



# Budget in brief

FY 2017-18

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I am proud to introduce the Fiscal Year 2017-18 budget, which reflects the Metro Council’s work to implement the Portland region’s six desired outcomes. This budget strengthens our commitment to these outcomes, delivers high quality services, and continues Metro’s track record of sound financial decision-making. This budget provides funding for our core services and for key initiatives that improve the quality of our programs and services throughout our four major lines of business – solid waste, parks and nature, planning and development, and visitor venues.

We will advance projects to improve safe and reliable transportation throughout the region. We will do this through continued support for the 2018 Regional Transportation Plan and support for the Metro Council’s initiative to build a coalition to increase funding for all modes of transportation in our region. We will also continue our efforts to strengthen the region’s economy through projects like the economic value atlas and our leadership of the brownfields coalition. This summer, we will witness the groundbreaking of the Oregon Convention Center Hotel, a project 30 years in the making. The hotel will create approximately 2,000 jobs in the building trades and will support 950 permanent hotel, hospitality, and tourism-related jobs.

Management of the region’s waste is a fundamental service we provide, and we must ensure that we are ready to handle an estimated 6 percent increase in solid waste volume. This budget continues our leadership in preventing waste, recycling and reusing as much as we can, and protecting the health of our communities and the environment. As we continue progressing on projects in the Solid Waste Roadmap, and making critical decisions about food scraps and the long term management of waste, we also include funding for an update of the Regional Solid Waste Plan.

In 2015, the Council committed to revisiting questions about urban growth in calendar year 2018. We will fulfill our commitment by leading the 2018 Growth Management conversation, but we must also recognize the progress made in the last year. We saw the adoption of urban and rural reserves in Multnomah County and Clackamas County, as well as the passage of a mid-cycle urban growth boundary process through the legislature – both major accomplishments.

Another critical charge is to protect our environment and preserve access to nature. Last fall, the Council referred to voters an extension of our previous parks and natural areas levy. The levy is investing millions of dollars in restoring and protecting the wetlands, natural areas, and streams that keep nature in our neighborhoods and our water clean. The region voted overwhelmingly to approve this levy, which emphasized the public’s trust in our stewardship of parks and natural areas.

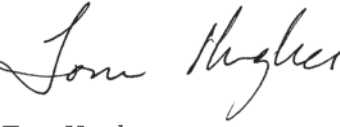
Great things are happening at our venues. The Oregon Convention Center will undergo a remodel to coincide with the construction of the hotel. We anticipate an additional five to 10 major new conventions a year, which will generate additional economic benefits for the region. The Oregon Zoo continues to win awards for major projects funded through the voter approved Zoo bond, including the recently opened Education Center. This budget increases staffing for Portland’s Centers for the Arts and will allow them to expand sponsorships and programming for Title I schools in the region.

We continue the important work laid out in Metro’s Strategic Plan to Advance Racial Equity, Diversity, and Inclusion. Council recently adopted the update to our

From the Metro Council President

Diversity Action Plan. The update has made increasing the diversity of our workforce, increasing the percentage and dollar value of the contracts we award to minority, women, and emerging small businesses, improving our relationships with historically underserved communities, and ensuring that all of the region’s residents have access to the six desired regional outcomes a high priority for our departments. The Community Partnerships pilot project, Equitable Housing Strategy, Construction Careers Pathway Project, Partners in Nature and Access to Nature programs are just some of the programs and activities supported through this budget.

A budget is a story, a reflection of where we are, who we are, and what we want to be. It is a statement of priorities. The FY 2017-18 budget makes it clear that we are continuing that most noble pursuit – making a great place. We are continuing the work necessary to pursue our desired outcomes through effective programs, prudent investments, and increased access to all people.

Sincerely,  
  
Tom Hughes  
Metro Council President

Want to learn more?

