

www.oregon**metro.gov**

600 NE Grand Ave.  
Portland, Oregon  
97232-2736

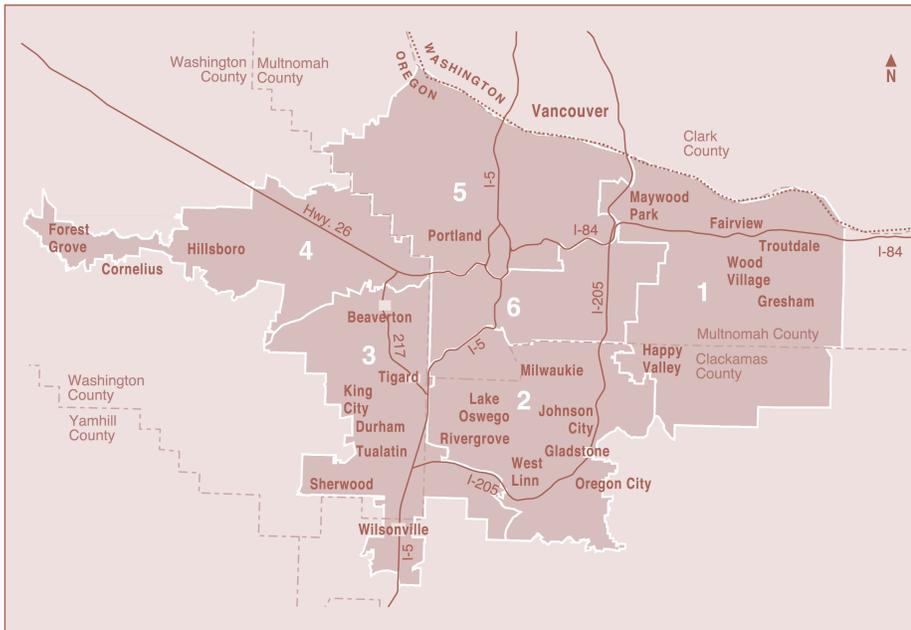
# 2011-12

## PROPOSED BUDGET

### Summary



Metro | *Making a great place*



**Your Metro  
representatives**

Council President

**Tom Hughes**  
503-797-1889

District 1

**Shirley Craddick**  
503-797-1547

District 2

**Carlotta Collette**  
503-797-1887

District 3

**Carl Hosticka**  
503-797-1549

District 4

**Kathryn Harrington**  
503-797-1553

District 5

**Rex Burkholder**  
503-797-1546

District 6

**Barbara Roberts**  
503-797-1552

Auditor

**Suzanne Flynn, CIA**  
503-797-1891

**Metro**

*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 good transportation choices for people and businesses in our region. Voters have asked Metro to help with the challenges that cross those lines and affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to protecting open space, caring for parks, planning for the best use of land, managing garbage disposal and increasing recycling. Metro oversees 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.

# 2011-12

**PROPOSED BUDGET – SUMMARY**

Printed on recycled paper.

## Fund Summaries

|  |      |
|--|------|
| Summary of all funds .....                                   | D-2  |
| General Fund .....   | D-5  |
| General Obligation Bond Debt Service Fund .....              | D-13 |
| General Renewal and Replacement Fund .....                   | D-17 |
| General Revenue Bond Fund .....                              | D-23 |
| Metro Capital Fund .....                                     | D-29 |
| Metropolitan Exposition Recreation Commission Fund .....     | D-35 |
| Natural Areas Fund .....                                     | D-41 |
| Open Spaces Fund .....                                       | D-47 |
| Oregon Zoo Infrastructure and Animal Welfare Bond Fund ..... | D-51 |
| Pioneer Cemetery Perpetual Care Fund .....                   | D-55 |
| Rehabilitation and Enhancement Fund .....                    | D-59 |
| Risk Management Fund .....                                   | D-65 |
| Smith and Bybee Wetlands Fund .....                          | D-71 |
| Solid Waste Revenue Fund .....                               | D-75 |



## Summary of all funds

|                                      | General Fund         | General Obligation Bond Debt Service Fund | General Renewal and Replacement Fund | General Revenue Bond Fund | MERC Fund           | Metro Capital Fund | Natural Areas Fund  | Open Spaces Fund |
|--------------------------------------|----------------------|---|--------------------------------------|---------------------------|---------------------|--------------------|---------------------|------------------|
| <b>RESOURCES</b>                     |                      |   |                                      |                           |                     |                    |                     |                  |
| <i>Beginning Fund Balance</i>        | \$24,851,393         | \$13,226,000                              | \$4,882,690                          | \$220,991                 | \$23,014,203        | \$1,109,802        | \$36,715,000        | \$335,200        |
| <b>CURRENT REVENUES</b>              |                      |   |                                      |                           |                     |                    |                     |                  |
| Real Property Taxes                  | 11,767,309           | 27,271,842                                | 0                                    | 0                         | 0                   | 0                  | 0                   | 0                |
| Excise Tax                           | 16,705,765           | 0   | 0                                    | 0                         | 0                   | 0                  | 0                   | 0                |
| Other Derived Tax Revenue            | 0                    | 0   | 0                                    | 0                         | 0                   | 0                  | 0                   | 0                |
| Grants                               | 11,903,841           | 0   | 0                                    | 0                         | 0                   | 0                  | 0                   | 0                |
| Local Gov't Shared Revenues          | 553,644              | 0   | 0                                    | 0                         | 11,155,335          | 0                  | 0                   | 0                |
| Contributions from other Gov'ts      | 3,024,060            | 19,039                                    | 0                                    | 0                         | 784,320             | 0                  | 0                   | 0                |
| Enterprise Revenue                   | 23,893,766           | 0   | 0                                    | 0                         | 30,105,749          | 0                  | 0                   | 0                |
| Interest Earnings                    | 107,000              | 100,000                                   | 24,000                               | 1,106                     | 122,806             | 9,298              | 183,575             | 1,676            |
| Donations                            | 1,065,100            | 0   | 0                                    | 0                         | 510,000             | 600,000            | 866,000             | 0                |
| Other Misc. Revenue                  | 138,689              | 0   | 0                                    | 0                         | 131,090             | 0                  | 0                   | 0                |
| Bond and Loan Proceeds               | 0                    | 0   | 0                                    | 0                         | 0                   | 0                  | 0                   | 0                |
| Interfund Transfers:                 |                      |   |                                      |                           |                     |                    |                     |                  |
| Interfund Reimbursements             | 7,640,708            | 0   | 0                                    | 0                         | 0                   | 0                  | 0                   | 0                |
| Internal Service Transfers           | 2,904,264            | 0   | 0                                    | 0                         | 0                   | 0                  | 0                   | 0                |
| Fund Equity Transfers                | 3,172,805            | 0   | 1,572,505                            | 3,093,960                 | 480,000             | 0                  | 0                   | 0                |
| <b>Subtotal Current Revenues</b>     | <b>82,876,951</b>    | <b>27,390,881</b>                         | <b>1,596,505</b>                     | <b>3,095,066</b>          | <b>43,289,300</b>   | <b>609,298</b>     | <b>1,049,575</b>    | <b>1,676</b>     |
| <b>TOTAL RESOURCES</b>               | <b>\$107,728,344</b> | <b>\$40,616,881</b>                       | <b>\$6,479,195</b>                   | <b>\$3,316,057</b>        | <b>\$66,303,503</b> | <b>\$1,719,100</b> | <b>\$37,764,575</b> | <b>\$336,876</b> |
| <b>REQUIREMENTS</b>                  |                      |   |                                      |                           |                     |                    |                     |                  |
| <b>Current Expenditures</b>          |                      |   |                                      |                           |                     |                    |                     |                  |
| Personal Services                    | \$49,506,136         | \$0                                       | \$0                                  | \$0                       | \$17,676,671        | \$0                | \$1,561,957         | \$0              |
| Materials and Services               | 32,878,674           | 0   | 995,954                              | 0                         | 20,206,823          | 0                  | 12,150,000          | 0                |
| Capital Outlay                       | 0                    | 0   | 2,329,012                            | 216,821                   | 1,351,000           | 1,155,200          | 20,939,000          | 336,876          |
| Debt Service                         | 1,588,215            | 30,579,525                                | 0                                    | 3,093,960                 | 0                   | 0                  | 0                   | 0                |
| Interfund Transfers:                 |                      |   |                                      |                           |                     |                    |                     |                  |
| Interfund Reimbursements             | 727,260              | 0   | 0                                    | 0                         | 2,906,621           | 0                  | 1,249,115           | 0                |
| Internal Service Transfers           | 0                    | 0   | 0                                    | 0                         | 77,884              | 0                  | 477,107             | 0                |
| Fund Equity Transfers                | 4,042,304            | 0   | 0                                    | 0                         | 3,158,261           | 0                  | 47,000              | 0                |
| Contingency                          | 4,212,000            | 0   | 3,154,229                            | 0                         | 7,727,548           | 563,900            | 1,340,396           | 0                |
| <b>Subtotal Current Expenditures</b> | <b>92,954,589</b>    | <b>30,579,525</b>                         | <b>6,479,195</b>                     | <b>3,310,781</b>          | <b>53,104,808</b>   | <b>1,719,100</b>   | <b>37,764,575</b>   | <b>336,876</b>   |
| <i>Ending Fund Balance</i>           | <i>14,773,755</i>    | <i>10,037,356</i>                         | <i>0</i>                             | <i>5,276</i>              | <i>13,198,695</i>   | <i>0</i>           | <i>0</i>            | <i>0</i>         |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$107,728,344</b> | <b>\$40,616,881</b>                       | <b>\$6,479,195</b>                   | <b>\$3,316,057</b>        | <b>\$66,303,503</b> | <b>\$1,719,100</b> | <b>\$37,764,575</b> | <b>\$336,876</b> |
| <b>FULL-TIME EQUIVALENTS</b>         | <b>449.68</b>        | <b>0.00</b>                               | <b>0.00</b>                          | <b>0.00</b>               | <b>185.85</b>       | <b>0.00</b>        | <b>14.90</b>        | <b>0.00</b>      |

## Summary of all funds, *continued*

|                                      | Oregon Zoo<br>Infrastructure<br>& Animal<br>Welfare<br>Fund | Pioneer<br>Cemetery<br>Perpetual<br>Care<br>Fund | Rehab. And<br>Enhancement<br>Fund | Risk<br>Management<br>Fund | Smith and<br>Bybee<br>Wetlands<br>Fund | Solid<br>Waste<br>Revenue<br>Fund | TOTAL                |
|--------------------------------------|---|--|-----------------------------------|----------------------------|--|-----------------------------------|----------------------|
| <b>RESOURCES</b>                     |   |  |                                   |                            |  |                                   |                      |
| <i>Beginning Fund Balance</i>        | \$7,356,973   | \$350,700  | \$1,897,631                       | \$2,364,250                | \$3,817,257                            | \$39,505,107                      | \$159,647,197        |
| <b>CURRENT REVENUES</b>              |   |  |                                   |                            |  |                                   |                      |
| Real Property Taxes                  | 0   | 0  | 0                                 | 0                          | 0                                      | 0                                 | 39,039,151           |
| Excise Tax                           | 0   | 0  | 0                                 | 0                          | 0                                      | 0                                 | 16,705,765           |
| Other Derived Tax Revenue            | 0   | 25,000   | 0                                 | 0                          | 0                                      | 0                                 | 25,000               |
| Grants                               | 0   | 0  | 0                                 | 50,000                     | 0                                      | 317,660                           | 12,271,501           |
| Local Gov't Shared Revenues          | 0   | 0  | 0                                 | 0                          | 0                                      | 0                                 | 11,708,979           |
| Contributions from other Gov'ts      | 0   | 0  | 0                                 | 0                          | 0                                      | 0                                 | 3,827,419            |
| Enterprise Revenue                   | 0   | 0  | 0                                 | 10,243,471                 | 0                                      | 56,508,829                        | 120,751,815          |
| Interest Earnings                    | 24,648  | 1,750  | 9,488                             | 25,000                     | 19,086                                 | 196,526                           | 825,959              |
| Donations                            | 0   | 0  | 0                                 | 0                          | 0                                      | 0                                 | 3,041,100            |
| Other Misc. Revenue                  | 0   | 0  | 0                                 | 0                          | 0                                      | 33,000                            | 302,779              |
| Bond and Loan Proceeds               | 0   | 0  | 0                                 | 0                          | 0                                      | 0                                 | 0                    |
| Interfund Transfers:                 |   |  |                                   |                            |  |                                   |                      |
| Interfund Reimbursements             | 0   | 0  | 0                                 | 1,756,497                  | 0                                      | 0                                 | 9,397,205            |
| Internal Service Transfers           | 0   | 0  | 0                                 | 62,686                     | 0                                      | 33,287                            | 3,000,237            |
| Fund Equity Transfers                | 0   | 0  | 348,867                           | 0                          | 0                                      | 148,458                           | 8,816,595            |
| <b>Subtotal Current Revenues</b>     | 24,648  | 26,750   | 358,355                           | 12,137,654                 | 19,086                                 | 57,237,760                        | 229,713,505          |
| <b>TOTAL RESOURCES</b>               | <b>\$7,381,621</b>  | <b>\$377,450</b>                                 | <b>\$2,255,986</b>                | <b>\$14,501,904</b>        | <b>\$3,836,343</b>                     | <b>\$96,742,867</b>               | <b>\$389,360,702</b> |
| <b>REQUIREMENTS</b>                  |   |  |                                   |                            |  |                                   |                      |
| <b>Current Expenditures</b>          |   |  |                                   |                            |  |                                   |                      |
| Personal Services                    | \$655,472   | \$0  | \$0                               | \$0                        | \$0                                    | \$9,706,988                       | \$79,107,224         |
| Materials and Services               | 0   | 0  | 336,903                           | 13,240,916                 | 65,000                                 | 40,043,954                        | 119,918,224          |
| Capital Outlay                       | 5,791,025   | 0  | 0                                 | 0                          | 0                                      | 3,593,000                         | 35,711,934           |
| Debt Service                         | 0   | 0  | 0                                 | 0                          | 0                                      | 0                                 | 35,261,700           |
| Interfund Transfers:                 |   |  |                                   |                            |  |                                   |                      |
| Interfund Reimbursements             | 150,973   | 0  | 0                                 | 0                          | 0                                      | 4,363,236                         | 9,397,205            |
| Internal Service Transfers           | 188,236   | 0  | 33,287                            | 0                          | 112,251                                | 2,111,472                         | 3,000,237            |
| Fund Equity Transfers                | 25,000  | 0  | 0                                 | 30,000                     | 0                                      | 1,514,030                         | 8,816,595            |
| Contingency                          | 556,559   | 0  | 300,000                           | 500,000                    | 200,000                                | 14,602,745                        | 33,157,377           |
| <b>Subtotal Current Expenditures</b> | 7,367,265   | 0  | 670,190                           | 13,770,916                 | 377,251                                | 75,935,425                        | 324,370,496          |
| <i>Ending Fund Balance</i>           | 14,356  | 377,450  | 1,585,796                         | 730,988                    | 3,459,092                              | 20,807,442                        | 64,990,206           |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$7,381,621</b>  | <b>\$377,450</b>                                 | <b>\$2,255,986</b>                | <b>\$14,501,904</b>        | <b>\$3,836,343</b>                     | <b>\$96,742,867</b>               | <b>\$389,360,702</b> |
| <b>FULL-TIME EQUIVALENTS</b>         | 5.58  | 0.00   | 0.00                              | 0.00                       | 0.00                                   | 93.55                             | 749.56               |



