

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 23-5311 FOR THE PURPOSE OF AMENDING THE FY 2022-23 BUDGET AND APPROPRIATIONS SCHEDULE AND FY 2022-23 THROUGH FY 2026-27 CAPITAL IMPROVEMENT PLAN TO PROVIDE FOR CHANGES IN OPERATIONS

Date: March 7, 2023

Prepared by:
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Department: Finance and Regulatory Services

Presented by:
Cinnamon Williams, Financial Planning Director
Patrick Dennis, Budget Coordinator

Meeting date: March 16, 2023

Length: 15 minutes

ISSUE STATEMENT

Resolution 23-5311 will authorize changes in appropriations and FTE for FY 2022-23 and approve changes to the FY 2022-23 through FY 2026-27 Capital Improvement Plan.

ACTION REQUESTED

Council adoption of Resolution 23-5311.

IDENTIFIED POLICY OUTCOMES

Council approval will authorize changes in appropriations and FTE requested by departments for FY 2022-23 and approve requested changes to the FY 2022-23 through FY 2026-27 Capital Improvement Plan.

POLICY QUESTION

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

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Adoption of Resolution 23-5311 will provide sufficient appropriations and FTE to accommodate the changes in operations outlined by departments. Adoption will allow for changes to capital projects due to operational factors.

Disapproval of the Resolution will require departments to reevaluate their proposed changes to operational and capital plans.

STAFF RECOMMENDATIONS

The Chief Operating Officer and Chief Financial Officer recommend adoption of Resolution 23-5311.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Relationship to Metro's Strategic Plan, racial equity, and climate action goals

By funding staff support and additional materials and services expenditures for operations, the Agency will more efficiently be able to focus on programming related to our guiding principles of racial justice, climate justice and resiliency, and shared prosperity.

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. ORS 294.338(3) allows an increase in appropriations when a request for services, the cost of which is supplied by another entity, necessitates a greater expenditure of public money for any specific purpose in order to provide the services when authorized by an official resolution or ordinance of the governing body stating the need for the recognition. ORS 294.463 (4) provides that public testimony be allowed if any funds are changing by more than 10 percent of a fund's expenditures. 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. ORS 294.471 allows for pressing and necessary changes, by supplemental budget, that could not be reasonably foreseen during budget development.

Anticipated Effects: This action provides for changes in operations and capital improvement plans as described below and adds FTE.

Budget Impacts: This action has a \$190,002 net increase in expenditure appropriations and adds 6.0 new FTE. The new total appropriation will be \$1,633,059,324 with 1,102.10 FTE. This action has the following impacts on the FY 2022-23 budget and FY 2022-23 through FY 2026-27 Capital Improvement Plan (CIP):

- **General Fund: \$2 net increase to total fund appropriations:**
 - Increase Planning, Development, and Research (PD&R) appropriation by \$2 to account for a budget rounding error from the November 2022 Amendment – this \$2 increase balances the PD&R sub-fund in the General Fund.
 - Transfer \$1,039,460 from General Fund contingency to cover cost of living adjustments (COLAs) for the following departments (final COLA increase percentages were still to be decided during budget preparation, due to macro-economic factors and labor negotiation timing):
 - Capital Asset Management: \$88,725
 - Communications: \$127,170
 - Council/COO/DCOO: \$197,275
 - Diversity, Equity, and Inclusion: \$42,515
 - Finance and Regulatory Services: \$225,415

