

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 23-5353 FOR THE PURPOSE OF AMENDING THE FY 2023-24 BUDGET AND APPROPRIATIONS SCHEDULE AND FY 2023-24 THROUGH FY 2027- 28 CAPITAL IMPROVEMENT PLAN TO PROVIDE FOR CHANGES IN OPERATIONS

Date: November 17, 2023

Prepared by:
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Department: Finance and Regulatory Services

Presented by:
Cinnamon Williams, Financial Planning Director

Meeting date: November 30, 2023

Length: 20 minutes

ISSUE STATEMENT

Resolution 23-5353 will authorize changes in appropriations for FY 2023-24 and approve changes to the FY 2023-24 through FY 2027-28 Capital Improvement Plan.

ACTION REQUESTED

Council adoption of Resolution 23-5353.

IDENTIFIED POLICY OUTCOMES

Council approval will authorize changes in appropriations requested by departments for FY 2023-24 and approve requested changes to the FY 2023-24 through FY 2027-28 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 23-5353 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 Resolution 23-5353 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 23-5353.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

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

By funding additional 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 \$5,529,998 in expenditure appropriations. The new total appropriations will be \$1,805,699,044 with 1,151.95 FTE. This action has the following impacts on the FY 2023-24 budget and FY 2023-24 through FY 2027-28 Capital Improvement Plan (CIP). Details of each change can be found in Attachment 6 – Summary of November 2023 Budget Amendments.

- **General Fund: Increase of \$5,268,343 to the total fund appropriations.**
 - Planning, Development and Research increase of \$5,069,379
 - Office of the Auditor increase of \$50,000
 - Office of Metro Attorney increase of \$90,000
 - Information Technology and Records Management increase of \$149,276
 - Communications decrease of \$149,276
 - Finance and Regulatory Services increase of \$83,542
 - Capital Asset Management increase of \$185,685
 - Special Appropriations increase of \$50,000
 - Contingency decrease of \$260,263

- **Parks and Nature Operating Fund: Increase of \$261,655 to the total fund appropriations.**
 - Increase Contracted Professional Services budget in Materials and Services by \$150,000 for additional work related to Levy Revisioning paid for by Parks and Nature Operating Fund Contingency
 - Add a net \$111,655 to Contingency, from \$261,655 transfer from Capital Asset Management, and the decrease of \$150,000 from the above M&S increase
- **Changes in the General Asset Management Fund, MERC Fund and Parks and Nature Bond Fund do not increase each respective fund's appropriations**

Below is a summary of all the proposed changes from Resolution 23-5353 that impact appropriations or CIP:

Appropriation Changes:

- **Total Appropriations** increase: \$5,529,998
 - **General Fund** increase by \$5,268,343
 - **Parks and Nature Operating Fund** increase by \$261,655

FTE Changes:

- **Total FTE** requested: 3.0 FTE
 - Finance and Regulatory Services: 1.0 FTE
 - Planning, Development and Research: 1.0 FTE
 - Portland's Centers for the Arts: 1.0 FTE

Capital Improvement Plan (CIP):

The following proposed changes to the Capital Improvement Plan (CIP) for FY 2023-24 are:

- **Capital Asset Management** increase of \$420,308 – Attachment 1
- **Information Technology and Records Management** increase of \$63,554 – Attachment 2
- **Parks and Nature** decrease of \$1,791,628 – Attachment 3
- **Portland's Centers for the Arts** increase of \$3,700,000 – Attachment 4
- **Waste Prevention and Environmental Services** no financial change – Attachment 5

For details about CIP changes, see Attachments 1-5.

ATTACHMENTS

- Resolution 23-5353
- Exhibit A – Schedule of Appropriations
- Exhibit B – Schedule of FTE
- Attachments 1-5 - Capital Improvement Plan changes
- Attachment 6 – Summary of November 2023 Amendments