

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE FY 2023-24 BUDGET, SETTING PROPERTY TAX LEVIES AND TRANSMITTING THE APPROVED BUDGET TO THE MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION COMMISSION)

RESOLUTION NO 23-5321

Introduced by Lynn Peterson, Council President

WHEREAS, the Metro Council, convened as the Budget Committee, has reviewed the FY 2023-24 Proposed Budget; and

WHEREAS, the Council, convened as the Budget Committee, has conducted a public hearing on the FY 2023-24 Proposed Budget; and

WHEREAS, pursuant to Oregon Budget Law, the Council, convened as the Budget Committee, must approve the FY 2023-24 Budget, and said approved budget must be transmitted to the Multnomah County Tax Supervising and Conservation Commission for public hearing and review; now, therefore,

BE IT RESOLVED,

- 1. That the Proposed FY 2023-24 Budget as amended by the Metro Council, convened as the Budget Committee, which is on file at the Metro offices, is hereby approved.
2. That property tax levies for FY 2023-24 are approved as follows:

SUMMARY OF AD VALOREM TAX LEVY

Table with 3 columns: Tax Category, Subject to the General Government Limitation, Excluded from the Limitation. Rows include Permanent Tax Rate, Local Option Tax Rate, and General Obligation Bond Levy.

3. That the Chief Operating Officer is hereby directed to submit the Approved FY 2023-24 Budget and Appropriations Schedule to the Multnomah County Tax Supervising and Conservation Commission for public hearing and review.

ADOPTED by the Metro Council this 11th day of May, 2023.

Handwritten signature of Lynn Peterson

Lynn Peterson, Council President

APPROVED AS TO FORM:

Handwritten signature of Carrie MacLaren

Carrie MacLaren, Metro Attorney

EXHIBIT A
Schedule of Appropriations
Resolution 23-5321

	Proposed Budget	Amendment	Approved Budget
GENERAL FUND			
Council	10,196,167	295,000	10,491,167
Office of the Auditor	1,134,921	-	1,134,921
Diversity, Equity and Inclusion	3,033,733	-	3,033,733
Office of Metro Attorney	3,793,283	-	3,793,283
Information Technology and Records Management	8,418,288	-	8,418,288
Communications	6,837,176	-	6,837,176
Finance and Regulatory Services	12,159,498	-	12,159,498
Human Resources	6,157,538	-	6,157,538
Capital Asset Management	7,141,873	-	7,141,873
Planning, Development and Research Department	39,900,835	-	39,900,835
Housing	425,000	-	425,000
Special Appropriations	1,945,011	-	1,945,011
Non-Departmental			
Debt Service	2,546,179	-	2,546,179
Interfund Transfers	26,694,190	-	26,694,190
Contingency	23,831,880	(295,000)	23,536,880
<i>Total Appropriations</i>	154,215,572	-	154,215,572
Unappropriated Balance	27,170,056	-	27,170,056
Total Fund Requirements	181,385,628	-	181,385,628
AFFORDABLE HOUSING FUND			
Housing	245,568,825	-	245,568,825
Non-Departmental			
Interfund Transfers	1,331,844	-	1,331,844
Contingency	50,000,000	-	50,000,000
<i>Total Appropriations</i>	296,900,669	-	296,900,669
Unappropriated Balance	150,432,375	-	150,432,375
Total Fund Requirements	447,333,044	-	447,333,044
CEMETERY PERPETUAL CARE FUND			
Non-Departmental			
Interfund Transfers	40,000	-	40,000
<i>Total Appropriations</i>	40,000	-	40,000
Unappropriated Balance	730,314	-	730,314
Total Fund Requirements	770,314	-	770,314
COMMUNITY ENHANCEMENT FUND			
Waste Prevention and Environmental Services	1,514,714	-	1,514,714
Non-Departmental			
Interfund Transfers	50,000	-	50,000
Contingency	69,500	-	69,500
<i>Total Appropriations</i>	1,634,214	-	1,634,214
Unappropriated Balance	105,427	-	105,427
Total Fund Requirements	1,739,641	-	1,739,641

