

## 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: May 25, 2021

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Presented by:  
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Meeting date: June 17, 2021

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#### ISSUE STATEMENT

This resolution will authorize changes in appropriations 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 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 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 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 21-5180.

#### 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, provides additional appropriations authority, and changes Capital Improvement Plan.

**Budget Impacts:** This action has the following impacts on the FY 2020-21 budget:

- General Fund: reduces General Fund contingency and increases appropriation in Finance and Regulatory services by \$125,000 in personnel services. This resource will support the effort to centralize finance staff and is related to costs incurred prior to July 1, 2021.
- Waste Planning and Environmental Services Operating Fund: no change to appropriations; however, there are changes to the Capital Plan- outlined below.
- Zoo Operating Fund: reduces the general roof contingency budget by \$185,000 and allocates resources to two specific roofing projects for the Oregon Zoo. One is the Animal Nutrition Center (ANC) roof estimated at \$150,000 and the other is for the Stellar Cove roof estimated at \$35,000. Only one of these projects exceeds the \$100,000 threshold and is listed below.

## **BACKGROUND**

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

### *Financial and Regulatory Services (FRS) request for additional General Fund resources*

For efficiency and to align with best practices, Metro made a decision to centralize Finance personnel. This change is effective 7/1/2021, however due to staffing needs and changes, FRS will incur some costs of centralized personnel prior to that date. FRS is requesting \$125,000 from the General Fund contingency for personnel services costs as well as technology related purchases to effectively implement this change.

### *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 lower than expected Land Acquisition costs resulting in the ability to increase investment in the current year for other projects.

- **SWTBD08 Land Acquisition** – Request to reduce this project by \$940k, as the land acquisition for the West property occurred in April 2021, and appraisal/purchase price was lower than budgeted.
- **SMS011 MSS Restroom/Shower Renovation** – Request to increase budget by \$300k. The project was budgeted for FY20-21 but primarily included design and engineering. The increase of \$300,000 to the budget for this project covers the additional expenses for construction. The Department decided to take \$300,000 from the FY20-21 appropriations for land acquisition (SWTBD08) to fund this project as the appraisal and purchase price for land was lower than budgeted.

- **SMC010 MCS Replace Storage Tank** – Request to increase budget by \$180k. The project was originally budgeted in FY19-20 but delayed due to permits and approvals. The project was re-started and completed in FY20-21. The Department decided to take \$180,000 from the FY20-21 appropriations for land acquisition (SWTBD08) to fund this project as the appraisal and purchase price for land was lower than budgeted.
- **SMC016 MCS Stormwater Pipe Routing** – Request to increase budget by \$110k. This project is related to but separate from the Stormwater Upgrade project. This project was not originally budgeted in FY20-21. Most of this work will be completed in FY20-21 but there may be minor expenditures in FY21-22. The Department decided to take \$110,000 from the FY20-21 appropriations for land acquisition (SWTBD08) to fund this project as the appraisal and purchase price for land was lower than budgeted.
- **SMC012 MCS Wi-fi Network** – Request to increase budget by \$190k. The project was not originally budgeted in FY20-21 but was identified as a priority project. This project/installation provides wi-fi access throughout the facility. The Department decided to move \$190,000 from the FY20-21 appropriations for land acquisition (SWTBD08) to fund this project as the appraisal and purchase price for land was lower than budgeted.
- **SMS012 MCS Wi-fi Network** – Request to increase budget by \$160k. The project was not originally budgeted in FY20-21 but was identified as a priority project. This project/installation provides wi-fi access throughout the facility. The Department decided to move \$160,000 from the FY20-21 appropriations for land acquisition (SWTBD08) to fund this project as the appraisal and purchase price for land was lower than budgeted.

This action amends the FY 2020-21 through 2024-25 Capital Improvement Plan and does not require any Solid Waste Fund's contingency. Attachment 1 outlines the Capital Projects changes requested.

#### Oregon Zoo - Capital Improvement Plan Changes

The following Capital Improvement Projects require revision as outlined below:

- **ZRW500 Zoo Animal Nutrition Center (ANC) Roof – R&R Roof Projects** – Request to allocate \$150,000 of resources from the general roof contingency to the ANC roof.

This action amends the FY 2020-21 through 2024-25 Capital Improvement Plan and does not require any of the Zoo's general contingency. Attachment 2 outlines the Capital Projects changes requested.

#### **ATTACHMENTS**

- Resolution 21-5180
- Exhibit A – Schedule of Appropriations
- Attachments 1-2 Capital Project Details