**General  
Fund**

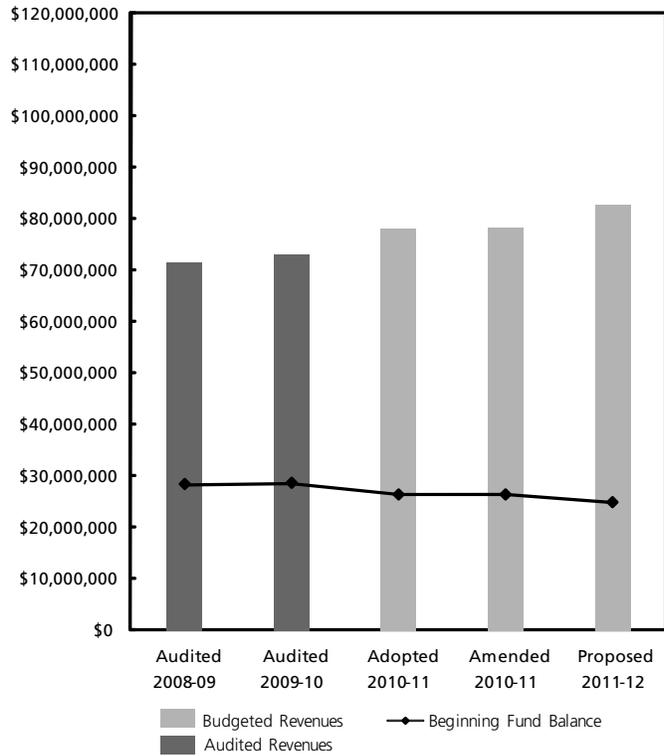


# General Fund

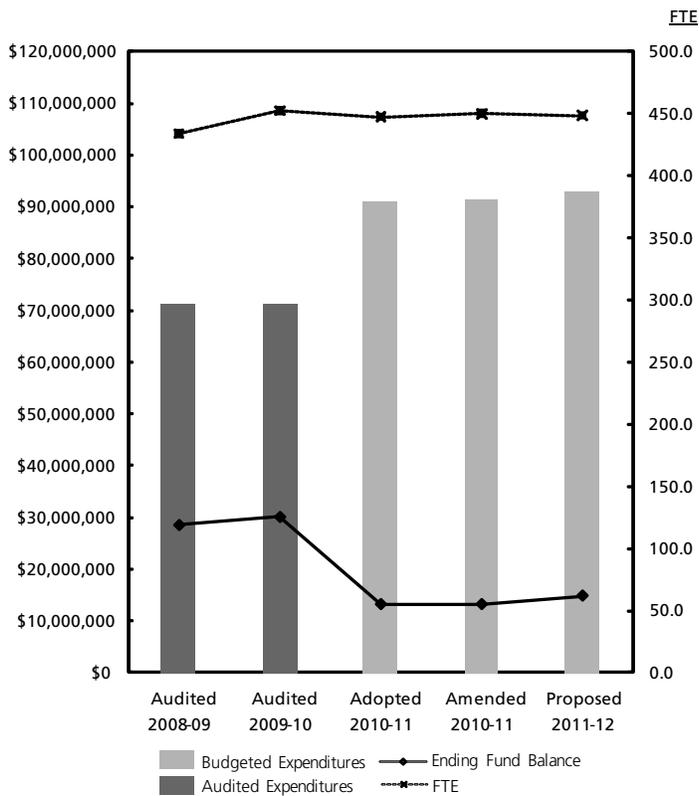
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$28,386,763          | \$28,627,795          | \$26,354,341          | \$26,354,341          | \$24,851,393           |                        |                       | (5.70%)                                 |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Real Property Taxes                  | 10,755,647            | 11,232,027            | 11,294,190            | 11,294,190            | 11,767,309             |                        |                       | 4.19%                                   |
| Excise Tax                           | 14,705,646            | 14,392,093            | 16,203,937            | 16,203,937            | 16,705,765             |                        |                       | 3.10%                                   |
| Grants                               | 11,791,588            | 11,299,557            | 11,705,714            | 11,705,714            | 11,903,841             |                        |                       | 1.69%                                   |
| Local Gov't Shared Revenues          | 500,473               | 509,323               | 571,000               | 571,000               | 553,644                |                        |                       | (3.04%)                                 |
| Contributions from other Gov'ts      | 266,319               | 1,505,000             | 1,604,464             | 1,790,327             | 3,024,060              |                        |                       | 68.91%                                  |
| Enterprise Revenue                   | 22,009,056            | 21,263,900            | 23,323,913            | 23,323,913            | 23,893,766             |                        |                       | 2.44%                                   |
| Interest Earnings                    | 853,452               | 220,523               | 235,000               | 235,000               | 107,000                |                        |                       | (54.47%)                                |
| Donations                            | 1,241,569             | 1,245,662             | 1,054,600             | 1,054,600             | 1,065,100              |                        |                       | 1.00%                                   |
| Other Misc. Revenue                  | 2,377,196             | 1,935,746             | 1,552,972             | 1,552,972             | 138,689                |                        |                       | (91.07%)                                |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Interfund Reimbursements             | 6,076,258             | 6,580,770             | 7,271,150             | 7,271,150             | 7,640,708              |                        |                       | 5.08%                                   |
| Internal Service Transfers           | 823,147               | 2,628,680             | 3,028,854             | 3,028,854             | 2,904,264              |                        |                       | (4.11%)                                 |
| Fund Equity Transfers                | 97,174                | 100,000               | 128,000               | 128,000               | 3,172,805              |                        |                       | 2378.75%                                |
| <b>Subtotal Current Revenues</b>     | <b>71,497,525</b>     | <b>72,913,281</b>     | <b>77,973,794</b>     | <b>78,159,657</b>     | <b>82,876,951</b>      |                        |                       | <b>6.04%</b>                            |
| <b>TOTAL RESOURCES</b>               | <b>\$99,884,288</b>   | <b>\$101,541,076</b>  | <b>\$104,328,135</b>  | <b>\$104,513,998</b>  | <b>\$107,728,344</b>   |                        |                       | <b>3.08%</b>                            |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Personal Services                    | \$42,233,652          | \$44,517,228          | \$47,184,737          | \$47,510,894          | \$49,506,136           |                        |                       | 4.20%                                   |
| Materials and Services               | 21,769,021            | 21,288,597            | 34,629,776            | 34,526,868            | 32,878,674             |                        |                       | (4.77%)                                 |
| Capital Outlay                       | 93,924                | 40,838                | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| Debt Service                         | 2,010,698             | 1,472,339             | 1,529,472             | 1,529,472             | 1,588,215              |                        |                       | 3.84%                                   |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Interfund Reimbursements             | 672,186               | 445,013               | 476,219               | 476,219               | 727,260                |                        |                       | 52.72%                                  |
| Internal Service Transfers           | 91,740                | 0                     | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| Fund Equity Transfers                | 4,385,272             | 3,582,293             | 3,837,335             | 3,837,335             | 4,042,304              |                        |                       | 5.34%                                   |
| Contingency                          | 0                     | 0                     | 3,478,646             | 3,441,260             | 4,212,000              |                        |                       | 22.40%                                  |
| <b>Subtotal Current Expenditures</b> | <b>71,256,493</b>     | <b>71,346,308</b>     | <b>91,136,185</b>     | <b>91,322,048</b>     | <b>92,954,589</b>      |                        |                       | <b>1.79%</b>                            |
| <i>Ending Fund Balance</i>           | <i>28,627,795</i>     | <i>30,194,768</i>     | <i>13,191,950</i>     | <i>13,191,950</i>     | <i>14,773,755</i>      |                        |                       | <i>11.99%</i>                           |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$99,884,288</b>   | <b>\$101,541,076</b>  | <b>\$104,328,135</b>  | <b>\$104,513,998</b>  | <b>\$107,728,344</b>   |                        |                       | <b>3.08%</b>                            |
| <b>FULL-TIME EQUIVALENTS</b>         | 434.23                | 452.59                | 447.64                | 450.15                | 449.68                 |                        |                       | (0.10%)                                 |

# General Fund

## Current revenues and fund balance



## Current expenditures and full time equivalents



# General Fund

The General Fund includes the operating costs of the Council Office, Office of Metro Auditor, Office of Metro Attorney, Oregon Zoo, Parks and Environmental Services, Planning and Development, Research Center, Sustainability Center, Communications, Finance and Regulatory Services, Human Resources, Information Services and special appropriations.

## CURRENT REVENUES

### Property taxes

Metro receives property tax revenues from a tax levy originally approved by voters in May 1990. Ballot Measure 50, approved by the voters in May 1997, converted the tax levy to a general operating permanent rate levy. Metro's permanent rate is \$0.0966 per \$1,000 of assessed value and cannot be increased even by the voters. Metro expects to receive 94 percent of the property tax levied and approximately \$343,000 in delinquent taxes.

### Excise tax

The primary general government source of revenue for the General Fund is an excise tax on the purchase of Metro goods and services. The FY 2011-12 budget includes an excise tax rate of 7.5 percent on non-solid waste tonnage related revenues and a flat fee of \$11.80 on solid waste tonnage. The collection of excise tax on revenues generated by the Oregon Zoo was eliminated effective Sept. 1, 2008, a reduction of about \$1.4 million annually. Beginning in FY 2009-10, a decline in solid waste tonnage, mirroring the economic downturn in construction, resulted in a lower forecast for general excise tax receipts; this tonnage decline continues into FY 2011-12, with a projected decrease of 5.6 percent compared to budgeted figures for FY 2010-11.

Historically the flat per-ton fee on solid waste tonnage had been in the form of two parts, a "base tax" and an "additional tax." In 2010 the Council updated the excise tax code and combined the various aspects of the tax into a single rate calculation, increasing stability and predictability. With Consumer Price Index at record low levels, the excise tax yield for FY 2011-12 increases very modestly (1.59 percent).

In March 2006 the Metro Council established a Construction Excise Tax to provide funding for regional and local planning that is required to make land ready for development after its inclusion in the urban growth boundary. The tax was initially intended to sunset when a total of \$6.3 million had been collected. This milestone was achieved during FY 2009-10. In June 2009 the Metro Council approved an ordinance extending the Construction Excise Tax for an additional five years until 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. The Construction Excise Tax is expected to generate about \$1.6 million in FY 2011-12.

### Grants

The primary planning functions of the agency – Planning and Development and the Research Center – receive approximately \$10.5 million in grant funds, about 88 percent of all General Fund grants. These functions rely on federal, state and local grants to fund most of the transportation planning and modeling programs. The delay in the federal reauthorization of transportation funding has placed a portion of these grants funds at risk. However, a \$2 million multi-year grant from the Federal Transit Administration to study the best ways to improve transit in the Southwest corridor between downtown Portland and Sherwood as well as the second year of a three year

funding commitment from the State of Oregon related to the study of greenhouse gas emissions will provide substitute or bridge funding until such time as the federal funding is reauthorized. The Sustainability Center receives about \$473,000 in grants, primarily for restoration projects on Metro-owned natural areas, and the Oregon Zoo receives about \$227,000 in grants. Grants at the Oregon Zoo support conservation projects performed in cooperation with other jurisdictions. Grant funding fluctuates annually based on project need.

### **Intergovernmental revenues**

This category includes local government shared revenues derived from registration fees for recreational vehicles, county marine fuel taxes and payments from other governmental agencies for services provided by Parks and Environmental Services. This category also includes governmental contributions to Metro programs and projects. In FY 2011-12 marine fuel taxes are expected to decrease by more than 20 percent, based on projections, while other shared revenues increase slightly due to contributions from local government partners for federal grant matching funds. In FY 2011-12 a \$2.9 million contribution from TriMet, the region's mass transportation agency, is anticipated for the transit oriented development program.

### **Enterprise revenues**

These are revenues derived from the income producing activities of the General Fund such as the Oregon Zoo and Parks and Environmental Services. They include admission fees, parking fees, food and beverage sales, gift shop sales, train rides, education fees, rental income, greens fees at Glendoveer Golf Course and sales and contracted services generated through the Data Resource Center of the Research Center. Approximately 92 percent of all General Fund enterprise revenues is generated at either the Oregon Zoo or regional parks and is heavily dependent on weather conditions. The remaining 8 percent is generated through parking fees at Metro Regional Center and the adjoining parking structure and contracts and sales through the Data Resource Center. Most revenue estimates at the Oregon Zoo are based upon per capita revenue projections combined with estimated attendance figures. Revenues at Metro's regional parks are estimated based on a three-year rolling average and local trends and conditions.

Budgeted enterprise revenues in FY 2011-12 are up 2.4 percent, about \$570,000, from FY 2010-11, with increases split fairly evenly across programs. The Oregon Zoo has experienced record-breaking attendance the last several years; the budget again projects an annual attendance of 1.6 million. Budgeted per capita spending remains mostly flat, with slight increases in revenue from concerts, special exhibits and lectures. Most enterprise revenues at Metro's regional parks are expected to remain fairly stable with respect to FY 2010-11. Grave sale revenues at pioneer cemeteries, budgeted 23 percent higher than the prior year, reflect an anticipated fee increase to be determined at the completion of the business plan. Monthly parking fees at Metro Regional Center and the attached public garage will increase by \$10.

### **Interest earnings**

Interest is earned on the unspent portion of the fund balance. Earnings are based on the current rate of Metro's average investment portfolio. In FY 2011-12 the budget assumes that an interest rate of 0.5 percent will generate about \$107,000 to the General Fund.

## **Donations**

This category includes contributions from individuals and organizations in support of general operations or specific projects. Anticipated revenues in FY 2011-12 include \$1.0 million from The Oregon Zoo Foundation for zoo operations and a transfer from the *Predators of the Serengeti* reserve. The Oregon Zoo Foundation holds a permanent reserve dedicated to the support of the *Predators of the Serengeti* exhibit. Contributions will be made from earnings on the reserve.

## **Interfund transfers**

Metro's central services, including the Office of the Chief Operating Officer, Finance and Regulatory Services, Metro Regional Center Property and Office Services, Human Resources, Information Services, Metro Attorney, Communication Design and Standards and Metro Auditor, are budgeted in the General Fund. Costs of these services are allocated to operating units through an approved cost allocation plan. Operating units that are budgeted outside the General Fund transfer approximately \$7.6 million in reimbursements. In addition, the Research Center charges for services and maintenance associated with the Data Resource Center; Parks and Environmental Services and the Sustainability Center pay the majority of the charges. Also, finance and administrative staff of Parks and Environmental Services and Sustainability Center are consolidated into one working group in Parks and Environmental Services. Costs are allocated to the various programs of the Sustainability Center.

## **CURRENT EXPENDITURES**

### **Personal services**

This category includes salary, wage and fringe benefits for the 449.68 Full-Time Equivalents (FTE) in the various organizational units of the General Fund. Overall General Fund FTE decreased by 0.47 from the FY 2010-11 Amended Budget. A detailed discussion of staff changes can be found in the budget summary. In addition to staffing changes, all organizational units have experienced increases in personal services costs related to salary increases, pension and health and welfare costs. The budget assumptions reviewed by Council included a variety of anticipated salary adjustments for cost of living, merit pay, annual step and other possible changes related to collective bargaining and classification studies. Also, the budget provides for a 5.2 percent increase in employer pension contributions based on the latest Oregon Public Employees Retirement System (PERS) actuarial study and assumes a 10 percent increase in Metro's contribution to health and welfare premiums. A more detailed explanation of fringe benefits is included in the appendices. A ten-year comparison of salary and benefit costs is included in the budget summary.

### **Materials and services**

Expenditures in this category have decreased approximately 8.1 percent from FY 2010-11. Budgeted Payments to Other Agencies decrease in Parks and Environmental Services due to the change to in-house fleet management, rather than contracting with Multnomah County. Contracted Professional Services are down in the Sustainability Center due to a decrease in projects being carried forward from the prior year and fewer grant related projects. In addition, expected spending for the Community Investment Strategy is down from FY 2010-11, as are budgeted Construction Excise Tax grants.

Planning related expenditures are closely tied to grant funding. About 85 percent of Planning and Development and Research Center materials and services costs, about \$8.8 million, are for contracted professional services, Transit Oriented Development land purchases or pass-through of grant funds to other governments.

## Capital outlay

All major capital projects and renewal and replacement projects are budgeted in the Metro Capital Fund or the General Renewal and Replacement Fund.

## Debt service

In fall 2005 Metro joined with a pool of other local governments in Oregon to issue limited tax pension obligation bonds to fund its share of the Oregon PERS' 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. Annual principal and interest costs has been funded through assessments to centers and services based on eligible salary and are paid through the general expense section of the General Fund. For FY 2011-12, debt payments will be funded from reserves accumulated for future pension liability. Additional explanation is provided under the section on Fund Balance below.

## Transfers

There are two types of transfers from the General Fund: (1) interfund reimbursements for risk management services, and (2) fund equity transfers of resources. Transfers of resources account for almost 85 percent of expenditures in this category including:

- The transfer of approximately \$1.5 million in annual renewal and replacement contributions to the General Renewal and Replacement Fund.
- The transfer of approximately \$1.9 million to the General Revenue Bond Fund for debt service.
- The transfer of \$480,000 from the Metro Tourism Opportunity and Competitiveness Account to the Oregon Convention Center.

## Contingency

A contingency provides for unforeseen needs throughout the year. Expenditures from contingency may be made only through Council adoption of an ordinance amending the budget. Any transfer from contingency that would exceed a cumulative amount greater than 15 percent of expenditures requires a full supplemental budget amendment. The FY 2011-12 contingency is made up of two types: (1) a general contingency and reserve to provide for unforeseen events through the year, and (2) specific amounts set aside for future needs designated through Council action. Contingency and reserves are budgeted in accordance with Council approved financial policies.

## FUND BALANCE

The fund balance of the General Fund is the combined balance for several major operating units — Oregon Zoo, Planning and Development, Research Center, Sustainability Center and Parks and Environmental Services — as well as all general government and central service functions such as Metro Council, Metro Attorney, Metro Auditor, Finance and Regulatory Services, Human Resources, Information Services and Communications. It includes several dedicated reserves such as a reserve for future debt service on the full faith and credit bonds for the Metro Regional Center and the PERS Reserve for pension liability (see additional discussion on PERS Reserve below). Fund balance also includes reserves for cash flow and fund stabilization. Metro performed a comprehensive review of fund balance needs in the General Fund. Based on this analysis, approved policies call for a minimum of 7 percent of operating revenues to be set aside in either a contingency or stabilization reserve to guard against unexpected downturns in revenues and to stabilize resulting budget action. The target was set to provide a 90 percent confidence level that revenues might dip below this amount only once in a 10 year period.

### **PERS Reserve**

An actuarial study for the July 2009 rate period reduced Metro's rates by three percent because it reflected only the period prior to the economic downturn. Metro wisely recognized that the rates would be returning and increasing to even higher levels in July 2011, possibly by as much as six percent. Instead of spending the short-term rate savings, Metro has continued to add three percent to its PERS reserve for the past two years.

As anticipated, the next PERS actuarial study increased Metro's rates by an average of 5.2 percent, effective July 1, 2011. The proposed budget will mitigate this rate increase by applying the accumulated PERS reserves to the annual debt service associated with the outstanding pension liability bonds, about \$1.6 million per year. The estimated balance of all PERS reserves at the beginning of FY 2011-12 is about \$7.9 million. The accumulated reserves will be transferred from each of the contributing funds into the General Fund reserves, earmarked for PERS debt repayment over the next three to five years, depending on the next actuarial evaluation. The PERS reserve balance at the end of FY 2011-12 is estimated to be \$6.24 million and will gradually decrease over the next five years.

**General  
Obligation  
Bond Debt  
Service  
Fund**

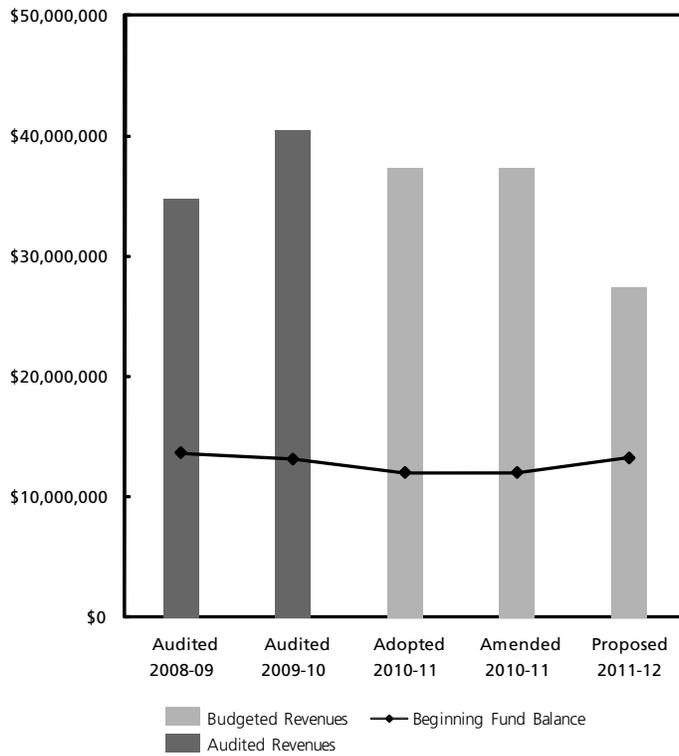


## General Obligation Bond Debt Service Fund

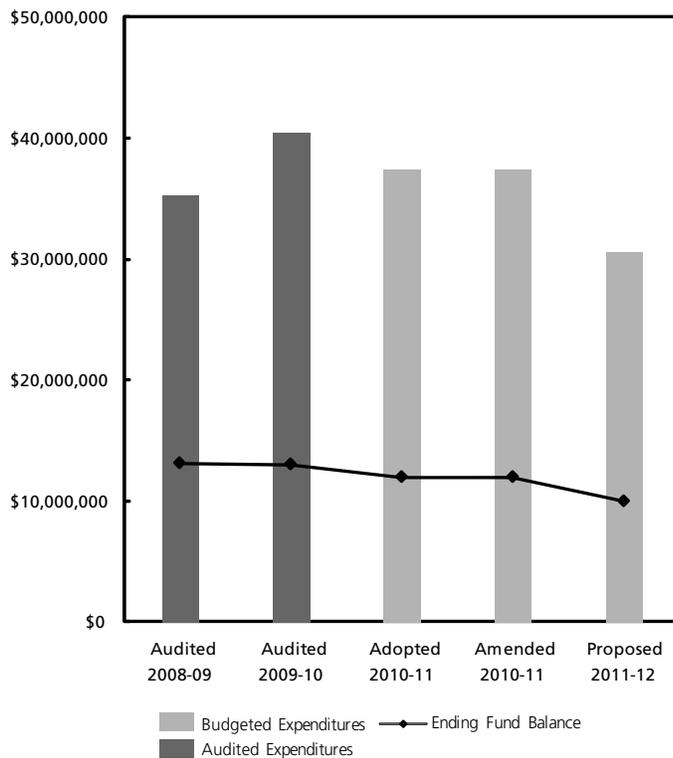
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$13,661,489          | \$13,133,831          | \$12,045,000          | \$12,045,000          | \$13,226,000           |                        |                       | 9.80%                                   |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Real Property Taxes                  | 34,141,449            | 40,225,036            | 37,189,159            | 37,189,159            | 27,271,842             |                        |                       | (26.67%)                                |
| Contributions from other Gov'ts      | 0                     | 0                     | 0                     | 0                     | 19,039                 |                        |                       | 0.00%                                   |
| Interest Earnings                    | 606,851               | 162,612               | 100,000               | 100,000               | 100,000                |                        |                       | 0.00%                                   |
| <b>Subtotal Current Revenues</b>     | <b>34,748,300</b>     | <b>40,387,648</b>     | <b>37,289,159</b>     | <b>37,289,159</b>     | <b>27,390,881</b>      |                        |                       | <b>(26.54%)</b>                         |
| <b>TOTAL RESOURCES</b>               | <b>\$48,409,789</b>   | <b>\$53,521,479</b>   | <b>\$49,334,159</b>   | <b>\$49,334,159</b>   | <b>\$40,616,881</b>    |                        |                       | <b>(17.67%)</b>                         |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Debt Service                         | \$35,275,958          | \$40,480,021          | \$37,325,783          | \$37,325,783          | \$30,579,525           |                        |                       | (18.07%)                                |
| <b>Subtotal Current Expenditures</b> | <b>35,275,958</b>     | <b>40,480,021</b>     | <b>37,325,783</b>     | <b>37,325,783</b>     | <b>30,579,525</b>      |                        |                       | <b>(18.07%)</b>                         |
| <i>Ending Fund Balance</i>           | <i>13,133,831</i>     | <i>13,041,458</i>     | <i>12,008,376</i>     | <i>12,008,376</i>     | <i>10,037,356</i>      |                        |                       | (16.41%)                                |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$48,409,789</b>   | <b>\$53,521,479</b>   | <b>\$49,334,159</b>   | <b>\$49,334,159</b>   | <b>\$40,616,881</b>    |                        |                       | <b>(17.67%)</b>                         |
| <b>FULL-TIME EQUIVALENTS</b>         | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                   |                        |                       | 0.00%                                   |

# General Obligation Bond Debt Service Fund

## Current revenues and fund balance



## Current expenditures



# **General Obligation Bond Debt Service Fund**

The General Obligation Bond Debt Service Fund receives property tax revenue from voter-approved levies and pays principal and interest due to holders of Metro's outstanding general obligation bonds. The fund contains debt service payments for each of Metro's existing general obligation bond series.

