



- The FY 2024-25 Budget totals \$2.09 billion, a 16.0% increase over the FY 2023-24 Budget.
- Total expenditures are \$1.3 million, a 23% increase from last year. Roughly 29% of expenditures support operations for the Zoo, Convention Center, Expo, Portland's, regional park facilities, and solid waste disposal facilities, as well as a number of programs including regional transportation and growth management planning. Another 56 percent is related predominately to housing activity, but also cemetery perpetual care, risk management, and community enhancement.
- Expenditure increases are driven by the supportive housing fund, and spending in this fund doubles from last year. The supportive housing program expects to collect \$374.5 million in income tax. A total of \$445.2 million will be sent to Multnomah, Washington, and Clackamas counties in FY 2024-25 for housing services.
- Visitor venues continue to see static attendance at its facilities and events. Overall attendance is at about 87% of pre-pandemic years and is growing slower than originally projected. However, growth is expected to increase in the next one to two years.
- In this year's Approved budget, the solid waste fees increase by 11.9%, following a newly implemented cost recovery model. Previously, the district had prioritized predictability and held rate increases to the 7% to 8% range. Revenues from solid waste fees are estimated to increase by roughly \$11 million dollars in this budget.
- This budget does not include any funds or related tax revenue from the zoo bond measure to be voted on May 21, 2024. If the measure passes, the district plans to issue debt in Spring 2024 and wait until FY 25-26 to levy and receive tax funds to pay for debt service related to the zoo bond. They will complete a supplemental budget to receive bond proceeds next fiscal year if needed.

Metro's boundaries encompass the urban areas of Multnomah, Clackamas and Washington counties covering 461 square miles, 24 cities, and a population of over 1.8 million.

The map displays the Willamette Valley region in Oregon. A blue outline delineates the service area of the Oregon Health Division. Key cities and towns within this area include Forest Grove, Hillsboro, Beaverton, Tigard, Tualatin, Sherwood, Newberg, Wilsonville, Canby, West Linn, Gladstone, Milwaukie, Lake Oswego, Damascus, Happy Valley, Gresham, Troutdale, Fairview, Camas, Washougal, and Vancouver. Major transportation routes are marked with numbered shields, including US-8, US-26, US-47, US-10, US-210, US-97, and OR-224. The map also shows the boundaries of Washington, Multnomah, and Clark counties. A scale bar in the bottom left corner indicates a distance of 10 km.

Oregon Legislature. The charter permits Metro to assume additional functions, if approved by ordinance, and to impose certain limited type taxes without voter approval.

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

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

- Development and delivery of regional research and data.
- Acquisition and management of regional parks and green spaces.
- Administration of solid waste disposal and waste reduction programs.
- Operation of regional venues such as Oregon Zoo, the Oregon Convention Center, Portland's Center for the Arts and the Portland Expo Center.

Additionally, the charter grants Metro authority to assume responsibility for future issues of "metropolitan concern". In 2018, Metro partnered with local cities and counties to engage the community and ask voters to support the creation of new affordable housing in the region. Then the passage of the supportive housing services tax in May 2020 expanded Metro's part in addressing the regional housing crisis.

| Metro | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|-------------------------------------|----------------|----------------|----------------|----------------|
| Assessed Value in Billions | \$184.791 | \$193.113 | \$201.766 | 214.862 |
| Real Market Value (M-5) in Billions | \$353.506 | \$376.879 | \$423.733 | \$448.179 |
| 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 | \$0.3974 | \$0.3774 | \$0.3735 | \$0.3820 |
| Total Property Tax Rate | \$0.5900 | \$0.5700 | \$0.5661 | \$0.5746 |
| Measure 5 Impact | \$-2,246,268 | \$-2,322,365 | \$-2,133,028 | \$-2,076,245 |
| Number of Employees (FTE's) | 967 | 1,027 | 1,102 | 1,149 |

Metro has adopted Strategic Targets to guide budget decisions:

- Housing: housing for all
- Economy: a resilient economy for all
- Environment: meeting our climate and resilience goals

While development of metrics to define the strategic target goals is ongoing, departments were asked to develop their budgets with an eye towards accomplishing the strategic targets. A final consideration when developing the FY 25 budget was the district's use of a Budget Equity Tool. This tool provides an objective way to ensure budgetary decisions are both economically sound and socially just.

The FY 2024-25 Budget continues to be anchored by the following strategic framework:



BUDGET OVERVIEW

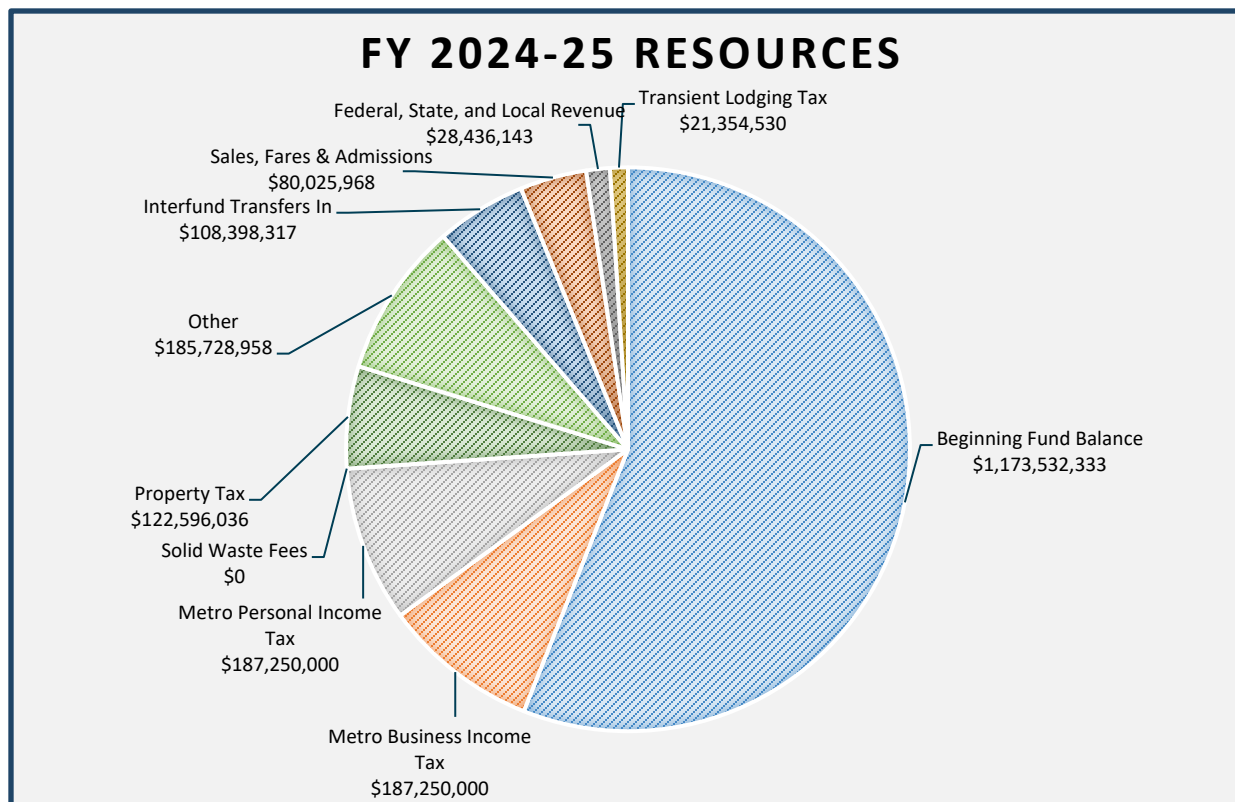
The 2024-25 Budget is \$2.09 billion, a 16.0% increase over the current year budget. After the pandemic, Metro quickly tried to restore services. Now the agency is reflecting and assessing programs and services and how things may have changed following the pandemic. This budget slows growth in some areas that were initially restored while investing in other areas that were previously held static.

