

Date: April 22, 2020

To: Board of Directors

From: Doug Kelsey



Subject: RESOLUTION NO. 20-04-22 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE TRANSFER OF APPROPRIATED FUNDS WITHIN THE FY2019-2020 BUDGET

1. Purpose of Item

This Resolution requests that the TriMet Board of Directors (Board) authorize the General Manager or his designee to transfer \$1,500,000 from TriMet’s Contingency Appropriation to the Special Payments line item in the Other Non-Operating Requirements Appropriation, and to transfer of \$300,000 from the Contingency Appropriation to the Other Post-Employment Benefits line item, as required to conform to Oregon budget law.

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other: Transfer of Appropriated Budget

3. Reason for Board Action

Oregon Budget Law requires a transfer resolution if expenditures in any appropriation category are higher than shown in the original budget.

4. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. Background

On June 26, 2019, the Board approved Resolution 19-06-46, adopting the FY2019-2020 annual budget and appropriating funds. The budget was based on the best available information at the time, as actual revenues and expenses are not known when the budget is developed. Historically during the fiscal year, TriMet transfers appropriations to match revised expenditure requirements. This Resolution allows for the transfer of funds from the Contingency Appropriation to the Other Non-Operating Requirements Appropriation and to the Other Post-Employment Benefits Appropriation, within TriMet’s FY2019-2020 budget.

This first budget revision is needed because a March 25, 2020 Intergovernmental Agreement (IGA) with Metro (approved by the Board in Resolution 20-03-19), authorized TriMet to accept \$7,305,682 in federal funds from Metro, in exchange for TriMet’s transfer of \$3,305,682 in unrestricted nonfederal funds to Metro, in order to benefit regional

transportation projects and programs. TriMet will retain the \$4,000,000 balance from the fund exchange for use on the MAX Red Line Project. The IGA requires TriMet to transfer its funds to Metro in two separate payments: the first, in the amount of \$1,500,000, will occur in the current fiscal year; the second, in the amount of \$1,805,682, will occur in FY2021.

Because the IGA with Metro was not foreseeable during the development of the current budget, the initial transfer requires Board approval pursuant to ORS 294.463 (regulating the transfers of appropriations within or between funds). This Resolution authorizes the internal reallocation of funds from TriMet's Contingency Appropriation to the Special Payments line item in the Other Non-Operating Requirements Appropriation, and is required under Oregon Budget Law before TriMet can make the first of the two transfers (\$1,500,000) to Metro in the current fiscal year.

A separate transfer of \$300,000 is also needed from the Contingency Appropriation to the Other Post-Employment Benefits line item. This transfer is required to ensure costs for professional services for actuarial valuations for TriMet's defined benefit pension plans and the other post-employment benefit plans do not exceed the budget. Therefore, this Resolution also authorizes the internal reallocation of funds from TriMet's Contingency Appropriation to the Other Post-Employment Benefits line item, and is similarly required under the Oregon Budget Law.

6. Procurement Process

N/A

7. Financial/Budget Impact

This transfer is a requirement of Oregon Local Budget Law.

8. Impact if Not Approved

If the Board chooses not to approve this resolution, the District will not be in compliance with Oregon Local Budget Law for FY2019-2020 and will not be able to fulfill the terms of the Metro fund exchange IGA.

RESOLUTION NO. 20-04-22

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TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING
THE TRANSFER OF APPROPRIATED FUNDS WITHIN THE FY2019-2020
BUDGET**

WHEREAS, on June 26, 2019, the TriMet budget for FY2019-2020 was adopted and funds were appropriated by the Board of Directors; and

WHEREAS, this Resolution is required pursuant to ORS 294.463;

NOW, THEREFORE, BE IT RESOLVED:

1. That the budget transfers shall conform with applicable law.
2. That the FY2019-2020 budget appropriation amounts shall be revised as follows:

FY2019-2020 Adopted Budget

Operating Program:	Existing Appropriation	Transfer In (Out)	Revised Appropriation
Contingency	\$24,019,235	(\$1,800,000)	\$22,219,235
Other Non-Operating Requirements	\$27,260,669	\$1,500,000	\$28,760,669
Other Post-Employment Benefits	\$50,839,019	\$300,000	\$51,139,019
Total Appropriation	\$102,118,923		\$102,118,923

3. That the General Manager or his designee is authorized to implement these budget transfers.

Dated: April 22, 2020

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:

Gregory E. Skillman

Legal Department