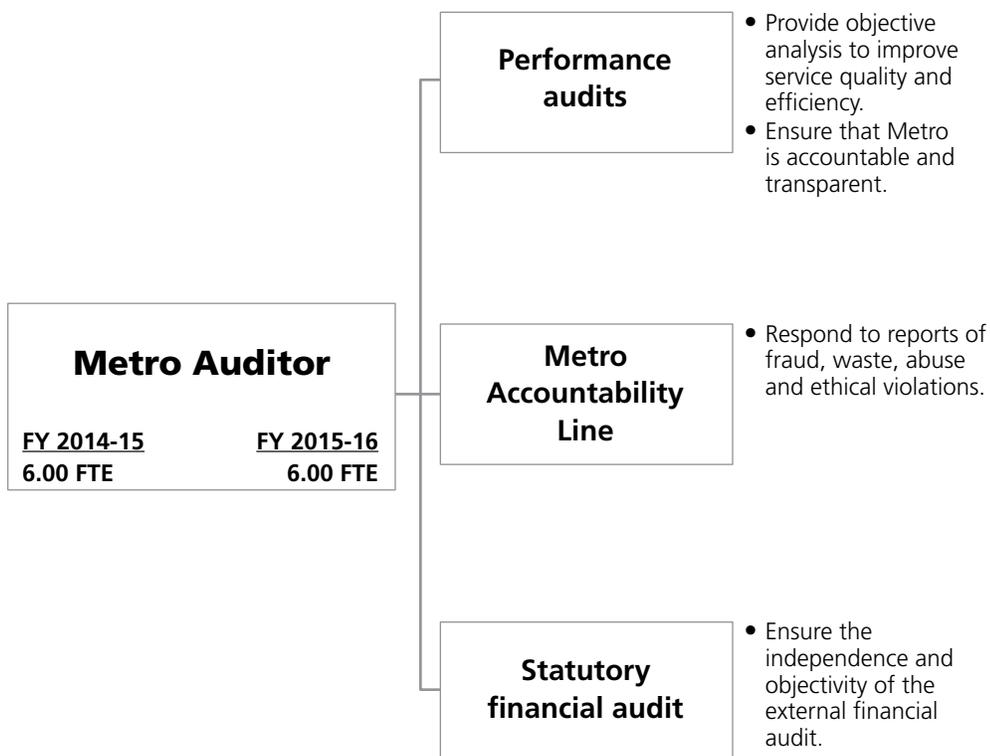
- Gained approval of the Development and Finance Agreement and room block agreement with Hyatt Hotels and Mortenson Company. Metro Council approved Development and Finance Agreement and Oregon Convention Center hotel room block agreement.
- Developed and executed the 2015 legislative agenda, including brownfields and Oregon Convention Center hotel legislation.
- Assisted in finalizing the Climate Smart Communities project, which mandates Metro to execute the requirements of House Bill 2001 for greenhouse gas scenario planning.
- Assisted in ensuring referral to the voters and successful passage of the Metro Charter language on single family residential neighborhoods.
- Continued federal lobbying effort on transportation, including coordination of regional federal transportation agenda.
- The Regional Infrastructure Supporting our Economy Program is now fully operational with major program focus on Willamette Falls Legacy Project and Locks repair, the Convention Center Hotel, the Southwest Corridor, a brownfields legislative agenda, a development strategy for Mount Hood Community College, the Columbia Corridor levee certification and a regional investments agenda.
- Initiated a unified Diversity, Equity and Inclusion program, and added a program director to lead the work of the Equity Strategy and Diversity Action Plan and an administrative position to support this program.

### KEY OBJECTIVES FOR FY 2015-16

- Continue partnering with other organizations to address transportation funding at the federal, state, regional and local levels.
- Provide RISE support to the efforts of Metro’s departments and regional partners associated with securing funding for project implementation.
- Develop and execute 2016 legislative strategy and agenda, including brownfields coalition work.
- Provide political leadership in the urban growth management process to lead to a successful 2015 urban growth management decision.
- Continue to provide direction in the update of regional plans to incorporate the recommendations of the Climate Smart Communities project.
- Participate in successful development of a Region 1 Area Commission on Transportation (ACT).
- Provide strategic assistance with the Natural Areas Systems Plan.
- Execute successful “Metro 101” sessions with new elected officials in the region.

- Assist with solid waste roadmap decision milestones.
- Assist RISE team and Oregon Convention Center team to move Convention Center hotel into development/construction phase.
- Advance Joint Policy Advisory Committee on Transportation (JPACT) regional finance discussion.
- Develop, adopt and begin to implement a Metro-specific Equity Strategy and Action Plan.
- Implement “unconscious bias” diversity training for all Metro employees, continuing to build cultural awareness and competence among staff.
- Coordinate community engagement and relationship-building with community groups through contracts, sponsorships and grants across departments and programs.
- Deploy an electronic legislative system for the Metro Council to improve accountability and transparency.
- Engage community members using the language or communication method that meets their needs and provide language training for Metro frontline staff.





## Summary of Metro Auditor

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	624,133	628,970	711,500	733,338	733,338	733,338	3.07%
Materials and Services	31,375	37,477	36,690	37,662	37,662	37,662	2.65%
<b>TOTAL</b>	<b>\$655,508</b>	<b>\$666,447</b>	<b>\$748,190</b>	<b>\$771,000</b>	<b>\$771,000</b>	<b>\$771,000</b>	<b>3.05%</b>
<b>BUDGET BY FUND</b>							
General Fund	655,508	666,447	748,190	771,000	771,000	771,000	3.05%
<b>TOTAL</b>	<b>\$655,508</b>	<b>\$666,447</b>	<b>\$748,190</b>	<b>\$771,000</b>	<b>\$771,000</b>	<b>\$771,000</b>	<b>3.05%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>	<b>0.00%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>0.00</b>

The Office of the Metro Auditor ensures that Metro and its activities are transparent and accountable to the public. Auditors objectively analyze Metro programs to determine areas where service quality can be improved and efficiencies can be gained. The Metro Auditor selects an external financial auditing firm to audit Metro’s annual financial statements and administers the contract.

## MAJOR PROGRAMS

**Performance Audits** – After conducting a risk assessment, the Metro Auditor decides which audits will be scheduled for the next fiscal year. Auditors provide written audit reports on topics covering the full spectrum of Metro departments and activities. Audits are conducted following Government Auditing Standards. The results are presented publicly to the Metro Council and published on the Auditor’s web site. The office regularly tracks the implementation of audit recommendations and conducts follow-up audits two years after the original audit work was completed.

**Metro Accountability Line** – The office administers a phone and on-line system that allows Metro employees and citizens to anonymously report concerns related to fraud, waste, abuse and inefficiency. The Auditor oversees investigations that are conducted in response to reports and can initiate an audit if needed.

**Financial Statement Audit** – The Auditor’s Office secures formal bids from auditing firms interested in performing the annual audit of Metro’s financial statements and manages the evaluation of the bids received. The Auditor appoints the external auditor and administers the contract.

## BUDGET ENVIRONMENT

Metro performs a broad range of activities that can expose Metro resources to significant risk. Audits need to address risk within the organization in several ways so that resources are adequately protected, business processes are efficiently operating and programs are effectively meeting goals. The level of audit resources affects which areas are audited and when. The challenge is to target audits strategically so that they produce the most value.

## SIGNIFICANT CHANGES FOR THE BUDGET

None.

## PERFORMANCE MEASURES

Percent of recommendations implemented by five years after audit issued.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
76%	44%	75%	75%	75%	75%	75%

Average hours per audit completed.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
1,535	794	714	1,200	1,200	1,200	1,200

Reports issued per FTE.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
1.3	1.8	2.3	1.5	1.5	1.5	1.5

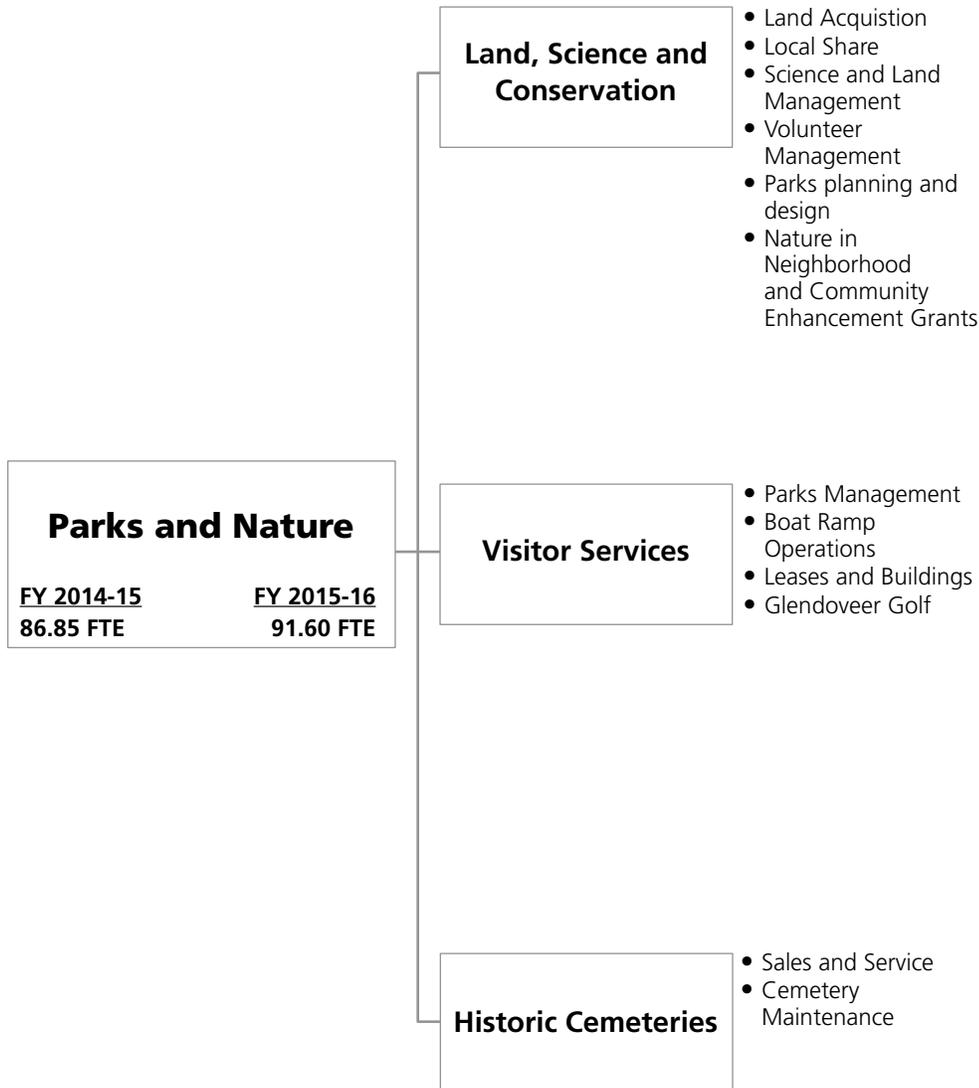
**PROGRESS ON FY 2014-15 KEY OBJECTIVES**

- Audit operations transitioned smoothly to new auditor in January 2015.

**KEY OBJECTIVES FOR FY 2015-16**

- Complete transition to new auditor and train new employees.
- Successfully complete a peer review as required by Government Auditing Standards. The Auditor will contract with the Association of Local Government Auditors to complete this review in November 2015.

# Parks and Nature



## Summary of Parks and Nature

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	7,168,358	7,507,965	8,820,805	10,232,577	10,232,577	10,288,185	16.64%
Materials and Services	12,513,172	11,854,571	23,693,227	17,131,255	17,131,255	17,345,647	(26.79%)
Capital Outlay	12,352,174	10,475,861	25,539,157	25,119,971	25,119,971	25,969,971	1.69%
<b>TOTAL</b>	<b>\$32,033,704</b>	<b>\$29,838,398</b>	<b>\$58,053,189</b>	<b>\$52,483,803</b>	<b>\$52,483,803</b>	<b>\$53,603,803</b>	<b>(7.66%)</b>
<b>BUDGET BY FUND</b>							
General Fund	9,602,037	9,532,334	9,797,888	9,748,198	9,748,198	9,938,198	1.43%
General Asset Management Fund	2,492,565	1,475,610	2,018,960	440,014	440,014	520,014	(74.24%)
Natural Areas Fund	19,849,321	14,509,489	33,832,518	30,573,251	30,573,251	30,573,251	(9.63%)
Open Spaces Fund	27,026	151,484	639,321	391,986	391,986	391,986	(38.69%)
Parks and Natural Areas Local Option Levy Fund	-	4,107,703	11,559,427	11,030,354	11,030,354	11,880,354	2.78%
Smith and Bybee Wetlands Fund	62,754	61,777	205,075	300,000	300,000	300,000	46.29%
<b>TOTAL</b>	<b>\$32,033,704</b>	<b>\$29,838,398</b>	<b>\$58,053,189</b>	<b>\$52,483,803</b>	<b>\$52,483,803</b>	<b>\$53,603,803</b>	<b>(7.66%)</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>70.95</b>	<b>85.65</b>	<b>86.85</b>	<b>90.60</b>	<b>90.60</b>	<b>91.60</b>	<b>5.47%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>4.75</b>

In July 2015 Metro's parks, natural areas, historic cemeteries and solid waste programs in Parks and Environmental Services and the Sustainability Center realigned into two new departments: the Parks and Nature department and the Property and Environmental Services department. These new departments will increase efficient and effective service delivery, provide clear decision-making authority, and enhance Metro's ability to build upon future opportunities in the areas of parks, natural areas, historic cemeteries and solid waste operations. The FY 2015-16 and prior budgets were adjusted to reflect the new organizational structures of the Parks and Nature and Property and Environmental Services departments.

Parks and Nature contributes directly to the preservation of the region's livability. The Department focuses on providing accessible regional natural areas, parks and trails, historic cemeteries, volunteer and education opportunities, community grants and partnerships and high quality habitat and water quality restoration. The department provides places for the residents of the region to hike, fish, picnic, boat, golf, swim and play while engaging in their natural surroundings.

### MAJOR PROGRAMS

**Land, Science and Conservation** – The Land, Science and Conservation program includes natural areas restoration and land management, land acquisition, property management and ongoing implementation of the 2006 Natural Areas Bond. To this end, staff implements and administers the voter-approved \$227.4 million Natural Areas Bond measure and portions of the Parks and Natural Areas Local Option Levy. This includes the acquisition of regionally significant natural areas in identified target areas to protect lands around local rivers and streams, preserve significant fish and wildlife habitat, enhance trails and wildlife corridors and connect urban areas with nature. Science and land management activities within this program focus on the preservation, restoration and enhancement of natural areas for water quality and fish and wildlife habitat, including the use of volunteers who assist with stewardship of natural areas. Property Management is responsible for leasing and maintaining nearly 40 residential homes on natural area properties and managing agricultural leases on Metro natural areas.

**Visitor Services** – Visitor Services greets thousands of visitors each day in Metro's regional parks, golf course and marine facilities. The division maintains and operates (directly or through service contracts) Oxbow Regional Park, Blue Lake Regional Park, Glendoveer Golf Course, Howell Territorial Park, Chinook Landing Marine Park, M. James Gleason Memorial Boat Ramp/Broughton Beach, Sauvie Island Boat Ramp, Smith and Bybee Wetlands Natural Area, Mason Hill Park, and Mount Talbert, Cooper Mountain, Scouters Mountain and Graham Oaks nature parks. Parks and Natural Areas Planning will focus on delivery of access to nature parks and natural areas and developing a system plan guiding the development and financing of Metro's land portfolio. There is also funding to begin designing and building four regional trails: the Willamette Falls Riverwalk in downtown Oregon City, North Portland Greenway Trail, Marine Drive Trail in Gresham and Fanno Creek Trail in Tigard. By creating volunteer opportunities, the Volunteer Program engages the community in Metro's work to enhance the efforts that staff and contractors make in parks and natural areas.

**Historic Cemeteries** – Metro owns, operates and maintains 14 historic cemeteries spread across 25 miles and totaling 66 acres. The program serves families in the community by memorializing and celebrating the lives of those who have contributed to the region throughout their lives. The program has a continued focus on ensuring the properties have current relevance to the members of the communities they are located within, as well as offering greenspace to the entire region.

**Community Investments and Partnerships** – The grant program is a critical source of funding that supports community partnerships to achieve regional goals of improving water quality, fish and wildlife habitat and connecting people with nature close to home. Projects typically feature multiple partners actively engaged in leveraging financial or in-kind services. These partnerships lead to creative approaches that address multiple social, economic and ecological needs of the community. The Partners in Nature program creates opportunities for developing culturally relevant parks and natural areas access and programming in partnership with community based organizations. Projects developed through this program are co-created by Metro and community-based organizations serving communities of color and low-income families. The purposes of these projects are to provide opportunities for underserved communities to experience nature through Metro’s parks and natural areas, and to build the capacity of the organizations to lead their own nature-related programming.

## **BUDGET ENVIRONMENT**

Natural areas acquisition is supported entirely by voter-approved general obligation bonds, which are restricted to capital expenditures as described in the authorizing resolution. The bond realignment program has been established, which will provide funding across the region for capital investment in Metro and partner sites for building out key trail gaps and additional public access to natural areas recommended by the Metro Council with Resolution 14-4583 approved on November 13, 2014. In the near term, the voter-passed Parks and Natural Areas Local Option Levy, along with Metro’s General Fund, will support operations and maintenance of the natural area properties. Long-term stewardship of lands acquired under the bond program must be financed from other, non-bond sources.

## **SIGNIFICANT CHANGES IN THE BUDGET**

- Added a limited duration 1.0 FTE Assistant Management Analyst to provide procurement, finance, and budget support to implement the Parks and Natural Areas Local Option Levy (0.50 FTE) and the Natural Areas Bond Acceleration projects (0.20 FTE) and provide additional support to meet the high demands of Solid Waste Operations contract management (0.30 FTE). This 1.0 FTE position is shared between the Parks and Nature and Property and Environmental Services departments and will be funded 50 percent by the Parks and Natural Areas Local Option Levy, 20 percent by the Natural Areas Bond Fund and 30 percent by the Solid Waste Fund. The net effect is a 0.70 FTE increase for the Parks and Nature department and a 0.30 FTE increase for Property and Environmental Services.
- Added staff related to implementation of the Parks and Natural Areas Local Option Levy. Additions include a 1.0 limited duration Parks Business Project Coordinator, a 0.50 limited duration Maintenance Worker I, a 0.75 limited duration Administrative Specialist I and a 0.50 limited duration Events Coordinator.
- Added 0.6 FTE Associate Management Analyst funded 50 percent by the Solid Waste Fund, 25 percent by the Parks and Natural Areas Local Option Levy, and 25 percent by the General Fund. This increase allows implementation of the Integrated Pest Management (IPM) policy as part of the Metro Internal Sustainability Plan. The net effect is a 0.30 FTE increase for the Parks and Nature department and 0.30 FTE increase for Property and Environmental Services.
- Added 1.00 FTE limited duration Program Assistant II to support implementation of one of the core outcomes of the 2013 Parks and Natural Areas Local Option Levy to increase opportunities for communities of color and children from low income families to experience the region’s parks and natural areas. This position

will identify, catalogue and assess cultural resources on Metro managed property in a way that honors Native American history and acknowledges contemporary use of natural areas. It is anticipated that the inventory would increase Native American utilization of Metro parks and natural areas as places of cultural stewardship and community learning.

