

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE FY 2021-)
22 BUDGET AND APPROPRIATIONS SCHEDULE,)
TO PROVIDE FOR CHANGES IN OPERATIONS)

RESOLUTION NO 21-5190

) Introduced by Marissa Madrigal, Chief
) Operating Officer, with the concurrence of
) Acting Council President Christine Lewis

WHEREAS, the Metro Council has reviewed and considered the need to change appropriations within the FY 2021-22 Budget; and

WHEREAS, Metro Code chapter 2.02.040 requires Metro Council approval to add any new position to the budget; and

WHEREAS, the need for the change of appropriations has been justified; and

WHEREAS, adequate funds exist for other identified needs; and

WHEREAS, 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 appropriations, if such transfers are authorized by official resolution or ordinance of the governing body, and

WHEREAS, 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, and

WHEREAS, 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, and

WHEREAS, 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, and

BE IT RESOLVED,

- 1. That the FY 2021-22 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled “Revision” of Exhibits A and B to this Resolution for the purpose of modifying expenditures, approving new FTE, and transferring funds to and from contingency.

ADOPTED by the Metro Council this 29th day of July, 2021.



Christine Lewis, Acting Council President

APPROVED AS TO FORM:



Carrie MacLaren, Metro Attorney

Exhibit A

Resolution 21-5190

Schedule of Appropriations

	FY 2021-22 Adopted Budget	Revisions	FY 2021-22 Amended Budget
GENERAL FUND			
Council	8,708,256	109,422	8,817,678
Office of the Auditor	856,976	-	856,976
Office of Metro Attorney	3,139,062	-	3,139,062
Information Services	6,266,283	-	6,266,283
Communications	4,409,016	-	4,409,016
Finance and Regulatory Services	8,453,848	-	8,453,848
Human Resources	4,255,445	-	4,255,445
Capital Asset Management	3,333,313	-	3,333,313
Planning and Development Department	33,537,470	-	33,537,470
Parks and Nature	3,262,559	-	3,262,559
Special Appropriations	2,113,803	-	2,113,803
Non-Departmental			
Debt Service	14,388,655	-	14,388,655
Interfund Transfers	25,159,184	-	25,159,184
Contingency	19,096,050	(109,422)	18,986,628
<i>Total Appropriations</i>	136,979,920	-	136,979,920
Unappropriated Balance	27,665,482	-	27,665,482
Total Fund Requirements	164,645,402	-	164,645,402
MERC FUND			
MERC	41,331,049	-	41,331,049
Non-Departmental			
Interfund Transfers	9,701,091	-	9,701,091
Contingency	7,991,712	(947,500)	7,044,212
<i>Total Appropriations</i>	59,023,852	(947,500)	58,076,352
Total Fund Requirements	59,023,852	(947,500)	58,076,352
SOLID WASTE FUND			
Waste Prevention and Environmental Services	105,056,015	429,719	105,485,734
Non-Departmental			
Interfund Transfers	9,263,844	-	9,263,844
Contingency	11,475,294	(429,719)	11,045,575
<i>Total Appropriations</i>	125,795,153	-	125,795,153
Unappropriated Balance	10,796,947	-	10,796,947
Total Fund Requirements	136,592,100	-	136,592,100
Total Appropriations	1,119,639,887	(947,500)	1,118,692,387
Total Unappropriated Balance	439,747,017	-	439,747,017
TOTAL BUDGET	1,559,386,904	(947,500)	1,558,439,404

All Other Funds Remain as Previously Adopted

Resolution 21-5190
Schedule of FTE

	FY 2021-22 Adopted FTE	Revision	FY 2021-22 Revised FTE
GENERAL FUND			
<i>TOTAL FUND FTE</i>	287.40	1.00	288.40
SOLID WASTE FUND			
<i>TOTAL FUND FTE</i>	176.96	13.00	189.96
TOTAL FTE	974.66	14.00	988.66

All Other FTE Remain as Previously Adopted

Exhibit C
Resolution 21-5190
MetroPaint Budget Forecast

Fiscal Year	Sales	PaintCare	Sub-lease	Total	Notes
14/15	\$ 1,360,872.37	\$ 1,521,211.38	NA	\$ 2,882,083.75	
15/16	\$ 1,286,637.69	\$ 1,720,764.27	NA	\$ 3,007,401.96	
16/17	\$ 1,149,852.05	\$ 1,481,834.36	NA	\$ 2,631,686.41	
17/18	\$ 1,064,213.04	\$ 1,650,050.34	NA	\$ 2,714,263.38	
18/19	\$ 1,156,633.46	\$ 1,507,071.31	NA	\$ 2,663,704.77	
21/22 (projected)	\$ 1,203,641.72	\$ 1,576,186.33	\$220,000	\$ 2,999,828.05	projected using 5 year pre-COVID average

MetroPaint Strategic Plan | 2030 Regional Waste Plan Guidance May 2021

Regional Waste Plan Goal & Actions

MetroPaint Connection

Goal 3:

Ensure that all jobs in the garbage and recycling industry pay living wages and include good benefits.

