

## 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

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Date: June 21, 2018

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## BACKGROUND

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

### Rose Festival Float

Councilor Dirksen is requesting \$10,000 from the Council Opportunity Account in the General Fund contingency to support the creation of a mini-float so Metro can participate in the 2018 Rose Festival Grand Floral Parade. This amount would cover costs associated with the creation and maintenance of a mini-float including materials for decoration, entry fees for the float, and other costs associated with construction and storage.

For more than 100 years, the Grand Floral Parade has been a beloved Portland and Oregonian tradition. The parade draws hundreds of thousands of cheering viewers of every age, along a 4.2 mile route that winds through city streets and across the river. The Rose Festival Organization offers a mini-float program that allows individuals, groups and organizations to participate in the parade at a smaller scale and cost.

Metro's participation in the Grand Floral Parade will provide an opportunity to educate the broader community about Metro as an organization and our work. Utilizing a float in the Grand Floral Parade will allow Metro to connect with individuals in our region that might not typically be exposed to Metro communications in a new and exciting way. Furthermore, some of the infrastructure purchased to create this float can be used for future Grand Floral Parades or other parades.

This action requests a \$10,000 transfer from the Council Opportunity Account in the General Fund contingency.

### Zoo Concerts

The Oregon Zoo Guest Services Division has confirmed the 2018 Summer Concert lineup. Historically, there have been two concerts scheduled in June as reflected in the original budget. This summer the promoter was able to confirm five concerts: Ziggy Marley, Violent Femmes, Indigo Girls, Trampled by Turtles and Deer Tick, and Belle & Sebastian with Japanese Breakfast. This amendment requests additional appropriations to account for the costs associated with the additional concerts.

This action requests a \$603,811 transfer from the Zoo Operating Fund contingency.

### Federal Grants

The Planning & Development Department recently received two additional federal grants (Brownfields and SWEDS) that were not anticipated when the current budget was developed. The Brownfields grant provides funding to Metro to develop and conduct cleanup planning and community involvement activities for Brownfields sites along the McLoughlin Boulevard corridor. The Southwest Corridor

Equitable Development Strategy (SWEDS) grant provides funding to Metro to produce an equitable development strategy for the Southwest Corridor, where a light rail project is being planned.

This action requests the recognition of a \$375,000 in Federal grant revenues and provides additional associated appropriations authority.

#### Box Office Costs

Portland's Centers for the Arts box office costs related to Hamilton ticket sales were more than expected due to price level of tickets. Ticket prices, set by the presenter, Broadway Across America, were not known at the time of the fiscal year 2017-18 budget development. The higher ticket prices also resulted in increased box office revenues.

This action requests a \$220,000 transfer from the Portland's Center for the Arts Fund contingency.

#### Portland's Centers for the Arts Capital Improvement Plan Changes

The following Capital Improvement projects require revision as follows:

- The Point of Sale (POS) total project budget requests an increase from \$130,000 to \$172,000. Pacificwild and the MERC venues have been working towards a solution to replace the end-of-life point of sale (POS) software, upgrade to portable devices and implement PCI compliance. During planning PacificWild identified high priority locations for additional devices at Portland's. These additional devices will have additional cost, requiring an increase to the total project budget. However, the costs will be covered by PacificWild's existing budget for capital items, so no change in appropriation is necessary.
- The Arlene Schnitzer Concert Hall (ASCH) Elevators project requests an increase from \$0 to \$560,000. The ASCH back of house and front of house elevator project will begin this summer when the ASCH is dark for the shell replacement. It was initially planned for the project to start in July, but due to availability on the schedule it will begin in June. The bulk of the costs are for materials which will now be incurred in FY 2017-18. There is no change to the overall project budget, this amendment only shifts the budget from FY 2018-19 to FY 2017-18.
- The Keller electrical infrastructure update project requests an increase from \$0 to \$300,000. The project is scheduled to occur in FY 2018-19. To ensure installation prior to the busy spring season at the Keller, some equipment must be purchased this fiscal year. This amendment requests a timing change to shift a portion of the budget to FY 2017-18.

This action requests \$860,000 transfer from the Portland's Center for the Arts contingency. Attachment 1 outlines the Capital Project changes requested.

#### Oregon Zoo Capital Improvement Plan Changes

The following Capital Improvement project requires revision as follows:

The AfriCafe Restroom renovation project, originally scheduled for fiscal year 2019-20, will be rescheduled to the current year due to recently noted evidence of mold. This revision will not increase current year appropriations but will instead move \$115,000 from amounts budgeted for other projects under \$100,000.

This action does not impact appropriations. Attachment 2 outlines the Capital Project changes requested.

## ANALYSIS/INFORMATION

1. **Known Opposition:** None known.
2. **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.
3. **Anticipated Effects:** This action provides for changes in operations as described above and provides additional appropriations authority.
4. **Budget Impacts:** This action has the following impacts on the FY 2017-18 budget:
  - Provides \$10,000 to Council through a transfer from Council Opportunity Account in the General Fund contingency.
  - Provides \$603,811 to Oregon Zoo Guest Services through a transfer from the Oregon Zoo Operating Fund contingency.
  - Recognizes \$375,000 of specific purpose grants and provides additional associated appropriations authority in the General Fund Planning and Development department.
  - Provided \$220,000 to the Portland's Centers for the Arts operations through a transfer from the Portland's Centers for the Arts Fund contingency
  - Provides \$860,000 to the Portland's Centers for the Arts through a transfer from the Portland's Centers for the Arts Fund contingency and amends the FY 2021-22 Capital Improvement Plan.
  - Amends the FY 2017-18 through FY 2021-22 Capital Improvement Plan for projects at the Oregon Zoo.

## RECOMMENDED ACTION

The Chief Operating Office recommends adoption of this Resolution.