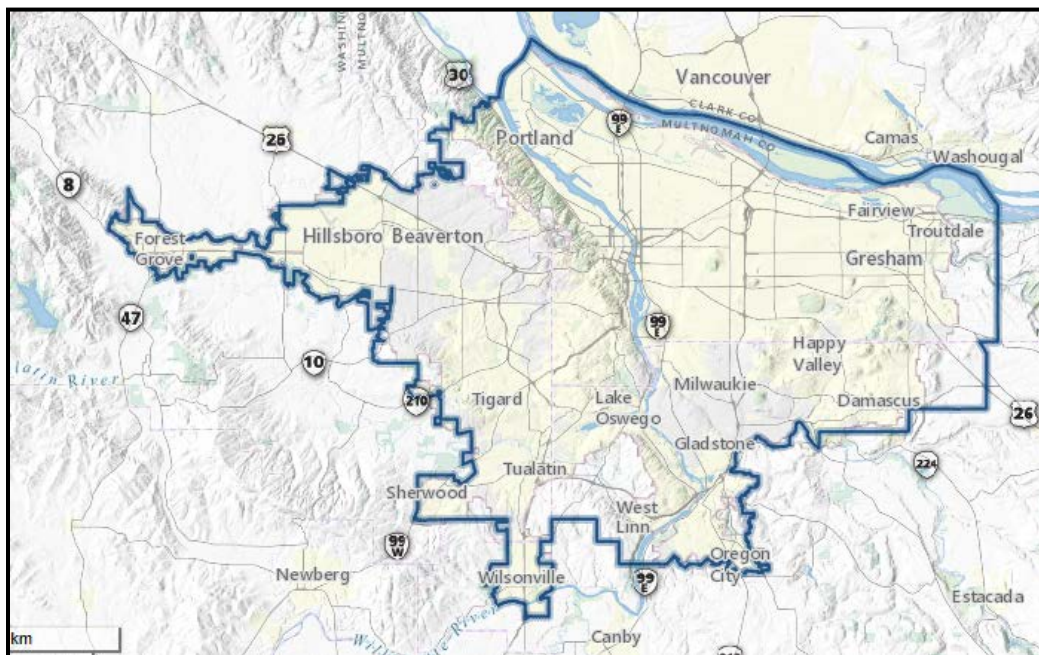


TSSC Budget Review 2020-21

Metro

1. Introduction to the District

Metro's boundaries encompass the urban areas of Multnomah, Clackamas and Washington counties covering 461 square miles, 24 cities, and a population of 1.84 million.



2. History

Metro is a regional government with a home rule charter. It is governed by a 7 member elected board of directors. Its Charter was approved by voters in the November 1992 election. Prior to that, the entity operated as the Metropolitan Service District under a structure defined by the Oregon Legislature. The Charter permits Metro to assume additional functions, if approved by ordinance, and to impose certain limited type taxes without voter approval.

There are many regional governments in the United States with varying levels of authority and issues over which they have jurisdiction. Most are comprised of local elected officials who serve based on their local office. Metro is the only elected regional government in the nation.

Metro has six council members elected by district and a Council President position elected region-wide. All council positions are paid. The Council President is a full-time position; the councilors serve part time. An independent Metro Auditor is elected region-wide. The Metro Council created a subordinate appointed board, the 7 member Metropolitan Exposition-Recreation Commission (MERC), to oversee operations of the entertainment and convention venues.

Metro's functions, as authorized by its charter, are:

- Growth management and transportation planning

- Management of regional parks and green spaces
- Administration of solid waste disposal and waste reduction programs
- Management of the Oregon Zoo

The district also operates local publicly-owned entertainment and convention venues: the Oregon Convention Center; Portland Exposition Center; and, through an agreement with the City of Portland, the Portland's 5 Centers for the Performing Arts.

Metro	2016-17	2017-18	2018-19	2019-20
Assessed Value in Billions	\$164.726	\$173.010	\$179.748	\$187.871
Real Market Value (M-5) in Billions	\$266.257	\$299.124	\$326.072	\$337.814
Property Tax Rate Extended:				
Operations	\$0.0966	\$0.0966	\$0.0966	\$0.0966
Local Option Levy	\$0.0960	\$0.0960	\$0.0960	\$0.0960
Debt Service	\$0.2057	\$0.2203	\$0.2801	\$0.4702
Total Property Tax Rate	\$0.3983	\$0.4129	\$0.4727	\$0.6628
Measure 5 Loss	\$-1,996,223	\$-1,892,780	\$-1,833,647	\$-1,981,711
Number of Employees (FTE's)	861	890	932	957
National Conventions	47	47	56	50
Expo Center Events	120	184	107	104
Weeks of Broadway Shows	11.5	10	9	13
Zoo Attendance (in Thousands)	1,700	1,650	1,525	1,525
Per Capita Solid Waste Generation (#)	2,535	2,535	2,535	2,535

3. Strategic Plan / Performance Objectives

Just as the COVID-19 Pandemic was emerging, Metro's Chief Operating Officer listed the following priorities for the aFY21 Budget

- Refreshing the region's 2040 vision with an updated plan for housing, employment land,
- Implementing voter-approved housing and parks measures,
- Advancing new investments to make our roads, bridges, sidewalks, bike lanes and transit system safer and easier to use,
- Increasing Metro's leadership on climate mitigation and resilience,
- Working with partners to improve the market for plastics recycling and increase the composting of food scraps,
- Providing better and more equitable access to garbage and recycling services,
- Investing in the long-term health of the region's performing arts centers, visitor venues and the Oregon Zoo,
- Ensuring Metro continues to recruit and retain the most effective and innovative employees by being an employer of choice, and
- Advancing racial equity and inclusion by investing in more diverse workplaces and in the capacity of communities of color to influence public decisions and programs.

