

BEFORE THE COUNCIL OF THE  
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AMENDING	)	RESOLUTION NO. 88-837
RESOLUTION NO. 87-744, REVISING	)	
THE FY 1987-88 BUDGET & APPRO-	)	Introduced by the
PRIATIONS SCHEDULE FOR INSURANCE	)	Executive Officer
PROGRAM MODIFICATIONS AND OFFICE	)	
OF GENERAL COUNSEL	)	

WHEREAS, The Council of the Metropolitan Service District has reviewed and considered various needs to modify the FY 1987-88 Budget; and

WHEREAS, The needs for additional funding or a modified budget plan are justified; and

WHEREAS, Adequate contingency exists for identified needs; now, therefore,

BE IT RESOLVED,

That Resolution No. 87-744, Exhibit B, FY 1987-88 Budget, and Exhibit C, Schedule of Appropriations, are hereby amended as shown in Exhibits A and B to this Resolution.

ADOPTED by the Council of the Metropolitan Service District this 14th day of January, 1988.

  
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Presiding Officer

JS/gl  
8770C/525  
01/04/88

EXHIBIT A

INSURANCE FUND		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCOUNT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Requirements							
7130	Dues & Subscriptions		1,500				1,500
7500	Contractual Services		0				0
7530	Insurance		220,000		26,913		246,913
7535	Claims Paid		15,000				15,000
9700	Contingency		646,860		(26,913)		619,947
	Unappropriated Balance		0				0
Total Requirements			883,360		0		883,360

EXHIBIT A

OFFICE OF GENERAL COUNSEL		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCOUNT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Personal Services							
6040	General Counsel	0	0	1.00	29,792	1.00	29,792
6045	Legal Counsel	0	0	1.00	18,495	1.00	18,495
6300	Temporary	0	0	0.38	4,728	0.38	4,728
6700	Fringe	0	0		15,442		15,442
Total Personal Services		0.00	0	2.38	68,457	2.38	68,457
TOTAL EXPENDITURES		0.00	0	2.38	68,457	2.38	68,457

## EXHIBIT A

EXECUTIVE MANAGEMENT		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCOUNT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
10-20							
EXEC. MGMT	Personal Services						
6000	Executive Officer	1.00	63,727			1.00	63,727
6010	Deputy Executive Officer	1.00	42,278			1.00	42,278
6040	General Counsel	1.00	52,297	(1.00)	(39,032)	0.00	13,265
6060	Secretary	1.00	15,985			1.00	15,985
6090	Analyst 2	1.00	27,406			1.00	27,406
6105	Government Relations Manager	1.00	33,320	(0.38)	(4,787)	0.62	28,533
6200	Executive Management Aide	1.00	20,598			1.00	20,598
6300	Temporary	0.50	10,302			0.50	10,302
6700	Fringe		80,270		(13,649)		66,621
	Total Personal Services	7.50	346,183	(1.38)	(57,468)	6.12	288,715
	Total Materials & Services		78,587				78,587
	Total Capital Outlay		3,000				3,000
	TOTAL EXPENDITURES	7.50	427,770	(1.38)	(57,468)	6.12	370,302

EXHIBIT A

GENERAL FUND: General Expenses		CURRENT BUDGET		REVISION		PROPOSED BUDGET	
ACCOUNT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
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Transfers, Contingency, Unappropriated Balance							
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9130	Transfer to Building Mgmt Fund		240,737				240,737
9150	Transfer to Insurance		10,211				10,211
9400	Transfer to IRC Fund		21,953				21,953
9450	Transfer to CTS Fund		0				0
9700	Contingency		154,745		(10,989)		143,756
	Unappropriated Fund Balance		53,667				53,667
Total Trans., Contin., Unappr. Fund Bal.			481,313		(10,989)		470,324
TOTAL EXPENDITURES		47.64	3,115,707	1.00	0	48.64	3,115,707