- Extended 1.0 FTE limited duration Program Analyst IV for the Cemetery Program to continue work of historic internment rights and ownership.
- The Parks and Natural Areas Local Option Levy will fund \$400,000 in additional infrastructure and site improvements at the Borland Yard Operations Center. The Borland Operations Center is home to the natural areas land management team, native plant center and all support equipment and vehicles that the team uses to operate Metro’s natural areas. The infrastructure and site improvements will support increased staffing levels and facilitate levy funded restoration efforts.

### PERFORMANCE MEASURES

Complete plans or projects that will increase access to nature.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
1	3	3	3	4	4	4

Acres of land acquired for protection each year.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
472	425	425	300	250	250	250

Revenues as a percentage of total direct expenses at Oxbow, Blue Lake and marine facilities.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
66.5%	66.5%	65.5%	65%	64.5%	64%	63.5%

Number of hours volunteered at Metro natural areas.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
12,700	11,451	16,500	17,000	17,500	18,000	18,500

Annual percentage increase in cemetery sales and service revenue.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
10%	5%	5%	10%	10%	10%	10%

### PROGRESS ON FY 2014-15 KEY OBJECTIVES

- Progress has been made in all program areas identified for levy funding. Work continued or expanded, and new projects began, on restoration and long-term management efforts at high priority sites. Five comprehensive planning efforts are underway to address sites across Metro’s portfolio. Metro continues to adapt its volunteer program model to improve program focus and recruitment capacity, including measurement strategy of volunteer involvement as provided for by the levy. In addition, a cross-departmental team has developed a new program to partner with organizations representing diverse, underserved communities to help achieve the levy’s desired equity outcomes. Several pilot partnerships under this project occurred in 2014 and the program was expanded in late spring 2015.
- Continued natural area acquisitions, local share projects and Nature in Neighborhoods Capital Grants. Nature in Neighborhoods grants application materials and outreach strategies continue to be developed to achieve the Metro Council’s goal of reaching “underserved communities, defined as low-income and communities of color.”
- Made significant progress delivering on the second year of the Parks and Natural Areas Local Option Levy work.
- Reached a settlement with the Oregon Mortuary and Cemetery Board on an

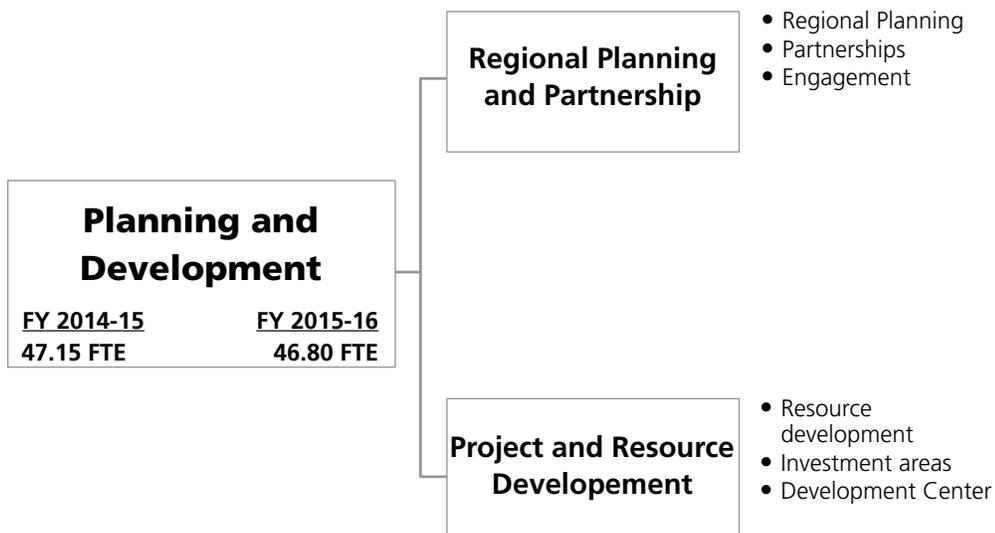
outstanding investigation. The settlement included resolution of ownership rights for approximately 2,500 spaces using the process defined by SB1537. Program staff has also been working directly with right holders where the conflict could not be resolved with the process.

- Significant renovations completed for the Ringside Restaurant at the Glendoveer Golf Course.

#### **KEY OBJECTIVES FOR FY 2015-16**

- Continue implementation of the Parks and Natural Areas Local Option Levy, including increased maintenance, new restoration projects and scoping and planning access to nature projects.
- Continue to award Nature in Neighborhood grants funded by the Parks and Natural Areas Local Option Levy to increase the capacity of Metro's partners in restoration, community stewardship and conservation education programs.
- Work with the Metro Council to complete a Parks and Natural Areas System Plan in March 2016.
- Work with the Metro Council and affected stakeholders to identify and implement ongoing funding for system restoration and park development purposes, expected to be a multi-year complex engagement.
- Continue natural area acquisitions, local share projects and Nature in Neighborhoods Capital Grants as promised by the 2006 Natural Areas Bond measure.

# Planning and Development



## Summary of Planning and Development

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	5,218,129	5,211,535	5,786,761	6,105,344	6,105,344	6,192,250	7.01%
Materials and Services	2,201,472	2,863,354	9,307,724	11,978,064	11,978,064	11,992,570	28.85%
<b>TOTAL</b>	<b>\$7,419,602</b>	<b>\$8,074,889</b>	<b>\$15,094,485</b>	<b>\$18,083,408</b>	<b>\$18,083,408</b>	<b>\$18,184,820</b>	<b>20.47%</b>
<b>BUDGET BY FUND</b>							
General Fund	7,419,602	8,074,889	15,094,485	18,083,408	18,083,408	18,184,820	20.47%
<b>TOTAL</b>	<b>\$7,419,602</b>	<b>\$8,074,889</b>	<b>\$15,094,485</b>	<b>\$18,083,408</b>	<b>\$18,083,408</b>	<b>\$18,184,820</b>	<b>20.47%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>46.80</b>	<b>45.40</b>	<b>47.15</b>	<b>46.80</b>	<b>46.80</b>	<b>48.30</b>	<b>2.44%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>1.15</b>

The Planning and Development department collaborates with public and private sector partners to build communities consistent with the Region 2040 Growth Concept and local goals.

## MAJOR PROGRAMS

**Regional Planning** provides a broad scope of planning services that assure Metro's compliance with federal and state land use and transportation planning requirements and that support other efforts in the Planning and Development department. The program is responsible for periodic reviews of the Urban Growth Boundary and the Regional Transportation Plan (RTP), as well as special projects that fall within the long-range planning role, such as the recently adopted Climate Smart Strategy and the Active Transportation Plan.

As the region's designated Metropolitan Planning Organization (MPO), Metro is responsible for a wide variety of MPO planning and function activities. The Regional Planning program takes the lead on most planning requirements required for MPOs, including updates to the RTP, development and adoption of an annual Unified Planning Work Program (UPWP), continued federal certification of our planning process and other related planning activities. The Regional Planning program is also responsible for ongoing engagement with statewide planning activities, including periodic involvement in rulemaking and other state planning efforts.

The **Resource Development** section manages grant funding to public agencies and community based organizations to implement Metro's desired outcomes for the region. This includes four funding programs: the regional flexible fund allocation, the transportation system management and operations project allocation, the regional travel options allocation, and the community development and planning grants. The program also administers the region's transportation financial program (a.k.a. the Metropolitan Transportation Improvement Program or MTIP) to balance federal transportation revenues with project costs and ensure projects are approved and remain eligible for funds as they progress through design and construction. Finally, the program provides transportation demand and system management programs for the region to help maximize the benefits and efficiency of the existing transportation network.

The **Investment Areas** section allows Metro to efficiently and strategically integrate efforts focused on equitably improving transportation and transit with opportunities to create and leverage community development and private investment in communities throughout the region. The Investment Areas group includes staff that focus on transit corridor planning as well as land use implementation such as industrial land, brownfields and economic development.

The **Development Center** implements the region's visions for downtowns, main streets, and station areas by stimulating private investments in compact development, equitable housing, and Enterprising Places.

## BUDGET ENVIRONMENT

The department has historically relied on three key funding sources to support three key business lines.

**Metropolitan Planning Organization:** Provide federally mandated regional transportation planning functions including Regional Transportation Plan, Metropolitan Transportation Improvement Program, Air Quality Conformity, Title VI, and local Transportation System Plan compliance activities.

- Funded with PL/STP/5303 funds from US Department of Transportation.

**Urban Growth Management:** Provide state mandated land use planning functions including Urban Growth Report, Urban Growth Boundary, Urban and Rural Reserves, Land Readiness, local land use Comprehensive Plan compliance and Department of Land Conservation and Development interface.

- Funded with Metro General Fund

**Regional Projects and Programs:** Manage programs that invest in public and private partners to deliver Regional Travel Options, System Management, Transit Oriented Development, Equitable Housing, Enterprising Places and Community Planning and Development Grants. Manage regional high capacity transit project development process for Federal New Starts and Small Starts capital funding.

- Funded with competitive funds allocated through regional processes, and intergovernmental agreements with other local, regional and state agencies.

While these areas remain fully funded for the FY 2015-16 fiscal year, inflation will eventually spend all remaining reserves. New legislation and ultimately new funding sources are needed in the near future to keep the projects and programs operating at current levels.

**Outlook for federal funds remains unstable.** MAP-21, the Federal legislation that authorizes the PI/STP/5303 funds, has expired, and Congress has not created new legislation nor provided for long term renewal of existing legislation. In 2010, when it was enacted to replace SAFETEA-LU, the previous federal legislation, MAP-21 removed key programs and funding sources upon which Metro had previously relied. Notably, this included all funding for transit corridor planning activities and consolidation of programs that had been eligible for a wide range of federal sources into the regional flexible funds allocation. Future federal legislation will determine the department’s funding future for transportation planning activities.

**Capital projects rely on funding partners.** Both the Southwest Corridor and Powell-Division High Capacity Transit Projects will transition in FY 2015-16 to the next stage of project development in which participating local and regional agencies work together to provide the multi-year funding required to complete the environmental and design requirements for federal transit projects. IGA’s with cities, TriMet, and ODOT bring in additional resources but are tied to detailed project scopes and are dependent on multiple local agency budget processes.

**SIGNIFICANT CHANGES IN THE BUDGET**

- Converted to regular status a Senior Transportation Planner (1.00 FTE) to support the Active Transportation Plan (ATP) and Climate Smart Strategy.
- Increased SW Corridor project materials and services by \$1.7 million for payments to contracted services and partnership with TriMet.
- Increased Powell/Division project materials and services by \$400,000 for payments to contracted services and partnership with local jurisdictions.
- Increased materials and services by \$200,000 for My Place in the Region rebranding effort emphasizing new communication strategies to engage a wider range of people.

**PERFORMANCE MEASURES**

Southwest Corridor Preferred Package – Percentage Completion.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
	0%	40%	80%	100%		

Number of District Revitalization Grants Awarded.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
0	0	2	4	5	5	5

Number of 2040 centers that meet the requirement in Title 6 to be eligible for regional investments.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
2	2	2	4	6	6	6

## PROGRESS ON FY 2014-15 KEY OBJECTIVES

- Objective: Adopt the RTP, focused primarily on currently adopted investments that support the region’s economy, foster vibrant communities and expand safe and affordable transportation options.

*Progress: The Metro Council adopted the Regional Transportation Plan in July 2014. This update builds on the adopted transportation plans of cities and counties across the region. By including city, county and agency priority projects, safety recommendations, an active transportation plan and freight updates, the region will add to a long tradition of collaborative planning to provide a variety of ways to get around our growing region. These limited updates will act as a springboard for more discussion for changes in the 2018 RTP update.*
- Objective: Produce the Urban Growth Report, which helps determine if there is long-term regional growth capacity through a supply and demand analysis, research on residential preferences and a review of how current economic conditions inform the forecast.

*Progress: After thorough public and private sector technical engagement, Metro staff released a draft Urban Growth Report in July 2014 for review and discussion by the Metro Council and regional stakeholders. Following extensive regional discussion, the Metro Council accepted the draft Urban Growth Report in December along with a list of policy topics proposed for further discussion in 2015 prior to adoption of a final urban growth report and the growth management decision.*
- Objective: Develop the Southwest Corridor Plan, from Portland to Sherwood with various stops between, focused on a narrowing set of transportation options and investments including possible high capacity transit made up of bus rapid transit or light rail.

*Progress: Shared Investment Strategy completed and adopted on schedule.*
- Objective: Develop the Powell-Division Corridor study: kicked off in fall 2013, it evaluates a variety of transportation improvements in a corridor reaching 15 miles from Portland to near Mt. Hood Community College in Gresham.

*Progress: Preliminary planning and partnership complete and moving into formal project development process.*
- Objective: Complete the Active Transportation Plan, which incorporates a variety of regional transportation goals and targets that seek to improve the area’s pedestrian and bicycle connectivity.

*Progress: The Regional Active Transportation Plan was adopted by Council in July 2014 and integrated into the 2014 RTP. The Active Transportation Plan identifies a vision, policies and actions to complete a seamless green network of on- and off-street pathways and districts connecting the region and integrating walking, biking and public transit. It will make it easier to walk and ride a bike and access transit to work, school, parks and other destinations by updating and strengthening pedestrian and bicycle policies in the 2014 Regional Transportation Plan.*

- Objective: Formalize a work plan for the District Revitalization program to spur private investment in the region's downtowns and mainstreets and implement the 2040 plan.

*Progress: The new Enterprising Places program launched in January 2015. The first round of applications was extremely successful, with over 20 applicants seeking to help revitalize their commercial districts with the storefront improvement program.*

- Objective: Implement the Transit Oriented Development (TOD) Program Strategic Plan by making direct investments through public-private partnerships throughout the region, increasing transit ridership and facilitating compact urban form.

*Progress: The TOD Program continues to foster development projects throughout the region. Of note this year are two new projects in Downtown Beaverton that are underway, the 4th Main Project in Downtown Hillsboro that was completed and also received two different awards and the purchase of a site along the Powell-Division alignment for affordable housing.*

### **KEY OBJECTIVES FOR FY 2015-16**

Key activities and areas of focus for the department in FY 2015-16 include

- Support Major Council Policy Decisions:
  - Urban Growth Boundary.
  - Regional Flexible Funds Allocation.
  - Regional Transportation Plan Preliminary Scope.
- Initiate New Programs and Projects
  - Regional Readiness Report: Initiate annual report on performance of 2040 Vision.
  - Economic Investment Areas: Initiate shared investment strategy model linking land use and transportation investments to regional economic development policies.
- Investment Programs and Projects
  - Community Planning and Development Grant: invest in land and development readiness.
  - Enterprising Places: invest in small business district improvement.
  - Equitable Development: build regional capacity to provide diverse housing choices.
  - Regional Travel Options Program: invest in community partners who provide diverse transportation choices throughout the region.
  - Transit Oriented Development Program: invest in projects that help create complete station communities and accessible transit options for a wide range of people. Transit Project Development
  - SW Corridor: adopt preferred package of transportation investments to move into Draft Environmental Impact Statement.
  - Powell-Division: begin formal Small Starts process with Federal Transit Administration.

# Property and Environmental Services



## Summary of Property and Environmental Services

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	9,447,760	10,452,146	12,070,207	13,501,063	13,501,063	13,827,486	14.56%
Materials and Services	39,614,440	40,295,251	47,279,999	47,499,560	47,499,560	48,145,536	1.83%
Capital Outlay	766,626	477,166	3,429,777	4,681,896	4,681,896	4,681,896	36.51%
Debt Service	13,048,337	1,295,442	1,367,793	1,360,718	1,360,718	1,360,718	(0.52%)
<b>TOTAL</b>	<b>\$62,877,164</b>	<b>\$52,520,005</b>	<b>\$64,147,776</b>	<b>\$67,043,237</b>	<b>\$67,043,237</b>	<b>\$68,015,636</b>	<b>6.03%</b>
<b>BUDGET BY FUND</b>							
General Fund	2,016,846	1,810,009	2,463,817	2,556,147	2,556,147	2,709,192	9.96%
General Revenue Bond Fund	13,167,171	1,295,442	1,367,793	1,360,718	1,360,718	1,360,718	(0.52%)
Community Enhancement Fund	258,623	286,783	842,020	1,325,952	1,325,952	1,325,952	57.47%
General Asset Management Fund	115,806	102,086	959,343	1,568,558	1,568,558	1,785,358	86.10%
Solid Waste Fund	47,318,718	49,025,686	58,514,803	60,231,862	60,231,862	60,834,416	3.96%
<b>TOTAL</b>	<b>\$62,877,164</b>	<b>\$52,520,005</b>	<b>\$64,147,776</b>	<b>\$67,043,237</b>	<b>\$67,043,237</b>	<b>\$68,015,636</b>	<b>6.03%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>92.30</b>	<b>92.95</b>	<b>114.80</b>	<b>121.35</b>	<b>121.35</b>	<b>124.35</b>	<b>8.32%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>9.55</b>

Property and Environmental Services contributes directly to the preservation of the region's livability and supports the goals and objectives developed by the Metro Council by providing for the safe, efficient and effective reuse, recycling and disposal of solid and household hazardous waste, and by promoting sustainable resource management through waste reduction initiatives, hands-on interpretive programs, youth and adult education, grants, demonstration projects and volunteer opportunities. Property and Environmental Services is divided into five budgetary programs: Solid Waste Operations, Solid Waste Compliance and Cleanup, Resource Conservation and Recycling, Metro Regional Center Campus Operations, and Construction Project Management Office. As of July 1, 2015, Metro's parks, natural areas and solid waste programs previously in Parks and Environmental Services and the Sustainability Center realigned into two new departments: Property and Environmental Services, and Parks and Nature. These new departments will increase efficient and effective service delivery, provide clear decision-making authority, and enhance Metro's ability to build upon future opportunities in the areas of solid waste and parks and natural areas. The FY 2015-16 and prior budgets were adjusted to reflect the new organizational structure of Property and Environmental Services and Parks and Nature.

### MAJOR PROGRAMS

**Solid Waste Operations** – The primary purpose of Solid Waste Operations is to provide comprehensive solid and hazardous waste reuse, recycling, organics processing and disposal services to the public and commercial haulers. Solid Waste Operations includes three specific service areas:

**Hazardous Waste Reduction** – Reduces the toxicity of the waste stream and the amount of hazardous materials that enters the environment. Collection and environmentally-sound disposal of hazardous waste is performed at its two sites and neighborhood roundups. Recycling of latex paint occurs at the MetroPaint facility. Reuses and recycles materials, including latex paint under contract with PaintCare, to keep them from unnecessary disposal.

**Disposal Services** – Provides comprehensive solid waste disposal services to commercial haulers and the public; includes Metro's two transfer stations.