RESOURCES

Metro's **beginning fund balance** for FY 25 is 56.0% of total resources, and consists of unspent revenues from the prior fiscal year as well as reserves for specific purposes. The majority of these funds are unspent bond proceeds for Parks and Natural Areas (\$144.6 million, 12.3% of total) and Affordable Housing (\$360.0 million, 30.7% of total). Another major contributor is the Supportive Housing Services Fund, with a beginning fund balance of \$432.2 million (36.8% of total).

Revenues

Metro's top three sources of revenue are income taxes, solid waste fees, and property taxes.



At 46.1%, **income tax** is the largest revenue for Metro in the FY 2024-25 Budget. These taxes were approved in 2020 and fund the supportive housing services program, related tax collection, and program administration and oversight. Income tax includes two separate tax components: a 1% tax on personal income for individuals with incomes above \$125,000 or \$200,000 for those filing jointly, and 1% tax on net business income with gross receipts over \$5.0 million. Income taxes for businesses and individuals are budgeted to bring in a total of \$374.5 million, an increase of 60.0% from the current year's budget. Both taxes became effective on January 1, 2021 with the first tax collections received by April 2022. The actual amount received in FY 2022-23 was \$156.5 million from business income tax and \$190.6 million from personal income tax for a total of \$347.1 million. This is over \$110.0 million more than the current year budget. The amount budgeted for FY 25 is more in line with actual amounts received.

Solid waste fee revenues budgeted increase by about 9.6% from FY 2023-24, an increase of just under \$11.0 million dollars. To provide fee predictability, the Metro Council had previously directed a cap of 8% annually on solid waste tip fees. After convening an advisory group to study fees, the Metro Council chose to adopt a cost recovery model for the coming year. The tip fee is the charge per ton that haulers pay to dump garbage at Metro's regional transfer stations.

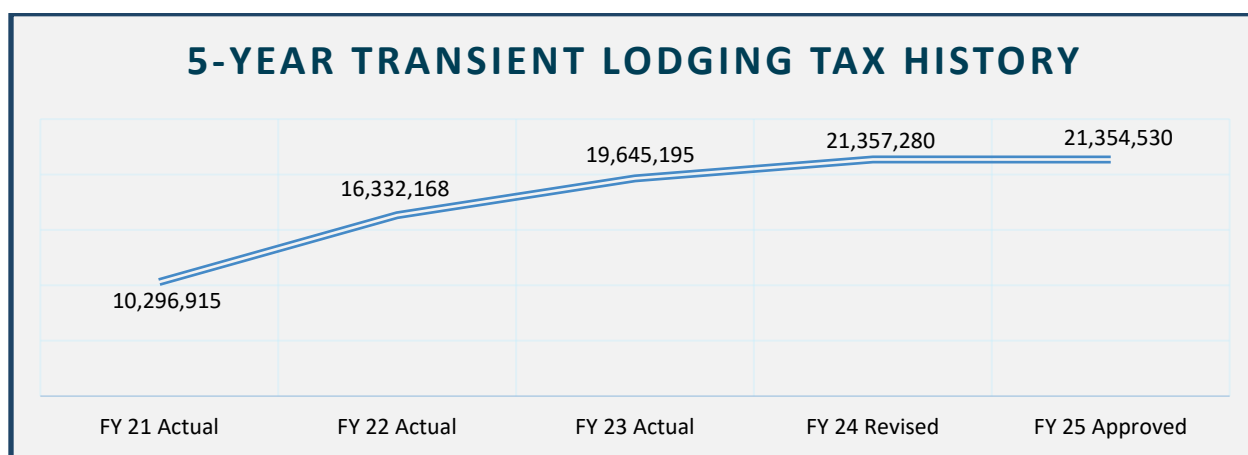
Property taxes are budgeted at \$122.6 million, an increase of 1.2% from FY 2023-24. The majority of property taxes (\$82.9 million) fund debt service related to general obligation bond issues for Natural Areas and Affordable housing. A local option levy for natural areas operations was renewed for a third five-year period effective July 1, 2023 through June 30, 2028. Metro will receive just under \$19.2 million from this source, including \$237,000 expected from prior year levies.

Federal, state, and local revenues decreased by nearly 10.0% due to a one-time payment of \$10 million dollars in state funds for FY 2022-23 to support community clean-up efforts. A balance from the original

grant was carried forward in FY 24 to complete the planned clean-up work. A separate state revenue in the General Fund decreased by \$5.0 million for planning within the Planning, Development and Research Department. The reduction in state revenue is partially offset but federal sources, however the district notes that the increase does not keep pace with the expenses to run programs.

Sales, fares, and admissions in aggregate are budgeted at a 9.3% increase over FY 2023-24 for a total of \$80.0 million, although demand at visitor venues is projected to be much slower than originally predicted. Current projections are that attendance will remain flat in FY 25 but will start to increase within one to two years.

Another important source of income is the **transient lodging tax (TLT)**, which saw a large decrease during the pandemic. Transient lodging tax is budgeted similarly to the current year at \$21.4 million, and is more than double the actual lodging tax amount received in FY 2020-21. Revenues reflect confirmed and likely bookings.