## EXHIBIT B

## SCHEDULE OF APPROPRIATIONS

	CURRENT APPROPRIATION	REVISION	PROPOSED APPROPRIATION
	-----	-----	-----
<b>GENERAL FUND</b>			
<b>-----</b>			
<b>Council</b>			
Personal Services	\$ 183,226	\$	\$ 183,226
Materials & Services	71,620		71,620
Capital Outlay	3,160		3,160
	-----		-----
Subtotal	\$ 258,006	\$ 0	\$ 258,006
<b>Office of General Counsel</b>			
Personal Services	\$ 0	\$ 68,457	\$ 68,457
Materials & Services	0		0
Capital Outlay	0		0
	-----		-----
Subtotal	\$ 0	\$ 68,457	\$ 68,457
<b>Executive Management</b>			
Personal Services	\$ 346,183	\$ (57,468)	\$ 288,715
Materials & Services	78,587		78,587
Capital Outlay	3,000		3,000
	-----		-----
Subtotal	\$ 427,770	\$ (57,468)	\$ 370,302
<b>Finance &amp; Administration</b>			
Personal Services	\$ 897,253	\$	\$ 897,253
Materials & Services	569,320		569,320
Capital Outlay	35,106		35,106
	-----		-----
Subtotal	\$ 1,501,679	\$ 0	\$ 1,501,679
<b>Public Affairs</b>			
Personal Services	\$ 376,573	\$	\$ 376,573
Materials & Services	59,716		59,716
Capital Outlay	10,650		10,650
	-----		-----
Subtotal	\$ 446,939	\$ 0	\$ 446,939
<b>General Expense</b>			
Contingency	\$ 154,745	\$ (10,989)	\$ 143,756
Transfers	272,901		272,901
	-----		-----
Subtotal	\$ 427,646	\$ (10,989)	\$ 416,657
<b>Unappropriated Balance</b>	\$ 53,667	\$	\$ 53,667
<b>Total General Fund Requirements</b>	<b>\$ 3,115,707</b>	<b>\$ 0</b>	<b>\$ 3,115,707</b>

EXHIBIT B

SCHEDULE OF APPROPRIATIONS

	CURRENT APPROPRIATION	REVISION	PROPOSED APPROPRIATION
	-----	-----	-----
<b>INSURANCE FUND</b>			
Materials & Services	\$ 236,500	\$ 26,913	\$ 263,413
Contingency	646,860	(26,913)	619,947
	-----	-----	-----
Total Insurance Fund Requirements	\$ 883,360	\$ 0	\$ 883,360

NO OTHER CHANGES IN ANY FUND.

CONSIDERATION OF RESOLUTION NO. 88-837 AMENDING  
RESOLUTION NO. 87-744, REVISING THE FY 1987-88  
BUDGET AND APPROPRIATIONS SCHEDULE FOR INSURANCE  
PROGRAM MODIFICATIONS AND OFFICE OF GENERAL  
COUNSEL

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Date: January 4, 1988

Presented by: Ray Phelps  
Jennifer Sims

FACTUAL BACKGROUND AND ANALYSIS

The proposed resolution provides necessary budget amendments for the following items:

Insurance Program Modification

Provides for a modified insurance program for liability coverage. The current program as depicted in Attachment A provides no general liability insurance for claims either under \$100,000 or over \$300,000. Higher limits and umbrella coverage have not been available. JBL&K, Metro's broker, has expressed concern that we continue to try to get this coverage because the Oregon tort limit (\$300,000) does not apply to several areas of exposure (e.g., discrimination and out-of-state auto).

JBL&K marketed Metro's insurance requirements and received a declination, mainly due to the diverse nature of operations. The only acceptable quote was from the Special District Association program (SDIS). Two options were considered. The first option is a renewal of the current program. This would include higher umbrella coverage on Metro Center as requested by the owner. Also, SDIS has increased limits on the general liability policy from \$300,000 to \$500,000 in anticipation of the tort limit increase next year. This is shown as Option 1 in Attachment B.

The second option is a restructured program which better meets Metro's insurance needs. The recommended program is depicted in Attachment C as Option 2. The highlights and advantages of this program are as follows:

1. Excess liability of \$1 million would be provided over general (including public officials) and auto liability. This would provide increased coverage and limits for all areas.



2. The existing public officials liability which is on a claims made form would be phased out and replaced with the Special District's Association coverage which is on an occurrence form (more desirable). This would eliminate some duplication and provide better coverage.
3. Except for liquor liability, all coverage would be with the Special Districts Association and on the same renewal schedule.
4. This proposal can be accomplished for a total annual premium of \$165,934 which is only \$11,368 more than renewing the current program.

