

STAFF REPORT

FOR THE PURPOSE OF AMENDING THE FY 2017-18 BUDGET AND APPROPRIATIONS SCHEDULE AND FY 2017-18 THROUGH FY 2021-22 CAPITAL IMPROVEMENT PLAN TO PROVIDE FOR A CHANGE IN OPERATIONS

Date: November 16, 2017

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BACKGROUND

The following amendments have been proposed for Council review and action:

Program Director

The Oregon Zoo is requesting an additional 1.00 FTE Program Director to help meet their Diversity, Equity and Inclusion goals. Specifically, the Program Director will help with internal culture by including the following in the strategic engagement plan for internal and external stakeholders:

- Proposing methods to reinforce the foundation for an inclusive work culture
- Identifying areas where more feedback is warranted
- Identifying and strengthening workplace acknowledgement programs per the Metro-HR actions to build employee engagement
- Identifying and implementing solutions for perceived gaps in employee engagement

Due to the amount of effort this will take, it is necessary to create a position to lead this important work. The position will be funded by the General Fund in the first year and then the Oregon Zoo beginning in year two. Annualized cost of the position is estimated at \$181,800; this budget amendment reflects a partial year.

This action requests the addition of 1.00 FTE, increased appropriations authority in the Oregon Zoo Operating Fund and a transfer of \$143,963 from the General Fund contingency.

Program Director

Finance and Regulatory Services is requesting an additional 1.00 FTE Program Director to manage the Asset Management and Capital Planning Program. The position will support implementation of the Strategic Asset Management Plan designed to achieve Metro's 2021 Public Assets Goals, and respond to the November 2016 Capital Project Management Audit recommendations. The new position will be funded through the annual support services cost allocation plan. Annualized cost of the position is estimated at \$167,100; this budget amendment reflects a partial year with an anticipated spring 2018 hiring date.

This action requests the addition of 1.00 FTE and a transfer of \$55,711 from the General Fund contingency.

Program Analyst II

Finance and Regulatory Services is requesting an additional 1.00 FTE Program Analyst II to support the agency's payroll functions. An on-going project reviewing the entire payroll process has identified a series of improvements that would increase efficiency, decrease errors, and improve record-keeping. In order to successfully implement the proposed changes, additional staff is needed. Post-implementation,

the job duties of this position would shift and FRS would assume specific daily tasks currently completed by Human Resources which are accounting in nature. Annualized cost of this position is estimated at \$91,800; this budget amendment reflects a partial year.

This action requests the addition of 1.00 FTE and a transfer of \$61,210 from the General Fund contingency.

Associate Public Affairs Specialist

Property and Environmental Services is requesting an additional 1.00 FTE Associate Public Affairs Specialist to provide increased capacity for project management, content development and analytics reporting for PES Communications. Increasing staff levels is the preferred solution since utilizing a contractor, tasked with balancing the increased frequency, scale, and duration of PES communications projects, would be cost-prohibitive. Additionally, department work processes and work products will improve with a dedicated member of staff that has a vested interest in achieving agency and department goals. Annualized cost of this position is estimated at \$92,000; this budget amendment reflects a partial year.

This action requests the addition of 1.00 FTE and a transfer of \$61,362 from the Solid Waste Fund contingency.

Lead Custodian

Property and Environmental Services is requesting an additional 0.25 FTE to increase an existing 0.50 FTE Lead Custodian position to 0.75 FTE. The additional FTE will provide sufficient hours for staff to complete critical project and personnel functions that cannot be accomplished in the current daily four hour shift. Annualized costs for the FTE increase are estimated at \$15,500; this budget amendment does not request additional appropriations. The department will absorb any changes to personnel service costs within existing appropriations.

This action requests the additional 0.25 FTE.

Metropolitan Regional Center- Building Assessments

Property and Environmental Services is requesting \$250,000 to further evaluate three high priority repair projects at the Metro Regional Center. The funds requested will be used to pay for contractors to evaluate the scope of the repairs needed. Any funds remaining after the assessments are complete will be spent on the recommended repairs. The three assessments are as follow:

- A fire suppression system assessment – estimated cost \$20,000
- An arc flash (electrical system) study – estimate cost of \$100,000
- A structural assessment of the building to identify potential concrete repairs – estimated cost of \$130,000

This action requests a \$250,000 transfer from the General Fund Contingency.

