



600 NE Grand Ave.
Portland, OR 97232-2736

Council meeting agenda

Thursday, March 16, 2017

2:00 PM

Metro Regional Center, Council chamber

1. Call to Order and Roll Call

2. Citizen Communication

3. Consent Agenda

- 3.1 Consideration of the Council Meeting Minutes for March 2, 2017

[17-4783](#)

4. Resolutions

- 4.1 Resolution No. 17-4775, For the Purpose of Creating the Committee on Racial Equity to Advise the Metro Council and Staff, Approving its Charter and Appointing its Founding Officers

[RES 17-4775](#)

Presenter(s): Patty Unfred, Metro
Juan Carlos Ocaña-Chíu, Metro

Attachments: [Resolution No. 17-4775](#)
[Exhibit A to Resolution No. 17-4775](#)
[Staff Report](#)

- 4.2 Resolution No. 17-4768, For the Purpose of Amending the FY 2016-17 Budget and Appropriations Schedule and FY 2016-17 Through 2020-21 Capital Improvement Plan to Provide for a Change in Operations

[RES 17-4768](#)

Presenter(s): Tim Collier, Metro
Lisa Houghton, Metro

Attachments: [Resolution No. 17-4768](#)
[Exhibits A and B to Resolution No. 17-4768](#)
[Staff Report](#)
[Attachments 1-4 to Staff Report](#)

- 4.3 Resolution No. 17-4780, For the Purpose of Amending the Oregon Zoo Bond Implementation Plan and to Allocate Program Reserves [RES 17-4780](#)

Presenter(s): Don Moore, Oregon Zoo
Heidi Rahn, Oregon Zoo

Attachments: [Resolution No. 17-4780](#)
[Staff Report](#)

5. Ordinances (First Reading and Public Hearing)

- 5.1 Ordinance No. 17-1395, For the Purpose of Adopting Solid Waste Charges and User Fees for FY 2017-18 [ORD 17-1395](#)

Presenter(s): Tim Collier, Metro

Attachments: [Ordinance No. 17-1395](#)
[Exhibit A to Ordinance No. 17-1395](#)
[Staff Report](#)
[Attachment 1 to Staff Report](#)

- 5.1.1 Public Hearing for Ordinance No. 17-1395

- 5.2 Ordinance No. 17-1397, For the Purpose of Addressing State Rule Requirements Regarding the Amount of Urban Reserves and the Balance of Urban and Rural Reserves in the Metro Region [ORD 17-1397](#)

Presenter(s): Roger Alred, Metro

Attachments: [Ordinance No. 17-1397](#)
[Exhibit A to Ordinance No. 17-1397](#)

- 5.2.1 Public Hearing for Ordinance 17-1397

6. Chief Operating Officer Communication

7. Councilor Communication

8. Adjourn

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ការគោរពសិទ្ធិពលរដ្ឋរបស់ ។ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានការបណ្តឹងរើសអើងសូមចូលទស្សនាគេហទំព័រ www.oregonmetro.gov/civilrights។

បើលោកអ្នកត្រូវការអ្នកបកប្រែភាសានៅពេលអង្គប្រជុំសាធារណៈ សូមទូរស័ព្ទមកលេខ 503-797-1890 (ម៉ោង 8 ព្រឹកដល់ម៉ោង 5 ល្ងាច ថ្ងៃធ្វើការ) ប្រាំពីរថ្ងៃ ថ្ងៃធ្វើការ មុនថ្ងៃប្រជុំដើម្បីអាចឲ្យគេសម្រួលតាមសំណើរបស់លោកអ្នក ។

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Agenda Item No. 3.1

Consideration of the Council Meeting Minutes from March
2, 2017

Minutes

Metro Council Meeting
Thursday, March 16, 2017
Metro Regional Center, Council Chamber

Agenda Item No. 4.1

Resolution No. 17-4775, For the Purpose of Creating the
Committee on Racial Equity to Advise the Metro Council
and Staff, Approving its Charter and Appointing its
Founding Officers

Resolutions

Metro Council Meeting
Thursday, March 16, 2017
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF CREATING THE)	RESOLUTION NO. 17-4775
COMMITTEE ON RACIAL EQUITY TO ADVISE)	
THE METRO COUNCIL AND STAFF,)	Introduced by Council President Tom Hughes
APPROVING ITS CHARTER AND APPOINTING)	
ITS FOUNDING OFFICERS)	

WHEREAS, in 2010 the Metro Council adopted Equity as one of the six desired regional outcomes; and

WHEREAS, on June 23, 2016, the Metro Council approved the Strategic Plan to Advance Racial Equity, Diversity and Inclusion (“Strategic Plan”); and

WHEREAS, the creation of the Strategic Plan relied on the input and advice from the Equity Strategy Advisory Committee members; and

WHEREAS, the Equity Strategy Advisory Committee was appointed by the Metro Chief Operating Officer and was dissolved after the completion of the Strategic Plan, as per its charter; and

WHEREAS, a large number of community members who provided input for the creation of the Strategic Plan requested the establishment of a new advisory committee to oversee the implementation of the Strategic Plan; and

WHEREAS, for the reason stated above, the creation of a new “Metro Council-appointed body to provide community oversight on the implementation of the Strategic Plan” was included as an action item to be completed during the first year following approval of the Strategic Plan; and

WHEREAS, the charter for the proposed Committee on Racial Equity (“CORE”) has been extensively vetted and is in a form that all Metro Council believes is ready for Metro Council adoption and support; and

WHEREAS, the CORE charter calls for the appointment of two Co-Chairs for the Committee concurrently with the Metro Council consideration of the charter; and

WHEREAS, two outstanding community leaders with the knowledge, experience and skills to lead the proposed CORE have agreed to serve as its founding Co-Chairs; and

WHEREAS, it is important to highlight Metro’s commitment to using a racial equity approach to dismantle the institutional barriers that keep some communities from achieving equitable outcomes; and

WHEREAS, it is important to highlight Metro’s commitment to upholding its values of Respect, Teamwork, and Public service to all residents of the region and staff, regardless of race, gender, sexual orientation, gender expression, ability, creed, nationality, place of birth and immigrant and refugee status; now therefore,

BE IT RESOLVED that the Metro Council establishes the Committee on Racial Equity, effective immediately; and

BE IT FURTHER RESOLVED that the Metro Council approves the CORE charter in the form attached as Exhibit A; and

BE IT FURTHER RESOLVED that the Metro Council confirms the appointments of Maria Caballero-Rubio and Sharon Gary-Smith as Co-Chairs of the CORE for a term of one year commencing with the Committee's kick-off meeting; and

BE IT FURTHER RESOLVED that the Metro Council directs staff to start recruiting for the remaining members of the CORE and to provide the committee with the support that it needs to be successful.

ADOPTED by the Metro Council this 16th day of March, 2017.

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean, Metro Attorney

Committee on Racial Equity Charter, Purpose and Operating Principles

Section I. Charter and authority

A. Purpose

The purpose of the Committee on Racial Equity (CORE) is to provide input and support to Metro Council and staff in advancing racial equity to fulfill the purpose of good government, which is to serve all people effectively and create greater opportunities for people of color to thrive in the region.

The CORE will achieve this purpose by:

- Providing input and advising on direction to Metro Council and staff for the successful implementation of the Strategic Plan to Advance Racial Equity, Diversity and Inclusion (Strategic Plan).
- Providing community oversight and opportunities for Metro to increase its accountability to the community in the implementation of the Strategic Plan.
- Providing an independent perspective to assess Metro's progress in implementing the Strategic Plan.
- Assisting Metro Council and staff in communicating the agency's progress in implementing the Strategic Plan.
- Assisting Metro staff in the creation and implementation of the Strategic Plan evaluation.
- Providing input, feedback and ideas to Metro Council and staff at times when significant changes to the Strategic Plan are contemplated or required.
- Making recommendations to, and communicating with, Metro Council about the subjects indicated above.

B. Formation

The Metro Council shall approve the formation of the Committee on Racial Equity .

C. Scope and authority

The scope and authority of the CORE is to convene periodically to support the implementation of Metro's Strategic Plan, provide constructive comments and input to Metro Council and staff, assist staff in evaluation of the Strategic Plan, and provide community oversight and accountability.

The CORE shall deliver input and advice to the Metro Council primarily through the Council members who will serve as non-voting members of the committee, and through presentations at Metro Council work sessions or meetings, as needed.

The CORE shall deliver input and advice to the Metro Chief Operating Officer, Senior Leadership Team members, Diversity, Equity and Inclusion Program staff and other Metro staff implementing the Strategic Plan in several ways:

- At the CORE meetings
- Through additional communications with the Metro staff identified above.

Throughout all of its activities, the CORE members will strive to provide oversight on the implementation of Metro’s Strategic Plan in order to increase transparency and accountability to local communities, especially to people of color and other historically marginalized groups. Metro staff will work proactively with CORE members to support the community oversight and accountability function of this body.

The CORE will foster positive communication outside of the committee regarding Metro’s progress and outcomes in the Strategic Plan implementation, suggest other resources and approaches to implementation and evaluation, and act as a resource to the program team.

D. Period of time necessary for the CORE to carry out its purpose

The CORE shall work indefinitely, without a deadline to complete its charter.

E. Membership

This volunteer committee shall be comprised of up to 15 members, and two (2) non-voting Metro Council liaisons to the committee, to be appointed by the Metro Council President and confirmed by a vote of the entire Metro Council.

The primary criteria for selection of CORE members are:

- Demonstrated connections to local historically marginalized communities
- Demonstrated ability to communicate Metro’s work to advance racial equity to the communities with whom they have connections, and to bring feedback from those communities back to Metro
- Ability to provide insights and advice to Metro in the implementation of its Strategic Plan work
- Ability to contribute to the evaluation of Metro’s Strategic Plan.

Members will also be selected to balance the representation of all districts in the Metro region.

Members serve on the advisory committee as individuals, not as representatives of their respective agency, organization or company.

Terms

The CORE members will be appointed to a two-year term. They will be eligible to be reappointed to a second term but may not serve any additional terms on the CORE.

F. Co-Chairs

The CORE shall have two Co-Chairs, who shall preside over meetings of the CORE. When the CORE is not in session, the Co-Chairs’ duties include acting as its representatives and spokespersons. The Metro Council President shall designate two individuals to serve as the initial Co-Chairs of the CORE for the first year of the committee’s existence.

At the first regular meeting after the one-year anniversary of the creation of the CORE, its regular members will elect Co-Chairs by a vote. The Co-Chairs shall serve for a one-year term and can be reelected as many times as possible while they are members of the CORE.

G. Expected work results

The CORE shall provide written and oral reports to Metro Council on the following items:

- Implementation of Metro-wide Strategic Plan goals, objectives and action items
- Successes, challenges and adjustments in the implementation of the Strategic Plan and department- and venue-specific action plans
- Development and implementation of evaluation measures for the Strategic Plan at the goal, objective and action item levels.

The CORE shall make at least one annual presentation on the results of the committee's work to the Metro Council. This presentation will take place during a Metro Council work session scheduled toward the end of each calendar year.

H. Metro responsibilities for providing necessary support

Metro will provide managerial and support staff as well as the facilities, supplies, and external consultants (as needed) to support the successful completion of activities of the CORE.

Metro intends to provide a monthly stipend to CORE members in recognition of their expertise, services to and participation on the committee. This stipend will be aligned with future agency-wide guidelines for offering stipends to volunteers, which are under development. The CORE members will have the option of declining the stipend.

Metro will also pay reasonable costs associated with accommodations for people when such costs are directly associated with the conduct of the CORE meetings and related activities. Examples of accommodations include access to the meetings for people with disabilities, and translation and interpretation services.

Section II. Operating principles

In order to effectively conduct its work, the CORE agrees to the following operating principles to guide its meetings and decision making processes as follows:

A. Productive communication

- We will work to make CORE meetings and other business a safe space for members and other participants to speak their truth from their lived experiences.
- We value communications that allow for differences in perspectives.
- We acknowledge the power differential among members and will work to minimize it while conducting the work of the CORE.
- We assume committee members come with the best of intentions.
- We promote an openness that supports us in communicating our feelings.
- We make the commitment to stay engaged in the work of the CORE.
- We expect to experience discomfort as the results of discussing challenging issues related to race and other forms of oppression.
- We respect each other by focusing on issues and ideas, not individuals.
- We listen for understanding.
- We allow ourselves to take risks when participating in the CORE.

B. Collaboration

We all benefit from a collaborative working relationship between CORE members, program manager, Metro staff, and other individuals associated with the committee.

C. Role of the program manager and support staff

- The equity strategy program manager shares input and facilitates check-ins as needed with Metro Council members, especially in regard to the development of any recommendations from the CORE.
- Metro staff keeps momentum going and helps advance the discussion by developing materials and content for CORE consideration.
- Metro staff provides outside resources that can inform the work of CORE members.
- Metro staff synthesizes discussions, tracks progress, and determines next steps and points of action needed.

D. Decision-making process

- We support an open, transparent and inclusive decision-making process.
- The Committee on Racial Equity will strive to reach decisions through consensus.
- Consensus means that all parties can live with a recommendation, though they may not agree with it in its entirety.
- If consensus is not achievable in a specific decision, the CORE members will reach decisions by simple majority voting.
- When decisions are made by the CORE, Metro staff captures the discussion, synthesizes the comments, and sends all notes and materials back to the committee in a timely manner.

E. Meeting logistics

Attendance

We assume that since committee members agreed to serve on the Committee on Racial Equity, they understand the importance of regular attendance in order to be heard and have their opinion factored into the process and decisions. The CORE members will be allowed a maximum of three excused absences or two unexcused absences in a calendar year.

Multiple options for committee participation

While it is preferred that committee members attend in person, members will have the following options for participation (determined in advance of meetings, allowing Metro staff time to accommodate meeting needs):

- Conference calls
- Video conferencing
- Meeting at other locations beyond Metro to accommodate committee members in other parts of the region.

F. Date of Charter, Purpose and Operating Principles

The charter, purpose and operating principles of the Committee on Racial Equity were formally approved by the Metro Council on March 16, 2017.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4775, FOR THE PURPOSE OF CREATING THE COMMITTEE ON RACIAL EQUITY TO ADVISE THE METRO COUNCIL AND STAFF, APPROVING ITS CHARTER AND APPOINTING ITS FOUNDING OFFICERS

Date: February 23, 2017

Prepared by: Juan Carlos Ocaña-Chú,
Equity Strategy Program Manager,
x 1774

BACKGROUND

In July 2013, Martha Bennett, Metro Chief Operating Officer, appointed the Equity Strategy Advisory Committee (“ESAC”) to provide input and support for the creation of Metro’s Strategic Plan to Advance Racial Equity, Diversity and Inclusion (“Strategic Plan”). ESAC members were community leaders who have an interest and experience in equity. They were a diverse group of individuals in terms of race, gender, age, geographic representation, background and interests. The ESAC charter required the committee to be dissolved upon the completion of the Strategic Plan, which took place in June, 2016.

During the creation of the Strategic Plan, Metro staff conducted an extensive process of community engagement and reached out to a significant number of people, especially from historically marginalized communities (primarily people of color and youth). One frequent request from members of those communities, and from ESAC members, was to ensure that the community was able to provide oversight and advice on the implementation of the Strategic Plan through the creation of a Metro Council-appointed committee. This item was included in the first-year action items in the Strategic Plan.

Metro staff from the Diversity, Equity and Inclusion (DEI) Program have been working on the creation of this new, Metro Council-appointed body. The process has included identifying a name for this proposed body: the Committee on Racial Equity (CORE), creating a proposal, obtaining feedback on the CORE proposal from emerging leaders of color and former ESAC members, creating the charter for CORE, and vetting it with Councilors and the appropriate staff.

DEI Program staff have incorporated recommendations from the Metro Council to enhance the Committee and the process. Two of those suggestions include (1) bringing the CORE charter up for a vote by the Metro Council in order to elevate the importance of racial equity, diversity and inclusion for the agency, and (2) appointing the founding officers of the CORE in conjunction with the approval of the Committee charter. The remaining members will be recruited through a process open to any resident of the region, which will begin shortly after Metro Council’s approval of this Resolution No 17-4775. Staff anticipates that the roster of remaining CORE members will be presented to the Metro Council for approval in May, 2017.

ANALYSIS/INFORMATION

1. **Known Opposition** No known opposition to the creation of the CORE, approval of its charter and appointment of its founding officers has been identified to date.

2. **Legal Antecedents** Metro Code, Section 2.19 authorizes the Metro Council to establish advisory committees and codifies the process to create them. The creation of the CORE follows Metro Code's stipulations.
3. **Anticipated Effects** If Metro Council approves Resolution No. 17-4775, the mechanism to provide community advice, oversight and greater accountability on the implementation of the Strategic Plan will be in place. This will result in better results and greater transparency and community support for the implementation of Metro's racial equity, diversity and inclusion work.
4. **Budget Impacts** The anticipated cost of materials and services for having a CORE is \$20,000 per fiscal year. This cost is included in the current DEI Program budget. There are no additional staff costs associated with the creation and functioning of the CORE.

RECOMMENDED ACTION

Staff recommends that the Metro Council approve this Resolution No. 17-4775.

Agenda Item No. 4.2

Resolution No. 17-4768, For the Purpose of Amending the
FY 2016-17 Budget and Appropriations Schedule and FY
2016-17 Through 2020-21 Capital Improvement Plan to
Provide for a Change in Operations

Resolutions

Metro Council Meeting
Thursday, March 16, 2017
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE FY 2016-17 BUDGET AND APPROPRIATIONS SCHEDULE AND FY 2016-17 THROUGH FY 2020-21 CAPITAL IMPROVEMENT PLAN TO PROVIDE FOR A CHANGE IN OPERATIONS)

RESOLUTION NO 17-4768 Introduced by Martha Bennett, Chief Operating Officer, with the concurrence of Council President Tom Hughes

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2016-17 Budget; and

WHEREAS, Metro Code chapter 2.02.040 requires Metro Council approval to add any new position to the budget; and

WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; and

WHEREAS, ORS 294.463(1) provides for transfers of appropriations within a fund, including transfers from contingency that do not exceed 15 percent of a fund’s appropriations, if such transfers are authorized by official resolution or ordinance of the governing body, and

WHEREAS, ORS 294.463(3) provides for transfers of appropriations or of appropriations and a like amount of budget resources between funds of the municipal corporation when authorized by an official resolution or ordinance of the governing body stating the need for the transfer, and

WHEREAS, ORS 294.338(3) allows the recognition of insurance reimbursement revenues in the year an unforeseen loss occurs when authorized by an official resolution or ordinance of the governing body stating the need for the recognition, and

WHEREAS, ORS 294.466(3) allows for the recognition and appropriation of fees in the year they are received provided they are passed through to another municipal corporation when authorized by an official resolution or ordinance of the governing body stating the need for the recognition, now, therefore

BE IT RESOLVED,

- 1. That the FY 2016-17 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled “Revision” of Exhibits A and B to this Resolution for the purpose of recognizing new donations, reimbursements and fees, approving new FTE, and transferring funds from contingency to provide for increased appropriations.
2. That the FY 2016-17 through FY 2020-21 Capital Improvement Plan is hereby amended accordingly.

ADOPTED by the Metro Council this 16th day of March, 2017.

