

## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION 24-5430 FOR THE PURPOSE OF AMENDING THE FY 2024-25 BUDGET AND APPROPRIATIONS SCHEDULE AND FY 2024-25 THROUGH FY 2028-29 CAPITAL IMPROVEMENT PLAN TO PROVIDE FOR CHANGES IN OPERATIONS

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Date: November 04, 2024

Prepared by:  
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Department: Finance and Regulatory Services

Presented by:  
Cinnamon Williams, Financial Planning Director

Meeting date: November 21, 2023

Length: 20 minutes

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#### ISSUE STATEMENT

Resolution 24-5430 will authorize changes in appropriations for FY 2024-25 and approve changes to the FY 2024-25 through FY 2028-29 Capital Improvement Plan.

#### ACTION REQUESTED

Council adoption of Resolution 24-5430.

#### IDENTIFIED POLICY OUTCOMES

Council approval will authorize changes in appropriations requested by departments for FY 2024-25 and approve changes to the FY 2024-25 through FY 2028-29 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 24-5430 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 24-5430 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 24-5430.

#### 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 \$9,711,683 in expenditure appropriations. The new total appropriations will be \$2,175,809,466 with 1,178.80 FTE. This action has the following impacts on the FY 2024-25 budget and FY 2024-25 through FY 2028-29 Capital Improvement Plan (CIP). Details of each change can be found in Attachment 1 – Summary of November 2024 Budget Amendments.

- **Capital Asset Management**
  - Funding Phase I of Budget Note #1 for Climate Justice and Resilience in the amount of \$1,305,000 to install Electric Vehicle (EV) infrastructure, purchase EVs and install rooftop solar arrays at MRC. Supported from General Fund Contingency.
  - Increase of \$1.01 million for Metro Regional Center (MRC) capital projects including the MRC Plaza and Parking project and the Storm Water project. Funding from unanticipated increases in beginning fund balance.
  - Operational changes include air rebalancing of the MRC HVAC for \$24,000 supported by incentives from the Energy Trust of Oregon and Contracted Professional Service increases of \$150,000 to update the 2010 Metro's Sustainability Plan offset by General Fund Contingency.
- **Planning, Development and Research**
  - Increase of \$267,000 to invest in Future Vision 2040 work including a two-year limited duration Program Coordinator I position offset by contingency.

- Increase of \$62,669 to reflect changes in the annual MPO funding provided by ODOT offset by contingency.
- **Parks and Nature**
  - One-time support of Parks and Natures Variable Hour staffing for the summer of 2024. General Fund contingency will be used to support the \$317,073 requirement.
  - Glendoveer Golf Course includes \$219,000 for the Von Ebert repair project and \$100,000 for contractually obligated replacement of mowing equipment supported through contingency.
  - Re-allocation of capital projects did not change fund appropriations.
- **MERC**
  - Portland 5s Arlene Schnitzer Concert Hall roof and drain project increased to \$7.0 million due to code compliance and safety issues. City of Portland will be directing \$1.0 million dollars of PCEF funds in November to mitigate the increases.
  - Oregon Convention Center reallocation of projects did not change fund appropriations.
- **Waste Prevention and Environmental Services**
  - Addition of 1.0 Program Coordinator II estimated to cost \$75,471 in FY25 to support newly forming Regional Waste Advisory Committee (RWAC) supported by Solid Waste Fund Contingency.
  - Adjustment and reprioritization of projects resulted in increase of \$3.6 million transferred from contingency and supported by unanticipated increases in beginning fund balance reserves.
- **Oregon Zoo**
  - Establishing new Zoo Bond '24 Fund and appropriating \$6.01 million to start capital projects, issue debt and hire 4.0 FTE to support the work from the passage of the Zoo Bond in May 2024.
  - Increasing FTE by 2.5 to support animal care for Elephants and Birds. 1.0 FTE supporting Condors is contingent on the Terra Gen grant award. The remaining 1.5 FTE will be supported by the Zoo Operating Fund contingency.
  - Re-allocation of capital projects did not change fund appropriations.

**Below is a summary of all the proposed changes from Resolution 24-5430 that impact appropriations or CIP:**

**Appropriation Changes:**

- **Total Appropriations** increase: \$9,711,683
  - **General Fund** increase by \$32,724
  - **General Asset Management Fund** increase by \$2,051,348
  - **MERC Fund** increase by \$1,200,000
  - **Oregon Zoo Asset Management Fund** increase by \$100,000
  - **Parks and Nature Operating Fund** increase by \$317,073
  - **Zoo Bond '24 Fund** increase by \$6,010,538

### **FTE Changes:**

- **Total FTE** requested: 8.5 FTE
  - Planning, Development and Research: 1.0 FTE
  - WPES: 1.0 FTE
  - Oregon Zoo: 6.5 FTE

### **Capital Improvement Plan (CIP):**

The following proposed changes to the Capital Improvement Plan (CIP) for FY 2024-25 are:

- **Oregon Convention Center** increase of \$60,000 – Attachment 1
- **Waste Prevention and Environmental Services** increase of \$3,607,000 – Attachment 2
- **Portland’s Centers for the Arts** increase of \$906,000 – Attachment 3
- **Parks and Nature** decrease of \$534,715 – Attachment 4
- **Oregon Zoo** increase of \$6,900,000 - Attachment 5
- **Capital Asset Management** increase of \$2,457,348 – Attachment 6

For details about CIP changes, see Attachments 1-6.

### **ATTACHMENTS**

- Resolution 24-5430
- Exhibit A – Schedule of Appropriations
- Exhibit B – Schedule of FTE
- Attachment 1 – Summary of November 2024 Amendments
- Attachments 2-7 - Capital Improvement Plan changes