

STAFF REPORT

FOR THE PURPOSE OF AMENDING THE FY 2018-19 BUDGET AND APPROPRIATIONS SCHEDULE AND THE FY 2018-19 THROUGH FY 2022-23 CAPITAL IMPROVEMENT PLAN FOR A CHANGE IN OPERATIONS

Date: November 15, 2018

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BACKGROUND

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

Education Specialist II and Additional Program Costs- Title 1 Program

The Oregon Zoo is requesting a two year limited duration .50 FTE Educational Specialist II and additional appropriations to support the continuation of the Title 1 Zoo School program. In past years, lack of funding for admission, programming, and bus transportation prevented most Title 1 schools from accessing the zoo and its resources. In 2016, the Oregon Zoo Foundation responded to this need by making a commitment to fund zoo field trips, the Zoo School live animal program and provide small transportation stipends for all third grade classes at Title 1 schools in the Portland Metro region. As a result, over 6,000 third grade students from 80 schools participated in FY 2017-18.

The Oregon Zoo Foundation's donations for the Title 1 Program will support the additional limited duration FTE requested and other program related costs including transportation for attending students, stipends for teachers and temporary staffing through FY 2019-20. Annualized costs for the .50 FTE are estimated at \$42,000; costs for the remainder of this fiscal year are estimated at \$24,600.

This action requests the addition of a limited duration .50 FTE, recognition of \$47,774 in donations, and equal amount of additional appropriations authority in the Oregon Zoo Operating Fund.

Senior Management Analyst, Service Supervisor III and Administrative Assistant III for Parks and Nature Programs

Parks and Nature is requesting the following five year limited duration 2.20 FTE:

- 1.00 FTE for an Indigenous Community Liaison to serve as the department's Intertribal Cultural Resource Specialist. The position will continue to foster department-wide understanding of Indigenous peoples' history, lead engagement efforts with the Indigenous community in Greater Portland, engage with the Indigenous community to provide access to Metro-managed properties for culturally specific uses and to serve as a resource to Parks and Nature staff in engaging with the region's Native American community. Annualized costs for the position are estimated at \$103,400, this action requests funding of \$51,716 for a partial year.
- 1.00 FTE for an Oxbow Park Supervisor to provide additional management oversight at Oxbow Park. Over the last two years, two parks have been added on the west side of the region; Farmington Paddle Launch and Killin Wetlands Nature Park. The expansion of the system, combined with increased visitation, has stretched the Park Operations management team. Adding the position in the current year will allow the team to implement the new management structure

prior to the busy season. Annualized costs for the position are estimated at \$118,300; this action requests funding of \$49,308 for a partial year.

- .20 FTE to make an existing 0.80 FTE Administrative Specialist II a fulltime position. The increase will provide better customer service at Oxbow and free up Park Ranger staff to focus on their core responsibilities of ensuring that the park is safe and welcoming. Annualized costs for the .20 FTE increase are estimated at \$10,900; this action does not request additional appropriations for the current year's partial costs of \$6,353.

This action requests the addition of a combined limited duration 2.20 FTE and \$101,024 from the Parks and Natural Areas Local Option Fund contingency.

Project Manager for Metro Regional Center Bond funded projects

Property and Environmental Services is requesting a four year limited duration 1.00 FTE Project Manager to manage the Metro Regional Center bond funded construction projects. Approximately \$12.5 million of projects are scheduled for the next several years and existing staff resources are not adequate to handle the increased number of projects. Annualized costs for the position are estimated at \$112,500; this action requests funding of \$65,632 for a partial year.

This action requests the addition of a limited duration 1.00 FTE and \$65,632 from the General Asset Management Fund contingency.

Associate Transportation Planner for Safe Routes to School (SRTS) Program

Planning and Development is requesting a three year limited duration 1.00 FTE Associate Transportation Planner to provide outreach to school districts and local governments, technical support to SRTS practitioners, and support grant recipients in program delivery projects. Metro was awarded a three year FTA grant to fund this position with a 10.27 local match. Annualized costs for the position are estimated at \$99,000; this action requests funding of \$57,881 for a partial year.

