

STAFF REPORT

FOR THE PURPOSE OF THE CHIEF OPERATING OFFICER PRESENTING THE PROPOSED FY 2025-26 BUDGET AND THE BUDGET MESSAGE

Date: March 26, 2025

Prepared by:
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Amanda Akers, Budget Manager

Department: Finance and Regulatory Services

Presented by:
Marissa Madrigal, Chief Operating Officer
Brian Kennedy, Chief Financial Officer
Brian Evans, Metro Auditor

Meeting date: April 10, 2025

Length: 30 minutes

ISSUE STATEMENT

Marissa Madrigal, Chief Operating Officer, acting as the Budget Officer, will present the FY 2025-26 Proposed Budget to the Metro Council at the April 10, 2025 Council meeting. This will be a public hearing where the Council, sitting as the Budget Committee, will receive testimony from interested members of the public and agency stakeholders. This is the first of many meetings over the next month where Council will have the opportunity for robust discussion about the proposed budget and provide feedback on the Agency's budget.

ACTION REQUESTED

Council to receive the proposed budget and budget message and to provide feedback on the budget process and budget document, as the Budget Committee. Council will gavel in as the Budget Committee on April 10, 2025, and will gavel out after the vote to approve the budget on May 1, 2025.

IDENTIFIED POLICY OUTCOMES

To progress with a vote on May 1, 2025, for Resolution 25-5482 *approving* the FY 2025-26 budget, setting property tax levies and transmitting the approved budget to the Multnomah County Tax Supervising and Conservation Commission, Council will discuss the proposed budget and provide feedback to departments to ensure that the approved, then adopted, FY 2025-26 Metro budget aligns with Council priorities.

POLICY QUESTION

Does the budget, as proposed, reflect Council priorities, policies and goals?

What information is needed to understand and communicate how departments are reflecting the strategic targets and equity outcomes throughout the budget?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Each of the department and venue budgets have individual items that should achieve outcomes specifically addressed by Council through the strategic targets. Council can support the budget in whole or in part and modify individual items or larger program requests.

STAFF RECOMMENDATIONS

The Chief Operating Officer and Chief Financial Officer recommend that Council receive the budget message and proposed FY 2025-26 budget, listen to public comments and discuss the budget, eventually leading to the vote on Resolution 25-5482, approving the FY 2025-26 budget and authorizing the Chief Operating Officer to submit the approved budget to the Multnomah County Tax Supervising and Conservation Commission.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The FY 2025-26 budget development process includes public testimony taken on the initial proposal of the budget on April 10th, and several informational meetings will be held for department presentations throughout the months of April and May. No further action or vote will be taken on the budget at any of these meetings. These meetings are set up to provide time for robust budget conversation and to give Council opportunities to guide and develop the FY 2025-26 budget. Action to approve the budget will occur on May 1, 2025. Additional testimony opportunities for the public and agency stakeholders are expected on May 8 and May 22, 2025, during the Approved stage.

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

By approving the FY 2025-26 proposed budget, the Agency is one step closer to adopting a budget that will focus on programming related to our guiding principles of racial justice, climate justice and resiliency and shared prosperity.

Known Opposition: None known.

Legal Antecedents: The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. The Chief Financial Officer, acting in their capacity as the designated Budget Officer, is required to present a balanced budget to Council, acting in their capacity as Metro's Budget Committee.

BACKGROUND

Council has instructed staff to have schedule opportunities for public conversations, presenting more transparency to the Agency's budget and the budget process:

- **April 10, 2025:**
 - o Council gavel in as the Budget Committee.
 - o *Public Hearing:* Chief Operating Officer, acting as the Budget Officer, delivers the budget message to the Budget Committee. This staff report supports this meeting.
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- **April 15, 2025:**
 - o Department presentations (public invited to listen)
 - Planning, Development and Research
 - Waste Prevention and Environmental Services
 - Parks and Nature
- **April 22, 2025:**
 - o Department presentations (public invited to listen)
 - Venues: Portland's, Expo Center, Oregon Convention Center
 - Oregon Zoo
 - Housing

- **May 1, 2025:**
 - Budget Committee considers Resolution 25-5482 for the Purpose of Approving the FY 2025-26 Budget, Setting Property Tax Levies and Transmitting the Approved Budget to the Multnomah County Tax Supervising and Conservation Commission (public invited to listen).
 - Council gavel out of budget committee

Please note due to scheduling conflicts the following Department Presentations will occur after the budget is approved.

- **May 13, 2025:**
 - Department presentation (public invited to listen)
 - Council Office, Office of the Chief Operating Officer, Government Affairs and Policy Development
 - Central Services
 - Office of Metro Attorney

The above meetings are the interim steps between initial proposal of the budget and approval of the budget on May 1st, 2025. Oregon Budget Law requires that Metro approve and transmit its budget to the Multnomah County Tax Supervising and Conservation Commission (TSCC). Members of the TSCC are appointed by the Governor to supervise local government budgeting and taxing activities in Multnomah County. The TSCC will hold a public hearing on Metro's budget on Thursday, May 29, 2025. Following the meeting, the TSCC will provide a letter of certification for Metro's budget.

Please note that the remaining departments, Central Services, Office of Metro Attorney, Council Office, Office of the Chief Operating Officer and Government Affairs and Policy Development, will present on May 13th, 2025, after the budget is approved due to scheduling conflicts. The public will be invited to listen.

Oregon Budget Law requires the Budget Committee of each local jurisdiction to set the property tax levies for the ensuing year at the time that the budget is approved. Under budget law the Metro Council sits as the Budget Committee for this action. The tax levies must be summarized in the resolution that approves the budget and cannot be increased beyond this amount following approval. Metro's levy for general obligation debt reflects actual and estimated debt service levies for all outstanding general obligation bonds. The levy authorization for FY 2025-26 also includes the 5-year local option levy for the Parks and Nature department, as well as the levy for Metro's permanent tax rate for general operations.

The Council's adoption of the final FY 2025-26 budget is currently scheduled for Council consideration and adoption on June 12, 2025.

ATTACHMENTS

Attachments 1-16: Department Proposed Budget
Overviews

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| 1. Central Communications | 8. Information Technology |
| 2. Council Office, Office of the COO, and Government Affairs and Policy Development | 9. Oregon Convention Center |
| 3. Diversity, Equity and Inclusion | 10. Portland's Centers for the Arts |
| 4. Expo | 11. Office of Metro Attorney |
| 5. Finance and Regulatory Services | 12. Parks and Nature |
| 6. Housing | 13. Planning, Development and Research |
| 7. Human Resources | 14. Waste Prevention and Environmental Services |
| | 15. Zoo |
| | 16. Capital Asset Management |