



METRO FY 2024-25 BUDGET

Summary of Proposed Budget Amendments for
the FY 2024-25 Budget

Discussion of Budget Amendments
and Budget Notes: June 4, 2024

Vote to Incorporate Budget Amendments: June 6, 2024

Vote to Adopt Budget: June 13, 2024

Prepared by Joshua Burns, Interim Budget Coordinator

Reading This Report

The **Report Summary** section provides a high-level overview of the report.

The **General Fund Summary** highlights changes to General Fund and other notable fund changes.

The **Budget Amendments and Capital Improvement Plan Changes** displays all of the proposed amendments and changes to the Capital Improvement Plan (CIP), a brief description of each amendment or change, and the financial impact to the budget.

The **Attachments** are the Capital Improvement Plan (CIP) changes in detail.

Table of Contents

Report Summary	2
General Fund Summary	3
Budget Amendments and Capital Improvement Plan Changes	4-8
Budget Notes	9-10
Attachments	11-12

Report Summary

This report includes 17 proposed budget amendments and changes to the capital improvement plan (CIP), and contains one Councilor budget note.

The different types of budget amendments are:

- Substantive Amendments that may change appropriations in a fund or alter FTE.
- Technical Amendments that include carry forwards for unspent FY 2022-23 funds. Others refine the budget to reflect anticipated activities in FY 2023-24, but do not change appropriations or FTE.

The proposed budget amendments in this report would *increase* appropriations to the:

- **General Fund** by \$1,786,606
- **General Asset Management Fund** by \$90,000
- **MERC Fund** by \$425,000
 - **Total Appropriation** Increase: \$2,301,606

The proposed budget amendments in this report would *reduce* FTE by **2.35**:

- **Finance and Regulatory Services: 2.0 FTE Increase**
 - 0.75 FTE – Transfer of Assistant Management Analyst from Zoo Operating Fund
 - 0.25 FTE – Increase Assistant Management Analyst by 0.25
 - 1.0 FTE – Finance Manager
- **Parks and Nature: 3.6 FTE Reduction**
 - -1.0 FTE – Education Coordinator
 - -0.6 FTE – Education Technician
 - -1.0 FTE – Program Analyst
 - -1.0 FTE – Manager I
- **Oregon Zoo: .75 FTE Reduction**
 - -0.75 FTE – Transfer of Assistant Management Analyst to FRS

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

- **Portland Expo Center** increase of \$300,000 (Attachment 1)
- **Information Technology** increase of \$990,000 (Attachment 2)

General Fund Summary

The following are the proposed amendments that would increase appropriations within the General Fund:

- \$25,000 increase to Capital Asset Management (#625)
- \$265,000 increase to Chief Operating Officer [within Council] (#626)
- \$100,000 increase to Council (#627, #637)
- \$56,000 to Diversity, Equity and Inclusion (#628)
- \$350,570 to Finance and Regulatory Services (#630)
- \$40,000 to Human Resources (#631)
- \$496,116 to Planning, Development and Research (#633)
- -\$5,000 to Special Appropriations (#638, #639)
- -\$375,000 to Interfund Transfers (#629, #638, #643)
- \$833,920 increase to Contingency (#633, #643)

The **Budget Amendments and Capital Improvement Plan Changes** section of this report describes all the proposed amendments in detail.

Notable Changes in Other Funds:

- General Asset Management Fund
 - Carry forward \$690,000 in unspent project funding
 - Carry forward \$200,000 for Safety, Climate and Resilience projects
 - Reduction of \$800,000 for Gender Neutral Restrooms
- MERC Fund
 - Add \$125,000 for Performing Arts Grants
 - Carry forward \$300,000 in unspent project funding
- Parks and Nature Operating Fund
 - Reduction of 3.2 FTE
 - Transfer of 2.0 FTE to Parks and Nature Bond Fund
 - Net FTE Change: -5.2 FTE
- Parks and Nature Bond Fund
 - Reduction of .4 FTE
 - Increase 2.0 FTE from P&N Operating Fund Transfer
 - Net FTE Change: 1.6

Budget Amendments and Capital Improvement Plan Changes

Below is a list, by department, of each proposed budget amendment. Associated CIP changes can be found as attachments.