This action requests the addition of a limited duration 1.00 FTE, recognition of \$51,937 in grants, an equal amount of additional appropriations authority and \$5,944 from the General Fund contingency.

Program Director- change from Limited Duration to Regular Status

Finance and Regulatory Services and Zoo Bond management are requesting the conversion of a limited duration 1.00 FTE Program Director position to regular status. The limited duration position is currently set to expire as of June 30, 2020. As the Zoo bond program enters its final years, the two departments determined it would be beneficial to realign the position's responsibilities. The reconfigured position will be responsible for all financial aspects of the Oregon Zoo as well as implementation of the final phases of the Oregon Zoo bond program. The current year annualized costs of the position are budgeted at \$191,600.

This request does not seek additional appropriations for the current year, nor will it result in additional costs in FY 2019-20.

Recognition of Revenues based on Intergovernmental Agreements

The Planning and Development department recently negotiated two intergovernmental agreements with Tri Met that allow Federal and State transportation funds to be allocated in ways that will best serve regional transportation interests. Funds will be distributed between the agencies based on their ability to fully utilize available funds to further specific transportation planning and infrastructure projects. Specific agreements triggering the amendment request include:

- Regional Flexible Funds Allocation (RFFA): Metro and Tri Met have agreed to provide funds to local jurisdictions to fund various Active Transportation and Safe Route projects. Under the agreement, Metro received \$2.095 million from Tri Met and will grant \$1.7 million to local agencies for agreed upon projects. \$395,000 will be retained by Metro to conduct analysis of other regional active transportation projects and offset costs associated with Enhanced Transit workshops.
- Regional Flexible Funds Allocation (RFFA): Metro and Tri Met entered into a second agreement to provide funds for local jurisdictions' agreed upon capital projects. Under the agreement, Metro received \$2.354 million from Tri Met and will contribute \$2.307 million to local jurisdictions for projects including improvements to the Molalla Avenue/Beavercreek road in Oregon City, Main Street in Tigard and various eastside intersections in Portland. Approximately \$47,000 will be retained by Metro for administrative costs.

This action requests the recognition of \$4,449,155 in specific purpose grants and an equal amount of additional appropriations authority in the General Fund's Planning and Development Department.

Prepayment of Interagency Loan due to Issuance of FFCO Bonds- Transfers between funds

Metro issued FFCO bonds in May 2018 to finance approximately \$12.5 million in high priority capital renovations and repairs to the Metro Regional Center building. Property and Environmental Services has determined it will prioritize spending of the bond proceeds and make early payment on an existing interagency loan initiated for the same purpose. Once the payment date is set, the amount due for principal and interest will be calculated and only that amount will be transferred to the Solid Waste Fund.

This action requests a \$1,350,000 from the General Asset Management Fund contingency, and authority to transfer the same or lessor amount to the Solid Waste fund.

Recruitment Firm Services for Executive Level hires

The Council Office requires the services of an executive-level search firm for the recruitment of three positions; Metro General Counsel, Chief of Staff to incoming Council President Peterson and Director of Human Resources.

This action requests \$135,000 from the General Fund contingency.

BOLI Fees and Performance Bonds

The Procurement division of Finance and Regulatory Services is responsible for multiple on-call contracts which are used agency-wide. Several of the contracts are used for projects meeting the definition of public improvement, and are subject to BOLI fees and Performance Bonds. These costs are due at the beginning of the contracts, prior to project work, which makes it difficult to charge directly to a project.

To ease the administrative burden, FRS intends to charge these expenses to the Procurement division and allocate across the agency via the cost allocation plan.

This action requests \$50,000 from the General Fund contingency.

Microsoft PowerBI software for Business Intelligence (BI) Platform

The Research Center is requesting \$90,000 for implementing a Business Intelligence (BI) platform, Microsoft PowerBI. The amount will fund purchase of the necessary software licensing and data storage hardware for FY 2018-19. PowerBI technology is a key part of supporting the adoption of a metrics-based reporting system for the agency's performance measures. It will provide the web-delivered data visualization capacity necessary to make viewing performance measures easy and meaningful for Council and staff.