Tom Hughes, Council President

APPROVED AS TO FORM:

Alison Kean, Metro Attorney

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
Community Enhancement Fund				
Community Enhancement Fund				
Revenues				
	Total Beginning Fund Balance	1,377,259	-	1,377,259
	<i>Current Revenue</i>			
432500	Rehabilitation and Enhance Fee	276,680	-	276,680
433500	Host Fees	854,528	20,000	874,528
470000	Interest on Investments	13,773	-	13,773
	Total Current Revenue	1,144,981	20,000	1,164,981
TOTAL RESOURCES		\$2,522,240	\$20,000	\$2,542,240
Expenditures				
	<i>Materials and Services</i>			
520100	Office Supplies	1,400	-	1,400
520120	Meetings Expenditures	500	-	500
528000	Other Purchased Services	23,000	-	23,000
530000	Payments to Other Agencies	764,528	20,000	784,528
544500	Grants and Loans	626,680	-	626,680
545000	Travel	500	-	500
545500	Staff Development	1,000	-	1,000
	Total Materials and Services	1,417,608	20,000	1,437,608
	Total Interfund Transfers	868,310	-	868,310
	Total Contingency	151,061	-	151,061
	Total Unappropriated Fund Balance	85,261	-	85,261
TOTAL REQUIREMENTS		\$2,522,240	\$20,000	\$2,542,240

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
General Asset Management Fund				
General Asset Management Fund				
Revenues				
	Total Beginning Fund Balance	10,861,601	-	10,861,601
	Total Current Revenue	290,902	-	290,902
	<i>Interfund Transfers</i>			
496900	Internal Loan Proceeds	2,000,000	-	2,000,000
497000	Transfer of Resources	2,974,605	-	2,974,605
498000	Transfer for Direct Costs	1,779,000	45,000	1,824,000
	Total Interfund Transfers	6,753,605	45,000	6,798,605
	TOTAL RESOURCES	\$17,906,108	\$45,000	\$17,951,108
Expenditures				
	Total Personnel Services	342,302	-	342,302
	Total Materials and Services	2,328,520	-	2,328,520
	<i>Capital Outlay</i>			
571000	Improve-Other than Bldg	998,376	45,000	1,043,376
572000	Buildings and Related	2,597,053	-	2,597,053
574000	Equipment and Vehicles	102,146	-	102,146
574500	Vehicles	336,747	-	336,747
575000	Office Furn and Equip	813,192	-	813,192
579000	Intangible Assets	459,484	-	459,484
	Total Capital Outlay	5,306,998	45,000	5,351,998
	Total Interfund Transfers	214,625	-	214,625
	Total Contingency	9,713,663	-	9,713,663
	Total Unappropriated Fund Balance	-	-	-
	TOTAL REQUIREMENTS	\$17,906,108	\$45,000	\$17,951,108

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
General Fund - Council Office				
ACCT	DESCRIPTION	Amount	REVISION	Amount
General Fund - Council Office				
	Total Personnel Services	3,917,766	-	3,917,766
	<u>Materials and Services</u>			
520100	Office Supplies	73,181	-	73,181
520500	Operating Supplies	923	10,000	10,923
521000	Subscriptions and Dues	2,430	-	2,430
524000	Contracted Professional Svcs	912,145	(300,000)	612,145
524070	Contracted Prof Svcs - Management, Consulting and Communication Services		-	
524600	Sponsorship Expenditures	23,000	-	23,000
525100	Utility Services	1,816	-	1,816
526000	Maintenance and Repair Services	1,068	-	1,068
526500	Rentals	961	-	961
528000	Other Purchased Services	20,292	-	20,292
545000	Travel	56,948	-	56,948
545500	Staff Development	48,418	-	48,418
547000	Council Costs	26,166	-	26,166
549000	Miscellaneous Expenditures	7,220	-	7,220
	Total Materials and Services	1,174,568	(290,000)	884,568
TOTAL REQUIREMENTS		\$5,092,334	(\$290,000)	\$4,802,334

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
General Fund - Finance and Regulatory Services				
General Fund - Finance and Regulatory Services				
	Total Personnel Services	4,117,209	-	4,117,209
	<u>Materials and Services</u>			
520100	Office Supplies	27,948	-	27,948
521000	Subscriptions and Dues	13,901	-	13,901
521500	Maintenance and Repairs Supplies	724	-	724
524000	Contracted Professional Svcs	162,169	-	162,169
524070	Contracted Prof Svcs - Management, Consulting and Communication Services	150,000	-	150,000
524600	Sponsorship Expenditures	20,149	-	20,149
526000	Maintenance and Repair Services	2,458	-	2,458
528000	Other Purchased Services	108,977	-	108,977
530000	Payments to Other Agencies	364,788	108,000	472,788
545000	Travel	28,867	-	28,867
545500	Staff Development	31,304	-	31,304
549000	Miscellaneous Expenditures	4,273	-	4,273
	Total Materials and Services	915,558	108,000	1,023,558
TOTAL REQUIREMENTS		\$5,032,767	\$108,000	\$5,140,767

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
General Fund - Non-Departmental Special Appropriations				
General Fund - Non-Departmental Special Appropriations				
<i>Materials and Services</i>				
521100	Membership and Professional Dues	49,200	-	49,200
524000	Contracted Professional Svcs	50,000	442,000	492,000
524010	Contracted Prof Svcs - Accounting and Auditing	152,000	-	152,000
524600	Sponsorship Expenditures	300,000	-	300,000
530000	Payments to Other Agencies	2,891,000	-	2,891,000
530500	Election Expenses	75,000	-	75,000
545100	Travel and Lodging	-	4,000	4,000
545200	Mileage, Taxi and Parking	-	2,000	2,000
545300	Meals and Entertainment	-	2,000	2,000
549010	Tri-Met Transit Pass	204,800	-	204,800
Total Materials and Services		3,722,000	450,000	4,172,000
Total Debt Service		1,932,038	-	1,932,038
Total Capital Outlay		100,000	-	100,000
TOTAL REQUIREMENTS		\$5,754,038	\$450,000	\$6,204,038

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
General Fund - General Expenses				
General Fund - General Expenses				
<i>Interfund Transfers</i>				
580000	Transfer for Indirect Costs	485,676	-	485,676
581000	Transfer of Resources	18,436,590	353,000	18,789,590
582000	Transfer for Direct Costs	654,000	-	654,000
Total Interfund Transfers		19,576,266	353,000	19,929,266
<i>Contingency</i>				
701001	Contingency - Opportunity Account	215,000	(210,000)	5,000
701002	Contingency - Operating	1,162,665	(411,000)	751,665
709000	Contingency - All Other	5,100,041	-	5,100,041
Total Contingency		6,477,706	(621,000)	5,856,706
<i>Unappropriated Fund Balance</i>				
801002	Unapp FB - Restricted CET	4,698,550	-	4,698,550
801003	Unapp FB - Restricted TOD	6,365,810	-	6,365,810
805100	Unapp FB - Stabilization Reserve	1,795,000	-	1,795,000
805400	Unapp FB - Reserve for Future Debt Service	1,418,886	-	1,418,886
805450	Unapp FB - PERS Reserve	3,975,814	-	3,975,814
805900	Unapp FB - Other Reserves and Designations	2,353,414	-	2,353,414
Total Unappropriated Fund Balance		20,607,474	-	20,607,474
TOTAL REQUIREMENTS		\$46,661,446	(\$268,000)	\$46,393,446

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
General Revenue Bond Fund				
Expenditures				
<i>Materials and Services</i>				
524000	Contracted Professional Svcs	700,000	-	700,000
544500	Grants and Loans	72,858,000	2,500,000	75,358,000
Total Materials and Services		73,558,000	2,500,000	76,058,000
<i>Debt Service</i>				
563000	Revenue Bond Pmts-Principal	2,205,000	-	2,205,000
563500	Revenue Bond Payments-Interest	3,026,797	(2,500,000)	526,797
Total Debt Service		5,231,797	(2,500,000)	2,731,797
<i>Unappropriated Fund Balance</i>				
801000	Unapp FB - Restricted	9,500,000	-	9,500,000
805000	Unapp FB - Reserves	7,017	-	7,017
Total Unappropriated Fund Balance		9,507,017	-	9,507,017
TOTAL REQUIREMENTS		\$88,296,814	\$0	\$88,296,814

**Exhibit A
Resolution No. 17-4768**

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
MERC Fund				
MERC Fund				
Revenues				
Total Beginning Fund Balance		46,923,973	-	46,923,973
Total Current Revenue		63,301,933	-	63,301,933
<u>Interfund Transfers</u>				
497000	Transfer of Resources	600,000	50,000	650,000
Total Interfund Transfers		600,000	50,000	650,000
TOTAL RESOURCES		\$110,825,906	\$50,000	\$110,875,906
Expenditures				
Total Personnel Services		20,310,932	-	20,310,932
<u>Materials and Services</u>				
520100	Office Supplies	48,870	-	48,870
520110	Computer Equipment	67,694	-	67,694
520120	Meetings Expenditures	45,579	-	45,579
520130	Postage	12,483	-	12,483
520140	OfficeSupply-PromoandConsult Sup	82,500	-	82,500
520500	Operating Supplies	94,450	-	94,450
520510	Operating Supplies - Small Tools, Equip	70,150	-	70,150
520520	Operating Supplies - Audio Visual	17,100	-	17,100
520530	Operating Supplies - Coat Check	2,400	-	2,400
520540	Operating Supplies - Medical and Veterinary	5,000	-	5,000
520550	Operating Supplies - Telecommunications	10,750	-	10,750
520560	Operating Supplies - Tickets	12,000	-	12,000
520570	Operating Supplies - Production	4,250	-	4,250
520571	Operating Supplies - Show and Stage	37,700	-	37,700
520580	Operating Supplies - Uniforms	55,627	-	55,627
520590	Operating Supplies - Sustainability	12,500	-	12,500
521100	Membership and Professional Dues	62,837	-	62,837
521200	Publications and Subscriptions	4,400	-	4,400
521400	Fuels and Lubricants - General	21,300	-	21,300
521500	Maintenance and Repairs Supplies	17,000	-	17,000
521510	Maintenance and Repairs Supplies - Technology	22,500	-	22,500
521520	Maintenance and Repairs Supplies - Building	84,350	-	84,350
521521	Maintenance and Repairs Supplies - HVAC	83,250	-	83,250
521522	Maintenance and Repairs Supplies - Lightbulbs and Ballasts	27,400	-	27,400
521530	Maintenance and Repairs Supplies - Custodial	134,700	-	134,700
521531	Maint and Rep Supp - Cust Paper/MandR Paper	40,000	-	40,000
521540	Maintenance and Repairs Supplies - Electrical	85,900	-	85,900
521550	Maintenance and Repairs Supplies - Grounds/Landscape	7,300	-	7,300
521560	Maintenance and Repairs Supplies - Equipment	85,510	-	85,510
521570	Maintenance and Repairs Supplies - Vehicles	1,600	-	1,600
521590	Maintenance and Repairs Supplies - Disposabe Protective Gear	2,500	-	2,500
522500	Retail	13,000	-	13,000
524000	Contracted Professional Svcs	-	50,000	50,000
524010	Contracted Prof Svcs - Accounting and Auditing	20,000	-	20,000
524020	Contracted Prof Svcs - Attorney and Legal	275,000	-	275,000
524030	Contracted Prof Svcs - Architect	400,000	-	400,000
524040	Contracted Prof Svcs - Promotion and Public Relations	72,700	-	72,700
524050	Contracted Prof Svcs - Advertising	160,200	-	160,200
524060	Contracted Prof Svcs - Information Technology Services	41,500	-	41,500
524070	Contracted Prof Svcs - Management, Consulting and Communication Services	869,060	-	869,060
524075	Contracted Prof Svcs - Recruiting Services	2,000	-	2,000
524080	Contracted Prof Svcs - Architectural and Design (non-cap)	130,000	-	130,000
524500	Marketing Expenditures	303,200	-	303,200
524510	Sales and Marketing Contract	3,600,000	-	3,600,000
524600	Sponsorship Expenditures	12,500	-	12,500

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
MERC Fund				
524700	Visitor Develop Marketing	486,118	-	486,118
525110	Utility Services - Internet	72,500	-	72,500
525120	Utility Services - Telecommunications	121,900	-	121,900
525130	Utility Services - Electricity	1,455,000	-	1,455,000
525140	Utility Services - Natural Gas	272,700	-	272,700
525150	Utility Services - Sanitation and Refuse Removal	121,300	-	121,300
525160	Utility Services - Water and Sewer	565,656	-	565,656
525500	Cleaning Services	86,000	-	86,000
526000	Maintenance and Repair Services	12,810	-	12,810
526010	Maintenance and Repair Services - Building	461,250	-	461,250
526011	Maintenance and Repair Services - Painting	100,000	-	100,000
526012	Maintenance and Repair Services - Electricity	7,600	-	7,600
526013	Maintenance and Repair Services - Elevator and Escalator	253,000	-	253,000
526014	Maintenance and Repair Services - HVAC	143,200	-	143,200
526020	Maintenance and Repair Services - Equipment	110,350	-	110,350
526030	Maintenance and Repair Services - Grounds	143,000	-	143,000
526040	Maintenance and Repair Services - Technology	116,000	-	116,000
526050	Maintenance and Repair Services - Vehicles	3,750	-	3,750
526060	Maintenance and Repair Services - Safety	60,000	-	60,000
526100	Capital Maintenance - CIP	73,300	-	73,300
526200	Capital Maintenance - Non-CIP	7,500	-	7,500
526300	Software Maintenance	162,800	-	162,800
526510	Rentals - Building	43,785	-	43,785
526520	Rentals - Equipment	72,515	-	72,515
526530	Rentals - Office Equipment	30,660	-	30,660
526540	Rentals - Vehicle	10,716	-	10,716
526550	Rentals - Production	16,250	-	16,250
526555	Rentals - Air Space	358,938	-	358,938
526560	Rentals - Parking Space	11,620	-	11,620
526580	Rentals - Audio Visual	469,000	-	469,000
527000	Insurance	7,993	-	7,993
528000	Other Purchased Services	53,000	-	53,000
528030	Other Purchased Services - Delivery, Shipping and Courier	37,475	-	37,475
528060	Other Purchased Services - EMT and Medical	6,552	-	6,552
528070	Other Purchased Services - Trade Shows	6,000	-	6,000
528080	Other Purchased Services - Agency Fees	880,000	-	880,000
528091	Other Purchased Services - City Police	35,964	-	35,964
528092	Other Purchased Services - Traffic Control	19,254	-	19,254
528093	Other Purchased Services - Piano Tuning	12,000	-	12,000
528094	Other Purchased Services - Linens	13,000	-	13,000
528095	Other Purchased Services - Physical Capacity Testing	3,075	-	3,075
528099	Other Purchased Services - Sustainability	9,900	-	9,900
528110	Other Purch Services - Reimb - Show Services	2,500	-	2,500
528120	Other Purch Services - Reimb - Security	206,303	-	206,303
528130	Other Purch Services - Reimb - Stagehand	400,000	-	400,000
528140	Other Purch Services - Reimb - Talent and Entertainment	10,000	-	10,000
528150	Other Purch Services - Reimb - Audio Visual	80,000	-	80,000
528200	Banking Services	6,850	-	6,850
528210	Credit Card Fees	588,671	-	588,671
528300	Other Purchased Services - Temporary Help Services	109,650	-	109,650
528400	Other Purchased Services - Printing and Graphics	76,200	-	76,200
528600	Other Purchased Services - Artist and Talent	412,080	-	412,080
528610	Other Purchased Services - Artist Hosp	79,375	-	79,375
528620	Other Purchased Services - Music License and Royalty	93,189	-	93,189
529101	Food and Beverage Services - Advertising and Promotion	3,400	-	3,400
529102	Food and Beverage Services - Banking Fees	535	-	535
529103	Food and Beverage Services - Credit Card Expense	93,000	-	93,000
529104	Food and Beverage Services - Postage	400	-	400
529106	Food and Beverage Services - General Insurance	394,021	-	394,021
529107	Food and Beverage Services - Cash Over/Short	5,000	-	5,000
529108	Food and Beverage Services - Rental Exp - Vehicle	2,000	-	2,000
529109	Food and Beverage Services - Services - Vehicles	1,750	-	1,750
529110	Food and Beverage Services - Freight Chargeouts	2,500	-	2,500
529111	Food and Beverage Services - Recruiting	12,200	-	12,200
529112	Food and Beverage Services - Other	19,914	-	19,914

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
MERC Fund				
529120	Food and Beverage Services - Food Cost	2,992,393	-	2,992,393
529121	Food and Beverage Services - Beverage Cost	196,352	-	196,352
529122	Food and Bev Svcs-Liquor Cost	87,450	-	87,450
529123	Food and Beverage Services - Wine Cost	134,090	-	134,090
529124	Food and Beverage Services - Beer Cost	119,990	-	119,990
529127	Food and Beverage Services - National Vendor Rebate (contra)	(249,000)	-	(249,000)
529129	Food and Beverage Services - Other	3,000	-	3,000
529130	Food and Beverage Services - Direct Salary and Wage - Mgmt	1,663,789	-	1,663,789
529131	Food and Beverage Services - Direct Salary and Wage - Hourly	3,888,987	-	3,888,987
529132	Food and Beverage Services - Payroll Laundry	45,000	-	45,000
529133	Food and Beverage Services - Subcontractor Payout	291,075	-	291,075
529134	Food and Beverage Services - Rental Exp - Equipment	19,000	-	19,000
529135	Food and Beverage Services - Replacements	11,700	-	11,700
529136	Food and Beverage Services - Travel - Meals and Entertainment	3,800	-	3,800
529137	Food and Beverage Services - Travel - Lodging	4,000	-	4,000
529139	Food and Beverage Services - Other Labor and Related	1,991,142	-	1,991,142
529140	Food and Beverage Services - Employee Welfare	5,500	-	5,500
529150	Food and Beverage Services - Services - Software License Fees	7,300	-	7,300
529151	Food and Beverage Services - Services - Contract Cleaning	57,600	-	57,600
529152	Food and Beverage Services - Services - Consulting	2,000	-	2,000
529153	Food and Beverage Services - Services - Legal	8,000	-	8,000
529154	Food and Beverage Services - Services - Repair and Maintenance	12,000	-	12,000
529155	Food and Beverage Services - Services - Professional	9,000	-	9,000
529157	Food and Beverage Services - Services - Security	37,500	-	37,500
529158	Food and Beverage Services - Services - Technology R and M	6,500	-	6,500
529159	Food and Beverage Services - Services - Telecommunications	13,750	-	13,750
529161	Food and Beverage Services - Supplies - Equipment	15,000	-	15,000
529169	Food and Beverage Services - Services - Other	2,000	-	2,000
529170	Food and Beverage Services - Supplies - Cafeteria	88,000	-	88,000
529171	Food and Beverage Services - Supplies - Flowers and Decoration	600	-	600
529172	Food and Beverage Services - Supplies - Linen, Uniform and Laundry	174,000	-	174,000
529173	Food and Beverage Services - Supplies - Misc.	1,950	-	1,950
529174	Food and Beverage Services - Supplies - Office	18,000	-	18,000
529186	Food and Bev Svcs Spent Mktg Res/FandB S M R	(67,517)	-	(67,517)
529190	Food and Beverage Services - Reserve Capital 2%	480,000	-	480,000
529191	Food and Beverage Services - Spent Capital Reserve 2%	(135,034)	-	(135,034)
529192	Food and Beverage Services - Reserve Maintenance 1%	240,000	-	240,000
529193	Food and Beverage Services - Spent Maintenance Reserve 1%	(67,517)	-	(67,517)
529194	Food and Beverage Services - Reserve Utilities 1%	240,000	-	240,000
529195	Food and Beverage Services - Spent Utility Reserve 1%	(67,517)	-	(67,517)
529196	Food and Beverage Services - Reserve Marketing 1%	240,000	-	240,000
529198	Food and Beverage Services - Net Gross Receipts Percent	560,571	-	560,571
529199	Food and Beverage Services - Percent of Net Profit	366,255	-	366,255
529210	Parking Services - Parking Lot Management	266,392	-	266,392
530010	License and Permit Fees	110,873	-	110,873
531000	Taxes (Non-Payroll)	37,000	-	37,000
532000	Government Assessments	4,500	-	4,500
540000	Charges for Services	169,700	-	169,700
545100	Travel and Lodging	178,109	-	178,109
545200	Mileage, Taxi and Parking	72,775	-	72,775
545300	Meals and Entertainment	81,340	-	81,340
545500	Staff Development	79,275	-	79,275
545520	Conference Fees	82,427	-	82,427
549000	Miscellaneous Expenditures	86,174	-	86,174
549010	Tri-Met Transit Pass	506,883	-	506,883
Total Materials and Services		31,817,886	50,000	31,867,886
Total Capital Outlay		14,418,744	-	14,418,744
<i>Interfund Transfers</i>				
580000	Transfer for Indirect Costs	4,080,228	-	4,080,228
581000	Transfer of Resources	5,454,103	17,500	5,471,603
582000	Transfer for Direct Costs	72,212	-	72,212
586000	Interfund Loan - Principal	179,988	-	179,988
586500	Interfund Loan - Interest	10,799	-	10,799

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
MERC Fund				
	Total Interfund Transfers	9,797,330	17,500	9,814,830
	<i>Contingency</i>			
701002	Contingency - Operating	2,515,000	(17,500)	2,497,500
701003	Contingency - New Capital-Business Strategy Reserve	6,219,393	-	6,219,393
706000	Contingency - Renew and Replacement	21,993,979	-	21,993,979
709000	Contingency - All Other	3,752,642	-	3,752,642
	Total Contingency	34,481,014	(17,500)	34,463,514
TOTAL REQUIREMENTS		\$110,825,906	\$50,000	\$110,875,906