The Convention Center Project Debt Service Account pays the principal and interest due on the 2001 Series A general obligation refunding bonds (Oregon Convention Center project). In FY 2011-12 \$5,521,040 is due. In July 2001 Metro refinanced the 1992 Series A Convention Center refunding bonds, saving approximately \$4.2 million in interest payments over the next 10 years.

In November 2002 Metro refinanced the 1995 Series A and C Open Spaces, Parks and Streams bonds. The refinancing resulted in a net present value savings of \$6.1 million. In FY 2011-12 the total due is \$10,424,688.

In May 2005 Metro refinanced the callable portion of the 1996 Series A Oregon Project general obligation bonds, resulting in net present value savings of \$1,427,412. In FY 2011-12 the total due is \$2,263,650.

In November 2006 the voters approved the \$227.4 million Natural Areas general obligation bonds. The first series under this authorization was issued in April 2006. The debt service due in FY 2011-12 is \$141,750.

In November 2008 the voters approved a \$125 million bond measure for Oregon Zoo infrastructure and projects related to animal welfare. A small \$5 million two-year privately placed bond was issued in December 2008 and paid off in full on the call date in June 2010. Another \$15 million privately placed bond was issued in August 2010. Debt service due during FY 2011-12 is \$4,219,397.

## **CURRENT REVENUES**

### **Property taxes**

Property taxes are levied to meet the outstanding requirements of the general obligation bonds. The levy amount is the amount needed to pay debt obligations assuming a 94 percent collection rate.

### **Interest**

Interest is earned on the average cash balance of the fund, based on the current rates of Metro's investment portfolio. Under Governmental Accounting Standards Board Rule #31, interest earnings are adjusted to reflect market value of investments. As a result, interest earnings are less predictable and result in greater variability from year to year. The average interest earnings rate for FY 2011-12 is expected to fall to 0.5 percent.

## **CURRENT EXPENDITURES**

### **Debt service**

Principal and interest payments on the outstanding general obligation bonds are based on the actual debt service schedules for each issue. Debt service payments are made semi-annually.

## **FUND BALANCE**

All of Metro's existing general obligation bonds have payments due early in the fiscal year, before property tax payments are received. All accounts, therefore, have ending fund balances of sufficient size to carry funds over to the following fiscal year to make the first debt service payment. Ending balances are adjusted over time to meet the requirements of debt obligations.

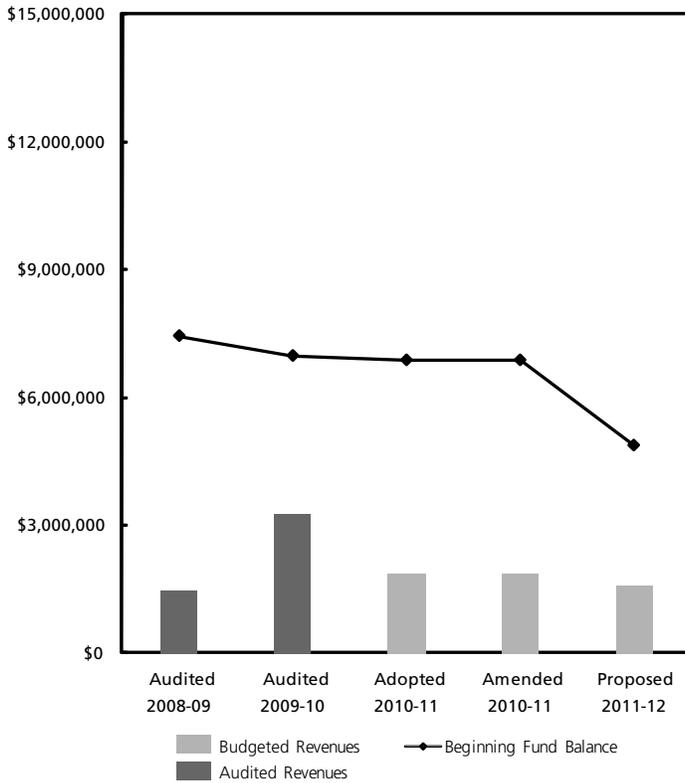
**General  
Renewal  
and  
Replacement  
Fund**



## General Renewal and Replacement Fund

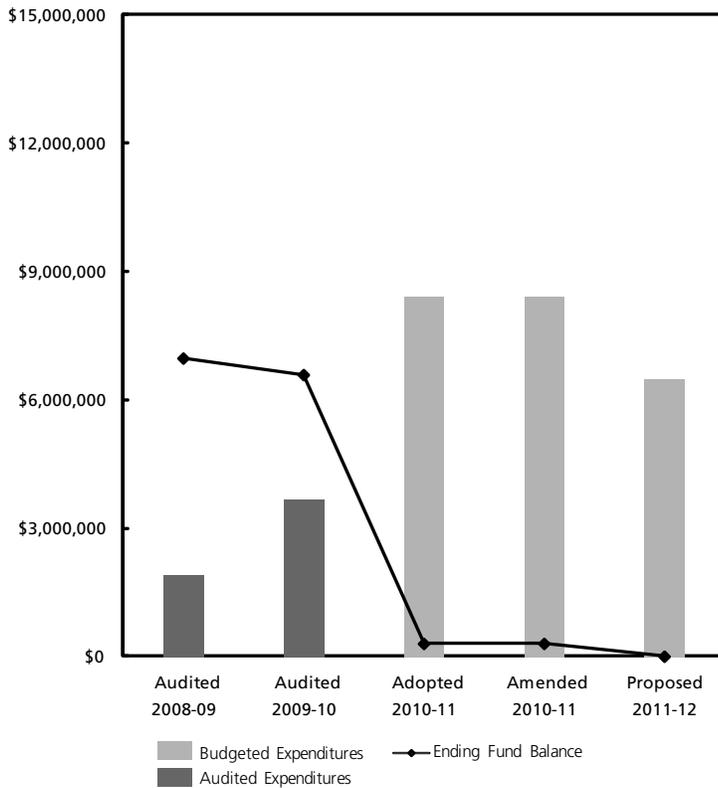
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$7,444,290           | \$6,978,925           | \$6,876,878           | \$6,876,878           | \$4,882,690            |                        |                       | (29.00%)                                |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Grants                               | 63,764                | 1,188,332             | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| Interest Earnings                    | 229,909               | 65,726                | 58,777                | 58,777                | 24,000                 |                        |                       | (59.17%)                                |
| Donations                            | 0                     | 32,000                | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| Other Misc. Revenue                  | 0                     | 966                   | 500,000               | 500,000               | 0                      |                        |                       | (100.00%)                               |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Fund Equity Transfers                | 1,161,459             | 1,989,175             | 1,282,635             | 1,282,635             | 1,572,505              |                        |                       | 22.60%                                  |
| <b>Subtotal Current Revenues</b>     | <b>1,455,132</b>      | <b>3,276,199</b>      | <b>1,841,412</b>      | <b>1,841,412</b>      | <b>1,596,505</b>       |                        |                       | <b>(13.30%)</b>                         |
| <b>TOTAL RESOURCES</b>               | <b>\$8,899,422</b>    | <b>\$10,255,124</b>   | <b>\$8,718,290</b>    | <b>\$8,718,290</b>    | <b>\$6,479,195</b>     |                        |                       | <b>(25.68%)</b>                         |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Materials and Services               | \$501,349             | \$842,370             | \$881,657             | \$881,657             | \$995,954              |                        |                       | 12.96%                                  |
| Capital Outlay                       | 1,044,148             | 2,821,554             | 2,537,849             | 2,537,849             | 2,329,012              |                        |                       | (8.23%)                                 |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Fund Equity Transfers                | 375,000               | 0                     | 128,000               | 128,000               | 0                      |                        |                       | (100.00%)                               |
| Contingency                          | 0                     | 0                     | 4,870,784             | 4,870,784             | 3,154,229              |                        |                       | (35.24%)                                |
| <b>Subtotal Current Expenditures</b> | <b>1,920,497</b>      | <b>3,663,924</b>      | <b>8,418,290</b>      | <b>8,418,290</b>      | <b>6,479,195</b>       |                        |                       | <b>(23.03%)</b>                         |
| <i>Ending Fund Balance</i>           | 6,978,925             | 6,591,200             | 300,000               | 300,000               | 0                      |                        |                       | (100.00%)                               |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$8,899,422</b>    | <b>\$10,255,124</b>   | <b>\$8,718,290</b>    | <b>\$8,718,290</b>    | <b>\$6,479,195</b>     |                        |                       | <b>(25.68%)</b>                         |
| <b>FULL-TIME EQUIVALENTS</b>         | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                   |                        |                       | 0.00%                                   |

## Current revenues and fund balance



# General Renewal and Replacement Fund

## Current expenditures



# General Renewal and Replacement Fund

The General Renewal and Replacement Fund was established in FY 2008-09 to provide for Metro's general assets including all General Fund services and centers. When first set up in FY 2007-08 it was included as an account in the Metro Capital Fund. Previously, renewal and replacement was budgeted in a variety of places for specific dedicated purposes. For comparative purposes all prior years have been included.

While developing the FY 2007-08 budget, Metro undertook a comprehensive review of General Fund reserve needs. The analysis included a preliminary study of renewal and replacement requirements of Metro's existing general assets. The preliminary study, based on historical accounting data, estimated the financial investment necessary — both one-time and ongoing — to provide fully for current and future needs of existing assets. In the FY 2007-08 budget, the Metro Council directed \$5.7 million in general reserves for a one-time contribution to renewal and replacement and \$1.1 million for annual ongoing contributions. In addition, to confirm the financial investment estimates of the preliminary study, the budget appropriated \$100,000 to perform a detailed on-site inventory of assets and develop a 25 year renewal and replacement schedule. Anticipating the successful completion of this project, the variety of specific dedicated reserves was consolidated into one Renewal and Replacement Account in the Metro Capital Fund.

An engineering firm performed the study with the help of facility managers, the Capital Budget Coordinator and several interns, developing a comprehensive list of renewal and replacement requirements. The engineering firm provided or verified cost estimates and produced a schedule of needs. The comprehensive study validated the financial investment estimates initially developed in the preliminary study. The schedule of needs will be reviewed and updated on a regular basis, at least once every five years. Annual financial contributions will be adjusted if necessary to meet changing requirements. Renewal and replacement needs will be budgeted in accordance with the schedule. All projects greater than \$100,000 are listed individually in the capital improvement plan. All other projects less than \$100,000 are aggregated as a single renewal and replacement project within each service and center.

In spring 2008 a comprehensive examination of all Metro assets was completed, conforming to Governmental Accounting Standards Board (GASB) 34.

## **CURRENT REVENUES**

### **Interest earnings**

Interest is earned on the unused portion of the fund balance. Earnings are based on the current rates of Metro's average investment portfolio. For FY 2011-12 an interest rate of 0.5 percent will produce \$24,000, a decline of \$34,777 from the previous year.

### **Interfund transfers**

Annual ongoing contributions to the renewal and replacement reserve are necessary to meet scheduled requirements. The General Fund contributes approximately \$1.5 million from a variety of sources, an increase of about \$215,000 from FY 2010-11. Of this, \$100,000 is a scheduled increase to cover overall increase in costs and additions of assets. An increase of \$115,000 is a result of transferring fleet management from Multnomah County to Metro. Annual contributions are intended to be relatively constant but are adjusted periodically to recognize new assets when they are put into service.

## **CURRENT EXPENDITURES**

### **Materials and services**

Expenditures in this category reflect potential renewal and replacement projects that do not meet the threshold of major capital improvement and which, by definition, are considered capital maintenance. These projects are aggregated by organizational unit and included in the renewal and replacement schedule. Capital maintenance projects costing more than \$100,000 are called out separately in the capital improvement plan.

### **Capital outlay**

This category represents renewal and replacement projects approved in Metro's capital budget. Projects costing more than \$100,000 are included in the capital improvement plan. All other projects are aggregated by organizational unit into one general renewal and replacement project. For additional information see the FY 2011-12 Capital Improvement Plan section of this budget document.

### **Interfund transfers**

Major capital construction projects may include a portion that is considered renewal and replacement. Funds are transferred from the General Renewal and Replacement Fund to the Metro Capital Fund for the capital project in those cases.

### **Contingency**

A contingency provides for unforeseen needs throughout the year. Expenditures from contingency may be made only through Council adoption of an ordinance amending the budget. Any transfer from contingency throughout the year that would exceed a cumulative amount greater than 15 percent of expenditures requires a full supplemental budget amendment. A large contingency is maintained for renewal and replacement in the event that a planned project is accelerated or a future project becomes necessary earlier due to a failing component.

## **FUND BALANCE**

This represents the balance of the general renewal and replacement reserve. The reserve amount will fluctuate from year to year based on project needs. The current financial plan for renewal and replacement provides for a positive balance in the reserve for the next 15 years. The schedule of needs and financial plan will be reviewed annually, updated at least every five years and adjusted accordingly.



**General  
Revenue  
Bond Fund**

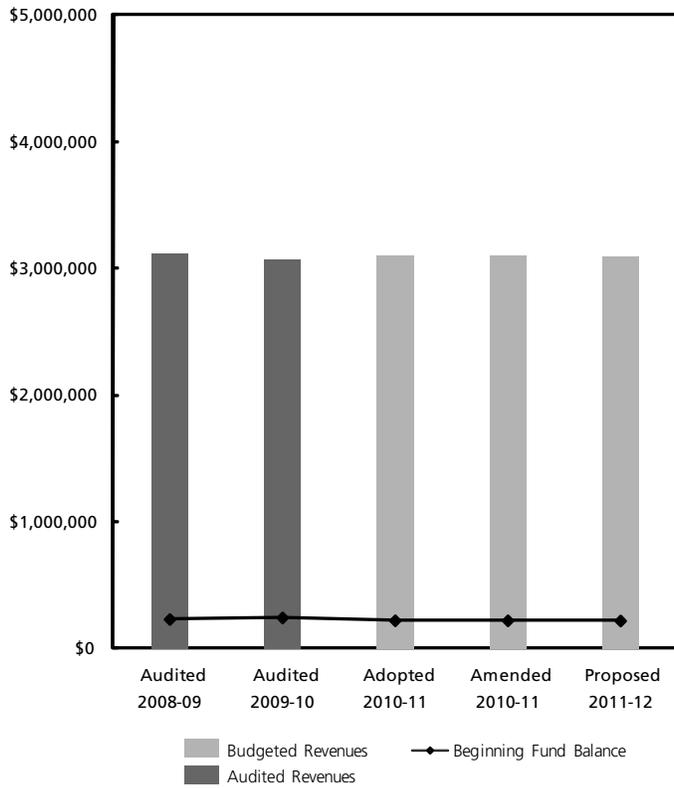


## General Revenue Bond Fund

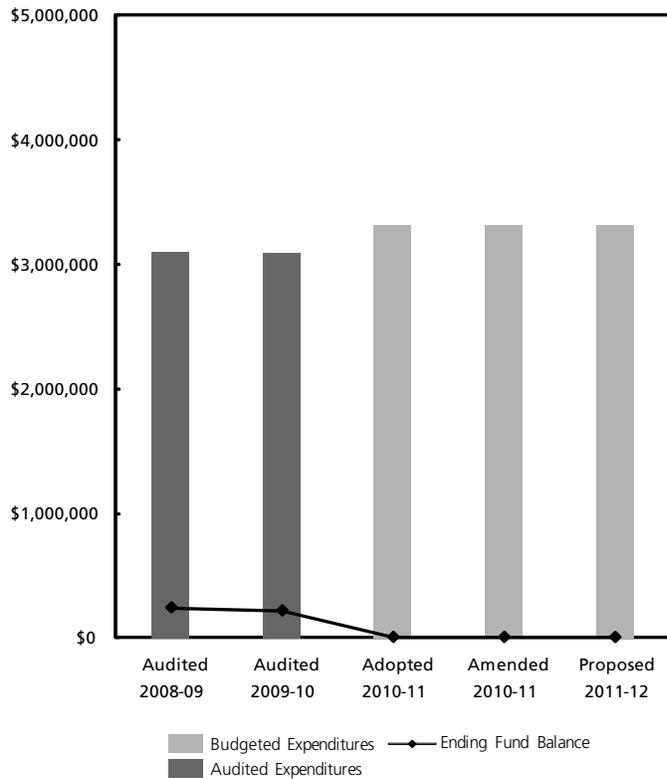
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$232,441             | \$244,668             | \$222,567             | \$222,567             | \$220,991              |                        |                       | (0.71%)                                 |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Interest Earnings                    | 12,226                | 2,245                 | 2,300                 | 2,300                 | 1,106                  |                        |                       | (51.91%)                                |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Fund Equity Transfers                | 3,098,663             | 3,066,300             | 3,098,747             | 3,098,747             | 3,093,960              |                        |                       | (0.15%)                                 |
| <b>Subtotal Current Revenues</b>     | <b>3,110,889</b>      | <b>3,068,545</b>      | <b>3,101,047</b>      | <b>3,101,047</b>      | <b>3,095,066</b>       |                        |                       | <b>(0.19%)</b>                          |
| <b>TOTAL RESOURCES</b>               | <b>\$3,343,330</b>    | <b>\$3,313,213</b>    | <b>\$3,323,614</b>    | <b>\$3,323,614</b>    | <b>\$3,316,057</b>     |                        |                       | <b>(0.23%)</b>                          |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Capital Outlay                       | 0                     | 0                     | 219,090               | 219,090               | 216,821                |                        |                       | (1.04%)                                 |
| Debt Service                         | 3,098,662             | 3,093,299             | 3,098,747             | 3,098,747             | 3,093,960              |                        |                       | (0.15%)                                 |
| <b>Subtotal Current Expenditures</b> | <b>3,098,662</b>      | <b>3,093,299</b>      | <b>3,317,837</b>      | <b>3,317,837</b>      | <b>3,310,781</b>       |                        |                       | <b>(0.21%)</b>                          |
| <i>Ending Fund Balance</i>           | 244,668               | 219,914               | 5,777                 | 5,777                 | 5,276                  |                        |                       | (8.67%)                                 |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$3,343,330</b>    | <b>\$3,313,213</b>    | <b>\$3,323,614</b>    | <b>\$3,323,614</b>    | <b>\$3,316,057</b>     |                        |                       | <b>(0.23%)</b>                          |
| <b>FULL-TIME EQUIVALENTS</b>         | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                   |                        |                       | 0.00%                                   |

# General Revenue Bond Fund

## Current revenues and fund balance



## Current expenditures



# **General Revenue Bond Fund**

The General Revenue Bond Fund was established to account for bond proceeds used to construct Metro Regional Center and the assessments against Metro centers and services to pay debt service on those bonds. In FY 1995–96 the fund was expanded to include loan proceeds for the Washington Park parking lot renovation and a contribution to TriMet for the Oregon Zoo light rail station. In FY 1999–2000 the fund was again amended to include loan proceeds from the Oregon Economic and Community Development Department (OECDD) used to replace Hall D at the Portland Expo Center (Expo). In the future, this financing method and fund could be used to pay for other general purpose capital items.