Central Services

<ul style="list-style-type: none"> • Amendment #625 (Substantive) Capital Asset Management 	<p>Capital Asset Management is requesting the carryover of unspent funds due to timing considerations of work being performed.</p> <p>\$200,000 carryover to beginning fund balance of the General Asset Management fund to be used for Safety, Climate, and Resilience and a corresponding increase in appropriations.</p> <p>\$25,000 for Green House Gas Inventory updates for Metro internal operations that won't be finalized before June 30. This will increase Beginning Fund Balance of the General fund with a corresponding increase in appropriations.</p>
<ul style="list-style-type: none"> • Amendment #627 (Substantive) Council Office 	<p>Council office is requesting the carryover of \$50,000 to hire a consultant to support further development of the Climate Justice and Resilience Task Force, strategic planning framework, to include providing recommendations on a structure/format of an agency wide strategic plan and recommendations for internal/external coordination and implementation.</p> <p>Project scoping is in progress to hire a consultant to map out next steps and funding needs to be carried over to from FY23-24 to FY24-25.</p>
<ul style="list-style-type: none"> • Amendment #628 (Substantive) DEI 	<p>Diversity, Equity, and Inclusion (DEI) Department is requesting the carryover of unspent funds due to timing considerations of work being performed.</p> <ol style="list-style-type: none"> 1) Carryover of \$30,000 for contract 938913. This contractor is preparing a series of reports to conclude in September which will detail Metro's efforts to advance racial equity, diversity and inclusion since 2016. 2) Carryover of \$26,000 for contract 939025 to identify, develop, implement, and sustain a healthcare equity program that off-sets the cost and reduces barriers for COBID-certified construction businesses to apply and compete for Metro contracts.

<ul style="list-style-type: none"> • Amendment #629 (Substantive) GF Transfer to Expo Center 	<p>Expo Center is requesting the carryforward of \$300,000 to FY24-25 for Metro's proportionate share of the larger levy project as a benefited property owner in Multnomah County Drainage District boundary. These funds were already budgeted for in FY23-24 and are being moved to FY24-25 due to timing considerations of project work.</p> <p>The General Fund will transfer funds to Expo based on actual projects costs. Therefore, this request requires and increase in transfers expense out of the General fund and an increase in capital outlay appropriations at Expo Center to pay for Metro Outfalls Decommissioning.</p> <p>Project 8N106 is being added to the 5-year CIP.</p>
<ul style="list-style-type: none"> • Amendment #630 (Substantive) Finance and Regulatory Services 	<p>Finance and Regulatory Services is requesting the transfer of .75 FTE from Zoo to FRS and additionally requests to add .25 FTE to make this a 1.0 FTE. This position will primarily support the financial processing of Zoo Bond transactions and invoices.</p> <p>Additionally, FRS requests a 1.0 Finance Manager. As Metro expands its regional collaboration and programming through recent voter approved measures, financial planning and budgeting division is in need of additional capacity to provide support for department leadership.</p> <p>This amendment increases appropriations to the General Fund by \$350,570.</p>
<ul style="list-style-type: none"> • Amendment #631 (Substantive) Human Resources 	<p>Human Resources is requesting the following carryover of unspent funds to FY24-25 due to timing considerations of work being performed.</p> <p>\$40,000 for Innova which supports HR Pay Equity analysis. These funds are being carried over to finalize the work of comparable tool and assessment, training HR staff to do work of comparable character going forward and consulting as we move through negotiations on the pay equity analysis for represented employees.</p>

<ul style="list-style-type: none"> • Amendment #632 (Substantive) Information Technology 	<p>Information Technology has unspent project funding in FY23-24 due to project timing.</p> <p>This request seeks a carryover of unspent funds to FY24-25 Beginning Fund Balance of \$690,000 to the General Asset Management fund for IT capital projects and corresponding increases in appropriations. Additionally, this request amends the 5-year CIP plan to reflect the updated timing of the following projects:</p> <p>i9012E-UCS Datacenter computer stack \$360,000 i9013E-datacenter backup platform \$180,000 ISTBD18-Zoo UCS upgrade \$150,000</p>
<ul style="list-style-type: none"> • Amendment #633 (Substantive) Planning, Development and Research 	<p>PDR requests an amendment to carryover contract balances related to the Urban Growth Report and aerial photo leaf-off (winter) flight.</p> <p>In addition, PDR requests an amendment to recognize anticipated redistribution funds. These funds are made available as a reward for meeting our MPO funding obligation target schedule. The proposed plan for these funds supports initiatives within the RFFA process to help the region continue to meet obligation targets. Total redistribution funds for the region are approximately \$13.6 million, including \$600k for Metro led projects of which \$400k is included in this amendment. The proposed plan is contingent on approval by JPACT in June and Metro Council in July.</p>