**Exhibit A
Resolution No. 17-4768**

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
Oregon Zoo Operating Fund				
Oregon Zoo Operating Fund Expenditures				
<u>Personnel Services</u>				
501000	Reg Employees-Full Time-Exempt	5,920,306	26,250	5,946,556
501500	Reg Empl-Full Time-Non-Exempt	5,278,737	-	5,278,737
502000	Reg Employees-Part Time-Exempt	32,895	-	32,895
502500	Reg Empl-Part Time-Non-Exempt	1,103,425	-	1,103,425
503000	Temporary Employees - Hourly	3,173,862	-	3,173,862
508000	Overtime	276,912	-	276,912
508600	Mobile Comm Allowance	21,000	-	21,000
511000	Fringe - Payroll Taxes	1,322,111	2,258	1,324,369
512000	Fringe - Retirement PERS	1,482,274	3,333	1,485,607
513000	Fringe - Health and Welfare	2,692,261	3,562	2,695,823
514000	Fringe - Unemployment	91,014	-	91,014
515000	Fringe - Other Benefits	52,779	-	52,779
519000	Pension Oblig Bonds Contrib	311,681	263	311,944
Total Personnel Services		21,759,257	35,666	21,794,923
<u>Materials and Services</u>				
520100	Office Supplies	52,578	-	52,578
520110	Computer Equipment	39,105	-	39,105
520120	Meetings Expenditures	19,170	-	19,170
520130	Postage	5,060	-	5,060
520140	OfficeSupply-PromoandConsult Sup	17,495	-	17,495
520500	Operating Supplies	1,115,788	-	1,115,788
520510	Operating Supplies - Small Tools, Equip	71,700	-	71,700
520535	Operating Supplies - Food for Prq Part	67,730	-	67,730
520540	Operating Supplies - Medical and Veterinary	241,125	-	241,125
520545	Exhibit Materials - Habitat/Exh Mat H	22,750	-	22,750
520546	Enrichment Materials - Zoo An/Enrich Mat	16,200	-	16,200
520580	Operating Supplies - Uniforms	80,110	-	80,110
520600	Animal Food	500,800	-	500,800
520610	Animal Food - Enrichment	9,200	-	9,200
521100	Membership and Professional Dues	63,149	-	63,149
521200	Publications and Subscriptions	5,875	-	5,875
521400	Fuels and Lubricants - General	84,100	-	84,100
521500	Maintenance and Repairs Supplies	30,100	-	30,100
521520	Maintenance and Repairs Supplies - Building	65,000	-	65,000
521521	Maintenance and Repairs Supplies - HVAC	57,000	-	57,000
521540	Maintenance and Repairs Supplies - Electrical	42,000	-	42,000
521550	Maintenance and Repairs Supplies - Grounds/Landscape	6,500	-	6,500
521560	Maintenance and Repairs Supplies - Equipment	136,700	-	136,700
521570	Maintenance and Repairs Supplies - Vehicles	50,000	-	50,000
522100	Cost of Food and Beverage	1,748,129	-	1,748,129
522105	Cost of Food-Tableware Supplies	137,269	-	137,269
524000	Contracted Professional Svcs	2,480,326	(35,666)	2,444,660
524040	Contracted Prof Svcs - Promotion and Public Relations	1,000	-	1,000
524050	Contracted Prof Svcs - Advertising	477,256	-	477,256
524060	Contracted Prof Svcs - Information Technology Services	14,600	-	14,600
524070	Contracted Prof Svcs - Management, Consulting and Communication Services	10,000	-	10,000
524080	Contracted Prof Svcs - Architectural and Design (non-cap)	32,000	-	32,000
524600	Sponsorship Expenditures	6,000	-	6,000
525120	Utility Services - Telecommunications	47,232	-	47,232
525130	Utility Services - Electricity	665,500	-	665,500
525140	Utility Services - Natural Gas	225,000	-	225,000
525150	Utility Services - Sanitation and Refuse Removal	60,000	-	60,000
525160	Utility Services - Water and Sewer	1,265,000	-	1,265,000
525500	Cleaning Services	33,000	-	33,000
526000	Maintenance and Repair Services	88,750	-	88,750
526010	Maintenance and Repair Services - Building	127,500	-	127,500
526012	Maintenance and Repair Services - Electricity	20,000	-	20,000
526014	Maintenance and Repair Services - HVAC	30,000	-	30,000
526020	Maintenance and Repair Services - Equipment	228,250	-	228,250
526030	Maintenance and Repair Services - Grounds	85,700	-	85,700

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
Oregon Zoo Operating Fund				
526040	Maintenance and Repair Services - Technology	24,617	-	24,617
526050	Maintenance and Repair Services - Vehicles	10,000	-	10,000
526200	Capital Maintenance - Non-CIP	25,000	-	25,000
526300	Software Maintenance	7,960	-	7,960
526500	Rentals	86,750	-	86,750
526510	Rentals - Building	40,700	-	40,700
526520	Rentals - Equipment	44,700	-	44,700
526540	Rentals - Vehicle	6,000	-	6,000
526560	Rentals - Parking Space	3,000	-	3,000
528000	Other Purchased Services	185,759	-	185,759
528030	Other Purchased Services - Delivery, Shipping and Courier	3,450	-	3,450
528210	Credit Card Fees	245,000	-	245,000
528300	Other Purchased Services - Temporary Help Services	50,000	-	50,000
528400	Other Purchased Services - Printing and Graphics	137,930	-	137,930
529000	Operations Contracts	2,190,000	-	2,190,000
530000	Payments to Other Agencies	15,880	-	15,880
530010	License and Permit Fees	36,485	-	36,485
544500	Grants and Loans	68,300	-	68,300
545000	Travel	39,825	-	39,825
545100	Travel and Lodging	98,100	-	98,100
545200	Mileage, Taxi and Parking	1,500	-	1,500
545300	Meals and Entertainment	700	-	700
545500	Staff Development	38,920	-	38,920
545510	Tuition Reimbursement	1,500	-	1,500
545520	Conference Fees	22,645	-	22,645
549000	Miscellaneous Expenditures	31,700	-	31,700
549010	Tri-Met Transit Pass	5,700	-	5,700
549020	Misc. Exp - Animal Purchases	8,000	-	8,000
549025	Misc. Exp - Animal Shipments	75,000	-	75,000
Total Materials and Services		14,086,868	(35,666)	14,051,202
Total Capital Outlay		20,000	-	20,000
Total Interfund Transfers		4,719,845	-	4,719,845
Total Contingency		1,000,000	-	1,000,000
TOTAL REQUIREMENTS		\$41,585,970	\$0	\$41,585,970
TOTAL FTE		192.60	1.00	193.60

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
Parks and Natural Areas Local Option Levy Fund (Parks and Nature)				
Parks and Natural Areas Local Option Levy Fund (Parks and Nature)				
<u>Expenditures</u>				
	Total Personnel Services	2,617,319	-	2,617,319
	Total Materials and Services	3,584,000	-	3,584,000
	Total Capital Outlay	3,182,737	-	3,182,737
	<u>Interfund Transfers</u>			
580000	Transfer for Indirect Costs	1,294,754	-	1,294,754
581000	Transfer of Resources	58,525	99,500	158,025
582000	Transfer for Direct Costs	3,483,141	45,000	3,528,141
	Total Interfund Transfers	4,836,420	144,500	4,980,920
	<u>Contingency</u>			
701002	Contingency - Operating	3,188,687	(144,500)	3,044,187
	Total Contingency	3,188,687	(144,500)	3,044,187
TOTAL REQUIREMENTS		\$17,409,163	\$0	\$17,409,163

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
Risk Management Fund				
Risk Management Fund				
Revenues				
	Total Beginning Fund Balance	1,948,000	-	1,948,000
	<i>Current Revenue</i>			
411500	State Grants - Indirect	50,000	-	50,000
445000	Insurance Recovery Revenue	-	400,000	400,000
445500	Insurance Premiums-Unemploymnt	203,088	-	203,088
470000	Interest on Investments	10,000	-	10,000
489000	Miscellaneous Revenue	10,000	-	10,000
	Total Current Revenue	273,088	400,000	673,088
	<i>Interfund Transfers</i>			
497000	Transfer of Resources	1,000,000	500,000	1,500,000
497500	Transfer for Indirect Costs	1,673,704	-	1,673,704
	Total Interfund Transfers	2,673,704	500,000	3,173,704
	TOTAL RESOURCES	\$4,894,792	\$900,000	\$5,794,792
Expenditures				
	<i>Materials and Services</i>			
520500	Operating Supplies	2,152	-	2,152
524000	Contracted Professional Svcs	56,018	-	56,018
527000	Insurance	1,128,750	-	1,128,750
528000	Other Purchased Services	5,253	-	5,253
547500	Claims Paid	610,000	900,000	1,510,000
547600	Actuarial Claims Expense	1,750,000	-	1,750,000
549000	Miscellaneous Expenditures	530	-	530
	Total Materials and Services	3,552,703	900,000	4,452,703
	<i>Interfund Transfers</i>			
	Total Interfund Transfers	25,000	-	25,000
	Total Contingency	1,261,572	-	1,261,572
	Total Unappropriated Fund Balance	55,517	-	55,517
	TOTAL REQUIREMENTS	\$4,894,792	\$900,000	\$5,794,792

Exhibit A
Resolution No. 17-4768

ACCT	DESCRIPTION	Current Budget	Revision	Amended Budget
Solid Waste Revenue Fund Requirements				
Solid Waste Revenue Fund Requirements				
<u>Expenditures</u>				
	Total Personnel Services	13,335,393	-	13,335,393
	Total Materials and Services	48,488,311	-	48,488,311
	Total Capital Outlay	4,866,050	-	4,866,050
	<u>Interfund Transfers</u>			
580000	Transfer for Indirect Costs	5,150,099	-	5,150,099
581000	Transfer of Resources	232,908	80,000	312,908
582000	Transfer for Direct Costs	888,607	-	888,607
586900	Internal Loan Advances	2,000,000	-	2,000,000
	Total Interfund Transfers	8,271,614	80,000	8,351,614
	<u>Contingency</u>			
701002	Contingency - Operating	1,920,112	(80,000)	1,840,112
705000	Contingency - Landfill Closure	5,401,736	-	5,401,736
706000	Contingency - Renew and Replacement	7,591,280	-	7,591,280
	Total Contingency	14,913,128	(80,000)	14,833,128
	Total Unappropriated Fund Balance	28,772,838	-	28,772,838
TOTAL REQUIREMENTS		\$118,647,334	\$0	\$118,647,334
TOTAL FTE		114.16	0.25	114.41

Exhibit B
Resolution 17-4768
Schedule of Appropriations

	<u>Current Appropriation</u>	<u>Revision</u>	<u>Revised Appropriation</u>
GENERAL FUND			
Council	5,092,334	(290,000)	4,802,334
Office of the Auditor	701,182	-	701,182
Office of Metro Attorney	2,458,903	-	2,458,903
Information Services	4,968,788	-	4,968,788
Communications	1,846,982	-	1,846,982
Finance and Regulatory Services	5,032,767	108,000	5,140,767
Human Resources	3,004,980	-	3,004,980
Property and Environmental Services	2,624,973	-	2,624,973
Parks and Nature	11,512,148	-	11,512,148
Planning and Development Department	15,784,579	-	15,784,579
Research Center	4,556,613	-	4,556,613
Special Appropriations	3,822,000	450,000	4,272,000
Non-Departmental			
Debt Service	1,932,038	-	1,932,038
Interfund Transfers	19,576,266	353,000	19,929,266
Contingency	6,477,706	(621,000)	5,856,706
<i>Total Appropriations</i>	89,392,259	-	89,392,259
Unappropriated Balance	20,607,474	-	20,607,474
Total Fund Requirements	\$109,999,733	\$0	\$109,999,733
COMMUNITY ENHANCEMENT FUND			
Property and Environmental Services	1,417,608	20,000	1,437,608
Non-Departmental			
Interfund Transfers	868,310	-	868,310
Contingency	151,061	-	151,061
<i>Total Appropriations</i>	2,436,979	20,000	2,456,979
Unappropriated Balance	85,261	-	85,261
Total Fund Requirements	\$2,522,240	\$20,000	\$2,542,240
GENERAL ASSET MANAGEMENT FUND			
Asset Management Program	7,977,820	45,000	8,022,820
Non-Departmental			
Interfund Transfers	214,625	-	214,625
Contingency	9,713,663	-	9,713,663
<i>Total Appropriations</i>	17,906,108	45,000	17,951,108
Unappropriated Balance	-	-	-
Total Fund Requirements	\$17,906,108	\$45,000	\$17,951,108
GENERAL REVENUE BOND FUND			
Bond Accounts	73,558,000	2,500,000	76,058,000
Bond Account			
Debt Service	5,231,797	(2,500,000)	2,731,797
<i>Total Appropriations</i>	78,789,797	-	78,789,797
Unappropriated Balance	9,507,017	-	9,507,017
Total Fund Requirements	\$88,296,814	\$0	\$88,296,814
MERC FUND			
MERC	66,547,562	50,000	66,597,562
Non-Departmental			
Interfund Transfers	9,797,330	17,500	9,814,830
Contingency	34,481,014	(17,500)	34,463,514
<i>Total Appropriations</i>	110,825,906	50,000	110,875,906
Total Fund Requirements	\$110,825,906	\$50,000	\$110,875,906
PARKS AND NATURAL AREAS LOCAL OPTION LEVY			
Parks and Nature	9,384,056	-	9,384,056
Special Appropriations	1,500,000	-	1,500,000
Non-Departmental			
Interfund Transfers	4,836,420	144,500	4,980,920
Contingency	3,188,687	(144,500)	3,044,187
<i>Total Appropriations</i>	18,909,163	-	18,909,163
Total Fund Requirements	\$18,909,163	\$0	\$18,909,163
RISK MANAGEMENT			
Finance and Regulatory Services	3,552,703	900,000	4,452,703
Non-Departmental			
Interfund Transfers	25,000	-	25,000
Contingency	1,261,572	-	1,261,572
<i>Total Appropriations</i>	4,839,275	900,000	5,739,275
Unappropriated Balance	55,517	-	55,517
Total Fund Requirements	\$4,894,792	\$900,000	\$5,794,792

**Exhibit B
Resolution 17-4768
Schedule of Appropriations**

	<u>Current Appropriation</u>	<u>Revision</u>	<u>Revised Appropriation</u>
SOLID WASTE FUND			
Property and Environmental Services	66,591,576	-	66,591,576
Finance and Regulatory Services	98,178	-	98,178
Non-Departmental			
Interfund Transfers	8,271,614	80,000	8,351,614
Contingency	14,913,128	(80,000)	14,833,128
<i>Total Appropriations</i>	89,874,496	-	89,874,496
Unappropriated Balance	28,772,838	-	28,772,838
Total Fund Requirements	\$118,647,334	\$0	\$118,647,334
Total Appropriations	542,506,670	1,015,000	543,521,670
Total Unappropriated Balance	95,743,931	-	95,743,931
TOTAL BUDGET	\$638,250,601	\$1,015,000	\$639,265,601

All other Appropriations remain as Previously Adopted

STAFF REPORT

FOR THE PURPOSE OF AMENDING THE FY 2016-17 BUDGET AND APPROPRIATIONS SCHEDULE AND FY 2016-17 THROUGH FY 2020-21 CAPITAL IMPROVEMENT PLAN TO PROVIDE FOR A CHANGE IN OPERATIONS

Date: March 16, 2017

Presented by: Lisa Houghton 503-797-1829

BACKGROUND

Several items have been identified that necessitate amendment to the budget.

Regional Transportation Strategy

Councilors Craddick, Dirksen and Stacey request \$150,000 from the Council Opportunity Account in the General Fund contingency to complete phase one and begin phase two of Metro's Regional Transportation Funding Strategy for the remainder of the 2016-2017 fiscal year. This strategy aims to develop a new political infrastructure that will enable the passage of regional transportation funding measures and advance regional policy objectives.

Coalition Development - \$20,000

With the federal landscape around transportation funding changing and the increased interest in a regional/local transportation measure, our region will look to other cities across the country that have succeeded and failed in addressing their transportation funding needs.

The trip is complimentary to the research, polling and coalition-building work that the Metro Council has asked staff to develop by deepening education on successful and sustained transportation funding initiatives, and by creating a cohesive and diverse group of individuals who can engage in and share these lessons. A November 2016 visit with elected officials and community leaders in Seattle, which will serve as a template for upcoming trips, has demonstrated that these trips can be effective in advancing these outcomes.

The \$20,000 will be used to cover the costs associated with organizing the trip including hiring a local firm to help program an agenda and coordinate logistics. It will also be used to pay for food, supplies and transportation during the trip and Councilor/Council Office staff travel and lodging to participate.

These funds would support a trip to Los Angeles in March or June. The trip would be planned for about 20-25 people including Metro Councilors, select JPACT members, other leaders and high level jurisdictional and advocacy/union/business staff. The trip would last at least two days and one night, and would feature a combination of meetings, tours and social events.

This body of work would round out phase 1 of the regional funding strategy ("Defining the Need").

Opinion Research - \$90,000

The second phase of work ("Offering Solutions") begins with an investment in reliable opinion research. This will allow us to make a compelling argument to the public and build confidence with our partners and stakeholders that there is a path to success.

The opinion research will include three online bulletin boards (one per county) of 10-15 participants. Respondents will log into a bulletin board discussion group at different times during the day that are convenient to them to answer questions posted by a moderator while reading and responding to other participants' posts.

Additionally, the consultant will develop one 1200 sample, 15 minute regional landline and wireless phone survey that builds on the findings of the qualitative research. This survey will drill down more concretely on project priorities, funding mechanisms, willingness to pay, and the impact of pro and con messaging. The \$90,000 will be used to develop qualitative opinion research that provides strategic direction on top messages, willingness to pay, urgency in relation to other issues, and a viable fiscal mechanism.

Revenue Analysis - \$40,000

This phase of work will also include a thorough revenue analysis that demonstrates options that are legally, fiscally and politically viable. This revenue analysis will provide an evaluation of all potential revenue sources for regional transportation, beginning with existing documentation and expanding to look at more innovative sources. This work would result in a report on revenue impact and inform public opinion work.

Legal research will also be necessary for this effort. Led by OMA, this work will look at identified potential regional revenue authority, as well as legal requirements to change or expand authorities needed for particularly promising opportunities. The \$40,000 will be used to develop a defined set of viable revenue options that will inform the resulting political strategy and cultivate buy-in among stakeholders.

Attachment 1 provides a detailed description of the Regional Transportation Strategy's purpose, goals and program elements.

This action requests a \$150,000 from the Council Opportunity Account in the General Fund contingency to Non-Departmental Special Appropriations – Metro Regional Transportation Funding Strategy.

Rose Festival Donation

Councilor Dirksen is requesting \$10,000 from the Council Opportunity Account in the General Fund contingency to support the creation of a mini-float so Metro can participate in the annual Rose Festival Grand Floral Parade on June 10, 2017. This amount would cover any and all costs associated with the creation and maintenance of a mini-float including materials for decoration, entry fees for the float, and other costs associated with construction and storage.

For more than 100 years, the Grand Floral Parade has been a beloved Portland and Oregonian tradition. The parade draws hundreds of thousands of cheering viewers of every age, along a 4.2 mile route that winds through city streets and across the river. The Rose Festival Organization offers a mini-float program that allows individuals, groups and organizations to participate in the parade at a smaller scale and cost.

Metro's participation in the Grand Floral Parade will provide an opportunity to educate the broader community about Metro as an organization and our work. Utilizing a float in the Grand Floral Parade will allow Metro to connect with individuals in our region that might not typically be exposed to Metro communications in a new and exciting way. Furthermore, some of the infrastructure purchased to create this float can be used for future Grand Floral Parades or other parades.

This action requests a \$10,000 transfer from the Council Opportunity Account in the General Fund contingency.

Oregon Convention Center-Workforce Development

An allocation of \$50,000 is requested from the Council Opportunity Account in the General Fund contingency to the Oregon Convention Center Hotel Fund to support efforts to build workforce diversity and increase outreach to minority-owned contractors throughout construction of the hotel.

Through its development and finance agreement (DFA) with Metro, Mortenson Construction is required to pursue the workforce diversity and minority contracting targets throughout construction of the Hyatt Regency Portland as stated in the Portland Development Commission's Business and Workforce Equity Policy. An employment and contracting outreach plan is currently being co-developed by Mortenson Construction and Metro that will include a broad set of strategies to be implemented by both entities and, potentially, community/nonprofit partner organizations.