Metro’s full budget document will be available on our website by Aug. 31, 2017.  
Visit: [oregonmetro.gov/metro-budget](http://oregonmetro.gov/metro-budget)



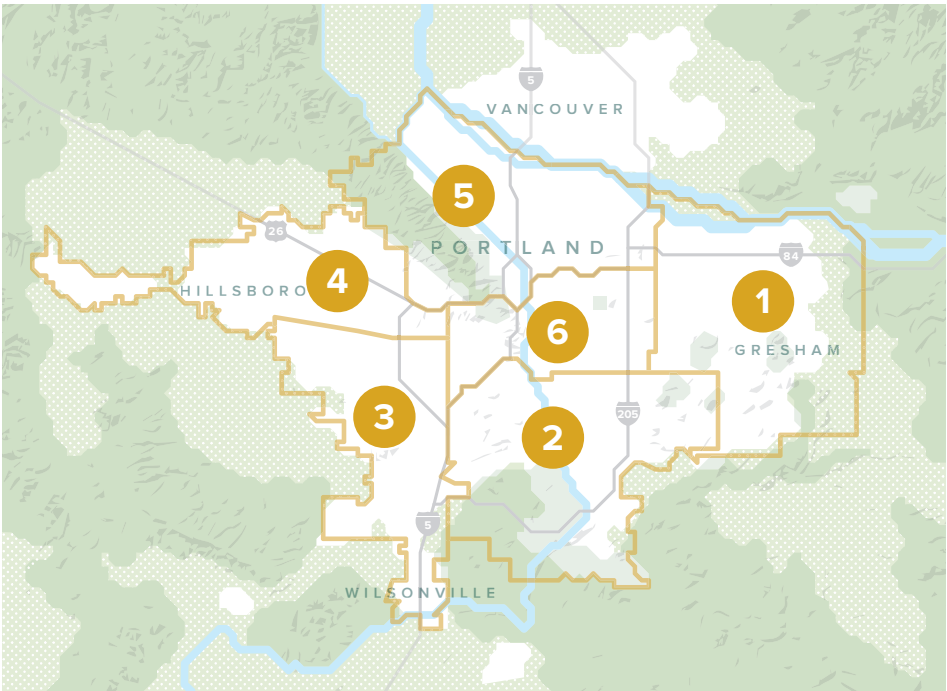


# Metro at a glance

Metro works with communities, businesses and residents to make the Portland metropolitan area a great place to live. Metro crosses city limits and county lines to build a resilient economy, keep nature close by and respond to a growing population. Representing a diverse population of 1.8 million people in 24 cities and three counties, Metro’s directly elected council gives voters a voice in decisions about how the Portland region grows and communities prosper.

The people of the Portland region created Metro because clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, sustainable transportation and living choices for people and businesses. Voters have asked Metro to help with the challenges and opportunities that affect the 24 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 Portland region grows. Together, Metro and the people are making a great place, now and for generations to come.



Metro’s service and council districts



From left: Sam Chase, District 5; Bob Stacey, District 6; Kathryn Harrington, District 4; Tom Hughes, Council President; Carlotta Collette, District 2; Craig Dirksen, District 3; Shirley Craddick, District 1

## Metro Council

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## Get involved.

Help shape the future of the Portland region.  
 Visit [oregonmetro.gov/regional-leadership/metro-advisory-committees](https://oregonmetro.gov/regional-leadership/metro-advisory-committees)  
 Learn more about volunteer opportunities at [oregonmetro.gov/how-metro-works/volunteer-opportunities](https://oregonmetro.gov/how-metro-works/volunteer-opportunities)





## Council priorities

Metro's budget is designed to implement six key outcomes for the Portland region:

**Equity** The benefits and burdens of growth and change are distributed equitably across the Portland region.

**Vibrant communities** People live, work and play in vibrant communities where their everyday needs are easily accessible.

**Safe and reliable transportation** People have safe and reliable transportation choices that enhance their quality of life.

**Economic prosperity** Current and future residents benefit from the Portland region's sustained economic competitiveness and prosperity.

