

**Date:** May 27, 2015

**To:** Board of Directors

**From:** Neil McFarlane *Neil McFarlane*

**Subject:** **RESOLUTION 15-05-22 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE TRANSFER OF APPROPRIATED FUNDS WITHIN THE FY2015 GENERAL FUND BUDGET**

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**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 from contingency to various appropriation units within TriMet’s FY2015 General Fund budget.

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other Transfer of Appropriated Funds within the FY2015 General Fund Budget

**3. Reason for Board Action**

Certain expenditures have been or will be made in FY2015 that were not anticipated, or could not be accurately estimated when the annual budget was adopted in May 2014. 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 contingency to various divisions within TriMet, reflecting changes to expenditures from the estimates made at the time the FY2015 budget was adopted.

**4. Type of Action:**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**5. Background**

On May 28, 2014, the Board approved Resolution 14-05-27, adopting the FY2015 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 budget law requires a transfer resolution if expenditures in any appropriation category are higher than shown in the original budget. This year,

revisions to the General Fund Operating appropriations are necessitated for the following reasons:

### **Pass Through Requirements**

TriMet acts as the recipient for transit grants that are passed through for the benefit of other local government entities. These transactions have no net impact to the agency, but must be budgeted as expenditures under Oregon Local Budget Law. The FY2015 Budget did not anticipate the volume of expenditures that is being incurred in relation to pass through grants to the City of Portland for the Streetcar system. A transfer of \$2,000,000 to Pass Through requirements is necessary to appropriate funds associated with the FY2015 phase of the project.

An equivalent amount of Pass Through revenue from the United States Department of Transportation will also be recorded, resulting in no net fiscal impact to TriMet as a result of this appropriation.

### **Retiree Insurance**

Retiree insurance was estimated at adoption of the FY2015 budget, using estimates for the cost of retiree insurance, as well as estimates for the rate of retirement for existing employees. Estimates for both the retirement rates and cost of insurance were lower than actual experience, resulting in a budget shortfall. A transfer of \$1,500,000 to Retiree Insurance is necessary to appropriate funds associated with the FY2015 costs for retirees.

### **6. Procurement Process**

N/A - This transfer is a requirement of Oregon Local Budget Law.

### **7. Financial/Budget Impact**

Pass Through Requirements fiscal impact – net zero.

Retiree Insurance fiscal impact – increase in insurance expense of \$1,500,000, reduction in Contingency of \$1,500,000.

### **8. 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 FY2015.

DB/LB/pc

**RESOLUTION 15-05-22**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING THE TRANSFER OF APPROPRIATED FUNDS WITHIN THE FY2015 GENERAL FUND BUDGET**

**WHEREAS**, on May 28, 2014, the TriMet budget for FY2015 was adopted and funds were appropriated by the Board of Directors; and

**WHEREAS**, this Resolution is prepared pursuant to ORS 294.463; and

**WHEREAS**, the purpose of the authorized expenditures is to rebalance the FY2015 operating budget for increased expenditures; and

**WHEREAS**, the transfer of appropriated funds is needed to pay for the increase in Retiree Insurance associated with the FY2015 costs for retirees that were estimated at the time the budget was adopted; and to increase the amount of funds in the Pass Through requirements account to offset the increased revenue received to perform the pass through of funds to the City of Portland for the Streetcar system;

**NOW, THEREFORE, BE IT RESOLVED:**

That the FY2015 General Fund appropriations be revised as follows:

**FY2015 Adopted Budget**

Information Technology Division	24,897,908	-	24,897,908
Finance & Administration Division	27,977,950	-	27,977,950
Labor Relations & Human Resources Division	3,233,905	-	3,233,905
Legal Services Division	3,576,594	-	3,576,594
Operations Division	408,690,636	-	408,690,636
Capital Projects Division	18,622,901	-	18,622,901
OPEB & UAAL Pension	47,224,533	1,500,000	48,724,533
Debt Service	35,729,000	-	35,729,000
High Capacity Transit Projects	386,417,196	-	386,417,196
Pass Through Requirements	4,370,000	2,000,000	6,370,000
Contingency	14,830,319	(3,500,000)	11,330,319
<b>Total General Fund Appropriation</b>	<b>\$ 1,011,464,830</b>	<b>\$ -</b>	<b>\$ 1,011,464,830</b>

<b>Capital Program:</b>	<b>Existing Appropriation</b>	<b>Transfer In (Out)</b>	<b>Revised Appropriation</b>
Communications & Technology Division	\$ 13,607,223	\$ -	\$ 13,607,223
Finance & Administration Division	\$ 315,000	\$ -	\$ 315,000
Operations Division	\$ 8,518,230	\$ -	\$ 8,518,230
Capital Projects Division	\$ 12,918,684	\$ -	\$ 12,918,684
<b>Total Appropriation</b>	<b>\$ 35,359,137</b>	<b>\$ -</b>	<b>\$ 35,359,137</b>

Dated: May 27, 2015

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Presiding Officer

Attest:

\_\_\_\_\_  
Recording Secretary

Approved as to Legal Sufficiency:



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Legal Department