

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 19-4967 FOR THE PURPOSE OF AMENDING THE FY 2018-19 BUDGET AND APPROPRIATIONS SCHEDULE AND THE FY 2018-19 THROUGH FY 2022-23 CAPITAL IMPROVEMENT PLAN FOR CHANGES IN OPERATIONS

Date: 3.7.2019

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Department: Finance and Regulatory Services

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Meeting date: 3.21.19

Length: 15 minutes

ISSUE STATEMENT

This resolution will authorize increases in appropriations and positions in the FY 2018-19 Budget and approve changes to the FY 2018-19 through FY 2022-23 Capital Improvement Plan.

ACTION REQUESTED

Council adoption of Resolution 19-4967.

IDENTIFIED POLICY OUTCOMES

Council approval will authorize the additional appropriations and positions requested by departments for FY 2018-19 and approve requested changes to the FY 2018-19 through FY 2022-23 Capital Improvement Plan.

POLICY QUESTION

Council should consider whether the increases of appropriations and positions have been justified, that adequate funds exist for other identified needs and that proposed changes to the Capital Improvement Plan appear appropriate.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Adoption of the Resolution will provide sufficient appropriations and positions to accommodate the changes in operations outlined by the departments. Adoption will also allow for changes to capital projects, again due to operational factors.

Disapproval of the Resolution will require departments to reevaluate their proposed changes to operational and capital plans due to the denied requests for additional resources and changes in capital projects.

STAFF RECOMMENDATIONS

The Chief Operating Officer recommends adoption of Resolution 19-4967

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Known Opposition: None known.

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(2) allows an increase in appropriations due to specific purpose grants or gifts 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.

Anticipated Effects: This action provides for changes in operations as described above, recognizes new grants, provides additional appropriations authority and adds 3.50 FTE.

Budget Impacts: This action has the following impacts on the FY 2018-19 budget:

- Adds 1.00 limited duration FTE, recognizes \$26,800 in grant revenues and \$26,800 in additional appropriations in the Oregon Zoo Operating Fund
- Adds .50 FTE in Information Services
- Adds 2.00 FTE in the Solid Waste Fund and transfers \$47,438 from the Solid Waste Fund contingency
- Provides \$40,000 to Human Resources through a transfer from the General Fund contingency
- Amends the FY 2018-19 through FY 2022-23 Capital Improvement Plan for projects at the various Property and Environmental Services sites, Parks and Natural Area sites, the Portland5's Center for the Performing Arts and EXPO.

BACKGROUND

The following amendments have been proposed for Council review and action:

Animal Keeper for the Oregon Zoo Living Collections

The Oregon Zoo is requesting the addition of a limited duration 1.00 FTE Animal Keeper in the Living Collections Department. The position will specialize in the care and the propagation of California condors. The keeper in this position will be responsible for day-to-day husbandry activities and additional essential job duties that support the goal of increasing the propagation capacity of condors at the Jonsson Center for Wildlife Conservation. The new position will expand the Oregon Zoo's capacity and capability to double clutch, puppet rear, and accept eggs from other institutions for incubation by foster parents.

Federal grant funding in the amount of \$150,000 from the United States Fish & Wildlife is anticipated in support of this position. Annualized costs for the 1.00 FTE are estimated at \$80,000; costs for the remainder of this fiscal year are approximately \$26,800.

This action requests the addition of a limited duration 1.00 FTE, recognition of \$26,800 in grant revenues and equal amount of additional appropriations authority in the Oregon Zoo Operating Fund.

Records and Information Analyst for Information Services

Information Services is requesting an additional .50 FTE to increase an existing position to a full 1.00 FTE. The increased staff level will help provide better coverage on public record request support and records management. Projects that will be more fully addressed include R&R inventory, SharePoint records and portfolio management records.

Annualized costs for the increase are estimated at \$46,000; costs for the remainder of this fiscal year are \$11,431 and will be absorbed by the department.

