

Budget in brief

FY 2018-19

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I am proud to introduce the Fiscal Year 2018-19 budget, which reflects the Metro Council’s work to implement the greater 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 making sound financial decisions. 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.

Metro began advancing a series of livability funding measures in FY 2017-18. Over the next three years, we will work on affordable housing, parks and natural areas, and transportation, to ensure that we maintain the quality of life in our region for future generations. This budget supports progress on all three of these areas with a focus on affordable housing in the first half of the year and a discussion of possible renewal of our natural areas bond in 2019.

We will continue to advance projects to improve safe and reliable transportation throughout the region. We will do this through support for the 2018 Regional Transportation Plan, which is scheduled for adoption in December 2018, and support for the Metro Council’s initiative to build a coalition to increase funding for

all modes of transportation in our region. Included in this budget are funds to pilot a new grant program to address the policy and service issues posed by emerging transportation technologies, and funding for efforts to further Metro’s support of value pricing on highways in the region. We will also continue our efforts to strengthen the region’s economy through projects like the Economic Value Atlas, our leadership of the Oregon Brownfields Coalition, and advancing the Construction Career Pathways Project.

Greater Portland continues to be a leader in preventing waste, recycling and reusing what we can, and protecting health and the environment. We have important decisions to make this year related to our Solid Waste Roadmap, including next steps on Metro South Station and what to do with food scraps from homes and businesses in our region. We will also continue our work to update the Regional Solid Waste Plan and our budget increases staffing to improve operations.

Our visitor venues continue to do an outstanding job in welcoming millions of visitors and hosting hundreds of conventions, shows and events. This budget will invest in the Polar Passage and Primates at the Oregon Zoo, and the completion of design for a major renovation of the Oregon Ballroom and the entryways on the northeast side of the Oregon Convention Center. In addition to equipment upgrades at MetroPaint and maintenance projects at Metro Central and Metro South, we are investing in significant renewal and replacement projects. These projects will meet the commitments of the 2013 local option levy, renewed for an additional five years, effective beginning in FY 2018-19, including Newell Canyon, Killin Wetlands, the Native Plant Center and Oxbow Regional Park.

In fulfilling the Metro Council’s 2015 commitment to revisiting questions around urban growth, we are continuing to lead the 2018 Growth Management conversation. We are evaluating the growth boundary and expected people and jobs in the next 20 years by working with residents, elected leaders, community groups and researchers. The Council identified the 2018 Urban Growth Management Decision as one of our top funding initiatives for FY 2018-19. We are

From the Metro Council President

taking into consideration funding for Planning and Development, the Research Center, Communications, and the Council Office to complete this work in December 2018.

We continue the important work of implementing the Strategic Plan to Advance Racial Equity, Diversity, and Inclusion and the Diversity Action Plan. Metro’s Diversity, Equity and Inclusion Team will provide continued support as we move forward in our department specific plans in Planning and Development, Parks and Nature, Property and Environmental Services, and the Oregon Zoo. 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 will continue to be made high priorities for our departments. The Community Partnerships pilot project, Regional Solid Waste Plan, 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.

Those of you that have met me, heard me speak at a Friday Forum, seen me at a council meeting or generally caught me in the last eight years know I am a storyteller. 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, and this is my final one. For the past eight years, you, the public, have trusted me with leadership of this regional government. In that time, we saw the Great Recession come and go, witnessed an unprecedented economic boom, passed bonds and levies, welcomed a new polar bear cub, said goodbye to our beloved Packy, and our agency stepped up to serve the needs of this region. It has been an honor serving you, and I hope in this budget you find a commitment to enhancing your life, your opportunities, your recreation, and your participation in this great place we have made.

Sincerely,

Tom Hughes

Tom Hughes
Metro Council President

Want to learn more?

Metro’s full budget document will be available on our website by Aug. 31, 2018.

