

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING) ORDINANCE NO. 01-889
THE FY 2000-01 BUDGET AND) INTRODUCED BY COUNCILOR
APPROPRIATIONS SCHEDULE AND) ATHERTON
TRANSFERRING \$2,500 FROM THE)
COUNCIL OFFICE TO THE OFFICE OF)
THE AUDITOR

WHEREAS, nationally recognized professional standards require the Metro Office of the Auditor to undergo a peer review every three years, and

WHEREAS, the next peer review is scheduled to be completed during FY 2000-01, and

WHEREAS, the Auditor must sign the letter of understanding to initiate the peer review process and has the authority oversee her own peer review process,

WHEREAS, the Metro Council included funding for the peer review in the Council Office budget to allow for greater Council oversight of the management of the Office of the Auditor, and

WHEREAS, the Council has expressed interest in conducting a more extensive management review of the Office of Auditor for which funding is currently not available, therefore

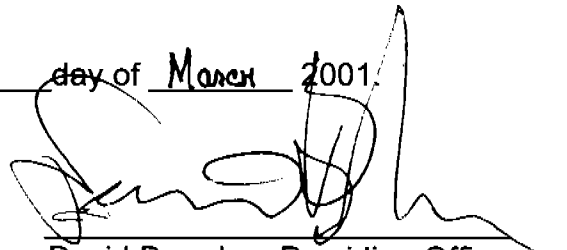
THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. That the FY 2000-01 Budget and Schedule of Appropriations are hereby amended s shown in the column titled "Revision" in Exhibits A and B to this Ordinance for the purpose of transferring \$2,500 from Contracted Professional Services in the Council Office to Contracted Professional Services in the Office of the Auditor.
2. Prior to release of the funds transferred under this ordinance, the Office of the Auditor shall submit a scope of work for the proposed peer review to the Council

Office.

3. This Ordinance being necessary for the immediate preservation of the public health, safety or welfare of the Metro area in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

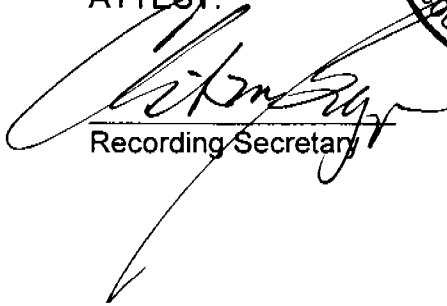
ADOPTED by the Metro Council this 1st day of March 2001.



David Bragdon, Presiding Officer



ATTEST:



Recording Secretary

Approved as to Form:



Daniel B. Cooper, General Counsel

**Exhibit A
Ordinance No.01-889**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Resources							
<i>Resources</i>							
<i>BEGBAL</i>	<i>Beginning Fund Balance</i>		\$600,972		\$0		\$600,972
<i>EXCISE</i>	<i>Excise Tax</i>						
4050	Excise Taxes		7,599,461		0		7,599,461
<i>INTRST</i>	<i>Interest Earnings</i>						
4700	Interest on Investments		15,000		0		15,000
<i>EQTREV</i>	<i>Fund Equity Transfers</i>						
4970	Transfer of Resources						
	* from Risk Management Fund		100,000		0		100,000
	* from Support Services Fund		1,514,750		(2,500)		1,512,250
TOTAL RESOURCES			\$9,830,183		(\$2,500)		\$9,827,683

**Exhibit A
Ordinance No.01-889**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
General Fund							
Council Office Total							
Total Personal Services		20.00	\$1,129,157	0.00	\$0	20.00	\$1,129,157
<i>Materials & Services</i>							
<i>GOODS Goods</i>							
5201	Office Supplies		71,929		0		71,929
5205	Operating Supplies		11,000		0		11,000
5210	Subscriptions and Dues		18,600		0		18,600
<i>SVCS Services</i>							
5240	Contracted Professional Svcs		19,000		(2,500)		16,500
5251	Utility Services		7,500		0		7,500
5260	Maintenance & Repair Services		3,000		0		3,000
5265	Rentals		1,500		0		1,500
5280	Other Purchased Services		52,000		0		52,000
<i>OTHEXP Other Expenditures</i>							
5450	Travel		11,500		0		11,500
5455	Staff Development		10,000		0		10,000
5470	Council Costs		17,500		0		17,500
5490	Miscellaneous Expenditures		5,765		0		5,765
Total Materials & Services			\$229,294		(\$2,500)		\$226,794
TOTAL REQUIREMENTS		20.00	\$1,358,451	0.00	(\$2,500)	20.00	\$1,355,951

