

STAFF REPORT FOR 6-4-19 WORK SESSION

FY 2019-20 COUNCIL PROPOSED AMENDMENTS AND BUDGET NOTES AND DEPARTMENT SUBSTANTIVE AND TECHNICAL AMENDMENTS

Date: 5.23.19

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Department:
Finance and Regulatory Services

Presenters:
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Meeting date: 6.4.19

Length: 45 minutes

ISSUE STATEMENT

The work session will provide Council the opportunity to discuss Council proposed amendments and budget notes and department requests for amendments to the FY 2019-20 budget.

ACTION REQUESTED

None at the work session. Consideration and vote on the amendments and budget notes at the 6.13.19 Council meeting.

IDENTIFIED POLICY OUTCOMES

Compliance with Oregon Budget Law

POLICY QUESTIONS

- Is additional information needed on any proposed amendments or budget notes
- What funding sources are under consideration for Council proposed amendments (reductions in contingencies, reductions or reallocations of existing appropriations or other options)
- What are Council preferences for consideration at the 6.13.19 Council meeting for:
 - Council proposed amendments and budget notes (individually or *en bloc* – prior Council preference has been to consider individually)
 - Department requests for amendments (*en bloc* or individually- prior Council preference has been to consider individually).

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Council consideration of the amendments and budget notes should occur prior to adoption of the FY 2019-20 budget.

STAFF RECOMMENDATIONS

- Consideration of the Councilor amendments and budget notes
- Consideration and approval of department substantive and technical amendments

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

- The amendments and budget notes discussed today will be considered by Council on 6.13.19. Financial Planning staff have reviewed the amendments brought forth and have determined that they fall within the limitations defined by Oregon Budget Law which states the increases to expenditures after approval of the budget are limited to no more than 10 percent of any fund's expenditures.
- Amendments and budget notes adopted on 6.13.19 will be incorporated into the FY 2019-20 budget. Consideration of Resolution 19-4977, adopting the FY 2019-20 budget, is scheduled for 6.20.19.
- Consideration of Resolution 19-4984, adopting the Five Year Capital Asset Plan (CIP) is also scheduled for the 6.20.19 Council meeting. The CIP details five years of planned projects with the first year of the plan appropriated in the FY 2019-20 budget. Adopted FY 2019-20 amendments that impact the CIP will be incorporated into the plan prior to adoption.
- The annual re-adoption of the agency's financial policies is also included in Resolution 19-4984. There are no significant agency driven changes to the FY 2019-20 financial policies. Language in two policy areas will be revised due to the following developments:
 - SEC rule changes for bond issuances effective 2.2019: The SEC revised its continuing disclosure requirements earlier this year for certain types of legal obligations (e.g.: bonds). Language to address the new requirements and to adopt terminology changes (obligation vs bond, etc.) will be incorporated into the financial policies prior to your consideration. Agency staff is currently working with our external bond counsel and financial advisor to ensure our policies meet the current SEC rules and guidelines.
 - Capital Asset Management Policies: The FY 2018-19 policies contain conflicting thresholds for inclusion of projects in the five year Capital Improvement Plan. A \$50,000 threshold has been revised to align with the correct \$100,000 threshold referenced throughout the policies.
 - Capital Asset Management Policies: The Steering Committee's members and purpose have been revised.
- Known Opposition: none known at this time
- Legal Antecedents: Oregon Budget Law requires adoption of the FY 2019-20 budget no later than June 30th in order to have legal authority to spend money as of July, 1st.
- Anticipated Effects: Metro will have legal authority to fund agency programs and functions as of 7.1.19.
- Financial Implications: Adopted amendments and budget notes will be incorporated into the FY 2019-20 Adopted Budget.

BACKGROUND

Oregon Budget Law requires local governments to prepare their annual budgets in three legislatively defined stages, Proposed, Approved and Adopted. The agency's current processes and calendar allow the agency to meet this requirement.

ATTACHMENTS

- Memo to Council
- FY 2019-20 Packet of Council budget amendments, budget notes and department substantive and technical budget amendments
- Is legislation required for Council action? No