Visit: oregonmetro.gov/metro-budget

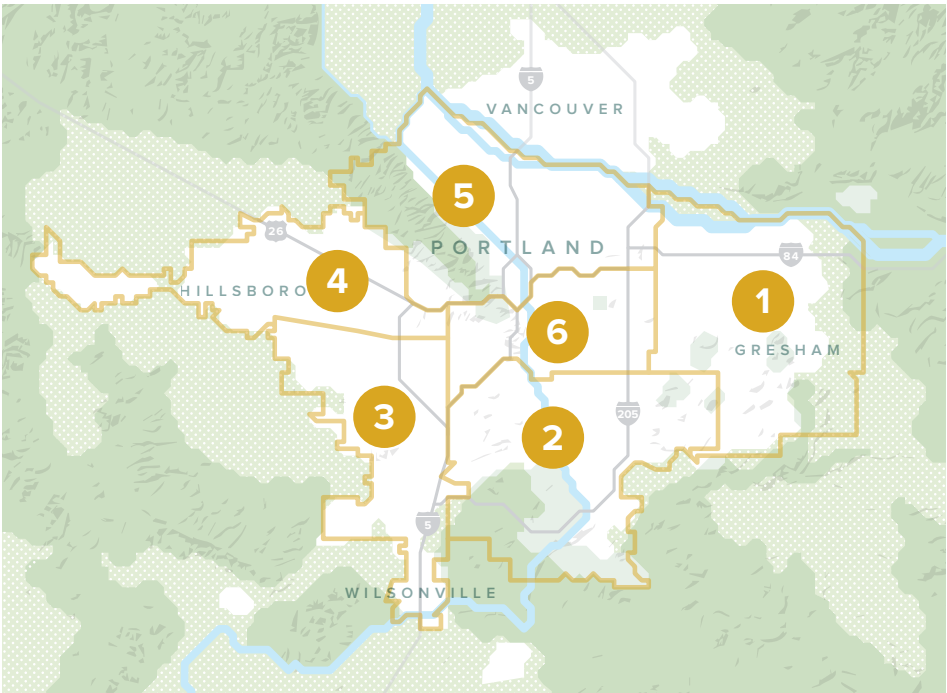


Metro at a glance

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

Metro Council

Tom Hughes
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Craig Dirksen
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Kathryn Harrington
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District 5
sam.chase@oregonmetro.gov

Bob Stacey
District 6
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Metro Auditor

Brian Evans
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Get involved.

Help shape the future of the Portland region.
Visit oregonmetro.gov/regional-leadership/metro-advisory-committees

Learn more about volunteer opportunities at
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

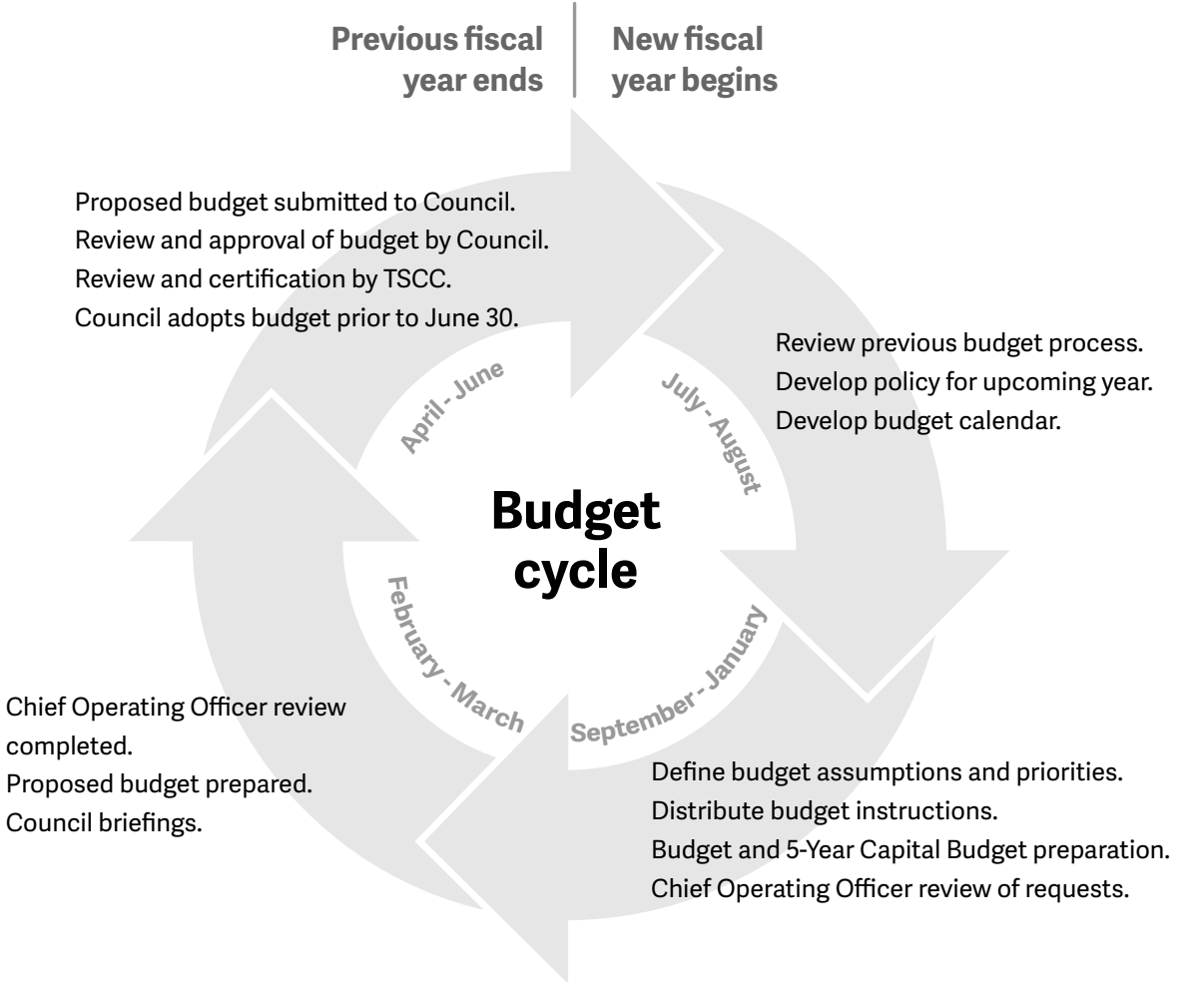
Metro's strategic priorities drive the budget and Metro's projects and initiatives.