Following release of the Proposed Budget, Metro modified these goals in the following manner.

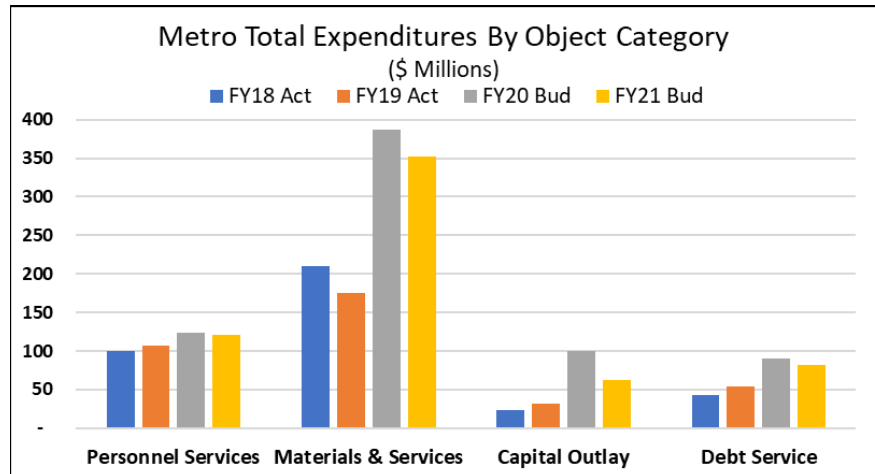
- **2040 Refresh** – This work has been paused as the Council focuses on implementing the supportive housing measure and continuing towards referral of the transportation measure.
- **Plastics recycling & composting of food scraps** – This work is ongoing, but at a slower pace. For example, the implementation of the commercial food scraps requirements has been delayed, but there are still capital investments occurring to facilitate processing of food scraps.
- **Providing better and more equitable access to garbage and recycling services** – These projects looking at new investments in the south and west portions of the region are continuing, but at a slower pace. Significant investments in new facilities are not anticipated to begin in FY20-21.
- **Implementing actions in the regional waste plan** – This work continues, but at a much slower pace. A number of the new positions initially proposed in the Waste Prevention and Environmental Services Department have been removed from the budget and that will affect the department’s ability to move this work in FY20-21.
- **Investing in the long-term health of the visitor venues** – Most new investments in the venues are canceled or delayed. At this point, the priority is ensuring the survival of the venues through this global health crisis.
- **Investments in Metro’s infrastructure** – Many capital investments are continuing as they are funded with bond funds or other restricted funding sources. The exceptions are focused on the MERC venues – most capital projects have been canceled or delayed. The acoustical shell project at Arlene Schnitzer Concert Hall continues and the Zoo Infrastructure bond projects are continuing.

Otherwise, the new initiatives described in the Proposed Budget are still moving. Metro is continuing to invest in implementing the racial equity strategy by funding a new grant program designed to increase capacity in community-based organizations doing racial equity work. Implementation of the 2018 Affordable Housing Bond and 2019 Parks and Nature Bond programs are part of the budget as well.

4. The Budget in Total

The 2020-21 Budget is \$1.4 billion, a 5% increase over the current year budget, but appropriation object codes are decreasing in that budget. Only the fund balance is increasing.

Metro						
Total Requirements, All Funds Combined (\$ Millions)						
	FY18 Act	FY19 Act	FY20 Bud	FY21 Bud	Change	
					\$	%
Personnel Services	100.5	106.7	123.8	121.4	(2)	-2%
Materials & Services	210.7	175.7	387.2	352.4	(35)	-9%
Capital Outlay	23.8	31.6	100.2	62.1	(38)	-38%
Debt Service	42.3	54.5	90.8	81.4	(9)	-10%
Fund Transfers	43.4	61.3	45.7	43.6	(2)	-5%
Contingencies	-	-	103.8	95.3	(8)	-8%
Ending Fund Balance	<u>304.0</u>	<u>932.8</u>	<u>507.9</u>	<u>670.0</u>	<u>162</u>	<u>32%</u>
Totals	725	1,363	1,359	1,426	67	5%



Personnel Services:

The budget for personnel services reflects a net decrease of 22 FTE from the current year budget and an expenditure decrease of \$2 million (2%). FTE increases in Capital Asset Management are existing positions transferred from other departments, including Council.