## **Project account**

This account was created in FY 1995–96 to provide for expenditures related to the Washington Park parking lot renovation and the contribution to TriMet for the zoo light rail station. Beginning in FY 1999–2000 it was also used to account for expenses associated with the Hall D Replacement Project.

## **Debt service account**

This account is used to pay principal and interest due on the outstanding debt. In FY 2003–04 the Metro Regional Center general revenue bonds and Washington Park parking lot OECDD loans were refinanced with full faith and credit bonds. The refinancing resulted in a net present value savings of almost \$2.5 million, or 10 percent. Debt service on the Metro Regional Center bonds is paid from assessments allocated to the operations and activities of Metro that use the Metro Regional Center and from fees and charges for the use of the attached parking structure. Debt service on the outstanding obligation for the Washington Park parking lot is paid by zoo revenues. In April 2006 Metro issued full faith and credit bonds to refund the outstanding OECDD loan for the replacement of Hall D at the Expo Center. The refinancing resulted in a net present value savings of almost \$759,000 or 5.05 percent. Debt service on these refunding bonds is paid by Expo revenues.

## **CURRENT REVENUES**

### **Interest earnings**

Interest is earned on the unused portion of the fund balance. Earnings are based on the current rates of Metro's average investment portfolio. For FY 2011-12 average interest rates are assumed at 0.5 percent.

### **Interfund transfers**

Debt service on the full faith and credit bonds for Metro Regional Center is paid from assessments allocated to the operations and activities of Metro that use Metro Regional Center, and fees and charges for the use of the attached parking structure. The fees, charges and assessments are collected within the General Fund and are transferred to the General Revenue Bond Fund for payment of debt service. Debt service for the Washington Park parking lot obligations is repaid by revenues transferred from zoo operations. Debt service on the obligations for Hall D is repaid by Expo revenues transferred from the MERC Fund.

## **CURRENT EXPENDITURES**

### **Capital outlay**

Capital outlay requirements in this fund are dependent on anticipated projects and vary from year to year. A small amount continues to be carried forward and budgeted every year for completion of the auxiliary lot at the Washington Park parking lot, should the permitting issues resolve.

**Debt service**

This category contains principal and interest due on the outstanding full faith and credit bonds. Debt service payments are made semi-annually and are tied to the debt service schedule. The Metro Regional Center revenue bonds and the Washington Park parking lot OECDD loans were refinanced in FY 2003–04. The 2003 series full faith and credit refinancing bonds will be repaid over 20 years and will fully mature in 2022. The 2006 series full faith and credit bonds will be repaid over 18.5 years, the remaining life of the former OECDD loan, and will retire in 2024.

**Contingency**

The fund is now primarily a debt service fund. Since debt costs can be easily estimated based on debt service schedules, no contingency is provided for the fund.

**FUND BALANCE**

The fund balance contains a small amount in the debt service account and the amount that is carried forward for the Washington Park parking lot project.



**Metro  
Capital  
Fund**

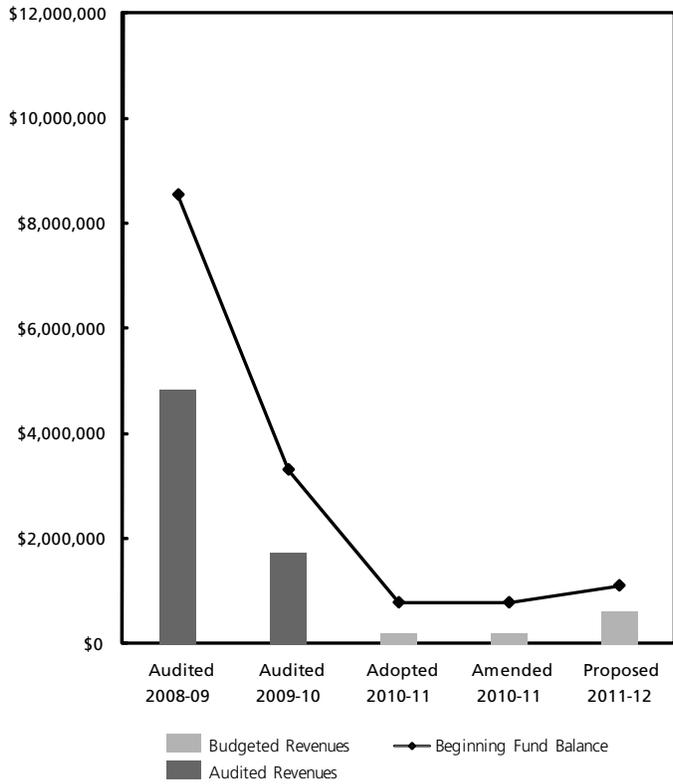


# Metro Capital Fund

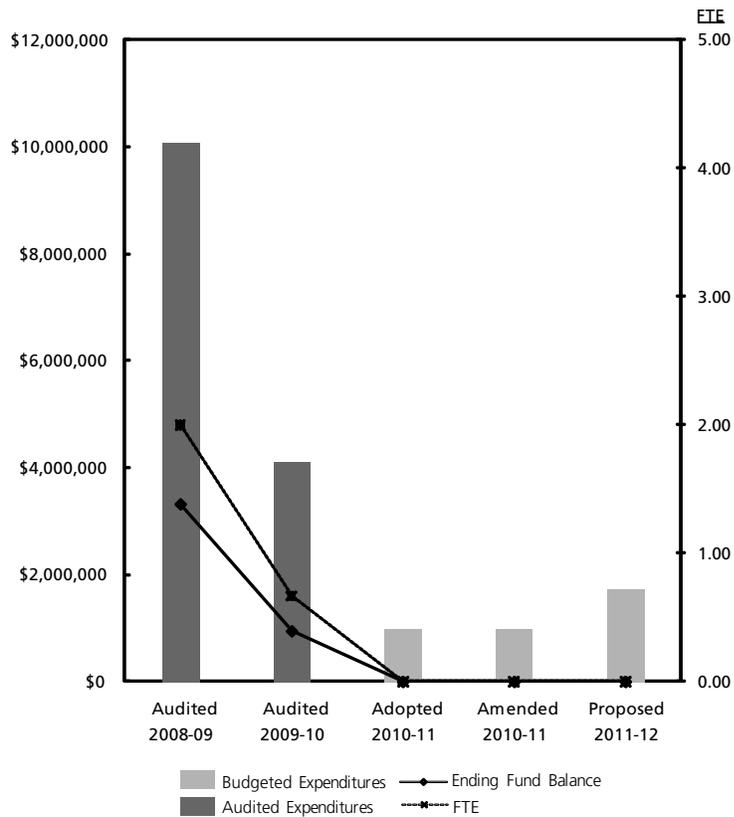
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$8,544,730           | \$3,315,015           | \$787,638             | \$787,638             | \$1,109,802            |                        |                       | 40.90%                                  |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Grants                               | 1,851,255             | 37,792                | 49,500                | 49,500                | 0                      |                        |                       | (100.00%)                               |
| Interest Earnings                    | 198,670               | 20,912                | 3,900                 | 3,900                 | 9,298                  |                        |                       | 138.41%                                 |
| Donations                            | 1,910,627             | 1,540,705             | 136,830               | 136,830               | 600,000                |                        |                       | 338.50%                                 |
| Other Misc. Revenue                  | 2,571                 | 9,302                 | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Fund Equity Transfers                | 895,000               | 139,000               | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| <b>Subtotal Current Revenues</b>     | <b>4,858,123</b>      | <b>1,747,711</b>      | <b>190,230</b>        | <b>190,230</b>        | <b>609,298</b>         |                        |                       | <b>220.30%</b>                          |
| <b>TOTAL RESOURCES</b>               | <b>\$13,402,853</b>   | <b>\$5,062,726</b>    | <b>\$977,868</b>      | <b>\$977,868</b>      | <b>\$1,719,100</b>     |                        |                       | <b>75.80%</b>                           |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Personal Services                    | \$105,147             | \$84,449              | \$0                   | \$0                   | \$0                    |                        |                       | 0.00%                                   |
| Capital Outlay                       | 9,885,517             | 3,183,255             | 559,500               | 559,500               | 1,155,200              |                        |                       | 106.47%                                 |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Fund Equity Transfers                | 97,174                | 849,942               | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| Contingency                          | 0                     | 0                     | 418,368               | 418,368               | 563,900                |                        |                       | 34.79%                                  |
| <b>Subtotal Current Expenditures</b> | <b>10,087,838</b>     | <b>4,117,646</b>      | <b>977,868</b>        | <b>977,868</b>        | <b>1,719,100</b>       |                        |                       | <b>75.80%</b>                           |
| <i>Ending Fund Balance</i>           | <i>3,315,015</i>      | <i>945,080</i>        | <i>0</i>              | <i>0</i>              | <i>0</i>               |                        |                       | <i>0.00%</i>                            |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$13,402,853</b>   | <b>\$5,062,726</b>    | <b>\$977,868</b>      | <b>\$977,868</b>      | <b>\$1,719,100</b>     |                        |                       | <b>75.80%</b>                           |
| <b>FULL-TIME EQUIVALENTS</b>         | <b>2.00</b>           | <b>0.67</b>           | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>            |                        |                       | <b>0.00%</b>                            |

# Metro Capital Fund

## Current revenues and fund balance



## Current expenditures and full-time equivalents



# **Metro Capital Fund**

The Metro Capital Fund was created in FY 2005–06 as part of the fund consolidation that occurred with the implementation of the Strategic Budgeting Initiative. The fund combined the Regional Parks Capital Fund, the Regional Parks Special Accounts Fund and the Zoo Capital Fund into the consolidated capital fund. Several renewal and replacement reserves formerly held in various other funds were also transferred to this new fund to create dedicated reserves. In FY 2008-09 a new fund was created for renewal and replacement projects.

The Metro Capital Fund is structured into four capital project accounts and two special project accounts transferred from Multnomah County. The consolidated renewal and replacement account was established in FY 2007-08, (now in its own separate fund), by combining five individual accounts formerly designated for specific purposes into one account designed to meet the needs of all operating units in the General Fund.

The full purpose of this fund is still evolving. Additional accounts may be added as other capital expenditures are consolidated into this fund.

## **Information Services Capital Projects**

Provides for new capital projects of Information Services.

## **Oregon Zoo Capital Projects Account**

Provides for new capital projects of the Oregon Zoo.

## **Regional Parks Capital Projects Account**

Provides for new capital projects of the regional parks facilities.

## **Regional Parks Capital Oxbow Park Nature Center Account**

Metro received dedicated funds from Multnomah County when it accepted the transfer of park facilities and operations. The account is dedicated to the development of a nature center at Oxbow Regional Park.

## **All other Capital**

This category includes new capital projects for the Metro Regional Center.

## **CURRENT REVENUES**

### **Grants**

Grants received are project specific. No grants are expected in FY 2011-12.

### **Government contributions**

These revenues represent contributions from various governments to support a particular capital project. No government contributions are expected in FY 2011-12.

### **Interest earnings**

Interest is earned on the unused portion of the fund balance. Earnings are based on the current rates of Metro's average investment portfolio. For FY 2011-12 an interest rate of 0.5 percent is assumed.

## **Donations**

This category includes donations either to support a particular project or support the capital needs of a specific department. The Oregon Zoo Foundation has raised \$450,000 for veterinary medical equipment to be purchased in FY 2011-12. The foundation has committed to raise \$600,000 in FY 2011-12 to fund the aviary marsh mesh project.

## **Interfund transfers**

Interfund transfers are received for a variety of purposes. Some of these transfers are one-time in nature. Others will be ongoing, although the amount may vary from year-to-year based on need. No transfers are expected in FY 2011-12.

## **CURRENT EXPENDITURES**

### **Personal services**

The capital budget does not include any personal services expenditures.

### **Materials and services**

Expenditures in this category in previous years included several restoration projects in the Regional Parks Capital Account. In previous years it also included potential renewal and replacement projects that do not meet the threshold of major capital improvement and which, by definition, are considered capital maintenance and are now in the General Renewal and Replacement Fund.

### **Capital outlay**

This category represents capital projects approved in Metro's capital improvement plan. In FY 2009-10 capital project threshold increased to \$100,000 from \$50,000. The Oregon Zoo includes \$450,000 for the veterinary medical equipment for the new veterinary hospital. The aviary marsh exhibit is slated for a major overhaul.

### **Contingency**

A contingency is provided to meet unforeseen needs throughout the year. Expenditures from contingency may only be made through Council adoption of an ordinance amending the budget. Any transfer from contingency throughout the year that would exceed a cumulative amount greater than 15 percent of expenditures requires a full supplemental budget amendment, including public review.

## **FUND BALANCE**

The fund balance includes a variety of dedicated reserves associated with the accounts established in the fund. Balances in the fund will fluctuate based on project needs.



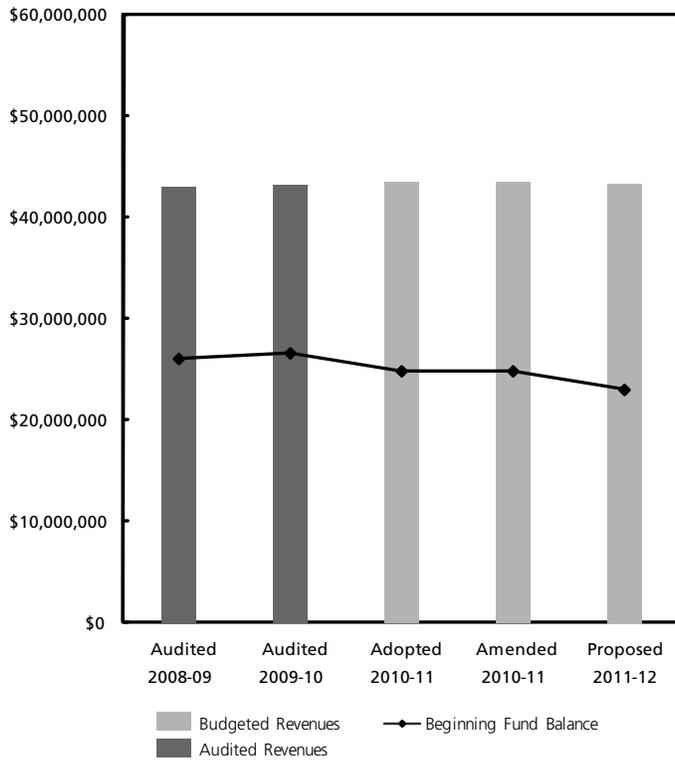
**Metropolitan  
Exposition  
Recreation  
Commission  
Fund**



# Metropolitan Exposition Recreation Commission Fund

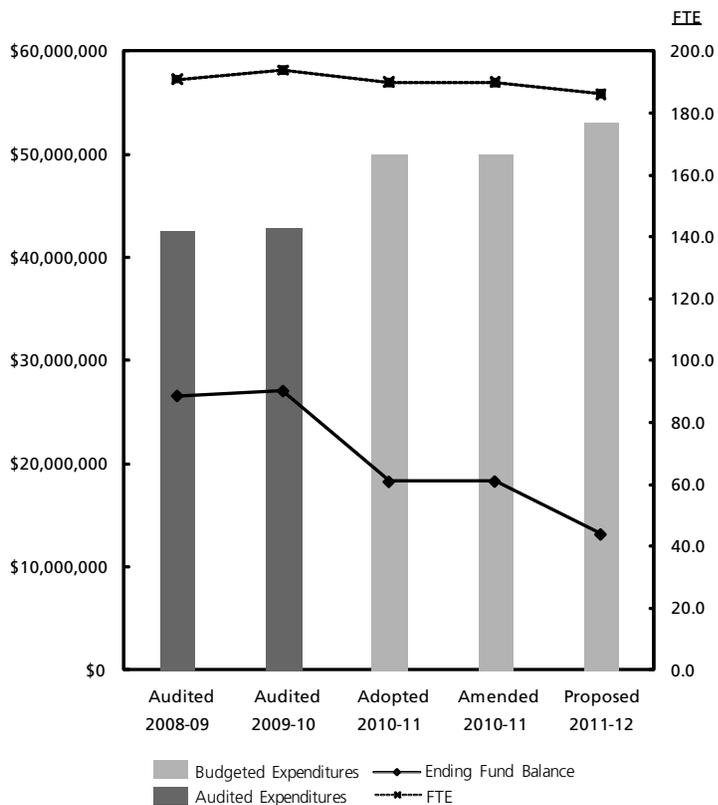
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$26,070,021          | \$26,619,235          | \$24,850,944          | \$24,850,944          | \$23,014,203           |                        |                       | (7.39%)                                 |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Grants                               | 8,075                 | 190,976               | 653,216               | 679,517               | 0                      |                        |                       | (100.00%)                               |
| Local Gov't Shared Revenues          | 10,702,509            | 9,897,188             | 10,602,508            | 10,602,508            | 11,155,335             |                        |                       | 5.21%                                   |
| Contributions from other Gov'ts      | 734,709               | 766,100               | 756,907               | 756,907               | 784,320                |                        |                       | 3.62%                                   |
| Enterprise Revenue                   | 29,718,490            | 29,511,836            | 30,017,258            | 30,017,258            | 30,105,749             |                        |                       | 0.29%                                   |
| Interest Earnings                    | 556,704               | 170,773               | 235,523               | 235,523               | 122,806                |                        |                       | (47.86%)                                |
| Donations                            | 450,742               | 2,376,370             | 585,500               | 585,500               | 510,000                |                        |                       | (12.89%)                                |
| Other Misc. Revenue                  | 163,682               | 182,973               | 123,197               | 123,197               | 131,090                |                        |                       | 6.41%                                   |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Fund Equity Transfers                | 758,083               | 187,252               | 475,000               | 475,000               | 480,000                |                        |                       | 1.05%                                   |
| <b>Subtotal Current Revenues</b>     | <b>43,092,994</b>     | <b>43,283,468</b>     | <b>43,449,109</b>     | <b>43,475,410</b>     | <b>43,289,300</b>      |                        |                       | <b>(0.43%)</b>                          |
| <b>TOTAL RESOURCES</b>               | <b>\$69,163,015</b>   | <b>\$69,902,703</b>   | <b>\$68,300,053</b>   | <b>\$68,326,354</b>   | <b>\$66,303,503</b>    |                        |                       | <b>(2.96%)</b>                          |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Personal Services                    | \$17,507,657          | \$16,800,140          | \$17,989,676          | \$17,989,676          | \$17,676,671           |                        |                       | (1.74%)                                 |
| Materials and Services               | 20,230,591            | 20,706,426            | 20,580,326            | 20,580,326            | 20,206,823             |                        |                       | (1.81%)                                 |
| Capital Outlay                       | 1,236,534             | 1,674,763             | 5,099,105             | 5,299,105             | 1,351,000              |                        |                       | (74.51%)                                |
| Debt Service                         | 17,548                | 136,362               | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Interfund Reimbursements             | 2,359,218             | 2,318,844             | 2,492,498             | 2,492,498             | 2,906,621              |                        |                       | 16.61%                                  |
| Internal Service Transfers           | 0                     | 0                     | 0                     | 0                     | 77,884                 |                        |                       | 0.00%                                   |
| Fund Equity Transfers                | 1,192,232             | 1,176,632             | 1,189,132             | 1,189,132             | 3,158,261              |                        |                       | 165.59%                                 |
| Contingency                          | 0                     | 0                     | 2,652,773             | 2,452,773             | 7,727,548              |                        |                       | 215.05%                                 |
| <b>Subtotal Current Expenditures</b> | <b>42,543,780</b>     | <b>42,813,167</b>     | <b>50,003,510</b>     | <b>50,003,510</b>     | <b>53,104,808</b>      |                        |                       | <b>6.20%</b>                            |
| <i>Ending Fund Balance</i>           | 26,619,235            | 27,089,536            | 18,296,543            | 18,322,844            | 13,198,695             |                        |                       | (27.97%)                                |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$69,163,015</b>   | <b>\$69,902,703</b>   | <b>\$68,300,053</b>   | <b>\$68,326,354</b>   | <b>\$66,303,503</b>    |                        |                       | <b>(2.96%)</b>                          |
| <b>FULL-TIME EQUIVALENTS</b>         | 191.00                | 194.00                | 190.00                | 190.00                | 185.85                 |                        |                       | (2.18%)                                 |

## Current revenues and fund balance



# Metropolitan Exposition Recreation Commission Fund

## Current expenditures and full-time equivalents



# **Metropolitan Exposition Recreation Commission Fund**

The Metropolitan Exposition Recreation Commission (MERC) Fund includes three major visitor venues: Oregon Convention Center (OCC) and the Portland Expo Center (Expo), both of which are owned by Metro, and Portland Center for the Performing Arts (PCPA) through an intergovernmental agreement with the City of Portland, which owns these facilities. Beginning in FY 2007–08 the MERC Pooled Capital Fund was absorbed into the MERC Operating Fund to create the MERC Fund. The venues are overseen by the Metropolitan Exposition Recreation Commission, a commission appointed by the Metro Council.