**Clean air and water** Current and future generations enjoy clean air, clean water and healthy ecosystems.

**Leadership on climate change** The Portland region is a leader in minimizing contributions to global warming.

## Strategic goals

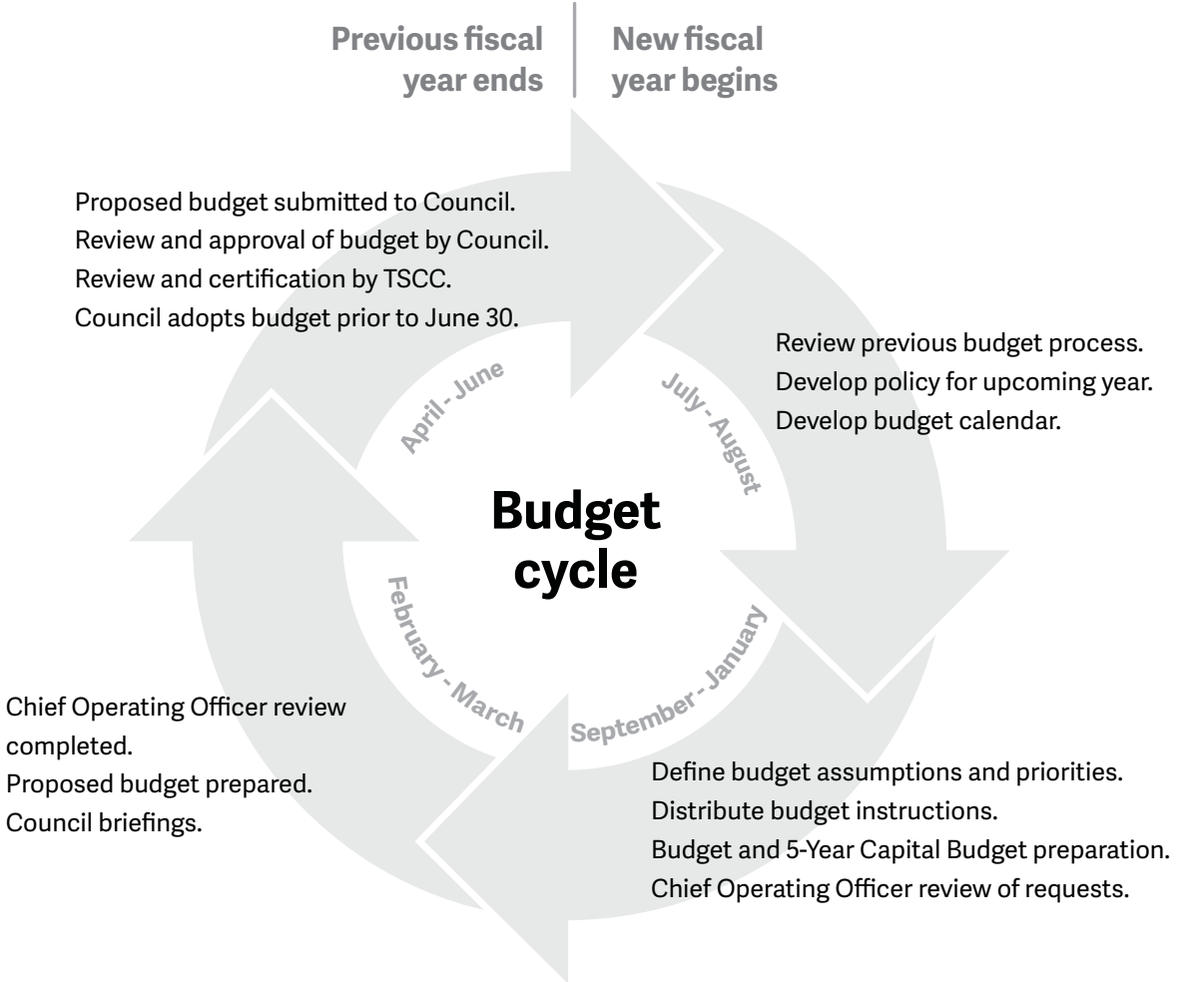
Metro's strategic priorities drive the budget and Metro's projects and initiatives.

