

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 22-5288 FOR THE PURPOSE OF AMENDING FY 2022-23 BUDGET AND APPROPRIATIONS SCHEDULE AND FY 2022-23 THROUGH FY 2026-27 CAPITAL IMPROVEMENT PLAN TO PROVIDE FOR CHANGES IN OPERATIONS BY SUPPLEMENTAL BUDGET

Date: November 7, 2022

Prepared by:
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Department: Finance and Regulatory Services

Presented by:
Cinnamon Williams, Financial Planning Director
Patrick Dennis, Budget Coordinator

Meeting date: November 17, 2022

Length: 30 minutes

ISSUE STATEMENT

This resolution will authorize changes in appropriations, appropriation categories, and FTE for FY 2022-23 and approve changes to the FY 2022-23 through FY 2026-27 Capital Improvement Plan.

This is a public hearing and public testimony will be taken by interested members of the general public and agency stakeholders.

ACTION REQUESTED

Council consideration of public testimony.
Council adoption of Resolution 22-5288.

IDENTIFIED POLICY OUTCOMES

Council approval will authorize changes in appropriations, appropriation categories, and FTE requested by departments for FY 2022-23 and approve requested changes to the FY 2022-23 through FY 2026-27 Capital Improvement Plan.

POLICY QUESTION

Council should consider whether the changes in appropriations, appropriation categories, and FTE 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 the Resolution will provide sufficient appropriations and FTE to accommodate the changes in operations outlined by departments. Adoption will allow for changes to capital projects due to operational factors. Additionally, adoption will allow for the creation of new appropriation categories to align organizational efficiencies.

Disapproval of the Resolution will require departments to reevaluate their proposed changes to operational and capital plans.

STAFF RECOMMENDATIONS

The Chief Operating Officer and Chief Financial Officer recommend adoption of Resolution 22-5288.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

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

By funding basic staff support and additional materials and services 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, and adds FTE.

Budget Impacts: This action has a \$2,509,284 net increase in expenditure appropriations. The new total appropriation will be \$1,632,869,322 with 1096.10 FTE. This action has the following impacts on the FY 2022-23 budget and FY 2022-23 through FY 2026-27 Capital Improvement Plan (CIP):

- **General Fund: \$1,123,032 increase to expenditure appropriation. Approximately \$724,011 of the increased expenditure appropriation is for new Personnel Services expenses that will be reimbursed through the Cost Allocation Plan (CAP). See Exhibit C for more information.**
 - Transfer \$2,520,251 in appropriation authority from Council to the new DEI appropriation category
 - Transfer \$50,000 from General Fund contingency to DEI for Construction Careers Pathways and the Regional Workforce Equity Agreement

- Transfer \$244,435 from General Fund contingency to Council for the new Project Administrator and shift of one FTE from FRS to the DCOO's office
- Transfer \$81,000 from General Fund contingency to FRS for three new FTE and the related equipment and staff development expenses
- Transfer \$270,598 from General Fund contingency to Communications for three new FTE and the related equipment and staff development expenses
- Transfer \$160,000 from General Fund contingency to the General Asset Management Fund for Information Technology's broadcast equipment project
- Transfer \$82,039 from General Fund contingency to Capital Asset Management for one new FTE. CIP changes due to project timing can be viewed in [Attachment 1](#)
- Transfer \$77,606 from General Fund contingency to Human Resources for one new FTE
- Additional \$1,123,034 in revenue recognized to pay for three new FTE and a 0.2 FTE increase to an existing position. Transfer \$715,324 to PD&R contingency
- **General Asset Management Fund: \$160,000 increase to expenditure appropriation.**
 - Transferred from General Fund contingency to pay for broadcast equipment project see [Attachment 2](#)
- **Oregon Zoo Asset Management Fund: \$870,000 increase to expenditure appropriation.**
 - Transfer \$870,000 from Oregon Zoo Operating Fund to Oregon Zoo Asset Management to continue funding capital projects
- **Oregon Zoo Operating Fund: Net zero impact on the total fund appropriations.**
 - Transfer \$870,000 to Oregon Zoo Asset Management fund, see [Attachment 4](#)
- **Parks and Nature Operating Fund: \$356,252 increase to expenditure appropriation.**
 - Transfer \$735,413 from contingency and recognize additional revenue to pay for 4.8 FTE and related expenses
- **Parks and Nature Bond Fund: Net zero impact on the total fund appropriations.**
 - Transfer \$2,879,799 to contingency based on updates to the CIP, see [Attachment 3](#)
- **Supportive Housing Services: Net zero impact on the total fund appropriations.**
 - Transfer \$217,623,650 from Planning, Development and Research to the new Housing Department appropriation category
 - Transfer \$76,929 from expenditure appropriation to contingency related to staff changes from the reorganization
- **Affordable Housing Fund: Net zero impact on the total fund appropriations.**
 - Transfer \$276,938,058 from Planning, Development and Research to the new Housing Department appropriation category
 - Transfer \$48,772 from expenditure appropriation to contingency related to staff changes from the reorganization