Mortenson has matched Metro's allocation of \$50,000 and, in addition, \$50,000 is proposed from the OCC Hotel Fund for fiscal years FY 2016-17 and 2017-18 to support these efforts. The hotel project team is seeking additional funding partners to leverage these funds to support a two-year work program designed to assist Mortenson Construction in achieving the workforce equity and minority contracting targets described above.

This action requests a \$50,000 transfer from the Council Opportunity Account in the General Fund contingency to the Oregon Convention Center Operating Fund.

Community Partnerships- Transfer Funds to Special Appropriations

The November consolidated budget amendment transferred \$300,000 reserved in the General Fund Contingency to assist in the implementation of the agency's Strategic Plan to Advance Racial Equity, Diversity and Inclusion to the Chief Operating Officer's DEI budget. The funding was intended to develop pilot partnerships with various non-profit, community based organizations to achieve to goals:

- Meaningfully engage communities of color
- Hire, train and promote a racially diverse workforce.

Since that amendment, the Chief Operating Officer has requested the funding be moved from her budget to a non-departmental, special appropriations category in the General Fund to provide for better tracking and transparency. The implementation of this request requires Council action to move between appropriation categories.

This action requests the transfer of \$300,000 from the Council Office, Chief Operating Officer budget to Non-Departmental, Special Appropriations. A new cost center has been created to specifically track expenditures associated with Community Partnerships.

OCC Hotel Bond Sale- Related Costs

The FY 2016-17 budget included a draft Oregon Convention Center Hotel project budget as a placeholder until further information was available. Financial close on the hotel project is now anticipated for mid-May 2017 with bond pricing in late April. With the bond sale occurring in the latter part of the fiscal year debt service payments on the bonds will not begin until FY 2017-18. The amount currently appropriated for debt service will not be needed in the current fiscal year.

This action requests that the \$2.5 million debt service appropriation be moved to materials and services to provide greater flexibility in meeting the actual project costs.

Risk Management- Flood Expenses and Insurance Reimbursement

Metro is self-insured for liability and property claims up to \$500,000 per claim. Recent flood costs at Metro Regional Center are estimated to total \$900,000. Metro's property insurer will reimburse Metro for any claims expense over the \$500,000 deductible. The Risk Management Fund, through allocations from departments, will fund the \$500,000 deductible.

Four Metro Funds – General Fund, Solid Waste Fund, Parks Levy Fund, and MERC Fund – will pay \$500,000 of the flood costs. Contributions will be proportional to the percentage of staff impacted by the flood. In each Fund, amounts will be reduced from contingency and transferred to the Risk Management Fund. Oregon Budget Law section 294.338(3) will allow the recognition of the insurance reimbursement revenue in this circumstance.

This action requests the recognition of \$400,000 in insurance recovery revenue, the transfer of \$500,000 from four Metro Funds, and an increase in appropriation in the Risk Management Fund of \$900,000 to pay for flood damages at Metro Regional Center.

Contractor Business Licenses- Increased Revenues and Expenditures

Contractor business license (CBL) revenues and associated expenditures have increased to the point where they may no longer fall within budgeted limits. Two factors appear to explain the rise in revenues: a rate rise of \$50 per license, which took place at the beginning of calendar year 2016, and continuing growth in the region. Approximately 75 percent of the revenues received are disbursed to the participating jurisdictions based on a ratio of the number of permits issued. As revenues increase Metro's expenditures associated with the program also increase. Projections indicate that current expenditure authority will be inadequate to meet the required level of expenditures associated with the higher level of revenue.

This amendment requests the transfer of \$108,000 from the General Fund contingency to Finance and Regulatory Services to provide for the increased expenditures required under the Contractor's business license program. Revenues generated by the program during the year will more than replenish this contingency draw by year end.

Veterinarian

The Oregon Zoo is requesting an additional 1.00 FTE for a third full time veterinarian. There are currently only two full-time veterinarians on staff and this insufficient staffing level has required the Zoo to rely on the services of a contracted veterinarian. The additional FTE will allow for better staffed and safer animal medical facilities and a greater ability to provide excellent medical care including a preventive medicine program, emergency preparedness, as well as improve the safety of anesthetic and non-anesthetic animal procedures. The costs associated with the increased FTE will be partially offset through the discontinued use of contracted veterinarian services.

The annual cost for the proposed FTE increase is \$142,665.

This action requests the addition of 1.00 FTE and does not request additional appropriations. The department will absorb the additional personnel service costs of the increased FTE within existing appropriations.

Program Assistant

Property and Environmental Services is requesting an additional 0.25 FTE to increase an existing 0.75 FTE Program Assistant position to 1.00 FTE. The increase in FTE will restore program support to the Campus Operations division and other department-wide activities as outlined below:

- Support department-wide activities, including training sessions, department and division staff meetings and retreats.
- Provide for intermittent support to the department Director as needed due to staff absences.

The annual cost for the proposed FTE increase is \$18,374. The FY 2016-17 cost is \$6,125 based on the remaining four months in the fiscal year.

This action requests the addition of 0.25 FTE and does not request additional appropriations. The department will absorb the additional personnel service costs of the increased FTE within its existing appropriations.

Community Enhancement – Host Fees Pass Through

The Community Enhancement Fund accounts for enhancement fees collected at all transfer stations. These funds are used for community enhancement projects in the targeted vicinity of each community that hosts solid waste facilities. In late 2016 a new Gresham Facility host fee was established. Per tonnage forecasts, it appears that the Gresham facility should collect approximately \$20,000 of host fees that must be distributed to the local governmental agency.

Oregon Budget Law 294.466 allows for the recognition and appropriation of these Host Fees in the year they are received provided they are passed through to another municipal corporation.

This action requests the recognition of \$20,000 of Host Fees revenue and associated appropriation authority to distribute the host fees to the proper Agency in Gresham.

Oxbow Erosion Reconstruction Project

This action requests a \$45,000 transfer from the Parks and Natural Areas Local Option Levy Fund to the Parks Capital Sub-fund to mitigate unforeseen costs overruns as outlined below:

- Oxbow Erosion Reconstruction Project (#70213)
The Oxbow Erosion Reconstruction project was originally budgeted at \$100,750 in FY2016-17, funded primarily from a state grant. An overage of \$45,000 is projected, due to waterlines issues and unforeseen project costs. There are no available resources within Parks Capital to cover the overage.

This action requests a \$45,000 transfer from the Parks and Natural Areas Local Option Levy Fund contingency to the Parks Capital Sub-fund.

This action also amends the FY 2016-17 through FY 2020-21 Capital Improvement Plan. Attachment 2 outlines the Capital Project Details changes requested.

Parks and Nature Capital Improvement Plan Changes (CIP changes only)

The following changes have been made to the capital budget for Parks and Nature:

- Tualatin River Launch Project (#71904)
The Tualatin River Launch project began in FY15-16 with a total project budget of \$888,500. Originally, \$200k was budgeted in FY15-16, however, due to permitting issues it was delayed and only \$67k was spent. This amendment carries over the remaining budget of \$133k to FY16-

17 when majority of the work will be completed. The project is expected to be completed within budget by June 2017.

- Orenco Woods Project (#G13052)

The Orenco Woods project began in FY15-16 with a total project budget of \$2,070,000. Costs are coming in lower than anticipated and some amounts may not be incurred until FY17-18, therefore this amendment carries over \$133k to FY17-18. The project is expected to be completed within budget by September 2017.

This action amends the FY 2016-17 through FY 2020-21 Capital Improvement Plan. Attachment 2 outlines the Capital Project Details changes requested.

Oregon Zoo Capital Improvement Plan Changes (CIP changes only)

Early in FY 2016-17 Oregon Zoo's Facilities Management Team hired CARDNO to perform a facilities condition assessment. The assessment report provided a detailed schedule of the Zoo's assets, replacement costs and recommended timelines. Additionally, a Capital Projects Oversight Committee was established, comprised of a cross departmental team, aimed at creating a systematic process to prioritize capital projects. This committee has reviewed the CARDNO report and overlaid other known safety and welfare needs in order to update the current year's capital spending plan to best meet the current needs of the Zoo. This request is budget neutral and updates the project listing to be a more accurate representation of actual activities.

This action amends the FY 2016-17 through FY 2020-21 Capital Improvement Plan. Attachment 3 outlines the Capital Project Details changes requested.

MERC Venues Capital Improvement Plan Changes (CIP changes only)

Throughout the year, the MERC Capital Programs confronted many project challenges including but not limited to City of Portland design review decisions, unforeseen lengthy lead time for material delivery, accelerated time lines for operational demands, labor shortages, scope changes, emergency projects that shift attention away from planned projects and other shifting priorities. As a result, the MERC Venues propose changes to numerous capital projects during the current year. The proposed changes do not increase the capital budget in each fund but instead decrease and increase specific project budgets for net zero effect.

This action amends the FY 2016-17 through FY 2020-21 Capital Improvement Plan. Attachment 4 outlines the Capital Project Details changes requested.

ANALYSIS/INFORMATION

1. **Known Opposition:** None known.
2. **Legal Antecedents:** ORS 294.463(1) provides for transfers of appropriations within a fund, including transfers from contingency that do not exceed 15 percent of a fund's appropriation, if such transfers are authorized by official resolution or ordinance of the governing body. ORS 294.463(3) provides for transfers of appropriations or of appropriations and a like amount of budget resources between funds of the municipal corporation when authorized by an official resolution or ordinance of the governing body stating the need for the transfer. ORS 294.338(3) allows the recognition of insurance reimbursement revenues in the year an unforeseen loss occurs when authorized by an official resolution or ordinance of the governing body stating the need for the recognition. ORS 294.466(3) allows for the recognition and appropriation of fees in the year they are received provided

they are passed through to another municipal corporation when authorized by an official resolution or ordinance of the governing body stating the need for the recognition. Metro code chapter 2.02.040 requires the Metro Council to approve the addition of any position to the budget. Metro's adopted financial policies require any project exceeding \$100,000 or an existing CIP project increasing greater than 20 percent to receive Council approval.

3. **Anticipated Effects:** This action provides for changes in operations as described above – recognizes and appropriates new fees and insurance recovery revenues, provides additional appropriations for changes in operations, and adds 1.25 FTE.
4. **Budget Impacts:** This action has the following impact on the FY 2016-17 budget:
 - Adds 1.00 FTE Veterinarian in the Zoo Operating Fund, Animal Health Department. There are no additional appropriations requested in support of the FTE.
 - Adds 0.25 FTE Program Assistant to the Solid Waste Fund's PES Administration Department. There are no additional appropriations requested in support of the FTE.
 - Provides \$150,000 to the Metro Regional Transportation Funding Strategy through a transfer from the Council Opportunity Account in the General Fund contingency.
 - Provides \$10,000 for a Rose Festival Grand Floral Parade float through a transfer from the Council Opportunity Account in the General Fund contingency.
 - Provides \$50,000 for the Oregon Convention Center's Workforce Development project through a transfer from the Council Opportunity Account in the General Fund contingency.
 - Transfers \$300,000 for the Community Partnership Coordination Team's Partnerships from the Council Office, Chief Operating Officer budget to Non-Departmental Special Appropriations.
 - Transfers \$2.5 million Debt Service appropriations in the Oregon Convention Center Hotel project budget to Materials and Service appropriations to meet anticipated project costs.
 - Recognizes \$400,000 of new insurance recovery revenues, the transfer of \$500,000 from four Metro funds and a \$900,000 increase in appropriations in the Risk Management Fund to pay for flood damages at the Metro Regional Center.
 - Provides \$108,000 for Contractor Business License payments to local agencies through a transfer from the General Fund contingency.
 - Recognizes \$20,000 of new fees and additional associated appropriations authority in the Community Enhancement Fund.
 - Provides \$45,000 for the Oxbow Erosion Reconstruction project via a transfer from the Parks and Natural Areas Local Option Levy Fund contingency.
 - Approves Capital Improvement Plan amendments for numerous projects at Parks and Nature locations, the Oregon Zoo, the EXPO Center, the Oregon Convention Center and Portland's P5 Centers for the Arts.

RECOMMENDED ACTION

The Chief Operating Office recommends adoption of this Resolution.

REGIONAL TRANSPORTATION FUNDING STRATEGY

Goal: Develop a new political coalition and business model to enable the passage of long-term transportation funding in support of regional policy objectives.

Background

Since its inception, Metro has played a critical role in planning and implementing the region's land-use and transportation vision. The success of this effort hinges largely on investments in multi-modal transportation, a fact now required by state law as part of the region's adopted Climate Smart Strategy. Through long-standing cooperation with TriMet and local jurisdictions, the region has successfully built out large portions of this system without the benefit of a dedicated regional funding source for transportation.

This approach is no longer viable. The region can no longer count on generous federal support, either through grants for capital projects or formula-based federal gas tax revenues, as it once did. The same is true when looking at state transportation investment; revenues in Salem have failed to keep pace with inflation and the legislature last passed a transportation package in 2009. The Portland metro region is not unique in this respect. In Los Angeles, Denver, Seattle, Indianapolis, Salt Lake City and elsewhere, regions have gone to the voters in the last eight years to raise critical transportation revenues.

In each of these regions, we have observed three common denominators:

1. *Go Big:* Strong leadership with transformative proposals extending beyond an electoral cycle
2. *Tell 'em what they're getting:* A clear investment plan with project performance criteria
3. *Create a Big Tent:* Large coalitions that leave little room for opposition

The Portland region is currently deficient in all of these areas. To meet this challenge, Metro Council endorsed a new strategy to address systemic problems in the region's transportation funding. Based on Council direction, staff prepared a project budget, work plan and timeline with 2020 as the likely target for a regional funding measure. By sinking the roots for a long term political strategy today, Metro will be able to catalyze a future campaign with broad support, strong champions, and clearly articulated community benefits.

Project Structure

This will need to be a Metro-wide effort, not limited to any one department. It will require a strategy that leverages resources and contributions across the agency, and brings staff together in a single working team. This team will be led by GAPD and the COO's office, and will include members of OMA, Planning and Development, the Council Office, Communications and potentially Financial and Regulatory Services. This assumes a dedicated team leader from GAPD who will manage the work program and coordinate between staff and Metro Council. The team also requires additional capacity

for communications to “hold the clipboard” and deliver a sustained strategy with message discipline. This team structure mirrors the successful approach taken for renewing the Natural Areas Levy.

The team will function as a senior project management group, aligning department resources to achieve the shared objective. Team members will be responsible for building out work plans for their teams that integrate with the larger project schedule, and will function as ambassadors for the strategy with their respective departments. Together, the working group will develop an internal communications structure to keep the agency informed about important milestones. The team will also work with Council liaisons and the COO to communicate with the broader Metro Council.

Work Plan Core Elements

The work itself breaks down into four broad (sometimes overlapping) phases. Metro’s direct involvement and investment is higher in the earlier stages, with partners contributing more to the effort and a professional team leading the later advocacy and public campaigns. This work plan focuses on the political and campaign-specific elements, but it is important to remember that there is also a Planning and Development track that is focused on providing the policy-based content to support our messaging and political work. A full project schedule is attached separately, but the following is an overview of phases, work elements, and deliverables:

1. Defining the need 2016-17

This work is already well underway. Over the last year, staff pursued a systematic assessment of current attitudes and interest among regional elected officials and community leaders. We began cultivating awareness with the Transportation Snapshot, and generated an aggressive call to action at the Regional Transportation Forums. We also led a mission to Seattle to learn about the successful Sound Transit measure, and have two more trips planned to peer metros. The work elements below will round out phase 1 in the coming year.

A. Coalition Development

- Coalition Missions: A series of three coalition-building trips to metros that have recently been successful in passing regional transportation measures. The first of these was to Seattle. The second is planned for Los Angeles, and a third will coincide with Rail~Volution in Denver. Staff will follow up each mission with summary documents and discussion forums to inform our efforts.

Deliverable: A strong cohort of stakeholders that can help build a new advocacy organization; written reports and follow-up presentations on lessons learned.

B. Communications

- Creating Urgency Through Content Promotion: Polling has demonstrated that the Portland region is increasingly concerned about transportation, but it is not yet in their top tier of issues. This messaging phase will promote earned media stories and other compelling content about the transportation challenges we face.

- Audit & Gap Analysis: The communications firm PRR conducted a baseline analysis of transportation opinion research and messaging in the region. This included a gap analysis of what we still need to test before launching a new political effort.

Deliverable: Recognizable stories and memes take hold in conventional and social media, as measured by analytics and shifts in public discourse.

C. Planning and Development Work

- Driving Home the Need: The Regional Transportation Plan is a critical opportunity to help our stakeholders understand our funding reality. Our projections and scenarios must reinforce the needs of our transportation system, and the resources we have to meet that need.

Deliverable: Motivating stakeholders with a call to action: their projects will not be funded without new funding.

2. Offering solutions 2017

The second phase of work begins with an investment in reliable opinion research. This will allow us to make a compelling argument to the public and build confidence with our partners and stakeholders that there is a path to success. It will also include thorough revenue analysis that demonstrates options that are legally, fiscally and politically viable.

A. Coalition Development

- Organizational Infrastructure: This begins with a “power-map” of existing players and potential partners in the transportation advocacy space. We will study various best practices for the new coalition, and identify the best approach for the Portland region. Building on the enthusiasm of the Regional Transportation Forums, Metro will further engage existing working groups as the basis for a more permanent effort.

Deliverable: A business and governance model for a new transportation advocacy organization.

B. Revenue Analysis

- Policy Research: Evaluation of all potential revenue sources for regional transportation, beginning with existing documentation and expanding to look at more innovative sources. This work would result in a report on revenue impact and inform public opinion work. Some work will need to be fast-tracked to inform state legislative efforts.
- Legal Research: Led by OMA, this work will look at identified potential regional revenue authority, as well as legal requirements to change or expand authorities needed for particularly promising opportunities.

Deliverable: A defined set of viable revenue options that will inform the resulting political strategy and cultivate buy-in among stakeholders.

C. Opinion Research

- QualBoards: Three online bulletin boards (one per county) of 10-15 participants. Respondents log into a bulletin board discussion group at different times during the day that are convenient to them to answer questions posted by a moderator while reading and responding to other participants' posts.
- Quantitative Survey: One 1200 sample, 15 minute regional landline and wireless phone survey that builds on the findings of the qualitative research. This survey will drill down more concretely on project priorities, funding mechanisms, willingness to pay, and the impact of pro and con messaging.

Deliverable: Strategic direction on top messages, willingness to pay, urgency in relation to other issues, and viable fiscal mechanism.

D. Planning and Development Work

- Building a Menu: The planning-based work for the RTP will provide technical support and substance on system and project benefits. These can be used to frame up a clear ROI for messaging purpose. These work elements include: project level evaluation that shows how specific projects advance our regional goals, a policy discussion of how technology will impact future transportation needs, and system-level evaluation and modelling.

Deliverable: The technical foundations for a solid investment plan, with clearly articulated benefits.

E. Communications

- Content Promotion – Solutions: Building on the problem statement established in phase 1, this messaging campaign will promote stories about transportation solutions that will improve the region and the benefits we can realize. The messaging will be built on public opinion research and targeted revenue options.
- Community Engagement: The regional funding strategy will depend on how well we are able to connect with people's struggles and aspirations. This phase will build on earlier "My Place" events and stories to reach out to a broader audience. This will help us test and confirm our messaging, while building enthusiasm and support for the launch of a new coalition.
- Earned media: Develop a plan that addresses current narratives in the earned media environment and engages media organizations about the challenges in our transportation system – including understanding media-originated criticisms of the system – and identifies ways to address those shortcomings.
- Media Buy: A direct media buy will allow us to create a strong association between transportation solutions and Metro. Based on recent success with the "Ask Metro" campaign and natural areas promotion, we will purchase promotional spots at strategic times (e.g. Labor Day, back to school, sporting events).

Deliverable: Metro positioned with media and public as go-to voice for transportation solutions, allowing us to introduce the idea of a funding measure.

3. *Organizing for success 2017-18*

The core of this work depends on the creation of a new political coalition that can mobilize the community over a period of years. We will also need clear buy-in from other elected leaders and major organizations in labor, business, and the environment. In order to provide new and strong leadership in this space, Metro should demonstrate leadership by making a multi-year financial commitment and solicit matches from other key stakeholders.