#### Budget Impact

A comparison of the relative costs of Options 1 and 2 is shown in Attachment D compared to the expiring program. By phasing out the public officials liability and combining it under the new coverage and lowering auto coverage costs Metro will substantially enhance coverage for a reasonable cost.

A budget amendment is needed to implement the recommended option for two reasons: 1) increased premium costs for additional coverage; and 2) renewal dates have changed from July to January. The current line item balance remaining for premiums in the Insurance Fund is \$50,258. A transfer from contingency of \$26,913 is needed to cover the FY 1987-88 expense for Option 2: \$11,368 for increased premium cost; \$15,545 because of shift in premium payment dates. Part of the premium which is due now will be accrued to FY 1988-89. Therefore it will not show as an expense this fiscal year.

#### Office of General Counsel

Provides necessary transfers of funds for the creation of the Office of General Counsel as adopted by Ordinance at the January 14, 1988, Council meeting. This amendment will transfer the positions of General Counsel and temporary Law Clerk from Executive Management to the Office of General Counsel, as well as create a new position of Legal Counsel. \$57,468 will be transferred from Executive Management, Personal Services, to Office of General Counsel, Personal Services. The budget impact will be an additional \$10,989 to be transferred from General Fund contingency.

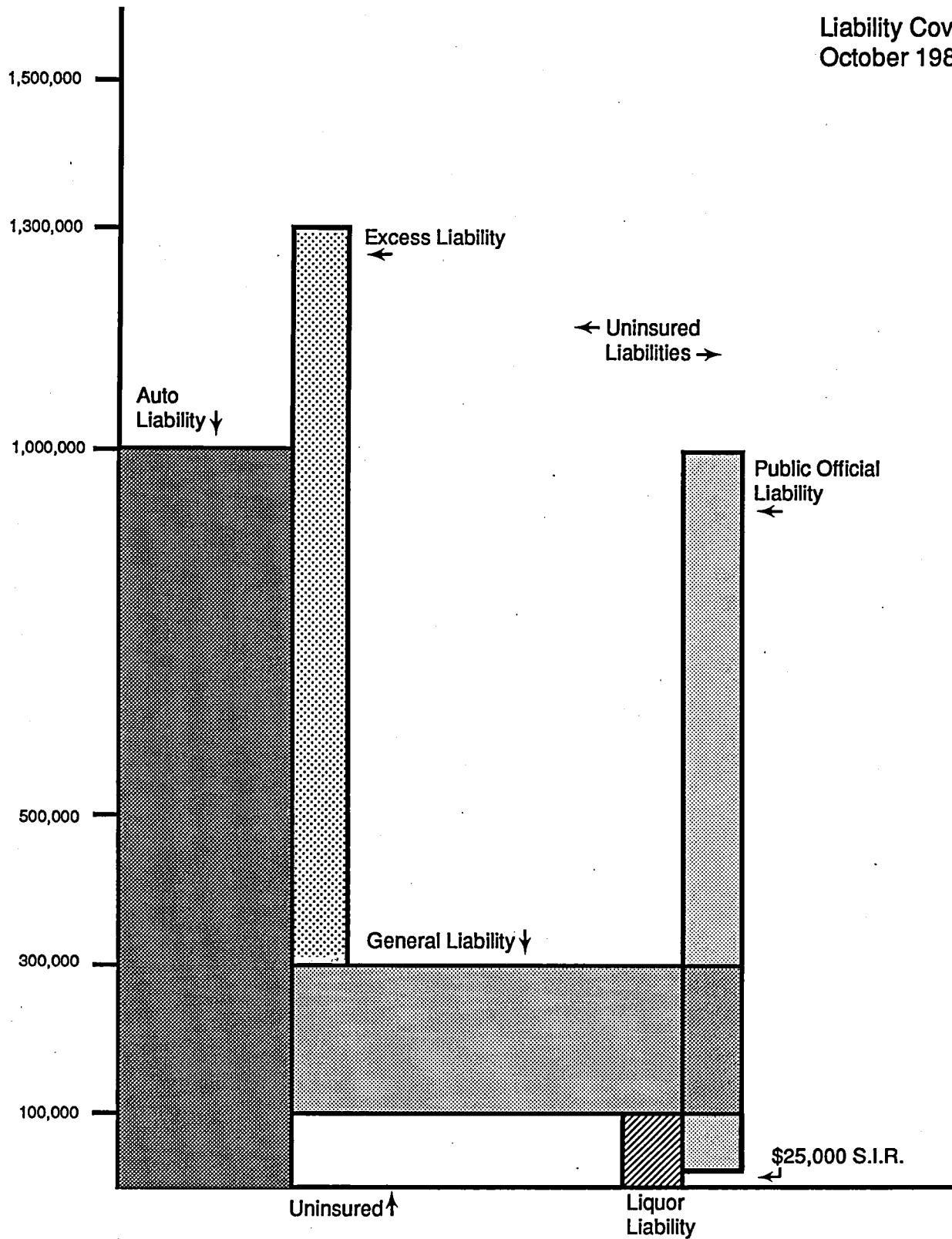
#### EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 88-837.

