

BEFORE THE METRO COUNCIL

AMENDING THE FY 2011-12 BUDGET AND	)	ORDINANCE NO. 12-1270
APPROPRIATIONS SCHEDULE AND THE FY	)	
2011-12 THROUGH 2015-16 CAPITAL	)	Introduced by Martha Bennett, Chief
IMPROVEMENT PLAN	)	Operating Officer, with the concurrence of
	)	Council President Tom Hughes

WHEREAS, the Metro Council has reviewed and considered the need to increase appropriations within the FY 2011-12 Budget; and

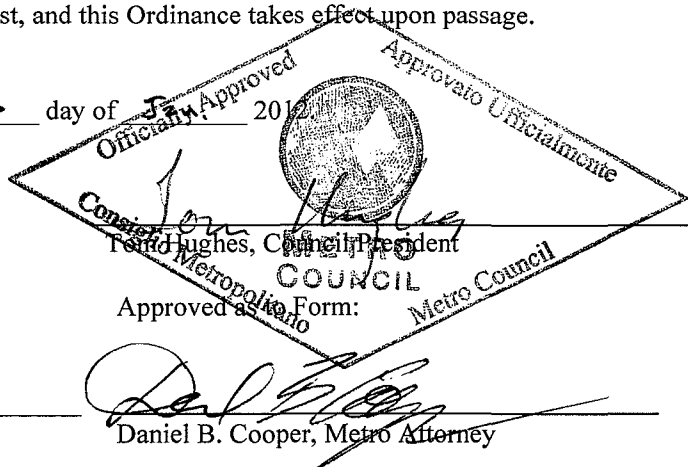
WHEREAS, the need for the increase of appropriation has been justified; and

WHEREAS, adequate funds exist for other identified needs; now, therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2011-12 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled "Revision" of Exhibits A and B to this Ordinance for the purpose of providing for the purchase and implementation of a budget module system for the agency.
2. That the FY 2011-12 through FY 2015-16 Capital Improvement Plan is hereby amended accordingly.
3. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this 26 day of July, 2012



Attest:

*K. Newell*  
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 Kelsey Newell, Recording Secretary

*Daniel B. Cooper*  
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 Daniel B. Cooper, Metro Attorney

**Exhibit A**  
**Ordinance No. 12-1270**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
<b>General Asset Management Fund</b>							
<b><u>Resources</u></b>							
BEGBAL	Beginning Fund Balance						
3500	* Prior year ending balance		6,689,948		0		6,689,948
GRANTS	Grants						
4110	State Grants-Direct		63,334		0		63,334
INTRST	Interest Earnings						
4700	Interest on Investments		33,298		0		33,298
DONAT	Contributions from Private Sources						
4750	Donations and Bequests		841,180		0		841,180
EQTREV	Fund Equity Transfers						
4970	Transfer of Resources						
	* from Solid Waste Revneue Fund		53,163		120,000		173,163
	* from General Fund (Regional Parks)		323,000		0		323,000
	* from General Fund-IT R&R		255,000		0		255,000
	* from General Fund-MRC R&R		322,540		0		322,540
	* from General Fund-Gen'l R&R		647,978		0		647,978
	* from MERC		10,824		0		10,824
	* from General Revenue Bond Fund		216,821		0		216,821
	* from General Fund		207,915		0		207,915
<b>TOTAL RESOURCES</b>			<b>\$9,735,001</b>		<b>\$120,000</b>		<b>\$9,855,001</b>
<b>Total Materials &amp; Services</b>			<b>\$1,005,061</b>		<b>\$0</b>		<b>\$1,005,061</b>
<b><u>Capital Outlay</u></b>							
CAPNON	Capital Outlay (non-CIP Projects)						
5710	Improve-Oth thn Bldg		74,095		0		74,095
CAPCIP	Capital Outlay (CIP Projects)						
5710	Improve-Oth thn Bldg		1,267,709		0		1,267,709
5720	Buildings & Related		257,956		0		257,956
5730	Exhibits and Related		825,000		0		825,000
5740	Equipment & Vehicles		1,128,879		0		1,128,879
5745	Licensed Vehicles		564,276		0		564,276
5750	Office Furniture & Equip		650,833		0		650,833
5760	Railroad Equip & Facil		49,610		0		49,610
5790	Intangible Assets		0		120,000		120,000
<b>Total Capital Outlay</b>			<b>\$4,818,358</b>		<b>\$120,000</b>		<b>\$4,938,358</b>
<b><u>Contingency &amp; Unappropriated Balance</u></b>							
CONT	Contingency						
5999	Contingency						
	* Contingency		3,911,582		0		3,911,582
<b>Total Contingency &amp; Unappropriated Balance</b>			<b>\$3,911,582</b>		<b>\$0</b>		<b>\$3,911,582</b>
<b>TOTAL REQUIREMENTS</b>		<b>-</b>	<b>\$9,735,001</b>	<b>-</b>	<b>\$120,000</b>	<b>-</b>	<b>\$9,855,001</b>