- Human Resources: \$113,040
 - Information Technology and Records Management: \$142,715
 - Office of Metro Attorney: \$102,605
- **Affordable Housing Fund: Net zero impact on the total fund appropriations.**
 - Transfer \$3,539 from the Affordable Housing Fund contingency to pay for 0.15 FTE addition – Program Supervisor I to provide organizational and project management support – remaining 0.85 FTE is in the Supportive Housing Services Fund, see below.
- **MERC Fund: Net zero impact on the total fund appropriations.**
 - Transfer \$1,368,000 from MERC Fund contingency to fund capital projects, for CIP details see Attachments 2 and 3.
- **Natural Areas Fund: Net zero impact on the total fund appropriations.**
 - Changes to capital projects, for CIP details see Attachment 4.
- **Oregon Zoo Asset Management Fund: \$190,000 increase to fund appropriations.**
 - Increase Oregon Zoo Asset Management Fund appropriations by \$190,000 to account for additional Oregon Zoo Foundation support for Black Bear Improvements. Additionally, re-allocating \$600,000 from general Exhibits projects to Black Bear Improvement project, for CIP details see Attachment 6.
- **Parks and Nature Bond Fund: Net zero impact on the total fund appropriations.**
 - Changes to capital projects, for CIP details see Attachment 4.
- **Parks and Nature Operating Fund: Net zero impact on the total fund appropriations.**
 - Use savings from budgeted Capital Outlay to fund 1.0 FTE, \$35,818, for a Program Analyst to support strategic planning, and data analysis and research.
- **Risk Management Fund: Net zero impact on the total fund appropriations.**
 - Transfer \$10,000 from contingency for unbudgeted COLA costs, due to macro-economic factors and labor negotiation timing.
- **Supportive Housing Services Fund: Net zero impact on the total fund appropriations.**
 - Transfer \$116,564 from contingency for 4.85 FTE to support administrative and technical functions:
 - 1.0 FTE for an Administrative Specialist III to support the SHS Oversight Committee logistics, scheduling, and responding to email inquiries from the public.
 - 2.0 FTE for two Program Coordinator IIs to convene trainings, conferences, and forums to share best practices; convene job fairs and provide technical assistance to service providers.
 - 0.85 FTE for a Program Supervisor I to provide organizational and project management support – remaining 0.15 FTE is in the Affordable Housing Fund, see above.
 - 1.0 FTE for a Program Manager to support administrative oversight of Metro tax programs, primarily focused on Supportive Housing Services taxes - this position will be managed by FRS but paid for by SHS in FY 2022-23.

Below is a list of all the proposed changes from Resolution 23-5133:

Appropriation Changes:

- **Total Appropriations** increase: \$190,002
 - **General Fund** increase by \$2
 - **Oregon Zoo Asset Management Fund** increase by \$190,000

Personnel Additions:

The following proposed budget amendment requests an *additional 6.0 FTE*:

- **Finance and Regulatory Services:**
 - 1.0 FTE – Program Manager (paid for by SHS in FY 2022-23)
 - Working Title: Tax Compliance Program Manager
- **Parks & Nature:**
 - 1.0 FTE – Program Analyst
- **Affordable Housing Fund:**
 - 0.15 FTE – Program Supervisor I (remaining 0.85 FTE in Supportive Housing Services Fund)
 - Working Title: Housing Admin Supervisor
- **Supportive Housing Services Fund:**
 - 1.0 FTE – Administrative Specialist III
 - Working Title: SHS Admin Specialist
 - 1.0 FTE – Program Coordinator II (1 of 2)
 - Working Title: Event & Technical Assistant Coordinator
 - 1.0 FTE - Program Coordinator II (2 of 2)
 - Working Title: Event & Technical Assistant Coordinator
 - 0.85 FTE – Program Supervisor I (remaining 0.15 FTE in Affordable Housing Fund)
 - Working Title: Housing Admin Supervisor

Personnel Changes:

The following position will also be affected by the proposed budget amendment:

- **Human Resources**
 - Program Analyst (Position 1631)
 - Reclass from Limited Duration to Regular Status
 - No additional expense in FY 2022-23 for this action

Capital Improvement Plan (CIP):

The following proposed changes to the Capital Improvement Plan (CIP) are:

- **Capital Asset Management** \$0 change, project funding reallocations (Attachment 1)
- **Oregon Convention Center** increase of \$1,443,000 (Attachment 2)
- **Portland’5** increase of \$545,000 (Attachment 3)
- **Parks and Nature** decrease of \$5,800,000 (Attachment 4)

- **Waste Prevention and Environmental Services** \$0 change, project funding reallocations (Attachment 5)
- **Oregon Zoo** increase of \$1,070,000 (Attachment 6)

ATTACHMENTS

- Resolution 23-5311
- Exhibit A – Schedule of Appropriations
- Exhibit B – Schedule of FTE
- Attachments 1-6 - Capital Improvement Plan changes