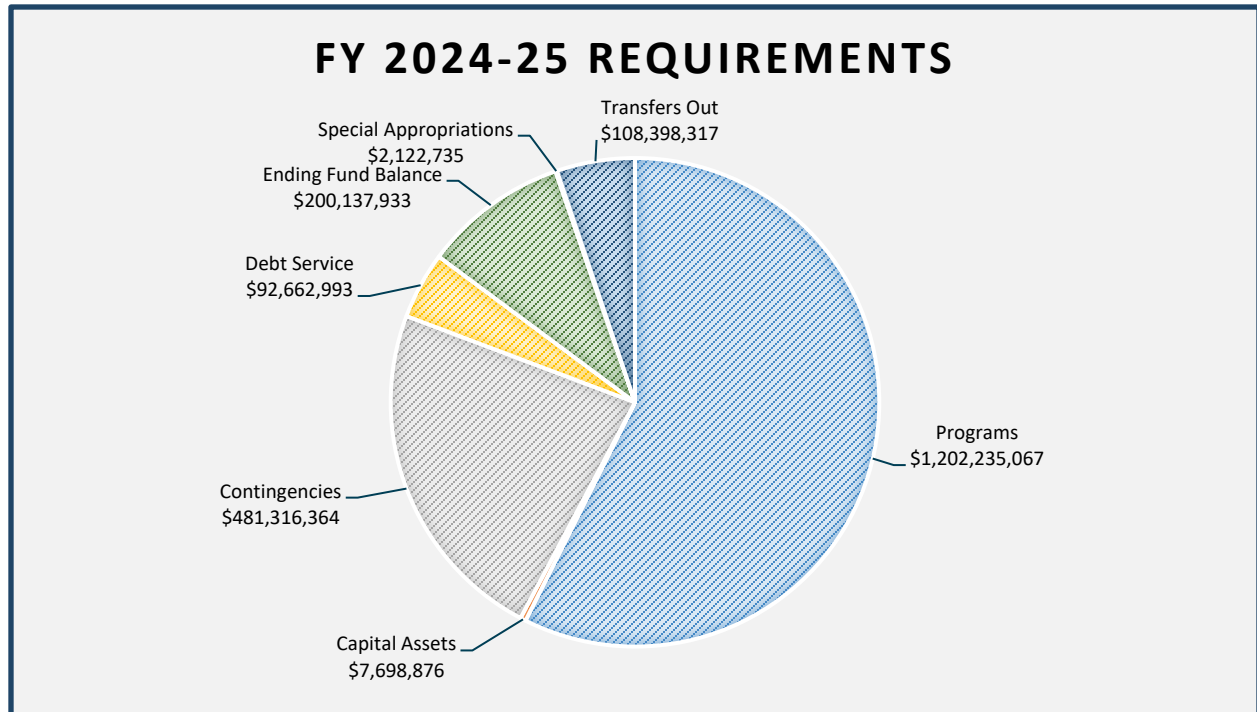
REQUIREMENTS

Interfund Transfers, Contingency and Ending Fund Balance

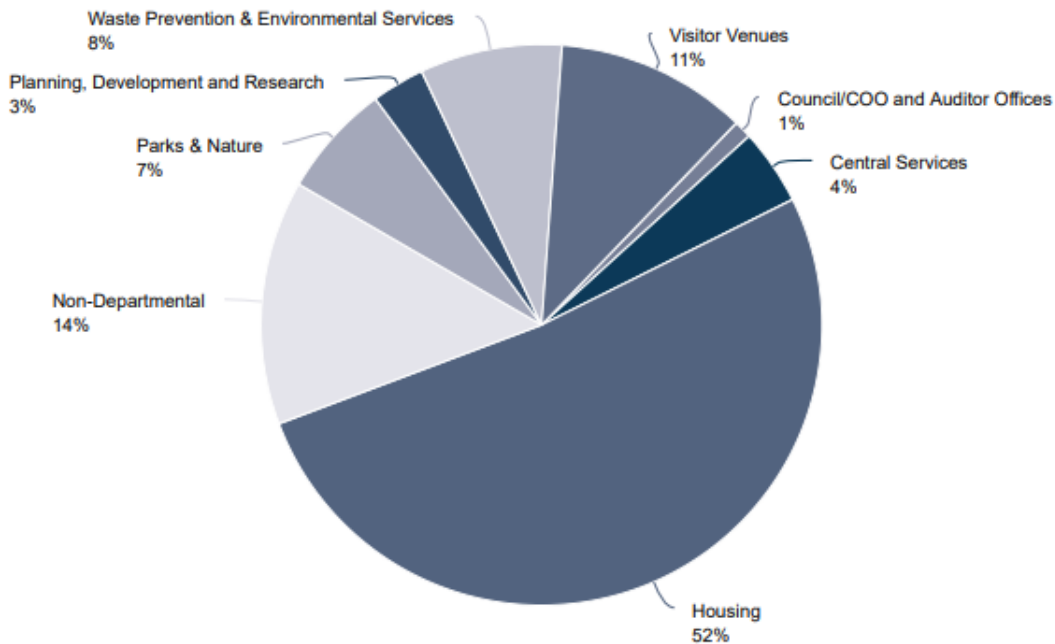
Details on expenditures are below, broken out by budget category/object classification. The rest of budget requirements are made up of:

- Interfund transfers, \$108.4 million (includes \$50.5 million resource sharing between funds and \$57.9 million internal reimbursements for both indirect and direct services);
- Contingency, a total of \$481.3 million, just under 37.0% of the total operating budget; and,
- Ending Fund Balance, \$200.1 million.

Combined contingency and ending fund balance are higher by 6.6% from FY 2023-24, an increase of \$42.1 million, primarily driven by increased contingency. The ending fund balance will decrease each year as the district allocates prior debt proceeds to projects.

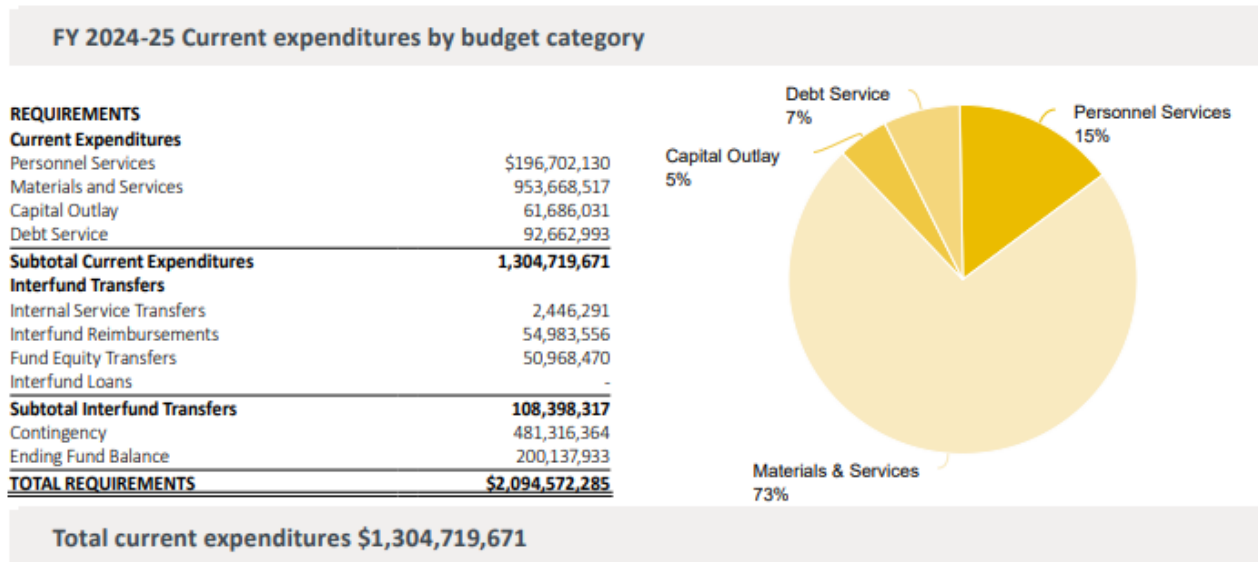


Expenditures by Function



The graph in the previous page (from Metro) provides a helpful overview of where dollars are spent – the largest share of the budget, at 52%, funds the supportive housing and affordable housing programs. The graph below from Metro breaks out expenditures by object classification.