GENERAL ASSET MANAGEMENT FUND

Asset Management Program	11,744,270	-	11,744,270
Non-Departmental			
Interfund Transfers	-	-	-
Contingency	10,108,793	-	10,108,793
<i>Total Appropriations</i>	21,853,063	-	21,853,063
Unappropriated Balance	14,617,375	-	14,617,375
Total Fund Requirements	36,470,438	-	36,470,438

GENERAL OBLIGATION DEBT SERVICE FUND

Non-Departmental			
Debt Service	78,780,223	3,500,750	82,280,973
<i>Total Appropriations</i>	78,780,223	3,500,750	82,280,973
Total Fund Requirements	78,780,223	3,500,750	82,280,973

GENERAL REVENUE BOND FUND

Bond Account			
Debt Service	6,059,650	-	6,059,650
<i>Total Appropriations</i>	6,059,650	-	6,059,650
Unappropriated Balance	4,116,466	-	4,116,466
Total Fund Requirements	10,176,116	-	10,176,116

MERC FUND

MERC	79,867,215	-	79,867,215
Non-Departmental			
Interfund Transfers	11,266,749	-	11,266,749
Contingency	23,446,873	-	23,446,873
<i>Total Appropriations</i>	114,580,837	-	114,580,837
Total Fund Requirements	114,580,837	-	114,580,837

NATURAL AREAS FUND

Parks and Nature	4,183,658	-	4,183,658
Non-Departmental			
Contingency	346,342	-	346,342
<i>Total Appropriations</i>	4,530,000	-	4,530,000
Total Fund Requirements	4,530,000	-	4,530,000

OREGON ZOO ASSET MANAGEMENT FUND

Visitor Venues - Oregon Zoo	15,368,630	-	15,368,630
Non-Departmental			
Interfund Transfers	391,370	-	391,370
<i>Total Appropriations</i>	15,760,000	-	15,760,000
Total Fund Requirements	15,760,000	-	15,760,000

OREGON ZOO OPERATING FUND

Visitor Venues - Oregon Zoo	41,063,281	-	41,063,281
Non-Departmental			
Interfund Transfers	19,502,077	-	19,502,077
Contingency	19,767,252	-	19,767,252
<i>Total Appropriations</i>	80,332,610	-	80,332,610
Total Fund Requirements	80,332,610	-	80,332,610

PARKS AND NATURE BOND FUND

Parks and Nature	83,593,522	-	83,593,522
Non-Departmental			
Interfund Transfers	2,482,751	-	2,482,751
Contingency	14,510,000	-	14,510,000
	<i>Total Appropriations</i>	-	100,586,273
Unappropriated Balance	72,896,227	-	72,896,227
Total Fund Requirements	173,482,500	-	173,482,500

PARKS AND NATURE OPERATING FUND

Parks and Nature	29,291,134	-	29,291,134
Non-Departmental			
Interfund Transfers	5,933,606	-	5,933,606
Contingency	8,025,138	-	8,025,138
	<i>Total Appropriations</i>	-	43,249,878
Unappropriated Balance	700,000	-	700,000
Total Fund Requirements	43,949,878	-	43,949,878

RISK MANAGEMENT

Finance and Regulatory Services	4,689,224	-	4,689,224
Non-Departmental			
Contingency	522,674	-	522,674
	<i>Total Appropriations</i>	-	5,211,898
Unappropriated Balance	445,000	-	445,000
Total Fund Requirements	5,656,898	-	5,656,898

SMITH AND BYBEE WETLANDS FUND

Parks and Nature	175,000	-	175,000
Non-Departmental			
Interfund Transfers	57,610	-	57,610
Contingency	500,000	-	500,000
	<i>Total Appropriations</i>	-	732,610
Unappropriated Balance	609,200	-	609,200
Total Fund Requirements	1,341,810	-	1,341,810

