

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF AUTHORIZING) RESOLUTION NO. 88-999
THE FINANCE COMMITTEE TO APPOINT)
CITIZENS TO THE METROPOLITAN) Introduced by the Finance
SERVICE DISTRICT'S FY 1989-90) Committee
BUDGET COMMITTEE)

WHEREAS, Citizens of the District have served on the Metropolitan Service District's Budget Committee during the budget review process for each fiscal year since 1983-84, providing a valuable service to help shape budgets and make recommendations to the Council of the Metropolitan Service District; and

WHEREAS, The fiscal 1988-89 Budget Committee evaluated the budget approval process and developed suggestions for improvement (Exhibit A hereto), including the following two recommendations:

- 1) Citizen members of the Budget Committee should be selected earlier, in the Fall;
- 2) Metro should produce quarterly program evaluation reports and include citizen members of the Budget Committee in the quarterly review process, to educate them about the budget before the formal budget approval process begins; and

WHEREAS, The Finance Committee reviewed the above suggestions and has developed a quarterly program review process to be implemented in early November, including citizen members of the Budget Committee participating in the review worksessions to be conducted by Council standing committees; and

WHEREAS, In order to include citizen members of the Budget Committee in the first quarter program reviews, the Council needs to expedite the selection and appointment process of said citizen members; and

WHEREAS, The Metro Council conducted a comprehensive selection, appointment, and budget training process for its citizen members of the fiscal 1988-89 Budget Committee and reappointment of those citizens, if they accept, would serve the fiscal 1989-90 Budget Committee well and assure citizen member participation in the quarterly program review process; now, therefore,

BE IT RESOLVED,

1) That the Council of the Metropolitan Service District authorizes the Finance Committee to reappoint five (5) citizen members of the fiscal 1988-89 Budget Committee for the fiscal 1989-90 Budget Committee who will also participate in the quarterly program review process developed by the Committee to begin in early November of this year;

2) That, if five (5) citizen members of the fiscal 1988-89 Budget Committee are unable to serve on the fiscal 1989-90 committee, the Finance Committee shall select and appoint new citizen members as needed to total five (5) members, taking into account the need for balanced geographical, professional, and minority representation on the Budget Committee.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1988.

NOT ADOPTED

Mike Ragsdale, Presiding Officer

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EXHIBIT A

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In response to Councilor Van Bergen's question, Mr. Carlson said the initial performance audit would be limited to one or two major functional areas.

Ms. Buehner suggested staff contact the City of Portland to learn how its performance auditing system worked.

Chair Collier noted the Executive Officer had stated her support for a performance auditing program for the District.

Mr. Carlson pointed out two revisions to the Scope of Work:
1) page 2 should reflect that \$10,000 would be budgeted for the initial audit; and 2) the evaluation percentages on page 4 would be amended.

Motion: Councilor Gardner moved to approve the revised document entitled "Metropolitan Service District Request for Proposals for Performance Auditing Program Plan."

Vote: A vote on the motion resulted in all four Committee members present voting aye. Councilor Knowles was absent.

The motion carried.

It was agreed the Council would receive a report of the Committee's decision concerning the RFP and that Councilors would be involved in the selection of a project contractor.

3. Review of the FY 1988-89 Budget Process with Citizen Members of the Council Budget Committee

Chair Collier explained she had invited citizen members of the FY 1988-89 Budget Committee to join Councilors on the Finance Committee to discuss ways of improving the budget approval process for FY 1989-90. Comments would be summarized and formal recommendations made for the next fiscal year, she said. Suggestions are noted below.

- * Ms. Buehner suggested Metro produce quarterly evaluation reports of its programs. Citizen members of the Budget Committee could be selected in the fall and be involved early in the process by reviewing quarterly reports. The evaluation process would serve to educate citizens about the budget in advance of the formal budget review meeting process.