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.
- 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 24 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 5 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 assessed value of \$250,000, a Metro resident should expect to pay \$118 annually, an increase of about \$15 or 15 percent from FY 2017-18.

	Amended FY 2017-18 budget	Adopted FY 2018-19 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>)	22¢	28¢	27%



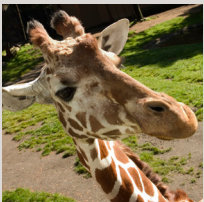
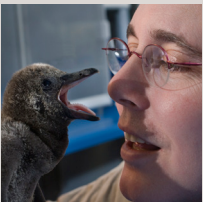
In FY 2018-19 the Oregon Zoo continues construction of the three final projects of the 2008 zoo bond program – Polar Passage, Primates and the Rhino Habitat. Parks and Nature will use bond funds to continue acquisition of natural areas as well as capital projects to increase access to those areas.

Capital projects funded by bond proceeds

Parks and natural areas bond 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.

For FY 2018-19, Measure 26-80 is 19¢ 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.

For FY 2018-19, 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:

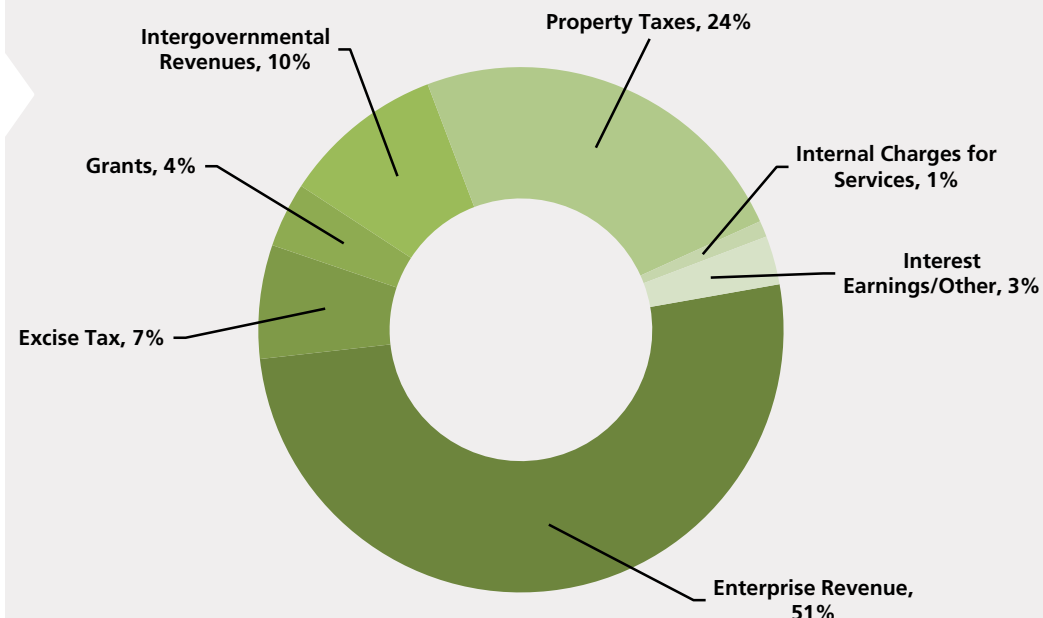
Multnomah County Assessment and Taxation 503-988-3326
Clackamas County Assessment and Taxation 503-655-8671
Washington County Assessment and Taxation 503-846-8741