A. Coalition Development

- Organizational Infrastructure: Building on phase 1 research, we will invest in early non-profit expertise to make sure that the advocacy organization gets off to a solid start. This will include formation of a governing board, establishing bylaws and roles, and an initial fundraising goal for launch.
- Equity Goals: A successful strategy involves all of our community partners. To align with Metro's DEI objectives, this additional work element focuses on making sure that communities of color are active and well represented in the new coalition.

Deliverable: A broad, solid, and diverse coalition ready to support a sustained campaign for transportation investment; ready to launch an organization with a clear business plan and operating budget.

B. Lobbying

- Summit Strategies: A regional funding strategy exists in the broader context of federal and state transportation policies, which have become extremely unpredictable. GAPD has proposed an ongoing federal lobbying contract for at least two years, at least half of which will focus on transportation.

Deliverable: Support for regional funding efforts from our federal delegation, and strong positioning for new matching opportunities.

4. *Launching the campaign 2018-19*

Once these pieces are in place, the region can launch a new advocacy organization along the lines of Move LA, Transportation Choices in Seattle, and the Transit Alliance in Denver. With sufficient support, this new entity can sustain an ongoing campaign for transportation investment and prepare the ground for future moves towards the ballot. This phase will require another round of opinion research to test the specific viability of funding measures. By demonstrating strong support, the organization will also ensure strong commitments from regional leaders and prime the pump for campaign fundraising. At this point, Metro should be positioned as an influential board member and potential implementing partner, but not as a stand-alone leader in the effort.

Mid-year Amendment TO FY 2016-17 BUDGET

Capital Project Detail

Parks & Nature

Attachment 2

Resolution 17-4768

New? Y/N	Project ID	Project Title	GL Acct	Fund ID	Dept ID	Est. End Date	Revised Project Budget					Source/s of Funding (Carry Fwd, Grant, etc.)	Other Project Comments
							2016-17	2017-18	2018-19	2019-20	2020-21		
N	70213	Oxbow Erosion Reconstruction	571000	360	03310	6/30/2017	145,750					Carry Fwd, Grant, Levy	The Oxbow Erosion Reconstruction project was originally budgeted at \$100,750 in FY2016-17, funded primarily from a state grant. An overage of \$45,000 is projected, due to waterlines issues and unforeseen project costs. There are no available resources within Parks Capital to cover the overage. This amendment proposes to transfer funds from the Levy Fund through a decrease of appropriations in the Levy and increase in Parks Capital Sub Fund. The project is expected to be completed by June 2017.
N	71904	Tualatin River Launch	571000	351	03430	6/30/2017	821,500					Bond	The Tualatin River Launch project began in FY15-16 with a total project budget of \$888,500. Originally, \$200k was budgeted in FY15-16, however, due to permitting issues it was delayed and only \$67k was spent. This amendment carries over the remaining budget of \$133k to FY16-17 when majority of the work will be completed. The project is expected to be completed within budget by June 2017.
N	G13052	Orenco Woods/Hillsboro	571000	351	03430	9/30/2017	1,537,000	133,000				Bond	The Orenco Woods project began in FY15-16 with a total project budget is \$2,070,000. Costs are coming in lower than anticipated and some amounts may not be incurred until FY17-18, therefore this amendment carries over \$133k to FY17-18. The project is expected to be completed within budget by September 2017.

Mid-year Amendment TO FY 2016-17 BUDGET

Capital Project Detail

Attachment 3

Oregon Zoo

Resolution 17-4768

New? Y/N	Project ID	Project Title	GL Acct	Fund ID	Dept ID	Est. End Date	Revised Project Budget					Source/s of Funding (Carry Fwd, Grant, etc.)	Other Project Comments
							2016-17	2017-18	2018-19	2019-20	2020-21		
N	ZRW148	Railroad Roundhouse Roof	526100	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW135	Cascade Crest Building Roof	572000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW179	Treetops Roof	573000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW142	Const/Maint Bays/Resource Roof Roof	572000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW140	Commissary Roof	572000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW145	Hippo/Rhino Barn & Exhibits Roof	572000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW175	Tree Kangaroos Roof (Butterfly Lab)	573000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW174	Eagle Canyon Bridge Roof	573000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW134	Bearwalk Café roof	572000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW138	Cascades Pumproom/Restroom R	572000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW151	Washington Park Station Roof	572000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW121	Research/LC Admin Roof	572000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.
N	ZRW181	Admin - Roof	572000	326	27000		\$ -						Strategy changed to complete a comprehensive roof replacement project and shifted funding to the design phase.

Mid-year Amendment TO FY 2016-17 BUDGET

Capital Project Detail

Attachment 3

Oregon Zoo

Resolution 17-4768

New? Y/N	Project ID	Project Title	GL Acct	Fund ID	Dept ID	Est. End Date	Revised Project Budget					Source/s of Funding (Carry Fwd, Grant, etc.)	Other Project Comments
							2016-17	2017-18	2018-19	2019-20	2020-21		
N	ZRW169	Admin a/c unit - ADMAC5	572000	326	27000		\$ -						Estimate over budgeted amount, will be part of the comprehensive roof replacement project.
N	ZRW170	Admin Bldg HVAC Unit 1 Education	572000	326	27000		\$ -						Estimate over budgeted amount, will be part of the comprehensive roof replacement project.
N	ZRW166	Admin a/c unit - ADMAC7	572000	326	27000		\$ -						Estimate over budgeted amount, will be part of the comprehensive roof replacement project.
N	ZRW067	Admin A/C Unit	572000	326	27000		\$ -						Estimate over budgeted amount, will be part of the comprehensive roof replacement project.
N	65701B	VOIP Infrastructure Remediation	572000	326	27000		\$ -						Funding priorities shifted to safety and welfare projects.
N	ZRW153	Carryover - 2001-FORDX-2001 FORD550 [Zoo 41/Two Ton]	574500	326	27000		\$ -						Other fleet replacement was prioritized.
N	ZRW180	CART, ENDOSCOPY	574000	326	27000		\$ -						Used funding for Condor Camera System.
N	ZRW132	Africafe Kitchen air handler - AFCAH2	574000	326	27000		\$ -						Funding priorities shifted to safety and welfare projects.
N		2008-FORDX-2008 FORD E350(Zoo42)	574500	326	27000		\$ -						Other fleet replacement was prioritized.
N	ZRW176	2006-CHVRL-C3500 SILVERADO-Zoo-007	574500	326	27000		\$ -						Other fleet replacement was prioritized.
N	ZRW173	Large format printer - HP55000PS	575000	326	27000		\$ -						Funding priorities shifted to safety and welfare projects.
N	ZRW172	MICROWAVE LINK, ROOF-MOUNT	574000	326	27000		\$ -						Funding priorities shifted to safety and welfare projects.
N	ZRW144	Carryover - Freezer - COOO477	574500	326	27000		\$ -						Funding priorities shifted to safety and welfare projects.
N	ZRW171	CAR, RAIL, PASSENGER, OPEN-AIR	576000	326	27000		\$ -						Funding priorities shifted to safety and welfare projects.
N	ZRW168	REPEATER, DIGITAL	574000	326	27000		\$ -						Funding priorities shifted to safety and welfare projects.
N	70001Z	2005 Cart, UTILITY, 4-WHEEL (Kaw	574500	326	27000		\$ 11,708						Identified as priority fleet need.
Y	ZRW186	Cascade Crest Banquet Center Car	572000	326	27000		\$ 42,000						End of useful life, replace for positive guest experience.
Y	ZRW096	Steller Cove Chiller WTRCH1	574000	326	27000		\$ 48,759						End of life critical failure needed replacement.
N	ZRW178	Treetops Exhibit Viewing Structure	573000	326	27000		\$ 95,000						Increased budget from \$50,000 due to safety issue.

Mid-year Amendment TO FY 2016-17 BUDGET

Capital Project Detail

Attachment 3

Oregon Zoo

Resolution 17-4768

New? Y/N	Project ID	Project Title	GL Acct	Fund ID	Dept ID	Est. End Date	Revised Project Budget					Source/s of Funding (Carry Fwd, Grant, etc.)	Other Project Comments
							2016-17	2017-18	2018-19	2019-20	2020-21		
Y	ZOO75	Condor Camera System	574000	326	27000		\$ 73,316						Condors video camera system is failing and this potentially puts the birds at risk and may eventually cause issues with regulatory licensing (USFWS). Ability to monitor the health and welfare of the condors could be at risk without a properly functioning system.
N	70001Z	Forklift, All-Terrain, WACO	574500	326	27000		\$ 87,078						Identified as priority fleet need.
Y	ZOO58	Comprehensive Roof Replacemen	573000	326	27000		\$ 162,000						Design and engineering team will assess seven buildings that are due for roof replacement and are included in the 2015 R&R fund, complete construction documents and specifications and produce cost estimates for this work. The roofs will be scheduled to be constructed as designs are completed and planned work on campus allows. This project structure will provide the management team several opportunities to scale the project to reduce or shift costs during the review of the roof assessment report, the RFP selection and negotiation process and after cost estimates are generated during design.
Y	ZOO74	LC Admin Siding	572000	326	27000		\$ 250,000						LC Administrative Building has a major issue with box elder and stink bugs entering the building.
Y	ZRW185	Railroad Roundhouse Track Repla	572000	325	27000		\$ 150,000						The Oregon Zoo train tracks between the entrance to the tunnel to the water tower are the original tracks. This section of rail was not replaced when the bond replaced and redirected the railway within the zoo. These tracks have been in use since the 1960's and have been identified by KPFF Engineering to be replaced.

Mid-year Amendment TO FY 2016-17 BUDGET

Capital Project Detail

Attachment 4

MERC Venues

Resolution 17-4768

New? Y/N	Project ID	Project Title	GL Acct	Fund ID	Dept ID	Est. End Date	Revised Project Budget					Source/s of Funding (Carry Fwd, Grant, etc.)	Other Project Comments
							2016-17	2017-18	2018-19	2019-20	2020-21		
N	8R149	Hall A Carpet & paint	572000	556	56999	11.30.2019	0						Reduce this project (\$125,000) to fund the other two projects
Y	New	Hall A New Shore Power	571000	556	56999	06.30.2018	75,000					reduction of project 8R149	This project is in the budget for FY 2017-18 however we need to move the schedule ahead and start earlier.
N	8R139	Wi-Fi upgrade	575000	556	56999	06.30.2019	50,000					reduction of project 8R149	This project is in the budget for FY 2017-18 however we need to move the schedule ahead and start earlier.
N	8N064	Halls D&E Solar	572000	556	56999	06.30.2021	71,781						This project was budgeted as a placeholder/contingency in conjunction with the Halls D&E Roof replacement project to investigate and manage the feasibility and design of a solar installation on Halls D&E roofs. This project will still happen in a future year. We wish to reduce the budget for this project by \$28,219 and increase the combined budgets in the following two projects by the same amount.
N	8R111	Plastic Folding Stacking Chairs	574000	556	56999	06.30.2017	52,877					Expo R&R - Reduction of Project 8N064	This equipment purchase was budgeted over three years (\$50,000,\$25,000,\$25,000) however, we did not purchase chairs in FY 2016, opting to make a combined purchase of the remainder of the chairs in FY 2017. This amendment matches the budget with the overspend in FY 2017. the total expenditures in this project (\$99,997) remain under the total budget for the Project (\$100,000). This change is merely for FY 2017.
N	8R150	Radio Replacements	574000	556	56999	06.30.2019	10,342					Expo R&R - Reduction of Project 8N064	This equipment purchase is budgeted over multiple years. Shipping and other fees, pushed the expenditures slightly over budget this year (\$342, 3.4%). This amendment matches the budget with the over spend in FY 2017.
N	8N067	Cardboard Baler	574000	550	55999		0						This project will be delayed until 2019, we wish to reduce the project amount to \$0 (\$130,000) to fund the other projects.
Y	New	loading Dock improvement	572000	550	55999	06.30.2018	20,000					OCC R&R - Reduction of project 8N067	This new project is budgeted in FY 2017-18 however we would like to start earlier.
Y	New	Cooling system design and replacement	572000	550	55999	06.30.2018	20,000					OCC R&R - Reduction of project 8N067	This new project is budgeted in FY 2017-18 however we would like to start earlier.

Mid-year Amendment TO FY 2016-17 BUDGET

Capital Project Detail

Attachment 4

MERC Venues

Resolution 17-4768

New? Y/N	Project ID	Project Title	GL Acct	Fund ID	Dept ID	Est. End Date	Revised Project Budget					Source/s of Funding (Carry Fwd, Grant, etc.)	Other Project Comments
							2016-17	2017-18	2018-19	2019-20	2020-21		
Y	New	Employee Break Room Remodel	572000	550	55999	06.30.2018	20,000					OCC R&R - Reduction of project 8N067	This new project is budgeted in FY 2017-18 however we would like to start earlier.
Y	New	Setup Supervisors Office Remodel	572000	550	55999	06.30.2018	10,000					OCC R&R - Reduction of project 8N067	This new project is budgeted in FY 2017-18 however we would like to start earlier.
Y	New	Lighting system controls consulting & replacement	572000	550	55999	06.30.2018	25,000					OCC R&R - Reduction of project 8N067	This new project is budgeted in FY 2017-18 however we would like to start earlier.
Y	New	NFPA 70 E Arc Flash Assessment and Documentation	572000	550	55999	06.30.2018	35,000					OCC R&R - Reduction of project 8N067	This new project was still in the planning phases however, OCC decided to move up the priority and schedule. This is a project to comply with a fairly new code.
N	8R082	Plaza, Entries and Interiors Remodel	571000	550	55999	06.30.2020	2,589,865						We will not spend the entire \$2.6 million this fiscal year. We would like to reduce this project Budget by the same amount as the increase of the next two.
N	8R159	Admin & Guest Services Area Carpet Replacement	572000	550	55999	06.30.2017	103,991					OCC R&R - Reduction of project 8R082	The scope of this project was purposely expanded to carpet more area and take advantage of the mobilization conducted in preparation for the project and also to take advantage of the economic pricing of a larger purchase of the carpet.
N	8R161	Engineer Workspace Remodel	572000	550	55999	06.30.2017	36,144					OCC R&R - Reduction of project 8R082	This project when slightly over budget 3.3% (\$1,144) this amendment is to match the budget to the over spend.
N	88170	OCC Facility Master Planning	524070	550	55999	06.30.2017	288,560						This project was always linked to its child project the Facility Condition Assessment. We wish to reduce the budget of this project by \$10,000 and increase the budget for the FCA Project 8R171 by \$10,000.
N	88171	OCC Facility Condition Assessment	542070	550	55999	06.30.2017	10,000					OCC R&R Reduction of project 88170	This project was always linked to its parent project the Facility Condition Assessment. We wish to reduce the budget of the parent project 8R170 by \$10,000 and increase the budget for the FCA Project 8R171 by \$10,000.
N	8R145	Keller Wall panels	527000	554	58999	06.30.2025	35,000						We want to reduce this project budget by the same amounts as the combined total of the subsequent project budget increases.

Mid-year Amendment TO FY 2016-17 BUDGET

Capital Project Detail

Attachment 4

MERC Venues

Resolution 17-4768

New? Y/N	Project ID	Project Title	GL Acct	Fund ID	Dept ID	Est. End Date	Revised Project Budget					Source/s of Funding (Carry Fwd, Grant, etc.)	Other Project Comments
							2016-17	2017-18	2018-19	2019-20	2020-21		
N	85108	ArtBar Replacement	572000	554	58999	06.30.2018	200,000					P5 R&R & Aramark Capital Contribution - \$170,000 Reduction of Project 8R145	The design and engineering for this project is budgeted in FY 2016-17, the construction of this project is budgeted in FY 2017-18, we want to move up the timeline on this and begin the project in earnest in the current year.
N	8R154	AHH Winni LED Par Theatrical Fixtures (R&R)	572000	554	58999	06.30.2018	25,000					P5 R&R - \$10,000 Reduction of Project 8R145	we need another \$10,000 to complete this project in the current year
N	8R093	AHH - Fire Alarm System	572000	554	58999	06.30.2018	225,000					P5 R&R - \$50,000 Reduction of Project 8R145	we need another \$50,000 to complete this project.
N	8R099	ASCH - Portland Sign Assessment & Refurb Scoping	572000	554	58999	06.30.2018	560,000					P5 R&R - \$200,000 Reduction of Project 8R145	The bids for this project came back much higher than expected. To complete the project and make it safe, we need the extra \$200,000 in budget.
N	8R157	ASCH Backstage Entry Door Replacement (R&R)	572000	554	58999	06.30.2018	65,000					P5 R&R - \$35,000 Reduction of Project 8R145	Design, engineering and installation increased due to stipulations issued by the City of Portland Historic Review Commission.
N	8R121	AHH - Backstage Elevator Overhaul	572000	554	58999	06.30.2018	0						We wish to reduce the budget of this project by \$235,000 and increase the budgets of the following two projects combined by the same amount.
N	8R152	Hatfield Hall Front of House Elevator Overhaul	572000	554	58999	06.30.2019	580,000					P5 R&R - Reduction of Project 8R121	We wish to reduce the budget of 8R121 by \$100,000 and increase the budget of this project to \$580,000.
N	8R100	AHH/ASCH/Keller Elevators Design and Scope	572000	554	58999	06.30.2018	150,767					P5 R&R - Reduction of Project 8R121	The proposal for the completion of this work came in much higher than expected. We wish to reduce the budget of 8R121 by \$135,000 and increase the budget of this project by the same amount to \$150,767.
N	8R153	P5 NMK/Winni FOH Lighting System Overhaul (R&R)	572000	554	58999	06.30.2017	0						We want to transfer the budget in this project to 8R090. both are Lighting projects and the focus needs to be on 8R090
N	8R090	Winningstad - House Lighting Control & Dimmers	572000	554	58999	06.30.2018	120,000					P5 R&R & Aramark Capital Contribution - Reduction of Project 8R153	This project is budgeted in FY 2017 and FY 2018. We need to increase the budget in the current year to accommodate the lengthy lead times for material delivery in order to complete the project in FY 2018.

Agenda Item No. 4.3

Resolution No. 17-4780, For the Purpose of Amending the
Oregon Zoo Bond Implementation Plan and to Allocate
Program Reserves

Resolutions

Metro Council Meeting
Thursday, March 16, 2017
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) RESOLUTION NO. 17-4780
OREGON ZOO BOND IMPLEMENTATION)
PLAN AND TO ALLOCATE PROGRAM) Introduced by Chief Operating Officer
RESERVES) Martha J. Bennett with the Concurrence of
) Council President Tom Hughes

WHEREAS, at the General Election held on November 4, 2008, the Metro Area voters approved Oregon Zoo Bond Measure 26-96, entitled "Bonds to Protect Animal Health And Safety; Conserve and Recycle Water"; and

WHEREAS, in 2010, the Zoo launched the Oregon Zoo Comprehensive Capital Master Plan process, to ensure that the Oregon Zoo Bond Measure is implemented within budget, in a fashion that effectively integrates bond projects with existing exhibits, preserves opportunities for future non-bond funded projects and makes the maximum use of existing and proposed infrastructure; and

WHEREAS, via Metro Council Resolution 11-4292, entitled "For the Purpose of Approving the Oregon Zoo Bond Implementation Plan," the Metro Council approved the Zoo Bond Implementation Plan portion of the Oregon Zoo Comprehensive Capital Master Plan; and

WHEREAS, the Zoo Bond Implementation Plan contains bond fund allocation project budgets ("Project Budgets") for each Oregon Zoo Bond Measure project. The Polar Bear Passage Project construction budget listed in the 2011 Bond Implementation Plan was \$18,079,392. Including project staff and owner's contingency costs, the total Project Budget was established at \$20.1 million; and

WHEREAS, on February 4, 2016, to address escalating costs in the construction market, the Metro Council adopted Resolution 16-4684, entitled "For the Purpose of Amending the Oregon Zoo Bond Implementation Plan," wherein Metro Council amended the Zoo Bond Implementation Plan portion of the Oregon Zoo Comprehensive Capital Master Plan to make \$1 million in Polar Bear Passage Project Scope Reductions and approved the allocation of \$2.6 million of Zoo bond program contingency funds to the Polar Bear Passage Project, for a revised project budget of \$22,707,853; and

WHEREAS, on February 18, 2016, the Metro Council accepted the Chief Operating Officer's recommendation and determined not to develop and operate a Remote Elephant Center; eliminated the Remote Elephant Center Set-Aside Fund from the Metro Council's recommended list of Ballot Measure 26-96 projects set forth in Metro Council Resolution No. 08-3945; and directed staff to propose alternative uses for the \$5.8 million bond funds currently allocated for that purpose; and

WHEREAS, the \$125 million in bond funds originally available in 2008 to support animal welfare, conservation education and sustainable infrastructure investments at the Oregon Zoo has since increased to \$149 million due to bond sale premiums, interest earnings, project savings/reallocations and grants, donations and rebates, and

WHEREAS the Zoo bond program holds current unallocated reserves of \$12.5 million; and proposes to allocate a portion of said reserves; and

WHEREAS, for the Polar Bear Passage Project, Metro proposes to allocate \$1 million from Zoo bond program reserves to address further cost escalation in the construction market and add an additional \$2.2 million for project enhancements, consisting of \$1.3 million in program reserves combined with \$900,000 committed by the Oregon Zoo Foundation, for a revised project budget of \$25.9 million; and

WHEREAS, the Primate/Rhino construction budget listed in the 2011 Bond Implementation Plan was \$10,404,494. Including project staff and owner's contingency costs, the total Project Budget was established at \$14.2 million; and

WHEREAS, for the Primate/Rhino project, Metro proposes to allocate an additional \$2.6 million from Zoo bond program reserves to address further escalation of costs in the construction market, for a revised project budget of \$16,846,069; and

WHEREAS, Metro proposes to allocate \$1.5 million from Zoo bond program reserves to replace two old, outdated and inefficient emergency power generators and associated electrical infrastructure; and

WHEREAS, Metro proposes to allocate \$3.3 million from Zoo bond program reserves to support program administration and central service costs through the end of construction of the bond program; and

WHEREAS, Metro proposes to allocate \$1 million in Zoo bond program reserves to support close-out of the bond program and to hold as program contingency funds; and

WHEREAS, the Oregon Zoo Bond Citizens' Oversight Committee established by Bond Measure 26-96 (the "Oversight Committee") is responsible for reviewing progress on project improvements, monitoring spending, and considering and recommending project modifications to account for escalation in construction costs, and supports the allocation of bond program reserves set forth in this resolution, now therefore

BE IT RESOLVED that the Metro Council hereby:

Amends the Zoo Bond Implementation Plan portion of the Oregon Zoo Comprehensive Capital Master Plan to allocate Zoo bond program reserves as follows: \$2.3 million to the Polar Bear Passage project budget; \$2.6 million to the Primate/Rhino project budget; \$1.5 million to address outdated electrical infrastructure; \$3.3 million to support program administration and central service costs through the end of bond program construction; and \$1 million to support close-out of the bond program and to hold for program contingency.