SOLID WASTE FUND

Waste Prevention and Environmental Services	120,913,754	-	120,913,754
Non-Departmental			
Debt Service	1,350,000	-	1,350,000
Interfund Transfers	17,001,232	-	17,001,232
Contingency	15,206,150	-	15,206,150
	<i>Total Appropriations</i>	-	154,471,136
Unappropriated Balance	17,254,346	-	17,254,346
Total Fund Requirements	171,725,482	-	171,725,482

SUPPORTIVE HOUSING SERVICES

Housing	229,096,707	-	229,096,707
Non-Departmental			
Interfund Transfers	3,370,894	-	3,370,894
Contingency	190,851,198	-	190,851,198
	<i>Total Appropriations</i>	-	423,318,799
Total Fund Requirements	423,318,799	-	423,318,799

Total Appropriations	1,502,257,432	3,500,750	1,505,758,182
Total Unappropriated Balance	289,076,786	-	289,076,786
TOTAL BUDGET	1,791,334,218	3,500,750	1,794,834,968
TOTAL FTE	1,130.75	-	1,130.75

EXHIBIT B
General Obligation Bond Debt Service Tax Levy
Resolution 23-5321

General Obligation Bond Debt Service Tax Levy Calculation	Proposed Budget	Amendment	Approved Budget
FY 2023-24 REQUIREMENTS			
General Obligation Refunding (2023 Series)	\$0	\$17,500,000	\$17,500,000
Natural Areas (2012 A Series)	\$8,886,200	(\$8,886,200)	\$0
Zoo Infrastructure (2012 A Series)	\$5,448,075	(\$5,113,050)	\$335,025
Natural Areas (2018 Series)	\$2,467,750	\$0	\$2,467,750
Zoo Infrastructure (2018 Series)	\$1,264,500	\$0	\$1,264,500
Affordable Housing (2019 Series)	\$39,183,904	\$0	\$39,183,904
Natural Areas (2020A Series)	\$3,526,179	\$0	\$3,526,179
Natural Areas (2020B Series)	\$18,003,615	\$0	\$18,003,615
TOTAL REQUIREMENTS	\$78,780,223	\$3,500,750	\$82,280,973
Sources available for cash flow:		\$0	
Fund balance	\$1,998,000	\$0	\$1,998,000
Previously levied taxes estimated to be received	700,000	\$0	700,000
Interest earned, FY 2023-24	200,000	\$0	200,000
Total non-tax sources available in FY 2023-24	\$2,898,000	\$0	\$2,898,000
Tax resources required to balance	\$75,882,223	\$3,500,750	\$79,382,973
Levy (assume 94.5% collectable rate)	\$80,298,648	\$3,704,498	\$84,003,146
Estimated FY 2023-24 Assessed Value	\$210,855,683,047	\$0	\$210,855,683,047
Levy rate per \$1,000 of assessed value	\$0.3808	\$0	\$0.3984
On \$100,000 of assessed property value	\$38.08	\$2	\$39.84
		\$0	
FY 2023-24 GO DEBT TAX LEVY AMOUNT	\$80,298,648	\$3,704,498	\$84,003,146



METRO FY 2023-24 BUDGET

Summary of Proposed Budget Amendments to
the FY 2023-24 Proposed Budget

Budget Amendments Consideration
(Public Hearing): May 9, 2023

Vote to Approve Budget Amendment &
Vote to Approve the FY 2023-24 Budget
(Public Invited): May 11, 2023

Prepared by Patrick Dennis, Budget Coordinator
Updated May 8, 2023

Summary

On May 9, 2023, Metro Council, acting in their capacity as Budget Committee will consider **two proposed budget amendments to the FY 2023-24 Proposed Budget**.

Per Oregon Budget Law, budget committee actions require the affirmative vote of the majority of the total budget committee membership.

Metro Council, acting in their capacity as Budget Committee, can approve both, one, or none of the proposed amendments in this report.

If one or both budget amendments described in this report are approved, they will be incorporated into the FY 2023-24 Approved Budget.

If the budget amendments described in this report are denied, the FY 2023-24 Approved Budget will remain unchanged from the FY 2023-24 Proposed Budget.