**Exhibit A
Ordinance No.01-889**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
Support Services Fund							
Office of the Auditor							
Total Personal Services		5.00	\$444,048	0.00	\$0	5.00	\$444,048
<i>Materials & Services</i>							
<i>GOODS Goods</i>							
5201	Office Supplies		5,500		0		5,500
5205	Operating Supplies		5,150		0		5,150
5210	Subscriptions and Dues		3,300		0		3,300
<i>SVCS Services</i>							
5240	Contracted Professional Svcs		111,257		2,500		113,757
5251	Utility Services		400		0		400
5260	Maintenance & Repair Services		500		0		500
5280	Other Purchased Services		2,500		0		2,500
<i>IGEXP Intergov't Expenditures</i>							
5300	Payments to Other Agencies		328		0		328
<i>OTHEXP Other Expenditures</i>							
5450	Travel		15,255		0		15,255
5455	Staff Development		6,047		0		6,047
5490	Miscellaneous Expenditures		1,093		0		1,093
Total Materials & Services			\$151,330		\$2,500		\$153,830
TOTAL REQUIREMENTS		5.00	\$595,378	0.00	\$2,500	5.00	\$597,878

**Exhibit A
Ordinance No.01-889**

ACCT	DESCRIPTION	Current Budget		Revision		Amended Budget	
		FTE	Amount	FTE	Amount	FTE	Amount
Strategic Initiatives Fund							
General Expenses							
<i><u>Interfund Transfers</u></i>							
<i>INTCHG Internal Service Transfers</i>							
5800	Transfer for Indirect Costs						
	* to Building Mgmt Fund		547,127		0		547,127
	* to Risk Mgmt-Liability		24,462		0		24,462
	* to Risk Mgmt-Worker Comp		18,443		0		18,443
<i>EQTCHG Fund Equity Transfers</i>							
5810	Transfer of Resources						
	* General Fund		1,514,750		(2,500)		1,512,250
	* Building Management Fund		40,000		0		40,000
Total Interfund Transfers			\$2,144,782		(\$2,500)		\$2,142,282
<i><u>Contingency and Ending Balance</u></i>							
<i>CONT Contingency</i>							
5999	Contingency						
	* General		285,231		0		285,231
	* Contractor's License		47,674		0		47,674
<i>UNAPP Unappropriated Fund Balance</i>							
5990	Unappropriated Fund Balance						
	* Contingency/Unrestricted		147,000		0		147,000
Total Contingency and Ending Balance			\$479,905		\$0		\$479,905
TOTAL REQUIREMENTS		81.38	\$10,530,040	0.00	\$0	81.38	\$10,530,040

Exhibit B
Ordinance No. 01-889
FY 2000-01 SCHEDULE OF APPROPRIATIONS

	<u>Current Appropriation</u>	<u>Revision</u>	<u>Amended Appropriation</u>
GENERAL FUND			
Council Office			
Operating Expenses (PS & M&S)	\$1,358,451	(\$2,500)	\$1,355,951
Subtotal	1,358,451	(2,500)	1,355,951
Office of the Executive Officer			
Operating Expenses (PS & M&S)	1,310,800	0	1,310,800
Subtotal	1,310,800	0	1,310,800
Special Appropriations			
Materials & Services	340,000	0	340,000
Subtotal	340,000	0	340,000
General Expenses			
Interfund Transfers	6,265,632	0	6,265,632
Contingency	255,840	0	255,840
Subtotal	6,521,472	0	6,521,472
Unappropriated Balance	299,460	0	299,460
Total Fund Requirements	\$9,830,183	(\$2,500)	\$9,827,683
SUPPORT SERVICES FUND			
Administrative Services/Human Resources			
Operating Expenses (PS & M&S)	\$3,877,348	\$0	\$3,877,348
Capital Outlay	21,990	0	21,990
Subtotal	3,899,338	0	3,899,338
Information Technology			
Operating Expenses (PS & M&S)	1,796,126	0	1,796,126
Debt Services	111,951	0	111,951
Capital Outlay	465,691	0	465,691
Subtotal	2,373,768	0	2,373,768
Office of General Counsel			
Operating Expenses (PS & M&S)	978,955	0	978,955
Subtotal	978,955	0	978,955
Office of Citizen Involvement			
Operating Expenses (PS & M&S)	57,914	0	57,914
Subtotal	57,914	0	57,914
Office of the Auditor			
Operating Expenses (PS & M&S)	595,378	2,500	597,878
Subtotal	595,378	2,500	597,878
General Expenses			
Interfund Transfers	2,144,782	(2,500)	2,142,282
Contingency	332,905	0	332,905
Subtotal	2,477,687	(2,500)	2,475,187
Unappropriated Balance	147,000	0	147,000
Total Fund Requirements	\$10,530,040	\$0	\$10,530,040

