

Date: January 24, 2018

To: Board of Directors

From: Neil McFarlane *Neil McFarlane*

Subject: RESOLUTION 18-01-09 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET)
AUTHORIZING THE TRANSFER OF APPROPRIATED FUNDS WITHIN
THE FY2017-2018 GENERAL FUND BUDGET

1. Purpose of Item

The purpose of this item is to request that the TriMet Board of Directors (Board) adopt a Resolution authorizing a transfer of funds totaling \$15,039,167 from Contingency to several Divisions within TriMet's FY2017-2018 General Fund budget. This transfer is due to costs associated with: 1) Ratification of Resolution 17-12-86 authorizing a new Working & Wage Agreement with Division 757 Amalgamated Transit Union; 2) Passage of Oregon House Bill 2017; 3) Passage of Oregon House Bill 2777; and 4) Recruitment for the General Manager position.

2. Type of Agenda Item

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

3. Reason for Board Action

Certain expenditures related to Oregon House Bill 2017, Oregon House Bill 2777, the Low Income Fare Program and the recent Working & Wage Agreement have been or will be made in FY2017-2018 that were not anticipated, or could not be accurately estimated when the annual budget was adopted in May 2017. A smaller issue has also been identified with recruitment expenses related to the current executive search for the General Manager position.

ORS 294.463 authorizes the governing body of a local government to transfer funds between appropriations by resolution. This Resolution allows for the transfer of funds from the Contingency account to the Office of the General Manager Division, Public Affairs Division, Safety & Security Division, Information Technology Division, Human Resources & Labor Relations Division, and Operations Division within TriMet's FY2017-2018 General Fund budget.

4. Type of Action

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

5. Background

On May 24, 2017, the Board approved Resolution 17-05-42, adopting the FY2017-2018 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, as the end of the fiscal year approaches, TriMet transfers appropriations to match revised expenditure requirements. Oregon Local Budget Law requires a transfer resolution if expenditures in any appropriation category are higher than shown in the original budget. In this instance, revision to the General Fund Operating appropriations is necessitated due to needs supporting Oregon House Bill 2017, Oregon House Bill 2777 and the current Working & Wage agreement.

As detailed on Attachment A there is \$15,039,167:

- \$13,147,375 associated with the Working & Wage Agreement,
- \$1,021,961 associated with Oregon House Bill 2017,
- \$492,572 associated with the Low Income Fare Program,
- \$317,759 associated with Oregon House Bill 2777,
- \$59,500 for recruitment for the General Manager position.

The increase associated with the Working & Wage Agreement are for operations wages, advancements, differentials, allowances, vacation & holiday pay, contract printing, legal expenses and other associated costs for the period covering December 1, 2016 through June 30, 2018.

The increase associated with Oregon House Bill 2017 are for the ramp up costs identified in FY2018 needed to implement HB2017 programs as early as July 1, 2018. Costs include development of a Regional Plan, planned service expansion, staffing and associated materials and services costs related to implementation of the Low Income Fare Program, and necessary human resources positions to provide recruitment and support benefit management.

The increase associated with Oregon House Bill 2777 is for hiring a Manager of Fare Enforcement and fare enforcement technology upgrades.

The increase associated with recruitment for the General Manager position is for the expense associated with an executive search firm.

6. Financial/Budget Impact

This transfer is a requirement of Oregon Local Budget Law.

7. Impact if Not Approved

If the Board chooses not to approve this resolution, the District will be in violation of Oregon Local Budget Law for FY2017-2018.