ADOPTED by the Metro Council this _____ day of March 2017

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4780, FOR THE PURPOSE OF AMENDING THE OREGON ZOO BOND IMPLEMENTATION PLAN AND TO ALLOCATE PROGRAM RESERVES

Date: March 6, 2017

Prepared by: Heidi Rahn, 503-220-5709

BACKGROUND

Zoo Bond Program Funding and Project Status

In 2008, voters approved \$125 million in bond funds to support animal welfare, conservation education, and sustainable infrastructure investments at the Oregon Zoo. This funding has since increased to \$149 million due to bond sale premiums, interest earnings, and grants, donations and rebates. The Oregon Zoo Bond Program currently has \$12.5 million in unallocated funds available to support the final projects. Staff is seeking feedback from the Metro Council regarding the allocation of the remaining funds.

The Oregon Zoo is confident in its ability to complete all of the projects approved by the voters and to deliver on the public promise. The zoo has completed construction of five projects to date, all within approved budgets. The final three projects – Polar Passage, primate habitat and rhino habitat – are scheduled to be complete by 2020.

The scope and budget for each project was originally developed in 2011 as part of the Oregon Zoo Master Plan. Funds were allocated to each project to ensure successful completion. Given the significant construction cost escalation in the region and recommended scope modifications, staff seeks Council feedback on proposed project amendments.

Budget Allocation Process

Staff has engaged key stakeholders in project design and cost analysis, including Oregon Zoo staff, the Oregon Zoo Foundation and Oregon Zoo Bond Citizens' Oversight Committee. Staff presented a draft recommended budget allocation and project modifications during the March 7, 2017, work session for feedback.

The charter of the Oregon Zoo Bond Citizens' Oversight Committee calls for the Committee to make recommendations regarding significant project modifications and budget allocation. The group has set up a subcommittee to analyze fund availability and propose budget allocations to remaining projects. The Oversight Committee will recommend a budget allocation and project modifications to the Metro Council on March 16, 2017.

In December 2016, the Metro Council supported the following guiding principles defined by the Zoo Bond Citizens' Oversight Committee to address fund allocation:

- Align fund allocation to comply with the requirements and commitments of the original zoo bond ballot measure 26-96 and any other applicable legal restrictions or requirements.
- Recommend fund allocation that aligns with zoo conservation programming, anticipated species focus, and animal welfare priorities to the greatest degree possible and based on the best

information available – including the zoo’s conservation priorities, zoo staff input, anticipated changes to Association of Zoos and Aquariums standards, financial forecasts, and cost estimates.

- Consider and be sensitive to public perceptions, seek to provide transparency about allocation changes, and highlight “value-added” contributions from nonbond sources.

The Metro Council also requested the zoo bond program continue to focus on supporting diversity and equity in upcoming zoo projects and their construction.

Budget Allocation Recommendation

Staff focused the budget allocation analysis on construction cost escalation, project scope modifications, and program administration. Proposed budget amendments ensure all three remaining projects can be successfully completed.

Cost Escalation

Staff proposes allocating \$3.6 million to the original master planning budgets to address cost escalation on the three remaining projects.

Project Modifications

The Oregon Zoo Foundation recommends the allocation of \$1.3 million to enhance the Polar Passage project, utilizing unallocated Foundation funds previously provided to the bond program. The Foundation will also provide an additional \$900,000 to support project enhancements.

To continue investing in sustainable infrastructure, staff is recommending a budget allocation of \$1.5 million to replace two outdated generators and associated electrical infrastructure critical to servicing animal areas.

Staff is also recommending an allocation of \$1 million to support the close out of the bond program, address newly discovered needs on previously completed bond projects (e.g., changing animal welfare standards, facility challenges, etc.), and hold for program contingency. Any remaining contingency at the end of the program will be available for capital improvements identified in the master plan.

Program Administration

Program administration and central service costs through the end of the program are estimated to cost approximately \$3.3 million more than originally budgeted. The additional funds will maintain appropriate staffing levels and pay for the necessary level of legal, accounting, procurement and other services provided by Metro shared services.

Recommended Allocation of Program Reserves

Current unallocated reserves	\$12.5 million
Primate/rhino – cost escalation	(\$2.6 million)
Polar Passage – cost escalation	(\$1.0 million)
Polar Passage – project modifications	(\$1.3 million)
Electrical infrastructure	(\$1.5 million)
Contingency for bond close out	(\$1.0 million)
Program administration	(\$3.3 million)

Remaining unallocated* **\$1.8 million**

*Hold for Master Plan capital investments and/or update

Recommended Budget Amendments

	Proposed Amendment	Current Budget	Revised Budget
Polar Passage	\$ 3,248,334*	\$ 22,707,853	\$ 25,956,187
Primate/rhino	\$ 2,605,848	\$ 14,240,221	\$ 16,846,069
Electrical infrastructure	\$ 1,500,000		\$ 1,500,000
Program administration	\$ 3,287,119	\$ 3,912,881	\$ 7,200,000
Program contingency/close out	\$ 1,000,000		\$ 1,000,000

*Includes \$900,000 from Oregon Zoo Foundation

ANALYSIS/INFORMATION

- 1. Known Opposition** None
- 2. Legal Antecedents** Metro Code 2.04.054, 2.04.054©; Oregon Revised Statutes 279C.335(4).
- 3. Anticipated Effects** Staff feels that the costs are reasonable and necessary for the continued successful execution of the bond promise.
- 4. Budget Impacts** Allocation of \$10.7 million of the \$12.5 million in unallocated zoo bond program reserves will assist in the successful completion of the polar bear, primate and rhino habitat upgrades, support critical energy infrastructure upgrades, and ensure the ballot measure commitments are met.

RECOMMENDED ACTION

Amend the Zoo Bond Implementation Plan portion of the Oregon Zoo Comprehensive Capital Master Plan to allocate Zoo bond program reserves as follows: \$2.3 million to the Polar Bear Passage project budget; \$2.6 million to the PRIMATE/Rhino project budget; \$1.5 million to address outdated electrical infrastructure; \$3.3 million to support program administration and central service costs through the end of bond program construction; and \$1 million to support close-out of the bond program and to hold for program contingency.

Agenda Item No. 5.1

Ordinance No. 17-1395, For the Purpose of Adopting
Solid Waste Charges and User Fees for FY 2017-18

Ordinances

Metro Council Meeting
Thursday, March 16, 2017
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING SOLID WASTE CHARGES AND USER FEES FOR FY 2017-18.) ORDINANCE NO. 17-1395) Introduced by Chief Operating Officer) Martha Bennett with the concurrence of) Council President Tom Hughes

WHEREAS, Metro Code Chapter 5.02 establishes charges for the acceptance of solid waste at Metro Central and Metro South transfer stations; and,

WHEREAS, Metro Code chapters 5.01 and 5.02 establish user fees on solid waste accepted at all disposal sites in the system; and,

WHEREAS, Metro Code Section 5.06.030 establishes a community enhancement fee in an amount not to exceed \$1.00 on solid waste delivered to eligible solid waste facilities in the Metro region; and,

WHEREAS, Metro’s costs for solid waste services and programs have changed; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

Section 1. Solid Waste Fees and Charges. The schedule of solid waste fees and charges attached hereto as Exhibit “A” is approved, and shall be implemented on the Effective Date of this ordinance.

Section 2. Effective Date. This ordinance shall become effective on July 1, 2017.

ADOPTED by the Metro Council this ____ day of ____, 2017.

Tom Hughes, Council President

Attest:

Approved as to Form:

Nellie Papsdorf, Recording Secretary

Alison R. Kean, Metro Attorney

Exhibit “A” to Ordinance No. 17-1395

SCHEDULE OF SOLID WASTE FEES AND CHARGES

Effective July 1, 2017

Charges at Metro Central Station and Metro South Station

Tonnage Charges by waste class

The rates per ton pursuant to Metro Code sections 5.02.025(a)(1) and 5.02.029 shall be:

- (1) Mixed solid waste\$ 63.20
- (2) Wood waste or yard debris (separated or comingled)..... 48.69
- (3) Residentially generated organic waste.....67.50
- (4) Commercially generated organic waste (Metro Central only).....65.23

Transaction Charges by transaction class

The rates per transaction pursuant to Metro Code 5.02.025(a)(3) shall be:

- (1) For users of staffed scales\$ 10.00
- (2) For users of automated scales2.00

Minimum Charges

Minimum tonnage charges pursuant to Metro Code sections 5.02.025(b) and 5.02.029(h)(2) shall be based on 380 pounds for all classes of solid waste.

Fees on Disposal of Solid Waste

Regional System Fees by waste class

The rates per ton pursuant to Metro Code sections 5.01.150, 5.02.045 and 5.02.047 shall be:

- (1) Cleanup material contaminated by hazardous substances\$ 2.50
- (2) All other solid wastes..... 18.12

Community Enhancement Fees

The rates per ton pursuant to Metro Code sections 5.06.030 shall be:

- (1) Putrescible solid waste.....\$ 1.00
- (2) Non-putrescible solid waste (as authorized by Metro Chief Operating Officer)1.00

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 17-1395 FOR THE PURPOSE OF ADOPTING SOLID WASTE CHARGES AND USER FEES FOR FY 2017-18.

Date: March 16, 2017

Presented by: Tim Collier, FRS (Ext. 1913)

Summary

Each year, the Chief Operating Officer proposes new solid waste rates as part of the budget process. The changes are needed to keep current with costs and tonnage flows.

Main points of this legislation.

- Metro's tip fee for garbage is proposed to be \$94.95 in FY 2017-18. This is a decrease of \$1.30(1.35%) from the current rate. It will result in a small decrease every month to ratepayers. The change is driven by a decrease in the regional system fee of \$0.36 and a \$0.95 decrease in the Metro Excise Tax. The tonnage charge for garbage will only increase \$0.01. (More information on the Regional System Fee is provided on the next page.)
- Transaction fees of \$2 for staffed transactions (fees paid by self-haulers) and \$1 for automated transactions will remain unchanged.
- The minimum load size will remain at 380 pounds, while the minimum load charge is held constant at \$28
- Tip fee increases are proposed for residential organic waste accepted at Metro regional transfer stations. This increase stems from increases in Metro's per-ton contract cost. The rate model also suggests an increase of \$6.40 per ton for commercial organics, however, staff is proposing to keep the rate flat to support Metro's recovery work in this area. The impact of this rate buy-down is projected to be \$103,364 in FY 2017-18. This rate decision will be reviewed annually for appropriateness.
- The tip fee for clean wood and yard debris is increasing by \$0.91 per ton.

Adoption of Ordinance No. 17-1395 would authorize the following charges at Metro regional transfer stations, effective July 1, 2017.

Table 1. Proposed Solid Waste Charges at Metro Regional Transfer Stations

Rates Effective July 1, 2017

Rates	Current	Proposed	Change
Fees per transaction			
Users of staffed scales	\$10.00	\$10.00	\$- 0 -
Users of automated scales	2.00	2.00	- 0 -
Fees per ton (Tip Fees)			
Mixed solid waste ("refuse")	\$ 96.25	\$ 94.95	- \$ 1.30
Clean wood	48.78	49.69	0.91
Yard Debris	48.78	49.69	0.91
Residential organics	64.61	68.50	3.89
Commercial organics	66.23	66.23	- 0 -

Background Part 1. Overview of Metro’s Solid Waste Rates

Metro maintains two classes of solid waste rates. One class, the Regional System Fee, is charged on all disposal. The second class is a suite of charges for services at Metro regional transfer stations only.

1. **Regional System Fee** is a universal charge on the disposal of garbage. It is levied at all landfills, the Marion County waste to energy facility, Forest Grove Transfer Station, and the Metro stations. There are two levels of system fee: one for mixed solid waste, and a reduced rate for environmental cleanup materials. The proposed rates are \$18.12 and \$2.50 per ton, respectively. System fees raise about \$25 million per year and pay for Metro’s regional solid waste programs and services: household hazardous waste, latex paint recovery, St. Johns Landfill management, facility regulation, illegal dumpsite cleanup, and resource conservation and recycling.
2. **Charges for services at the Metro stations** cover the costs of Metro’s transfer station operations, transport, processing and disposal. Each customer pays a two-part fee: a fixed charge for the transaction costs and a variable charge (“tip fee”) for each ton in the load.
 - **“Transaction Charges”** are the fixed fees for each load of waste accepted. There are two levels of transaction fee: one for users of the staffed scales (mainly self-haulers), and another for users of the automated scales (mainly commercial haulers). Together they raise about \$3.1 million dollars per year and pay for the cost of operating the scalehouses and related functions.
 - **“Tip Fees”** are different for each waste stream – garbage, residential organics, commercial organics, and wood/yard debris – and reflect the costs that are specific to each stream. The current and proposed rates are shown in Table 1.

Every tip fee is made up of a **Tonnage Charge** and various pass-throughs (Table 2). The tonnage charge pays for the costs of doing the work. In this region, the Regional System Fee, Metro excise tax, and DEQ fees are charged on all disposal. Together, Metro’s tonnage charges raise about \$35 million per year, and pay for the costs of station operations, recovery, transport, processing, disposal, capital and management.

Of the add-on components, the Regional System Fee, the DEQ fee and the excise tax are set to experience small increases. The Regional System Fee is decreasing by 36 and the excise tax is decreasing 95 cents. These changes, combined with an increase in the tonnage charge one cent results in the Metro tip fee decreasing by \$1.30 – \$94.95 per ton from \$96.25 per ton.

Table 2. Components of Proposed Metro Tip Fees by Waste Stream

Rates Effective July 1, 2017

Rate Component	Mixed Solid Waste	Organic Waste		
		Clean Wood or Yard Debris	Residential Organics	Commercial Organics
Tonnage Charge <i>Covers costs of transfer, transport, recovery, disposal.</i>	\$63.20	\$48.69	\$67.50	65.23
Pass-Throughs <i>Government fees and taxes levied at disposal sites.</i>				
Regional System Fee	\$18.12	-*	-*	-*
Metro excise tax	10.81	-*	-*	-*
DEQ fees	1.82	-*	-*	-*
Enhancement Fee	1.00	1.00	1.00	1.00
Total = Tip Fee	\$94.95	\$49.69	\$68.50	\$66.23

* It is the policy of Metro and DEQ to support material recovery and recycling by levying solid waste surcharges and taxes on the waste that is ultimately disposed. For this reason, the Regional System Fee, Metro excise tax, and DEQ fees are not included in the tip fees for organic wastes.

Background Part 2. Understanding the Proposed FY 2017-18 Rates

There are four main reasons for the changes in the proposed FY 2017-18 rates.

1. **Tonnage.** Staff expects year-over-year mixed solid waste tonnage increases to continue through FY 2017-18, with private stations expected to realize the bulk of the increase. The added tonnage has put downward pressure on marginal costs, resulting in a decrease regional system fees and minimal increases tonnage charges for mixed solid waste.
2. **Changes in demand for wood waste & yard debris.** In the fall of 2015, SP Recycling, which received 80% of Metro's wood waste from mixed recovery operations, closed operations. The effect has been a significant diversion wood waste tonnage to the mixed solid waste stream. Metro now charges the same rate for wood and yard debris. Thus, decreases in wood tons since the SP Recycling closure coupled with a forecasted year over year decrease in yard debris tons have put upward pressure on the unit cost to process this waste. For FY 2017-18, the wood/yard debris rate is expected to increase 91 cents.
3. **Changing organics environment** The rates for residential organics continue to be set at a level that covers their costs. The rate increase for residential and commercial organics is driven by underlying costs and tonnage. However, Metro's work on commercial food waste recovery is behind the staff recommendation to keep commercial organics rate flat for FY 2017-18. The financial impact is small and this decision is important to help advance commercial food waste recovery efforts.
4. **The excise tax.** The tax rate is set automatically by a formula in the Code each year, and is never a formal part of the rate ordinance. However, it is related to the rate actions because it is part of the tip fee (Table 2). For FY 2017-18, the excise tax rate will decrease 95 cents to \$10.81 per ton.

Information/Analysis

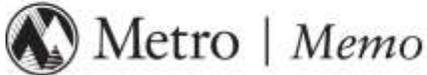
1. **Known Opposition.** There is no known opposition. The majority of ratepayers at Metro stations will experience an increase in Metro's tip fee for residential organic waste, wood and yard debris.
2. **Legal Antecedents.** The process for setting Metro's solid waste rates are set forth in Metro Code Chapter 5.02. Ordinance 14-1323 removed the specific Metro solid waste rates from Metro Code Chapter 5.02 and requires adoption of the rates via a separate ordinance and rate schedule. Metro reviews solid waste rates annually. The proposed FY 2017-18 rates comply with the restriction set forth in Chapter III, Section 15 of the Metro Charter limiting user charges to the amount needed to recover the costs of providing goods and services.

The excise tax rate is established automatically by a passive mechanism set forth in Metro Code sections 7.01.020 and 7.01.022 and does not require council action to take effect.

3. **Anticipated Effects:** If adopted, this ordinance would decrease the tip fee for mixed solid waste at Metro transfer stations by \$1.30 per ton. It would also increase the tip fees for yard debris, wood and residential organic wastes by the amounts set forth in Table 1.
4. **Budget Impacts.** The rates established by this ordinance are designed to raise \$64.7 million in enterprise revenue during FY 2017-18. This revenue would cover the cash requirements of the proposed FY 2017-18 solid waste budget.

RECOMMENDATION

The Chief Operating Officer recommends adoption of Ordinance No. 17-1395.



Date: March 16, 2017
To: Metro Council
From: Tim Collier, Director, Finance and Regulatory Services
Subject: Solid Waste Rate Report for Fiscal Year 2017-18

As required by Metro Code 5.02.020 (e) (1), this report provides the context for the solid waste rate making process and documents the methodologies, data, assumptions, adopted criteria and any other factors used by the Chief Operating Officer in calculating the proposed rates and the response to the recommendations of the independent review.