Historic staffing levels by service

Total Agency	FY2017-18	FY 2018-19	Amended FY 2019-20	Approved FY 2020-21	Change From FY 2019-20	Change From FY 2017-18
Capital Asset Management	-	-	-	21.50	21.50	21.50
Communications	13.00	12.00	14.00	13.00	(1.00)	-
Council	31.00	37.14	46.20	37.00	(9.20)	6.00
Finance and Regulatory Services	39.50	37.50	38.50	37.50	(1.00)	(2.00)
Human Resources	21.80	22.30	23.00	23.00	-	1.20
Information Services	30.50	31.00	33.00	31.00	(2.00)	0.50
Office of Metro Attorney	16.00	16.00	16.00	16.00	-	-
Office of the Auditor	6.00	6.00	6.00	6.00	-	-
Parks and Nature	103.95	112.06	121.90	138.20	16.30	34.25
Planning and Development Department	56.80	62.06	62.80	60.90	(1.90)	4.10
Waste Prevention and Environmental Services	138.76	156.68	195.46	175.31	(20.15)	36.55
Research Center	28.00	31.00	31.00	25.90	(5.10)	(2.10)
Visitor Venues	403.25	410.22	410.70	392.35	(18.35)	(10.90)
Non-departmental	1.00	1.00	1.00	-	(1.00)	(1.00)
TOTAL BUDGET	889.56	934.96	999.56	977.66	(21.90)	88.10

Visitor Venues	FY2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Change From FY 2019-20	Change From FY 2017-18
Expo Center	15.80	17.42	17.30	16.80	(0.50)	1.00
MERC Administration	7.80	4.42	4.35	4.35	-	(3.45)
Oregon Convention Center	115.65	118.42	117.70	115.30	(2.40)	(0.35)
Oregon Zoo	207.60	209.25	209.00	193.15	(15.85)	(14.45)
Portland'S Centers for the Arts	56.40	60.71	62.35	62.75	0.40	6.35
Total Visitor Venue FTE	403.25	410.22	410.70	392.35	(18.35)	(10.90)

The pre-COVID-19 budget for fiscal year 2020-21 featured 1,040 full-time equivalent Metro employees. The approved budget included only 978 FTE. The reduction reflects removal of all the planned new positions and several position eliminations when the Budget Committee approved the budget.

The chart above reflects only a portion of Metro's FY21 staffing story. Over 700 employees were laid off this spring in the Visitor Venues programs. This was a mix of regular employees

(those in the chart above) and variable hours (or on-call) employees that do not have an assigned FTE. Some of the positions included in the above chart are also vacant positions that the Metro is holding open, pending restoration of former service levels.

Personnel Services rate assumptions used for budget development are as follows:

- COLA: 2.5 to 3.25% increase for represented/2.0% increase for non-represented
- Step: up to 2.5% as determined by collective bargaining agreement
- Med/Den: 10.0% premium increase on renewal in January
(the premiums are split 92%/8%, employer/employee)
- PERS: remains at 16.4% of payroll

Unique among local governments in the area, most all new hire employees pay the 6% employee contribution to PERS (Metro began this practice in 2014).

Metro has one pension obligation bond (details below in debt section). Metro has funneled past personnel services cost savings into a reserve to reduce the debt service payments on that bond.

Materials and Services:

Metro has budgeted \$35 million cut (9%) for materials and services in FY21. Most of that reduction is in the MERC and Zoo Operating funds (see Other Funds section below).

Capital Outlay:

Capital expenditures include purchases of land and equipment, improvements to facilities and other capital related expenditures. Projects costing \$100,000 or more are included in Metro’s capital improvement plan.

Approximately \$89 million is budgeted for capital expenditures. The following chart shows budget totals by functional area.

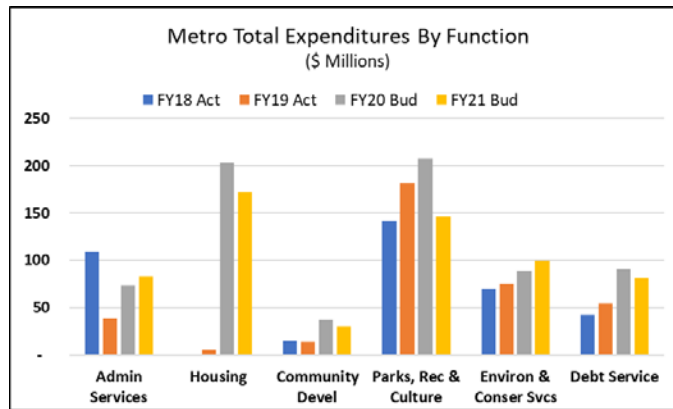
Total projects costs by organization unit			
	Total Projects	FY 2020-21	FY 2021-22
Capital Asset Management	20	\$4,225,000	\$2,665,000
Information Services	9	1,486,811	394,993
Parks and Nature	27	14,373,369	11,315,604
Planning and Development-Affordable Housing	1	15,000,000	15,000,000
Visitor Venues - MERC	58	15,739,000	10,375,000
Visitor Venues - Oregon Zoo	17	9,054,280	2,815,000
Waste Prevention and Environmental Services	23	29,260,000	35,121,000
Total	155	\$89,138,460	\$77,686,597

Funding for these projects comes primarily from fund balance and general obligation bonds as shown in the following chart.

Expenditures by Operating Unit

The following charts summarize expenditures by functions. The impact of pandemic on the Metro visitor venues is clearly seen in the Parks, Recreation, and Cultural Function. In addition, the impact of the advent of the housing bond program on the budget is clearly seen beginning in the current year.

