

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 20-5147 FOR THE PURPOSE OF AMENDING THE FY 2020-21 BUDGET AND APPROPRIATIONS SCHEDULE FOR CHANGES IN OPERATIONS

Date: November 15, 2020

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Meeting date: December 3, 2020

ISSUE STATEMENT

This resolution will authorize changes in appropriations and FTE in the FY 2020-21 Budget.

ACTION REQUESTED

Council adoption of Resolution 20-5147.

IDENTIFIED POLICY OUTCOMES

Council approval will authorize the changes in appropriations and FTE requested by departments for FY 2020-21.

POLICY QUESTION

Council should consider whether the changes in appropriations and FTE have been justified and that adequate funds exist for other identified needs.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Adoption of the Resolution will provide sufficient appropriations and FTE to accommodate the changes in operations outlined by the departments.

Disapproval of the Resolution will result in a significant operational budget shortfall and will require departments to reevaluate their proposed changes due to the denied requests for changes in appropriations and FTE.

STAFF RECOMMENDATIONS

The Chief Operating Officer recommends adoption of Resolution 20-5147.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

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. ORS

294.338(3) allows an increase in appropriations when a request for services, the cost of which is supplied by another entity, necessitates a greater expenditure of public money for any specific purpose in order to provide the services when authorized by an official resolution or ordinance of the governing body stating the need for the recognition. ORS 294.471(h) allows for the governing body to reduce appropriations when there is a reduction in available resources. Metro code chapter 2.02.040 requires the Metro Council to approve the addition of any position to the budget. Metro Council should review and consider the need to reduce positions.

Anticipated Effects: This action provides for changes in operations as described above, provides changed appropriations authority, adds 2.0 FTE, and eliminates 2.45 FTE.

Budget Impacts: This action has no change in total appropriations, adds 2.0 FTE, and eliminates 2.45 FTE and has the following impacts on the FY 2020-21 budget:

- General Fund: net zero impact on total fund appropriations. Adds 2.0 FTE, paid for by a \$156 thousand transfer from the fund's contingency.
- Solid Waste Fund: net zero impact on total fund appropriations. Reduction of \$3.3 million in expenditures transferred to the fund's contingency. This reduction includes the elimination of 2.45 FTE.

BACKGROUND

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

General Fund

Human Resources is requesting 1.0 FTE for a Labor and Employee Relations (LER) Manager 1, costing \$98 thousand in FY 2020-21 and paid for by a transfer from the fund's contingency. There is not a manager dedicated to the LER group. Currently, the HR Director oversees the 3 LER program managers. HR has a need for a dedicated manager for this group, to be able to perform work for increased capacity and to oversee the program managers.

The agency has identified the need for a 1.0 FTE that will focus on oversight of the Americans with Disabilities Act (ADA) regulations and requirements, costing \$58 thousand in FY 2020-21 and paid for by a transfer from the fund's contingency. This FTE will establish systems, tracking, and compliance evaluations, and perform on-going monitoring and assessments for all of Metro. The position will be managed by the Deputy Chief Operating Officer's office within the Council department but will work closely with the Capital Asset Management department to develop and implement ADA compliance and planning procedures.

Solid Waste Fund

Waste Prevention and Environmental Services Department has been financially impacted by the current pandemic and has forecasted a drop in tonnage-related revenue due to depressed tonnage in the region. In addition, due to the ever-changing economic environment, the annual update to Solid Waste Fees have not been adopted. Both of these factors have projected reduced revenues for the Solid Waste Fund. To manage the financial implications, the Department is formally reducing their expenses by \$3.3 million, offset by increasing the fund's contingency. The Department chose to not reduce revenue to provide financial flexibility if the region recovers quickly.

\$2.7 million of the reductions relate to materials and service expenditures. The largest impacts include a \$700 thousand reduction in Investment and Innovation grant funds, a \$414 thousand reduction in the Youth Education and Leadership program, a \$200 thousand reduction in multi-family programs, a \$100 thousand elimination of budget for access to services payments to haulers in implementing Metro food separation policy, a \$200 thousand elimination of the Construction

Careers Pathway collective, a \$100 thousand reduction in Integrated Garbage and Recycling Data System program budget, a \$185 thousand reduction in MCSO investigations budget, a \$165 thousand reduction to the Resilience and Sustainability program, a \$150 thousand reduction in the Solid Waste communications budget, and a \$127 thousand reduction in the Analytics budget.

\$615 thousand of the reductions relate to personnel services expenditures and include the elimination of 2.45 FTE.

ATTACHMENTS

- Resolution 20-5147
- Attachment 1 – Schedule of Appropriations
- Attachment 2 – Schedule of FTE