**Landfill Stewardship** – Provides effective stewardship of two of the region's inactive solid waste landfills. It ensures compliance with all federal, state and local regulations applicable to landfill closure operations and post-closure requirements. Limited quantities of landfill gas (methane) are recovered and sold to an end-user.

**Solid Waste Compliance and Cleanup** – Solid Waste Compliance and Cleanup provides a variety of business and support for collecting all eligible fees and taxes from private facilities and monitoring compliance for tonnage-related limits (flow control). Solid Waste Compliance and Cleanup also works to minimize and mitigate impacts to the public and the environment from improper management of solid waste within the Metro region, first by ensuring that private solid waste facilities operating under Metro licenses, franchises and facility agreements meet the regulatory, operational, environmental, and financial assurance standards. Secondly, the program cleans up and investigates illegal disposal sites and prosecutes persons illegally disposing of waste and is playing a larger role in cleaning up illegal campsites.

**Resource Conservation and Recycling (RCR)** – RCR includes two sub-programs: regional Waste Reduction and Metro's Internal Sustainability efforts. Waste Reduction advances the region's efforts to reduce the environmental and human health impacts associated with the production, consumption and end-of-life management of goods used by residents and businesses. Internal Sustainability focuses on implementing sustainable practices into Metro's own operations.

**Metro Regional Center Campus Operations** – Metro Regional Center Services maintains operations within the Metro Regional Center for our tenants and employees, and the Irving Street Parking Structure. The program includes three main services: building and security services, office services and fleet management.

**Construction Project Management Office** consolidates construction project management across Metro and is responsible for overseeing Metro’s Construction Project Guide. The Construction Project Management Office is responsible for the design and construction project management of capital projects across Metro facilities including those in the Property and Environmental Services programs, at the Oregon Zoo, at the Metropolitan Exposition Recreation Commission (MERC) facilities, and in the Parks and Nature Department.

## **BUDGET ENVIRONMENT**

Slow but steady growth is expected to continue in FY 2015-16 for solid waste tonnage, and tonnage increases at Metro are projected to outpace growth at private transfer stations. Simultaneously, the agency is developing policies that reduce waste. The diversion of food waste from the putrescible waste stream, such as the City of Portland’s residential organics program, contributed to a boost in volume to Metro’s transfer stations. No major changes such as this are expected in the coming fiscal year.

RCR’s budget is driven by Regional Solid Waste Management Plan responsibilities and a materials management framework that aims to reduce lifecycle environmental impacts. The program will continue its emphasis on effective program delivery, including the use of strategic partnerships, utilization of policy strategies such as product stewardship, and research to support effective program design and measurement. A key element of the partnership approach is the service delivery cost-sharing model with local government partners that strongly contributes to the region’s ability to implement effective on-the-ground waste reduction programs. The program maintains significant investments in research and measurement that are essential to carrying out our work strategically and effectively.

## **SIGNIFICANT CHANGES IN THE BUDGET**

- Increased materials and services budget to meet contract needs for solid waste transfer, transport and disposal services.
- Transferred management of the Solid Waste Compliance and Cleanup division from Finance and Regulatory Services to Property and Environmental Services. No changes in the funding sources as the division continues to be funded under the Solid Waste Fund.
- Added a limited duration 1.0 FTE Assistant Management Analyst to provide procurement, finance, and budget support to implement the Parks and Natural Areas Local Option Levy (0.50 FTE) and the Natural Areas Bond Acceleration projects (0.20 FTE) and provide additional support to meet the high demands of Solid Waste Operations contract management (0.30 FTE). This 1.0 FTE position is shared between Property and Environmental Services and the Parks and Nature Departments and will be funded 50 percent by the Parks and Natural Areas Local Option Levy, 20 percent by the Natural Areas Bond Fund and 30 percent by the Solid Waste Fund. The net effect is a 0.70 FTE increase for the Parks and Nature and a 0.30 FTE increase for Property and Environmental Services.
- Added a new 0.6 FTE school education assistant position funded by the Solid Waste Fund to meet the high demand of classroom presentations for waste reduction. This position will serve as one of two part-time positions with the primary responsibility for delivering discussion-based, interactive presentations about waste reduction, composting, the ecological footprint, sustainability

and climate change to students in grades 6-12. The program’s overall goal for presentations to these grades is to meet all requests from area teachers and schools. Specific targets are informed by available resources, for FY 15-16 the addition of this position will allow for the program to almost double FY 14-15 targets of 275 presentations reaching 6,785 middle and high school students.

- Added a new 0.6 FTE Associate Management Analyst funded 50 percent by the Solid Waste Fund, 25 percent by the Parks and Natural Areas Local Option Levy, and 25 percent by the General Fund. This increase allows implementation of the Integrated Pest Management (IPM) policy as part of the Metro Internal Sustainability Plan. The net effect is a 0.30 FTE increase for the Parks and Nature department and 0.30 FTE increase for Property and Environmental Services.
- Increased 0.15 FTE for a Senior Solid Waste Planner position from 0.5 FTE to 0.65 FTE funded by the Solid Waste Fund to provide adequate capacity to more strongly align the current Regional Solid Waste Management Plan with the Solid Waste Roadmap projects and with new state waste reduction goals.
- Added 1.20 FTE, two part-time, temporary school education assistant positions were converted to two 0.6 FTE regular positions funded by the Solid Waste Fund. This change allows the program to be more effective and efficient through better stability in staffing.
- Added 2.0 FTE Solid Waste Planners for added program and support in Solid Waste Compliance and Cleanup.
- Added a 1.0 FTE Construction Coordinator in the Construction Project Management Office funded through a transfer from the zoo to the General Fund to provide additional project management services due to the expansion of construction project support to the zoo.
- Added a 1.0 FTE Administrative Program Supervisor II to lead and supervise the Property and Environmental administrative team. This position is funded 90 percent by the Solid Waste Fund and 10 percent by the General Fund.
- Added a 1.0 FTE Community Partnerships Senior Solid Waste Planner funded by the Solid Waste Fund to help maximize the benefit of Metro’s solid waste investments in our communities.
- Transfer 2.00 FTE Senior Management Analysts from the Finance and Regulatory Services’ Solid Waste Policy and Compliance division to the Property and Environmental Services’ Solid Waste Compliance and Cleanup division. No changes in the funding sources as the 2.00 FTE continues to be funded under the Solid Waste Fund.
- Phase I of the Metro Regional Center Master Plan space strategy (\$440,400). The implementation of the first phase will allow for more flexible and adaptable space solution resulting in improved utilization of the Metro Regional Center.
- Metro Regional Center building envelope repairs (\$186,000). This project will address deteriorating components of the MRC building envelope. The project involves caulking, re-pointing, repairing flashing and cleaning of the facades of the building to prevent continued water damage.

**PERFORMANCE MEASURES**

Material recovery rate at Metro Central Transfer Station.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
32.7%	34%	34%	34%	34%	34%	34%

Material recovery rate at Metro South Transfer Station.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
17%	17%	17%	17%	18%	18%	18%

Revenues as a percentage of total expenses at MetroPaint.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
115%	110%	100%	100%	100%	100%	100%

Tons of solid waste cleaned up from illegal disposal sites each year.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
186	200	200	200	200	200	

Number of illegal disposal sites with potentially hazardous waste cleaned up each year.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
32	70	70	70	70	70	70

No annual increase in regional per capita solid waste generation (in pounds).

12/13	13/14	14/15	15/16	16/17	17/18	18/19
2,592	2,640	2,535	2,535	2,535	2,535	2,535

Regional recovery rate.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
62%	64%	64%	64%	64%	64%	64%

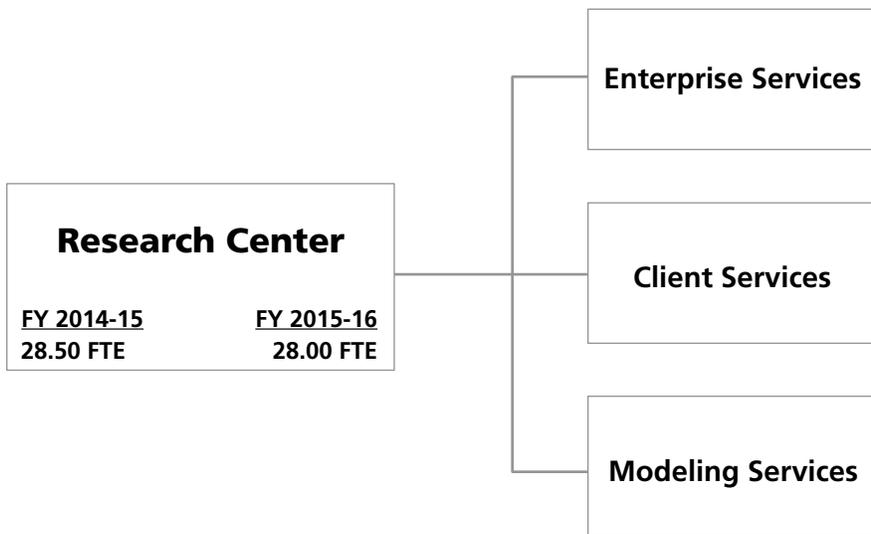
### PROGRESS ON FY 2014-15 KEY OBJECTIVES

- Made significant progress on Solid Waste Roadmap with several projects and initial public engagement efforts beginning.
- In November 2014 the Metro Council engaged for the first time on the Solid Waste Roadmap project to identify potential actions that Metro could take to ensure there is adequate capacity to process the region's food scraps. Council provided guidance on which potential actions warranted further analysis. The Council's next engagement will be in July 2015.
- Extended the lease on the MetroPaint facility for five years.
- Completed engineering for stormwater improvements at Metro Central Transfer Station.
- Made significant progress on implementing the Record of Decision at the St Johns Lanfill.
- Completed Community Enhancement Fees code change.

### KEY OBJECTIVES FOR FY 2015-16

- Continue work on the Solid Waste Roadmap program.
- Complete construction of stormwater management facility at Metro Central Transfer Station.
- Complete settlement negotiations to finalize environmental remediation at the St Johns Landfill.
- Fulfill Council Resolution No. 14-4589, complete the development of a draft landfill capacity policy that evaluates the disposal capacity for waste at new, existing or expanded landfills and recommends changes to the Metro Code to implement the policy.
- Develop key components for a Metro Disaster Debris Management Plan and work with partner jurisdictions in the development of a regional Disaster Debris Management Plan.
- Complete code changes to solid waste code for contaminated soils and alternative daily cover.

# Research Center



## Summary of the Research Center

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	3,302,530	2,838,526	3,468,488	3,480,796	3,480,796	3,480,796	0.35%
Materials and Services	490,015	341,781	1,167,291	1,052,489	1,052,489	1,152,489	(1.27%)
<b>TOTAL</b>	<b>\$3,792,545</b>	<b>\$3,180,306</b>	<b>\$4,635,779</b>	<b>\$4,533,285</b>	<b>\$4,533,285</b>	<b>\$4,633,285</b>	<b>(0.05%)</b>
<b>BUDGET BY FUND</b>							
General Fund	3,792,545	3,180,306	4,635,779	4,533,285	4,533,285	4,633,285	(0.05%)
<b>TOTAL</b>	<b>\$3,792,545</b>	<b>\$3,180,306</b>	<b>\$4,635,779</b>	<b>\$4,533,285</b>	<b>\$4,533,285</b>	<b>\$4,633,285</b>	<b>(0.05%)</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>29.25</b>	<b>26.75</b>	<b>28.50</b>	<b>28.00</b>	<b>28.00</b>	<b>28.00</b>	<b>(1.75%)</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>(0.50)</b>

The Research Center supports the Metro Council, Metro staff, external clients and the public by providing accurate and reliable data, information, mapping, forecasting and technical services to support public policy analysis and regulatory compliance. The center coordinates data and research activities with partners in government, academic institutions and the private sector. The regional economic and travel forecasts provided by the Research Center meet federal and state requirements as consistent, accurate and reliable data and forecasting tools in support of regional decision making.

### MAJOR PROGRAMS

**Enterprise Services** – The agency’s regional information assets and supporting digital infrastructure are stewarded by the Enterprise Services unit. At the core of the data assets is the Geographic Information System (GIS) data as housed in the Regional Land Information System (RLIS).

**Client Services** – The Client Services team leverages regional information and systems as it develops custom spatial analysis and mapping products for internal and external clients, in support of region-wide decision making, individual program needs and compliance with federal and state requirements and mandates.

**Modeling Services** – Transportation and land use modeling comprise the Modeling Services component of the Research Center. This program provides support to Metro’s operating units and regional partners by providing economic analysis, land use allocation and travel demand forecasts to policy officials to assist in regional decision-making. The program also serves a number of external public and private sector clients with forecasting information and technical oversight.

### BUDGET ENVIRONMENT

The Research Center’s organizational structure and financial model have been examined and revised in recent years, with the most significant changes occurring in FY 2014-15. In May 2014 the department implemented a structural reorganization, creating the three balanced work units that provide Enterprise, Client, and Modeling Services. These groups have clearly defined responsibilities while working together to coordinate and fulfill the broader departmental goals of:

1. Provision of excellent customer service.
2. Investment in the capacity to inform policy decisions.
3. Provision of effective analytical support for policy decisions.
4. Financial stability.

Since moving to this model, the management team has focused on organizing new work processes, prioritizing and initiating projects to support departmental goals, evaluating operations and opportunities for improvement, providing and supporting strong communication across work groups and making minor adjustments to divisional team rosters to improve efficiency and service delivery.

The Modeling Services division has established a Model Development Advisory Committee to provide expert input on technical questions and to inform transportation model development that serves the region. A broader departmental advisory committee is also being initiated to provide input on departmental priorities and resource allocation.

Staffing changes have happened concurrently. An Assistant Researcher and Modeler and an Associate GIS Specialist were hired in FY 2014-15. The Enterprise Services Manager, a Principal Researcher and Modeler and an Assistant GIS Specialist left the

agency. The Department Director is currently being filled on an interim status and one Senior GIS Specialist position has been vacant while that staff member is serving in an interim Manager position. Some of these vacant/interim positions are currently under recruitment. Progress has been made in transitioning to the new organizational structure, however, full staffing is needed to deliver on its strategic goals.

Work under the new model is yielding positive results; the transparency, efficiency and coordination of activities across the department is increasing, and communication is improving. Teams are becoming more integrated. The short-term net effect of the work to date is that more administrative and management time has been needed for change management – the planning and coordination of new activities, staff recruitment and onboarding, succession planning and knowledge transfer activities for staff who are retiring, coaching for staff adjusting to new roles and a changing environment, maintenance of key operations without full staffing, and communication across all aspects of this work. Efforts are ongoing to support and arrive at full implementation of the new financial and organizational models.

### **SIGNIFICANT CHANGES IN THE BUDGET**

- Increase materials and services by \$300,000 to cover expenditures associated with the regional orthophoto and Laser imaging Detection and Ranging (LiDAR) consortium project.
- Increased materials and services by \$20,000 for a shared data environment (digital infrastructure) for consistent and cost-effective storage and maintenance of regional data. Partnering with Portland State University, Coalition for a Livable Future, and others.
- Increased materials and services by \$30,000 for Metroscope support.
- Increased materials and services by \$50,000 for Portland State University population data.

### **PERFORMANCE MEASURES**

#### **Client Services**

Percentage of clients who rate the quality of products and services as excellent.

<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>
<b>67%</b>	<b>83%</b>	<b>68%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>

#### **Enterprise Services**

Percentage of clients who rate the relevance of RLIS data to their needs as excellent.

<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>
<b>70%</b>	<b>78%</b>	<b>60%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>	<b>80%</b>

#### **Modeling Services**

Travel model quality rating with regard to its ability to address client needs.

Continuous scale – 1.0 is poor, 5.0 is excellent.

<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>
<b>4.3</b>	<b>4.2</b>	<b>4.5</b>	<b>4.4</b>	<b>4.4</b>	<b>4.4</b>	<b>4.4</b>

Customer service rating, as measured by annual customer survey. Continuous scale – 1.0 is poor, 5.0 is excellent.

<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	<b>17/18</b>	<b>18/19</b>
<b>5.0</b>	<b>5.0</b>	<b>4.9</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>

## **PROGRESS ON FY 2014-15 KEY OBJECTIVES**

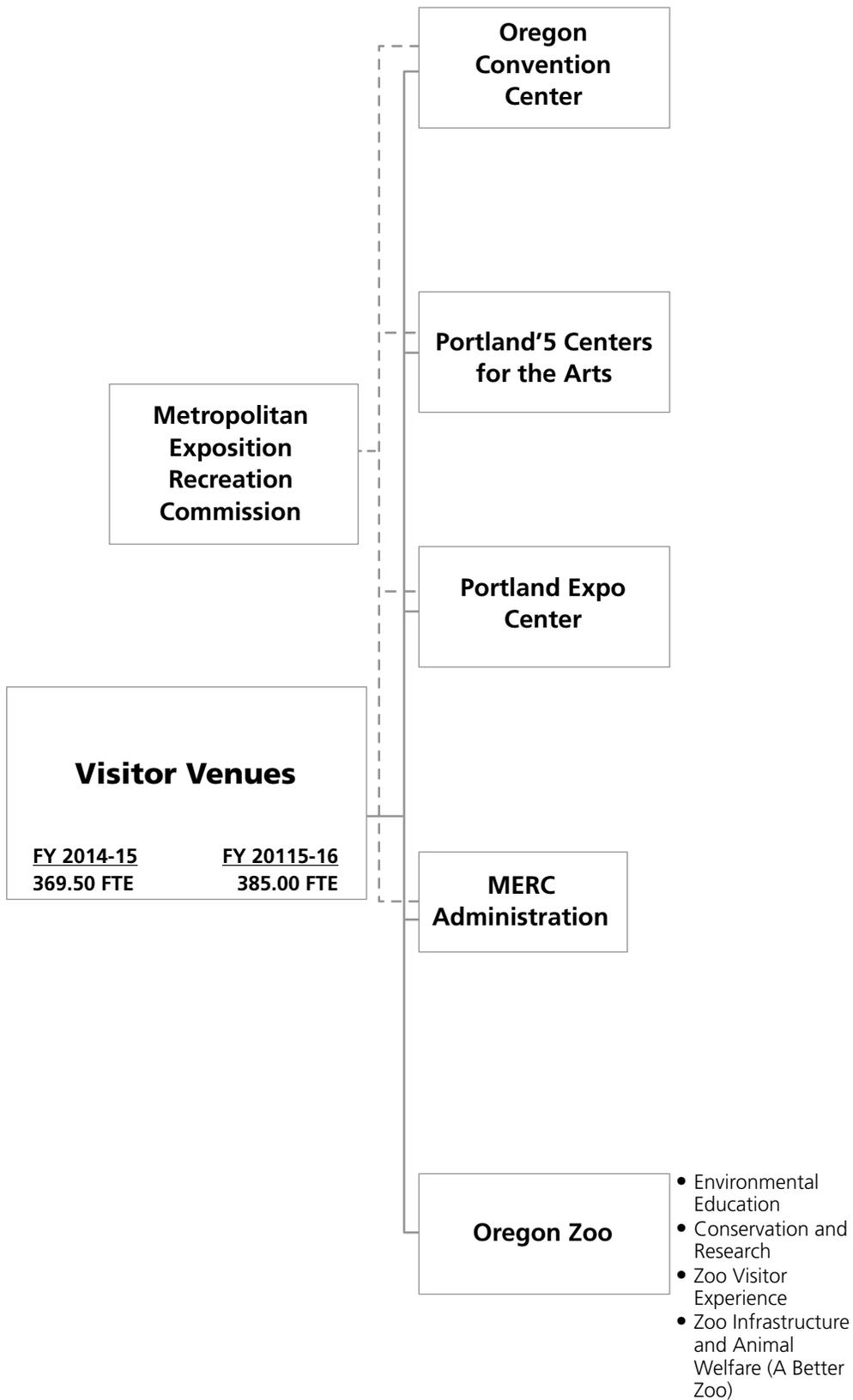
- Completed the draft Urban Growth Report, accepted by the Metro Council.
- Providing mapping and analysis support to Planning and Development, Parks and Environmental Services, Sustainability Center and Solid Waste Regulation. Specific projects include the Solid Waste Facilities Map and Planning Model Phase 1, Oak Delineation, Title 13 Monitoring and the Regional Transportation Plan (RTP) process.
- Providing coordination and support for internal and external requests for Title VI/Limited English Proficiency data.
- Provided support in partnership with Coalition for a Livable Future's Equity Atlas.
- Provided Equity Strategy Program baseline data support.
- The activity based model software code was delivered in spring 2015.
- Provided modeling expertise to support the FHWA SHRP2 L04 reliability research program. The objective of the program is to show how incidents, weather, congestion, construction and other elements affect the reliability of roadways.
- A SHRP2 C-20 research award was granted to Metro. This financial award will fund the development of a new logistics-based freight model for the region. Consultant services are being used for this work.