Parks & Nature

<ul style="list-style-type: none"> • Amendment #635 (Substantive) Transfer of Positions from Operating to Bond 	<p>Due to the Operating deficit in the Parks and Nature Operating fund, the COO requested that the department cut approximately \$1,000,000 from the FY 2024-25 budget and to make a plan to address another \$2,500,000 for the FY 2025-26 budget. This work plan will be done during the summer of 2024 and continued through budget development season.</p> <p>As part of that effort, this amendment reallocates net 2.0 FTE from the Parks and Nature Operating Fund to the Parks and Nature Bond fund.</p> <p>This does not increase appropriations to either fund.</p>
<ul style="list-style-type: none"> • Amendment #636 (Substantive) Defund 4 positions and Move M&S to Bond 	<p>Due to the Operating deficit in the Parks and Nature Operating fund, the COO requested that the department cut approximately \$1,000,000 from the FY 2024-25 budget and to make a plan to address another \$2,500,000 for the FY 2025-26 budget. This work plan will be done during the summer of 2024 and continued through budget development season.</p> <p>As part of that effort, this amendment defunds 4 positions with a net FTE of 3.6. It also moves \$150,000 in M&S from the Parks and Nature Operating Fund to the Parks and Nature Bond fund.</p> <p>This does not increase appropriations to either fund.</p>

Councilor Budget Amendments

<p>• Amendment #637 (Substantive) Hwang – Social Innovation</p>	<p>The social innovation program plans to launch a collaborative pilot project in 2024. This project is indented to serve as an experimental platform for joint investment. The goal is to combine resources from various stakeholders into a pilot initiative, which provides testing ground for impact and learning. The requested \$50,000 will serve as a flexible and deployable funds from Metro to complement resources provided by other stakeholders. A pilot project will be selected by the Social Innovation Council, which includes three Metro team members, including Councilor Duncan Hwang.</p> <p>This amendment increases appropriations by \$50,000.</p>
<p>• Amendment #638 (Substantive) Lewis – Performing Arts Grants</p>	<p>This budget amendment directs the Chief Operating Officer to create a one-year grant program for performing arts.</p> <p>This funding proposal is in response to a uniquely challenging arts environment. \$125,000 will be divided equally into two distinct grant programs. One program will support resident companies and presenting arts organizations that call our venues home, particularly in light of significant cost increases coming back from the pandemic closures. No more than \$6,250 to each.</p> <p>The second program will provide grants to partner with local community-based organizations (CBOs) specifically for venue rentals. This allows organizations to collaborate with our Department of Culture and Community to curate events relevant to their communities. These grants are intended to be low- barrier and quick for groups who would like access to perform in P’5 but don’t normally have the funds required for access.</p> <p>One time funding of \$125k to come from RACC (\$25k) and GF Contingency (\$100k)</p>
<p>• Amendment #639 (Substantive) Lewis – Washington Park Train Task Force</p>	<p>Provides direction and funds to support a newly formed Washington Park Train Task Force</p> <p>This amendment directs Council Office leadership to manage and support a Washington Park Train Task Force with the aim to produce a report that:</p> <ul style="list-style-type: none"> • clarifies the cost to bring a whole loop train back to Washington Park; • explores the train as a tourist attraction and related revenue generation; and • makes recommendations regarding future feasibility and funding scenarios, including the potential for electrification. <p>The task force should include residents of Portland and representation from City of Portland, Explore Washington Park, Oregon Zoo Foundation, and Oregon Zoo staff.</p> <p>One time funding of \$20,000 to come from General Fund Ending Fund Balance.</p>