Expenditures by Object



Personnel Services – 15.1% of total operating expenditures, \$196.7 million

The budget for personnel services reflects a net increase of 20.70 FTE from the current year budget and an expenditure increase of \$19.3 million (10.9%). Total positions for FY 2024-25 are 1,172.65 FTE.

- Central Service functions decrease a combined total of 13.00 FTE in this budget due to the decentralization of some communications functions from the central office to individual departments. The net change in FTE includes 1.00 FTE less in Capital Asset Management, 24.00 FTE less in Communications, 5.00 FTE more in the Council office, 3.00 FTE more in Finance and Regulatory Services, 1.00 FTE additional in Human Resources, and 3.00 FTE more in Information Technology and Records Management.
 - Positions in Central Services were added to support critical technology needs and strategic support in Information Technology, centralized forecasting and performance measurement support in Finance, and a Business Analyst position in Human Resources.
 - Communications decentralized some of its communication functions to departments, leaving 15.20 FTE in the centralized location. The following 24.00 FTE were divided:
 - 7.00 FTE to Waste Prevention and Environmental Services
 - 7.00 FTE to Parks and Nature
 - 6.05 FTE to Planning, Development, and Research
 - 3.95 FTE to Housing
- Visitor Venues increase by 2.80 FTE to help with facility operations and parking needs.
- In addition to the Communications positions, Waste Prevention and Environmental Services adds 2.40 FTE for station operations and call center support.

Full-Time equivalent changes by organizational unit

| | FY 2023-24 Amended FTE | FY 2024-25 Changes | | | | | FY 2024-25 Proposed FTE |
|---|------------------------------|-----------------------------------|--------------------------------|------------------------------------|---------------------|-------------------------------|-------------------------------|
| | | Other Transferred Positions | Eliminated LD Positions* | Eliminated Regular Positions | New LD Positions | New Regular Positions** | |
| Capital Asset Management | 37.40 | (1.00) | | | | | 36.40 |
| Communications | 39.20 | (24.00) | | | | | 15.20 |
| Council | 44.00 | 3.00 | | | | 2.00 | 49.00 |
| Diversity, Equity and Inclusion | 11.00 | | | | | | 11.00 |
| Finance and Regulatory Services | 77.80 | (2.00) | | | | 5.00 | 80.80 |
| Housing | 41.40 | 3.95 | | | | 1.00 | 46.35 |
| Human Resources | 33.00 | | | | | 1.00 | 34.00 |
| Information Technology and Records Management | 38.00 | | | | | 3.00 | 41.00 |
| Office of Metro Attorney | 17.00 | | | | | | 17.00 |
| Office of the Auditor | 7.00 | | | | | | 7.00 |
| Parks and Nature | 138.80 | 7.00 | | | | 0.50 | 146.30 |
| Planning, Development and Research | 80.10 | 6.05 | | | 1.00 | 2.00 | 89.15 |
| Waste Prevention and Environmental Services | 191.90 | 7.00 | | | | 2.40 | 201.30 |
| Visitor Venues | 395.35 | | | | | 2.80 | 398.15 |
| Non-Departmental | 0.00 | | | | | | 0.00 |
| TOTAL | 1,151.95 | (0.00) | - | - | 1.00 | 19.70 | 1,172.65 |

*Includes positions converted to regular status

**Includes positions converted from limited duration

Materials & Services – 73.1% of total operating expenditures, \$953.7 million

Materials & Services (M&S) represents the largest proportion of Metro expenditures in this budget. Much of the materials and services budget includes funds that will be distributed to local jurisdictions:

- The largest share is budgeted in the Supportive Housing Services program, which is anticipated to disburse \$445.2 million for payments to other jurisdictions implementing programs and the related tax collection costs.
- Metro has budgeted the second largest share of M&S dollars in the affordable housing fund, and plans on distributing \$257.0 million in FY 2024-25 to local partners for land acquisition, acquisition and rehabilitation of existing residential properties, and new construction of affordable housing.
- Parks and Nature has budgeted to provide \$10.5 million to other jurisdictions and for community grants in support of its bond program.
- Solid waste transfer station operations, disposal fees, organics processing, and transport of solid waste to the Columbia Ridge Landfill in Gilliam County account for \$50.4 million in costs in FY 2024-25.

Capital Outlay – 4.7% of total operating expenditures, \$61.7 million

Capital expenditures include potential land and equipment purchases, facility improvements, and other large asset replacement and upgrade projects. The largest share of capital outlay dollars will fund \$20.1 million for regional parks projects; \$14.3 million for projects at the Oregon Convention Center, Expo Center, and Portland's Centers for the Arts; and, \$9.9 million for projects at the Oregon Zoo. Solid Waste facility improvements, technology upgrades and other capital facilities investments round out the total.

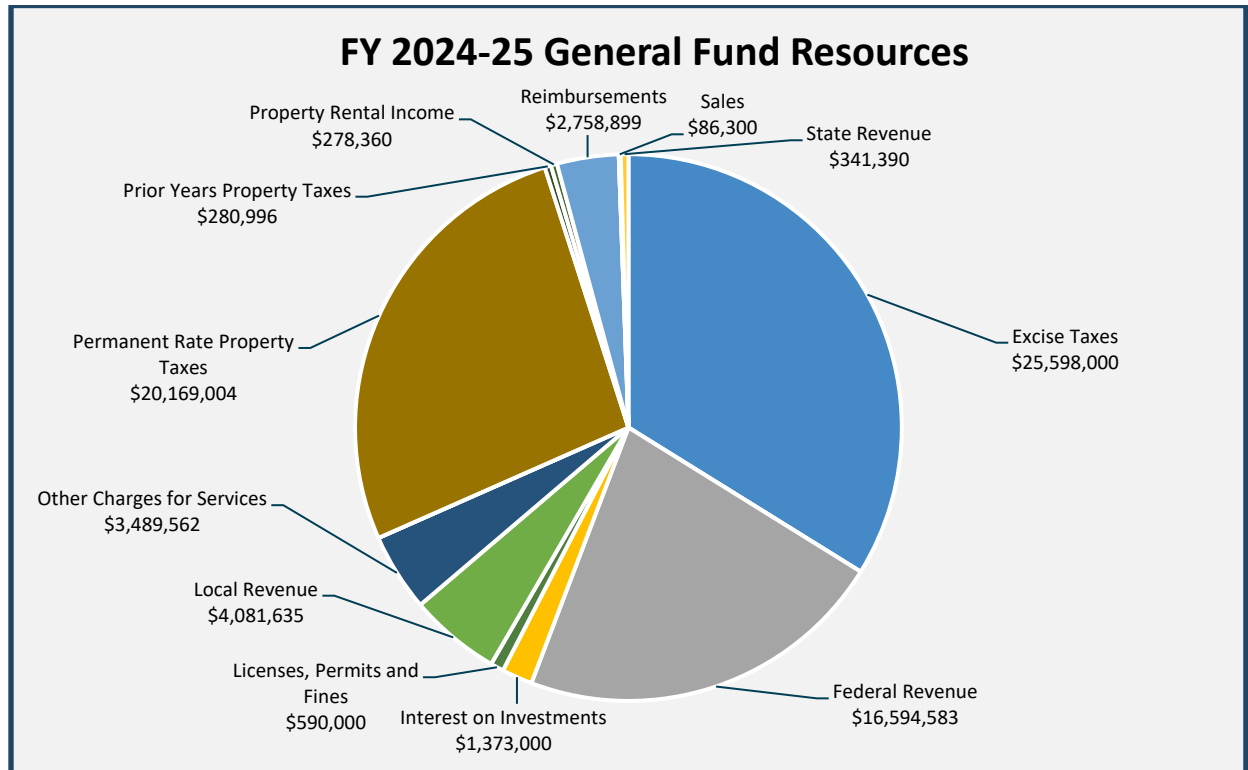
Debt Service – 7.1% of total operating expenditures, \$92.7 million

Debt service includes payments on bonds sold for Affordable housing, Oregon Convention Center, Natural Areas program, Expo, Oregon Zoo, and the Oregon Convention Center hotel project. The Debt section provides additional detail. Debt Service for the proposed 2024 Zoo Bond is not included in this budget.