1. Invest in roads, bridges, transit, parks and other systems that create vibrant communities
2. Set the stage for the future of the region with innovative planning
3. Make investments to preserve and enhance the natural environment
4. Invest in efforts to increase high wage jobs
5. Ensure regional efforts respond to the increasing diversity of the region's residents
6. Increase citizen engagement and involvement throughout the region and with Metro

## Budget highlights

- Investments in improving Metro's relationships with a diverse range of community leaders and organizations. The budget includes investments to improve Metro's partnerships with community based organizations, and implementation of more integrated marketing and public engagement efforts.
- Investments in projects that prepare the Portland region for strategic opportunities and threats.
- Investments in work to increase the supply of affordable housing, and continued support in development that increases transit ridership through the Transit Oriented Development program.
- Investments in innovative planning for the region's solid waste system.
- Continued investments to fulfill Metro's promises in the 2007 natural areas bond measure, parks and nature local option levy and 2008 Oregon Zoo bond measure.
- Investments to implement the recently adopted Strategic Plan to Advance Racial Equity, Diversity and Inclusion.

# Metro's budget process



## What is the Tax Supervising Conservation Commission?

The Tax Supervising and Conservation Commission is an independent, impartial panel of citizen volunteers established to monitor the financial affairs of local governments in the county.

The commission is comprised of five commissioners, appointed by the governor to four-year terms. The commissioners direct the commission's affairs and serve without compensation.

The Tax Supervising and Conservation Commission protects and represents the public interest, ensures public agencies operating within Multnomah County are compliant with local budget law, promotes economy and efficiency within those local agencies, and provides advice and assistance.





# Public investments at work

Metro receives 18 percent of its funds from property taxes. Most property tax money is non-discretionary, meaning it is dedicated to specified voter-approved projects. Discretionary property tax revenue supports activities like the Metro Council, park operations and planning and development.

### Permanent property tax levy

Metro has a general operating levy supported by a permanent rate of 9.66 cents per \$1,000 of

assessed value. The permanent levy provides 4 percent of Metro’s overall operating revenue.

### Parks and natural areas local option levy extended to June 2023

A voter-approved five-year local option levy of 9.6 cents per \$1,000 of assessed value is dedicated to improving water quality for native fish, removing invasive weeds, restoring wetlands and providing opportunities for people from around the Portland region to experience nature close to home.

### Oregon property tax formula

Real property assessed value divided by \$1,000 multiplied by the tax rate equals annual property tax

$$\frac{\$100,000}{\$1,000} \times \$0.0966 = \$9.66$$

### Cost to an average homeowner

Based on an average assessed value of \$200,000 or a \$250,000 market value, a Metro resident should expect to pay \$83 annually, an increase of about \$2 or 2.5 percent from FY 2017-16-17.

	Amended FY 2016-17 budget	Adopted FY 2017-18 budget	Percent change
Permanent operating rate ( <i>per thousand</i> )	9.66¢	9.66¢	
Parks and nature levy ( <i>per thousand</i> )	9.60¢	9.60¢	
Debt service ( <i>per thousand</i> )	21¢	22¢	5%



In FY 2017-18 the Oregon Zoo will begin construction of the three final projects of the 2008 zoo bond – Polar Passage, Primates and the Rhino Habitat. Parks and Nature will use bond funds to continue acquisition of natural areas as well as capital projects to increase access to those areas.

## Capital projects funded by bond proceeds

## Parks and natural areas purchase to be fully paid in 2026

In 2006, the Portland region’s voters approved bond measure 26-80 to continue work started by a first natural areas bond measure approved in 1995. The 2006 measure provided \$227.4 million to acquire and preserve natural areas to safeguard water quality, protect fish and wildlife habitat and ensure access to nature.

**Measure 26-80 is 13¢ per \$1,000 of assessed value.**



In 2008, the Portland region’s voters approved Measure 26-96 to provide \$125 million for improvements to the Oregon Zoo, designed to enhance animal care, save water and energy and provide a better visitor experience.