## **CURRENT REVENUES**

### **Local government shared revenues**

The revenues recorded in this classification are the transient lodging taxes and auto rental taxes collected by Multnomah County to support operations of OCC and PCPA. This source of revenue is expected to increase by approximately 5 percent, an indication of the improvement of the overall economy and the travel industry. The request for visitor development funding for OCC operating support is \$960,000, the same as FY 2010-11.

### **Contributions from other governments**

These revenues represent a contribution from the City of Portland to support the operations of the PCPA. The contribution is based on the prior year's actual receipts increased or decreased by Consumer Price Index.

### **Enterprise revenues**

MERC charges various fees for the use of its facilities, including rental fees, concession revenues, catering, parking and other enterprise activities. Enterprise revenue is projected to increase a modest 0.3 percent. This increase is the net result of decline in OCC revenues based upon lower conventions and an increase in the rental rates at both PCPA and Expo.

### **Interest**

Interest is calculated on the fund balance. The anticipated interest earnings are 0.5 percent in FY 2011-12 and will generate \$122,806, a decline from FY 2010-11 expected earnings of \$235,523.

### **Donations and bequests**

In the past donations received for capital improvements were recorded in the MERC Pooled Capital Fund to match the contributions with the capital projects that they fund. In FY 2007–08 the MERC Pooled Capital Fund was merged with the MERC Operating Fund. Donations are expected to be \$350,000 in FY 2011-12, a 40 percent decline from FY 2010-11. Donations are predominantly from the Friends of PCPA, and the amount is generally based upon the request from PCPA to the Friends.

### **Interfund transfers**

This category includes approximately \$480,000 provided to the OCC from General Fund revenues under the Metro Tourism Opportunity and Competitiveness Account.

## **CURRENT EXPENDITURES**

### **Personal services**

The decrease in this classification is a result of the transfer of four FTE in administrative positions to Metro and a PCPA marketing position increased from part time to full time.

## **Materials and services**

This category includes spending for goods and services required to operate and market the facilities. The major expenditures in this category are for food service contracts, utilities, marketing services and facility maintenance expenses. Expenditures are expected to fall about 1.8 percent from the FY 2010-11 budget, demonstrating efficiencies in line with the tight economy.

## **Capital outlay**

Overall spending on capital projects is decreasing about 75 percent as reserves restricted to capital outlay were expended in the prior budgeted year. Food and beverage capital investments at all three facilities in FY 2010-11 are either complete or being completed in FY 2011-12. Funding for these projects was generated from the new food and beverage contract. OCC has budgeted numerous equipment purchases as well as several revenue generating projects. PCPA plans lighting upgrades, completion of the Arlene Schnitzer roof and adding new HVAC controls at both the Arlene Schnitzer and Hatfield concert halls. Expo plans to begin portable bleacher replacement, replacing two a year over a four year period, and replacing carpets in Hall E.

## **Debt service**

This category previously included debt service for a Local Improvement District (LID) assessment from the City of Portland for the Steel Bridge Pedestrian Walkway project. The debt was defeased in FY 2009-10.

## **Interfund transfers**

In FY 2011-12 this fund contains four interfund transfers. Transfers to the General Fund are for central service charges as allocated through the cost allocation plan. Transfers to the Risk Management Fund represent MERC's costs associated with property, liability and workers' compensation insurance, claims and reserves. The transfer to the General Revenue Bond Fund is for principal and interest payments on Oregon Local Governments Full Faith and Credit bonds that refunded the OECDD loan, which provided financing for the Expo Center Hall D replacement. A one-time transfer of the approximately \$2.0 million to Metro's General Fund consolidates PERS reserves from all funds to facilitate central management of these funds.

## **Contingency**

A contingency provides for unforeseen needs throughout the year. Expenditures from contingency may be made only through Council adoption of an ordinance amending the budget. Any transfer from contingency throughout the year that would exceed a cumulative amount greater than 15 percent of expenditures requires a full supplemental budget amendment, including public review.

## **FUND BALANCE**

The beginning fund balance represents funds carried over from the previous year. These funds are used to maintain cash flow at the beginning of the fiscal year, preserve operating flexibility and provide cash reserves in the event of unexpected business downturns. The beginning fund balance is projected to be \$24.3 million. MERC expects to spend down some restricted reserves for capital improvements resulting in an anticipated ending fund balance of \$20.9 million, including unspent contingency.



# Natural Areas Fund

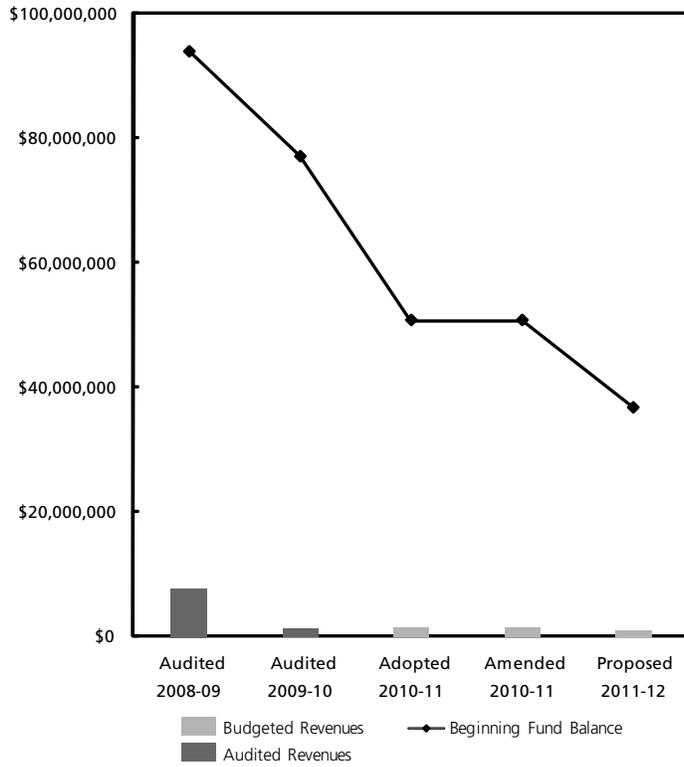


# Natural Areas Fund

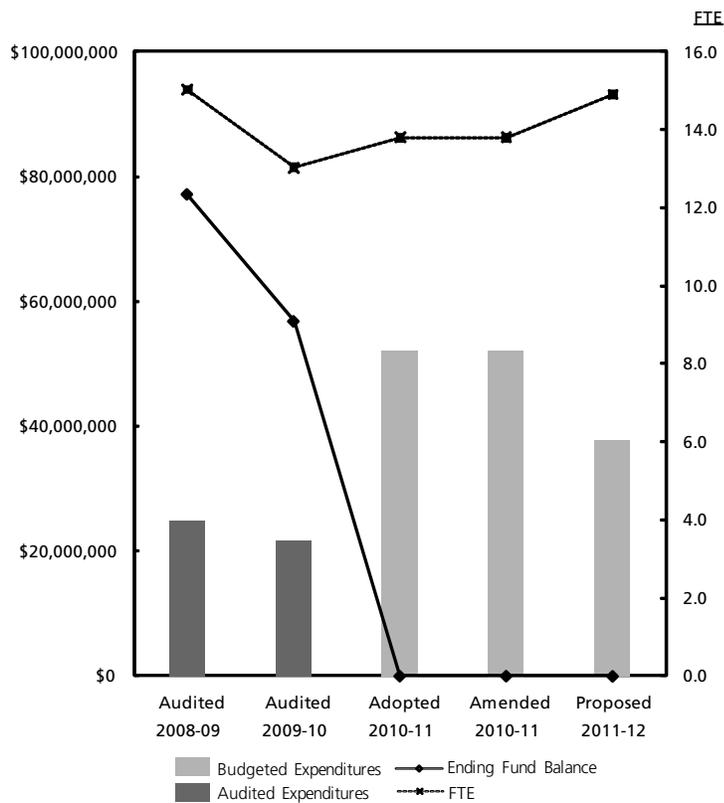
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$93,975,794          | \$77,109,207          | \$50,775,000          | \$50,775,000          | \$36,715,000           |                        |                       | (27.69%)                                |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Grants                               | 526,680               | 322,479               | 913,210               | 913,210               | 0                      |                        |                       | (100.00%)                               |
| Interest Earnings                    | 2,538,906             | 940,859               | 505,750               | 505,750               | 183,575                |                        |                       | (63.70%)                                |
| Donations                            | 4,695,376             | 0                     | 30,000                | 30,000                | 866,000                |                        |                       | 2786.67%                                |
| Other Misc. Revenue                  | 100,000               | 63,251                | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| <b>Subtotal Current Revenues</b>     | <b>7,860,962</b>      | <b>1,326,589</b>      | <b>1,448,960</b>      | <b>1,448,960</b>      | <b>1,049,575</b>       |                        |                       | <b>(27.56%)</b>                         |
| <b>TOTAL RESOURCES</b>               | <b>\$101,836,756</b>  | <b>\$78,435,796</b>   | <b>\$52,223,960</b>   | <b>\$52,223,960</b>   | <b>\$37,764,575</b>    |                        |                       | <b>(27.69%)</b>                         |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Personal Services                    | \$1,353,545           | \$1,240,997           | \$1,350,698           | \$1,350,698           | \$1,561,957            |                        |                       | 15.64%                                  |
| Materials and Services               | 4,704,762             | 5,937,117             | 12,150,000            | 12,150,000            | 12,150,000             |                        |                       | 0.00%                                   |
| Capital Outlay                       | 17,602,084            | 13,085,101            | 33,202,590            | 33,202,590            | 20,939,000             |                        |                       | (36.94%)                                |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Interfund Reimbursements             | 969,315               | 826,712               | 883,646               | 883,646               | 1,249,115              |                        |                       | 41.36%                                  |
| Internal Service Transfers           | 97,843                | 553,262               | 618,595               | 618,595               | 477,107                |                        |                       | (22.87%)                                |
| Fund Equity Transfers                | 0                     | 0                     | 0                     | 0                     | 47,000                 |                        |                       | 0.00%                                   |
| Contingency                          | 0                     | 0                     | 3,988,905             | 3,988,905             | 1,340,396              |                        |                       | (66.40%)                                |
| <b>Subtotal Current Expenditures</b> | <b>24,727,549</b>     | <b>21,643,189</b>     | <b>52,194,434</b>     | <b>52,194,434</b>     | <b>37,764,575</b>      |                        |                       | <b>(27.65%)</b>                         |
| <i>Ending Fund Balance</i>           | <i>77,109,207</i>     | <i>56,792,607</i>     | <i>29,526</i>         | <i>29,526</i>         | <i>0</i>               |                        |                       | <i>(100.00%)</i>                        |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$101,836,756</b>  | <b>\$78,435,796</b>   | <b>\$52,223,960</b>   | <b>\$52,223,960</b>   | <b>\$37,764,575</b>    |                        |                       | <b>(27.69%)</b>                         |
| <b>FULL-TIME EQUIVALENTS</b>         | 15.03                 | 13.03                 | 13.80                 | 13.80                 | 14.90                  |                        |                       | 7.97%                                   |

# Natural Areas Fund

## Current revenues and fund balance



## Current expenditures and full-time equivalents



## Natural Areas Fund

In November 2006 the voters of the Metro region authorized the sale of \$227.4 million in general obligation bonds for the purpose of preserving natural areas and stream frontages, maintaining and improving water quality and protecting fish and wildlife habitat. The \$227.4 million total voter authorization included three elements:

- \$168.4 million regional component to purchase regionally significant natural areas in 27 target areas.
- \$44 million local share component to be provided directly to local cities, counties and park providers to allow flexibility for each community to meet its own needs and offer citizens improved access to nature in neighborhoods.
- \$15 million Nature in Neighborhoods Capital Grant program to complement the regional and local share portions of the 2006 bond measure by providing opportunities for the community to actively protect fish and wildlife habitat and water quality near where people live and work.

The first series of bonds under the 2006 authorization was issued in April 2007 for \$124,295,000. The agency is currently reevaluating program needs under this authorization. The Natural Areas Fund is used to account for proceeds and expenditures related to the Natural Areas general obligation bonds.

### CURRENT REVENUES

#### Grants

No grants are expected in FY 2011-12.

#### Interest earnings

Interest of \$183,675 will be earned on the unexpended balance of bond proceeds and other resources. Bond proceeds are invested in compliance with bond and arbitrage requirements.

### CURRENT EXPENDITURES

#### Personal services

This category includes salaries and benefits for 14.90 FTE, an increase of 1.10 FTE, to implement the goals of the Natural Areas program as approved by the voters in November 2006. The 1.00 FTE increase is for a GIS specialist needed to support property acquisitions, transferred from the Research Center. A small increase of 0.10 FTE in a Program Supervisory II reflects expected staff usage. With the approval of the bond measure the Metro Council approved the addition of 13 new positions to support the acquisition, stabilization, local share and community grant elements of the program. Several of those positions related to financial and administrative support are now budgeted in a support pool in Parks and Environmental Services. In addition, portions of several existing positions were transferred from Parks and Environmental Services, the Sustainability Center and the former Open Spaces program to provide other expertise to the program. Legal and due diligence staff associated with the program are budgeted in the Office of Metro Attorney in the General Fund.

#### Materials and services

Funds are budgeted for local share payments to other jurisdictions and community grants. Professional and property services related to land acquisition are now budgeted under capital outlay.

### **Capital outlay**

The capital outlay budget provides for the acquisition of land and the capital improvements of several existing properties as authorized under the bond measure. All contracted and property related services such as appraisals formerly budgeted under materials and services are now budgeted under capital outlay. There are planned expenditures of the 40-mile loop trail construction at Blue Lake Park. Federal funds pay for 89 percent of this project. The entire amount of \$939,000 is included here to allow Metro to book the asset when work is completed by Oregon Department of Transportation. The Natural Areas program is a willing seller program. Actual expenditures are dependent on available property. The budget allows the flexibility to meet a more aggressive acquisition goal should the opportunities arise.

### **Interfund transfers**

Expenditures in this category include transfers to the General and Risk Management funds for central services, rent and insurance costs incurred on behalf of the Natural Areas program. These charges are allocated based on an approved central services cost allocation plan. There is also a transfer to the Research Center for mapping services provided by the Data Resource Center, as well as transfers for administrative and financial support provided by Parks and Environmental Services.

### **Contingency**

Contingency funds are provided to meet unforeseen needs throughout the year. The Metro Council may, through budget amendment, move up to 15 percent of the value of the fund's appropriations from contingency. Any amount above that requires a full supplemental budget action. Because of the willing seller nature of the program, the Natural Areas Fund includes a contingency level that is significantly higher than would normally be budgeted. The balance of bond proceeds carried over from previous years and not needed to fund current year expenditures is placed in contingency.

### **FUND BALANCE**

The fund balance represents unexpended bond proceeds plus interest earned. The balance will decrease as the program goals are achieved.



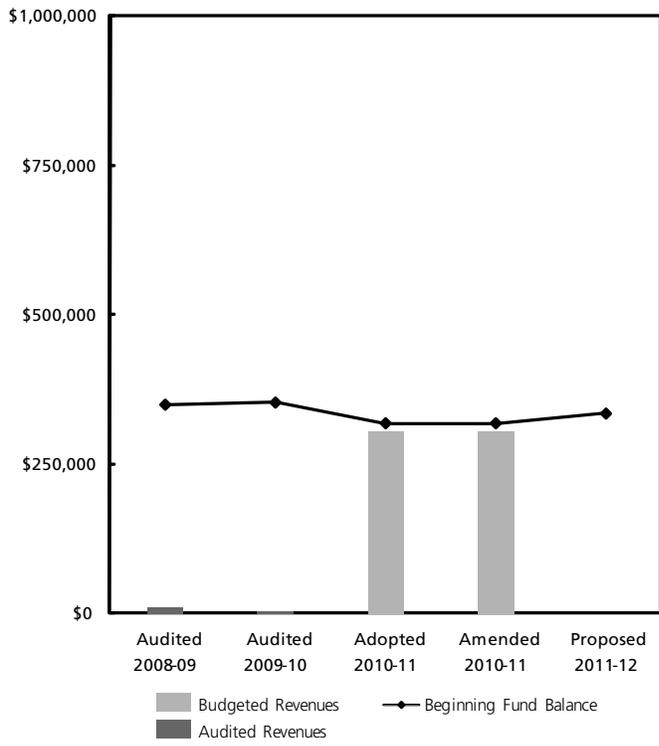
**Open  
Spaces  
Fund**



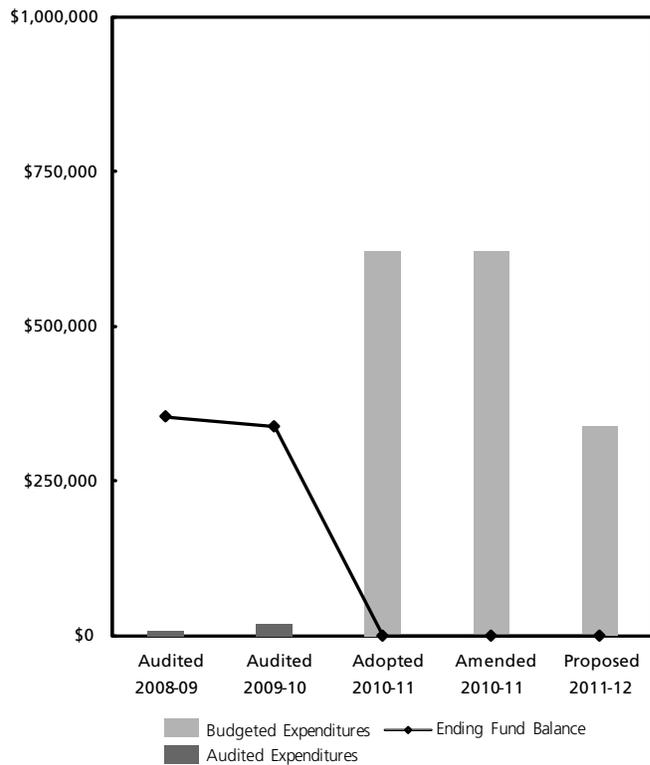
# Open Spaces Fund

|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$350,070             | \$353,637             | \$318,942             | \$318,942             | \$335,200              |                        |                       | 5.10%                                   |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Interest Earnings                    | 10,584                | 3,395                 | 3,189                 | 3,189                 | 1,676                  |                        |                       | (47.44%)                                |
| Other Misc. Revenue                  | 0                     | 0                     | 300,000               | 300,000               | 0                      |                        |                       | (100.00%)                               |
| <b>Subtotal Current Revenues</b>     | <b>10,584</b>         | <b>3,395</b>          | <b>303,189</b>        | <b>303,189</b>        | <b>1,676</b>           |                        |                       | <b>(99.45%)</b>                         |
| <b>TOTAL RESOURCES</b>               | <b>\$360,654</b>      | <b>\$357,032</b>      | <b>\$622,131</b>      | <b>\$622,131</b>      | <b>\$336,876</b>       |                        |                       | <b>(45.85%)</b>                         |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Personal Services                    | \$372                 | \$0                   | \$0                   | \$0                   | \$0                    |                        |                       | 0.00%                                   |
| Materials and Services               | 1,555                 | 4,500                 | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| Capital Outlay                       | 5,090                 | 15,026                | 622,131               | 622,131               | 336,876                |                        |                       | (45.85%)                                |
| <b>Subtotal Current Expenditures</b> | <b>7,017</b>          | <b>19,526</b>         | <b>622,131</b>        | <b>622,131</b>        | <b>336,876</b>         |                        |                       | <b>(45.85%)</b>                         |
| <i>Ending Fund Balance</i>           | <i>353,637</i>        | <i>337,506</i>        | <i>0</i>              | <i>0</i>              | <i>0</i>               |                        |                       | <i>0.00%</i>                            |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$360,654</b>      | <b>\$357,032</b>      | <b>\$622,131</b>      | <b>\$622,131</b>      | <b>\$336,876</b>       |                        |                       | <b>(45.85%)</b>                         |
| <b>FULL-TIME EQUIVALENTS</b>         | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>           | <b>0.00</b>            |                        |                       | <b>0.00%</b>                            |

## Current revenues and fund balance



## Current expenditures



# Open Spaces Fund

# Open Spaces Fund

In July 1992 Metro adopted the Metropolitan Greenspaces Master Plan. Among other strategies, the master plan called for the acquisition of regionally significant open spaces. The Open Spaces Fund has been used to account for bond proceeds and expenditures related to the Open Spaces, Parks and Streams 1995 general obligation bonds.