GENERAL FUND

The General Fund totals \$220.0 million for FY 2024-25 and makes up 10.5% of the total Metro budget. All general government and central service functions are budgeted in this fund. Planning, Development, and Research staffing is also budgeted in the General Fund.

GENERAL FUND RESOURCES

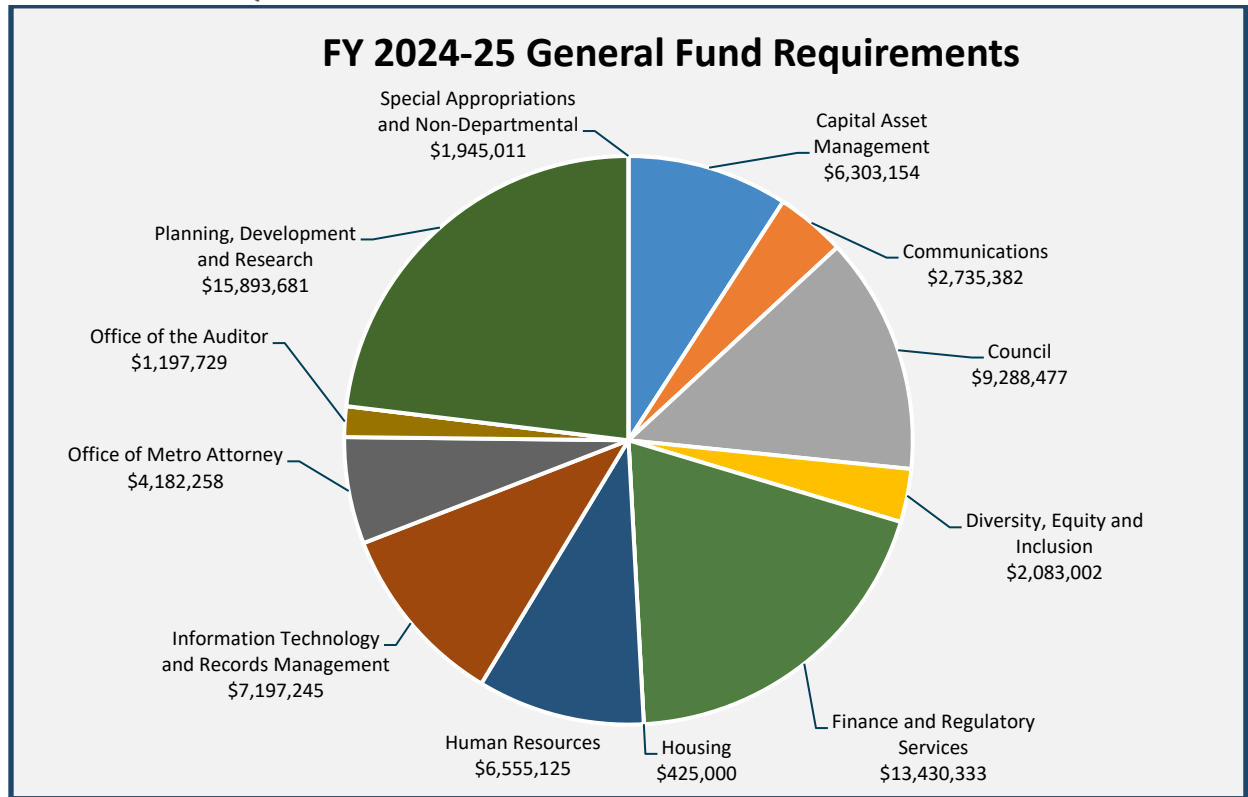


Primary revenues in the General Fund include property taxes, the general excise tax, and intergovernmental revenue. With the exception of reduced state grant funding for planning, Metro expects no major changes in General Fund operating revenues for the coming year. Total resources increase 17.6% from the current year due to increased beginning fund balance (\$23.6 million), other income (\$1.0 million), and transfers in (\$7.7 million).

Budgeted beginning fund balance increases by \$23.6 million from FY 24 for a total of \$92.3 million, and includes restricted revenues for Transit Oriented Development, Construction Excise Tax program balance, and for major projects and programs requiring committed funds. Approximately \$36.6 million of fund balance is maintained for debt service and reserves.

As noted in the Budget Overview, after a period of rapid re-growth following the pandemic, the district is reviewing and assessing programs for appropriate funding levels. According to Metro's five-year forecast, Metro will need to keep a close eye on the balance of revenue and expenditures in the General Fund, and may need to make additional adjustments in the future.

GENERAL FUND REQUIREMENTS



The majority of General Fund costs support Planning, Development, and Research. The rest of the General Fund supports Central Services (includes Metro Attorney, Auditor, Communications, Finance, Human Resources, Information Technology, and Capital Asset Management) within Metro.

General Fund transfers out include \$20.4 million (100% of the district's discretionary permanent property tax revenue) to the Oregon Zoo; \$6.9 million to support the Parks and Nature program; \$4.7 million to the General Asset Management Fund; and \$1.6 million to the General Revenue Bond Fund for debt service on Full Faith and Credit debt obligations. As also seen in other funds, budgeted contingency is increased as Metro continues to navigate an evolving economic landscape.

PLANNING, DEVELOPMENT, AND RESEARCH DEPARTMENT

The role of the Planning, Development, and Research department has evolved as the region has grown. Land use and transportation planning, in addition to research and data collection continue to be the focus of this department.

- This program relies on federal funding for general transportation system planning and specific project planning.
- Metro has been coordinating planning efforts for multi-modal improvements on the Tualatin Valley Highway, 82nd Avenue, and the Interstate Bridge Replacement Project.
- Planning, Development, and Research is actively engaged in supporting the district's climate goals utilizing the Environmental Protection Agency (EPA) Climate Pollution Reduction grant.
- The department is currently developing the 20-Year Urban Growth Report which serves as a region-wide Comprehensive Land Use Plan. The Urban Growth Report will be submitted to the Metro Council in Fall 2024.