3.1 Establish a living wage and benefits standard for the lowest-paid positions in the solid waste industry and update the standard on a regular basis.

3.4 Reduce the use of temporary and contract workers in the region’s solid waste industry.

→ Essential program functions currently rely on temporary contracted staff who have historically been paid less than Metro staff for the same work. Solid waste workers are some of the lowest paid staff in the Metro pay scale.

Goal 4:

Increase the diversity of the workforce in all occupations where people of color, women and other historically marginalized communities are underrepresented.

4.1 Implement a workforce development and readiness program for garbage and recycling industry jobs.

4.2 Develop a career pathways strategy that aims to increase the diversity of workers in all solid waste occupations.

4.3 Conduct baseline and regular follow up studies of workforce diversity in the regional garbage and recycling industry, including an assessment of barriers to hiring and retaining people of color, women and other historically marginalized groups.

4.4 Design and implement programs that address safety, bullying and harassment in the workplace throughout the solid waste industry.

4.5 In partnership with community-based organizations, create workforce development programs within the reuse sector that focus on people with barriers to employment.

→ The MetroPaint workforce has historically been staffed by majority men of color.

Goal 5:

Reduce the environmental and human health impacts of products and packaging that are made, sold, used or disposed in Oregon.

5.4 Advocate for product stewardship legislation and other policy approaches that can achieve the greatest reduction in environmental and human health impacts from products and packaging made, used or disposed in the region.

→ The PaintCare partnership is a product stewardship framework that ensures the region's discarded latex paint is collected and recycled locally.

Goal 9:

Increase knowledge among community members about garbage, recycling and reuse services.

9.1 Provide culturally responsive education and assistance for garbage, recycling and reuse services to residents and businesses.

→ Switching to the new Community Services and Education division means MetroPaint will be asked to increase community engagement and education opportunities.

Goal 10:

Provide regionally consistent services for garbage, recyclables and other priority materials that meet the needs of all users.

10.4 Provide convenient, accessible and equitable collection of hazardous waste from households and Conditionally Exempt Generators, prioritizing communities with greatest need.

→ Latex paint coming into the program is currently collected at the Household Hazardous Waste facilities, community collection events, and PaintCare drop sites around the region.

Goal 12:

Manage all garbage and recycling operations to reduce their nuisance, safety and environmental impacts on workers and the public.

12.1 Minimize the health and safety impacts of solid waste operations on employees, customers and neighboring communities, with particular focus on low-income communities and communities of color, and identify methods for repairing past harm.

12.4 Implement sustainability practices in the operation of public and private solid waste facilities to reduce energy use, utilize renewable energy, reduce equipment emissions, maximize the use of safe alternatives to toxic materials and achieve other environmental objectives.

→ Processing and producing paint exposes employees to chemical additives and fumes from paint. Any health and safety improvements represent direct benefits to a workforce made up of primarily of people who earn lower-incomes and people of color.

Goal 15:

Improve the systems for recovering recyclables, food scraps and yard debris to make them resilient to changing markets and evolving community needs.

15.3 Develop public-private partnerships to expand local markets for priority recyclable materials, with an emphasis on minority owned and other business owners from historically marginalized groups.

15.8 Advocate for statewide policies or implement regional policies that create a preference, incentive or requirement for use of recycling end-markets in Oregon and the Northwest.

→ Contracts with PaintCare and Miller Paint represent significant public-private partnerships that ensure paint discarded in Oregon is recycled in Oregon, and is sold within the region through local businesses.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 21-5190 FOR THE PURPOSE OF AMENDING FY 2021-22 BUDGET AND APPROPRIATIONS SCHEDULE TO PROVIDE FOR CHANGES IN OPERATIONS

Date: July 12, 2021

Prepared by:
Jessica Eden, Budget Coordinator

Department: Finance and Regulatory Services

Presented by:
Cinnamon Williams, Financial Planning Director
Marta McGuire, Waste Prevention and
Environmental Services Deputy Director
John Mayer, Community Services & Education
Program Director

Meeting date: July 29, 2021

Length: 30 minutes

ISSUE STATEMENT

This resolution will authorize changes in appropriations and FTE in the FY 2021-22.

ACTION REQUESTED

Council adoption of Resolution 21-5190.

IDENTIFIED POLICY OUTCOMES

Council approval will authorize changes in appropriations and FTE requested by departments for FY 2021-22.