The vote to approve the budget amendments described in this report will take place on May 11, 2023, directly before the vote to approve the full budget (Resolution 23-5321).

Metro Council, in their capacity as the Governing Body, will have an additional opportunity to amend the FY 2023-24 budget between the Approved and Adopted stage, prior to budget adoption, currently scheduled for June 22, 2023.

Proposed Budget Amendments

Metro Council Budget Amendment Decisions:

- **AMENDMENT 1:** Increase the appropriations of the General Obligation Debt Service Fund by \$3,500,750 AND increase the General Obligation Debt Service Tax Levy by \$3,704,498?

Please note: the two components of the above decision are related and must be approved together.

- **AMENDMENT 2:** Transfer \$295,000 from the General Fund contingency to the Chief Operating Officer's budget to fund additional scope related to the Portland Expo Future Phase 2 project?

AMENDMENT 1:

Context:

On April 6th, 2023, Council authorized, through the approval of Resolution 23-5323, the issuance of general obligation refunding bonds. Issuing general obligation refunding bonds will increase the FY 2023-24 General Obligation Debt Service Tax Levy but is expected to generate a *projected savings of \$940,000 or about 1.81%* of the refunding proceeds specifically related to Metro’s outstanding General Obligation Bonds, Series 2012A. Resolution 23-5323 also provided Metro with increased flexibility for managing Metro’s outstanding and future general obligation debt.

Budget Impacts:

General Obligation Debt Service Fund appropriation increase of \$3,500,750

- Appropriation increase resulting from the issuance of general obligation refunding bonds and updated debt service payment schedule:

	Proposed Budget	Amendment	Approved Budget
GENERAL OBLIGATION DEBT SERVICE FUND			
Non-Departmental			
Debt Service	78,780,223	3,500,750	82,280,973
<i>Total Appropriations</i>	78,780,223	3,500,750	82,280,973
Total Fund Requirements	78,780,223	3,500,750	82,280,973

General Obligation Bond Debt Service Tax Levy increase of \$3,704,498

- The General Obligation Debt Service Tax Levy assumes a 94.5% collection rate:
 $\$3,704,498 \times 94.5\% = \$3,500,750$ (matches the appropriation increase request above)
 - o See table on the following page

General Obligation Bond Debt Service Tax Levy Calculation	Proposed Budget	Amendment	Approved Budget
FY 2023-24 REQUIREMENTS			
General Obligation Refunding (2023 Series)	\$0	\$17,500,000	\$17,500,000
Natural Areas (2012 A Series)	\$8,886,200	(\$8,886,200)	\$0
Zoo Infrastructure (2012 A Series)	\$5,448,075	(\$5,113,050)	\$335,025
Natural Areas (2018 Series)	\$2,467,750	\$0	\$2,467,750
Zoo Infrastructure (2018 Series)	\$1,264,500	\$0	\$1,264,500
Affordable Housing (2019 Series)	\$39,183,904	\$0	\$39,183,904
Natural Areas (2020A Series)	\$3,526,179	\$0	\$3,526,179
Natural Areas (2020B Series)	\$18,003,615	\$0	\$18,003,615
TOTAL REQUIREMENTS	\$78,780,223	\$3,500,750	\$82,280,973
Sources available for cash flow:		\$0	
Fund balance	\$1,998,000	\$0	\$1,998,000
Previously levied taxes estimated to be received	700,000	\$0	700,000
Interest earned, FY 2023-24	200,000	\$0	200,000
Total non-tax sources available in FY 2023-24	\$2,898,000	\$0	\$2,898,000
Tax resources required to balance	\$75,882,223	\$3,500,750	\$79,382,973
Levy (assume 94.5% collectable rate)	\$80,298,648	\$3,704,498	\$84,003,146
Estimated FY 2023-24 Assessed Value	\$210,855,683,047	\$0	\$210,855,683,047
Levy rate per \$1,000 of assessed value	\$0.3808	\$0	\$0.3984
On \$100,000 of assessed property value	\$38.08	\$2	\$39.84
		\$0	
FY 2023-24 GO DEBT TAX LEVY AMOUNT	\$80,298,648	\$3,704,498	\$84,003,146