Money in

FY 2018-19

Metro revenues
\$319,873,171

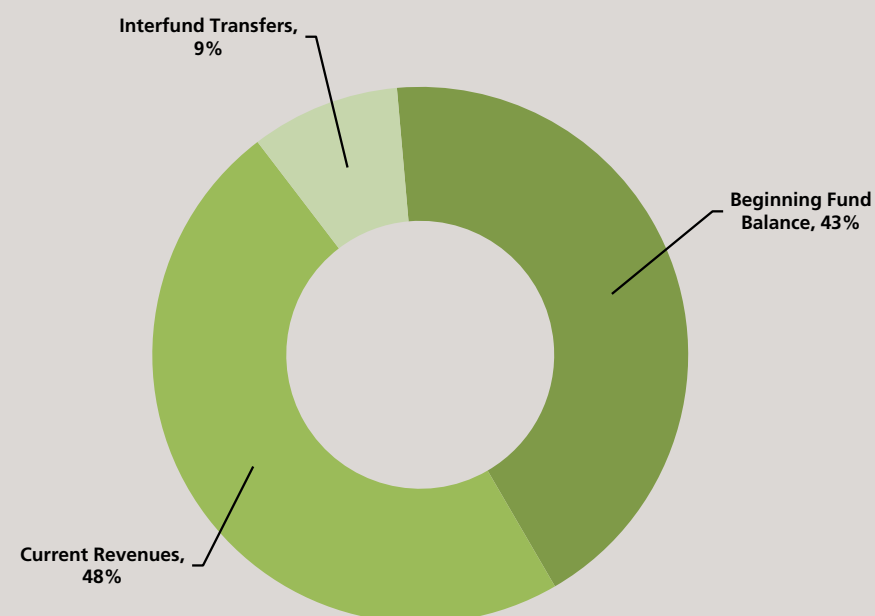
Current revenues include property taxes, bond proceeds, user fees, grants and interest earned on cash balances during the fiscal year.



FY 2018-19

Metro resources
\$669,359,563

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.