All Other Appropriations Remain as Previously Adopted

BUDGET AND FINANCE COMMITTEE REPORT

CONSIDERATION OF **ORDINANCE NO. 01-889**, FOR THE PURPOSE OF AMENDING THE FY 2000-01 BUDGET AND APPROPRIATIONS SCHEUDLE AND TRANSFERRING \$2,500 FROM THE COUNCIL OFFICE TO THE OFFICE OF THE AUDITOR

Date: 22 February 2001

Presented by: Councilor Atherton

Committee Recommendation: At its February 14, 2001, meeting, the Budget and Finance Committee voted 5-0 to recommend Council adoption of Ordinance No. 01-889. Voting in favor: Councilors Burkholder, Bragdon, McLain, Hosticka, and Atherton. Voting against: None. Absent: Councilors Park and Monroe.

Background: John Houser, Council Analyst, presented the staff report. He explained that, during the FY 2000-01 budget approval process, \$2,500 for the Auditor's triennial peer review was placed into Council budget. Subsequently, the Office of General Counsel advised Council that various code and chapter provisions allow the Auditor's Office to manage its own peer review. The Peer Review is conducted under the auspices of the national Association of Local Government Auditors (NALGA), and is a professional evaluation of the Auditor's practices by outside parties.

Committee Issues/Discussion: There was none

Key Public Testimony: Alexis Dow, Metro Auditor, submitted a letter to Council reflecting her viewpoints on the Peer Review, and information contained in the staff report accompanying the Ordinance.

Staff Report

IN CONSIDERATION OF ORDINANCE NO. 01-889, FOR THE PURPOSE OF AMENDING THE FY 2000-01 BUDGET AND APPROPRIATIONS SCHEDULE AND TRANSFERRING \$2,500 FROM THE COUNCIL OFFICE TO THE OFFICE OF THE AUDITOR

January 26, 2001

Presented by: Councilor Atherton

Purpose

Ordinance No. 01-889 would transfer \$2,500 from the Council Office to the Office of the Auditor for the purpose of allowing the Auditor to contract for a peer review of her office.

Background

Nationally recognized standards promulgated by the National Association of Local Government Auditors recommend that each local government auditing office undergo a peer review every three years. A team of two or three public agency auditors conducts the review. The office being reviewed is responsible for paying the expenses (airfare, lodging, meals) of the review team and must agree to provide a staff person to serve on a future peer review team in another jurisdiction.

The Metro Office of Auditor would be scheduled for such a review during the current fiscal year. and, therefore, the Auditor requested \$2,500 for this purpose. During its budget review process, the Council elected to place the funding for the peer review in the Council budget with the consent of the Auditor. Since taking this action, the Council has been advised by the Auditor that the Auditor must sign the contractual papers related to the peer review. In addition, the Office of General Counsel has advised that various charter and code provisions give the Auditor the authority to manage her own peer review.

The transfer of funds proposed by this ordinance will give the Office of the Auditor sufficient funds to conduct and administer the proposed peer review. A scope of work for the proposed peer review will be provided to the Council Office prior to the release of the funds transferred by this ordinance.

As the office responsible for reviewing management and operational activities of the various Metro departments and functions, the Office of the Auditor also should be subject to a periodic review of its management and operational practices. No such review has been conducted since the establishment of the Office of the Auditor in the Metro Charter. The proposed peer review is limited in scope. The Council remains interested in broader examination of a variety of management issues related to the Office of Auditor, though funding is currently not available for such an analysis. Examples of such issues include: the scoping and cost of audits, management of contracts for outside services associated with the preparation of audits and the auditor's working and oversight relationship with the Council.

Budget Impact

The adoption of the proposed ordinance will have no fiscal impact other than transferring \$2,500 from the Council budget to the budget of the Office of the Auditor.