## **KEY OBJECTIVES FOR FY 2015-16**

- Continue coordination and socio-economic data and analysis support for multiple projects including Title VI/Limited English Proficiency, DEI, Metro's Equity Strategy; Regional Flexible Funds Allocation, (RFFA), Metropolitan Transportation Improvement Program (MTIP) and the Regional Transportation Plan (RTP); and the Regional Infrastructure Supporting our Economy (RISE) programs.
- Continue to provide data and mapping support to CLF's regional Equity Atlas and coordinate with partners on shared data resources.
- Complete annual update to statewide regional solid waste facilities map and support the Solid Waste Planning Model, Phase 2.
- Conduct sensitivity tests, an outreach program, and other activities to ensure the credibility and acceptance of the new activity based model. This leads to a full integration of the tool into analysis.
- Pedestrian and bike enhancements will be integrated into the regional travel model. This work is linked to independent research being conducted by PSU.
- The SHRP2 C-20 freight model development work continues. The target completion is December 2016.



# Visitor Venues



## Summary of Visitor Venues

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	34,603,799	35,034,423	38,129,915	41,721,697	41,721,697	41,721,697	9.42%
Materials and Services	38,071,060	39,866,665	39,543,193	116,959,639	116,959,639	117,467,439	197.06%
Capital Outlay	12,060,780	28,505,778	45,011,202	30,291,886	30,291,886	32,565,586	(27.65%)
Debt Service	2,557,510	1,573,880	1,585,651	4,089,826	4,089,826	4,089,826	157.93%
<b>TOTAL</b>	<b>\$87,293,149</b>	<b>\$104,980,746</b>	<b>\$124,269,961</b>	<b>\$193,063,048</b>	<b>\$193,063,048</b>	<b>\$195,844,548</b>	<b>57.60%</b>
<b>BUDGET BY FUND</b>							
General Asset Management Fund	513,882	883,265	2,284,360	-	-	-	(100.00%)
General Revenue Bond Fund	2,564,371	1,573,880	1,585,651	77,499,826	77,499,826	77,499,826	4787.57%
MERC Fund	44,354,781	47,918,679	52,437,332	55,125,123	55,125,123	57,906,623	10.43%
Oregon Zoo Capital Asset Management Fund	994,374	1,381,182	7,430,000	6,076,314	6,076,314	6,076,314	(18.22%)
Oregon Zoo Infrastructure/Animal Welfare Fund	8,140,191	22,799,829	29,210,633	19,838,503	19,838,503	19,838,503	(32.08%)
Oregon Zoo Operating Fund	30,725,552	30,316,706	31,009,741	34,523,282	34,523,282	34,523,282	11.33%
Parks and Natural Areas Local Option Levy Fund	-	107,204	312,244	-	-	-	(100.00%)
<b>TOTAL</b>	<b>\$87,293,149</b>	<b>\$104,980,746</b>	<b>\$124,269,961</b>	<b>\$193,063,048</b>	<b>\$193,063,048</b>	<b>\$195,844,548</b>	<b>57.60%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>349.70</b>	<b>350.35</b>	<b>369.50</b>	<b>384.95</b>	<b>384.95</b>	<b>385.00</b>	<b>4.19%</b>
<b>FTE CHANGE FROM FY 2014-2015 AMENDED BUDGET</b>							<b>15.50</b>

## Summary of MERC Administration

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	1,105,077	739,568	744,642	830,961	830,961	830,961	11.59%
Materials and Services	228,927	229,275	489,406	479,585	479,585	479,585	(2.01%)
Capital Outlay	60,218	286,959	92,800	-	-	-	(100.00%)
<b>TOTAL</b>	<b>\$1,394,222</b>	<b>\$1,255,803</b>	<b>\$1,326,848</b>	<b>\$1,310,546</b>	<b>\$1,310,546</b>	<b>\$1,310,546</b>	<b>(1.23%)</b>
<b>BUDGET BY FUND</b>							
MERC Fund	1,394,222	1,255,803	1,326,848	1,310,546	1,310,546	1,310,546	(1.23%)
<b>TOTAL</b>	<b>\$1,394,222</b>	<b>\$1,255,803</b>	<b>\$1,326,848</b>	<b>\$1,310,546</b>	<b>\$1,310,546</b>	<b>\$1,310,546</b>	<b>(1.23%)</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>11.50</b>	<b>6.50</b>	<b>6.00</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>	<b>8.33%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>0.50</b>

Metro's Visitor Venues include the Oregon Convention Center (OCC), Portland's Centers for the Arts (Portland's), Portland Expo Center (Expo) and the Oregon Zoo. Formed in July 2010 to enhance collaboration on operational issues, the venues team actively works toward a common mission of maintaining world-class gathering and entertainment spaces for residents and visitors and creating significant economic impact throughout the region. More than 3 million visitors attend the venues collectively each year, inducing more than \$740 million in direct and indirect regional spending, which supports more than 7,100 living wage jobs. For every \$1.00 of Visitor Venues annual budget expense, more than \$8.00 of spending is generated in the local economy.

Through its Metropolitan Exposition Recreation Commission (MERC), Metro benefits from business and community leaders whose expertise and guidance set the strategic business direction for three of the venues: OCC, Portland's and Expo. Commission members are nominated by Metro, Clackamas, Multnomah and Washington counties, and the City of Portland and are appointed by the Metro Council to serve four-year terms.

The Oregon Zoo also benefits from a key public/private partnership through the Oregon Zoo Foundation (OZF), comprised of business, philanthropic and community leaders. The OZF's mission is to foster community pride and involvement in the Oregon Zoo and to secure financial support for the zoo's conservation, education and animal welfare programs.

### MAJOR PROGRAMS

**Conventions, Trade and Consumer Shows** – OCC and Expo are among the West Coast's largest convention and exhibition spaces, attracting a million visitors each year to a wide variety of international, national and regional events that foster business development and support the region's economy.

**Performing Arts, Arts and Culture** – Portland's is a collection of five performance spaces serving the city's major resident companies, commercial promoters, local nonprofit arts groups and a national Broadway show touring series. A central component to Portland's thriving Cultural District, Portland's hosts more than 700,000 visitors who attend events and performances each year and contribute to the cultural vibrancy of the region.

**Environmental Education** – This program includes zoo education, volunteer services and youth programs as well as ongoing integration of the sustainability conservation education division. The education aspect of this program provides learning opportunities to people of all ages and cultures. The zoo develops leaders and community relationships, encourages growth and inspires change through vital and dynamic volunteer opportunities and models behavior on sustainable living by our actions and examples of how we operate our facilities. Zoo and sustainability education programs increase the public's understanding of environmental issues, the need for direct action related to clean air and water, the management of resources for future generations and improving access to nature.

**Conservation and Research** – The Oregon Zoo's conservation program focuses on identification and implementation of *in situ* and *ex situ* wildlife conservation through direct fieldwork, research, improved animal husbandry techniques and captive propagation. Educational programs offer learning opportunities to people of all ages and cultures, both on-campus and off.

**Zoo Visitor Experience** – Visitor experiences at the Oregon Zoo represent a guest’s primary activities during their visit to the zoo campus. Supporting the zoo’s mission statement, the zoo provides guests a variety of opportunities for observation, discovery and engagement with animals in a naturalistic environment. It serves 1.6 million visitors each year.

**The Oregon Zoo Infrastructure and Animal Welfare Bond Program** – The Oregon Zoo’s bond program, A Better Zoo, implements the capital planning and construction activities funded through approval of the 2008 general obligation bond.

**BUDGET ENVIRONMENT**

FY 2015-16 forecasts positive trends based upon increased event bookings and attendance across the venues. Portland’s has booked a record 12 weeks of Broadway performances, and is also benefitting from a new, more lucrative ticketing contract. Transient Lodging Tax (TLT) revenue is also projected to maintain growth in FY 2015-16, benefiting both Portland’s and OCC. OCC is forecasting 43 conventions in FY 2015-16 and Expo is forecasting a modest increase in events and rental revenue. The Oregon Zoo is forecasting a 7.6 percent increase in attendance over FY 2014-15 based on the opening of Elephant Lands in October 2015 and staging 16 premium concerts. Expenditure forecasts have also increased. The Bureau of Labor Statistics reported in February 2015 that the January 2014 to January 2015 Portland Area Consumer Price Index for All Urban Consumers (CPI-U) increased 2.41 percent. Inflation has resulted in increased utility, food and personnel costs. Through sound management practices, the venue directors are minimizing expenditure growth and keeping revenues on pace with inflation.

**SIGNIFICANT CHANGES IN THE BUDGET**

**Personnel Changes for the MERC Venues:**

- 0.50 of the total 3.50 FTE increases from FY 2014-15 to FY 2015-16 in the MERC venues is a result of a change in payroll allocation of the MERC Administration Policy Advisor position from 50 percent to the zoo to 100 percent to MERC Administration. Instead of allocating the total position cost, MERC Administration will charge the zoo directly for project costs on an hourly basis.

**Non-Personnel Budget Changes for the Oregon Zoo:**

- Program activity for Natural Areas Education has been shifted to the Zoo Operating Budget from the Natural Areas Levy Fund.

**PERFORMANCE MEASURES**

Estimated economic impact in metropolitan region (millions).

	12/13	13/14	14/15	15/16	16/17	17/18	18/19
OCC	\$480	\$517	\$525	\$535	\$545	\$555	\$565
OR Zoo	\$82	\$115	\$120	\$100	\$100	\$90	\$92
Portland’s	\$64	\$66	\$67	\$68	\$69	\$70	\$72
Expo	\$38	\$45	\$45	\$46	\$47	\$48	\$49

**PROGRESS ON FY 2014-15 KEY OBJECTIVES**

- Ensure that the bond-funded Elephant Lands project remains on track for an expected October 2015 completion, and that the zoo train returns to service on schedule for ZooLights 2014.

Complete and in progress. The zoo train returned to service in November 2014, in time for a record-setting ZooLights season. The first phase of Elephant Lands is scheduled to open in April 2015 and the entire habitat is on schedule to be completed and opened in October 2015. Throughout both projects, the zoo successfully minimized revenue disruption through increased per capita enterprise revenue.

- Coordinate with the Washington Park Transportation Management Association to implement an in-park shuttle and incentives for guests to arrive via mass transit.  
Complete. Portland Parks Bureau and the Washington Park Transportation Management Association instituted paid parking with minimal impact to the zoo. Free in-park bussing service was provided to guests through an agreement with Tri-Met.
- Complete First Opportunity Target Area assessment and present initial policy recommendations to Council and Commission in fall 2014.  
Complete. FOTA assessment recommendations were presented to the MERC Commission and Metro Council in January 2015. Implementation of the recommendations began in February 2015 and are expected to continue through FY 2015-16.
- Provide an Expo Project progress report in fall 2014 at the completion of the market study and financial analysis work, which is already underway.  
Complete. The results of the market and financial feasibility study conducted by Hunden Strategic Partners were presented to the MERC Commission in October 2014 and will be used to inform Expo's business planning. Next steps include reviewing study results with stakeholders and identifying areas for further analysis. This project work will carry through to FY 2015-16.
- Pursue an evaluation of potential synergies and efficiencies to be gained by combining efforts between OCC and Expo in the areas of sales and other revenue producing departments.  
In progress. Efforts are underway to begin analyzing opportunities as they relate to service improvements, potential sales transfers and cost reductions. It is anticipated that recommendations will be reviewed and discussed by the end of FY 2014-15. This work is expected to continue into FY 2015-16.
- Evaluate the financial sustainability of the Renewal and Replacement Reserve accounts for all three MERC venues. This project will include an evaluation of the current asset inventory, mandatory annual contribution amounts, fine tuning the current capital plans and prioritization, and other options for funding the Renewal and Replacement Reserve accounts.  
In progress. The MERC venues have prepared an updated five-year forecast (Fiscal Years 2016 – 2020) of Capital revenues and prioritized projects. To complete this objective, each venue will complete a new capital asset inventory and assessment study to more accurately forecast costs associated with the Capital Renewal and Replacement Program. These studies are planned in FY 2016 or 2017 for each venue.
- Develop a plan with the Friends of Portland's to re-energize fundraising activities.  
In progress. Portland's has met with a fundraising consultant who is composing a plan to help the Foundation start laying the groundwork necessary before hiring a development position.

#### **KEY OBJECTIVES FOR FY 2015-16**

- Execute the FOTA improvement implementation plan.
- Continue with phase II of the Expo Project and including financial analysis and stakeholder discussions.
- Provide a semi-annual Expo Project Phase II Progress Report to the MERC Commission.
- Provide a semi-annual Portland's Project Progress Report to the MERC Commission.

- Minimize guest impacts from bond construction disruptions, specifically the effect of education center construction on the business operations of zoo camps and classes and general visitor access through the Washington Park South Entry, while ensuring the project is completed ontime and onbudget.
- Implement an admissions policy and price change, expressly addressing equitable community access and revenue generation.
- Collaborate with the Construction Project Management Office to implement best-practices to capital and renewal and replacement projects at the Oregon Zoo.



## Summary of the Oregon Convention Center

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	8,531,668	8,549,439	9,969,814	10,737,796	10,737,796	10,737,796	7.70%
Materials and Services	17,580,827	18,894,859	18,354,566	92,412,503	92,412,503	92,852,503	405.88%
Capital Outlay	1,750,440	2,725,061	4,258,000	2,750,000	2,750,000	3,913,900	(8.08%)
Debt Service	-	-	-	2,500,000	2,500,000	2,500,000	n/a
<b>TOTAL</b>	<b>\$27,862,935</b>	<b>\$30,169,359</b>	<b>\$32,582,380</b>	<b>\$108,400,299</b>	<b>\$108,400,299</b>	<b>\$110,004,199</b>	<b>237.62%</b>
<b>BUDGET BY FUND</b>							
General Revenue Bond Fund	-	-	-	75,910,000	75,910,000	75,910,000	n/a
MERC Fund	27,862,935	30,169,359	32,582,380	32,490,299	32,490,299	34,094,199	4.64%
<b>TOTAL</b>	<b>\$27,862,935</b>	<b>\$30,169,359</b>	<b>\$32,582,380</b>	<b>\$108,400,299</b>	<b>\$108,400,299</b>	<b>\$110,004,199</b>	<b>237.62%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>110.30</b>	<b>112.30</b>	<b>114.65</b>	<b>114.65</b>	<b>114.65</b>	<b>114.65</b>	<b>0.00%</b>
<b>FTE CHANGE FROM FY 2014-2015 AMENDED BUDGET</b>							<b>0.00</b>

OCC is the largest convention facility in the Pacific Northwest serving as a significant economic activity generator for the region and state by attracting out-of-town visitors to national conventions, tradeshow, meetings, and local residents to special events.

## MAJOR PROGRAMS

**Conventions, Trade and Consumer Shows** – OCC hosts, on average, half a million visitors each year attending international, national and regional conferences, meetings and events. For every \$1.00 OCC spends each year, its events induce more than \$16 of direct and indirect spending in local businesses, which create and support living wage jobs and generate tax revenues for state and local governments.

## BUDGET ENVIRONMENT

The OCC revenue forecast for FY 2015-16 is promising. OCC is forecasting a record year in event bookings in FY 2015-16, including IAAF International Indoor Track and Field, ComicCon, the International Auto Show and others. The convention center hotel project, when completed in FY 2017-18, will enhance the center’s marketability to a national audience. OCC continues to lead the nation in sustainability programs and is upgrading infrastructure to enhance technical capacity to serve the high tech industry. In March 2014 OCC became LEED® certified to the Platinum level. Partnerships with Aramark, Travel Portland, Pepsi and Portland Roasting Coffee have promising prospects of developing more event bookings and marketing opportunities.

## SIGNIFICANT CHANGES IN THE BUDGET

- Funded portion of OCC capital projects from the MERC TLT Pooled Capital account.
- Funded phase I of Martin Luther King Jr. Plaza Project from TLT Pooled Capital, General Fund MTOCA, and external sources.
- Funded portion of convention center hotel project from the General Fund MTOCA.
- Transferred \$3.4 million from reserves to fund the convention center hotel development.

## PERFORMANCE MEASURES

National Conventions.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
37	32	42	43	44	45	45

*(Note: 2015 and beyond is projected to return to historical levels)*

Food and Beverage Margin.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
20.0%	11.2%	14.9%	16.5%	16.5%	16.5%	16.5%

Ratio Operating Revenue to Expenditures.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
115.1%	108.2%	103.5%	95.3%*	105.0%	105.0%	105.0%

\*OCC’s ratio of revenue to expense dips below 100% in FY 2015-16 because of its \$3.4 million contribution to the OCC hotel development agreement.

## PROGRESS ON FY 2014-15 KEY OBJECTIVES

- OCC completed and implemented a successful succession plan for key positions and set the groundwork for the next generation of OCC staff.

- OCC is currently working with the Portland Development Commission (PDC) on major components of the exterior landscape design and Holladay Green Street project. In FY 2014-15 the Interior Master Plan work represents phase I of the project and FY 2015-16 project work represents phase II.
- OCC achieved LEED ® Certified *Platinum* level, ASTM Level 4 Certification and *Salmon Safe Certification* for responsible storm water runoff in FY 2014-15. OCC works to continuously improve its Strategic Energy Management Plan and programs thru teamwork and partnerships with clients, vendors and staff.
- OCC is currently in the process of building a new website that allows for immediate and easy access to a vast array of facility information which is expected to be completed by the end of FY 2014-15.
- OCC has hired two key sales positions to insure long-term growth and success of OCC – focusing on new business and AV design sales.
- OCC continuously works to improve efficiencies and cost reductions throughout its entire operation.
- OCC continuously works to identify and book specific local high revenue events at the OCC.
- OCC has filled an open Facilities Manager Position. Equipment is being proactively maintained and replaced as scheduled through its Computerized Maintenance Management System, to reduce short- and long-term equipment repair and replacement costs.
- In an effort to provide a high level of service to all clients, OCC is in the process of implementing a revised and updated *Be the Difference* customer service staff training, recognition and assessment program.

