



Metro

Fiscal year 2020-2021 budget reductions

Metro Council Work Session

Tuesday, Sept. 15, 2020



Agenda

- Recent projections
- Long-term vision
- Short-term reality
- Assumptions
- Likely recommendations

Recent projections

Moved from mid-case to worst case scenario

General fund shortfall of approx. \$9 million

Other fund considerations

August forecast vs. April forecast

General fund forecast

	FY20-21 Budget	FY20-21 Revised	FY21-22 Forecast	FY22-23 Forecast
Beginning Fund Balance	12,504,394	14,130,830	4,923,043	1,691,616
Excise Tax	19,157,754	17,497,465	18,022,389	18,563,061
Property Tax	16,701,917	16,200,859	17,202,975	17,719,064
Other Revenues	3,676,812	2,712,720	3,321,376	3,663,760
Internal Transfers	27,460,839	27,460,839	28,284,664	29,133,204
Total Revenues	66,997,322	63,871,884	66,831,404	69,079,089
Personnel Services	26,638,692	25,253,180	26,768,371	28,374,473
Materials & Services	8,254,295	8,254,295	8,419,381	8,587,769
Transfers	33,508,569	37,308,569	32,427,826	33,400,661
Debt Service	2,263,627	2,263,627	2,447,252	2,546,179
Total Expenditures	70,665,183	73,079,671	70,062,830	72,909,082
Revenues Over/(Under) Expenditures	(3,667,861)	(9,207,787)	(3,231,426)	(3,829,993)
Ending Fund Balance	8,836,533	4,923,043	1,691,616	(2,138,377)

General Fund ending fund balance

	FY20-21 Revised	FY21-22 Forecast	FY22-23 Forecast
Beginning Fund Balance	14,130,830	4,923,043	1,691,616
Revenues Over/(Under) Expenditures	(9,207,787)	(3,231,426)	(3,829,993)
Ending Fund Balance	4,923,043	1,691,616	(2,138,377)
EFB % of Revenue	5.12%	1.73%	-2.18%
Reserve Target (10%)	9,609,846	9,757,101	9,795,936

Other fund considerations

Non-MERC/Zoo funds will have significant cost plan impacts in FY23

Parks and Nature Operating Fund

Solid Waste Fund

Planning and Development/Research Center

August vs. April forecasts

Updated assumptions

- Updated solid waste tonnage forecast
- MRC reopening status
- Venue reopening status

August vs. April forecasts *(cont.)*

Scenario planning

- Adopted FY2020-21 budget based on mid-case scenario
- Trending toward worst-case scenario developed in April

Long-term vision

Balance the budget for next three to five years

Delineation of one-time-only costs/
revenues and on-going costs/revenues

Maintain 10% reserves

Short-term

Make mid-year cuts to bring costs into alignment with revenue

Protect underfunded central infrastructure

Short-term *(cont.)*

Focus on our mandated functions and core values like racial equity

Focus reductions on areas where we have deeper capacity to maintain functions

Assumptions

No events until mid-to-late 2021

Subsidize cost allocation plan for venues and zoo

Zoo open in current status

Maintain general fund reserve at 10%

Assumptions *(cont.)*

General fund miscellaneous revenue collections

No new general fund revenue sources

Schedule reductions, furloughs and pay freezes

Federal assistance

Likely recommendations

Combination of tactics to reach 15% cut:

- Position and program cuts
- Small re-orgs collapsing programs into others
- Across the board measures
- Moving costs from the general fund to other funds where appropriate.

Next steps

Finalize recommendations to Council

Council consideration of supplemental budget
on Oct. 15

Identify major Council priorities ahead of
FY2021-22 budget process

Considerations

Are there other assumptions to factor in?

What is the desired level of subsidy for our venues?

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