The fund includes the Open Spaces Acquisition program managed by the Sustainability Center. Historically the fund also managed and paid for the Due Diligence program. As purchases waned, the Due Diligence program switched emphasis to “owned” land agency-wide. As a result, the Due Diligence program was fully absorbed in the Office of Metro Attorney and costs allocated agency-wide as appropriate.

The funds have been used to purchase regionally significant open spaces in 14 target areas and six regional trails and greenway areas, construct two regional trails and fund approximately 90 local government parks projects through the local greenspaces project element of the bond measure.

As the acquisition program funded by this bond measure neared completion, staff were reduced or transferred to Parks and Environmental Services or the Sustainability Center for long-term maintenance of the properties.

## CURRENT REVENUES

### Interest earnings

Interest is earned on the unexpended balance of bond proceeds and other resources. Bond proceeds are invested in compliance with bond and arbitrage requirements. Interest earnings decline as the balance of bond proceeds is expended.

### Sale of fixed assets

During FY 2010-11 Metro planned to sell a portion of a property purchased under the Open Spaces land acquisition program. Proceeds from the sale are to be returned to the program for reinvestment in property.

## CURRENT EXPENDITURES

### Personal services

Historically this category included salary and benefits for staff hired to carry out the goals of the bond measure; as bond proceeds declined, staff was reduced or transferred to operations and maintenance.

### Materials and services

Funds previously budgeted for completion of stabilization projects on lands purchased under the bond measure are now budgeted under capital outlay.

### Capital outlay

The capital outlay appropriation reflects the final remaining amount available for the purchase of land.

## FUND BALANCE

The fund balance represents unexpended bond proceeds plus interest earned. The balance has decreased as the program goals are achieved.

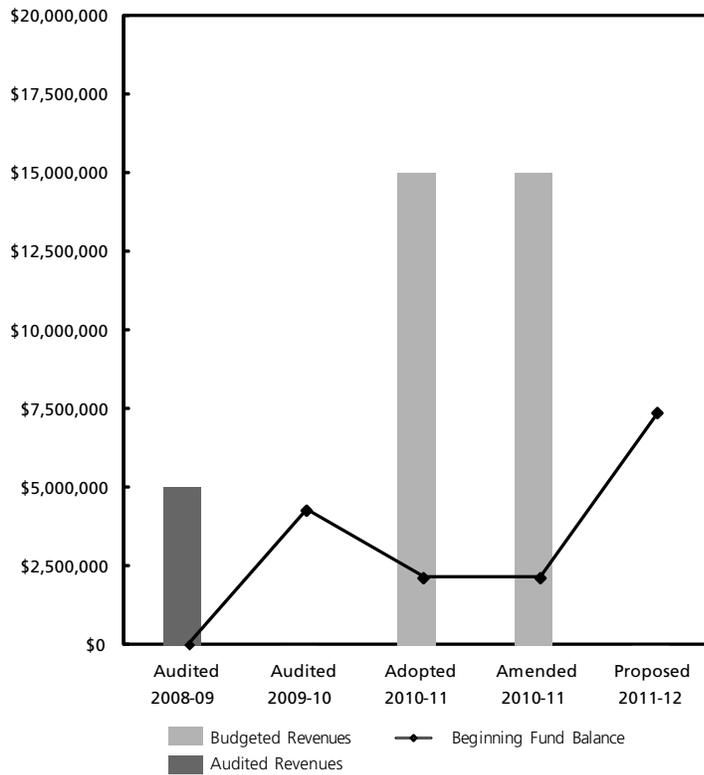
**Oregon Zoo  
Infrastructure  
and Animal  
Welfare  
Bond Fund**



## Oregon Zoo Infrastructure and Animal Welfare Bond Fund

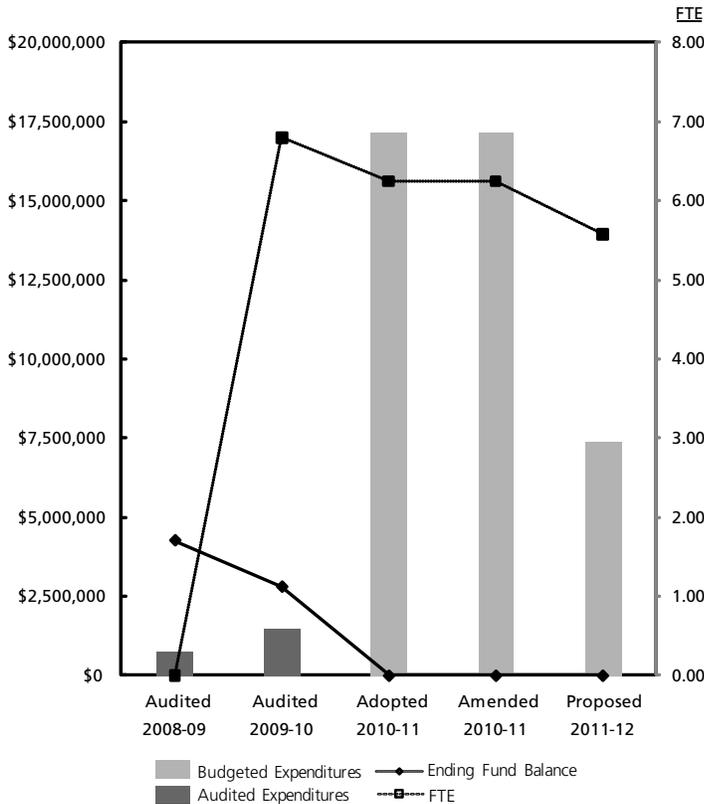
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$0                   | \$4,260,056           | \$2,121,338           | \$2,121,338           | \$7,356,973            |                        |                       | 246.81%                                 |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Interest Earnings                    | 37,280                | 26,399                | 21,213                | 21,213                | 24,648                 |                        |                       | 16.19%                                  |
| Bond and Loan Proceeds               | 5,000,000             | 0                     | 15,000,000            | 15,000,000            | 0                      |                        |                       | (100.00%)                               |
| <b>Subtotal Current Revenues</b>     | <b>5,037,280</b>      | <b>26,399</b>         | <b>15,021,213</b>     | <b>15,021,213</b>     | <b>24,648</b>          |                        |                       | <b>(99.84%)</b>                         |
| <b>TOTAL RESOURCES</b>               | <b>\$5,037,280</b>    | <b>\$4,286,455</b>    | <b>\$17,142,551</b>   | <b>\$17,142,551</b>   | <b>\$7,381,621</b>     |                        |                       | <b>(56.94%)</b>                         |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Personal Services                    | \$101,178             | \$457,335             | \$659,562             | \$659,562             | \$655,472              |                        |                       | (0.62%)                                 |
| Materials and Services               | 0                     | 809                   | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| Capital Outlay                       | 676,046               | 1,021,357             | 14,696,830            | 14,696,830            | 5,791,025              |                        |                       | (60.60%)                                |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Interfund Reimbursements             | 0                     | 0                     | 190,278               | 190,278               | 150,973                |                        |                       | (20.66%)                                |
| Internal Service Transfers           | 0                     | 0                     | 104,637               | 104,637               | 188,236                |                        |                       | 79.89%                                  |
| Fund Equity Transfers                | 0                     | 0                     | 0                     | 0                     | 25,000                 |                        |                       | 0.00%                                   |
| Contingency                          | 0                     | 0                     | 1,476,683             | 1,476,683             | 556,559                |                        |                       | (62.31%)                                |
| <b>Subtotal Current Expenditures</b> | <b>777,224</b>        | <b>1,479,501</b>      | <b>17,127,990</b>     | <b>17,127,990</b>     | <b>7,367,265</b>       |                        |                       | <b>(56.99%)</b>                         |
| <i>Ending Fund Balance</i>           | 4,260,056             | 2,806,954             | 14,561                | 14,561                | 14,356                 |                        |                       | (1.41%)                                 |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$5,037,280</b>    | <b>\$4,286,455</b>    | <b>\$17,142,551</b>   | <b>\$17,142,551</b>   | <b>\$7,381,621</b>     |                        |                       | <b>(56.94%)</b>                         |
| <b>FULL-TIME EQUIVALENTS</b>         | 0.00                  | 6.80                  | 6.25                  | 6.25                  | 5.58                   |                        |                       | (10.72%)                                |

## Current revenues and fund balance



# Oregon Zoo Infrastructure and Animal Welfare Bond Fund

## Current expenditures and full-time equivalents



# **Oregon Zoo Infrastructure and Animal Welfare Bond Fund**

In November 2008 the voters of the Metro region authorized the sale of \$125.0 million in general obligation bonds for Oregon Zoo infrastructure and projects related to animal welfare. A small bond of \$5 million was issued in December 2008 under this authorization; another small issue of \$15 million was issued in December 2010. As project planning, design and permitting progresses, additional bonds under this authorization will be issued.

## **CURRENT REVENUES**

### **Interest earnings**

Interest of approximately \$25,000 will be earned on the unexpended balance of bond proceeds and other resources. Bond proceeds are invested in compliance with bond and arbitrage requirements.

## **CURRENT EXPENDITURES**

### **Personal services**

This category includes salaries and benefits for 5.58 FTE to implement the Oregon Zoo Bond program. A full-time limited duration position is expected to be eliminated at the end of October 2011, resulting in a 0.67 FTE reduction.

### **Capital outlay**

The capital outlay budget provides for preliminary master planning, land use and permitting costs for all projects, as well as initial construction costs for several projects including the veterinary hospital, improving on-site elephant facilities, more humane enclosures for apes and monkeys and the penguin filtration system.

### **Interfund Transfers**

This category includes charges from the General or Risk Management funds for services received such as legal, payroll, accounting, human resources, finance and communications. In FY 2011-12 the bond fund will also transfer funds to Communications to assist with public involvement and the land use process.

### **Contingency**

Contingency funds are provided to meet unforeseen needs or other emergencies throughout the fiscal year. The Metro Council must authorize the appropriation and expenditure of contingency by ordinance.

## **FUND BALANCE**

The fund balance represents unexpended bond proceeds plus interest earned. The balance will decrease as the program goals are achieved.

**Pioneer  
Cemetery  
Perpetual  
Care Fund**

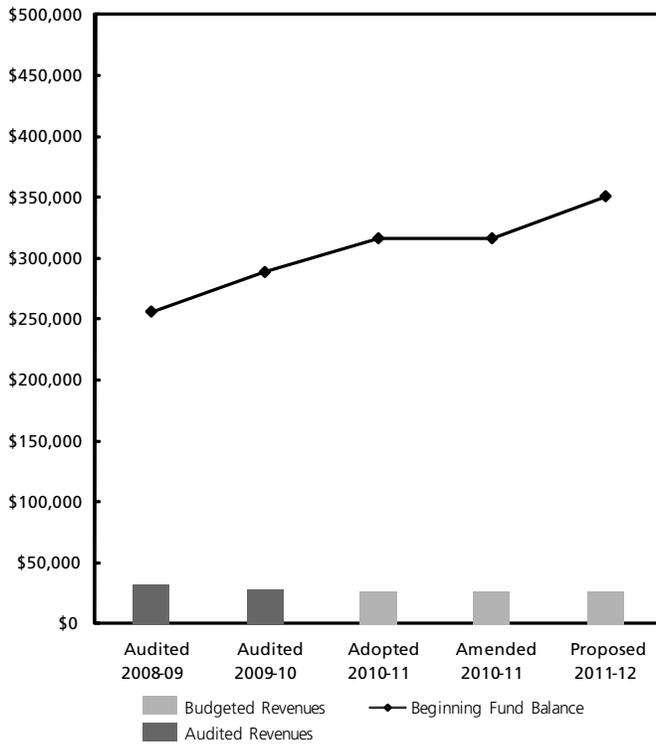


## Pioneer Cemetery Perpetual Care Fund

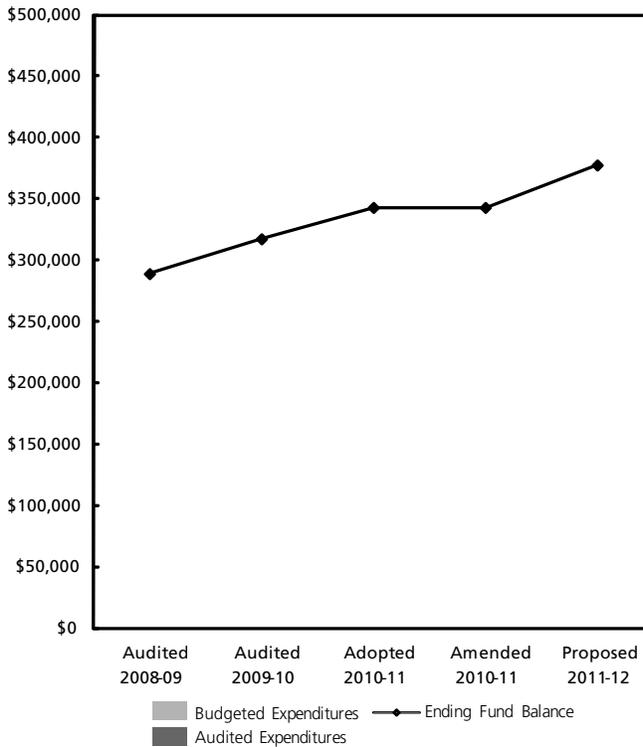
|                                  | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                 |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>    | \$256,340             | \$288,683             | \$316,297             | \$316,297             | \$350,700              |                        |                       | 10.88%                                  |
| <b>Current Revenues</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Other Derived Tax Revenue        | 24,168                | 25,497                | 23,300                | 23,300                | 25,000                 |                        |                       | 7.30%                                   |
| Interest Earnings                | 8,175                 | 2,978                 | 3,163                 | 3,163                 | 1,750                  |                        |                       | (44.67%)                                |
| <b>Subtotal Current Revenues</b> | <b>32,343</b>         | <b>28,475</b>         | <b>26,463</b>         | <b>26,463</b>         | <b>26,750</b>          |                        |                       | <b>1.08%</b>                            |
| <b>TOTAL RESOURCES</b>           | <b>\$288,683</b>      | <b>\$317,158</b>      | <b>\$342,760</b>      | <b>\$342,760</b>      | <b>\$377,450</b>       |                        |                       | <b>10.12%</b>                           |
| <b>REQUIREMENTS</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Ending Fund Balance</i>       | \$288,683             | \$317,158             | \$342,760             | \$342,760             | \$377,450              |                        |                       | 10.12%                                  |
| <b>TOTAL REQUIREMENTS</b>        | <b>\$288,683</b>      | <b>\$317,158</b>      | <b>\$342,760</b>      | <b>\$342,760</b>      | <b>\$377,450</b>       |                        |                       | <b>10.12%</b>                           |
| <b>FULL-TIME EQUIVALENTS</b>     | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                   |                        |                       | 0.00%                                   |

# Pioneer Cemetery Perpetual Care Fund

## Current revenues and fund balance



## Current expenditures



# **Pioneer Cemetery Perpetual Care Fund**

The Pioneer Cemetery Perpetual Care Fund was created in FY 2003–04 to provide financial support for the long-term maintenance of the Metro Pioneer Cemeteries after the cemeteries are no longer receiving revenue from grave sales and burial services. The fund was seeded with a transfer of the Willamina Farmer Family account from the Regional Parks Specials Accounts Fund. This account was a bequest from the family to provide for the long-term maintenance and upkeep of the Farmer Family plot and the Pioneer Cemeteries.

Resolution 08-3943, adopted May 15, 2008, clarified the fund as a permanent fund, restricting the use of the principal. The fund receives revenue from a 15 percent surcharge on grave sales, the maximum amount allowed by state law. No expenditures are anticipated from this fund until grave sites are exhausted at the cemeteries.

A recent review of the cemetery sites shows fewer burial plots remaining than originally thought. The Metro Council will consider pricing strategies and other revenue options in FY 2011-12.

## **CURRENT REVENUES**

### **Other derived tax revenue**

A 15 percent surcharge is added to every grave sale to provide a contribution to the long-term perpetual care of the plot. Revenues have not been increasing significantly because of the temporary suspension of grave sales at Lone Fir and Multnomah cemeteries.

### **Interest earnings**

Interest will be earned on the balance of the fund. Interest is projected at 0.5 percent of the cash balance.

## **FUND BALANCE**

No expenditures are planned from this fund until such time as the cemetery program runs out of grave sites to sell. The fund balance will continue to grow annually with additional contributions from grave sales and interest earnings.