This action requests the addition of .50 FTE.

Principal Solid Waste Planner for the SWICC team and Construction Manager for the Solid Waste Engineering team

Property and Environmental Services is requesting the following positions:

- 1.00 FTE Principal Solid Waste for the SWICC team. The position will implement a regional business continuity plan for all Metro's solid waste operations including two transfer stations, two household hazardous waste collection facilities, a paint recycling operation, and the St. John's Landfill. This position will develop operating procedures and plans for Metro in the event of a catastrophic event that includes working with local governments to implement and coordinate Metro's role during various disasters and disruptions. This position will also work with privately owned solid waste facilities to clarify roles and expectations to the regional solid waste system.
- 1.00 FTE Construction Project Manager I for the Engineering team. The position will manage technical projects at the solid waste facilities related to environmental systems such as storm water, wastewater and air pollution controls. The solid waste engineers who managed solid waste construction projects prior to the implementation of the CPMO also provided technical support to operations staff. This technical support continues to be provided, augmenting the support of the CPMO office. The volume of construction projects have increased and there is not enough staff to provide this technical support without impairing Metro's ability to complete projects in a timely fashion. Much of this technical work involves preparing required reports for regulatory agencies and must take priority.

Annualized costs for the two positions are estimated at \$265,000; costs for the remainder of this fiscal year are \$47,438.

This action requests the addition of 2.00 FTE and a \$47,438 transfer from the Solid Waste Fund contingency.

Pay Equity and Employee Engagement Surveys- Contracted Professional Services

Human Resources is requesting \$40,000 for the following two contracted professional service costs:

- Pay Equity study: The request for proposal process for this critical project resulted in the selection of a consultant with an engagement price that exceeded the estimated cost by \$25,000.
- Employee Engagement and Diversity/Cultural Compass surveys: Two surveys, normally performed in alternating years were both conducted during the current year to provide better coordination of the survey results. Although circumstances may warrant another

survey next year, both DEI and Human Resources are not anticipating the need to conduct either survey again until fiscal 2020-21.

This action requests a \$40,000 transfer from the General Fund contingency.

Solid Waste Capital Improvement Plan Changes Due to Increased Tonnage Costs

Property and Environmental Services is receiving far higher tonnage at the two transfer stations than anticipated when the current year budget was developed. Year to date, 42,600 more tons than anticipated have been processed at both facilities. This tonnage increase is creating a budget shortfall for tonnage related expenses including disposal fees, fuel, waste transport, organic processing fees and transfer station operation costs. To compensate for the additional costs, the department will postpone approximately \$5.5 million of capital improvement projects currently scheduled to occur in this fiscal year. The department will continue to monitor the tonnage activity for additional increases in tonnage costs for the fiscal year.

The following Capital Improvement Projects will be revised as outlined below:

- Land #SWTBD08: \$3.0 million for land acquisition(s) will be postponed to FY 19-20. The majority of the project appropriations will be used to offset the tonnage costs outlined above with the remainder be reallocated to additional fleet purchases in the current year.
- Metro South Compactor 1 #SMS001: \$2.6 million was carried forward from the prior year even though the installation was complete. The project's appropriations can be used to offset the tonnage costs outlined.
- MSS Transfer Scale Replacement #SWTBD20: The scale still needs assessment and inspection before replacement can occur. The \$500,000 project will be postponed into FY 19-20 and the appropriations will be reallocated to additional fleet purchases in the current year.
- Crusher Can/Aerosol Crusher #77126: The project will be completed in the current year with total costs approximately 50% of budget. The \$100,000 of savings will be reallocated to additional fleet purchases in the current year.
- Solid Waste Fleet #70001S: Two pieces of equipment for Metro Central Station will be added; a Sweeper for \$277,000 and a Loader for \$370,000. One piece of equipment for Metro South Station will be added; an F150 Truck for \$30,000.