#### **KEY OBJECTIVES FOR FY 2015-16**

- Enhance sustainability programs through teamwork and partnerships with clients, vendors and staff to maintain current LEED designation.
- Monitor the progress of the newly implemented *Be the Difference* customer service staff training, recognition and assessment program.
- Develop master plan for OCC both interior and exterior of the facility (phase II FY 2015-16).
- Break ground on the convention center hotel project.
- Complete North Plaza landscape renovation.
- Complete food and beverage renovations.
- Continue energy consumption reductions.
- Implement Waste Diversion Policy.
- Enhance OCC security procedures and training.



## Summary of Portland's Centers for the Arts

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	5,437,387	5,497,004	5,996,451	6,494,395	6,494,395	6,494,395	8.30%
Materials and Services	4,371,772	4,763,448	4,805,965	6,612,511	6,612,511	6,612,511	37.59%
Capital Outlay	493,423	643,700	1,938,000	2,440,600	2,440,600	3,156,100	62.85%
<b>TOTAL</b>	<b>\$10,302,582</b>	<b>\$10,904,152</b>	<b>\$12,740,416</b>	<b>\$15,547,506</b>	<b>\$15,547,506</b>	<b>\$16,263,006</b>	<b>27.65%</b>
<b>BUDGET BY FUND</b>							
MERC Fund	10,302,582	10,904,152	12,740,416	15,547,506	15,547,506	16,263,006	27.65%
<b>TOTAL</b>	<b>\$10,302,582</b>	<b>\$10,904,152</b>	<b>\$12,740,416</b>	<b>\$15,547,506</b>	<b>\$15,547,506</b>	<b>\$16,263,006</b>	<b>27.65%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>46.40</b>	<b>44.40</b>	<b>46.90</b>	<b>49.40</b>	<b>49.40</b>	<b>49.40</b>	<b>5.33%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>2.50</b>

Portland'5 Centers for the Arts (Portland'5) enhances the livability and economic vitality of the metropolitan region through sound stewardship, expert management and creative development of the region's public assembly venues as well as fostering an entrepreneurial environment in which diverse arts, events and audiences may flourish.

## MAJOR PROGRAMS

**Performing Arts, Arts and Culture** – Portland'5 is the hub of downtown Portland's thriving Cultural District. The center draws more than 800,000 visitors each year to enjoy world class performance arts and entertainment, contributing to a vibrant and culturally rich region. For every \$1.00 Portland'5 spends each year through its budget, its events induce more than \$4.50 of direct and indirect spending in the local economy, which supports more than 650 living wage jobs and generates tax revenues for state and local governments.

## BUDGET ENVIRONMENT

FY 2015-16 is anticipated to be a record year for Portland'5, hosting 12 weeks of Broadway shows, increasing its operating revenue 35 percent over FY 2014-15. Transient Lodging Tax (TLT) receipts are expected to remain steady and Portland'5 is expected to realize its annual CPI increase of 2.26 percent over FY 2014-15. Portland'5 Presents will continue to evolve and is expected to result in a net return of \$40,000 in FY 2015-16. Advertising and sponsorship sales through printed tickets, website and its new presentation programs are also expected to be stronger than prior years with an increased Marketing and Promotions Coordinator FTE (0.50 to 1.00). Not every year is forecasted to be as fruitful as FY 2015-16; Portland'5 faces a risk of a future funding gap as expenses continue to outpace revenues. The organization's mission to support local resident arts groups by providing deeply discounted rental rates of performance spaces is becoming increasingly difficult to achieve. Buildings that now range from 25 to 100 years old are creating maintenance demands that Portland'5, at its current funding levels, will not be able to sustain in the long term. The Portland'5 Project is poised to facilitate many of the conversations necessary to create and navigate potential solutions to this issue. Resident companies and non-profit arts organizations are anticipated to have flat attendance while commercial shows are anticipated to continue performing well. This will be the third year of a new ticketing system that is anticipated to generate more revenue than the previous system as staff takes advantage of some of the up-selling technology it offers.

## SIGNIFICANT CHANGES IN THE BUDGET

- Added a new 1.00 FTE Operations Engineer II position, replacing more than 2,000 part-time Operating Engineer II hours, as well as on-call and over-time costs.
- Increased an existing 0.50 FTE Marketing and Promotions Coordinator I position to 1.0 FTE to increase social media marketing staff time, and manage fee-based marketing packages for clients.
- Added a 1.0 FTE Ticket Coordinator position to provide more support to multiple ticketing software systems and clients.

## PERFORMANCE MEASURES

Portland's total weeks of Broadway performances.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
10	6.5	9.5	12	10	10	10

*(Note: 2015 and beyond is project to return to historical levels)*

Food and Beverage Margin.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
19.8%	17.3%	16.5%	15.8%	16.0%	16.0%	16.0%

Ratio Operating Revenue to Expenditures.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
109%	112%	100%	107%	101%	102%	102%

## PROGRESS ON FY 2014-15 KEY OBJECTIVES

- Portland's plan to address a long term funding strategy is currently in progress and will continue through FY 2015-16.
- Portland's ran three campaigns to determine the effectiveness of its ticketing retargeting program. Results were generally good, however, it was determined that staff resources would produce a greater rate of investment via sponsorship and marketing of Portland's presentations and therefore this priority was discontinued.
- Portland's developed and implemented the first phase of its sponsorship kit for Portland's produced events in the summer of FY 2014-15 and has plans for a second phase in FY 2015-16.
- A new Booking Sales and Marketing Director was hired in FY 2014-15 and Portland's has already begun presenting self promoted and co-promoted shows. This new business line is expected to continue to grow and mature.
- Portland's is in the process of developing and implementing the Portland's Foundation revitalization plan. This work will continue through FY 2015-16.

## KEY OBJECTIVES FOR FY 2015-16

- Continue business development initiative via Portland's Presents events.
- Continue to develop and implement a plan to address long term funding strategy for Portland's.
- Continue implementation of the sponsorship kit for Portland's produced events.
- Continue to develop and implement revitalization plan for the Portland's Foundation.
- Seek opportunities for capital projects to advance green initiatives and lower operating costs.



## Summary of the Portland Expo Center

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	1,484,027	1,510,480	1,721,145	1,797,467	1,797,467	1,797,467	4.43%
Materials and Services	2,816,377	3,116,375	3,111,043	3,049,805	3,049,805	3,117,605	0.21%
Capital Outlay	494,638	962,510	955,500	929,500	929,500	1,323,800	38.55%
Debt Service	1,187,131	1,188,650	1,188,051	1,186,176	1,186,176	1,186,176	(0.16%)
<b>TOTAL</b>	<b>\$5,982,173</b>	<b>\$6,778,015</b>	<b>\$6,975,739</b>	<b>\$6,962,948</b>	<b>\$6,962,948</b>	<b>\$7,425,048</b>	<b>6.44%</b>
<b>BUDGET BY FUND</b>							
General Revenue Bond Fund	1,187,131	1,188,650	1,188,051	1,186,176	1,186,176	1,186,176	(0.16%)
MERC Fund	4,795,042	5,589,365	5,787,688	5,776,772	5,776,772	6,238,872	7.80%
<b>TOTAL</b>	<b>\$5,982,173</b>	<b>\$6,778,015</b>	<b>\$6,975,739</b>	<b>\$6,962,948</b>	<b>\$6,962,948</b>	<b>\$7,425,048</b>	<b>6.44%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>13.30</b>	<b>12.30</b>	<b>14.80</b>	<b>15.80</b>	<b>15.80</b>	<b>15.80</b>	<b>6.76%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>1.00</b>

The Portland Expo Center (Expo) is a multi-purpose exhibition facility comprised of meeting rooms, exhibit halls, a full-service restaurant and flexible outdoor exhibit space. Considered the region's primary destination for consumer public shows, tradeshow and special feature events, Expo hosts on average a half a million visitors each year, and is considered #1 amongst Tier 3 event facilities according to *Tradeshow Executive Magazine*.

## MAJOR PROGRAMS

**Conventions, Trade and Consumer Shows** – Expo attracts regional visitors to diverse events that contribute to the livability of the region by inducing direct and indirect spending at local businesses that create and support living wage jobs and generate tax revenue for state and local governments. For every \$1.00 Expo spends, more than \$6.00 is spent in the regional economy. Expo induces more than \$45 million in annual local and regional economic impact which in turn supports 470 living wage jobs.

## BUDGET ENVIRONMENT

Expo has embraced a new marketing and communications plan, a revitalized brand and web presence, and has provided a number of new events while solidifying the core markets that have supported the success of Expo for many years. Expo has expanded its commitment to many clients by developing three-year event agreements. Additionally, Expo has completed a number of new sustainability projects with a focus on reducing expenses such as lighting improvements for Halls A, B, D and E. The efforts of this past year have left Expo well-positioned to focus on sales and increased revenues. The FY 2015-16 budget does not include the planned hosting of *Cirque du Soleil* in spring 2016.

## SIGNIFICANT CHANGES IN THE BUDGET

- FTE Changes – Added 1.00 FTE through two new part-time positions. Added 0.50 FTE part-time limited duration Sales and Promotion Coordinator I position with an expectation of increasing ad revenue; and a 0.50 FTE, part-time Administrative Assistant dedicated to supporting the Operations Division to better facilitate Operations Division customer service and maintenance programs.
- Expo requested for the second time and received approval for a \$280,000 General Fund Metropolitan Tourism Opportunity and Competitiveness Account (MTOCA) allocation. This allocation will fund marketing and operational improvement projects.

## PERFORMANCE MEASURES

Number of Events.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
108	154*	110	155*	112	155	114

\**Cirque du Soleil* host years

Food and Beverage Margin.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
12.8%	13.9%	15.1%	15.2%	15.5%	16.0%	16.0%

Ratio Operating Revenue to Expenditures.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
98%	97%	99%	100%	101%	101%	101%

## **PROGRESS ON FY 2014-15 KEY OBJECTIVES**

- Expo continuously focuses on marketing and communications in an effort to increase sales revenue opportunities and new and repeat business. Based on client feedback, Expo has made several updates to its communication plan, branding, and facility enhancements.
- Expo continuously works to increase the number of its three-year rental agreements and catered events with clients and has made some strides in this area in FY 2014-15.
- Expo continuously works to expand into new markets and meet its community outreach objectives.
- Expo strives to develop ongoing food and beverage improvements with its partners ARAMARK/pacificwild, up to and including concession stand improvements, new event development, quality of food and service, cleanliness, and an improved food and beverage margin. Expo continues work in this area with a new Food & Beverage Director.
- Expo's engagement with the City of Portland's Bureau of Environmental Services and the Multnomah County Drainage District #1 regarding stormwater management rate mitigation are in progress.
- Expo engages with its Advisory Committee each quarter to discuss the topics of Long-Term Funding Solutions, Community Outreach, History and Equity.
- Several capital projects focused on sustainable initiatives, were completed in FY 2015 including the Storm Water Green Wall, Lighting controls and future sustainability project studies.

## **KEY OBJECTIVES FOR FY 2015-16**

- Engage in proactive measures to mitigate increased costs generated from Multnomah County Drainage District and Bureau of Environmental Services policy changes.
- Create and develop new events and sponsorship and advertising opportunities to expand into new markets and conduct community outreach in a more diverse, equitable and inclusive manner.
- Expand teambuilding and communication amongst Expo, Pacificwild and City Center staff. Develop understanding of revenue goals amongst all teams.
- Engage with the Metro Council on developing scenarios for the future of Expo and their options for implementation.



## Summary of the Oregon Zoo

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	18,045,640	18,737,931	19,697,863	21,861,078	21,861,078	21,861,078	10.98%
Materials and Services	13,073,156	12,862,708	12,782,213	14,405,235	14,405,235	14,405,235	12.70%
Capital Outlay	9,262,062	23,887,548	37,766,902	24,171,786	24,171,786	24,171,786	(36.00%)
Debt Service	1,370,379	385,230	397,600	403,650	403,650	403,650	1.52%
<b>TOTAL</b>	<b>\$41,751,237</b>	<b>\$55,873,416</b>	<b>\$70,644,578</b>	<b>\$60,841,749</b>	<b>\$60,841,749</b>	<b>\$60,841,749</b>	<b>(13.88%)</b>
<b>BUDGET BY FUND</b>							
General Asset Management Fund	513,882	883,265	2,284,360	-	-	-	(100.00%)
General Revenue Bond Fund	1,377,240	385,230	397,600	403,650	403,650	403,650	1.52%
Oregon Zoo Capital Asset Management Fund	994,374	1,381,182	7,430,000	6,076,314	6,076,314	6,076,314	(18.22%)
Oregon Zoo Infrastructure/Animal Welfare Fund	8,140,191	22,799,829	29,210,633	19,838,503	19,838,503	19,838,503	(32.08%)
Oregon Zoo Operating Fund	30,725,552	30,316,706	31,009,741	34,523,282	34,523,282	34,523,282	11.33%
Parks and Natural Areas Local Option Levy Fund	-	107,204	312,244	-	-	-	(100.00%)
<b>TOTAL</b>	<b>\$41,751,237</b>	<b>\$55,873,416</b>	<b>\$70,644,578</b>	<b>\$60,841,749</b>	<b>\$60,841,749</b>	<b>\$60,841,749</b>	<b>(13.88%)</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>168.20</b>	<b>174.85</b>	<b>187.15</b>	<b>198.60</b>	<b>198.60</b>	<b>198.65</b>	<b>6.14%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>11.50</b>

The Oregon Zoo's mission is to inspire visitors to learn about endangered species protection and take action toward native habitat restoration. As the state's most popular paid attraction, it has a tremendous opportunity to advance that mission.

## MAJOR PROGRAMS

The Oregon Zoo activity is budgeted in three funds: the Oregon Zoo Operating Fund, the Oregon Zoo Capital Asset Management Fund and the Oregon Zoo Infrastructure and Animal Welfare Fund. It is organized into divisions, including Living Collections, Education, Guest Services, Facilities Management, Marketing, Administration and the Zoo Bond Program.

**Environmental Education:** This program is made up of zoo education, volunteer services and youth core, as well as ongoing integration of the sustainability conservation education division. The education aspect of this program provides learning opportunities to people of all ages and cultures. The zoo develops leaders and community relationships, encourages growth and inspires change through vital and dynamic volunteer opportunities and models behavior on sustainable living by our actions and examples of how we operate our facilities. Zoo and sustainability education programs increase the public's understanding of environmental issues, the need for direct action related to clean air and water, the management of resources for future generations and improving access to nature.

**Conservation and Research:** This program comprises animal welfare research scientists and species recovery specialists. The conservation aspect of this program identifies and implements *in situ* and *ex situ* wildlife conservation through direct fieldwork, research, improved animal husbandry techniques and captive propagation. Research is an important aspect of this program that continues the zoo's leadership in animal welfare science and innovation. In addition to cooperating with the Association of Zoos & Aquariums, the zoo participates in species survival plans and partners with several other conservation groups to conserve endangered and threatened species in our care and in nature.

**Zoo Visitor Experience:** This program represents the primary activities that serve guests during their visit to the zoo campus. Supporting the zoo's mission statement, the zoo provides guests the opportunity for observation, discovery and engagement of animals in naturalistic environments. To meet guest expectations, provide positive experiences, and to generate enterprise revenues, the zoo provides many services and activities such as admissions, food services, campus security, facility management, public events, catering venues, marketing and the zoo railway. The zoo also provides world class animal care for its collection of more than 2,000 animals that guests interact with on their visit.

**The Oregon Zoo Infrastructure and Animal Welfare (A Better Zoo):** This program represents the capital planning and construction activities funded by the November 2008 general obligation bond authority. Current and future projects include Elephant Lands and Related Infrastructure, Education Center, and Polar Bear, Primate and Rhino habitats.

## BUDGET ENVIRONMENT

Revenues are based on attendance of 1.70 million, compared to a budgeted 1.58 million for FY 2014-15 and an actual attendance of 1,514,192 in FY 2013-14. The attendance projection is based on the opening of Elephant Lands in October 2015, staging 16 premium concerts, and continued impact of construction activity across zoo grounds. In addition, Operating Fund revenue drivers include increased sales commissions from the gift shop operator and an anticipated change to admissions

rates. Capital construction will continue to present a revenue challenge, as Elephant Lands will be under construction through November and the Education Center project will break ground in September. Construction related displays and exhibits have been installed to engage guests in the excitement of the new exhibits.

## **SIGNIFICANT CHANGES IN THE BUDGET**

### **Personnel Changes**

- Increased Animal Keeper staffing by 2.0 FTE, added 0.5 FTE of Nutrition Technicians, created a 1.0 FTE Gardener, and created a 1.0 FTE Veterinary Technician position in the Living Collections division.
- Created a 1.0 FTE Project Coordinator in the Marketing division.
- Added 3.0 FTE of full-time positions in the Facilities Management division: a Building Engineer, a Service Supervisor 3, and a Maintenance Worker 2 for Life Support Systems.
- Created a 1.0 FTE Strategic Initiatives Program Manager in the Administration division.
- Created a 1.0 FTE Service Supervisor II in the Guest Services division.
- Converted seasonal staffing to a 0.8 FTE, regular status Guest Services worker position.
- Converted seasonal staffing to increase an existing position by 0.25 FTE to a full-time Education Specialist III.
- Created a limited-duration 1.0 FTE Lead and Wildlife Outreach Coordinator, a 0.5 FTE Conservation Action Coordinator, a 1.0 FTE Environmental Literacy Framework Evaluator, and a 0.6 FTE Education Specialist I for the ZAP program, all funded by grants through the Oregon Zoo Foundation.
- Increased a current Education Specialist II position in the Natural Areas program by 0.1 FTE.
- Converted temporary and seasonal staffing to create a 0.5 FTE Animal Keeper for Primates and increase 0.45 FTE of regular-status Program Animal staffing for WildLife Live.

### **Non-Personnel Changes**

- The Oregon Zoo is now budgeted as an enterprise fund – the Oregon Zoo Operating Fund – separate from the General Fund. The Oregon Zoo’s operating costs were pulled out of the General Fund, along with the historical data. The General Fund continues to provide \$12.3 million in ongoing operating support along with \$1.1 million in additional one-time support and \$950,000 to seed the fund’s contingency.
- The Oregon Zoo Capital Asset Management Fund was created from the Oregon Zoo Capital Account and the Oregon Zoo’s share of the renewal and replacement account formerly budgeted in the General Asset Management Fund. The Oregon Zoo’s share of the renewal and replacement fund balance and general fund support is now reflected in the Oregon Zoo Capital Asset Management Fund.
- Program activity for Natural Areas Education has been shifted to the Oregon Zoo Operating Fund from the Parks and Natural Areas Local Option Levy fund.
- Revenues and expenditures related to visitor activity have been increased to reflect growth in forecasted attendance.
- Medicine and animal food supplies line item budgets have been increased by \$250,000 to accommodate substantial costs related to tuberculosis treatment in the elephant herd.