AMENDMENT 2:

Context:

The FY 2023-24 Proposed Budget includes \$253,000 for the Portland Expo Future Phase 2 project. Additional scoping of the project has identified \$295,000 in additional financial needs to support work related to market and feasibility studies, strategic communication, and sports marketing and branding. These scoping changes reflect the Chief Operating Officer's recommendations highlighted at the February 28, 2023, joint Council and MERC Commission meeting. For this amendment, \$295,000 would be transferred from the General Fund contingency to the Chief Operating Officer's budget, that resides within the Council appropriation line.

Budget Impact:

	Proposed Budget	Amendment	Approved Budget
GENERAL FUND			
Council	10,196,167	295,000	10,491,167
Office of the Auditor	1,134,921	-	1,134,921
Diversity, Equity and Inclusion	3,033,733	-	3,033,733
Office of Metro Attorney	3,793,283	-	3,793,283
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Non-Departmental			
Debt Service	2,546,179	-	2,546,179
Interfund Transfers	26,694,190	-	26,694,190
Contingency	23,831,880	(295,000)	23,536,880
<i>Total Appropriations</i>	154,215,572	-	154,215,572
Unappropriated Balance	27,170,056	-	27,170,056
Total Fund Requirements	181,385,628	-	181,385,628

STAFF REPORT

IN CONSIDERATION OF RESOLUTION 23-5321 FOR THE PURPOSE OF APPROVING THE FY 2023-24 BUDGET, SETTING PROPERTY TAX LEVIES AND TRANSMITTING THE APPROVED BUDGET TO THE MULTNOMAH COUNTY TAX SUPERVISING AND CONSERVATION COMMISSION

Date: May 10, 2023

Prepared by:
Cinnamon Williams, Financial Planning Director
Patrick Dennis, Budget Coordinator

Department: Office of the Chief Operating Officer

Presented by:
Marissa Madrigal, Chief Operating Officer
Brian Kennedy, Chief Financial Officer

Meeting date: May 11, 2023

Length: 30 minutes

ISSUE STATEMENT

The Chief Operating Officer, acting in their capacity as Budget Officer, presented the FY 2023-24 Proposed Budget to the Metro Council, convened as Budget Committee, at the April 11, 2023, Council meeting. This was a Public Hearing where the Council provided an opportunity to receive testimony from interested members of the public and agency stakeholders.

Additional meetings were held for department presentations and budget deliberations throughout the month of April and early May 2023. Multiple Public Hearings were held, where Council provided opportunities to receive testimony from interested members of the public and agency stakeholders on the FY 2023-24 Proposed Budget.

On May 9, 2023, Council, in their capacity as the Budget Committee, considered two proposed amendments to the FY 2023-24 Proposed Budget, to be incorporated into the FY 2023-24 Approved Budget, if approved.

On May 11, 2023, Council, convened as Budget Committee, will vote on the two proposed budget amendments individually, before voting to approve the full budget, as amended, by way of Resolution 23-5321. Per Oregon Budget Law, changes to the budget from the Proposed to Approved stage require the affirmative vote of the majority of the Budget Committee membership.

Approval of the FY 2023-24 budget will be the final budget adoption action for Council, convened as Budget Committee, but Council will have additional opportunities to amend the budget, as the Governing Body, prior to the vote to adopt the budget on June 22, 2023.

ACTION REQUESTED

- Consideration and vote on the two proposed budget amendments that, if approved, will be incorporated into the FY 2023-24 Approved Budget.
- Consideration and vote on Resolution 23-5321 approving the FY 2023-24 budget, setting property tax levies, and transmitting the approved budget to the Multnomah County Tax Supervising and Conservation Commission.

IDENTIFIED POLICY OUTCOMES

Compliance with Oregon Budget Law.

POLICY QUESTION

Does the budget reflect Council priorities, policies, and goals?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Approval of the budget, by Council convened as Budget Committee, will meet one of the legal mandates established by Oregon Budget Law.