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**Attachment A**

**Liability Coverage  
October 1987**

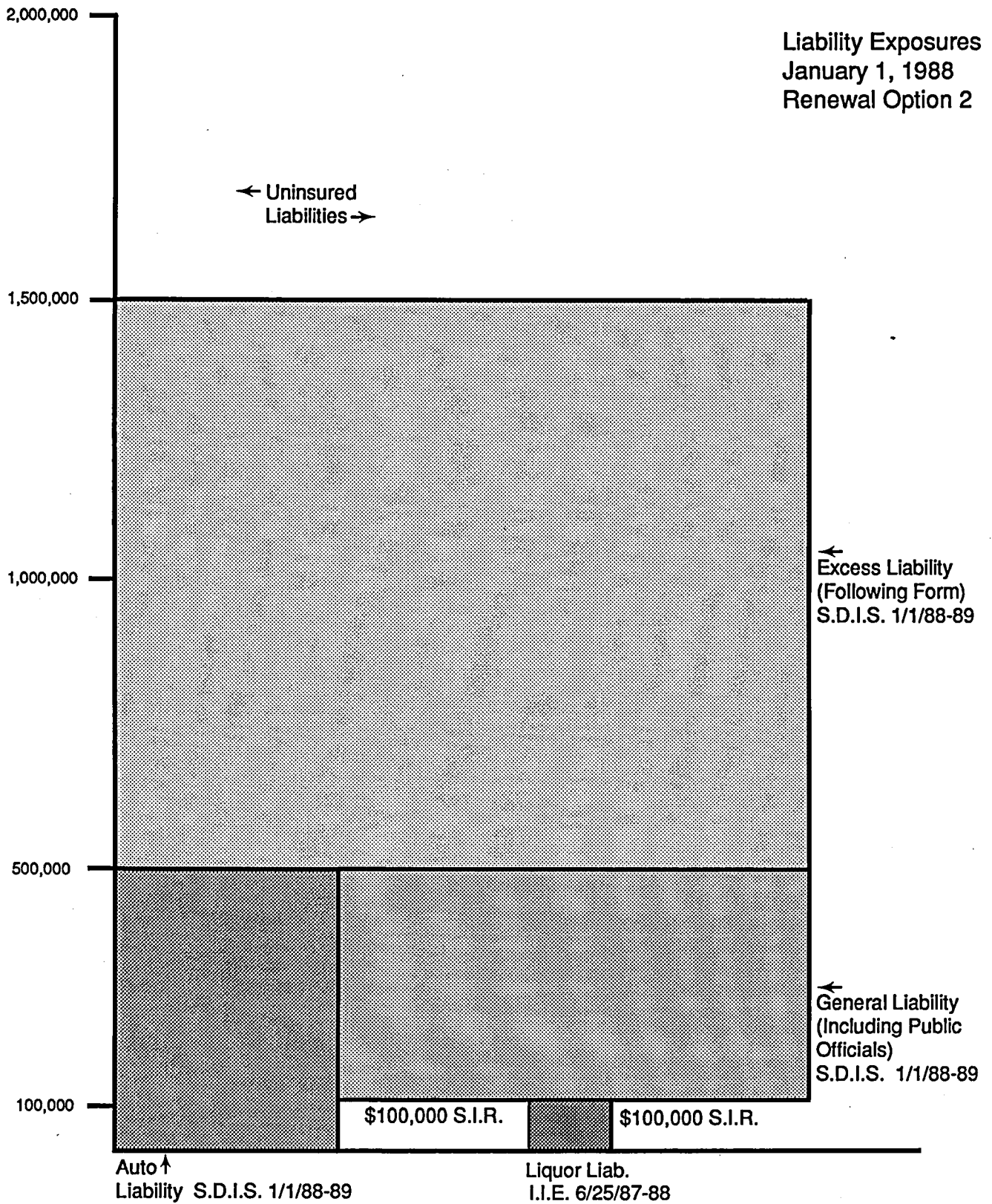


Total Premium \$142,176



**Attachment C**

Liability Exposures  
January 1, 1988  
Renewal Option 2



Total Premium \$165,934  
January 1, 1988 Premium \$154,343

## ATTACHMENT D

## COST AND COVERAGE COMPARISON

	Expiring Coverage 1/1/88	Renewal Option #1	Renewal Option #2
Primary Liability:	300,000 x 100,000	500,000 x 100,000	500,000 x 100,000
Premium	71,000.00	83,070.00	83,070.00
Taxes & Fees	2,982.00	2,253.20	2,253.20
2% S.D.I.S.	1,420.00	1,661.40	1,661.40
Total	<u>75,402.00</u>	<u>86,984.60</u>	<u>86,984.60</u>
Umbrella Liability:	1,000,000 office only	2,000,000 office only	1,000,000 all
Premium	1,500.00	2,250.00	57,766.00
Taxes & Fees	182.00	239.63	2,631.18
Total	<u>1,682.00</u>	<u>2,489.63</u>	<u>60,397.18</u>
Auto Liability:	1,000,000	1,000,000	500,000
Premium	22,251.00	22,251.00	16,961.17
Taxes & Fees	nil	nil	included
Total	<u>22,251.00</u>	<u>22,251.00</u>	<u>16,961.17</u>
Public Officials Liability:	1,000,000 x 25,000	1,000,000 x 25,000	Included Above
Premium	41,250.00	41,250.00	
Liquor Liability:	100,000	100,000	100,000
Premium	1,591.00	1,591.00	1,591.00
TOTAL ANNUAL PREMIUM:	142,176.00	154,566.23	165,933.95
Premium Due 1/1/88	_____	89,474.23	164,342.95
(return premium from cancellation)	_____	_____	est. 10,000.00
NET PREMIUM DUE:		89,474.23	154,342.95

11.4 Consideration of Resolution No. 88-837, for the Purpose of Amending Resolution No. 87-744, Revising the FY 1987-88 Budget and Appropriations Schedule for Insurance Program Modifications and Office of General Counsel