Information Services-Software Projects

Information Services is requesting \$150,000 to fund the following high priority projects the department has insufficient staff capacity to execute or oversee.

Payroll and scheduling:

- IS helped lead a team that reviewed payroll systems and process issues. Findings indicate that some complex issues can be resolved or improved by changing a few key processes. Information Services is requesting \$30,000 for consulting services to determine how to implement these changes and to identify and mitigate risks associated with the changes for this portion of the project.
- The payroll system review also identified enhancements to Kronos timekeeping software and functions that would reduce reliance on manual scheduling processes currently used at several Visitor Venues. Management of the project and implementation of the software will require a dedicated resource. Estimated costs for a contracted resource is \$90,000.

Learning Management System:

- The Information Services FY 17-18 budget includes \$160,000 to purchase a new learning management system. The current version of the software will no longer be on first tier support as of fall 2018. Without additional capacity, the implementation of this new system would require moving staff off other projects or pushing this project to fiscal year 2018-19. The requested funding of \$30,000 is for project management for the implementation.

This action requests a \$150,000 transfer from the General Fund contingency.

Transfer of Resources between Funds

The Oregon Zoo is requesting a transfer from the Oregon Zoo Asset Management Fund to the Oregon Zoo Infrastructure and Animal Welfare Fund to offset expenditures erroneously charged to the bond fund rather than the asset management fund. This budget amendment will ensure that all resources generated by the 2008 bond measure are spent as directed by Council and the voters of the region. The transfer out of the Oregon Zoo Asset Management Fund will be offset by a reduction in other capital expenditures.

This action requests a \$135,318 transfer from the Oregon Zoo Asset Management Fund to the Oregon Zoo Infrastructure and Animal Welfare Bond Fund and a related increase in appropriations authority in the Oregon Zoo Infrastructure and Animal Welfare Bond Fund.

Human Resource- Staff Training and Classification Study

Human Resources is requesting \$45,000 to fund the following projects associated with staff training and compensation studies.

- \$25,000 is requested to support the agency's leadership academy for managers and supervisors. The academy's multi day courses are designed to provide supervising staff a common understanding of their supervisory roles, improve staff performance and reduce employment related risks to the agency.
- \$20,000 is requested to support a classification study of Metro non-represented personnel. A similar study was conducted on MERC non-represented personnel last year with the intent of following up with this additional classification study. These studies are essential to retaining and recruiting staff.

This action requests the transfer of \$45,000 from the General Fund contingency.

Recognition of Grant Revenues

Parks Planning and Operations was awarded an Oregon State Marine Board grant in July 2017. The funds will be used to replace the pump out and port-a-potty dump station at the M. James Gleason

Boat Ramp. Grant funds include \$30,000 in dedicated federal Clean Vessel Act funds and \$5,000 in state recreational boater funds.

This action requests the recognition of \$35,000 in grant revenues and an equal amount of additional appropriations authority in the Parks and Natural Areas Local Levy Option fund.

Property and Environmental Services- Solid Waste Fund - Capital Improvement Plan Changes

The following Capital Improvement Projects require revision as follows:

- *Metro Central Station Camera Expansion Project (#77106)*
The department plans to install video cameras at the Metro Central station to provide better visibility and transparency in station operations. The estimated cost for the cameras' installation and licenses is \$178,000. Funding for this project will come from contingency.
- *Blue Lake Gazebo and Shade Structure (#75620K)*
The gazebo and shade structure is a small maintenance and repairs project that has increased in scope and duration. Project costs have increased by an estimated \$39,000. Funding of these increases will be paid by the budgeted funds for contracted professional services and no additional appropriation is necessary.
- *Metro Central and South Stations' Compactor Projects (#SMC002 and #SMS001)*
Solid Waste is in the process of replacing Metro's five preload compactors, including two budgeted for replacement in FY 17-18. Replacement costs for each compactor have increased by approximately 10 percent or \$150,000. Funding for the increases will come from the cancellation of two projects and no additional appropriation is necessary.
- *Saint John's Landfill Flare Replacement Project (#77002)*
Metro received bids for the replacement of the landfill flare at the St Johns landfill that exceeded the amount budgeted by \$190,000. The increased cost will be paid for by a project that has been delayed until the next year and no additional appropriation is necessary.

This action requests a \$178,000 transfer from the Solid Waste contingency and also amends the FY 2017-18 through FY 2021-22 Capital Improvement Plan. Attachment 1 outlines the Capital Project Details changes requested.