- Marketing and advertising budgets are receiving a one-year increase of \$200,000 to promote the opening of the new elephant habitat.
- Water and Sewer utility costs are budgeted \$265,000 higher as construction activity has temporarily offset water savings from Bond Infrastructure projects.

## PERFORMANCE MEASURES

Total conservation education program attendance (thousands).

<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>
<b>247*</b>	<b>198</b>	202	205	215	220	222

\*Includes Waste Reduction Education activity attendance

Enterprise Revenue: Comparison of current achievement to the adopted budget. Admissions, food service and catering, retail, classes and camps, train and special exhibits.

<u>12/13</u>	<u>13/14</u>	<u>14/15</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>
<b>106%</b>	<b>99%</b>	100%	100%	100%	100%	100%

The Oregon Zoo initiated a visioning process in FY 2012-13, for the purpose of developing a five-year strategic direction. Through this exercise, a new set of performance measures is being created that better links budgetary data to the desired operational outcomes.

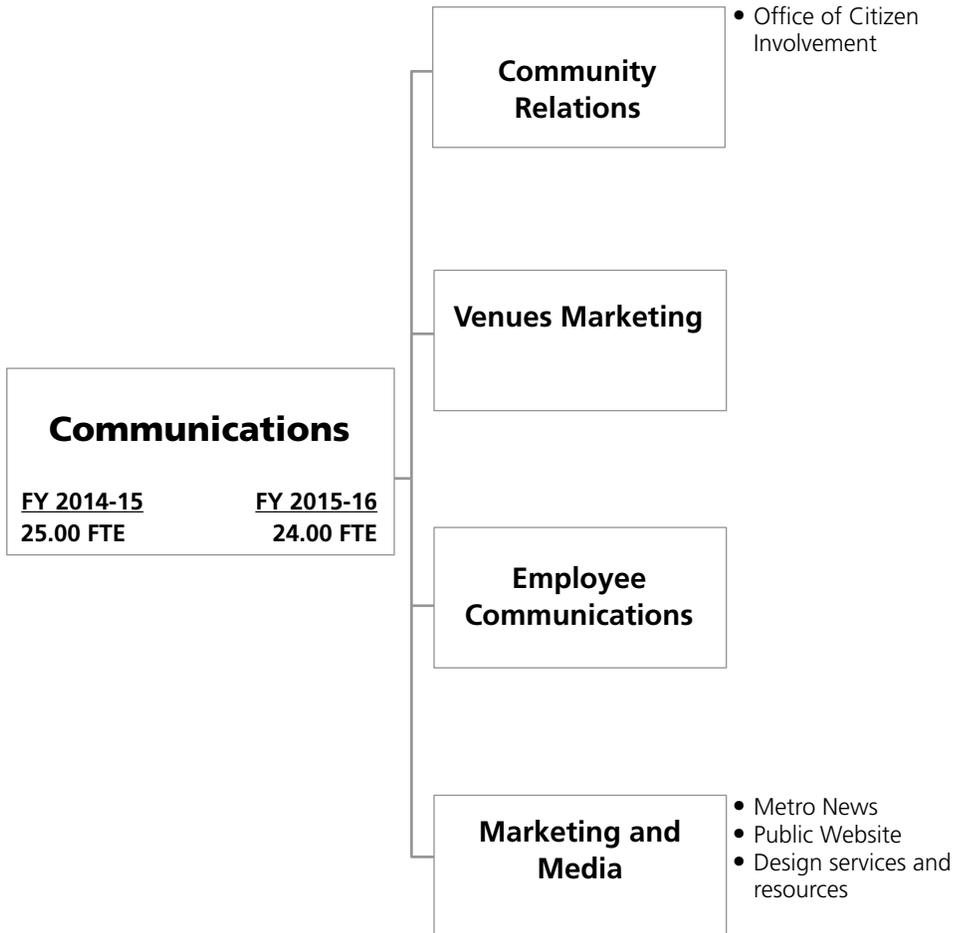
## PROGRESS ON FY 2014-15 KEY OBJECTIVES

- Minimized revenue disruption through increased per-capita enterprise revenue, despite substantially lower summer attendance. Successfully managed expenditures in reaction to lower receipts. Mitigated impact and recovered revenue with a record-setting ZooLights holiday attraction.
- Maintained overall guest experience and satisfaction during construction activities.
- Elephant Lands on-schedule for a December 2015 grand opening. North Elephant Habitat and Plaza opens in April 2015.
- Washington Park Transportation Management Association instituted paid parking with minimal impact. Free in-park shuttle service was provided through an agreement with Tri-Met.
- Food Services increased per-capita income by \$0.10 through menu and sales location adjustments.

## KEY OBJECTIVES FOR FY 2015-16

- Collaborate with the Metro Construction Project Management Office to implement best-practices for capital and renewal and replacement projects at the Oregon Zoo.
- Successfully on-board a new zoo director in fall 2015.
- Increase internal efficiencies and communication through the work of the new strategic initiatives program manager.
- Begin design on new polar bear habitat.
- Complete construction on Elephant Lands in November 2015.





## Summary of Communications

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	2,353,390	2,404,070	2,862,595	2,933,543	2,933,543	2,933,543	2.48%
Materials and Services	193,950	153,574	232,800	126,070	126,070	126,070	(45.85%)
Capital Outlay	-	1,650	-	-	-	-	0.00%
<b>TOTAL</b>	<b>\$2,547,339</b>	<b>\$2,559,293</b>	<b>\$3,095,395</b>	<b>\$3,059,613</b>	<b>\$3,059,613</b>	<b>\$3,059,613</b>	<b>(1.16%)</b>
<b>BUDGET BY FUND</b>							
General Fund	2,547,339	2,557,643	3,095,395	3,059,613	3,059,613	3,059,613	(1.16%)
General Asset Management Fund	-	1,650	-	-	-	-	0.00%
<b>TOTAL</b>	<b>\$2,547,339</b>	<b>\$2,559,293</b>	<b>\$3,095,395</b>	<b>\$3,059,613</b>	<b>\$3,059,613</b>	<b>\$3,059,613</b>	<b>(1.16%)</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>23.13</b>	<b>22.25</b>	<b>25.00</b>	<b>24.00</b>	<b>24.00</b>	<b>24.00</b>	<b>(4.00%)</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>(1.00)</b>

Communications serves as a liaison among the public and Metro's departments, elected officials and stakeholders. Communications' staff includes professionals in media relations, public involvement, journalism, marketing, graphic and web design, issue management, stakeholder analysis and advocacy. Its integrated communication plans and web strategies help make the most of existing resources, and its staff continues to adjust to the rapid changes in the public's communication habits and preferences. Communications helps the public understand and respond to Metro's portfolio of projects and connect to Metro services, fulfilling its ultimate goal of building trust with the voters and residents of the region.

### MAJOR PROGRAMS

**Community Relations/Office of Citizen Involvement** – This program is responsible for connecting community leaders and the public with the Council through innovative engagement tools such as an online opinion panel, focus groups, advertising, community events, media outreach, publications and websites. The program builds relationships with community leaders and organizations and guides outreach to a diverse representation of the region's residents to uphold Metro's principles of public involvement. The work supports Council priorities such as the equity strategy program, transportation and land use, visitor venues, parks, natural areas and garbage and recycling system plans and decisions.

**Marketing and Media** – This program is responsible for creating a strong Metro story and voice and reliable, compelling and engaging content for Metro's online and print channels. The division's goal is to put the audience first to ensure clear and accessible information is available about Metro's policies, plans, programs and places.

**Marketing** – The program coordinates marketing across Metro, supporting public education campaigns aimed at waste reduction, natural gardening, toxics reduction, MetroPaint, recycling and regional travel options and it partners with venues communications staff on cross-marketing and other opportunities.

**Media** – The program also manages Metro's communication channels, providing web and design strategy and services for Metro, including website content coordination, user experience evaluation and analytics, social media, interactive, print and display products. It is the home of Metro News, which informs readers of regional decisions in an honest, transparent manner and Our Big Backyard, a quarterly magazine, which informs and engages residents with stories featuring Metro parks and natural areas.

**Employee communications** – This new program will support the Chief Operating Officer's weekly message to Metro employees and coordinates intranet content, and employee communications regarding management practices and policies, human resources, employee benefits, and other internal Metro matters.

**Venues marketing** has a dotted line relationship to Communications. Visitor Venues request Communications support as needed with strategic and earned media, issues management and public relations as well as marketing, design, signage and web projects.

## BUDGET ENVIRONMENT

- Print and other traditional news media continue to decline, which leaves a greater burden on Metro to engage and inform the region’s residents.
- The equity strategy program, federal Title VI requirements and the changing demographics of the region’s population are causing Metro to invest additional discretionary resources in inspiring, informing, teaching and inviting low-income and people of color to participate in Metro’s work.
- The number and scope of Metro projects that require direct involvement with local elected officials and stakeholders requires coordination across the agency. Staff continues to work with other departments to document and coordinate stakeholder contacts across Metro’s line departments.
- Metro’s new website, launched during June 2013, set the stage for new and improved ways to inform and engage Metro’s visitors, customers and constituents. The site has seen significant improvements in unique visitors, bounce rates and engagement. Metro’s social media following continues to grow as well. Completion the Oregon Convention Center’s new site in early FY 2015-16 will free up resources for backlogged web projects and services.

## SIGNIFICANT CHANGES IN THE BUDGET

- Converted 1.0 FTE Associate Public Affairs Specialist from limited duration to regular status to support web projects.

## PERFORMANCE MEASURES

A biennial public survey in which an increasing percentage of respondents can identify Metro and one or more of its programs.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
72%	survey next FY					

Percent of the region’s elected officials who agree with the following: “Metro provides valuable services that have positive impacts on my constituents.”

12/13	13/14	14/15	15/16	16/17	17/18	18/19
73%	72%		80%	80%	80%	80%

Percent of employees reporting in a biennial survey that they agree or strongly agree with the following: “The agency has a well formulated strategy to achieve overall goals and directions.”

12/13	13/14	14/15	15/16	16/17	17/18	18/19
35.9%		65%		65%		65%

Percent of website survey respondents reporting that they could easily find the information they were looking for on the Metro web site.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
82%	*	*				

\* Survey not done this year. Completed web improvement cycle and user testing plan in FY2014-15 for implementation in 2015-16.

## PROGRESS ON FY 2014-15 KEY OBJECTIVES

- Fostered relationships with members of historically underserved populations through implementation of Metro’s Diversity Action Plan, equity strategy program strategies, Limited English Proficiency plan, and public involvement best practices identified through Metro’s Public Engagement Guide.
- Supported roll-out of the Urban Growth Report and growth management decision.

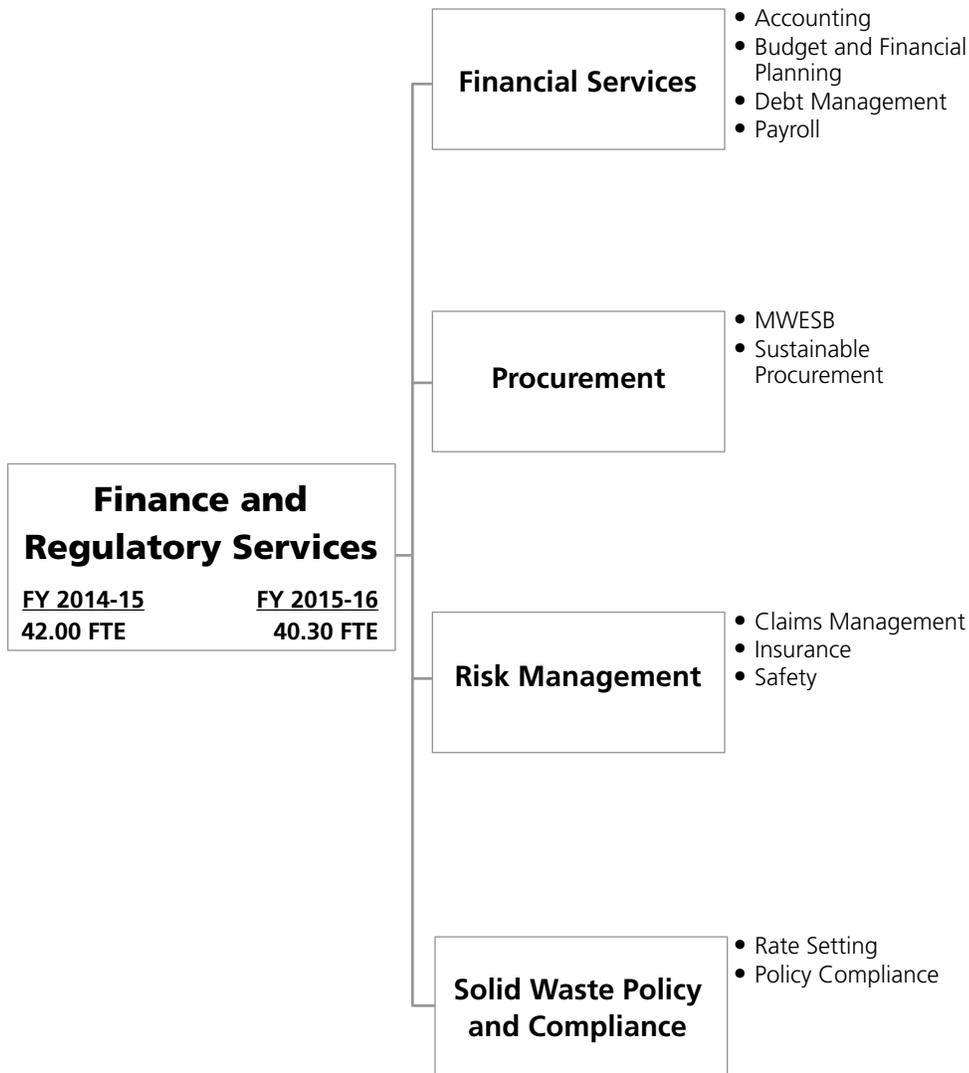
- Played a key role in successfully completing the Climate Smart Communities project.
- Successfully implemented the Let’s Talk Trash engagement program, including outreach to underserved communities, a film festival and other creative approaches.
- Implemented the “Ask Metro” campaign for Metro’s living programs, including MetroPaint, regional travel options and resource conservation and recovery programs. The unified approach increased web visits and online engagement.

**KEY OBJECTIVES FOR FY 2015-16**

- Implement the integrated parks and natural areas marketing campaign and public outreach and education program to build support for natural areas development.
- Build support for community investments, integrated corridors and the “My Place” program through coordinated outreach to stakeholders, community leaders and members of the public.
- Maintain Metro’s online public opinion panel and improve stakeholder relationships through implementation of Metro-wide contact management system.
- Create and win approval for a coordinated Metro narrative and an umbrella content planning and marketing work system. Report on regional issues to generate dependable strategic content for Metro News and project pages.
- Implement phase two of the strategic marketing plans for MetroPaint, Natural Gardening, regional travel options and coordinated living programs.
- Carry out the web governance plan, collaborate with Information Services to maintain Metro’s web platform and consult on ongoing development the Metro websites.
- Implement a contact management system.
- Improve coordination and agreement with Metro’s visitor venues team regarding use of communications resources.



# Finance and Regulatory Services



## Summary of Finance and Regulatory Services

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	3,562,254	3,849,856	4,389,086	4,566,666	4,566,666	4,566,666	4.05%
Materials and Services	2,330,263	2,898,058	3,408,740	2,987,240	2,987,240	2,987,240	(12.37%)
Capital Outlay	197,476	9,153	25,000	-	-	-	(100.00%)
<b>TOTAL</b>	<b>\$6,089,993</b>	<b>\$6,757,068</b>	<b>\$7,822,826</b>	<b>\$7,553,906</b>	<b>\$7,553,906</b>	<b>\$7,553,906</b>	<b>(3.44%)</b>
<b>BUDGET BY FUND</b>							
General Fund	3,665,741	4,089,742	4,558,522	4,921,912	4,921,912	4,921,912	7.97%
General Asset Management Fund	198,989	9,153	25,000	-	-	-	(100.00%)
Risk Management	1,751,653	2,221,708	2,452,110	2,049,980	2,049,980	2,049,980	(16.40%)
Solid Waste Fund	473,611	436,464	787,194	582,014	582,014	582,014	(26.06%)
<b>TOTAL</b>	<b>\$6,089,993</b>	<b>\$6,757,068</b>	<b>\$7,822,826</b>	<b>\$7,553,906</b>	<b>\$7,553,906</b>	<b>\$7,553,906</b>	<b>(3.44%)</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>45.87</b>	<b>48.50</b>	<b>42.00</b>	<b>40.30</b>	<b>40.30</b>	<b>40.30</b>	<b>(4.05%)</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>(1.70)</b>

Finance and Regulatory Services (FRS) provides financial management, administrative, regulatory and operational services to Metro's elected officials, operating centers and services, employees and the public. In addition, Finance and Regulatory Services licenses small contractors, regulates private solid waste facilities and sets rates for public solid waste disposal facilities.

### MAJOR PROGRAMS

**Financial Services** – Financial Services joins the forces of the accounting and financial planning groups to assure the highest level of accountability in financial and operational performance. The group is responsible for processing and reporting all financial transactions, payroll, revenue collection, budgeting, investment and debt management. Other services include the management of the Contractor's Business License program and collection of the Construction Excise Tax.

**Procurement** – Procurement Services oversees the contracting and purchasing activities of Metro's operating centers to assure compliance with state and federal regulations and Metro Code, and to encourage a competitive process that supports openness and impartiality. Metro Code establishes policies that encourage use of minority-owned, women-owned and emerging small businesses (MWESB) by creating the maximum possible opportunity for such businesses to compete for and participate in Metro contracting activities.

**Risk Management** – Risk Management is responsible for safety program, general liability and property claims. Risk Management purchases workers' compensation insurance but the workers' compensation program is administered by the Human Resources department. The Risk Management Fund is managed to meet actuarial standards, relying on both purchased insurance and self-insured risk management techniques.

**Solid Waste Policy and Compliance** – As a business service, Solid Waste Policy and Compliance provides forecasting, modeling and analysis for setting rates for public solid waste disposal facilities.

### BUDGET ENVIRONMENT

In FY 2015-16 staff will continue several major automation projects and begin utilizing an investment advisory service to improve reporting and provide support to existing staff. Metro's budget development software was used in building the FY 2015-16 budget. The upgrading of PeopleSoft to Rel 9.2 was implemented late in FY 2014-15; the ongoing enhancements will continue in FY 2015-16, with the implementation of a new contracting module.

The budget includes support for the MWESB program in procurement. FY 2014-15 saw the continuation of increased outreach to MWESB firms, with open houses, proposal workshops for vendors and participation with Community Based Organizations to assist in delivering more contracts for MWESB firms.

### SIGNIFICANT CHANGES IN THE BUDGET

- Transferred management of the Solid Waste Compliance and Cleanup division from Finance and Regulatory Services to Property and Environmental Services. No changes in the funding sources as the division continues to be funded under the Solid Waste Fund.