**Exhibit A  
Ordinance No. 12-1270**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
<b>Solid Waste Revenue Fund</b>							
<b>General Account</b>							
<i>Capital Outlay</i>							
<b>Finance &amp; Regulatory Services</b>							
CAPCIP	Capital Outlay (CIP Projects)						
5750	Office Furn & Equip (CIP)		575,000		0		575,000
<b>Parks and Environmental Services</b>							
CAPNON	Capital Outlay (Non-CIP Projects)						
5710	Improve-Oth thn Bldg (non-CIP)		40,000		0		40,000
CAPCIP	Capital Outlay (CIP Projects)						
5720	Buildings & Related		1,235,000		(120,000)		1,115,000
<b>TOTAL REQUIREMENTS</b>			<b>\$1,850,000</b>		<b>(\$120,000)</b>		<b>\$1,730,000</b>

**General Expenses**

<b>Interfund Transfers</b>							
INDTEX	Interfund Reimbursements						
5800	Transfer for Indirect Costs						
	* to General Fund-Bldg		231,822		0		231,822
	* to General Fund-Support Services		3,424,840		0		3,424,840
	* to General Fund		428,419		0		428,419
	* to Risk Mgmt Fund-Liability		122,539		0		122,539
	* to Risk Mgmt Fund-Worker Comp		155,616		0		155,616
INTCHG	Internal Service Transfers						
5820	Transfer for Direct Costs						
	* to General Fund-Planning		409,710		0		409,710
	* to General Fund-Regional Parks		3,647		0		3,647
	* to General Fund-General Gov't		410,582		0		410,582
	* to General Fund-Support Services		75,724		0		75,724
	* to General Fund-SUS Education/Climate Change		34,253		0		34,253
	* to General Fund-PES Finance		350,982		0		350,982
	* to General Fund-PES Administration		487,581		0		487,581
	* to General Fund-SUS Administration		276,307		0		276,307
	* to Risk Management Fund		62,686		0		62,686
EQTCHG	Fund Equity Transfers						
5810	Transfer of Resources						
	* to General Asset Mgmt Fund		53,163		120,000		173,163
	* to General Fund (General)		1,112,000		0		1,112,000
	* to Rehab. & Enhancement Fund		348,867		0		348,867
<b>Total Interfund Transfers</b>			<b>\$7,988,738</b>		<b>\$120,000</b>		<b>\$8,108,738</b>

<b>Contingency and Ending Balance</b>							
CONT	Contingency						
5999	Contingency						
	* Operating Account (Operating Contingency)		2,000,000		0		2,000,000
	* Landfill Closure Account		3,966,181		0		3,966,181
	* Renewal & Replacement Account		8,622,564		0		8,622,564
UNAPP	Unappropriated Fund Balance						
5990	Unappropriated Fund Balance						
	* General Account (Working Capital)		5,759,668		0		5,759,668
	* General Account (EIL Reserve - GASB 49)		5,225,000		0		5,225,000
	* General Account (Rate Stabilization)		2,416,781		0		2,416,781
	* General Account (Capital Reserve)		5,440,000		0		5,440,000
<b>Total Contingency and Ending Balance</b>			<b>\$33,430,194</b>		<b>\$0</b>		<b>\$33,430,194</b>
<b>TOTAL REQUIREMENTS</b>		<b>93.55</b>	<b>\$95,413,380</b>	<b>0.00</b>	<b>\$0</b>	<b>93.55</b>	<b>\$95,413,380</b>

**Exhibit B**  
**Ordinance 12-1270**  
**Schedule of Appropriations**

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
<b>GENERAL ASSET MANAGEMENT FUND</b>			
Asset Management Program	5,823,419	120,000	5,943,419
Non-Departmental			
Interfund Transfers	0	0	0
Contingency	3,911,582	0	3,911,582
Unappropriated Balance	0	0	0
<b>Total Fund Requirements</b>	<b>\$9,735,001</b>	<b>\$120,000</b>	<b>\$9,855,001</b>
<b>SOLID WASTE REVENUE FUND</b>			
Operating Account			
Finance & Regulatory Services	2,113,476	0	2,113,476
Sustainability Center	8,102,025	0	8,102,025
Parks & Environmental Services	39,854,447	0	39,854,447
Subtotal	50,069,948	0	50,069,948
Landfill Closure Account			
Parks & Environmental Services	1,209,500	0	1,209,500
Subtotal	1,209,500	0	1,209,500
Renewal and Replacement Account			
Parks & Environmental Services	865,000	0	865,000
Subtotal	865,000	0	865,000
General Account			
Parks & Environmental Services	1,850,000	(120,000)	1,730,000
Subtotal	1,850,000	(120,000)	1,730,000
General Expenses			
Interfund Transfers	7,988,738	120,000	8,108,738
Contingency	14,588,745	0	14,588,745
Subtotal	22,577,483	120,000	22,697,483
Unappropriated Balance	18,841,449	0	18,841,449
<b>Total Fund Requirements</b>	<b>\$95,413,380</b>	<b>\$0</b>	<b>\$95,413,380</b>

