

## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION 20-5158 FOR THE PURPOSE OF AMENDING THE FY 2020-21 BUDGET AND APPROPRIATIONS SCHEDULE AND FY 2020-21 THROUGH FY 2024-25 CAPITAL IMPROVEMENT PLAN TO PROVIDE FOR CHANGES IN OPERATIONS

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Date: March 11, 2021

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Department: Finance and Regulatory Services

Presented by:  
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Meeting date: April 8, 2021

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#### ISSUE STATEMENT

This resolution will authorize changes in appropriations and FTE in the FY 2020-21 Budget and approve changes to the FY 2020-21 through FY 2024-25 Capital Improvement Plan.

#### ACTION REQUESTED

Council adoption of Resolution 21-5158.

#### IDENTIFIED POLICY OUTCOMES

Council approval will authorize changes in appropriations and FTE requested by departments for FY 2020-21 and approve requested changes to the FY 2020-21 through FY 2024-25 Capital Improvement Plan.

#### POLICY QUESTION

Council should consider whether the changes in appropriations and FTE have been justified, that adequate funds exist for identified needs and that proposed changes to the Capital Improvement Plan appear appropriate.

#### 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. Adoption will also allow for changes to capital projects, again due to operational factors.

Disapproval of the Resolution will require departments to reevaluate their proposed changes to operational and capital plans due to the denied requests for additional resources and changes in capital projects.

#### STAFF RECOMMENDATIONS

The Chief Operating Officer recommends adoption of Resolution 21-5158.

#### 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. 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.

**Anticipated Effects:** This action provides for changes in operations as described above, recognizes new revenues, provides additional appropriations authority, adds FTE and changes Capital Improvement Plan.

**Budget Impacts:** This action increases total appropriations by \$2.7 million, adds 15 FTE and changes capital projects. It has the following impacts on the FY 2020-21 budget:

- General Fund: increases 0.2 FTE and total fund appropriations by \$1.2M through recognizing \$1.8M of grant proceeds from CARES Act and Regional Disaster Preparedness Organization and a transfer from the fund's contingency, for a net increase of fund requirements of \$541k.
- General Asset Management Fund: increases total fund appropriations by \$500,000 for CARES Act grant fund recognition and transfer from fund's contingency, for a net increase of fund requirements of \$1.6k.
- MERC Fund: recognizes an increase of \$1.6M of transfers from the General fund and \$1.6M increase of contingency reserves.
- Natural Areas Fund: recognizes \$4.5k of CARES Act grant proceeds and \$4.5k increase of contingency reserves.
- Oregon Zoo Infrastructure / Animal Welfare Fund: recognizes \$14.2k of CARES Act grant proceeds and \$14.2k increase in contingency reserves.
- Parks and Nature Bond Fund: increases 1.2 FTE (no increase in appropriation), recognizes \$12k of CARES Act grant proceeds and increase of \$12k contingency reserves.
- Parks and Nature Operating Fund: recognizes \$313k of CARES Act grant proceeds and transfers to the General Fund of \$329k, for a net decrease of fund requirements of \$16.2k.
- Risk Management Fund: recognizes \$319k of CARES Act grant proceeds and \$319k increase of contingency reserves.
- Solid Waste Fund: increases 10.6 FTE and an increase of \$265,000 of appropriations through a transfer from the fund's contingency, \$602,000 of CARES Act grant proceeds and \$4k increase to the fund's contingency, for a net increase of total fund requirements of \$269k.
- Supportive Housing Services: increases 1.2 FTE (no increase in appropriation), recognizes \$80 dollars of CARES Act grant proceeds and \$80 dollars increase to the fund's contingency.
- Affordable Housing Fund: increases 1.8 FTE (no increase in appropriation), recognizes \$1.4k of CARES Act grant proceeds and \$1.4k increase to the fund's contingency.
- Amends the FY 2020-21 through FY 2024-25 Capital Improvement Plan for projects at the Zoo, WPES, Parks and Natural Area sites and at the Metro Regional Center.

## BACKGROUND

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

### Recognition of CARES Act grant proceeds as received from the City of Portland in the amount of \$1,600,000.

Metro received \$1.6M in CARES Act Coronavirus Relief Funds from the City of Portland's PDX-CARES relief package. The intent of these funds was to support Portland's Centers for the Arts, the downtown theaters which are owned by the City and which have been closed since March 2020 due to the pandemic. The funds are restricted to eligible CARES Act costs. Metro incurred these eligible costs across many departments and funds in the Agency; these grant proceeds will be recorded in those departments and \$1.6M will be transferred to the Portland '5 Centers for the Arts.