**Measure 26-96 is 9¢ per \$1,000 of assessed value.**

## Oregon Zoo capital improvements, to be fully paid in 2028

Real property tax assessment and collection is the sole responsibility of your county. For more information on property taxes please contact your county assessor’s office:

- Multnomah County Assessment and Taxation 503-988-3326
- Clackamas County Assessment and Taxation 503-655-8671
- Washington County Assessment and Taxation 503-846-8741

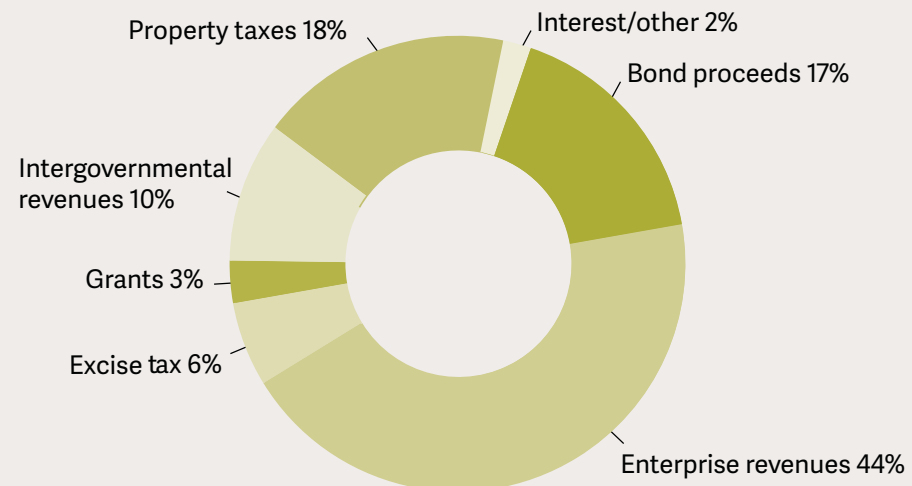


# Money in

**FY 2017-18**

## Metro revenues \$356,077,095

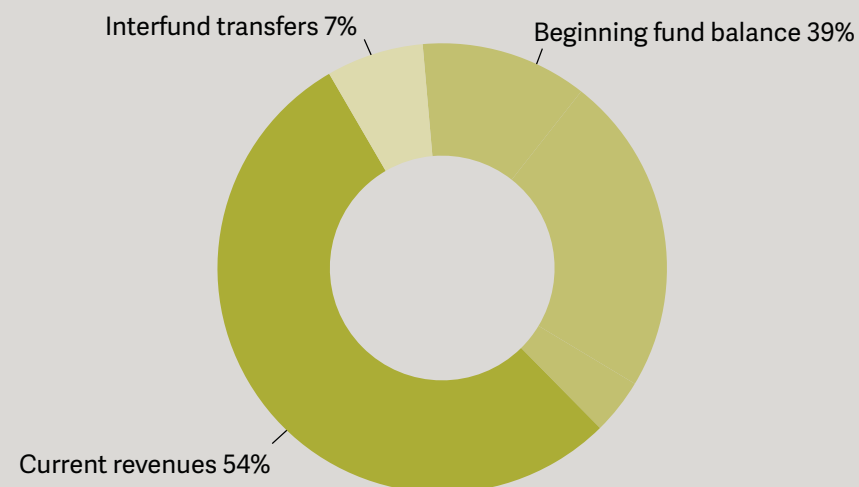
Current revenues include property taxes, bond proceeds and admissions and user fees, grants and interest earned on cash balances during the fiscal year.



**FY 2017-18**

## Metro resources \$646,326,401

Total resources include current revenue, beginning fund balance and interfund transfers. Beginning fund balance consists of unspent resources carried forward from the previous fiscal year, primarily unspent bond proceeds and revenues restricted for specific purposes.