Metro Total Requirements, All Funds Combined (\$ Millions)							
	FY18 Act	FY19 Act	FY20 Bud	FY21 Bud	Change		
					\$	%	
Admin Services	109	38	74	83	9	13%	
Housing	-	5	203	172	(31)	-15%	
Community Devel	15	14	37	30	(6)	-17%	
Parks, Rec & Culture	142	182	208	146	(62)	-30%	
Environ & Conser Svcs	70	75	89	99	11	12%	
Debt Service	42	55	91	81	(9)	-10%	
Unallocated Expenses	-	-	0	5	5	100%	
Transfers Out	43	61	46	44	(2)	-4%	
Contingencies	-	-	106	96	(10)	-9%	
Ending Fund Balance	304	933	508	670	162	32%	
Totals	725	1,363	1,359	1,426	67	5%	



Total Resources

Total resources balance to requirements. The beginning Fund Balance for FY20 and FY21 is abnormally high as the proceeds of the Affordable Housing bond sale are reflected in fund balance.

Metro Total Resources, All Funds Combined (\$ Millions)							
	FY18 Act	FY19 Act	FY20 Bud	FY21 Bud	Change		
					\$	%	
Beginning Fund Bal	254	304	918	1,049	131	14%	
Property Taxes	64	79	112	104	(8)	-7%	
Other Taxes	45	48	48	35	(13)	-27%	
Intergov Revenue	22	30	26	21	(5)	-19%	
Fees and Charges	26	31	33	15	(18)	-55%	
Utilities	72	74	77	78	1	2%	
Other Income	79	80	91	82	(9)	-10%	
Debt Proceeds	118	655	10	-	(10)	-100%	
Transfers In	43	61	46	44	(2)	-5%	
Total Resources	725	1,363	1,359	1,426	67	5%	

Property Taxes

Metro levies permanent rate, local option, and general obligation bond tax levies. The permanent rate levy supports general operations, the local option levy is for the operation of parks and natural areas, and the general obligation bond levies are used to pay debt services on capital.

Permanent Tax Rate Levy Calculation	
FY 2019-20 Assessed Value	\$176,833,655,959
Assessed Value Increase:	
Within 3% Statutory allowable	5,305,009,679
Estimate for new construction @ 1.0%	1,768,336,560
ESTIMATED FY 2020-21 ASSESSED VALUE	\$183,907,002,197
Tax Rate=	\$0.0966 /\$1000
FY 2020-21 TAX RATE LEVY (estimated assessed value x tax rate)	\$17,765,416
Less: Loss due to Measure 5 compression @ 1.7%	(\$302,012)
Estimated uncollectable @ 5.5%	(\$960,487)
ESTIMATED CURRENT YEAR TAXES TO BE RECEIVED	\$16,502,917
Previously levied taxes estimated to be received	\$199,000
ESTIMATED TOTAL TAXES TO BE RECEIVED	\$16,701,917
Local Option Rate Levy Calculation	
FY 2019-20 Assessed Value	\$187,871,290,559
Assessed Value Increase:	
Within 3% Statutory allowable	5,636,138,717
Estimate for new construction @ 1.0%	1,878,712,906
ESTIMATED FY 2020-21 ASSESSED VALUE	\$195,386,142,181
Tax Rate=	\$0.0960 /\$1000
FY 2020-21 TAX RATE LEVY (estimated assessed value x tax rate)	\$18,757,069
Less: Loss due to Measure 5 compression @ 9.5%	(\$1,781,922)
Estimated uncollectable @ 5.5%	(\$933,633)
ESTIMATED CURRENT YEAR TAXES TO BE RECEIVED	\$16,041,514
Previously levied taxes estimated to be received	\$193,000
ESTIMATED TOTAL TAXES TO BE RECEIVED	\$16,234,514

Transient Lodging Tax

In Metro's Proposed budget, the Transient lodging Tax revenue was budgeted to increase by 5% to \$27 million. In the Approved budget, created after the Governor instituted the Pandemic shutdown, Metro reduced the budgeted revenue to \$12 million, a 50% reduction from the current year.

Solid Waste

Solid waste fees are budgeted to generate slightly more revenue in FY21 than in the current year. Fee revenue will increase from \$76.6 million to \$77.8 million.

Excise Taxes

The combined general excise tax and construction excise tax for FY21 is \$22 million, essentially the same as is budgeted for the current year.

5. Analysis of the General Fund

The FY20 General Fund budget is \$133 million, \$10 million (7%) lower than the current year budget. Expenditures are reduced and Contingency/Fund Balance is increased.

Metro						
General Fund Requirements (\$ Millions)						
	FY18 Actual	FY19 Actual	FY20 Budget	FY21 Budget	Change	
					\$	%
Expenses						
Administrative Svcs	29.5	31.8	41.2	37.1	(4)	-10%
Community Dev	14.5	13.7	36.5	30.4	(6)	-17%
Parks, Rec, & Culture	11.2	12.1	12.3	3.1	(9)	-74%
Enviro & Conserv Svcs	2.4	2.5	2.4	3.6	1	52%
Debt Service	2.0	2.1	2.2	2.3	0	4%
Total Expenses	59.7	62.0	94.6	76.6	(18)	-19%
Transfers Out	17.7	19.1	19.6	20.5	1	4%
Contingencies	-	-	8.1	12.2	4	51%
Ending Fund Balance	43.9	57.1	20.5	23.7	3	15%
Total Resources	121.3	138.2	142.8	132.9	(10)	-7%

General Fund resources balance to General Fund requirements.