Methodology

Last year, Metro engaged a consulting firm to review the solid waste rate setting process and provide recommendations for improving and simplifying development of those rates. In response to recommendations provided by the consultant, Metro implemented a new rate model based on a standard rate setting process:

- Step 1: Identify revenue requirements. This step identifies the total annual financial obligations of the system. This includes operations, capital improvements and replacements and fiscal policy compliance.
- Step 2: Allocate costs. This step establishes rate equity through cost causation or the cause and effect relationship between different costs and activities that cause those costs to be incurred.
- Step 3: Forecast activity. This step establishes a forecast for the solid waste activity anticipated for the coming fiscal year.
- Step 4: Establish Fees/Charges. This step achieves required revenue levels by establishing rates and charges that accurately reflect the cost to provide a particular service.

Step 1 – Identify Revenue Requirements

Revenue requirements are determined by projecting costs for the various solid waste functions that Metro performs. Those functions include:

Disposal Services. Metro owns two transfer stations that provide disposal services to commercial haulers, businesses and the public. Metro staffs the scalehouses, but the operation of the stations, transport and disposal are all performed by private operators under long-term contracts with Metro. Metro finances and manages this function as a municipal utility.

Regional Programs. Metro provides or participates in solid waste services and programs with region-wide impact. Some of these stem from state mandates. Others are driven by Metro's own goals and policies for the solid waste system. These programs and services are closer in form to public goods rather than utility functions. The programs are:

- Household hazardous waste reduction
- Latex paint recovery
- Resource conservation and recycling
- Landfill closure and stewardship

- Illegal dumpsite monitoring and clean-up

Regulation. Metro regulates privately-owned disposal facilities and manages its own flow control authority through a system of licensing, franchising, inspection and enforcement.

Revenue Requirement Summary

	Scalehouses	Municipal Solid Waste	Wood/Yard Debris	Residential Organics	Commercial Organics	Regional System Fee
Revenue Requirement	\$3,169,249	\$ 34,445,784	\$741,973	\$3,725,117	\$1,160,411	\$ 24,951,275
Percentage of Total	4.65%	50.51%	1.09%	5.46%	1.70%	36.59%

Step 2 – Allocate Costs

The rate process uses a cost of service approach that distributes costs based on a proportionate share of costs required to provide service. The methodology used identifies how expenses are allocated to the solid waste system functional areas including disposal and recovery, regional programs, sustainability, clean-up and compliance and general and administrative. Allocations are based on staff time, tickets processed, floor area and tonnage. The allocation factor is designed to be an equitable expression of the how and why the cost is incurred.

The cost of service details cost allocation for an additional layer of service by waste type; mixed solid waste, wood waste, yard debris, residential organics and commercial organics. Costs associated with processing each waste type were reviewed and discussed with Metro staff and/or engineers. The cost of service process reviewed existing cost allocation approaches and identified changes and additional allocation factors used in the process. A sensitivity analysis indicating the rate change/impact of alternative general and administrative cost allocations was included in the review.

Step 3 – Forecast Activity

Metro staff reviewed tonnage information from the current fiscal year and projected anticipated levels of tonnage and transactions by material type at Metro transfer stations and private facilities.

Summary of Tonnage Forecast

Facility	Material Class	Projected		% Change
		FY 2016	FY 2017	
Metro Central	Wet waste	172,661	191,394	10.85%
Metro Central	Dry waste	60,268	63,480	5.33%
Metro South	Wet Waste	156,852	161,732	3.11%
Metro South	Dry waste	124,178	128,450	3.44%
Private	Wet waste	437,013	483,624	10.67%
Private	Dry waste	397,039	467,517	17.75%

Summary of Transactions

Facility	Transaction Type	Projected		% Change
		FY 2016	FY 2017	
Metro Central	Staffed	92,214	90,388	-1.98%
Metro Central	Automated	52,850	56,310	6.55%
Metro South	Staffed	181,561	192,304	5.92%
Metro South	Automated	50,110	47,058	-6.09%

Step 4: Establish Fees/Charges

Unit costs were developed for each rate/fee charged. The unit costs were analyzed to identify any warranted shifts in cost burden that could improve equity between the fees/charges. The result of the cost of service process is a calculated rate/fee for providing solid waste services.

Summary of Fees and Charges for FY 2017-18

	Mixed Solid Waste	Clean Wood/Yard Debris	Residential Organics	Commercial Organics
Transaction Fee				
Staffed Scalehouse	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Automated Scalehouse	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
Tip Fee				
Tonnage Charge	\$ 63.20	\$ 48.69	\$ 67.50	\$ 65.23
Regional System Fee	\$ 18.12			
Excise Tax	\$ 10.81			
DEQ Fees	\$ 1.82			
Community Enhancement Fees	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Total Tip Fee	\$ 94.95	\$ 49.69	\$ 68.50	\$ 66.23

Assumptions

See Attachment A for the full list of assumptions used in the rate model. Key points are summarized below:

- Costs for disposal charges driven by contract cost inflation
- Other expenses based on budget estimates used in the Chief Operating Officer's budget
- Overall inflation assumptions match those used in the FY 2017-18 budget process
- Tonnage forecast is based on the forecast developed for the FY 2017-18 budget process and five year forecast

Criteria

In developing the rates, staff relied on Metro's legal authority as determined by the Metro Code and Oregon Revised Statute, as well as policies adopted by the Metro Council and other informal guidance used by staff. Those factors and criteria are summarized below.

Authority. Metro's authority to charge fees for goods and services is derived from the Oregon Constitution, from the Metro Charter and from the provisions of Oregon law, including Oregon Revised Statutes Chapter 268. ORS 268 also enumerates Metro's authorities over solid waste.

Allowable expenditures are set in state law. Under state law, Metro is limited to using the revenue derived from disposal fees only on activities related to solid waste. Specifically:

[T]he metropolitan service district shall use moneys collected by the district as service or user fees for solid waste disposal for (1) activities of the metropolitan service district related to solid waste, including activities of regional concern that are directly related to reducing the environmental impact from the generation, collection, transportation, processing and disposal of solid waste; and (2) planning, administrative and overhead costs for activities of the district related to solid waste. *[Oregon Revised Statutes section 459.335]*

User charges limited to the cost of service. The Metro Charter restricts the types of costs that may be recovered from user charges:

... charges for the provision of goods or services by Metro may not exceed the costs of providing the goods or services. These costs include, but are not limited to, costs of personal services, materials, capital outlay, debt service, operating expenses, overhead expenses, and capital and operational reserves attributable to the good or service. *[Metro Charter, Chapter III. Finance, Section 15]*

Metro code section 5.01.150 and Chapter 5.02 govern solid waste rates. (Chapter 7.01 governs the Metro excise tax generally, and various subsections address the solid waste excise tax in particular.)

Adopted Policies. In 1993 Metro adopted policies (Resolution 93-1824A) to guide choices during rate making:

- Financial Criteria
 - Revenue adequacy, reliability and predictability
 - Authority to implement
 - Implementation and administrative cost and effort
 - Impact on credit rating
- Economic Effects
 - Rate payer equity and affordability
 - Impacts on the costs of living and of doing business in the region
- Environmental and Management
 - Consistency with agency-wide planning policies and the Solid Waste Management Plan
 - The rate structure should encourage waste reduction, reuse, and recycling

Bond Covenants. Metro continues to employ a number of the business practices that implemented its bond covenants even though the bonds were retired in December 2008:

- Pay as you go: means that ongoing costs are to be paid with ongoing revenue.
- Coverage to ensure revenue adequacy. One of Metro's practices for meeting the debt service coverage was to base the revenue requirement on the budget rather than expected expenditures. Metro generally continues to follow this practice. Exceptions are explicitly noted.
- Operating surpluses. The priority for the use of operating surpluses is: restore contingencies, fund the new capital reserve, and hold any remaining surplus as undesignated fund balance.

Independent Review Response

CH2M Hill Engineers, Inc. provided the following recommendations in their report dated March 1, 2017:

Recommendations:

1) Implement a rate review process that looks at a longer horizon period (current period is 1 year). We recommend a 3-5 year planning period so potentially large rate impacts associated with unusually large capital replacements or other large one time expenditures can be spread out over a period of years rather than a single year. This strategy would help avoid potential large spikes in rates. Strategic use of reserves, such as the Rate Stabilization Fund, can also be used to mitigate the effects of significant increases in costs.

Response: Staff recently began evaluating potential options for incorporating a longer planning horizon into the rate development process.

2) Where applicable in the model, refer to actual historical revenues and expenditures instead of budget data when information is available.

Response: Staff will evaluate opportunities to include additional historical actual revenue and expense data into the model.

3) Metro may want to consider options for redefining its capital funds to meet specific needs. For example, Metro could consider setting a target balance in its capital fund that is sufficient to meet its needs if a large component of its system were to fail prematurely. This is a consistent with the recommendation from the FCS Group Review of Reserve Funds from August 2015.

Response: As part of incorporating a long-term planning horizon into the rate setting process, Staff from Finance and Regulatory Services will work with Property and Environmental Services to, where applicable, align capital funds with specific needs and benchmarks as prescribed by the FCS Group Reserve Study.

4) By funding the rate stabilization fund from annual budget surpluses, the balance of this fund has been climbing. Metro may want to define a target balance for its Rate Stabilization Fund, or range within which this fund will be managed.

Response: Staff from Finance and Regulatory Services and Property and Environmental Services will work together to establish feasible reserve targets for the Rate Stabilization Fund.

5) Based on the current balances in the utility's reserve funds, Metro may want to consider drawing down some of the reserves in its operating and rate stabilization funds to offset the need for rate increases in the current or future years. Similarly, additional contributions to the Capital Fund may not be warranted given the existing and projected capital improvement plan. Thus, funds that may have been accumulating in the Capital Fund could be used to offset rate increases in the current or future years.

Response: Metro concurs with this recommendation and plans to use rate stabilization reserves in FY2017-18 to avoid a significant increase in the commercial organics rate. Similar considerations are reviewed annually for all waste types.

6) The model that was provided for CH2M's review includes financial projections that are based on Metro's existing rates and charges. In the future, Metro may want to consider updating its financial model to reflect its proposed rates, prior to having its model results reviewed by an outside consultant. This would help ensure that the independent review can evaluate Metro's pro forma financial results given the rates that are proposed for adoption. For the current year review, the rates that are being proposed for FY 2017-18, reflect only minor changes from the rates that are currently in effect, and thus should not have materially different results. However, if more significant rate adjustments had been proposed, it will be important for the outside consultant to evaluate the financial results given those proposed rate adjustments.

Response:

Metro concurs and will update proposed rates into the revenue calculation prior to submission for 3rd party review. This addition will not impact how rates are calculated as they are strictly based on cost of service.



Solid Waste Rate Study

Assumptions

Attachment A

Economic & Financial Factors		FY 2018
General Cost Inflation		1.98%
Construction Cost Inflation		3.26%
Labor Cost Inflation		2.67%
Benefit Cost Inflation		10.00%
Weighted Labor and Benefits		4.90%
General Inflation plus Composite Growth		7.55%
Customer Growth		5.47%
No Escalation		0.00%
CPI Inflation - Central		1.96%
CPI Inflation - South		1.91%
CPI Inflation - CM. Organics		1.58%
CPI Inflation - Disposal		1.50%
CPI Inflation - Transport		1.69%
Fuel Cost Escalation		7.19%
Manual Input		
Investment Interest		0.50%
Labor and Benefits Split		
Salary Share		69.53%
Benefits Share		30.47%

Accounting Assumptions		FY 2018
FISCAL POLICY RESTRICTIONS		
Minimum Operating Fund Balance Target		
Select Minimum Operating Fund Balance Target	1	
1 - Defined as Days of O&M Expenses		
Min. Op. Fund Balance Target (days of O&M expense)		45
Max. Op. Fund Balance (days of O&M expense)		45
2 - Amount at Right ==>		
Min. Op. Fund Balance Target		\$ 4,000,000
Max. Op. Fund Balance		\$ 4,000,000
Minimum Capital Fund Balance Target		
Select Minimum Capital Fund Balance Target	2	
1 - Defined as % of Plant		
Plant-in-Service in FY 2014	\$	
Minimum Capital Fund Balance - % of plant assets		1.00%
2 - Amount at Right ==>		\$ 1,200,000
EQUIPMENT REPLACEMENT FUNDING		
Select Equipment Replacement Funding Strategy	4	
Depreciation in FY 2014	\$	
Amount of Annual Cash Funding from Rates		
1 - Equal to Annual Depreciation Expense		\$ 1,381,447
2 - Equal to Annual Depreciation less Annual Debt Principal Payments		\$ 1,381,447
3 - Equal to Amount at Right ==>		\$ -
4 - Do Not Fund Equipment Replacement		



Solid Waste Rate Study

Assumptions

Capital Financing Assumptions		FY 2018
FUNDING SOURCES		
Grants		\$ -
Additional Proceeds (Costs)		
[Extra line]		\$ -
[Extra line]		-
[Extra line]		-
[Extra line]		-
[Extra line]		-
Total Additional Proceeds		\$ -
REVENUE BONDS		
Term (Years)		20
Interest Cost		5.00%
Issuance Cost		1.50%
Revenue Bond Coverage Requirement	1.25	
LOW-INTEREST LOANS		
Term (Years)		20
Interest Cost		1.00%
Required Local Match		5.00%
OTHER LOANS		
Term (Years)		20
Interest Cost		4.00%
Issuance Cost		0.00%

FY 2017-18 Tip & Transaction Fees and Comparison with Current Rates

March 1, 2017

Charges at Metro Transfer Stations	Current	Proposed FY 2017-18	Change	
Transaction Fees (per load)	\$ 10.00	\$ 10.00	\$ -	
Staffed	2.00	2.00	-	
Automated				
Tip Fee for Mixed Solid Waste				
Tonnage Charge	\$ 63.19	\$ 63.20	\$ 0.01	
Regional System Fee	18.48	18.12	(0.36)	
Metro Excise Tax	11.76	10.81	(0.95)	
DEQ Fees	1.82	1.82	-	
Community Enhancement Fee	1.00	1.00	-	
Total = Metro Tip Fee	\$ 96.25	\$ 94.95	\$ (1.30)	-1.35%
Minimum load charge	\$ 28	\$ 28	\$ -	
<i>Maximum pounds per load</i>	380	380	-	

Tip Fees for Organic Wastes at Metro Stations

Waste Class	Current	Proposed FY 2017-18	Change
Wood/yard debris	\$ 48.78	\$ 49.69	\$ 0.91
Residential organics	64.61	68.50	3.89
Commercial organics	66.23	66.23	-

<h1 style="margin: 0;">Solid Waste Excise Tax Rate and Yield Analysis</h1> <h2 style="margin: 0;">FY 2017-18</h2> <h3 style="margin: 0;">Detailed Worksheet</h3>
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Calculation of the Tonnage Base for the Tax Rate

Waste Subject to Target Recovery

Waste delivered to disposal sites in 2016	1,713,157
<i>of which:</i> Special waste	99,379
Recovery at regional transfer stations	18,730
Environmental cleanup materials	390,201
Solid waste ('counting waste') landfilled after recovery	1,204,847

Disposal if Target Recovery Rate Met

Solid waste landfilled after recovery	1,204,847
Imputed generation at 53.9% recovery	2,612,297
Disposal if 58% recovery target met	1,097,165

Tonnage Base for the Tax Rate

Disposal at target recovery	1,097,165
<i>plus</i> Special waste	99,379
<i>plus</i> Recovery at regional transfer stations	18,730
Target base for the rate	1,215,274

Calculation of Revenue Requirement

Current (FY 2016-17) statutory yield	\$12,915,727
Inflation factor at 1.7% inflation rate	102%
FY 2017-18 statutory yield	\$13,135,294
Revenue requirement	\$13,135,294

Calculation of the Rate

Revenue requirement	\$13,135,294
<i>divided by:</i> Target base for the rate	1,215,274
FY 2017-18 excise tax rate per ton	\$10.81
<i>Change from current rate of \$11.76</i>	<i>(\$0.95)</i>
	<i>(8.1%)</i>

Yield Analysis

FY 2017-18 full-fee projections	
Jul. 1, 2017 tonnage	0
Jul. 1, 2017 revenue at \$11.76 / ton	\$0
Jul. 1, 2017 - Jun. 30, 2018 tonnage	1,393,302
Jul. 1, 2017 - Jun. 30, 2018 revenue at \$10.81 / ton	\$15,061,595
FY 2017-18 projected cleanup tonnage	436,987
Cleanup revenue at \$1.00 per ton	\$436,987
Total expected revenue	\$15,498,582
Statutory yield	\$13,135,294
Revenue over / (under) statutory yield	\$2,363,288
<i>Percentage over / (under) statutory yield</i>	<i>18.0%</i>

Agenda Item No.5.2

Ordinance No. 17-1397, For the Purpose of Addressing
State Rule Requirements Regarding the Amount of Urban
Reserves and the Balance of Urban and Rural Reserves in
the Metro Region

Ordinances

Metro Council Meeting
Thursday, March 16, 2017
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADDRESSING) Ordinance No. 17-1397
STATE RULE REQUIREMENTS)
REGARDING THE AMOUNT OF URBAN) Introduced by Chief Operating Officer
RESERVES AND THE BALANCE OF) Martha Bennett in concurrence with
URBAN AND RURAL RESERVES IN THE) Council President Tom Hughes
METRO REGION)

WHEREAS, in 2007 the Oregon Legislative Assembly enacted SB 1011, authorizing Metro and the three counties in the Metro region to designate urban and rural reserves; and

WHEREAS, between 2008 and 2010 Metro and the three counties conducted an extensive public process bringing together citizens, stakeholders, local governments and state agencies to consider and apply the urban and rural reserve factors to land surrounding the Metro urban growth boundary (UGB); and

WHEREAS, in 2010 Metro and each of the three counties entered into intergovernmental agreements mapping the areas that were determined to be most appropriate as urban and rural reserves under the applicable factors; and

WHEREAS, in 2011 Metro and the three counties submitted ordinances and findings formally adopting the urban and rural reserve designations to LCDC for acknowledgement, and those designations were approved and acknowledged by LCDC in 2012; and

WHEREAS, in 2014 the LCDC acknowledgement order was remanded by the Oregon Court of Appeals, and the Oregon Legislative Assembly enacted HB 4078, which legislatively designated a revised map of urban and rural reserve areas in Washington County; and

WHEREAS, in 2015 LCDC issued an order remanding the remaining urban and rural reserve designations to Metro, Multnomah County, and Clackamas County for further review consistent with the Court of Appeals opinion; and

WHEREAS, in 2016 the Metro Council addressed the remand issues arising out of Clackamas County via Ordinance No. 16-1368, which adopted findings concluding that the urban reserve study areas identified as areas 4A, 4B, 4C, and 4D (generally referred to as “Stafford”) were correctly designated as urban reserve areas; and

WHEREAS, Metro now must adopt findings addressing two state rule requirements that apply to the designation of urban and rural reserves across the entire region, in light of (a) the Metro Council’s adoption of newer regional urban growth projections in the 2014 Urban Growth Report, and (b) the reduction of urban reserve acreage in Washington County via HB 4078; and

WHEREAS, Metro held public hearings on March 2, 2017 and March 16, 2017 at which the Metro Council accepted testimony regarding the urban and rural reserve designations in the Metro Region; and

WHEREAS, the Metro Council has reviewed the staff report, the testimony submitted by interested parties, and all other materials in the record, and now concludes that (a) the amount of existing urban reserves in the region is sufficient to accommodate urban growth in the region for between 40 and 50 years after 2015, and (b) the balance in the designation of urban and rural reserves across the region best achieves the goals of creating livable communities while protecting farms, forests, and natural landscape features; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

- 1. The Findings of Fact and Conclusions of Law in Exhibit A, attached and incorporated into this ordinance, explain how the urban and rural reserve designations adopted in 2011 by Metro Ordinance No. 11-1255, as modified by the 2014 Oregon legislature in House Bill 4078, are consistent with state law.
- 2. The prior record of proceedings before the Metro Council in Ordinance No. 16-1368 is hereby adopted and incorporated as part of the record in this proceeding.

ADOPTED by the Metro Council this _____ day of April 2017.

Tom Hughes, Council President

Attest:

Approved as to Form:

Nellie Papsdorf, Recording Secretary

Alison R. Kean, Metro Attorney

Exhibit A to Ordinance No. 17-1397

The findings set forth below include the supplemental findings of the Metro Council arising out of this proceeding regarding the amount of urban reserves and region-wide balance of urban and rural reserves under applicable state rules. The findings below will replace Section V of the findings adopted by the Metro Council in Ordinance No. 16-1368.