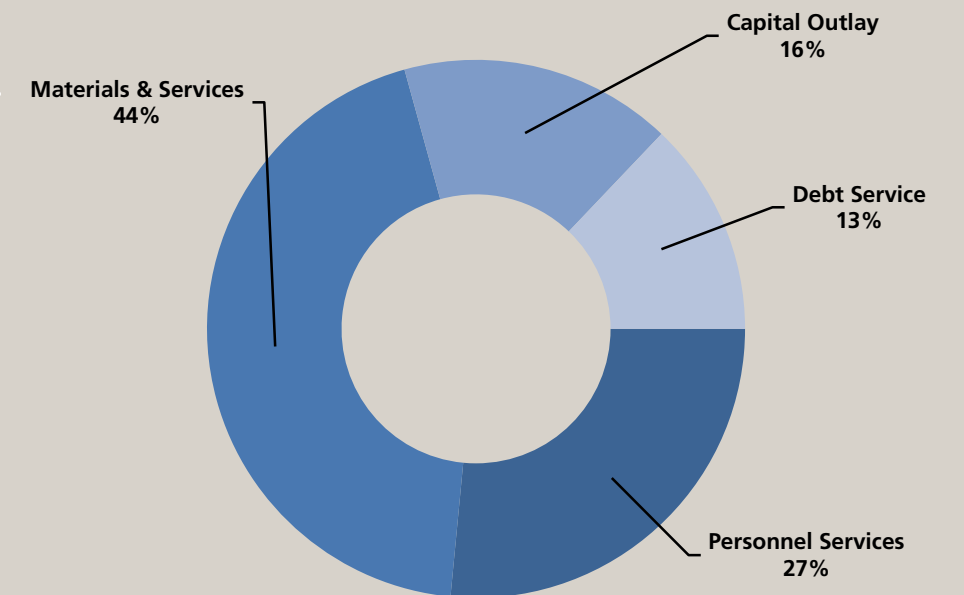


Money out

FY 2018-19

Metro expenditures
\$428,542,797

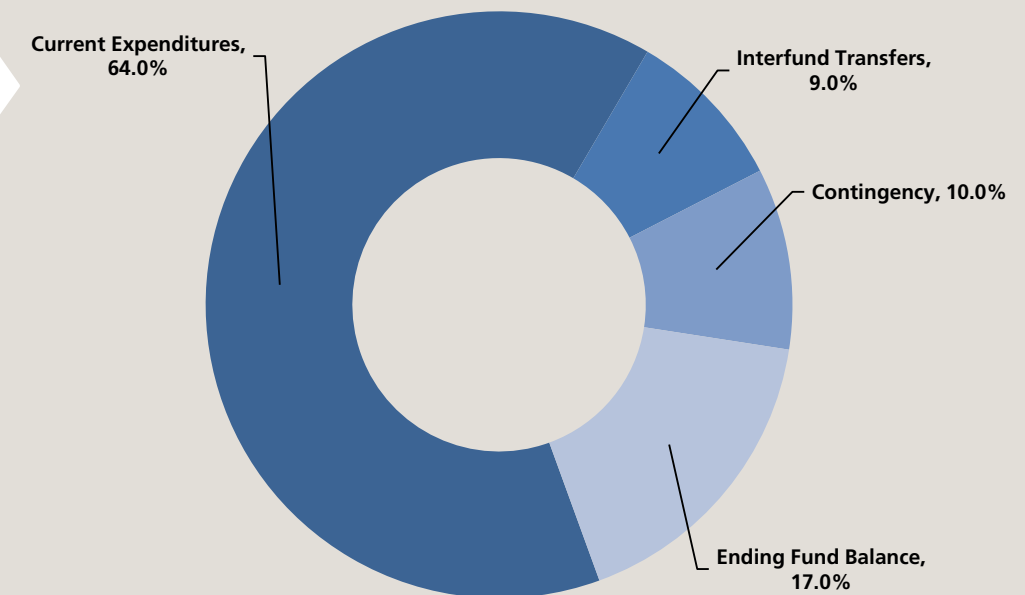
Current expenditures include salaries, wages, benefits, contract payments and debt payments due on outstanding bonds or loans. Current expenditures exceed current revenues due to the use of bond proceeds and restricted revenues received in a prior fiscal year.