- * Ms. Buehner noted the lack of communication between the Executive Officer and Budget Committee and suggested more time be spent to reach agreement regarding the budget preparation and approval process.
- * Mr. Körten requested citizen Budget Committee members receive the following information during their orientation session: an overview of the previous year's budget; progress reports relating to the previous year's budget; an explanation of significant program or budget amount changes from the previous year's budget; and a prioritization of proposed budgeted programs.
- * Mr. Sobohemin thought committee members should be given more time to ask questions about the budget during meetings.
- * Mr. Balmer suggested the budget approval process start earlier; that the time allocated to budget overview be condensed; that more time be allocated to work sessions on the proposed budget; that Council staff be given more lead time to respond to the Committee's requests; that the Committee have more lead time to review information prepared by staff; that budget proposals be submitted in a standard format; that budget justifications focus on explaining major programs and answering the "obvious questions" to help the Committee evaluate the potential effectiveness of proposed programs (i.e., Is this a new program? If it is an existing program, why have costs increased/decreased?); and that personnel justification forms be streamlined.
- * Councilor Gardner agreed with Mr. Balmer's request for a better way to evaluate programs. The line item budget approach did not "tell a story," he explained. He also agreed with Ms. Buehner's request for quarterly program progress reports. The Council and Committee needed to know if the product was being delivered on schedule. He thought it important the Committee mandate how the reports would be organized to ensure the receipt of useful information.
- * Mr. Sobohemin suggested the Committee work to improve Committee/staff relations. A discussion followed about specific problems that had developed during the FY 1988-89 budget review process. Chair Collier explained because the Solid Waste Department had not taken the Committee's requests and budget review role seriously, she had been forced to make specific demands of the department staff. The Council was ultimately accountable to the public for spending the public's money, she said. She was confident the process would improve next fiscal year and she would give priority to communicating with the Executive Officer and staff regarding the Committee's specific requests.

- * Donald Carlson, Council Administrator, suggested the Finance Committee meet with the Executive Officer in the fall to work out a budget approval process plan. Jennifer Sims, Manager of Financial Services, suggested that meeting take place in October. Ms. Sims thought it appropriate for the Council to be specific about the information it needed from staff and to identify its goals and priorities for the new budget year. That information needed to be communicated to staff in October, she said.
- * Councilor Van Bergen agreed the Council needed to improve communications with staff regarding budget objectives and procedures. He also thought the Council committees needed to form their recommendations for Budget Committee consideration much earlier in the review process. Regarding the quarterly reporting process discussed earlier, the Councilor agreed with that approach as long as the reports were produced regularly and in an abbreviated, easily digested format.
- * Councilor Van Bergen did not think citizen participation on the Committee was the best way to educate the public about Metro's budget process or to involve citizens in the decision-making process. He thought too few citizens were involved and the relative costs of informing citizens about Metro through that process too high.
- * Ms. Buehner suggested citizens be appointed to four-year, staggered terms to ensure a better educated committee. Citizen member involvement could begin in October with review of quarterly progress reports. She explained citizens would bring to the Committee a valuable perspective not available on the Council.
- * Councilor Hansen agreed with the quarterly report concept, saying the reports could be more necessary from some departments -- such as Solid Waste -- than others. He thought the Council functional committees could give more guidance on the budget to staff by way of closer review of program progress and review of proposed plans. Councilor Hansen strongly urged that more careful planning take place to avoid the Council and staff having to deal with too many critical issues at budget time. He thought the month of February should be set aside solely for budget issues.
- * Regarding citizen participation in the budget process, Councilor Hansen thought because Councilors served on a volunteer basis and came from diverse areas and backgrounds, Councilors were themselves "citizen members." Council turnover was also fairly high to ensure frequent, new perspectives. As such, the Councilor did not think additional citizen participation was necessary. As a compromise, he suggested citizens attend Council committees when budgets were being considered to make recommendations regarding policies and proposed budgets.

