METRO FY 2023-24 BUDGET

Summary of Proposed Budget Amendments to the FY 2023-24 Proposed Budget

Budget Amendments Consideration
(Public Hearing): May 9, 2023

Vote to Approve Budget Amendment &
Vote to Approve the FY 2023-24 Budget
(Public Invited): May 11, 2023

Prepared by Patrick Dennis, Budget Coordinator
Updated May 8, 2023

Summary

On May 9, 2023, Metro Council, acting in their capacity as Budget Committee will consider **two proposed budget amendments to the FY 2023-24 Proposed Budget.**

Per Oregon Budget Law, budget committee actions require the affirmative vote of the majority of the total budget committee membership.

Metro Council, acting in their capacity as Budget Committee, can approve both, one, or none of the proposed amendments in this report.

If one or both budget amendments described in this report are approved, they will be incorporated into the FY 2023-24 Approved Budget.

If the budget amendments described in this report are denied, the FY 2023-24 Approved Budget will remain unchanged from the FY 2023-24 Proposed Budget.

The vote to approve the budget amendments described in this report will take place on May 11, 2023, directly before the vote to approve the full budget (Resolution 23-5321).

Metro Council, in their capacity as the Governing Body, will have an additional opportunity to amend the FY 2023-24 budget between the Approved and Adopted stage, prior to budget adoption, currently scheduled for June 22, 2023.

Proposed Budget Amendments

Metro Council Budget Amendment Decisions:

- AMENDMENT 1: Increase the appropriations of the General Obligation Debt Service Fund by $3,500,750 AND increase the General Obligation Debt Service Tax Levy by $3,704,498?

Please note: the two components of the above decision are related and must be approved together.

- AMENDMENT 2: Transfer $295,000 from the General Fund contingency to the Chief Operating Officer's budget to fund additional scope related to the Portland Expo Future Phase 2 project?

AMENDMENT 1:

Context:

On April 6th, 2023, Council authorized, through the approval of Resolution 23-5323, the issuance of general obligation refunding bonds. Issuing general obligation refunding bonds will increase the FY 2023-24 General Obligation Debt Service Tax Levy but is expected to generate a *projected savings of $940,000 or about 1.81%* of the refunding proceeds specifically related to Metro's outstanding General Obligation Bonds, Series 2012A. Resolution 23-5323 also provided Metro with increased flexibility for managing Metro's outstanding and future general obligation debt.

Budget Impacts:

General Obligation Debt Service Fund appropriation increase of $3,500,750

- Appropriation increase resulting from the issuance of general obligation refunding bonds and updated debt service payment schedule:

		Proposed Budget	Amendment	Approved Budget
GENERAL OBLIGATION DEBT SERVICE FUND				
Non-Departmental				
Debt Service		78,780,223	3,500,750	82,280,973
	Total Appropriations	78,780,223	3,500,750	82,280,973
Total Fund Requirements		**78,780,223**	**3,500,750**	**82,280,973**

General Obligation Bond Debt Service Tax Levy increase of $3,704,498

- The General Obligation Debt Service Tax Levy assumes a 94.5% collection rate: $3,704,498 x 94.5% = $3,500,750 (matches the appropriation increase request above)
    - See table on the following page

General Obligation Bond Debt Service Tax Levy Calculation	Proposed Budget	Amendment	Approved Budget
FY 2023-24 REQUIREMENTS			
General Obligation Refunding (2023 Series)	$0	$17,500,000	$17,500,000
Natural Areas (2012 A Series)	$8,886,200	($8,886,200)	$0
Zoo Infrastructure (2012 A Series)	$5,448,075	($5,113,050)	$335,025
Natural Areas (2018 Series)	$2,467,750	$0	$2,467,750
Zoo Infrastructure (2018 Series)	$1,264,500	$0	$1,264,500
Affordable Housing (2019 Series)	$39,183,904	$0	$39,183,904
Natural Areas (2020A Series)	$3,526,179	$0	$3,526,179
Natural Areas (2020B Series)	$18,003,615	$0	$18,003,615
TOTAL REQUIREMENTS	**$78,780,223**	$3,500,750	**$82,280,973**
		$0	
Sources available for cash flow:		$0	
Fund balance	$1,998,000	$0	$1,998,000
Previously levied taxes estimated to be received	700,000	$0	700,000
Interest earned, FY 2023-24	200,000	$0	200,000
Total non-tax sources available in FY 2023-24	$2,898,000	$0	$2,898,000
		$0	
Tax resources required to balance	$75,882,223	$3,500,750	$79,382,973
Levy (assume 94.5% collectable rate)	$80,298,648	$3,704,498	$84,003,146
		$0	
Estimated FY 2023-24 Assessed Value	$210,855,683,047	$0	$210,855,683,047
Levy rate per $1,000 of assessed value	$0.3808	$0	$0.3984
On $100,000 of assessed property value	$38.08	$2	$39.84
		$0	
FY 2023-24 GO DEBT TAX LEVY AMOUNT	**$80,298,648**	$3,704,498	**$84,003,146**

AMENDMENT 2:

Context:

The FY 2023-24 Proposed Budget includes $253,000 for the Portland Expo Future Phase 2 project. Additional scoping of the project has identified $295,000 in additional financial needs to support work related to market and feasibility studies, strategic communication, and sports marketing and branding. These scoping changes reflect the Chief Operating Officer's recommendations highlighted at the February 28, 2023, joint Council and MERC Commission meeting. For this amendment, $295,000 would be transferred from the General Fund contingency to the Chief Operating Officer's budget, that resides within the Council appropriation line.

Budget Impact:

	Proposed Budget	Amendment	Approved Budget
GENERAL FUND			
Council	10,196,167	295,000	10,491,167
Office of the Auditor	1,134,921	-	1,134,921
Diversity, Equity and Inclusion	3,033,733	-	3,033,733
Office of Metro Attorney	3,793,283	-	3,793,283
Information Technology and Records Management	8,418,288	-	8,418,288
Communications	6,837,176	-	6,837,176
Finance and Regulatory Services	12,159,498	-	12,159,498
Human Resources	6,157,538	-	6,157,538
Capital Asset Management	7,141,873	-	7,141,873
Planning, Development and Research Department	39,900,835	-	39,900,835
Housing	425,000	-	425,000
Special Appropriations	1,945,011	-	1,945,011
Non-Departmental			
Debt Service	2,546,179	-	2,546,179
Interfund Transfers	26,694,190	-	26,694,190
Contingency	23,831,880	(295,000)	23,536,880
Total Appropriations	154,215,572	-	154,215,572
Unappropriated Balance	27,170,056	-	27,170,056
Total Fund Requirements	**181,385,628**	**-**	**181,385,628**