- Transfer 2.00 FTE Senior Management Analysts from the Finance and Regulatory Services' Solid Waste Policy and Compliance division to the Property and Environmental Services' Solid Waste Compliance and Cleanup division. No changes in the funding sources as the 2.00 FTE continues to be funded under the Solid Waste Fund.
- Transferred an 1.0 FTE payroll specialist formerly in HR and moved a 0.7 FTE Workers Compensation Specialist to HR.

**PERFORMANCE MEASURES**

Percentage of contracts and contract dollars awarded to MWESB firms.

	12/13	13/14	14/15	15/16	16/17	17/18	18/19
Contract \$	15%	15%	15%	15%	15%	15%	
Contract #	25%	30%	35%	35%	35%	35%	

Total Cost of Risk

	12/13	13/14	14/15	15/16	16/17	17/18	18/19
	<0.72%	<.067%	<1.0%	<1.0%	<1.0%	<1.0%	<1.0%

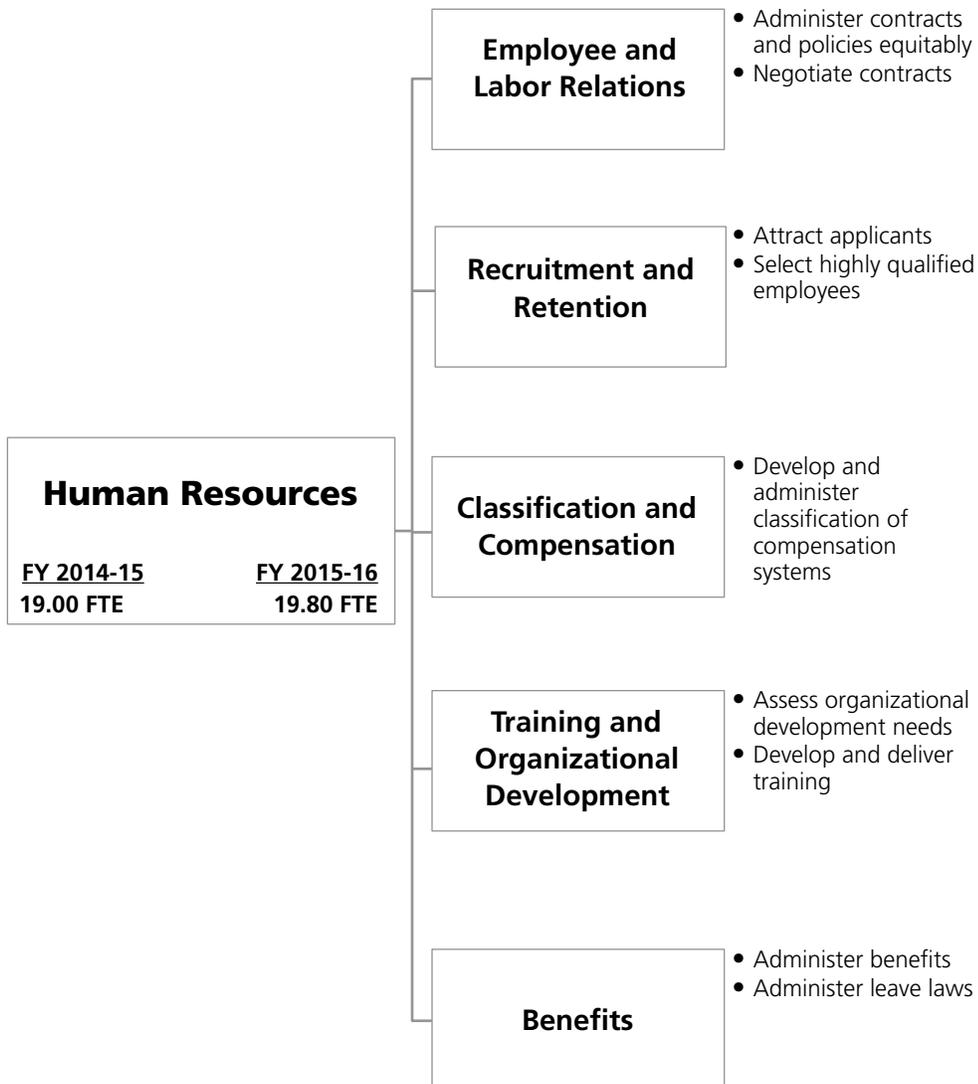
**PROGRESS ON FY 2014-15 KEY OBJECTIVES**

- Started implementation of the second phase of the Solid Waste Information System.
- Completed PeopleSoft 9.2 upgrade.
- Fully implemented OPRPIN as the agency's e-bidding platform.
- Started Procurement Enhancement Project, phase II.

**KEY OBJECTIVES FOR FY 2015-16**

- Implement Supplier Contract Management Module in PeopleSoft.
- Complete Procurement Enhancement Project phase II with applicable code changes.
- Migrate to one consistent purchasing card system.

# Human Resources



## Summary of Human Resources

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	1,671,224	1,808,196	2,114,514	2,300,955	2,300,955	2,300,955	8.82%
Materials and Services	363,713	396,725	438,968	405,376	405,376	430,376	(1.96%)
<b>TOTAL</b>	<b>\$2,034,937</b>	<b>\$2,204,921</b>	<b>\$2,553,482</b>	<b>\$2,706,331</b>	<b>\$2,706,331</b>	<b>\$2,731,331</b>	<b>6.96%</b>
<b>BUDGET BY FUND</b>							
General Fund	2,034,937	2,204,921	2,553,482	2,706,331	2,706,331	2,731,331	6.96%
<b>TOTAL</b>	<b>\$2,034,937</b>	<b>\$2,204,921</b>	<b>\$2,553,482</b>	<b>\$2,706,331</b>	<b>\$2,706,331</b>	<b>\$2,731,331</b>	<b>6.96%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>17.75</b>	<b>17.75</b>	<b>19.00</b>	<b>19.70</b>	<b>19.70</b>	<b>19.80</b>	<b>4.21%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>0.80</b>

Human Resources (HR) partners with the overall agency as well as individual departments to provide strategic leadership ensuring consistent and sustainable human resources practices and systems to assist our customers in demonstrating Metro's values and carrying out the Council's six regional outcomes.

## MAJOR PROGRAMS

**Benefits** – Staff administers and monitors the following programs: Metro's health and welfare benefits, wellness, Family Medical Leave Act, Americans with Disabilities Act, COBRA benefits continuation, workers' compensation, voluntary retirement programs and unemployment.

**Classification and Compensation** – Staff develops, implements and administers Metro's classification and compensation systems to include analyzing reclassification requests, conducting market studies and performing larger classification studies. Develops policies and procedures related to compensation and classification system.

**Employee and Labor Relations** – Staff represents Council and management in labor negotiations. Staff conducts employee related training and advises managers on ways to reduce employment risk. Staff also conducts employment related investigations, provides consultation and dispute resolution services to managers and employees and acts as a liaison between labor and management. Writes and revises employment related policies.

**Organization Development and Training** – Staff leads organization change initiatives and provides training resources for staff, management and leadership development. Staff maintains the Metro Learning Center, the on-line learning management system.

**Recruitment and Retention** – Recruitment and retention staff work to attract, select and retain an exceptionally competent, productive, diverse and motivated workforce. They work closely with the hiring manager and Diversity Action Team to carry out the organization's goals of recruiting and retaining a diverse workforce. They engage in outreach including attending dozens of career fairs annually, participating in open houses or on-site job fairs at Metro sites and work to promote consistent and objective selection practices.

**Systems Administration** – Ensures data integrity in Human Resources Information System and develop analytics for agency.

## BUDGET ENVIRONMENT

A continuing issue is meeting new Federal and State mandates, such as Federal Affordable Care Act and recently enacted State Sick Leave, to ensure the agency's compliance. A continuing challenge for Human Resources is strategic planning for the organization's human resource needs and employee engagement. Continued implementation of the Diversity Action Plan and in particular meeting the goals of the *Employment Recruitment and Retention and Internal Awareness and Sensitivity to Diversity Issues* sections remain a priority for the department.

## SIGNIFICANT CHANGES IN THE BUDGET

There is additional one-time money in the budget to work with a consultant to develop a long term strategic plan regarding engagement with employees. Additionally ongoing money has been added to address workload demands in a strategic manner by adding one regular status staff for recruitment and then additional temporary staff for specific projects such as policy updates. Finally money was carried over to outsource leave management. This was budgeted in FY 2014-15; however with other demands and staffing changes this project was set over for a year. Also, the department transferred an 1.0 FTE payroll specialist to FRS and moved a 0.7 FTE Workers Compensation Specialist from FRS to HR.

## PERFORMANCE MEASURES

Human Resources staff is consistent with industry standards of HR to employee ratio.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
1:121	1:117	1:194*	1:100	1:100	1:100	1:100

\*As of July 1, 2014

Progress made toward reaching goals as set forth in the affirmative action plan.

Number of areas with goals met – out of 16 areas

12/13	13/14	14/15	15/16	16/17	17/18	18/19
7		12		goal 16		

Percent of employees who agree with the following: “I am satisfied with the timeliness and quality of services provided by Human Resources?”

12/13	13/14	14/15	15/16	16/17	17/18	18/19
73%**	59%	66%	goal 75%	80%	90%	90%

\*\*Note in FY 2011-12 the survey ranking options changed to include a ranking of neutral which was not included in the 73 percent noted.

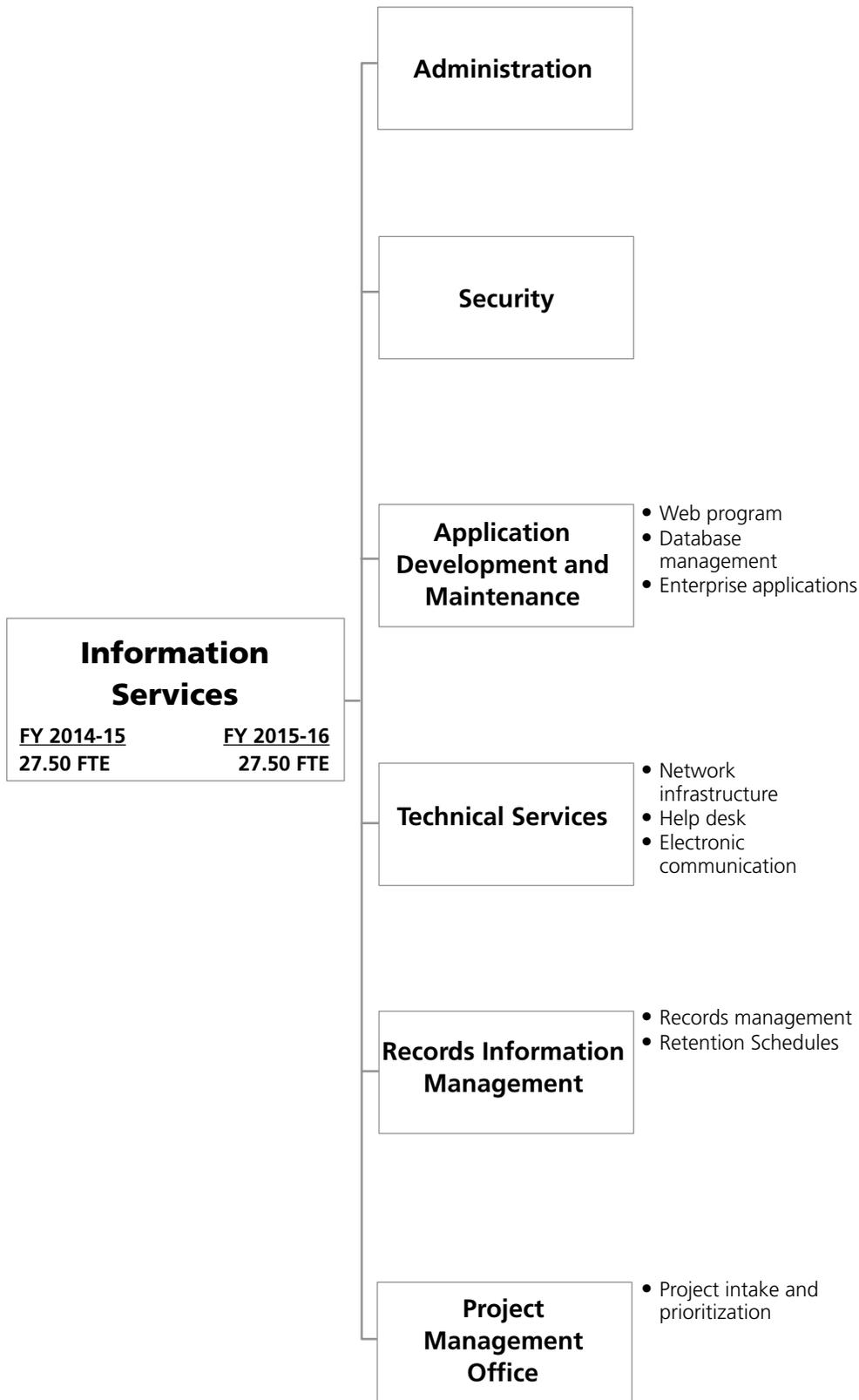
## PROGRESS ON FY 2014-15 KEY OBJECTIVES

- Prepared for and entered into negotiations to ratify successor collective bargaining agreement with LIUNA 483 seasonal employees, AFSCME 3580 temporary employees, IUOE 701-1 and IUOE 701. Prepared for and are awaiting entering into negotiations with ILWU.
- Administered the employee Sightline survey including modifying questions to better assess employee engagement in addition to employee satisfaction.
- Worked to increase the effectiveness of diversity outreach in the recruitment and selection process and refined recruitment procedures. Engaged a consultant to review outreach efforts and are awaiting the results.
- Continue work on agency wide strategies for compliance and implementation of the Affordable Care Act components. Successfully implemented the requirement to include all employees working an average of 30 hours or more on the health insurance plan.
- Changed health insurance plans and carrier in addition to changing health insurance broker as part of a long term strategy regarding health benefits and ensuring compliance with the Affordable Care Act. Transition to new broker and health insurance plan was completed.
- Continued increase in use of learning management system with 95 percent of employees with e-mail utilizing the system.
- Converted all policies into an online manual on the Intranet.
- Implemented new classification description template; new classifications were created using templates and about half of all classifications have been transferred to the new template.

## KEY OBJECTIVES FOR FY 2015-16

- Continue to develop diversity outreach efforts in the area of recruitment. Implement any results from the consultant’s work.
- Prepare for and negotiate ILWU 28, IATSE B20 and IATSE Local 28
- Implement statewide legislation for employers to provide health insurance to all employees.
- Finalize the updates to the Affirmative Action Plan.
- Review alignment of classifications in the agency.
- Update the agency human resources strategic plan and continue work on area of priority regarding employee relations.

# Information Services



## Summary of Information Services

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	2,503,107	2,895,334	3,084,497	3,306,864	3,306,864	3,306,864	7.21%
Materials and Services	829,596	812,915	1,412,815	1,253,115	1,253,115	1,253,115	(11.30%)
Capital Outlay	361,138	445,568	535,620	974,955	974,955	974,955	82.02%
<b>TOTAL</b>	<b>\$3,693,842</b>	<b>\$4,153,816</b>	<b>\$5,032,932</b>	<b>\$5,534,934</b>	<b>\$5,534,934</b>	<b>\$5,534,934</b>	<b>9.97%</b>
<b>BUDGET BY FUND</b>							
General Fund	3,281,322	3,740,878	4,269,697	4,530,996	4,530,996	4,530,996	6.12%
General Asset Management Fund	412,520	412,938	763,235	1,003,938	1,003,938	1,003,938	31.54%
<b>TOTAL</b>	<b>\$3,693,842</b>	<b>\$4,153,816</b>	<b>\$5,032,932</b>	<b>\$5,534,934</b>	<b>\$5,534,934</b>	<b>\$5,534,934</b>	<b>9.97%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>25.50</b>	<b>27.50</b>	<b>27.50</b>	<b>27.50</b>	<b>27.50</b>	<b>27.50</b>	<b>0.00%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>0.00</b>

Information Services provides the professional skills, strategies, services and tools to deliver technical and information solutions for all Metro departments in order to serve its customers and constituents and to achieve the goals of the agency. The department strives for results that balance our clients' needs with cost and our ability to support the solution.

### MAJOR PROGRAMS

**Administration and Security** – The Office of the Director is responsible for the development of strategic plans for information technology in support of the agency's mission as well as providing overall policy, office and personnel management, information security, planning, development and implementation of the annual budget, purchasing and contract management. Provides high-level oversight of ongoing technology operations.

**Application Development and Maintenance** – This program supports the development, updating and maintenance of applications used within Metro as well as specific enterprise-wide applications, including PeopleSoft HR and Finance, EBMS (the venues' event business management system), KRONOS timekeeping, Celayix time scheduling, the Gateway Zoo ticketing system, Micros Point of Sale systems, TRIM records management and web software development. Our development staff supports specific program needs that cannot be met through purchase of commercial web content management systems. This division also provides database management for all areas of the agency, including support for the Regional Land Information System and Geographic Information System databases and ensures secure backups, performance monitoring, log management and support of custom and web applications.

**Technical Services** – The Technical Services program is responsible for all systems infrastructure, operations and helpdesk services, including hardware, software and the communication transport necessary to maintain an efficient and effective computer network. All productivity tools, including e-mail, calendaring, file services, VoIP telephony, desktop spreadsheet and word processing are managed in this area. Technical Services manages all of the technical infrastructure and support requirements from the desktop through the network to the application being accessed by the user. This section also manages the umbrella service of technology security with both account provisioning, security review and implementing on-going technology security initiatives.

**Records Information Management (RIM)** – The RIM program develops agency policies, procedures and practice of professional management of information. This includes management from the time records are received or created through their processing, distribution, use and placement in a storage or retrieval system and their eventual destruction or permanent retention.

**Project Management Office** – The Project Management Office (PMO) is responsible for new project intake, scoping and resource utilization, assessing project risk and return on investment as well as continuous improvement on the process of implementing and updating technology projects. The PMO also includes training, technical and user documentation, change orders, developing and employing project management standards and is responsible for client interface.

### BUDGET ENVIRONMENT

Demand for technology and new business system solutions at Metro has been rapidly increasing. A greater emphasis is being put on self-service, on-line processes and working remotely. Metro staff, throughout the agency are being tasked with more work and want better access to data on their desktops and through remote access. These changes put pressure on not only the applications and web staff, but the

database administrator and networking staff as well. The challenge for Information Services, is to enable staff and innovations from multiple sources while managing risks to security, daily operations and longer term cost implications of increased support. Working in both supporting and enabling roles, the department continues to focus on optimizing people, processes and tools. Within the target constraints of the agency's dollars, the department leverages existing technologies, such as server and storage virtualization, to provide the agency with more efficient capabilities. Our continued focus will be to leverage, improve and modernize existing systems, while reducing load on staff, including IS staff.