- * Councilor Gardner thought citizen participation on the Budget Committee essential. He did not think Councilors would have the same fresh, individual perspective citizens could provide.
- * Ms. Buehner commented that Metro was still a young government with public image problems. As the agency matured, Councilor turnover would be lower and a citizen perspective would become even more important.
- * Mr. Hohnstein observed that citizen participation during the FY 1988-89 budget review cycle was more productive than the previous year. He thought it essential to continue citizen participation along with implementing the other suggestions made earlier. He cautioned, however, that citizens terms should be limited in order to provide a fresh perspective.
- * Mr. Harloff suggested Committee members be given more time to review staff reports and budget materials. He agreed that citizen participation earlier in the budget review cycle would be beneficial. He supported continuous citizen involvement by review of quarterly program reports and observed that citizen participation would lend an impartial perspective to the Council.
- * Mr. Balmer commented that citizen involvement on the Budget Committee had worked well. Having that involvement forced staff to explain proposed programs. He cautioned against having citizens serve on Council standing committees due to potential legal problems. He also thought most citizens could not commit the time to that extensive of involvement. Mr. Balmer advocated continuing evening meeting attendance since most Councilors and citizens had day jobs that would prohibit day meetings. Finally, he thought staff should devote more time to explaining Metro's revenue sources, financial policies and cost allocation formula.
- * Ms. Buehner thought Metro should publish its budget manual in September.

At the close of the discussion, Chair Collier summarized the Committee's comments as follows:

- * The orientation for new citizen members should be provided earlier.
- * Staff and the Committee should work to avoid last minute rushes; Committee members should have more time to review materials.
- * The budget overview should be condensed and more time spend on budget program work sessions.

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- * The orientation sessions should focus on program tasks rather than line items.
- * Councilors should meet with the Executive Officer at the beginning of the budget cycle to work out budget policies and process.
- * The Committee should clarify its expectations of staff well in advance of the review process.

Chair Collier noted she had not heard a clear consensus on whether citizens should continue to serve on the Budget Committee. She suggested the committee vote on the issue.

Motion: Councilor Gardner moved, seconded by Ms. Buehner, that citizens continue to serve on the Council Budget Committee and a citizen member of the Budget Committee also sit in on each Council standing committee for the purpose of reviewing quarterly program progress reports and considering annual budget programs and policies.

Vote: A vote on the motion resulted in:

Ayes: Balmer, Buehner, Collier, Gardner, Harloff, Hohnstein, Korten, Sobomehin and Collier

Nays: Hansen and Van Bergen

Absent: Knowles

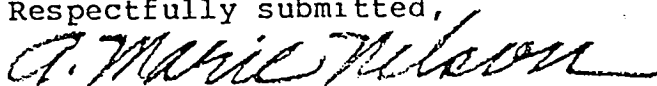
The motion carried.

Councilor Hansen said he appreciated the positive and useful contributions of citizen members of the Budget Committee. However, he explained, if the Committee continued to have citizens serve on the Budget Committee, he did not support the idea of those same citizens serving in an advisory capacity on Council standing committees on a regular basis. Their involvement should be limited observation -- not as full participants, he explained.

Chair Collier said staff would distribute a report of the Committee's recommendations concerning the annual budget review process.

There was no other business and the meeting was adjourned.

Respectfully submitted,



A. Marie Nelson, Clerk of the Council

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2/06/17/88



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Agenda Item No. 7.9

Date: October 19, 1988

Meeting Date Oct. 27, 1988

To: Metro Councilors

From: Marie Nelson, Clerk of the Council

Regarding: RESOLUTION NO. 88-999, AUTHORIZING THE
FINANCE COMMITTEE TO APPOINT CITIZENS TO
THE FY 1989-90 BUDGET COMMITTEE

The Finance Committee will be meeting on Thursday, October 20, to consider the above resolution. The Committee's report and recommendation will be distributed to Councilors prior to the October 27 meeting.