OTHER SIGNIFICANT BUDGET AREAS

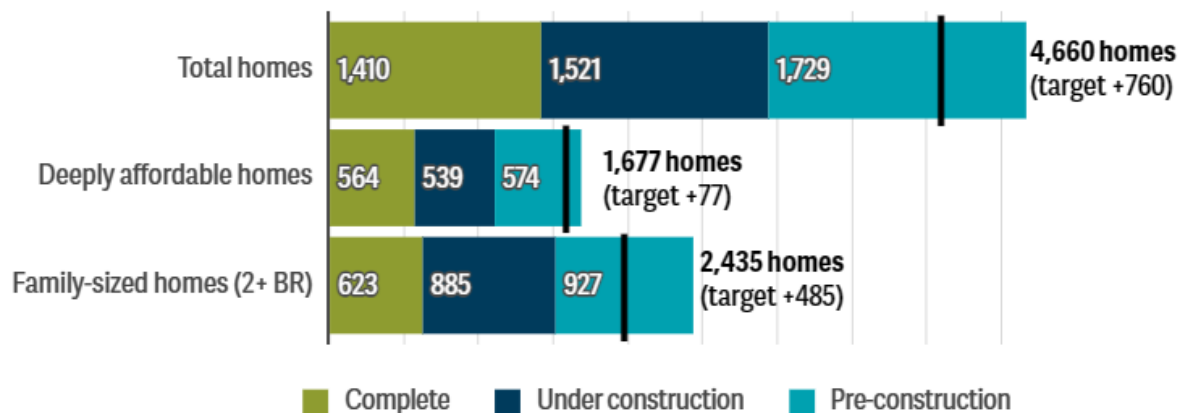
HOUSING DEPARTMENT

In October 2022, Metro established the Housing Department to address the region's housing crisis integrating its Supportive Housing Services and Affordable Housing programs.

Affordable Housing

- Metro voters passed a \$652.8 million affordable housing bond measure in November 2018 to create permanently affordable homes across the Metro region. Metro issued the full authorized bond amount in May 2019; fund balance is budgeted at \$48.3 million and a contingency of \$50.0 million for FY 25.
- Debt service payments will be \$40.4 million in FY 2024-25.
- The bond measure promised the addition of 3,900 units if approved ([Affordable homes for greater Portland | Metro \(oregonmetro.gov\)](#) – snip of bond progress as of April 2024 below).
 - The bond has funded 52 projects with over 4,700 units completed or in the pipeline, exceeding the original promise of the bond measure.
 - Of the 4,700 units, there are 1,800 deeply affordable (0-30% of median family income) and 2,200 family sized units.
- Metro convened a stakeholder advisory group in Spring 2024 to advise on the future of Affordable Housing funding at the district.

Affordable housing production: progress underway



Supportive Housing

- In May 2020 voters approved a measure to fund supportive housing services through a personal income tax and a business income tax.
- FY 2024-25 is the fourth year of the ten-year program to connect chronically homeless households with supportive housing and stabilize 10,000 households at risk of or experiencing homelessness into permanent housing. To date, the district has helped to stabilize over 6,000 households, helped over 20,000 households avoid homelessness, and added or sustained over 1,000 shelter beds.
- The 2024-2025 Budget anticipates tax collections of \$374.5 million (\$187,250,000 each from the personal and business tax), with \$445.2 million budgeted for distribution to Multnomah, Washington, and Clackamas counties. The actual amounts received in FY 2022-23 were \$190.6 million personal income tax and \$156.5 million business income tax for a total of \$347.1 million. Funds are distributed based on the percentage of tax paid by households in the three counties. The Supportive Housing Services Fund budgets no ending fund balance but holds \$336.3 million in contingency reserved for payments to local implementation partners and Metro oversight and administrative costs.

PARKS AND NATURE DEPARTMENT

Primary funding sources include the parks and natural areas local option levy – extended for a third five-year term - and parks and natural areas bonds. Expenditures fund basic operations and activities to serve the department’s mission of protecting water quality, fish, and wildlife habitat, and creating opportunities to enjoy nature close to come through parks, trails and natural areas.

- The Parks & Nature Operating fund increases this year by just over \$2.1 million (7.2%). The 2024-25 budgeted transfer from the General Fund restores Parks and Nature to pre-pandemic levels. Operating costs continue to rise due to personnel services and an expanding portfolio of properties. Metro is looking for new permanent funding sources along with assessing services to reduce costs in this area.
- The first series of bonds under the November 2019 authorization were issued in April 2020 for \$200,000,000. The beginning balance in the Parks and Nature Bond Fund in FY 2024-25 is projected at \$144.6 million; \$9.0 million of this amount is reserved for a possible future project at Willamette Cove. \$58.0 million is budgeted as expenditures in FY 25.
- Changes this year include 7.50 FTE added; 7.00 FTE transferred from the central communications office and 0.50 FTE was split between the Parks and Nature Operating and Bond funds to assist in operating and maintaining Metro properties and managing special projects.
- The capital budget includes \$10.0 million for nature areas acquisition and \$2.5 million for replacement of the Curry Building at Blue Lake Park.

VISITOR VENUES

Visitor venues include the Oregon Convention Center, Portland's Centers for the Arts, Portland Expo Center, and the Oregon Zoo. Nearly half of all part-time and permanent staff at Metro provide direct service to venue customers. Visitor venue items of note:

- Expectations are that event-based revenue will not grow as quickly as originally projected but will start to slowly grow in the next one to two years.
- Transient Lodging Taxes (TLT) makes up 21.8% of revenue for the MERC Fund, providing operating and capital, and fund balance resources for the Oregon Convention Center, Expo, and Portland's. TLT saw a large decrease during the pandemic. In the upcoming budget, transient lodging tax is budgeted similarly to the current budget year at \$21.4 million, more than double the actual lodging tax amount received in FY 2020-21.
- The MERC (Metropolitan Exposition Recreation Commission) Fund decreases by \$1.8 million, a 1.6% decrease from the revised FY 2023-24 budget.
- Sales revenue is up 10.2% for the visitor venues to \$40.7 million. The budget assumes attendance approaching pre-COVID levels.
- Personnel services increase by 9.8% and add 2.80 FTE.

Items of significant change or interest for selected visitor venues:

Oregon Convention Center

- The FY 2024-25 Budget includes \$7.1 million in capital projects including \$2.4 million for Public Safety improvements, \$1.8 for Food and Beverage enhancements, and \$1.0 million for lighting upgrades.

Expo

- The approved budget adds 1.30 FTE for event coverage.
- The Portland Expo Center continues to face challenges on the expenditure side over the long-term. Current projects include Phase II of a detailed review of the venue to develop options for the future.
- The Expo Center has significant deferred maintenance. The 2024-25 Budget will continue the projects began in the current year at the site.
- The debt service for construction of Exhibit Hall D is paid off in this budget, relieving \$1.0 million in annual debt payments.

Portland's

- Portland's continues to offer robust entertainment options through its theaters. Retaining staff through a heavy event schedule will be a focus area in FY 25. Metro is looking at labor cost recovery and rates and fees as strategies to offset costs and protect jobs at the theaters.
- Capital improvements focus on life safety issues at the theaters and roof drain replacement at the Arlene Schnitzer Concert Hall.