**Rehabilitation  
and  
Enhancement  
Fund**

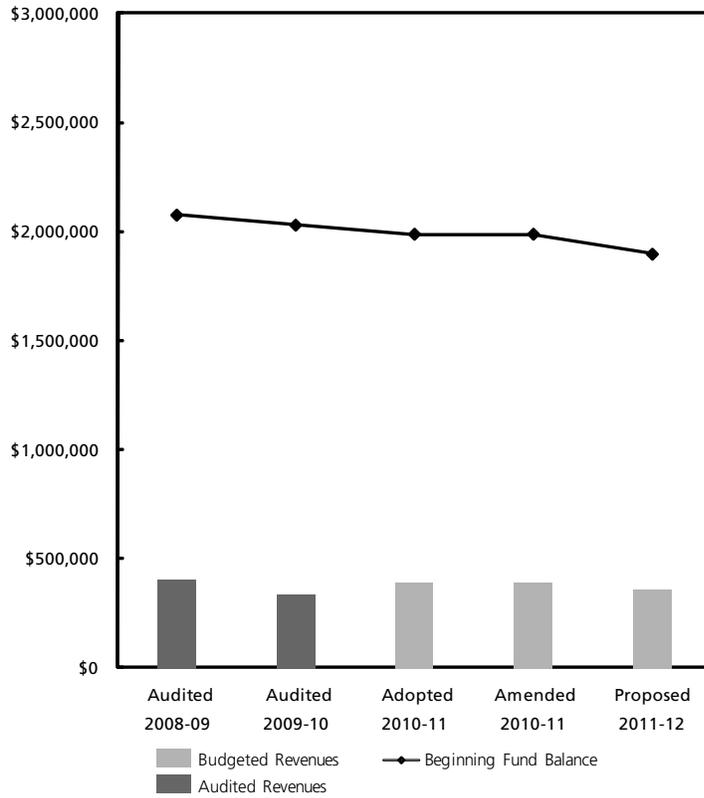


## Rehabilitation and Enhancement Fund

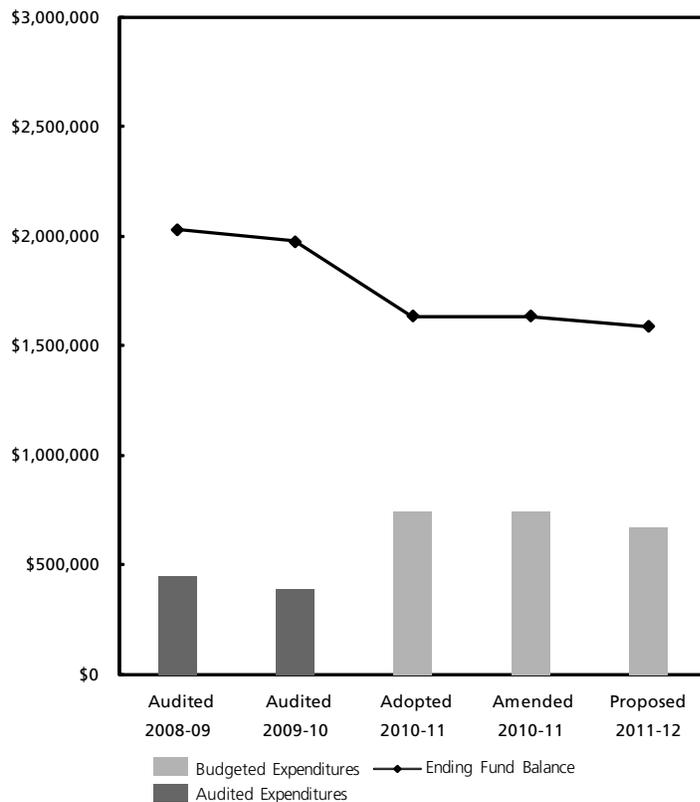
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$2,074,726           | \$2,029,329           | \$1,988,304           | \$1,988,304           | \$1,897,631            |                        |                       | (4.56%)                                 |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Interest Earnings                    | 61,936                | 19,672                | 19,883                | 19,883                | 9,488                  |                        |                       | (52.28%)                                |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Fund Equity Transfers                | 339,435               | 316,860               | 367,984               | 367,984               | 348,867                |                        |                       | (5.20%)                                 |
| <b>Subtotal Current Revenues</b>     | <b>401,371</b>        | <b>336,532</b>        | <b>387,867</b>        | <b>387,867</b>        | <b>358,355</b>         |                        |                       | <b>(7.61%)</b>                          |
| <b>TOTAL RESOURCES</b>               | <b>\$2,476,097</b>    | <b>\$2,365,861</b>    | <b>\$2,376,171</b>    | <b>\$2,376,171</b>    | <b>\$2,255,986</b>     |                        |                       | <b>(5.06%)</b>                          |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Materials and Services               | \$416,683             | \$359,013             | \$409,639             | \$409,639             | \$336,903              |                        |                       | (17.76%)                                |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Internal Service Transfers           | 30,085                | 32,662                | 32,962                | 32,962                | 33,287                 |                        |                       | 0.99%                                   |
| Contingency                          | 0                     | 0                     | 300,000               | 300,000               | 300,000                |                        |                       | 0.00%                                   |
| <b>Subtotal Current Expenditures</b> | <b>446,768</b>        | <b>391,675</b>        | <b>742,601</b>        | <b>742,601</b>        | <b>670,190</b>         |                        |                       | <b>(9.75%)</b>                          |
| <i>Ending Fund Balance</i>           | 2,029,329             | 1,974,186             | 1,633,570             | 1,633,570             | 1,585,796              |                        |                       | (2.92%)                                 |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$2,476,097</b>    | <b>\$2,365,861</b>    | <b>\$2,376,171</b>    | <b>\$2,376,171</b>    | <b>\$2,255,986</b>     |                        |                       | <b>(5.06%)</b>                          |
| <b>FULL-TIME EQUIVALENTS</b>         | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                   |                        |                       | 0.00%                                   |

# Rehabilitation and Enhancement Fund

## Current revenues and fund balance



## Current expenditures



# Rehabilitation and Enhancement Fund

The Rehabilitation and Enhancement Fund was established to comply with Senate Bill 662, enacted by the Oregon Legislature in 1985. The fund accounts for rehabilitation and enhancement fees (\$0.50 per ton of solid waste material processed) collected at the Metro Central, Metro South and Forest Grove transfer stations. Funds are used for community enhancement projects in the vicinity of each of these solid waste facilities:

**North Portland Community Enhancement Program:** The North Portland Community Enhancement Committee solicits and recommends projects to rehabilitate and enhance North Portland areas surrounding the St. Johns Landfill. Because the landfill no longer generates fees, revenue for this program comes from interest earnings on the fund balance for this account. On a one-time basis, a portion of the St. Johns Landfill gas recovery revenue was dedicated to this program in FY 2005–06. This dedication was to offset the impact of low interest earnings and allow the committee to formulate a long range spending plan for these funds during FY 2005–06. The committee decided to generally continue the policy of spending only anticipated interest earnings. Anticipated earnings more than the budgeted amount will be occasionally maintained to enable the committee to fund more grants during periods of lower interest yields. This year is anticipated to have a lower interest yield, therefore the recommended expected spending of \$16,450 is about \$8,200 more than anticipated interest earnings.

**Oregon City Community Enhancement Program:** Receives funds from community enhancement fees at Metro South Station in Oregon City. Funds are paid to Oregon City on a quarterly basis and are used for local community enhancement projects.

**Metro Central Community Enhancement Program:** Receives funds from community enhancement fees at Metro Central Station. Funds are used for community enhancement projects in the vicinity of Metro Central Station in Northwest Portland, as recommended by a seven-member citizen committee.

**Forest Grove Community Enhancement Program:** Receives fees collected at a privately owned transfer station in Forest Grove. Funds are paid to the City of Forest Grove on a quarterly basis and are used for local community enhancement projects.

## CURRENT REVENUES

### Interest

This represents interest earned on the fund balances designated for the North Portland Community Enhancement and Metro Central Enhancement accounts.

### Interfund transfers

These funds are the community enhancement fees collected at the solid waste facilities and transferred from the Solid Waste Revenue Fund. Transfers vary from year to year depending upon the solid waste tonnage received.

## CURRENT EXPENDITURES

### Materials and services

About 45 percent of the materials and services expenditures in this fund is for grants and contractual services. The North Portland and Metro Central Community Enhancement Committees administer programs through grants and contracts with community organizations and others. Most of the remaining expenditures are direct payments to Oregon City and Forest Grove.

**Interfund transfers**

This represents funds transferred to the Solid Waste Revenue Fund for personal services costs associated with employee staffing of the North Portland and Metro Central Community Enhancement committees.

**Contingency**

Of the \$300,000 budgeted in FY 2011-12, \$200,000 is allocated for the North Portland Community Enhancement program, which has consistently maintained a higher contingency to provide greater flexibility to finance projects during the fiscal year. The Metro Council, through ordinance, must authorize use of contingency funds.



**Risk  
Management  
Fund**

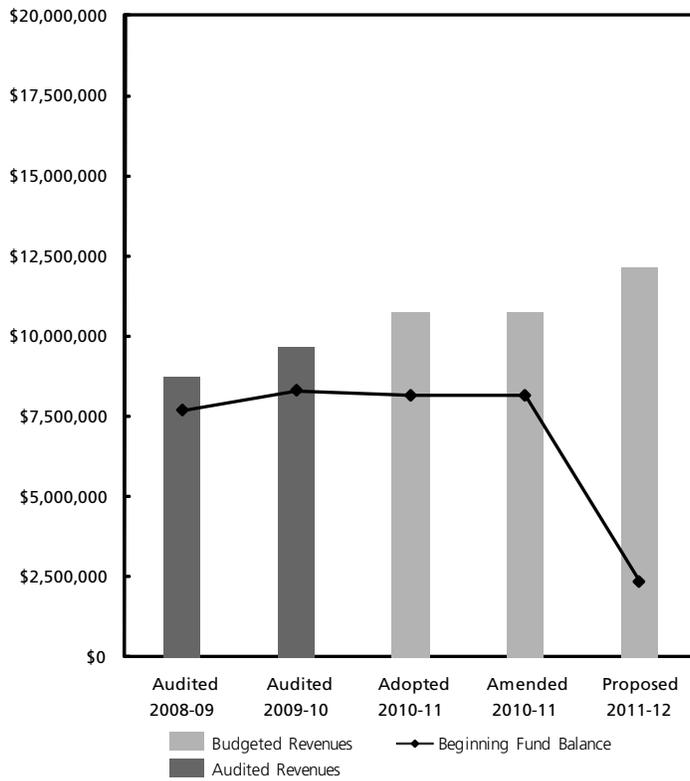


## Risk Management Fund

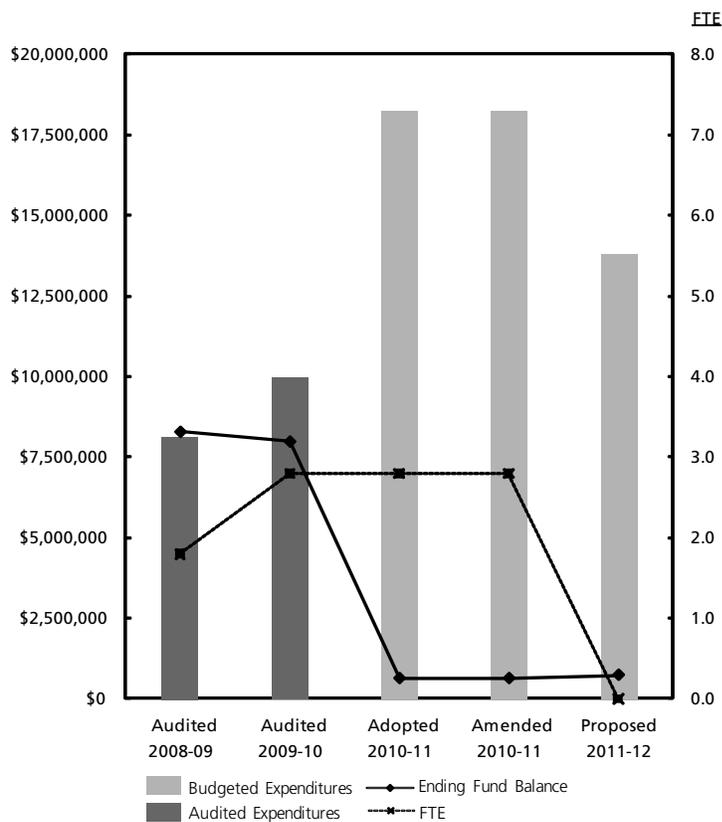
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$7,687,255           | \$8,301,172           | \$8,142,227           | \$8,142,227           | \$2,364,250            |                        |                       | (70.96%)                                |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Grants                               | 62,320                | 72,676                | 50,000                | 50,000                | 50,000                 |                        |                       | 0.00%                                   |
| Enterprise Revenue                   | 6,996,780             | 8,162,567             | 9,470,278             | 9,470,278             | 10,243,471             |                        |                       | 8.16%                                   |
| Interest Earnings                    | 281,032               | 87,473                | 25,000                | 25,000                | 25,000                 |                        |                       | 0.00%                                   |
| Other Misc. Revenue                  | 529                   | 147,798               | 5,000                 | 5,000                 | 0                      |                        |                       | (100.00%)                               |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Interfund Reimbursements             | 1,397,822             | 1,100,096             | 1,125,423             | 1,125,423             | 1,756,497              |                        |                       | 56.07%                                  |
| Internal Service Transfers           | 0                     | 61,710                | 60,672                | 60,672                | 62,686                 |                        |                       | 3.32%                                   |
| <b>Subtotal Current Revenues</b>     | <b>8,738,483</b>      | <b>9,632,320</b>      | <b>10,736,373</b>     | <b>10,736,373</b>     | <b>12,137,654</b>      |                        |                       | <b>13.05%</b>                           |
| <b>TOTAL RESOURCES</b>               | <b>\$16,425,738</b>   | <b>\$17,933,492</b>   | <b>\$18,878,600</b>   | <b>\$18,878,600</b>   | <b>\$14,501,904</b>    |                        |                       | <b>(23.18%)</b>                         |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Personal Services                    | \$163,677             | \$255,546             | \$267,152             | \$267,152             | \$0                    |                        |                       | (100.00%)                               |
| Materials and Services               | 7,960,889             | 9,679,707             | 12,231,485            | 12,231,485            | 13,240,916             |                        |                       | 8.25%                                   |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Fund Equity Transfers                | 0                     | 0                     | 5,225,000             | 5,225,000             | 30,000                 |                        |                       | (99.43%)                                |
| Contingency                          | 0                     | 0                     | 528,084               | 528,084               | 500,000                |                        |                       | (5.32%)                                 |
| <b>Subtotal Current Expenditures</b> | <b>8,124,566</b>      | <b>9,935,253</b>      | <b>18,251,721</b>     | <b>18,251,721</b>     | <b>13,770,916</b>      |                        |                       | <b>(24.55%)</b>                         |
| <i>Ending Fund Balance</i>           | <i>8,301,172</i>      | <i>7,998,239</i>      | <i>626,879</i>        | <i>626,879</i>        | <i>730,988</i>         |                        |                       | <i>16.61%</i>                           |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$16,425,738</b>   | <b>\$17,933,492</b>   | <b>\$18,878,600</b>   | <b>\$18,878,600</b>   | <b>\$14,501,904</b>    |                        |                       | <b>(23.18%)</b>                         |
| <b>FULL-TIME EQUIVALENTS</b>         | 1.80                  | 2.80                  | 2.80                  | 2.80                  | 0.00                   |                        |                       | (100.00%)                               |

# Risk Management Fund

## Current revenues and fund balance



## Current expenditures and full-time equivalents



# **Risk Management Fund**

This fund accounts for the revenues and expenditures related to administration of Metro's Risk Management program and Employee Health and Wellness program. Costs are assessed to all centers and services based on past claims experience and exposure. The fund is managed by Finance and Regulatory Services.

## **CURRENT REVENUES**

### **Grants**

Grant reimbursement is available from the State of Oregon Workers' Compensation Division for wage subsidies and work site modification. The amount of grant revenue depends on the number of qualifying injured workers.

### **Enterprise revenues**

The enterprise revenues include internal charges for service to organizational units for insurance premiums related to unemployment and health and welfare.

### **Interest on investments**

Interest on investments is forecast at \$25,000 for FY 2011-12.

### **Interfund transfers**

On the revenue side, these transfers represent payments from other Metro programs for their assessed costs of the Risk Management program. In FY 2007-08 Risk Management increased its resources and reserves, changing the assessment method to (1) more accurately transfer insurance costs to the programs utilizing the different lines of insurance and (2) increase resources for total claims costs to ensure funding in accordance with the most recent actuarial report. Claim costs can vary significantly from year to year. In summer 2010 Metro received its latest scheduled independent actuarial report; Metro's Risk Fund exceeds the 85 percent confidence goal recommended by the actuary.

During FY 2011-12 the PERS reserve for pension liability, accumulated over the past several years, will be transferred to the General Fund.

## **CURRENT EXPENDITURES**

### **Personal services**

Personal services costs associated with 2.8 FTE move to the General Fund in FY 2011-12. These costs will still be funded via the agency-wide Cost Allocation Plan.

### **Materials and services**

This classification includes the costs for the Health and Wellness, Liability/Property, Workers' Compensation and Unemployment programs. Each area has experienced an increase in costs over the past several years. These costs remain in the Risk Management Fund.

## FUND BALANCE

The Risk Management Fund is required to operate on an actuarially sound basis. Generally accepted accounting principles require that exposure liabilities, once known, be expensed. Although this action reduces the available fund balance, the funds remain with Metro since the liability is “probable” and not yet actually spent. In addition to the available fund balance, the Risk Management Fund in recent years has held \$5.225 million already expensed for probable pollution remediation liability, based on a FY 2003-04 independent evaluation. In 2009-10, with the implementation of GASB Statement 49 *Accounting and Financial Reporting for Pollution Remediation Obligations*, Metro changed its policy such that funding for pollution remediation obligations are to be maintained in the fund where the liability resides, rather than defaulting to the Risk Fund. In 2010-11, \$5.225 million held in the Risk Fund as an environmental liability was transferred to the Solid Waste Fund, where the money originated. In anticipation of this action, during FY 2008-09 the \$5.225 million environmental impairment liability was eliminated in the Risk Fund and the beginning fund balance at July 1, 2008, was restated to \$7,687,255. Metro’s pollution remediation obligations, as determined by a 2009 actuarial study, are now reflected directly in the Solid Waste and MERC Funds.

In addition, approximately \$533,000 has been expensed for the probable final costs of worker compensation, general liability and property claims. This will be reviewed at the end of FY 2011-12, using a recommended two year actuarial cycle.

In FY 2006–07 Metro expanded the opportunity for represented employees to “opt out” of Metro’s health insurance program under certain restrictive conditions. Savings are to be used toward health insurance and wellness costs and are collected in the Risk Fund balance. In FY 2011-12 a portion of the opt out balance (estimated at \$600 per employee) will be spent to buy down Metro’s share of employee health insurance costs.



**Smith and  
Bybee  
Wetlands  
Fund**

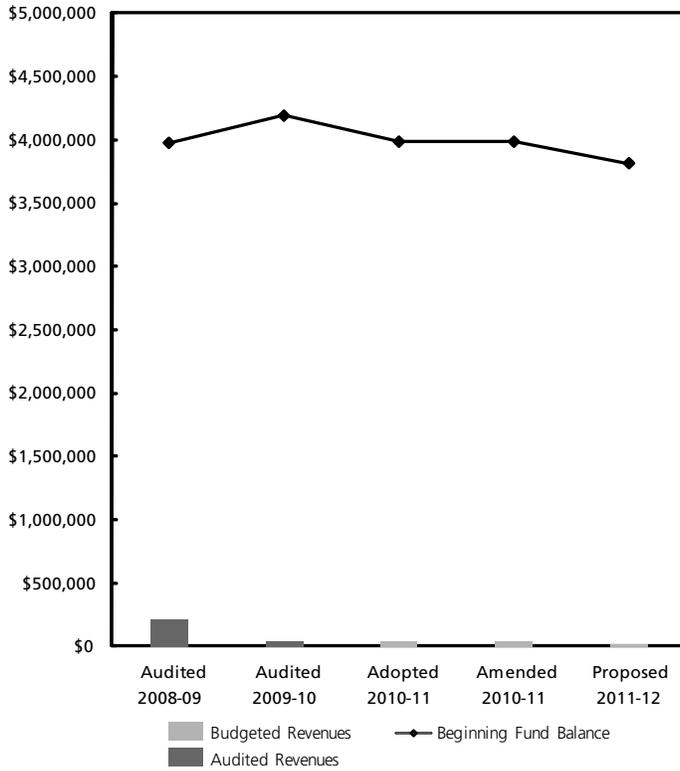


# Smith and Bybee Wetlands Fund

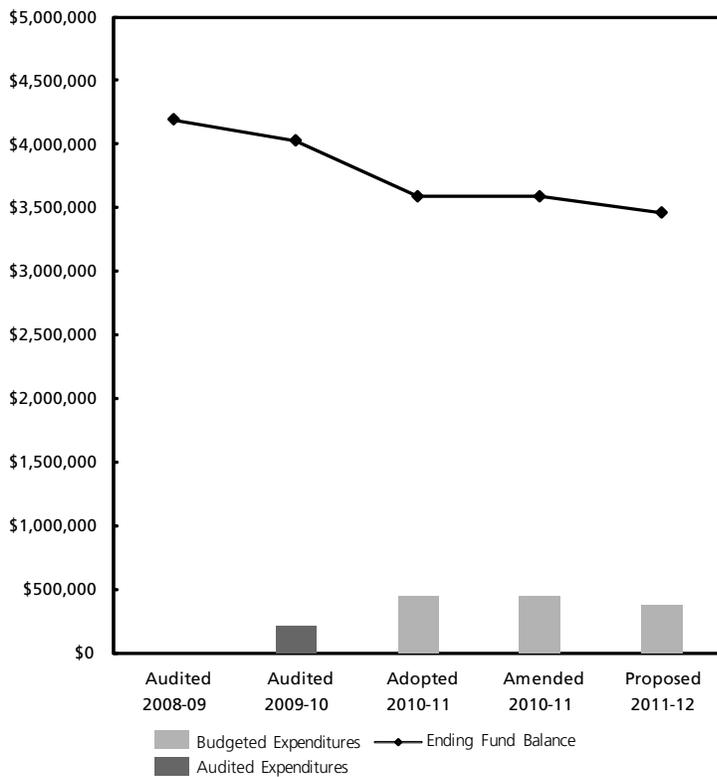
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$3,977,928           | \$4,192,361           | \$3,987,047           | \$3,987,047           | \$3,817,257            |                        |                       | (4.26%)                                 |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Enterprise Revenue                   | 564                   | 0                     | 1,000                 | 1,000                 | 0                      |                        |                       | (100.00%)                               |
| Interest Earnings                    | 122,129               | 41,156                | 39,870                | 39,870                | 19,086                 |                        |                       | (52.13%)                                |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Internal Service Transfers           | 91,740                | 0                     | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| <b>Subtotal Current Revenues</b>     | <b>214,433</b>        | <b>41,156</b>         | <b>40,870</b>         | <b>40,870</b>         | <b>19,086</b>          |                        |                       | <b>(53.30%)</b>                         |
| <b>TOTAL RESOURCES</b>               | <b>\$4,192,361</b>    | <b>\$4,233,517</b>    | <b>\$4,027,917</b>    | <b>\$4,027,917</b>    | <b>\$3,836,343</b>     |                        |                       | <b>(4.76%)</b>                          |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Materials and Services               | \$0                   | \$38,014              | \$130,000             | \$130,000             | \$65,000               |                        |                       | (50.00%)                                |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Internal Service Transfers           | 0                     | 169,078               | 111,379               | 111,379               | 112,251                |                        |                       | 0.78%                                   |
| Contingency                          | 0                     | 0                     | 200,000               | 200,000               | 200,000                |                        |                       | 0.00%                                   |
| <b>Subtotal Current Expenditures</b> | <b>0</b>              | <b>207,092</b>        | <b>441,379</b>        | <b>441,379</b>        | <b>377,251</b>         |                        |                       | <b>(14.53%)</b>                         |
| <i>Ending Fund Balance</i>           | 4,192,361             | 4,026,425             | 3,586,538             | 3,586,538             | 3,459,092              |                        |                       | (3.55%)                                 |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$4,192,361</b>    | <b>\$4,233,517</b>    | <b>\$4,027,917</b>    | <b>\$4,027,917</b>    | <b>\$3,836,343</b>     |                        |                       | <b>(4.76%)</b>                          |
| <b>FULL-TIME EQUIVALENTS</b>         | 0.00                  | 0.00                  | 0.00                  | 0.00                  | 0.00                   |                        |                       | 0.00%                                   |

# Smith and Bybee Wetlands Fund

## Current revenues and fund balance



## Current expenditures



# **Smith and Bybee Wetlands Fund**

This fund was established as a dedicated endowment fund for development and management of the Smith and Bybee Wetlands Natural Area as required by the Smith and Bybee Wetlands Natural Resource Management Plan. The plan was adopted by the City of Portland, Port of Portland and Metro Council in 1990. The plan, along with the St. Johns Landfill closure and purchase assurance agreement, designated Metro as the lead agency establishing and managing the fund and implementing the plan.