Category	Department	Description	FINAL CE FTE	FINAL OTO FTE	FINAL CE Total	FINAL OTO Total	Comments
	OFFICE OF THE GENERAL MANAGER DIVISION						
Low Income Fare	Diversity & Transit Equity	LJF Program Manager & LJF Outreach Specialists	3.00		114,744	15,000	7 month 1 Program Mgr, 3 month 2 Outreach Specialists. \$15,000 OTO workspace package.
Low Income Fare	Diversity & Transit Equity	Low Income Fare Program Startup			95,000		4th quarter CBO eligibility & registration contracts and LJF system contract for 4th quarter.
	Office of the General Manager Division Total		3.00	0.00	209,744	15,000	
	PUBLIC AFFAIRS DIVISION						
Low Income Fare	Customer Information	Low Income Fare Program Startup				50,000	Program collateral, outreach, awareness, community engagement.
HB2017	Planning & Policy	Consultant for HB2017 regional plan development				100,000	Development of Regional Transportation Plan
	Public Affairs Division Total		0.00	0.00		150,000	
	SAFETY & SECURITY DIVISION						
HB2777	Security	Manager, Fare Enforcement Administration	1.00		62,759	5,000	6 month grade 15 mid-point position (.50 FTE). Becomes 1 FTE in FY2019. \$5,000 OTO workspace package.
	Safety & Security Division Total		1.00	0.00	62,759	5,000	
	INFORMATION TECHNOLOGY DIVISION						
HB2777	Information Technology	Fare Enforcement Technology Upgrades				250,000	\$35,000 CE for annual maintenance will occur in FY2019; \$250,000 OTO for technology upgrade in FY2018
	Information Technology Division Total		0.00	0.00		250,000	
	FINANCE & ADMINISTRATION DIVISION						
Other	Administration	Bargaining Power Software					Total cost \$47,500; \$19,000 CE which can be absorbed in FA Division materials & services.
Low Income Fare	Fare Revenue	TTO Revenue Specialist	1.00		22,828		3 month TTO Revenue Specialist (Union). Becomes 1 FTE in FY2019.
Low Income Fare	Fare Revenue	Low Income Fare Program Startup			85,000	110,000	Card printers, printer supplies, fare cards, printer cleaning & maintenance, database development, workspace package.
	Finance & Administration Division Total		1.00	0.00	107,828	110,000	
	HUMAN RESOURCES & LABOR RELATIONS DIVISION						
NWA	Administration	Legal Expenses				150,000	Additional funds to cover increased number of ULP's and contract negotiations for Labor contract.
4B2017	Comp & Benefits	Benefits Specialist	1.00		33,718	10,000	5 month grade 9 mid-point position (.50 FTE). Becomes 1 FTE in FY2019. \$10,000 OTO workspace package.
4B2017	Talent Management	Operations Recruiter (Maintenance)	1.00		100,208	5,000	Grade 12 mid-point position and \$5,000 OTO workspace package.
Other	Talent Management	Executive Search - General Manager				59,500	Executive search firm expense (KLZ Connects, LLC).
NWA	Labor Relations	Working & Wage Agreement Printing				18,275	Printing of the 2016-2019 WWA.
YWA	Labor Relations	Bargaining Power Software			28,500		Total cost \$47,500; \$19,000 of which can be absorbed in FA Division materials & services.
	Human Resources & Labor Relations Division Total		2.00	0.00	162,426	242,775	
	MAINTENANCE DIVISION						
4B2017	Bus Maintenance	Additional Bus Journey workers-Revenue Expansion	32.00		773,035		+10 mechanics and +1 Trainer-March; +10 mechanics-April, +11 Mechanics-May.
	Maintenance Division Total		32.00	0.00	773,035		
	OPERATIONS DIVISION						
YWA	Maintenance & Transportati	WVA Board Memo Resolution 17-12-86			12,950,600		Wages, advancements, differentials, allowances, vacation & holiday pay
	Total		39.00	0.00	\$ 14,266,392	\$ 772,775	
	GRAND Total				\$ 15,039,167		

RESOLUTION 18-01-09

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE TRANSFER OF APPROPRIATED FUNDS WITHIN THE FY2017-2018 GENERAL FUND BUDGET

WHEREAS, on May 24, 2017, the TriMet budget for FY2017-2018 was adopted and funds were appropriated by the Board of Directors; and

WHEREAS, this Resolution is prepared pursuant to ORS 294.463;

NOW, THEREFORE, BE IT RESOLVED:

That the FY2017-2018 General Fund appropriations be revised as follows:

FY2017-2018 Adopted Budget

Operating Program:	Existing Appropriation	Transfer In (Out)	Revised Appropriation
Office of the General Manager Division	\$1,834,723	\$224,744	\$2,059,467
Public Affairs Division	\$18,166,782	\$150,000	\$18,316,782
Safety & Security Division	\$46,216,912	\$67,759	\$46,284,671
Information Technology Division	\$24,768,856	\$250,000	\$25,018,856
Finance & Administration Division	\$35,710,344	\$217,828	\$35,928,172
Human Resources & Labor Relations Division	\$4,521,453	\$405,201	\$4,926,654
Operations Division	\$432,822,139	\$13,723,635	\$446,545,774
Contingency	\$23,880,963	(\$15,039,167)	\$8,841,796
Total Appropriation	\$587,922,172		\$587,922,172

Dated: January 24, 2018

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department