*All other appropriations remain as previously adopted*

## **STAFF REPORT**

### **FOR THE PURPOSE OF AMENDING THE FY 2011-12 BUDGET AND APPROPRIATIONS SCHEDULE AND THE FY 2011-12 THROUGH 2015-16 CAPITAL IMPROVEMENT PLAN**

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Date: January 6, 2012

Prepared by: Tim Collier 503-797-1913  
Brian Kennedy 503-797-1908

## **BACKGROUND**

In FY 2010-11, Metro began an evaluation of business systems in use across the agency to identify key areas for process improvements and automation. Metro's budget process and budget reporting were the most significant opportunities to come from that analysis. Staff determined that there were significant opportunities to improve business processes and provide additional management tools to staff across the agency through automation of the budget process.

The goals staff sought to achieve in improving the budget process were to eliminate duplicate data entry, provide more information to managers throughout the process, and improve ongoing budget and financial management reporting. Currently, budget information is maintained in several different ways across the agency. Staff uses a combination of spreadsheets, custom databases, and PeopleSoft, the Metro financial management system, to develop and track budgets. A custom budget system was developed for the Solid Waste Fund and is used to develop the system and provide more user-friendly budget documents for staff. This project will replace the custom system for the Solid Waste Fund as well as the many spreadsheets in use across the agency.

The acquisition of a budget module had been identified as a CIP project as early as FY 2006-07. The original project was estimated at \$150,000; \$50,000 of that funding was used to review the current ERP systems which further confirmed the need to implement a separate budget module for our system.

Staff developed a Request for Information that sought information about software solutions that would allow users to enter their budget information once, track the stages of the budget, provide the ability to model multiple scenarios with different assumptions, and provide user-friendly reporting tools. The Request for Information was issued in May 2011, and staff received 14 proposals from vendors. After an initial review, 5 vendors were selected to provide scripted demonstrations. Staff has conducted additional due diligence and is currently in contract negotiations with the preferred vendor. Staff estimates that the project will take approximately six months to complete. Staff intends to have the system live to provide budget reporting early in FY 2012-13 and to use the system for development of the FY 2013-14 budget.

The total cost of the system and implementation is \$240,000. The Solid Waste Fund share of the project is \$120,000 and will be funded from the capital account. Solid Waste will fund half the project because the new budget software will replace the current custom system that is in use. Eliminating the custom system will reduce software maintenance costs and provide the Solid Waste Fund with an improved software solution that will make budget development and monitoring more efficient.

The remaining \$120,000 is available currently in the General Asset Management Fund, the majority from undesignated capital accumulated from the balance of the original project and other underspending; a small amount, less than \$10,000, comes from renewal and replacement. At this point, staff believes there is not a need for additional appropriation authority in the General Asset Management Fund. Ongoing

maintenance fees will be approximately \$26,000 annually and will be incorporated into the cost allocation plan as a cost shared by all users of the system.

Due to the cost of the system and implementation, the project requires an amendment to the capital improvement plan. This action requests a change to the Metro FY 2011-12 through FY 2015-16 capital improvement plan to recognize this new project and a transfer of \$120,000 from the Solid Waste Fund to the General Asset Management Fund.

## **ANALYSIS/INFORMATION**

1. **Known Opposition:** None known.
2. **Legal Antecedents:** ORS 294.450(1) provides for transfers of appropriations within a fund, including transfers from contingency, if such transfers are authorized by official resolution or ordinance of the governing body for the local jurisdiction. ORS 294.450(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. 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.
3. **Anticipated Effects:** This action provides for changes in operations as described above and amends the FY 2011-12 through FY 2015-16 Capital Improvement Plan.
4. **Budget Impacts:** This action has the following impact on the FY 2011-12 budget:
  - Transfers \$120,000 from the Solid Waste Fund to the General Asset Management Fund for capital spending.
  - Amends the FY 2011-12 through FY 2015-16 Capital Improvement Plan to add this project.

## **RECOMMENDED ACTION**

The Chief Operating Officer recommends adoption of this Ordinance.