Metro						
General Fund Resources (\$ Millions)						
	FY18 Actual	FY19 Actual	FY20 Budget	FY21 Budget	Change	
					\$	%
Beginning Fund Bal	39.8	43.9	53.3	49.4	(4)	-7%
Revenues:						
Property Tax	15.1	16.1	16.0	16.7	1	4%
Other Taxes	22.7	22.7	22.4	22.5	0	0%
Federal Revenue	7.2	6.8	10.7	10.1	(1)	-5%
State Revenue	0.7	0.7	0.4	0.3	(0)	-11%
Local Revenue	7.7	15.2	7.3	7.1	(0)	-2%
Fees and Charges	0.8	2.8	3.3	-	(3)	-100%
Other Income	7.5	9.3	7.7	7.3	(0)	-5%
Transfers In	19.8	20.7	21.8	19.4	(2)	-11%
Total Revenues	81.5	94.3	89.6	83.5	(6)	-7%
Total Resources	121.3	138.2	142.8	133.0	(10)	-7%

The fund's annual position at the end of the year is decidedly downward in the current and next year budget.

Metro General Fund - Annual Gain/(Loss)				
(\$ Millions)				
	FY18 Actual	FY19 Actual	FY20 Budget	FY21 Budget
Revenues	81.5	94.3	89.6	83.5
Expenses	77.4	81.1	114.2	97.0
Annual Gain/(Loss)	4.1	13.2	(24.6)	(13.5)

6. Analysis of Other Funds

Zoo Operating Fund

The Oregon Zoo was closed to visitors in March 2020 due to the pandemic. The impact on the Zoo Operating fund for the current year and next year is significant. A reopening date is not yet established, but the budget assumes reopening later in FY21.

The shutdown occurred after the FY21 Proposed Budget was completed. However, the Approved Budget incorporates the initial estimates of the impact of the shutdown. The following chart puts the impact of the shutdown in perspective.

Metro - Zoo Operating Fund (\$ Millions)					
Current Revenues Compared to Current Expenditures					
	FY18 Actual	FY19 Actual	FY20 Revised Bud	FY21 Proposed	FY21 Approved
Revenues	31.0	32.0	34.0	36.5	26.0
Expenditures	36.1	39.7	42.7	45.3	38.3
Gain/Loss	(5.1)	(7.7)	(8.7)	(8.8)	(12.3)

As shown in the following chart, between the Proposed and Approved budgets, the FY21 revenues are budgeted to decreased from \$36 million to \$26 million (30%). This decrease would have totaled \$18 million (50%), were it not for a \$7.5 million increase in Miscellaneous Revenue.

Metro - Zoo Operating Fund			
FY21 Change from Proposed to Approved Budgets (\$000)			
	Proposed	Approved	Change
Current Revenues			
Miscellaneous Revenue	50	7,525	7,475
Admission Fees	12,417	5,630	(6,787)
Food Service Revenue - Food	6,804	2,869	(3,934)
Admission - Special Concerts	3,116	312	(2,804)
Gift Shop Sales	3,119	1,559	(1,559)
Tuition and Lectures	1,770	324	(1,447)
All Others	9,266	7,733	(1,533)
Total Current Revenues	36,541	25,952	(10,589)
Beginning Fund Balance	4,200	1,900	(2,300)
Xfers In (Support From Other Funds)	13,757	13,757	-
Total Resources	54,498	41,609	(12,889)
Current Expenditures			
Personnel Sevices	24,591	19,154	(5,437)
Materials and Services	20,684	19,079	(1,605)
Capital Outlay	62	20	(42)
Debt Service	-	-	-
Total Current Expenditures	45,337	38,253	(7,084)
Transfers to Other Funds	6,176	3,081	(3,095)
Contingency	2,985	275	(2,710)
Total Requirements	54,498	41,609	(12,889)
Current Revenues - Current Expenses	(8,796)	(12,301)	(3,505)

The chart shows that admissions and food and gift shop sales revenues were reduced by more than 50% for next year. Concert and educational revenues have been almost completely eliminated. The beginning fund balance was reduced, reflecting the impact of the closure on the current year budget.

To adjust the budget and account for reduced revenues, all “variable hours” (on-call and part time) were laid off this year and the layoffs continue in next year’s budget. In total, Metro laid off over 700 employees this year, and they were predominately variable hours employees in this and the MERC Venues Fund. Vacant positions have also been frozen. Capital projects in this fund have been deferred and contingency/ending fund balance has been reduced to \$275,000 from the historical level of four to five million dollars.

Transfers from the General and Solid Waste Funds also support to the Oregon Zoo Operating Fund and those supports were not decreased in the Approved Budget. The General Fund transfer is 98% of the transfers. It is unrestricted funding. The Solid Waste Fund’s transfer supports specific educational programs housed and managed at the zoo.

MERC Fund

With the March, 2020 closure of all the visitor venues, the MERC (Metropolitan Exposition-Recreation Commission) Fund budget was also changed significantly, when approved. Revenues decreased by half and Expenditures decreased by slightly less.

Metro - MERC Fund (\$ Millions)				
Current Revenues Compared to Current Expenditures				
	FY18	FY19	FY20	FY21
	Actual	Actual	Proposed Bud	Proposed Approved
Revenues	77.5	87.3	86.6	93.0
Expenditure	68.7	99.5	97.6	88.1
Gain/Loss	8.8	(12.2)	(11.0)	4.9

Decrease details are shown in the following chart. FY21 Contingency/ending fund balance in will go down from historic levels of 40 to 60 million dollars, to only \$12.5 million. The decrease in local government shared revenues is predominately Transient Room Tax funding. Charges for services are event and production admission fees, parking revenue, and concession sales.