MERC Venues Capital Improvement Plan Changes

The MERC Capital Improvement Programs face challenges common in large or complex construction projects such as accelerated time lines for operational demands, labor shortages, scope changes and emergency projects that require a reassessment of planned projects. As a result of these factors; the MERC Venues propose the following revisions to capital projects:

- *Portland's 5 Centers for the Arts:*
 - *Arlene Schnitzer Concert Hall Orchestra Shell Project (#8R092)*
The Arlene Schnitzer Concert Hall orchestra shell is 33 years old and in need of replacement. The proposed new project includes digital system for acoustic applications and would significantly enhance the sound quality for the primary users, the Oregon Symphony, as well as offer new flexibility for other users. Project costs have increased by \$1,330,000 for FY 17-18 and \$1,845,000 for FY18-19.

- *Antoinette Hatfield Hall Roof Project (#8R179)*
The Antoinette Hatfield Hall Roof project is currently in the design stage, and total project costs are estimated to increase by \$100,000. Design and engineering will address roof replacement, parapet wall repair, and green roof recommendations that fall in line with Metro sustainability goals.
- *Newmark Lighting Overhaul Phase II & III Project (#8R089)*
Project savings from prior year of \$123,063 shifted to FY 2017-18
- *Winningstad - House Lighting Control & Dimmers Project (8R090)*
Project savings from prior year of \$73,550 shifted to FY 2017-18
- *Newmark LED Cyclorama Light Fixtures Project (#8R143)*
Project savings from prior year of \$70,000 shifted to FY 2017-18
- *Keller – Roof and Drains Replacement Project (#8R098)*
Project savings from prior year of \$90,000 shifted to FY 2017-18
- *ASCH – Portland Sign Assessment and Refurbishment Project (#8R099)*
Project savings from prior year of \$150,000 shifted to FY 2017-18
- *ASCH – Cooling Tower and Associated Piping Project (design portion) (#8R120)*
Project savings from prior year of \$10,000 shifted to FY 2017-18
- *Keller Backstage Dressing Tower Elevator Overhaul Project (#8R175)*
This project has been delayed until FY 2021-22 resulting in a FY 2017-18 decrease of \$300,000
- *ArtBar Replacement Project (#85108)*
This project has been delayed until FY 2018-19 resulting in a FY 2017-18 decrease of \$125,000
- *Antoinette Hatfield Hall Rotunda Door Replacement Project (#8R180)*
This project has been delayed until FY 2018-19 resulting in a FY 2017-18 decrease of \$75,000
- *Arlene Schnitzer Concert Hall Elevator Overhaul – Front of House (#P5TBD69)*
This project has been shifted on the FY 2017-18 through FY 2021-22 Capital Improvement Plan from FY 2020-21 to FY 2018-19. The estimated costs have not changed.
- *Arlene Schnitzer Concert Hall Elevator Overhaul – Back of House (#P5TBD68)*
This project has been shifted on the FY 2017-18 through FY 2021-22 Capital Improvement Plan from FY 2021-22 to FY 2018-19. In addition the estimated costs have decreased from \$485,000 to \$400,000

This action requests a \$1,446,613 transfer from the Portland5's Centers for the Performing Arts contingency and also amends the FY 2017-18 through FY 2021-22 Capital Improvement Plan. Attachment 2 outlines the Capital Project Details changes requested.

- **EXPO:**

- *Shore Power Improvements Project Phase III (#8R202)*
A new building is proposed as Phase III of the Expo Shore Power Improvements, to provide permanent housing over the electrical infrastructure improvement (switchgear). This

improvement is a PGE requirement/stipulation to provide a safe and compliant facility for PGE and/or Expo staff as they interact with the new switchgear. The estimated cost is \$100,000.

- Electronic Signage & Landscaping Project (#8N011)
Project savings from prior year of \$47,548 shifted to FY 2017-18
- Halls D & E Roof Replacement Project (#8R136)
Project savings from prior year of \$20,939 shifted to FY 2017-18
- Security Camera Access Control System Project (#8R112)
Project savings from prior year of \$82,138 shifted to FY 2017-18
- Audio Visual Equipment Project (#8N020)
Project savings from prior year of \$11,867 shifted to FY 2017-18

This action requests a \$262,492 transfer from the EXPO contingency and also amends the FY 2017-18 through FY 2021-22 Capital Improvement Plan. Attachment 3 outlines the Capital Project Details changes requested.