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 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 departments.

Disapproval of the Resolution will require departments to reevaluate their proposed changes to operational plans due to the denied requests for changes.

STAFF RECOMMENDATIONS

The Chief Operating Officer recommends adoption of Resolution 21-5190.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Relationship to Metro's Core Mission:

Waste Prevention and Environmental Services

A central goal area in the Regional Waste Plan is focused on shared prosperity that includes actions that direct the garbage and recycling industry to build a more diverse and equitable workforce by paying a living wage and offering benefits, reducing the use of temporary and contracted labor, and

recruiting and retaining staff of color. MetroPaint also presents numerous opportunities to advance Regional Waste Plan goals through facility operations, workforce development, safety, environmental and human health initiatives, public-private partnerships, and supporting local recycling infrastructure (see Attachments). Further, MetroPaint production is aligned with approaches to extended producer responsibility that were recently passed by the Oregon Legislature in Senate Bill 582.

In late 2020, staff developed a 5-year strategic plan guided by the 2030 Regional Waste Plan that addresses program needs, advances racial equity goals and expands community resources. The amendment under consideration provides funding to positively impact workforce equity at the program level and workforce equity priorities identified in the plan. Contracted, variable hour, and regular status staff were considered key stakeholders during the strategic planning and amendment development process and have been actively engaged since July 2020. In June 2021, the Regional Waste Advisory Committee reviewed the strategic plan and staffing proposal and expressed strong support for the proposed amendment.

Visitor Venues

This is a technical amendment and does not change operations. This action does not change, but continues to support Metro's Core Mission.

Council Addition

This action does not change, but continues to support Metro's Core Mission.

Relationship to Metro's racial equity goals:

Waste Prevention and Environmental Services

Workforce studies indicate that people working on the front lines of the solid waste industry are more likely to be people of color, who have been burdened with both low paying, unsafe jobs and negative environmental and health impacts. MetroPaint has historically been staffed primarily by men of color in contracted positions with many individuals working full time without health benefits. The proposed amendment provides funding to support:

- Living wage jobs (\$24.56/hour)
- Health benefits, vacation, medical and family leave, and job protections

Visitor Venues

This action does not impact Metro's progress on racial equity goals.

Council Addition

This action does not impact Metro's progress on racial equity goals.

Relationship to Metro's climate action goals:

Waste Prevention and Environmental Services

MetroPaint helps advance climate action goals through the collection and recycling of the region's discarded paint. Life cycle assessments indicate the use of recycled paint can achieve an energy reduction of up to 90% over new paint. For every gallon of recycled paint used, up to 115 lbs CO₂

are eliminated; since 2010, MetroPaint has distributed 1.8 million gallons of recycled paint, which equates to 210 million pounds of CO₂ reduced or the removal of 2,072 cars from the road each year for a decade. In addition to funding the facility's capacity to produce more recycled paint, the proposed amendment also adds capacity to process more discarded paint onsite from Paint Care, which reduces the need to ship excess paint out of state for processing at high financial and environmental cost.

MERC

This action does not impact Metro's progress on climate action goals.

Council Addition

This action does not impact Metro's progress on climate action goals.

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, and adds FTE.

Budget Impacts: This action changes total appropriations by \$2,237,141 million, adds 14.00 FTE. It has the following impacts on the FY 2021-22 budget:

- **Solid Waste Fund:** Reduces contingency by \$429,719 and realigns \$751,000 is existing materials and services budget to transition 12.00 FTE contracted paint technicians to regular status and add 1.00 additional FTE, totaling 13.00 additional FTE for a total cost of \$1,180,719.

The existing budget includes \$751,000 in funding for contracted staff which will be used to partially fund this request. The department is asking for \$430,000 in funding from contingency. WPES will reprioritize spending on other projects across to department to help offset the additional cost of this request. With additional capacity, staff will also be advancing short term modernization improvements to improve processing efficiencies.

The program has historically been partially subsidized by the Regional System Fee (RSF) and staff recommend a continued investment of 25-35% RSF subsidy annually, which represents those program costs not recovered through program revenue. Staff updated FY 21-22 revenue projections based on the five year average preceding FY 20-21 and the pandemic (see Attachments, Exhibit C) and the \$3M revenue projection is within \$170,000 of the proposed 35% RSF subsidy. Staff anticipate with stable staffing and lifted COVID-19 restrictions the team will be able to meet the 35% goal in FY 21-22 and 22-23, and likely use less than the 35% maximum target. Staff plan to update revenue projections after FY 22-23 which ensures the forecast is built on data from a full year with a fully staffed facility.

Additional funding needs will be identified in the next budget cycle to advance work on longer term design and planning for recycling facility upgrades and modernization. This will require an update to the Capital Improvements Plan.