Metro - MERC Fund			
FY21 Change from Proposed to Approved Budgets			
	(\$000)		
	Proposed	Approved	Change
Current Revenues			
Interest Earnings	847	111	(736)
Local Government Shared Revenues	26,634	9,893	(16,742)
Contributions from Governments	981	981	-
Charges for Services	60,286	30,069	(30,218)
Contributions from Private Sources	4,153	4,153	-
Miscellaneous Revenue	122	65	(56)
Subtotal Current Revenues	93,024	45,273	(47,751)
Interfund Transfers In	-	-	-
Beginning Fund Balance	25,547	16,383	(9,164)
TOTAL RESOURCES	118,571	61,656	(56,915)
Current Expenditures:			
Personnel Services	28,885	21,059	(7,826)
Materials and Services	52,125	22,215	(29,910)
Capital Outlay	7,064	5,955	(1,109)
Debt Service	-	-	-
Subtotal Current Expenditures	88,074	49,229	(38,845)
Interfund Transfers Out	8,093	5,970	(2,123)
Contingency	22,405	6,457	(15,948)
TOTAL REQUIREMENTS	118,571	61,656	(56,915)
Full-Time Equivalents (FTE)	208	199	(9)

7. Debt Status

With the issuance of the \$652 million Affordable Housing Bond in 2019, Metro almost quadrupled its outstanding debt. It now has \$1.3 billion in outstanding debt. FY21 debt service is \$83 million, of which all but \$4 million (3%) is backed by voter approved property taxes or transient room tax.

FY 2020-21 Summary of debt service payments			
	Principal	Interest	Fiscal Year Debt Service
General Obligation Bonds			
Natural Areas 2012A Series	5,300,000	2,105,450	7,405,450
Natural Areas 2018 Series	1,705,000	618,500	2,323,500
Natural Areas 2020 Series*	14,780,000	7,720,000	22,500,000
Oregon Zoo Infrastructure 2012A Series	3,350,000	1,638,825	4,988,825
Oregon Zoo Infrastructure 2018 Series	745,000	412,000	1,157,000
Affordable Housing 2019 Series	14,575,000	21,283,854	35,858,854
Full Faith and Credit Refunding Bonds			
2013 Series	1,320,000	70,595	1,390,595
2016 Series	890,000	126,475	1,016,475
Full Faith and Credit			
2018 Series	0	586,450	586,450
Limited Tax Pension Obligation Bonds, Series 2005	1,480,000	783,627	2,263,627
Revenue Bonds			
OCC Hotel Project, Series 2017	930,000	2,469,800	3,399,800
TOTAL FY 2020-21 DEBT SERVICE PAYMENTS	\$45,075,000	\$37,815,576	\$82,890,576

*Authorized by Council with expected issuance May 2020

Outstanding debt issues					
	Original Amount	Original Issue Date	Principal Outstanding	Final Maturity	Source of Payment
GENERAL OBLIGATION BONDS					
General Obligation Bonds					
Natural Areas 2012A Series	75,000,000	5/23/2012	44,020,000	6/1/2026	Property Taxes
Natural Areas 2018 Series	28,105,000	5/15/2018	12,370,000	6/1/2026	Property Taxes
Natural Areas 2020 Series*	200,000,000	5/15/2020	200,000,000	6/1/2040	Property Taxes
Oregon Zoo Infrastructure 2012A Series	65,000,000	5/23/2012	36,740,000	6/1/2028	Property Taxes
Oregon Zoo Infrastructure 2018 Series	10,000,000	5/15/2018	8,240,000	6/1/2028	Property Taxes
Affordable Housing 2019 Series	652,800,000	5/15/2019	640,660,000	6/1/2038	Property Taxes
TOTAL GENERAL OBLIGATION BONDS OUTSTANDING			\$942,030,000		
FULL FAITH AND CREDIT BONDS					
Full Faith and Credit Refunding Bonds					
2013 Series	12,600,000	2/26/2013	4,035,000	8/1/2022	General Revenues
2016 Series	7,385,000	9/7/2016	4,730,000	12/1/2024	General Revenues
Full Faith and Credit					
2018 Series	13,290,000	5/24/2018	13,290,000	6/1/2033	General Revenues
TOTAL FULL FAITH & CREDIT BONDS OUTSTANDING			\$22,055,000		
PENSION OBLIGATION BONDS					
Limited Tax Pension Obligation Bonds					
Series 2005	24,290,000	9/23/2005	\$15,660,000	6/1/2028	Department Assessments
TOTAL PENSION OBLIGATION BONDS OUTSTANDING			\$15,660,000		
DEDICATED TAX REVENUE BONDS					
Dedicated Tax Revenue Bonds					
Oregon Convention Center Hotel Project, Series 2017	52,260,000	8/8/2017	49,775,000	6/15/2047	Transient Lodging Taxes
TOTAL DEDICATED TAX REVENUE BONDS OUTSTANDING			\$49,775,000		
GRAND TOTAL – METRO DEBT OUTSTANDING			\$1,029,520,000		

*Authorized by Council with expected issuance May 2020

8. Is the Budget in Sync with Strategic Plan / Performance Objectives

In general, the budget aligns with the priorities listed in the budget message, as modified during the budget approval process.

