



**Tax Supervising
& Conservation
Commission**

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June 8, 2017

Metro Council
600 NE Grand Avenue
Portland , Oregon 97232

Dear President Hughes and Councilors:

The Tax Supervising and Conservation Commission met on June 8, 2017 to review, discuss and conduct a public hearing on Metro's 2017-18 Approved Budget. This hearing was conducted pursuant to ORS 294.605 to 294.705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support efficient and economical administration of the district.

The budget was filed timely on May 9, 2017. The Commission hereby certifies by a majority vote of members of the Commission that it has no objections or recommendations to make with respect to the budget.

The Commission noted one budget law violation. This occurred at the end of the 2015-16 budget year. An actuarial review of liability claims resulted in a large increase on a claims reserve. The actuarial review was completed after the budget year ended but before the final year-end closing entries were made. Thus, expenditures were increased too late for a budget change. The district has changed its claims review schedule to eliminate this situation in the future. See the attached letter for full explanation. The Commission will require no more response to this issue.

For 2017-18, estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with Local Budget Law. The budget estimates and levy amounts, as shown in the approved budget, are shown on the attached page.

Please file a complete copy of the adopted budget with the Commission no later than August 31, 2017.

Commissioners

David Barringer, Chair
Brendan P. Watkins
Margo Norton
James Ofsink
Mark Wubbold

Exhibit A
Resolution 17-4769B

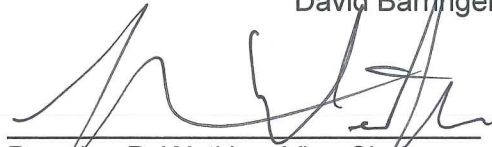
Metro
2017-18 Approved Budget

June 8, 2017

We appreciate having the opportunity to discuss this budget with you.


Yours very truly,
TAX SUPERVISING & CONSERVATION COMMISSION


David Barringer, Chair


Brendan P. Watkins, Vice Chair


Margo Norton, Commissioner


James Ofsink, Commissioner


Mark Wubbold, Commissioner

	Budget Estimates	Unappropriated Portion
General Fund	\$112,004,758	\$28,652,605
General Asset Management Fund	16,427,844	0
General Obligation Bond Debt Service Fund	34,969,775	0
General Revenue Bond Fund	87,982,801	4,009,658
MERC Fund	133,686,474	0
Natural Areas Fund	25,266,530	1,670,121
Parks & Natural Areas Local Option Levy Fund	20,771,942	0
Open Spaces Fund	339,828	0
Oregon Zoo Infrastructure & Animal Welfare Bond Fund	33,486,978	17,028,010
Oregon Zoo Operating Fund	42,128,179	0
Oregon Zoo Asset Management Fund	5,249,500	0
Cemetery Perpetual Care Fund	660,638	610,638
Community Enhancement Fund	2,275,094	0
Risk Management Fund	4,052,248	45,517
Smith & Bybee Wetlands Fund	2,679,950	1,177,440
Solid Waste Revenue Fund	120,195,084	29,866,723
Total Budget Estimates	\$642,177,623	\$83,060,712

Property Tax Levies, as approved by Budget Committee:

Permanent Rate – General Government \$0.0966 / \$ 1,000 AV

Parks/Natural Areas Local Option – General Government \$0.0960 / \$1,000 AV

Debt Service - Not Subject to Limit \$35,897,116

Exhibit B
Resolution 17-4769
Budget Summary

	Audited FY 2014-15	Audited FY 2015-16	Amended FY 2016-17	Proposed FY 2017-18	Approved FY 2017-18	Adopted FY 2017-18	Change From 2016-17
RESOURCES							
Beginning Fund Balance	244,425,650	227,677,373	247,081,394	232,386,433	244,886,433	247,528,697	0.18%
Current Revenues							
Excise Tax	16,587,938	18,144,768	18,275,740	18,113,406	18,113,406	18,113,406	(0.89%)
Construction Excise Tax	2,669,188	3,338,479	2,549,000	3,991,000	3,991,000	3,991,000	56.57%
Real Property Taxes	61,790,542	55,397,507	59,060,934	63,393,852	63,393,852	63,393,852	7.34%
Other Tax Revenues	48,335	46,712	50,000	43,000	43,000	43,000	(14.00%)
Interest Earnings	1,330,127	2,275,115	1,609,235	1,754,043	1,754,043	1,754,043	9.00%
Grants	18,127,885	9,104,452	10,701,806	10,176,230	10,176,230	10,264,821	(4.08%)
Local Government Shared Revenues	19,654,340	22,136,148	19,532,729	25,443,586	25,443,586	30,943,586	58.42%
Contributions from Governments	4,208,511	4,671,016	8,410,017	10,508,378	10,508,378	5,343,378	(36.46%)
Licenses and Permits	393,796	507,560	475,000	629,124	629,124	629,124	32.45%
Charges for Services	133,951,752	148,140,075	146,991,924	155,207,473	155,207,473	155,869,439	6.04%
Contributions from Private Sources	7,832,885	1,589,439	1,858,863	2,247,235	2,247,235	2,550,235	37.19%
Internal Charges for Services	324,899	261,427	203,088	245,535	245,535	245,535	20.90%
Miscellaneous Revenue	1,543,551	2,638,163	1,642,905	935,676	935,676	935,676	(43.05%)
Other Financing Sources	43,819	354,870	-	-	-	-	0.00%
Bond Proceeds	64,735,891	33,479,164	68,000,000	-	62,000,000	62,000,000	(8.82%)
Subtotal Current Revenues	333,243,460	302,084,894	339,361,241	292,688,538	354,688,538	356,077,095	4.93%
Interfund Transfers							
Internal Service Transfers	2,059,900	4,587,185	6,194,046	5,950,756	5,950,756	5,068,713	(18.17%)
Interfund Reimbursements	14,113,695	15,935,080	16,556,552	16,831,562	16,831,562	16,831,562	1.66%
Interfund Loans	1,731,150	1,932,993	2,666,067	860,912	860,912	860,912	(67.71%)
Fund Equity Transfers	20,545,926	27,538,647	27,406,301	18,959,422	18,959,422	19,959,422	(27.17%)
Subtotal Interfund Transfers	38,450,671	49,993,905	52,822,966	42,602,652	42,602,652	42,720,609	(19.12%)
TOTAL RESOURCES	\$616,119,781	\$579,756,172	\$639,265,601	\$567,677,623	\$642,177,623	\$646,326,401	1.10%
REQUIREMENTS							
Current Expenditures							
Personnel Services	83,944,515	90,552,133	98,473,394	103,835,760	103,835,760	104,597,790	6.22%
Materials and Services	113,004,845	119,906,114	211,291,036	140,372,900	216,427,900	219,410,128	3.84%
Capital Outlay	46,502,991	28,764,397	57,979,439	59,018,634	59,018,634	59,687,284	2.95%
Debt Service	106,539,386	34,714,050	35,974,577	44,899,768	44,899,768	44,899,768	24.81%
Subtotal Current Expenditures	349,991,737	273,936,693	403,718,446	348,127,062	424,182,062	428,594,970	6.16%
Interfund Transfers							
Internal Service Transfers	2,059,900	4,587,185	6,194,046	5,950,756	5,950,756	5,068,713	(18.17%)
Interfund Reimbursements	14,113,695	15,935,080	16,556,552	16,831,562	16,831,562	16,831,562	1.66%
Fund Equity Transfers	20,545,926	27,538,647	27,406,301	18,959,422	18,959,422	19,959,422	(27.17%)
Interfund Loans	1,731,150	1,932,993	2,666,067	860,912	860,912	860,912	(67.71%)
Subtotal Interfund Transfers	38,450,671	49,993,905	52,822,966	42,602,652	42,602,652	42,720,609	(19.12%)
Contingency	-	-	86,980,258	92,332,197	92,332,197	91,959,726	5.72%
Unappropriated Fund Balance	227,677,373	255,825,574	95,743,931	84,615,712	83,060,712	83,051,096	(13.26%)
Subtotal Contingency/Ending Balance	227,677,373	255,825,574	182,724,189	176,947,909	175,392,909	175,010,822	(4.22%)
TOTAL REQUIREMENTS	\$616,119,781	\$579,756,172	\$639,265,601	\$567,677,623	\$642,177,623	\$646,326,401	1.10%
FULL-TIME EQUIVALENTS	811.80	844.05	860.66	865.71	865.71	879.31	2.17%
FTE CHANGE FROM FY 2016-17 AMENDED BUDGET							18.65