This action amends the FY 2018-19 through 2022-23 Capital Improvement Plan. Attachment 1 outlines the Capital Projects changes requested.

Metro Regional Center Capital Improvement Plan Changes

The following Capital Improvement Projects require revision as outlined below:

- HVAC/BAS Replacement #MRC001: A portion of this project has been delayed until FY 19-20. \$750,000 appropriated for the current fiscal year will be reallocated to the projects listed below.
- MRC Roof Replacement Phase 2 #01320A: The project has experienced many unexpected complications that have resulted in approximately \$400,000 in overages. The current year budget will be increased by that amount.

- MRC South Elevator #MRC006: Due to a breakdown in the fall of 2018, this project was accelerated into the current fiscal year resulting in approximately \$250,000 in project costs.
- MRC Furniture Reconfiguration #MRC005: Council and cPMO office space reconfigurations have become a high priority resulting in \$100,000 of project costs occurring in the current year.

This action amends the FY 2018-19 through 2022-23 Capital Improvement Plan. Attachment 2 outlines the Capital Projects changes requested.

Parks and Nature Capital Improvement Plan Changes

The following Capital Improvement Projects require revision as outlined below:

- McCarthy Creek Road Repair #LR902: This project addresses structural needs for access to the McCarthy Creek natural areas. The project has been identified as a planning effort in the current fiscal year with construction planned for the summer of FY19-20. This amendment provides \$59,850 of funding for the current year and also identifies planned future project costs.
- Cazadero North Deep Creek Stream Restoration #46015: Metro is working with the Clackamas Partnership on this restoration project and the partnership has secured Oregon Watershed Enhancement Board grant funds to support and fully fund the restoration effort. The project is scheduled to incur an estimated \$20,000 in design, engineering and permitting costs in the current fiscal year with additional costs anticipated for FY19-20.

This action amends the FY 2018-19 through 2022-23 Capital Improvement Plan. Attachment 3 outlines the Capital Projects changes requested.

Expo Capital Improvement Plan Changes

The following Capital Improvement Projects require revision as outlined below:

- Hall C Roof Recoat #8R227: This project has been deferred due to the results of a third party assessment which determined that a recoat would not be required for 3-5 years. \$150,000 of the project's current year budget will be moved to the Hall E Flat Roof project.
- New Storage Building #8N079: This project will also be deferred since Expo has determined a Campus Master Plan should be conducted prior to major building changes. \$25,000 of the project's current year budget will be moved to the Hall E Flat Roof project.
- Hall E Flat Roof #8R234: Roofing products left over from other Expo renovations have been identified that can be utilized for Hall E, specifically on the flat roof section which was not included in the large barrel roof restoration. The product, when expertly applied, comes with a warranty for the applied roof system. This approach also continues our sustainability efforts through restoration rather than replacement and requires shifting \$150,000 of current year resources to the project in the current year.

This action amends the FY 2018-19 through 2022-23 Capital Improvement Plan. Attachment 4 outlines the Capital Projects changes requested.

Portland's 5 Centers for the Arts Capital Improvement Plan Changes

The following Capital Improvement Projects require revision as outlined below:

- Keller Electrical Infrastructure Update #8R155: This project will result in the updating of nearly every electrical panel in the Keller auditorium including main service panels, distribution boards and disconnect switches. The project has incurred cost over-runs of approximately \$210,000, largely related to unforeseen conditions. As panels were removed, code compliance issues were discovered that need to be addressed, as well as unique components that required custom equipment.
- AHH Roof Replacement #8R179: This project will begin in the current fiscal year but \$210,000 of costs will be delayed until FY 19-20.

This action amends the FY 2018-19 through 2022-23 Capital Improvement Plan. Attachment 5 outlines the Capital Projects changes requested.

ATTACHMENTS

- Resolution 19-4967
- Exhibit A – Schedule of Appropriations
- Exhibit B – Schedule of FTE
- Attachments 1-5 Capital Project Details