9. Budget Process & Budget Compliance

Yes	No	Compliance Issue
x		Did the District meet publication requirements?
x		Do resources equal requirements in every fund?
x		Does the G.O. Debt Service Fund show only principle and interest payments?
x		Do contingencies exist only in operating funds?
x		Did the Budget Committee approve the budget?
x		Did the Budget Committee set the levy?
x		Does audit show that the District complied with budget law?

10. Highlights of the 2020-21 Budget to be published in TSCC Annual Report:

- The 2020-21 Budget is \$1.4 billion, a 5% increase over the current year budget, but all appropriation object codes are decreasing in that budget. Only the fund balance is increasing.
- The budget for personnel services reflects a net decrease of 22 FTE from the current year budget and an expenditure decrease of \$2 million (2%).
- In addition to reductions in regular position FTE, visitor venue on-call and part time positions were laid off in the current year, for a total of over 700 position reductions.
- Due to the temporary shutdown of the Oregon Zoo, the 2020-21 Zoo Operating Fund budget current revenues were reduced by 50% from the planned level. This reduction was partially offset by a \$7.5 million addition to miscellaneous revenue.
- The MERC Fund, in which the Convention and Expo Centers and the Portland's Venues are budgeted, shows a similar 50% drop in revenues and a corresponding drop in expenditures.
- Metro has budgeted \$172 million in FY21 for affordable housing projects, a combination of distributions to local jurisdictions for projects and administration.

11. Local Budget Law Compliance:

The 20-21 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purpose shown.

The audit report for fiscal year 2018-19 notes no instances of non-compliance.

12. Certification Letter Recommendations and Objections:

TSCC staff notes no deficiencies in the district's 2020-21 budget process.

Metro

Annual Report

	2017-18 Actual	2018-19 Actual	2019-20 Rev. Budget	2020-21 Apv. Budget	Budget % Change
SUMMARY OF ALL FUNDS					
Property Tax Breakdown:					
Permanent Rate Property Taxes	14,848,704	15,502,691	15,810,845	16,502,917	4%
Local Option Levy Property Taxes	14,509,144	15,423,668	15,532,940	16,234,514	5%
GO Debt Property Taxes	34,795,512	47,884,675	80,673,113	71,001,413	-12%
Prior Years Property Taxes	184,298	541,723	190,000	199,000	5%
Payments in Lieu of Property Taxes	31,361	17,308	0	0	0%
Total Property Taxes	64,369,019	79,370,065	112,206,898	103,937,844	-7%
Resources:					
Beginning Fund Balance	254,223,320	304,007,433	917,972,571	1,048,914,826	14%
Property Taxes	64,369,019	79,370,065	112,206,898	103,937,844	-7%
Other Taxes	44,502,910	47,694,652	47,586,764	34,874,394	-27%
Intergovernmental Revenue	22,296,509	30,261,085	25,870,933	20,891,592	-19%
Fees and Charges	26,427,386	30,768,956	32,527,341	14,631,557	-55%
Utilities	71,719,072	73,966,479	76,579,634	77,779,524	2%
Other Income	79,354,331	79,787,376	90,963,410	81,575,796	-10%
Debt Proceeds	118,365,080	655,430,335	10,000,000	0	-100%
Transfers In	43,413,118	61,285,493	45,679,343	43,580,567	-5%
TOTAL RESOURCES	724,670,745	1,362,571,873	1,359,386,894	1,426,186,100	5%
Requirements by Function:					
Administrative Services	108,525,151	38,316,885	73,562,031	82,788,382	13%
Housing	0	4,762,568	202,717,100	171,926,547	-15%
Community Development	14,544,279	13,657,985	36,522,239	30,395,381	-17%
Parks, Recreation and Culture	141,864,722	181,804,834	207,575,789	145,881,644	-30%
Environmental and Conservation Services	70,020,060	75,411,457	88,755,352	99,310,871	12%
Debt Service	42,295,982	54,528,766	90,822,789	81,358,360	-10%
Personnel Services Unallocated	0	0	236,271	4,007,918	1596%
Capital Outlay Unallocated	0	0	0	1,185,000	0%
Transfers Out	43,413,118	61,285,492	45,610,343	43,580,567	-4%
Contingencies	0	0	105,658,869	95,704,111	-9%
Ending Fund Balance	304,007,433	932,803,889	507,926,111	670,047,318	32%
TOTAL REQUIREMENTS	724,670,745	1,362,571,876	1,359,386,894	1,426,186,099	5%
Requirements by Object:					
Personnel Services	100,470,194	106,654,378	123,774,623	121,398,758	-2%
Materials & Services	210,713,910	175,704,656	387,228,147	352,407,298	-9%
Capital Outlay	23,770,108	31,594,665	100,199,436	62,080,450	-38%
Debt Service	42,295,982	54,528,766	90,822,789	81,358,360	-10%
Fund Transfers	43,413,118	61,285,491	45,679,343	43,580,567	-5%
Contingencies	0	0	103,756,445	95,313,348	-8%
Ending Fund Balance	304,007,433	932,803,889	507,926,111	670,047,318	32%
TOTAL REQUIREMENTS	724,670,745	1,362,571,845	1,359,386,894	1,426,186,099	5%