Exhibit C
Resolution 17-4769
FY 2017-18 Schedule of Appropriations

	Proposed Budget	Approved Budget	Adopted Budget	Change from Approved
GENERAL FUND				
Council	4,764,725	4,764,725	4,870,875	106,150
Office of the Auditor	751,334	751,334	751,334	-
Office of Metro Attorney	2,602,771	2,602,771	2,602,771	-
Information Services	5,248,217	5,248,217	5,338,674	90,457
Communications	1,850,922	1,850,922	1,933,422	82,500
Finance and Regulatory Services	5,382,456	5,382,456	5,382,456	-
Human Resources	3,016,714	3,016,714	3,016,714	-
Property and Environmental Services	2,538,868	2,538,868	2,548,484	9,616
Parks and Nature	11,565,656	11,565,656	11,724,456	158,800
Planning and Development Department	15,717,033	15,717,033	16,599,483	882,450
Research Center	4,245,501	4,245,501	4,523,501	278,000
Special Appropriations	3,935,284	3,935,284	4,329,429	394,145
Non-Departmental				-
Debt Service	2,011,850	2,011,850	2,011,850	-
Interfund Transfers	17,315,624	17,315,624	17,315,624	-
Contingency	2,405,198	2,405,198	2,375,198	(30,000)
<i>Total Appropriations</i>	83,352,153	83,352,153	85,324,271	1,972,118
Unappropriated Balance	28,652,605	28,652,605	28,642,989	(9,616)
Total Fund Requirements	\$112,004,758	\$112,004,758	\$113,967,260	\$1,962,502
CEMETERY PERPETUAL CARE FUND				
Non-Departmental				-
Interfund Transfers	50,000	50,000	50,000	-
<i>Total Appropriations</i>	50,000	50,000	50,000	-
Unappropriated Balance	610,638	610,638	610,638	-
Total Fund Requirements	\$660,638	\$660,638	\$660,638	\$0
COMMUNITY ENHANCEMENT FUND				
Property and Environmental Services	1,308,706	1,308,706	1,308,706	-
Non-Departmental				-
Interfund Transfers	872,388	872,388	872,388	-
Contingency	94,000	94,000	94,000	-
<i>Total Appropriations</i>	2,275,094	2,275,094	2,275,094	-
Total Fund Requirements	\$2,275,094	\$2,275,094	\$2,275,094	\$0
GENERAL ASSET MANAGEMENT FUND				
Asset Management Program	10,198,239	10,198,239	10,171,239	(27,000)
Non-Departmental				-
Interfund Transfers	222,500	222,500	222,500	-
Contingency	6,007,105	6,007,105	6,007,105	-
<i>Total Appropriations</i>	16,427,844	16,427,844	16,400,844	(27,000)
Total Fund Requirements	\$16,427,844	\$16,427,844	\$16,400,844	(\$27,000)
GENERAL OBLIGATION DEBT SERVICE FUND				
Non-Departmental				-
Debt Service	34,969,775	34,969,775	34,969,775	-
<i>Total Appropriations</i>	34,969,775	34,969,775	34,969,775	-
Total Fund Requirements	\$34,969,775	\$34,969,775	\$34,969,775	\$0
GENERAL REVENUE BOND FUND				
Bond Accounts	-	76,055,000	76,055,000	-
Bond Account				-
Debt Service	7,918,143	7,918,143	7,918,143	-
<i>Total Appropriations</i>	7,918,143	83,973,143	83,973,143	-
Unappropriated Balance	5,564,658	4,009,658	4,009,658	-
Total Fund Requirements	\$13,482,801	\$87,982,801	\$87,982,801	\$0