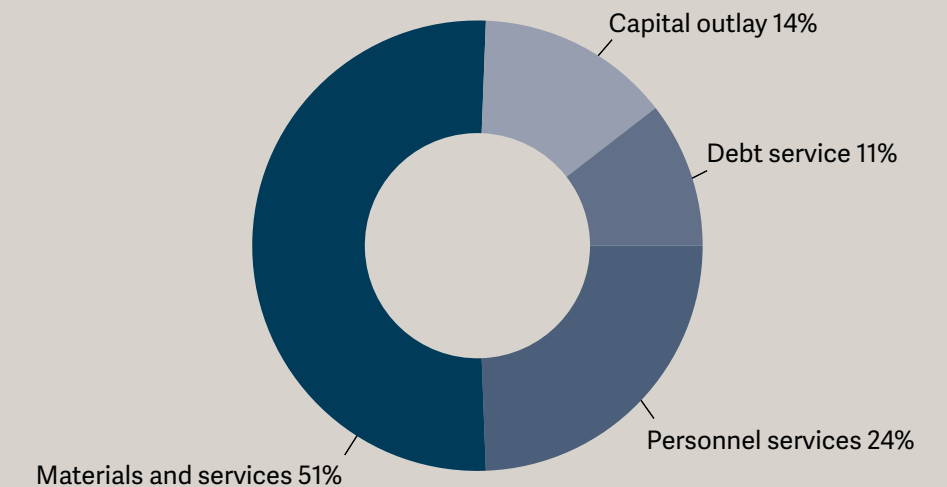


# Money out

**FY 2017-18**

## Metro expenditures \$428,594,970

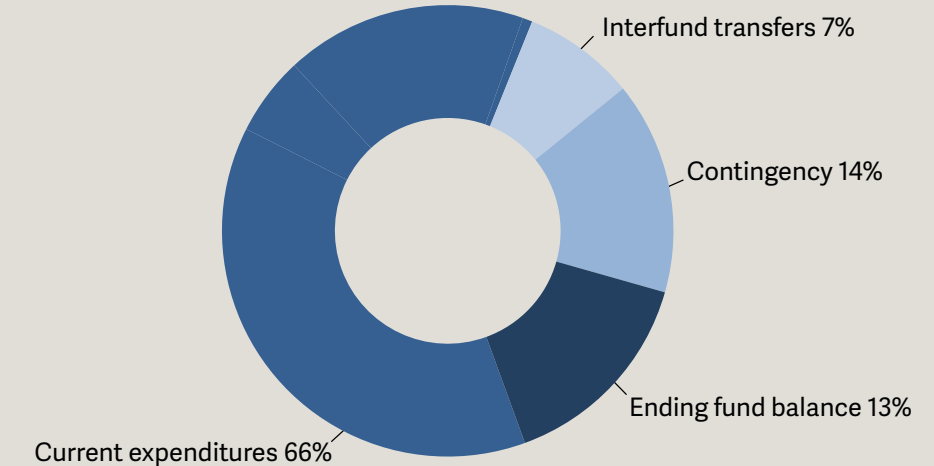
Current expenditures include salaries, wages, benefits, contract payments and debt payments due on outstanding bonds or loans. Current expenditures exceed current revenues due to the use of bond proceeds and restricted revenues received in a prior fiscal year.



**FY 2017-18**

## Metro requirements \$646,326,401

Total requirements include current expenditures, interfund transfers, contingency budget amounts and unappropriated fund balance. Contingencies provide for unforeseen requirements and cannot be used without Metro Council authorization.



# Metro's public service lines

Metro's work includes four main lines of service: land and transportation, parks and nature, garbage and recycling and public venues. Each of these cross city and county lines, benefit from a regional approach and help implement the Portland region's six desired outcomes.

FY 2017-18 current expenditures: \$428,594,970  
Full-time equivalent (FTE) positions: 879.31



**Central leadership and service teams**  
**\$35.6 million – 155.8 FTE**  
**Debt Service - \$44.9 million**

Central departments include Metro Auditor, Finance and Regulatory Services, Communications, Information Services, Human Resources, Office of Metro Attorney, Council Office and the Chief Operating Office. This work comprises 10 percent of Metro's current expenditures. Debt service includes all payments on Metro's outstanding debt, and comprises 10 percent of current expenditures,





# Budget in Action

Metro’s budget has an impact on communities throughout the region. From a free field trip for a child to millions of dollars in construction projects, the budget is investing in our cities and counties, driven by the key desired outcomes adopted by Metro Council. The programs on the next page showcase just the tip of what we do.

From regular maintenance to large construction projects Metro strives to be a good steward of its public assets. Metro actively pursues community partnerships and investment opportunities that create vibrant communities, economic prosperity, and socially equitable contracting opportunities. Metro plans to invest \$279.1 million in FY 2017-18 in the local economy through jobs, purchases of materials and land, construction and maintenance of Metro facilities, and replacement of equipment.

