

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 23-5330 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: May 31, 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: June 15, 2023

Length: 15 minutes

ISSUE STATEMENT

Resolution 23-5330 will authorize changes in appropriations 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 23-5330.

IDENTIFIED POLICY OUTCOMES

Council approval will authorize changes in appropriations 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 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 23-5330 will provide sufficient appropriations 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 operations and capital plans.

STAFF RECOMMENDATIONS

The Chief Operating Officer and Chief Financial Officer recommend adoption of Resolution 23-5330.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

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

By funding 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.

Budget Impacts: This action has a net increase of \$1,600,000 in expenditure appropriations. The new total appropriation will be \$1,634,659,324 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: Increase of \$400,000 to the total fund appropriations.**
 - Increase Parks and Nature appropriations in the General Fund to account for better-than-expected revenue and associated requirements at Glendoveer Golf Course.
- **General Obligation Debt Service Fund: Increase of \$100,000 to the total fund appropriations.**
 - Increase appropriations related to the various expenses from the General Obligations Refunding Bonds issuance.
- **MERC Fund: Net zero impact to the total fund appropriations.**
 - Transfer \$400,000 from MERC Fund contingency to fund the Arlene Schnitzer Concert Hall cooling tower replacement project, for CIP details see Attachment 1.

- **Oregon Zoo Asset Management Fund: Increase of \$1,100,000 to the total fund appropriations.**
 - Transfer \$1,100,000 from Oregon Zoo Operating Fund to the Oregon Zoo Asset Management Fund to fund the increased costs related to the boardwalk project, for CIP details see [Attachment 2](#).
- **Oregon Zoo Operating Fund: Net zero impact on the total fund appropriations.**
 - Transfer \$1,100,000 from Oregon Zoo Operating Fund contingency to the Oregon Zoo Asset Management Fund, see above for details.
- **Smith and Bybee Wetlands Fund: Net zero impact on the total fund appropriations.**
 - Transfer \$17,500 from contingency for increased contracted services costs.
- **Solid Waste Fund: Net zero impact on the total fund appropriations.**
 - Adjust two project funding schedules in the CIP due to a coding error in the March 2023 Amendment. Council approved a change to the capital project SMS029 in the CIP, but the capital project needing a change in the CIP was SMC029, for CIP details see [Attachment 3](#).

Below is a list of all the proposed changes from Resolution 23-5330:

Appropriation Changes:

- **Total Appropriations** increase: \$1,600,000
 - **General Fund** increase by \$400,000
 - **General Obligation Debt Service Fund** increase by \$100,000
 - **Oregon Zoo Asset Management Fund** increase by \$1,100,000

Capital Improvement Plan (CIP):

The following proposed changes to the Capital Improvement Plan (CIP) for FY 2022-23 are:

- **Portland’5** increase of \$400,000 for the Arlene Schnitzer Concert Hall cooling tower replacement (Attachment 1)
- **Oregon Zoo** increase of \$1,100,000 for the boardwalk resurface project (Attachment 2)
- **Waste Prevention and Environmental Services** net zero change, realigning CIP due to a coding error in the March 2023 amendment (Attachment 3)

ATTACHMENTS

- Resolution 23-5330
- Exhibit A – Schedule of Appropriations
- Attachments 1-3 - Capital Improvement Plan changes