

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 24-5387 FOR THE PURPOSE OF AMENDING THE FY 2023-24 BUDGET AND APPROPRIATIONS SCHEDULE AND FY 2023-24 THROUGH FY 2027- 28 CAPITAL IMPROVEMENT PLAN TO PROVIDE FOR CHANGES IN OPERATIONS

Date: March 5, 2024

Prepared by:
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Department: Finance and Regulatory Services

Presented by:
Cinnamon Williams, Financial Planning Director

Meeting date: March 21, 2024

Length: 20 minutes

ISSUE STATEMENT

Resolution 24-5387 will authorize changes in appropriations for FY 2023-24 and approve changes to the FY 2023-24 through FY 2027-28 Capital Improvement Plan.

ACTION REQUESTED

Council adoption of Resolution 24-5387.

IDENTIFIED POLICY OUTCOMES

Council approval will authorize changes in appropriations requested by departments for FY 2023-24 and approve requested changes to the FY 2023-24 through FY 2027-28 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 24-5387 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 24-5387 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 24-5387.

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 does not create a net change in expenditure appropriations. The new total appropriations will be \$1,805,699,044 with 1,153.45 FTE. This action has the following impacts on the FY 2023-24 budget and FY 2023-24 through FY 2027-28 Capital Improvement Plan (CIP). Details of each change can be found in Attachment 5 – Summary of March 2024 Budget Amendments.

- **General Fund: Net zero increase to the total fund appropriations.**
 - Council Office increase of \$235,000 for pay equity
 - Office of Metro Attorney increase of \$113,000 for pay equity
 - Human Resources increase of \$250,000 for pay equity
 - Contingency decrease of \$598,000
- **Smith and Bybee Wetlands Fund: Net zero increase to the total fund appropriations**
 - Increase Contracted Professional Services by \$17,500
 - Contingency Decrease of \$17,500

Below is a summary of all the proposed changes from Resolution 24-5387 that impact appropriations or CIP:

Appropriation Changes:

- **Total Appropriations** increase: \$0
 - **General Fund** increase by \$0
 - **Smith and Bybee Wetlands Fund** increase by \$0

FTE Changes:

- **Total FTE** requested: 1.5 FTE
 - Parks and Nature: 0.5 FTE
 - Planning, Development and Research: 1.0 FTE

Capital Improvement Plan (CIP):

The following proposed changes to the Capital Improvement Plan (CIP) for FY 2023-24 are:

- **Expo Center** no financial change – Attachment 1
- **Oregon Convention Center** no financial change – Attachment 2
- **Waste Prevention and Environmental Services** no financial change – Attachment 3
- **Oregon Zoo** increase of \$2,500,000 – Attachment 5

For details about CIP changes, see Attachments 1-5.

ATTACHMENTS

- Resolution 24-5387
- Exhibit A – Schedule of Appropriations
- Exhibit B – Schedule of FTE
- Attachments 1-4 - Capital Improvement Plan changes
- Attachment 5 – Summary of March 2024 Amendments