Jennifer Sims, Director of Management Services, summarized staff's written report. In response to Presiding Officer Ragsdale's question about the impact of referring the matter to a committee for review, she urged the resolution be adopted by the end of January to comply with the insurance policy renewal schedule.

There was no public testimony on the resolution.

Motion: Councilor Collier moved, seconded by Councilor DeJardin, to adopt the resolution and to refer the insurance program modifications to the new Finance Committee for review.

Vote: A vote on the motion resulted in all eleven Councilors present voting aye. Councilor Gardner was absent.

The motion carried and Resolution No. 88-837 was adopted.

11.5 Consideration of Resolution No. 88-820, for the Purpose of Complying with the Clackamas Transfer and Recycling Center (CTRC) Conditional Use Permit; and

Consideration of Resolution No. 88-820A, for the Purpose of Stating Council Policy on the Operation of the Clackamas Transfer and Recycling Center (CTRC)

Estle Harlan, representing the Tri-County Council of the Oregon Sanitary Service Institute, distributed written comments in support of the substitute Resolution No. 88-820A.

Councilor DeJardin reported he had served on the team which had attempted to negotiate a solution to problems surrounding the conditional use permit issued by the City of Oregon City for the CTRC. He explained after attempts to negotiate had failed, he was convinced that adoption of Resolution No. 88-820A was in the best interests of the region.

Councilor Gardner said the Council Solid Waste Committee recommended adoption of Resolution No. 88-820A with Councilor Kelley casting the only dissenting vote. The Metro negotiating team had unanimously recommended its adoption.

Motion: Councilor Gardner moved, seconded by Councilor DeJardin, to adopt Resolution No. 88-820A.