Below is a list of all the proposed changes from Resolution 22-5288:

Appropriation Increases:

- **Total Appropriation** increase: \$2,509,281
 - **General Fund** increase by \$1,123,029
 - **General Asset Management Fund** increase by \$160,000
 - **Oregon Zoo Asset Management Fund** increase by \$870,000
 - **Parks and Nature Operating Fund** increase by \$356,252

FTE:

The following proposed supplemental budget amendment requests an *additional 17.0 FTE*:

- **Capital Asset Management:**
 - 1.0 FTE – Program Coordinator I
- **Communications:**
 - 1.0 FTE – Senior Public Affairs Specialist
 - 1.0 FTE – Program Supervisor II
 - 1.0 FTE – Principle Public Affairs Specialist
- **Office of the COO:**
 - 1.0 FTE – Administrative Assistant III
- **Finance and Regulatory Services:**
 - 1.0 FTE – Accounting Technician II
 - 1.0 FTE – Assistant Management Analyst
 - 1.0 FTE – Program Analyst
- **Human Resources:**
 - 1.0 FTE – Program Analyst (*18-month limited duration position*)
- **Parks & Nature:**
 - 1.0 FTE – Maintenance Worker II
 - 1.0 FTE – Program Analyst
 - 1.0 FTE – Associate Public Affairs Specialist (*24-month limited duration position*)
 - 0.6 FTE – Education Specialist I
 - 0.6 FTE – Education Specialist I
 - 0.6 FTE – Education Specialist I
- **Planning, Development & Research**
 - 1.0 FTE – Manager II
 - 1.0 FTE – Associate Transportation Planner
 - 1.0 FTE – Program Assistant II
 - 0.2 FTE – Senior Researcher & Modeler (currently 0.8 FTE)

Capital Improvement Plan (CIP):

The following proposed changes to the Capital Improvement Plan (CIP) are:

- **Capital Asset Management** increase of \$208,396 (Attachment 1)
- **Information Technology and Records Management** increase of \$160,000 (Attachment 2)
- **Parks and Nature** decrease of \$2,289,899 (Attachment 3)
- **Oregon Zoo** increase of \$1,720,000 (Attachment 4)

New Appropriation Categories:

The following two Appropriation Categories will be created to better align organizational efficiencies:

- **Diversity, Equity & Inclusion Department**
 - Appropriation authority transfer from “Council” to new “Diversity, Equity & Inclusion” Department
- **Housing Department**
 - Supportive Housing Services – Appropriation authority transfer from “Planning, Development & Research” to new “Housing Department”
 - Affordable Housing Bond – Appropriation authority transfer from “Planning, Development & Research” to new “Housing Department”

Personnel Changes

The following positions will also be affected by the proposed Supplemental Budget amendments:

- **Office of the COO**
 - General Manager of Major Projects
 - Reclass from Limited Duration to Regular Status
- **Human Resources**
 - Program Specialist
 - Reclass from Limited Duration to Regular Status
- **Office of the COO & Finance and Regulatory Services**
 - Systems Business Manager
 - Move from Finance and Regulatory Services to the Office of the DCOO

BACKGROUND

Additional information regarding all proposed changes can be found in the attachment: “Summary of Proposed Supplemental Budget Amendments”

ATTACHMENTS

- Resolution 22-5288
- Exhibit A – Schedule of Appropriations
- Exhibit B – Schedule of FTE
- Exhibit C – General Fund Changes
- Attachments 1-4 - Capital Improvement Plan changes
- Summary of Proposed Supplement Budget Amendments for the FY 2022-23 Budget