FY 2018-19

Metro requirements
\$669,359,563

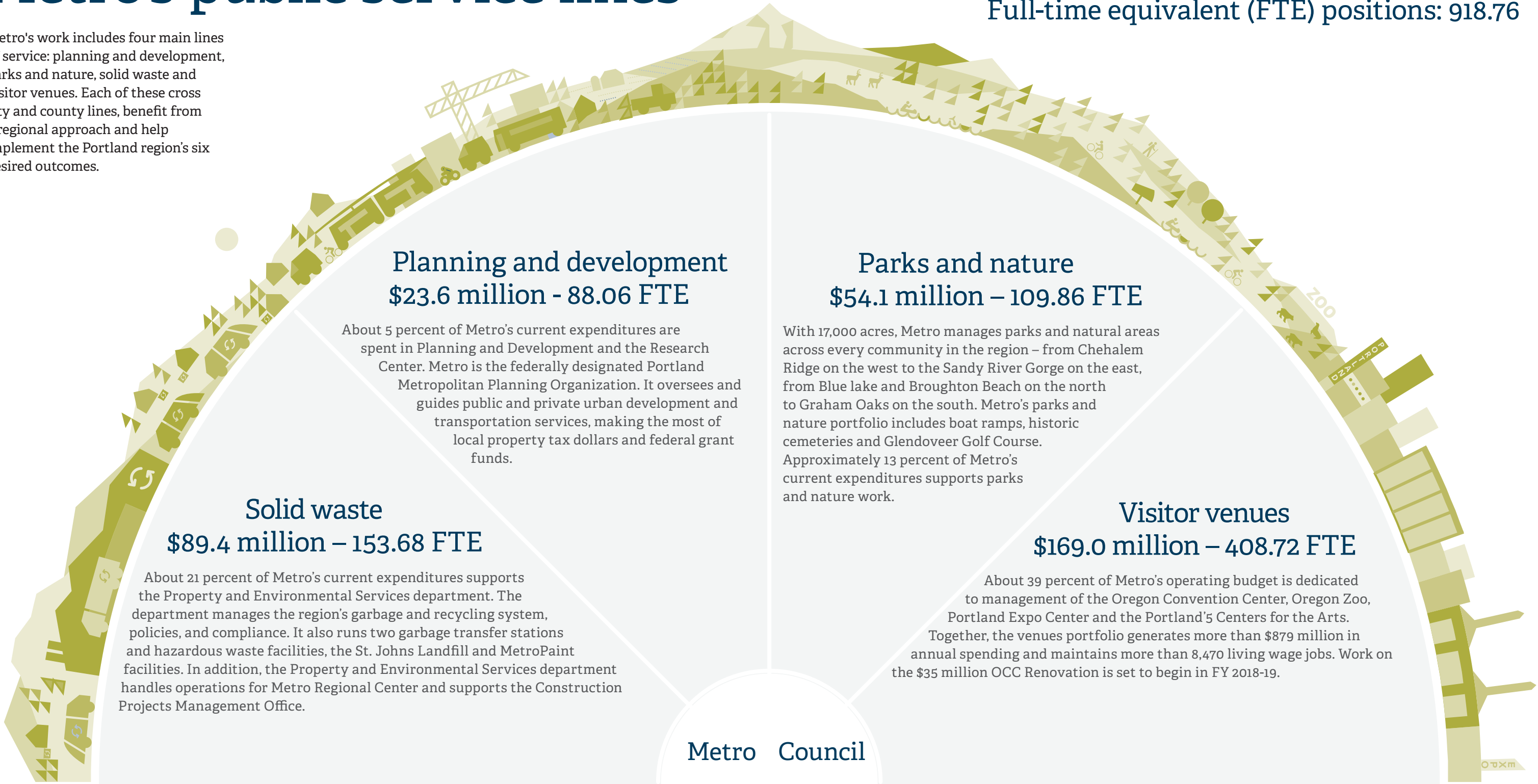
Total requirements include current expenditures, interfund transfers, contingency budget amounts and unappropriated fund balance. Contingencies provide for unforeseen requirements and cannot be used without Metro Council authorization.



Metro's public service lines

Metro's work includes four main lines of service: planning and development, parks and nature, solid waste and visitor 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 2018-19 current expenditures: \$428,542,797
Full-time equivalent (FTE) positions: 918.76



Central leadership and service teams
\$37.1 million - 158.44 FTE
Debt Service - \$55.3 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 9 percent of Metro's current expenditures. Debt service includes all payments on Metro's outstanding debt, and comprises 13 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 \$259.6 million in FY 2018-19 in the local economy through jobs, purchases of materials and land, construction and maintenance of Metro facilities and replacement of equipment.