<ul style="list-style-type: none"> • Amendment #640 (Substantive) Simpson – PSU Transportation and Traffic Class 	<p>Metro would take over financial support of the Portland Traffic and Transportation (PTT) class offered at Portland State University (PSU). Previously, this class was supported by the Portland Bureau of Transportation (PBOT), however due to budget constraints, PBOT decided to cut the PTT class. This class has been a great opportunity for the region and has facilitated partnerships with agencies such as Metro and TriMet in the past. There is an opportunity for Metro to take on the leadership of this course if desired. PBOT is open to further conversation and a spectrum of options on how to run this class. PBOT is happy to hand the program off to Metro, but be available for initial knowledge transfer and making connections to speakers, etc. There is a potential hybrid option as well, where Metro remains the funder but could ask for staff support from PBOT to work with a facilitator to set up the course and do outreach. There is room for Metro to decide what model is preferable.</p> <p>Requires a \$45k transfer from GF EFB to Planning.</p>
<ul style="list-style-type: none"> • Amendment #642 (Substantive) Lewis and Gonzalez – WPES/Reuse Organizations 	<p>Council appropriates \$750,000 in one-time, emergency funding to keep existing reuse organizations solvent while WPES works to create a pilot program that will eventually lead to stable funding.</p> <p>Reduce WPES Regional System Fee contingency by \$750,000 to fund reuse organizations by the end of the calendar year.</p> <p>Part of WPES' mission is to enhance opportunities to reduce, reuse and recycle. WPES has many partners from industry to nonprofit organizations who help it do this work. Reuse organizations are in a uniquely challenging funding environment. To continue to have a robust reuse partnership environment, this amendment provides one-time, emergency funding and injects a sense of urgency into finding a long-term strategy.</p> <p>This amendment is in line with the vision, goals and actions found in the 2030 Regional Waste Plan.</p>
<ul style="list-style-type: none"> • Amendment #643 (Substantive) Nolan – Gender Neutral Restrooms 	<p>The Approved Budget contains a project to modify the second floor MRC restrooms to gender neutral restrooms with a total project cost of \$1 million. This amendment reduces the project budget to \$200,000 and directs staff to develop a revised project plan consistent with the adjusted budget amount.</p>

Councilor Budget Notes

Budget Note Summaries:

Budget Note #1 (Councilor Lewis):

Allocate the undesignated general fund resources after required reserves are fully funded to expanded capital reserves, and designate those funds for climate and resilience projects related to Metro Assets with a priority for projects in the CIP that are eligible for Direct Pay incentives.

Sponsored by: Councilor Lewis

The full text of the Budget Note is included on the following pages (10).

**FY 2024-25 Council Proposals
For Budget Note Discussion**

Budget Note Title: Unallocated General Fund Reserve for Capital—
Climate Resilience

Budget Note Narrative: Allocate the undesignated general fund resources after required reserves are fully funded to expanded capital reserves. The current estimate of this amount for FY 2024-25 is approximately \$2 million. This budget note will designate these funds in the general fund contingency for climate justice and resilience projects related to Metro assets. Priority will be given to projects in the Capital Improvement Plan (CIP) that are eligible for Direct Pay incentives.

The Chief Operating Officer will return to Council in November 2024 with a budget amendment to allocate these funds to projects and make the necessary appropriations.

<p style="text-align: center;"><u>Primary Sponsor</u></p> <p style="text-align: center;"><u>Sponsoring Councilors</u></p> <p><input type="checkbox"/> President Peterson</p> <p><input type="checkbox"/> Councilor Simpson</p> <p><input checked="" type="checkbox"/> Councilor Lewis</p> <p><input type="checkbox"/> Councilor Rosenthal</p> <p><input type="checkbox"/> Councilor González</p> <p><input type="checkbox"/> Councilor Nolan</p> <p><input type="checkbox"/> Councilor Hwang</p>
--

Attachment 1

Budget Amendment for FY2024-25

Capital Improvement Plan (CIP) Detail Changes

Visitor Venue - Expo

New? Y/N	Project ID	Project Title	GL Acct	Fund ID	Dept ID	FY 2024-25			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
						CIP	Change Request*	CIP Amended	CIP Amended	CIP Amended	CIP Amended	CIP Amended
N	8N106	Metro Outfalls Decommissioning	579000	556	56999	-	300,000	300,000	-	-	-	-
								-	-	-	-	-

Attachment 2

Budget Amendment for FY2024-25
Capital Improvement Plan (CIP) Detail Changes
Information Technology and Records Management

New? Y/N	Project ID	Project Title	GL Acct	Fund ID	Dept ID	FY 2024-25			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
						CIP	Change Request*	CIP Amended	CIP Amended	CIP Amended	CIP Amended	CIP Amended
N	i9012E	UCS Datacenter computer stack	579000	616	00441	-	360,000	360,000	-	-	-	-
N	i9013E	datacenter backup platform	579000	616	00441	-	180,000	180,000	-	-	-	-
N	ISTBD18	Zoo UCS Upgrade	579000	616	00441	-	150,000	150,000	-	-	-	-
								-	-	-	-	-