### SIGNIFICANT CHANGES IN THE BUDGET

- Infrastructure updates for unified communications system (\$115,000). This item readies Metro's physical systems for an update to its aging and failing telephone switches to add modern communication methods, while reducing costs of existing telephone land lines. Scoping for functionality and cost of unified communication was completed in FY 2014-15. Separate, individual build-outs of IP-based phone systems exist and individual departments with existing renewal funding will begin rolling out parts of the overall VoIP project.
- Council Broadcast Video (\$30,000). Metro's Council Broadcast Video system was implemented more than 15 years ago. The main board for the system has since failed and temporary equipment must be brought in for each Council session to be filmed. Updated equipment will reduce monthly cost of equipment rental and will include high definition capabilities. Metro was awarded a grant for \$90,000 for this project.
- Intranet Refresh (\$30,000). Provides implementation dollars for the Intranet replacement project. The new Intranet, which will be implemented using SharePoint, will have new, easier navigation, refreshed content and remote access. The initial project implementation will be completed summer 2015.

### PERFORMANCE MEASURES

Percent of Metro clients who rate the services of the helpdesk as satisfactory or better.\*

12/13	13/14	14/15	15/16	16/17	17/18	18/19
90.4%	92%	95.2%	92%	92%	92%	92%

\*measured by annual customer survey

Percent of Metro clients who rate Records Information Management services as satisfactory or better.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
75.3%	78%	97.6%	82%	82%	82%	82%

Percent uptime of HR Finance and timekeeping software.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%

Percent uptime of network, internet and email availability.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
99.7%	99.7%	99.7%	99.7%	99.7%	99.7%	99.7%

Percent cost reduction of record storage costs due to timely destruction of records and promotion of e-filing through TRIM.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
30%	30%	30%	30%	30%	30%	30%

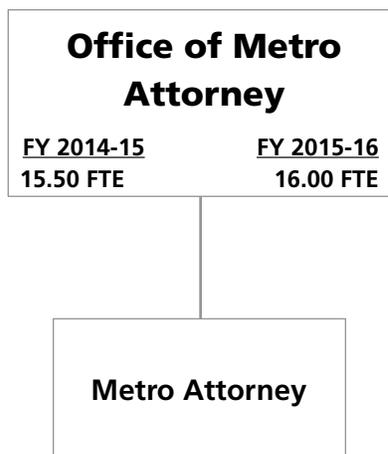
## **PROGRESS ON 2014-15 KEY OBJECTIVES**

- A draft security plan is in process. The plan will include requirements for PCI compliance, patch management, regular penetration testing, education, change management and log administration.
- Solid Waste Information System data warehouse pilot is in process. Will provide opportunities for expanded management and operational reporting and analysis through data warehousing. Targeted completion date is October 2015.
- A completed enterprise applications roadmap for all major applications is in process. The roadmap will include high level business strategy use, estimated project update and refresh dates as well as a cost model for regular maintenance of applications.
- Assessment for Voice over Internet Protocol (VoIP) Completed. Assessment included high-level design and functionality needs throughout the agency and cost estimates for equipment and a layer 1 and 2 assessment of physical infrastructure readiness.
- Staff scheduling requirements and software options has not started.
- Metro's Intranet replacement scoping is completed and work on new Intranet is in process. Base system will be completed summer of 2015. Additional functionality, such as remote logins, will be completed during the FY 2015-16 budget year.
- PeopleSoft Finance application upgrade to version 9.2 was completed by end of FY 2014-15.

## **KEY OBJECTIVES FOR FY 2015-16**

- Complete replacement for Metro's Intranet using Microsoft SharePoint software.
- Complete assessment of zoo business systems with prioritized plan for update and integration of systems.
- Complete Council Broadcast Video Project to provide a working system, with modernized high-definition capabilities.
- Complete video conferencing project.





## Summary of the Office of Metro Attorney

	Audited	Audited	Amended	Proposed	Approved	Adopted	% Change From Amended
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2015-16	FY 2015-16	2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	1,735,674	1,793,071	2,119,474	2,320,680	2,320,680	2,320,680	9.49%
Materials and Services	50,631	115,624	82,544	70,360	70,360	70,360	(14.76%)
<b>TOTAL</b>	<b>\$1,786,305</b>	<b>\$1,908,695</b>	<b>\$2,202,018</b>	<b>\$2,391,040</b>	<b>\$2,391,040</b>	<b>\$2,391,040</b>	<b>8.58%</b>
<b>BUDGET BY FUND</b>							
General Fund	1,786,305	1,908,695	2,202,018	2,391,040	2,391,040	2,391,040	8.58%
<b>TOTAL</b>	<b>\$1,786,305</b>	<b>\$1,908,695</b>	<b>\$2,202,018</b>	<b>\$2,391,040</b>	<b>\$2,391,040</b>	<b>\$2,391,040</b>	<b>8.58%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>14.50</b>	<b>15.00</b>	<b>15.50</b>	<b>16.00</b>	<b>16.00</b>	<b>16.00</b>	<b>3.23%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>0.50</b>

The Office of Metro Attorney (OMA), created in the Metro Code pursuant to the Metro Charter, has full charge and control of all legal business for the agency. The Office of Metro Attorney provides legal representation to Metro, both formally and informally, in a manner consistent with Metro’s goals and policies, and that fully complies with the highest professional and ethical standards of the Oregon State Bar, the Oregon Supreme Court and the legal profession.

**MAJOR PROGRAMS**

**Office of Metro Attorney** – OMA provides legal services to the entire Metro organization, including all departments, commissions, department directors, agency staff, the Chief Operating Officer, the Council and the Auditor. The work of OMA includes providing written opinions; negotiating and drafting contracts and intergovernmental agreements; drafting, negotiating and closing real estate transactions; drafting and reviewing ordinances and resolutions; offering assistance on legislative matters; providing advice regarding the agency’s legal compliance requirements; representing the agency in quasi-judicial land use proceedings and judicial appeals; resolving trespass, encroachment and rights issues on Metro property; and providing other legal advice to Metro officers and employees. The Metro Attorney may initiate, defend or appeal litigation on behalf of Metro when requested by the Metro Council, Chief Operating Officer or the Metro Auditor. The Office of Metro Attorney staff includes the agency’s lead attorney (the Metro Attorney); a Deputy Metro Attorney that supervises the paralegals/administrative staff, eight full-time equivalent (FTE) attorneys; two paralegals; and four legal administrative assistants.

**BUDGET ENVIRONMENT**

OMA’s budget for FY 2015-16 includes budget assumptions for increases in salary and materials and services.

**SIGNIFICANT CHANGES IN THE BUDGET**

OMA added .5 FTE to an existing .5 FTE to create a 1.0 FTE attorney position.

**PERFORMANCE MEASURES**

Legal services, both internal and external as a percent of the overall budget.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%

**PROGRESS ON FY 2014-15 KEY OBJECTIVES**

The office has achieved the following significant results:

- Provided legal advice and services in support of land use, transportation, and solid waste planning projects, such as the Urban Growth Report, the 2014 Regional Transportation Plan, the SW Corridor plan and Powell-Division transit and development project, the Solid Waste Roadmap, the Climate Smart Communities Strategy, the Active Transportation Plan, and the Regional Infrastructure Strategic Enterprise (RISE); prepared and executed intergovernmental agreements with local jurisdictions for Community Planning and Development Grants from CET funds; represented Metro in proceedings before the Land Conservation and Development Commission (LCDC) regarding remand of the urban and rural reserves decision by the Oregon Court of Appeals; defended Metro in Federal District Court against constitutional claims arising from the LCDC decision on urban and rural reserves.

- Provided legal advice and services in support of Metro’s parks and natural areas, including assistance with the purchase of multiple properties and trail easements using Natural Areas Bond Measure funds; negotiated and executed option and easement agreements for the Willamette Falls Riverwalk; implementation of the new Parks and Natural Areas Local Option Levy, and supporting the Climate Change Initiative; assisted parks and sustainability staff in planning and constructing bond and levy projects; and represented the agency before city and county local governments in quasi-judicial proceedings.
- Provided legal advice and services in support of the acquisition of real estate for future development and TOD easements enabling the construction of several mixed use developments in transit station areas and on frequent bus corridors; provided legal advice and services in support of the creation of the Development Center’s Enterprising Places Workplan and grants transactions.
- Provided legal services to assist the Metropolitan Exposition Recreation Commission (MERC) and the MERC venues to pursue successful contracts; analyzed legal risk for defense of tort claims that led to reduced liability, successfully defended MERC venues in potential legal claims; provided substantial labor and employment advice for the MERC venues and Metro as a whole that prevented litigation against Metro or MERC; provided legal services to assist the procurement of a convention center hotel developer through RFP, and subsequent predevelopment negotiations; successfully defended litigation in Multnomah County and Clackamas County related to hotel revenue bond funding; successfully initiated a Validation Proceeding in Multnomah County relating the Council’s authority to pursue the Oregon Convention Center Hotel Project.
- Provided legal services to assist the Oregon Zoo to pursue successful contracts; analyzed legal risk for defense of tort claims that led to reduced liability; successfully defended the Oregon Zoo in legal claims; provided legal services to appropriately respond to requests for public records; provided legal services assisting the implementation and oversight of the Oregon Zoo Bond Measure.

#### **KEY OBJECTIVES FOR FY 2015-16**

- In support of Metro’s goals of safe and reliable transportation and vibrant communities, advise Metro on land use and transportation matters, including remand proceedings regarding urban and rural reserves designations; provide legal advice and assistance in support of Metro Council decisions regarding finalizing the Urban Growth Report and potential UGB expansion analysis; assist Metro in pursuing local compliance with Metro planning requirements and support Metro’s pursuit of federal transportation funding.
- In support of Metro’s goals of clean air and water and sustainability, advise Metro regarding solid waste planning matters (for example the Solid Waste Roadmap), assist with the Metro Parks portfolio, including park improvements, expansions and funding; support Metro’s efforts to develop and implement a land use and transportation scenario to reduce greenhouse gas emissions, draft and negotiate complex transactions for the Natural Areas bond measure, including joint development agreements with the site owners at Willamette Falls, and provide legal advice, contract drafting and transactional support to Metro parks in support of the Parks and Natural Areas Local Option Levy.
- In support of Metro’s goals of economic prosperity and equity, advise Metro regarding the RISE initiative and regional infrastructure funding, as well as provide legal advice and support for the Community Planning and Development Grants and draft IGAs with local jurisdictions to award these grants; provide legal advice and support for the Metro Development Center’s TOD Program

and Development Center, including real estate acquisition and TOD Easement transactions and storefront improvement grants; assist with the enhanced marketing initiative for the OCC and MERC, provide legal advice and support to the zoo's procurement of construction services necessary to implement the 2008 Oregon Zoo bond measure and Zoo Master Plan; support ongoing actions leading to the construction of the proposed OCC Hotel, including issuing the revenue bonds necessary to finance the project in accordance with the Development and Financing Agreement entered into with the hotel developer. Assist Human Resources with policy and administrative goals. Provide legal advice and risk analysis to Human Resources and Senior Leadership regarding labor and employment issues. Provide legal advice and risk analysis regarding potential tort claims. Provide legal advice for Title VI compliance for Metro for continued federal funding for transportation planning and equity work. Provide leadership for the Diversity, Equity and Inclusion program. Provide ongoing timely public records action legal analysis and support to all departments. Advise and draft amendments updating the Metro Public Contracting Code.



**Non-  
departmental  
summary**



## Summary of Non-departmental expenses

	Audited FY 2012-13	Audited FY 2013-14	Amended FY 2014-15	Proposed FY 2015-16	Approved FY 2015-16	Adopted FY 2015-16	% Change From Amended 2014-15
<b>BUDGET BY CLASSIFICATION</b>							
Personnel Services	70,565	99,458	-	-	-	-	0.00%
Materials and Services	1,986,826	3,644,745	6,397,935	5,927,912	5,927,912	6,003,912	(6.16%)
Capital Outlay	14,879	244,311	154,150	239,150	239,150	239,150	55.14%
Debt Service	51,679,185	38,067,746	39,017,556	31,763,507	31,763,507	31,763,507	(18.59%)
Internal Service Transfers	3,780,834	3,507,438	2,259,646	4,924,719	4,924,719	5,123,119	126.72%
Interfund Reimbursements	12,535,326	12,398,211	14,125,785	15,935,080	15,935,080	15,935,080	12.81%
Fund Equity Transfers	17,084,227	17,125,884	21,071,608	26,280,891	26,280,891	26,360,891	25.10%
Interfund Loans	-	2,361,980	3,472,940	1,933,577	1,933,577	1,933,577	(44.32%)
<b>TOTAL</b>	<b>\$87,151,841</b>	<b>\$77,449,773</b>	<b>\$86,499,620</b>	<b>\$87,004,836</b>	<b>\$87,004,836</b>	<b>\$87,359,236</b>	<b>0.99%</b>
<b>BUDGET BY ORGANIZATION</b>							
General Fund	19,085,198	22,841,882	25,291,051	26,383,848	26,383,848	26,539,848	4.94%
Community Enhancement Fund	33,465	75,504	58,951	60,514	60,514	60,514	2.65%
General Asset Management Fund	-	197,412	-	1,311,500	1,311,500	1,311,500	n/a
General Obligation Debt Service Fund	50,024,895	36,347,675	37,231,175	29,901,625	29,901,625	29,901,625	(19.69%)
General Revenue Bond Fund	-	-	-	265,000	265,000	265,000	n/a
MERC Fund	4,548,947	5,088,997	5,680,018	9,001,335	9,001,335	9,001,335	58.47%
Natural Areas Fund	1,749,140	1,572,471	1,673,177	1,752,724	1,752,724	1,752,724	4.75%
Oregon Zoo Capital Asset Management Fund	-	-	-	-	-	198,400	n/a
Oregon Zoo Infrastructure/Animal Welfare Fund	292,677	242,153	376,086	704,656	704,656	704,656	87.37%
Oregon Zoo Operating Fund	3,217,134	3,322,728	3,744,360	3,917,588	3,917,588	3,917,588	4.63%
Parks and Natural Areas Local Option Levy Fund	-	929,953	3,137,347	5,450,019	5,450,019	5,450,019	73.71%
Risk Management	271,557	281,742	301,451	324,892	324,892	324,892	7.78%
Smith and Bybee Wetlands Fund	99,571	104,815	107,596	127,114	127,114	127,114	18.14%
Solid Waste Fund	7,829,256	6,444,441	8,898,408	7,804,021	7,804,021	7,804,021	(12.30%)
<b>TOTAL</b>	<b>\$87,151,841</b>	<b>\$77,449,773</b>	<b>\$86,499,620</b>	<b>\$87,004,836</b>	<b>\$87,004,836</b>	<b>\$87,359,236</b>	<b>0.99%</b>
<b>FULL-TIME EQUIVALENTS</b>	<b>1.00</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>FTE CHANGE FROM FY 2014-15 AMENDED BUDGET</b>							<b>0.00</b>

# Non-departmental summary

The expenditures listed in the non-departmental summary are primarily non-operating expenses such as general obligation debt service and interfund transfers. Expenditures also include items such as special appropriations that cannot be easily tied to a single program, center or service and costs such as election expenses that do not occur every year.

## PERFORMANCE MEASURES

Complies fully with Governmental Accounting Standards Board standards; achieves unqualified audit opinion.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
YES						

Maintains agency's underlying AAA/Aaa Bond Rating.

12/13	13/14	14/15	15/16	16/17	17/18	18/19
YES						

## Highlights of the FY 2015-16 non-departmental budget are:

- Debt service on general obligation bonds totaling \$29.9 million.
- Debt service on pension obligation bonds of \$1.9 million.
- Debt service on full faith and credit bonds for Metro Regional Center of \$1.4 million.
- Transfer of \$1.8 million from the General Fund to the General Revenue Bond Fund to fund debt service payments on the Metro Regional Center and Washington Park Parking Lot bonds.
- Transfer of \$1.2 million from the MERC Fund to the General Revenue Bond Fund for debt service on outstanding bonds at the Expo Center.
- Interfund loan payment of \$189,437 from the MERC Fund to the General Fund, for the OCC Streetcar assessment loan.
- Interfund reimbursements of \$15.9 million for agency-wide central service functions such as accounting, legal services, communications, risk management and Metro Regional Center management.
- Transfer of \$324,892 from the Risk Fund to the General Fund for risk personnel budgeted in the General Fund.
- Payments of approximately \$554,000 for claims from Metro's Risk Management unemployment, liability, property and workers' compensation programs.
- Payments of approximately \$1.0 million in purchased insurance for Metro's Risk Management liability, property and workers' compensation programs.
- Transfer of \$2.1 million from the General Fund to the General Asset Management Fund or Oregon Zoo Capital Asset Management Fund to support renewal and replacement needs of the General Fund and Oregon Zoo centers and services.
- Transfer of \$600,000 from the General Fund to MERC to support projects at the Oregon Convention Center and Expo Center designed to increase the competitiveness of the facilities.
- Transfer of \$80,500 from the General Fund to the Solid Waste Revenue Fund to support the agency-wide Sustainability program.
- Transfer of \$1.163 million from the General Asset Management fund to the Oregon Zoo Capital Asset Management Fund for the Oregon Zoo's share of the renewal and replacement fund balance.

- Transfer of \$3.4 million from the Oregon Convention Center to the General Revenue Bond Fund, Hotel Project Account for the remaining share of Metro's contribution to the construction project.
- Transfer of the remaining \$1.728 million interfund loan authorization from the Solid Waste Fund to the Oregon Zoo Capital Asset Management Fund
- Transfer of \$12.3 million in ongoing operating support from the General Fund to the Oregon Zoo Operating Fund.
- Transfer of \$1.126 million in one-time support from the General fund to the Oregon Zoo Operating Fund.
- Transfer of \$950,000 in one time support from the General Fund to the Oregon Zoo Operating Fund to see the Fund's contingency account.

**General Fund special appropriations: \$4.7 million**

- \$3.6 million for Construction Excise Tax grants to local governments for concept planning.
- \$195,045 for the TriMet passport program, Metro's primary employee commute option strategy.
- \$163,200 for Metro's required outside financial audit.
- \$100,000 for election expenses.
- \$49,656 for a variety of general agency dues and memberships including the Regional Water Providers Consortium, Lloyd Business Improvement District, Clackamas County Business Alliance, East Metro Economic Alliance, Westside Economic Alliance, Columbia Corridor Association, and One Willamette River Coalition.
- \$15,127 for the Multnomah County Drainage District special assessment.
- \$21,900 for general Metro sponsorship account.
- \$48,264 remaining Nature in Neighborhood grants funded by the General Fund
- \$129,150 carryover for Customer Relation Management software
- \$80,000 Purchase of agenda management software
- \$30,000 for Intramet implementation
- The following designated contributions are also included:
  - \$60,000 for the Greater Portland Pulse Consortium.
  - \$50,000 to The Intertwine Alliance.
  - \$25,000 to the Regional Arts and Culture Council.
  - \$25,000 to the Metropolitan Export Initiative.
  - \$25,000 for Greater Portland, Inc.
  - \$25,000 for the Regional Disaster Preparedness Organization.
  - \$15,000 for First Stop Portland.
  - \$15,000 for Rail~Volution.
  - \$10,200 for Transportation for America (T4A).
  - \$20,000 for Speaker Bureau.
  - \$26,000 for Willamette Falls Lock Sponsorship (Jan-June).