Community investment spending

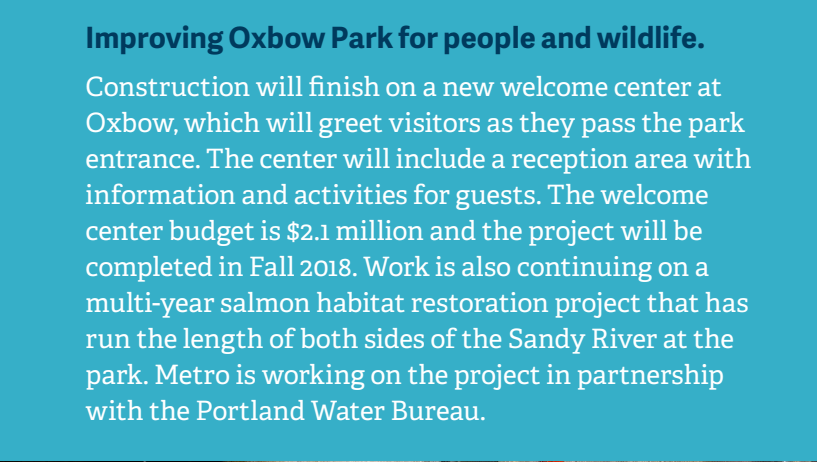
	3-year historical Average Spending	FY 2018-19 Budget
Planning and development	\$6.0 million	\$ 11.7 million
Parks and nature	23.9 million	40.4 million
Solid waste	49.1 million	71.3 million
Visitor venues	64.0 million	120.1 million
Support services	10.1 million	16.1 million
TOTAL	\$153.1 million	\$259.6 million

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



Investment and Innovation grants in Property and Environmental Services.

In summer of 2018, Metro issued its first call for proposals for the new Investment and Innovation grant program. Program goals are to support businesses and nonprofit organizations involved in reducing waste, reusing, recycling, composting or producing energy from discarded materials. It seeks to provide opportunities for historically underrepresented, and people of color. The current budget includes \$3 million in grant funds to strengthen local systems for addressing waste.



Major renovation at the Oregon Convention Center.

A \$35 million renovation of the Oregon Convention Center begins August 2018, as Portland prepares for the opening of the Hyatt Regency Portland, in late 2019. The renovation, which is funded through reserves built up from good financial management, includes upgrades to the interior of the 28-year-old center and reconstruction of the northeast plaza. As part of the overall plan, a \$27 million contract has been awarded to a minority-owned business as a prime contractor - the largest award to a minority-owned business in Oregon history. The remaining funding will go primarily to design fees and contingency(\$4 million and \$2.5 million, respectively), with the rest of the funding spread among a variety of smaller expenses.



Transit-Oriented Development Program.

This program has a unique and critical role in implementing greater Portland’s 2040 Growth Concept of vibrant, walkable centers and station areas linked by transit. The program increases opportunities for people to live, work and shop in neighborhoods through easy access to high-quality transit. It supports construction of projects, which allow for greater density, and in turn makes life in an urban environment more affordable for more people. Related program activities include opportunity site acquisition, investment in urban living infrastructure, and technical assistance to communities and developers.



Learn more.

Check out Metro’s budget impact across the region. Visit oregonmetro.gov/metro-budget



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

Betty Dominguez, District 2

Craig Dirksen, District 3

Kathryn Harrington, District 4

Sam Chase, District 5

Bob Stacey, District 6

Auditor

Brian Evans

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.
- The Construction Career Pathways Project (C2P2) is launching a public owner workgroup meant to build a regional framework designed to guide investments and strategies to create equitable opportunities for people of color and women to enter and sustain a career in the trades. Throughout this work, we'll be connecting pre-apprenticeship, contractor, community and labor partners into the workgroup discussions.
- Metro, in partnership with Mortenson Construction, created the Community Construction Training Program as part of the Hyatt Regency Portland construction project. This \$450,000 equity initiative supports 100 people of color and women to enter construction training programs, receive job placement support and apprentice retention services.
- To measure progress and continual improvement of the agency's efforts to advance racial equity, a major component of the Strategic Plan is to develop and implement evaluation metrics and an equity baseline for Metro. The DEI Program is spearheading this work through a mixed-methods (qualitative and quantitative) impact evaluation process. In addition to establishing DEI metrics and baseline for the agency, this process will also increase the transparency and accountability of Metro's DEI efforts as well as help a number of agency staff to acquire the knowledge and skills to strengthen their own evaluation work.
- Four Metro departments and venues will complete their department specific racial equity plans in Fall 2018. These plans have developed specific outcomes to advance the goals and actions of council-adopted Strategic Plan to Advance racial Equity and Inclusion. As a result, agency-wide central services departments have also developed key actions and strategies to support the goals of four departmental and venue-specific plans.