

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 23-5321 FOR THE PURPOSE OF APPROVING THE FY 2023-24 BUDGET, SETTING PROPERTY TAX LEVIES AND TRANSMITTING THE APPROVED BUDGET TO THE MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION COMMISSION

Date: May 10, 2023

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

Department: Office of the Chief Operating Officer

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

Meeting date: May 11, 2023

Length: 30 minutes

ISSUE STATEMENT

The Chief Operating Officer, acting in their capacity as Budget Officer, presented the FY 2023-24 Proposed Budget to the Metro Council, convened as Budget Committee, at the April 11, 2023, Council meeting. This was a Public Hearing where the Council provided an opportunity to receive testimony from interested members of the public and agency stakeholders.

Additional meetings were held for department presentations and budget deliberations throughout the month of April and early May 2023. Multiple Public Hearings were held, where Council provided opportunities to receive testimony from interested members of the public and agency stakeholders on the FY 2023-24 Proposed Budget.

On May 9, 2023, Council, in their capacity as the Budget Committee, considered two proposed amendments to the FY 2023-24 Proposed Budget, to be incorporated into the FY 2023-24 Approved Budget, if approved.

On May 11, 2023, Council, convened as Budget Committee, will vote on the two proposed budget amendments individually, before voting to approve the full budget, as amended, by way of Resolution 23-5321. Per Oregon Budget Law, changes to the budget from the Proposed to Approved stage require the affirmative vote of the majority of the Budget Committee membership.

Approval of the FY 2023-24 budget will be the final budget adoption action for Council, convened as Budget Committee, but Council will have additional opportunities to amend the budget, as the Governing Body, prior to the vote to adopt the budget on June 22, 2023.

ACTION REQUESTED

- Consideration and vote on the two proposed budget amendments that, if approved, will be incorporated into the FY 2023-24 Approved Budget.
- Consideration and vote on Resolution 23-5321 approving the FY 2023-24 budget, setting property tax levies, and transmitting the approved budget to the Multnomah County Tax Supervising and Conservation Commission.

IDENTIFIED POLICY OUTCOMES

Compliance with Oregon Budget Law.

POLICY QUESTION

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

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Approval of the budget, by Council convened as Budget Committee, will meet one of the legal mandates established by Oregon Budget Law.

STAFF RECOMMENDATIONS

The Chief Operating Officer and Chief Financial Officer recommend that Council, convened as Budget Committee, approve both proposed budget amendments, to be incorporated into the FY 2023-24 Approved Budget, and to adopt Resolution 23-5321, approving the FY 2023-24 budget, setting property tax levies, and authorizing the Chief Operating Officer to submit the FY 2023-24 Approved Budget to the Multnomah County Tax Supervising and Conservation Commission.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The FY 2023-24 Proposed Budget was released electronically to Council and posted to Metro's budget webpage for the public, on April 7, 2023, and presented by the Chief Operating Officer, in their capacity as the Budget Officer, to the Council, sitting as Budget Committee, on April 11, 2023. On May 9, 2023, Council, convened as Budget Committee, considered two budget amendments to be incorporated into the FY 2023-24 Approved Budget.

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

By approving the FY 2023-24 Budget, Metro is one step closer to adopting a budget that will focus on programming related to Metro's 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. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its Approved Budget to the Multnomah County Tax Supervising and Conservation Commission. The Commission will conduct a hearing on June 1, 2023, for the purpose of receiving information from the public regarding the Approved Budget. Following the hearing, the Commission will certify the budget to the Council for adoption and may provide recommendations to the Council regarding any aspect of the budget.

Anticipated Effects: Adoption of Resolution 23-5321 will set the maximum tax levies for FY 2023-24 and authorize the Chief Operating Officer to transmit of the Approved Budget to the Multnomah County Tax Supervising and Conservation Commission.

Budget Impacts: The total amount of the FY 2023-24 Proposed Budget is \$1,791,334,218 with 1,130.75 FTE. The two amendments to the FY 2023-24 Proposed Budget, to be incorporated into the FY 2023-24 Approved Budget, total to \$3,500,750. The total amount of the FY 2023-24 Approved Budget, with both amendments included, is \$1,794,834,968 with 1,130.75 FTE.

BACKGROUND

The actions taken by this resolution are the interim steps between initial proposal of the budget and final adoption of the budget in June. 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 hybrid Public Hearing on Metro's budget on June 1, 2023 in the Metro Council Chambers at 12:30 p.m. Following the meeting, the TSCC will provide a letter of certification for Metro's budget. The Council's adoption of the final FY 2023-24 budget is currently scheduled for June 22, 2023.

Oregon Budget Law requires the Budget Committee of each local jurisdiction to set the property tax levies for the ensuing year at the time the budget is approved. Under Oregon 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 without resubmitting the budget to the TSCC and holding an additional TSCC Public Hearing. Metro's levy for general obligation debt reflects actual debt service levies for all outstanding general obligation bonds, except for the "General Obligation Refunding (Series 2023)," which are currently an estimate based on the timing of the issuance, to be finalized prior to adoption. Metro is working with the TSCC to ensure that the estimated General Obligation Refunding bond amounts are budgeted in good faith and as accurately as possible based on the most-current information available to Metro. The levy authorization for FY 2023-24 budget also includes the 5-year local option levy for Parks and Natural Areas support, which was renewed by the voters in November 2022, as well as the levy for Metro's permanent tax rate for general operations.

ATTACHMENTS

- Resolution 23-5321
- Exhibit A – Schedule of Appropriations
- Exhibit B – GO Bond Debt Service Tax Levy