## Community investment spending

	3-year historical Average Spending	FY 2017-18 Budget*
Land and transportation	\$5.5 million	\$ 10.1 million
Parks and nature	25.3 million	34.8 million
Garbage and recycling	45.4 million	59.9 million
Public venues**	65.8 million	158.6 million
Support services	9.8 million	15.7 million
<b>TOTAL</b>	<b>\$151.8 million</b>	<b>\$279.1 million</b>

\*Totals include materials, maintenance contracts, professional services contracts and capital expenditures including land acquisition, equipment, facility repairs and refurbishment, and new construction.

\*\* Included in the FY 2017-18 budget is \$76 million related to the OCC Hotel project.



## Garbage and recycling gives back through Community Enhancement grants.

The Solid Waste Community Enhancement Program provides grants to improve economic opportunities, neighborhood livability, public safety and more in areas near the region’s garbage transfer facilities. Since 1986 Metro has invested millions of dollars in communities through collection of an enhancement fee at solid waste facilities. In the current budget year over \$1 million is expected to be granted directly from Metro and through local government partners.



## Expanding access to parks and nature means clean air and water for current and future generations.

Community conversations have been underway for more than a year to plan for future public access at Metro’s Chehalem Ridge, one of the largest publicly owned natural areas in Washington County. A partnership with Centro Cultural de Washington County, a nonprofit based in Cornelius, helped ensure the input of the county’s fast-growing Latino community. The project initially is expected to cost \$2.8 million dollars with work continuing into FY 2018-19.

## Public-private partnerships in land and transportation create new possibilities.

This program strategically invests to help more people live, work and shop in neighborhoods served by high-quality transit. Two years ago Metro purchased a historic furniture store at the intersection of Southeast 82nd Avenue and Division Street with a vision and commitment to develop affordable apartments to rent. Now it is in the process of becoming a new community center and an affordable housing building, in partnership with non-profit Asian Pacific American Network of Oregon (APANO) and non-profit developer ROSE Community Development.



## Public venues bring in the kids (for free).

In an effort to better serve the community and celebrate diversity, the Portland’s Educational Outreach Program was designed to provide elementary school children a free opportunity to hear nationally celebrated musical artists, learn about the performing arts, and experience our venues. Each event offers a diverse range of ethnic and cultural perspectives. In FY 2017-18 15,000 students will attend shows through this program.

The Oregon Zoo will be offering third grade classes from Title 1 schools in the Portland Metro region a free field trip and a stipend to assist with transportation costs.



Learn more.

Check out Metro’s budget impact across the region. Visit [oregonmetro.gov/metro-budget](https://oregonmetro.gov/metro-budget)



# Diversity, Equity and Inclusion Initiatives

The Metro Council and central leadership drive initiatives that impact all public service lines and the community. One is the Diversity, Equity and Inclusion program.

- Metro adopted its Strategic Plan to Advance Racial Equity, Diversity and Inclusion in June 2016. In the current budget \$500k has been allocated to enter into pilot partnerships with non-profit, community based organizations for the purposes of achieving the goals of that plan. Partners will range from non-profits working with people of color and women who are underrepresented in the region's solid waste industry to those focused on youth development, engagement and empowerment.
- The Construction Career Pathways Project partners Metro, other public agencies and the region's workforce investment board to develop tools and policies to encourage people of color and women in the construction trades.
- The Convention Center Hotel project created the opportunity for Metro and Mortenson, the developer, to invest \$450,000 in maximizing apprenticeship opportunities and retention strategies for laborers of color and women on the worksite.
- In FY 2015-16 Metro awarded 22 percent of contracts and 17 percent of contract dollars to Certification Office of Business Inclusion and Diversity firms.



If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we've already crossed paths.

**So, hello. We're Metro – nice to meet you.**

In a metropolitan area as big as Portland, we can do a lot of things better together. Join us to help the region prepare for a happy, healthy future.

## **Metro Council President**

Tom Hughes

## **Metro Councilors**

Shirley Craddick, District 1

Carlotta Collette, District 2

Craig Dirksen, District 3

Kathryn Harrington, District 4

Sam Chase, District 5

Bob Stacey, District 6

## **Auditor**

Brian Evans