- OCC (CIP changes only):
 - Staff and Setup Supervisor Support Spaces Project (#8R191)
This project will upgrade infrastructure and increase usability in two spaces within OCC. The original budget estimate of \$380,000 was insufficient after factoring in scope elements such as power, network and HVAC infrastructure improvements and furniture. The revised estimate is \$644,000. The increase will be covered by reducing the budget for the OCC Mass Notification Fire Alarm upgrade project.
 - Mass Notification Fire Upgrade Project (#8R163)
Project savings of \$264,000 shifted to the Staff and Setup Supervisor Support Spaces Project

This action amends the FY 2017-18 through FY 2021-22 Capital Improvement Plan. Attachment 4 outlines the Capital Project Details changes requested

Property and Environmental Services- General Asset Management Fund - Capital Improvement Plan Changes (CIP changes only)

The following Capital Improvement Projects require revision as follows:

- MRC Daycare Center Renewal and Remodel Project (#PSTBD024) and MRC Table 6 Tenant Improvements (#MRC02)
These changes will reallocate \$200,000 of the \$300,000 budgeted for project # MRC002 Table 6 Tenant Improvements to a project designed to renew and remodel portions of the MRC Daycare center. This proposed project involves a remodel of select interior areas to provide a safe, functional and modernized space for children and teachers and repair portions of Metro property.
- Merge of Central Environmental System (#01324) and MRC Rooftop Air-handler (#MRC001) Projects
This merger of two projects is necessary because they cannot be accomplished separately. The change will reallocated project #01324 Central Environmental System \$216,800 to the project

MRC001 MRC Rooftop Air-handler and the new combined project will be named MRC HVAC & BAS Upgrades.

This action amends the FY 2017-18 through FY 2021-22 Capital Improvement Plan. Attachment 5 outlines the Capital Project Details changes requested.

ANALYSIS/INFORMATION

1. **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. 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.

2. **Anticipated Effects:** This action provides for changes in operations as described above, recognizes new grants, provides additional appropriations authority and adds 4.25 FTE.

3. **Budget Impacts:** This action has the following impacts on the FY 2017-18 budget:

- Adds 1.00 FTE Program Director in the Zoo Operating Fund, Zoo Administration Department and requests \$143,963 from the General Fund contingency.
- Adds 1.00 FTE Program Director in the General Fund, Finance and Regulatory Services Department and requests \$55,711 from the General Fund contingency.
- Adds 1.00 FTE Program Analyst II in the General Fund, Finance and Regulatory Services Department and requests \$61,210 from the General Fund contingency.
- Adds 1.00 FTE Associate Public Affairs Specialist in the Solid Waste Fund, PES Communications Department and requests \$61,362 from the Solid Waste Fund contingency
- Adds 0.25 FTE Lead Custodian to the General Fund, MRC Building Operations Department. There are no additional appropriations requested in support of the FTE.
- Provides \$250,000 for the Metro Regional Center building assessments through a transfer from the General Fund contingency.
- Provides \$150,000 for Information Services projects through a transfer from the General Fund contingency.
- Provides \$135,318 to the Oregon Zoo Infrastructure and Animal Welfare Bond Fund for projects through a transfer from the Oregon Zoo Asset Management Fund.
- Provides \$45,000 for Human Resources projects through a transfer from the General Fund contingency.

- Recognizes \$35,000 in grant revenues and additional appropriations authority in the Parks and Natural Areas Local Option Levy Fund.
- Provides \$178,000 to Solid Waste capital projects through a transfer from the Solid Waste Fund contingency and amends the FY 2017-18 through FY 2021-22 Capital Improvement Plan.
- Provides \$1,446,613 to Portland5's Center for the Performing Art capital projects through a transfer from the Portland5's Center for the Performing Art contingency and amends the FY 2017-18 through FY 2021-22 Capital Improvement Plan.
- Provides \$262,492 to EXPO Center capital projects through a transfer from the EXPO Center contingency and amends the FY 2017-18 through FY 2021-22 Capital Improvement Plan.
- Amends the FY 2017-18 through FY 2021-22 Capital Improvement Plan for projects at the Oregon Convention Center and the Metro Regional Center.

RECOMMENDED ACTION

The Chief Operating Office recommends adoption of this Resolution.