Metro

Annual Report

	2017-18 Actual	2018-19 Actual	2019-20 Rev. Budget	2020-21 Apv. Budget	Budget % Change
SUMMARY OF BUDGET - BY FUND					
General Fund	121,322,856	138,215,686	142,810,286	132,921,935	-7%
Oregon Zoo Operating Fund	44,818,064	49,124,443	51,746,486	41,608,701	-20%
Parks & Natural Areas Operating Fund	20,587,095	22,067,806	22,031,635	31,317,330	42%
Affordable Housing Fund	0	655,680,464	664,900,000	670,530,000	1%
GO Bond Debt Service Fund	35,820,636	49,181,996	82,255,113	72,701,413	-12%
General Asset Management Fund	25,833,363	42,264,906	42,512,665	33,513,162	-21%
Oregon Zoo Infrastructure & Animal Welfare	47,133,402	44,339,598	31,100,000	21,652,177	-30%
Oregon Zoo Asset Management Fund	6,837,182	7,256,099	6,347,526	6,131,950	-3%
Open Spaces Fund	401,546	193,118	29,761	25,000	-16%
Natural Areas Fund	47,678,293	34,844,825	22,851,684	12,459,110	-45%
Parks and Nature Bond Fund	0	0	10,000,000	190,513,000	1805%
General Revenue Bond Fund	99,028,844	25,529,903	10,802,035	10,517,833	-3%
MERC Fund	136,389,414	149,534,540	125,383,783	61,655,968	-51%
Solid Waste Revenue Fund	128,454,729	133,374,604	138,512,578	131,530,859	-5%
Risk Management Fund	4,421,693	6,342,107	4,126,643	4,749,303	15%
Cemetery Perpetual Care Fund	677,479	680,203	753,113	793,883	5%
Smith & Bybee Wetlands Fund	2,608,604	2,263,506	1,695,566	1,948,057	15%
Community Enhancement Fund	2,657,545	1,678,072	1,528,020	1,616,418	6%
GRAND TOTAL ALL FUNDS	724,670,745	1,362,571,876	1,359,386,894	1,426,186,099	5%
DETAIL OF GENERAL FUND					
Resources:					
Beginning Fund Balance	39,786,597	43,888,651	53,251,014	49,424,445	-7%
Property Tax	15,064,363	16,061,722	16,000,845	16,701,917	4%
Other Taxes	22,729,080	22,748,396	22,445,167	22,502,741	0%
Federal Revenue	7,205,924	6,809,793	10,657,026	10,142,586	-5%
State Revenue	650,690	703,900	390,000	346,000	-11%
Local Revenue	7,685,710	15,201,947	7,250,460	7,043,142	-3%
Fees and Charges	846,138	2,798,329	3,327,408	0	-100%
Other Income	7,543,522	9,316,392	7,722,812	7,394,452	-4%
Transfers In	19,810,832	20,686,558	21,765,554	19,366,652	-11%
TOTAL FUND RESOURCES	121,322,856	138,215,687	142,810,286	132,921,935	-7%
Requirements:					
Administrative Services	29,543,050	31,766,806	41,151,729	37,116,173	-10%
Community Development	14,544,279	13,657,985	36,522,239	30,395,381	-17%
Parks, Recreation and Culture	11,183,137	12,060,011	12,330,623	3,146,500	-74%
Environmental and Conservation Services	2,441,271	2,466,304	2,399,023	3,649,197	52%
Debt Service	2,011,850	2,090,587	2,173,009	2,263,627	4%
Transfers Out	17,710,618	19,082,075	19,576,655	20,451,645	4%
Contingencies	0	0	8,108,388	12,234,734	51%
Ending Fund Balance	43,888,651	57,091,918	20,548,620	23,664,678	15%
TOTAL FUND REQUIREMENTS	121,322,856	138,215,686	142,810,286	132,921,935	-7%

Metro

Annual Report

	2017-18	2018-19	2019-20	2020-21	Budget
	Actual	Actual	Rev. Budget	Apv. Budget	% Change

DETAIL OF GENERAL OBLIGATION DEBT SERVICE FUND

Resources:

Beginning Fund Balance	816,134	850,861	1,557,000	1,500,000	-4%
GO Debt Property Taxes	34,795,512	47,884,675	80,673,113	71,001,413	-12%
Earned Interest	208,990	446,460	25,000	200,000	700%
TOTAL FUND RESOURCES	35,820,636	49,181,996	82,255,113	72,701,413	-12%

Requirements:

Debt Service	34,969,775	46,030,553	82,255,113	72,701,413	-12%
Ending Fund Balance	850,861	3,151,443	0	0	0%
TOTAL FUND REQUIREMENTS	35,820,636	49,181,996	82,255,113	72,701,413	-12%

BALANCE SHEET AS OF JUNE 30 EACH YEAR

	2017-18	2018-19
Assets:		
Cash & Investments	314,579,490	947,726,561
Receivables	30,282,072	33,556,482
Inventory	1,352,489	1,738,307
Fixed Assets	666,527,548	689,142,484
Other	6,941,048	4,216,567
Deferred Outflows	32,218,952	37,016,768
TOTAL ASSETS	1,051,901,599	1,713,397,169

Liabilities and Equity:

Liabilities	444,144,773	1,069,819,238
Equity	605,627,498	637,178,290
Deferred Inflows	2,129,328	6,399,641
TOTAL LIABILITIES AND EQUITY	1,051,901,599	1,713,397,169