This action requests \$90,000 from the General Fund contingency.

VOIP Platform Support Services and Security and Video Surveillance Systems

Information Services is requesting \$94,000 to fund the following two critical functions:

- **VOIP:** Metro began renewing phone systems throughout the agency in FY 2017-18. The ongoing project replaces all separate and aging phone systems with a new, centrally managed and modern communication platform. Support of the new phone platform requires highly specialized knowledge that cannot be easily provided by staff who have existing commitments and lack extensive prior experience. This request will ensure that we have qualified support available to ensure the availability and operability of phone services provided by our new phone platform. Estimated cost for the partial year is \$64,000.
- **Security and Video Surveillance Systems:** Metro began replacing and augmenting security and video surveillance systems in FY 2016-17. The agency now runs over 400 camera units at most of the facilities. As part of the system, we have a centralized system, used by all departments, that provides web and cellular camera access, security provisioning and the ability to capture video data. Information Services initially funded the central licensing and maintenance, but the centralized system has grown to the point where additional funding is required for the department to cover the costs. Estimated cost for the partial year is \$30,000.

This action requests the transfer of \$94,000 from the General Fund contingency.

Parks and Natures - Capital Improvement Plan Changes

The following Capital Improvement Projects require revision as outlined below:

General Fund:

- **Burlington Forest Road Repair (LR901):** The project will include repairs to the road system infrastructure accessing the Burlington Forest natural area and other repairs designed to stabilize and improve the area's water quality. Funds from the Chastain Creek settlement were earmarked for restoration of natural areas when they were recorded in the General Fund in a prior year. This project was selected for specific use of the proceeds in the spring of 2018.

This action requests \$135,000 from the General Fund contingency and also amends the 2018-19 through FY 2022-23 Capital Improvement Plan. Attachment 1 outlines the Capital Project Details changes requested.

General Asset Management Fund (Parks Renewal and Replacement):

- Chinook Floats & Gangway Design (PCK001): The project, originally scheduled to begin in FY 2017-18, is required to meet a 6/30/2019 deadline set by the Oregon State Marine Board grant for completion of the design and engineering phase of the project. The contract for the design and engineering to replace the floats and gangway at Chinook Landing was recently executed and the project is ready to move forward.

This action requests \$115,100 from the General Asset Management fund contingency and also amends the 2018-19 through FY 2022-23 Capital Improvement Plan. Attachment 1 outlines the Capital Project Details changes requested.

Parks and Natural Area Local Option Levy:

- Oxbow Play Area Renovations (LI003): This project was originally budgeted in FY 2017-18 but construction was delayed. The contract was recently executed and a grant extension from the state was issued. The \$440,100 project's completion is anticipated by the end of this fiscal year.
- Park Trailers (70001P): Two trailers with a combined \$30,000 need to be added to the fleet to provide for Parks operations.
- Burlington Forest Road Repair (LR901): The project will include repairs to the road system infrastructure accessing the Burlington Forest natural area and other repairs designed to stabilize and improve the area's water quality. Project costs of \$135,000 will be absorbed by existing appropriations.

This action requests \$470,100 from the Parks and Natural Areas Local Option Levy contingency and also amends the 2018-19 through FY 2022-23 Capital Improvement Plan. Attachment 1 outlines the Capital Project Details changes requested.

Natural Areas Bond Fund:

- Clear Creek North Stream Stabilization (Aus Farms G12007): The project includes stream restoration efforts at Clear Creek North (Aus Farms). Total estimated project costs are \$365,000 and will be partially funded by \$261,638 of grant proceeds. Remaining project costs of \$103,362 will be absorbed by reductions or postponement of other capital projects.
- Springhill Wetlands Stabilization (Zurcher G48003): The project includes farm conservation planning, enhancement of native wetland habitats, control of non-native target weeds and reestablishment of native plant communities. Metro is partnering with Clean Water Services to perform stream stabilization work at the Zurcher property (G48003). Estimated project costs for the current year are estimated at \$165,000 and will be absorbed by reductions or postponement of other capital projects.