### Capital Asset Management Department – Capital Improvement Plan Changes

With a transition to telework in response to the pandemic, and the subsequent closure of the Metro Regional Center (MRC) building, the MRC renovation projects have been able to advance more quickly than anticipated during FY20-21. The Department is asking for following Capital Improvements Projects to be revised as outlined below:

- **MRC Daycare Improvements** – Request to increase funding of \$250k, for a total project cost of \$1.25M.
- **MRC Lighting Upgrades** – Request to increase funding of \$540K, for a total project cost of \$1.2M.
- **MRC Interior & Exterior Coatings** – Request to delay funding \$350K of this project until next fiscal year (FY22).
- **MRC Irving Garage Concrete and Steel** – Request to delay funding \$150k of this project until next fiscal year (FY22).
- **MRC Kitchen, Bathroom and ADA Upgrades** – Request to move \$800k of project savings to other projects.
- **MRC Furniture Reconfiguration** – Request to increase funding of \$800k, for a total project cost of \$1.1M.
- **MRC Concrete Repairs** – Request to delay funding of \$100k until FY22.
- **MRC Lobby Security Improvements** – Request to delay funding of \$75k until FY23.
- **MRC Tower Elevator Retrofit** – Request to move \$250k of project savings to other projects.
- **MRC IS System Upgrades** – Request to add this project for the amount \$114k.
- **MRC Elevator Retrofit #2 (HR/Freight)** – Request to add this project for the amount of \$105k.

This action amends the FY 2020-21 through 2024-25 Capital Improvement Plan and decreases the fund General Asset Management Fund's contingency by \$425k. Attachment 1 outlines the Capital Projects changes requested.

### Research Center and Diversity, Equity and Inclusion Departments – Recognition of Grant Revenue and Corresponding Expense Appropriation

Research Center in partnership with DEI and Regional Disaster Preparedness Organization (RDPO) has secured two Social Vulnerability Grant from the City of Portland, one for \$175k and a secondary for \$33k; for a total of \$208k. This project is intended to identify which communities in the region experience barriers to emergency services and programs before, during, and after disasters. In order to fulfil the project objectives, the departments are also requesting \$208k of additional appropriations.

*The Office of the Chief Operating Officer – 1.0 FTE ask for General Manager for Major Projects*

The agency has identified the need for a 1.0 FTE (General Manager Major Projects) that will plan, organize, lead and oversee the work of major regional projects at the direction of the Chief Operating Officer. Funding will be spread across the Solid Waste Fund, Parks and Nature Bond funds and the General Fund. Funding was established by projects identified, such as Solid waste and recycling system capital investments and infrastructure, Willamette Cove Park and Natural Area investments, and Expo Center investments and future operations. The position will report to the COO (within Council Department). Appropriation needs for FY 2020-21 are only from the General Fund in the amount of \$35k to be transferred from the General Fund's contingency.

*Human Resources (HR) Department – Request for 1.0 FTE for a HR Business Partner*

The Department is requesting 1.0 FTE of a Program Analyst to help support Waste Prevention and Environmental Services (WPES), and in the future other departments, to assist and manage recruiting, onboarding, employee relations, ADA accommodations and providing *general support* to both employees and supervisors. General support, which also includes basic day-to-day HR needs, comprises of coaching, classification and compensation analysis and employee benefits. Due to the current demands of WPES needs, the remainder of FY 2020-21 will be paid for by the Solid Waste Fund but all future years will be a Central Service cost. For FY 2020-21 WPES has enough current appropriations to cover the costs and is not asking for additional appropriation.

*Information Services (IS) Department – Capital Improvement Plan Changes*

The IS Department is requesting one change to their Capital Improvement Plan. This is to prioritize a new project, an addition to the VoIP deployment, which is required by law. Funding for this project will be taken from savings in the Department's current materials and services appropriation.

- **ISTBD23 E911 VoIP** – Request to include to current project list for \$100k

This action amends the FY 2020-21 through 2024-25 Capital Improvement Plan and does not impact the General Asset Management Fund's contingency. Attachment 2 outlines the Capital Projects changes requested.

*Parks and Nature – Request for 1.0 FTE for a Community Visions Program Manager and Capital Improvement Plan Changes –*

The Parks and Nature Bond program area titled "Community Visions" does not have any dedicated Metro staff to manage the program and its objectives. Metro wants to move the program forward and this position will be responsible for developing the program process, procedures and accountability measures to ensure that the Parks and Nature bond dollars are linked to community enhancement projects, grounded in parks and nature, across the Metro region. This 1.0 position, classified as a Principal Regional Planner, will develop two phases of a grant program including application materials, evaluation process, and agreements for execution and implementation. The position will also work with community partners, other Metro staff, and local governments to help identify potential grant projects. The Department can pay for the position with current appropriations and is not asking for any additional appropriation.

The Department is also asking for following Capital Improvements Projects to be revised, as outlined below:

- **LA110 Chehalem Ridge Nature Park** – Parks and Nature Bond Fund Project, request to increase funding of \$1.6M, for a total FY 2020-21 cost of \$3.9M. The Department is not

requesting additional appropriation but will use savings in the Fund's materials and services appropriation to pay for the increase in project costs.