The plan calls for Smith and Bybee Wetlands to be managed as environmental and recreational resources for the region. The lakes are to be preserved in a manner faithful to their original condition as historical remnants of the Columbia River riparian and wetland system.

The fund is managed by Parks and Environmental Services.

## **CURRENT REVENUES**

### **Interest earnings**

Interest is earned on the unused portion of the fund balance. Earnings are based on the current rates of Metro's average investment portfolio. For FY 2011-12 the budget assumes an interest rate of 0.5 percent and will generate approximately \$19,000 in earnings.

## **CURRENT EXPENDITURES**

### **Materials and services**

Expenditures in this category depend on the special nature of projects to be completed under the management plan. Several small projects are anticipated for FY 2011-12.

### **Transfers**

The fund reimburses Parks and Environmental Services and the Sustainability Center for costs associated with management and oversight of the natural areas including a small portion of an environmental educator and a natural resource scientist.

## **FUND BALANCE**

Other than interest earnings, the fund has no continuous source of funding. The fund was established as an endowment fund to enable the development and management of the Smith and Bybee Wetlands Natural Area. However, it was known at the time of the development of the management plan that the existing fund balance would be insufficient to fund fully all current and long-term needs. The fund balance has been relatively stable for several years and will show fluctuations depending on specific program needs.

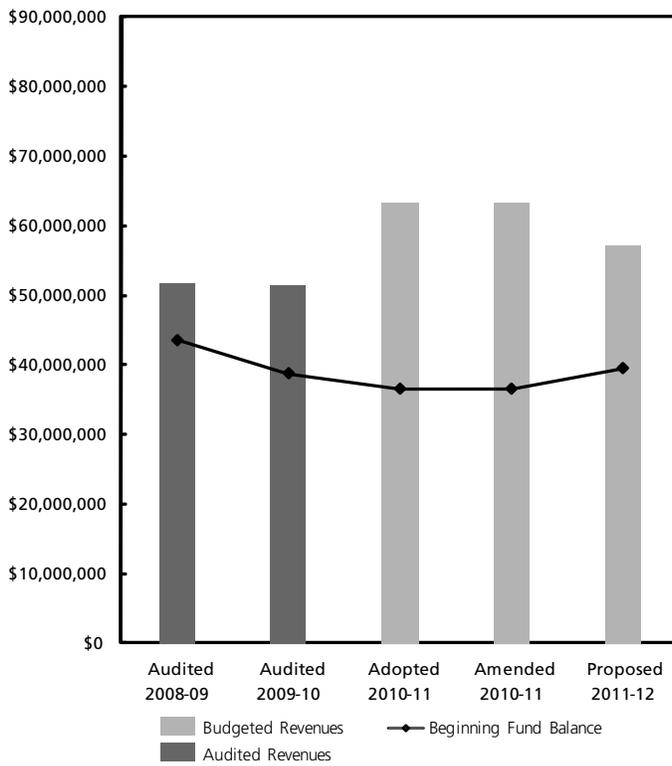
**Solid  
Waste  
Revenue  
Fund**



## Solid Waste Revenue Fund

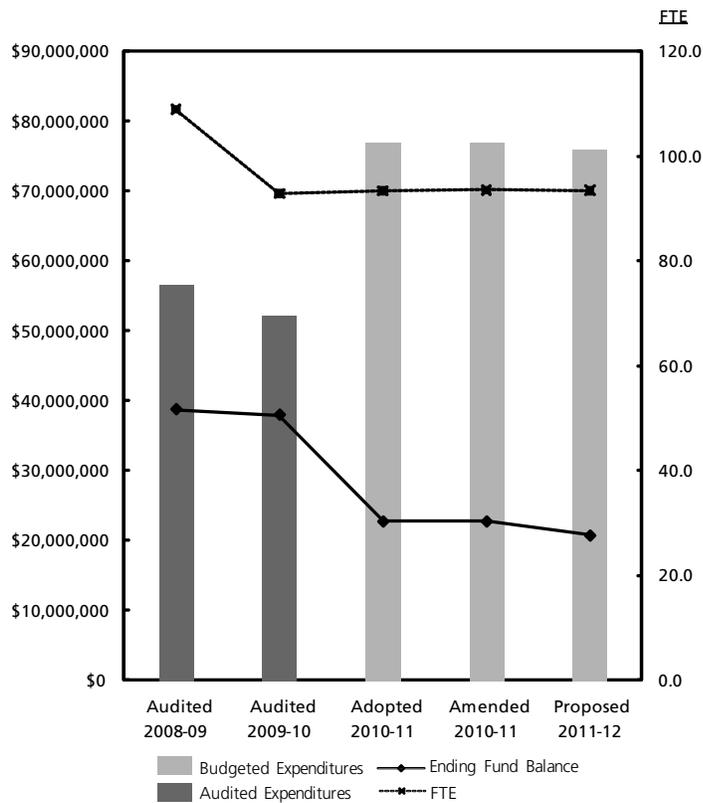
|                                      | Audited<br>FY 2008-09 | Audited<br>FY 2009-10 | Adopted<br>FY 2010-11 | Amended<br>FY 2010-11 | Proposed<br>FY 2011-12 | Approved<br>FY 2011-12 | Adopted<br>FY 2011-12 | Change<br>from<br>FY 2010-11<br>Amended |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|---|
| <b>RESOURCES</b>                     |                       |                       |                       |                       |                        |                        |                       |   |
| <i>Beginning Fund Balance</i>        | \$43,528,582          | \$38,769,438          | \$36,535,502          | \$36,535,502          | \$39,505,107           |                        |                       | 8.13%                                   |
| <b>Current Revenues</b>              |                       |                       |                       |                       |                        |                        |                       |   |
| Grants                               | 2,387                 | 4,093                 | 1,411,752             | 1,411,752             | 317,660                |                        |                       | (77.50%)                                |
| Enterprise Revenue                   | 50,361,800            | 50,816,204            | 56,057,596            | 56,057,596            | 56,508,829             |                        |                       | 0.80%                                   |
| Interest Earnings                    | 1,157,633             | 367,099               | 357,538               | 357,538               | 196,526                |                        |                       | (45.03%)                                |
| Donations                            | 25,729                | 40,537                | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| Other Misc. Revenue                  | 114,621               | 129,520               | 33,000                | 33,000                | 33,000                 |                        |                       | 0.00%                                   |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Internal Service Transfers           | 30,085                | 32,662                | 32,962                | 32,962                | 33,287                 |                        |                       | 0.99%                                   |
| Fund Equity Transfers                | 39,299                | 127,140               | 5,413,487             | 5,413,487             | 148,458                |                        |                       | (97.26%)                                |
| <b>Subtotal Current Revenues</b>     | <b>51,731,554</b>     | <b>51,517,255</b>     | <b>63,306,335</b>     | <b>63,306,335</b>     | <b>57,237,760</b>      |                        |                       | <b>(9.59%)</b>                          |
| <b>TOTAL RESOURCES</b>               | <b>\$95,260,136</b>   | <b>\$90,286,693</b>   | <b>\$99,841,837</b>   | <b>\$99,841,837</b>   | <b>\$96,742,867</b>    |                        |                       | <b>(3.10%)</b>                          |
| <b>REQUIREMENTS</b>                  |                       |                       |                       |                       |                        |                        |                       |   |
| <b>Current Expenditures</b>          |                       |                       |                       |                       |                        |                        |                       |   |
| Personal Services                    | \$9,365,624           | \$8,464,293           | \$9,209,369           | \$9,221,364           | \$9,706,988            |                        |                       | 5.27%                                   |
| Materials and Services               | 36,778,061            | 36,915,015            | 41,095,063            | 41,083,068            | 40,043,954             |                        |                       | (2.53%)                                 |
| Capital Outlay                       | 1,111,432             | 549,264               | 5,194,283             | 5,194,283             | 3,593,000              |                        |                       | (30.83%)                                |
| Debt Service                         | 4,697,481             | 0                     | 0                     | 0                     | 0                      |                        |                       | 0.00%                                   |
| Interfund Transfers:                 |                       |                       |                       |                       |                        |                        |                       |   |
| Interfund Reimbursements             | 3,473,361             | 4,090,297             | 4,353,932             | 4,353,932             | 4,363,236              |                        |                       | 0.21%                                   |
| Internal Service Transfers           | 725,304               | 1,968,050             | 2,254,915             | 2,254,915             | 2,111,472              |                        |                       | (6.36%)                                 |
| Fund Equity Transfers                | 339,435               | 316,860               | 386,386               | 386,386               | 1,514,030              |                        |                       | 291.84%                                 |
| Contingency                          | 0                     | 0                     | 14,540,763            | 14,540,763            | 14,602,745             |                        |                       | 0.43%                                   |
| <b>Subtotal Current Expenditures</b> | <b>56,490,698</b>     | <b>52,303,779</b>     | <b>77,034,711</b>     | <b>77,034,711</b>     | <b>75,935,425</b>      |                        |                       | <b>(1.43%)</b>                          |
| <i>Ending Fund Balance</i>           | <i>38,769,438</i>     | <i>37,982,914</i>     | <i>22,807,126</i>     | <i>22,807,126</i>     | <i>20,807,442</i>      |                        |                       | (8.77%)                                 |
| <b>TOTAL REQUIREMENTS</b>            | <b>\$95,260,136</b>   | <b>\$90,286,693</b>   | <b>\$99,841,837</b>   | <b>\$99,841,837</b>   | <b>\$96,742,867</b>    |                        |                       | <b>(3.10%)</b>                          |
| <b>FULL-TIME EQUIVALENTS</b>         | 109.00                | 92.95                 | 93.45                 | 93.60                 | 93.55                  |                        |                       | (0.05%)                                 |

## Current revenues and fund balance



## Solid Waste Revenue Fund

## Current expenditures and full-time equivalents



# **Solid Waste Revenue Fund**

The Solid Waste Revenue Fund is an enterprise fund established to account for Metro revenues and expenses related to the operation and management of the region's solid waste system.

Metro Ordinance No. 89-319, known as the Master Bond Ordinance and adopted in 1989, placed restrictions on the uses of this fund as a condition of issuing \$28 million in revenue bonds to finance major capital components of Metro's solid waste system. The ordinance set up the following accounts within the fund to facilitate compliance with bond covenants: operating, debt service, debt service reserve, landfill closure, construction, renewal and replacement and general account. Although the bonds were defeased in December 2008, Metro continues to use the account system set up in the Master Bond Ordinance for its budget.

Almost 90 percent of the fund's current revenues consist of fees and charges. Solid waste revenue varies with solid waste tonnage, which in turn is influenced by economic activity and waste recovery efforts. Solid waste generation declined significantly during the economic downturn. The decline has flattened out, and the tonnage forecast for FY 2011-12 remains at about the same level as the actual tonnage in FY 2010-11, but lower than the amount budgeted for that period. By FY 2012-13 Metro expects to see a return of moderate tonnage growth.

Approximately 38 percent of current expenditures (including contingency) covers the cost of operations and disposal at Metro facilities. In FY 2011-12 \$28.9 million is budgeted, a 2.4 percent decrease from FY 2010-11, for processing, transporting and landfilling solid waste. Direct operating costs not related to the disposal operation are projected to increase 1.2 percent from the FY 2010-11 levels. The budget structure for FY 2011-12 continues to reflect the Sustainable Metro Initiative budget structure implemented in FY 2009-10.

About \$3.4 million of total current expenditures will be spent on capital projects, as scheduled in Metro's capital budget. The largest project in this fiscal year's capital expenditures is the landfill remediation project at St. Johns Landfill that is proposed for FY 2011-12 and is expected to continue into FY 2012-13. The next largest project is an expenditure in FY 2011-12 of about \$575,000 to complete and implement the Solid Waste Information System (SWIS) for tonnage data collection and reporting completing the project at a total cost of \$825,000.

## **CURRENT REVENUES**

### **Enterprise revenues**

Metro's solid waste system is funded largely through three types of user fees: The Regional System Fee, the Metro Tip Fee, and transaction fees. The rates described as follows are the provisional rates for FY 2011-12. The Regional System Fee is imposed on all waste generated in the Metro region and ultimately disposed of for a fee. The Metro Tip Fee is a user charge collected only at Metro transfer stations and includes the Regional System Fee. The Transaction Fee is a flat fee charged on each load of solid waste accepted at the Metro Transfer stations to cover costs that do not vary with the load size, such as scalehouse expenses. In FY 2006-07 Metro implemented a split transaction fee based on two customer classes to allocate scalehouse costs more accurately among users. The transaction fee at the staffed scales (scalehouses) will increase by \$1.00 to \$12.00 per transaction. At the automated scales, the charge will remain \$3.00 per transaction. The provisional rates for FY 2011-12 include a \$0.92 increase in the Regional System Fee to \$17.64 per ton and a \$3.68 increase in the Metro Tip Fee to \$89.53 per ton.

Enterprise revenues include \$1.1 million in service fee revenue from the implementation of the product stewardship law in Oregon down \$192,000 from FY 2010-11. Metro is a contracted service provider for PaintCare, the paint industry's nonprofit corporation for managing the state's left over paint. The proposed budget includes a new fee for household hazardous waste disposed at the transfer stations (\$5.00). Cleanup events around the region will remain free.

Total enterprise revenues are projected to increase by about 0.7 percent (\$0.4 million) from the FY 2010-11 budget.

### **Interest**

Interest earnings were calculated using the current rate of return on Metro's investment portfolio and are expected to produce \$196,500, a decrease of \$61,000.

## **CURRENT EXPENDITURES**

### **Personal services**

The 93.55 FTE budgeted total represents a 0.05 FTE decrease from the prior fiscal year. This decrease is the net impact of program reorganization strategies. A limited duration position (0.15 FTE) for the Metro Climate Initiatives will expire in June 2011 and is not included in the FY 2011-12 budget. The FY 2011-12 budget adds a 0.10 FTE as a result of reorganization of functions within the Property and Project Management Program.

### **Materials and services**

Materials and services are budgeted to decrease by approximately 2.2 percent (\$905,600) from the FY 2010-11 budget. This decrease is due to lower operating costs related to the solid waste tonnage disposal operation. The FY 2011-12 forecast for tonnage delivered to Metro facilities is 6.5 percent below the FY 2010-11 budget forecast. The reduction in tonnage disposal costs is partially offset by cost-of-living increases in the contracts for processing, transporting and landfilling solid waste.

The FY 2011-12 budget continues FY 2010-11 changes to the Hazardous Waste program, both the collection program and the Metro Paint recycling facility, to implement the Oregon PaintCare program.

### **Capital outlay**

This category mainly includes the purchase of equipment and capital improvements at Metro solid waste facilities. Capital improvements are scheduled in Metro's capital improvement plan.

Capital expenditures are segregated into three categories. The Solid Waste General Account expenditures are typically new capital assets intended to improve the efficiency and effectiveness of Metro's two transfer stations. Projects for FY 2011-12 at Metro Central include improvements to the organics/food-handling area and to the stormwater system and the addition of a tarping station. Projects at Metro South include completion of a new access lane and improvements to the lighting. Both Metro South and Central are extending the canopy cover in the household hazardous waste areas. The General Account also includes the SWIS database project for tonnage data collection and reporting.

The projects in the Renewal and Replacement Account are to realize the optimal life span of capital assets. FY 2011-12 projects at Metro Central include an emergency generator, new roll up doors and replacement of the household hazardous waste building roof. Projects at Metro South include lighting replacement. Both Metro Central and South plan to replace the current radiation detection system. Renewal and Replacement funding also covers the vehicle and equipment needs of the enforcement division.

The projects funded or identified in the Landfill Closure Account are limited to projects needed to close St. Johns Landfill or implement post-closure monitoring. Projects for FY 2011-12 are mostly established, ongoing projects including perimeter stabilization and landfill remediation.

### **Debt service**

The debt service category previously included the necessary payments for the Solid Waste and Recycling department's bonded debt which was defeased in December 2008.

### **Transfers**

Transfers to other funds include internal service charges for central services and for Geographic Information System services provided by the Research Center. Since the implementation of the Sustainable Metro Initiative in the FY 2009-10 budget, this category also includes direct cost transfers for solid waste activities provided by other Metro services or centers. A one-time transfer of approximately \$1.1 million to the General Fund consolidates PERS Reserves from all funds to facilitate central management of these funds.

### **Contingency**

The operating contingency is funded to cover unanticipated cost spikes or tonnage (revenue) losses. For FY 2011-12 the operating contingency, which represents 13.7 percent of total contingency, is budgeted at \$2.0 million. The remaining 86.3 percent in contingency consists of restricted funds in the Renewal and Replacement and St. Johns Landfill accounts.

### **FUND BALANCE**

The unappropriated ending fund balance of \$20.8 million consists of designated and restricted funds. Approximately 49 percent of the balance is reserved for rate stabilization and available as working capital to meet cash flow needs. The capital reserve account represents 26 percent of the total fund balance. In addition, 25 percent of the ending balance is reserved for probable Environmental Impairment Liability. This was a new reserve in the FY 2010-11 Solid Waste Fund budget. The reserve was previously included in the Risk Management Fund and transferred to the Solid Waste Fund to comply with the new GASB 49.