

## **STAFF REPORT FOR 9-15-2020 WORK SESSION**

### **FY 2020-21 MID-YEAR BUDGET AMENDMENT**

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Date: Sept. 8, 2020  
Department: Office of the COO  
Meeting Date: Sept. 15, 2020

Prepared by: Val Galstad  
Presenters: Brian Kennedy, Marissa  
Madrigal  
Length: 45 minutes

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#### **ISSUE STATEMENT**

This work session will provide Council an opportunity to discuss proposed budget reductions and provide direction and feedback. This discussion will inform the development of budget amendments for Council consideration on September 24.

Based on Council direction, the COO will make recommendations for Council consideration in the form of a budget amendment. Council will vote on the amendment on September 24.

#### **ACTION REQUESTED**

None at this work session. The CFO and COO seek Council feedback and direction on the proposed reductions. This will inform COO recommendations for Council consideration on September 24.

#### **Timeline**

- Budget reduction proposals due to Finance September 1st
- Department meetings with COO/DCCO/GMVV September 8-11th
- Council work session September 15th
- COO recommendations September 18th
- Council budget amendment consideration September 24th

#### **IDENTIFIED POLICY OUTCOMES**

Generate necessary savings in General Fund

#### **POLICY QUESTION(S)**

- What are Council preferences and priorities as we consider these budget reduction proposals?
- Is additional information needed to consider these proposals?

#### **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

Council consideration of budget reductions proposed by department directors.

#### **STAFF RECOMMENDATIONS**

n/a

## **STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

- How does this advance Metro's racial equity goals?
  - Budget reduction proposals were developed with an explicit racial equity framework. All recommendations are being considered through this framework.
  - We are guided by Metro's values and the Council adopted Strategic Plan to Advance Racial Equity, Diversity and Inclusion (Strategic Plan) and committed to centering racial equity in our collective responses to the economic impact of COVID19.
  - Department directors were asked to:
    - Work with their internal equity leaders and/or staff of color to ensure they applied an equity lens to their decisions.
    - Ensure that reductions do not exacerbate existing inequities or accelerate the financial and health crisis.
    - Use department/venue racial equity plans in addition to the agency Strategic Plan for helping to prioritize budget recommendations
- Known Opposition: none
- Anticipated Effects: This discussion will inform a budget amendment for Council consideration on September 24.
- Financial Implications: This discussion will inform a budget amendment, reducing General Fund spending for FY2021

## **BACKGROUND**

The decisions we made to reduce spending in the 4th quarter of FY2020 and the reductions that were incorporated into the FY2021 budget have been important in Metro's response to the COVID-19 pandemic and associated economic crisis. When we made those decisions in April, we knew we might need to make further reductions in the fall. Unfortunately, we now know that this is the case.

Throughout August, we hosted a series of info sessions for staff and managers to share our updated budget projections. These updated forecasts assume a scenario where our venues are closed for events until June 2021.

As a result, Department Directors were asked to develop and prioritize budget reduction strategies for each non-venue department. Departments that receive General Fund allocations developed 15% reduction strategies to reduce their use of General Fund resources. These proposals were delivered to the Chief Financial Officer (CFO) and Chief Operating Officer (COO) on September 1.

Since then the CFO, COO, Deputy COO and General Manager have met with each department to discuss their proposals. This group will also be reviewing agency-wide and across the board reductions that may reduce the size of department cuts.

**ATTACHMENTS**

August budget guidance

Racial Equity Framework and Worksheet

- Is legislation required for Council action? ☒ Yes   ☐ No
- If yes, is draft legislation attached? ☐ Yes   ☒ No
- What other materials are you presenting today? none