Zoo

- The Oregon Zoo operating budget sees an increase of nearly \$9.6 million from FY 2023-24. Operating contingency decreases from \$19.8 million in the current year to \$13.5 million in 2024-25. The Zoo will receive \$20.5 million in revenue from the general fund to support operations, an increase of \$3.5 million from the current year.
- The Zoo predicts attendance of 1.3 million in 2024-25 which is about 87% of the 1.5 million annual attendance pre-pandemic.
- The budget includes \$11.1 million capital funding at the zoo, including \$6.0 for property acquisition, \$1.5 million for the Cascade Crest Building systems replacement, and \$1.0 million for the Polar-Growlers-Elephants Plaza structure.
- The budget notes a planned increase for admission fees in FY 2024-25 but does not identify the rate.

WASTE PREVENTION AND ENVIRONMENTAL SERVICES

The Waste Prevention and Environmental Services (WPES) department is responsible for ensuring that all solid waste generated in the region is managed in a manner that protects public health and safeguards the environment.

- In this year's Approved budget, the solid waste fees increase by 11.9%, following a newly implemented cost recovery model. Previously, the district had prioritized predictability and held rate increases to the 7% to 8% range.
- The number of FTE in the department increases to 201.30 FTE from 191.90 FTE in the current year. Of the 9.40 additional FTE, 7.00 FTE are transferred from Communications, 1.00 FTE is added to the Traffic and Load Review Team, 1.00 FTE is added to address Transfer Station Operating Controls, and 0.40 FTE is added at the Recycling Information Center.
- Some of the largest expenditures in the solid waste revenue fund see increases this year, including \$19.8 million for transfer station operations, \$13.1 million for waste transport, and \$12.1 million in disposal fees. This is up from 2023-24 expenses of \$18.7 million for operations, \$11.8 for transport, and \$11.0 million for disposal.
- The FY 25 budget includes reduced capital funding at \$3.2 million from \$14.1 million in FY 24.

DEBT STATUS

FY 2024-25 Summary of debt service payments

| | Principal | Interest | Fiscal Year Debt Service |
|---|---------------------|---------------------|-----------------------------|
| General Obligation Bonds | | | |
| Natural Areas, Series 2012A * | \$- | \$240,402 | \$240,402 |
| Natural Areas, Series 2018 | 2,280,000 | 236,500 | 2,516,500 |
| Natural Areas, Series 2020A | - | 3,526,179 | 3,526,179 |
| Natural Areas, Series 2020B | 8,685,000 | 374,742 | 9,059,742 |
| Oregon Zoo Infrastructure, Series 2012A * | - | 129,448 | 129,448 |
| Oregon Zoo Infrastructure, Series 2018 | 1,060,000 | 240,750 | 1,300,750 |
| General Obligation Refunding Bonds, Series 2023 * | 25,795,443 | 1,021,500 | 26,816,943 |
| Affordable Housing, Series 2019 | 21,465,000 | 18,897,904 | 40,362,904 |
| Full Faith and Credit Refunding Bonds | | | |
| 2016 Series | 1,005,000 | 15,075 | 1,020,075 |
| Full Faith and Credit | | | |
| 2018 Series | 1,115,000 | 533,450 | 1,648,450 |
| Limited Tax Pension Obligation Bonds, Series 2005 | 2,210,000 | 435,599 | 2,645,599 |
| Revenue Bonds | | | |
| OCC Hotel Project, Series 2017 | 1,105,000 | 2,291,000 | 3,396,000 |
| TOTAL FY 2023-24 DEBT SERVICE PAYMENTS | \$64,720,443 | \$27,942,549 | \$92,662,992 |

Metro has \$752.3 million in outstanding general obligation debt with bond issues for Natural Areas (2012, 2018, and 2020), Zoo Infrastructure (2012 & 2018), and Affordable Housing (2019). The majority of outstanding debt, \$572.5 million, is for affordable housing. The FY 2024-25 Budget includes \$84.0 million for GO bond debt service and \$92.7 million in total debt service payments.

Metro also holds full faith and credit bonds (\$13.2 million outstanding), pension obligation bonds (\$8.7 million outstanding), and dedicated tax revenue bonds for the Oregon Convention Center hotel (\$45.8 million outstanding). The 2024-25 Budget does not include debt proceeds for new or refunded bonds, including anything related to the May 2024 measure for zoo bonds. The budget does mention the new zoo bond in a section called *Planned Debt*: “Metro Council authorized staff to refer a general obligation bond, not to exceed \$380 million, on the ballot for voter decision on May 21, 2024, for the purposes of protecting animal health, providing conservation education, and increasing sustainability at the Oregon Zoo.”

BUDGET PROCESS & 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 principal and interest payments? |
| X | | Are contingencies shown only in operating funds? |
| X | | Did the budget committee approve the budget? |
| X | | Did the budget committee set the levy? |
| X | | Does the audit show the district was in compliance with budget law? - <i>over expenditure</i> |

LOCAL BUDGET LAW COMPLIANCE

The FY 2024-25 Budget is in substantial compliance with local budget law. Estimates were judged to be reasonable for the purposes shown.

The audit report for FY 2022-23 notes no issues of budgetary noncompliance.

CERTIFICATION LETTER RECOMMENDATIONS & OBJECTIONS

TSCC staff notes no deficiencies in the district's FY 2024-25 budget development process and offers no recommendations or objections for the certification letter.