STAFF RECOMMENDATIONS

The Chief Operating Officer and Chief Financial Officer recommend that Council, convened as Budget Committee, approve both proposed budget amendments, to be incorporated into the FY 2023-24 Approved Budget, and to adopt Resolution 23-5321, approving the FY 2023-24 budget, setting property tax levies, and authorizing the Chief Operating Officer to submit the FY 2023-24 Approved Budget to the Multnomah County Tax Supervising and Conservation Commission.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The FY 2023-24 Proposed Budget was released electronically to Council and posted to Metro's budget webpage for the public, on April 7, 2023, and presented by the Chief Operating Officer, in their capacity as the Budget Officer, to the Council, sitting as Budget Committee, on April 11, 2023. On May 9, 2023, Council, convened as Budget Committee, considered two budget amendments to be incorporated into the FY 2023-24 Approved Budget.

Relationship to Metro's Strategic Plan, racial equity, and climate action goals

By approving the FY 2023-24 Budget, Metro is one step closer to adopting a budget that will focus on programming related to Metro's guiding principles of racial justice, climate justice and resiliency, and shared prosperity.

Known Opposition: None known.

Legal Antecedents: The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its Approved Budget to the Multnomah County Tax Supervising and Conservation Commission. The Commission will conduct a hearing on June 1, 2023, for the purpose of receiving information from the public regarding the Approved Budget. Following the hearing, the Commission will certify the budget to the Council for adoption and may provide recommendations to the Council regarding any aspect of the budget.

Anticipated Effects: Adoption of Resolution 23-5321 will set the maximum tax levies for FY 2023-24 and authorize the Chief Operating Officer to transmit of the Approved Budget to the Multnomah County Tax Supervising and Conservation Commission.

Budget Impacts: The total amount of the FY 2023-24 Proposed Budget is \$1,791,334,218 with 1,130.75 FTE. The two amendments to the FY 2023-24 Proposed Budget, to be incorporated into the FY 2023-24 Approved Budget, total to \$3,500,750. The total amount of the FY 2023-24 Approved Budget, with both amendments included, is \$1,794,834,968 with 1,130.75 FTE.

BACKGROUND

The actions taken by this resolution are the interim steps between initial proposal of the budget and final adoption of the budget in June. Oregon Budget Law requires that Metro approve and transmit its budget to the Multnomah County Tax Supervising and Conservation Commission (TSCC). Members of the TSCC are appointed by the Governor to supervise local government budgeting and taxing activities in Multnomah County. The TSCC will hold a hybrid Public Hearing on Metro's budget on June 1, 2023 in the Metro Council Chambers at 12:30 p.m. Following the meeting, the TSCC will provide a letter of certification for Metro's budget. The Council's adoption of the final FY 2023-24 budget is currently scheduled for June 22, 2023.

Oregon Budget Law requires the Budget Committee of each local jurisdiction to set the property tax levies for the ensuing year at the time the budget is approved. Under Oregon Budget Law the Metro Council sits as the Budget Committee for this action. The tax levies must be summarized in the resolution that approves the budget and cannot be increased beyond this amount following approval without resubmitting the budget to the TSCC and holding an additional TSCC Public Hearing. Metro's levy for general obligation debt reflects actual debt service levies for all outstanding general obligation bonds, except for the "General Obligation Refunding (Series 2023)," which are currently an estimate based on the timing of the issuance, to be finalized prior to adoption. Metro is working with the TSCC to ensure that the estimated General Obligation Refunding bond amounts are budgeted in good faith and as accurately as possible based on the most-current information available to Metro. The levy authorization for FY 2023-24 budget also includes the 5-year local option levy for Parks and Natural Areas support, which was renewed by the voters in November 2022, as well as the levy for Metro's permanent tax rate for general operations.

ATTACHMENTS

- Resolution 23-5321
- Exhibit A – Schedule of Appropriations
- Exhibit B – GO Bond Debt Service Tax Levy