V. SUPPLEMENTAL FINDINGS REGARDING SUPPLY OF URBAN RESERVES AND REGIONWIDE BALANCE

The findings in this Section V supplement the findings adopted by the Metro Council in support of the original 2011 approval of urban and rural reserves via Metro Ordinance 11-1255. To the extent any of the findings in this section are inconsistent with other findings in this document that were previously adopted in 2011, the findings in this Section V shall govern. These findings address issues related to the regionwide supply of urban reserves and the overall balance of reserves in light of (a) the Metro Council's adoption of the current Urban Growth Report in 2015, and (b) the Oregon Legislature's enactment of House Bill 4078.

On April 21, 2011, Metro enacted Ordinance 11-1255 adopting the urban and rural reserve designations agreed upon by Metro and the three counties, and submitted that ordinance and accompanying findings to LCDC for acknowledgement. On August 19, 2011, LCDC voted to approve and acknowledge the reserve designations made by Metro and the counties, and LCDC issued Acknowledgment Order 12-ACK-001819 on August 14, 2012. Twenty-two parties filed appeals of the LCDC Order, and on February 20, 2014 the Oregon Court of Appeals issued its opinion in the *Barkers Five* case, affirming LCDC's decision regarding the majority of the 26 assignments of error raised by the opponents, and remanding the LCDC Order on three substantive issues.

First, the court concluded that LCDC incorrectly approved Washington County's application of the rural reserve factors pertaining to agricultural land, because the county relied on factors that were different from those required by statute for determining whether lands should be designated as rural reserve. The court held that the county's error required remand of all urban and rural reserves in Washington County for reconsideration.

Second, the court held that LCDC incorrectly concluded that Multnomah County had adequately considered the rural reserve factors pertaining to Area 9D. The court found that the county's findings were not sufficient to explain why its consideration of the applicable factors resulted in a designation of rural reserve for *all* of Area 9D, given the fact that property owners in that area had identified dissimilarities between the northern and southern portions of the study area.

Finally, the court held that LCDC did not correctly review Metro's urban reserve designation of the Stafford area for substantial evidence. The court concluded that Metro failed to adequately respond to evidence cited by opponents from Metro's 2035 Regional Transportation Plan (RTP)

indicating that traffic in the Stafford area was projected to exceed the capacity of certain roads by 2035.

Immediately after the Court of Appeals issued its opinion, work began on legislation designed to resolve issues regarding the remand of urban and rural reserves in Washington County. On March 7, 2014 the Oregon Legislature passed House Bill 4078, which legislatively approved Metro's 2011 UGB expansion, added an additional 1,178 acres of urban reserves to the UGB, and made other revisions to the reserves map in Washington County.

As described in Section IV of these findings, when Metro and the three counties adopted their maps of reserve areas, they agreed on a total of 28,256 acres of urban reserves, which reflected Metro's estimate of the acreage that would be required to provide a 50-year supply of urbanizable land as contemplated under ORS 195.145(4). The specific forecast described above in Section IV is for a range of between 484,800 and 531,600 new dwelling units over the 50-year period ending in 2060. Metro relied on the high point of that forecast range in estimating that the region would need a supply of urban reserves sufficient to provide for approximately 152,400 new dwelling units outside of the existing UGB through 2060.

After LCDC voted to approve Metro's findings and acknowledge the designation of 28,256 acres of urban reserves in August of 2011, Metro relied on those designations to expand the UGB onto approximately 2,015 acres of urban reserves in Washington County. However, that expansion was called into question by the Court of Appeals decision in *Barkers Five*, which reversed and remanded all of the urban and rural reserve designations in Washington County.

The compromise reflected in House Bill 4078 included legislative approval and state acknowledgement of the 2,015 acres of 2011 UGB expansions in order to provide certainty to the cities regarding their ability to urbanize those expansion areas. In addition to acknowledging the UGB expansion areas already approved by Metro, House Bill 4078 made the following changes to the reserves map in Washington County:

- Converted 2,449 acres of urban reserves to rural and undesignated
- Converted 417 acres from rural reserve to urban reserve
- Added 1,178 acres of urban reserve to the UGB

Thus, HB 4078 resulted in the net reduction of 3,210 acres of urban reserves below the amount remaining after Metro's 2011 UGB expansion. The remaining acreage of urban reserves in the Metro region is now 23,031.

The legislature's removal of 3,210 acres of urban reserves via HB 4078 potentially implicates two elements of state law governing reserves. First, ORS 195.145(4) requires the designation of a sufficient amount of urban reserve areas to provide the Metro region with a 40 to 50 year supply of urbanizable land. Second, OAR 660-027-0040(10) requires Metro and the counties to adopt findings explaining why the reserve designations achieve the objective stated in OAR 660-

027-0005(2) of a balance in urban and rural reserves that “best achieves” livable communities, viability and vitality of farm and forest industries, and protection of important natural landscape features.

Regarding the requirement for a 40 to 50 year supply of urban reserves, the applicable state rule requires Metro’s estimate of the projected long-range need for urban reserve acreage to be based on the analysis in Metro’s most recent Urban Growth Report (UGR). The projected need for urban reserves adopted by Metro and the counties in 2011 was based on the regional growth forecast set forth in Metro’s 2009 UGR. Since that time, in 2015 the Metro Council adopted the current 2014 UGR, which provides the current residential and employment growth projections for the region.

The findings below address the status of existing urban reserve acreage in light of the newer growth projections in the 2014 UGR, as well as the impact of HB 4078 on both the amount of urban reserves and the regionwide balance of urban and rural reserves under the “best achieves” standard.

A. Amount of Land Designated Urban Reserve in the Metro Region

The state rules governing the designation of urban and rural reserves require that the amount of land designated as urban reserves must be planned to accommodate estimated urban population and employment growth in the Metro region for between 20 and 30 years beyond the 20-year period for which Metro has demonstrated a buildable land supply inside the UGB in its most recent Urban Growth Report. OAR 660-027-0040(2). The Metro Council adopted the current 2014 UGR via Ordinance No. 15-1361 on November 12, 2015.

In order to update the 50-year need analysis for urban reserves to 2065 by applying the most current growth projections, Metro planning staff prepared a memorandum dated February 22, 2017, which was attached to the staff report for Metro’s public hearing on March 2, 2017. That memorandum provides an updated assessment of potential long-term demand for urban reserves, and concludes that the existing amount of urban reserves, combined with buildable land already inside the UGB, can provide a sufficient amount of land to accommodate expected urban growth.

Specifically, the staff memorandum includes an analysis of projected long-term need for residential and employment land, and concludes that the existing 23,031 acres of urban reserves can reasonably be expected to accommodate projected household and employment growth over the next 40 to 50 years. The staff analysis forecasts a potential need for 24,827 acres of urban reserves by 2065. Assuming an equal amount of urban reserve acreage is converted annually over 50 years, the existing 23,031 acres of urban reserves would provide a 46-year supply of land for urban growth in the Metro region.

As explained in the staff memo, any prediction about how much land will be required for urban growth in the region over a 50-year planning horizon will necessarily be a rough estimate. The

nature of this exercise requires Metro to predict what growth and development trends might look like over the next 40 to 50 years, based on the available data. State law does not provide any particular formula or methodology for estimating the future need for urban reserves. As explained by LCDC in its 2012 order regarding Metro’s compliance with the requirement to provide a 40 to 50-year supply of urban reserves, the statutes and rules provide Metro “a substantial degree of discretion concerning ... the methods and policy considerations that Metro uses to project future population and employment.” (LCDC Compliance Acknowledgment Order 12-ACK-001819, page 26).

The 50-year regional growth estimate provided in the February 22 Metro staff memorandum is based on the analysis and projections in the 2014 UGR. The UGR forecast is then subjected to a series of predictions about what will happen in the future, based on multiple levels of assumptions regarding an array of factors that affect how much residential and employment growth might be expected in the region, such as capture rate, vacancy rate, and projected share of single-family and multifamily housing types. Minor changes in the underlying assumptions regarding these factors will necessarily change the results.

The Metro Council also notes that the intergovernmental agreements between Metro and each of the three counties regarding the designation of reserves provide for a review of existing urban reserves in each county 20 years after the date of adoption, or sooner if agreed to by Metro and all three counties. Therefore, the adequacy of the amount of land designated for future urbanization can and will be revisited, and additional lands may be added if necessary, much sooner than 2065.

Based on the analysis and projections provided in the Metro staff memorandum dated February 22, 2017, the Metro Council concludes that the existing 23,031 acres of urban reserves across the region, combined with buildable land already inside the UGB, will provide a sufficient amount of land for urban growth in the region over the next 40 to 50 years, as required by state law.

B. Balance in the Designation of Reserves that “Best Achieves” Certain Goals

Included among the state rules governing urban and rural reserves is a requirement that Metro and the counties must explain how the urban and rural reserve designations achieve the following objective:

“The objective of this division is a balance in the designation of urban and rural reserves that, in its entirety, best achieves livable communities, the viability and vitality of the agricultural and forest industries and protection of the important natural landscape features that define the region for its residents.” OAR 660-027-0005(2).

During the proceedings before LCDC regarding its adoption of the remand order in 2015, some parties argued that the reduction in urban reserve acreage in Washington County via House Bill 4078 created a shift in the balance of urban reserves that implicates the “best achieves” standard. The following two sections of these findings address the application of the best achieves standard in light of HB 4078.

First, in adopting HB 4078 the legislature enacted a new statute that acknowledged the new balance of urban and rural reserves across the region as being in compliance with state law, and therefore a new analysis by Metro and the counties is not required. Second, in the event such an analysis is required, that standard is still met.

1. The “best achieves” rule is satisfied through HB 4078

The enactment of HB 4078 resulted in the legislative acknowledgement of the new amount of urban reserves and the new balance of urban and rural reserves as being in compliance with all aspects of state law. Therefore, in the absence of any changes to the existing mapped acreage of urban and rural reserves in Clackamas County and Multnomah County, the existing balance of reserves across the region meets all applicable state requirements and there is no need for Metro to revisit the standards related to the “best achieves” requirement as part of these findings.

In the *Barkers Five* opinion, the Court of Appeals remanded the designation of all urban and rural reserves in Washington County for reconsideration. As a result of this wholesale remand of the entire Washington County reserves package, the court also noted that “any new joint designation” of reserves by the county and Metro on remand would also require new findings addressing the “best achieves” standard in OAR 660-027-0005(2). *Barkers Five* at 333.

Thus, the court’s opinion provides that the best achieves standard would only be triggered in the event there are any *new* designations of reserve areas on remand that are different from what was approved in the original decision. That is because the stated purpose of the best achieves standard is to ensure that the overall “balance in the designation of urban and rural reserves” across the entire region “best achieves” liveable communities, vitality of farm and forest uses, and protection of natural features that define the region. Thus, any changes in the “balance” of those designations by Metro and the counties on remand would require a reassessment of whether and how those objectives are still met. But, in the absence of any changes to the reserve maps, no further assessment would be required.

This aspect of the Court of Appeals decision was overridden with respect to Washington County by the enactment of HB 4078, which legislatively established a new map of the locations of the UGB and urban and rural reserves in Washington County. This legislative action negated the court’s directive requiring remand to Metro and Washington County for reconsideration of the reserve designations. The enactment of HB 4078 also negates any need to reconsider or reapply the best achieves standard, which is an administrative rule requirement that was necessarily preempted by the legislature as part of its decision to redesignate substantial portions of the

Washington County reserve areas. As long as the remand proceedings regarding Clackamas County and Multnomah County do not result in changes to the reserves maps in those counties, there is no need to reconsider the best achieves standard to account for the HB 4078 revisions.

The Oregon legislature is presumed to be aware of existing law when it enacts new legislation. *Blanchana, LLC v. Bureau of Labor and Industries*, 354 Or 676, 691 (2014); *State v. Stark*, 354 Or 1, 10 (2013). This presumption also applies to administrative rules adopted by LCDC. *Beaver State Sand & Gravel v. Douglas County*, 187 Or App 241, 249-50 (2003). When the legislature adopted revisions to the Washington County reserves map as part of HB 4078, it is presumed to have been aware of LCDC's administrative rule requiring that there be a balance in reserve designations that "best achieves" the stated goals. The adoption of HB 4078 created a statutory requirement regarding the location of reserves in Washington County that takes precedence over LCDC's "best achieves" rule and does not require subsequent action by LCDC, Metro or the counties to explain why the statute satisfies an administrative rule requirement, because statutes necessarily control over administrative rules.

The express terms of HB 4078 also indicate a legislative intent to preempt existing land use law. Each section of HB 4078 that establishes new locations for reserve areas or the UGB begins with the phrase "*For purposes of land use planning in Oregon, the Legislative Assembly designates the land in Washington County...*" HB 4078, Sec 3(1), (2), (3) (2014). The legislature was aware that its actions in redrawing the UGB and reserve maps had the effect of acknowledging the new maps as being in compliance with state law, and thereby preempting other land use planning rules (including for example LCDC's Goal 14 rules regarding UGB expansions). The legislature included this language to clearly state that its action in adopting the new maps constituted acknowledgment of compliance with state law, and that it need not demonstrate compliance with other existing land use statutes, goals or rules, including the "best achieves" rule and the statutory requirement to provide a 40 to 50 year supply of urban reserves.

For these reasons, so long as there are no revisions on remand to the reserve maps in Clackamas County or Multnomah County, the HB 4078 revisions to the reserve designations in Washington County do not create a need to reconsider compliance with the "best achieves" standard or the sufficiency of the supply of urban reserves.

2. The balance in the designation of reserves still achieves the stated goals

The meaning and application of the "best achieves" rule was the subject of considerable debate in the appeals filed with LCDC in 2011 and with the Court of Appeals in 2012. Ultimately, in the *Barkers Five* opinion, the Court of Appeals agreed with the positions taken by LCDC and Metro that the "best achieves" standard provides significant discretion to Metro and the counties, and is satisfied through their site-specific findings concerning the application of the urban and rural reserve factors. Specifically, the Court of Appeals identified and agreed with the following four legal premises regarding the application of the standard.

First, the best achieves standard is a qualitative standard, rather than a quantitative one. The court agreed with LCDC that the standard “is not a balance in terms of the quantitative *amount* of urban and rural reserve acreage, but a balance between encouraging further urban expansion versus land conservation.” The court explained that Metro and the counties are not required to justify a quantitative “balance” in the specific amount of acreage of urban reserves and rural reserves.

Second, the best achieves standard applies to Metro and the counties’ designation of reserves “in its entirety” and not to the designation of individual properties or areas as urban or rural reserves.

Third, the best achieves standard allows for a range of permissible designations, and not a single “best” outcome. The court agreed with LCDC and Metro that the standard does not require a ranking of alternative areas from worst to best. The court specifically rejected arguments presented by the cities of West Linn and Tualatin that the word “best” requires a comparative analysis that identifies a single highest-ranked designation.

Fourth, the court held that Metro and the counties must explain how the designation satisfies the best achieves standard through their findings concerning the application of the urban and rural reserve factors to specific areas. The court agreed with LCDC that there is a close relationship between the “factors” that Metro and the counties must consider for urban and rural reserve designations and the overall “best achieves” objective, and that the best achieves standard is satisfied through findings explaining why particular areas were chosen as urban or rural reserves.

Under the four legal premises stated by the Court of Appeals in *Barkers Five*, Metro and the counties have broad discretion in reaching a conclusion regarding whether the regionwide balance of urban and rural reserves achieves the identified objectives of creating livable communities while protecting farms, forest, and natural landscape features.

Some parties have argued that the reduction in urban reserve acreage in Washington County via House Bill 4078 inherently caused a shift in the “balance” of urban reserves that runs afoul of the best achieves standard. However, under the above-stated first premise of the Court of Appeals, that is incorrect. The court held that the best achieves standard does not require quantitative balancing of the specific amount of urban reserve acreage in one county or another. Thus, the reduction of urban reserves in Washington County by 3,210 acres does not inherently raise concerns under this standard.

Metro and the counties have adopted detailed findings regarding the consideration of all urban and rural reserve factors, explaining why particular areas were chosen as urban or rural reserves, and explaining how the regional partners came to agree that the overall package of urban and rural reserves reflects a balance that best achieves the objectives of creating livable communities while protecting farms, forest, and natural landscape features. Those findings are consistent with the fourth premise identified by the Court of Appeals regarding compliance with the best

achieves standard, and the findings continue to demonstrate that the objectives stated in the rule are being achieved through the selected designations.

Metro and the counties have also adopted detailed findings that explain why the urban and rural reserves adopted by the region satisfy the best achieves standard, which are set forth above in Section II of these findings. Those findings note that urban reserves, if and when added to the UGB, are likely to take some land from the farm and forest base. However, Metro and the counties also recognized that some of the same characteristics that make an area suitable for agriculture also make it suitable for livable communities under the best achieves standard, including mixed-use pedestrian and transit-supportive urban development, as well as industrial uses. For the reasons described below, the findings in Section II are still valid and are not impacted by the reduction of urban reserves in Washington County under House Bill 4078.

The designation by Metro and the counties of urban and rural reserves achieves the objectives required under the state rule, in part, by adopting 266,628 acres of rural reserves across the region that establish the long-term limits of urbanization in the Metro area. As described above, consistency with the “best achieves” standard does not require a quantitative balancing of the amount of rural and urban reserve acreage. However, the designation of a significant amount of rural reserve areas around the region, with the vast majority (248,796 acres) being foundation and important agricultural land, demonstrates the region’s commitment to achieving the objectives of ensuring viability and vitality of the agricultural and forest industries and corresponding protection of important natural landscape features. As described in the Court of Appeals opinion, LCDC’s intent when it created the best achieves standard was to provide another level of review specifically designed to protect foundation farmland in the region:

“[Commissioner Worrix] explained that the best achieves standard was seen as ‘the best solution’ for the agricultural industry that had expressed ‘a strong concern . . . that there needed to be something that highlighted the importance of foundation land and gave them that little extra bit of scrutiny.’” *Barkers Five*, 261 Or App at 312.

Regarding important natural landscape features, the process associated with achieving a balance in the designation of urban and rural reserves also provided a significant amount of weight to the protection of natural features. Three of the urban reserve factors – (5), (7) and (8) – seek to direct urban development away from important natural landscape features, and away from farm and forest practices. This provides an example of the close relationship between the factors for urban and rural reserve designations and the “best achieves” objective (as described in the fourth premise adopted by the Court of Appeals), and demonstrates how the best achieves standard may be satisfied through findings explaining why particular areas were chosen as urban or rural reserves. Similarly, the rules regarding rural reserve designations include very specific directives

regarding how natural landscape features must be reviewed and considered. OAR 660-027-0060(3). Section II of these findings includes a bullet-point list of areas where important natural landscape features are located that are protected with rural reserve designations.

Two of the three objectives that the best achieves standard requires to be balanced are primarily achieved through rural reserve designations: (a) protection of farm and forest and (b) protection of important natural resource features. The region's ability to achieve these two objectives through rural reserve designations is not impacted by the reduction of urban reserve acreage that occurred via House Bill 4078. If anything, that legislation enhanced the region's ability to achieve those two standards by adding approximately 2,780 acres of new rural reserves in Washington County, primarily on high-quality farmland.

The third objective that must be balanced as part of the best achieves analysis is "livable communities." This objective is primarily achieved by designating areas across the region that will be the best locations to build "great communities" through application of the urban reserve factors. As discussed in Section II of these findings, great communities are those that offer residents a range of housing types and transportation modes from which to choose. To that end, urban reserve factors (1), (3), (4) and (6) are aimed at identifying lands that can be developed in a compact, mixed-use, walkable and transit-oriented pattern, supported by efficient and cost-effective services.

The reduction of urban reserves in Washington County by 3,210 acres does not impact the region's ability to build livable communities across the region over the next 40 to 50 years. The quantitative aspect of urban reserve planning is addressed by the rule discussed above that requires sufficient acreage for up to 50 years of urban growth. The directive of the best achieves standard to provide livable communities is aimed at designating highest *quality* of locations that can provide a range of housing types and transportation modes, as well as efficient public services. As discussed above, the existing urban reserve acreage in the region still provides a sufficient amount of land for urban growth over the next 40 to 50 years. The fact that House Bill 4078 reduced the amount of urban reserves from 26,241 to 23,031 acres has no effect on the region's ability to plan and build livable communities on those 23,031 acres over the next 50 years.

In 2011, the region concluded, acting together, that the agreed-upon urban and rural reserve designations provide a balance that achieves the objectives of building livable communities while protecting farms, forests, and natural features. The findings adopted by Metro and the counties support a conclusion that the best achieves standard has been met, and that conclusion is not impacted by the changes to urban and rural reserve acreage that occurred via House Bill 4078.