- **POX012 Oxbow Potable Water System** – Parks and Nature Bond Fund Project, request to increase funding of \$100k for a total cost of \$600k. The Department is not requesting additional appropriation but will use savings in the Fund's materials and services appropriation to pay for the increase in project costs.
- **GF155 Von Ebert Parking Lot Improvements** – Parks General Asset Management Fund Project, request to increase funding of \$75k for a total project cost of \$175k. The Department is requesting to reduce the Fund's contingency to pay for the increase in project costs.
- **LR903 Ennis Creek Road Repair** – Parks and Nature Operations Fund Project, request to delay project until further notice and remove it from the project list.

This action amends the FY 2020-21 through 2024-25 Capital Improvement Plan and decreases the General Asset Management Fund's contingency by \$75k. Attachment 3 outlines the Capital Projects changes requested.

*Waste Prevention and Environmental Services (WPES) Department – 9.0 FTE for the Expansion of the Regional Illegal Dumping Workforce Transition Program (RID), Transfer Station Operations and administrative support.*

WPES is requesting the addition of 4.0 FTE in the Community Services and Education Division in response to significant demand in the region for cleanup services for dumped garbage. This is a top priority for the Department and the FTE will expand this program to have **six** operating RID Crews (triple what Metro currently has). The 4.0 FTE is to add three RID Crew Lead positions and Program Assistant III to provide additional support for the program.

WPES is requesting 4.0 FTE to address various needs within the Garbage and Recycling Operations division. These positions are necessary to support the increased customer count as well as provide absence coverage for the existing scalehouse teams at Metro South (2.0 FTE) and Metro Central (1.0 FTE). The increased activity at the stations has also highlighted safety concerns across the department and is requesting Environmental Health and Safety Program Manager classified as a Program Analyst. All FTE requests are addressing extensive issues with safety, employee morale and compliance with federal, state and local laws, regulations and basic industry standards.

WPES is requesting the addition of 1.0 FTE in the Strategic Planning and Support Services division for the WPES Administrative Supervisor (Program Supervisor I) position. This request addresses a longstanding need including supervisory span of control in addition to ensuring the department's expanding and increasingly complex admin/program support needs can be met.

The Department will need \$265k of additional appropriation to be transferred from the Solid Waste Fund's contingency.

*Waste Prevention and Environmental Services - Capital Improvement Plan Changes*

The department is requesting to make Solid Waste Fund capital project adjustments to the Solid Waste Capital Improvement Plan (CIP) due to priority changes from the last six months.

- **SMC017 MCS Lighting** – Request to add this project for \$200k, as it has been identified as a significant need. This project has been identified as a high priority as upgrading the lighting at Metro Central contains a safety and sustainability components. Funding for this project will be provided by other capital projects that have been deprioritized or have savings.

- **SWTBD027 MCS Covered Storage HHW** – Request to delay this project of \$200k until further notice.
- **SMC019 Stormwater Upgrade** – Request to prioritize this project to FY 2020-21, which was funded for FY 2021-22. This project needs \$250k to remedy biofouling in the existing treatment system and to reduce the high operating cost of meeting regulatory discharge limits. Funding for this project will be provided by other capital projects that have been deprioritized or have savings.
- **SMS008 MSS Transfer Scale Replacement** – Request to add this project for \$500k, as it is critical to the continued operation at Metro South. The project encompasses engineering, scale replacements, and transport/emergency scales. Funding for this project will be provided by other capital projects that have been deprioritized or have savings.
- **Land Acquisition (SWTBD08)** – Request to use savings from this project that was budgeted at \$7.5M for FY20-21. The land acquisition for the West property will occur in FY20-21 for much smaller amount (\$3.2M) and the Department would like to use savings to pay for projects as noted above.

This action amends the FY 2020-21 through 2024-25 Capital Improvement Plan and does not require any Solid Waste Fund's contingency. Attachment 4 outlines the Capital Projects changes requested.

#### Oregon Zoo - Capital Improvement Plan Changes

The following Capital Improvement Projects require revision as outlined below:

- **ZOOTBD22-2 Boardwalk Repairs** – Request to reallocate resources for the Zoo's Boardwalk Repairs project in the amount of \$150k. This work is for design and construction to repair the structures and remove and replace the existing waterproof topping on the boardwalk with a more substantial waterproof assembly that would be deemed more safe and effective.
- **ZOOTBD21-8 Gate J Security** – Request to reallocate resources for the zoo's Gate J Security project in the amount of \$180k. This work would include security cameras in that area, connectivity, as well as additional curbing needed in that area for a secure entry/exit point. Resources to be reallocated from the zoo's Painting budget for FY21.
- **ZOOTBD21-4 - Exterior Painting & Building Repair** – Request to reduce this project budget by \$180k in FY 2020-21.

This action amends the FY 2020-21 through 2024-25 Capital Improvement Plan and does not require any of the Zoo's contingency. Attachment 5 outlines the Capital Projects changes requested.

#### **ATTACHMENTS**

- Resolution 21-5158
- Exhibit A – Schedule of Appropriations
- Exhibit B – Schedule of FTE
- Attachments 1-5 Capital Project Details