Metro

Budget Summary

| | 2021 - 2022 | 2022 - 2023 | 2023 - 2024 | 2024 - 2025 | % |
|---|----------------------|----------------------|----------------------|----------------------|--------------|
| | Actual | Actual | Revised | Approved | Change |
| <u>SUMMARY OF ALL FUNDS</u> | | | | | |
| PROPERTY TAX BREAKDOWN: | | | | | |
| Permanent Rate Property Taxes | 17,627,319 | 18,247,574 | 18,921,159 | 20,169,004 | 6.6% |
| Local Option Levy Property Taxes | 16,874,644 | 17,722,389 | 18,170,316 | 18,960,221 | 4.3% |
| GO Debt Property Taxes | 73,202,270 | 76,186,944 | 83,583,723 | 82,948,815 | -0.8% |
| Prior Years Property Taxes | 427,769 | 806,821 | 474,000 | 517,996 | 9.3% |
| Payments in Lieu of Property Taxes | 116,252 | 183,283 | 0 | 0 | 0.0% |
| TOTAL PROPERTY TAX | 108,248,254 | 113,147,011 | 121,149,198 | 122,596,036 | 1.2% |
| RESOURCES: | | | | | |
| Beginning Fund Balance | 1,040,457,220 | 1,174,363,376 | 1,050,863,158 | 1,173,532,333 | 11.7% |
| Property Taxes | 108,248,254 | 113,147,011 | 121,149,198 | 122,596,036 | 1.2% |
| Other Taxes | 284,312,380 | 390,546,024 | 279,046,210 | 421,452,530 | 51.0% |
| Intergovernmental Revenue | 61,137,911 | 27,377,286 | 31,587,278 | 28,436,143 | -10.0% |
| Fees and Charges | 30,583,710 | 26,197,260 | 41,778,413 | 34,137,622 | -18.3% |
| Other Income | 148,069,817 | 231,724,323 | 192,705,124 | 206,019,304 | 6.9% |
| Debt Proceeds | 294,935 | 0 | 0 | 0 | 0.0% |
| Transfers In | 76,009,160 | 80,466,330 | 88,569,663 | 108,398,317 | 22.4% |
| TOTAL RESOURCES | 1,749,113,387 | 2,043,821,610 | 1,805,699,044 | 2,094,572,285 | 16.0% |
| REQUIREMENTS BY OBJECT: | | | | | |
| Personnel Services | 115,733,856 | 137,185,947 | 177,377,821 | 196,702,130 | 10.9% |
| Materials & Services | 276,506,622 | 422,070,427 | 733,813,124 | 953,668,517 | 30.0% |
| Capital Outlay | 11,257,412 | 14,609,483 | 70,877,852 | 61,686,031 | -13.0% |
| Debt Service | 95,242,964 | 138,256,427 | 95,737,552 | 92,662,993 | -3.2% |
| Fund Transfers | 76,009,160 | 80,466,330 | 88,569,663 | 108,398,317 | 22.4% |
| Contingencies | 0 | 0 | 350,246,246 | 481,316,364 | 37.4% |
| Ending Fund Balance | 1,174,363,377 | 1,251,232,996 | 289,076,786 | 200,137,933 | -30.8% |
| TOTAL REQUIREMENTS BY OBJECT | 1,749,113,391 | 2,043,821,610 | 1,805,699,044 | 2,094,572,285 | 16.0% |
| <u>SUMMARY OF BUDGET - BY FUND</u> | | | | | |
| General Fund | 184,882,207 | 198,972,892 | 187,114,299 | 220,014,181 | 17.6% |
| Oregon Zoo Operating Fund | 63,817,953 | 73,855,139 | 80,332,610 | 78,280,111 | -2.6% |
| Parks & Nature Operating Fund | 34,308,894 | 37,257,599 | 44,211,533 | 42,306,014 | -4.3% |
| Supportive Housing Services Fund | 260,802,975 | 525,082,917 | 423,318,799 | 807,598,166 | 90.8% |
| Affordable Housing Fund | 633,548,876 | 561,835,359 | 447,333,044 | 362,560,310 | -19.0% |
| GO Bond Debt Service Fund | 77,346,959 | 120,944,258 | 85,781,723 | 83,952,869 | -2.1% |
| General Asset Management Fund | 35,042,535 | 37,490,262 | 36,843,438 | 34,615,546 | -6.0% |
| Oregon Zoo Asset Management Fund | 8,640,059 | 11,616,795 | 15,760,000 | 23,350,000 | 48.2% |

| | | | | | |
|------------------------------|----------------------|----------------------|----------------------|----------------------|--------------|
| Natural Areas Fund | 6,444,980 | 4,714,058 | 4,530,000 | 0 | -100% |
| Parks and Nature Bond Fund | 204,018,809 | 188,382,771 | 173,482,500 | 146,808,150 | -15.4% |
| General Revenue Bond Fund | 10,493,485 | 10,508,179 | 10,176,116 | 10,214,158 | 0.4% |
| MERC Fund | 85,150,125 | 111,182,418 | 114,580,837 | 112,740,294 | -1.6% |
| Solid Waste Revenue Fund | 134,157,179 | 152,490,952 | 172,725,482 | 162,225,478 | -6.1% |
| Risk Management Fund | 5,977,136 | 4,959,837 | 5,656,898 | 6,352,350 | 12.3% |
| Cemetery Perpetual Care Fund | 816,232 | 772,999 | 770,314 | 766,440 | -0.5% |
| Smith & Bybee Wetlands Fund | 1,691,992 | 1,478,034 | 1,341,810 | 1,016,591 | -24.2% |
| Community Enhancement Fund | 1,972,993 | 2,277,141 | 1,739,641 | 1,771,627 | 1.8% |
| GRAND TOTAL ALL FUNDS | 1,749,113,389 | 2,043,821,610 | 1,805,699,044 | 2,094,572,285 | 16.0% |

DETAIL OF GENERAL FUND

RESOURCES:

| | | | | | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| Beginning Fund Balance | 49,373,460 | 80,880,180 | 68,691,007 | 92,265,351 | 34.3% |
| Property Tax | 17,928,596 | 18,804,903 | 19,167,159 | 20,450,000 | 6.7% |
| Other Taxes | 25,330,176 | 23,856,467 | 23,588,930 | 25,598,000 | 8.5% |
| Federal Revenue | 7,194,953 | 13,023,736 | 13,624,276 | 16,594,583 | 21.8% |
| State Revenue | 506,358 | 556,524 | 5,522,024 | 341,390 | -93.8% |
| Local Revenue | 28,976,650 | 278,205 | 4,435,878 | 4,081,635 | -8.0% |
| Fees and Charges | 1,634,542 | 2,892,097 | 4,154,752 | 4,079,562 | -1.8% |
| Other Income | 6,910,630 | 10,135,301 | 3,516,839 | 4,496,559 | 27.9% |
| Transfers In | 47,026,840 | 48,545,480 | 44,413,434 | 52,107,101 | 17.3% |
| TOTAL FUND RESOURCES | 184,882,205 | 198,972,893 | 187,114,299 | 220,014,181 | 17.6% |

REQUIREMENTS:

| | | | | | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------|
| Administrative Services | 38,494,482 | 47,691,298 | 62,310,016 | 64,873,591 | 4.1% |
| Community Development | 23,342,790 | 22,426,371 | 45,495,214 | 43,155,031 | -5.1% |
| Parks, Recreation and Culture | 3,540,270 | 3,595,695 | 0 | 0 | 0.0% |
| Debt Service | 14,388,654 | 14,482,096 | 2,546,179 | 2,645,599 | 3.9% |
| Transfers Out | 24,235,831 | 25,696,840 | 26,694,190 | 36,426,979 | 36.5% |
| Contingencies | 0 | 0 | 22,898,644 | 28,469,255 | 24.3% |
| Ending Fund Balance | 80,880,180 | 85,080,592 | 27,170,056 | 44,443,726 | 63.6% |
| TOTAL FUND REQUIREMENTS | 184,882,207 | 198,972,892 | 187,114,299 | 220,014,181 | 17.6% |

DETAIL OF GENERAL OBLIGATION DEBT SERVICE FUND

RESOURCES:

| | | | | | |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|--------------|
| Beginning Fund Balance | 3,907,953 | 2,887,362 | 1,998,000 | 804,054 | -59.8% |
| GO Debt Property Taxes | 73,202,270 | 76,186,944 | 83,583,723 | 82,948,815 | -0.8% |
| Interest on Investments | 236,736 | 996,032 | 200,000 | 200,000 | 0.0% |
| TOTAL FUND RESOURCES | 77,346,959 | 80,070,338 | 85,781,723 | 83,952,869 | -2.1% |

REQUIREMENTS:

| | | | | | |
|-----------------------------|-------------------|--------------------|-------------------|-------------------|--------------|
| Debt Services | 74,459,597 | 117,458,317 | 85,781,723 | 83,952,869 | -2.1% |
| Ending Fund Balance | 2,887,362 | 3,485,941 | 0 | 0 | 0.0% |
| TOTAL FUND RESOURCES | 77,346,959 | 120,944,258 | 85,781,723 | 83,952,869 | -2.1% |