FY 2017-18 Schedule of Appropriations

	Proposed Budget	Approved Budget	Adopted Budget	Change from Approved
MERC FUND				
MERC	72,872,261	72,872,261	73,395,537	523,276
Non-Departmental				
Interfund Transfers	5,824,912	5,824,912	5,830,412	5,500
Contingency	54,989,301	54,989,301	55,122,491	133,190
<i>Total Appropriations</i>	133,686,474	133,686,474	134,348,440	661,966
Total Fund Requirements	\$133,686,474	\$133,686,474	\$134,348,440	\$661,966
NATURAL AREAS FUND				
Parks and Nature	16,615,947	16,615,947	16,766,257	150,310
Non-Departmental				
Interfund Transfers	2,980,462	2,980,462	2,980,462	-
Contingency	4,000,000	4,000,000	4,000,000	-
<i>Total Appropriations</i>	23,596,409	23,596,409	23,746,719	150,310
Unappropriated Balance	1,670,121	1,670,121	1,670,121	-
Total Fund Requirements	\$25,266,530	\$25,266,530	\$25,416,840	\$150,310
OPEN SPACES FUND				
Parks and Nature	339,828	339,828	339,828	-
<i>Total Appropriations</i>	339,828	339,828	339,828	-
Total Fund Requirements	\$339,828	\$339,828	\$339,828	\$0
OREGON ZOO ASSET MANAGEMENT FUND				
Visitor Venues - Oregon Zoo	5,112,100	5,112,100	5,415,100	303,000
Non-Departmental				
Contingency	137,400	137,400	137,400	-
<i>Total Appropriations</i>	5,249,500	5,249,500	5,552,500	303,000
Total Fund Requirements	\$5,249,500	\$5,249,500	\$5,552,500	\$303,000
OREGON ZOO INFRASTRUCTURE/ANIMAL WELFARE FUND				
Visitor Venues - Oregon Zoo	12,678,074	12,678,074	12,678,074	-
Non-Departmental				
Interfund Transfers	515,894	515,894	515,894	-
Contingency	3,265,000	3,265,000	3,265,000	-
<i>Total Appropriations</i>	16,458,968	16,458,968	16,458,968	-
Unappropriated Balance	17,028,010	17,028,010	17,028,010	-
Total Fund Requirements	\$33,486,978	\$33,486,978	\$33,486,978	\$0
OREGON ZOO OPERATING FUND				
Visitor Venues - Oregon Zoo	36,298,976	36,298,976	36,453,401	154,425
Non-Departmental				
Interfund Transfers	4,431,724	4,431,724	4,431,724	-
Contingency	1,397,479	1,397,479	1,243,054	(154,425)
<i>Total Appropriations</i>	42,128,179	42,128,179	42,128,179	-
Total Fund Requirements	\$42,128,179	\$42,128,179	\$42,128,179	\$0
PARKS AND NATURAL AREAS LOCAL OPTION LEVY FUND				
Parks and Nature	11,746,636	11,746,636	12,450,136	703,500
Special Appropriations	2,240,711	2,240,711	2,240,711	-
Non-Departmental				
Interfund Transfers	4,308,772	4,308,772	4,308,772	-
Contingency	2,475,823	2,475,823	2,300,823	(175,000)
<i>Total Appropriations</i>	20,771,942	20,771,942	21,300,442	528,500
Total Fund Requirements	\$20,771,942	\$20,771,942	\$21,300,442	\$528,500
RISK MANAGEMENT				
Finance and Regulatory Services	3,717,405	3,717,405	3,717,405	-
Non-Departmental				
Interfund Transfers	10,000	10,000	10,000	-
Contingency	279,326	279,326	279,326	-
<i>Total Appropriations</i>	4,006,731	4,006,731	4,006,731	-
Unappropriated Balance	45,517	45,517	45,517	-
Total Fund Requirements	\$4,052,248	\$4,052,248	\$4,052,248	\$0

FY 2017-18 Schedule of Appropriations

	Proposed Budget	Approved Budget	Adopted Budget	Change from Approved
SMITH AND BYBEE WETLANDS FUND				
Parks and Nature	430,000	430,000	430,000	-
Non-Departmental				
Interfund Transfers	72,510	72,510	72,510	-
Contingency	1,000,000	1,000,000	1,000,000	-
<i>Total Appropriations</i>	1,502,510	1,502,510	1,502,510	-
Unappropriated Balance	1,177,440	1,177,440	1,177,440	-
Total Fund Requirements	\$2,679,950	\$2,679,950	\$2,679,950	\$0
SOLID WASTE FUND				
Property and Environmental Services	67,945,847	67,945,847	68,549,126	603,279
Finance and Regulatory Services	103,083	103,083	103,083	-
Non-Departmental				
Interfund Transfers	5,997,866	5,997,866	6,110,323	112,457
Contingency	16,281,565	16,281,565	16,135,329	(146,236)
<i>Total Appropriations</i>	90,328,361	90,328,361	90,897,861	569,500
Unappropriated Balance	29,866,723	29,866,723	29,866,723	-
Total Fund Requirements	\$120,195,084	\$120,195,084	\$120,764,584	\$569,500
Total Appropriations	483,061,911	559,116,911	563,275,305	4,158,394
Total Unappropriated Balance	84,615,712	83,060,712	83,051,096	(9,616)
TOTAL BUDGET	\$567,677,623	\$642,177,623	\$646,326,401	\$4,148,778