- **Solid Waste Fund:** Technical adjustment to move the entire Metro Paint program to a single subfund. There are no changes in appropriation related to this amendment.
- **Visitor Development Fund:** Reduces contingency by \$947,500 to offset anticipated reductions in other revenue.
- **General Fund:** Reduces contingency by \$109,422 to fund 1.0 additional FTE in Council Offices.

BACKGROUND

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

Solid Waste Fund

The MetroPaint program responsibly manages leftover latex paint in the state of Oregon to promote human and environmental health and provide a valuable resource for residents of the region. The program has been recycling latex paint locally since the early 1990s, and since 2010 has been the paint recycler state-wide through a contract with Oregon Paint Care. MetroPaint keeps liquids out of the landfill by collecting leftover latex paint and producing a high quality recycled paint for sale and donation. Over the last 21 years, the program has processed over 6 million liquid gallons of discarded latex paint (from 14.4 million gallon cans) and packaged 3.1 million gallons for retail.

The facility is operated by 25 staff members who are a combination of Metro employees and contracted employees from DPI Staffing (DPI), a Qualified Rehabilitation Facility (QRF). This partnership with DPI was established with the intention of creating job opportunities for individuals facing systemic barriers to employment.

With guidance from the 2030 Regional Waste Plan, to invest in and expand the many community benefits associated with MetroPaint, and center workforce equity, staff engaged in a strategic planning process to develop a 5-year work plan guided by the 2030 Regional Waste Plan. The plan addresses program needs, invests in staff well-being, and expands community resources through six key priorities:

Priority A: Ensure staff of all identities are treated with respect, are provided comprehensive training, receive fair compensation and benefits, know their work is valued, and see clear opportunities for career advancement.

Priority B: Increase collaboration, partnership, and paint donation with local organizations, with a focus on organizations serving communities of color and low income communities.

Priority C: Ensure MetroPaint is an accessible and desirable product for diverse local businesses, governments, non-profits and community members.

Priority D: Manage program funds using best practices to maintain financial stability and allow all program priorities to be met.

Priority E: Increase the safety and efficiency of paint recycling operations while minimizing harmful impacts on workers and the environment.

Priority F: Increase MetroPaint product quality and consistency.

In working toward these priorities, the program provides numerous environmental, economic, and workforce equity benefits to Metro and to the region, which include:

- Keeps 400,000 gallons of waste out of the landfill annually
- Limits extraction of the raw materials, GHG emissions, and air, water, and soil pollution associated with producing new paint
- Provides high quality, low-cost paint to community members, small businesses, and non-profits
- Provides living wage jobs (\$24.56/hour) for people experiencing systemic barriers to employment
- Supports graffiti abatement, community cleanup, and affordable housing through paint donations
- Supports public-private partnerships with Miller Paint distribution and Oregon Paint Care
- Creates career pathways and workforce transition opportunities

In order to realize the benefits above and continue operating at current capacity, as well as center workforce equity, sound financial management, and community relationships (priorities B, C, and D), WPES is proposing the staffing changes outlined in the budget amendment.

The twelve full-time, contracted positions perform a range of essential duties: opening and sorting all incoming paint, color mixing and preparing new batches, customer service and filling orders, database management, and shop maintenance, among others. The 1.0 facility manager position is currently being filled by a work out of class supervisor; for years the facility was supervised by one staff member with 24 direct reports. This manager position was originally proposed in the FY 20-21 budget, but was cut as a result of the pandemic.

Staff engagements during the strategic planning process and a facility lean analysis in 2021 made clear that the current staffing model has significant negative impacts on operations, sales and partnerships, and staff well-being. Over the last fifteen years, 63 percent of contracted staff (90 out of 144) left employment before reaching one year with the program. The transition to Metro FTE and the addition of supervisory support advances significant workforce equity goals and increases capacity, which ensures the program is able to fulfill the numerous environmental and economic benefits associated with recycling paint.

MERC Venues Allocation Reduction:

Travel Portland provided updated Visitor Development Fund allocations to Metro. This resulted in reduced allocations and to be financially prudent, should be reflected correctly in the budget. The current amendment reduces contingency in the Visitor Development Fund by \$967,500 to offset the reductions from partners.

Council Add

Council is requesting the support of a 1.0 FTE Administrative Assistant IV. The annualized cost of the position is \$120,000. This action requests additional appropriation for partial year costs of \$109,422 to be funded by the General Fund Operating Contingency.

ATTACHMENTS

- Resolution 21-5190
- Exhibit A – Schedule of Appropriations
- Exhibit B – Schedule of FTE
- Exhibit C- MetroPaint FY 2021-22 Revenue Forecast
- Exhibit D- Regional Waste Plan Policy Connections Table