This action requests recognition of \$261,638 in grants, an equal amount of additional appropriations authority and also amends the 2018-19 through FY 2022-23 Capital Improvement Plan. Attachment 1 outlines the Capital Project Details changes requested.

Portland's 5 Centers for the Arts Capital Improvement Plan Changes (CIP changes only):

The following Capital Improvement Projects require revision as outlined below:

- The Arlene Schnitzer Concert Hall Orchestra Shell (ASCH) Replacement project requests a total project budget increase from \$3.3 million to \$8 million, contingent on additional funding. The main objective of this project is the replacement of the current orchestra shell with an integrated electronically enhanced acoustic system. The original estimate was prior to design work, and did not consider the access challenges in a historical building and the full extent of the necessary electrical infrastructure. Not moving forward with this project would require a new solution to the existing orchestra shell, which is at the end of its useful life. Portland's 5 believes the electric acoustical solution is the most advantageous as it provides a benefit to all ASCH users. Portland's 5 has secured \$3.5 million in funding, and has made additional requests for \$3 million. Should this funding be provided, Portland's 5's net cost of the project would be \$1.5 million.
- The following projects will be deferred from the five-year CIP to shift resources to the ASCH Orchestra Shell Replacement: ASCH Roof Drains, ASCH Chamber Lighting, ASCH Cooling Airflow Study, and Hatfield Hall Stage Door Area Rebuild.
- Portland's 5 and Pacificwild have determined a re-design of the Keller Café is the highest priority of food and beverage capital projects. The café is an important revenue stream for shows scheduled at the Keller. This project is an enhancement of the space to include new furniture, flooring, room dividers and screens. The budget from two existing projects, Art/Bar Lobby Furniture Replacement and Portable Concession Kiosks, will shift to a new project, Keller Café.

This action amends the FY 2018-19 through FY 2022-23 Capital Improvement Plan. Attachment 2 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 4.70 FTE.
3. **Budget Impacts:** This action has the following impacts on the FY 2018-19 budget:

- Adds .50 limited duration FTE, recognizes \$47,774 in specific purpose donations and \$47,774 in additional appropriations in the Oregon Zoo Operating Fund
- Adds 2.20 limited duration FTE and requests \$101,024 from the Parks and Natural Areas Local Option Levy Fund contingency
- Adds 1.00 limited duration FTE in the General Asset Management Fund and requests \$65,632 from the General Asset Management Fund contingency
- Adds 1.00 limited duration FTE, recognizes \$51,937 in specific purpose grants, authorizes \$51,937 of additional appropriations and transfers \$5,944 from the General Fund contingency
- Recognizes \$4,449,155 of specific purpose grants and authorizes \$4,449,155 of additional appropriations in Planning and Development
- Provides \$1,350,000 from the General Asset Management Fund contingency and authority to transfer an equal or lesser amount to the Solid Waste Fund
- Provides \$105,000 and \$30,000 to Council and Human Resources respectively through a transfer from the General Fund contingency
- Provides \$50,000 to Finance and Regulatory Services through a transfer from the General Fund contingency
- Provides \$90,000 to the Research Center through a transfer from the General Fund contingency
- Provides \$94,000 to Information Services through a transfer from the General Fund contingency
- Provides \$135,000 for General fund capital projects through a transfer from the fund's contingency and amends the FY 2018-19 through FY 2022-23 Capital Improvement Plan
- Provides \$115,100 for General Asset Management Fund capital projects through a transfer from the fund's contingency and amends the FY 2018-19 through FY 2022-23 Capital Improvement Plan
- Provides \$470,100 for Parks and Natural Area Local Option Levy capital projects through a transfer from the fund's contingency and amends the FY 2018-19 through FY 2022-23 Capital Improvement Plan
- Recognizes \$261,638 of specific purpose grants, provides an equal amount of additional appropriations for Natural Areas Bond projects and amends the FY 2018-19 through FY 2022-23 Capital Improvement Plan
- Amends the FY 2018-19 through FY 2022-23 Capital Improvement Plan for projects at the Portland5's Center for the Performing Arts

RECOMMENDED ACTION

The Chief Operating Office recommends adoption of this Resolution.